

November 2012

LG Uplus

IR Presentation



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Q3 2012 Highlights

- LTE subscriber portion reached 36% out of total Wireless subscribers
- Wireless subscriber reached over 10 million (YoY 7.7%)
- Wireless revenue reached over 1 trillion won (YoY 22.6%)
- Wireless service ARPU increased for 6 consecutive quarters (YoY 17.9%)
- CAPEX started to decrease due to completion of LTE nationwide coverage with 800MHz spectrum

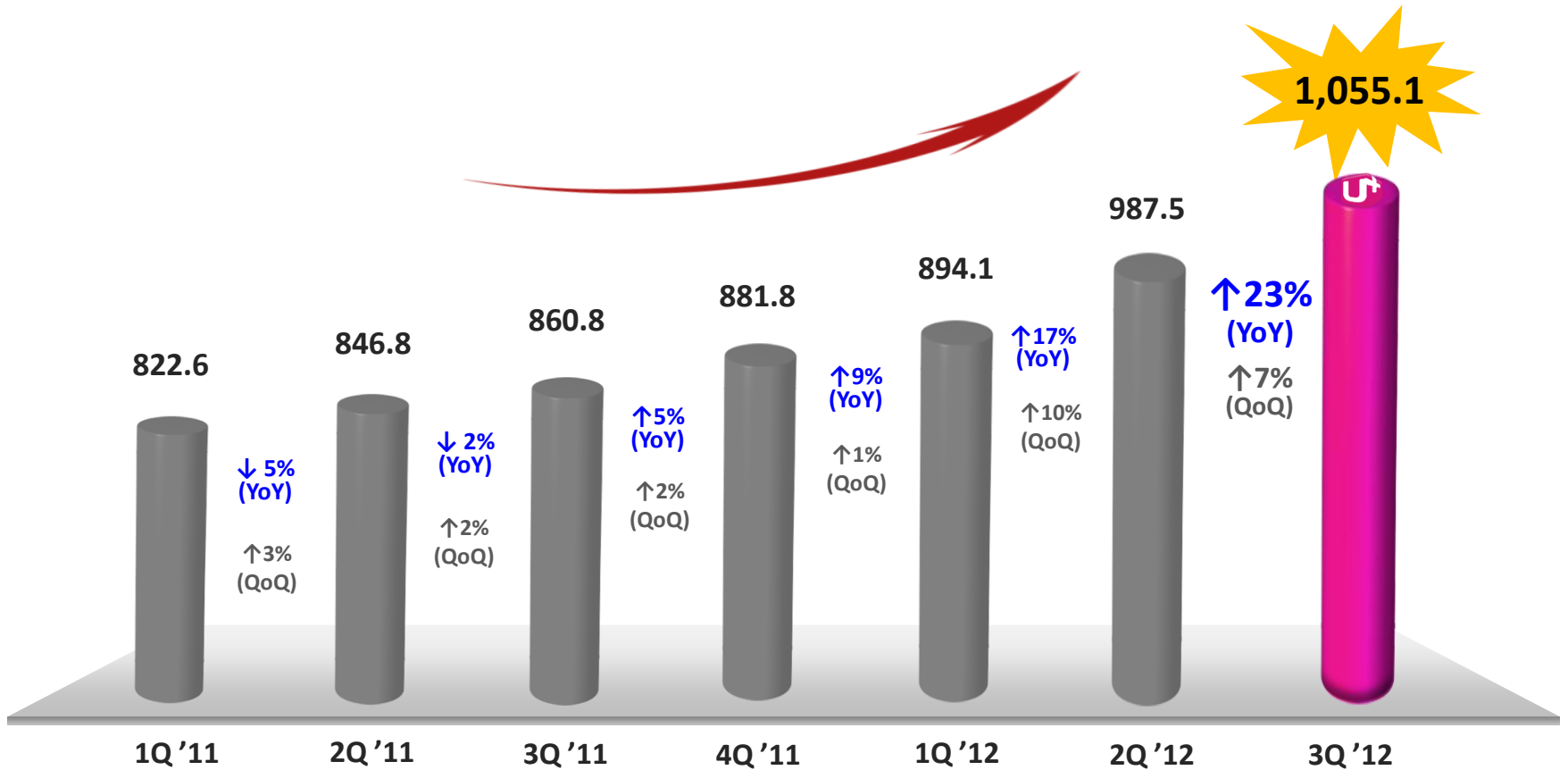
Revenue Momentum

Wireless Revenue Trend

(Unit: KRW in in billions)



3Q 2012 Growth : 23% YoY, 7% QoQ



ARPU Momentum

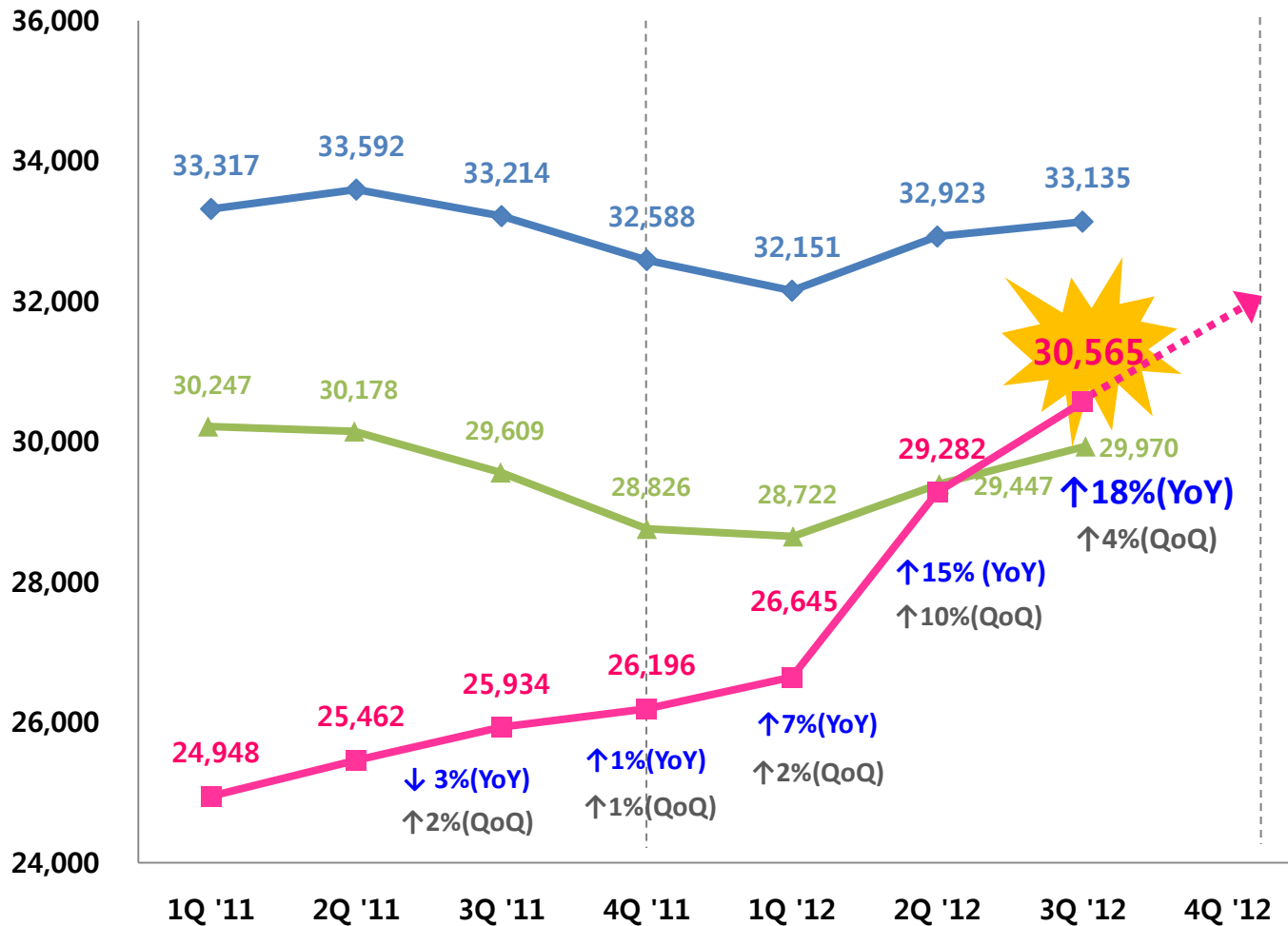
Service ARPU Comparison with Korean Telcos

(Unit: KRW)



