

# FY2010 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 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

(Unit: KRW Billion)	Q1'10	QoQ	Q4'09	Q1'09	YoY
Revenue	2,821	1%	2,799	1,313	115%
Gross Income	1,166	6%	1,100	-181	N/A
Operating Income	799	13%	708	-515	N/A
EBITDA	1,452	5%	1,387	170	754%
Net Income*	822	25%	657	-1,178	N/A
<b>Profitability (%)</b>					
Gross Margin	41%	2%p	39%	-14%	55%p
Operating Margin	28%	3%p	25%	-39%	68%p
EBITDA Margin	51%	2%p	50%	13%	39%p
Net Margin	29%	6%p	23%	-90%	119%p

\* Minority interest included

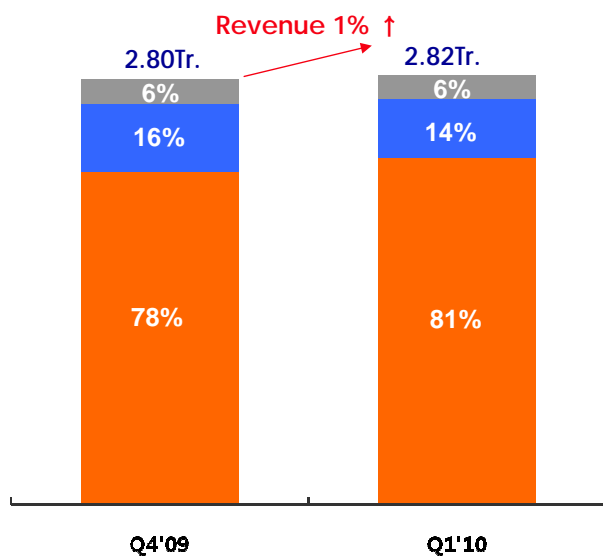


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## Sales Analysis

### Sales by Products

- DRAM
- NAND Flash
- MCP & Others



### Analysis

Total sales increased due to shipment growth and ASP improvement of DRAM  
 → KRW 2.82 Tr. (QoQ 1%↑)

- DRAM sales increased as:
  - ASP rose 3% (QoQ)
  - Bit growth increased 6% (QoQ)
- NAND Flash sales decreased as:
  - ASP declined 8% (QoQ)
  - Flattish bit growth (QoQ)

※ KRW appreciation against USD caused sales declined.

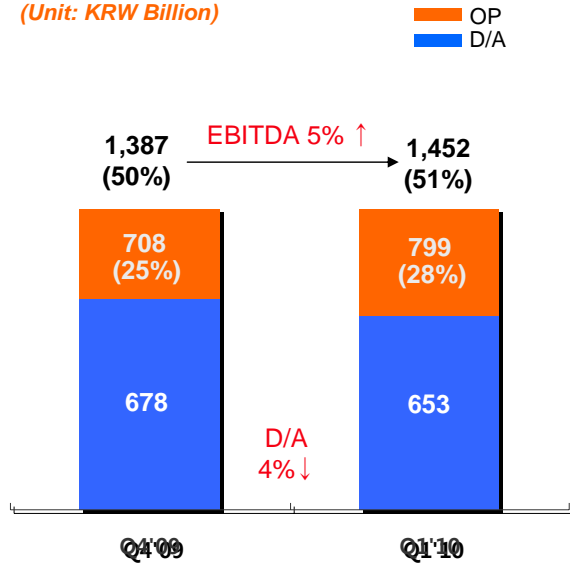


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# Profit Analysis

## Profitability

(Unit: KRW Billion)



\* (%) = Margin

## Analysis

Profit margin improved due to sales increase and cost reduction per unit of DRAM products.

(OP margin 28%, EBITDA margin 51%)

(+) Substantial profit increase due to solid pricing and positive bit shipment growth of DRAM

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

(+) Reversal of loss on inventory valuation (approx. KRW 6 Billion)

(-) Weak pricing & flattish bit shipment growth of NAND Flash products



# Non OP Income & Expense

(Unit: KRW Billion)

	Q1'10	QoQ	Q4'09	Q1'09	YoY
Non-Operating Income, net	30	127	-97	-663	693
Interest, net	-76	14	-90	-117	41
F/X Transaction & Translation, net	113	67	46	-370	483
Others	-7	46	-53	-176	169
Income Taxes	7	53	-45	-0	7
Minority Interest	5	0	5	17	-12



