

FOR IMMEDIATE RELEASE**LG ELECTRONICS POSTS HIGHEST
FOURTH QUARTER EARNINGS IN ITS HISTORY**

*KRW 14.3 Trillion in Revenue, Operating Profit of KRW 446.7 Billion
on Strong Performance from Home Entertainment and Home Appliances*

SEOUL, Jan. 27, 2010 — LG Electronics, Inc. (LG) today reported record revenues and operating profits in the fourth quarter of 2009, reflecting the results of the company's successful strategy and competitiveness during the current recession. Results for full year 2009 also showed strong revenue growth and record operating profits versus the previous year.

Sales and Profit

Record sales and operating profits were reported for the three months ending Dec. 31, 2009. Sales on a global basis (including LG's overseas subsidiaries) rose 6.8 percent to KRW 14.3 trillion (USD 12.2 billion) year-over-year. Operating profit was up to KRW 446.7 billion (USD 382 million) resulting in a margin of 3.1 percent, 2.3 percent points higher than the fourth quarter last year.

2009 annual sales on a global basis soared 12.5 percent to a company record-high level of KRW 55.5 trillion (USD 43.4 billion) with operating profit recording KRW 2.9 trillion (USD 2.3 billion). Consolidated sales including subsidiaries rose 15.3 percent year-over-year to KRW 73.0 trillion (USD 57.1 billion). Consolidated operating profit reached KRW 4.2 trillion (USD 3.3 billion), for a margin of 5.8 percent.

The *LG Home Entertainment Company* saw fourth quarter sales rise by 18 percent to KRW 5.9 trillion (USD 5.0 billion), returning an operating profit of KRW 271.6 billion (USD 232 million) for a margin of 4.6 percent, 5.2 percent points higher than the previous year, as a result of strong product leadership and rising demand for LCD TVs and Plasma TVs. Unit sales of total flat panel TVs jumped 52 percent year-over-year to

6.6 million sets from 4.3 million. Quarter-over-quarter unit growth was also seen in both LCD TVs and Plasma TVs, 38 percent and 29 percent respectively. Annual sales reached KRW 19.6 trillion (USD 15.3 billion), jumping 19.9 percent from the previous year, mainly led by record unit sales of 19.5 million flat panel TVs. On the whole, profitability increased due to higher sales and more aggressive cost management.

The *LG Mobile Communications Company* reported sales of KRW 4.2 trillion (USD 3.6 billion) in sales, 7.4 percent lower than the 2009 fourth quarter. Operating profit of KRW 55.8 billion (USD 48 million) in the 2009 period resulted in a margin of 1.3 percent. Handset revenues were KRW 3.9 trillion (USD 3.3 billion), a 5 percent decline from the same quarter in 2008, while operating profit reached KRW 66.5 billion (USD 57 million), resulting in a margin of 1.7 percent. Unit shipments of handsets saw an increase of 32 percent year-over-year and 7 percent quarter-over-quarter to 33.9 million units, which resulted in a record 117.9 million units being sold in 2009 versus 100.7 million units in 2008 due to robust growth in North America, Europe and emerging markets. Price erosion and an increase in marketing expenses for year-end inventory clearance and emerging market channel expansion resulted in lower profitability compared to the third quarter. Yearly sales for the Mobile Communications Company increased 13.5 percent to KRW 18.2 trillion (USD 14.2 billion), with the handset division alone seeing an increase of 17.3 percent year-over-year to KRW 17.1 trillion (USD 13.4 billion).

The *LG Home Appliance Company* posted a sales increase of 6.8 percent to KRW 2.5 trillion (USD 2.1 billion) on a KRW base in the fourth quarter, compared with the same period last year. Recovery of demand in emerging markets contributed to this growth year-over-year. The company's product competitiveness resulted in an operating profit of KRW 75.7 billion (USD 65 million), resulting in a margin of 3.1 percent. Despite low demand by seasonality, greater sales in emerging markets and ongoing cost reduction generated a higher margin year-over-year. Total sales for full year 2009 rose 10.9 percent over 2008 to KRW 9.5 trillion (USD 7.4 billion).

The *LG Air Conditioning Company* recorded a 9.4 percent decline in fourth quarter revenues on a KRW base (3 percent rise on a USD base) to KRW 619.9 billion (USD 530 million) year-over-year. Full-year sales reached KRW 4.5 trillion (USD 3.5 billion), 1.4 percent lower than a year earlier. Highly efficient commercial air conditioning products led the growth in Korea. Despite the recession, the company sees market demand and sales increasing in emerging markets.

