

**LG Uplus
IR Presentation**



Korea's Largest 80MHz Spectrum

Disclaimer

This presentation contained herein includes forward-looking statements in respect to future plans, prospects, and performances of LG Uplus.

The aforementioned forward-looking statements are influenced by changes in the management environment and relative events, and by their nature, these statements refer to uncertain circumstances. Consequently, due to these uncertainties, LG Uplus' actual future results may differ materially from those expressed or implied by such statements.

This presentation contained herein should not be utilized for any legal purposes in regards to investors' investment results.

LG Uplus hereby expressly disclaims any and all liability for any loss or damage resulting from the investors' reliance on the information contained herein.

1. 2014 Outlook

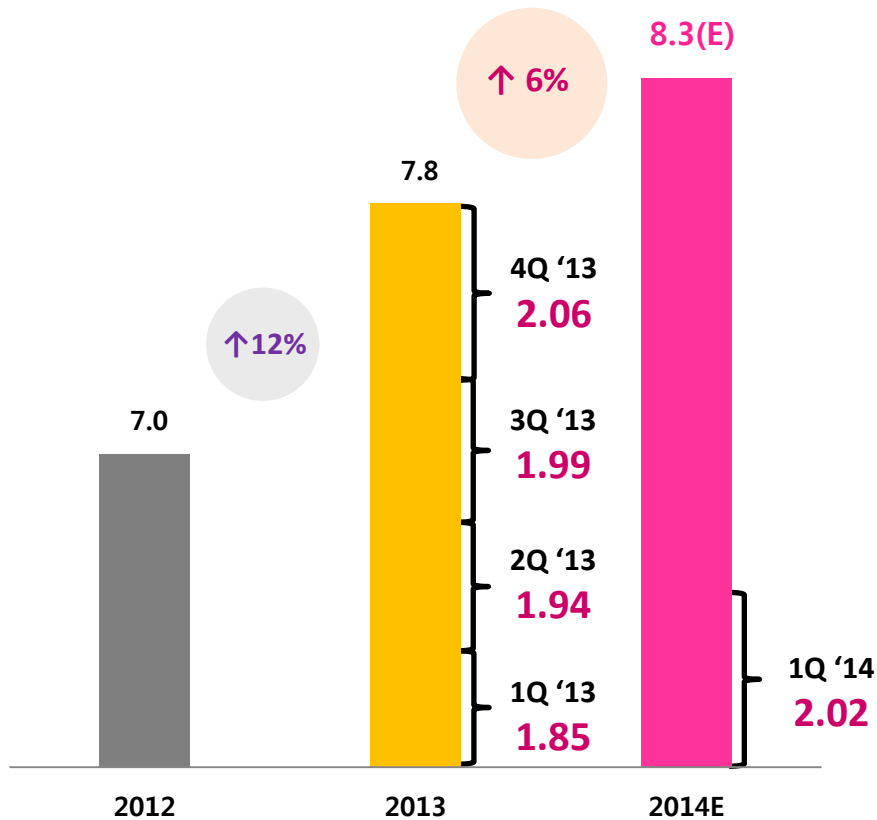
Revenue



▪ 2014 Total Service Revenue Guidance : KRW 8.3 trillion

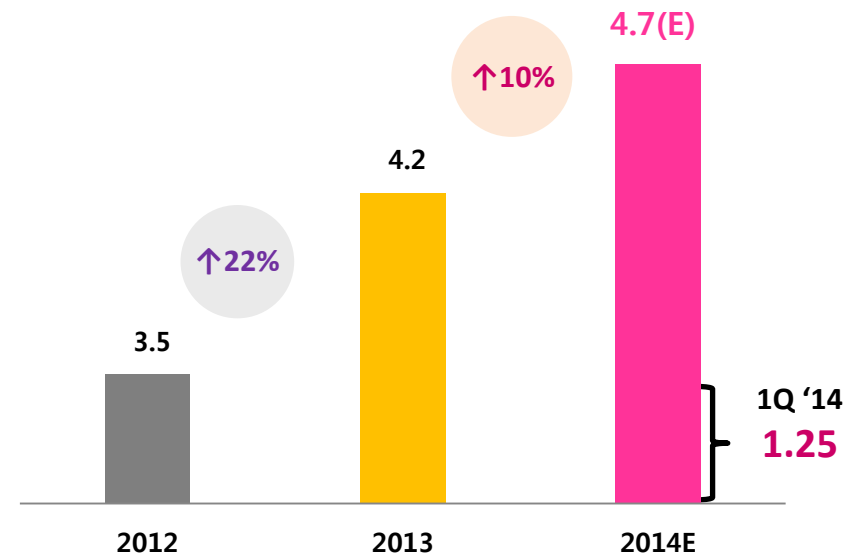
Total Service Revenue

(Unit: KRW in trillions)



Wireless Service Revenue

(Unit: KRW in trillions)

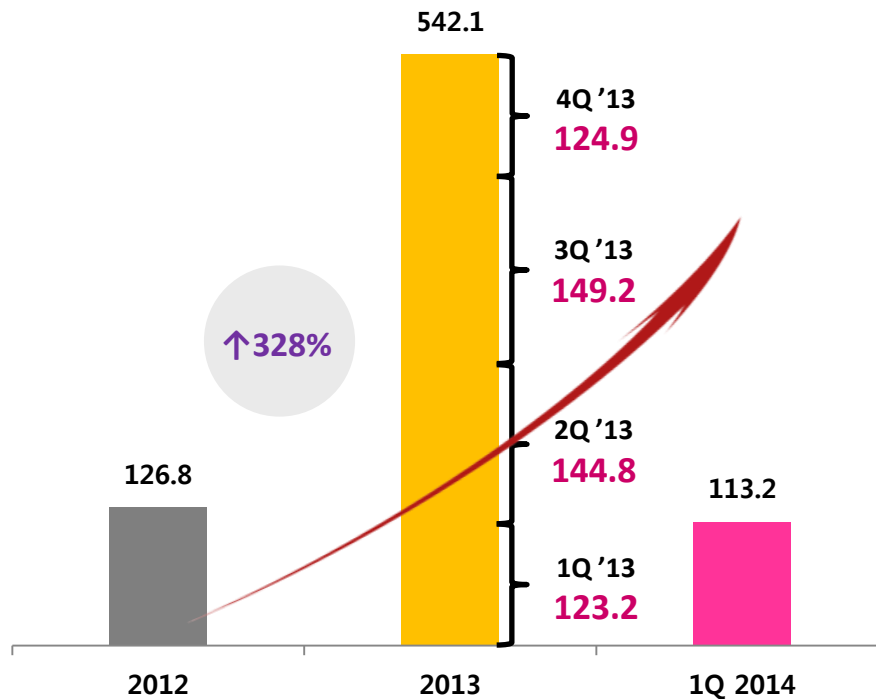




Operating Income is expected to grow in 2014 compare to 2013

Operating Income

(Unit: KRW in billions)



2014 1Q Operating Income down by 8.1% YoY and 9.4% QoQ due to increase in marketing expense, recording KRW 113.2 billion

2014 Outlook

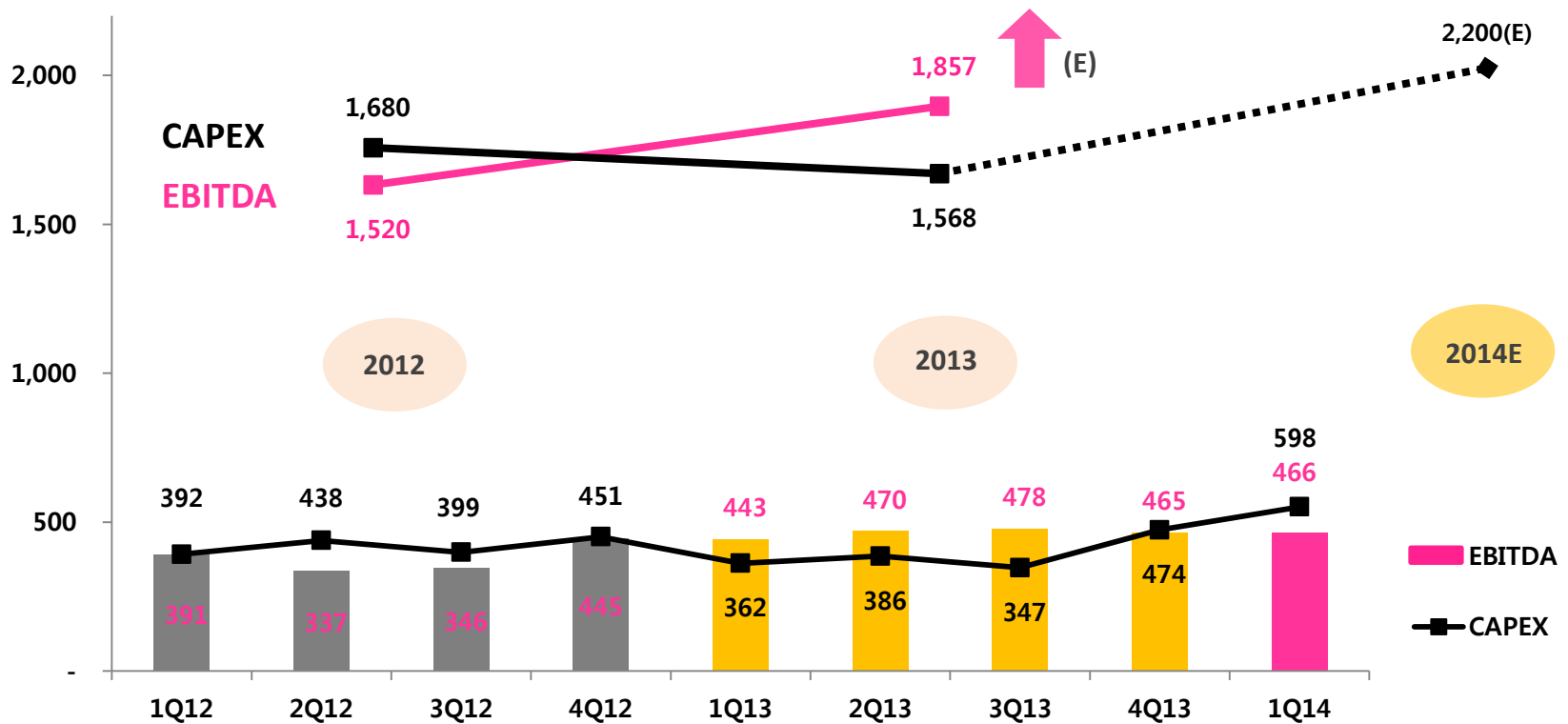
Maximizing operating leverage with growth from wireless business