# Capital Structure

<i>(Unit: KRW billion)</i>	Q1'10	QoQ	Q4'09	Q1'09	YoY
<b>Asset</b>	<b>16,752</b>	<b>448</b>	<b>16,304</b>	<b>16,409</b>	<b>342</b>
<i>(Cash *)</i>	<i>(2,120)</i>	<i>(601)</i>	<i>(1,518)</i>	<i>(924)</i>	<b>1,195</b>
<b>Liability</b>	<b>10,109</b>	<b>-275</b>	<b>10,384</b>	<b>11,496</b>	<b>-1,387</b>
<i>(Debt **)</i>	<i>(6,600)</i>	<i>(-355)</i>	<i>(6,955)</i>	<i>(8,339)</i>	<b>-1,739</b>
<b>Shareholders' Equity</b>	<b>6,643</b>	<b>724</b>	<b>5,919</b>	<b>4,913</b>	<b>1,730</b>
<i>(Capital Stock)</i>	<i>(2,966)</i>	<b>0</b>	<i>(2,966)</i>	<i>(2,616)</i>	<b>350</b>
<i>(Retained Earnings)</i>	<i>(1,823)</i>	<i>(817)</i>	<i>(1,006)</i>	<i>(162)</i>	<i>(1,662)</i>
<b>D-E Ratio</b>	<b>99%</b>	<b>-18%p</b>	<b>118%</b>	<b>170%</b>	<b>-70%p</b>
<b>Net D-E Ratio</b>	<b>67%</b>	<b>-24%p</b>	<b>92%</b>	<b>151%</b>	<b>-83%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





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# [Attachment1] Balance Sheet

## Consolidated Basis (KRW Billion)

	Q1'10	Q4'09	Q1'09	QoQ	YoY
<b>Assets</b>					
Current Assets	5,543	4,917	2,964	626	2,579
Cash & Cash Equivalents*	2,120	1,518	924	601	1,195
Accounts Receivables	1,879	1,730	739	149	1,140
Inventories	1,052	1,057	1,091	-6	-39
Investments	292	328	283	-36	9
Property, plant & equipment	9,984	10,143	12,028	-159	-2,044
Intangible Assets	465	462	488	3	-24
Other Non-current Assets	468	453	645	15	-177
Total Assets	16,752	16,304	16,409	448	342
<b>Liabilities</b>					
Interest-bearing Debts	6,600	6,955	8,339	-355	-1,739
S-T Borrowings	1,263	1,419	1,857	-156	-594
Current Portion of LT Borrowings	1,729	1,552	1,222	177	507
Debenture	1,746	1,906	2,328	-160	-581
L-T Borrowings	1,862	2,078	2,932	-216	-1,070
Accounts Payables	781	740	571	41	210
Total Liabilities	10,109	10,384	11,496	-275	-1,387
<b>Shareholders' Equity</b>					
Common Stock	2,966	2,966	2,616	0	350
Total Shareholders' Equity	6,643	5,919	4,913	724	1,730

## Parent Basis (KRW Billion)

	Q1'10	Q4'09	Q1'09	QoQ	YoY
<b>Assets</b>					
Current Assets	4,343	3,568	1,945	776	2,398
Cash & Cash Equivalents*	1,826	1,329	657	497	1,168
Accounts Receivables	1,234	984	268	250	966
Inventories	795	784	739	11	56
Investments	2,407	2,658	3,095	-251	-688
Property, plant & equipment	6,445	6,325	7,251	120	-807
Intangible Assets	464	461	488	3	-24
Other Non-current Assets	426	413	598	13	-172
Total Assets	14,084	13,425	13,377	660	707
<b>Liabilities</b>					
Interest-bearing Debts	4,725	4,779	5,510	-54	-785
S-T Borrowings	945	958	1,388	-14	-444
Current Portion of LT Borrowings	1,216	1,106	666	109	550
Debenture	1,746	1,909	2,330	-162	-584
L-T Borrowings	818	806	1,126	13	-307
Accounts Payables	843	943	908	-100	-65
Total Liabilities	7,915	7,972	8,944	-58	-1,030
<b>Shareholders' Equity</b>					
Common Stock	2,966	2,966	2,616	0	350
Total Shareholders' Equity	6,170	5,452	4,433	718	1,737

\* Short-term Financial Instruments included

# [Attachment 2] Income Statement

## Consolidated Basis (KRW Billion)

	Q1'10	Q4'09	Q1'09	QoQ	YoY
Revenues	2,821	2,799	1,313	22	1,509
Cost of Goods Sold	1,656	1,700	1,494	-44	161
Gross Income	1,166	1,100	-181	66	1,347
SG&A Expenses	367	391	333	-25	33
Operating Income	799	708	-515	91	1,314
Non-operating Income, net	30	-97	-663	127	693
Interests	-76	-90	-117	14	41
F/X Effects	113	46	-370	67	483
Equity Method	1	2	-1	-1	2
Others	-7	-55	-175	47	168
Earnings Before Tax (EBT)	829	611	-1,178	218	2,007
Income Tax (Benefit)	7	-45	-0	53	7
Net Income	822	657	-1,178	165	2,000
Minority Interest	5	5	17	0	-12

## Parent Basis (KRW Billion)

	Q1'10	Q4'09	Q1'09	QoQ	YoY
Revenues	2,779	2,667	1,198	112	1,581
Cost of Goods Sold	1,697	1,716	1,553	-19	144
Gross Income	1,082	951	-355	131	1,437
SG&A Expenses	335	358	298	-23	38
Operating Income	747	593	-652	154	1,399
Non-operating Income, net	70	12	-542	58	613
Interests	-62	-69	-82	7	20
F/X Effects	135	41	-389	93	523
Equity Method	-0	44	195	-44	-195
Others	-2	-4	-267	2	265
Earnings Before Tax (EBT)	817	605	-1,195	212	2,012
Income Tax (Benefit)	-0	-47	-0	47	0
Net Income	817	652	-1,195	165	2,012