

2014 4Q Earnings Release

Jan. 23, 2015



Disclaimer

As of January 1, 2010 we adopted the Korean International Financial Reporting Standards (K-IFRS).

All financial information contained in this document is based on K-IFRS.

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, the Company's actual future results may differ materially from those expressed or implied by such statements.

The information contained herein should not be utilized for any legal purposes in regards to investors' investment results. The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors' reliance on the information contained herein.

In addition, the information contained herein has been prepared in advance, prior to being audited by external auditors, solely for the convenience of investors of the Company, and is subject to change in the process of final auditing by external auditors..

Contents

1 Financial Highlights

2 Business Overview

3 Appendix

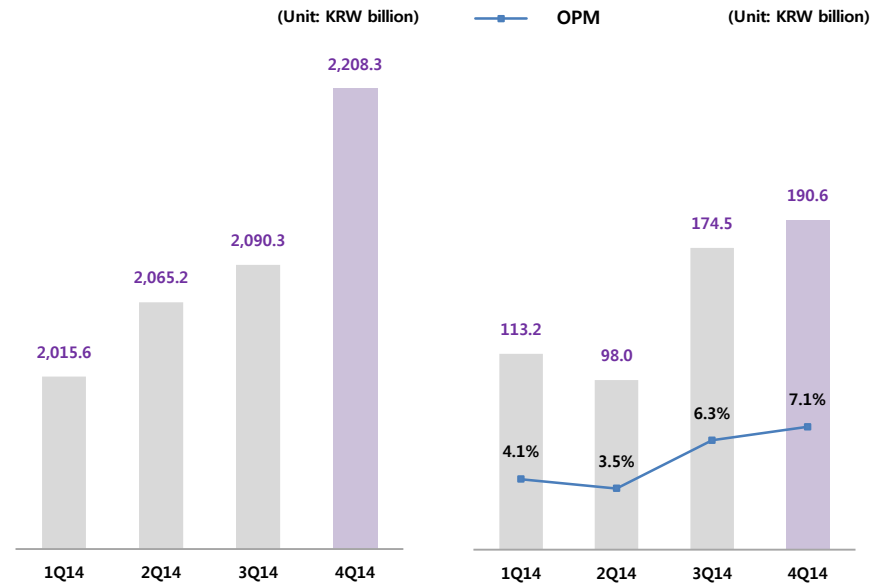
Summary (Consolidated)

- Service Revenue down by 9.0% YoY and 2.8% QoQ, recording KRW 2.68 trillion
- Operating Income up by 52.6% YoY and 9.2% QoQ, recording KRW 190.6 billion

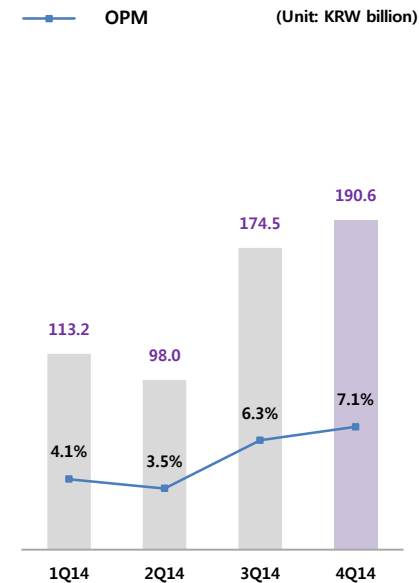
(Unit: KRW billion)								
Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY
Revenue	2,948.0	2,761.8	2,683.7	-9.0%	-2.8%	11,450.3	10,999.8	-3.9%
Service Revenue	2,061.3	2,090.3	2,208.3	7.1%	5.6%	7,834.7	8,379.5	7.0%
Handset Revenue	883.5	666.9	470.7	-46.7%	-29.4%	3,598.7	2,602.2	-27.7%
Expenses	2,823.1	2,587.3	2,493.0	-11.7%	-3.6%	10,908.2	10,423.5	-4.4%
Operating Income	124.9	174.5	190.6	52.6%	9.2%	542.1	576.3	6.3%
OP Margin ⁽¹⁾	4.2%	6.3%	7.1%	2.9%p	0.8%p	4.7%	5.2%	0.5%p
Non-operating Balance	(65.7)	(63.9)	(71.7)	9.1%	12.3%	(208.3)	(256.2)	23.0%
Income Before Tax	59.2	110.7	118.9	100.8%	7.5%	333.8	320.1	-4.1%
Income Tax	11.1	28.6	33.6	202.9%	17.6%	54.4	92.4	69.9%
Net Income	48.1	82.0	85.3	77.2%	3.9%	279.5	227.7	-18.5%
EBITDA	465.5	558.9	590.5	26.9%	5.7%	1,856.8	2,081.7	12.1%
EBITDA Margin⁽²⁾	15.8%	20.2%	22.0%	6.2%p	1.8%p	16.2%	18.9%	2.7%p

(1) OP Margin : Operating Income/Revenue (2) EBITDA Margin : EBITDA/Revenue

Service Revenue



Operating Income



Operating Expense / Marketing Expense (Consolidated)

