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LG DISPUTES PRELIMINARY ANTIDUMPING DETERMINATION REGARDING WASHING MACHINE IMPORTS FROM CHINA

Company Pledges 'Vigorous' Efforts with U.S. Commerce Department, International Trade Commission to Assure Consumer Choice

WASHINGTON, July 20, 2016 – LG Electronics disputes the methodology the U.S. Commerce Department used to calculate antidumping margins in today's preliminary determination regarding imports of large residential washers from China.

The Commerce Department's preliminary determination in the case initiated by Whirlpool against imports of large residential washers from China is just the latest step in a year-long investigation that began in December 2015. In its preliminary results, the Commerce Department found an antidumping margin for washer imports from China of 49.88 percent for LG.

Although it was much lower than the 109 percent antidumping rate alleged in Whirlpool's petition, LG believes the antidumping margin calculations are erroneous. The unexpectedly high preliminary rate reflects an outrageous antidumping margin calculation methodology adopted by the Commerce Department, the company said.

Under the law, because China is considered a "non-market economy," the Commerce Department must determine (using values from a surrogate "market economy" country) the market cost of each component part used in the production of a washing machine. Commerce is then supposed to add up these market values to derive a cost of production. This surrogate cost of production is then compared to U.S. selling prices.

However, in calculating its preliminary rate for some of the component parts, the Commerce Department chose values that are many times higher that the true market cost of the component parts. Such methodology artificially increased the antidumping margin by a large amount.

Over the next few months, LG intends to explain to the Commerce Department how and why LG's antidumping rate should be much lower.

The Commerce Department is expected to issue its final antidumping determination around Dec. 1. Then, early next year, the U.S. International Trade Commission is expected to decide whether Whirlpool has sufficiently proven that washer imports from China are causing "material injury" to the domestic industry.

Regardless of the final antidumping rate, LG intends to advance vigorous arguments to the U.S. International Trade Commission that imported washing machines are not causing material injury to U.S. producers. Should the ITC agree with LG's arguments and render a negative injury determination, all of the antidumping duties will be terminated.

LG's success in the home laundry segment in the United States has been the result of its commitment to innovating and providing U.S. consumers with state-of-the-art washers known for their efficiency, reliability and design.

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About LG Electronics USA

LG Electronics USA, Inc., based in Englewood Cliffs, N.J., is the North American subsidiary of LG Electronics, Inc., a $49 billion global force and technology leader in consumer electronics, home appliances and mobile communications. LG Electronics, a proud 2016 ENERGY STAR Partner of the Year, sells a range of stylish and innovative home entertainment products, mobile phones, home appliances, commercial displays, air conditioning systems and solar energy solutions in the United States, all under LG's "Life's Good" marketing theme. For more news and information on LG Electronics, please visit **www.LG.com**.

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