August 2011

Investor Presentation

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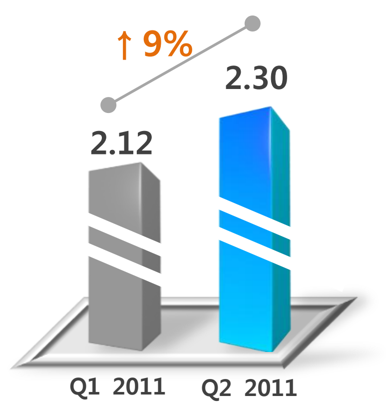
LG U+

1. Q2 2011 Financials

- **Q2 2011 Revenue up 9% QoQ**
- **EBITDA, Operating Income & Net Income down 6%, 21% & 20% QoQ respectively**

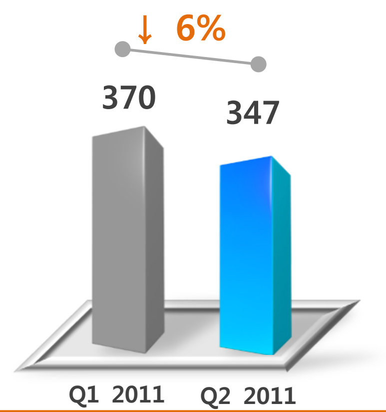
Revenue

(Unit: KRW trillion)



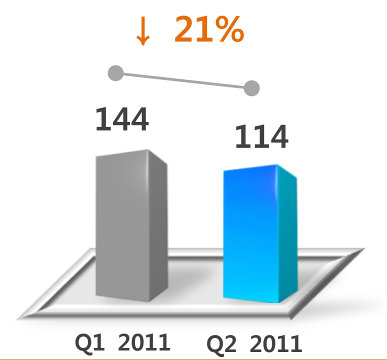
EBITDA

(Unit: KRW billion)



Operating Income

(Unit: KRW billion)

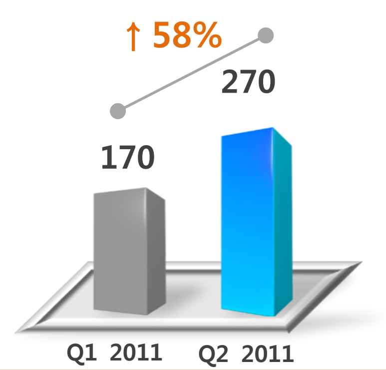


Net Income

(Unit: KRW billion)

CAPEX

(Unit: KRW billion)



LG U+

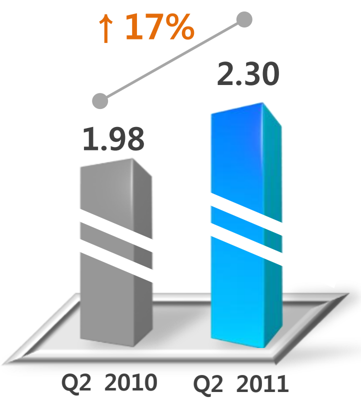
*** Financials included in this material have excluded Merger Effects and are based on LG Uplus Guidance**

1. Q2 2011 Financials

- **Q2 2011 Revenue up 17% YoY**
- **EBITDA, Operating Income & Net Income down 15%, 35% & 39% YoY respectively**

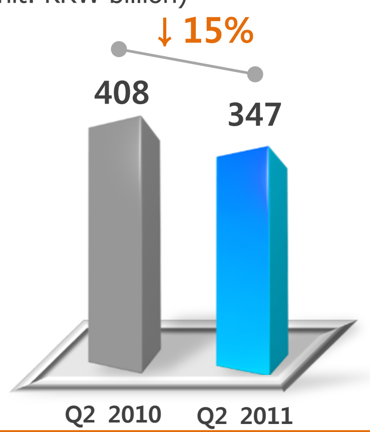
Revenue

(Unit: KRW trillion)



EBITDA

(Unit: KRW billion)



Operating Income

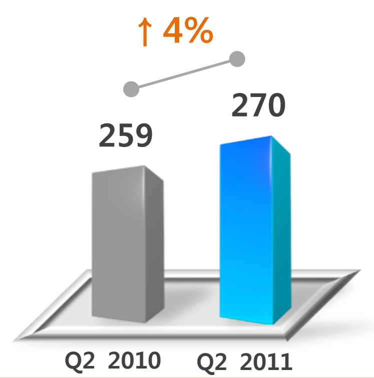
(Unit: KRW billion)

Net Income

(Unit: KRW billion)

CAPEX

(Unit: KRW billion)



LG U+

*** Financials included in this material have excluded Merger Effects and are based on LG Uplus Guidance**

1. Q2 2011 Financials

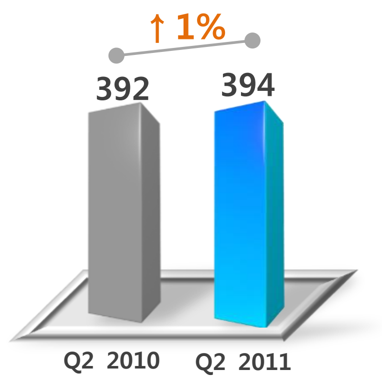
- Q2 2011 Marketing expenses up 1% QoQ & 10% YoY
- Q2 2011 Mobile new subscribers up 13% QoQ & 20% YoY

Marketing Expenses

(Unit: KRW billion)

Marketing Expenses

(Unit: KRW billion)



Mobile new subscribers*

(Unit: KRW billion)

Mobile new subscribers*

(Unit: KRW billion)

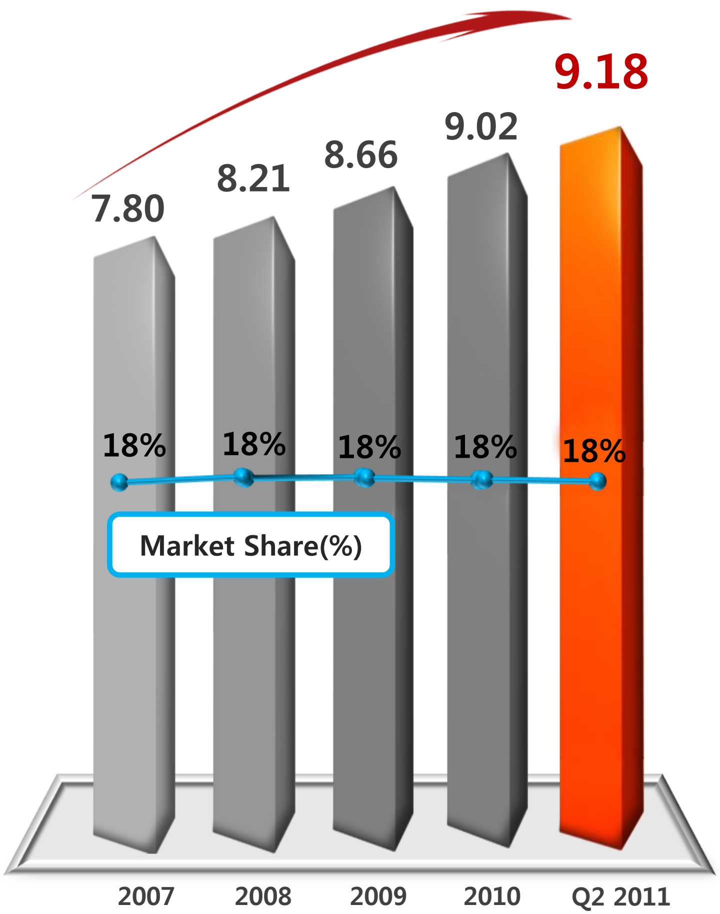
LG U+

* Total new subscribers(including hanset exchange subscribers)

