

Micron Technology Financial Conference Call

Fourth Quarter of Fiscal 2013



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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.

Financial Results Summary

Amounts in millions, except per share	FY 2013	% of Sales	FY 2012	% of Sales
Net sales	\$9,073	100%	\$8,234	100%
Gross margin	1,847	20%	968	12%
Operating income (loss)	236	3%	(612)	-7%
Gain on Elpida acquisition	1,484		--	
Restructure and asset impairments	126		10	
Equity in net income (loss) of equity method investees	(83)		(294)	
Other non-operating income (expense)	(218)	-2%	29	0%
Net income (loss) attributable to Micron shareholders	\$1,190	13%	\$(1,032)	-13%
Diluted earnings (loss) per share	\$1.13		\$(1.04)	
Shares in diluted EPS calculations	1,056.3		991.2	

Elpida Purchase Accounting Summary

Amounts in millions	USD
Cash	\$ 999
Restricted cash (including Micron purchase price)	615
Inventory at historical cost	772
Inventory step-up to fair value	190
Other working capital assets	840
Working capital liabilities	(408)
Net working capital	<u>3,008</u>
PP&E	935
Other noncurrent assets	868
Installment debt from reorganization (including purchase price)	(1,638)
Other debt	(496)
Other noncurrent liabilities	(76)
Non-controlling interest	(168)
Net assets acquired	<u>2,433</u>
Purchase price for Elpida	615
Purchase price for Rexchip	334
Total consideration	<u>949</u>
Gain on acquisition	<u>\$ (1,484)</u>

Financial Results Summary

Amounts in millions, except per share	FQ4 – 2013	% of Sales	FQ3 – 2013	% of Sales
Net sales	\$2,843	100%	\$2,318	100%
Gross margin	708	25%	556	24%
Operating income (loss)	207	7%	149	6%
Gain on Elpida acquisition	1,484		--	
Restructure and asset impairments	32		55	
Equity in net income (loss) of equity method investees	37		(10)	
Other non-operating income (expense)	45	2%	(45)	-2%
Net income (loss) attributable to Micron shareholders	\$1,708	60%	\$43	2%
Diluted earnings (loss) per share	\$1.51		\$0.04	
Shares in diluted EPS calculations	1,129.4		1,046.6	

Consolidated Statements of Operations

Non-GAAP Disclosures

Amounts in millions	FQ4-2013	FQ3-2013
Net income (loss) attributable to Micron shareholders	\$ 1,708	\$ 43
Add back:		
Gain on acquisition of Elpida	(1,484)	-
Flow through of Elpida inventory step up	41	-
Elpida acquisition costs	42	-
Restructure and asset impairments	32	55
Amortization of debt discount and other costs	36	26
Gain on Inotera issuance of shares	(48)	-
Foreign currency activity	(2)	45
Non-cash income taxes from purchase accounting	7	-
	<u>(1,376)</u>	<u>126</u>
Non-GAAP net income (loss) attributable to Micron	<u>\$ 332</u>	<u>\$ 169</u>
GAAP diluted earnings (loss) per share	\$ 1.51	\$ 0.04
Effect of above	<u>(1.22)</u>	<u>0.12</u>
Non-GAAP diluted earnings (loss) per share	<u>\$ 0.29</u>	<u>\$ 0.16</u>
Shares used in diluted EPS calculations	1,129.4	1,046.6

Note: The amounts presented above do not include related effects from income taxes.

Bit Growth, ASP and Cost/Bit

FQ4-13 Actual and FQ1-14 Estimates

Bit Growth*	FQ4-13 Actual (Sales)	FQ1-14 Estimate (Production)
Total DRAM	42%	Up mid 40's
Trade NAND*	13%	Up mid teens

* Includes purchases from third parties

ASP	FQ4-13 Actual	FQ1-14 QTD**
Total DRAM	5%	Up mid single digits
Trade NAND*	-9%	Down high 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	FQ4-13 Actual	FQ1-14 Estimate
Total DRAM	4%	Down low single digits
Trade NAND*	-10%	Down high 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

