Introduction to LS Industrial Systems

- LS Group Overview
- Business History
- Fiscal Structure
- Business Field
- Production Sites
- R&D Center
- Global Presence
- Vision
1. LS Group Overview

- LS was separated from LG group in 2003 and currently specialized in the field of Industrial Electric & Electronics, Materials and Energy
- In 2008, the Total Sales of LS was over $17.4 Billion with $1.1 Billion Operating Profit, the 15th largest business group in Korea
# 2. Business History – LS Industrial Systems

## Chronology – milestone in the industrial solution

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td><strong>Oct 09</strong></td>
<td>Established LS Industrial systems B.V. Amsterdam, Netherland</td>
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<td><strong>Oct 09</strong></td>
<td>Acquisition Sauter Korea Co., Building automation system maker</td>
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<td><strong>June 09</strong></td>
<td>Established LS Power Semitech Co., J/V with Infineon Technology</td>
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<td><strong>June 09</strong></td>
<td>Acquisition Metronix Co., Korean automation system manufacturer</td>
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<td><strong>Nov 08</strong></td>
<td>The ceremony of laying the cornerstone of the GIS/TR factory, Busan</td>
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<td><strong>2000’s</strong></td>
<td><strong>Nov 08</strong> Acquisition Planet Co., LED &amp; Power line carrier manufacturer</td>
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<td><strong>Sep 08</strong></td>
<td>Awarded Korea Best Company (among Electricity &amp; Cable industry)</td>
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<td><strong>Feb 07</strong></td>
<td>Opened Marketing Subsidiary in Dubai</td>
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<td><strong>Nov 06</strong></td>
<td>Awarded Korea Quality Gran Prix</td>
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<td><strong>Sep 05</strong></td>
<td>Constructed Electric &amp; Automation equipment factory in Wuxi, China</td>
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<td><strong>Mar 05</strong></td>
<td>Renamed from LG to LS Industrial Systems</td>
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<td><strong>Dec 03</strong></td>
<td>Separated from LG Group, joined LS Group</td>
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<td><strong>1990’s</strong></td>
<td><strong>Apr 99</strong> LGIS merged LG Metal</td>
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<td><strong>Sep 95</strong></td>
<td>LGIS merged Goldstar I&amp;E &amp; Goldstar Mechanical &amp; Electrical</td>
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<td><strong>Jan 95</strong></td>
<td>Renamed from Goldstar to LG Industrial Systems (LGIS)</td>
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<td><strong>May 94</strong></td>
<td>Listed Goldstar Industrial Systems in the Korea Stock Exchange</td>
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<td><strong>1980’s</strong></td>
<td><strong>Mar 87</strong> Established Goldstar Industrial Systems Co., Ltd.</td>
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<td><strong>Feb 80</strong></td>
<td>Constructed the Cheongju factory of Goldstar I&amp;E</td>
</tr>
<tr>
<td><strong>1970’s</strong></td>
<td><strong>Jun 74</strong> Established Goldstar Instrument &amp; Electrical Co., Ltd.</td>
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3. Fiscal Structure

Overview (‘08)

- Turnover: US$1,392 Mil.
- Net Profit: US$119 Mil.

Sales by Product

- Automation Industry: 21%
- Processed Metals: 27%
- Electric Power: 52%

Domestic Market Share

- Low/Medium Voltage: 62% Others: 14% Others: 24%
- Inverter: 45% Others: 15% Others: 13% Others: 27%
- PLC: 36% Others: 35% Others: 18% Others: 11%
- Metering: 34% Others: 14% Others: 13% Others: 39%

- Capital: US$489 Mil.
- Assets: US$1,027 Mil.
- Employees: 3,305
- R&D Investment: US$63 Mil.
4. Business Field

**Power Transmission & Distribution**
- Low Voltage
- Medium Voltage
- Protection & Measurement
- Transformer (365kV)
- Gas Insulated Switchgear
- Low & Medium Switchgear
- PQ Solutions (DVR, APF)
- Bus Duct System

**Automation & Drives**
- Programmable Logic Controller
- Inverter (LV, MV)
- Process Automation (DCS)
- Railway System
- Intelligent Transport System
- Power IT Solution (EMS, SCADA)
- Photovoltaic System

**Processed Metals**
- Copper Tubes
- STS Pipe

**New Growth Engines**
- RFID
- Power Semiconductor (IGBT)
- Electric Vehicle PCU
- Car Electric Sub Assembly
- Power Line Communication
- LED lighting & Control
- Servo Drive & Motor
- Industrial Robot
- Intelligent Building System
- HVDC
LSIS now has 5 major production facilities in South Korea. In addition to these locations, we are running 2 more plants in China and one in Vietnam.
6. R&D Center

5 R&D centers are located in South Korea and China

- Automation & Advanced Tech. R&D Center in Anyang
- Electrotechnology R&D Center in Cheonan
- China R&D Center
- Shanghai R&D Center
- Power Testing & Technology Institute in Cheongju
7. Global Presence

- **5 Overseas Corporations**: Dalian & Wuxi (China), Hanoi (Vietnam), Dubai (UAE), Amsterdam (Netherlands)

- **7 Overseas Branches**: Shanghai, Beijing, Guangzhou, Chengdu, Qingdao (China), Tokyo (Japan), Germany

- **3 Global Service Centers**: Shanghai, Beijing, Guangzhou (China)

- **224 Business Partners**: 77 countries
8. Vision

**LSIS Vision 2015**

"Innovators of Innovation"

- Growth
  "How to Grow"
  - World Class 3P
    - People-Product-Process
  - A Culture of Openness
    - Flexibility/Faithfulness/R&R/Harmony

**Green Biz Vision 2015**

"Greenocomotion"

A Green company providing superb green solutions to achieve more than 50% energy efficiency enhancement and aims zero greenhouse gas emission.

**World Class 3P**

- $4.5B
- $3B
- $1.3B

**Turnover**

- Overseas
  - Overseas: 26%, 45%, 49%
  - Domestic: 74%, 54%, 51%

- Power Infra
  - Overseas: 10%, 24%, 47%
  - Domestic: 90%, 76%, 53%

※ Greenocomotion = Green + Locomotion