- **2Q 2011 total subscribers : 9.18m (2Q Net addition : 108 thousand)**
- **2011 data flat rate subscriber target : 4.3 million (↑ 150% YoY)**

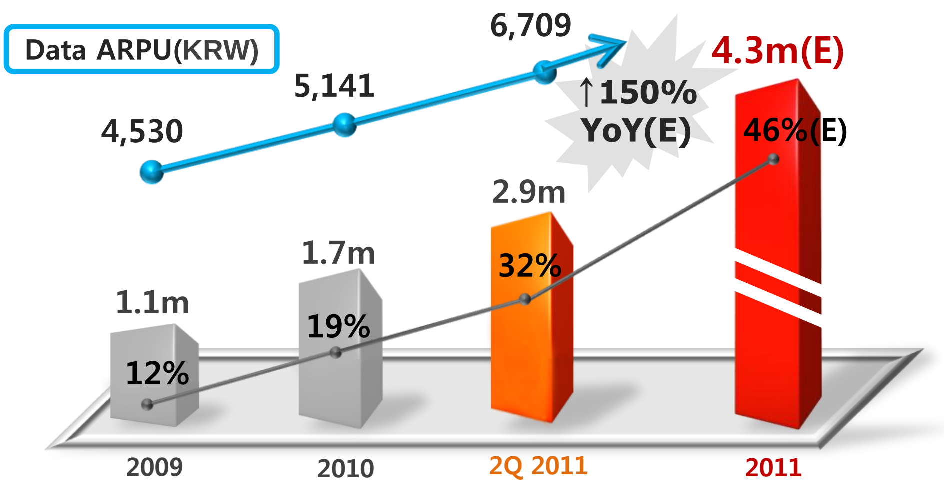
Wireless subscriber trend

(Unit: subscribers in million)



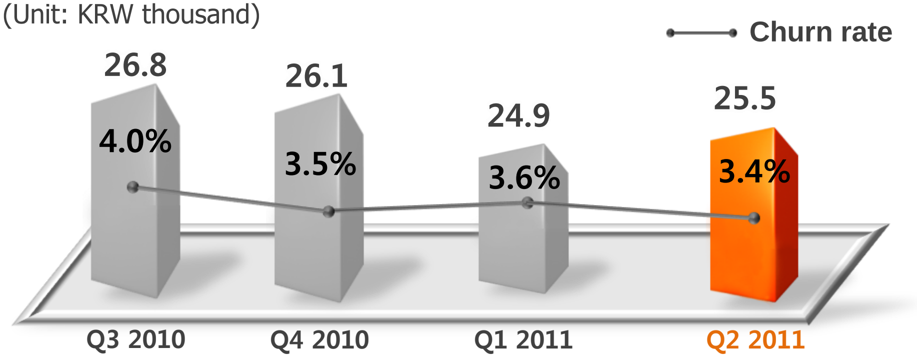
Data flat rate subscriber trend

(Unit: subscribers in million)



Quarterly outgoing ARPU trend

(Unit: KRW thousand)



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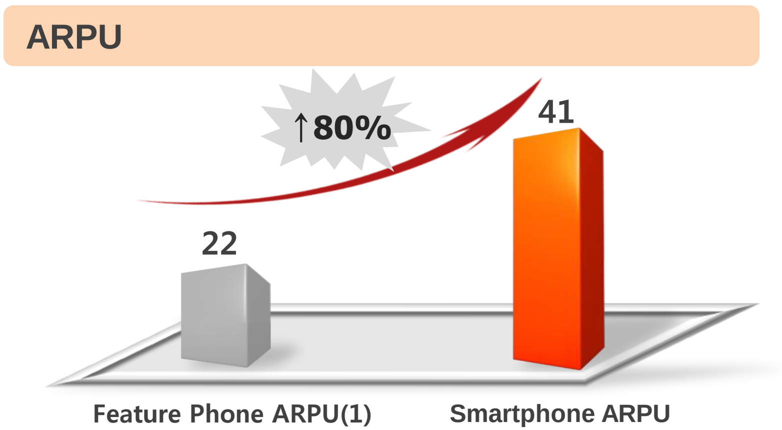
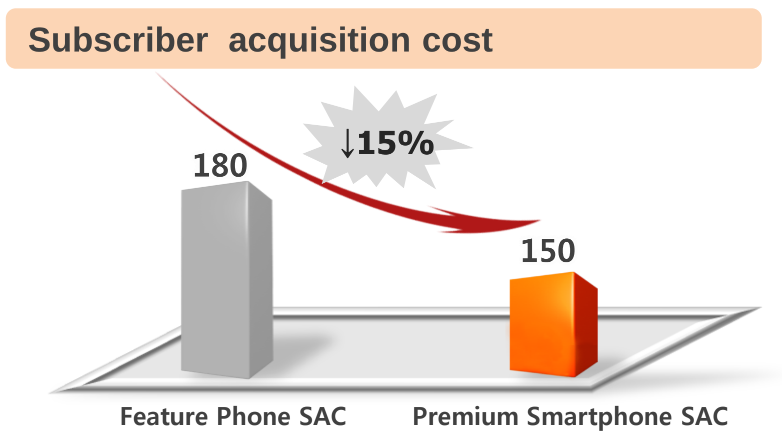
- Smartphone ARPU was 80% higher than regular featurephone ARPU in Q2 2011
- 2011 Smartphone subscriber target : 4 million (655%↑ YoY)

