LG Display Co., Ltd.
Form 6-K
November 28, 2011
Table of Contents

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 UNDER

THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2011

LG Display Co., Ltd.

(Translation of Registrant s name into English)

65-228 Hangangno 3-ga, Yongsan-gu, Seoul 140-716, Republic of Korea

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F ¨

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): ¨

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): ¨

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant s home country), or under the rules of the home country exchange on which the registrant s securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant s security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ¨ No x

Table of Contents

QUARTERLY REPORT

(From January 1, 2011 to September 30, 2011)

THIS IS A TRANSLATION OF THE QUARTERLY REPORT ORIGINALLY PREPARED IN KOREAN AND IS IN SUCH FORM AS REQUIRED BY THE KOREAN FINANCIAL SUPERVISORY COMMISSION.

IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED AND CERTAIN NUMBERS WERE ROUNDED FOR THE CONVENIENCE OF READERS.

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A CONSOLIDATED BASIS IN ACCORDANCE WITH KOREAN INTERNATIONAL FINANCIAL REPORTING STANDARDS, OR K-IFRS, WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES IN THIS DOCUMENT.

Contents

2

Table of Contents

Table of Contents

1. **Company**

A. Name and contact information

The name of our company is EL-GI DISPLAY CHUSIK HOESA, which shall be LG Display Co., Ltd. in English.

Our principal executive office is located at 65-228 Hangangno 3-ga, Yongsan-gu, Seoul 140-716, Republic of Korea, and our telephone number is +82-2-3777-1114. Our website address is http://www.lgdisplay.com.

B. Domestic credit rating

Subject	Month of rating	Credit rating	Rating agency (Rating range)
Commercial Paper	January 2006 June 2006 December 2006 June 2007 December 2007 September 2008 December 2008	A1	National Information & Credit Evaluation, Inc. (A1 ~ D)
	June 2006 January 2007 June 2007 December 2007 September 2008	A1	Korea Investors Service, Inc. (A1 ~ D)
Corporate Debenture	June 2006	AA-	
	December 2006 June 2007 September 2008	A+	
	July 2009	AA-	National Information & Credit Evaluation, Inc.
	October 2009 February 2010 May 2010 December 2010 July 2011	AA-	(AAA ~ D)
	June 2006	AA-	Korea Investors Service, Inc.
	January 2007 June 2007 September 2008	A+	(AAA ~ D)
	July 2009 December 2009 February 2010 May 2010	AA-	

August 2010 February 2011 April 2011 August 2011 October 2011		
October 2009 December 2009 August 2010 December 2010 February 2011 April 2011 July 2011 October 2011	AA-	Korea Ratings, Inc. (AAA ~ D)

Table of Contents

C. Capitalization

(1) Change in capital stock (as of September 30, 2011)

(Unit: Won, Share)

Date	Description	Change in number of common shares	Face amount per share
July 23, 2004	Offering [1]	33,600,000	5,000
September 8, 2004	Follow-on offering [2]	1,715,700	5,000
July 27, 2005	Follow-on offering [3]	32,500,000	5,000

(1) ADSs offering: 24,960,000 shares (US$30 per share, US$15 per ADS) / Initial public offering in Korea: 8,640,000 shares (Won)34,500 per share)
(2) ADSs offering: 1,715,700 shares ((Won)34,500 per share) pursuant to the exercise of greenshoe option by the underwriters
(3) ADSs offering: 32,500,000 shares (US$42.64 per share, US$21.32 per ADS)

Table of Contents

(2) Convertible bonds (as of September 30, 2011)

(Unit: In millions of Won, Share)

Item		Content
Issue date		April 18, 2007
Maturity		April 18, 2012
Face amount [(1)]		(Won)513,480
Conversion shares		Registered common shares
Conversion period		Convertible into shares of common stock during the period from April 19, 2008 to April 3, 2012
Conversion price [(2)]		(Won)47,892 per share
Outstanding	Face amount	(Won)61,618
	Number of convertible shares [(2)]	1,286,594 shares if all are converted
Remarks		- Registered form - Listed on Singapore Exchange

(1) Face amount translated from US$550 million at the noon buying rate of the Federal Reserve Bank of New York in effect on April 10, 2007 (which was the date the convertible bond purchase agreement was entered into), which was (Won)933.6 = US$1.00.

(2) Conversion price was adjusted from (Won)49,070 to (Won)48,760 and the number of convertible shares was adjusted from 10,464,234 to 10,530,762 following the approval by the shareholders of a cash dividend of (Won)750 per share at the annual general meeting of shareholders on February 29, 2008. Conversion price was further adjusted from (Won)48,760 to (Won)48,251 and the number of shares issuable upon conversion was adjusted from 10,530,762 to 10,641,851 following the approval by the shareholders of a cash dividend of (Won)500 per share at the annual general meeting of shareholders on March 13, 2009. Conversion price was further adjusted from (Won)48,251 to (Won)48,075 and the number of shares issuable upon conversion was adjusted from 10,641,851 to 10,680,811 following the approval by the shareholders of a cash dividend of (Won)500 per share at the annual general meeting of shareholders on March 12, 2010. In April 2010, certain holders of our US$550 million convertible bonds due 2012 exercised their put option for an aggregate principal amount of US$484 million and were repaid at 109.75% of their principal amount. The remaining US$66 million matures in 2012 at 116.77% of their principal amount. Accordingly, the number of shares issuable upon conversion changed from 10,680,811 to 1,281,697. Conversion price was further adjusted from (Won)48,075 to (Won)47,892 and the number of shares issuable upon conversion was adjusted from 1,281,697 to 1,286,594 following the approval by the shareholders of a cash dividend of (Won)500 per share at the annual general meeting of shareholders on March 11, 2011.

D. Voting rights (as of September 30, 2011)

(Unit: share)

Description	Number of shares
1. Shares with voting rights [A-B]	357,815,700
A. Total shares issued	357,815,700
B. Shares without voting rights	
2. Shares with restricted voting rights	
Total number of shares with voting rights [1-2]	357,815,700

E. Dividends

At the annual general meeting of shareholders on March 11, 2011, our shareholders approved a cash dividend of (Won)500 per share of common stock and payment of the dividends was made in April 2011.

Table of Contents

Dividends during the recent three fiscal years

Description (unit)	2010	2009	2008
Par value (Won)	5,000	5,000	5,000
Profit for the period / Net income (million Won)	1,002,648[3]	1,067,947[4]	1,086,896[4]
Earnings per share (Won) [1]	2,802	2,985	3,038
Total cash dividend amount (million Won)	178,908	178,908	178,908
Total stock dividend amount (million Won)			
Cash dividend payout ratio (%)	17.8	16.8	16.5
Cash dividend yield (%) [2]	1.3	1.3	2.2
Stock dividend yield (%)			
Cash dividend per share (Won)	500	500	500
Stock dividend per share (share)			

(1) Earnings per share is based on par value of (Won)5,000 per share and is calculated by dividing net income by weighted average number of common stock.
(2) Cash dividend yield is the percentage that is derived by dividing cash dividend by the arithmetic average of the daily closing prices of our common stock during the one-week period ending two trading days prior to the closing of the register of shareholders for the purpose of determining the shareholders entitled to receive annual dividends.
(3) Profit for the period based on separate K-IFRS.
(4) Net income based on non-consolidated Korean GAAP.

2. Business

A. Business overview

We were incorporated in February 1985 under the laws of the Republic of Korea. LG Electronics and LG Semicon transferred their respective LCD business to us in 1998, and since then, our business has been focused on the research, development, manufacture and sale of display panels, applying technologies such as TFT-LCD, LTPS-LCD and OLED.

As of September 30, 2011, we operated TFT-LCD and OLED production facilities in Paju and Gumi, Korea and a LCD research center in Paju, Korea. We have also established subsidiaries in the United States, Europe and Asia.

As of September 30, 2011, our business consisted of (i) the manufacture and sale of LCD panels, (ii) the manufacture and sale of OLED panels and (iii) the manufacture and sale of television sets and monitors that utilize our LCD panels. Because our OLED, television set and monitor businesses represent an extremely small portion of our assets and revenues, we have included them as part of our LCD reporting business segment.

Financial highlights by business (based on K-IFRS)

(Unit: In billions of Won)

2011 (Q1~Q3)	LCD business
Sales Revenue	17,681
Gross Profit	864
Operating Profit (Loss)	(780)

Table of Contents

B. Industry

(1) Industry characteristics and growth potential

TFT-LCD technology is one of the widely used technologies in the manufacture of flat panel displays, and the demand for flat panel displays is growing. The flat panel display industry is characterized by entry barriers due to rapidly evolving technology, capital-intensive characteristics, and the significant investments required to achieve economies of scale, among other factors. There is intense competition among the players in the industry, and the industry s production capacity, including ours, is continually increasing.

The demand for LCD panels for notebook computers and desktop monitors has grown, to a degree, in tandem with the growth in the information technology industry. The demand for LCD panels for television sets has been growing as digital broadcasting is becoming more common and as LCD television has come to play an important role in the digital display market. In addition, markets for small- to medium-sized LCD panels, such as those used in mobile phones, P-A/V, medical applications, automobile navigation systems and e-books, among others, have shown continued growth.

The average selling prices of LCD panels may continue to decline with time irrespective of general business cycles as a result of, among other factors, technology advancements and cost reductions.

(2) Cyclicality

The TFT-LCD business is highly cyclical. In spite of the increased demand for products, this industry has experienced periodic volatility caused by imbalances between supply and demand due to capacity expansion within the industry.

Intense competition and expectations of demand growth may lead panel manufacturers to invest in manufacturing capacity on similar schedules, resulting in a surge in capacity when production is ramped up at new fabrication facilities.

During such surges in production capacity, the average selling prices of display panels may decline. Conversely, demand surges and inability of supply to meet such demand may lead to price increases.

(3) Market conditions

The TFT-LCD industry is highly competitive due largely to additional capacity expansion driven by TFT-LCD panel makers.

Most TFT-LCD panel makers are located in Asia.

a. Korea: LG Display, Samsung Electronics (including a joint venture between Samsung Electronics and Sony Corporation), Samsung Mobile Display, Hydis Technologies

b. Taiwan: AU Optronics, Chi Mei Innolux, CPT, Hannstar, etc.

c. Japan: Sharp, Panasonic LCD, etc.

d. China: SVA-NEC, BOE-OT, etc.

(4) Market shares

Our worldwide market share for large-sized TFT-LCD panels based on revenue is as follows:

	2011 (Q1~Q3) [1] [4]	2010 [2] [4]	2009 [3] [5]
Panels for Notebook Computers [6]	35.9%	33.2%	30.3%
Panels for Monitors	27.4%	26.5%	23.9%
Panels for Televisions	26.1%	23.4%	24.4%
Total	26.7%	25.4%	25.2%

Table of Contents

(1) Source: 2011 Q3 DisplaySearch Quarterly Large-Area TFT LCD Shipment Report (advanced version with LED backlight).
(2) Source: 2010 Q4 DisplaySearch Large-Area TFT LCD Shipment Report (advanced version with LED backlight).
(3) Source: 2009 Q4 DisplaySearch Large-Area TFT LCD Shipment Report.
(4) Based on TFT-LCD panels that are 9 inches or larger.
(5) Based on TFT-LCD panels that are 10 inches or larger.
(6) Includes panels for netbooks.

