

# SK Hynix posts lowest earnings in three years

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SK Hynix Inc., the world's second largest chipmaker, posted its lowest quarterly profit in three years Tuesday, as slowing computer and smartphone demand hit chip prices.

The South Korean company, a key Apple supplier, said [net profit](#) totaled 448 billion won (\$390 million) in the January-March period, down 65 percent from a year earlier.

Memory-[chip prices](#) have fallen sharply as slowing growth, especially in major markets like China, has dampened demand for electronics products.

SK Hynix said chip prices had declined 14 percent from the previous quarter.

Meanwhile, sales fell 24 percent on-year to 3.66 trillion won, while operating profit plunged 65 percent.

"Supply has decreased from the previous quarter, yet chip inventories rose while prices fell sharply—this suggests the industry suffered severely weak demand," Song Myung-Sup, a Seoul-based analyst at HI Investment and Securities Co. told Bloomberg News.

"Unless demand rebounds in the current quarter, the overall supply-demand condition as well as prices will remain under pressure," Song said.

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