

LG Display Co., Ltd.
Form 6-K
May 24, 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 May 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)

Edgar Filing: LG Display Co., Ltd. - Form 6-K

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 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

Table of Contents

QUARTERLY REPORT

(From January 1, 2011 to March 31, 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

1. Company
 - A. Name and contact information
 - B. Domestic credit rating
 - C. Capitalization
 - D. Voting rights
 - E. Dividends
2. Business
 - A. Business overview
 - B. Industry
 - C. New businesses
3. Major Products and Raw Materials

Edgar Filing: LG Display Co., Ltd. - Form 6-K

- A. Major products in 2011 (Q1)
 - B. Average selling price trend of major products
 - C. Major raw materials
4. Production and Equipment
- A. Production capacity and calculation
 - B. Production performance and utilization ratio
 - C. Investment plan
5. Sales
- A. Sales performance
 - B. Sales route and sales method
6. Market Risks and Risk Management
- A. Market risks
 - B. Risk management
7. Derivative Contracts
- A. Currency risks
 - B. Interest rate risks
8. Major Contracts

Table of Contents

- 9. Research & Development
 - A. Summary of R&D expenses
 - B. R&D achievements
- 10. Customer Service
- 11. Intellectual Property
- 12. Environmental Matters
- 13. Financial Information
 - A. Financial highlights (Based on consolidated K-IFRS)
 - B. Financial highlights (Based on separate K-IFRS)
 - C. Consolidated subsidiaries
 - D. Status of equity investment
- 14. Audit Information
 - A. Audit service
 - B. Non-audit service
- 15. Board of Directors
 - A. Independence of directors
 - B. Members of the board of directors

C. Committees of the board of directors

16. Information Regarding Shares

A. Total number of shares

B. Shareholder list

17. Directors and Employees

A. Directors

B. Employees

Attachment: 1. Financial Statements in accordance with K-IFRS

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 | | National Information & Credit Evaluation, Inc. |
| | June 2007 | A1 | |
| | December 2007 | | (A1 ~ D) |
| | September 2008 | | |
| | December 2008 | | |
| | June 2006 | | |
| | January 2007 | | Korea Investors Service, Inc. |
| | June 2007 | A1 | |
| December 2007 | | (A1 ~ D) | |
| September 2008 | | | |
| Corporate Debenture | June 2006 | AA- | |
| | December 2006 | | |
| | June 2007 | A+ | |
| | September 2008 | | National Information & Credit Evaluation, Inc. |
| | July 2009 | AA- | |
| | October 2009 | | (AAA ~ D) |
| | February 2010 | AA- | |
| | May 2010 | | |
| | December 2010 | | |
| | June 2006 | AA- | |
| | January 2007 | | |
| June 2007 | A+ | | |
| September 2008 | | Korea Investors Service, Inc. | |
| July 2009 | | | |
| December 2009 | | (AAA ~ D) | |
| February 2010 | AA- | | |
| May 2010 | | | |
| August 2010 | | | |
| February 2011 | | | |
| October 2009 | | | |
| December 2009 | | Korea Ratings, Inc. | |
| August 2010 | AA- | | |
| December 2010 | | (AAA ~ D) | |
| February 2011 | | | |

Table of Contents

C. Capitalization

(1) Change in capital stock (as of March 31, 2011)

| Date | Description | (Unit: Won, Share) | |
|-------------------|-----------------------------------|-----------------------------------|-----------------------|
| | | 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)

(2) Convertible bonds (as of March 31, 2011)

| Item | Content | (Unit: In millions of Won, Share) |
|---------------------------------|--|---------------------------------------|
| 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 | |

Table of Contents

- (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 March 31, 2011)

| Description | (Unit: share) |
|--|--------------------|
| | 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.

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) | | | |

Table of Contents

- (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 March 31, 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 March 31, 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, only our LCD business has been categorized as a reporting business segment.

Financial highlights by business (based on K-IFRS)

| | (Unit: In billions of Won) |
|-------------------------|----------------------------|
| 2011 (Q1) | LCD business |
| Sales Revenue | 5,366 |
| Gross Profit | 233 |
| Operating Profit (Loss) | (239) |

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.

Table of Contents

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) Cyclical

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) ^{(1) (4)} | 2010 ^{(2) (4)} | 2009 ^{(3) (5)} |
|--|------------------------------|-------------------------|-------------------------|
| Panels for Notebook Computers ⁽⁶⁾ | 33.0% | 33.2% | 30.3% |
| Panels for Monitors | 29.2% | 26.5% | 23.9% |

Edgar Filing: LG Display Co., Ltd. - Form 6-K

| | | | |
|------------------------|-------|-------|-------|
| Panels for Televisions | 23.4% | 23.4% | 24.4% |
| Total | 26.2% | 25.4% | 25.2% |

- (1) Source: 2011 Q2 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.

Table of Contents

(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 such as Dell, Hewlett Packard and Kodak of the United States and Japan's Toshiba, among others, to secure customers and expand partnerships for technology development. In January 2009 and April and December 2010, we entered into separate long-term supply agreements with Apple Inc. to supply display panels for three to five years.

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.

Edgar Filing: LG Display Co., Ltd. - Form 6-K

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, but the additional investment did not change our percentage interest in Can Yang Investment Limited.

Table of Contents

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. Our total net investment amount in the fund as of March 31, 2011 was (Won)8.8 billion. The additional investments did not change our limited partnership interest in the fund, which remained at 30.6%.

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.

Table of Contents

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 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 U.S. \$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, a Korean equipment manufacturer.

3. Major Products and Raw Materials**A. Major products in 2011 (Q1)**

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

| | | | | | | (Unit: In billions of Won) |
|---------------|-------------|----------------------------|--|------------|--|----------------------------|
| Business area | Sales | | Specific use | Major | | Sales (%) |
| | types | Items (Market) | | trademark | | |
| TFT-LCD | Product/ | TFT-LCD | Panels for Notebook Computer, Monitor, Television, etc | LG Display | | 4,978 (92.8%) |
| | Service/ | (Overseas ⁽¹⁾) | | | | |
| | Other Sales | TFT-LCD | Panels for Notebook Computer, Monitor, Television, etc | LG Display | | 388 (7.2%) |
| | | (Korea ⁽¹⁾) | | | | |
| Total | | | | | | 5,366 (100%) |

- Period: January 1, 2011 ~ March 31, 2011.

(1) Based on ship-to-party.

Table of Contents**B. Average selling price trend of major products**

The average selling prices of LCD panels did not substantially change during the first quarter of 2011 compared to the fourth quarter of 2010. However, there is no assurance that the average selling prices of LCD panels in the future will not fluctuate due to imbalances in supply and demand.

| Description | 2011 Q1 | 2010 Q4 | (Unit: US\$ / m ²) | |
|----------------------------------|---------|---------|--------------------------------|---------|
| | | | 2010 Q3 | 2010 Q2 |
| TFT-LCD panel ^{(1) (2)} | 694 | 695 | 778 | 863 |

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

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.

| Business area | Purchase types | Items | Specific use | Purchase price | Ratio (%) | (Unit: In billions of Won) | |
|---------------|----------------|-----------|---------------|----------------|-----------|--|---|
| | | | | | | Suppliers | |
| TFT-LCD | Raw Materials | Glass | LCD panel | 907 | 23.92% | Samsung Corning Precision | |
| | | Backlight | manufacturing | 1,116 | 29.43% | Glass Co., Ltd., Nippon Electric Glass Co., Ltd., etc. | |
| | | Polarizer | | 581 | 15.32% | Heesung Electronics Ltd., etc. | |
| | | Others | | 1,187 | 31.33% | LG Chem, etc. | |
| | | Total | | | 3,791 | 100% | - |

- Period: January 1, 2011 ~ March 31, 2011.

4. Production and Equipment**A. Production capacity and calculation****(1) Calculation method of production capacity**

Quarter: Maximum monthly input capacity (based on glass input substrate size for eighth generation glass sheets) during the quarter multiplied by the number of months (3 months).

Year: Maximum monthly input capacity (based on glass input substrate size for eighth generation glass sheets) during the year multiplied by the number of months (12 months).

Table of Contents

(2) Production capacity

| Business area | Items | Business place | (Unit: 1,000 Glass sheets) | | |
|---------------|---------|----------------|----------------------------|-------|-------|
| | | | 2011 (Q1) | 2010 | 2009 |
| TFT-LCD | TFT-LCD | Gumi, Paju | 1,856 | 7,509 | 6,219 |

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

B. Production performance and utilization ratio

(1) Production performance

| Business area | Items | Business place | (Unit: 1,000 Glass sheets) | | |
|---------------|---------|----------------|----------------------------|-------|-------|
| | | | 2011 (Q1) | 2010 | 2009 |
| TFT-LCD | TFT-LCD | Gumi, Paju | 1,694 | 6,490 | 5,231 |

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

(2) Utilization ratio

| Business place (area) | Available working hours of 2011 (Q1) | Actual working hours of 2011 (Q1) | (Unit: Hours) |
|-----------------------|---|--------------------------------------|------------------------------|
| | | | Average utilization ratio |
| Gumi | 2,160 | 2,160 | |
| (TFT-LCD) | (24 hours x 90 days) | (24 hours x 90 days) | 100.0% |
| Paju | 2,160 | 2,160 | |
| (TFT-LCD) | (24 hours x 90 days) | (24 hours x 90 days) | 100.0% |

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 of approximately (Won)5.0 trillion in 2011. Such amount is subject to change depending on business conditions and market environment.

5. Sales

A. Sales performance

| Business area | Sales types | Items (Market) | (Unit: In billions of Won) | | |
|---------------|-------------------|--|----------------------------|-----------------|-----------------|
| | | | 2011 (Q1) | 2010 | 2009 |
| TFT-LCD | Products, etc. | TFT-LCD Overseas ⁽¹⁾ Korea ⁽¹⁾ | 4,978 388 | 23,806 1,706 | 18,833 1,205 |

| | | | |
|-------|-------|--------|--------|
| Total | 5,366 | 25,512 | 20,038 |
|-------|-------|--------|--------|

(1) Based on ship-to-party.

Table of Contents

B. Sales route and sales method

(1) Sales organization

As of March 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 premium notebook computer products (including smartbooks), to strengthen sales of the high-end monitor segment (such as LED, IPS and slim 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, to strengthen our business portfolio by developing a diverse range of products, such as mobile phone (including smart phone), smartbook, car navigation, e-book, industrial products (including aviation and medical equipment), etc.

(5) Purchase orders

Edgar Filing: LG Display Co., Ltd. - Form 6-K

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.

Table of Contents

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 and the Japanese Yen.

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

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 and the Japanese Yen.

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 March 31, 2011, we had no interest swap contracts outstanding.

Table of Contents**8. Major contracts**

In January 2009 and April and December 2010, we entered into separate long-term supply agreements with Apple Inc. to supply LCD panels for three to five years. We have received long-term advances from Apple Inc. in the amount of US\$1,080 million ((Won)1,196 billion) in connection with these agreements, which will be offset as consideration for products supplied to Apple Inc. Furthermore, the Industrial Bank of Korea provided us with a payment guarantee in the amount of US\$200 million ((Won)221 billion) relating to the long-term advances received from Apple Inc.

9. Research & Development**A. Summary of R&D expenses**

| | | (Unit: In millions of Won) | | |
|--|--------------------------------------|----------------------------|------------------|----------------|
| Account | | 2011 (Q1) | 2010 | 2009 |
| | Material Cost | 138,981 | 616,072 | 400,467 |
| | Labor Cost | 92,527 | 285,212 | 191,507 |
| | Depreciation Expense | 45,471 | 93,365 | 89,459 |
| | Others | 49,509 | 122,619 | 92,905 |
| | Total R&D Expense | 326,488 | 1,117,268 | 774,338 |
| | Selling & Administrative Expenses | 68,252 | 264,073 | 168,081 |
| Accounting Treatment | Manufacturing Cost | 226,066 | 717,848 | 505,585 |
| | Development Cost (Intangible Assets) | 32,170 | 135,347 | 100,672 |
| R&D Expense / Sales Ratio | | | | |
| [Total R&D Expense÷Sales for the period×100] | | 6.1% | 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

Table of Contents

- 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

- 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

Edgar Filing: LG Display Co., Ltd. - Form 6-K

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

Table of Contents

- 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% and development of high efficiency lamp and improvement of optics sheet optical efficiency

- 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

Edgar Filing: LG Display Co., Ltd. - Form 6-K

- 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

Table of Contents

- 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

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

Edgar Filing: LG Display Co., Ltd. - Form 6-K

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

Table of Contents

- 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

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

Table of Contents

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)

[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

Table of Contents

- 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)

- 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

Edgar Filing: LG Display Co., Ltd. - Form 6-K

- 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 2.8 μ m) 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

Table of Contents

- 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)

- 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)

Edgar Filing: LG Display Co., Ltd. - Form 6-K

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 Film Patterned Retarder (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

Table of Contents

- 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)

- 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

Edgar Filing: LG Display Co., Ltd. - Form 6-K

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)

Table of Contents

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

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

Edgar Filing: LG Display Co., Ltd. - Form 6-K

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)

10. Customer Service

In order to highlight the importance of creating customer value, we have formulated a roadmap toward creating customer value and have shared this information with all of our employees. Through our "Voice of Customer" campaign, we have responded to customer feedback including complaints, suggestions, praises, enquiries and requests as soon as they were made and we have made efforts to change any negative feedback made by a customer into a positive feedback through such prompt response. In addition, in order to support our customers, we have established IPS camps and have cooperated with our customers to promote IPS technology. Furthermore, we have hosted "Why LGD" campaigns in order to provide superior products and services to our customers including in the areas of technology, quality, responsiveness, delivery and cost. We also monitor customer opinion through annual customer satisfaction surveys and customer interviews, and the results of such surveys and interviews are reflected in the performance evaluation of our executive officers.

Table of Contents**11. Intellectual Property**

As of March 31, 2011, we held a total of 15,049 patents, including 6,724 in Korea and 8,325 in other countries.

12. Environmental Matters

We are subject to strict 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 industry 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 perfluoro compounds, or PFCs, and sulfur hexafluoride, or SF₆, gases, by installing PFC abatement systems to meet voluntary emissions targets for the TFT-LCD industry for 2010. We expect to conduct a review on whether we have met such voluntary emission targets in 2011. We installed PFC abatement systems at all of our production lines when the production facilities were being constructed. We also installed a SF₆ abatement system in P1 in April 2005 and in P6 in December 2009 and we intend to install similar abatement systems in our other production facilities through implementation of Clean Development Mechanism, or CDM, projects. On July 10, 2010, we became the first TFT-LCD company to receive the CDM Executive Board's approval on its CDM project design document for SF₆ decomposition. In November 2010 and February 2011, TUV SUD, a third party accreditation agency, examined and verified our reduction of greenhouse gas emissions and is currently conducting a final review as part of its procedure for issuing certified emission reduction credits.

In addition, as of March 31, 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. We also established an overall greenhouse gas emissions inventory system for our domestic sites, which was verified by Lloyd's Register Quality Assurance, which is certified as the designated operational entity for CDM by the CDM Executive Board. We are also involved in the Korean government's ongoing drafting of greenhouse gas emissions and energy usage statements. In May 2011, we expect to submit our emissions and usage statement to a government designated entity after it has examined and verified our greenhouse gas emissions and energy usage.

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 for the effective maintenance of environmental protection standards consistent with local industry practice, and 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. 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.

Table of Contents

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.

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

| Description | (Unit: In millions of Won) | | |
|---|----------------------------|----------------------------|----------------------------|
| | As of March 31, 2011 | As of December 31, 2010 | As of December 31, 2009 |
| Current assets | 8,540,971 | 8,840,433 | 8,226,142 |
| Quick assets | 6,035,777 | 6,625,216 | 6,558,362 |
| Inventories | 2,505,194 | 2,215,217 | 1,667,780 |
| Non-current assets | 15,784,464 | 15,017,225 | 11,477,335 |
| Investments in equity accounted investees | 302,596 | 325,532 | 282,450 |
| Property, plant and equipment, net | 13,544,978 | 12,815,401 | 9,596,497 |
| Intangible assets | 533,711 | 539,901 | 352,393 |
| Other non-current assets | 1,403,179 | 1,336,391 | 1,245,995 |
| Total assets | 24,325,435 | 23,857,658 | 19,703,477 |
| Current liabilities | 10,015,280 | 8,881,829 | 6,495,071 |
| Non-current liabilities | 3,555,535 | 3,914,862 | 3,168,657 |
| Total liabilities | 13,570,815 | 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 | (50,537) | (35,298) | (51,005) |
| Retained earnings | 6,737,538 | 7,031,163 | 6,050,562 |
| Non-controlling interest | 27,427 | 24,910 | 0 |
| Total equity | 10,754,620 | 11,060,967 | 10,039,749 |

Table of Contents

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

| Description | For the three months ended | | |
|---|----------------------------|--|---|
| | March 31, 2011 | For the three months ended March 31, 2010 | For the three months ended March 31, 2009 ⁽¹⁾ |
| Revenue | 5,365,516 | 5,876,347 | 3,542,309 |
| Results from operating activities | (239,240) | 789,423 | (317,280) |
| Income (Loss) from continuing operation | (115,426) | 648,625 | (346,633) |
| Profit (Loss) for the period | (115,426) | 648,625 | (346,633) |
| Basic earnings (looses) per share | (322) | 1,814 | (969) |
| Diluted earnings (losses) per share | (322) | 1,732 | (969) |

- (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 quarterly financial statements for 2009 have not be reviewed by our independent auditors.

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

(Unit: In millions of Won)

| Description | As of March 31, 2011 | As of December 31, 2010 | As of December 31, 2009 |
|------------------------------------|-------------------------|----------------------------|----------------------------|
| Current assets | 8,124,547 | 8,499,873 | 7,973,355 |
| Quick assets | 6,001,220 | 6,739,908 | 6,687,050 |
| Inventories | 2,123,327 | 1,759,965 | 1,286,305 |
| Non-current assets | 15,464,677 | 14,658,125 | 11,283,512 |
| Investments | 1,283,625 | 1,279,831 | 1,075,229 |
| Property, plant and equipment, net | 12,407,538 | 11,688,061 | 8,730,263 |
| Intangible assets | 479,475 | 483,260 | 340,885 |
| Other non-current assets | 1,294,039 | 1,206,973 | 1,137,135 |
| Total assets | 23,589,224 | 23,157,998 | 19,256,867 |
| Current liabilities | 9,563,488 | 8,453,869 | 6,120,663 |
| Non-current liabilities | 3,488,705 | 3,833,454 | 3,102,006 |
| Total liabilities | 13,052,193 | 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 | (8,653) | (7,795) | (17,366) |
| Retained earnings | 6,505,492 | 6,838,278 | 6,011,372 |
| Non-controlling interest | 0 | 0 | 0 |
| Total equity | 10,537,031 | 10,870,675 | 10,034,198 |

Table of Contents

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

| Description | For the three months ended | | |
|---|----------------------------|--|---|
| | March 31, 2011 | For the three months ended March 31, 2010 | For the three months ended March 31, 2009 ⁽¹⁾ |
| Revenue | 5,051,751 | 5,840,744 | 3,426,949 |
| Results from operating activities | (301,704) | 704,089 | (408,456) |
| Income (Loss) from continuing operation | (154,350) | 599,044 | (433,567) |
| Profit (Loss) for the period | (154,350) | 599,044 | (433,567) |
| Basic earnings (losses) per share | (431) | 1,674 | (1,212) |
| Diluted earnings (losses) per share | (431) | 1,596 | (1,212) |

- (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 quarterly financial statements for 2009 have not be reviewed by our independent auditors.

C. Consolidated subsidiaries (as of March 31, 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 March 31, 2011:

| Company | Paid-in Capital | Initial Equity Investment Date | Ownership Ratio |
|--|----------------------|--------------------------------|-----------------|
| LG Display America, Inc. | US\$ 105,000,000 | 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 2,338,229,215 | 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) 35,000,000,000 | November 29, 2010 | 100% |
| LUCOM Display Technology (Kunshan) Limited | CNY 35,367,098 | December 27, 2010 | 51% |
| Suzhou Raken Technology Co., Ltd. | CNY 569,455,395 | October 7, 2008 | 51% |
| Paju Electric Glass Co., Ltd. | (Won) 29,248,000,000 | March 25, 2005 | 40% |
| TLI Co., Ltd. | (Won) 14,073,806,250 | May 16, 2008 | 13% |
| 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) 8,832,125,639 | December 7, 2009 | 31% |
| Can Yang Investment Ltd. | US\$ 15,300,000 | January 27, 2010 | 15% |
| YAS Co., Ltd. | (Won) 10,000,000,000 | September 16, 2010 | 20% |
| Eralite Optoelectronics (Jiangsu) Co., Ltd. | US\$ 4,000,000 | September 28, 2010 | 20% |

Table of Contents**14. Audit Information**

A. Audit service

| Description | (Unit: In millions of Won, hours) | | |
|-----------------------------|-----------------------------------|------------------------------|------------------------------|
| | 2011 (Q1) | 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 | 3,216 | 16,646 | 17,569 |

- (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.

