[English translation for information purposes only. No representation made as to accuracy or completeness of translation]

BUSINESS REPORT

(8th Period)

Business Year: From January 1, 2008
To December 31, 2008

For: Financial Supervisory Commission
Korea Exchange

We submit the enclosed business report pursuant to Paragraph 2 of Article 186 of the Securities Trading Act.

March 31, 2009

Company Name: LG Household & Health Care, Ltd.

Representative Director: Suk-Yong Cha (Seal)

Headquarters Location: Yoido-dong 20
Youngdeungpogu
Seoul
02) 3773-1114

Drafter: (Position) Finance Team Leader (Name) Chang Soon Jang (Seal)
02) 3773-7226

Certification and Signature of the Representative Director

Certification

Based on our careful review of the content of this Business Report in our professional capacity as this Company's Representative Director and Reporting Director, we hereby certify that the Business Report does not omit or misrepresent any material information, and that the Business Report does not contain any information that can materially mislead any person using the information contained in the Business Report.

Additionally, we hereby certify that the Company has established and is using an internal accounting management system pursuant to Paragraph 2 of Article 2 and Paragraph 3 of Article 2 of the Public Company Independent Audit Act (only applicable to companies subject to independent audit under Article 2 of the Public Company Independent Audit Act).

March 31, 2009

LG Household & Health Care, Ltd.

Representative Director	Suk-Yong Cha	(Signature)
Reporting Director	Kyoo-IL Lee	(Signature)

I. Situation of the Company

1. Purpose of the Company

A. Businesses Pursued by the Company

Business	Note
1. Production, processing, sales and purchasing of petrochemical products 2. Production, purchasing and sales of various petroleum products and processed materials 3. Production, purchasing and sales of various surfactant, chemical detergents, industrial chemicals, surfactants and byproducts, and natural or synthesized alcohol, which is a basic component of surfactant 4. Production, purchase and sales of toothpaste 5. Production, purchase and sales of glycerin and related products 6. Production, purchase and sales of various aerosol products 7. Production, purchase and sales of various sanitary products 8. Production, processing, purchase and sales of various paper products 9. Importation, production, processing, purchase and sales of food and beverage products and various additives for food and beverage products 10. Production, processing, purchase and sales of wax products 11. Production, processing, purchase, sales and construction of organic and inorganic chemical industrial products (including pesticides, starch, dye, water softener, and various additives) 12. Production, sales and purchase of cosmetic products and provision of various services related thereto 13. Production, processing, sales and purchase of medicine, medical ingredients, medical supplements, medical equipment and others. 14. Production, processing, sales and purchase of veterinary medical products (including medicine, medical supplements, medical equipment and medical products). 15. Educational services 16. Consigned long-distance sales and solicitation sales business 17. Sales or purchase of products and goods through electronic transactions, such as through the Internet, and other related businesses 18. Sales or purchase or various products 19. Operating commission or consignment sales agency for various products 20. Import or export business, domestically and internationally, and other related businesses 21. Production, processing, sales, purchase and construction of various machinery (including molds)	

22. Production, processing, sales, purchase and construction of various industrial equipment or materials 23. Sales of utility services 24. Operation of advertisement agencies, domestically or internationally, or production, sales or purchase of advertising materials 25. Time-rental of electronic calculation devices 26. Purchase, sale and rental of computer software 27. Contract services providing various statistical analysis and research 28. Scientific and technological research and contract work providing technical development research and technical information mediation 29. Contracted technical work 30. Warehousing business 31. Distribution and carrier business 32. Purchase, sales or rental or real estate 33. Construction, sales, maintenance and rental of newly constructed residential units 34. Issuing bills of lading 35. Production, processing, storage, sales or purchase of 2nd stage good using various materials, raw materials and products 36. Consignment sales related to the above sections 37. All businesses connected to the above sections 38. Investments made in connection with the above sections	

B. Businesses Pursued by Subsidiary Companies
'Not applicable'

C. Businesses to Be Pursued in Future
'Not applicable'

2. History of the Company
A. The Company History
(1) Changes Since Foundation
1. Company founded on: April 3, 2001

2. Headquarters Location and Changes
- Includes information related to LG Household before it was spun off
  1947: De-shin-Dong, Seo-Gu, Bu-san-Shi

1951: Bu-jeon-Dong, Bu-san-jin-Gu, Bu-san-Shi
1969: Headquarters relocated (Bu-san → Seoul)
1971: Sam-jeong Building, Da-dong 1 Ga, Jung-Gu, Seoul
1987: 20 Yoido-dong, Youngdeungpogu, Seoul

3. Material Changes of Management Team (change of more than 1/3, including the Representative Director)

(Current as of Dec. 31, 2008)

Position	Name		Date of Change	Note
	Before Change	After Change		
Representative Director	Suk-Yong Cha	Suk-Yong Cha	March 18, 2007	-
Internal Director	Joo-Hyung Kim	Joo-Hyung Kim	March 16, 2007	-
Internal Director	Myeong-Ho Han	Bong-Soo Kim	March 14, 2008	Newly appointed
Internal Director	Yoon-Young Lee	Yoon-Young Lee	March 14, 2008	Re-appointed
External Director	Hee-Jin Noh	Hee-Jin Noh	March 14, 2008	Re-appointed
External Director	Sung-Tae Hong	Sung-Tae Hong	March 16, 2007	-
External Director	Young-Hye Lee	Young-Hye Lee	March 16, 2007	-
External Director	-	Kie-Bae Yi	March 14, 2008	Newly appointed

*Changes after Annual General Shareholders' Meeting(Mar 13, '09) For the 8th Period

Position	Name		Date of Change	Note
	Before Change	After Change		
Representative Director	Suk-Yong Cha	Suk-Yong Cha	March 18, 2007	-
Internal Director	Joo-Hyung Kim	Joo-Hyung Kim	March 16, 2007	-
Internal Director	Bong-Soo Kim	Bong-Soo Kim	March 14, 2008	-
Internal Director	Yoon-Young Lee	Kyoo-Il Lee	March 13, 2009	Newly appointed
External Director	Hee-Jin Noh	Hee-Jin Noh	March 14, 2008	-
External Director	Sung-Tae Hong	Sung-Tae Hong	March 16, 2007	-
External Director	Young-Hye Lee	Young-Hye Lee	March 16, 2007	-
External Director	Kie-Bae Yi	Kie-Bae Yi	March 14, 2008	-

4. Changes of Largest Shareholder

Largest Shareholder	Beginning of the Period (beginning of the 8th period)		End of the Period (end of the 8th period)		Note
	Shares Held	Ownership Percentage	Shares held	Ownership percentage	
LG Corp. and 1 others	5,379,306	36.69%	5,365,500	36.60%	Based on common shares. Not counting treasury shares

5. Significant Changes in Business Purpose

I. Situation of the Company

1. Please see 'A. Businesses Pursued by the Company' under 'Purpose of the Company' section

6. Other Important Changes since Foundation

'Not Applicable'

(2) Change of Business Name

'Not Applicable'

(3) Information on Mergers, Spin-offs (Mergers), Stock Exchanges, Transfers, Assignments or Conveyance of Important Operations

Date	Information	Note
May of 2001	Sold the domestic sugar-alcohol business and China Lianyungang-based company (sugar-alcohol production) to Roquette Freres S.A.	
October of 2007	Obtained CCKBC (Netherlands) Holding I BV and CCKBC (Netherlands) Holding II BV, which own interests in Coca-Cola Korea Bottling Company, Ltd.	
January of 2008	Sold 5% of each of CCKBC (Netherlands) Holding I BV and CCKBC (Netherlands) Holding II BV to ER, a subsidiary of the Coca-Cola Company. At the same time, because the Company is not participating in the issuance of new shares by Holding I BV and Holding	

	II BV, the Company's interest in Holding I BV and Holding II BV has become 90% each.	
February of 2009	Dissolved CCKBC (Netherlands) Holding I BV and CCKBC (Netherlands) Holding II BV which own interests in Coca-Cola Beverage.	

(4) Change in Production Facilities

※ Please refer to II. 3. 'C. Current Circumstances of Production Facilities'

(5) Important Events in Connection with Management Activities

※ Events that occurred before 1980 have been omitted.

February of 1984: Adopted and entered into partnerships to develop cosmetics related technologies

December of 1987: Built a synthesized detergent factory

June of 1989: Adopted and entered into partnerships to develop fatty acid alcohol

December of 1994: Partnered with China to establish the Hangzhou LG Cosmetics Co., Ltd.

September of 1998: LG Chemical was selected by U.S. Happy magazine as one of the world's top 15 household/cosmetics companies

December of 2000: Annual General Shareholders Meeting approved to spin off as 3 entities.

April of 2001: Launched a new company, LG Household & Health Care, Ltd.

January of 2003: Launched royal oriental medication cosmetics, "The Whoo."

April of 2004: Declared "Children Oral Health Campaign" on the 50th Toothpaste Anniversary

March of 2005: Surpassed #100 Beautiplex store

April of 2005: Began the "LG Household & Health Care, Ltd. Happy Smile Fund."

July of 2005: Launched "LG Household & Health Care, Ltd. Sharing Donation and Volunteering Foundation."

December of 2005: LG Unicharm launched as result of cooperation with Japan's Unicharm

February of 2006: Opened perfumery "Scent Berry Perfume House."

March of 2006: Opened "Who Spa Palace"

January of 2007: "O HUI" launches the "Beautiful Face" campaign to support children with hereditary facial deformities

February of 2007: Oriental medicine cosmetics company "Whoo" launches sponsorship fund for Korean fiddle, a traditional instrument
June of 2007: Launched the "Smile Together" Campaign, which supports dental treatment for low-income children
July of 2007: Establish "Whoo Oriental Skin Science Laboratory"
July of 2007: Developed "L-Skincare," the first new ingredient approved in the field of skin cosmetics domestically
October of 2007: Acquired Coca-Cola Bottling Company
November of 2007: Launched environment-friendly household produce "Planet that We Borrow."
March of 2008: "Bamboo Salt Toothpaste approved as well-known brand in China
June of 2008: Launched cosmeceutical cosmetics "Carezone NB Clinic"
September of 2008: Launched junior cosmetics "Nanas'b"
December of 2008: Launched "O HUI" and "Soo-Rye-Han" LED pact, which is the first LED cosmetics in the world

B. Corporate Group to Which the Company Belongs
(1) Name of the Company Group
LG

(2) Companies that Belong to the Corporate Group
a. Domestic Corporations

(Current as of December 31, 2008)

Classification	Company Name	Main Line of Business	Note
Listed	LG Corp.	Holding company (other service businesses)	
	LG Electronics Ltd.	Production of broadcast receivers and other display and sound equipment	
	LG International Ltd.	Production, wholesale and retail business, construction, real estate	
	LG DACOM Ltd.	Electronic communications	
	LG Chemical Ltd.	Petrochemicals and other basic chemicals	
	LG Household & Health Care, Ltd.	Production of cosmetics and other household goods	
	LG Life Science Ltd.	Production of medical and agri-chemical products	
	LG Display Co., Ltd.	Production of liquid crystal display devices	

	LG Telecom Ltd.	Personal portable communication services	
	LG Inno-Tech Ltd.	Production of other electronic parts	
	LG Power Com Ltd.	Rental business of electronic communications and routing equipment	
	GⅡR	Non-banking holding company	
Subtotal	12 companies		
Cosdaq	LG MICRON Ltd.	Production of other electronic parts	
Subtotal	1 company		
Not Listed	LG Dow Polycarbonate Ltd.	Production and sales of polycarbonate	
	LG CNS Ltd.	Consulting, developing and supplying of software products	
	LG Sports Ltd.	Management of professional baseball team	
	LG Management Development Center Ltd.	Research and training center for economics, management, environmental studies and consulting	
	Siltron Ltd.	Production of semiconductors and other electronic components	
	LG MMA Ltd.	Production of basic organic compounds	
	Dacom Multimedia Internet Ltd.	Added-value communications company	
	Dacom Crossing Ltd.	Renting of international cables	
	Serveone Ltd. (LG MRO)	Business-to-business sales agency, renting of other properties	
	LG N-Sys Ltd.	Manufacture and operations relating to office, calculation and accounting devices	
	High Plaza Ltd.	Retail sales of household electronics	
	Sea Tech Ltd.	Production of basic petrochemical materials and composite materials	
	High Business Logistics Ltd.	General distribution and logistics	
	VENS Ltd.	Auto design and mold product development consulting	
	Lusem Ltd.	Semiconductor IC assembly	
	CS Leader Ltd.	Telemarketing service provider	
	A-in Tele Service Ltd.	Telemarketing service provider	
	Biz Tech & Ektimo Ltd.	ERP, consulting/development/outsourcing, business intelligence, consulting/development	

	LG Solar Energy Ltd.	Solar energy development	
	Coca-Cola Beverage Company	Production and sales of carbonated drinks	
	Twinwine Co, Ltd	Import liquor	
	Korea Commercial Vehicle	Sales of commercial vehicle and maintenance	
	Ucess Partners Co., Ltd.	Contact center installation and agent training	
	Systemairconengineering	Sale and maintenance of Electric/electronic/airconditioning	
	Jiheung	Manufacturing of Electronic items	
	Geovine	Retailer of liquor	
	Pixdix	Wholesaler/retailer of optical instruments and small digital appliances	
	CS ONE Partner	Telemarketing Service	
	W Brand Connection	Advertising Agency	
	HS Ad	General Advertising Agency	
	Bugs Com Ad	OOH Specialist Agency	
	Alchemedia	Media Planning & Buying	
	M. Hub	Media Planning & Buying	
	Wisebell	Advertising Agency	
	G Outdoor	OOH Media Agency	
	TAMS Media	OOH Media Agency	
	Pressline	Software development and suppliance	
	Twenty Twenty	Advertising Agency	
	LBest	General Advertising Agency	
Subtotal	39 Companies		
Total	52 Companies		

[Information on Group Company Changes in 2008]
Twinwine Co, Ltd became part of the group on January 2, 2008.
Korea Commercial Vehicle became part of the group on January 2, 2008.
Ucess Partners Co., Ltd. became part of the group on January 2, 2008.
Systemairconengineering became part of the group on February 1, 2008.
Jiheung became part of the group on June 2, 2008.
Pixdix and Geovine became part of the group on September 2, 2008.
CS ONE Partner became part of the group on October 1, 2008.
GⅡR became part of the group on December 1, 2008.

W Brand Connection became part of the group on December 1, 2008.
HS Ad became part of the group on December 1, 2008.
Bugs Com Ad became part of the group on December 1, 2008.
Alchemedia became part of the group on December 1, 2008.
M. Hub became part of the group on December 1, 2008.
Wisebell became part of the group on December 1, 2008.
G Outdoor became part of the group on December 1, 2008.
TAMS Media became part of the group on December 1, 2008.
Pressline became part of the group on December 1, 2008.
Twenty Twenty became part of the group on December 1, 2008.
LBest became part of the group on December 1, 2008.

b. Foreign Corporations

(Current as of December 31, 2008)

Company Name	Note
LG International (China) Corp.	China
LG Innotek Huizhou Co., Ltd.	China
Serveone (Nanjing) Co. Ltd.	China
LG (Beijing) Daeha Co., Ltd.	China
Arcelic-LG Klima Sanayi Ve Ticarte A.S. (LGEAT)	Turkey
Beijing LG Household Chemical Co., Ltd.	China
CCKBC (Netherlands) Holdings I BV	Netherlands
CCKBC (Netherlands) Holdings II BV	Netherlands
Compact Power, Inc.	U.S.
DACOM America, Inc.	U.S.
De Zwarte Ponk B.V. (DZP)	Netherlands
Eic Properties Pte. Ltd.	Singapore
Electromagnetica Goldstar SRL	Romania
EPC Munai LLP	Kazakhstan
FOSCO BV	Netherlands
GFTZ LG International Ltd. (Hangzhou LG International Corp.)	China
G‖R AMERICA, INC.	U.S.
Guangzhou New Vision Technology Research and Development Linited	China
Hangzhou LG Cosmetics Co., Ltd.	China
Hi Logistics CHINA	China

Hi Logistics Europe B.V.	Netherland
INSPUR LG DIGITAL MOBILE COMMUNICATIONS.CO., LTD.	China
Lanchao LG (Yantai) Digital Mobile Tech & Develop. Co. Ltd.	China
LG (Timor SEA 06-102) Ltd	Marshall Islands
LG (Yantai) Information & Communication Tech.	China
LG Alina Electronics (LGERI)	Russia
LG CHEM BRASIL INTERMEDICAO DE NEGOCIOS DO SETOR QUIMICO LTDA.	Brazil
LG Chem Display Material Co., Ltd.	China
LG Chem Europe GmbH	Germany
LG Chem Industrial Materials, Inc.	U.S.
LG Chem Poland SP. Z.O.O.	Poland
LG Chem Taiwan, Ltd.	Taiwan
LG Chem (China) Investment Co., Ltd	China
LG Chem (Nanjing) Info & Electronic Materials Co. Ltd	China
LG Chem (Tianjin) Engineering Plastics Co., Ltd	China
LG Chemical America, Inc.	U.S.
LG Chemical Hong Kong Ltd.	Hong Kong
LG Chemical India Private Ltd	India
LG Chemical Trading Co., Ltd	China
LG Chemical (Guangzhou) Engineering Plastics Co., Ltd.	China
LG CNS America, Inc.	U.S.
LG CNS Brasil Servicos De T.I.L.TDA	Brazil
LG CNS China, Inc	China
LG CNS Europe B.V.	Netherlands
LG CNS Global Private Limited	India
LG CNS Japan, Inc.	Japan
LG CNS Philippines, Inc.	Philippines
LG Electronics Norway AS	Norway
LG Electronics Huizhou, Ltd.	China
LG Electronics (Kunshan) Computer Co., Ltd.	China
LG Electronics (Nanjing) Plasma Co., Ltd.	China
LG Electronics (Shenyang) Inc. (LGESY)	China
LG Electronics Africa Logistics FZE	United Arab Emirates
LG Electronics Alabama Inc (LGEAI)	U.S.

LG Electronics Almaty Kazak Co., Ltd. (LGEAK)	Kazakhstan
LG Electronics Argentina S.A.(LGEAR)	Argentina
LG Electronics Australia Pty, Ltd (LGEAP)	Australia
LG Electronics Austria Gmbh.	Austria
LG Electronics Benelux Sales B.V.	Netherland
LG Electronics Canada Inc., (LGECI)	Canada
LG Electronics China Co., Ltd. (LGECH)	China
LG Electronics Colombia, Ltda (LGECB)	Colombia
LG Electronics Czech s.r.o.	Czechoslovakia
LG Electronics Da Amazonia Ltda (LGEAZ)	Brazil
LG Electronics De Sao Paulo Ltda (LGESP)	Brazil
LG Electronics Deutschland, Gmbh (LGEDG)	Germany
LG Electronics Egypt Cairo S.A.E. (LGEEC)	Egypt
LG Electronics Egypt S.A.E. (LGEEG)	Egypt
LG Electronics Espana S.A. (LGEES)	Spain
LG Electronics European Holdings B.V.	Netherland
LG Electronics European Logistics & Services B.V.	Netherland
LG Electronics European Shared Service Center B.V.	Netherland
LG Electronics France S.A.R.L.	France
LG Electronics Gulf FZE (LGEGF)	United Arab Emirates
LG Electronics Hellas S.A.	Greece
LG Electronics HK Ltd. (LGEHK)	China
LG Electronics Inc. Chile Limitada	Chile
LG Electronics India (PVT) Ltd (LGEIL)	India
LG Electronics Italy SPA (LGEIS)	Italy
LG Electronics Japan Inc. (LGEJP)	Japan
LG Electronics JIT Europe B.V.	Netherlands
LG Electronics Latvia LLC	Latvia
LG Electronics Magyar KFT (LGEMK)	Hungary
LG Electronics Malaysia Sdn. Bhd. (*LGEML)	Malaysia
LG Electronics Mexicali, SA de CV (LGEMX)	Mexico
LG Electronics Mexico SA de CV (LGEMS)	Mexico
LG Electronics Middle East CO., Ltd.	U.K.
LG Electronics Mlawa Sp.zo.o (LGEMA)	Netherlands
LG Electronics Mobile Research USA LLC (LGEMR)	U.S.

LG Electronics Mobilecomm France SAS	France
LG Electronics Mobilecomm USA Inc. (LGEMU)	U.S.
LG Electronics Monterrey Mexico SA de CV	Mexico
LG Electronics Morocco SARL (LGEMC)	Morocco
LG Electronics Nanjing Display Co. Ltd	China
LG Electronics Nigeria Limited (LGENI)	Nigeria
LG Electronics Nordic AB	Sweden
LG Electronics Overseas Trading FZE	United Arab Emirates
LG Electronics Panama SA (LGEPS)	Panama
LG Electronics Peru SA (LGEPR)	Peru
LG Electronics Philippines Inc (LGEPH)	Philippines
LG Electronics Polska SP ZO.O (LGEPL)	Poland
LG Electronics Portugal SA	Portugal
LG Electronics Qinhuangdao Co., Ltd (LGEQH)	China
LG Electronics Raynosa, SA de CV (LGERS)	Mexico
LG Electronics Romania SRL	Romania
LG Electronics RUS LLC	Russia
LG Electronics RUS-Marketing, LLC	Russia
LG Electronics SA (PTY) Ltd (LGESA)	South African Republic
LG Electronics Singapore Pte Ltd	Singapore
LG Electronics Taiwan Taipei Co., Ltd	Taiwan
LG Electronics Thailand Co., Ltd (LGETH)	Thailand
LG Electronics Tianjin Appliances Co., Ltd.	China
LG Electronics Ticaret A.S	Turkey
LG Electronics Uklaine	Ukraine
LG Electronics United Kingdom Ltd. (LGEUK)	UK
LG Electronics USA, Inc. (LGEUS)	US
LG Electronics Vietnam Ltd (LGESV)	Vietnam
LG Electronics Wales Ltd (LGEWA)	UK
LG Electronics Wroclaw Sp. Zo.o	Poland
LG Electronics (China) Research and Development Center Co., Ltd.	China
LG Electronics(Hangzhou) Recording Media Co., Ltd	China
LG H&H Trading (Shanghai) Co., Ltd.	China
LG holdings Ltd. (LGHK)	Hong Kong
LG Household & Health Care (Taiwan), Ltd.	Taiwan

LG Household & Health Care America, Inc.	U.S.
LG Innotek Mexicali S.A. De C.V.	Mexico
LG Innotek Poland Sp. Zo.o.	Poland
LG Innotek USA Inc.	U.S.
LG Innotek Yantai Co., Ltd.	China
LG International America Inc.	U.S.
LG International Corp. (Singapore) Pte. Ltd.	Singapore
LG International Investment (Canada) Ltd.	Canada
LG International Japan Ltd.	Japan
LG International Saudi LLC	Saudi Arabia
LG International Yakutsk	Russia
LG International (Australia) PT'S, Ltd.	Australia
LG International (Deutschland) Gmbh	Germany
LG International (HK) Limited	Hong Kong
LG International (U.K) Ltd.	U.K.
LG Life Sciences India Pvt. Ltd	India
LG Life Sciences Poland, Ltd.	Poland
LG Micron (FUJIAN) Electronics Co., Ltd.	China
LG Micron (Taiwan) Ltd.	Taiwan
LG Philips LCD America Inc.	U.S.
LG Philips LCD Germany Gmbh	Germany
LG Philips LCD Hong Kong Co., Ltd.	Hong Kong
LG Philips LCD Japan Co., Ltd.	Japan
LG Philips LCD Nanjing Co., Ltd	China
LG Philips LCD Taiwan Co., Ltd. (LGPLT)	Taiwan
LG Properties Pte. Ltd.	Singapore
LG Soft India PVT Ltd. (LGSI)	India
LG Solid Source, LLC	U.S.
LG Vina Chemical J/V Company	Vietnam
LG VINA Cosmetics	Vietnam
LG Philips LCD Guangzhou Co., Ltd. (LPLGZ)	China
LG Philips LCD Poland Sp. Z.o.o.	Poland
LG Philips LCD Shanghai Co., Ltd.	China
LG.Philips LCD Shenzen Co., Ltd.	China
LG-Shaker Co., Ltd	Saudi Arabia

Mongolia Resources Investment Limited	Hong Kong
Nakhodka FEZ Telecommunications Co., Ltd. (ROKOTEL)	Russia
Nanjing LG international VMI Ltd. Co.	China
Nanjing LG Panda Appliances Co., Ltd. (LGEPN)	China
Ningbo LG Yongxing Chemical Co., Ltd.	China
Philco Resources Limited	Philippines
PT LG CNS Indonesia	Indonesia
PT LG Electronics Indonesia (LGEIN)	Indonesia
PT. BATUBARA GLOBAL ENERGY	Indonesia
PT. Golden Hyundai Machinery(PT.GHM)	Indonesia
PT. Kimco Energy Utama	Indonesia
PT. LG Innotek Indonesia	Indonesia
PT. Tutui Batubara Utama	Indonesia
Qingdao LG Lanchao Digital Communication Co., Ltd	China
Resources Investment (H.K) Limited	Hong Kong
Resources Investments (Marree) Pty Ltd.	Australia
Shanghai LG Electronics Co, Ltd. (LGESH)	China
Siltron America, Inc.	U.S.
Suzhou Raken Technology Co., Ltd.	China
Taizhou LG Electronic Refrigeration Co., Ltd. (LGETR)	China
Tianjin LG Bohai Chemical Co., Ltd.	China
Tianjin LG Dagu Chemical Co., Ltd.	China
Tianjin LG New Building Materials Co., Ltd.	China
Triveni Digital Inc.	U.S.
V-ENS (M) SDN. BHD	Malaysia
Zenith Electronics Co. (Zenith)	U.S.
Total of 188 Companies	

3. Changes in Capital

A. Changes in Capital

(1) Increase of Capital

(Current as of December 31, 2008) (Unit: won, share)

Date Shares Were Issued	Form of Issuance	Information on Issued Shares				
		Type	Number	Par Value Per Share	Issue Price Per Share	Note

-	-	-	-	-	-	-

'Not Applicable'

(2) Reduction of Capital

(Current as of December 31, 2008) (Unit: won, share)

Reduction Date	Form of Reduction	Purpose of Reduction	Information on Reduced Shares				
			Type	Number	Par Value Per Share	Repurchase Price Per Share (If payment was made)	Note
-	-	-	-	-	-	-	-

'Not Applicable'

B. Information on Plan to Change the Amount of Capital

'Not Applicable'

C. Convertible Bond

(As of December 31, 2008) (Unit: won, share)

Classification		Convertible Bond	Total
Date of issue		-	-
Date of maturity		-	-
Total face value		-	-
Bond distribution method		-	-
Period when conversion is possible		-	-
Conversion conditions	Conversion percentage (%)	-	-
	Conversion price	-	-
Type of shares converted		-	-
Already converted bond	Total amount of face value	-	-
	Number of shares already converted	-	-
Bond not yet converted	Total amount of face value	-	-
	Number of shares that can be converted	-	-
Note		-	-

'Not Applicable'

D. Bonds with Warrant

(As of December 31, 2008) (Unit: won, share)

Classification		Bonds with Warrant	Total
Date of issue		-	-
Date of maturity		-	-
Total face value		-	-
Bond distribution method		-	-
When warrant rights can be exercised		-	-
Exercise condition	Exercise ratio (compared to face amount)	-	-
	Additional exercise cost	-	-
Type of shares subject to warrant exercise		-	-
Warrant rights already exercised	Total face value amount	-	-
	Number of shares already exercised	-	-
Warrant rights not yet exercised	Total face value amount	-	-
	Number of shares not yet exercised	-	-
Note		-	-

'Not Applicable'

E. Investment in Kind

'Not Applicable'

4. Total Number of Shares and Other Information

A. Total Number of Shares

(As of December 31, 2008) (Unit: share)

Classification	Type of Shares			Note
	Common	Preferred	Total	
I. Total Number of Shares to Be Issued	-	-	70,000,000	No distinction between common and preferred
II. Total Number of Shares so	15,618,197	2,099,697	17,717,894	-

far Issued					
III. Total Number of Shares so far Reduced		-	-	-	-
	1. Capital Reduction	-	-	-	-
	2. Stock Repurchase	-	-	-	-
	3. Callable Shares	-	-	-	-
	4. Others	-	-	-	-
IV. Total Shares Issued (II-III)		15,618,197	2,099,697	17,717,894	-
V. Number of treasury shares		958,398	3,437	961,835	-
VI. Number of Publicly Available Shares (IV – V)		14,659,799	2,096,260	16,756,059	-

B. Capital Stock and Price of Each Share

(As of December 31, 2008) (Unit: won, share)

Classification	Type	Capital Stock (Total Face Value)			Price of Each Share			Note
		Capital Stock in Financial Statements (A)	Face Value of Issued Shares (IV of a x B)	Face Value of Publicly Available Shares (VI of a x B)	Face Value of Each Share (B)	Capital / Total Number of Shares Issued (A / IV of a)	Capital / Publicly Available Shares (A / VI of a)	
Registered	Common	78,090,985,000	78,090,985,000	73,298,995,000	5,000	5,000	5,327	-
Registered	Preferred	10,498,485,000	10,498,485,000	10,481,300,000	5,000	5,000	5,008	-
Total		88,589,470,000	88,589,470,000	83,780,295,000	-	-	-	-

C. Acquisition and Disposal of Treasury Shares

(1) Information on Acquisition and Disposal of Treasury Shares

Acquisition Method	Type of Shares	Beginning of Period	Acquisition (+)	Disposal (-)	Removal (-)	End of Period	Note
Direct repurchase pursuant to Paragraph 1 of Article 189-2	Common (shares)	947,216	-	-	-	947,216	-
	Preferred (shares)	-	-	-	-	-	-

of the Act							
Direct repurchase outside Paragraph 1 of Article 189-2 of the Act	Common (shares)	11,177	5	-	-	11,182	-
	Preferred (shares)	3,437	-	-	-	3,437	-
Subtotal	Common (shares)	958,393	5	-	-	958,398	-
	Preferred (shares)	3,437	-	-	-	3,437	-
Indirect repurchase through trust agreement and others	Common (shares)	-	-	-	-	-	-
	Preferred (shares)	-	-	-	-	-	-
Total	Common (shares)	958,383	5	-	-	958,398	-
	Preferred (shares)	3,437	-	-	-	3,437	-

(2) Share Repurchase Information

(As of December 31, 2008) (Unit: won, share)

Repurchase Date	Purpose of Repurchase	Type of Shares Repurchased	Number of Shares Repurchased	Amount of Repurchase	Repurchase Period	Legal Authority
-	-	-	-	-	-	-
Total		Common Shares	-	-	-	-
		Preferred Shares	-	-	-	-

'Not Applicable'

(3) Trust Contracts Entered into/Dissolved Concerning Treasury shares

'Not Applicable'

D. Information on Shares Held by Employee Stock Ownership Association

(1) Transactions with Employee Stock Ownership Association

'Not Applicable'

(2) Standards of Exercising Voting Rights of Employee Stock Ownership Association

'Not Applicable'

(3) History of Employee Stock Ownership Association Share Ownership

'Not Applicable'

E. Information on Non-Common Shares

[As of December 31, 2008] (Unit: share)

Classification		Past Preferred Shares
Number of Shares Issued		2,099,697
Information on Shares	On Profit Dividend	Receives 1% more dividends than common shares
	On Distribution Right over Remaining Assets	Has rights identical to common shares
	On Redemption	Not applicable
	On Conversion	Not applicable
Others		These preferred shares were issued pursuant to commercial laws before the 1995 amendment and articles of incorporation before change.

