**LG ANNOUNCES SECOND-QUARTER 2019**

**FINANCIAL RESULTS**

*Record-High Sales for Home Appliance Unit, Strong B2B Profitability*

**SEOUL, July 31, 2019** — LG Electronics Inc. (LG) today announced record second quarter and first half revenues with consolidated sales of KRW 15.63 trillion (USD 13.40 billion) and operating profit of KRW 652.3 billion (USD 559.4 million) for the period covering April-June 2019. Compared to the same period last year, sales were 4.1 percent higher with operating income down 15.4 percent. Record home appliance profits and strong business solutions profitability offset smaller operating income for home entertainment products and losses from vehicle components and mobile communications.

*The LG Home Appliance & Air Solution Company* reported record sales of KRW 6.10 trillion (USD 5.23 billion) in the second quarter, the highest for the business unit in the history of LG Electronics. Revenue growth was especially strong in Korea and regions such as North America, Europe and the Middle East, increasing 16.1 percent from the second quarter of 2018. Operating income of KRW 717.5 billion (USD 615.3 million) was the highest ever for the April-June period. The business unit recorded strong profitability on the back of stable growth, increased sales of high demand products such as air conditioners and continuous cost reduction activities.

*The LG Home Entertainment Company* generated second-quarter revenues of KRW 3.67 trillion (USD 3.15 billion), a decrease of 4.5 percent from the same period the previous year due to a decline in demand in regions such as Europe and Latin America where major sporting events in the second quarter of 2018 generated strong sales. Operating income of KRW 205.6 billion (USD 176.3 million) declined from the previous quarter due to higher investments in light of greater competition in key markets and exchange rate depreciation. The business unit expects to see a growth in demand in premium products such as OLED TVs, NanoCell TVs and large-screen Ultra HD TVs next quarter.

*The LG Mobile Communications Company* recorded second-quarter 2019 sales of KRW 1.61 trillion (USD 1.38 billion), 21.3 percent lower than the same period last year due to stagnant demand in the smartphone market and continued aggressive pricing by Chinese brands. Sales increased 6.8 percent from the first quarter but the business united reported an operating loss of KRW 313 billion (USD 268.4 million) as a result of higher marketing investment to support the launch of new models and additional costs related to relocating smartphone production to Vietnam. The introduction of competitive mass-tier smartphones and growing demand for 5G products are expected to contribute to improved performance in the third quarter.

*The LG Vehicle Component Solutions Company* posted quarterly revenues of KRW 1.42 trillion (USD 1.22 billion), an increase of 63 percent from the second quarter last year. Strong sales of infotainment products and an increase in demand for electric vehicle components resulted in the stronger sales. An operating loss of KRW 55.80 billion (USD 47.8 million) was primarily due to initial production expenditures related to the ramp up of new projects and delays in setting up manufacturing of new applications such as center information displays (CID). In the quarters ahead, the company will focus on stabilizing the supply of components to major customers and prioritizing cost reductions related to new projects.

*The LG Business Solutions Company* reported second-quarter sales of KRW 675.5 billion (USD 579.29 million), 14.8 percent higher than the same quarter the previous year and 8 percent higher than the previous quarter due to greater demand for LED and OLED commercial display products and solar panels in Europe and the United States. Operating income of KRW 58.1 billion (USD 49.82 million) was 49 percent higher year-on-year and 4.7 percent higher quarter-on-quarter mostly through improved efficiencies in cost and productivity. Going forward, growth in both information displays and solar modules are expected to remain strong.

***2019 1Q Exchange Rates Explained***

LG Electronics’ unaudited quarterly earnings results are based on IFRS (International Financial Reporting Standards) for the three-month period ending June 30, 2019. 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 1,166.09 per USD.

***Earnings Conference and Conference Call***

LG Electronics will hold an English language conference call on July 31, 2019 at 09:00 Korea Standard Time (00:00 GMT/UTC). Participants for the English conference call are instructed to call +82 31 810 3061 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 approximately 16:00 on July 30, 2019. 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 period of 30 days after the conclusion of the call. To access the recording, dial +82 31 931 3100 and enter the passcode 142950# when prompted.

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**About LG Electronics, Inc.**

LG Electronics Inc. is a global innovator in technology and manufacturing with operations in 140 locations and a workforce of over 70,000 around the world. With 2018 global sales of USD 54.4 billion, LG is composed of five companies – Home Appliance & Air Solution, Home Entertainment, Mobile Communications, Vehicle Component Solutions and Business Solutions. LG is a world-leading producer of TVs, refrigerators, air conditioners, washing machines and mobile devices, including premium LG SIGNATURE and LG ThinQ products featuring artificial intelligence. For the latest LG news, go to [www.LGnewsroom.com](http://www.LGnewsroom.com).

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