15. Board of Directors

A. Independence of directors

Outside director: Independent

Table of Contents

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 four persons including three who are members of our audit committee. As of March 31, 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 March 31, 2011)

| Name | Date of birth | Position | Business experience | First Elected |
|-----------------------|-------------------|---|---|-------------------|
| | | Representative | | |
| Young Soo Kwon | February 6, 1957 | 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 | Partner at Ropes & Gray LLP | February 29, 2008 |
| Jin Jang | November 28, 1954 | Outside Director | Chair Professor, Department of Information Display, Kyung Hee University | March 11, 2011 |
| Sunny Yi | March 25, 1962 | Outside Director | Partner, Bain & Company Korea | March 11, 2011 |

C. Committees of the board of directors (as of March 31, 2011)

| Committee | Composition | Member |
|-----------------|---|---------------------------------------|
| Audit Committee | 3 outside directors 1 non-outside director and | Tae Sik Ahn, Sunny Yi, William Y. Kim |

Edgar Filing: LG Display Co., Ltd. - Form 6-K

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

Table of Contents

16. Information Regarding Shares

A. Total number of shares

- (1) Total number of shares authorized to be issued (as of March 31, 2011): 500,000,000 shares.
- (2) Total shares issued and outstanding (as of March 31, 2011): 357,815,700 shares.

B. Shareholder list

- (1) Largest shareholder and related parties:

| Name | Relationship | (Unit: share) As of March 31, 2011 |
|----------------|---------------------|---------------------------------------|
| LG Electronics | Largest Shareholder | 135,625,000 (37.9%) |
| Young Soo Kwon | Related Party | 13,000 (0.0%) |

- (2) Shareholders who are known to us to own 5% or more of our shares as of March 31, 2011:

| Beneficial Owner | Number of Shares of Common Stock | Percentage |
|--------------------------|----------------------------------|------------|
| LG Electronics | 135,625,000 | 37.9% |
| National Pension Service | 23,101,658 | 6.5% |

17. Directors and Employees

A. Directors

- (1) Remuneration for directors in 2011 (Q1)

| Classification | (Unit: In millions of Won) | | Remarks |
|---|----------------------------|--|---------|
| | Amount paid (1) | Per capita average remuneration paid (5) | |
| Non-outside directors | 927 (2) | 309 | |
| Outside directors who are not audit committee members | 22 (3) | 17 | |
| Outside directors who are audit committee members | 48 (4) | 14 | |

Total

997

33

Table of Contents

- Period: January 1, 2011 ~ March 31, 2011

- (1) Amount paid is calculated on the basis of actually paid amount except accrued salary and severance benefits.
- (2) Among the non-outside directors, Yu Sig Kang does not receive any remuneration.
- (3) Includes remuneration for Dongwoo Chun whose term expired on March 11, 2011.
- (4) Includes remuneration for Yoshihide Nakamura whose term expired on March 11, 2011.
- (5) Per capita average remuneration paid is calculated by dividing total amount paid by the average number of directors for the three months ended March 31, 2011.

(2) Stock option

The following table sets forth certain information regarding our stock options as of March 31, 2011.

| Executive | Grant Date | Exercise Period | | Exercise Price | Number of Granted Options | Number of Exercised Options | (Unit: Won, Stock) | |
|--------------------------------------|---------------|-----------------|---------------|----------------|---------------------------|-----------------------------|--|--|
| | | From | To | | | | Number of Cancelled Options ⁽¹⁾ | Number of Exercisable Options ⁽¹⁾ |
| Officers (including Former Officers) | | | | | | | | |
| 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 | 0 | 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.

Table of Contents**B. Employees**

As of March 31, 2011, we had 32,321 employees (excluding our executive officers). The total amount of salary paid to our employees for the three months ended March 31, 2011 based on cash payment (excluding welfare benefits and retirement expenses) was (Won)516,829 million. The following table provides details of our employees as of March 31, 2011:

| | Number of Employees | Total Salary in 2011 (Q1) (1) (2) (3) | (Unit: person, in millions of Won, year) Per Capita Salary (4) | Average Service Year |
|--------|------------------------|---------------------------------------|---|-------------------------|
| Male | 22,503 | 394,419 | 18 | 4.6 |
| Female | 9,818 | 122,410 | 13 | 3.1 |
| Total | 32,321 | 516,829 | 16 | 4.1 |

- (1) Welfare benefits and retirement expenses have been excluded. Total welfare benefit provided to our employees for the three months ended March 31, 2011 was (Won)75,936 million and the per capita welfare benefit provided was (Won)2.4 million.
- (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 (31,524) for the 3 months ended March 31, 2011.

Table of Contents

LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Financial Statements

(Unaudited)

March 31, 2011 and 2010

(With Independent Auditors' Review Report Thereon)

Table of Contents

Table of Contents

| | Page |
|---|-------------|
| <u>Independent Auditors' Review Report</u> | 38 |
| <u>Condensed Consolidated Statements of Financial Position</u> | 40 |
| <u>Condensed Consolidated Statements of Comprehensive Income</u> | 41 |
| <u>Condensed Consolidated Statements of Changes in Equity</u> | 42 |
| <u>Condensed Consolidated Statements of Cash Flows</u> | 43 |
| <u>Notes to the Condensed Consolidated interim Financial Statements</u> | 45 |

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 March 31, 2011, and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 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 and for such internal control as management determines is 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 1034 *Interim Financial Reporting*.

Emphasis of Matter

As discussed in note 17 to the consolidated financial statements, the European Commission issued a decision finding that LG Display Co., Ltd. engaged in anti-competitive activities in the Liquid Crystal Display (LCD) industry in violation of European competition laws and imposed a fine of EUR215 million on December 8, 2010. LG Display Co., Ltd., along with its subsidiaries, is under investigations by the Korea Fair Trade Commission and antitrust authorities in other countries with respect to possible anti-competitive activities in the LCD industry. In addition, LG Display Co., Ltd., along with its subsidiaries, 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

May 18, 2011

This report is effective as of May 18, 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 March 31, 2011 and December 31, 2010

| <i>(In millions of won)</i> | Note | 2011 | 2010 |
|---|-------------|-------------------|-------------------|
| Assets | | | |
| Cash and cash equivalents | 9 | (Won) 1,808,378 | 1,631,009 |
| Deposits in banks | 9 | 1,204,000 | 1,503,000 |
| Trade accounts and notes receivable, net | 9, 16 | 2,449,089 | 3,000,661 |
| Other accounts receivable, net | 9 | 172,877 | 256,028 |
| Other current financial assets | 9 | 54,163 | 35,370 |
| Inventories | 5 | 2,505,194 | 2,215,217 |
| Other current assets | | 347,270 | 199,148 |
| Total current assets | | 8,540,971 | 8,840,433 |
| Investments in equity accounted investees | 6 | 302,596 | 325,532 |
| Other non-current financial assets | 9 | 81,662 | 83,246 |
| Deferred tax assets | 22 | 1,146,435 | 1,074,853 |
| Property, plant and equipment, net | 7, 20 | 13,544,978 | 12,815,401 |
| Intangible assets, net | 8, 20 | 533,711 | 539,901 |
| Other non-current accounts receivable | | | 11,045 |
| Other non-current assets | | 175,082 | 167,247 |
| Total non-current assets | | 15,784,464 | 15,017,225 |
| Total assets | | (Won) 24,325,435 | 23,857,658 |
| Liabilities | | | |
| Trade accounts and notes payable | 9 | (Won) 3,002,615 | 2,961,995 |
| Current financial liabilities | 9, 10 | 2,109,822 | 2,100,979 |
| Other accounts payable | 9 | 3,079,431 | 2,592,527 |
| Accrued expenses | | 299,112 | 373,717 |
| Income taxes payable | | 90,756 | 153,890 |
| Provisions | | 618,852 | 634,815 |
| Other current liabilities | | 814,692 | 63,906 |
| Total current liabilities | | 10,015,280 | 8,881,829 |
| Non-current financial liabilities | 9, 10 | 2,495,101 | 2,542,900 |
| Non-current provisions | | 7,521 | 8,773 |
| Deferred tax liabilities | 22 | | 6,640 |
| Employee benefits | 14 | 103,404 | 78,715 |
| Long-term advances received | 16 | 642,176 | 945,287 |
| Other non-current liabilities | | 307,333 | 332,547 |
| Total non-current liabilities | | 3,555,535 | 3,914,862 |
| Total liabilities | | 13,570,815 | 12,796,691 |

| | | | |
|---|----|-------------------------|-------------------|
| Equity | | | |
| Share capital | 18 | 1,789,079 | 1,789,079 |
| Share premium | | 2,251,113 | 2,251,113 |
| Reserves | 18 | (50,537) | (35,298) |
| Retained earnings | | 6,737,538 | 7,031,163 |
| Total equity attributable to equity holders of the Company | | 10,727,193 | 11,036,057 |
| Non-controlling interest | | 27,427 | 24,910 |
| Total equity | | 10,754,620 | 11,060,967 |
| Total liabilities and equity | | (Won) 24,325,435 | 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

(Unaudited)

For the three-month periods ended March 31, 2011 and 2010

| <i>(In millions of won, except earnings per share)</i> | Note | 2011 | 2010 |
|---|-------------|-----------------|-------------|
| Revenue | | (Won) 5,365,516 | 5,876,347 |
| Cost of sales | | (5,132,586) | (4,639,654) |
| Gross profit | | 232,930 | 1,236,693 |
| Other income | 13 | 333,044 | 244,822 |
| Selling expenses | 12 | (177,316) | (190,334) |
| Administrative expenses | 12 | (140,997) | (119,492) |
| Research and development expenses | | (169,640) | (136,650) |
| Other expenses | 13 | (317,261) | (245,616) |
| Results from operating activities | | (239,240) | 789,423 |
| Finance income | 15 | 124,793 | 114,637 |
| Finance costs | 15 | (82,135) | (60,893) |
| Other non-operating income, net | | (3,223) | (1,591) |
| Equity income (loss) on investments, net | | (1,994) | 156 |
| Profit (loss) before income taxes | | (201,799) | 841,732 |
| Income tax expense (benefit) | 22 | (86,373) | 193,107 |
| Profit (loss) for the period | | (115,426) | 648,625 |
| Other comprehensive income (loss) | | | |
| Net change in fair value of available-for-sale financial assets | | (1,515) | 18,455 |
| Defined benefit plan actuarial gain or loss | 14 | 605 | (153) |
| Cumulative translation differences | | (14,703) | (18,346) |
| Gain on sales of own shares of associate accounted | | 271 | |
| Income taxes on other comprehensive income | | 46 | (5,351) |
| Other comprehensive loss for the period, net of income taxes | | (15,296) | (5,395) |
| Total comprehensive income (loss) for the period | | (Won) (130,722) | 643,230 |
| Profit (loss) attributable to: | | | |
| Owners of the Company | | (115,189) | 649,066 |
| Non-controlling interest | | (237) | (441) |
| Profit (loss) for the period | | (Won) (115,426) | 648,625 |

| | | | | |
|---|----|-------|-----------|---------|
| Total comprehensive income (loss) attributable to: | | | | |
| Owners of the Company | | | (129,956) | 644,187 |
| Non-controlling interest | | | (766) | (957) |
| Total comprehensive income (loss) for the period | | (Won) | (130,722) | 643,230 |
| Earning (loss) per share | | | | |
| Basic earnings (loss) per share | 23 | (Won) | (322) | 1,814 |
| Diluted earnings (loss) per share | 23 | (Won) | (322) | 1,732 |

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 three-month periods ended March 31, 2011 and 2010

| <i>(In millions of won)</i> | 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 (loss) for the period | | | | | | 649,066 | (441) | 648,625 |
| Other comprehensive income (loss) | | | | | | | | |
| Net change in fair value of available-for-sale financial assets | | | | 13,910 | | | | 13,910 |
| Defined benefit plan actuarial loss | | | | | | (153) | | (153) |
| Cumulative translation differences | | | | | (18,636) | | (516) | (19,152) |
| Total other comprehensive income (loss) | | | | 13,910 | (18,636) | (153) | (516) | (5,395) |
| Total comprehensive income (loss) for the period | (Won) | | | 13,910 | (18,636) | 648,913 | (957) | 643,230 |
| 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 March 31, 2010 | (Won) 1,789,079 | 2,251,113 | | (726) | (55,005) | 6,520,567 | 15,635 | 10,520,663 |
| 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 | | | | | | (115,189) | (237) | (115,426) |
| Other comprehensive income (loss) | | | | | | | | |
| Net change in fair value of available-for-sale financial | | | | (1,336) | | | | (1,336) |

Edgar Filing: LG Display Co., Ltd. - Form 6-K

| | | | | | | | | | |
|---|-------|-----------|-----------|----------|-----------|-----------|-----------|-----------|------------|
| assets | | | | | | | | | |
| Defined benefit plan actuarial gain | | | | | 472 | | | 472 | |
| Cumulative translation differences | | | (14,174) | | | (529) | | (14,703) | |
| Gain on sales of own shares of associates accounted for using the equity method | | 271 | | | | | | 271 | |
| Total other comprehensive income (loss) | | 271 | (1,336) | (14,174) | 472 | (529) | | (15,296) | |
| Total comprehensive income (loss) for the period | (Won) | 271 | (1,336) | (14,174) | (114,717) | (766) | | (130,722) | |
| Transaction with owners, recorded directly in equity | | | | | | | | | |
| Dividends to equity holders | | | | | | (178,908) | | (178,908) | |
| Changes in ownership interests in subsidiaries | | | | | | | 3,283 | 3,283 | |
| Balances at March 31, 2011 | (Won) | 1,789,079 | 2,251,113 | 1,081 | (6,896) | (44,722) | 6,737,538 | 27,427 | 10,754,620 |

See accompanying notes to the condensed consolidated interim financial statements.

Table of Contents

LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited)

For the three-month periods ended March 31, 2011 and 2010

| <i>(In millions of won)</i> | Note | 2011 | 2010 |
|---|------|-----------------|-----------|
| Cash flows from operating activities: | | | |
| Profit (loss) for the period | | (Won) (115,426) | 648,625 |
| Adjustments for: | | | |
| Income tax expense (benefit) | 22 | (86,373) | 193,107 |
| Depreciation | | 763,824 | 595,813 |
| Amortization of intangible assets | | 52,015 | 35,856 |
| Gain on foreign currency translation | | (111,935) | (104,952) |
| Loss on foreign currency translation | | 80,008 | 77,341 |
| Gain on disposal of property, plant and equipment | | (158) | (931) |
| Loss on disposal of property, plant and equipment | | 80 | 76 |
| Finance income | | (108,396) | (113,181) |
| Finance costs | | 45,508 | 34,188 |
| Equity in loss (gain) of equity method accounted investees, net | | 1,994 | (156) |
| Other income | | (2,576) | (121) |
| Other expenses | | 41,387 | 11,641 |
| | | 559,952 | 1,377,306 |
| Change in trade accounts and notes receivable | | 490,298 | (354,106) |
| Change in other accounts receivable | | (23,703) | 10,834 |
| Change in other current assets | | (138,073) | (90,193) |
| Change in inventories | | (289,977) | (48,597) |
| Change in other non-current accounts receivable | | | 328 |
| Change in other non-current assets | | (21,242) | (29,151) |
| Change in trade accounts and notes payable | | 92,502 | 188,484 |
| Change in other accounts payable | | 43,596 | (68,813) |
| Change in accrued expenses | | (92,812) | (8,465) |
| Change in other current liabilities | | 18,544 | 6,505 |
| Change in long-term advances received | | 281,975 | |
| Change in other non-current liabilities | | (3,355) | 2,636 |
| Change in provisions | | (35,314) | (4,784) |
| Change in defined benefit obligation | 14 | (3,173) | 33,640 |
| Cash generated from operating activities | | 879,218 | 1,015,624 |
| Income taxes paid | | (56,363) | (63,412) |
| Interest received | | 22,806 | 33,053 |
| Interest paid | | (31,222) | (26,880) |
| Net cash from operating activities | | (Won) 814,439 | 958,385 |

See accompanying notes to the condensed consolidated interim financial statements.

Table of Contents

LG DISPLAY CO., LTD. AND SUBSIDIARIES

Condensed Consolidated Interim Statements of Cash Flows, Continued

(Unaudited)

For the three-month periods ended March 31, 2011 and 2010

| <i>(In millions of won)</i> | Note | 2011 | 2010 |
|--|-------------|------------------------|------------------|
| Cash flows from investing activities: | | | |
| Dividends received | (Won) | 242 | 729 |
| Proceeds from withdrawal of deposits in banks | | 1,100,000 | 1,300,000 |
| Increase in deposits in banks | | (801,000) | (800,000) |
| Acquisition of investments in equity accounted investees | | (1,908) | (14,933) |
| Proceed from disposal of investments in equity accounted investees | | 1,356 | |
| Acquisition of property, plant and equipment | | (1,039,187) | (715,079) |
| Proceeds from disposal of property, plant and equipment | | 157 | 1,250 |
| Acquisition of intangible assets | | (58,970) | (50,368) |
| Grants received | | 940 | 4 |
| Proceeds from settlement of derivatives | | 9,844 | 9,600 |
| Proceeds from short-term loans | | 49 | 28 |
| Acquisition of other non-current financial assets | | (25,188) | (98) |
| Proceed from disposal of other non-current financial assets | | 121,651 | 3,422 |
| Net cash used in investing activities | | (692,014) | (265,445) |
| Cash flows from financing activities: | | | |
| Proceeds from short-term borrowings | | 106,580 | 120,566 |
| Repayment of short-term borrowings | | (328,655) | (282,395) |
| Issuance of debentures | | 298,726 | 199,117 |
| Proceeds from long-term debts | | | 5,301 |
| Repayment of current portion of long-term debts | | (24,839) | (417,050) |
| Increase in non-controlling interest | | 3,283 | 16,592 |
| Net cash provided (used) in financing activities | | 55,095 | (357,869) |
| Net Increase in cash and cash equivalents | | 177,520 | 335,071 |
| Cash and cash equivalents at January 1 | | 1,631,009 | 817,982 |
| Effect of exchange rate fluctuations on cash held | | (151) | (8,817) |
| Cash and cash equivalents at March 31 | | (Won) 1,808,378 | 1,144,236 |

See accompanying notes to the condensed consolidated interim financial statements.

Table of Contents

1. **Reporting Entity**

(a) **Description of the Controlling Company**

LG Display Co., Ltd. (the Controlling Company) was incorporated in February 1985 under its original name of LG Soft, Ltd. as a wholly owned subsidiary of LG Electronics Inc. In 1998, LG Electronics Inc. and LG Semicon Co., Ltd. transferred their respective Thin Film Transistor Liquid Crystal Display (TFT-LCD) related business to the Controlling Company. The main business of the Controlling Company and its subsidiaries is to manufacture and sell TFT-LCD panels. The Controlling Company is a stock company (Jusikhoesa) domiciled in the Republic of Korea with its address at 65-228 Hangang-ro 3-ga, Yongsan-gu, Seoul, the Republic of Korea. In July 1999, LG Electronics Inc. and Koninklijke Philips Electronics N.V. (Philips) entered into a joint venture agreement. Pursuant to the agreement, the Controlling Company changed its name to LG.Philips LCD Co., Ltd. However, on February 29, 2008, the Controlling Company changed its name to LG Display Co., Ltd. based upon the approval of shareholders at the general shareholders' meeting on the same date as a result of the decrease in Philips' share interest in the Controlling Company and the possibility of its business expansion to Organic Light Emitting Diode (OLED) and Flexible Display products. As of March 31, 2011, LG Electronics Inc. owns 37.9% (135,625,000 shares) of the Controlling Company's common shares.

As of March 31, 2011, the Controlling Company has its TFT-LCD manufacturing plants, OLED manufacturing plant and LCD Research & Development Center in Paju and TFT-LCD manufacturing plants and OLED manufacturing plant in Gumi. The Controlling Company has overseas subsidiaries located in the United States of America, Europe and Asia.

The Controlling Company's common stock is listed on the Korea Exchange under the identifying code 034220. As of March 31, 2011, there are 357,815,700 shares of common stock outstanding. The Controlling Company's common stock is also listed on the New York Stock Exchange in the form of American Depositary Shares (ADSs) under the symbol LPL. One ADS represents one-half of one share of common stock. As of March 31, 2011, there are 34,262,102 ADSs outstanding.

(b) **Consolidated Subsidiaries**

In January 2011, the Controlling Company invested (Won)14,363 million in cash for the capital increase of LG Display Nanjing Co., Ltd., which is wholly owned by the Controlling Company.

In February 2011, the Controlling Company invested (Won)3,417 million in cash for the capital increase of LUCOM Display Technology (Kunshan) Limited. There were no changes in the Controlling Company's ownership percentage in LUCOM as a result of this additional investment.

Table of Contents

2. **Basis of Presenting Financial Statements**

(a) **Statement of Compliance**

The condensed interim financial statements have been prepared in accordance with Korean International Financial Reporting Standards (K-IFRSs) 1034 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as of and for the year ended December 31, 2010.

The condensed consolidated interim financial statements were authorized for issue by the Board of Directors on April 15, 2011.

(b) **Basis of Measurement**

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

derivative financial instruments measured at fair value;

financial instruments at fair value through profit or loss measured at fair value;

available-for-sale financial assets measured at fair value;

liabilities for cash-settled share-based payment arrangements measured at fair value; and

liabilities for defined benefit plans recognized at the net total of present value of defined benefit obligation less the fair value of plan assets

(c) **Functional and Presentation Currency**

The condensed consolidated interim financial statements are presented in Korean won, which is the Controlling Company's functional currency. All amounts in Korean won are in millions unless otherwise stated.

(d) **Use of Estimates and Judgments**

The preparation of the condensed consolidated interim financial statements in conformity with K-IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied in its financial statements as of and for the year ended December 31, 2010.

Table of Contents**3. Summary of Significant Accounting Policies**

The significant accounting policies followed by the Group in the preparation of its consolidated interim financial statements are the same as those followed by the Group in its preparation of the consolidated financial statements as of and for the year ended December 31, 2010, except for the application of the Statements of K-IFRS 1034 *Interim Financial Reporting*.