F. Information on Redeemable Shares

'Not Applicable'

G. Information on Convertible Shares

'Not Applicable'

5. Information on Voting Rights

[As of December 31, 2008] (Unit: share)

Classification		Number of Shares	Note
Total Shares Issued (A)	Common Shares	15,618,197	
	Preferred Shares	2,099,697	
Shares Without Voting Rights (B)	Common Shares	-	
	Preferred Shares	2,099,697	

Shares with Restricted Voting Rights Due to Securities Trading Laws and Other Laws (C)	-	958,398	
Shares Whose Voting Rights Have Been Restored (D)	-	-	
Shares with Voting Rights (E = A-B-C+D)	Common Shares	-	
	Preferred Shares	14,659,799	

6. Information on Dividends and Others

A. Information on Dividends

Preferred shares issued by the Company have no voting rights. They receive, based on face value, an additional 1% dividend compared with common shares per annum in cash.

B. Information on Dividends During Three Most Recent Business Years

Classification		8th Period	7th Period	6th Period
Face Value of Each Share (won)		5,000	5,000	5,000
Net Profit Per Period (million won)		120,575	80,277	52,904
Earnings Per Share (won)		7,183	4,809	3,045
Profit Available for Dividend (million won)		345,279	253,305	193,257
Total Cash Dividend Paid (million won)		33,617	25,239	17,699
Total Stock Dividend Paid (million won)		-	-	-
Cash Dividend Disposition (%)		27.9	31.4	33.4
Cash Dividend Rate (%)	Common Shares	1.1	0.8	0.8
	Preferred Shares	4.8	2.3	2.2
Stock Dividend Rate (%)	Common Shares	-	-	-
	Preferred Shares	-	-	-
Cash Dividend Per Share	Common Shares	2,000	1,500	1,050
	Preferred Shares	2,050	1,550	1,100

(won)				
Stock Dividend Per Share (share)	Common Shares	-	-	-
	Preferred Shares	-	-	-

C. Information on Participating Bonds

'Not Applicable'

II. Business Information (Manufacturing)

1. Business Summary

A. Business Environment

▣ Household Division

Not only has the economic recession worsened due to increasing oil prices during the first half of 2008 and then the financial crisis in the second half of the year, but consumption by the upper class, which is relatively unaffected by economic conditions, has also shrunk considerably. The company enjoyed absolute sales growth in the household products market compared with 2007 but, from the second half of the year, the rate of growth in product quantities started to fall.

But as concern about the environment rises, and the market for well-being and environment-friendly products is expanding, household market is expected not to be so negative.

▣ Cosmetics Division

Cosmetics is a domestic industry that is influenced by the domestic economy and so it has also started to show falling sales due to the crisis in the real-goods economy caused by the financial crisis in the second half of the year. But the top companies in the industry are only suffering limited effects of the economic stagnation thanks to having expanded their proportion of premium brands sold through department stores and sales by door-to-door salespersons, which are channels that are relatively insensitive to economic recession.

Moreover, due to the withdrawal of Chanel from Lotte department stores, local prestige brands have reverberated benefits. This enabled the Company and Amore Pacific to outdo prestige MNC cosmetics brands in department store sales, and to widen the gap. Competition between companies is intensifying in specialty store channel, but a total channel sale is increasing. Other than big companies such as LG H&H and Amore Pacific, mid-tier and low-tier brand companies are improving their sales in specialty store channel through strengthening their brand-shops, diversifying their distribution channels, and targeting Japanese tourists.

B. Company Situation

(1) Business Situation and Business Classification

(a) Business Situation

▣ Household Division

In 2008, this business division achieved year-on-year sales growth of 9.7% to 826 billion won and operating profit growth of 8.6% to 80 billion won, in spite of the very difficult market conditions caused by the retail economy stagnation, increases in raw material costs and the high exchange rate. It was a year to reap the rewards of having pursued stronger fundamentals in recent years.

Exclusive distributors division is increasing the sales strength of exclusive distributors by raising the number of sales person in order to achieve superiority over competitors. Furthermore, sales in individual large supermarkets are growing through enhanced differentiation of recommended sales activities, such as events and product displays that increase market share on the sales floor.

In discount channel division, strategic alliances with distributors have been strengthened through themed events in each of the major discount store chains. Also, through events that result in social benefit and are not strictly income-oriented, such as "Create a Beautiful World", "Dokdo Love Gift Event" and "Szechuan Earthquake Fund Event", the company has not only improved the corporate image but has also made a closer emotional connection with consumers.
From a product standpoint, the company is focusing on sales expansion in premium areas (ReEn, Perioe Dental Cooling, etc.) and has achieved growth in this area.

Also, even in the on-line market, which is growing, the company is continuously carrying out product and channel expansion in order to strengthen market competitiveness. Through selection and focus, higher efficiency in home shopping broadcasting and increased online shopping mall sales have resulted in growth at more than double the market rate.

▣ Cosmetics Division

In 2008, the company continuously pursued its "premiumization" strategy of prestige brands, such as 'O HUI' and 'Whoo', and actively worked to develop other major mass market brands, such as Isa Knox and Sooryehan, into top brands. This has lead to the noteworthy promotion of premium Korean brand 'Whoo' into the ranks of the big brands, along with O HUI and Isa Knox, where sales exceed 100 billion won. The result is that sales of the entire division increased by 23.4% compared with the previous year.

Along with efforts to improve the business based on high-function, diversified concepts in high-priced cosmetics, the strategy of strengthening customer contact activities in the premium distribution channels, such as through department stores and door-to-door salespeople, as well as active channel expansion, is achieving results, with operating profit growth of more than 39.6%, compared with the previous year. Also, following up on the existing US, China and Vietnam subsidiaries, the company established 'LG Household & Health Care (Taiwan)', which is a newly established subsidiary in Taiwan, in 2008. In this way, the business base has been strengthened in order to carry out a more diversified strategy that takes into consideration local market characteristics and trends.

(b) Businesses Subject to Public Notice Requirements

Business Area	Main Products
Household Goods	Toothpaste, soap, shampoo, dishwashing detergent, laundry detergent, fabric softener, etc.
Cosmetics	Basic cosmetics, coloring cosmetics, functional cosmetics, etc.

(2) Market Share and Other Information

(Unit : %)

Business Area	Main Product	Market Share			Note
		6th Period Annual	7th Period Annual	8th Period Annual	
Household Goods	Toothpaste, soap, shampoo, dishwashing detergent, laundry detergent, fabric softener, etc	31.4	30.8	31.4	Korea's market leader
Cosmetics	Cosmetics	19.5	22.3	24.9	2nd in Korean market

- Household Goods Business Division: The figures indicate market share for the company's six main products.
- Cosmetics Business Division: This is based on sales figures for the ten largest companies of the industry.
- The above markets share may not exactly match each company's sales estimates.

(3) Market Characteristics

Business Area	Main Product	Main Target Market	Consumer Composition and Characteristics	Reason for Demand Changes	Domestic Consumption	Export
Household Goods	Toothpaste, soap, shampoo, dishwashing detergent, laundry detergent, fabric softener, etc.	Domestic Market	General population	Economic changes	90%	10%
Cosmetics	Cosmetics	Domestic Market	General population	Economic changes	97%	3%

(4) New Business Information and Projections

▣ NH Division

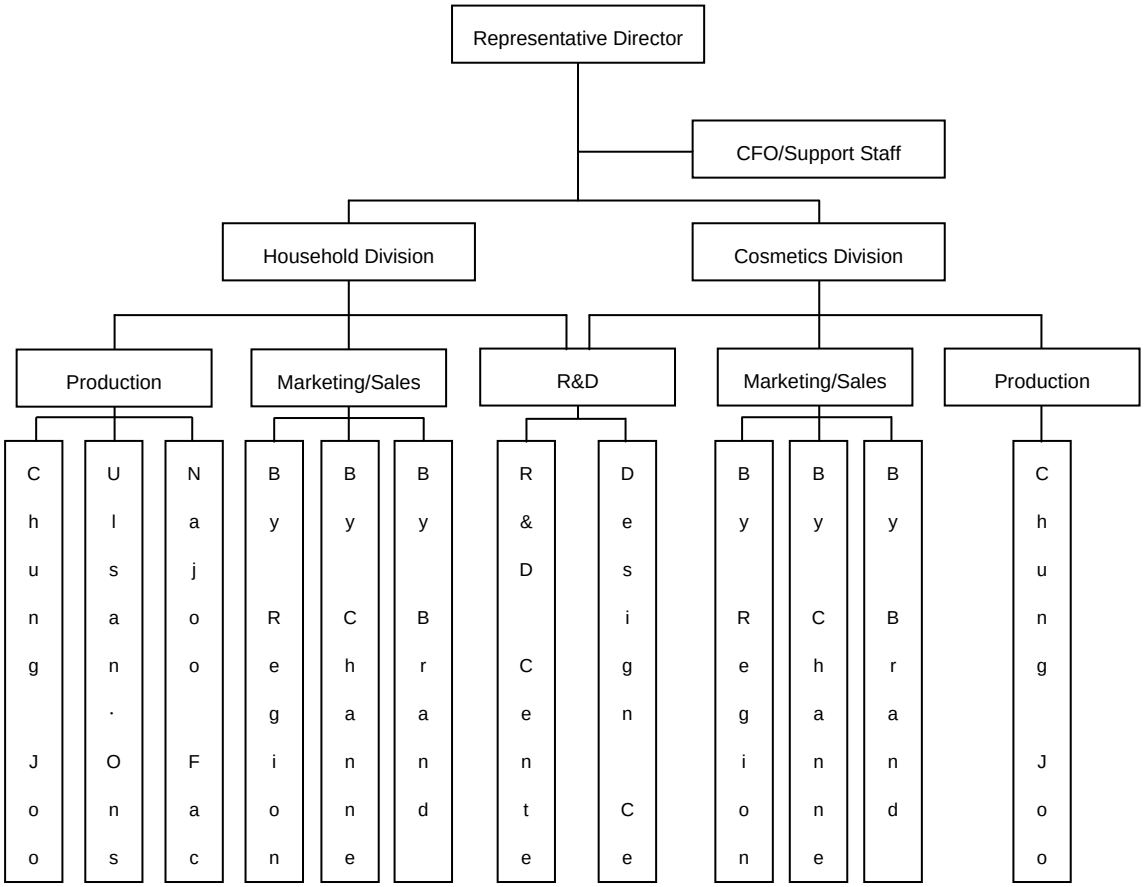
1. Steady sales increases in health food products have continued.

- In its third year, Chungyoonjin has achieved year-on-year sales growth of 80.3% and recurring profit growth of 480.8%. In the 4th quarter, year-on-year sales growth was 89.1%, thus confirming the possibility of continued high growth in the future, too.
- L-Hanami Bcom, which was released in March, achieved sales of 7.38 billion won in the year based on shipment price and five products, including Kiyomaru Yeast and Keumkang Jinaekgo sold over 1.0 billion won at shipment prices, demonstrating that the division is continuing to enjoy positive customer response.

2. Outlook for the Future

- Considering the overall economic difficulties, it is expected that the company will find it difficult to increase sales, but at current trends, 18.5 billion won in net sales for health foods, which is the current goal for 2009, is forecast to be possible.

(5) Organization Chart



C. Business Situation of Subsidiaries

(1) Information on Industry to Which Subsidiaries Belong
'Not Applicable'

(2) Business Information of Subsidiaries
'Not Applicable'

(3) Business Figures of Subsidiaries
'Not Applicable'

2. Main Products and Raw Materials
A. Information on Main Products

(Unit: mil won)

Business Area	Sales	Item	Specific Purpose	Main Brand	Sales Amount (Percentage)
Household Goods	Products/ Goods	Household Goods	Household, convenience and personal hygiene products	Perio, Say, Elastine, Natural Pong, Tech, Saffron	819,736 (60.5%)
Cosmetics Goods		Cosmetics Products	Facial cleansing, moisturizing, skin care and skin cosmetics products	O HUI, Whoo, Isa Knox, Sooryehan, Vonin	534,849 (39.5%)
Total					1,354,585 (100%)

B. Price Trends of Main Products

(Unit: won/unit)

Item	8th Period Annual	7Period Annual	6th Period Annual
Perioe Toothpaste	1,870	1,650	1,650
Say Soap	1,100	1,100	1,100
Elastine Shampoo	6,960	7,950	7,950
Natural Pong	3,300	2,650	3,060
Tech	6,600	9,280	9,280
Saffron	3,280	1,940	1,940
LacVert Two-way Cake	14,000	12,400	12,400
Isa Knox Lotion	22,600	21,300	21,300
O HUI Skin	25,200	24,000	24,000

(1) Calculation Standards

The above figures were calculated using the factory price of one representative product for each category.

(2) Main Reasons for Price Changes

* The prices were changed based on product renewals.
* Information of volume changes : Tech 3.2kg → 2.7kg /
Elastine Shampoo 900ml → 600ml
Saffron 1,800ml → 2,100ml

C. Information on Main Raw Ingredients

(Unit: million won, %)

Business Area	Purchases	Item	Specific Purpose	Cost of Purchase (Percentage)	Note
Household Goods	Raw Material	Palm kernel oil, Palm stearin, Suet, etc	Raw material for cosmetic soap	180,128(67.8%)	-
Cosmetics	Raw Material	Iron oxide, Macadamia oil, Cetyl alcohol, Steary alcohol	Raw material for various cosmetic products, such as skin, lotion	34,723(13.1%)	-
Others	Raw Material	Surfactant alcohol	-	50,805(19.1%)	-
Total				265,656(100.0%)	-

D. Price Changes of Main Raw Ingredients

(Unit: USD, JPY, AUD)

Item		Currency	Unit	8th Period	7th Period	6th Period
Suet	Import	USD	ton	810	673	421
Palm-Kernel Oil	Import	USD	ton	1,165	921	583
Palm Stearin	Import	USD	ton	812	723	419
Iron Oxide	Stock	JPY	ton	1,580	1,580	1,580
Macadamia Oil	Import	AUD	kg	8	8	8
Cetyl Alcohol	Stock	JPY	ton	650	600	600
Stearyl Alcohol	Stock	JPY	ton	750	650	650

(1) Calculation Standards

Among raw materials, the above items were selected based on their cost and frequent use in multiple products.

(2) Main Reasons for Price Changes

The prices of top white and palm stearin hit its historical-high prices in July 2008 due to spike in oil-prices and heavy venture movement. However, global financial situation and economic slump that occurred from second half of 2008 triggered the prices to drastically decrease from August, and stabilize the prices at the low points.

The prices are expected to stabilize at the low points unless harvest is affected by worsened situations, such as low oil-prices and consumption decline.

3. Information on Production and Facilities

A. Production Capacity and Basis for Calculating Production Capacity

(1) Production Capacity

(Unit: hundred million won)

Business Area	Item	Business Location	8th Period	7th Period	6th Period
Household Goods	Toothpaste, shampoo, detergent, fabric softener, etc.	Cheong-ju	6,397	6,185	6,059
	Skin products, detergents, surfactants, etc.	Ul-san	2,255	1,451	1,532
		On-san	837	562	610
	Wrap, set	Na-ju	188	170	164
	Subtotal		9,677	8,368	8,365
Cosmetics	Cosmetics	Cheong-ju	7,721	6,721	5,455
	Subtotal		7,721	6,721	5,455
Total			17,398	15,089	13,820

(2) Basis for Calculating Production Capacity

(a) Calculation Method

- Production Capacity = Theoretical Capacity x (365 days – non-operational days)

※ Theoretical Capacity = Speed * 24 hours * 365 days

※ Due to the nature of the products of the Company, the operational days are calculated by weighing the ratio of continuous processing days and single unit processing days.

① Calculation Basis

The capacity was calculated by using the average operating ratio that took into account the accumulated production of the 8th period (Jan 1, 2008 to Dec 31, 2008) and actual operating shifts (taking the number of employees into consideration).

② Calculation Method

Please see “(2) Quarterly Operating Ratio” in “B. Actual Production and Operating Ratios”

(b) Average Operating Hours
Please see “(2) Quarterly Operating Ratio” in “B. Actual Production and Operating Ratios”

B. Actual Production and Operating Ratios
(1) Actual Production

(Unit: hundred million won)

Business Area	Products	Facility	7th Period	6th Period	5th Period
Household Goods	Toothpaste, shampoo, detergents, fabric softeners, etc.	Cheong-ju	5,927	5,529	4,342
	Skin care products, surfactant for laundry, etc.	Ul-san	1,763	1,359	1,085
		On-san	752	548	537
	Wrap, set	Na-ju	125	127	322
Subtotal			8,567	7,563	6,286
Cosmetics	Cosmetics	Cheong-ju	6,400	5,317	4,443
Subtotal			6,400	5,317	4,443
Total			14,967	12,880	10,729

(2) Operating Ratios of the Business Year

(Unit: hour, %)

Business Facility (Business Area)		8th Period Annual Possible Operating Hours	8th Period Actual Operating Hours	Average Operating Ratio
Household Goods	Cheong-ju	2,434	2,255	92.6
	Ul-san	5,376	4,203	78.2
	On-san	7,857	7,060	89.9
	Na-ju	5,688	3,776	66.4
Subtotal		21,355	17,294	81.0
Cosmetics	Cheong-ju	2,384	1,944	81.5
Subtotal		2,384	1,944	81.5

Total	23,739	19,238	81.0

C. Production Facility Information

(1) Production Facility Information

[Asset item : Land]

(Unit: million won)

Business Facility	Ownership Form	Location	Classi-fication	Beginning Period Book Value	Increase or Decrease during Business Year		Depre-ciation This Year	End Period Book Value	Note
					Increase	Decrease			
Cheong-ju Factory	Owned	Cheong-ju	-	17,312	-	-	-	17,312	-
Dae-jeon Laboratory	Owned	Dae-jeon	-	5,646	-	-	-	5,646	-
Headquarters Office	Owned	Seoul	-	63,467	703	16,972	-	47,198	-
Ul-san Factory	Owned	Ul-san	-	6,310	-	-	-	6,310	-
Others	Owned	-	-	25,153	-	5,413	-	19,740	-
Total				117,888	703	22,385	-	96,206	-

[Asset item : Buildings]

(Unit: million won)

Business Facility	Ownership Form	Location	Classi-fication	Beginning Period Book Value	Increase or Decrease during Business Year		Depre-ciation This Year	End Period Book Value	Note
					Increase	Decrease			
Cheong-ju Factory	Owned	Cheong-ju	-	42,253	577	45	1,172	41,613	-
Dae-jeon Laboratory	Owned	Dae-jeon	-	17,026	122	-	477	16,671	-
Headquarters Office	Owned	Seoul	-	9,971	-	-	180	9,791	-
Ul-san Factory	Owned	Ul-san	-	5,272	479	-	277	5,474	-

Others	Owned	-	-	17,341	345	111	479	17.096	-
Total				91,863	1,523	156	2,585	90,645	-

[Asset item : Structures]

(Unit: million won)

Business Facility	Ownership Form	Location	Classi-fication	Beginning Period Book Value	Increase or Decrease during Business Year		Depre-ciation This Year	End Period Book Value	Note
					Increase	Decrease			
Cheong-ju Factory	Owned	Cheong-ju	-	2,030	76	1	171	1,934	-
Dae-jeon Laboratory	Owned	Dae-jeon	-	590	-	-	57	533	-
Headquarters Office	Owned	Seoul	-	265	-	-	33	232	-
Ul-san Factory	Owned	Ul-san	-	1,441	103	2	110	1,432	-
Others	Owned	-	-	147	-	4	15	128	-
Total				4,473	179	7	386	4,259	-

[Asset item : Machinery and Equipment]

(Unit: million won)

Business Facility	Ownership Form	Location	Classi-fication	Beginning Period Book Value	Increase or Decrease during Business Year		Depre-ciation This Year	End Period Book Value	Note
					Increase	Decrease			
Cheong-ju Factory	Owned	Cheong-ju	-	22,990	5,844	32	5,495	23,307	-
Dae-jeon Laboratory	Owned	Dae-jeon	-	255	-	-	72	183	-
Headquarters Office	Owned	Seoul	-	339	-	10	63	266	-
Ul-san Factory	Owned	Ul-san	-	17,121	1,963	5	3,553	15,526	-
Others	Owned	-	-	1,087	75	-	272	890	-
Total				41,792	7,882	47	9,455	40,172	-

[Asset item : Vehicles and Transport Equipment]

(Unit: million won)

Business Facility	Ownership Form	Location	Classi-fication	Beginning Period Book Value	Increase or Decrease during Business Year		Depre-ciation This Year	End Period Book Value	Note
					Increase	Decrease			
Cheong-ju Factory	Owned	Cheong-ju	-	214	61	-	76	199	-
Dae-jeon Laboratory	Owned	Dae-jeon	-	3	-	-	-	3	-
Headquarters Office	Owned	Seoul	-	196	68	-	76	188	-
Ul-san Factory	Owned	Ul-san	-	69	24	-	19	74	-
Others	Owned	-	-	160	18	-	56	122	-
Total				642	171	-	227	586	-

[Asset item : Work Tools]

(Unit: million won)

Business Facility	Ownership Form	Location	Classi-fication	Beginning Period Book Value	Increase or Decrease during Business Year		Depre-ciation This Year	End Period Book Value	Note
					Increase	Decrease			
Cheong-ju Factory	Owned	Cheong-ju	-	15,827	5,509	27	5,127	16,182	-
Dae-jeon Laboratory	Owned	Dae-jeon	-	2,969	808	22	996	2,759	-
Headquarters Office	Owned	Seoul	-	3,041	1,135	66	1,002	3,108	-
Ul-san Factory	Owned	Ul-san	-	274	132	1	101	304	-
Others	Owned	-	-	2	-	-	-	2	-
Total				22,113	7,584	116	7,226	22,355	-

[Asset item : Fixtures]

(Unit: million won)

Business Facility	Ownership Format	Location	Classi-fication	Beginning Period Book Value	Increase or Decrease during Business Year		Depre-ciation This Year	End Period Book Value	Note
					Increase	Decrease			
Cheong-ju Factory	Owned	Cheong-ju	-	733	200	13	285	635	-
Dae-jeon Laboratory	Owned	Dae-jeon	-	617	91	16	256	436	-
Headquarters Office	Owned	Seoul	-	4,035	533	25	1,579	2,964	-
Ul-san Factory	Owned	Ul-san	-	107	54	2	47	112	-
Others	Owned	-	-	342	18,331	3	147	18,523	-
Total				5,834	19,209	59	2,314	22,670	-

2) New Facility Installations and Purchase Plans

(a) Investments Currently in Progress

(Unit: million won)

Business Area	Classification	Investment Period	Investment Assets	Effect of Investment	Total Investment Amount	Investment During Period (for this period)	Future Investment Amount	Note
Household Goods	Increase production facility of AG factory	08.08~07.09	Building, Machinery, etc.	Increase production capacity	5,700	1,655	4,045	-
	Install V-water production facility	11.08~03.09	Machinery, etc.	Product new product	2,944	533	2,461	-
	Ordinary investment	01.08~12.08	Machinery, etc.	Improve productivity	7,086	6,628	458	-
Cosmetics Goods	Ordinary investment	01.08~12.08 year	Machinery, etc.	Improve productivity	5,535	5,175	360	-
Total				-	21,315	13,991	7,324	

(b) Future Investment Plan

(Unit: million won)

Business Area	Plan Name	Projected Total Investment Amount		Annual Projected Investment Amount			Investment Effect	Note
		Asset Format	Amount	9th Period	10th Period	11th Period		
Household	Ordinary investment	Machinery, etc	6,244	6,244	-	-	Improve productivity	-
Cosmetics	Ordinary investment	Machinery, etc	5,902	5,902	-	-	Improve productivity	-
Common	Ordinary investment	Machinery, etc	711	711	-	-	Improve productivity	-
Total			12,857	12,857	-	-	-	-

※This data reflected only confirmed investment plan as of Dec 31. 2008.

