2008 4Q
Earnings Release

January 22nd 2009

All information regarding management performance and financial results of LG Electronics (the "Company") during the 4th quarter of 2008 as contained herein has been prepared on a parent and consolidated basis in accordance with Korean Generally Accepted Accounting Principles (Korean GAAP).

In addition, the information contained herein has been prepared in advance, prior to being reviewed by outside auditors, solely for the convenience of investors of the Company, and is subject to change in the process of final reviewing by outside auditors.

The information contained herein includes forward-looking statements in respect to future plans, prospects, and performances of the Company as well as the Company's projected sales plan for the year 2009. These forward-looking statements also refer to the Company's performance on both parent and consolidated base, as indicated.

The aforementioned forward-looking statements are influenced by changes in the management environment and relative events, and by their nature, these statements refer to uncertain circumstances. Consequently, due to these uncertainties, the Company's actual future results may differ materially from those expressed or implied by such statements.

Please note that as the forward-looking statements contained herein are based on the current market situation and the Company's management direction, they are subject to change according to the changes in future market environment and business strategy.

The information contained herein should not be utilized for any legal purposes in regards to investors' investment results. The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors' reliance on the information contained herein.

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Consolidated Sales & Profits

(Unit : KRW tn)

	4Q'08						FY08			
	Sales	QoQ	YoY	OP (%)	QoQ	YoY	Sales	YoY	OP (%)	YoY
LG Electronics Global *	13.37	+11.3%	+22.5%	0.10 (0.8%)	-0.47 ↓4.0%p	-0.28 ↓2.7%p	49.33	+20.8%	2.13 (4.3%)	+0.90 ↑1.3%p
LG Display	4.16	+7.6%	-3.8%	-0.29 (-6.9%)	-0.54 ↓13.4%p	-1.16 ↓27.0%p	16.26	+13.3%	1.73 (10.6%)	+0.22 ↑0.1%p
Other Affiliates	1.04	-5.7%	+26.2%	0.02 (1.7%)	-0.02 ↓2.1%p	+0.01 ↓1.4%p	4.03	+22.3%	0.15 (3.7%)	+0.10 ↑2.2%p
Intercompany Transactions	-1.48			0.04			-6.44		0.04	
Total (Consolidated)	17.09	+11.9%	+14.4%	-0.13 (-0.8%)	-1.02 ↓6.6%p	-1.42 ↓9.4%p	63.18	+18.4%	4.05 (6.4%)	+1.24 ↑1.1%p

* Consolidation based on LG Electronics Korea and overseas subsidiaries (excluding internal transactions)

Sales & Profit*

(Unit : KRW bn)

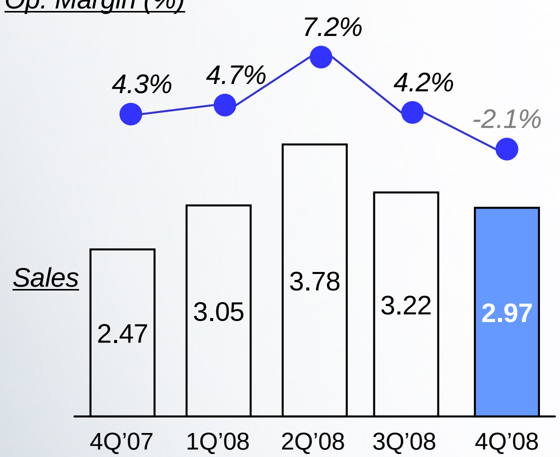
		1Q'08	2Q'08	3Q'08	4Q'08	QoQ	YoY	FY08	YoY	FY07
DA	Sales	3,047	3,781	3,215	2,971	-7.6%	20.1%	13,013	10.3%	11,803
	Op. Profit	144	272	134	-62			488		717
	(%)	(4.7%)	(7.2%)	(4.2%)	(-2.1%)			(3.8%)		(6.1%)
DD	Sales	3,637	3,742	3,852	4,617	19.9%	16.4%	15,848	25.6%	12,619
	Op. Profit	1	38	16	-14			41		-440
	(%)	(0.0%)	(1.0%)	(0.4%)	(-0.3%)			(0.3%)		(-3.5%)
DM	Sales	993	983	1,104	1,268	14.8%	10.6%	4,348	2.0%	4,261
	Op. Profit	15	26	37	4			81		60
	(%)	(1.5%)	(2.6%)	(3.3%)	(0.3%)			(1.9%)		(1.4%)
MC	Sales	3,643	4,086	3,815	4,487	17.6%	34.6%	16,030	31.5%	12,192
	Op. Profit	456	524	387	176			1,543		935
	(%)	(12.5%)	(12.8%)	(10.2%)	(3.9%)			(9.6%)		(7.7%)
Handset	Sales	3,195	3,754	3,514	4,093	16.5%	40.3%	14,556	38.9%	10,476
	Op. Profit	444	540	406	215			1,604		889
	(%)	(13.9%)	(14.4%)	(11.5%)	(5.2%)			(11.0%)		(8.5%)

