2016 Analyst Conference

Positioned for Success

Friday, February 12, 2016

Micron®

Safe Harbor Statement

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.

Today's Agenda

1. Industry Environment and Micron's Strategic Priorities
2. Accelerating Next-Generation Technology
3. Memory Solutions Overview
4. Financial and Operational Performance
5. Summary / Q & A

Industry Environment and Micron's Strategic Priorities

Mark Durcan
Chief Executive Officer

2015 Semiconductor Market

DRAM
$45B
-2% Y/Y

Non-Volatile
$33B
+3% Y/Y

PC
$10B

Non-PC
$35B

NOR
$2B

NAND
$31B

Worldwide semiconductor market
$334B (-2% Y/Y)

Memory[1]
$78B
-1% Y/Y

Logic
$181B
-3% Y/Y

Discrete
$18B
-7% Y/Y

Analog
$21B
+2% Y/Y

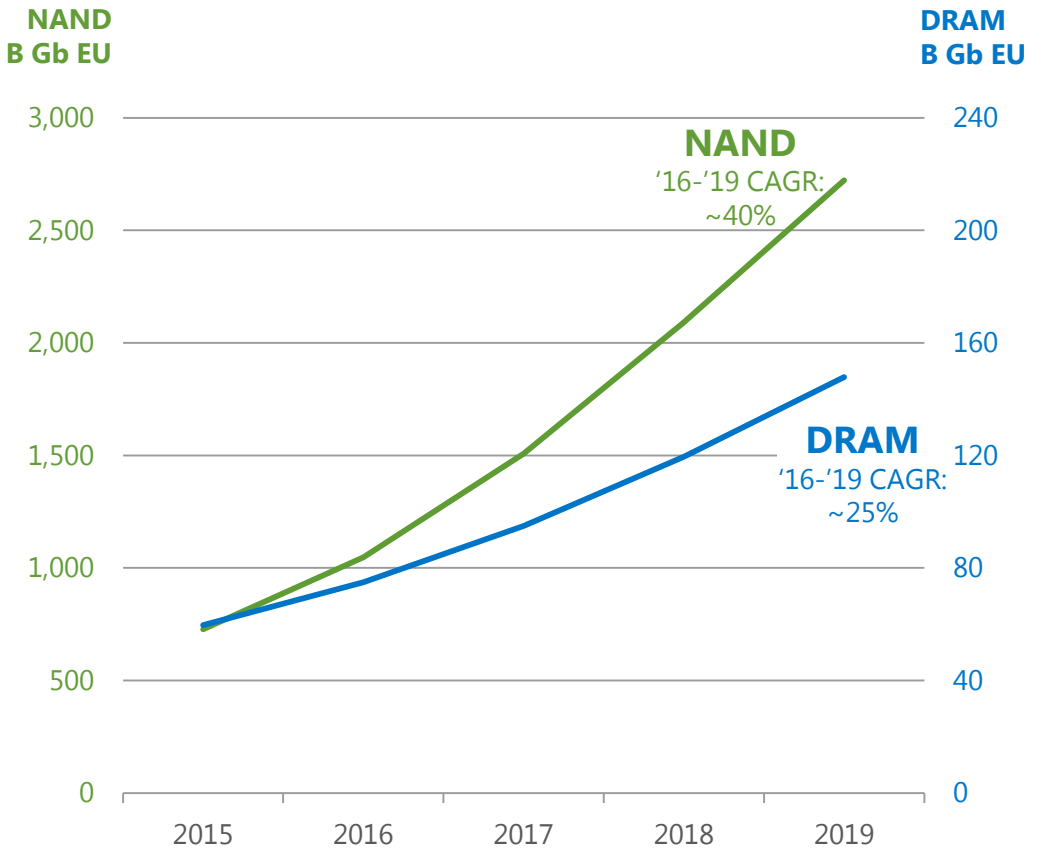
Other
$36B
+3% Y/Y

Source: Gartner 4Q15 and Micron

[1]Memory includes DRAM, NAND, and NOR

Growing Memory Markets

MEMORY MARKET BIT DEMAND FORECAST



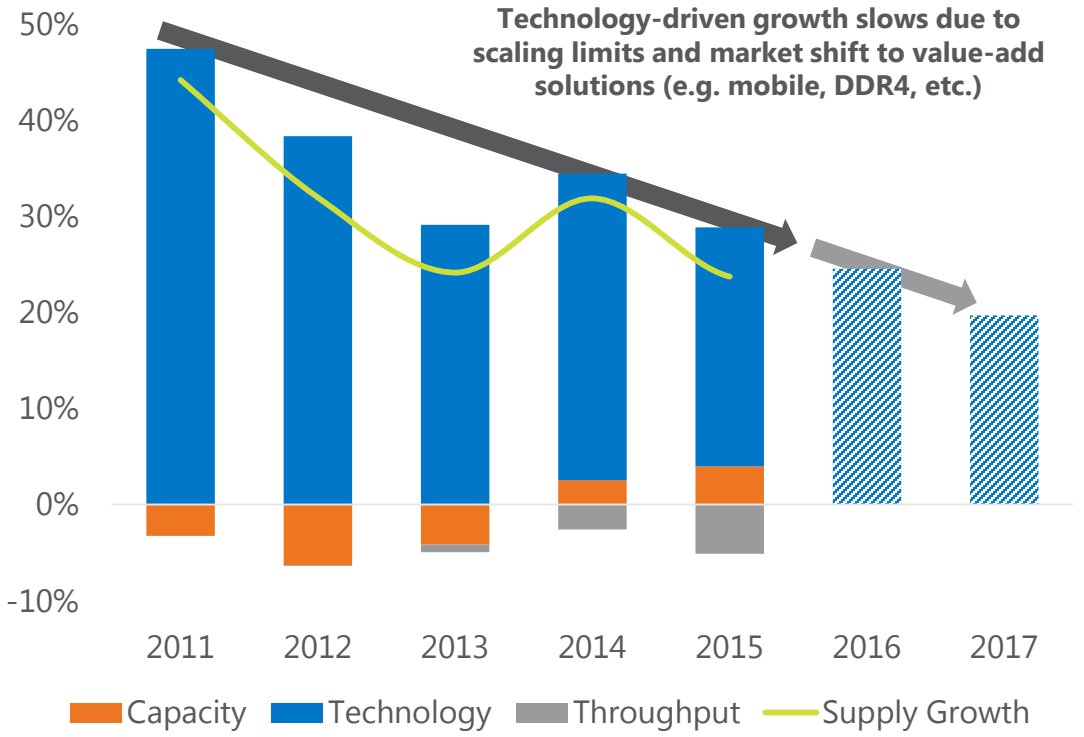
- NAND demand is highly elastic
  - Growth is likely to accelerate with 3D-driven cost and performance
  - New wafer capacity will be required long term – timing and amount is ROIC-dependent
- DRAM demand is less elastic
  - Demand likely to be satisfied through technology investment as opposed to wafer capacity additions
- Long term memory growth will be augmented by emerging memories including 3D XPoint™

Diversified end markets driving sustained demand

Source: Micron and Industry Analysts

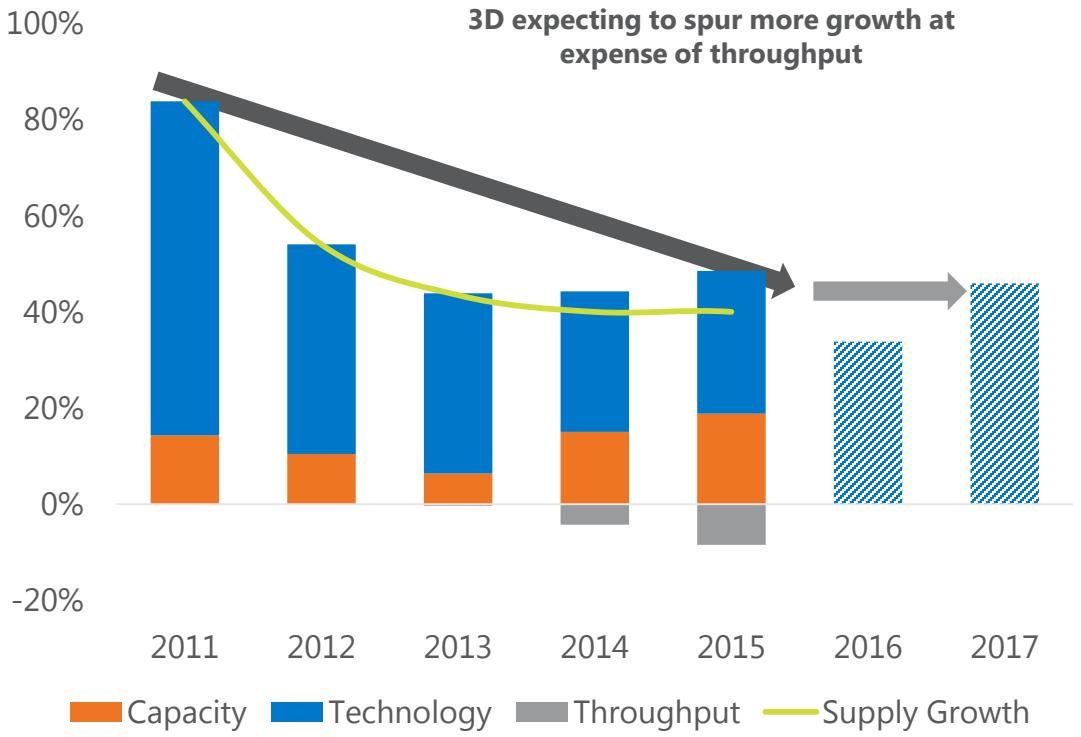
Industry Supply Outlook

DRAM Industry Bit Supply Growth



- DRAM technology-driven supply growth has been slowing, with trend expected to continue