4. Financial Risk Management

The objectives and policies on financial risk management followed by the Group are consistent with those disclosed in the consolidated financial statements as of and for the year ended December 31, 2010.

5. Inventories

Inventories as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|-----------------------------|-----------------|-------------|
| Finished goods | (Won) 1,011,957 | 978,386 |
| Work-in-process | 881,273 | 612,497 |
| Raw materials | 434,830 | 421,593 |
| Supplies | 177,134 | 202,741 |
| | (Won) 2,505,194 | 2,215,217 |

For the three-month periods ended March 31, 2011 and 2010, changes in finished goods, work in process raw materials and supplies recognized as cost of sales and write-downs of inventories to net realizable value and reversal of such write-downs also included in cost of sales are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--|-----------------|-------------|
| Inventories recognized as cost of sales | (Won) 5,132,586 | 4,639,654 |
| Including: Inventory write-downs (reversals) | 23,287 | (12,280) |

Table of Contents

6. Investments in Equity Accounted Investees

The Controlling Company is a member of limited partnership in the LB Gemini New Growth Fund No.16 (the Fund). The Controlling Company is paid (Won)1,356 million in February 2011 by the Fund and made additional cash investment of (Won)1,908 million in March 2011. As of March 31, 2011, the Controlling Company has a 30.6% equity interest in the Fund and is committed to make investment of (Won)30,000 million in future.

The entire carrying amount of the investment in RPO, Inc. of (Won)10,866 million, which was acquired for research and development on Digital Waveguide Touch technology in 2009, has been impaired fully as of March 31, 2011 as the recovery of the investment is no longer probable.

7. Property, Plant and Equipment

For the three-month periods ended March 31, 2011 and 2010, the Group purchased property, plant and equipment of (Won)1,509,914 million and (Won)1,423,507 million, respectively. The capitalized borrowing costs and capitalization rate are (Won)4,762 million and 2.03%, and (Won)6,885 million and 2.78% for the three-month period ended March 31, 2011 and 2010, respectively. Also for the three-month periods ended March 31, 2011 and 2010, the Group disposed property, plant and equipment with carrying amounts of (Won)79 million and (Won)395 million, respectively. The Group recognized (Won)158 million and (Won)80 million as gain and loss on disposal of property, plant and equipment for the three-month period ended March 31, 2011 (gain and loss for the three-month period ended on March 31, 2010: (Won)931 million and (Won)76 million, respectively).

8. Intangible Assets

The Group capitalizes the expenses related to development activities, such as expense incurred on designing, manufacturing and testing of products that are ultimately selected for production. The balances of capitalized development costs as of March 31, 2011 and December 31, 2010 are (Won)154,153 million and (Won)151,697 million, respectively.

Table of Contents9. Financial Instruments

(a) Credit risk

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as of March 31, 2011 and December 31, 2010 is as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|-----------------|-------------|
| Cash and cash equivalents | (Won) 1,808,378 | 1,631,009 |
| Trade accounts and notes receivable, net | 2,449,089 | 3,000,661 |
| Other accounts receivable, net | 151,271 | 256,028 |
| Available-for-sale financial assets | 41,397 | 42,753 |
| Financial assets at fair value through profit or loss | 16,065 | 16,804 |
| Deposits | 68,805 | 49,792 |
| Derivatives | 9,545 | 9,254 |
| Deposits in banks | 1,204,000 | 1,503,000 |
| Guarantee deposits with banks | 13 | 13 |
| | (Won) 5,748,563 | 6,509,314 |

The maximum exposure to credit risk for trade accounts and notes receivable as of March 31, 2011 and December 31, 2010 by geographic region is as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|-----------------------------|-----------------|-------------|
| Domestic | (Won) 81,973 | 79,275 |
| Euro-zone countries | 308,497 | 456,145 |
| Japan | 155,019 | 265,732 |
| United States | 669,368 | 546,364 |
| China | 722,698 | 823,020 |
| Taiwan | 432,770 | 720,918 |
| Others | 78,764 | 109,207 |
| | (Won) 2,449,089 | 3,000,661 |

Table of Contents9. Financial Instruments, Continued

(ii) Impairment loss

The aging of trade accounts and notes receivable and the related allowance for impairment as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | | 2010 | |
|-----------------------------|-----------------|-----------------|------------|-----------------|
| | Book Value | Impairment loss | Book Value | Impairment loss |
| Not past due | (Won) 2,371,168 | (299) | 2,905,600 | (514) |
| Past due 1-15 days | 20,138 | (2) | 25,628 | (4) |
| Past due 16-30 days | 53,128 | (7) | 43,820 | (6) |
| Past due 31-60 days | 4,090 | | 21,369 | (4) |
| More than 60 days | 875 | (2) | 4,776 | (4) |
| | (Won) 2,449,399 | (310) | 3,001,193 | (532) |

The movement in the allowance for impairment in respect of receivables during the three-month period ended March 31, 2011 and the year ended December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--|-----------|------|
| Balance at the beginning of the year | (Won) 532 | 365 |
| Bad debt expense (reversal of allowance for doubtful accounts) | (222) | 167 |
| Balance at the reporting date | (Won) 310 | 532 |

Table of Contents9. Financial Instruments, Continued

(b) Liquidity risk

- (i) The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as of March 31, 2011:

| <i>(In millions of won)</i> | Carrying amount | Contractual cash flows | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
|---|------------------------|-------------------------------|-------------------------|--------------------|------------------|------------------|--------------------------|
| Non-derivative financial liabilities | | | | | | | |
| Secured bank loan | (Won) 55,360 | 59,385 | 619 | 619 | 1,239 | 56,908 | |
| Unsecured bank loans | 2,355,764 | 2,396,972 | 1,512,678 | 427,688 | 161,414 | 292,161 | 3,031 |
| Unsecured bond issues | 2,110,730 | 2,403,541 | 244,810 | 42,160 | 711,732 | 1,404,839 | |
| Financial liabilities at fair value | | | | | | | |
| through profit or loss | 83,069 | 85,330 | | | 85,330 | | |
| Trade accounts and notes payables | 3,002,615 | 3,002,615 | 3,002,615 | | | | |
| Other accounts payables | 3,079,431 | 3,079,431 | 3,079,431 | | | | |
| Other non-current payable | 52,802 | 52,802 | | | 52,802 | | |
| | (Won) 10,739,771 | 11,080,076 | 7,840,153 | 470,467 | 1,012,517 | 1,753,908 | 3,031 |

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

- (ii) As of March 31, 2011, there is no derivative designated as a cash flow hedge.

Table of Contents9. Financial Instruments, Continued

(c) Currency risk

(i) Exposure to currency risk

The Group's exposure to foreign currency risk based on notional amounts as of March 31, 2011 and December 31, 2010 is as follows:

| <i>(In millions)</i> | 2011 | | | | | | |
|--|---------|----------|---------|-------|------|-------|-----|
| | USD | JPY | CNY | TWD | EUR | PLN | SGD |
| Cash and cash equivalents | 913 | 37,701 | 143 | 2 | 20 | 5 | |
| Trade accounts and notes receivable | 2,062 | 6,255 | 159 | | 19 | 29 | |
| Other accounts receivable | 22 | 208 | 187 | 159 | 4 | 1 | |
| Available-for-sale financial assets | 7 | | | 103 | | | |
| Financial assets at fair value through profit or loss | | | | 430 | | | |
| Other assets denominated in foreign currencies | 1 | 186 | 17 | 16 | | 67 | 1 |
| Trade accounts and notes payable | (1,498) | (20,804) | (992) | (111) | (6) | | (1) |
| Other accounts payable | (132) | (16,540) | (452) | (14) | (16) | (120) | |
| Other non-current accounts payable | (12) | | | | (25) | | |
| Debts | (1,162) | (57,536) | (398) | | (43) | | |
| Bonds | (346) | (9,971) | | | | | |
| Financial liabilities at fair value through profit or loss | (75) | | | | | | |
| Gross statement of financial position exposure | (220) | (60,501) | (1,336) | 585 | (47) | (18) | |
| Forward exchange contracts | (260) | | | | | | |
| Net exposure | (480) | (60,501) | (1,336) | 585 | (47) | (18) | |

Table of Contents9. Financial Instruments, Continued*(In millions)*

| | 2010 | | | | | | |
|--|---------|-----------|-------|-------|------|------|-----|
| | USD | JPY | CNY | TWD | EUR | PLN | SGD |
| Cash and cash equivalents | 954 | 151 | 342 | 2 | 23 | 8 | |
| Trade accounts and notes receivable | 2,570 | 7 | 69 | | 14 | | |
| Other accounts receivable | 10 | 5 | 62 | 3,172 | | | |
| Available-for-sale financial assets | 9 | | | 118 | | | |
| Financial assets at fair value through profit or loss | | | | 430 | | | |
| Other assets denominated in foreign currencies | 1 | 196 | 13 | 12 | | 67 | 1 |
| Trade accounts and notes payable | (1,638) | (15,683) | (90) | | (2) | | |
| Other accounts payable | (73) | (16,622) | (270) | (18) | (12) | (12) | |
| Other non-current accounts payable | (12) | | | | (25) | | |
| Debts | (1,192) | (71,889) | (412) | | (48) | | |
| Bonds | (345) | (9,965) | | | | | |
| Financial liabilities at fair value through profit or loss | (74) | | | | | | |
| Gross statement of financial position exposure | 210 | (113,800) | (286) | 3,716 | (50) | 63 | 1 |
| Forward exchange contracts | (420) | | | | | | |
| Net exposure | (210) | (113,800) | (286) | 3,716 | (50) | 63 | 1 |

Significant exchange rates applied for the three-month period ended March 31, 2011 and the year ended December 31, 2010 are as follows:

| <i>(In won)</i> | Average rate | | Spot rate | |
|-----------------|----------------|----------|----------------|-------------------|
| | 2011 | 2010 | March 31, 2011 | December 31, 2010 |
| USD | (Won) 1,121.04 | 1,144.84 | (Won) 1,107.20 | 1,138.90 |
| JPY | 13.63 | 12.62 | 13.32 | 13.97 |
| CNY | 170.29 | 167.67 | 168.88 | 172.50 |
| TWD | 38.31 | 35.86 | 37.57 | 39.08 |
| EUR | 1,532.38 | 1,584.77 | 1,563.48 | 1,513.60 |
| PLN | 388.16 | 396.61 | 389.44 | 381.77 |
| SGD | 877.20 | 815.76 | 877.55 | 884.00 |

Table of Contents9. Financial Instruments, Continued

(ii) Sensitivity analysis

A weakening of the won, as indicated below, against the following currencies which comprise the Group's financial assets or liabilities denominated in foreign currency as of March 31, 2011 and December 31, 2010 would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of each reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The changes in equity and profit or loss are as follows:

| <i>(In millions of won)</i> | March 31, 2011 | | December 31, 2010 | |
|-----------------------------|-----------------------|---------------------------|--------------------------|---------------------------|
| | Equity | Profit or loss | Equity | Profit or loss |
| USD (5 percent weakening) | (15,400) | (10,515) | (9,119) | (29,823) |
| JPY (5 percent weakening) | (23,317) | (20,819) | (60,256) | (59,738) |
| CNY (5 percent weakening) | (6,529) | | (1,867) | |
| TWD (5 percent weakening) | 635 | 307 | 5,504 | 4,859 |
| EUR (5 percent weakening) | (2,140) | (2,408) | (2,923) | (3,666) |
| PLN (5 percent weakening) | (209) | 768 | 928 | 1,065 |
| SGD (5 percent weakening) | 4 | | 23 | |

A strengthening of the won against the above currencies as of March 31, 2011 and December 31, 2010 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Table of Contents9. Financial Instruments, Continued

(d) Interest rate risk

(i) Profile

The interest rate profile of the Group's interest-bearing financial instruments as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|----------------------------------|-------------------|-------------|
| Fixed rate instruments | | |
| Financial assets | (Won) 3,024,176 | 3,268,887 |
| Financial liabilities | (1,882,292) | (1,584,533) |
| | (Won) 1,141,884 | 1,684,354 |
| Variable rate instruments | | |
| Financial liabilities | (Won) (2,722,631) | (3,058,390) |

(ii) Fair value sensitivity analysis for fixed rate instruments

The Group has recognized some fixed rate financial assets as financial assets at fair value through profit or loss. The increase of the interest rate by 100 basis points would have decreased the Group's equity and profit and loss by (Won)646 million and the decrease of the interest rate by 100 basis points would have had an opposite effect.

(iii) Cash flow sensitivity analysis for variable rate instruments

As of March 31, 2011 and December 31, 2010, a change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below for each year following the reporting dates. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

| <i>(In millions of won)</i> | Equity | | Profit or loss | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 1% increase | 1% decrease | 1% increase | 1% decrease |
| March 31, 2011 | | | | |
| Variable rate instruments | (Won) (20,787) | 20,787 | (20,787) | 20,787 |
| December 31, 2010 | | | | |
| Variable rate instruments | (Won) (23,183) | 23,183 | (23,183) | 23,183 |

Table of Contents9. Financial Instruments, Continued

(e) Fair values

(i) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the condensed consolidated interim statements of financial position, are as follows:

| <i>(In millions of won)</i> | March 31, 2011 | | December 31, 2010 | |
|--|------------------|-------------|-------------------|-------------|
| | Carrying amounts | Fair values | Carrying amounts | Fair values |
| Assets carried at fair value | | | | |
| Available-for-sale financial assets | (Won) 41,397 | 41,397 | 42,753 | 42,753 |
| Financial assets at fair value through profit or loss | 16,065 | 16,065 | 16,804 | 16,804 |
| Forward exchange contracts | 9,545 | 9,545 | 9,254 | 9,254 |
| | (Won) 67,007 | 67,007 | 68,811 | 68,811 |
| Assets carried at amortized cost | | | | |
| Cash and cash equivalents | (Won) 1,808,378 | 1,808,378 | 1,631,009 | 1,631,009 |
| Trade accounts and notes receivable | 2,449,089 | 2,449,089 | 3,000,661 | 3,000,661 |
| Other accounts receivable | 151,271 | 151,271 | 256,028 | 256,028 |
| Deposits in banks | 1,204,000 | 1,204,000 | 1,503,000 | 1,503,000 |
| Deposits | 68,805 | 68,805 | 49,792 | 49,792 |
| Others | 13 | 13 | 13 | 13 |
| | (Won) 5,681,556 | 5,681,556 | 6,440,503 | 6,440,503 |
| Liabilities carried at fair value | | | | |
| Financial liabilities at fair value through profit or loss | (Won) 83,069 | 83,069 | 84,338 | 84,338 |
| Forward exchange contracts | | | 956 | 956 |
| | (Won) 83,069 | 83,069 | 85,294 | 85,294 |
| Liabilities carried at amortized cost | | | | |
| Secured bank loans | (Won) 55,360 | 55,360 | 56,945 | 56,945 |
| Unsecured bank loans | 2,355,764 | 2,355,425 | 2,673,146 | 2,672,790 |
| Unsecured bond issues | 2,110,730 | 2,140,519 | 1,828,494 | 1,859,102 |
| Trade accounts and notes payable | 3,002,615 | 3,002,615 | 2,961,995 | 2,961,995 |
| Other accounts payable | 3,079,431 | 3,079,431 | 2,592,527 | 2,592,527 |
| Other non-current liabilities | 52,802 | 55,740 | 51,409 | 55,920 |
| | (Won) 10,656,702 | 10,689,090 | 10,164,516 | 10,199,279 |

The basis for determining fair values is disclosed in note 4.

Table of Contents9. Financial Instruments, Continued

(ii) Interest rates used for determining fair value

The significant interest rates applied for determination of the above fair value as of March 31, 2011 and December 31, 2010 are as follows:

| | 2011 | 2010 |
|-----------------|-------|-------|
| Derivatives | 3.79% | 3.31% |
| Debts and bonds | 4.01% | 3.58% |

(iii) Fair value hierarchy

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs for the asset or liability that are not based on observable market data

| <i>(In millions of won)</i> | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|---------|---------|----------|
| March 31, 2011 | | | | |
| Available-for-sale financial assets | (Won) 14,230 | | 27,167 | 41,397 |
| Financial assets at fair value through profit or loss | 16,065 | | | 16,065 |
| Derivative financial assets | | 9,545 | | 9,545 |
| | (Won) 30,295 | 9,545 | 27,167 | 67,007 |
| Financial liabilities at fair value through profit or loss | (83,069) | | | (83,069) |
| | (Won) (83,069) | | | (83,069) |

| <i>(In millions of won)</i> | Level 1 | Level 2 | Level 3 | Total |
|---|--------------|---------|---------|--------|
| December 31, 2010 | | | | |
| Available-for-sale financial assets | (Won) 16,668 | | 26,085 | 42,753 |
| Financial assets at fair value through profit or loss | 16,804 | | | 16,804 |
| Derivative financial assets | | 9,254 | | 9,254 |
| | (Won) 33,472 | 9,254 | 26,085 | 68,811 |
| Derivative financial liabilities | | (956) | | (956) |

Edgar Filing: LG Display Co., Ltd. - Form 6-K

| | | | |
|--|----------------|-------|----------|
| Financial liabilities at fair value through profit or loss | (Won) (84,338) | | (84,338) |
| | (Won) (84,338) | (956) | (85,294) |

Table of Contents9. Financial Instruments, Continued

The derivative financial assets and liabilities are classified as Level 2 since all significant inputs to compute the fair value of the over-the-counter derivatives were observable.

In order to determine the fair value of Level 3 instruments, management used a valuation technique in which all significant inputs were based on unobservable market data. The fair values of the Level 3 instruments have been computed using binomial tree model considering the financial conditions of the invested companies and by discounting estimated cash flows from stock using yield rate that reflects invested companies' credit risks.

Changes in Level 3 instruments are as follows:

| | December 31, 2010 | Purchases, disposal and others | Profit or loss | Net realized/unrealized gains included in Other comprehensive income | Transfer to other levels | March 31, 2011 |
|-------------------------------------|----------------------|---|-------------------|---|-----------------------------------|----------------------|
| <i>(In millions of won)</i> | | | | | | |
| Available-for-sale financial assets | (Won) 26,085 | | | 1,082 | | 27,167 |

(f) Capital Management

Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management also monitors the level of dividends to ordinary shareholders.

| <i>(In millions of won)</i> | March 31, 2011 | December 31, 2010 |
|-------------------------------|------------------|-------------------|
| Total liabilities | (Won) 13,570,815 | 12,796,691 |
| Total equity | 10,754,620 | 11,060,967 |
| Cash and deposits in banks(*) | 3,012,378 | 3,134,009 |
| Borrowings | 4,604,923 | 4,642,923 |
| Liabilities to equity ratio | 126% | 116% |
| Net borrowing to equity ratio | 15% | 14% |

(*)Cash and deposits in banks consist of cash and cash equivalents and deposit in banks.

Table of Contents10. Financial Liabilities

(a) Financial liabilities as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|-----------------|-------------|
| Current | | |
| Short-term borrowings | (Won) 958,000 | 1,213,462 |
| Current portion of long-term debt | 1,151,822 | 886,561 |
| Derivatives | | 956 |
| | (Won) 2,109,822 | 2,100,979 |
| Non-current | | |
| Won denominated borrowings | (Won) 18,194 | 19,143 |
| Foreign currency denominated borrowings | 483,108 | 810,925 |
| Bonds | 1,910,730 | 1,628,494 |
| Convertible bonds | 83,069 | 84,338 |
| | (Won) 2,495,101 | 2,542,900 |

Above financial liabilities, except for convertible bonds which are designated as financial liabilities at fair value through profit or loss and derivative liabilities, are measured at amortized cost.

(b) Short-term borrowings as of March 31, 2011 and December 31, 2010 are as follows:

(In millions of won, USD, JPY and CNY)

| Lender | Annual interest rate | 2011 | 2010 |
|-------------------------------------|---|----------------|------------------|
| | as of | | |
| | March 31, 2011(*) | (Won) | |
| Korea Development Bank and others | 3ML+1.2~1.9%, 6ML+0.65%, | 12,139 | |
| China Communication Bank and others | 90% of the Basic Rate published by the People's Bank of China | 137,505 | 162,115 |
| Mizuho Bank | 3ML+1.6% | 93,232 | 97,796 |
| Shinhan Bank and others | 6ML+0.65~0.9% 5.29% | 459,957 711 | 545,419 711 |
| Bank of Tokyo-Mitsubishi UFJ | 3ML+1.0% | 66,595 | 69,854 69,854 |
| Woori Bank | 5.13% | 200,000 | 200,000 |

Edgar Filing: LG Display Co., Ltd. - Form 6-K

| | | | | |
|-----------------------------|-------|---------|-----|-----------|
| Foreign currency equivalent | USD | 77 | USD | 95 |
| | JPY | 49,536 | JPY | 63,889 |
| | CNY | 71 | CNY | 71 |
| | (Won) | 958,000 | | 1,213,462 |

(*)ML represents Month LIBOR (London Inter-Bank Offered Rates).

