

LG Electronics Inc.
Interim Separate Financial Statements
June 30, 2015 and 2014

LG Electronics Inc.

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June 30, 2015 and 2014

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Report on Review of Interim Separate Financial Statements

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of
LG Electronics Inc.

Reviewed Financial Statements

We have reviewed the accompanying interim separate financial statements of LG Electronics Inc. (the "Company"). These interim financial statements consist of the interim separate statement of financial position of the Company as of June 30, 2015, and the related interim separate statements of income and comprehensive income for the three-month and six-month periods ended June 30, 2015 and 2014, and interim separate statements of changes in equity and cash flows for the six-month periods ended June 30, 2015 and 2014, and a summary of significant accounting policies and other explanatory notes, expressed in Korean won.

Management' Responsibility for the Separate Financial Statements

Management is responsible for the preparation and fair presentation of these interim separate financial statements in accordance with the International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS") 1034, 'Interim Financial Reporting', and for such internal controls as management determines are necessary to enable the preparation of interim separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to issue a report on these interim separate financial statements based on our reviews.

We conducted our reviews in accordance with the quarterly and semi-annual review standards established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists 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 the Korean Standards on Auditing 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 the accompanying interim separate financial statements do not present fairly, in all material respects, in conformity with the Korean IFRS 1034, 'Interim Financial Reporting'.

Other matters

We have audited the accompanying separate statement of financial position of the Company as of December 31, 2014, and the related separate statements of income, comprehensive income, changes in equity and cash flows for the year then ended, in accordance with the Korean Standards on Auditing. We expressed an unqualified opinion on those separate financial statements in our audit report dated March 11, 2015. These separate financial statements are not included in this review report. The separate statement of financial position as of December 31, 2014, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as of December 31, 2014.

Review standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to review such financial statements may differ from those generally accepted and applied in other countries.



Seoul, Korea
August 13, 2015

This interim report is effective as of August 13, 2015, 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 interim separate 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.

LG Electronics Inc.

Interim Separate Statements of Financial Position

June 30, 2015 and December 31, 2014

<i>(in millions of Korean won)</i>	Note	June 30, 2015 (Unaudited)	December 31, 2014
Assets			
Current assets			
Cash and cash equivalents	4,29	1,004,093	913,208
Financial deposits	4,29	65,500	65,000
Trade receivables	4,5,29	6,505,583	5,956,772
Loans and other receivables	4,5,29	441,590	484,344
Inventories	7	1,114,569	1,116,123
Current income tax assets		156	58,012
Other current assets		407,663	340,920
Assets classified as held for sale	4,31	21,166	-
		<u>9,560,320</u>	<u>8,934,379</u>
Non-current assets			
Financial deposits	4,29	2,287	1,689
Loans and other receivables	4,5,29	362,037	385,352
Other financial assets	4,6,29	41,473	33,870
Property, plant and equipment	8	6,346,451	6,244,197
Intangible assets	8	1,099,269	1,094,479
Deferred income tax assets		1,040,488	950,898
Investments in subsidiaries, associates and joint ventures	9	8,001,376	8,055,416
Investment property		23,126	633
Other non-current assets		556,765	581,400
		<u>17,473,272</u>	<u>17,347,934</u>
Total assets		<u>27,033,592</u>	<u>26,282,313</u>
Liabilities			
Current liabilities			
Trade payables	4,29	5,262,327	5,451,036
Borrowings	4,10,29	1,296,965	1,016,906
Other payables	4,29	1,784,427	1,880,276
Other financial liabilities	4,6,29	106	106
Provisions	12	191,696	209,180
Other current liabilities		1,857,954	1,486,610
Liabilities classified as held for sale	4,31	14,158	-
		<u>10,407,633</u>	<u>10,044,114</u>
Non-current liabilities			
Borrowings	4,10,29	5,720,763	5,233,447
Other financial liabilities	4,6,29	41,734	62,574
Net defined benefit liability	11	782,087	616,692
Provisions	12	847,573	836,786
		<u>7,392,157</u>	<u>6,749,499</u>
Total liabilities		<u>17,799,790</u>	<u>16,793,613</u>
Equity			
Paid-in capital:	13		
Capital stock		904,169	904,169
Share premium		3,088,179	3,088,179
Retained earnings	14	5,298,118	5,550,942
Accumulated other comprehensive income	15	(23,845)	(21,771)
Other components of equity	16	(32,819)	(32,819)
Total equity		<u>9,233,802</u>	<u>9,488,700</u>
Total liabilities and equity		<u>27,033,592</u>	<u>26,282,313</u>

LG Electronics Inc.

Interim Separate Statements of Income

Three-Month and Six-Month Periods Ended June 30, 2015 and 2014

	Note	2015 (Unaudited)		2014 (Unaudited)	
		Three months	Six months	Three months	Six months
<i>(in millions of Korean won, except per share amounts)</i>					
Net sales	17	7,238,032	14,101,393	7,822,283	14,914,266
Cost of sales	18	5,717,497	11,302,903	6,131,291	11,901,788
Gross profit		1,520,535	2,798,490	1,690,992	3,012,478
Selling and marketing expenses	18,19	662,720	1,267,492	688,424	1,291,879
Administrative expenses	18,19	158,726	322,203	134,789	257,407
Research and development expenses	18,19	497,972	1,019,409	477,965	938,907
Service costs	18,19	111,429	196,680	112,518	217,806
Operating income(loss)		89,688	(7,294)	277,296	306,479
Financial income	20	35,569	86,128	23,504	63,531
Financial expenses	21	87,232	195,573	87,321	174,571
Other non-operating income	22	229,108	533,425	410,854	543,303
Other non-operating expenses	23	184,672	613,776	265,172	386,191
Profit(loss) before income tax(benefit)		82,461	(197,090)	359,161	352,551
Income tax expense(benefit)		20,454	(51,172)	110,136	188,353
Profit(loss) for the period from continuing operations		62,007	(145,918)	249,025	164,198
Discontinued operations					
Profit(loss) for the period from discontinued operations	32	(206)	(2,282)	(5,554)	6,960
Profit(loss) for the period		61,801	(148,200)	243,471	171,158
Earnings(loss) per share during the period (in won)					
Earnings(loss) per share for profit attributable to the common equity holders of the Company	24				
From continuing operations		342	(826)	1,351	948
From discontinued operations		(1)	(13)	(31)	39
Earnings(loss) per share for profit attributable to the preferred equity holders of the Company		354	(801)	1,363	973
From continuing operations		355	(788)	1,394	934
From discontinued operations		(1)	(13)	(31)	39

LG Electronics Inc.**Interim Separate Statements of Comprehensive Income****Three-Month and Six-Month Periods Ended June 30, 2015 and 2014***(in millions of Korean won)*

	Note	2015 (Unaudited)		2014 (Unaudited)	
		Three months	Six months	Three months	Six months
Profit(loss) for the period		<u>61,801</u>	<u>(148,200)</u>	<u>243,471</u>	<u>171,158</u>
Other comprehensive income(loss), net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of the net defined benefit liability	11	48,241	(31,739)	(41,823)	(25,861)
Items that will be reclassified subsequently to profit or loss:					
Cash flow hedges	29	5,739	(4,023)	(11,651)	(14,169)
Available-for-sale financial assets	6	236	1,949	(509)	(116)
Other comprehensive income(loss) for the period, net of tax		<u>54,216</u>	<u>(33,813)</u>	<u>(53,983)</u>	<u>(40,146)</u>
Total comprehensive income(loss) for the period, net of tax		<u>116,017</u>	<u>(182,013)</u>	<u>189,488</u>	<u>131,012</u>

LG Electronics Inc.

Interim Separate Statements of Changes in Equity

Six-Month Periods Ended June 30, 2015 and 2014

<i>(in millions of Korean won)</i>	Note	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income(loss)	Other Components of Equity	Total
Balance at January 1, 2014		3,992,348	5,857,083	16,208	(32,819)	9,832,820
Comprehensive income(loss):						
Profit for the period		-	171,158	-	-	171,158
Remeasurements of the net defined benefit liability	11	-	(25,861)	-	-	(25,861)
Cash flow hedges	29	-	-	(14,169)	-	(14,169)
Available-for-sale financial assets	6	-	-	(116)	-	(116)
Total comprehensive income(loss)		-	145,297	(14,285)	-	131,012
Transactions with equity holders:						
Dividends	14	-	(36,872)	-	-	(36,872)
Total transactions with equity holders		-	(36,872)	-	-	(36,872)
Balance at June 30, 2014 (Unaudited)		3,992,348	5,965,508	1,923	(32,819)	9,926,960
Balance at January 1, 2015		3,992,348	5,550,942	(21,771)	(32,819)	9,488,700
Comprehensive income(loss):						
Loss for the period		-	(148,200)	-	-	(148,200)
Remeasurements of the net defined benefit liability	11	-	(31,739)	-	-	(31,739)
Cash flow hedges	29	-	-	(4,023)	-	(4,023)
Available-for-sale financial assets	6	-	-	1,949	-	1,949
Total comprehensive loss		-	(179,939)	(2,074)	-	(182,013)
Transactions with equity holders:						
Dividends	14	-	(72,885)	-	-	(72,885)
Total transactions with equity holders		-	(72,885)	-	-	(72,885)
Balance at June 30, 2015 (Unaudited)		3,992,348	5,298,118	(23,845)	(32,819)	9,233,802

LG Electronics Inc.

Interim Separate Statements of Cash Flows

Six-Month Periods Ended June 30, 2015 and 2014

<i>(in millions of Korean won)</i>	Note	Six-Month Period Ended June 30	
		2015 (Unaudited)	2014 (Unaudited)
Cash flows from operating activities			
Cash used in operations	25	47,855	(145,590)
Interest received		6,854	11,878
Interest paid		(124,369)	(124,817)
Dividends received		90,633	101,094
Income tax refund(paid)		31,854	(21,889)
Net cash used in operating activities		<u>52,827</u>	<u>(179,324)</u>
Cash flows from investing activities			
Decrease in financial deposits		-	1,727
Decrease in loans and other receivables		55,644	75,919
Proceeds from disposal of other financial assets		5,520	-
Proceeds from disposal of property, plant and equipment		9,511	7,463
Proceeds from disposal of intangible assets		134	15,724
Proceeds from disposal of investments in subsidiaries, associates and joint ventures		131	3,713
Proceeds from disposal of assets classified as held for sale	31	81,053	-
Decrease in others		545	368
Increase in financial deposits		(1,098)	-
Increase in loans and other receivables		(36,337)	(48,803)
Acquisition of other financial assets		(340)	-
Acquisition of property, plant and equipment		(487,081)	(497,173)
Acquisition of intangible assets		(234,152)	(228,269)
Acquisition of investments in subsidiaries, associates and joint ventures		(8,057)	(39,560)
Business combination	30	<u>(7,691)</u>	<u>-</u>
Net cash used in investing activities		<u>(622,218)</u>	<u>(708,891)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,326,933	1,522,958
Repayments of borrowings		(593,772)	(799,786)
Dividend paid		(72,885)	(36,872)
Net cash provided by financing activities		<u>660,276</u>	<u>686,300</u>
Net increase(decrease) in cash and cash equivalents		90,885	(201,915)
Cash and cash equivalents at the beginning of period		<u>913,208</u>	<u>1,298,349</u>
Cash and cash equivalents at the end of period		<u>1,004,093</u>	<u>1,096,434</u>

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1. General Information

General information about LG Electronics Inc. (the “Company”) is as follows.

LG Electronics Inc. was spun off from LG Electronics Investment Ltd. on April 1, 2002. The Company’s shares are listed on the Korea Exchange, and some of its preferred shares, in the form of global depository receipts (“GDRs”), are listed on the London Stock Exchange as of the reporting date. The Company is domiciled in Korea at Yeoui-daero, Yeungdeungpo-gu, Seoul.

As of June 30, 2015, LG Corp. owns 33.7% of the Company’s total shares, excluding preferred shares, while financial institutions, foreign investors and others own the rest.

The Company is engaged in the manufacture and sale of products including mobile phones, TVs, air conditioners, refrigerators, washing machines and personal computers and of core parts. As of June 30, 2015, the Company operates manufacturing facilities mainly in Pyeongtaek, Changwon and Gumi in the Republic of Korea.

2. Significant Accounting Policies

Basis of Preparation

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with the International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying interim separate financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Company’s financial position, financial performance or cash flows, is not presented in the accompanying interim separate financial statements.

The attached statements are the separate financial statements subject to Korean IFRS 1027, ‘Separate Financial Statements’. The interim separate financial statements for the six-month period ended June 30, 2015, have been prepared in accordance with Korean IFRS 1034, ‘Interim Financial Reporting’. These interim separate financial statements have been prepared in accordance with the Korean IFRS standards and interpretations effective at June 30, 2015.

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Changes in Accounting Policy and Disclosures

(a) New and amended standards and interpretations effective for the financial year beginning January 1, 2015.

i) The new and amended standards and interpretations adopted by the Company from the financial year, 2015:

- Korean IFRS 1019(Amendment): 'Employee Benefits'

In defined benefit plans with contributions from employees or third parties, if such contributions are linked to service provided by employees or third parties at the same period when contributions were made, a practical expedient of reducing such contributions from the service cost is allowed. It was clarified that when contributions reflect the actuarial valuation method, such contributions made by employees or third parties should be attributed by the same method used to attribute the total benefit. The amendments do not have a significant impact on these interim separate financial statements.

- Annual improvements of Korean IFRS

Korean IFRS 1102, 'Share-based Payment'

Korean IFRS 1103, 'Business Combination'

Korean IFRS 1108, 'Operating Segment'

Korean IFRS 1113, 'Fair Value Measurement'

Korean IFRS 1016, 'Property, Plant and Equipment'

Korean IFRS 1038, 'Intangible Assets'

Korean IFRS 1024, 'Related Party Disclosures'

Korean IFRS 1040, 'Investment Property'

The annual improvements of Korean IFRS do not have a significant impact on these interim separate financial statements.

(b) New standards, amendments and interpretations effective for the financial year beginning January 1, 2016.

i) There are no new and amended standards and interpretations early adopted by the Company in the financial year, 2015.

ii) New and amended standards and interpretations not yet adopted by the Company are as follows:

- Korean IFRS 1016(Amendment): 'Property, Plant and Equipment' and Korean IFRS 1038(Amendment): 'Intangible Assets'

Amendments to Korean IFRS 1016 and Korean IFRS 1038 clarify that the use of a revenue-based depreciation and amortization method is not permitted since the method are affected

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by factors, such as number of units sold and selling price, that are not directly related to the economic consumption of an asset. However, the revenue-based method is acceptable in limited circumstances in which intangible assets are measured based on revenue. The Company is assessing the impact of application of this amendment on its separate financial statements.

- Korean IFRS 1111(Amendment): 'Joint Arrangements',

Amendment to Korean IFRS 1111 requires the acquirer of an interest in a joint operation, in which the activity constitutes a business, as defined in Korean IFRS 1103, 'Business Combinations', to apply all of the principles on business combinations accounting in Korean IFRS 1103 and other Korean IFRSs, and to disclose the information related to the business combination. The Company is assessing the impact of application of this amendment on its separate financial statements.

