



Nanya Technology Reports Third Quarter 2010 Results

Taoyuan, Taiwan, October 20th, 2010 – Nanya Technology Corporation, (TAIEX: 2408), today announced its third quarter results, ended on September 30th, 2010. Nanya's quarterly sales revenue is NTD 14,916 million, a decrease of 5 percent compared to the second quarter in year 2010, 30 percent increase year-over-year. Year-to-date sales revenue was NT\$44,754 million, 74 percent increase compared to last year's. In the third quarter, sales of DRAM products was 5 percent lower compared to the second quarter of 2010 primarily due to a 15 percent plunge in average selling price (ASP) which was affected by lower-than-expected global PC demand, though the unit sales volume increased 14 percent quarter-over-quarter. Operating loss in the quarter was NTD 1,389 million. The company posted its net loss of NTD 2,266 million in the third quarter or negative NTD 0.66 per total diluted shares (based on weighted average outstanding shares of 3,415 million). All numbers are unaudited.

The 42-nanometer (nm) DRAM process technology, jointly developed between Nanya Technology and Micron Technology, was demonstrated successfully in the first lot of 42nm process wafers on the 5th of July, 2010, and its volume production has been started in this month (October, 2010). Compared with 50nm stack technology, the 42nm stack technology will further bring down another 30 percent die cost and will yield 50 percent more chips from a single wafer. The company's 2Gb DDR3 of 50nm DRAM capacity was continuously increasing and accounted for 70 percent of the capacity (the combined production at Nanya and Inotera Memories) in the third quarter of 2010.



Press Release

Nanya Technology has unremittingly diversified its DRAM products offering for years. Currently, the company uses 50nm technology process to focus on consumer applications memory products and Mobile RAM products, and 42nm on commodity DRAM products. The company will continue its DRAM products diversification strategy to ensure the company's competitiveness in DRAM Industry.

In October 2010, Nanya's current capacity in its own 12 inch fab (Fab 3A) will exceed 48,000 wafer starts per month (WSPM). Wafer starts in its 12 inch fab 3A by the end of 2010 will reach 50,000, and are expected to reach 60,000 WSPM in the end of first quarter, 2011. The fully loaded conversion of advanced technology process will bring down production cost significantly.

The board of Nanya Technology Corporation approved, on October 15th, 2010, a proposal to issue 600 million new common shares at a set price of NTD 16.5 per share, for a total amount around NTD 9.9billion. The fund will be used mainly for the purchase of new equipments for 42nm migration and the expansion to achieve fully loaded 60,000 wafer capacity. The company's 2010 capital expenditure (capex) remains at NTD 30 billion. The annual bit shipment growth rate will be lowered down to 25 percent from 35 percent.



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3Q 2010 Income Statement

	3Q10		2Q10		QoQ	3Q09		YoY
Amount: Million NT\$	Unaudited		Audited			Audited		
Net Sales	14,916	100%	15,718	100%	-5%	11,509	100%	+30%
Cost of Goods Sold	14,001	94%	14,128	90%		12,876	112%	
Gross Margin	915	6%	1,589	10%	-42%	-1,366	-12%	+167%
SG&A Expenses	472	3%	388	2%		511	4%	
R&D Expenses	1,833	12%	1,717	11%		807	7%	
Operating Income	-1,389	-9%	-516	-3%	-169%	-2,684	-23%	+48%
Non-operating Income (Exp.)	-877	-6%	-570	-4%		-1,215	-11%	
Income before Tax	-2,266	-15%	-1,086	-7%	-109%	-3,899	-34%	+42%
Income Tax Expense	0	0%	0	0%		0	0%	
Net Income	-2,266	-15%	-1,086	-7%	-109%	-3,899	-34%	+42%

Note 1: “+” indicates improvement in 3Q '10.

About Nanya

Nanya Technology Corporation, a member of the Formosa Plastics Conglomerate, is a global leader in advanced memory semiconductors, focusing on research and development, design, manufacturing, and sales of DRAM products. NTC's common stock is traded on the Taiwan Stock Exchange Corporation (TSEC) under the 2408 symbol. The company currently owns both 200mm fabrication facilities and 300mm fabrication facility in Taiwan. The company also has a 300mm joint venture with Micron Technology, Inotera Memories, Inc., which operates two 300mm fabrication facilities in Taiwan. Nanya and Micron shares the total output from Inotera Memories Inc. Further information is available at <http://www.nanya.com>

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Disclaimer

This press release contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential" or "continue," the negative of such terms or other comparable terminology. These statements are only predictions. Actual events or results may differ materially.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no duty to update any of the forward-looking statements after the date of this press release to conform such statements to actual results or to changes in our expectations.

Readers are also urged to carefully review and consider the various disclosures made by us which attempt to advise interested parties of the factors which affect our business.



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