

Press Release

Inotera Reports Second Quarter 2013 Results

Taoyuan, Taiwan (R.O.C.), July 23rd, 2013 – Inotera Memories, Inc. (TWSE: 3474) today announced results for the second quarter of its fiscal year 2013, which ended on June 30th, 2013. Inotera achieved a record-high of NTD 12,747 million in sales revenues and an operating income of NTD 3,476 million. The net income of NTD 3,472 million recorded for the quarter is equal to earnings per share of NTD 0.62. Cost of goods sold for the second quarter include a reversal of previous write-downs for the carrying value of work-in-process inventories in the amount of approximately NTD 83 million. All numbers are un-audited, and the earnings-per-share calculation is based on weighted average outstanding shares of 5,642 million.

The 48% increase in sales revenues quarter-on-quarter was mainly a result of a 34% increase in average sales revenue per wafer and a 10% growth in wafer shipments for the second quarter of 2013. The company's gross margin and operating margin reached 28% and 27%, respectively, a significant improvement over the negative 3% and negative 5%, respectively, recorded in the previous quarter.

Inotera raised approximately NTD 6 billion by issuing 634 million new common shares to Nanya Technology Corp. and Nan Ya Plastic Corp. via private placement in May, 2013. The profits for the second quarter in combination with the completion of private placement have brought up the company's book value per share to NTD 5.07 as of June 30th, 2013.

Inotera has completed its full conversion to 30nm technology. Bit shipments in the second quarter of 2013 were up 19% quarter-on-quarter. The company expects its sequential bit shipments growth in the third quarter to be in the single-digit percent range. Moreover, Inotera is continuously optimizing its manufacturing efficiency to meet new products' requirements, and expects to introduce two to three more DRAM products in the second half year of 2013.

Capital expenditures on a book-entry basis were NTD 2.6 billion for the first half year. In order to enhance 30nm-capability for broad applications and commence early 20nm-preparation, Inotera raises the capital expenditure estimate for 2013 from the previous guidance of NTD 4.5 billion to NTD 8 billion.



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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 (2Q'13 results are un-audited)

Unit: Million NT\$, except for EPS in NT\$	2Q'13	1Q'13	QoQ	YoY	2Q'12
Net Operating Revenues	12,747	8,632	48%	33%	9,564
Gross Profit (Loss)	3,615	(269)	N/M	N/M	(2,625)
G&A Expenses	(76)	(69)	-10%	-19%	(64)
R&D Expenses	(63)	(61)	-3%	42%	(109)
Total Operating Expenses	(139)	(130)	-7%	19%	(172)
Operating Income (Loss)	3,476	(399)	N/M	N/M	(2,797)
Non-operating income (Expense)	(4)	(214)	98%	98%	(180)
Income (Loss) before Income Tax	3,472	(613)	N/M	N/M	(2,977)
Income Tax Benefit (Expense)	0	0	N/M	N/M	0
Net Income (Loss)	3,472	(613)	N/M	N/M	(2,977)
EPS (Loss)	\$0.62	(\$0.11)	N/M	N/M	(\$0.55)
Weighted Average Outstanding Shares (millions)	5,642	5,405			5,405
Gross Margin (%)	28%	-3%			-27%
Operating Margin (%)	27%	-5%			-29%
Non-operating Income (Expense) (%)	0%	-3%			-2%
Income Tax Benefit (Expense) (%)	0%	0%			0%
Net Margin (%)	27%	-8%			-31%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 2Q'13, while a negative value indicates the opposite

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Disclaimer

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