

A woman with dark hair, wearing a light blue button-down shirt and dark pants, is sitting on a white plastic chair outdoors. She is smiling and reading a book to a young girl with blonde hair, who is also sitting on the chair. The girl is wearing a light green dress and has her hands near her face, looking at the book. The book is titled "The Little Prince". The background shows a beige building with a window and a green lawn under a blue sky with light clouds.

Welcome to LG Electronics

April 21, 2004

As a note, this presentation has been prepared based on internal audited figures and final figures may change due to the results of independent auditors' review. Also, this presentation was released as the dates shown and reflected management views as of these dates. All information in this presentation regarding the Company's financial results has been prepared on a non-consolidated basis in accordance with Korean GAAP. In particular, sales information includes sales by the Company to, and purchases by the Company from, its subsidiaries and affiliates, but excludes sales by the Company's subsidiaries and affiliates to third parties. The presentation includes forward-looking statements regarding the Company's outlook for 2004 and beyond, including projected sales. These forward-looking statements also refer to the Company's results on a non-consolidated basis. These forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those stated or implied by such statements. These risks and uncertainties, but are not limited to the risk factors noted in the Company's Earnings Releases and Company's filings with the Financial Supervisory Commission of Korea. The Company assumes no obligation or responsibility to update the information provided in the presentations in correspondence to their respective dates.

Table of Contents

- I. 2004 1Q Results**
- II. Performance and Outlook by Sector**
- III. 1H 2004 Target**

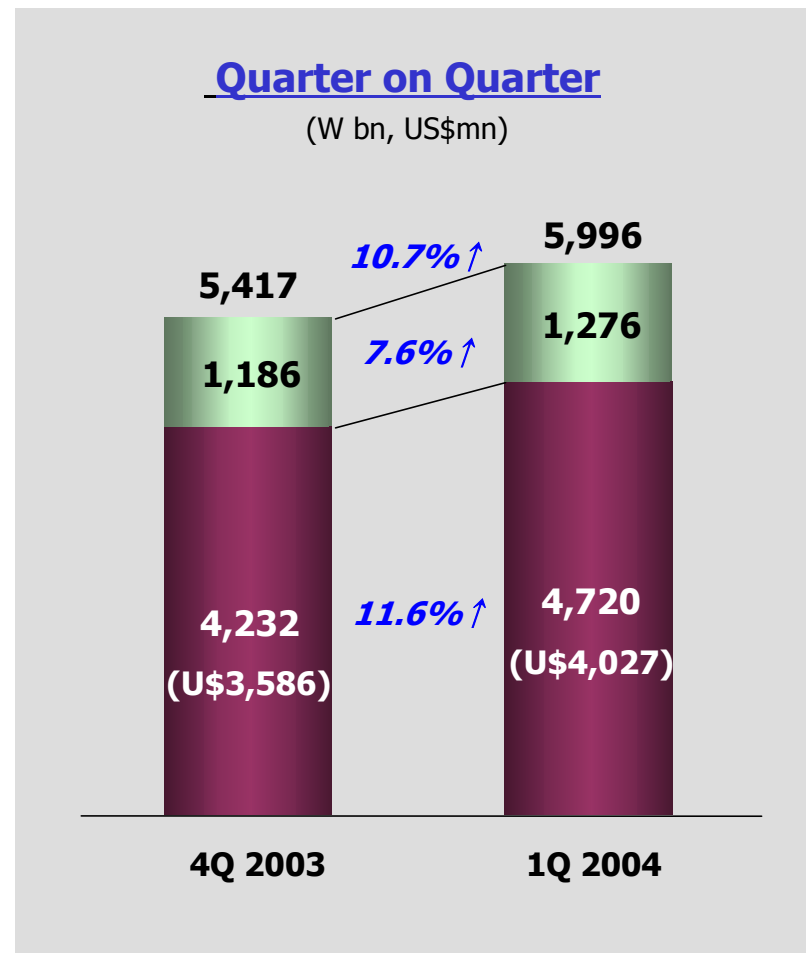
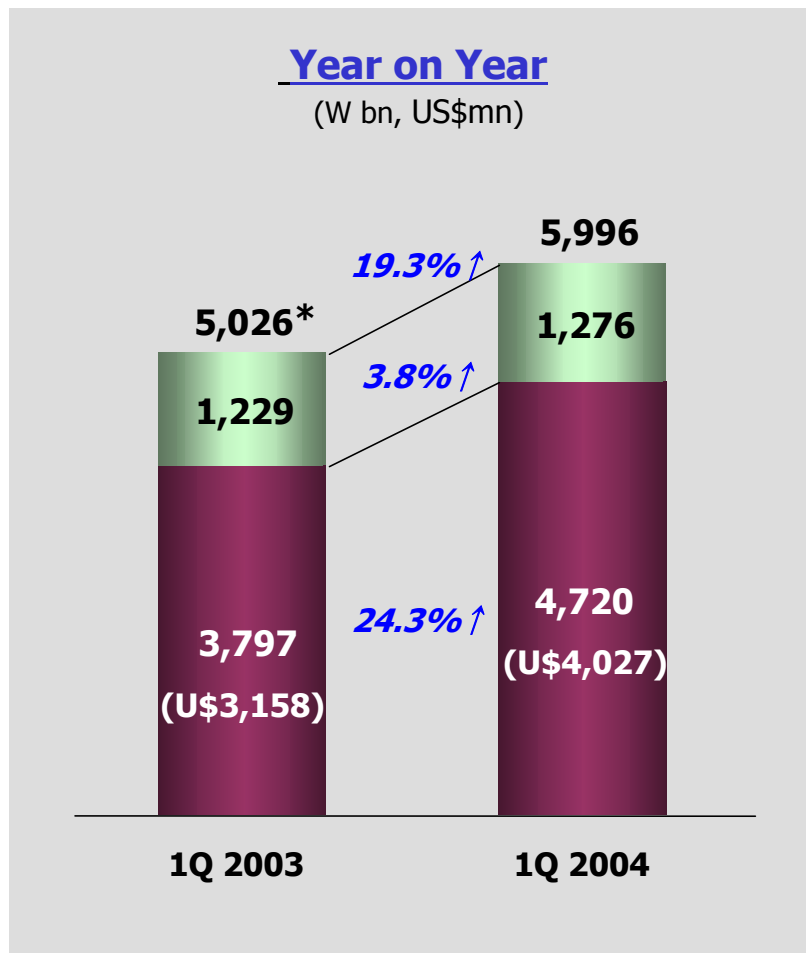
2004 1Q Results