NAND Industry Bit Supply Growth

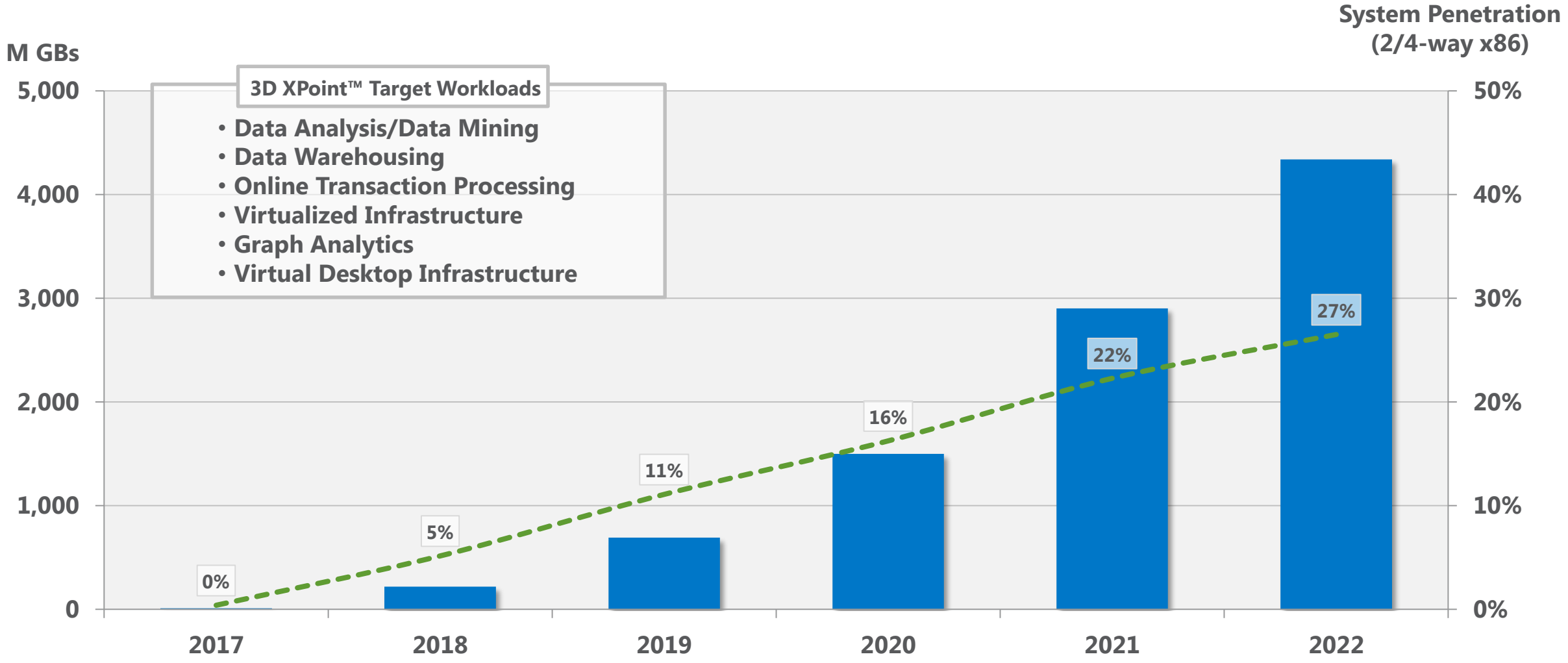


- NAND supply growth slowing this year; demand growing and bifurcating into mobile and storage applications
- NAND supply growth expected to be ROIC-dependent

Source: Micron and Industry Analysts

Outlook for 3D XPoint ™

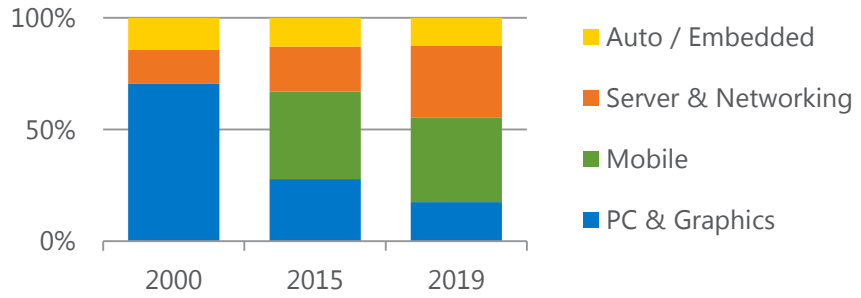
MAINSTREAM SERVERS



Sources: IDC Server & Storage workloads ('15), Gartner, IDC, iSupply DRAM Demand, CNBU Marketing

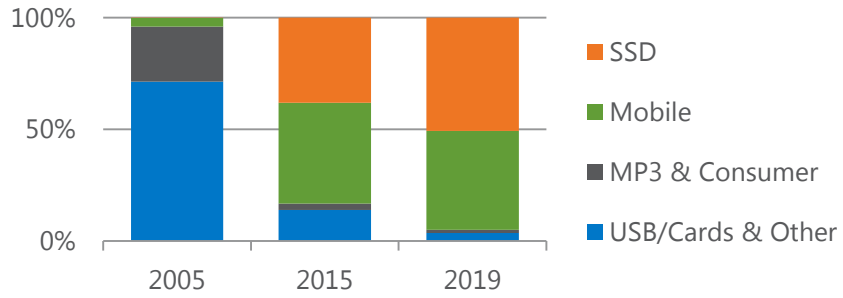
Diversifying Memory Markets

DRAM Industry Bit Mix



PC DRAM bits growing from ~70% in 2000 to less than 20% in 2019

NAND Industry Bit Mix



Mobile and SSD growth from less than 5% in 2005 to over 90% in 2019

Source: Micron and Industry Analysts

Memory Content in Selected Segments, 2015

	Memory $ per Device[1]	2016-2019 Bit CAGR est.
Server & Storage	~$1,000	DRAM: ~40% NAND: ~60%
Smartphone	~$25	DRAM: ~25% NAND: ~40%
PC (with SSD)	~$100	DRAM: ~10% NAND: ~50%
Connected Autos	~$90+	DRAM: ~40% NAND: ~30%

[1]DRAM and NAND only

Server & Storage: Enterprise & Cloud Server (DRAM), Enterprise & Datacenter SSD (NAND)
Smartphone: High-end Smartphones
PC: PCs with Solid State Drives (SSD)
Connected Autos: ADAS, Infotainment, other memory in high-end cellular-connected vehicles

2016 Operating Priorities

DRAM Memory

- 20nm DRAM ramp, >50% of DRAM fab bit output by FQ3-16
- 1X DRAM manufacturing enablement

Non-Volatile Memory

- 3D NAND Gen 1 ramp and Gen 2 manufacturing enablement
- Total 3D >50% of NAND fab bit output by Fall 2016
- 3D XPoint™ market enablement

