

A woman with dark hair, wearing a light blue button-down shirt and dark pants, is sitting on a white plastic chair outdoors. She is smiling and reading a book to a young girl with blonde hair, who is also sitting on the chair. The girl is wearing a light green dress and has her hands near her face, looking at the book. The book is titled "The Little Prince". The background shows a beige building with a window and a green lawn under a blue sky with clouds.

Welcome to LG Electronics

July 19, 2004

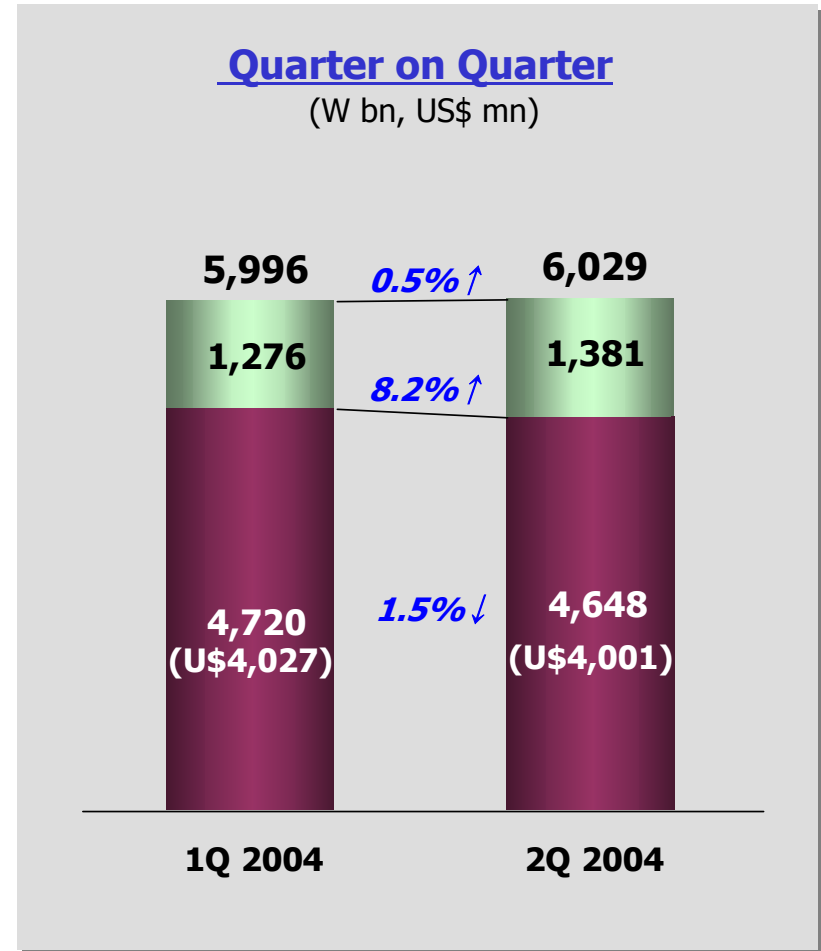
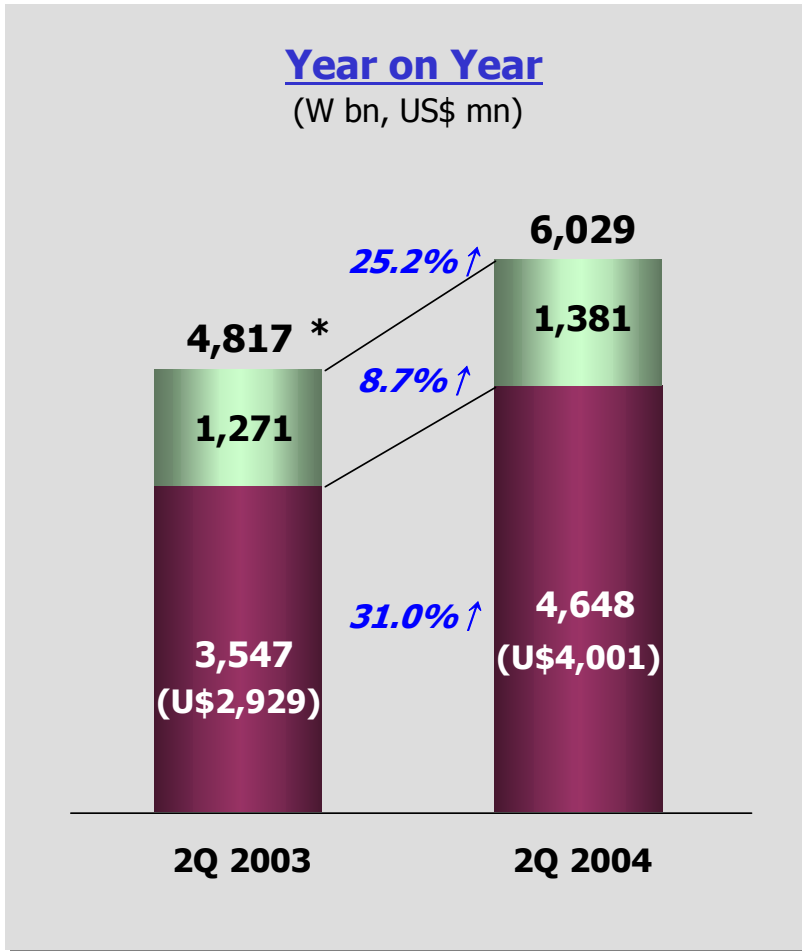
As a note, this presentation has been prepared based on internal audited figures and final figures may change due to the results of independent auditors' review. Also, this presentation was released as the dates shown and reflected management views as of these dates. All information in this presentation 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 2004 and beyond, 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.