Table of Contents10. Financial Liabilities, Continued

(c) Local currency long-term debt as of March 31, 2011 and December 31, 2010 is as follows:

(In millions of won)

| Lender | Annual interest rate | | 2011 | 2010 |
|--|-----------------------------|--|--------------|---------|
| | as of | | | |
| | March 31, 2011 | | | |
| Shinhan Bank | 3-year Korean Treasury Bond | | | |
| | rate less 1.25% | | (Won) 15,059 | 16,008 |
| Woori Bank | 3-year Korean Treasury Bond | | | |
| | rate less 1.25% | | 4,048 | 4,048 |
| | 2.75% | | 2,883 | 2,883 |
| Hana Bank | 1.23%, 4.18% | | 300 | 300 |
| Less current portion of long-term debt | | | (4,096) | (4,096) |
| | | | (Won) 18,194 | 19,143 |

(d) Foreign currency denominated long-term debt as of March 31, 2011 and December 31, 2010 is as follows:

(In millions of won, USD, JPY, CNY and EUR)

| Lender | Annual interest rate | | 2011 | 2010 |
|-------------------------------------|---------------------------|--|---------------|-----------|
| | as of | | | |
| | March 31, 2011 | | | |
| | 6ML+1.99% | | | |
| | 3M EURIBOR+0.6%, | | | |
| China Communication Bank and others | 90%~95% of the Basic Rate | | (Won) 128,507 | 145,917 |
| | published by the People's | | | |
| | Bank of China | | | |
| The Export-Import Bank of Korea | 6ML+0.69% | | 44,288 | 51,251 |
| | 6ML+1.78% | | 55,360 | 56,945 |
| Korea Development Bank | 3ML+0.66% | | 261,559 | 271,212 |
| | 3ML+2.79% | | | |
| Kookmin Bank and others | 3ML+0.35~0.53% | | 442,880 | 455,560 |
| | 6ML+0.41% | | 221,440 | 227,780 |
| Sumitomo Bank Ltd. | 3ML+1.80% | | 276,800 | 284,725 |
| Foreign currency equivalent | | | USD 1,085 | USD 1,097 |
| | | | CNY 327 | CNY 341 |
| | | | EUR 43 | EUR 48 |

Edgar Filing: LG Display Co., Ltd. - Form 6-K

| | JPY | 8,000 | JPY | 8,000 |
|--|-------|-----------|-----------|-------|
| Less current portion of long-term debt | | (947,726) | (682,465) | |
| | (Won) | 483,108 | 810,925 | |

Table of Contents10. Financial Liabilities, Continued

(e) Details of the Controlling Company's debentures issued and outstanding as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won, JPY and USD)</i> | Maturity | Annual interest rate as of March 31, 2011 | 2011 | | 2010 | |
|---|--------------------------|--|-------------|-----------------|-------------|-----------|
| Local currency debentures(*) | | | | | | |
| Publicly issued debentures | November 2012~ | 4.77~5.89% | (Won) | 1,400,000 | | 1,100,000 |
| | February 2016 | | | | | |
| Privately issued debentures | May 2011 | 5.30% | | 200,000 | | 200,000 |
| Less discount on debentures | | | | (4,671) | | (3,699) |
| Less current portion of debentures | | | | (200,000) | | (200,000) |
| | | | | (Won) 1,395,329 | | 1,096,301 |
| Foreign currency debentures(*) | | | | | | |
| Floating-rate bonds | August 2012 ~ April 2013 | 3ML+1.80 ~2.40% | (Won) | 520,709 | | 538,323 |
| Foreign currency equivalent | | | USD | 350 | USD | 350 |
| | | | JPY | 10,000 | JPY | 10,000 |
| Less discount on bonds | | | | (5,308) | | (6,130) |
| | | | | (Won) 515,401 | | 532,193 |
| Financial liabilities at fair value through profit or loss | | | | | | |
| Convertible bonds | April 2012 | Zero coupon | (Won) | 83,069 | | 84,338 |
| Foreign currency equivalent | | | USD | 75 | USD | 74 |
| | | | (Won) | 83,069 | | 84,338 |
| | | | | (Won) 1,993,799 | | 1,712,832 |

(*)Principal of the local currency debentures is to be repaid at maturity and interests are paid quarterly. The Controlling Company publicly issued debentures amounting to (Won)300,000 million (maturity: 5 years, annual interest rate: 4.95%) during the three-month period ended March 31, 2011.

Table of Contents10. Financial Liabilities, Continued

(f) Details of the convertible bonds are as follows:

| | Terms and Conditions |
|-------------------------------------|------------------------------|
| Issue date | April 18, 2007 |
| Maturity date | April 18, 2012 |
| Conversion period | April 19, 2008~April 3, 2012 |
| Coupon interest rate | 0% |
| Conversion price (in won) per share | (Won)47,892 |

The Group designated foreign currency denominated convertible bonds as financial liabilities at fair value through profits or loss and recognizes the convertible bonds at fair value with changes in fair value recognized in profit or loss.

The bonds will be repaid at 116.77% of the principal amount at maturity unless the bonds are converted. During the year ended December 31, 2010, put options attached to the convertible bonds amounting to USD484 million were exercised and the Group repaid USD531 million for the convertible bonds at 109.75% of the principal amount. Put options not exercised were expired.

The Group measured the convertible bonds at their fair value using the market quotes available at Bloomberg and it was assumed that the remaining convertible bonds will be repaid in full at maturity and they were reclassified as non-current liabilities.

The Group is entitled to exercise a call option after three years from the date of issue at the amount of the principal and interest, calculated at 3.125% of the annual yield to maturity, from the issue date to the repayment date. The call option can be exercised only when the market price of the common shares on each of 20 trading days in 30 consecutive trading days ending on the trading day immediately prior to the date upon which notice of such redemption is published exceeds at least 130% of the conversion price. In addition, in the event that at least 90% of the initial principal amount of the bonds has been redeemed, converted, or purchased and cancelled, the remaining bonds may also be redeemed, at the Group's option, at the amount of the principal and interest (3.125% per annum) from the date of issue to the repayment date prior to their maturity.

Based on the terms and conditions of the bond, the conversion price was decreased from (Won)48,075 to (Won)47,892 per share due to the Controlling Company's declaration of cash dividends of (Won)500 per share for the year ended December 31, 2010.

As of March 31, 2011 and December 31, 2010, the number of common shares to be issued if the outstanding convertible bonds are fully converted is as follows:

| <i>(In won and share)</i> | 2011 | 2010 |
|----------------------------|----------------------|----------------|
| Convertible bonds (*) | (Won) 61,617,600,000 | 61,617,600,000 |
| Conversion price | (Won) 47,892 | 48,075 |
| Common shares to be issued | 1,286,594 | 1,281,697 |

Table of Contents10. Financial Liabilities, Continued

(*)The exchange rate for the conversion is fixed at (Won)933.6 to USD1. The face value of the convertible bonds amounted to USD66 million as of March 31, 2011 and December 31, 2010.

(g) Aggregate maturities of the Group's financial liabilities as of March 31, 2011 are as follows:

(In millions of won)

| Period | Local currency long-term debt | Foreign currency long-term debt | Local currency debentures | Foreign currency debentures | Total |
|---------------|----------------------------------|------------------------------------|------------------------------|--------------------------------|-----------|
| Within 1 year | (Won) 4,096 | 947,726 | 200,000 | | 1,151,822 |
| 1~5 year | 15,300 | 483,108 | 1,910,730 | 83,069 | 2,492,207 |
| Thereafter | 2,894 | | | | 2,894 |
| | (Won) 22,290 | 1,430,834 | 2,110,730 | 83,069 | 3,646,923 |

11. The Nature of Expenses

The nature of expenses for the three-month periods ended March 31, 2011 and 2010 are as follows:

| (In millions of won) | 2011 | 2010 |
|--|-----------------|-----------|
| Changes in inventories | (Won) (289,977) | (48,597) |
| Purchase of raw material and merchandise | 3,790,682 | 3,445,618 |
| Depreciation and amortization | 815,839 | 631,669 |
| Outsourcing fee | 28,261 | 18,784 |
| Labor costs | 575,937 | 424,809 |
| Supplies and others | 276,803 | 211,332 |
| Utility expense | 134,356 | 103,577 |
| Fees and commissions | 108,002 | 82,385 |
| Shipping costs | 79,944 | 104,314 |
| After-sale service expenses | 15,854 | 38,566 |
| Others | 85,227 | 84,101 |
| | (Won) 5,620,928 | 5,096,558 |

Total expenses consist of cost of sales, selling, administrative, research and development expenses and others (except foreign exchange difference).

For the three-month period ended March 31, 2011, other income and other expenses contained exchange differences amounting to (Won)329,601 million and (Won)316,872 million, respectively (three-month period ended March 31, 2010 : (Won)241,541 million and (Won)235,188 million, respectively).

Table of Contents**12. Selling and Administrative Expenses**

Details of selling and administrative expenses for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--|---------------|-------------|
| Salaries | (Won) 59,384 | 46,477 |
| Expenses related to defined benefit plan | 4,844 | 5,352 |
| Other employee benefit | 14,579 | 10,993 |
| Shipping costs | 67,450 | 88,086 |
| Fees and commissions | 43,584 | 25,654 |
| Depreciation and amortization | 41,297 | 32,754 |
| Taxes and dues | 10,904 | 4,158 |
| Advertising | 25,259 | 16,827 |
| After-sale service expenses | 15,854 | 38,566 |
| Others | 35,158 | 40,959 |
| | (Won) 318,313 | 309,826 |

13. Other Income and Other Expenses

(a) Details of other income for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|---------------|-------------|
| Rental income | (Won) 1,461 | 1,034 |
| Foreign currency gain | 329,601 | 241,541 |
| Gain on disposal of property, plant and equipment | 158 | 931 |
| Reversal of allowance for doubtful accounts for other receivables | 211 | 121 |
| Reversal of stock compensation cost | 267 | |
| Others | 1,346 | 1,195 |
| | (Won) 333,044 | 244,822 |

(b) Details of other expenses for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|---------------|-------------|
| Other bad debt expenses | (Won) 285 | 1,281 |
| Foreign currency loss | 316,872 | 235,188 |
| Loss on disposal of property, plant and equipment | 80 | 76 |
| Others | 24 | 9,071 |
| | (Won) 317,261 | 245,616 |

Table of Contents**14. Employee Benefits**

The Group maintains a defined benefit plan that provides a lump-sum payment to an employee based on final salary rates and length of service at the time the employee leaves the Group. The Controlling Company's defined benefit plan, if legal requirements are satisfied, allows interim settlement upon the employee's election. Subsequent to the interim settlement, service term used for severance payment calculation is remeasured from the settlement date.

- (a) Recognized liabilities for defined benefit obligations as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|---------------|-------------|
| Present value of partially funded defined benefit obligations | (Won) 384,500 | 360,540 |
| Fair value of plan assets | (281,096) | (281,825) |
| | (Won) 103,404 | 78,715 |

- (b) Expenses recognized in profit and loss for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--------------------------------|--------------|-------------|
| Current service cost | (Won) 26,809 | 22,025 |
| Interest cost | 4,746 | 3,678 |
| Expected return on plan assets | (3,088) | (3,236) |
| Past service cost | | 12,778 |
| | (Won) 28,467 | 35,245 |

- (c) Plan assets as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--------------------------------------|---------------|-------------|
| Deposits with financial institutions | (Won) 281,096 | 281,825 |

- (d) Actuarial gain and loss recognized in other comprehensive income for the three-month periods ended March 31, 2011 and 2010 is as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--|-------------|-------------|
| Defined benefit plan actuarial gain or loss | (Won) 605 | (153) |
| Income tax | (133) | |
| Defined benefit plan actuarial gain or loss, net of income tax | (Won) 472 | (153) |

Table of Contents15. Finance income and Finance costs

(a) Finance income and costs recognized in profit and loss for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|---------------|-------------|
| Finance income | | |
| Interest income | (Won) 16,888 | 28,738 |
| Foreign currency gain | 107,869 | 85,791 |
| Gain on derivatives | | 102 |
| Gain on valuation of financial assets at fair value through profit or loss | 36 | 6 |
| | (Won) 124,793 | 114,637 |
| Finance costs | | |
| Interest expense | (Won) 30,272 | 23,833 |
| Foreign currency loss | 35,843 | 29,284 |
| Loss on valuation of financial assets at fair value through profit or loss | 393 | 1,512 |
| Loss on valuation of financial liabilities at fair value through profit or loss | 1,079 | 4,829 |
| Loss on sale of trade accounts and notes receivable | 3,682 | 1,435 |
| Impairment loss on investments in equity accounted investees | 10,866 | |
| | (Won) 82,135 | 60,893 |

(b) Finance income and costs recognized in other comprehensive income (loss) for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--|---------------|-------------|
| Loss on valuation of available-for-sale securities | (1,515) | 18,455 |
| Tax effect | 179 | (4,545) |
| | (Won) (1,336) | 13,910 |

Table of Contents16. CommitmentsFactoring and securitization of accounts receivable

The Controlling Company has agreements with Korea Exchange Bank and several other banks for accounts receivable sales negotiating facilities of up to an aggregate of USD1,425 million ((Won)1,577,760 million) in connection with its export sales transactions. As of March 31, 2011, the amount of accounts and notes receivable sold but not past due is zero.

In October 2006, LG Display America, Inc., LG Display Germany GmbH, LG Display Shanghai Co., Ltd. and others entered into a five-year accounts receivable selling program with Standard Chartered Bank on a revolving basis, of up to USD600 million ((Won)664,320 million). The Controlling Company joined this program in April 2007. For the three-month period ended March 31, 2011, no accounts and notes receivable were sold under this program.

LG Display Singapore Pte. Ltd., the Controlling Company's subsidiary, has agreements with Standard Chartered Bank and Citibank for accounts receivable sales negotiating facilities of up to an aggregate of USD250 million ((Won)276,800 million) and USD100 million ((Won)110,720 million), respectively, and, as of March 31, 2011, accounts and notes receivable amounting to USD190 million ((Won)210,368 million) and USD48 million ((Won)53,146 million) were sold but are not past due. LG Display Taiwan Co., Ltd. has an agreement with Taishin International Bank for accounts receivable sales negotiating facilities of up to an aggregate of USD710 million ((Won)786,112 million), and, as of March 31, 2011, accounts and notes receivable amounting to USD251 million ((Won)277,907 million) were sold but are not past due. In addition, LG Display Taiwan Co., Ltd. has agreements with Citibank and Standard Chartered Bank for accounts receivable sales negotiating facilities of up to an aggregate of USD56 million ((Won)62,003 million) and USD260 million ((Won)287,872 million), respectively, and, as of March 31, 2011, accounts and notes receivable amounting to USD33 million ((Won)36,538 million) and USD105 million ((Won)116,256 million) were sold but are not past due, respectively. LG Display Shanghai Co., Ltd. has an agreement with BNP Paribas for accounts receivable sales negotiating facilities of up to an aggregate of USD140 million ((Won)155,008 million), and, as of March 31, 2011, accounts and notes receivable amounting to USD92 million ((Won)101,862 million) were sold but are not past due. In July 2010, LG Display Shenzhen Co., Ltd. and LG Display Shanghai Co., Ltd. entered into agreements with Bank of China Limited, and, as of March 31, 2011, accounts and notes receivable amounting to USD120 million ((Won)132,864 million) were sold but are not past due. In June 2010, LG Display Germany GmbH entered into an agreement with Citibank for accounts receivable sales negotiating facilities of up to an aggregate of USD307 million ((Won)339,910 million), and, as of March 31, 2011, accounts and notes receivable amounting to USD296 million ((Won)327,731 million) were sold but are not past due. LG Display America, Inc. has agreements with Australia and New Zealand Banking Group Limited and Standard Chartered Bank for accounts receivable sales negotiating facilities of up to an aggregate of USD80 million ((Won)88,576 million) and USD35 million ((Won)38,752 million), respectively, and, as of March 31, 2011, the amount of accounts and notes receivable amounting to USD79 million ((Won)87,469 million) and USD19 million ((Won)21,037 million) were sold but not past due, respectively. The Controlling Company has a credit facility agreement with Shinhan Bank pursuant to which the Controlling Company could negotiate its accounts receivables up to an aggregate of (Won)50,000 million in connection with its domestic sales transactions. In addition, since August 2010, the Controlling Company has entered into an accounts receivable selling program of up to USD100 million ((Won)110,720 million) with Citibank, N.A., and, as of March 31, 2011, the amount of accounts and notes receivable sold but not past due is zero. In connection with all the contracts in this paragraph, the Group has sold its accounts receivable without recourse.

Table of Contents16. Commitments, ContinuedLetters of credit

As of March 31, 2011, the Controlling Company has agreements with Korea Exchange Bank in relation to the opening of letters of credit up to USD110 million ((Won)121,792 million), USD20 million ((Won)22,144 million) with China Construction Bank, USD210 million ((Won)232,512 million) with Shinhan Bank, JPY10,000 million ((Won)133,189 million) with Woori Bank, USD80 million ((Won)88,576 million) with Bank of China, USD104 million ((Won)115,149 million) with Hana Bank and JPY1,893 million ((Won)25,210 million), USD60 million ((Won)66,432 million) with Sumitomo Mitsui Banking Corporation.

Payment guarantees

The Controlling Company receives payment guarantees amounting to USD8.5 million ((Won)9,411 million) and EUR215 million((Won) 336,148) from Royal Bank of Scotland and other various banks in connection with value added tax payments in Poland. As of March 31, 2011, the Controlling Company is providing a payment guarantee to a syndicate of banks including Kookmin Bank and Societe Generale in connection with a EUR43 million ((Won)67,350 million) term loan credit facility of LG Display Poland Sp. zo.o. LG Display Poland Sp. zo.o. is provided with a payment guarantee amounting to PLN250 million ((Won)97,360 million) by Nordea Bank and others for the Simplified Procedure (deferral of VAT payment), and the Controlling Company provides payment guarantee to Nordea Bank and others in connection with their payment guarantee. In addition, the Controlling Company provides payment guarantees in connection with LG Display Singapore Ltd. s and other subsidiaries term loan credit facilities with an aggregate amount of USD17 million ((Won)18,822 million) for principals and related interests.

LG Display Japan Co., Ltd. and other subsidiaries have entered into short-term credit facility agreements of up to USD159 million ((Won)175,491 million), JPY8,000 million ((Won)106,551 million), and CNY200 million ((Won)33,776 million), respectively, with Mizuho Corporate Bank and other various banks. LG Display Japan Co., Ltd. and other subsidiaries are provided with repayment guarantees from the Bank of Tokyo-Mitsubishi UFJ and other various banks amounting to USD5 million ((Won)5,536 million), JPY1,300 million ((Won)17,315 million), CNY1,200 million ((Won)202,656 million) and PLN250 million ((Won)97,360 million) respectively, for their local tax payments.

License agreements

As of March 31, 2011, in relation to its TFT-LCD business, the Controlling Company has technical license agreements with Hitachi Display, Ltd. and others and has a trademark license agreement with LG Corp.

Long-term supply agreement

In January 2009 and April and December 2010, the Controlling Company entered into long-term supply agreements with Apple, Inc. to supply LCD panels for three or five years, respectively. In connection with the agreements, the Controlling Company received advances of USD830 million ((Won)918,976 million) from Apple, Inc. in aggregate. In addition, the Controlling Company has received advance of USD250 million ((Won) 276,800 million) from Apple, Inc. in February 2011. The advances received will offset against outstanding accounts receivable balance after a given period of time, as well as those arising from the supply of products thereafter. The Controlling Company received a payment guarantee amounting to USD200 million ((Won)221,440 million) from Industrial Bank of Korea relating to advances received from Apple, Inc.

Pledged Assets

Regarding the line of credit up to USD50 million ((Won)55,360 million), the Controlling Company provided with part of its OLED machinery as pledged assets to the Export-Import Bank of Korea.

Table of Contents17. ContingenciesPatent infringement lawsuit against Chi Mei Optoelectronics Corp., and others

On December 1, 2006, the Group filed a complaint in the United States District Court for the District of Delaware against Chi Mei Optoelectronics Corp. and AU Optronics Corp. claiming infringement of patents related to liquid crystal displays and the manufacturing processes for TFT-LCDs. On March 8, 2007, AU Optronics Corp. filed a counter-claim against the Group in the United States District Court for the Western District of Wisconsin for alleged infringement of patents related to the manufacturing processes for TFT-LCDs but the suit was transferred to the United States District Court for the District of Delaware on May 30, 2007. On May 4, 2007, Chi Mei Optoelectronics Corp. filed a counter-claim against the Group for patent infringement in the United States District Court for the Eastern District of Texas, but the suit was transferred to the United States District Court for the District of Delaware (the Court) on March 31, 2008.

The Court bifurcated the trial between AU Optronics Corp. and Chi Mei Optoelectronics Corp. holding the first trial against AU Optronics Corp. on June 2, 2009. Although the Group had a total of nine patents to be tried and AU Optronics Corp. had a total of seven patents to be tried in the first trial against AU Optronics Corp., the trial was further bifurcated so that only four patents from each side were tried. On February 16, 2010, the Court found that the four AU Optronics Corp. patents were valid and were infringed by the Group, and on April 30, 2010, the Court further found that the Group's four patents were valid but were not infringed by AU Optronics Corp. In October and November 2010, the Group filed a motion for reconsideration as to the court's findings on the AU Optronics Corp.'s patents and the Group's patents respectively. However, the final judgment has not yet been rendered. Once all findings by the Court have been issued, the Group will review all available options including appeal. The Group is unable to predict the ultimate outcome of the above matters.

Anvik Corporation's lawsuit for infringement of patent

On February 2, 2007, Anvik Corporation filed a patent infringement case against the Group, along with other LCD manufacturing companies in the United States District Court for the Southern District of New York, in connection with the usage of photo-masking equipment manufactured by Nikon Corporation. While there is no significant progress on this case in 2011, the Group is unable to predict the ultimate outcome of this case.

Antitrust investigations and litigations

In December 2006, the Controlling Company received notices of investigation by the Korea Fair Trade Commission, the Japan Fair Trade Commission, the U.S. Department of Justice, and the European Commission with respect to possible anti-competitive activities in the TFT-LCD industry. The Controlling Company subsequently received similar notices from the Canadian Bureau of Competition Policy, the Federal Competition Commission of Mexico, the Secretariat of Economic Law of Brazil and the Taiwan Fair Trade Commission.

