



LG U⁺

2015 4Q Earnings Release

February 1, 2016



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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.

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Summary (Consolidated)

- Service Revenue recorded KRW 2.22 trillion, up 0.3% YoY and 2.6% QoQ
- Operating Income recorded KRW 113.1 billion, down 40.7% YoY and 34.3% QoQ

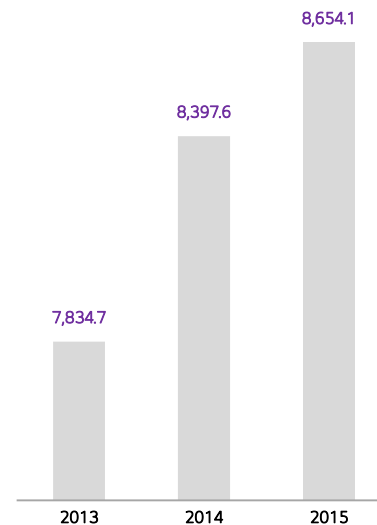
(Unit: KRW billion)

Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
Revenue	2,683.7	2,716.8	2,861.1	6.6%	5.3%	10,999.8	10,795.2	-1.9%
Service Revenue	2,212.9	2,162.4	2,218.9	0.3%	2.6%	8,397.6	8,654.1	3.1%
Handset Revenue	470.7	554.4	642.1	36.4%	15.8%	2,602.2	2,141.2	-17.7%
Expenses	2,493.0	2,544.6	2,748.0	10.2%	8.0%	10,423.5	10,162.9	-2.5%
Operating Income	190.6	172.1	113.1	-40.7%	-34.3%	576.3	632.3	9.7%
OP Margin⁽¹⁾	7.1%	6.3%	4.0%	-3.1%p	-2.4%p	5.2%	5.9%	0.6%p
Non-operating Balance	(71.7)	(24.7)	(54.0)	-24.7%	118.2%	(256.2)	(166.4)	-35.1%
Income Before Tax	118.9	147.4	59.1	-50.3%	-59.9%	320.1	465.9	45.6%
Income Tax	33.6	33.8	19.6	-41.8%	-42.1%	92.4	114.7	24.2%
Net Income	85.3	113.6	39.6	-53.6%	-65.2%	227.7	351.2	54.2%
EBITDA	590.5	576.6	524.2	-11.2%	-9.1%	2,081.7	2,241.3	7.7%
EBITDA Margin⁽²⁾	22.0%	21.2%	18.3%	-3.7%p	-2.9%p	18.9%	20.8%	1.8%p

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

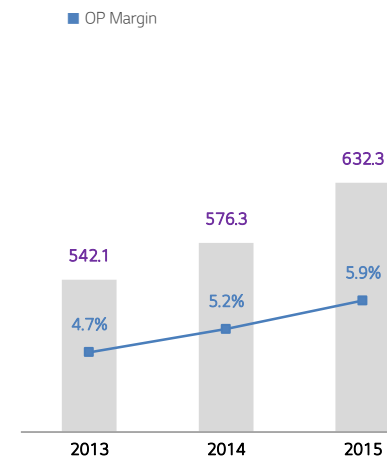
Service Revenue

(Unit : KRW in billion)



Operating Income

(Unit : KRW in billion)



1. Financial Highlights

Operating / Marketing Expense

Operating Expense (Consolidated)

- Operating Expense up 10.2% YoY and 8.0% QoQ from increase in fees & charges and wage

(Unit: KRW in billion)

Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
Operating Expense	2,493.0	2,544.6	2,748.0	10.2%	8.0%	10,423.5	10,162.9	-2.5%
Wages	197.3	197.6	230.9	17.0%	16.9%	772.3	851.3	10.2%
Depreciation	356.6	360.7	366.9	2.9%	1.7%	1,334.4	1,434.1	7.5%
Amortization	43.3	43.8	44.2	2.0%	1.0%	171.0	174.8	2.2%
Electricity Fee	44.1	53.9	44.3	0.6%	-17.9%	181.5	186.3	2.6%
Interconnection	187.5	144.4	153.0	-18.4%	6.0%	616.4	582.4	-5.5%
Fees & Charges	272.1	314.7	326.5	20.0%	3.8%	1,102.9	1,247.4	13.1%
Sales Commission	358.0	346.8	350.1	-2.2%	1.0%	2,144.3	1,353.2	-36.9%
Advertising	92.7	87.7	100.7	8.7%	14.8%	299.6	350.6	17.1%
Cost of Handset Sold	561.6	622.7	751.7	33.8%	20.7%	2,332.3	2,500.6	7.2%
Others	379.9	372.4	379.5	-0.1%	1.9%	1,468.9	1,482.1	0.9%

Operating Expense

- Wage : Up 17.0% YoY and 16.9% QoQ from increased personnel and incentives
- Depreciation : Up 2.9% YoY and 1.7% QoQ from Wideband LTE-A N/W investments
- Electricity Fee : Up 0.6% YoY and down 17.9% QoQ from seasonality
- Interconnection : Down 18.4% YoY and up 6.0% QoQ from settlement of 2014 interconnection rate and seasonality
- Fees & Charges : Up 20.0% YoY and 3.8% QoQ from increased PG and contents fees

