 **LG U+** 1Q 2012 Earnings Release

9 May 2012

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.

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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.

1. Financial Highlights

- In 1Q 2012, Revenues increased by 20.6% YoY due to increase in Handset revenue and Service revenue
- Operating income increased by 68% QoQ and net income turned black due to decrease in marketing expenses
- Wireless service ARPU increased by 6.8% YoY and 1.7% QoQ due to the inflow of high-end subscribers

(Unit: KRW billion)

Classification	1Q '12	4Q '11	QoQ		1Q '12	1Q '11	YoY	
			Amount	Growth			Amount	Growth
Revenues	2,552.4	2,454.3	98.1	4.0%	2,552.4	2,116.5	435.8	20.6%
Service Revenue	1,647.4	1,663.6	(16.3)	-1.0%	1,647.4	1,544.8	102.5	6.6%
Handset Revenue	889.3	771.9	117.4	15.2%	889.3	561.5	327.8	58.4%
Other Revenue	15.7	18.7	(3.1)	-16.3%	15.7	10.1	5.5	54.6%
Expenses	2,484.2	2,413.7	70.5	2.9%	2,484.2	2,026.7	457.5	22.6%
Operating Income	68.2	40.6	27.6	68.0%	68.2	89.9	(21.7)	-24.1%
OP Margin	4.1%	2.4%		1.7%p	4.1%	5.8%		-1.7%p
Operating Income(Guidance Basis) ⁽¹⁾	122.1	94.5	27.6	29.2%	122.1	143.8	(21.7)	-15.1%
OP Margin(Guidance Basis) ⁽²⁾	7.4%	5.7%		1.7%p	7.4%	9.3%		-1.9%p
Non-operating Income	19.4	21.5	(2.1)	-9.7%	19.4	13.4	6.0	44.7%
Non-operating Expenses	86.7	70.9	15.7	22.2%	86.7	34.1	52.5	153.8%
Income Before Tax	0.9	(8.8)	9.8	Turn Black	0.9	69.2	(68.2)	-98.6%
Income Tax	(21.1)	55.4	(76.5)	-138.2%	(21.1)	12.2	(33.3)	-273.9%
Net Income	22.1	(64.2)	86.3	Turn Black	22.1	57.0	(34.9)	-61.3%
EBITDA	392.9	359.7	33.3	9.3%	392.9	370.0	23.0	6.2%
EBITDA Margin ⁽³⁾	23.9%	21.6%		2.2%p	23.9%	23.9%		-0.1%p
CAPEX	392.0	755.5	(363.5)	-48.1%	392.0	170.2	221.8	130.3%
Net Debt	3,807.2	3,785.3	21.9	0.6%	3,807.2	2,393.7	1,413.5	59.1%
Total Shareholders' Equity	3,817.1	3,859.4	(42.3)	-1.1%	3,817.1	3,850.5	(33.4)	-0.9%
Net Debt to Equity Ratio	99.7%	98.1%		1.7%p	99.7%	62.2%		37.6%p
Marketing Expenses	350.6	407.5	(56.9)	-14.0%	350.6	358.0	(7.4)	-2.1%
Marketing Exp / Service Revenue	21.3%	24.5%		-3.2%p	21.3%	23.2%		-1.9%p
Wireless Service ARPU ⁽⁴⁾ (KRW)	26,645	26,196	449	1.7%	26,645	24,948	1,697	6.8%

(1) Operating Income(Guidance Basis) : Operating Income + Customer Value related Amortization expenses due to the merger(Amortization ends in 2012)

(2) OP Margin(Guidance Basis) : Operating Income(Guidance Basis) / Service Revenue

(3) EBITDA Margin : EBITDA / Service Revenue (4) Wireless Service ARPU : Wireless Service ARPU excludes sign-up fee & interconnection ARPU(LG Uplus only)

2. Wireless Business (LG Uplus Only)

- Wireless Revenue up by 8.7% YoY and 1.4% QoQ due to increased service revenue from LTE subscribers growth
- Service ARPU up by 6.8% YoY and 1.7% QoQ due to increased number of high-end subscribers
- Wireless churn rate down to 2.9% due to decreased number of churning out in high-end subscribers

(Unit: KRW billion)