In November 2008, the Controlling Company executed an agreement with the U.S. Department of Justice (DOJ) whereby the Controlling Company and its U.S. subsidiary, LG Display America, Inc. (LGDUS), pleaded guilty to a Sherman Antitrust Act violation and agreed to pay a single total fine of USD400 million. In December 2008, the U.S. District Court for the Northern District of California accepted the terms of the plea agreement and entered a judgment against the Controlling Company and LGDUS and ordered the payment of USD400 million according to the following schedule: USD20 million plus any accrued interest by June 15, 2009, and USD76 million plus any accrued interest by each of June 15, 2010, June 15, 2011, June 15, 2012, June 15, 2013 and December 15, 2013. The agreement resolved all federal criminal charges against the Controlling Company and LGDUS in the United States in connection with this matter.

Table of Contents

17. Contingencies, Continued

On December 8, 2010, the European Commission (the EC) issued a decision finding that the Controlling Company engaged in anti-competitive activities in the LCD industry in violation of European competition laws and imposed a fine of EUR215 million. On February 23, 2011, the Controlling Company filed with the European Union General Court an application for partial annulment and reduction of the fine imposed by the EC. The European Union General Court has not ruled on our application.

In November 2009, the Taiwan Fair Trade Commission terminated its investigation without any finding of violations or levying of fines. Investigations by the Canadian Bureau of Competition Policy, the Japan Fair Trade Commission, the Korea Fair Trade Commission, the Federal Competition Commission of Mexico and the Secretariat of Economic Law of Brazil are ongoing.

Subsequent to the commencement of the DOJ investigation, a number of class action complaints were filed against the Controlling Company and other TFT-LCD panel manufacturers in the U.S. and Canada alleging violation of respective antitrust laws and related laws. The class action lawsuits in the U.S. were transferred to the Northern District of California for pretrial proceedings (MDL Proceedings). On March 28, 2010, the court certified the class action complaints filed by direct purchasers and indirect purchasers. In June 2010, the Ninth Circuit Court of Appeals denied the defendants' petitions appealing the class certification decisions. In January 2011, 78 entities (including groups of affiliated entities) submitted requests for exclusion from the direct purchaser class. The time period for submitting requests for exclusion from the indirect purchaser class has not yet begun. Trial is set to begin in the two class action lawsuits on February 13, 2012. In January 2011, a hearing was held regarding the Canadian direct and indirect purchasers' motion for class certification. The court has not yet ruled on the motion.

Additionally separate claims were filed by ATS. Claim, LLC, (assignee of Ricoh Electronics, Inc.), AT&T Corp., Motorola, Inc., Electrograph Technologies Corp. and their respective related entities, all of which have been transferred to the MDL Proceedings. In November 2010, ATS Claim, LLC dismissed its action as to the Controlling Company pursuant to a settlement agreement. In addition, in 2010, TracFone Wireless Inc., Best Buy Co., Inc. and its affiliates, Target Corp., Sears, Roebuck and Co., Kmart Corp., Old Comp Inc., Good Guys, Inc., RadioShack Corp., Newegg Inc., Costco Wholesale Corp., Sony Electronics, Inc., Sony Computer Entertainment America LLC, SB Liquidation Trust, and the trustee of the Circuit City Stores, Inc. Liquidation Trust, filed claims in the United States. In addition, in 2011, Office Depot, Inc. and T-Mobile U.S.A., Inc. filed similar claims in the United States. To the extent these claims were not filed in the MDL Proceedings, they have been transferred to the MDL Proceedings or motions have been made to transfer them to the MDL Proceedings.

In addition, in 2010 and 2011, the attorneys general of Arkansas, California, Florida, Illinois, Michigan, Mississippi, Missouri, New York, Oregon, South Carolina, Washington, West Virginia and Wisconsin filed complaints against the Controlling Company, alleging similar antitrust violations as alleged in the MDL Proceedings.

In February 2007, the Controlling Company and certain of its current and former officers and directors were named as defendants in a purported shareholder class action filed in the U.S. District Court for the Southern District of New York, alleging violation of the U.S. Securities Exchange Act of 1934. In May 2010, the defendants, including LG Display, reached an agreement in principle with the class plaintiffs to settle the action and the District Court granted final approval of the settlement on March 17, 2011.

Table of Contents

17. Contingencies, Continued

While the Controlling Company continues its vigorous defense of the various pending proceedings described above, there is a possibility that one or more proceedings may result in an unfavorable outcome to the Controlling Company. The Controlling Company has established provisions with respect to certain of the contingencies. However, actual liability may be materially different from the provisions estimated by the Controlling Company.

18. Capital and Reserves

(a) Share capital

The Controlling Company is authorized to issue 500,000,000 shares of capital stock (par value (Won)5,000), and as of March 31, 2011 and December 31, 2010, the number of issued common shares is 357,815,700.

There have been no changes in the capital stock for the three-month period ended March 31, 2011.

(b) Reserves

Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognized or impaired.

(c) Dividends

During the three-month period ended March 31, 2011, the Group declared dividends of (Won)178,908 million ((Won)500 per share). The dividend has been paid in April, 2011 and there are no income tax consequences.

Table of Contents19. Related Parties

(a) Key management personnel compensation

Compensation costs of key management for the three-month periods ended March 31, 2011 and 2010 are as follows:

(In millions of won)

| | 2011 | 2010 |
|--|-----------|------|
| Short-term benefits | (Won) 540 | 551 |
| Expenses related to defined benefit plan | 42 | 59 |
| Other long-term benefits | 155 | 145 |
| | (Won) 737 | 755 |

Key management refers to the registered directors who have significant control and responsibilities over the Group's operations and business.

(b) Significant transactions with related companies

Significant transactions which occurred in the normal course of business with related companies for the three-month periods ended March 31, 2011 and 2010 are as follows:

(In millions of won)

| | Sales and other | | Purchases and other | |
|-----------------------|-----------------|-----------|---------------------|-----------|
| | 2011 | 2010 | 2011 | 2010 |
| Subsidiaries | (Won) 4,463,861 | 5,052,295 | 811,279 | 574,433 |
| Joint ventures | 149,065 | 239,761 | 1,174 | 22,101 |
| Associates | 5,280 | | 388,864 | 372,884 |
| LG Electronics | 1,203,070 | 1,562,530 | 64,324 | 68,111 |
| Other related parties | 10 | 128,890 | 9,693 | 168,571 |
| | (Won) 5,821,286 | 6,983,476 | 1,275,334 | 1,206,100 |

Account balances with related companies as of March 31, 2011 and December 31, 2010 are as follows:

(In millions of won)

| | Trade accounts and notes receivable and other | | Trade accounts and notes payable and other | |
|-----------------------|--|-----------|---|-----------|
| | 2011 | 2010 | 2011 | 2010 |
| Subsidiaries | (Won) 2,912,544 | 3,609,801 | 590,139 | 405,814 |
| Joint ventures | 140,408 | 145,093 | 282,645 | 478,009 |
| Associates | 5,038 | | 314,494 | 243,357 |
| LG Electronics | 500,571 | 634,570 | 104,689 | 138,484 |
| Other related parties | | | 3,440 | 3,870 |
| | (Won) 3,558,561 | 4,389,464 | 1,295,407 | 1,269,534 |

Table of Contents20. Geographic and Other Information

The Group manufactures and sells TFT-LCD and AM-OLED products. The segment of AM-OLED is not presented separately, as the sales of AM-OLED products are insignificant to total sales.

Export sales represent approximately 93% of total sales for the year ended March 31, 2011.

The following is a summary of sales by region based on the location of the customers for the three-month periods ended March 31, 2011 and 2010.

(a) Revenue by geography

| <i>(In millions of won)</i> Region | Revenue | |
|---------------------------------------|-----------------|-------------------|
| | March 31, 2011 | December 31, 2010 |
| Domestic | (Won) 388,010 | 353,794 |
| Foreign | | |
| China | 3,000,178 | 3,143,517 |
| Asia (excluding China) | 597,266 | 580,160 |
| United States | 556,699 | 765,687 |
| Europe | 823,363 | 1,033,189 |
| Sub total | (Won) 4,977,506 | 5,522,553 |
| Total | (Won) 5,365,516 | 5,876,347 |

Sales to LG Electronics constituted about 22% of total revenue for the three-month period ended March 31, 2011.

(b) Non-current assets by geography

| <i>(In millions of won)</i> Region | March 31, 2011 | | December 31, 2010 | |
|---------------------------------------|-------------------------------|-------------------|-------------------------------|-------------------|
| | Property, plant and equipment | Intangible assets | Property, plant and equipment | Intangible assets |
| Domestic | (Won) 12,411,048 | 516,423 | 11,690,716 | 520,152 |
| Foreign | | | | |
| China | 951,466 | 17,190 | 945,864 | 19,105 |
| Others | 182,464 | 98 | 178,821 | 644 |
| Sub total | (Won) 1,133,930 | 17,288 | 1,124,685 | 19,749 |
| Total | (Won) 13,544,978 | 533,711 | 12,815,401 | 539,901 |

(c) Revenue by product

| <i>(In millions of won)</i> Product | March 31, 2011 | December 31, 2010 |
|--|----------------|-------------------|
|--|----------------|-------------------|

Edgar Filing: LG Display Co., Ltd. - Form 6-K

| | | |
|---------------------|-----------------|-----------|
| Panels for: | | |
| Notebook computers | (Won) 997,501 | 1,072,217 |
| Desktop monitors | 1,278,460 | 1,387,064 |
| TFT-LCD televisions | 2,583,671 | 3,210,649 |
| Mobile and others | 505,884 | 206,417 |
| | (Won) 5,365,516 | 5,876,347 |

Table of Contents21. Share-Based Payment

(a) The terms and conditions of share-based payment arrangement as of March 31, 2011 are as follows:

| | Descriptions |
|--------------------------------------|--|
| Settlement method | Cash settlement |
| Type of arrangement | Stock appreciation rights (granted to senior executives) |
| Date of grant | April 7, 2005 |
| Weighted-average exercise price (*1) | (Won)44,050 |
| Number of rights granted | 450,000 |
| Number of rights forfeited (*2) | 230,000 |
| Number of rights cancelled (*3) | 110,000 |
| Number of rights outstanding | 110,000 |
| Exercise period | From April 8, 2008 to April 7, 2012 |
| Remaining contractual life | 1 years |
| Vesting conditions | Two years of service from the date of grant |

(*1) The exercise price at the grant date was (Won)44,260 per stock appreciation right (SARs). However, the exercise price was subsequently adjusted to (Won)44,050 due to additional issuance of common shares in 2005.

(*2) SARs were forfeited in connection with senior executives who left the Group before meeting the vesting requirement.

(*3) If the appreciation of the Controlling Company's share price is equal or less than that of the Korea Composite Stock Price Index (KOSPI) over the three-year period following the grant date, only 50% of the outstanding SARs are exercisable. As the actual increase rate of the Controlling Company's share price for the three-year period ending April 7, 2008 was less than that of the KOSPI for the same three-year period, 50% (110,000 shares) of then outstanding SARs were cancelled in 2008.

(b) The changes in the number of SARs outstanding for the three-month period ended March 31, 2011 are as follows:

| <i>(Number of shares)</i> | 2011 |
|----------------------------------|-------------|
| Balance at beginning of year | 110,000 |
| Forfeited or cancelled | |
| Outstanding as of March 31, 2011 | 110,000 |
| Exercisable as of March 31, 2011 | 110,000 |

Table of Contents21. Share-Based Payment, Continued

(c) The fair value of SARs was estimated using the Black-Scholes option-pricing model with the following assumptions:

| | March 31, 2011 | December 31, 2010 |
|---|------------------|-------------------|
| Risk free rate (*1) | 3.42% | 2.89% |
| Expected term (*2) | 1.0 year | 1.0 year |
| Expected volatility | 32.20% | 35.20% |
| Expected dividends (*3) | 0% | 0% |
| Fair value per share | (Won)1,870 | (Won)4,296 |
| Total carrying amount of liabilities (*4) | (Won)205,700,394 | (Won)472,527,182 |

(*1) Risk-free rates are interest rates of Korean government bonds.

(*2) As of March 31, 2011, the remaining contractual life is 12 months and the expected term is determined as 1 year.

(*3) The Controlling Company did not pay any dividends from 2000 through 2006 and accordingly, expected dividend used is 0% despite recent dividend yield was 1.6%, 2.2%, 1.3% and 1.3% in 2007, 2008, 2009 and 2010, respectively.

(*4) As of March 31, 2011, the market price of the stock does not exceed the exercise price and accordingly, the intrinsic value of the share-based payments is zero.

(d) The Group recognized reversal of stock compensation cost of (Won)267 million as other income for the three-month period ended March 31, 2011.

22. Income Taxes

(a) Details of Income tax expense (benefit) for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--------------------------------|----------------|---------|
| Current tax expense | (Won) 9,305 | 136,088 |
| Deferred tax expense (benefit) | (95,678) | 57,019 |
| Income tax expense (benefit) | (Won) (86,373) | 193,107 |

Table of Contents22. Income Taxes, Continued

(b) Deferred tax assets and liabilities as of March 31, 2011 and December 31, 2010 are attributable to the following:

| <i>(In millions of won)</i> | Assets | | Liabilities | | Total | |
|---|-----------------|-----------|-------------|----------|-----------|-----------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Other accounts receivable, net | (Won) | | (3,219) | (5,919) | (3,219) | (5,919) |
| Inventories, net | 18,089 | 17,942 | | | 18,089 | 17,942 |
| Available-for-sale financial assets | 2,441 | 2,199 | (276) | (6,983) | 2,165 | (4,784) |
| Defined benefit obligation | 3,037 | 3,829 | | | 3,037 | 3,829 |
| Investments in equity accounted investees | 8,471 | 12,041 | | | 8,471 | 12,041 |
| Derivative instruments | | | (168) | (2,008) | (168) | (2,008) |
| Accrued expense | 66,645 | 78,396 | | | 66,645 | 78,396 |
| Property, plant and equipment | 111,334 | 112,286 | | | 111,334 | 112,286 |
| Provisions | 14,667 | 17,962 | | | 14,667 | 17,962 |
| Gain or loss on foreign currency | 39,590 | 81,075 | (23,528) | (61,031) | 16,062 | 20,044 |
| Debentures | 5,320 | 5,049 | | | 5,320 | 5,049 |
| Others | 27,894 | 24,134 | (6,006) | (6,006) | 21,888 | 18,128 |
| Tax credit carryforwards | 882,144 | 795,247 | | | 882,144 | 795,247 |
| Deferred income tax assets (liabilities) | (Won) 1,179,632 | 1,150,160 | (33,197) | (81,947) | 1,146,435 | 1,068,213 |

Statutory tax rate applicable to the Controlling Company is 24.2% for the three-month period ended March 31, 2011. In accordance with the revised Corporate Income Tax Law, statutory tax rate applicable to the Controlling Company is 24.2% until 2011 and 22% thereafter.

23. Earnings (loss) Per Share

(a) Basic earnings (loss) per share for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In won and No. of shares)</i> | 2011 | 2010 |
|--|-------------------------|-----------------|
| Net income (loss) attributable to owners of the Controlling Company | (Won) (115,189,230,246) | 649,066,027,139 |
| Weighted-average number of common shares outstanding | 357,815,700 | 357,815,700 |
| Earnings (loss) per share | (Won) (322) | 1,814 |

There were no events or transactions that result in changes in the number of common shares used for calculating earnings per share.

Table of Contents23. Earnings (loss) Per Share, Continued

- (b) There is no effect of dilutive potential ordinary shares due to net loss for the three-month period ended March 31, 2011. Diluted earnings per share for the three-month period ended March 31, 2010 was as follows:

| <i>(In won and No. of shares)</i> | 2010 | |
|--|------------------|-----------------|
| Net income | (Won) | 649,066,027,139 |
| Interest on convertible bond, net of tax | (13,059,178,980) | |
| Adjusted income | 636,006,848,159 | |
| Weighted-average number of common shares outstanding and common equivalent shares(*) | | 367,138,860 |
| Diluted earnings per share | (Won) | 1,732 |

- (*) Weighted-average number of common shares outstanding for the three-month period ended March 31, 2010 is calculated as follows:

| <i>(Number of shares)</i> | 2010 | |
|---|-------------|--|
| Weighted-average number of common shares (basic) | 357,815,700 | |
| Effect of conversion of convertible bonds | 9,323,160 | |
| Weighted-average number of common shares (diluted) | 367,138,860 | |

- (c) The number of dilutive potential ordinary shares outstanding for the three-month period ended March 31, 2010 is calculated as follows:

| <i>(Number of shares)</i> | Convertible bonds | Convertible bonds |
|---|--------------------------|--------------------------|
| Common shares to be issued | 1,281,697 | 9,399,113 |
| Period | January 1, 2010 | January 1, 2010 |
| | ~March 31, 2010 | ~March 19, 2010 |
| Weight | 90 days / 90 days | 77 days / 90 days |
| Weighted-average number of common shares to be issued | 1,281,697 | 8,041,463 |

24. Subsequent event

The Controlling Company publicly issued debentures amounting to (Won)300,000 million (maturity: 3 years, annual interest rate: 4.31%) on April, 12, 2011.

Table of Contents

LG DISPLAY CO., LTD.

Condensed Interim Financial Statements

(Unaudited)

March 31, 2011 and 2010

(With Independent Auditors' Review Report Thereon)

Table of Contents

Table of Contents

| | Page |
|--|-------------|
| <u>Independent Auditors' Review Report</u> | 80 |
| <u>Condensed Statements of Financial Position</u> | 82 |
| <u>Condensed Statements of Comprehensive Income</u> | 83 |
| <u>Condensed Statements of Changes in Equity</u> | 84 |
| <u>Condensed Statements of Cash Flows</u> | 85 |
| <u>Notes to the Condensed interim Financial Statements</u> | 87 |

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 statement of financial position of LG Display Co., Ltd. (the Company) as of March 31, 2011, and the related condensed statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2011 and 2010, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Condensed Interim Financial Statements

Management is responsible for the preparation and fair presentation of these condensed interim financial statements and for such internal controls as management determines are necessary to enable the preparation of condensed 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 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 interim financial statements referred to above are not presented fairly, in all material respects, in accordance with Korean International Financial Reporting Standards 1034 *Interim Financial Reporting*.

Emphasis of Matter

As discussed in note 17 to the financial statements, the European Commission issued a decision finding that LG Display Co., Ltd. engaged in anti-competitive activities in the Liquid Crystal Display (LCD) industry in violation of European competition laws and imposed a fine of EUR215 million on December 8, 2010. LG Display Co., Ltd., along with its subsidiaries, is under investigations by the Korea Fair Trade Commission and antitrust authorities in other countries with respect to possible anti-competitive activities in the LCD industry. In addition, LG Display Co., Ltd., along with its subsidiaries, 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 Company 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 Company.

Table of Contents

Other Considerations

We audited the statement of financial position as of December 31, 2010, and the 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 statement of financial position of the Company 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

May 18, 2011

This report is effective as of May 18, 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 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.

Condensed Statements of Financial Position

(Unaudited)

As of March 31, 2011 and December 31, 2010

| <i>(In millions of won)</i> | Note | 2011 | 2010 |
|--|-------|------------------|------------|
| Assets | | | |
| Cash and cash equivalents | 9 | (Won) 983,428 | 889,784 |
| Deposits in banks | 9 | 1,203,000 | 1,503,000 |
| Trade accounts and notes receivable, net | 9, 16 | 3,319,871 | 3,883,433 |
| Other accounts receivable, net | 9 | 192,203 | 301,543 |
| Other current financial assets | 9 | 53,752 | 34,828 |
| Inventories | 5 | 2,123,327 | 1,759,965 |
| Other current assets | | 248,966 | 127,320 |
| Total current assets | | 8,124,547 | 8,499,873 |
| Investments | 6 | 1,283,625 | 1,279,831 |
| Other non-current financial assets | | 63,435 | 64,020 |
| Deferred tax assets | 21 | 1,058,823 | 979,323 |
| Property, plant and equipment, net | 7 | 12,407,538 | 11,688,061 |
| Intangible assets, net | 8 | 479,475 | 483,260 |
| Other non-current assets | | 171,781 | 163,630 |
| Total non-current assets | | 15,464,677 | 14,658,125 |
| Total assets | | (Won) 23,589,224 | 23,157,998 |
| Liabilities | | | |
| Trade accounts and notes payable | 9 | (Won) 2,935,434 | 2,986,383 |
| Current financial liabilities | 9, 10 | 1,947,242 | 1,906,112 |
| Other accounts payable | 9 | 2,879,932 | 2,373,083 |
| Accrued expenses | | 311,470 | 374,177 |
| Income taxes payable | | 47,193 | 104,044 |
| Provisions | | 617,660 | 634,815 |
| Other current liabilities | | 824,557 | 75,255 |
| Total current liabilities | | 9,563,488 | 8,453,869 |
| Non-current financial liabilities | 9, 10 | 2,430,644 | 2,470,667 |
| Non-current provisions | | 7,521 | 8,773 |
| Employee benefits | 14 | 103,110 | 78,406 |
| Long-term advances received | 16 | 642,176 | 945,287 |
| Other non-current liabilities | | 305,254 | 330,321 |
| Total non-current liabilities | | 3,488,705 | 3,833,454 |
| Total liabilities | | 13,052,193 | 12,287,323 |

Edgar Filing: LG Display Co., Ltd. - Form 6-K

| Equity | | | |
|-------------------------------------|----|-------------------|-------------------|
| Share capital | 18 | 1,789,079 | 1,789,079 |
| Share premium | | 2,251,113 | 2,251,113 |
| Reserves | 18 | (8,653) | (7,795) |
| Retained earnings | | 6,505,492 | 6,838,278 |
| Total equity | | 10,537,031 | 10,870,675 |
| Total liabilities and equity | | (Won) 23,589,224 | 23,157,998 |

See accompanying notes to the condensed interim financial statements.

