

Press Release**Inotera Reports Second Quarter 2015 Results**

Taoyuan, Taiwan (R.O.C.), July 28th, 2015 – Inotera Memories, Inc. (TWSE: 3474) today announced consolidated sales revenues of NTD 16,245 million, net income of NTD 4,588 million and earnings per share of NTD 0.7 based on weighted average outstanding shares of 6,554 million for the second quarter ended June 30th, 2015. Gross margin for the quarter was 37%, operating margin was 35%, and net margin was 28%. All numbers are un-audited.

The 12% decrease in sales quarter-on-quarter was mainly due to a sequential decline in average selling prices in the market place and unfavorable exchange rate. Bit shipments in the second quarter increased by 0.9% quarter-on-quarter, which was in line with the company's previous guidance. The company expects its bit shipments to be flat to slightly down for the third quarter.

Inotera has launched 20nm ramp in the second quarter and will be on track to convert about 80% of its total wafer-start capacity to 20nm technology by the end of this year. Moreover, the company is continuously working on further diversification of the 20nm DRAM product portfolio for server and enterprise applications as well as growing portion of DDR4 DRAM and mobile DRAM output.

Capital expenditures for year 2015 are expected to be NTD 57 billion, an increase over the previous guidance of NTD 50 billion, following the finalization of the 20nm process flow with technology validation.

In order to provide manufacturing services for 2.5D IC solutions, Inotera is endeavoring to expand its capability of silicon interposer, an interconnection device on silicon wafer. The company expects to complete the qualification in the fourth quarter of 2015 and enter volume production starting from the first half year of 2016. It enables the company to capture market opportunities that employ silicon interpose for related applications.

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 partner 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 (2Q'15 consolidated results are un-audited)

Unit: Million NT\$, except for EPS in NT\$	<u>2Q'15</u>	<u>1Q'15</u>	<u>QoQ</u>	<u>YoY</u>	<u>2Q'14</u>
Operating Revenues	16,245	18,454	-12%	-24%	21,450
Gross Profit (Loss)	5,962	9,190	-35%	-50%	12,021
G&A Expenses	(86)	(84)			(73)
R&D Expenses	(204)	(403)			(233)
Total Operating Expenses	(290)	(487)			(306)
Operating Income (Loss)	5,673	8,703	-35%	-52%	11,715
Non-operating income (Expense)	(484)	(491)			(1,100)
Income (Loss) before Income Tax	5,188	8,212			10,615
Income Tax Benefit (Expense)	(600)	(943)			(0)
Net Income (Loss)	4,588	7,269	-37%	-57%	10,615
EPS (Loss)	\$0.70	\$1.11			\$1.68
Weighted Average Outstanding Shares (millions)	6,554	6,543			6,302
Gross Margin (%)	37%	50%			56%
Operating Margin (%)	35%	47%			55%
Net Margin (%)	28%	39%			50%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 2Q'15, 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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