Based on LGE Global (LGE parent + overseas subsidiaries) sales in 2007
*Digital Display breakdown by product is adjusted for PDP internal sales

*Based on LGE Global (LGE parent + overseas subsidiaries) sales in 2007
*Digital Display breakdown by product is adjusted for PDP internal sales
Global Operations 114 / Workforce 82,000

Europe 23  CIS 7  China 16  North America 8
ME & Africa 11  Japan 1  Central & South America 7

Subsidiaries 82  Liaison offices 32
Digital Media
No. 1 Globally in Optical Storages
(TSR, revenue)

Digital Appliance
No. 1 Globally in Refrigerators
(GfK, revenue)

Digital Display
No. 4 Globally in Flat Panel TVs
(DisplaySearch, revenue)

Mobile Communications
No. 5 Globally in Handsets
(Strategy Analytics, units sold)

Smart Technology & Stylish Design
Many Firsts in Our History

Korea’s Firsts

- 1958: Established as Goldstar
- 1960s: Radio, TVs, Refrigerator, Washing Machine, Air Conditioner
- 1977: Color TV

World’s Firsts

- 1995: New Corporate Identity: LG Electronics
- 1996: CDMA Digital Handset launched in Korea
- 2003: HDTV with built-in HD DVR
- 2004: Terrestrial / Satellite DMB handset
- 2005: WCDMA DMB, 3G-based DVB-H, MediaFLO handset
- 2007: Super Blu: First dual-format High-Definition disc player & drive
  GSMA’s “3G for All” campaign – Winning 1st Place
reddot Design Awards 2008
KF510

reddot Design Awards 2007
“Best of the Best” Prada Phone by LG (KE850)

reddot Design Awards 2006
Design Team of the Year

International CES 2008 Best of Innovation Awards
Plasma Full HDTV (PG60)

Industrial Design Excellence Awards 2006
The Best Product Design “Gold”
Wall-Mount Projector (AN110)

European Imaging & Sound Association
Awards 2007-2008
Premium High Definition Disc Player (BH100)
Focusing on categories and countries where we can and should win

- Exiting uncompetitive/unprofitable businesses and markets
- Improved management of products at the end of life cycle

Optimizing product portfolio

- Clear PRM targeting consumers’ needs
- Rationalizing SKU and improving mix for better operating margins
Improving operating cost structure

- Global consolidated sourcing
  - Expanding sourcing in China (and other low cost countries)
- Expanding lean manufacturing and manufacturing outsourcing
- Rationalizing overhead
- More disciplined capital spending
Upgrading organization and talent pool

- Restructuring companies around clear product management roles to improve profit accountability
- Enhance training
- Globalizing HR system
- Bringing in external talent where needed
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- Enhancing training
- Globalizing HR systems
- Bringing in external talent, where needed

Aligning management attention and incentives to value creation

- New KPIs and scorecards focused on ROIC for all business units and countries
- Tighter performance management processes
- Management compensation linked to longer term ROIC and TRS* performance

* Total Return to Shareholder
STRONG FINANCIAL PERFORMANCE AND FUNDAMENTAL HEALTH IN PLACE

**REVENUE**

(Trillion Won)

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<tr>
<th>Quarter</th>
<th>071Q</th>
<th>072Q</th>
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<td>2008</td>
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**OPERATING PROFIT**

(billion won)

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<td>28</td>
<td>464</td>
<td>362</td>
<td>381</td>
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<td>2007</td>
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**ROIC**

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<td>11.8</td>
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**BRAND AWARENESS(US)**

<table>
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<th>Year</th>
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<td>65.1</td>
<td>3.9</td>
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<td>2006</td>
<td>75.0</td>
<td>6.3</td>
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**STOCK PRICE**

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<tr>
<th>Year</th>
<th>LGE</th>
<th>KOSPI</th>
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<tbody>
<tr>
<td>2007</td>
<td></td>
<td>2500p</td>
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<tr>
<td>2008</td>
<td></td>
<td>1500p</td>
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Legend:
- **Aided**
- **Unaided**
- **TOM**
Continue portfolio restructuring
- Smartly managing PDP transition
- Invest in new growth businesses
  (e.g., energy, health care, business solution)

Further invest in brand to go beyond just awareness

Globalize organization
- New HR system and processes
- 30%+ of key management positions filled with global talent
A Balanced Business Portfolio for **Growth and Profitability**

- **Growth**: 10%+
- **Asset Turnover**: 4x+
- **Operating Income**: 6%+
- **TRS* greater than peers and indices**
- **ROIC**: 20%+

* Total Return to Shareholder