



INOTERA MEMORIES, INC.

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Press Release

Inotera Reports Second Quarter 2011 Results: Sales of NTD 10,157 Million and Loss per Share of NTD 0.84 *Starting to Benefit from Premium Product Mix*

Taoyuan, Taiwan (R.O.C.), July 19th, 2011 – Inotera Memories, Inc. (TWSE: 3474) today announced results for the second quarter of its fiscal year 2011, which ended June 30th, 2011. The operating loss registered for the second quarter of year 2011 was NTD 3,484 million, and net loss was NTD 3,910 million, on the back of sales revenues of NTD 10,157 million. The net loss incurred for the quarter is equal to a loss per share of NTD 0.84. All numbers are un-audited, and the loss-per-share calculation is based on weighted average outstanding shares of 4,640 million.

The 6% increase in sales revenues quarter-on-quarter was mainly due to a 9% increase in average sales revenue per wafer contributed by a higher number of good chips per wafer, generally higher average selling prices (ASPs) in the DRAM market, and a shift towards premium products. Over the course of the next months, the company expects to see further benefits from continued efforts to provide its customers with a portfolio of high-end products that can be sold at premium prices into the markets for server and low-power mobile DRAM.

The production ramp in 42nm technology has reached about half of Inotera's wafer starts capacity in June, 2011. With the significant contribution from steeply increasing output in 42nm technology, bit shipments in the third quarter of 2011 are expected to be up quarter-on-quarter by around 25%. Furthermore, the company expects to commence pilot runs of the 30nm-class process technology in the third quarter of 2011 and start volume production in the first quarter of 2012.

Capital expenditures were NTD 9.5 billion for the first half year, and guidance for year 2011 capital expenditures remains at NTD 17 billion.

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 (2Q'11 results are un-audited)

Unit: Million NT\$, except for EPS in NT\$	2Q'11	1Q'11	QoQ	YoY	2Q'10
Net Operating Revenues	10,157	9,586	6%	-10%	11,258
Gross Profit (Loss)	(3,020)	(3,425)	12%	-297%	(760)
G&A Expenses	(79)	(81)	2%	-10%	(72)
R&D Expenses	(385)	(267)	-44%	-25%	(309)
Total Operating Expenses	(464)	(348)	-33%	-22%	(381)
Operating Income (Loss)	(3,484)	(3,773)	8%	-205%	(1,142)
Non-operating income (Expense)	(425)	(271)	-57%	36%	(668)
Income (Loss) before Income Tax	(3,910)	(4,044)	3%	-116%	(1,810)
Income Tax Benefit (Expense)	0	0	N/M	N/M	(0)
Net Income (Loss)	(3,910)	(4,044)	3%	-116%	(1,810)
EPS (Loss)	(0.84)	(0.87)	3%	-115%	(0.39)
Weighted Average Outstanding Shares (millions)	4,640	4,639			4,490
Gross Margin (%)	-30%	-36%			-7%
Operating Margin (%)	-34%	-39%			-10%
Non-operating Income (Expense) (%)	-4%	-3%			-6%
Income Tax Benefit (Expense) (%)	0%	0%			0%
Net Margin (%)	-38%	-42%			-16%
EBITDA Margin (%)	47%	50%			57%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 2Q'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.

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