

February 2014

LG Uplus

IR Presentation



Korea's Largest 80MHz Spectrum

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1. 2014 Outlook

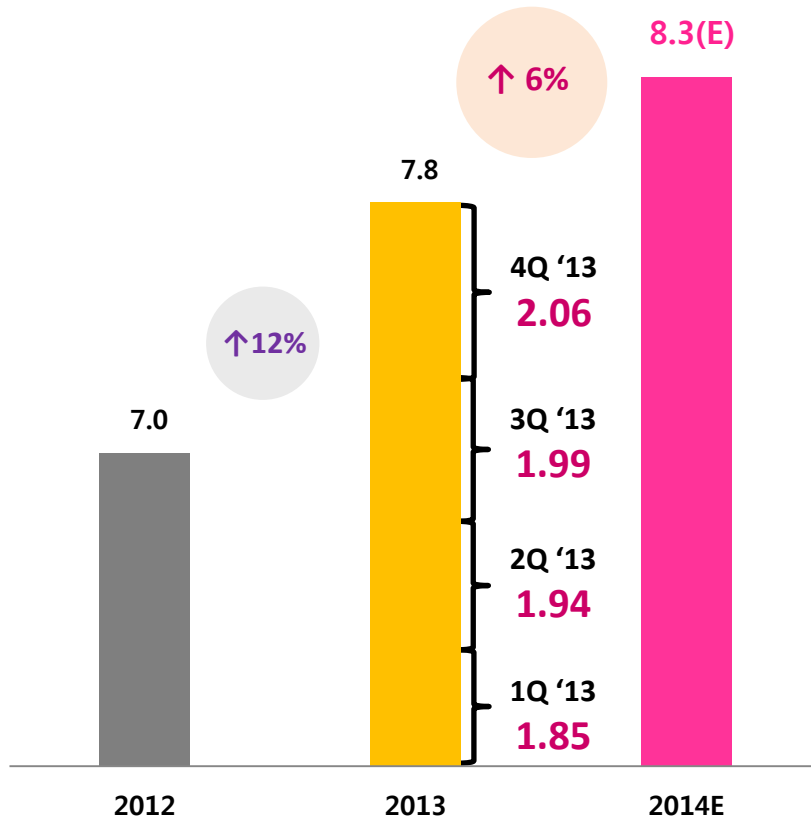
Revenue



▪ 2014 Total Service Revenue Guidance : KRW 8.3 trillion

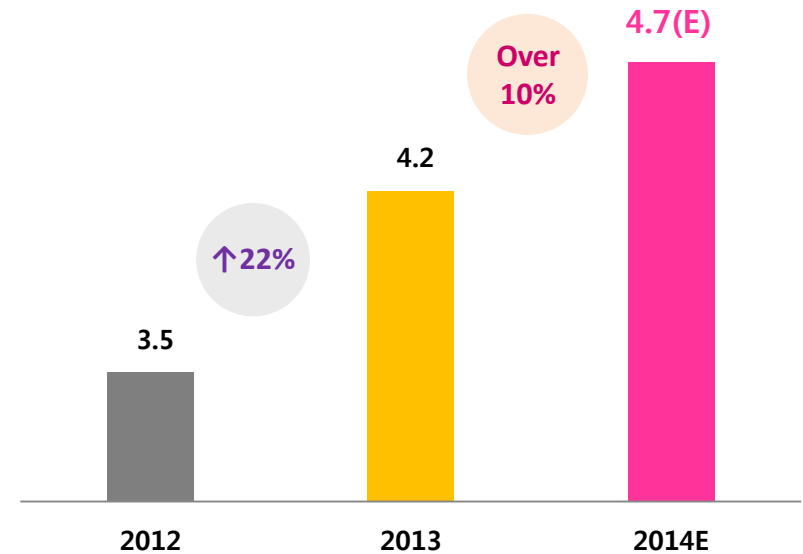
Total Service Revenue

(Unit: KRW in trillions)



Wireless Service Revenue

(Unit: KRW in trillions)

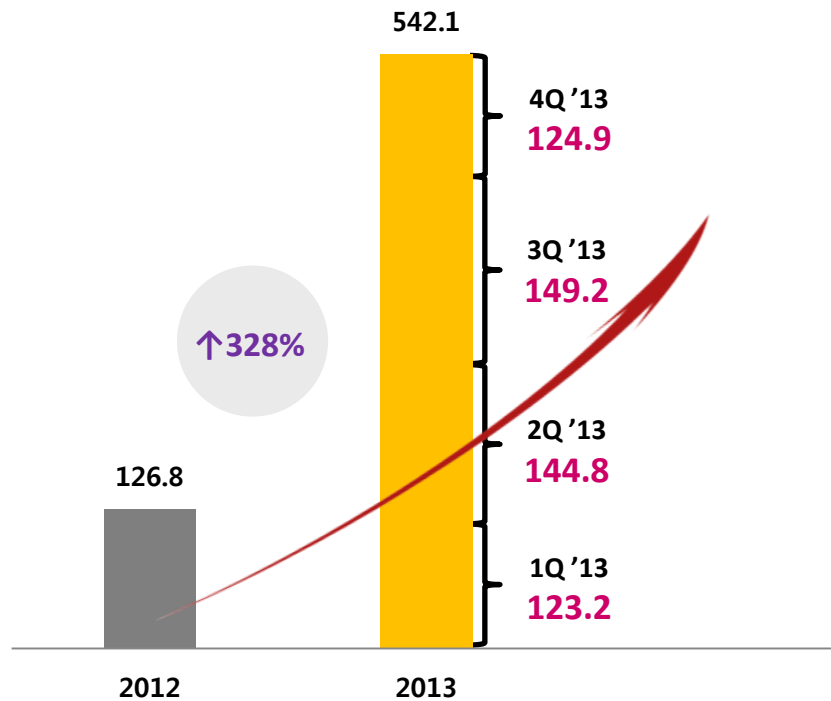




Operating Income is expected to grow in 2014 compare to 2013

Operating Income

(Unit: KRW in billions)



2013 OP recorded KRW 542.1 billion

OP increased by 328% YoY from increased service revenue and decreased amortization

2014 Outlook

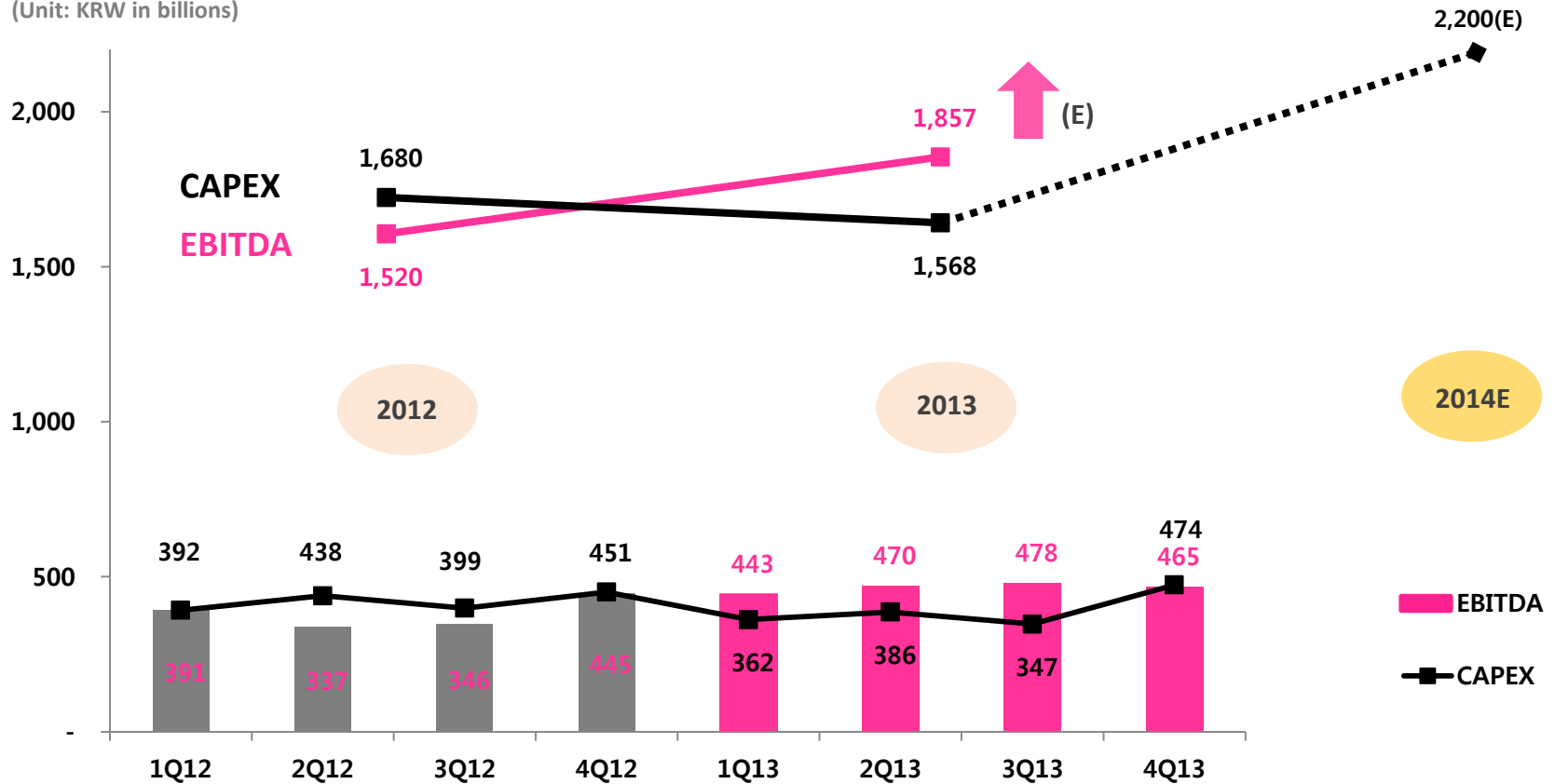
Maximizing operating leverage with growth from wireless business



