LTE Number 1

Converged Home
Total Solution Provider

August 2013

LG Uplus
IR Presentation

Personalized
Converged Service

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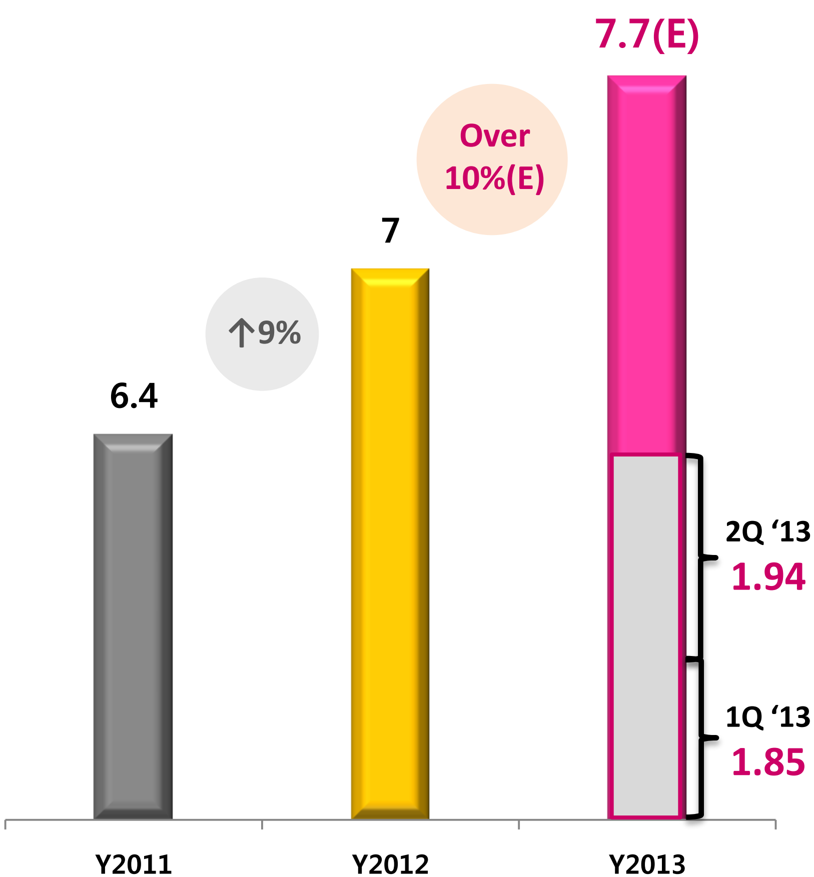
- 2013 Service Revenue guidance : Over KRW 7.7 trillion

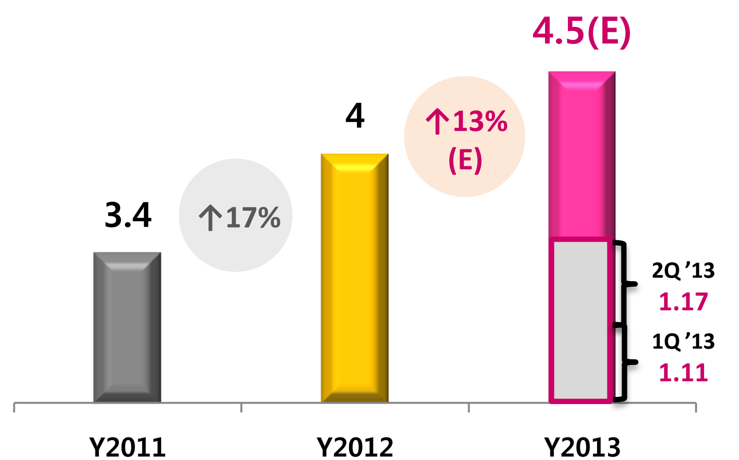
Total Service Revenue

(Unit: KRW in trillions)



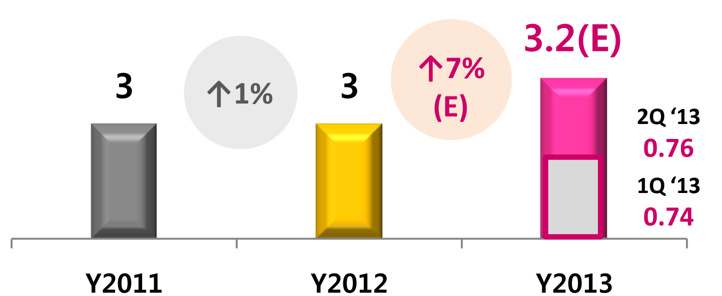
Wireless Service Revenue

(Unit: KRW in trillions)



Wireline Service Revenue

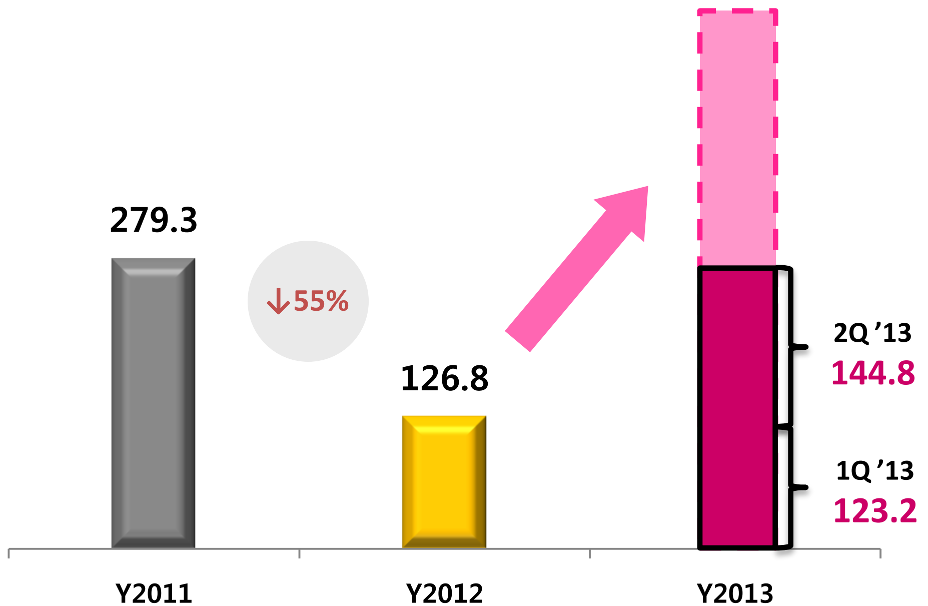
(Unit: KRW in trillions)



▪ Operating Income is expected to increase significantly in 2013 compare to 2012

Operating Income

(Unit: KRW in billions)



Service Revenue increase

KRW 7 trillion → KRW 7.7 trillion(E)

Cost Decrease

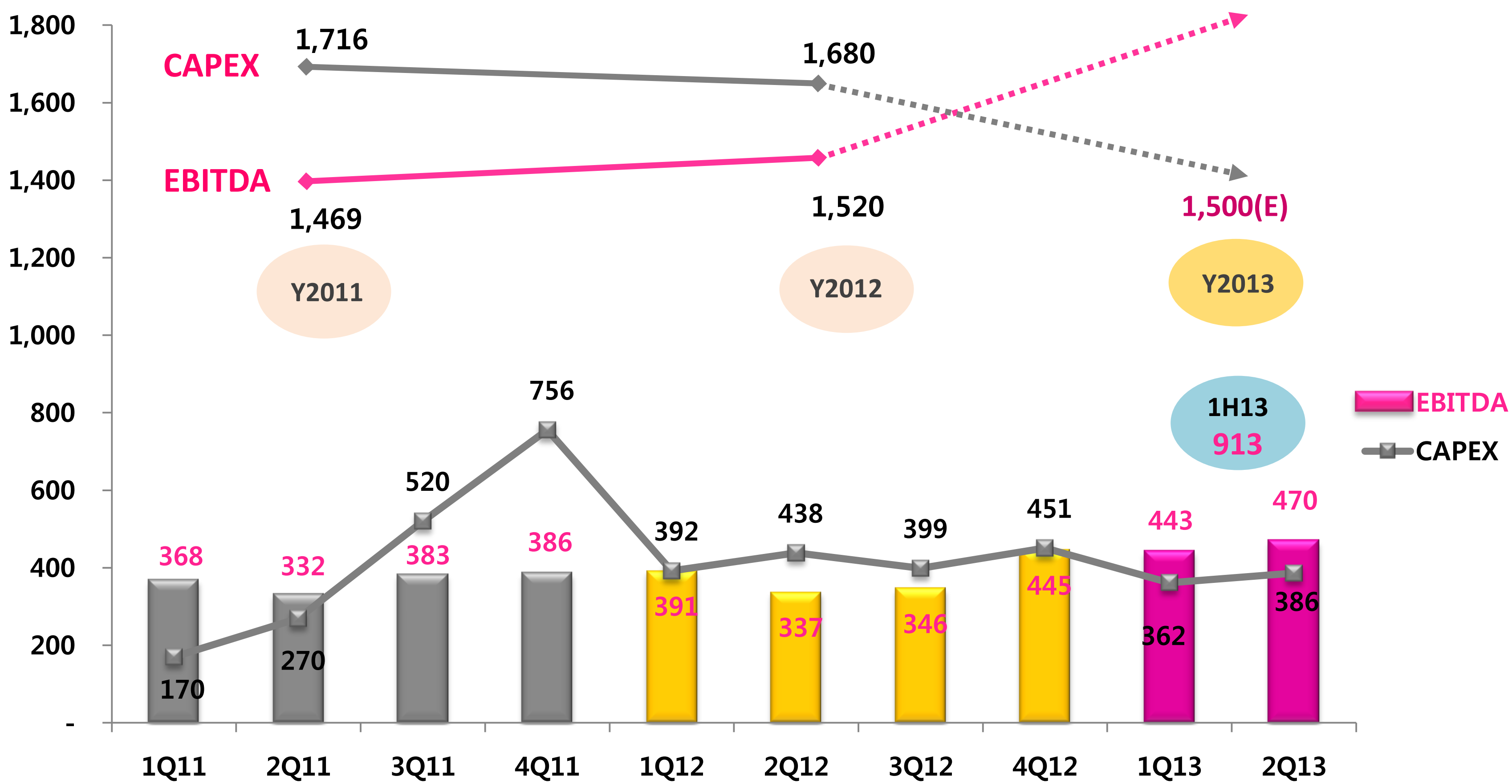
Customer Value related amortization of KRW 216 billion ended in 2012