- Operating Expense down by 11.7% YoY and 3.6% QoQ due to decrease in overall operating expense despite of increase in marketing expense

(Unit: KRW billion)

Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY
Operating Expense	2,823.1	2,587.3	2,493.0	-11.7%	-3.6%	10,908.2	10,423.5	-4.4%
Wages	222.7	194.9	197.3	-11.4%	1.2%	752.7	772.3	2.6%
Depreciation	309.3	341.1	356.6	15.3%	4.5%	1,204.3	1,334.4	10.8%
Amortization	31.2	43.3	43.3	39.0%	0.1%	110.3	171.0	55.0%
Outsourcing	87.7	86.4	81.5	-7.1%	-5.7%	310.6	331.4	6.7%
Electricity Fee	38.5	54.5	44.1	14.5%	-19.2%	157.8	181.5	15.0%
Interconnection	170.7	142.6	187.5	9.8%	31.5%	641.4	616.4	-3.9%
Sales Commission	618.9	562.9	358.0	-42.2%	-36.4%	2,338.0	2,144.3	-8.3%
Advertising	82.0	70.9	92.7	13.0%	30.7%	284.8	299.6	5.2%
Cost of Handset Sold	690.8	525.4	561.6	-18.7%	6.9%	2,903.4	2,332.3	-19.7%
Others	571.3	565.2	570.5	-0.1%	0.9%	162.0	158.0	-2.5%

- Marketing Expense up by 8.6% YoY 8.6% QoQ due to increase in Subscribers Acquisition Cost

(Unit: KRW billion)

Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY
Total Marketing Expense	477.2	477.2	518.2	8.6%	8.6%	1,836.2	2,096.2	14.2%
Mkt. Exp./Service Revenue	23.2%	22.8%	23.5%	0.3%p	0.6%p	23.4%	25.0%	1.6%p

* Mkt. Exp. = Sales Commission + Adv. - Gross Profit from Handset Sales

Operating Expense

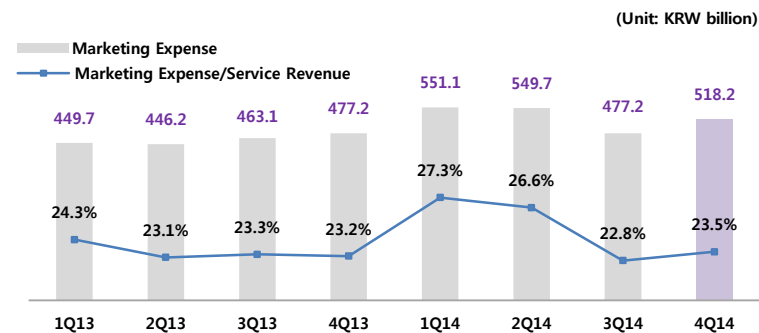
Asset related expense increased due to wideband LTE-A investments

- Depreciation : Up by 15.3% YoY, Up by 4.5% QoQ
- Amortization : Up by 39.0% YoY, Up by 0.1% QoQ
- Outsourcing : Down by 7.1% YoY, Down by 5.7% QoQ due to decrease in N/W investment in 4Q
- Electricity Fee : Up by 14.5% YoY, Down by 19.2% QoQ due to increased unit cost in 2013 and seasonality
- Interconnection : Up by 9.8% YoY, Up by 31.5% QoQ due to retrospectively applying '14's interconnection rate

Marketing related expense

- Sales Commission : Down by 42.2% YoY, 36.4% QoQ due to change in accounting policy related to handset subsidy (Sales commission→Handset sales discount)
- Advertising : Up by 13.0% YoY, 30.7% QoQ due to increase in media advertisement
- Cost of Handset Sold : Down by 18.7% YoY, Up by 6.9% QoQ

Marketing Expense



1. Financial Highlights

Non-operating Balance / CAPEX

Non-operating Balance / CAPEX (Consolidated)

- Non-operating Balance up by 9.1% YoY and 12.3% QoQ

(Unit: KRW billion)

Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY
Non-operating Income	43.5	37.7	32.0	-26.5%	-15.2%	119.0	115.7	-2.7%
Interest Income	12.9	10.2	7.2	-44.1%	-29.3%	58.7	39.3	-32.9%
Others	30.6	27.5	24.7	-19.1%	-9.9%	60.3	76.4	26.7%
Non-operating Expense	109.2	101.5	103.7	-5.1%	2.1%	327.2	372.0	13.7%
Interest Expense	54.6	53.4	53.1	-2.7%	-0.6%	209.9	210.1	0.1%
Loss on A/R sold	18.3	5.8	14.8	-18.8%	157.2%	44.7	48.6	8.8%
Loss on impairment/disposal of tangible asset	8.0	33.7	7.9	-1.6%	-76.6%	19.2	51.7	168.8%
Others	28.4	8.6	27.8	-1.9%	222.6%	53.5	61.6	15.2%
Non-operating Balance	(65.7)	(63.9)	(71.7)	9.1%	12.3%	(208.3)	(256.2)	23.0%

