

3Q 2016 Earning Release

26 Oct, 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.

3Q '16 Results

(Unit: KRW Bn)	3Q '15	YoY	3Q '16	QoQ	2Q '16
Sales	3,617.7	Δ18.7%	2,941.9	+3.4%	2,845.6
Operating Profit	29.9	Δ27.6%	21.6	Δ61.6%	56.4
Adjusted Operating Profit ¹⁾	43.2	Δ51.4%	21.0	Δ61.9%	55.1
Profit Before Tax	11.5	+ 7.6%	12.4	Δ70.4%	42.0
Net Profit	0.5	+1,770.4%	9.6	Δ68.6%	30.6

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

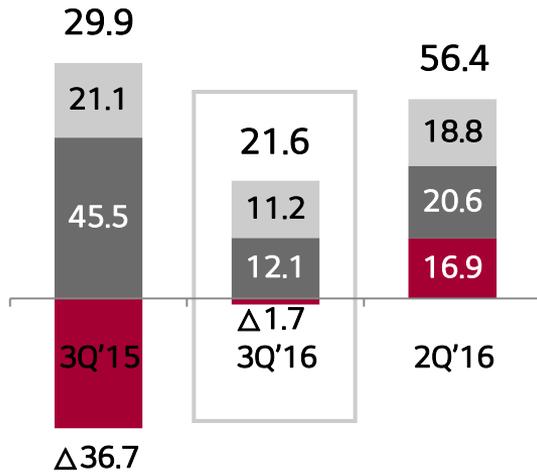
3Q '16 Results

Operating Profit/Profit Before Tax

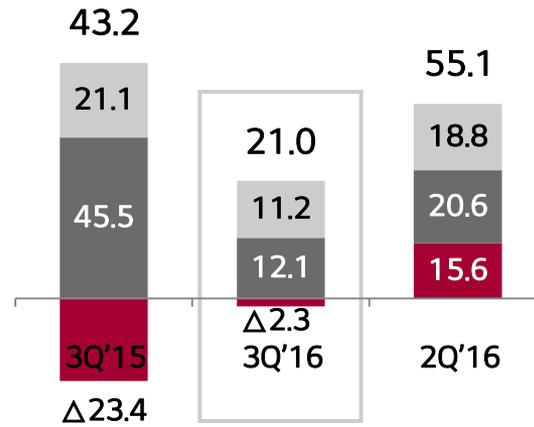
Resources Infra & Industrial Logistics

(KRW Bn)

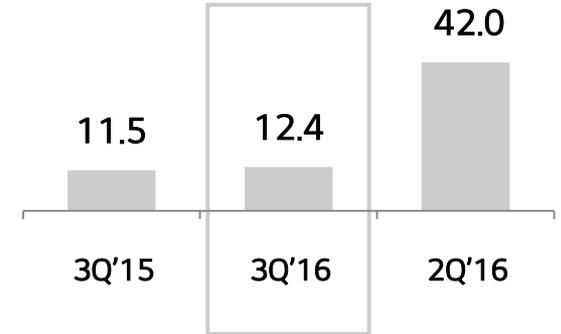
Operating Profit



Adjusted Operating Profit



Profit Before Tax



Adjusted Operating Profit

[YoY]

- Resources
 - Improve profitability in metal trading
- Infra & Industrial
 - Decrease profit in project management & IT trading
- Logistics
 - Bearish shipping industry conditions
 - Focus on driving up sales volume at the expense of margins

[QoQ]

- Resources
 - Carry over oil shipments
 - Decrease profit in metal trading
- Infra & Industrial
 - Decrease profit in project management
- Logistics
 - Bearish shipping industry conditions
 - Focus on driving up sales volume at the expense of margins

Profit Before Tax

[YoY]

- Adjusted Operating Profit Δ22.2
- Equity method gain in Resources Business +13.7

[QoQ]

