

**LG Chem, Ltd.**  
**Interim Financial Statements**  
**March 31, 2009 and 2008**

**LG Chem, Ltd.**  
**Index**  
**March 31, 2009 and 2008**

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## Report of Independent Accountants

To the Board of Directors and Shareholders of  
LG Chem, Ltd.

We have reviewed the accompanying non-consolidated statement of financial position of LG Chem, Ltd. (the "Company") as of March 31, 2009, the related non-consolidated statements of income, changes in shareholders' equity and cash flows for the three-month periods ended March 31, 2009 and 2008, expressed in Korean won. These interim financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these interim financial statements based on our reviews.

We conducted our reviews in accordance with the quarterly and semi-annual review standards established by the Securities and Futures Commission of the Republic of Korea. These standards require that we plan and perform our review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our reviews, nothing has come to our attention that causes us to believe that the non-consolidated interim financial statements referred to above are not presented fairly, in all material respects, in accordance with financial accounting standards generally accepted in the Republic of Korea.

We have audited the non-consolidated statement of financial position of LG Chem, Ltd. as of December 31, 2008, and the related non-consolidated statements of income, appropriations of retained earnings, statements of changes in shareholders' equity and cash flows for the year then ended, in accordance with auditing standards generally accepted in the Republic of Korea. We expressed an unqualified opinion on those non-consolidated financial statements in our audit report dated March 11, 2009. These non-consolidated financial statements are not included in this review report. The non-consolidated statement of financial position as of December 31, 2008, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as of December 31, 2008.

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As discussed in Note 19 to the non-consolidated financial statements, LG Chem, Ltd. spun-off its Industrial Materials segment into LG HAUSYS, Ltd. on April 1, 2009.

Accounting principles and review 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 review 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 review standards and their application in practice.

*Samil PricewaterhouseCoopers*

Seoul, Korea  
May 13, 2009

This report is effective as of May 13, 2009, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

**LG Chem, Ltd.**  
**Non-Consolidated Statements of Financial Position**  
**March 31, 2009 and December 31, 2008**  
**(Unaudited)**

*(in millions of Korean won)*

	2009	2008
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	₩ 968,689	₩ 373,300
Short-term investments	-	148,300
Trade accounts and notes receivable, net (Notes 4, 12 and 17)	1,290,627	1,123,361
Other accounts receivable, net (Note 4)	94,839	88,829
Accrued income	7,875	2,799
Advance payments	7,550	8,848
Prepaid expenses	24,328	21,490
Inventories, net (Note 5)	1,247,360	1,508,938
Deferred income tax assets	36,411	39,164
Other current assets	1,576	1,619
Total current assets	3,679,255	3,316,648
Equity method investments (Note 6)	926,996	800,789
Derivative instrument transaction debit (Note 12)	72,721	51,845
Other investments (Note 3)	1,525	2,220
Property, plant and equipment, net (Notes 7 and 18)	3,942,019	3,867,666
Intangible assets, net (Notes 8 and 18)	(109,055)	(112,884)
Long-term guarantee deposits	30,405	31,106
Long-term prepaid expenses	19,395	19,476
Other non-current assets, net (Note 4)	59,364	59,516
Total assets	₩ 8,622,625	₩ 8,036,382

**LG Chem, Ltd.**  
**Non-Consolidated Statements of Financial Position**  
**March 31, 2009 and December 31, 2008**  
**(Unaudited)**

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current liabilities</b>		
Trade accounts and notes payable (Note 17)	₩ 709,673	₩ 527,150
Other accounts payable	536,688	567,475
Withholdings	62,995	47,641
Accrued expenses (Note 17)	72,107	54,752
Income tax payable	221,396	367,620
Dividends payable	209,253	51
Current maturities of long-term debts, net (Note 10)	691,443	575,142
Provision for warranty reserve (Note 9)	6,512	-
Other current liabilities	10,123	22,494
Total current liabilities	2,520,190	2,162,325
Debentures, net (Note 10)	419,055	361,148
Long-term borrowings, net	499,804	458,796
Accrued severance benefits, net (Notes 3 and 11)	105,355	93,344
Deferred income tax liabilities	48,331	38,250
Derivative instrument transaction credit (Note 12)	32,627	26,961
Other non-current liabilities	6,210	5,864
Total liabilities	3,631,572	3,146,688
Commitments and contingencies (Note 12)		
Shareholders' equity (Note 1)		
Common stock	376,194	376,194
Preferred stock	43,306	43,306
	419,500	419,500
Capital surplus		
Paid-in capital in excess of par value	1,052,640	1,052,640
Gain on disposal of treasury stock	13,855	13,855
Asset revaluation surplus	206,769	206,769
Other capital surplus	39,108	41,285
	1,312,372	1,314,549
Capital adjustment	(14,976)	(14,599)
Accumulated other comprehensive income (Notes 12 and 15)	158,096	133,494
Retained earnings (Notes 2 and 13)	3,116,061	3,036,750
Total shareholders' equity	4,991,053	4,889,694
Total liabilities and shareholders' equity	₩ 8,622,625	₩ 8,036,382

The accompanying notes are an integral part of these non-consolidated financial statements.  
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**LG Chem, Ltd.**  
**Non-Consolidated Statements of Income**  
**Three-Month Periods Ended March 31, 2009 and 2008**  
**(Unaudited)**

