



Disclaimer

This material contains forward-looking statements which can be subject to certain risks and uncertainties that could cause actual results to differ materially.

All financial information contained in this document is based on consolidated K-IFRS.

Review of the 2015 Q1 financial results has not been finalized. Figures in this earnings release are subject to changes during the independent auditing process.





FY2015 Q1 Earnings Results & Operational Performance

Results of Operation

(Unit: KRW Billion)

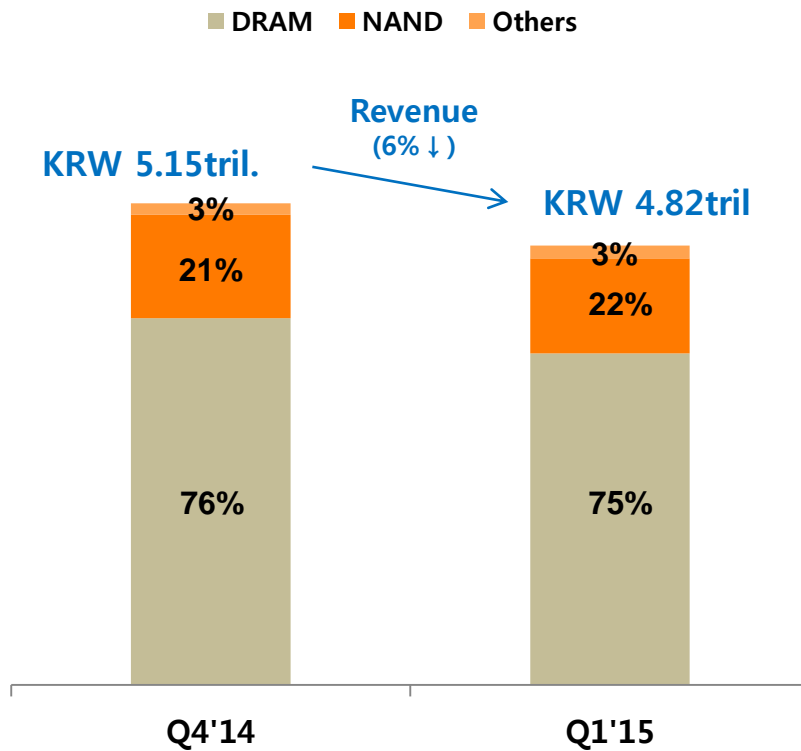
		Q1'15	QoQ	Q4'14	Q1'14	YoY
Revenue		4,818	-6%	5,148	3,743	+29%
Gross Profit (Loss)		2,288	-5%	2,419	1,632	+40%
Operating Profit (Loss)		1,589	-5%	1,667	1,057	+50%
EBITDA*		2,529	-2%	2,578	1,881	+34%
Net Profit (Loss)		1,295	-20%	1,624	802	+61%
EPS (Won)	Basic	1,780		2,235	1,130	
	Diluted	1,780		2,235	1,104	
Shares Outstanding (Mil. shares)	Basic	728		727	710	
	Diluted	728		727	727	
Gross Margin		47%	-	47%	44%	+3%p
OP Margin		33%	+1%p	32%	28%	+5%p
EBITDA Margin		52%	+2%p	50%	50%	+2%p
Net Margin		27%	-5%p	32%	21%	+6%p