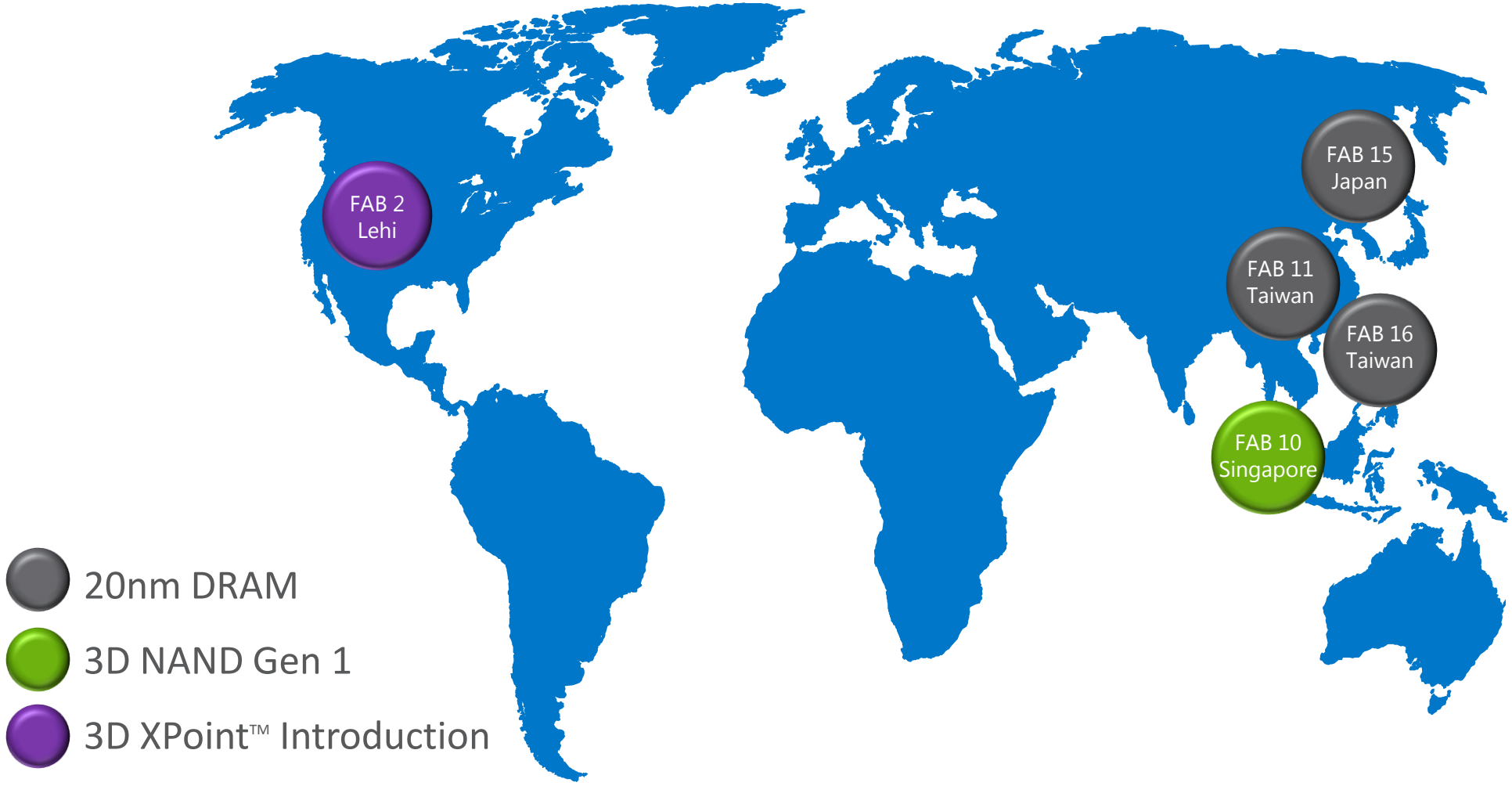
Technology and Product Enablement

- Controller and sub-system capabilities
- Advanced packaging
- Emerging memory

Accelerating Next-Generation Technology

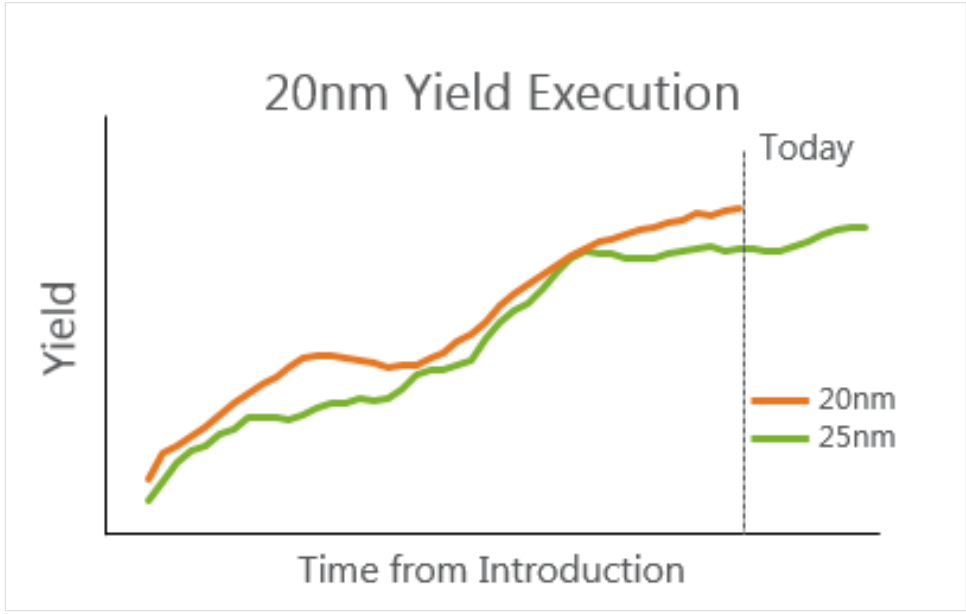
Scott DeBoer
Vice President, Research and Development

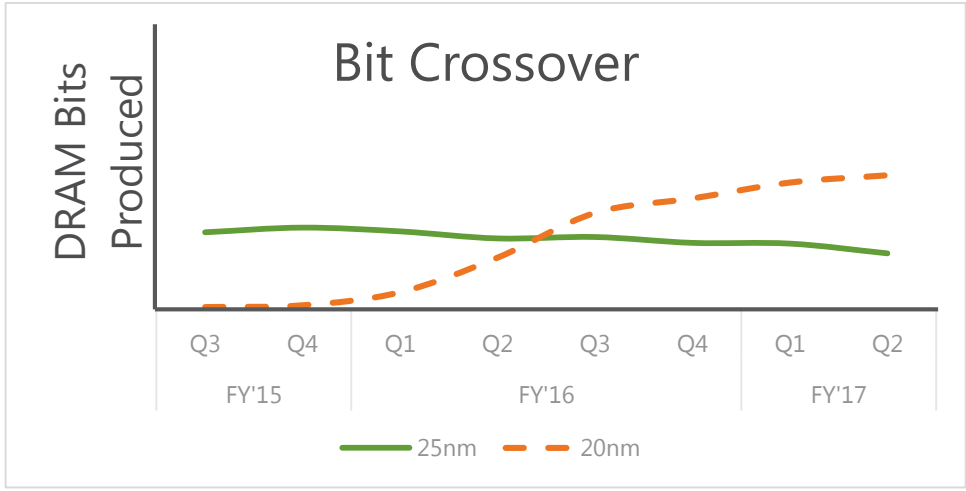
Successful 2015 Technology Deployments



20nm DRAM Ramp Progress

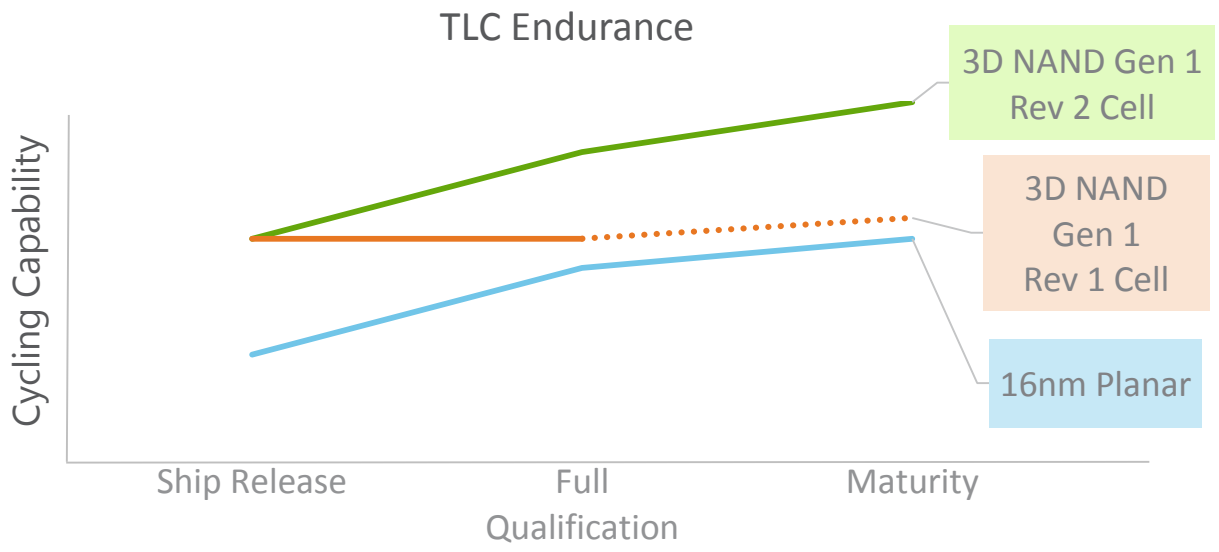
- Manufacturing yield ramp progressing according to plan
- >50% of DRAM fab bit output on 20nm in FQ3 ‘16
- Key 8Gb 20nm products enabled



