**LG ANNOUNCES THIRD-QUARTER 2018 FINANCIAL RESULTS**

*Demand for Premium Products Continue to Grow Despite*

*Slower Demand in Major Markets, International Trade Challenges*

**SEOUL, Oct. 25, 2018** — LG Electronics Inc. (LG) today reported consolidated sales of KRW 15.43 trillion (USD 13.76 billion) and operating profit of KRW 748.8 billion (USD 667.7 million) for the third quarter of 2018. Revenues were the highest among the three quarters this year, increasing 2.7 percent from the second quarter with operating income up 45 percent from the same period the previous year while the mobile business narrowed its losses significantly.

*The LG Home Appliance & Air Solution Company* recorded third-quarter revenues of KRW 4.85 trillion (USD 4.33 billion) and operating profit of KRW 409.7 billion (USD 365.3 million). Sales were especially strong in Korea, Europe and North America despite the economic slowdown and currency challenges in Asia, Latin America, the Middle East and Africa. Profitability remained strong and was boosted by the growth of premium appliance sales and continued cost management.

*The LG Home Entertainment Company* generated third-quarter operating profit of KRW 325.1 billion (USD 289.9 million) on sales of KRW 3.71 trillion (USD 3.31 billion). Even with demand for TV products in developing markets slowing, sales of premium OLED and UHD TVs remained strong. As the year comes to a close, the company plans to increase its focus on premium TV models in key markets to maintain profitability despite the sluggish overall TV market.

*The LG Mobile Communications Company* recorded sales of KRW 2.04 trillion (USD 1.82 billion) and operating loss of KRW 146.3 billion (USD 130.5 million). Despite the weakening demand for smartphones worldwide and increased competition, the company significantly reduced its operating deficit as a direct result of its business plan and its stronger focus on mid-range products. The rollout of its high-end V40 ThinQ smartphone is expected to boost sales in the fourth quarter. With its business improvement strategy proceeding as planned, the company continues to consolidate and implement a more profitable foundation.

*The LG Vehicle Components Company* posted third-quarter revenues of KRW 1.18 trillion (USD 1.05 billion), an increase of 41 percent compared with the same period last year and 35 percent higher than the previous quarter mainly due to increased production related to new projects and the acquisition of automotive lighting and headlight systems provider ZKW Group. The third quarter of 2018 marks the first time vehicle component sales have exceeded KRW 1 trillion in the company’s history. Rising raw material prices and increased costs related to new projects contributed to a quarterly operating loss of KRW 42.9 billion (USD 38.3 million).

*The LG Business-to-Business Company* generated sales this quarter of KRW 576.7 billion (USD 514.2 million) and operating profit of KRW 35.1 billion (USD 31.3 million). Profitability was negatively affected by import duties in the United States and the falling price of solar modules in key markets. While price competition in the solar module market will remain challenging, demand for premium information display products is expected grow in the fourth quarter.

**2018 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, 2018. 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 1,121.47 per USD.

**Earnings Conference and Conference Call**

LG Electronics will hold an English language conference call on October 25, 2018 at 21:00 Korea Standard Time (12:00 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 October 25, 2018. 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 142900# when prompted.

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**About LG Electronics, Inc.**

LG Electronics, Inc. is a global innovator in technology and manufacturing with operations in more than 100 locations around the world. With 2017 global sales of USD 55.4 billion (KRW 61.4 trillion), LG is comprised of five companies ― Home Appliance & Air Solutions, Home Entertainment, Mobile Communications, Vehicle Components and Business-to-Business ― and is a world-leading producer of TVs, refrigerators, air conditioners, washing machines and mobile devices in addition to premium LG SIGNATURE products and ThinQ featuring artificial intelligence. For the latest news and information on LG Electronics, visit www.LGnewsroom.com.

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