

Micron Technology

Financial Conference Call

Fourth Quarter of Fiscal 2014

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Safe Harbor

During the course of this meeting, we may make projections or other forward-looking statements regarding future events or the future financial performance of the Company and the industry. We wish to caution you that such statements are predictions and that actual events or results may differ materially. We refer you to the documents the Company files on a consolidated basis from time to time with Securities and Exchange Commission, specifically the Company's most recent Form 10-K and Form 10-Q. These documents contain and identify important factors that could cause the actual results for the Company on a consolidated basis to differ materially from those contained in our projections or forward-looking statements. These certain factors can be found at <http://www.micron.com/certainfactors>. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of the presentation to conform these statements to actual results.

Materials Presented

Summary Key Data (page 5)

- FQ4-14 Operational & Financial Data
- Guidance

Fiscal 2014 Annual Results (page 7-8)

FQ4-14 Quarterly Results (page 10-12)

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Convertible Debt and Capped Call Dilution Table (page 19)

Summary Key Data

FQ4-14 Operational & Financial Data and Guidance

Product Categories	Approximate % of Revenue
DRAM	68%
NAND / Trade NAND*	Trade 25%, Total 27%
NOR	3%
Other	2%

Bit Growth	FQ4-14 Sales Actual	FQ1-15 Production Estimate
DRAM	4%	up mid to high single digits
Trade NAND	13%	up high teens

ASP	FQ4-14 Actual	FQ1-15 Quarter to Date Estimate*
DRAM	0%	up low single digits
Trade NAND	-6%	down low to mid single digits

* Estimated Quarter to Date ASP includes the forecasted product mix for the quarter

Cost / Bit	FQ4-14 Actual	FQ1-15 Estimate
DRAM	0%	down low single digits
Trade NAND	-2%	down low single digits

P&L and Cash Flow	FQ4-14 Actual (millions)	FQ1-15 Estimate (millions)
Revenue	\$ 4,227	\$4,450-\$4,700
R&D	\$ 358	\$395-\$405
SG&A	\$ 180	\$195-\$205
Net Interest Expense	\$ 81	\$85-\$95
Income/(Loss) on Equity Investments	\$ 119	Primarily ~33% of Inotera NI on a 2 month lag
Income Tax (Provision) Benefit	\$ 87	FY15 mid single digit percentage
Equity Comp Expense	\$ 34	\$35-\$40
Diluted Shares	1,203	~1,195 Based on \$32 share price. Refer to the Convertible Notes Dilution Overview provided in our Earnings Data File.
Operating Cash Flow	\$ 1,347	NA
D&A	\$ 590	\$680-\$690
Cap Ex (Capital Cash Flow)	\$ 1,327	FY15 \$3,600-\$4,000

Consolidated Statements of Operations - Non-GAAP Disclosures	FQ4-14 (millions except per share data)	FQ1-15 Estimate (millions)
GAAP net income attributable to Micron	\$ 1,150	
Non-GAAP adjustments:		
Tessera license	66	
Restructure and asset impairments	22	~\$5
Amortization of debt discount and other costs	37	~\$40-\$45
Loss on restructure of debt	17	~\$25
(Gain) loss from changes in currency exchange rates	3	
Gain from disposition of shares in Aptina	(119)	
Gain from Inotera Issuance of shares	(93)	
Estimated tax effects of above items	(4)	~(\$5)-(\$10)
Non-cash taxes from MMJ and MMT	(118)	~\$20-\$30
Total non-GAAP adjustments	(189)	
Non-GAAP net income attributable to Micron	\$ 961	
GAAP shares used in diluted EPS calculations	1,203	
Anti-dilutive effect of capped calls (a)	(27)	
Non-GAAP shares used in diluted EPS calculations	1,176	
GAAP diluted earnings per share	\$ 0.96	
Effects of above	(0.14)	
Non-GAAP diluted earnings per share	\$ 0.82	

*Trade NAND excludes sales to Intel, which are at long-term negotiated prices approximating cost

(a) The anti-dilutive effect of the capped calls is based on the average share price for the quarter.

