

FY2009 Q4 Earnings Release

hynix Semiconductor

January 21, 2010

hynix Semiconductor

This material contains forward-looking statements which can be subject to certain risks and uncertainties that could cause actual results to differ materially. Review of the Q4 FY2009 financial results has not been finalized.

Figures in this earnings release are subject to changes during the independent auditing process.

Except where otherwise stated, the financial information provided herein reflects consolidated results of our entire businesses.

Result of Operations

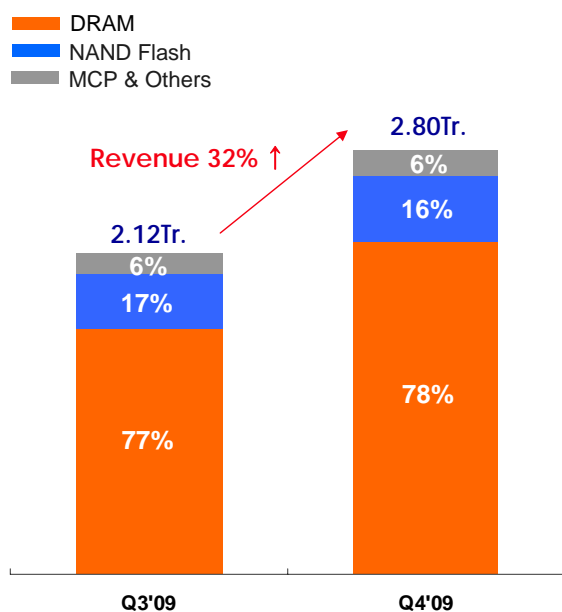
(Unit: KRW Billion)	Q4'09	QoQ	Q3'09	2009	YoY	2008
Revenue	2,799	32%	2,118	7,906	16%	6,818
Gross Income	1,100	90%	578	1,627	N/A	-545
Operating Income	708	238%	209	192	N/A	-1,920
EBITDA	1,387	57%	885	2,899	223%	897
Net Income*	657	167%	246	-333	93%	-4,745
Profitability (%)						
Gross Margin	39%	12%p	27%	21%	29%p	-8%
Operating Margin	25%	15%p	10%	2%	31%p	-28%
EBITDA Margin	50%	8%p	42%	37%	24%p	13%
Net Margin	23%	12%p	12%	-4%	65%p	-70%

* Minority interest included



Sales Analysis

Sales by Products



Analysis

Total sales increased due to shipment growth of both DRAM & NAND Flash and ASP improvement of DRAM

→ KRW 2.8 Tr. (QoQ 32%↑)

■ DRAM sales increased as:

- ASP increased 26% (QoQ)
- Bit growth increased 12% (QoQ)

■ NAND Flash sales increased as:

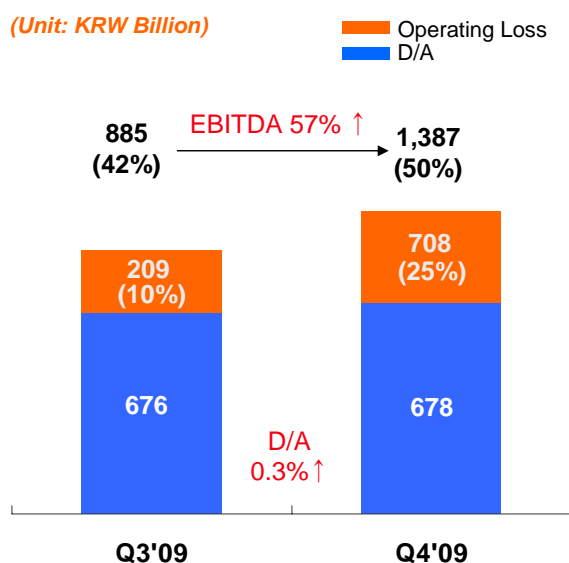
- ASP decreased 5% (QoQ)
- Bit growth increased 37% (QoQ)

■ MCP & Others sales increased



Profit Analysis

Profitability



* (%) = Margin

Analysis

Profit margin increased due to cost reduction per unit of DRAM & NAND Flash

(OP margin 25%, EBITDA margin 50%)

(+) Considerable profit Increase due to solid DRAM pricing and positive bit shipment growth of both DRAM & NAND

(+) Unit cost reduction due to improved yield rate and technology migration

(+) Reversal of loss on inventory valuation (KRW 22 Billion)



Non OP Income & Expense

(Unit: KRW Billion)

	Q4'09	QoQ	Q3'09	2009	YoY	2008
Non-Operating Income, net	-97	-132	35	-563	2,292	-2,855
Interest, net	-90	6	-96	-404	-75	-329
F/X Transaction & Translation, net	46	-232	278	275	1,356	-1,080
Others	-53	94	-147	-435	1,010	-1,445
Income Taxes	-45	-43	-2	-38	-8	-30
Minority Interest	5	4	1	15	40	-25