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

	2009	2008
<b>Sales (Notes 17 and 18)</b>	₩ 2,932,027	₩ 2,993,583
<b>Cost of sales (Notes 14 and 17)</b>	<u>2,320,235</u>	<u>2,468,829</u>
Gross profit	611,792	524,754
<b>Selling and administrative expenses (Note 17)</b>	<u>195,297</u>	<u>184,506</u>
Operating income	<u>416,495</u>	<u>340,248</u>
<b>Non-operating income</b>		
Interest income	5,197	2,470
Foreign exchange gains	118,689	21,751
Gain on foreign currency translation	16,862	10,003
Gain on valuation of equity method investments	41,391	20,827
Reversal of negative goodwill	9,792	9,792
Reversal of compensation expenses associated with stock options (Note 17)	-	3,683
Gain on transaction of derivative instruments	3,545	164
Gain on valuation of derivative instruments (Note 12)	25,191	16,481
Others	<u>4,219</u>	<u>4,272</u>
	<u>224,886</u>	<u>89,443</u>
<b>Non-operating expenses</b>		
Interest expenses	10,039	11,956
Foreign exchange losses	86,602	38,105
Loss on foreign currency translation	72,426	42,128
Loss on disposal of trade accounts receivable	11,772	6,723
Loss on valuation of equity method investments	6,796	8,419
Loss on transaction of derivative instruments	7,617	-
Loss on disposal of property, plant and equipment	5,967	862
Impairment loss on property, plant and equipment	3,962	-
Impairment loss on intangible assets	7,135	10
Donations	711	817
Others	<u>2,599</u>	<u>5,557</u>
	<u>215,626</u>	<u>114,577</u>
Income from continuing operations before income tax	425,755	315,114
<b>Income tax expenses on continuing operations</b>	<u>104,673</u>	<u>84,984</u>
Income from continuing operations	321,082	230,130
<b>Income (loss) from discontinued operations (Note 19)</b>	<u>(32,570)</u>	<u>28,302</u>
Net income	<u>₩ 288,512</u>	<u>₩ 258,432</u>
<b>Per share data (in won) (Note 16)</b>		
Income from continuing operations per share	₩ 3,844	₩ 2,762
Earnings per share	<u>₩ 3,454</u>	<u>₩ 3,102</u>
Diluted income from continuing operations per share	₩ 3,844	₩ 2,762
Diluted earnings per share	<u>₩ 3,454</u>	<u>₩ 3,102</u>

The accompanying notes are an integral part of these non-consolidated financial statements.  
See Report of Independent Accountants

**LG Chem, Ltd.**  
**Non-Consolidated Statements of Changes in Shareholders' Equity**  
**Three-Month Periods Ended March 31, 2009 and 2008**  
**(Unaudited)**

(in millions of Korean won)

	<u>Capital stock</u>	<u>Capital surplus</u>	<u>Capital adjustment</u>	<u>Accumulated other comprehensive Income</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as of January 1, 2008	₩ 419,500	₩ 1,299,357	₩ (23,475)	₩ (16,322)	₩ 2,199,136	₩ 3,878,196
Accumulated effects from changes in accounting policy (Note 2)	-	-	-	-	2,035	2,035
Dividends	-	-	-	-	(167,006)	(167,006)
Net income	-	-	-	-	258,432	258,432
Changes in equity method investees with accumulated comprehensive income (expense) (Note 15)	-	-	-	36,341	-	36,341
Valuation loss on cash flow hedge derivative instruments (Notes 12 and 15)	-	-	-	(13,231)	-	(13,231)
Balance as of March 31, 2008	<u>₩ 419,500</u>	<u>₩ 1,299,357</u>	<u>₩ (23,475)</u>	<u>₩ 6,788</u>	<u>₩ 2,292,597</u>	<u>₩ 3,994,767</u>
Balance as of January 1, 2009	₩ 419,500	₩ 1,314,549	₩ (14,599)	₩ 133,494	₩ 3,036,750	₩ 4,889,694
Dividends	-	-	-	-	(209,201)	(209,201)
Net income	-	-	-	-	288,512	288,512
Changes in equity method investees with accumulated comprehensive income (expense) (Note 15)	-	(2,177)	(377)	36,030	-	33,476
Valuation loss on cash flow hedge derivative instruments (Notes 12 and 15)	-	-	-	(11,428)	-	(11,428)
Balance as of March 31, 2009	<u>₩ 419,500</u>	<u>₩ 1,312,372</u>	<u>₩ (14,976)</u>	<u>₩ 158,096</u>	<u>₩ 3,116,061</u>	<u>₩ 4,991,053</u>

The accompanying notes are an integral part of these non-consolidated financial statements.  
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**LG Chem, Ltd.**  
**Non-Consolidated Statements of Cash Flows**  
**Three-Month Periods Ended March 31, 2009 and 2008**  
**(Unaudited)**

(in millions of Korean won)

	2009	2008
<b>Cash flows from operating activities</b>		
Net income	₩ 288,512	₩ 258,432
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation and amortization	110,493	102,726
Provision for severance benefits	16,577	17,096
Loss on foreign currency translation, net	64,345	37,941
Loss on disposal of trade accounts receivable	12,661	7,497
Gain on valuation of equity method investments, net	(33,191)	(13,527)
Loss on transactions of derivative instruments, net	4,486	-
Loss on disposal of property, plant and equipment, net	12,719	1,009
Impairment loss on property, plant and equipment	3,962	18
Impairment loss on intangible asset	7,135	10
Gain on valuation of derivative instruments	(29,019)	(20,119)
Reversal of negative goodwill	(9,792)	(9,792)
Others, net	15,901	(10)
	<u>176,277</u>	<u>122,849</u>
<b>Changes in operating assets and liabilities</b>		
Increase in trade accounts and notes receivable	(200,049)	(332,505)
Decrease in inventories	261,579	15,097
Increase in other accounts receivable	(7,715)	(10,521)
Increase in accrued income	(5,075)	(112)
Decrease (increase) in advance payments	1,297	(420)
Increase in prepaid expenses	(2,839)	(5,129)
Decrease in deferred income tax assets	4,447	9,264
Decrease (increase) in other current assets	147	(753)
Increase in trade accounts and notes payable	192,740	72,388
Decrease in other accounts payable	(27,446)	(82,513)
Increase in accrued expenses	18,480	17,023
Decrease in income tax payable	(146,224)	(52,398)
Increase (decrease) in other current liabilities	2,987	(8,470)
Decrease in provision for warranty reserve	2,064	-
Accrued severance benefits transferred from associated companies	87	482
Increase (decrease) in deferred income tax liabilities	2,387	(1,342)
Payment of severance benefits	(12,580)	(12,846)
Others, net	7,945	7,542
	<u>92,232</u>	<u>(385,213)</u>
Net cash provided by (used in) operating activities	<u>557,021</u>	<u>(3,932)</u>