- Korean IFRS 1027(Amendment): 'Separate Financial Statements',

Amendment to Korean IFRS 1027 added the equity method, as described in Korean IFRS 1028, 'Investments in Associates and Joint Ventures', to the accounting requirements for investments in subsidiaries, joint ventures, and associates when an entity prepares separate financial statements. The Company is assessing the impact of application of this amendment on its separate financial statements.

Application of Accounting Policies

The significant accounting policies and computation method used in the preparation of these interim separate financial statements are the same as the policies and methods adopted for the preparation of the financial statements for the year ended December 31, 2014, unless otherwise stated in Note 2.

Income Tax Expense

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual tax rate is applied to the pre-tax income for the period.

Greenhouse Gas Emission Rights (Allowances) and Obligations

Emission rights are defined as allowed amount of emissions that can be released, allocated by the Korean government as 'Act on the Allocation and Trading of Greenhouse-Gas Emission Permits' takes effect. Emission rights that are received free of charge from the government are measured at zero, while the rights purchased additionally from trading market such as the Korea Exchange are measured at acquisition cost. Emission rights are subsequently stated as acquisition cost less accumulated impairment loss. Emission liabilities are measured as the sum of the carrying amount of emission rights to be delivered to the government to settle the obligation for emissions occurred and expected expenditure required at the end of reporting

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period for any excess emissions. The emission rights and liabilities are classified as 'intangible assets' and 'provisions', respectively, in the separate statement of financial position.

3. Critical Accounting Estimates and Judgements

For the interim separate financial statements, the Company's management makes judgments, estimates and assumptions which affect accounting policies and its assets, liabilities, income and cost. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing adjustments to the carrying amounts of assets and liabilities after the end of the reporting date are addressed below.

(a) Revenue Recognition

The Company recognizes revenue using the percentage of completion method for the rendering of service such as installation. When using the percentage of completion method, revenue shall be recognized in accordance with the progress of the transaction. It is calculated based on potential economic benefits and the estimated cost for the completion of the transaction. The factors for the estimation of revenue may vary.

(b) Impairment of Goodwill

The Company tests goodwill regularly for impairment. The recoverable amounts of cash-generating units have been determined based on on net fair value and value-in-use calculations. These calculations require the use of estimates.

(c) Income Taxes

The Company recognizes assets and liabilities for anticipated tax audit issues based on the best estimates of whether additional taxes will be due. Income tax expense in each interim period is recognized based on the best estimate of the weighted average annual income tax rate expected for the full financial year as explained in Note 2. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

(d) Fair Value of Financial Instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

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(e) Provisions

The Company recognizes provisions for product warranties and sales returns based on their historical data.

(f) Net Defined Benefit Liability

The present value of the defined benefit liability depends on various factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost(income) for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the defined benefit liability. The Company determines the appropriate discount rate at the end of reporting period. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the defined benefit liability. In determining the appropriate discount rate, the Company considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability. Other key assumptions for defined benefit liability are based on current market conditions.

4. Financial Instruments by Category

(a) Categorizations of financial instruments are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015					
	Assets at fair value through profit or loss	Loans and receivables	Assets classified as available-for-sale	Held-to-maturity financial assets	Other	Total
Cash and cash equivalents	-	1,004,093	-	-	-	1,004,093
Financial deposits	-	67,787	-	-	-	67,787
Trade receivables	-	6,505,583	-	-	-	6,505,583
Loans and other receivables	-	803,627	-	-	-	803,627
Other financial assets	-	-	30,966	-	10,507	41,473
Assets held for sale	-	8,196	-	-	-	8,196
Total	-	8,389,286	30,966	-	10,507	8,430,759

<i>(in millions of Korean won)</i>	June 30, 2015			
	Liabilities at fair value through profit or loss	Liabilities carried at amortized cost	Other	Total
Trade payables	-	5,262,327	-	5,262,327
Borrowings	-	7,017,728	-	7,017,728
Other payables	-	1,784,427	-	1,784,427
Other financial liabilities	-	-	41,840	41,840
Liabilities held for sale	-	12,245	-	12,245
Total	-	14,076,727	41,840	14,118,567

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<i>(in millions of Korean won)</i>	December 31, 2014					Total
	Assets at fair value through profit or loss	Loans and receivables	Assets classified as available-for-sale	Held-to-maturity financial assets	Other	
Cash and cash equivalents	-	913,208	-	-	-	913,208
Financial deposits	-	66,689	-	-	-	66,689
Trade receivables	-	5,956,772	-	-	-	5,956,772
Loans and other receivables	-	869,696	-	-	-	869,696
Other financial assets	-	-	28,618	-	5,252	33,870
Total	-	7,806,365	28,618	-	5,252	7,840,235

<i>(in millions of Korean won)</i>	December 31, 2014				Total
	Liabilities at fair value through profit or loss	Liabilities carried at amortized cost	Other		
Trade payables	-	5,451,036	-	-	5,451,036
Borrowings	-	6,250,353	-	-	6,250,353
Other payables	-	1,880,276	-	-	1,880,276
Other financial liabilities	-	-	62,680	-	62,680
Total	-	13,581,665	62,680	-	13,644,345

(b) Income and expenses by category of financial instruments for the six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015					Total
	Assets at fair value through profit or loss	Loans and receivables	Assets classified as available-for-sale	Held-to-maturity financial assets	Other	
Interest income	-	11,127	-	-	-	11,127
Exchange differences	-	(12,016)	-	-	-	(12,016)
Bad debt expenses	-	(25,315)	-	-	-	(25,315)
Loss on disposal of trade receivables	-	(2,283)	-	-	-	(2,283)
Gains on disposal of available-for-sale financial assets	-	-	4,957	-	-	4,957
Gains on disposal of assets held for sale	-	-	1,372	-	-	1,372
Dividend income	-	-	278	-	-	278
Gain for the period from discontinued operations	-	767	-	-	-	767
Gain on valuation of available-for-sale financial assets, net of tax (through other comprehensive income)	-	-	1,949	-	-	1,949
Gain on derivatives, net of tax (through other comprehensive income)	-	-	-	-	1,784	1,784

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<i>(in millions of Korean won)</i>	2015			
	Liabilities at fair value through profit or loss	Liabilities carried at amortized cost	Other	Total
Interest expenses	-	(109,744)	(11,473)	(121,217)
Exchange differences	-	(143,219)	31,933	(111,286)
Gain for the period from discontinued operations	-	165	-	165
Loss on derivatives, net of tax (through other comprehensive income)	-	-	(5,807)	(5,807)

<i>(in millions of Korean won)</i>	2014					
	Assets at fair value through profit or loss	Loans and receivables	Assets classified as available-for-sale	Held-to-maturity financial assets	Other	Total
Interest income	-	15,791	-	-	-	15,791
Exchange differences	-	(216,620)	-	-	-	(216,620)
Bad debt expenses	-	(23,614)	-	-	-	(23,614)
Impairment loss of available-for-sale financial assets	-	-	(17)	-	-	(17)
Dividend income	-	-	299	-	-	299
Loss for the period from discontinued operations	-	(991)	-	-	-	(991)
Loss on valuation of available-for-sale financial assets, net of tax (through other comprehensive income)	-	-	(116)	-	-	(116)

<i>(in millions of Korean won)</i>	2014			
	Liabilities at fair value through profit or loss	Liabilities carried at amortized cost	Other	Total
Interest expenses	-	(96,965)	(12,204)	(109,169)
Exchange differences	-	232,620	(33,841)	198,779
Loss for the period from discontinued operations	-	(12,130)	-	(12,130)
Loss on derivatives, net of tax (through other comprehensive income)	-	-	(14,169)	(14,169)

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5. Trade Receivables, and Loans and Other Receivables

(a) Trade receivables, and loans and other receivables, net of allowance for doubtful accounts, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015			December 31, 2014		
	Original amount	Less : allowance for doubtful accounts	Carrying amount	Original amount	Less : allowance for doubtful accounts	Carrying amount
Trade receivables	6,614,714	(109,131)	6,505,583	6,041,998	(85,226)	5,956,772
Loans and other receivables						
Current	450,935	(9,345)	441,590	493,738	(9,394)	484,344
Non-current	362,051	(14)	362,037	385,384	(32)	385,352

(b) Movements in allowance for doubtful accounts for the six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015			
	At January 1	Addition (reversal)	Write-off	At June 30
Trade receivables	85,226	23,905	-	109,131
Loans and other receivables				
Current	9,394	(49)	-	9,345
Non-current	32	(18)	-	14

<i>(in millions of Korean won)</i>	2014			
	At January 1	Addition (reversal)	Write-off	At June 30
Trade receivables	62,988	22,573	-	85,561
Loans and other receivables				
Current	9,351	554	-	9,905
Non-current	50	(17)	-	33

(c) The aging analysis of trade receivables and loans and other receivables is as follows:

<i>(in millions of Korean won)</i>	June 30, 2015				December 31, 2014			
	Trade receivables	Loans and other receivables		Total	Trade receivables	Loans and other receivables		Total
	Current	Non-current	Current		Non-current	Current	Non-current	
Current	5,588,556	323,022	359,872	6,271,450	5,315,968	380,794	380,830	6,077,592
Past due but not impaired								
Up to 6 months	809,543	75,252	2,175	886,970	460,003	47,053	4,250	511,306
7 to 12 months	52,454	10,830	1	63,285	166,436	32,879	301	199,616
Over 1 year	152,058	29,131	3	181,192	86,014	16,383	3	102,400
Subtotal	1,014,055	115,213	2,179	1,131,447	712,453	96,315	4,554	813,322
Impaired	12,103	12,700	-	24,803	13,577	16,629	-	30,206
Total	6,614,714	450,935	362,051	7,427,700	6,041,998	493,738	385,384	6,921,120

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6. Other Financial Assets and Liabilities

(a) Details of other financial assets and liabilities are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015	December 31, 2014
Other financial assets		
Derivatives	10,507	5,252
Available-for-sale	30,966	28,618
Total	41,473	33,870
Non-current	41,473	33,870
Other financial liabilities		
Derivatives	41,373	62,160
Financial guarantee liability	467	520
Total	41,840	62,680
Current	106	106
Non-current	41,734	62,574

(b) Details of derivatives are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015		December 31, 2014	
	Assets	Liabilities	Assets	Liabilities
Non-current				
Currency swap	10,507	1,876	5,252	28,352
Interest rate swap	-	39,497	-	33,808
Total	10,507	41,373	5,252	62,160

The details of derivative contracts are described in Note 29.

(c) Changes in carrying amounts of available-for-sale financial assets for the six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015						
	At Jan. 1	Acquisitions	Disposals	Valuation (OCI)	Reclassification¹	Impairment	At Jun. 30
Listed equity securities	12,105	-	-	3,940	(1,369)	-	14,676
Unlisted equity securities	16,513	340	(563)	-	-	-	16,290
Total	28,618	340	(563)	3,940	(1,369)	-	30,968

<i>(in millions of Korean won)</i>	2014						
	At Jan. 1	Acquisitions	Disposals	Valuation (OCI)	Reclassification	Impairment	At Jun. 30
Listed equity securities	15,114	-	-	(154)	-	(17)	14,943
Unlisted equity securities	16,615	-	-	-	-	-	16,615
Total	31,729	-	-	(154)	-	(17)	31,558

¹ Listed equity securities amounting to ₩1,369 million have been disposed of after being reclassified as assets held for sale during the six-month period ended June 30, 2015, and related other comprehensive income is recognized as gain on disposal.

As of June 30, 2015, there are no available-for-sale financial assets to be disposed of.

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7. Inventories

Inventories consist of:

<i>(in millions of Korean won)</i>	June 30, 2015			December 31, 2014		
	Cost	Valuation allowance	Carrying amount	Cost	Valuation allowance	Carrying amount
Finished products and merchandise	482,342	(24,149)	458,193	445,396	(21,623)	423,773
Work-in-process	100,872	(903)	99,969	90,508	(735)	89,773
Raw materials and supplies	431,762	(18,410)	413,352	481,774	(18,695)	463,079
Other	163,290	(20,235)	143,055	161,501	(22,003)	139,498
Total	1,178,266	(63,697)	1,114,569	1,179,179	(63,056)	1,116,123

8. Property, Plant and Equipment, and Intangible Assets

(a) Changes in property, plant and equipment for the six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015	2014
At January 1	6,244,197	6,045,037
Acquisitions	469,056	458,503
Acquisitions due to business combination	2,513	-
Decrease due to transfer of business	-	(255)
Transfer-out	(23,194)	-
Reclassification to assets held for sale	(26,184)	-
Disposals and others	(16,408)	(10,166)
Depreciation	(291,120)	(294,637)
Impairment	(12,409)	(435)
At June 30	6,346,451	6,198,047

(b) Changes in intangible assets for the six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015	2014
At January 1	1,094,479	1,085,867
Acquisitions	81,511	71,209
Acquisitions through internal development	109,543	105,560
Acquisitions due to business combination	5,121	-
Decrease due to transfer of business	-	(1,650)
Transfer-out	-	(735)
Reclassification to assets held for sale	(23)	-
Disposals and others	(11,303)	(14,881)
Amortization	(179,988)	(191,172)
Impairment	(71)	(3,741)
At June 30	1,099,269	1,050,457

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9. Investments in Subsidiaries, Associates and Joint Ventures

(a) Investments in subsidiaries, associates and joint ventures:

