

RECORD SMARTPHONE SHIPMENTS BOOSTS LG ELECTRONICS QUARTERLY EARNINGS

Companywide Operating Profit Doubles as Mobile Business Revenues Surge 39 Percent with Nearly 17 Million Smartphones Sold

SEOUL, Oct. 29, 2014 — LG Electronics (LG) announced unaudited third quarter consolidated revenues of KRW 14.92 trillion (USD 14.54 billion), an increase of 7.4 percent year-over-year, and operating profit of KRW 461.3 billion (USD 449.61 million), more than double the figure from the same period a year ago. LG's earnings reflected strong performance from its mobile business which saw record smartphone sales in the third quarter with sales of 16.8 million units.

The LG Home Entertainment Company reported third-quarter revenues of KRW 4.71 trillion (USD 4.59 billion), a slight decline of 3 percent from the same period last year. Operating profit of KRW 130.5 billion (USD 127.19 million) increased 5 percent from the same quarter last year due to better product mix. Sales of LCD TVs increased year-over-year in regions such as North America, Europe, Asia and the Middle East. LG expects sales of 4K Ultra HD TVs and commercial digital signage products to grow, while market demand for monitors and AV products is expected to slow.

The LG Mobile Communications Company shipped a record-breaking 16.8 million smartphones in the third quarter, an increase of 39 percent year-on-year and 16 percent more units than the previous quarter. Sales of KRW 4.25 trillion (USD 4.14 billion) and operating income of KRW 167.4 billion (USD 163.16 million) were the highest in the company's history since the third quarter of 2009. Building on its momentum and two consecutive profitable quarters, LG expects to strengthen its positioning in the smartphone market with its G Series and L Series^{III} models despite the landscape becoming more competitive.

The LG Home Appliance Company reported revenues of KRW 2.91 trillion (USD 2.84 billion), a slight decrease from the same period the year before, despite improved sales in

Korea, Europe and developing markets such as the Middle East and South East Asia. Greater competition in North America and unfavorable foreign currency exchange rates resulted in a lower third-quarter operating profit of KRW 51.8 billion (USD 50.49 million). LG expects profitability to increase in the fourth quarter with an expanded home appliance product portfolio and improved cost structure.

The LG Air Conditioning & Energy Solution Company reported revenues of KRW 925.6 billion (USD 902.14 million), a 5 percent decline from a year ago. An operating loss of KRW 2.5 billion (USD 2.44 million) was primarily due to weak demand in residential air conditioners in Korea related to weather conditions, which offset steady growth in the Middle East and Latin America. LG expects overseas sales to improve with more customized and higher energy efficient systems while it targets the growing construction and civilian industries in Korea with its commercial products.

2014 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, 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 1,026 per USD (2014 3Q).

Earnings Conference and Conference Call

LG Electronics will hold a Korean language earnings conference on October 29, 2014 at 16:00 Korea Standard Time at the LG Twin Tower Auditorium (B1 East Tower, 20 Yeouidaero, Yeongdeungpo-gu, Seoul, Korea). An English language conference call will follow the next day on October 30, 2014 at 10:00 Korea Standard Time (01:00 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 October 29, 2014. Please visit <http://pin.teletogether.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 pe-

riod of 30 days after the conclusion of the call. To access the recording, dial +82 31 931 3100 and enter the passcode 142750# 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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