



LG Electronics

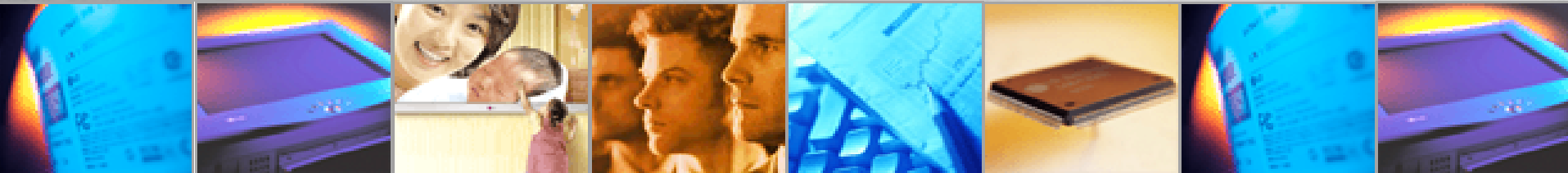
November 2006



As a note, this presentation was released as the dates shown and reflected management views as of these dates. All information in this presentation regarding the Company's financial results has been prepared on a non-consolidated basis in accordance with Korean GAAP. In particular, sales information includes sales by the Company to, and purchases by the Company from, its subsidiaries and affiliates, but excludes sales by the Company's subsidiaries and affiliates to third parties. The presentation includes forward-looking statements regarding the Company's outlook for the future including projected sales. These forward-looking statements also refer to the Company's results on a non-consolidated basis. These forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those stated or implied by such statements. These risks and uncertainties, but are not limited to the risk factors noted in the Company's Earnings Releases and Company's filings with the Financial Supervisory Commission of Korea. The Company assumes no obligation or responsibility to update the information provided in the presentations in correspondence to their respective dates.

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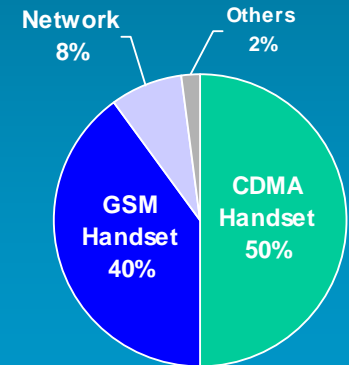
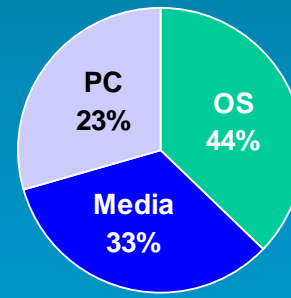
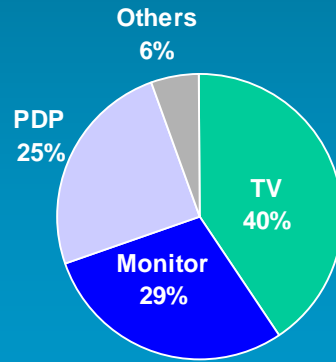
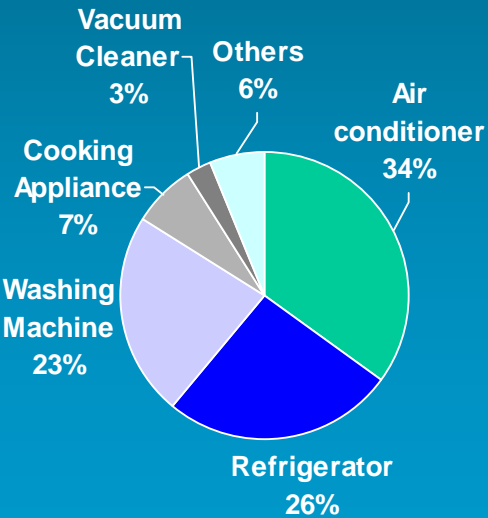
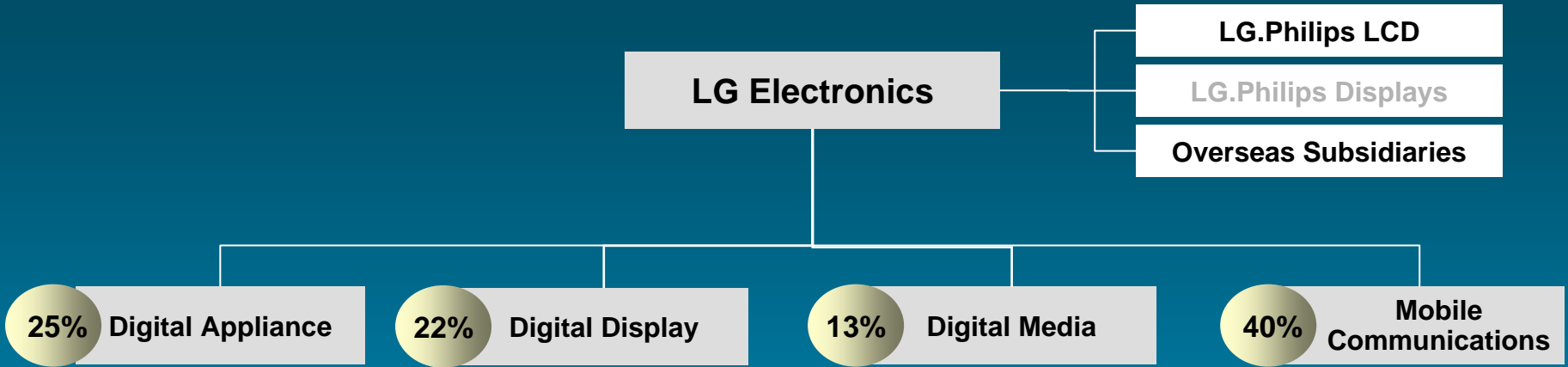
- I . Business Overview
- II . Home Appliance
- III . Mobile Handset
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I . Business Overview