<i>(in millions of Korean won)</i>	Classification at June 30, 2015	Location	Closing month	Percentage of ownership at June 30, 2015	Carrying amount	
					June 30, 2015	December 31, 2014
LG Display Co., Ltd.	Associate	Korea	December	37.9%	3,480,623	3,480,623
LG Electronics U.S.A., Inc.(LGEUS)	Subsidiary	USA	December	100.0%	955,542	955,542
LG Innotek Co., Ltd.	Subsidiary	Korea	December	40.8%	541,538	541,538
LG Electronics India Pvt. Ltd.(LGEIL)	Subsidiary	India	March	100.0%	311,746	311,746
LG Electronics do Brasil Ltda.(LGEBR)	Subsidiary	Brazil	December	100.0%	270,631	270,631
LG Electronics Mlawa Sp. z o.o.(LGEMA)	Subsidiary	Poland	December	100.0%	214,091	214,091
LG Electronics Tianjin Appliances Co., Ltd.(LGETA)	Subsidiary	China	December	70.0%	161,331	161,331
LG Electronics European Holdings B.V.(LGEEH)	Subsidiary	Netherlands	December	100.0%	148,551	148,551
Hiplaza Co., Ltd.	Subsidiary	Korea	December	100.0%	136,459	136,459
LG Holdings(HK) Ltd.	Joint venture	China	December	49.0%	129,386	129,386
Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	Subsidiary	China	December	88.4%	97,608	97,608
P.T. LG Electronics Indonesia(LGEIN)	Subsidiary	Indonesia	December	100.0%	94,118	94,118
LG Electronics Vietnam Haiphong Co., Ltd. (LGEVH)	Subsidiary	Vietnam	December	100.0%	84,784	84,784
Ericsson-LG Co., Ltd.	Associate	Korea	December	25.0%	81,755	81,755
Hitachi-LG Data Storage Inc.	Associate	Japan	December	49.0%	80,602	80,602
LG Electronics Panama, S.A.(LGEPS)	Subsidiary	Panama	December	100.0%	79,222	79,222
LG Electronics Wroclaw Sp.z o.o.(LGEWR)	Subsidiary	Poland	December	100.0%	70,014	70,014
LG Electronics Mexico S.A. DE C.V.(LGEMS)	Subsidiary	Mexico	December	100.0%	68,721	68,721
LG Electronics Shenyang Inc.(LGESY)	Subsidiary	China	December	56.3%	66,668	66,668
Hi Entech Co., Ltd.	Subsidiary	Korea	December	100.0%	63,118	63,118
LG Electronics Thailand Co., Ltd.(LGETH)	Subsidiary	Thailand	December	100.0%	55,578	55,578
Global OLED Technology LLC. ¹	Associate	USA	December	-	-	53,454
LG Electronics Australia Pty, Ltd.(LGEAP)	Subsidiary	Australia	December	100.0%	50,664	50,664
Inspur LG Digital Mobile Communications Co., Ltd.(LGEYT)	Subsidiary	China	December	60.5%	48,624	48,624
LG Fuel Cell Systems Inc.	Associate	USA	December	29.2%	44,051	44,051
LG Electronics RUS, LLC(LGERA)	Subsidiary	Russia	December	100.0%	43,645	43,645
LG Electronics Huizhou Ltd.(LGEHZ)	Subsidiary	China	December	45.0%	41,984	41,984
Arcelic-LG Klima Sanayi ve Ticarta A.S.	Joint venture	Turkey	December	50.0%	40,844	40,844
LG Electronics Finland Lab(LGEFL)	Subsidiary	Finland	December	100.0%	8,057	-
EIC PROPERTIES PTE LTD.	Joint venture	Singapore	December	38.2%	7,881	7,881
LG Electronics Mobilecomm France(LGEMF)	Subsidiary	France	December	100.0%	5,756	5,756
LG-Shaker Co., Ltd.(LGESR)	Subsidiary	Saudi Arabia	December	51.0%	5,656	5,656
Korea Information Certificate Authority Inc.	Associate	Korea	December	7.5%	1,242	1,242
Innovation Investment Fund	Subsidiary	Korea	December	83.3%	1,054	1,054
PT.LG Electronics Service Indonesia(LGEID)	Subsidiary	Indonesia	December	99.8%	518	518
Others	Subsidiaries	-	-	-	509,314	517,957
Total					8,001,376	8,055,416

¹ Disposed of after being reclassified as assets held for sale during the six-month period ended June 30, 2015.

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(b) Changes in investments in subsidiaries, associates and joint ventures for the six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015	2014
Opening net book amount	8,055,416	8,006,190
Acquisition	8,057	39,560
Reclassification to assets held for sale	(53,454)	-
Disposals and others	-	(3,596)
Impairment	(8,643)	-
Closing net book amount	8,001,376	8,042,154

(c) The fair value and book value of marketable subsidiaries, associates, and joint ventures securities are as follows:

June 30, 2015					
	Type	Shares held (Unit: shares)	Price per share (Unit: won)	Fair value (in millions of Korean won)	Book value
LG Display Co., Ltd.	Associate	135,625,000	25,850	3,505,906	3,480,623
LG Innotek Co., Ltd.	Subsidiary	9,653,181	100,500	970,145	541,538
Korea Information Certificate Authority Inc.	Associate	2,000,000	9,840	19,680	1,242
December 31, 2014					
	Type	Shares held (Unit: shares)	Price per share (Unit: won)	Fair value (in millions of Korean won)	Book value
LG Display Co., Ltd.	Associate	135,625,000	33,650	4,563,781	3,480,623
LG Innotek Co., Ltd.	Subsidiary	9,653,181	112,500	1,085,983	541,538
Korea Information Certificate Authority Inc.	Associate	2,000,000	3,475	6,950	1,242

10. Borrowings

(a) The carrying amounts of borrowings are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015	December 31, 2014
Current		
Short-term borrowings	-	100,000
Current portion of long-term borrowings	197,500	257,500
Current portion of debentures	1,099,465	659,406
Subtotal	1,296,965	1,016,906
Non-current		
Long-term borrowings	1,383,750	1,237,500
Debentures	4,337,013	3,995,947
Subtotal	5,720,763	5,233,447
Total	7,017,728	6,250,353

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(b) Details of borrowings are as follows:

<i>(in millions of Korean won)</i>	Maturity date	Annual interest rate at June 30, 2015(%)	June 30, 2015	December 31, 2014
Short-term borrowings in local currency				
Korea Development Bank	-	-	-	100,000
Long-term borrowings in local currency				
Korea Development Bank and others ¹	2030.04.15	2.47 ~ 4.64	1,581,250	1,495,000
Local currency loans				
Public, non-guaranteed bonds	2030.02.02	2.28 ~ 4.91	4,040,000	3,290,000
Private, non-guaranteed bonds	2028.11.18	3.11 ~ 3.96	700,000	700,000
Foreign currency loans				
Public, non-guaranteed bonds ²	2016.12.02	2.00	261,051	238,957
Private, non-guaranteed bonds ²	2017.06.19	3ML+1.30	224,820	219,840
Private, guaranteed bonds ²	2019.01.31	3ML+1.60	224,820	219,840
Less: discount on debentures			(14,213)	(13,284)
Total			7,017,728	6,250,353

¹ The Company entered into interest rate swap contracts to hedge cash flow risk related to floating interest rates fluctuation (Note 29).

² The Company entered into cross-currency swap contracts to hedge cash flow risk related to floating interest rate and foreign exchange rate of the debenture (Note 29).

11. Post-employment Benefits

Defined Benefit Plan

(a) The amounts of net defined benefit liabilities are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015	December 31, 2014
Present value of funded obligations	2,049,479	1,916,342
Fair value of plan assets	(1,267,392)	(1,299,650)
Net defined benefit liability	782,087	616,692

(b) The amounts recognized in the separate statements of income for the three-month and six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015		2014	
	Three months	Six months	Three months	Six months
Current service cost	66,815	133,629	60,028	120,528
Past service cost	-	-	-	20,467
Net interest cost	4,841	9,682	4,678	8,888
Managing cost	333	670	301	615
Total	71,989	143,981	65,007	150,498

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(c) Changes in the defined benefit obligations for the six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015	2014
At January 1	1,916,342	1,547,342
Current service cost	133,629	120,528
Past service cost	-	20,467
Interest expense	29,315	30,491
Remeasurements for:		
- Actuarial loss arising from changes in financial assumptions	38,379	51,271
- Actuarial gain arising from experience adjustments	-	(21,432)
Increase due to business combination	142	-
Benefits paid	(66,420)	(58,008)
Reclassification to liabilities held for sale	(1,908)	-
At June 30	2,049,479	1,690,659

(d) Changes in the fair value of plan assets for the six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015	2014
At January 1	1,299,650	1,133,517
Interest income	19,633	21,603
Remeasurements for:		
- Return on plan assets	(3,493)	(4,279)
Increase due to business combination	133	-
Benefits paid	(47,861)	(41,291)
Managing cost	(670)	(615)
At June 30	1,267,392	1,108,935

(e) The principal actuarial assumptions used are as follows:

	June 30, 2015	December 31, 2014
Discount rate	3.0%	3.1%
Salary growth rate	6.0%	6.0%

(f) The sensitivity analysis of defined benefit obligation to changes in principal assumptions as of June 30, 2015, is as follows:

<i>(in millions of Korean won)</i>	1% increase	1% decrease
Discount rate	(177,305)	205,656
Salary growth rate	198,089	(174,718)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the

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assumptions may be correlated. The sensitivity of the defined benefit obligation to changes in principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations.

Defined Contribution Plan

Recognized expense related to the defined contribution plan during the six-month period ended June 30, 2015, is ₩2,275 million (2014: ₩1,695 million).

12. Provisions

Changes in provisions during the six-month periods ended June 30, 2015 and 2014, are as follows:

2015					
<i>(in millions of Korean won)</i>	Warranty	Sales returns	Restoration	Litigation and others	Total
At January 1	222,522	528	4,812	818,104	1,045,966
Additions	100,192	14,944	1,402	24,970	141,508
Utilizations	(121,820)	(14,275)	(151)	(11,959)	(148,205)
At June 30	200,894	1,197	6,063	831,115	1,039,269
Current	190,499	1,197	-	-	191,696
Non-current	10,395	-	6,063	831,115	847,573

2014					
<i>(in millions of Korean won)</i>	Warranty	Sales returns	Restoration	Litigation and others	Total
At January 1	218,968	790	5,458	805,272	1,030,488
Additions	138,740	18,848	-	(25,654)	131,934
Utilizations	(125,730)	(17,969)	(543)	(3,052)	(147,294)
At June 30	231,978	1,669	4,915	776,566	1,015,128
Current	220,930	1,669	-	-	222,599
Non-current	11,048	-	4,915	776,566	792,529

13. Paid-in Capital

(a) As of June 30, 2015 and December 31, 2014, the number of shares authorized is 600 million.

	Par value per share	June 30, 2015		December 31, 2014	
		Number of shares issued	Amount (in millions of Korean won)	Number of shares issued	Amount (in millions of Korean won)
Common stock	5,000	163,647,814	818,239	163,647,814	818,239
Preferred stock	5,000	17,185,992	85,930	17,185,992	85,930
Total		180,833,806	904,169	180,833,806	904,169

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- (b) Share premium balance as of June 30, 2015, is ₩3,088,179 million. The share premium of ₩1,876,153 million was recognized, which is ₩2,815,707 million of the carrying value of net assets acquired from the entity split-off back on April 1, 2002, less the Company's capital of ₩783,961 million and less the Company's capital adjustment of ₩155,593 million. In addition, the amount of ₩331,766 million paid in excess of par value due to issuance of common shares (merged with LG IBMPC Co., Ltd.) and the exercise of conversion right and warrants in 2005 and 2006 are included. The excess in paid-in capital amounting to ₩880,260 million over the par value was recognized as the share premium due to the issuance of common shares in 2011.

14. Retained Earnings

Retained earnings consist of:

<i>(in millions of Korean won)</i>	June 30, 2015	December 31, 2014
Legal reserve	160,478	153,190
Discretionary reserve	5,317,480	5,666,922
Accumulated deficit	(179,840)	(269,170)
Total	5,298,118	5,550,942

The Commercial Code of the Republic of Korea requires the Company to appropriate, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued capital stock. The reserve is not available for the payment of cash dividends, but may be transferred to capital stock or used to reduce accumulated deficit.

Dividend for the year ended December 31, 2014, of ₩72,885 million was approved at the annual general meeting held on March 19, 2015 and paid in April 2015 (2014 payments: ₩36,872 million).

15. Accumulated Other Comprehensive Income(loss)

Details of accumulated other comprehensive loss consist of:

<i>(in millions of Korean won)</i>	June 30, 2015	December 31, 2014
Cash flow hedge	(34,298)	(30,275)
Available-for-sale financial assets	10,453	8,504
Total	(23,845)	(21,771)

16. Other Components of Equity

Details of other components of equity consist of:

<i>(in millions of Korean won)</i>	June 30, 2015	December 31, 2014
Treasury shares ¹	(44,893)	(44,893)
Consideration for conversion rights	9,891	9,891
Gain on disposal of treasury shares	2,183	2,183
At June 30	(32,819)	(32,819)

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¹ As of June 30, 2015, the Company has treasury shares consisting of 763,171 common shares (2014: 763,170 shares) and 4,690 preferred shares (2014: 4,690 shares) at the reporting date. The Company intends to either grant these treasury shares to employees and directors as compensation, or to sell them in the future.

17. Net Sales

Details of net sales for the three-month and six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015		2014	
	Three months	Six months	Three months	Six months
Continuing operations:				
Sales of goods	7,069,620	13,720,112	7,644,680	14,585,701
Sales of services	68,209	135,381	73,311	137,629
Royalty income	100,203	245,900	104,292	190,936
Subtotal	7,238,032	14,101,393	7,822,283	14,914,266
Discontinued operations	2,584	5,788	201,944	445,176
Total	7,240,616	14,107,181	8,024,227	15,359,442

18. Expenses by Nature

Expenses that are recorded by nature for the three-month and six-month periods ended June 30, 2015 and 2014, consist of:

<i>(in millions of Korean won)</i>	2015		2014	
	Three months	Six months	Three months	Six months
Continuing operations:				
Changes in finished goods and work-in-process	(1,195)	(101,330)	(42,039)	(154,645)
Raw materials and merchandise used	4,494,082	8,961,861	4,910,431	9,544,892
Employee benefit expense	898,176	1,832,301	905,399	1,738,062
Depreciation and amortization	232,101	466,221	234,951	466,238
Advertising expense	150,722	251,280	125,544	205,957
Promotion expense	51,946	91,171	71,001	112,619
Transportation expense	129,029	265,226	162,467	317,402
Commission expense	374,089	707,486	370,648	719,328
Other expenses	819,394	1,634,471	806,585	1,657,934
Subtotal¹	7,148,344	14,108,687	7,544,987	14,607,787
Discontinued operations	2,929	8,494	200,536	423,350
Total	7,151,273	14,117,181	7,745,523	15,031,137

¹ Cost of sales, selling and marketing expenses, administrative expenses, research and development expenses and service costs are included.