Marketing Expense

- Sales Commission : Down 2.2% YoY and up 1.0% QoQ from reduced volatility of sales commission
- Advertising : Up 8.7% YoY and 14.8% QoQ from IPTV, IoT advertisements and increased membership benefit
- Cost of Handset Sold : Up 33.8% YoY and 20.7% QoQ due to increased handset sales volume from new handset launch

Marketing Expense (Consolidated)

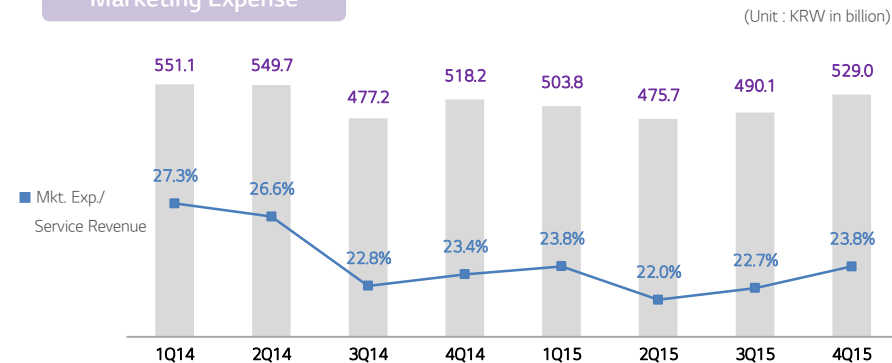
- Marketing Expense up 2.1% YoY and 7.9% QoQ from increased handset sales and advertising cost

(Unit: KRW in billion)

Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
Total Marketing Expense	518.2	490.1	529.0	2.1%	7.9%	2,096.2	1,998.7	-4.7%
Mkt. Exp./Service Revenue	23.4%	22.7%	23.8%	0.4%p	1.2%p	25.0%	23.1%	-1.9%p

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

Marketing Expense



1. Financial Highlights

Non-operating Balance / CAPEX

Non-operating Balance / CAPEX (Consolidated)

- Non-operating Balance down 24.7% YoY and up 118.2% QoQ

(Unit: KRW in billion)

Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
Non-operating Income	32.0	51.0	32.5	1.8%	-36.2%	115.7	131.2	13.3%
Interest Income	7.2	8.6	10.3	42.3%	19.1%	39.3	37.3	-5.1%
Others	24.7	42.4	22.3	-10.0%	-47.5%	76.4	93.8	22.8%
Non-operating Expense	103.7	75.7	86.5	-16.5%	14.2%	372.0	297.5	-20.0%
Interest Expense	53.1	48.1	41.9	-21.1%	-12.8%	210.1	187.9	-10.5%
Loss on A/R sold	14.8	7.5	4.7	-68.4%	-37.9%	48.6	24.2	-50.2%
Loss on impairment/disposal of tangible asset	7.9	4.3	19.1	142.6%	346.4%	51.7	35.1	-32.1%
Others	27.8	15.8	20.8	-25.3%	31.4%	61.6	50.3	-18.4%
Non-operating Balance	(71.7)	(24.7)	(54.0)	-24.7%	118.2%	(256.2)	(166.4)	-35.1%

Non-operating Balance

Non-operating Income : Up 1.8% YoY and down 36.2% QoQ

- Others : Down 10.0% YoY and 47.5% QoQ from reversal of impairment loss from NW equipment in the previous quarter

Non-operating Expense : Down 16.5% YoY and up 14.2% QoQ

- Interest Expense : Down 21.1% YoY and 12.8% QoQ from decreased debt & cost of debt
- Loss on A/R Sold : Down 68.4% YoY and 37.9% QoQ from decreased factoring of handset receivables
- Loss on Impairment/disposal of Tangible Asset : Up 142.6% YoY and 346.4% from disposal of obsolete CDMA equipment and reallocation of overhead lines, etc.

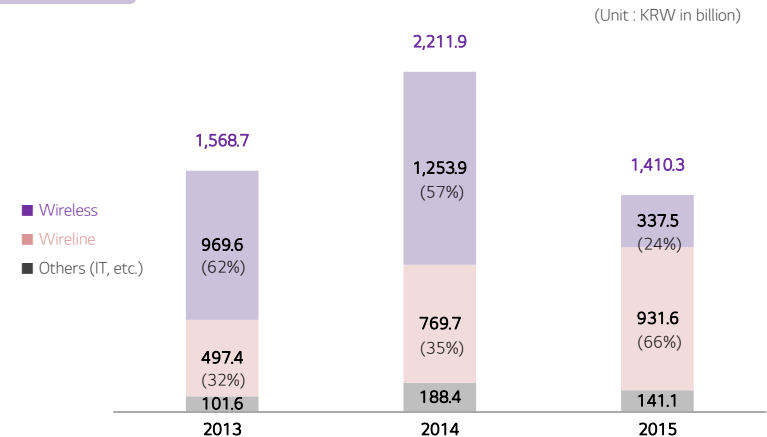
CAPEX

- CAPEX up 11.3% YoY and 61.9% QoQ from completion of Wideband LTE-A N/W Investment

