

2010 2Q Earnings Release

July 28th 2010

All information regarding management performance and financial results of LG Electronics (the “Company”) during the 2nd quarter of 2010 as contained herein has been prepared on a consolidated basis in accordance with International Financial Reporting Standards (“IFRS”). Quarterly results of 2009 are also prepared on a consolidated basis in accordance with IFRS for comparison purposes.

In addition, the information regarding results of 2009 and the 2nd quarter of 2010 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 3rd quarter of 2010. These forward-looking statements also refer to the Company’s performance on 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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I . Overview

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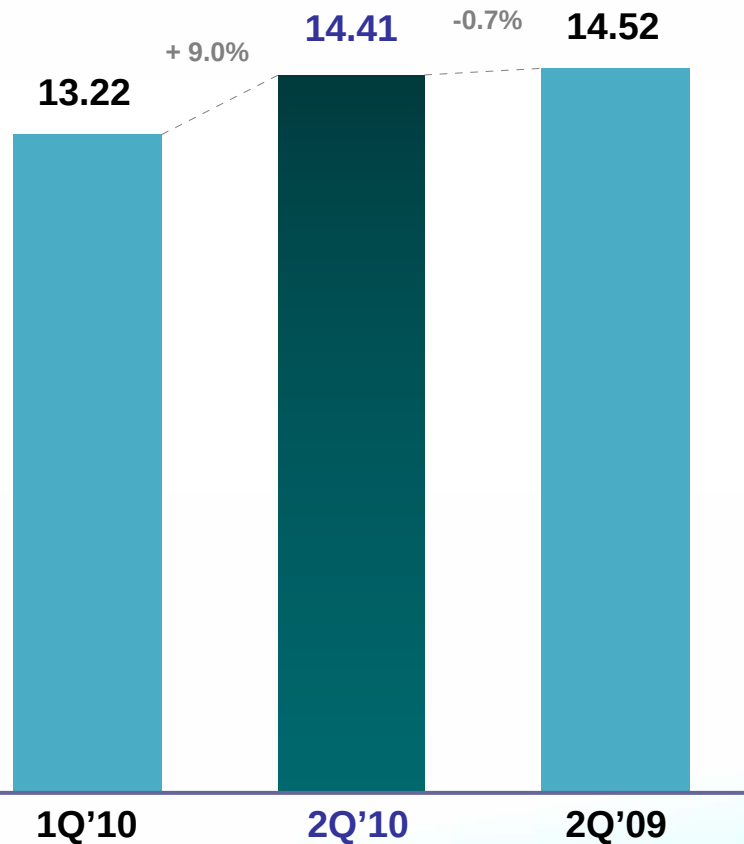
2010 2Q Results

II. 2010 2Q Results (LGE Consolidated, IFRS)

Sales/Profit

Sales

(Unit : KRW tn)



Profit

(Unit : KRW bn)