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19. General Operating Expenses (Selling and Marketing expenses, Administrative Expenses, Research and Development Expenses, and Service Costs)

Details of general operating expenses for the three-month and six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015		2014	
	Three months	Six months	Three months	Six months
Continuing operations:				
Salaries	350,808	734,819	349,951	657,892
Post-employment benefits	39,300	79,184	37,814	82,308
Employee benefits	55,784	111,286	56,144	106,073
Freight expense	127,767	262,668	160,087	309,837
Rental expense	43,023	81,940	38,792	77,696
Commission expense	262,207	492,531	250,958	483,072
Depreciation	35,765	74,962	31,696	64,198
Amortization	41,425	81,664	37,426	76,426
Taxes and dues	1,837	4,643	2,850	6,651
Advertising expense	150,722	251,280	125,544	205,957
Promotional expense	51,946	91,171	71,002	112,620
Direct R&D costs	105,352	222,393	90,759	190,851
Direct service costs	68,504	110,001	70,763	134,429
Bad debts expense	(1,602)	25,381	4,847	23,076
Other	98,009	181,861	85,063	174,913
Subtotal	1,430,847	2,805,784	1,413,696	2,705,999
Discontinued operations	(1,153)	(1,031)	12,577	22,275
Total	1,429,694	2,804,753	1,426,273	2,728,274

20. Financial Income

Financial income for the three-month and six-month periods ended June 30, 2015 and 2014, consists of:

<i>(in millions of Korean won)</i>	2015		2014	
	Three months	Six months	Three months	Six months
Continuing operations:				
Interest income	5,150	11,127	6,617	15,791
Exchange differences	24,610	63,499	16,860	47,069
Other	5,809	11,502	27	671
Subtotal	35,569	86,128	23,504	63,531
Discontinued operations	-	-	1,844	2,656
Total	35,569	86,128	25,348	66,187

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21. Financial Expenses

Financial expenses for the three-month and six-month periods ended June 30, 2015 and 2014, consist of:

<i>(in millions of Korean won)</i>	2015		2014	
	Three months	Six months	Three months	Six months
Continuing operations:				
Interest expense	60,691	121,217	54,065	109,169
Exchange differences	25,105	71,807	33,250	65,395
Loss on disposal of trade receivables	1,313	2,283	-	-
Other	123	266	6	7
Subtotal	87,232	195,573	87,321	174,571
Discontinued operations	-	-	9,428	19,596
Total	87,232	195,573	96,749	194,167

22. Other Non-operating Income

Other non-operating income for the three-month and six-month periods ended June 30, 2015 and 2014, consists of:

<i>(in millions of Korean won)</i>	2015		2014	
	Three months	Six months	Three months	Six months
Continuing operations:				
Dividend income	19,648	105,510	109,226	136,340
Exchange differences	230,150	372,804	258,788	343,814
Gain on disposal of available-for-sale financial assets	4,957	4,957	-	-
Gain on disposal of property, plant and equipment	2,018	2,503	680	1,405
Gain on disposal of intangible assets	-	-	24	14,815
Other	(29,726)	45,590	42,136	46,929
Gain on disposal of assets held for sale	2,061	2,061	-	-
Subtotal	229,108	533,425	410,854	543,303
Discontinued operations	94	601	5,290	12,851
Total	229,202	534,026	416,144	556,154

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23. Other Non-operating Expenses

Other non-operating expenses for the three-month and six-month periods ended June 30, 2015 and 2014, consist of:

<i>(in millions of Korean won)</i>	2015		2014	
	Three months	Six months	Three months	Six months
Continuing operations:				
Exchange differences	157,911	487,798	244,685	343,329
Loss on disposal of property, plant and equipment	1,098	8,712	3,076	4,235
Loss on disposal of intangible assets	4,530	11,169	7,625	13,325
Impairment loss on available-for-sale financial assets	-	-	-	17
Impairment loss on investments in subsidiaries, associates and joint ventures	-	8,643	-	-
Other	21,133	97,454	9,786	25,285
Subtotal	184,672	613,776	265,172	386,191
Discontinued operations	20	905	6,163	8,901
Total	184,692	614,681	271,335	395,092

24. Earnings per Share

The Company has no potential dilutive common shares. Accordingly, basic earnings(loss) per share is identical to diluted earnings(loss) per share.

(a) Basic earnings(loss) per common share for the three-month and six-month periods ended June 30, 2015 and 2014, is as follows:

	2015		2014	
	Three months	Six months	Three months	Six months
Profit(loss) attributable to common shares (in millions of Korean won)	55,710	(134,448)	220,045	154,438
Continuing operations	55,896	(132,384)	225,069	148,142
Discontinued operations	(186)	(2,064)	(5,024)	6,296
Weighted average number of common shares outstanding (unit: shares)	162,884,643	162,884,643	162,884,646	162,884,646
Basic earnings(loss) per common share (in Korean won)	342	(826)	1,351	948
Continuing operations	343	(813)	1,382	909
Discontinued operations	(1)	(13)	(31)	39

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(b) Basic earnings(loss) per preferred share for the three-month and six-month periods ended June 30, 2015 and 2014, is as follows:

	2015		2014	
	Three months	Six months	Three months	Six months
Profit(loss) attributable to preferred shares (in millions of Korean won)	6,091	(13,752)	23,426	16,720
Continuing operations	6,111	(13,534)	23,956	16,056
Discontinued operations	(20)	(218)	(530)	664
Weighted average number of preferred shares outstanding (unit: shares)	17,181,302	17,181,302	17,181,302	17,181,302
Basic earnings(loss) per preferred share (in Korean won)	354	(801)	1,363	973
Continuing operations	355	(788)	1,394	934
Discontinued operations	(1)	(13)	(31)	39

The preferred shareholders have no voting rights and are entitled to preferred dividends at a rate of one percentage point of par value over that of common shares. This preferred dividend rate is not applicable to stock dividends. In addition, the preferred shareholders have same rights on the remaining assets as common shareholders. Repayment and conversion are not applicable to preferred shares.

25. Information on Cash Flow

Cash flows from operating activities are presented under the indirect method. Details of cash generated from operations for the six-month periods ended June 30, 2015 and 2014, are as follows:

(a) Cash generated from operations

<i>(in millions of Korean won)</i>	2015	2014
Profit(loss) for the period	(148,200)	171,158
Adjustments:		
Interest expense, net	110,090	93,378
Exchange differences, net	(5,832)	(30,713)
Depreciation	291,120	279,913
Amortization	179,988	189,709
Loss on disposal of property, plant and equipment and intangible assets, net	17,378	1,340
Provisions for severance benefits	143,981	146,881
Provisions	141,508	131,792
Dividend income	(105,510)	(136,340)
Income tax expense(income)	(51,172)	188,353
Impairment loss on available-for-sale financial assets	-	17

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<i>(in millions of Korean won)</i>	2015	2014
Impairment loss on investments in subsidiaries, associates and joint ventures	8,643	-
Other	77,649	57,834
Loss(profit) from discontinued operations	(2,103)	34,009
	<u>805,740</u>	<u>956,173</u>
Changes in operating assets and liabilities:		
Increase in trade receivables	(492,643)	(1,864,239)
Decrease in loans and other receivables	21,454	69,950
Increase in inventories	(26,192)	(323,160)
Increase in other assets	(40,143)	(73,467)
Increase(decrease) in trade payables	(251,060)	848,686
Decrease in other payables	(10,458)	(21,126)
Decrease in provisions	(148,205)	(147,294)
Increase in other liabilities	371,591	271,155
Payment of defined benefit liability	(18,559)	(16,717)
Deposit in plan assets, net	(15,470)	(16,709)
	<u>(609,685)</u>	<u>(1,272,921)</u>
Cash provided by(used in) operating activities	<u>47,855</u>	<u>(145,590)</u>

(b) Significant non-cash transactions

<i>(in millions of Korean won)</i>	2015	2014
Reclassification of construction-in-progress of property, plant and equipment	141,406	142,005
Reclassification of construction-in-progress of intangible assets	125,287	122,055
Reclassification of long-term prepayment to intangible assets	41,986	43,416
Reclassification of current maturities of borrowings and debentures	493,378	213,750
Other payables to acquire property, plant and equipment	28,018	21,206
Other payables to acquire intangible assets	8,410	4,016

(c) The assets and liabilities arising from the transfer of business

i) Transfer of domestic service part of chiller division

The Company transferred the domestic service part of chiller division to Hi M Solutek on June 30, 2014.

ii) Total consideration received and the assets and liabilities of the transferred business are as follows:

<i>(in millions of Korean won)</i>	Amount
Total consideration	1,905
Assets of the transferred business:	
Property, plant and equipment	255
Intangible assets	1,650
Liabilities of the transferred business: nil	

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26. Contingencies

(a) At the end of the reporting period, the Company is provided with a performance guarantee of ₩179,674 million (2014: ₩226,862 million) from Seoul Guarantee Insurance and three others relating to the sales contracts. The Company is also provided with guarantee of principal US\$ 200 million (2014: US\$ 200 million) and interests from Shinhan Bank for the guaranteed bond.

(b) At the end of the reporting period, the financial guarantees provided by the Company to related parties amount to ₩4,385,747 million (2014: ₩3,566,380 million) on the indebtedness of its subsidiaries. Details are as follows:

<i>(in millions of Korean won)</i>	Beneficiary	June 30, 2015	December 31, 2014
LG Electronics European Shared Service Center B.V.(LGESC)	Citibank and others	866,155	549,348
LG Electronics Ticaret A.S.(LGETK)	SMBC and others	531,334	428,639
LG Electronics U.S.A., Inc.(LGEUS)	JP Morgan and others	477,743	467,160
LG Electronics Vietnam Haiphong Co., Ltd.(LGEVH)	Shinhan and others	282,229	220,815
LG Electronics (China) Co., Ltd.(LGECH)	BOC and others	272,896	233,922
LG Electronics do Brasil Ltda.(LGEBR)	Standard Chartered Bank and others	266,252	202,984
LG Electronics Inc Chile Ltda.(LGECL)	Scotiabank and others	162,108	151,402
LG Electronics India Pvt.Ltd.(LGEIL)	HSBC and others	120,039	-
LG Electronics Algeria SARL(LGEAS)	HSBC and others	112,165	118,770
LG Electronics Morocco S.A.R.L(LGEMC)	Citibank and others	112,125	117,607
LG-Shaker Co., Ltd.(LGESR)	BSF and others	110,519	108,016
LG Electronics Peru S.A.(LGEPR)	BBVA and others	106,491	114,109
LG Electronics Colombia Ltda.(LGEGB)	Citibank and others	101,017	65,176
LG Electronics Argentina S.A.(LGEAR)	Citibank and others	95,960	99,121
LG Electronics RUS, LLC(LGERA)	Citibank	89,928	43,968
LG Electronics Thailand Co., Ltd.(LGETH)	Citibank and others	87,634	52,808
LG Electronics Almaty Kazakhstan(LGEAK)	Citibank and others	86,270	72,547
LG Electronics Ukraine Inc.(LGEUR)	CAG and others	72,526	75,245
LG Electronics Egypt S.A.E (LGEEG)	HSBC and others	61,826	32,976
P.T. LG Electronics Indonesia(LGEIN)	HSBC and others	59,578	93,432
Other	Citibank and others	310,952	318,335
Total		4,385,747	3,566,380

(c) At the end of the reporting period, the financial guarantee for performance of guaranteed obligation provided by the Company to external parties other than related parties amounts to USD 16 million (2014: USD 16 million). The Company is providing Hana Bank with a payment guarantee for buyers up to ₩126,000 million (2014: ₩126,000 million)

(d) In December 2012, the European Commission imposed a penalty on the Company for anti-

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competitive activities among CRT (Cathode Ray Tube) manufacturers as a result of an investigation. The Company recognized such penalty amounting to EUR 491,567 thousand as expected loss. However, the Company appealed against the decision of the European Commission. The ultimate amount of loss resulting from the investigation may differ from the amount of penalty imposed and could be material. The Company is provided with a performance guarantee of EUR 524,748 thousand from HSBC and others for the above.

In addition, the Company is under investigation and has been named as a defendant in class actions in the United States, Canada Europe and others in connection with the alleged anti-competitive activities among CRT manufacturers. There are also a number of other legal actions, disputes, and investigations that remain pending at the end of the reporting period. The ultimate effect of those lawsuits on the financial position of the Company as of the statement of financial position date cannot be presently determined.

There are pending lawsuits other than above. However, management does not expect the outcome of the litigation will have a material effect on the Company's financial position.

27. Commitments

(a) At the end of the reporting period, the Company has overdraft agreements with various banks, including Shinhan Bank, with a limit of ₩195,500 million (2014: ₩195,500 million).

(b) At the end of the reporting period, the Company has sales agreements for export trade receivables with Shinhan Bank and 25 other banks amounting to ₩3,639,836 million (2014: ₩3,559,210 million).

(c) At the end of the reporting period, the Company has corporate electronic settlement services contracts and win-win payment services contracts with Shinhan Bank and seven other banks for up to ₩1,210,000 million (2014: ₩840,000 million) which guarantee the payment of trade accounts payable in case the suppliers sell their trade receivables.

(d) At the end of the reporting period, the Company has other trade financing agreements and loan commitments with financial institutions, including Industrial Bank of Korea.

(e) Contractual commitments for the acquisition of assets

The property, plant and equipment, and intangible assets contracted for, but not yet acquired at the end of the reporting period are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015	December 31, 2014
Property, plant and equipment	629,164	225,559
Intangible assets	3,022	5,012
Total	632,186	230,571

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(f) Operating lease commitments – the Company as lessee

The future aggregate minimum lease payments under non-cancellable operating leases at the end of the reporting period are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015			Total
	No later than 1 year	Later than 1 year and no later than 5 years	Over 5 years	
Buildings and offices	75,945	80,946	2,269	159,160
Vehicles	5,905	4,131	-	10,036
Equipment	14,874	11,470	-	26,344
Total	96,724	96,547	2,269	195,540

Lease payment under operating lease recognized in the statement of income during the six-month period ended June 30, 2015, is ₩57,616 million (2014: ₩56,583 million).

As of June 30, 2015, total future minimum sublease payments expected to be received under non-cancellable sublease agreements amount to ₩24,934 million and lease income recognized related to the subleases for the six-month period ended June 30, 2015, amounts to ₩7,228 million (2014: ₩7,387 million).

(g) Operating lease commitments – the Company as lessor

The Company has non-cancellable operating lease agreements regarding healthcare rental business that lends water purifiers to customers and real estate rental business. The future aggregate lease receipts under operating leases at the end of the reporting period are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015			Total
	No later than 1 year	Later than 1 year and no later than 5 years	Over 5 years	
Healthcare rental	96,325	146,632	-	242,957
Real estate rental	1,335	1,235	896	3,466
Total	97,660	147,867	896	246,423

The Company recognized ₩48,720 million (2014: ₩43,718 million) in lease income during the six-month period ended June 30, 2015.

