

Q3 '10 Earnings Results

October 21, 2010



Disclaimer



- This presentation contains forward-looking statements. We may also make written or oral forward-looking statements in our periodic reports to the United States Securities and Exchange Commission and the Korean Financial Supervisory Service, in our annual report to shareholders, in our proxy statements, in our offering circulars and prospectuses, in press releases and other written materials and in oral statements made by our officers, directors or employees to third parties. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.
- Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors include, but are not limited to: our highly competitive environment; the cyclical nature of our industry; our ability to introduce new products on a timely basis; our dependence on growth in the demand for our products; our ability to successfully execute our expansion strategy; our dependence on key personnel; and general economic and political conditions, including those related to the TFT-LCD industry; possible disruptions in business activities caused by natural and human-induced disasters, including terrorist activity and armed conflict; and fluctuations in foreign currency exchange rates. Additional information as to these and other factors that may cause actual results to differ materially from our forward-looking statements can be found in our filings with the United States Securities and Exchange Commission.
- As of January 1, 2010, we adopted International Financial Reporting Standards (IFRS). All financial information contained in this document is based on consolidated IFRS. For the convenience of users, financial results of 2009 are presented based on IFRS and may differ from previously disclosed financial information provided based on K-GAAP.
- This presentation also includes information regarding our historical financial performance through Sept. 30, 2010, and our expectations regarding future performance which is available on our investor relations website at <http://www.lgdisplay.com> under the file name Q3 2010 Earnings Results Presentation.

Contents

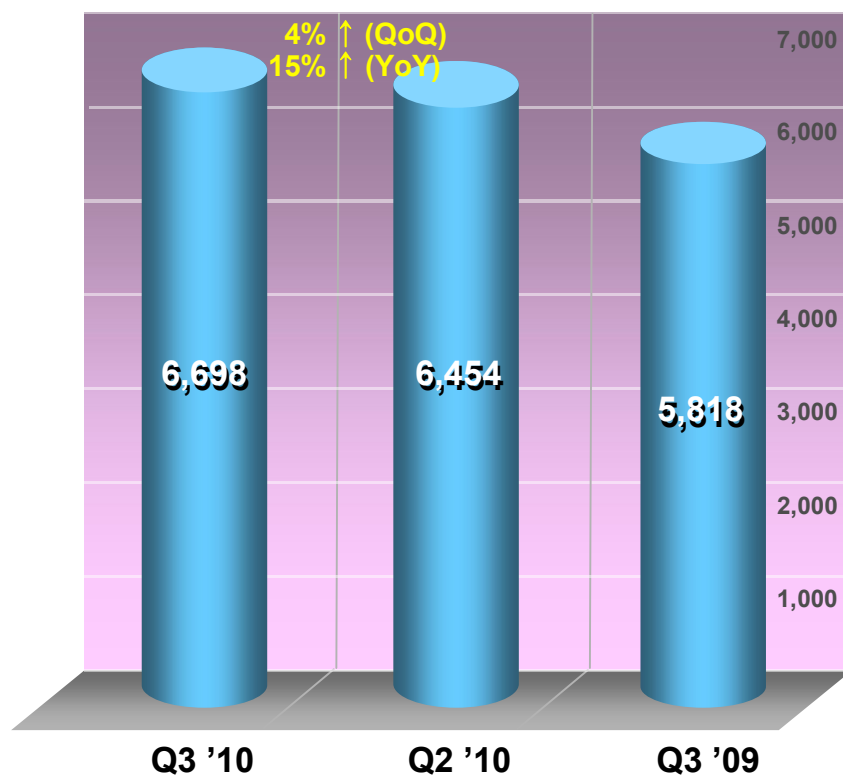
- 1. Q3 '10 Earnings Results**
- 2. Performance Highlights**
- 3. Q4 '10 Outlook**

Revenues & Profits



Revenues

(Unit : KRW B)



Profits

(Unit : KRW B, %)

