

FY2009 Q3 Earnings Release

hynix Semiconductor
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hynix Semiconductor

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 Q3 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

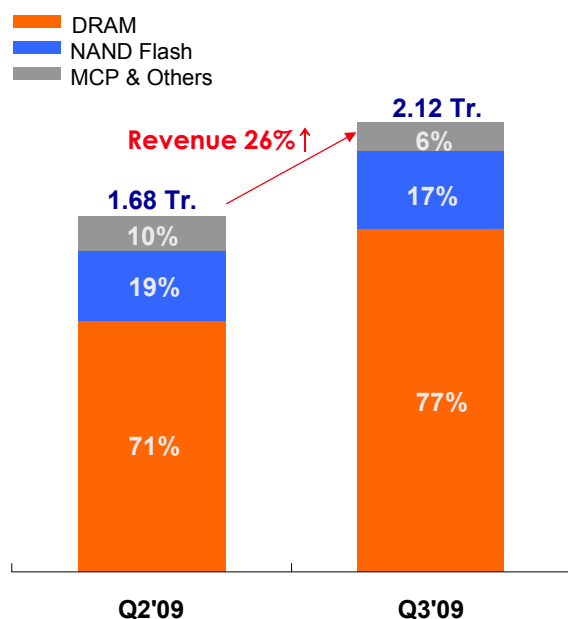
<i>(Unit: KRW Billion)</i>	Q3'09	QoQ	Q2'08	Q3'08	YoY
Revenue	2,118	26%	1,676	1,839	15%
Gross Income	578	344%	130	-121	N/A
Operating Income	209	N/A	-211	-465	N/A
EBITDA	885	94%	457	257	245%
Net Income*	246	N/A	-58	-1,670	N/A
Profitability (%)					
Gross Margin	27%	20%p	8%	-7%	34%p
Operating Margin	10%	22%p	-13%	-25%	35%p
EBITDA Margin	42%	15%p	27%	14%	28%p
Net Margin	12%	15%p	-3%	-91%	102%p

* Minority interest included



Sales Analysis

Sales by Products



Analysis

Total sales increased due to the shipment growth and ASP improvement of both DRAM & NAND Flash
 → KRW 2.12 Tr. (QoQ 26%↑)

■ DRAM sales increased as:

- ASP increased 26% (QoQ)
- Bit growth increased 12% (QoQ)

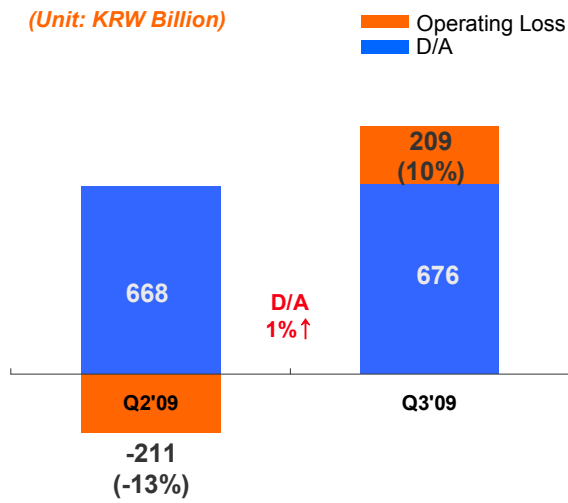
■ NAND Flash sales increased as:

- ASP increased 4% (QoQ)
- Bit growth increased 5% (QoQ)



Profit Analysis

Profitability



Analysis

Profit margin increased due to reverse of loss on inventory valuation and cost reduction per unit of DRAM & NAND

(OP margin 10%, EBITDA margin 42%)

(+) Turned both DRAM & NAND to profit due to solid pricing and positive bit shipment growth

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

(+) Reversal of loss on inventory valuation (KRW 142 billion)

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Non OP Income & Expense

(Unit: KRW Billion)

	Q3'09	QoQ	Q2'09	Q3'08	YoY
Non-Operating Income, net	35	-128	163	-1,215	1,250
Interest, net	-96	4	-100	-91	-5
F/X Transaction & Translation, net	278	-44	322	-490	767
Others	-147	-88	-59	-634	487
Income Taxes	-2	-12	10	-10	8
Minority Interest	1	8	-7	3	-2

