



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 FY2015 & Q4 financial results has not been finalized. Figures in this earnings release are subject to changes during the independent auditing process.



FY2015 & Q4 Earnings Results & Operational Performance

Results of Operation

(Unit: KRW Billion)

		Q4'15	QoQ	Q3'15	2015	YoY	2014
Revenue		4,416	-10%	4,925	18,798	10%	17,126
Gross Profit (Loss)		1,749	-18%	2,129	8,283	8%	7,664
Operating Profit (Loss)		989	-29%	1,383	5,336	4%	5,109
EBITDA*		2,043	-14%	2,386	9,282	9%	8,548
Net Profit (Loss)		871	-17%	1,048	4,324	3%	4,195
EPS (Won)	Basic	1,233		1,458	6,002		5,842
	Diluted	1,233		1,458	6,002		5,842
Shares Outstanding (Mil. shares)	Basic	706		719	720		718
	Diluted	706		719	720		718
<i>Gross Margin</i>		<i>40%</i>	-4%p	<i>43%</i>	<i>44%</i>	-1%p	<i>45%</i>
<i>OP Margin</i>		<i>22%</i>	-6%p	<i>28%</i>	<i>28%</i>	-1%p	<i>30%</i>
<i>EBITDA Margin</i>		<i>46%</i>	-2%p	<i>48%</i>	<i>49%</i>	-1%p	<i>50%</i>
<i>Net Margin</i>		<i>20%</i>	-2%p	<i>21%</i>	<i>23%</i>	-1%p	<i>24%</i>

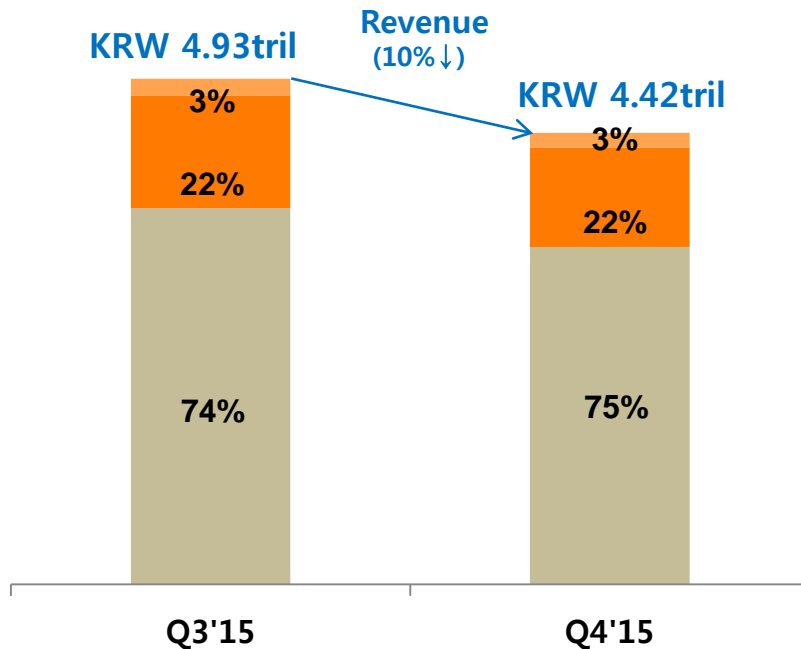
* EBITDA = Operating Profit + Depreciation & Amortization

Sales Analysis

- Q4 revenue declined 10% sequentially due to demand weakness and on-going price drop for both DRAM and NAND, however annual revenue reached new historical high.
- DRAM bit growth was slightly less than planned as mobile device demand slowed during the quarter and we reduced sales of Computing DRAM products which experienced relatively high price fall. ASP declined less than the market as we expanded Mobile DRAM mix. (bit shipments -1%, ASP -10%)
- For NAND, demand slowdown of Mobile Embedded products led to increased discrete sales leading to steeper ASP decline. (bit shipments +4%, ASP -15%)