Smartphone / Featurephone comparison

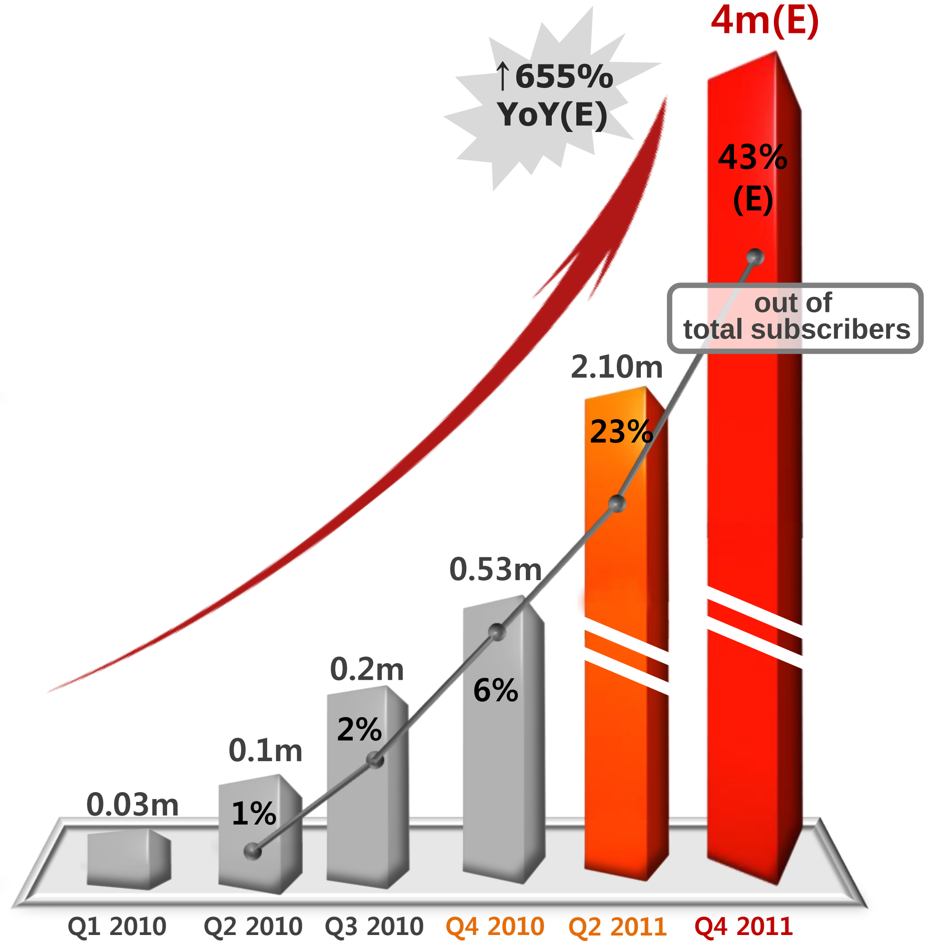
(As of Q1 2011, Unit: KRW thousand)





Smartphone subscriber trend

(Unit: subscribers in million)

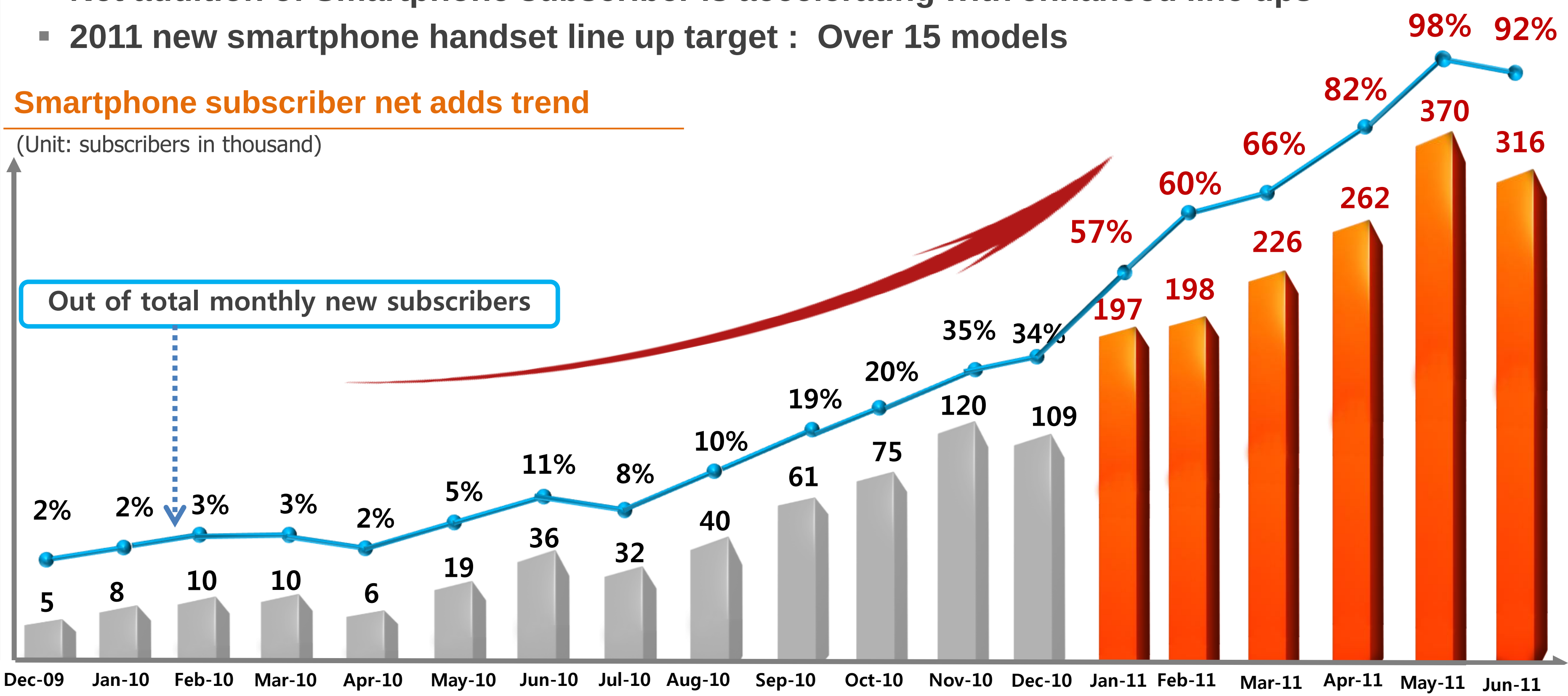


(1)Feature Phone ARPU includes PPS & etc. (2) Premium Smartphone : Galaxy S2, Optimus Big

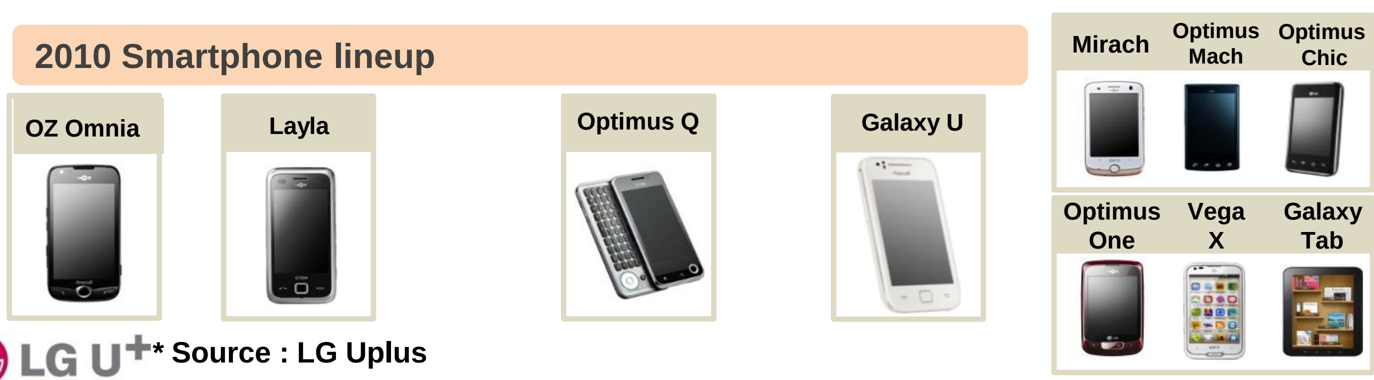
- Net addition of Smartphone subscriber is accelerating with enhanced line ups
- 2011 new smartphone handset line up target : Over 15 models