* Consolidation based on LG Electronics Korea and overseas subsidiaries (excluding internal transactions)

** Divisional sales includes internal transactions between divisions

Global* Performance

(KRW tn)



2008 4Q Performance

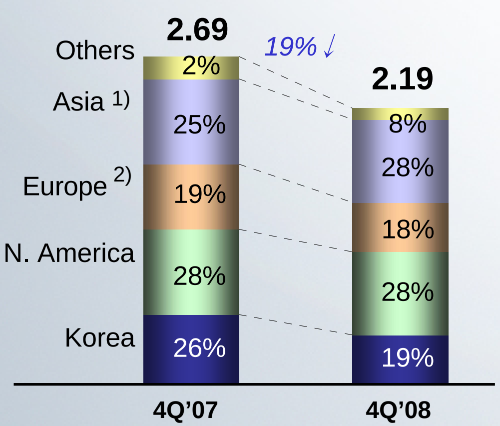
❖ **Global recession's initial impact → Sales in USD base declined 19% but sales in KRW base grew 20% from currency effect (YoY)**

- Korea : 5% sales growth YoY from good sales of kimchi refrigerators & A/C
- Exports : Despite sales growth from Middle East, Asia and other emerging markets, recession in developed countries led to sales decline YoY

❖ **Profitability : Slow sales from recession, price competition and one time expense (refrigerator) led to profitability decline**

Regional Sales Breakdown

(USD bn)



1) Includes MEA 2) Includes CIS

2009 Outlook

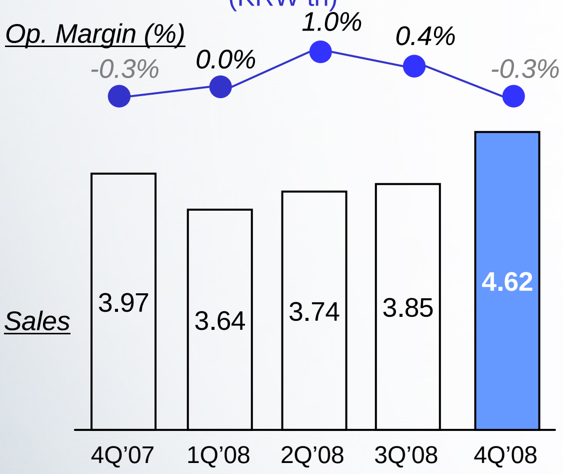
❖ **Market : Demand to slow down more from recession, expecting to see negative growth from developed markets such as U.S., Europe and emerging markets**

❖ **LGE : Difficulties expected from demand slowdown, but active market share growth will be initiated through stronger marketing and cost innovation**

* Pertains solely LG Electronics and its overseas subsidiaries (excluding internal transactions)

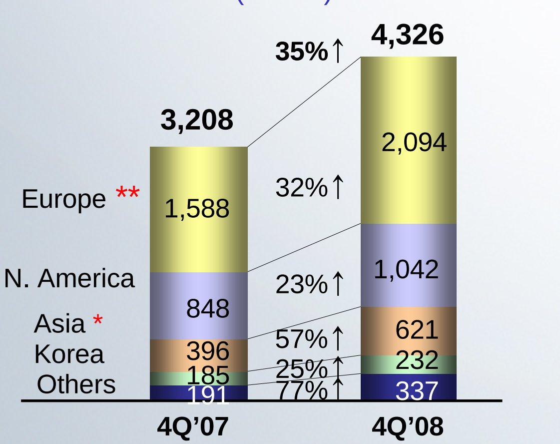
Global* Performance

(KRW tn)



FPTV Shipment by Region

(Unit: K)



* Includes MEA ** Includes CIS

2008 4Q Performance

❖ **Sales : Great FPTV sales led to 20% growth QoQ (16% YoY) to 4.6 trillion KRW - record high for quarterly sales**

- Display Set sales grew 26% QoQ (22% YoY)
  - QoQ Growth: LCD TV 44%, PDP TV 13% , MNT -3%
  - YoY Growth: LCD TV 57%, PDP TV -6%, MNT -6%
- PDP module sales declined 24% QoQ (44% YoY) from slow external sales

❖ **Profitability : Price erosion led to profitability decline**
→ Similar level of profitability YoY

2009 Outlook

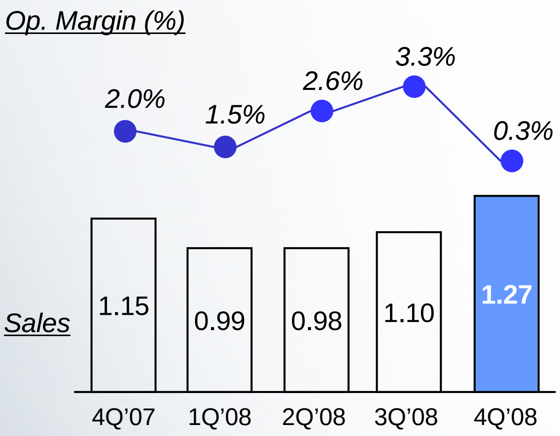
❖ **Market : Despite the recession, from low-end/small sized FPTV demand in the emerging markets, global TV demand is expected to be similar to '08, but intensified competition for M/S expected**

