

Press Release**Inotera Reports Third Quarter 2014 Results**

Taoyuan, Taiwan (R.O.C.), October 29th, 2014 – Inotera Memories, Inc. (TWSE: 3474) today announced sales revenues of NTD 20,267 million, net income of NTD 11,629 million and earnings per share of NTD 1.78 based on weighted average outstanding shares of 6,521 million for the third quarter ended September 30th, 2014. All numbers are un-audited.

The 6% decrease in sales revenues quarter-on-quarter was mainly due to a 3% decline in wafers shipments while average sales revenue per wafer decreased by 3% mainly resulting from a higher backend cost that lead to a lower sales price for wafers shipped in the third quarter. Gross margin for the quarter was 53%, operating margin was 52%, and net margin was 57%.

Bit shipments in the third quarter slightly down by about 1.7% quarter-on-quarter, which is in line with the company's previous guidance. The company expects bit shipments to be flat for the fourth quarter sequentially in its continued effort to optimize its manufacturing efficiency in concurrence with the transfer activities for 20nm technology.

Year-to-date capital expenditures on a book-entry basis were NTD 11.5 billion as of the end of September 2014, and the company's guidance for year 2014 capital expenditures remains at approximately NTD 22 billion. In 2015, the company expects to spend approximately 50 billion with the target of converting about 80% of its total wafer-start capacity to 20nm technology by the end of next year.

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 (3Q'14 results are un-audited)

Unit: Million NT\$, except for EPS in NT\$	3Q'14	2Q'14	QoQ	YoY	3Q'13
Net Operating Revenues	20,267	21,450	-6%	20%	16,944
Gross Profit (Loss)	10,824	12,021	-10%	41%	7,659
G&A Expenses	(77)	(73)	-5%	-5%	(73)
R&D Expenses	(235)	(233)	-1%	-209%	(76)
Total Operating Expenses	(312)	(306)	-2%	-111%	(148)
Operating Income (Loss)	10,513	11,715	-10%	40%	7,511
Non-operating income (Expense)	1,116	(1,100)	N/M	N/M	(221)
Income (Loss) before Income Tax	11,629	10,615	10%	60%	7,290
Income Tax Benefit (Expense)	0	0	N/M	N/M	0
Net Income (Loss)	11,629	10,615	10%	60%	7,290
EPS (Loss)	\$1.78	\$1.68	6%	47%	\$1.21
Weighted Average Outstanding Shares (millions)	6,521	6,302			6,043

Gross Margin (%)	53%	56%			45%
Operating Margin (%)	52%	55%			44%
Non-operating Income (Expense) (%)	5%	-5%			-1%
Income Tax Benefit (Expense) (%)	0%	0%			0%
Net Margin (%)	57%	50%			43%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 3Q'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.

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