

LG Electronics Inc.
Non-Consolidated Statements of Cash Flows
Three-Month and Six-Month Periods Ended June 30, 2007 and 2006
(Unaudited)

(in millions of Korean won)

	2007		2006	
	For the three-month period ended June 30, 2007	For the six-month period ended June 30, 2007	For the three-month period ended June 30, 2006	For the six-month period ended June 30, 2006
Cash flows from operating activities				
Net income (loss)	₩	₩	₩ (9,747)	₩
Adjustments to reconcile net income (loss) to net cash provided by operating activities				
Depreciation and amortization			172,809	
Amortization of discounts on debentures			4,839	
Provision for severance benefits			58,834	
Loss from transfer of trade accounts and notes receivable			49,757	
Bad debt expense			2,746	
Gain on foreign currency translation, net			(563)	
Gain from disposal of investment securities, net			-	
Loss on impairment of investment securities			-	
Loss from disposal of property, plant and equipment, net			2,361	
Equity in losses (earnings) of equity-method investees, net			145,581	
Loss (gain) on valuation of derivatives, net			20,443	
Loss (gain) on settlement of derivatives, net			(10,603)	
Provision for product warranty			21,697	
Others			2,845	
			470,746	
Changes in operating assets and liabilities				
Decrease (increase) in trade accounts and notes receivable			97,783	
Decrease (increase) in other accounts receivable			(5,091)	
Increase in accrued income			(12,235)	
Increase in advances			(43,165)	
Decrease in other current assets			-	
Decrease in inventories			13,816	
Decrease (increase) in prepaid expenses			8,845	
Increase in long-term prepaid expenses			(19,627)	
Increase in deferred income tax assets			(17,895)	
Decrease (increase) in trade accounts and notes payable			(50,583)	
Increase (decrease) in other accounts payable			5,852	
Increase (decrease) in accrued expenses			107,626	
Increase (decrease) in withholdings			13,816	
Increase in advances from customers			88,505	
Increase in income taxes payable			16,322	
Payment of severance benefits			(76,778)	
Increase in severance insurance deposits			390	
Decrease in contributions to the National Pension Fund			1,518	
Increase (decrease) in deferred income tax liabilities			(19,333)	
Others			(43,745)	
			66,021	
Net cash provided by operating activities			527,020	

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	2007		2006	
	For the three-month period ended June 30, 2007	For the six-month period ended June 30, 2007	For the three-month period ended June 30, 2006	For the six-month period ended June 30, 2006
Cash flows from investing activities				
Increase in short-term and long-term loans, net			(40,730)	
Disposal in short-term and long-term loans, net			42,890	
Disposal of long-term financial instruments			4,380	
Acquisition of long-term financial instruments			(2,095)	
Proceeds from disposal of investment securities			-	
Acquisition of investment securities			(62,615)	
Payment of refundable deposits, net			65,988	
Proceeds from disposal of property, plant and equipment			1,538	
Proceeds from disposal of derivatives			17,972	
Acquisition of property, plant and equipment			(206,738)	
Acquisition of intangible assets			(23,626)	
Acquisition of derivatives			(2,798)	
Others			-	
Net cash used in investing activities			(205,834)	
Cash flows from financing activities				
Proceeds from short-term borrowings			20,000	
Payment of current maturities of long-term debts			(525,724)	
Proceeds from issuance of debentures			-	
Proceeds from long-term debts			-	
Payment from long-term debts			(43,559)	
Payment of short-term borrowings			(20,000)	
Disposal (acquisition) of treasury stock			-	
Payment of dividends			(199,956)	
Net cash provided by (used in) financing activities			(769,239)	
Net increase (decrease) in cash and cash equivalents			(448,053)	
Cash and cash equivalents				
Beginning of the period			897,637	
End of the period	₩	₩	₩ 449,584	₩

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

See Report of Independent Accountants

or the six-month period ended June 30, 2006
141,045
350,392
12,854
121,757
98,058
53,110
(38,842)
(3,286)
-
1,514
167,289
25,189
(21,157)
40,665
34,879
842,422
343,496
10,543
(21,094)
(61,664)
-
87,042
(22,453)
(19,898)
(23,439)
23,790
(218,958)
132,622
25,353
87,532
31,711
(140,185)
25,304
2,732
(16,701)
(92,328)
153,405
1,136,872

or the six-month eriod ended June 30, 2006
(42,067)
45,241
11,829
(11,630)
5,166
(126,101)
63,858
20,280
34,351
(338,858)
(69,697)
(9,605)
63
(417,170)
40,000
(607,867)
-
-
(43,559)
(40,000)
-
(199,956)
(851,382)
(131,680)
581,264
449,584