



Inotera Memories, Inc.

2Q.2009 Investor Conference

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AGENDA

- **Financial Highlights** (Charles - President)
- **Financial Review** (Philip - Treasury Director)
- **Operation & Business Outlook**
(Charles - President)
- **Stack Conversion & Funding Plan** (Charles - President)
- **Q & A**



Disclaimer

This presentation 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 presentation include, but are not limited to, growth rates for various markets estimated by third party sources, 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 no guarantee of our future performance. The forward-looking statements contained in this presentation are made only as of the date of this presentation 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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FINANCIAL HIGHLIGHTS



Financial Highlights

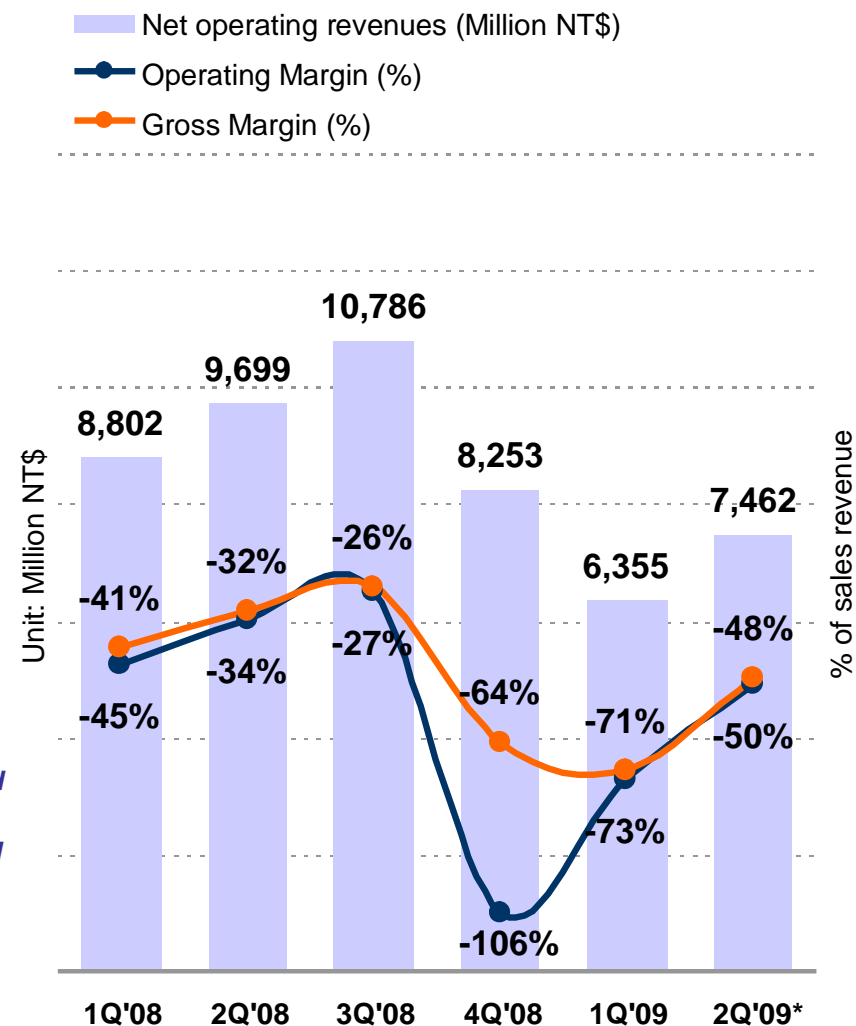


2Q'09* Key Data

- | Sales Revenue of NT\$ 7,462 million,
up 17% QoQ ; down 23% YoY
- | Net Loss of NT\$ 4,112 million;
NT\$ (1.24) per share
- | EBITDA of NT\$ 3,770 million;
EBITDA Margin of 51%

Note: According to the revised SFAS No.10, the inventory valuation gain (loss) has been booked in the cost of goods sold since Jan. 1st, 2009. Therefore, certain accounts, including gross profit and operating profit, in 2008 have been reclassified to conform with the presentation of the financial statements in 2009, for purposes of comparison.

** 2Q'09 figures are unaudited*



FINANCIAL REVIEW



2Q'09 Income Statement QoQ / YoY Comparison



	<u>2Q'09</u>	%	<u>1Q'09</u>	%			<u>2Q'08</u>	%
(Unit: Million NT\$, except for EPS in NT\$)	Unaudited				QoQ	YoY		
Net Operating Revenues	7,462	100%	6,355	100%	17%	-23%	9,699	100%
Gross Profit (Loss) <i>Gross Margin (%)</i>	(3,566)	-48%	(4,482)	-71%	20%	-16%	(3,082)	-32%
Operating Income (Loss) <i>Operating Margin (%)</i>	(3,698)	-50%	(4,614)	-73%	20%	-12%	(3,293)	-34%
Non-operating Income (Expense)	(414)	-6%	(702)	-11%	41%	N/M	64	1%
Income (Loss) before Income Tax	(4,112)	-55%	(5,316)	-84%	23%	-27%	(3,229)	-33%
Income Tax Benefit (Expense)	(0)	0%	(0)	0%	0%	100%	(36)	0%
Net Income (loss) <i>Net Margin (%)</i>	(4,112)	-55%	(5,316)	-84%	23%	-26%	(3,265)	-34%
EPS (Loss)	(\$1.24)		(\$1.59)		23%	-26%	(\$0.98)	
Weighted Average Outstanding Shares (million shares)	3,338		3,338				3,338	

