

**FOR IMMEDIATE RELEASE****LG REPORTS IMPROVED FIRST-QUARTER 2014 RESULTS***Net Profit Increases More than 300 Percent from Same Period Last Year*

**SEOUL, Apr. 29, 2014** — LG Electronics Inc. (LG) today announced a 319 percent increase in first-quarter net profit compared with the same period last year. First-quarter 2014 net profit rose to KRW 92.60 billion (USD 86.62 million) while operating profit of KRW 504 billion (USD 471.47 million) marked a significant improvement from the previous quarter due to improved profitability from the LG Home Entertainment Company. Unaudited first quarter consolidated revenues of KRW 14.27 trillion (USD 13.35 billion) increased 1.2 percent compared to the same quarter in 2013.

*The LG Home Entertainment Company* reported first-quarter revenues of KRW 4.95 trillion (USD 4.63 billion), a 3 percent increase from the first quarter a year ago. Operating profit of KRW 240.30 billion (USD 224.79 million) exceeded expectations due to stronger sales of larger-sized TVs and better cost structure resulting from declining material prices. Revenues are expected to increase in the second quarter with new model launches. LG will continue to diversify its premium Ultra HD TV and OLED TV lineup with more sizes and price levels to offset greater competition.

*The LG Mobile Communications Company* shipped 12.3 million smartphones in the first quarter — comprising 75 percent of all phones shipped — an increase of 19 percent from the same period the previous year. LG's shipment of 5 million LTE smartphones was the most ever in a single quarter, an increase of 79 percent year-over-year, accounting for 41 percent of all smartphone shipments in the quarter compared to 27 percent for all of 2013. Revenues of KRW 3.41 trillion (USD 3.19 billion) increased 6 percent year-on-year and operating profit margins rose quarter-on-quarter due to the launch of G Pro 2 in the domestic market and more efficient marketing spending. Higher revenues are expected in the second quarter with the release of the flagship LG G3 smartphone and wider roll-out of the mass-tier L Series III.

*The LG Home Appliance Company* posted strong sales in the Korean market but first-quarter revenue of KRW 2.72 trillion (USD 2.54 billion) was lower year-over-year due to greater competition in North America and unfavorable foreign currency exchange movement in developing markets. Improved cost structure resulted in first-quarter operating profit of KRW 109.20 billion (USD 102.15 million) and a profit margin of 4 percent. Going forward, LG expects revenues for home appliances to increase with the launch of market leading washing machine and refrigerator products.

*The LG Air Conditioning & Energy Solution Company* reported strong sales of commercial air conditioners in overseas markets with revenues of KRW 1.22 trillion (USD 1.14 billion) in the first quarter and operating profit of KRW 89.8 billion (USD 84 million), an increase of nearly 10 percent from the same period last year. LG expects both revenue and profitability to improve with a greater portion of sales from commercial air conditioners and increasing demand for new products such as dehumidifiers and air purifiers in Korea.

#### ***2014 1Q Exchange Rates Explained***

LG Electronics' unaudited quarterly earnings results are based on IFRS (International Financial Reporting Standards) for the three-month period ending March 31, 2014. Amounts in Korean won (KRW) are translated into U.S. dollars (USD) at the average rate of the three-month period of the corresponding quarter — KRW 1,069 per USD (2014 1Q).

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

LG Electronics will hold a Korean language earnings conference on April 29, 2014 at 16:00 Korea Standard Time at the LG Twin Tower Auditorium (B1 East Tower, 20 Yeoui-daero, Yeongdeungpo-gu, Seoul, Korea). An English language conference call will follow the next day on April 30, 2014 at 10:00 Korea Standard Time (01:00 GMT/UTC). Participants are instructed to call +82 31 810 3069 and enter the passcode 9084#. The corresponding presentation file will be available for download at the LG Electronics website ([www.lg.com/global/ir/reports/earning-release.jsp](http://www.lg.com/global/ir/reports/earning-release.jsp)) at 14:00 on April



29, 2014. 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 31 931 3100 and enter the passcode 142730# 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 86,000 people working in 119 locations around the world. With 2013 global sales of USD 53.10 billion (KRW 58.14 trillion), LG comprises five business units — Home Entertainment, Mobile Communications, Home Appliance, Air Conditioning & Energy Solution and Vehicle Components — and is one of the world's leading producers of flat panel TVs, mobile devices, air conditioners, washing machines and refrigerators. LG Electronics is a 2014 ENERGY STAR Partner of the Year. For more news and information on LG Electronics, please visit [www.LGnewsroom.com](http://www.LGnewsroom.com)

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