





## 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 FY2013 & Q4 financial results has not been finalized. Figures in this earnings release are subjected to changes during the independent auditing process.

※ All financial information provided here is revised according to the latest amendment of K-IFRS 1001.



# FY2013 & Q4 Earnings Results & Operational Performances

# Results of Operation

(Unit: KRW Billion)

		Q4'13	QoQ	Q3'13	2013	YoY	2012
Revenue		3,368	-18%	4,084	14,165	+39%	10,162
Gross Profit (Loss)		1,351	-21%	1,704	5,301	+229%	1,611
Operating Profit (Loss)		785	-33%	1,164	3,380	Turned to profit	-227
EBITDA*		1,510	-19%	1,867	6,336	+114%	2,966
Net Profit (Loss)		789	-18%	958	2,873	Turned to profit	-159
EPS (Won)	Basic	1,111		1,349	4,045		-233
	Diluted	1,111		1,289	4,045		-233
Shares Outstanding (Mil. shares)	Basic	710		710	710		682
	Diluted	710		726	710		683
Gross Margin		40%	-2%p	42%	37%	+21%p	16%
OP Margin		23%	-6%p	29%	24%	+26%p	-2%
EBITDA Margin		45%	-1%p	46%	45%	+16%p	29%
Net Margin		23%	-	23%	20%	+22%p	-2%

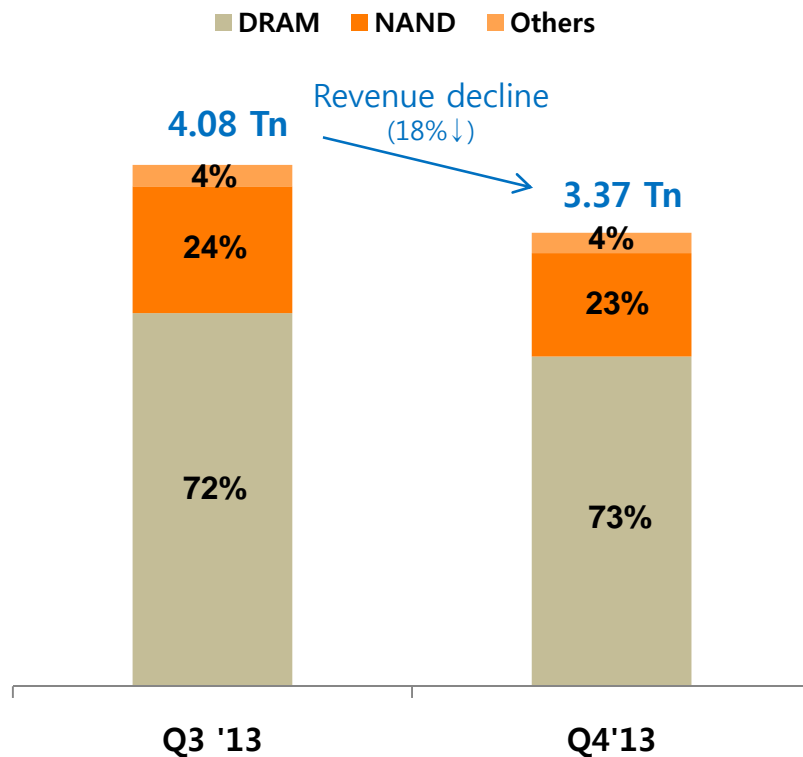
\* EBITDA = Operating Profit + Depreciation & Amortization

# Sales Analysis

• QoQ revenue reduction was inevitable in Q4 as DRAM and NAND bit shipments declined from temporary wafer capacity loss after Wuxi fab fire. For FY2013 however, recorded historically high revenue of KRW 14.2 Trillion on the back of strong pricing trends from structural changes in the memory semiconductor industry.

