

LG Uplus

1Q19 Earnings Release

May 2, 2019 Thu

Disclaimer

As of January 1, 2010 we adopted the Korean International Financial Reporting Standards (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.

We applied new accounting standard of 'K-IFRS 1115' as of Jan 1st, 2018 and K-IFRS 1116 'Leases' is effective for annual periods beginning on or after January 1, 2019. That said, there are no obligation to apply the new standard to previous financial statements.

The information contained herein should not be utilized for any legal purposes in regards to investors' investment results. The Company hereby expressly disclaims any and all liability for any loss or damage resulting from the investors' reliance on the information contained herein.

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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Income Statements (Consolidated)

(Unit : KRW in billion)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	YoY	QoQ
Revenue	2,979.9	2,980.7	2,991.9	3,172.5	3,020.4	+1.4%	Δ4.8%
Service Revenue	2,270.1	2,343.2	2,325.6	2,405.6	2,314.3	+1.9%	Δ3.8%
Handset Revenue	709.9	637.6	666.2	766.9	706.0	Δ0.5%	Δ7.9%
Expenses	2,792.3	2,769.7	2,763.7	3,068.4	2,825.7	+1.2%	Δ7.9%
Operating Income	187.7	211.1	228.1	104.1	194.6	+3.7%	+87.0%
<i>OP Margin¹⁾</i>	<i>6.3%</i>	<i>7.1%</i>	<i>7.6%</i>	<i>3.3%</i>	<i>6.4%</i>	<i>+0.1%p</i>	<i>+3.2%p</i>
<i>OP Margin²⁾</i>	<i>8.3%</i>	<i>9.0%</i>	<i>9.8%</i>	<i>4.3%</i>	<i>8.4%</i>	<i>+0.1%p</i>	<i>+4.1%p</i>
Non-operating Balance	(25.7)	(22.0)	(20.3)	(14.7)	(19.0)	Δ25.9%	+29.2%
Income Before Tax	162.0	189.0	207.9	89.4	175.6	+8.4%	+96.5%
Net Income	115.5	137.1	153.8	75.3	132.6	+14.8%	+76.1%
<i>Net Income Margin³⁾</i>	<i>3.9%</i>	<i>4.6%</i>	<i>5.1%</i>	<i>2.4%</i>	<i>4.4%</i>	<i>+0.5%p</i>	<i>+2.0%p</i>
EBITDA	604.1	626.3	640.3	532.2	689.9	+14.2%	+29.7%
<i>EBITDA Margin⁴⁾</i>	<i>20.3%</i>	<i>21.0%</i>	<i>21.4%</i>	<i>16.8%</i>	<i>22.8%</i>	<i>+2.6%p</i>	<i>+6.1%p</i>
<i>EBITDA Margin⁵⁾</i>	<i>26.6%</i>	<i>26.7%</i>	<i>27.5%</i>	<i>22.1%</i>	<i>29.8%</i>	<i>+3.2%p</i>	<i>+7.7%p</i>

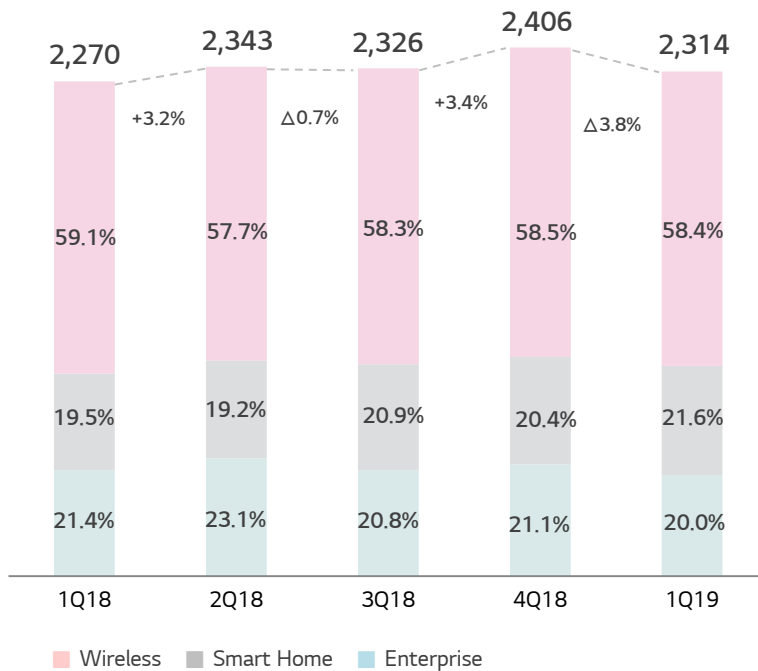
1)Operating Income/Revenue 2)Operating Income/Service Revenue 3)Net Income/Revenue

4)EBITDA/Revenue 5)EBITDA/Service Revenue

Service Revenue/Operating Income (Consolidated)

