



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 FY2014 & Q4 financial results has not been finalized. Figures in this earnings release are subject to changes during the independent auditing process.

※ All financial information provided here is in accordance with the latest amendment of K-IFRS 1001.



FY2014 & Q4 Earnings Results & Operational Performance

Results of Operation

(Unit: KRW Billion)

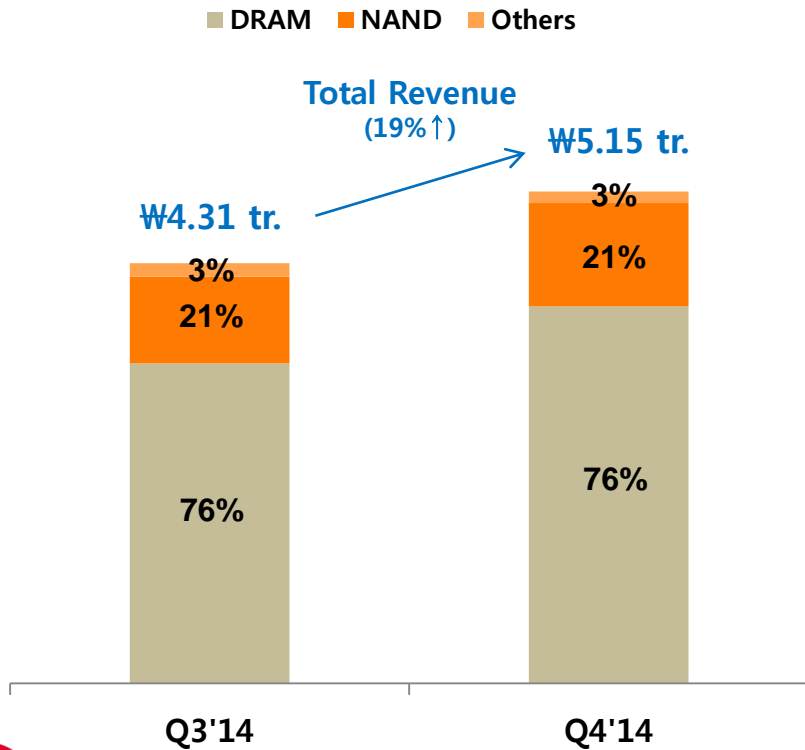
		Q4'14	QoQ	Q3'14	2014	YoY	2013
Revenue		5,148	+19%	4,312	17,126	+21%	14,165
Gross Profit (Loss)		2,419	+25%	1,935	7,664	+45%	5,301
Operating Profit (Loss)		1,667	+28%	1,301	5,109	+51%	3,380
EBITDA*		2,578	+19%	2,174	8,548	+35%	6,336
Net Profit (Loss)		1,624	+48%	1,095	4,195	+46%	2,873
EPS (Won)	Basic	2,235		1,515	5,842		4,045
	Diluted	2,235		1,510	5,842		4,045
Shares Outstanding (Mil. shares)	Basic	727		722	718		710
	Diluted	727		724	718		710
Gross Margin		47%	+2%p	45%	45%	+8%p	37%
OP Margin		32%	+2%p	30%	30%	+6%p	24%
EBITDA Margin		50%	-	50%	50%	+5%p	45%
Net Margin		32%	+7%p	25%	24%	+4%p	20%