3Q 2012 Service ARPU Growth : 18% YoY, 4.4% QoQ

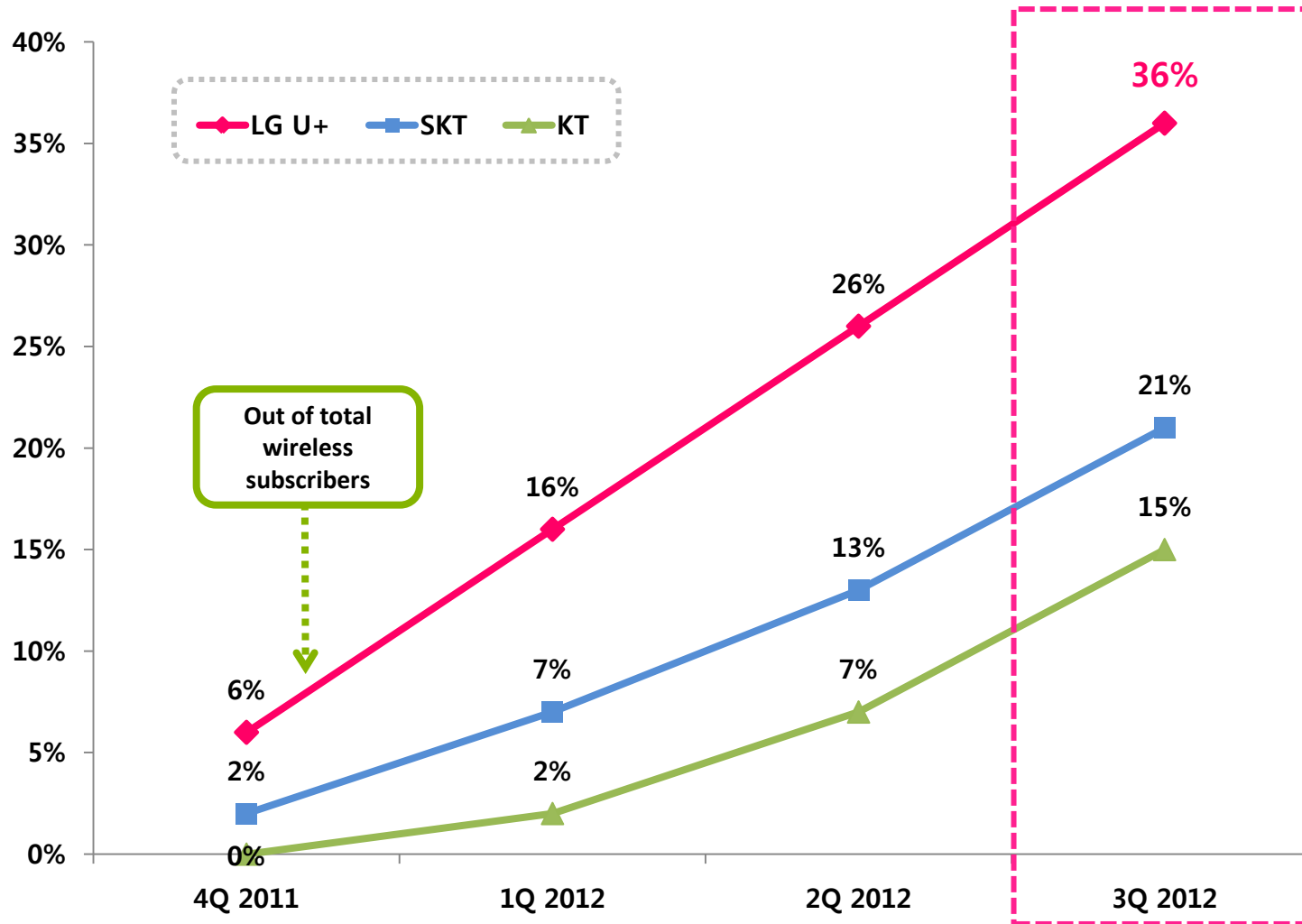
— LG U+ — SKT — KT



ARPU (3Q 2012)	
LTE	50K
3G SP	30K
FP*	17K

*Feature phone ARPU: Includes PPS, M2M etc.

LTE subscriber mix comparison with Korean Telcos



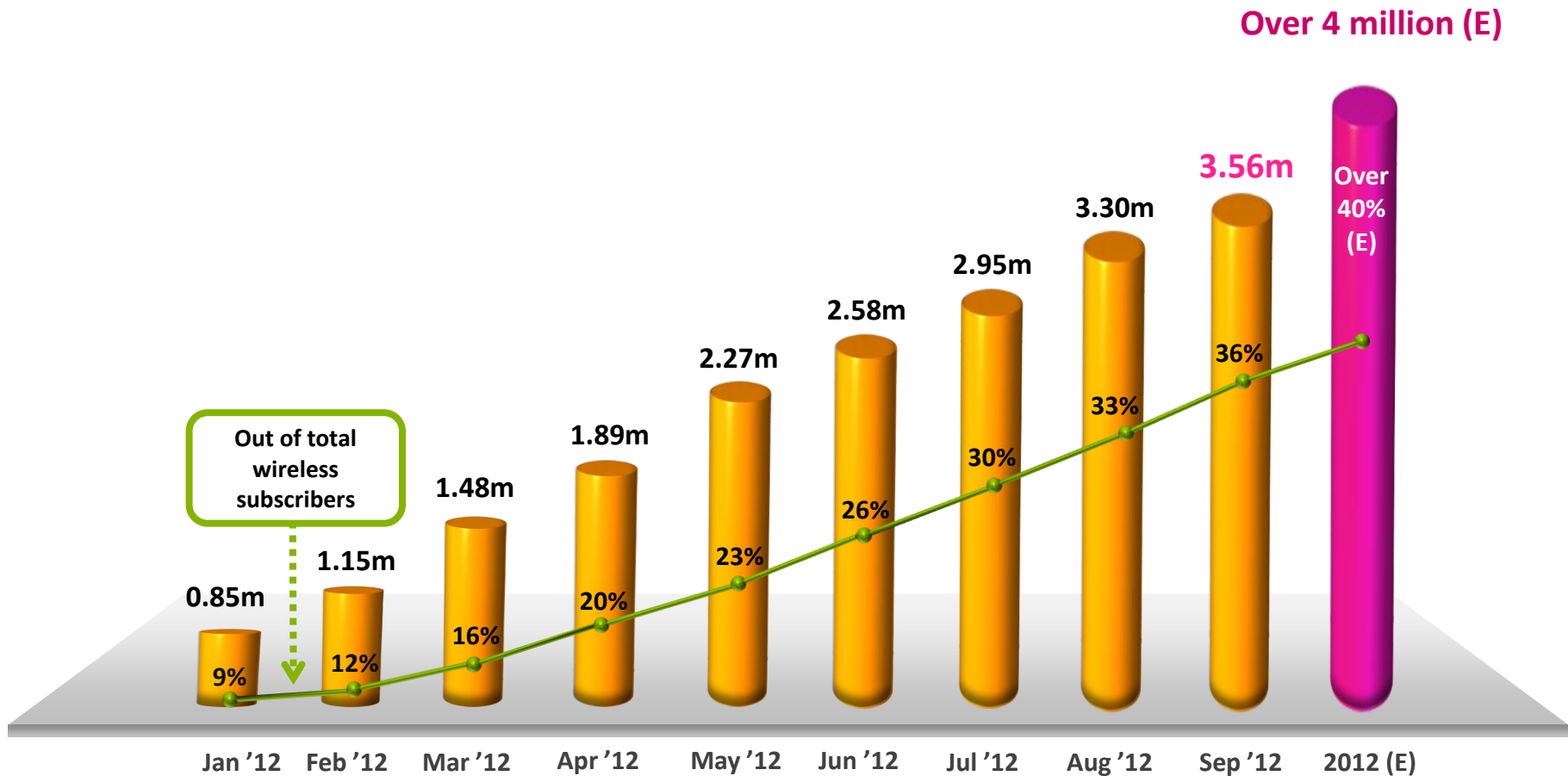
LTE Subscriber Momentum

Total LTE Subscriber Trend

(Unit: subscribers in millions)

