

SKorea's Hynix swings to profit as chip industry recovers

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South Korea's Hynix Semiconductor said Thursday it swung to a net profit in the fourth quarter, following a loss in the period the year earlier, in a further sign that the global chip industry is recovering from a two-year slump.

Hynix, the world's second largest memory chip maker, reported [net profit](#) of 657 billion won (577 million dollars) in October-December, against a net loss of 1.69 trillion won in the fourth quarter of 2008.

It was the second straight quarter of net profits after losses for seven consecutive quarters.

A continued rise in chip prices also helped it achieve a fourth-quarter [operating profit](#) of 708 billion won compared to an operating loss of 802 billion a year earlier.

Sales rose 85 percent to 2.80 trillion won from 1.51 trillion a year earlier.

"Despite traditionally weak seasonality in the first quarter, Hynix is expected to perform well due to likely brisk sales of PCs ahead of the Chinese New Year and stable chip prices," Benjamin Ban, an analyst at Daishin Securities, told Dow Jones Newswires.

To speed up its shift towards more advanced chips, Hynix recently raised its capital spending for this year to 2.3 trillion won from the 1.5 trillion

won it had originally planned.

In 2009 it earmarked capital spending of one trillion won.

For the whole of 2009 Hynix reported a 333 billion won net loss, a sharp improvement from a 4.75 trillion won net loss in 2008. Sales rose 16 percent to 7.91 trillion won.

Hynix reported a 192 billion won operating profit for all 2009, sharply turning around from a 1.92 trillion won loss a year earlier.

All figures are consolidated, meaning they include the financial results of the company's overseas units.

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