

# 1Q 2016 Earning Release

28 Apr, 2016



 **LG International**

This Company has adopted its financial statements under Korean International Financial Reporting Standards(K-IFRS).

This IR presentation has been prepared based on internally audited figures and final figures may change due to the results of independent auditors' review.

# 1Q '16 Results

| (Unit: KRW Bn)                          | 1Q '15  | YoY      | 1Q '16  | QoQ      | 4Q '15  |
|---|---------|----------|---------|----------|---------|
| Sales                                   | 2,644.9 | +14.0%   | 3,015.3 | Δ19.8%   | 3,759.0 |
| Operating Profit                        | 20.9    | +113.2%  | 44.6    | +7248.4% | 0.6     |
| Adjusted Operating Profit <sup>1)</sup> | 34.5    | +60.8%   | 55.5    | +37.8%   | 40.3    |
| Profit Before Tax                       | 23.2    | + 121.5% | 51.3    | -        | Δ278.6  |
| Net Profit                              | 13.2    | +153.9%  | 33.6    | -        | Δ237.2  |

1) Operating Profit + Gain(loss) on valuation of commodity futures/swaps/options and settlement of commodity futures/swaps/options

# 1Q '16 Results

## Operating Profit/Profit Before Tax

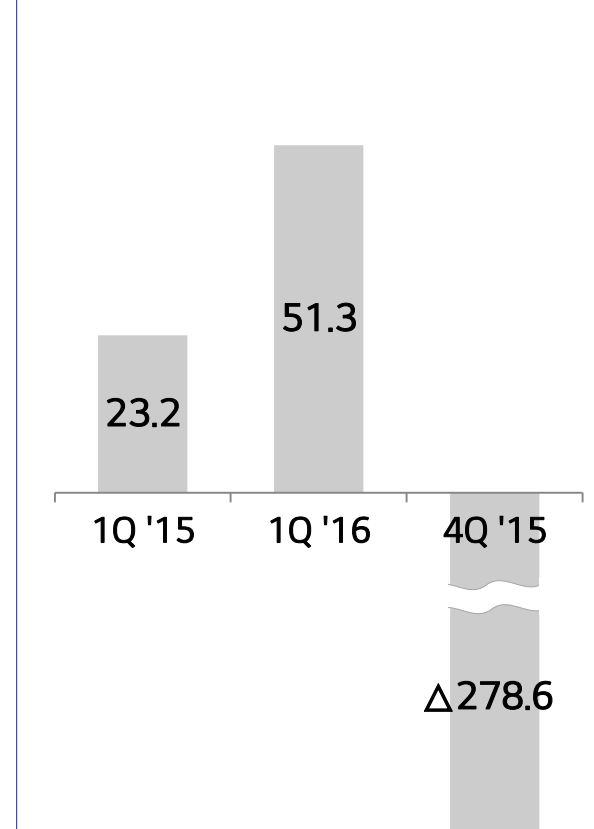
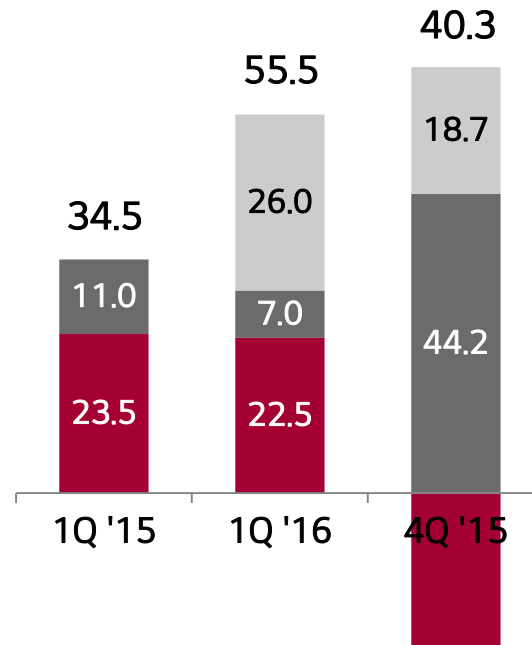
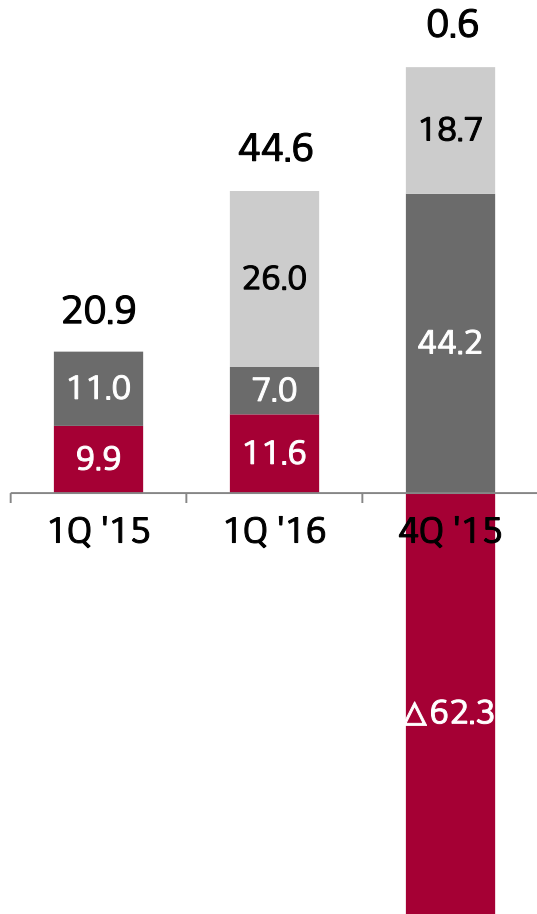
Resources   Infra & Industrial   Logistics