Revenue Mix by Product

■ DRAM ■ NAND ■ Others

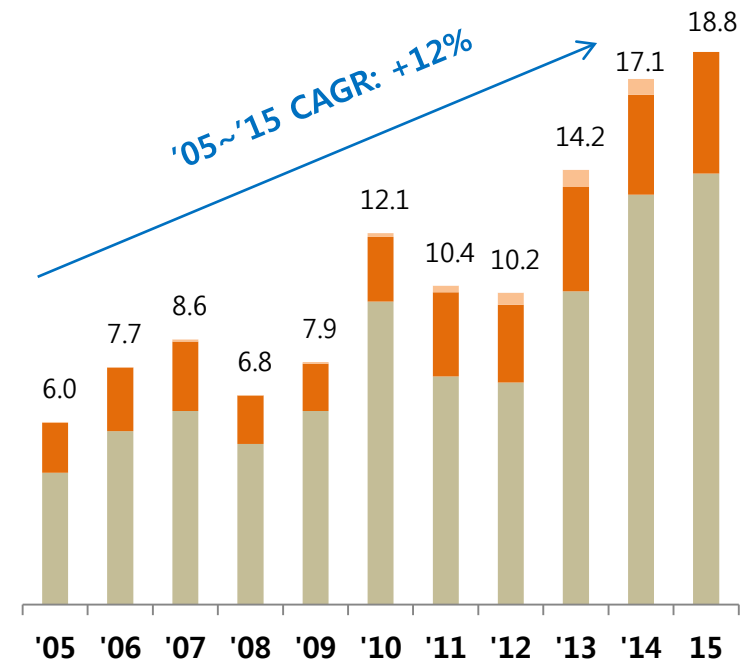


※ Q4 MCP Revenue portion increased to 18% from 15% in Q3

Revenue Trend

Unit : KRW Billion

■ DRAM ■ NAND ■ Others



※ Consolidated basis, in accordance with K-IFRS from 2010

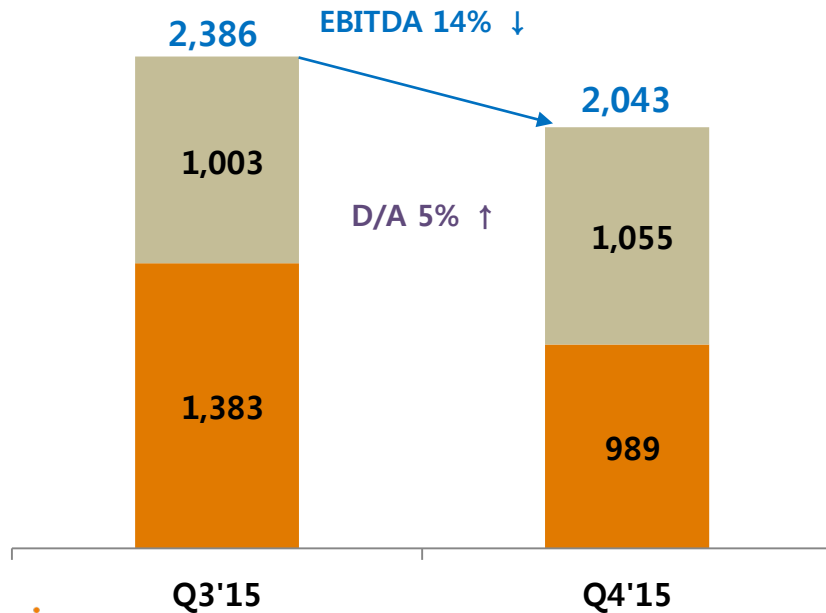
Profit Analysis

- Despite unit cost reduction achieved for all products, Q4 Operating Profit declined to KRW 989 billion & OP Margin of 22% as a result of revenue decline that was driven by price drop.
- Although D&A increased, COGS decreased due to reduction in DRAM bit shipment growth and one-off labor cost.
- Operating Profit for the full year exceeded KRW 5.3 trillion recording historically highest annual Operating Profit.

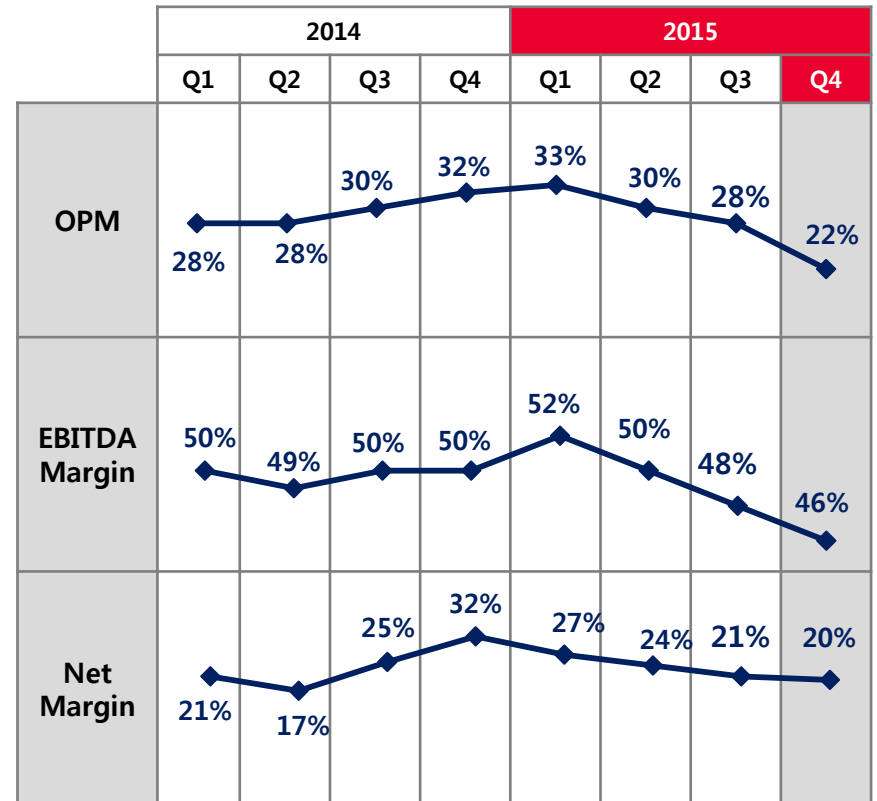
Operating Profit & EBITDA

Unit : KRW Billion

■ D&A ■ OP



Profit Margins



Capital Structure

- With continuing debt reduction, we reached Net Cash of nearly KRW 1 trillion at year-end from Net Debt position at previous Quarter-end.
- Financial Ratios improved such as higher Current Ratio & lower Debt-to-Equity Ratio due to increased Cash position.