Table of Contents

- I . 2004 2Q Results**
- II . Performance and Outlook by Sector**
- III . 2H 2004 Target**

◆ 2Q 2004 sales reached a record high of 6.0tn, up 25.2% YoY, 0.5% QoQ.

- Exports up 31.0% YoY, down 1.5% QoQ.
- Domestic up 8.7% YoY, 8.2% QoQ.



* Like for like Comparison



◆ **Appliance up 7.8% YoY, Display&Media up 9.9% YoY, Telecom E&H up 73.1% YoY.**

- Appliance : Despite slow domestic economy, sales boost from strong growth in A/C and washing machines.
- Display & Media : maintained dominance in optical storage and continued strong growth of PDP and DTV.
- Handset : Sales up 86.7% YoY thanks to steady CDMA growth and robust expansion of GSM.

(W bn)

	Sales	Portion	Growth	
			YoY †	QoQ *
Appliance	1,722	28.6%	7.8%	-2.5%
Display & Media	2,140	35.5%	9.9%	-10.7%
Telecom E&H	2,130	35.3%	73.1%	19.1%
Handset	1,922	31.9%	86.7%	21.9%

* Like for like comparison

† Adjusted for PC buy and sell

- ◆ Operating profit up 50.7% YoY reaching W395bn with margin of 6.6%.
- ◆ Recurring profit rose 79.8% YoY to W674bn thanks to equity method gains.

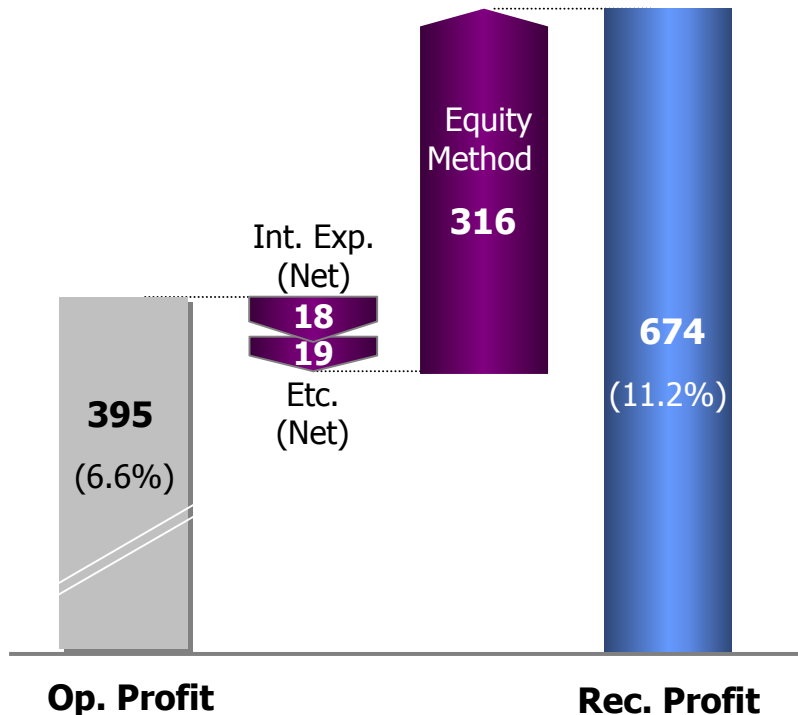
(W bn)