- 2013 EBITDA recorded KRW 1.86 trillion, up by 22% YoY
- 2014 CAPEX Guidance : KRW 2.2 trillion

CAPEX / EBITDA

(Unit: KRW in billions)

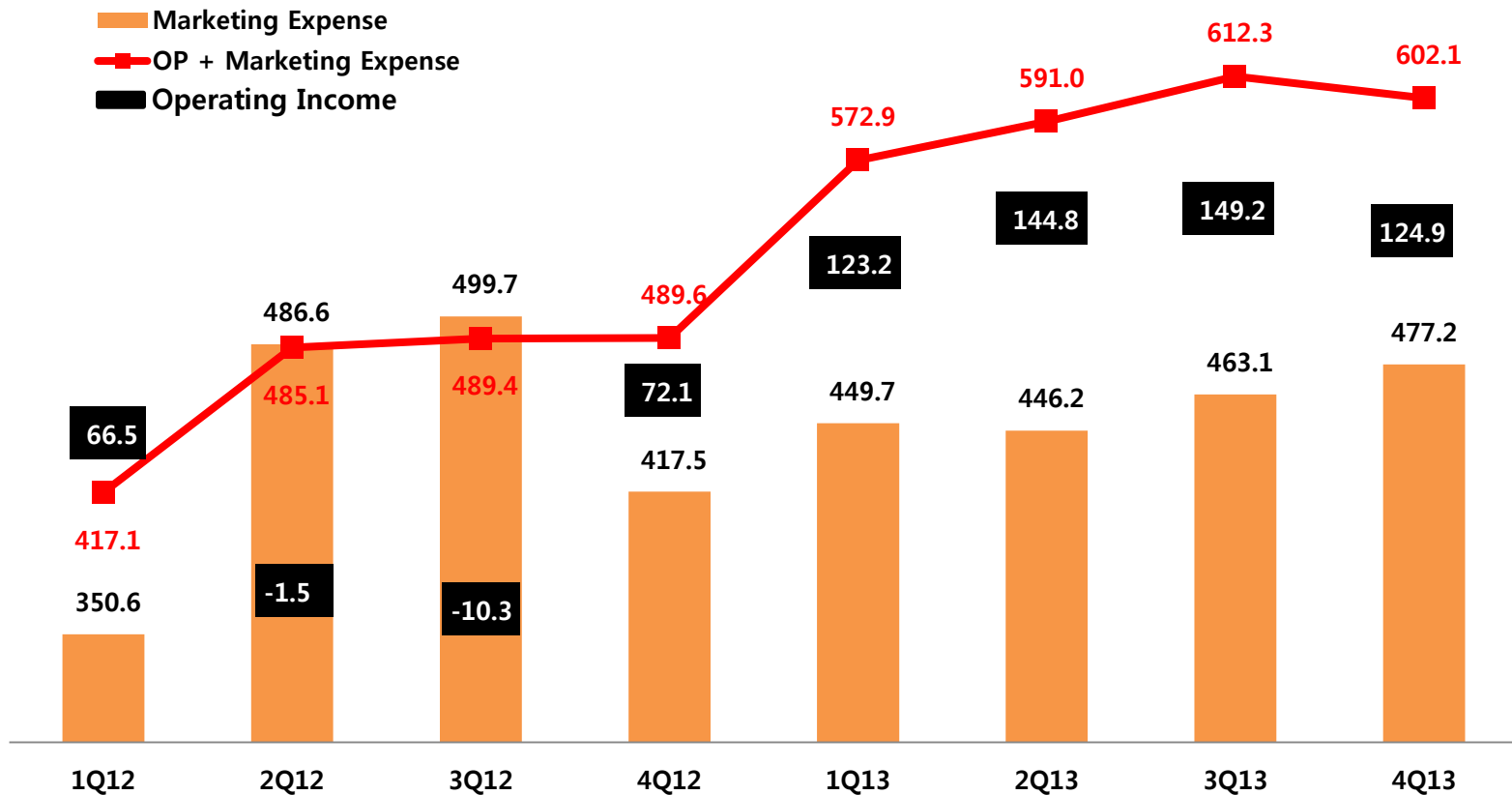




▪ 2013 Operating Income increased by 328% YoY

Marketing Expense vs. Operating Income

(Unit: KRW in billions)

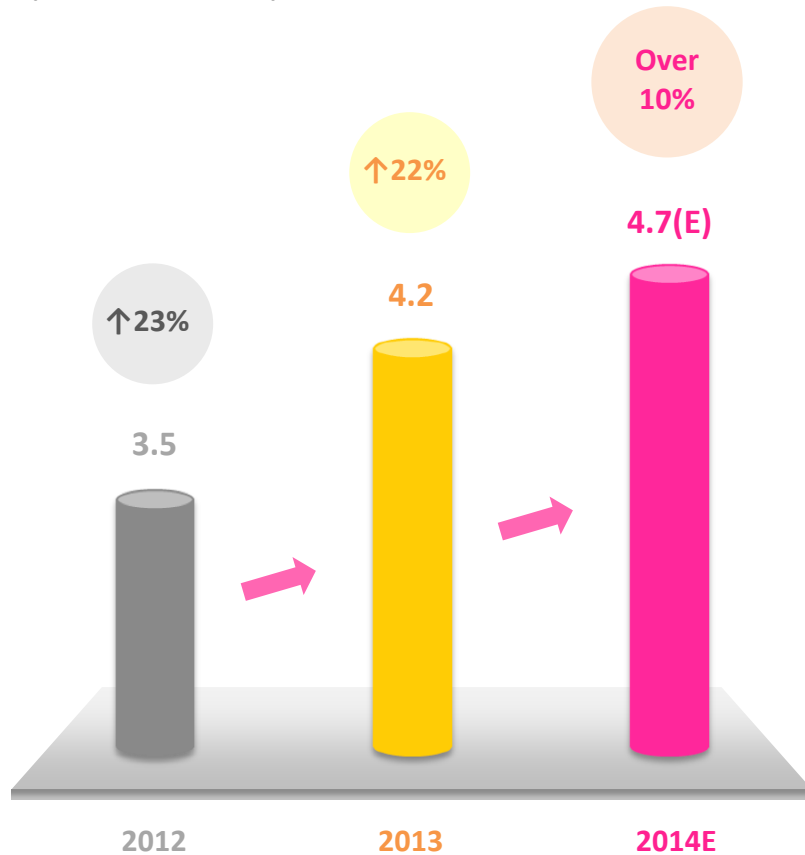


Wireless Service Revenue & Subscriber



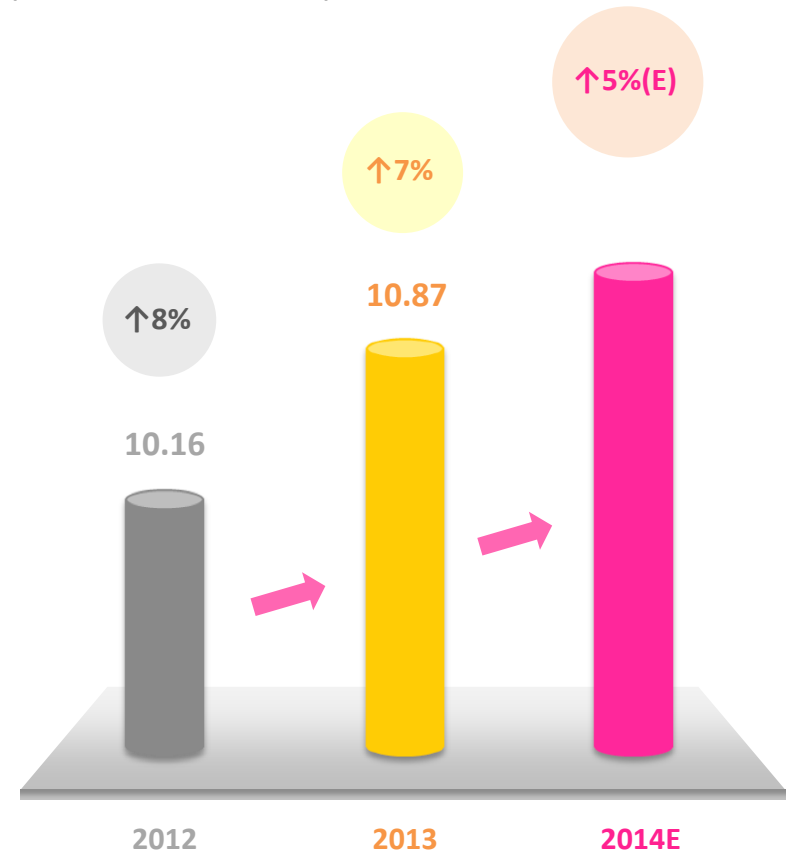
- 2014 Wireless service revenue is expected to grow by more than 10% YoY

(Unit: KRW in trillions)



- 2014 Wireless subscriber is expected to grow by 5% YoY

(Unit: subscribers in millions)