Operating Income

1Q'10

481

QoQ

↓ 74%

2Q'10

126

YoY

↓ 90%

2Q'09

1,244

EBITDA

777

↓ 47%

411

↓ 73%

1,536

Net Profit

675

↑ 27%

856

↓ 33%

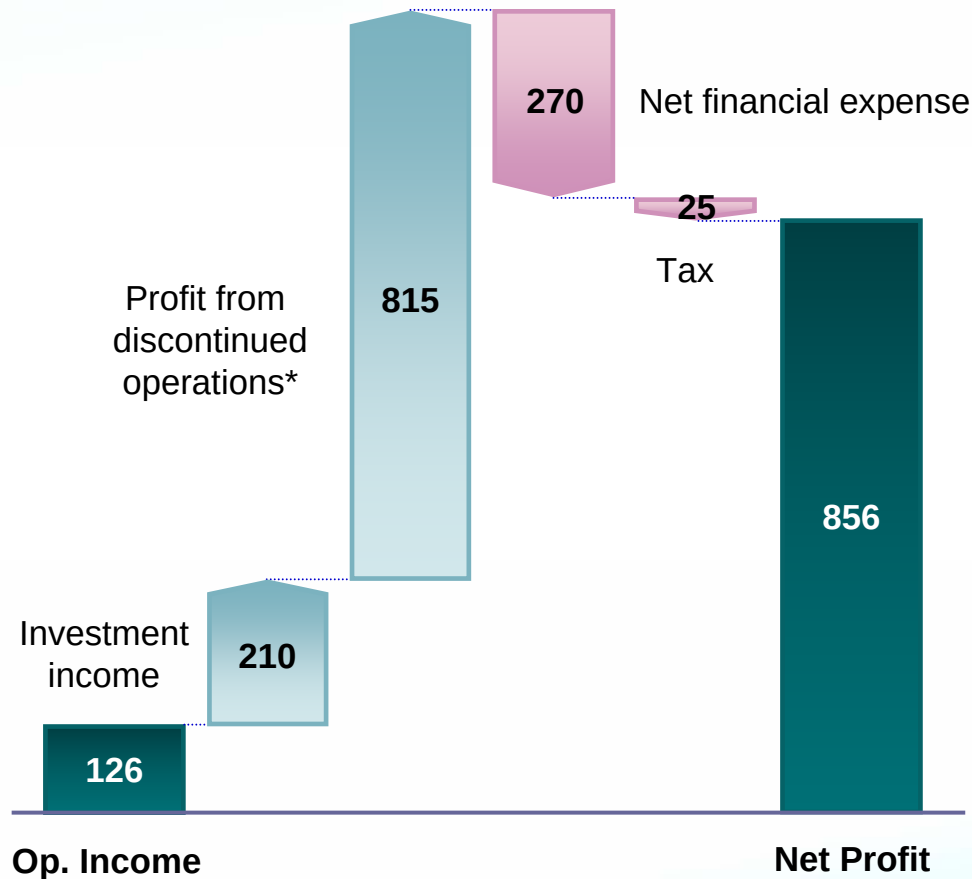
1,277

II. 2010 2Q Results (LGE Consolidated, IFRS)

Net Profit

Net Profit

(Unit: KRW bn)



Investment Income

(Unit: KRW bn)

	<u>1Q'10</u>	<u>2Q'10</u>
LG Display	230	186
LG Innotek	N/A	18
Others	-11	6
Investment Income	219	210

* Profit from LG Innotek being excluded from consolidation

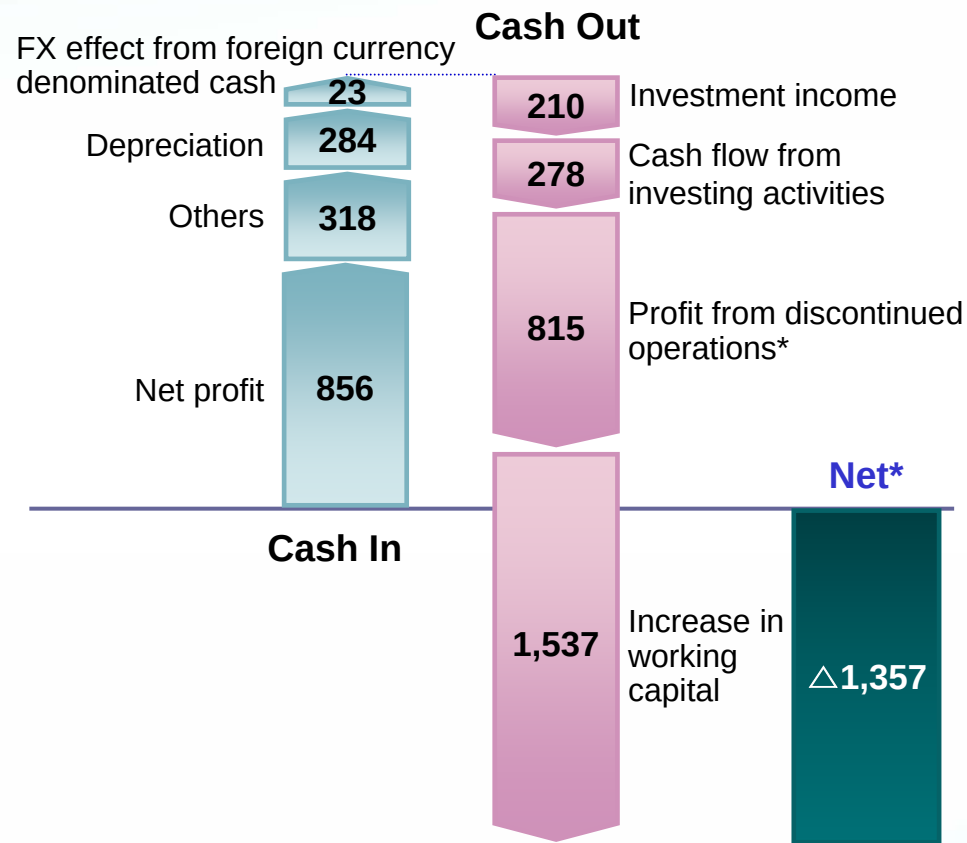
LG Innotek was excluded from the consolidation of LGE due to LGE's stake decreasing from 50.64% to 49.95% (as of April 22, 2010), which resulted from LGE Innotek issuing shares from the conversion of Convertible Bonds and Bonds with Warrants

II. 2010 2Q Results (LGE Consolidated, IFRS)

Cash Flow Statement

2Q Net* Cash Flow

(Unit : KRW bn)



Cash Flow Statement

(Unit : KRW bn)

