

Hynix Semiconductor 4th-quarter profit plunges

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Hynix Semiconductor Inc.'s modules are shown at its office in Seoul, South Korea, Thursday, Jan. 27, 2011. Hynix Semiconductor's fourth-quarter net profit plunged 83 percent amid lower chip prices and a one-time charge related to a legal case. (AP Photo/ Lee Jin-man)

(AP) -- Hynix Semiconductor's fourth-quarter net profit plunged 83 percent amid lower chip prices and a one-time charge related to a legal case.

Hynix, the world's second-largest manufacturer of computer memory chips, earned 110.1 billion won (\$98.8 million) in the three months ended Dec. 31, it said Thursday. That compared with net profit of 656.8 billion won a year earlier.

The result came after Hynix recorded record high net profit in the

previous three months. It still marked the company's sixth straight quarter in the black after returning to profit in the third quarter of 2009 following two years of losses.

Beginning in 2008, Hynix began slashing costs - including shuttering its U.S. factory - and received an infusion of fresh capital via bank loans and a share sale to revive its fortunes.

Sales in the fourth quarter fell 2 percent to 2.75 trillion won.

[Hynix Semiconductor](#) Inc. manufactures [DRAM chips](#), used mostly in personal computers, and ranks No. 2 globally behind South Korean rival [Samsung Electronics](#) Co. It also ranks No. 4 in the world in NAND [flash memory chips](#), which are used in products such as digital cameras, music players and smartphones.

The average selling price for Hynix's DRAM chips in the fourth quarter declined 28 percent from the previous three months, the company said, while shipments increased 18 percent. The average selling price for NAND flash memory chips fell 12 percent, while shipments increased 32 percent.

Hynix's net profit was hit by 69 billion won in net interest expense as well as a charge related to a legal dispute, the company said. A South Korean court in December ordered Hynix to pay 160.7 billion won to Hyundai Securities Co. over a disputed liability that had its roots in another case involving a separate company dating back to 2000, according to Park Seong-ae, a company spokeswoman.

Operating profit - seen as a direct indicator of business performance before taxes, dividends, asset sales and other items figured into net profit or loss - declined 41 percent to 417.6 billion won.

Shares in Hynix, which released earnings results before the stock market opened, fell 0.4 percent to 28,100 won.

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