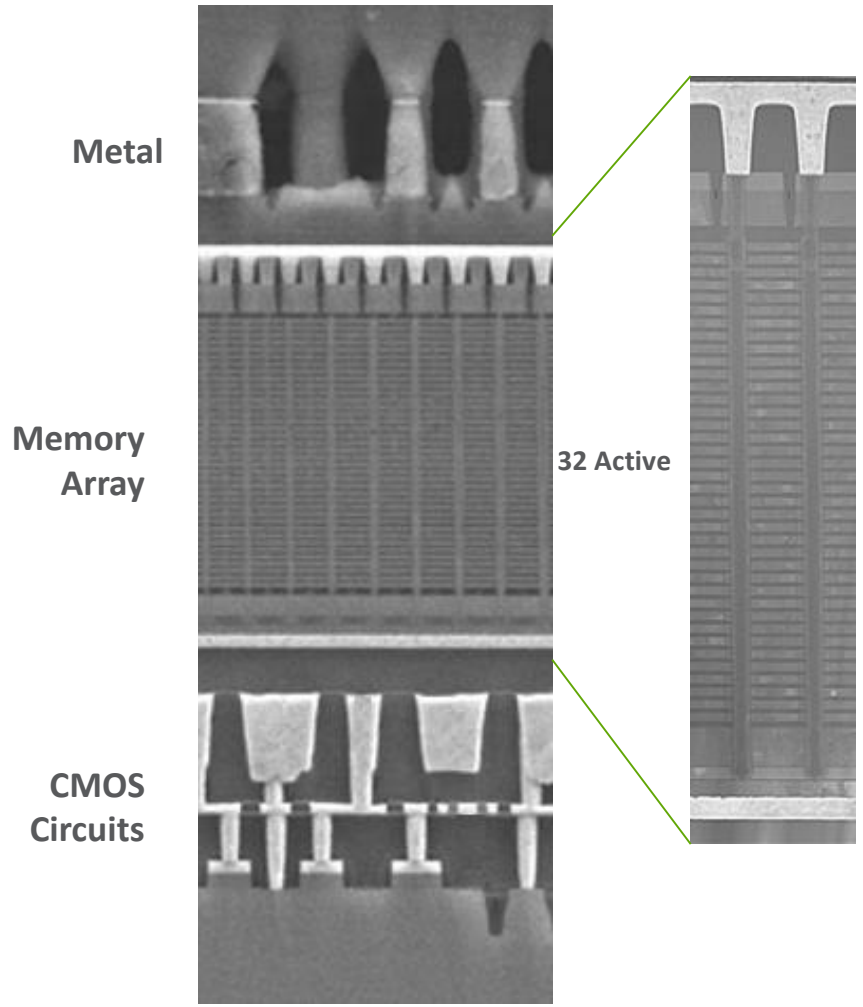


Micron's 3D NAND

- >20% cost benefit of logic under array
- Continued 3D NAND performance gains through process improvements



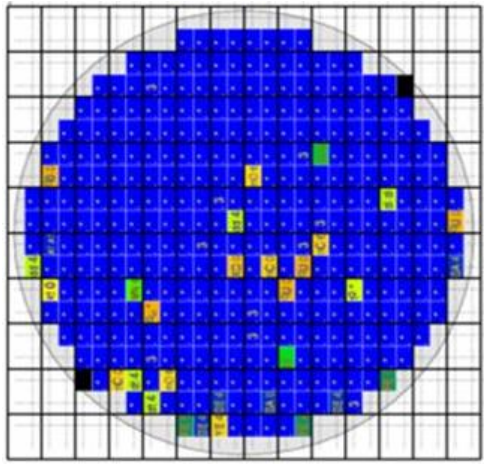
3D NAND Structure



3D NAND Progress

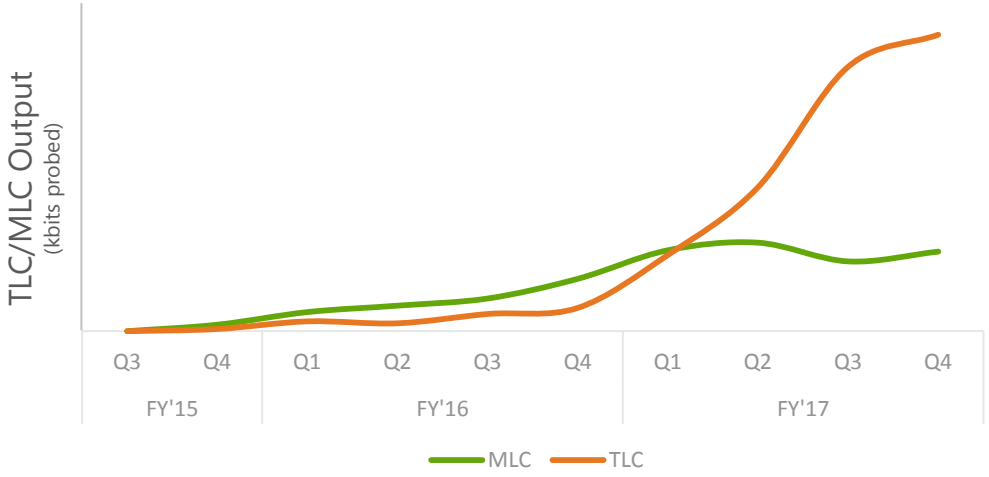
- TLC ramp prioritized
- MLC and TLC yield on track
- >25% cost reduction for 3D NAND Gen 1 vs. 16nm planar

Yield demonstration >90%



Fully yielded die

3D NAND Production



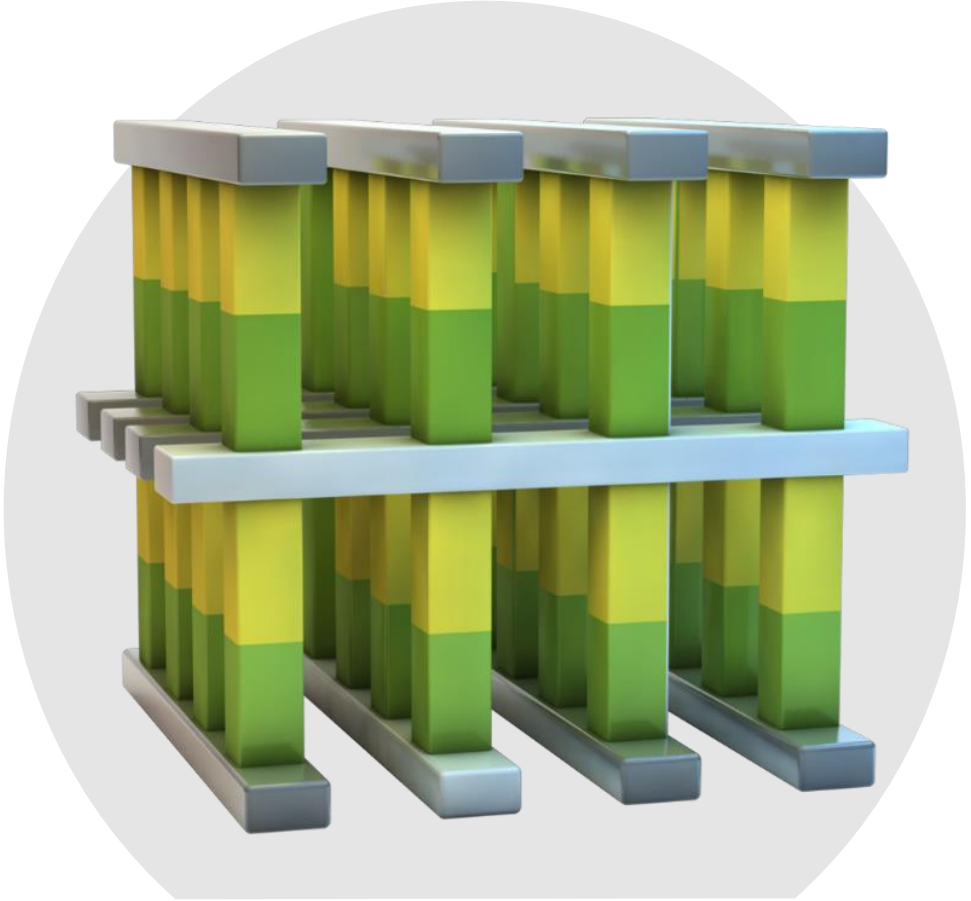
Yield Learning

3D XPoint™ Status

TECHNOLOGY DEPLOYMENT PROGRESS

First Generation

- Rapid yield and manufacturing capability improvements
- Currently sampling with select partners
- End system product enablement focus
- On schedule for volume ramp