- 1Q 2014 EBITDA recorded KRW 465.6 billion, up by 5.1% YoY
- 2014 CAPEX Guidance : KRW 2.2 trillion

CAPEX / EBITDA

(Unit: KRW in billions)

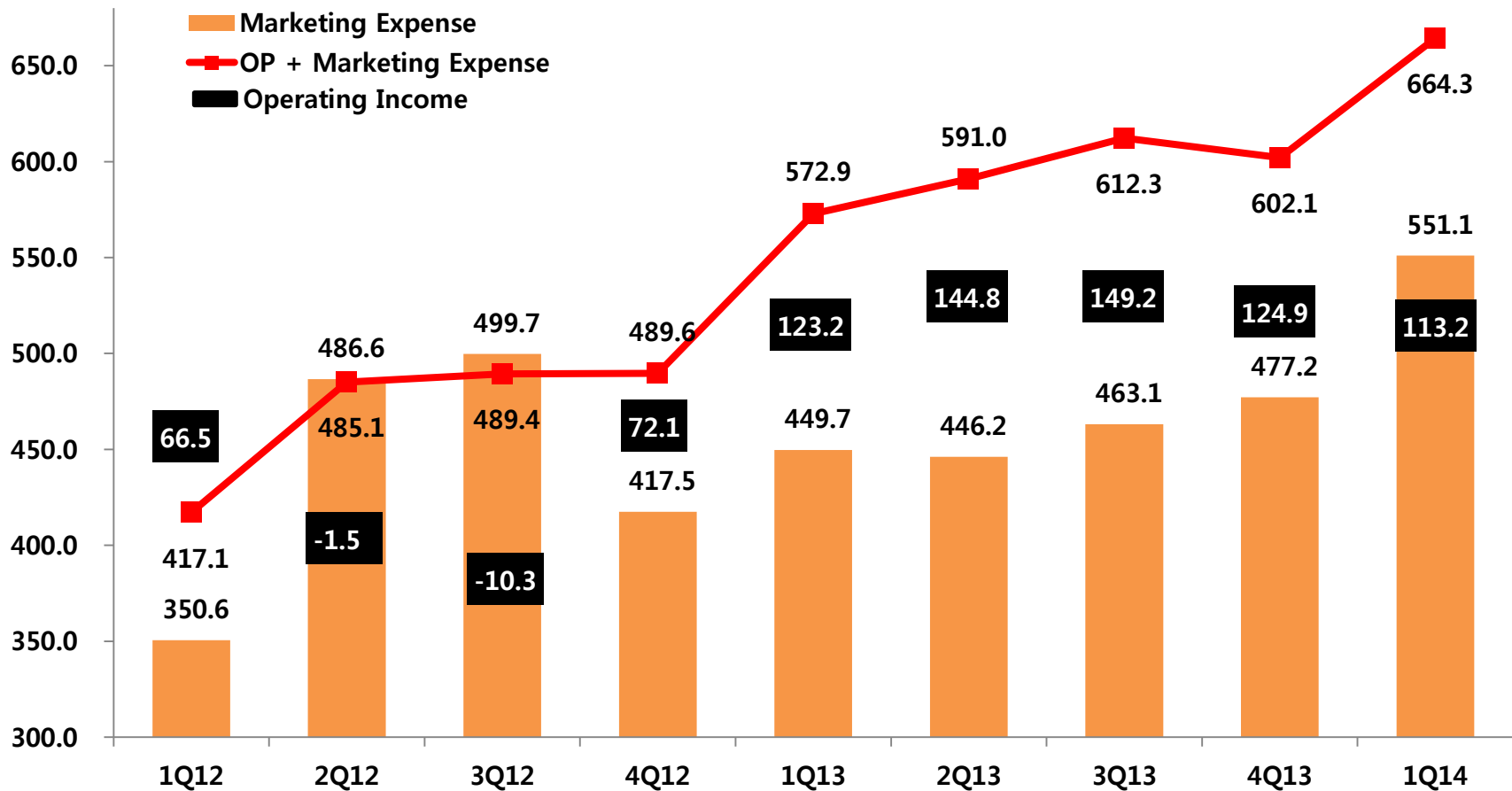




▪ 1Q 2014 Operating Income recorded KRW 113.2 billion

Marketing Expense vs. Operating Income

(Unit: KRW in billions)

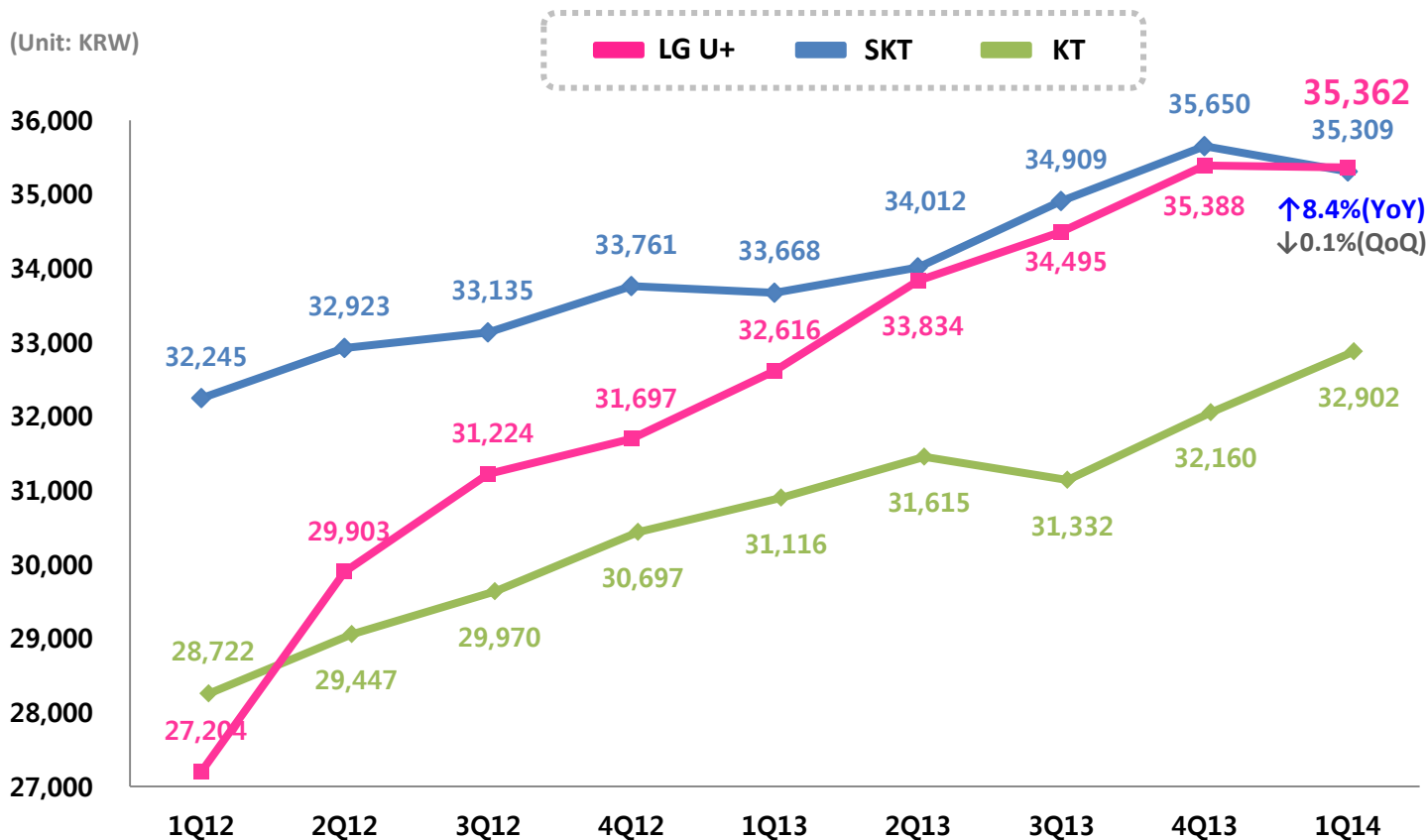


Service ARPU Comparison with Korean MNOs



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

(Unit: KRW)