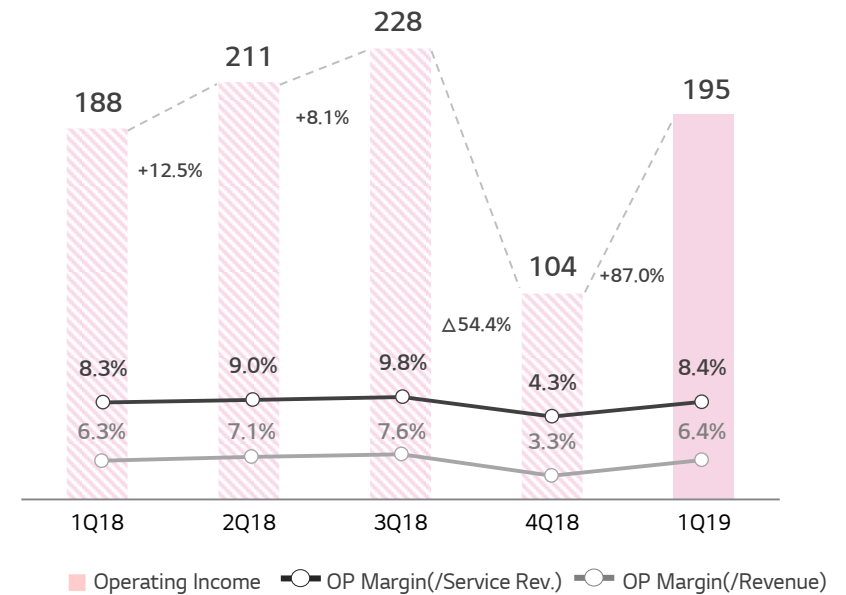
Service Revenue

(Unit : KRW in billion)



Operating Income

(Unit : KRW in billion)



Balance Sheets (Consolidated)

(Unit : KRW in billion)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	YoY	QoQ
Total Assets	13,612.0	13,243.2	13,059.8	13,939.9	14,418.0	+5.9%	+3.4%
Current Assets	4,909.2	4,646.4	4,515.5	4,247.2	4,685.9	Δ4.5%	+10.3%
Cash & Cash Equivalents ¹⁾	528.9	667.9	335.1	399.9	417.8	Δ21.0%	+4.5%
Non-current Assets	8,702.7	8,596.8	8,544.3	9,692.7	9,732.0	+11.8%	+0.4%
Property, Plant and Equipment	6,378.6	6,271.3	6,199.4	6,465.8	6,736.6	+5.6%	+4.2%
Intangible Assets	897.7	842.1	782.9	1,705.7	1,626.3	+81.2%	Δ4.7%
Total Liabilities	7,134.7	6,628.5	6,291.8	7,086.6	7,607.2	+6.6%	+7.3%
Current Liabilities	4,191.8	3,761.0	3,625.3	3,833.0	4,281.1	+2.1%	+11.7%
Short-term Borrowings	15.0	15.0	15.0	10.0	10.0	Δ33.3%	+0.0%
Current Portion of LT Debt	929.2	905.0	930.6	884.8	848.5	Δ8.7%	Δ4.1%
Non-current Liabilities	2,942.9	2,867.5	2,666.6	3,253.6	3,326.1	+13.0%	+2.2%
Corporate Bond etc ²⁾	2,371.3	2,290.4	2,072.1	2,076.3	2,222.3	Δ6.3%	+7.0%
Total Shareholders' Equity	6,477.3	6,614.8	6,767.9	6,853.4	6,810.8	+5.1%	Δ0.6%
Retained Earnings	3,064.1	3,200.9	3,354.3	3,447.2	3,404.5	+11.1%	Δ1.2%
Net Debt	2,786.7	2,542.5	2,682.5	2,571.2	2,663.0	Δ4.4%	+3.6%
Net Debt to Equity Ratio³⁾	43.0%	38.4%	39.6%	37.5%	39.1%	Δ3.9%p	+1.6%p
Total Liabilities to Equity Ratio⁴⁾	110.1%	100.2%	93.0%	103.4%	111.7%	+1.5%p	+8.3%p

1) Cash & Cash Equivalents : Cash & Cash Equivalents + Short term AFS financial assets + Financial Institution Deposit

2) Corporate Bond etc : Corporate Bond + Long-term borrowings

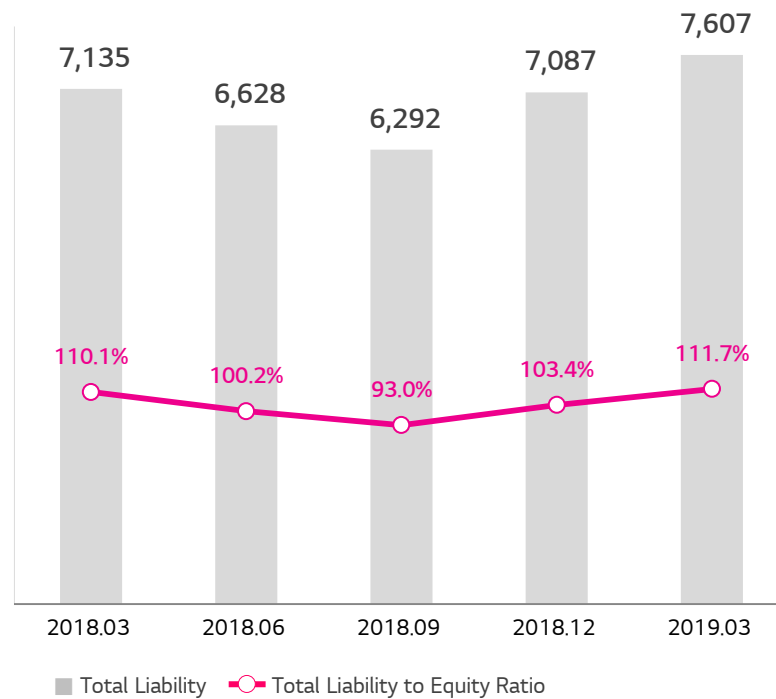
3) Net Debt to Equity Ratio : Net Debt/Total Shareholders' Equity

4) Total Liabilities to Equity Ratio : Total Liabilities/Total Shareholders' Equity

Financial Ratio (Consolidated)

