

FOR IMMEDIATE RELEASE**LG ELECTRONICS' STRONG QUARTERLY RESULTS
REFLECT TURNAROUND OF MOBILE BUSINESS***Success of LG G3 Contributes to Record Smartphone Shipments in Quarter*

SEOUL, July 24, 2014 — LG Electronics Inc. (LG) announced a 165 percent increase in second-quarter net profit compared with the same period last year, reflecting strong earnings from both the TV and mobile operations. LG reported second-quarter 2014 net profit of KRW 412 billion (USD 399.8 million) and operating profit of KRW 606 billion (USD 588.5 million), an increase of 26.5 percent year-over-year. Unaudited second quarter consolidated revenues of KRW 15.37 trillion (USD 14.93 billion) increased 7.7 percent from the previous quarter.

The LG Home Entertainment Company saw steady performance with second-quarter revenues of KRW 5.09 trillion (USD 4.94 billion), a 3 percent increase quarter-over-quarter and almost unchanged from the same quarter 2013. Operating profit of KRW 154.5 billion (USD 150 million) was an increase of 64.9 percent from the same quarter last year as a result of better product mix and lower fixed costs. Demand for Ultra HD TVs in key markets will continue to drive LCD TV revenue growth. The B2B market, led by monitors and digital signage, also is expected to contribute to LG's growth in this segment.

The LG Mobile Communications Company shipped a record-high 14.5 million smartphones in the second quarter, a 20 percent increase year-over-year with LTE products accounting for more than one-third of all LG smartphones sold this year. As a result, sales increased 16 percent from the same period last year to KRW 3.62 trillion (USD 3.51 billion), the highest since the first quarter of 2010. The mobile division's operating profit of KRW 85.9 billion (USD 83.4 million) in the second quarter put an end to three consecutive quarters of losses. Much of the success was due to the initial popularity of the LG G3 in the Korean market and strong sales of L Series^{III} smartphones. LG plans to continue its global rollout of the G3 and introduce more mass tier products in the second

half, including variations of the LG G3, such as the recently announced G3 Beat, and additional L Series models.

The LG Home Appliance Company reported strong sales in the Korean market with sales increasing 9 percent from the same quarter the previous year. Second-quarter revenue of KRW 3.03 trillion (USD 2.94 billion) was 5 percent lower compared with the same period last year due to unfavorable foreign currency exchange movement especially in developing markets. An improvement in cost structure resulted in the LG Home Appliance Company recording operating profit of KRW 97.8 billion (USD 95.0 million) and profit margin of 3.2 percent. LG expects revenues and profitability for home appliances to increase in the second half due to the launch of market-leading washing machine and refrigerator products and the effect of cost reductions.

The LG Air Conditioning & Energy Solution Company recorded steady sales of commercial air conditioners and new products such as dehumidifiers with revenues of KRW 1.64 trillion (USD 1.59 billion) and operating profit of KRW 164.2 billion (USD 159.4 million) in the second quarter. Despite slightly lower revenues than the same period last year, an improved product mix resulted in a profit margin of 10 percent in the second quarter, and second-half results are expected to benefit from increased demand in the Middle East, rollout of additional variable refrigerant flow (VRF) air conditioning products and stronger cost competitiveness in commercial air conditioners.

2014 2Q Exchange Rates Explained

LG Electronics' unaudited quarterly earnings results are based on IFRS (International Financial Reporting Standards) for the three-month period ending June 30, 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 1,030 per USD (2014 2Q).

Earnings Conference and Conference Call

LG Electronics will hold a Korean language earnings conference on July 24, 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 July 25, 2014 at 10:00 Korea Standard Time (02:00 GMT/UTC). Participants are instructed to call +82 31 810 3070 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) at 14:00 on July 24, 2014. 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. To access the recording, dial +82 31 931 3100 and enter the passcode 142740# 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 82,000 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.

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