

LIFE'S
GOOD

BREAKTHROUGH
INNOVATION

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CONSUMERS
ARE THE
INSPIRATION FOR
EVERYTHING
WE DO.

LG, Entertainment without limits

Life's Good when your home is filled with infinite entertainment possibilities.
LG designs not only look chic and sophisticated, they deliver vivid colors
and novel features that make viewing so much more exciting and involving.



Nothing will transform your viewing experience more than our amazing 3D TV. Images on screen seem to come alive as never before. LG's INFINIA design and our first FULL LED Slim technology deliver outstanding picture quality while providing practically limitless content and seamless connectivity.

1. HB965TZ Blu-ray Home Theater System (LG INFINIA FULL LED 3D TV) 2. LX9500 (LG INFINIA 3D TV)

LG, Communication without compromise

Life's Good when you're always in touch, in control and able to act on the moment. LG Mobiles keep you fully up to speed with all the important things in your life, so you can work and play as hard as you like. LG Mobiles always deliver style, value and convenience. More than that, they enable you to put more fun and even a touch of magic in your life.



For those looking for the ideal first smart phone, the LG OPTIMUS will introduce you to a new, exciting world of connectivity. Equipped with a host of specialized features and applications, OPTIMUS provides quick and easy access to social networking services (SNS) that will connect you to the world as never before.

LG OPTIMUS (LG GT540)





Richer



Better



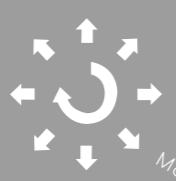
Easier

LG, Performance without effort

Life's Good when you can spend more time doing what you want. LG helps you create more time for yourself, while doing the jobs you have to do with greater ease and convenience. Top of the line performance ensures that you'll spend less time keeping your home in order so you'll have more time to enjoy being with the people most important to you—your family and friends.



More Convenient



More Efficient

More Enjoyable



With LG's 'Big-In' washing machine, you'll do fewer loads. Featuring the industry's largest capacity (11kg), the 'Big-In' provides greater efficiency, thanks to the Inverter Direct Drive technology, an innovative damping and fixed-tub system.

Big-in (F1443KDS)





Nothing delivers better on this idea than the Multi V III, our most advanced and flexible Variable Refrigerant Flow (VRF) system. Operating at the world's highest levels of energy efficiency, the Multi V III features the largest capacity available with the smallest carbon footprint.

Multi V III

LG, Comfort without waste

Life's Good when you can keep cool and still be green.

LG's air conditioners enable you to keep your home refreshed and comfortable while keeping your carbon footprint small. Performance is delivered by the most advanced and sophisticated green technologies, so that keeping cool won't cost you, the earth.





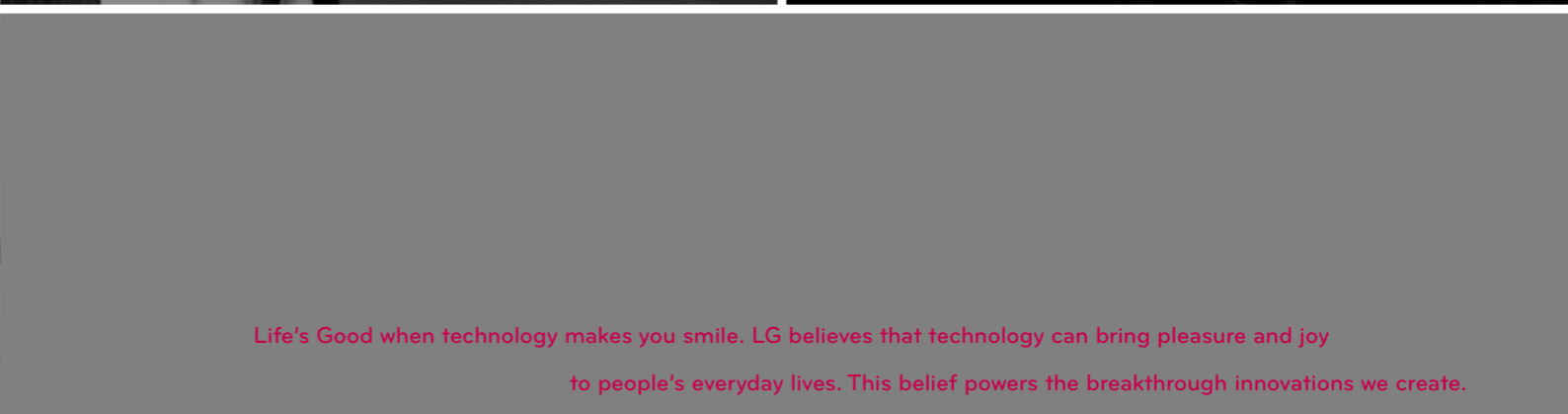
LG, Solutions without stress

Life's Good when you have a partner who provides solutions that help you do your job better. We know that the pressures of working life can be difficult and demanding, so we're always looking for innovative ideas that improve efficiency and effectiveness. Providing keen insights and breakthrough approaches to problems, LG creates solutions that make completing difficult tasks easier, cheaper and less time consuming.



Our fully integrated, totally customized solutions for clients in the Hospitality, Retail, Education and Finance sectors stand out. These clients rely on providing maximum connectivity at minimal cost. To meet their networking challenges, we developed a unique multi-computing solution that connects up to 31 different monitors to a single host PC.

1. LED Monitors 2. Commercial Display Digital Signage 3. Security IP Camera 4. Car Infotainment 5. Car Audio



Life's Good when technology makes you smile. LG believes that technology can bring pleasure and joy to people's everyday lives. This belief powers the breakthrough innovations we create.

We hope our technology can play a part in making life more fun, exciting, easier, relaxing, green and better connected for consumers all over the world. And put a smile on every face.

Life's Good



ENRICH YOUR LIFE WITH
BREAKTHROUGH INNOVATIONS

Making life richer through breakthrough innovations
LG goes beyond having the world's best products, services, and technologies.
We're dedicated to enriching the lives of people through breakthrough innovations.
We do this with our business models, our processes, and the way we work together.
Our talented people come up with new ideas and exciting ways to enrich the lives of everyone
we touch. We exist to make people's lives richer. Life's Good . . . when you're with LG.

MESSAGE FROM THE CEO

Dear Shareholders, Consumers, Business Partners, and Employees:

“LG is dedicated to creating value and enriching the lives of people through innovation”

2009 was a very challenging year for everyone. However, in spite of difficult economic conditions and an increasingly competitive environment, LG weathered the storms and achieved excellent results. We could not have done this without the hard work and commitment of everyone.

To begin, we made great improvements in terms of our financial performance. We generated noteworthy earnings, increased our market share, and achieved noticeable results in efficient cash management. We also made significant improvements in innovation, constantly demonstrating leadership in introducing a host of new and creative products. In addition, LG broke into the “Global Top 3” as a result of our efforts in every aspect of our operations. We also brought an increased consumer focus to our businesses, stressing the need to understand and solve their problems and build closer and more strategic relationships with our partners. Besides this, our multi-talented human resources became more globally-oriented, helping us to secure world leadership in each local market we operate in. Finally, we strengthened our brand position and posted extremely positive outcomes. Our brand is fundamental to everything we do. It’s a core asset that affects every part of our business.



Primed to become No. 1 with unique and differentiated products and sustainable performances

Our goal is to be “No. 1.” This means being a company whose products and services are always unique and differentiated, and posting sustainable performances based on our competencies. Innovation is the hallmark of LG. It’s what makes us such a special enterprise.

Our success is based on “great products and services.” To win in our markets going forward, we must deliver unique and creative solutions, combining technologies based on consumer insights with innovative business models and processes, all backed by the diversity of talent we have assembled.

New Vision: “World’s best at enriching lives through innovation”

LG exists to enrich the lives of people. This is the core purpose of our product development, reflecting LG’s guiding principle of creating harmony among people. To this end, we will continue to innovate our products and solutions and every aspect of our business. We will become a company that everyone around the world respects and admires for its ability to enrich lives innovatively. In doing so, we will achieve sustainable and consistent growth in our financial results.

In order to be the “world’s best at enriching lives through innovation,” we must develop in-depth insights into how our consumers want to live their lives, and develop technologies and business models with high future value that speak directly to those insights.

Secondly, we must learn new ways of being successful, finding new and exciting product and service opportunities before the competition does.

Thirdly, we must develop an “open culture” that fosters innovative thinking, creating a working environment that values and rewards initiative and provides all our employees with opportunities to reach their fullest potential.

Fourthly, recognizing that high-level markets cannot be our only business goal, we must deliberate on where growth will come from, and innovate solutions to meet the needs of emerging segments—including consumers in developing countries.

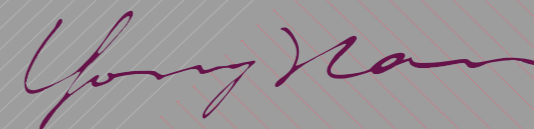
Last, but not least, we must increase our competitiveness. This includes leadership in technologies, backed by smart, speedy, and flexible approaches and a deep-seated confidence in everything we do.

I am confident that we will achieve our vision. I look forward to your steadfast interest, support, and encouragement.

Thank you.

June 2010

YONG NAM
Vice Chairman & CEO





Simon Kang
President & CEO
LG Home Entertainment Company

Mr. Kang joined LG in 1986. Since then, he has helped immeasurably to firm up LG's position as a leader of the global TV and audio/video devices market, thanks to his acute business insights, globalized outlook, and commitment to innovation.



Skott Ahn
President & CEO
LG Mobile Communications Company

Dr. Ahn's passion for innovation, wide-ranging experience, and keen consumer insights have made him a key driving force behind LG's future-oriented technologies, stylish designs, and remarkable performances.



Young-Ha Lee
President & CEO
LG Home Appliance Company

Mr. Lee has been a leading figure in the development of the Korean electronics industry. As a result, he was honored with a commendation from the Electronic Industries Association of Korea in 1993.



Hwan Yong Nho
Executive Vice President & CEO
LG Air Conditioning Company

Mr. Nho joined LG in 1980. He has been instrumental in helping LG reinforce its position as the global leader in the residential air conditioning market, and was the proud winner of a Bronze Tower Industrial Award from the Korean government in 2006.



Soon Kwon
Senior Vice President & CEO
LG Business Solutions Company

With 26 years of experience at LG, Mr. Kwon's achievements and wide range of experience in global markets, sales, and administration make him a leading figure in the company's international successes.

**BRINGING OUR OPERATIONS
TO THE "BEST IN CLASS" LEVEL
IN EVERY MARKET WE SERVE**

LG's new vision is to be the "world's best at enriching lives through innovation." To achieve this, we will expand our innovation-led culture, develop new innovative capabilities, and incubate breakthrough innovations. In specific terms, we will accomplish this by further advancing our four core strategies: To become the leader in Execution, Business Portfolio Restructuring, Speed of Innovation, and Globalization. To become the leader in execution, we will implement our mid- to long-term strategies, designed to position us as the leading player in each country in which we operate, and systematically put these initiatives into practice. In order to restructure our business portfolios, we will continue to expand our organizational infrastructure and create new solutions to facilitate our business-to-business (B2B) operations and improve our business process management system.



Dermot J.M. Boden
Executive Vice President & Chief Marketing Officer (CMO)

Mr. Boden's many years of experience in developing and maturing brands make him the ideal candidate for strengthening LG Electronics' global marketing capabilities and raising its brand recognition.



Thomas K. Linton
Executive Vice President & Chief Procurement Officer (CPO)

With a long history of successes in industry-leading companies around the world, Mr. Linton is now building a world-class global procurement organization at LG.



Didier Chenneveau
Executive Vice President & Chief Supply Chain Officer (CSCO)

Mr. Chenneveau, a long-standing member of the Electronic Product Code (EPC) Global, has world-wide responsibilities for LG's supply chain operations.



Woo Hyun Paik
President & Chief Technology Officer (CTO)

Known as the "Father of HDTV," Dr. Paik has been the recipient of numerous accolades, including membership in the Consumer Electronics Hall of Fame and the Primetime Emmy Awards.



David Jung
Executive Vice President & Chief Finance Officer (CFO)

Since joining LG in 1983, Mr. Jung has been involved in most of the company's finance fields. He is now focused on improving the corporation's cash flow and introducing global standards.



Peter Stickler
Executive Vice President
& Chief Human Resources Officer (CHO)

Mr. Stickler has thirty-five years of human resources experience. His talents, which include growing talent, developing learning organizations, and guiding globalization, are playing a major role in developing a culture of innovation at LG.



Bradley Gambill
Executive Vice President & Chief Strategy Officer (CSO)

Mr. Gambill brings extensive experience in management consulting and venture capital to his strategy development efforts at LG.



Young-Kee Kim
Executive Vice President & Chief Relations Officer (CRO)

Mr. Kim has played a leading role in developing human resources management at LG over the past 30 years. He is now responsible for stakeholders' engagement.



B.B. Hwang
Executive Vice President & Chief Customer Officer (CCO)

One of the top contributors to LG's high-tech businesses and core technologies for over 30 years, Mr. Hwang has been tasked with leading the company toward greater accomplishments in the B2B area.

We will also continue to foster new business platforms and seek increased M&A opportunities. To accelerate innovation, we will fully embrace our Chief Innovation Office (CIO) organization and establish an inter-organizational facilitation team within LG. At the same time, we will continue to develop our innovation processes and support infrastructures. In terms of globalization, we will turn our focus towards localization and further enhance our in-market capabilities by realigning our core processes, bringing our operations to a best-in-class level in every sector and market that we serve.