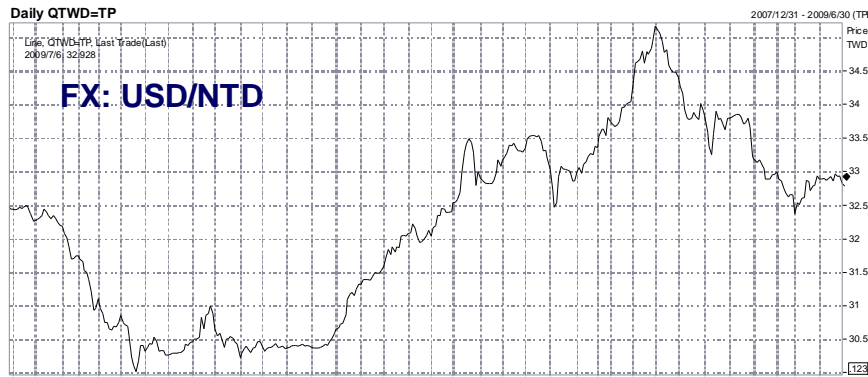
Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 2Q'09, while a negative value indicates the opposite.

Non-Operating Income/ Exp.



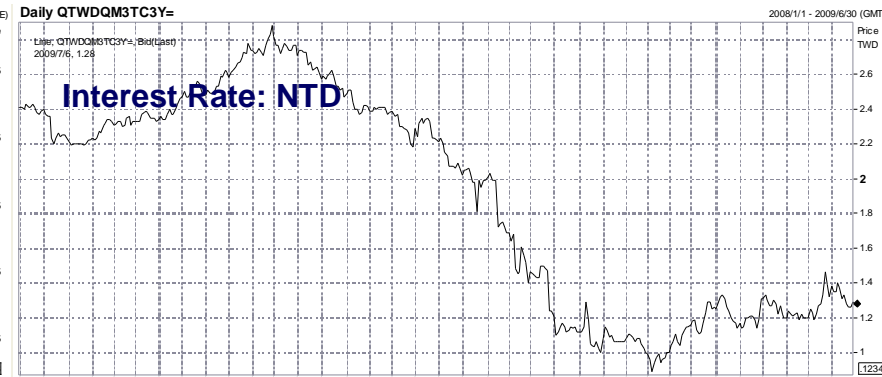
(Unit: Million NT\$)

	2Q'09 Unaudited	1Q'09	2Q'08
Net Non-Operating Income (Expense)	(414)	(702)	64
Exchange gain (loss)	286	(471)	109
Financial asset gain (loss)	(255)	114	393
Interest income (expense)	(459)	(348)	(454)



| 2008 Q1 | 2008 Q2 | 2008 Q3 | 2008 Q4 | 2009 Q1 | 2009 Q2 |

Source: Reuters



| 2008 Q1 | 2008 Q2 | 2008 Q3 | 2008 Q4 | 2009 Q1 | 2009 Q2 |

Source: Reuters

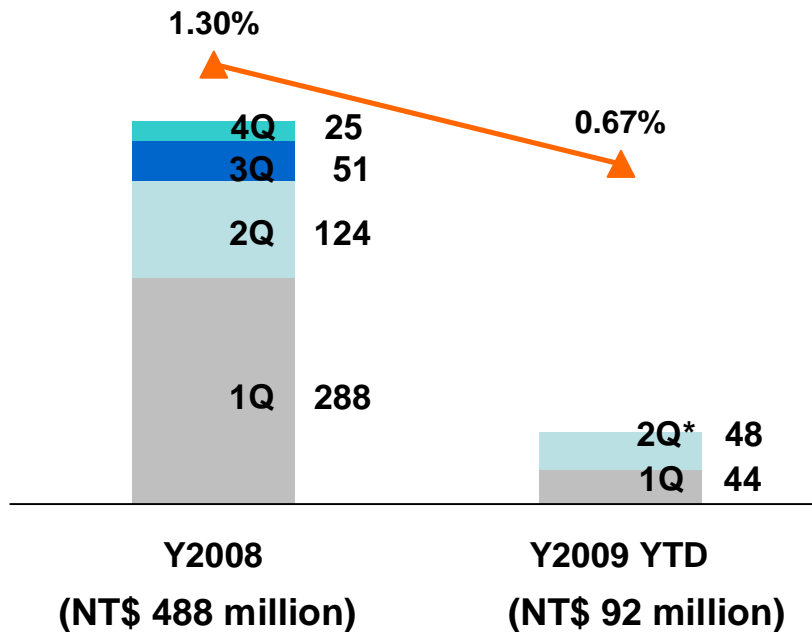
Operating Expenses



Research and Development Expenses

(Unit: Million NT\$)