	2004				2003	
	2Q	margin	1Q	margin	2Q	margin
Gross Profit	1,508	25.0%	1,423	23.7%	1,170	24.3%
Op. Profit	395	6.6%	407	6.8%	262	5.4%
Rec. Profit	674	11.2%	732	12.2%	375	7.8%
Net Profit	494	8.2%	585	9.8%	267	5.5%

- ◆ Equity method gains amount to W316bn on the back of strong performance from LG.Philips LCD.

2Q 2004 non-operating items

(W bn)



Equity Method Gain

(W bn)

Company	Equity Method Contribution
LG.Philips LCD	353
Affiliates and other	△37*
Total	316

* Includes equity method loss of Won 38 bn by LGEUS which offset the gains from transfer of security to LGEUS recognized by HQ. Actual equity method gains from foreign affiliates is Won 12 bn.

◆ Strong sales of premium products led margin improvement YoY in all three divisions.

- Appliance: Commercial air-conditioner, side-by-side refrigerator.
- Display & Media : LCD Monitor, DVD-W.
- Telecom: Initial shipment of WCDMA handsets.

(W bn)

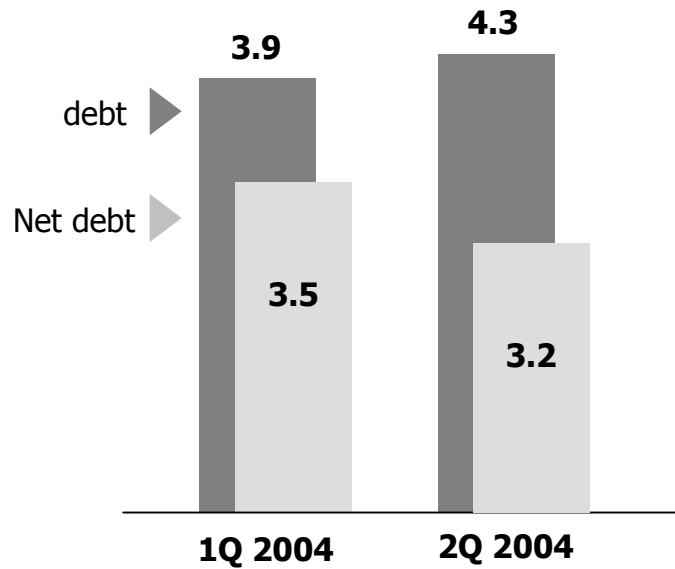
	2004				2003	
	2Q	margin	1Q	margin	2Q	margin *
Appliance	172	10.0%	210	11.9%	157	9.8%
Display & Media	100	4.7%	147	6.1%	65	3.3%
Telecom E&H	140	6.6%	56	3.2%	67	5.5%
Handset	125	6.5%	49	3.1%	21	2.1%

* Like-on-like comparison

- ◆ Stronger financial structure as shown by improving ratios.
- ◆ Annualized ROE reached 54% thanks to equity method gains.