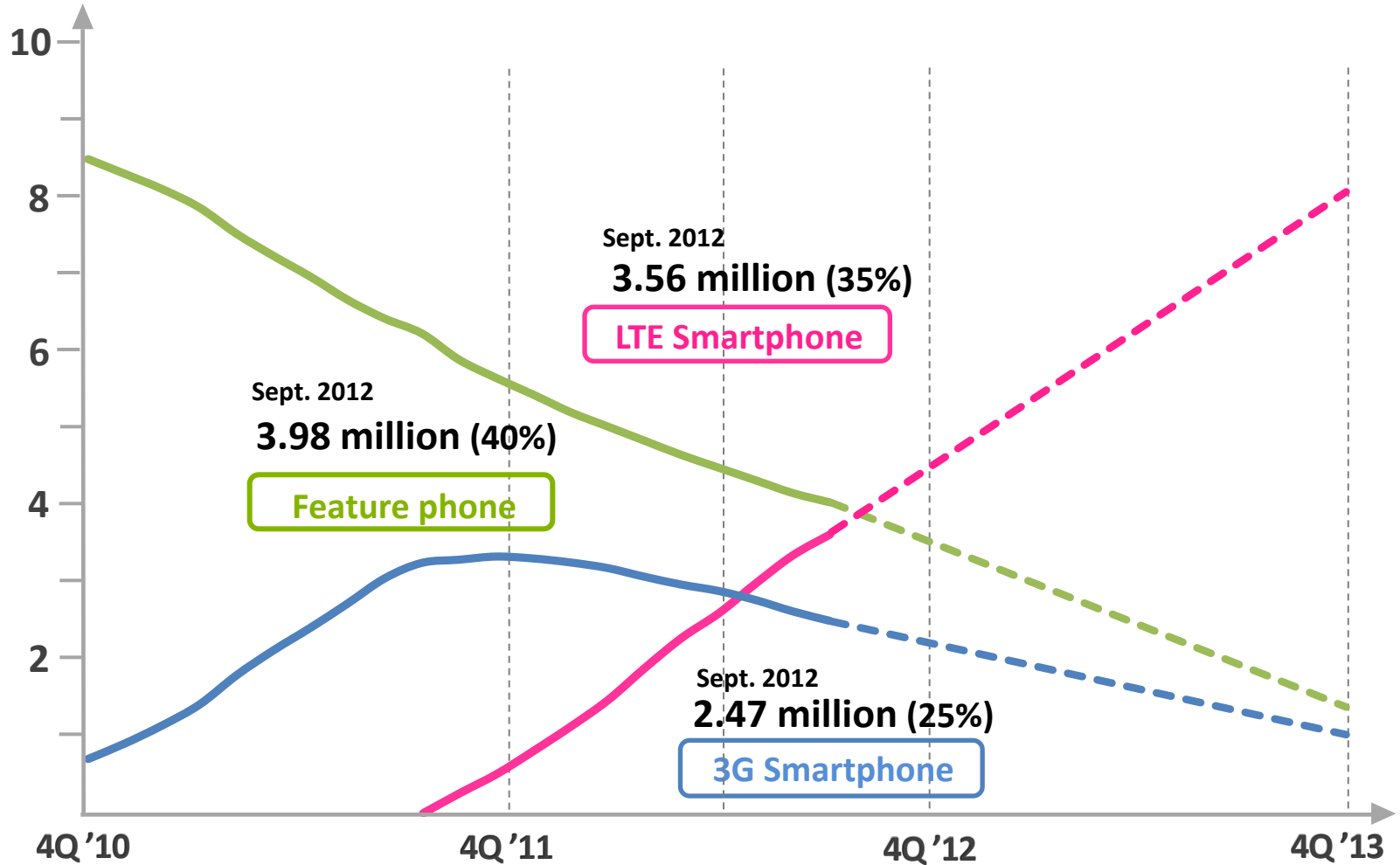


▪ 2012 LTE Smartphone subscriber target : Over 4 million



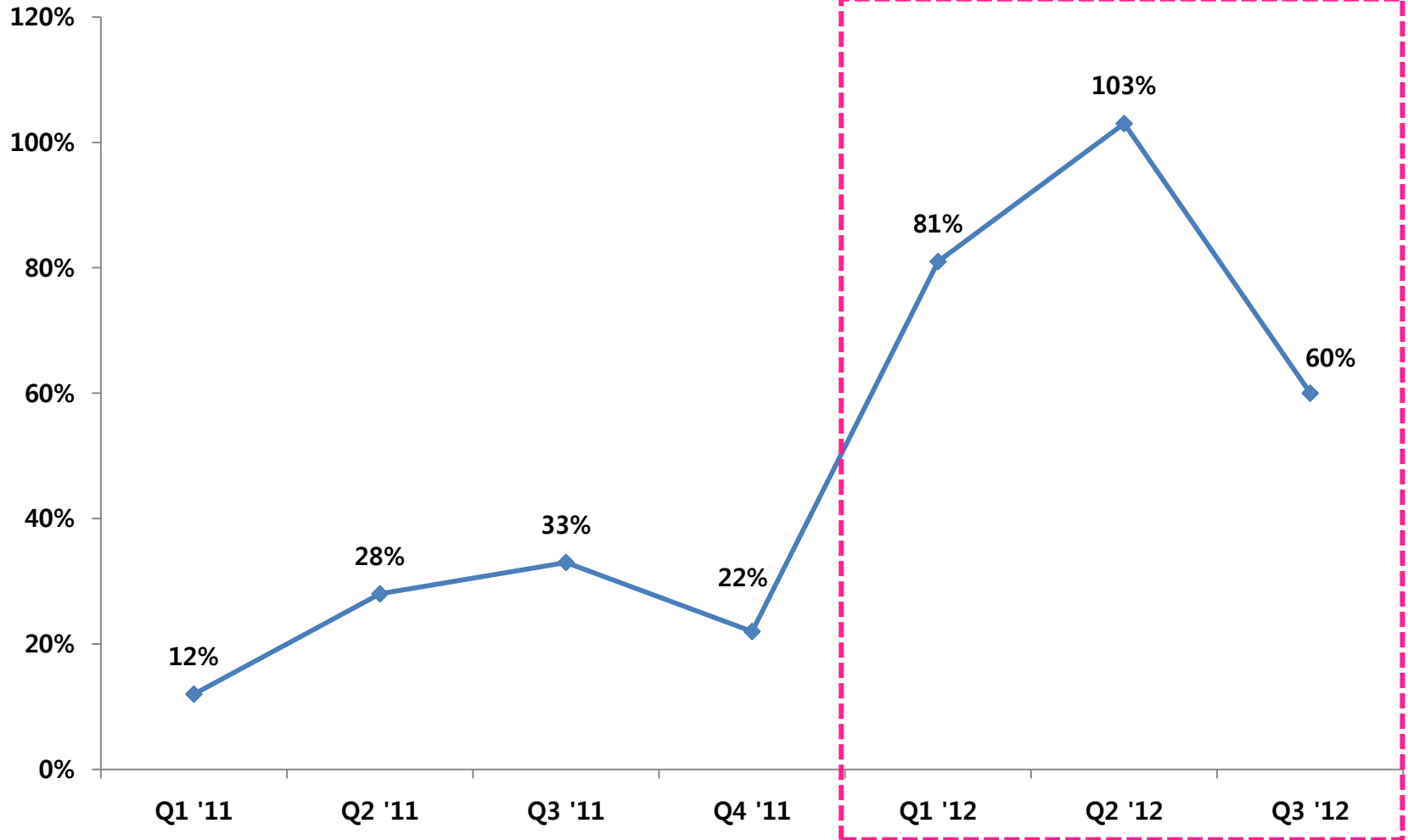
LG U+ Subscriber Mix Trend

(Unit: subscribers in millions)



