



LG Electronics

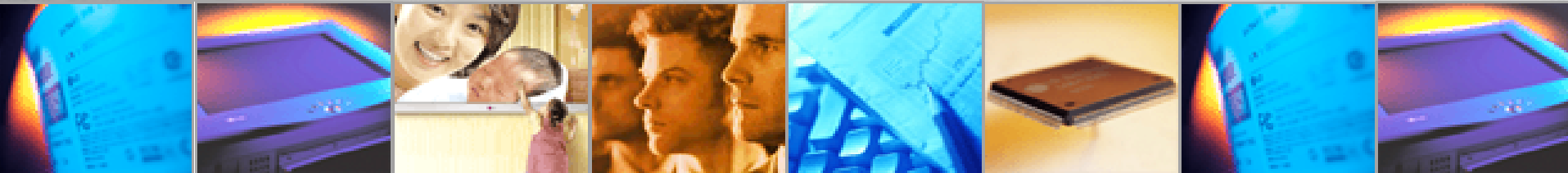
November 2007



Disclaimer: This presentation was composed utilizing the data released on the dates shown, consequently reflecting management views according to the dates. All information in this presentation regarding the company's financial results has been prepared on a non-consolidated basis in accordance with the Korean GAAP. Sales information includes transactions of the company to and from its subsidiaries and affiliates, but excludes transactions of the Company's subsidiaries and affiliates to third parties. This presentation includes forecasting statements in regards to the company's outlook on the future, including projected sales. These forecasting statements are based on the company's results on a non-consolidated basis. These forecasting statements are subject to known and unknown risks and uncertainties that may arise, and actual results may vary. Risks and uncertainties aforementioned are not limited to 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 this presentations in correspondence to their respective dates.

Contents

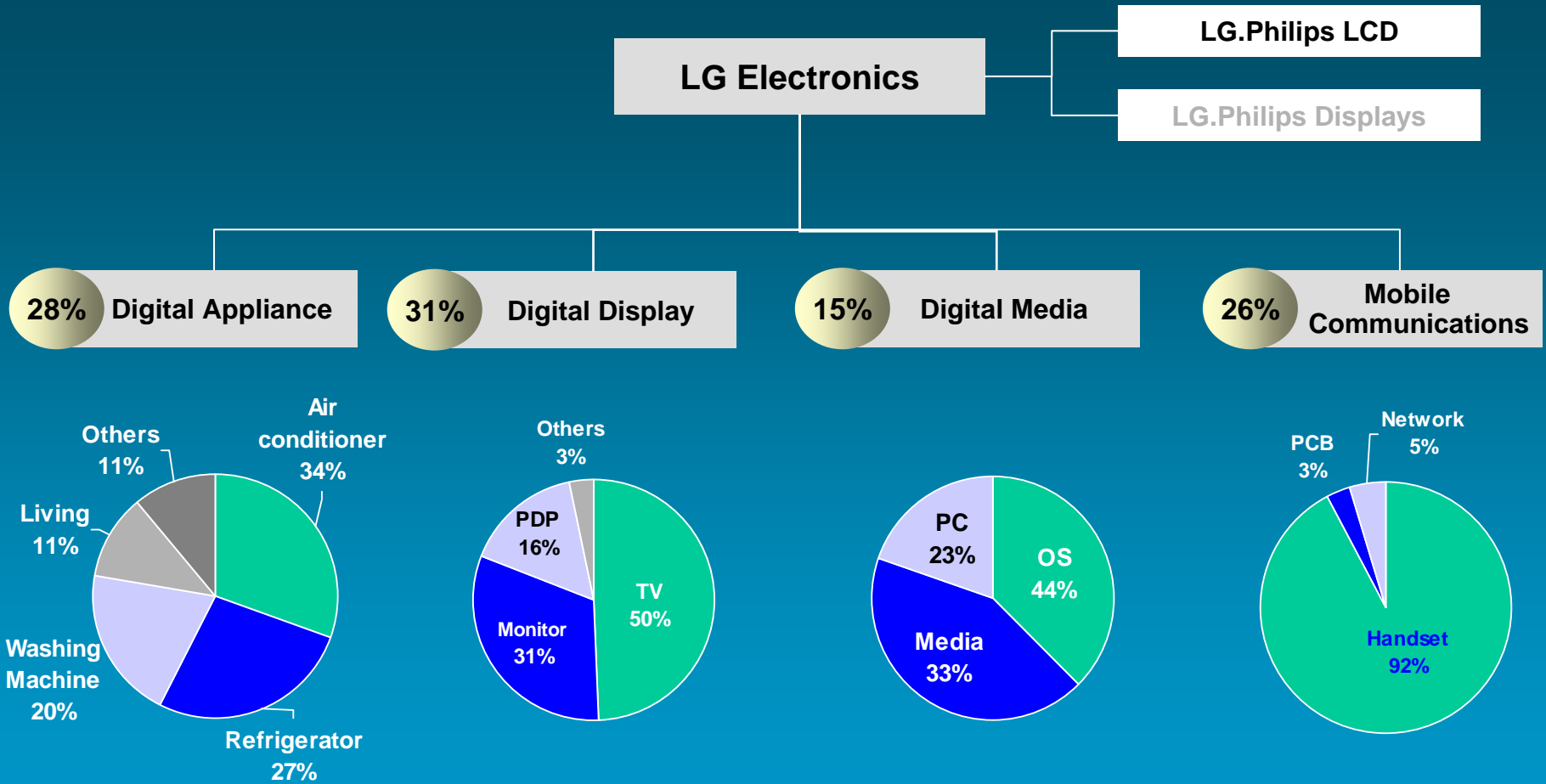
- I . Business Overview
- II . Home Appliances
- III . Mobile Handset
- IV . Digital Display