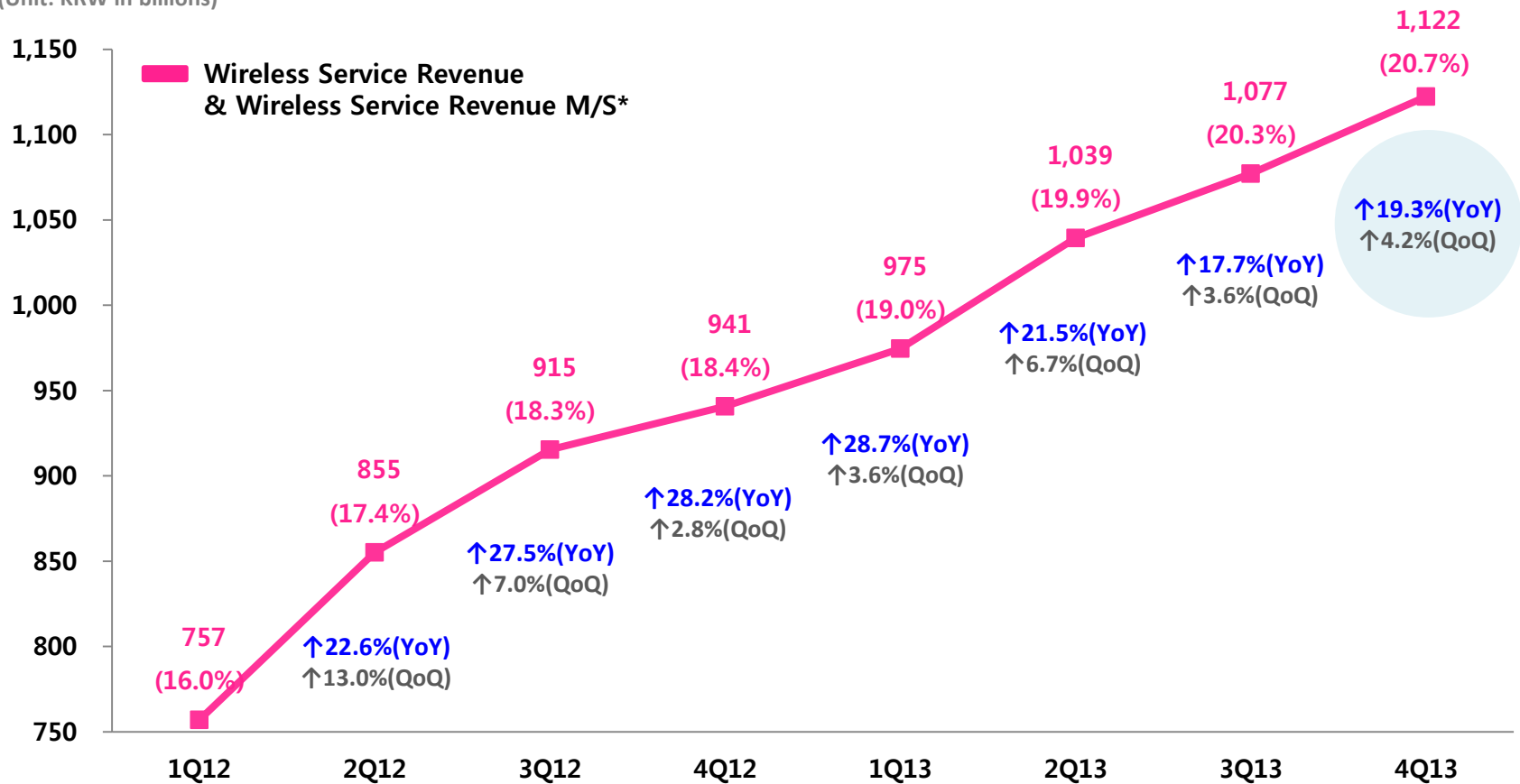


Wireless Service Revenue Trend



- Strong wireless service revenue growth from LTE

(Unit: KRW in billions)



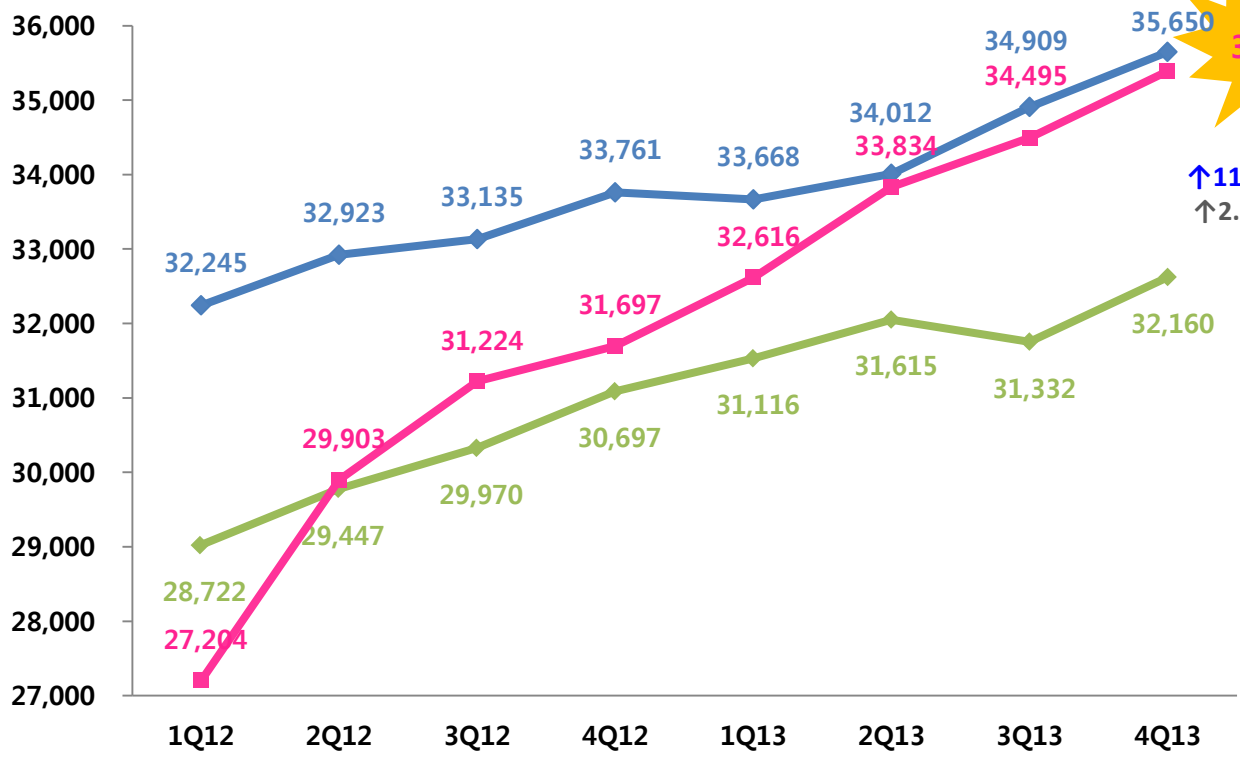
*SKT, KT, LG Uplus company information (ARPU excluding MVNO)

Service ARPU Comparison with Korean MNOs



2014 ARPU is expected to increase by more than 5% YoY

(Unit: KRW)



↑11.6%(YoY)
↑2.6%(QoQ)

ARPU ⁽¹⁾ (4Q 2013)	
LTE	45K
3G SP	28K
FP ⁽²⁾	15K

⁽¹⁾ LG Uplus subscribers only from 2012

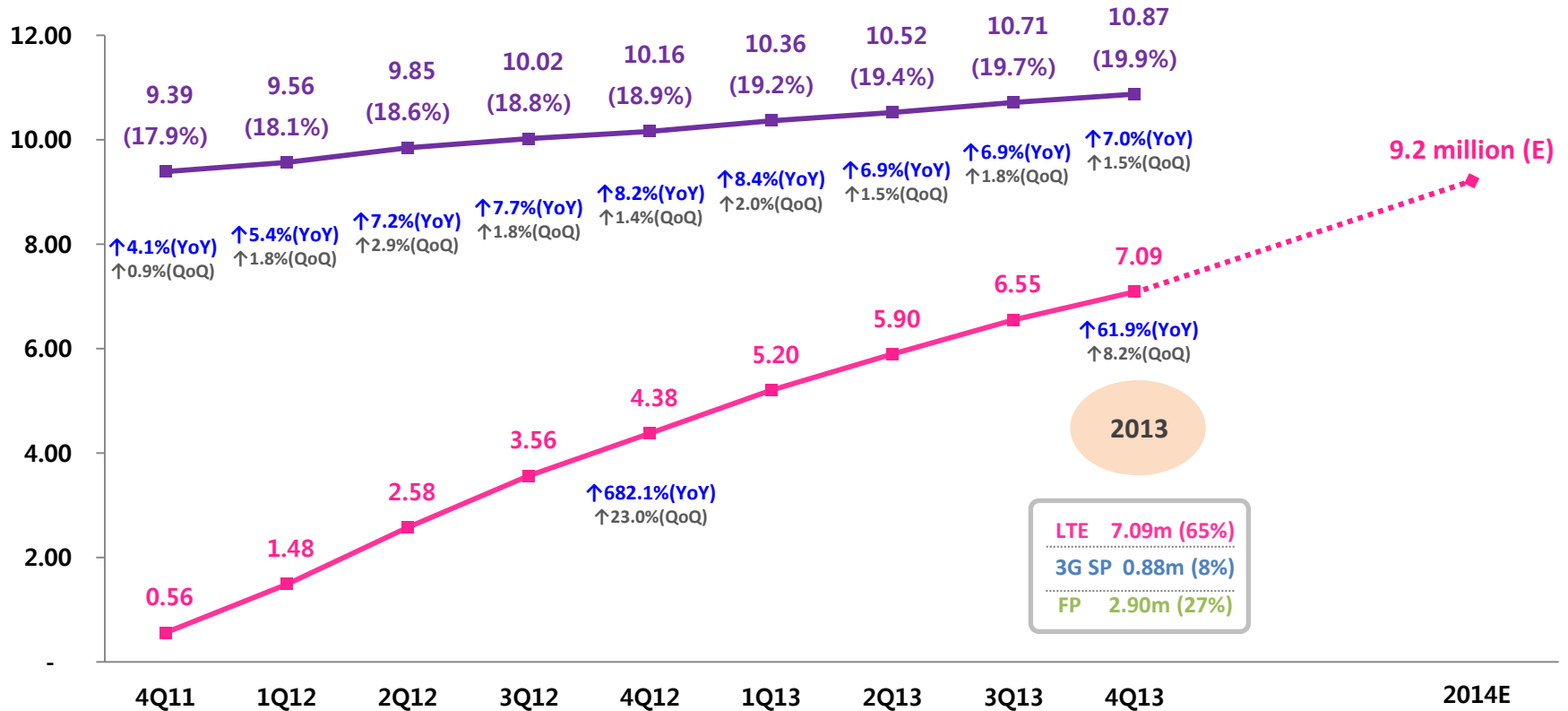
⁽²⁾ Feature phone ARPU: Includes PPS, M2M etc.

