

Best Practices: Energy Conservation



10th Aug., 2005

**WELCOME TO LG ELECTRONICS
INDIA**

Introduction to LGEIL

- History
- Factory Layout
- Performance
- Sales Infra
- Vision
- Best Practice
- Reward System



Aug 10th '05

LG Electronics India Pvt. Ltd.

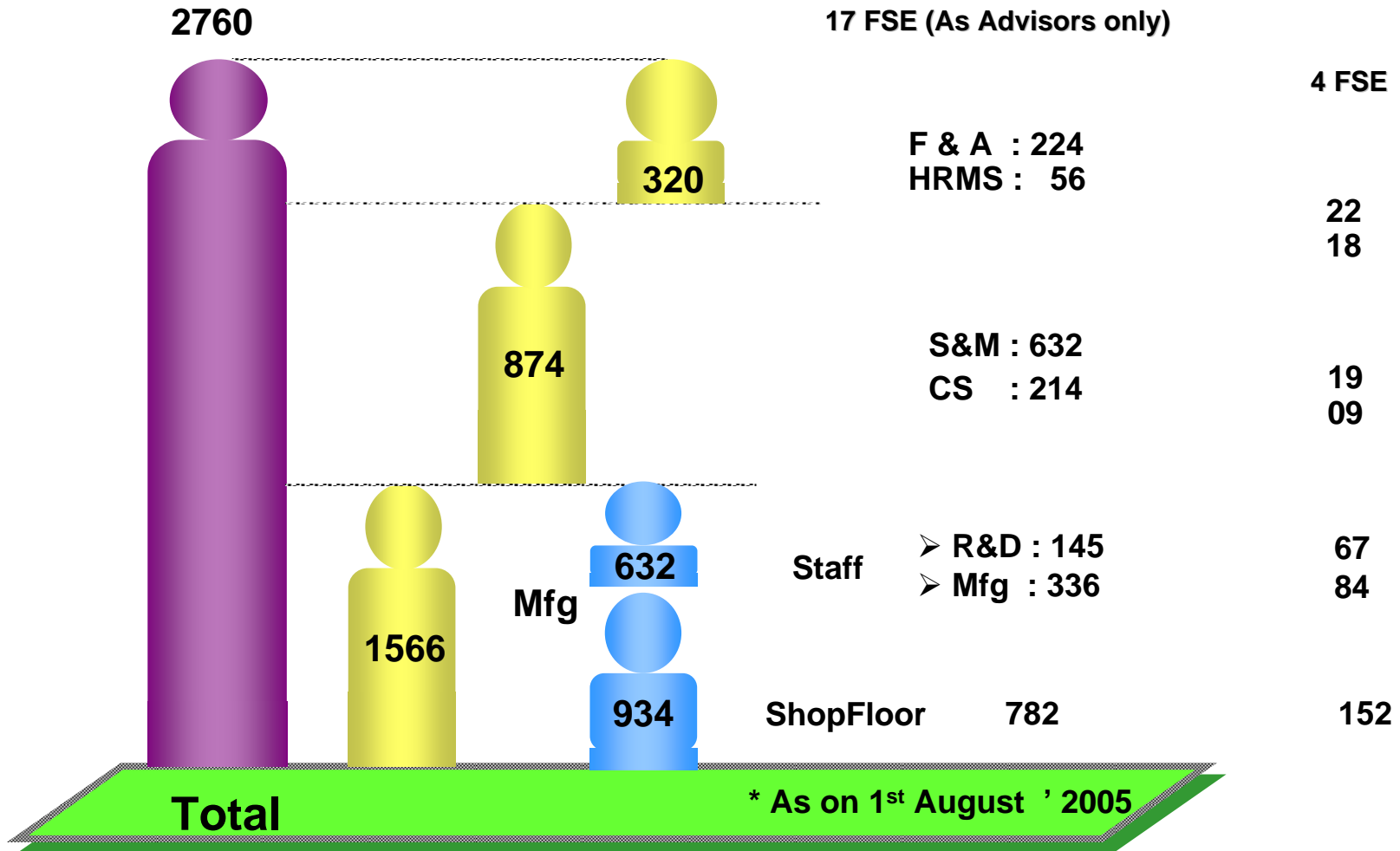
Fast Company , Fast Growth

- Feb'97 : Established LGEIL
- May'97: Launched CTV , WM , REF (CBU)
- Jan'98 : Launched AC
- Apr'98 : Started Production at Noida
- May'01: Started Monitor Prod.
- Jul' 01 : Started FF Ref Prod.
- Dec'02 : Started DC Ref Prod.
- Jul'03 : Started Comp Prod.
- Oct'04 : Inaugurated the Pune Plant