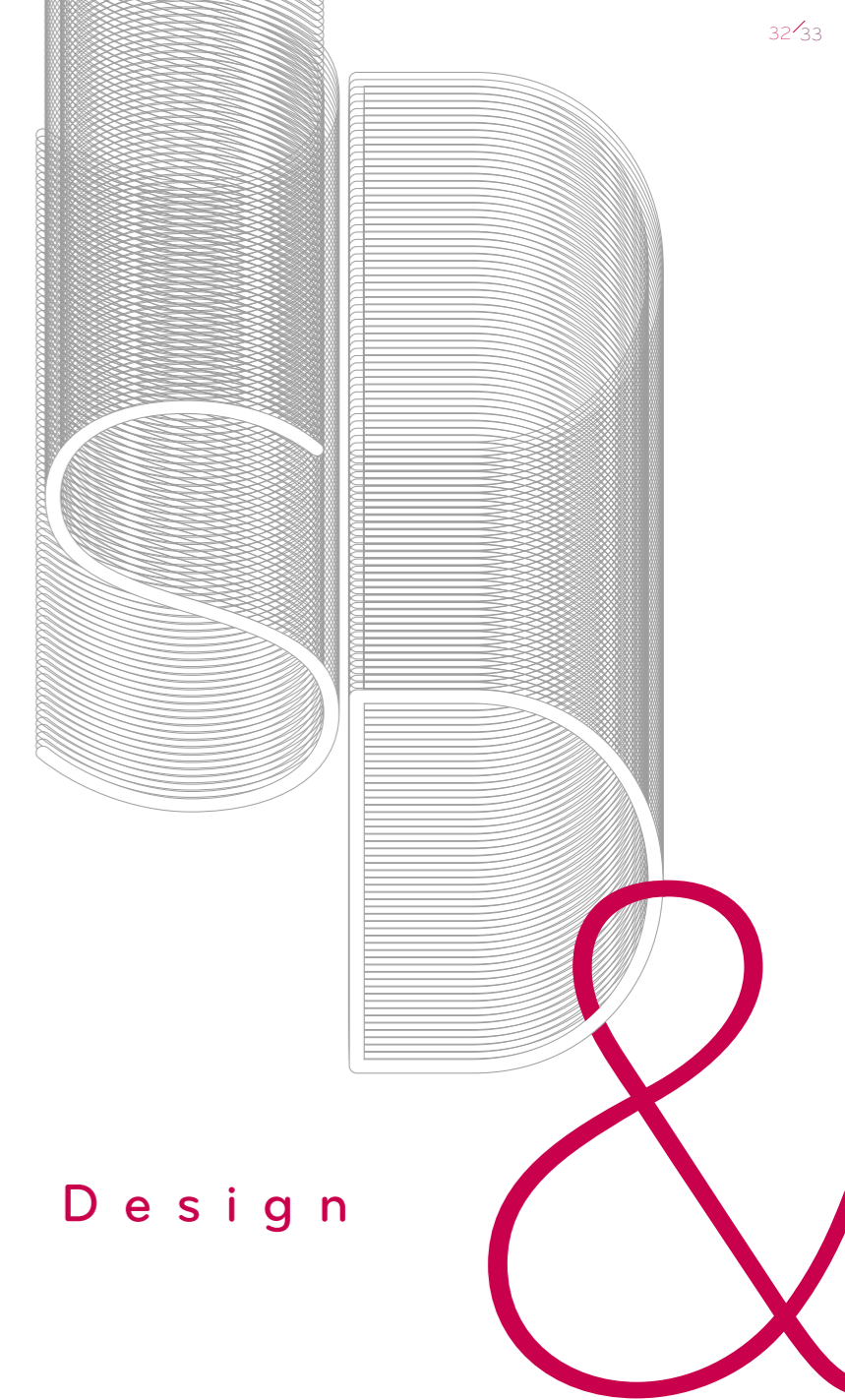


Brand Identity

CREATING VALUE AND SHARING THE GREAT THINGS THE LG BRAND HAS TO OFFER

Our brand tells people who we are, where we are, and what we stand for. Our brand is more than our products, services and technologies—it's the spirit and the soul of LG. It's what makes us and our products different and valuable.

LG's guiding principle has always been "creating harmony among people." That's why our logo wears a smile. That's why we say, "Life's Good."



Stylish Design

What makes a design stylish?

Stylish design is more than the way a product looks. It's also the way it feels: the ease and enjoyment of using it, and the "little touches" that make everything work together seamlessly, easily, and effortlessly. Above all, stylish design creates a response. Owning an LG product arouses feelings of pride, pleasure, and excitement. It may create an infectious desire to share the joy with friends and family.

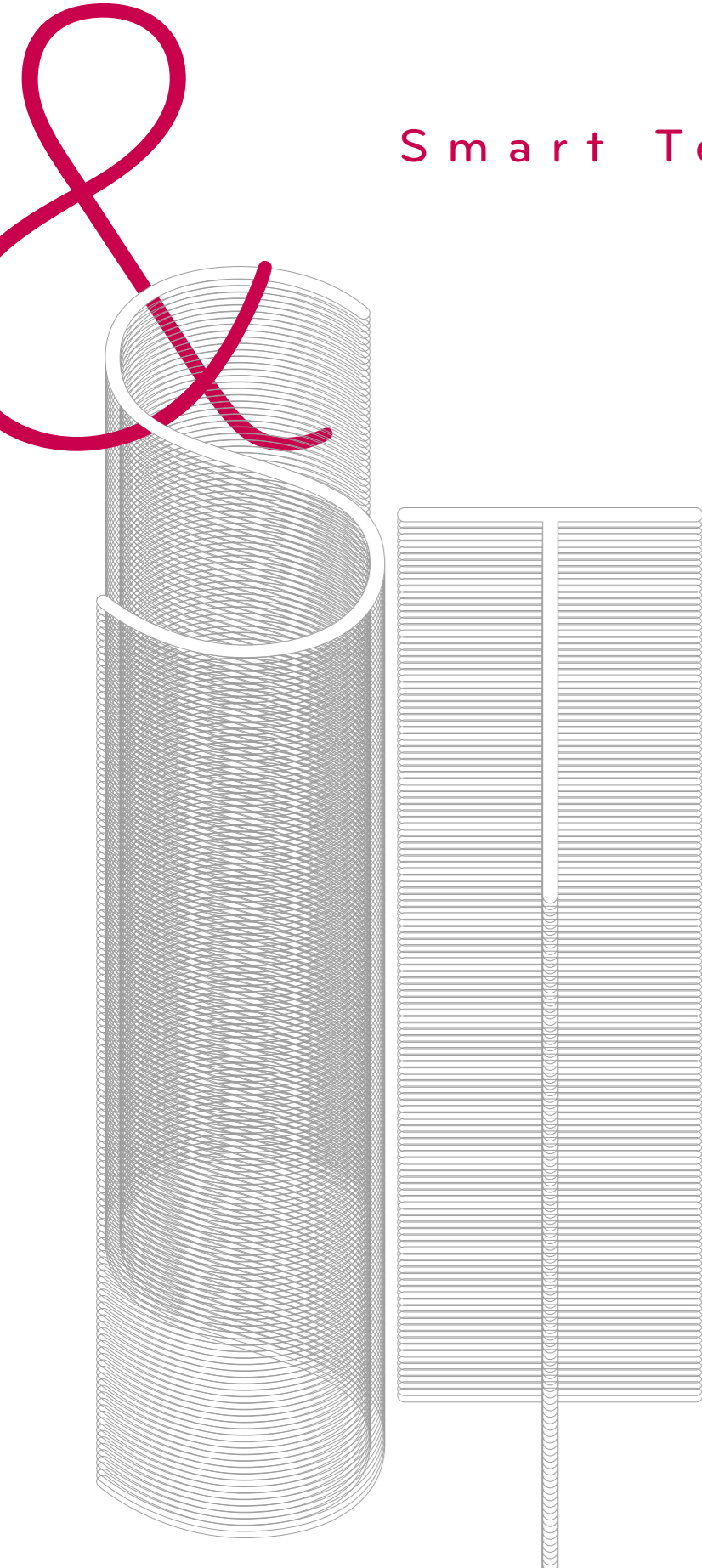
STYLISH DESIGNS FIT PERFECTLY INTO CONSUMERS' LIVES

LG's products house the best technologies that fit perfectly into consumers' lives. Consumers are attracted to products that combine design with functional excellence. That's why we are committed to producing designs that appeal to their sophisticated tastes and even challenge convention. Sometimes our most cutting-edge designs—including an art-inspired series of washing machines and a line of photo-etched refrigerators—have launched new trends in the appliance industry.

Keywords for Stylish Design:

- Sophisticated/refined
- Trend-setting
- Contemporary
- Standing out

Smart Technology



Keywords for Smart Technology:

- Insightful/intuitive
- Essential
- Easy-to-use/simple
- Technologically advanced

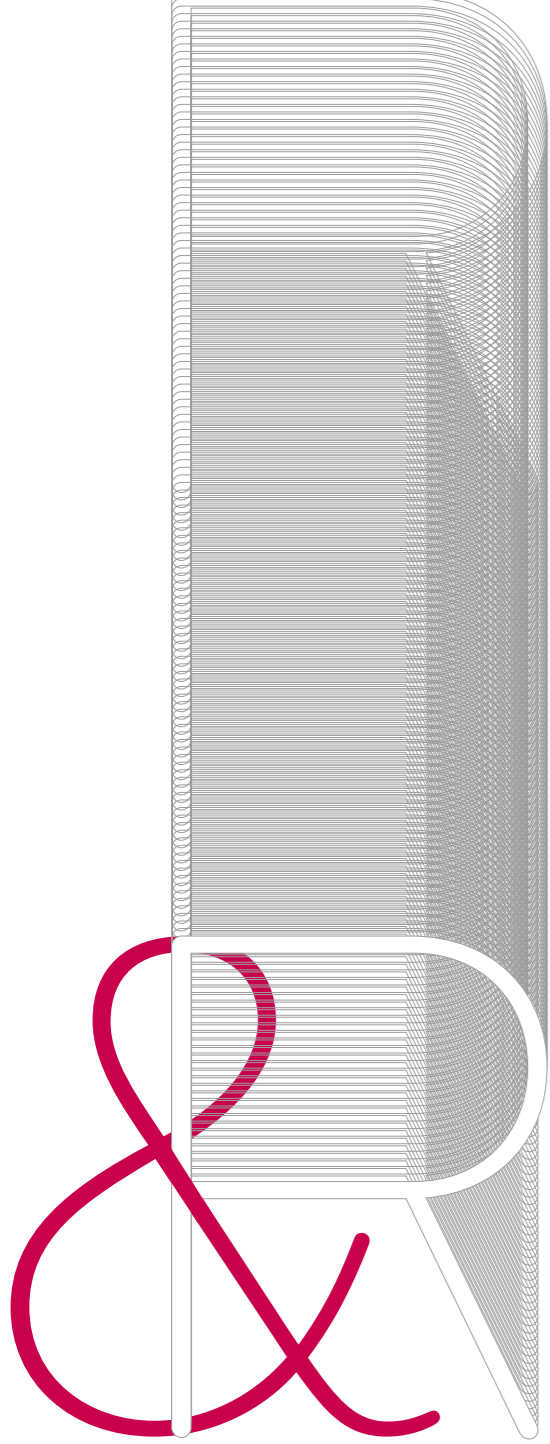
LG wants to make people's lives richer, easier and better. Our goal is to put a smile on all our consumers' faces. "Smart technology" enables consumers to do things more easily and experience things more pleurably. Consumers expect LG's products to contain the world's most advanced technology, and that our hardware and software have been perfected. In addition, they expect LG products to work in ways that are simple yet smart.

CREATING TECHNOLOGIES THAT ENRICH PEOPLE'S LIVES

The core goal of our product development processes is to create technologies that enrich people's lives. It flows directly from LG's guiding principle of "creating harmony among people." Innovation flourishes best when it anticipates or answers a need that enriches people's lives. We create products that help people get more out of life, have more leisure time, and experience more pleasure. We do this by always understanding their needs and continually surpassing their expectations.

SMART TECHNOLOGY: AT THE HEART OF OUR DEVELOPMENT PHILOSOPHY

Smart technology requires us to establish emotional relationships with users so that we can make our products attractive and easy to use. If we are to attain global leadership in the electronics and IT sectors, our R&D experts must develop first-class products that enhance our core technological competencies in our key business areas, including home appliances, mobile phones, and digital TV. We aim to go further in developing complex products in home networking, telematics, and mobile AV that reflect the trend towards convergence in technologies and products.



R e l i a b i l i t y

Keywords for Reliability:

- Long-lasting
- Consistent performance
- Confidence
- Industry-leading expertise
- Well-reputed
- Exceptional care

The three emotional values of reliability for LG.

Through rigorous data analysis, we discovered the three key emotional values that create a perception of reliability:

1. Trustworthy products and services
2. Confidence in the company
3. Exceptional consumer care

– **Trust in products and services** is created by long-lasting products with no unexpected breakdowns, consistent performance, and no-hassle after-sales service.

– **Confidence** is created by leading in innovations and building an exceptional product, positive word of mouth (WOM), and a reputable company with a well-deserved reputation and high visibility.

– **Exceptional consumer care** is created by offering unrivaled after-sales service, features that consumers have always wanted, and being environmentally and socially responsible.

AN UNWAVERING FOCUS ON RELIABILITY

At LG, we are working hard to ensure that all our products work at consistently high standards and last a long time. We are continuously investing to bring our consumers the world's highest level of expertise and technology. In addition, we guarantee a matchless level of consumer service. Our ultimate goal is to enrich the lives of everyone by ensuring that every aspect of their experience with us is a positive one.

CES 2010 LX9500 (47-INCH) BEST OF INNOVATIONS AND INNOVATIONS AWARD IN ONLINE AUDIO/VIDEO CONTENT, INNOVATIONS AWARD IN VIDEO DISPLAYS | The world's first FULL LED 3D TV boasts FULL LED Slim technology with localized Spot Control, TruMotion 480Hz in a uni-layered design, NetCast™, DLNA, and wireless broadband capabilities. **CES 2010 LE8500 (47-INCH) ECO-DESIGN AND SUSTAINABLE TECHNOLOGY, VIDEO DISPLAYS** | Made from eco-friendly, recyclable materials, this wireless-ready FULL LED Slim HDTV's localized Spot Control and Intelligent Sensor Function will bring you big gains in energy efficiency. **CES 2010 PK550 (60-INCH) VIDEO COMPONENTS** | This Full HD 1080p set features a Razor Frame, slim 0.9-inch bezel, Anti-Reflection Filter, Dual XD Engine, "Skin Glass" system, TruMotion 600Hz, Intelligent Sensor, and USB 2.0. **CES 2010 LHB335 (HB965TZ) AUDIO COMPONENTS** | The Network Blu-ray Disc Home Theater System features Pure HD audio performance (including Dolby TrueHD and Dts-HD Advanced Digital Out) and NetCast™. **CES 2010 HB994PK HIGH PERFORMANCE AUDIO** | LG's Wireless Blu-ray Home Theater System combines wireless transmission technology and enhanced audio quality into a truly immersive Blu-ray home theater system. **CES 2010 BD570 HOME NETWORKING** | It combines a sleek, crystal-edge design, great Blu-ray performance, external HDD playback, and built-in Wi-Fi and NetCast™ into a one-step home entertainment experience. **Winner of the Best of CES 2010 BD590 ONLINE AUDIO/VIDEO CONTENT, VIDEO COMPONENTS** | It comes with Gracenote Music ID-Stream™, enabling viewers to store all their digital media files in a single device with the Media Library's integrated 250GB HDD. ***CES (CONSUMER ELECTRONICS SHOW)** The world's largest consumer technology tradeshow, produced by the Consumer Electronics Association (CEA).





