

LG Electronics' profit up on TV, appliance but mobile in red

July 28 2016, by Youkyung Lee

LG Electronics Inc. said Thursday its second-quarter net income jumped 19 percent thanks to strong sales of high-end TVs and home appliances that outweighed another quarterly loss in its handset business.

Its April-June earnings came in at 268.51 billion won (\$238.59 million), on [sales](#) of 14 trillion won (\$12.44 billion).

LG said its TV and home appliance divisions reported the strongest results in the company's history. The TV business saw higher profit even as its sales and shipments dropped due to lower sales in emerging markets. Instead, its portion of premium models, such as the OLED TV, went up, boosting profitability. The company expected that demand for the high-end TVs would be robust during the [current quarter](#).

But its mobile phone division was in the red for a fifth straight quarter despite the company's ambitious launch of the G5 smartphones.

Initially, the G5 received positive reviews with its modular designs that feature a bottom that pops out and can be swapped in with other hardware. But LG failed to increase sales of flagship phones. Its overall smartphone shipment declined from last year.

LG's mobile phone division lost 153.5 billion won (\$132.1 million) during the quarter. The company's handset business has never been profitable since April last year and it quickly lost market shares to up-and-coming Chinese phone makers.

The company said its mobile division's performance will improve in the next quarter with the launch of its V series smartphones, which feature a large screen, and more mid- and low-end models.

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