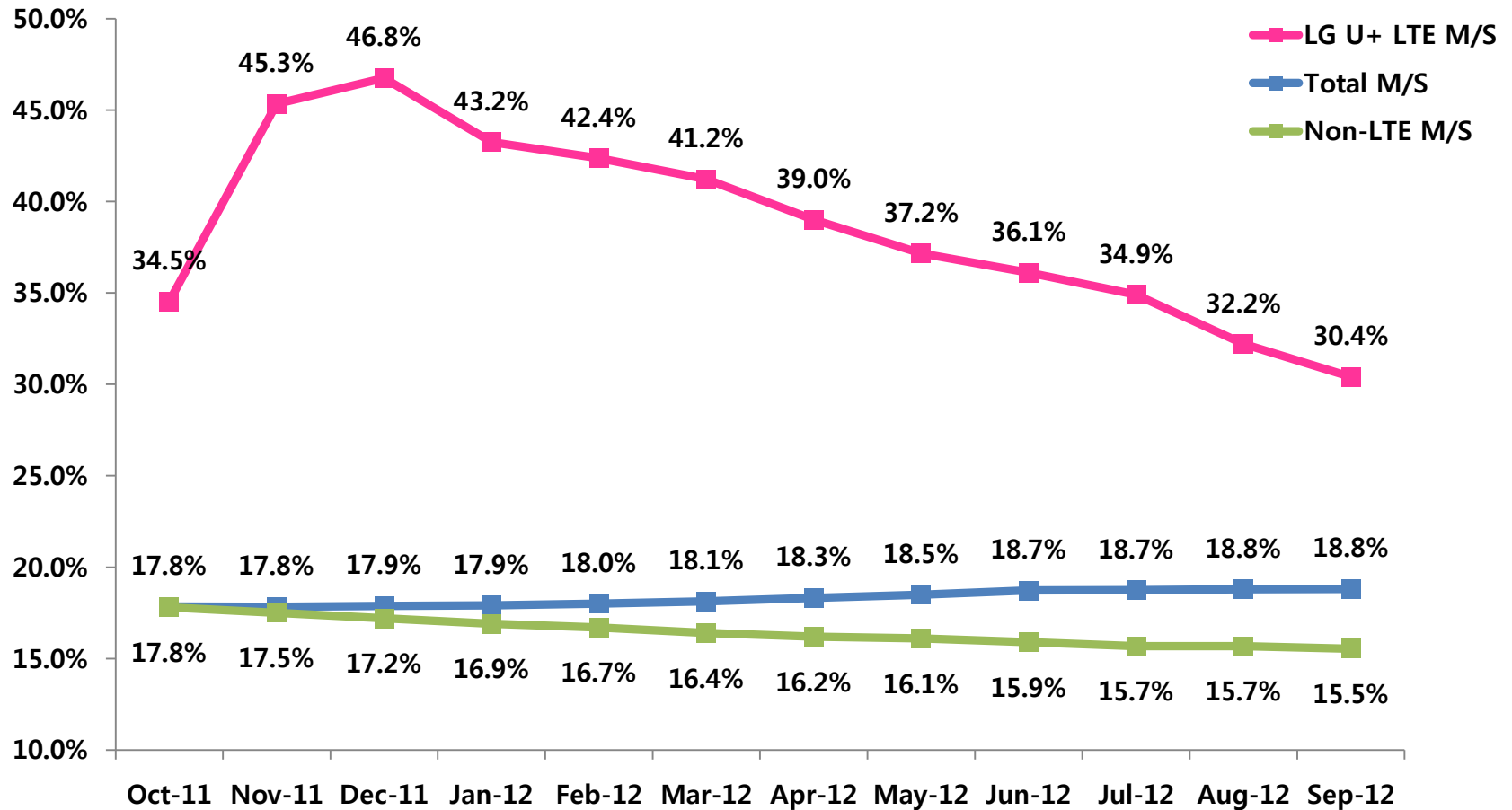
Subscriber Growth Momentum

Subscriber Net addition Market Share



Market Share Momentum

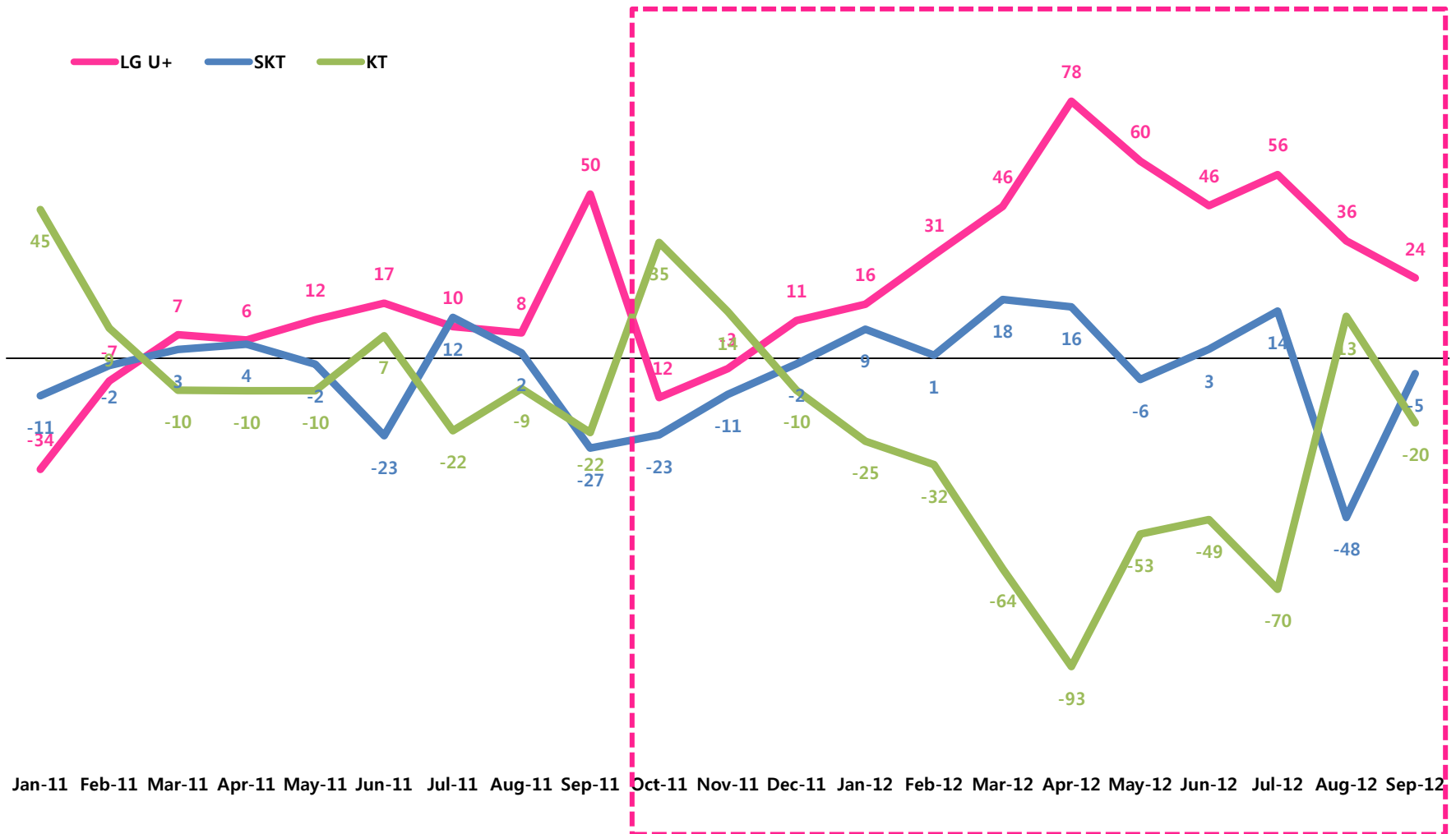
Subscriber Market Share Trend



Subscriber Growth Momentum

Monthly MNP Net Addition Trend

(Unit: subscribers in thousands)

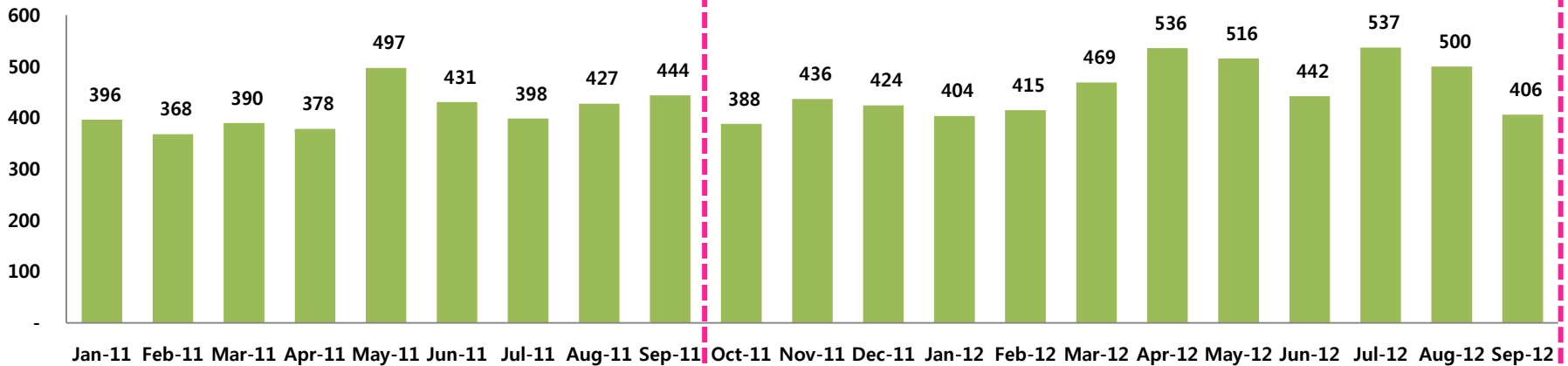


Subscriber Growth Momentum



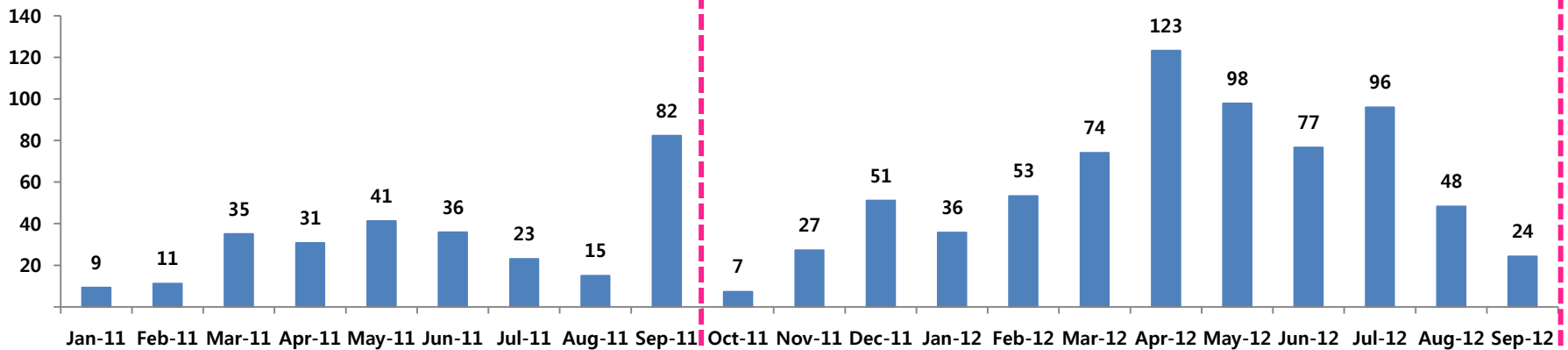
Monthly Handset Sales Trend

(Unit: subscribers in thousands)