(5) Competitiveness

Our ability to compete successfully depends on factors both within and outside our control, including product pricing, our relationship with customers, successful and timely investment and product development, cost competitiveness, success in marketing to our end-brand customers, component and raw material supply costs, foreign exchange rates and general economic and industry conditions.

In order to compete effectively, it is critical to be cost competitive and maintain stable and long-term relationships with customers which will enable us to be profitable even in a buyer s market.

A substantial portion of our sales is attributable to a limited number of end-brand customers and their designated system integrators. The loss of these end-brand customers, as a result of customers entering into strategic supplier arrangements with our competitors or otherwise, would result in reduced sales.

Developing new products and technologies that can be differentiated from those of our competitors is critical to the success of our business. It is important that we take active measures to protect our intellectual property internationally by obtaining patents and undertaking monitoring activities in our major markets. It is also necessary to recruit and retain experienced key managerial personnel and skilled line operators.

As a leading technology innovator in the display industry, we continue to focus on delivering differentiated value to our customers by developing new technologies and products, including in the categories of 3D, touch screens and next generation displays. With respect to 3D technology, we have commenced mass production of high definition 3D panels with reduced degrees of crosstalk, or the degree of 3D image overlapping, of less than 1% (which is less than what the human eye can perceive). We have also acquired the technical skills and have established a supply chain management system that enables us to provide one-stop solutions to our customers with respect to touch module products. In addition, we have shown that we are technologically a step ahead of the competition by developing products such as 10.1-inch flexible LCDs, 2.6 mm thin televisions (the thinnest in the world at the time) and 19-inch flexible e-papers.

Moreover, we entered into long-term sales contracts with major global firms, including those in the United States and Japan, to secure customers and expand partnerships for technology development.

C. New businesses

In order to meet the rapidly increasing market demand for large TFT-LCD panels, we decided in March 2010 to further expand P8 by investing in P83, which successfully commenced mass production in March 2011. In January 2011, we also decided to invest in a new eighth generation production facility, P98.

We also plan to strengthen our market position in future display technologies by strengthening our OLED business, accelerating the development of flexible display technologies and maintaining our leadership position in the LED backlight LCD market.

Table of Contents

We are making an effort to increase our competitiveness, including in the LCD component parts market, by forming cooperative relationships with suppliers and purchasers of our products. As part of this effort, in March 2005, we established a joint venture company, Paju Electric Glass Co., Ltd., with Nippon Electric Glass Co., Ltd. We invested (Won)14.4 billion in return for a 40% interest in Paju Electric Glass Co., Ltd. In November 2010 and April 2011, we invested an additional (Won)14.8 billion and (Won)4.4 billion, respectively, in Paju Electric Glass Co., Ltd. but the additional investments did not change our percentage interest in Paju Electric Glass Co., Ltd. In July 2008, we purchased 6,850,000 shares of common stock of New Optics Ltd. at a purchase price of (Won)9.7 billion, and in February 2010, we purchased an additional 1,000,000 shares of common stock of New Optics at a purchase price of (Won)2.5 billion. In addition, in February 2009, we purchased 3,000,000 shares of common stock of LIG ADP Co., Ltd. (formerly ADP Engineering Co., Ltd.) at a purchase price of (Won)6.3 billion. In May 2009, we purchased 6,800,000 shares of common stock of Wooree LED Co., Ltd. at a purchase price of (Won)11.9 billion. In November 2009, we purchased TWD212.5 million in convertible bonds from Everlight Electronics Co., Ltd. In December 2009, we purchased 420,000 global depositary shares representing 420,000 shares of Prime View International Co., Ltd s common stock at a purchase price of US$9.9 million. In January 2010, we purchased 10.8 million shares of Can Yang Investment Limited representing a 15% interest at a purchase price of US$10.8 million. In October 2010, we invested an additional US$4.5 million and acquired 4.8 million additional shares of Can Yang Investment Limited.

In October 2008, we established a joint venture company, Suzhou Raken Technology Ltd., with AmTRAN Technology Co., Ltd., a Taiwan corporation. We invested US$10.4 million in return for a 51% interest in Suzhou Raken Technology Ltd. Suzhou Raken Technology Ltd. will supply both parties with TFT-LCD modules and TFT-LCD televisions. Through the establishment of this joint venture, we are able to further expand our customer base by securing a stable long-term panel dealer. It also allows us to produce LCD modules and LCD television sets in a single factory, which enables us to provide our customers with products that are more competitive both in terms of technology and price. In 2009 and 2010, we invested an additional US$58.7 million and US$14.5 million, respectively, in Suzhou Raken Technology Ltd., but the additional investments did not change our percentage interest in Suzhou Raken Technology Ltd.

As part of our strategy to expand our production capacity overseas, we signed an investment agreement and a joint venture agreement in November 2009 with the City of Guangzhou, China, to build an eighth-generation panel fabrication facility in China.

In December 2009, certain LG affiliates and we entered into a joint venture investment agreement and established a joint venture company, Global OLED Technology LLC, for purposes of managing the patent assets relating to OLED technology that we acquired from Eastman Kodak Company in December 2009. As of December 31, 2009, we had invested (Won)72.3 billion in return for a 49% equity interest in the joint venture company. In June 2010, we sold (Won)19.0 billion worth of our equity interest in the joint venture company. After such sale, our equity interest was reduced to 32.73%.

In December 2009, we acquired a 30.6% limited partnership interest in LB Gemini New Growth Fund No. 16. Under the limited partnership agreement, we have agreed to invest a total amount of (Won)30 billion in the fund, and as of December 31, 2010, we had invested (Won)8.3 billion in the fund. By becoming a limited partner of this fund, our aim is to seek direct investment opportunities as well as to receive benefits from the investment. In February 2011, we received a distribution of (Won)1.4 billion from the fund, and in March and April 2011, we invested an additional (Won)1.9 billion and (Won)3.1 billion, respectively, in the fund. In June 2011, we received a further distribution of (Won)0.7 billion as return of principal and (Won)0.9 billion as dividends and we invested an additional (Won)1.2 billion in the fund. The additional investments did not change our investment commitment amount of (Won)30 billion or our limited partnership interest in the fund, which remained at 30.6%.

Table of Contents

In order to establish a production base for LCD modules, LCD television sets and LCD monitors, we entered into a joint investment agreement with Top Victory Investment Ltd. in January 2010 and established L&T Display Technology (Xiamen) Ltd. and L&T Display Technology (Fujian) Ltd. in Xiamen and Fujian, China, respectively. We invested (i) (Won)7.1 billion and acquired a 51% equity interest in L&T Display Technology (Xiamen) Ltd. and (ii) (Won)10.1 billion and acquired a 51% equity interest in L&T Display Technology (Fujian) Ltd.

In May 2010, we completed the acquisition of the LCD module division of LG Innotek Co., Ltd. Through this acquisition, we expect to improve our module manufacturing process and simplify our supply chain which will increase our efficiency and competitiveness.

In August 2010, in order to strengthen our competitiveness in the LED backlight LCD market, we entered into a joint venture with Everlight Electronics Co., Ltd. and AmTRAN Technology Co., Ltd. and established Eralite Optoelectronics (Jiangsu) Co., Ltd., a company that specializes in LED packaging and manufacturing, in Suzhou, China. We invested US$4 million and acquired a 20% equity interest in Eralite Optoelectronics (Jiangsu) Co., Ltd.

In September 2010, in order to strengthen our OLED business, we acquired a 20% equity interest in YAS Co., Ltd., which develops and manufactures OLED deposition equipment components, at a purchase price of (Won)10 billion.

In November 2010, in order to strengthen our e-book business, we acquired a 100% equity interest in Image & Materials, Inc., a company that develops and manufactures e-book deposition equipment components, at a purchase price of (Won)35 billion. In each of June 2011 and September 2011, respectively, we invested an additional (Won)3.0 billion in Image & Materials, Inc.

In October 2010, in order to strengthen our competitiveness in the e-book market, we entered into a joint venture with Iriver Ltd. and established L&I Electronics Technology (Dongguan) Limited, a company that specializes in e-book manufacturing, in Dongguan, China. We invested US$2.6 million and acquired a 51% equity interest in L&I Electronics Technology (Dongguan) Limited.

In November 2010, in order to build Backlight-Module-System (BMS) lines that would help differentiate our technical skills from those of our competitors and increase our cost competitiveness, we entered into a joint venture with Compal Electronics, Inc., a Taiwanese company, and established LUCOM Display Technology (Kunshan) Ltd. in Kunshan, China. We invested US$2.3 million and acquired a 51% equity interest in LUCOM Display Technology (Kunshan) Ltd. In February and April 2011, we invested an additional US$ 3.1 million and US$2.3 million, respectively, in LUCOM Display Technology (Kunshan) Ltd., but the additional investments did not change our percentage interest in LUCOM Display Technology (Kunshan) Ltd.

In April 2011, in order to enhance the product quality and assist the local development of coaters, a component used in our TFT-LCD products, we invested (Won)20 billion and acquired a 16.6% interest in Narae Nanotech Corporation, a Korean equipment manufacturer. In June 2011, we invested an additional (Won)10.0 billion and acquired a further 7.7% interest in Narae Nanotech Corporation. As of September 30, 2011, we held a 23% equity interest in Narae Nanotech Corporation.

Table of Contents

3. Major Products and Raw Materials

A. Major products in 2011 (Q1~Q3)

We manufacture TFT-LCD panels, of which a significant majority is exported overseas.

(Unit: In billions of Won)

Business area	Sales types	Items (Market)	Specific use	Major trademark	Sales (%)
TFT-LCD	Product/ Service/ Other Sales	TFT-LCD (Overseas [1])	Panels for Notebook Computer, Monitor, Television, etc	LG Display	16,182 (91.5%)
		TFT-LCD (Korea [1])	Panels for Notebook Computer, Monitor, Television, etc	LG Display	1,499 (8.5%)
Total					17,681 (100%)

- Period: January 1, 2011 ~ September 30, 2011.

(1) Based on ship-to-party.

B. Average selling price trend of major products

The average selling price of LCD panels per square meter of net display area in the third quarter of 2011 decreased by 5% from the second quarter of 2011. There is no assurance that the average selling prices of LCD panels will not fluctuate in the future due to imbalances in supply and demand.

(Unit: US$ / m^2)

Description	2011 Q3	2011 Q2	2011 Q1	2010 Q4
TFT-LCD panel [1][2]	704	743	702	707

(1) Quarterly average selling price per square meter of net display area shipped.
(2) Includes semi-finished products in the cell process.