LG U+ Subscriber Mix Trend



▪ 2014 LTE subscriber target : 9.2 million

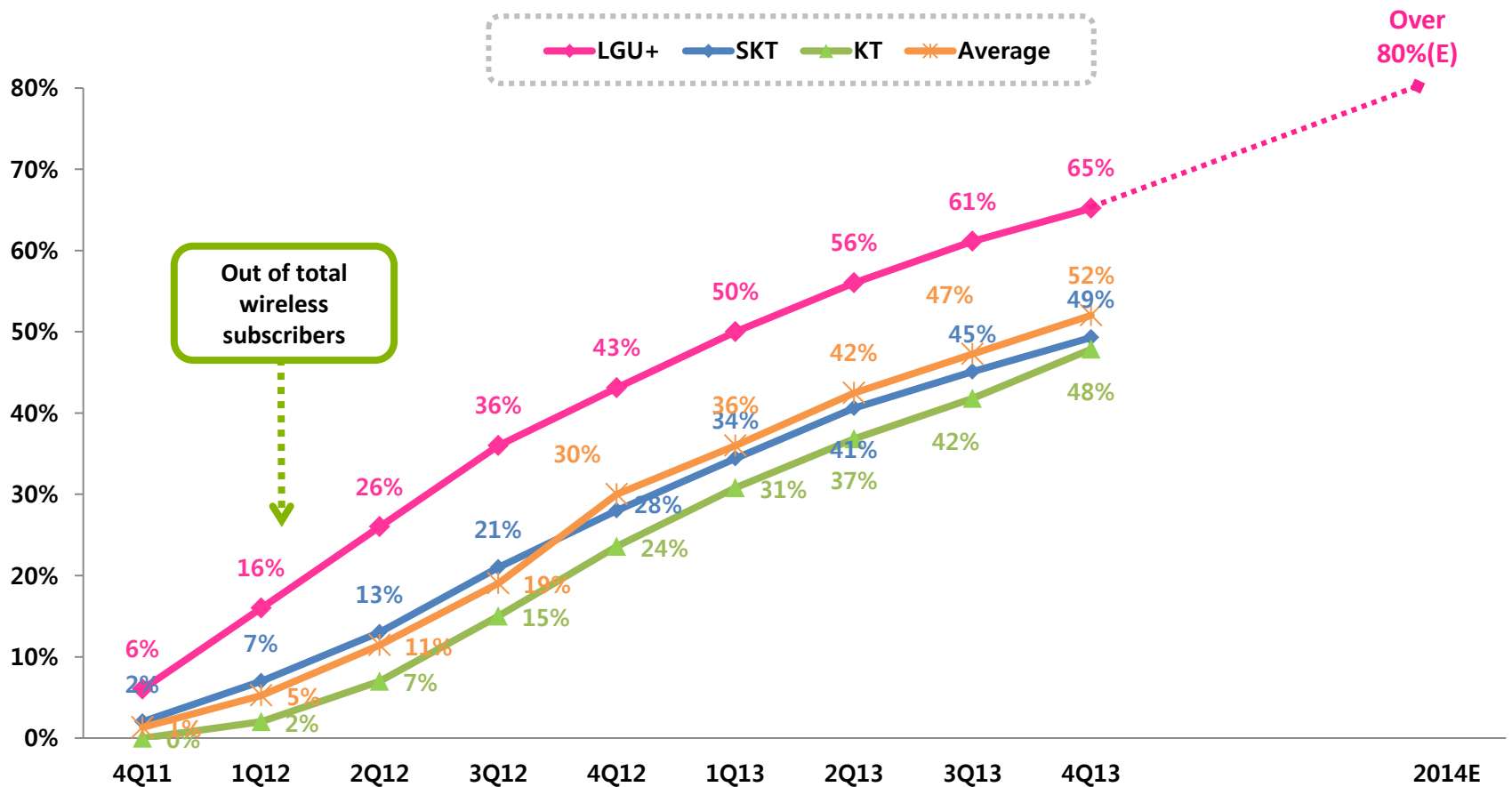
(Unit: subscribers in millions)



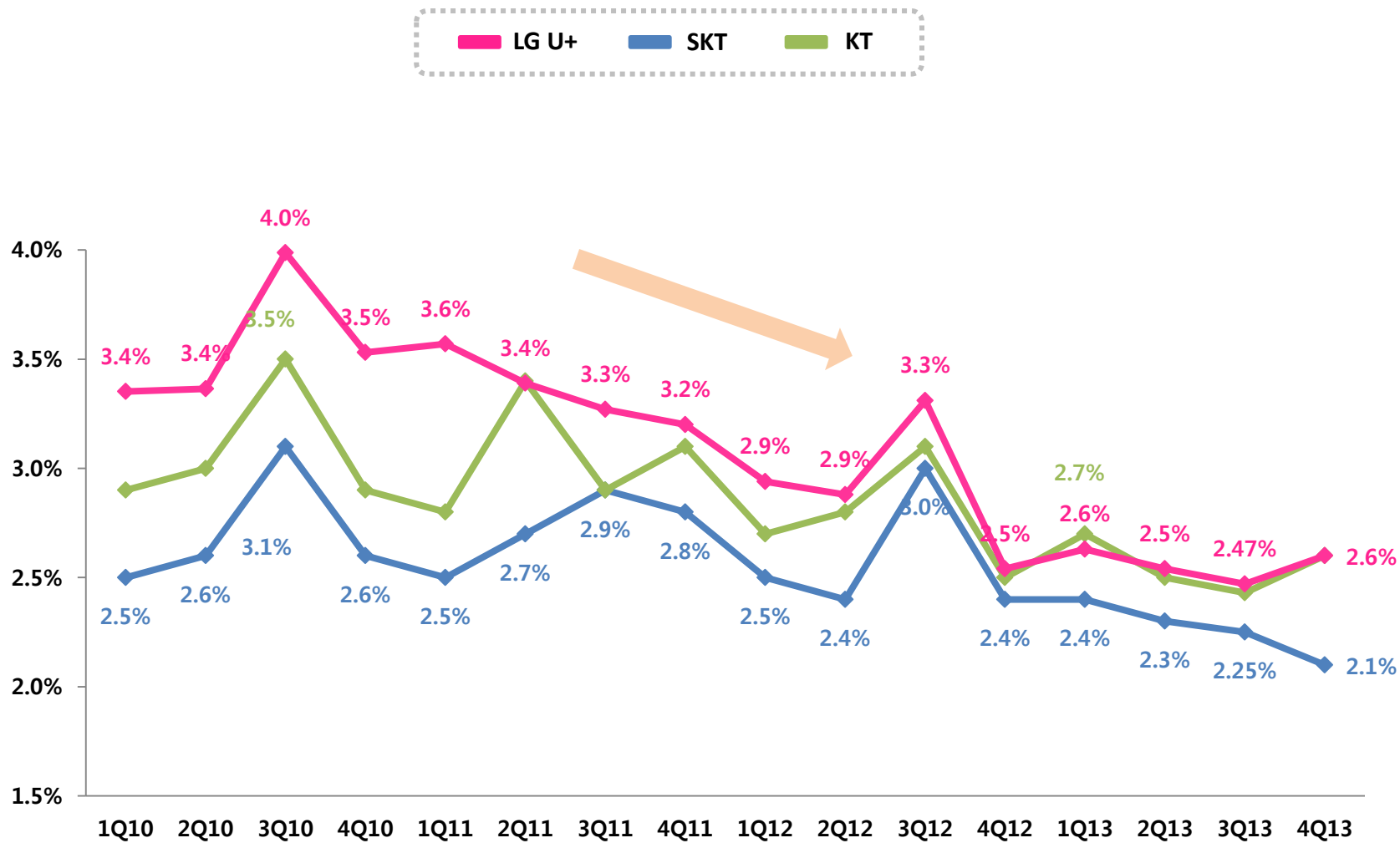
LTE Subscriber Mix Trend Comparison among Korean MNOs