	Q3 '10	Q2 '10	Q3 '09	QoQ	YoY
Operating Income	182 3%	726 11%	662 11%	-75%	-73%
EBITDA*	986 15%	1,433 22%	1,450 25%	-31%	-32%
Income before tax	244	604	714	-60%	-66%
Net Income	224	555	595	-60%	-62%

IFRS (Consolidated)

Source : Unaudited, Company financials

* EBITDA = Operating Income + Depreciation + Amortization

Financial Positions & Ratios



Financial Positions

(Unit : KRW B)

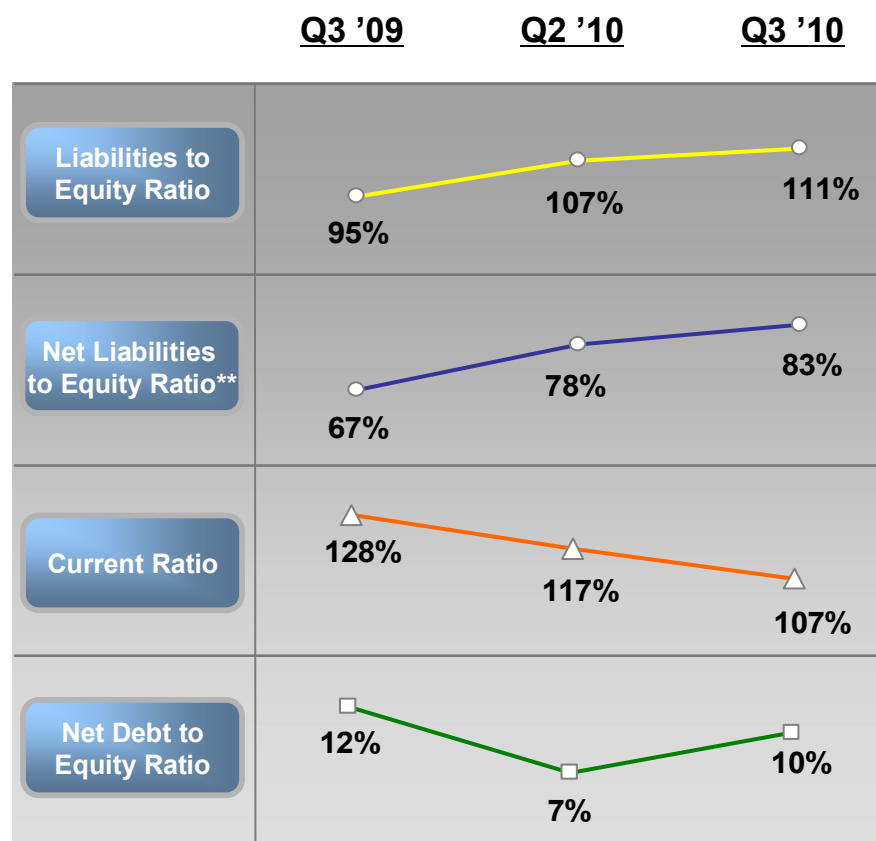
	Q3 '10	Q2 '10	Q3 '09
Assets	23,793	22,942	18,671
Current Assets	9,641	9,585	7,813
Cash*	3,146	3,212	2,678
Inventory	2,492	2,256	1,666
Non-Current Assets	14,152	13,357	10,858
Liabilities	12,504	11,858	9,114
Current Liabilities	9,018	8,178	6,107
Non-Current Liab.	3,486	3,680	3,007
Shareholders' Equity	11,289	11,084	9,557
Debts	4,220	3,951	3,783
Net Debts	1,074	739	1,105

* Cash includes short term financial instruments.

