

News Release

Inotera Reports Second Quarter 2008 Results

Narrowing Net Loss in the Second Quarter, 2008 and Delivery of Greater Efficiency in Capital Investment

Taoyuan, Taiwan (R.O.C.) July 23rd, 2008 – Inotera Memories, Inc. (TAIEX: 3474) today announced results for the second quarter of year 2008, which ended June 30th, 2008. Second quarter sales revenues were NTD 9,699 million and net loss was NTD 3,265 million with losses per share of NTD 0.98. EBITDA margin in the second quarter 2008 was 41% of sales, up from 32% in the previous quarter. Second quarter results include a partial reversal of previous write-downs for the carrying value of work-in-process goods in the amount of NTD 167 million mainly due to improved prices for the Company's products. All numbers are unaudited, and EPS loss is based on weighted average outstanding shares of 3,338 million.

The 10% increase in sales revenues quarter-on-quarter was mainly contributed by a 10% sequential growth of bit shipments and a 2% sequential increase in DRAM average selling prices for the second quarter of 2008. As a result of smoother-than-expected conversion into 75/70nm technology, Inotera's bit growth has reached the higher end of the previous guidance for the second quarter. The Company expects its bit shipments to increase by more than 30% for the third quarter sequentially and grow by more than 60% for the year 2008 compared to last year, revised from the previous guidance of 50% due to a record-speed ramp-up of 75/70nm shrink technology, four months earlier than originally planned.

In mid-June, Inotera has completed shipment qualification of its 1Gb DDR3 DRAM product in 75/70nm technology and expects the volume ramp up to a maximum capacity of 10,000 wafers starts per month in the second half of 2008. The Company has completed full conversion to 75/70nm shrink technology in the end of June. Through successful implementation of various productivity improvement programs, Inotera expects its total wafer start capacity to increase from 120,000 to 126,000 wafer starts per month without

additional investment by the fourth quarter of 2008, which is expected to further reduce manufacturing cost.

Capital expenditures were NTD 19.0 billion for the first half of 2008, and the expected capital expenditures for year 2008 are reduced from the previous guidance of NTD 30 billion to NTD 23 billion due mainly to less-than-projected spending for 75/70nm technology conversion resulting from various productivity improvement and process simplification activities.

About Inotera

Inotera Memories, Inc. was incorporated on January 23rd, 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 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>

Financial Summary (2Q'08 results are unaudited)

Unit: Million NT\$, except for EPS in NT\$	2Q'08	1Q'08	QoQ	YoY	2Q'07
Net Operating Revenues	9,699	8,802	10%	-11%	10,845
Gross Profit (Loss)	-3,249	-3,470	6%	NM	632
SG&A Expenses	-87	-87	0%	14%	-102
R&D Expenses	-124	-288	57%	8%	-135
Total Operating Expenses	-211	-375	44%	11%	-237
Operating Income (Loss)	-3,460	-3,846	10%	NM	396
Non-operating income (Expense)	231	-255	191%	281%	-127
Income (Loss) before Income Tax	-3,229	-4,101	21%	NM	268
Income Tax Benefit (Expense)	-36	-81	56%	NM	5
Net Income (Loss)	-3,265	-4,182	22%	NM	273
EPS (Loss)	-\$0.98	-\$1.25	22%	NM	0.08
Weighted Average Outstanding Shares (Million shares)	3,338	3,338			3,338
Gross Margin (%)	-33%	-39%			6%
Operating Margin (%)	-36%	-44%			4%
Non-operating Income (Expense) (%)	2%	-3%			-1%
Income Tax Benefit (Expense) (%)	0%	-1%			0%
Net Margin (%)	-34%	-48%			3%
EBITDA Margin (%)	41%	32%			52%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 2Q'08, while a negative value indicates the opposite

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