- LG Uplus LTE penetration rate will be more than 80% by year end



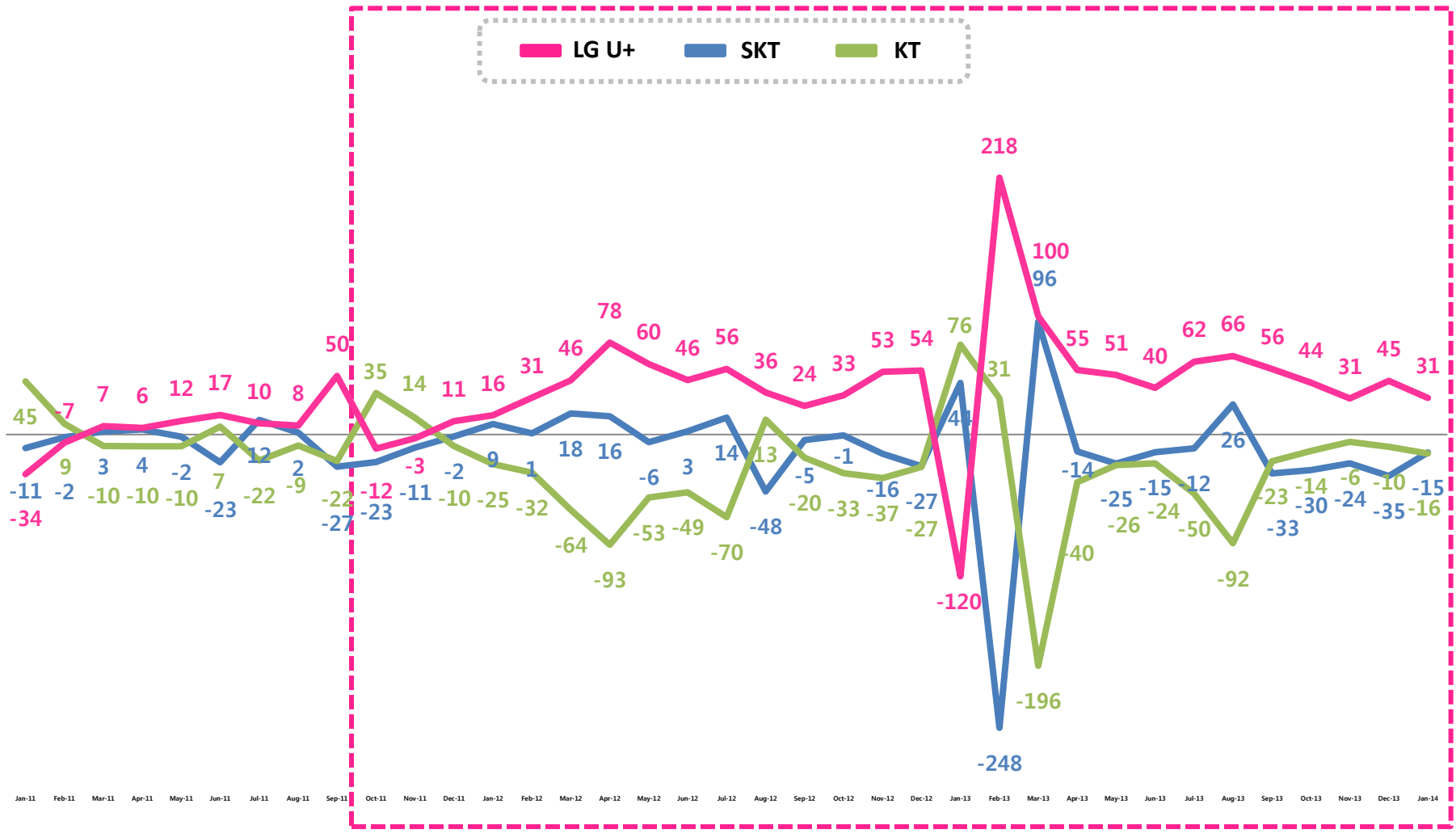
Churn Rate Trend Comparison with Korean MNOs



Subscriber Growth Momentum

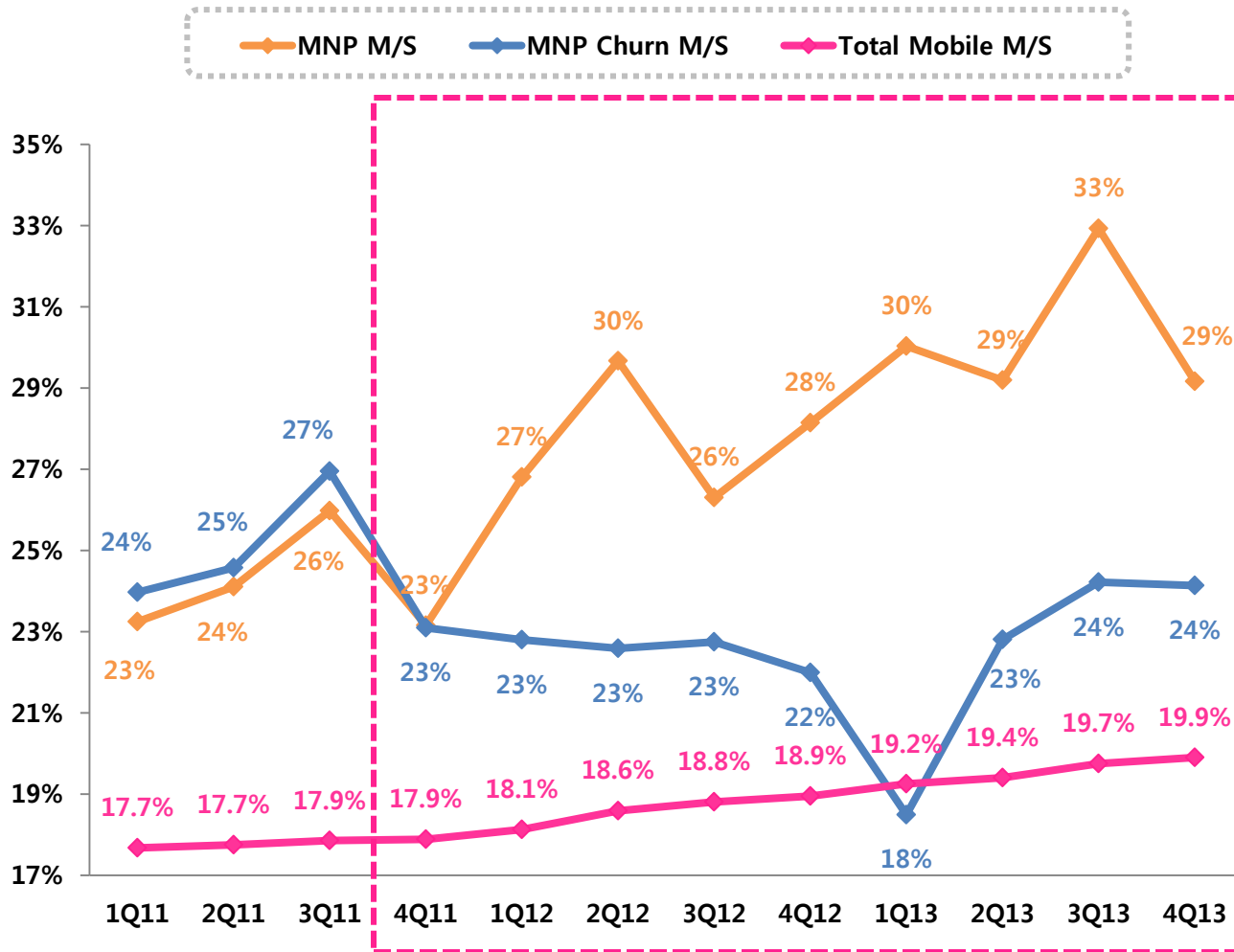
Monthly MNP Net Addition Trend

(Unit: subscribers in thousands)



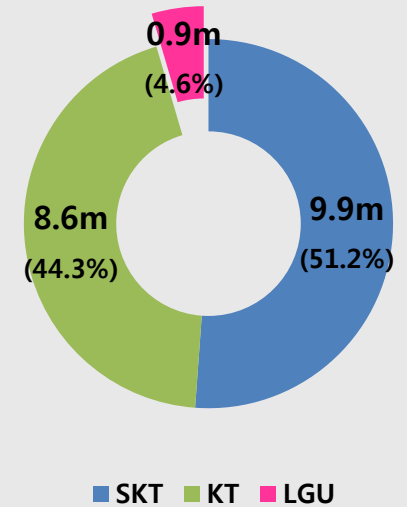
Subscriber Growth Momentum

MNP New Addition vs. MNP Churn Trend



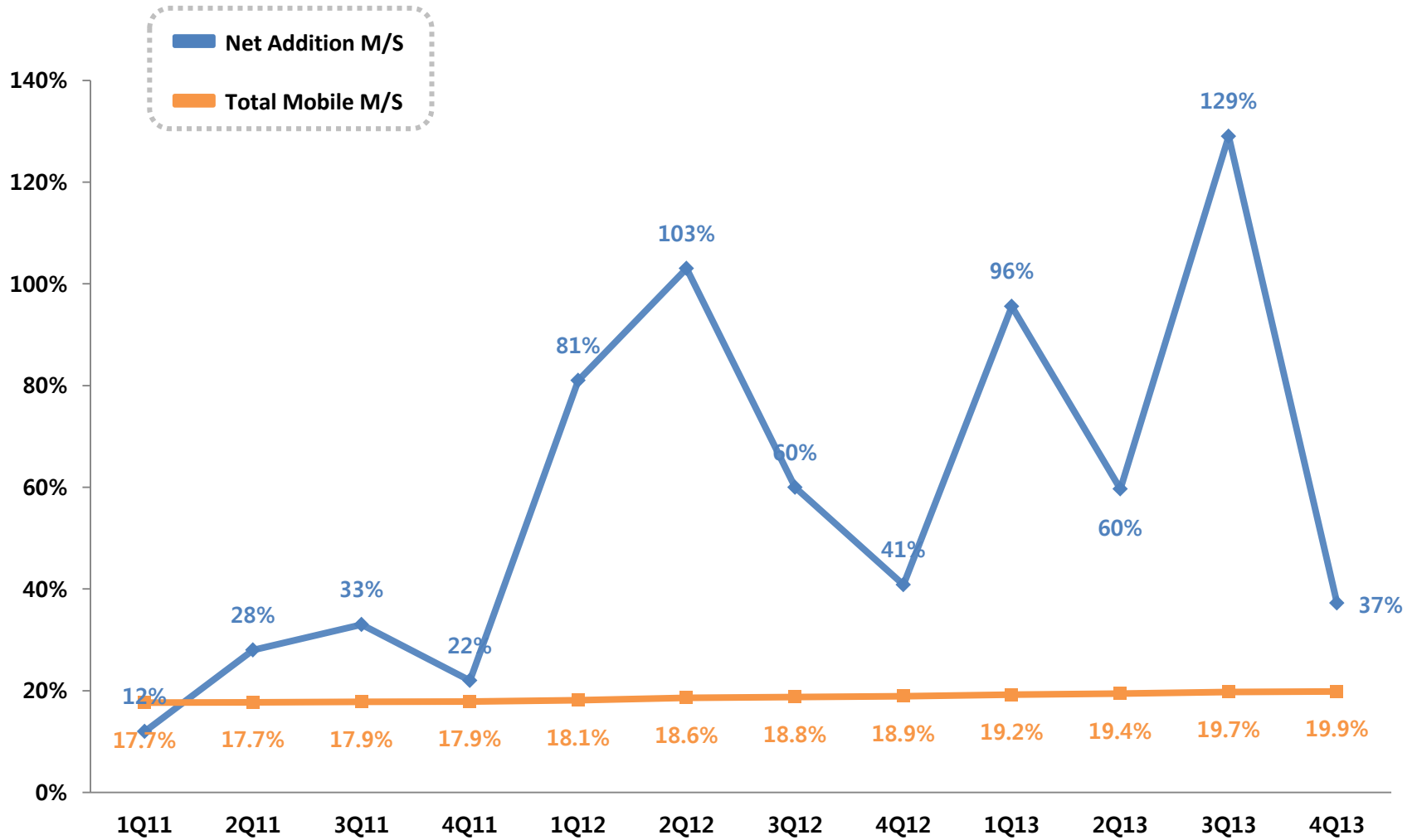
3G Subscriber M/S among Korean MNOs

(As of Dec. 2013)



