

FY2009 Q2 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 Q2 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>	Q2'09	QoQ	Q1'09	Q2'08	YoY
Revenue	1,676	28%	1,313	1,864	-10%
Gross Income	130	N/A	-181	192	-32%
Operating Income	-211	N/A	-515	-172	N/A
EBITDA	457	169%	170	543	-16%
Net Income*	-58	N/A	-1,178	-711	N/A
Profitability (%)					
Gross Margin	8%	22% ^D	-14%	10%	-3% ^D
Operating Margin	-13%	27% ^D	-39%	-9%	-3% ^D
EBITDA Margin	27%	14% ^D	13%	29%	-2% ^D
Net Margin	-3%	86% ^D	-90%	-38%	35% ^D

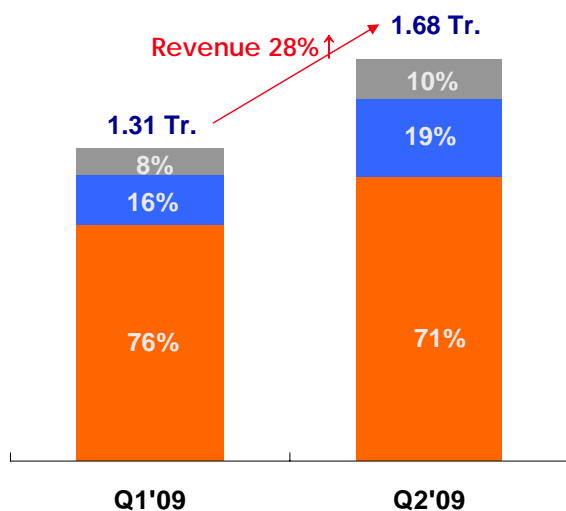
* Minority interest included



Sales Analysis

Sales by Products

■ DRAM
■ NAND Flash
■ MCP & Others



Analysis

Total sales increased due to the shipment growth and ASP improvement of both DRAM & NAND Flash
 → KRW 1.68 Tr. (QoQ 28%↑)

■ DRAM sales increased as:

- ASP increased 20% (QoQ)
- Bit growth increased 10% (QoQ)

■ NAND Flash sales increased as:

- ASP increased 23% (QoQ)
- Bit growth increased 40% (QoQ)

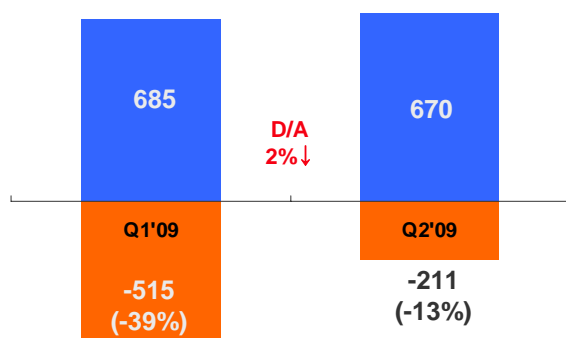


Profit Analysis

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 -13%, EBITDA margin 27%)

(+) Solid pricing and positive bit shipment growth of DRAM & NAND

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

(+) Reversal of loss on inventory valuation (KRW 215 billion)

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Non OP Income & Expense

(Unit: KRW Billion)

	Q2'09	QoQ	Q1'09	Q2'08	YoY
Non-Operating Income, net	163	826	-663	-540	703
Interest, net	-100	17	-117	-73	-27
F/X Transaction & Translation, net	322	692	-370	-115	437
Others	-59	117	-176	-352	293
Income Taxes	10	10	-0	-1	11
Minority Interest	-7	-24	17	-2	-5

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Capital Structure

<i>(Unit: KRW billion)</i>	Q2'09	QoQ	Q1'09	Q2'08	YoY
Asset	16,340	-69	16,409	18,574	-2,234
(Cash *)	(1,534)	(609)	(924)	(1,417)	117
Liability	11,011	-485	11,496	10,220	791
(Debt **)	(7,917)	(-422)	(8,339)	(6,959)	(958)
Shareholders' Equity	5,329	416	4,913	8,353	-3,024
(Capital Stock)	(2,966)	(350)	(2,616)	(2,314)	(652)
(Retained Earnings)	(111)	(-51)	(162)	(4,692)	(-4,581)
D-E Ratio	149%	-21%p	170%	83%	66%p
Net D-E Ratio	120%	-31%p	151%	66%	54%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)