I . Business Overview



Business Domain



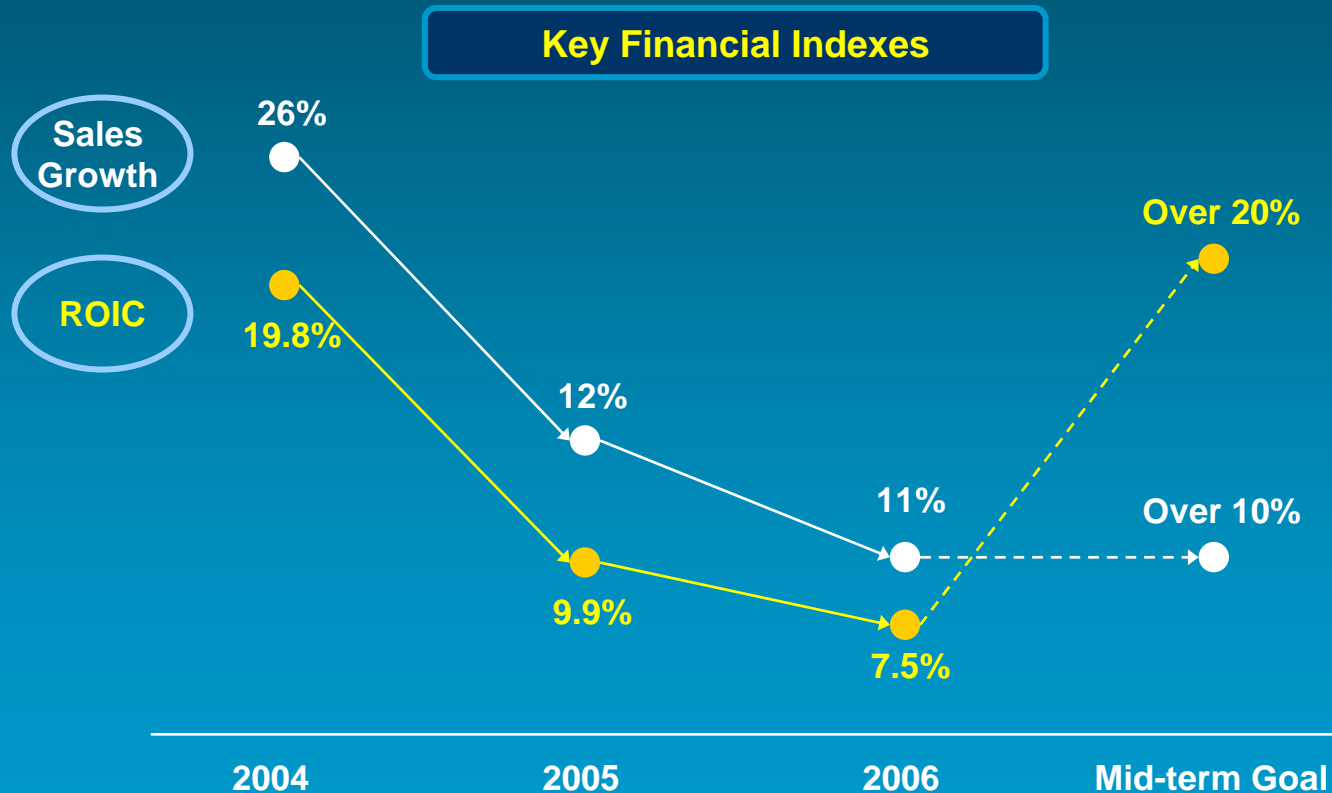
*Based on LGE Global (LGE parent + overseas subsidiaries) sales in 2006

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

Mid-term Goal



- Key financial indexes have deteriorated over the past few years
- For improvement, stabilization of handset margin and restructuring of PDP module business is required



* Sales Growth based on LGE Global (LGE Parent and LGE overseas subsidiaries) in USD.

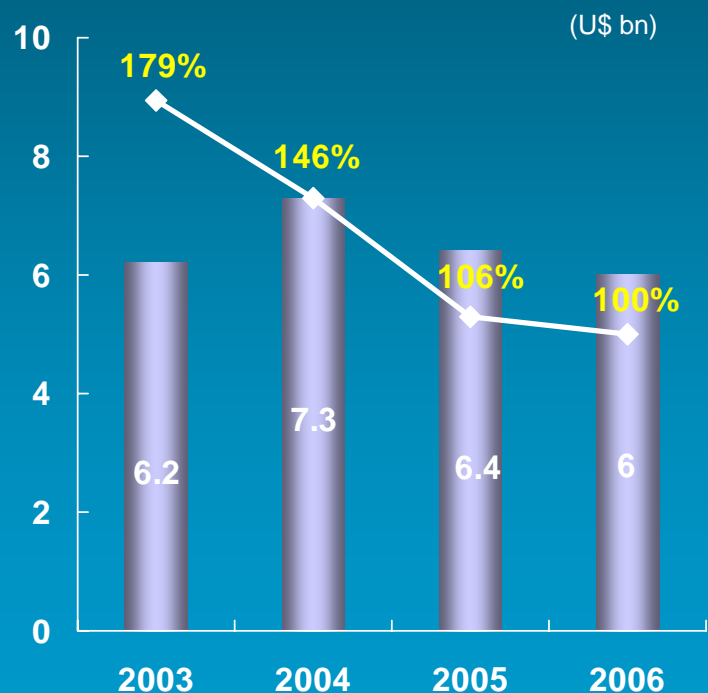
* ROIC is Based on LGE parent

Balance Sheet

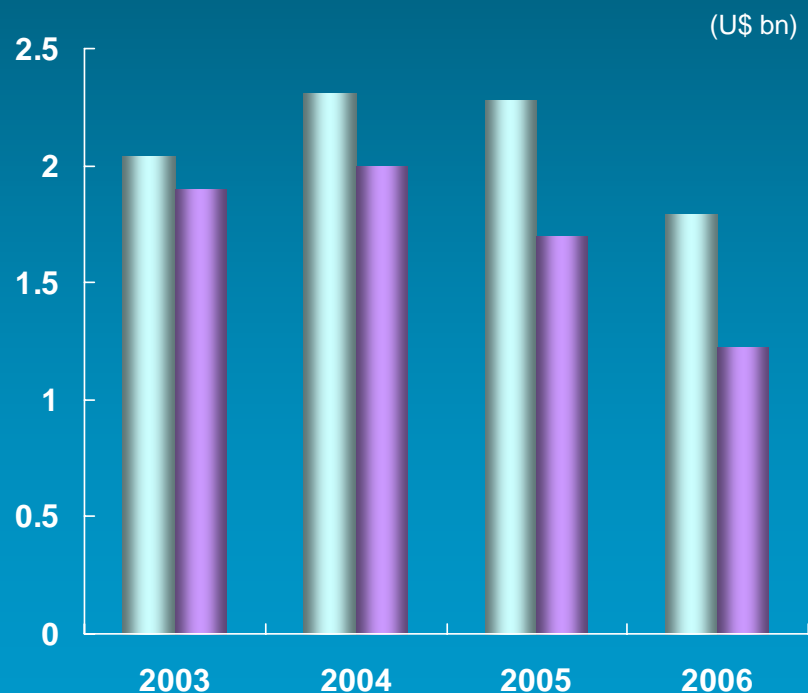


- Capital structure ratios improving
- Internally generated cash flow allows for debt reduction
- Goal is to reduce global debt-equity ratio to below 70%