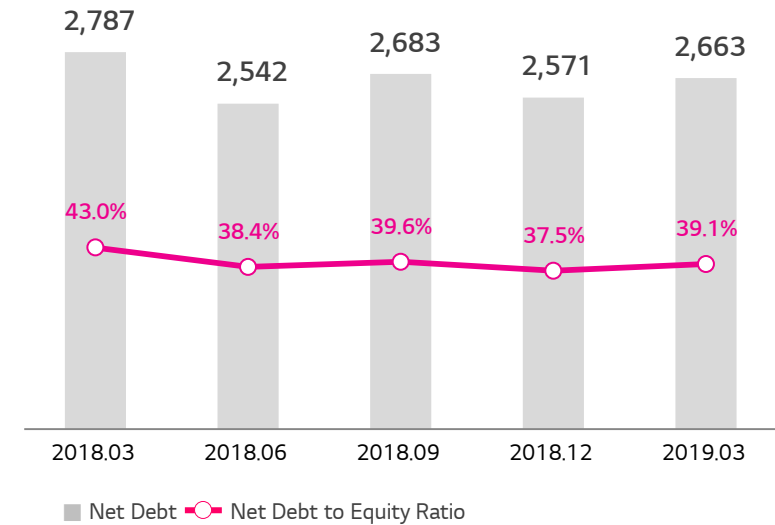
Total Liability to Equity Ratio

(Unit : KRW in billion)



Net Debt to Equity Ratio

(Unit : KRW in billion)



Wireless

(Unit: KRW in billion, Thousands)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	YoY	QoQ
Wireless Revenue¹⁾	1,334.6	1,341.3	1,350.8	1,411.5	1,344.7	+0.8%	Δ4.7%
Service Revenue	1,254.0	1,257.5	1,269.6	1,278.8	1,258.2	+0.3%	Δ1.6%
Interconnection	80.6	83.8	81.2	132.7	86.6	+7.4%	Δ34.8%
Wireless Subscribers²⁾	13,410	13,678	13,971	14,128	14,398	+7.4%	+1.9%
Total Net Addition	228	267	294	156	270	+18.7%	+73.2%
MNO Net Addition	168	201	239	125	176	+4.6%	+41.0%
MNO Net Addition (%)	73.9%	75.1%	81.2%	80.0%	65.1%		

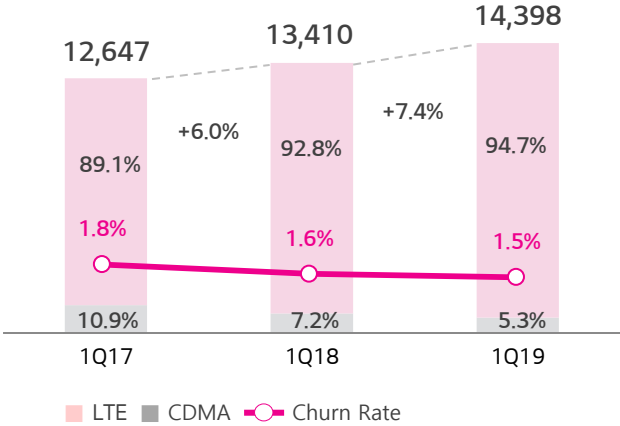
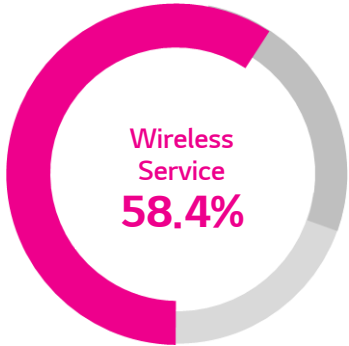
1) Wireless Revenue : Subsidiary MVNO revenue adjusted

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

2) Subscribers : MSIT's new subscriber disclosure basis including RASS

Subscribers/Churn Rate

(Unit : Subs in Thousand)



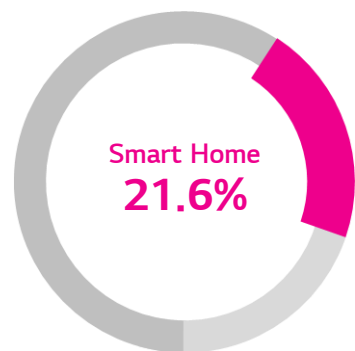
Smart Home

(Unit: KRW in billion, Thousands)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	YoY	QoQ
Smart Home Revenue	440.7	444.6	483.1	477.2	497.9	+13.0%	+4.3%
IPTV	202.1	205.5	244.2	233.6	250.2	+23.8%	+7.1%
Broadband	183.8	185.3	187.1	190.4	195.9	+6.6%	+2.9%
VoIP	54.9	53.9	51.8	53.2	51.8	Δ5.7%	Δ2.6%
Smart Home Subscribers							
IPTV ¹⁾	3,672	3,790	3,908	4,019	4,149	+13.0%	+3.2%
Broadband ²⁾	3,881	3,946	4,010	4,038	4,111	+5.9%	+1.8%
VoIP	4,095	4,060	4,019	3,981	3,942	Δ3.7%	Δ1.0%

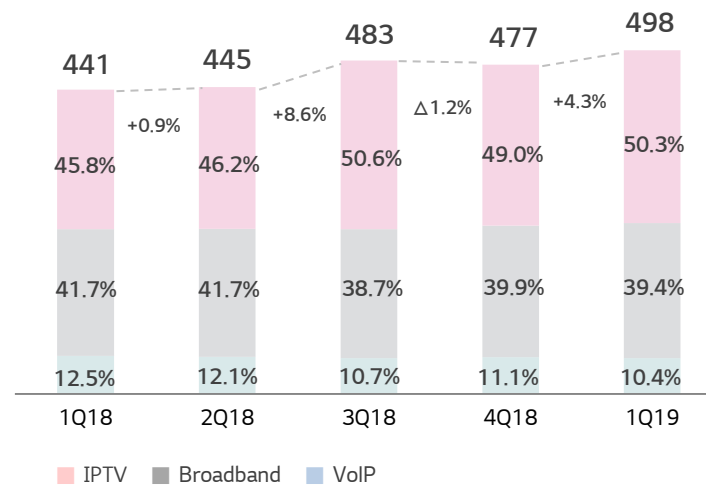
1) IPTV : STB subscriber base

2) Broadband : Including corporate subscribers from Aug. 2015



Smart Home Revenue

(Unit : KRW in billion)