Smartphone subscriber net adds trend

(Unit: subscribers in thousand)

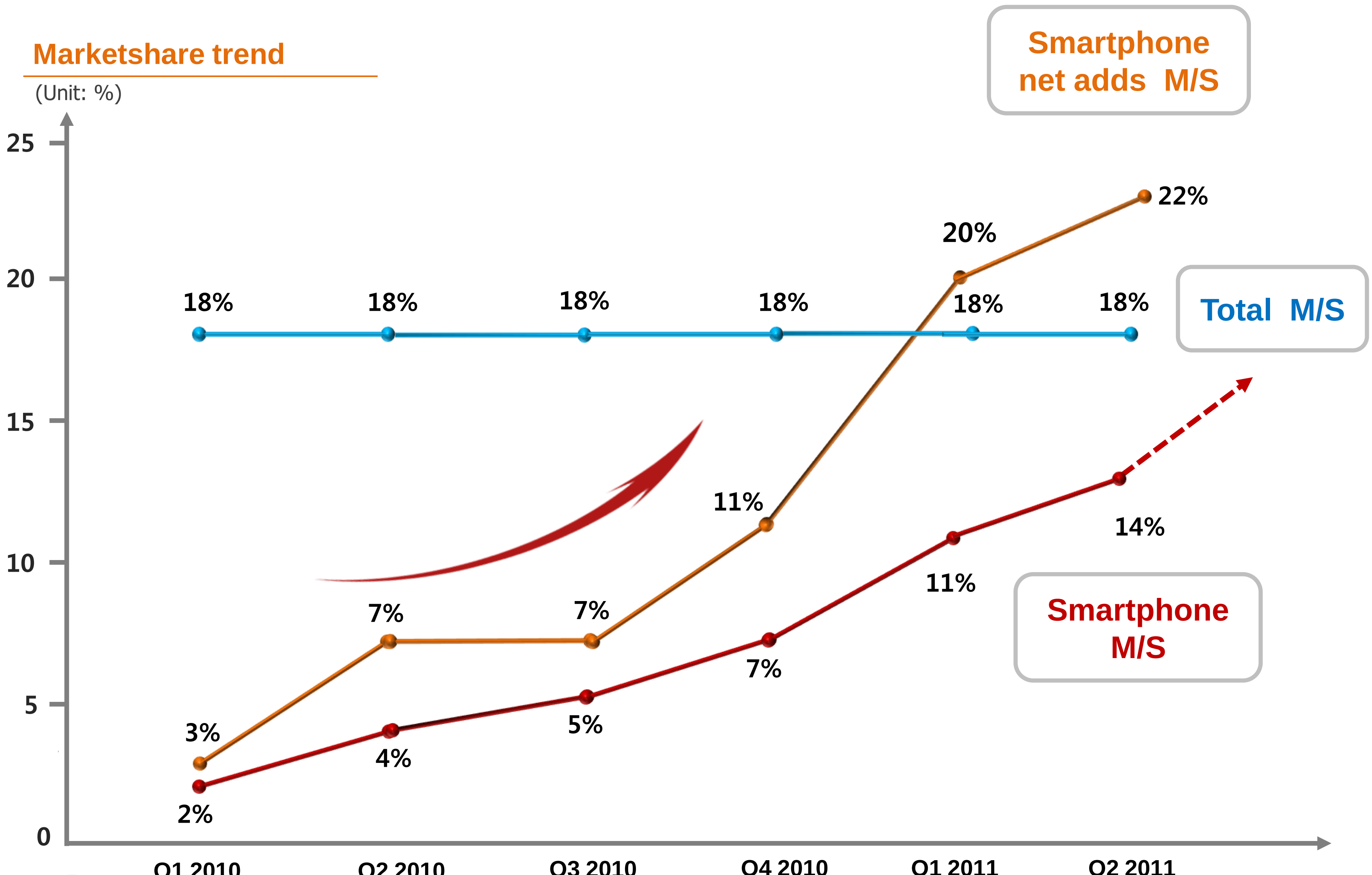


2010 Smartphone lineup



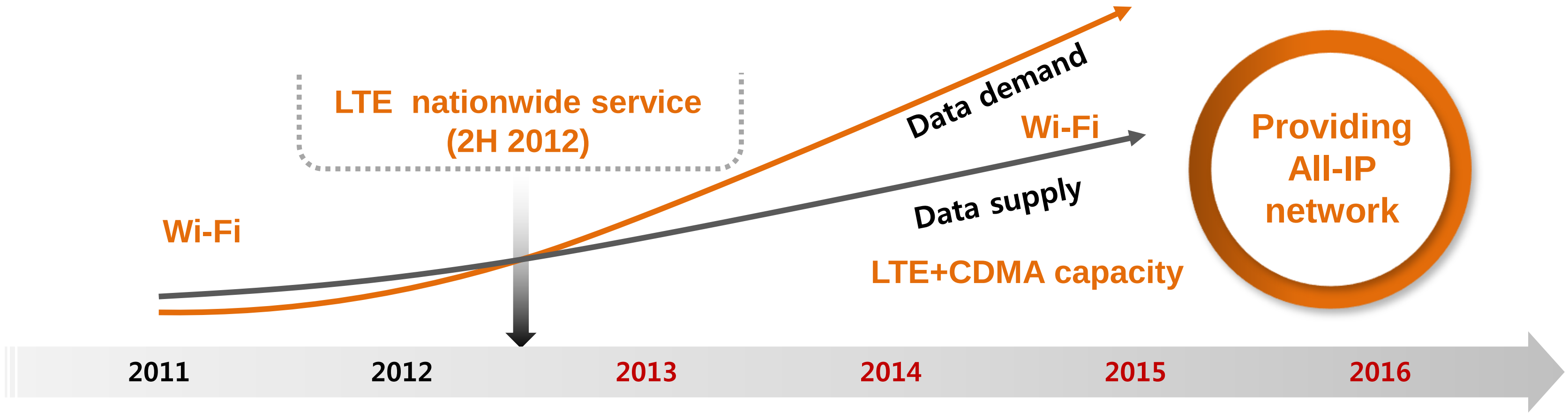
Over 15 Smartphones are to be launched in 2011