(h) Trademark license commitments

At the end of the reporting period, the Company has various agreements as follows:

Purpose	Related products	Provided by	Used by
Use of license	Mobile	Qualcomm Incorporated and others	LG Electronics Inc.
Provision for license	Home appliance	LG Electronics Inc.	Panasonic Corporation and others

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28. Related Party

(a) The major related parties of the Company are as follows:

Territory	Location	Subsidiaries	Percentage of valid ownership	
			June 30, 2015	Dec. 31, 2014
Korea	Korea	Hiplaza Co., Ltd.	100.0%	100.0%
	Korea	Hi Logistics Co., Ltd.	100.0%	100.0%
	Korea	Hi Entech Co., Ltd.	100.0%	100.0%
	Korea	LG Hitachi Water Solution Co., Ltd.	51.0%	51.0%
	Korea	ACE R&A Co., Ltd.	100.0%	100.0%
	Korea	Hi M Solutek	100.0%	100.0%
	Korea	Hi Teleservice Co., Ltd.	100.0%	100.0%
	Korea	LGE Alliance Fund	96.2%	96.2%
	Korea	Innovation Investment Fund	83.3%	83.3%
	Korea	LG Innotek Co., Ltd.	40.8%	40.8%
	Korea	LG Innotek Alliance Fund	40.4%	40.4%
	Korea	Innowith Co., Ltd.	40.8%	40.8%
	Korea	Hanuri Co., Ltd.	100.0%	100.0%
	Korea	LGE Alliance Fund II	98.7%	98.7%
	China	China	Hi Logistics (China) Co., Ltd.	100.0%
China		Inspur LG Digital Mobile Communications Co., Ltd.(LGEYT)	70.0%	70.0%
China		LG Electronics (China) Co., Ltd.(LGECH)	100.0%	100.0%
China		LG Electronics (China) Research and Development Center Co., Ltd.(LGERD)	100.0%	100.0%
China		LG Electronics (Hangzhou) Co., Ltd.(LGEHN)	70.0%	70.0%
China		LG Electronics (Kunshan) Computer Co., Ltd.(LGEKS)	100.0%	100.0%
China		LG Electronics (Shanghai) Research and Development Center Co., Ltd.(LGCRC)	100.0%	100.0%
China		LG Electronics Air-Conditioning(Shandong) Co., Ltd.(LGEQA)	100.0%	100.0%
China		LG Electronics HK Ltd.(LGEHK)	100.0%	100.0%
China		LG Electronics Huizhou Ltd.(LGEHZ)	80.0%	80.0%
China		LG Electronics Nanjing New Technology co.,LTD(LGENT)	70.0%	70.0%
China		LG Electronics Qinhuangdao Inc.(LGEQH)	100.0%	100.0%
China		LG Electronics Shenyang Inc.(LGESY)	78.9%	78.9%
China		LG Electronics Tianjin Appliances Co., Ltd.(LGETA)	80.0%	80.0%
China		NanJing LG-Panda Appliances Co., Ltd.(LGEPN)	70.0%	70.0%
China		Qingdao LG Inspur Digital Communication Co., Ltd.(LGEQD)	70.0%	70.0%
China		Shanghai LG Electronics Co., Ltd.(LGESH)	70.0%	70.0%
China		Taizhou LG Electronics Refrigeration Co., Ltd.(LGETR)	100.0%	100.0%
China		Tianjin Lijie cartridge heater Co., Ltd.(LGETL)	66.7%	66.7%
China		LG Innotek (Yantai) Co., Ltd.(LGITYT)	40.8%	40.8%
China	LG Innotek (Huizhou) Co., Ltd.(LGITHZ)	40.8%	40.8%	

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Territory	Location	Subsidiaries	Percentage of valid ownership	
			June 30, 2015	Dec. 31, 2014
	China	LG Innotek (Fuzhou) Co., Ltd.(LGITFZ)	40.8%	40.8%
	China	LG Innotek Trading (Shanghai) Co., Ltd.(LGITSH)	40.8%	40.8%
	China	HiEntech (Tianjin) Co., LTD.	80.0%	100.0%
	China	VENS BEIJING VEHICLE ENGINEERING CO.,LTD	100.0%	100.0%
Asia	Australia	LG Electronics Australia Pty, Ltd.(LGEAP)	100.0%	100.0%
	India	LG Electronics India Pvt. Ltd.(LGEIL)	100.0%	100.0%
	Japan	LG Electronics Japan Lab. Inc.(LGEJL)	100.0%	100.0%
	Japan	LG Electronics Japan, Inc.(LGEJP)	100.0%	100.0%
	Malaysia	LG Electronics Malaysia SDN. BHD(LGEML)	100.0%	100.0%
	Philippines	LG Electronics Philippines Inc.(LGEPH)	100.0%	100.0%
	Singapore	LG Electronics Singapore PTE LTD.(LGESL)	100.0%	100.0%
	Taiwan	LG Electronics Taiwan Taipei Co., Ltd.(LGETT)	100.0%	100.0%
	Thailand	LG Electronics Thailand Co., Ltd.(LGETH)	100.0%	100.0%
	Vietnam	LG Electronics Vietnam Co., Ltd.(LGEVN)	100.0%	100.0%
	India	LG Soft India Private Limited.(LGSi)	100.0%	100.0%
	Indonesia	P.T. LG Electronics Indonesia(LGEIN)	100.0%	100.0%
	Philippines	LG Electronics Pasig Inc.	38.0%	38.0%
	India	Hi Logistics India Private Limited	100.0%	100.0%
	Malaysia	HI LOGISTICS MALAYSIA SDN BHD	100.0%	100.0%
	Indonesia	PT LG Innotek Indonesia(LGITIN)	40.8%	40.8%
	Taiwan	LG Innotek (Taiwan) Ltd.(LGITTW)	40.8%	40.8%
	Malaysia	V-ENS (M) Sdn. Bhd.	100.0%	100.0%
	Vietnam	LG Electronics Vietnam Haiphong Co., Ltd.(LGEVH)	100.0%	100.0%
	Indonesia	PT.LG Electronics Service Indonesia(LGEID)	99.8%	99.8%
	Vietnam	Hi Logistics Vietnam Co., LTD.	100.0%	100.0%
Europe	Netherlands	Hi Logistics Europe B.V.	100.0%	100.0%
	Austria	LG Electronics Austria GmbH(LGEAG)	100.0%	100.0%
	Netherlands	LG Electronics Benelux Sales B.V.(LGEBN)	100.0%	100.0%
	Czech Republic	LG Electronics CZ, s.r.o.(LGE CZ)	100.0%	100.0%
	Germany	LG Electronics Deutschland GmbH(LGEDG)	100.0%	100.0%
	Spain	LG Electronics Espana S.A.(LGEES)	100.0%	100.0%
	Netherlands	LG Electronics European Holdings B.V.(LGE EH)	100.0%	100.0%
	Netherlands	LG Electronics European Shared Service Center B.V.(LGE SC)	100.0%	100.0%
	France	LG Electronics France S.A.S.(LGEFS)	100.0%	100.0%
	Greece	LG Electronics Hellas S.A.(LGEHS)	100.0%	100.0%
	Italy	LG Electronics Italia S.p.A(LGEIS)	100.0%	100.0%
	Latvia	LG Electronics Latvia, LLC(LGELA)	100.0%	100.0%
	Hungary	LG Electronics Magyar KFT(LGEMK)	100.0%	100.0%
	Poland	LG Electronics Mlawa Sp. z o.o(LGEMA)	100.0%	100.0%
	France	LG Electronics Mobilecomm France(LGEMF)	100.0%	100.0%
	Sweden	LG Electronics Nordic AB(LGESW)	100.0%	100.0%

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Territory	Location	Subsidiaries	Percentage of valid ownership	
			June 30, 2015	Dec. 31, 2014
	Norway	LG Electronics Norway AS(LGENO)	100.0%	100.0%
	Poland	LG Electronics Polska Sp. z o.o(LGEPL)	100.0%	100.0%
	Portugal	LG Electronics Portugal S.A.(LGEPT)	100.0%	100.0%
	Romania	LG Electronics Romania S.R.L.(LGERO)	100.0%	100.0%
	UK	LG Electronics United Kingdom Ltd.(LGEUK)	100.0%	100.0%
	Poland	LG Electronics Wroclaw Sp.z o.o(LGEWR)	100.0%	100.0%
	Finland	LG Electronics Finland Lab(LGEFL)	100.0%	-
	Poland	LG Innotek Poland Sp z o.o.(LGITPO)	40.8%	40.8%
North America	USA	LG Electronics Miami Inc.(LGEMI)	100.0%	100.0%
	USA	LG Electronics Alabama Inc.(LGEAI)	100.0%	100.0%
	Canada	LG Electronics Canada, Inc.(LGECEI)	100.0%	100.0%
	Mexico	LG Electronics Mexicali, S.A. DE C.V.(LGEMX)	100.0%	100.0%
	Mexico	LG Electronics Mexico S.A. DE C.V.(LGEMS)	100.0%	100.0%
	USA	LG Electronics Mobile Research U.S.A., L.L.C.(LGEMR)	100.0%	100.0%
	USA	LG Electronics Mobilecomm U.S.A., Inc.(LGEMU)	100.0%	100.0%
	Mexico	LG Electronics Monterrey Mexico S.A.de C.V.(LGEMM)	100.0%	100.0%
	Mexico	LG Electronics Reynosa S.A. DE C.V.(LGERES)	100.0%	100.0%
	USA	LG Electronics U.S.A., Inc.(LGEUS)	100.0%	100.0%
	Mexico	Servicios Integrales LG S.A DE C.V	100.0%	100.0%
	Mexico	Servicios LG Monterrey Mexico S.A. de C.V.	100.0%	100.0%
	USA	Zenith Electronics Corporation of Pennsylvania	100.0%	100.0%
	USA	Zenith Electronics Corporation(Zenith)	100.0%	100.0%
	USA	LG Innotek USA, Inc.(LGITUS)	40.8%	40.8%
	Mexico	HILOGISTICS MEXICO SA DE CV	100.0%	100.0%
	Mexico	HiLogistics Reynosa	100.0%	100.0%
	USA	HiLogistics USA	100.0%	100.0%
	Mexico	LG Innotek Mexico SA DE CV(LGITMX)	40.8%	40.8%
South America	Brazil	LG Armagem Geral Ltda.	100.0%	100.0%
	Argentina	LG Electronics Argentina S.A.(LGEAR)	100.0%	100.0%
	Colombia	LG Electronics Colombia Ltda.(LGECEB)	100.0%	100.0%
	Brazil	LG Electronics do Brasil Ltda.(LGEBR)	100.0%	100.0%
	Honduras	LG Electronics Honduras S.de R.L.	20.0%	20.0%
	Chile	LG Electronics Inc Chile Ltda.(LGECL)	100.0%	100.0%
	Panama	LG Electronics Panama, S.A.(LGEPS)	100.0%	100.0%
	Peru	LG Electronics Peru S.A.(LGEPR)	100.0%	100.0%
	Venezuela	LG Electronics Venezuela S.A.(LGEVZ)	100.0%	100.0%
	Brazil	SOCIO VIP Ltda.	100.0%	100.0%
	Panama	C&S America Solutions	100.0%	100.0%
	Panama	LG Consulting corp.	100.0%	100.0%
	Guatemala	LG Electronics Guatemala S.A.	100.0%	100.0%
Middle East and Africa	Nigeria	Easytec Global Services Innovation Limited	100.0%	100.0%
	Angola	LG Electronics Angola Limitada(LGEAO)	100.0%	100.0%

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Territory	Location	Subsidiaries	Percentage of valid ownership	
			June 30, 2015	Dec. 31, 2014
	Jordan	LG Electronics (Levant) Jordan(LGELF)	100.0%	100.0%
	UAE	LG Electronics Africa Logistics FZE(LGEAF)	100.0%	100.0%
	Algeria	LG Electronics Algeria SARL(LGEAS)	70.0%	70.0%
	UAE	LG Electronics Dubai FZE(LGEDF)	100.0%	100.0%
	Egypt	LG Electronics Egypt S.A.E(LGEEG)	100.0%	100.0%
	UAE	LG Electronics Gulf FZE(LGEGF)	100.0%	100.0%
	UAE	LG Electronics Middle East Co., Ltd.(LGEME)	100.0%	100.0%
	Morocco	LG Electronics Morocco S.A.R.L(LGEMC)	100.0%	100.0%
	Nigeria	LG Electronics Nigeria Limited(LGENI)	100.0%	100.0%
	Tunisia	LG Electronics North Africa Service Company S.A.R.L	100.0%	100.0%
	UAE	LG Electronics Overseas Trading FZE(LGEOT)	100.0%	100.0%
	South Africa	LG Electronics S.A. (Pty) Ltd.(LGESA)	100.0%	100.0%
	Turkey	LG Electronics Ticaret A.S.(LGETK)	100.0%	100.0%
	Saudi Arabia	LG-Shaker Co., Ltd.(LGESR)	51.0%	51.0%
	Kenya	LG Electronics Service Kenya Limited(LGESK)	100.0%	100.0%
	Saudi Arabia	LG Electronics Saudi Arabia Limited	100.0%	100.0%
	UAE	Hi Logistics Middle East FZE	100.0%	100.0%
	Egypt	Hi Logistics Egypt	100.0%	100.0%
Other	Russia	LG Alina Electronics(LGERI)	95.0%	95.0%
	Russia	HI LOGISTICS RUS Limited Liability Company	100.0%	100.0%
	Kazakhstan	LG Electronics Almaty Kazakhstan(LGEAK)	100.0%	100.0%
	Russia	LG Electronics RUS, LLC(LGERA)	100.0%	100.0%
	Ukraine	LG Electronics Ukraine Inc.(LGEUR)	100.0%	100.0%

(b) The related parties of the Company, other than subsidiaries, are as follows:

Classification	June 30, 2015	December 31, 2014	Note
Significantly influencing the Company	LG Corp.	LG Corp.	-
Associates	LG Display Co., Ltd., and subs	LG Display Co., Ltd., and subs	-
	LG Display Co., Ltd.	LG Display Co., Ltd.	-
	LG Display Germany GmbH	LG Display Germany GmbH	-
	LG Display Shanghai Co.,Ltd.	LG Display Shanghai Co.,Ltd.	-
	LG Display Yantai Co.,Ltd.	LG Display Yantai Co.,Ltd.	-
	LG Display America,Inc	LG Display America,Inc	-
	LG Display Japan Co., Ltd.	LG Display Japan Co., Ltd.	-
	LG Display Taiwan Co., Ltd.	LG Display Taiwan Co., Ltd.	-
	LG Display Nanjing Co., Ltd.	LG Display Nanjing Co., Ltd.	-
	LG Display Poland Sp. z o.o.	LG Display Poland Sp. z o.o.	-

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Classification	June 30, 2015	December 31, 2014	Note
	LG Display Guangzhou Co., Ltd	LG Display Guangzhou Co., Ltd	-
	LG Display Shenzhen Co., Ltd.	LG Display Shenzhen Co., Ltd.	-
	LG Display Singapore Pte. Ltd.	LG Display Singapore Pte. Ltd.	-
	LG Display U.S.A Inc	LG Display U.S.A Inc	-
	L&T Display Technology (Xiamen) Limited	L&T Display Technology (Xiamen) Limited	-
	L&T Display Technology (Fujian) Limited	L&T Display Technology (Fujian) Limited	-
	Nanumnuri Co., Ltd.	Nanumnuri Co., Ltd.	-
	LG Display (China) Co., Ltd.	LG Display (China) Co., Ltd.	-
	Unified Innovative Technology, LLC	Unified Innovative Technology, LLC	-
	LG Display Guangzhou Trading Co., Ltd	-	-
	Global OLED Technology, LLC	-	-
	Ericsson-LG Co., Ltd., and subs	Ericsson-LG Co., Ltd., and subs	-
	Ericsson-LG Co., Ltd.	Ericsson-LG Co., Ltd.	-
	LN Srithai Com Co., Ltd.	LN Srithai Com Co., Ltd.	-
	Novera Optics Inc.	Novera Optics Inc.	-
	Ericsson-LG Enterprise Co., Ltd.	Ericsson-LG Enterprise Co., Ltd.	-
	Hitachi LG Data Storage Inc.(HLDS), and subs	Hitachi LG Data Storage Inc.(HLDS), and subs	-
	Hitachi-LG Data Storage Inc.(HLDS)	Hitachi-LG Data Storage Inc.(HLDS)	-
	Hitachi-LG Data Storage Korea,Inc.	Hitachi-LG Data Storage Korea,Inc.	-
	Hitachi-LG Data Storage(Huizhou),Ltd.	Hitachi-LG Data Storage(Huizhou),Ltd.	-
	Hitachi Electronic Products (Malaysia) Sdn. Bhd.	Hitachi Electronic Products (Malaysia) Sdn. Bhd.	-
	LG Fuel Cell Systems Inc., and others	LG Fuel Cell Systems Inc., and others	-
	LG Fuel Cell Systems Inc.	LG Fuel Cell Systems Inc.	-
	LG Fuel Cell Systems Korea Inc.	LG Fuel Cell Systems Korea Inc.	-
	Korea Information Certificate Authority Inc.	Korea Information Certificate Authority Inc.	-
	-	Global OLED Technology LLC	-
	SKT Vietnam PTE., Ltd.	SKT Vietnam PTE., Ltd.	-
	One-Red, LLC	One-Red, LLC	-
Joint ventures	Arcelik-LG Klima Sanayi ve Ticaret	Arcelik-LG Klima Sanayi ve Ticaret	-