- CAPEX down by 0.1% YoY and up by 0.2% QoQ due to completion of wideband LTE-A investment and N/W optimization

(Unit: KRW billion)

Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY
CAPEX⁽¹⁾	473.7	472.1	473.0	-0.1%	0.2%	1,568.7	2,211.9	41.0%
Wireless Network	225.8	204.0	156.2	-30.8%	-23.4%	969.6	1,253.9	29.3%
Wireline Network	229.5	196.6	241.3	5.1%	22.7%	497.4	769.7	54.8%
Others (IT, etc)	18.3	71.5	75.4	311.2%	5.6%	101.6	188.4	85.3%
CAPEX/Revenue	16.1%	17.1%	17.6%	1.6%p	0.5%p	13.7%	20.1%	6.4%p

(1) Capital Expenditure includes Construction in Progress

Non-operating Income & Expense

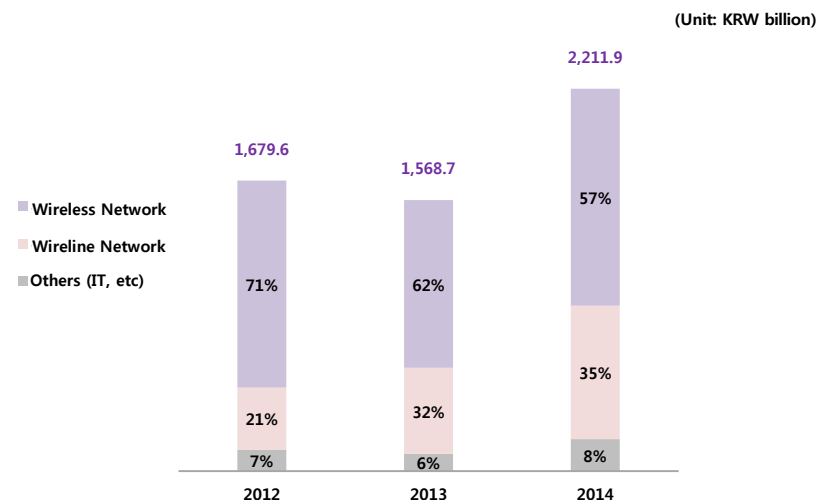
Non-operating Income : Down by 26.5% YoY and 15.2% QoQ

- Interest Income : down by 29.3% QoQ due to increased factoring of handset receivables

Non-operating Expense : Down by 5.1% YoY and Up by 2.1% QoQ

- Loss on A/R sold : Up by 157.2% QoQ due to increased factoring of handset receivables
- Loss on impairment/disposal of tangible asset : Down by 76.6% QoQ due to underlying effect of 3Q

CAPEX



Statements of Financial Position (Consolidated)

(Unit: KRW billion)

Classification	2013.12	2014. 09	2014.12	YoY	QoQ
Total Assets	11,775.0	11,963.9	12,012.7	2.0%	0.4%
Current Assets	2,697.1	2,297.2	2,489.9	-7.7%	8.4%
Cash & Cash Equivalents ⁽¹⁾	433.6	238.0	444.6	2.5%	86.8%
Non-current Assets	9,077.9	9,666.7	9,522.8	4.9%	-1.5%
Property, Plant and Equipment	6,392.7	7,097.7	7,254.4	13.5%	2.2%
Intangible Assets	1,258.6	1,155.9	1,116.5	-11.3%	-3.4%
Total Liabilities	7,752.4	7,860.6	7,834.8	1.1%	-0.3%
Current Liabilities	3,738.1	3,714.8	3,485.7	-6.8%	-6.2%
Current Portion of LT Debt	1,234.7	1,297.3	1,113.5	-9.8%	-14.2%
Non-current Liabilities	4,014.3	4,145.8	4,349.2	8.3%	4.9%
Corporate Bond etc. ⁽²⁾	3,302.7	3,552.8	3,787.1	14.7%	6.6%
Total Shareholders' Equity	4,022.6	4,103.3	4,177.8	3.9%	1.8%
Retained Earnings	617.5	694.3	764.4	23.8%	10.1%
Net Debt	4,103.8	4,612.2	4,471.1	9.0%	-3.1%
Net Debt to Equity Ratio ⁽³⁾	102.0%	112.4%	107.0%	5.0%p	-5.4%p
Debt to Equity Ratio ⁽⁴⁾	192.7%	191.6%	187.5%	-5.2%p	-4.0%p

(1) Cash & Cash Equivalents = Cash & Cash Equivalents + Short term AFS financial assets + Financial Institution Deposits

(2) Corporate Bond etc. : Corporate Bond + Long-term borrowings + Capital Lease

(3) Net Debt to Equity Ratio : Net Debt/Total Shareholders' Equity

(4) Debt to Equity Ratio : Total Liabilities/Total Shareholders' Equity

Statements of Financial Position

Net Debt up YoY due to nationwide wideband LTE-A network investment, and down QoQ due to decreased investment in 4Q from completion of 2.6GHz N/W