▲ % of Sales Revenue

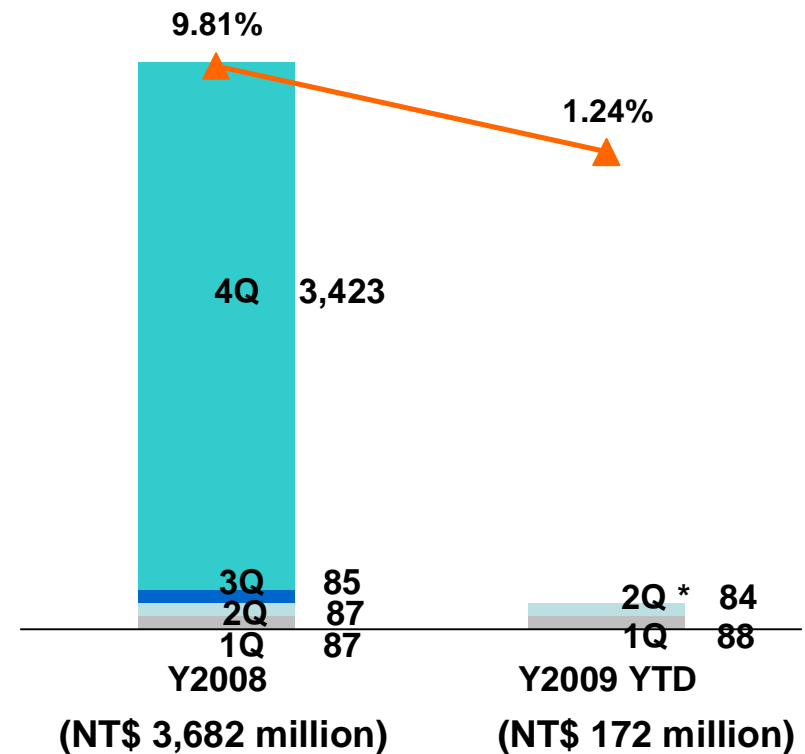


* 2Q'09 figures are unaudited

General and Administration Expenses

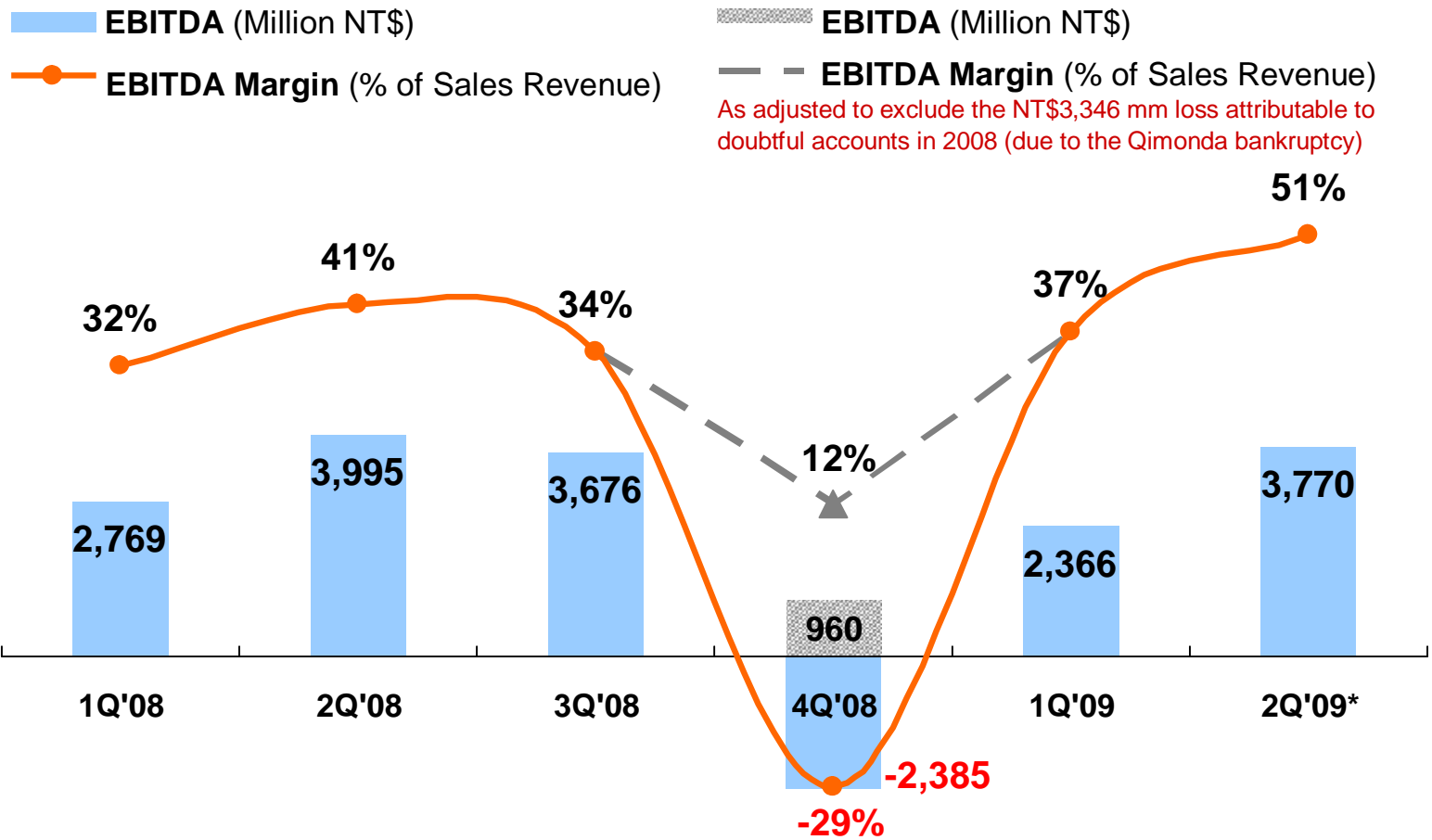
(Unit: Million NT\$)

▲ % of Sales Revenue



* 4Q'08 G&A expenses include a write-down of accounts receivables in an amount of NT\$ 3,346 million resulting from Qimonda's insolvency filing.