Source : Unaudited, Company financials

Financial Ratios

(Unit : %)



IFRS (Consolidated)

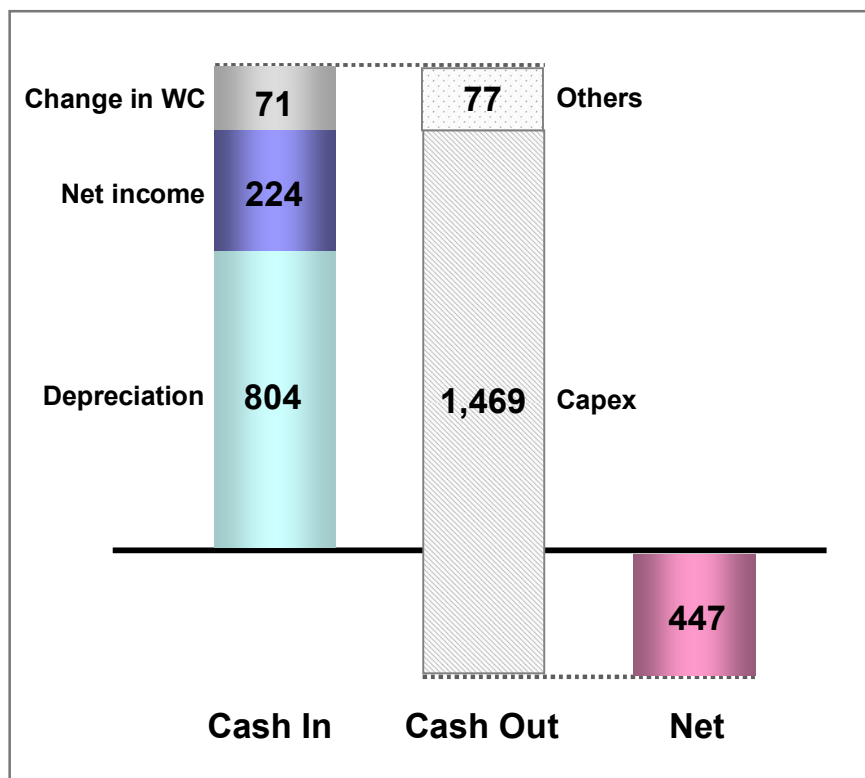
** Net Liabilities to Equity Ratio: (Total liabilities - cash equivalents) / shareholders' equity

Cash Flow



Net Cash Flow

(Unit : KRW B)