	1Q10	2Q10
Cash at beginning of period	2,424	2,041
Cash flow from operating activities	△44	△1,102
Net income	675	856
Depreciation	296	284
Investment income	△ 219	△ 210
Profit (loss) from discontinued operations	△ 33	△ 815
Increase in working capital	△ 374	△ 1,537
Others	△ 390	318
Cash flow from investing activities	△330	△278
Increase in tangible assets	△187	△ 176
Cash flow from financing activities	45	1,000
Increase in debt	46	1,282
FX effect from foreign currency denominated cash	△53	23
Net changes in cash	△ 383	△ 357
Cash at end of period	2,041	1,684

* Profit from LG Innotek being excluded from consolidation

* Net= Excluding Cash flow from financing activities

LG Innotek was excluded from the consolidation of LGE due to LGE's stake decreasing from 50.64% to 49.95% (as of April 22, 2010), which resulted from LGE Innotek issuing shares from the conversion of Convertible Bonds and Bonds with Warrants

II. 2010 2Q Results (LGE Consolidated, IFRS)

Financial Structure

Balance Sheet

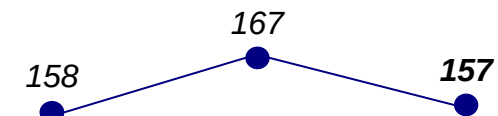
(Unit: KRW tn)

	End of '09	'10.1Q	'10.2Q
Assets	32.11	33.79	34.04
Current Assets	16.91	18.41	18.63
Cash	2.42	2.29	1.68
Inventory	4.90	6.01	6.38
Non-Current Assets	15.20	15.39	15.40
Liabilities	19.69	21.14	20.77
Current Liabilities	16.17	17.44	17.43
Non-Current Liabilities	3.52	3.70	3.35
Equity	12.43	12.65	13.26
Debt	6.91	6.91	7.08
Net Debt	4.48	4.62	5.40

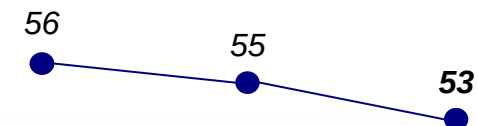
Financial Ratio

(Unit : %)

Total Liability
to Equity



Debt to Equity



Net Debt
to Equity



Performance and Outlook

III. Performance and Outlook by Sector *

Sales/Profit

Consolidated Sales and Profit by Division

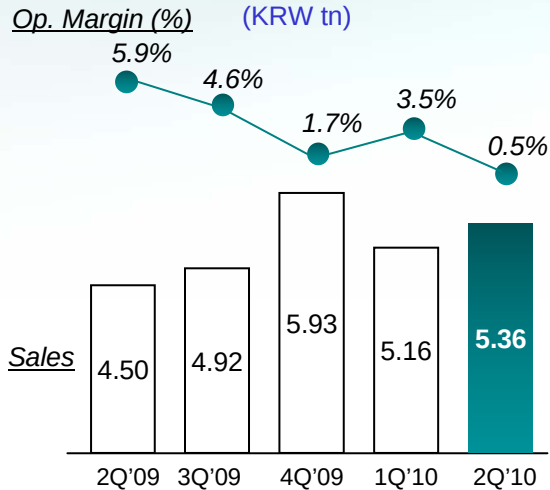
(Unit : KRW bn)

		1Q'10	QoQ	2Q'10	YoY	2Q'09
Home Entertainment	Sales	5,156	↑ 4.0%	5,361	↑ 19.0%	4,504
	Op. Income	182		28		268
Mobile Communications	Sales	3,422	↑ 5.8%	3,619	↓ 29.5%	5,136
	Op. Income	24		-133		633
	Handset					
	Sales	3,140	↑ 7.4%	3,373	↓ 30.8%	4,874
	Op. Income	28		-120		620
Home Appliance	Sales	2,381	↑ 14.3%	2,722	↑ 16.5%	2,337
	Op. Income	207		185		178
Air Conditioning	Sales	1,172	↑ 38.9%	1,628	↑ 0.3%	1,623
	Op. Income	43		59		152
Business Solutions	Sales	1,261	↓ 7.7%	1,164	↑ 14.7%	1,015
	Op. Income	34		-16		26

