Consumer Electronics 2008 Overview

John Taylor
Vice President of
Public Affairs and Communications

Overview

- LG’s Growth
- Market Outlook / Product Leadership
- Strategic Partnerships
- DTV Transition Leadership
- Future Technologies/MPH
LG’s Growth

Leading Global Products

- Optical Storage: 30%
- Plasma Panel: 29%
- CDMA Handset: 22.3%
- LCD & Plasma TV: 16.9%
- DVD Player: 9%
- Air Conditioner: 10%
Consumer Insights

- Studied consumer insights and purchase process
  - Millward Brown – Brand Tracking Study
  - Synovate – Net Promoter Score Study
  - Lifestyle Usage Study (Product Planning)
  - Purchase process study (Marketing/Product Planning)

US Brand Growth

<table>
<thead>
<tr>
<th>Year</th>
<th>Aided Awareness</th>
<th>Unaided Awareness</th>
<th>Preference</th>
<th>TOM</th>
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<td>25</td>
<td>53.6</td>
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<td>8.2</td>
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<td>85</td>
<td>32</td>
<td>61</td>
<td>10</td>
</tr>
<tr>
<td>11G</td>
<td>90</td>
<td>40</td>
<td>66</td>
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</table>

- Positive movement in all indicators
- CE awareness same range as major competitors
- Awareness of LG as TV manufacturer increasing
  - Higher awareness of TV than Cell phones (among CE target)

Source: Millward Brown Study for LG
Consumer Satisfaction

Net Promoter Score Research:
“Would you recommend LG to a friend or colleague?”

NPS Level

<table>
<thead>
<tr>
<th>Model</th>
<th>NPS</th>
<th>Detractor</th>
<th>Passive</th>
<th>Promoter</th>
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</tbody>
</table>

Average NPS Level: 64

Interviewee

NPS = Promoter - Detractor

Source: LG NPS Research

Consumer Satisfaction

- Completely Satisfied: 83%
- Mostly Satisfied: 3%
- Not Satisfied: 4%

(Synovate NPS Study)
Market Outlook/ Product Leadership

- Strong demand for both LCD and plasma HDTVs will continue in 2008.
- The market for flat panel HDTV is evolving:
  - Migration to larger sizes in plasma (50”+)
  - Increase in 42-inch and larger in LCD
  - 1080p Growth
  - 120Hz technology
  - Connectivity options: multiple HDMI inputs

CE Landscape

- LG will continue to offer both plasma and LCD in 2008
- LG’s new flat panel lineup includes:
  - 7 new 50”+ plasma models
  - 14 new 42”+ LCD models
  - Over 70% are 1080p
  - 11 LCD with 120Hz
  - Latest and newest connectivity
  - + More advancements
**Market Estimate - LCD**

- **2007:**
  - 26": 774
  - 32": 3785
  - 37": 1400
  - 42": 3679
  - 47": 5304

- **2008:**
  - 26": 1974
  - 32": 5867
  - 37": 1610
  - 42": 4966
  - 47": 5569

- **Growth:** +56%
- **Total:** 22.3M
- **Increase:** +32%

**Source:** NPD/LG Estimate

**Share Trend – LCD**

- **'05:** 1.7%
- **'06:** 3.1%
- **'07 Est:** 7.0%
- **'08 Target:** 10.0%

- **Continued strong growth**
- **Demand is driven by large screen sizes and Full HD**
- **Price erosion continues**

**Source:** NPD/LG Estimate
Market Estimate - Plasma

- 2007: 1,445
- 2008: 1,807
- 2007: 1,427
- 2008: 1,284

- 42" - 49" = 2,970M
- 50" - 59" = 3,228M
- 60"+ = +9%

Share Trend – Plasma

- Industry growth rate slows
- 42" share moves to LCD
- 50"+ strongest growth area
- Increase of share for Full HD

Source: NPD/LG Estimate
Consumer Insights

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Consumer Insights

- Picture
- Sound
- Design
- Wireless
  - Invisible Speaker
  - Automatic Picture Control
  - Simple Jack Pack
  - Smart Channel Guide
  - Voice Recognition
  - Automatic Input Detection

(40% 80%)

(LG Marketing Research)
Key Product Platforms

- Design
- Picture
- Audio

Audio: Invisible Speakers
LG SimpLink
A/V Modes

Plasma HDTV Highlights

- 4 Product Series
- 8 New Models
- 6 1080p Full HD
Plasma HDTV Highlights

PG 70 Series
50”/60”

- Clean One layer design
- Ultra-thin
- Invisible Speakers

- Full HD Resolution
- 30,000:1 Contrast Ratio
- 4 HDMI 1.3 with deep color
- ISFccc Calibration Ready

- Wireless Ready
- Clear Voice
- Easy User Interface

Design
Performance
Functionality

PG 60 Series
50”/60”

- Clean One layer design
- Ultra-thin
- Invisible Speakers

- Full HD Resolution
- ISFccc Calibration Ready
- THX Certified*
- 30,000:1 Contrast Ratio
- 4 HDMI 1.3 with deep color

- Clear Voice
- Easy User Interface

* THX certification is only in 60PG60, 50PG60 currently undergoing certification testing
LCD HDTV Highlights

- 8 Product Series
- 24 New Models
- 17 1080p Full HD

“Art Noveau” Series
32” ~ 52”

