

Press Release**Inotera Reports Fourth Quarter 2011 Results**

Taoyuan, Taiwan (R.O.C.), January 18th, 2011 – Inotera Memories, Inc. (TWSE: 3474) today announced results for the fourth quarter of its fiscal year 2011, which ended December 31st, 2011. The operating loss registered for the fourth quarter of year 2011 was NTD 5,695 million, and net loss was NTD 6,028 million, on the back of sales revenues of NTD 8,698 million. The net loss incurred for the quarter is equal to a loss per share of NTD 1.30. Cost of goods sold for the fourth quarter include idle cost charges of NTD 989 million and a reversal of previous write-downs for the carrying value of work-in-process inventories in the amount of NTD 134 million. For the fiscal year 2011, Inotera reported sales revenues of NTD 37,385 million with an operating loss of NTD 19,870 million and a net loss of NTD 21,003 million, or loss per share of NTD 4.53. All numbers are un-audited, and the loss-per-share calculations are based on weighted average outstanding shares of 4,641 million.

The 3% decrease in the company's sales revenues quarter-on-quarter was mainly due to a 7% sequential decline in wafer shipments, partially offset by a 4% increase in average sales revenue per wafer. The sequentially higher revenue per wafer was due to a higher productivity per wafer from 42nm technology, but partially offset by a sequential decline in customers' ASPs. Bit shipments in the fourth quarter of 2011 were up 19% quarter-on-quarter. Annual bit shipments increased by 131% year-on-year given mature and stable 42nm production, leading to a corresponding reduction of 50% in fully-loaded cost per bit in 2011 compared to the previous year.

With the 30nm technology conversion progressing smoothly and on schedule, Inotera is preparing to start 30nm volume production of 4Gb DDR3 DRAM in the first quarter of 2012 and to convert more than 30% of its total wafer-start capacity to 30nm by mid-2012. Furthermore, Inotera is focusing on the production of DRAM-products for use in server and mobile applications. The company is continuously increasing server-share and working on the introduction of mobile products in advanced technology, and volume production of 42nm 2Gb DDR mobile DRAM and 30nm 4Gb DDR2 mobile DRAM is expected to commence in 2012.

Inotera's capital expenditures on a book-entry basis were NTD 11.6 billion in year 2011, and the capital expenditures for the initial 30nm ramp in year 2012 are expected to be approximately NTD 4 billion.

On December 13th, 2011, the Board of Directors of the company has approved the issuance of up to 1.5 billion new common shares and/or convertible bonds via a private placement. This replaces the previous proposal of 1.1 billion new common shares via a rights offering. An extraordinary shareholders' meeting is scheduled for February 22nd, 2012 to approve the private placement. The execution details are expected to be set by the company's Board Meeting after the extraordinary shareholders' meeting.

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'11/Y2011 results are un-audited)

Unit: Million NT\$, except for EPS in NT\$	4Q'11	3Q'11	QoQ	YoY	4Q'10	Y2011
Net Operating Revenues	8,698	8,944	-3%	0%	8,715	37,385
Gross Profit (Loss)	(5,260)	(6,458)	19%	-26%	(4,164)	(18,163)
G&A Expenses	(65)	(82)	21%	19%	(80)	(306)
R&D Expenses	(371)	(377)	2%	-34%	(276)	(1,401)
Total Operating Expenses	(436)	(459)	5%	-22%	(356)	(1,707)
Operating Income (Loss)	(5,695)	(6,917)	18%	-26%	(4,520)	(19,870)
Non-operating income (Expense)	(333)	(104)	-220%	-122%	(150)	(1,133)
Income (Loss) before Income Tax	(6,028)	(7,022)	14%	-29%	(4,670)	(21,003)
Income Tax Benefit (Expense)	0	0	N/M	N/M	0	0
Net Income (Loss)	(6,028)	(7,022)	14%	-29%	(4,670)	(21,003)
EPS (Loss)	(\$1.30)	(\$1.51)	14%	-27%	(\$1.02)	(\$4.53)
Weighted Average Outstanding Shares (millions)	4,641	4,641			4,556	4,641
Gross Margin (%)	-60%	-72%			-48%	-49%
Operating Margin (%)	-65%	-77%			-52%	-53%
Non-operating Income (Expense) (%)	-4%	-1%			-2%	-3%
Income Tax Benefit (Expense) (%)	0%	0%			0%	0%
Net Margin (%)	-69%	-79%			-54%	-56%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 4Q'11, 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.

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