



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 FY2016 Q4 financial results has not been finalized. Figures in this earnings release are subject to changes during the independent auditing process.





FY2016 Q4 Financial Results

Results of Operation

(Unit: KRW Billion)

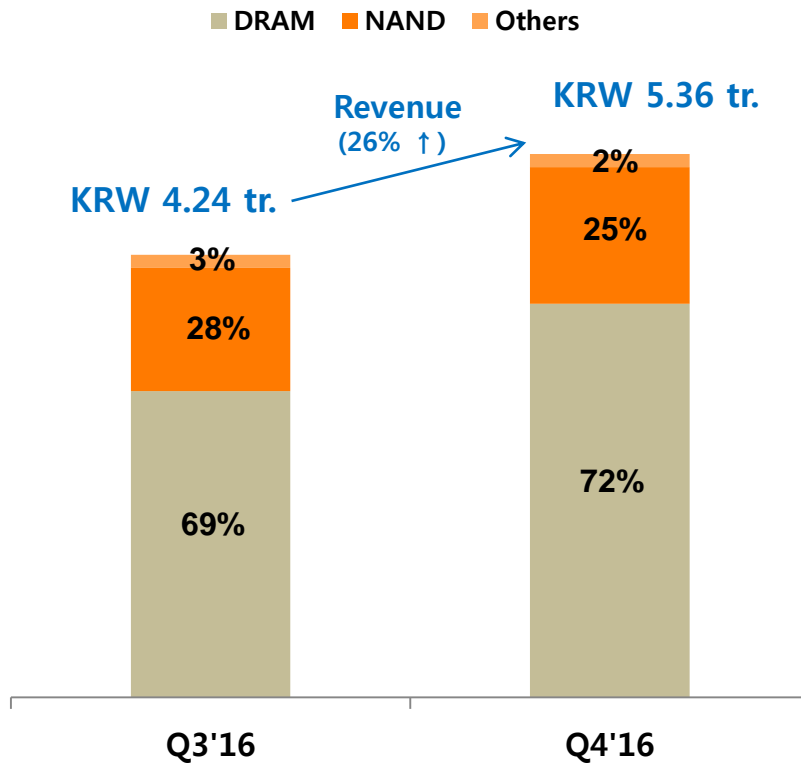
		Q4'16	QoQ	Q3'16	Q4'15	YoY
Revenue		5,358	+26%	4,244	4,416	+21%
Gross Profit (Loss)		2,390	+65%	1,451	1,749	+37%
Operating Profit (Loss)		1,536	+112%	726	989	+55%
EBITDA*		2,677	+46%	1,832	2,043	+31%
Net Profit (Loss)		1,629	+172%	598	871	+87%
EPS (Won)	Basic	2,304		845	1,233	
	Diluted	2,304		845	1,233	
Shares Outstanding (Mil. shares)	Basic	706		706	706	
	Diluted	706		706	706	
Gross Margin		45%	+10%p	34%	40%	+5%p
OP Margin		29%	+12%p	17%	22%	+6%p
EBITDA Margin		50%	+7%p	43%	46%	+4%p
Net Margin		30%	+16%p	14%	20%	+11%p

* EBITDA = Operating Profit + Depreciation & Amortization

Sales Analysis

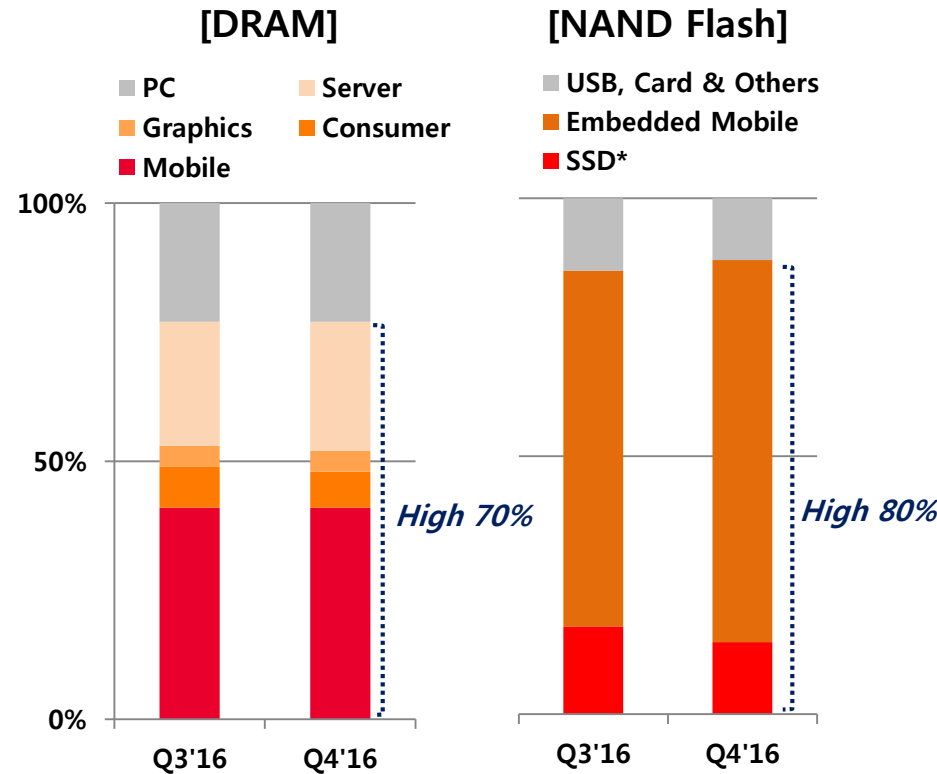
- Q4 Revenue increased 26% Q/Q, recording historic high Quarter's Revenue on the back of strong Memory demand, Memory price hike & weak Korean Won
- DRAM bit shipments increased with expanded sales of Server & Mobile DRAM products. Sharp increase in PC DRAM price as well as price increase for all DRAM products resulted in Blended ASP increase (B/G +13%, ASP +14%)
- With strong demand for NAND from Chinese smartphones, sales increased for eMCP product which has relatively lower contents but higher price premium, resulting in bit shipment decrease but ASP increase (B/G -3%, ASP +14%)