Sales

◆ 1Q 2004 sales reached a record high of 5.99tn, up 19.3% YoY, 10.7% QoQ.

– Exports up 24.3% YoY, 11.6% QoQ.

– Domestic up 3.8% YoY, 7.6% QoQ.



※ Like for like Comparison



Sales by Division

◆ **Telecom E&H up 39.5%YoY, Display&Media up 16.9%YoY, Appliance up 7.2% YoY.**

- Appliance : While domestic sales declined YoY due to slow economy, exports grew 18.0%YoY.
- Display & Media : Sales growth led by strong sales of PDP, optical storage, and AV equipment .
- Handset : Sales up 43% YoY thanks to domestic MNP and continued strong export growth.

(W bn)

	Sales	Portion	Growth	
			YoY [*] †	QoQ [*]
Appliance	1,766	29.5%	7.2%	46.9%
Display & Media	2,396	40.0%	16.9%	2.6%
Telecom E&H	1,789	29.8%	39.5%	-3.4%
Handset	1,577	26.3%	42.9%	-5.0%

* Like for like comparison

† Adjusted for PC buy and sell

Profit

- ◆ Operating profit reached W407bn with margin of 6.8%.
- ◆ Recurring profit rose 270% YoY to W732bn (margin 12.2%) thanks to equity method gains.

