Financial Results

First Quarter Fiscal 2016

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.

Mark Durcan

Chief Executive Officer

FQ1-16 Key Take-Aways

- Revenue of $3.35 billion, within revenue guidance of $3.35-$3.6 billion
- Results impacted by continued weakness in the PC DRAM segment; pricing pressure in client SSD and certain eMCP segments
- Overall gross margins of 25 percent
- Operating cash flow over $1.1 billion
- GAAP net income of $206 million; GAAP earnings per share of $0.19
- Non-GAAP net income of $249 million; non-GAAP earnings per share of $0.24
- Capital investments of $1 billion

Outlook

- PC DRAM remains under pressure; however there are signs of demand stabilizing
- Client SSD and eMCP prices have been impacted by increased competition
- We are on track with the qualification of several new technologies including 20nm DDR4 and low-power DDR4, as well as 3D NAND
- We are hopeful market conditions will improve in CY 2016 with stabilization in PC and continued strength in Mobile, Cloud and Embedded segments

Investments

- Focus on deployment of advanced technology to drive manufacturing efficiency and enable innovative new products
- The majority of Micron's growth will occur in the latter half of our FY 2016. In terms of bit growth in CY 2016:
  - We expect Micron to be above the market in DRAM
  - For trade NAND, we expect to be below the market
- Fab 10X (Singapore) and 3D conversions will position us to significantly outgrow the NAND market in FY 2017
- Inotera acquisition is targeted to close around the middle of CY 2016

Mark Adams

President

DRAM

As a percentage of DRAM revenue in FQ1-16:

- Mobile was in the low 30% range
- PC segment was in the mid 20% range
- Server business was in the high teens percent range
- Specialty DRAM, which includes Networking, Graphics, Auto and other embedded technologies, was in the low 20% range

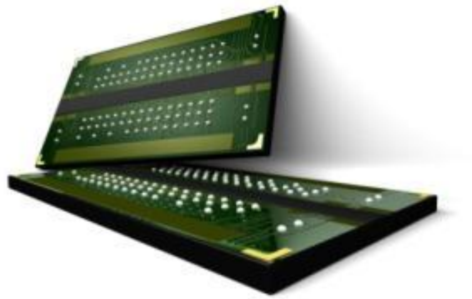
Non-Volatile

- NAND/Non-Volatile Memory gross margin declined slightly in the quarter, consistent with expectations
- As a percent of Trade Non-Volatile Memory revenue in FQ1-16:
  - Consumer, which includes our memory cards, USB and components was approximately 50%
  - Mobile, including MCP, was in the high-teens percent range
  - SSDs were in the mid-teens percent range
  - Automotive, Industrial and Multi-Market Segment (or AIMM) and other embedded applications were in the mid-teens percent range

Compute Networking Business Unit (CNBU)

Non-GAAP

CNBU Dollars in Millions	FQ1-16	FQ4-15
Sales	**$1,139**	**$1,301**
Operating income (loss) *	**$21**	**$99**
Operating income %	**1.8%**	**7.6%**



* FQ1-16 operating income (loss) reflects GAAP operating income of $14 adjusted for restructure charges of $7.

- Impacted by lower ASPs driven by continued softness in demand from the PC segment
- Strong growth in DDR4 for the Enterprise segment
- Networking segment impacted by seasonal weakness in demand and delay in China LTE build-out; market feedback suggests demand will regain momentum in coming months

Storage Business Unit (SBU)

Non-GAAP

SBU Dollars in Millions	FQ1-16	FQ4-15
Sales	$884	$848
Operating income (loss) *	($27)	($46)
Operating income %	(3.1%)	(5.4%)

* FQ1-16 operating income (loss) reflects GAAP operating loss of ($33) adjusted for restructure charges of $6.

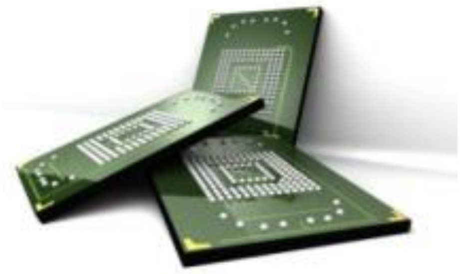
- Maintained relatively stable average selling prices for the 4th consecutive quarter
- Continue to invest in development of next-generation flash storage
- 3D NAND-based solutions will be available to the market in the second half of fiscal 2016
- Continue to optimize mix of products to mitigate transactional market exposure while serving higher value segments

Mobile Business Unit (MBU)

Non-GAAP

MBU Dollars in Millions	FQ1-16	FQ4-15
Sales	**$834**	**$958**
Operating income (loss) *	**$136**	**$262**
Operating income %	**16.3%**	**27.3%**

* FQ1-16 operating income (loss) reflects GAAP operating income of $135 adjusted for restructure charges of $1.