- **Smartphone market share is increasing rapidly with enhanced smartphone line ups**



* Source : LG Uplus

- To resolve data explosion, **LG U+** will provide All-IP network based on competitive Wi-Fi fixed line network along with 4G LTE wireless network



Providing service continuity
based on All-IP network

High quality wireless network

- Next generation of global standard technology for 4G
- Upgraded speed and capacity to CDMA

100M optical cable based high quality network

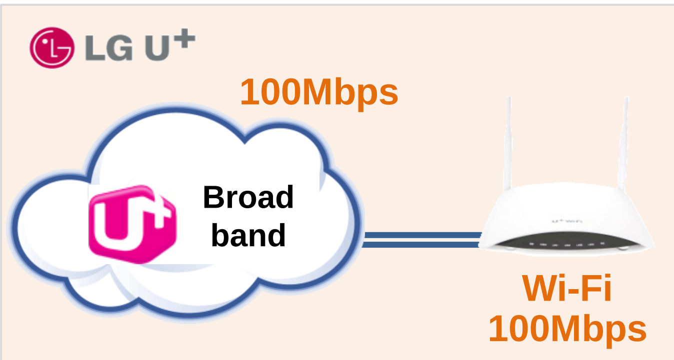
- 90% optical cable coverage nationwide
- 1.05m Wi-Fi zones by the year end of 2011

* Source : LG Uplus

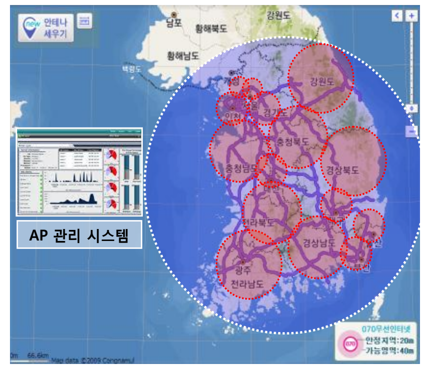
Wi·Fi network

- 100% 100Mbps based high quality network
- Overwhelmingly competitive hotspot zone coverage

100Mbps fixedline based



Access Point central management system

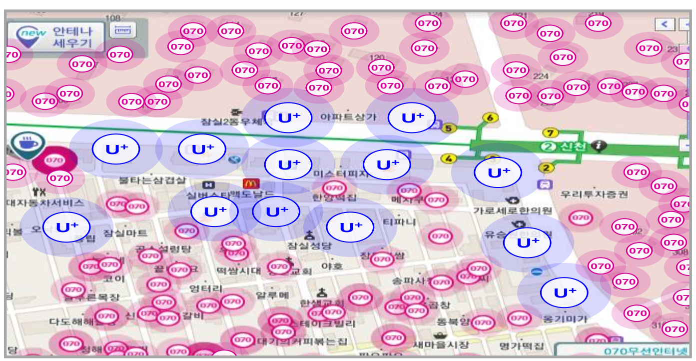


Central monitoring system

Each AP is controlled by remote basis to ensure QoS

Customer verification & security solutions

U+Zone Wi-Fi map



Out door Zone   Indoor APs

Wi-Fi zone comparison

(Unit: thousand)

	LG U+		SK telecom + olleh kt
2010	318		50
2011(E)	1,050	vs	150

* Source : LG Uplus, KT, SKT

Five-O services

- As wireless data market is expanding **LG U+** is focusing on new growth opportunities with Five-O(50 million) services

Smart wireless data market outlook*

2010	2011	2012	2013
7million	21million	35million	50million

Targeting the rapidly growing Wireless smart data market

SNS/LBS service
wagle placebook

Cloud service (Storage, N-Screen)
U+Box MOBILE OFFICE

N-Screen services (Mobile IPTV, VoIP, N-screen service)
U+TV U+070 U+TV U+ Shoot & Play

Mobile App-store
OZ STORE

Mobile Ad platform
U+AD ONE STOP DIGITAL MARKETING SOLUTION Dingdong

Wi-Fi Network Solution
U+ zone 100

Partnership (SNS, Cloud)
facebook twitter

+ Social commerce, NFC, mobile healthcare(TBD)

LG U+

* Source : LG Uplus

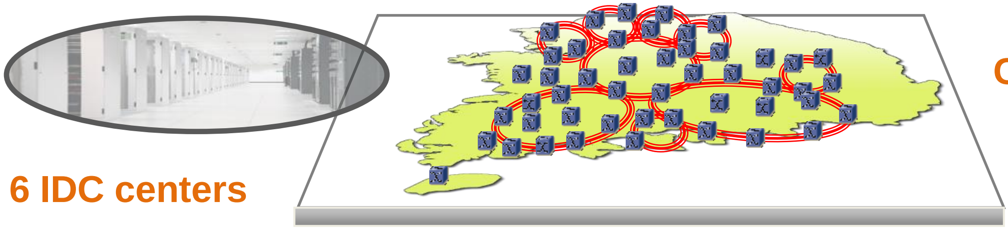
- Coverage : Q3 2011 –Seoul, 5major cities, Q4 2011- 82 major cities, Q2 2012- Nationwide
- Handset : October – 2 LTE smartphones by SSE & LGE
- Key services : Network games, HD Video services, Smart education, Cloud services, Individual broadcasting, Video conference etc

	BEFORE	AFTER
Technology	CDMA-Rev A Isolated 1.8Ghz Spectrum	4G LTE (global standard) Efficient 800 Mhz / 2.1 Ghz
Handset sourcing	Domestic vendor oriented handset sourcing	Adopting global competitive handsets
Wireless data speed	Download 9.3Mbps Upload 5.4 Mbps	Download 86.4 Mbps Upload 43.2 Mbps
Service	Limitation of providing Video Streaming service	Full HD streaming service NFC service
Revenue based	Voice Oriented	Voice + Data (ARPU upside potential)
Customer perception	Competitive disadvantage in mobile network	High quality network provider

- Q4 2011 DBDM
- 4G LTE
- 2H 2012 Single Mode

3. B2B Capabilities

Competitive infra



6 IDC centers

Competitive nationwide optical cable network

Competitive convergence, solution & All IP services

Wireless/ wire line convergence solutions

Mobile office	SCM	Healthcare	Digital signage	Colocation
Groupware	ERP	Web FAX	CRM	Call center
SaaS	Web hosting	E-Payment	SMS	Web invoice