Subscriber Net Addition Trend

(Unit: subscribers in thousands)



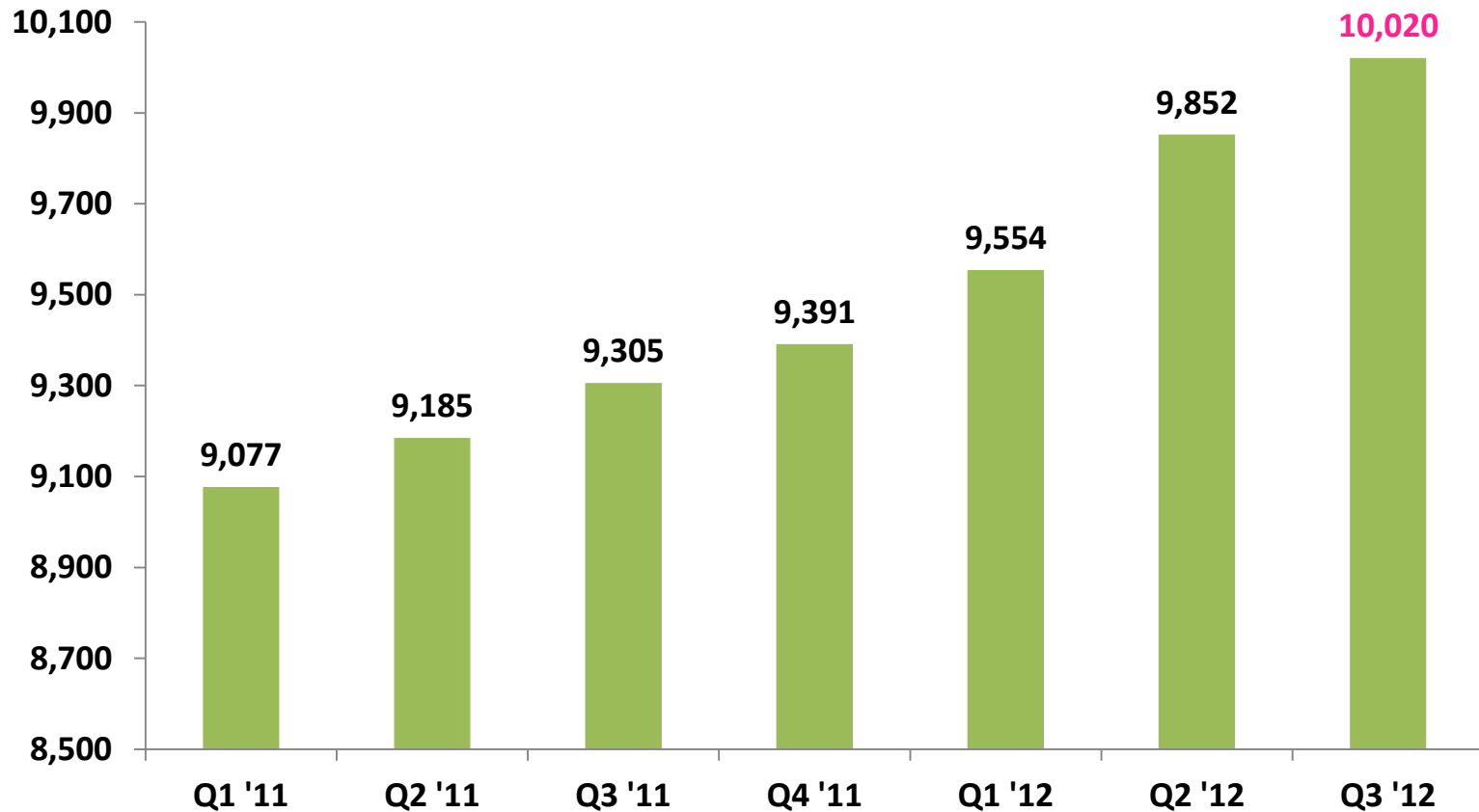
Subscriber Growth Momentum

Total Wireless Subscriber Trend

(Unit: subscribers in thousands)



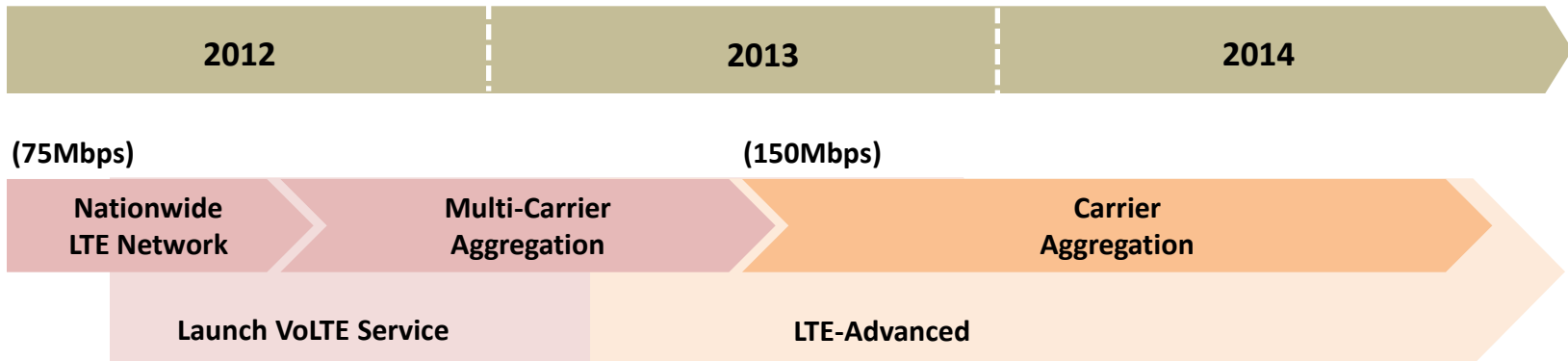
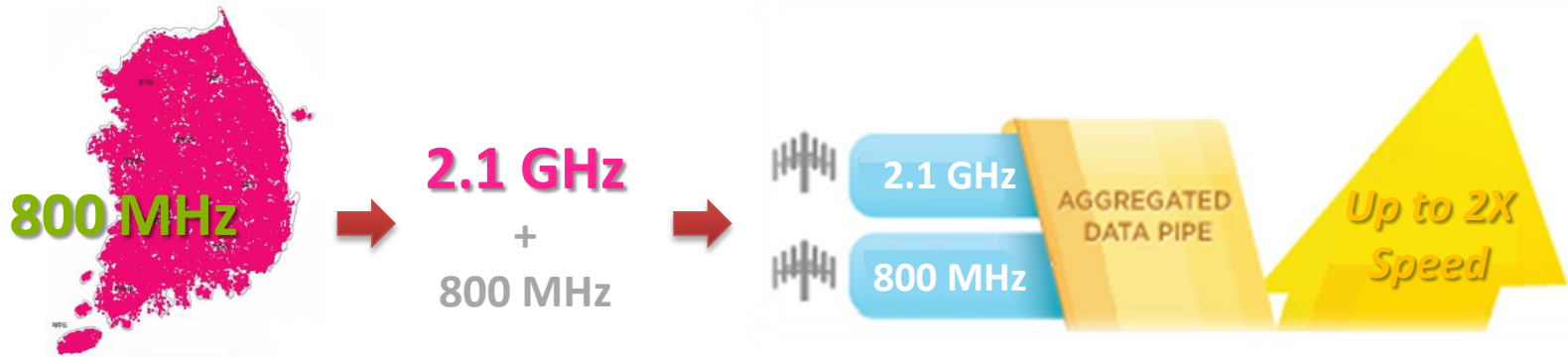
2012 Wireless subscriber target: 10 million