Table of Contents

LG DISPLAY CO., LTD.

Condensed Interim Statements of Comprehensive Income

(Unaudited)

For the three-month periods ended March 31, 2011 and 2010

| <i>(In millions of won, except earnings per share)</i> | Note | 2011 | 2010 |
|--|-------------|-----------------|-------------|
| Revenue | | (Won) 5,051,751 | 5,840,744 |
| Cost of sales | | (5,000,746) | (4,793,820) |
| Gross profit | | 51,005 | 1,046,924 |
| Other income | 13 | 249,915 | 191,174 |
| Selling expenses | 12 | (88,201) | (114,708) |
| Administrative expenses | 12 | (112,925) | (103,511) |
| Research and development expenses | | (167,695) | (136,568) |
| Other expenses | 13 | (233,803) | (179,222) |
| Results from operating activities | | (301,704) | 704,089 |
| Finance income | 15 | 116,783 | 97,207 |
| Finance costs | 15 | (62,712) | (43,756) |
| Other non-operating income loss, net | | (3,036) | (1,464) |
| Profit (loss) before income taxes | | (250,669) | 756,076 |
| Income tax expense (benefit) | 21 | (96,319) | 157,032 |
| Profit (loss) for the period | | (154,350) | 599,044 |
| Other comprehensive income (loss) | | | |
| Net change in fair value of available-for-sale financial assets | | (1,100) | 19,350 |
| Defined benefit plan actuarial gain or loss | 14 | 605 | (153) |
| Income taxes on other comprehensive income | | 109 | (4,257) |
| Other comprehensive income (loss) for the period, net of income taxes | | (386) | 14,940 |
| Total comprehensive income (loss) for the period | | (Won) (154,736) | 613,984 |
| Earnings (loss) per share | | | |
| Basic earnings (loss) per share | 22 | (Won) (431) | 1,674 |
| Diluted earnings (loss) per share | 22 | (Won) (431) | 1,596 |

See accompanying notes to the condensed interim financial statements.

Table of Contents

LG DISPLAY CO., LTD.

Condensed Interim Statements of Changes in Equity

(Unaudited)

For the three-month periods ended March 31, 2011 and 2010

| <i>(In millions of won)</i> | Share capital | Share premium | Fair value reserve | Retained earnings | Total equity |
|---|-----------------|---------------|--------------------|-------------------|--------------|
| Balances at January 1, 2010 | (Won) 1,789,079 | 2,251,113 | (17,366) | 6,011,372 | 10,034,198 |
| Total comprehensive income for the period | | | | | |
| Profit for the period | | | | 599,044 | 599,044 |
| Other comprehensive income | | | | | |
| Net change in fair value of available-for-sale financial assets | | | 15,093 | | 15,093 |
| Defined benefit plan actuarial loss | | | | (153) | (153) |
| Total other comprehensive income (loss) | | | 15,093 | (153) | 14,940 |
| Total comprehensive income for the period | (Won) | | 15,093 | 598,891 | 613,984 |
| Transaction with owners, recorded directly in equity | | | | | |
| Dividends to equity holders | | | | (178,908) | (178,908) |
| Balances at March 31, 2010 | (Won) 1,789,079 | 2,251,113 | (2,273) | 6,431,355 | 10,469,274 |
| Balances at January 1, 2011 | (Won) 1,789,079 | 2,251,113 | (7,795) | 6,838,278 | 10,870,675 |
| Total comprehensive income for the period | | | | | |
| Loss for the period | | | | (154,350) | (154,350) |
| Other comprehensive income (loss) | | | | | |
| Net change in fair value of available-for-sale financial assets | | | (858) | | (858) |
| Defined benefit plan actuarial gain | | | | 472 | 472 |
| Total other comprehensive income (loss) | | | (858) | 472 | (386) |
| Total comprehensive income (loss) for the period | (Won) | | (858) | (153,878) | (154,736) |
| Transaction with owners, recorded directly in equity | | | | | |
| Dividends to equity holders | | | | (178,908) | (178,908) |
| Balances at March 31, 2011 | (Won) 1,789,079 | 2,251,113 | (8,653) | 6,505,492 | 10,537,031 |

See accompanying notes to the condensed interim financial statements.

Table of Contents

LG DISPLAY CO., LTD.

Condensed Interim Statements of Cash Flows

(Unaudited)

For the three-month periods ended March 31, 2011 and 2010

| <i>(In millions of won)</i> | Note | 2011 | 2010 |
|---|------|-----------------|-----------|
| Cash flows from operating activities: | | | |
| Profit (loss) for the period | | (Won) (154,350) | 599,044 |
| Adjustments for: | | | |
| Income tax expense (benefit) | 21 | (96,319) | 157,032 |
| Depreciation | | 699,300 | 540,367 |
| Amortization of intangible assets | | 49,706 | 34,471 |
| Gain on foreign currency translation | | (93,553) | (81,291) |
| Loss on foreign currency translation | | 66,850 | 55,578 |
| Gain on disposal of property, plant and equipment | | (158) | (928) |
| Loss on disposal of property, plant and equipment | | | 1 |
| Finance income | | (110,946) | (96,812) |
| Finance costs | | 45,317 | 27,423 |
| Other income | | (11,610) | (12,382) |
| Other expenses | | 39,934 | 11,635 |
| | | 434,171 | 1,234,138 |
| Change in trade accounts and notes receivable | | 507,936 | (264,151) |
| Change in other accounts receivable | | (9,468) | 16,184 |
| Change in other current assets | | (113,200) | (81,308) |
| Change in inventories | | (363,362) | (102,892) |
| Change in other non-current assets | | (21,559) | (29,175) |
| Change in trade accounts and notes payable | | (10,908) | 249,372 |
| Change in other accounts payable | | 66,182 | (63,112) |
| Change in accrued expenses | | (80,579) | (38,390) |
| Change in other current liabilities | | 17,057 | 19,076 |
| Change in long-term advances received | | 281,975 | |
| Change in other non-current liabilities | | | 1,611 |
| Change in provisions | | (35,314) | (4,784) |
| Change in defined benefit obligation | 14 | (3,107) | 33,653 |
| Cash generated from operating activities | | 669,824 | 970,222 |
| Income taxes paid | | (39,924) | (59,407) |
| Interest received | | 21,575 | 32,757 |
| Interest paid | | (29,140) | (25,388) |
| Net cash from operating activities | | (Won) 622,335 | 918,184 |

See accompanying notes to the condensed interim financial statements.

Table of Contents

LG DISPLAY CO., LTD.

Condensed Interim Statements of Cash Flows, Continued

(Unaudited)

For the three-month periods ended March 31, 2011 and 2010

| <i>(In millions of won)</i> | Note | 2011 | 2010 |
|---|------|----------------------|------------------|
| Cash flows from investing activities: | | | |
| Dividends received | | (Won) 242 | 729 |
| Proceeds from withdrawal of deposits in banks | | 1,100,000 | 1,300,000 |
| Increase in deposits in banks | | (800,000) | (800,000) |
| Acquisition of investments | | (19,688) | (38,824) |
| Proceeds from disposal of investments | | 1,356 | |
| Acquisition of property, plant and equipment | | (949,309) | (642,255) |
| Proceeds from disposal of property, plant and equipment | | 159 | 1,250 |
| Acquisition of intangible assets | | (58,707) | (43,680) |
| Grants received | | 940 | 4 |
| Proceeds from settlement of derivatives | | 9,843 | 9,600 |
| Acquisition of other non-current financial assets | | (25,179) | (53) |
| Proceeds from disposal of non-current financial assets | | 121,649 | 3,422 |
| Net cash used in investing activities | | (618,694) | (209,807) |
| Cash flows from financing activities: | | | |
| Proceeds from short-term borrowings | | 50,649 | 113,082 |
| Repayment of short-term borrowings | | (252,728) | (282,395) |
| Issuance of debentures | | 298,726 | 199,117 |
| Repayment of current portion of long-term debt | | (6,644) | (397,800) |
| Net cash from (used in) financing activities | | 90,003 | (367,996) |
| Net increase in cash and cash equivalents | | | |
| Cash and cash equivalents at January 1 | | 889,784 | 704,324 |
| Cash and cash equivalents at March 31 | | (Won) 983,428 | 1,044,705 |

See accompanying notes to the condensed interim financial statements.

Table of Contents

1. Organization and Description of Business

LG Display Co., Ltd. (the Company) was incorporated in February 1985 under its original name of LG Soft, Ltd. as a wholly owned subsidiary of LG Electronics Inc. In 1998, LG Electronics Inc. and LG Semicon Co., Ltd. transferred their respective Thin Film Transistor-Liquid Crystal Display (TFT-LCD) related business to the Company. The main business of the Company is to manufacture and sell TFT-LCD panels. The Company is a stock company (Jusikhoesa) domiciled in the Republic of Korea with its address at 65-228, Hangang-ro 3-ga, Yongsan-gu, Seoul, the Republic of Korea. In July 1999, LG Electronics Inc. and Koninklijke Philips Electronics N.V. (Philips) entered into a joint venture agreement. Pursuant to the agreement, the Company changed its name to LG.Philips LCD Co., Ltd. However, on February 29, 2008, the Company changed its name to LG Display Co., Ltd. based upon the approval of shareholders at the general shareholders meeting on the same date as a result of the decrease in Philips's share interest in the Company and the possibility of its business expansion to Organic Light Emitting Diode (OLED) and Flexible Display products. As of March 31, 2011, LG Electronics Inc. owns 37.9% (135,625,000 shares) of the Company's common shares.

As of March 31, 2011, the Company has its TFT-LCD manufacturing plants, OLED manufacturing plant and LCD Research & Development Center in Paju and TFT-LCD manufacturing plants and OLED manufacturing plant in Gumi. The Company has overseas subsidiaries located in the United States of America, Europe and Asia.

The Company's common stock is listed on the Korea Exchange under the identifying code 034220. As of March 31, 2011, there are 357,815,700 shares of common stock outstanding. The Company's common stock is also listed on the New York Stock Exchange in the form of American Depository Shares (ADSs) under the symbol LPL. One ADS represents one-half of one share of common stock. As of March 31, 2011, there are 34,262,102 ADSs outstanding.

2. Basis of Presenting Financial Statements

(a) Statement of Compliance

The condensed interim financial statements have been prepared in accordance with Korean International Financial Reporting Standards (K-IFRSs) 1034 *Interim Financial Reporting*. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as of and for the year ended December 31, 2010.

When the condensed interim financial statements are prepared, investments in subsidiaries, jointly controlled entities and associated are accounted for at deemed cost under K-IFRS 1101 or acquisition cost, not based on the investee's financial performance and net assets in accordance with K-IFRS 1027.

The condensed interim financial statements were authorized for issue by the Board of Directors on April 15, 2011.

Table of Contents

2. **Basis of Presenting Financial Statements, Continued**

(b) **Basis of Measurement**

The condensed interim financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

derivative financial instruments measured at fair value;

financial instruments at fair value through profit or loss measured at fair value;

available-for-sale financial assets measured at fair value;

liabilities for cash-settled share-based payment arrangements measured at fair value; and

liabilities for defined benefit plans recognized at the net total of present value of defined benefit obligation less the fair value of plan assets

(c) **Functional and Presentation Currency**

The condensed interim financial statements are presented in Korean won, which is the Company's functional currency. All amounts in Korean won are in millions unless otherwise stated.

(d) **Use of Estimates and Judgments**

The preparation of the condensed interim financial statements in conformity with K-IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these condensed interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in its financial statements as of and for the year ended December 31, 2010.

3. **Summary of Significant Accounting Policies**

The significant accounting policies followed by the Company in the preparation of its condensed interim financial statements are the same as those followed by the Company in its preparation of the financial statements as of and for the year ended December 31, 2010, except for the application of the Statements of K-IFRS 1034 *Interim Financial Reporting*.

4. **Financial Risk Management**

The objectives and policies on financial risk management followed by the Company are consistent with those disclosed in the financial statements as of and for the year ended December 31, 2010.

Table of Contents**5. Inventories**

Inventories as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|-----------------------------|-----------------|-------------|
| Finished goods | (Won) 719,017 | 630,374 |
| Work-in-process | 868,683 | 606,486 |
| Raw materials | 390,737 | 364,160 |
| Supplies | 144,890 | 158,945 |
| | (Won) 2,123,327 | 1,759,965 |

For the three-month periods ended March 31, 2011 and 2010, changes in finished goods, work in process, raw materials and supplies recognized as cost of sales and write-downs of inventories to net realizable value and reversal of such write-downs also included in cost of sales are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--|-----------------|-------------|
| Inventories recognized as cost of sales | (Won) 5,000,746 | 4,793,820 |
| Including: inventory write-downs (reversals) | 27,876 | (9,991) |

6. Investments**(a) Investments in subsidiaries**

In January 2011, the Company invested (Won)14,363 million in cash for the capital increase of LG Display Nanjing Co., Ltd, which is wholly owned by the Company.

In February 2011, the Company invested (Won)3,417 million in cash for the capital increase of LUCOM Display Technology (Kunshan) Limited (LUCOM). There were no changes in the Company's ownership percentage in LUCOM as a result of this additional investment.

(b) Investments in associates

The Company is a member of limited partnership in the LB Gemini New Growth Fund No.16 (the Fund). The Company is paid (Won)1,356 million in February 2011 by the Fund and made additional cash investment of (Won)1,908 million in March 2011. As of March 31, 2011, the Company has a 30.6% equity interest in the Fund and is committed to make investment of (Won)30,000 million in future.

The entire carrying amount of the investment in RPO, Inc. of (Won)14,538 million, which was acquired for research and development on Digital Waveguide Touch technology in 2009, has been impaired fully as of March 31, 2011 as the recovery of the investment is no longer probable.

Table of Contents**7. Property, Plant and Equipment**

For the three-month periods ended March 31, 2011 and 2010, the Company purchased property, plant and equipment of (Won)1,419,716 million and (Won)1,342,989 million, respectively. The capitalized borrowing costs and capitalization rate are (Won)4,668 million and 2.03%, and (Won)6,821 million and 2.78% for the three-month period ended March 31, 2011 and 2010, respectively. Also for the three-month periods ended March 31, 2011 and 2010, the Company disposed property, plant and equipment with carrying amounts of (Won)1 million and (Won)323 million, respectively. The Company recognized (Won)158 million as gain on disposal of property, plant and equipment for the three-month period ended March 31, 2011 (gain and loss for the three-month period ended on March 31, 2010: (Won)928 million and (Won)1 million, respectively).

8. Intangible Assets

The Company capitalizes the expenses related to development activities, such as expense incurred on designing, manufacturing and testing of products that are ultimately selected for production. The balances of capitalized development costs as of March 31, 2011 and December 31, 2010 are (Won)126,542 million and (Won)124,140 million respectively.

9. Financial Instruments**(a) Credit risk****(i) Exposure to credit risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as of March 31, 2011 and December 31, 2010 is as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|-----------------|-------------|
| Cash and cash equivalents | (Won) 983,428 | 889,784 |
| Trade accounts and notes receivable, net | 3,319,871 | 3,883,433 |
| Other accounts receivable, net | 192,203 | 301,543 |
| Available-for-sale financial assets | 37,436 | 38,132 |
| Financial assets at fair value through profit or loss | 8,534 | 8,927 |
| Deposits | 61,659 | 42,522 |
| Derivatives | 9,545 | 9,254 |
| Deposits in banks | 1,203,000 | 1,503,000 |
| Guarantee deposits with banks | 13 | 13 |
| | (Won) 5,815,689 | 6,676,608 |

Table of Contents

The maximum exposure to credit risk for trade accounts and notes receivable as of March 31, 2011 and December 31, 2010 by geographic region is as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|-----------------------------|-----------------|-------------|
| Domestic | (Won) 81,973 | 79,275 |
| Euro-zone countries | 373,717 | 713,217 |
| Japan | 144,861 | 246,753 |
| United States | 760,274 | 710,026 |
| China | 1,432,304 | 1,167,903 |
| Taiwan | 423,391 | 815,360 |
| Others | 103,351 | 150,899 |
| | (Won) 3,319,871 | 3,883,433 |

(ii) Impairment loss

The aging of trade accounts and notes receivable and the related allowance for impairment as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | | 2010 | |
|-----------------------------|-------------------|------------------------|-------------------|------------------------|
| | Book Value | Impairment loss | Book Value | Impairment loss |
| Not past due | (Won) 3,311,316 | (13) | 3,864,433 | (20) |
| Past due 1-15 days | 4,400 | | 10,833 | |
| Past due 16-30 days | 2,548 | | 6,098 | (1) |
| Past due 31-60 days | 786 | | 228 | (1) |
| More than 60 days | 836 | (2) | 1,865 | (2) |
| | (Won) 3,319,886 | (15) | 3,883,457 | (24) |

The movement in the allowance for impairment in respect of receivables during the three-month period ended March 31, 2011 and the year ended December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|-------------|-------------|
| Balance at the beginning of the year | (Won) 24 | 33 |
| Reversal of allowance for doubtful accounts | (9) | (9) |
| Balance at the reporting date | (Won) 15 | 24 |

Table of Contents

(b) Liquidity risk

- (i) The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements as of March 31, 2011:

| <i>(In millions of won)</i> | Carrying amount | Contractual cash flows | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
|--|------------------------|-------------------------------|-------------------------|--------------------|------------------|------------------|--------------------------|
| Non-derivative financial liabilities | | | | | | | |
| Secured bank loan | (Won) 55,360 | 59,385 | 619 | 619 | 1,239 | 56,908 | |
| Unsecured bank loans | 2,128,727 | 2,164,673 | 1,374,727 | 399,187 | 98,002 | 289,726 | 3,031 |
| Unsecured bond issues | 2,110,730 | 2,403,541 | 244,810 | 42,160 | 711,732 | 1,404,839 | |
| Financial liabilities at fair value through profit or loss | 83,069 | 85,330 | | | 85,330 | | |
| Trade accounts and notes payables | 2,935,434 | 2,935,434 | 2,935,434 | | | | |
| Other accounts payable | 2,879,932 | 2,879,932 | 2,879,932 | | | | |
| | (Won) 10,193,252 | 10,528,295 | 7,435,522 | 441,966 | 896,303 | 1,751,473 | 3,031 |

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

- (ii) As of March 31, 2011, there is no derivative designated as a cash flow hedge.

Table of Contents

(c) Currency risk

(i) Exposure to currency risk

The Company's exposure to foreign currency risk based on notional amounts as of March 31, 2011 and December 31, 2010 is as follows:

| <i>(In millions)</i> | 2011 | | | | |
|--|---------|----------|-----|-----|------|
| | USD | JPY | TWD | PLN | EUR |
| Cash and cash equivalents | 220 | 37,688 | | 1 | |
| Trade accounts and notes receivable | 2,906 | 6,234 | | | 2 |
| Other accounts receivable | 5 | 11 | 159 | | |
| Available-for-sale financial assets | 7 | | | | |
| Financial assets at fair value through profit or loss | | | 227 | | |
| Other assets denominated in foreign currencies | 59 | 51 | | 67 | |
| Trade accounts and notes payable | (1,677) | (14,568) | | | (5) |
| Other accounts payable | (36) | (15,895) | | | (9) |
| Debts | (1,080) | (57,536) | | | |
| Bonds | (346) | (9,971) | | | |
| Financial liabilities at fair value through profit or loss | (75) | | | | |
| Gross statement of financial position exposure | (17) | (53,986) | 386 | 68 | (12) |
| Forward exchange contracts | (260) | | | | |
| Net exposure | (277) | (53,986) | 386 | 68 | (12) |

Table of Contents*(In millions)*

| | USD | 2010 | | | |
|--|---------|-----------|-------|-----|-----|
| | | JPY | TWD | PLN | EUR |
| Cash and cash equivalents | 389 | 133 | | 6 | |
| Trade accounts and notes receivable | 3,328 | 4,659 | | | 2 |
| Other accounts receivable | 11 | 7 | 3,170 | | |
| Available-for-sale financial assets | 9 | | | | |
| Financial assets at fair value through profit or loss | | | 228 | | |
| Other assets denominated in foreign currencies | 59 | 72 | | 67 | |
| Trade accounts and notes payable | (1,618) | (15,683) | | | (1) |
| Other accounts payable | (45) | (15,430) | | | (9) |
| Debts | (1,085) | (71,889) | | | |
| Bonds | (345) | (9,965) | | | |
| Financial liabilities at fair value through profit or loss | (74) | | | | |
| Gross statement of financial position exposure | 629 | (108,096) | 3,398 | 73 | (8) |
| Forward exchange contracts | (420) | | | | |
| Net exposure | 209 | (108,096) | 3,398 | 73 | (8) |

Significant exchange rates applied for the three-month period ended March 31, 2011 and the year ended December 31, 2010 are as follows:

(In won)

| | Average rate | | Spot rate | |
|-----|----------------|----------|----------------|-------------------|
| | 2011 | 2010 | March 31, 2011 | December 31, 2010 |
| USD | (Won) 1,121.04 | 1,144.84 | (Won) 1,107.20 | 1,138.90 |
| JPY | 13.63 | 12.62 | 13.32 | 13.97 |
| TWD | 38.31 | 35.86 | 37.57 | 39.08 |
| EUR | 1,532.38 | 1,584.77 | 1,563.48 | 1,513.60 |
| PLN | 388.16 | 396.61 | 389.44 | 381.77 |

Table of Contents9. Financial Instruments, Continued

(ii) Sensitivity analysis

A weakening of the won, as indicated below, against the following currencies which comprise the Company's financial assets or liabilities denominated in foreign currency as of March 31, 2011 and December 31, 2010, would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of each reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant. The changes in equity and profit or loss are as follows:

(In millions of won)

| | March 31, 2011 | | December 31, 2010 | |
|---------------------------|----------------|----------------|-------------------|----------------|
| | Equity | Profit or loss | Equity | Profit or loss |
| USD (5 percent weakening) | (11,709) | (11,996) | 9,022 | 8,633 |
| JPY (5 percent weakening) | (27,449) | (27,449) | (57,236) | (57,236) |
| TWD (5 percent weakening) | 553 | 553 | 5,033 | 5,033 |
| PLN (5 percent weakening) | 1,013 | 1,013 | 1,056 | 1,056 |
| EUR (5 percent weakening) | (695) | (695) | (459) | (459) |

A strengthening of the won against the above currencies as of March 31, 2011 and December 31, 2010 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(d) Interest rate risk

(i) Profile

The interest rate profile of the Company's interest-bearing financial instruments as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|----------------------------------|-------------------|-------------|
| Fixed rate instruments | | |
| Financial assets | (Won) 2,198,226 | 2,527,662 |
| Financial liabilities | (1,881,281) | (1,583,522) |
| | (Won) 316,945 | 944,140 |
| Variable rate instruments | | |
| Financial assets | (Won) 65,325 | 67,195 |
| Financial liabilities | (2,496,605) | (2,792,301) |
| | (Won) (2,431,280) | (2,725,106) |

Table of Contents9. Financial Instruments, Continued

(ii) Fair value sensitivity analysis for fixed rate instruments

The Company has recognized some fixed rate financial assets as financial assets at fair value through profit or loss. The increase of the interest rate by 100 basis points would have decreased the Company's equity and profit and loss by (Won)646 million and the decrease of the interest rate by 100 basis points would have had an opposite effect.