Enterprise

(Unit: KRW in billion)

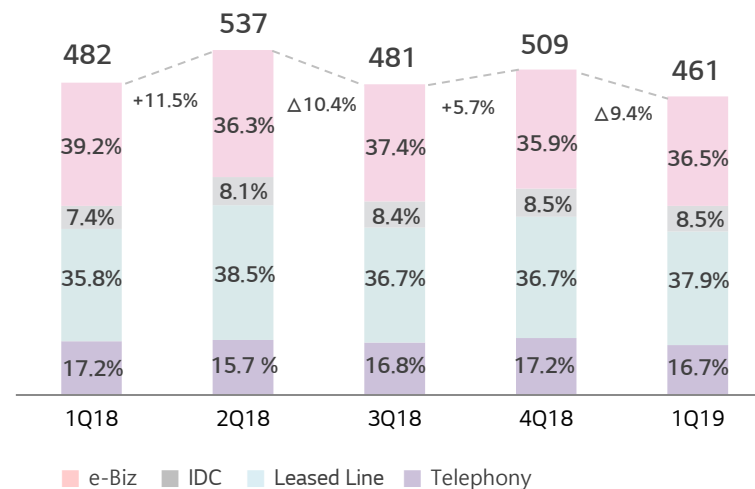
Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	YoY	QoQ
Enterprise Revenue	482.2	537.4	481.3	508.5	460.9	Δ 4.4%	Δ 9.4%
e-Biz*	189.0	195.0	180.0	182.7	168.3	Δ 11.0%	Δ 7.9%
IDC	35.6	43.6	40.4	43.0	39.1	+9.8%	Δ 9.2%
Leased Line	172.6	207.0	176.6	186.7	174.7	+1.2%	Δ 6.4%
Telephony	82.7	84.6	80.7	87.5	76.8	Δ 7.1%	Δ 12.2%

* e-Biz : Payment, SMS & Webhard, etc.

* Equipment revenue is included

Enterprise Revenue

(Unit : KRW in billion)



Expenses

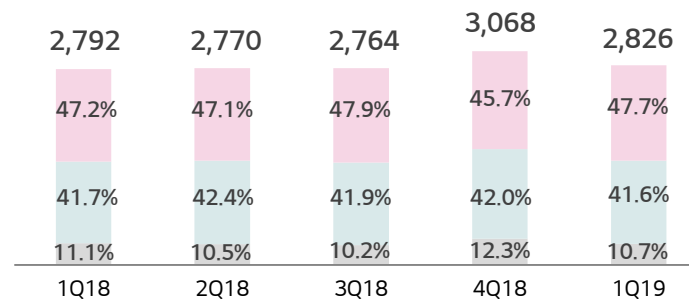
(Unit : KRW in billion)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	YoY	QoQ
Operating Expenses	2,792.3	2,769.7	2,763.7	3,068.4	2,825.7	+1.2%	Δ 7.9%
Wages	265.5	247.4	276.3	307.3	305.3	+15.0%	Δ 0.7%
Depreciation	356.4	355.9	353.8	362.5	418.4	+17.4%	+15.4%
Amortization	60.1	59.3	58.3	65.6	76.9	+28.1%	+17.3%
Telecom Circuit Rent	51.2	48.6	49.6	50.8	47.3	Δ 7.7%	Δ 7.0%
Rental	83.6	79.6	78.6	84.3	19.5	Δ 76.7%	Δ 76.9%
Outsourcing	83.5	100.9	88.9	70.8	59.1	Δ 29.2%	Δ 16.6%
Electricity Fee	44.0	43.1	50.9	46.6	47.6	+8.2%	+2.1%
Repair Expense	30.6	41.4	38.1	41.3	31.4	+2.8%	Δ 23.9%
Fees & Charges	365.1	372.3	371.3	400.9	364.6	Δ 0.1%	Δ 9.1%
Sales Commission	420.5	420.5	420.3	440.6	427.4	+1.6%	Δ 3.0%
Advertising	61.0	70.3	63.3	76.5	70.3	+15.2%	Δ 8.2%
Cost of Handset Sold	741.7	711.7	703.7	845.4	733.3	Δ 1.1%	Δ 13.3%
Others	36.2	38.5	40.3	45.0	40.9	+12.8%	Δ 9.2%

(Unit : KRW in billion)

YoY +1.2% QoQ Δ 7.9%

- Wages : Up 15.0% YoY and down 0.7% QoQ from account replacement with outsourcing by direct employment of trust company staff
- Depreciation : Up 17.4% YoY and 15.4% QoQ from K-IFRS16 'Leases'
- Advertising : Up 15.2% YoY and down 8.2% QoQ from increased advertisement of 5G & Netflix



