# LG Electronics-Company Profile

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### Key Information

| LG Electronics Ltd.(LGE) | |
|---|---|
| **Revenues** | 2010: $48.27B |
| | 2009: $43.52B |
| | 2008: $44.84B |
| **Revenue CAGR (2008 - 2010)** | 3.8% |
| **Net profit (2010)** | $1.14B |
| **Net profit CAGR (2008 - 2010)** | 67.2% |
| **R&D expenses (Percentage of Revenue)** | 2010:$1397.35M (2.37%) |
| | 2009:$1182.33M (2.29%) |
| | 2008: $424.07M (0.82%) |
| **Number of employees** | 82,772 |
| **Year Established** | 1958 |
| **Headquarters** | Seoul, South Korea |
| **Key People** | Koo Bon-joon (CEO) |
| **Principal areas of business** | Consumer Products Manufacturers: Consumer Electronics, Audio Equipment, Video Equipment, Appliances, Telecommunications Equipment |
| **Segmental breakdown based on turnover (2010)** | Home Entertainment 20.48%<br>Mobile Communications 12.84%<br>Home App 9.90%<br>Air Conditioning 4.47%<br>Business Solution 4.48% |
| **Geographical breakdown based on turnover(2010)** | Europe (17%)<br>North America (22%)<br>South America (13%)<br>Korea (15%)<br>P R China (8%)<br>Asia (20%)<br>ROW (5%) |
| **Main Subsidiaries (2010)** | LG Display (37.9%)<br>LG Innotek (50.60%) |
| **Recent Acquisition Summary** | - Acquired Air-conditioning Division of LS Mtron for KRW 150 billion on 10th March 2011 |
| | - Acquired Rental Business of Healthcare Rental Co. Ltd. |
| **Recent License Deals Summary** | - Rovi and LG Electronics signed a licensing deal on 22nd June 2011 to further integrate DivX Technology in LGs consumer electronics products |

# Overview

## Vision

LG Electronics continues to pursue its 21st century vision of becoming a worldwide leader in digital?ensuring customer satisfaction through innovative products and superior service while aiming to rank among the world?s top three electronics, information, and telecommunications firms by 2010.