Classification	1Q '12	1Q '11	YoY	4Q '11	QoQ
Wireless Revenues	894.1	822.6	8.7%	881.8	1.4%
Service Revenue ⁽¹⁾	756.2	676.7	11.7%	733.5	3.1%
Interconnection	121.1	126.0	-3.9%	130.1	-6.9%
Sign-up Fee	16.8	19.9	-15.8%	18.3	-8.4%

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

(Unit: KRW)

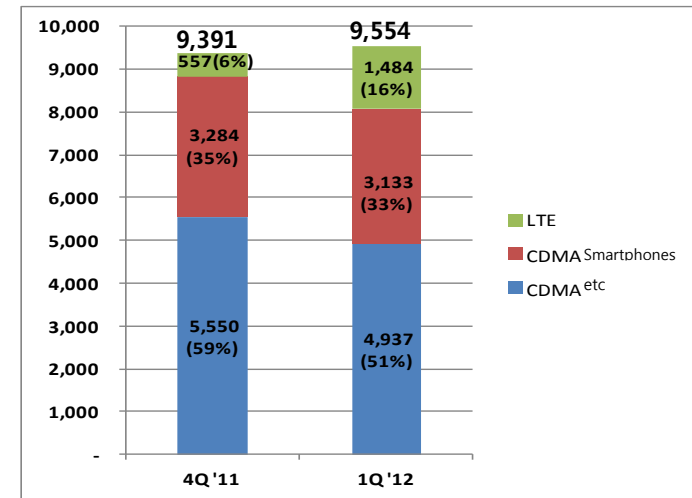
Classification	1Q '12	1Q '11	YoY	4Q '11	QoQ
Wireless ARPU	31,504	30,329	3.9%	31,494	0.0%
Service ARPU ⁽²⁾	26,645	24,948	6.8%	26,196	1.7%

(2) Service ARPU : Service ARPU excludes interconnection & sign-up fee from Wireless ARPU

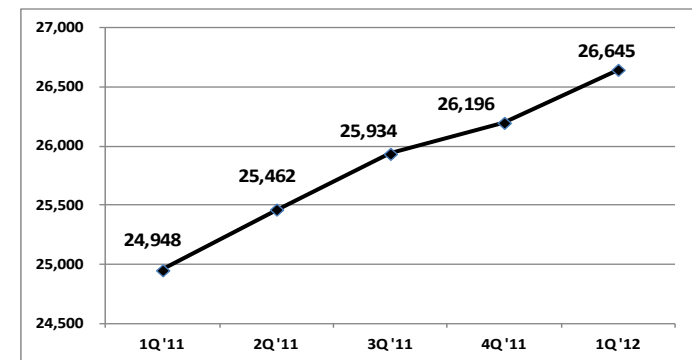
(Unit: Subscribers in thousand)

Classification	1Q '12	1Q '11	YoY	4Q '11	QoQ
Wireless Subscribers	9,554	9,077	5.3%	9,391	1.7%
LTE	1,484	-	-	557	166.5%
CDMA	8,070	9,077	-11.1%	8,834	-8.6%
New Subscribers	997	1,024	-2.6%	981	1.7%
Churn-outs	834	969	-13.9%	895	-6.8%
Churn Rate	2.9%	3.6%	-0.6%p	3.2%	-0.3%p
Net Additions	163	55	194.2%	86	90.8%
Average Subscribers	9,460	9,041	4.6%	9,334	1.4%

■ Wireless Subscriber Trend (Unit: Subscribers in Thousand)



■ Service ARPU Trend (Unit: KRW)



3. Wireline Business (LG Uplus Only)

- TPS Revenue up by 3.8% YoY due to increase in IPTV subscribers
- Data Revenue up by 6.1% YoY due to increased e-Biz & solution revenue
- Telephony Revenue down by 1.9% YoY due to decreased telephony usage

(Unit: KRW billion)

