

News Release

Inotera Holds Second Quarter 2009 Investor Conference: Sales of NTD 7,462 Million and Loss per Share of NTD 1.24

On August 3rd, 2009, Inotera finalized the issuance of 64 million GDSs at a price equivalent to NT\$16.02 per common share

Taoyuan, Taiwan (R.O.C.), August 6th, 2009 – Inotera Memories, Inc. (TWSE: 3474) held its regular investor conference today to discuss results for the second quarter of year 2009, which ended June 30th, 2009. The operating loss registered for the quarter was NTD 3,698 million, net loss was NTD 4,112 million, and sales revenues were NTD 7,462 million. The net loss incurred for the quarter translates into a loss per share of NTD 1.24. All numbers are un-audited, and the loss per share calculation is based on weighted average outstanding shares of 3,338 million.

The Company saw a 17% increase in sales revenues quarter-on-quarter, wafer shipments grew sequentially by 43%, i.e. from 160 thousand wafers in the first quarter to 231 thousand wafers in the second quarter. Among the 231 thousand wafers, 181 thousand wafers were normal wafer shipment, while 50 thousand wafers were carried over from the Qimonda's insolvency-filing. The Qimonda inventory clearance wafers were sold at a lower price than the normal shipments. There are 30 thousand wafers remaining which were originally planned to ship to Qimonda and they will be sold in the third quarter of 2009. The value of the wafers associated with Qimonda's insolvency has been written down based on the market value in the fourth quarter of 2008.

On July 31st, 2009, the Company priced an issuance of Global Depositary Shares (GDSs) at an equivalent price of NT\$16.02 per common share. The actual issuance volume of GDSs was 64,000,000 units which represents the equivalent 640,000,000 common shares. The transaction closed on August 3rd, 2009. The net proceeds from this GDS-offering of approximately USD 310 million will be used for phase 1 of the conversion to Micron's 50nm stack process technology, which will commence in early 2010.

Year-to-date capital expenditures on a book-entry basis were NTD 5.9 billion as of the end



INOTERA MEMORIES, INC.

667, Fuhsing 3Rd., Hwa-Ya Technology Park
Kueishan, Taoyuan, Taiwan
Tel 886-3-327-2988
Fax 886-3-327-7188
www.inotera.com

of June 2009. Total capital expenditures for 2009 are expected to be about NTD 11.7 billion. Average production volume during the third quarter of 2009 is expected to be approximately 100 thousand wafer starts per month. DDR3 capacity is expected to ramp up to approximately 20% of monthly wafer start volume in the third quarter of 2009 in light of recently increasing market demand. Bit shipments in the third quarter in 2009 are expected to increase by approximately 30% quarter-on-quarter, and annual bit shipments are expected to slightly decline by approximately 10% for the year 2009.

About Inotera

Inotera Memories, Inc. was incorporated on January 23rd, 2003. Inotera's production facilities are designed to manufacture high-density and high-performance commodity 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'09 results are un-audited)

Unit: Million NT\$, except for EPS in NT\$	2Q'09	1Q'09	QoQ	YoY	2Q'08
Net Operating Revenues	7,462	6,355	17%	-23%	9,699
Gross Profit (Loss)	(3,566)	(4,482)	20%	-9%	(3,082)
SG&A Expenses	(84)	(88) *	4%	3%	(87)
R&D Expenses	(48)	(44)	-9%	62%	(124)
Total Operating Expenses	(132)	(132)	0%	37%	(211)
Operating Income (Loss)	(3,698)	(4,614)	20%	-7%	(3,293)
Non-operating income (Expense)	(414)	(702) *	41%	-79%	64
Income (Loss) before Income Tax	(4,112)	(5,316)	23%	-27%	(3,229)
Income Tax Benefit (Expense)	(0)	(0)	100%	1%	(36)
Net Income (Loss)	(4,112)	(5,316)	23%	-26%	(3,265)
EPS (Loss)	(\$1.24)	(\$1.59)	22%	-27%	(\$0.98)
Weighted Average Outstanding Shares (millions)	3,338	3,338			3,338
Gross Margin (%)	-48%	-71%			-32%
Operating Margin (%)	-50%	-73%			-34%
Non-operating Income (Expense) (%)	-6%	-10%			1%
Income Tax Benefit (Expense) (%)	0%	0%			0%
Net Margin (%)	-55%	-83%			-34%
EBITDA Margin (%)	51%	37%			41%

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

Spokesperson

Charles Kau, President

Press Contact

Maggie Lin, IR / PR Department

Tel. 03-327-2988 Ext. 3309

E-mail : maggielin@inotera.com

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