Net Debt Trend



EBITDA / CAPEX



■ Global Net Debt — Global Net-debt to Equity

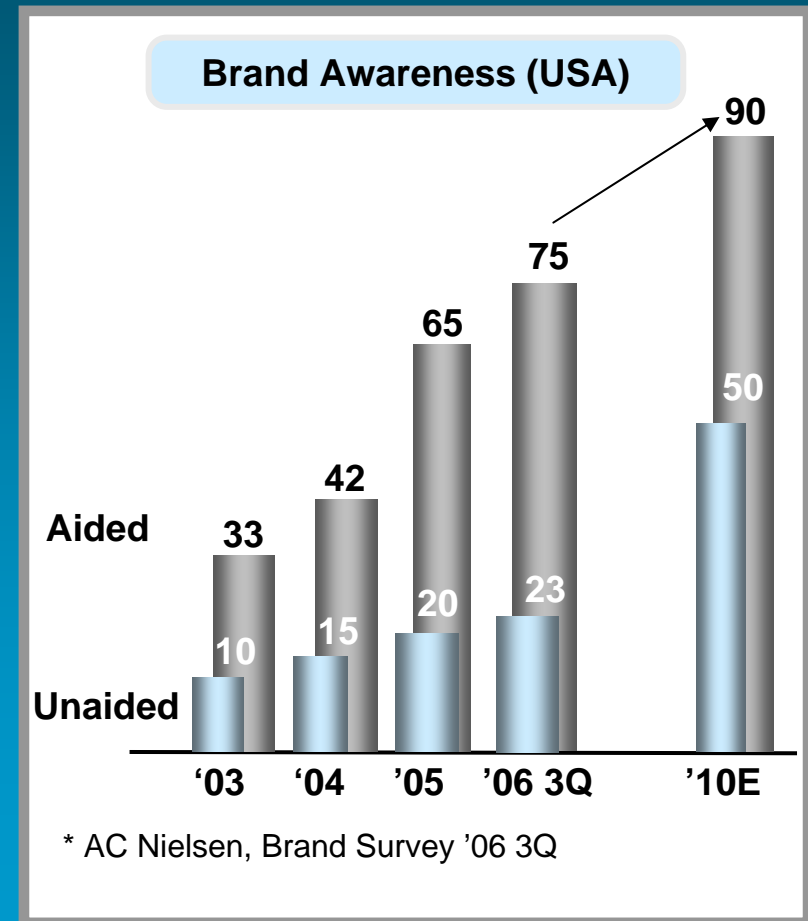
■ EBITDA ■ CAPEX

* Based on LGE Global

Building Brand Awareness



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

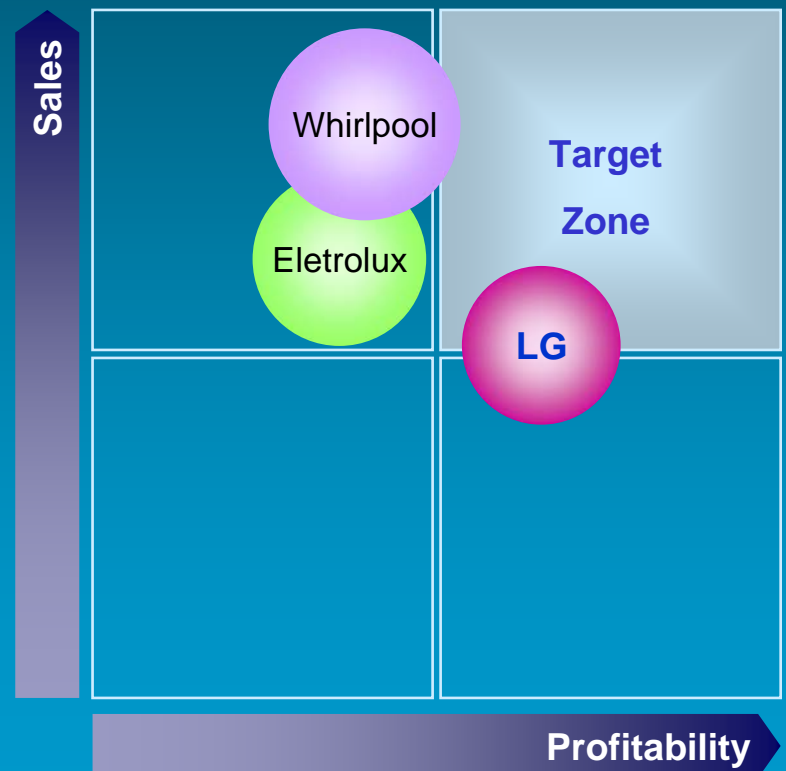


Π. Home Appliances



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

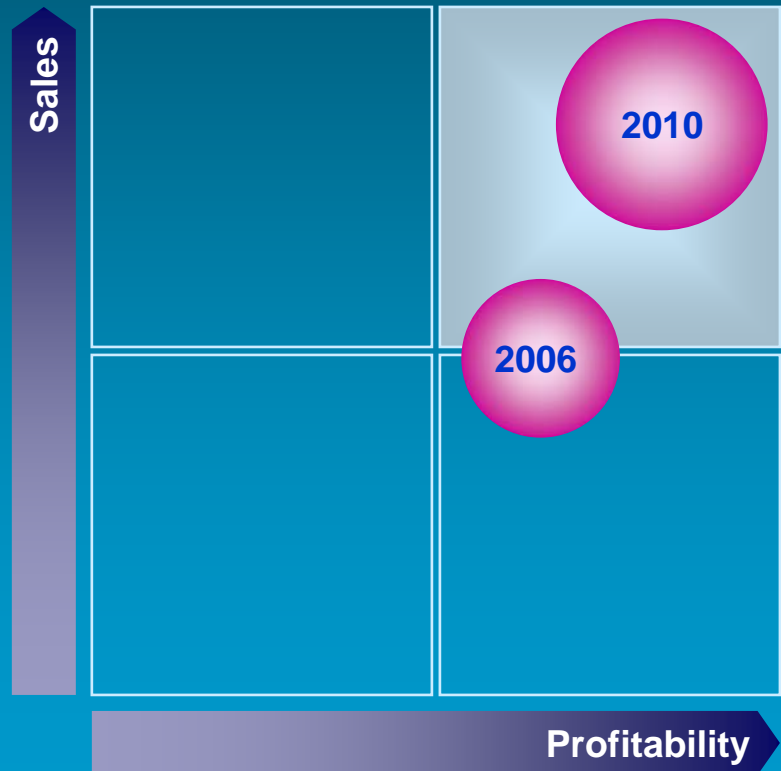
- Targeting no.1 global appliance maker
- Brand sales continue to grow in developed markets (U.S., Europe)
- Rapid sales growth of A/C through entry into commercial A/C market

New Market : Branding

- Building LG brand in North America
Joined forces with nationwide retailers
 - 2004 : Best Buy
 - 2005 : Home Depot
 - 2007 : Sears

New Business : CAC

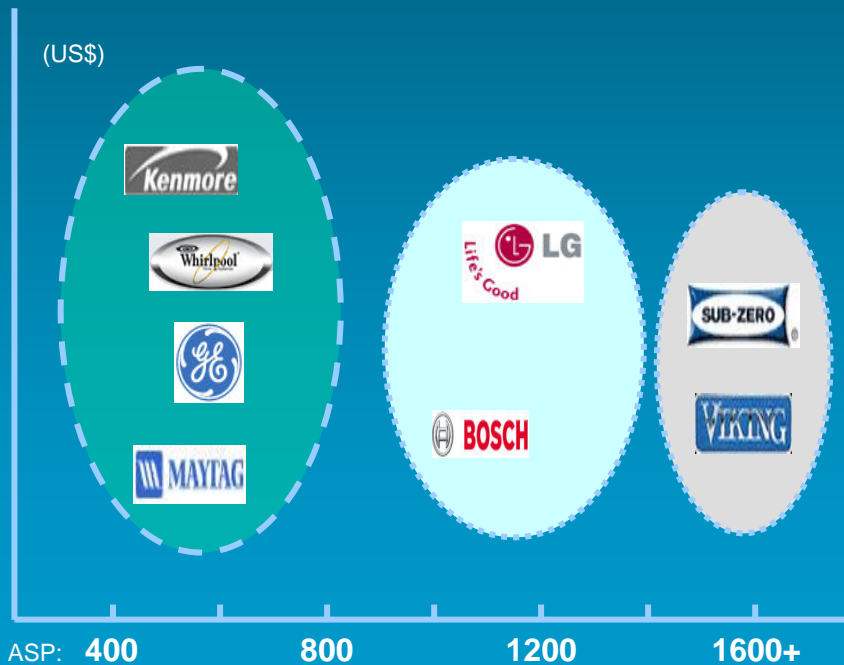
- Increasing sales of Commercial A/C
Employ competitive advantage from RAC
 - 2002 : setup new R&D center for CAC