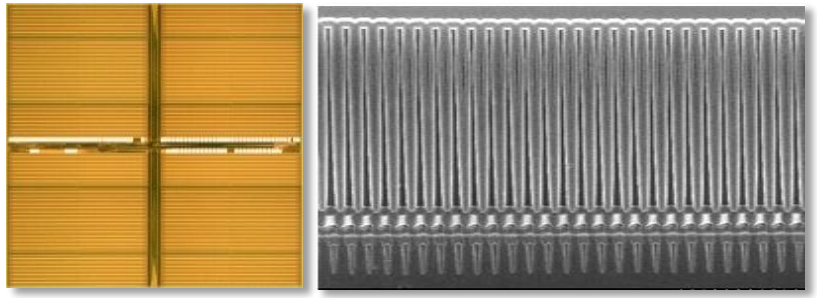


3D XPoint™

2016 Key Technology Focus Areas

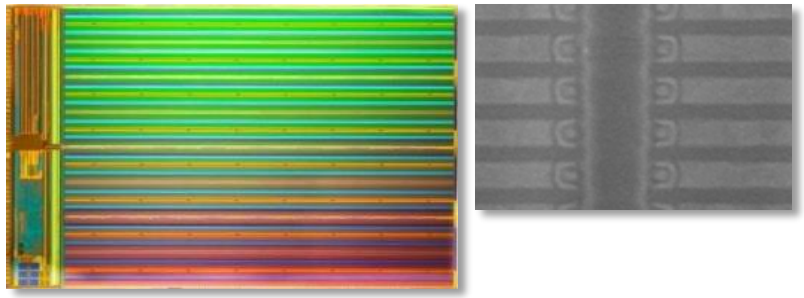
DRAM

- 1Xnm Deployment
- 1Ynm and 1Znm Development



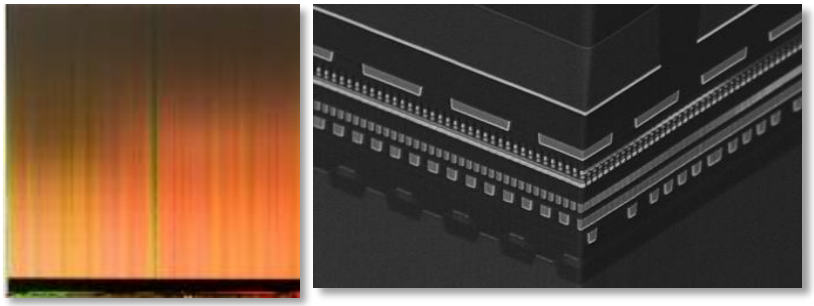
3D NAND

- Gen 2 Deployment
- Gen 3 and 4 Development



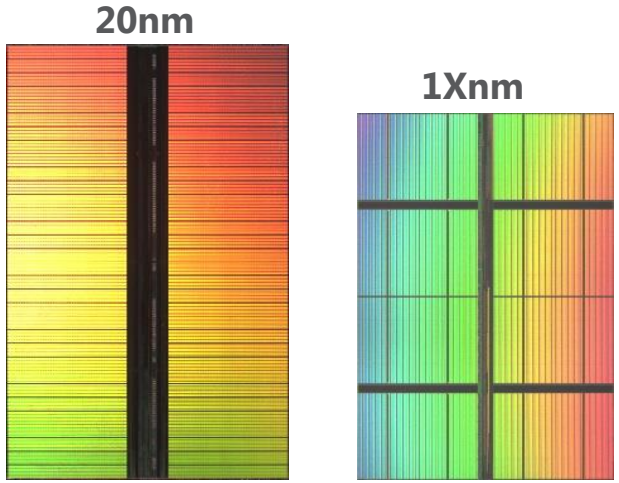
New Memory

- 3D XPoint™ Deployment
- Emerging Memory Technology

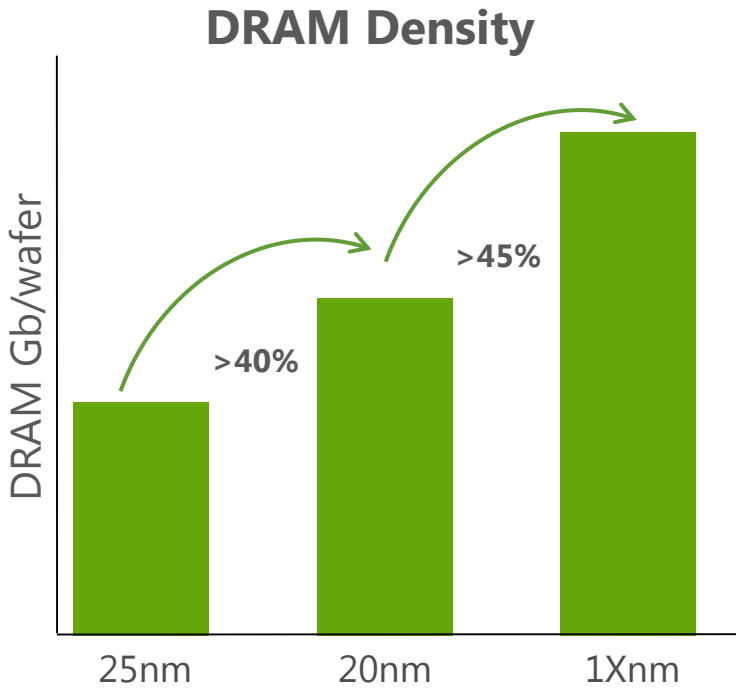


1Xnm DRAM Deployment

- Current focus on yield ramp in Hiroshima
- CQ1-16 manufacturing start in Taiwan
- >20% cost reduction enabled by 20nm to 1Xnm conversion

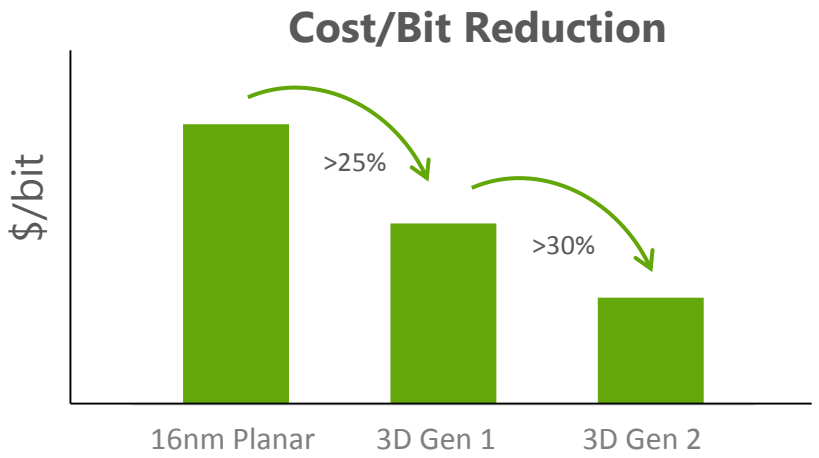


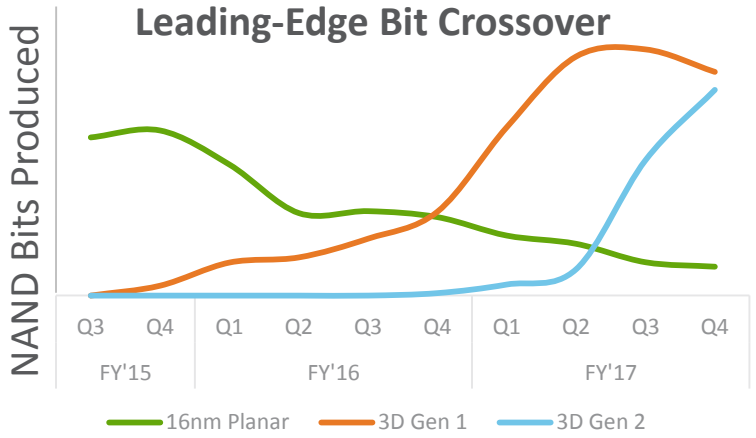
8 Gb DDR4 x16



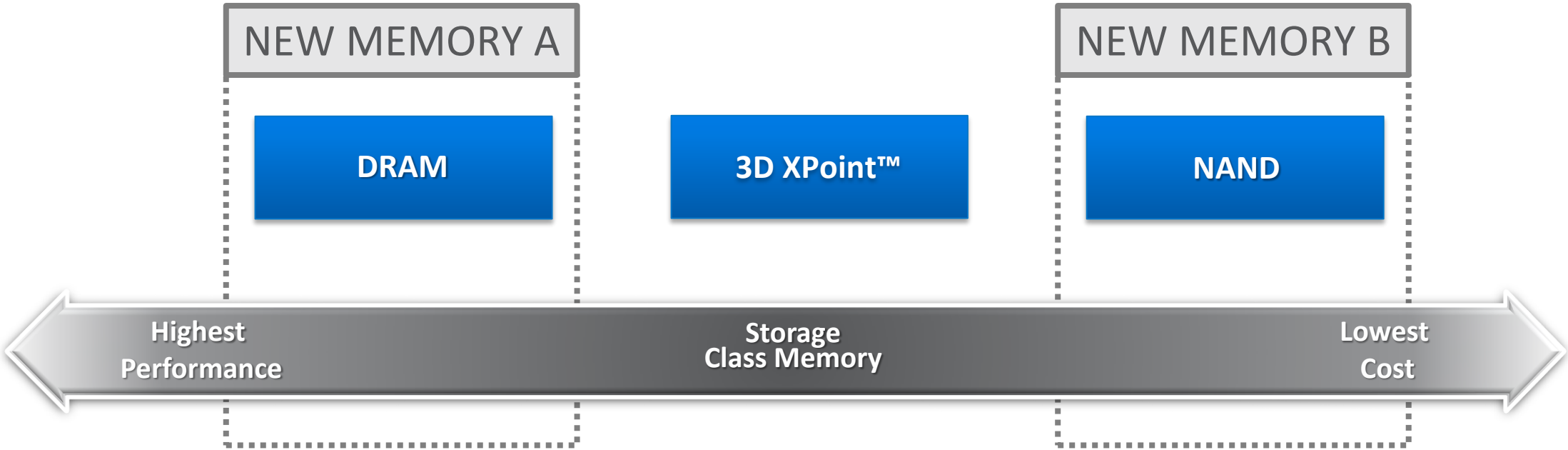
Next Generation 3D NAND

- 3D NAND Gen 2 on track
- Additional >30% cost reduction relative to 3D NAND Gen 1
- Singapore Fab wafers out in Summer 2016





Future Memory Technology Options



3D XPoint™ Roadmap

- Technology roadmap defined for multiple generations
- Roadmap delivers improvements in cost/bit, performance and density

New memory options under development

- Performance driven (retention, speed, endurance)
- Cost-focused memory

Accelerating Next-Generation Technology

- Improvement of DRAM competitive position
- 3D NAND and 3D XPoint™ roadmap
- New memory enablement
- Advanced package development
- Cleanroom expansion for technology development