ARPU ⁽¹⁾ (1Q 2014)	
LTE	44K
3G SP	27K
FP ⁽²⁾	15K

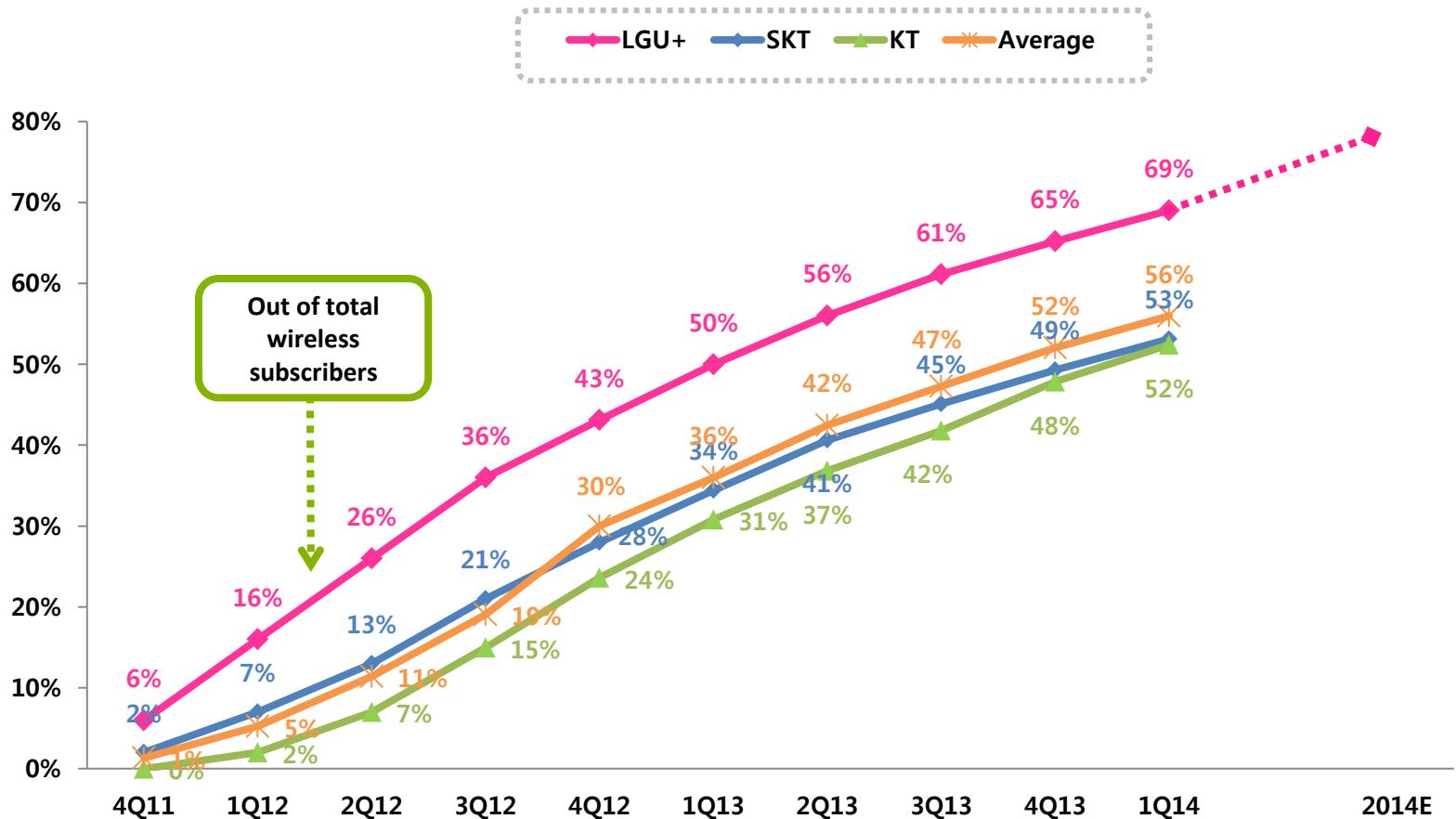
⁽¹⁾ LG Uplus subscribers only from 2012

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

LTE Subscriber Mix Trend Comparison among Korean MNOs



- LG Uplus' LTE penetration rate expected to be the highest among Korean MNOs

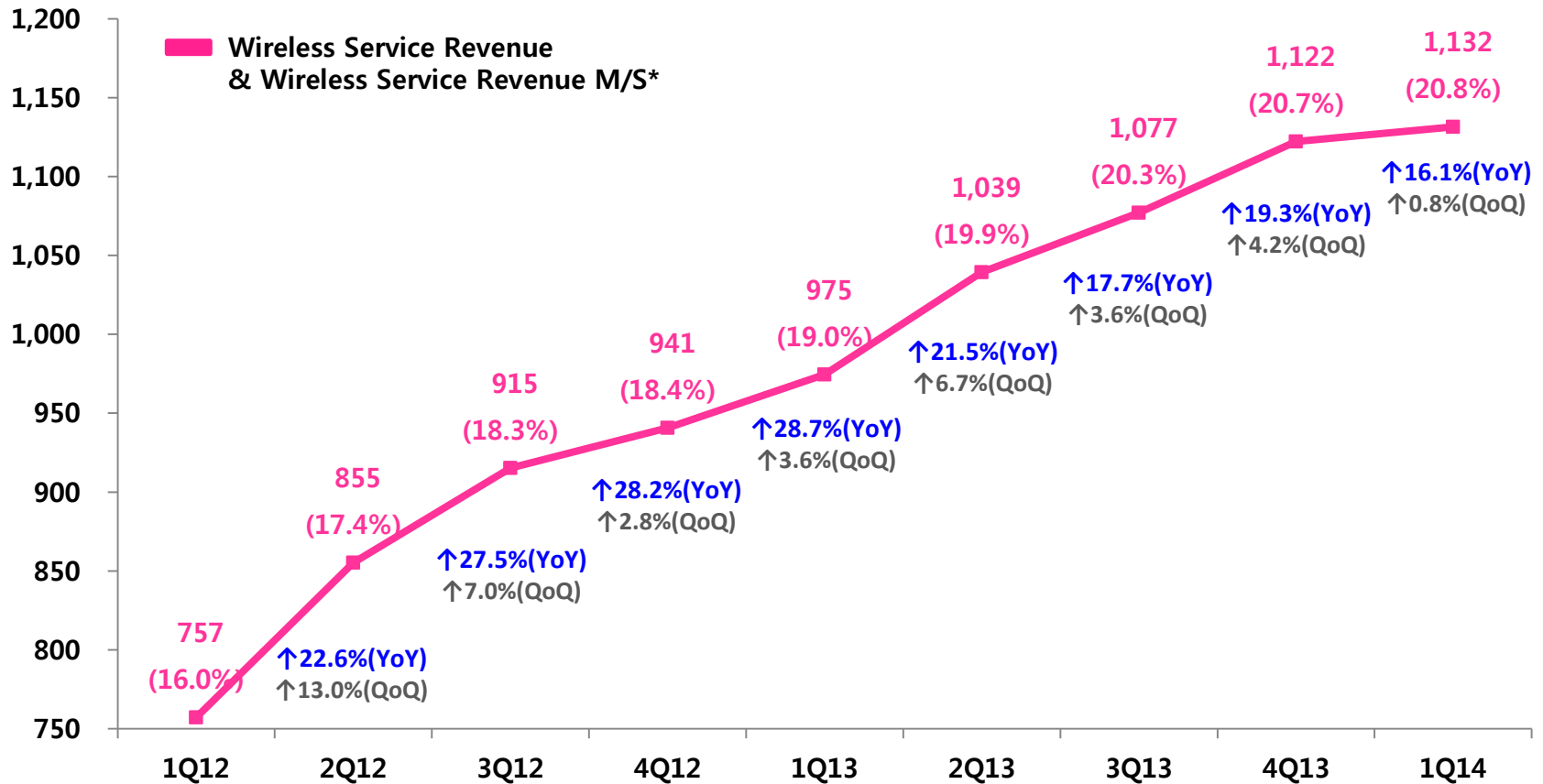


Wireless Service Revenue Trend



- Strong wireless service revenue growth from LTE

(Unit: KRW in billions)

