

FOR IMMEDIATE RELEASE**LG REPORTS 2014 FINANCIAL RESULTS;
NET PROFIT SOARS 125 PERCENT**

24 Percent Jump in LG Smartphone Shipments Contributes to Company's Improved Profitability

SEOUL, Jan. 29, 2015 — LG Electronics Inc. (LG) today announced net profit of KRW 501.40 billion (USD 474.81 million) for full-year 2014, an increase of 125 percent over 2013 net profit. Operating profit increased significantly in 2014 to KRW 1.83 trillion (USD 1.73 billion) from KRW 1.25 trillion (USD 1.14 billion) in 2013, an increase of 46 percent. Full-year consolidated revenue of KRW 59.04 trillion (USD 55.91 billion) was mainly boosted by a 24 percent increase in smartphone shipments.

Fourth-quarter 2014 consolidated revenue was KRW 15.27 trillion (USD 14.06 billion) with an operating profit of KRW 275.1 billion (USD 253.31 million), an increase of 28 percent from the same period the previous year. Net profit for the fourth quarter ending Dec. 31, 2014 showed a net loss of KRW 205.7 billion (USD 189.41 million) primarily due to the write-off resulting from the closure of LG's plasma TV operations.

The LG Home Entertainment Company reported full-year operating profit of KRW 509 billion (USD 482.01 million), an increase of 31 percent year-on-year while full-year revenue increased slightly to 19.38 trillion (USD 18.35 billion). Fourth-quarter revenue increased 20 percent quarter-on-quarter to KRW 5.43 trillion (USD 5.00 billion) as a result of increased TV demand during the peak selling season in Europe, CIS and North America. Despite higher competition and weaker currency movements in emerging markets, the company is optimistic that the premium segment — OLED and ULTRA HD TVs — will continue to grow, along with the digital signage industry.

The LG Mobile Communications Company reported a 16 percent increase in annual revenue to KRW 15.06 trillion (USD 14.26 billion) with help from North America, where shipments increased 78 percent during the fourth quarter of 2014 from the previous year. Fourth-quarter revenue of 3.78 trillion (USD 3.48 billion) was 5 percent higher than the

same period in 2013. A total of 59.1 million smartphones were shipped in 2014, an increase of 24 percent from the previous year, among 78.2 million mobile handsets sold last year. Expecting a challenging year ahead with greater competition globally from various manufacturers, LG will concentrate on improving its brand power, operating more efficiently, and focusing on selective key markets.

The LG Home Appliance Company reported full-year 2014 sales of KRW 11.54 trillion (USD 10.93 billion) where the company saw stronger sales in Europe and emerging markets such as the Middle East, Africa and Southeast Asia, offsetting somewhat slower sales in North America. Fourth-quarter revenue of 2.88 trillion (USD 2.65 billion) was up slightly from the same period 2013 while operating profit of KRW 85 billion (USD 78.27 million) was 64 percent higher quarter-on-quarter and up 2 percent from the same period the previous year. The company will respond to the expected sluggish overall demand this year by innovating in energy efficient products and improving cost competitiveness.

The LG Air Conditioning & Energy Solutions Company reported full-year revenue of KRW 4.56 trillion (USD 4.32 billion) and operating profit of KRW 255.1 billion (USD 241.57 million). Fourth-quarter sales of KRW 781.4 billion (USD 719.52 million) increased 9 percent from the same period in 2013, primarily due to incremental growth of commercial air-conditioners. LG plans to overcome the uncertainty of the global economy by improving cost and product competitiveness with more energy-efficient products.

2014 4Q Exchange Rates Explained

LG Electronics' unaudited quarterly earnings results are based on IFRS (International Financial Reporting Standards) for the three-month period starting January 1, 2014. Amounts in Korean won (KRW) are translated into U.S. dollars (USD) at the average rate of the three-month period of each corresponding quarter — KRW 1,086 per USD (2014 4Q) and KRW 1,062 per USD (2013 4Q). Average rate of the twelve-month period in 2014 was KRW 1,056 per USD.

Earnings Conference and Conference Call

LG Electronics will hold a Korean language earnings conference on January 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 January 29, 2014 at 22:00 Korea Standard Time (13:00 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 January 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 142760# 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 2014 global sales of USD 56 billion (KRW 59 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 2014 ENERGY STAR Partner of the Year. For more news and information on LG Electronics, please visit www.LGnewsroom.com.

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