



ANNOUNCEMENT

**SK hynix Inc. (formerly, Hynix Semiconductor Inc.)
US\$500,000,000 2.65% Convertible Notes due 2015**

CANCELLATION OF BONDS PURSUANT TO CONVERSION

SK hynix Inc. (formerly, Hynix Semiconductor Inc.), as Issuer, wishes to announce that U\$ 49,100,000 in aggregate principal amount of U\$500,000,000 2.65% Convertible Notes due 2015 (the "Convertible Bonds") have been converted and cancelled. This is due to an exercise of conversion rights by the holders thereof.

Together with the current conversion, the total principal amount of Convertible Bonds converted and cancelled up to the date of this announcement is U\$396,300,000. Following the conversion and cancellation, the aggregate principal amount of Convertible Bonds remaining outstanding as of September 18, 2014 is U\$ 103,700,000.

Arising from the current conversion, 1,618,579 new common shares in SK hynix Inc. has been issued at the conversion price of Won 34,394 per common share, and the total common shares issued and outstanding are 724,623,455.

By: SK hynix Inc.

This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or any jurisdiction in which such offer or solicitation or sale would be unlawful. Securities may not be offered or sold within the United States or to U.S. persons absent registration or an exemption from registration under the U.S. Securities Act of 1933, as amended, and the rules and regulations thereunder. Any public offering of securities to be made in the United States will be made by means of a prospectus, which will contain detailed information about the company making the offer and its management and financial statements. SK hynix Inc. does not intend to register any securities in the United States, and no public offering of securities will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited.

Dated: September 18, 2014