



Press Release

## **Nanya Technology Reports First Quarter 2010 Results**

### **Sales Revenue of NTD 14,121 Million & Net Loss of NTD 1,628 Million in Q1'10**

Taoyuan, Taiwan, April 13th, 2010 – Nanya Technology Corporation, (TAIEX: 2408), today announced its results of the first quarter, ended on March 31st, 2010. Nanya's quarterly sales revenue is NTD 14,121 million, a decrease of 15 percent compared to the fourth quarter in year 2009. Operating loss in the quarter was NTD 1,233 million. The company posted its net loss of NTD 1,628 million in the first quarter or negative NTD 0.48 per diluted share (the earnings per share calculations are based on weighted average outstanding shares of 3,400 million). All numbers are unaudited.

Nanya Technology plans to ramp up its wafer outputs at its 12-inch fab(Fab 3A) up to 50,000 WSPM (wafer starts per month) from the 30,000 WSPM by the third quarter of year 2010. Year-end DRAM output is estimated to outgrow 200% of the output in the beginning of the year. The conversion to 50nm will increase bit growth and lower down production costs significantly. The company will raise its 2010 capital expenditure (capex) to NTD 22 billion, up from original NTD19 billion, due to both technology upgrade and capacity expansion plan.

The Company has started mass production of 50-nanometer (nm) stack technologies from the fourth quarter of 2009, and plans to complete its maximum capacity of 50,000 wafers per month by the third quarter of year 2010, mainly for 2Gb DDR3 DRAM products. Nanya's current capacity in 12 inch fab is 36,000 WSPM. 50nm and 68nm technologies will each account for half of the capacity in the second quarter. 1Gb DDR2 memory products using 50nm technology process have been qualified by PC OEM clients, and 2Gb DDR3 samples have been delivered for the relevant qualification tests. Meanwhile, the new copper-based 42nm stack technology is progressing well for a sampling scheduled in the third quarter and a production scheduled in the fourth quarter of 2010, bringing down another 30 percent die cost.



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DRAM price has been rising as global economy recovers from the bottom, enabling demand to rebound. Corporate PC replacement is expected to happen in the second half of 2010, PC OEMs foresee tight supply in DRAM due to reduced capex in the past two years, and have been trying hard to build up inventory for the second half of 2010 in advance. With accelerating adoption rate in PCs, DDR3 became the mainstream DRAM product from the first quarter of 2010. To meet this demand, Nanya's DDR3 capacity will account for more than 90 percent of the combined production at Nanya and Inotera Memories by the end of this year, meanwhile, the company will continuously ramp its 2Gb DDR3 of 50nm DRAM capacity and to reach 80% by the end of 2010.

As Smart phones get smarter and demand continues to increase, mobile RAM demand is expected to have great potential to grow. Nanya has foreseen this great opportunity and plans to offer its customers with diverse solution by launching low power Mobile RAMs series in 2010. Nanya Technology Corp. is working on developing DRAM chips for mobile devices and is scheduled to earn qualifications from clients in the third quarter, and mass production will be in the second half of 2010, mainly on LP DDR1 and LP DDR2 memory products. Nanya expects mobile RAM to account for 2~3% of its revenue this year.

### 1Q 2010 Income Statement

Amount: Million NT\$	Q1'10 Unaudited		Q4'09 Audited		QoQ	Q1'09 Audited		YoY
Net Sales	<b>14,121</b>	100%	<b>16,690</b>	100%	-15%	<b>6,172</b>	100%	+129%
Cost of Goods Sold	<b>13,932</b>	99%	<b>14,711</b>	88%		<b>13,161</b>	213%	
Gross Margin	<b>189</b>	1%	<b>1,978</b>	12%	-90%	<b>-6,989</b>	-113%	+103%
SG&A Expenses	<b>407</b>	3%	<b>705</b>	4%		<b>486</b>	8%	
R&D Expenses	<b>1,015</b>	7%	<b>930</b>	6%		<b>871</b>	14%	
Operating Income	<b>-1,233</b>	-9%	<b>343</b>	2%	-459%	<b>-8,347</b>	-135%	+85%
Non-operating Income (Exp.)	<b>-394</b>	-3%	<b>-145</b>	-1%		<b>-2,166</b>	-35%	
Income before Tax	<b>-1,628</b>	-12%	<b>199</b>	1%	-919%	<b>-10,513</b>	-170%	+85%
Income Tax Expense	<b>0</b>	0%	<b>0</b>	0%		<b>0</b>	0%	
Net Income	<b>-1,628</b>	-12%	<b>199</b>	1%	-918%	<b>-10,513</b>	-170%	+85%

Note 1: " + " indicates improvement in 1Q ' 10.



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### **About Nanya**

Nanya Technology Corporation, a member of the Formosa Plastics Group, 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 currently owns two 200mm fabrication facilities and one 300mm fabrication facility in Taiwan. The company also has a 300mm joint venture, Inotera Memories, Inc., which operates two 300mm fabrication facilities in Taiwan. Further information is available at <http://www.nanya.com>

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