Quarterly EBITDA



* 2Q'09 figures are unaudited

June'09 Balance Sheet & Key Indices



Selected Items from Balance Sheet	June'09	%	Mar'09	%	June'08	%
(Unit: Million NT\$)	Unaudited					
Cash & Marketable Securities	5,024	4%	7,229	6%	5,336	4%
Inventories	2,909	2%	2,488	2%	3,836	3%
Current Assets	14,793	12%	19,038	15%	19,015	13%
Net PP&E	105,258	85%	106,962	83%	129,691	87%
Total Assets	124,023	100%	128,354	100%	149,108	100%
L / T Liability within one year	19,320	16%	23,642	18%	9,703	7%
Current Liability	32,227	26%	38,408	30%	21,759	15%
L / T Loan Interest-bearing Debt	46,358	37%	44,973	35%	62,753	42%
Total Liabilities	83,297	67%	83,537	65%	84,677	57%
Total Equity	40,726	33%	44,817	35%	64,431	43%
Key Indices						
Book Value per Share (NT\$)	12.2		13.4		19.3	
Inventory Turnover Days (raw material & WIP only)	22		23		27	
Current Ratio (X)	0.5		0.5		0.9	
Debt-Equity Ratio (X)	2.0		1.9		1.3	

Quarterly Cash Flow



(Unit: Million NT\$)

	<u>2Q'09*</u>	<u>1Q'09</u>	<u>2Q'08</u>
Net Cash Provided by Operating Activities	2,526	721	2,131
therein depreciation & amortization	7,424	7,334	6,770
Net Cash Used in Investing Activities	228	- 602	- 10,591
therein short-term loan repayment by Micron (+US\$85 mm) + One-time payment for Micron's 68nm & 50nm technology (- US\$50 mm)	1,207		
Free Cash Flow *	2,754	119	- 8,459
* Free Cash Flow = Net Cash Provided by Operating Activities + Net Cash Used in Investing Activities			
Net Cash Provided by Financing Activities	- 5,030	1,773	10,866

** 2Q'09 figures are unaudited*

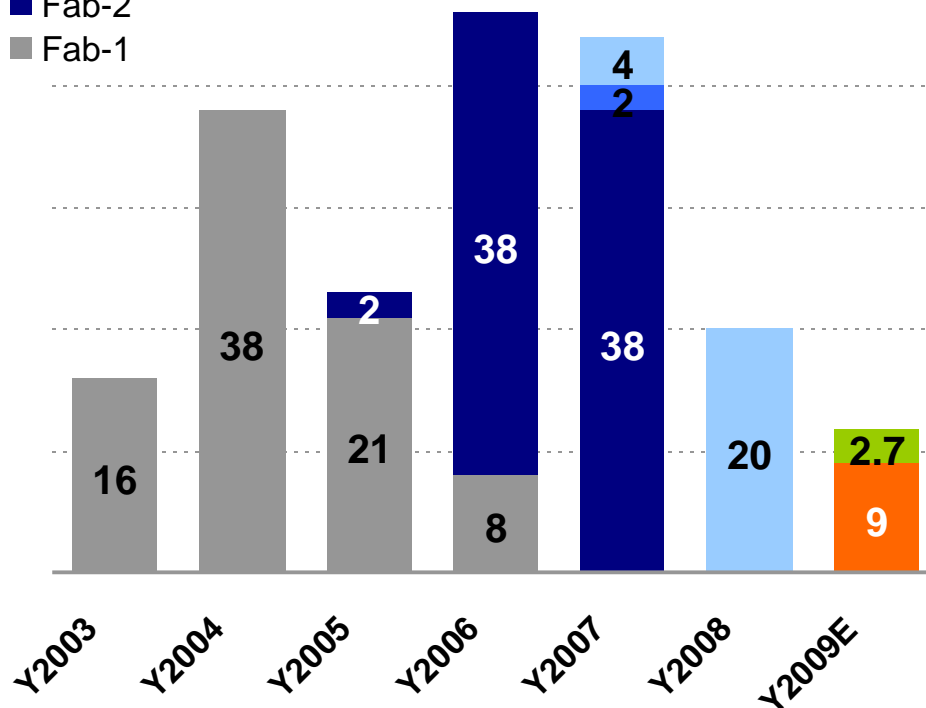
Capital Expenditure



Historical and Projected Capital Expenditure

(Unit: NT\$ Billion)

- Lease of MeiYa fab
- Mainly for 50nm stack pilot line & MeiYa's facility-asset
- 70nm
- Land
- Fab-2
- Fab-1



Accumulated Capex* in Y2009

1H'09 YTD capex:

NT\$ 5.9 billion, mainly for the acquisition of MeiYa's facility-asset and the lease of MeiYa fab (NT\$ 2.7 billion)

Y2009 annual forecast:

