

FOR IMMEDIATE RELEASE**LG ‘RECESSION STRATEGY WORKING,’
SAYS LG ELECTRONICS USA PRESIDENT**

NEW YORK, July 30, 2009 – LG Electronics’ “strategy to overcome the global recession is working,” the company’s U.S. president declared today.

In his keynote address at the LG Summer Line Show in New York, Teddy Hwang, president of LG Electronics USA said strategic investments and cost efficiencies are at the heart of its successful business strategy. He pointed to LG Electronics’ just-released corporate financial results, reflecting record-high sales and operating profits for the second quarter of 2009, “major accomplishments in this economic environment.”

On a global basis, sales increased 12 percent to \$11.2 billion, resulting in a 6.1 percent operating profit. “This is primarily due to major cost efficiencies and, to some extent, currency valuations,” Hwang said.

He also highlighted second-quarter results by business unit: Home Entertainment global revenues were up 19 percent to about \$3.5 billion, Mobile Communications sales increased 26 percent to about \$4 billion, and in Home Appliances, despite the slow recovery of the housing market, revenues increased by nearly 10 percent to \$1.8 billion. Its Air Conditioning and Business Solutions units reported operating profits with sales remaining flat to slightly down.

North America now represents approximately one-quarter of LG Electronics global revenues. “In the United States, the current climate continues to impact the industry. We’ve seen this in home appliances, where LG focuses on higher-end products, while some consumers are now buying cheaper models.” (LG still holds the top U.S. spot in front-load laundry and a very strong position in French-door refrigerators).

In mobile phones, LG maintains the #2 market share in the U.S., led by exciting new handsets and strong support from major wireless carriers. And, in the U.S. Home Entertainment business, LG is doing better than last year, because dealers and consumers love our new products, including network plasma and LCD HDTVs and Blu-ray players.” At the same time, LG continues to make major investments in marketing and R&D. LG Electronics is



“building for the future by making major investments in our products and operations,” Hwang said. Last year, LG invested 3.7 percent of global revenue in R&D. “And, we’re making a similar investment in 2009. This is crucial to product leadership,” he said. The U.S. market also just saw the launch of its “Something Better” integrated marketing campaign.

Also important is LG’s investment of \$100 million in Mexico. “We’re consolidating LCD TV manufacturing plants in Reynosa and Mexicali into one plant in Reynosa to produce mid- to large- size and premium TVs. And we’re expanding the Monterrey appliance plant, adding gas ranges to current production of electric cooking products and refrigerators. The consolidation and expansion of these plants will offer improved efficiencies and, most importantly, allow us to better serve our U.S. customers,” Hwang said.

He concluded by explaining that LG continues to identify new growth opportunities in the business-to-business (B2B) sector with its Commercial Air Conditioning and Digital Signage businesses. “These B2B areas offer significant growth potential and capitalize on product and technology strengths we have in-house today.”

For additional information from the LG Summer Line Show, please visit:
www.pimsmultimedia.com/LGSLS2009

About LG Electronics USA

LG Electronics USA, Inc., based in Englewood Cliffs, N.J., is the North American subsidiary of LG Electronics, Inc., a global force and technology leader in consumer electronics, home appliances and mobile communications. In the United States, LG Electronics sells a range of stylish and innovative home entertainment products, mobile phones, home appliances and business solutions, all under LG's "Life's Good" marketing theme. For more information, please visit www.LGusa.com.

-30-

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