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Press Release

Inotera Reports Third Quarter 2012 Results

Taoyuan, Taiwan (R.O.C.), October 24th, 2012 – Inotera Memories, Inc. (TWSE: 3474) today announced results for the third quarter of its fiscal year 2012, which ended on September 30th, 2012. The operating loss registered for the third quarter of year 2012 was NTD 4,063 million, and net loss was NTD 4,390 million, on the back of sales revenues of NTD 8,694 million. The net loss incurred for the quarter is equal to a loss per share of NTD 0.81. Cost of goods sold for the third quarter includes a charge of NTD 284 million for the write-down of work-in-process inventories due to lower-of-cost-or-market accounting rules. All numbers are un-audited, and the loss-per-share calculation is based on weighted average outstanding shares of 5,221 million.

The 9% quarter-on-quarter decrease in the company's sales revenues was mainly due to a 8% decline in average sales revenue per wafer mainly as a result of a sequential decline in our customers' average selling prices of DRAM products in the market place.

Based on customer requests, the company has cut some of its production of 42nm commodity DRAM starting from the beginning of October, 2012. These cuts are expected to have an impact on sequential bit shipment growth in the fourth quarter, which is therefore expected to be in the single-digit percent range. Consequently, annual bit-shipment growth is expected to be in the high twenty-percent range for the year 2012 compared to last year.

Currently Inotera's capacity in 30nm technology has reached greater than 50k wafer starts per month (WSPM). Inotera is accelerating its conversion to 30nm-technology in response to the changing DRAM market. At its meeting in October, the Board of Directors of the company has approved an investment plan to fully convert Inotera's wafer-start capacity to 30nm technology. The company plans to further increase its 30nm capacity from 50k to more than 60k WSPM by the end of 2012 and expects to reach approximately 100k WSPM in 30nm by April, 2013, along the way. Furthermore, the company is continuously broadening its portfolio of DRAM products across multiple technology nodes and increasing its premium products share.

Year-to-date capital expenditures on a book-entry basis were NTD 3.1 billion as of the end of September 2012. Annual guidance remains at approximately NTD 4 billion with the remaining capital expenditures during 2012 to be spent to reach more than 60k WSPM in 30nm technology.

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 *(3Q'12 results are un-audited)*

Unit: Million NT$, except for EPS in NT$	3Q'12	2Q'12	QoQ	YoY	3Q'11
Net Operating Revenues	**8,694**	**9,564**	***-9%***	***-3%***	**8,944**
Gross Profit (Loss)	**(3,877)**	**(2,625)**	***-48%***	***40%***	**(6,458)**
G&A Expenses	(64)	(64)	*0%*	*22%*	(82)
R&D Expenses	(122)	(109)	*-12%*	*68%*	(377)
Total Operating Expenses	(186)	(172)	*-8%*	*59%*	(459)
Operating Income (Loss)	**(4,063)**	**(2,797)**	***-45%***	***41%***	**(6,917)**
Non-operating income (Expense)	(327)	(180)	*-82%*	*-214%*	(104)
Income (Loss) before Income Tax	**(4,390)**	**(2,977)**	***-47%***	***37%***	**(7,022)**
Income Tax Benefit (Expense)	0	0	*N/M*	*N/M*	0
Net Income (Loss)	**(4,390)**	**(2,977)**	***-47%***	***37%***	**(7,022)**
EPS (Loss)	**($0.81)**	**($0.53)**	***-53%***	***47%***	**(1.52)**
Weighted Average Outstanding Shares *(millions)*	5,221	5,128			4,641

Gross Margin (%)	**-45%**	**-27%**	**-72%**
Operating Margin (%)	**-47%**	**-29%**	**-77%**
Non-operating Income (Expense) (%)	-4%	-2%	-1%
Income Tax Benefit (Expense) (%)	0%	0%	0%
Net Margin (%)	**-50%**	**-31%**	**-79%**

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 3Q'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.