New Market : Branding

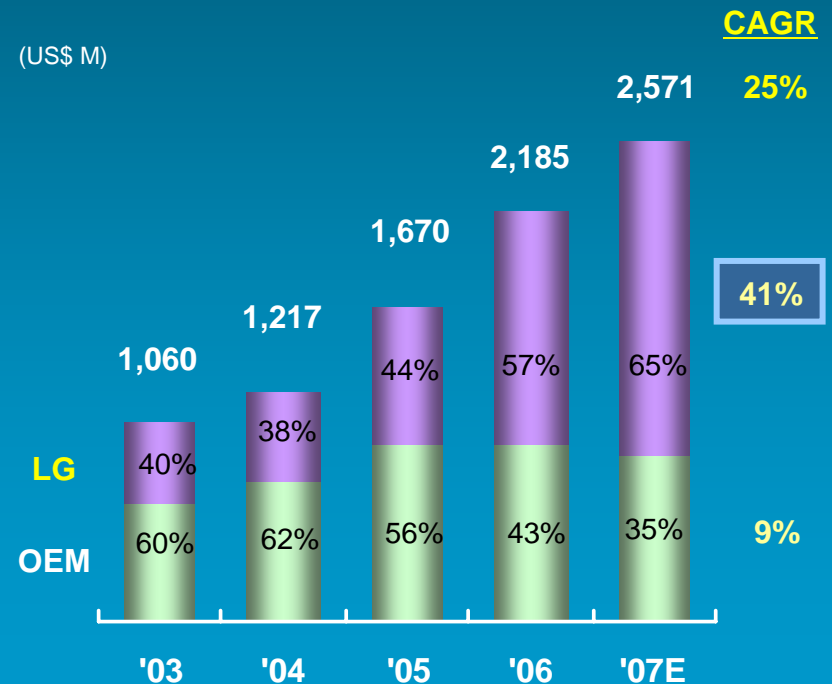
- Targeting high-end market with LG brand
- Sears, Home Depot and Best Buy are major U.S. distributors
- Next move - European market

U.S. Appliance Market



Source: Stevenson '06 1Q

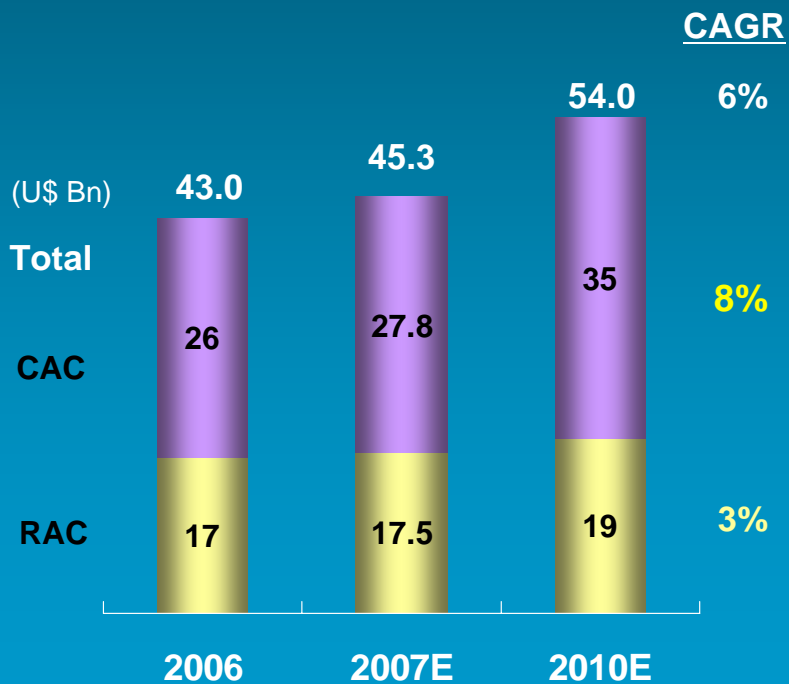
LGE U.S. Appliance Sales



New Business : CAC

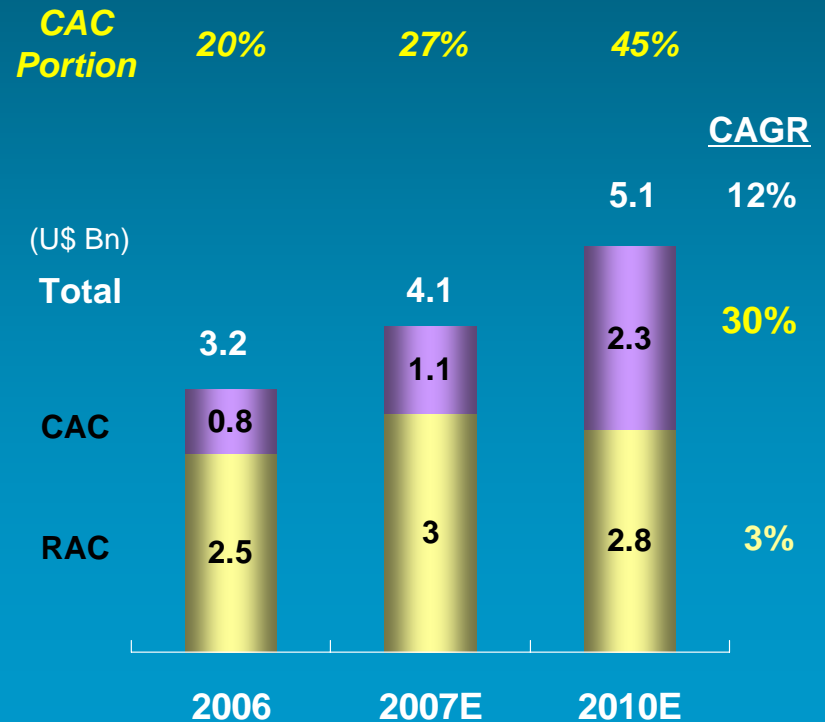
- Commercial A/C - new market for LGE
- Commercial A/C – as large as the residential market
- Employ competitive advantage from residential A/C

Global A/C Market



Source: Company data

LGE A/C Sales



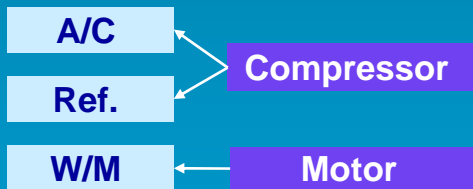
Source: Company data

Success Factors

- LGE's competitive edge – emphasis on R&D for innovative new products
- Highly efficient production base in low cost centers
- High-end focused, with key competitive products

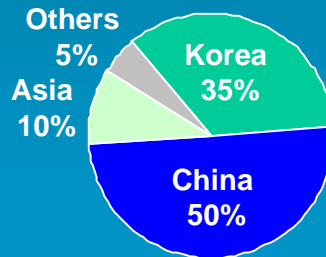
Emphasis on R&D

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



Global Production

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



* Based on quantity

Focus on High-end

- Focusing on 3 Major
profitable products
- Increasing premium product
proportion



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.

