

**Press Release****Inotera Reports First Quarter 2012 Results**

Taoyuan, Taiwan (R.O.C.), April 18<sup>th</sup>, 2012 – Inotera Memories, Inc. (TWSE: 3474) today announced results for the first quarter of its fiscal year 2012, which ended March 31<sup>st</sup>, 2012. The operating loss registered for the first quarter of year 2012 was NTD 3,986 million, and net loss was NTD 4,452 million, on the back of sales revenues of NTD 7,925 million. The net loss incurred for the quarter is equal to a loss per share of NTD 0.92. Cost of goods sold for the first quarter include idle cost charges of NTD 1,842 million and a reversal of previous write-downs for the carrying value of work-in-process inventories in the amount of NTD 285 million. All numbers are un-audited, and the loss-per-share calculation is based on weighted average outstanding shares of 4,851 million.

The 9% decrease in the company's sales revenues quarter-on-quarter was due to a 27% decline in wafer shipments, partially offset by a 25% increase in average sales revenue per wafer. The 27% sequential decline in wafer shipments and the concurrent bit-shipment decrease by 20% was mainly as a result of partial production cuts from November, 2011 based on customer requests. The company has resumed full wafer starts in February, 2012.

Inotera has achieved shipment qualification of its 4Gb DDR3 DRAM product in 30nm process technology and started the volume ramp in March, 2012. The company expects to convert more than one-third of its total wafer-start capacity to 30nm by mid-2012. Going forward, Inotera expects a continuously growth of its share of DRAM-bits to be used in server-applications, and plans to launch volume production of 42nm 2Gb DDR and 30nm 4Gb DDR2 mobile DRAM from mid-2012.

Inotera's capital expenditures on a book-entry basis were NTD 0.5 billion in the first quarter, and guidance for year 2012 capital expenditures for the initial 30nm ramp remains at NTD 4 billion. Inotera raised NTD 5 billion by issuing 763 million new common shares to a Micron-subsiary via private placement.

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**About Inotera**

Inotera Memories, Inc. was incorporated on January 23<sup>rd</sup>, 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 (1Q'12 results are un-audited)

Unit: Million NT\$, except for EPS in NT\$	1Q'12	4Q'11	QoQ	YoY	1Q'11
<b>Net Operating Revenues</b>	<b>7,925</b>	<b>8,698</b>	<b>-9%</b>	<b>-17%</b>	<b>9,586</b>
<b>Gross Profit (Loss)</b>	<b>(3,706)</b>	<b>(5,260)</b>	<b>30%</b>	<b>-8%</b>	<b>(3,425)</b>
G&A Expenses	(66)	(65)	-2%	19%	(81)
R&D Expenses	(215)	(371)	42%	19%	(267)
Total Operating Expenses	(281)	(436)	36%	19%	(348)
<b>Operating Income (Loss)</b>	<b>(3,986)</b>	<b>(5,695)</b>	<b>30%</b>	<b>-6%</b>	<b>(3,773)</b>
Non-operating income (Expense)	(466)	(333)	-40%	-72%	(271)
<b>Income (Loss) before Income Tax</b>	<b>(4,452)</b>	<b>(6,028)</b>	<b>26%</b>	<b>-10%</b>	<b>(4,044)</b>
Income Tax Benefit (Expense)	0	0	N/M	N/M	0
<b>Net Income (Loss)</b>	<b>(4,452)</b>	<b>(6,028)</b>	<b>26%</b>	<b>-10%</b>	<b>(4,044)</b>
<b>EPS (Loss)</b>	<b>(\$0.92)</b>	<b>(\$1.30)</b>	<b>29%</b>	<b>-5%</b>	<b>(\$0.87)</b>
Weighted Average Outstanding Shares (millions)	4,851	4,641			4,639
<b>Gross Margin (%)</b>	<b>-47%</b>	<b>-60%</b>			<b>-36%</b>
<b>Operating Margin (%)</b>	<b>-50%</b>	<b>-65%</b>			<b>-39%</b>
Non-operating Income (Expense) (%)	-6%	-4%			-3%
Income Tax Benefit (Expense) (%)	0%	0%			0%
<b>Net Margin (%)</b>	<b>-56%</b>	<b>-69%</b>			<b>-42%</b>

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 1Q'12, while a negative value indicates the opposite

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## Disclaimer

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