Classification	1Q '12	1Q '11	YoY	4Q '11	QoQ
Wireline Revenues	749.6	722.1	3.8%	778.1	-3.7%
TPS Revenue	299.8	288.9	3.8%	302.5	-0.9%
IPTV	47.4	32.5	46.0%	44.2	7.3%
VoIP	73.1	74.2	-1.5%	73.6	-0.7%
Broadband	179.3	182.2	-1.6%	184.7	-2.9%
Data Revenue	327.7	308.7	6.1%	349.3	-6.2%
e-Biz ⁽¹⁾	103.3	83.5	23.7%	98.1	5.3%
DLS & IDLS	188.0	192.1	-2.2%	194.6	-3.4%
IDC	33.1	30.7	7.6%	34.3	-3.5%
Solution	3.3	2.3	41.7%	22.4	-85.1%
Telephony Revenue	122.2	124.6	-1.9%	126.3	-3.2%
Domestic	30.0	27.4	9.3%	30.2	-0.7%
International	56.2	58.4	-3.8%	56.8	-1.1%
Value-Added	36.1	38.8	-7.0%	39.3	-8.3%

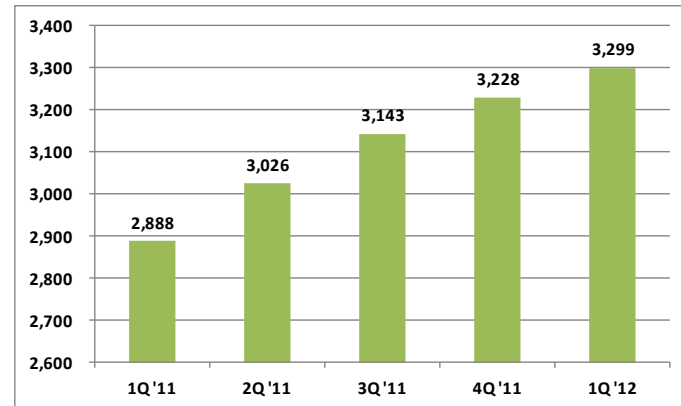
(1) e-Biz : Webhard, e-Credit(Payment solution), SMS, Digital signage etc.

(Unit: Subscribers in thousand)

Classification	1Q '12	1Q '11	YoY	4Q '11	QoQ
TPS Subscribers	6,957	6,353	9.5%	6,900	0.8%
IPTV	893	678	31.7%	862	3.5%
VoIP	3,299	2,888	14.2%	3,228	2.2%
Broadband	2,765	2,787	-0.8%	2,810	-1.6%
PSTN Subscribers	360	311	15.7%	360	-0.2%

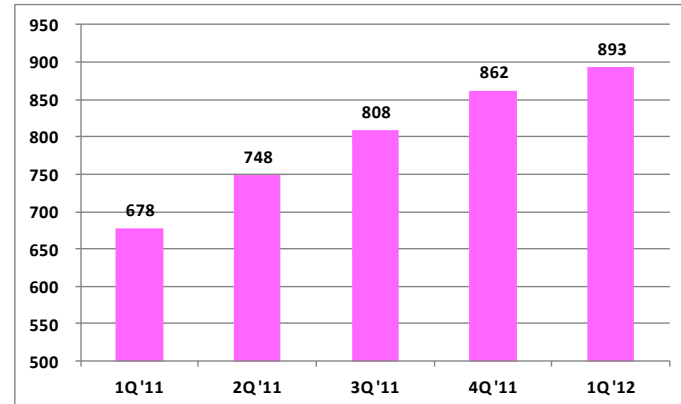
VoIP Subscriber Trend

(Unit: Subscribers in Thousand)



IPTV Subscriber Trend

(Unit: Subscribers in Thousand)



4. Expenses Breakdown

(Unit: KRW billion)