**LG Chem, Ltd.**  
**Non-Consolidated Statements of Cash Flows**  
**Three-Month Periods Ended March 31, 2009 and 2008**  
**(Unaudited)**

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
<b>Cash flows from investing activities</b>		
Disposal of short-term investments, net	₩ 148,300	₩ 99,988
Disposal of long-term guarantee deposits, net	706	472
Acquisition of property, plant and equipment, net	(197,792)	(107,679)
Increase in derivative instrument transaction debit, net	(4,486)	-
Acquisition of equity method investments	(52,522)	(166)
Acquisition of intangible assets, net	(4,810)	(3,291)
Others, net	151	(3,019)
Net cash used in investing activities	<u>(110,453)</u>	<u>(13,695)</u>
<b>Cash flows from financing activities</b>		
Repayment of current maturities of long-term debts	(848)	(216,465)
Issuance of debentures	149,322	-
Proceeds from long-term borrowings, net	-	93,980
Others, net	347	(156)
Net cash provided by (used in) financing activities	<u>148,821</u>	<u>(122,641)</u>
Net increase (decrease) in cash and cash equivalents	595,389	(140,268)
<b>Cash and cash equivalents</b>		
Beginning of the period	373,300	466,438
End of the period	<u>₩ 968,689</u>	<u>₩ 326,170</u>

The accompanying notes are an integral part of these non-consolidated financial statements.  
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**LG Chem, Ltd.**  
**Notes to Non-Consolidated Financial Statements**  
**March 31, 2009 and 2008, and December 31, 2008**  
**(Unaudited)**

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**1. The Company**

The Company was spun off from LG Chem Investment Ltd. (formerly LG Chemical Ltd.) on April 1, 2001, and completed the registration process on April 3, 2001. The Company engages in the business of petrochemicals, industrial materials, and information and electronic materials. The Company has its manufacturing facilities in Yeosu, Cheongju, Ulsan, Naju, Onsan, Iksan, Daesan, Ochang and Gimcheon.

The Company merged with LG Daesan Petrochemical Ltd. on January 1, 2006 and LG Petrochemical Co., Ltd. on November 1, 2007.

As of March 31, 2009 and December 31, 2008, the Company has an outstanding capital stock of ₩419,500 million, including preferred stock of ₩43,306 million. The Company has been listed on the Korea Stock Exchange since April 25, 2001.

The Company is authorized to issue 292 million shares of common stock with par value of ₩5,000 per share. As of March 31, 2009 and December 31, 2008, the Company has issued 75,238,770 common shares and 8,661,251 preferred shares. Preferred shareholders have no voting rights but are entitled to dividends at a rate 1% more than those paid to common shareholders.

**2. Summary of Significant Accounting Policies**

The significant accounting policies followed by the Company in the preparation of its non-consolidated financial statements are summarized below.

**Basis of Financial Statements Presentation**

The Company maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language, in conformity with financial accounting principles generally accepted in the Republic of Korea. Certain accounting principles applied by the Company that conform with financial accounting standards and accounting principles in the Republic of Korea may not conform with generally accepted accounting principles in other countries. Accordingly, these financial statements are intended for use by those who are informed about Korean accounting principles and practices. The accompanying non-consolidated financial statements have been condensed, restructured and translated into English from the Korean language non-consolidated financial statements. Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Company's financial position, results of operations, or cash flows, is not presented in the accompanying non-consolidated financial statements.

**LG Chem, Ltd.**  
**Notes to Non-Consolidated Financial Statements**  
**March 31, 2009 and 2008, and December 31, 2008**  
**(Unaudited)**

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**Application of the Statements of Korean Financial Accounting Standards**

The Korean Accounting Standards Board has published a series of Statements of Korean Financial Accounting Standards (SKFAS), which will gradually replace the existing financial accounting standards established by the Korean Financial Supervisory Commission. The Company's interim financial statements have been prepared in accordance with the SKFAS including Nos. 1 through 23, except No.14. Significant accounting policies adopted for the preparation of the Company's interim financial statements are identical to those adopted for the financial statements for the year ended December 31, 2008.

**Changes in Accounting Policy**

In the preparation of the Company's interim financial statements, the Company adopted the Korea Accounting Institute opinion on Korean Accounting Statement Implementation 06-2, *Accounting treatment for taxable temporary differences associated with investments in subsidiaries, associates, and interest in joint ventures*, which was revised on February 22, 2008. The effect of the change is adjusted on the beginning balance of 2008. The effects of this change were a decrease in deferred income tax liabilities by ₩2,035 million, and an increase in retained earnings by ₩2,035 million as of January 1, 2008.

**3. Restricted Bank Deposits**

As of March 31, 2009, long-term financial instruments of ₩43 million are deposited in connection with bank overdraft agreements (December 31, 2008: ₩46 million). The withdrawal of these deposits is restricted.

Further, the withdrawal of group severance insurance deposits is restricted to employees' severance payments (Note 11).

**LG Chem, Ltd.**  
**Notes to Non-Consolidated Financial Statements**  
**March 31, 2009 and 2008, and December 31, 2008**  
**(Unaudited)**

**4. Receivables**

Receivables and allowance for doubtful accounts as of March 31, 2009 and December 31, 2008, consist of the following:

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
Trade accounts and notes receivable	₩ 1,331,144	₩ 1,156,519
Less : Allowance for doubtful accounts	(40,517)	(33,158)
	<u>₩ 1,290,627</u>	<u>₩ 1,123,361</u>
Other accounts receivable	₩ 107,488	₩ 99,166
Less : Allowance for doubtful accounts	(12,623)	(10,311)
Less : Present value discount	(26)	(26)
	<u>₩ 94,839</u>	<u>₩ 88,829</u>
Long-term trade accounts and notes receivable	₩ 128	₩ 146
Less : Allowance for doubtful accounts	(14)	(16)
	<u>₩ 114</u>	<u>₩ 130</u>
Long-term other accounts receivable	₩ 202	₩ 202
Less : Present value discount	-	(7)
	<u>₩ 202</u>	<u>₩ 195</u>

