

## **LG ANNOUNCES THIRD-QUARTER 2013 FINANCIAL RESULTS**

*Sales of Mobile Devices Increase 24 Percent From Same Period Previous Year*

**SEOUL, Oct. 24, 2013** — LG Electronics Inc. (LG) today announced third-quarter 2013 consolidated revenues of KRW 13.89 trillion (USD 12.51 billion). While competitive conditions in the TV sector and an unfavorable foreign currency exchange rate affected overall revenues compared with the 2012 third quarter, sales of mobile devices increased year-over-year by 24 percent. LG saw a 27 percent increase in third-quarter operating profit to KRW 217.80 billion (USD 196.34 million) compared with the same period last year.

The LG Home Entertainment Company reported revenues of KRW 5.01 trillion (USD 4.50 billion), a 7 percent decline from the same period a year ago, reflecting slower global TV demand and lower selling prices. Higher sales in developing markets such as Asia and the CIS region were offset by softness in Europe. Operating profit of KRW 124.40 billion (USD 111.68 million) increased both year-over-year and quarter-over-quarter as a result of more efficient management of operating and marketing expense. As it enters the holiday selling season, LG plans to expand global sales of premium products such as OLED TVs and Ultra HD TVs while continuing to carefully manage costs.

The LG Mobile Communications Company's third-quarter revenues increased by 24 percent compared with the same quarter a year ago to KRW 3.05 trillion (USD 2.75 billion). The company shipped 12 million smartphones in the third quarter but profitability and average selling price were affected by increased competition and higher marketing investments. LG plans to focus on increasing sales of new premium products such as the LG G2 smartphone during the peak holiday season as well as maximizing 3G and mid-tier mass devices such as the L II Series and F Series.

The LG Home Appliance Company recorded revenues of KRW 2.97 trillion (USD 2.68 billion), up 3 percent from the previous year largely due to the positive reception of its new washing machines and refrigerators. LG appliance sales increased in North America and China but slowed in developing markets. Despite higher overall revenues and improved cost structure, third-quarter operating profit decreased from the same period last year to KRW 109.20 billion (USD 98.17 million) primarily due to unfavorable foreign exchange movements.

The LG Air Conditioning and Energy Solutions Company reported relatively flat third-quarter sales and operating profit margin year-over-year with revenues of KRW 973 billion (USD 876.32 million). While increased R&D investments and weak global market conditions will continue to impact the business, the company will focus on growing its market share of non-seasonal products and higher-margin products such as new commercial air conditioning systems.

### ***2013 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, 2013. 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 1,110 per USD (2013 3Q).

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

LG Electronics will hold a Korean language earnings conference on October 24, 2013 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 later at 21:00 Korea Standard Time (12:00 GMT/UTC). Participants are instructed to call +82 31 810 3069 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 14:00 on October 24, 2013. 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 142710# 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 87,000 people working in 113 locations around the world. With 2012 global sales of USD 45.22 billion (KRW 50.96 trillion), LG comprises five business units — Home Entertainment, Mobile Communications, Home Appliance, Air Conditioning & Energy Solutions 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 2013 ENERGY STAR® Partner of the Year. For more news and information on LG Electronics, please visit [www.LGnewsroom.com](http://www.LGnewsroom.com).