FQ4-13 Actual and FQ1-14 Estimates

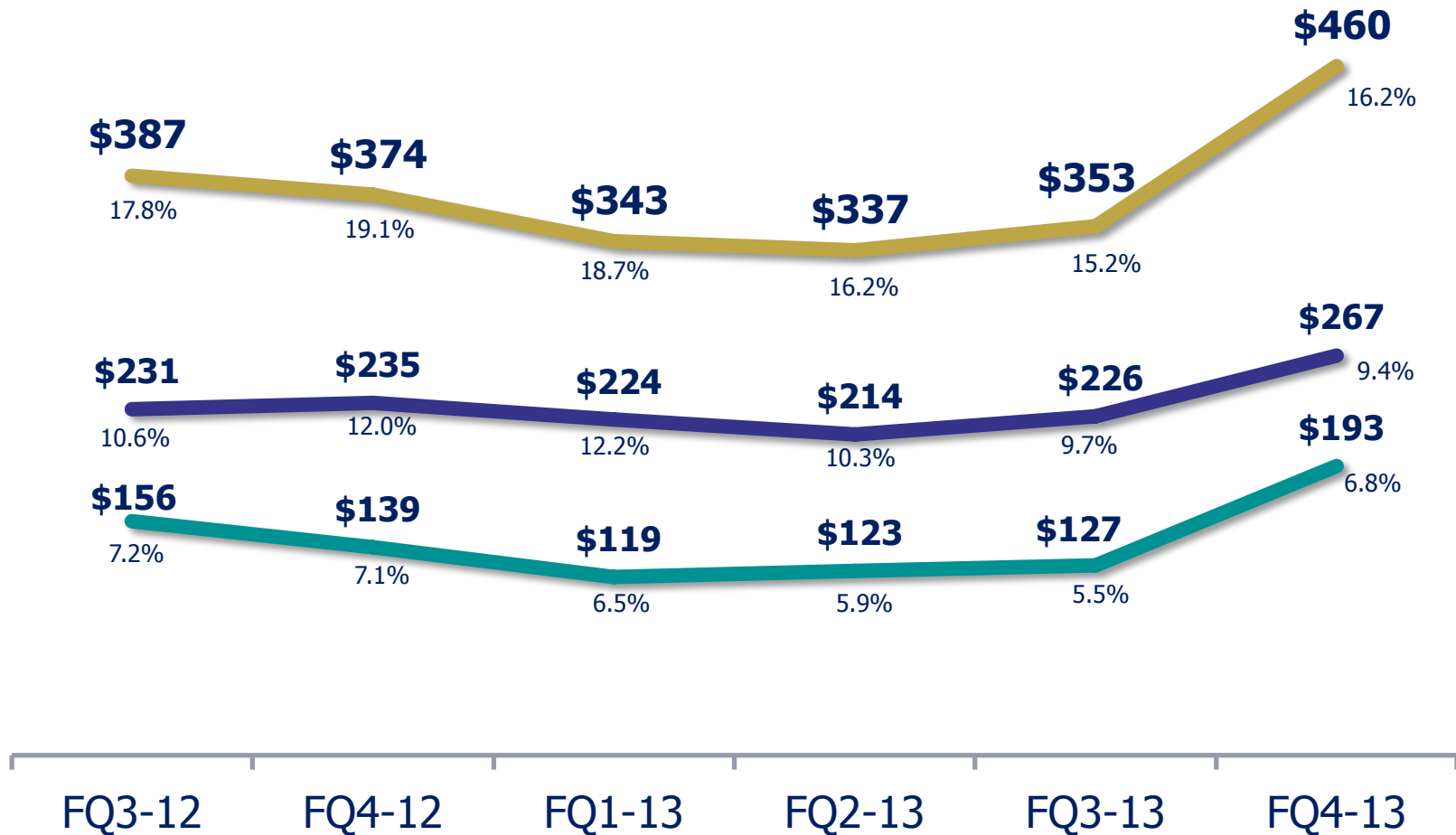
P&L and Cash Flow	FQ4-13 Actual	FQ1-14 Estimate
SG&A	\$193M	\$185M – \$195M
R&D	\$267M	\$340M - \$350M
Net interest expense*	\$58M	\$75M - \$85M
Equity comp. expense	\$30M	Approx. \$25M
CapEx	\$332M	FQ1: Approx. \$800M FY14:\$2.6B – \$3.2B
D&A	\$486M	FQ1: \$550M - \$600M FY14: Approx. \$2.4B

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

SG&A and R&D Expenses

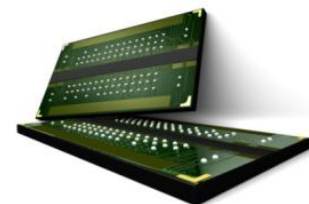
Dollars in Millions

— Total OpEx — SG&A — R&D



Business Unit Financial Summary

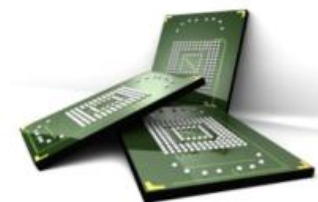
NSG	Dollars in Millions	FQ4-13	FQ3-13
Sales		\$781	\$730
Operating income (loss)		\$66	\$58
Operating income %		%8.5	7.9%



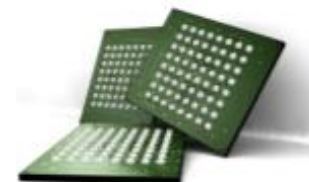
DSG	Dollars in Millions	FQ4-13	FQ3-13
Sales		\$1,239	\$924
Operating income (loss)		\$183	\$118
Operating income %		%14.8	12.8%



WSG	Dollars in Millions	FQ4-13	FQ3-13
Sales		\$469	\$276
Operating income (loss)		(\$50)	(\$62)
Operating income %		-10.7%	-22.5%



ESG	Dollars in Millions	FQ4-13	FQ3-13
Sales		\$329	\$305
Operating income (loss)		\$63	\$65
Operating income %		19.1%	21.3%





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