



INOTERA MEMORIES, INC.

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Press Release

Inotera Reports Fourth Quarter and Fiscal Year 2012 Results

Taoyuan, Taiwan (R.O.C.), January 23rd, 2013 – Inotera Memories, Inc. (TWSE: 3474) today announced results for the fourth quarter of its fiscal year 2012, which ended on December 31st, 2012. The operating loss registered for the quarter was NTD 3,493 million, and net loss was NTD 3,720 million, on the back of sales revenues of NTD 9,112 million. The net loss incurred for the quarter is equal to a loss per share of NTD 0.69. Cost of goods sold for the fourth quarter include idle facility charges of NTD 734 million and a reversal of previous write-downs for the carrying value of work-in-process inventories in the amount of NTD 226 million. For the fiscal year 2012, Inotera reported sales revenues of NTD 35,296 million with an operating loss of NTD 14,339 million and a net loss of NTD 15,539 million, or loss per share of NTD 2.95. All numbers are un-audited, and the loss-per-share calculations are based on weighted average outstanding shares of 5,267 million.

The 5% quarter-on-quarter increase in the company's sales revenues was due to a 7% increase in average sales revenue per wafer, partially offset by a 2% decline in wafer shipments. Annual bit shipments increased by 28% year-on-year, leading to a corresponding reduction of 31% in fully-loaded cost per bit in 2012 compared to the previous year.

Bit shipments in the fourth quarter of 2012 were up 2% quarter-on-quarter. Inotera expects its sequential bit shipment growth in the first quarter of 2013 to be in the single-digit percent range as a result of an increasing portion of 30nm output, but partially offset by the impact from some production cuts implemented during the fourth quarter of 2012. The company has resumed full wafer starts in January, 2013.

Inotera has reached more than 60k wafer starts per month (WSPM) in 30nm technology in December, 2012 and expects to reach approximately 100k WSPM in 30nm by April, 2013. Under the new supply agreement with Micron, Inotera is expected to be the largest provider of 30nm DRAM-products to Micron, with Micron purchasing substantially all of Inotera's output beginning in early 2013.



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Capital expenditures for the further 30nm ramp in 2013 are expected to be approximately NTD 4.5 billion, similar to the capital expenditures of NTD 4.3 billion on a book-entry basis in 2012. Additional capital expenditures in 2013 are expected to include the investment in a 20nm pilot line, the exact amount and timing of which subject to the approval of the company's Board Meeting.

Currently, the company is running a total of seven DRAM products in its facility. In late-2012 more than 40% of Inotera's sales revenues were generated from premium DRAM-products. Going forward, Inotera expects to benefit further from Micron's broad DRAM product portfolio and will continue to emphasize the production of premium DRAM-products for server, mobile, consumer and networking applications.

In order to finance working capital needs and term loan repayments, Inotera has signed an NT\$ 10 billion three-year syndicated loan agreement with a group of banks on January 10th, 2013. With the continuous co-ownership by Nanya Technology and Micron as well as the solid financial backing and support from Nanya Plastics and its affiliates, the company will continue to work on various financing plans based on the company's funding requirements in 2013.

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 (4Q'12/Y2012 results are un-audited)

<i>Unit: Million NT\$, except for EPS in NT\$</i>	4Q'12	3Q'12	QoQ	YoY	4Q'11	Y2012
Net Operating Revenues	9,112	8,694	5%	5%	8,698	35,296
Gross Profit (Loss)	(3,343)	(3,877)	14%	36%	(5,260)	(13,550)
G&A Expenses	(67)	(64)	-5%	-3%	(65)	(260)
R&D Expenses	(83)	(122)	32%	78%	(371)	(529)
Total Operating Expenses	(150)	(186)	19%	66%	(436)	(789)
Operating Income (Loss)	(3,493)	(4,063)	14%	39%	(5,695)	(14,339)
Non-operating income (Expense)	(227)	(327)	31%	32%	(333)	(1,199)
Income (Loss) before Income Tax	(3,720)	(4,390)	15%	38%	(6,028)	(15,539)
Income Tax Benefit (Expense)	0	0	N/M	N/M	0	0
Net Income (Loss)	(3,720)	(4,390)	15%	38%	(6,028)	(15,539)
EPS (Loss)	(\$0.69)	(\$0.81)	15%	47%	(\$1.30)	(\$2.95)
Weighted Average Outstanding Shares (millions)	5,267	5,221			4,641	5,267
Gross Margin (%)	-37%	-45%			-60%	-38%
Operating Margin (%)	-38%	-47%			-65%	-41%
Non-operating Income (Expense) (%)	-2%	-4%			-4%	-3%
Income Tax Benefit (Expense) (%)	0%	0%			0%	0%
Net Margin (%)	-41%	-50%			-69%	-44%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 4Q'12, while a negative value indicates the opposite

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Disclaimer

This press release contains some forward-looking statements that are subject to substantial risks and uncertainties. Typically, these statements contain words such as "anticipate," "believe," "could," "estimate," "expect," "intend," "plan," "forecast," "project," "predict," "potential," "continue," "may," "should," "will" and "would" or similar words. You should consider these forward-looking statements carefully because such statements are only our expectations or projections about future events, and actual results may differ materially from those expressed or implied by such statements. The forward-looking statements in this press release include, but are not limited to, growth rates for various markets estimated by a third party source, future products and technology development, widespread market acceptance of the hosted delivery model, future revenue growth and profitability. You should be cautioned that the forward-looking statements are not the guarantees of our future performance. The forward-looking statements contained in this press release are made only as of the date of this press release and we undertake no obligation to update the forward-looking statements to reflect subsequent events or circumstances, except as required by law.

This press release and the information contained herein are the property of Inotera Memories, Inc.