Business Domain



*Based on sales in 2005

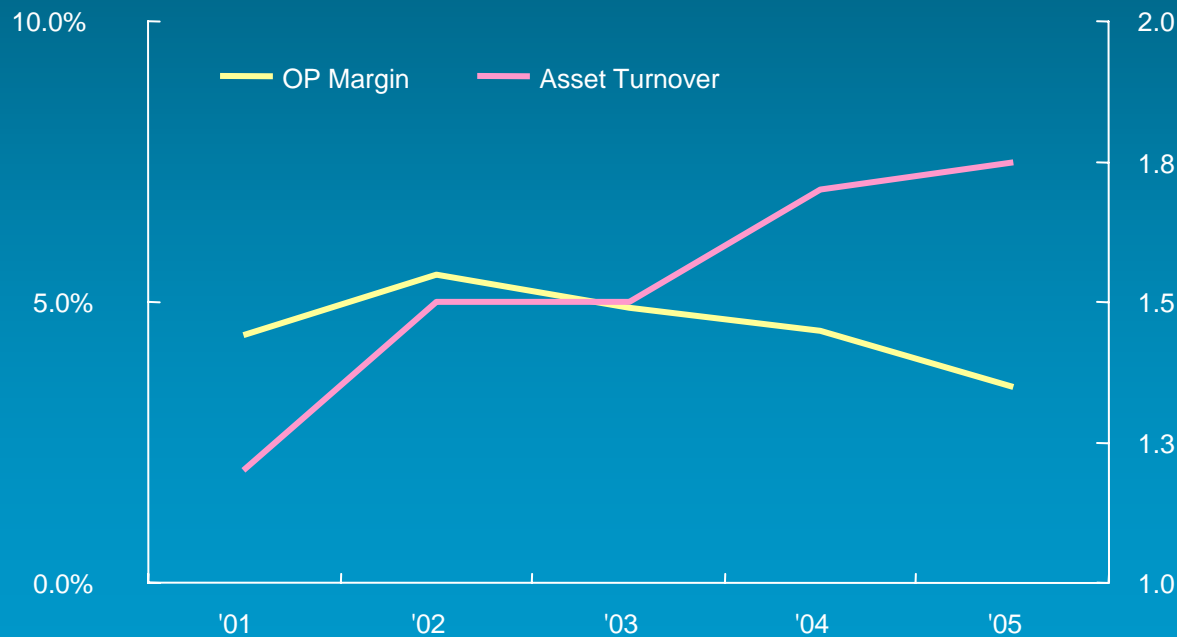
*Digital Display breakdown by product is adjusted for PDP internal sales

Improving Returns



- Higher asset turnover leading to improved returns on investment
- Improving returns via business rationalization and better efficiencies
- Main goal is to improve profitability in the future

Op Margin vs. Asset Turnover*



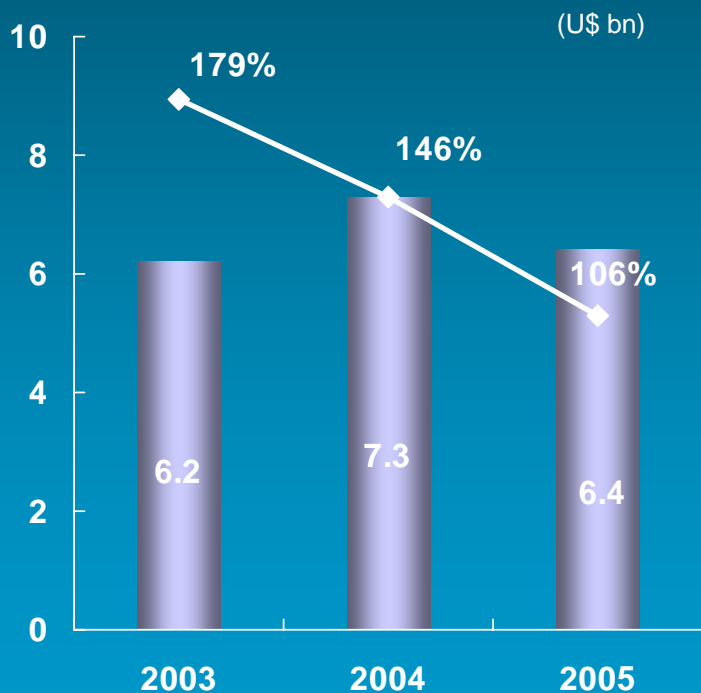
* Based on LGE parent and LGE overseas subsidiaries only

Balance Sheet

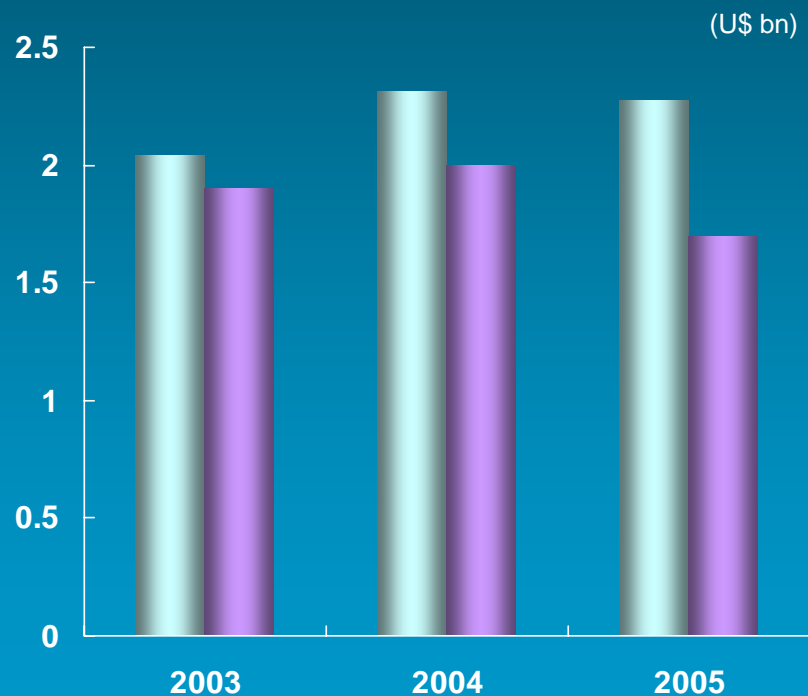


- Capital structure ratios improving
- Internally generated cash flow allows for debt reduction
- Goal is to reduce global debt-equity ratio below 70%

Net Debt Trend



EBITDA /CAPEX



■ Global Net Debt — Global Net-debt to Equity

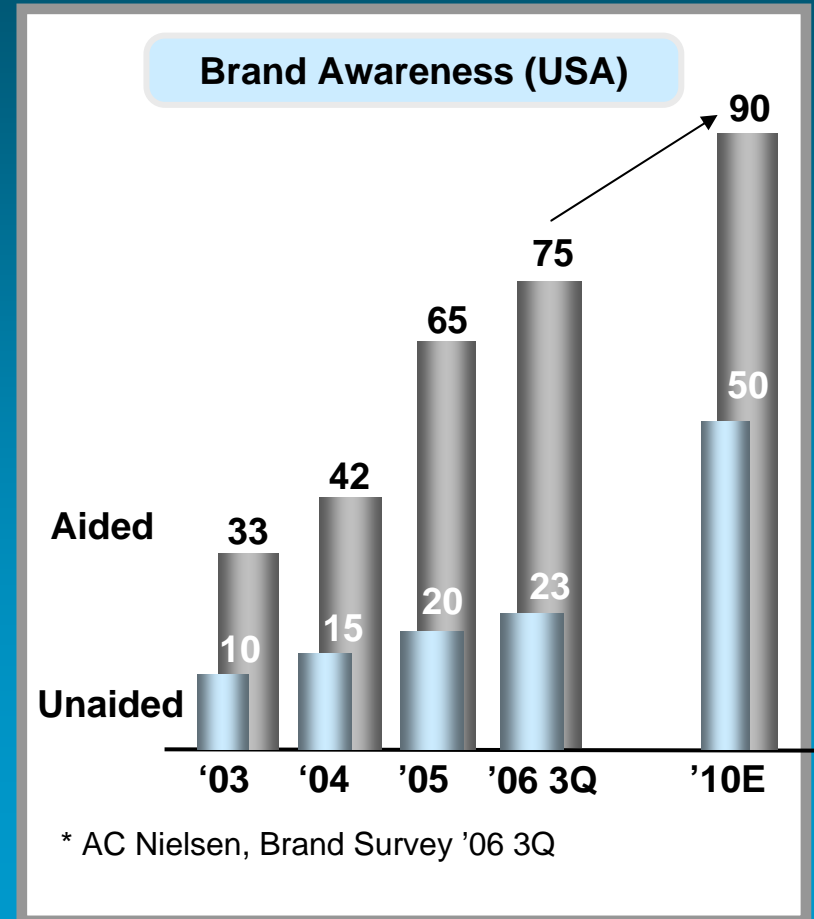
■ EBITDA ■ CAPEX

* Based on LGE parent and LGE overseas subsidiaries only

Building Brand Awareness



- Redefining “LG Electronics” brand to high-end market
- Product led marketing strategy
- Handsets, appliance and Digital TVs leading the charge

