

FY2010 Q4 Earnings Release

hynix Semiconductor

January 27, 2011

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 FY2010 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.

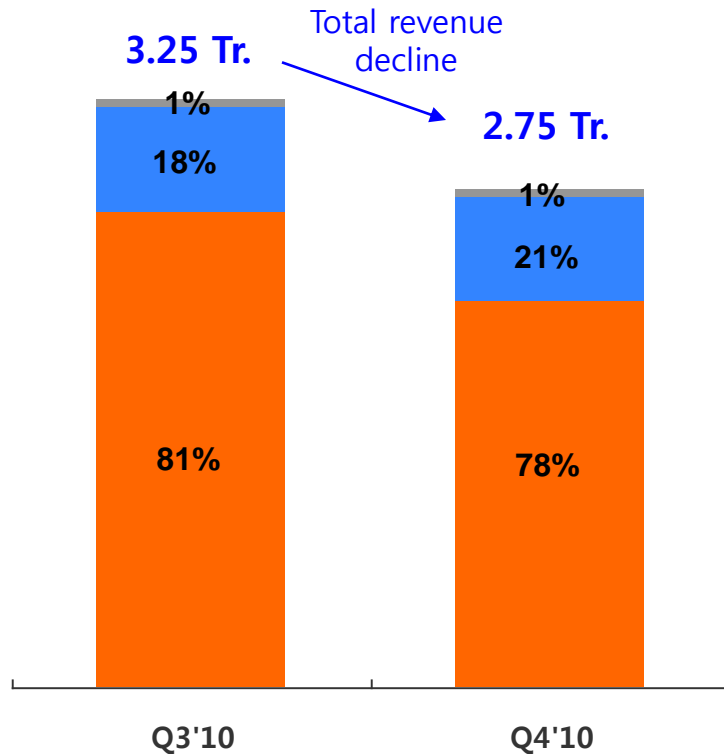
Result of Operations

<i>(Unit: KRW Billion)</i>	Q4'10	QoQ	Q3'10	2010	YoY	2009
Revenue	2,748	-15%	3,250	12,099	53%	7,906
Gross Income	755	-46%	1,401	4,779	194%	1,627
Operating Income	418	-59%	1,011	3,273	1,605%	192
EBITDA	1,163	-32%	1,722	6,056	109%	2,899
Net Income ^(*)	110	-90%	1,060	2,656	N/A	-333
<i>Gross Margin</i>	27%	-16%p	43%	40%	19%p	21%
<i>Operating Margin</i>	15%	-16%p	31%	27%	25%p	2%
<i>EBITDA Margin</i>	42%	-11%p	53%	50%	13%p	37%
<i>Net Margin</i>	4%	-29%p	33%	22%	26%p	-4%
Basic EPS(Won)	186		1,797	4,486		-620
Diluted EPS(Won)	186		1,713	4,357		-620
Basic Number of Shares(Million Shares)	590		590	590		561
Diluted Number of Shares(Million Shares)	590		628	622		561

(*) Minority interest included

Sales by Products

Sales by Products



Analysis

Despite increased shipment, total revenue was reduced due to ASP decline and exchange rate effects

→ KRW 2.75 Tr. (15%↓ QoQ)

- ◆ DRAM sales decreased as:
 - ASP declined 28% (QoQ)
 - Bit growth increased 18% (QoQ)

- ◆ NAND Flash sales increased as:
 - ASP declined 12% (QoQ)
 - Bit growth increased 32% (QoQ)