- Non-current Assets : Up by 4.9% YoY, Down by 1.5% QoQ
- Net Debt : Up by 9.0% YoY, Down by 3.1% QoQ
 - Net Debt to Equity Ratio : 107.0% Up by 5.0%p YoY, Down by 5.4%p QoQ
- Debt to Equity Ratio : 187.5% Down by 5.2%p YoY, Down by 4.0%p QoQ

Wireless (Consolidated)

- Wireless Revenue up by 9.5% YoY and 7.2% QoQ due to subscriber mix improvement and reflection of revenue settlement on 4Q

(Unit: KRW billion)

Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY
Wireless Revenue	1,270.1	1,296.9	1,390.9	9.5%	7.2%	4,768.2	5,211.7	9.3%
Service Revenue ⁽¹⁾	1,122.2	1,173.6	1,223.7	9.0%	4.3%	4,213.1	4,675.2	11.0%
Interconnection	131.2	108.3	153.8	17.2%	42.0%	487.2	473.9	-2.7%
Sign-up Fee	16.7	15.0	13.4	-19.6%	-10.7%	67.9	62.5	-7.9%
Wireless ARPU⁽²⁾	40,060	39,967	42,583	6.3%	6.5%	38,606	40,314	4.4%
Service ARPU ⁽³⁾	35,388	36,159	37,448	5.8%	3.6%	34,106	36,157	6.0%
Service ARPU (MVNO Incl.) ⁽⁴⁾	34,650	35,313	36,526	5.4%	3.4%	33,419	35,308	5.7%

(1) Service Revenue : Monthly fee+Usage Charges+VAS+Revenue Discount+Data

(2) LG Uplus subscribers only (3) Service ARPU : Excludes Interconnection & Sign-up fee from Wireless ARPU

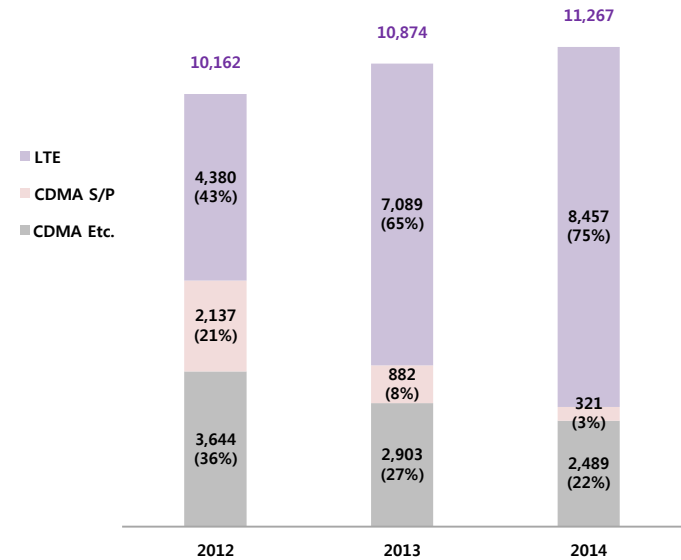
(4) LG Uplus MVNO Subscribers included

(Unit: subscribers in thousands)

Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY
Wireless Subscribers	10,874	11,159	11,267	3.6%	1.0%	10,874	11,267	3.6%
MNO Subscribers	10,625	10,840	10,903	2.6%	0.6%	10,625	10,903	2.6%
MVNO Subscribers	249	319	364	45.9%	14.2%	249	364	45.9%

Wireless Subscriber

(Unit: subscribers in thousands)



TPS (Consolidated)

- TPS Revenue up by 7.9% YoY and 1.7% QoQ due to IPTV subscriber and ARPU growth

(Unit: KRW billion)

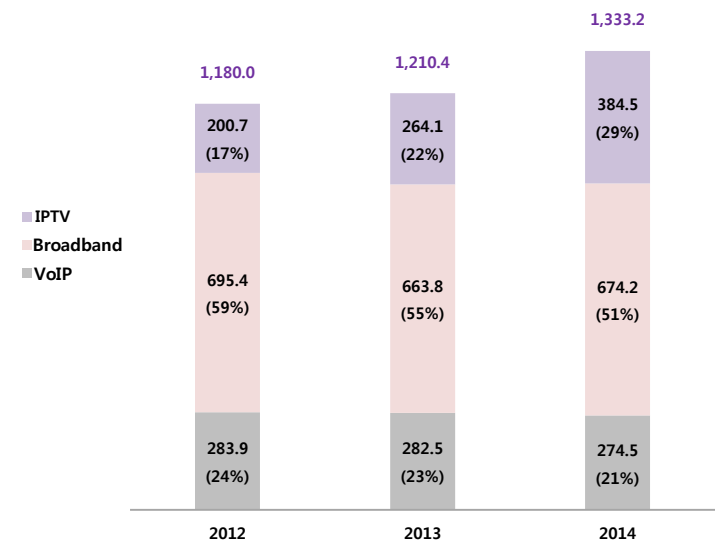
Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY
TPS Revenue	317.9	337.4	343.0	7.9%	1.7%	1,210.4	1,333.2	10.1%
IPTV	79.8	100.0	108.3	35.7%	8.3%	264.1	384.5	45.6%
Broadband	168.3	168.8	168.2	-0.1%	-0.4%	663.8	674.2	1.6%
VoIP	69.8	68.7	66.6	-4.6%	-3.1%	282.5	274.5	-2.8%