* EBITDA = Operating Profit + Depreciation & Amortization

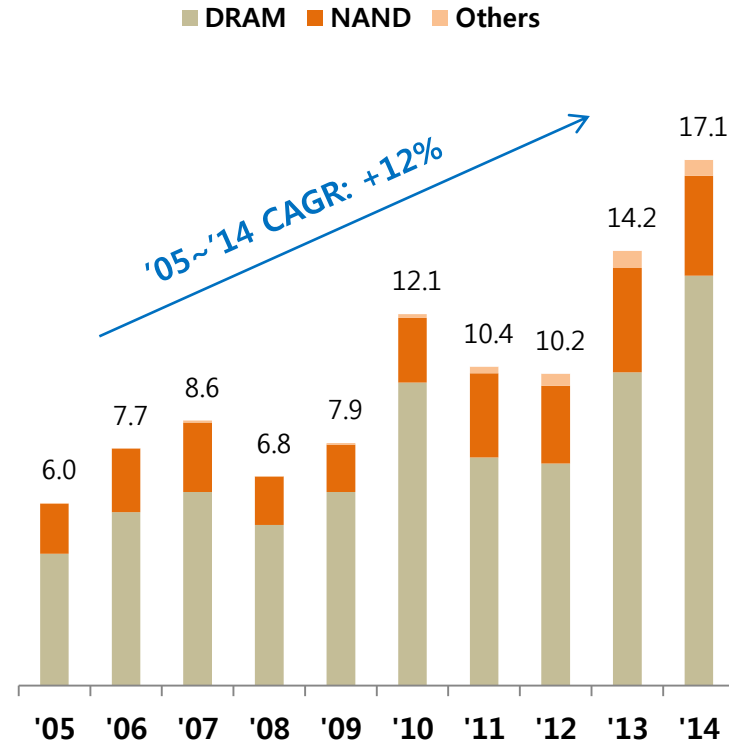
Sales Analysis

- Record high Q4 revenue, surpassing KRW 5tr. for the first time on the back of strong bit growth from seasonal demand increase & product mix focused on profit maximization. 2014 revenue also exceeded previous record-high for the 2nd consecutive year.
- DRAM B/G higher than expected from strong Server & PC DRAM demand supported by 2Ynm expansion while favorable price environment continued. Computing DRAM price was stable while Mobile DRAM price dropped marginally. (Bit volume +18%, ASP -3% QoQ)
- NAND B/G also higher than expected from strong demand growth from mobile products while ASP declined somewhat. Expansion of 1Xnm portion and inventory reduction helped to support the demand. (Bit volume +30%, ASP -8% Q/Q)

Revenue Mix by Product



Revenue Trend



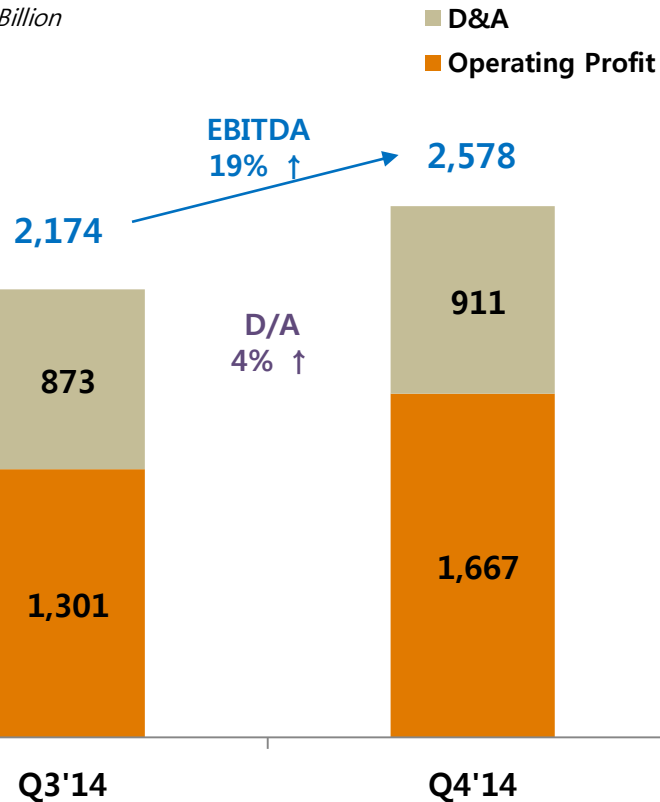
※ Consolidated figures, K-IFRS since 2010

Profit Analysis

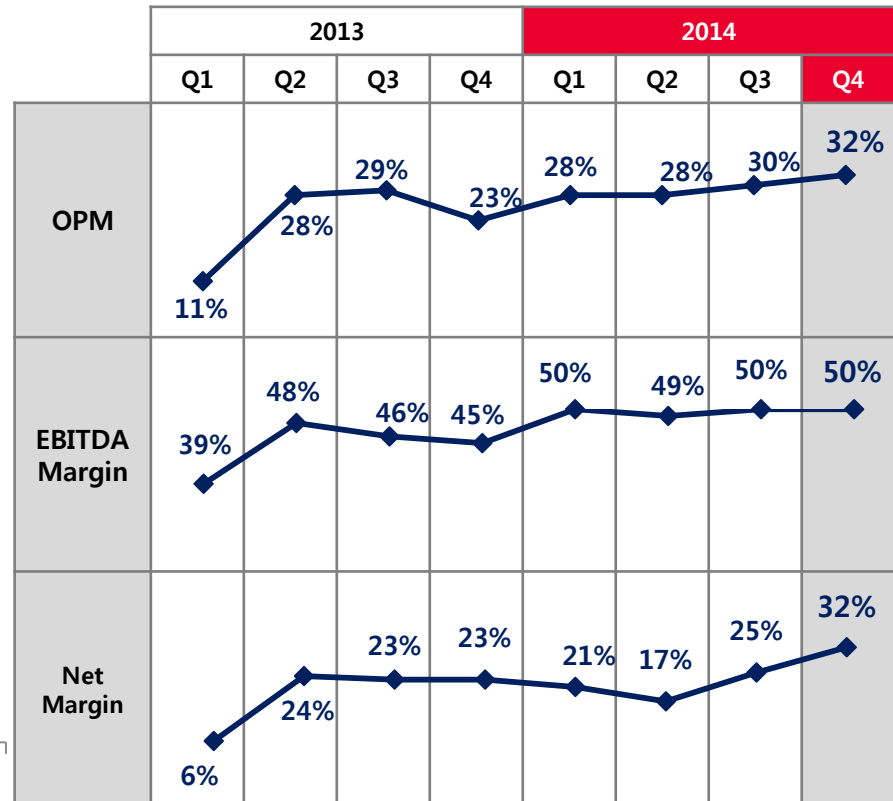
- Q4 Operating Profit set a new record high. Unit cost reduction from tech migration, favorable DRAM pricing conditions and flexible product mix, resulted in improved profitability for both DRAM & NAND.
- 2014 full-year Operating Profit exceeded KRW 5.1tr., marking a new record high.