(Unit: KRW in billion)

Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
CAPEX *	473.0	325.2	526.6	11.3%	61.9%	2,211.9	1,410.3	-36.2%
Wireless Network	156.2	75.7	136.8	-12.5%	80.7%	1,253.9	337.5	-73.1%
Wireline Network	241.3	204.1	348.1	44.3%	70.5%	769.7	931.6	21.0%
Others (IT, etc)	75.4	45.4	41.7	-44.7%	-8.1%	188.4	141.1	-25.1%
CAPEX/Revenue	17.6%	12.0%	18.4%	0.8%p	6.4%p	20.1%	13.1%	-7.0%p

* Capital Expenditure includes Construction in Progress



1. Financial Highlights

Statements of Financial Position

Statements of Financial Position (Consolidated)

(Unit: KRW in billion)

Classification	2014.12	2015.09	2015.12	YoY	QoQ
Total Assets	12,012.7	11,798.6	11,951.0	-0.5%	1.3%
Current Assets	2,489.9	2,544.4	2,599.2	4.4%	2.2%
Cash & Cash Equivalents ⁽¹⁾	444.6	271.2	313.3	-29.5%	15.5%
Non-current Assets	9,522.8	9,254.3	9,351.8	-1.8%	1.1%
Property, Plant and Equipmer	7,254.4	7,124.2	7,223.8	-0.4%	1.4%
Intangible Assets	1,116.5	1,004.7	966.6	-13.4%	-3.8%
Total Liabilities	7,834.8	7,375.3	7,502.6	-4.2%	1.7%
Current Liabilities	3,485.7	2,975.4	3,354.2	-3.8%	12.7%
Current Portion of LT Debt	1,113.5	696.7	928.8	-16.6%	33.3%
Non-current Liabilities	4,349.2	4,399.8	4,148.4	-4.6%	-5.7%
Corporate Bond etc. ⁽²⁾	3,787.1	3,865.6	3,631.3	-4.1%	-6.1%
Total Shareholders' Equity	4,177.8	4,423.4	4,448.4	6.5%	0.6%
Retained Earnings	764.4	1,010.4	1,035.8	35.5%	2.5%
Net Debt	4,471.1	4,306.1	4,261.9	-4.7%	-1.0%
Net Debt to Equity Ratio ⁽³⁾	107.0%	97.3%	95.8%	-11.2%p	-1.5%p
Debt to Equity Ratio ⁽⁴⁾	187.5%	166.7%	168.7%	-18.9%p	1.9%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

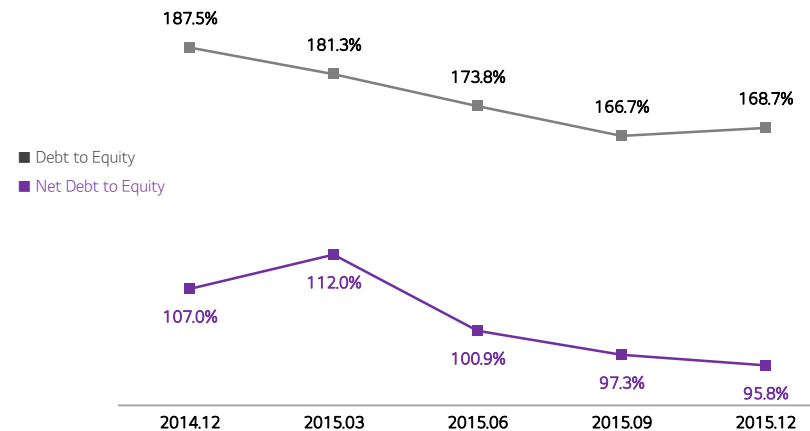
Statements of Financial Position

Net Debt Ratio improved from decreased Net Debt and increased R/E

Debt to Equity Ratio slightly went up from increased A/P in the year-end

- Cash & Cash Equivalents : Down 29.5% YoY and up 15.5% QoQ
- Net Debt : Down 4.7% YoY and 1.0% QoQ
 - Net Debt to Equity Ratio : 95.8%, down 11.2%p YoY and 1.5%p QoQ
- Debt to Equity Ratio : 168.7%, down 18.9%p YoY and up 1.9%p QoQ

Debt Ratio



Wireless (Consolidated)

- Wireless Service Revenue up 0.0% YoY and 0.9% QoQ from wireless subscriber growth

(Unit: KRW in billion, KRW)

Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
Wireless Revenue⁽¹⁾	1,393.6	1,333.3	1,349.9	-3.1%	1.2%	5,210.8	5,297.8	1.7%
Service Revenue	1,226.4	1,216.5	1,227.0	0.0%	0.9%	4,674.3	4,822.2	3.2%
Interconnection	153.8	109.6	116.3	-24.4%	6.1%	473.9	440.4	-7.1%
Sign-up Fee	13.4	7.2	6.7	-50.2%	-7.5%	62.5	35.1	-43.8%
Wireless ARPU⁽²⁾	40,063	39,822	39,853	-0.5%	0.1%	40,810	39,930	-2.2%
Service ARPU ⁽³⁾	37,906	36,294	36,204	-4.5%	-0.2%	36,601	36,333	-0.7%
Service ARPU (MVNO Incl.) ⁽⁴⁾	36,959	35,306	35,320	-4.4%	0.0%	35,732	35,383	-1.0%

(1) Wireless Revenue : Subsidiary MVNO revenue adjusted

Service Revenue : Monthly fee+Usage Charges+VAS+Revenue Discount+Data

(2) RASS(Repeater Air Surveillance System) and MVNO subscribers excluded

(3) Interconnection & Sign-up fee excluded from Wireless ARPU, (4) (3)+MVNO

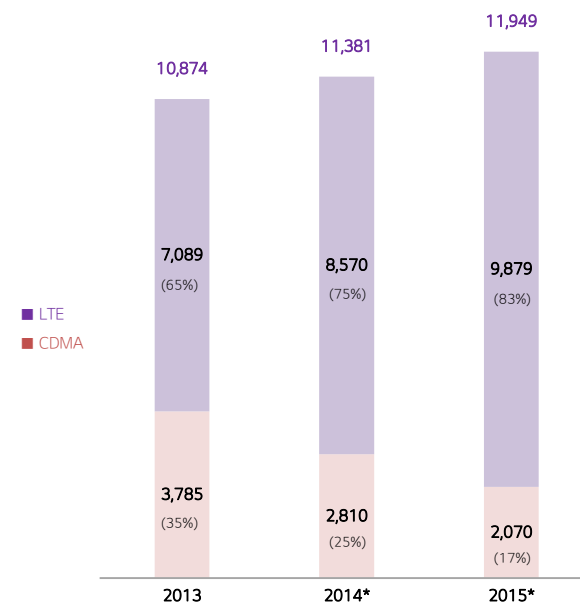
(Unit: subscriber in thousand)

Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
Wireless Subscribers *	11,381	11,794	11,949	5.0%	1.3%	11,381	11,949	5.0%
MNO Subscribers	11,017	11,343	11,492	4.3%	1.3%	11,017	11,492	4.3%
MVNO Subscribers	364	451	457	25.7%	1.4%	364	457	25.7%

* Subscribers : MSIP's new subscriber disclosure basis, "line-based subscriber number" including RASS (Adjusted from 1Q14)

Wireless Subscriber

(Unit : subscriber in thousand)



TPS (Consolidated)

- TPS Revenue up 8.6% YoY and 3.0% QoQ from IPTV subscriber and ARPU growth

TPS Revenue

(Unit: KRW in billion)

(Unit : KRW in billion)

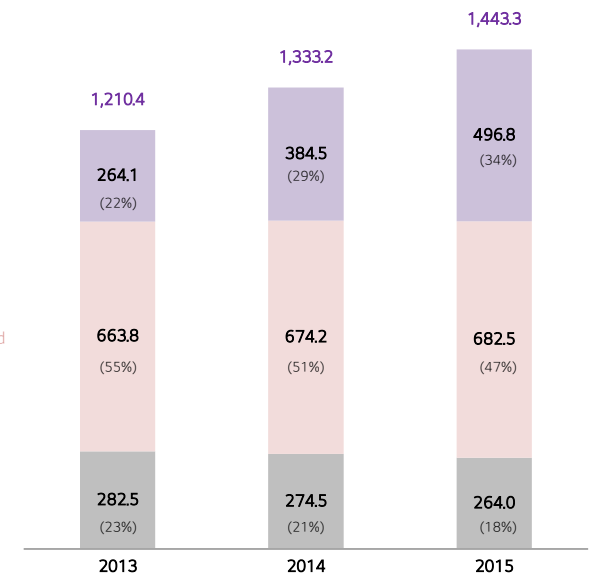
Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
TPS Revenue	343.0	361.7	372.5	8.6%	3.0%	1,333.2	1,443.3	8.3%
IPTV	108.3	126.4	136.5	26.1%	8.0%	384.5	496.8	29.2%
Broadband	168.2	170.7	171.9	2.2%	0.7%	674.2	682.5	1.2%
VoIP	66.6	64.6	64.1	-3.7%	-0.8%	274.5	264.0	-3.8%

(Unit: subscriber in thousand)

Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
TPS Subscribers	9,387	10,164	10,304	9.8%	1.4%	9,387	10,304	9.8%
IPTV ⁽¹⁾	1,949	2,199	2,280	17.0%	3.7%	1,949	2,280	17.0%
Broadband ⁽²⁾	3,014	3,445	3,483	15.6%	1.1%	3,014	3,483	15.6%
VoIP	4,424	4,520	4,540	2.6%	0.5%	4,424	4,540	2.6%