- World's first VoLTE service provider in 3Q 2012
- Multi-Carrier technology adopted in August 2012

LTE Network Roadmap





- Providing video based various services with high quality LTE network

Real-time HD Streaming



Personal Broadcasting



N-Screen Service



VoLTE, HD Video Calls & Rich Communication Suite



Network Games



C-games





- 2012 LTE Smartphone line up : 16~18 new 4G LTE devices
- Providing equivalent hardware specification compare to competitors

LTE Handset Evolution

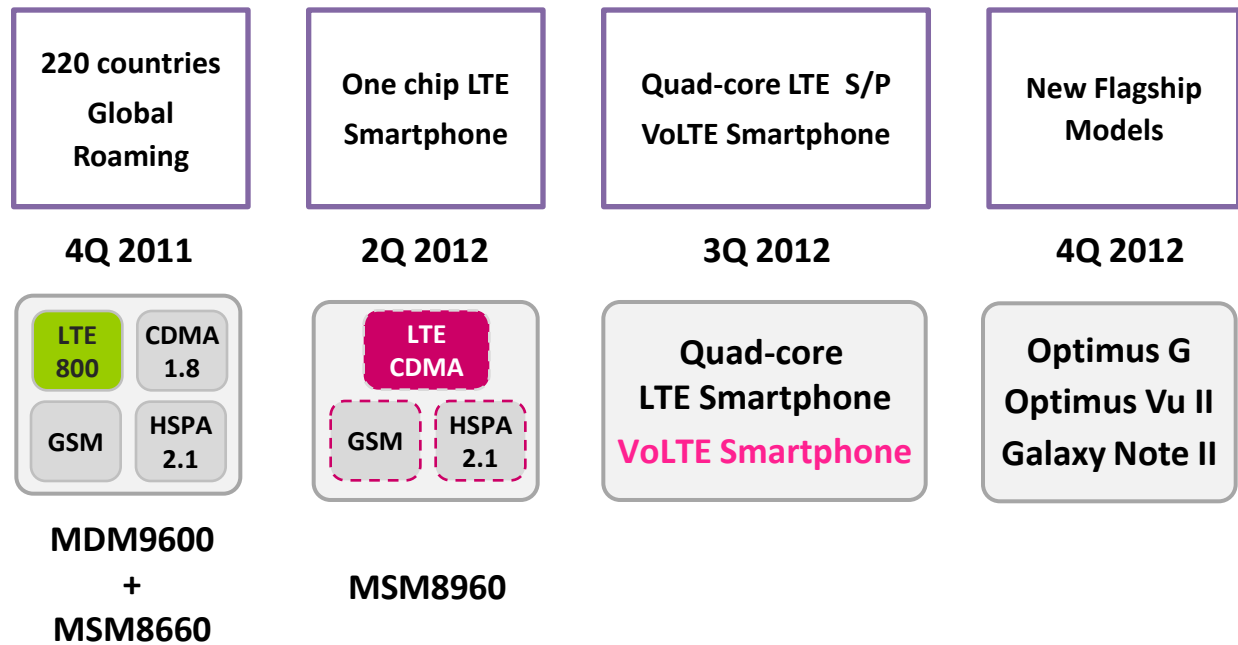


Latest Specification

HD Display Over 5 inch

Quad-core Over 1.5GHz

Camera Pixel Over 13Mpx



LTE tariff plan, LTE spectrum status



- Providing competitive tariff plan compared to competitors
- Expected to have competitiveness on 4G spectrum compared to competitors

4G LTE Tariff Plan

LTE Tariff Plan (KRW)		LG Uplus		SKT	
		Voice (Minute)	Data	Voice (Minute)	Data
LTE 120	120,000	1,500	24GB		
LTE 100	100,000	1,200	20GB	1,050	18GB
LTE 85	85,000	750	14GB	650	13GB
LTE 72	72,000	500	10GB	450	9GB
LTE 62	62,000	350	6GB	350	5GB
LTE 52	52,000	250	2.5GB	250	2GB
LTE 42	42,000	200	1.5GB	180	1.1GB
LTE 34	34,000	160	750MB	120	550MB
LTE Relief Option	+9,000	Providing unlimited mobile data with lower speed			

4G Spectrum Status

LG Uplus

800 MHz 20 MHz

2.1 GHz 20 MHz

1.8 GHz (CDMA) 20 MHz

SKT

800 MHz 20 MHz

1.8 GHz 20 MHz

KT

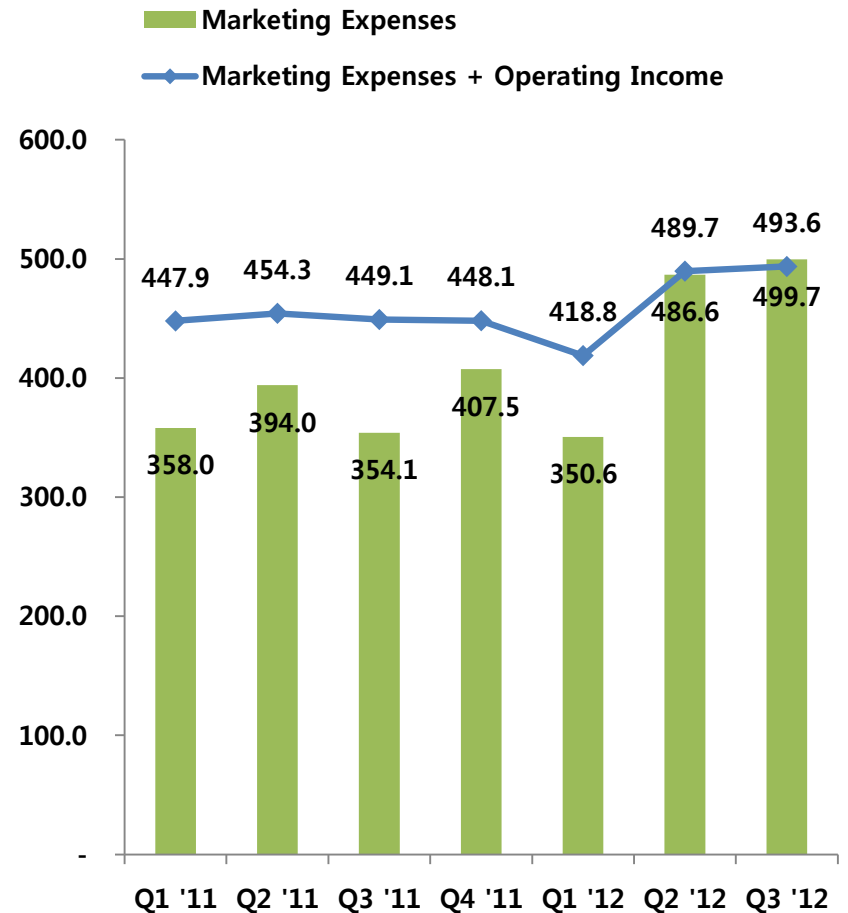
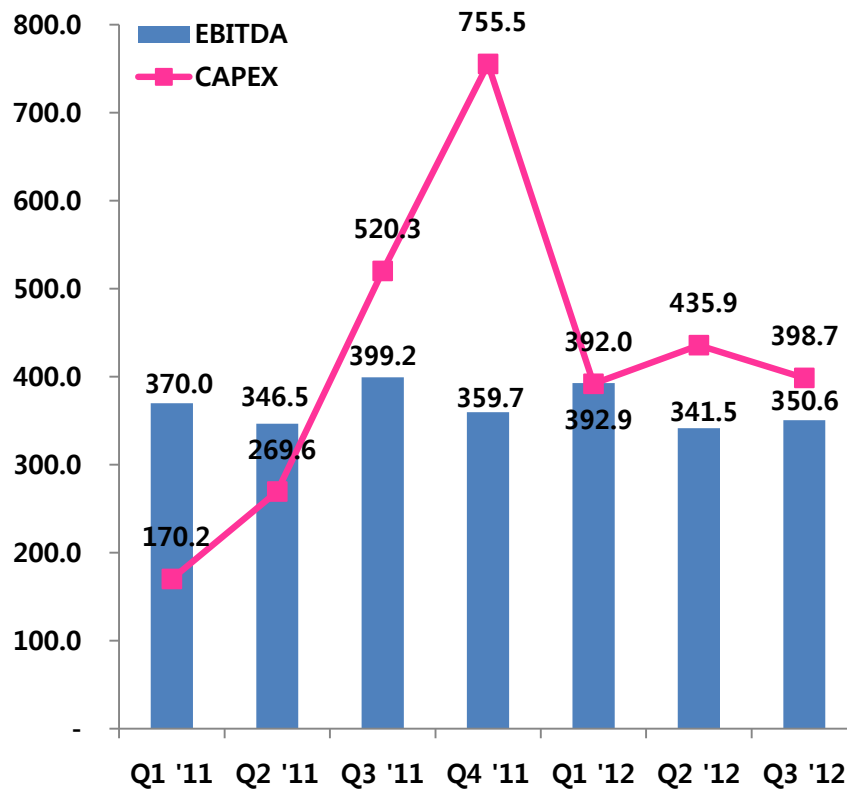
900 MHz 20MHz