Marketing Expense is expected to decrease in 2013

- 2013 CAPEX Guidance : KRW 1.5 trillion

CAPEX / EBITDA

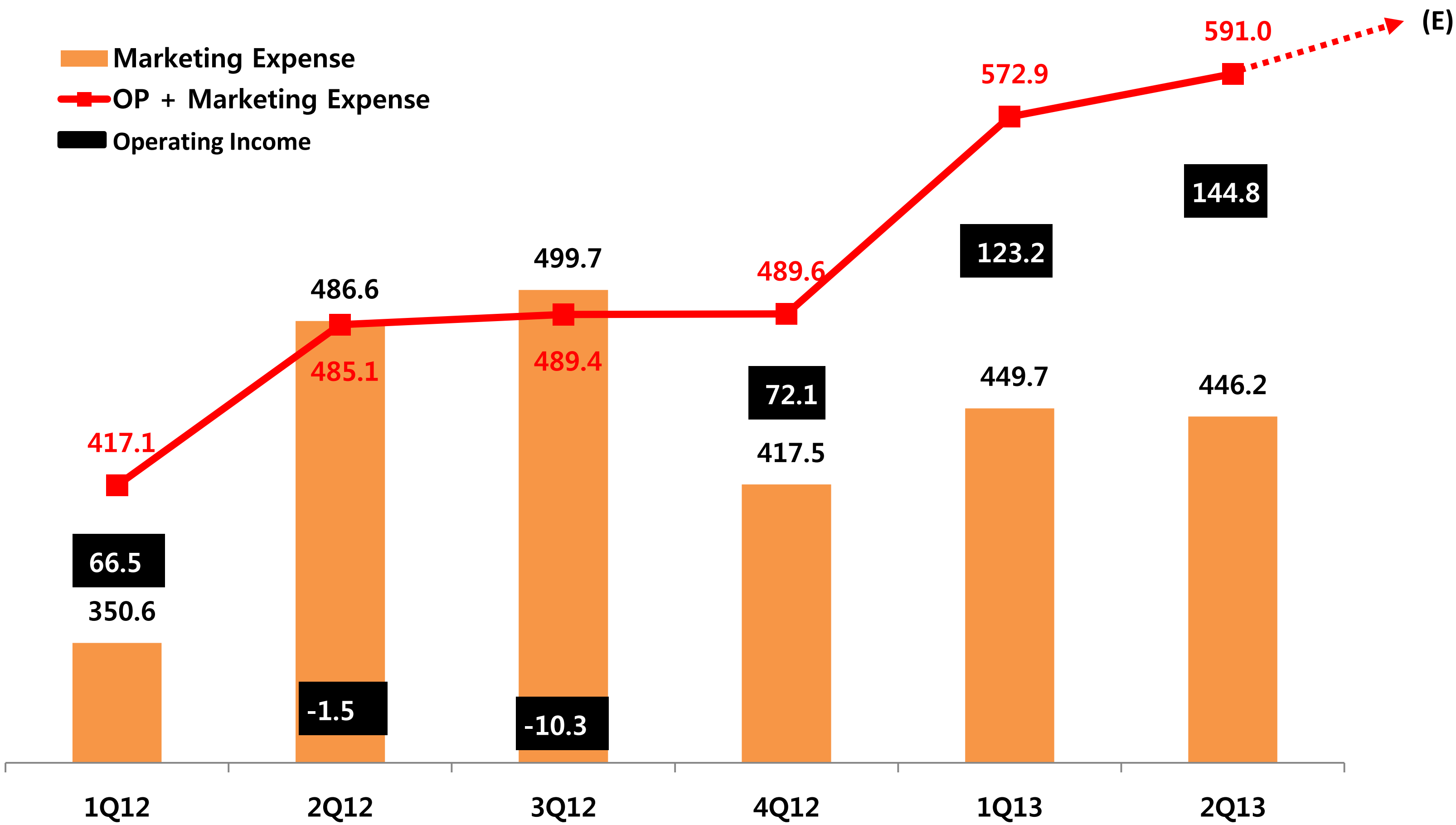
(Unit: KRW in billions)



- Operating Income increased by 17.6% QoQ and turned black YoY

Marketing Expenses vs Operating Income

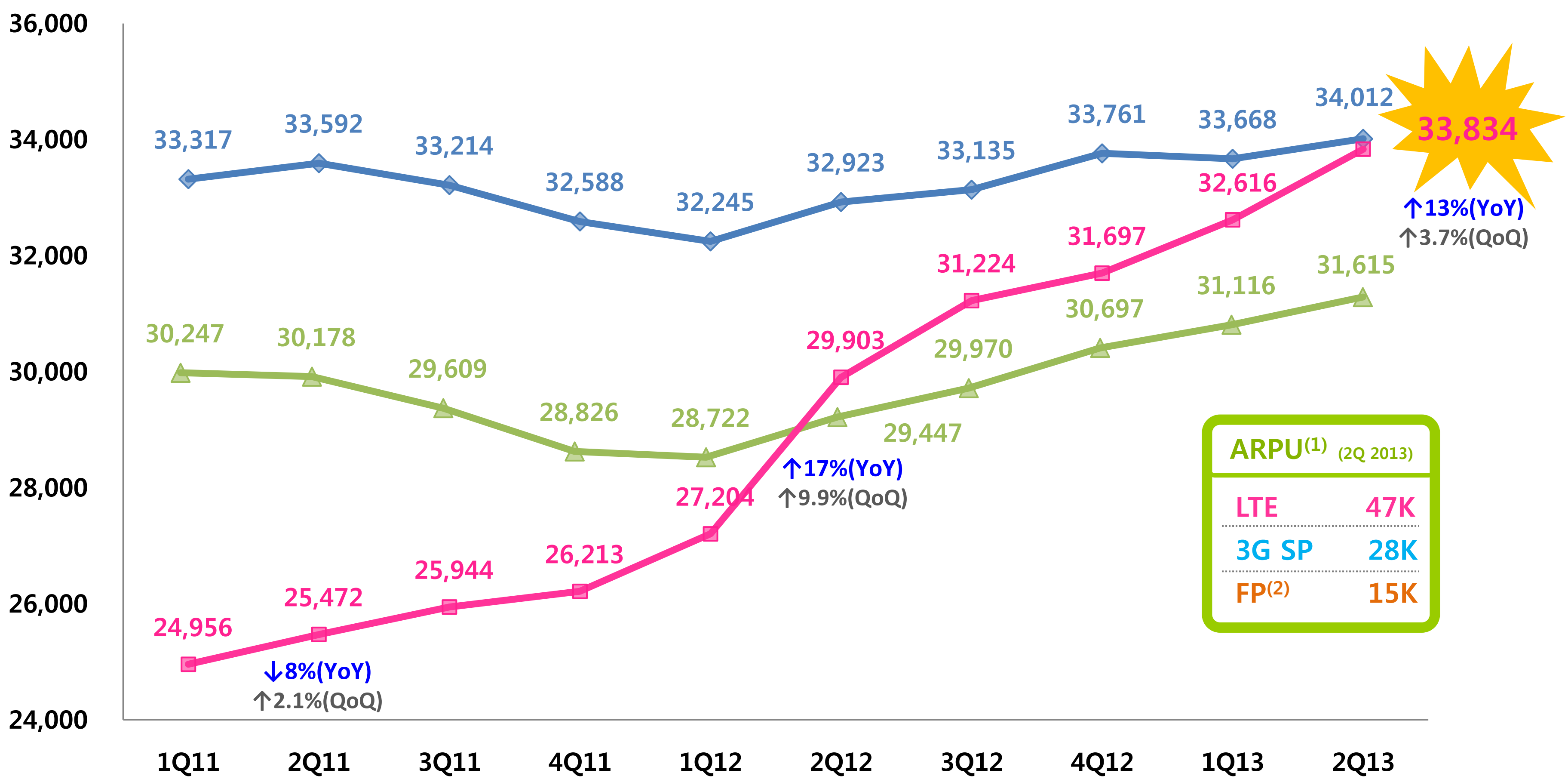
(Unit: KRW in billions)