(W bn)

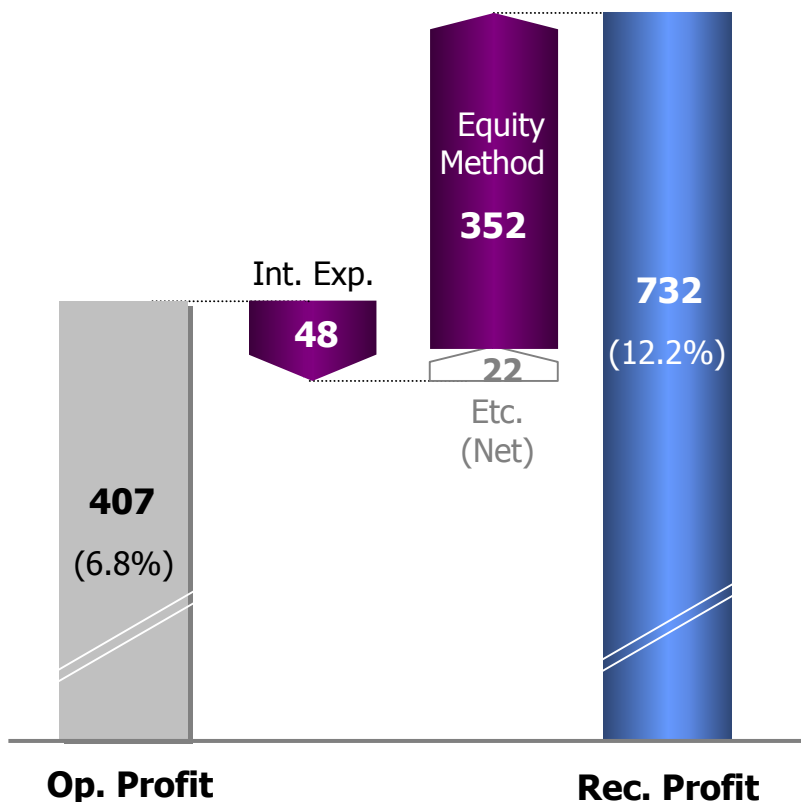
	2004		2003			
	1Q	margin	4Q	margin	1Q	margin
Gross Profit	1,423	23.7%	1,273	23.5%	1,263	25.1%
Op. Profit	407	6.8%	198	3.6%	417	8.3%
Rec Profit	732	12.2%	-58	-1.1%	198	3.9%
Net Profit	585	9.8%	-17	-0.3%	189	3.8%

Non-operating items

- ◆ Strong performance from LG.Philips LCD pushed equity method gains to W352bn.

1Q 2004 non-operating items

(W bn)



Equity Method Gain

(W bn)

Company	Equity method Contribution
LG.Philips LCD	313
LG Innotek	9
Affiliates and other	29
Total	352

Profit by Division

- ◆ 1Q 2004 operating margin: Appliance 11.9%, Display&Media 6.1%, Telecom 3.2%.
- ◆ Slow domestic economy, strong Korean won, and higher raw material prices affected profitability.

(W bn)

	2004		2003			
	1Q	margin	4Q *	margin	1Q *	margin
Appliance	210	11.9%	67	5.6%	223	13.5%
Display & Media	147	6.1%	82	3.5%	159	7.8%
Telecom E&H	56	3.2%	102	5.5%	56	4.4%
Handset	49	3.1%	84	5.1%	63	5.7%

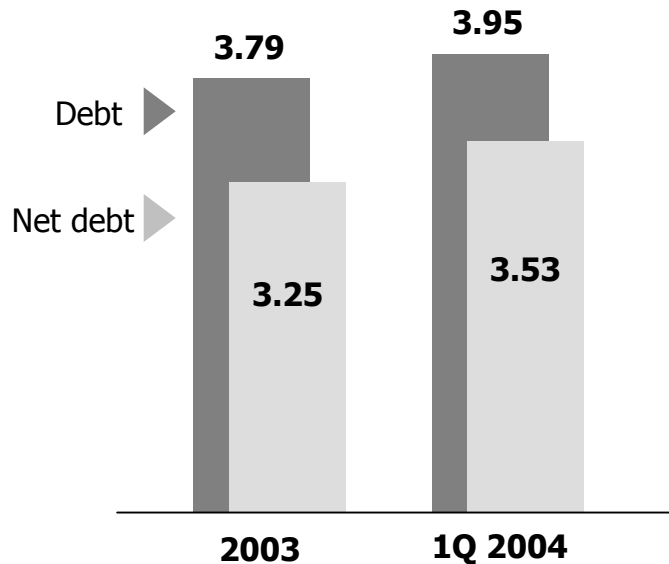
* Like-on-like comparison

Financial Structure

- ◆ Liabilities and debt to equity ratios improved , net debt to equity remained unchanged.
- ◆ Annualized ROE reached 64% thanks to equity method gains.

