

SK Hynix logs 2nd straight quarterly profit

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South Korean chipmaker SK Hynix Inc. said Wednesday it posted a profit for a second straight quarter as the stronger won reduced the amount of debt denominated in foreign currencies.

Its October-December net profit reached 163.7 billion won (\$151 million), compared with a 239.9 billion loss a year earlier. In the previous quarter, it logged 2 billion won in profit.

Its operating profit amounted to 55 billion won on revenue of 2.7 trillion won, a 7 percent rise over a year earlier.

Hynix said it turned to operating profit from the previous quarter's loss thanks to strong demand for chips used in mobile devices and servers.

The company also benefited from solid sales of affordable tablet PCs in emerging markets, which helped offset lower demand for PCs.

Growth of smartphone sales in China and new product launches by its clients during the fourth quarter drove an increase in sales and prices of flash memory chips, it said.

SK Hynix, which competes with bigger rival Samsung Electronics Co. and Toshiba Corp., supplies chips to Apple Inc., Dell Inc. and Hewlett-Packard Co.

For the full year of 2012, the company logged 159 billion won in net losses, bigger than the 56 billion won loss in the previous year.

Global semiconductor companies are bracing for a shift in computing as more consumers and companies turn to portable and mobile devices rather than desktop computers.

Fourth-quarter PC shipments declined by a wider-than-expected margin of 6.4 percent over a year earlier, according to market research firm IDC.

Microsoft's launch of Windows 8 system at the end of last year did little to reverse the downward trend of PC demand, the research firm said.

As doubts abound whether PC shipments can make a rebound this year, chipmakers have been shifting their focus to chips for smartphones, tablet computers and servers. SK Hynix said demand for smartphones in emerging markets and the intensified competition among smartphone makers are expected to increase demand for memory chips for mobile devices.

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Because global chip companies are hesitant to raise investments from the previous year due to the uncertainty in PC demand and the global economic outlook, a supply increase could be limited, which could stave off a drastic fall in chip prices, the company added.

Samsung Electronics, the world's largest memory chipmaker, said last week that it will keep its annual capital spending unchanged from the last year, refraining from increasing capital expenditure for the first time in four years.

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