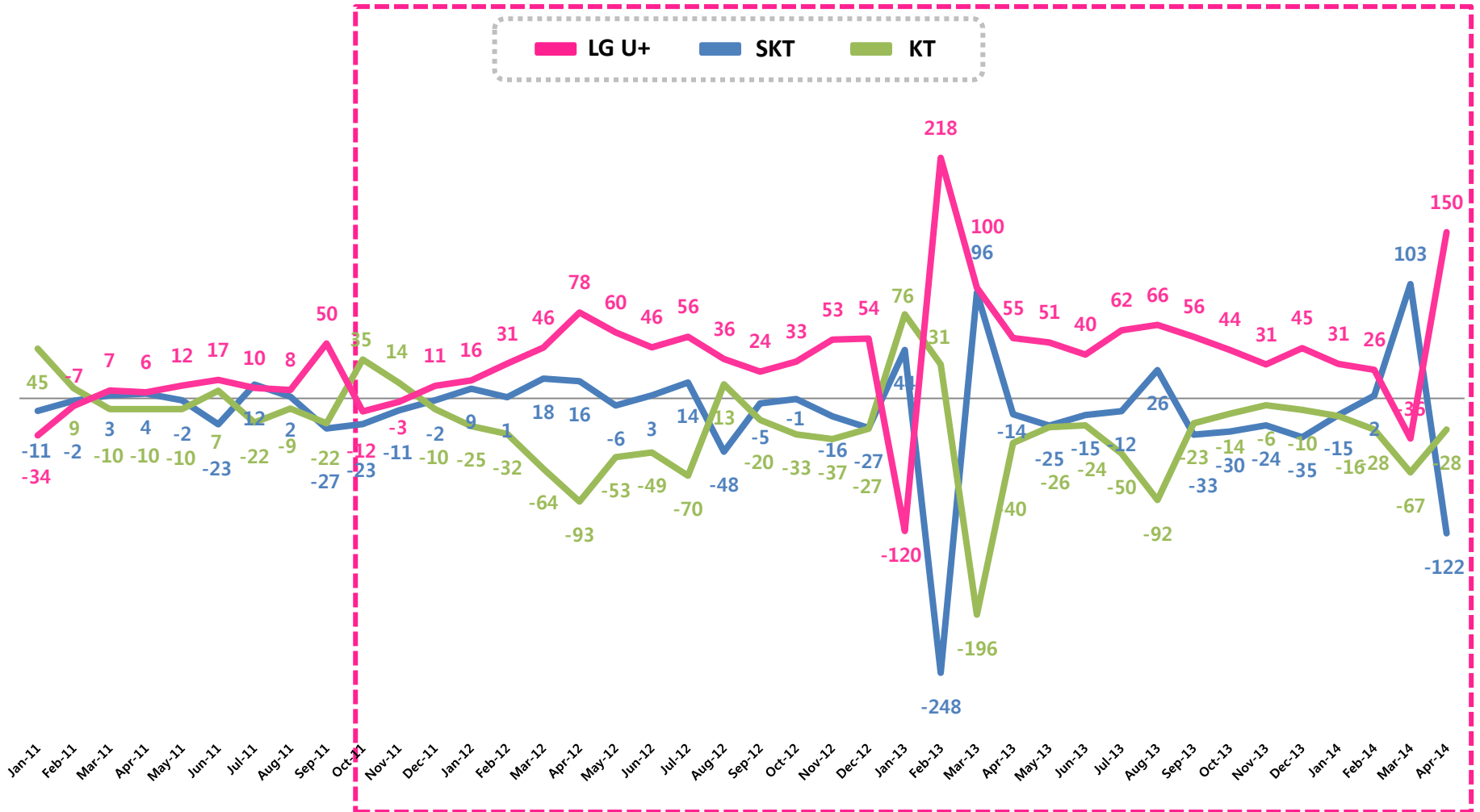


*SKT, KT, LG Uplus company information (ARPU excluding MVNO)

Subscriber Growth Momentum

Monthly MNP Net Addition Trend

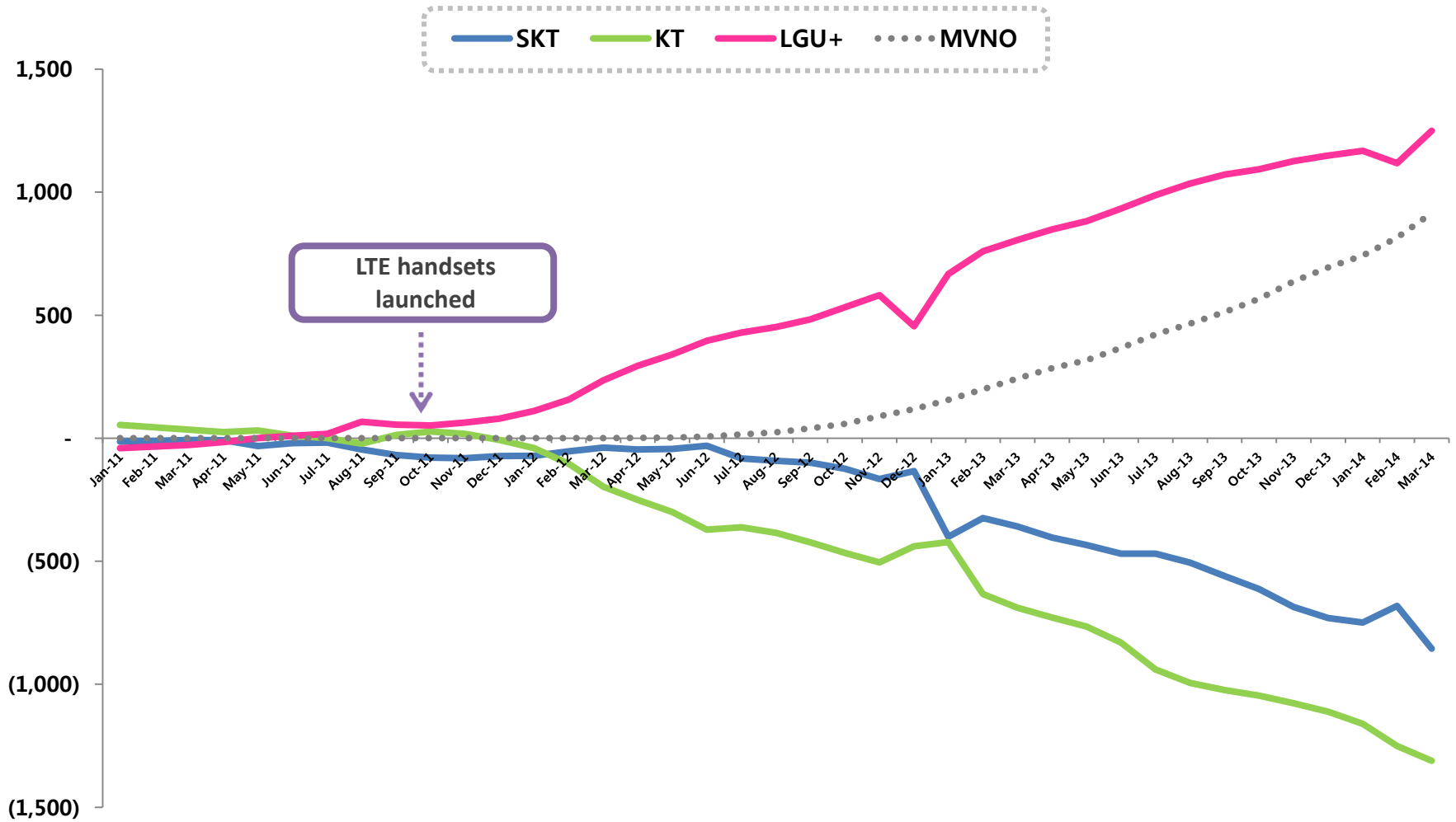
(Unit: subscribers in thousands)



Subscriber Growth Momentum

Monthly MNP Net Adds Trend (Accumulated)

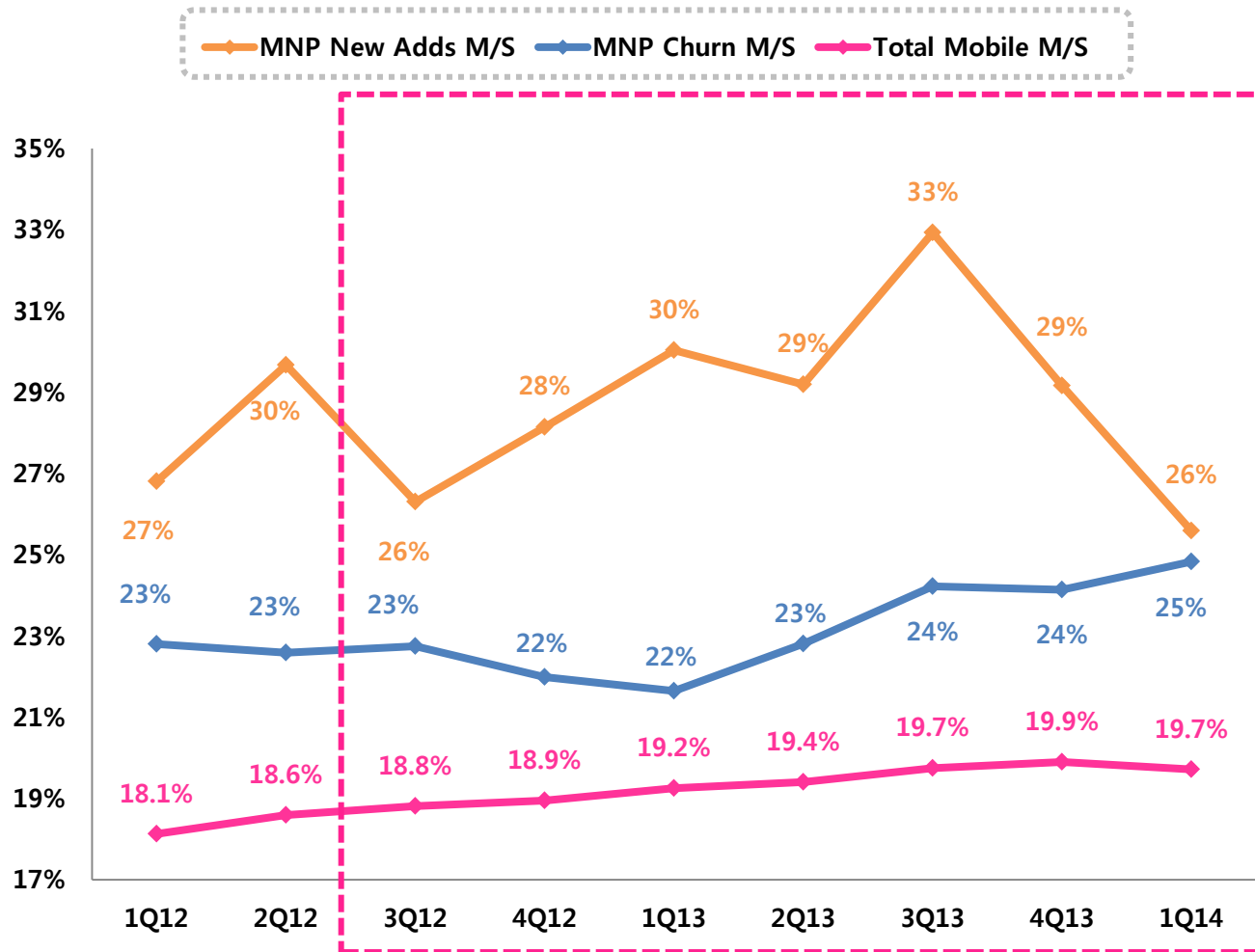
(Unit: subscribers in thousands)