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	A.S.(LGEAT)	A.S.(LGEAT)	
	LG Holdings(HK) Ltd. and subs	LG Holdings(HK) Ltd. and subs	-
	LG Holdings(HK) Ltd.	LG Holdings(HK) Ltd.	-
	Beijing LG Building Development Company	Beijing LG Building Development Company	-
	EIC PROPERTIES PTE, LTD.	EIC PROPERTIES PTE, LTD.	-
	LG-MRI LLC	LG-MRI LLC	-
Other related parties	LG CNS Co., Ltd., and subs	LG CNS Co., Ltd., and subs	LG Corp.'s subsidiary
	LG CNS Co., Ltd.	LG CNS Co., Ltd.	-
	LG N-Sys Inc.	LG N-Sys Inc.	-
	BNE PARTNERS, Inc.	BNE PARTNERS, Inc.	-
	Ucess Partners Co.,Ltd.	Ucess Partners Co.,Ltd.	-
	KOREA ELECOM Ltd.	KOREA ELECOM Ltd.	-
	Ever On Co., Ltd.	Ever On Co., Ltd.	-
	LG CNS Philippines Inc.	LG CNS Philippines Inc.	-
	LG CNS China Inc.	LG CNS China Inc.	-
	LG CNS Europe B.V	LG CNS Europe B.V	-
	-	LG CNS Japan Co., Ltd.	-
	LG CNS America Inc.	LG CNS America Inc.	-
	LG CNS India Pvt. Ltd.	LG CNS India Pvt. Ltd.	-
	PT LG CNS Indonesia	PT LG CNS Indonesia	-
	Entrue Brasil Servicos de T.I. Ltda.	Entrue Brasil Servicos de T.I. Ltda.	-
	LG CNS Shenyang Inc.	LG CNS Shenyang Inc.	-
	LG CNS Tianjin Inc.	LG CNS Tianjin Inc.	-
	SBI-LG Systems Co., Ltd.	SBI-LG Systems Co., Ltd.	-
	LG CNS Colombia S.A.S	LG CNS Colombia S.A.S	-
	UCESS PHILIPPINES, INC.	UCESS PHILIPPINES, INC.	-
	Oneseen Skytech Co., Ltd.	Oneseen Skytech Co., Ltd.	-
	LG CNS MALAYSIA SDN BHD	LG CNS MALAYSIA SDN BHD	-
	LG CNS Saudi Arabia LLC	LG CNS Saudi Arabia LLC	-
	TXCNS Healthcare, LLC	TXCNS Healthcare, LLC	-
	LG CNS GB Ltd.	LG CNS GB Ltd.	-
	LG CNS Japan Co., Ltd.	LG CNS Smart Green Co.,Ltd.	-
	LLC LG CNS RUS	LLC LG CNS RUS	-
	Collain Healthcare, LLC	Collain Healthcare, LLC	-
	LG CNS Chile Ltda.	LG CNS Chile Ltda.	-
	LG CNS UZBEKISTAN, LLC	-	-

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Classification	June 30, 2015	December 31, 2014	Note
	SERVEONE Co., Ltd., and subs	SERVEONE Co., Ltd., and subs	LG Corp.'s subsidiary
	SERVEONE Co., Ltd.	SERVEONE Co., Ltd.	-
	Konjiam Yewon	Konjiam Yewon	-
	LG-TOYO Engineering	LG-TOYO Engineering	-
	Serveone(Nanjing).Co.,LTD	Serveone(Nanjing).Co.,LTD	-
	Serveone Construction(Nanjing) Co.,Ltd.	Serveone Construction(Nanjing) Co.,Ltd.	-
	Serveone Guangzhou. Co.,LTD	Serveone Guangzhou. Co.,LTD	-
	SERVEONE VIETNAM Co.,Ltd	SERVEONE VIETNAM Co.,Ltd	-
	-	Gumiochang Photovoltaic Co., Ltd	-
	LG Siltron Incorporated and subs	LG Siltron Incorporated and subs	LG Corp.'s subsidiary
	LG Siltron Incorporated	LG Siltron Incorporated	-
	LG Siltron America, Inc.	LG Siltron America, Inc.	-
	LG Siltron JAPAN Inc.	LG Siltron JAPAN Inc.	-
	LUSEM CO., LTD.	LUSEM CO., LTD.	LG Corp.'s subsidiary
	LG Management Development Institute	LG Management Development Institute	LG Corp.'s subsidiary
	LG SPORTS Ltd.	LG SPORTS Ltd.	LG Corp.'s subsidiary
	LG Solar Energy Inc.	LG Solar Energy Inc.	LG Corp.'s subsidiary
	LG Holdings Japan Co., Ltd.	LG Holdings Japan Co., Ltd.	LG Corp.'s subsidiary
	LG MMA Ltd.	LG MMA Ltd.	LG Corp.'s joint venture

(c) Major transactions for the six-month periods ended June 30, 2015 and 2014, and balances of receivables and payables from transaction with related parties as of June 30, 2015 and December 31, 2014, are as follows:

i) Major income and expense transactions with related parties

(in millions of Korean won)

Classification	Name	2015					
		Income transactions			Expense transactions		
		Sales	Others	Total	Purchases	Others	Total
Significantly influencing the Company	LG Corp.	735	-	735	-	67,782	67,782
Subsidiaries	LG Innotek Co., Ltd.	18,722	-	18,722	501,569	5,966	507,535
	LG Electronics do Brasil Ltda.	590,110	-	590,110	9,798	898	10,696

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(in millions of Korean won)

		2015					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
	LG Electronics U.S.A., Inc.	1,132,818	-	1,132,818	2,708	36,599	39,307
	Zenith Electronics Corporation	22,443	-	22,443	-	-	-
	LG Electronics European Shared Service Center B.V.	66,819	-	66,819	-	18	18
	LG Electronics RUS, LLC	134,625	-	134,625	2,710	1	2,711
	LG Electronics (China) Co., Ltd.	23,113	-	23,113	397	303	700
	LG Electronics Tianjin Appliances Co.,Ltd.	25,329	122	25,451	28,064	15	28,079
	LG Electronics Mobilecomm U.S.A., Inc.	1,484,708	-	1,484,708	-	1,030	1,030
	LG Electronics India Pvt. Ltd.	123,185	160	123,345	986	305	1,291
	Inspur LG Digital Mobile Communications Co., Ltd	902,242	1,631	903,873	15,681	14,909	30,590
	LG Electronics Miawa Sp. z o.o	109,746	-	109,746	2,295	228	2,523
	LG Electronics Reynosa S.A. DE C.V.	111,876	-	111,876	3,097	97	3,194
	P.T. LG Electronics Indonesia	88,549	-	88,549	83,504	128	83,632
	LG Electronics Nanjing New Technology co.,LTD	135,847	374	136,221	253,910	166	254,076
	LG Electronics Wroclaw Sp.z o.o	70,565	-	70,565	1,581	697	2,278
	Hiplaza Co., Ltd.	492,696	-	492,696	17	6,028	6,045
	LG Electronics Mexico S.A. DE C.V.	212,668	-	212,668	-	443	443
	NanJing LG-Panda Appliances Co., Ltd.	22,393	-	22,393	3,884	-	3,884
	LG Electronics Thailand Co.Ltd.	57,784	-	57,784	10,874	5	10,879
	Taizhou LG Electronics Refrigeration Co., Ltd.	34,814	6	34,820	13,393	8	13,401
	LG Electronics Egypt S.A.E	146,173	6	146,179	-	151	151
	Others	3,843,772	463	3,844,235	123,271	276,638	399,909
	Subtotal	9,850,997	2,762	9,853,759	1,057,739	344,633	1,402,372
Associates	LG Display Co., Ltd. and subs	234,467	54,050	288,517	947,192	4,420	951,612
	Ericsson-LG Co., Ltd. and subs	3,842	-	3,842	2,705	-	2,705
	Hitachi-LG Data Storage Inc. and subs	1,522	-	1,522	6	-	6
	LG FUEL CELL SYSTEM Inc. and subs	34	-	34	-	-	-
	Korea Information Certificate Authority Inc.	-	-	-	-	1	1
	Subtotal	239,865	54,050	293,915	949,903	4,421	954,324
Other related	LG CNS Co., Ltd., and subs	35,772	-	35,772	46,528	107,405	153,933

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		2015					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
parties							
	SERVEONE Co., Ltd., and subs	11,361	-	11,361	313,693	86,541	400,234
	LG Siltron Incorporated	569	-	569	3	-	3
	LUSEM CO., LTD.	118	-	118	5,941	251	6,192
	LG Management Development Institute	168	-	168	99	12,156	12,255
	LG SPORTS Ltd.	18	-	18	-	6,633	6,633
	LG Holdings Japan Co., Ltd	-	-	-	-	66	66
	Subtotal	48,006	-	48,006	366,264	213,052	579,316
Total		10,139,603	56,812	10,196,415	2,373,906	629,888	3,003,794

(in millions of Korean won)

		2014					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
Significantly influencing the Company	LG Corp.	335	-	335	-	70,194	70,194
Subsidiaries	LG Innotek Co., Ltd.	16,078	-	16,078	534,244	4,905	539,149
	LG Electronics do Brasil Ltda.	754,960	84	755,044	2,293	-	2,293
	LG Electronics U.S.A., Inc.	1,107,885	-	1,107,885	1,121	12,253	13,374
	Zenith Electronics Corporation	20,652	-	20,652	-	-	-
	LG Electronics European Shared Service Center B.V.	63,144	-	63,144	-	-	-
	LG Electronics RUS, LLC	320,545	6	320,551	126	31	157
	LG Electronics (China) Co., Ltd.	4,846	-	4,846	-	119	119
	LG Electronics Tianjin Appliances Co.,Ltd.	20,835	255	21,090	25,866	-	25,866
	LG Electronics Mobilecomm U.S.A., Inc.	1,416,072	-	1,416,072	-	259	259
	LG Electronics India Pvt. Ltd.	137,621	3	137,624	484	-	484
	Inspur LG Digital Mobile Communications Co., Ltd	928,122	2,035	930,157	25,397	4,501	29,898
	LG Electronics Mlawa Sp. z o.o	149,000	51	149,051	423	-	423
	LG Electronics Reynosa S.A. DE C.V.	259,889	-	259,889	808	-	808
	P.T. LG Electronics Indonesia	117,534	-	117,534	74,906	16	74,922
	LG Electronics Nanjing New Technology co.,LTD	154,646	133	154,779	182,131	3	182,134
	LG Electronics Wroclaw Sp.z o.o	106,243	76	106,319	67,499	-	67,499

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		2014					
		Income transactions			Expense transactions		
Classification	Name	Sales	Others	Total	Purchases	Others	Total
	Hiplaza Co., Ltd.	563,942	-	563,942	19	6,447	6,466
	LG Electronics Mexico S.A. DE C.V.	145,345	-	145,345	-	55	55
	NanJing LG-Panda Appliances Co., Ltd.	28,634	1,137	29,771	10,377	-	10,377
	Taizhou LG Electronics Refrigeration Co., Ltd.	44,594	159	44,753	6,062	-	6,062
	LG Electronics Monterrey Mexico S.A.de C.V.	56,326	268	56,594	3,271	-	3,271
	Others	3,981,943	2,014	3,983,957	131,103	247,496	378,599
	Subtotal	10,398,856	6,221	10,405,077	1,066,130	276,085	1,342,215
Associates	LG Display Co., Ltd. and subs	151,436	-	151,436	1,044,101	7,388	1,051,489
	Ericsson-LG Co., Ltd. and subs	3,775	-	3,775	2,941	-	2,941
	Hitachi-LG Data Storage Inc. and subs	293	-	293	39	-	39
	LG FUEL CELL SYSTEM Inc. and subs	9	-	9	-	-	-
	Korea Information Certificate Authority Inc.	-	-	-	-	20	20
	Subtotal	155,513	-	155,513	1,047,081	7,408	1,054,489
Other related parties	LG CNS Co., Ltd., and subs	14,465	-	14,465	25,455	155,986	181,441
	SERVEONE Co., Ltd., and subs	10,588	-	10,588	396,037	60,313	456,350
	LG Siltron Incorporated	426	-	426	427	-	427
	LUSEM CO., LTD.	13	-	13	11,840	388	12,228
	LG Management Development Institute	9	-	9	72	9,934	10,006
	LG SPORTS Ltd.	15	-	15	-	6,850	6,850
	Subtotal	25,516	-	25,516	433,831	233,471	667,302
Total		10,580,220	6,221	10,586,441	2,547,042	587,158	3,134,200

ii) The balances of receivables from and payables to related parties

(in millions of Korean won)

June 30, 2015

		Receivables				Payables			
Classification	Name	Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables	Total
Significantly influencing the Company	LG Corp.	-	-	25,954	25,954	-	-	-	-
Subsidiaries	LG Innotek Co., Ltd.	14,328	-	1,946	16,274	271,839	-	1,668	273,507
	LG Electronics do Brasil Ltda.	385,116	-	-	385,116	6,994	-	489	7,483

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June 30, 2015

Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables	Total
	LG Electronics U.S.A., Inc.	491,092	-	65	491,157	-	-	9,419	9,419
	Zenith Electronics Corporation	-	-	4,209	4,209	-	-	-	-
	LG Electronics European Shared Service Center B.V.	29,997	-	-	29,997	-	-	3	3
	LG Electronics RUS, LLC	102,108	-	16,926	119,034	3,248	-	872	4,120
	LG Electronics (China) Co., Ltd.	1,036	-	1,008	2,044	-	-	183	183
	LG Electronics Tianjin Appliances Co.,Ltd.	13,280	-	994	14,274	65,957	-	9	65,966
	LG Electronics Mobilecomm U.S.A., Inc.	699,715	-	-	699,715	-	-	24,716	24,716
	LG Electronics India Pvt. Ltd.	26,992	-	10,519	37,511	942	-	328	1,270
	Inspur LG Digital Mobile Communications Co., Ltd	276,521	-	88	276,609	519,007	-	882	519,889
	LG Electronics Mlawa Sp. z o.o	19,715	-	-	19,715	296,763	-	111	296,874
	LG Electronics Reynosa S.A. DE C.V.	7,423	-	3,241	10,664	70,967	-	22	70,989
	P.T. LG Electronics Indonesia	43,496	-	804	44,300	152,867	-	131	152,998
	LG Electronics Nanjing New Technology co.,LTD	29,187	-	2,332	31,519	61,150	-	4	61,154
	LG Electronics Wroclaw Sp.z o.o	31,349	-	34	31,383	128,005	-	79	128,084
	Hiplaza Co., Ltd.	85,100	-	16,549	101,649	-	-	9,967	9,967
	LG Electronics Mexico S.A. DE C.V.	244,591	-	-	244,591	-	-	118	118
	NanJing LG-Panda Appliances Co., Ltd.	7,173	-	8,043	15,216	65,044	-	12	65,056
	LG Electronics Thailand Co.Ltd.	65,178	-	638	65,816	121,233	-	296	121,529
	Taizhou LG Electronics Refrigeration Co., Ltd.	16,831	-	1,243	18,074	49,159	-	-	49,159
	LG Electronics Egypt S.A.E	332,910	-	39,986	372,896	27,573	-	2,257	29,830
	Others	2,403,408	-	53,255	2,456,663	590,651	-	64,330	654,981
	Subtotal	5,326,546	-	161,880	5,488,426	2,431,399	-	115,896	2,547,295
Associates	LG Display Co., Ltd. and subs	152,692	-	63,980	216,672	424,764	-	31,020	455,784