Manpower

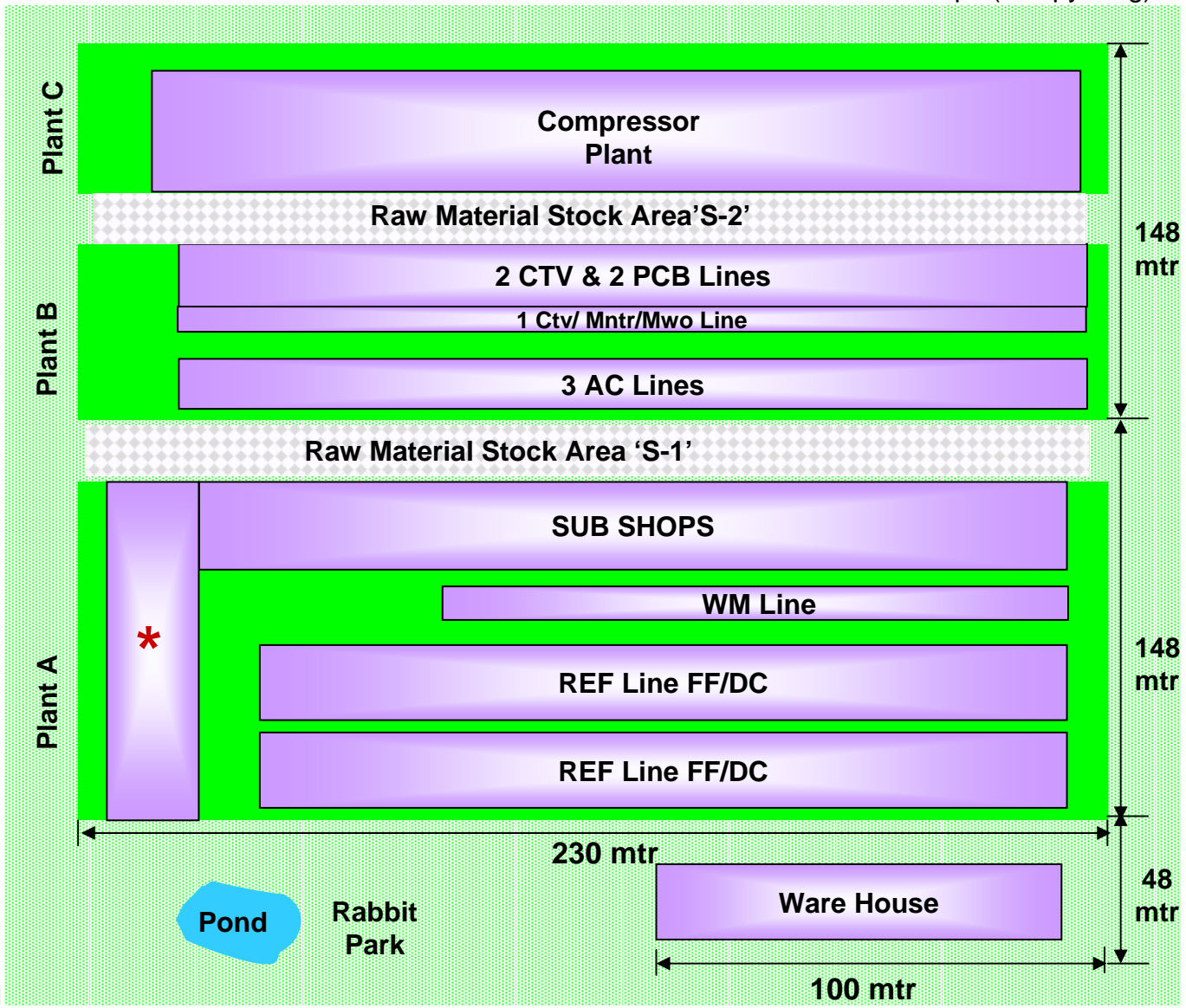
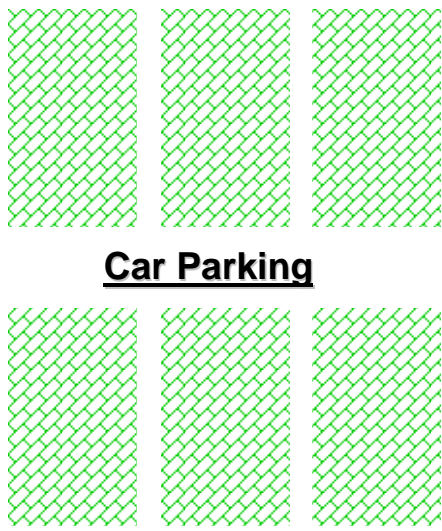
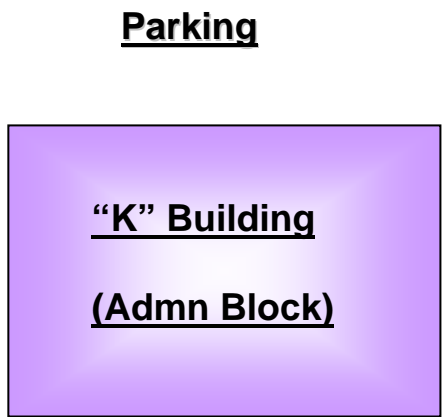
Noida Manpower