ARPU Momentum

Service ARPU Comparison with Korean Telcos (Unit: KRW)

- 2013 ARPU expected to increase by more than 10% YoY



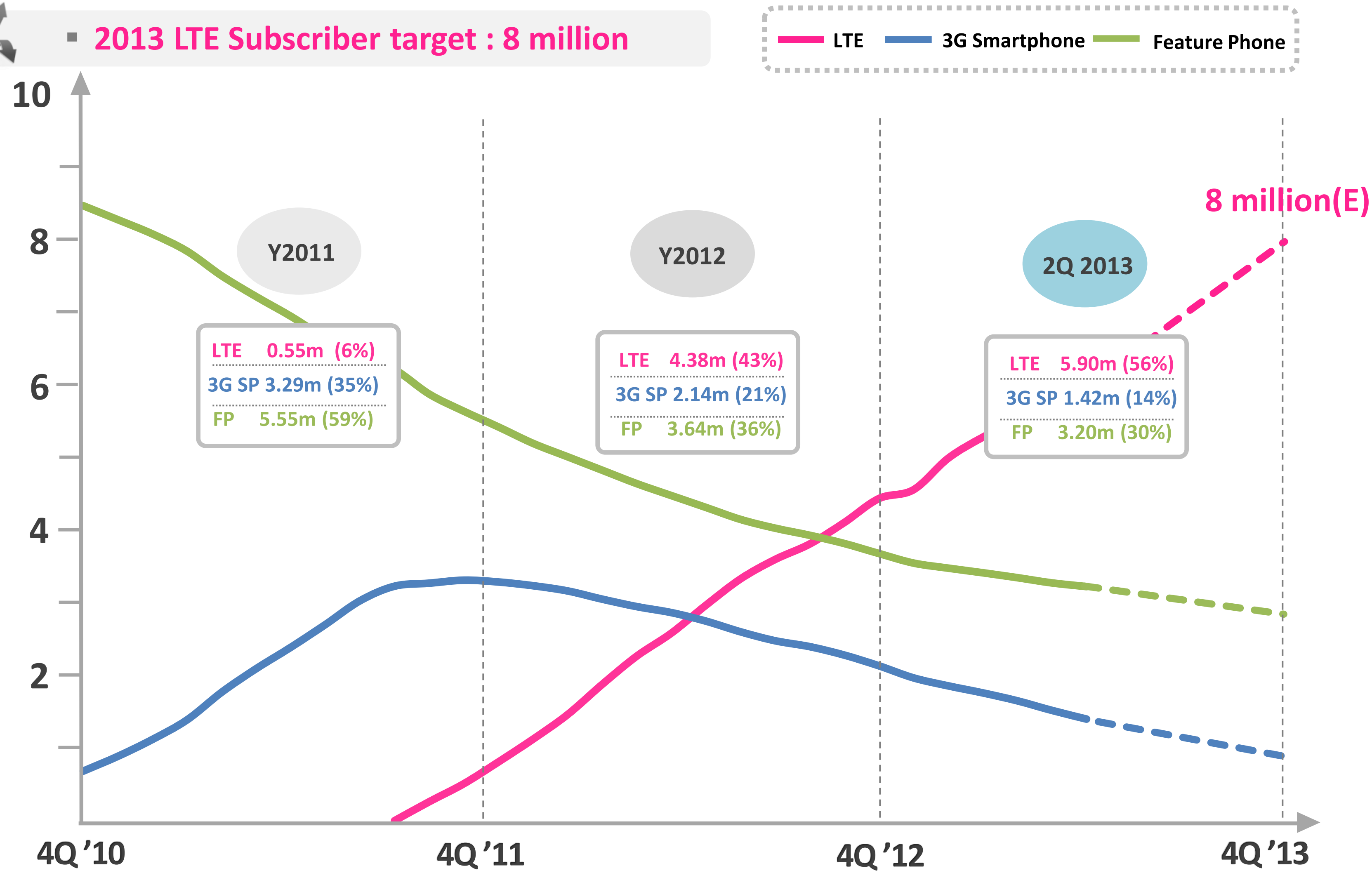
ARPU[1] (2Q 2013)	
LTE	47K
3G SP	28K
FP[2]	15K

[1] LG Uplus subscribers only from 2012
[2] Feature phone ARPU: Includes PPS, M2M etc.

LG U+ Subscriber Mix Trend

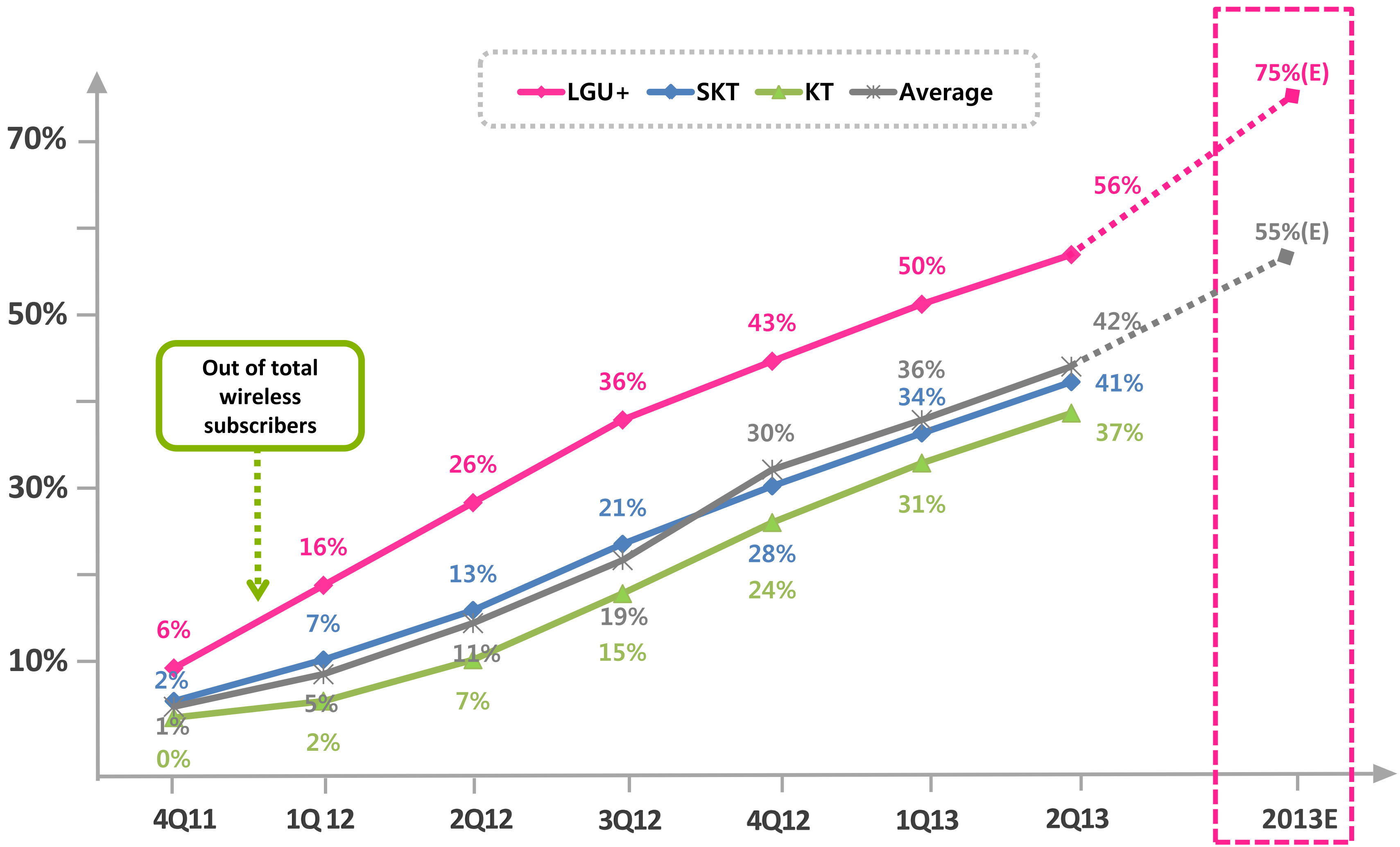
(Unit: subscribers in millions)