**5. Inventories**

Inventories as of March 31, 2009 and December 31, 2008, consist of the following:

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
Merchandise, net of valuation allowance of ₩1,455 million (December 31, 2008: ₩363 million)	₩ 57,607	₩ 67,005
Finished products, net of valuation allowance of ₩9,485 million (December 31, 2008: ₩19,106 million)	493,845	739,012
Work-in-process	199,613	178,072
Raw materials, net of valuation allowance of ₩490 million (December 31, 2008: ₩421 million)	346,669	351,521
Supplies	44,336	41,333
Materials-in-transit	105,290	131,995
	<u>₩ 1,247,360</u>	<u>₩ 1,508,938</u>

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**LG Chem, Ltd.**  
**Notes to Non-Consolidated Financial Statements**  
**March 31, 2009 and 2008, and December 31, 2008**  
**(Unaudited)**

**6. Equity Method Investments**

Equity method investments as of March 31, 2009 and December 31, 2008, are summarized as follows:

(in millions of Korean won)

Investee <sup>9</sup>	Percentage of Ownership (%)		Acquisition Cost		Book Value		Fair Value or Net Asset Value	
	2009	2008	2009	2008	2009	2008	2009	2008
Tianjin LG Dagu Chemical Co., Ltd.	75.00	75.00	₩ 17,440	₩ 17,440	₩ 40,384	₩ 24,265	₩ 35,771	₩ 24,324
Tianjin LG New Building Materials Co., Ltd. <sup>5,8</sup>	100.00	85.35	44,707	33,649	63,463	51,689	63,648	57,945
Ningbo LG Yongxing Chemical Co., Ltd.	75.00	75.00	110,746	110,746	164,124	135,908	161,750	134,388
LG Chemical India Pvt. Ltd.	100.00	100.00	31,466	31,466	56,103	54,928	56,104	54,928
LG Chemical Hong Kong Ltd.	100.00	100.00	254	254	11,360	11,159	11,611	10,039
LG Vina Chemical J/V Company	40.00	40.00	1,194	1,194	2,088	1,313	2,316	1,404
LG Hausys America, Inc. <sup>4,8</sup>	100.00	100.00	5,976	9,596	3,140	7,396	6,861	13,367
LG Chem America, Inc. <sup>4</sup>	100.00	-	3,620	-	2,069	-	3,031	-
M. Dohmen S.A. <sup>8,9</sup>	49.00	49.00	43,203	43,203	993	993	4,023	4,023
SEETEC Co., Ltd. <sup>9</sup>	50.00	50.00	36,643	36,643	58,326	58,416	147,129	147,465
LG Dow Polycarbonate Ltd.	50.00	50.00	36,794	36,794	64,051	62,577	64,392	63,074
LG Chemical (Guangzhou) Engineering Plastics Co., Ltd.	100.00	100.00	13,091	13,091	24,130	21,911	24,078	22,205
LG Chem (Nanjing) Information & Electronics Materials Co., Ltd. <sup>1</sup>	84.36	82.80	82,480	71,523	124,851	98,921	142,258	116,955
LG Chem Trading (Shanghai) Co., Ltd. <sup>6,8</sup>	100.00	100.00	7,753	3,503	7,061	2,473	7,060	2,471
LG Chem (China) Investment Co., Ltd.	100.00	100.00	40,340	40,340	50,928	46,337	50,929	46,338
LG Chem (Taiwan), Ltd.	100.00	100.00	6,888	6,888	1,963	-	5,291	7,449
LG Chem Industrial Materials Inc. <sup>8</sup>	100.00	100.00	17,846	17,846	17,858	15,883	18,244	17,209
LG Holdings (HK) Ltd. <sup>2,9</sup>	26.00	18.18	60,889	41,582	62,059	58,207	58,762	56,375
Compact Power Inc.	100.00	100.00	5,483	5,483	1,168	983	1,168	983
LG Chem (Tianjin) Engineering Plastics Co., Ltd.	90.00	90.00	5,589	5,589	16,155	14,733	17,237	15,810
LG Chem Display Materials (Beijing) Co., Ltd.	90.00	90.00	6,865	6,865	13,712	12,450	14,474	13,201
Tianjin LG Bohai Chemical Co., Ltd.	65.00	65.00	63,524	63,524	121,896	105,847	132,696	116,114
LG Chem Europe GmbH	100.00	100.00	1,927	1,927	3,999	3,085	4,397	4,637
LG Hausys Europe GmbH <sup>7,8</sup>	100.00	-	2,700	-	2,023	-	2,740	-
LG Chem Brasil, Ltd.	100.00	100.00	258	258	258	258	258	258
LG Chem Poland Sp. Z.O.O	100.00	100.00	5,790	5,790	5,240	8,196	5,240	8,196
TECWIN Co., Ltd. <sup>9</sup>	19.90	19.90	419	419	2,840	2,861	2,861	2,861
LG Chem Industrial Material Russia, LLC <sup>3,8</sup>	100.00	-	4,754	-	4,754	-	-	-
			<u>₩658,639</u>	<u>₩605,613</u>	<u>₩926,996</u>	<u>₩800,789</u>	<u>₩1,044,329</u>	<u>₩942,019</u>

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## LG Chem, Ltd.