Memory Solutions Overview

Brian Shirley
Vice President, Memory Technology and Solutions

Unprecedented Data Growth Driving System Evolution

Networking
60% more traffic per year with 30% less energy

Mobile/Client
38 exabytes of traffic per year, driven by video / photos / apps

Cloud/Big Data
44 zettabytes of stored data

Enterprise
OLTP systems with low-latency in-memory compute

IoT
50 billion connected devices in 2020

Automobile
Customer-ready autonomous vehicles by 2020

Sources: Gartner, Cisco Visual Networking Index, European Commission, HP.com

Memory Innovation Addresses System Challenges

Next-Generation Memory System Needs

- Access to hot data in nanoseconds
- Low power consumption
- Access to cold data in microseconds
- Small form-factor
- Manage / hide the memory physics
- Guaranteed reliability
- Affordable total cost of ownership

Requirements for a Memory Developer

Leading Memory Technology

Advanced Sub-System Execution

Ecosystem Access

Micron

Compute and Networking Trends

	CY 2016-19 Approximate DRAM CAGR	
Enterprise	35%	• Hyper-convergence aggregating compute, networking, storage • Real-time data analytics requiring large in-memory databases
Cloud	50%	• Hyperscales deploying scale-out infrastructures • High growth in 'Cloud Web Services' model
Networking	30%	• Data growth in mobile driven by video • Increased endpoints (IoT) driving new architectures
Graphics	15%	• Console performance driving higher density & bandwidth • GDDR5 now the standard in performance and enthusiast segment
Client	10%	• Ultra-portables driving lower power, smaller form factor solutions • High-end gaming desktops/laptops driving high density, fast memory

Source: Micron and Industry Analysts

Micron

Innovative Solutions for Computing Leadership

Enterprise / Cloud


High-density, reliable, persistent

- DDR3 & DDR4 RDIMMs / LRDIMMs
- NVDIMM for low-latency, persistent memory needs
- Near-memory HMC for HPC applications

Networking

High-bandwidth, low-latency

- RLDRAM the standard for low-latency needs
- HMC shipping in volume for highest bandwidth needs
- DDR4 products for flexible switches in SDN

Graphics


Ultimate bandwidth

- 8Gb GDDR5 availability to 8Gbps
- World's first 8Gb GDDR5X: Data rates up to 14Gbps
- High-speed standard DRAM products for mid-range speeds

Client


Low power, small form factor

- Low power 20nm DDR4 SODIMMs
- High density 8/16GB SODIMMs
- High performance overclocked DDR4 modules

Embedded Memory and Storage Trends

	CY 2016-19 Approximate CAGR	
Automotive	40% DRAM 30% NVM	• Media access and autonomous features driving leading edge technology • Advanced Driver Assistance Systems (ADAS) expanding beyond premium segment
Industrial Multi-Market	30% DRAM 40% NVM	• Embedded memory growth driven by connectivity, real-time analytics, and machine learning • Growing focus on security across IoT network
Consumer / Connected Home	25% DRAM 25% NVM	• 4K/UHD driving significant memory / storage growth in digital TV, set top boxes, home gateways • 4K adoption rate 3x faster than HD/1080

Source: Micron and Industry Analysts

Broad Portfolio for Embedded Leadership

Automotive

Leading edge technology with auto quality and legacy supply assurance

- Industry leading e.MMC/SSD storage solutions and fast boot XTRMFlash™
- Broad portfolio of 105C/125C solutions for ADAS and Cluster applications
- Enablement of leading edge 20nm DDR4/LPDDR4

Industrial

Industrial grade specs and supply assurance

- Leader in industrial grade solutions for IoT/Machine-to-Machine communication
- Industrial optimized SSD solutions for IoT
- Product Longevity Program

Consumer / Connected Home

High bandwidth and small form-factor

- 20nm high-speed DRAM
- Small form factor multi-chip-packages for wearables, cameras, home automation
- Broadest NVM portfolio from low-density NOR to high-density e.MMC

Smartphone Memory and Storage Trends

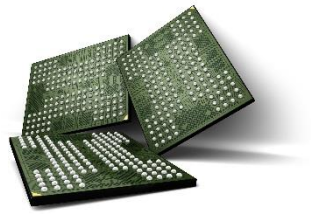
	CY 2016-19 Approximate DRAM Bit CAGR	Critical Memory / Storage Needs
Flagship	25%	3GB+ / 64GB+
High-End	25%	3GB+ / 32GB+
Mid-end	20%	2GB / 16GB+
Low-End	40%	1GB / 8GB+

Overall Mobile Trends

- Strong bit demand growth across entire market: LPDRAM growing 32%; managed memory (storage) growing 51%
- Video streaming and multimedia driving larger, higher resolution screens on flagship/high end phones; differentiator for OEM's
- Today's HD displays require 2GB; QHD will drive to 4GB
- Larger camera sensors and dual camera systems accelerating storage needs across all phone segments
- Low-end evolving from "feature" phones to full smartphones, with 8MP+ camera and HD+ resolution

Source: Micron and Industry Analysts

Innovative Solutions for Mobile Segments



LPDRAM

- Ramping 20nm LPDDR4 PoP solutions to support rising demands
- Higher density LPDRAM offerings: 4, 6, 8Gb portfolio across LPDDR3 and LPDDR4
- Innovative low-power LPDDR4 architecture

Emerging

- Driving storage class memory solutions to optimize performance/power

Managed NAND

- Introduction of high-performance 3D NAND (MLC) solutions
- Higher density e.MMC 5.1 solutions: ~3GB LPDRAM and 64GB+ NAND
- Expanded portfolio of eMCP options based on 16nm planar and 3D NAND

SSD Storage Trends

	CY 2016-19 Approximate NAND CAGR	
Enterprise	60%	• PCIe NVMe and SAS dominate high-end workloads for server / storage • Next generation systems enable drives greater than 1TB
Cloud	50%	• Scale out servers w/ SSDs challenging traditional storage architectures with capacities moving past 2TB rapidly • SSDs provide immediate ROI as multi-user requests push system performance to its maximum • SATA dominant in hyperscale, latency valued over pure performance
Client	50%	• SSD's are mainstream in ultra-portables for form-factor and power • SSD adoption continues to grow (~35% in 2015) even with flat/down PC demand

Source: Micron and Industry Analysts

Driving Micron's Storage Portfolio through 3D NAND

Consumer SSD
CQ2 2016

Enables competitive cost profile with up to 2TB capacity

Client SSD
CQ3 2016

Enables 1TB single-sided M.2 SSD

Enterprise
OEM

Winning 3D NAND design-in opportunities

Hyperscale SSD
CQ4 2016

Delivers 8TB+ drives to satisfy cloud demand

Enterprise SSD
CQ1 2017

Enables highest performance and capacity across SAS / PCIe

Micron 3D NAND

High Density, High Performance, Leading Endurance, Power Efficiency

TLC Availability Today
48GB TLC Component for demanding storage applications

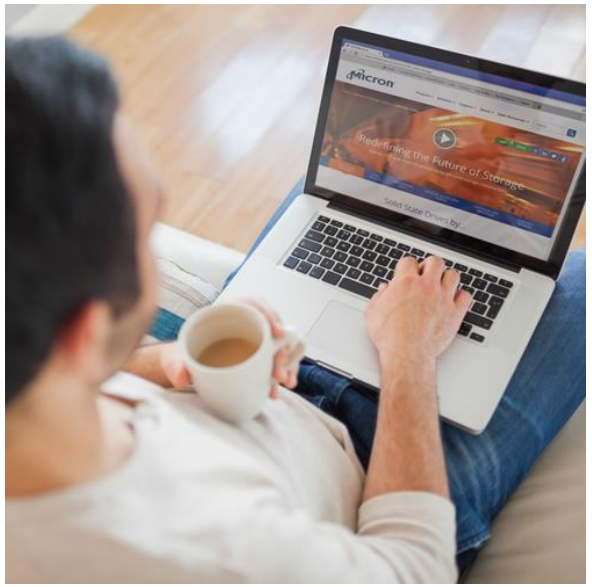
Volume Availability
Majority of NAND fab output on 3D NAND in Fall 2016

3D XPoint™ Enables Memory Performance at Storage Densities

2016 Focus:

- Technology deployment
- Component sampling
- Ecosystem development through key partners
- Application optimization

CLIENT

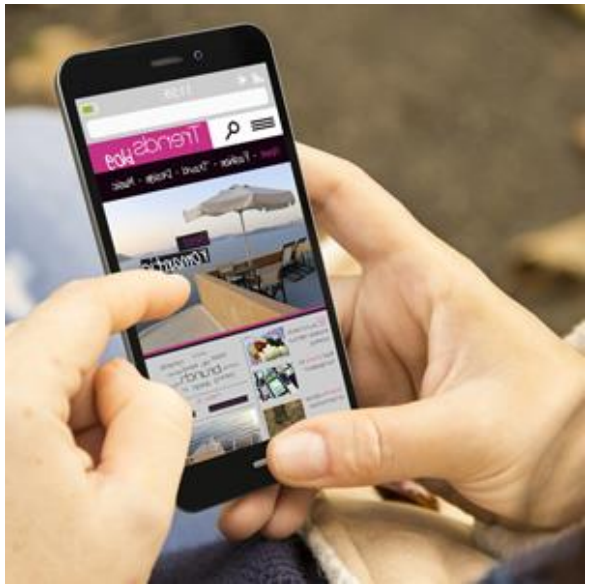


Low latency and large densities enable gaming / high-performance SSD's

DATACENTER

1000X Higher Speed than NAND for real-time computing

MOBILE



Low power combined with low latency for ultimate battery life

Micron Memory Innovation

MAJOR MEMORY AND STORAGE EVOLUTION ACROSS EVERY INDUSTRY SEGMENT

Memory Technology

- Cost-competitive low-power DRAM
- High-density 3D NAND
- Fast persistent 3D XPoint™
- Advanced 3D packaging technology