RED DOT, IF NEW LG CHOCOLATE (LG BL40) The fourth handset in the Black Label series, the New LG Chocolate boasts a sleek design and 4-inch-wide screen supported by HD LCD. **RED DOT, IF LG MINI (LG GD880)** The world's first feature phone to support the LG Air Sync service, a seamless syncing system for mobile, PC, and Web content. **IF LG GW620** LG's first Google Android-based smartphone, it enables you to connect to social networks like Facebook, Bebo, and Twitter by accessing its built-in SNS Manager. **IF LG LOTUS2 ELITE (LG LX610)** The LG Lotus Elite's tattoo design lets consumers express themselves more fully, while the Sprint One-Click user interface makes its applications quicker and easier to use. **IF LG WATCH PHONE (LG GD910)** The sleek and sophisticated LG 3G Touch Watch Phone is the first market-ready wearable device that supports a full touchscreen interface.

***RED DOT DESIGN AWARD** The largest design competition in the world, divided into three categories: product design, communication design, and design concept.
 ***IF** The IF Design awards have been a reliable indicator of outstanding quality in design since their introduction in 1953 by IF Industrie Forum Design e.V.





CES INNOVATION AWARD 2010 UPRIGHT BAGLESS VACUUM CLEANER (KOMPRESSOR LUV) This bagless upright vacuum cleaner features LG's unique Kompressor dust compression system. LG Kompressor offers consumers thorough and effortless cleaning for a healthier and more comfortable living environment.

* CES (CONSUMER ELECTRONICS SHOW) The world's largest consumer technology tradeshow, produced by the Consumer Electronics Association (CEA)

CES INNOVATION AWARD 2010 4-DOOR, FRENCH-DOOR REFRIGERATOR (LMS28994ST) This 4-door, French-door refrigerator has a slim-sized ice maker, compact filters, and separately-operated units for storing different foods at different temperatures. Other features include an auto drawer that opens automatically by clicking a button, providing more convenience to consumers.





RED DOT MAESTRO The Maestro is a highly energy-efficient air conditioner with advanced inverter technology and an innovative "Eco-eye" system that automatically controls the direction and strength of its airflow by sensing what the user is doing. It's icy, polished-aluminum finish gives it a distinct, sleek, and sophisticated look.

• RED DOT DESIGN AWARD The largest design competition in the world, divided into three categories: product design, communication design, and design concept.



UL MARK E50 LED MONITOR FIRST THIRD-PARTY CERTIFIED SUSTAINABLE COMPUTER MONITOR | LG's new 23-inch class E2350V LED LCD computer monitor has received UL Environment's certification for meeting the IEEE 1680 environmental performance standard for consumer electronics. 90% of its packaging is recyclable, considerably reducing the amount of material that go to landfills.

• UL MARK The UL Mark on a product means that UL (Underwriters Laboratories®) has evaluated its samples and determined that they meet all UL requirements

INNOVATING FOR THE FUTURE

LG HOME ENTERTAINMENT COMPANY

LG MOBILE COMMUNICATIONS COMPANY

LG HOME APPLIANCE COMPANY

LG AIR CONDITIONING COMPANY

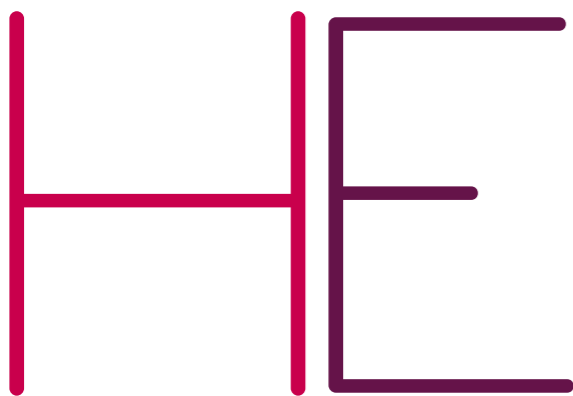
LG BUSINESS SOLUTIONS COMPANY

BREAKTHROUGH INNOVATIONS FOR CONTINUED EXCELLENCE

LG is committed to providing better lifestyle solutions for consumers around the world. We inspire and improve their lives through innovative and sophisticated products and forward-looking technologies. Our business portfolio comprises five companies—Home Entertainment, Mobile Communications, Home Appliance, Air Conditioning, and Business Solutions. This structure allows us to capture even more of the ever-expanding commercial market, expand our value chain from hardware to solutions, and better address the lifestyle needs of both current and future consumers. Life's Good . . . when you're with LG.

CREATING NEW VALUES AND INCREASING CONSUMER SATISFACTION

We study consumers' lifestyles and reflect their needs in all our products, services, and technologies. We want their lives to be as comfortable, convenient, and enjoyable as possible. Helping people live in a more eco-friendly manner, creating new consumer values, and achieving the ultimate in consumer satisfaction—these are some of our major goals. Life's Good . . . when you are with LG.



LG HOME ENTERTAINMENT COMPANY

Delivering the ultimate in home entertainment

The LG Home Entertainment Company is a global leader in providing cutting-edge audio and video devices that deliver the ultimate in home entertainment. Through an unparalleled fusion of smart technologies and stylish designs, LG creates the very best in LCD and plasma TVs, home theater systems, Blu-ray disc players, micro audio systems, projectors, and optical storage, providing users with a home entertainment experience that enriches their lives. A relentlessly forward-looking company, LG will continue to invest in next-generation technologies as it redefines expectations and positions itself as the world's No. 1 home entertainment player.

The LG Home Entertainment Company focuses on its award-winning LCD TVs and Plasma TVs (including the INFINIA LIVE BORDERLESS™ line) and digital video products that are defining the high-end home theater experience. With its goal of becoming the No. 1 marketer of home entertainment products this year, LG is continuing its push into the global market with a full slate of high-tech, smartly designed devices, all influenced by in-depth consumer insights. LG is enhancing its standing as a premium brand and high technology leader by bringing cutting-edge multimedia experiences to consumers' homes and living rooms.

BREAKTHROUGH INNOVATIONS FOR EXCELLENCE IN HE

By canvassing what consumers really want, LG strives to touch peoples' lives with products that are groundbreaking and user-friendly. As a result, LG has claimed a string of world firsts in the home entertainment market. In 1997, LG released the world's first digital TV; in 2005, the first built-in HD digital video recorder; in 2007, the first and only dual-format, high-definition video disc player. LG continues to push the limits of technology, as confirmed by its remarkable number of International CES® Innovations Awards. At the 2010 CES, the LG Home Entertainment Company received another 13 awards, including "Best of Innovations" for its FULL LED 3D TV (LX9500) and portable Digital Video Disc (DVD) player (DP571MH).

LCD TVS | LG's LCD TVs provide a superb viewing experience, with sophisticated designs, industry-leading picture quality, and cutting-edge technologies such as FULL LED Slim. The flagship model of LG's INFINIA LIVE BORDERLESS™ range combines a slim design and narrow bezel with enhanced connectivity and abundant content options. With unique INFINIA design, outstanding picture quality, and seamless connectivity, INFINIA products cement LG's reputation as one of the leading providers of premium home entertainment products.

PLASMA TVS | LG's plasma TVs deliver an amazing theater experience without having to leave the comforts of home. Along with a sleek and sophisticated design, our narrow-bezel plasma TVs are equipped with LG's superior technologies (including the remarkable TruBlack Filter, exclusive Single Layer technology and 600Hz Fluid Motion) that deliver a superior viewing experience with clarity, brightness, and Full HD 1080p image quality.

AUDIOS | Featuring innovative technologies and stylish design, LG's audios create a supreme auditory experience. LG's advanced audio products provide a totally immersive listening experience, with rich, full sounds flowing from slim, stylish speakers.

VIDEOS | LG's video products bring unprecedented home entertainment options into the living room with such products as network Blu-ray players, DVD players, DVD recorders with hard drives, set-top boxes and portable DVD players. With superb sound quality to accompany stunning 1080p images, LG's video products offer peerless video performances and a host of advanced features.

PROJECTORS | LG's projectors deliver creative new solutions for both home entertainment and business video displays. Combining versatility, compactness, and portability, they enable a wide array of applications, ranging from presentation use to theater-like performances in the comfort of home.

DATA STORAGE | LG has been the brand leader in optical disc drives since 1998, and is the largest manufacturer and supplier of Original Equipment Manufacturer (OEM). Using today's most advanced technologies, they make data safer and easier to access by multiple users across a network. LG's storage devices offer a host of advanced data management features, including a built-in Blu-ray drive, file sharing, and version management.



LG HOME ENTERTAINMENT COMPANY

Delivering the ultimate in home entertainment

The LG Home Entertainment Company provides cutting-edge audio and video devices for home entertainment. Through an unparalleled combination of stylish designs, LG creates the very best home entertainment systems, Blu-ray disc players, micro audio systems, and digital storage, providing users with a home entertainment system that fits their lives. A relentlessly forward-looking company, LG is investing in next-generation technologies as it redefines itself as the world's No. 1 home entertainment company.

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01 INFINIA LX9500 (The World's First FULL LED 3D TV) 02 INFINIA LE8500 (FULL LED Slim LCD TV) 03 INFINIA LE7500 (LED Plus LCD TV) 04 INFINIA PK950 (Plasma TV) 05 EL9500 (OLED TV) 06 HB945TZ (Blu-ray Home Theater System) 07 HB45E (Blu-ray Home Theater System) 08 BX680 (3D Network Blu-ray Disc™ Player) 09 DP81B (Portable DVD Player) 10 CF3D (3D Projector) 11 NZB1 (Data Storage)

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LG MOBILE COMMUNICATIONS COMPANY

Innovating for the future

The LG Mobile Communications Company is a global leader and innovator in mobile communications, enhancing people's lives through stylish designs and smart technologies. By understanding what our consumers really want, LG provides the pleasure of a "user experience" tailor-made to each consumer's needs. 2009 was another exceptional year for LG, with the company shipping 117.9 million units—including a large number of touchphones and QWERTY keyboard messaging phones—achieving a 17 percent increase over 2008. Every year since 2006, LG has seen its handset sales climb by more than 20 percent, with total sales for each of the last two years topping 100 million units. Thanks to these outstanding results, LG is now firmly placed as the world's No. 3 handset provider, with a double-digit market share. Looking ahead this year, with an eye towards even higher levels of growth around the world, LG will be placing much of its focus on smartphones and on providing a broad array of products that answer the varied needs of all types of consumers.

LG is committed to consolidating its leadership in the smartphone market by delivering consumer-oriented smartphones with rich content and services. While providing an array of resources through LG's applications store and pre-loaded applications services, LG is also working to help create the optimal mobile phone ecosystem. To accomplish this, LG is reinforcing its strategic partnerships not only with the world's leaders in the mobile industry, but with an array of top companies in their industry categories, ranging from fashion brands to content providers.

BREAKTHROUGH INNOVATIONS FOR EXCELLENCE IN MC

LG provides consumers with superior mobile experiences through stylish designs and smart technologies, while identifying trends based on consumer insights and demands. Having demonstrated its leadership with the world's first transparent and wearable 3G watch phones, LG continues to push forward with more high-tech feature-oriented products and innovative designs. Through its groundbreaking technologies, LG is playing a leading role in Long-Term Evolution (LTE) Modem, the next generation of mobile communications technology.

SMARTPHONES | By focusing its formidable technological and design expertise on smartphones, LG is enhancing its smartphone range with easy-to-use, consumer-oriented features and compelling designs. While continuing to deliver differentiated user experiences through richer content, better services and smarter devices, LG has now expanded its offerings to include a pre-loaded package of its most popular applications to ensure a mobile experience that is both easy to use and fun. To complement its core features such as its Social Networking Service (SNS) and push e-mail, the LG applications store is now offering a wide range of superb, up-to-date smartphone applications as well.

COOKIE CAMPAIGN | With stylish new upgrades to its global megahit Cookie series, LG is firmly positioned to maintain its technological leadership in the full touchphone market. Maintaining the winning combination of stylish design and an easy-to-use User Interface on its entry-level touchphones, these exciting new Cookie phone models—including the LG Cookie Fresh GS290 and the LG Cookie Plus GS500—now offer smart SNS connectivity and other convenient features, such as LiveSquare™, real-time push e-mail, and web browsing capabilities. LG will continue to roll out more user-friendly, full touchphone Cookie handsets throughout this year, built around the premise of functionality and fun.

TOWN CAMPAIGN | LG Town Phones, a new series of handsets specializing in SNS, have been specifically designed to open up the world of smartphones to new users, showing them just how enjoyable it can be to access social networks while on the go. Based on extensive research into how consumers connect with their friends and how they use SNS, Town Phones have been designed to work exactly the way consumers want them to perform. LG's Town Phones provide a superior mobile SNS experience through direct access to social networks, improved connectivity and other advanced features that enhance the all-round user experience. By enabling consumers to conduct all of their SNS activities from a single point, Town Phones open up a whole new world for social networking.

LEADING TECHNOLOGY | LG is driving the global market for mobile phones with innovative products and breakthrough technologies designed to provide consumers with a fuller mobile experience. Its long list of technological triumphs includes the first viable 4G LTE chipset and LG Air Sync. LG is also committed to developing technologies that add to users' mobile experience, with handsets that are stylish, sociable and speedy. In addition, LG's eco-friendly initiatives are at the forefront of the mobile handset industry.

MOC

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LG is committed to consolidating its leadership in the smartphone market and providing services. While providing an array of resources through LG's applications, we will create the optimal mobile phone ecosystem. To accomplish this, LG is committed to the mobile industry, but with an array of top companies in their industry.



01 LG GT540 (LG OPTIMUS) | 02 LG GD880 (LG Mini) | 03 LG LUV400 (LG Maxx) | 04 LG GD510 (LG Pop) | 05 LG TOWN GT350 | 06 LG G5500 (LG Cookie Plus) | 07 LG SU430 (LG Lollipop) | 08 LG LUV400 (LG Maxx) | 09 LG SU430 (New LG Chocolate) | 10 LG Lollipop2 | 11 LG X300

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LG HOME APPLIANCE COMPANY

Setting new standards for home appliances

The LG Home Appliance Company is an innovator in the home appliance industry, offering healthier and greener products by blending smart technologies with trend-setting designs and providing complete solutions for daily life. LG's insightful products, including refrigerators, washing machines, dishwashers, cooking appliances, vacuum cleaners, and built-in appliances, are sought out by consumers around the world. LG's innovative technologies and convenient features have set new standards in the appliance industry, helping to establish LG as a true global leader.