Debt

(Won tn)



Balance Sheet

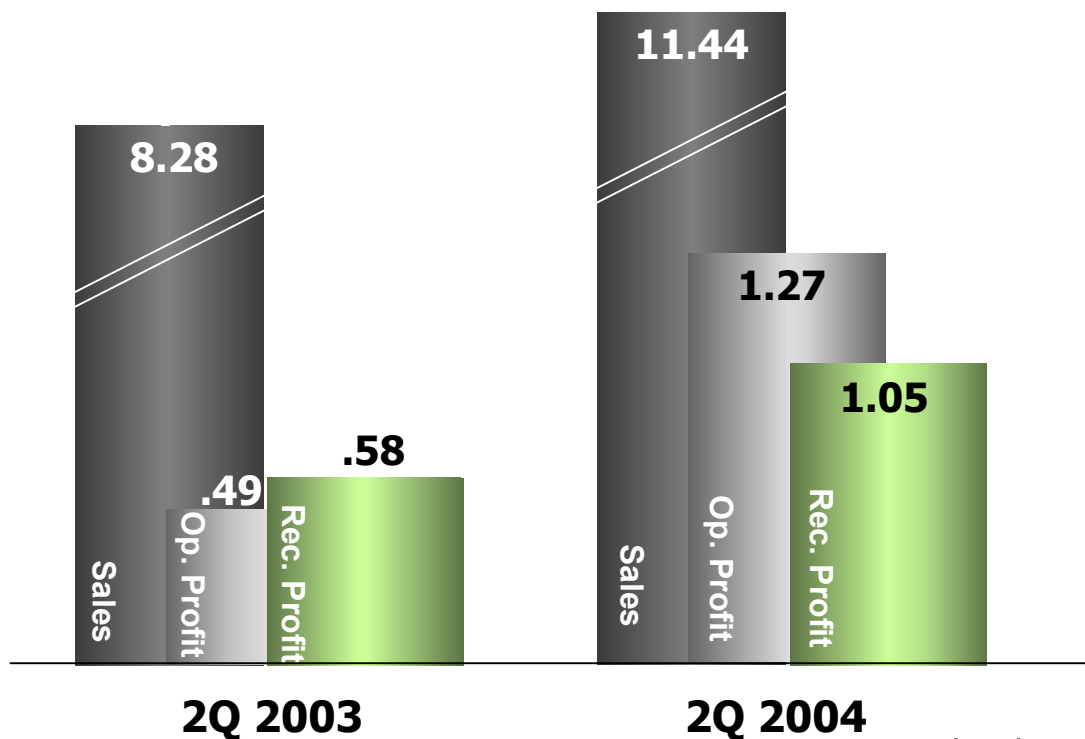
(Won tn)

2Q 2004	
Asset	Liabilities
13.06	8.63
	Equity
	4.43

1Q 2004	
Asset	Liabilities
12.05	8.19
	Equity
	3.86

Total Liab. To Equity	212%	195%
Debt to Equity	102%	97%
Net Debt to Equity	92%	72%
ROE*	64%	54%
* annualized		

- ◆ Sales grew 38.2% YoY to 11.4tn on a consolidated basis.
- ◆ Operating profit surged 160.0% YoY to 1.27tn, recurring profit rose 82.5%YoY to 1.05tn.



Consolidated FS (W tn)	
Assets	28.75
- Curr. Assets	15.72
- Fixed Assets	13.04
Liabilities	22.11
- Curr. Liab.	16.15
- L-T Liab.	5.95
Equity	6.65
- Paid in Cap.	.78

	2Q 2003	1Q 2004	2Q 2004
Total Liab. to Equity	405%	365%	332%
Debt to Equity	227%	195%	178%
Net debt to Equity	196%	163%	138%
ROE*	20.3%	48.2%	37.9%

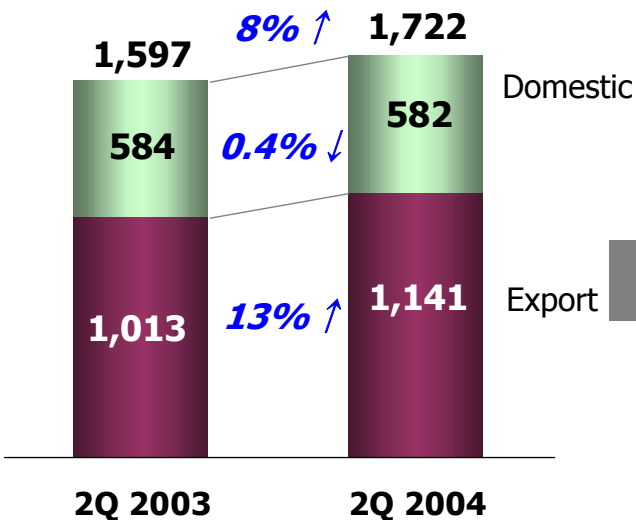
*annualized

II . Performance and Outlook by Sector

Appliance

Sales

(Won bn)



2Q Performance

❖ 2Q Sales: grew 8% YoY to Won 1,722 bn.