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Capital Structure

<i>(Unit: KRW billion)</i>	Q3'09	QoQ	Q2'09	Q3'08	YoY
Asset	16,220	-120	16,340	18,550	-2,329
<i>(Cash *)</i>	(1,530)	(-3)	(1,533)	(1,229)	301
Liability	10,906	-105	11,011	11,384	-478
<i>(Debt **)</i>	(7,526)	(-391)	(7,917)	(7,840)	(-314)
Shareholders' Equity	5,314	-15	5,329	7,166	-1,851
<i>(Capital Stock)</i>	(2,966)		(2,966)	(2,316)	(650)
<i>(Retained Earnings)</i>	(354)	(243)	(111)	(3,020)	(-2,666)
D-E Ratio	142%	-7%p	149%	109%	32%p
Net D-E Ratio	113%	-7%p	120%	92%	21%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)

	Q3'09	Q2'09	Q3'08	QoQ	YoY
Assets					
Current Assets	4,111	3,780	4,426	331	-315
Cash & Cash Equivalents*	1,530	1,533	1,229	-3	301
Accounts Receivables	1,251	1,021	1,176	231	76
Inventories	1,078	1,034	1,399	44	-321
Investments	268	263	60	5	208
Property, plant & equipment	10,747	11,181	13,223	-434	-2,477
Intangible Assets	470	479	505	-9	-35
Other Non-current Assets	625	636	335	-12	290
Total Assets	16,220	16,340	18,550	-120	-2,329
Liabilities					
Interest-bearing Debts	7,526	7,917	7,840	-391	-314
S-T Borrowings	1,915	1,864	1,805	51	110
Current Portion of LT Borrowings	1,659	1,717	709	-58	951
Debenture	1,781	1,823	2,393	-42	-612
L-T Borrowings	2,171	2,513	2,933	-342	-763
Accounts Payables	686	587	861	99	-175
Total Liabilities	10,906	11,011	11,384	-105	-478
Shareholders' Equity					
Common Stock	2,966	2,966	2,316	0	650
Total Shareholders' Equity	5,314	5,329	7,166	-15	-1,851

Parent Basis (KRW Billion)

	Q3'09	Q2'09	Q3'08	QoQ	YoY
Assets					
Current Assets	3,132	2,687	3,262	446	-130
Cash & Cash Equivalents*	1,276	1,234	845	42	431
Accounts Receivables	782	509	494	274	289
Inventories	775	697	1,017	78	-242
Investments	2,650	2,850	2,460	-201	190
Property, plant & equipment	6,571	6,931	8,197	-360	-1,625
Intangible Assets	470	479	505	-9	-35
Other Non-current Assets	583	592	221	-9	362
Total Assets	13,407	13,539	14,645	-133	-1,238
Liabilities					
Interest-bearing Debts	5,242	5,324	4,879	-82	363
S-T Borrowings	1,466	1,363	1,030	103	436
Current Portion of LT Borrowings	1,195	1,186	340	10	855
Debenture	1,783	1,825	2,395	-42	-612
L-T Borrowings	797	950	1,113	-153	-316
Accounts Payables	921	875	833	46	88
Total Liabilities	8,494	8,647	7,890	-153	604
Shareholders' Equity					
Common Stock	2,966	2,966	2,316	0	650
Total Shareholders' Equity	4,913	4,892	6,755	21	-1,843

* Short-term Financial Instruments included

[Attachment 2] Proforma Income Statement

Consolidated Basis (KRW Billion)

	Q3'09	Q2'09	Q3'08	QoQ	YoY
Revenues	2,118	1,676	1,839	442	279
Cost of Goods Sold	1,540	1,546	1,960	-5	-420
Gross Income	578	130	-121	448	699
SG&A Expenses	368	341	343	27	25
Operating Income	209	-211	-465	420	674
Non-operating Income, net	35	163	-1,215	-128	1,250
Interests	-96	-100	-91	4	-5
F/X Effects	278	322	-490	-44	767
Equity Method	-1	0	1	-1	-2
Others	-146	-59	-635	-86	489
Earnings Before Tax (EBT)	244	-48	-1,680	292	1,924
Income Tax (Benefit)	-2	10	-10	-12	8
Net Income	246	-58	-1,670	304	1,916
Minority Interest	1	-7	3	8	-2

Parent Basis (KRW Billion)

	Q3'09	Q2'09	Q3'08	QoQ	YoY
Revenues	2,053	1,604	1,871	449	182
Cost of Goods Sold	1,553	1,515	2,025	38	-472
Gross Income	500	88	-154	412	654
SG&A Expenses	335	310	309	26	26
Operating Income	165	-221	-463	386	629
Non-operating Income, net	78	169	-1,196	-91	1,274
Interests	-74	-70	-57	-4	-16
F/X Effects	290	326	-495	-36	785
Equity Method	16	-29	-48	45	65
Others	-155	-58	-596	-97	441
Earnings Before Tax (EBT)	243	-52	-1,660	295	1,903
Income Tax (Benefit)	-2	-1	-9	-1	7
Net Income	245	-51	-1,650	296	1,896