Subscriber Growth Momentum

Subscriber Net Addition Trend

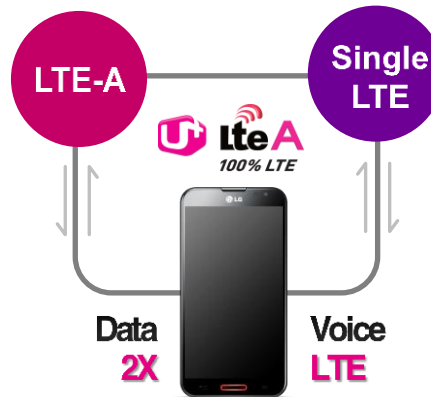


LTE Network Competitiveness

World's First Full Nationwide LTE N/W



World's First 100% LTE Service



No. 1 LTE Customer Satisfaction



2012

Nationwide LTE N/W

(75Mbps)

2013

MC, LTE-Advanced (CA)

(150Mbps, 225Mbps)

2014~

Full Broadband LTE-A

(300Mbps)



Latest Specification

Full HD Display above 5 inch

Quad-core Over 1.7GHz

13-Megapixel Camera

Full HD Display S/P
New Flagship Models

1H 2014

Galaxy S5
G Pro 2

300Mbps
Supported Handsets

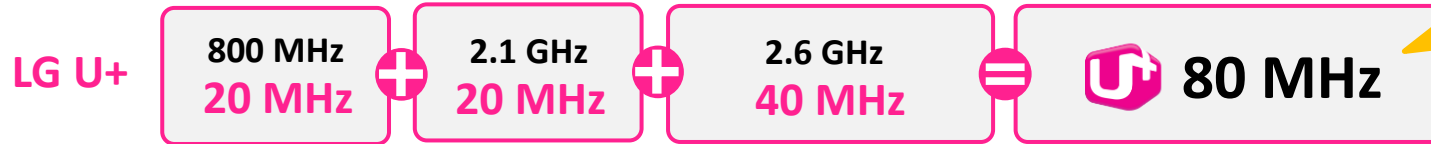
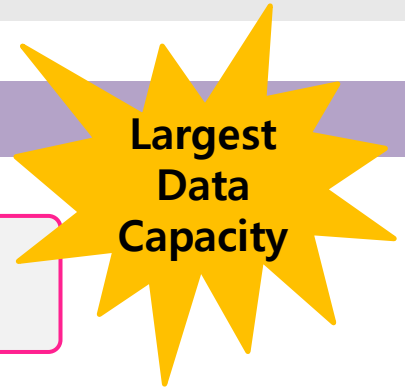
2H 2014

QHD Display
S/P Line-ups

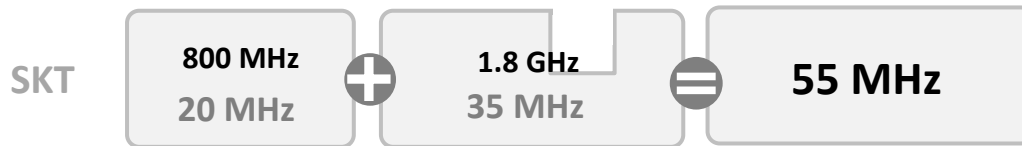


- World's first **100% Single LTE** service provider
- Korea's Largest** LTE spectrum bandwidth

LTE Spectrum Status



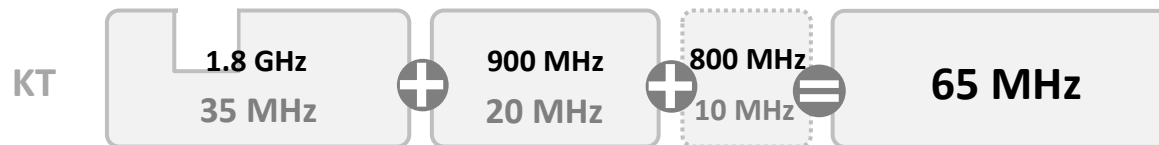
Speed: 150 Mbps + 150 Mbps → 300 Mbps*



Speed: 150 Mbps → 225 Mbps*

Speed up to 300 Mbps*

Able to provide core LTE services more effectively



Speed: 150 Mbps → 225 Mbps*

Acquired **2.6GHz** spectrum widely used globally (52+ operators)

*TBD

No. 1 HD Mobile IPTV in Korea



U+HDTV



Personal Cloud Storage



U+Box



C-games

**World's First
Cloud Game Platform**



Korea's Largest 80MHz Spectrum



HD Music

**Full HD Music
Streaming Service**



U+Navi

Full Cloud Navigation



U+Shop

Shopping Mall Discounts



- From LTE 69 and above, unlimited voice and SMS are offered for all networks

LTE Tariff Plan

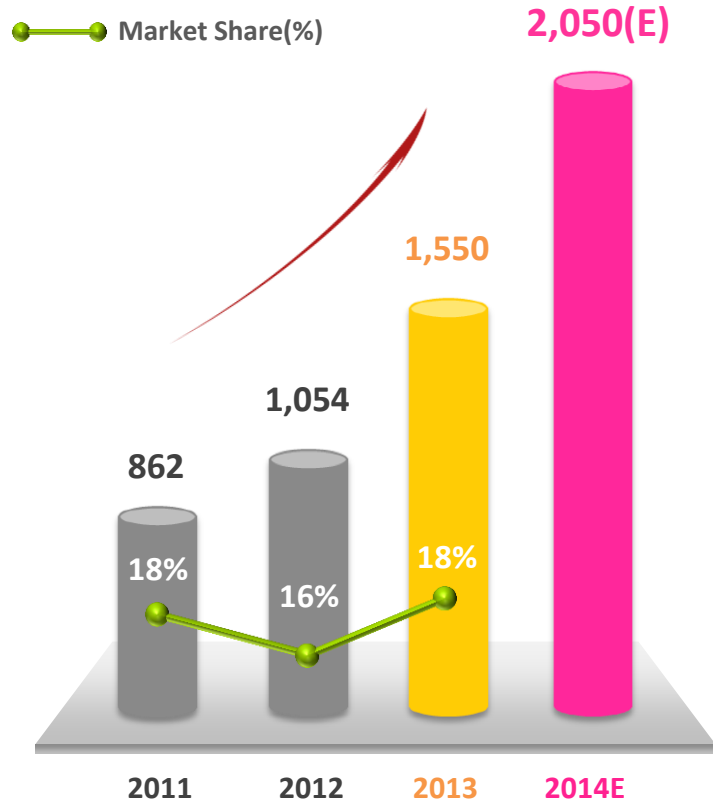
Plans		Voice (min.)			SMS		Data	
Basic Plan	New Plan	Basic Plan	New Plan		Basic Plan	New Plan	Basic Plan	New Plan
			Intra	Internal				
34		160	110	Unlimited	200	Unlimited (Including Mobile → Fixedline)	750MB	750MB
42		200	140		200		1.5GB	1.4GB
52		250	195		250		2.5GB	2.1GB
62	69	350	Unlimited for calls between 3 Telcos		350		6GB	5GB
72	79	500			450		10GB	8GB
85	89	750	Unlimited for Fixed/mobile	650	14GB		12GB	
100	99	1,200		1,000	20GB		16GB	
120	124	1,500		1,000	24GB		Unlimited	



- 2013 IPTV revenue recorded KRW 264.2 billion, up 32% YoY
- National Customer Satisfaction Index (NCSI) Winner for IPTV in 1Q13

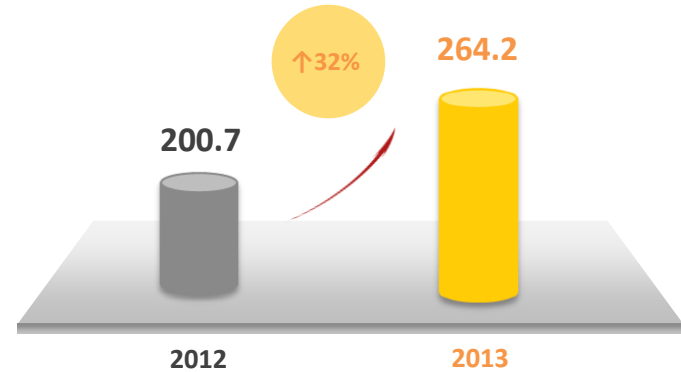
IPTV Subscriber Trend

(Unit: subscribers in thousands)