Corporate internet | Corporate VoIP | Corporate mobile

LG Affiliate synergies

Wireless/Wire-line service provider

LG Uplus

Handset, network equipment provider

LG Electronics

LG - ERICSSON

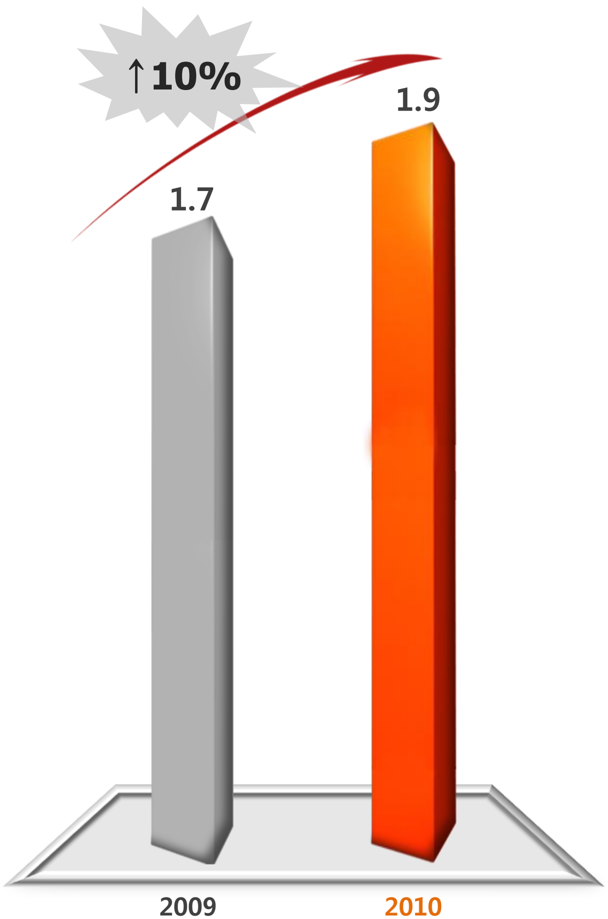
LG CNS

System integration service provider

- 2010 B2B total revenue growth : 10% YoY
- 2011 B2B strategy : Focusing on the high growth SME market

B2B* revenue trend

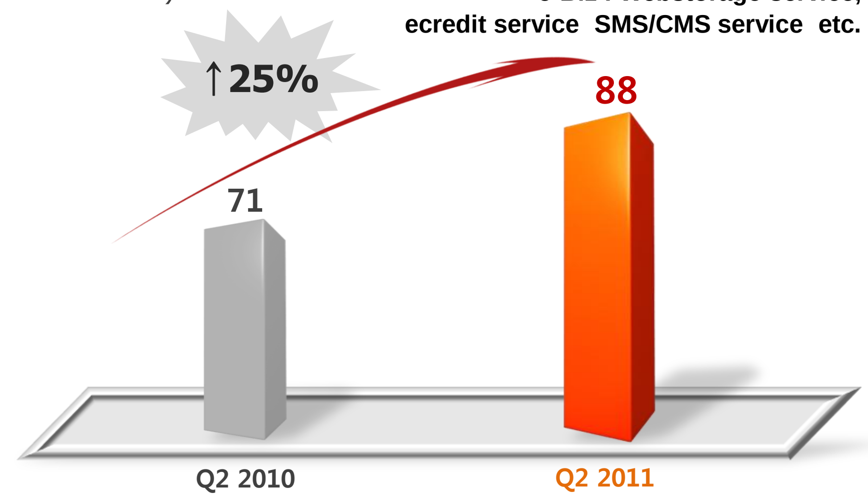
(Unit: KRW trillion)



e-Biz revenue trend

(Unit: KRW billion)

e-Biz : Webstorage service, ecredit service SMS/CMS service etc.



SME strategy

✓ Cloud computing service for SME launched

- Smart ICT service (SaaS*)

✓ Providing SME targeted competitive Wired/Wireless service packages

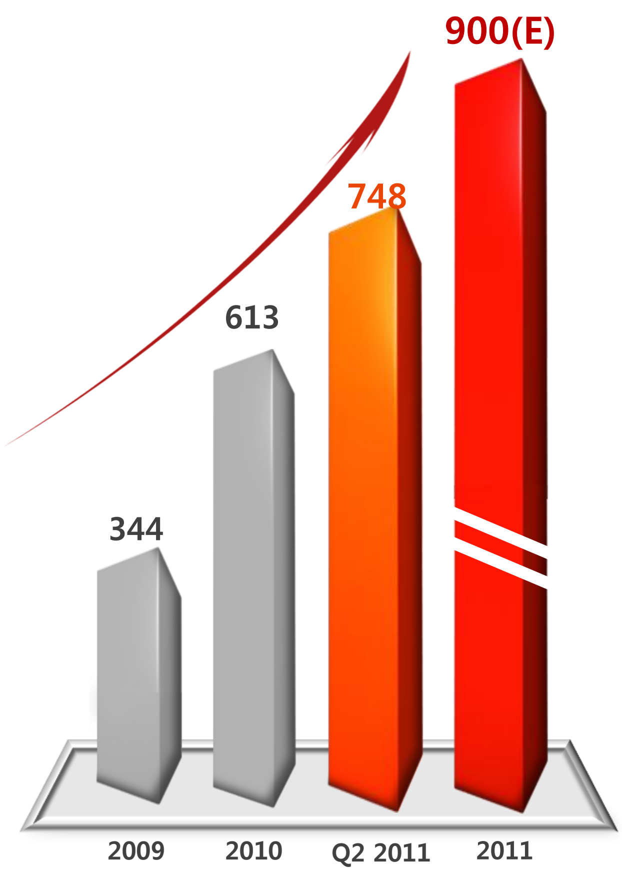
* B2B revenue : Data, Telephony, mobile etc.

* Software as a service

- Q2 2011 total subscribers : 0.75 million (Net addition : 65 thousand)
- Q2 2011 ARPU up 6% YoY

IPTV subscriber trend

(Unit: subscribers in thousand)

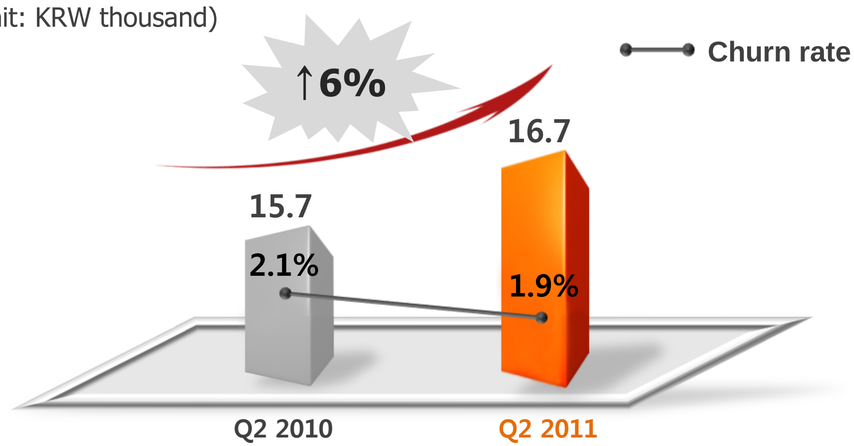


Main features

- Over 90 real time channels (Digital HD)
- Over 50thousand VoDs (HD, 3D)
- Games , Karaoke, Home shopping
- Internet web surfing
- Applications (Twitter, Facebook, etc)
- Widget service, Cloud service
- First operator to source CJ Media channels