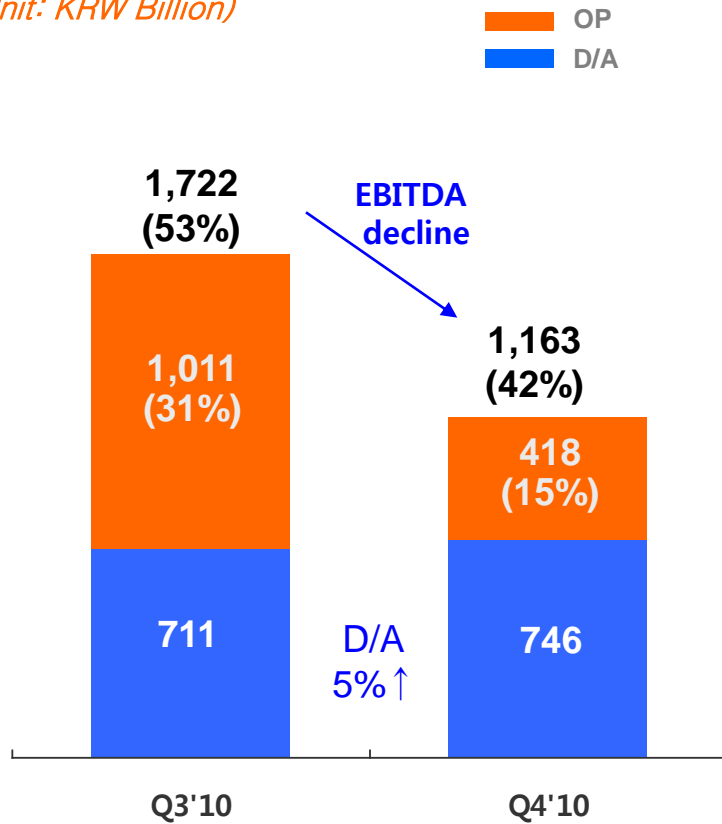
- ◆ Sales of other products diminished

※ MCP sales portion rose from 6%(Q3) to 9%(Q4)

Profit Analysis

Profitability

(Unit: KRW Billion)



Analysis

Operating profit and operating margin was decreased on account of weak memory pricing (OP margin 15%, EBITDA margin 42%)

(-) DRAM: Lessened operating profit and margin by sharp ASP drop QoQ

(-) NAND Flash: slight decrease of operating profit

(+) MCP: improvement of operating profit and margin

(-) Loss from inventory valuation

* (%)= Margin

Non OP Income & Expense

<i>(Unit: KRW Billion)</i>	Q4'10	QoQ	Q3'10	2010	YoY	2009
Non-Operating Income, net	-239	-280	40	-577	-14	-563
<i>Interest, net</i>	-69	-6	-63	-282	121	-404
<i>F/X Transaction & Translation, net</i>	9	-93	101	-54	-329	275
<i>Others</i>	-179	-181	2	-241	194	-435
Income Taxes	68	76	-8	40	78	-38
Minority Interest	0	1	-1	9	-7	15

Capital Structure

<i>(Unit: KRW Billion)</i>	Q4'10	QoQ	Q3'10	Q4'09	YoY
Asset	17,584	-569	18,153	16,304	1,281
(Cash*)	(2,195)	(-307)	(2,502)	(1,518)	(676)
Liability	9,415	-698	10,113	10,384	-969
(Debt**)	(5,924)	(-529)	(6,453)	(6,955)	(-1,031)
Shareholders' Equity	8,169	129	8,040	5,919	2,250
(Capital Stock)	(2,969)	(0)	(2,969)	(2,966)	(3)
(Retained Earnings)	(3,654)	(110)	(3,544)	(1,006)	(2,648)
D-E Ratio	73%	-8%p	80%	118%	-45%p
Net D-E Ratio	46%	-3%p	49%	92%	-46%p
BPS (Won)	12,910		12,821	9,255	

*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)