- While domestic sales similar to 1Q, strong sales of premium products in overseas led overall growth.

▪ Domestic Market : Down 0.4% YoY.

- Sales of TROMM, Commercial A/C grew despite slow economy.

▪ Export Market : Up 13% YoY.

- Growth driver : DRUM, DIOS, OTR, Commercial A/C.

3Q Outlook

❖ **Strong exports should continue.**

- Expected to grow in North America and Europe with high-end products.

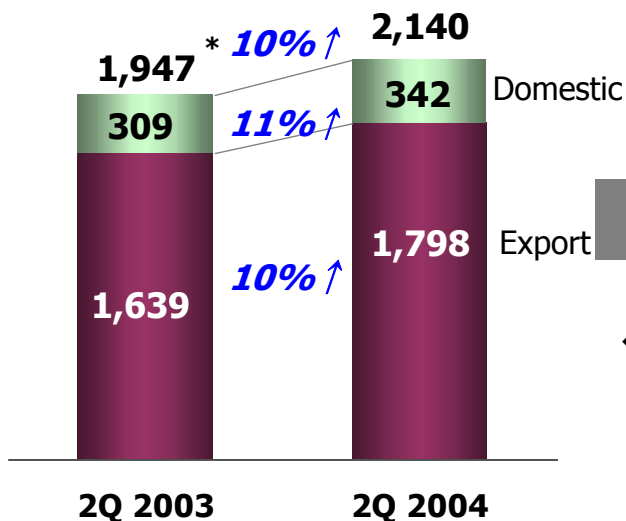
❖ **Sales expected to decline QoQ due to seasonality.**

- Expected to grow YoY.

II . Performance and Outlook by Sector

Display & Media

Sales
(Won bn)



* Like for like comparison

2Q Performance

❖ **2Q Sales: grew 10% YoY to Won 2,140 bn.**

- Strong sales of DTV and export led sales growth YoY.
- Sales down QoQ due to slow domestic and global economy.
- Digital TV : Sales up 42% YoY with growth of PDP / LCD TV.
- PDP Module : Sales up more than 200% YoY.
- Optical Storage : DVD writer sales grew and maintained global M/S No.1.
- Monitor : LCD portion reached more than 80%, up 20% YoY.

3Q Outlook

❖ **Expected to grow with domestic DTV sales and strong export.**

- Digital TV: Domestic sales should rise driven by recent conclusion of DTV broadcasting standard in Korea.
- PDP : Increased shipment from full ramp up of Line 3.
- Monitor : Continued growth of LCD monitor expected.

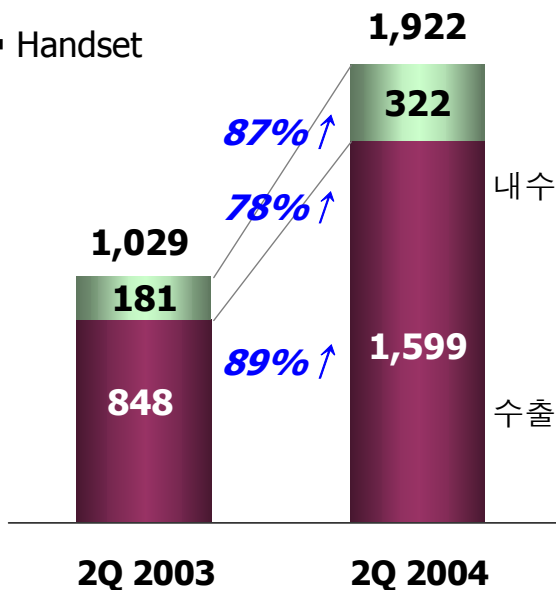
II . Performance and Outlook by Sector

Telecom E&H

Sales

(Won bn)

▪ Handset



2Q Performance

❖ Handset: grew 87% YoY to Won 1,922 bn.