The LG Home Appliance Company uses advanced technologies and insightful designs to help conserve the environment, minimize greenhouse gas emissions, and increase energy efficiency. LG is dedicated to creating total home solutions through advanced products that complement consumers' everyday lives. HA Company is committed to being the most trusted provider of home appliance solutions, making users' daily lives richer with innovative products that combine style with technological excellence, and leading the industry in terms of sustainable, "green," health-enhancing technologies.

BREAKTHROUGH INNOVATIONS FOR EXCELLENCE IN HA

LG's technological breakthroughs and consumer-oriented policies include a 10-year warranty covering the core technologies such as Linear Compressor in its refrigerators and Inverter Direct Drive in washing machines. Besides bringing peace of mind to consumers, this demonstrates the company's commitment to supplying the market's most reliable products. For example, LG's side by side refrigerator* reduces CO₂ emission by 50kg annually—the equivalent of planting 12 evergreen trees**.

* Model: GW-L227HSXV, based on LG Electronics Lab test

** 1 evergreen tree consumes 3.9kg of CO₂ per year, based on the "Greenhouse Gas Equivalencies Calculator" of Environment Protection Agency (EPA) in the USA.

WASHING MACHINES | LG has always been a trailblazer in bringing the world's smartest, largest-capacity washing machines to the market. This year, LG launched an 11kg washing machine with a new and innovative damping system and fixed outer tub. It also boasts the largest capacity in a standard-sized, 24-inch cabinet in the European market.

REFRIGERATORS | LG debuted its latest 385-liter bottom freezer at the MAISON & OBJET 2010 in Paris last January. By combining LG's Linear Compressor technology with a smart inner structure, the new LG bottom freezer provides approximately 50 liters more space than other 2-meter-tall bottom freezers.

LG's other latest refrigerator is its ultra-high-capacity, 4-door, French-door refrigerator. Also featuring the company's unique Linear Compressor technology, it offers the ultimate in convenience, with freezer drawers that open and close automatically and an upper drawer that converts from a freezer to a refrigerator compartment.

COOKING APPLIANCES | LG's premium Lightwave Ovens offer Lightwave Technology, a halogen-heating system that cooks tasty and healthy food with a minimum of fuss. LG's Lightwave Oven combines the functions of a convection oven, grill, and microwave, allowing chefs to create delectable, gourmet-standard dishes in the comfort of their own kitchens. It also helps retain nutrients and flavors, and makes healthier meals through its steam function.

VACUUM CLEANERS | LG's most advanced bagless vacuum cleaner, the Kompessor Elite, features the world's first motorized compressor and health-conscious features like steam mopping and a Power Punch mattress tool. With HEPA filters providing more hygienic filtration to keep the air cleaner, LG vacuum cleaners deliver the kind of cleanliness you've been looking for.

BUILT-IN APPLIANCES | LG's Built-in Appliances create a convenient and efficient kitchen environment by combining individual home appliances into well-designed, fully-integrated packages. LG's Built-in Appliances include hoods, hobs, built-in ovens, built-in microwaves, dishwashers, and refrigerators.



LG HOME APPLIANCE COMPANY

Setting new standards for home appliances

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01 4-door French-door Refrigerator 02 Bottom Freezer 03 Big-in 04 Steam Washer and Dryer Pair 05 Kompressor Elite 06 Kompressor LuV 07 Steam SolarCUBE 08 Dishwasher 09 Built-in Appliances

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LG AIR CONDITIONING COMPANY

Boasting time-tested technologies for air conditioners

The LG Air Conditioning Company has been a leader in the global residential air conditioner market for over a decade. Featuring a time-tested combination of high technologies and business know-how, AC Company became an independent business unit in 2009. Given its wide experience and extensive knowledge base, AC Company is expected to be at the forefront of efforts to establish the company as a total HVAC and energy solution provider.

The LG Air Conditioning Company has an ambitious goal of achieving sales of USD 10 billion by 2013 as a total heating, ventilation, and air conditioning (HVAC) and energy solution company. In order to achieve this goal, we restructured the company into five divisions—Residential Air Conditioning (RAC), Commercial Air Conditioning (CAC), Solar Energy, Lighting, and Solutions. This organizational transformation reflected our efforts to strengthen our presence in the commercial business area by creating synergies across all our business divisions.

BREAKTHROUGH INNOVATIONS FOR EXCELLENCE IN AC

The LG Air Conditioning Company leads the market with continuous innovations for better living. This includes filter technologies that remove 99.9% of viruses (including influenza A), and a next-generation heating system, the Therma V, that uses the same technology used for air conditioners. This innovative Air-to-Water Heat Pump (AWHP) system is more energy efficient and environmentally friendly than conventional gas boilers, with less CO₂ emissions.

RESIDENTIAL AIR CONDITIONING | LG's residential air conditioners (RAC) have been industry leaders since 2000, in terms of market share, trend-setting features, and performance. LG RAC's health-conscious features separate the company from its competitors. Besides looking great and working well, all LG products are designed to achieve maximum energy savings.

COMMERCIAL AIR CONDITIONING | LG provides a wide range of specialized commercial air conditioning (CAC) products suited to buildings of all types and sizes. LG CAC's business areas range from Heating, BMS, and Chiller to VRF and energy solutions, with a solid infrastructure in all aspects of sales, service, and IT.

SOLAR ENERGY | LG Solar is a frontrunner in the eco-friendly, clean, and green business, boasting 25 years of in-depth R&D and world-leading manufacturing, production, sales networks, and high-technology bases. Because LG considers the solar energy business to be a new growth engine for the LG Group, it has organized a Solar Industry Cluster to achieve vertical integration in the solar power industry.

LIGHTING | Because saving energy and conserving the environment are such important issues, we are committed to developing next-generation lighting systems. There are 2 major fields in our lighting business: Plasma Lighting Systems (PLS) and LED Lighting. LG's green lighting products are eco-friendly, energy-saving, long-lived, and easy to control digitally.

SOLUTIONS | The LG Solutions Business is in charge of management efficiencies, convenient service, and energy care. There are 3 major fields in our Solution Business: the Home Management System, the Building Management System, and Hotel Solutions. Our vision is to be a "world's best" solutions provider.

AAC

LG AIR CONDITIONING COMPANY

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The LG Air Conditioning Company has been a leader in the air conditioner market for over a decade, showcasing a range of high technologies and business know-how. As an independent business unit in 2009, LG Air Conditioning Company leveraged its extensive knowledge base, and AC Company is expected to establish the company as a total HVAC

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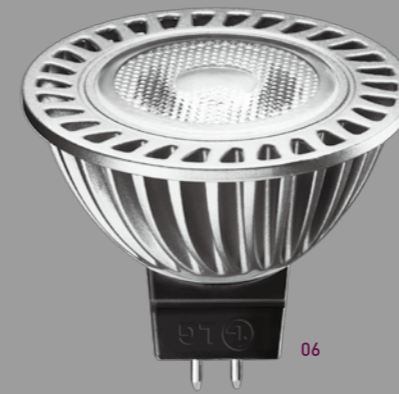
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01 RAC | Health+ Inverter 02 RAC | Art Cool 03 CAC | Multi V III 04 CAC | Thermo V 05 Solar Energy | Monocrystalline Solar Module 06 Lighting | LED Lighting - Spot Light MR16 07 Lighting | PLS Lighting - Flood Lighting 08 Solution | HMS (Home Management System) 09 Solution | Hotel / Building Solution

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LG BUSINESS SOLUTIONS COMPANY

Anticipating and meeting future business trends and needs

The LG Business Solutions Company anticipates future business trends, providing innovative products, solutions, and services to meet a full range of end user and partner needs. In 2009, LG reorganized its business units and created BS Company, with products that include monitors, commercial displays, digitally-enhanced security systems, and car infotainment systems.

The LG Business Solutions Company provides optimum solutions for both individuals and high-tech businesses. We deliver integrated and optimized vertical solutions, with hardware and software aimed at each vertical market—including the Hospitality, Retail, Education, and Finance sectors. Offering a full range of integrated solutions and innovative products, such as LED LCD monitors, commercial displays, security systems, and car infotainment, BS Company is the perfect solutions partner for businesses and ordinary individuals.

BREAKTHROUGH INNOVATIONS FOR EXCELLENCE IN BS

To help us achieve breakthrough innovations that the market demands, we developed a process to assist in canvassing consumer insights and responding to them rapidly. This resulted in three innovative solutions: Network Monitor Solution, SuperSign, and Video Content Analysis (VCA) for security solutions. The Monitor Solution allows up to 31 users to share a single host PC, significantly reducing power consumption and operating costs. SuperSign is a breakthrough digital signage software that provides an unparalleled level of intuitive, user-friendly operating features. VCA is a systematic approach to monitoring, with a wide array of features to make its management simple and easy.

MONITORS | LG's monitor business has been growing faster than the market average, winning widespread public acclaim for its excellent technologies and stylish designs. Boasting the smart+ package and superb picture quality, LG's E50 LED monitor series provides users with a more comfortable and convenient working environment.

The flagship model in LG's business-to-business (B2B) line is the Network Monitor (N+ series), which enables up to 31 users to share a single host PC with no limits on the distance between the monitors and the host. With low cost and super-high efficiency, the N+ series is the one you need for offices, schools, call centers, and other applications.

COMMERCIAL DISPLAYS | LG Hospitality TVs offer refined designs to enrich hotel environments. Simply touching a remote control button introduces users to a whole new world of watching TV and Internet surfing, along with room temperature and light controls, operation of the curtains, shopping, check-out, and other features.

With a broad range of standards and special features, LG displays are the perfect solution for practically any setting. For example, LG SuperSign is a breakthrough Digital Signage Solution designed to optimize small- and medium-sized businesses. With an unparalleled level of intuitive and user-friendly operating features, virtually anyone can operate it. It features a seam size that has been reduced to only 4mm, so viewers can see bigger images without distortion. The 120" Multi-vision provides the experience of a lifetime for anyone who gets a chance to witness the display.

SECURITY | LG's IP solution is based on its advanced technologies. It works in conjunction with built-in Video Content Analysis (VCA) functions, like object counting, intruder detection, and tampering, to provide state-of-the-art surveillance. The VCA makes security systems more proactive and effective, providing valuable data which can be extracted from it easily. In addition, LG's IR Camera offers up to 30 meters of wide-reaching, high resolution surveillance. The LE5016 is a hybrid DVR that supports both IP and analog video input. It enables businesses to transition to a network-based security solution by incorporating older network cameras with newer digital ones.

CAR INFOTAINMENT | LG's car infotainment business offers automobile manufactures and private consumers the ultimate in integrated multimedia systems with fully-customizable solutions. The company has also introduced two new connectable, powerful, and super-stylish car audio systems, the LCF and the LCS. Besides combining the connectivity of USB 2.0 and Bluetooth, they have a user-friendly interface thanks to ez-Finder, along with an audio recording function that works directly from FM and CDs to a USB and direct control of iPods. They also include Telematics, which supports mobile broadcasting with its 2~8G byte map memory and map compiler.

B2B

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Anticipating and meeting future business

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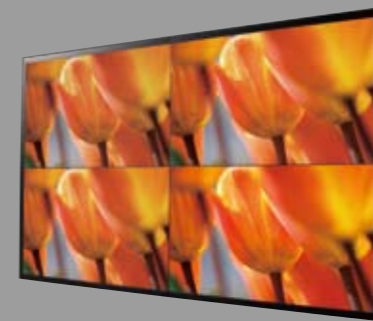


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SUPER SIGN
Digital Signage Solution



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01 LED LCD E50 Monitor Series (LED Monitor) / F8012N (Digital Photo Frame) 02 N194WA (Network Monitors) 03 W2363D (3D Gaming Monitor) 04 L6213R (IR LED Camera) 05 LW342 (IP Mega Pixel Camera) 06 LE5016 (DVR) 07 LD650H (Hotel TV) 08 MS3801S (Stretched Monitor) 09 P6030C (Multi-vision) 10 LCF8000R (Car Audio) 11 MTS-260 (Telematics)

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LG is committed to better lifestyle solutions. We bring innovative, sophisticated, and eco-friendly products to your home, work, and community, each of them featuring the latest in state-of-the-art, forward-looking technologies. Life's Good . . . because of LG.

Life's Good

The Environment

LG Electronics is implementing activities to achieve eco-friendly management. Our focus is on developing products that are eco-friendly in all phases of their life cycles, including their use and disposal and the purchasing of components and materials that are used to produce them.



MITIGATING THE EFFECTS OF CLIMATE CHANGE

We announced our greenhouse gas emissions reductions target in January 2009, at the Las Vegas CES. To follow up on this, we have set up a greenhouse gas inventory covering our 12 operations in Korea and our 29 overseas manufacturing operations. Another strategy is to make our major products 15% more efficient than they were in 2007 by the year 2012. In recognition of its efforts to mitigate the effects of climate change, LG Electronics was awarded the "best company" prize by CDP Korea in 2009.

LG ELECTRONICS' GREENER PRODUCTS

The goal of our green product strategy is to minimize the environmental impact of our products at every stage of their life cycles. This strategy has three core components: energy, resources, and human. It is based on a model that takes into account high energy efficiency, reductions in raw materials usage, and human welfare.

ENERGY We have a twofold energy strategy: enhancing the energy efficiency of our products, and reducing the volume of greenhouse gas emissions produced during the manufacturing process.

RESOURCES Our resources strategy involves significantly reducing our use of resources and enhancing the recyclability of those we do use.

HUMAN We are committed to replacing hazardous substances with non-hazardous ones whenever and wherever possible. We have also incorporated technologies that have the potential to reduce allergens into some of our products.

LG ELECTRONICS GREEN PROGRAM FOR BUSINESS PARTNERS

Our Green Program includes a commitment to green purchasing practices as part of our Supply Chain Environmental Management strategy. We operate this program with our business partners to carry out green purchasing practices at the raw materials procurement stage and help to control the use of hazardous substances.

GREEN BUSINESS FOR THE FUTURE

We have joined the South Korean government's massive project for a smart grid infrastructure, which is being tested on Jeju Island. In addition, we have launched a solar cell and LED lighting business by setting up a manufacturing operation in Korea. In early 2010, our laboratories for testing the performance of solar cells and LEDs were certified by Underwriter Laboratories (UL), an American product safety certification organization. This was a world's first for UL.



Developing greener products
to enhance consumer value
"Life's Good...
when it's green"



Sports & Sponsorships

LG sponsors sporting activities that people everywhere love and enjoy, encouraging them to share their passion and inspiring a feeling of unity among them. LG's sports sponsorships allow the company to contribute to society as a responsible corporate citizen.