▪ 2013 LTE Subscriber target : 8 million

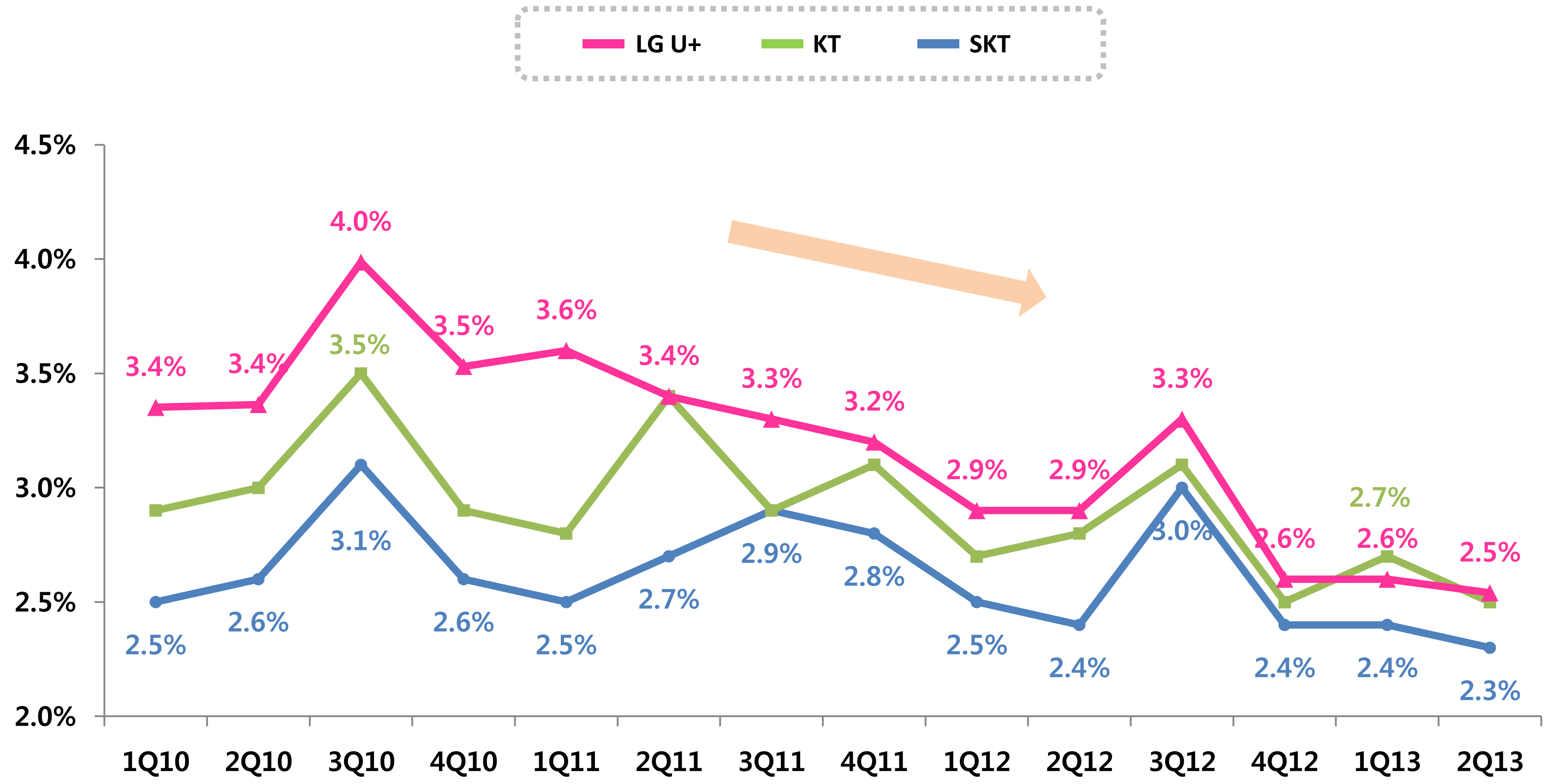


LTE subscriber Mix

LTE subscriber mix comparison with Korean Telcos



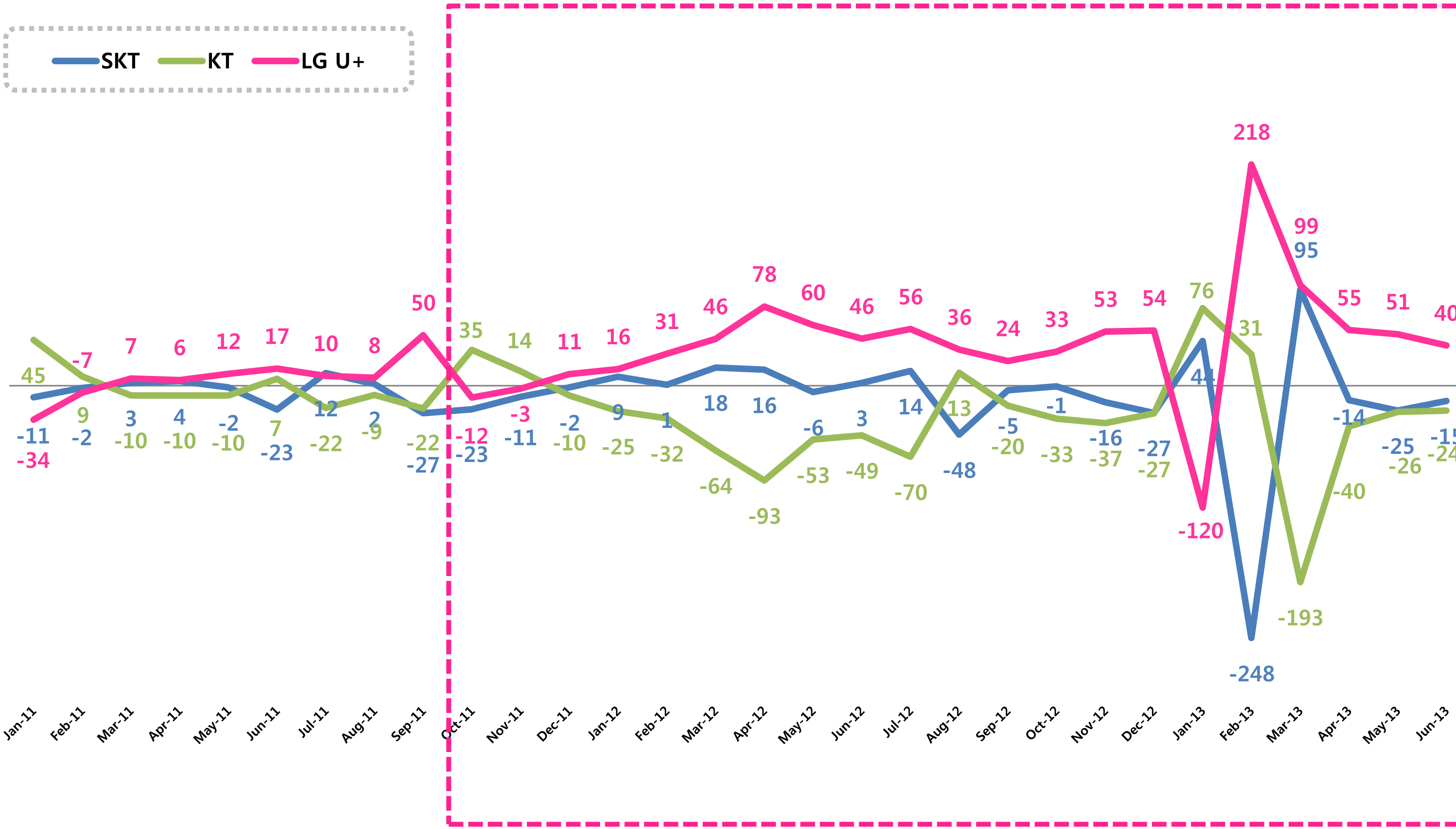
Churn out trend comparison with Korean Telcos



