

**FOR IMMEDIATE RELEASE****LG ANNOUNCES SECOND QUARTER 2010 FINANCIAL RESULTS**

*Strong Performance in Home Entertainment and Home Appliance  
Help Offset Profit Declines in Mobile Communications*

**SEOUL, July 28, 2010** -- LG Electronics (LG) today announced unaudited earnings results based on IFRS (International Financial Reporting Standards) for the three-month period ending June 30, 2010. Despite continuing recessionary conditions, revenues increased in most business units versus the second quarter of 2009. Strong performance in home entertainment and appliances helped offset profit declines in LG's mobile business.

***Sales and Profit***

LG reported sales of KRW 14.4 trillion (USD 12.4 billion) and operating profit of KRW 126 billion (USD 108 million) in the second quarter of 2010. In Korean won, consolidated sales fell 0.7 percent (up 10 percent in USD) and net profit declined by 33 percent (down 26 percent in USD) year-over-year.

*LG Home Entertainment Company* revenues grew 4 percent from the previous quarter and 19 percent from a year earlier as demand for flat panel TVs surged, resulting in sales of KRW 5.4 trillion (USD 4.6 billion) and operating profit of KRW 28 billion (USD 24 million). Flat panel TV shipments jumped 47 percent to 6.3 million units compared to the same period last year. Strong demand, expansion of premium product line-up, and the launch of new LED TV products will continue to drive profits for the Home Entertainment Company in the third quarter of 2010.

*LG Mobile Communications Company* shipped 30.6 million units this quarter, an increase of 13 percent quarter-on-quarter and 2 percent year-over-year as a result of continued growth in emerging markets and the introduction of new smartphones such as Ally and Optimus Q. Sales increased 5.8 percent quarter-on-quarter but fell 29.5 percent

year-over-year and the operating profit margin for handsets recorded a loss year-over-year due to investment in R&D and expansion of channels in emerging markets for future development.

*LG Home Appliance Company* showed consistent positive performance with 16.5 percent year-over-year growth (29 percent growth on a USD base) on sales of KRW 2.7 trillion (USD 2.3 billion) and an operating profit of KRW 185 billion (USD 159 million). Sales expansion in North America, Asia, the Middle East and Africa and an increase in demand in developing markets led to 30 percent growth year-over-year in overseas markets. The Home Appliance Company plans to continue its strong performance with products such as 6 Motion Front Loading Washer with Direct Drive and Linear Compressor while expanding its healthcare business and OEM business.

*LG Air Conditioning Company* saw sales increase 0.3 percent (11 percent growth on a USD base) year-over-year to KRW 1.6 trillion (USD 1.4 billion) with an operating profit of KRW 59 billion (USD 51 million). The AC Company plans to strengthen its global competitiveness with new energy-efficient models, increased investment in solar cells, and LED lighting as drivers of future growth.

*LG Business Solutions Company* recorded sales of KRW 1.2 trillion (USD 1.0 billion), an increase of 14.7 percent year-over-year as a result of growing global demand for monitor TVs and LED monitors. The BS Company will continue to seek new opportunities for its commercial and automotive businesses by introducing new solutions and forging new partnerships.

### ***Financial Statement and Non-operating Items***

Net profit in the second quarter of 2010 increased by 27 percent quarter-on-quarter to KRW 856 billion (USD 736 million) due to a KRW 815 billion won profit from discontinued operations as a result of LG Innotek being excluded from LG's consolidated figures. LG Innotek was excluded from these figures due to LG

Electronic's stake falling below 50 percent in April as a result of LG Innotek issuing shares from the conversion of convertible bonds and bonds with warrants.

LG adopted the International Financial Reporting Standards (IFRS) in 2010 with the objective of unifying its global accounting and financial reporting standards. The 94 subsidiaries of which LG owns more than 50 percent of voting shares have been consolidated under IFRS.

### ***2010 3Q Business Direction and Prospects***

The company expects to see modest growth in the third quarter of 2010 with the continuing global economic recovery. LG will continue to introduce new products in major categories including smartphones, while investing aggressively in R&D and marketing and developing premium products in order to secure a stronger position in respective categories.

### ***2010 2Q Exchange Rates Explained***

Amounts in Korean Won (KRW) are translated into US Dollars (USD) at the average rate of the three month period in each corresponding quarter: KRW 1,163 per USD (2010 2Q) and KRW 1,291 per USD (2009 2Q).

### ***Earnings Conference and Conference Call***

LG Electronics will hold a Korean-language earnings news conference on July 28, 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 July 29, 2010 at 21:00 Korea Standard Time (14:00 GMT/UTC). Participants are asked to call +82 2 6677 3356 and enter the passcode 57290. The corresponding presentation file will be available for download at the Investor Relations section of the LG Electronics website (<http://www.lg.com/global/ir/reports/earning-release.jsp>) at 13:00 on July 28. Please visit <http://pin.teletgether.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. To access the recording, dial +82 2 6677 3358 and enter the passcode 282316 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 80,000 people working in over 115 operations around the world. With 2009 global sales of 55.5 trillion Korean Won (43.4 billion US Dollars), 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.lg.com](http://www.lg.com)

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