



News Release

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NUMONYX AND ELPIDA COLLABORATE TO DELIVER NOR FLASH MEMORY THROUGH 300MM FAB

Companies Sign Letter of Intent to Enter into Foundry Agreement to Meet Customer Demand

GENEVA and TOKYO, July 10, 2008 – Elpida Memory, Inc. and Numonyx B.V. today announced they have signed a letter of intent to enter into a foundry agreement for Numonyx to utilize Elpida's leading-edge 300mm wafer fab in Hiroshima to manufacture NOR flash memory. The agreement will enable Numonyx to increase production while reducing the costs to make high-density NOR flash commonly used in mobile phones and embedded applications.

As the industry's largest provider of NOR flash memory, this agreement allows Numonyx to boost its ability to meet demand for its products, especially as it increases its focus on the embedded NOR market segment. The deal also allows Elpida to utilize its fab equipment efficiently and longer by engaging in both foundry and DRAM manufacturing using different generation technologies.

"The decision to partner with Elpida is good for our customers and good business," said Brian Harrison, president and chief executive officer at Numonyx. "As the leader in NOR flash memory, we are committed to provide leading-edge products on the most advanced manufacturing technology available. Working with Elpida means that we are able to collaborate with a proven technology company with highly-efficient facilities and large-scale capacity that can help us deliver on that promise in the most cost-effective way."

"I am very pleased to be partnering with a leading NOR flash memory company like Numonyx. Their innovative process design will enable Elpida to extend the life of production equipment." said Yukio Sakamoto, president and chief executive officer of Elpida. "We are going to leverage our world-class expertise in 300mm manufacturing technology to manufacture and supply high quality products for foundry customers."

Adding Elpida to the global Numonyx manufacturing supply network is part of the company's plans to serve both existing customers in need of long-life support as well as to prepare for growth. The company's existing 200mm facilities will continue to provide ample supply to many of its current customers that do not want to incur costs and complexities associated with re-qualifying its parts. However, with the added 300mm capacity, the company will be in a better position for growth in the wireless market segment where it already produces large volumes associated with its leading share in that segment.

The companies will begin technology transfer and development activities for Elpida's Hiroshima Plant soon, with initial production expected in the middle of next year. Elpida will allocate a portion of its impressive capacity of approximately 120,000 wafers per month to Numonyx for the production of both 65nm NOR flash products as well as the upcoming 45nm process technology. The combination of leading lithography and the industry leading 300mm sized wafers will help give Numonyx a considerable competitive advantage.

"Growth in the NOR market segment has traditionally come largely from handsets, but growth has been slowing in recent years," said Mark DeVoss, Senior Analyst with iSuppli Corporation. "However, growth in the embedded segment could account for their need for added NOR capacity, and the fact that Numonyx sought and secured capacity that is readily available from a qualified, reliable source like Elpida could mean good things for the NOR flash memory segment. This is certainly an efficient way for Numonyx to manage its business—from a financial standpoint it makes perfect sense."

Following today's LOI, Numonyx and Elpida plan to conclude their negotiations and finalize a definitive agreement within the current quarter.

About Numonyx

Numonyx designs and manufactures a full complement of integrated NOR, NAND and Phase Change non-volatile memory technologies and products to meet the increasingly sophisticated needs of customers in the wireless, data and embedded markets. Numonyx combines the technology and manufacturing expertise of the flash memory divisions of Intel Corporation and STMicroelectronics, and is dedicated to providing high density, low power memory technologies and packaging solutions to a global base of customers. Additional information about Numonyx is available at www.numonyx.com.

About Elpida

Elpida Memory, Inc. (TSE 6665) is a leading manufacturer of Dynamic Random Access Memory (DRAM) integrated circuits. The company's design, manufacturing and sales operations are backed by world class technological expertise. Its 300mm manufacturing facilities, consisting of its Hiroshima Plant and a Taiwan-based joint venture, Rexchip Electronics, utilize the most advanced manufacturing technologies available. Elpida's portfolio features such characteristics as high-density, high-speed, low power and small packaging profiles. The company provides DRAM solutions across a wide range of applications, including high-end servers, mobile phones and digital consumer electronics. More information can be found at <http://www.elpida.com>.