### Notes to Non-Consolidated Financial Statements

March 31, 2009 and 2008, and December 31, 2008

(Unaudited)

- <sup>1</sup> The Company acquired additional shares of LG Chem (Nanjing) Information & Electronics Materials Co., Ltd. for ₩10,957 million. As a result, the Company's percentage of ownership increased from 82.80% to 84.36%.
- <sup>2</sup> The Company acquired additional shares of LG Holdings (HK) Ltd. for ₩19,307 million. As a result, the Company's percentage of ownership increased from 18.18% to 26.00%. As of December 31, 2008, this investment is classified as an equity-method investment as the combined percentage of ownership of the Company and LG Electronics Inc., a consolidated subsidiary of LG Corp., exceeds 20%.
- <sup>3</sup> The Company acquired additional shares of LG Chem Industrial Material Russia, LLC for ₩4,249 million. The investee is reclassified from investment securities to equity-method investments.
- <sup>4</sup> LG Chem America, Inc. changed its name to LG Hausys America, Inc. and LG Chem America was spun off from LG Hausys America, Inc. in 2009.
- <sup>5</sup> The Company acquired additional shares of Tianjin LG New Building Materials Co., Ltd. for ₩11,058 million from LG Chem (China) Investment Co., Ltd. in 2009. As a result, the Company's percentage of ownership increased from 85.35% to 100.00%.
- <sup>6</sup> The Company acquired additional shares of LG Chem Trading (Shanghai) Co., Ltd. for ₩4,250 million.
- <sup>7</sup> The newly established Investees that will be transferred to LG HAUSYS, Ltd. on April 1, 2009.
- <sup>8</sup> Investees will be transferred to LG HAUSYS, Ltd. on April 1, 2009.
- <sup>9</sup> As of March 31, 2009, the Company has control over all the investees, except for M. Dohmen S.A., SEETEC Co., Ltd., LG Holdings (HK) Ltd. and TECWIN Co., Ltd.

## 7. Property, Plant and Equipment

Property, plant and equipment as of March 31, 2009 and December 31, 2008, consist of the following:

<i>(in millions of Korean won)</i>	2009	2008
Buildings	₩ 1,105,137	₩ 1,092,373
Structures	511,613	510,824
Machinery and equipment	4,971,878	4,892,001
Vehicles	30,273	30,773
Tools and furniture	669,102	671,916
	<u>7,288,003</u>	<u>7,197,887</u>
Accumulated depreciation	(4,231,562)	(4,183,634)
Accumulated impairment loss	<u>(16,256)</u>	<u>(12,301)</u>
	3,040,185	3,001,952
Land	497,987	498,231
Construction-in-progress	330,338	286,851
Machinery-in-transit	73,509	80,632
	<u>₩ 3,942,019</u>	<u>₩ 3,867,666</u>

As of March 31, 2009, certain property, plant and equipment have been pledged as collateral for bank loans for up to a maximum of ₩419,056 million (December 31, 2008: ₩429,171 million).

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**8. Intangible Assets**

Intangible assets as of March 31, 2009 and December 31, 2008, are as follows:

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
Intellectual property rights	₩ 35,205	₩ 32,339
Development costs	38,073	45,908
Goodwill	32,133	33,415
Others	10,759	10,472
Negative goodwill	(225,225)	(235,018)
	<u>₩ (109,055)</u>	<u>₩ (112,884)</u>

**9. Provisions for warranty reserve**

As of March 31, 2009, the Company has accrued provisions amounting to ₩2,064 million for product defects for a specified period of time after sale and has also accrued provisions amounting to ₩4,448 million for the estimated cost of future repairs and recalls based on experience, terms of guarantees and the expectation of future repairs and recalls.



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**10. Debentures**

Debentures as of March 31, 2009 and December 31, 2008, consist of the following:

<i>(in millions of Korean won)</i>	Annual Interest Rate (%)			2009		2008
	2009	2008				
Publicly offered debentures, payable through 2013	3.5~5.38	3.5~5.02	₩	751,480	₩	599,389
Privately offered debentures, payable through 2009	5.02~5.32	5.02~5.32		100,000		100,000
Foreign debentures, payable through 2010 <sup>1</sup>	LIBOR+0.2-0.45	LIBOR+0.2-0.45		185,909		169,763
				<u>1,037,389</u>		<u>869,152</u>
Less : Current maturities				(617,054)		(506,888)
Discount on debentures issued				<u>(1,280)</u>		<u>(1,116)</u>
			₩	<u>419,055</u>	₩	<u>361,148</u>

<sup>1</sup> Term notes were issued on March 23, 2006, to mature on September 23, 2009. Further, the Company issued floating rate notes on March 20, 2007, and will redeem these on September 23, 2009 and September 17, 2010.

**11. Accrued Severance Benefits**

Accrued severance benefits as of March 31, 2009 and December 31, 2008, are as follows:

<i>(in millions of Korean won)</i>	2009	2008
Provision for severance benefits	₩ 281,508	₩ 277,340
Less: Group severance insurance deposits	(173,554)	(181,240)
Contributions to National Pension Plan	<u>(2,599)</u>	<u>(2,756)</u>
Ending balance	<u>₩ 105,355</u>	<u>₩ 93,344</u>

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**12. Commitments and Contingencies**

As of March 31, 2009, the Company has provided a joint guarantee for obligations outstanding as of January 1, 2005, for Lotte Daesan Petrochemical Ltd. and SEETEC Co., Ltd. In addition, the Company has provided financial guarantees to customers.

As of March 31, 2009, the Company has been provided with guarantees from the Seoul Guarantee Insurance for the execution of supply contracts.

As of March 31, 2009, the Company has provided one blank promissory note to the Korea National Oil Corporation as collateral in relation to petroleum import surcharges. Further, with respect to the borrowings of the Company, one blank promissory note is provided as collateral to a financial institution.

The Company has guaranteed repayments of various obligations of subsidiaries and associated companies. The outstanding balances of such guarantees as of March 31, 2009, amounted to ₩272,387 million (Note 17).

As of March 31, 2009, the Company is contingently liable for notes receivable from export sales which were discounted through financial institutions in the ordinary course of business amounting to ₩892,206 million.

As of March 31, 2009, the Company has bank overdraft agreements with several banks for up to ₩69,000 million. The Company has also entered into contracts with several financial institutions to open import letters of credit for up to ₩100,100 million and US\$ 295 million. The Company has entered into contracts with several financial institutions for discounting notes from export for up to US\$ 820 million, for other foreign currency payment guarantee of up to US\$ 15 million, and for other notes of up to ₩60,000 million.

Furthermore, the Company has entered into credit line agreements with several financial institutions for up to ₩30,000 million and US\$ 249 million.

As of March 31, 2009, the Company has B2B contracts with several financial institutions.

