



INOTERA MEMORIES, INC.

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Press Release

Inotera Reports Fourth Quarter and Fiscal Year 2013 Results

Taoyuan, Taiwan (R.O.C.), January 28th, 2014 – Inotera Memories, Inc. (TWSE: 3474) today announced sales revenues of NTD 20,669 million, net income of NTD 11,051 million and earnings per share of NTD 1.82 based on weighted average outstanding shares of 6,058 million for the fourth quarter ended December 31st, 2013. For the fiscal year 2013, Inotera reported sales revenues of NTD 58,993 million and net income of NTD 21,200 million, or earnings per share of NTD 3.66 based on weighted average outstanding shares of 5,789 million. All numbers are un-audited.

The company achieved new record in both revenue and net income in the fourth quarter of 2013. The 22% quarter-on-quarter increase in the company's sales revenues was mainly a result of a 15% increase in average sales revenue per wafer and a 6% growth in wafer shipments for the fourth quarter. Bit shipments in the fourth quarter were up 10% quarter-on-quarter.

Gross margin for the quarter was 53%, operating margin was 52%, and net margin was 53%. The company's book value per share as of December 31st, 2013 was NTD 8.15.

Starting from 2014, as per the original agreement with Micron signed in January 2013, Micron purchases all of Inotera's output, and the discount percentage of Micron's average selling prices adjusts according to Inotera's prior quarter's EBITDA. Gross margin for the first quarter of 2014 is projected at around 45%, plus or minus 3%.

The capital expenditures of NTD 6.4 billion on a book-entry basis in 2013 were lower than the previous guidance of NTD 8 billion, mainly due to a partial shift of some items beyond year-end cut off. In 2014, the capital expenditures for facility enhancement, 20nm pilot runs and the early preparations for 20m ramp are expected to be approximately NTD 15 billion.

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 (4Q'13/Y2013 results are un-audited)

<i>Unit: Million NT\$, except for EPS in NT\$</i>	4Q'13	3Q'13	QoQ	YoY	4Q'12	Y2013
Net Operating Revenues	20,669	16,944	22%	127%	9,112	58,993
Gross Profit (Loss)	10,902	7,659	42%	N/M	(3,343)	21,908
G&A Expenses	(91)	(73)	-25%	-36%	(67)	(309)
R&D Expenses	(99)	(76)	-30%	-19%	(83)	(298)
Total Operating Expenses	(190)	(148)	-28%	-27%	(150)	(608)
Operating Income (Loss)	10,712	7,511	43%	N/M	(3,493)	21,300
Non-operating income (Expense)	339	(221)	N/M	N/M	(227)	(100)
Income (Loss) before Income Tax	11,051	7,290	52%	N/M	(3,720)	21,200
Income Tax Benefit (Expense)	0	0	N/M	N/M	0	0
Net Income (Loss)	11,051	7,290	52%	N/M	(3,720)	21,200
EPS (Loss)	\$1.82	\$1.21	50%	N/M	(\$0.69)	\$3.66
Weighted Average Outstanding Shares (millions)	6,058	6,043			5,405	5,789
Gross Margin (%)	53%	45%			-38%	37%
Operating Margin (%)	52%	44%			-41%	36%
Non-operating Income (Expense) (%)	2%	-1%			-3%	0%
Income Tax Benefit (Expense) (%)	0%	0%			0%	0%
Net Margin (%)	53%	43%			-44%	36%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 4Q'13, 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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