Classification	1Q '12	4Q '11	QoQ	1Q '11	YoY
Operating Expenses	2,474.0	2,373.0	4.3%	2,021.9	22.4%
Wages	156.9	117.4	33.7%	138.4	13.4%
Depreciation	256.0	249.6	2.6%	221.7	15.5%
Amortization	68.8	69.5	-1.1%	58.4	17.8%
Telecom Circuit Rent	68.6	76.1	-9.8%	66.8	2.7%
Rental	70.8	73.9	-4.2%	68.2	3.8%
Outsourcing	67.6	73.1	-7.5%	60.4	11.8%
Electricity Fee	33.1	27.7	19.5%	24.8	33.8%
Repair Expense	19.6	25.0	-21.4%	17.9	9.9%
Interconnection	162.4	170.2	-4.6%	166.1	-2.2%
Settlement	43.0	43.6	-1.2%	40.0	7.7%
Fees & Charges	215.5	217.1	-0.7%	192.4	12.0%
Sales Commission*	433.9	435.6	-0.4%	468.5	-7.4%
Advertising*	50.2	69.6	-28.0%	36.3	38.1%
Cost of Handsets Sold	764.6	705.2	8.4%	419.5	82.2%
Handset Purchase	755.8	674.1	12.1%	414.7	82.3%
etc	8.7	31.1	-71.9%	4.8	81.2%
Ordinary R&D Expense	16.7	24.7	-32.5%	10.0	66.2%
Taxes & Dues	9.4	(6.2)	-252.0%	6.6	42.3%
Others	37.0	1.0	3464.3%	25.9	42.7%
Other Operating Expenses	10.2	40.6	-74.9%	4.7	114.4%

* Marketing Expenses items

(Unit: KRW billion)

Classification	1Q '12	4Q '11	QoQ	1Q '11	YoY
Total Marketing Expenses	350.6	407.5	-14.0%	358.0	-2.1%
Sales Commission	433.9	435.6	-0.4%	468.5	-7.4%
Advertising	50.2	69.6	-28.0%	36.3	38.1%
Gross Profit from Handset sales	(133.5)	(97.8)	36.5%	(146.8)	-9.1%
Mkt. Exp. / Service Revenue	21.3%	24.5%	-3.2%p	23.2%	-1.9%p

(1) Gross Profit from handset sales = Handset Revenue - Handset purchase

■ Operating Expenses

Up by 4.3% QoQ and 22.4% YoY due to increase in cost of Handsets sold and depreciation expense, etc

- Wages
 - Up by 33.7% QoQ and 13.4% YoY due to wage increase and allocation of year-end incentive
- Depreciation
 - Up by 2.6% QoQ and 15.5% YoY due to nationwide LTE network deployment
- Electricity Fee
 - Up by 19.5% QoQ and 33.8% YoY due to increased number of LTE base stations
- Fees & Charges
 - Up by 12% YoY due to increased e-credit related commissions
- Cost of Handsets Sold
 - Up by 8.4% QoQ and 82.2% YoY due to increased LTE handset sales
- Advertising
 - Down by 28% due to reduced amount of sales promotion
- Others
 - Up QoQ due to return of bad debt expense recorded in 4Q 2011

■ Other Operating Expenses

Down by 74.9% QoQ due to impairment of LG Uplus' company Building in Yongsan recognized in 4Q 2011

■ Marketing Expenses

Down by 14% QoQ due to improved profit from handset sales, decreased advertising expense and sales commission

- Gross Profit from Handset Sales
 - Up by 36.5% QoQ due to increased handset revenue from interest on handset installment sales

5. Non Operating Income & Expenses / CAPEX

(Unit: KRW billion)

Classification	1Q '12	4Q '11	QoQ	1Q '11	YoY
Non Operating Income	19.4	21.5	-9.7%	13.4	44.7%
Interest Income	18.9	21.3	-11.3%	13.0	45.5%
Others	0.5	0.2	171.2%	0.4	22.1%
Non Operating Expenses	86.7	70.9	22.2%	34.1	153.8%
Interest Expense	48.6	49.4	-1.7%	33.7	44.3%
Loss on A/R sold	37.5	18.6	102.2%	-	-
Others	0.5	2.9	-82.2%	0.4	16.4%
Non Operating Balance	(67.2)	(49.4)	36.1%	(20.7)	224.6%

(Unit: KRW billion)

Classification	1Q '12	4Q '11	QoQ	1Q '11	YoY
CAPEX⁽¹⁾	392.0	755.5	-48.1%	170.2	130.3%
Wireless Network	255.1	423.6	-39.8%	44.1	477.9%
Wireline Network	85.4	175.6	-51.4%	72.2	18.2%
Other (IT, etc)	51.6	156.3	-67.0%	53.8	-4.1%
CAPEX / Service Revenue	23.8%	45.4%	-21.6%p	11.0%	12.8%p

(1) CAPEX includes Construction in Progress. |

■ Non Operating Income & Expenses

Net loss up by 36.1% QoQ and 224.6% YoY due to increase in loss on account receivables sold