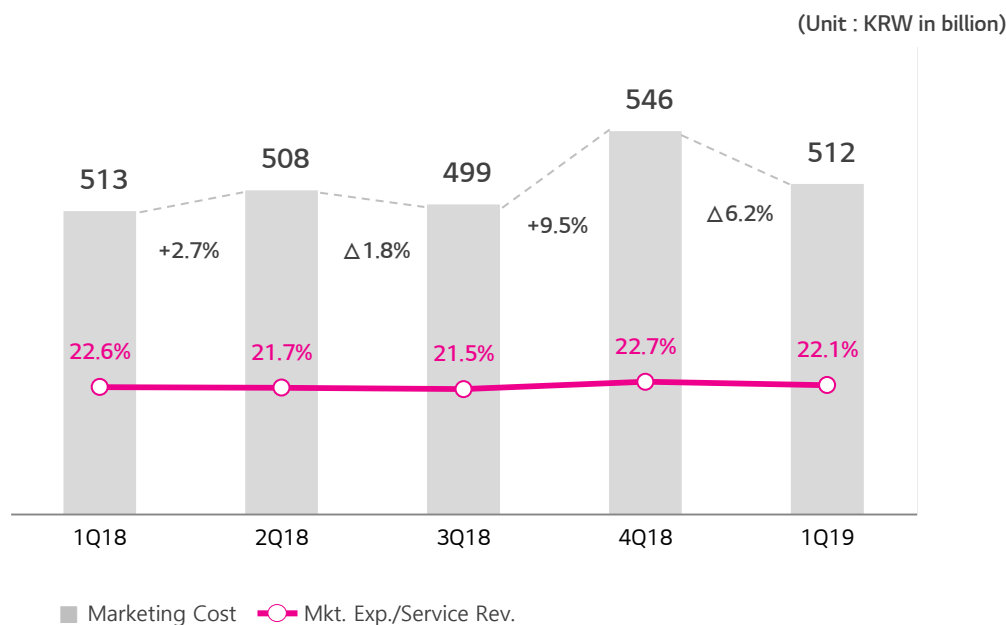
■ Fixed Cost : Wages, D&A, Outsourcing, Electricity Fee, etc.
■ Variable Cost : Marketing Cost, Fees & Charges
■ Others : Tax, Interconnection Fee, R&D, etc.

Marketing Cost

(Unit : KRW in billion)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	YoY	QoQ
Total Marketing Exp.	513.4	508.0	498.9	546.1	512.2	Δ0.2%	Δ6.2%
Mkt Exp / Service Rev.	22.6%	21.7%	21.5%	22.7%	22.1%	Δ2.1%	Δ2.5%

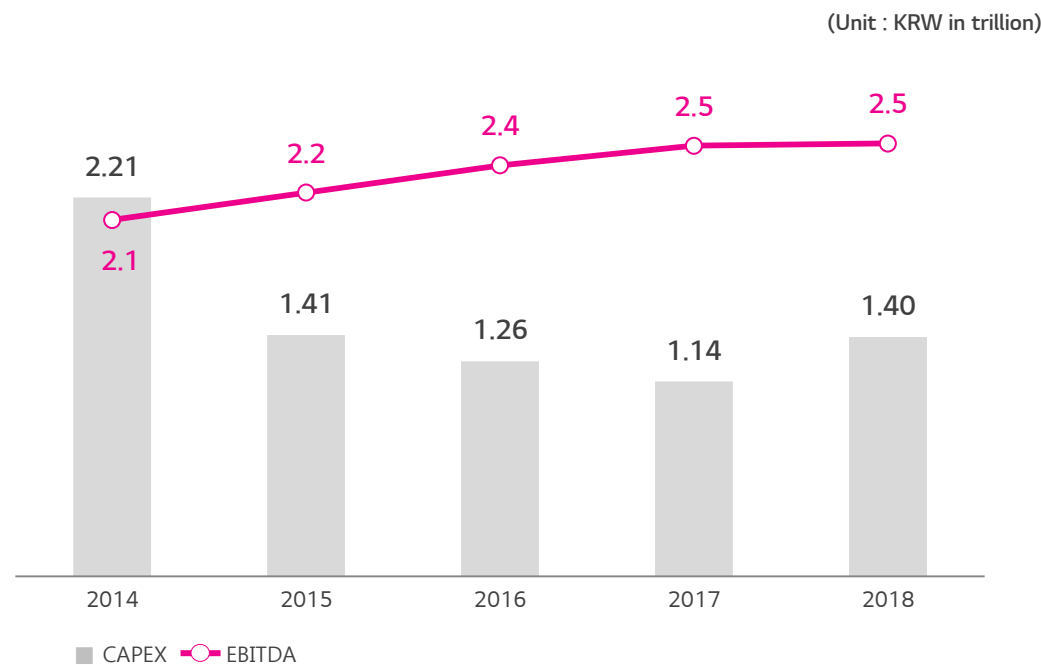
* Mkt. Exp. = Sales Commission + Adv. + Profit from Handset Sales



CAPEX

(Unit: KRW in billion)

Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	YoY	QoQ
CAPEX	205.4	259.8	291.1	640.9	276.8	+34.8%	△56.8%
Wireless Network	26.1	38.7	32.1	243.4	93.8	+259.4%	△61.5%
Wireline Network	69.1	124.4	193.9	258.7	111.5	+61.4%	△56.9%
Others (IT, etc)	110.2	96.7	65.1	138.8	71.5	△35.1%	△48.5%



Appendix (Consolidated)

