

LG Electronics Inc.
Non-Consolidated Statements of Income
Three-Month Periods Ended March 31, 2007 and 2006
(Unaudited)

(in millions of Korean won, except per share amounts)

	2007	2006
Sales, net (Notes 16, 19 and 20)	₩ 6,033,709	₩ 5,799,779
Cost of sales (Notes 17 and 19)	<u>4,692,601</u>	<u>4,418,123</u>
Gross profit	1,341,108	1,381,656
Selling and administrative expenses (Note 18)	<u>1,168,228</u>	<u>1,191,056</u>
Operating income	<u>172,880</u>	<u>190,600</u>
Non-operating income		
Interest income	11,036	11,149
Equity in earnings of equity-method investees (Note 5)	58,814	116,513
Foreign exchange gains	27,248	137,864
Gain on valuation of derivatives (Note 10)	3,082	6,899
Gain on settlement of derivatives (Note 10)	2,646	7,508
Gain on disposal of investment securities	1,165	4,483
Rent income	7,073	5,668
Others	<u>4,782</u>	<u>14,945</u>
	<u>115,846</u>	<u>305,029</u>
Non-operating expenses		
Interest expense	32,306	42,461
Foreign exchange losses	54,905	68,810
Loss from transfer of trade accounts and notes receivable	54,369	48,301
Loss from disposal of property, plant and equipment	7,615	1,949
Loss on valuation of derivatives (Note 10)	7,261	8,010
Loss on settlement of derivatives (Note 10)	5,213	589
Donations	2,023	1,949
Equity in losses of equity-method investees (Note 5)	251,367	138,221
Others	<u>2,050</u>	<u>3,567</u>
	<u>417,109</u>	<u>313,857</u>
Income (loss) before income tax	(128,383)	181,772
Income tax expense (benefit)	<u>(5,739)</u>	<u>15,734</u>
Net income (loss)	<u>₩ (122,644)</u>	<u>₩ 166,038</u>
Earnings (loss)		
per share (in won) (Note 15)	₩ (763)	₩ 1,030
Diluted earnings (loss)		
per share (in won) (Note 15)	₩ (763)	₩ 1,029

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

See Report of Independent Accountants