❖ **LGE : - Continue the successful sales expansion as seen in '08, and based on stronger brand and product line-up, gain market share**
- Achieve profitability target through cost innovation and stronger management

* Pertains solely LG Electronics and its overseas subsidiaries (excluding internal transactions)

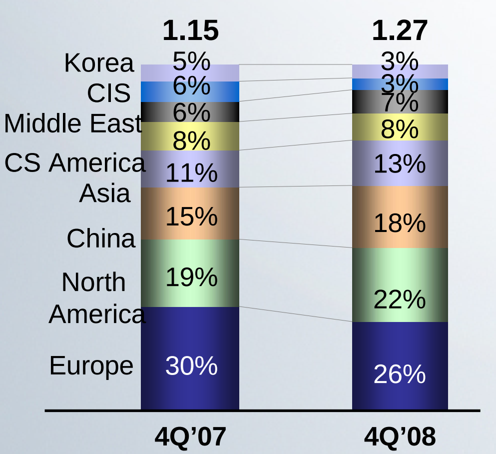
Global* Performance

(KRW tn, Excluding PC)



Regional Sales Breakdown

(KRW tn)



2008 4Q Performance

❖ **Sales : 15% growth QoQ from high season and currency effect**

❖ **Profitability : Recession led to slower demand and price erosion which led to profitability decline**

- Media : Sales grew 19% QoQ but price erosion led to lower profitability
- DS : Despite price erosion, high end products' (DVD-RW etc.) profitability was sustained
- Car : Sales and profitability from GM and other major car makers' built-in products declined

2009 Outlook

❖ **Market : Global recession and intensified competition to continue**

❖ **LGE : For the bi-polarized market environment, initiate brand repositioning strategy and market share expansion in developed markets**

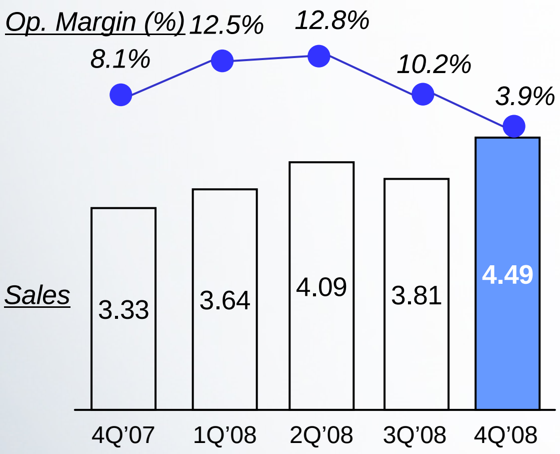
- Media : Expand network products in developed markets and focus on growth of strategic products such as HTS (Home Theatre System)
- DS : Maintain #1 from BD[1)] full line-up and CI[2)] of notebook RW
- Car : Expand built-in product lineup from stronger partnership

1) Blu-ray Disc 2) Cost Innovation

* Pertains solely LG Electronics and its overseas subsidiaries (excluding internal transactions)

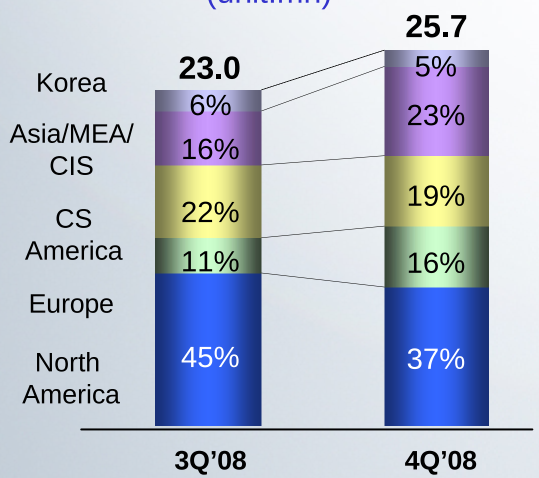
Global* Performance

(KRW tn, Including PC)



Shipment by Region

(unit:mn)



2008 4Q Performance

❖ **Sales : 8% Shipment growth YoY to 25.7M (2.7M↑ QoQ)**

- New models launched in Europe and timely pricing strategies led to sales growth
  - Renoir, Cookie, LG-KS360 and others
- Asia sales grew from India shipment
- Slight sales decline from recession in U.S., CS America, Korea etc.

