

LG Electronics Inc.
Non-Consolidated Balance Sheets
June 30, 2007 and December 31, 2006
(Unaudited)

(in millions of Korean won)

| | 2007 | 2006 |
|--|--------------|--------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | ₩ 500,721 | ₩ 490,315 |
| Short-term financial instruments | - | 20,000 |
| Trade accounts and notes receivable, net (Notes 10 and 19) | 1,062,902 | 899,904 |
| Inventories, net (Note 3) | 985,569 | 1,103,654 |
| Other accounts receivable, net | 223,794 | 232,430 |
| Prepaid expenses | 150,248 | 75,679 |
| Accrued income, net | 63,442 | 53,174 |
| Advances, net | 48,035 | 55,180 |
| Derivatives transaction debit (Note 10) | 3,778 | 6,646 |
| Deferred income tax assets | 183,322 | 161,898 |
| Other current assets, net | 42,853 | 61,497 |
| Total current assets | 3,264,664 | 3,160,377 |
| Property, plant and equipment, net (Notes 6 and 20) | 4,125,607 | 4,256,321 |
| Long-term financial instruments (Note 4) | 15,296 | 28,040 |
| Long-term investment securities | 39,423 | 37,078 |
| Equity method investments (Note 5) | 4,764,703 | 4,583,577 |
| Refundable deposits | 310,523 | 319,241 |
| Long-term advance payments, net | 180,496 | 149,505 |
| Long-term prepaid expenses | 136,809 | 125,531 |
| Long-term loans receivable, net | 93,449 | 103,748 |
| Intangible assets, net (Notes 7 and 20) | 397,599 | 462,217 |
| Derivatives transaction debit (Note 10) | 14,594 | 4,507 |
| Total assets | ₩ 13,343,163 | ₩ 13,230,142 |

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| | 2007 | 2006 |
|--|--------------|--------------|
| Liabilities and Shareholders' Equity | | |
| Current liabilities | | |
| Short-term borrowings (Note 8) | ₩ 204,242 | ₩ 37,674 |
| Current maturities of long-term net debts, net (Note 8) | 278,040 | 792,569 |
| Trade accounts and notes payable (Note 19) | 1,881,604 | 1,764,116 |
| Other accounts payable | 795,864 | 1,083,209 |
| Income taxes payable | 39,455 | 42,813 |
| Accrued expenses | 1,186,998 | 805,438 |
| Withholdings | 41,006 | 53,705 |
| Unearned income | 44,809 | 35,928 |
| Advances from customers | 221,193 | 284,595 |
| Derivatives transaction credit (Note 10) | 4,129 | 1,281 |
| Dividends Payable | - | - |
| Total current liabilities | 4,697,340 | 4,901,328 |
| Debentures and convertible bonds, net of current maturities and discounts on debentures (Note 9) | | |
| | 1,441,566 | 792,197 |
| Long-term debts, net of current maturities (Note 9) | 278,040 | 849,944 |
| Accrued severance benefits, net | 295,962 | 228,635 |
| Product warranty reserve (Note 10) | 160,005 | 241,956 |
| Deferred income tax liabilities | 310,776 | 257,396 |
| Derivatives transaction credit (Note 10) | 30,761 | 23,832 |
| Other long-term liabilities | - | 38 |
| Total liabilities | 7,214,450 | 7,295,326 |
| Commitments and contingencies (Note 10) | | |
| | - | - |
| Shareholders' equity | | |
| Capital stock (Notes 1 and 11) | 809,169 | 809,169 |
| Capital surplus | 2,219,993 | 2,219,993 |
| Capital adjustments (Note 11) | (44,893) | (44,893) |
| Accumulated other comprehensive income (Notes 5 and 13) | 581,938 | 528,317 |
| Retained earnings (Note 14) | 2,562,506 | 2,422,230 |
| Total shareholders' equity | 6,128,713 | 5,934,816 |
| Total liabilities and shareholders' equity | ₩ 13,343,163 | ₩ 13,230,142 |

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

See Report of Independent Accountants