Pune Manpower

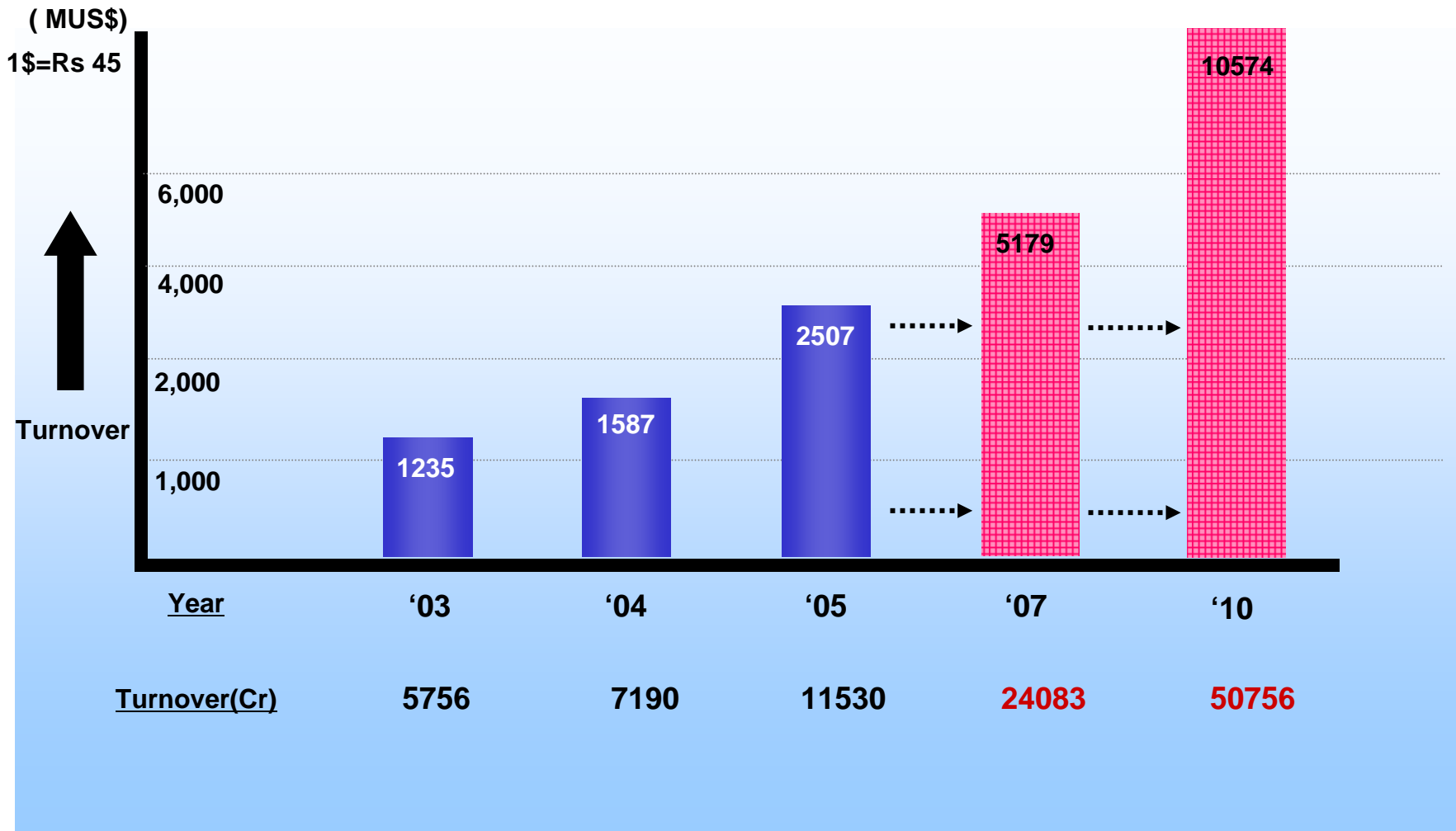


Factory Layout

Area - 204 k Sqm (62k pyeong)



We will achieve \$ 10 Billion Turnover by 2010 !!