(Unit: subscribers in thousands)

Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY
TPS Subscribers	8,599	9,247	9,387	9.2%	1.5%	8,599	9,387	9.2%
IPTV	1,550	1,875	1,949	25.8%	3.9%	1,550	1,949	25.8%
Broadband	2,928	3,010	3,014	2.9%	0.1%	2,928	3,014	2.9%
VoIP	4,121	4,362	4,424	7.4%	1.4%	4,121	4,424	7.4%

TPS Revenue

(Unit: KRW billion)



Data / Telephony (Consolidated)

- Data Revenue up by 2.0% YoY and 7.0% QoQ due to growth in e-Biz
- Telephony Revenue down by 2.6% YoY and 0.9% QoQ due to decrease in Domestic and International Telephony Revenue despite of growth in Value-Added Telephony Revenue

(Unit: KRW billion)

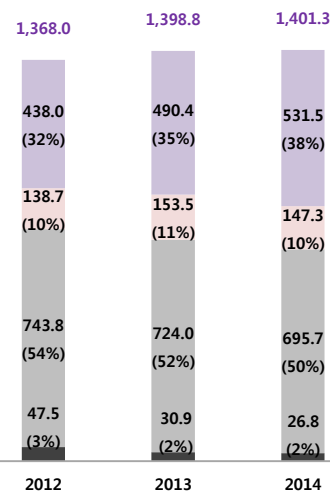
Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY
Data Revenue	360.8	343.7	367.9	2.0%	7.0%	1,398.8	1,401.3	0.2%
e-Biz ⁽¹⁾	130.4	131.4	145.3	11.5%	10.6%	490.4	531.5	8.4%
IDC	36.4	36.1	36.8	1.1%	2.1%	153.5	147.3	-4.0%
Leased Line	180.6	171.6	174.9	-3.2%	1.9%	724.0	695.7	-3.9%
Solution	13.3	4.6	10.8	-19.2%	133.0%	30.9	26.8	-13.2%
Telephony Revenue	109.0	107.1	106.2	-2.6%	-0.9%	449.8	422.9	-6.0%
Value-Added	40.5	42.6	43.8	8.1%	2.7%	157.8	168.0	6.4%
Domestic	26.3	26.2	25.4	-3.5%	-3.2%	107.9	103.8	-3.8%
International	42.2	38.2	37.0	-12.4%	-3.3%	184.1	151.2	-17.9%

(1) e-Biz : Webhard, e-Credit(Payment solution), SMS & Digital Signage, etc.

Data Revenue

(Unit: KRW billion)

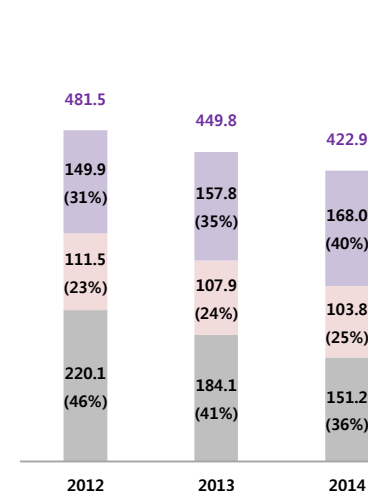
- Solution
- Leased Line
- IDC
- e-Biz(1)



Telephony Revenue

(Unit: KRW billion)

- International
- Domestic
- Value-Added



3. Appendix

Statements of Income / Financial Position (Consolidated)

(Unit: KRW billion)

Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY	Classification	2013.12	2014. 09	2014.12	YoY	QoQ
Revenue	2,948.0	2,761.8	2,683.7	-9.0%	-2.8%	11,450.3	10,999.8	-3.9%	Current Assets	2,697.1	2,297.2	2,489.9	-7.7%	8.4%
Service Revenue	2,061.3	2,090.3	2,208.3	7.1%	5.6%	7,834.7	8,379.5	7.0%	Cash and Cash Equivalents	398.3	206.1	415.9	4.4%	101.8%
Handset Revenue	883.5	666.9	470.7	-46.7%	-29.4%	3,598.7	2,602.2	-27.7%	Short-term Loans & Accounts Receivables	1,774.9	1,663.7	1,675.4	-5.6%	0.7%
Rental Revenue	3.3	4.6	4.6	40.6%	0.1%	16.9	18.1	6.9%	Inventories	394.5	299.4	276.0	-30.0%	-7.8%
Expense	2,823.1	2,587.3	2,493.0	-11.7%	-3.6%	10,908.2	10,423.5	-4.4%	Other Current Assets	129.4	127.9	122.5	-5.3%	-4.2%
Operating Expenses	2,823.1	2,587.3	2,493.0	-11.7%	-3.6%	10,908.2	10,423.5	-4.4%	Non Current Assets	9,077.9	9,666.7	9,522.8	4.9%	-1.5%
Wages	222.7	194.9	197.3	-11.4%	1.2%	752.7	772.3	2.6%	Available for Sales Securities	81.4	77.2	74.1	-9.0%	-4.0%
Depreciation	309.3	341.1	356.6	15.3%	4.5%	1,204.3	1,334.4	10.8%	Property, Plant and Equipment	6,392.7	7,097.7	7,254.4	13.5%	2.2%
Amortization	31.2	43.3	43.3	39.0%	0.1%	110.3	171.0	55.0%	Intangible Assets	1,258.6	1,155.9	1,116.5	-11.3%	-3.4%
Telecom Circuit Rent	85.0	66.5	89.7	5.5%	34.9%	289.7	294.5	1.7%	Long-term Loans & Long Trade Receivables	778.5	777.5	560.2	-28.0%	-27.9%
Rental	79.2	80.3	82.0	3.5%	2.1%	307.3	320.8	4.4%	Investment in Properties	95.8	96.7	36.7	-61.7%	-62.1%
Outsourcing	87.7	86.4	81.5	-7.1%	-5.7%	310.6	331.4	6.7%	Other Non-current Assets	471.0	461.7	481.0	2.1%	4.2%
Electricity Fee	38.5	54.5	44.1	14.5%	-19.2%	157.8	181.5	15.0%	Total Assets	11,775.0	11,963.9	12,012.7	2.0%	0.4%
Repair Expense	30.8	35.6	37.4	21.5%	5.1%	109.9	129.0	17.3%	Current Liabilities	3,738.1	3,714.8	3,485.7	-6.8%	-6.2%
Interconnection	170.7	142.6	187.5	9.8%	31.5%	641.4	616.4	-3.9%	Accounts Payable & Other Payables	3,427.8	3,415.9	3,199.3	-6.7%	-6.3%
Settlement	42.8	37.7	38.2	-10.7%	1.3%	177.7	151.4	-14.8%	Other Liabilities	308.1	297.6	285.9	-7.2%	-3.9%
Fees & Charges	276.8	282.2	272.1	-1.7%	-3.6%	1,073.7	1,102.9	2.7%	Derivative liabilities	2.3	1.2	0.4	-83.0%	-68.4%
Sales Comission	618.9	562.9	358.0	-42.2%	-36.4%	2,338.0	2,144.3	-8.3%	Non-current Liabilities	4,014.3	4,145.8	4,349.2	8.3%	4.9%
Advertising	82.0	70.9	92.7	13.0%	30.7%	284.8	299.6	5.2%	Accounts Payable & Other Payables	3,907.2	4,010.0	4,244.4	8.6%	5.8%
Cost of Handsets Sold	690.8	525.4	561.6	-18.7%	6.9%	2,903.4	2,332.3	-19.7%	Other Liabilities	106.7	135.8	104.7	-1.8%	-22.9%
Handset purchase	659.8	510.3	538.2	-18.4%	5.5%	2,812.1	2,254.7	-19.8%	Others	0.4	-	-	-100.0%	-
Etc	31.0	15.2	23.4	-24.5%	54.6%	91.3	77.6	-15.0%	Total Liabilities	7,752.4	7,860.6	7,834.8	1.1%	-0.3%
Ordinary R&D Expense	19.2	13.9	11.7	-39.2%	-16.2%	58.7	51.4	-12.4%	Shareholders' Equity	4,020.9	4,102.4	4,177.1	3.9%	1.8%
Taxes & Dues	5.0	6.8	6.2	23.7%	-8.9%	25.8	32.4	25.3%	Capital Stock	2,574.0	2,574.0	2,574.0	0.0%	0.0%
Others	32.5	42.2	33.3	2.3%	-21.2%	162.0	158.0	-2.5%	Capital Surplus	836.6	837.0	837.0	0.1%	0.0%
Operating Income	124.9	174.5	190.6	52.6%	9.2%	542.1	576.3	6.3%	Retained Earnings	617.5	694.3	764.4	23.8%	10.1%
Non-operating Income	43.5	37.7	32.0	-26.5%	-15.2%	119.0	115.7	-2.7%	Accumulated Other Comprehensive Income	(7.1)	(2.8)	1.7	-124.5%	-162.0%
Non-operating Expense	109.2	101.5	103.7	-5.1%	2.1%	327.2	372.0	13.7%	Non-controlling Interest	1.7	0.9	0.7	-60.2%	-24.8%
Income Before Tax	59.2	110.7	118.9	100.8%	7.5%	333.8	320.1	-4.1%	Total Shareholders' Equity	4,022.6	4,103.3	4,177.8	3.9%	1.8%
Income Tax	11.1	28.6	33.6	202.9%	17.6%	54.4	92.4	69.9%	Total Liabilities and Shareholders' Equity	11,775.0	11,963.9	12,012.7	2.0%	0.4%
Net Income	48.1	82.0	85.3	77.2%	3.9%	279.5	227.7	-18.5%						