- 89% YoY unit growth to 9.94 mn.

▪ CDMA

- Domestic : Unit sales decrease 23% QoQ due to slower MNP demand, but grew 34% YoY.

- Overseas: Unit growth 49% YoY as brand awareness continue to rise.

▪ GSM

- Unit growth 262% YoY with sales expansion in North America and introduction of WCDMA handsets.

❖ Telecom Equipment: strong export in WLL and system terminals.

3Q Outlook

❖ Handset: expect 11mn unit in 3Q, up 45% YoY.

▪ CDMA

- Domestic: Shipments should be similar to 2Q.

- Overseas: Strong growth in U.S. market expected while India slows.

▪ GSM

- Fast growth to continue with new model introduction in 2H.

II . Performance and Outlook by Sector

LG.Philips LCD

❖ **Sales : 2.3 tn won* / Op. Profit : 771 bn won***

- Sales up 7% QoQ, Operating profit up more than 10% QoQ.
- Profitability improved thanks to higher unit shipment and successful cost management → Achieved 33% operating margin.

❖ **Successful initial public offering on the NYSE and KSE**

- IPO Shares : 37,344 K shares, LGE ownership: 44.3%.
(in case Green Shoe Option is exercised)
- IPO price : 34,500 won/share, US\$15/ADR.
- The proceeds from the transaction will be used to fund capital expenditures.

* Based on consolidated Korean GAAP and the preliminary and un-reviewed results.

LG.Philips Displays

❖ **Sales : US\$ 1 bn / Operating Profit: US\$67 mn ***

- Sales up 0.5% QoQ, Operating profit up 14% QoQ.
- Price increase of CDT and strong sales of CPT in some regions.
- Both CDT and CPT shipment higher YoY.

❖ **Refinancing package concluded.**

- US\$250 mn of cash injection and a payment guarantee of US\$50 mn was provided by each parent company.

* Excluding restructuring costs

- ◆ Despite prolonged sluggish domestic economy, sales expected to rise more than 20% YoY on the back of strong export.

Slow Domestic Economy Continues

- KDI revised '04 Korea's growth rate 5.5% → 5.2%
(consumer spending growth rate 3.3% → 0.7%,
investment growth rate 8.5% → 6.1%)

Strong Export of Key Products Continues

- Handset, PDP, DTV, LCD Monitor

Innovation and Improvement Continues

- Building long-term growth fundamentals
(Improving financial structure, increase R&D staffs,
enterprise-wide TDR activities)

2H 2004 Target

Grow more than 20%

('03 2H Won 10.3tn)

(in W Billion)

			2003					2004					
			1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
Appliance	Sales	Domestic	479	584	456	427	1,946	387	582			969	
		Export	1,169	1,013	745	776	3,703	1,379	1,141			2,520	
		Total	1,648	1,597	1,201	1,203	5,649	1,766	1,722			3,489	
		Operating Profit	223	157	49	67	497	210	172			382	
Display & Media	Sales	Domestic	368	309	298	320	1,294	368	342			710	
		Export	1,681	1,639	1,824	2,016	7,160	2,028	1,798			3,825	
		Total	2,049	1,947	2,122	2,335	8,454	2,396	2,140			4,535	
		Operating Profit	159	65	77	82	382	147	100			246	
Telecom E&H	Sales	Domestic	343	336	298	414	1,392	477	422			899	
		Export	939	895	1,232	1,438	4,504	1,311	1,709			3,020	
		Total	1,283	1,231	1,530	1,852	5,895	1,789	2,130			3,919	
		Operating Profit	56	67	76	102	301	56	140			196	
Handset	Sales	Domestic	217	181	193	258	849	373	322			696	
		Export	886	848	1,199	1,402	4,335	1,204	1,599			2,803	
		Total	1,103	1,029	1,392	1,660	5,184	1,577	1,922			3,498	
		Operating Profit	63	21	81	84	249	49	125			175	
Company	Sales	Domestic	1,229	1,271	1,108	1,186	4,794	1,276	1,381			2,658	
		Export	3,797	3,547	3,808	4,232	15,383	4,720	4,648			9,368	
		Total	5,026	4,817	4,916	5,417	20,177	5,996	6,029			12,025	
			Gross Profit	1,263	1,170	1,121	1,273	4,826	1,423	1,508			2,931
			Operating Profit	417	262	185	198	1,062	407	395			802
			Recurring Profit	198	375	322	-58	837	732	674			1,406
		Net Profit	189	267	224	-17	663	585	494			1,079	
Operating Profit Margin by Division	Appliance		13.5%	9.8%	4.1%	5.6%	8.8%	11.9%	10.0%			10.9%	
	Dis.&Media		7.8%	3.3%	3.6%	3.5%	4.5%	6.1%	4.7%			5.4%	
	Telecom		4.4%	5.5%	4.9%	5.5%	5.1%	3.2%	6.6%			5.0%	
	Handsets		5.7%	2.1%	5.8%	5.1%	4.8%	3.1%	6.5%			5.0%	
Company	GP Margin		25.1%	24.3%	22.8%	23.5%	23.9%	23.7%	25.0%			24.4%	
	OP Margin		8.3%	5.4%	3.8%	3.6%	5.3%	6.8%	6.6%			6.7%	
	RP Margin		3.9%	7.8%	6.5%	-1.1%	4.1%	12.2%	11.2%			11.7%	
	NP Margin		3.8%	5.5%	4.6%	-0.3%	3.3%	9.8%	8.2%			9.0%	