ARPU trend

(Unit: KRW thousand)

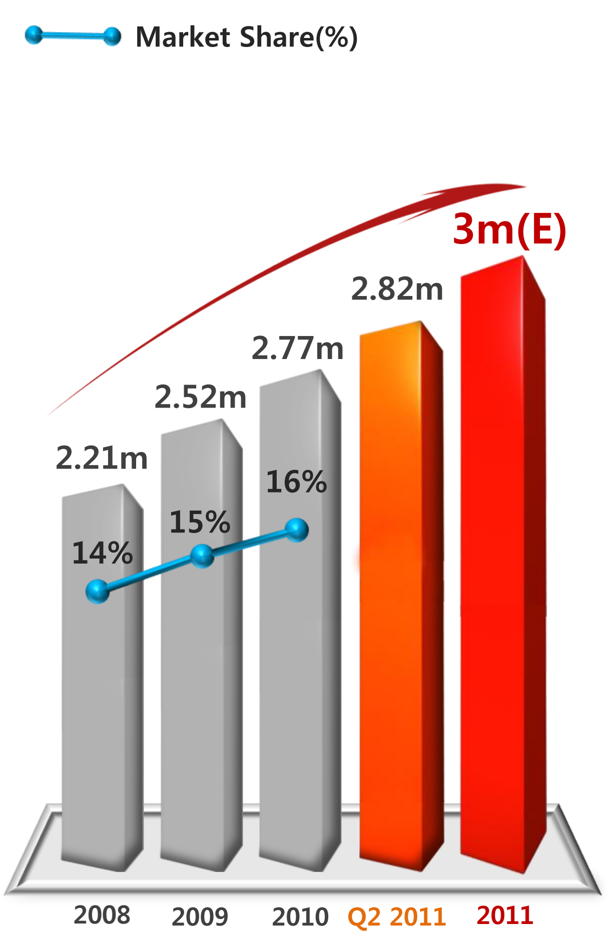


Broadband

- Q2 2011 total subscribers : 2.8 million (Net addition : 32 thousand)
- 100 Mbps subscriber portion : 86%

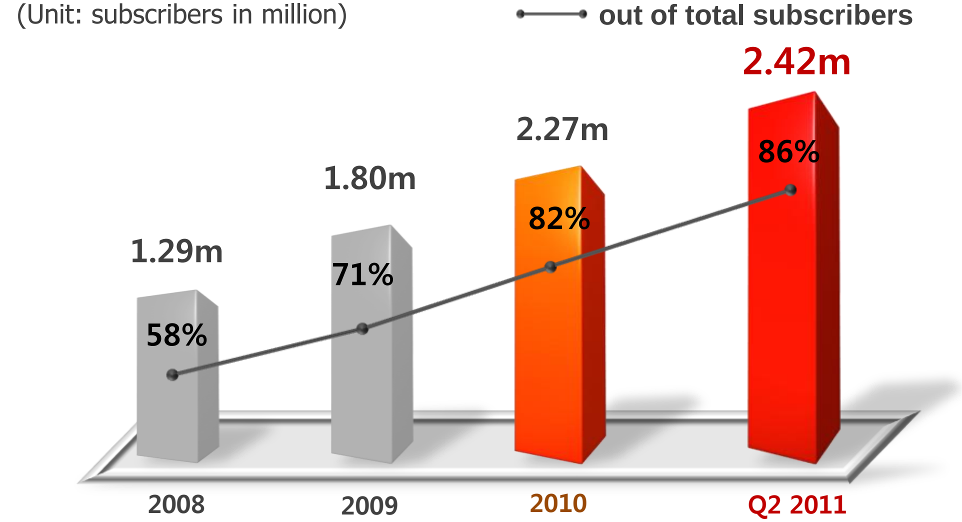
Broadband subscriber trend

(Unit: subscribers in million)



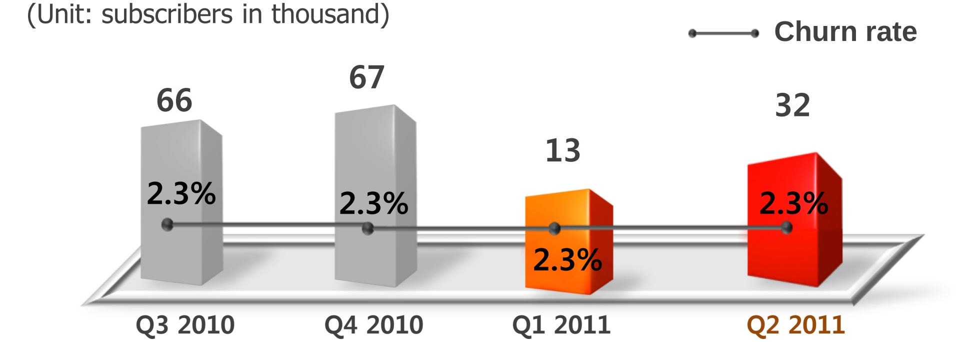
100Mbps subscriber trend

(Unit: subscribers in million)



Quarterly net addition trend

(Unit: subscribers in thousand)

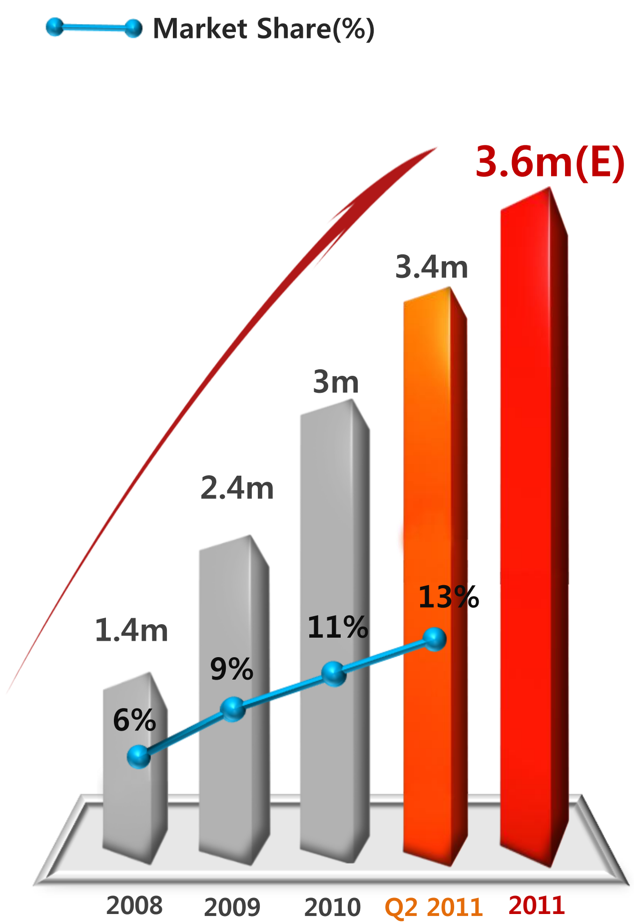


Telephony

- Q2 2011 total subscribers : 3.4 million (Net addition 166 thousand)
- 2011 total subscriber target : 3.6 million