As of March 31, 2009, the Company has entered into technology license agreements with companies such as Goodyear Tire & Rubber Company for the production of polymer and rubber products. Further, the Company has entered into manufacture and production technical contracts with Toyo Engineering Corp., while having BPA manufacturing technical contracts with three companies including Exxon Mobile. The Company has also entered into technical contracts for technologies and consultation in relation to the manufacture of certain products.

The Company entered into a contract with LG Corp. to use trademarks on the products that the Company manufactures and sells, and on the services the Company provides in relation to its business.

As of March 31, 2009, the Company has a long-term purchase contract for certain raw materials and was provided with US \$ 56 million as a guarantee for the contract performance.

As of March 31, 2009, the Company has been named as a defendant and plaintiff in various legal actions. Management believes that these legal actions will not have a material adverse impact on the Company's operations or financial position although the outcome of these legal actions is uncertain.

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The Company has cross currency forward and currency swap contracts with financial institutions for hedging against fluctuations in foreign exchange rates. As of March 31, 2009, the Company's outstanding contracts amounts are US\$ 212 million and JPY 10,000 million (2008: US\$ 202 million and JPY 10,000 million and JPY 10,000 million).

Details of the changes in valuation gain or loss on derivatives for the three-month periods ended March 31, 2009 and 2008, are as follows :

<i>(in millions of Korean won)</i>	Trading		Hedge <sup>1</sup>		Other comprehensive income <sup>3</sup>
	Valuation gain <sup>2</sup>	Valuation loss <sup>2</sup>	Valuation gain <sup>2</sup>	Valuation loss <sup>2</sup>	
2009	₩ 2,765	₩ 718	₩ 26,254	₩ -	₩ (27,481)
2008	₩ -	₩ -	₩ 20,019	₩ -	₩ (13,231)

<sup>1</sup> The Company applies cash flow hedge accounting and is exposed to fluctuation in cash flows up to January 22, 2012, on the cross currency and interest swaps.

<sup>2</sup> Includes gain(loss) from discontinued operations.

<sup>3</sup> The ₩27,481 million (2008: ₩13,231 million), net of tax, was charged to accumulated other comprehensive income

**13. Retained earnings**

Retained earnings as of March 31, 2009 and December 31, 2008, consist of :

<i>(in millions of Korean won)</i>	2009	2008
Appropriations		
Legal reserve	₩ 94,349	₩ 73,430
Reserve for business rationalization	4,000	4,000
Reserve for technology development	2,140,695	1,366,197
Voluntary reserve	212,120	212,120
Reserve for investment losses	376,376	376,376
	<u>2,733,191</u>	<u>1,958,693</u>
Unappropriated retained earnings	288,521	1,004,627
	<u>₩ 3,116,061</u>	<u>₩ 3,036,750</u>

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**14. Cost of Sales**

Cost of sales for the three-month periods ended March 31, 2009 and 2008, are as follows :

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
<b>Products</b>		
Beginning balance of inventories	₩ 916,590	₩ 669,154
Cost of goods manufactured	2,178,797	2,573,740
Ending balance of inventories	(693,070)	(655,745)
Duty refund	(10,119)	(9,194)
Discontinued operations	(161,255)	(208,555)
	<u>2,230,943</u>	<u>2,369,400</u>
<b>Merchandise</b>		
Beginning balance of inventories	67,005	43,812
Purchases	189,914	269,652
Ending balance of inventories	(57,607)	(43,170)
Discontinued operations	(120,116)	(181,416)
	<u>79,196</u>	<u>88,878</u>
Other cost of sales	10,096	10,551
Total	<u>₩ 2,320,235</u>	<u>₩ 2,468,829</u>

**15. Comprehensive Income**

Comprehensive income for the three-month periods ended March 31, 2009 and 2008, consists of:

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
Net income	₩ 288,512	₩ 258,432
Other comprehensive income	-	2,035
Increase from equity-method investments, net of tax effects of ₩7,662 million (2008: ₩8,168 million)	36,030	36,341
Valuation loss on cash flow hedge derivative instruments, net of tax effects of ₩(1,662) million (2008: ₩(5,018) million)	(11,428)	(13,231)
Comprehensive income	<u>₩ 313,114</u>	<u>₩ 283,577</u>

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**16. Earnings Per Share**

Basic income from continuing operations per share and earnings per share for the year ended December 31, 2008, were ₩11,341 and ₩12,022, respectively.

Basic income from continuing operations per share and earnings per share for the three-month periods ended March 31, 2009 and 2008, are computed as follows:

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

	2009	2008
Income from continuing operations	₩ 321,082	₩ 230,130
Preferred stock dividends <sup>1</sup>	(5,519)	(4,437)
Preferred stock share in the remaining profit available for dividends	<u>(27,866)</u>	<u>(19,582)</u>
Income from continuing operations available for common stock (A)	₩ 287,697	₩ 206,111
Weighted average number of shares of outstanding common stock (B) <sup>2</sup>	<u>74,849,856</u>	<u>74,628,861</u>
Basic income from continuing operations per share (A/B)	<u>₩ 3,844</u>	<u>₩ 2,762</u>

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

	2009	2008
Net income	₩ 288,512	₩ 258,432
Preferred stock dividends <sup>1</sup>	5,519	4,437
Preferred stock share in the remaining profit available for dividends	<u>24,489</u>	<u>22,524</u>
Net income available for common stock (A)	₩ 258,504	₩ 231,471
Weighted average number of shares of outstanding common stock (B) <sup>2</sup>	<u>74,849,856</u>	<u>74,628,861</u>
Basic earnings per share (A/B)	<u>₩ 3,454</u>	<u>₩ 3,102</u>

<sup>1</sup> Preferred stock dividends were assumed to be one-fourth of the dividends paid for the previous years.

<sup>2</sup> Excludes treasury stock.

There are no outstanding convertible bonds or other dilutive securities as of March 31, 2009 and 2008. Accordingly, basic earnings and income from continuing operations per share are identical to fully diluted earnings and income from continuing operations per share.

Basic and diluted income (loss) from discontinued operations per share for the three-month periods ended March 31, 2009 and 2008, are ₩(390) and ₩340, respectively.

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**17. Related Party Transactions**

LG Corp. is the parent of the Company, and issues the consolidated financial statements.

