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Press Release

Inotera Reports Second Quarter 2014 Results

Taoyuan, Taiwan (R.O.C.), July 29th, 2014 – Inotera Memories, Inc. (TWSE: 3474) today announced sales revenues of NTD 21,450 million, net income of NTD 10,615 million and earnings per share of NTD 1.68 based on weighted average outstanding shares of 6,302 million for the second quarter ended June 30th, 2014. All numbers are un-audited.

The company achieved new record in both revenue and gross profit in the second quarter of 2014. The 6% quarter-on-quarter increase in the company's sales revenues was mainly contributed by a 6% sequential growth of bit shipments due to continuous optimization of operating performance for the second quarter. Gross margin for the quarter was 56%, operating margin was 55%, and net margin was 50%.

Inotera has launched pilot runs of 20nm technology in June, and is preparing to increase its 20nm wafer-start capacity from the end of 2014. With the 20nm introduction, the company expects to offer a diversified product portfolio that enables innovative applications across enterprise, mobile, networking, consumer and others.

Currently the amount of capital expenditures approved by the Board of Directors of the company was approximately NTD 22 billion, and capital expenditures on a book-entry basis for the first half year were NTD 9.3 billion. The company is continuing to assess overall requirements of capital expenditures for 20nm conversion.

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'14 results are audited)*

Unit: Million NT$, except for EPS in NT$	2Q'14	1Q'14	QoQ	YoY	2Q'13
Net Operating Revenues	**21,450**	**20,224**	***6%***	***68%***	**12,747**
Gross Profit (Loss)	**12,021**	**10,933**	***10%***	***233%***	**3,615**
G&A Expenses	(73)	(71)	*-3%*	*4%*	(76)
R&D Expenses	(233)	(138)	*-69%*	*-270%*	(63)
Total Operating Expenses	(306)	(210)	*-46%*	*-120%*	(139)
Operating Income (Loss)	**11,715**	**10,724**	***9%***	***237%***	**3,476**
Non-operating income (Expense)	(1,100)	522	*N/M*	*-27400%*	(4)
Income (Loss) before Income Tax	**10,615**	**11,246**	***-6%***	***206%***	**3,472**
Income Tax Benefit (Expense)	0	0	*N/M*	*N/M*	0
Net Income (Loss)	**10,615**	**11,246**	***-6%***	***206%***	**3,472**
EPS (Loss)	**$1.68**	**$1.85**	***-9%***	***171%***	**$0.62**
Weighted Average Outstanding Shares *(millions)*	6,302	6,079			5,642

Gross Margin (%)	**56%**	**54%**			**28%**
Operating Margin (%)	**55%**	**53%**			**27%**
Non-operating Income (Expense) (%)	-5%	3%			0%
Income Tax Benefit (Expense) (%)	0%	0%			0%
Net Margin (%)	**50%**	**56%**			**27%**

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 2Q'14, 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.