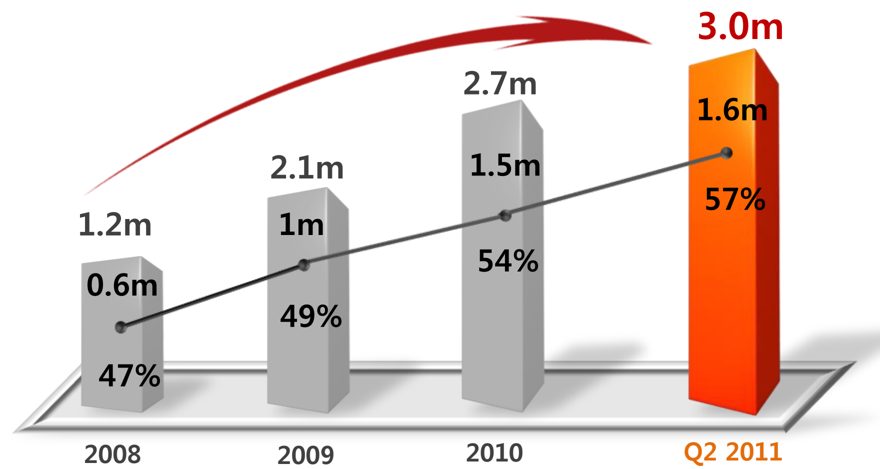
Telephony subscriber trend

(Unit: subscribers in million)



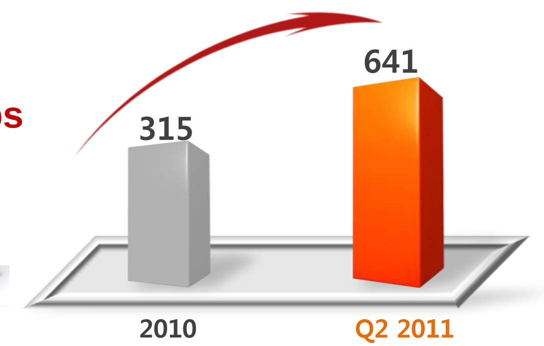
VoIP subscriber trend

(Unit: subscribers in million)



U+ WiFi100 subscriber trend

(Unit: subscribers in thousand)

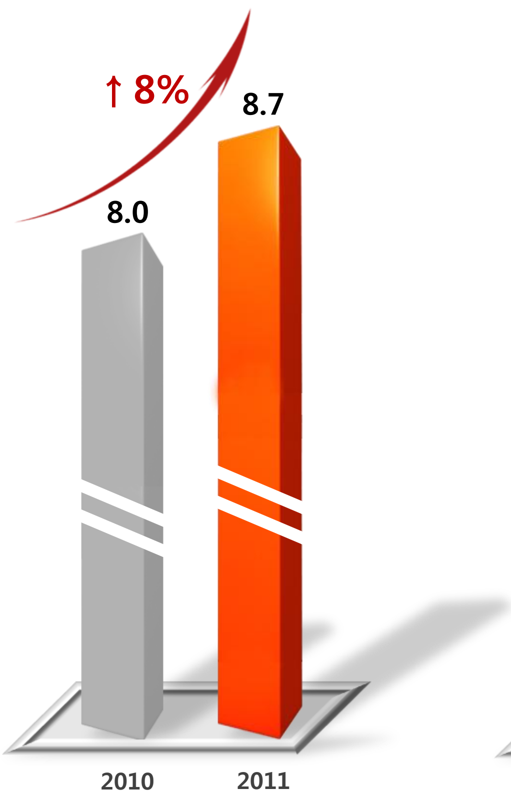


5. 2011 Guidance

- **2011 Revenue guidance : KRW 8.7 tn**
- **2011 EBITDA guidance : KRW 1.65 tn**
- **2011 CAPEX guidance : KRW 1.7 tn (4G LTE CAPEX KRW 0.85tn is included)**

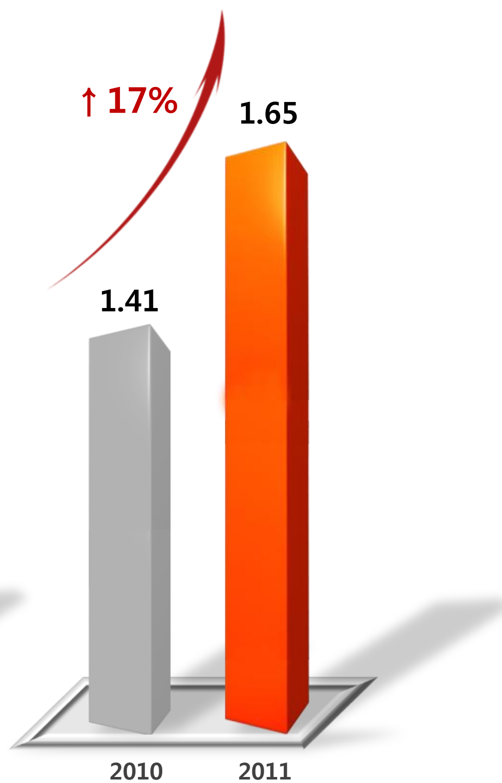
Revenue

(Unit: KRW trillion)



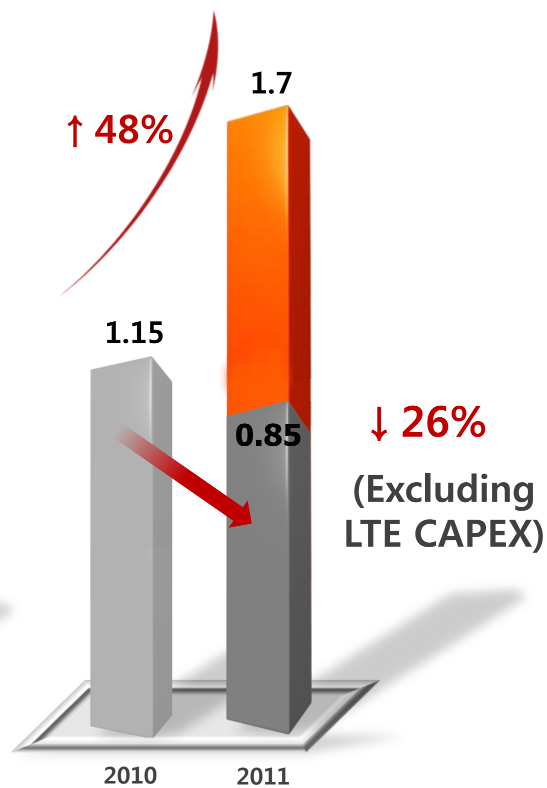
EBITDA

(Unit: KRW trillion)



CAPEX

(Unit: KRW trillion)



*** Source : LG Uplus, Guidance Basis**

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