* Based on cash flow before financing activities

Cash Flow Statement

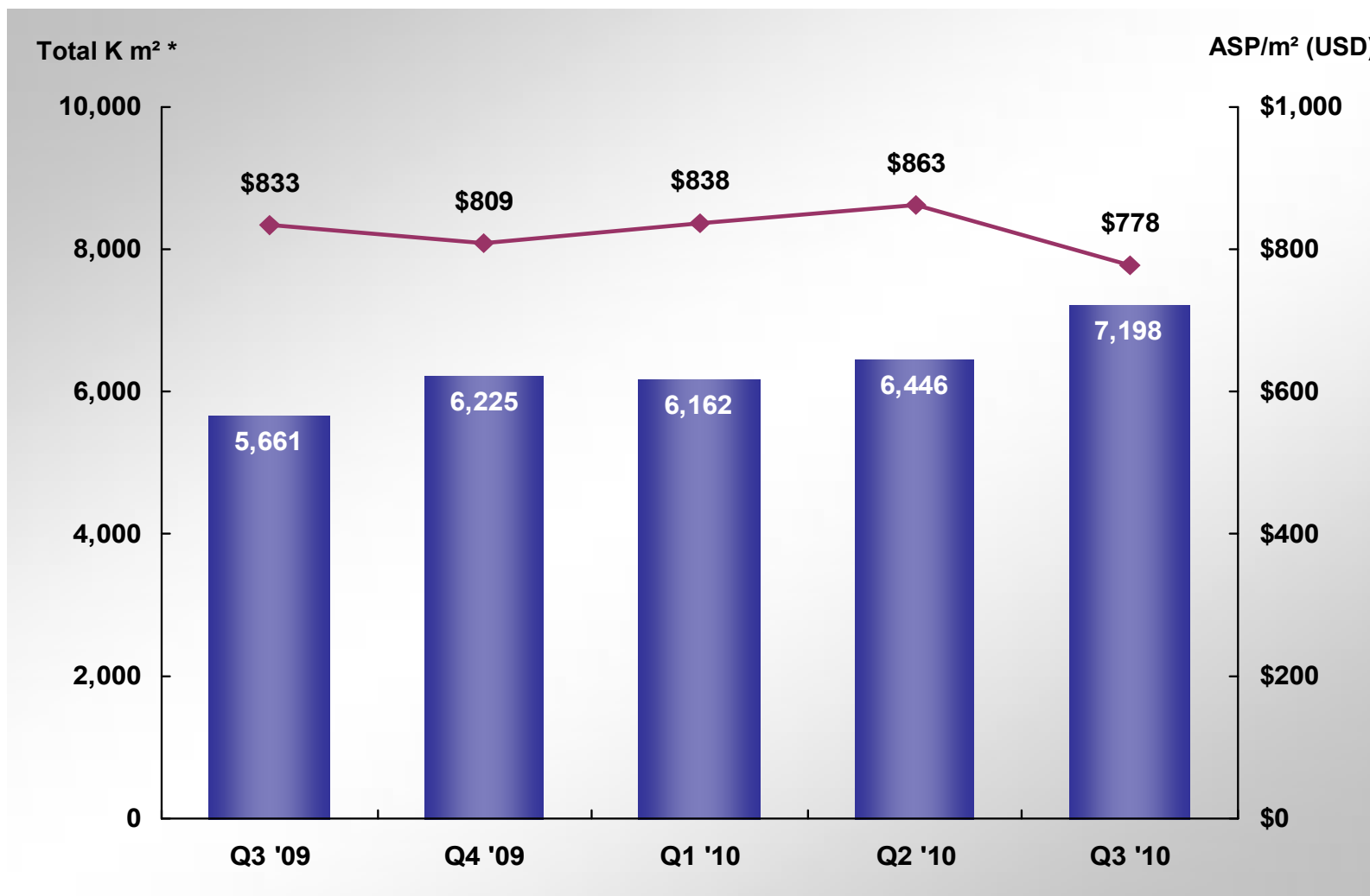
(Unit : KRW B)

	Q3 '10
Cash at beginning of quarter	3,212
Cash flow from operating activities	1,022
<i>Net Income</i>	224
<i>Depreciation & Amortization</i>	804
<i>Change in Working Capital</i>	71
<i>Others</i>	(77)
Cash flow from investing activities	(1,469)
Cash flow before financing activities	(447)
Cash flow from financing activities	381
<i>Financing activities</i>	381
Net change in Cash	(66)
Cash at end of quarter	3,146

IFRS (Consolidated)