(Unit: KRW Bn)

Operating Profit

Adjusted Operating Profit

Profit Before Tax

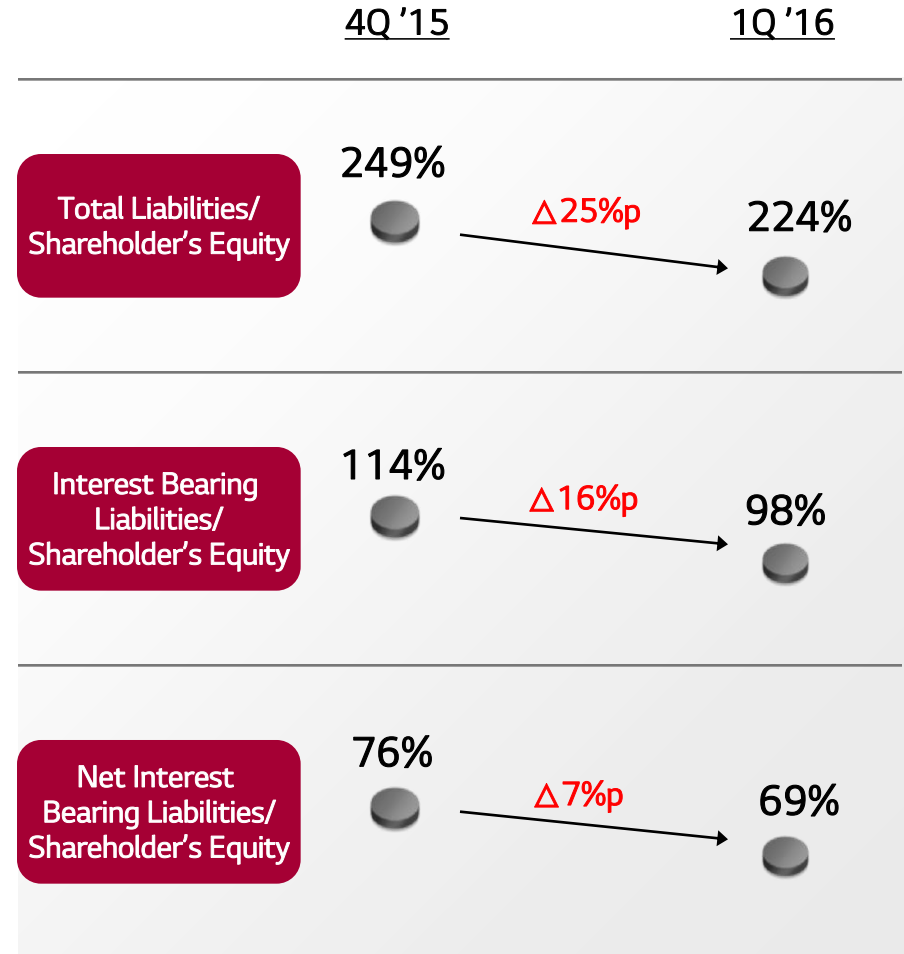


# Financial Highlights

## Financial Positions

| (Unit: KRW Bn)                | 4Q '15  | 1Q '16  |
|-------------------------------|---------|---------|
| <b>Assets</b>                 | 5,383.5 | 5,196.6 |
| Cash & Cash Equivalents       | 528.9   | 430.3   |
| Trade Receivables             | 1,431.7 | 1,441.3 |
| Inventories                   | 724.3   | 622.0   |
| Investments/Intangible Assets | 1,655.3 | 1,564.5 |
| Others                        | 1,043.3 | 1,138.5 |
| <b>Liabilities</b>            | 3,840.2 | 3,595.1 |
| Trade Payables                | 1,549.6 | 1,472.3 |
| Borrowings                    | 1,757.7 | 1,568.9 |
| Others                        | 532.9   | 553.9   |
| <b>Shareholders' Equity</b>   | 1,543.3 | 1,601.5 |
| Capital Stock                 | 193.8   | 193.8   |
| Surplus, etc.                 | 1,349.5 | 1,407.7 |
| Net Borrowings <sup>1)</sup>  | 1,173.6 | 1,104.5 |

## Financial Ratio



1) Net Borrowings = Borrowings - (Cash & Cash Equivalents + Short term financial instrument)

# Balance Sheet (K-IFRS Consolidated)

(Unit : KRW Bn)