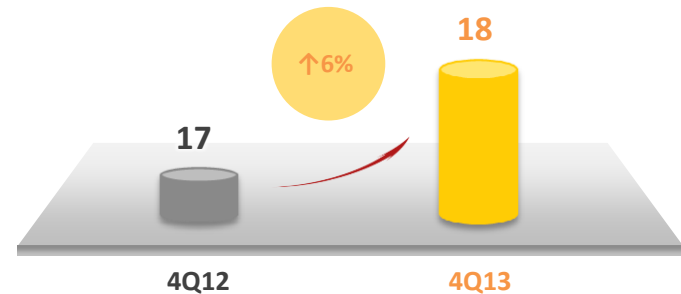
IPTV Revenue

(Unit: KRW in billions)



IPTV ARPU

(Unit: KRW in thousands)



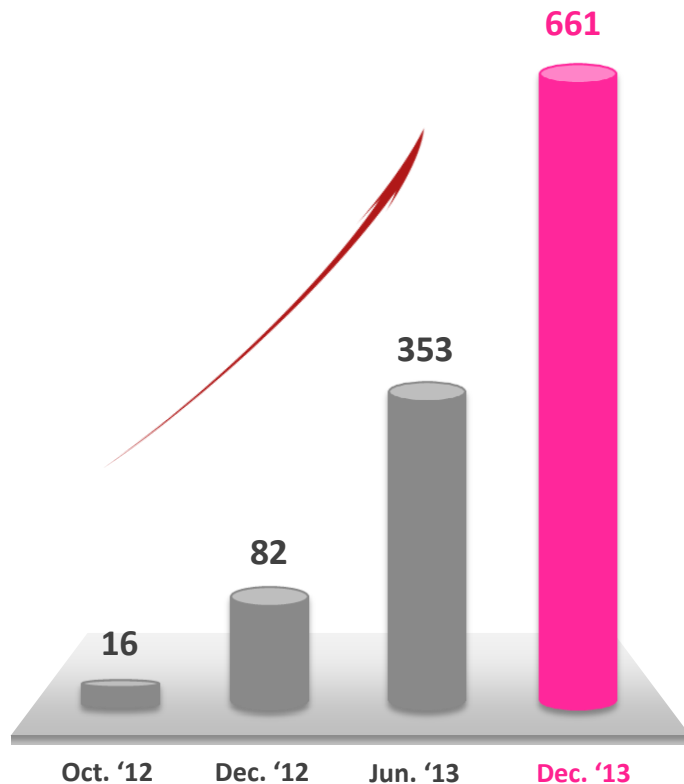
3. TPS



▪ 2013 tv G subscriber : 661 thousand

U+ tv G 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
- 156 real time channels (112 Full HD channels)
- Internet web surfing (YouTube, etc)
- Google Play Applications (Games, SNS, eBooks)
- Widget service, Cloud, NFC service, 2nd TV Function

Google Features



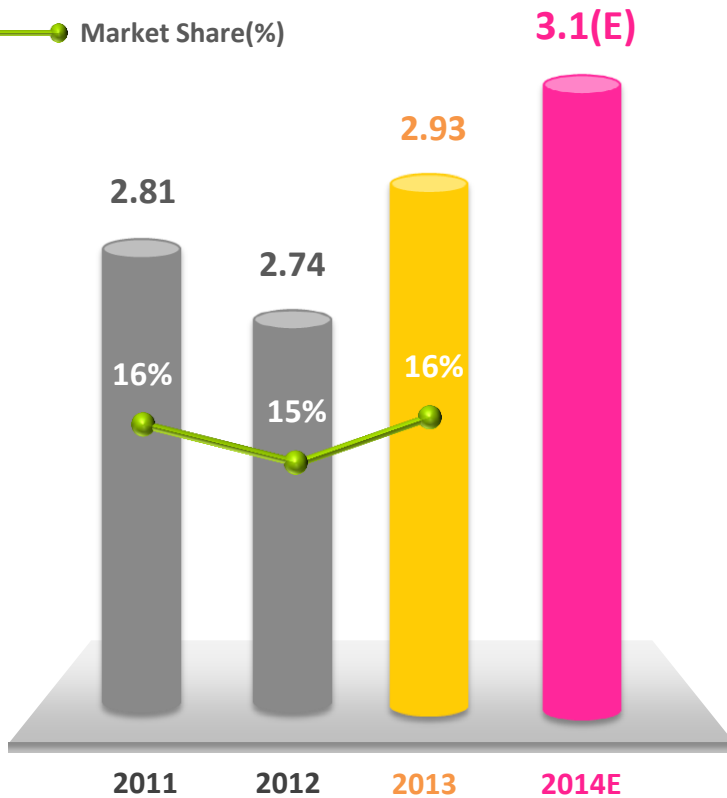


- 2013 Broadband revenue recorded KRW 663.8 billion
- 2014 Broadband subscriber target : 3.1 million

Broadband Subscriber Trend

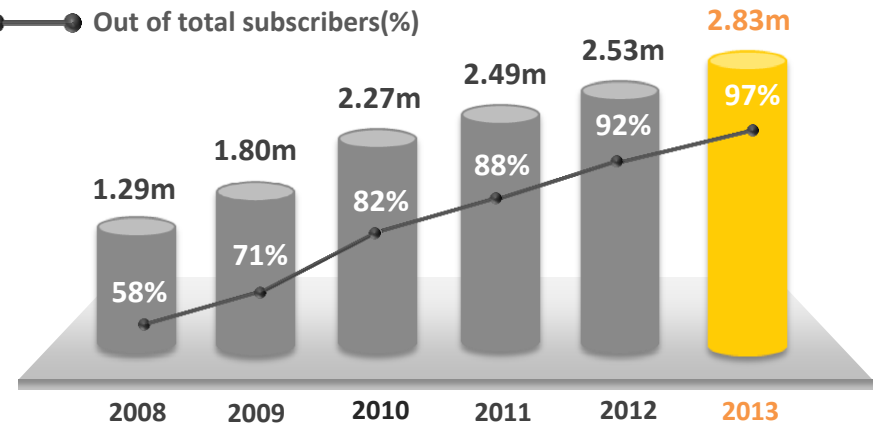
(Unit: subscribers in millions)

● Market Share(%)

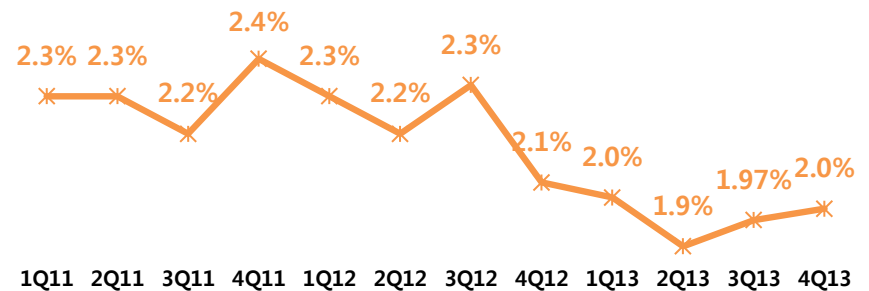


100Mbps Subscriber Trend

● Out of total subscribers(%)



Churn Rate Trend



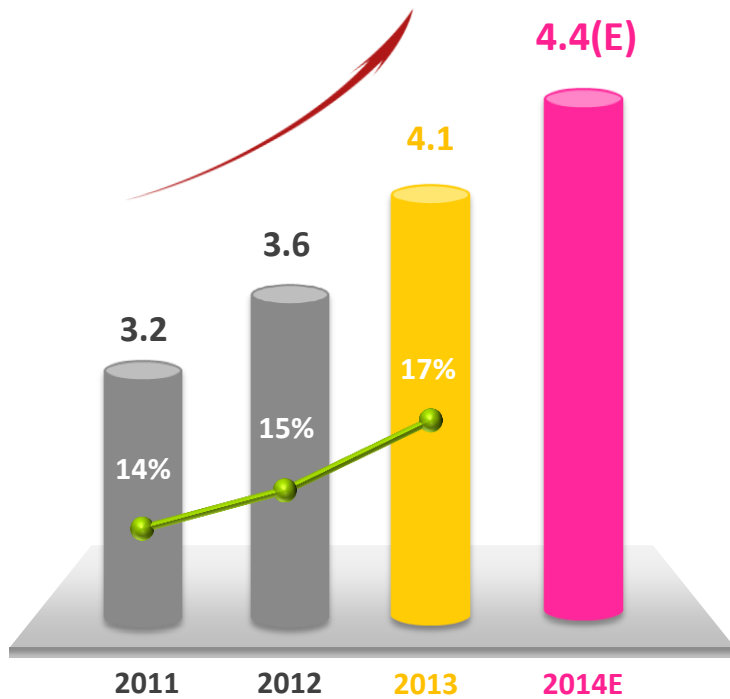


- 2013 VoIP revenue recorded KRW 282.5 billion
- 2014 VoIP subscriber target : 4.4 million

VoIP Subscriber Trend

(Unit: subscribers in millions)

●—● Telephony M/S*(%)



*SKT, KT, LG Uplus subscribers only

Smart Home Devices

homeBoy



070 player

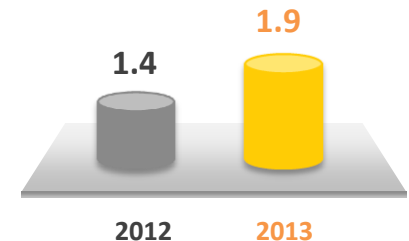
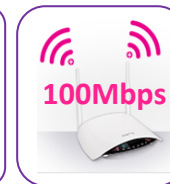


ARPU (4Q 2013)	
070 player	15K
VoIP	5K

Wi-Fi 100 Subscriber

(Unit: subscribers in millions)