C. Major raw materials

Prices of major raw materials depend on fluctuations in supply and demand in the market as well as on change in size and quantity of raw materials due to the increased production of large-sized panels.

(Unit: In billions of Won)

Business area	Purchase types	Items	Specific use	Purchase price [1]	Ratio (%)	Suppliers
TFT-LCD	Raw Materials	Glass	LCD panel manufacturing	2,640	22.14%	Samsung Corning Precision Glass Co., Ltd., Nippon Electric Glass Co., Ltd., etc.
		Backlight		3,672	30.79%	Heesung Electronics Ltd., etc.
		Polarizer		1,817	15.23%	LG Chem, etc.
		Others		3,797	31.84%	-
Total				11,926	100%	-

- Period: January 1, 2011 ~ September 30, 2011.

(1) Based on total cost for purchase of raw materials which includes manufacturing and development costs, etc.

Table of Contents

4. Production and Equipment

A. Production capacity and output

(1) Production capacity

The table below sets forth the production capacity of our Gumi and Paju facilities in the periods indicated.

(Unit: 1,000 Glass sheets)

Business area	Items	Business place	2011 (Q1~Q3) [1]	2010 [2]	2009 [2]
TFT-LCD	TFT-LCD	Gumi, Paju	5,840	7,509	6,219

(1) Calculated based on the maximum monthly input capacity (based on glass input substrate size for eighth generation glass sheets) during the period multiplied by the number of months in the period (i.e., 9 months).
(2) Calculated based on the maximum monthly input capacity (based on glass input substrate size for eighth generation glass sheets) during the year multiplied by the number of months in a year (i.e., 12 months).

(2) Production output

The table below sets forth the production output of our Gumi and Paju facilities in the periods indicated.

(Unit: 1,000 Glass sheets)

Business area	Items	Business place	2011 (Q1~Q3)	2010	2009
TFT-LCD	TFT-LCD	Gumi, Paju	4,932	6,490	5,231

- Based on glass input substrate size for eighth generation glass sheets.

B. Production performance and utilization

(Unit: Hours)

Business place (area)	Available working hours of 2011 (Q1~Q3)	Actual working hours of 2011 (Q1~Q3)	Average utilization ratio
Gumi (TFT-LCD)	6,552 [1] (273 days) [2]	6,470 [1] (270 days) [2]	98.7%
Paju (TFT-LCD)	6,198 [1] (258 days) [2]	5,634 [1] (235 days) [2]	90.9%

(1) Based on the assumption that all working hours in a day (i.e., 24 hours) have been fully utilized.
(2) No. of days are calculated by averaging the no. of working days for each facility. For Paju, includes facilities that commenced production in March 2011.

C. Investment plan

In connection with our strategy to expand our TFT-LCD production capacity, we estimate that we will incur capital expenditures on a cash out basis slightly in excess of (Won)4.0 trillion in 2011. Such amount is subject to change depending on business conditions and market environment.

Table of Contents

5. Sales

A. Sales performance

(Unit: In billions of Won)

Business area	Sales types	Items (Market)		2011 (Q1~Q3)	2010	2009
TFT-LCD	Products, etc.	TFT-LCD	Overseas [1]	16,182	23,806	18,833
			Korea [1]	1,499	1,706	1,205
			Total	17,681	25,512	20,038

(1) Based on ship-to-party.

B. Sales route and sales method

(1) Sales organization

As of September 30, 2011, each of our IT Business Unit, Television Business Unit and Mobile/OLED Business Unit had individual sales and customer support functions.

Sales subsidiaries in the United States, Germany, Japan, Taiwan, China and Singapore perform sales activities and provide local technical support to customers.

(2) Sales route

One of the following:

LG Display HQ and overseas manufacturing subsidiaries g Overseas sales subsidiaries (USA/Germany/Japan/Taiwan/China/Singapore), etc. g System integrators and end-brand customers g End users

LG Display HQ and overseas manufacturing subsidiaries g System integrators and end-brand customers g End users

(3) Sales methods and sales terms

Direct sales and sales through overseas subsidiaries, etc. Sales terms are subject to change depending on the fluctuation in the supply and demand of LCD panels.

(4) Sales strategy

To secure stable sales to major personal computer makers and leading consumer electronics makers globally. To increase sales of high-end notebook computer products (including smartbooks, IPS and slim and narrow bezel notebook computer products), to strengthen sales of the high-end monitor segment (such as LED, IPS, slim and narrow bezel and 3D monitors), to lead in the large and wide television market (including the LED television market) and to continually increase our market

share in the 3D television market by utilizing film patterned retarder technology.

In the small- to medium-sized products segment, which is centered on high-end products applying IPS technology, to strengthen our business portfolio by developing a diverse range of products, such as mobile phone (including smartphone), smartbook, car navigation, e-book, industrial products (including aviation and medical equipment), etc.

Table of Contents

(5) Purchase orders

Customers generally place purchase orders with us one month prior to delivery. Our customary practice for procuring orders from our customers and delivering our products to such customers is as follows:

Receive order from customer (overseas sales subsidiaries, etc.) g Headquarter is notified g Manufacture product g Ship product (overseas sales subsidiaries, etc.) g Sell product (overseas sales subsidiaries, etc.)

6. Market Risks and Risk Management

A. Market risks

Our industry continues to experience continued declines in the average selling prices of display panels irrespective of cyclical fluctuations in the industry, and our margins would be adversely impacted if prices decrease faster than we are able to reduce our costs.

The TFT-LCD industry is highly competitive. We have experienced pressure on the prices and margins of our major products due largely to additional industry capacity from panel makers in Korea, Taiwan, China and Japan. Our main competitors in the industry include Samsung Electronics (including its joint venture with Sony), Samsung Mobile Display, Infovision, Hydis Technologies, AU Optronics, Chi Mei Innolux, Chunghwa Picture Tubes, HannStar, SVA-NEC, BOE-OT, Sharp, Hitachi, TMDisplay, Mitsubishi and Panasonic LCD.

Our ability to compete successfully depends on factors both within and outside our control, including product pricing, performance and reliability, successful and timely investment and product development, success or failure of our end-brand customers in marketing their brands and products, component and raw material supply costs, and general economic and industry conditions. We cannot provide assurance that we will be able to compete successfully with our competitors on these fronts and, as a result, we may be unable to sustain our current market position.

Our results of operations are subject to exchange rate fluctuations. To the extent that we incur costs in one currency and generate sales in a different currency, our profit margins may be affected by changes in the exchange rates between the two currencies. Our sales of display panels are denominated mainly in U.S. dollars, whereas our purchases of raw materials are denominated mainly in U.S. dollars and Japanese Yen. Our risk management policy regarding foreign currency risk is to minimize the impact of foreign currency fluctuations on our foreign currency denominated assets and liabilities.

B. Risk management

The average selling prices of display panels have declined in general and could continue to decline with time irrespective of industry-wide cyclical fluctuations. Certain contributing factors for this decline will be beyond our ability to control and manage. However, in anticipation of such price decline we have continued to develop new technologies and have implemented various cost reduction measures. In addition, in order to manage our risk against foreign currency fluctuations, we have entered into cross-currency interest rate swap contracts and foreign currency forward contracts.

7. Derivative Contracts

A. Currency risks

We are exposed to currency risks on sales, purchases and borrowings that are denominated in currencies other than in Won, our functional currency. These currencies are primarily the U.S. dollar, the Euro, the Japanese Yen and the Chinese Renminbi.

We generally use forward exchange contracts with a maturity of less than one year to hedge against currency risks.

Table of Contents

Interest on borrowings is denominated in the currency of the borrowing. Generally, borrowings are denominated in currencies that match the cash flows generated by our underlying operations, primarily in Won, the U.S. dollar, the Japanese Yen and the Chinese Renminbi.

In respect of other monetary assets and liabilities denominated in foreign currencies, we ensure that our net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, when necessary, to address short-term imbalances. In addition, we also adjust the factoring volumes of foreign currency denominated receivables and utilize usances as means of settling accounts payables relating to capital expenditures for our facilities, in response to currency fluctuations.

B. Interest rate risks

Our exposure to interest rate risks relates primarily to our long term debt obligations. To the extent necessary, we hedge our interest rate risks by entering into interest swap contracts. As of September 30, 2011, we had no interest swap contracts outstanding.

8. Major contracts

Our material contracts, other than contracts entered into in the ordinary course of business, are set forth below.

Type of agreement	Name of party	Term	Content
Technology licensing agreement	Semiconductor Energy Laboratory	October 2005 ~	Patent licensing of LCD and OLED related technology
	Fergason Patent Properties	October 2007 ~	Patent licensing of LCD driving technology
	Hewlett-Packard	January 2011 ~	Patent licensing of semi-conductor device technology
Technology licensing/supply agreement	Chunghwa Picture Tubes	November 2007 ~	Patent cross-licensing of LCD technology
	Hannstar Display Corporation	November 2009 ~	Patent cross-licensing of LCD technology
	AU Optronics Corporation	August 2011~	Patent cross-licensing of LCD technology

Table of Contents

9. Research & Development

A. Summary of R&D expenses

(Unit: In millions of Won)

Account		2011 (Q1~Q3)	2010	2009
Material Cost		431,716	616,072	400,467
Labor Cost		278,949	285,212	191,507
Depreciation Expense		153,936	93,365	89,459
Others		133,748	122,619	92,905
Total R&D Expense		998,349	1,117,268	774,338
Accounting Treatment	Selling & Administrative Expenses	190,378	264,073	168,081
	Manufacturing Cost	712,116	717,848	505,585
	Development Cost (Intangible Assets)	95,855	135,347	100,672
R&D Expense / Sales Ratio [Total R&D Expense÷Sales for the period×100]		5.8%	4.4%	3.8%

B. R&D achievements

[Achievements in 2009]

1) Developments of 15.6-inch, 18.5-inch HD monitors for emerging market

Achieving cost reduction by focusing on basic functions and by applying GIP and DRD

2) Development of 22-inch WSXGA+ monitor applying White LED backlight

Development of our first environmentally friendly slim model (14.5mm in thickness)

Reduces power consumption by 47% compared to conventional CCFL model by applying White LED backlight

3) Development of 24-inch WUXGA+ monitor applying GIP

Development of the world s first monitor applying IPS GIP technology

Increased cost competitiveness by applying 960ch source driver integrated circuits chip, which reduces the number of integrated circuits: 8ea g 6ea

4) Development of 55/47/42-inch FHD LED models

Development of Direct thicker LED model MP

Realization of TM240Hz

5) 240Hz driving technology development

Development of the world s first 1 Gate 1 Drain 240Hz driving technology

6) Development of low voltage liquid crystal development

Improving contrast ratio by 2.7%

Decreases voltage used in liquid crystals reducing circuit heat**;** decreases voltage by 6.9%