1.8 GHz 20 MHz



- 3Q 2012 EBITDA up by 2.6% QoQ
- 3Q 2012 Marketing expenses up by 2.7% QoQ, 41.1% YoY
- 3Q 2012 CAPEX down by 9.1% QoQ, 23.4% YoY

(Unit: KRW in billions)



3Q 2012 Earnings results

(Unit: KRW in billions)

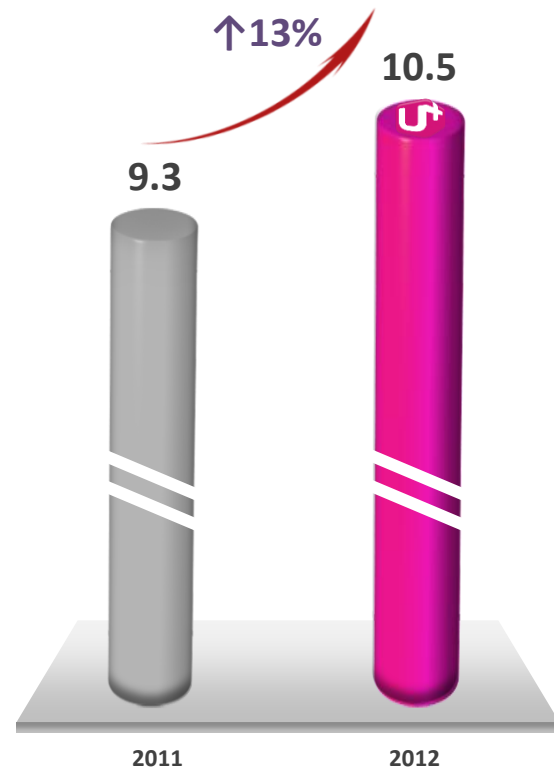
	3Q 2011	2Q 2012	3Q 2012	YoY	QoQ
Revenue	2,382	2,799	2,836	19.1%	1.3%
EBITDA	399	342	351	△12.2%	2.6%
Operating Income (Guidance)	95.0 (148.9)	3.1 (57.1)	△6.1 (47.9)	Turn red (△67.9%)	Turn red (△16.2%)
Net Income	56.6	△32.1	△38.4	-	-



- 2012 Revenue guidance : KRW 10.5 trillion
- 2012 CAPEX guidance : KRW 1.6 trillion

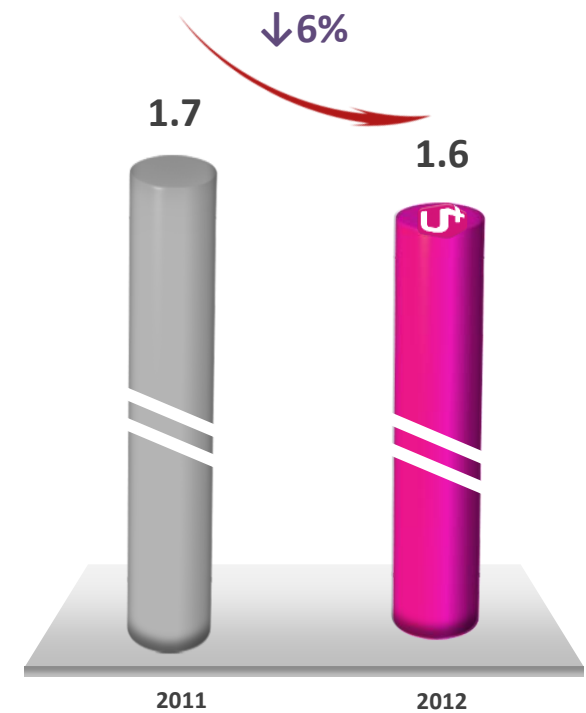
Revenue

(Unit: KRW in trillions)



CAPEX

(Unit: KRW in trillions)

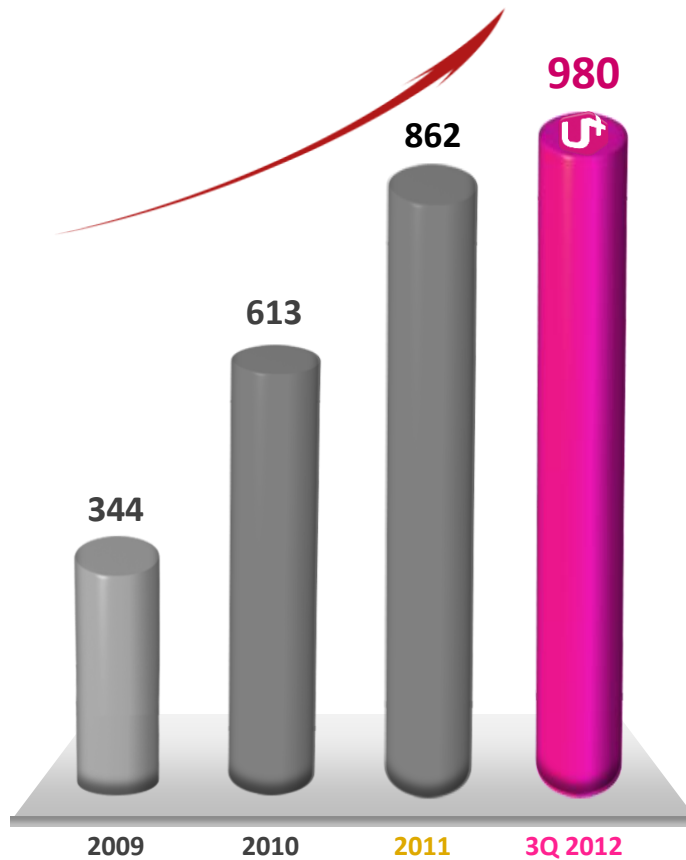




- 3Q 2012 total subscriber: 980 thousand & 2012 total subscriber target : 1.1 million
- 3Q 2012 ARPU up by 6% YoY

IPTV Subscriber Trend

(Unit: subscribers in thousands)

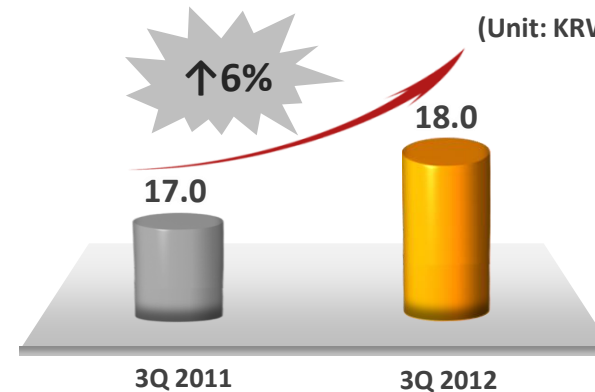


Main Features

- First operator to converge IPTV with Google TV
- Differentiating IPTV service with open platform strategy on Android OS
- 119 real time channels (78 Digital HD channels)
- Over 50 thousands VODs (HD, 3D) and Karaoke
- Internet Web surfing (YouTube, etc)
- Google Play Applications (Games, SNS, eBooks)
- Widget service, Cloud, NFC services

ARPU Trend

(Unit: KRW in thousands)

