

News Release

Inotera Reports Third Quarter 2008 Results

Technology Partnership with New Shareholder, Micron

Taoyuan, Taiwan (R.O.C.) October 22nd 2008 – Inotera Memories, Inc. (TAIEX: 3474) today announced results for the third quarter of year 2008, which ended September 30th, 2008. Third quarter sales revenues were NTD 10,786 million and net loss was NTD 4,051 million with losses per share of NTD 1.21. EBITDA in the third quarter 2008 was 34% of sales. Third quarter results include a charge of NTD 308 million to write down the carrying value of work in process goods due to continued decline in DRAM prices. All numbers are unaudited, and EPS loss is based on weighted average outstanding shares of 3,338 million.

The 11% increase in sales revenues quarter-on-quarter was due mainly to a 28% sequential growth of bit shipments but partially offset by a 12% sequential decrease in DRAM average selling prices for the third quarter of 2008. As a result of cost-per-bit improvements of 22% compared to previous quarter, the gross loss and operating loss have narrowed to 23% and 24%, respectively, of total sales revenues in third quarter of 2008. The Company has been executing production cuts in view of the currently prevailing bad market conditions. However, due to cycles times in production, these cuts are expected to have only limited impact on bit shipments in the fourth quarter, which are expected to increase by 10% quarter-on-quarter. Annual shipment growth is expected to be around 60% for the year 2008 compared to last year.

As the most investment in 75/70nm technology conversion has been spent in the first half of 2008, capital expenditures were NTD 0.5 billion in the third quarter of 2008, which leads to capital expenditures of NTD 19.5 billion for the first nine months of 2008. The expected capital expenditures for year 2008 are reduced from the previous guidance of NTD 23 billion to NTD 21 billion due to the new technology roadmap with the transfer of stack DRAM technology from Micron Technology expected to start from late 2008 onwards.



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On October 11th, Micron Technology, Inc. has signed an agreement with Qimonda AG to acquire 35.6% stake in Inotera for US\$ 400 million and the closing of the share transitions is expected in late November of 2008. The Company will work closely with new partners on the operation details and the best solution for the previously announced MeiYa Joint Venture between Nanya Technology and Micron Technology.

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 (3Q'08/ Y2008 YTD results are unaudited)

Unit: Million NT\$, except for EPS in NT\$	3Q'08	2Q'08	QoQ	YoY	Y2008 YTD
Net Operating Revenues	10,786	9,699	11%	-15%	29,287
Gross Profit (Loss)	(2,501)	(3,249)	23%	NM	(9,220)
SG&A Expenses	(85)	(87)	3%	12%	-259
R&D Expenses	(51)	(124)	59%	45%	-463
Total Operating Expenses	(136)	(211)	35%	28%	-722
Operating Income (Loss)	(2,637)	(3,460)	24%	NM	(9,943)
Non-operating income (Expense)	(1,525)	231	NM	-211%	(1,549)
Income (Loss) before Income Tax	(4,162)	(3,229)	-29%	NM	(11,492)
Income Tax Benefit (Expense)	111	(36)	NM	NM	(5)
Net Income (Loss)	(4,051)	(3,265)	-24%	NM	(11,497)
EPS (Loss)	(\$1.21)	(\$0.98)	-24%	NM	(3.44)
Weighted Average Outstanding Shares (millions)	3,338	3,338			3,338
Gross Margin (%)	-23%	-33%			-31%
Operating Margin (%)	-24%	-36%			-34%
Non-operating Income (Expense) (%)	-14%	2%			-5%
Income Tax Benefit (Expense) (%)	1%	0%			0%
Net Margin (%)	-38%	-34%			-39%
EBITDA Margin (%)	34%	41%			36%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 3Q'08, 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 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 is the property of Inotera Memories, Inc.