* EBITDA = Operating Profit + Depreciation & Amortization

Sales Analysis

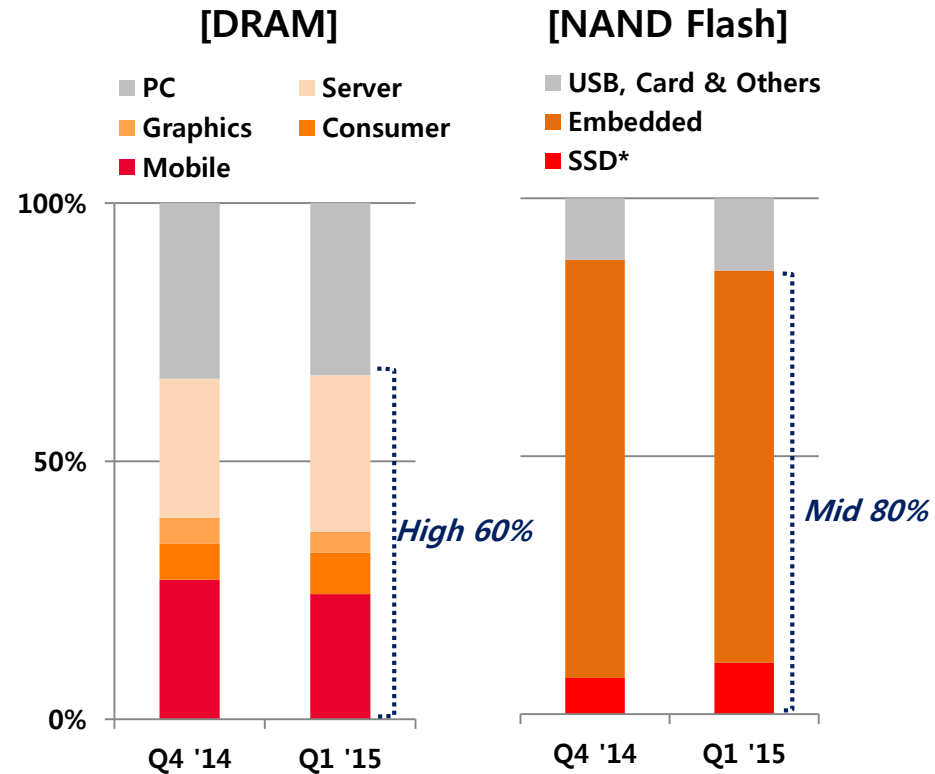
- Revenue declined 6% sequentially due to seasonally reduced DRAM bit shipments and weaker prices.
- Despite slower demand for PC/Consumer DRAM, DRAM bit growth was as expected as we proactively supported strong Server DRAM demand. Excluding PC DRAM, prices remained stable for other DRAM products. (Bit shipment growth -5%, ASP -4% QoQ)
- NAND bit shipment growth was higher than expected with continued demand from new mobile products and higher sales of discrete NAND using inventory. While discrete NAND and SSD product prices were affected by weak market prices, Mobile products showed stable pricing trend. (Bit shipment growth flat, ASP -7% QoQ)