* Divisional sales includes internal transactions between divisions

III. Performance and Outlook by Sector *

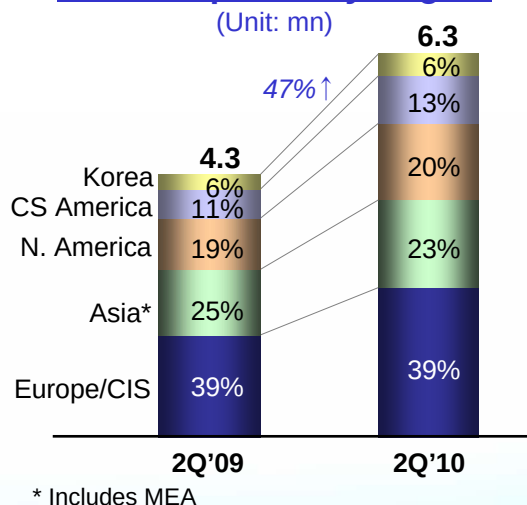
Business Performance



2010 2Q Performance

- ❖ **Sales** : Revenue grew 4% QoQ and 19% YoY as new models were launched and FPTV sales surged
 - LCD TV : Sales grew evenly throughout the global market, resulting in a shipment increase of 45% YoY
 - PDP TV : Shipments grew 58% YoY through products with differentiated design
 - Media : HTS and Home Audio sales increased in emerging markets (CS America)
 - DS : Revenue slightly declined YoY due to low seasonality
- ❖ **Profitability** : Although panel prices came down slightly, profitability declined due to ASP decrease as a result of competition among TV set makers and negative FX impact

FPTV Shipment by Region



2010 3Q Outlook

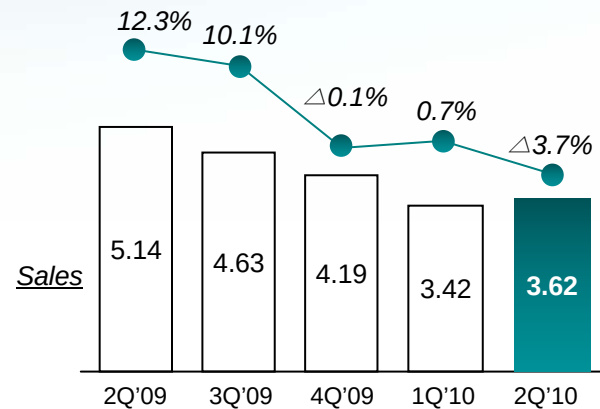
- ❖ **Market** : While steady demand and stabilization of key components are expected until September, efforts to expand LED TV sales by TV makers are anticipated.
- ❖ **LGE** : Along with notable cost reduction and steady sales growth, expecting to increase sales of LED TVs for both the premium and newly launched mass target models in addition to strengthening the line-up for premium Media and DS products

III. Performance and Outlook by Sector *

Business Performance

(KRW tn)

Op. Margin (%)



2010 2Q Performance

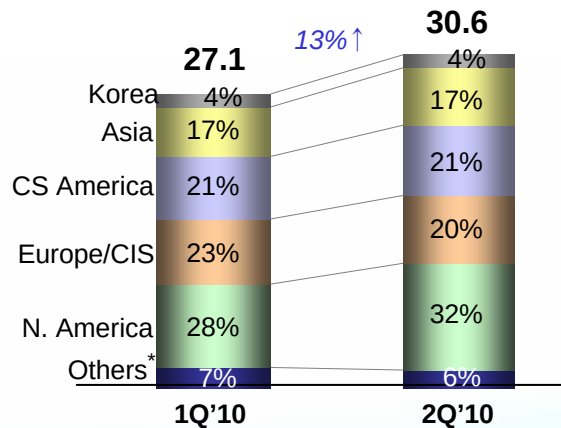
❖ Sales : Shipments rose 13% QoQ and 2% YoY to 30.6M units

- N. America : Shipments increased from strong market demand and new model launches such as Ally
- Korea : Shipment grew with Optimus Q launch and solid sales of existing products such as Lollipop and Cooky
- Asia / CIS / : Sales continued to grow in emerging markets
CS America (Asia 13% QoQ, CIS 26% QoQ, CS America 10% QoQ)

❖ Profitability : Profitability lower due to ASP decline in developed markets, continued investment in R&D and marketing channels for future development

Handset Shipment by Region

(Unit: mn)



* Includes MEA

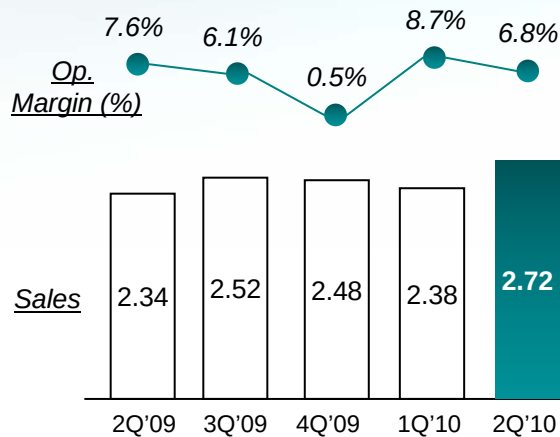
2010 3Q Outlook

- ❖ Market : Shipments expected to increase 4% QoQ to 320M due to increasing demand in the emerging markets and Europe
- ❖ LGE : Increase revenue in N. America and Korea by introducing new model line-up including smart phones
 - 3Q shipments : Targeting low single digit growth QoQ
 - New Products : Optimus Z, Optimus One with Google™, LG-T300 (Full Touch), GW380 (Messaging), etc.