Wi-Fi 100

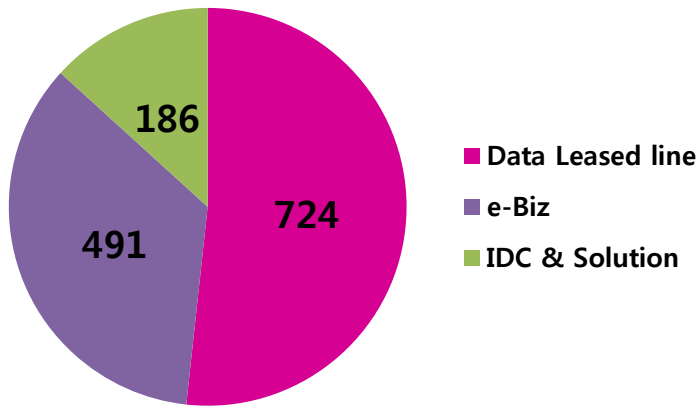




- 2014 Data revenue is expected to increase by 2% YoY

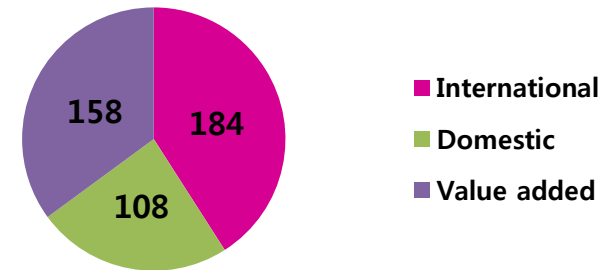
Data Revenue

(Unit: KRW in billions)



Telephony Revenue

(Unit: KRW in billions)



Growth

2013 Data Revenue recorded KRW 1.4 trillion, up 2.4% from strong e-Biz & IDC growth, both up by 12% YoY

Strategy

Creating new value for B2B enterprises by providing IP Call Center (IPCC) and various IP based services, etc.

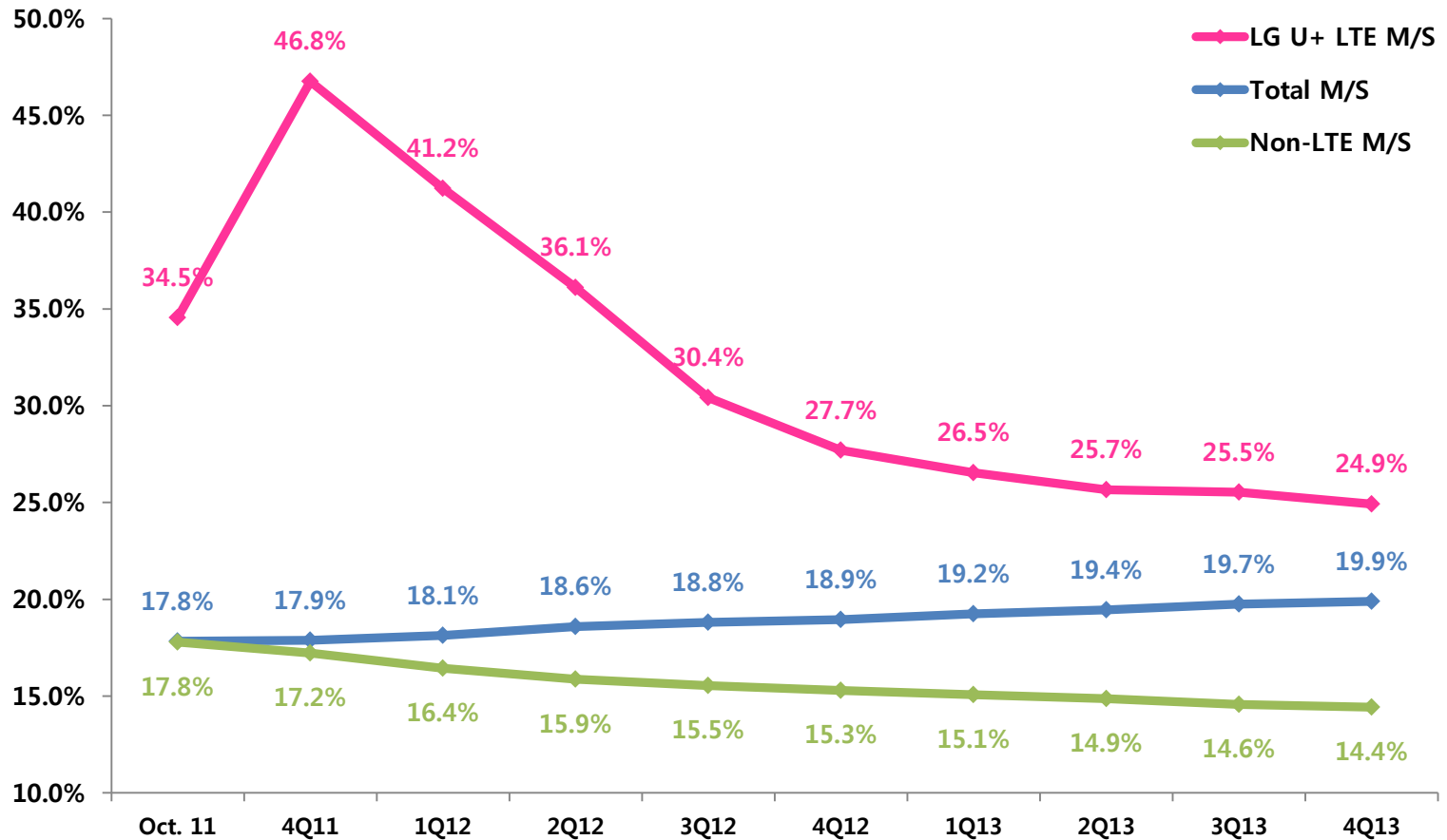
5. Financials

4Q 2013 Earnings Results

(Unit: KRW in billions)

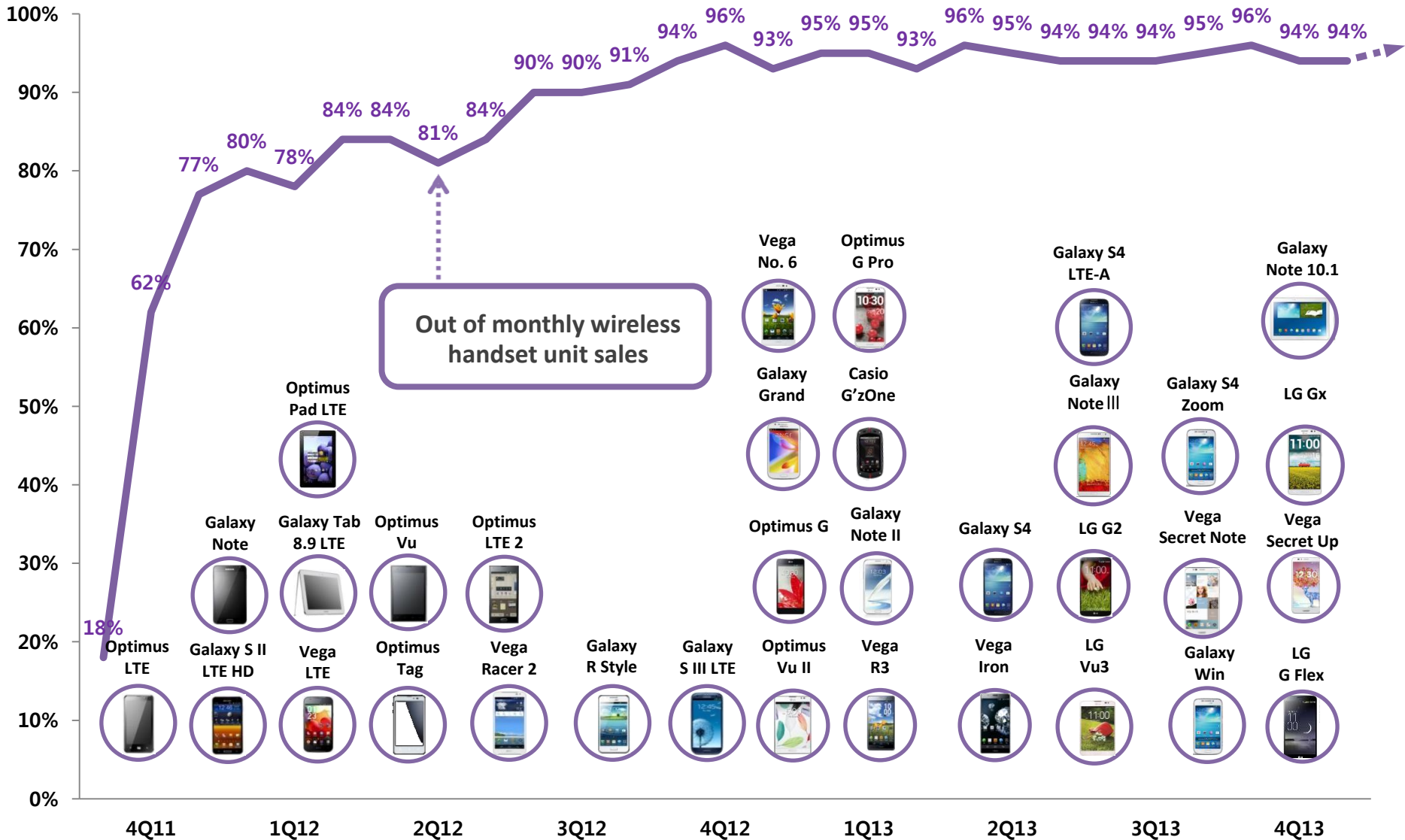
	4Q '12	3Q '13	4Q '13	YoY	QoQ	2012	2013	YoY
Revenue	2,755.2	2,879.2	2,948.0	7.0%	2.4%	10,904.6	11,450.3	5.0%
EBITDA	445.3	478.4	465.5	4.5%	-2.7%	1,519.8	1,856.8	22.2%
Operating Income	72.1	149.2	124.9	73.3%	-16.3%	126.8	542.1	327.7%
Net Income	-11.2	75.6	48.1	Turn Black	-36.3%	-59.6	297.5	Turn Black

Subscriber Market Share Trend



6. Appendix

LTE Handset Sales Portion



Thank You!

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