(1) IPTV : subscriber base (2) Broadband : Including corporate subscribers from 3Q15

■ IPTV
■ Broadband
■ VoIP



Data / Telephony (Consolidated)

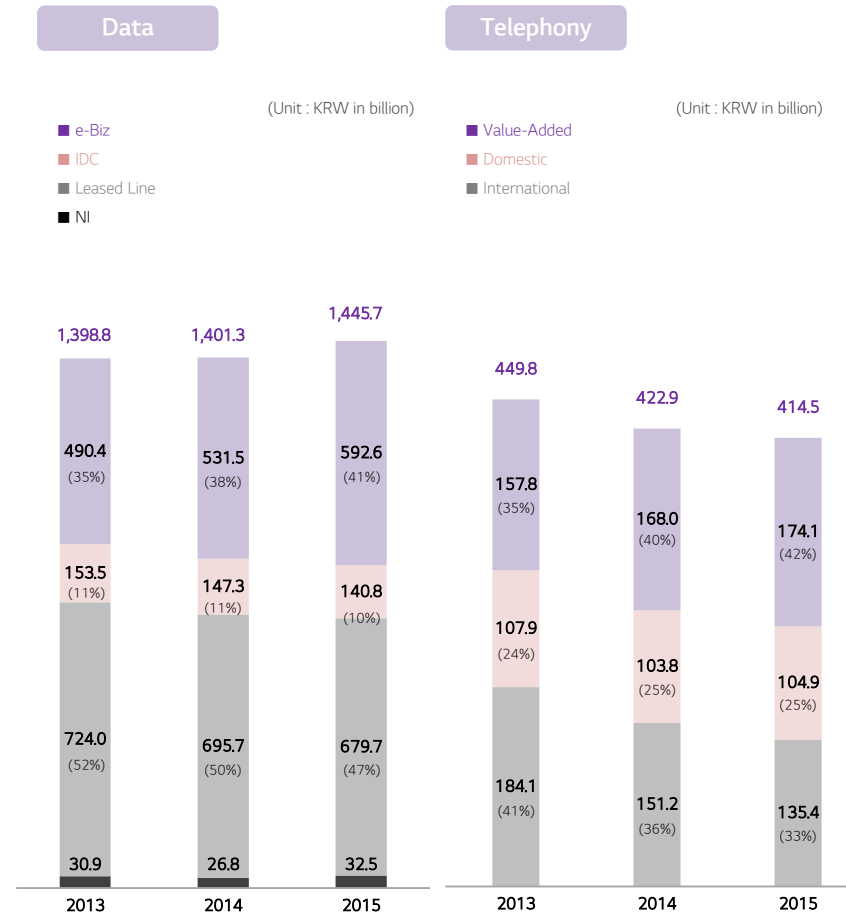
- Data Revenue up 5.5% YoY and 8.7% QoQ from e-Biz and NI revenue growth
- Telephony Revenue down 1.5% YoY and up 1.3% QoQ due to seasonality in Value-Added and Domestic Telephony

(Unit: KRW in billion)

Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
Data Revenue	367.9	356.8	388.1	5.5%	8.7%	1,401.3	1,445.7	3.2%
e-Biz ⁽¹⁾	145.3	147.2	159.6	9.9%	8.5%	531.5	592.6	11.5%
IDC	36.8	34.7	36.8	-0.2%	6.0%	147.3	140.8	-4.4%
Leased Line	174.9	168.9	175.3	0.2%	3.8%	695.7	679.7	-2.3%
NI ⁽²⁾	10.8	6.1	16.4	52.0%	170.5%	26.8	32.5	21.1%
Telephony Revenue	106.2	103.2	104.6	-1.5%	1.3%	422.9	414.5	-2.0%
Value-Added	43.8	43.4	44.9	2.5%	3.6%	168.0	174.1	3.6%
Domestic	25.4	25.8	28.0	10.2%	8.6%	103.8	104.9	1.1%
International	37.0	34.1	31.7	-14.3%	-7.0%	151.2	135.4	-10.4%

(1) e-Biz : Payment, SMS & Webhard, etc.

(2) NI : Network Integration (Previous 'Solution Revenue')



3. Appendix

Statements of Income / Financial Position (Consolidated)

(Unit: KRW in billion)

Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
Revenue	2,683.7	2,716.8	2,861.1	6.6%	5.3%	10,999.8	10,795.2	-1.9%
Service Revenue	2,212.9	2,162.4	2,218.9	0.3%	2.6%	8,397.6	8,654.1	3.1%
Other Revenue	4.6	4.2	3.1	-32.6%	-26.9%	18.1	16.1	-11.1%
Handset Revenue	470.7	554.4	642.1	36.4%	15.8%	2,602.2	2,141.2	-17.7%
Expense	2,493.0	2,544.6	2,748.0	10.2%	8.0%	10,423.5	10,162.9	-2.5%
Operating Expenses	2,493.0	2,544.6	2,748.0	10.2%	8.0%	10,423.5	10,162.9	-2.5%
Wages	197.3	197.6	230.9	17.0%	16.9%	772.3	851.3	10.2%
Depreciation	356.6	360.7	366.9	2.9%	1.7%	1,334.4	1,434.1	7.5%
Amortization	43.3	43.8	44.2	2.0%	1.0%	171.0	174.8	2.2%
Telecom Circuit Rent	89.7	73.0	58.7	-34.5%	-19.5%	294.5	267.0	-9.3%
Rental	82.0	83.2	83.0	1.2%	-0.3%	320.8	331.6	3.3%
Outsourcing	81.5	84.3	112.4	38.0%	33.4%	331.4	383.0	15.6%
Electricity Fee	44.1	53.9	44.3	0.6%	-17.9%	181.5	186.3	2.6%
Repair Expense	37.4	41.6	41.0	9.5%	-1.5%	129.0	146.5	13.6%
Interconnection	187.5	144.4	153.0	-18.4%	6.0%	616.4	582.4	-5.5%
Settlement	38.2	35.0	33.4	-12.6%	-4.6%	151.4	134.9	-10.9%
Fees & Charges	272.1	314.7	326.5	20.0%	3.8%	1,102.9	1,247.4	13.1%
Sales Commission	358.0	346.8	350.1	-2.2%	1.0%	2,144.3	1,353.2	-36.9%
Advertising	92.7	87.7	100.7	8.7%	14.8%	299.6	350.6	17.1%
Cost of Handsets Sold	561.6	622.7	751.7	33.8%	20.7%	2,332.3	2,500.6	7.2%
Handset purchase	538.2	610.0	720.3	33.8%	18.1%	2,254.7	2,436.0	8.0%
Etc	23.4	12.7	31.4	34.0%	146.6%	77.6	64.7	-16.7%
Ordinary R&D Expense	11.7	17.1	15.4	32.3%	-9.6%	51.4	59.5	15.7%
Taxes & Dues	6.2	7.6	7.9	28.1%	4.0%	32.4	41.3	27.7%
Others	33.3	30.6	27.7	-16.7%	-9.4%	158.0	118.3	-25.1%
Operating Income	190.6	172.1	113.1	-40.7%	-34.3%	576.3	632.3	9.7%
Non-operating Income	32.0	51.0	32.5	1.8%	-36.2%	115.7	131.2	13.3%
Non-operating Expense	103.7	75.7	86.5	-16.5%	14.2%	372.0	297.5	-20.0%
Income Before Tax	118.9	147.4	59.1	-50.3%	-59.9%	320.1	465.9	45.6%
Income Tax	33.6	33.8	19.6	-41.8%	-42.1%	92.4	114.7	24.2%
Net Income	85.3	113.6	39.6	-53.6%	-65.2%	227.7	351.2	54.2%

Classification	2014.12	2015.09	2015.12	YoY	QoQ
Current Assets	2,489.9	2,544.4	2,599.2	4.4%	2.2%
Cash and Cash Equivalents	415.9	250.0	292.1	-29.8%	16.8%
Short-term Loans & Accounts Receivables	1,675.4	1,875.8	1,751.3	4.5%	-6.6%
Inventories	276.0	301.2	364.8	32.2%	21.1%
Other Current Assets	122.5	117.4	190.9	55.8%	62.6%
Non Current Assets	9,522.8	9,254.3	9,351.8	-1.8%	1.1%
Available for Sales Securities	74.1	41.5	36.5	-50.7%	-12.0%
Property, Plant and Equipment	7,254.4	7,124.2	7,223.8	-0.4%	1.4%
Intangible Assets	1,116.5	1,004.7	966.6	-13.4%	-3.8%
Long-term Loans & Long Trade Receivables	560.2	558.5	660.5	17.9%	18.3%
Investment in Properties	36.7	38.6	38.5	5.0%	-0.1%
Other Non-current Assets	481.0	486.8	425.8	-11.5%	-12.5%
Total Assets	12,012.7	11,798.6	11,951.0	-0.5%	1.3%
Current Liabilities	3,485.7	2,975.4	3,354.2	-3.8%	12.7%
Accounts Payable & Other Payables	3,199.3	2,643.4	2,990.6	-6.5%	13.1%
Other Liabilities	285.9	332.1	363.5	27.1%	9.5%
Derivative liabilities	0.4	0.0	0.0	-100.0%	-
Non-current Liabilities	4,349.2	4,399.8	4,148.4	-4.6%	-5.7%
Accounts Payable & Other Payables	4,244.4	4,250.0	4,008.2	-5.6%	-5.7%
Other Liabilities	104.7	149.8	140.2	33.9%	-6.4%
Total Liabilities	7,834.8	7,375.3	7,502.6	-4.2%	1.7%
Shareholders' Equity	4,177.1	4,422.9	4,448.0	6.5%	0.6%
Capital Stock	2,574.0	2,574.0	2,574.0	0.0%	0.0%
Capital Surplus	837.0	837.0	837.0	0.0%	0.0%
Retained Earnings	764.4	1,010.4	1,035.8	35.5%	2.5%
Accumulated Other Comprehensive Income	1.7	1.5	1.1	-37.2%	-26.9%
Non-controlling Interest	0.7	0.5	0.5	-32.9%	-4.8%
Total Shareholders' Equity	4,177.8	4,423.4	4,448.4	6.5%	0.6%
Total Liabilities and Shareholders' Equity	12,012.7	11,798.6	11,951.0	-0.5%	1.3%