FORMULA ONE™ PARTNERSHIP

In January 2009, LG Electronics (LG) became a global and technology partner of Formula One™ in a multi-year deal with the most popular motor racing series in the world.

Formula One™ represents the acme of technological innovation and style—also a key component of the LG brand. LG strives to develop stylish technologies that arouse people's emotions, and Formula One™, with millions of fans around the world watching its races every year, does the very same thing. Since LG and Formula One™ are both true global brands, Formula One™ is the perfect platform for communicating our brand to a global audience.

LG SNOWBOARD FIS WORLD CUP

LG has been the title sponsor of the International Ski Federation's (FIS) Snowboard World Cup since the 2008-2009 season. One of the biggest winter sports competitions in the world, the LG Snowboard FIS World Cup takes place in 20 cities in 15 countries between September and March. Broadcasters in more than 80 countries cover the competitions, and the LG logo appears on competition titles, athletes' uniforms, outdoor banners, and special product experience booths.

ICC CRICKET

In 2002, LG signed an agreement with the International Cricket Council (ICC) to become the official sponsor of the world cricket championships, enabling it to profit from the global passion for the game. The Cricket World Cup, held every four years, is the most authoritative cricket championship in the world. LG also sponsors various other championships organized by the ICC, increasing its brand recognition around the world.

NCAA PARTNERSHIP

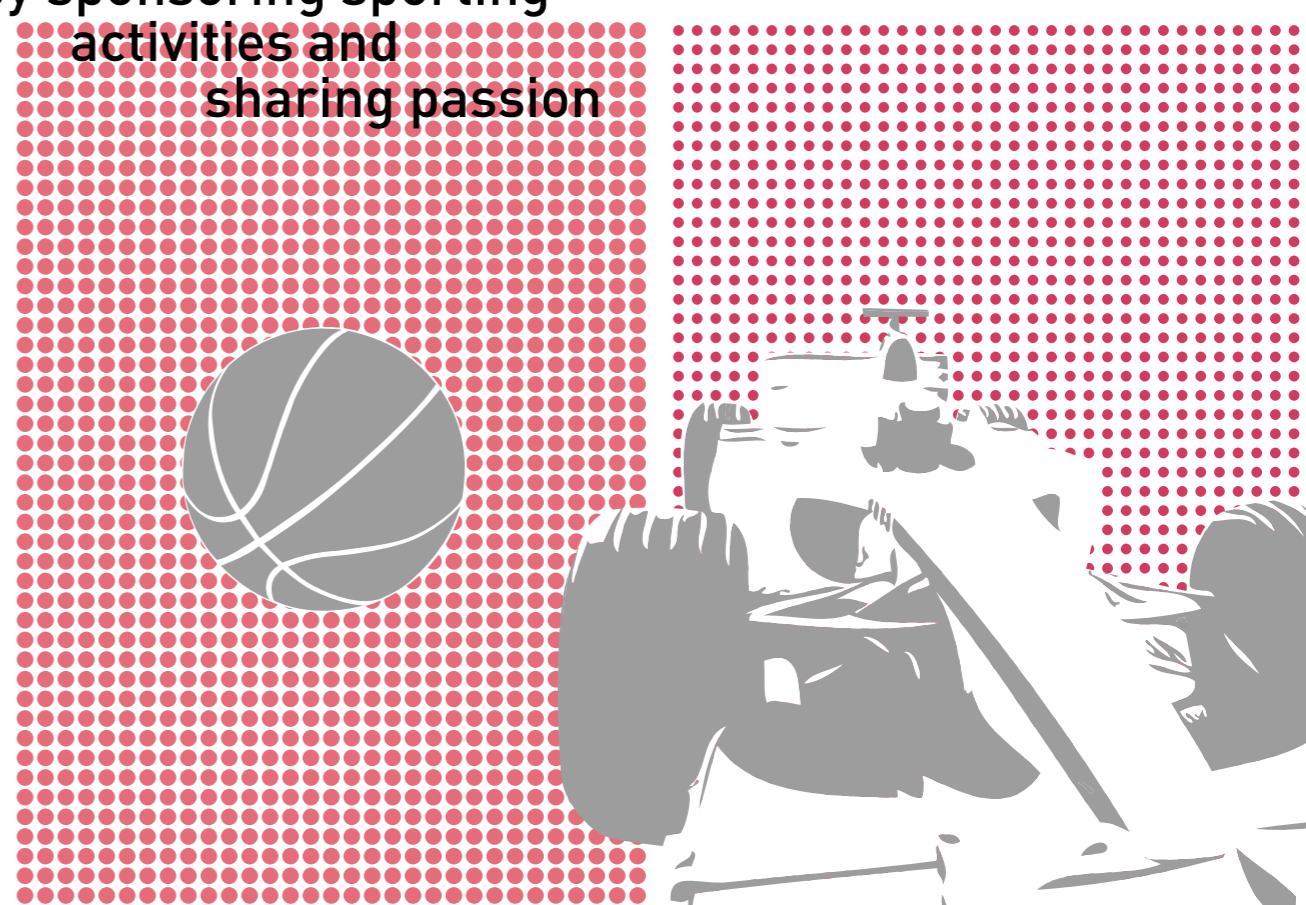
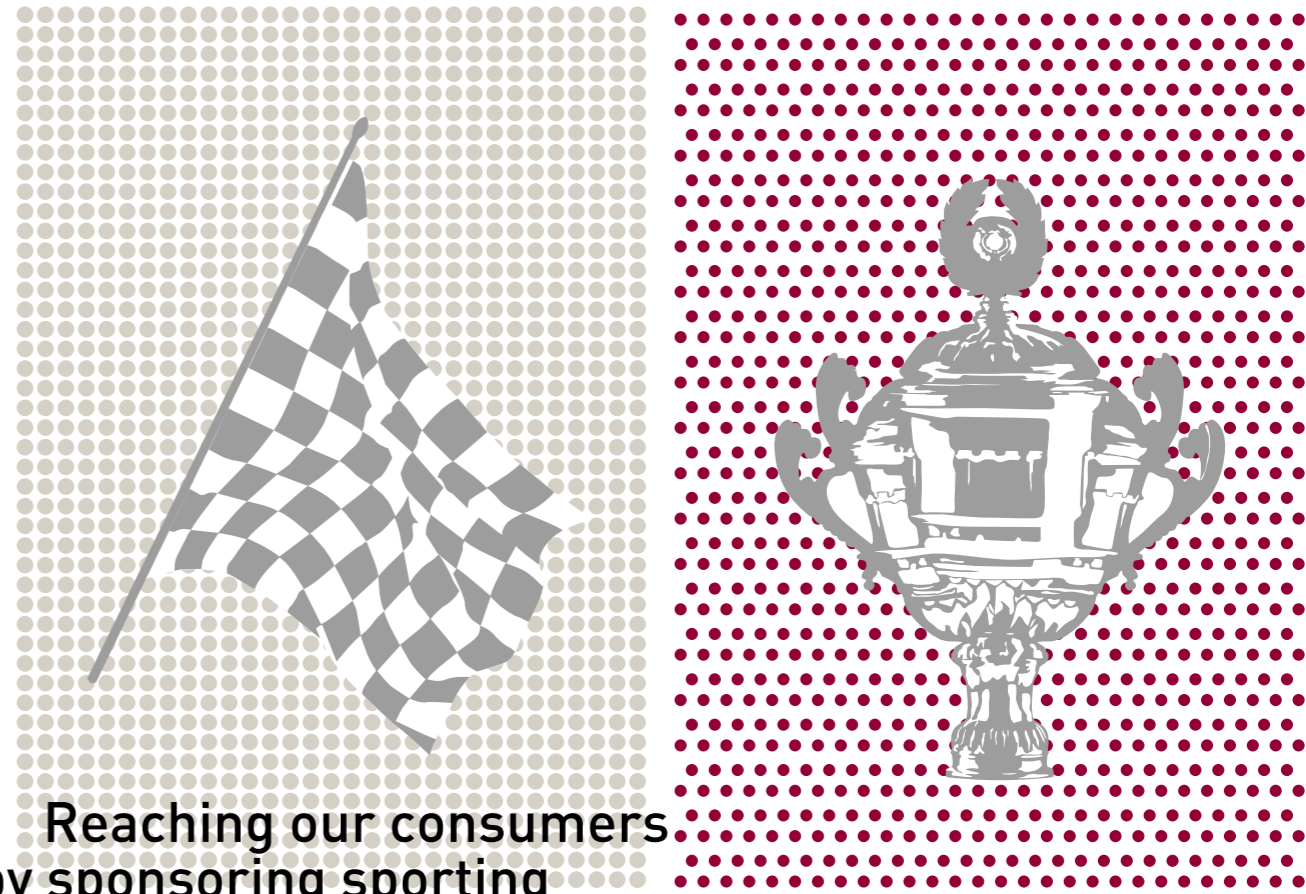
Beginning in 2009 through a multi-year partnership, LG has enjoyed exclusive category marketing and promotional rights for all 88 National Collegiate Athletic Association (NCAA) championship events across 23 different sports, including the NCAA Division I Men's Basketball Championships and the NCAA Football Championships.

In partnership with the NCAA and CBS Sports, all of LG's consumer products divisions will leverage this relationship through integrated marketing programs, promotional activities, retailer tie-ins, and print, broadcast, and online advertising.

- LG Banners in Formula One™
- Signing Event on the Giant Cricket Bat
- LG Snowboard FIS World Cup: Big Air in Seoul
- LG Guests in LG-Formula One™ Session
- Trackside Exhibition in Formula One™ Race



Reaching our consumers
by sponsoring sporting
activities and
sharing passion



Social Contributions

We meet the needs of global and local stakeholders by sponsoring, supporting, and volunteering in programs that enhance social welfare, educational, and cultural opportunities. Much of our focus is on providing solutions for such global issues as famine, the environment, and tropical diseases. We do this wherever we do business, helping to make the world a happier and healthier place.

GLOBAL FAMINE ALLEVIATION & DISEASE CONTROL

Since 2009, we have been supporting school meal programs and helping AIDS patients in impoverished areas of Nairobi, Kenya by providing free meals at schools for students and their families and offering medical service supports to hospitals (LG Hope School: 13 schools, serving 15,000 people). In Ethiopia, we partner with the UN World Food Programme to help teach agricultural skills, and assist local communities become self-sufficient in food production (LG Hope Village: 11 schools & villages, serving 24,500 people).

In addition, we are working in partnership with the International Vaccine Institute (IVI) to prevent environmentally related diseases. This includes supporting the development of a heat-stable cholera vaccine for tropical countries since 2008.

RAISING AWARENESS ABOUT THE ENVIRONMENT

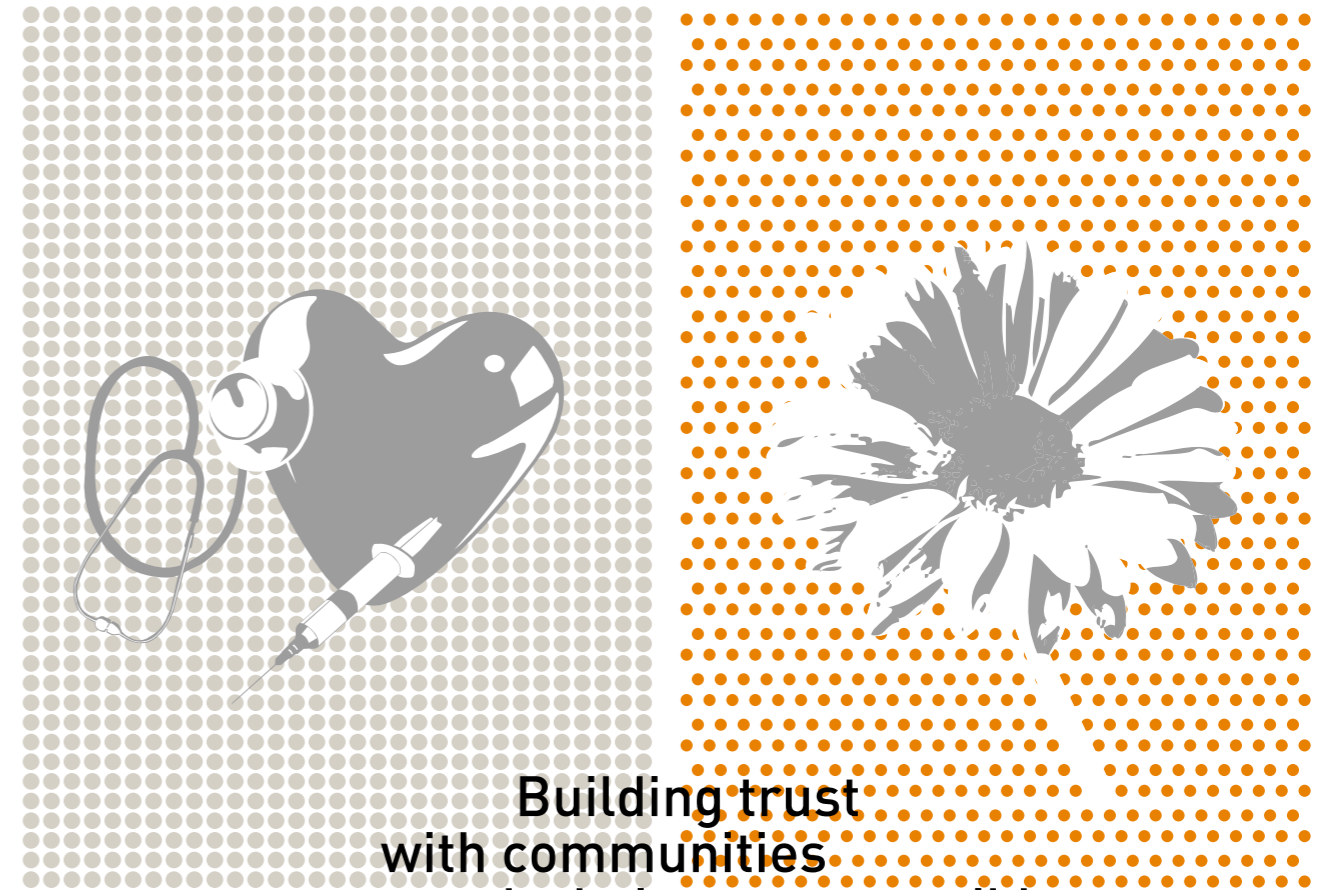
From 2010 to 2012, in partnership with the United Nations Environment Programme (UNEP), we are sponsoring the "Champions of the Earth" awards. Known as the Nobel Prizes of the environmental field, these awards are given to individuals and organizations that have contributed to the development of eco-friendly policies, technological innovations, and so on.