III. Performance and Outlook by Sector *

Business Performance

(KRW tn)



2010 2Q Performance

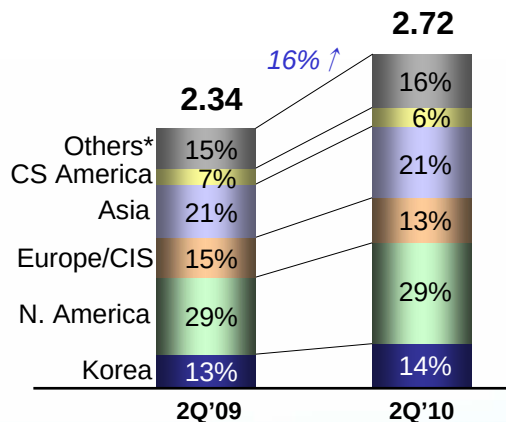
❖ Sales : Sales expansion in N. America, Asia, MEA led to 16% growth YoY to KRW 2.7 trillion

- Korea : Differentiated products with functions such as linear, 6 motion, dust compressor and rising sales in healthcare business generated 19% growth YoY
- Overseas : New product launches such as Top Loader, Commercial in the N. American market, OEM business expansion, consumption increase in development markets, and developments of new products with local insight led to 30% growth YoY based on USD

❖ Profitability : In spite of strong sales growth YoY, profitability declined due to KRW appreciation and increase of raw material cost

Revenue by Region

(KRW tn)



* Includes MEA

2010 3Q Outlook

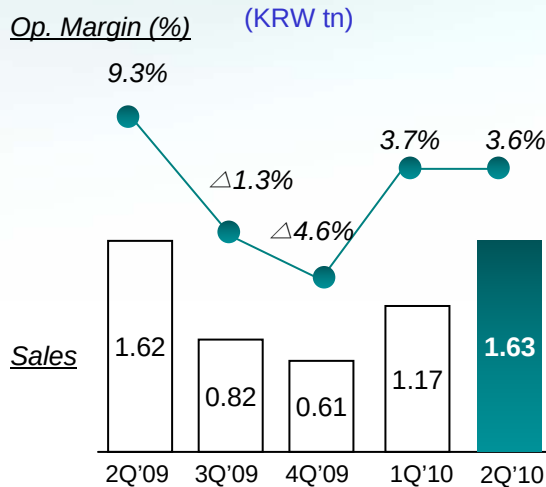
❖ Market : Although growth is anticipated in the developed markets, due to Europe's weak economy the pace of growth is expected to slow down

❖ LGE

- Sales : Increase premium product sales for profitability and continuously launch new products to maintain growth
- Profitability : Although the rise of marketing expense, raw material cost and freight fees remain as cost risks, plan to manage profitability through material cost reduction and product mix improvement

III. Performance and Outlook by Sector *

Business Performance

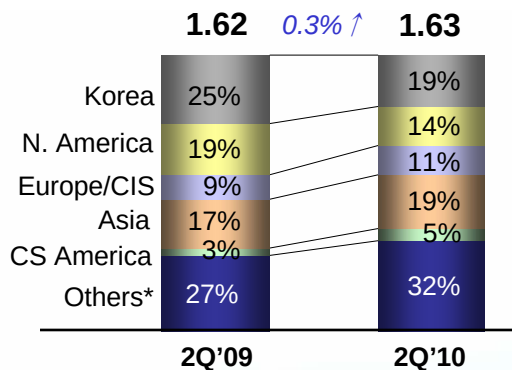


2010 2Q Performance

- ❖ **Sales** : Increased 11% YoY on a USD base due to strong overseas sales from commercial A/C and inverter products with high efficiency
 - Korea : Weak sales due to cooler than usual weather in 2Q
 - Overseas : Although sales in Europe were weak due to the region's financial instability, revenue from emerging markets (Asia, MEA, CS America, CIS) grew
- ❖ **Profitability** : Despite efforts for cost reduction profitability declined YoY due to an increase in costs from rising oil and raw material prices and B2B Infrastructure investments

Revenue by Region

(KRW tn)



* Includes MEA

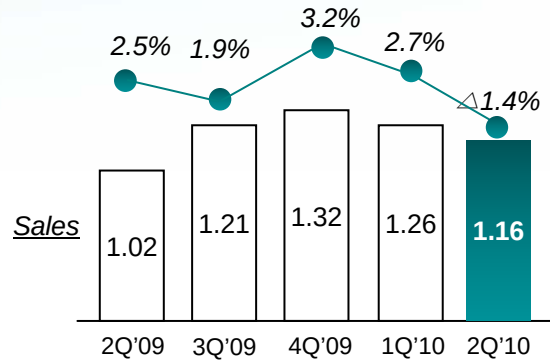
2010 3Q Outlook

- ❖ **Market** : Developed markets are expected to be stagnant due to seasonality and slowdown of the construction market. However, continued growth is expected in the emerging markets (Asia, Australia, CS America)
- ❖ **LGE** : Plan to strengthen global competitiveness with energy efficient model launches and continue to increase investment in B2B infrastructure and new businesses as future growth drivers