3. Appendix

Statements of Income / Financial Position (Separate)

(Unit: KRW in billion)

Classification	4Q14	3Q15	4Q15	YoY	QoQ	2014	2015	YoY
Revenue	2,688.4	2,713.4	2,858.2	6.3%	5.3%	10,984.9	10,780.4	-1.9%
Service Revenue	2,215.2	2,155.5	2,211.4	-0.2%	2.6%	8,396.8	8,627.7	2.8%
Other Revenue	7.0	6.7	5.6	-19.9%	-16.7%	27.5	26.0	-5.5%
Handset Revenue	473.2	557.9	646.8	36.7%	15.9%	2,588.2	2,152.6	-16.8%
Expense	2,492.5	2,537.7	2,743.4	10.1%	8.1%	10,391.8	10,134.0	-2.5%
Operating Expenses	2,492.5	2,537.7	2,743.4	10.1%	8.1%	10,391.8	10,134.0	-2.5%
Wages	146.6	152.6	169.5	15.6%	11.0%	602.1	659.0	9.4%
Depreciation	356.3	360.5	366.6	2.9%	1.7%	1,333.4	1,433.1	7.5%
Amortization	42.2	42.5	42.5	0.7%	-0.1%	166.5	169.2	1.6%
Telecom Circuit Rent	89.7	73.0	58.8	-34.5%	-19.5%	294.7	267.2	-9.3%
Rental	82.0	82.8	82.6	0.7%	-0.3%	319.9	330.0	3.2%
Outsourcing	141.4	136.6	172.2	21.7%	26.1%	518.0	588.4	13.6%
Electricity Fee	44.1	53.9	44.3	0.6%	-17.9%	181.5	186.3	2.6%
Repair Expense	37.3	41.5	40.8	9.4%	-1.6%	128.7	146.1	13.6%
Interconnection	187.5	144.4	153.0	-18.4%	6.0%	616.4	582.4	-5.5%
Settlement	38.2	35.0	33.4	-12.6%	-4.6%	151.4	134.9	-10.9%
Fees & Charges	302.0	308.1	332.6	10.2%	8.0%	1,132.1	1,247.1	10.2%
Sales Comission	319.2	341.6	343.9	7.7%	0.7%	2,077.2	1,326.8	-36.1%
Advertising	92.8	87.5	100.3	8.1%	14.6%	300.2	349.4	16.4%
Cost of Handsets Sold	563.7	625.1	754.5	33.9%	20.7%	2,336.6	2,505.1	7.2%
Handset purchase	540.3	612.4	723.1	33.8%	18.1%	2,259.0	2,440.4	8.0%
Etc	23.4	12.7	31.4	34.0%	146.6%	77.6	64.7	-16.7%
Ordinary R&D Expense	13.5	17.2	15.7	16.0%	-8.7%	54.3	60.4	11.3%
Taxes & Dues	4.7	6.6	6.8	44.2%	4.0%	27.4	37.2	35.8%
Others	31.3	28.8	25.9	-17.2%	-9.8%	151.4	111.3	-26.4%
Operating Income	195.9	175.6	114.8	-41.4%	-34.6%	593.1	646.3	9.0%
Non-operating Income	31.6	50.7	32.6	3.0%	-35.7%	116.9	130.2	11.4%
Non-operating Expense	101.1	75.4	85.2	-15.8%	12.9%	369.4	295.0	-20.1%
Income Before Tax	126.4	150.9	62.2	-50.8%	-58.8%	340.6	481.6	41.4%
Income Tax	37.6	33.8	19.0	-49.6%	-43.9%	96.6	114.3	18.3%
Net Income	88.8	117.1	43.3	-51.3%	-63.1%	244.0	367.3	50.5%

