

Press Release**Inotera Reports Fourth Quarter 2010 Results:****Sales of NTD 8,715 Million and Loss per Share of NTD 1.01*****Reached full wafer starts in 50nm technology.
42nm volume ramp expected to start from the first quarter of 2011.***

Taoyuan, Taiwan (R.O.C.), January 24th, 2011 – Inotera Memories, Inc. (TWSE: 3474) today announced results for the fourth quarter of its fiscal year 2010, which ended December 31st, 2010. The operating loss registered for the fourth quarter of year 2010 was NTD 4,470 million, and net loss was NTD 4,602 million, on the back of sales revenue of NTD 8,715 million. The net loss incurred for the quarter is equal to a loss per share of NTD 1.01. Cost of goods sold for the fourth quarter include a charge of NTD 872 million for the write-down of work-in-process inventories due to lower-of-cost-or-market accounting rules. For the fiscal year 2010, Inotera reported sales revenues of NTD 41,454 million with an operating loss of NTD 9,164 million and a net loss of NTD 10,594 million, or loss per share of NTD 2.33. All numbers are un-audited, and the loss-per-share calculations are based on weighted average outstanding shares of 4,556 million.

The 13% decrease in sales revenues quarter-on-quarter was mainly due to a 20% sequential increase in wafer shipments that was more than offset by a 27% decline in average sales revenues per wafer, mainly as a result of a significant decline in our customers' average selling prices of DRAM products in the market place .

Inotera has completed its conversion to 50nm technology and reached its full capacity of 130 thousand wafer starts per month in December 2010, leading to a 66% quarter-over-quarter growth in bit shipments and a corresponding reduction of 40% in fully-loaded cost per bit in the fourth quarter compared to the previous quarter. With pilot runs in 42nm technology progressing well, the company plans to commence the 42nm volume ramp in the first quarter of 2011 and convert the vast majority of its wafer starts to that technology by around mid of 2011. Through successful implementation of this technology conversion, Inotera expects a significant bit growth in 2011 and further per-bit cost reduction. Furthermore, pilot runs of a 4Gb DDR3 product in next-generation 3xnm technology are scheduled to start around mid of 2011.

In year 2011, Inotera is targeting to diversify into high-end DRAM products. The company expects to ship a significant share of its products into the server market and to tap into the mobile DRAM market with 50nm 2Gb DDR low-power DRAM from the second quarter of 2011.



INOTERA MEMORIES, INC.

667, Fuhsing 3Rd., Hwa-Ya Technology Park
Kueishan, Taoyuan, Taiwan
Tel 886-3-327-2988
www.inotera.com

Inotera's capital expenditures on a book-entry basis were NTD 55 billion for year 2010.

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'10/Y2010 YTD results are un-audited)

Unit: Million NT\$, except for EPS in NT\$	4Q'10	3Q'10	QoQ	YoY	Y2010
Net Operating Revenues	8,715	9,963	-13%	-32%	41,454
Gross Profit (Loss)	(4,114)	(1,920)	-114%	N/M	(7,353)
G&A Expenses	(80)	(74)	-8%	-11%	(333)
R&D Expenses	(276)	(340)	19%	28%	(1,478)
Total Operating Expenses	(356)	(413)	14%	22%	(1,811)
Operating Income (Loss)	(4,470)	(2,333)	-92%	N/M	(9,164)
Non-operating income (Expense)	(132)	(287)	54%	60%	(1,429)
Income (Loss) before Income Tax	(4,602)	(2,621)	-76%	N/M	(10,594)
Income Tax Benefit (Expense)	0	0	N/M	N/M	0
Net Income (Loss)	(4,602)	(2,621)	-76%	N/M	(10,594)
EPS (Loss)	(1.01)	(\$0.57)	-77%	N/M	(\$2.33)
Weighted Average Outstanding Shares (millions)	4,556	4,533			4,556
Gross Margin (%)	-47%	-19%			-18%
Operating Margin (%)	-51%	-23%			-22%
Non-operating Income (Expense) (%)	-2%	-3%			-3%
Income Tax Benefit (Expense) (%)	0%	0%			0%
Net Margin (%)	-53%	-26%			-26%
EBITDA Margin (%)	46%	56%			55%

Note: A positive percentage value in the columns "QoQ" and "YoY" indicates improvement in 4Q'10, while a negative value indicates the opposite

Spokesperson

Charles Kau, President

Press Contact

Ivy Hung, IR / PR Department

Tel. 03-327-2988 Ext. 3371

E-mail : ivyhung@inotera.com

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.