7) Development of Ez (Easy) Gamma technology

Minimize Gamma difference by using new measuring algorithm: 2.2±0.6 g 2.2±0.25

8) Development of 22-inch White+ technology

Increases transmissivity by 66% by using White+ Quad type pixel structure

Table of Contents

9) Development of 55FHD direct slim LED model

Development of the world s first direct-mounted 16.3mm depth slim LCM

Realization of 240 block local dimming and Trumotion 240Hz

10) Development of 42HD GIP +TRD technology

The world s first application of the 42HD GIP + TRD structure

Removal of gate drive integrated circuits: 3ea g 0ea

Reduction in source drive integrated circuits: 6ea g 2ea

11) Development of TV3 CR5 Color PR

Realization of 100% BT709 reiteration rate by applying RGB Color Locus

Achieving a 5% increase in CR by decreasing size of Color PR pigment

12) Development of the world s first slim 27W FHD TN monitors

Reduces thickness by applying edge-mounted backlight: 37.2t g 21.6t

Reduces power consumption by 60% compared to conventional models by applying 4Lamp

Realization of MPRT 8ms by applying BDI technology

13) Development of the world s first 25W FHD TN new size monitors

Development of new aspect ratio model: 16:9 wide-format

Reduction in the number of driver integrated circuits by applying 960ch Source Driver: 8ea g 6ea

Removal of gate driver integrated circuits by applying GIP technology

14) Development of 16:9 wide-format power consumption saving monitors (200W HD+, 215W FHD, 230W FHD)

Reduces power consumption by 40% compared to conventional models by applying 2Lamp

Slim design which reduces thickness: 17.0t g 14.5t

To meet Energy Star 5.0 standards

15) Development of the world s first 22-inch WSXGA+ DRD (Double Rate Driving) monitors

A 50% reduction in source driver integrated circuits by applying Double Rate Driving technology: 8ea g 4ea

Removal of gate driver integrated circuits by applying GIP technology

Application of optimum thin-film transistor structure for Double Rate Driving monitors

16) Development of the world s first 23W e-IPS monitors

Slim design: Reduces thickness by applying edge-mounted backlight: 35.7t g 17t

Reduces power consumption by 50% compared to conventional model by applying 4Lamp

Realization of high aperture ratio by applying UH-IPS technology

Reduction in the number of integrated circuits by applying 960ch source driver: 8ea g 6ea

Removal of gate driver integrated circuits by applying GIP technology

To meet Energy Star 5.0 standards

17) Development of high efficiency backlight technology

Removal of DBDEF-D Sheet by increasing backlight luminance level by more than 30% g development of high efficiency lamp and improvement of optics sheet optical efficiency

18

Table of Contents

18) Development of GIP and high aperture ratio technology for QHD IPS model

Stable GIP output in QHD IPS models

Maximizing transmissivity by applying UH-IPS technology and asymmetric pixel design

19) Development of three-dimensional display technology using the shutter glasses method.

Realization of stable rate of 172Hz

Realization of 4port low voltage differential signaling frequencies at a rate of 400MHz

Realization of ODC (Over Driver Circuit) tuning of GTG 3.5ms which is optimum for three-dimensional display

20) Development of 17.1-inch wide-format slim (flat type) panel applying COG (Chip On Panel) chip, our largest slim (flat type) panel

Development of our largest size slim (flat type) model (previously, our largest model was the 15.4-inch wide-format)

Reduction in thickness: 6.5mm g 4.3mm

21) Development of new high resolution 101W model (1024x600, 1366x768)

Achieving higher resolution: 1024x576 g 1024x600, 1366x768

22) Development of world s first 17.3-inch HD+ LED panel for notebook computers

New size and resolution for 16:9 wide-format

Existing model: 17.1-inch WXGA+ 1400x900 / New model: 17.3-inch HD+ 1600x900

23) Development of 13.3-inch HD LED panel for notebook computers

New size and resolution for 16:9 wide-format

24) Development of world s first 14.0-inch HD+ LED panel for notebook computers

New size and HD+ resolution (1600x900) for 16:9 wide-format

25) Development of world s first 15.6-inch HD+ LED panel for notebook computers

First HD+ resolution (1600x900) for 16:9 wide-format

26) Development of world s first 15.6-inch FHD LED panel for notebook computers

First FHD resolution (1920x1080) for 16:9 wide-format

27) Development of the first Green PC models (13.3-inch, 14.0-inch, 15.6-inch)

First models applying Green product concept (halogen free, low power consumption)

28) Development of DRD (Double Rate Driving) technology applying COG (Chip on Glass)

Development of the first COG that applies DRD technology (a 50% reduction in the number of COG drive integrated circuits)

29) Development of 10.1-inch SD (1024 x 600) model for netbooks

Improved resolution: 1024 x 576g1024 x 600

Reduction in cost by applying COG instead of COF

30) Development of 10.1-inch HD (1366 x 768) model for netbooks

Highest resolution among 10.1-inch models

Table of Contents

Reduction in cost by applying GIP technology

31) Development of 17.1-inch WUXGA flat type model

Development of largest flat type model (previously, largest model was 15.4-inch)

The thinnest among 17.1-inch models

Reduction in thickness: 6.5t g 4.3t

32) Developments of 11.6-inch HD monitor for netbooks

Development of largest/ highest resolution monitor for netbooks

Reduction in cost by applying GIP technology

33) Development of low-cost 26-inch and 32-inch HD model for televisions

World s first monitor without a cover shield

Application of sheet type support side

Reduction in cost by applying low-cost single bottom covers for mold frames

34) Development of large-sized (42-inch/47-inch) edge type LED LCD model for televisions

Development of our first model for televisions applying edge type LED backlight (mass production commenced in September 2009)

Slim depth (11.9mm in thickness) & narrow bezel (18mm in thickness)

35) Development of world s first S/D-IC + Tcon merging technology applicable to television monitors

Minimizing size of printed circuit board by applying 1380ch S/D-IC + ASIC technology and removing ASIC chip

A 49% cost reduction in manufacturing circuits

36) Achieving a full product line-up for netbook monitors

A full product line-up that covers the full spectrum of netbook monitor sizes from 8.9-inch to 11.6-inch models

37) Development of our first flat type monitor for netbooks

Development of 11.6-inch flat type HD monitor

38) Development of new LED-applied model utilizing vertical LED array technology

Development of 15.6-inch HD model applying vertical
LED array technology (technology applied in existing models: horizontal LED array)

Reduction in power consumption and raw material costs

39) Development of world s first 21.5W FHD IPS monitor applying white LED backlight technology

Application of environmentally friendly components including white LED backlight and halogen free parts

Achievement of high luminance (more than 330nit) by applying high efficiency white LED backlight

A 100% sRGB coverage

40) Development of world s first 27W QHD IPS monitor applying white LED backlight technology

Application of environmentally friendly components including white LED backlight and halogen free parts

Table of Contents

Achievement of high luminance (more than 380nit) by applying high efficiency white LED backlight

A 100% sRGB coverage

Realization of high resolution (2560x1440)

Removal of gate driver integrated circuits by applying GIP technology

41) Development of world s first 19-inch WXGA monitor applying DRD (Double Rate Driver)

A 50% reduction in the number of source driver integrated circuits by applying DRD (Double Rate Driving) technology

Removal of gate driver integrated circuits by applying GIP technology

Optimization of TFT design structure for DRD (Double Rate Driver) technology

42) Development of world s first 22W e-IPS monitor applying GIP technology

Achievement of high aperture ratio by applying UH-IPS technology

Reduction in the number of source driver integrated circuits by applying 960 channel chip (8eag6ea)

Removal of gate driver integrated circuits by applying GIP technology

43) Development of world s first QHD new high resolution monitor (27W QHD)

Achievement of high resolution (2560 x 1440)

Maximization of aperture ratio applying UH-IPS technology and elimination of gate driver integrated circuits by applying GIP technology

Achievement of high luminance and sRGB coverage of 100% applying high efficiency white LED

44) Development of world s first monitor applying GIP, DRD (Double Rate Driver) and I-VCOM monitor (185W HD)

50% reduction in the number of source driver integrated circuits by applying DRD (Double Rate Driving) technology

Elimination of gate driver integrated circuits by applying GIP technology

Elimination of DBEF Optical sheet by applying I-VCOM technology and optical efficiency improvement in backlight

45) Development of shutter glasses type three-dimensional monitor with full high definition

172Hz operation frame rate

Highest data interface speed of over 400MHz in 4port LVDS interface and achievement of GTG 3.5ms by optimal tuning of ODC (Over Driving Circuit)

46) One layer vertical LED monitor development and reinforcement of monitor product line up (200W HD+, 215W FHD, 230W FHD)

Minimization of the number of LED PKG applying vertical array structure

Elimination of DBEF Sheet applying two-in-one LED PKG

Slim design: optimization of mechanical structure

47) Development of world s first notebook monitor applying 2ea Sheet Backlight

Achieving cost competitiveness by switching from conventional 3~4ea sheet to 2ea complex sheet backlight (with the Diffuser Sheet eliminated)

Table of Contents

[Achievements in 2010]

48) Development of 9.7-inch AH-IPS model for Apple s i-Pad.

Development of the world s first IPS Tablet

Achieving the following viewing angles by applying AH-IPS: top (80°) / bottom (80°) / left (80°) / right (80°)

49) Development of second Green PC products (13.3-inch, 14.0-inch and 15.6-inch in high-definition)

Thin and light; low electricity consumption thereby increasing battery life

Development of Company-led flat product market

50) Development of world s first TruMotion 480Hz product (47-inch and 55-inch in full high-definition)

World s first application of 240hz driving technology and scanning technology to achieve TruMotion 480Hz.

50% reduction in source driver integrated circuits (from 16ea to 8ea) by applying 1 gate 1 drain technology

51) World s first full high-definition 47-inch three-dimensional display panels using Glass Patterned Retarder (GPR) technology

Achieving full high-definition for three-dimensional display panels using GPR technology

52) Development of our first large-sized display panels viewable in three-dimension using shutter glasses (42-inch, 47-inch, 55-inch in full high-definition)

Achieving high aperture ratio by applying S-IPS V technology

Removal of gate driver integrated circuits by applying GIP technology

Reduction in the number of integrated circuits (from 8ea to 6ea) by applying 960Ch source driver integrated circuits

53)

World s first LCD product which uses the LCD monitor s bottom cover as the back cover of a television set (32-inch, 37-inch and 42-inch in full high-definition)

Removal of the television set back cover by replacing it with the LCD monitor s bottom cover. Co-designed with a third party

54) Development of 42-inch and 47-inch full high-definition display panels for television to be sold in emerging markets

Focusing on basic functions and removing functions that are costly

Achieving cost reduction by applying GIP technology

55) Development of intra interface technology for large-sized, high resolution, high frequency display panels

Improved data transmission rate (from 660Mbps to 1.6Gbps)

Developing slim PCBs by decreasing the number of transmission lines

56) Development of our first 21.5-inch and 26-inch full high-definition Edge LED products

Application of 21.5-inch, 26-inch full high-definition TV LED BL and mid-sized full high-definition model Slim TCON (176Pin g 88Pin)

Table of Contents

57) Development of our first 32 high-definition Edge LED product

Application of 32-inch high-definition TV Edge LED BL

58) Development of our first 37-inch full high-definition M240Hz product

Development of 37-inch full high-definition 240Hz panel. Development and mass production of MEMC 240Hz with TCON model.