Debt

(Won tn)



Balance Sheet

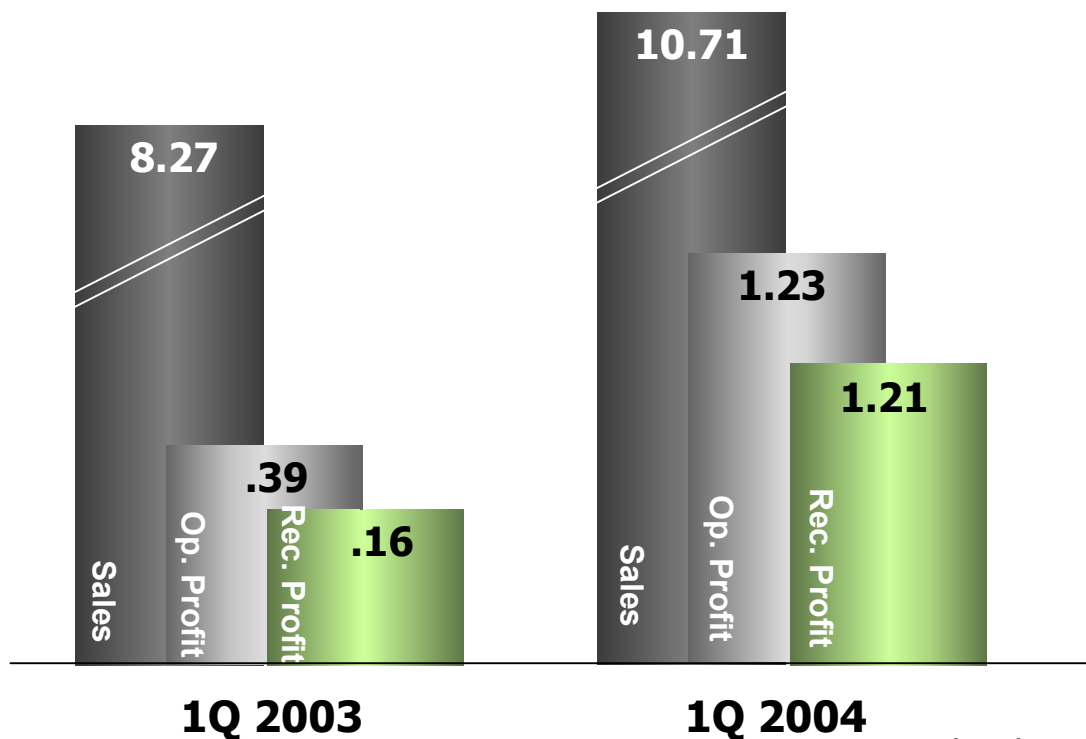
(Won tn)

1Q 2004	
Assets	12.05
Liabilities	8.19
Equity	3.86
2003	
Assets	11.28
Liabilities	7.77
Equity	3.51

	2003	1Q 2004
Total Liab. to Equity	222%	212%
Debt to Equity	108%	102%
Net debt to Equity	93%	92%
ROE*	25%	64%
*annualized		

Consolidated Financial Statements

- ◆ Sales grew 29.6%YoY to 10.7tn on a consolidated basis.
- ◆ Operating profit rose 216.3%YoY to 1.2tn, Recurring profit surged 651.4%YoY to 1.2tn.



