



Department of Justice

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**PANASONIC CORP. AND WHIRLPOOL CORP. SUBSIDIARY AGREE TO
PLEAD GUILTY FOR ROLE IN PRICE-FIXING CONSPIRACY INVOLVING
REFRIGERANT COMPRESSORS**

Companies Agree to Pay a Total of \$140.9 Million in Criminal Fines

WASHINGTON — Panasonic Corporation and a Whirlpool Corporation subsidiary, Embraco North America Inc., have agreed to plead guilty and to pay a total of \$140.9 million in criminal fines for their role in an international conspiracy to fix the prices of refrigerant compressors, which are used in refrigerators and freezers in homes and businesses, the Department of Justice announced today.

According to separate one-count felony charges filed today in U.S. District Court in Detroit, Panasonic, a Japanese corporation, and Embraco, a Delaware-based refrigerant compressor producer and seller, participated in a conspiracy to fix the prices of refrigerant compressors sold in the United States and elsewhere. The department said the conspiracy took place from at least as early as Oct. 14, 2004, until on or about Dec. 31, 2007. According to the plea agreements, which are subject to court approval, both companies have agreed to cooperate with the department's ongoing refrigerant compressor investigation. Embraco has agreed to pay a \$91.8 million criminal fine and Panasonic has agreed to pay a \$49.1 million criminal fine.

Refrigerant compressors are placed into devices such as refrigerators and freezers and take in low-pressure refrigerant, compress it and then pump out a high-pressure vapor which condenses and subsequently cools the devices.

“These are the first charges as a result of the Antitrust Division’s ongoing investigation into the worldwide refrigerant compressors market,” said Christine Varney, Assistant Attorney General in charge of the Department of Justice’s Antitrust Division. “We are committed to investigating and bringing to justice those who engage in this kind of international price fixing.”

According to the charges, Panasonic, Embraco and co-conspirators carried out the conspiracy by agreeing during meetings and conversations to coordinate prices of refrigerant compressors. Panasonic, Embraco and co-conspirators coordinated prices on household compressors. Embraco and co-conspirators also coordinated prices on light commercial compressors. As part of the conspiracy, Panasonic, Embraco and co-conspirators exchanged information for the purpose of monitoring and enforcing adherence to the agreed-upon prices.

Both Panasonic and Embraco are charged with price fixing in violation of the Sherman Act, which 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.

The department's ongoing investigation into the worldwide refrigerant compressors market is being conducted by the Antitrust Division's Cleveland Field Office and the FBI's Detroit Field Office, Ann Arbor, Resident Agency.

Anyone with information concerning price fixing in the refrigerant compressor industry should call the Antitrust Division's Cleveland Field Office at 216-687-8400 or visit www.justice.gov/atr/contact/newcase.htm.

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