*Source : Korea Telecommunications Operators Association (KTOA)

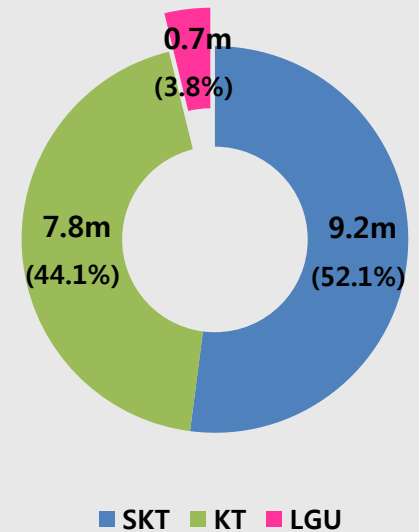
Subscriber Growth Momentum

MNP New Addition vs. MNP Churn Trend

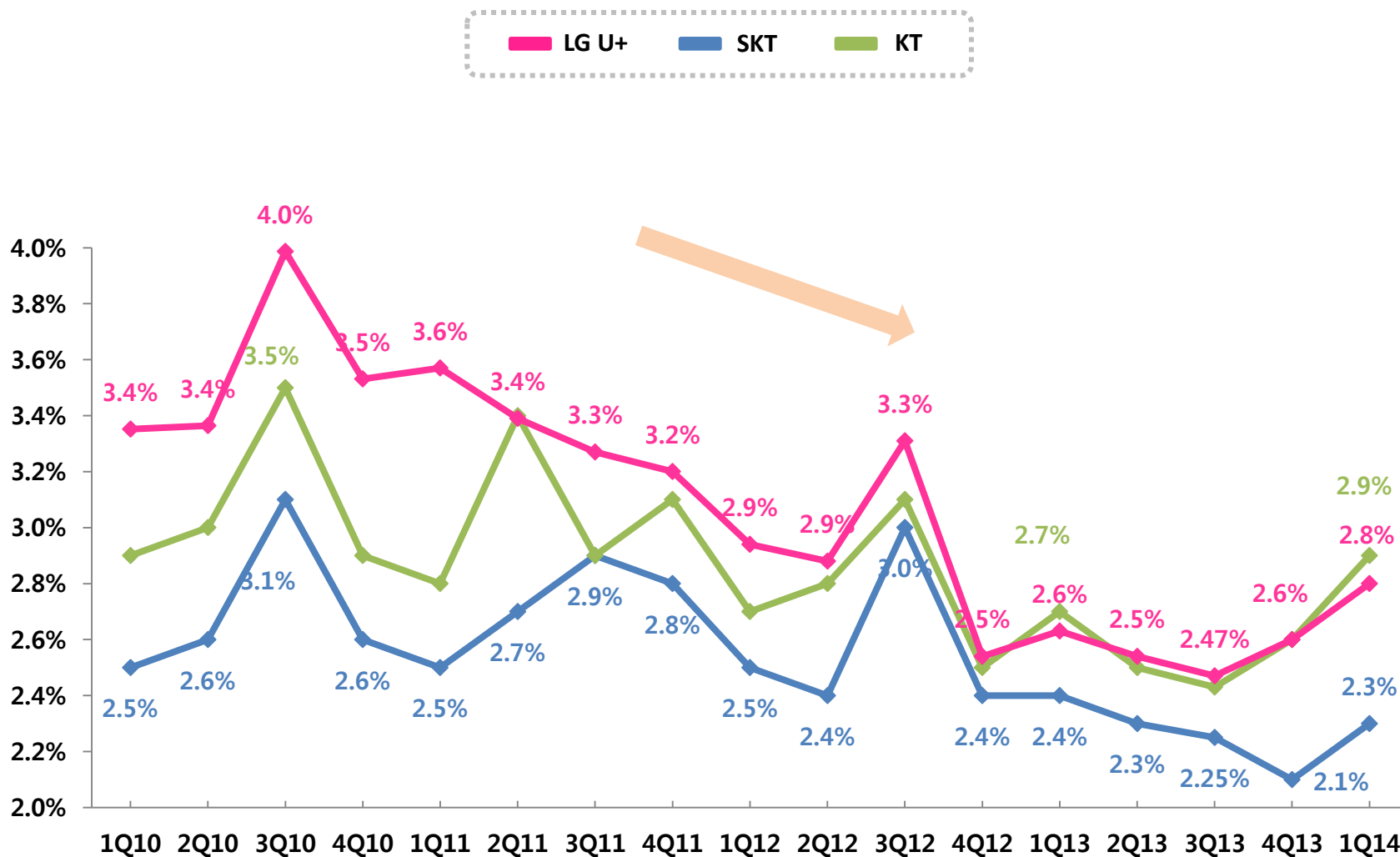


3G Subscriber M/S among Korean MNOs

(As of 1Q 2014)



Churn Rate Trend Comparison with Korean MNOs



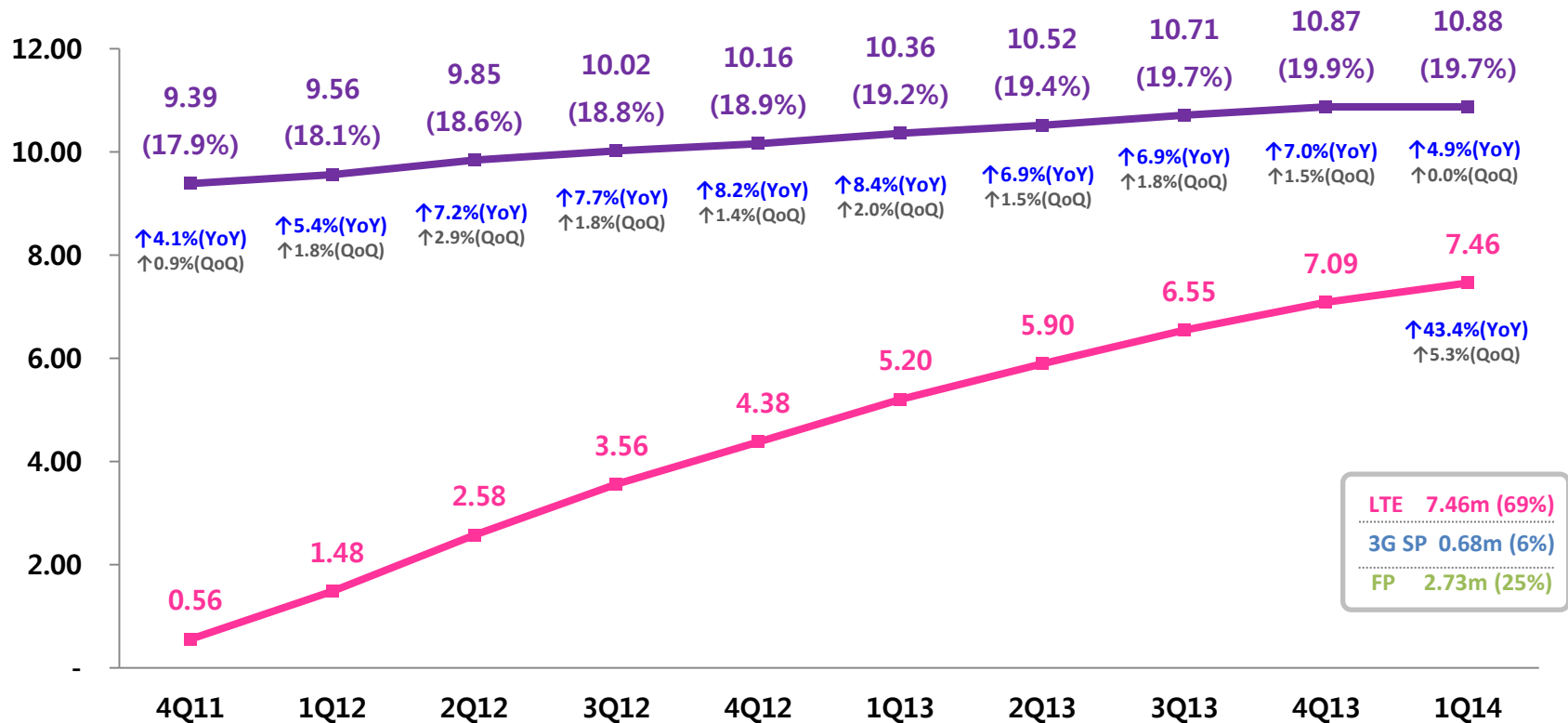
LG U+ Subscriber Mix Trend



1Q 2014 LTE subscribers recorded 7.46 million, up 43.4% YoY

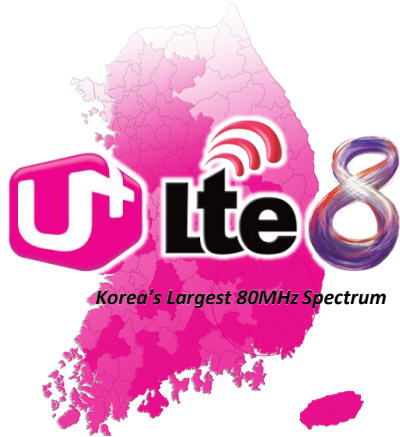
(Unit: subscribers in millions)