Revenue Mix by Product



※ Q4'16 MCP Revenue portion increased to 23% from 22% in Q3

Revenue Mix by Application



* Includes discrete NAND for SSDs

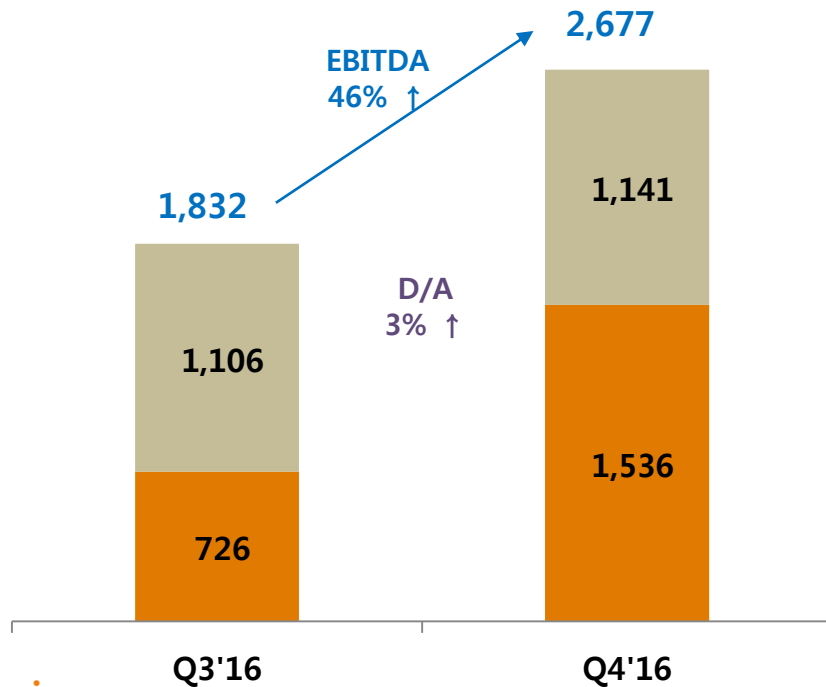
Profit Analysis

- With higher Revenue, Operating Profit increased by 112% Q/Q to KRW 1.536 Tr. (OPM 29%), the highest OP after '15 Q1
- Profitability of both DRAM and NAND improved Q/Q due to price increase as well as cost reduction driven by improved productivity through DRAM 2Znm and NAND 1Ynm expansion
- With higher OP and income tax benefit associated with recognition of deferred tax asset, Net Income increased Q/Q, resulting in 30% of Net Profit Margin

Operating Profit & EBITDA

Unit: KRW Billion

■ D&A ■ OP



Profit Margins

	2015				2016			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OP Margin	33%	30%	28%	22%	15%	11%	17%	29%
EBITDA Margin	52%	50%	48%	46%	45%	40%	43%	50%
Net Profit Margin	27%	24%	21%	20%	12%	7%	14%	30%

Capital Structure

(Unit: KRW Billion)

	Q4 '16	QoQ	Q3 '16	Q4 '15	vs. Q4'15
Assets	32,216	+3,049	29,167	29,678	+2,538
Cash*	4,136	+545	3,591	4,791	-656
Liabilities	8,192	+1,030	7,162	8,290	-98
Debt**	4,336	+187	4,149	3,819	+517
Shareholders' Equity	24,024	+2,019	22,005	21,388	+2,636
Capital Stock	3,658	-	3,658	3,658	-
Retained Earnings	17,067	+1,740	15,327	14,359	+2,708
Current Ratio	236%	-40%p	277%	202%	+35%p
Debt-to-Equity Ratio	18%	-1%p	19%	18%	0%p
Net Debt-to-Equity Ratio	1%	-2%p	3%	-5%	+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 '16	Q3 '16	Q4 '15
Beginning Cash balance	3,591	3,433	4,105
CF from Operating Activities	1,984	1,639	2,448
Net Income	1,629	598	871
Depreciation & Amortization	1,143	1,108	1,056
Changes in Working Capital, etc	(788)	(67)	521
CF from Investing Activities	(1,459)	(1,374)	(1,321)
Acquisition of PP&E	(1,356)	(1,345)	(1,183)
CF from Financing Activities	(18)	(76)	(429)
Increase in Debt	(18)	(76)	(411)
Dividend payout	0	0	0
Share repurchase	0	0	(18)
Effect of changes in F/X rate on cash & cash equivalents	39	(31)	(12)
Net increase (decrease) in Cash	545	157	686
Ending Cash balance	4,136	3,591	4,791