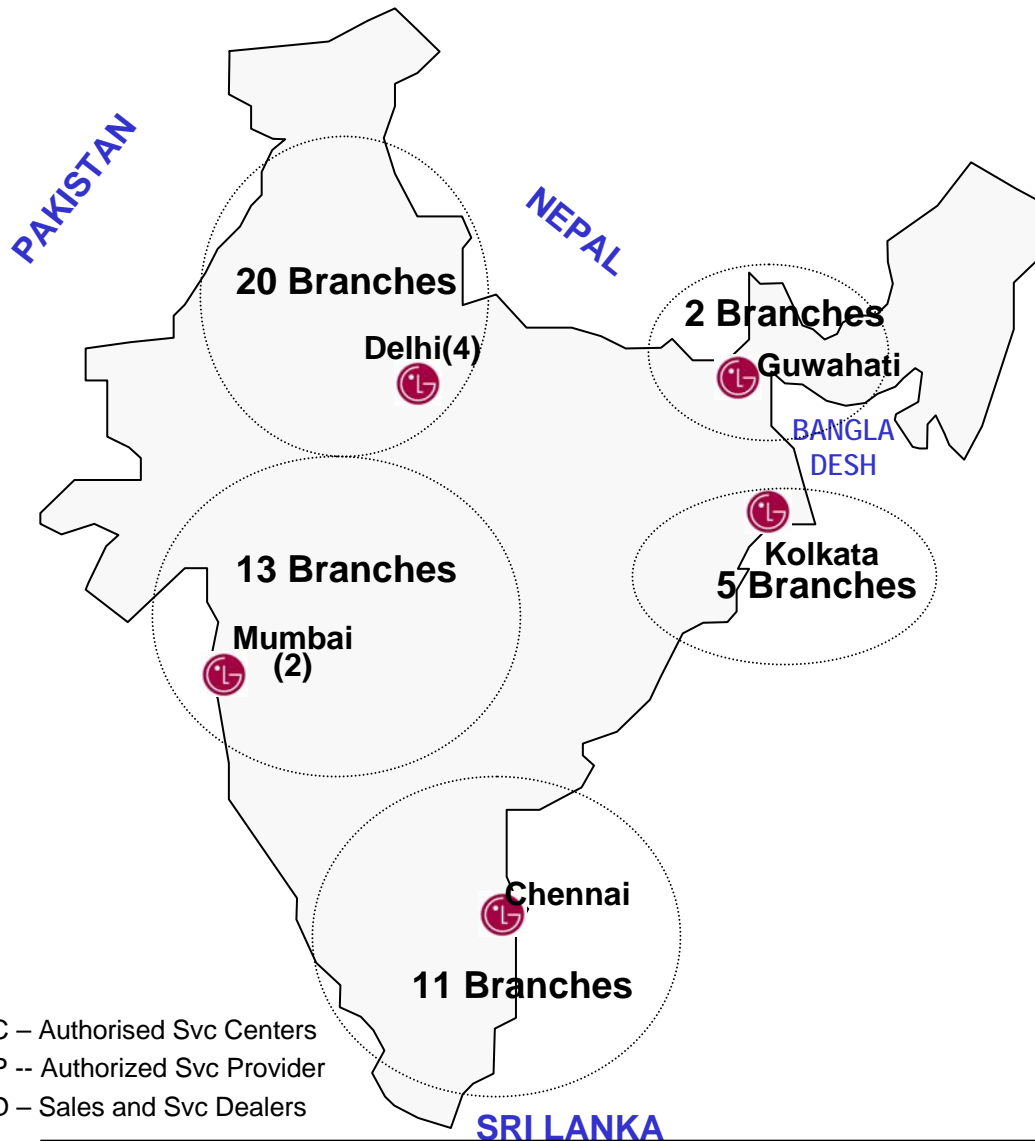


Lead the Market , Create the Market

| Product | Qty-K no.s | | <u>Share</u> | | <u>Size</u> Qty-Mil | | |
|---------|------------|-------------|--------------|------------|---------------------|------|-------|
| | 2004 | | 2005 | | 2004 | 2005 | |
| | Q'ty | M/S* | Q'ty | M/S* | Q'ty | Q'ty | Grwth |
| CTV | 2375 | 26% (1) | 3300 | 32% (1) | 8.5 | 10.5 | 24% |
| REF | 1030 | 28% (1) | 1750 | 43% (1) | 3.8 | 4.2 | 10% |
| WM | 485 | 35% (1) | 680 | 42% (1) | 1.4 | 1.6 | 15% |
| AC | 380 | 37% (1) | 520 | 43% (1) | 1.0 | 1.2 | 20% |
| MWO | 145 | 42% (1) | 250 | 45% (1) | 0.37 | 0.55 | 48% |
| Monitor | 660 | 21% (2) | 1000 | 21% (2) | 3.4 | 4.7 | 37% |
| PC | 44 | 2% (5) | 220 | 5% (2) | 3.0 | 4.4 | 45% |
| CDMA | 2100 | 50% (1) | 3100 | 60% (1) | 4.2 | 5.2 | 25% |
| GSM | 350 | 3.5% (5) | 1800 | 15% (2) | 9.5 | 12 | 26% |

*Nov 04 data, Source: ORG-GFK

Rural focus through excellent reach



Co.s Reach

| | |
|-------------------|------|
| □ Branch Off | : 51 |
| □ RAO | : 79 |
| TOTAL: 130 | |

Sales Channel

| | |
|--------------------|--------|
| □ Dealers | : 1350 |
| □ Distributors | : 889 |
| □ AWD | : 130 |
| TOTAL: 2369 | |