## Years in Business

53 Years

## Industry Type

Consumer Products Manufacturers

? Consumer Electronics

? Audio Equipment

? Video Equipment

? Appliances

? Telecommunications Equipment

## Stock Exchanges listed in with their codes

Primary Symbol & Exchange:066570 - Ordinary Shares ? Korea

Other Symbol & Exchange: LGLD - GDR - London

## Contact

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**Fax** +82-2-3777-3428

URL: http://www.lg.co.kr; http://www.lge.co.kr

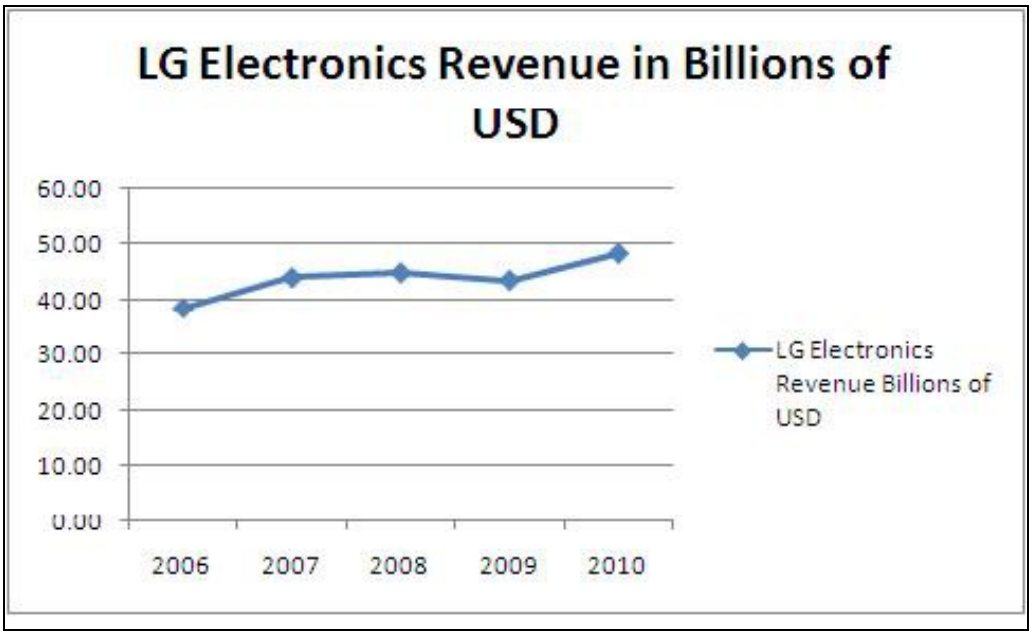
## Major Subsidiaries

| Sr. No | SUBSIDIARIES AND AFFILIATED COMPANIES | Stake |
|---|---|---|
| 1 | LG Display | 38% |
| 2 | LG INNOTEK | 48% |
| 3 | Hi Plaza | 100% |
| 4 | Hi Business Logitics | 100% |
| 5 | LG Ericsson | 50% |
| 6 | Hi M Solutek | 100% |
| 7 | Hi Tele Service | 100% |
| 8 | LG Public Small Business Cooperation Fund | 50% |
| 9 | Innovation Investment Fund | 83% |
| 10 | K-TV Tech Investment Fund | 100% |

