

## LG ANNOUNCES THIRD-QUARTER 2015 FINANCIAL RESULTS

*Home Appliance & Air Solution Company Reports Solid Quarter,  
Offsetting Challenging Market Conditions for TVs, Smartphones*

**SEOUL, Oct. 29, 2015** — LG Electronics Inc. (LG) today announced strong operating profit margin in its Home Appliance & Air Solution Company, contributing to a modest overall net profit of KRW 124.8 billion (USD 106.76 million) for the third quarter of 2015. Amid increasing competitive pressure in both the TV and smartphone sectors, LG's third-quarter sales rose 0.7 percent from the second quarter to KRW 14.03 trillion (USD 12 billion), while operating profit increased from the previous quarter to KRW 294 billion (USD 251.5 million).

*The LG Home Entertainment Company* reported third-quarter revenue of KRW 4.29 trillion (USD 3.67 billion), an increase of 9 percent quarter-on-quarter due to solid sales in UHD and OLED TVs in markets such as North America, Latin America and Commonwealth of Independent States. Profitability also increased from the previous quarter as a result of improvements in product mix and cost structure. With continuing soft global TV demand, LG plans to bolster its profitability by increasing its marketing focus in the premium segment while continuing to improve its cost competitiveness.

*The LG Mobile Communications Company* reported global shipments of 14.9 million smartphones, a 6 percent increase from the previous quarter. Despite a 12 percent sales increase in North America, overall revenues of KRW 3.38 trillion (USD 2.89 billion) were 7 percent lower quarter-on-quarter and decreased 21 percent year-on-year due in large part to weaker demand for high-end devices in Korea. LG expects the launch of the advanced V10 and price-competitive Nexus 5X smartphones in the fourth quarter to improve the overall product mix.

*The LG Home Appliance & Air Solution Company* reported a strong quarter with a 4 percent increase in sales to KRW 4.15 trillion (USD 3.55 billion) and an operating profit of KRW 245.6 billion (USD 210.1 million), an increase of 420 percent from the same peri-

od the year before. Operating profit for refrigerators improved as a result of strong sales of premium models in North America and Korea while the unique new Twin Wash system contributed toward improved profit margins in the washing machine business. Fourth-quarter results are likely to be impacted by the effects of unfavorable exchange rate and seasonality.

*The LG Vehicle Components Company* reported a 6 percent increase in sales quarter-on-quarter to KRW 478.6 billion (USD 409.41 million) primarily as a result of its growing infotainment business. Revenues from vehicle engineering were flat due to weaker demand in emerging markets such as Russia and Malaysia. Investments in R&D related to electric car and automotive electronic components contributed to a modest operating loss. Going forward, LG expects recent issues related to diesel automobiles to positively affect the electric vehicle and automotive electronic components markets.

### ***2015 3Q Exchange Rates Explained***

LG Electronics' unaudited quarterly earnings results are based on IFRS (International Financial Reporting Standards) for the three-month period ending September 30, 2015. 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 1,169 per USD (2015 3Q).

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

LG Electronics will hold a Korean language earnings conference on October 29, 2015 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 on October 29, 2015 at 19:00 Korea Standard Time (10:00 GMT/UTC). Participants are instructed to call +82 31 810 3061 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 15:00 on October 29, 2015. 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 142790# 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 83,000 people working in 119 locations around the world. With 2014 global sales of USD 55.91 billion (KRW 59.04 trillion), LG comprises four business units — Home Entertainment, Mobile Communications, Home Appliance & Air 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 2015 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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