We are also taking the lead in "green" education for youth. Our "Life's Green Class" is a mobile science education program that visits primary and middle schools in Korea to teach children and youths about the importance of the environment and help them practice eco-friendly living. From this year on, we will be spreading this program around the world. We also nurture 50~60 young leaders from around the world every year as part of our Science Leadership Program, offering them opportunities to participate in environmental programs and courses in Africa and Asia.

SUPPORT FOR LOCAL COMMUNITIES

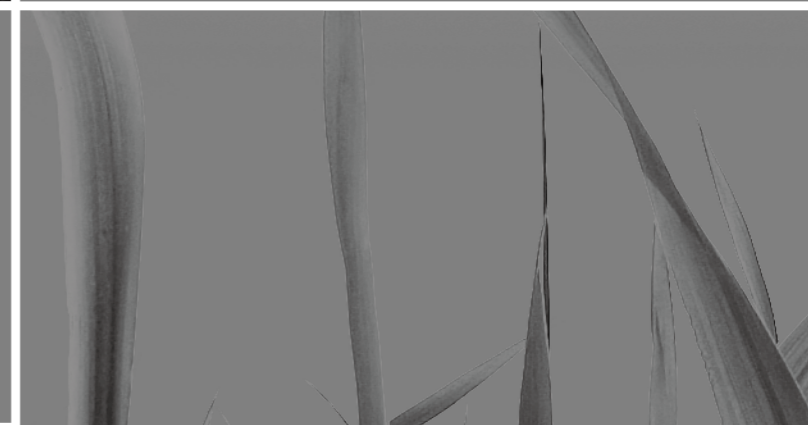
We participate in volunteer activities for local communities through the LG Labor-Management Volunteer Corps and an Employee Volunteer Contest. The former, which comprises more than 600 employees, helps to clean up areas that have suffered from such disasters as Typhoons Rusa (2002), Maemi (2003), and Nari (2007). The latter allows workers to suggest ideas and implement volunteer activity plans. We also donate our R&D researchers' talents to local communities through programs called "LG IT Angels" and "Junior Science Class." The LG IT Angels, a volunteer corps made up of LG IT professionals, have been conducting one-on-one computer training programs for people with disabilities since 2004, while the Junior Science Class helps children become more familiar with the world of science through "hands-on" scientific programs.

·LG Hope School (Kenya) ·LG Hope Village (Ethiopia) ·Vaccination with IVI ·Life's Green Class
·LG Labor-Management Volunteer Corps ·Kimchi & Coal Sharing



Building trust
with communities
by being a responsible
and caring corporate citizen





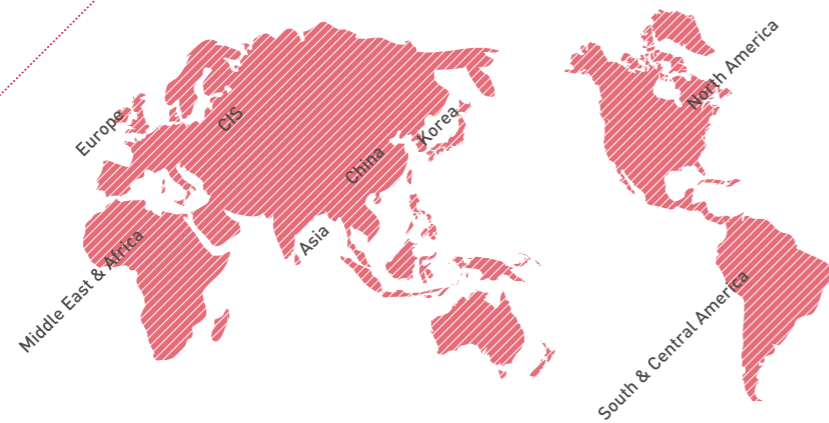
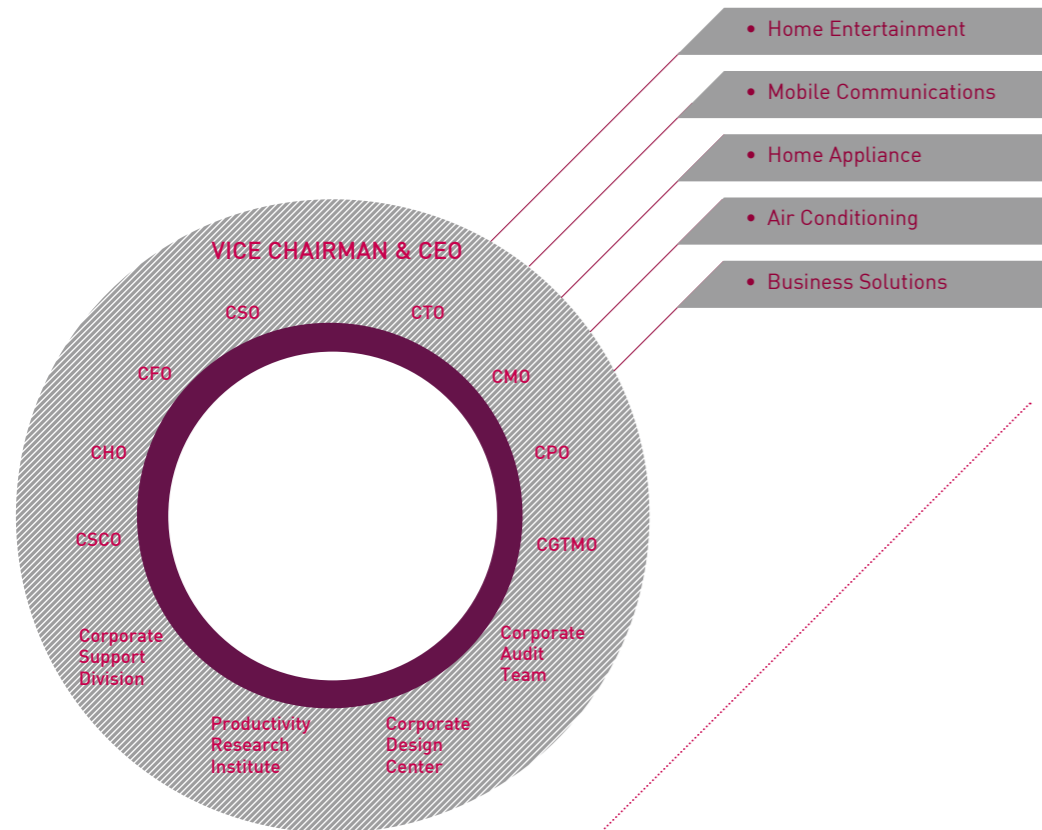
We are committed to a healthier way of life, sharing with and caring for the world.
 LG wants everyone to be happy and prosperous, enhancing value for its consumers
 and helping to protect the environment. Life's Good . . . because of LG.



Life's Good

FACTS & FIGURES

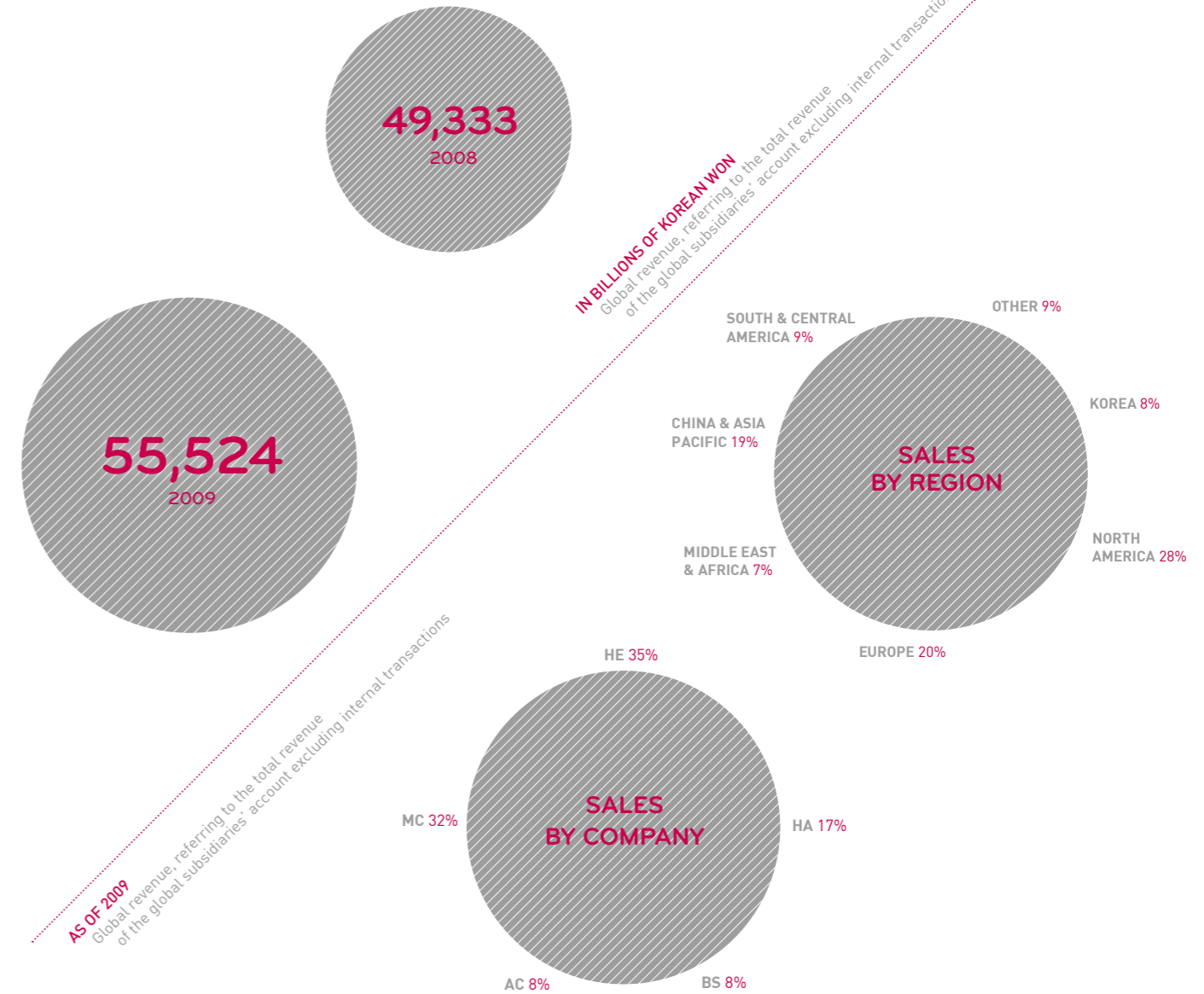
ORGANIZATION



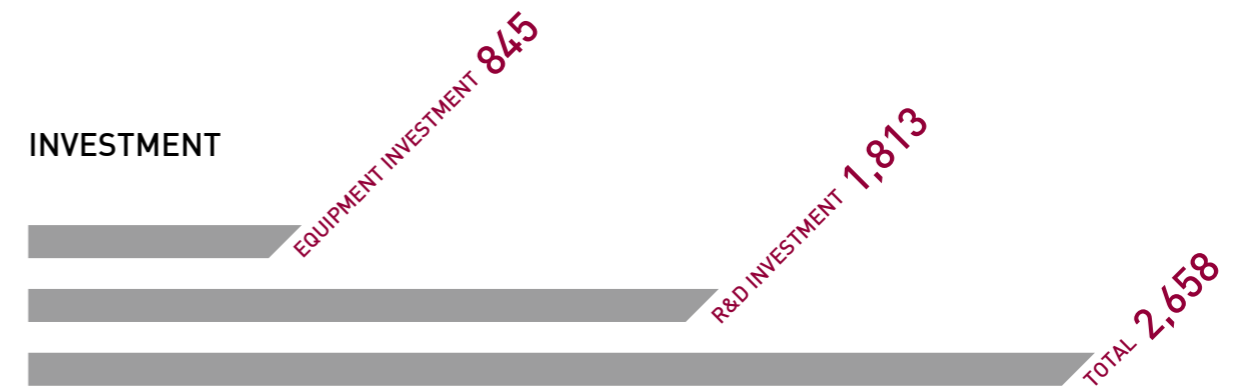
No. of EMPLOYEES



SALES



INVESTMENT



AS OF 2009 / IN BILLIONS OF KOREAN WON

MANAGEMENT & BOARD OF DIRECTORS

MANAGEMENT



YONG NAM
VICE CHAIRMAN & CEO / LG ELECTRONICS



SIMON KANG
PRESIDENT & CEO / HOME ENTERTAINMENT COMPANY



SKOTT AHN
PRESIDENT & CEO / MOBILE COMMUNICATIONS COMPANY



YOUNG-HA LEE
PRESIDENT & CEO / HOME APPLIANCE COMPANY



HWAN YONG NHO
EXECUTIVE VICE PRESIDENT & CEO / AIR CONDITIONING COMPANY



SOON KWON
SENIOR VICE PRESIDENT & CEO / BUSINESS SOLUTIONS COMPANY



KYUNG JOON PARK
SENIOR VICE PRESIDENT & CEO / KOREA



SEOG WON (WAYNE) PARK
EXECUTIVE VICE PRESIDENT & CEO / NORTH AMERICA



JAMES KIM
PRESIDENT & CEO / EUROPE



WOODY (Y.W) NAM
PRESIDENT & CEO / ASIA



KYUNG HOON BYUN
EXECUTIVE VICE PRESIDENT & CEO / SOUTH & CENTRAL AMERICA



KI WAN KIM
EXECUTIVE VICE PRESIDENT & CEO / MIDDLE EAST & AFRICA



YOUNG CHAN KIM
EXECUTIVE VICE PRESIDENT & CEO / CIS



CHOONG BONG CHO
EXECUTIVE VICE PRESIDENT & CEO / CHINA



DERMOT J.M. BODEN
EXECUTIVE VICE PRESIDENT / CHIEF MARKETING OFFICER (CMO)



THOMAS K. LINTON
EXECUTIVE VICE PRESIDENT / CHIEF PROCUREMENT OFFICER (CPO)



DIDIER CHENNEVEAU
EXECUTIVE VICE PRESIDENT / CHIEF SUPPLY CHAIN OFFICER (CSCO)



SOON KOOK HONG
VICE PRESIDENT / PRODUCTIVITY RESEARCH INSTITUTE



PAUL BAE
EXECUTIVE VICE PRESIDENT / CORPORATE DESIGN CENTER



WOO HYUN PAIK
PRESIDENT / CHIEF TECHNOLOGY OFFICER (CTO)



DAVID JUNG
EXECUTIVE VICE PRESIDENT / CHIEF FINANCIAL OFFICER (CFO)