■ Total Wireless Subscribers & Wireless Market Share
■ LTE Subscribers

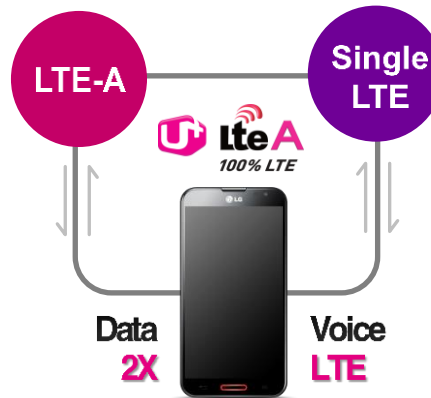


LTE Network Competitiveness

World's First Full Nationwide LTE N/W



World's First 100% LTE Service



No. 1 LTE Customer Satisfaction



2012

2013

2014

2015~

Nationwide LTE N/W

(75Mbps)

MC, LTE-Advanced (CA)

(150Mbps, 225Mbps)

3 Band CA

(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
LG G3

225Mbps
Supported Handsets

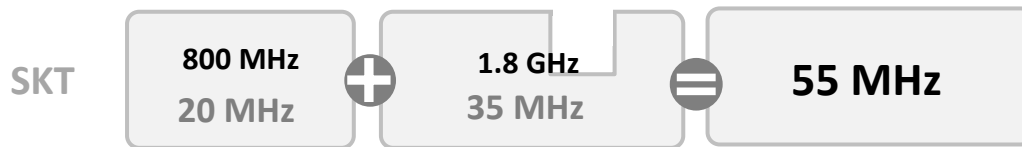
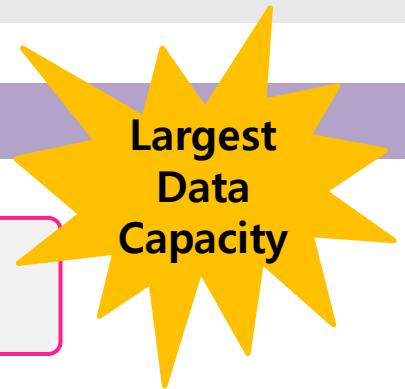
2H 2014

QHD Display
S/P Line-ups



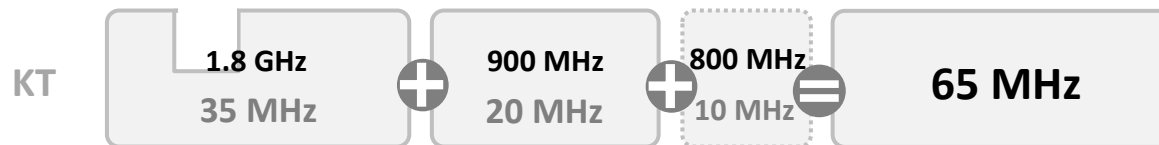
- World's First **100% Single LTE** service provider
- Korea's Largest** LTE spectrum bandwidth

LTE Spectrum Status



Speed up to **300 Mbps***

Able to provide core LTE services more effectively



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

*TBD

No. 1 HD Mobile IPTV in Korea



U+HDTV



U+HDTV (1Q14)
5.6 million users

Personal Cloud Storage



U+Box



U+Box (1Q14)
12 million users



C-games

**World's First
Cloud Game Platform**



Korea's Largest 80MHz Spectrum



HD Music

**Full HD Music
Streaming Service**



U+NaviLTE



Full Cloud Navigation



U+Shop

Shopping Mall Discounts

LTE Tariff Plan

Plans	Voice	SMS	Data	VAS
LTE  Unlimited 85	Unlimited (Mobile)	Unlimited	Unlimited*	U+HDTV, U+Baseball, U+Box 100GB, Caller Ring
LTE  Unlimited 80				U+Box 15GB, U+Navi ^{LTE} , U+Zone, mVoIP

*Data: after exceeding 2GB/day, network speed will be restricted to 3Mbps

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

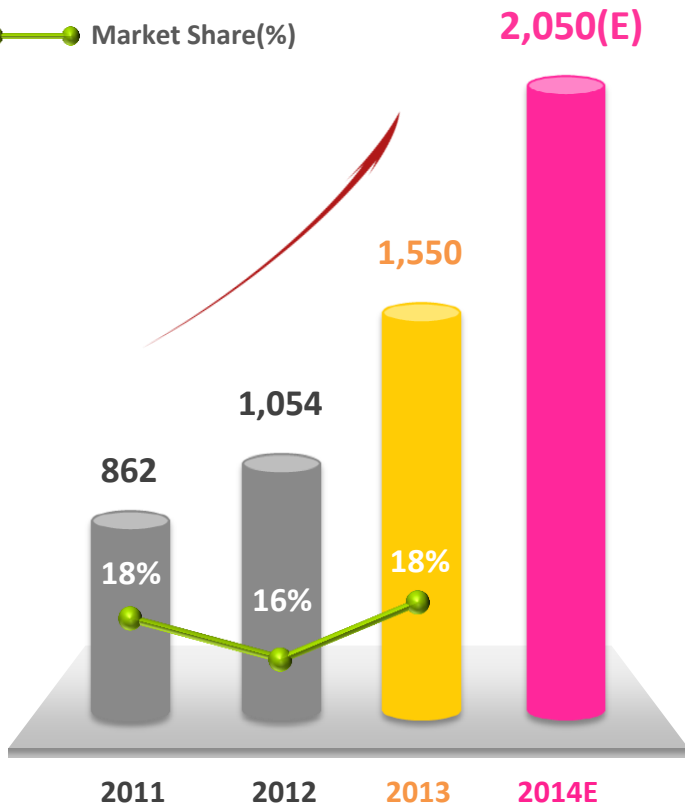


- 1Q 2014 IPTV revenue recorded KRW 85.9 billion, up 53.9% YoY
- 1Q 2014 IPTV subscriber : 1.67 million

IPTV Subscriber Trend

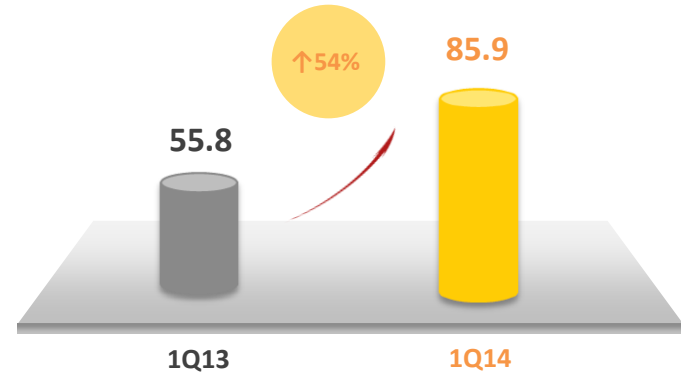
(Unit: subscribers in thousands)

● Market Share(%)



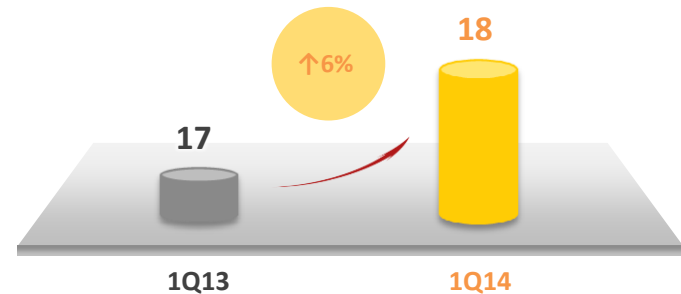
IPTV Revenue

(Unit: KRW in billions)



IPTV ARPU

(Unit: KRW in thousands)



