

# FY2009 Q1 Earnings Release

**hynix** Semiconductor

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**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 Q1 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

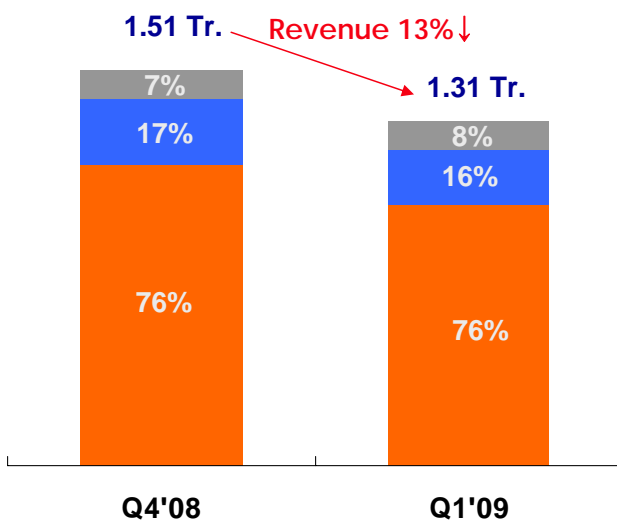
<i>(Unit: KRW Billion)</i>	Q1'09	QoQ	Q4'08	Q1'08	YoY
Revenue	1,313	-13%	1,512	1,604	-18%
Gross Income	-181	N/A	-443	-173	N/A
Operating Income	-515	N/A	-802	-482	N/A
EBITDA	170	N/A	-90	187	-9%
Net Income*	-1,178	N/A	-1,688	-676	N/A
<b>Profitability (%)</b>					
Gross Margin	-14%	15% <sup>D</sup>	-29%	-11%	-3% <sup>D</sup>
Operating Margin	-39%	14% <sup>D</sup>	-53%	-30%	-9% <sup>D</sup>
EBITDA Margin	13%	19% <sup>D</sup>	-6%	12%	1% <sup>D</sup>
Net Margin	-90%	22% <sup>D</sup>	-112%	-42%	-48% <sup>D</sup>

\* Minority interest included

## Sales Analysis

### Sales by Products

■ DRAM  
■ NAND Flash  
■ MCP & Others



### Analysis

Total sales decreased due to slow bit growth of DRAM & NAND Flash and ASP decline of DRAMs.

→ KRW 1.31 Tr. (QoQ 13%↓)

■ DRAM sales decreased as:

- ASP declined 7% (QoQ)
- Bit growth declined 2% (QoQ)

■ NAND Flash sales decreased as:

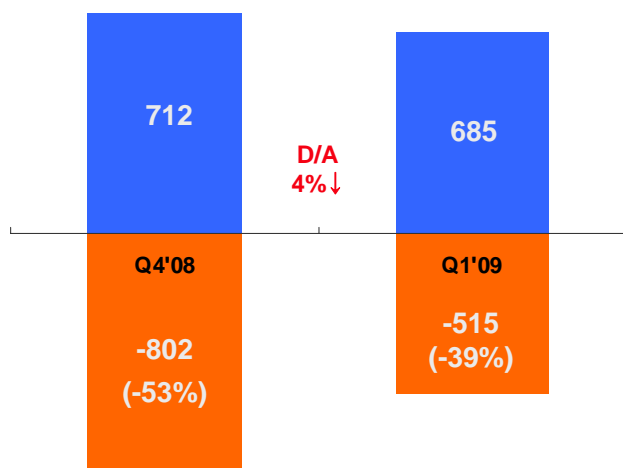
- ASP increased 10% (QoQ)
- Bit growth declined 4% (QoQ)

# Profit Analysis

## Profitability

(Unit: KRW Billion)

Operating Loss  
D/A



## Analysis

Profit margin increased due to reverse of loss on inventory valuation and cost reduction per unit of DRAM & NAND

(OP margin -39%, EBITDA margin 13%)

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

(+) Reversal of loss on inventory valuation (KRW 154 billion)

(-) Weak pricing & negative bit shipment growth of DRAM

(-) Negative bit shipment growth of NAND

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# Non OP Income & Expense

(Unit: KRW Billion)

	Q1'09	QoQ	Q4'08	Q1'08	YoY
<b>Non-Operating Income, net</b>	<b>-663</b>	242	<b>-906</b>	<b>-194</b>	<b>-469</b>
<i>Interest, net</i>	<i>-117</i>	<i>-8</i>	<i>-109</i>	<i>-56</i>	<i>-61</i>
<i>F/X Transaction &amp; Translation, net</i>	<i>-370</i>	<i>-52</i>	<i>-318</i>	<i>-158</i>	<i>-213</i>
<i>Others</i>	<i>-176</i>	303	<i>-479</i>	20	<i>-196</i>
<b>Income Taxes</b>	<b>-0</b>	19	<b>-19</b>	<b>0</b>	<b>-0</b>
<b>Minority Interest</b>	<b>17</b>	41	<b>-25</b>	<b>-1</b>	18