| Items   | 2015           |                |                |                | 2016           |
|---|----------------|----------------|----------------|----------------|----------------|
|   | 1Q             | 2Q             | 3Q             | 4Q             | 1Q             |
| <b>Assets</b>                                     | <b>5,148.3</b> | <b>5,963.0</b> | <b>6,317.2</b> | <b>5,383.5</b> | <b>5,196.6</b> |
| <b>Current Assets</b>                             | <b>3,087.0</b> | <b>3,634.6</b> | <b>3,846.7</b> | <b>3,074.1</b> | <b>2,822.3</b> |
| Cash & Cash Equivalents                           | 341.3          | 456.8          | 483.2          | 528.9          | 430.3          |
| Trade Receivables                                 | 1,083.7        | 1,330.2        | 1,620.8        | 1,431.7        | 1,441.3        |
| Inventories                                       | 1,332.9        | 1,376.3        | 1,205.5        | 724.3          | 622.0          |
| Other Current Assets                              | 329.1          | 471.3          | 537.2          | 389.2          | 328.7          |
| <b>Non-Current Assets</b>                         | <b>2,061.3</b> | <b>2,328.5</b> | <b>2,470.6</b> | <b>2,309.3</b> | <b>2,374.2</b> |
| Investments                                       | 936.4          | 903.1          | 911.4          | 665.3          | 658.0          |
| Tangible Assets                                   | 94.6           | 214.0          | 311.0          | 333.5          | 480.5          |
| Intangible Assets                                 | 795.1          | 970.8          | 1,002.7        | 990.1          | 906.4          |
| Other Non-Current Assets                          | 235.2          | 240.6          | 245.5          | 320.4          | 329.3          |
| <b>Liabilities</b>                                | <b>3,590.9</b> | <b>4,200.8</b> | <b>4,521.5</b> | <b>3,840.2</b> | <b>3,595.1</b> |
| <b>Current Liabilities</b>                        | <b>2,657.7</b> | <b>3,028.3</b> | <b>3,289.0</b> | <b>2,589.1</b> | <b>2,468.5</b> |
| Short-term Borrowings                             | 674.4          | 741.4          | 726.9          | 423.5          | 357.2          |
| Trade Payables                                    | 1,580.1        | 1,723.4        | 1,880.6        | 1,549.6        | 1,472.3        |
| Current Portion of Bonds and Long-Term Borrowings | 220.7          | 215.5          | 270.4          | 222.4          | 227.2          |
| Other Current Liabilities                         | 182.5          | 348.0          | 411.1          | 393.6          | 411.8          |
| <b>Non-Current Liabilities</b>                    | <b>933.2</b>   | <b>1,172.5</b> | <b>1,232.5</b> | <b>1,251.1</b> | <b>1,126.6</b> |
| Bonds Payables                                    | 89.7           | 309.0          | 328.7          | 309.1          | 309.2          |
| Long-term Borrowings                              | 724.7          | 730.4          | 765.2          | 802.7          | 675.4          |
| Other Non-Current Liabilities                     | 118.8          | 133.1          | 138.6          | 139.3          | 142.0          |
| <b>Equity</b>                                     | <b>15,574</b>  | <b>1,762.2</b> | <b>1,795.7</b> | <b>1,543.3</b> | <b>1,601.5</b> |

# Income Statement (K-IFRS Consolidated)

(Unit: KRW Bn)

| Items                       | 2015    |         |         |         |          | 2016    |
|-----------------------------|---------|---------|---------|---------|----------|---------|
|                             | 1Q      | 2Q      | 3Q      | 4Q      | Total    | 1Q      |
| Sales                       | 2,644.9 | 3,202.9 | 3,617.7 | 3,759.0 | 13,224.5 | 3,015.3 |
| Cost of Sales               | 2,557.9 | 3,071.2 | 3,458.6 | 3,623.0 | 12,710.7 | 2,829.0 |
| Gross Profit                | 87.0    | 131.7   | 159.1   | 136.0   | 513.7    | 186.3   |
| SG&A Expenses               | 66.1    | 101.4   | 129.2   | 135.4   | 432.1    | 141.7   |
| Operating Profit            | 20.9    | 30.3    | 29.9    | 0.6     | 81.7     | 44.6    |
| Adjusted Operating Profit   | 34.5    | 38.9    | 43.2    | 40.3    | 156.9    | 55.5    |
| Non-Operating Profit        | 2.2     | (1.6)   | (18.3)  | (279.2) | (296.9)  | 6.7     |
| Finance Income/Costs        | (7.3)   | (10.6)  | (18.5)  | (10.6)  | (47.0)   | (8.7)   |
| Gain(loss) of Equity Method | (3.5)   | (2.0)   | (12.2)  | (203.4) | (221.1)  | (0.4)   |
| Other Income and Expenses   | 13.0    | 11.0    | 12.4    | (65.2)  | (28.8)   | 15.8    |
| Profit Before Tax           | 23.2    | 28.7    | 11.5    | (278.6) | (215.2)  | 51.3    |
| Income Tax                  | 9.9     | 22.3    | 11.0    | (41.4)  | 1.9      | 17.7    |
| Net Income                  | 13.2    | 6.4     | 0.5     | (237.2) | (217.1)  | 33.6    |
| Owners of the Parent        | 12.1    | (0.4)   | (6.8)   | (240.4) | (235.4)  | 23.7    |
| Non-Controlling Interests   | 1.1     | 6.8     | 7.3     | 3.2     | 18.3     | 9.9     |