SVC Channel

| | |
|-------------------|-------|
| □ ASC,ASP | : 480 |
| □ SSD | : 500 |
| TOTAL: 980 | |

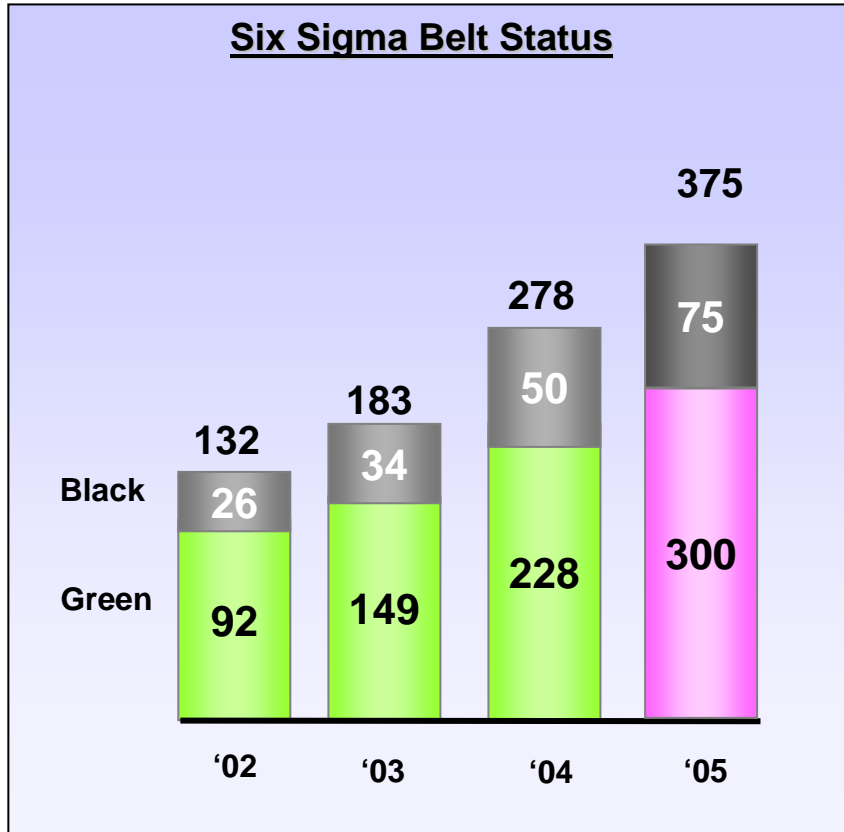
Logistics

| | |
|--------------------|------|
| □ Mother warehouse | : 1 |
| □ Stock Point | : 73 |
| TOTAL: 74 | |

- ASC – Authorised Svc Centers
- ASP -- Authorized Svc Provider
- SSD – Sales and Svc Dealers

Making Six Sigma a common language

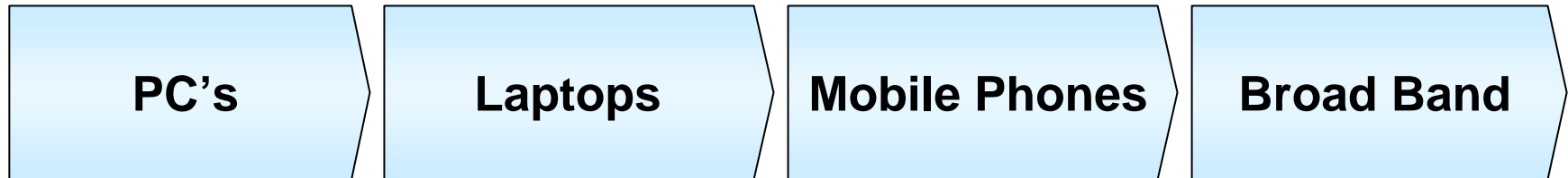
No. of persons



- Six Sigma Projects – 305
- 6.5 Mil \$ Cost Innovation
- Workers Morning class
- Worker BB-2,GB-29
- Monetary reward

Year 2004

Fast Communication , Fast Business



- One person
One PC(100%)

- Internet
connectivity
to all

- 630 Laptops
(53 %)

- High Mobility
- Fast Decisions

- 1050 Sets
(90%)

- Information any
time

- All Area Sales
office

Manufacturing Innovation

Unique Activity

- Obligatory Line Innovation
 - Blk Closure(Twice/Year)
 - **DMS (Digital Mfg System)**
- Worker Multi Skilling
 - '03 : 45
 - '04 : 75
- MI & 5S training
 - Mind Innovation
 - Physical , 5S
- Rewards
 - M.D unique activity
 - Productivity
 - NWT / Fi-10 / Safety
 - **125 persons/month**

Cultural Innovation

Unique Activity

- Culture Innovation
 - English Teaching (455 no.s '04)
 - **Family Ambassador**
 - **Community Support**
- Team Building
 - River rafting , trekking
- Benchmarking
 - Korea & other countries
 - '04 : 150 persons
 - Line workers also
- Performance culture
 - 0 to 700% bonus
 - Family holiday
 - Attendance awards