4. Information on Sales

A. Sales Figures

(Unit: million won)

Business Area	Sales Form	Items		8th Period	7th Period	6th Period
Household Goods	Products and Goods	Toothpaste, Shampoo, Soap, etc.	Export	85,619	59,498	51,785
			Domestic	734,117	681,917	634,269
			Total	819,736	741,415	686,054
Cosmetics	Products and Goods	Basic cosmetics and coloring agents	Export	18,499	15,385	11,634
			Domestic	516,350	415,651	335,155
			Total	534,849	431,036	346,789
Total			Export	104,118	74,883	63,419
			Domestic	1,250,467	1,097,568	969,424
			Total	1,354,585	1,172,451	1,032,843

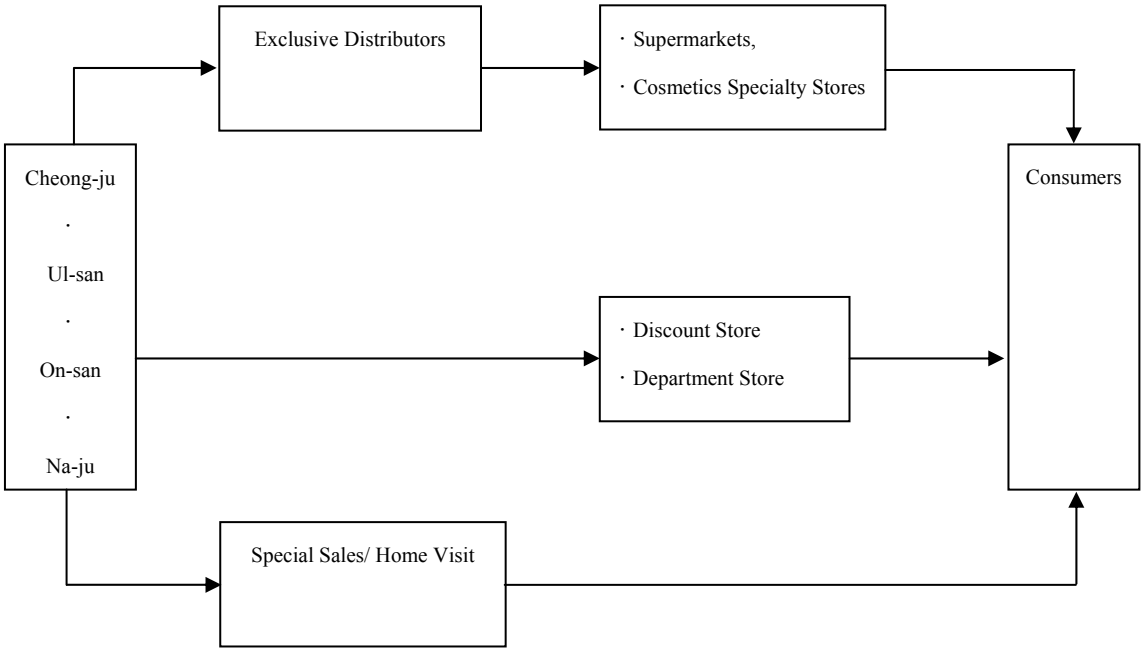
B. Sales Channels and Sales Methods

(1) Sales Organization

The Company has a shipping department that ships products manufactured in its four factories located in Cheong-ju, Ul-san, Na-ju and On-san and ten distribution centers located in Kwang-ju, Dae-gu, Dae-jeon and other places and promptly transports these

products all over the country. Finally, the Company has a nationwide sales network, including authorized stores that sell products and goods to consumers, dozens of regional offices and business trip centers that oversee stores selling Company goods.

(2) Sales Channels



Classification		Sales Channel	Sales Percentage
Domestic Consumption	Household Goods	Discount Stores	25.5%
		Others	74.6%
	Cosmetics	Mass Channels	50.0%
		Prestige Channel	50.0%
Export	Household Goods, Cosmetics	General Stores and Direct Sales	100.0%

(3) Sales Method and Conditions

Generally, most sales consist of credit sales. Generally, payment is received through cash or note at the time of sale.

(4) Sales Strategy

Most of products are “mature” in the sense that most of their growth has already been achieved. Therefore, the Company focuses on expanding its market share and differentiating (“premiumizing”) its products. It is engaged in advertising activities to improve its image, and it is executing its established sales strategy to increase electronic sales over the Internet.

5. Information on Orders

‘Not applicable’

※ The majority of the company's product market takes the form of sales from large-scale production as the market has become commoditized, and as such sales from orders and contracts are insignificant.

6. Information on Derivative Products

A. Derivative Product Contract Information

‘Not applicable’

B. Information on Risk Management

‘Not applicable’

7. Important Contracts for Operations

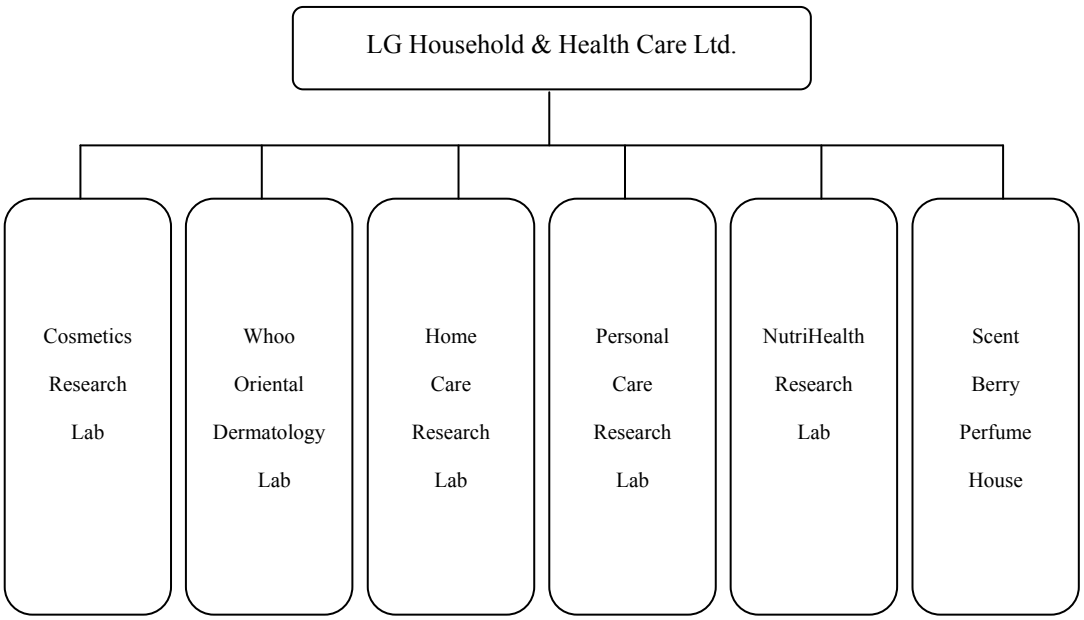
Contract Date	Contracting Party	Contract Information	Note
Dec 2005	Unicharm	Partnered with Unicharm to improve R&D and production technology and to improve the distribution capacity of LG Household & Health Care Ltd.	- Share transfer and joint venture agreement - Distribution agreement
Aug 2007	Coca-Cola Amatil Ltd.	Contract to purchase CCKBC (Coca-Cola Korea Bottling Company Ltd.) shares	- Share sale agreement
Oct 2007	Coca-Cola Amatil Ltd.	Contract purchasing 100% of CCKBC (Netherlands) Holding I BV and CCKBC (Netherlands) Holding II BV shares. Those entities, respectively, own 49.9% and 50.1% of CCKBC (Coca-Cola Korea Bottling Company Ltd.) shares.	- Share sale agreement
Jan 2008	European Refreshments	Sold respectively 5% of CCKBC(Netherlands) Holding I BV and	- Share sale and purchase agreement

		CCKBC(Netherlands) Holding II BV, which own 49.9% and 50.1% of CCKBC (Coca-Cola Korea Bottling Company Ltd.) shares, to European Refreshments(ER), financed by The Coca Cola Company (TCCC). Then, issued 5% of new shares to be purchased. So, the Company has 90% of shares and ER has 10%.	
Feb 2008	Hae-Bong	Participated in capital increase and acquired 19.7% of shares.	Stock Subscription Agreement

8. Research and Development Activities

A. Summary of Research and Development Activities

(1) Research and Development Organizations



(2) Research and Development Costs

(Unit: million won)

Item	8th Period	7th Period	6th Period	Note
Raw Material Costs	1,323	1,327	1,449	-
Personnel Costs	15,044	13,456	11,666	-

Depreciation Costs		2,127	2,331	1,736	-
Contracting Costs		-	-	-	-
Others		13,781	13,337	12,391	-
Total Research and Development Costs		32,275	30,451	27,242	-
Accounting Items	Sales Costs and Management Costs	27,812	26,111	23,715	
	Manufacturing Costs	4,464	4,340	3,527	-
	Development Costs (Intangible Asset)	-	-	-	-
R&D Cost as Percentage of Sales [R&D Cost / Sales Amount x 100]		2.4%	2.6%	2.6%	-

B. Research and Development Accomplishments

■ Household Goods

Oral Care	1. Product name : Dental Cooling System Mouth-Wash Mint Glasse/Lemon Grass 2. Development Background : New concept mouth-wash including pure mouth-wash ingredient, Erithritol, and anti-virus ingredient 3. Main ingredients and characteristics : 1) Mouth-wash effect from pure fermented ingredient, 'Erythritol' 2) Anti-virus effect from anti-virus ingredient, CPC, against oral cavity disease germs
Body Care	1. Product name : Say Body Lotion, Wild Flowers Falling in Love with Skin 2. Development Background : To capture M/S in Body care category, which is growing steadily 3. Main ingredients and characteristics : 1) Maintain softness and moisture in skin by Korean wild flowers and fermented liquid from grass 2) Provide nutrition and moisture simultaneously, targeting specifically at age in 20-40's dry-skinned consumers 3) Product composition : Body essence, body lotion, body cream
	1. Product name : Beyond Miracle Cure 3 items - Repairing hand cream, ultimate hand & nail cream, healing foot cream 2. Development Background : Specialized care line to strengthen Total Beauty Care Brand image of Beyond. 3. Main ingredients and characteristics : 1) Abundant Tocopherol and Saponin in products help skin to moisturize, prevent

	skin-aging through sulfating the skin, function as anti-virus protective layer, prevent acne, chicken pox, and dryness in skin, and decline wrinkles. 2) Moisturize hands through excellent moisture, softness, and sun protection (SPF 6)
Fabric Care	1. Product name : Saffron Drum Extreme Care 2. Development Background : Fabric softener fitted for drum-type laundry machines with total care concept of skin/fabric/detergent and bubble-residue-free 3. Main ingredients and characteristics : 1) Bubble-residue-free inside drum-type laundry machines by applying magnetic emulsified silicon 2) Prevent fabric damages and regenerate elastic touch-feel through using concentrated softening ingredients and elastic silicon 3) Neutralization detergent remains by acid buffer technique/remove odor by Green tea ingredient, catechin
Home Care & Hygiene	1.Product name : Homestar Balhyobichak for bathroom, for kitchen 2. Development Background : Safe home cleaner with eco-label certificate made from fermented black vinegar and cleaning agents extracted from plants, removes stains and odor in bathrooms and kitchen 3. Main ingredients and characteristics : 1) Unpolished rice fermented black vinegar and pine tree(bathroom), organic acid in pomegranate extract concentrate(kitchen) removes various oil stains, slime, soap stains, and odor 2) Excellent performance in dissolving and environment-friendly through using plant-extracts for cleaning agents

■ Cosmetics

Oriental medicine herbal cosmetics	1. Product name : Whoo Whanyoogo/Jinaek/Dongango 2. Development Background : Revive skin back to 10 year ago through foundation of life, which are qi (energy) /hyul (blood) /chung (essence) 3. Main ingredients and characteristics : 1) Maximized absorption to skin and magnify performance of ingredients through minimizing molecules of wild ginseng, young antlers of the deer, and Snowbird flower (Adonis amurensis) from Chun Mountain 2) Mibaeksan : whitening effects Whanhyultang : improve face color through improving blood flow Tanryuckbang : improve resilience and wrinkle

	Boyunwhan : provide moisture and shine Myunyuckzub : improve immune system
	1. Product name : Whoo Chunjidan Damyoon Eye Cream 2. Development Background : Cosmetics using oriental herbal medicine baladan for over 56 years old 3. Main ingredients and characteristics : 1) Maximize vitality of life by growing Chinese herbal medicine ingredients through recuperating secret germination technique from the Royal Court of Korea 2) Stabilize hand-down secret ingredients and 100% life-giving water in-between glucolipids through large-scale emulsification technique
Basic cosmetics (Functional cosmetics)	1. Product name : CareZone NB Clinic Wrinkle Doctor Line 2. Development Background : Wrinkle cosmetics developed in collaboration with dermatology-specialized NB clinic 3. Main ingredients and characteristics : 1) Easyef : ingredients for cell growth and regeneration 2) Copper peptide : ingredients that dermatologists apply for skin recuperation after skin surgeries 3) Light therapy : beauty appliances that apply light therapy technology from dermatologists
	1. Product name : Isa Knox Ideal Linger Serum 2. Development Background : Skincare-focused serum for rapid skin anti-aging 3. Main ingredients and characteristics : 1) Astasantin : Antioxidant effect 500 times more effective than Vitamin E (Astin C drop) 2) Medical Hyaluronic Acid : Using powerful moisturizing ingredient that absorbs moisture thousand times more than its weight at the medical grade of LG Life Science's technology 3) Serinesin : Silk protein ingredient that catalyzes formation of collagens to bring resilience to skin and smoothes skin by reducing pores
Color cosmetics	1. Product name : Cathy Cat the Flying Volume/Curling Mascara 2. Development Background : Korean females have thin and dropping eyelashes, hence mascara that enriches and curls eyelashes 3. Main ingredients and characteristics : 1) Volume : uses twister-brush

	2) Curling : uses 9 degrees flying brush
	1. Product name : Cathy Cat Lucid Pure Whitening 2. Development Background : Occupy make-up base market and strengthen function and premiumize current product through developing whitening line 3. Main ingredients and characteristics : 1) Functional whitening make-up base that enables cotton make-up through 3-step care of skin's texture, light, and color 2) Moving away from old shaking-type, strengthened with high sun-proof level and no stickiness

9. Other Information Necessary for Investment Decisions

A. Summary Chart of Outside Financing

[Domestic Financing] (Unit: million won)

Funding Source	Beginning Balance	New Funding	Reduction in Outstanding Balance	Remaining at the End of Period	Note
Bank	-	-	-	-	-
Insurance Company	-	-	-	-	-
Financing Company	-	-	-	-	-
Credit Financing Company	-	-	-	-	-
Cooperative Bank	-	-	-	-	-
Other Financial Institutions	-	-	-	-	-
Total From Financial Institutions	-	-	-	-	-
Corporate Bond (Public)	200,000	-	-	200,000	-
Corporate Bond (Private)	-	-	-	-	-
Issuance of New Shares (Public)	-	-	-	-	-
Issuance of New Shares (Private)	-	-	-	-	-
Liquidation of Assets (Public)	-	-	-	-	-
Liquidation of Assets (Private)	-	-	-	-	-
Other	170,500	1,302,000	1,378,500	94,000	-

Total Capital Market	370,500	1,302,000	1,378,500	294,000	-
Funds Deposited by Shareholder / Officers / Group Company	-	-	-	-	-
Others	-	-	-	-	-
Total	370,500	1,302,000	1,378,500	294,000	-

[Overseas Financing] (Unit: million won)

Funding Source	Outstanding Balance	New Funding	Reduction in Outstanding Balance	Remaining at the End of Period	Note
Financial Institutions	-	-	-	-	-
Overseas Securities (Corporate Bond)	-	-	-	-	-
Overseas Securities (Shares, etc.)	-	-	-	-	-
Asset Liquidation	-	-	-	-	-
Others	-	-	-	-	-
Total	-	-	-	-	-

'Not applicable'

B. Credit Rating over the Three Most Recent Years

Review Date	Security Reviewed	Credit Rating Given	Reviewing Company (Range of Credit Rating)	Review Classification
June 14, 2006 June 30, 2006	Commercial Paper	A1	Korea Investors Service, Inc. Korea Ratings (A1 to D)	Main Review
May 17, 2007 June 25, 2007	Commercial Paper	A1	Korea Investors Service, Inc. Korea Ratings (A1 to D)	Main Review
Sep 21, 2007 Sep 21, 2007	Corporate Bond	AA-	Korea Investors Service, Inc. Korea Credit Information (AAA to D)	Main Review
Dec 28, 2007 Jan 15, 2008	Commercial Paper	A1	Korea Investors Service, Inc. Korea Ratings	Regular Review

			(A1 to D)	
June 27, 2008 July 17, 2008	Corporate Bond	AA-	Korea Investors Service, Inc. Korea Credit Information (AAA to D)	Regular Review
June 27, 2008 June 05, 2008	Commercial Paper	A1	Korea Investors Service, Inc. Korea Ratings (A1 to D)	Main Review
Dec 22, 2008 Dec 18, 2008	Commercial Paper	A1	Korea Investors Service, Inc. Korea Ratings (A1 to D)	Regular Review

- Commercial Paper

A1: Highest likelihood of timely repayment. The safety of repayment is also the highest.

A2: Superior likelihood of timely repayment, but safety is somewhat inferior to A1 rating.

A3: Fine likelihood of timely repayment. The safety is also fine, but somewhat inferior to A2 rating.

B: Acceptable likelihood of timely repayment. However, based on short-term conditions, there is a speculative element in regard to the safety.

C: There is a large speculative element to the likelihood of timely repayment and safety.

D: Incapable of making repayment.

- Corporate Bond

AAA: Highest ability to repay the principle

AA: Excellent ability to repay the principle but somewhat inferior to AAA bonds

A: Good ability to repay the principle but is subject to economical conditions and background.

BBB: Fine ability to repay the principle but there is a potential that the ability to repay will be degraded based on economical conditions and background, compared to bonds with superior ratings.

BB: There is no immediate issue with the ability to repay the principle but there is a speculative element in the future repayments that cannot be ignored.

B: Lacks the ability to repay the principle, making it speculative. In recession, it is uncertain whether interest payments will be made.

CCC: There is current uncertainty regarding the ability to repay the principle. There is a large possibility of default, making it largely speculative.
CC: This has more elements of uncertainty compared to superior ratings
C: There is a high likelihood of default, and there is no ability to repay the principle.
D: Incapable of making repayment.

C. Other Important Information
‘Not applicable’

III. Financial Information

1. Summarized Financial Information

(Unit: million won)

Classification	8th Period	7th Period	6th Period	5th Period	4th Period
[Current Assets]	330,562	288,470	249,012	232,210	197,667
* Quick Assets	207,278	196,067	172,308	155,900	132,136
* Inventory	123,284	92,403	76,704	76,310	65,531
[Non-Current Assets]	709,499	698,132	378,470	386,340	403,512
* Investments Assets	384,242	355,715	34,726	23,861	24,813
* Tangible Assets	282,960	286,022	297,780	307,019	322,406
* Intangible Assets	13,290	15,400	16,846	17,598	7,069
* Other Non-Current Assets	29,007	40,955	29,118	37,862	49,224
Total Assets	1,040,061	986,602	627,482	618,550	601,179
[Current Liabilities]	413,474	378,600	280,709	244,052	253,649
[Non-Current Liabilities]	141,926	226,209	28,263	20,822	54,136
Total Liabilities	555,400	604,809	308,972	264,874	307,785
[Capital]	88,589	88,589	88,589	88,589	88,589
[Surplus Capital]	97,326	97,350	97,349	97,349	97,346
[Capital Adjustment]	△71,375	△70,877	△70,877	△698	△744
[Accumulated other Comprehensive Income and Expense]	6,953	△1,101	△1,805	△2,036	△3,763
[Retained Earnings]	363,168	267,832	205,254	170,472	111,966
Total Shareholders' Equity	484,661	381,793	318,510	353,676	293,394
Sales	1,354,585	1,172,451	1,032,843	967,837	967,029
Operating Profit	153,523	126,403	94,494	70,364	54,287
Recurring Profit	162,289	116,901	81,357	68,874	52,042
Net Profit	120,575	80,277	52,950	71,879	36,502

[△ : Signifies a negative figure]

A. Business Mergers

On October 24, 2007, the Company acquired 100% of CCKBC (Netherlands) Holding I BV (Hereafter, "Holding I BV") and CCKBC (Netherlands) Holding II BV (Hereafter, "Holding II BV"), which respectively held 49.84% and 50.16% of Coca-Cola Beverage Ltd. (previously, "Coca-Cola Korea Bottling Company Ltd."). The Company then

disposed of 5% of its Holding I BV and Holding II BV shares on January 24, 2008, which is after the date of this statement. On the same date, the Company declined to participate in their capital-raising activity, reducing the Company's share of Holding I BV and Holding II BV to 90% each.

2. Important Information Regarding Financial Statements

A. Basis of Presenting Financial Statements

The Company maintains its accounting records in Korean Won and prepares statutory non-consolidated financial statements in the Korean language in conformity with 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 solely for use by only 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 non-consolidated financial statements, but not required for a fair presentation of the Company's financial position, results of operations, changes in stockholders' equity or cash flows is not presented in the accompanying non-consolidated financial statements.

Except for the adoption of the following changed Statements of Korea Accounting Standards ("SKAS"), the Company has adopted the prior year's accounting policies consistently in the preparation of the non-consolidated financial statements.

- SKAS No. 15, *Equity Method of Accounting*
- SKAS No. 16, *Income tax accounting*
- SKAS No. 20, *Related parties disclosures*
- Korea Accounting Institute Opinion 06-2, *Deferred Income Taxes on Investments in Subsidiaries, Associates and Interests in Joint Ventures*

Certain accounts of the prior year's non-consolidated financial statements have been reclassified to conform to the current year's presentation. These reclassifications have not resulted in any change to reported net income or stockholders' equity.

Classification	8th Period	7th Period	6th Period
Auditor	Samjeong KPMG	Samil Price Waterhouse Coopers	Samil Price Waterhouse Coopers
Audit Opinion	The Statement is drafted in accordance with generally accepted accounting principles of the Republic of Korea. The items shown therein were appropriate in terms of their materiality.	The Statement is drafted in accordance with generally accepted accounting principles of the Republic of Korea. The items shown therein were appropriate in terms of their materiality.	The Statement is drafted in accordance with generally accepted accounting principles of the Republic of Korea. The items shown therein were appropriate in terms of their materiality.

B. Violation of Company Accounting Standards

(1) Any Violation Requiring Amendment of Financial Statements

'Not applicable'

(2) Any Violation that Does Not Require Amendment of Financial Statements

'Not applicable'

C. Other Items of Note

(1) Standard of Recognizing Profit

The Company recognizes profit from the sale of products and goods when the risks and benefits of owning the goods and products have mostly been transferred.

(2) Evaluation of Inventory

The Company reviews its inventory by regularly keeping records of and inspecting the actual inventory. Except for missing items, which are evaluated based on their actual acquisition cost, the Company utilizes the moving average method to calculate the cost of acquisition. However, if the market value of inventory falls below acquisition cost, it is marked under the contra account of the inventory asset, with the reduction reflected in the sales cost of the period. On the other hand, if the market price exceeds the amount shown in the books because the evaluation loss caused by applying the cost of market method is resolved, than the evaluation loss is converted to the extent that it does not exceed the amount initially shown in the books and deducted from the sales cost.

From April 1, 2005, the Company adopted an Electronic Resource Planning (ERP) System. In order to use a more appropriate inventory evaluation method under the System, the Company started using the moving average method, not the total average method, to evaluate its inventory asset. The purpose of this accounting change is to more accurately and reasonably account for the profit percentage and the profit/loss ratio of the relevant period, thereby improving the utility of the Financial Statements. Due to this evaluation method change, the inventory assets at the end of the 5th Period increased by W284 million compared to the amount listed in the audited 2005 Financial Statements, and net profit of the 5th Period increased by W246 million.

(3) Change of Accounting Standard Concerning Account Receivable Collection
From the 6th Period, the Company has changed its accounting standard concerning trade receivable collection. In order to make it easier to compare with the Financial Statements, the cash and cash equivalents and trade receivable amounts in the balance sheet dated December 31, 2005 in the 6th Period has been each increased or decreased by W21.464 billion won compared to the amount in the 2005 audited Balance Sheet. These changes do not affect net profits or net assets reported in the 5th Period.

(4) Special Profits
In connection with the scope and validity of its special patents, the Company has been sued (claimed damages: 59.158 billion won). In February of 2003, the Company received an unfavorable decision in the trial court. However, the Company appealed to the Seoul High Court and won the appeal on November 23, 2005. The Company received a favorable final decision by the Supreme Court on February 28, 2008.

(5) Deferred Tax Assets Liability and Negative Equity Method Capital Change
Starting with the 7th period, the Company has employed the Accounting Standard Opinion Number 06-2 to draft its Financial Statements. The Financial Statements from the 6th periods were amended pursuant to Company Accounting Standard Number 1 to the extent that they were used here for comparative purposes. Pursuant to these partial applications the net profit for the period increased by 281 million won compared to the previous method. The beginning retained earnings of the 7th and the 6th period decreased each by 370 million won and 325 million won.
The change of the accounting method has the following effects on the 7th period's Financial Statements and the previous two years' Financial Statements.

(Unit: million won)

Classification	2007		2006		2005	
	Before Change	After Change	Before Change	After Change	Before Change	After Change
Net Profit	79,996	80,277	52,950	52,904	71,879	72,514
Earnings Per Share (Won)	4,793	4,809	3,047	3,045	4,057	4,093

(6) Acquisition and Disposal of Investment Securities Under Equity Method

The Company, on October 24, 2007, acquired 100% of CCKBC (Netherlands) Holding I BV (Hereafter, "Holding I BV") and CCKBC (Netherlands) Holding II BV (Hereafter, "Holding II BV"), which respectively held 49.84% and 50.16% of Coca-Cola Beverage Ltd. (previously, "Coca-Cola Korean Bottling, Ltd."). The Company then disposed of 5% of its Holding I BV and Holding II BV shares on January 24, 2008, which is after the date of this Statement. On the same date, the Company declined to participate in their capital-raising activity, reducing the Company's share of Holding I BV and Holding II BV to 90% each. After this, the Company received liquidating dividends as same amount of shares of Coca-Cola Beverage Ltd. from Holding I BV and Holding II BV on August 8, 2008. Then, Holding I BV and Holding II BV were liquidated on February 4, 2009.