Fiscal 2014 Annual Results

Financial Results Summary

Amounts in millions, except per share	FY 2014	% of Sales	FY 2013	% of Sales
Net sales	\$ 16,358	100%	\$ 9,073	100%
Gross margin	5,437	33%	1,847	20%
Operating income	3,087	19%	236	3%
Equity in net income (loss) of equity method investees	474		(83)	
Other non-operating income (expense), net	(25)	0%	1,266	14%
Net income attributable to Micron shareholders	\$ 3,045	19%	\$ 1,190	13%
Diluted earnings per share	\$ 2.54		\$ 1.13	
Shares in diluted EPS calculations	1,198		1,056	

Consolidated Statements of Operations

Non-GAAP Disclosures

Amounts in millions, except per share amounts	FY 2014	FY 2013
GAAP net income attributable to Micron	\$ 3,045	\$ 1,190
Non-GAAP adjustments:		
Flow-through of MMJ and MMT inventory step up	153	41
Tessera license	66	--
Rambus settlement	233	--
Elpida acquisition costs	--	50
Restructure and asset impairments	40	126
Loss on restructure of debt	205	31
Amortization of debt discount and other costs	167	122
(Gain) on acquisition of MMJ	33	(1,484)
(Gain) loss from changes in currency exchange rates	28	229
Gain from disposition of shares in Aptina	(119)	--
Gain from Inotera issuance of shares	(93)	(48)
Estimated tax effects of above items	(73)	(17)
Non-cash taxes from MMJ and MMT	59	7
Total non-GAAP adjustments	699	(943)
Non-GAAP net income attributable to Micron	\$ 3,744	\$ 247
GAAP shares used in diluted EPS calculations	1,198	1,056
Anti-dilutive effect of capped calls	(41)	(13)
Non-GAAP shares used in diluted EPS calculations	1,157	1,043
GAAP diluted earnings per share	\$ 2.54	\$ 1.13
Effects of above	0.69	(0.89)
Non-GAAP diluted earnings per share	\$ 3.23	\$ 0.24

FQ4-14 Quarterly Results

Financial Results Summary

Amounts in millions, except per share	FQ4-14	% of Sales	FQ3-14	% of Sales
Net sales	\$ 4,227	100%	\$ 3,982	100%
Gross margin	1,385	33%	1,368	34%
Operating income	828	20%	839	21%
Equity in net income of equity method investees	119		135	
Other non-operating income (expense), net	198	5%	(21)	-1%
Net income attributable to Micron shareholders	\$ 1,150	27%	\$ 806	20%
Diluted earnings per share	\$ 0.96		\$ 0.68	
Shares in diluted EPS calculations	1,203		1,190	

Consolidated Statements of Operations

Non-GAAP Disclosures

Amounts in millions, except per share amounts	FQ4-14	FQ3-14
GAAP net income attributable to Micron	\$ 1,150	\$ 806
Non-GAAP adjustments:		
Tessera license	66	--
Restructure and asset impairments	22	9
Amortization of debt discount and other costs	37	36
Loss on restructure of debt	17	16
(Gain) loss from changes in currency exchange rates	3	5
Gain from disposition of shares in Aptina	(119)	--
Gain from Inotera issuance of shares	(93)	--
Estimated tax effects of above items	(4)	(8)
Non-cash taxes from MMJ and MMT	(118)	49
Total non-GAAP adjustments	(189)	107
Non-GAAP net income attributable to Micron	\$ 961	\$ 913
GAAP shares used in diluted EPS calculations	1,203	1,190
Anti-dilutive effect of capped calls ^(a)	(27)	(38)
Non-GAAP shares used in diluted EPS calculations	1,176	1,152
GAAP diluted earnings per share	\$ 0.96	\$ 0.68
Effects of above	(0.14)	0.11
Non-GAAP diluted earnings per share	\$ 0.82	\$ 0.79
(a) The anti-dilutive effect of the capped calls is based on the average share price for the quarter.		

Consolidated Statements of Operations

Non-GAAP Disclosures – FQ4-14 Actual and FQ1-15 Estimates

Amounts in millions, except per share amounts	FQ4-14	FQ1-15
GAAP net income attributable to Micron	\$ 1,150	
Non-GAAP adjustments:		
Tessera license	66	
Restructure and asset impairments	22	~\$5
Amortization of debt discount and other costs	37	~\$40-\$45
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Gain from Inotera issuance of shares	(93)	
Estimated tax effects of above items	(4)	~\$(5)-\$(10)
Non-cash taxes from MMJ and MMT	(118)	~\$20-\$30
Total non-GAAP adjustments	(189)	
Non-GAAP net income attributable to Micron	<u>\$ 961</u>	
GAAP shares used in diluted EPS calculations	1,203	
Anti-dilutive effect of capped calls ^(a)	(27)	
Non-GAAP shares used in diluted EPS calculations	<u>1,176</u>	
GAAP diluted earnings per share	\$ 0.96	
Effects of above	(0.14)	
Non-GAAP diluted earnings per share	<u>\$ 0.82</u>	
(a) The anti-dilutive effect of the capped calls is based on the average share price for the quarter.		