59) Development of 240Hz panel for LG Electronics Borderless TV

Development of Narrow Bezel 240Hz panel (Bezel 14mm g 7mm) for LG Electronics Borderless TV

60) Development of the world s first slim 23W full high-definition monitor in IPS mode

Slim design by applying slim-type LED backlight (thickness: 14.5t g 11.5t)

Cost saving by applying low voltage liquid crystal

Removal of gate driver integrated circuits by applying GIP technology

61) Development of the world s first slim 185W high-definition monitor in TN mode

Slim design by applying slim-type LED backlight (thickness: 11.5t g 9.7t)

50% reduction in source driver integrated circuits by applying DRD (Double Rate Driving) technology

Elimination of optical sheet by applying new TFT structure technology (I-VCOM)

Removal of gate driver integrated circuits by applying GIP technology

62) Development of 42-inch, 47-inch and 55-inch full high-definition monitors applying low cell gap (3.1 g 2.8um) technology

Enhanced 3D performance (3D CrossTalk 10.x% g 5.x%)

World s first application of this technology in 42-inch, 47 inch and 55-inch full high-definition products

63) Development of ultra slim 0.2t glass 12.1-inch notebook computer

Realization of ultra slim product by applying 0.2t glass and flat screen backlight structure

64) Development of world s first ultra slim 19SX TN monitor

Slim design by applying slim type LED backlight (thickness: 15.5 g 9.9t)

50% reduction (6ea to 3ea) in the number of source driver integrated circuits by applying DRD (Double Rate Driving) technology

Elimination of gate driver integrated circuits by applying GIP technology

65) Development of 215FHD e-IPS monitor products applying LED PKG

Reduction in the number of LED and LED array cost through optimization of LED PKG s beam and size

Realization of 2 sheet structure by adopting I-VCOM resulting in increased transmittance and backlight luminance

Elimination of gate driver integrated circuits by applying GIP technology

Minimization of LCM thickness by applying thin LED array structure (14.5t g 10.2t)

Table of Contents

66) Development and application of LED PKG in 215FHD TN monitor products

Reduction in the number of LED and LED array cost through optimization of LED PKG s beam and size

Elimination of DBEF sheet by adopting I-VCOM resulting in increased transmittance and backlight luminance

Elimination of gate driver integrated circuits by applying GIP technology

Minimization of LCM thickness by applying thin LED array structure (14.5t g 10.2t)

67) Development of world s first slim TN monitor (185W HD, 20W HD+, 215W/23W FHD)

Developing ultra slim monitor by cooperating with set makers in the design process (SET standard: over 20t g 12.9t)

Minimization of LCM thickness by applying thin LED array structure (11.5t g 8.2t)

Simplification of circuit by developing T-con + Scaler 1chip

68) Development of world s first ultra slim 215W FHD TN monitor

Developing ultra slim monitor by cooperating with set makers in the design process (SET standard: 12.9t g 7.2t)

Minimization of LCM thickness by applying thin LED array structure (8.2t g 6t)

104) Development of the world s first 3D FPR type 42-inch, 47-inch and 55-inch full high definition panels

Improved 3D performance (cross talk 1.0% i, 3D luminance 170 nit)

69) Development of our first 42-inch, 47-inch and 55-inch full high definition panels with built-in 3D formatters

Development of our first products with built-in MEMC and 3D formatters

70) Development of the world s first real 240Hz applying GIP driving technology

First to develop real 240Hz applying GIP driving technology

Reduced the number of driver integrated circuits by applying 960ch Source Driver: 8ea g 6 ea

71) Development of panels for Macbook Air

Development and mass production of 116HD, 133 WXGA+ panels

Application of Z-inversion technology for low energy consumption

72) Introduction of the world s first high definition shutter glasses type 3D notebook product (17.3 inch full high definition)

Development of 172Hz high recharging speed notebook LCD panel

Development of Timing Controller (TC) driving technology

73) The first all-in-one touch panel notebook from an LCD panel manufacturer (15.6 inch high definition add-on touch notebook)

The world s first large size (15.6-inch) notebook panel to receive Win7 Touch certification (received on July 23, 2010)

The world s first LCD and touch panel integrated add-on touch module developed by an LCD panel manufacturer

74) Introduction of the world s first Micro Film 3D notebook (15.6-inch full high definition)

The world s first 3D FPR type notebook (developed timely to win market share in the 3D market)

Table of Contents

75) Development of the world s first 240Hz 23W IPS monitor

The world s first to realize 240Hz by application of 120Hz panel driving and scanning technologies

Achievement of Motion Picture Response Time (MPRT) of 8ms

76) Development of the world s first add-on infrared camera type 215W IPS monitor

Realization of thin LCM (20.5t) by application of the world s first add-on infrared camera

Improved touch capabilities (dead zone free and multi-touch) and the first in the world to receive Win 7 Logo certification

Touch location auto correction by applying auto calibration

77) Development of 20-inch high definition and 23-inch full high definition e-IPS monitor products applying widescreen LED PKG

Reduction in the number of LED and LED array cost through optimization of LED PKG s beam and size

Elimination of gate driver integrated circuits by applying GIP technology

Cost reduction and lower power consumption (20% reduction for driver integrated circuits) by using low voltage driver integrated circuits

Minimization of LCM thickness by applying thin LED array structure (for 20-inch high definition panels: 14.5t g 10.2t)

78) Development of 20-inch high definition and 23-inch full high definition TN monitor products applying widescreen LED PKG

Reduction in the number of LED and LED array cost through optimization of LED PKG s beam and size

Elimination of DBEF sheet by adopting I-VCOM resulting in increased transmittance and backlight luminance (for 20-inch high definition monitors)

50% reduction in the number of source driver integrated circuits by applying DRD technology (for 23-inch full high definition panels)

Elimination of gate driver integrated circuits by applying GIP technology

Minimization of LCM thickness by applying thin LED array structure (11.5t g 10.2t)

[Achievements in 2011]

79) Introduction of glass-free mobile 3D product (4.3-inch WVGA)

Development and preparation for mass production of our first glass-free 3D product (utilizing barrier cell)

80) Introduction of the world s first 12.5-inch AH-IPS notebook product

Development of the world s first 12.5-inch notebook utilizing AH-IPS technology

Achievement of a maximum circuit logic power of 1.0W

Development of a slim and light AH-IPS model (development of a model that utilizes IPS and flat PCB)

81) Introduction of an integrated 14.0-inch touch panel notebook product

Development of a 14.0-inch touch panel notebook product as part of our plan to develop and expand our integrated touch panel products portfolio

Table of Contents

82) Introduction of our 15.6-inch dream color IPS notebook product

Development of a notebook utilizing H-IPS technology

Realization of a 100% color reproduction rate by applying RGB LED technology

Realization of 1.073G color by applying 10-bit color depth technology

83) Development and mass production of 9.7-inch LCD panels for i-Pad 2

Application of AH-IPS and slim LCD technology

Decreased thickness by 20% and weight by 7% compared to LCD panel for i-Pad 1

84) Development of the world s first 3D FPR 23-inch FHD TN monitor product

Minimization of flicker / crosstalk by applying FPR technology

Minimization of cost increase by applying one layer 3D film

Realization of high luminance 3D images (two times the luminance compared to images from monitors utilizing shutter glass technology)

85) Introduction of our first 50-inch Cinema TV product

Application of 21:9 screen display ratio (2560 x 1080 resolution)

Application of 960ch + EPI source driver integrated circuits for optimal high-resolution

Application of scanning technology under the Horizontal 2Edge structure

86) Development of the world s first 3D FPR 23-inch IPS FHD monitor product

Minimization of flicker / crosstalk by applying FPR technology

Minimization of cost increase by applying one layer 3D film

Realization of high luminance 3D images (two times the luminance compared to images from monitors utilizing shutter glass technology)

87) Development and introduction of the world s first 15.6-inch HD FPR 3D notebook product

Realization of the world s first 15.6-inch HD FPR 3D product

Realization of high luminance 3D images (two times the luminance compared to images from notebooks utilizing shutter glass technology)

Minimization of cost increase by applying one layer 3D film

88) Development and introduction of the world s first 17.3-inch Dream Color AH-IPS notebook product

Development of the world s first 17.3-inch notebook computer applying AH-IPS

Realization of Dream Color (100% color reproduction rate) by applying RGB LED

Realization of 1.073G color by applying Color Depth 10-bit technology

Realization of 89 degrees viewing angle (up/down/left/right) by applying IPS technology

89) Development and introduction of a 15.6-inch HD product with the world s lowest (at the time) power consumption from logic circuit (0.5W).

Application of DRD Z-inversion, HVDD and low voltage process

Application of high intensity LED (2.3cd) and Vcut light guide plate

Increase in battery life due to logic circuit power consumption reduction

Table of Contents

90) Development of the world s smallest (at the time) Narrow Bezel Notebook Model

The first in the world to apply 4.5 mm narrow bezel

Formation of camera hole by B/M mask patterning

91) Development of a new 10.1-inch WX smartbook LCD

Development of the our first 10.1-inch WXGA LCD following in the footsteps of our 9.7-inch XGA model

Realization of reduced power consumption, high permeability and increased viewing angle by application of IPS technology.

92) Development of a 42-inch full high-definition product applying COT technology

Simplifying panel production process by applying COT (Color Filter on TFT) technology

Luminance increased by 10%

93) Development of 42-inch, 47-inch and 55-inch direct slim LCD TV

Development of the world s first direct-mounted 11.0mm depth ultra-slim LCM model

Application of 96 block local dimming and M240Hz technology

94) Development of a 47-inch super narrow public display panel

Development of our first super narrow bezel (seam 6.9mm) product for application in public display panels

95) Introduction of the world s first 15.6-inch full high-definition AH-IPS notebook product

Development of the world s first 15.6-inch full high-definition model applying AH-IPS technology

Development of slim & light AH-IPS model (thickness: 3.4mm; weight: 330g)

Achieving the following viewing angles by applying IPS technology; 178° from top to bottom; 178° from left to right

96) Development of a 15.6-inch full high-definition notebook applying a new backlight arrangement

Optimization of light placement by application of New Concept LED Backlight

Reduction in the number of LED integrated circuits (78ea g 10ea) by application of mid-power LED

Reduced energy consumption pursuant to a reduction in the number of LED integrated circuits (7.4W g 5.9W)

97) Development of the world s first 215/25/27 full high-definition TN and 215 full high-definition IPS 3D monitor

Minimization of flicker/crosstalk by application of FPR technology

Minimization of cost increase by applying one-layered 3D film

Realization of high luminance 3D images (two times the luminance compared to images from monitors utilizing shutter glass technology)

98) Development of a 4.5-inch real HD AH-IPS display smartphone product

For 4G LTE smartphones (introduced by LG Electronics in September 2011)

Application of real HD720 resolution and AH-IPS technology

Table of Contents

10. Intellectual Property

As of September 30, 2011, we held a total of 16,237 patents, including 7,169 in Korea and 9,068 in other countries.

