

**FOR IMMEDIATE RELEASE****LG ANNOUNCES FOURTH-QUARTER AND  
FULL-YEAR 2015 FINANCIAL RESULTS**

*Solid Performance by Home Appliance & Air Solution Company  
Helps to Bolster 2015 Results*

**SEOUL, Jan. 26, 2016** — LG Electronics Inc. (LG) today announced a fourth-quarter 2015 operating profit of KRW 349 billion (USD 301.38 million), marking a 27 percent increase from the same period in 2014 thanks in large part to improved quarterly profitability from home appliances and home entertainment products. The LG Home Appliance & Air Solution Company once again proved to be linchpin, reporting solid operating income of KRW 214.8 billion (USD 185.49 million) for the quarter and an increase of 57 percent for the year. Sales across all businesses in the fourth quarter of 2015 totaled KRW 14.56 trillion (USD 12.57 billion), a 3.8 percent increase over the previous quarter, although competitive conditions and currency impacts led to a 4.7 percent revenue decline from the same period in 2014.

Notwithstanding many bright spots with the introduction of industry-leading products in key categories, 2015 was a generally challenging year. Full-year operating income was KRW 1.19 trillion (USD 1.03 billion) in 2015, versus KRW 1.83 trillion (USD 1.58 billion) in 2014. As a result of sluggish global market demand for TVs and softer growth of smartphone market during 2015, full-year revenues were KRW 56.51 trillion (USD 48.8 billion), compared with KRW 59.04 trillion (USD 50.98 billion) the previous year.

*The LG Home Entertainment Company* reported solid fourth-quarter 2015 operating income of KRW 109.2 billion (USD 94.3 million). Fourth-quarter revenues were KRW 4.74 trillion (USD 4.09 billion), up 11 percent quarter-on-quarter as a result of improved OLED and UHD TV sales, although revenues declined year-on-year due to a weaker global TV market and unfavorable foreign exchange movements. Based on the reaction experienced at CES<sup>®</sup> 2016, LG believes this year is ripe for wider acceptance of both new LG OLED TVs and LG Super 4K Ultra HD units. LG is further expanding its TV

marketing initiatives, exemplified by the company's first Super Bowl commercial developed by the renowned Ridley and Jake Scott.

*The LG Mobile Communications Company* posted strong sales of KRW 3.78 trillion (USD 3.26 billion), a 12 percent increase from the previous quarter and unchanged from the same period a year ago, assisted by improved sales in North America. Worldwide, a total of 15.3 million LG smartphones were shipped in the quarter contributing to a total of 59.7 million units in 2015, a slight increase from the 59.1 million shipped in 2014. The smartphone marketplace is expected to be increasingly competitive in 2016 due to anticipated premium models from competitors and further price competition within the mass tier space. The introduction of two new flagship models and a more cost-competitive value chain is expected to improve profitability in 2016.

*The LG Home Appliance & Air Solution Company* achieved sales of KRW 3.83 trillion (USD 3.31 billion) in the 2015 fourth quarter, representing slight increase from the same quarter of 2014. In South Korea, revenues increased 13 percent year-on-year due to the popularity of the new TWIN Wash washing machines and premium refrigerators. Strong sales in developed markets such as North America and Europe helped offset weak sales in South America, the Middle East and CIS, where sales declined due to weak demand caused by lower oil prices and currency movements. Operating profit of KRW 214.8 billion (USD 185.49 million) for the quarter and KRW 981.7 billion (USD 847.75 million) for the year contributed to a strong finish for the year. Expectations are high that the introduction of the ultra-premium LG SIGNATURE lineup in 2016 will help re-energize the LG brand for home appliances in numerous competitive markets.

*The LG Vehicle Components Company* posted a 9 percent increase in sales quarter-on-quarter to KRW 520.4 billion (USD 449.4 million) mostly due to its growing infotainment business. With revenues growing in each quarter of 2015, the company ended the year with a solid KRW 1.83 trillion (USD 1.58 billion) in sales. LG expects the smart car and electric vehicle component business to grow measurably in 2016, highlighted by the LG-General Motors joint development of the Chevrolet Bolt electric car, which LG plans to leverage to support additional such partnerships.

### ***2015 4Q Exchange Rates Explained***

LG Electronics' unaudited quarterly earnings results are based on IFRS (International Financial Reporting Standards) for the three-month period ending Dec. 31, 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 1,158 per USD (2015 4Q).

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

LG Electronics will hold a Korean language earnings conference on Jan. 26, 2016 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 take place the same day 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 approximately 16:00 on Jan. 26, 2016. 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 2015 global sales of USD 00.00 billion (KRW 56.51 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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