Revenue Mix by Product



※ Q1 MCP Revenue portion 10%, same as in Q4'2014

Revenue Mix by Application



* including discrete NAND for SSDs

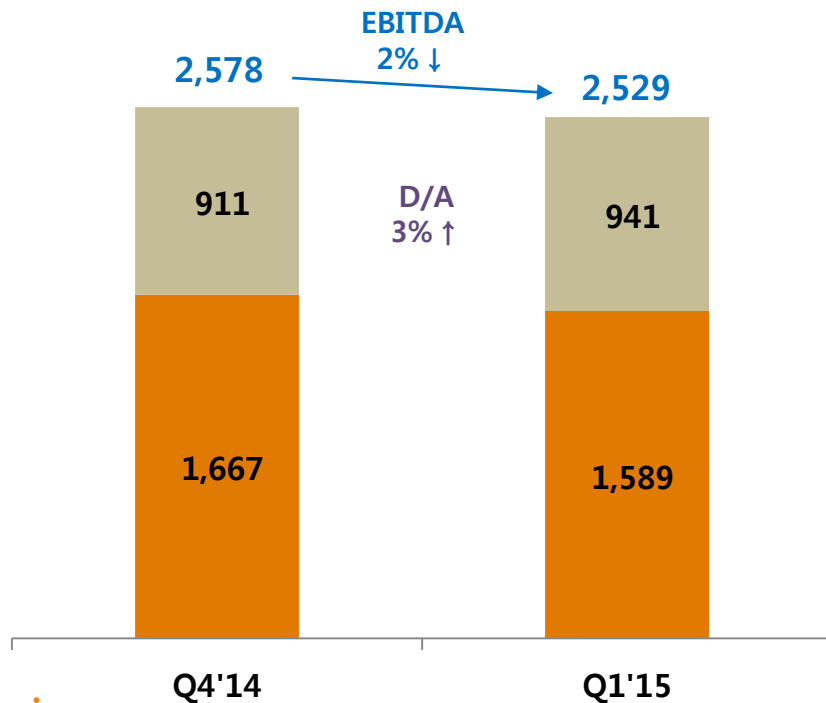
Profit Analysis

- Despite continued efforts to optimize product mix & unit cost reduction for all product lines as a result of yield improvements, Operating Profit in Q1 declined by 5% to KRW 1.589 trillion due to reduced DRAM bit shipments & ASP erosion.
- Operating margin improved from previous quarter to record 33% in Q1.

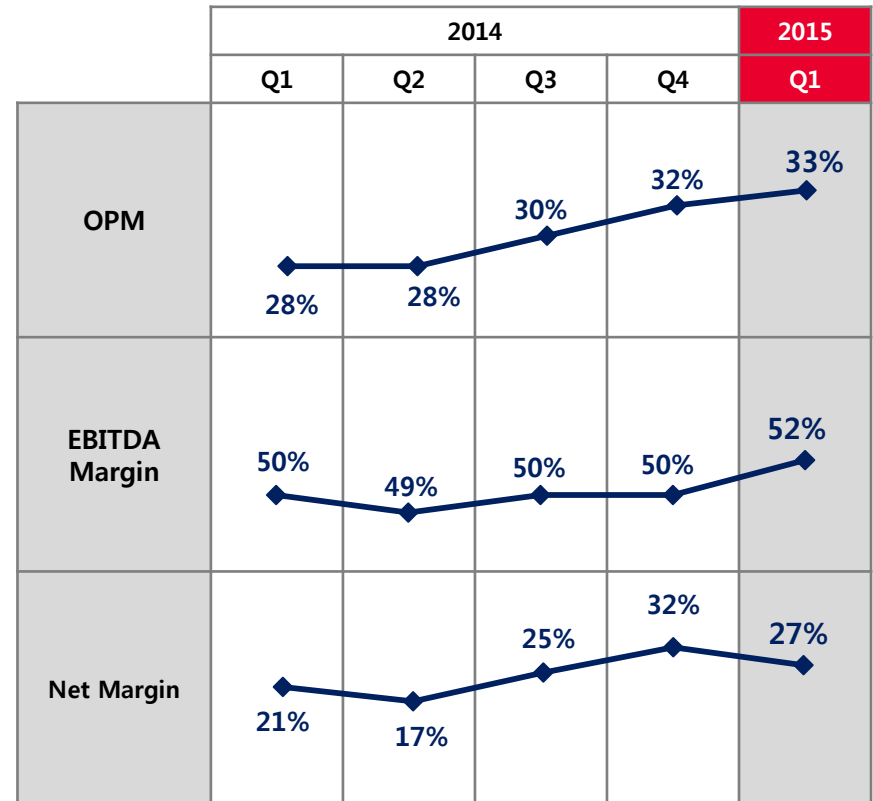
Operating Profit & EBITDA

Unit: KRW Billion

■ D&A ■ OP



Profit Margins



Non-Operating Gain & Loss

(Unit: KRW Billion)

	Q1 '15	QoQ	Q4 '14	Q1'14	YoY
Net Non-Operating Gain (Loss)	14	-225	238	(88)	+101
Net Financial Gain (Loss)	(17)	-2	(15)	(37)	+20
Net F/X Transaction & Translation Gain (Loss)	24	-31	55	(10)	+34
Net Gain (Loss) on equity method investments	6	-1	7	0	+5
Other Net Non-Operating Gain (Loss)	1	-191	192	(41)	+42
Income Tax Expense (Income)	307	+25	281	167	+139

Capital Structure

(Unit: KRW Billion)