11. Environmental Matters

We are subject to a variety of environmental regulations and we may be subject to fines or restrictions that could cause our operations to be interrupted. Our manufacturing processes generate worksite waste, including water and air pollutants, at various stages in the manufacturing process, and we are subject to a variety of laws and regulations relating to the use, storage, discharge and disposal of such chemical by-products and waste substances. We have installed various types of anti-pollution equipment, consistent with environmental standards, for the treatment of chemical waste and equipment for the recycling of treated waste water at our various facilities. However, we cannot provide assurance that environmental claims will not be brought against us or that the local or national governments will not take steps toward adopting more stringent environmental standards. Any failure on our part to comply with any present or future environmental regulations could result in the assessment of damages or imposition of fines against us, suspension of production or a cessation of operations. In addition, environmental regulations could require us to acquire costly equipment or to incur other significant compliance expenses that may materially and negatively affect our financial condition and results of operations.

We have also voluntarily agreed to reduce emission of greenhouse gases, such as triflouride oxide and perfluoro compounds, or PFCs, including sulfur hexafluoride, or SF6, gases, by installing abatement systems to meet voluntary emissions targets for the TFT-LCD industry for 2010. As part of our voluntary activities to reduce emission of greenhouse gases, we installed triflouride oxide abatement systems at all of our production lines. We also installed an SF6 abatement system in P1 in April 2005, and we, along with LG International Corp., have taken steps to install additional SF6 abatement systems through the use of Clean Development Mechanism, or CDM, projects. On July 10, 2010, after becoming the first TFT-LCD company to receive the UNFCCC CDM Executive Board s approval of our CDM project, we installed an SF6 abatement system in P6. In June 2011, we received 144,222 tons of certified emission reduction credits from the UN for the reduction of greenhouse gas emissions during the period from August 1, 2010 to September 30, 2010 and an additional 214,847 tons of certified emission reduction credits from the UN for the reduction of greenhouse gas emissions during the period from October 1, 2010 to December 31, 2010. We were the first LCD company to receive such certified emission reduction credits pursuant to an SF6 decomposition CDM project. Currently, a third party accreditation agency is also examining the reduction of our greenhouse gas emissions during the period from January 1, 2011 to April 30, 2011 as part of our application for receiving certified emission reduction credits from the UN. In August 2011, we commenced the installation of an SF6 abatement system in P7 through the implementation of CDM projects which is expected to become operational in 2012 and further reduce our greenhouse gas emissions.

Currently, the Korean government is implementing the greenhouse gas emission reduction target system under the Framework Act on Low Carbon, Green Growth and is expected to assign greenhouse gas emission reduction targets to individual companies in 2011. Once such greenhouse gas emission reduction targets have been assigned, certain companies may need to invest in additional equipment and there may be other costs associated with meeting the reduction target, which may have a negative effect on such companies profitability or production activities. In addition, if a company fails to meet its reduction target and does not comply with the government s subsequent enforcement notice relating thereto, it may be subject to fines.

In connection with the greenhouse gas emission reduction target system, we have prepared a statement of our domestic emissions and energy usage and have submitted it to the government-designated accreditation agency. In addition, in order to improve the efficiency and reliability of measuring our greenhouse gas emission reduction activities, we plan to make improvements in our electronic greenhouse gas inventory system.

In addition, as of September 30, 2011, we were party to voluntary agreements, which reflect a coordinated energy conservation initiative between government and industry, with respect to our operation of P1 through P8, the Gumi module production plant and the Paju module production plant. In accordance with such agreements, we have implemented a variety of energy-saving measures in those facilities, including installation of energy saving devices and consulting with energy conservation specialists.

Table of Contents

Operations at our manufacturing plants are subject to regulation and periodic monitoring by the Korean Ministry of Environment and local environmental protection authorities. We believe that we have adopted adequate anti-pollution measures and have minimized our impact on the environment by improving existing and developing new technologies for the effective maintenance of environmental protection standards consistent with local industry practice. In addition, we have continually monitored, and we believe that we are in compliance in all material respects with, the applicable environmental laws and regulations in Korea. Expenditures related to such compliance may be substantial. Such expenditures are generally included in capital expenditures. As required by Korean law, we employ licensed environmental specialists for each environmental area, including air quality, water quality, toxic materials and radiation. We currently have ISO 14001 certifications with respect to the environmental record for P1 through P8, our OLED production facility in Gumi, Korea, our Gumi module production plant and our Paju module production plant, as well as our module production plants in Nanjing and Guangzhou, China. In addition, with respect to P1 through P8 and our module production plants in Gumi and Paju, we have participated in, and have received certification for, a pilot environment management system called the green management certification system. We have been certified by the Korean Ministry of Environment as a Green Company , with respect to our environmental record for P1 and our module production plant in Gumi since 1997, with respect to our operations at P2 and P3 since 2006, and with respect to our operations at P4, P5 and P6 since 2008.

We also have an internal monitoring system to control the use of hazardous substances in the manufacture of our products as we are committed to compliance with all applicable environmental laws and regulations, including European Union Restriction of Hazardous Substances (RoHS) Directive 2002/95/EC, which took effect in July 2006, and restricts the use of certain hazardous substances in the manufacture of electrical and electronic equipment.

In October 2005, we became the first TFT-LCD company to receive accreditation as an International Accredited Testing Laboratory by the Korea Laboratory Accreditation Scheme, which is operated by the Korean Ministry of Knowledge Economy. In September 2006, we received international accreditation from TUV SUD, EU s German accreditation agency, as a RoHS testing laboratory. Moreover, we participated in reforming IEC 62321 by 2012, a RoHS international testing standard, by including a halogen-free combustion ion chromatography method in our committee draft that we submitted in June 2010.

In addition, we have implemented a green purchasing system that prevents the use of hazardous materials from the purchasing stage. As a result of the green purchasing system, we are in compliance with RoHS and other applicable environmental laws and regulation, and we became the first TFT-LCD company to receive the Hazardous Substance Process Management QC080000 certification, or HSPM, from the International Electrotechnical Commission. HSPM is used to help companies manage their hazardous materials and be in compliance with RoHS.

Table of Contents

12. Financial Information

A. Financial highlights (Based on consolidated K-IFRS)

(Unit: In millions of Won)

Description	As of September 30, 2011	As of December 31, 2010	As of December 31, 2009
Current assets	7,412,425	8,840,433	8,226,142
Quick assets	5,043,621	6,625,216	6,558,362
Inventories	2,368,804	2,215,217	1,667,780
Non-current assets	17,361,685	15,017,225	11,477,335
Investments in equity accounted investees	363,684	325,532	282,450
Property, plant and equipment, net	14,939,543	12,815,401	9,596,497
Intangible assets	530,397	539,901	352,393
Other non-current assets	1,528,061	1,336,391	1,245,995
Total assets	24,774,110	23,857,658	19,703,477
Current liabilities	9,658,670	8,881,829	6,495,071
Non-current liabilities	4,932,628	3,914,862	3,168,657
Total liabilities	14,591,298	12,796,691	9,663,728
Share capital	1,789,079	1,789,079	1,789,079
Share premium	2,251,113	2,251,113	2,251,113
Reserves	38,502	(35,298)	(51,005)
Retained earnings	6,077,086	7,031,163	6,050,562
Non-controlling interest	27,032	24,910	0
Total equity	10,182,812	11,060,967	10,039,749

(Unit : In millions of Won, except for per share data)

Description	For the nine months ended September 30, 2011	For the nine months ended September 30, 2010	For the nine months ended September 30, 2009 (1)
Revenue	17,681,311	19,028,172	14,132,558
Results from operating activities	(779,601)	1,697,470	696,985
Income (Loss) from continuing operation	(781,641)	1,427,606	615,654
Profit (Loss) for the period	(781,641)	1,427,606	615,654
Basic earnings (losses) per share	(2,170)	3,987	1,721
Diluted earnings (losses) per share	(2,170)	3,892	1,721

(1) Although our financial statements for the year ended December 31, 2009 have been audited by our independent auditors in accordance with K-IFRS, our financial statements for the nine months ended September 30, 2009 have not been reviewed by our independent auditors.

30

Table of Contents

B. Financial highlights (Based on separate K-IFRS)

(Unit: In millions of Won)

Description	As of September 30, 2011	As of December 31, 2010	As of December 31, 2009
Current assets	7,039,583	8,499,873	7,973,355
Quick assets	5,074,135	6,739,908	6,687,050
Inventories	1,965,448	1,759,965	1,286,305
Non-current assets	16,973,183	14,658,125	11,283,512
Investments	1,361,287	1,279,831	1,075,229
Property, plant and equipment, net	13,724,860	11,688,061	8,730,263
Intangible assets	473,613	483,260	340,885
Other non-current assets	1,413,423	1,206,973	1,137,135
Total assets	24,012,766	23,157,998	19,256,867
Current liabilities	9,257,526	8,453,869	6,120,663
Non-current liabilities	4,891,688	3,833,454	3,102,006
Total liabilities	14,149,214	12,287,323	9,222,669
Share capital	1,789,079	1,789,079	1,789,079
Share premium	2,251,113	2,251,113	2,251,113
Reserves	(2,854)	(7,795)	(17,366)
Retained earnings	5,826,214	6,838,278	6,011,372
Non-controlling interest	0	0	0
Total equity	9,863,552	10,870,675	10,034,198

(Unit: In millions of Won, except for per share data)

Description	For the nine months ended September 30, 2011	For the nine months ended September 30, 2010	For the nine months ended September 30, 2009 (1)
Revenue	17,022,421	18,793,301	14,194,396
Results from operating activities	(926,805)	1,453,412	728,392
Income (Loss) from continuing operation	(834,324)	1,305,635	662,199
Profit (Loss) for the period	(834,324)	1,305,635	662,199
Basic earnings (losses) per share	(2,332)	3,649	1,851
Diluted earnings (losses) per share	(2,332)	3,558	1,851

(1) Although our financial statements for the year ended December 31, 2009 have been audited by our independent auditors in accordance with K-IFRS, our financial statements for the nine months ended September 30, 2009 have not been reviewed by our independent auditors.