	Q2'09	Q1'09	Q2'08	QoQ	YoY
Assets					
Current Assets	3,780	2,964	4,420	816	-639
Cash & Cash Equivalents*	1,533	924	1,417	609	116
Accounts Receivables	1,021	739	995	282	26
Inventories	1,034	1,091	1,386	-57	-352
Investments	263	283	23	-20	239
Property, plant & equipment	11,181	12,028	13,277	-848	-2,097
Intangible Assets	479	488	513	-9	-34
Other Non-current Assets	636	645	340	-9	297
Total Assets	16,340	16,409	18,574	-69	-2,234
Liabilities					
Interest-bearing Debts	7,917	8,339	6,959	-422	958
S-T Borrowings	1,864	1,857	1,457	7	408
Current Portion of LT Borrowings	1,717	1,222	752	495	965
Debenture	1,823	2,328	1,851	-505	-28
L-T Borrowings	2,513	2,932	2,900	-419	-387
Accounts Payables	587	571	750	16	-163
Total Liabilities	11,011	11,496	10,220	-485	791
Shareholders' Equity					
Common Stock	2,966	2,616	2,314	350	652
Total Shareholders' Equity	5,329	4,913	8,353	416	-3,024

Parent Basis (KRW Billion)

	Q2'09	Q1'09	Q2'08	QoQ	YoY
Assets					
Current Assets	2,687	1,945	3,431	742	-745
Cash & Cash Equivalents*	1,234	657	1,067	577	168
Accounts Receivables	509	268	455	241	54
Inventories	697	739	1,030	-41	-333
Investments	2,850	3,095	2,198	-244	652
Property, plant & equipment	6,931	7,251	8,815	-320	-1,883
Intangible Assets	479	488	513	-9	-34
Other Non-current Assets	592	598	238	-6	354
Total Assets	13,539	13,377	15,195	162	-1,656
Liabilities					
Interest-bearing Debts	5,324	5,510	4,400	-186	924
S-T Borrowings	1,363	1,388	870	-25	493
Current Portion of LT Borrowings	1,186	666	568	520	617
Debenture	1,825	2,330	1,851	-505	-26
L-T Borrowings	950	1,126	1,111	-176	-161
Accounts Payables	875	908	690	-32	185
Total Liabilities	8,647	8,944	7,151	-297	1,496
Shareholders' Equity					
Common Stock	2,966	2,616	2,314	350	652
Total Shareholders' Equity	4,892	4,433	8,044	459	-3,152

* Short-term Financial Instruments included

[Attachment 2] Proforma Income Statement

Consolidated Basis (KRW Billion)

	Q2'09	Q1'09	Q2'08	QoQ	YoY
Revenues	1,676	1,313	1,864	363	-188
Cost of Goods Sold	1,546	1,494	1,672	52	-126
Gross Income	130	-181	192	311	-62
SG&A Expenses	341	333	364	8	-22
Operating Income	-211	-515	-172	304	-39
Non-operating Income, net	163	-663	-540	826	703
Interests	-100	-117	-73	17	-27
F/X Effects	322	-370	-115	692	437
Equity Method	0	-1	2	1	-2
Others	-59	-175	-354	115	294
Earnings Before Tax (EBT)	-48	-1,178	-712	1,130	664
Income Tax (Benefit)	10	-0	-1	10	11
Net Income	-58	-1,178	-711	1,120	653
Minority Interest	-7	17	-2	-24	-5

Parent Basis (KRW Billion)

	Q2'09	Q1'09	Q2'08	QoQ	YoY
Revenues	1,604	1,198	1,847	406	-244
Cost of Goods Sold	1,515	1,553	1,696	-37	-181
Gross Income	88	-355	151	443	-63
SG&A Expenses	310	298	335	12	-25
Operating Income	-221	-652	-183	431	-38
Non-operating Income, net	169	-542	-524	712	694
Interests	-70	-82	-44	12	-26
F/X Effects	326	-389	-163	715	489
Equity Method	-29	195	-317	-224	288
Others	-58	-267	-1	209	-57
Earnings Before Tax (EBT)	-52	-1,195	-708	1,143	656
Income Tax (Benefit)	-1	-0	-0	-1	-1
Net Income	-51	-1,195	-708	1,144	657