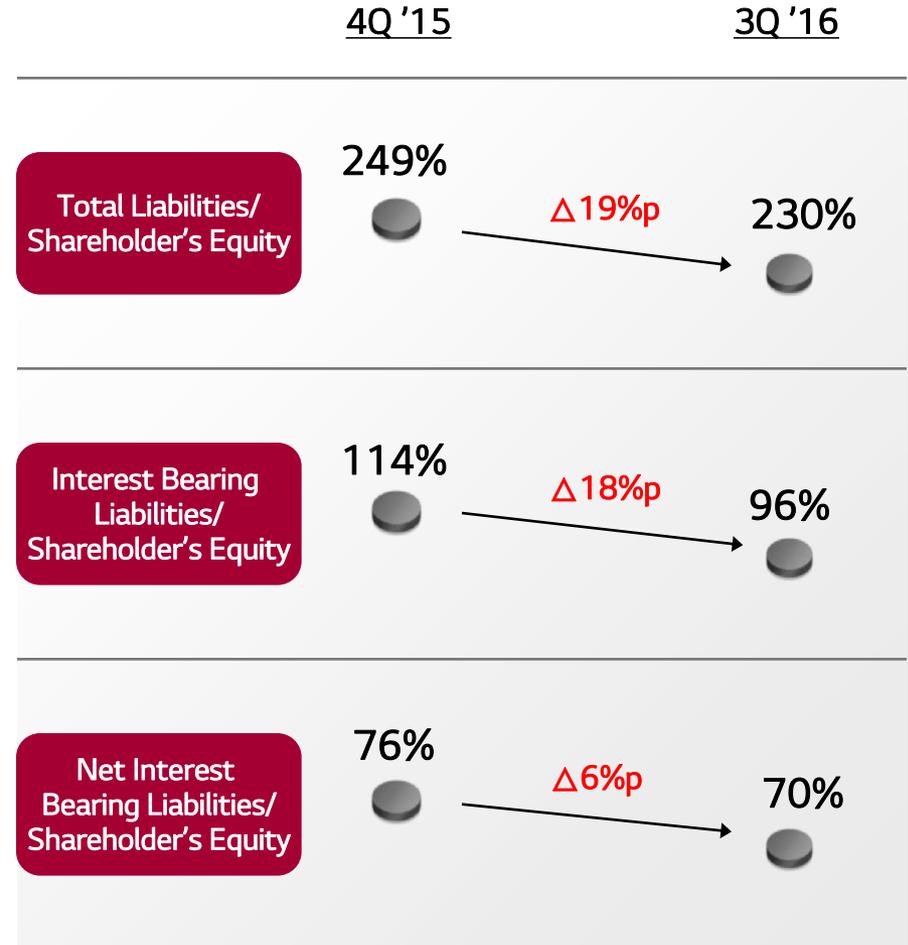
- Adjusted Operating Profit Δ34.1
- Equity method gain in Resources Business +2.0

Financial Highlights

Financial Positions

(Unit: KRW Bn)	4Q '15	3Q '16
Assets	5,383.5	5,150.6
Cash & Cash Equivalents	528.9	342.3
Trade Receivables	1,431.7	1,408.0
Inventories	724.3	600.7
Investments/Intangible Assets	1,655.3	1,562.8
Others	1,043.3	1,236.8
Liabilities	3,840.2	3,589.8
Trade Payables	1,549.6	1,460.8
Borrowings	1,757.7	1,502.2
Others	532.9	626.8
Shareholders' Equity	1,543.3	1,560.8
Capital Stock	193.8	193.8
Surplus, etc.	1,349.5	1,367.0
Net Borrowings ¹⁾	1,173.6	1,088.8