Table of Contents

C. Consolidated subsidiaries (as of September 30, 2011)

Company	Primary Business	Location	Ownership Ratio
LG Display America, Inc.	Sales	U.S.A	100%
LG Display Germany GmbH	Sales	Germany	100%
LG Display Japan Co., Ltd.	Sales	Japan	100%
LG Display Taiwan Co., Ltd.	Sales	Taiwan	100%
LG Display Nanjing Co., Ltd.	Manufacturing and sales	China	100%
LG Display Shanghai Co., Ltd.	Sales	China	100%
LG Display Poland Sp. zo.o.	Manufacturing and sales	Poland	80%
LG Display Guangzhou Co., Ltd.	Manufacturing and sales	China	90%
LG Display Shenzhen Co., Ltd.	Sales	China	100%
LG Display Singapore Pte. Ltd.	Sales	Singapore	100%
L&T Display Technology (Xiamen) Co., Ltd.	Manufacturing and sales	China	51%
L&T Display Technology (Fujian) Co., Ltd.	Manufacturing and sales	China	51%
LG Display Yantai Co., Ltd.	Manufacturing and sales	China	100%
L&I Electronic Technology (Dongguan) Limited	Manufacturing and sales	China	51%
Image & Materials, Inc.	Manufacturing and sales	Korea	100%
LUCOM Display Technology (Kunshan) Limited	Manufacturing and sales	China	51%

Table of Contents

D. Status of equity investment

Status of equity investment as of September 30, 2011:

Company	Paid-in Capital		Initial Equity Investment Date	Ownership Ratio
LG Display America, Inc.	US$	185,000,000	September 24, 1999	100%
LG Display Germany GmbH	EUR	960,000	November 5, 1999	100%
LG Display Japan Co., Ltd.	¥	95,000,000	October 12, 1999	100%
LG Display Taiwan Co., Ltd.	NT$	115,500,000	May 19, 2000	100%
LG Display Nanjing Co., Ltd.	CNY	2,552,191,315	July 15, 2002	100%
LG Display Shanghai Co., Ltd.	CNY	4,138,650	January 16, 2003	100%
LG Display Poland Sp. zo.o.	PLN	410,327,700	September 6, 2005	80%
LG Display Guangzhou Co., Ltd.	CNY	895,904,754	August 7, 2006	90%
LG Display Shenzhen Co., Ltd.	CNY	3,775,250	August 28, 2007	100%
LG Display Singapore Pte. Ltd.	SGD	1,400,000	January 12, 2009	100%
L&T Display Technology (Xiamen) Co., Ltd.	CNY	41,785,824	January 5, 2010	51%
L&T Display Technology (Fujian) Co., Ltd.	CNY	59,197,026	January 5, 2010	51%
LG Display Yantai Co., Ltd.	CNY	273,048,000	April 19, 2010	100%
L&I Electronic Technology (Dongguan) Limited	CNY	17,062,560	October 25, 2010	51%
Image & Materials, Inc.	(Won)	40,999,919,576	November 29, 2010	100%
LUCOM Display Technology (Kunshan) Limited	CNY	50,353,677	December 27, 2010	51%
Suzhou Raken Technology Co., Ltd.	CNY	569,455,395	October 7, 2008	51%
Paju Electric Glass Co., Ltd.	(Won)	33,648,000,000	March 25, 2005	40%
TLI Co., Ltd.	(Won)	14,073,806,250	May 16, 2008	12%
AVACO Co., Ltd.	(Won)	6,172,728,120	June 9, 2008	20%
Guangzhou Vision Display Technology Research and Development Limited	CNY	25,000,000	July 11, 2008	50%
NEW OPTICS, Ltd.	(Won)	12,199,600,000	July 30, 2008	42%
LIG ADP Co., Ltd.	(Won)	6,330,000,000	February 24, 2009	13%
Wooree LED Co., Ltd.	(Won)	11,900,000,000	May 22, 2009	30%
Dynamic Solar Design Co., Ltd.	(Won)	6,066,658,000	June 24, 2009	40%
RPO, Inc.	US$	12,285,022	November 3, 2009	26%
Global OLED Technology LLC	US$	45,170,000	December 23, 2009	33%
LB Gemini New Growth Fund No. 16	(Won)	12,444,647,109	December 7, 2009	31%
Can Yang Investment Ltd.	US$	15,300,000	January 27, 2010	12%
YAS Co., Ltd.	(Won)	10,000,000,000	September 16, 2010	19%
Eralite Optoelectronics (Jiangsu) Co., Ltd.	US$	4,000,000	September 28, 2010	20%
Narae Nanotech Corporation	(Won)	30,000,000,000	April 22, 2011	23%

13. Audit Information

A. Audit service

(Unit: In millions of Won, hours)

Description	2011 (Q1~Q3)	2010	2009
Auditor	KPMG Samjong	KPMG Samjong	KPMG Samjong
Activity	Audit by independent auditor	Audit by independent auditor	Audit by independent auditor

Compensation [1]	850 (285) [2]	850 (585) [3]	700 (540) [4]
Time required	8,934	16,646	17,569

Table of Contents

(1) Compensation amount is the contracted amount for the full fiscal year.
(2) Compensation amount in ( ) is for Form 20-F filing and SOX 404 audit.
(3) Compensation amount in ( ) is for K-IFRS audit, Form 20-F filing and SOX 404 audit.
(4) Compensation amount in ( ) is for US-GAAP audit, Form 20-F filing and SOX 404 audit.

B. Non-audit service

Not applicable.

14. Board of Directors

A. Independence of directors

Outside director: Independent

Non-outside director: Not independent

Each of our outside directors meets the applicable independence standards set forth under the applicable laws and regulations. Each of our outside directors was nominated by the Outside Director Nomination and Corporate Governance Committee, was approved by the board of directors and was appointed at the general meeting of shareholders. None of our outside directors has or had any business transaction or any related party transactions with us. Our outside directors are comprised of three persons, all of whom are also members of our audit committee. As of September 30, 2011, our non-outside directors were comprised of the chief executive officer, the chief financial officer and a non-standing director.

B. Members of the board of directors (as of September 30, 2011)

Name	Date of birth	Position	Business experience	First Elected
Young Soo Kwon	February 6, 1957	Representative Director, President and Chief Executive Officer	President and Chief Financial Officer of LG Electronics	January 1, 2007
James (Hoyoung) Jeong	November 2, 1961	Director and Chief Financial Officer	Executive Vice President and Chief Financial Officer of LG Electronics	January 1, 2008
Yu Sig Kang	November 3, 1948	Director	Vice Chairman, Representative Director, LG Corp.	March 11, 2011
Tae Sik Ahn	March 21, 1956	Outside Director	Dean, College of Business Administration and Graduate School of Business, Seoul National University	March 12, 2010
William Y. Kim	June 6, 1956	Outside Director		February 29, 2008

			Partner at Ropes & Gray LLP	
Jin Jang	November 28, 1954	Outside Director	Chair Professor, Department of Information Display, Kyung Hee University	March 11, 2011

Table of Contents

C. Committees of the board of directors (as of September 30, 2011)

Committee	Composition	Member
Audit Committee	3 outside directors	Tae Sik Ahn, Jin Jang, William Y. Kim
Outside Director Nomination and Corporate Governance Committee	1 non-outside director and 2 outside directors	James (Hoyoung) Jeong, Jin Jang, William Y. Kim
Remuneration Committee	1 non-outside director and 2 outside directors	James (Hoyoung) Jeong, William Y. Kim, Tae Sik Ahn

15. Information Regarding Shares

A. Total number of shares

(1) Total number of shares authorized to be issued (as of September 30, 2011): 500,000,000 shares.

(2) Total shares issued and outstanding (as of September 30, 2011): 357,815,700 shares.

B. Shareholder list

(1) Largest shareholder and related parties:

(Unit: share)

Name	Relationship	As of September 30, 2011
LG Electronics	Largest Shareholder	135,625,000 (37.9%)
Young Soo Kwon	Related Party	23,000 (0.0%)

(2) Shareholders who are known to us to own 5% or more of our shares as of September 30, 2011:

Beneficial Owner	Number of Shares of Common Stock	Percentage
LG Electronics	135,625,000	37.9%
National Pension Service	21,645,586	6.1%

Table of Contents

16. Directors and Employees

A. Directors

(1) Remuneration for directors in 2011 (H1)

(Unit: In millions of Won)

Classification	No. of directors (1)	Amount paid (2)	Per capita average remuneration paid (6)	Remarks
Non-outside directors	3	1,246 (3)	415	
Outside directors who are not audit committee members	1	39 (4)	33	
Outside directors who are audit committee members	3	90 (5)	28	
Total	7	1,374		

- Period: January 1, 2011 ~ June 30, 2011

(1) No. of directors as at June 30, 2011.
(2) Amount paid is calculated on the basis of actually paid amount except accrued salary and severance benefits.
(3) Among the non-outside directors, Yu Sig Kang does not receive any remuneration.
(4) Includes remuneration for Dongwoo Chun whose term expired on March 11, 2011.
(5) Includes remuneration for Yoshihide Nakamura whose term expired on March 11, 2011.
(6) Per capita average remuneration paid is calculated by dividing total amount paid by the average number of directors for the six months ended June 30, 2011.

(2) Remuneration for directors in 2011 (Q3)

(Unit: In millions of Won)

Classification	No. of directors (1)	Amount paid (2)	Per capita average remuneration paid (5)	Remarks
Non-outside directors	3	324 (3)	108	
Outside directors who are not audit committee members	0	0		
Outside directors who are audit committee members	3	42 (4)	14	
Total		366		

Table of Contents

- Period: June 30, 2011 ~ September 30, 2011

(1) No. of directors as at September 30, 2011.
(2) Amount paid is calculated on the basis of actually paid amount except accrued salary and severance benefits.
(3) Among the non-outside directors, Yu Sig Kang does not receive any remuneration.
(4) Includes remuneration for Jang Jin, who replaced Sunny Yi, as an outside director who is an audit committee member.
(5) Per capita average remuneration paid is calculated by dividing total amount paid by the average number of directors for the three months ended September 30, 2011.

(2) Stock option

The following table sets forth certain information regarding our stock options as of September 30, 2011.

(Unit: Won, Stock)

Executive Officers (including Former Officers)	Grant Date	Exercise Period		Exercise Price	Number of Granted Options	Number of Exercised Options	Number of Cancelled Options (1)	Number of Exercisable Options (1)
		From	To					
Ron H.Wirahadiraksa	April 7, 2005	April 8, 2008	April 7, 2012	(Won) 44,050	100,000	0	50,000	50,000
Duke M. Koo	April 7, 2005	April 8, 2008	April 7, 2012	(Won) 44,050	40,000	0	20,000	20,000
Sang Deog Yeo	April 7, 2005	April 8, 2008	April 7, 2012	(Won) 44,050	40,000	0	20,000	20,000
Jae Geol Ju	April 7, 2005	April 8, 2008	April 7, 2012	(Won) 44,050	40,000	0	20,000	20,000
Total					220,000		110,000	110,000

(1) When the increase rate of our share price is the same or less than the increase rate of the Korea Composite Stock Price Index (KOSPI) over the three-year period following the grant date, only 50% of the initially granted shares are exercisable. Since the increase rate of our share price was lower than the increase rate of KOSPI during the period from April 7, 2005 to April 7, 2008, only 50% of the 220,000 initially granted shares are exercisable.