	Q4'10	Q3'10	Q4'09	QoQ	YoY
Assets					
Current Assets	5,692	6,310	4,917	-618	775
Cash & Cash Equivalents*	2,195	2,502	1,518	-307	676
Accounts Receivables	1,604	2,001	1,730	-397	-126
Inventories	1,265	1,242	1,057	23	208
Investments	216	230	328	-14	-112
Property, plant & equipment	10,817	10,654	10,143	163	674
Intangible Assets	549	473	462	76	87
Other Non-current Assets	310	487	453	-177	-143
Total Assets	17,584	18,153	16,304	-569	1,281
Liabilities					
Interest-bearing Debts	5,924	6,453	6,955	-529	-1,031
S-T Borrowings	511	804	1,419	-292	-907
Current Portion of LT Borrowings	2,019	1,941	1,552	79	467
Debenture	1,635	1,829	1,906	-195	-272
L-T Borrowings	1,759	1,880	2,078	-121	-319
Accounts Payables	874	903	740	-28	134
Total Liabilities	9,415	10,113	10,384	-698	-969
Shareholders' Equity					
Common Stock	2,969	2,969	2,966	0	3
Total Shareholders' Equity	8,169	8,040	5,919	129	2,250

Parent Basis (KRW Billion)

	Q4'10	Q3'10	Q4'09	QoQ	YoY
Assets					
Current Assets	4,764	5,406	3,568	-643	1,196
Cash & Cash Equivalents*	1,804	2,215	1,329	-411	476
Accounts Receivables	1,389	1,750	984	-360	405
Inventories	926	922	784	5	143
Investments	3,247	3,137	2,658	110	589
Property, plant & equipment	7,133	6,886	6,325	247	808
Intangible Assets	549	472	461	76	87
Other Non-current Assets	248	447	413	-199	-165
Total Assets	15,940	16,349	13,425	-409	2,515
Liabilities					
Interest-bearing Debts	4,513	5,056	4,779	-543	-266
S-T Borrowings	349	761	958	-412	-610
Current Portion of LT Borrowings	1,651	1,514	1,106	137	544
Debenture	1,635	1,829	1,909	-195	-274
L-T Borrowings	880	952	806	-72	74
Accounts Payables	868	845	943	23	-75
Total Liabilities	7,770	8,308	7,972	-538	-202
Shareholders' Equity					
Common Stock	2,969	2,969	2,966	0	3
Total Shareholders' Equity	8,170	8,041	5,452	129	2,717

* Short-term Financial Instruments included

[Attachment 2] Proforma Income Statement

Consolidated Basis (KRW Billion)

	Q4'10	Q3'10	Q4'09	QoQ	YoY
Revenues	2,748	3,250	2,799	-502	-51
Cost of Goods Sold	1,994	1,849	1,700	145	294
Gross Income	755	1,401	1,100	-647	-345
SG&A Expenses	337	390	391	-53	-54
Operating Income	418	1,011	708	-594	-291
Non-operating Income, net	-239	40	-97	-280	-142
Interests	-69	-63	-90	-6	22
F/X Effects	9	101	46	-93	-37
Equity Method	-0	2	2	-2	-2
Others	-179	-0	-55	-179	-124
Earnings Before Tax (EBT)	178	1,052	611	-873	-433
Income Tax (Benefit)	68	-8	-45	76	113
Net Income	110	1,060	657	-949	-547
Minority Interest	0	-1	5	1	-5

Parent Basis (KRW Billion)

	Q4'10	Q3'10	Q4'09	QoQ	YoY
Revenues	2,663	3,274	2,667	-611	-4
Cost of Goods Sold	2,040	1,924	1,716	116	323
Gross Income	623	1,350	951	-727	-328
SG&A Expenses	305	358	358	-54	-53
Operating Income	318	992	593	-673	-274
Non-operating Income, net	-124	65	12	-189	-136
Interests	-57	-53	-69	-4	12
F/X Effects	12	117	41	-106	-29
Equity Method	97	-0	44	97	53
Others	-175	0	-4	-176	-172
Earnings Before Tax (EBT)	194	1,056	605	-862	-411
Income Tax (Benefit)	84	-4	-47	89	131
Net Income	110	1,061	652	-951	-542