NT\$ 11.7 billion, unchanged from previous guidance

* Accumulated Capex in Y2009 is book-entry basis

OPERATION & BUSINESS OUTLOOK

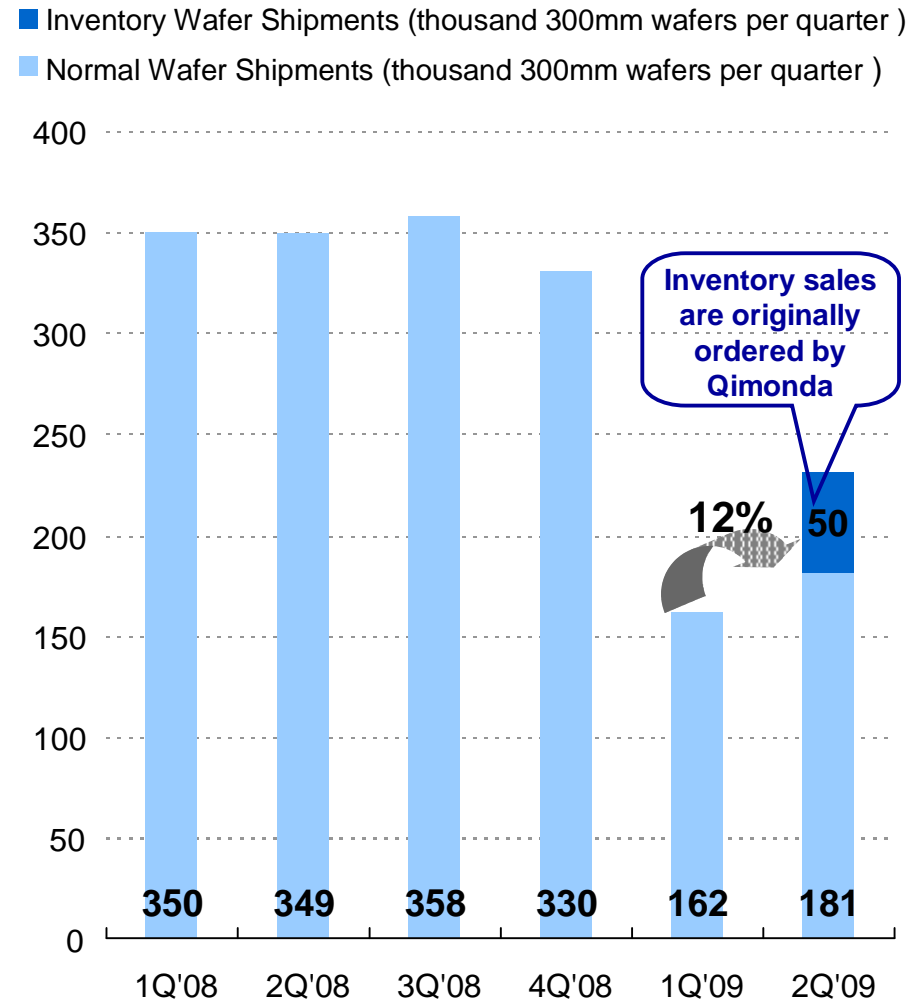


Quarterly Wafer Shipments



2Q'09 Highlights

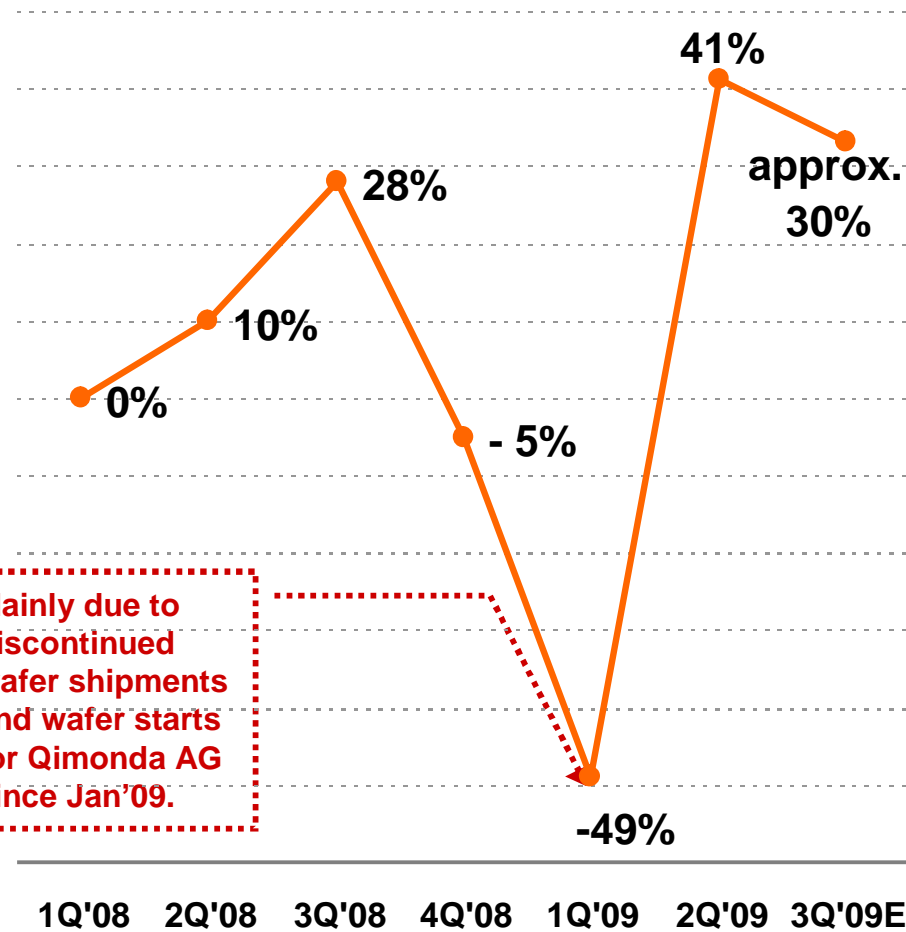
- | **Normal shipments: 181K wafers,**
 up 12% QoQ
 - normal shipment selling prices flat
 - 27% increase in ASPs was offset
 by 23% decrease in wafer cost
- | **Inventory sales: 50K wafers,**
 originally ordered by Qimonda
 - Inventory clearance selling prices
 lower than normal shipments



