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27th January 2014

## LG sees Q4 mobile loss; new flagship touted

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LG announced another loss-making quarter for its Mobile Communications unit, which it attributed to higher marketing investments to strengthen its “brand equity,” and intensified price competition.

by **Steve Costello**

*Steve works across all of Mobile World Live's channels and played a lead role in the launch and on... [read more](#)*

The company has also used Korean-language sources to confirm the launch of a new high-end smartphone, G Pro 2, next month – it will presumably make an appearance at Mobile World Congress.

The period marked the second quarter of loss for its handset unit, following a run of profitable periods. The loss was narrowed from Q3 however, and an especially strong start to the year saw it coming out in the black for the twelve months.

There were also a number of positives for the company: smartphone shipments of 13.2 million units marked an increase of 54 per cent year-on-year and 9 per cent over the prior sequential quarter.

According to IDC analyst Francisco Jeronimo, LG is likely to have improved its smartphone market share to 4.5 percent in the fourth quarter, up from 3.8 per cent a year ago, something he believes is “quite impressive considering the high ASPs.”

The South Korean company cited “stronger LTE smartphone sales such as G2 (*pictured*) and Nexus 5”.

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er due to the impact

3G sales increased by 34 per cent year-on-year but declined by an unspecified amount quarter-on-quarter, due to “accelerated transition from 3G to LTE and intensified competition in the market”.

For the fourth quarter, the Mobile Communications unit reported an operating loss of KRW43.4 billion (\$40.1 million), compared with a prior-year profit of KRW56.5 billion, on revenue of KRW3.59 trillion, up 28 per cent from KRW2.81 trillion.

For the full year, operating profit was KRW70.9 billion, compared with a prior-year profit of KRW59.3 billion, on sales of KRW12.97 trillion, up 29 per cent from KRW10.08 trillion.

LG said that it expects the smartphone market to “grow continuously”, especially with regard to LTE, but that competition will heat up due to “intensifying price competition as a result of extension of the mass market”.

With regard to its own efforts, it expects to improve its “brand power” and market position by “promptly responding to consumers’ needs by launching market leading products and enhancing [its] product line-up”.

On a group level, LG saw a Q4 operating profit of KRW238.1 billion, compared with KRW116.9 billion in the year-ago quarter, on revenue of KRW14.92 trillion, up 1 per cent from KRW14.8 trillion.

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