Business Performance

(KRW tn)

Op. Margin (%)

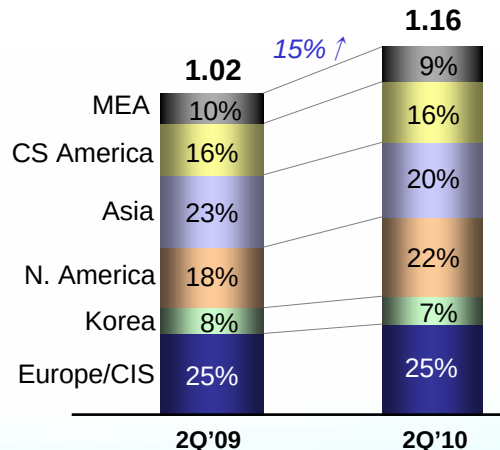


2010 2Q Performance

- ❖ **Sales** : Sales increased YoY in all regions with the overall recovery of the global economy
 - Monitor : Market demand increased and Monitor TV / LED Monitor sales enhanced
 - Commercial : Sales in the European and N. American market grew
 - CAR : The global automobile market recovered and new businesses expanded
- ❖ **Profitability** : Profitability declined due to the delay in Europe's economic recovery and ASP decline

Revenue by Region

(KRW tn)



2010 3Q Outlook

- ❖ **Market** : Expect continued slowdown due to Europe's economic turmoil
- ❖ **LGE** : Strengthen solution capabilities and focus on securing new clients
 - Monitor : Launch new models and dominate the premium LED monitor market in advance
 - Commercial : Increase revenue in solution products and strengthen partnerships
 - CAR : Continuously increase sales with key automobile makers and secure new contracts



<http://www.lge.com>

Appendix. Guidance on Reporting Standards (1/2)

LGE adopts early International Financial Reporting Standards (IFRS) in 2010 to pursue unification of global accounting and financial reporting standards.

Key Differences Between Korean GAAP and IFRS

	Korean GAAP	IFRS
Primary Financial Statement	Individual Financial Statement	Consolidated Financial Statement
Consolidation Criteria	1) Ownership of more than 30% of voting shares, and 2) Largest shareholder * Entity with asset size under KRW 10B is not required to be consolidated	1) Ownership of more than 50% of voting shares 2) Ownership of de facto control (practical ability to govern the financial and operating policies to obtain benefits) even with less than 50% of voting shares
Quarterly Disclosure	Reporting of consolidated financial statements is not required	Reporting of consolidated financial statements is mandatory
PP&E Valuation	Choose cost method or fair value method *LGE: Cost Method	LGE has one time option to revalue assets to fair value on initial adoption of IFRS. Thereafter, choose cost method or fair value method *LGE: Cost Method
A/R Financing	Off-balance sheet financing	Unless the entity that provides the financing controls the benefits and risk regarding A/R, liability is recorded

Appendix. Guidance on Reporting Standards (2/2)

Consolidated Subsidiaries

('09.12 under KGAAP : 105 Subsidiaries → '10.06 under IFRS : 94 Subsidiaries)

25 Subsidiaries OUT	80 Subsidiaries STAY	14 Subsidiaries IN
▪ LG Display and LG Display's subsidiaries ▪ LG Innotek and LG Innotek's subsidiaries	▪ LGE Overseas Subsidiaries ▪ Hi Logistics ▪ Others	▪ Subsidiaries that have asset size less than KRW 10B & more than 50% stake

☞ The most significant change of LGE adopting IFRS comes from determination of whether or not subsidiaries are consolidated, and most comes from LG Display and LG Innotek out of consolidation.

※ LG Innotek was excluded from the consolidation of LGE due to LGE's stake declining from 50.64% to 49.95% (as of April 22, 2010),* which resulted from LG Innotek issuing shares from the conversion of Convertible Bonds and Bonds with Warrants

LGE's Reporting Standards for Earning Release

Consolidated quarterly results will be reported under IFRS, and the results of divisional performances under IFRS will be provided to help investors have better idea to understand financial results in each sector.