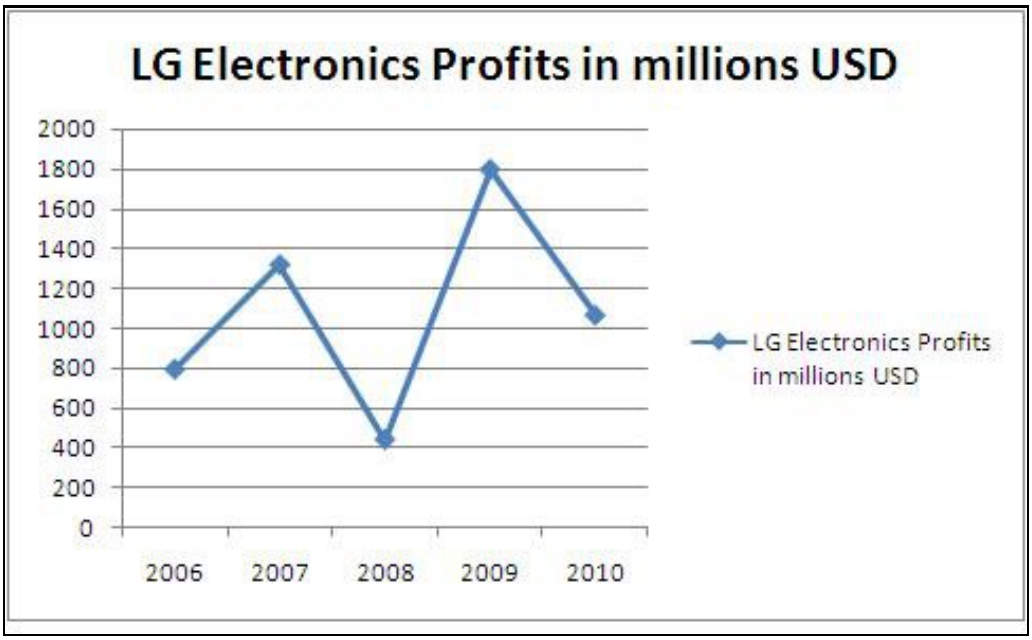
**List of all subsidiaries (77)**

# Company Financials

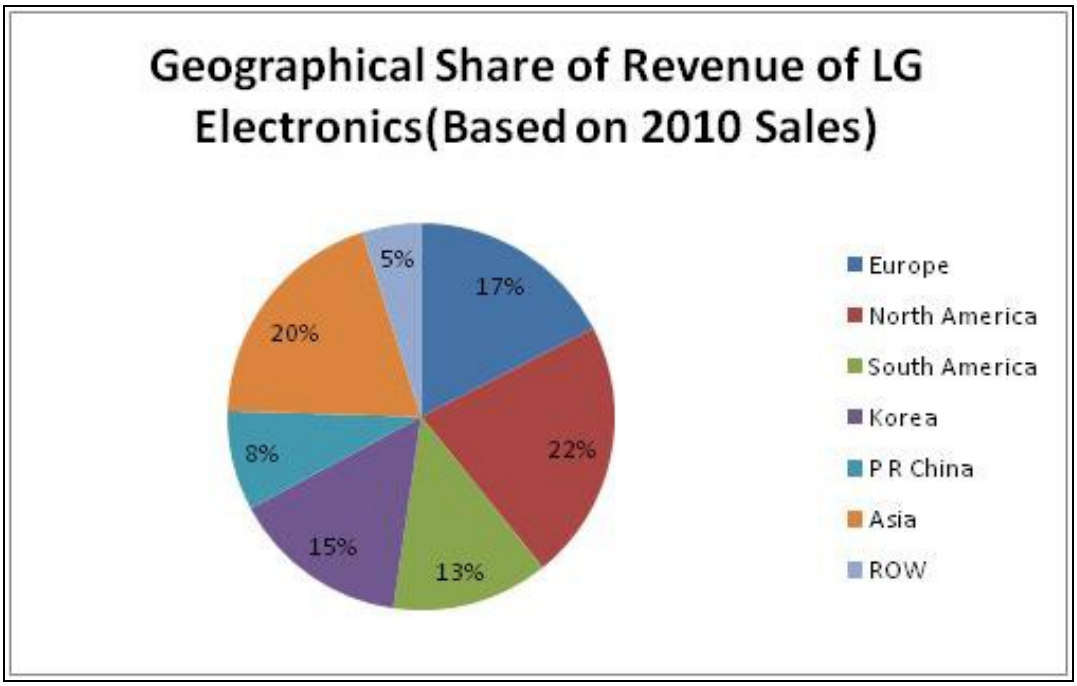
## Revenue Trends - 2006 to 2010




**Profit Trends - 2006 to 2010**




**Geographical