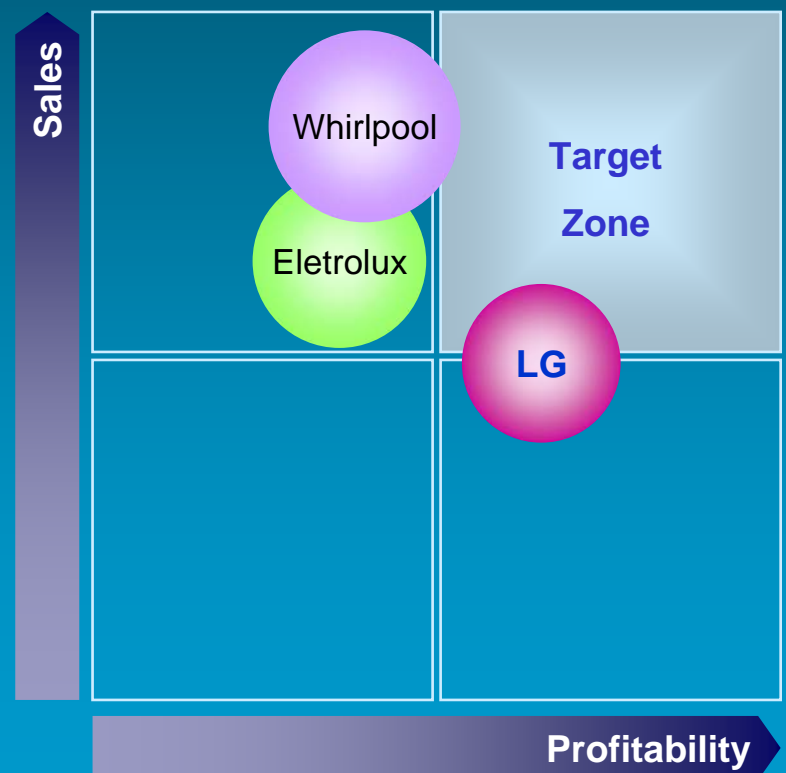


Π. Home Appliances



Global Top 3

- Sales growth more than 16% CAGR
- New product innovation has led to rising export growth
- Becoming a major player in the global market



Targeting No.1

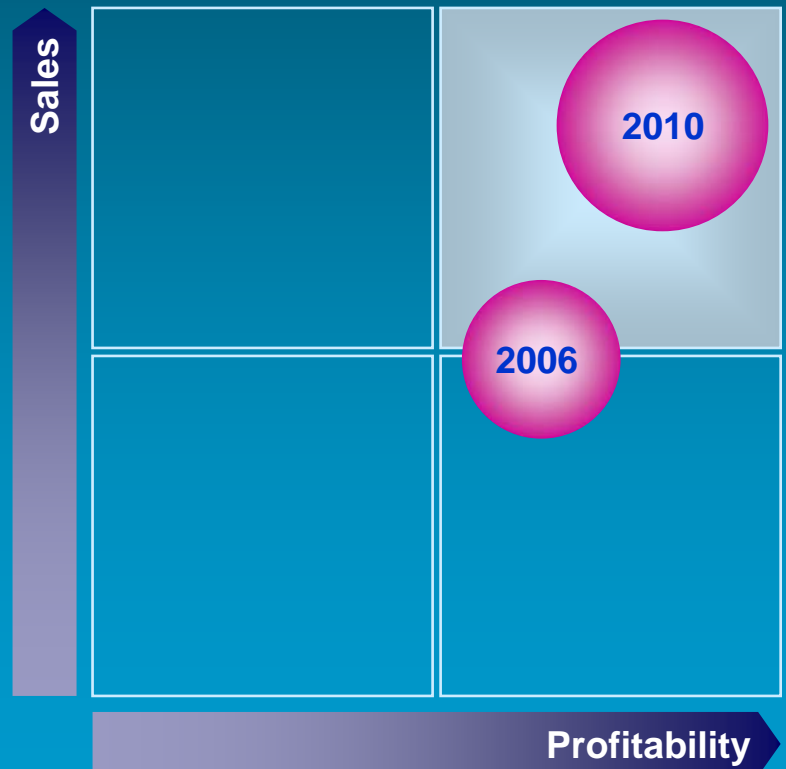
- Targeting global no.1 appliance maker
- Brand sales continue to grow in developed market (N. America, Europe)
- Rapid sales growth of A/C through entry into commercial A/C market

New Market : Branding

- Building LG Brand in North America
Signed up with nationwide retailers
 - 2004 : Best Buy
 - 2005 : Home Depot

New Business : CAC

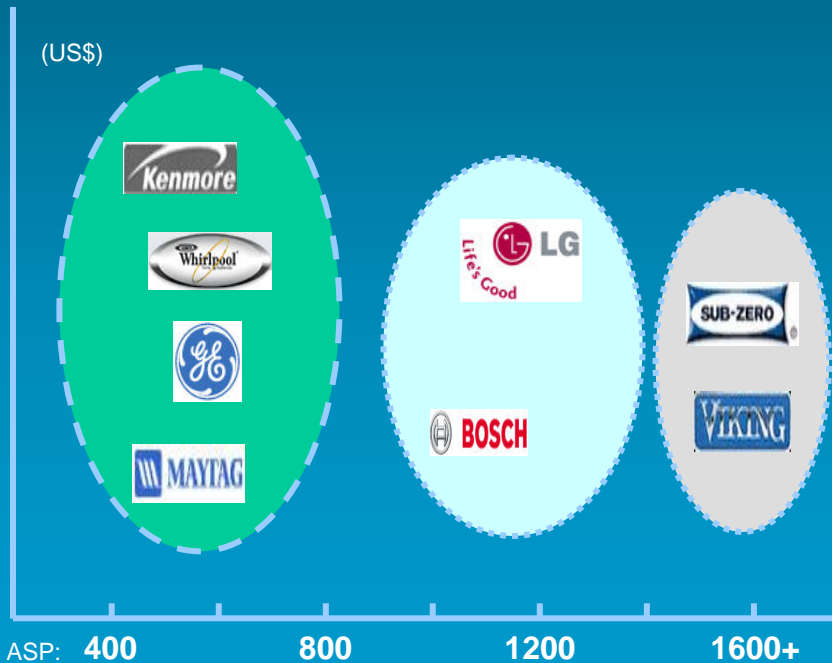
- Increasing sales of Commercial A/C
Employ competitive advantage from RAC
 - 2002 : setup new R&D center for CAC