PETER STICKLER
EXECUTIVE VICE PRESIDENT / CHIEF HUMAN RESOURCES OFFICER (CHO)



BRADLEY GAMBILL
EXECUTIVE VICE PRESIDENT / CHIEF STRATEGY OFFICER (CSO)



YOUNG-KEE KIM
EXECUTIVE VICE PRESIDENT / CHIEF RELATIONS OFFICER (CRO)



B.B. HWANG
EXECUTIVE VICE PRESIDENT / CHIEF CUSTOMER OFFICER (CCO)



TAE-KIL KANG
SENIOR VICE PRESIDENT / CORPORATE AUDIT TEAM



JU U HAN
VICE PRESIDENT / QUALITY DIVISION

BOARD OF DIRECTORS

Inside

YONG NAM
VICE CHAIRMAN & CEO OF LG ELECTRONICS / DIRECTOR

DAVID JUNG
EXECUTIVE VICE PRESIDENT & CFO OF LG ELECTRONICS / DIRECTOR

YUSIG KANG
VICE CHAIRMAN & CEO OF LG CORP. / DIRECTOR

Outside

SANGHEE KIM
LAWYER / OUTSIDE DIRECTOR

INKI JOO
PROFESSOR OF YONSEI UNIVERSITY / OUTSIDE DIRECTOR

KYUMIN LEE
ADVISOR OF SK RESEARCH / OUTSIDE DIRECTOR

CHONGNAM CHU
PROFESSOR OF SEOUL NATIONAL UNIVERSITY / OUTSIDE DIRECTOR

Audit Committee

INKI JOO
PROFESSOR OF YONSEI UNIVERSITY / OUTSIDE DIRECTOR

SANGHEE KIM
LAWYER / OUTSIDE DIRECTOR

KYUMIN LEE
ADVISOR OF SK RESEARCH / OUTSIDE DIRECTOR

GLOBAL OPERATIONS



- PRODUCTION / SALES
- PRODUCTION
- SALES
- SERVICE
- LOGISTICS
- R&D DESIGN (18 R&D Centers Globally)
- OTHERS

* As of December 31, 2009

AMERICA

- LGEAZ LG Electronics da Amazonia Ltda.
- LGEMM LG Electronics Monterrey Mexico S.A. de C.V.
- LGESP LG Electronics de Sao Paulo Ltda.
- LGEMX LG Electronics Mexicali S.A. de C.V.
- LGERS LG Electronics Reynosa, Inc.
- LGECI LG Electronics Canada, Inc.
- LGEUS LG Electronics U.S.A., Inc.
- LGEMU LG Electronics Mobilecomm U.S.A., Inc.
- LGEMS LG Electronics Mexico S.A. de C.V.
- LGEAR LG Electronics Argentina S.A.
- LGEPS LG Electronics Panama S.A.
- LGEGS LG Electronics Guatemala S.A.
- LGEVZ LG Electronics Venezuela S.A.
- LGECB LG Electronics Colombia Ltda.
- LGECI LG Electronics Inc. Chile Ltda.
- LGEPB LG Electronics Peru S.A.

- LGEAI LG Electronics Alabama, Inc. C&S America Solution Inc.

EUROPE

- LGEEH LG Electronics European Holdings B.V.
- LGewa LG Electronics Wales Ltd.
- LGEMA LG Electronics Mława Sp. z o.o.
- LGewR LG Electronics Wrocław Sp. z o.o.
- LGEUk LG Electronics United Kingdom Ltd.
- LGefS LG Electronics France S.A.R.L.
- LGees LG Electronics Espana S.A.
- LGedG LG Electronics Deutschland GmbH
- LGeis LG Electronics Italia S.P.A.
- LGEMK LG Electronics Magyar KFT
- LGEPk LG Electronics Polska Sp. z o.o.
- LGESW LG Electronics Nordic AB

- LGEHS LG Electronics Hellas S.A.
- LGEGS LG Electronics Austria GmbH
- LGERO LG Electronics Romania S.R.L.
- LGECZ LG Electronics CZ, S.R.O
- LGEPt LG Electronics Portugal S.A.
- LGEBN LG Electronics Benelux Sales B.V.
- LGEnO LG Electronics Norway
- LGELS LG Electronics European Logistics & Services B.V.
- LGJE LG Electronics JIT Europe B.V.
- LGESC LG Electronics European Shared Service Center B.V.

MIDDLE EAST & AFRICA

- LGESR LG-Shaker Company Ltd.
- LGEEG LG Electronics Egypt S.A.E.
- LGAT Arcelik-LG Klima Sanayi ve Ticaret A.S.

- LGTEK LG Electronics Ticaret A.S.
- LGESA LG Electronics S.A. (Pty) Ltd.
- LGEMC LG Electronics Morocco S.A.R.L.
- LGEGF LG Electronics Gulf FZE
- LGEOt LG Electronics Overseas Trading FZE
- LGEnI LG Electronics Nigeria Ltd.
- LGAF LG Electronics Africa Logistic FZE
- LGEDF LG Electronics Dubai FZE
- LGELF LG Electronics (Levant) Jordan
- LGEME LG Electronics Middle East Co., Ltd.

ASIA

- LGEIL LG Electronics India Pvt. Ltd.
- LGETH LG Electronics (Thailand) Co., Ltd.
- LGEnV LG Electronics Vietnam Co., Ltd.
- LGEnI P.T. LG Electronics Indonesia
- LGESL LG Electronics Singapore Pte, Ltd.

- LGEML LG Electronics Malaysia SDN. BHD
- LGEPJ LG Electronics Japan, Inc.
- LGETT LG Electronics Taiwan Taipei Co., Ltd.
- LGEPH LG Electronics Philippines Inc.
- LGEPt LG Electronics Australia Pty, Ltd.

CHINA

- LGECH LG Electronics China Holding Company
- LGETR Taizhou LG Electronics Refrigeration Co., Ltd.
- LGEnZ LG Electronics Huizhou Ltd.
- LGEND LG Electronics Nanjing Display Co., Ltd.
- LGEPN Nanjing LG-Panda Appliances Co., Ltd.
- LGEnQ LG Electronics Qinhuangdao Inc.
- LGESH Shanghai LG Electronics Co., Ltd.
- LGESY LG Electronics Shenyang Inc.
- LGETA LG Electronics Tianjin Appliances Co., Ltd.

- LGEEKS LG Electronics (Kunshan) Computer Co., Ltd.
- LGEnH LG Electronics (Hangzhou) Recording Media Co., Ltd.
- LGEnY Inspur LG Digital Mobile Communications Co., Ltd.
- LGEnQ Qingdao LG Inspur Digital Communication Co., Ltd.
- LGEnK LG Electronics HK Ltd.

CIS

- LGEnK LG Electronics Almaty Kazakhstan
- LGEnR LG Electronics RUS, LLC
- LGEnU LG Electronics Ukraine Inc.
- LGEnL LG Electronics Latvia, LLC
- LGEnI LG Alina Electronics
- LGEnM LG Electronics RUS-Marketing, LLC

GLOBAL PRODUCTION & PARTNERS

GLOBAL PRODUCTION NETWORK

* As of December 31, 2009

REGION	COUNTRY	CITY	COMPANY	PRODUCTS
AMERICA	MEXICO	MEXICALLI	LGEMX	-
	MEXICO	REYNOSA	LGERS	LCD TV, PDP TV, CRT TV, PDP Module
	BRAZIL	MANAUS	LGEAZ	TV, DVD, Audio, Car Audio, Air Conditioner
	MEXICO	MONTERREY	LGEMM	Refrigerator, Microwave Oven
	BRAZIL	TAUBATE	LGESP	Monitor, Mobile Phone, Notebook PC
EUROPE	ENGLAND	WALES	LGewa	-
	POLAND	MLAWA	LGEMA	TV, Monitor
	POLAND	WROCLAW	LGewr	Refrigerator, TV
MIDDLE EAST & AFRICA	EGYPT	MAADI (HEAD OFFICE) ISMAILIA (FACTORY)	LGEEG	CRT TV, FPD
	TURKEY	ISTANBUL	LGEAT	Air Conditioner
	SAUDI ARABIA	RIAYDH	LGESR	Air Conditioner
ASIA	INDIA	NEW DELHI/PUNE	LGEIL	CRT TV, LCD TV, PDP TV, Monitor, Refrigerator, Air Conditioner Washing Machine, Compressor, Optical Storage, Mobile Phone
	THAILAND	BANGKOK/RAYONG	LGETH	Washing Machine, Air Conditioner, Compressor, TV
	VIETNAM	HANOI	LGEVN	TV, Monitor, Air Conditioner, Washing Machine Refrigerator, Microwave Oven, Vacuum Cleaner
	INDONESIA	JAKARTA	LGEIN	LCD Monitor, LCD TV, PDP TV, CRT TV, VCR, COMBI, REC COMBI, DVD-P DVD-R, BD-P, BD-Home Theater, DVD-Home Theater, Audio, Refrigerator
CHINA	CHINA	TAIZHOU	LGETR	Refrigerator, Compressor
	CHINA	HUIZHOU	LGEHZ	Media, Optical Storage, Car Audio
	CHINA	NANJING	LGEND	Monitor, LCD TV, PDP TV
	CHINA	NANJING	LGEPN	Washing Machine, Motor
	CHINA	QINHUANGDAO	LGEQH	Casting
	CHINA	SHANGHAI	LGESH	Set-Top-Box, CCD
	CHINA	SHENYANG	LGESY	TV
	CHINA	TIANJIN	LGETA	Microwave Oven, Air Conditioner, MGT, Vacuum Cleaner, Compressor
	CHINA	YANTAI	LGEYT	Mobile Phone
	CHINA	KUNSHAN	LGEKS	Telematics
	CHINA	HANGZHOU	LGEHN	DVD-Recordable, Video Cassette Tape, USB, HDD, Prism Sheet
	CHINA	QINGDAO	LGEQD	Mobile Phone
	CIS	KAZAKHSTAN	ALMATY	LGEAK
RUSSIA		MOSCOW (FACTORY:RUZA)	LGERA	TV, Monitor, Audio, Refrigerator, Washing Machine

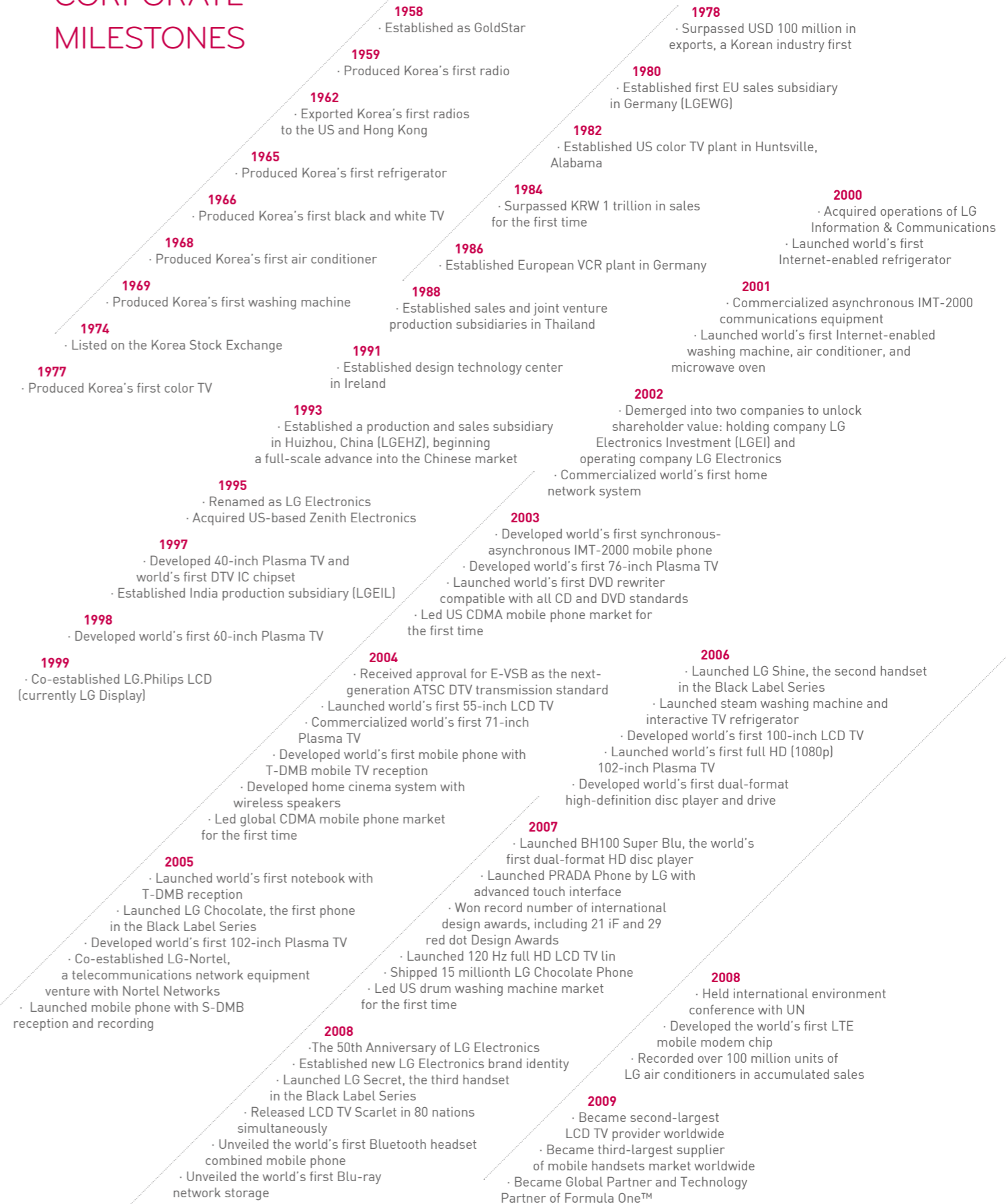
STRATEGIC PARTNERS

BEST BUY
GE
SCHNEIDER
QUALCOMM
HITACHI

MICROSOFT
SUN
INTEL
VIKING RANGE
SKYLIFE

SKYPE
MAXDOME
GOOGLE
YAHOO
DOLBY
ADOBE

CORPORATE MILESTONES



FINANCIAL STATEMENTS



REPORT OF INDEPENDENT AUDITORS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF LG ELECTRONICS INC.

We have audited the accompanying non-consolidated statements of financial position of LG Electronics Inc. (the "Company") as of December 31, 2009 and 2008, and the related non-consolidated statements of income, appropriations of retained earnings, changes in shareholders' equity and cash flows for the years then ended, expressed in Korean won. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits. We did not audit the financial statements of certain subsidiaries, the investments in which are reflected in the accompanying non-consolidated financial statements using the equity method of accounting. The investments in those subsidiaries represent 35.1% and 39.9% of the Company's total assets as of December 31, 2009 and 2008, respectively. These financial statements were audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included for the subsidiaries, is based solely on the reports of the other auditors.

