

## News Release

### **Inotera Reports First Quarter 2008 Results**

#### ***- Retaining a Positive EBITDA Margin in First Quarter, 2008***

Taoyuan, Taiwan (R.O.C.) April 23<sup>rd</sup>, 2008 – Inotera Memories, Inc. (TAIEX: 3474) today announced results for the first quarter of year 2008, which ended March 31<sup>st</sup>, 2008. First quarter sales revenues were NTD 8,802 million and net loss was NTD 4,182 million with losses per share of NTD 1.25. EBITDA margin in the first quarter 2008 was 32% of sales, up from 26% in the previous quarter. First quarter results include a charge of NTD 133 million to write down the carrying value of work in process goods due to continued weak DRAM average selling prices. All numbers are unaudited, and EPS is based on weighted average outstanding shares of 3,338 million.

The Company's sales revenues decreased by 12% quarter-on-quarter due to 16% sequential decline in DRAM average selling prices for the first quarter of 2008. Compared to the previous quarter, wafer shipments were slightly down by 3% due to longer processing times of the newly-introduced 70/75nm technology. Bit shipments were flat sequentially in the first quarter of 2008, which is in line with previous guidance. The Company's bit shipments are expected to grow by 5% to 10% in the second quarter sequentially, and the Company maintains its annual bit-shipment growth guidance of 50% for the whole year in 2008.

In mid-March, Inotera has completed shipment qualification of its 1Gb DDR2 DRAM productivity shrink in 70/75nm technology and expects to complete the technology conversion to this product in July 2008.

First quarter capital expenditures were NT\$12.6 billion. Guidance for year 2008 capital expenditures remains the same as previous guidance of NTD 30 billion.

#### **About Inotera**

Inotera Memories, Inc. was incorporated on January 23<sup>rd</sup>, 2003. Inotera is a joint venture between Qimonda AG and Nanya Technology Corporation. Inotera's production facilities have been designed to manufacture high-density and high-performance commodity DRAM (Dynamic Random Access Memory) products using state-of-the-art trench technology. The combination of Qimonda's (the former Memory Products Group of Infineon Technologies) world leading technology and Nanya's 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) : [ir.inotera.com](http://ir.inotera.com)

## Financial Summary (1Q'08 results are unaudited)

Unit: Million NT\$, except for EPS in NT\$	1Q'08	4Q'07	QoQ	YoY	1Q'07
<b>Net Operating Revenues</b>	<b>8,802</b>	<b>10,059</b>	<b>-12%</b>	<b>-28%</b>	<b>12,270</b>
<b>Gross Loss</b>	<b>-3,470</b>	<b>-2,238</b>	<b>-55%</b>	<b>-177%</b>	<b>4,498</b>
SG&A Expenses	-87	-95	-8%	-10%	-97
R&D Expenses	-288	-180	60%	264%	-79
<b>Total Operating Expenses</b>	<b>-375</b>	<b>-275</b>	<b>36%</b>	<b>113%</b>	<b>-176</b>
<b>Operating Loss</b>	<b>-3,846</b>	<b>-2,513</b>	<b>53%</b>	<b>-189%</b>	<b>4,322</b>
Non-operating Expense	-255	-1,383	-82%	116%	-118
<b>Income (Loss) before Income Tax</b>	<b>-4,101</b>	<b>-3,896</b>	<b>5%</b>	<b>-198%</b>	<b>4,204</b>
Income Tax Benefit (Expense)	-81	232	-135%	-75%	-329
<b>Net Income (Loss)</b>	<b>-4,182</b>	<b>-3,664</b>	<b>14%</b>	<b>-208%</b>	<b>3,875</b>
<b>EPS</b>	<b>-\$1.25</b>	<b>-\$1.10</b>	<b>14%</b>	<b>-208%</b>	<b>1.16</b>
Weighted Average Outstanding Shares (Million shares)	3,338	3,338			3,338
<b>Gross Margin (%)</b>	<b>-39%</b>	<b>-22%</b>			<b>37%</b>
<b>Operating Margin (%)</b>	<b>-44%</b>	<b>-25%</b>			<b>35%</b>
Non-operating Income (Expense) (%)	-3%	-14%			-1%
Income Tax Benefit (Expense) (%)	-1%	2%			-2%
<b>Net Margin (%)</b>	<b>-48%</b>	<b>-37%</b>			<b>32%</b>
<b>EBITDA Margin (%)</b>	<b>32%</b>	<b>26%</b>			<b>67%</b>

### Spokesperson

Charles Kau, President

### Press Contact

Jennifer Chien, IR / PR Department

Tel. 03-327-2988 Ext. 3938

E-mail : [jenniferchien@inotera.com](mailto:jenniferchien@inotera.com)

### 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.