- Unique design
- Distinctive Color accent
- Invisible Speakers
- Ultra-slim 42” model – 1.7”
- TruMotion 120Hz
- Full HD Resolution
- ISFcc Certification Ready
- Clear Voice
- Easy User Interface
Without extensive construction, cable management is unseemly and messy

Technology Highlights
- 802.11n (100Mbps, 50 feet Distance)
- "Wide Range Transmission Distance"
- JPEG2000 Encoder (1080p 60fps)
- "No down-converted video signals"

Customer Benefit
- Clean and Hassle-free Installation
- Peripheral devices hidden
- Manage peripheral devices easily
**LCD HDTV Highlights**

**Bedroom TV**

- **32”**
- **Design**
  - Warm Color accent
  - Sleek Design
  - Invisible Speakers
- **Performance**
  - HD Resolution
  - 12000:1 Contrast Ratio
  - Custom Picture Modes
- **Functionality**
  - Integrated DVD Player

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**HDTV In Summary**

- **Design**
  - Premium designs
  - Slim Profile
  - Invisible Speakers
  - New Colors / Accents

- **Picture Quality**
  - Basic spec improvements
  - LG TruMotion (120Hz)
  - Customizable Picture
    - THX (PG60 plasma)
    - ISFccc Calibration Ready
    - AV Modes
    - Intelligent Sensor

- **Audio Quality**
  - Clear Voice
  - Invisible Speaker System
LG Super Blu™ Player (BH200)

- In-retail now – $799
- The world's first line of dual-format high-definition players
- Access ALL HD titles
  - 51% more than Blu-ray
  - 67% more than HD DVD

Digital A/V Highlights

LHT888
- Elegant champagne glass form
- 700W 5.1-channel DVD Receiver with 1080p upscaling
- USB Media Plus
- HDMI output with LG SimpLink
- Tuned by Mr. Mark Levinson
Digital A/V Highlights

- Digital Photo Frame
  - 8” screen
  - Clock/Calendar mode
  - 250 Photo capacity

- Portable DVD/Photo Frame
  - 8” screen
  - 3-in-1 memory card slot
  - Internal memory up to 250 Photos

- Table Top Audio
  - HD Radio
  - iPod Docking
  - CD, AM/FM, USB

Portable Nav Highlights

- Super-slim design
- Audio and video playback
- 4.3 inch LCD touch-screen
- Bluetooth connectivity
- Available now
IT Monitor Highlights

• 9 New Widescreen models
• New design image
• Unique Functionality
• Windows Vista Certified
• High performance specs + Unique functionality

Digital Storage Highlights

• World’s Fastest Super Multi Blue Drive
  • SecurDisc
  • Slim Portable Drive
Strategic Partnership

- Development of a device to enable streaming of movies and other programming from Netflix without using a computer
- Available through technology embedded in an LG networked player
- Convenient access for consumers seeking the latest entertainment options
- Planned 2H 2008 availability

Netflix Partnership
• Worked with MSTV/NAB to develop early prototype D-A converters
• Established industry benchmarks for performance, defined eligible features
• Convinced CEA to agree to minimum performance specifications leading to historic joint broadcaster-CE filing
• Collaborated with NTIA to develop rules
Digital-to-Analog Converter Box

- First major manufacturer to receive NTIA certification
- National availability

- Receive “multicast” channels
- Advanced digital closed captions
- Among other features

DTV Transition Leadership

- Supported broadcasters with early converters for testing and evaluations
- Testified before Congress on DTV transition
- Spearheaded establishment of DTV Transition Coalition
- Working closely with FCC and NTIA on consumer education efforts
- Launching D-A converters in 2008
DTV Transition Leadership

• Launching own consumer education efforts (zenith.com/dtv)
  ▪ Preparing Call Center for English and Spanish consumer inquiries
  ▪ Including owner’s manual in Spanish
  ▪ Stepping up Sales Training activities, online and in-store
  ▪ Educating retail partners about DTV transition and D-A converter program

zenith

Enhancing the mobile video picture with MPH
LG, Zenith and Harris partnered to develop MPH mobile digital TV solution

The MPH platform lets broadcasters deliver DTV content to mobile devices

- Broadcast quality video
- Ability to receive signal at high speeds (140 mph)
- Compatible with the current ATSC DTV standard
- Concurrent with HDTV and multicast service
The MPH platform lets broadcasters deliver DTV content to mobile devices

Existing TV towers transmit mobile TV signal with installed MPH exciter

Consumers receive mobile TV signal on different devices via MPH chip and module

Mobile DTV phone
Portable media player
Laptop computer
GPS device
Automobile-based DTV

Mobile DTV, powered by MPH, will deliver the best TV anytime, anywhere

• Compelling mix of national and local content

• Strong national reach using broadcaster infrastructure

• Low cost and minimal form factor impact for MPH-enabled devices
We are pleased to demonstrate MPH broadcast technology live at CES 2008

2 Mobile phones
Laptop computer (dongle)
GPS devices
Automobile-based TV

LG is working with key partners to make mobile broadcast TV a reality

- Leader in automotive infotainment electronics
- Leader in audience measurement
- We will announce more agreements in the coming months
We look forward to a bright future of mobile broadcast digital TV

• We are totally committed to development of a successful MPH-enabled mobile broadcast digital TV solution
• We will continue to support broadcasters’ efforts to deploy and promote mobile digital TV
• LG is committed to making the most exciting mobile broadcast TV offering for consumers

Thank You!