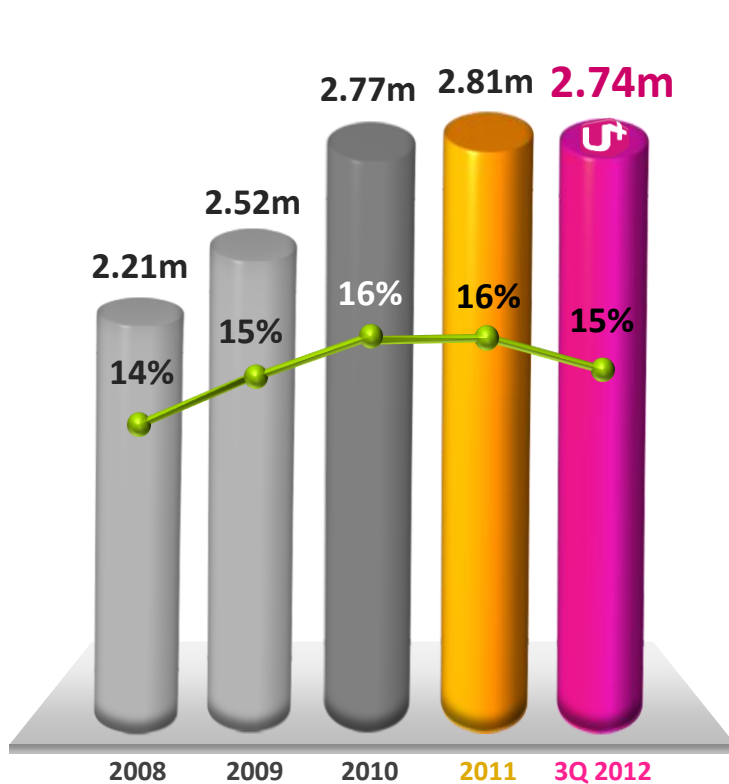




- 3Q 2012 total subscribers : 2.74 million
- 100Mbps subscriber portion : 91%

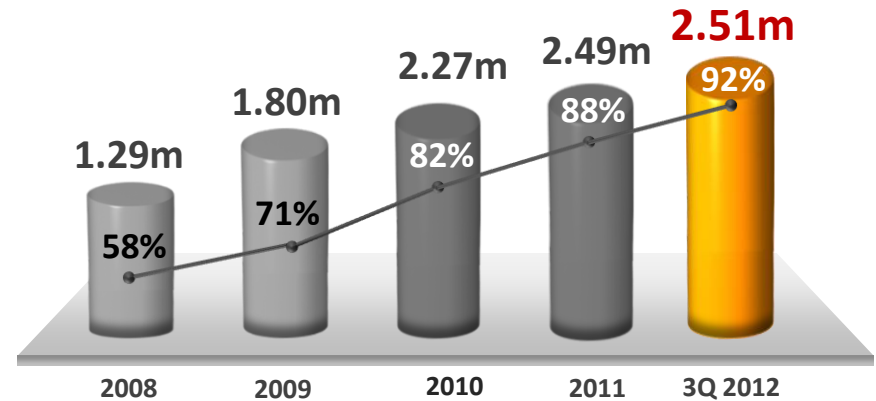
Broadband Subscriber Trend

● Market Share(%)

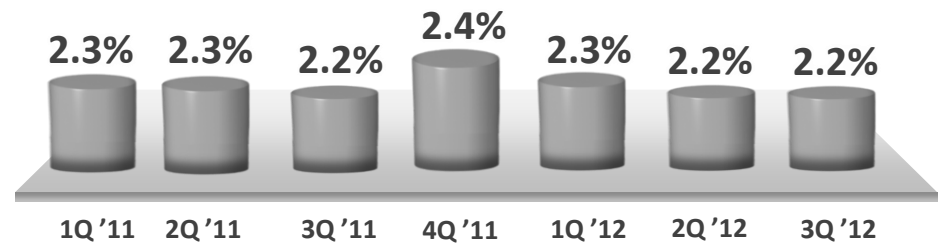


100Mbps Subscriber Trend

● Out of total subscribers



Quarterly Churn Rate Trend

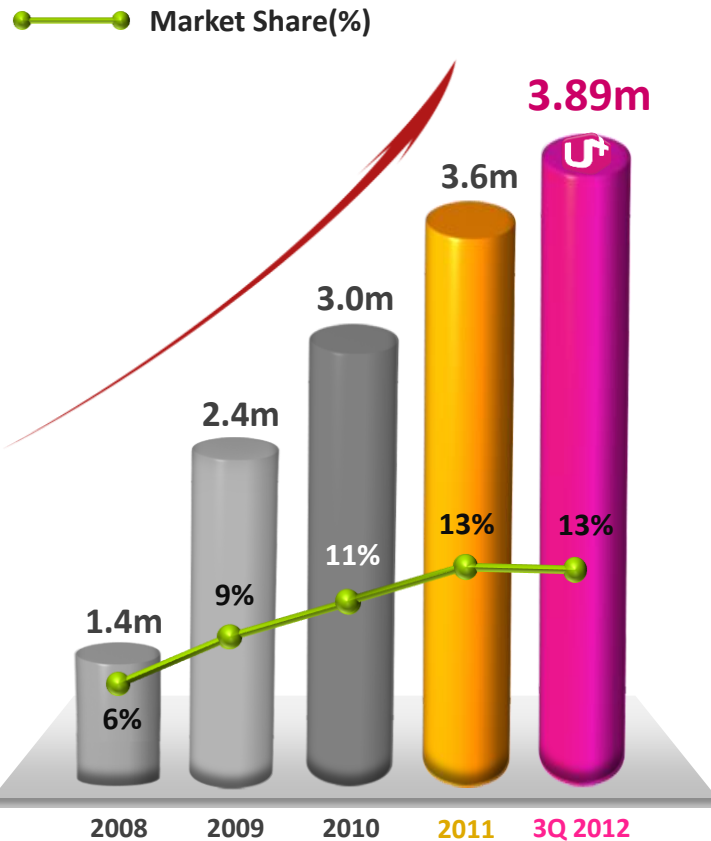




- 3Q 2012 total subscribers: 3.89 million (VoIP+PSTN)
- 2012 total subscriber target: 4.1 million (VoIP+PSTN)

VoIP+PSTN Subscriber Trend

(Unit: subscribers in millions)

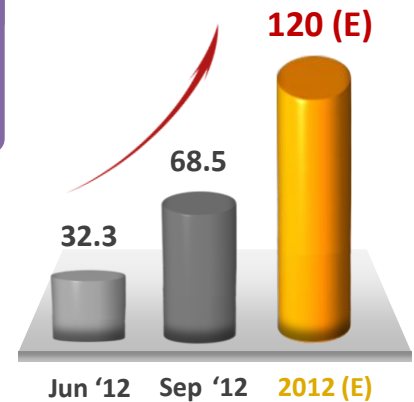


Galaxy 070 Player

(Unit: KRW)

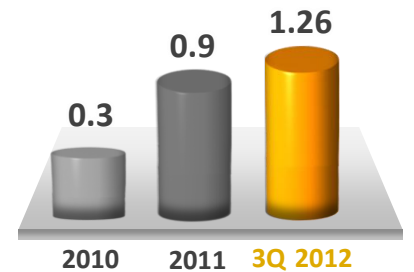


(Unit: subscribers in thousands)



U+ WiFi100 Subscriber Trend

(Unit: subscribers in millions)

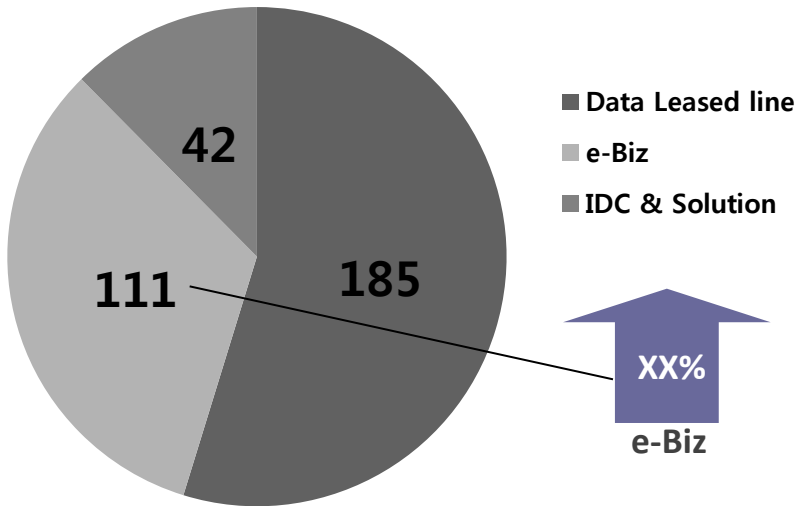




- 3Q 2012 Data total revenue: KRW 339 billion
- 3Q 2012 Telephony revenue: KRW 122 billion

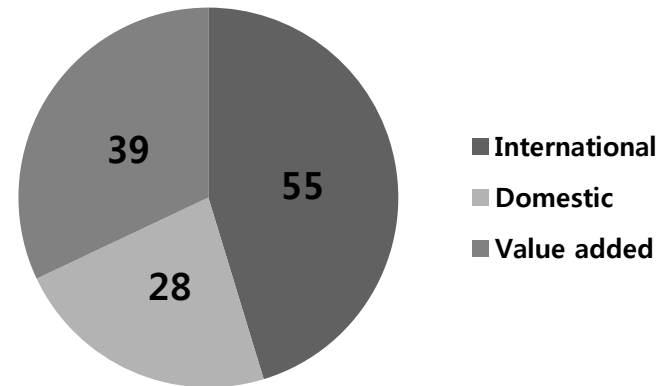
3Q 2012 Data Revenue

(Unit: KRW in billions)



3Q 2012 Telephony Revenue

(Unit: KRW in billions)



Growth Strategy

- ✓ Targeting high growth SME market with cloud based various solutions & LTE convergence services (Smart ICT service -SaaS)

Strategy

- ✓ Launching various smartphone related international call applications to increase international call traffics



Thank You!

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