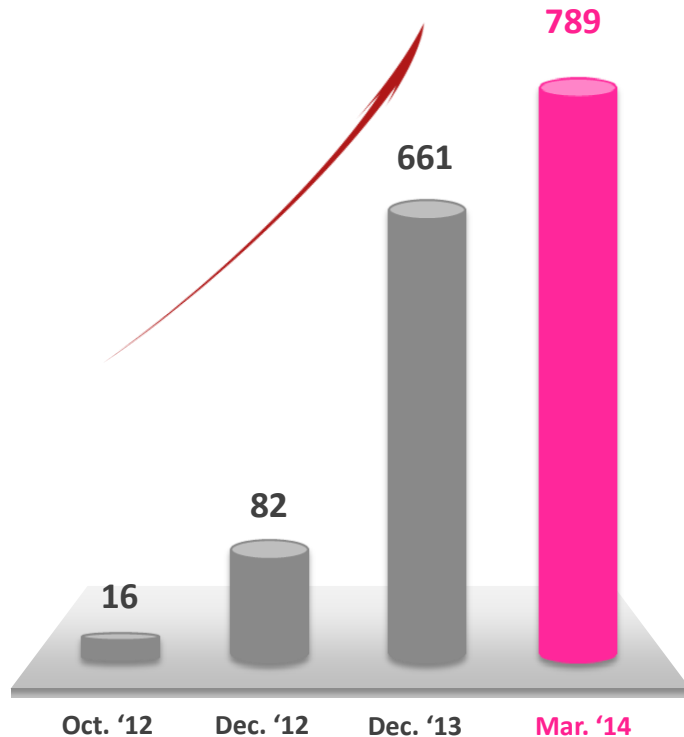
3. TPS



▪ 1Q 2014 tv G subscriber : 789 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



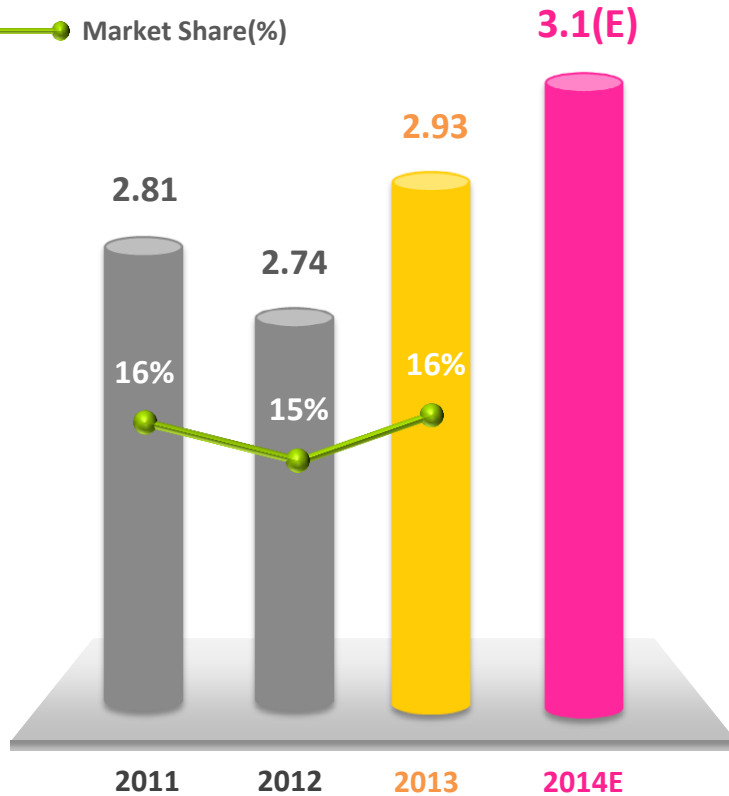


- 1Q 2014 Broadband revenue recorded KRW 168.3 billion, up 2.9% YoY
- 1Q 2014 Broadband subscriber : 2.96 million

Broadband Subscriber Trend

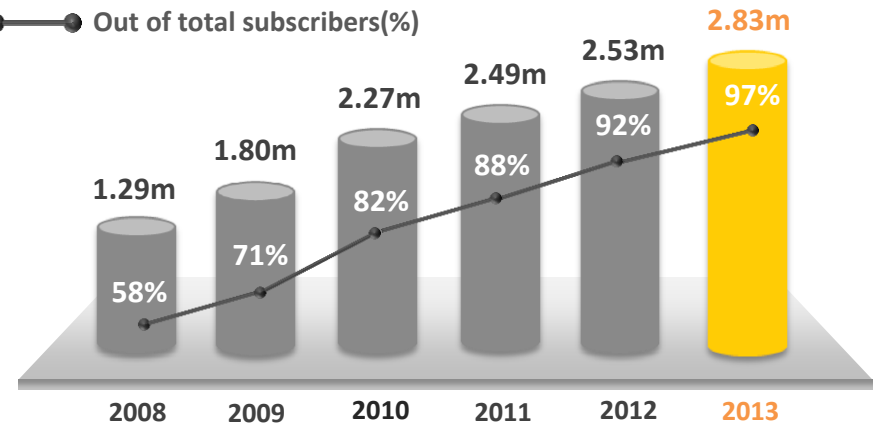
(Unit: subscribers in millions)

● Market Share(%)

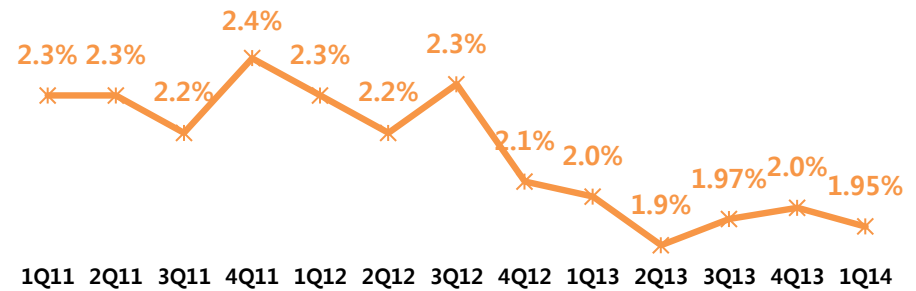


100Mbps Subscriber Trend

● Out of total subscribers(%)



Churn Rate Trend



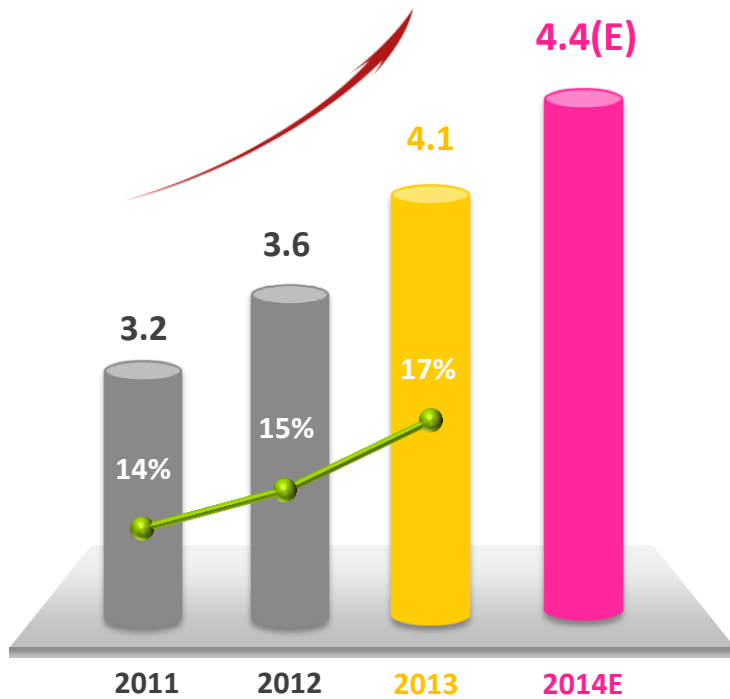


- 1Q 2014 VoIP revenue recorded KRW 69.6 billion
- 1Q 2014 VoIP subscriber : 4.25 million

VoIP Subscriber Trend

(Unit: subscribers in millions)

●—● Telephony M/S*(%)



*SKT, KT, LG Uplus subscribers only

Smart Home Devices

homeBoy



070player

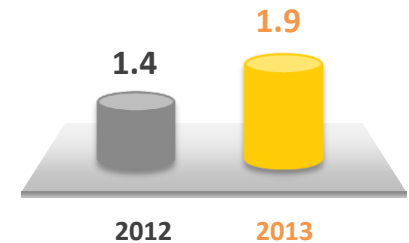
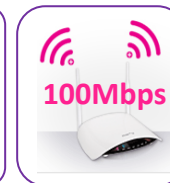


ARPU (1Q 2014)	
070 player	15K
VoIP	5K

Wi-Fi 100 Subscriber

(Unit: subscribers in millions)

Wi-Fi 100

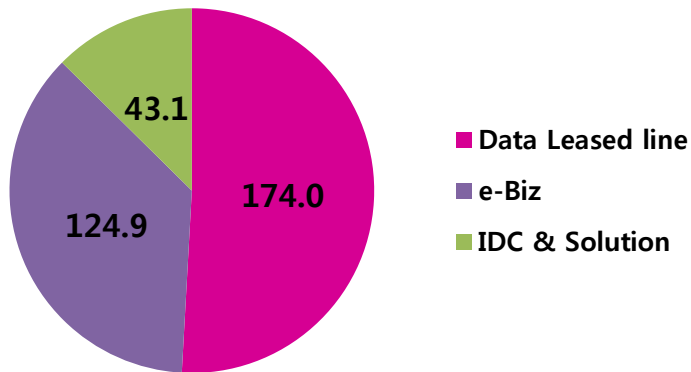




- 1Q 2014 Data revenue recorded KRW 342 billion, up 2.1% YoY
- 2014 Data revenue is expected to increase by 2% YoY