The *LG Business Solutions Company* announced a 10.8 percent rise in year-over-year fourth quarter sales to KRW 1.3 trillion (USD 1.1 billion) with an operating profit of KRW 57.6 billion (USD 49 million). Annual sales posted KRW 4.6 trillion (USD 3.6 billion), essentially flat with 2008, with revenue rising as market demand in Europe expanded. Higher sales in monitor TVs and partnerships with hotels and major customers contributed to greater profitability.

Financial Statement and Non-operating Items on a Parent Basis

Quarterly recurring profit and net profit rose to KRW 225.3 billion (USD 193 million) and KRW 297.2 billion (USD 254 million), successfully returning to profit from a recurring loss of KRW 941.5 billion (USD 691 million) and a net loss of KRW 671.3 billion (USD 476 million) year-over-year. The Company's net profit for the entire year grew 325 percent to KRW 2.1 trillion (USD 1.6 billion) from KRW 482.8 billion (USD 438 million) in 2008.

Foreign exchange gain of KRW 25.6 billion (USD 22 million) and equity method gain of KRW 630.5 billion (USD 539 million) from overseas subsidiaries and affiliates helped push up net profit. In particular, LG Display, in which LG Electronics owns a 37.9 percent stake, booked an equity method gain of KRW 181.6 billion (USD 155 million).

2010 1Q Business Direction and Prospects

Market demand is expected to rise as the global economy begins to emerge from the recession. On a global basis, LG Electronics expects sales growth -- especially from

LCD TVs on a USD base -- as a result of conversion to digital TV in developed markets and increased demand due to World Cup soccer and Olympic Games in 2010. LG's mobile communications business is targeting a 19 percent increase in unit sales to 140 million, focusing on the exploding smartphone category and differentiation in content and services. Solar-cell, LED lighting and new solutions businesses in automotive and commercial areas represent new business engines expected to increase revenues. LG's profitability is expected to improve year-over-year, driven by premium products in home entertainment and home appliances. The Company earlier announced a goal of KRW 59 trillion (USD 51.3 billion) in sales and KRW 3.6 trillion (USD 3.1 billion) earmarked for new investments in 2010,

2009 4Q Exchange Rates Explained

For the unaudited consolidated earnings results of the three-month period ending Dec. 31, 2009, amounts in KRW are translated into USD at the average rate of the three-month period in each corresponding quarter: KRW 1,169 per USD (2009 Q4), KRW 1,241 per USD (2009 Q3, quarter-over-quarter) and KRW 1,362 per USD (2008 Q4, year-over-year). Average rate of the twelve-month period in 2009 was KRW 1,278 per USD and KRW 1,103 per USD in 2008. LG expects the exchange rate in 2010 to be KRW 1,150 per USD.

Earnings Conference and Conference Call

LG Electronics will hold a Korean-language earnings news conference on Jan. 27, 2010 at 16:00 Korea Standard Time at the LG Twin Tower Auditorium (B1 East Tower, 20 Yeouido-dong, Yeongdeungpo-gu, Seoul, Korea). An English-language conference call will follow on Jan. 28, 2010 at 10:00 Korea Standard Time (01:00 GMT/UTC). Participants are asked to call +82-31-810-3069 and enter the passcode 9084#. The corresponding presentation file will be available for download at the Investor Relations section of the LG Electronics website (<http://www.lge.com/ir/archive/main.jhtml>). Please visit <http://pin.teletogogether.com/eng/> and pre-register with the passcode provided. For those unable to participate, an audio recording of the news conference will be

available for a period of 30 days after the conclusion of the call. The recording may be accessed by dialling +82-31-931-3100 and entering the code 142600# when prompted.

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About LG Electronics, Inc.

LG Electronics, Inc. (KSE: 066570.KS) is a global leader and technology innovator in consumer electronics, mobile communications and home appliances, employing more than 84,000 people working in 115 operations including 84 subsidiaries around the world. With 2008 global sales of \$44.7 billion, LG comprises of five business units – Home Entertainment, Mobile Communications, Home Appliance, Air Conditioning and Business Solutions. LG is one of the world's leading producers of flat panel TVs, audio and video products, mobile handsets, air conditioners and washing machines. LG has signed a long-term agreement to become both A Global Partner of Formula 1™ and A Technology Partner of Formula 1™. As part of this top-level association, LG acquires exclusive designations and marketing rights as the official consumer electronics, mobile phone and data processor of this global sporting event. For more information, please visit www.lge.com

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