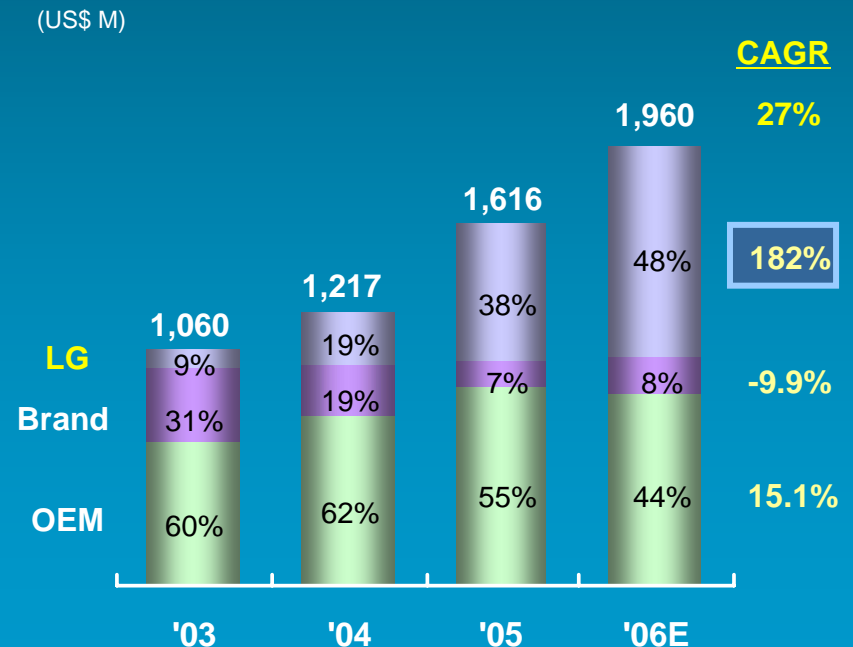
New Market : Branding

- Targeting high-end market with LG brand
- “Best Buy” and “Home Depot” are major US distributors
- Aggressively introducing new models

U.S. Appliance Market



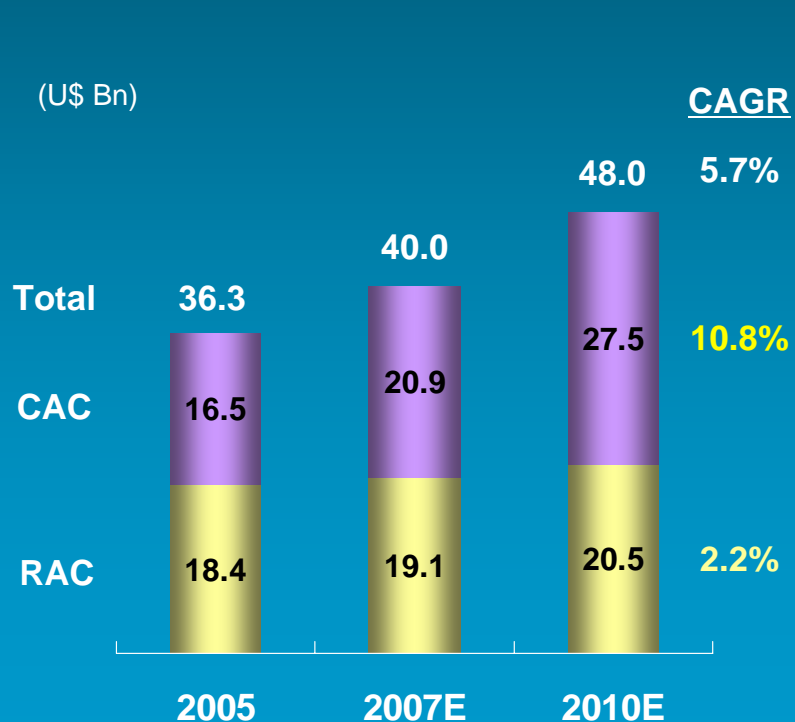
LGE US Appliance Sales



New Business : CAC

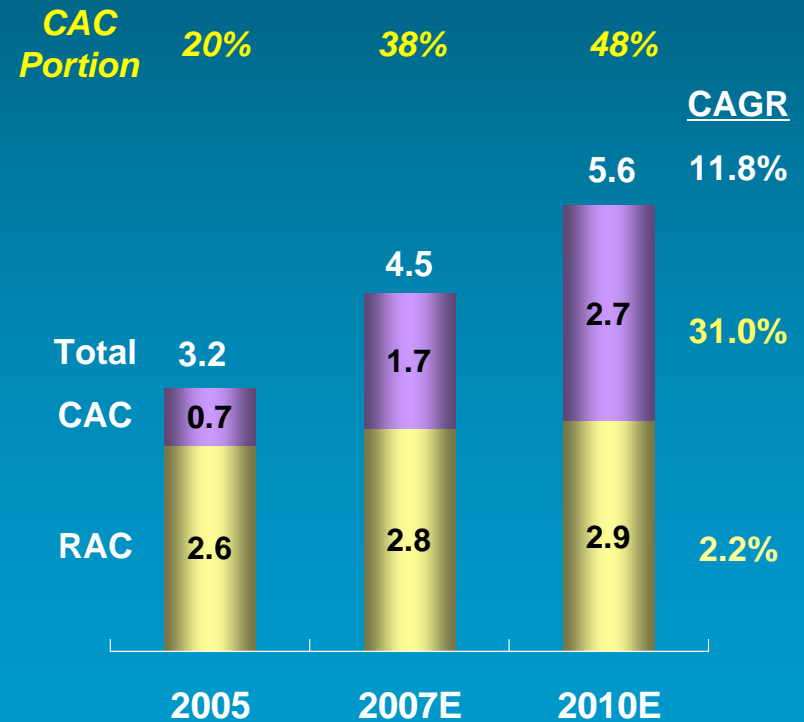
- Commercial A/C is new market for LGE
- Commercial A/C is as large as residential market
- Employ competitive advantage from residential A/C

Global A/C Market



Source: Company data

LGE A/C Sales



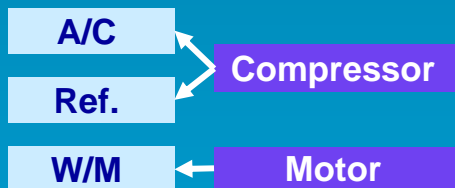
Source: Company data

Success Factors

- LGE has competitive edge by emphasizing on R&D for innovative new products
- Highly efficient production base in low cost centers
- Focusing on High-end only with key competitive products

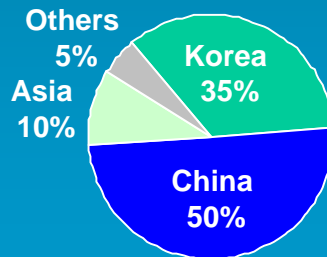
Emphasis on R&D

- Emphasis on R&D led to product leadership
- Technological leadership generated by vertical integration of key components



Global Production

- Producing only high-end products in Korea
- Utilizing China as low-cost production base



Focus on High-end

- Focusing only 3 Major Profitable Products
- Increasing the portion of Premium Products aggressively



III. Mobile Handset



MOBILE

Mobile Products are opening up a more exciting and enjoyable world, a world that begins with "Dream-come-true" technology of LG Electronics.