Additional Slides used in Quarterly Conference Call

Bit Growth, ASP and Cost/Bit

FQ4-14 Actual and FQ1-15 Estimates

Bit Growth*	FQ4-14 Actual (Sales)	FQ1-15 Estimate (Production)
Total DRAM	4%	Up mid to high single digits
Trade NAND*	13%	Up high teens
* Includes purchases from third parties.		
ASP	FQ4-14 Actual	FQ1-15 QTD**
Total DRAM	0%	Up low single digits
Trade NAND*	(6%)	Down low to mid single digits
* Trade NAND excludes the portion of sales to Intel which are at long-term negotiated prices approximating cost.		
** QTD includes both the impact of market price trends and changes in product mix.		
Cost/Bit	FQ4-14 Actual	FQ1-15 Estimate
Total DRAM	0%	Down low single digits
Trade NAND*	(2%)	Down low single digits
* Trade NAND excludes the portion of sales to Intel which are at long-term negotiated prices approximating cost.		

P&L and Cash Flow

FQ4-14 Actual and FQ1-15 Estimates

P&L and Cash Flow	FQ4-14 Actual	FQ1-15 Estimate
SG&A	\$180M	\$195M – \$205M
R&D	\$358M	\$395M – \$405M
Net interest expense*	\$81M	\$85M – \$95M
Stock-based compensation	\$34M	\$35M – \$40M
D&A	\$590M	\$680M – \$690M
CapEx	\$1,327M	FY-15: \$3.6B - \$4B

* Includes imputed interest expense on convertible notes and MMJ's installment debt.

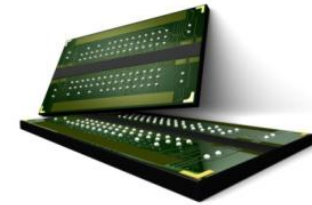
GAAP Debt Rollforward

FQ3-14 to FQ4-14

Amounts in millions		
Balance at beginning of quarter		\$ 5,645
Additions:		
2025 Notes		1,150
Other		79
Reclassify premium on 2031B Notes		270
Repurchase 2032 Notes		(49)
Early prepayments on loans and leases		(334)
Scheduled repayments		(177)
Other		9
Balance at the end of quarter		<u>\$ 6,593</u>

Business Unit Financial Summary

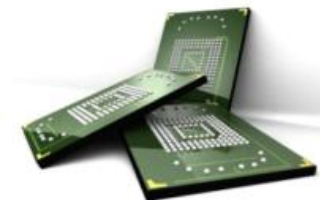
CNBU Dollars in Millions	FQ4 -14	FQ3-14
Sales	\$1,897	\$1,857
Operating income (loss)	\$495	\$531
Operating income %	26.1%	28.6%



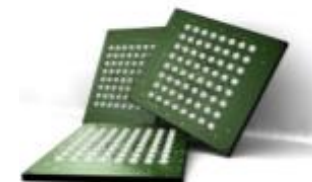
SBU Dollars in Millions	FQ4-14	FQ3-14
Sales	\$907	\$867
Operating income (loss)	\$27	\$55
Operating income %	3.0%	6.3%



MBU Dollars in Millions	FQ4-14	FQ3-14
Sales	\$910	\$757
Operating income (loss)	\$204	\$135
Operating income %	22.4%	17.8%



EBU Dollars in Millions	FQ4-14	FQ3-14
Sales	\$476	\$467
Operating income (loss)	\$77	\$96
Operating income %	16.2%	20.6%



Convertible Debt and Capped Call Dilution Table

Convertible Notes Dilution Overview as of Quarter-Ending FQ4-14

Non-GAAP Dilutive Shares in Millions (Rounded)																
Stock Price	\$20	\$22	\$24	\$26	\$28	\$30	\$32	\$34	\$36	\$38	\$40	\$42	\$44	\$46	\$48	\$50
<u>Convertible Notes</u>																
2032 C Notes	20	21	23	24	25	26	26	27	28	28	29	29	29	30	30	30
2032 D Notes	17	19	20	21	22	23	24	24	25	25	26	26	27	27	27	28
2033 E Notes	12	14	15	16	17	17	18	19	19	20	20	20	21	21	21	21
2033 F Notes	12	14	15	16	17	17	18	19	19	20	20	20	21	21	21	21
2043 G Notes						1	3	5	7	8	10	11	12	13	14	15
Total dilutive shares	61	68	73	77	81	84	89	94	98	101	105	106	110	112	113	115
Benefit from capped calls	-43	-39	-36	-33	-31	-29	-27	-25	-24	-23	-22	-21	-20	-19	-18	-17
Net dilution	18	29	37	44	50	55	62	69	74	78	83	85	90	93	95	98

Note: Excludes Series B convertible notes due 2031 which will be extinguished in FQ1-15

