



Press Release

Nanya Technology Reports First Quarter 2013 Results

Taoyuan, Taiwan, April 23rd, 2013 – Nanya Technology Corporation, (TWSE: 2408), today announced its results of the first quarter, ended March 31st, 2013. Nanya's quarterly consolidated sales revenue was NTD 9,246 million, an increase of 22.3 percent compared to the fourth quarter of year 2012, due primarily to a 30.5 percent increase in average selling prices (ASP), and a 7.1 percent decrease in sales volume compared to the previous quarter and New Taiwan Dollar depreciated 0.9 percent. Operating Income of the quarter was NTD 892 million. The quarter included the gain of NTD 4.5 billion from recovery of inventory valuation. The company posted its net Income of NTD 506 million or NTD 0.02 per share (the earnings per share calculations are based on weighted average outstanding shares of 23,959 million). All consolidated numbers are unaudited.

Positive results of the first quarter of 2013 is mainly attributed to corporate restructuring, product portfolio strengthen, ASP increase, and the gain from recovery of inventory valuation. The R&D expense of this quarter was reduced to an amount of NTD 0.35 billion from quarterly average NTD 2 billion of last years, while the company emphasized on developing specialty DRAM products.

The amount of tablet and digital consumer electronic applications stimulated the DRAM demand in the first quarter resulted in Nanya's operational performance improvements. For the market outlook, as DRAM industry undergoing structural shift, on the supply side, the bit growth will be slow down in 2013 due to product mix adjustment PC-to-Mobile conversion, no new installed capacity in near term, and delay in technology migration, while, on the demand side, smart phone, new tablets, smart TV and server sectors become driving force to consume much more DRAM, offsetting sluggish demand from PC sector. The company expects the DRAM market supply and demand situation will be continuously caution, leading to further DRAM price uptrend in the second quarter.



Press Release

In line with company's strategy changes, to grab more market share in the value-added DRAM market segments is company's goal. Nanya reached nearly 60 percent of sales revenue in premium (non PC) product lines in the first quarter. Moving forward, Nanya expects to benefit further from these premium product segments, and estimates that more than 70 percent of its sales revenues will be generated from value-added DRAM products in late 2013, corresponding to the consist of over 50 percent of consumer DRAM, more than 10 percent of low power DRAM and the rest 30 percent of commodity DRAM.

Nanya's 30nm 4Gb LPDDR2 mobile RAM qualified on both customer side and core chip partner side in the first quarter of 2013, the volume production is scheduled to be started from the second quarter. The company is aiming at mobile devices markets, such as Media tablets (includes China MID, Mobile Internet Device), smart phones, feature phones and e-readers for higher margins, so the mobile RAM capacity is expected to grow double quarter-over-quarter. Additionally, the company plans to further increase its low power DRAM capacity to exceed greater than 10 percent of its capacity by the fourth quarter of 2013, to further improve its margin and profit.

Nanya is accelerating its conversion to 30nm technology primarily for the design and development of value-added specialty products and further cost reduction, and plans to reach 20 percent of its total wafer-start capacity in the second quarter of 2013, moreover, expects to convert more than 50 percent by third quarter. Compared with 42nm process technology, the 30nm process technology will further bring down another 25 percent die cost from a single wafer. The annual bit shipment growth rate of 2013 is estimated to be around 12 percent year over year; while bit shipment in the first quarter were down 7.1 percent quarter-on-quarter. Nanya expects its sequential bit shipment growth in the second quarter to be more than 20 percent as a result of an increasing portion of 30nm output. Nanya's Capital expenditure (capex) for year 2013 is estimated to be NTD 7.1 billion, mainly for technology migration, while the actual capex of NTD 1.25 billion for the first quarter.



Press Release

1Q 2013 Consolidated Income Statement

Amount: Million NT\$	Q1'13 Unaudited		Q4'12 Audited		QoQ	Q1'12 Audited		YoY
Net Sales	9,246	100%	7,561	100%	22%	8,947	100%	3%
Cost of Goods Sold	7,501	81%	13,975	185%		14,923	167%	
Gross Margin	1,745	19%	-6,414	-85%	127%	-5,976	-67%	129%
SG&A Expenses	499	5%	317	4%		581	6%	
R&D Expenses	354	4%	791	10%		2,069	23%	
Operating Income	892	10%	-7,523	-99%	112%	-8,626	-96%	110%
Non-operating Income (Exp.)	-382	-4%	-1,315	-17%		-1,724	-19%	
Income before Tax	510	6%	-8,837	-117%	106%	-10,350	-116%	105%
Income Tax Benefit (Expense)	-4	0%	-44	-1%		-1	0%	
Net Income	506	5%	-8,881	-117%	106%	-10,351	-116%	105%
EPS(NT\$)	0.02		-0.45			-0.70		
Net Value Per Share	0.10		0.10			0.84		

Note : Q1'13 Cost of Goods Sold includes gain of NT\$ 4.5 billion from recovery of inventory valuation..

Note : Q4'12 Cost of Goods Sold includes a charge of NT\$ 1.2 billion for the write-down of inventories.

About Nanya

Nanya Technology Corporation, a member of the Formosa Plastics Group, is industry leading pure-play consumer Memory Company, focusing on research and development, design, manufacturing, and sales of consumer and Low Power DRAM products. Nanya plans to enlarge market share in the high value-added DRAM market segment. NTC's common stock is traded on the Taiwan Stock Exchange Corporation (TWSE) under the 2408 symbol. The company currently owns 300mm fabrication facility in Taiwan and starts its 30nm stack process technology mass production in year 2012. 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>

Contact persons:

Spokesman

Dr. Pei-Ing Lee – Senior Vice President TEL: 886-3-3281688 x1900, pilee@ntc.com.tw

Press Contact

Sandra Liu – Business Management Div. TEL: 886-3-3281688 x 6006, sandraliu@ntc.com.tw