

LG Electronics Inc.**Non-Consolidated Statements of Appropriations of Retained Earnings
Years Ended December 31, 2006 and 2005****(Dates of Appropriations: March 23, 2007 and March 10, 2006
for the years ended December 31, 2006 and 2005, respectively)***(in millions of Korean won)*

	2006	2005
Retained earnings before appropriations		
Unappropriated retained earnings carried over from prior year	₩ 99	₩ 121
Cumulative effect of change in accounting principle	-	3,308
Changes in retained earnings arising from equity method accounting (Note 8)	(57,215)	(23,511)
Net income	212,718	702,801
	<u>155,602</u>	<u>682,719</u>
Transfer from voluntary reserve		
Reserve for research and manpower development	2,204,668	1,742,000
	<u>2,360,270</u>	<u>2,424,719</u>
Appropriations of retained earnings		
Legal reserve	12,166	19,996
Reserve for research and manpower development	2,226,347	2,204,668
Cash dividends (Note 24)	121,658	199,956
	<u>2,360,171</u>	<u>2,424,620</u>
Unappropriated retained earnings to be carried forward to subsequent year	<u>₩ 99</u>	<u>₩ 99</u>

The accompanying notes are an integral part of these non-consolidated financial statements.