Analysis**

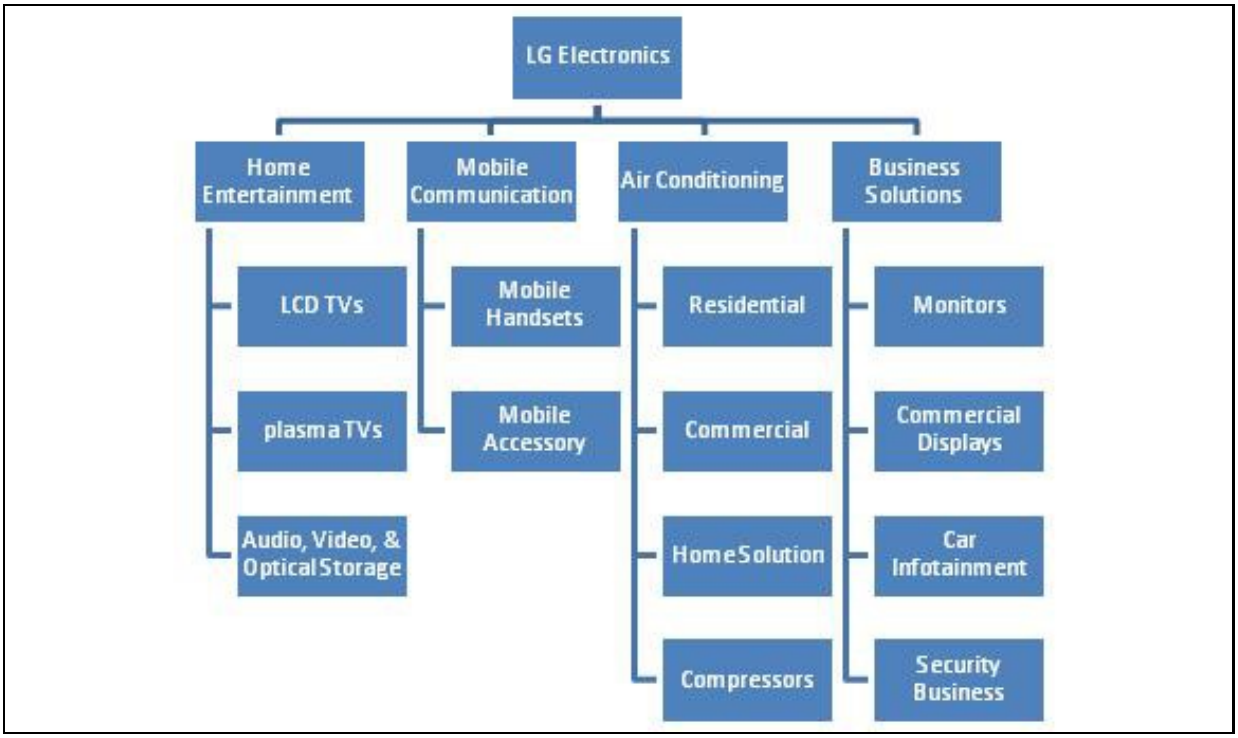



**Shareholding Pattern**

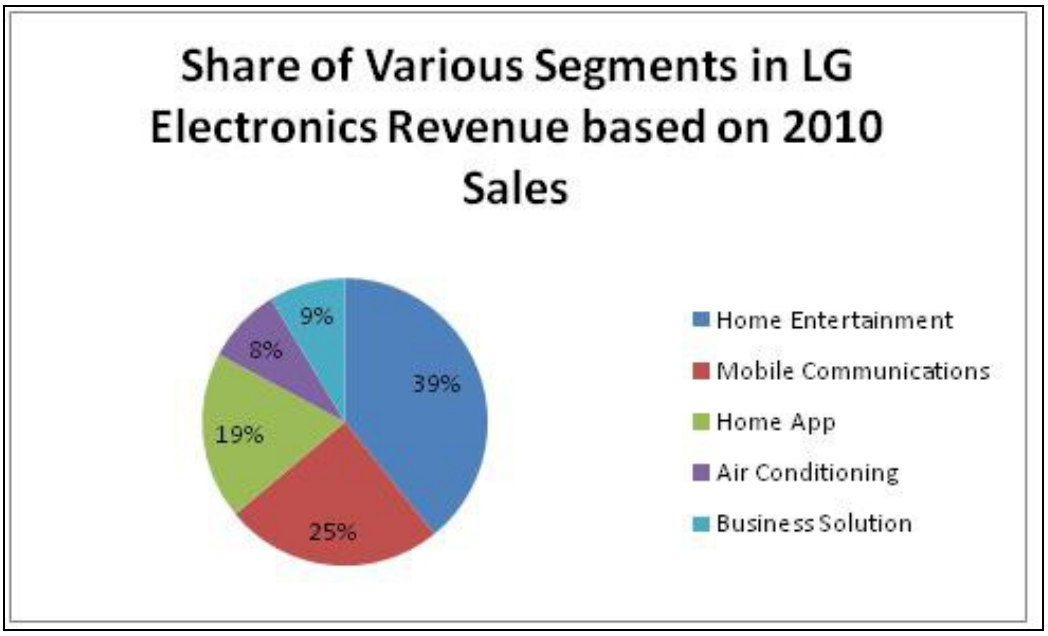
| Major Shareholders | Stake |
|---|---|
| LG Corp. | 34.80% |
| National Pension Service | 5.04% |