- Loss on Account Receivables Sold
 - Up QoQ due to increase in the size of handset receivables disposed
- Net Interest Expense
 - Up QoQ & YoY due to increase in net borrowings

■ CAPEX

Down by 48.1% QoQ due to decrease in wireline/wireless network investment

- Wireless Network
 - Down by 39.8% QoQ due to decrease in LTE network deployment and CDMA network investment

6. Consolidated Statements of Financial Position

(Unit: KRW billion)

Classification	2012. 3	2011. 12	QoQ	2011. 3	YoY
Total Assets	11,296.7	11,048.5	2.2%	8,465.1	33.4%
Current Assets	2,884.4	2,623.2	10.0%	2,065.2	39.7%
Cash & Cash Equivalents ⁽¹⁾	265.7	131.6	102.0%	254.6	4.4%
Non-current Assets	8,412.2	8,425.3	-0.2%	6,400.0	31.4%
Property Plant and Equipment	5,765.5	5,631.5	2.4%	4,819.1	19.6%
Intangible Assets	1,094.0	1,153.9	-5.2%	466.0	134.8%
Total Liabilities	7,479.6	7,189.2	4.0%	4,614.6	62.1%
Current Liabilities	3,668.5	3,960.4	-7.4%	2,855.5	28.5%
Short-term Borrowings	220.0	270.0	-18.5%	202.5	8.7%
Current Portion of Long Term Debt	546.6	1,024.3	-46.6%	788.7	-30.7%
Non-current Liabilities	3,811.1	3,228.7	18.0%	1,759.2	116.6%
Corporate Bond etc. ⁽²⁾	3,306.4	2,622.6	26.1%	1,657.1	99.5%
Total Shareholders' Equity	3,817.1	3,859.4	-1.1%	3,850.5	-0.9%
Retained Earnings	1,118.5	1,161.3	-3.7%	1,145.7	-2.4%
Net Debt	3,807.2	3,785.3	0.6%	2,393.7	59.1%
Net Debt to Equity Ratio⁽³⁾	99.7%	98.1%	1.7%p	62.2%	37.6%p
Debt to Equity Ratio⁽⁴⁾	196.0%	186.3%	9.7%p	119.8%	76.1%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

■ Assets

- Current Assets
 - Up by 10% QoQ and 39.7% YoY due to increase in cash & cash equivalents
- Non-current Assets
 - Up by 31.4% YoY due to increased tangible assets from LTE network

■ Liabilities

- Current Liabilities
 - Down by 7.4% QoQ due to decrease in short-term borrowings and current portion of long term debt
- Non-current Liabilities
 - Up by 18% QoQ and 116.6% YoY due to increase in borrowings and account payables from cost of handsets purchased

■ Shareholders' Equity

- Retained Earnings
 - Down by 3.7% QoQ due to decrease from dividends payout

7. Consolidated Statements of Income / Financial Position

(Unit: KRW billion)