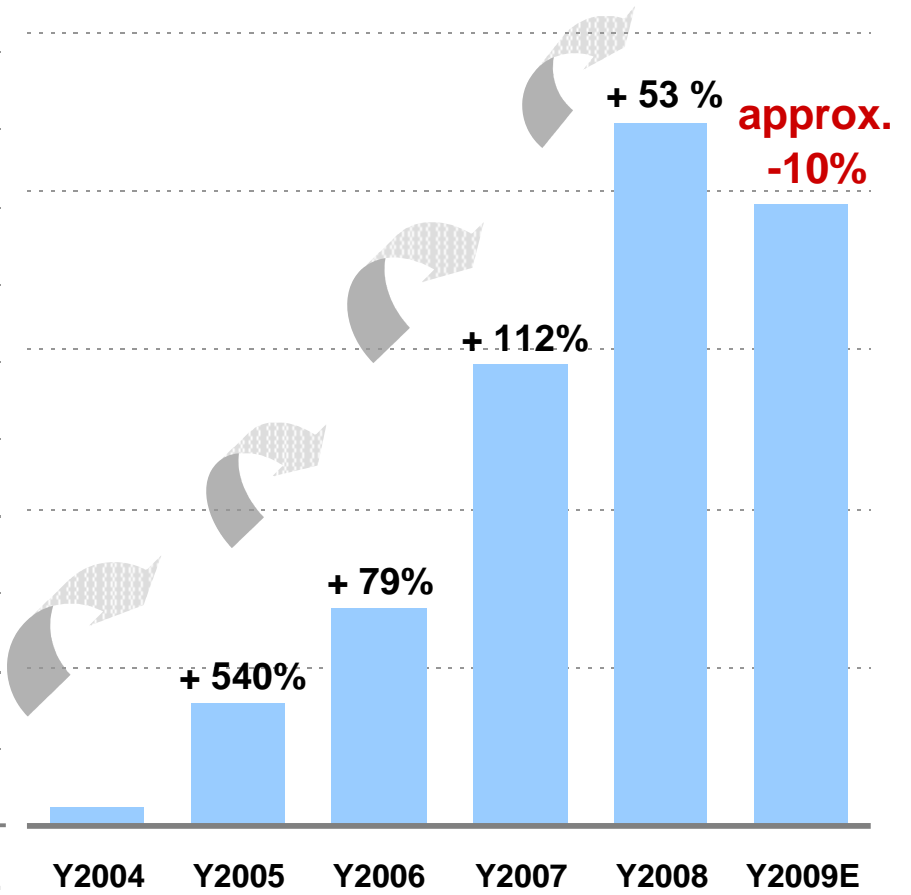
Bit Shipments

—●— QoQ Increase (%)

■ YoY Increase (%)



Mainly due to discontinued wafer shipments and wafer starts for Qimonda AG since Jan'09.