Classification	(Unit : KRW in billion)					YoY	QoQ	Classification	(Unit : KRW in billion)					YoY	QoQ
	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19				1Q'18	2Q'18	3Q'18	4Q'18	1Q'19		
Revenue	2,979.9	2,980.7	2,991.9	3,172.5	3,020.4	+1.4%	Δ4.8%	Current Assets	4,909.2	4,646.4	4,515.5	4,247.2	4,685.9	Δ4.5%	+10.3%
Service Revenue	2,270.1	2,343.2	2,325.6	2,405.6	2,314.3	+1.9%	Δ3.8%	Cash and Cash Equivalents	507.6	646.6	313.9	378.6	390.5	Δ23.1%	+3.1%
Other Revenue	5.7	5.7	5.7	6.1	5.5	Δ4.0%	Δ10.4%	Short-term Loans & Accounts Receivables	2,381.0	2,036.0	2,353.2	1,949.1	2,352.0	Δ1.2%	+20.7%
Handset Revenue	709.9	637.6	666.2	766.9	706.0	Δ0.5%	Δ7.9%	Inventories	436.3	421.6	339.2	455.1	406.6	Δ6.8%	Δ10.7%
Expense	2,792.3	2,769.7	2,763.7	3,068.4	2,825.7	+1.2%	Δ7.9%	Other Current Assets	1,584.3	1,542.3	1,509.1	1,464.4	1,536.9	Δ3.0%	+5.0%
Wages	265.5	247.4	276.3	307.3	305.3	+15.0%	Δ0.7%	Non Current Assets	8,702.7	8,596.8	8,544.3	9,692.7	9,732.0	+11.8%	+0.4%
Depreciation	356.4	355.9	353.8	362.5	418.4	+17.4%	+15.4%	Available for Sales Securities	37.3	36.7	39.2	33.1	37.5	+0.7%	+13.5%
Amortization	60.1	59.3	58.3	65.6	76.9	+28.1%	+17.3%	Property, Plant and Equipment	6,378.6	6,271.3	6,199.4	6,465.8	6,736.6	+5.6%	+4.2%
Telecom Circuit Rent	51.2	48.6	49.6	50.8	47.3	Δ7.7%	Δ7.0%	Intangible Assets	897.7	842.1	782.9	1,705.7	1,626.3	+81.2%	Δ4.7%
Rental	83.6	79.6	78.6	84.3	19.5	Δ76.7%	Δ76.9%	Long-term Loans & Long Trade Receivables	659.5	726.3	792.7	754.9	612.3	Δ7.2%	Δ18.9%
Outsourcing	83.5	100.9	88.9	70.8	59.1	Δ29.2%	Δ16.6%	Investment in Properties	38.7	38.6	36.4	35.6	30.5	Δ21.3%	Δ14.4%
Electricity Fee	44.0	43.1	50.9	46.6	47.6	+8.2%	+2.1%	Other Non-current Assets	690.9	681.8	693.6	697.7	688.9	Δ0.3%	Δ1.3%
Repair Expense	30.6	41.4	38.1	41.3	31.4	+2.8%	Δ23.9%	Total Assets	13,612.0	13,243.2	13,059.8	13,939.9	14,418.0	+5.9%	+3.4%
Interconnection	135.6	129.0	124.4	184.4	128.6	Δ5.1%	Δ30.2%	Current Liabilities	4,191.8	3,761.0	3,625.3	3,833.0	4,281.1	+2.1%	+11.7%
Settlement	21.8	22.1	21.2	22.2	21.5	Δ1.5%	Δ3.4%	Accounts Payable & Other Payables	3,290.5	3,007.3	2,999.2	3,137.6	3,168.7	Δ3.7%	+1.0%
Fees & Charges	365.1	372.3	371.3	400.9	364.6	Δ0.1%	Δ9.1%	Other Liabilities	901.3	753.6	626.1	695.4	1,112.4	+23.4%	+60.0%
Sales Comission	420.5	420.5	420.3	440.6	427.4	+1.6%	Δ3.0%	Non-current Liabilities	2,942.9	2,867.5	2,666.6	3,253.6	3,326.1	+13.0%	+2.2%
Advertising	61.0	70.3	63.3	76.5	70.3	+15.2%	Δ8.2%	Bond payable, Long-term debt & etc	2,637.0	2,556.1	2,337.8	2,983.6	2,912.2	+10.4%	Δ2.4%
Cost of Handsets Sold	741.7	711.7	703.7	845.4	733.3	Δ1.1%	Δ13.3%	Other Liabilities	305.9	311.4	328.8	270.0	413.9	+35.3%	+53.3%
Handset purchase	723.1	654.8	681.5	795.9	720.6	Δ0.3%	Δ9.5%	Total Liabilities	7,134.7	6,628.5	6,291.8	7,086.6	7,607.2	+6.6%	+7.3%
Etc	18.7	56.9	22.2	49.5	12.8	Δ31.6%	Δ74.2%	Shareholders' Equity	6,477.1	6,614.6	6,767.8	6,853.2	6,810.7	+5.1%	Δ0.6%
Ordinary R&D Expense	14.3	13.5	16.6	14.4	13.7	Δ4.0%	Δ4.3%	Capital Stock	2,574.0	2,574.0	2,574.0	2,574.0	2,574.0	+0.0%	+0.0%
Taxes & Dues	21.2	15.6	8.0	10.0	20.0	Δ5.7%	+100.7%	Capital Surplus	836.9	836.9	836.9	836.9	836.9	+0.0%	+0.0%
Others	36.2	38.5	40.3	45.0	40.9	+12.8%	Δ9.2%	Retained Earnings	3,064.1	3,200.9	3,354.3	3,447.2	3,404.5	+11.1%	Δ1.2%
Operating Income	187.7	211.1	228.1	104.1	194.6	+3.7%	+87.0%	Accumulated Other Comprehensive Income	2.1	2.9	2.6	Δ4.8	Δ4.7	Δ322.2%	Δ2.2%
Non-operating Income	25.2	23.5	15.4	25.0	20.2	Δ19.6%	Δ18.9%	Non-controlling Interest	0.2	0.1	0.1	0.1	0.1	Δ19.3%	Δ7.2%
Interest Income	8.6	8.5	7.7	9.5	9.0	+4.5%	Δ5.5%	Total Shareholders' Equity	6,477.3	6,614.8	6,767.9	6,853.4	6,810.8	+5.1%	Δ0.6%
Non-operating Expense	50.8	45.6	35.7	39.7	39.3	Δ22.7%	Δ1.1%	Total Liabilities and Shareholders' Equity	13,612.0	13,243.2	13,059.8	13,939.9	14,418.0	+5.9%	+3.4%
Interest Expense	27.0	25.6	24.8	24.0	28.8	+6.6%	+19.9%								
Income Before Tax	162.0	189.0	207.9	89.4	175.6	+8.4%	+96.5%								
Income Tax	46.5	52.0	54.1	14.1	43.0	Δ7.4%	+205.3%								
Net Income	115.5	137.1	153.8	75.3	132.6	+14.8%	+76.1%								