(iii) Cash flow sensitivity analysis for variable rate instruments

As of March 31, 2011 and December 31, 2010, a change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below for each year following the reporting dates. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(In millions of won)

| | Equity | | Profit or loss | |
|---------------------------|----------------|----------------|----------------|----------------|
| | 1% increase | 1% decrease | 1% increase | 1% decrease |
| March 31, 2011 | | | | |
| Variable rate instruments | (Won) (18,563) | 18,563 | (18,563) | 18,563 |
| December 31, 2010 | | | | |
| Variable rate instruments | (Won) (20,656) | 20,656 | (20,656) | 20,656 |

Table of Contents9. Financial Instruments, Continued

(e) Fair values

(i) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the condensed interim statements of financial position, are as follows:

| <i>(In millions of won)</i> | March 31, 2011 | | December 31, 2010 | |
|--|------------------|-------------|-------------------|-------------|
| | Carrying amounts | Fair values | Carrying amounts | Fair values |
| Assets carried at fair value | | | | |
| Available-for-sale financial assets | (Won) 37,436 | 37,436 | 38,132 | 38,132 |
| Financial assets at fair value through profit or loss | 8,534 | 8,534 | 8,927 | 8,927 |
| Forward exchange contracts | 9,545 | 9,545 | 9,254 | 9,254 |
| | (Won) 55,515 | 55,515 | 56,313 | 56,313 |
| Assets carried at amortized cost | | | | |
| Cash and cash equivalents | (Won) 983,428 | 983,428 | 889,784 | 889,784 |
| Trade accounts and notes receivable | 3,319,871 | 3,319,871 | 3,883,433 | 3,883,433 |
| Other accounts receivable | 192,203 | 192,203 | 301,543 | 301,543 |
| Deposits in banks | 1,203,000 | 1,203,000 | 1,503,000 | 1,503,000 |
| Deposits | 61,659 | 61,659 | 42,522 | 42,522 |
| Others | 13 | 13 | 13 | 13 |
| | (Won) 5,760,174 | 5,760,174 | 6,620,295 | 6,620,295 |
| Liabilities carried at fair value | | | | |
| Financial liabilities at fair value through profit or loss | (Won) 83,069 | 83,069 | 84,338 | 84,338 |
| Forward exchange contracts | | | 956 | 956 |
| | (Won) 83,069 | 83,069 | 85,294 | 85,294 |
| Liabilities carried at amortized cost | | | | |
| Secured bank loans | (Won) 55,360 | 55,360 | 56,945 | 56,945 |
| Unsecured bank loans | 2,128,727 | 2,128,388 | 2,406,046 | 2,405,690 |
| Unsecured bond issues | 2,110,730 | 2,140,519 | 1,828,494 | 1,859,102 |
| Trade accounts and notes payable | 2,935,434 | 2,935,434 | 2,986,383 | 2,986,383 |
| Other accounts payable | 2,879,932 | 2,879,932 | 2,373,083 | 2,373,083 |
| | (Won) 10,110,183 | 10,139,633 | 9,650,951 | 9,681,203 |

The basis for determining fair values is disclosed in note 4.

(ii) Interest rates used for determining fair value

The significant interest rates applied for determination of the above fair value as of March 31, 2011 and December 31, 2010 are as follows:

| | 2011 | 2010 |
|-----------------|-------------|-------------|
| Derivatives | 3.79% | 3.31% |
| Debts and bonds | 4.01% | 3.58% |

Table of Contents9. Financial Instruments, Continued

(iii) Fair value hierarchy

The table below analyzes financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: inputs for the asset or liability that are not based on observable market data

| <i>(In millions of won)</i> | | Level 1 | Level 2 | Level 3 | Total |
|--|-------|----------|---------|---------|----------|
| March 31, 2011 | | | | | |
| Available-for-sale financial assets | (Won) | 10,269 | | 27,167 | 37,436 |
| Financial assets at fair value through profit or loss | | 8,534 | | | 8,534 |
| Derivative financial assets | | | 9,545 | | 9,545 |
| | (Won) | 18,803 | 9,545 | 27,167 | 55,515 |
| Financial liabilities at fair value through profit or loss | | (83,069) | | | (83,069) |
| | (Won) | (83,069) | | | (83,069) |
| December 31, 2010 | | | | | |
| Available-for-sale financial assets | (Won) | 12,047 | | 26,085 | 38,132 |
| Financial assets at fair value through profit or loss | | 8,927 | | | 8,927 |
| Derivative financial assets | | | 9,254 | | 9,254 |
| | (Won) | 20,974 | 9,254 | 26,085 | 56,313 |
| Derivative financial liabilities | (Won) | | (956) | | (956) |
| Financial liabilities at fair value through profit or loss | | (84,338) | | | (84,338) |
| | (Won) | (84,338) | (956) | | (85,294) |

The derivative financial assets and liabilities are classified as Level 2 since all significant inputs to compute the fair value of the over-the-counter derivatives were observable.

In order to determine the fair value of Level 3 instruments, management used a valuation technique in which all significant inputs were based on unobservable market data. The fair values of the Level 3 instruments have been computed using binominal tree model considering the financial conditions of the invested companies and by discounting estimated cash flows from stock using yield rate that reflects invested companies' credit

risks.

Table of Contents9. Financial Instruments, Continued

(e) Fair values, Continued

Changes in Level 3 instruments are as follows:

(In millions of won)

| | December 31, 2010 | Purchases, disposal and others | Profit or loss | Net realized/unrealized gains included in Other comprehensive income | Transfer to other level | March 31, 2011 |
|-------------------------------------|----------------------|---|-------------------|---|----------------------------------|-------------------|
| Available-for-sale financial assets | (Won) 26,085 | | | 1,082 | | 27,167 |

(f) Capital Management

Management's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management also monitors the level of dividends to ordinary shareholders.

(In millions of won)

| | March 31, 2011 | December 31, 2010 |
|--------------------------------|------------------|-------------------|
| Total liabilities | (Won) 13,052,193 | 12,287,323 |
| Total equity | 10,537,031 | 10,870,675 |
| Cash and deposits in banks (*) | 2,186,428 | 2,392,784 |
| Borrowings | 4,377,886 | 4,375,823 |
| Liabilities to equity ratio | 124% | 113% |
| Net borrowing to equity ratio | 21% | 18% |

(*) Cash and deposits in banks consist of cash and cash equivalents and deposit in banks.

Table of Contents10. Financial Liabilities

(a) Financial liabilities as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|-----------------|-----------|
| Current | | |
| Short-term borrowings | (Won) 859,770 | 1,092,579 |
| Current portion of long-term debt | 1,087,472 | 812,577 |
| Derivatives | | 956 |
| | (Won) 1,947,242 | 1,906,112 |
| Non-current | | |
| Won denominated borrowings | (Won) 18,194 | 19,143 |
| Foreign currency denominated borrowings | 418,651 | 738,692 |
| Bonds | 1,910,730 | 1,628,494 |
| Convertible bonds | 83,069 | 84,338 |
| | (Won) 2,430,644 | 2,470,667 |

Above financial liabilities, except for convertible bonds which are designated as financial liabilities at fair value through profit or loss and derivative liabilities, are measured at amortized cost.

(b) Short-term borrowings as of March 31, 2011 and December 31, 2010 are as follows:

(In millions of won and JPY)

| Lender | Annual interest rate as of March 31, 2011 (*) | 2011 | 2010 |
|-----------------------------------|--|---------------|------------|
| Korea Development Bank and others | | (Won) | 12,139 |
| Shinhan Bank and others | 3ML+1.6% | 93,232 | 97,796 |
| | 6ML+0.65~0.9% | 459,957 | 545,419 |
| Bank of Tokyo-Mitsubishi UFJ | 3ML+1.0% | 66,595 | 69,854 |
| | | | 69,854 |
| Mizuho Bank | | | 55,574 |
| Bank of China | 6ML+0.65% | 39,986 | 41,943 |
| Woori Bank | 5.13% | 200,000 | 200,000 |
| Foreign currency equivalent | | JPY 49,536 | JPY 63,889 |
| | | (Won) 859,770 | 1,092,579 |

(*) ML represents Month LIBOR (London Inter-Bank Offered Rates).

Table of Contents10. Financial Liabilities, Continued

(c) Local currency long-term debt as of March 31, 2011 and December 31, 2010 is as follows:

(In millions of won)

| Lender | Annual interest rate as of March 31, 2011 | 2011 | 2010 |
|--|--|--------------|-------------|
| Shinhan Bank | 3-year Korean Treasury Bond rate less 1.25% | (Won) 15,059 | 16,008 |
| Woori Bank | 3- year Korean Treasury Bond rate less 1.25% | 4,048 | 4,048 |
| | 2.75% | 2,883 | 2,883 |
| Less current portion of long-term debt | | (3,796) | (3,796) |
| | | (Won) 18,194 | 19,143 |

(d) Foreign currency denominated long-term debt as of March 31, 2011 and December 31, 2010 is as follows:

(In millions of won, USD and JPY)

| Lender | Annual interest rate as of March 31, 2011 | 2011 | 2010 |
|--|--|---------------|-------------|
| The Export-Import Bank of Korea | 6ML+0.69% | (Won) 44,288 | 51,251 |
| | 6ML+1.78% | 55,360 | 56,945 |
| Korea Development Bank | 3ML+0.66~2.79% | 261,559 | 271,212 |
| Kookmin Bank and others | 3ML+0.35~0.53% | 442,880 | 455,560 |
| | 6ML+0.41% | 221,440 | 227,780 |
| Sumitomo Bank Ltd. | 3ML+1.80% | 276,800 | 284,725 |
| Foreign currency equivalent | | USD 1,080 | USD 1,085 |
| | | JPY 8,000 | JPY 8,000 |
| Less current portion of long-term debt | | (883,676) | (608,781) |
| | | (Won) 418,651 | 738,692 |

Table of Contents10. Financial Liabilities, Continued

(e) Details of the Company's debentures issued and outstanding as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won, JPY and USD)</i> | Maturity | Annual interest rate as of March 31, 2011 | 2011 | | 2010 | |
|---|------------------------------|--|-------------|-----------|-------------|-----------|
| Local currency debentures(*) | | | | | | |
| Publicly issued debentures | November 2012~ February 2016 | 4.77~ 5.89% | (Won) | 1,400,000 | | 1,100,000 |
| Privately issued debentures | May 2011 | 5.30% | | 200,000 | | 200,000 |
| Less discount on debentures | | | | (4,671) | | (3,699) |
| Less current portion of debentures | | | | (200,000) | | (200,000) |
| | | | | (Won) | 1,395,329 | 1,096,301 |
| Foreign currency debentures | | | | | | |
| Floating-rate bonds | August 2012~ April 2013 | 3ML+1.80~ 2.40% | (Won) | 520,709 | | 538,323 |
| Foreign currency equivalent | | | USD | 350 | USD | 350 |
| | | | JPY | 10,000 | JPY | 10,000 |
| Less discount on bonds | | | | (5,308) | | (6,130) |
| | | | (Won) | 515,401 | | 532,193 |
| Financial liabilities at fair value through profit or loss | | | | | | |
| Convertible bonds | April 2012 | Zero coupon | (Won) | 83,069 | | 84,338 |
| Foreign currency equivalent | | | USD | 75 | USD | 74 |
| | | | (Won) | 83,069 | | 84,338 |
| | | | (Won) | 1,993,799 | | 1,712,832 |

(*) Principal of the local currency debentures is to be repaid at maturity and interests are paid quarterly. The Company publicly issued debentures amounting to (Won)300,000 million (maturity: 5 years, annual interest rate : 4.95%) during the three-month period ended March 31, 2011.

Table of Contents10. Financial Liabilities, Continued

(f) Details of the convertible bonds are as follows:

| | Terms and Conditions |
|-------------------------------------|------------------------------|
| Issue date | April 18, 2007 |
| Maturity date | April 18, 2012 |
| Conversion period | April 19, 2008~April 3, 2012 |
| Coupon interest rate | 0% |
| Conversion price (in won) per share | (Won)47,892 |

The Company designated foreign currency denominated convertible bonds as financial liabilities at fair value through profits or loss and recognizes the convertible bonds at fair value with changes in fair value recognized in profit or loss.

The bonds will be repaid at 116.77% of the principal amount at maturity unless the bonds are converted. During the year ended December 31, 2010, put options attached to the convertible bonds amounting to USD484 million were exercised and the Company repaid USD531 million for the convertible bonds at 109.75% of the principal amount. Put options not exercised were expired.

The Company measured the convertible bonds at their fair value using the market quotes available at Bloomberg and it was assumed that the remaining convertible bonds will be repaid in full at maturity and they were reclassified as non-current liabilities.

The Company is entitled to exercise a call option after three years from the date of issue at the amount of the principal and interest, calculated at 3.125% of the annual yield to maturity, from the issue date to the repayment date. The call option can be exercised only when the market price of the common shares on each of 20 trading days in 30 consecutive trading days ending on the trading day immediately prior to the date upon which notice of such redemption is published exceeds at least 130% of the conversion price. In addition, in the event that at least 90% of the initial principal amount of the bonds has been redeemed, converted, or purchased and cancelled, the remaining bonds may also be redeemed, at the Company's option, at the amount of the principal and interest (3.125% per annum) from the date of issue to the repayment date prior to their maturity.

Based on the terms and conditions of the bond, the conversion price was decreased from (Won)48,075 to (Won)47,892 per share due to the Company's declaration of cash dividends of (Won)500 per share for the year ended December 31, 2010.

As of March 31, 2011 and December 31, 2010, the number of common shares to be issued if the outstanding convertible bonds are fully converted is as follows:

| <i>(In won and share)</i> | 2011 | 2010 |
|----------------------------|----------------------|----------------|
| Convertible bonds (*) | (Won) 61,617,600,000 | 61,617,600,000 |
| Conversion price | (Won) 47,892 | 48,075 |
| Common shares to be issued | 1,286,594 | 1,281,697 |

(*) The exchange rate for the conversion is fixed at (Won)933.6 to USD1. The face value of the convertible bonds amounted to USD66 million as of March 31, 2011 and December 31, 2010.

Table of Contents10. Financial Liabilities, Continued

(g) Aggregate maturities of the Company's financial liabilities as of March 31, 2011 are as follows:

(In millions of won)

| Period | Local currency long-term debt | Foreign currency long-term debt | Local currency debentures | Foreign currency debentures | Total |
|---------------|----------------------------------|------------------------------------|------------------------------|--------------------------------|-----------|
| Within 1 year | (Won) 3,796 | 883,676 | 200,000 | | 1,087,472 |
| 1~5 year | 15,300 | 418,651 | 1,910,730 | 83,069 | 2,427,750 |
| Thereafter | 2,894 | | | | 2,894 |
| | (Won) 21,990 | 1,302,327 | 2,110,730 | 83,069 | 3,518,116 |

11. The Nature of Expenses

The nature of expenses for the three-month periods ended March 31, 2011 and 2010 are as follows:

| (In millions of won) | 2011 | 2010 |
|--|-----------------|-----------|
| Changes in inventories | (Won) (363,362) | (102,892) |
| Purchase of raw material and merchandise | 3,225,748 | 3,332,960 |
| Depreciation and amortization | 749,006 | 574,838 |
| Outsourcing fee | 669,586 | 417,757 |
| Labor costs | 479,707 | 381,834 |
| Supplies and others | 259,953 | 198,233 |
| Utility expense | 122,472 | 95,004 |
| Fees and commissions | 88,569 | 68,512 |
| Shipping costs | 38,221 | 61,934 |
| After-sale service expenses | 9,535 | 35,458 |
| Others | 90,211 | 95,289 |
| | (Won) 5,369,646 | 5,158,927 |

Total expenses consist of cost of sales, selling, administrative, research and development expenses and others (except foreign exchange difference).

For the three-month period ended March 31, 2011, other income and other expenses contained exchange differences amounting to (Won)231,980 million and (Won)233,724 million, respectively (three-month period ended March 31, 2010 : (Won)176,056 million and (Won)168,902 million, respectively).

Table of Contents12. Selling and Administrative Expenses

Details of selling and administrative expenses for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--|---------------|-------------|
| Salaries | (Won) 34,760 | 28,512 |
| Expenses related to defined benefit plan | 4,756 | 5,266 |
| Other employee benefit | 8,061 | 6,287 |
| Shipping costs | 26,638 | 46,339 |
| Fees and commissions | 32,860 | 29,819 |
| Depreciation and amortization | 37,629 | 29,439 |
| Taxes and dues | 730 | 811 |
| Advertising | 25,232 | 16,796 |
| After-sale service expenses | 9,535 | 35,458 |
| Others | 20,925 | 19,492 |
| | (Won) 201,126 | 218,219 |

13. Other Income and Other Expenses

(a) Details of other income for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|---------------|-------------|
| Rental income | (Won) 940 | 1,034 |
| Foreign currency gain | 231,980 | 176,056 |
| Gain on disposal of property, plant and equipment | 158 | 928 |
| Reversal of allowance for doubtful accounts for other receivables | 9 | 235 |
| Reversal of stock compensation cost | 267 | |
| Others | 16,561 | 12,921 |
| | (Won) 249,915 | 191,174 |

(b) Details of other expenses for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|---------------|-------------|
| Other bad debt expenses | (Won) 74 | 1,272 |
| Foreign currency loss | 233,724 | 168,902 |
| Loss on disposal of property, plant and equipment | | 1 |
| Others | 5 | 9,047 |
| | (Won) 233,803 | 179,222 |

14. Employee Benefits

Edgar Filing: LG Display Co., Ltd. - Form 6-K

The Company maintains a defined benefit plan that provides a lump-sum payment to an employee based on final salary rates and length of service at the time the employee leaves the Company. The Company's defined benefit plan, if legal requirements are satisfied, allows interim settlement upon the employee's election. Subsequent to the interim settlement, service term used for severance payment calculation is remeasured from the settlement date.

Table of Contents

- (a) Recognized liabilities for defined benefit obligations as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|---------------|-------------|
| Present value of partially funded defined benefit obligations | (Won) 384,206 | 360,231 |
| Fair value of plan assets | (281,096) | (281,825) |
| | (Won) 103,110 | 78,406 |

- (b) Expenses recognized in profit and loss for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--------------------------------|--------------|-------------|
| Current service cost | (Won) 26,759 | 21,939 |
| Interest cost | 4,746 | 3,678 |
| Expected return on plan assets | (3,088) | (3,236) |
| Past service cost | | 12,778 |
| | (Won) 28,417 | 35,159 |

- (c) Plan assets as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--------------------------------------|---------------|-------------|
| Deposits with financial institutions | (Won) 281,096 | 281,825 |

- (d) Actuarial gain and loss recognized in other comprehensive income for the three-month periods ended March 31, 2011 and 2010 is as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--|-------------|-------------|
| Defined benefit plan actuarial gain or loss | (Won) 605 | (153) |
| Income tax | (133) | |
| Defined benefit plan actuarial gain or loss, net of income tax | (Won) 472 | (153) |

Table of Contents15. Finance income and Finance costs

(a) Finance income and costs recognized in profit and loss for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|---|---------------|-------------|
| Finance income | | |
| Interest income | (Won) 15,524 | 28,763 |
| Dividend income | 5,280 | 729 |
| Foreign currency gain | 95,979 | 67,613 |
| Gain on derivatives | | 102 |
| | (Won) 116,783 | 97,207 |
| Finance costs | | |
| Interest expense | (Won) 27,276 | 21,330 |
| Foreign currency loss | 19,426 | 16,714 |
| Loss on valuation of financial assets at fair value through profit or loss | 393 | 883 |
| Loss on valuation of financial liabilities at fair value through profit or loss | 1,079 | 4,829 |
| Impairment loss on Investments | 14,538 | |
| | (Won) 62,712 | 43,756 |

(b) Finance income and costs recognized in other comprehensive income (loss) for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|--|---------------|-------------|
| Loss on valuation of available-for-sale securities | (Won) (1,100) | 19,350 |
| Tax effect | 242 | (4,257) |
| | (Won) (858) | 15,093 |

Table of Contents**16. Commitments****Factoring and securitization of accounts receivable**

The Company has agreements with Korea Exchange Bank and several other banks for accounts receivable sales negotiating facilities of up to an aggregate of USD1,425 million ((Won)1,577,760 million) in connection with its export sales transactions. As of March 31, 2011, the amount of accounts and notes receivable sold but not past due is zero.