Capital Structure

<i>(Unit: KRW billion)</i>	Q4'09	QoQ	Q3'09	Q4'08	YoY
Asset	16,304	83	16,220	16,576	-273
<i>(Cash *)</i>	<i>(1,518)</i>	<i>(-12)</i>	<i>1,530</i>	<i>719</i>	<i>799</i>
Liability	10,384	-522	10,906	11,050	-666
<i>(Debt **)</i>	<i>(6,955)</i>	<i>(-570)</i>	<i>(7,526)</i>	<i>(7,749)</i>	<i>-793</i>
Shareholders' Equity	5,919	605	5,314	5,526	393
<i>(Capital Stock)</i>	<i>(2,966)</i>	<i>0</i>	<i>(2,966)</i>	<i>(2,316)</i>	<i>650</i>
<i>(Retained Earnings)</i>	<i>(1,006)</i>	<i>(652)</i>	<i>(354)</i>	<i>(1,356)</i>	<i>(-350)</i>
D-E Ratio	118%	-24%p	142%	140%	-23%p
Net D-E Ratio	92%	-21%p	113%	127%	-35%p

*Cash = Cash & Cash equivalents + S-T financial instruments

**Debt = S-T borrowings + Current portion of L-T borrowings + Convertible bond + Debenture + L-T borrowings



[Attachment1] Proforma Balance Sheet

Consolidated Basis (KRW Billion)

	Q4'09	Q3'09	Q4'08	QoQ	YoY
Assets					
Current Assets	4,917	4,111	2,759	806	2,158
Cash & Cash Equivalents*	1,518	1,530	719	-12	799
Accounts Receivables	1,730	1,251	750	478	979
Inventories	1,057	1,078	1,092	-21	-35
Investments	328	268	301	60	27
Property, plant & equipment	10,143	10,747	12,363	-604	-2,220
Intangible Assets	462	470	496	-8	-34
Other Non-current Assets	453	625	656	-171	-203
Total Assets	16,304	16,220	16,576	83	-273
Liabilities					
Interest-bearing Debts	6,955	7,526	7,749	-570	-793
S-T Borrowings	1,419	1,915	1,554	-496	-136
Current Portion of LT Borrowings	1,552	1,659	1,058	-107	494
Debenture	1,906	1,781	2,259	125	-352
L-T Borrowings	2,078	2,171	2,878	-93	-800
Accounts Payables	740	686	719	54	21
Total Liabilities	10,384	10,906	11,050	-522	-666
Shareholders' Equity					
Common Stock	2,966	2,966	2,316	0	650
Total Shareholders' Equity	5,919	5,314	5,526	605	393

Parent Basis (KRW Billion)

	Q4'09	Q3'09	Q4'08	QoQ	YoY
Assets					
Current Assets	3,568	3,132	1,680	435	1,888
Cash & Cash Equivalents*	1,329	1,276	390	52	939
Accounts Receivables	984	782	290	202	694
Inventories	784	775	767	8	17
Investments	2,658	2,650	2,736	8	-78
Property, plant & equipment	6,325	6,571	7,678	-246	-1,353
Intangible Assets	461	470	496	-8	-34
Other Non-current Assets	413	583	610	-170	-197
Total Assets	13,425	13,407	13,199	18	225
Liabilities					
Interest-bearing Debts	4,779	5,242	4,852	-463	-73
S-T Borrowings	958	1,466	935	-508	23
Current Portion of LT Borrowings	1,106	1,195	586	-89	521
Debenture	1,909	1,783	2,261	125	-352
L-T Borrowings	806	797	1,070	9	-265
Accounts Payables	943	921	748	22	196
Total Liabilities	7,972	8,494	8,109	-522	-137
Shareholders' Equity					
Common Stock	2,966	2,966	2,316	0	650
Total Shareholders' Equity	5,452	4,913	5,090	540	362

* Short-term Financial Instruments included

[Attachment 2] Proforma Income Statement

Consolidated Basis (KRW Billion)

	Q4'09	Q3'09	Q4'08	QoQ	YoY
Revenues	2,799	2,118	1,512	681	1,288
Cost of Goods Sold	1,700	1,540	1,954	159	-255
Gross Income	1,100	578	-443	522	1,542
SG&A Expenses	391	368	359	23	32
Operating Income	708	209	-802	499	1,510
Non-operating Income, net	-97	35	-906	-132	809
Interests	-90	-96	-109	6	18
F/X Effects	46	278	-318	-232	364
Equity Method	2	-1	-1	3	3
Others	-55	-146	-478	91	423
Earnings Before Tax (EBT)	611	244	-1,707	367	2,319
Income Tax (Benefit)	-45	-2	-19	-43	-26
Net Income	657	246	-1,688	410	2,345
Minority Interest	5	1	-25	4	29

Parent Basis (KRW Billion)

	Q4'09	Q3'09	Q4'08	QoQ	YoY
Revenues	2,667	2,053	1,205	614	1,462
Cost of Goods Sold	1,716	1,553	1,954	163	-237
Gross Income	951	500	-749	451	1,700
SG&A Expenses	358	335	301	23	57
Operating Income	593	165	-1,050	428	1,643
Non-operating Income, net	12	78	-713	-66	725
Interests	-69	-74	-71	4	2
F/X Effects	41	290	-289	-249	331
Equity Method	44	16	137	28	-93
Others	-4	-155	-489	151	486
Earnings Before Tax (EBT)	605	243	-1,763	362	2,368
Income Tax (Benefit)	-47	-2	-76	-45	29
Net Income	652	245	-1,687	407	2,339