◆ Income Statement

(in W Billion)

	2003									
	1Q		2Q		3Q		4Q		Total	
Sales	5,171	100%	4,673	100%	4,916	100%	5,417	100%	20,177	100%
COGS	3,908	75.6%	3,503	75.0%	3,796	77.2%	4,145	76.5%	15,351	76.1%
Gross Profit	1,263	24.4%	1,170	25.0%	1,121	22.8%	1,273	23.5%	4,826	23.9%
SG&A	846	16.4%	908	19.4%	935	19.0%	1,075	19.8%	3,764	18.7%
Operating Profit	417	8.1%	262	5.6%	185	3.8%	198	3.6%	1,062	5.3%
Non OP	-219	-4.2%	113	2.4%	137	2.8%	-255	-4.7%	-225	-1.1%
Recurring Profit	198	3.8%	375	8.0%	322	6.5%	-58	-1.1%	837	4.1%
Tax	9	0.2%	107	2.3%	98	2.0%	-40	-0.7%	174	0.9%
Net Profit	189	3.7%	267	5.7%	224	4.6%	-17	-0.3%	663	3.3%

2004					
1Q		2Q		Total	
5,996	100%	6,029	100%	12,025	100%
4,574	76.3%	4,521	75.0%	9,095	75.6%
1,423	23.7%	1,508	25.0%	2,931	24.4%
1,016	16.9%	1,113	18.5%	2,129	17.7%
407	6.8%	395	6.6%	802	6.7%
326	5.4%	278	4.6%	604	5.0%
732	12.2%	674	11.2%	1,406	11.7%
148	2.5%	179	3.0%	327	2.7%
585	9.8%	494	8.2%	1,079	9.0%

◆ Balance Sheet

(in W Billion)

	2003			
	1Q	2Q	3Q	4Q
Asset	11,091	10,459	11,036	11,277
Current Asset	3,885	3,039	3,488	3,773
Fixed Asset	7,206	7,420	7,548	7,505
Investment	3,386	3,544	3,654	3,546
PP&E	2,898	2,959	3,026	3,123
Intangible	921	917	868	836
Liabilities	8,026	7,098	7,485	7,773
Current Liabilities	5,675	4,652	4,697	5,091
Fixed Liabilities	2,350	2,446	2,789	2,682
Capital	3,065	3,361	3,551	3,505
Capital	784	784	784	784
Capital Surplus	1,876	1,876	1,892	1,892
Retained Earning	303	570	794	766
Capital Adjustment	102	130	80	63

2004			
1Q	2Q	3Q	4Q
12,053	13,058		
4,062	4,718		
7,991	8,340		
401	4,162		
3,195	3,425		
791	752		
8,192	8,633		
5,294	5,102		
2,898	3,531		
3,861	4,425		
784	784		
1,892	1,908		
1,149	1,647		
36	87		



<http://www.lge.com>