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Global Presence



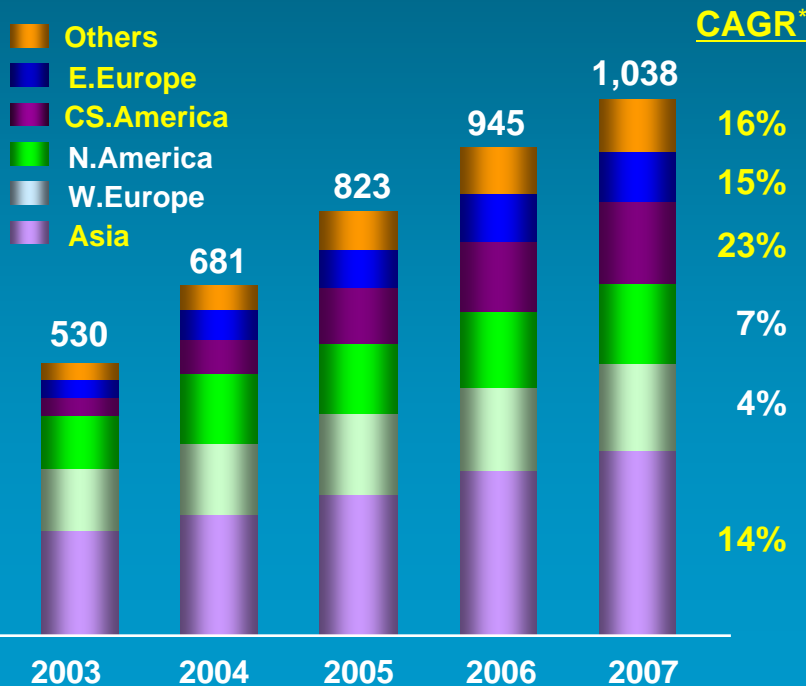
MOBILE

Mobile Products are opening up a more exciting and enjoyable world, a world that begins with "Dream-come-true" technology of LG Electronics.

- Emerging market leads the handset demand growth
- LGE's benefit from demand increase is restrictive due to its focus on mid to high-end

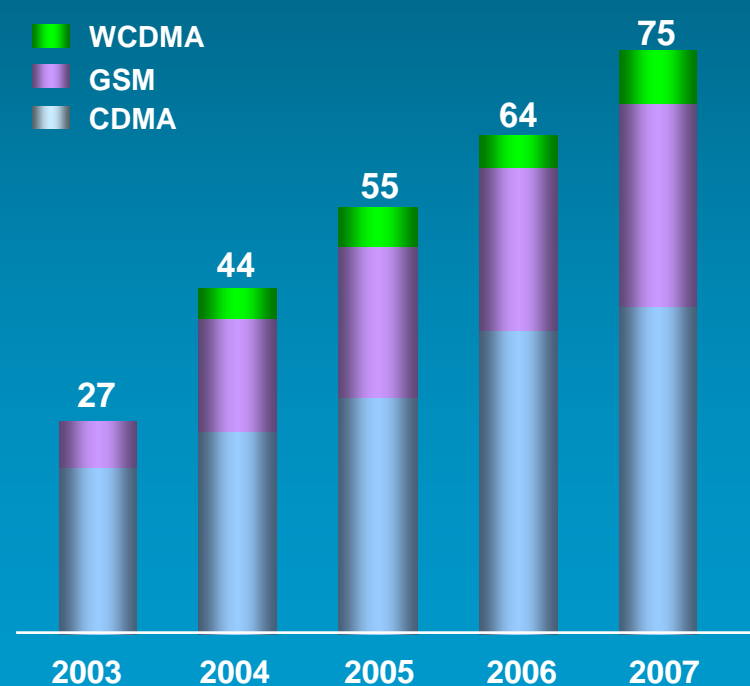
Global Demand by Region

(mn units)



LGE

(mn units)



* CAGR : based on 2005 ~ 2007

* Source : Company

Steady Recovery



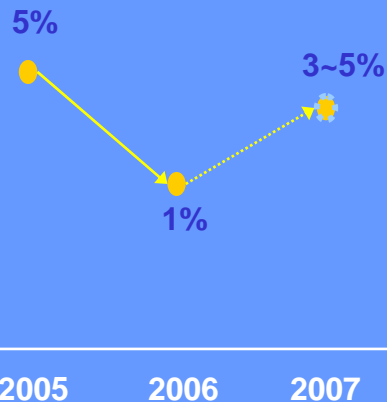
MOBILE

Mobile Products are opening up a more exciting and enjoyable world, a world that begins with "Dream-come-true" technology of LG Electronics.

- Verizon : stabilized operation expected in 2H '06
- WCDMA (3G) : shipment recovery through customer diversification
- GSM open market : major profit contributor for '07 and beyond

Stabilizing & Diversifying Profit Portfolio

Operating Margin Forecast



Events

1H '06

- 3G & U.S. CDMA stumbled

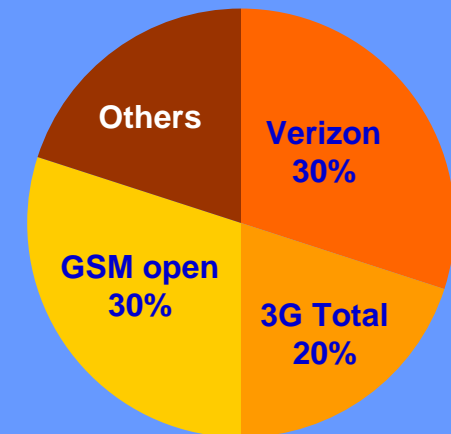
2H '06

- Recovery in the U.S.
- Gradual 3G shipment recovery

1H '07

- Recovery of 3G shipment with wider customer base
- GSM open business to contribute to profit

2007



Success in GSM



MOBILE

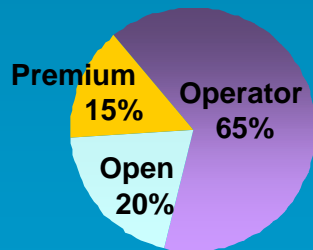
Mobile Products are opening up a more exciting and enjoyable world, a world that begins with "Dream-come-true" technology of LG Electronics.

- Successful entry into GSM open market with Chocolate
- Chocolate shipment to exceed 5M units, over 3M units in GSM
- Reinforce synergies between open and operator market

2006

- Enter major GSM open market with "Black Label"
- Build premium brand image in Europe

GSM shipment



Chocolate

- 2006 target : 5M units (incl. US market)
- GSM Open market : 3M units

Chocolate shipment by region

Europe	1.4M
Asia	1.0M
CS.America	0.6M
US	2.0M (CDMA)

2007 ~

- Reinforce synergies between open / operator market
- Success in open market to improve product mix and ASP.