3. Accounting Information

A. Reserve Allowance for Bad Debts

(1) Information on Reserve Allowance for Bad Debts for the Three Most Recent Business Years by Accounts Items

(Unit: million won, %)

Classification	Account Item	Total Obligatory Right	Allowance for Bad Debts	Percentage of Allowance for Bad Debts
8th Period	Account Receivable	154,689	2,266	1,5
	Uncollected Amount	16,885	1,095	6.5
	Total	171,574	3,361	2.0
7th Period	Account Receivable	143,774	2,349	1.6
	Uncollected Amount	10,820	1,095	10.1
	Total	154,594	3,444	2.2

6th Period	Account Receivable	139,088	2,556	1.8
	Uncollected Amount	7,147	1,180	16.5
	Total	146,235	3,736	2.6

(2) Information on Changes of Allowance for Bad Debts over the Three Most Recent Business Years

(Unit: million won)

Classification	8th Period	7th Period	6th Period
1. Beginning of Period Write Off Amount	3,444	3,736	3,325
2. Total Bad Debt (① - ②± ③)	111	153	158
① Bad Debt(Unpaid Obligations)	111	175	158
② Recovered Bad Debt	-	22	-
③ Other Increase of Decrease	-	-	-
3. Allowance for Bad Debt	28	-139	569
4. End of Period Write Off Amount	3,361	3,444	3,736

(3) Reserve Policy of Allowance for Bad Debts Concerning Account Receivables

① Accounts Receivable from Sales at Market : Standard rate is applied from the point of sales based on the number of days that have passed.

Days Passed	Less Than Six Months	Seven to Twelve Months	Thirteen to Eighteen Months	Nineteen Months or More
Standard Rate	1%	10%	50%	100%

② Accounts Receivable from Export : 1% is applied.

USANCE, D/A, D/P transaction except obligation on book and at sight transaction

③ Junk Bonds

Junk bonds refer to an obligation whose repayment is uncertain due to the issuer's bankruptcy, insolvency, liquidation, seizure, legal settlement, abscondment, or disappearance.

Classification	Standard Ratio	Note
Court managed, or composite obligation - Before the obligation date is settled - After the obligation date is settled	50% Current market value	-

Other junk bonds - Bond amount within the value of the collateral - Bond amount exceeds the value of collateral	20% 100%	※ For cash equivalent collateral, real estate collateral or payment guarantee insurance

※ The Company applies the weighed average debt interest rate to calculate the discount rate for the current market value.

(4) Aging Accounts Receivable Balances for Each Period as of the End of the Current Business Year

(Unit: million won)

Category		Less Than Six Months	Between Six Months and One Year	Between One Year and Three Years	More than Three Years	Total
Amount	Ordinary	143,846	183	3	1,067	145,099
	Special related parties	9,590	-	-	-	9,590
	Total	153,436	183	3	1,067	154,689
Composition ratio		99.2%	0.1%	0.0%	0.7%	100.0%

B. Inventory Assets Owned and On-Site Inspection Information

(1) Information on Inventory Assets by Business for the Three Most Recent Business Years

(Unit: million won)

Business Area	Account Item	8th Period	7th Period	6th Period	Note
Household Goods	Merchandise	12,738	10,292	10,929	-
	Products	43,522	33,179	28,643	-
	Work in Process	4,423	2,393	2,084	-
	Raw Materials	15,607	10,349	7,571	-
	Storage Products	1,523	1,879	1,304	-
	Goods in Transit	5,819	7,680	3,815	-

	Subtotal	83,632	65,772	54,346	-
Cosmetic Products	Merchandise	2,927	1,664	2,116	-
	Products	21,796	14,600	11,941	-
	Work in Process	6,221	4,325	4,101	-
	Raw Materials	6,597	4,571	3,286	-
	Storage Products	1,183	1,052	607	-
	Goods in Transit	928	420	306	-
	Subtotal	39,652	26,632	22,357	-
Total	Merchandise	15,665	11,956	13,045	-
	Products	65,318	47,779	40,585	-
	Work in Process	10,644	6,718	6,185	-
	Raw Materials	22,204	14,920	10,856	-
	Storage Products	2,706	2,931	1,912	-
	Goods in Transit	6,747	8,100	4,121	-
	Subtotal	123,284	92,404	76,704	-
Percentage of inventory over total assets (%) [total inventory assets / end of period total assets x 100]		11.85%	9.4%	12.2%	-
Inventory asset turnaround ratio (collection) [converted annual sales cost / {(beginning of period assets + end of period assets) / 2}]		5.6 times	6.1 times	6.3 times	-

(2) Actual Inspection Information on Inventory

① Inspection Date

The Company, in drafting the 2008 Financial Statements, has conducted inventory inspection on December 30, 2008 when the factory was closed.

② Participation of Specialist and Auditor in Inventory Inspection

Auditor and personnel from the inventory division participated in the Company's inventory inspection.

③ Long Term Accumulation of Undelivered Goods

'Not applicable'

④ Other Information

'Not applicable'

C. Any Change in Accounting Standards within the Last Five Years and Its Reasons

1) Change of Inventory Asset Evaluation Method

The Company, from April 1, 2005, adopted an Electronic Resource Planning (ERP) System. In order to use a more appropriate inventory evaluation method under the system, the Company started using the moving average method, not the total average method, to evaluate its inventory assets. The purpose of this accounting change was to more accurately and reasonably account for the profit percentage and the profit/loss ratio of the relevant period, thereby improving the utility of the Financial Statements. Due to this evaluation method change, the inventory assets at the end of the 5th Period increased by W284 million compared to the amount listed in the audited 2005 Financial Statements, and the net profit of the 5th Period increased by W246 million.

2) Change of Accounting Rules Related to Account Receivables Collection

From the 6th Period, the Company has changed its accounting standard concerning trade receivables collection. In order to make it easier to compare with the Financial Statements, the cash and cash equivalents and trade receivable amounts in the balance sheet dated December 31, 2005 in the 6th Period have been each increased or decreased by 21,464 million won compared to the amount in the 2005 audited Balance Sheet. These changes do not affect net profits or net assets reported in the 5th Period.

3) Deferred Tax Asset Liability, Change in Valuation on Investment Stock Using the Equity Method

From the current period, the Company has employed the Accounting Standard Opinion Number 06-2 to draft its Financial Statements. The Financial Statements from previous periods were amended pursuant to Company Accounting Standard Number 1 to the extent that they were used here for comparative purposes. Pursuant to these partial applications the net profit for the period increased by W281 million compared to the previous method. The opening retained earnings of this period and the previous period decreased each by W370 million and W325 million.

The change of accounting method has the following effects on this period's Financial Statements and the previous two years of Financial Statements.

(Unit: million won)

Classification	2007		2006		2005	
	Before Change	After Change	Before Change	After Change	Before Change	After Change
Net Profit	79,996	80,277	52,950	52,904	71,879	72,514
Earnings Per Share (Won)	4,793	4,809	3,047	3,045	4,057	4,093

In addition to items specified above, some of the classifications of the previous periods' Financial Statements have been reclassified consistent with this period's Financial Statements, which were drafted under Company Accounting Standard Number 21. These reclassifications do not affect previous periods' reported net assets or net profits.

D. Business Years with Net Loss During Most Recent Five Years and Reason for Such Loss

'Not applicable'

E. Business Areas Whose Net Profit Increased 30% or More or Turned Profitable Compared to Previous Years During Most Recent Five Years and Main Reason for Those Events

Business Year	Reason
5th Period	① Increased operating profit due to the growth of premium brands of the Cosmetics Division; structural reorganization through reorganizing international business organizations and liquidating non-key business entities ② Prevailing on patent right infringement litigation - 35.619 billion won (including interest) set aside for potential litigation loss in 2005 was converted back; subtracting litigation costs, 31.579 billion won was recognized as special profit
7th Period	① Increased sales of high-priced products due to the Company's focus on premium markets ② Continued growth of new brands and successful revival of existing

	brands
8th Period	① Household: Continuous growth in sales and operating profit of premium brands ② Cosmetics: Continuous growth of existing premium brands and successful launch of new brand ③ Beverage: Growth in carbonated beverages, including Coca-Cola, and successful launch of new brands

F. Confirm Process of Final Closed Results and Content of Disclosure

(1) Confirm Process of Final Closed Results and Disclosure Process

Confirm Process of Final Closed Results and Disclosure Process	Date	Note
Notice Date for Estimated Date of Final Closed Result	January 19, 2009	-
Board Approval Date of Final Closed Result	January 21, 2009	-
Disclosure Date of Final Closed Result	January 21, 2009	-
Audit Submission Date for Independent Auditor	March 4, 2009	-
Board Re-approval Date of Financial Statements Reflecting Independent Auditor Audit Report	-	-
Revised Disclosure Date for Final Closed Result	-	-
Annual General Shareholders' Meeting Date	March 13, 2009	-
Submission Date for Business Report	March 31, 2009	-

(2) Information on Disclosure for Final Closed Result and Reason for Revision

(Unit: million won)

Account Item	Initial Notice (A)	Revision Notice (B)	Revision Ratio ((B-A)/A)	Reasons
	January 21, 2009	-		
Sales	1,354,585	-	-	-
Operational Profit	153,523	-	-	-
Ongoing Concerns Profit Before Corporate Taxes	162,289	-	-	-
Net Profit for Period	120,575	-	-	-

G. Evaluation of Unmarketable Equity Securities this Business Year

(1) Information on Unmarketable Equity Securities' Fair Market Evaluation

'Not applicable'

(2) Evaluation Method for Unmarketable Equity Securities

'Not applicable'

4. Financial Statements

A. Balance Sheet

Balance Sheet

8th Period: Current as of Dec. 31, 2008

7th Period: Current as of Dec. 31, 2007

6th Period: Current as of Dec. 31, 2006

(Unit: won)

Account Item	8th Period	7th Period	6th Period
Asset			
Current Assets	330,561,315,736	288,470,343,557	249,011,561,573
Quick Assets	207,277,737,264	196,066,605,951	172,308,039,022
Cash and Cash Equivalents (Note 14)	23,053,714,842	10,696,734,301	7,913,577,334
Short-term Financial Products (Note 3)		6,000,000,000	
Account Receivables (Notes 4, 14, 26)	154,688,742,749	143,773,989,288	139,088,285,768
Allowance for Bad Debts (Note 2)	(2,266,319,108)	(2,349,097,198)	(2,555,677,931)
Collectibles (Note 14)	16,884,579,617	10,819,889,248	7,147,196,424
Allowance for Bad Debts	(1,094,806,252)	(1,094,806,252)	(1,179,806,252)
Accrued Income	14,896,818	144,403,877	9,994,515
Advance Payment	10,799,688	563,578,295	428,730,741
Prepaid Expenses (Note 26)	6,748,594,783	13,333,624,351	9,749,946,907
Short-Term Loans	157,566,757		
Liquid Deferred Tax Assets (Note 2, 21)	8,921,956,440	10,902,605,353	8,565,566,221
Other Quick Assets	158,010,930	3,275,684,688	3,140,255,295
Inventory (Note 2, 9)	123,283,578,472	92,403,737,606	76,703,522,551
Goods	16,509,771,206	11,956,436,858	13,045,370,313
Goods Evaluation Reserves	(845,464,220)		
Products	65,603,394,551	48,479,457,873	40,838,610,746
Product Evaluation Reserves	(285,193,726)	(700,308,810)	(253,988,795)
Work-in-Process	10,644,080,170	6,718,490,315	6,184,604,860
Raw Materials	22,203,766,884	14,919,782,927	10,856,307,623
Stored Goods	2,705,931,764	2,930,182,113	1,911,908,945
Goods in Transit	6,747,291,843	8,099,696,330	4,120,708,859

Non-Current Assets	709,499,364,127	698,131,608,084	378,470,009,753
Investment Assets	384,241,596,451	355,714,334,253	34,726,172,669
Long-Term Financial Products (Note 3)	18,000,000	18,000,000	18,000,000
Long-Term Investment Securities (Note 2, 5, 7)	5,692,343,613	599,149,399	582,630,399
Equity Method Investment Securities (Notes 2, 6, 7)	378,531,252,838	355,092,629,454	34,125,542,270
Currency Futures (Note 2, 17)		4,555,400	
Fixed Assets (Notes 2, 8, 9, 26, 28)	282,960,164,631	286,021,990,563	297,779,911,032
Land	96,205,640,854	117,888,143,901	119,038,970,127
Buildings	128,263,505,120	126,968,339,915	128,666,798,051
Accumulated Depreciation	(37,618,376,543)	(35,105,270,754)	(33,483,167,465)
Structures	11,026,397,527	10,873,330,561	10,972,227,232
Accumulated Depreciation	(6,767,804,220)	(6,400,026,772)	(6,173,799,365)
Machinery	194,946,237,879	189,839,326,703	188,465,574,405
Accumulated Depreciation	(154,774,290,506)	(148,047,175,540)	(145,034,613,080)
Vehicles and Transport Equipment	4,316,059,454	4,248,894,514	4,378,262,012
Accumulated Depreciation	(3,730,425,154)	(3,606,916,482)	(3,649,322,016)
Tools and Devices	67,966,075,021	62,902,984,232	64,136,059,638
Accumulated Depreciation	(45,610,688,823)	(40,789,698,752)	(41,519,592,527)
General Items	47,138,191,397	28,874,755,222	32,614,243,265
Accumulated Depreciation	(24,467,813,903)	(23,040,373,804)	(24,518,539,645)
Assets Under Construction	6,067,456,528	1,415,677,619	3,886,810,400
Intangible Assets (Notes 2, 10, 28)	13,290,034,014	15,400,365,341	16,845,747,153
Industrial Property	4,671,024,829	3,821,545,113	3,175,759,682
Development Costs	6,178,883,045	8,383,170,671	10,170,782,851
Exclusive Facility Use Rights	623,861,247	754,746,427	891,631,607
Other Intangible Assets	1,816,264,893	2,437,903,130	2,607,573,013
Other Non-Current Assets	29,007,569,031	40,994,917,927	29,118,178,899
Guarantees	11,271,030,128	9,362,576,085	8,411,703,054
Long-Term Prepaid Expense (Note 26)	1,228,331,291	14,949,196,119	10,816,063,171
Other Non-Current Assets	16,508,207,612	16,683,145,723	9,890,412,674
Total Assets	1,040,060,679,863	986,601,951,641	627,481,571,326
Liabilities			
Current Liabilities	413,474,018,119	378,600,125,415	280,708,403,093

Account Payables (Note 14)	93,759,181,844	84,160,504,094	79,573,092,065
Short-Term Borrowings (Note 11)	94,000,000,000	170,500,000,000	90,000,000,000
Non-trade Payables (Note 14)	66,952,981,333	67,174,331,600	76,087,747,333
Advance Payments Received	2,370,053,757	3,505,795,883	1,328,348,389
Deposits	8,734,427,160	9,383,995,460	10,766,682,865
Accrued Expenses	21,586,579,360	15,039,514,602	7,424,874,811
Income Taxes Payable (Note 21)	43,576,214,468	26,689,130,109	13,081,806,662
Unearned Revenues	550,848,756	624,182,088	697,515,420
Provision for Returned Goods (Note 2, 15)	1,235,805,692	1,142,387,284	1,748,335,548
Provision for Mileage (Note 2, 15)	811,398,318	380,284,295	
Current Portion of Long-term Liabilities (Note 12)	80,000,000,000		
Current Portion of Discount on Bonds Payable (Note 2, 12)	(103,472,569)		
Non-Current Liabilities	141,925,493,844	226,208,891,314	28,263,267,571
Bond Payable (Note 12)	120,000,000,000	200,000,000,000	
Discount on Bonds Payable (Note 2, 12)	(312,011,955)	(696,424,386)	
Provision for Severance Benefits (Note 2, 13)	39,104,304,081	40,014,051,328	37,286,947,746
Deposits for Severance Benefits	(25,060,730,971)	(25,547,344,199)	(21,856,647,037)
Contribution to National Pension Plan	(357,859,300)	(462,578,200)	(572,680,600)
Deferred Tax Liability (Note 2, 21)	5,727,071,989	9,968,966,771	9,800,777,462
Other Non-Current Liabilities	2,824,720,000	2,932,220,000	3,604,870,000
Total Liabilities	555,399,511,963	604,809,016,729	308,971,670,664
Shareholders' Equity			
Capital Stock (Note 1, 18)	88,589,470,000	88,589,470,000	88,589,470,000
Common Stock	78,090,985,000	78,090,985,000	78,090,985,000
Preferred Stock	10,498,485,000	10,498,485,000	10,498,485,000
Capital Surplus (Note 18)	97,325,737,783	97,349,482,928	97,349,482,928
Additional Paid-in Capital	54,793,774,799	54,793,774,799	54,793,774,799
Other Capital Surplus	42,531,962,984	42,555,708,129	42,555,708,129
Capital Adjustments	(71,374,932,714)	(70,877,117,845)	(70,877,117,845)
Treasury Stock (Note 19)	(70,877,117,845)	(70,877,117,845)	(70,877,117,845)
Capital Adjustments under Equity Method	(497,814,869)		
Accumulated Other Comprehensive Income(Loss) (Note 21, 25)	6,953,184,757	(1,100,821,379)	(1,805,609,510)

Losses on Valuation of Long-Term Investment Securities (Note 5)	(356,357,672)	(69,434,272)	(82,142,797)
Change of Investment Securities Under Equity Method (Note 6)	7,738,990,589	1,668,362,142	1,699,619,030
Negative Change of Investment Securities Under Equity Method (Note 6)	(429,448,160)	(2,699,749,249)	(3,423,085,743)
Retained Earnings(Deficit) (Note 20)	363,167,708,074	267,831,921,208	205,253,675,089
Legal Appropriated Retained Earnings	14,527,000,000	11,997,000,000	10,227,000,000
Discretionary Appropriated Retained Earnings	227,900,000,000	175,800,000,000	142,300,000,000
Unsettled Earned Surplus	120,740,708,074	80,034,921,208	52,726,675,089
Total Shareholders' Equity	484,661,167,900	381,792,934,912	318,509,900,662
Total Liabilities and Shareholders' Equity	1,040,060,679,863	986,601,951,641	627,481,571,326

B. Income Statement

Income Statement

8th Period: From Jan. 1, 2008 to December 31, 2008

7th Period: From Jan. 1, 2007 to December 31, 2007

6th Period: From Jan. 1, 2006 to December 31, 2006

(Unit: won)

Account Item	8th Period	7th Period	6th Period
Sales (Note 2, 7, 28, 29)	1,354,585,081,012	1,172,451,241,769	1,032,843,324,409
Sales of Goods Sold	1,046,605,503,276	918,435,021,263	801,115,240,914
Sales of Products Sold	262,890,336,129	227,956,934,226	208,383,135,367
Sales of Others Sold	45,089,241,607	26,059,286,280	23,344,948,128
Cost of Sales (Note 7)	601,875,483,810	517,505,541,906	480,635,509,084
Cost of Goods Sold	447,619,225,128	385,135,576,728	354,812,521,871
Beginning Inventory of Finished Goods	47,779,149,063	40,584,621,951	43,036,134,951
Cost of Finished Goods	465,656,253,450	392,797,614,607	352,649,554,556
Total	513,435,402,513	433,382,236,558	395,685,689,507
Ending Inventory of Finished Goods	(65,318,200,825)	(47,779,149,063)	(40,584,621,951)
Customs Duty Refunds	(497,976,560)	(467,510,767)	(288,545,685)
Cost of Merchandise Sold	141,000,867,444	121,588,248,626	114,283,360,813
Beginning Inventory of Merchandise	11,956,436,858	13,045,370,313	11,214,999,732
Cost of Merchandise Purchased	144,708,737,572	120,499,315,171	116,113,731,394

Total	156,665,174,430	133,544,685,484	127,328,731,126
Ending Inventory of Merchandise	(15,664,306,986)	(11,956,436,858)	(13,045,370,313)
Other Costs of Sales	13,255,391,238	10,781,716,552	11,539,626,400
Gross Profit (Loss)	752,709,597,202	654,945,699,863	552,207,815,325
Selling, General and Administrative Expenses	599,186,817,805	528,542,795,033	458,638,883,245
Salary (Note 7, 27)	96,918,635,149	87,307,969,281	78,133,487,776
Retirement Pensions (Note 7, 27)	7,513,810,925	7,418,260,007	6,899,349,602
Employee Benefits (Note 27)	15,349,066,733	14,199,138,648	12,717,926,967
Travel Expenses	6,330,430,826	5,670,477,309	5,872,099,347
Communication Expenses	1,728,457,180	2,154,827,573	2,795,729,721
Water and Heating	3,045,533,715	3,116,895,896	3,116,895,896
Supplies Expenses	1,342,629,421	1,349,512,185	1,504,660,746
Packaging Expenses	3,522,996,295	3,196,517,807	3,039,493,173
Taxes and Dues (Note 27)	4,599,194,385	4,263,604,084	4,158,890,245
Rental Expenses (Note 27)	6,602,992,671	6,220,594,857	5,074,627,134
Usage Fees	8,167,816,158	7,338,023,135	7,226,829,395
Payment Fees	202,434,215,931	168,693,801,089	124,029,002,830
Depreciation (Note 8, 27, 28)	6,505,740,168	7,170,052,248	7,340,914,085
Repairs Expenses	17,562,801,901	15,109,411,899	12,146,708,623
Vehicle Maintenance Expenses	896,586,671	878,766,674	640,256,269
Insurance Premium	659,810,598	675,855,886	764,635,439
Advertising Expenses	126,535,035,913	116,739,360,627	114,747,123,309
Freight Expenses	26,403,924,018	23,621,341,743	23,044,823,090
Publication and Printing Expenses	2,192,733,866	1,897,271,185	1,745,996,457
Training and Education Expenses	3,385,381,277	2,879,220,591	2,399,832,748
Samples Expenses	43,325,584,667	33,746,110,793	25,930,427,110
Development Expenses	5,810,044,092	5,376,490,071	5,052,501,544
Amortization Expenses on Intangible Assets (Note 10, 28)	3,672,630,279	4,070,645,617	3,731,600,720
Research Expenses	496,615,606	402,100,059	496,933,795
Bad Debt Expenses	28,609,734		354,768,995
Other Selling, General and Administrative Expenses	4,155,539,626	5,046,545,769	5,680,176,917
Operating Profit (Loss) (Notes 28 & 29)	153,522,779,397	126,402,904,830	93,568,932,080
Non-Operating Revenues	46,613,063,473	8,700,280,922	20,057,319,827

Interest Revenues	2,567,641,610	1,746,730,485	925,554,385
Dividend Income	10,517,400	12,270,300	4,702,231
Gains on Foreign Currency Transaction	6,972,845,222	689,576,997	726,745,554
Gains on Foreign Currency Translation	1,107,997,422	138,364,394	24,945,046
Currency Futures Trading Profit (Note 2, 17)		84,208,100	28,340,500
Currency Futures Evaluation Profit (Note 2, 17)		4,555,400	
Reversal of Allowance for Doubtful Accounts		139,488,323	
Profit from Disposing of Long-Term Investment Securities		90,900	33,551,872
Reversal of Loss on Reduction of Investment Securities (Note 5)	801,859,614		
Equity Income on Investments (Note 6)	31,591,547,748	3,191,916,613	2,214,885,529
Profit from Disposing of Fixed Assets	843,802,762	501,846,369	11,583,511,253
Profit from Disposing Other Non-Current Asset	1,644,578,485		
Profit from Disposing of Intangible Assets			5,637,883
Gains on Insurance Settlements			2,498,865
Miscellaneous Revenues	1,072,273,210	2,191,233,041	4,506,946,709
Non-Operating Expenses	37,846,587,632	18,201,965,218	32,269,427,437
Interest Expenses	19,976,609,559	7,300,572,112	3,966,953,368
Losses on Foreign Currency Transaction	4,001,029,561	774,302,848	1,027,614,317
Losses on Foreign Currency Translation	1,061,094,966	16,384,173	226,960,579
Currency Futures Trading Loss (Note 2, 17)	18,938,400	4,356,000	3,657,500
Loss from Disposing of Inventory	346,812,691	1,248,269,006	2,524,085,847
Equity Method Loss (Note 6)	3,743,232,371	2,746,168,039	2,635,434,805
Loss from Disposing of Fixed Assets	1,868,698,480	1,931,765,165	1,637,548,285
Loss from Disposing of Intangible Assets	146,429,231		375,863,157
Loss from Account Receivables	181,590,045	121,813,152	383,358,761
Donations	1,587,036,678	1,749,510,249	1,099,838,937
Other Losses	1,980,920,885	689,773,008	16,551,307,347
Others	2,934,194,765	1,619,051,466	1,623,233,217
Other Bad Debt Expenses			213,571,317
Net Profit Before Corporate Taxation (Loss)	162,289,255,238	116,901,220,534	81,356,824,470
Corporate Taxation (Note 2, 21)	41,714,559,372	36,624,286,815	28,452,390,770
Net Profit (Loss) for the Period (Notes 29)	120,574,695,866	80,276,933,719	52,904,433,700
Net Profit or Loss Per Share (Note 22, 29)			

Net Profit (Loss) Per Share This Period	7183	4809	3045

C. Statement of Retained Earnings or Statement of Handling of Losses

Statement of Retained Earnings/Statement of Handling of Losses

8th Period from Jan 1, 2008 to Dec. 31, 2008 (Handling Basis Date: Mar. 13, 2009)
7th Period from Jan 1, 2007 to Dec. 31, 2007 (Handling Basis Date: Mar. 14, 2008)
6th Period from Jan 1, 2006 to Dec. 31, 2006 (Handling Basis Date: Mar. 16, 2007)

(Unit: won)

Item	8th Period	7th Period	6th Period
Unappropriated Earned Surplus (Unappropriated Deficit)	120,740,708,074	80,034,921,208	52,726,675,089
Retained Earnings Carried Over from Previous Period	166,012,208	(242,012,511)	147,082,056
Accumulated Effect of Accounting Rule Changes			(324,840,667)
Net Profit for Period	120,574,695,866	80,276,933,719	52,904,433,700
Retained Earnings Used	120,578,931,000	79,868,909,000	52,968,687,600
Legal Reserve	3,362,000,000	2,530,000,000	1,770,000,000
Research and Personnel Development Reserve	43,600,000,000	27,000,000,000	30,000,000,000
Facility Reserve	40,000,000,000	25,100,000,000	3,500,000,000
Dividend Common Share Dividend (%) This Period: 2,000 won (40%) Previous Period: 1,500 won (30%) Preferred Share Dividend (%) This Period: 2,050 won (41%) Previous Period: 1,550 won (31%) (Note 22)	33,616,931,000	25,238,909,000	17,698,687,600
Retained Earnings Carried Over to Next Period (Remaining Deficit)	161,777,074	166,012,208	(242,012,511)

D. Cash Flow Statement

Cash Flow Statement

8th Period from Jan 1, 2008 to Dec. 31, 2008 (Handling Basis Date: Mar. 13, 2009)

7th Period from Jan 1, 2007 to Dec. 31, 2007 (Handling Basis Date: Mar. 14, 2008)

6th Period from Jan 1, 2006 to Dec. 31, 2006 (Handling Basis Date: Mar. 16, 2007)

(Unit: won)