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June 30, 2015

Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables	Total
	Ericsson-LG Co., Ltd. and subs	34	-	610	644	750	-	150	900
	Hitachi-LG Data Storage Inc. and subs	26	-	157	183	-	-	28	28
	LG FUEL CELL SYSTEM Inc. and subs	40	-	-	40	-	-	13	13
	Korea Information Certificate Authority Inc.	-	-	-	-	-	-	-	-
	Subtotal	152,792	-	64,747	217,539	425,514	-	31,211	456,725
Other related parties	LG CNS Co., Ltd., and subs	4,502	-	1,195	5,697	25,126	-	51,171	76,297
	SERVEONE Co., Ltd., and subs	3,667	-	54,240	57,907	175,393	-	33,050	208,443
	LG Siltron Incorporated	-	-	-	-	-	-	551	551
	LUSEM CO., LTD.	-	-	2	2	2,099	-	-	2,099
	LG Management Development Institute	-	-	15,660	15,660	-	-	1,869	1,869
	LG SPORTS Ltd.	-	-	-	-	-	-	725	725
	LG Holdings Japan Co., Ltd	-	-	263	263	-	-	-	-
	Subtotal	8,169	-	71,360	79,529	202,618	-	87,366	289,984
	Total	5,487,507	-	323,941	5,811,448	3,059,531	-	234,473	3,294,004

(in millions of Korean won)

December 31, 2014

Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables	Total
Significantly influencing the Company	LG Corp.	-	-	22,882	22,882	-	-	4,700	4,700
Subsidiaries	LG Innotek Co., Ltd.	18,563	-	2,352	20,915	265,488	-	4,830	270,318
	LG Electronics do Brasil Ltda.	428,740	-	4,482	433,222	3,422	-	564	3,986
	LG Electronics U.S.A., Inc.	371,894	-	30	371,924	-	-	29,940	29,940
	Zenith Electronics Corporation	-	-	3,001	3,001	-	-	-	-
	LG Electronics European Shared Service Center B.V.	31,933	-	135	32,068	-	-	3	3
	LG Electronics RUS, LLC	209,858	-	65,796	275,654	1	-	101	102
	LG Electronics (China) Co., Ltd.	383	-	22	405	111	-	121	232
	LG Electronics Tianjin Appliances Co.,Ltd.	8,186	-	583	8,769	57,096	-	16	57,112

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Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables	Total
	LG Electronics Mobilecomm U.S.A., Inc.	610,090	-	-	610,090	-	-	14,120	14,120
	LG Electronics India Pvt. Ltd.	18,547	-	6,921	25,468	1,502	-	64	1,566
	Inspur LG Digital Mobile Communications Co., Ltd	303,979	-	11	303,990	569,608	-	1,243	570,851
	LG Electronics Mlawa Sp. z o.o	48,369	-	-	48,369	511,132	-	64	511,196
	LG Electronics Reynosa S.A. DE C.V.	19,567	-	3,016	22,583	112,703	-	-	112,703
	P.T. LG Electronics Indonesia	69,329	-	735	70,064	168,708	-	97	168,805
	LG Electronics Nanjing New Technology co.,LTD	63,193	-	752	63,945	96,866	-	32	96,898
	LG Electronics Wroclaw Sp.z o.o	53,336	-	-	53,336	243,564	-	140	243,704
	Hiplaza Co., Ltd.	74,311	-	16,688	90,999	-	-	7,083	7,083
	LG Electronics Mexico S.A. DE C.V.	172,454	-	-	172,454	-	-	83	83
	NanJing LG-Panda Appliances Co., Ltd.	11,272	-	1,563	12,835	63,234	-	16	63,250
	Taizhou LG Electronics Refrigeration Co., Ltd.	19,340	-	1,308	20,648	33,666	-	-	33,666
	LG Electronics Monterrey Mexico S.A.de C.V.	26,532	-	188	26,720	86,474	-	-	86,474
	Others	2,559,423	-	66,894	2,626,317	618,831	-	82,155	700,986
	Subtotal	5,119,299	-	174,477	5,293,776	2,832,406	-	140,672	2,973,078
Associates	LG Display Co., Ltd., and subs	64,914	-	57,611	122,525	384,972	-	28,721	413,693
	Ericsson-LG Co., Ltd., and subs	-	-	46	46	678	-	-	678
	Hitachi-LG Data Storage Inc., and subs	26	-	257	283	9	-	61	70
	Subtotal	64,940	-	57,914	122,854	385,659	-	28,782	414,441
Other related parties	LG CNS Co., Ltd., and subs	2,067	-	34	2,101	24,323	-	243,356	267,679
	SERVEONE Co., Ltd., and subs	2,080	-	54,198	56,278	123,891	-	37,022	160,913
	LG Siltron Incorporated	-	-	-	-	28	-	551	579
	LUSEM CO., LTD.	2	-	-	2	2,030	-	10	2,040
	LG Management Development Institute	-	-	15,660	15,660	-	-	2,449	2,449
	LG SPORTS Ltd.	-	-	-	-	-	-	231	231

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Classification	Name	Receivables				Payables			
		Trade receivables	Loans	Other receivables	Total	Trade payables	Borrowings	Other payables	Total
	LG MMA Ltd.	103	-	-	103	-	-	-	-
	Subtotal	4,252	-	69,892	74,144	150,272	-	283,619	433,891
	Total	5,188,491	-	325,165	5,513,656	3,368,337	-	457,773	3,826,110

iii) Significant capital transactions with related parties and others for the six-month periods ended June 30, 2015 and 2014, are as follows:

(in millions of Korean won)

2015

Classification	Name	Dividend Income	Cash investment (capital reduction) and more	Financing loan transaction		Financing borrowing transaction	
				Loan	Collection	Borrowing	Repayment
Subsidiaries	LG Electronics (Hangzhou) Co., Ltd.	989	-	-	-	-	-
	LG Electronics Huizhou Ltd.	9,583	-	-	-	-	-
	LG Electronics Nanjing New Technology co.,LTD	1,956	-	-	-	-	-
	LG Electronics Tianjin Appliances Co., Ltd.	12,048	-	-	-	-	-
	NanJing LG-Panda Appliances Co., Ltd.	7,121	-	-	-	-	-
	LG Electronics Finland Lab	-	8,054	-	-	-	-
	LG Innotek Co., Ltd.	2,413	-	-	-	-	-
	Subtotal	34,110	8,054	-	-	-	-
Associates	LG Display Co., Ltd.	67,813	-	-	-	-	-
	Ericsson-LG Co., Ltd.	3,250	-	-	-	-	-
	Korea Information Certificate Authority Inc.	60	-	-	-	-	-
	Subtotal	71,123	-	-	-	-	-
	Totals	105,233	8,054	-	-	-	-

(in millions of Korean won)

2014

Classification	Name	Dividend Income	Cash investment (capital reduction) and more	Financing loan transaction		Financing borrowing transaction	
				Loan	Collection	Borrowing	Repayment
Subsidiaries	LG Electronics India (PVT.) Ltd	68,692	-	-	-	-	-
	LG Electronics Tianjin Appliances Co., Ltd.	9,755	-	-	-	-	-
	LG Electronics Huizhou Ltd.	5,958	-	-	-	-	-
	NanJing LG Panda Appliances Co., Ltd.	5,430	-	-	-	-	-
	LG Electronics Nanjing New Technology co.,LTD	28,422	-	-	-	-	-

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<i>(in millions of Korean won)</i>		2014				
	LG Electronics (Hangzhou) Co., Ltd.	578	-	-	-	-
	Shanghai LG Electronics Co., Ltd.	1,176	-	-	-	-
	LG Electronics Vietnam Haiphong Co Ltd.	-	30,738	-	-	-
	Innovation Investment Fund	-	(2,916)	-	-	-
	Subtotal	120,011	27,822	-	-	-
Associates	Ericsson-LG Co., Ltd.	17,000	-	-	-	-
	Korea Information Certificate Authority Inc.	60	-	-	-	-
	LG FUEL CELL SYSTEM Inc.	-	7,267	-	-	-
	Subtotal	17,060	7,267	-	-	-
Joint ventures	LG Fund for Enterprises	-	(680)	-	-	-
	Totals	137,071	34,409	-	-	-

- (d) Key management compensation costs of the Company for the six-month periods ended June 30, 2015 and 2014, consist of:

<i>(in millions of Korean won)</i>	2015	2014
Wages and salaries	9,563	5,943
Post-employment benefits	2,942	1,488
Total	12,505	7,431

Key management refers to the directors who have significant control and responsibilities on the Company's business plans, operations and control.

- (e) The payment guarantees for the funding sources of related parties at the end of the reporting period are presented in Note 26.
- (f) There is no collateral provided by the Company for the funding sources of related parties at the end of the reporting period.
- (g) The Company has not recognized any bad debt expense or allowance for trade receivables from related parties at the end of the reporting period.

29. Risk Management

Financial Risk Management

The Company's financial risk management ("FRM") policy supports each business division to achieve excellent performance solidly and continuously against market risk, credit risk and liquidity risk. In addition, FRM helps the Company to enhance cost competitiveness through cost-efficient financing cost by improving financial structure and effective cash management.

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While cooperating with other divisions, the finance team in the Company mainly implements FRM. This involves setting-up risk management policies and recognizing, evaluating and hedging risks from a global point of view.

The Company mitigates the adverse effects from financial risk by monitoring the risk periodically and updating FRM policy each year.

The carrying amount, and profit or loss of each category of financial instruments and the details of borrowings related to the financial risk management are presented in Note 4 and Note 10, respectively.

(a) Market risk

i) Foreign exchange risk

Due to its multinational business operations, the Company is mainly exposed to foreign exchange risk on the US Dollar, Euro, Brazilian Real, and Russian Ruble.

The purpose of foreign exchange risk management is to provide the foundation of a stable business operation by minimizing the uncertainty and volatility of foreign exchange gains and losses from foreign exchange rate fluctuations.

The Company's foreign exchange risk management is implemented under its own foreign exchange policy through which the Company can minimize the exposure to foreign exchange risk by preferentially making equal amount of foreign exchange assets and liabilities from general operating activities. And the Company continuously considers efficient foreign exchange risk hedges against its remaining exposure with derivative financial instruments and scrutinizes changes in foreign exchange exposure and the results of hedging activities on a monthly basis. Speculative foreign exchange trading is prohibited in principle.

As of June 30, 2015 and December 31, 2014, if the foreign exchange rate of the Korean won fluctuated by 10% while other variables were fixed, the effects on income(loss) before tax would be as follows:

<i>(in millions of Korean won)</i>	June 30, 2015		December 31, 2014	
	10% increase	10% decrease	10% increase	10% decrease
USD/KRW	67,358	(67,358)	(35,844)	35,844
EUR/KRW	42,019	(42,019)	53,928	(53,928)
Other ¹ /KRW	11,970	(11,970)	57,891	(57,891)

¹ Other currency includes Brazilian Real and Russian Ruble.

The above sensitivity analysis is done with foreign currency denominated assets and liabilities which are not in the Company's functional currency.

ii) Interest rate risk

The Company is exposed to interest rate risk through changes in interest-bearing liabilities or

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assets. The risk mainly arises from financial borrowings and financial deposits with variable interest rates linked to market interest rate changes in the future. The objective of interest rate risk management lies in improving corporate value by minimizing uncertainty caused by fluctuations in interest rates and minimizing net interest expense.

The Company minimizes its borrowings from others and optimizes its deposits by expanding internal finance sharing. The Company periodically establishes the plan for reaction by the monitoring trends of internal and external interest rates, and minimizes the risk of net interest expense by properly operating short-term borrowings with variable interest rates and deposits.

At the end of the reporting period, if interest rates fluctuate by 100bp without other variables changing, the effects on income and expenses related to borrowings and financial deposits with variable interest rates for the six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015		2014	
	1% increase	1% decrease	1% increase	1% decrease
Interest expense	-	-	13	(13)
Interest income	5,020	(5,020)	5,482	(5,482)

There are no borrowings with variable interest rates exposed to interest rate risk as of June 30, 2015.

iii) Details of derivatives contracts are as follows:

The Company entered into the cross-currency swap contracts to hedge cash flow risks related to the floating interest rates and foreign exchange rates of debentures.

June 30, 2015	Contractor	Contracted amount <i>(in millions)</i>	Contracted currency rate	Interest rate <i>(received)</i>	Interest rate <i>(paid)</i>	Contract date	Expiration date
USD/KRW CRS	Shinhan Bank	USD200	USD/KRW 1,113.6	3ML +160bp	3.22%	2013.07.11	2019.01.31
	BNP PARIBAS and others	USD200	USD/KRW 1,052.1	3ML +130bp	3.42%	2013.11.28	2017.06.19
CHF/KRW CRS	UBS and others	CHF215	CHF/KRW 1,213.6	2.00%	3.64 ~ 3.74%	2012.07.06	2016.12.02

The Company entered into the interest rate swap contracts to hedge cash flow risks related to the floating interest rates of debentures.

June 30, 2015	Contractor	Contracted amount <i>(in millions of Korean won)</i>	Interest rate <i>(received)</i>	Interest rate <i>(paid)</i>	Contract date	Expiration date
KRW Interest rate swap	Hana Bank	200,000	3M CD+98bp	4.53%	2014.01.03	2024.01.03
	Kookmin Bank	200,000	3M CD+114bp	4.52%	2014.04.29	2029.04.30
	Kookmin Bank	190,000	3M CD+91bp	3.15%	2015.01.28	2027.01.28
	Woori bank	390,000	3M CD+82bp	3.07%	2015.04.15	2030.04.15

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At the end of the reporting period, the swap contracts are evaluated at fair value and the gain on valuation of the effective portion amounting to ₩11,486 million in 2015 (2014: loss on valuation amounting to ₩49,072 million) after applying the tax effect, is recognized in other comprehensive income(loss). The Company reclassified ₩15,509 million to gain from equity in 2015 and ₩34,903 million to loss in equity in 2014, and the loss on valuation amounting to ₩4,023 million in 2015 (2014: loss on valuation amounting to ₩14,169 million) after applying the tax effect, is recognized in other comprehensive income(loss).

iv) Price risk

The Company is exposed to price risk through securities owned by the Company classified as available-for-sale financial assets on the separate financial statements.