GSM high-end strategy



Improving Fundamental

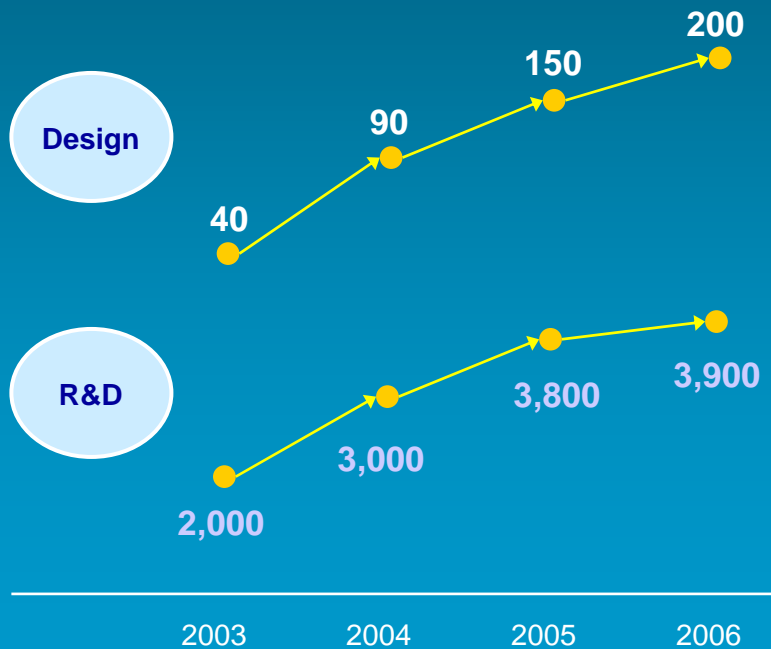


MOBILE

Mobile Products are opening up a more exciting and enjoyable world, a world that begins with "Dream-come-true" technology of LG Electronics.

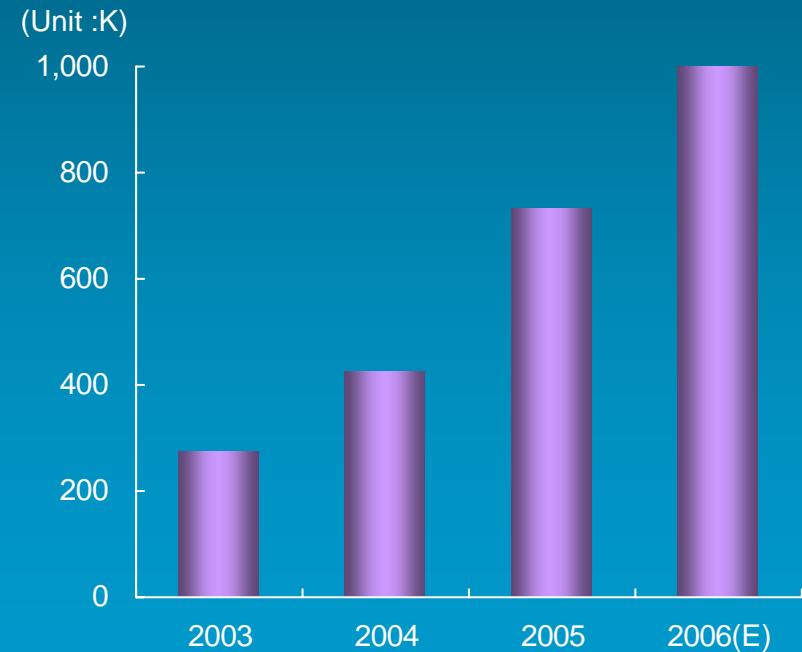
- Emphasis on R&D and design produced "Chocolate" series
- R&D and design enhancement will lead to creating mega hit product
- Rising shipment per platform ratio will help margin improvement

Emphasis on R&D and Design



(HQ employees only)

Shipment per platform ratio



Future Direction

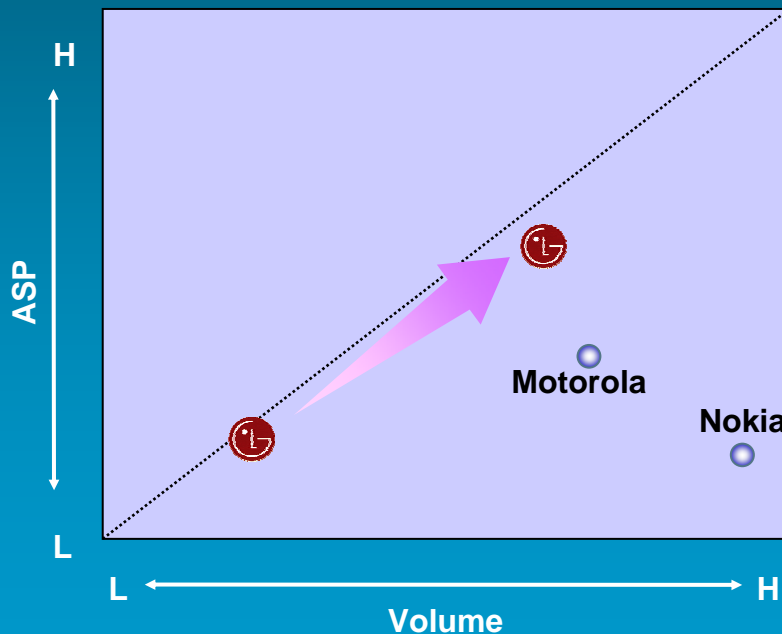


MOBILE

Mobile Products are opening up a more exciting and enjoyable world, a world that begins with "Dream-come-true" technology of LG Electronics.

- ASP improvement just as important as growth
- Increased concentration on high-end handsets
- Create global "LG" identifiable designed phone

Long-term Goal



Global "Hit Product"

- Enhance design capability
- "User centric" product development
- Improve market research capability