❖ **Profitability : To minimize inventory in preparation for risks in '09, increased marketing led to profitability decline QoQ**

2009 Outlook

❖ **Market : Global recession to continue, expecting negative growth for the handset market**

❖ **LGE : Strengthen market responding capability, rationalize SCM/cost, improve flexibility in business management, enhance business structure from optimum regional portfolio**

- Business target: Continuous growth & market share expansion
- Product : Capture "Feature" market, launch mid to low-end mass volume models and expand Smartphone business
- Region : Strengthen key account relationships & emerging market channels

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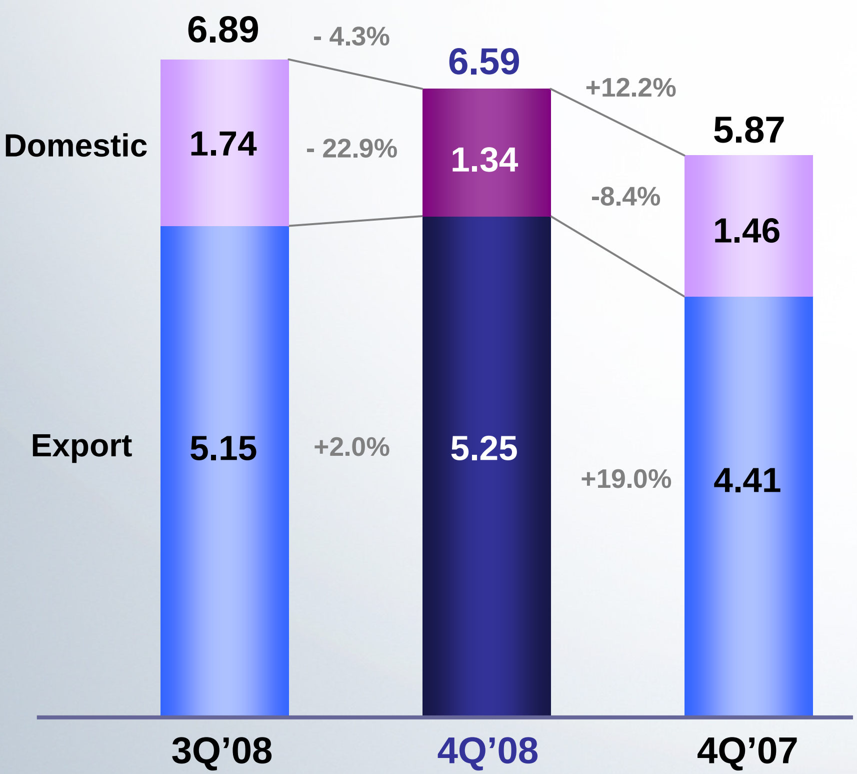
Sales

(Unit : KRW tn)



Profit

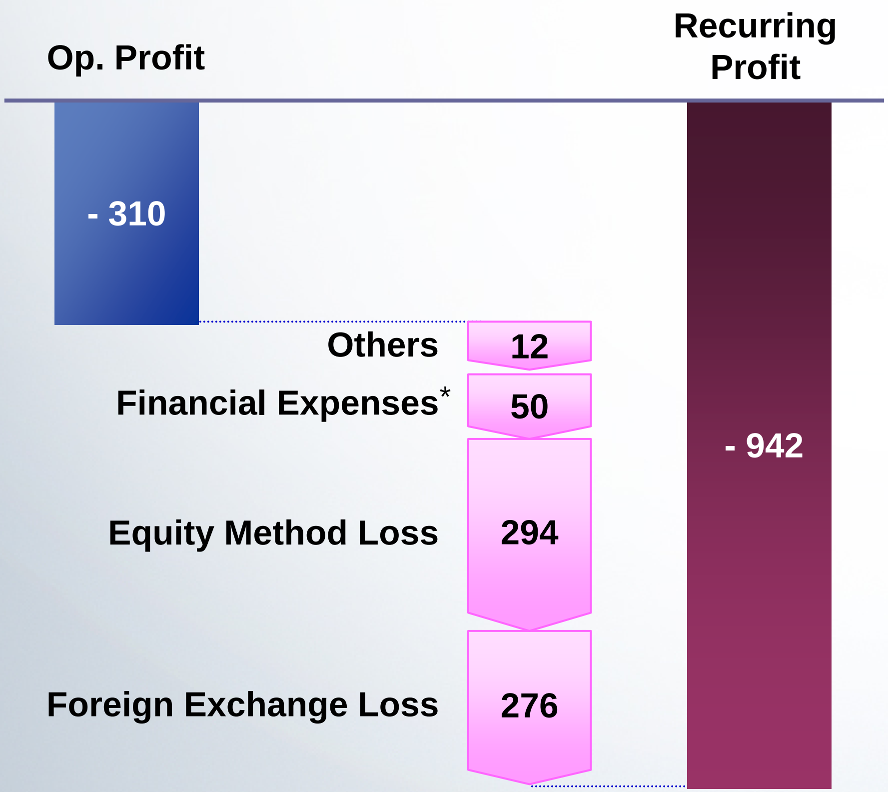
(Unit : KRW bn)