Subscriber Growth Momentum

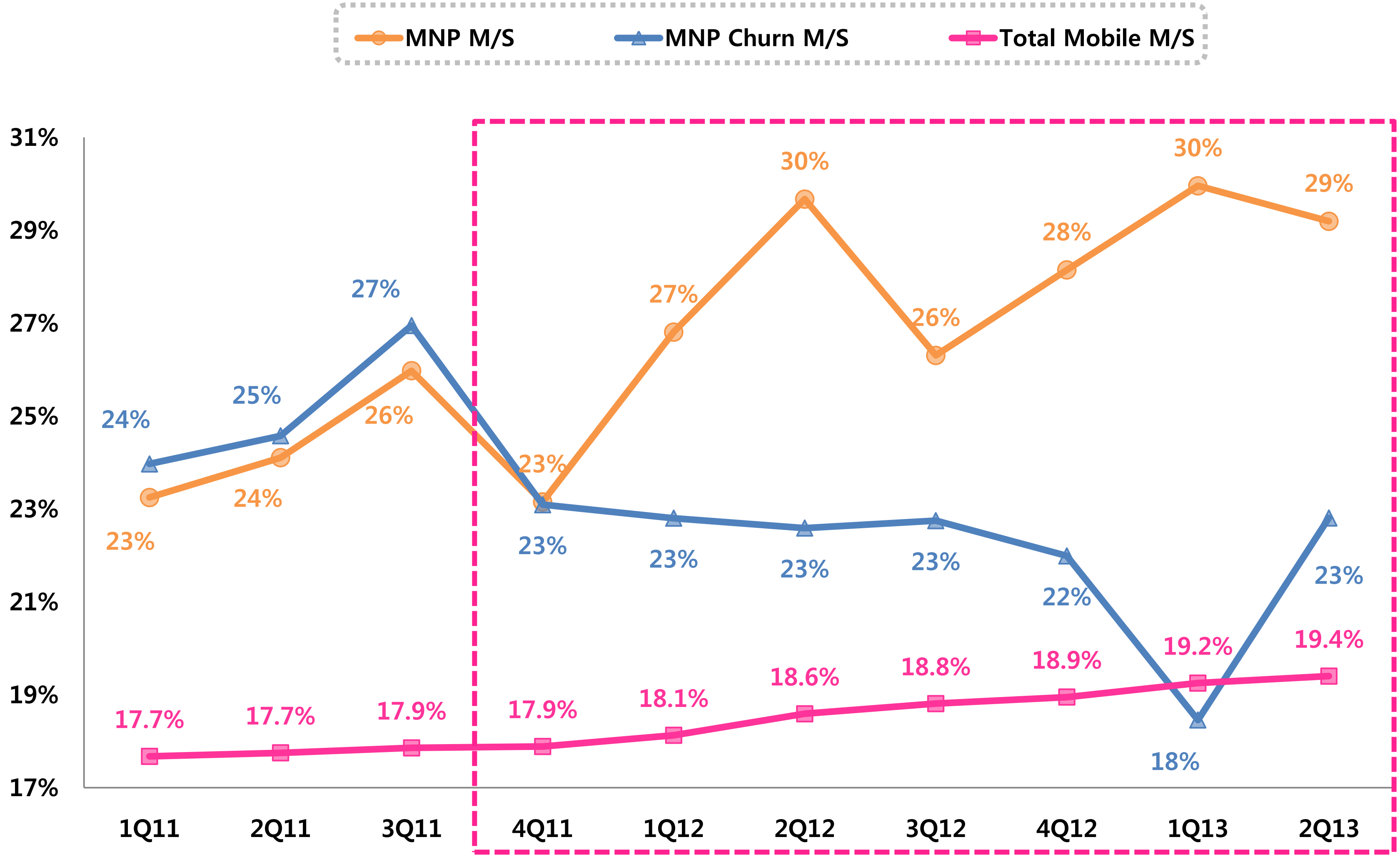
Monthly MNP Net Addition Trend

(Unit: subscribers in thousands)



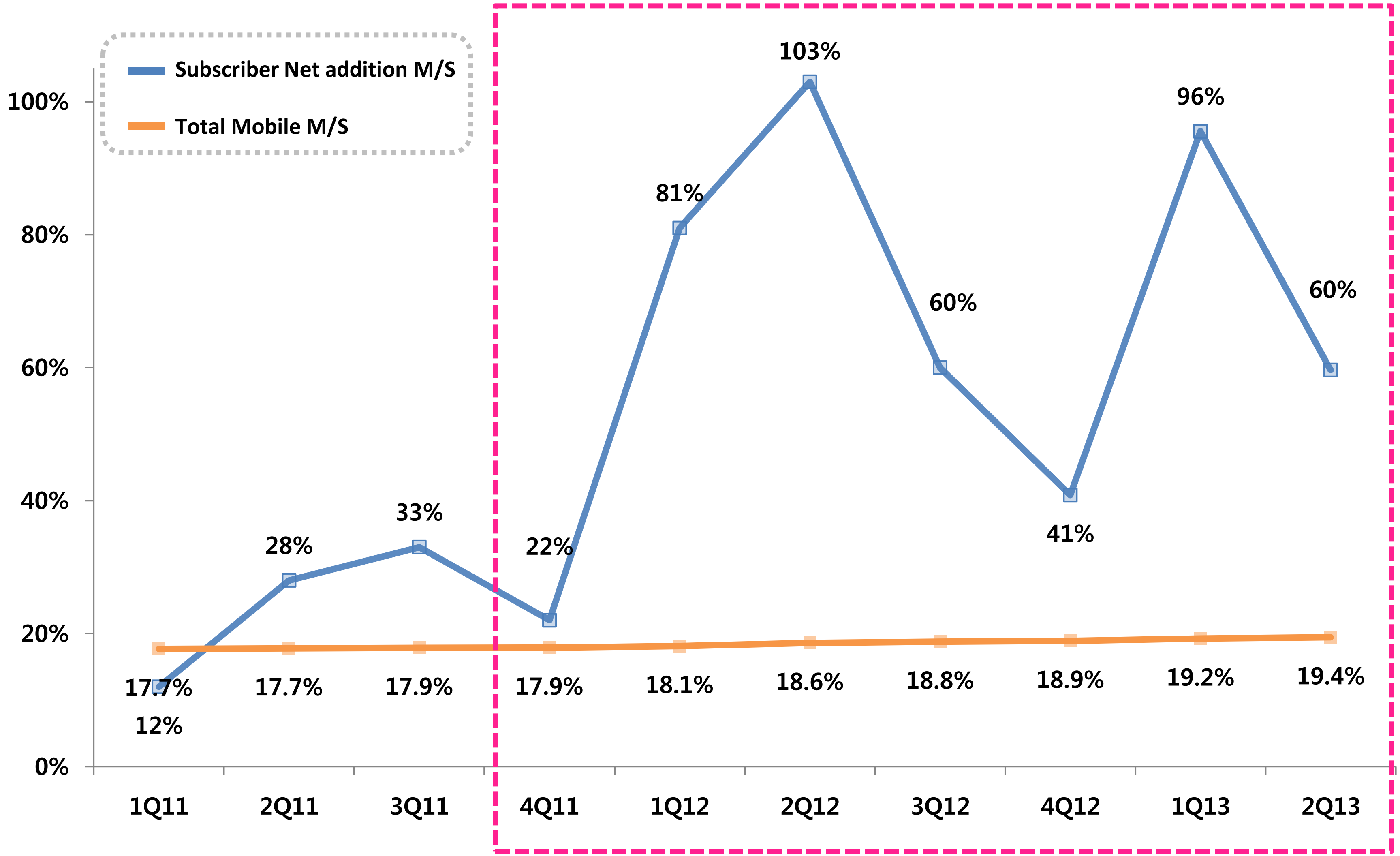
Subscriber Growth Momentum

Quarterly MNP M/S vs. MNP Churn M/S



Subscriber Growth Momentum

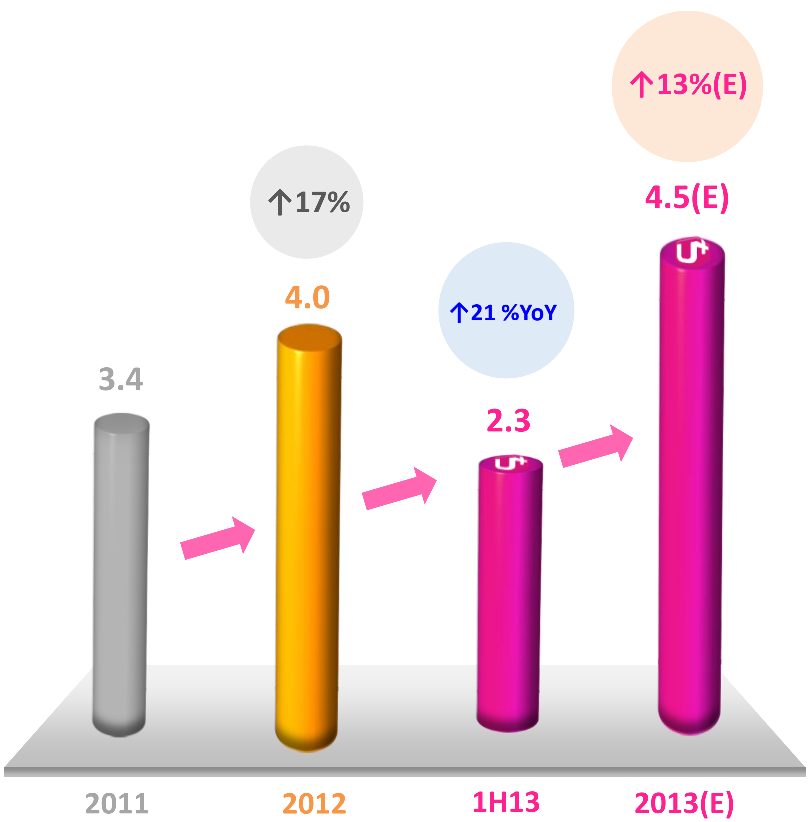
Subscriber Net addition & Total Mobile Market Share