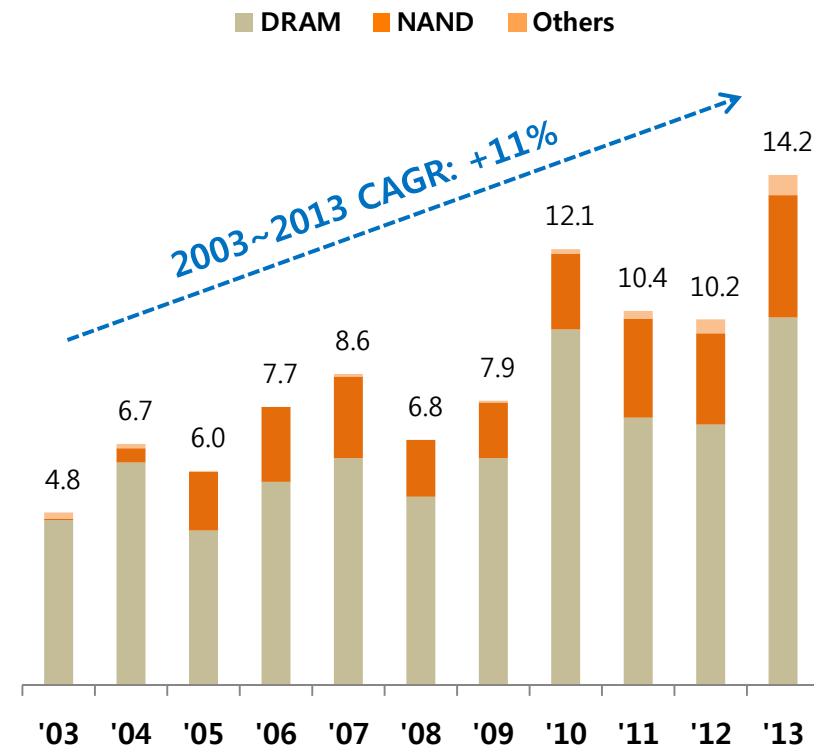
- DRAM Revenue : bit shipments declined 13% QoQ, ASP increased 1%
- NAND Flash Revenue : bit shipments declined 14% QoQ, ASP decreased 5%

Revenue Mix by Product



※ MCP Revenue portion declined from 16% in Q3 to 13% in Q4

Revenue trend



※ Consolidated basis, K-IFRS applied from 2010.

# Profit Analysis

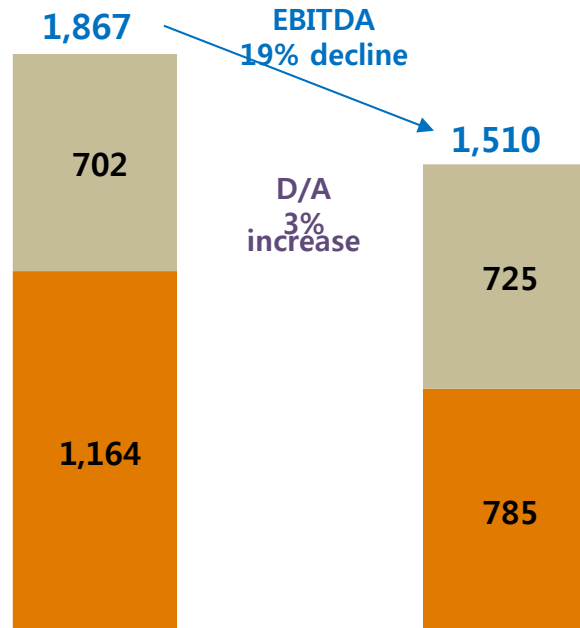
- Favorable DRAM pricing trends were offset by bit shipment decline resulting in QoQ decrease in Q4 Revenue and OP/OP margin.
  - (+) factors: Pricing strength of Main memory products
  - (-) factors: FX effects from KRW strength, increased NAND cost from temporary use of capacity for DRAM production
- Despite production/shipment shortfall from Wuxi fire, FY2013 OP of KRW 3.4 Trillion was a record high on the back of technological improvements and mix adjustments towards profitability.

## Operating Profit & EBITDA

## Profit Margins

Unit: KRW Billion

■ D&A ■ OP



	2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OP Margin	-11%	0%	-1%	2%	11%	28%	29%	23%
EBITDA Margin	24%	29%	32%	32%	39%	48%	46%	45%
Net Margin	-11%	-2%	0%	6%	6%	24%	23%	23%



# Non-Operating Items

(Unit: KRW Billion)

	Q4 '13	QoQ	Q3 '13	2013	YoY	2012
Net Non-Operating Profit (Loss)	49	+194	(145)	(305)	-333	28
Net Financial Gain (Loss)	(35)	+8	(44)	(190)	+48	(238)
Net FX Transaction & Translation Gain (Loss)	60	-39	98	94	-169	264
Net Gain (Loss) on equity method investments	6	+0	6	19	+3	17
Other Net Non-Operating Gain (Loss)	19	+224	(205)	(228)	-214	(14)
Income Tax Expense(Income)	45	-16	62	202	+243	(41)

# Capital Structure

(Unit: KRW Billion)