	3Q'08	4Q'08	4Q'07	FY08
Operating Profit	338	-310	154	1,227
EBITDA	511	-144	319	1,908
Recurring Profit	34	-942	767	515
Net Profit	25	-671	621	483

Ⅲ. 2008 4Q Results (Parent)

Non-operating Items

(Unit : KRW bn)



Equity Method

(Unit : KRW bn)

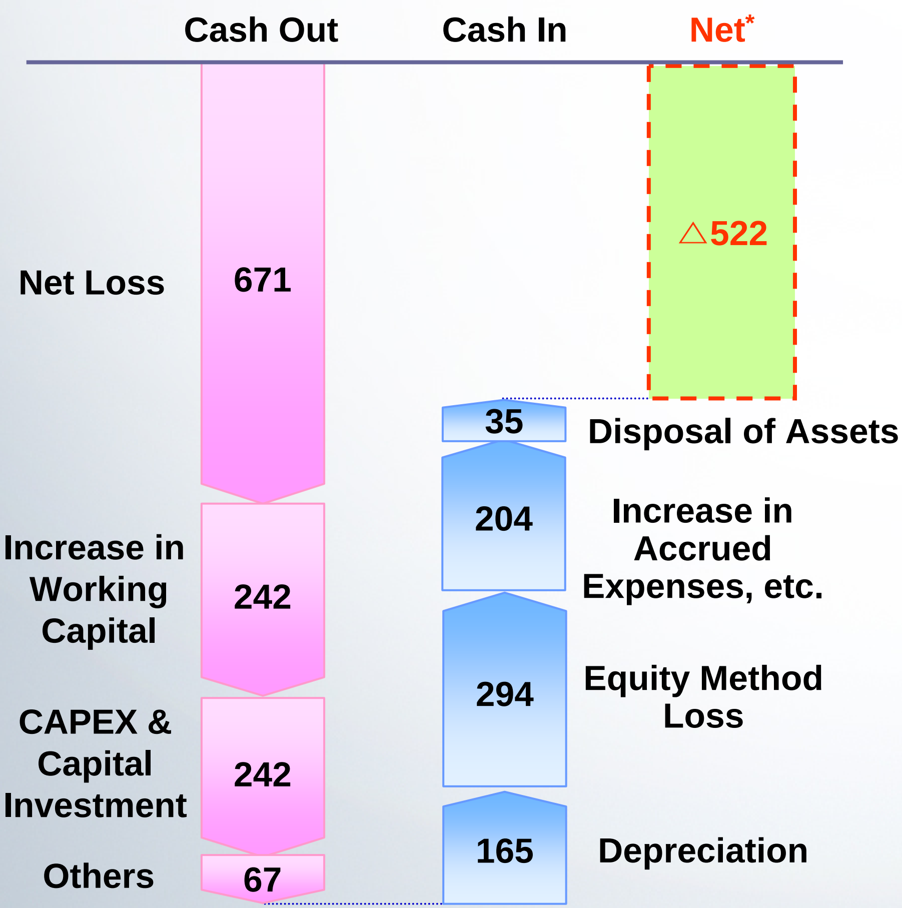
	4Q'08	2008
LG Display	*-214*	*446*
LGE Overseas Subsidiaries	*-47*	*82*
Others	*-33*	*62*
Equity Method Total	*-294*	*591*

* AR discount fee included in financial expenses

Ⅲ. 2008 4Q Results (Parent)

4Q Net Cash Flow *

(Unit : KRW bn)



* Excludes cash flow from financing activities

Cash flow

(Unit : KRW bn)

	4Q'08	FY08
Cash at the beginning of Quarter	1,523	532
Cash Flow from Operating Activities	△ 316	1,373
Net Income	△ 671	483
Depreciation	165	681
Equity Method Loss/Gain	294	△ 591
Increase in Working Capital	△ 242	△ 530
Increase in Accrued Expenses, etc.	204	482
Others	△ 67	848
Cash Flow from Investing Activities	△ 206	△ 634
CAPEX & Capital Investment	△ 242	△ 711
Disposal of Assets	35	76
Cash Flow from Financing Activities	206	△ 65
Debt	206	73
Dividend payment		△ 138
Cash Increase	△ 316	674
Cash at the end of Quarter	1,207	1,207