MOBILE

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

MOBILE

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



Market Update

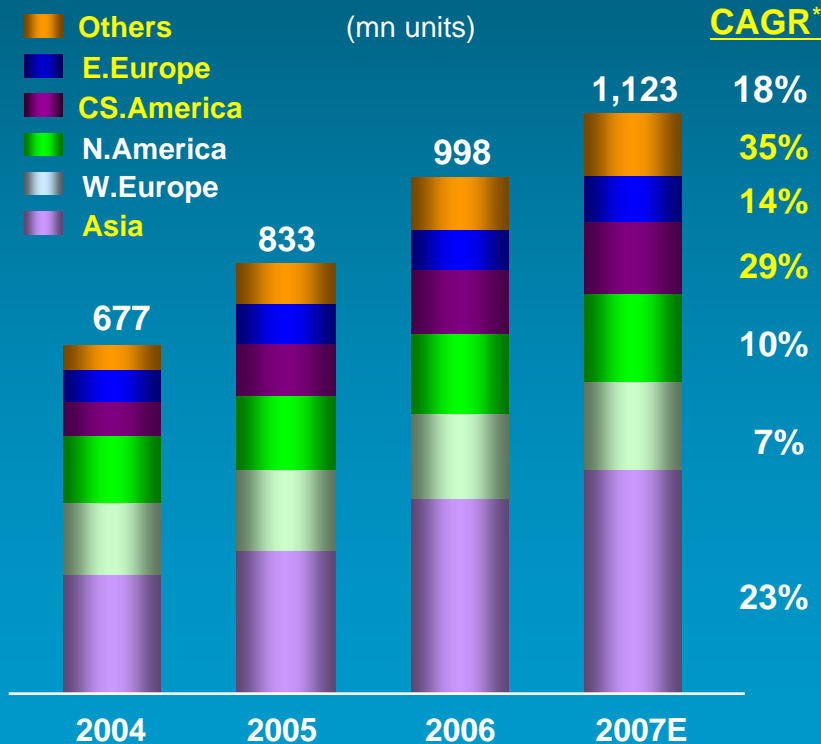


MOBILE

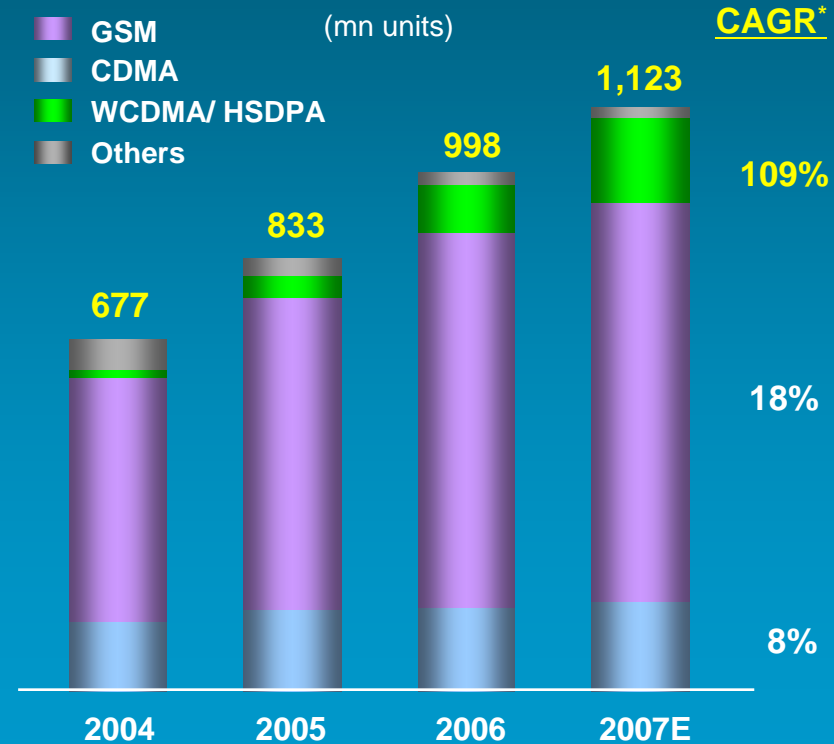
Mobile Products are opening up a more exciting and enjoyable world, a world that begins with "Dream-come-true" technology of LG Electronics.

- Emerging market has led handset demand growth
- Limited benefit from market growth due to focus on mid to high-end
- Increase of 3G demand and emerging markets' demand

Global Demand



Demand by Technology



* CAGR : based on 2004 ~ 2007

* Source : Strategy Analytics

* CAGR : based on 2004 ~ 2007

Recent Performance



MOBILE

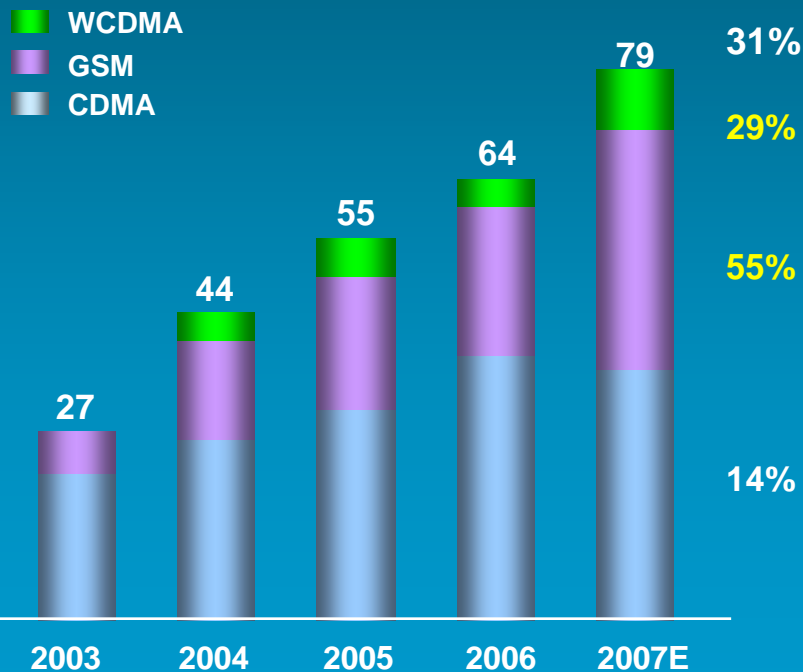
Mobile Products are opening up a more exciting and enjoyable world, a world that begins with "Dream-come-true" technology of LG Electronics.