We conducted our audits in accordance with auditing standards generally accepted in the Republic of Korea. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audits and the reports of the other auditors, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of LG Electronics Inc. as of December 31, 2009 and 2008, and the results of its operations, the changes in its retained earnings, the changes in its shareholders' equity and cash flows for the years then ended in conformity with accounting principles generally accepted in the Republic of Korea.

As discussed in Note 36 to the accompanying non-consolidated financial statements, on January 1, 2010, the Company adopted the International Financial Reporting Standards as adopted by the Republic of Korea ("K-IFRS"), which shall be adopted by all listed companies in Korea by the fiscal year 2011.

Accounting principles and auditing standards and their application in practice vary among countries. The accompanying non-consolidated financial statements are not intended to present the financial position, results of operations, changes in shareholders' equity and cash flows in conformity with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of Korea. In addition, the procedures and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying financial statements are for use by those who are informed about Korean accounting principles or auditing standards and their application in practice.

Seoul, Korea

February 25, 2010

Samil PricewaterhouseCoopers

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84	Non-Consolidated Statements of Income
85	Non-Consolidated Statements of Appropriations of Retained Earnings
86	Non-Consolidated Statements of Changes in Shareholders' Equity
87	Non-Consolidated Statements of Cash Flows

This report is effective as of February 25, 2010, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying non-consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Samil PricewaterhouseCooper is the Korean network firm of PricewaterhouseCoopers International Limited (PwCIL). "PricewaterhouseCoopers" and "PwC" refer to the network of member of PwCIL. Each member firm is a separate legal entity and does not act as an agent of PwCIL or any other member firm.

NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2009 and 2008

(in millions of Korean won)	2009		2008	
Assets				
Current assets				
Cash and cash equivalents	₩	789,966	₩	1,156,645
Short-term financial instruments		223,000		50,000
Trade accounts and notes receivable, net		4,537,314		1,434,280
Other accounts receivable, net		205,575		237,940
Prepaid expenses		215,628		154,323
Accrued income, net		97,807		134,137
Advances, net		117,521		79,471
Short-term loans receivable		16,552		12,392
Derivative instrument assets		-		5,371
Deferred income tax assets		380,518		290,323
Inventories, net		767,019		901,121
Other current assets, net		94,827		61,635
Total current assets		7,445,727		4,517,638
Long-term financial instruments		23,023		25,037
Long-term investment securities		78,367		12,079
Equity-method investments		8,764,147		7,760,488
Long-term loans receivable, net		103,674		75,900
Property, plant and equipment, net		3,644,343		3,710,704
Intangible assets, net		448,250		470,610
Refundable deposits		317,198		325,201
Long-term advance payments		272,145		233,256
Long-term prepaid expenses		474,360		201,029
Other investment assets		5,942		5,939
Total other assets		14,131,449		12,820,243
Total assets	₩	21,577,176	₩	17,337,881

NON-CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2009 and 2008

(in millions of Korean won)	2009		2008	
Liabilities and Shareholders' Equity				
Current liabilities				
Trade accounts and notes payable	₩	3,819,977	₩	2,149,433
Short-term borrowings		187,246		302,305
Current maturities of long-term debts, net		700,052		275,378
Other accounts payable		1,313,016		1,286,398
Advances from customers		310,372		263,159
Unearned income		53,776		63,054
Withholdings		146,746		70,403
Accrued expenses		1,166,336		1,160,641
Income taxes payable		57,088		96,751
Derivative instrument liabilities		61,722		53,182
Product warranty reserve		195,853		220,884
Provisions for sales return		1,037		-
Total current liabilities		8,013,221		5,941,588
Debentures, net		1,340,093		1,568,435
Long-term debts, net		613,520		441,500
Accrued severance benefits, net		182,721		228,984
Deferred income tax liabilities		887,133		621,153
Derivative instrument liabilities		55,183		129,416
Provisions for restoration		3,188		-
Provisions for contingencies		322,324		-
Total liabilities		11,417,383		8,931,076
Commitments and contingencies				
Shareholders' equity				
Capital stock		809,169		809,169
Capital surplus				
Paid-in capital in excess of par value		2,207,919		2,207,919
Other capital surplus		460,725		443,992
Capital adjustment				
Treasury stock		(44,893)		(44,893)
Accumulated other comprehensive income				
Gain on valuation of available-for-sale securities		3,544		4,235
Gain on valuation of equity-method investments		708,496		886,794
Loss on valuation of equity-method investments		(50,509)		(17,634)
Retained earnings				
Legal reserve		110,549		104,826
Discretionary reserve		3,949,343		3,280,276
Unappropriated retained earnings		2,005,450		732,121
Total shareholders' equity		10,159,793		8,406,805
Total liabilities and shareholders' equity	₩	21,577,176	₩	17,337,881

NON-CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31, 2009 and 2008

(in millions of Korean won, except per share amounts)	2009		2008	
Sales, net	₩	30,513,436	₩	27,638,515
Cost of sales		23,418,287		20,822,187
Gross profit		7,095,149		6,816,328
Selling and administrative expenses		5,480,328		5,589,438
Operating income		1,614,821		1,226,890
Non-operating income				
Interest income		59,153		82,056
Rent income		23,965		32,238
Foreign exchange gains		1,856,955		1,381,577
Gain on disposal of investment securities		405		53,626
Gain on disposal of property, plant and equipment		7,716		20,696
Gain on valuation of equity-method investments		1,377,260		983,424
Gain on settlement of derivatives		40,121		73,892
Gain on valuation of derivatives		24,653		5,371
Others		102,181		37,655
		3,492,409		2,670,535
Non-operating expenses				
Interest expense		107,756		107,425
Foreign exchange losses		1,764,501		2,229,935
Donations		14,828		11,945
Loss from disposal of property, plant and equipment		29,589		13,648
Loss from disposal of intangible assets		21,770		4,452
Loss from transfer of trade accounts receivable		70,466		151,878
Loss on impairment of investment securities		37,577		3,062
Loss on impairment of property, plant and equipment		92		90,292
Loss on valuation of equity-method investments		129,573		392,638
Loss on settlement of derivatives		78,659		172,422
Loss on valuation of derivatives		12,143		129,625
Other depreciation		38,851		30,106
Others		284,806		44,973
		2,590,611		3,382,401
Income before income taxes		2,516,619		515,024
Income tax expense		463,784		32,238
Net income	₩	2,052,835	₩	482,786
Basic earnings per share (in won)	₩	12,740	₩	2,992

NON-CONSOLIDATED STATEMENTS OF APPROPRIATIONS OF RETAINED EARNINGS

Years Ended December 31, 2009 and 2008

(in millions of Korean won)	2009		2008	
Retained earnings before appropriations				
Unappropriated retained earnings carried over from prior year	₩	99	₩	263,799
Cumulative effect of change in accounting principle		-		26,423
Transfer to other comprehensive income		-		[40,887]
Loss on valuation of equity-method investments exceeding book value		(47,484)		-
Net income		2,052,835		482,786
		2,005,450		732,121
Transfer from discretionary reserve				
Reserve for research and manpower development		3,949,343		3,252,504
		5,954,793		3,984,625
Appropriations of retained earnings				
Discretionary reserve		28,272		5,723
Reserve for research and manpower development		5,643,697		3,921,571
Cash dividends		282,725		57,232
Dividends (ratio) per share				
Common stock :				
₩ 1,750 (35%) in 2009,				
₩ 350 (7%) in 2008				
Preferred stock :				
₩ 1,800 (36%) in 2009,				
₩ 400 (8%) in 2008				
		5,954,694		3,984,526
Unappropriated retained earnings to be carried forward to subsequent year	₩	99	₩	99

NON-CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

Years Ended December 31, 2009 and 2008

(in millions of Korean won)	Capital stock	Capital surplus	Capital adjustments	Accumulated other comprehensive income (expense)	Retained earnings	Total
Balances as of January 1, 2008	₩ 809,169	₩ 2,219,993	₩ [44,893]	₩ 703,467	₩ 3,522,966	₩ 7,210,702
Cumulative effect of accounting change	-	339,612	-	[604,499]	290,123	25,236
Adjusted retained earnings	809,169	2,559,605	[44,893]	98,968	3,813,089	7,235,938
Cash dividends	-	-	-	-	[137,765]	[137,765]
Retained earnings after appropriation	-	-	-	-	3,675,324	7,098,173
Net income	-	-	-	-	482,786	482,786
Change in capital surplus	-	92,306	-	-	-	92,306
Change in equity method investees with accumulated comprehensive income	-	-	-	603,106	-	603,106
Change in equity method investees with accumulated comprehensive expense	-	-	-	130,998	-	130,998
Loss on valuation of available-for-sale securities	-	-	-	[564]	-	[564]
Transfer to other comprehensive income	-	-	-	40,887	[40,887]	-
Balances as of December 31, 2008	₩ 809,169	₩ 2,651,911	₩ [44,893]	₩ 873,395	₩ 4,117,223	₩ 8,406,805
Balances as of January 1, 2009	₩ 809,169	₩ 2,651,911	₩ [44,893]	₩ 873,395	₩ 4,117,223	₩ 8,406,805
Cash dividends	-	-	-	-	[57,232]	[57,232]
Retained earnings after appropriation	-	-	-	-	4,059,991	8,349,573
Net income	-	-	-	-	2,052,835	2,052,835
Change in capital surplus	-	16,733	-	-	-	16,733
Change in equity method investees with accumulated comprehensive income	-	-	-	[178,298]	-	[178,298]
Change in equity method investees with accumulated comprehensive expense	-	-	-	[32,875]	-	[32,875]
Loss on valuation of available-for-sale securities	-	-	-	[691]	-	[691]
Loss on valuation of equity-method investments exceeding book value	-	-	-	-	[47,484]	[47,484]
Balances as of December 31, 2009	₩ 809,169	₩ 2,668,644	₩ [44,893]	₩ 661,531	₩ 6,065,342	₩ 10,159,793

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2009 and 2008

(in millions of Korean won)	2009	2008
Cash flows from operating activities		
Net income	₩ 2,052,835	₩ 482,786
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	531,954	588,793
Amortization of intangible assets	137,716	124,106
Loss (gain) on foreign currency translation, net	[115,854]	393,684
Provisions for severance benefits	153,688	166,715
Loss from transfer of trade accounts receivable	70,466	151,878
Gain from disposal of investment securities, net	[405]	[53,626]
Loss on impairment of investment securities	37,577	3,062
Gain on valuation of equity-method investments, net	[1,247,687]	[590,786]
Loss (gain) on disposal of property, plant and equipment, net	21,873	[7,048]
Loss on impairment of property, plant and equipment	92	90,292
Loss on disposal of intangible assets, net	16,470	1,637
Loss on settlement of derivatives, net	38,538	98,530
Loss (gain) on valuation of derivatives, net	[12,510]	124,254
Provisions for product warranty	321,441	385,582
Provisions for contingencies	280,943	-
Others	[7,224]	14,152
	227,078	1,491,225

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2009 and 2008

(in millions of Korean won)	2009	2008
Changes in operating assets and liabilities		
Increase in trade accounts and notes receivable	(3,213,147)	(1,074,136)
Decrease (increase) in other accounts receivable	37,611	(5,302)
Decrease (increase) in accrued income	15,777	(88,909)
Increase in advances	(38,535)	(5,614)
Decrease (increase) in other current assets	(33,191)	9,388
Decrease in inventories	134,103	13,557
Increase in prepaid expenses	(61,278)	(43,249)
Increase in long-term advance payments	(91,143)	(98,624)
Increase in long-term prepaid expenses	(273,330)	(88,840)
Increase in deferred income tax assets	(90,195)	(51,332)
Increase in trade accounts and notes payable	1,669,489	435,828
Increase in other accounts payable	37,648	249,900
Increase in advances from customers	47,213	113,752
Increase in withholdings	76,344	24,488
Increase in accrued expenses	74,565	293,355
Increase (decrease) in income taxes payable	(39,663)	54,555
Decrease in product warranty reserve	(346,472)	(329,729)
Decrease in provisions for sales return	(1,143)	-
Payment of severance benefits	(212,986)	(152,514)
Decrease (increase) in severance insurance deposits	73,133	(80)
Increase in severance fund assets	(32,699)	-
Decrease in contribution to the National Pension Fund	1,824	2,554
Increase (decrease) in deferred income tax liabilities	305,749	(69,064)
Decrease in provisions for restoration	(320)	-
Dividends received	191,507	168,489
Others	(17,967)	15,409
	(1,787,106)	(626,118)
Net cash provided by operating activities	492,807	1,347,893

NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2009 and 2008

(in millions of Korean won)	2009	2008
Cash flows from investing activities		
Proceeds from disposal of long-term financial instruments	38,352	30,323
Disposal of short-term and long-term loans	30,710	57,793
Return of refundable deposits	47,651	66,347
Proceeds from disposal of long-term investment securities	486	56,773
Proceeds from disposal of equity-method investments	-	23,375
Proceeds from disposal of property, plant and equipment	89,702	139,266
Proceeds from disposal of intangible assets	8,516	5,078
Proceeds from disposal of derivatives	45,492	74,558
Proceeds from business transfer	-	56,859
Acquisition of short-term financial instruments	(173,000)	(50,000)
Acquisition of long-term financial instruments	(36,338)	(40,505)
Increase in short-term and long-term loans	(62,780)	(42,595)
Acquisition of long-term investment securities	(66,978)	(1,415)
Acquisition of equity-method investments	(268,467)	(64,413)
Payment of refundable deposits	(39,730)	(61,253)
Acquisition of property, plant and equipment	(605,893)	(636,252)
Acquisition of intangible assets	(47,094)	(56,669)
Acquisition of derivatives	(131,841)	(210,210)
Others	403	1,144
Net cash used in investing activities	(1,170,809)	(651,796)
Cash flows from financing activities		
Issuance of short-term borrowings	188,585	386,809
Issuance of debentures	568,025	-
Issuance of long-term debts	190,000	190,000
Payment of short-term borrowings	(302,305)	(140,000)
Payment of dividends	(57,232)	(137,765)
Payment of current maturities of long-term debts	(275,750)	(370,867)
Net cash provided by (used in) financing activities	311,323	(71,823)
Net increase (decrease) in cash and cash equivalents	(366,679)	624,274
Cash and cash equivalents		
Beginning of the year	1,156,645	532,371
End of the year	₩ 789,966	₩ 1,156,645

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