

LG Electronics in red in 4Q on plasma TV business closure

January 29 2015, by Youkyung Lee

LG Electronics Inc. said Thursday it has lost money in the fourth quarter as costs from the closure of its plasma TV operations offset a recovery in its mobile phone business.

The Korean company reported a net loss of 205.7 billion won (\$189 million) for the October-December quarter.

Operating income, which is a measure of profit before tax, interest and one-time expenses are deducted, rose 28 percent to 275 billion won (\$253 million) on revenue of 15.3 trillion won (\$14 billion).

LG said its home appliance business contributed most to its quarterly income, followed by its mobile phone business. LG's quarterly smartphone sales increased 18 percent from a year earlier to 15.6 million phones, it said.

LG stopped making plasma TVs in November to focus on more popular OLED and LCD TVs.

For the full year, LG had a 31-percent increase in annual operating income thanks to solid growth in its TV business and a recovery in smartphone sales.

The company still lags behind Apple, Samsung and Chinese smartphone makers, but its 2014 operating income from mobile phones quadrupled from a year earlier to the highest level in four years.

Its flagship G3 smartphone, launched last year, was well received. LG kicked off this year with local sales of the G Flex 2, the second iteration of its curved smartphone as it tries to overcome the weakness of its smartphone brand by offering distinctive features.

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