Operating Profit & EBITDA

Unit: KRW Billion



Profit Margins



Non-Operating Gain & Loss

(Unit: KRW Billion)

	Q4 '14	QoQ	Q3 '14	2014	YoY	2013
Net Non-Operating Gain (Loss)	238	+224	14	(62)	+243	(305)
Net Financial Gain (Loss)	(15)	+12	(28)	(118)	+72	(190)
Net F/X Transaction & Translation Gain (Loss)	55	-7	62	129	+34	94
Net Gain (Loss) on equity method investments	7	+5	2	13	-7	19
Other Net Non-Operating Gain (Loss)	192	+214	(23)	(85)	+144	(228)
Income Tax Expense (Income)	281	+61	220	853	+650	202

Capital Structure

(Unit: KRW Billion)

	Q4 '14	QoQ	Q3 '14	Q4 '13	YoY
Assets	26,883	+2,802	24,081	20,797	+6,086
Cash*	4,055	+354	3,700	2,786	+1,268
Liabilities	8,847	+1,056	7,791	7,730	+1,117
Debt**	4,175	+44	4,131	4,550	-375
Shareholders' Equity	18,036	+1,746	16,290	13,067	+4,969
Capital Stock	3,658	+8	3,650	3,569	+89
Retained Earnings	10,277	+1,505	8,772	6,201	+4,076
Debt-to-Equity Ratio	23%	-2%p	25%	35%	-12%p
Net Debt-to-Equity Ratio	1%	-2%p	3%	13%	-12%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 '14	Q3 '14	Q4 '13
Beginning Cash balance*	3,700	3,080	3,092
CF from Operating Activities	1,233	1,632	1,719
Net Income	1,624	1,095	789
Depreciation & Amortization**	912	874	787
Changes in working capital, etc	(1,303)	(337)	143
CF from Investing Activities	(897)	(1,225)	(1,309)
Acquisition of PP&E	(836)	(1,253)	(835)
CF from Financing Activities	14	200	(713)
Debt issuance, net of repayment***	14	200	(713)
Net increase (decrease) in Cash	354	620	(306)
Ending Cash balance	4,055	3,700	2,786

* 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)

	Q4'14	Q3'14	Q4'13	QoQ	YoY
Assets					
Current Assets	10,364	8,394	6,653	+1,969	+3,710
Cash & Cash Equivalents*	4,055	3,700	2,786	+354	+1,268
Accounts Receivables	3,733	2,800	1,942	+933	+1,791
Inventories	1,498	1,503	1,178	-5	+319
Non-Current Assets	16,520	15,687	14,144	+833	+2,376
Property, plant & equipment	14,090	13,536	12,130	+554	+1,961
Intangible Assets	1,337	1,256	1,110	+81	+226
Total Assets	26,883	24,081	20,797	+2,802	+6,086
Liabilities					
Interest-bearing Debts	4,175	4,131	4,550	+44	-375
S-T Borrowings	734	823	138	-89	+596
Current Portion of LT Borrowings	1,021	978	732	+43	+289
Bonds/Convertible Bonds	1,157	1,152	1,950	+5	-793
L-T Borrowings	1,263	1,178	1,730	+85	-467
Accounts Payables	788	633	649	+155	+139
Total Liabilities	8,847	7,791	7,730	+1,056	+1,117
Shareholders' Equity					
Common Stock	3,658	3,650	3,569	+8	+89
Total Shareholders' Equity	18,036	16,290	13,067	+1,746	+4,969

* Short-term Financial Instruments included

[Attachment 2] Income Statement

K-IFRS (KRW Billion)

	Q4'14	Q3'14	QoQ	2014	2013	YoY
Sales	5,148	4,312	+836	17,126	14,165	+2,960
Cost of Goods Sold	2,729	2,377	+352	9,462	8,865	+597
Gross Profit	2,419	1,935	+484	7,664	5,301	+2,363
SG&A Expenses	752	634	+118	2,554	1,921	+634
Operating Profit	1,667	1,301	+366	5,109	3,380	+1,730
Financial Income(Expenses), Net	-15	-28	+12	-118	-190	+72
F/X Transaction & Translation Income (Expense), Net	55	62	-7	129	94	+34
Income (Expense) From Jointly Controlled Entities and Associates, Net	7	2	+5	13	19	-7
Other Non-operating Income (Expense), Net	192	-23	+214	-85	-228	+144
Income Before Income Taxes	1,905	1,315	+590	5,048	3,075	+1,973
Income Taxes (Benefit)	281	220	+61	853	202	+650
Net Income	1,624	1,095	+529	4,195	2,873	+1,322

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