Wireless Revenue & Subscriber Trend

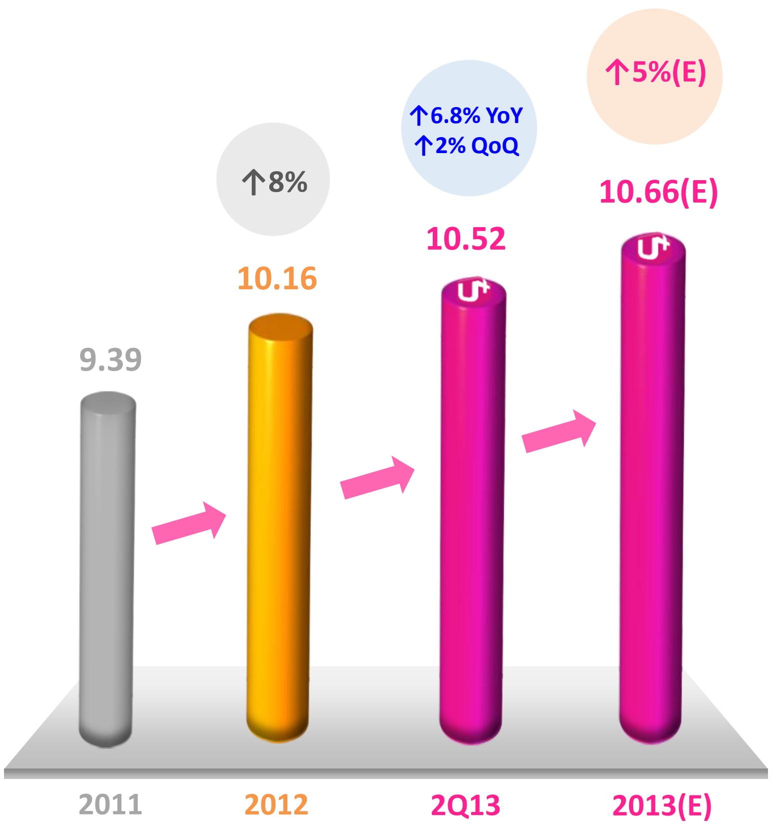
- 1H13 Wireless Revenue up by 21% YoY

(Unit: KRW in trillions)



- 2Q13 Wireless Subscriber up by 6.8% YoY

(Unit: subscribers in millions)



LTE Handset & Network

LTE Network Roadmap

World's First Full Nationwide LTE N/W | No. 1 LTE Customer Satisfaction | World's First 100% LTE Service

800 MHz → 2.1 GHz + 800 MHz →

Data

VoLTE (packet)

Single LTE

2012	2013
Nationwide LTE N/W (75Mbps) → Multi-Carrier Technology →	LTE-Advanced (CA) (150Mbps)

Latest Specification

- Full HD Display Over 5-inch
- Quad-core Over 1.7GHz
- 13-Megapixel Camera

1H 2013: Full HD Display S/P New Flagship Models — Galaxy S4, Optimus G Pro

2H 2013: 6 Flagship LTE-A Models — LG G2, Vu III, Note 3

LG U+

- **Providing video-based various services with high quality LTE network**

U+HDTV

U+HDTV (2Q13)
3.3 million users

U+Box

U+Box (2Q13)
8.5 million users

C-games

U+Navi/U+Shopping/U+HD Music

LG U+

LTE tariff plan, LTE spectrum status

- From LTE Voice Unlimited Freedom 69 plan and above, calls & messages within LG Uplus' network as well as network of other carriers are also unlimited

4G LTE Tariff Plan

Plans		Voice (min.)			SMS		Data	
Basic Plan	New Plan	Basic Plan	New Plan: Intra	New Plan: Internal	Basic Plan	New Plan	Basic Plan	New Plan
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

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

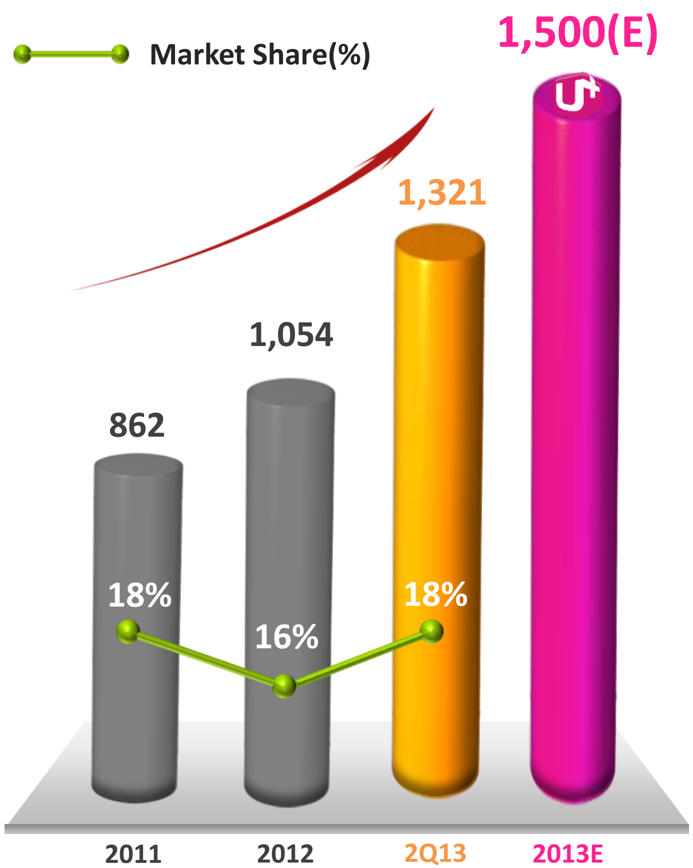
900 MHz	20 MHz
1.8 GHz	20 MHz

LG U+

- National Customer Satisfaction Index (NCSI) winner for IPTV industry in 1Q
- 2013 2Q IPTV revenue up by 23% 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
- 126 real time channels (85 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

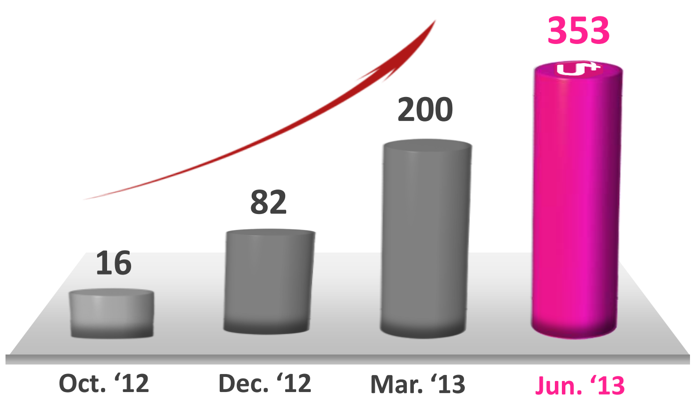
Revenue Trend

(Unit: KRW in billions)

- 2013 u+tv G subscribers target : 500 thousand

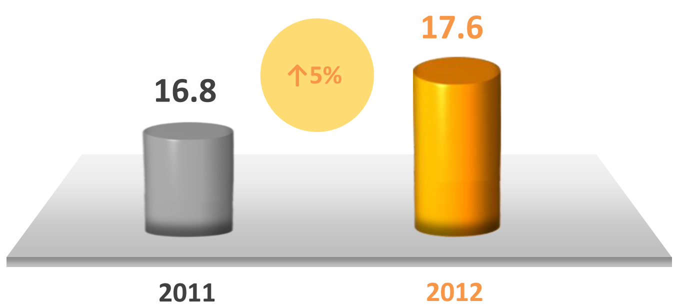
Subscriber Trend

(Unit: subscribers in thousands)



IPTV ARPU

(Unit: KRW in thousands)