In October 2006, LG Display America, Inc., LG Display Germany GmbH, LG Display Shanghai Co., Ltd. and others entered into a five-year accounts receivable selling program with Standard Chartered Bank on a revolving basis, of up to USD600 million ((Won)664,320 million). The Company joined this program in April 2007. For the three-month ended March 31, 2011, no accounts and notes receivable were sold under this program.

The Company has a credit facility agreement with Shinhan Bank pursuant to which the Company could negotiate its accounts receivables up to an aggregate of (Won)50,000 million in connection with its domestic sales transactions. In addition, since August 2010, the Company has entered into an accounts receivable selling program of up to USD100 million ((Won)110,720 million) with Citibank, N.A., and, as of March 31, 2011, the amount of accounts and notes receivable sold but not past due is zero. In connection with all the contracts with Shinhan Bank and Citibank, N.A., the Company has sold its accounts receivable without recourse.

Letters of credit

As of March 31, 2011, the Company has agreements with Korea Exchange Bank in relation to the opening of letters of credit up to USD110 million ((Won)121,792 million), USD20 million ((Won)22,144 million) with China Construction Bank, USD210 million ((Won)232,512 million) with Shinhan Bank, JPY10,000 million ((Won)133,189 million) with Woori Bank, USD80 million ((Won)88,576 million) with Bank of China, USD104 million ((Won)115,149 million) with Hana Bank, and JPY1,893 million ((Won)25,210 million), USD60 million ((Won) 66,432 million) with Sumitomo Mitsui Banking Corporation.

Payment guarantees

The Company receives payment guarantees amounting to USD8.5 million ((Won)9,411 million) and EUR215 million ((Won)336,148 million) from Royal Bank of Scotland and other various banks in connection with value added tax payments in Poland. As of March 31, 2011, the Company is providing a payment guarantee to a syndicate of banks including Kookmin Bank and Societe Generale in connection with a EUR43 million ((Won)67,350 million) term loan credit facility of LG Display Poland Sp. zo. o. LG Display Poland Sp. zo. o. is provided with a payment guarantee amounting to PLN250 million ((Won)97,360 million) by Nordea Bank and others for the Simplified Procedure (deferral of VAT payment), and the Company provides payment guarantee to Nordea Bank and others in connection with their payment guarantee. In addition, the Company provides payment guarantees in connection with LG Display Singapore Ltd. s and other subsidiaries term loan credit facilities with an aggregate amount of USD17 million ((Won)18,822 million) for principals and related interests.

License agreements

As of March 31, 2011, in relation to its TFT-LCD business, the Company has technical license agreements with Hitachi Display, Ltd. and others and has a trademark license agreement with LG Corp.

Table of Contents16. Commitments, ContinuedLong-term supply agreement

In January 2009 and April and December 2010, the Company entered into long-term supply agreements with Apple, Inc. to supply LCD panels for three or five years, respectively. In connection with the agreements, the Company received advances of USD830 million ((Won)918,976 million) from Apple, Inc. in aggregate. In addition, the Company has received advance of USD250 million ((Won) 276,800 million) from Apple, Inc. in February 2011. The advances received will offset against outstanding accounts receivable balance after a given period of time, as well as those arising from the supply of products thereafter. The Company received a payment guarantee amounting to USD200 million ((Won)221,440 million) from Industrial Bank of Korea relating to advances received from Apple, Inc.

Pledged Assets

Regarding the line of credit up to USD50 million ((Won)55,360 million), the Company provided with part of its OLED machinery as pledged assets to the Export-Import Bank of Korea.

17. ContingenciesPatent infringement lawsuit against Chi Mei Optoelectronics Corp., and others

On December 1, 2006, the Company filed a complaint in the United States District Court for the District of Delaware against Chi Mei Optoelectronics Corp. and AU Optronics Corp. claiming infringement of patents related to liquid crystal displays and the manufacturing processes for TFT-LCDs. On March 8, 2007, AU Optronics Corp. filed a counter-claim against the Company in the United States District Court for the Western District of Wisconsin for alleged infringement of patents related to the manufacturing processes for TFT-LCDs but the suit was transferred to the United States District Court for the District of Delaware on May 30, 2007. On May 4, 2007, Chi Mei Optoelectronics Corp. filed a counter-claim against the Company for patent infringement in the United States District Court for the Eastern District of Texas, but the suit was transferred to the United States District Court for the District of Delaware (the Court) on March 31, 2008.

The Court bifurcated the trial between AU Optronics Corp. and Chi Mei Optoelectronics Corp. holding the first trial against AU Optronics Corp. on June 2, 2009. Although the Company had a total of nine patents to be tried and AU Optronics Corp. had a total of seven patents to be tried in the first trial against AU Optronics Corp., the trial was further bifurcated so that only four patents from each side were tried. On February 16, 2010, the Court found that the four AU Optronics Corp. patents were valid and were infringed by the Company, and on April 30, 2010, the Court further found that the Company's four patents were valid but were not infringed by AU Optronics Corp. In October and November 2010, the Company filed a motion for reconsideration as to the court's findings on the AU Optronics Corp.'s patents and the Company's patents respectively. However, the final judgment has not yet been rendered. Once all findings by the Court have been issued, the Company will review all available options including appeal. The Company is unable to predict the ultimate outcome of the above matters.

Anvik Corporation's lawsuit for infringement of patent

On February 2, 2007, Anvik Corporation filed a patent infringement case against the Company, along with other LCD manufacturing companies in the United States District Court for the Southern District of New York, in connection with the usage of photo-masking equipment manufactured by Nikon Corporation. While there is no significant progress on this case in 2010, the Company is unable to predict the ultimate outcome of this case.

Table of Contents

17. Contingencies, Continued

Anti-trust investigations and litigations

In December 2006, the Company received notices of investigation by the Korea Fair Trade Commission, the Japan Fair Trade Commission, the U.S. Department of Justice, and the European Commission with respect to possible anti-competitive activities in the TFT-LCD industry. The Company subsequently received similar notices from the Canadian Bureau of Competition Policy, the Federal Competition Commission of Mexico, the Secretariat of Economic Law of Brazil and the Taiwan Fair Trade Commission.

In November 2008, the Company executed an agreement with the U.S. Department of Justice (DOJ) whereby the Company and its U.S. subsidiary, LG Display America, Inc. (LGDUS), pleaded guilty to a Sherman Antitrust Act violation and agreed to pay a single total fine of USD400 million. In December 2008, the U.S. District Court for the Northern District of California accepted the terms of the plea agreement and entered a judgment against the Company and LGDUS and ordered the payment of USD400 million according to the following schedule: USD20 million plus any accrued interest by June 15, 2009, and USD76 million plus any accrued interest by each of June 15, 2010, June 15, 2011, June 15, 2012, June 15, 2013 and December 15, 2013. The agreement resolved all federal criminal charges against the Company and LGDUS in the United States in connection with this matter.

On December 8, 2010, the European Commission (the EC) issued a decision finding that the Company engaged in anti-competitive activities in the LCD industry in violation of European competition laws and imposed a fine of EUR215 million. On February 23, 2011, the Company filed with the European Union General Court an application for partial annulment and reduction of the fine imposed by the EC. The European Union General Court has not ruled on our application.

In November 2009, the Taiwan Fair Trade Commission terminated its investigation without any finding of violations or levying of fines. Investigations by the Canadian Bureau of Competition Policy, the Japan Fair Trade Commission, the Korea Fair Trade Commission, the Federal Competition Commission of Mexico and the Secretariat of Economic Law of Brazil are ongoing.

Subsequent to the commencement of the DOJ investigation, a number of class action complaints were filed against the Company and other TFT-LCD panel manufacturers in the U.S. and Canada alleging violation of respective antitrust laws and related laws. The class action lawsuits in the U.S. were transferred to the Northern District of California for pretrial proceedings (MDL Proceedings). On March 28, 2010, the court certified the class action complaints filed by direct purchasers and indirect purchasers. In June 2010, the Ninth Circuit Court of Appeals denied the defendants' petitions appealing the class certification decisions. In January 2011, 78 entities (including groups of affiliated entities) submitted requests for exclusion from the direct purchaser class. The time period for submitting requests for exclusion from the indirect purchaser class has not yet begun. Trial is set to begin in the two class action lawsuits on February 13, 2012. In January 2011, a hearing was held regarding the Canadian direct and indirect purchasers' motion for class certification. The court has not yet ruled on the motion.

Table of Contents

17. Contingencies, Continued

Additionally separate claims were filed by ATS. Claim, LLC, (assignee of Ricoh Electronics, Inc.), AT&T Corp., Motorola, Inc., Electrograph Technologies Corp. and their respective related entities, all of which have been transferred to the MDL Proceedings. In November 2010, ATS Claim, LLC dismissed its action as to the Company pursuant to a settlement agreement. In addition, in 2010, TracFone Wireless Inc., Best Buy Co., Inc. and its affiliates, Target Corp., Sears, Roebuck and Co., Kmart Corp., Old Comp Inc., Good Guys, Inc., RadioShack Corp., Newegg Inc., Costco Wholesale Corp., Sony Electronics, Inc., Sony Computer Entertainment America LLC, SB Liquidation Trust, and the trustee of the Circuit City Stores, Inc. Liquidation Trust, filed claims in the United States. In addition, in 2011, Office Depot, Inc. and T-Mobile U.S.A., Inc. filed similar claims in the United States. To the extent these claims were not filed in the MDL Proceedings, they have been transferred to the MDL Proceedings or motions have been made to transfer them to the MDL Proceedings.

In addition, in 2010 and 2011, the attorneys general of Arkansas, California, Florida, Illinois, Michigan, Mississippi, Missouri, New York, Oregon, South Carolina, Washington, West Virginia and Wisconsin filed complaints against the Company, alleging similar antitrust violations as alleged in the MDL Proceedings.

In February 2007, the Company and certain of its current and former officers and directors were named as defendants in a purported shareholder class action filed in the U.S. District Court for the Southern District of New York, alleging violation of the U.S. Securities Exchange Act of 1934. In May 2010, the Company reached an agreement in principle with the class plaintiffs to settle the action and the District Court granted final approval of the settlement on March 17, 2011.

While the Company continues its vigorous defense of the various pending proceedings described above, there is a possibility that one or more proceedings may result in an unfavorable outcome to the Company. The Company has established provisions with respect to certain of the contingencies. However, actual liability may be materially different from the provisions estimated by the Company.

Table of Contents

18. Capital and Reserves

(a) Share capital

The Company is authorized to issue 500,000,000 shares of capital stock (par value (Won)5,000), and as of March 31, 2011 and December 31, 2010, the number of issued common shares is 357,815,700.

There have been no changes in the capital stock for the three-month period ended March 31, 2011.

(b) Reserve

The reserve consists of the fair value reserve which comprises the cumulative net change in the fair value of available-for-sale financial assets until the investments are derecognized or impaired.

(c) Dividends

During the three-month period ended March 31, 2011, the Company declared dividends of (Won)178,908 million ((Won)500 per share). The dividend has been paid in April 2011 and there are no income tax consequences.

19. Related Parties

(a) Key management personnel compensation

Compensation costs of key management for the three-month periods ended March 31, 2011 and 2010 are as follows:

(In millions of won)

| | 2011 | 2010 |
|--|-------------|-------------|
| Short-term benefits | (Won) 540 | 551 |
| Expenses related to defined benefit plan | 42 | 59 |
| Other long-term benefits | 155 | 145 |
| | (Won) 737 | 755 |

Key management refers to the registered directors who have significant control and responsibilities over the Company's operations and business.

Table of Contents19. Related Parties, Continued

(b) Significant transactions with related companies

Significant transactions which occurred in the normal course of business with related companies for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | Sales and other | | Purchases and other | |
|-----------------------------|-----------------|-----------|---------------------|-----------|
| | 2011 | 2010 | 2011 | 2010 |
| Subsidiaries | (Won) 4,463,861 | 5,052,295 | 811,279 | 574,433 |
| Joint ventures | 149,065 | 239,761 | 1,174 | 22,101 |
| Associates | 5,280 | | 388,864 | 372,884 |
| LG Electronics | 218,143 | 223,081 | 64,252 | 67,994 |
| Other related parties | 10 | 128,890 | 5,376 | 165,611 |
| | (Won) 4,836,359 | 5,644,027 | 1,270,945 | 1,203,023 |

Account balances with related companies as of March 31, 2011 and December 31, 2010 are as follows:

| <i>(In millions of won)</i> | Trade accounts and notes receivable and other | | Trade accounts and notes payable and other | |
|-----------------------------|---|-----------|--|-----------|
| | 2011 | 2010 | 2011 | 2010 |
| Subsidiaries | (Won) 2,912,544 | 3,609,801 | 590,139 | 405,814 |
| Joint ventures | 140,408 | 145,093 | 282,645 | 478,009 |
| Associates | 5,038 | | 314,494 | 243,357 |
| LG Electronics | 114,806 | 111,408 | 104,689 | 138,479 |
| Other related parties | | | 1,733 | 1,847 |
| | (Won) 3,172,796 | 3,866,302 | 1,293,700 | 1,267,506 |

20. Share-Based Payment

(a) The terms and conditions of share-based payment arrangement as of March 31, 2011 are as follows:

| | Descriptions |
|--------------------------------------|--------------------------------|
| Settlement method | Cash settlement |
| Type of arrangement | Stock appreciation rights |
| | (granted to senior executives) |
| Date of grant | April 7, 2005 |
| Weighted-average exercise price (*1) | (Won)44,050 |
| Number of rights granted | 450,000 |
| Number of rights forfeited (*2) | 230,000 |
| Number of rights cancelled (*3) | 110,000 |

Edgar Filing: LG Display Co., Ltd. - Form 6-K

| | |
|------------------------------|---|
| Number of rights outstanding | 110,000 |
| Exercise period | From April 8, 2008 to April 7, 2012 |
| Remaining contractual life | 1 years |
| Vesting conditions | Two years of service from the date of grant |

(*1) The exercise price at the grant date was (Won)44,260 per stock appreciation right (SARs). However, the exercise price was subsequently adjusted to (Won)44,050 due to additional issuance of common shares in 2005.

Table of Contents20. Share-Based Payment, Continued

(*2) SARs were forfeited in connection with senior executives who left the Company before meeting the vesting requirement.

(*3) If the appreciation of the Company's share price is equal or less than that of the Korea Composite Stock Price Index (KOSPI) over the three-year period following the grant date, only 50% of the outstanding SARs are exercisable. As the actual increase rate of the Company's share price for the three-year period ending April 7, 2008 was less than that of the KOSPI for the same three-year period, 50% of then outstanding SARs were cancelled in 2008.

(b) The changes in the number of SARs outstanding for the three-month period ended March 31, 2011 are as follows:

| <i>(Number of shares)</i> | 2011 |
|----------------------------------|-------------|
| Balance at beginning of year | 110,000 |
| Forfeited or cancelled | |
| Outstanding as of March 31, 2011 | 110,000 |
| Exercisable as of March 31, 2011 | 110,000 |

(c) The fair value of SARs was estimated using the Black-Scholes option-pricing model with the following assumptions:

| | March 31, 2011 | December 31, 2010 |
|---|-----------------------|--------------------------|
| Risk free rate (*1) | 3.42% | 2.89% |
| Expected term (*2) | 1 year | 1 year |
| Expected volatility | 32.20% | 35.20% |
| Expected dividends (*3) | 0% | 0% |
| Fair value per share | (Won)1,870 | (Won)4,296 |
| Total carrying amount of liabilities (*4) | (Won)205,700,394 | (Won)472,527,182 |

(*1) Risk-free rates are interest rates of Korean government bonds.

(*2) As of March 31, 2011, the remaining contractual life is 12 months and the expected term is determined as 1 year.

(*3) The Company did not pay any dividends from 2000 through 2006 and accordingly, expected dividend used is 0% despite recent dividend yield was 1.6%, 2.2%, 1.3% and 1.3% in 2007, 2008, 2009 and 2010, respectively.

(*4) As of March 31, 2011, the market price of the stock does not exceed the exercise price and accordingly, the intrinsic value of the share-based payments is zero.

(d) The Company recognized reversal of stock compensation cost of (Won)267 million as other income for the three-month period ended March 31, 2011.

Table of Contents21. Income Taxes

(a) Details of Income tax expense (benefit) for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In millions of won)</i> | 2011 | 2010 |
|-------------------------------------|-----------------------|----------------|
| Current tax expense | (Won) 574 | 119,405 |
| Deferred tax expense (benefit) | (96,893) | 37,627 |
| Income tax expense (benefit) | (Won) (96,319) | 157,032 |

(b) Deferred tax assets and liabilities as of March 31, 2011 and December 31, 2010 are attributable to the following:

| <i>(In millions of won)</i> | Assets | | Liabilities | | Total | |
|--|------------------------|------------------|--------------------|-----------------|------------------|----------------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Other accounts receivable, net | (Won) | | (3,219) | (5,919) | (3,219) | (5,919) |
| Inventories, net | 17,115 | 15,039 | | | 17,115 | 15,039 |
| Available-for-sale financial assets | 2,441 | 2,199 | (276) | (6,983) | 2,165 | (4,784) |
| Defined benefit obligation | 3,037 | 3,829 | | | 3,037 | 3,829 |
| Derivative instruments | | | (168) | (2,008) | (168) | (2,008) |
| Accrued expense | 66,645 | 78,396 | | | 66,645 | 78,396 |
| Property, plant and equipment | 36,393 | 40,685 | | | 36,393 | 40,685 |
| Provisions | 14,667 | 17,962 | | | 14,667 | 17,962 |
| Gain or loss on foreign currency | 39,590 | 81,075 | (23,528) | (61,031) | 16,062 | 20,044 |
| Debentures | 5,320 | 5,049 | | | 5,320 | 5,049 |
| Others | 18,662 | 15,783 | | | 18,662 | 15,783 |
| Tax credit carryforwards | 882,144 | 795,247 | | | 882,144 | 795,247 |
| Deferred income tax assets(liabilities) | (Won) 1,086,014 | 1,055,264 | (27,191) | (75,941) | 1,058,823 | 979,323 |

Statutory tax rate applicable to the Company is 24.2% for the three-month period ended March 31, 2011. In accordance with the revised Corporate Income Tax Law, statutory tax rate applicable to the Company is 24.2% until 2011 and 22% thereafter.

22. Earnings (loss) Per Share

(a) Basic earnings (loss) per share for the three-month periods ended March 31, 2011 and 2010 are as follows:

| <i>(In won, and No. of shares)</i> | 2011 | 2010 |
|--|--------------------------------|------------------------|
| Net income (loss) | (Won) (154,350,084,341) | 599,044,474,412 |
| Weighted-average number of common shares outstanding | 357,815,700 | 357,815,700 |
| Earnings (loss) per share | (Won) (431) | 1,674 |

There were no events or transactions that result in changes in the number of common shares used for calculating earnings per share.

Table of Contents22. Earnings (loss) Per Share, Continued

- (b) There is no effect of dilutive potential ordinary shares due to net loss for the three-month period ended March 31, 2011. Diluted earnings per share for the three-month period ended March 31, 2010 was as follows:

| <i>(In won and No. of shares)</i> | 2010 |
|--|-----------------------|
| Net income | (Won) 599,044,474,412 |
| Interest on convertible bond, net of tax | (13,059,178,980) |
| Adjusted income | 585,985,295,432 |
| Weighted-average number of common shares outstanding and common equivalent shares(*) | 367,138,860 |
| Diluted earnings per share | (Won) 1,596 |

- (*) Weighted-average number of common shares outstanding for the three-month period ended March 31, 2010 is calculated as follows:

| <i>(Number of shares)</i> | 2010 |
|---|-------------|
| Weighted-average number of common shares (basic) | 357,815,700 |
| Effect of conversion of convertible bonds | 9,323,160 |
| Weighted-average number of common shares (diluted) | 367,138,860 |

- (c) The number of dilutive potential ordinary shares outstanding for the three-month period ended March 31 2010 is calculated as follows:

| <i>(Number of shares)</i> | Convertible bonds | Convertible bonds |
|---|--------------------------------|--------------------------------|
| Common shares to be issued | 1,281,697 | 9,399,113 |
| Period | January 1, 2010~March 31, 2010 | January 1, 2010~March 19, 2010 |
| Weight | 90 days / 90 days | 77 days / 90 days |
| Weighted-average number of common shares to be issued | 1,281,697 | 8,041,463 |

23. Subsequent event

The Company publicly issued debentures amounting to (Won)300,000 million (maturity: 3 years, annual interest rate: 4.31%) on April, 12, 2011.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

LG Display Co., Ltd.
(Registrant)

Date: May 24 2011

By: /s/ Heeyeon Kim
(Signature)

Name: Heeyeon Kim
Title: Senior Manager/IR Department

117