Consolidated Statements of Income	1Q '12	4Q '11	QoQ	1Q '11	YoY	Consolidated Statements of Financial Position	2012. 3	2011. 12	QoQ	2011. 3	YoY
Revenues	2,552.4	2,454.3	4.0%	2,116.5	20.6%	Current Assets	2,884.4	2,623.2	10.0%	2,065.2	39.7%
Service Revenue	1,647.4	1,663.6	-1.0%	1,544.8	6.6%	Cash and Cash Equivalents	249.6	118.9	109.9%	218.3	14.3%
Handset Revenue	889.3	771.9	15.2%	561.5	58.4%	Short Term Loans & Accounts Receivables	1,960.5	2,012.8	-2.6%	1,517.1	29.2%
Other Revenue	15.7	18.7	-16.3%	10.1	54.6%	Inventories	561.9	372.2	51.0%	264.6	112.4%
Expenses	2,484.2	2,413.7	2.9%	2,026.7	22.6%	Other Current Assets	112.5	119.3	-5.7%	65.2	72.4%
Operating Expenses	2,474.0	2,373.0	4.3%	2,021.9	22.4%	Non Current Assets	8,412.2	8,425.3	-0.2%	6,400.0	31.4%
Wages	156.9	117.4	33.7%	138.4	13.4%	Available for Sales Securities	72.4	72.0	0.6%	71.0	2.0%
Depreciation	256.0	249.6	2.6%	221.7	15.5%	Property Plant and Equipment	5,765.5	5,631.5	2.4%	4,819.1	19.6%
Amortization	68.8	69.5	-1.1%	58.4	17.8%	Intangible Assets	1,094.0	1,153.9	-5.2%	466.0	134.8%
Telecom Circuit Rent	68.6	76.1	-9.8%	66.8	2.7%	Long-term Loans & Long trade Receivables	979.8	1,099.7	-10.9%	546.2	79.4%
Rental	70.8	73.9	-4.2%	68.2	3.8%	Investment in Properties	32.1	27.9	14.7%	45.9	-30.2%
Outsourcing	67.6	73.1	-7.5%	60.4	11.8%	Other Non-current Assets	468.6	440.4	6.4%	451.8	3.7%
Electricity Fee	33.1	27.7	19.5%	24.8	33.8%	Total Assets	11,296.7	11,048.5	2.2%	8,465.1	33.4%
Repair Expense	19.6	25.0	-21.4%	17.9	9.9%	Current Liabilities	3,668.5	3,960.4	-7.4%	2,855.5	28.5%
Interconnection	162.4	170.2	-4.6%	166.1	-2.2%	Accounts Payable and Other Payables	3,352.9	3,727.5	-10.1%	2,449.1	36.9%
Settlement	43.0	43.6	-1.2%	40.0	7.7%	Other Current Liabilities	315.6	232.9	35.5%	406.0	-22.3%
Fees & Charges	215.5	217.1	-0.7%	192.4	12.0%	Risk Hedge Derivatives Liability	0.0	0.0		0.3	-100.0%
Sales Commission	433.9	435.6	-0.4%	468.5	-7.4%	Non-current Liabilities	3,811.1	3,228.7	18.0%	1,759.2	116.6%
Advertising	50.2	69.6	-28.0%	36.3	38.1%	Non-current Accounts Payable and Other Payables	3,717.0	3,135.7	18.5%	1,673.9	122.1%
Cost of Goods Sold	764.6	705.2	8.4%	419.5	82.2%	Other Non-current Liabilities	94.1	93.0	1.2%	85.3	10.3%
Handset Purchase	755.8	674.1	12.1%	414.7	82.3%	Others	0.0	0.1	-100.0%	0.0	
Etc	8.7	31.1	-71.9%	4.8	81.2%	Total Liabilities	7,479.6	7,189.2	4.0%	4,614.6	62.1%
Ordinary R&D Expense	16.7	24.7	-32.5%	10.0	66.2%	Shareholders' Equity	3,815.4	3,857.7	-1.1%	3,849.0	-0.9%
Taxes & Dues	9.4	(6.2)	-252.0%	6.6	42.3%	Capital Stock	2,574.0	2,574.0	0.0%	2,574.0	0.0%
Others	37.0	1.0	3464.3%	25.9	42.7%	Capital Surplus	836.6	836.6	0.0%	836.6	0.0%
Other Operating Expenses	10.2	40.6	-74.9%	4.7	114.4%	Retained Earnings	1,118.5	1,161.3	-3.7%	1,145.7	-2.4%
Operating Income	68.2	40.6	68.0%	89.9	-24.1%	Accumulated Other Comprehensive Income	(9.7)	(10.3)	-4.9%	(3.4)	184.6%
Non-operating Income	19.4	21.5	-9.7%	13.4	44.7%	Other Shareholders' Equity	(703.9)	(703.9)	0.0%	(703.9)	0.0%
Non-operating Expenses	86.7	70.9	22.2%	34.1	153.8%	Non-controlling Interest	1.7	1.6	2.0%	1.5	9.9%
Income Before Tax	0.9	(8.8)	Turn Black	69.2	-98.6%	Total Shareholders' Equity	3,817.1	3,859.4	-1.1%	3,850.5	-0.9%
Income Tax	(21.1)	55.4	-138.2%	12.2	-273.9%	Total Liabilities and Shareholders' Equity	11,296.7	11,048.5	2.2%	8,465.1	33.4%
Net Income	22.1	(64.2)	Turn Black	57.0	-61.3%						

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