Business Outlook

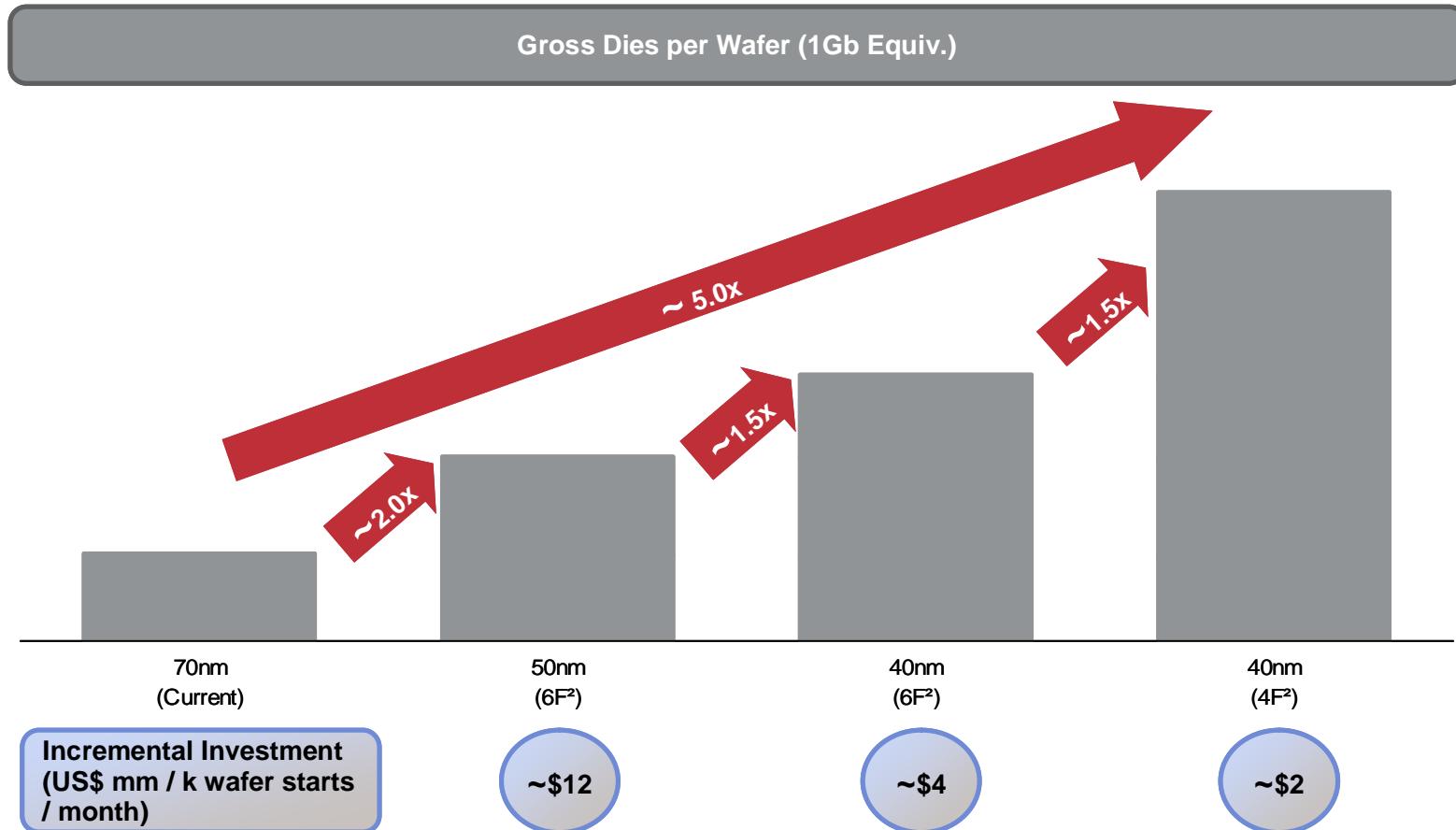


- | **Total manufacturing volume expected to be 100K wafer starts per month in 2H'09 to make room for technology conversion**
- | **The leftover of 30K wafer inventory (originally ordered by Qimonda) will be sold in 3Q'09**
- | **DDR3 production expected to ramp up to 20% of monthly capacity in 3Q'09 in response to increasing market demand**
- | **Successfully raised approx. US\$ 310 million through global depository shares (GDS) offering to enable the commencement of 50nm conversion**

STACK CONVERSION & FUNDING PLAN



Increasing Capital Efficiency



Source: Company and Micron

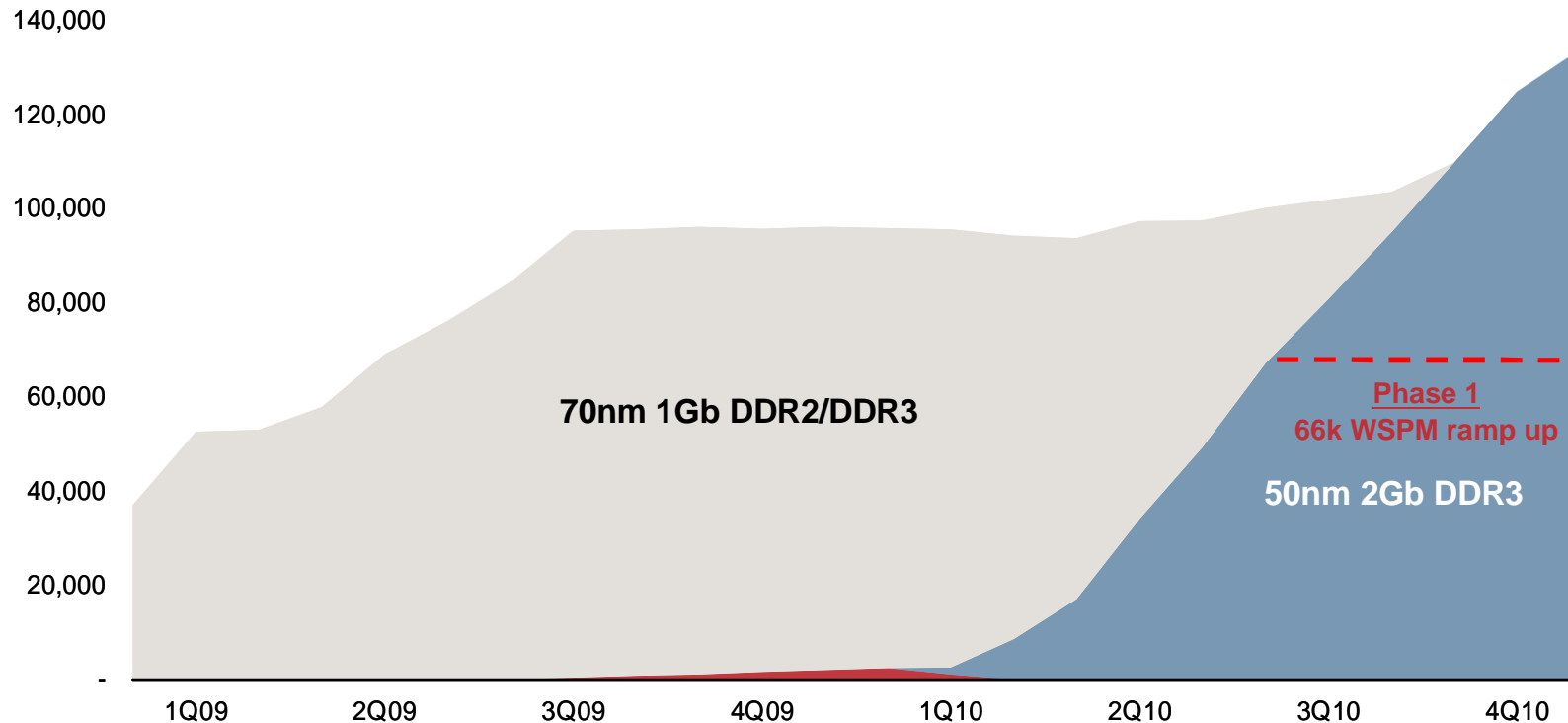
Lower conversion cost translates to enhanced productivity and increased capital efficiency