## Major Segments of LG Electronics

Typical Products of LG Electronics can be classified in following categories




Revenue Breakdown among Various Categories based on 2010 Sales




## Stock Performance of LG Electronics in 2010

### Stock Price:

? Share Price (20-May-10): 101,000

? 52-Week High (02-Sep-09): 148,500

? 52-Week Low (20-May-10): 101,000

? Currency: KRW

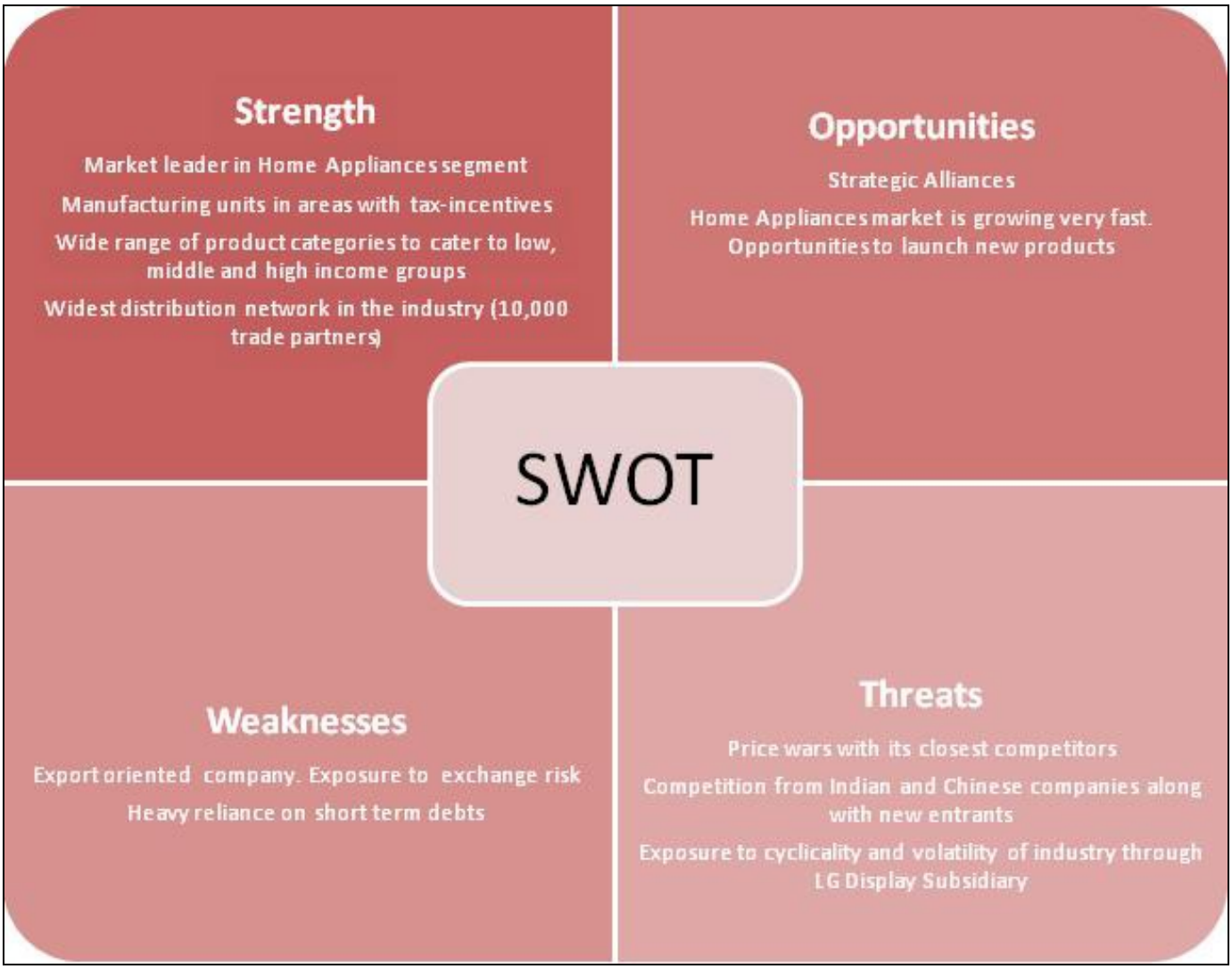
### Dividend Information:

? Dividend: 1,750 KRW

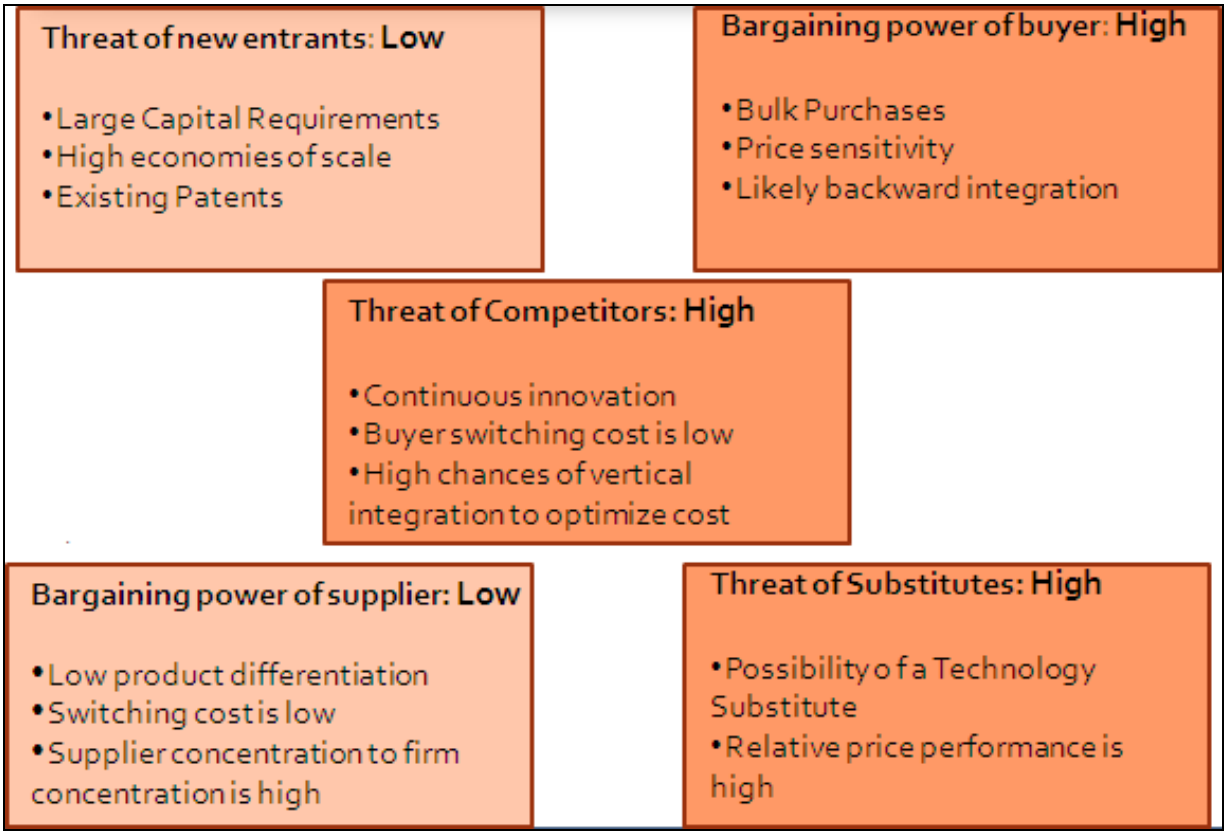
? Pay Date: April 16, 2010

? Ex-Dividend Date: December 29, 2009

## SWOT Analysis of LG Electronics

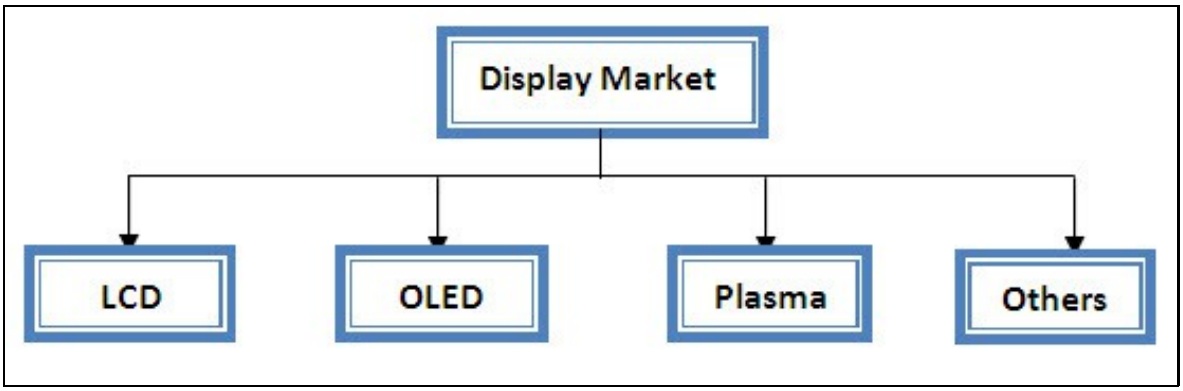



**Porter's 5 Forces analysis- Display Industry**

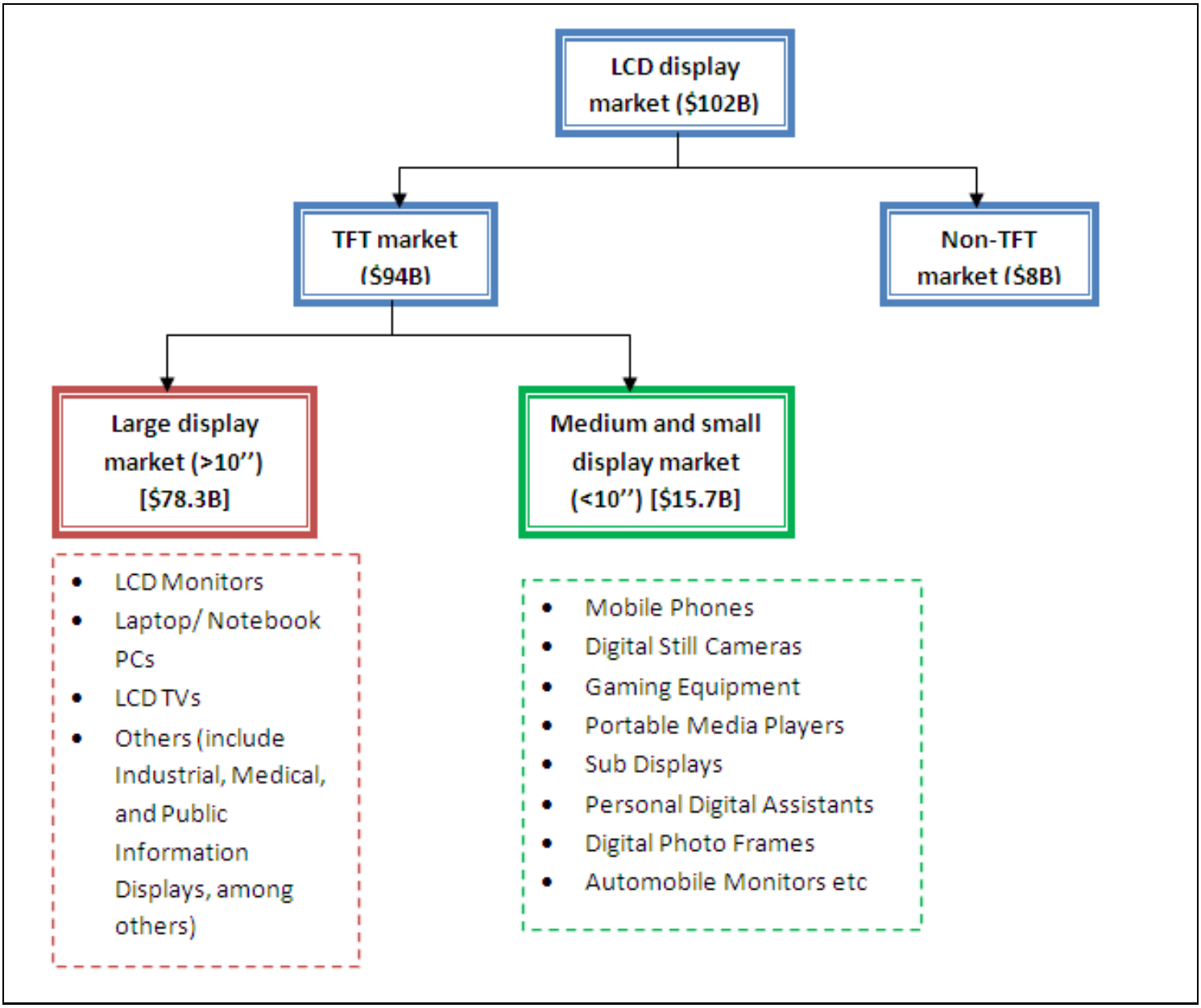


## Analysis of display business

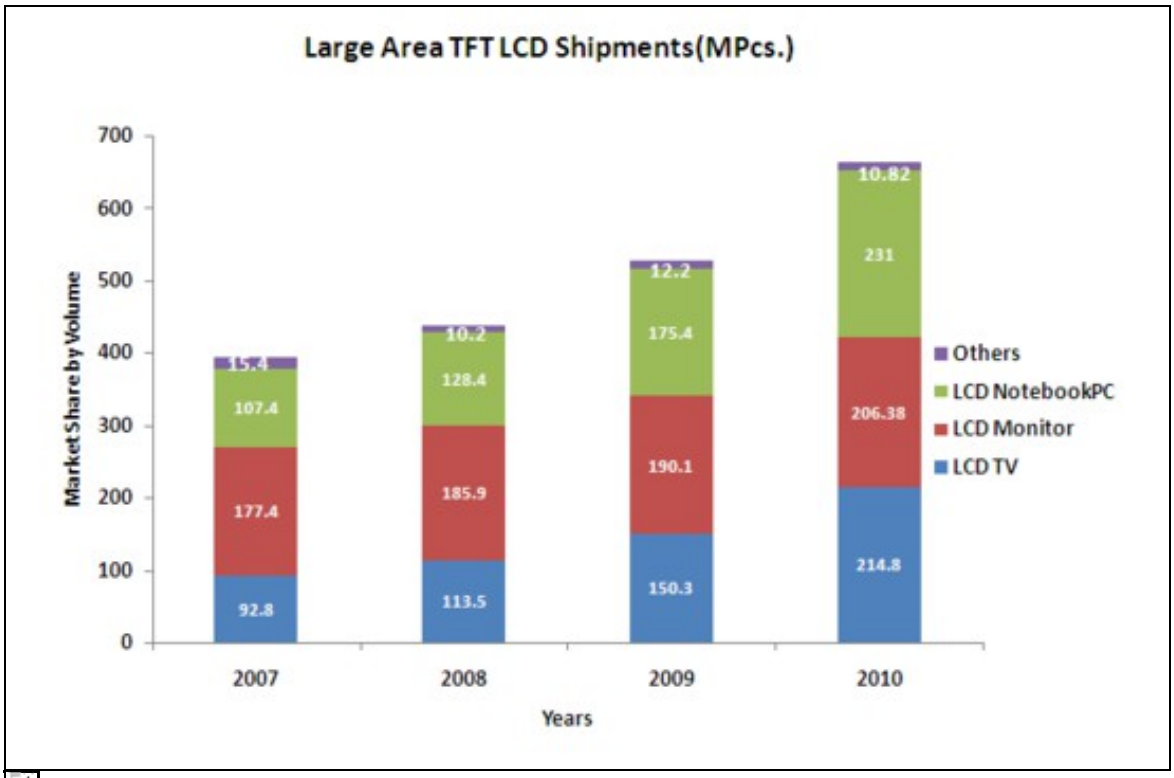
LG Display accounted for approximately 30% of LGE's revenues in 2010. Display business is capital-intensive, competitive and cyclical.