(Unit: KRW Billion)

	Q4 '15	QoQ	Q3 '15	Q4 '14	YoY
Assets	29,678	+336	29,342	26,883	+2,795
Cash*	4,791	+686	4,105	4,055	+736
Liabilities	8,290	-286	8,576	8,847	-557
Debt**	3,819	-482	4,300	4,175	-356
Shareholders' Equity	21,388	+621	20,766	18,036	+3,351
Capital Stock	3,658	-	3,658	3,658	-
Retained Earnings	14,359	+853	13,506	10,277	+4,082
Current Ratio	202%	+22%p	180%	180%	+22%p
Debt-to-Equity Ratio	18%	-3%p	21%	23%	-5%p
Net Debt-to-Equity Ratio	-5%	-5%p	1%	1%	-5%p

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

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

Cash Flow

(Unit: KRW Billion)

	Q4 '15	Q3 '15	Q4 '14
Beginning Cash balance	4,105	4,206	3,700
CF from Operating Activities	2,448	2,197	1,233
Net Income	871	1,048	1,624
Depreciation & Amortization	1,055	1,005	912
Changes in working capital, etc	521	144	(1,303)
CF from Investing Activities	(1,323)	(1,958)	(897)
Acquisition of PP&E	(1,183)	(1,930)	(836)
CF from Financing Activities	(429)	(352)	14
Increase in Debt	(411)	402	14
Dividend payout	-	-	-
Share repurchase	(18)	(754)	-
Effect of changes in exchange rate on cash & cash equivalents	(10)	11	4
Net increase (decrease) in Cash	686	(100)	354
Ending Cash balance	4,791	4,105	4,055

[Attachment1] Statement of Financial Position

K-IFRS (KRW Billion)

	Q4'15	Q3'15	Q4'14	QoQ	vs. Q4'14
Assets					
Current Assets	9,760	9,700	10,364	+60	-603
Cash & Cash Equivalents*	4,791	4,105	4,055	+686	+736
Accounts Receivables	2,628	3,319	3,733	-690	-1,104
Inventories	1,923	1,827	1,498	+97	+426
Non-Current Assets	19,918	19,642	16,520	+276	+3,398
Property, plant & equipment	16,966	16,819	14,090	+147	+2,876
Intangible Assets	1,705	1,619	1,337	+86	+368
Total Assets	29,678	29,342	26,883	+336	+2,795
Liabilities					
Interest-bearing Debts	3,819	4,300	4,175	-482	-356
S-T Borrowings	148	789	734	-641	-586
Current Portion of LT Borrowings	865	1,074	1,021	-209	-155
Bonds/Convertible Bonds	1,293	1,116	1,157	+177	+136
L-T Borrowings	1,512	1,321	1,263	+191	+249
Accounts Payables	791	776	788	+15	+4
Total Liabilities	8,290	8,576	8,847	-286	-557
Shareholders' Equity					
Capital Stock	3,658	3,658	3,658	-	-
Capital Surplus	4,144	4,144	4,144	-	-
Retained Earnings	14,359	13,506	10,277	+853	+4,082
Total Shareholders' Equity	21,388	20,766	18,036	+621	+3,351

* Short-term Financial Instruments included

[Attachment 2] Income Statement

K-IFRS (KRW Billion)

	Q4'15	Q3'15	QoQ	2015	2014	YoY
Sales	4,416	4,925	-509	18,798	17,126	+1,672
Cost of Goods Sold	2,667	2,796	-129	10,515	9,462	+1,054
Gross Profit	1,749	2,129	-380	8,283	7,664	+619
SG&A Expenses	761	746	+15	2,947	2,554	+392
Operating Profit	989	1,383	-394	5,336	5,109	+227
Financial Income(Expenses), Net	-21	-21	-0	-78	-118	+40
F/X Transaction & Translation Income (Expense), Net	40	-31	+70	58	129	-71
Income (Expense) From Jointly Controlled Entities and Associates, Net	6	8	-2	25	13	+12
Other Non-operating Income (Expense), Net	-36	-28	-8	-71	-85	+13
Income Before Income Taxes	977	1,312	-335	5,269	5,048	+221
Income Taxes (Benefit)	106	263	-158	946	853	+93
Net Income	871	1,048	-177	4,324	4,195	+128