Classification	2014.12	2015.09	2015.12	YoY	QoQ
Current Assets	2,418.2	2,486.2	2,547.2	5.3%	2.5%
Cash and Cash Equivalents	368.4	210.5	259.0	-29.7%	23.0%
Short-term Loans & Accounts Receivables	1,657.1	1,862.4	1,737.0	4.8%	-6.7%
Inventories	272.5	298.4	363.5	33.4%	21.8%
Other Current Assets	120.2	115.0	187.8	56.2%	63.3%
Non Current Assets	9,568.1	9,293.8	9,392.0	-1.8%	1.1%
Available for Sales Securities	74.0	40.0	33.7	-54.4%	-15.6%
Property, Plant and Equipment	7,192.3	7,066.5	7,157.7	-0.5%	1.3%
Intangible Assets	1,108.9	995.7	957.6	-13.6%	-3.8%
Long-term Loans & Long Trade Receivables	559.6	557.6	659.2	17.8%	18.2%
Investment in Properties	95.6	93.1	101.4	6.0%	8.9%
Other Non-current Assets	537.7	541.0	482.3	-10.3%	-10.8%
Total Assets	11,986.3	11,780.1	11,939.2	-0.4%	1.4%
Current Liabilities	3,458.0	2,949.6	3,327.8	-3.8%	12.8%
Accounts Payable & Other Payables	3,174.5	2,620.1	2,963.5	-6.6%	13.1%
Other Liabilities	283.2	329.5	364.3	28.6%	10.6%
Derivative liabilities	0.4	0.0	0.0	-100.0%	-
Non-current Liabilities	4,338.9	4,383.0	4,133.9	-4.7%	-5.7%
Accounts Payable & Other Payables	4,244.4	4,250.0	4,008.2	-5.6%	-5.7%
Other Liabilities	94.5	133.1	125.7	33.0%	-5.6%
Total Liabilities	7,797.0	7,332.6	7,461.7	-4.3%	1.8%
Shareholders' Equity	4,189.3	4,447.5	4,477.6	6.9%	0.7%
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	777.1	1,035.1	1,065.7	37.1%	3.0%
Accumulated Other Comprehensive Income	1.8	1.8	1.3	-24.6%	-26.2%
Total Shareholders' Equity	4,189.3	4,447.5	4,477.6	6.9%	0.7%
Total Liabilities and Shareholders' Equity	11,986.3	11,780.1	11,939.2	-0.4%	1.4%

3. Appendix

Subscriber Trend

(Unit: subscribers in thousands)

Classification	1Q14	2Q14	3Q14	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015
Wireless Subscribers⁽¹⁾	10,982	11,117	11,271	11,381	11,381	11,566	11,690	11,794	11,949	11,949
Net Addition	108	135	154	110	507	185	125	104	155	568
LTE Subscribers	7,811	8,117	8,304	8,570	8,570	8,906	9,216	9,512	9,879	9,879
Net Addition	722	306	187	266	1,482	336	310	296	366	1,308
LTE Penetration Rate (%)	71.1%	73.0%	73.7%	75.3%	75.3%	77.0%	78.8%	80.7%	82.7%	82.7%
CDMA	3,171	3,000	2,967	2,810	2,810	2,659	2,474	2,282	2,070	2,070
Churn Rate (%)	2.8%	2.1%	2.3%	1.8%	2.3%	1.9%	1.7%	1.8%	1.8%	1.9%
New adds	934	841	920	720	3,415	852	721	750	838	3,161
Churn	931	706	766	610	3,013	667	596	646	684	2,593
Wireless ARPU (KRW)⁽²⁾	39,506	40,141	40,454	43,104	40,810	39,788	40,258	39,822	39,853	39,930
Service ARPU ⁽³⁾	35,362	35,636	36,600	37,906	36,601	36,226	36,606	36,294	36,204	36,333
Service ARPU (MVNO Incl.) ⁽⁴⁾	34,588	34,787	35,735	36,959	35,732	35,278	35,626	35,306	35,320	35,383

(1) Subscribers : MSIP's new subscriber disclosure basis, "line-based subscriber number" including RASS (Adjusted from 1Q14)

(2) Wireless ARPU : Interconnection, sign-up fee included, excluding RASS and MVNO (3) Service ARPU : Excluding Interconnection, sign-up fee, and RASS. (4) (3) + MVNO

Classification	1Q14	2Q14	3Q14	4Q14	2014	1Q15	2Q15	3Q15	4Q15	2015
TPS Subscribers	8,881	9,120	9,247	9,387	9,387	9,540	9,715	10,164	10,304	10,304
Net Addition	282	240	127	140	789	153	175	449	140	916
IPTV⁽¹⁾	1,672	1,784	1,875	1,949	1,949	2,040	2,123	2,199	2,280	2,280
Net Addition	122	112	91	74	400	91	83	76	81	331
VoIP⁽²⁾	4,246	4,343	4,362	4,424	4,424	4,450	4,506	4,520	4,540	4,540
Net Addition	125	97	19	62	303	27	55	14	21	116
Broadband⁽³⁾	2,963	2,993	3,010	3,014	3,014	3,050	3,087	3,445	3,483	3,483
Net Addition	35	30	17	4	86	36	37	358	38	469
PSTN Subscribers⁽⁴⁾	512	509	499	495	495	495	505	507	505	505
Net Addition	-5	-2	-11	-4	-22	0	10	2	-2	10

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

(3) Broadband : Retail + Corporate subscribers (Including corporate subscribers from 3Q15) (4) PSTN Subscribers : Retail(Retail VoIP callforwarding) + Corporate subscribers

3. Appendix

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