* As of June 2010 LGE has 48.1% stake

Income Statement

(Unit : KRW bn)

	2009										2010			
	1Q		2Q		3Q		4Q		Total		1Q		2Q	
Sales	7,074	100.0%	8,477	100.0%	7,866	100.0%	7,096	100.0%	30,513	100.0%	7,227	100.0%	7,653	100.0%
Domestic	1,637	23.1%	2,044	24.1%	1,696	21.6%	1,288	18.2%	6,665	21.8%	1,606	22.2%	1,802	23.5%
Export	5,437	76.9%	6,433	75.9%	6,170	78.4%	5,808	81.8%	23,848	78.2%	5,621	77.8%	5,851	76.5%
Cost of goods sold	5,402	76.4%	6,291	74.2%	5,900	75.0%	5,815	81.9%	23,407	76.7%	5,838	80.8%	6,441	84.2%
Gross profit	1,673	23.6%	2,187	25.8%	1,966	25.0%	1,282	18.1%	7,107	23.3%	1,389	19.2%	1,212	15.8%
Selling & admin expense	1,229	17.4%	1,453	17.1%	1,327	16.9%	1,402	19.8%	5,411	17.7%	1,244	17.2%	1,443	18.9%
Other operating gain (Loss)	49	0.7%	28	0.3%	-63	-0.8%	-297	-4.2%	-283	-0.9%	-52	-0.7%	19	0.2%
Operating income (Loss)	493	7.0%	762	9.0%	576	7.3%	-417	-5.9%	1,412	4.6%	93	1.3%	-213	-2.8%
Financial income (Expense)	-351	-5.0%	241	2.8%	122	1.6%	-7	-0.1%	6	0.0%	143	2.0%	-182	-2.4%
Net profit (Loss) before tax	142	2.0%	1,003	11.8%	698	8.9%	-424	-6.0%	1,419	4.7%	236	3.3%	-395	-5.2%
Tax	36	0.5%	228	2.7%	106	1.3%	-98	-1.4%	272	0.9%	7	0.1%	-144	-1.9%
Net profit (Loss)	106	1.5%	775	9.1%	592	7.5%	-326	-4.6%	1,147	3.8%	229	3.2%	-251	-3.3%

* 2009 quarterly report was prepared based on IFRS for investors' convenience.
 Since this is not an audited report, a content may be changed in the future if an auditor has a concern.

Balance Sheet

(Unit : KRW bn)

	2009				2010	
	1Q	2Q	3Q	4Q	1Q	2Q
Assets	22,466	22,666	23,643	22,143	23,428	24,230
Current Assets	8,649	8,863	9,821	7,692	9,021	9,742
Cash and cash equivalents	1,354	1,200	1,431	1,013	1,028	729
Accounts receivable	5,566	6,089	6,667	5,155	6,070	6,983
Inventory	959	891	1,037	767	1,049	1,184
Other	769	684	686	757	874	846
Non-current Assets	13,818	13,803	13,822	14,452	14,407	14,488
Investment	7,761	7,754	7,754	7,897	7,897	7,909
PP&E	4,682	4,631	4,596	4,657	4,594	4,559
Intangible assets	596	624	667	686	696	722
Other	780	794	805	1,211	1,220	1,298
Liabilities	12,620	12,043	12,426	11,255	12,595	13,647
Accounts payable	3,364	3,546	4,610	3,820	4,888	4,925
Debt	5,938	4,773	3,968	3,458	3,919	4,957
Other	3,319	3,724	3,849	3,977	3,787	3,765
Equity	9,846	10,623	11,217	10,888	10,833	10,583

* 2009 quarterly report was prepared based on IFRS for investors' convenience.
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Income Statement

(Unit : KRW bn)

	2009										2010			
	1Q		2Q		3Q		4Q		Total		1Q		2Q	
Sales	12,821	100.0%	14,515	100.0%	13,717	100.0%	14,439	100.0%	55,491	100.0%	13,217	100.0%	14,410	100.0%
Cost of goods sold	9,723	75.8%	10,412	71.7%	10,006	72.9%	11,200	77.6%	41,341	74.5%	9,869	74.7%	11,179	77.6%
Gross profit	3,097	24.2%	4,104	28.3%	3,711	27.1%	3,239	22.4%	14,151	25.5%	3,349	25.3%	3,231	22.4%
Selling & admin expense	2,639	20.6%	2,943	20.3%	2,853	20.8%	2,756	19.1%	11,190	20.2%	2,833	21.4%	3,115	21.6%
Other operating gain (Loss)	14	0.1%	83	0.6%	-7	-0.1%	-370	-2.6%	-280	-0.5%	-35	-0.3%	11	0.1%
Operating income (Loss)	472	3.7%	1,244	8.6%	851	6.2%	114	0.8%	2,681	4.8%	481	3.6%	126	0.9%
Financial income (Expense)	-552	-4.3%	183	1.3%	76	0.6%	6	0.0%	-287	-0.5%	59	0.4%	-270	-1.9%
Investment income (Loss)	-113	-0.9%	133	0.9%	230	1.7%	221	1.5%	471	0.8%	219	1.7%	210	1.5%
Net income before tax	-193	-1.5%	1,560	10.8%	1,157	8.4%	341	2.4%	2,865	5.2%	759	5.7%	66	0.5%
Tax	25	0.2%	321	2.2%	280	2.0%	-37	-0.3%	589	1.1%	117	0.9%	25	0.2%
Profit (Loss) from discontinued operations	18	0.1%	37	0.3%	35	0.3%	-16	-0.1%	74	0.1%	33	0.2%	815	5.7%
Net income (Quarterly)	-200	-1.6%	1,277	8.8%	911	6.6%	362	2.5%	2,350	4.2%	675	5.1%	856	5.9%
Controlled shares	-224		1,251		888		372		2,288		651		842	
Noncontrolled shares	24		26		23		-10		63		24		14	