Sub-System Execution

- Memory management expertise
- Optimized interfaces through in-house controllers
- Firmware / Software expertise for performance and security

Ecosystem Access

- Evolving SOC landscape
- Strong customer partnerships from OEMs to ODMs to end users

Financial and Operational Performance

Ernie Maddock
Chief Financial Officer

FY 2016 Investment Plans

DRAM Memory
25-35% of FY-16 CapEx

- 20nm DRAM ramp, >50% of DRAM fab bit output by FQ3-16
- 1X DRAM manufacturing enablement; 1Y and 1Z development

Non-Volatile Memory
40-50% of FY-16 CapEx

- 3D NAND Gen 1 ramp and Gen 2 manufacturing enablement
- Total 3D >50% of NAND fab bit output by Fall 2016
- 3D XPoint™ market enablement

Technology and Product Enablement
20-30% of FY-16 CapEx

- Controller and sub-system capabilities
- Advanced packaging
- Emerging memory
- Other investments including R&D fab space in Boise

FY 2016 Capex Guidance Unchanged

Net to Micron ~$5.0B

Inotera Transaction Update

Purchase Price

- $30 New Taiwan Dollar (equivalent to $0.92 USD) per share in cash

Rationale

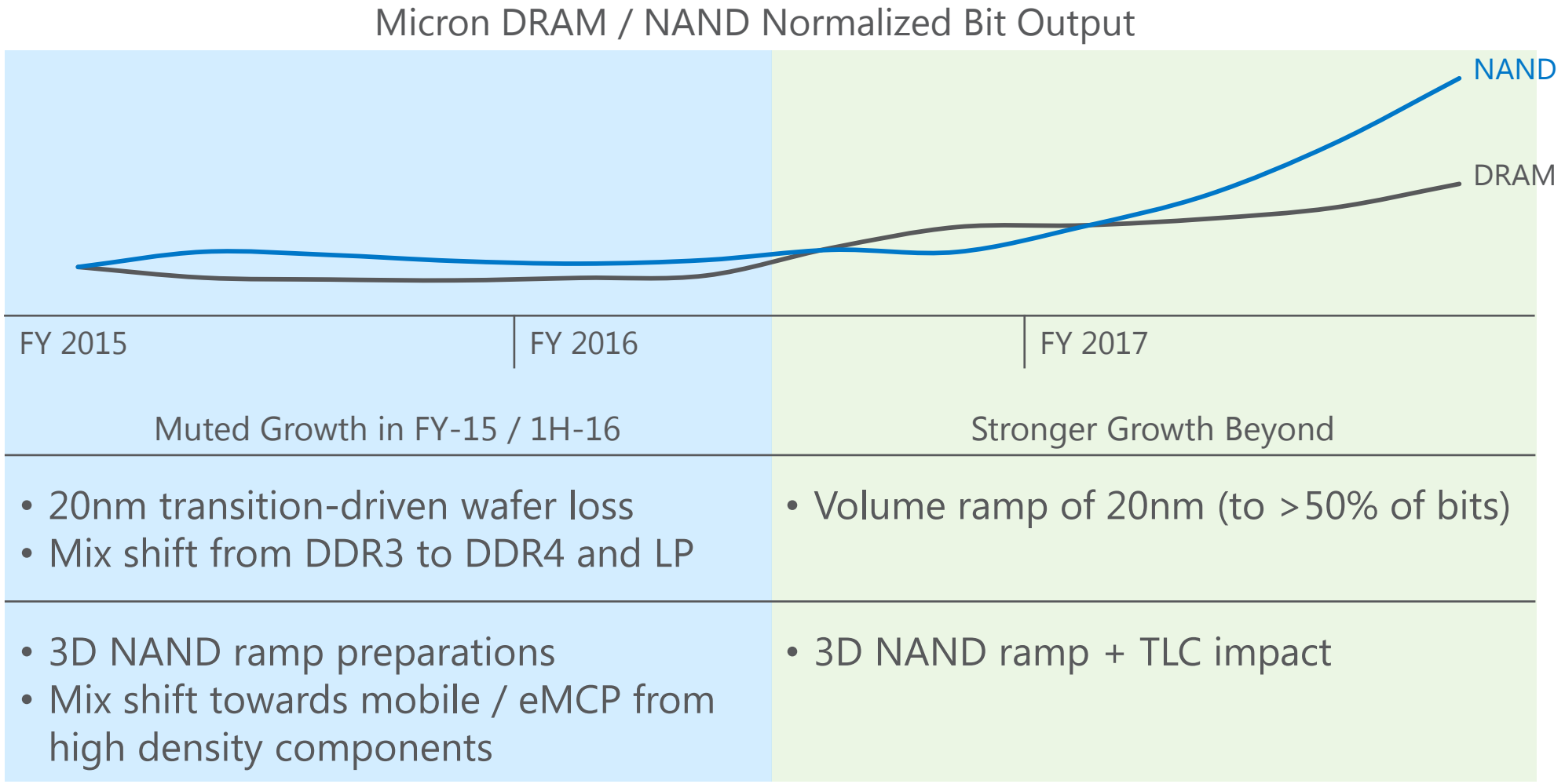
- Simplifies operations
- 100% access to cash flow
  - Expected to be accretive to gross margin, EBITDA, EPS & free cash flow immediately after close
  - Expect average annual incremental free cash flow greater than $600M
- Leading edge 20nm technology fully deployed by close

Update

- Definitive documents signed; expected to close in July 2016
- Subject to approval by 2/3 of Inotera shareholders
  - Micron and Formosa Group companies own ~65% of shares
- ~$4B of incremental cost to be financed as follows:
  - Approximately $2.5B Taiwan debt financing
  - Approximately $500M cash on balance sheet
  - Up to $1B equity financing at Micron's discretion

FX Rate: $1 USD = ~ NT$32.7

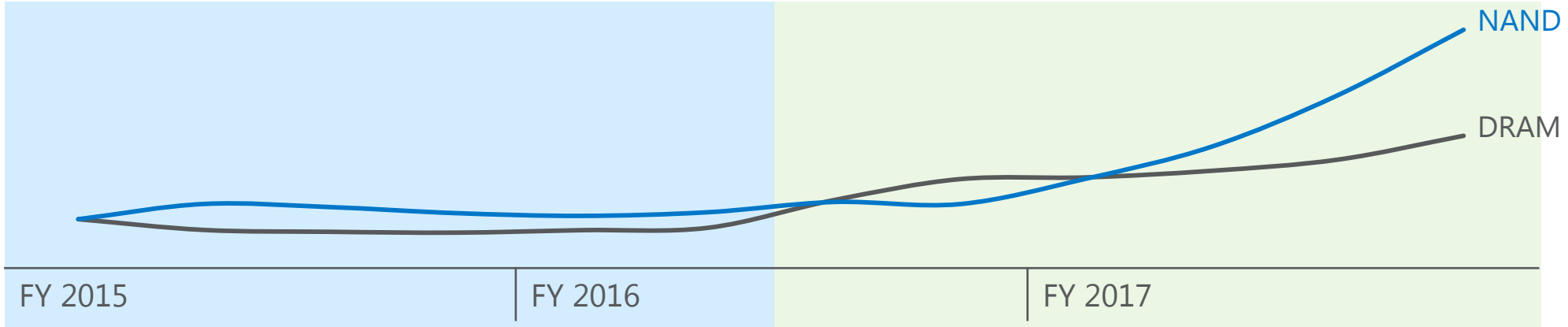
Micron Bit Growth (as shown in August)



NAND figures based on Trade NAND (excludes Intel portion of IM Flash)

Micron Bit Growth

Micron DRAM / NAND Normalized Bit Output



	Muted Growth in FY-15 / 1H-16	Stronger Growth Beyond
DRAM	• 20nm transition-driven wafer loss • Mix shift from DDR3 to DDR4 and LP	• Volume ramp of 20nm (to >50% of bits) • 1X enablement FY-16, ramp FY-17
NAND	• 3D NAND ramp preparations • Mix shift towards mobile / eMCP from high density components	• 3D NAND ramp + TLC impact • Fab 10X expansion ROIC-dependent

NAND figures based on Trade NAND (excludes Intel portion of IM Flash)

Investments Drive Bit Growth and Cost Reductions

Volume Metrics

	Two Year CAGR (FY-17 vs. FY-15)[1]	
	Bit Shipments	
DRAM	↑ 20-30%	On track
NAND	↑ 30-40%	On track

	Exiting FY 2017 (FQ4-17 vs. FQ4-15)	
	Bits per Wafer	
DRAM	↑ 65-75%	On track
NAND	↑ 140-150%	On track