The listed securities owned by the Company are traded in the public market, and related to KOSDAQ Indices.

The effect of price index's fluctuation related to the listed securities on the equity (before applying the tax effect) is set out in the below table. The analysis is performed in respect of 30% increase/decrease in the price index under the assumption that other variations are consistent and the listed securities owned by the Company have correlation with the relevant past index.

<i>(in millions of Korean won)</i>	June 30, 2015		December 31, 2014	
	30% increase	30% decrease	30% increase	30% decrease
KOSDAQ	3,616	(3,616)	3,001	(3,001)
NASDAQ	-	-	742	(742)

The valuation and the reclassified amounts of the available-for-sale financial asset related to the market risk above are presented in Note 6.

(b) Credit risk

The Company operates a consistent Global Credit / TR (trade receivables) policy to manage credit risk exposure.

In regard to receivables, the Company operates an integrated receivable insurance program with the Korea Trade Insurance Corporation (K-SURE) and Seoul Guarantee Insurance (Coface). In an effort to minimize receivable credit risk, the Company applies the credit rating of the counterparty when determining the insurance coverage. In addition, the Company performs stringent credit risk managements based on credit valuation criteria for receivables without insurance coverage or collateral.

As of June 30, 2015, trade receivable balance of the Company, excluding the trade receivables from the subsidiaries, is ₩1,283,716 million (2014: ₩1,110,096 million) and its risk is managed appropriately with insurer's credit limit of ₩1,882,292 million (2014: ₩1,923,873 million). Therefore, the Company estimates credit risk exposure to itself as limited.

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As of June 30, 2015, the carrying value of financial assets represents net of impairment loss to reflect Company's maximum exposure to the credit risk.

(c) Liquidity risk

The Company forecasts its cash flow and liquidity status and sets action plans on a regular base to manage liquidity risk proactively. The Company systematically works with experts in four RTCs to carry out fund and liquidity management that can react proactively to the changing global financial environment.

The Company maintains adequate amount of cash and committed credit facilities in Woori Bank, Kookmin Bank and Shinhan Bank to cope with potential financial distress.

In addition, the Company is able to source funds any time in domestic and international financial markets because it has good investment credit grades of AA Stable from Korea Investors Service, Korea Ratings and NICE Information Service, BBB Stable from Standard & Poors, and Baa3 Stable from Moody's as of June 30, 2015, respectively.

- i) Cash flow information on maturity of financial liabilities as of June 30, 2015, are as follows:

<i>(in millions of Korean won)</i>	Total	Less than 1 year	1 to 2 years	3 to 5 years	Over 5 years
Trade payables	5,262,327	5,262,327	-	-	-
Borrowings	8,371,676	1,536,012	1,451,795	2,037,902	3,345,967
Other payables	1,784,427	1,784,427	-	-	-
Liabilities classified as held for sale	12,245	12,245	-	-	-
Total	15,430,675	8,595,011	1,451,795	2,037,902	3,345,967

The above cash flows are calculated at nominal value based on the earliest maturity dates, and include cash flows of principal and interests. Derivatives for cash flow hedges from changes in interest rate and exchange rate are reflected in the cash flows of related borrowings.

- ii) The maturity analysis of financial guarantee contracts provided by the Company to third party companies as of June 30, 2015, are as follows:

<i>(in millions of Korean won)</i>	Total	Less than 1 year	1 to 2 years	3 to 5 years	Over 5 years
Financial guarantee contracts	4,530,014	4,215,651	74,286	240,077	-

The above cash flow is the maximum amount of guarantees allocated to earliest period in which the Group can be required to pay.

Capital Risk Management

The Company's capital risk management purpose is to maximize shareholders' value through

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maintaining a sound capital structure. The Company monitors financial ratios, such as liability to equity ratio and net borrowing ratio each month and implements required action plan to improve the capital structure.

Debt-to-equity ratio and net borrowing ratio are as follows:

<i>(in millions of Korean won, except for ratios)</i>	June 30, 2015	December 31, 2014
Liability (A)	17,799,790	16,793,613
Equity (B)	9,233,802	9,488,700
Cash and cash equivalents (C)	1,004,093	913,208
Borrowings (D)	7,017,728	6,250,353
Debt-to-equity ratio (A/B)	192.8%	177.0%
Net borrowings ratio (D-C)/B	65.1%	56.2%

Fair Value Estimation

(a) The book values and fair values of the Company's financial assets and liabilities are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015		December 31, 2014	
	Book amount	Fair value	Book amount	Fair value
Current financial asset items				
[Assets at amortized cost]				
Loans and other receivables				
Cash and cash equivalents	1,004,093	1	913,208	1
Financial deposits	65,500	1	65,000	1
Trade receivables	6,505,583	1	5,956,772	1
Other receivables	441,590	1	484,344	1
Assets held for sale	8,196	1	-	-
Non-current financial asset items				
[Assets at fair value]				
Derivatives for hedging purposes				
Other financial assets	10,507	10,507	5,252	5,252
Available-for-sale financial assets				
Other financial assets	14,676	14,676	12,105	12,105
[Assets at amortized cost]				
Loans and other receivables				
Financial deposits	2,287	2,287	1,689	1,689
Other receivables	362,037	349,333	385,352	366,644
[Assets at cost]				
Available-for-sale financial assets				
Other financial assets	16,290	2	16,513	2
Total	8,430,759		7,840,235	

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<i>(in millions of Korean won)</i>	June 30, 2015		December 31, 2014	
	Book amount	Fair value	Book amount	Fair value
Current financial liability items				
[Liabilities at amortized cost]				
Trade payables	5,262,327	1	5,451,036	1
Borrowings	1,296,965	1	1,016,906	1
Other payables	1,784,427	1	1,880,276	1
Liabilities held for sale	12,245	1	-	-
[Other liabilities]				
Other financial liabilities	106	3	106	3
Non-current financial liability items				
[Liabilities at fair value]				
Derivatives for hedging purposes				
Other financial liabilities	41,373	41,373	62,160	62,160
[Liabilities at amortized cost]				
Borrowings	5,720,763	5,816,821	5,233,447	5,414,298
[Other liabilities]				
Other financial liabilities	361	3	414	3
Total	14,118,567		13,644,345	

¹ Excluded from disclosure as the carrying amount is the rational approximate fair value.

² Unlisted equity securities are calculated at cost because the variability in the range of the estimated future cash flows is significant and the probabilities of the various estimates within the range cannot be reasonably assessed.

³ Measured at the higher of the amount determined in accordance with Korean IFRS 1037, 'Provisions, Contingent Liabilities and Contingent Assets' and the amount initially recognized less cumulative amortization recognized in accordance with Korean IFRS 1018, 'Revenue'.

(b) Fair value measurements of assets and liabilities

i) Fair value hierarchy and measurement method

The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The fair value measurement is to estimate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. The Company measures fair value using valuation techniques that maximize the use of market information and minimizes the use of unobservable inputs.

Financial instruments measured at fair value are categorized within the fair value hierarchy, and the defined levels are as follows:

- Level 1: Financial instruments measured at the quoted price in an active market for identical assets or liabilities are included in 'level 1'. Assets or liabilities categorized within level 1' include financial instruments such as marketable equity securities.

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- Level 2: When financial instruments are measured by using a discounted cash flow analysis, if all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in 'level 2'. Assets or liabilities categorized within 'level 2' include financial instruments such as derivative financial instruments.

- Level 3: When financial instruments are measured by using a discounted cash flow analysis, if one or more of the significant inputs are unobservable market data, the instrument is included in 'level 3'. There are no assets or liabilities categorized within 'level 3'.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, an entity within the same industry, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price for financial assets held by the Company is the closing price at the end of the reporting period. These instruments are included in 'level 1'. Instruments included in 'level 1' comprise primarily equity investments classified as available for sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses various valuation techniques and makes judgments based on current market conditions. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in 'level 2'.

If one or more of the significant inputs are not based on observable market data, the instrument is included in 'level 3'. Financial instrument included 'level 3' uses other method including discounting cash flow method.

ii) Financial instruments measured at fair value

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015			
	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets				
Available-for-sale financial assets				
- Marketable equity securities	14,676	-	-	14,676
Derivatives for hedging purposes	-	10,507	-	10,507
Liabilities				
Other financial liabilities				
Derivatives for hedging purposes	-	41,373	-	41,373

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<i>(in millions of Korean won)</i>	December 31, 2014			
	Level 1	Level 2	Level 3	Total
Assets				
Other financial assets				
Available-for-sale financial assets				
- Marketable equity securities	12,105	-	-	12,105
Derivatives for hedging purposes	-	5,252	-	5,252
Liabilities				
Other financial liabilities				
Derivatives for hedging purposes	-	62,160	-	62,160

The above fair value amounts are recurring fair value measurements.

In case of investments in equity instruments that do not have a quoted market price in an active market and their fair value cannot be measured reliably, they are measured at cost and not included in the above fair value measurement hierarchy.

- Valuation technique and inputs for fair value measurements categorized within level 2

Valuation technique and inputs for fair value measurements categorized within level 2 are as follows:

<i>(in millions of Korean won)</i>	Fair value		Valuation techniques	Inputs
	June 30, 2015	December 31, 2014		
Assets				
Other financial assets				
Derivatives for hedging purposes	10,507	5,252	Discounted cash flow	Discount rate and exchange rate
Liabilities				
Other financial liabilities				
Derivatives for hedging purposes	41,373	62,160	Discounted cash flow	Discount rate and exchange rate

- Fair value measurements categorized within level 3

As of June 30, 2015, no financial instruments measured at fair value are categorized within level 3.

iii) Financial instruments not measured at fair value but for which the fair value is disclosed

Financial instruments not measured at fair value but for which the fair value is disclosed as of follows:

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June 30, 2015				
<i>(in millions of Korean won)</i>	Level 1	Level 2	Level 3	Total
Assets				
Non-current financial deposit	-	-	2,287	2,287
Non-current other receivables	-	-	349,333	349,333
Liabilities				
Non-current borrowings	-	-	5,816,821	5,816,821
December 31, 2014				
<i>(in millions of Korean won)</i>	Level 1	Level 2	Level 3	Total
Assets				
Non-current financial deposit	-	-	1,689	1,689
Non-current other receivables	-	-	366,644	366,644
Liabilities				
Non-current borrowings	-	-	5,414,298	5,414,298

- Valuation technique and inputs for fair value measurements categorized within level 2

As of June 30, 2015, there are no financial instruments that are not measured at fair value but for which the fair value is disclosed and categorized within level 2.

- Disclosure in relation to fair value measurements categorized within level 3

Valuation technique, inputs and unobservable inputs of financial instruments that are not measured at fair value but for which the fair value is disclosed and categorized within level 3 are as of follows:

<i>(in millions of Korean won)</i>	June 30, 2015		December 31, 2014		Valuation techniques	Inputs	Significant but unobservable inputs	Range of significant but unobservable inputs
	Carrying amount	Fair value	Carrying amount	Fair value				
Assets								
Non-current financial deposits	2,287	2,287	1,689	1,689	Discounted cash flow	Discount rate	Discount rate	0.1% ~ 0.3%
Non-current other receivables	362,037	349,333	385,352	366,644	Discounted cash flow	Discount rate and exchange rate	Discount rate	3.1% ~ 4.1%
Liabilities								
Non-current borrowings	5,720,763	5,816,821	5,233,447	5,414,298	Discounted cash flow	Discount rate and exchange rate	Discount rate	2.4% ~ 4.0%

30. Business Combination

- i) The Company acquired the power conditioning system business from LG U plus Co., Ltd. on February 2, 2015, in order to maximize its market responsiveness by enhancing

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business capabilities in energy storage system business, the Company's future strategic business.

- ii) The following table summarizes the consideration paid and the fair value of assets acquired and liabilities assumed:

<i>(in millions of Korean won)</i>	Amount
Consideration ¹	
Cash and cash equivalents	7,700
Recognized amounts of identifiable assets acquired and liabilities assumed	
Current assets	
Cash and cash equivalents	9
Trade receivables	66
Non-current assets	
Property, plant and equipment	2,513
Intangible assets	3,907
Non-current liabilities	
Net defined benefit liability	9
Total identifiable net assets	6,486
Goodwill	1,214

¹Consideration transferred during the measurement period

- iii) The acquisition-related cost amounting to ₩147 million was recognized as an expense in the period in which they were incurred.
- iv) The above fair value of trade receivables and other receivables are the same as the contractual amounts in gross.

31. Event After the Reporting Period, and Reclassification to Assets and Liabilities Held for Sale

On July 1, 2015, the assets and workforce of display driver-IC design business were transferred to Silicon Works Co., Ltd. for ₩22,010 million for the purpose of efficient operation of the semiconductor design business according to the resolution of the Board of Directors of the Company on April 28, 2015.

Details of assets and liabilities classified as held for sale accordingly are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015
Asset Held for Sale	
Trade and loans and other receivables	8,196
Inventories	12,276
Property, plant and equipment and intangible assets	670
Other assets	24
Total	21,166

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<i>(in millions of Korean won)</i>	June 30, 2015
Liabilities Held for Sale	
Trade and other payables	12,245
Other liabilities	5
Defined benefit liabilities	1,908
Total	14,158

There is no impairment loss due to classification as held for sale.

Details of assets, whose sales transactions were completed as of June 30, 2015, although the assets have been reclassified as non-current assets held for sale during the six-month period ended June 30, 2015, are as follows:

<i>(in millions of Korean won)</i>	June 30, 2015
Available-for-sale financial assets	1,369
Investments in associates	53,454
Property, plant and equipment	25,537
Total	80,360

32. Discontinued Operations

As a result of the decreased demand for PDP TV products, the Company discontinued its operations of the PDP modules and PDP TV on November 30, 2014, in order to focus on its OLED TV and LCD TV division going forward.

- i) Profit(loss) for the period from discontinued operations for the three-month and six-month periods ended June 30, 2015 and 2014, consists of:

<i>(in millions of Korean won)</i>	2015		2014	
	Three months	Six months	Three months	Six months
Profit from ordinary activities of discontinued operations:				
Sales	2,584	5,788	201,944	445,176
Operating income(loss)	(345)	(2,706)	1,408	21,826
Profit(loss) for the period before tax	(271)	(3,010)	(7,049)	8,836
Income tax expense(benefit)	(65)	(728)	(1,495)	1,876
Profit(loss) for the period from discontinued operations	(206)	(2,282)	(5,554)	6,960

- ii) Cash generated from discontinued operations for the six-month periods ended June 30, 2015 and 2014, are as follows:

<i>(in millions of Korean won)</i>	2015	2014
Net cash flows from operating activities	8,824	4,393
Net cash flows from investing activities	15	(350)
Net cash flow from discontinued operations	8,839	4,043