- Faced downturn on shipment momentum and profitability
- Regaining momentum through successful penetration in to GSM market and expansion of 3G customers

Shipment

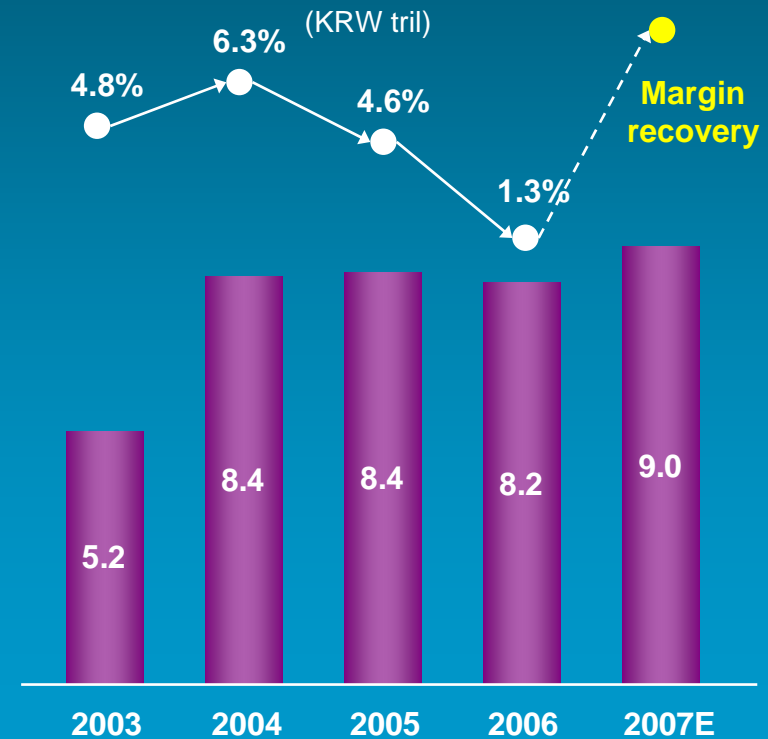
(mn units)

CAGR



Sales & Margin

(KRW tril)



* Source : Company data

** CAGR : based on 2003 ~ 2007 except for WCDMA

** based on LGE Parent sales and operating margin

Stabilizing Business



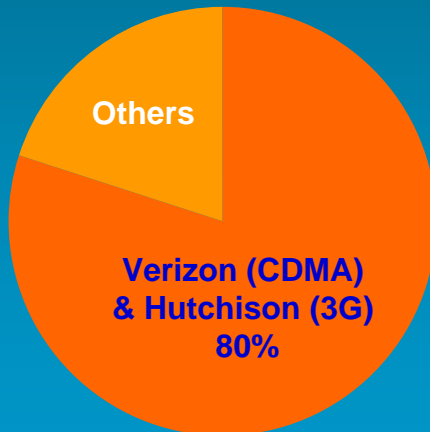
MOBILE

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 reached 7.5M units in 2006, over 4M units in GSM
- Expansion of 3G customer base : Vodafone, AT&T, etc

Stabilizing & Diversifying Profit Portfolio

2005



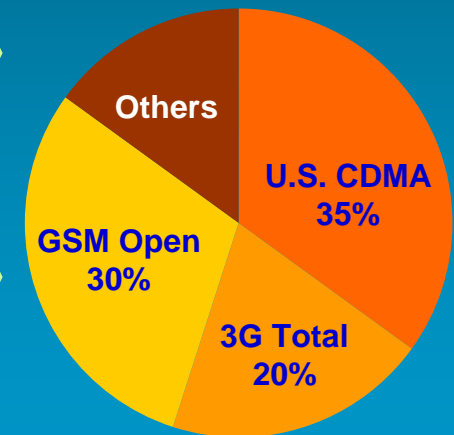
Successful entry into GSM market

- Chocolate 7.5m in 2006
- **Shine in 2007**

Wider 3G customer base

- Vodafone, AT&T, 3, etc
- Winner of GSMA's "3G for All" project

2007



Improving Fundamentals

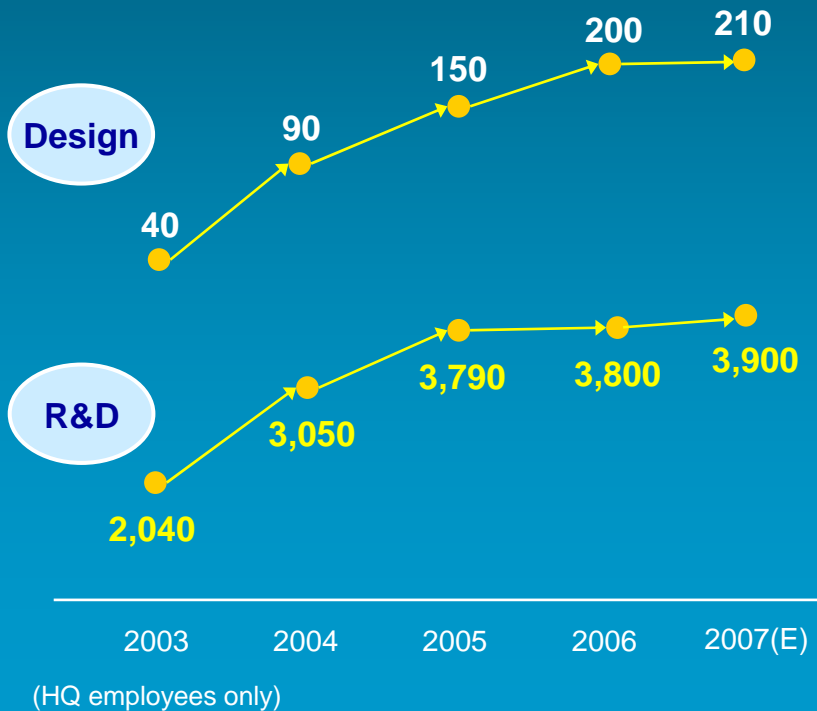


MOBILE

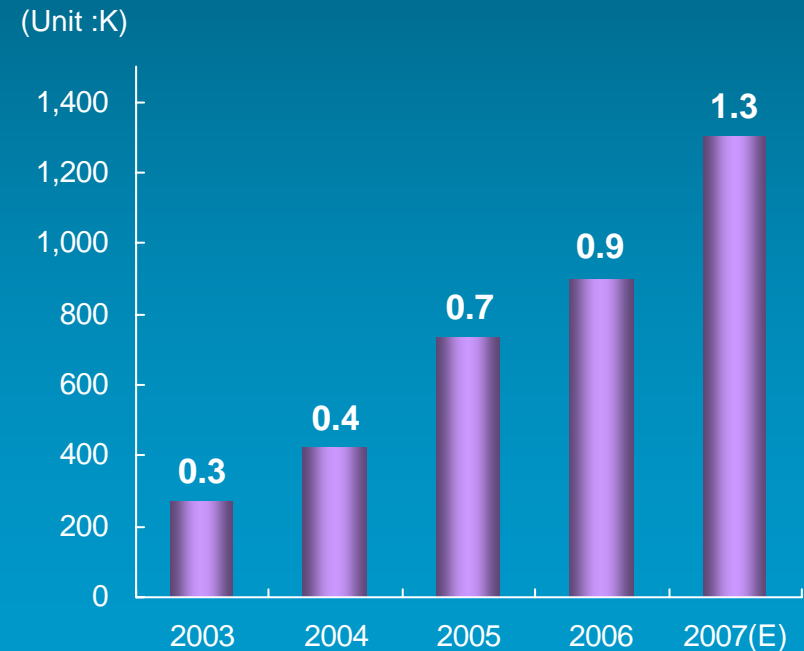
Mobile Products are opening up a more exciting and enjoyable world, a world that begins with "Dream-come-true" technology of LG Electronics.