Item	8th Period	7th Period	6th Period
Operational Cash Flow	104,749,326,543	90,952,171,772	98,108,993,274
Net Profit (Loss) for Period	120,574,695,866	80,276,933,719	52,904,433,700
Subtraction of Non-Cash Expenses	46,212,367,408	44,389,923,739	45,892,958,695
Depreciation	22,193,423,319	23,246,419,171	23,703,467,711
Intangible Asset Depreciation	3,726,142,967	4,139,058,143	3,782,896,753
Retirement Payments	10,629,348,833	10,501,430,979	10,051,344,985
Bad Debt Write-Offs	28,609,734		354,768,995
Interest Cost	280,939,862	53,975,616	
Foreign Currency Losses	921,171,524	16,384,173	226,960,579
Losses from Selling Inventory	346,812,691	1,248,269,006	2,524,085,847
Equity Method Losses	3,743,232,371	2,746,168,039	2,635,434,805
Receipt of Dividend for Equity Method Investment Shares	2,127,029,951	1,289,110,028	
Currency Futures Losses	18,938,400	4,356,000	3,657,500
Loss from Selling Tangible Assets	1,868,698,480	1,931,765,165	1,637,548,285
Impairment Losses on Tangible Assets	146,429,231		
Loss from Disposing Account Receivable	181,590,045	121,813,152	383,358,761
Other Bad Debt Write-Offs			213,571,317
Loss from Selling Intangible Assets			375,863,157
Deduction of Non-Cash Income	(35,653,982,643)	(4,060,470,099)	(14,033,920,164)
Foreign Currency Income	772,194,034	138,364,394	24,945,046
Profit from Disposing of Long-Term Investment Securities		90,900	33,551,872
Reversal of Loss on Reduction of Long-Term Investment Securities	801,859,614		
Reversal of Allowance for Doubtful		139,488,323	

Accounts			
Equity Method Profit	31,591,547,748	3,191,916,613	2,214,885,529
Currency Futures Evaluation Profit		4,555,400	
Currency Futures Trading Profit		84,208,100	28,340,500
Profit from Selling Tangible Asset	843,802,762	501,846,369	11,583,511,253
Profit from Selling Intangible Asset			5,637,883
Profit from Disposing Other Non-Current Asset	1,644,578,485		
Return of Reserve for Refund on Returned Products			142,573,952
Interest Income (Present Value Discount Amortization)			474,129
Change of Assets and Liabilities due to Business Operation	(26,383,754,088)	(30,563,041,320)	13,345,521,043
Reduction (Increase) of Account Receivable	(11,433,282,919)	(4,780,501,696)	(5,960,625,256)
Reduction (Increase) of Uncollected Payments	(6,033,613,502)	(3,723,092,047)	(3,900,126,712)
Reduction (Increase) of Accrued Income	129,507,059	(134,409,362)	(676,306)
Reduction (Increase) of Prepayments	552,778,607	(134,847,554)	(396,880,817)
Reduction (Increase) of Prepaid Expenses	6,585,029,568	549,455,504	8,012,788,615
Reduction (Increase) of Other Quick Assets	3,118,117,931	(132,149,247)	(118,265,694)
Reduction (Increase) of Liquid Deferred Tax Assets	1,980,648,913	(2,337,039,132)	(2,405,532,649)
Reduction (Increase) of Inventory Assets	(31,226,653,557)	(16,948,484,061)	(2,917,392,828)
Reduction (Increase) of Long-Term Prepaid Expenses	(4,519,482,580)	(8,266,265,896)	(12,667,493,933)
Increase (Decrease) of Account Payables	9,592,023,234	4,582,973,160	17,543,324,908
Increase (Decrease) of Non-trade Payables	(224,344,012)	(8,913,833,276)	15,773,263,988
Increase (Decrease) of Advance Payments Received	(1,135,742,126)	2,172,247,494	1,320,295,195
Increase (Decrease) of Deposits	(688,936,183)	(1,384,776,081)	1,303,505,572
Increase (Decrease) of Unpaid Expenses	6,547,064,758	7,614,639,791	2,650,293,292
Increase (Decrease) of Taxes Owed	16,887,084,359	13,607,323,447	(2,697,329,910)
Increase (Decrease) of Unearned Income	(73,333,332)	(73,333,332)	(73,333,332)
Increase (Decrease) of Provision for	93,418,408	(605,948,264)	

Returned Goods			
Increase (Decrease) of Provision for Mileage	431,114,023	380,284,295	
Increase (Decrease) of Deferred Tax Liability	(6,017,388,785)	(680,362,904)	8,713,925,903
Reduction (Increase) of Retirement Pension Reserve Obligation	57,684,818	40,857,727	3,292,682
Payment of Retirement Pension	(11,596,780,898)	(7,815,185,124)	(12,399,172,781)
Reduction (Increase) Deposits for Severance Benefits	486,613,228	(3,690,697,162)	
Reduction (Increase) of National Pension Conversion Amount	104,718,900	110,102,400	206,128,900
Dividend from Equity Method Investment Securities			1,355,532,206
Cash Flow from Investment Activities	9,444,006,978	(349,547,277,203)	(9,786,480,072)
Cash Inflow Due to Investment Activities	384,811,069,926	4,651,173,331	32,105,828,765
Reduction of Short-term Financial Instruments	341,200,000,000		
Disposal of Long-Term Securities Held		1,100,900	193,171,908
Disposal of Equity Method Investment Securities	15,688,594,837		
Disposal of Land	21,616,514,381	1,630,052,820	14,590,000,000
Disposal of Buildings	18,699,914	1,150,000,000	961,989,704
Disposal of Structures	3,331,820		238,010,296
Disposal of Machinery	22,340,000	3,500,000	3,900,000
Disposal of Vehicles and Transport Equipment	4,200,000	9,500,000	51,236,370
Disposal of Tools and Devices	20,948,314	10,500,000	
Disposal of General Items	60,032,351	31,515,117	250,274,911
Reduction of Deposits	3,448,135,333	1,664,063,769	14,372,577,470
Cash Inflow from Transaction of Currency Futures		79,852,100	
Disposal of Other Non-Current Assets	2,728,272,976	71,088,625	49,701,847
Reduction of Long-Term Financial Instruments			2,500,000
Reduction of Financial Derivatives			28,340,500
Disposal of Intangible Assets			22,675,106
Decrease of Insurance Premiums			1,341,450,653

Cash Outflow Due to Investment Activities	(375,367,062,948)	(354,198,450,534)	(41,892,308,837)
Increase of Short-Term Financial Instruments	335,200,000,000	6,000,000,000	
Increase of Short-Term Loans	158,010,930		
Cash Outflow from Transaction of Currency Future	14,383,000		
Acquisition of Long-Term Investment Securities	4,652,432,000		
Increase of Equity Method Investment Securities	3,736,895,270	320,274,637,294	14,017,508,000
Acquisition of Buildings	319,660,000		23,175,920
Acquisition of Vehicles and Transport Equipment	84,590,000		184,124,136
Acquisition of Tools and Devices	773,590,078	869,037,130	901,294,048
Acquisition of General Item	496,510,869	577,659,611	897,323,989
Acquisition of Assets in Construction	22,343,371,530	15,479,065,694	19,973,055,817
Acquisition of Industrial Property	1,406,730,871	1,521,399,331	1,103,079,346
Increase of Deposits Provided	5,272,132,020	2,612,829,800	3,531,486,490
Acquisition of Non-Current Assets	908,756,380	6,863,821,674	302,408,346
Increase of Financial Derivatives			3,657,500
Acquisition of Exclusive Use Right Over Facility			936,260,000
Acquisition of Other Intangible Assets			18,935,245
Cash Flow Due to Financial Activities	(101,836,352,980)	261,378,262,398	(86,332,127,850)
Cash Inflow Due to Financial Activities	1,302,175,000,000	280,499,819,998	2,632,220,000
Increase of Short-Term Loans	1,302,000,000,000	80,500,000,000	1,000,000,000
Issuing of Bond Payable		199,249,599,998	
Increase of Other Non-Current Liabilities	175,000,000	750,220,000	1,632,220,000
Cash Outflow Due to Financial Activities	(1,404,011,352,980)	(19,121,557,600)	(88,964,347,850)
Reduction of Short-term Borrowings	1,378,500,000,000		
Reduction of Other Non-Current Liabilities	282,500,000	1,422,870,000	987,870,000
Payment of Dividends	25,228,852,980	17,698,687,600	17,797,886,050
Purchase of Treasury Stocks			70,178,591,800
Increase (Decrease) of Cash	12,356,980,541	2,783,156,967	1,990,385,352
Cash at the Beginning of Period	10,696,734,301	7,913,577,334	5,923,191,982
Cash at the End of Period	23,053,714,842	10,696,734,301	7,913,577,334

E. Statement of Equity Changes

Statement of Equity Changes

8th Period: From Jan. 1, 2008 to Dec. 31, 2008
7th Period: From Jan. 1, 2007 to Dec. 31, 2007

(Unit: won)

Classification	Capital	Capital Surplus	Capital Adjustment	Accumulated Other Comprehensive Income and Expense	Retained Earnings	Total
Jan. 1, 2007 (Beginning of Period)	88,589,470,000	97,349,482,928	(70,877,117,845)	(2,686,640,151)	205,624,059,296	318,003,254,228
Accumulated Effect of Accounting Rule Change				877,030,641	(370,384,207)	506,646,434
Amount after Correction	88,589,470,000	97,349,482,928	(70,877,117,845)	(1,805,609,510)	205,253,675,089	318,509,900,662
Annual Dividend					(17,698,687,600)	(17,698,687,600)
Earned Surplus after Disposal					187,554,987,489	300,811,213,062
Net Profit for Period					80,276,933,719	80,276,933,719
Loss of Market Value of Long-Term Investment Securities				12,708,525		12,708,525
Equity Method Capital Adjustment						
Equity Method Capital Change				(31,256,888)		(31,256,888)
Non-Equity Method Capital Change				723,336,494		723,336,494
Others						
Dec. 31, 2007 (End of Period)	88,589,470,000	97,349,482,928	(70,877,117,845)	(1,100,821,379)	267,831,921,208	381,792,934,912
Jan. 1, 2008 (Beginning of Period)	88,589,470,000	97,349,482,928	(70,877,117,845)	(1,100,821,379)	267,831,921,208	381,792,934,912

Accumulated Effect of Accounting Rule Change						
Amount after Correction						
Annual Dividend					(25,238,909,000)	(25,238,909,000)
Earned Surplus after Disposal					242,593,012,208	356,554,025,912
Net Profit for Period					120,574,695,866	120,574,695,866
Loss of Market Value of Long-Term Investment Securities				(286,923,400)		(286,923,400)
Equity Method Capital Adjustment			(497,814,869)			(497,814,869)
Equity Method Capital Change				6,070,628,447		6,070,628,447
Non-Equity Method Capital Change				2,270,301,089		2,270,301,089
Others		(23,745,145)				(23,745,145)
Dec. 31, 2008 (End of Period)	88,589,470,000	97,325,737,783	(71,374,932,714)	6,953,184,757	363,167,708,074	484,661,167,900

F. Note to the Financial Statement for Current Period

'Same as Independent Auditors' Report Attached'

G. Financial Statement before, after Changes

'Not applicable'

5. Consolidated Financial Statements

A. Summarized Consolidated Financial Statements

(Unit: won)

Classification	7th Period	6th Period	5th Period	4th Period	3rd Period
[Current Assets]	383,410,310,566	250,347,428,681	258,210,843,871	219,229,876,688	264,387,951,043
Quick Assets	255,892,199,895	162,472,379,465	171,250,955,278	146,871,499,589	186,603,156,882
Inventory Assets	127,518,110,671	87,875,049,216	86,959,888,593	72,358,377,099	77,784,794,161
[Non-Current Assets]	814,735,151,639	376,230,357,156	383,732,509,579	400,782,658,439	402,175,960,842
Investment Assets	15,650,089,461	16,002,536,790	6,428,061,885	8,065,702,391	9,293,060,506

Tangible Assets	532,755,068,360	307,931,496,122	317,702,450,765	333,609,840,349	325,251,736,298
Intangible Assets	213,108,157,935	18,387,060,233	21,353,329,476	9,510,926,405	9,184,084,434
Other Non-Current Assets	53,221,835,883	33,909,264,011	38,248,667,453	49,596,189,294	58,447,088,604
Total Assets	1,198,145,462,205	626,577,785,837	641,943,353,450	620,012,535,127	666,563,920,885
[Current Liabilities]	532,480,568,655	274,088,953,197	262,295,407,871	267,470,599,043	316,259,137,588
[Non-Current Liabilities]	277,474,220,200	28,821,570,615	20,821,852,155	54,136,038,090	58,375,293,844
Total Liabilities	809,954,788,855	302,910,523,812	283,117,260,026	321,606,637,133	374,634,431,432
[Capital]	88,589,470,000	88,589,470,000	88,589,470,000	88,589,470,000	88,589,470,000
[Consolidated Capital Surplus]	96,814,407,705	96,791,521,111	97,349,482,928	97,345,584,780	97,342,806,334
[Capital Adjustment]	△70,877,117,845	△70,877,117,845	△698,526,045	△744,829,047	△772,509,501
[Accumulated other Comprehensive Income and Expense]	△704,596,521	△2,544,293,691	△2,097,082,377	△3,675,272,563	△500,256,725
[Consolidated Earned Surplus]	268,271,068,218	206,187,714,365	170,384,630,794	111,701,607,052	102,088,920,723
Minority Shareholders' Equity	6,097,441,793	5,519,968,085	5,298,118,124	5,189,337,772	5,181,058,622
Total Shareholders' Equity	388,190,673,350	323,667,262,025	358,826,093,424	298,405,897,994	291,929,489,453
Sales	1,707,960,996,822	1,101,506,432,806	1,039,210,494,015	1,026,553,526,591	1,108,543,283,042
Operating Profit	117,495,315,811	96,020,365,937	71,685,119,083	57,981,679,669	71,334,075,607
Recurring Profit	111,276,511,367	82,892,596,295	101,199,913,442	52,645,937,054	67,937,046,683
Total Net Profit	80,530,698,905	54,207,118,741	72,452,455,416	36,837,894,464	48,907,098,004
Consolidated Net Profit	80,530,698,905	54,207,118,741	72,452,455,416	36,837,894,464	48,907,098,004
Number of Companies Consolidated	7	4	4	3	3

[Δ signifies a negative figure]

'Information for current year will be presented during April, 2009.'

B. Important Information on Consolidated Financial Statements

The consolidated Financial Statements of the Company and related subsidiaries (hereafter, "Consolidated Companies") were drafted in accordance with follows. Others except mentioned information are concurrent with the previous period.

1. Companies Included in these Consolidated Financial Statements are as follows.

Business Year	Companies Included	Company Added During Relevant Period	Company Removed During Relevant Period
7th Period	-Beijing LG Household Chemical -Hangzhou LG Cosmetics -LG Vina Cosmetics -LG Household & Health Care International Trading (Shanghai) -CCKBC (Netherlands) Holding I,B.V. - CCKBC (Netherlands) Holding Ⅱ,B.V.	-CCKBC (Netherlands) Holding I,B.V. - CCKBC (Netherlands) Holding Ⅱ,B.V. -Coca Cola Beverage	-
6th Period	-Beijing LG Household Chemical -Hangzhou LG Cosmetics -LG Vina Cosmetics -LG Household & Health Care International Trading (Shanghai)		-
5th Period	-Beijing LG Household Chemical -Hangzhou LG Cosmetics -LG Vina Cosmetics	-LG Household & Health Care International Trading (Shanghai)	-

C. Consolidated Financial Statements

(1) Consolidated Balance Sheet

Consolidated Balance Sheet

7th Period: Dec. 31, 2007

6th Period: Dec. 31, 2006

5th Period: Dec. 31, 2005

LG (Unit: won)

Subject	7th Period		6th Period		5th Period	
	Amount		Amount		Amount	
Assets						
I. Current Assets		383,410,310,566		250,347,428,681		258,210,843,871
(1) Quick Assets		255,892,199,895		162,472,379,465		171,250,955,278
1. Cash and Cash	25,826,957,774		11,917,140,768		14,138,332,131	25,826,957,774

Equivalents						
2. Short-term Financial Instruments	6,330,910,970		-			
3. Account Receivables	182,040,677,063		125,872,537,647		138,820,417,132	182,040,677,063
Allowance for Doubtful Accounts	(2,821,762,000)		(2,712,572,489)		(2,495,090,900)	(2,821,762,000)
Present value discounted					(474,129)	
4. Short-term Loans	3,853,500		-			
5. Non-trade Receivables	12,421,056,373		5,707,070,831		5,096,545,525	12,421,056,373
Allowance for Doubtful Accounts	(1,094,806,252)		(1,179,806,252)		(966,234,935)	(1,094,806,252)
6. Accrued Revenues	159,867,980		9,994,515		9,318,209	159,867,980
7. Advance Payments	1,103,708,947		976,469,053		178,102,781	1,103,708,947
8. Prepaid Expenses	17,156,762,464		10,075,323,348		7,199,749,248	17,156,762,464
9. Short-Term Deposits Provided	205,180,320		11,651,529		6,499,589	205,180,320
10. Liquid Deferred Tax Assets	11,162,376,865		8,565,566,221		6,160,033,572	11,162,376,865
11. Other Quick Assets	3,397,415,891		3,229,004,294		3,027,352,599	3,397,415,891
12. Prepaid Income Taxes					19,096,478	
13. Added Value Tax Refundable					57,307,978	
(2) Inventory Assets		127,518,110,671		87,875,049,216		86,959,888,593
1. Goods	15,810,915,672		21,657,427,347		18,162,338,044	15,810,915,672
2. Products	60,313,041,611		40,745,591,565		44,436,917,741	60,313,041,611
Product Valuation Reserve	(837,987,358)		(259,875,478)		(107,837,698)	(837,987,358)
3. Work in Process	7,484,350,280		6,260,937,335		5,101,375,837	7,484,350,280
4. Raw Materials	30,348,844,853		13,150,104,971		11,960,650,118	30,348,844,853
5. Undelivered Goods	5,930,628,049		2,070,146,295		1,882,294,138	5,930,628,049
6. Goods in Transit	8,468,317,564		4,250,717,181		5,524,150,413	8,468,317,564
II. Fixed Assets		814,735,151,639		376,230,357,156		383,732,509,579
(1) Investment Assets		15,650,089,461		16,002,536,790		6,428,061,885

1. Long-term Financial Instruments	31,759,885		18,000,000		20,500,000	31,759,885
2. Long-Term Investment Securities	1,599,149,399		582,630,399		705,385,235	1,599,149,399
3. Equity Method Investment Securities	14,014,624,777		15,401,906,391		5,702,176,650	14,014,624,777
4. Currency Futures	4,555,400				4,555,400	
(2) Tangible Assets		532,755,068,360		307,931,496,122		317,702,450,765
1. Land	234,590,572,901		119,038,970,127		122,234,403,524	234,590,572,901
2. Buildings	190,586,913,792		135,168,546,324		137,405,273,148	190,586,913,792
Accumulated Depreciation	(51,129,139,652)		(34,805,789,234)		(33,761,904,468)	(51,129,139,652)
3. Structures	10,873,330,561		10,972,227,232		11,497,086,020	
Accumulated Depreciation	(6,400,026,772)		(6,173,799,365)		(6,304,483,461)	(6,400,026,772)
4. Machinery	279,567,778,018		198,872,237,192		192,134,259,041	279,567,778,018
Accumulated Depreciation	(204,175,118,199)		(152,502,574,755)		(142,583,261,652)	(204,175,118,199)
	(1,070,826,744)		-		(1,070,826,744)	
5. Vehicles and Transport Equipment	34,538,113,896		5,003,714,004		5,186,701,653	34,538,113,896
Accumulated Depreciation	(23,131,096,684)		(3,988,379,080)		(4,092,498,808)	
6. Tools and Devices	63,771,352,254		64,136,059,638		57,954,076,939	
Accumulated Depreciation	(41,185,434,345)		(41,519,592,527)		(38,139,479,246)	
7. Fixtures	185,484,776,332		35,930,544,500		36,197,946,314	
Accumulated Depreciation	(138,919,282,499)		(26,355,290,826)		(24,016,959,173)	
	(6,793,696,705)		-			
8. Other Tangible Assets	20,283,830,466		-			
Accumulated Depreciation	(15,915,992,995)		-			

9. Assets Under Construction	1,779,014,735		4,154,622,892		3,878,493,762	
10. Machinery in Transit		-			112,797,172	
(3) Intangible Assets		213,108,157,935		18,387,060,233		21,353,329,476
1. Goodwill	19,830,930,993		81,725,371		317,095,598	
2. Industrial Property	3,821,545,113		3,175,759,682		2,784,715,397	
3. Development Expenses	8,383,170,671		10,180,745,025		12,266,052,741	
4. Exclusive Facility Use Rights	757,746,427		891,631,607			-
5. Other Intangibles	180,314,764,731		4,057,198,548		5,985,465,740	
(4) Other Non-Current Assets		53,221,835,883		33,909,264,011		38,248,667,453
1. Deposits Provided	12,795,364,895		8,720,962,120		19,496,107,067	
2. Long-term Prepaid Expenses	20,168,206,464		15,297,889,217		9,114,854,211	
3. Other Non-Current Assets	20,258,264,524		9,890,412,674		9,637,706,175	
Total Assets		1,198,145,462,205		626,577,785,837		641,943,353,450
Liabilities						
I. Current Liabilities		532,480,568,655		274,088,953,197		262,295,407,871
1. Account Payables	97,710,872,464		64,840,232,312		67,739,433,890	
2. Short-term Borrowings	265,205,717,785		94,573,311,723		94,889,753,659	
3. Non-trade Payables	86,666,737,319		75,912,631,851		61,795,735,421	
4. Advances from Customers	3,770,672,553		1,328,374,371		146,031,190	
5. Withholdings	15,067,423,175		10,766,682,865		9,474,942,716	
6. Accrued Expenses	25,138,272,874		10,790,881,526		9,099,635,395	
7. Income Taxes Payable	26,966,037,663		13,430,987,581		16,488,117,348	
8. Unearned Revenues	624,182,088		697,515,420		770,848,752	
9. Provision for Returned Goods	3,880,399,283		1,748,335,548		1,890,909,500	

10. Provision for Mileage	380,284,295		-			
11. Provision for Restructuring	2,392,238,902		-			
12. Other Current Liabilities	4,677,730,254		-			
II. Non-Current Liabilities		277,474,220,200		28,821,570,615		20,821,852,155
1. Bonds Payable	200,000,000,000		-			
Discount on Bonds Payable	(696,424,386)		-			
2. Provision for Severance Benefits	71,138,628,933		37,517,751,815		39,631,482,860	
Deposits for Severance Benefits	(25,547,344,199)		(21,856,647,037)		(23,198,097,690)	
Contribution to National Pension Plan	(671,765,100)		(572,680,600)		(778,809,500)	
3. Deferred Income Tax Liabilities	29,632,410,489		10,128,276,437		2,206,756,485	
4. Other Non-Current Liabilities	3,618,714,463		3,604,870,000			
5. Deposits Received					2,960,520,000	
Total Liabilities		809,954,788,855		302,910,523,812		283,117,260,026
Equity						
I.Controlling Shareholder Equity		382,093,231,557		318,147,293,940		
(1) Capital		88,589,470,000		88,589,470,000		88,589,470,000
1. Common Share Capital	78,090,985,000		78,090,985,000		78,090,985,000	
2. Preferred Share Capital	10,498,485,000		10,498,485,000		10,498,485,000	
(2) Consolidated Capital Surplus		96,814,407,705		96,791,521,111		97,349,482,928
1. Additional Paid-in Capital	54,793,774,799		54,793,774,799		54,793,774,799	

2. Other Additional Capital	42,020,632,906		41,997,746,312		42,555,708,129	
(3) Consolidated Capital Adjustment		(70,877,117,845)		(70,877,117,845)		(698,526,045)
1. Treasury Stock	(70,877,117,845)		(70,877,117,845)		(698,526,045)	(70,877,117,845)
(4) Consolidated Accumulated Other Comprehensive Income(Loss)	-		577,852,882		(577,852,882)	
1. Valuation Loss on Long-Term Investment Securities	(69,434,272)		(82,142,797)		(108,870,067)	
2. Non-Equity Method Security Capital Changes	(1,192,629,566)		(1,448,765,300)		(1,887,602,531)	
3. Gain on Overseas Business Translation	2,253,791,525		827,792,012		477,243,103	
4. Loss on Overseas Business Translation	(1,696,324,208)		(2,419,030,488)			
5. Consolidated Other Comprehensive Income(Loss)						
(5) Consolidated Earned Surplus		268,271,068,218		206,187,714,365		170,384,630,794
1. Legal Reserve	11,997,000,000		10,227,000,000			
2. Discretionary Appropriated Retained Earnings	176,444,201,383		142,676,926,603			
3. Appropriated Retained Earnings	79,829,866,835		53,283,787,762			
Ⅱ. Minority Shareholder Equity		6,097,441,793		5,519,968,085		5,298,118,124
Total Shareholders' Equity		388,190,673,350		323,667,262,025		358,826,093,424
Total Shareholders' Equity and Liabilities		1,198,145,462,205		626,577,785,837		641,943,353,4

‘This information is scheduled to be submitted during April of 2009.’