Significant transactions, which occurred in the ordinary course of business with related parties for the three-month periods ended March 31, 2009 and 2008, and the related account balances as of March 31, 2009 and December 31, 2008, are summarized as follows:

<i>(in millions of Korean won)</i>	<b>Sales</b>	<b>Purchases</b>	<b>Receivables</b>	<b>Payables</b>
Controlling company	₩ -	₩ 8,638	₩ 7,723	₩ 69,686
Subsidiaries <sup>1,2</sup>	264,392	121,713	45,383	50,652
Equity method investees <sup>1</sup>	17,786	31,634	5,644	7,991
Key management officers	-	9,253	-	26,138
Other related companies <sup>1</sup>	556,468	163,911	501,741	128,885
2009 Total	<u>₩ 838,646</u>	<u>₩ 335,149</u>	<u>₩ 560,491</u>	<u>₩ 283,352</u>
2008 Total	<u>₩ 3,669,081</u>	<u>₩ 1,175,317</u>	<u>₩ 400,090</u>	<u>₩ 203,872</u>

<sup>1</sup> Please refer to Note 6 for percentage of ownership, acquisition cost, net asset value and book value of the Company's investments to its related parties.

<sup>2</sup> Includes LG Surface, LLC, a subsidiary of LG Hausys America Inc., and Ningbo Bond International Trade, a subsidiary of Ningbo LG Yongxing Chemical Co., Ltd.

<sup>3</sup> Includes LG Display Co., Ltd. and LG Electronics Inc.

Compensation for key management officers for three-month period ended March 31, 2009 and 2008, consists of:

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
Short-term employee benefits	₩ 6,750	₩ 5,466
Post-employment benefits	1,111	1,132
Other long-term employee benefits	1,392	1,620
Reversal of share-based payments	-	(4,353)
Total	<u>₩ 9,253</u>	<u>₩ 3,865</u>

Key management officers include directors and audit committee members having duties and responsibilities over planning, operations and control of the Company's business activities.

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The details of guarantees provided by the Company as of March 31, 2009 and December 31, 2008, are as follows:

(in millions of Korean won)

		<b>2009</b>	
<b>Guarantee Beneficiary</b>	<b>Amount of Guarantee</b>	<b>Financial Institution</b>	<b>Outstanding Loan Amount</b>
LG Chem (Nanjing) Information & Electronics Materials Co., Ltd.	₩ 91,371	Bank of China	₩ 30,682
	27,542	Woori Bank	27,542
	41,313	KEXIM Bank	41,313
LG Chem Industrial Materials Inc.	34,841	Kookmin Bank	34,841
	13,771	Bank of America	5,508
Tianjin LG Bohai Chemical Co., Ltd.	13,771	KEXIM Bank	13,771
LG Chem Poland Sp.Z.O.O.	18,164	KEXIM Bank	18,164
	5,449	Nordea Bank	5,449
LG Hausys America, Inc.	12,394	JP Morgan	12,394
LG Chem America, Inc.	13,771	Bank of America	13,771
	<u>₩ 272,387</u>		<u>₩ 203,435</u>

(in millions of Korean won)

		<b>2008</b>	
<b>Guarantee Beneficiary</b>	<b>Amount of Guarantee</b>	<b>Financial Institution</b>	<b>Outstanding Loan Amount</b>
LG Chem (Nanjing) Information & Electronics Materials Co., Ltd.	₩ 10,060	Bank of China	₩ 10,060
	25,150	Woori Bank	25,150
	12,575	Korea Exchange Bank	12,575
LG Chem Industrial Materials Inc.	37,725	KEXIM Bank	32,695
	31,815	Kookmin Bank	31,815
	12,575	Bank of America	2,767
Tianjin LG Bohai Chemical Co., Ltd.	12,575	KEXIM Bank	12,575
LG Chem Poland Sp.Z.O.O.	17,762	KEXIM Bank	17,762
	5,329	Nordea Bank	5,329
LG Chem America, Inc.	11,318	JP Morgan	-
	<u>₩ 176,884</u>		<u>₩ 150,728</u>

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**18. Segment Information**

The Company defines its segments by the nature of its products and services.

(1) Industry Segment Information

Industry	Products or Services	Major Customers
Petrochemicals	PE, PVC, VCM, alcohol, plasticizers, ABS/PS, EPS, MBS, SBL, EP, ethylene, propylene, BPA and others	LG Electronics Inc. Daewoo Electronics Co., Ltd. Kia Motors Corp. Youlchon Chemical Co., Ltd. National Plastic Co., Ltd. and others
Industrial Materials <sup>1</sup>	Hi Sash, UBR, wall coverings, living materials, building materials and others	Hyundai Motors Co., Ltd. GM Daewoo Auto & Technology Company Distributors and wholesalers
Information & Electronic Materials	Batteries, Polarizers	LG Electronics Inc. LG Display Co., Ltd. and others

<sup>1</sup> As explained in Note 19, the spin off of the Industrial Materials segment is classified as discontinued operations.

Financial information on industry segments for the three-month periods ended March 31, 2009 and 2008, follows:

<i>(in millions of Korean won)</i>	Petrochemicals	Information & Electronic Materials	Others	Total
Sales				
External sales	₩ 2,127,242	₩ 800,090	₩ 4,695	₩ 2,932,027
Inter-segment sales	24,557	1,603	46,866	73,026
	<u>₩ 2,151,799</u>	<u>₩ 801,693</u>	<u>₩ 51,561</u>	<u>₩ 3,005,053</u>
Operating income	<u>₩ 315,423</u>	<u>₩ 104,106</u>	<u>₩ (3,034)</u>	<u>₩ 416,495</u>
Property, plant and equipment and intangible assets <sup>1</sup>	<u>₩ 2,098,261</u>	<u>₩ 1,045,985</u>	<u>₩ 913,943</u>	<u>₩ 4,058,189</u>
Depreciation and amortization	<u>₩ 56,552</u>	<u>₩ 37,490</u>	<u>₩ 1,768</u>	<u>₩ 95,810</u>