Speedy and Smooth Technology Conversion



Expected 50nm Ramp-up Plan

(Wafer starts per month, WSPM)



Source: Company

■ 50nm DDR3 Pilot Run ■ 50nm 2Gb DDR3 ■ 70nm DDR2/DDR3

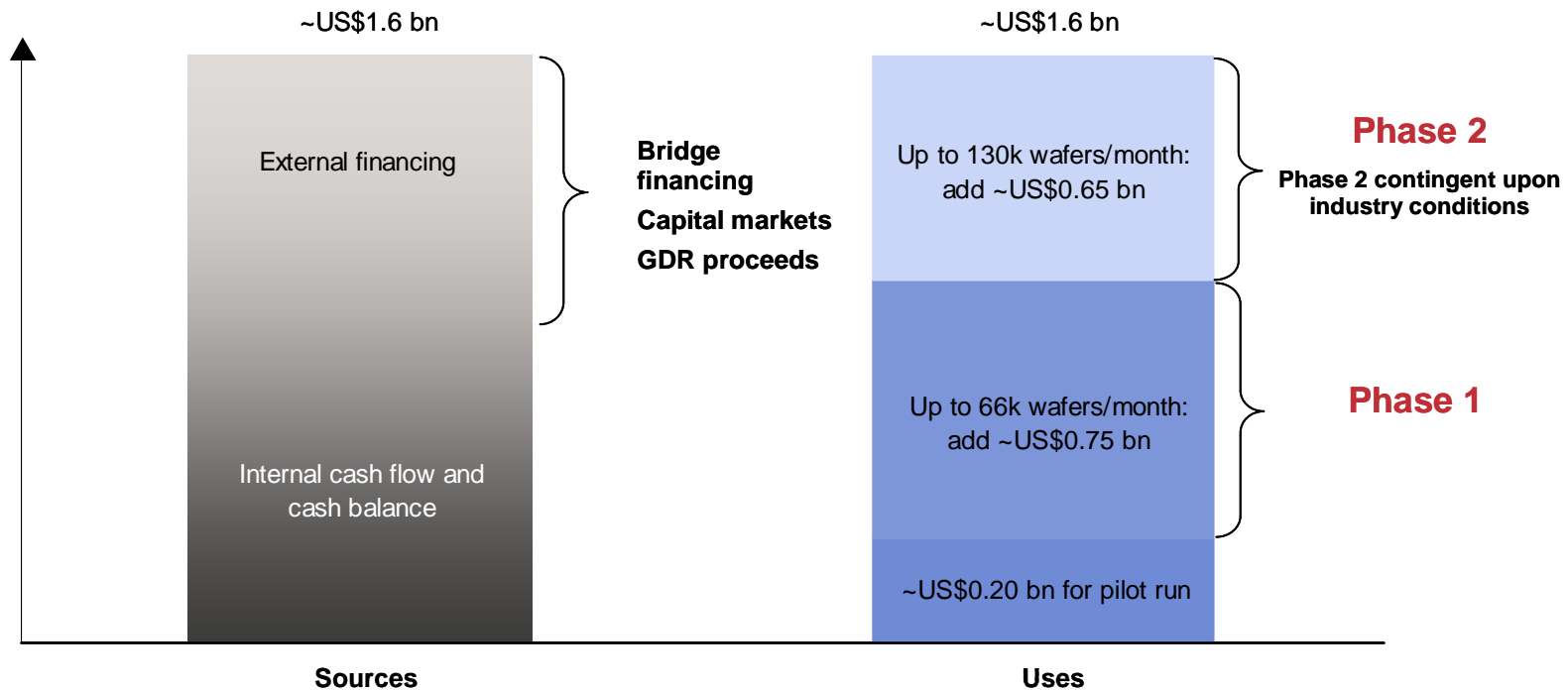
Inotera is prepared to execute a smooth and speedy technology transition

Clear Funding Plan in Place



Planned Sources and Uses for 50nm Migration Over the Next 18 Months

(US\$ mm)



Debt Payback Strategy: We intend to realign our credit facilities so that our debt levels as of the end of 2010 would remain approximately at the same level as compared to the end of 2008

Inotera has a clear and well-organized funding plan for the 50nm migration

Summary Highlights



- | **Starting pilot run of 50nm DDR3 production as scheduled in 3Q09**
- | **Released tools purchase order for 66K capacity conversion**
- | **Will commence mass production of 50nm process in 1Q10**
- | **Total capacity of 130K wafer starts per month is expected to be converted into 50nm stack technology with major shipments of DDR3 product by the end of 2010**



For More Information Please Visit Our IR Website at:

<http://ir.inotera.com>