- Early investment on R&D and design now bearing fruits
 - Emphasis on R&D and design created "Chocolate" series and more to come
 - Margin improvement through better cost structure & gaining economies of scale

Emphasis on R&D and Design



Shipment per platform ratio



Future Direction

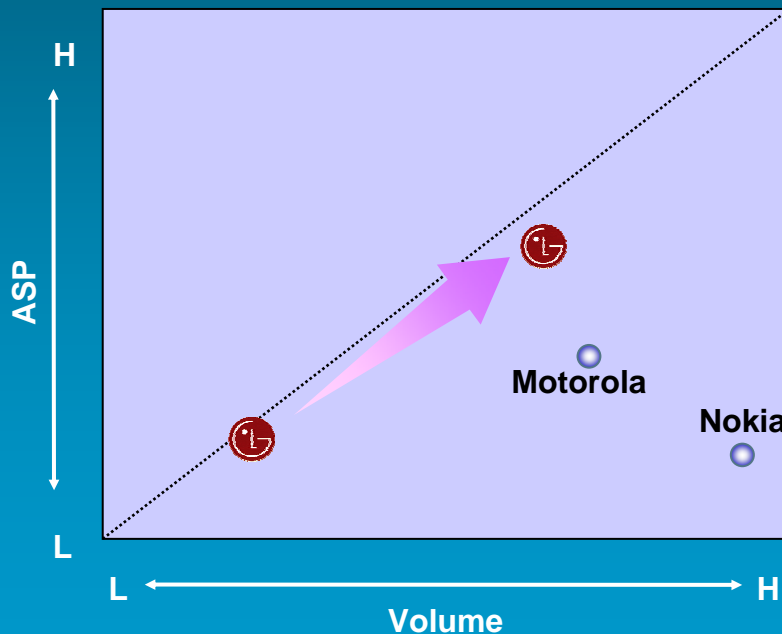


MOBILE

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
- "LG" Brand identification through design

Long-term Goal



Global "Hit Product"

- Enhance design
- "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 in GSM market

IV. Digital Display

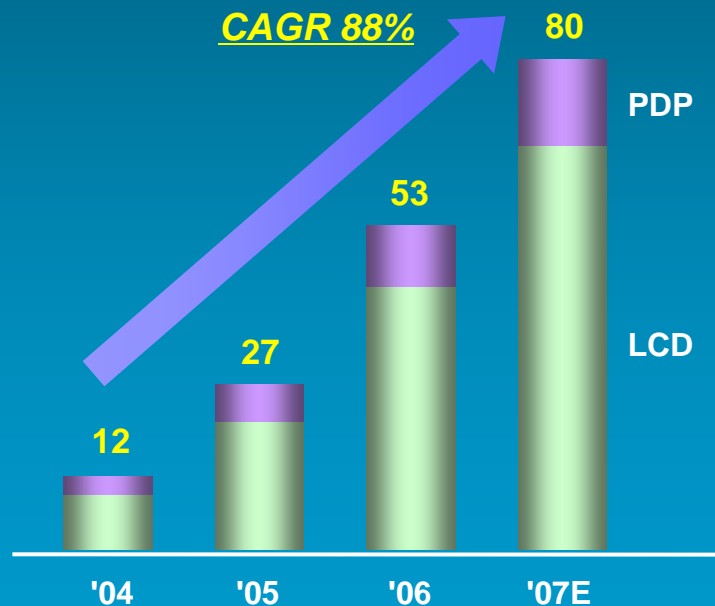


Soaring Demand

- Flat Panel technology became mainstream in the TV market
- Larger-size demand increasing rapidly backed by steep price erosion, and prevailing HD contents

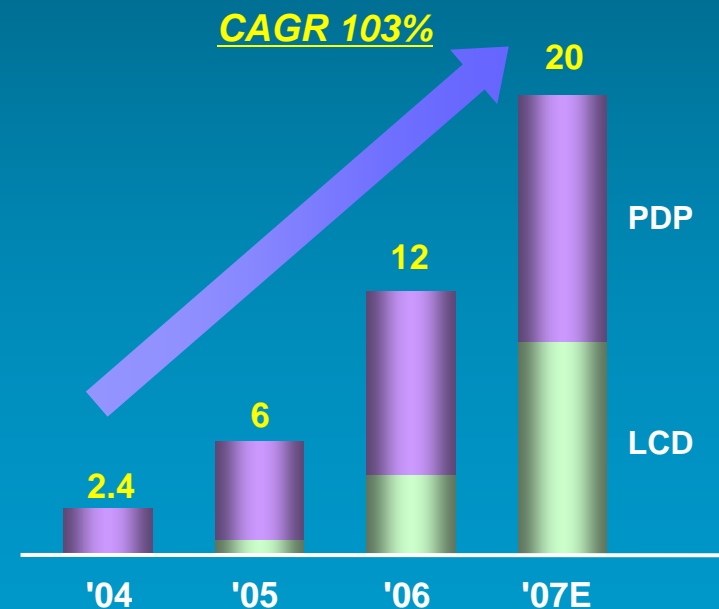
Flat TV Demand

(mn units)



Flat TV above 40"

(mn units)

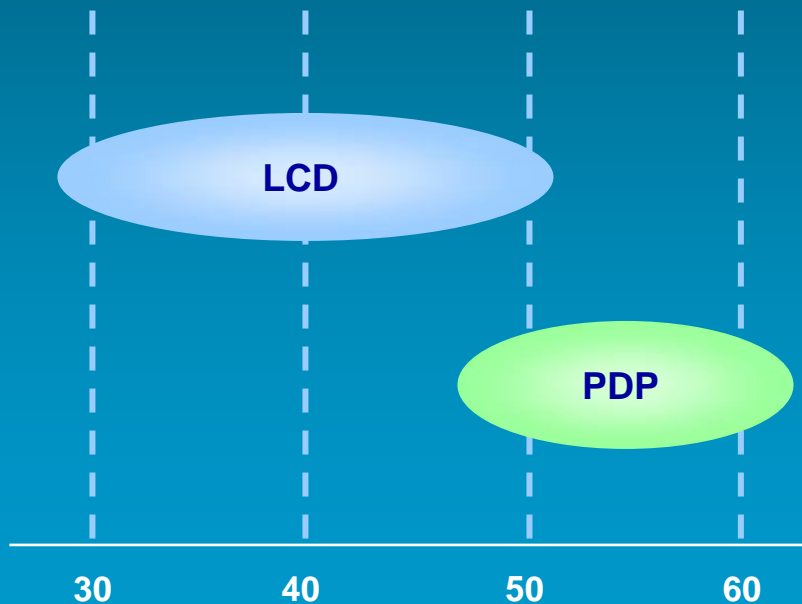


Sorting out FPD

- Competition between PDP and LCD sorted out to a certain extent
 - LCD to focus on 40", PDP to shift over to 50"
- Competition exists in the 50" market, but PDP is expected to be more advantageous

