



THE MARKET

Never before has technology been such an important aspect of our modern, on-the-go lives. For this reason, the Consumer Electronics industry is fast-paced and highly competitive. At present, the market is experiencing rapid growth across most categories, in particular in Visual Entertainment, which alone is valued at more than A\$3 billion.

Next generation consumer products from LG will address the social and environmental issues Australians face including water and energy efficiency, the trend toward inner city apartment living, and ever increasing working hours. Consumers are naturally seeking products that make the user experience as simple, convenient, stylish and personalised as possible.

ACHIEVEMENTS

LG Electronics is a global leader in providing cutting-edge, convergent electronics, information and communications products designed to meet the ever changing needs of consumers. LG's point of differentiation is its in-depth insight into consumer trends coupled with the technical superiority of its products.

The Korean based company operates four business units globally including Mobile Communications, Digital Appliance, Digital Display and Digital Media.

2007 is the year that the LG brand celebrates its ten years of operation in the Australian market. From relative obscurity ten years ago, LG has repositioned itself as a premium brand in Australia, and in the process achieved number one in seven product categories, including plasma televisions,



LCD televisions, home theatre and DVD recorders, microwaves, front load washers and side-by-side refrigeration.

Over the past decade, LG Electronics has grown to achieve annual sales turnover in excess of \$1 billion dollars. For ten years LG has strived to develop and bring to market a range of innovative products with leading edge technology that make 'Life Good'. This philosophy has seen the organisation and the brand achieve many milestones and build a loyal following.

HISTORY

Formed in 1947 by the Koo and Huh families, Lucky-Goldstar started out selling face creams, and quickly grew to become dominant in the national chemical manufacturing business.

In 1958, Lucky-Goldstar entered the electronics industry with the formation of Goldstar Co and in 1959, Goldstar became the first Korean company to build a radio. It rapidly expanded during the 1960s, branching out into the manufacture of appliances. It built the first Korean refrigerator in 1965, and the first Korean television in 1966. It subsequently began the manufacture of elevators and escalators, air conditioners, electric typewriters, and other electronic goods.

Goldstar gradually earned a reputation as a supplier of low-cost, high-quality electronic components and appliances and in the 1980s established a solid presence in domestic and international markets for microwave ovens and televisions, as well as for refrigerators, washing machines, and other major appliances.

In 1989, after a series of financial, management and labour woes, drastic measures to turn the ailing

Lucky-Goldstar around saw control being handed to Lee Hun-Jo, a 27-year Lucky-Goldstar veteran.

By 1994 Goldstar had regained its number one position in the South Korean market for colour televisions, refrigerators and washing machines. Likewise, Goldstar was achieving marked gains overseas by focusing on emerging markets like Russia and Vietnam while at the same time increasing North American sales through overseas manufacturing and partnerships with U.S. companies.

In 1995, the company abandoned the Lucky-Goldstar name and adopted a new corporate name, LG Electronics and the slogan "Life's Good" to secure a strong, distinctive corporate identity. The change in identification assisted the company in entering the premium, higher scale market. In 1997 the LG Electronics brand was launched in Australia.

The new millennium has seen LG drive innovation, style and digital capabilities in the industry. LG launched the world's first internet refrigerator in 2000, and in 2001 followed with the world's first internet enabled washing machine, air-conditioner, and microwave oven. The first model in LG's Black Label series of premium handsets LG Chocolate was introduced in 2006 and sold 7.5million units world wide. In 2007, LG launched the industry-first dual-format high-definition disc player and drive.

With consolidated sales of US\$37.7 billion and overseas sales of US\$ 32.6 billion (86% of total sales), LG is truly a global leader and technology innovator in consumer electronics, home appliances and mobile communications, employing more than 82,000 people working in over 110 operations including 81 subsidiaries around the world.

THE PRODUCTS

LG's extensive range consists of products engineered and designed to make 'life good'. During its ten years in the local market LG has almost doubled its product offering to Australian consumers. With expertise in mobile and convergent technologies, LG's product offering includes LG Mobile phones with a design focused range - 'The Black Label Series' including world first 'touch screen' technology.

LG also caters for major appliances and entertainment technology in almost every room of the home including a wide range of Plasma, LCD





and CRT colour televisions, home theatre and DVD units and kitchen appliances including refrigerators, dishwashers, washers and combined washers and dryers and air-conditioners.

From LCD display, wireless and mobile computing to multi-functional, multi-media capable devices, LG creates a number of IT solutions for businesses and consumers.