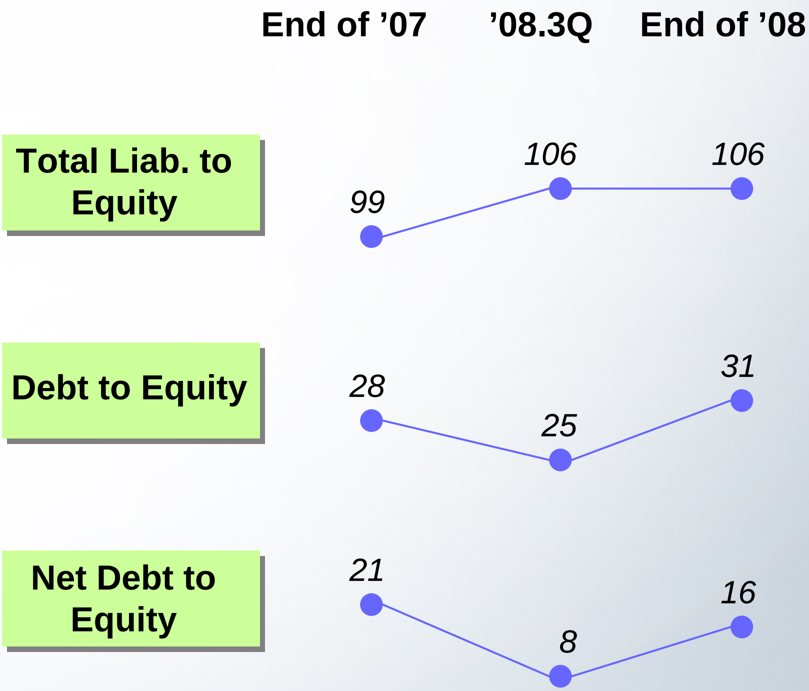
Balance Sheet

(Unit : KRW tn)

	End of '07	'08.3Q	End of '08
❑ **Assets**	**14.34**	**18.44**	**17.34**
Current Assets	2.83	5.41	4.52
Cash	0.53	1.52	1.21
Inventories	0.95	1.16	0.90
Fixed Assets	11.51	13.03	12.82
❑ **Liabilities**	**7.13**	**9.50**	**8.93**
Current Liabilities	4.42	6.45	5.94
Long-Term Liabilities	2.71	3.05	2.99
❑ **Equity**	**7.21**	**8.94**	**8.41**
❑ **Debt**	**2.05**	**2.28**	**2.59**

Financial Ratio

(Unit : %)



* KAI opinion 06-2 not applied to 2006 results.

Ⅳ. 2009 Business Direction and Prospects

Business Environment	
Market / Industry	✓ Demand Slowing Competition intensifying ☞ Industry dynamics changing Rapid consolidation
Competition / Supply	✓ Intensified price competition between channels/competitors ✓ Instability of raw material prices
Consumer / Distribution Channels	✓ Changes in consumer spending behavior ✓ Changes in distribution

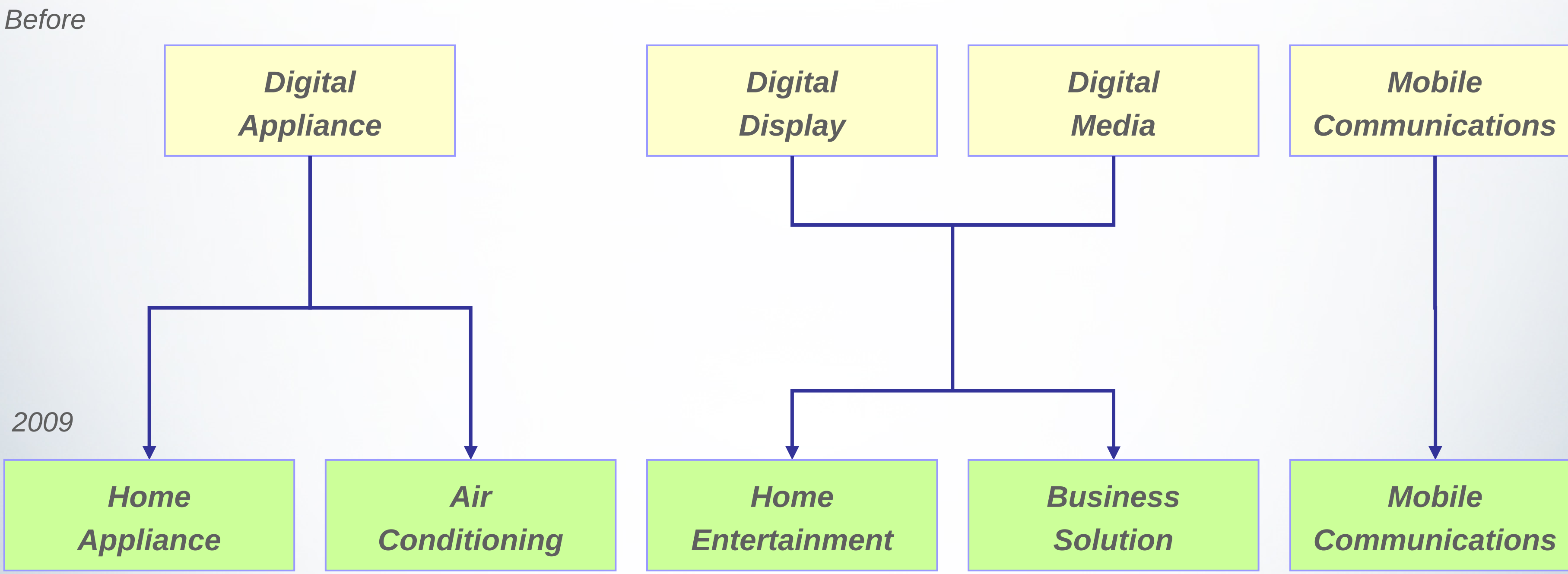
Business Prospects	
Sales / Profitability	✓ Sales expected to decline ✓ Profitability expected to decline
Investments	✓ Tighten CAPEX ✓ Continue investments in brand and R&D