Source : Unaudited, Company financials

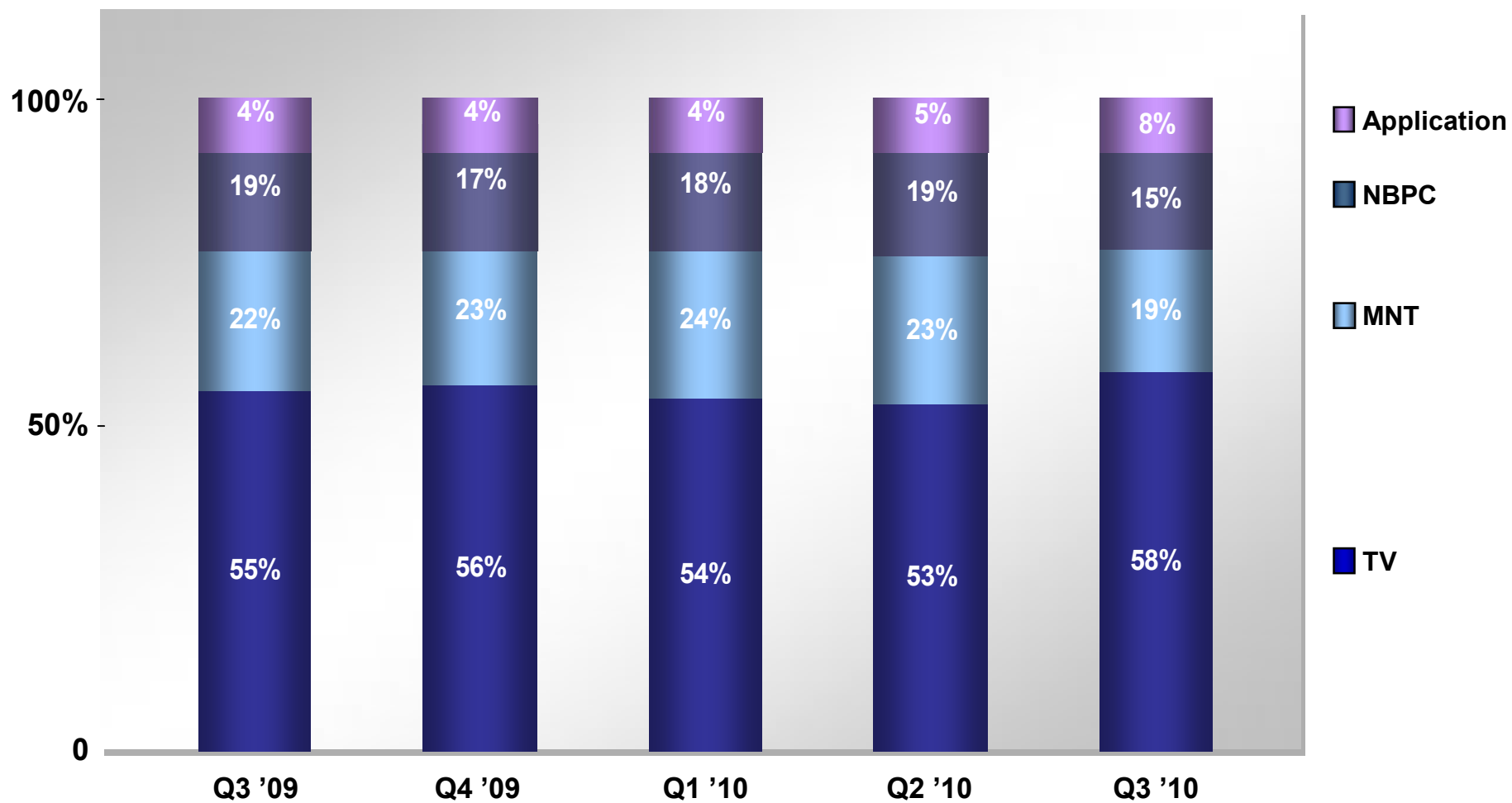
Shipments and ASP



* Net display area shipped
Source: Company financials

■ Display area shipment in K m²
◆ ASP per m² (USD)