3. Appendix

Statements of Income / Financial Position (Separate)

(Unit: KRW billion)

Classification	4Q13	3Q14	4Q14	YoY	QoQ	2013	2014	YoY
Revenue	2,947.0	2,741.8	2,688.4	-8.8%	-1.9%	11,452.2	10,984.9	-4.1%
Service Revenue	2,057.9	2,084.5	2,208.2	7.3%	5.9%	7,827.7	8,369.2	6.9%
Handset Revenue	883.5	650.4	473.2	-46.4%	-27.2%	3,598.7	2,588.2	-28.1%
Rental Revenue	5.6	7.0	7.0	25.6%	0.1%	25.8	27.5	6.6%
Expense	2,823.7	2,555.9	2,492.5	-11.7%	-2.5%	10,909.5	10,391.8	-4.7%
Operating Expenses	2,823.7	2,555.9	2,492.5	-11.7%	-2.5%	10,909.5	10,391.8	-4.7%
Wages	172.2	155.2	146.6	-14.9%	-5.5%	592.5	602.1	1.6%
Depreciation	309.1	340.9	356.3	15.3%	4.5%	1,203.3	1,333.4	10.8%
Amortization	30.7	41.4	42.2	37.5%	1.8%	108.6	166.5	53.3%
Telecom Circuit Rent	84.9	66.5	89.7	5.6%	34.9%	289.3	294.7	1.8%
Rental	79.0	80.1	82.0	3.8%	2.4%	306.5	319.9	4.4%
Outsourcing	144.1	126.9	141.4	-1.8%	11.5%	486.8	518.0	6.4%
Electricity Fee	38.5	54.5	44.1	14.5%	-19.2%	157.8	181.5	15.0%
Repair Expense	30.7	35.5	37.3	21.5%	5.1%	109.7	128.7	17.3%
Interconnection	170.7	142.6	187.5	9.8%	31.5%	641.4	616.4	-3.9%
Settlement	42.8	37.7	38.2	-10.7%	1.3%	177.7	151.4	-14.8%
Fees & Charges	274.7	280.8	302.0	9.9%	7.5%	1,071.8	1,132.1	5.6%
Sales Comission	618.9	534.7	319.2	-48.4%	-40.3%	2,338.0	2,077.2	-11.2%
Advertising	81.9	71.1	92.8	13.2%	30.5%	285.3	300.2	5.2%
Cost of Handsets Sold	690.8	527.8	563.7	-18.4%	6.8%	2,903.4	2,336.6	-19.5%
Handset purchase	659.8	512.6	540.3	-18.1%	5.4%	2,812.1	2,259.0	-19.7%
Etc	31.0	15.2	23.4	-24.5%	54.6%	91.3	77.6	-15.0%
Ordinary R&D Expense	19.8	14.1	13.5	-31.5%	-4.1%	59.5	54.3	-8.8%
Taxes & Dues	3.9	5.5	4.7	21.0%	-13.8%	21.8	27.4	25.6%
Others	31.1	40.6	31.3	0.8%	-22.9%	156.1	151.4	-3.0%
Operating Income	123.3	185.9	195.9	58.9%	5.4%	542.6	593.1	9.3%
Non-operating Income	42.8	40.6	31.6	-26.0%	-22.0%	116.4	116.9	0.5%
Non-operating Expense	109.2	101.5	101.1	-7.4%	-0.3%	327.2	369.4	12.9%
Income Before Tax	56.8	125.0	126.4	122.4%	1.1%	331.7	340.6	2.7%
Income Tax	11.1	28.8	37.6	238.3%	30.8%	54.2	96.6	78.1%
Net Income	45.7	96.2	88.8	94.2%	-7.8%	277.5	244.0	-12.1%