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	2Q	3Q
Assets	5,148.3	5,963.0	6,317.2	5,383.5	5,196.6	5,205.1	5,150.6
Current Assets	3,087.0	3,634.6	3,846.7	3,074.1	2,822.3	2,725.7	2,751.6
Cash & Cash Equivalents	341.3	456.8	483.2	528.9	430.3	466.7	342.3
Trade Receivables	1,083.7	1,330.2	1,620.8	1,431.7	1,441.3	1,335.1	1,408.0
Inventories	1,332.9	1,376.3	1,205.5	724.3	622.0	679.3	600.7
Other Current Assets	329.1	471.3	537.2	389.2	328.7	244.6	400.6
Non-Current Assets	2,061.3	2,328.5	2,470.6	2,309.3	2,374.2	2,479.4	2,399.0
Investments	936.4	903.1	911.4	665.3	658.0	703.7	664.2
Tangible Assets	94.6	214.0	311.0	333.5	480.5	928.6	898.6
Intangible Assets	795.1	970.8	1,002.7	990.1	906.4	546.8	533.4
Other Non-Current Assets	235.2	240.6	245.5	320.4	329.3	300.3	302.8
Liabilities	3,590.9	4,200.8	4,521.5	3,840.2	3,595.1	3,574.1	3,589.8
Current Liabilities	2,657.7	3,028.3	3,289.0	2,589.1	2,468.5	2,204.6	2,190.4
Short-term Borrowings	674.4	741.4	726.9	423.5	357.2	1,474.9	1,460.8
Trade Payables	1,580.1	1,723.4	1,880.6	1,549.6	1,472.3	269.3	212.3
Current Portion of Bonds and Long-Term Borrowings	220.7	215.5	270.4	222.4	227.2	77.9	34.2
Other Current Liabilities	182.5	348.0	411.1	393.6	411.8	382.5	483.1
Non-Current Liabilities	933.2	1,172.5	1,232.5	1,251.1	1,126.6	1,369.5	1,399.4
Bonds Payables	89.7	309.0	328.7	309.1	309.2	309.2	428.8
Long-term Borrowings	724.7	730.4	765.2	802.7	675.4	915.9	826.8
Other Non-Current Liabilities	118.8	133.1	138.6	139.3	142.0	144.4	143.8
Equity	15,574	1,762.2	1,795.7	1,543.3	1,601.5	1,631.0	1,560.8

Income Statement (K-IFRS Consolidated)

(Unit: KRW Bn)

Items	2015					2016			
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total
Sales	2,644.9	3,202.9	3,617.7	3,759.0	13,224.5	3,015.3	2,845.6	2,941.9	8,802.8
Cost of Sales	2,557.9	3,071.2	3,458.6	3,623.0	12,710.7	2,829.0	2,647.5	2,777.6	8,254.1
Gross Profit	87.0	131.7	159.1	136.0	513.7	186.3	198.1	164.3	548.7
SG&A Expenses	66.1	101.4	129.2	135.4	432.1	141.7	141.7	142.6	426.0
Operating Profit	20.9	30.3	29.9	0.6	81.7	44.6	56.4	21.6	122.6
Adjusted Operating Profit	34.5	38.9	43.2	40.3	156.9	55.5	55.1	21.0	131.6
Non-Operating Profit	2.2	(1.6)	(18.3)	(279.2)	(296.9)	6.7	(14.3)	(9.2)	(16.8)
Finance Income/Costs	(7.3)	(10.6)	(18.5)	(10.6)	(47.0)	(8.7)	(8.0)	(8.0)	(24.7)
Gain(loss) of Equity Method	(3.5)	(2.0)	(12.2)	(203.4)	(221.1)	(0.4)	8.9	0.8	9.3
Other Income and Expenses	13.0	11.0	12.4	(65.2)	(28.8)	15.8	(15.2)	(2.0)	(1.4)
Profit Before Tax	23.2	28.7	11.5	(278.6)	(215.2)	51.3	42.0	12.4	105.7
Income Tax	9.9	22.3	11.0	(41.4)	1.9	17.7	11.4	2.8	31.9
Net Income	13.2	6.4	0.5	(237.2)	(217.1)	33.6	30.6	9.6	73.8
Owners of the Parent	12.1	(0.4)	(6.8)	(240.4)	(235.4)	23.7	24.0	5.7	53.4
Non-Controlling Interests	1.1	6.8	7.3	3.2	18.3	9.9	6.6	3.9	20.4