Two tier marketing strategy

- Operator centric strategy for CDMA
- Open market strategy for GSM

Raise blended ASP

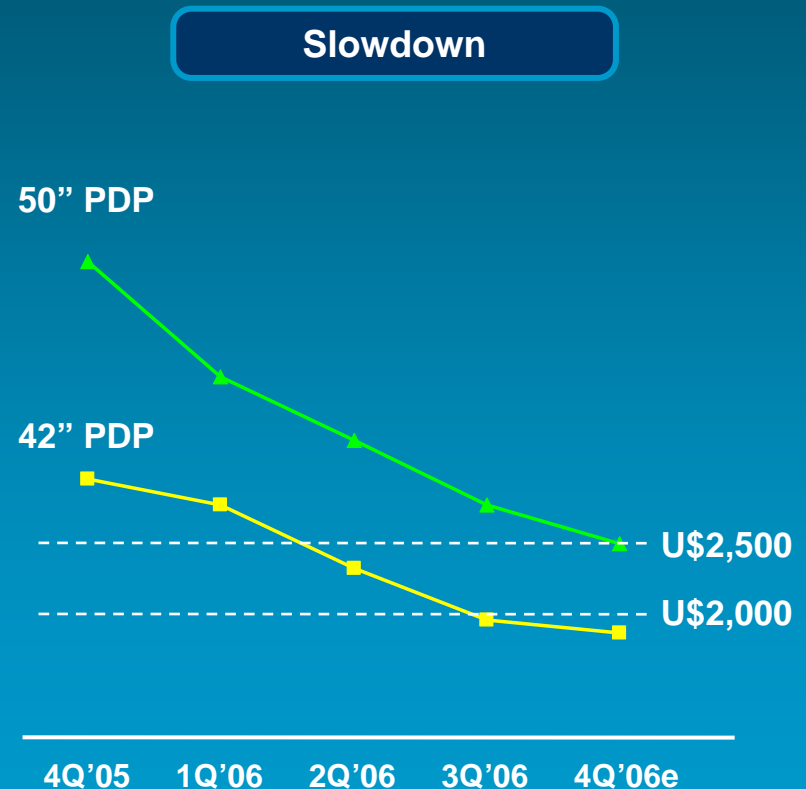
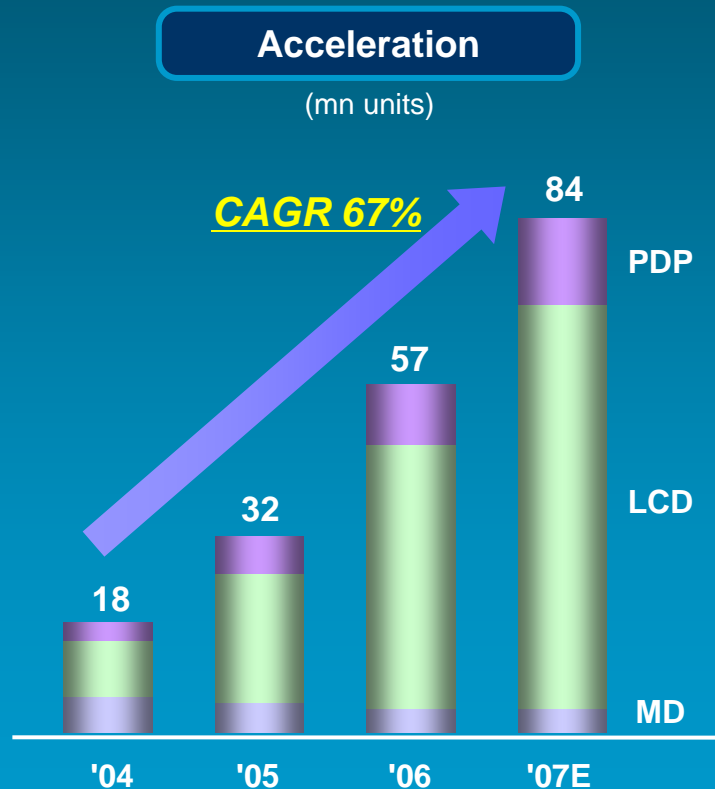
- Take advantage of "Korea test market"
- Expand 3G models and carriers
- Move up market in GSM

IV. Digital Display



Flat Panel Display

- Flat TV demand growth to accelerate in 2nd half of 2006.
- Price decline in Flat TVs to slow down as it nears magic price.

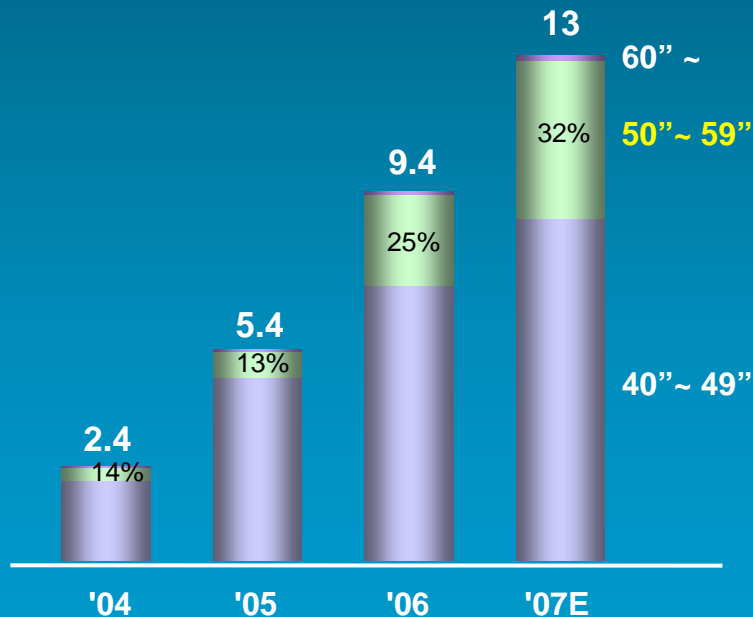


PDP Market Trend

- Size as well as demand is getting larger.
- Falling retail prices spurt demand for PDP.
- Industry is already consolidated by three major players.

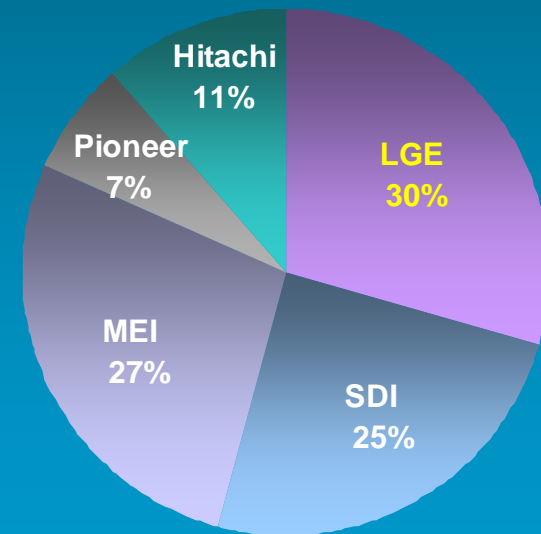
Getting Larger

(mn units)