Life's Good

LG

http://www.lge.com

Appendix. 2009 Business Structure Change



Home Appliance
- Refrigerator
- Washing Machine
- C&C
- Healthcare
- Others

Air Conditioning
- Residential Air Con.
- Commercial Air Con.
- BMS (Home Net)
- Others

Home Entertainment
- LCD/CRT TV
- PDP Module/TV
- Home A/V
- STB (Set Top Box)
- DS (Digital Storage)
- RMC (Recording Media Chemetronics)

Business Solution
- Monitor
- Hotel TV
- Digital Signage
- Security
- Car Built-in

Mobile Communications

No Changes
- Handset
- PC
- Others

Financial Statement (Parent)

Income Statement

(Unit : KRW bn)

	2007					2008				
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total
Sales	**6,034**	**5,903**	**5,690**	**5,875**	**2,350**	**6,927**	**7,234**	**6,887**	**6,591**	**27,639**
COGS	4,693	4,580	4,490	4,577	1,834	5,142	5,264	5,167	5,250	20,822
Gross Proft	**1,341**	**1,323**	**1,200**	**1,298**	**516**	**1,786**	**1,970**	**1,720**	**1,341**	**6,816**
SG&A	1,168	1,178	1,107	1,144	460	1,221	1,335	1,383	1,650	5,589
Op.Profit	**173**	**145**	**92**	**154**	**56**	**564**	**635**	**338**	**-310**	**1,227**
Non OP Item	-301	315	295	613	922	-66	290	-304	-632	-712
Rec. Profit*	**-128**	**461**	**387**	**767**	**1,487**	**498**	**925**	**34**	**-942**	**515**
Tax	-6	76	48	146	265	76	218	9	-270	32
Net Profit	**-123**	**385**	**339**	**621**	**122**	**422**	**707**	**25**	**-671**	**483**

*Recurring profit is equal to pre-tax profit from continuous operation.

Balance Sheet

(Unit : KRW bn)

	2007				2008			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Assets	13,342	13,343	13,796	14,338	16,306	17,314	18,444	17,338
Current Asset	3,520	3,265	3,306	2,827	4,394	4,533	5,415	4,518
Quick Asset	2,323	2,279	2,292	1,882	3,138	3,354	4,257	3,617
Inventories	1,196	986	1,014	946	1,256	1,179	1,157	901
Fixed Asset	9,823	10,078	10,490	11,510	11,912	12,781	13,030	12,820
Investment	5,225	5,555	5,974	7,075	7,553	8,464	8,820	8,639
Tangible	4,152	4,126	4,118	4,037	3,962	3,852	3,737	3,711
Intangible	446	398	398	398	397	465	473	471
Liabilities	7,624	7,214	7,315	7,127	8,514	8,553	9,497	8,931
Current Liabilities	5,248	4,697	4,731	4,423	5,733	5,544	6,446	5,942
LT Liabilities	2,376	2,517	2,584	2,704	2,781	3,009	3,051	2,990
Capital	5,718	6,129	6,482	7,211	7,791	8,761	8,948	8,407

Appendix

Divisional Sales (Parent)

(Unit :KRW bn)

