



INOTERA MEMORIES, INC.

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News Release

Inotera Reports First Quarter 2010 Results:
Sales of NTD 11,518 Million and Loss per Share of NTD 0.36
50nm volume ramp starting from April 2010

Taoyuan, Taiwan (R.O.C.), April 13th, 2010 –Inotera Memories, Inc. (TWSE: 3474) today announced results for the first quarter of its fiscal year 2010, which ended March 31st, 2010. The operating loss registered for the first quarter was NTD 1,219 million and net loss was NTD 1,561 million, on the back of sales revenues of NTD 11,518 million. The net loss incurred for the quarter translates into a loss per share of NTD 0.36. All numbers are un-audited, and the loss per share calculation is based on 4,362 million weighted average outstanding shares.

The 10% decrease in sales revenues quarter-on-quarter was mainly due to a 3% decrease in wafer shipments and a 7% decline in average revenue per wafer. First quarter results included idle cost charges of NTD 1,940 million and a one-time non-cash charge of NTD 365 million in accordance with SFAS No. 39 “Share-Based Payment” for compensation cost related to the company’s rights offering that was completed in February. First quarter EBITDA margin was 57% of sales, and cash flows from operations amounted to NTD 7,495 million.

In accordance with previously communicated plans, Inotera has started ramping production in 50nm stack-technology from April. As a result of the necessary capacity adjustments for the targeted rapid technology conversion, bit shipments in the second quarter are expected to be down quarter-on-quarter by a mid single-digit percentage. Inotera expects to complete the full wafer start conversion to 50nm technology in the fourth quarter of year 2010.

Capital expenditures were NTD 14.4 billion in the first quarter, and guidance for year 2010 capital expenditures for 50nm technology conversion and 42nm technology enabling remains at NTD 52 billion.

About Inotera

Inotera Memories, Inc. was incorporated on January 23rd, 2003. Inotera’s production facilities are designed to manufacture high-density and high-performance 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 (1Q'10/4Q'09 YTD results are un-audited)

Unit: Million NT\$, except for EPS in NT\$	1Q'10	4Q'09	QoQ	YoY	1Q'09
Net Operating Revenues	11,518	12,747	-10%	81%	6,355
Gross Profit (Loss)	(559)	1,258	N/M	88%	(4,482)
G&A Expenses	(108)	(72)	-50%	-23%	(88)
R&D Expenses	(553)	(385)	-44%	-1157%	(44)
Total Operating Expenses	(661)	(457)	-45%	-401%	(132)
Operating Income (Loss)	(1,219)	801	N/M	74%	(4,614)
Non-operating income (Expense)	(342)	(326)	-5%	51%	(702)
Income (Loss) before Income Tax	(1,561)	475	N/M	71%	(5,316)
Income Tax Benefit (Expense)	(0)	(0)	N/M	N/M	(0)
Net Income (Loss)	(1,561)	475	N/M	71%	(5,316)
EPS (Loss)	(\$0.36)	\$0.13	N/M	77%	(\$1.59)
Weighted Average Outstanding Shares (millions)	4,362	3,601			3,338
Gross Margin (%)	-5%	10%			-71%
Operating Margin (%)	-11%	6%			-73%
Non-operating Income (Expense) (%)	-3%	-3%			-11%
Income Tax Benefit (Expense) (%)	0%	0%			0%
Net Margin (%)	-14%	4%			-84%
EBITDA Margin (%)	57%	67%			37%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 1Q'10, while a negative value indicates the opposite

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Disclaimer

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