



Department of Justice

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LG, SHARP, CHUNGHWA AGREE TO PLEAD GUILTY, PAY TOTAL OF \$585 MILLION IN FINES FOR PARTICIPATING IN LCD PRICE-FIXING CONSPIRACIES

LG to Pay \$400 Million Fine, Second Highest Antitrust Division Criminal Fine Ever Imposed

WASHINGTON – Three leading electronics manufacturers—LG Display Co. Ltd., Sharp Corp. and Chunghwa Picture Tubes Ltd.—have agreed to plead guilty and pay a total of \$585 million in criminal fines for their roles in conspiracies to fix prices in the sale of liquid crystal display (LCD) panels, the Department of Justice announced. Of the \$585 million in fines, LG will pay \$400 million, the second highest criminal fine ever imposed by the Department’s Antitrust Division.

Today’s charges were filed in U.S. District Court in San Francisco. The companies have agreed to cooperate with the Department’s ongoing antitrust investigation.

Thin-Film Transistor-Liquid Crystal Display (TFT-LCD) panels are used in computer monitors and notebooks, televisions, mobile phones, and other electronic devices. In 2006, the worldwide market for TFT-LCD panels was approximately \$70 billion. Companies directly affected by the LCD price-fixing conspiracies are some of the largest computer, television and cellular telephone manufacturers in the world, including Apple, Dell and Motorola.

“Today’s charges and criminal fines emphasize the commitment of the Department of Justice to crack down on international cartels,” said Attorney General Michael B. Mukasey.

LG Display Co. Ltd, a South Korean corporation, and its wholly-owned subsidiary, LG Display America Inc., a California company (LG), agreed to plead guilty to participating in a conspiracy from September 2001 to June 2006 to fix the price of TFT-LCD panels sold worldwide. During the conspiracy, LG Display Co. Ltd. was known as LG.Philips LCD Co. Ltd. (a joint venture between LG Electronics and Philips Electronics) and LG Display America Inc. was known as LG.Philips LCD America Inc.

Sharp Corp., a Japanese consumer electronics manufacturer, has agreed to pay a \$120 million fine for its participation in separate conspiracies to fix the price of TFT-LCD panels sold to Dell Inc. from April 2001 to December 2006 for use in computer monitors and laptops; to Motorola Inc. from fall 2005 to the middle of 2006 for use in Razr mobile phones; and to Apple Computer Inc. from September 2005 to December 2006 for use in iPod portable music players.

Chunghwa, a Taiwanese TFT-LCD panel manufacturer, has agreed to pay a \$65 million fine for its participation with LG and other unnamed co-conspirators in a conspiracy from September 2001 to December 2006 to fix the price of TFT-LCD panels sold worldwide.

“These price-fixing conspiracies affected millions of American consumers who use computers, cell phones and numerous other household electronics every day,” said Thomas O. Barnett, Assistant Attorney General in charge of the Department’s Antitrust Division. “These convictions, and the significant fines they carry, should send a clear message that the Antitrust Division will vigorously investigate and prosecute illegal cartels, regardless of where they are located.”

LG and Chunghwa are charged with carrying out the conspiracy by:

- Participating in meetings, conversations, and communications in Taiwan, Korea and the United States to discuss the prices of TFT-LCD panels;
- Agreeing during those meetings, conversations and communications to charge prices of TFT-LCD panels at certain pre-determined levels;
- Issuing price quotations in accordance with the agreements reached; and
- Exchanging information on sales of TFT-LCD panels, for the purpose of monitoring and enforcing adherence to the agreed-upon prices.

Sharp is charged with participating in three separate conspiracies, to fix the price of TFT-LCD panels sold to Dell, Motorola and Apple by:

- Participating in bilateral meetings, conversations, and communications in Japan and the United States to discuss the prices of TFT-LCD panels to be sold to Dell, Apple and Motorola;
- Agreeing during those bilateral meetings, conversations and communications to charge prices of TFT-LCD panels at certain pre-determined levels to Dell, Apple and Motorola;
- Issuing price quotations in accordance with the agreements reached; and
- Exchanging information on sales of TFT-LCD panels to be sold to Dell, Apple and Motorola, for the purpose of monitoring and enforcing adherence to the agreed-upon prices.

LG, Sharp and Chunghwa are each charged with price fixing in violation of the Sherman Act. Each violation carries a maximum fine of \$100 million for corporations. The maximum

fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

LG Display Co. Ltd., based in Seoul, South Korea, reported \$15.3 billion in revenue for 2007.

Sharp, based in Osaka, Japan, reported \$34.2 billion in revenues for its fiscal year ending March 31, 2008, including \$6.8 billion in revenue from LCD sales.

Chunghwa, based in Taoyuan, Taiwan, Republic of China, reported \$4.8 billion in revenue for 2007.

These pleas are the result of a joint investigation by the Antitrust Division's San Francisco Field Office and the Federal Bureau of Investigation in San Francisco. The plea agreements are subject to court approval.

Anyone with information concerning illegal conduct in the TFT-LCD industry is urged to call the San Francisco Field Office of the Antitrust Division at 415-436-6660.

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