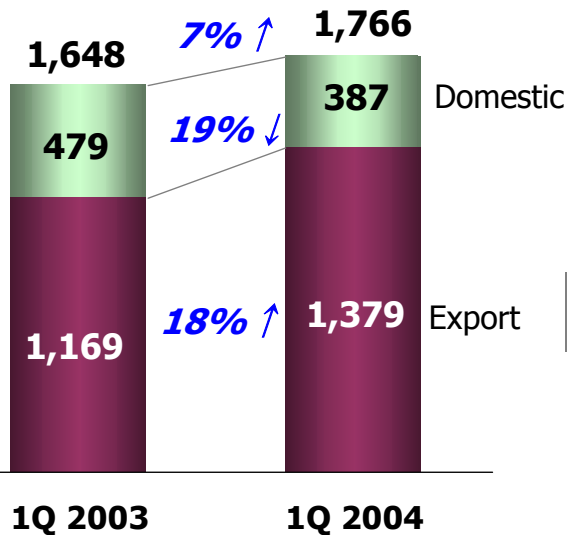
Consolidated FS		(W tn)
Assets		26.72
- Curr. Assets		14.59
- Fixed Assets		12.12
Liabilities		20.97
- Curr. Liab.		16.15
- L-T Liab.		4.82
Equity		5.75
- Paid in Cap.		.74

	1Q 2003	2003	1Q 2004
Total Liab. to Equity	462%	372%	365%
Debt to Equity	239%	197%	195%
Net debt to Equity	198%	159%	163%
ROE *annualized	*12.2%	15.4%	*48.2%

Performance and Outlook by Sector

Appliance

Sales (Won bn.)



1Q Performance

❖ 1Q Sales: grew 7% YoY to Won 1,766 bn.

- Strong exports of premium products led overall growth overcoming slow domestic sales.
 - Domestic Market: Down 19% YoY.
 - Growth in Sales of TROMM, Commercial A/C, vacuum cleaner.
 - Export Market : Up 18 % YoY.
 - Growth driver : washing machine, refrigerator, vacuum cleaner, Commercial A/C.

2Q Outlook

❖ **Exports should continue to drive overall growth.**

- Korea: sales expected to be similar to 2003.
- Exports: expected to grow in North America and Europe with premium products.

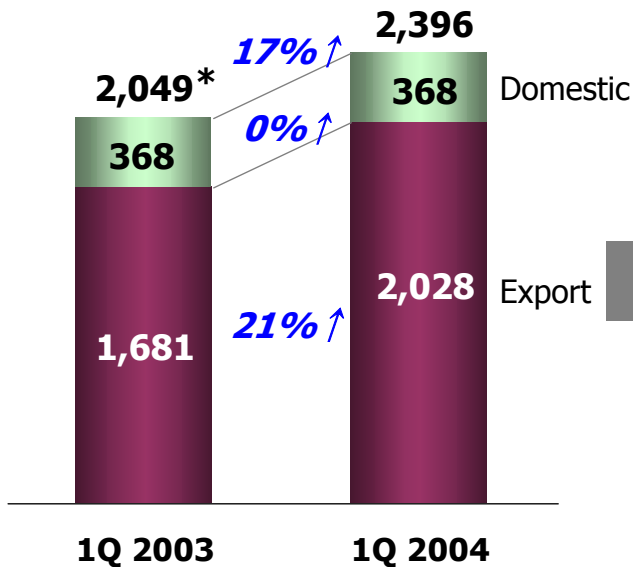
Display & Media

1Q Performance

❖ 1Q Sales : grew 17% YoY to Won 2,396 bn.

- Exports of high-end, especially DTV, led sales growth.
- Digital TV: sales up 27% driven by LCD, and PDP.
- PDP : Increasing DTV demand and successful ramp of line 2
- Optical Storage : DVD writer sales growing and maintaining global M/S No. 1 (26%).
- A/V : Significant sales growth in Combi and DVD-Recorder.

Sales (Won bn.)



2Q Outlook

❖ Despite difficult business environment, sales expected to rise slightly QoQ.

- PDP : increase in PDP demand and ramping up 3 Line.
- Digital TV : A/V : slight sales increase QoQ.
- Optical Storage : Price declining in DVD Writer.