	Q1 '15	QoQ	Q4 '14	Q1 '14	YoY
Assets	27,393	+510	26,883	22,066	+5,327
Cash*	4,248	+193	4,055	3,138	+1,110
Liabilities	8,267	-580	8,847	8,213	+54
Debt**	3,572	-603	4,175	4,764	-1,192
Shareholders' Equity	19,126	+1,089	18,036	13,852	+5,273
Capital Stock	3,658	-	3,658	3,569	+89
Retained Earnings	11,353	+1,076	10,277	7,004	+4,349
Debt-to-Equity Ratio	19%	-4%p	23%	34%	-15%p
Net Debt-to-Equity Ratio	-4%	-5%p	1%	12%	-16%p

* Cash = Cash & Cash Equivalents + Short-term Financial Instruments

** Debt = Short-term Borrowings + Current portion of Long-term Borrowings + Debentures + Convertible Bond + Long-term Borrowings

Cash Flow

(Unit: KRW Billion)

	Q1 '15	Q4 '14	Q1 '14
Beginning Cash balance*	4,055	3,700	2,786
CF from Operating Activities	2,549	1,233	1,211
Net Income	1,295	1,624	802
Depreciation & Amortization**	942	912	824
Changes in working capital, etc	311	(1,303)	(416)
CF from Investing Activities	(1,753)	(897)	(1,056)
Acquisition of PP&E	(1,628)	(836)	(1,231)
CF from Financing Activities	(607)	14	190
Debt issuance, net of repayment***	(607)	14	190
Net increase (decrease) in Cash	193	354	352
Ending Cash balance	4,248	4,055	3,138

* Cash = Cash & Cash Equivalents + Short-term Financial instruments

** D&A : including amortization of non-operating expenses

*** Debt = Short-term Borrowings + Current portion of Long-term Borrowings + Debentures + Convertible Bond + Long-term Borrowings

[Attachment1] Statement of Financial Position

K-IFRS (KRW Billion)

	Q1'15	Q4'14	Q1'14	QoQ	YoY
Assets					
Current Assets	9,622	10,364	7,154	-742	+2,467
Cash & Cash Equivalents*	4,248	4,055	3,138	+193	+1,110
Accounts Receivables	3,261	3,733	2,325	-472	+936
Inventories	1,565	1,498	1,262	+67	+303
Non-Current Assets	17,771	16,520	14,911	+1,252	+2,860
Property, plant & equipment	15,148	14,090	12,855	+1,058	+2,293
Intangible Assets	1,401	1,337	1,125	+65	+276
Total Assets	27,393	26,883	22,066	+510	+5,327
Liabilities					
Interest-bearing Debts	3,572	4,175	4,764	-603	-1,192
S-T Borrowings	331	734	487	-403	-156
Current Portion of LT Borrowings	826	1,021	1,008	-195	-182
Bonds/Convertible Bonds	1,158	1,157	1,763	+1	-605
L-T Borrowings	1,257	1,263	1,505	-6	-248
Accounts Payables	685	788	699	-103	-14
Total Liabilities	8,267	8,847	8,213	-580	+54
Shareholders' Equity					
Common Stock	3,658	3,658	3,569	+0	+89
Total Shareholders' Equity	19,126	18,036	13,852	+1,089	+5,273

* Short-term Financial Instruments included

[Attachment 2] Income Statement

K-IFRS (KRW Billion)

	Q1'15	Q4'14	Q1'14	QoQ	YoY
Sales	4,818	5,148	3,743	-330	+1,076
Cost of Goods Sold	2,530	2,729	2,110	-199	+420
Gross Profit	2,288	2,419	1,632	-131	+656
SG&A Expenses	700	752	575	-52	+125
Operating Profit	1,589	1,667	1,057	-79	+531
Financial Income(Expenses), Net	-17	-15	-37	-2	+20
F/X Transaction & Translation Income (Expense), Net	24	55	-10	-31	+34
Income (Expense) From Jointly Controlled Entities and Associates, Net	6	7	0	-1	+5
Other Non-operating Income (Expense), Net	1	192	-41	-191	+42
Income Before Income Taxes	1,602	1,905	969	-303	+633
Income Taxes (Benefit)	307	281	167	25	+139
Net Income	1,295	1,624	802	-329	+493