Revenue: Product Mix

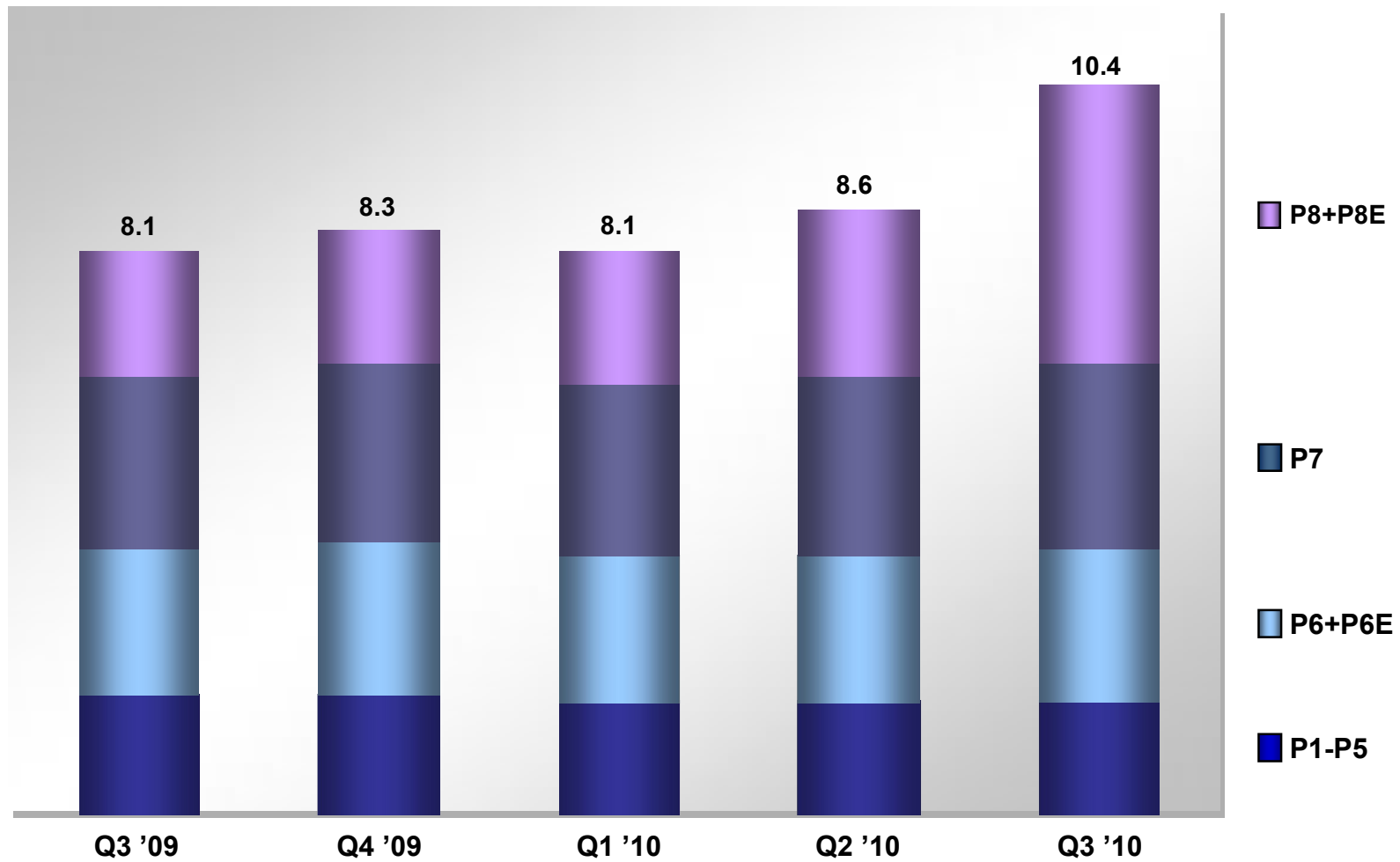


Source: Company financials

Capacity



Quarterly production capacity by area (M m²)



Source: Company financials

Q4 '10

- ▶ **Total Shipment per m²**
 - Mid single digit % ↑ QoQ

- ▶ **Price trend**
 - Price decline decelerating
 - IT price to stabilize

2010

- ▶ **CAPEX**
 - Mid to high 4 trillion won

Questions and Answers

Appendix

IFRS Statements of Income



Unit: KRW Bn

Accounts	Q1 '09	Q2 '09	Q3 '09	Q4 '09	2009	Q1 '10	Q2 '10	Q3 '10
Revenue	3,542	4,772	5,818	5,905	20,038	5,876	6,454	6,698
COGS	3,649	4,193	4,591	5,043	17,477	4,639	5,125	5,927
Gross Profit	-107	579	1,227	862	2,561	1,237	1,329	771
Operating Income	-317	352	662	313	1,010	789	726	182
EBITDA	237	1,072	1,450	1,093	3,852	1,421	1,433	986
Income before tax	-488	429	714	358	1,013	842	604	244
Net Income	-347	367	595	502	1,118	649	555	224
EPS (Unit: KRW)	-969	1,026	1,664	1,403	3,124	1,813	1,550	627
Margins (%)								
Gross Margin	-3.0	12.1	21.1	14.6	12.8	21.1	20.6	11.5
Operating Margin	-8.9	7.4	11.4	5.3	5.0	13.4	11.2	2.7
EBITDA Margin	6.7	22.5	24.9	18.5	19.2	24.2	22.2	14.7

