

LG Display suffers 4th-quarter loss on EU fine

January 21 2011, By KELLY OLSEN , AP Business Writer

(AP) -- LG Display suffered a net loss in the fourth quarter after it was slapped with a hefty European Union fine for price fixing late last year.

The company, the world's second-biggest maker of liquid crystal displays used in products including flat screen televisions, computers and mobile phones, said in a regulatory filing Friday that it lost 268.4 billion won (\$239.3 million) in the three months ended Dec. 31. [LG Display](#) posted a [net profit](#) of 502.1 billion won a year earlier.

Sales rose 10 percent to 6.48 trillion won from 5.91 trillion won a year earlier.

The EU [competition watchdog](#) said in December that it fined LG Display Co. and four Taiwanese manufacturers for fixing prices on [LCD panels](#) between 2001 and 2006. LG Display was fined euro 215 million. Industry leader [Samsung Electronics](#) Co. escaped a fine because it blew the whistle on the cartel, the European Commission said.

LG Display acknowledged in December that it had violated competition law, though said it may appeal the ruling on procedural grounds. The company has yet to decide whether it will appeal, according to spokeswoman Claire Ohm.

The [fourth-quarter](#) result was not the first time a big fine has sliced into the company's earnings. LG Display recorded a net loss in the final quarter of 2008 after a \$400 million price-fixing conspiracy penalty

levied in the United States.

Lower panel prices also hurt the company in the final three months of last year, despite increased shipments.

LG Display's average selling price per square meter of display area shipped, an industry benchmark, was \$695 in the fourth quarter, the company said. That was 14 percent lower than the same period last year and 11 percent below the third quarter this year.

Seoul-based LG Display also said it shipped 7.92 million square meters of net display area in the fourth quarter, 16 percent higher than a year earlier and up 10 percent from the previous quarter.

Looking ahead, LG Display said it expects total display area shipments to decline in the current first quarter by a high single digit percentage from the fourth. It also expects a decline in TV panel prices to slow in the first quarter and panel prices for IT products to remain stable.

For all of 2010, LG Display said that sales rose to a record 25.51 trillion won, a gain of 27 percent from the year before. Net profit increased 3.7 percent to 1.16 trillion won.

Shares in LG Display, which released earnings results after the stock market closed, fell 1.7 percent to close at 37,300 won.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: LG Display suffers 4th-quarter loss on EU fine (2011, January 21) retrieved 26 April 2024 from <https://phys.org/news/2011-01-lg-4th-quarter-loss-eu-fine.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.