(2) Consolidated Income Statement

Consolidated Income Statement

7th Period: (From Jan. 1, 2007 to Dec. 31, 2007)

6th Period: (From Jan. 1, 2006 to Dec. 31, 2006)

5th Period: (From Jan. 1, 2005 to Dec. 31, 2005)

(Unit: won)

Item	7th Period		6th Period		5th Period	
	Amount		Amount		Amount	
I. Sales		1,707,960,996,822		1,101,506,432,806		1,039,210,494,015
1. Goods Sold	1,364,310,865,812		816,907,124,912		768,250,458,158	
2. Products Sold	317,078,339,360		267,628,429,721		251,248,065,156	
3. Others Sold	26,571,791,650		16,970,878,173		19,711,970,701	
II. Cost of Goods Sold		823,466,347,055		498,484,104,740		472,481,523,690
1. Cost of Goods Sold	650,402,081,157		350,303,696,260		358,735,703,100	
2. Cost of Products Sold	164,048,021,566		142,295,995,996		103,715,432,512	
3. Cost of Others Sold	9,016,244,332		5,884,412,484		10,030,388,078	
III. Gross Profit		884,494,649,767		603,022,328,066		566,728,970,325
IV. Selling, General and Administrative Expenses		766,999,333,956		507,001,962,129		495,043,851,242
1. Salary	168,833,219,520		84,499,197,122		75,487,919,007	
2. Severance Benefits	15,099,374,391		6,979,771,486		8,492,935,480	
3. Employee Benefits	30,612,762,286		13,717,750,186		16,366,064,088	

4. Travel Expenses	7,553,803,033		6,458,699,977		6,127,569,707	
5. Communication Expenses	4,162,754,825		3,415,003,182		2,920,942,014	
6. Utility Expenses	4,076,336,704		3,242,703,436		4,069,953,962	
7. Supplies Expenses	2,569,610,968		1,895,103,605		2,058,563,957	
8. Packaging Expenses	3,713,507,389		3,259,720,663		6,305,200,064	
9. Taxes and Dues	5,234,603,894		4,281,588,572		3,838,840,098	
10. Rental Fees	19,440,453,990		7,650,895,349		8,421,985,013	
11. Use Fees	10,348,459,451		7,618,351,041		8,895,045,071	
12. Commission Fees	190,290,084,061		126,337,627,824		130,752,893,047	
13. Depreciation	23,818,835,885		7,365,458,838		10,000,857,804	
14. Repairs Expenses	18,818,994,808		12,242,673,793		9,427,054,801	
15. Vehicles Maintenance Expenses	8,695,714,841		872,654,815		678,740,837	
16. Insurance Premium	2,752,079,118		768,276,589		1,006,527,438	
17. Advertising Expenses	143,628,598,364		138,263,623,614		125,948,204,463	
18. Freight Expenses	38,440,559,358		24,928,739,492		25,654,220,988	
19. Publication Expenses	2,481,362,174		1,935,349,388		1,945,297,878	
20. Training Expenses	3,549,036,917		2,675,462,850		3,249,598,997	
21. Samples Expenses	36,934,323,275		30,061,624,249		27,251,877,418	
22. Development Expenses	5,380,006,316		5,208,185,046		4,644,537,282	
23. Amortization	4,652,951,248		5,789,886,904		4,880,498,798	

Expenses on Intangible Assets						
24. Research Expenses	402,100,059		507,229,667		595,271,443	
25. Bad Debt Expenses	68,637		531,500,935		236,510,779	
26. Retirement Annuity	2,931,557,536		924,952,763			
27. Other Selling, General, Administrative Expenses	12,578,174,908		5,569,930,743		5,786,740,808	
V. Operating Profit		117,495,315,811		96,020,365,937		71,685,119,083
VI. Non-Operating Income		34,804,515,126		19,597,771,562		50,331,702,630
1. Interest Income	2,095,984,632		1,036,072,979		1,053,558,835	
2. Dividend Income	12,270,300		4,702,231		12,728,100	
3. Rental Revenues	464,154,118		-			
4. Currency Exchange Rate Difference	1,987,461,821		801,652,085		957,354,364	
5. Gain from Currency Exchange	229,427,533		24,945,046		14,757,390	
6. Gain from Transaction on Financial Derivatives	2,023,683,837		28,340,500			
7. Gain from Evaluation on Financial Derivatives	4,555,400		-			

8. Reversal of Allowance for Doubtful Accounts	141,125,925		-			
9. Equity Method Income	802,597,142		1,095,233,038			
10. Gains on Sale of Long-Term Investment Securities	90,900		33,551,872			
11. Gains on Disposition of Tangible Assets	10,001,019,097		11,592,750,199		13,790,582,904	
12. Gains on Disposition of Intangible Assets	-		5,637,883			
13. Gains on Insurance Settlements	12,852,230,193		2,498,865			
14. Miscellaneous Revenues	4,185,312,040		4,513,455,627		2,897,423,962	
15. Other Non-Operating Income	4,602,188		458,931,237		31,579,378,625	
16. Rental Income	-		-		182,126,539	
17. Gains on Disposition of Investment Assets					25,918,450	
VII. Non-Operating Expenses		41,023,319,570		32,725,541,204		20,816,908,271
1. Interest Expenses	13,692,026,868		4,287,507,441		2,820,933,274	
2. Losses on Foreign Currency Transaction	936,523,307		1,106,542,578		1,106,716,534	
3. Losses on Foreign Currency	44,010,540		226,960,579		198,828,618	

Translation						
4. Loss on Transaction on Financial Derivatives	2,541,287,909		3,657,500			
5. Other Bad Debt Expenses			213,571,317		32,199,160	
6. Loss from Inventory Disposal	1,248,269,006		2,524,085,847		2,059,140,913	
7. Equity Losses on Investments	2,101,713,427		2,476,806,655			
8. Losses on Disposition of Tangible Assets	3,114,719,226		1,765,556,770		5,422,923,290	
9.	1,062,798,202					
10. Losses on Disposition of Intangible Assets			375,863,157		1,518,232,692	
11. Loss from Account Receivables	121,813,152		383,358,761		541,257,786	
12.	383,358,761		541,257,786		33,669,840	
13.						
14. Donations	1,955,998,086		1,102,235,137		825,304,292	1,955,998,086
15. Miscellaneous Losses	2,652,261,364		16,617,016,479		1,135,766,029	
16. Other Non-Operating Expenses	6,277,096,455		1,642,378,983		2,209,236,027	
17. Long-Term Investment Asset Valuation Loss	-				2,432,325,485-	
18. Equity Losses on Investments					102,734,842	
19. Loss from					7,554,545	

Disposal of Long-Term Investment Securities						
20. Retirement Recognition					403,754,784	
VIII. Net Income Before Corporate Taxes		111,276,511,367		82,892,596,295		101,199,913,442
IX. Corporate Taxes		37,284,202,087		28,685,477,554		28,747,458,026
X. Net Loss of Controlled Company before the Day of Purchase		6,538,389,625				
XI. Net Income		80,530,698,905		54,207,118,741		72,452,455,416
1. Net Income for Controlling Shareholder Equity Gain	79,977,609,022		53,648,272,050			72,064,061,272
2. Net Income for Minority Shareholder Equity Gain	553,089,883		558,846,691			388,394,144
XII. Consolidated Net Income		80,530,698,905		54,207,118,741		72,452,455,416
XIII. Net Income(Loss) per Share		53,693,815,590		72,064,061,272		36,237,086,034
1. Net Income per Share		4,791		3,088		4,068

‘This information is scheduled to be submitted during April of 2009.’

D. Companies not Included in the Consolidated Statements

Business Year	Companies Not Included	Reason
7th Period	LG HAI (U.S.)	Total assets at the end of the previous business year were less than W7 billion.
6th Period	LG HAI (U.S.)	Total assets at the end of the previous business year were less than W7 billion.
5th Period	LG Household & Health Care International Research and Development (Shanghai) LG HAI (U.S.)	Total assets at the end of the previous business year were less than W7 billion.

6. Financial Information of Divisions

A. Financial Information for Business Divisions

(1) Financial Information for Business Divisions

(Unit: million won)

Classification	8th Period	7th Period	6th Period
Household Division	-	-	-
1. Sales	-	-	-
External Sales	819,736	741,415	686,054
Internal Sales	5,564	11,498	5,224
Total	825,300	752,913	691,278
2. Operational Profit or Loss	80,036	73,727	60,423
3. Assets	218,611	222,874	213,651
(Depreciation, etc.)	-16,276	-17,666	-17,809
Cosmetics Division	-	-	-
1. Sales	-	-	-
External Sales	534,849	431,036	346,789
Internal Sales	-	1,654	2,570
Total	534,849	432,690	349,359
2. Operational Profit or Loss	73,487	52,676	33,146
3. Asset	77,639	78,548	100,975
(Depreciation, etc.)	-9,643	-9,719	-9,677

(2) Shared SG&A and Assets

- Shared SG&A is distributed between the divisions based on each division's sales and assets during the previous year, based on the benefits principle.
- Shared assets are distributed based on the nature of the asset.

Example) Building or land: Proportional area occupied by each division

Machinery: Proportion of hours used by each division

(3) Adjustment of Operating Profit or Loss

- The Company includes profits generated by internal sales in the unit sales price and listed in the statements.
- Calculation of Operational Profit or Loss

The Company adds the operational profit of each division to calculate the total operational profit. This means that internal transactions are removed from the calculation of each division at the time of account closing.

Example)

Internal (household goods) trade receivables: within the Company 500, (household goods) sales: between business divisions, 500, (cosmetics) sales cost: within the Company 400, (cosmetics) trade payables: within the Company 400

Removing the Company: (cancel out) sales: between business divisions, 500, (cancel out) trade receivables: within the Company 500, (cancel out) trade payables: within the Company 400, (cancel out) sales cost: within the Company 400

(4) Other Business Information

'Not applicable'

B. Regional Financial Information

(1) Classification of Regions

The Company has subsidiaries on U.S.A., Vietnam, Shanghai, Hangzou. Regional financial information are omitted because these subsidiaries are under 10% of sales and asset on the consolidated financial statement.

(2) Regions Subject to Disclosure

'Not applicable'

(3) Information for Each Regional Group

‘Not applicable’

(4) Financial Information for Each Region
‘Not applicable’

(5) Shares SG & A and Assets
‘Not applicable’

(6) Adjustment of Operational Profit or Loss
‘Not applicable’

7. Financial Statements Before and After Merger
A. Summary Before Merger
‘Not applicable’

B. Financial Statements before and after Merger
‘Not applicable’

C. Information on Mergers
‘Not applicable’

D. Estimated Financial Figures before and after Backdoor Listing and Comparison with Actual Figures
‘Not applicable’

E. Reason Behind Difference Between Estimation and Actual Figures
‘Not applicable’

IV. Audit Report of Auditor

1. Audit Report of Auditor (Chartered Accountant)

A. Auditor

8th Period	7th Period	6th Period
Samjong KPMG	Samil Price Waterhouse Coopers	Samil Price Waterhouse Coopers

B. Summary of Relevant Business Year's Auditing Procedures

We have audited the accompanying non-consolidated balance sheet of LG Household & Health Care, Ltd. (the "Company") as of December 31, 2008, and the related non-consolidated statements of income, appropriation of retained earnings, changes in equity and cash flows for the year ended. These non-consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. The accompanying non-consolidated financial statements of the Company as of December 31, 2007, were audited by other auditors, whose report thereon dated March 6, 2008, expressed an unqualified opinion on those statements.

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 audit 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 audit provides a reasonable basis for our opinion. In our opinion, the non-consolidated financial statements referred to above present fairly, in all material respects, the financial position of LG Household & Health Care, Ltd. as of December 31, 2008 and the results of its operations, the appropriation of its retained earnings, the changes in its equity and its cash flows for the year then ended in conformity with accounting principles generally accepted in the Republic of Korea.

C. Auditor's Opinion

Business Year	Auditor Opinion	Summary of Items or Issues

8th Period	Unqualified	-
7th Period	Unqualified	-
6th Period	Unqualified	-

D. Summary of Notable Items

Business Year	Notable Item
8th Period	'Not applicable'
7th Period	The following information did not affect the auditor's opinion but may help the user in making reasonable investment decisions. (1) Acquisition of Other Corporate Securities and Equity Increase Securities The Company on October 24, 2007 acquired 100% of CCKBC (Netherlands) Holding I BV (Hereafter, "Holding I BV") and CCKBC (Netherlands) Holding II BV (Hereafter, "Holding II BV"), which respectively held 49.84% and 50.16% of Coca-Cola Beverage, Ltd. (previously, "Coca-Cola Korean Bottling, Ltd."). The Company then disposed of 5% of its Holding I BV and Holding II BV shares on January 24, 2008, which is after the date of this Statement. On the same date, the Company declined to participate in their capital-raising activity, reducing the Company's share of Holding I BV and Holding II BV to 90% each. (2) Litigation In connection with the scope and validity of its special patents, the Company has been sued (claimed damage: W59.158 billion). In February of 2003, the Company received an unfavorable decision in the trial court. However, the Company appealed to the Seoul Appellate Court and won the appeal on November 23, 2005. The Company received a favorable final decision by the Supreme Court on February 28, 2008, after this period's Financial Statements was drafted.
6th Period	The following information did not affect the auditor's opinion but may help the user in making reasonable investment decisions. (1) Litigation In connection with the scope and validity of its special patents, the Company has been sued (claimed damage: W59.158 billion). In February of 2003, the Company received an unfavorable decision in the trial court. However, the Company appealed to the Seoul Appellate Court and won the appeal on November 23, 2005. The plaintiff of

	the case appealed the decision, and as of December 31, 2007, the case sits before the Supreme Court. It is not possible to predict the final outcome of the case. The Company has not set aside a special account in the Financial Statements to reflect a potential loss in the ongoing litigation.

2. Audit Report of Auditor (Internal Auditor) for the Business Year

A. Summary of Audit Procedures

1. Name of Auditor or Audit Committee

Hee Jin Noh (Chairperson of the Audit Committee, Emergency Director)

Kie Bae Yi(Member of the Audit Committee, Emergency Director)

Sung-Tae Hong (Member of the Audit Committee, Emergency Director)

* Permanent audit staff: 8 Internal Audit Department employees

2. Date of Audit

Regular Audit (8 times in a year) and periodic audits

3. Main Audit Procedures

(A) Accounting Audit

The following procedures were carried out in order to conduct audit on the Financial Statements of the 8th Business Period.

First, in order to create reliable accounting information and provide trustworthy disclosure, the internal accounting personnel manages the internal accounting system. The system was reviewed after a report on the management status was received.

Second, to ensure the accuracy of the Financial Statements and other documents, the internal audit personnel reviewed, compared, and investigated the accounting books and other relevant documents. The results were reported and appropriate corrective actions were taken.

Third, independent auditors audit quarterly Financial Statements, and independent auditors conduct audits on annual Financial Statements in a manner complying with the accounting audit standards. The results of these audits are reported to the Company, which takes appropriate responses.

(B) Business Audit
The members participate in important conferences, including Board of Directors meetings to make business reports, and if necessary, received reports from directors regarding business affairs. Important documents were reviewed, and other appropriate steps were taken.

B. Auditor's Opinion
(1) Information Listed in Balance Sheet and Income Statement
The Balance Sheet and the Income Statement accurately shows the Company's assets and income status consistent with the applicable laws and regulations.

(2) Information on Statement of Retained Earnings and Statement of Handling of Loss
The Statement of Retained Earnings is in accordance with the laws and articles of association and has been prepared to properly reflect the financial situation of the company and other matters.

(3) Information on Operating Report
Operating Report accurately shows the Company's status consistent with the applicable laws and regulations.

C. Review Item
'Not applicable'

3. Audit Report of Auditor on Consolidated Financial Statements
A. Auditor
'This information is scheduled to be submitted during April of 2009.'

B. Summary of the Business Year's Auditing Procedures
'This information is scheduled to be submitted during April of 2009.'

C. Consolidated Auditor Opinion

Business Year	Auditor Opinion	Notable Items or Issues
8th Period	-	-
7th Period	Unqualified	It shows appropriate information consistent with Company Accounting Standards.

6th Period	Unqualified e	It shows appropriate information consistent with Company Accounting Standards.

'This information is scheduled to be submitted during April of 2009.'

D. Summary of Notable Items

'This information is scheduled to be submitted during April of 2009.'

4. Information on Compensation Paid to Independent Auditors during Three Most Recent Business Years

A. Auditing Service Contract

(Unit: thousand won)

Business Year	Auditor	Service Provided	Compensation	Total Hours Spent
8th Period	KPMG Samjung Accounting Corp.	Korean and English Financial Statements (Biannual, End of Year) Korea and English Consolidated Financial Statements and Internal Auditing Management System	280,000	3,538 시간
7th Period	Samil Price Waterhouse Coopers	Korean and English Financial Statements (biannual, end of the year), Korean and English Consolidated Financial Statements and Review of Internal Accounting Management System	310,000	3,318 시간
6th Period	Samil Price Waterhouse Coopers	Korean and English Financial Statements (biannual and end of the year) and Consolidated Financial Statements	280,000	3,184 hours

- Total hours are calculated by multiplying the number of personnel involved with hours spent per person.

* The total time spent for the 8th Period audit only counts the time spent between Jan. 1, 2008 until Dec. 31, 2008.

B. Non-Audit Service Contract Entered into with Independent Auditor

(Unit: won)

Business Year	Contract Date	Content	Service Duration	Compensation	Note
8th Period	May 2008	IFRS Introduction 1st Consulting	20 Weeks	195,000,000	-
8th Period	April 2008	Evaluation Report on CCB Goodwill	3 Weeks	20,000,000	-
7th Period	Sep 2007	IFRS Introduction 1st Consulting	6 Weeks	90,000,000	-
7th Period	Sep 2007	Coca-Cola Purchase Consulting	8 Weeks	154,412,500	-
7th Period	May 2007	Tax Consulting Service	10 Weeks	240,000,000	-
7th Period	April 2007	Coca-Cola Purchase Consulting	8 Weeks	180,000,000	-
7th Period	Mar 2007	Tax Adjustment	8 Weeks	16,000,000	-
6th Period	Mar 2006	Tax Adjustment Consulting	4 Weeks	70,000,000	-

* Contracts listed under a particular year only cover that year.

5. Other Information

'Not applicable'

V. Information on Company Bodies and Subsidiaries, Including Board of Directors

1. Summary of Company Bodies, Including Board of Directors

A. Information on Board of Directors

(1) Information on Board of Directors Composition

(a) Information on Board of Directors Authority

The Board of Director determines important issues as required by laws and regulations, as authorized in the shareholders' meetings, and as listed under Section 14 of the Articles.

1. Items Authorized Pursuant to Laws and Regulations

- Calling for Shareholders' Meetings
- Approving Operating Reports
- Approving Financial Statements
- Appointing and Discharging Representative Director
- Determination of the Co-Representative
- Appointment and Discharge of Managers
- Opening, Relocating and Closing a Branch
- Determination on Issuing New Shares, Disposal of Forfeited Shares
- Issuing New Shares through Public Subscription
- Issuing Debt
- Determination on Conditions of Convertible Debt
- Determination on Whether to Grant Rights Exchange Ratio
- Determination of Whether Rights Exchange Ratio Is Assignable
- Recovery of Reserve Items
- Approval of Transactions between a Director and the Company
- Approve or Disapprove Directors' Concurrent Jobs
- Designation of Transfer Agent
- Determination of Whether to Close Shareholders' List
- Creation of Committee, and Appointment and Discharge of Committee Members
- Reconsideration of Committee Decisions
- Determination on Small-Scale Mergers and Simple Mergers

2. Present Following Items in Shareholders' Meetings

- Transfer of Significant Portion or of All of the Business
- Rental or Management Delegation over All of the Business
- Entering into, Modifying or Terminating Contracts that Share Operational Books with Other Persons or Entities

- Acquisition of all Businesses
- Share Dividend
- Reduction of Capital
- Amendment of Articles of Incorporation
- Compensation of Directors
- Appointing and Discharging Directors and Members of the Audit Committee
- Dissolution of the Company, Mergers, Spin-Offs, Take-Overs, or Continued Operation of the Company
- Issuance of Discount Shares
- Absolving the Liability of a Director Toward the Company
- Provide Stock Options
- Other Items to Be Presented in Shareholders' Meetings

3. Significant Financial Items
- Revaluation of Assets
- Important Large Facility Investment and Expense
- Disposal of Assets or Issuance of Debt over Certain Value, Provision of Collateral or Guarantee for Another Person or Entity
- Large Scale Internal Transaction, as Defined by the Fair Trading Act.

4. Item on Mid-to-Long Term Strategy and Business Policy
- Strategic Business Direction
- Plan Year's Goals and Future Business Plans, Agreement on Objectives

5. Personnel Items
- Personnel Matters and Compensation on Executive Officers
- Appointment of the Highest Financial Officer

6. Other items required by laws or regulations, items authorized during the shareholders' meetings and items deemed to be necessary by the Representative Director

* The Representative Director is authorized to manage issues that are not specifically listed as being part of the Board's jurisdiction.
* The Board of Directors oversees directors' work performance

(b) Whether to provide notification of directorship candidates' information before the shareholders' meeting and whether to give recommendation to shareholders
- Providing notice before the shareholders' meeting: Notification of directorship candidate (relevant documents, shareholders' meeting notification, notification items)

- Whether to give recommendations to shareholders: not applicable

(c) Formation of Independent Director Candidate Recommendation Committee and Its Operation
'Not applicable'

(d) Independent Director Information

Name	Main Career Experience	Relationship with Largest Shareholder	Educational Participation	Note
Hee-Jin Noh	- School: University of Georgia, Ph. D in Banking & Finance - Current Position: Head of Research, Korea Securities Research Institute - Past Position: Korea Money and Finance Association, Vice President	None	-	-
Young-Hye Lee	-School: Sogang University, MBA - Current Position: CEO & Publisher, Design House Inc. - Previous Position: Dongduk Womens University, Professor at Design College	None	-	-
Sung-Tae Hong	- School: University of Illinois, Ph.D. in Business - Current Position: Professor, department of Business Administration, Hanyang University - Past Position: University of Missouri, Assistant Professor in Marketing College	None	-	-
Kie-Bae Yi	- School: Seoul National University, BA in Law - Current Position : Representative lawyer, Law world law firm	None	-	-

* Business Support Team for Independent Directors: Legal Team (Manager: In-Kyung Kim ☎ 02-3773-0708)

(2) Information on the Operation of the Board of Directors
(a) Main Content of the Board of Directors Operational Rules
■ On Board of Directors Authority

(1) Please review “(a) Information on Board of Directors Authority” under information regarding the composition of the Board of Directors.

■ Main Content of the Operational Procedures

Section 1) General Rules

Article 1) Purpose

These Rules have been put in place in order to ensure the effective operation of the Board of Directors (hereafter, “Board”) of LG Household & Health Care, Ltd.

Article 2) Scope

Except as required by laws or regulations, issues concerning the Board shall be governed by these Rules

Article 3) Authority

① The Board shall determine important business matters pursuant to laws and regulations, authority given in shareholders’ meetings and Article 14 of these Rules.

② Representative Director President shall be authorized to handle matters not specified as being part of the Board’s jurisdiction under these Rules.

③ The Board shall oversee director’s work performance.

Section 2) Composition

Article 4) Composition

The Board shall consist of all directors.

Article 5) Chairperson

① The Board shall elect one of the directors as the Chairperson

② The Board shall design a succession plan in case of the Chairperson’s absence.

Article 6) Report of Audit Committee

Audit Committee must issue a report to the Board if it discovers a director engaged in a violation of laws or regulations or if there is a substantial risk of such violation taking place.

Article 7) Hearings

In deliberating issues, the Board may request relevant employee or outside persons to attend the meeting to hear their explanations or opinions.

Section 3) Meeting

Article 8) Types
① There shall be regular board meetings and special board meetings.
② As default, there shall be one regular board meeting per quarter
③ Special board meeting may be held as necessary

Article 9) Right to Call for Meeting
The Chairperson shall call for a meeting. However, if the Chairman is incapable of conducting his or her duties, a successor determined by Article 5 Paragraph 2 shall conduct his or her duties instead.

Article 10) Meeting Procedures
① Before calling for a meeting, the meeting date must be determined. At least a week of notice must be provided for a regular meeting, and 12 hours of notice for a special meeting. Notice must be provided to each director orally or in writing.
② Notwithstanding Paragraph 1, if all directors agree, a meeting may be held at any time without following the procedures outlined in Paragraph 1.

Article 11) Chairing the Meeting
The Chairperson shall chair the meeting, and maintain order during the meeting. He or she may designate another director to conduct the meeting.

Article 12) Vote
① To pass an agenda, more than half of attending directors must vote in favor. More than half of the directors must be in attendance for quorum.
② A director who has a potential conflict of interest on an issue may not vote on matters relating to that issue.
③ Directors excluded from voting pursuant to Paragraph 2 above are not counted in calculating the number of attending directors.
④ The Board may permit some of all directors to not attend the meeting in person but rather participate in the meeting through a simultaneously broadcasted video/audio

device. In this case, directors participating through those means are counted as being in attendance.

Article 13) Board Committees

① As authorized by the Rules, the Board may create the following committees under its authority

1. Audit Committee
2. Any committee the Board agrees to create

② The Board may delegate its authorities to committees except as listed below:

1. Making proposals that require shareholders approval
2. Appointing or discharging the Representative Director
3. Creation of committee and appointing or discharging committee members
4. As otherwise required by the Rules

③ Each committee must have at least 2 directors. However, the Audit Committee must consist of at least three directors, and at least two out of these three directors must be outside directors.

④ Committees shall be operated in a manner consistent with Article 393-2, Paragraph 5 of Commerce Act. However, the Board may create a separate set of operating rules governing a committee's composition and operation.

Article 14) Other Matters

The Board shall determine matters related to the following:

1. Matters Required Under Laws and Regulations

- Calling for Shareholders' Meetings
- Approving Operating Reports
- Approving Financial Statements
- Appointing and Discharging Representative Director
- Determination of the Co-Representative
- Appointment and Discharge of Managers
- Opening, Relocating and Closing a Branch
- Determination on Issuing New Shares, Disposal of Forfeited Shares
- Issuing New Shares through Public Subscription
- Issuing Debt
- Determination on Conditions of Convertible Debt
- Determination on Whether to Grant Rights Exchange Ratio
- Determination of Whether Rights Exchange Ratio Is Assignable

- Recovery of Reserve Items
- Approval of Transactions between a Director and the Company
- Approve or Disapprove Directors' Concurrent Jobs
- Designation of Transfer Agent
- Determination of Whether to Close Shareholders' List
- Creation of Committee, and Appointment and Discharge of Committee Members
- Reconsideration of Committee Decisions
- Determination on small-scale mergers and simple mergers

2. Matters Relating to Shareholders' Meetings
- Transfer of Significant Portion or of All of the Business
- Rental or Management Delegation over All of the Business
- Entering into, Modifying or Terminating Contracts that Shares Operational Books with Other Persons or Entities
- Acquisition of all Businesses
- Share Dividend
- Reduction of Capital
- Amendment of Articles of Incorporation
- Compensation of Directors
- Appointing and Discharging Directors and Members of the Audit Committee
- Dissolution of the Company, Merger, Spin-Off, Take Over, or Continued Operation of the Company
- Issuance of Discount Shares
- Absolving the Liability of a Director towards the Company
- Provide Stock Options
- Other Items to Be Presented in Shareholders' Meetings

3. Significant Financial Items
- Revaluation of Assets
- Important Large Facility Investment and Expense
- Disposal of Assets or Issuance of Debt over Certain Value, Provision of Collateral or Guarantee for Another Person or Entity
- Large Scale Internal Transaction, as Defined by the Fair Trading Act.

4. Item on Mid-to-Long Term Strategy and Business Policy
- Strategic Business Direction

- Plan Year's Goals and Future Business Plans, Agree on Objectives

5. Personnel Items
- Personnel Matters and Compensation on Executive Officers
- Appointment of the Highest Financial Officer

6. Other items required by laws or regulations, items authorized during the shareholders' meetings and items deemed to be necessary by the Representative Director

Article 15) Delegation
Except as required by laws or regulations or by the Articles, the Board may vote to delegate some of its tasks to the Representative Director President.

Article 16) Meeting Logs
① The Board shall keep minute logs
② The meeting log must contain summary of proposals, their discussions, results, and persons for and against the proposal with reasons for opposition. The logs must bear the signatures or seals and dates of participating directors.
③ The meeting log shall be kept in the headquarters

Article 17) Administrative Office
The Board may create an administrative office to assist its responsibilities. The administrative office may, pursuant to the instructions of the Chairperson, handle tasks involving meeting notifications, organization and distribution of issues and proposals, drafting of the meeting logs, and handling the administrative end of issues and proposals.

Section 4) Executive Officers

Article 18) Executive Officers
① For the operation of the Company, the board may hire necessary number of executive officers
② Directors may also serve as executive officers.

Article 19) Management Board

Representative Director President may operate a management board consisting of executive officers, in order to fulfill his or her business responsibilities.

Supplemental Rule
These Rules shall be effective starting on April 2, 2001

Supplemental Rule
These Rules shall be effective starting on March 21, 2003

Supplemental Rule
These Rules shall be effective starting on July 21, 2006

■ Items on Delegation of Authority
- Board Rule: Article 15 (Delegation)
Except as required by laws or regulations or by the Articles, the Board may vote to delegate some of its tasks to the Representative Director President.

- Delegation Item
The Board delegates to the Representative Director President the authority to make investments and incur expenses relating to large-scale facilities, to dispose of assets exceeding a certain size, to borrow debt, to provide guarantees to other persons or entities or to provide collateral for other persons or entities, as listed in the Board Rules Article 14 (Significant Financial Items of the Other Matters for the Board of Directors), provided that such delegation is limited as shown in the chart below:

■ Board of Directors Representation Basis

Classification	Type	Calculation Basis
Facility Investment	New or Extended Investment	The total investment amount for each project must be more than 1% of the total capital.
Expense	Establishing Subsidiary	The total expense amount for each project must be more than 2% of the total capital.
	Others	The total expense amount for each project must be more than 5% of the total capital.

Disposal of Assets	Sales of Securities and Tangible Assets	The total book value of asset sold for each project must be more than 0.5% of the total capital.
	Sales of Part of Business	The sales amount for each project must be more than 1% of the total capital.
Borrowing	Ordinary Debt and Line of Credit	Each instance of loan must be more than 20 billion won.
Collateral and Guarantee	Subsidiaries and Other Companies	Must be more than 10 billion won for each instance.
Large-scale Internal Transaction as Defined by the Fair Trade Act	Large-Scale Internal Transaction	The transaction amount must be more than 1/10 of the total capital or capital, or more than 10 billion won, whichever is larger.