* Consolidated basis excluding LG Innotek (1Q09 ~ 2Q10)

* 2009 quarterly report was prepared based on IFRS for investors' convenience.

Since this is not an audited report, a content may be changed in the future if an auditor has a concern.

Balance Sheet

	2009				(Unit : KRW bn)	
	1Q	2Q	3Q	4Q	1Q	2Q
Assets	32,306	32,461	32,583	32,115	33,794	34,036
Current Assets	17,973	18,265	18,295	16,910	18,409	18,635
Cash and cash equivalents	2,794	2,557	2,582	2,424	2,290	1,684
Accounts receivable	7,923	8,310	8,023	7,637	8,042	8,629
Inventory	5,136	5,246	5,747	4,899	6,011	6,379
Other	2,121	2,152	1,943	1,950	2,066	1,943
Non-current Assets	14,333	14,197	14,289	15,204	15,386	15,401
Investment	3,855	3,967	4,167	4,404	4,512	6,063
PP&E	7,725	7,545	7,473	7,709	7,736	6,256
Intangible assets	697	728	773	804	820	758
Other	2,057	1,957	1,876	2,288	2,318	2,323
Liabilities	21,984	20,944	20,401	19,689	21,139	20,774
Accounts payable	5,330	5,741	6,268	5,316	6,728	6,708
Debt	10,452	8,378	6,983	6,909	6,907	7,083
Other	6,202	6,825	7,150	7,465	7,505	6,984
Equity	10,323	11,518	12,182	12,425	12,655	13,261

* Consolidated basis including LG Innotek (1Q09 ~ 1Q10)

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(Unit : KRW bn)

		1Q'09	2Q'09	3Q'09	4Q'09	Total	1Q'10	2Q'10	QoQ	YoY
HE	Sales	4,281	4,504	4,923	5,928	19,635	5,156	5,361	4%	19%
	Op. Income	-1	268	227	99	593	182	28		
	(%)	0.0%	5.9%	4.6%	1.7%	3.0%	3.5%	0.5%		
MC	Sales	4,244	5,136	4,627	4,191	18,199	3,422	3,619	6%	-30%
	Op. Income	239	633	469	-6	1,335	24	-133		
	(%)	5.6%	12.3%	10.1%	-0.1%	7.3%	0.7%	-3.7%		
Handset	Sales	3,908	4,874	4,360	3,924	17,067	3,140	3,373	7%	-31%
	Op. Income	249	620	460	9	1,338	28	-120		
	(%)	6.4%	12.7%	10.6%	0.2%	7.8%	0.9%	-3.5%		
HA	Sales	2,205	2,337	2,520	2,479	9,541	2,381	2,722	14%	16%
	Op. Income	133	178	155	12	478	207	185		
	(%)	6.0%	7.6%	6.1%	0.5%	5.0%	8.7%	6.8%		
AC	Sales	1,249	1,623	818	606	4,296	1,172	1,628	39%	0%
	Op. Income	63	152	-11	-28	177	43	59		
	(%)	5.1%	9.3%	-1.3%	-4.6%	4.1%	3.7%	3.6%		
BS	Sales	1,093	1,015	1,207	1,317	4,632	1,261	1,164	-8%	15%
	Op. Income	31	26	23	42	121	34	-16		
	(%)	2.9%	2.5%	1.9%	3.2%	2.6%	2.7%	-1.4%		
Others	Sales	-251	-99	-379	-83	-812	-174	-85	-51%	-14%
	Op. Income	6	-13	-12	-5	-23	-9	2		
	(%)									
Total	Sales	12,821	14,515	13,716	14,439	55,491	13,217	14,410	9%	-1%
	Op. Income	472	1,244	851	114	2,681	481	126		
	(%)	3.7%	8.6%	6.2%	0.8%	4.8%	3.6%	0.9%		

* Others include other subsidiaries' earnings, internal transactions, etc.

* 2009 quarterly report was prepared based on IFRS for investors' convenience.

Since this is not an audited report, content may be changed in the future if an auditor has a concern.