	Q4 '13	QoQ	Q3 '13	Q4 '12	vs. Q4'12
<b>Asset</b>	<b>20,797</b>	+260	<b>20,537</b>	<b>18,649</b>	+2,149
<b>Cash*</b>	<b>2,786</b>	-306	<b>3,092</b>	<b>1,785</b>	+1,002
<b>Liability</b>	<b>7,730</b>	-493	<b>8,224</b>	<b>8,909</b>	-1,179
<b>Debt**</b>	<b>4,550</b>	-729	<b>5,279</b>	<b>6,472</b>	-1,922
<b>Shareholders' Equity</b>	<b>13,067</b>	+753	<b>12,314</b>	<b>9,739</b>	+3,327
<b>Capital Stock</b>	<b>3,569</b>	0	<b>3,569</b>	<b>3,488</b>	+80
<b>Retained Earnings</b>	<b>6,201</b>	+804	<b>5,397</b>	<b>3,313</b>	+2,888
<b>Debt-to-Equity Ratio</b>	<b>35%</b>	-8%p	<b>43%</b>	<b>66%</b>	-31%p
<b>Net Debt-to-Equity Ratio</b>	<b>13%</b>	-5%p	<b>18%</b>	<b>48%</b>	-35%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)

	Q4 '13	Q3 '13	Q4 '12
<b>Beginning Cash Balance*</b>	<b>3,092</b>	<b>2,435</b>	<b>1,790</b>
<b>Cash Flow from Operating Activities</b>	<b>1,719</b>	<b>2,184</b>	<b>613</b>
Net profit before tax	834	1,020	110
D&A**	787	761	804
Changes in Working Capital	98	403	(301)
<b>Cash Flow from Investing Activities</b>	<b>(1,309)</b>	<b>(1,152)</b>	<b>(496)</b>
Acquisition of PP&E	(835)	(1,105)	(453)
<b>Cash Flow from Financing Activities</b>	<b>(713)</b>	<b>(358)</b>	<b>(176)</b>
Debt issuance, net of repayment***	(713)	(359)	(177)
<b>Net increase(decrease) in Cash</b>	<b>(306)</b>	<b>657</b>	<b>(6)</b>
<b>Ending Cash Balance</b>	<b>2,786</b>	<b>3,092</b>	<b>1,785</b>

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

\*\* D&A : including amortization of non-operating loss

\*\*\* 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)

	2013	Q3'13	2012	QoQ	vs. 2012
<b>Assets</b>					
Current Assets	6,653	6,802	5,314	-149	1,340
Cash & Cash Equivalents*	2,786	3,092	1,785	-306	1,002
Accounts Receivables	1,942	2,189	1,720	-247	222
Inventories	1,178	1,153	1,509	25	-331
Non-Current Assets	14,144	13,735	13,335	409	809
Property, plant & equipment	12,130	11,951	11,586	179	544
Intangible Assets	1,110	1,056	984	55	127
<b>Total Assets</b>	<b>20,797</b>	<b>20,537</b>	<b>18,649</b>	260	2,149
<b>Liabilities</b>					
Interest-bearing Debts	4,550	5,279	6,472	-729	-1,922
S-T Borrowings	138	736	1,021	-598	-883
Current Portion of LT Borrowings	732	736	1,699	-4	-966
Bonds/Convertible Bonds	1,950	1,956	1,451	-6	499
L-T Borrowings	1,730	1,851	2,302	-121	-572
Accounts Payables	649	691	593	-42	56
<b>Total Liabilities</b>	<b>7,730</b>	<b>8,224</b>	<b>8,909</b>	-493	-1,179
<b>Shareholders' Equity</b>					
Common Stock	3,569	3,569	3,488		80
<b>Total Shareholders' Equity</b>	<b>13,067</b>	<b>12,314</b>	<b>9,739</b>	753	3,327

\* Short-term Financial Instruments included

## [Attachment 2] Income Statement

### K-IFRS (KRW Billion)

	Q4'13	Q3'13	QoQ	2013	2012	YoY
Sales	3,368	4,084	-716	14,165	10,162	4,003
Cost of Goods Sold	2,016	2,379	-363	8,865	8,551	314
Gross Profit	1,351	1,704	-353	5,301	1,611	3,689
SG&A Expenses	567	540	27	1,921	1,839	82
Operating Profit	785	1,164	-380	3,380	-227	3,607
Financial Income(Expenses), Net	-35	-44	8	-190	-238	48
F/X Transaction & Translation Income (Expense), Net	60	98	-39	94	264	-169
Income (Expense) From Jointly Controlled Entities and Associates, Net	6	6	0	19	17	3
Other Non-operating Income (Expense), Net	19	-205	224	-228	-14	-214
Income Before Income Taxes	834	1,020	-186	3,075	-199	3,274
Income Taxes (Benefit)	45	62	-16	202	-41	243
Net Income	789	958	-169	2,873	-159	3,032

\* The income statement is according to recent K-IFRS revision.