Cost Metrics *New!*

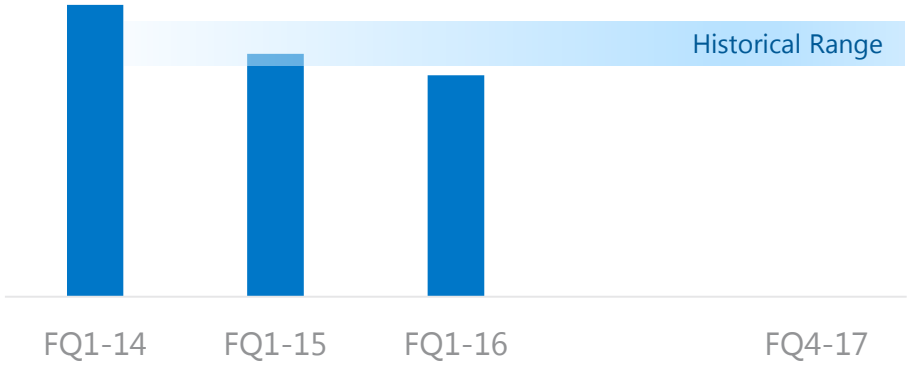
	Two Year CAGR (FY-17 vs. FY-15)[1]	
	Average Cost per Bit	
DRAM	↓ 15-25%	On track
NAND	↓ 20-30%	On track

	Exiting FY 2017 (FQ4-17 vs. FQ4-15)	
	Leading-Edge Cost per Bit	
DRAM	↓ 15-25%	On track
NAND	↓ 65-75%	On track

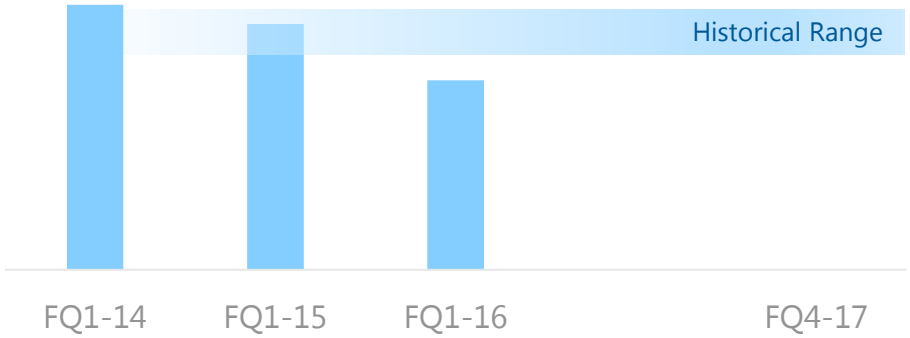
DRAM figures assume Inotera acquisition closes in July 2016; NAND figures based on Trade NAND (excludes Intel portion of IM Flash).
[1]Two-year CAGR comparing total annual FY 2017 vs FY 2015.

Technology Execution Opportunity

Micron DRAM Bit Share



Micron NAND Bit Share



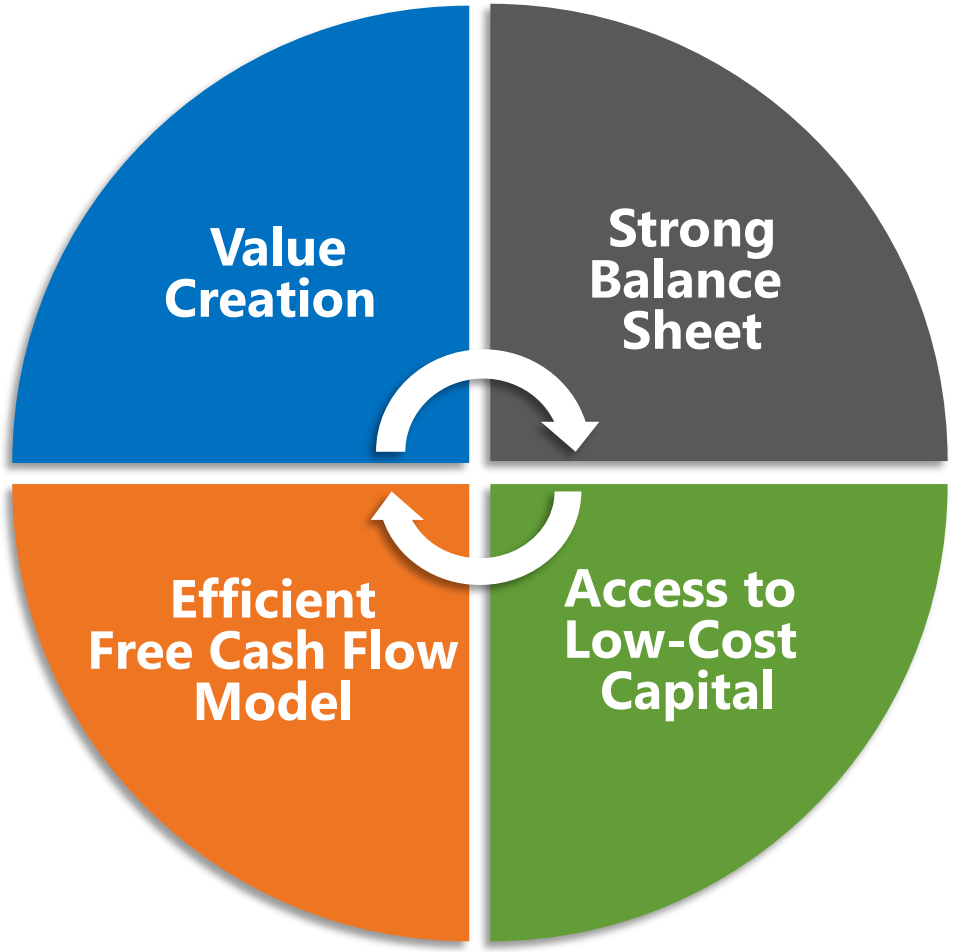
- The last two years we've been aligning our DRAM technologies to one platform and preparing for the launch of 3D NAND
- We have a great opportunity ahead; execution is critical:
  - DRAM 20nm and 1Xnm technology
  - 3D NAND Gen 1 and 2 with TLC
- Technology-driven growth
  - No planned wafer capacity additions in DRAM
  - NAND wafer capacity plans ROIC-dependent

Source: Micron and Industry Analysts Micron NAND data includes 100% of IM Flash wafers and bits.

Capital Management Framework: Long-Term Targets

Return on Assets > Cost of Capital

LTM WACC ~10%



Target Minimum Cash Balance

LTM SG&A + R&D + Current Debt

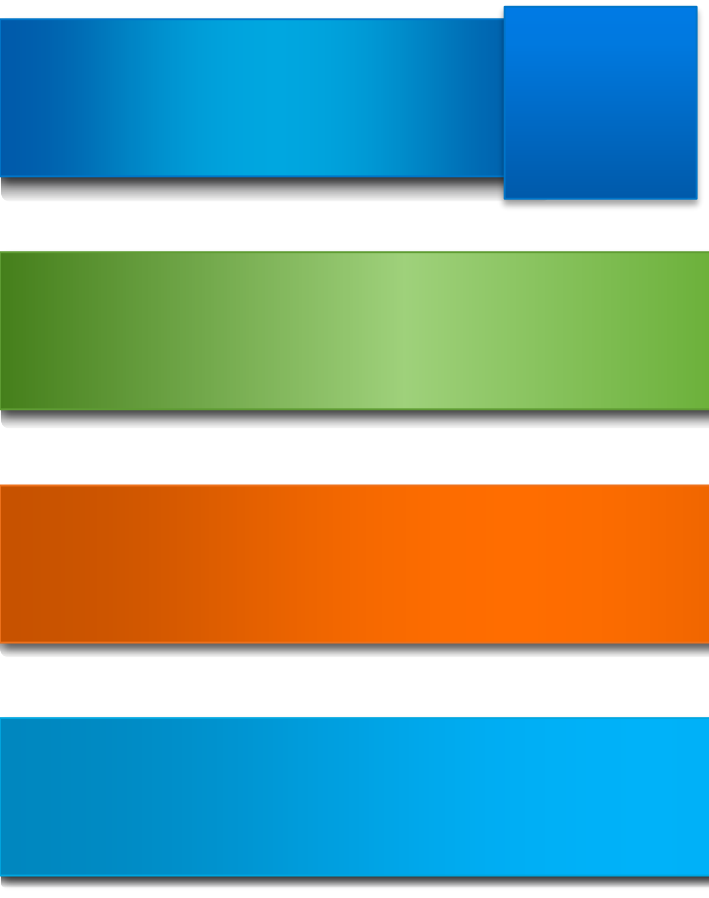
Cap Ex / Sales

Target ~30% of Sales
(contemplates Inotera)

Target Leverage Ratio

GAAP Debt to EBITDA < 1.5x

Key Takeaways



Investing in technology while remaining flexible and return-focused

Inotera acquisition drives significant incremental free cash flow

Bit growth and cost reductions will enable relative margin expansion

Managing to a conservative capital management strategy

Summary

Mark Durcan
Chief Executive Officer

Key Takeaways

1. Long-term industry dynamics are favorable
   - Slowing DRAM supply, expanding NAND demand, diversifying end markets for memory
2. Operating priorities enable enhanced competitive position
3. Executing on key technology initiatives
4. Leveraging world class technology and memory system development; enabling improved value proposition in key segments
5. Delivering growth and relative margin expansion beginning in 2H FY16

Q&A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