B. Employees

As of September 30, 2011, we had 34,642 employees (excluding our executive officers). The total amount of salary paid to our employees for the nine months ended September 30, 2011 based on cash payment (excluding welfare benefits and retirement expenses) was (Won)1,214,680 million. The following table provides details of our employees as of September 30, 2011:

(Unit: person, in millions of Won, year)

	Number of Employees	Total Salary in 2011 (Q1~Q3) (1) (2) (3)	Per Capita Salary (4)	Average Service Year
Male	24,130	923,845	40	4.8
Female	10,512	290,835	29	3.2
Total	34,642	1,214,680	37	4.3

(1) Welfare benefits and retirement expenses have been excluded. Total welfare benefit provided to our employees for the nine months ended September 30, 2011 was (Won)230,841 million and the per capita welfare benefit provided was (Won)7.0 million.

37

Table of Contents

(2) Based on cash payment made in Korea.
(3) Includes incentive payments to employees who have transferred from our affiliated companies.
(4) Per Capita Salary is calculated using the average number of employees (total: 33,043, male: 23,075, female: 9,968) for the nine months ended September 30, 2011.

Table of Contents

LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements

(Unaudited)

September 30, 2011 and 2010

(With Independent Auditors Review Report Thereon)

Table of Contents

Table of Contents

Table of Contents

Independent Auditors Review Report

Based on a report originally issued in Korean

To the Board of Directors and Shareholders

LG Display Co., Ltd.:

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of LG Display Co., Ltd. and subsidiaries (the Group) as of September 30, 2011, and the related condensed consolidated statements of comprehensive income for each of the three-month and nine-month periods ended September 30, 2011 and 2010, changes in equity and cash flows for the nine-month periods ended September 30, 2011 and 2010, and a summary of significant accounting policies and other explanatory notes.

Management s Responsibility for the Condensed Consolidated Interim Financial Statements

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Korean International Financial Reporting Standards No. 1034, *Interim Financial Reporting,* and for such internal controls as management determines necessary to enable the preparation of condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors Responsibility

Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly/Semiannual Financial Statements of the Republic of Korea. A review consists principally of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of Korea and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements referred to above are not presented fairly, in all material respects, in accordance with Korean International Financial Reporting Standards No. 1034, *Interim Financial Reporting.*

Emphasis of Matter

As discussed in note 17 to the consolidated financial statements, on October 28, 2011, the Korea Fair Trade Commission indicated it would impose a fine on LG Display Co., Ltd. and other TFT-LCD manufacturers. In addition, LG Display Co., Ltd., along with its subsidiaries, is under investigations by antitrust authorities in other countries with respect to possible anti-competitive activities in the LCD industry and has been named as defendants in a number of federal class actions in the United States and Canada and related individual lawsuits in connection with the alleged antitrust violations concerning the sale of LCD panels. The Group estimated and recognized losses related to these legal proceedings. However, actual losses are subject to change in the future based on new developments in each matter, or changes in circumstances, which could be materially different from those estimated and recognized by the Group.

Table of Contents

Other Considerations

We audited the consolidated statement of financial position as of December 31, 2010 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2010, not accompanying this review report, in accordance with auditing standards generally accepted in the Republic of Korea, and our report thereon, dated February 24, 2011, expressed an unqualified opinion. The accompanying consolidated statement of financial position of the Group as of December 31, 2010, presented for comparative purposes, is not different from that audited by us in all material respects.

/s/ KPMG Samjong Accounting Corp.

Seoul, Korea

November 7, 2011

This report is effective as of November 7, 2011, the review report date. Certain subsequent events or circumstances**,** which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Table of Contents

LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Statements of Financial Position

(Unaudited)

As of September 30, 2011 and December 31, 2010

(In millions of won)	Note	2011	2010
Assets			
Cash and cash equivalents	9	(Won) 1,715,617	1,631,009
Deposits in banks	9	316,000	1,503,000
Trade accounts and notes receivable, net	9, 16, 19	2,431,893	3,000,661
Other accounts receivable, net	9	223,970	244,662
Other current financial assets	9	20,275	35,370
Inventories	5	2,368,804	2,215,217
Other current assets		335,866	210,514
Total current assets		7,412,425	8,840,433
Investments in equity accounted investees	6	363,684	325,532
Other non-current financial assets	9	105,854	83,246
Deferred tax assets	22	1,263,698	1,074,853
Property, plant and equipment, net	7, 20	14,939,543	12,815,401
Intangible assets, net	8, 20	530,397	539,901
Other non-current assets		158,509	178,292
Total non-current assets		17,361,685	15,017,225
Total assets		(Won) 24,774,110	23,857,658
Liabilities			
Trade accounts and notes payable	9, 19	(Won) 2,887,659	2,961,995
Current financial liabilities	9, 10	1,152,019	2,100,979
Other accounts payable	9	4,352,122	2,592,527
Accrued expenses		273,242	373,717
Income taxes payable		37,650	153,890
Provisions		293,453	634,815
Advances received		635,022	44,880
Other current liabilities		27,503	19,026
Total current liabilities		9,658,670	8,881,829
Non-current financial liabilities	9, 10	3,482,286	2,542,900
Non-current provisions		6,849	8,773
Deferred tax liabilities	22		6,640
Employee benefits	14	154,546	78,715
Long-term advances received	16	684,110	945,287
Other non-current liabilities		604,837	332,547
Total non-current liabilities		4,932,628	3,914,862
Total liabilities		14,591,298	12,796,691

Equity			
Share capital	18	1,789,079	1,789,079
Share premium		2,251,113	2,251,113
Reserves	18	38,502	(35,298)
Retained earnings		6,077,086	7,031,163
Total equity attributable to equity holders of the Company		10,155,780	11,036,057
Non-controlling interest		27,032	24,910
Total equity		10,182,812	11,060,967
Total liabilities and equity		(Won) 24,774,110	23,857,658

See accompanying notes to the condensed consolidated interim financial statements.

Table of Contents

LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

(Unaudited)

For the three-month and nine-month periods ended September 30, 2011 and 2010

(In millions of Won, except earnings per share)	Note	For the three-month periods ended September 30		For the nine-month periods ended September 30	
		2011	2010	2011	2010
Revenue	19, 20	(Won) 6,268,733	6,697,629	(Won) 17,681,311	19,028,172
Cost of sales	5, 11, 19	(6,088,298)	(5,926,362)	(16,816,817)	(15,691,287)
Gross profit		180,435	771,267	864,494	3,336,885
Other income	13	420,315	368,381	1,000,197	1,066,837
Selling expenses	11, 12	(156,728)	(245,151)	(531,207)	(650,953)
Administrative expenses	11, 12	(129,626)	(135,523)	(415,607)	(383,002)
Research and development expenses	11	(170,541)	(166,790)	(527,260)	(471,176)
Other expenses	11, 13	(635,908)	(410,124)	(1,170,218)	(1,201,121)
Results from operating activities		(492,053)	182,060	(779,601)	1,697,470
Finance income	15	57,788	150,160	167,509	206,254
Finance costs	15	(263,973)	(94,925)	(330,896)	(219,101)
Other non-operating loss, net		(1,956)	(2,057)	(8,187)	(5,356)
Equity income(loss) on investments, net		5,143	8,544	3,414	10,506
Profit (loss) before income tax		(695,051)	243,782	(947,761)	1,689,773
Income tax expense (benefit)	22	(7,533)	19,589	(166,120)	262,167
Profit (loss) for the period		(687,518)	224,193	(781,641)	1,427,606
Other comprehensive income					
Net change in fair value of available-for-sale financial assets		3,365	4,849	5,056	11,495
Defined benefit plan actuarial gain or loss	14	425	(26,456)	1,497	(26,450)
Cumulative translation differences		91,991	(1,584)	72,257	(3,409)
Gain (loss) on sales of own shares of associate accounted for using the equity method		(118)	(116)	(346)	923
Income tax on other comprehensive income (loss)		(929)	4,522	(1,779)	1,724
Other comprehensive income (loss) for the period, net of income tax		94,734	(18,785)	76,685	(15,717)
Total comprehensive income (loss) for the period		(Won) (592,784)	205,408	(Won) (704,956)	1,411,889
Profit (loss) attributable to:					
Owners of the Company		(686,079)	221,879	(776,337)	1,426,462

Non-controlling interest			(1,439)	2,314		(5,304)	1,144
Profit (loss) for the period		(Won)	(687,518)	224,193	(Won)	(781,641)	1,427,606
Total comprehensive income (loss) attributable to:							
Owners of the Company			(593,954)	203,790		(701,369)	1,410,830
Non-controlling interest			1,170	1,618		(3,587)	1,059
Total comprehensive income (loss) for the period		(Won)	(592,784)	205,408	(Won)	(704,956)	1,411,889
Earning (loss) per share							
Basic earnings (loss) per share	23	(Won)	(1,917)	620	(Won)	(2,170)	3,987
Diluted earnings (loss) per share	23	(Won)	(1,917)	608	(Won)	(2,170)	3,892

See accompanying notes to the condensed consolidated interim financial statements.

Table of Contents

LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Changes in Equity

(Unaudited)

For the nine-month periods ended September 30, 2011 and 2010

(In millions of won)	**Share capital**	**Share premium**	**Gain on sale of own shares of associates**	**Fair value reserve**	**Translation reserve**	**Retained earnings**	**Minority interest**	**Total equity**
Balances at January 1, 2010	(Won) 1,789,079	2,251,113		(14,636)	(36,369)	6,050,562		10,039,749
Total comprehensive income (loss) for the period								
Profit for the period						1,426,462	1,144	1,427,606
Other comprehensive income (loss)								
Net change in fair value of available-for-sale financial assets				8,535				8,535
Defined benefit plan actuarial gain						(20,960)		(20,960)
Cumulative translation differences					(4,130)		(85)	(4,215)
Gain on sales of own shares of associates accounted for using the equity method			923					923
Total other comprehensive income (loss)			923	8,535	(4,130)	(20,960)	(85)	(15,717)
Total comprehensive income (loss) for the period	(Won)		923	8,535	(4,130)	1,405,502	1,059	1,411,889
Transaction with owners, recorded directly in equity								
Dividends to equity holders						(178,908)		(178,908)
Changes in ownership interests in subsidiaries							16,592	16,592
Balances at September 30, 2010	(Won) 1,789,079	2,251,113	923	(6,101)	(40,499)	7,277,156	17,651	11,289,322
Balances at January 1, 2011	(Won) 1,789,079	2,251,113	810	(5,560)	(30,548)	7,031,163	24,910	11,060,967
Total comprehensive income (loss) for the period								
Loss for the period								