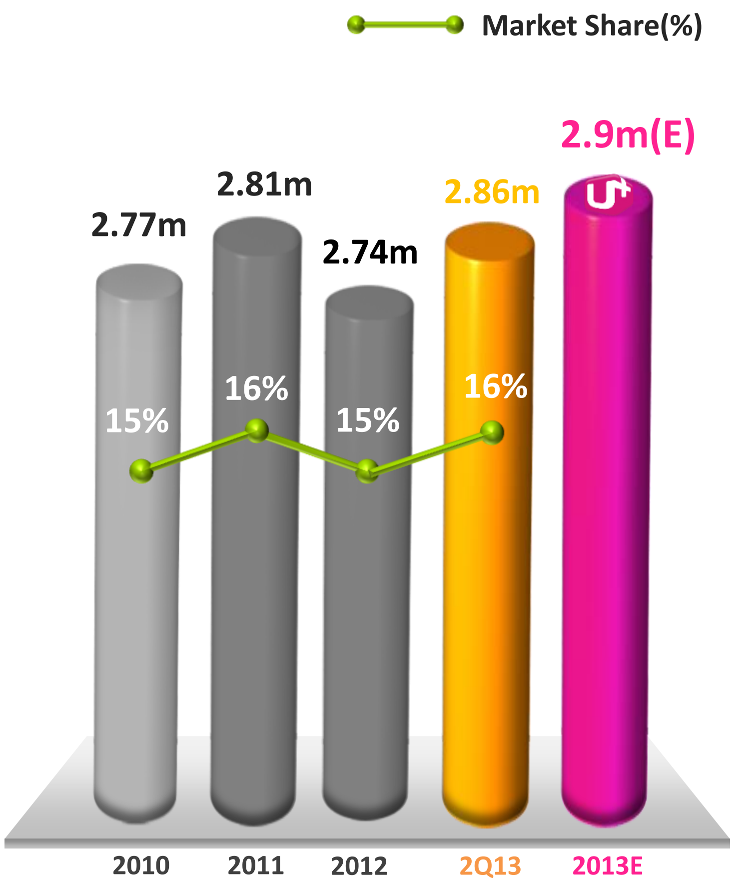
Main Features

LG U+

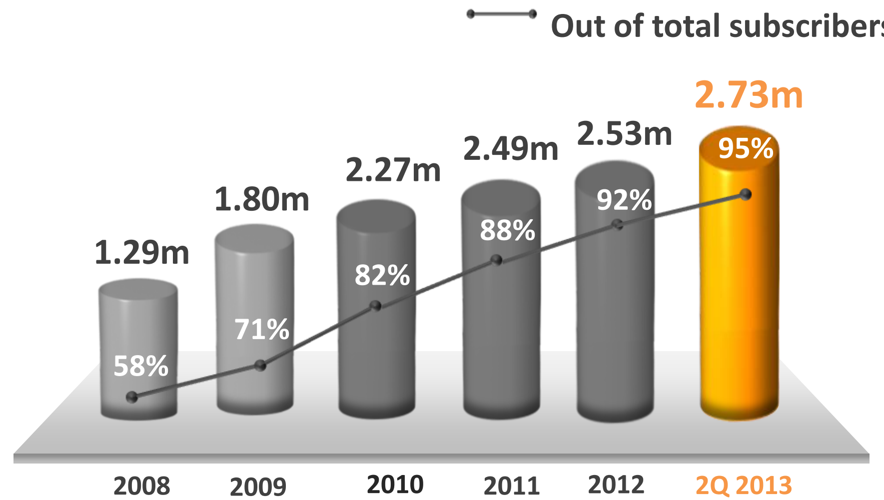
Broadband

- 2Q 2013 subscribers : 2.86 million
- 100Mbps subscriber portion : 93%

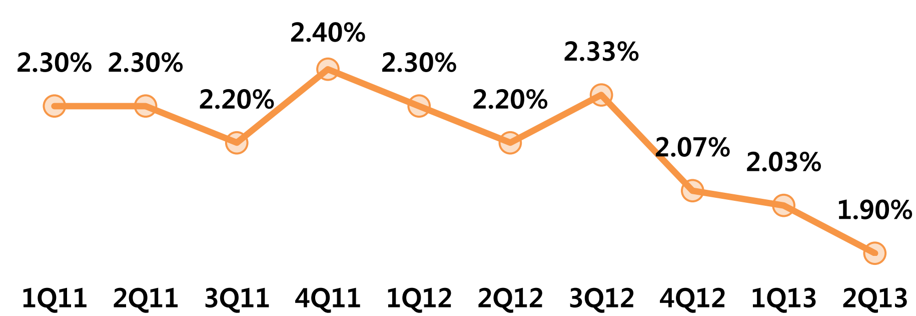
Broadband Subscriber Trend



100Mbps Subscriber Trend



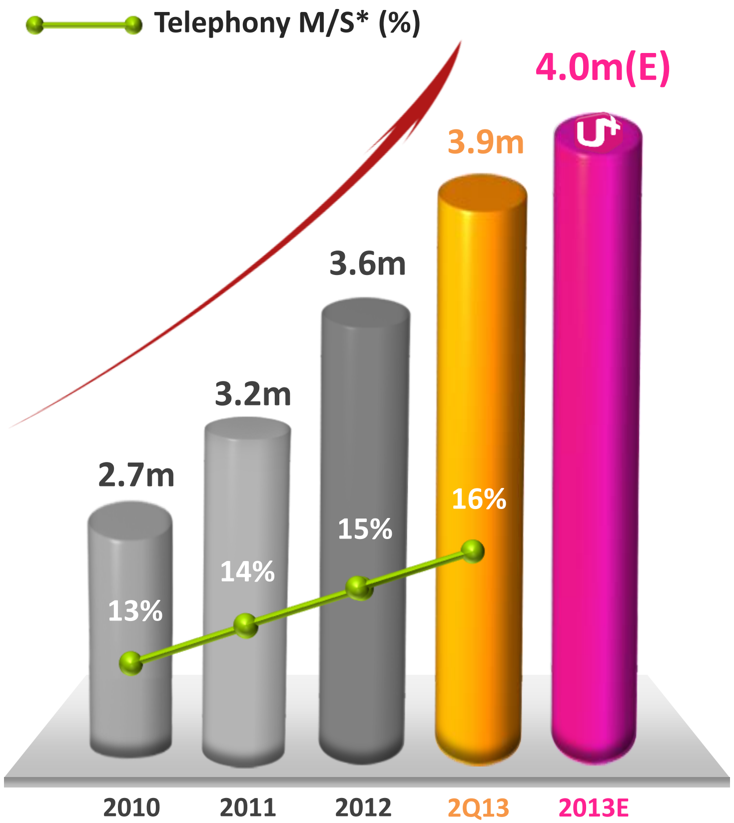
Quarterly Churn Rate Trend



- 2Q 2013 subscribers : 3.9 million (VoIP)
- VoIP Revenue up by 1.5% YoY

VoIP Subscriber Trend

(Unit: subscribers in millions)



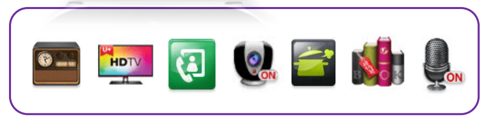
*Telephony M/S among three operators

Galaxy 070 Player

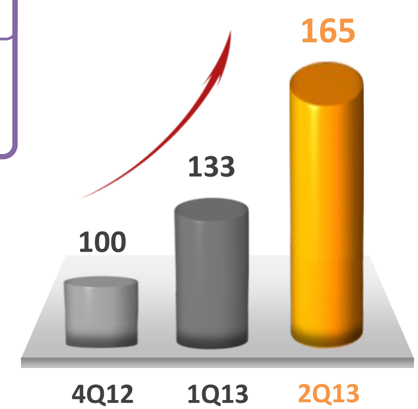
(Unit: KRW)

ARPU (2Q 2013)

070 player	15K
VoIP	5K



(Unit: subscribers in thousands)



U+ WiFi100 Subscriber Trend

(Unit: subscribers in millions)

100Mbps

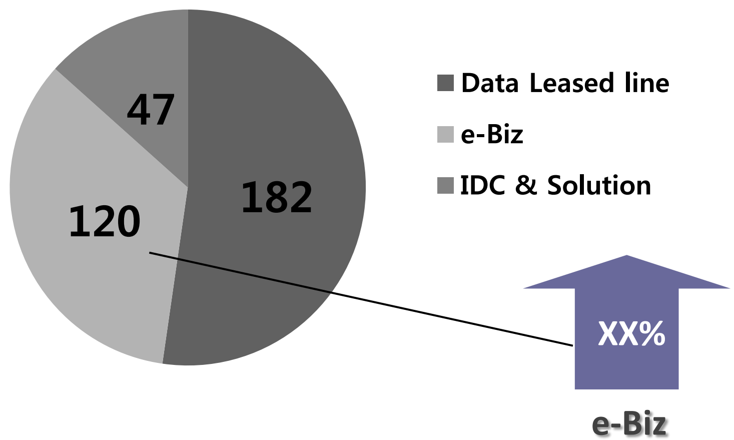
U+ WiFi100

LG U+

- 2Q 2013 Data revenue : KRW 349.0 billion, up 3.5% YoY & 4.1% QoQ
- 2Q 2013 Telephony revenue : KRW 116.2 billion, down 5.4% YoY & up 4.0% QoQ

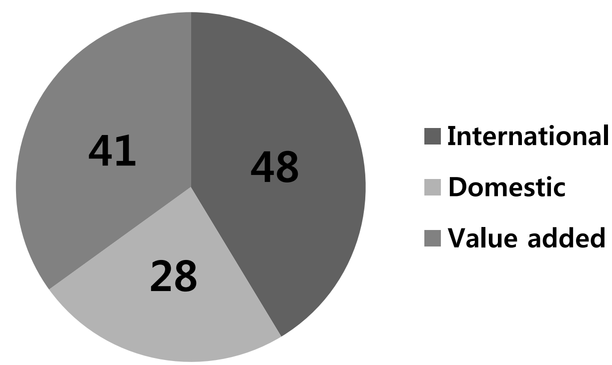
Data Revenue

(Unit: KRW in billions)



Telephony Revenue

(Unit: KRW in billions)



Growth Strategy

✓ Focusing on e-payment solution and other businesses (U+ AD, Digital Signage, Cloud, etc.)

