LG Electronics launches production of HDTV Set-Top Boxes for DIRECTV

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DIRECTV, Inc., the USA’s leading digital television service provider, has selected LG Electronics as the first supplier of digital high-definition television (HDTV) set-top boxes based on powerful new video compression technology, the companies announced today.

LG Electronics, Inc. (CEO: S. S. Kim / 06657.KS) has begun production of set-top boxes for use in DIRECTV’s MPEG-4 (moving picture experts group) HD satellite broadcasts, further expanding LG’s leadership in the North American digital television market. Terms were not disclosed.

DIRECTV will launch the most dramatic expansion of programming in its history when it begins offering local broadcast channels in HD this fall in major markets throughout the United States. By 2007, DIRECTV plans to offer more than 1,500 local broadcast channels and more than 150 national channels in HD.

“Consumer demand for HD is exploding, and DIRECTV is ushering in a new era in satellite delivery of HD content using a powerful new broadcasting technology, MPEG-4,” said Romulo Pontual, executive vice president and chief technology officer, DIRECTV, Inc. “This will enable us to greatly enhance our customers’ viewing experience by offering the widest array of HD programming available. The technical and manufacturing capabilities of LG Electronics, coupled with their strong commitment to this specific program, make LG a terrific partner for DIRECTV.”

B.B. Hwang, president and CEO, Digital Media Company, LG Electronics, said, “Our agreement with DIRECTV builds on LG’s role as a long-time HDTV technology leader and as a key supplier of DIRECTV MPEG-2 HD set-top boxes for five years. DIRECTV deserves as lot of credit for bringing the MPEG-4 digital video compression platform to high-definition transmission, and LG is proud to play a major role in the deployment of this important technology.”

LG’s new set-top boxes, which are being sold under the DIRECTV brand name, feature DIRECTV’s advanced program guide, advanced security, and protected digital outputs (HDMI/HDCP) with simultaneous component/composite output, as well as a general-purpose LINUX-operating-system and USB port.

The LG-manufactured DIRECTV set-top boxes - built around Broadcom’s MPEG chipset and LG’s industry-leading fifth-generation “VSB” chipset - allow viewers to watch not only MPEG-4 HD satellite broadcasts, but also existing MPEG-2 standard-definition programming and terrestrial ATSC (Advanced Television System Committee) digital HDTV and SDTV broadcasts.

The new HDTV satellite MPEG-4 broadcast services initiated by DIRECTV for the first time in the world employ advanced digital compression technology to deliver more channels in the same frequency bandwidth as existing ones. Other satellite broadcasters and cable broadcast operators
will likely introduce MPEG-4 broadcast services, spurring the growth of MPEG4 market in the years ahead.

The DIRECTV agreement recognizes LG’s set-top box development and manufacturing strengths. For the longer-term, the agreement also sets the stage for LG Electronics to develop next-generation MPEG-4 HD DVRs (High-Definition Digital Video Recorders) and Home Media Center set-top boxes, further boosting LG’s leadership in the global high-end set-top box market.