Classification	2013.12	2014. 09	2014.12	YoY	QoQ
Current Assets	2,668.3	2,262.9	2,418.2	-9.4%	6.9%
Cash and Cash Equivalents	377.4	187.9	368.4	-2.4%	96.0%
Short-term Loans & Accounts Receivables	1,770.1	1,657.6	1,657.1	-6.4%	0.0%
Inventories	394.5	296.9	272.5	-30.9%	-8.2%
Other Current Assets	126.4	120.5	120.2	-4.9%	-0.2%
Non Current Assets	9,077.8	9,675.2	9,568.1	5.4%	-1.1%
Available for Sales Securities	81.3	77.2	74.0	-9.0%	-4.0%
Property, Plant and Equipment	6,389.6	7,095.2	7,192.3	12.6%	1.4%
Intangible Assets	1,252.6	1,146.5	1,108.9	-11.5%	-3.3%
Long-term Loans & Long Trade Receivables	778.1	777.0	559.6	-28.1%	-28.0%
Investment in Properties	95.8	96.7	95.6	-0.3%	-1.2%
Other Non-current Assets	480.2	482.7	537.7	12.0%	11.4%
Total Assets	11,746.1	11,938.1	11,986.3	2.0%	0.4%
Current Liabilities	3,725.2	3,697.8	3,458.0	-7.2%	-6.5%
Accounts Payable & Other Payables	3,417.1	3,401.5	3,174.5	-7.1%	-6.7%
Other Liabilities	305.8	295.1	283.2	-7.4%	-4.0%
Derivative liabilities	2.3	1.2	0.4	-83.0%	-68.4%
Non-current Liabilities	4,006.0	4,132.4	4,338.9	8.3%	5.0%
Accounts Payable & Other Payables	3,907.2	4,010.0	4,244.4	8.6%	5.8%
Other Liabilities	98.4	122.4	94.5	-3.9%	-22.8%
Others	0.4	-	-	-100.0%	-
Total Liabilities	7,731.2	7,830.2	7,797.0	0.9%	-0.4%
Shareholders' Equity	4,014.9	4,107.8	4,189.3	4.3%	2.0%
Capital Stock	2,574.0	2,574.0	2,574.0	0.0%	0.0%
Capital Surplus	836.6	836.6	836.6	0.0%	0.0%
Retained Earnings	611.1	700.2	777.1	27.2%	11.0%
Accumulated Other Comprehensive Income	(6.7)	(2.9)	1.8	-126.3%	-161.4%
Total Shareholders' Equity	4,014.9	4,107.8	4,189.3	4.3%	2.0%
Total Liabilities and Shareholders' Equity	11,746.1	11,938.1	11,986.3	2.0%	0.4%

3. Appendix

Subscriber Trend

(Unit: subscribers in thousands, KRW)

Classification	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
Wireless Subscribers	9,554	9,852	10,020	10,162	10,363	10,521	10,713	10,874	10,875	11,008	11,159	11,267
Net Addition	163	298	168	141	201	158	192	161	1	132	151	108
LTE Subscribers	1,484	2,576	3,564	4,380	5,202	5,896	6,549	7,089	7,462	7,813	8,182	8,457
Net Addition	927	1,091	988	816	822	694	653	540	373	351	369	274
LTE Penetration Rate (%)	15.5%	26.1%	35.6%	43.1%	50.2%	56.0%	61.1%	65.2%	68.6%	71.0%	73.3%	75.1%
CDMA Smartphone	3,133	2,852	2,473	2,137	1,775	1,424	1,134	854	679	542	417	321
CDMA Etc.	4,937	4,424	3,984	3,644	3,386	3,201	3,031	2,932	2,735	2,652	2,560	2,489
Churn Rate(%)	2.94%	2.89%	3.33%	2.56%	2.63%	2.54%	2.47%	2.60%	2.84%	2.14%	2.30%	1.82%
New adds	997	1,139	1,162	915	1,003	954	978	1,004	931	838	917	718
Churn	834	842	994	774	802	797	786	843	930	706	765	610
Wireless ARPU (KRW)	32,173	34,592	36,072	35,012	37,063	38,200	39,006	40,063	39,021	39,651	39,967	42,583
Service ARPU	27,204	29,903	31,224	31,697	32,616	33,834	34,495	35,388	35,362	35,636	36,159	37,448
Service ARPU (MVNO Incl.)	26,677	29,332	30,633	31,085	31,965	33,165	33,808	34,650	34,588	34,787	35,313	36,526

Classification	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13	3Q13	4Q13	1Q14	2Q14	3Q14	4Q14
TPS Subscribers	6,957	7,102	7,225	7,414	7,793	8,134	8,402	8,599	8,881	9,120	9,247	9,387
Net Addition	57	145	123	189	379	341	268	197	282	240	127	140
IPTV⁽¹⁾	893	938	980	1,054	1,183	1,321	1,439	1,550	1,672	1,784	1,875	1,949
Net Addition	31	45	43	74	128	139	118	111	122	112	91	74
VoIP⁽²⁾	3,299	3,409	3,509	3,617	3,808	3,949	4,062	4,121	4,246	4,343	4,362	4,424
Net Addition	71	110	100	108	192	141	112	59	125	97	19	62
Broadband	2,765	2,755	2,736	2,743	2,802	2,864	2,901	2,928	2,963	2,993	3,010	3,014
Net Addition	-45	-10	-20	7	59	62	38	27	35	30	17	4
PSTN Subscribers⁽³⁾	451	455	469	491	502	499	491	516	512	509	499	495
Net Addition	-3	4	14	21	11	-3	-8	26	-5	-2	-11	-4

(1) IPTV subscribers : Retail + B2B subscribers (2) VoIP subscribers : Corporate +Retail subscribers

(3) PSTN Subscribers : Corporate +Retail(Retail VoIP callforwarding) subscribers

ir@lguplus.co.kr

Jay Park	+82-2-6928-3051	imgill@lguplus.co.kr
Claire Park	+82-2-6928-3052	pminyoung86@lguplus.co.kr
Daniel Choe	+82-2-6928-3050	danielchoe@lguplus.co.kr
Irene Huh	+82-2-6928-1097	hyeree1223@lguplus.co.kr