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# Capital Structure

<i>(Unit: KRW billion)</i>	Q1'09	QoQ	Q4'08	Q1'08	YoY
<b>Asset</b>	<b>16,409</b>	<b>-167</b>	<b>16,576</b>	<b>18,261</b>	<b>-1,851</b>
<b>(Cash *)</b>	(924)	(205)	(719)	(1,487)	<b>-562</b>
<b>Liability</b>	<b>11,496</b>	<b>446</b>	<b>11,050</b>	<b>9,384</b>	<b>2,112</b>
<b>(Debt **)</b>	(8,339)	(591)	(7,749)	(5,695)	<b>(2,645)</b>
<b>Shareholders' Equity</b>	<b>4,913</b>	<b>-613</b>	<b>5,526</b>	<b>8,877</b>	<b>-3,964</b>
<b>(Capital Stock)</b>	(2,616)	(300)	(2,316)	(2,314)	(302)
<b>(Retained Earnings)</b>	(162)	<b>(-1,195)</b>	(1,356)	(5,401)	<b>(-5,239)</b>
<b>D-E Ratio</b>	<b>170%</b>	<b>30%p</b>	<b>140%</b>	<b>64%</b>	<b>106%p</b>
<b>Net D-E Ratio</b>	<b>151%</b>	<b>24%p</b>	<b>127%</b>	<b>47%</b>	<b>104%p</b>

\*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)

	Q1'09	Q4'08	Q1'08	QoQ	YoY
<b>Assets</b>					
Current Assets	2,964	2,759	4,019	205	-1,055
Cash & Cash Equivalents*	924	719	1,487	205	-562
Accounts Receivables	739	750	821	-12	-83
Inventories	1,091	1,092	1,119	-1	-29
Investments	283	301	92	-18	191
Property, plant & equipment	12,028	12,363	13,316	-334	-1,287
Intangible Assets	488	496	522	-8	-34
Other Non-current Assets	645	656	312	-11	333
Total Assets	16,409	16,576	18,261	-167	-1,851
<b>Liabilities</b>					
Interest-bearing Debts	8,339	7,749	5,695	591	2,645
S-T Borrowings	1,857	1,554	732	303	1,125
Current Portion of LT Borrowings	1,222	1,058	635	164	587
Debenture	2,328	2,259	1,617	69	711
L-T Borrowings	2,932	2,878	2,711	54	221
Accounts Payables	571	719	838	-148	-266
Total Liabilities	11,496	11,050	9,384	446	2,112
<b>Shareholders' Equity</b>					
Common Stock	2,616	2,316	2,314	300	302
Total Shareholders' Equity	4,913	5,526	8,877	-613	-3,964

## Parent Basis (KRW Billion)

	Q1'09	Q4'08	Q1'08	QoQ	YoY
<b>Assets</b>					
Current Assets	1,945	1,680	2,985	266	-1,040
Cash & Cash Equivalents*	657	390	1,170	268	-513
Accounts Receivables	268	290	308	-23	-41
Inventories	739	767	767	-28	-29
Investments	3,095	2,736	2,498	359	597
Property, plant & equipment	7,251	7,678	8,772	-427	-1,521
Intangible Assets	488	496	522	-8	-34
Other Non-current Assets	598	610	217	-11	381
Total Assets	13,377	13,199	14,993	178	-1,616
<b>Liabilities</b>					
Interest-bearing Debts	5,510	4,852	3,390	658	2,120
S-T Borrowings	1,388	935	299	453	1,089
Current Portion of LT Borrowings	666	586	466	80	200
Debenture	2,330	2,261	1,617	69	714
L-T Borrowings	1,126	1,070	1,008	55	118
Accounts Payables	908	748	692	160	215
Total Liabilities	8,944	8,109	6,409	835	2,535
<b>Shareholders' Equity</b>					
Common Stock	2,616	2,316	2,314	300	302
Total Shareholders' Equity	4,433	5,090	8,584	-657	-4,151

\* Short-term Financial Instruments included

# [Attachment 2] Proforma Income Statement

## Consolidated Basis (KRW Billion)

	Q1'09	Q4'08	Q1'08	QoQ	YoY
Revenues	1,313	1,512	1,604	-199	-291
Cost of Goods Sold	1,494	1,954	1,777	-460	-283
Gross Income	-181	-443	-173	261	-8
SG&A Expenses	333	359	309	-26	24
Operating Income	-515	-802	-482	287	-33
Non-operating Income, net	-663	-906	-194	242	-469
Interests	-117	-109	-56	-8	-61
F/X Effects	-370	-318	-158	-52	-213
Equity Method	-1	-1	-1	-0	0
Others	-175	-478	21	303	-196
Ordinary Income	-1,178	-1,707	-676	530	-502
Extraordinary Gain, net					
Earnings Before Tax (EBT)	-1,178	-1,707	-676	530	-502
Income Tax (Benefit)	-0	-19	0	19	-0
Net Income	-1,178	-1,688	-676	511	-502
Minority Interest	17	-25	-1	41	18

## Parent Basis (KRW Billion)

	Q1'09	Q4'08	Q1'08	QoQ	YoY
Revenues	1,198	1,205	1,573	-7	-375
Cost of Goods Sold	1,553	1,954	1,807	-401	-255
Gross Income	-355	-749	-235	394	-120
SG&A Expenses	298	301	270	-4	27
Operating Income	-652	-1,050	-505	398	-147
Non-operating Income, net	-542	-713	-170	170	-372
Interests	-82	-71	-21	-11	-61
F/X Effects	-389	-289	-169	-99	-220
Equity Method	195	137	7	58	189
Others	-267	-489	13	223	-280
Ordinary Income	-1,195	-1,763	-675	568	-520
Extraordinary Gain, net					
Earnings Before Tax (EBT)	-1,195	-1,763	-675	568	-520
Income Tax (Benefit)	-0	-76	-0	76	-0
Net Income	-1,195	-1,687	-675	492	-520