(b) Main Activities of the Board

Meeting Number	Date	Proposals	Outcome	Note
114	1/17/2008	Business registration request for Beautiplex Soo-Yoo Branch	Approved	-
115	1/22/2008	First: Approval of the financial statements for the 7th period (Balance sheet, income statement, statement of appropriations of retained earnings) Second: Approval of the contract of dealing in shares and contract between shareholders Third: Approval of selling property	Approved	-
116	2/15/2008	First: On approving the 7th Period Annual General Shareholders' Meeting Second: On approving issues to be presented in the 7th Annual Shareholders' Meeting Third: On approving the directors' self dealings	Approved	-
117	3/14/2008	First: On approving short-term bonus for Executive Committee Officers Second: On approving disciplinary measure for Executive Committee Officers	Approved	-

		Third: On approving director compensation Fourth: On approving joint liability on guarantee		
118	4/04/2008	On approving the sale of golf membership (Green hill c.c)	Approved	-
119	4/22/2008	On amending personnel rules on Executive Committee member	Approved	-
120	5/08/2008	On approving disciplinary measure for Executive Committee Officers	Approved	-
121	6/05/2008	Business registration request for Beautiplex Doon-San, Shin-Jung Branch	Approved	-
122	6/11/2008	Business registration request for Beautiplex Baek-Am Branch	Approved	-
123	6/18/2008	Business registration request for Beautiplex Seo-Myeon Branch	Approved	-
124	7/22/2008	On approving the mid-to-long term strategic operational plan	Approved	-
125	9/26/2008	On approving lease of CCB's estate	Approved	
126	10/21/2008	On approving establishment of sales subsidiary in Taiwan	Approved	
127	12/19/2008	On approving 2009 business plan	Approved	

(c) Main Activities of Outside Directors in Board Meetings

Meeting Number	Date	Participation of Outside Directors	Note
114	1/17/2008	3 (3)	-
115	1/22/2008	2 (3)	-
116	2/15/2008	3 (3)	-
117	3/14/2008	3 (4)	-
118	4/04/2008	1 (4)	-
119	4/22/2008	4 (4)	-
120	5/08/2008	4 (4)	-
121	6/05/2008	4 (4)	-
122	6/11/2008	3 (4)	-
123	6/18/2008	3 (4)	-
124	7/22/2008	3 (4)	-
125	9/26/2008	4 (4)	-
126	10/21/2008	4 (4)	-
127	12/19/2008	4 (4)	-

(d) Board Committees

Committee Name	Members	Names	Purpose and Authority	Note
Audit Committee	Three Outside Directors	Hee-Jin Noh	Audit Company Accounting and Business	-
		Sung-Tae Hong	Audit Company Accounting and Business	-
		Kie-Bae Yi	Audit Company Accounting and Business	-

(e) Activities of the Committee in Board of Directors
There is Audit Committee and refer to 'B. Information on Audit System'.

B. Information on Audit System
(1) Information on Auditing Body
(a) Audit Committee Creation and Composition

(As of Dec. 31, 2008)

Name	Whether or Not Outside Director	Note
Hee-Jin Noh	Yes	-
Sung-Tae Hong	Yes	-
Kie-Bae Yi	Yes	-

■ Purpose, Authority, Responsibility and Operational Policy
Please see the "Committee Rules" below.

Section 1) General Rules

Article 1 (Purpose)
The purpose behind these Rules is to effectuate efficient operation of the Audit Committee.

Article 2 (Scope)
Except to the extent required by laws, regulations or Board Rules, these Rules shall govern the Audit Committee issues.

Article 3 (Responsibilities and Authority)

① The Audit Committee audits the Company's accounting and business practices. For this purpose, it may at any time request a report from a director or investigate the Company's business or asset situation.
② The Audit Committee may request the Board to call for a special meeting by providing the purpose of the meeting to the Board in writing.
③ The Audit Committee may, at any time, request a subsidiary to submit a business report if necessary to fulfill its responsibilities. In this case, if the subsidiary company fails to promptly submit the requested report, or if the information in the report requires further investigation, the Audit Committee may conduct investigation on the subsidiary company's businesses and assets.
④ The Audit Committee shall nominate candidates for independent auditor during the Shareholders Meeting. However, there is no need to follow this requirement if the independent auditor has been designated by the Securities and Futures Commission or if it becomes impractical for the auditor who was previously chosen to conduct the audit due to dissolution or other reasons.
⑤ The Audit Committee shall determine issues as required by laws and regulations or as delegated by the Board.

Section 2) Composition

Article 4 (Composition)
The Audit Committee shall consist of at least three directors. Two out of three members must consist of outside directors.

Article 5 (Terms)
① The term for a member of the Audit Committee is three (3) years. However, if the term ends after the end of the auditing period but before the Shareholders Meeting where the results of that auditing period will be reported, then the term shall be extended up to the end of that Shareholders Meeting.
② A member of the Audit Committee may stand for re-election.

Article 6 (Chairperson of the Committee)
① The Audit Committee must elect by vote a Chairperson who can represent the Committee. In this case, members can select a multiple number of committee members to represent the Committee.

② If the Chairperson is unable to fulfill his or her responsibilities due to an emergency, the successor shall conduct the duties under the rules set by the Committee.

Section 3) Meeting

Article 7 (Types)

① The Audit Committee may hold regular meetings and special meetings

② The regular meeting shall be held once per quarter on a determined date.

③ As necessary, the Committee may hold special meetings.

Article 8 (Calling for Meeting)

① The Chairperson of the Committee shall call for meetings. However, if the Chairperson is unable to fulfill his or her responsibilities due to an emergency, a successor, as determined under Article 6 Paragraph 2, shall conduct the necessary duties.

② Each member may request for a meeting to the Chairperson by informing him or her the reason for such a request. If the Chairperson refuses to call for a meeting without a justification, the member who requested for the meeting may call for the meeting instead.

Article 9 (Meeting Procedures)

① A meeting can be held by determining the meeting date and transmitting to each Audit Committee members a notification of the meeting at least seven days before the meeting date.

② If every member agrees, the Audit Committee may hold a meeting at any time without following the procedure outlined in Paragraph 1 above.

Article 10 (Meeting Rules and Votes)

① The Chairperson of the Audit Committee shall chair the meeting and maintain order during the meeting.

② Proposals before the Audit Committee shall be enacted by the vote of more than half of the attending members. More than half of the members must be in attendance to form quorum. The Board Rule Article 12 Paragraph 2 shall govern issues concerning attendance and voting by communication devices.

③ A member with a conflict of interest cannot vote on an issue giving rise to that conflict in the Audit Committee meetings.

④ A member who is excluded from voting pursuant to Paragraph 3 above shall not be counted in calculating the number of attending members.

⑤ Pursuant to Article 393-2 Paragraph 4 of the Commerce Act, the Audit Committee must immediately notify the Board of its decisions.

Article 11 (Issues)
① The Audit Committee has the authority to determine the following issues.
1. Issues related to the management of the Audit Committee
2. Issues related to auditing
a. On director's report pursuant to Article 412-2 of the Commerce Act.
b. On independent auditor notification as determined by Article 10 of the Act Governing Independent Audit of Incorporated Entity
c. Drafting of Auditing Log
d. On issues related to subsidiary company audit
e. On issues related to obtaining specialist
3. Other audit-related issues
a. Designating independent auditor candidate
4. Issues related to Shareholders Meetings
a. Issues related to the drafting and submission of audit reports and providing testimony in shareholders meetings.
5. Other issues as required by laws or regulations, as delegated by the Board, or as necessary to fulfill those responsibilities.

※ The following items must be reported to the Board
1. Results of tasks assigned by the Board to the Audit Committee
2. Items related to a director's violation of laws or regulations or conduct that raises a substantial concern regarding the possibilities of such violation.

Article 12 (Meeting Logs)
① The Audit Committee shall maintain a meeting log for each meeting.
② The meeting log must contain information on proposals, discussions, vote results, persons opposed to the proposal and their reasons, and must bear the date and the signatures or seals of attending members.
③ A copy of meeting logs must be transmitted to each director within seven (7) days of the meeting.

Article 13 (Obtaining Specialist)
The Audit Committee may obtain a specialist, paid for by the Company

Article 14 (Administration)
① The Audit Committee may designate one of the Company's employees or officers as its administrative assistant.
② The administrative assistant shall handle Committee matters as directed by the Chairperson.

(b) Internal Devices Designed to Provide Management Information to the Audit Committee
- Please see the above 'Audit Committee Rules'

(c) Information on Audit Committee Members

Name	Information	Note
Hee-Jin Noh	- School: University of Georgia, Ph. D in Banking & Finance - Current Position: Head of Research, Korea Securities Research Institute - Past Position: Korea Money and Finance Association, Vice President	-
Sung-Tae Hong	- School: University of Illinois, Ph.D. in Business - Current Position: Professor, department of Business Administration, Hanyang University - Past Position: University of Missouri, Assistant Professor in Marketing College	-
Kie-Bae Yi	- School: Seoul National University, BA in Law - Current Position : Representative Attorney from Law Firm of Law World - Past Position: Head of Prosecutors Office in Suwon Principal	-

(2) Main Activities of the Audit Committee

Meeting Number	Date	Proposal	Outcome	Note
13	2/15/2008	First: On approval of auditing report regarding the 7th period financial statement and operational report Second: On approval of written opinion regarding internal monitoring system Third: On electing the independent auditor	Approved	-
14	3/14/2008	On electing the head of the Auditing Committee	Approved	-
15	4/22/2008	First: On approving the independent auditor's first quarter report Second: On approving the 2008 Auditing Committee	Approved	

		operational plan		
16	7/22/2008	On approving the independent auditor's second quarter report	Approved	-
17	10/21/2008	On approving the independent auditor's third quarter report	Approved	-

C. Information on Shareholder Voting Rights

(1) Whether to Employ the Cumulative Voting Method

'The Company does not employ the cumulative method pursuant to Article 20 Paragraph 4 of the Articles of Incorporation.'

(2) Whether to Employ Letter Voting or Electronic Voting System

'The Company does not employ these methods.'

(3) Exercise of Minority Shareholders

'Not applicable'

D. Officer Compensation

(1) Compensation of Directors (Including Outside Directors) and Audit Committee Members

(Unit: million won)

Classification	Number of Person	Amount Approved by Shareholders	Total Compensation	Average Compensation Per Person	Note
Permanent Inside Director	2	3,000	1,283	641	-
Emergency Inside Director	2		0	0	-
Outside Director (Audit Committee Member)	4		184	46	-
Total	8		1,467	183	-

(2) Stock Purchase Option / Exercise

[As of December 31, 2008] (Unit: won, shares)

Recipients	Relationship	Date Received	How Given	Type of Stocks	Changes			Outstanding Amount	Exercise Period	Exercise Price	Final Cost
					Given	Exercised	Canceled				
-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

'Not applicable'

E. Officer Liability Insurance

(1) Summary of Insurance

[As of December 31, 2008] (Unit: won)

Name of Insurance	Amount of Premium Paid		Coverage Limit	Note
	Paid for 8th Period	Total Accumulated Payment (Including this Period)		
LIG Fire Officer Liability Insurance	208,408,300	1,762,458,300	20,000,000,000	In June Paid at a time annually

(2) Basis for Retaining Insurance and Procedures

① Basis for coverage: The office liability insurance coverage was obtained after internal consultation

② Insurer: LIG Fire

(3) Beneficiary

Officers of LG Household & Health Care, Ltd. and its subsidiaries

(4) Covered Occurrence

- Liabilities of Company Officers

The insurance company covers expenses incurred to Company employees due to the first legal damage action filed against them during the insurance coverage period that arises out of their fulfillment of responsibilities acting within their authority as

Company officers.　However, if any redemption is made by the Company to those officers, such redemption amount shall be discounted from the insurance payout. Pursuant to General Agreement Article 9, the insurance company may pay the defense costs to appropriate officers before the final insurance payout is made.

- Company Liability Arising out of Actions or Omissions of Company Officers
The insurance company shall compensate the Company for any expenses it incurred when the Company compensated certain employees due to the first legal damage action filed against them during the insurance coverage period that arises out of their fulfillment of responsibilities acting within their authority as Company officers. However, this payout shall only be made if the Company pays the compensation pursuant to laws, regulations, contracts or other legal authorities entitling the employees to such compensation.

(5) Coverage Exceptions
- Exception pursuant to General Agreement
① Litigation based on an act that purported to generate personal profit beyond the scope permitted by law.
② Litigation based on an act of dishonesty or a criminal action
③ Litigation arising out of payment to an insured officer that was provided without shareholders' prior approval when such approval was required.
④ Litigation arising out of an insured officer's fraudulent use of important company information which is not publicly released and obtaining of profit through the trading of company stock.
⑤ Litigation arising out of fees, compensations or other provision or receipt of payments regarding the following organizations or individuals.

1) Political organizations, government employees, or officers, employees or other agents, representatives, family members or other related individuals or entities of Company customers.

2) If a payment to such persons or organizations is illegal, the Company may not put the responsibilities on another officer for the purpose of circumventing the immunity provision of Sections A to E.

⑥Litigation arising out of insurance claims, notifications or facts related to wrongful claims or wrongful conduct specified in this insurance contract's renewal, replacement or succession documents.
⑦ Damage claims arising out of litigation that had been already in place or in progress by the time the insurance coverage began, or litigation based on claims on facts that formed the basis for a litigation action that took place before the insurance coverage began.
⑧ Damage claims arising out of litigation that had been already in place or in progress by the time the insurance coverage began, or litigation based on claims on facts that formed the basis for a litigation action that took place before the insurance coverage began.
⑨ Insurance claims that were issued based on litigation projections or wrongdoing the Company was already aware of by the time the insurance coverage began.
⑩ Whether directly or indirectly, any insurance claim covering the following:
1) Actual or alleged discharge, leakage or spillage of pollutants
2) Damage caused to the Company or shareholders due to an instruction regarding the inspection, review, clean-up, leakage prevention or neutralization of pollutant.
⑪ Insurance claims arising out of an act or a wrongful act committed while in employment of a company other than the Company or insurance claims involving an action that took place while an officer was in another company's employment.
⑫ Whether directly or indirectly, any insurance claim involving nuclear materials or any type of radioactive pollution.
⑬ Insurance claims involving physical damage, disease, death, mental agony, damage to a tangible property, including loss of use value due to a damage to a tangible property, libel or slander caused by an oral or written statement, defamation of character, or information damaging to privacy.
⑭ In connection with insurance claims involving officers of subsidiary companies, insurance claims involving an officer of a subsidiary in which the Company holds 50% or less of the ownership shares.
2. Information on Subsidiary Companies

a. Domestic Corporations

(Current as of December 31, 2008)

Classification	Company Name	Main Line of Business	Note
Listed	LG Corp.	Holding company (other service businesses)	
	LG Electronics Ltd.	Production of broadcast receivers and other	

		display and sound equipment	
	LG International Ltd.	Production, wholesale and retail business, construction, real estate	
	LG DACOM Ltd.	Electronic communications	
	LG Chemical Ltd.	Petrochemicals and other basic chemicals	
	LG Household & Health Care, Ltd.	Production of cosmetics and other household goods	
	LG Life Science Ltd.	Production of medical and agri-chemical products	
	LG Display Co., Ltd.	Production of liquid crystal display devices	
	LG Telecom Ltd.	Personal portable communication services	
	LG Inno-Tech Ltd.	Production of other electronic parts	
	LG Power Com Ltd.	Rental business of electronic communications and routing equipment	
	GⅡR	Non-banking holding company	
Subtotal	12 companies		
Cosdaq	LG MICRON Ltd.	Production of other electronic parts	
Subtotal	1 company		
Not Listed	LG Dow Polycarbonate Ltd.	Production and sales of polycarbonate	
	LG CNS Ltd.	Consulting, developing and supplying of software products	
	LG Sports Ltd.	Management of professional baseball team	
	LG Management Development Center Ltd.	Research and training center for economics, management, environmental studies and consulting	
	Siltron Ltd.	Production of semiconductors and other electronic components	
	LG MMA Ltd.	Production of basic organic compounds	
	Dacom Multimedia Internet Ltd.	Added-value communications company	
	Dacom Crossing Ltd.	Renting of international cables	
	Serveone Ltd. (LG MRO)	Business-to-business sales agency, renting of other properties	
	LG N-Sys Ltd.	Manufacture and operations relating to office, calculation and accounting devices	
	High Plaza Ltd.	Retail sales of household electronics	

	Sea Tech Ltd.	Production of basic petrochemical materials and composite materials	
	High Business Logistics Ltd.	General distribution and logistics	
	VENS Ltd.	Auto design and mold product development consulting	
	Lusem Ltd.	Semiconductor IC assembly	
	CS Leader Ltd.	Telemarketing service provider	
	A-in Tele Service Ltd.	Telemarketing service provider	
	Biz Tech & Ektimo Ltd.	ERP, consulting/development/outsourcing, business intelligence, consulting/development	
	LG Solar Energy Ltd.	Solar energy development	
	Coca-Cola Beverage Company	Production and sales of carbonated drinks	
	Twinwine Co, Ltd	Import liquor	
	Korea Commercial Vehicle	Sales of commercial vehicle and maintenance	
	Ucess Partners Co., Ltd.	Contact center installation and agent training	
	Systemairconengineering	Sale and maintenance of Electric/electronic/airconditioning	
	Jiheung	Manufacturing of Electronic Items	
	Geovine	Retailer of liquor	
	Pixdix	Wholesaler/retailer of optical instruments and small digital appliances	
	CS ONE Partner	Telemarketing Service	
	W Brand Connection	Advertising Agency	
	HS Ad	General Advertising Agency	
	Bugs Com Ad	OOH Specialist Agency	
	Alchemedia	Media Planning & Buying	
	M. Hub	Media Planning & Buying	
	Wisebell	Advertising Agency	
	G Outdoor	OOH Media Agency	
	TAMS Media	OOH Media Agency	
	Pressline	Software development and suppliance	
	Twenty Twenty	Advertising Agency	
	LBest	General Advertising Agency	
Subtotal	39 Companies		
Total	52 Companies		

[Information on Group Company Changes in 2008]
Twinwine Co, Ltd became part of the group on January 2, 2008.
Korea Commercial Vehicle became part of the group on January 2, 2008.
Ucess Partners Co., Ltd. became part of the group on January 2, 2008.
Systemairconengineering became part of the group on February 1, 2008.
Jiheung became part of the group on June 2, 2008.
Pixdix and Geovine became part of the group on September 2, 2008.
CS ONE Partner became part of the group on October 1, 2008.
G Ⅱ R became part of the group on December 1, 2008.
W Brand Connection became part of the group on December 1, 2008.
HS Ad became part of the group on December 1, 2008.
Bugs Com Ad became part of the group on December 1, 2008.
Alchemedia became part of the group on December 1, 2008.
M. Hub became part of the group on December 1, 2008.
Wisebell became part of the group on December 1, 2008.
G Outdoor became part of the group on December 1, 2008.
TAMS Media became part of the group on December 1, 2008.
Pressline became part of the group on December 1, 2008.
Twenty Twenty became part of the group on December 1, 2008.
LBest became part of the group on December 1, 2008.

b. Foreign Corporations

(Current as of December 31, 2008)

Company Name	Note
LG International (China) Corp.	China
LG Innotek Huizhou Co., Ltd.	China
Serveone (Nanjing) Co. Ltd.	China
LG (Beijing) Daeha Co., Ltd.	China
Arcelic-LG Klima Sanayi Ve Ticarte A.S. (LGEAT)	Turkey
Beijing LG Household Chemical Co., Ltd.	China
CCKBC (Netherlands) Holdings I BV	Netherlands
CCKBC (Netherlands) Holdings II BV	Netherlands
Compact Power, Inc.	U.S.
DACOM America, Inc.	U.S.
De Zwarte Ponk B.V. (DZP)	Netherlands

Eic Properties Pte. Ltd.	Singapore
Electromagnetica Goldstar SRL	Romania
EPC Munai LLP	Kazakhstan
FOSCO BV	Netherlands
GFTZ LG International Ltd. (Hangzhou LG International Corp.)	China
G‖R AMERICA, INC.	U.S.
Guangzhou New Vision Technology Research and Development Linited	China
Hangzhou LG Cosmetics Co., Ltd.	China
Hi Logistics CHINA	China
Hi Logistics Europe B.V.	Netherland
INSPUR LG DIGITAL MOBILE COMMUNICATIONS.CO., LTD.	China
Lanchao LG (Yantai) Digital Mobile Tech & Develop. Co. Ltd.	China
LG (Timor SEA 06-102) Ltd	Marshall Islands
LG (Yantai) Information & Communication Tech.	China
LG Alina Electronics (LGERI)	Russia
LG CHEM BRASIL INTERMEDICAO DE NEGOCIOS DO SETOR QUIMICO LTDA.	Brazil
LG Chem Display Material Co., Ltd.	China
LG Chem Europe GmbH	Germany
LG Chem Industrial Materials, Inc.	U.S.
LG Chem Poland SP. Z.O.O.	Poland
LG Chem Taiwan, Ltd.	Taiwan
LG Chem (China) Investment Co., Ltd	China
LG Chem (Nanjing) Info & Electronic Materials Co. Ltd	China
LG Chem (Tianjin) Engineering Plastics Co., Ltd	China
LG Chemical America, Inc.	U.S.
LG Chemical Hong Kong Ltd.	Hong Kong
LG Chemical India Private Ltd	India
LG Chemical Trading Co., Ltd	China
LG Chemical (Guangzhou) Engineering Plastics Co., Ltd.	China
LG CNS America, Inc.	U.S.
LG CNS Brasil Servicos De T.I.L.TDA	Brazil
LG CNS China, Inc	China
LG CNS Europe B.V.	Netherlands
LG CNS Global Private Limited	India

LG CNS Japan, Inc.	Japan
LG CNS Philippines, Inc.	Philippines
LG Electronics Norway AS	Norway
LG Electronics Huizhou, Ltd.	China
LG Electronics (Kunshan) Computer Co., Ltd.	China
LG Electronics (Nanjing) Plasma Co., Ltd.	China
LG Electronics (Shenyang) Inc. (LGESY)	China
LG Electronics Africa Logistics FZE	United Arab Emirates
LG Electronics Alabama Inc (LGEAI)	U.S.
LG Electronics Almaty Kazak Co., Ltd. (LGEAK)	Kazakhstan
LG Electronics Argentina S.A.(LGEAR)	Argentina
LG Electronics Australia Pty, Ltd (LGEAP)	Australia
LG Electronics Austria Gmbh.	Austria
LG Electronics Benelux Sales B.V.	Netherland
LG Electronics Canada Inc., (LGECI)	Canada
LG Electronics China Co., Ltd. (LGECH)	China
LG Electronics Colombia, Ltda (LGECB)	Colombia
LG Electronics Czech s.r.o.	Czechoslovakia
LG Electronics Da Amazonia Ltda (LGEAZ)	Brazil
LG Electronics De Sao Paulo Ltda (LGESP)	Brazil
LG Electronics Deutschland, Gmbh (LGEDG)	Germany
LG Electronics Egypt Cairo S.A.E. (LGEEC)	Egypt
LG Electronics Egypt S.A.E. (LGEEG)	Egypt
LG Electronics Espana S.A. (LGEES)	Spain
LG Electronics European Holdings B.V.	Netherland
LG Electronics European Logistics & Services B.V.	Netherland
LG Electronics European Shared Service Center B.V.	Netherland
LG Electronics France S.A.R.L.	France
LG Electronics Gulf FZE (LGEGF)	United Arab Emirates
LG Electronics Hellas S.A.	Greece
LG Electronics HK Ltd. (LGEHK)	China
LG Electronics Inc. Chile Limitada	Chile
LG Electronics India (PVT) Ltd (LGEIL)	India
LG Electronics Italy SPA (LGEIS)	Italy
LG Electronics Japan Inc. (LGEJP)	Japan

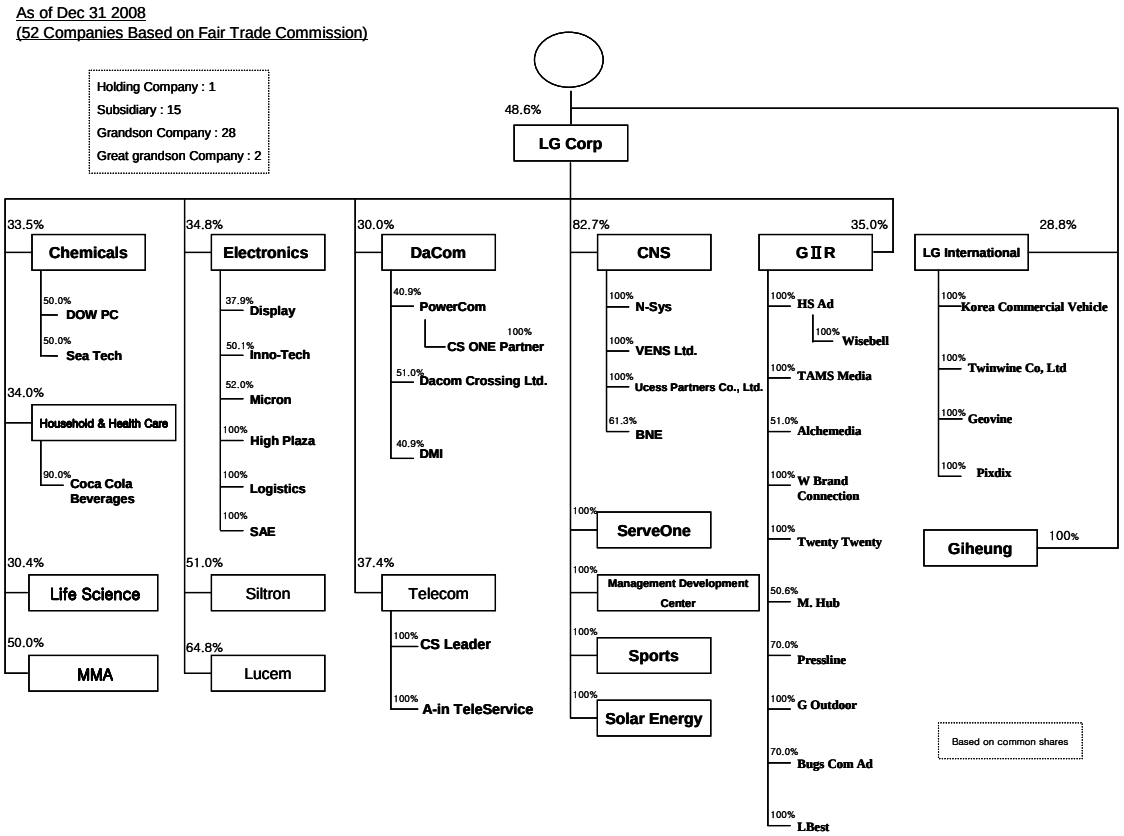
LG Electronics JIT Europe B.V.	Netherlands
LG Electronics Latvia LLC	Latvia
LG Electronics Magyar KFT (LGEMK)	Hungary
LG Electronics Malaysia Sdn. Bhd. (*LGEML)	Malaysia
LG Electronics Mexicali, SA de CV (LGEMX)	Mexico
LG Electronics Mexico SA de CV (LGEMS)	Mexico
LG Electronics Middle East CO., Ltd.	U.K.
LG Electronics Mlawa Sp.zo.o (LGEMA)	Netherlands
LG Electronics Mobile Research USA LLC (LGEMR)	U.S.
LG Electronics Mobilecomm France SAS	France
LG Electronics Mobilecomm USA Inc. (LGEMU)	U.S.
LG Electronics Monterrey Mexico SA de CV	Mexico
LG Electronics Morocco SARL (LGEMC)	Morocco
LG Electronics Nanjing Display Co. Ltd	China
LG Electronics Nigeria Limited (LGENI)	Nigeria
LG Electronics Nordic AB	Sweden
LG Electronics Overseas Trading FZE	United Arab Emirates
LG Electronics Panama SA (LGEPS)	Panama
LG Electronics Peru SA (LGEPR)	Peru
LG Electronics Philippines Inc (LGEPH)	Philippines
LG Electronics Polska SP ZO.O (LGEPL)	Poland
LG Electronics Portugal SA	Portugal
LG Electronics Qinhuangdao Co., Ltd (LGEQH)	China
LG Electronics Raynosa, SA de CV (LGERS)	Mexico
LG Electronics Romania SRL	Romania
LG Electronics RUS LLC	Russia
LG Electronics RUS-Marketing, LLC	Russia
LG Electronics SA (PTY) Ltd (LGESA)	South African Republic
LG Electronics Singapore Pte Ltd	Singapore
LG Electronics Taiwan Taipei Co., Ltd	Taiwan
LG Electronics Thailand Co., Ltd (LGETH)	Thailand
LG Electronics Tianjin Appliances Co., Ltd.	China
LG Electronics Ticaret A.S	Turkey
LG Electronics Uklaine	Ukraine
LG Electronics United Kingdom Ltd. (LGEUK)	UK