Source: Unaudited, Company financials

IFRS (Consolidated)

IFRS Statements of Financial Position



Unit: KRW Bn

Accounts	Q1 '09	Q2 '09	Q3 '09	Q4 '09	Q1 '10	Q2 '10	Q3 '10
Assets	18,728	18,438	18,671	19,704	20,767	22,942	23,793
Cash*	3,544	2,671	2,678	3,318	3,144	3,212	3,146
Inventory	1,142	1,351	1,666	1,668	1,716	2,256	2,492
Liabilities	10,094	9,442	9,114	9,664	10,246	11,858	12,504
Short-term debts	1,550	2,268	1,941	2,004	1,329	1,393	1,855
Long-term debts	2,720	1,965	1,842	2,076	2,300	2,558	2,365
Shareholders' Equity	8,634	8,996	9,557	10,040	10,521	11,084	11,289
BPS (Unit: KRW)	24,130	25,141	26,709	28,059	29,403	30,977	31,551
Net debt to equity ratio (%)	8.4	17.4	11.6	7.6	4.6	6.7	9.5

Source: Unaudited, Company financials

IFRS (Consolidated)

* Cash includes short term financial instruments.

IFRS Statements of Cash Flow



Unit: KRW Bn

Accounts	Q1 '09	Q2 '09	Q3 '09	Q4 '09	2009	Q1 '10	Q2 '10	Q3 '10
Net Income	-347	367	595	502	1,118	649	555	224
Depreciation & Amortization	554	720	788	780	2,842	632	707	804
Others	448	-36	149	73	634	-144	369	-77
Working Capital*	460	-851	-338	296	-433	-187	-423	71
Cash flow from operating activities	1,115	200	1,195	1,651	4,161	950	1,208	1,022
Cash flow from investing activities**	-998	-964	-865	-1,310	-4,137	-765	-1,123	-1,469
Net cash flow before financing activities	117	-764	330	341	24	185	85	-447
Financing Activities	19	70	-323	299	65	-376	162	381
Dividends	0	-179	0	0	-179	0	-179	0
Change in non-controlling interest	0	0	0	0	0	17	0	0
Net change in cash	136	-873	7	640	-90	-174	68	-66

Source: Unaudited, Company financials

IFRS (Consolidated)

* Working Capital consists of net change in AR, Inventory, AP and F/X effect

** Cash flow from Investing Activities excludes increase (decrease) of short term financial instruments.

EBITDA Calculation



Unit: KRW Bn

Accounts	Q1 '09	Q2 '09	Q3 '09	Q4 '09	2009	Q1 '10	Q2 '10	Q3 '10
1. Operating Income	-317	352	662	313	1,010	789	726	182
2. Depreciation	544	708	771	756	2,779	596	666	761
3. Amortization	10	12	17	24	63	36	41	43
EBITDA (1+2+3)	237	1,072	1,450	1,093	3,852	1,421	1,433	986

Source: Unaudited, Company financials

IFRS (Consolidated)

We add depreciation and amortization expense to operating income to calculate EBITDA. It is a key financial measure used by our senior management to internally evaluate the performance of our business and for other required or discretionary purposes.

We believe that the presentation of EBITDA will enhance an investor's understanding of our operating performance as we believe it is commonly reported and widely used by analysts and investors in our industry. It also provides useful information for comparison on a more comparable basis of our operating performance and those of our competitors, who follow different accounting policies.

EBITDA is not a measure defined by GAAP. Our calculation of EBITDA may not be consistent with other similarly titled measures reported by other companies.

Where Your Value Creation Begins



LG Display

www.lgdisplay.com