Technology Mapping

PDP



- Shifting focus to 50 inches rapidly
- Realigning capacity plan in line with recent change of PDP demand forecast → delayed A3-3 investment
- Strengthen cost competitiveness of 50 inches Full HD

Display Strategy

- **Strengthen brand and competitiveness to improve profitability**
 - **Invest in Brand** : Increase marketing expenditure in selective markets: US, EU
 - **Strengthen Competitiveness** : Cooperative product design and development with affiliates, providing consumers with the best product portfolio

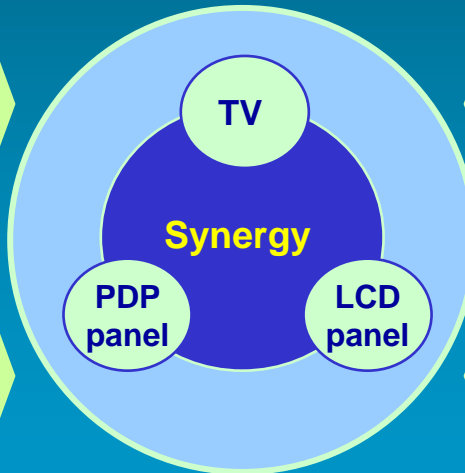
Invest in Brand

Build LG as premium TV brand

Increase marketing expenditure on selective markets : US, EU

Premium pricing

Improve profitability of both TV sets and Panels



Strengthen Competitiveness

Product design and development

- LCD cooperation with LPL
- PDP cooperation with LG-Micron

Deliver optimized product lines

- Possession of both PDP and LCD
→ competitive advantage

"Improve Profitability"



<http://www.lge.com>

Appendix

Divisional Sales (Parent)

(Unit :KRW bn)

| | | 1Q'06 | 2Q'06 | 3Q'06 | 4Q'06 | 2006 | 1Q'07 | 2Q'07 | QoQ | YoY |
|----------------|----------------|----------------|---------------|---------------|------------------|----------------|------------------|------------------|--------|--------|
| DA | Sales | 1,563 | 1,529 | 1,363 | 1,283 | 5,738 | 1,819 | 1,789 | -1.6% | 17.0% |
| | Op. Profit (%) | 159 (10.2%) | 150 (9.8%) | 58 (4.3%) | 62 (4.9%) | 430 (7.5%) | 218 (12.0%) | 173 (9.7%) | | |
| DD | Sales | 1,446 | 1,443 | 1,725 | 1,212 | 5,825 | 1,214 | 1,093 | -10.0% | -24.3% |
| | Op. Profit (%) | 30 (2.0%) | 21 (1.4%) | 43 (2.5%) | -147 (-12.1%) | -54 (-0.9%) | -194 (-16.0%) | -265 (-24.2%) | | |
| DM | Sales | 770 | 641 | 665 | 663 | 2,738 | 713 | 613 | -14.1% | -4.4% |
| | Op. Profit (%) | 23 (3.0%) | 11 (1.8%) | 8 (1.3%) | -20 (-3.1%) | 22 (0.8%) | 6 (0.8%) | -17 (-2.7%) | | |
| MC | Sales | 2,050 | 2,211 | 2,326 | 2,370 | 8,958 | 2,300 | 2,423 | 5.3% | 9.6% |
| | Op. Profit (%) | -9 (-0.4%) | 21 (0.9%) | 98 (4.2%) | 72 (3.0%) | 182 (2.0%) | 155 (6.7%) | 265 (10.9%) | | |
| Handset | Sales | 1,855 | 2,032 | 2,149 | 2,204 | 8,240 | 2,136 | 2,253 | 5.5% | 10.9% |
| | Op. Profit (%) | -31 (-1.7%) | -3 (-0.1%) | 79 (3.7%) | 58 (2.6%) | 104 (1.3%) | 141 (6.6%) | 254 (11.3%) | | |
| Others | Sales | -29 | -28 | -24 | -7 | -88 | -12 | -14 | | |
| | Op. Profit | -13 | -12 | -10 | -10 | -45 | -11 | -11 | | |
| Total | Sales | 5,800 | 5,796 | 6,054 | 5,520 | 23,171 | 6,034 | 5,903 | -2.2% | 1.8% |
| | Op. Profit (%) | 191 (3.3%) | 190 (3.3%) | 197 (3.3%) | -43 (-0.8%) | 535 (2.3%) | 173 (2.9%) | 146 (2.5%) | | |

* Divisional sales includes internal transaction between divisions

(Unit : KRW bn)

| | | 1Q'06 | 2Q'06 | 3Q'06 | 4Q'06 | 2006 | 1Q'07 | 2Q'07 | QoQ | YoY |
|----------------|----------------|-------------|-------------|------------|-------------|------------|--------------|--------------|-------|-------|
| DA | Sales | 2,556 | 2,969 | 2,500 | 2,352 | 10,376 | 2,941 | 3,604 | 22.5% | 21.4% |
| | Op. Profit (%) | 117 (4.6%) | 248 (8.3%) | 107 (4.3%) | 123 (5.2%) | 594 (5.7%) | 169 (5.7%) | 292 (8.1%) | | |
| DD | Sales | 2,714 | 2,786 | 2,672 | 3,197 | 11,368 | 2,754 | 2,727 | -1.0% | -2.1% |
| | Op. Profit (%) | 44 (1.6%) | 53 (1.9%) | 70 (2.6%) | -97 (-3.0%) | 70 (0.6%) | -262 (-9.5%) | -138 (-5.1%) | | |
| DM | Sales | 1,449 | 1,242 | 1,217 | 1,492 | 5,401 | 1,382 | 1,246 | -9.8% | 0.3% |
| | Op. Profit (%) | 52 (3.6%) | 11 (0.9%) | -4 (-0.4%) | 13 (0.9%) | 72 (1.3%) | 11 (0.8%) | -4 (-0.3%) | | |
| MC | Sales | 2,186 | 2,302 | 2,533 | 2,764 | 9,786 | 2,509 | 2,865 | 14.2% | 24.4% |
| | Op. Profit (%) | -30 (-1.4%) | 9 (0.4%) | 46 (1.8%) | 128 (4.6%) | 153 (1.6%) | 121 (4.8%) | 325 (11.3%) | | |
| Handset | Sales | 1,998 | 2,134 | 2,367 | 2,599 | 9,099 | 2,354 | 2,709 | 15.1% | 26.9% |
| | Op. Profit (%) | -52 (-2.6%) | -15 (-0.7%) | 26 (1.1%) | 114 (4.4%) | 74 (0.8%) | 110 (4.7%) | 313 (11.6%) | | |
| Others | Sales | -45 | -39 | -53 | -63 | -201 | 8 | -11 | | |
| | Op. Profit | -13 | -12 | -10 | -10 | -45 | -11 | -11 | | |
| Total | Sales | 8,860 | 9,260 | 8,869 | 9,742 | 36,730 | 9,593 | 10,430 | 8.7% | 12.6% |
| | Op. Profit (%) | 171 (1.9%) | 308 (3.3%) | 208 (2.3%) | 157 (1.6%) | 844 (2.3%) | 28 (0.3%) | 464 (4.4%) | | |

* Divisional sales pertains solely LG Electronics Korea and its overseas subsidiaries and includes internal transactions