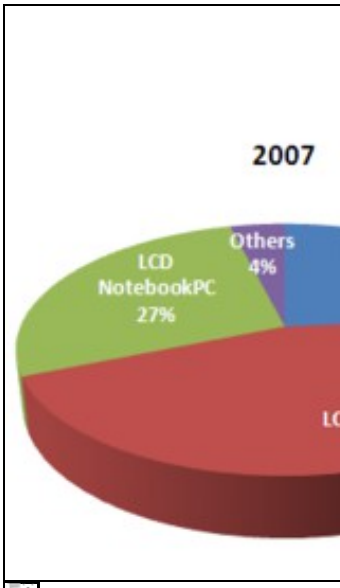



**LCD display market in 2010**




**Large Area TFT market**




Sources: Displaybank,Displaysearch

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Year on year there was an increase in shipments for all the products of large area TFT LCD. In total the revenue grew by 25% in 2010 up from 20% in 2009. After recession and a laggard growth of 11.5% in 2008, the market has picked up and the revenue is growing.

- Market revenue overall is growing, but the most promising product and market that uses this technology is Television. With a growth of 42.9% in 2010 up from 32.4% in 2009, the market looks profitable.
- Notebook PC market also looks profitable, with a growth rate of 31.7%, but a decline from the previous year from 36.6%. The OLED technology is eating up the market share of the TFT LCD market share in this market.