Building on the success of the Integrated HD Tuner Television range, LG was the first to offer Digital Video Recording capabilities in the Integrated Plasma and LCD Range. In response to the need to simplify the home entertainment process and eliminate boxes and wires, the In-Built DVR range was also a resounding success. It has changed TV viewing habits by making it possible to Pause, Rewind and Replay *live* TV.

LG also offers a range of Satellite Navigation devices as well as a premium cooking range.

LG is valued worldwide for understanding the importance of eco-friendly technology; LG air-conditioners feature a "Neo Plasma Plus System" which allows healthier, more natural cooling and in 2007, LG introduced the "Total Health Solution" range globally with enhanced air cleaning features, such as automatic filter cleaning and automatic sterilisation.

LG's unique advancements in air-conditioner technology are a product of the company's commitment to research, development and training around the world including LG Australia's Air-Conditioning Academy at the company's Sydney headquarters. The facility is designed to assist and improve the training of sales staff, air conditioning installers, service technicians and consulting engineers and architects, on the technologies and benefits of LG's air-conditioning units. The Academy sets the standard for the industry here in Australia and is the only facility of its kind in the region.



RECENT DEVELOPMENTS

The growth of the LG Mobile division has been phenomenal. From introducing GSM handsets in the Australian market in 2001, LG is now a leading 2.5G and 3G provider. LG Mobile has gone from being the smallest to the largest part of the business both in Australia and globally, and in Australia LG Mobile has 14 per cent market share. LG Mobile also recently celebrated the sale of their One millionth handset to Hutchison in Australia (3 mobile).

Recently, LG has made a strategic commitment to be eco-friendly as is evident with the introduction of the LG Steam Combined Washer and Dryer. With the touch of a button, this seamlessly automates the entire laundering process using a steam washer and a condensing dryer in the one single unit.

Many Australians are now used to crisper, clearer pictures being broadcast in greater definition and detail and this trend is only set to continue as we head towards a truly digital environment. LG is committed to ensuring that consumers have access to technologies that allow them to experience and enjoy High Definition (HD) television in more ways than ever before.

LG continues to pave the way in premium display products by introducing the Full HD LCD 1080p television. The LB9 LCD television is a stylish addition to LG's 'Black Label' series, incorporating the signature black, sleek, contemporary design.

PROMOTION

LG began to build brand awareness in Australia through bold, brand-focused marketing using the simple LG logo in tandem with the 'Life's Good' philosophy.

A recent example of this is the launch of LG's Plasma and LCD televisions that incorporate a fully integrated high-definition (HD) digital tuner. This product gave LG

much to celebrate. To support this exciting world first, LG launched a fully integrated marketing campaign with an advertisement featuring a television with a 'Tuna' fish inside.

In 2006, LG launched an extension of the previous year's highly successful HDTV advertisements to celebrate the launch of another world first. The HD television with built-in HD digital video recorder. The advertisement featured the built-in 'tuna' and a DVR player thrown into the television.

The tongue-in-cheek advertising campaign used a blend of good-natured humour and computer generated images to highlight the extension of the 'all-in-one' benefit of this technology and connect with busy Australians who want the flexibility to enjoy their favourite TV program at their convenience. Life can be Good as the TV gives you the ability to pause, rewind and replay live TV through the in-built HD DVR

LG's marketing has proven time and time again to be cutting edge and is renowned for innovative high impact and memorable campaigns and sponsorships that display thought leadership. LG cements the Life's Good message by detailing exactly how using an LG product can and does make Life Good.



BRAND VALUES

LG Electronics' goal is to enable the intelligent networking of digital products that will make consumers' lives better than ever.

The slogan, 'Life's Good' has established the company in the hearts and minds of Australian consumers and successfully communicates LG's underlying goal and vision - to make life easier with people-friendly technology.

Choosing LG is a form of self-expression and self-satisfaction. LG's delightfully smart products will make life good.

THINGS YOU DIDN'T KNOW ABOUT LG

- The company now known as LG Electronics was formed out of a company called Lucky Chemical Industrial Corp who initially manufactured a cosmetic called Lucky Cream.
- LG currently holds the number three position behind mobile giants Nokia and Motorola respectively in mobiles.
- In 2006 LG Electronics was named as one of Australia's top ten most authentic brands.
- LG was the first to introduce the Internet and LCD TV Refrigerator to the Australian market.
- LG recorded its seventh consecutive year as the number one vendor of air-conditioning units worldwide.
- LG is the abbreviation for the founding company name, Lucky-Goldstar and has now become synonymous with the slogan 'Life's Good'.
- LG's global slogan of 'Life's Good' was developed in Australia.
- Over 60 per cent of the Australian population have purchased an LG product.
- LG has been in the Australian market for 10 years.