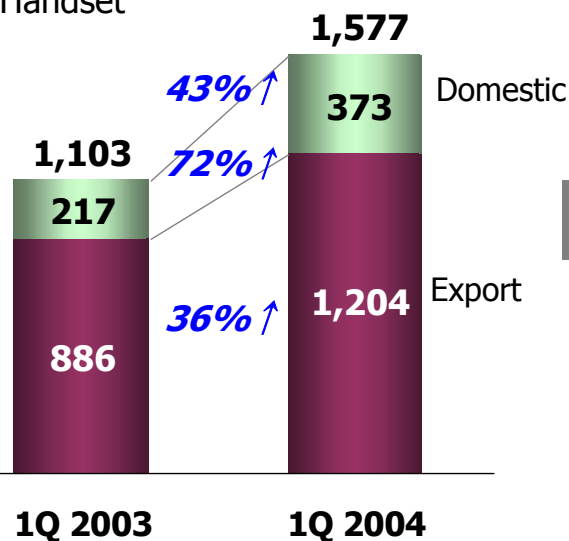
* Like for like comparison

Telecom E&H

Sales

(Won bn.)

- Handset



1Q Performance

❖ Handset : grew 43% YoY to Won 1,577 bn.

- 56% unit growth YoY to 8.75mn.

- CDMA

- Domestic : unit growth 66% YoY due to MNP in Korea.

- Overseas : unit growth 29% YoY due to strong shipment to North America.

- GSM

- Unit growth 149% YoY due to strong shipment to the U.S and CIS.

❖ Telecom Equipment : strong export in Key-phone

2Q Outlook

❖ Handset : expect 12mn unit in 2Q.

- CDMA

- Domestic : expect margin improvement thanks to new models.

- Overseas : Strong growth in the U.S and India expected.

- GSM

- Strong growth in the U.S and Europe expected.

❖ Telecom Equipment : maintain profitability.

LG.Philips Joint Venture

LG.Philips LCD

❖ Sales : Won 2.1tn, Op. profit: Won 689 bn.

- Sales up 118% YoY, Operating margin 33%.
- Profitability improved thanks to better product mix and delays in ramp up from Taiwanese manufacturers.
 - : Unit shipments down 8%* QoQ due to normal seasonality factors while ASP up 8% * QoQ.

❖ **Investment in order to maintain market leading position.**

- Began preparation for next generation fab and LCD display complex.

* large-sized panels only

LG.Philips Displays

❖ Sales : US\$ 1.0 bn / Op. profit : US\$59mn *

- Sales up 1% YoY, Operating profit up 103% YoY.
- CRT shipments higher year-on-year due to better than expected sales of CPT for TVs in Asia and Americas as well as higher CDT sales for PC Monitors.
- Overall profitability better than expected.

❖ **Despite a traditional slow period and poor business environment for CDT, 2Q sales are expected to grow YoY.**

❖ **Financial improvement plans including consensual financial restructuring are under discussion with the lending syndicate of banks .**

* Excluding restructuring costs

1H 2004 Target

1H 2004 Target

- ◆ Sales expected to grow 30 ~ 35% YoY on the back of strong export and handset sales.

2Q Expectation

- Sales growth YoY
 - Slow domestic sales offset by strong exports
- Expand sales of key products
 - PDP, handset, DTV, Optical Storage
- Sales : Won 6.2tn ~ Won 6.5tn
 - Up 30 ~ 35% YoY



1H sales expectation

- Sales : Won 12tn ~ Won 12.4tn
 - More than 25% YoY growth

APPENDIX

Sales and Profits - Like for like comparison

(in W Billion)