LG Electronics USA, Inc. (LGEUS)	US
LG Electronics Vietnam Ltd (LGESV)	Vietnam
LG Electronics Wales Ltd (LGEWA)	UK
LG Electronics Wroclaw Sp. Zo.o	Poland
LG Electronics (China) Research and Development Center Co., Ltd.	China
LG Electronics(Hangzhou) Recording Media Co., Ltd	China
LG H&H Trading (Shanghai) Co., Ltd.	China
LG holdings Ltd. (LGHK)	Hong Kong
LG Household & Health Care (Taiwan), Ltd.	Taiwan
LG Household & Health Care America, Inc.	U.S.
LG Innotek Mexicali S.A. De C.V.	Mexico
LG Innotek Poland Sp. Zo.o.	Poland
LG Innotek USA Inc.	U.S.
LG Innotek Yantai Co., Ltd.	China
LG International America Inc.	U.S.
LG International Corp. (Singapore) Pte. Ltd.	Singapore
LG International Investment (Canada) Ltd.	Canada
LG International Japan Ltd.	Japan
LG International Saudi LLC	Saudi Arabia
LG International Yakutsk	Russia
LG International (Australia) PT'S, Ltd.	Australia
LG International (Deutschland) Gmbh	Germany
LG International (HK) Limited	Hong Kong
LG International (U.K) Ltd.	U.K.
LG Life Sciences India Pvt. Ltd	India
LG Life Sciences Poland, Ltd.	Poland
LG Micron (FUJIAN) Electronics Co., Ltd.	China
LG Micron (Taiwan) Ltd.	Taiwan
LG Philips LCD America Inc.	U.S.
LG Philips LCD Germany Gmbh	Germany
LG Philips LCD Hong Kong Co., Ltd.	Hong Kong
LG Philips LCD Japan Co., Ltd.	Japan
LG Philips LCD Nanjing Co., Ltd	China
LG Philips LCD Taiwan Co., Ltd. (LGPLT)	Taiwan
LG Properties Pte. Ltd.	Singapore

LG Soft India PVT Ltd. (LGSI)	India
LG Solid Source, LLC	U.S.
LG Vina Chemical J/V Company	Vietnam
LG VINA Cosmetics	Vietnam
LG Philips LCD Guangzhou Co., Ltd. (LPLGZ)	China
LG Philips LCD Poland Sp. Z.o.o.	Poland
LG Philips LCD Shanghai Co., Ltd.	China
LG.Philips LCD Shenzen Co., Ltd.	China
LG-Shaker Co., Ltd	Saudi Arabia
Mongolia Resources Investment Limited	Hong Kong
Nakhodka FEZ Telecommunications Co., Ltd. (ROKOTEL)	Russia
Nanjing LG international VMI Ltd. Co.	China
Nanjing LG Panda Appliances Co., Ltd. (LGEPN)	China
Ningbo LG Yongxing Chemical Co., Ltd.	China
Philco Resources Limited	Philippines
PT LG CNS Indonesia	Indonesia
PT LG Electronics Indonesia (LGEIN)	Indonesia
PT. BATUBARA GLOBAL ENERGY	Indonesia
PT. Golden Hyundai Machinery(PT.GHM)	Indonesia
PT. Kimco Energy Utama	Indonesia
PT. LG Innotek Indonesia	Indonesia
PT. Tutui Batubara Utama	Indonesia
Qingdao LG Lanchao Digital Communication Co., Ltd	China
Resources Investment (H.K) Limited	Hong Kong
Resources Investments (Marree) Pty Ltd.	Australia
Shanghai LG Electronics Co, Ltd. (LGESH)	China
Siltron America, Inc.	U.S.
Suzhou Raken Technology Co., Ltd.	China
Taizhou LG Electronic Refrigeration Co., Ltd. (LGETR)	China
Tianjin LG Bohai Chemical Co., Ltd.	China
Tianjin LG Dagu Chemical Co., Ltd.	China
Tianjin LG New Building Materials Co., Ltd.	China
Triveni Digital Inc.	U.S.
V-ENS (M) SDN. BHD	Malaysia
Zenith Electronics Co. (Zenith)	U.S.

Total of 188 Companies	

Organizational Chart Between Group Companies



3. Information on Investments in Other Companies

(As of Dec. 31, 2008) (Unit: thousand shares, mil won, %)

Classification	Item	Name	Purpose	Beginning of Period			Increase or Decrease		End of Period			Net Income of Invested Company	Note
				Number	Ownership Percentage	Book Value	Amount	Acquired (Sold) Shares	Amount	Ownership Percentage	Book Value		
Domestic	Market Investment Stock	Hana Financial	Investment	12	0.01	589	-	-	12	0.01	228	483,446	-361
	Market Investment Stock	New Core	Investment	2	0.01	10	-	-	2	0.01	10	90,688	-
	Market	Naeon Clan	Investment	18	0.01				18	0.01		1	

	Investment Management Stock												
	Market Investment Management Stock	Haebong	Others	-	-	-	67	2,018	67	19.71	2,018	-37	-
	Market Investment Stock	LG Unicharm	Management Participation	1,470	49.00	7,328	-	-	1,470	49.00	7,403	1,512	75
	Market Investment Stock	Coca Cola Beverages	Management Participation	-	-	-	162,685	328,922	162,685	90.00	336,028	30,346	336,028
Foreign	Market Investment Stock	LG HAI	Management Participation	10	100.00	0	-	-	10	100.00	802	252	802
	Market Investment Stock	Cognis Rika	Management Participation	35,000	20.00	6,687	-	-	35,000	20.00	8,635	3,524	1,948
	Market Investment Stock	Hangzhou LG Household Cosmetics	Management Participation	5,720	81.71	8,927	-	-	5,720	81.71	12,710	2,071	3,783
	Market Investment Stock	Beijing LG Household Chemical	Management Participation	8,915	78.00	8,006	-	-	8,915	78.00	12,310	1,049	4,304
	Market Investment Stock	LG VINA Cosmetics	Management Participation	2,700	60.00	2,300	-	-	2,700	60.00	1,445	-89	-855

	Market Investment Stock	LG Household & Health Care International Trading (Shanghai)	Management Participation	2,950	100.00	1,570	-	-	2,950	100.00	0	-2,621	-1,570
	Market Investment Stock	CCKBC (Netherlands) Holding I BV	Management Participation	25	100.00	159,817	-25	-159,817	-	-	-	-	-
	Market Investment Stock	CCKBC (Netherlands) Holding II BV	Management Participation	25	100.00	160,458	-25	-160,459	-	-	-	-	-
	Market Investment Stock	LG Household & Health Care (Taiwan)	Management Participation	-	-	-	59,490	2,634	59,490	90	2,634	-6	-
Total				56,847	-	355,692	222,192	13,298	279,039	-	384,223	-90,194	344,154

- The above amounts were calculated on the basis of purchase price.
- Hana Financial is a listed company.
- Nasan Clap shares were written off on June 30, 2005. As of December 31, 2008, its book value is marked as zero won.
- LG HAI shares were written off on September 30, 2005. As of December 31, 2007, its book value is marked as zero won.
- “Note” section shows the subtraction of acquisition cost from the book value, which is valued profit.
- The Company received 90% ownership of Coca-Cola Beverage Co. as liquidating dividends from CCKBC(Netherlands) Holding Ⅰ BV and Holding Ⅱ BV on August 8, 2008. As a subsequent event after the balance sheet date, actual liquidation of (Netherlands) Holding Ⅰ BV and CCKBC (Netherlands) Holding Ⅱ BV was filed on February 4, 2009.

VI. Information on Shareholders

1. Distribution of Shareholders

A. Largest Shareholder and Shares Held by Persons in Special Relationship

[As of December 31, 2008] (Unit: Share, %)

Name	Relationship	Type of Stock	Shares Held (Percentage)						Reason for Change
			Beginning of Period		Increase	Decrease	End of Period		
			Number of Shares	Ownership Percentage	Number of Shares	Number of Shares	Number of Shares	Ownership Percentage	
LG Ltd.	Largest Shareholder	Common Share	5,315,500	34.03	0	0	5,315,500	34.03	-
Geun-hui Ku	Person in Special Relationship	Common Share	6	0.00	0	6	0	0.00	Others
Suk-Yong Cha	Person in Special Relationship	Common Share	63,800	0.41	4,200	18,000	50,000	0.32	Sale in the market
Total		Common Share	5,379,306	34.44	4,200	18,006	5,365,500	34.35	-
		Preferred Share	0	0.00	0	0	0	0.00	
		Total	5,379,306	30.36	4,200	18,006	5,365,500	30.28	

Largest Shareholder: LG Corp. Number of Persons in Special Relationship: 1 persons

B. Shareholders with more than 5% Ownership Interest

[As of December 31, 2008] (Unit: Share, %)

Rank	Name	Common Shares		Preferred Shares		Subtotal	
		Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
1	LG Corp.	5,315,500	34.03	-	-	5,315,500	30.00
Total		5,315,500	34.03	-	-	5,315,500	30.00

C. Shareholder Distribution

[As of December 31, 2008]

Classification	Number of Holders	Percentage	Number of Shares	Percentage	Note
Total Small Shareholders	7,969	99.76	7,013,006	39.58	-
Small Shareholders (Corporate)	741	9.28	6,398,463	36.11	-
Small Shareholders (Individual)	7,228	90.48	614,543	3.47	-
Largest Shareholder	1	0.01	5,315,500	30.00	-
Main Shareholders	5	0.07	1,011,835	5.71	-
Total Misc. Shareholders	12	0.15	4,376,549	24.70	-
Misc. Shareholders (Corporate)	12	0.15	4,376,549	24.70	-
Misc. Shareholders (Individual)	-	0.00	-	0.00	-
Others	1	0.01	1,004	0.01	
Total	7,988	100.0	17,717,894	100.0	-

D. Change in Largest Shareholder During the Most Recent Three Business Years
'Not applicable'

2. Stock-Related Affairs

Preemptive Rights Pursuant to the Articles	Article 10 (Preemptive Rights) ① Shareholders of the Company have preemptive rights over newly issued shares ② Not withstanding Paragraph 1, in the following circumstances, the Board may decide to issue new shares to those who are not existing shareholders. However, new shares issued under Items 3 to 4 may not cumulatively exceed 30% of the total shares issued. 1. When required by laws, regulations or these Articles 2. When new shares are issued in order to issue depository receipts. with the approval of the Board 3. When new shares are issued and given to joint venture partner due to

	business necessity 4. When new shares are issued to financial institutions to obtain capital 5. When issuing new shares to a collaborating company in order to introduce technology ③ When shareholders forfeit or lose their preemptive rights or when a shareholder is only entitled to a fractional share, the Board shall determine the proper course of action.		
End of Accounting Year	December 31	General Shareholders' Meeting	Within 3 months of the end of the accounting year
Closing the Shareholder List	From the next day of the end of each accounting year until January 31, the shareholder list shall not be modified, and the registration of ownership not changed or deleted, or the name of the trust assets changed or deleted. If necessary, due to an emergency shareholders' meeting or otherwise, the Board may vote to temporarily close the shareholders' list.		
Types of Stocks	Common Registered Shares and Preferred Registered Shares. Each in denominations of 1, 5, 10, 50, 100, 500, 1000 and 10,000 (8 types)		
Transfer Agent	Korea Securities Depository Securities Agency Department		
Special Privileges of Stocks	None	Notification Newspaper	Chosun Il-bo Dong-a Il-bo

3. Information on Stock Prices During the Most Recent Six Months and Trading Figures

A. Domestic Stock Market

(Unit: won, thousand shares)

Type		Dec	Nov	Oct	Sep	Aug	July
Common	High	193,500	188,500	200,000	201,500	224,000	207,000
	Low	137,000	154,000	143,000	165,000	181,500	167,500
Monthly Trade Volume		1,420	1,295	1,547	1,468	1,231	1,176
Preferred	High	44,750	39,050	53,900	56,700	61,800	62,600
	Low	36,900	28,100	26,400	50,200	53,400	51,900
Monthly Trade Volume		30	56	45	12	72	7

B. Foreign Stock Markets

‘Not applicable’

VII. Information on Officers and Employees

1. Information on Officers

(Unit: shares)

Position (Fulltime)	Registered Officer	Name	Birth Date	Information	Responsibilities	Shares Owned		Note
						Common	Preferred	
Representative Director (Fulltime)	Registered Officer	Suk-Yong Cha	6/9/1953	-Cornell University Management Major - CEO, P&G Korea - Haitai Confectionery Representative Director in 2001	Representative Director	50,000	-	-
Director (Fulltime)	Registered Officer	Yoon-Young Lee	11/15/1954	- Yeonsei University Economics Major - Entered Lucky (Ltd.) in 1978 - Management Strategy Director for LG Chemical in 1996	Managing Director (CFO)	-	-	-
Director (Emergency)	Registered Officer	Joo-Hyung Kim	7/3/1955	- Vice president, Management Team, LG Corp. -(Current) Head of LG Economic Research Institute	Director	-	-	-
Director (Emergency)	Registered Officer	Bong-Soo Kim	7/10/1966	-Vice President, LG Chemical -Director, AT Kearny -(Current) Vice President, Management Team, LG Corp.	Director	-	-	-
Director (Emergency)	Registered Officer	Hee Jin Noh	9/3/1954	-University of Georgia, Ph. D in Banking & Finance	Outside Director Audit Committee	-	-	-

				-Head of Research, Korea Securities Research Institute				
Director (Emergency)	Registered Officer	Young-Hye Lee	9/23/1953	- Dongduk Womens University, Professor at Design College - Current Position: CEO & Publisher, Design House Inc.	Outside Director	-	-	-
Director (Emergency)	Registered Officer	Sung-Tae Hong	4/21/1955	- University of Missouri, Assistant Professor in Marketing College, Marketing Department - Professor of Management, Hanyang University	Outside Director Audit Committee	-	-	-
Director (Emergency)	Registered Officer	Kie-Bae Yi	6/7/1953	- Head of Prosecutors Office in Suwon -Manager, Legal Affairs Bureau, Ministry of Justice -Representative Lawyer, Law firm Law World - Representative Attorney from Law Firm of Law World	Outside Director Audit Committee	-	-	-

* Change in Stock Ownership Since the End of the Period (Dec. 31, 2008)

Position (Fulltime)	Registered Officer	Name	Birth Date	Information	Responsibilities	Shares Owned		Note
						Common	Preferred	
Director (Fulltime)	Registered Officer	Yoon-Young Lee	11/15/1954	- Yeonsei University Economics Major - Entered Lucky (Ltd.) in 1978 - Management Strategy Director for LG Chemical in	Managing Director (CFO)	-	-	Resignation

				1996				
Director (Fulltime)	Registered Officer	Kyoo-Il Lee	4/9/ 1958	- Senior Manager, Restructuring Division, LG Electronics - Vice President, HR Division, LG AD - CFO, G II R	Managing Director (CFO)	-	-	Newly hired

* Concurrent Employment of the Company Officers

Position	Name	Concurrent Employers	
		Company Name	Position
Representative Director	Suk-Yong Cha	LG Unicharm, Ltd. Coca-Cola Beverages	Representative Director Representative Director
Director	Yoon Yong Lee	Coca-Cola Beverages (Resigned as of Mar 31, 2009) LG Unicharm, Ltd. (Resigned as of Mar 6, 2009)	Auditor Director
Director	Joo-Hyung Kim	Head of LG Economic Research Institute Korea Economic Times Center for Free Enterprise LG Life Science Ltd. (Appointed as of Mar 20, 2009)	Head Director Director Director
Director	Bong-Soo Kim	Management Team, LG Corp. LG Life Science Ltd. LG-Dow Polycarbonate LG MMA Ltd. Coca Cola Beverages Owens Corning	Vice President Director Director Director Director Auditor
Director	Young-Hye Lee	Design House	Representative Director
Director	Kie-Bae Yi	Daeshin Securities	Director

* Concurrent Employment of the Company Officers
(Newly appointed after 8th Annual General Shareholders' Meeting)

Position	Name	Concurrent Employers	
		Company Name	Position

Director	Kyoo-Il Lee	Coca-Cola Beverages (Appointed as of Mar 31, 2009) LG Unicharm, Ltd. (Appointed as of Mar 6, 2009)	Auditor Director

* Information on Non-Registered Officers

(As of December 31, 2008)

Position (Fulltime)	Name	Birth Date	Responsibilities	Information	Major
Vice President	Yeong-Tae Han	9/12/1948	CM Business Department	Yeon-Sei University	Chemical Engineering
Managing Director	Si-yeong Song	9/14/1952	HG/Beverages CBD Management	Korea Foreign Language University	English Language and Literature
Managing Director	Yeo-kyeong Yun	2/26/1950	NutriHealth Business	Han-Yang University	Industrial Chemistry
Managing Director	Kyeong-ju Hwang	3/12/1956	Asia Business Division	Yeon-Sei University	Marketing
Managing Director	Won-ik Cho	4/18/1956	Production Management	Han-Yang University	Industrial Chemistry
Managing Director	Yeong-hui Song	2/10/1961	CM Marketing Division, China	So-Kang University	Marketing
Managing Director	Jung-tae Bae	2/12/1959	HG, Special Distribution Division	Yeon-Sei University	Marketing
Managing Director	Chun-gu Kim	1/25/1960	HG, Marketing	Ah-ju University	Chemical Engineering
Managing Director	Chun-gu Kim	1/25/1960	HG, Personal Care Marketing	Ah-ju University	Chemical Engineering
Managing Director	Seok-yun Chang	3/17/1961	Home Care Research Lab	Chung-buk University	Pharmaceutical
Managing Director	Cheon-gu Lee	6/15/1959	Cosmetics Research Lab	Kyoosu University	Pharmaceutical
Managing Director	Yeong-rak Kwon	11/22/1957	CM. New Distribution Division	Yeong-nam Univeristy	Trade

Managing Director	Sang-jin Kang	5/28/1957	Personal Care Research Laboratory	Yeon-Sei University	Bio Science
Managing Director	Sang-Sik Roh	8/03/1960	HG. Discount Channel Sales Division	Leeds	Pomology
Managing Director	Soo-Hyun Cho	8/20/1956	CM.	SungKyunKwan University	Chemistry
Managing Director	Jae-Hong Kim	05/28/1959	Planning & Management Division	KyunKook University	Economy
Managing Director	Heung-Sik Kim	02/26/1965	HR Division	Washington	Business

2. Information on Employees

(Unit: thousand won, person)

Classification	Employee Numbers				Average Years Employed	Total Annual Salary	Average Annual Salary Per Person	Note
	Administrative / Office	Manufacture	Other	Total				
Male	1,028	487	1	1,516	13 years	72,320,298	47,705	-
Female	457	193	579	1,229	6 years and 1 month	33,140,873	26,966	-
Total	1,485	680	580	2,745	10 years	105,461,170	38,419	-

3. Information on Labor Union

Classification	Information	Note
Persons Entitled to Join	Persons who submitted an application to the labor union and received the union approval (except those with management/supervisory, accounting, secretarial or temporary job responsibilities)	

Union members	491	As of Dec. 31, 2008
Fulltime employees	5	
Associated Organizations	-	
Others	Formation reported on Oct. 26, 2001	

4. Supplemental Information on Accounting and Public Reporting Professionals

Classification	Personnel	Responsibility	Note
Attorney	3	Law	-
Certified Public Accountant	2	Accounting	-

VIII. Information on Transaction with Interested Parties

IX.

1. Transactions with Largest Shareholder

a. Money Paid or Loaned (Including Loan of Market Securities)

'Not applicable'

b. Collaterals Provided

'Not applicable'

c. Financial Guarantees Made

'Not applicable'

d. Investments Made

'Not applicable'

e. Market Securities Bought or Sold

'Not applicable'

f. Real Estate Purchased or Sold

'Not applicable'

g. Business Entities Assigned or Purchased

'Not applicable'

h. Assets Assigned or Purchased

'Not applicable'

i. Any Long-Term Supply Contracts or Other Similar Agreements

'Not applicable'

2. Information on Transactions with Shareholders (Excluding the Largest Shareholder), Officers, Employees or Other Interested Parties

'Not applicable'

X. Supplements

Commercial Papers Issued by the Company

(Unit: million won)

Discount (Brokerage) Financial Institution	Beginning of Period Balance	Increase	Decrease	End of Period Balance	Note
Bank	70,500	1,145,000	1,141,500	74,000	-
Securities	100,000	157,000	237,000	20,000	-
Insurance	-	-	-	-	-
Investment Banks	-	-	-	-	-
Asset Management Company	-	-	-	-	-
Other Financial Institutions	-	-	-	-	-
Total	170,500	1,302,000	1,378,500	94,000	-

X. Other Information Necessary for the Protection of Investors

1. Information on the Handling of Reporting of the Major Operating Information

a. Main Management Activities Reported

'Not applicable'

2. Summary of Shareholders' Meeting Logs

Date	Proposals	Votes	Note
6th Shareholders Meeting (3/16/2007)	1st Proposal: Approving the 6th Period Balance Sheet, Income Statement and Earning Surplus Appropriation Chart - Dividend Per Share: 1,050 won for common, 1,100 for preferred	Approved as proposed	
	2nd Proposal: Appointment of Directors	Approved as proposed	-
	3rd Proposal: Appointment of External Director as Audit Member	Approved as proposed	
	4th Proposal: Approving directors' compensation limitation	Approved as proposed	
7th Shareholders Meeting (3/14/2008)	1st Proposal: Approving the 7th Period Balance Sheet, Income Statement and Earning Surplus Appropriation Chart - Dividend Per Share: 1,500 won for common, 1,550 for preferred	Approved as proposed	-
	2nd Proposal: Appointment of Directors	Approved as proposed	
	3rd Proposal: Appointment of External Director as Audit Member	Approved as proposed	
	4th Proposal: Approving directors' compensation limitation	Approved as proposed	
8th Shareholders Meeting (3/13/2009)	1st Proposal: Approving the 8th Period Balance Sheet, Income Statement and Earning Surplus Appropriation Chart - Dividend Per Share: 2,000 won for common, 2,050 for preferred	Approved as proposed	
	2nd Proposal: Changes in the Article of Incorporation	Approved as proposed	

	3rd Proposal: Appointment of Directors	Approved as proposed	
	4th Proposal: Approving directors' compensation limitation	Approved as proposed	

3. Contingent Liabilities and Other Information

a. Significant Litigation

(1) The Company provides joint guarantee for the obligations existing prior to its spin-off, including contingent liabilities which were assumed by LG Corp. (formerly LG Chem Investment Ltd.) and LG Chem Ltd., a company newly established as a result of the spin-off.

(2) On November 23, 2005, the Seoul High Court ruled in favor of the Company's appeal with respect to the lower court's judgment handed down on February 14, 2003, regarding the infringement case against the Company involving W59,158 million in punitive damages. The plaintiff made an appeal to the Supreme Court of Korea on December 29, 2005 and a final judgment in favor of the Company was given on February 28, 2008.

As of December 31, 2008, another suit claiming W100 million filed against the Company relating to the patent infringement case for sales after February 2003 and is pending on the court of first instance. The Company believes the outcome of this case is likely to be affected by the winning of the above lawsuit.

Also, the Company is a defendant in 3 legal cases involving an aggregate amount of US$1,800 thousand overseas. The Company believes that the outcome of these cases would not have a significant impact on its financial status.

b. Pledged Notes or Checks Issued as Collateral

'Not applicable'

c. Financial Guarantees Made

(Unit: mil won, 1,000 USD)

Borrower	Relationship	Content of the Guarantee				Note
		Lender	Amount of the Loan	Guarantee Period	Guaranteed Amount	

Coca Cola Beverages	Group Company	Macquarie Capital Korea	255	06/2008 ~ 06/2011	255	
Hangzhou LG Cosmetics	Group Company	Hana Bank Shanghai	USD 1,000	2008.11 ~2009.11	USD 1,300	-
			CNY 15,000	2008.11 ~ 2009.11	CNY 19,500	
LG VINA Cosmetics	Group Company	Citi Hanoi	USD 2,395	2008.08 ~ 2009.08	USD 2,400	-
LG HAI	Group Company	Hanmi Bank	USD 255	2008.08 ~ 2009.08	USD 960	-
LG HAI	Group Company	Wilshire Bank	-	2008.11 ~ 2009.11	USD 600	
Total			255	-	255	-
			USD 3,650	-	USD 5,260	
			CNY 15,000	-	CNY 19,500	

d. Loan Assumption Agreement Information
'Not applicable'

e. Other Contingent Liabilities

(1) The Company provides joint guarantee for the obligations existing prior to its spin-off, including contingent liabilities which were assumed by LG Corp. (formerly LG Chem Investment Ltd.) and LG Chem Ltd., a company newly established as a result of the spin-off.

(2) On November 23, 2005, the Seoul High Court ruled in favor of the Company's appeal with respect to the lower court's judgment handed down on February 14, 2003, regarding the infringement case against the Company involving W59,158 million in punitive damages. The plaintiff made an appeal to the Supreme Court of Korea on December 29, 2005 and a final judgment in favor of the Company was given on February 28, 2008.

As of December 31, 2008, another suit claiming W100 million filed against the Company relating to the patent infringement case for sales after February 2003 and is pending on the court of first instance. The Company believes the outcome of this case is likely to be affected by the winning of the above lawsuit.

Also, the Company is a defendant in 3 legal cases involving an aggregate amount of US$1,800 thousand overseas. The Company believes that the outcome of these cases would not have a significant impact on its financial status.

4. Sanctions
'Not applicable'

5. Important Events Occurring After the End of the Reporting Period
'Not applicable'

6. Small and Medium Business Review Chart
'Not applicable'

7. Information on How Publicly Raised funds Were Used

(Unit: won)

Classification	Payment Date	Payment Amount	Publicly Reported Plan for Funds	Actual Use of Funds
-	-	-	-	-

8. Others
a. Subsidiary Companies of Foreign Parent Company
'Not applicable'

b. Any Change in Legal Risks
'Not applicable'