Appendix (Separate)

						(Unit : KRW in billion)								(Unit : KRW in billion)	
Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	YoY	QoQ	Classification	1Q'18	2Q'18	3Q'18	4Q'18	1Q'19	YoY	QoQ
Revenue	2,974.2	2,972.0	2,983.8	3,166.8	3,009.5	+1.2%	Δ5.0%	Current Assets	4,829.8	4,570.0	4,418.9	4,172.1	4,611.9	Δ4.5%	+10.5%
Service Revenue	2,263.3	2,335.2	2,317.6	2,399.3	2,304.4	+1.8%	Δ4.0%	Cash and Cash Equivalents	451.2	589.8	235.0	319.3	339.1	Δ24.8%	+6.2%
Other Revenue	8.6	8.5	8.6	9.0	8.4	Δ2.2%	Δ7.1%	Short-term Loans & Accounts Receivables	2,374.0	2,029.6	2,349.2	1,946.9	2,341.5	Δ1.4%	+20.3%
Handset Revenue	710.9	636.9	666.2	767.5	705.1	Δ0.8%	Δ8.1%	Inventories	435.0	420.5	338.1	452.1	404.1	Δ7.1%	Δ10.6%
Expense	2,783.9	2,762.8	2,754.6	3,060.8	2,811.1	+1.0%	Δ8.2%	Other Current Assets	1,569.6	1,530.2	1,496.6	1,453.8	1,527.2	Δ2.7%	+5.0%
Wages	214.5	201.3	226.9	251.3	254.4	+18.6%	+1.2%	Non Current Assets	8,790.8	8,687.1	8,644.0	9,783.0	9,818.0	+11.7%	+0.4%
Depreciation	356.1	355.6	353.5	362.2	418.0	+17.4%	+15.4%	Available for Sales Securities	29.4	30.3	30.2	26.4	27.3	Δ7.4%	+3.4%
Amortization	58.8	58.4	57.5	64.9	76.2	+29.7%	+17.4%	Property, Plant and Equipment	6,289.6	6,182.1	6,110.1	6,376.2	6,646.5	+5.7%	+4.2%
Telecom Circuit Rent	51.3	48.7	49.7	50.9	47.3	Δ7.7%	Δ7.0%	Intangible Assets	887.7	832.6	774.3	1,696.9	1,618.3	+82.3%	Δ4.6%
Rental	83.5	79.5	78.6	84.2	19.4	Δ76.7%	Δ76.9%	Long-term Loans & Long Trade Receivables	658.6	725.4	791.9	754.1	611.3	Δ7.2%	Δ18.9%
Outsourcing	137.8	152.2	142.4	129.1	112.6	Δ18.3%	Δ12.8%	Investment in Properties	124.9	125.1	122.4	122.0	116.1	Δ7.1%	Δ4.8%
Electricity Fee	44.0	43.1	50.9	46.6	47.6	+8.2%	+2.1%	Other Non-current Assets	800.6	791.5	815.2	807.4	798.5	Δ0.3%	Δ1.1%
Repair Expense	30.5	41.4	38.0	41.2	31.3	+2.6%	Δ24.0%	Total Assets	13,620.7	13,257.1	13,063.0	13,955.1	14,429.8	+5.9%	+3.4%
Interconnection	135.6	129.1	124.5	184.4	128.7	Δ5.1%	Δ30.2%	Current Liabilities	4,179.0	3,751.0	3,604.5	3,822.1	4,265.6	+2.1%	+11.6%
Settlement	21.8	22.1	21.2	22.2	21.5	Δ1.5%	Δ3.4%	Accounts Payable & Other Payables	3,273.3	2,992.1	2,974.2	3,122.7	3,150.7	Δ3.7%	+0.9%
Fees & Charges	364.0	369.6	369.1	400.2	362.0	Δ0.6%	Δ9.6%	Other Liabilities	905.7	758.9	630.2	699.4	1,114.9	+23.1%	+59.4%
Sales Comission	416.6	416.2	416.9	437.2	422.4	+1.4%	Δ3.4%	Non-current Liabilities	2,918.2	2,845.0	2,642.4	3,237.3	3,306.7	+13.3%	+2.1%
Advertising	60.1	69.6	62.2	75.4	68.8	+14.3%	Δ8.8%	Accounts Payable & Other Payables	2,637.0	2,556.1	2,337.8	2,983.6	2,912.2	+10.4%	Δ2.4%
Cost of Handsets Sold	742.3	711.6	702.7	846.3	730.9	Δ1.5%	Δ13.6%	Other Liabilities	281.2	288.8	304.6	253.7	394.5	+40.3%	+55.5%
Handset purchase	723.6	654.7	680.5	796.8	718.1	Δ0.8%	Δ9.9%	Total Liabilities	7,097.3	6,595.9	6,246.8	7,059.4	7,572.3	+6.7%	+7.3%
Etc	18.7	56.9	22.2	49.5	12.8	Δ31.6%	Δ74.2%	Shareholders' Equity	6,523.4	6,661.2	6,816.1	6,895.7	6,857.6	+5.1%	Δ0.6%
Ordinary R&D Expense	14.7	14.8	17.2	15.4	14.6	Δ0.4%	Δ5.3%	Capital Stock	2,574.0	2,574.0	2,574.0	2,574.0	2,574.0	+0.0%	+0.0%
Taxes & Dues	19.6	14.0	6.3	8.1	18.1	Δ7.3%	+124.2%	Capital Surplus	829.1	828.9	828.8	828.7	828.7	Δ0.0%	+0.0%
Others	32.8	35.8	37.0	41.1	37.2	+13.5%	Δ9.4%	Retained Earnings	3,118.3	3,255.3	3,410.5	3,497.7	3,459.5	+10.9%	Δ1.1%
Operating Income	190.3	209.2	229.2	106.0	198.3	+4.2%	+87.1%	Accumulated Other Comprehensive Income	2.1	3.0	2.9	4.6	Δ4.6	Δ320.5%	+0.5%
Non-operating Income	24.9	23.2	15.2	22.3	19.6	Δ21.5%	Δ12.3%	Non-controlling Interest	-	-	-	-	-	+0.0%	+0.0%
Interest Income	8.4	8.3	7.5	9.2	8.7	+3.8%	Δ5.0%	Total Shareholders' Equity	6,523.4	6,661.2	6,816.1	6,895.7	6,857.6	+5.1%	Δ0.6%
Non-operating Expense	50.3	43.4	35.1	46.3	37.9	Δ24.6%	Δ18.0%	Total Liabilities and Shareholders' Equity	13,620.7	13,257.1	13,063.0	13,955.1	14,429.8	+5.9%	+3.4%
Interest Expense	26.9	25.5	24.7	23.9	28.7	+6.8%	+20.0%								
Income Before Tax	164.9	189.0	209.3	82.0	179.9	+9.1%	+119.4%								
Income Tax	46.4	51.7	53.8	16.6	42.9	Δ7.5%	+158.9%								
Net Income	118.5	137.3	155.5	65.5	137.1	+15.6%	+109.4%								

