

Press Release

Inotera Reports Third Quarter 2013 Results

Taoyuan, Taiwan (R.O.C.), October 23rd, 2013 – Inotera Memories, Inc. (TWSE: 3474) today announced results for the third quarter of its fiscal year 2013, which ended on September 30th, 2013. For the third quarter, the company reported record sales revenues of NTD 16,944 million, an increase of 33% quarter-on-quarter. The net income of NTD 7,290 million recorded for the quarter is equal to earnings per share of NTD 1.21. All numbers are un-audited, and the earnings-per-share calculation is based on weighted average outstanding shares of 6,043 million.

The company achieved another record high sales revenues in the third quarter mainly resulting from a 33% increase in average sales revenue per wafer quarter-on-quarter. The sequentially growing revenue per wafer was due to increasing portion of high value-added products and higher number of good bits per wafer. As a result, gross margin and operating margin in the third quarter were 45% and 44%, respectively, compared to 28% and 27%, respectively in the second quarter of 2013. The company's book value per share as of September 30th, 2013 was NTD 6.28.

Bit shipments in the third quarter were up 7% quarter-on-quarter. The company expects its bit shipments to increase by single digit for the fourth quarter sequentially. Going forward, the company will continue focusing on its premium share of DRAM-bits to be used in enterprise and consumer applications.

Year-to-date capital expenditures on a book-entry basis were NTD 5.2 billion as of the end of September 2013, and the company's guidance for year 2013 capital expenditures remains at approximately NTD 8 billion.

About Inotera

Inotera Memories, Inc. was incorporated on January 23rd, 2003. Inotera's production facilities are designed to manufacture high-density and high-performance DRAM (Dynamic Random Access Memory) products using state-of-the-art technology. The combination of world-leading technology transferred from its technology partners and local cost-efficiency in mass production has resulted in an innovative company that is highly productive, highly competitive and at the leading edge in the DRAM industry. For more information, please visit Inotera's IR Website : <http://ir.inotera.com>

Financial Summary (3Q'13 results are un-audited)

Unit: Million NT\$, except for EPS in NT\$	3Q'13	2Q'13	QoQ	YoY	3Q'12
Net Operating Revenues	16,944	12,747	33%	95%	8,694
Gross Profit (Loss)	7,659	3,615	112%	N/M	(3,877)
G&A Expenses	(73)	(76)	4%	-14%	(64)
R&D Expenses	(76)	(63)	-21%	38%	(122)
Total Operating Expenses	(148)	(139)	-6%	20%	(186)
Operating Income (Loss)	7,511	3,476	116%	N/M	(4,063)
Non-operating income (Expense)	(221)	(4)	-5425%	32%	(327)
Income (Loss) before Income Tax	7,290	3,472	110%	N/M	(4,390)
Income Tax Benefit (Expense)	0	0	N/M	N/M	0
Net Income (Loss)	7,290	3,472	110%	N/M	(4,390)
EPS (Loss)	\$1.21	\$0.62	95%	N/M	(\$0.81)
Weighted Average Outstanding Shares (millions)	6,043	5,642			5,405

Gross Margin (%)	45%	28%			-45%
Operating Margin (%)	44%	27%			-47%
Non-operating Income (Expense) (%)	0%	0%			-4%
Income Tax Benefit (Expense) (%)	0%	0%			0%
Net Margin (%)	43%	27%			-51%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 3Q'13, while a negative value indicates the opposite

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Disclaimer

This press release contains some forward-looking statements that are subject to substantial risks and uncertainties. Typically, these statements contain words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "plan," "forecast," "project," "predict," "potential," "continue," "may," "should," "will" and "would" or similar words. You should consider these forward-looking statements carefully because such statements are only our expectations or projections about future events, and actual results may differ materially from those expressed or implied by such statements. The forward-looking statements in this press release include, but are not limited to, growth rates for various markets estimated by a third party source, future products and technology development, widespread market acceptance of the hosted delivery model, future revenue growth and profitability. You should be cautioned that the forward-looking statements are not the guarantees of our future performance. The forward-looking statements contained in this press release are made only as of the date of this press release and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law.

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