



INOTERA MEMORIES, INC.

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Press Release

Inotera Reports Fourth Quarter and Fiscal Year 2014 Results

Taoyuan, Taiwan (R.O.C.), January 27th, 2015 – Inotera Memories, Inc. (TWSE: 3474) today announced results for the fourth quarter of its fiscal year 2014, which ended on December 31st, 2014. For the fourth quarter, the company reported sales revenues of NTD 20,629 million, increasing 2% quarter-on-quarter mainly due to a rise in average sales revenue per wafer. Fourth quarter results included a deferred tax benefit of NTD 6,228 million. The net income of NTD 19,423 million recorded for the quarter is equal to earnings per share of NTD 2.97 based on weighted average outstanding shares of 6,536 million. Gross margin for the quarter was 55%, operating margin was 53%, and net margin was 94%.

With strong operating performance and stable earnings during 2014, the company achieved a record year in both revenue and net income. Gross profit and operating income grew more than double compared to the previous year. For the fiscal year 2014, Inotera reported sales revenues of NTD 82,571 million and net income of NTD 52,913 million, or earnings per share of NTD 8.32 based on weighted average outstanding shares of 6,361 million. The company's book value per share as of December 31st, 2014 was NTD 17.79. All numbers are un-audited.

Bit shipments in the fourth quarter decreased by 3% quarter-on-quarter, and annual bit shipments for 2014 increased by 24% year-on-year. The company expects bit shipments to be flat for the first quarter sequentially and to see a continuously growing portion of DDR4 DRAM output for the increasing demand from our customer.

Total capital expenditures on a book-entry basis in 2014 were NTD 22 billion. Annual guidance for 2015 remains at approximately NTD 50 billion in 2015, mainly for 20nm ramp as planned in the early of second quarter and the target of converting about 80% of its total wafer-start capacity to 20nm technology by the end of this 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 (4Q'14/Y2014 results are un-audited)

Unit: Million NT\$, except for EPS in NT\$	4Q'14	3Q'14	QoQ	YoY	4Q'13	Y2014
Net Operating Revenues	20,629	20,267	2%	0%	20,669	82,571
Gross Profit (Loss)	11,352	10,824	5%	4%	10,902	45,131
G&A Expenses	(97)	(77)	-26%	-7%	(91)	(319)
R&D Expenses	(422)	(235)	-80%	-326%	(99)	(1,028)
Total Operating Expenses	(519)	(312)	-66%	-173%	(190)	(1,347)
Operating Income (Loss)	10,833	10,513	3%	1%	10,712	43,784
Non-operating income (Expense)	2,362	1,116	112%	597%	339	2,901
Income (Loss) before Income Tax	13,195	11,629	13%	19%	11,051	46,685
Income Tax Benefit (Expense)	6,228	0	N/M	N/M	0	6,228
Net Income (Loss)	19,423	11,629	67%	76%	11,051	52,913
EPS (Loss)	\$2.97	\$1.78	67%	63%	\$1.82	\$8.32
Weighted Average Outstanding Shares (millions)	6,536	6,521			6,058	6,361
Gross Margin (%)	55%	53%			53%	54%
Operating Margin (%)	53%	52%			52%	53%
Non-operating Income (Expense) (%)	11%	5%			2%	4%
Income Tax Benefit (Expense) (%)	30%	0%			0%	7%
Net Margin (%)	94%	57%			53%	64%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 4Q'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.

This press release and the information contained herein are the property of Inotera Memories, Inc.