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<i>(in millions of Korean won)</i>		<b>Petrochemicals</b>	<b>Information &amp; Electronic Materials</b>	<b>Others</b>	<b>Total</b>
Sales					
External sales	₩	2,380,092	₩ 610,350	₩ 3,141	₩ 2,993,583
Inter-segment sales		16,423	430	43,180	60,033
	₩	<u>2,396,515</u>	<u>₩ 610,780</u>	<u>₩ 46,321</u>	<u>₩ 3,053,616</u>
Operating income	₩	<u>261,569</u>	<u>₩ 79,768</u>	<u>₩ (1,089)</u>	<u>₩ 340,248</u>
Property, plant and equipment and intangible assets <sup>1</sup>	₩	<u>2,002,424</u>	<u>₩ 803,848</u>	<u>₩ 855,923</u>	<u>₩ 3,662,195</u>
Depreciation and amortization	₩	<u>55,649</u>	<u>₩ 31,408</u>	<u>₩ 1,483</u>	<u>₩ 88,540</u>

<sup>1</sup> Includes sales of continuing operations to the Industrial Materials segment, which was discontinued, amounting to ₩36,883 million (2008: ₩63,056 million).

<sup>2</sup> Excludes negative goodwill incurred from the merger, which is deducted from intangible assets. The negative goodwill as of March 31, 2009, amounts to ₩225,225 million (2008: ₩264,395 million). Meanwhile, property, plant and equipment, and intangible assets of discontinued operations as of March 31, 2009 and 2008, are included under others.

#### (2) Geographical Segment Information

The sales by geographical segments for the three-month periods ended March 31, 2009 and 2008, are as follows:

	<i>(in millions of Korean won)</i>							
	<b>Domestic<sup>1</sup></b>	<b>China</b>	<b>North America</b>	<b>South America</b>	<b>South-East Asia</b>	<b>Western Europe</b>	<b>Others</b>	<b>Total</b>
2009	₩1,305,638	₩ 967,670	₩ 79,127	₩22,670	₩118,528	₩ 81,034	₩ 357,360	₩2,932,027
2008	₩1,510,080	₩ 801,941	₩110,349	₩21,541	₩107,255	₩ 99,554	₩ 342,863	₩2,993,583

<sup>1</sup> Domestic sales include the exports made based on local letters of credit.

Information on property, plant and equipment of each geographical segment has not been included as the Company does not manage its property, plant and equipment by geographical segments.

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**19. Discontinued Operations**

Pursuant to a resolution of Board of Directors on December 2, 2008, and an approval by the Shareholders on January 23, 2009, the Company spun off its Industrial Materials segment to the newly established LG HAUSYS, Ltd., on April 1, 2009. Therefore, the financial statements of the Company are prepared in accordance with SKFAS No. 11, *Discontinued operations*.

The income before tax from discontinued operations of the Industrial Materials segment for the three-month periods ended March 31, 2009 and 2008, are as follows:

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
Impairment loss on discontinued operations	₩ (168)	₩ (19)
Income (loss) from the industrial materials segment <sup>1</sup>	<u>(43,020)</u>	<u>39,305</u>
Income (loss) before tax from discontinued operations	<u>₩ (43,188)</u>	<u>₩ 39,286</u>

<sup>1</sup> Excludes impairment loss on discontinued operations.

The book values of the Industrial Materials segment's assets and liabilities to be spun-off as of March 31, 2009 and 2008, are as follows:

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
Current assets	₩ 549,547	₩ 383,103
Investments	99,629	82,557
Property, plant and equipment	438,392	457,461
Intangible assets	9,352	9,235
Non-current assets	<u>33,629</u>	<u>24,357</u>
Total assets	<u>₩ 1,130,549</u>	<u>₩ 956,713</u>
Current liabilities	₩ 234,072	₩ 245,335
Non-current liabilities	<u>233,973</u>	<u>26,511</u>
Total liabilities	<u>₩ 468,045</u>	<u>₩ 271,846</u>

The statements of operations of the Industrial Materials segment, excluding impairment loss on discontinued operations, for the three-month period ended March 31, 2009 and 2008, are as follows:

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
Sales <sup>1</sup>	₩ 341,200	₩ 517,557
Cost of sales <sup>1</sup>	<u>281,975</u>	<u>391,018</u>
Gross profit	59,225	126,539
Selling and administrative expenses	<u>86,164</u>	<u>87,997</u>
Operating income (loss)	(26,939)	38,542
Non-operating income	19,425	18,431
Non-operating expenses	<u>35,506</u>	<u>17,668</u>
Income (loss) from the Industrial Materials segment	<u>₩ (43,020)</u>	<u>₩ 39,305</u>

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<sup>1</sup>The amounts include sales and costs of discontinued to continuing operations, which are expected to continue after spin-off.

The income (loss) after income tax from discontinued operations on the Industrial Materials segment for the three-month period ended March 31, 2009 and 2008, follows:

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
Income (loss) before income tax from discontinued operations	₩ (43,188)	₩ 39,286
Income tax (benefit)	10,618	(10,984)
Income (loss) after income tax from discontinued operations	<u>₩ (32,570)</u>	<u>₩ 28,302</u>

Cash flows from the Industrial Materials segment for the three-month period ended March 31, 2009 and 2008, are as follows:

<i>(in millions of Korean won)</i>	<b>2009</b>	<b>2008</b>
Cash flows from operating activities	₩ 13,309	₩ 430,560
Cash flows from investing activities	(20,932)	(14,490)
Cash flows from financing activities	₩ 7,623	₩ (416,070)

#### 20. Early Adoption of Korean International Financial Reporting Standards

The Company plans to early adopt Korean International Financial Reporting Standards (K-IFRS) from 2010. K-IFRS will be mandatorily applied from 2011 for all listed companies. The Company's implementation plan is as follows:

The Company organized certain task force team in order to manage the Company's K-IFRS implementation process and the team regularly reports the result to the management.

Since 2007 the Company engaged an external advisory firm and completed an analysis on significant differences between K-IFRS and the current Korean Financial Accounting Standards. The Company will determine the accounting policies when these significant differences are identified.