		1Q'07	2Q'07	3Q'07	4Q'07	FY07	1Q'08	2Q'08	3Q'08	4Q'08	QoQ	YoY	FY08	YoY
DA	Sales	1,819	1,789	1,339	1,189	6,135	1,645	1,745	1,486	1,319	-11.3%	10.9%	6,194	1.0%
	Op. Profit	218	173	65	55	511	186	207	71	-123			341	
	(%)	(12.0%)	(9.7%)	(4.8%)	(4.7%)	(8.3%)	(11.3%)	(11.9%)	(4.8%)	(-9.3%)			(5.5%)	
DD	Sales	1,214	1,093	1,389	1,441	5,137	1,466	1,341	1,508	1,190	-21.1%	-17.4%	5,506	7.2%
	Op. Profit	-194	-265	-160	-96	-714	-82	-117	-118	-221			-538	
	(%)	(-16.0%)	(-24.2%)	(-11.5%)	(-6.6%)	(-13.9%)	(-5.6%)	(-8.7%)	(-7.8%)	(-18.6%)			(-9.8%)	
DM	Sales	448	396	413	421	1,679	367	404	467	374	-19.9%	-11.2%	1,611	-4.0%
	Op. Profit	10	-16	11	-11	-7	-8	16	23	-13			18	
	(%)	(2.1%)	(-4.1%)	(2.6%)	(-2.6%)	(-0.4%)	(-2.3%)	(3.9%)	(5.0%)	(-3.5%)			(1.1%)	
MC	Sales	2,565	2,639	2,568	2,834	10,606	3,423	3,710	3,393	3,668	8.1%	29.4%	14,193	33.8%
	Op. Profit	151	264	185	213	813	479	531	368	46			1,424	
	(%)	(5.9%)	(10.0%)	(7.2%)	(7.5%)	(7.7%)	(14.0%)	(14.3%)	(10.8%)	(1.3%)			(10.0%)	
Handset	Sales	2,136	2,253	2,131	2,422	8,942	2,954	3,360	3,089	3,209	3.9%	32.5%	12,612	41.0%
	Op. Profit	141	254	170	200	765	468	547	384	75			1,475	
	(%)	(6.6%)	(11.3%)	(8.0%)	(8.3%)	(8.6%)	(15.9%)	(16.3%)	(12.4%)	(2.3%)			(11.7%)	
Others	Sales	-12	-14	-19	-10	-55	27	34	33	41			134	
	Op. Profit	-11	-11	-9	-8	-38	-10	-2	-7	1			-18	
Total	Sales	6,034	5,903	5,690	5,875	23,502	6,927	7,234	6,887	6,591	-4.3%	12.2%	27,639	17.6%
	Op. Profit	173	146	92	154	565	564	635	338	-310			1,227	
	(%)	(2.9%)	(2.5%)	(1.6%)	(2.6%)	(2.4%)	(8.1%)	(8.8%)	(4.9%)	(-4.7%)			(4.4%)	
	Recurring Profit	-128	461	387	767	1,487	498	925	34	-942			515	
	Net Profit	-123	385	339	621	1,222	422	707	25	-671			483	

* Divisional sales includes internal transaction between divisions

** As PC business was transferred from DM to MC division in July of 2008, adjustments were made for apple-to-apple comparison

Divisional Sales (Global*)

(Unit :KRW bn)

		1Q'07	2Q'07	3Q'07	4Q'07	FY07	1Q'08	2Q'08	3Q'08	4Q'08	QoQ	YoY	FY08	YoY
DA	Sales	2,941	3,604	2,785	2,473	11,803	3,047	3,781	3,215	2,971	-7.6%	20.1%	13,013	10.3%
	Op. Profit	169	292	150	107	717	144	272	134	-62			488	
	(%)	(5.7%)	(8.1%)	(5.4%)	(4.3%)	(6.1%)	(4.7%)	(7.2%)	(4.2%)	(-2.1%)			(3.8%)	
DD	Sales	2,754	2,727	3,170	3,968	12,619	3,637	3,742	3,852	4,617	19.9%	16.4%	15,848	25.6%
	Op. Profit	-262	-138	-29	-11	-440	1	38	16	-14			41	
	(%)	(-9.5%)	(-5.1%)	(-0.9%)	(-0.3%)	(-3.5%)	(0.0%)	(1.0%)	(0.4%)	(-0.3%)			(0.3%)	
DM	Sales	1,083	996	1,036	1,146	4,261	993	983	1,104	1,268	14.8%	10.6%	4,348	2.0%
	Op. Profit	18	-3	22	23	60	15	26	37	4			81	
	(%)	(1.6%)	(-0.3%)	(2.1%)	(2.0%)	(1.4%)	(1.5%)	(2.6%)	(3.3%)	(0.3%)			(1.9%)	
MC	Sales	2,808	3,115	2,936	3,334	12,192	3,643	4,086	3,815	4,487	17.6%	34.6%	16,030	31.5%
	Op. Profit	114	324	227	270	935	456	524	387	176			1,543	
	(%)	(4.1%)	(10.4%)	(7.7%)	(8.1%)	(7.7%)	(12.5%)	(12.8%)	(10.2%)	(3.9%)			(9.6%)	
Handset	Sales	2,354	2,709	2,496	2,917	10,476	3,195	3,754	3,514	4,093	16.5%	40.3%	14,556	38.9%
	Op. Profit	110	313	209	257	889	444	540	406	215			1,604	
	(%)	(4.7%)	(11.6%)	(8.4%)	(8.8%)	(8.5%)	(13.9%)	(14.4%)	(11.5%)	(5.2%)			(11.0%)	
Others	Sales	8	-11	-16	-7	-27	-102	144	23	28			94	
	Op. Profit	-11	-11	-9	-8	-38	-10	-3	-4	-3			-20	
Total	Sales	9,593	10,430	9,911	10,914	40,848	11,218	12,735	12,009	13,371	11.3%	22.5%	49,333	20.8%
	Op. Profit	28	464	362	381	1,234	605	856	571	101			2,133	
	(%)	(0.3%)	(4.4%)	(3.6%)	(3.5%)	(3.0%)	(5.4%)	(6.7%)	(4.8%)	(0.8%)			(4.3%)	

* Divisional sales pertains solely LG Electronics Korea and its overseas subsidiaries and includes internal transactions

** As PC business was transferred from DM to MC division in July of 2008, adjustments were made for apple-to-apple comparison