Subscribers

(Unit: subscribers in thousand, KRW)

Classification	2016	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19
Wireless Subscribers¹⁾	12,490	12,647	12,831	13,033	13,183	13,183	13,410	13,678	13,971	14,128	14,128	14,398
Net Addition	541	157	184	202	149	692	228	267	294	156	945	270
LTE Subscribers	10,970	11,263	11,556	11,861	12,138	12,138	12,439	12,789	13,113	13,336	13,336	13,684
Net Addition	1,092	293	293	305	277	1,168	300	350	324	223	1,197	348
LTE Penetration Rate (%)	87.8%	89.1%	90.1%	91.0%	92.1%	92.1%	92.8%	93.5%	93.9%	94.4%	94.4%	95.0%
MVNO	492	483	489	519	556	556	615	682	737	768	768	863
CDMA	1,520	1,383	1,275	1,172	1,044	1,044	971	889	859	792	792	714
Churn Rate (%)	1.9%	1.8%	1.8%	1.8%	1.9%	1.8%	1.6%	1.5%	1.5%	1.7%	1.6%	1.5%
New adds	3,286	848	858	894	896	3,496	854	894	918	875	3,540	903
Churn	2,748	692	674	692	746	2,804	626	626	624	718	2,595	633
Service ARPU²⁾	35,861	35,400	35,743	35,316	34,630	35,268	33,250	32,861	32,245	31,546	32,451	31,051
Service ARPU (MVNO Incl.)³⁾	34,967	34,614	35,010	34,614	33,872	34,523	32,382	31,937	31,375	30,731	31,567	30,150

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

2) Old Accounting basis(K-IFRS 1018) until 4Q17, 'K-IFRS 1115' basis since 1Q18)

Service ARPU (incl. CDMA+LTE and wireless IoT) : Including telephony and data(excl. Interconnection, sign-up fee) + VAS + revenue discount(contract and combined discount)

Wireless Subscribers (incl. CDMA+LTE and wireless IoT) : MSIT's average subscriber of quarter basis

(Unit : Subs in Thousand)

Classification	2016	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19
IPTV(STB)¹⁾	3,062	3,194	3,310	3,429	3,539	3,539	3,672	3,790	3,908	4,019	4,019	4,149
Net Addition	404	133	116	120	110	478	132	119	117	111	479	130
VoIP²⁾	4,370	4,330	4,276	4,205	4,149	4,149	4,095	4,060	4,019	3,981	3,981	3,942
Net Addition	- 170	- 40	- 54	- 71	- 57	- 222	- 54	- 36	- 41	- 38	- 168	- 39
Broadband³⁾	3,611	3,672	3,719	3,768	3,815	3,815	3,881	3,946	4,010	4,038	4,038	4,111
Net Addition	128	61	47	49	47	204	65	66	64	28	222	73
PSTN Subscribers⁴⁾	499	514	508	512	510	510	502	506	520	530	530	517
Net Addition	- 6	15	- 6	4	- 2	11	- 8	4	14	10	20	- 13

1) IPTV subscribers : Set-top box subscribers (Adjusted from 1Q15) 2) VoIP subscribers : Retail +Corporate subscribers

3) Broadband : MSIT's new subscriber disclosure basis (Including corporate subscribers from 3Q15)

4) PSTN Subscribers : Retail(Retail VoIP callforwarding) + Corporate subscribers

ir@lguplus.co.kr

Ian Yoo

070-4080-4104

Julie Lee

070-4080-1370

Jeff Lee

070-4080-0043