			2003					2004					
			1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	
Appliance	Sales	Domestic	479	584	456	427	1,946	387				387	
		Export	1,169	1,013	745	776	3,703	1,379				1,379	
		Total	1,648	1,597	1,201	1,203	5,649	1,766				1,766	
Operating Profit			223	157	49	67	497	210				210	
Display & Media	Sales	Domestic	368	309	298	320	1,294	368				368	
		Export	1,681	1,639	1,824	2,016	7,160	2,028				2,028	
		Total	2,049	1,947	2,122	2,335	8,454	2,396				2,396	
Operating Profit			159	65	77	82	382	147				147	
Telecom E&H	Sales	Domestic	343	336	298	414	1,392	477				477	
		Export	939	895	1,232	1,438	4,504	1,311				1,311	
		Total	1,283	1,231	1,530	1,852	5,895	1,789				1,789	
Operating Profit			56	67	76	102	301	56				56	
Handset	Sales	Domestic	217	181	193	258	849	373				373	
		Export	886	848	1,199	1,402	4,335	1,204				1,204	
		Total	1,103	1,029	1,392	1,660	5,184	1,577				1,577	
Operating Profit			63	21	81	84	249	49				49	
Company	Sales	Domestic	1,229	1,271	1,108	1,186	4,794	1,276				1,276	
		Export	3,797	3,547	3,808	4,232	15,383	4,720				4,720	
		Total	5,026	4,817	4,916	5,417	20,177	5,996				5,996	
	Gross Profit			1,263	1,170	1,121	1,273	4,826	1,423				1,423
	Operating Profit			417	262	185	198	1,062	407				407
	Recurring Profit			198	375	322	-58	837	732				732
	Net Profit			189	267	224	-17	663	585				585
Operating Profit by Division	Appliance		13.5%	9.8%	4.1%	5.6%	8.8%	11.9%				11.9%	
	Dis.&Media		7.8%	3.3%	3.6%	3.5%	4.5%	6.1%				6.1%	
	Telecom		4.4%	5.5%	4.9%	5.5%	5.1%	3.2%				3.2%	
	Handsets		5.7%	2.1%	5.8%	5.1%	4.8%	3.1%				3.1%	
Company	GP Margin		25.1%	24.3%	22.8%	23.5%	23.9%	23.7%				23.7%	
	OP Margin		8.3%	5.4%	3.8%	3.6%	5.3%	6.8%				6.8%	
	RP Margin		3.9%	7.8%	6.5%	-1.1%	4.1%	12.2%				12.2%	
	NP Margin		3.8%	5.5%	4.6%	-0.3%	3.3%	9.8%				9.8%	

BS/PL by Quarter

◆ Income Statement

(in W Billion)

	2003									2004				
	1Q		2Q		3Q		4Q		Total		1Q		Total	
Sales	5,171	100%	4,673	100%	4,916	100%	5,417	100%	20,177	100%	5,996	100%	5,996	100%
COGS	3,908	75.6%	3,503	75.0%	3,796	77.2%	4,145	76.5%	15,351	76.1%	4,574	76.3%	4,574	76.3%
Gross Profit	1,263	24.4%	1,170	25.0%	1,121	22.8%	1,273	23.5%	4,826	23.9%	1,423	23.7%	1,423	23.7%
SG&A	846	16.4%	908	19.4%	935	19.0%	1,075	19.8%	3,764	18.7%	1,016	16.9%	1,016	16.9%
Operating Profit	417	8.1%	262	5.6%	185	3.8%	198	3.6%	1,062	5.3%	407	6.8%	407	6.8%
Non OP	-219	-4.2%	113	2.4%	137	2.8%	-255	-4.7%	-225	-1.1%	326	5.4%	326	5.4%
Recurring Profit	198	3.8%	375	8.0%	322	6.5%	-58	-1.1%	837	4.1%	732	12.2%	732	12.2%
Tax	9	0.2%	107	2.3%	98	2.0%	-40	-0.7%	174	0.9%	148	2.5%	148	2.5%
Net Profit	189	3.7%	267	5.7%	224	4.6%	-17	-0.3%	663	3.3%	585	9.8%	585	9.8%

◆ Balance Sheet

(in W Billion)

	2003				2004			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Asset	11,091	10,459	11,036	11,277	12,053			
Current Asset	3,885	3,039	3,488	3,773	4,062			
Fixed Asset	7,206	7,420	7,548	7,505	7,991			
Investment	3,386	3,544	3,654	3,546	401			
PP&E	2,898	2,959	3,026	3,123	3,195			
Intangible	921	917	868	836	791			
Liabilities	8,026	7,098	7,485	7,773	8,192			
Current Liabilities	5,675	4,652	4,697	5,091	5,294			
Fixed Liabilities	2,350	2,446	2,789	2,682	2,898			
Capital	3,065	3,361	3,551	3,505	3,861			
Capital	784	784	784	784	784			
Capital Surplus	1,876	1,876	1,892	1,892	1,892			
Retained Earning	303	570	794	766	1,149			
Capital Adjustment	102	130	80	63	36			



<http://www.lge.com>