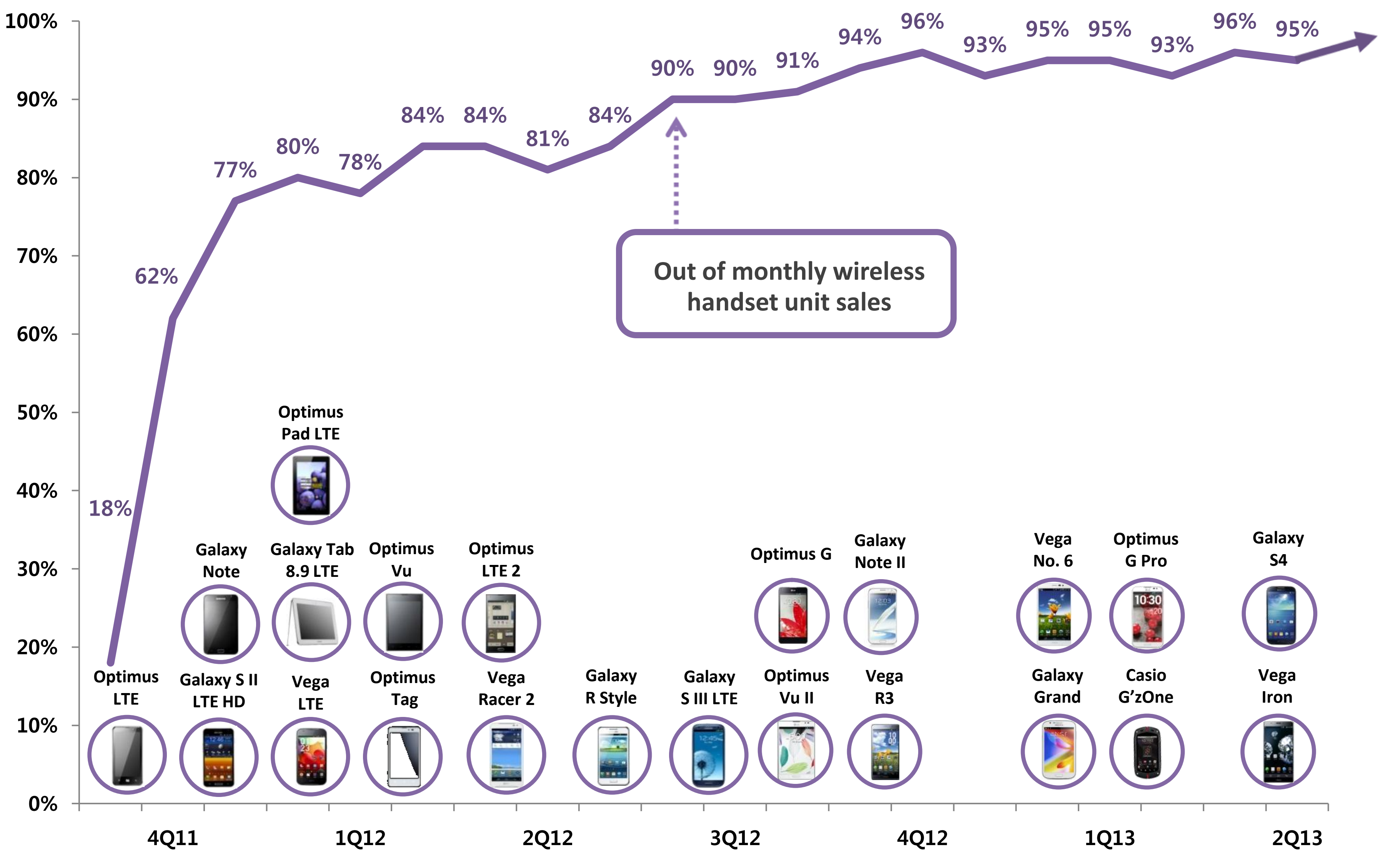
Strategy

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

(Unit: KRW in billions)

	2Q '12	1Q '13	2Q '13	YoY	QoQ
Revenue	2,787.7	2,859.7	2,763.4	-0.9%	-3.4%
EBITDA	336.9	443.1	469.8	39.5%	6.0%
Operating Income	-1.5	123.2	144.8	Turn Black	17.6%
Net Income	-32.1	74.3	81.5	Turn Black	9.6%

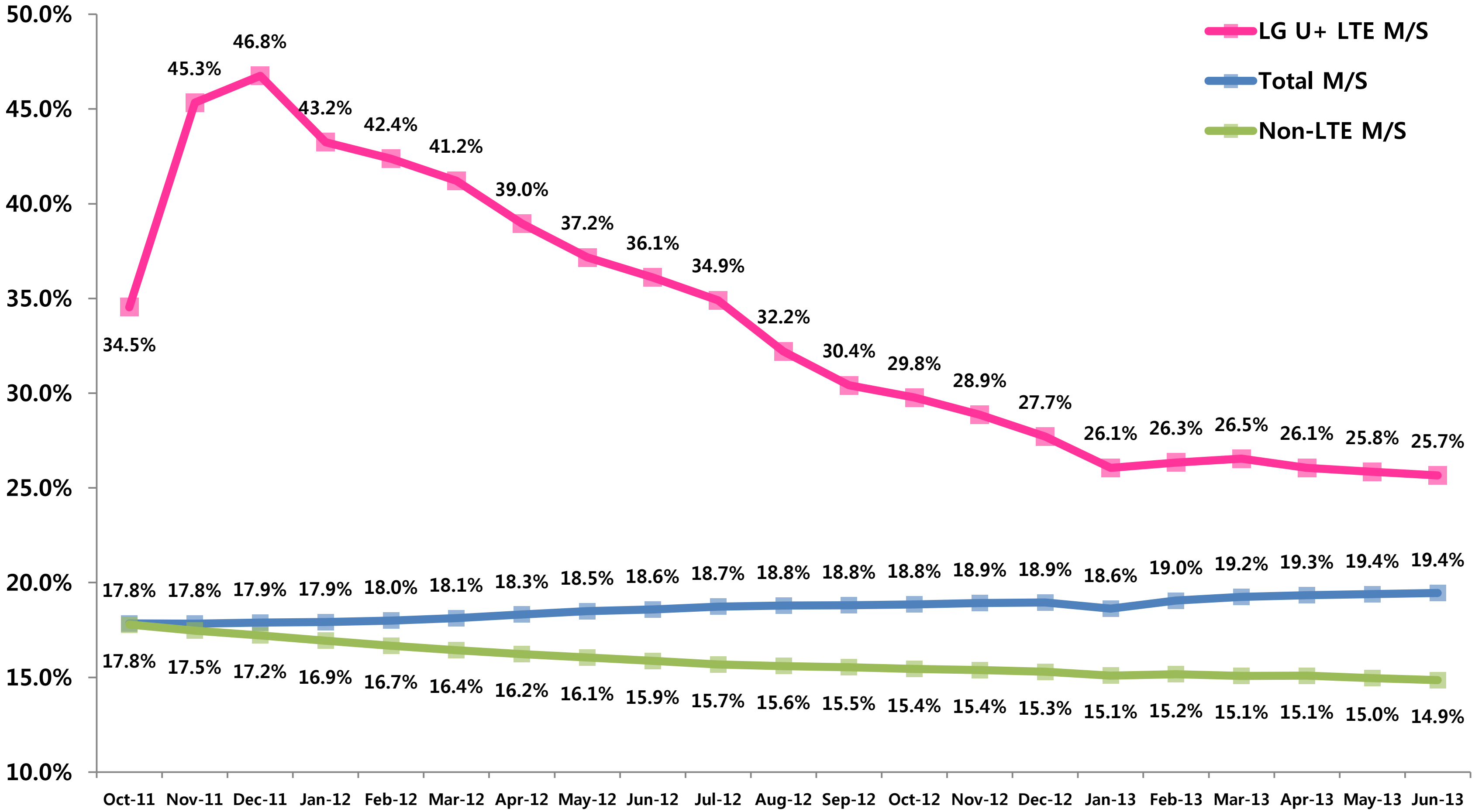
LTE handset unit sales portion



LG U+

Market Share Momentum

Subscriber Market Share Trend



LG U+

Thank You!

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