Source: TSR, Displaysearch, LGE

2Q06 PDP Module

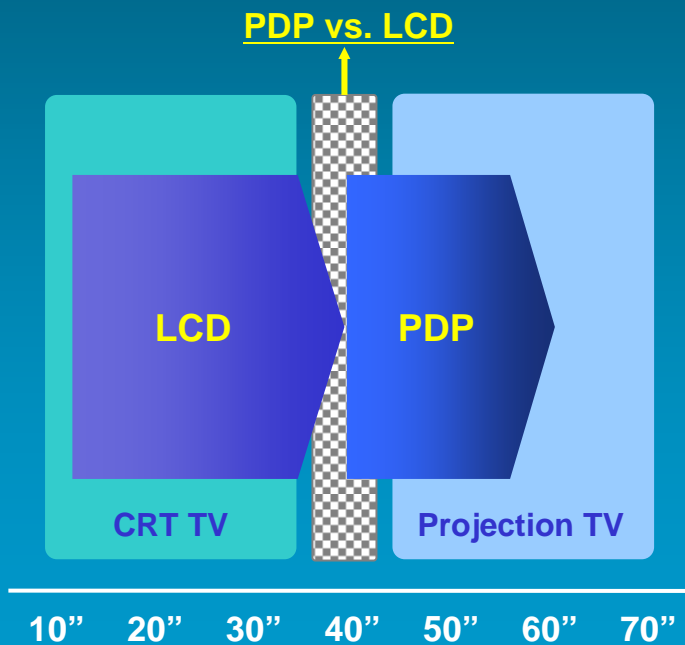


Source: TSR 2Q06(E) + Company data

The DTV battlefield

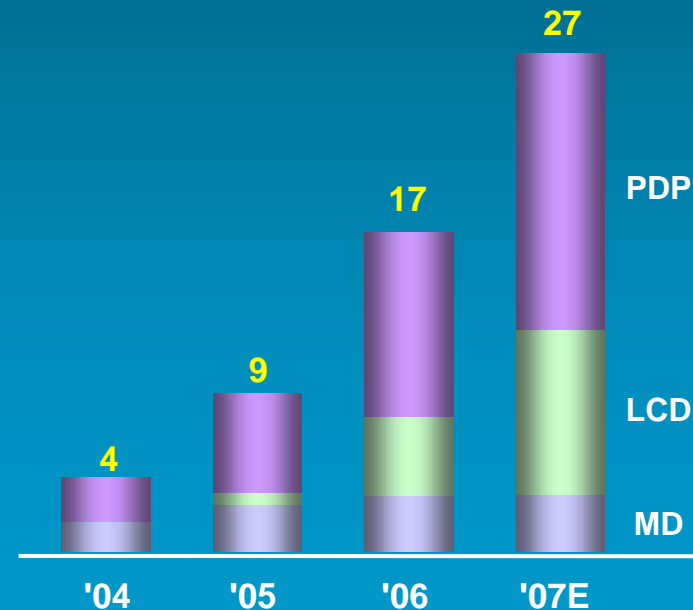
- LCD and PDP can co-exist over the next several years.
- LCD is expected to be the main technology for TV below 40 inches.
- PDP is expected to be the main technology for large size TV.

DTV by Technology



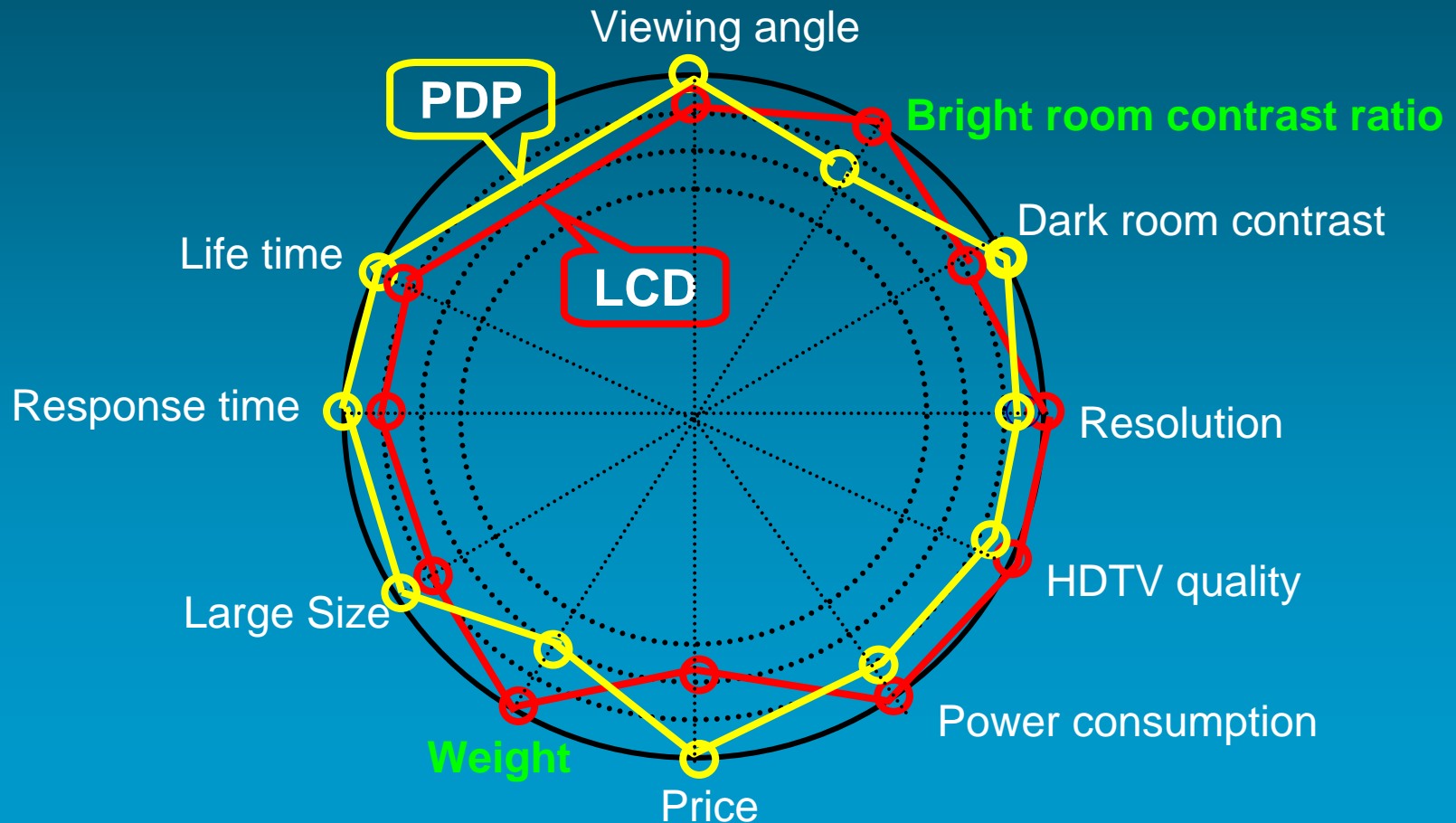
Flat TVs above 40"

(mn units)



Flat Panel TV Performance

- Both LCD and PDP panel performances have improved.
- Performance differences between PDP and LCD narrowing.
- PDP needs to improve bright room contrast ratio.



Cost Leadership in PDP

➤ Enhance profitability by applying new process technology and production innovation

\$20 / inch*

2005

Single Scan

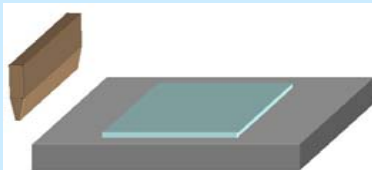
World's first introduction of single scan technology in 42" and 50"



2006

Table Coating

Spraying paste directly on glass instead of lamination



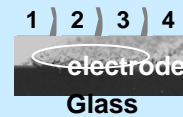
\$10 / inch

2007

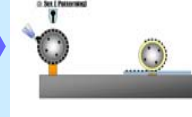
Electrode Direct Patterning

Transcribing electrode directly on glass

Photo Litho.



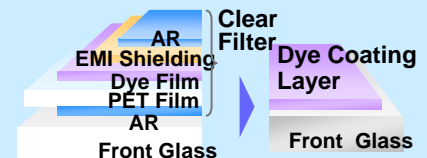
Direct Patterning



2008

Filter - less

Combining various filters into a single dye coating layer



* based on 42 XGA

1 : printing, 2: drying, 3: exposure, 4: development



<http://www.lge.com>