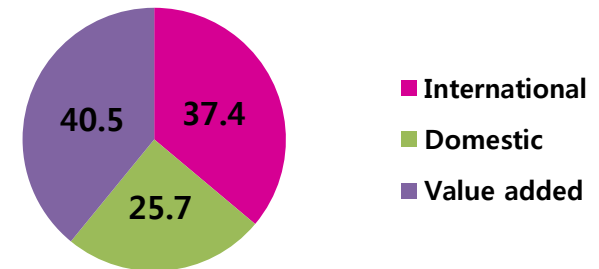
Data Revenue

(Unit: KRW in billions)



Telephony Revenue

(Unit: KRW in billions)



Growth

2014 1Q Data Revenue recorded KRW 342 billion, up 2.1% YoY from strong e-Biz & IDC growth

Strategy

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

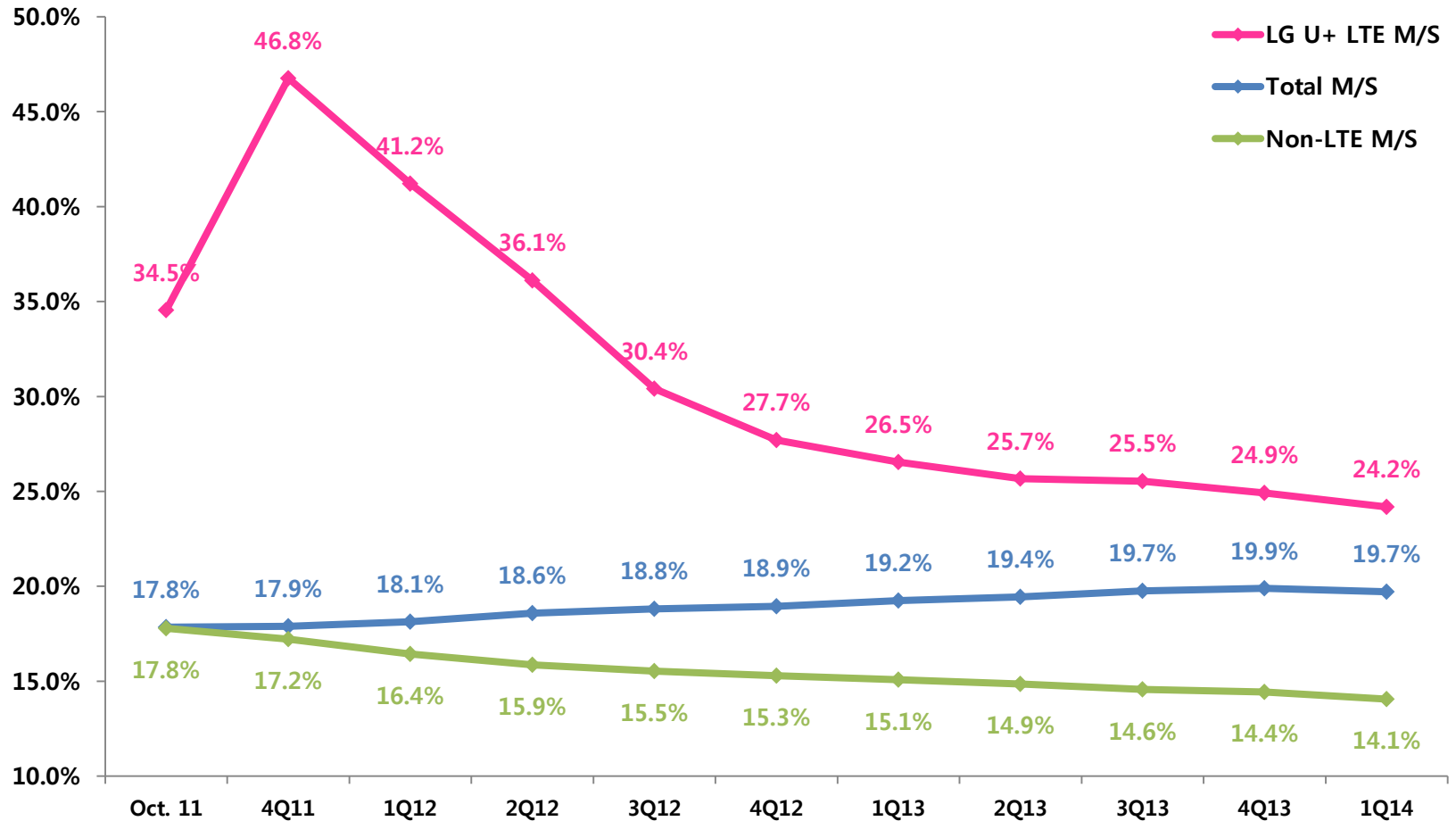
5. Financials

1Q 2014 Earnings Results

(Unit: KRW in billions)

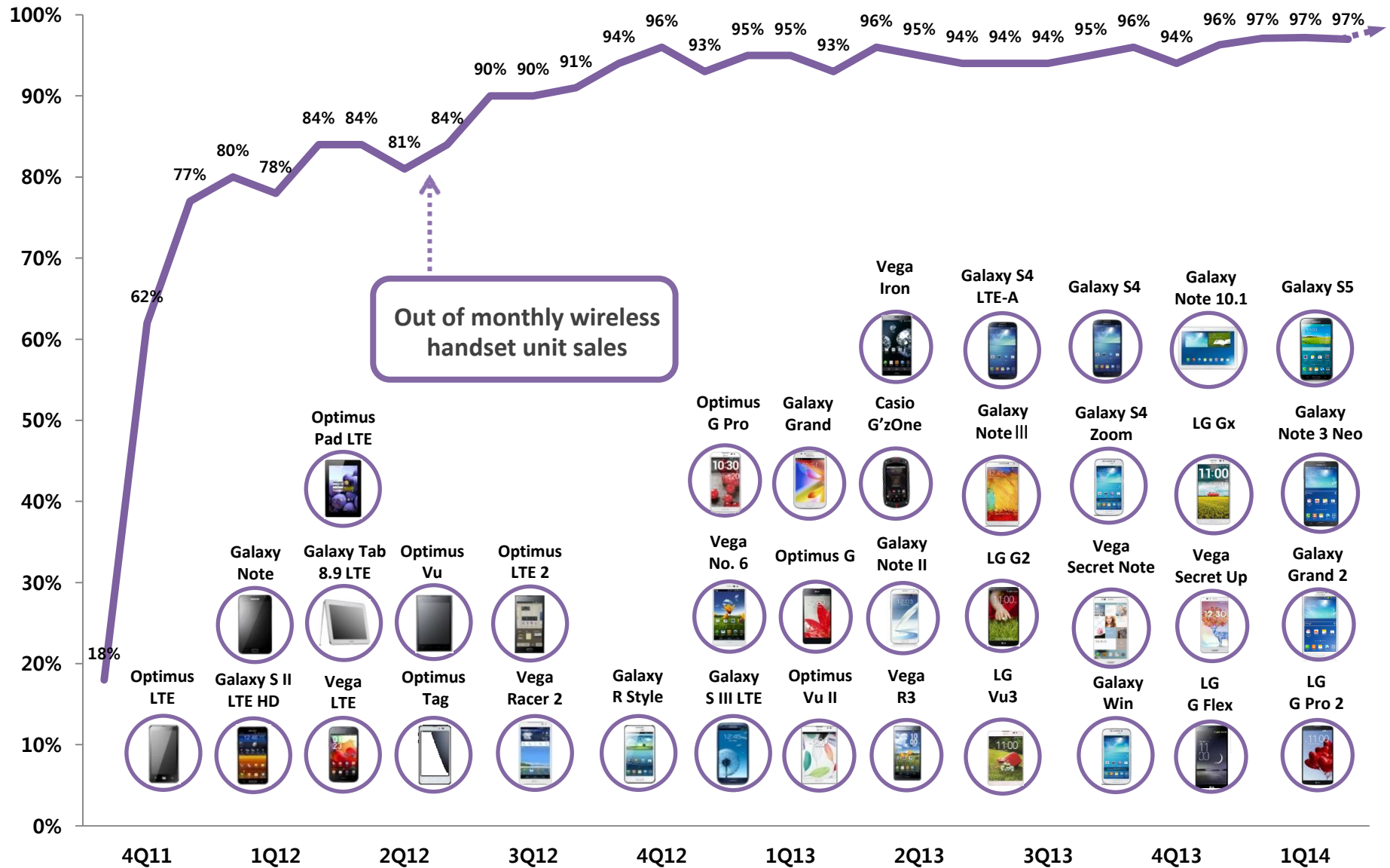
	1Q '13	4Q '13	1Q '14	YoY	QoQ
Revenue	2,859.7	2,948.0	2,780.4	-2.8%	-5.7%
EBITDA	443.1	465.5	465.6	5.1%	0.0%
Operating Income	123.2	124.9	113.2	-8.1%	-9.4%
Net Income	74.3	48.1	26.8	-63.9%	-44.2%

Subscriber Market Share Trend



6. Appendix

LTE Handset Sales Portion



Thank You!

ir@lguplus.co.kr

Jay Park	+82-70-4080-6915	imgill@lguplus.co.kr
Marc Hong	+82-2-6928-3050	nostalgia@lguplus.co.kr
Claire Park	+82-70-4080-8058	pminyoung86@lguplus.co.kr
Daniel Choe	+82-2-6928-3053	danielchoe@lguplus.co.kr
Irene Huh	+82-2-6928-1097	hyeree1223@lguplus.co.kr