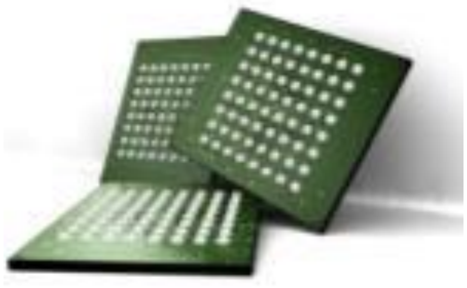


- Evolving mobile system architectures steadily increase memory density
- Demand moved toward the high-end and value segments, both of which continue to show rapid growth for memory
- Expect Low Power DDR4 volume to surpass Low Power DDR3 by FQ3

Embedded Business Unit (EBU)

Non-GAAP

EBU Dollars in Millions	FQ1-16	FQ4-15
Sales	**$479**	**$475**
Operating income (loss) *	**$114**	**$104**
Operating income %	**23.8%**	**21.9%**



* FQ1-16 operating income (loss) reflects GAAP operating income of $113 adjusted for restructure charges of $1.

- Automotive revenue increased 5% Q/Q, 12% Y/Y
- Solid growth in DRAM and eMMC in applications including Infotainment, Instrument Cluster and Advanced Driver Assistance Systems (ADAS)
- Consumer and Connected Home revenue increased 10% Q/Q

Ernie Maddock

Chief Financial Officer

Financial Summary

Non-GAAP

Dollars in millions, except per share	FQ1–16	% of Sales	FQ4–15	% of Sales
Net sales	$ 3,350	100%	$ 3,600	100%
Gross margin	849	25%	970	27%
Operating income	247	7%	427	12%
Income tax (provision) benefit	(13)		(23)	
Net income attributable to Micron shareholders	$ 249	7%	$ 399	11%
Diluted earnings per share	$ 0.24		$ 0.37	
Cash provided by operating activities	$ 1,120		$ 1,030	
Cash and marketable investments	$ 5,412		$ 5,634	

FQ2 2016 Guidance

Non-GAAP

	FQ2-16 Guidance
Revenue	**$2.9 billion – $3.2 billion**
Gross margin	**17.5% – 20%**
Operating expenses	**$565 million – $620 million**
Operating income (loss)	**($60) million – $20 million**
Diluted EPS*	**($0.12) – ($0.05)**

* Based on 1,030 million shares

Areas of Focus in FY 2016

- Ramping 20nm DRAM and enabling 1X DRAM in manufacturing
- Ramping 3D NAND and enabling Gen Two 3D NAND in manufacturing
- Accelerating the development of advanced controllers to enable growth in SSDs and other system solutions

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Non-GAAP Reconciliations

Consolidated Statements of Operations

FQ1 2016 Non-GAAP Reconciliations

Amounts in millions, except per share amounts	FQ1-16	FQ4-15
GAAP net income attributable to Micron	$ 206	$ 471
Non-GAAP adjustments:		
Restructure and asset impairments	15	—
Amortization of debt discount and other costs	33	33
Loss on restructure of debt	1	1
(Gain) loss from changes in currency exchange rates	3	1
(Gain) from remeasurement of equity interest	—	(21)
Estimated tax effects of above items	2	(13)
Non-cash taxes from MMJ, MMT and Inotera	30	(52)
Non-cash taxes from business acquisition activities	(41)	(21)
Total non-GAAP adjustments	43	(72)
Non-GAAP net income attributable to Micron	$ 249	$ 399
GAAP shares used in diluted EPS calculations	1,085	1,124
Anti-dilutive effect of capped calls	(50)	(44)
Non-GAAP shares used in diluted EPS calculations	1,035	1,080
GAAP diluted earnings per share	$ 0.19	$ 0.42
Effects of above	0.05	(0.05)
Non-GAAP diluted earnings per share	$ 0.24	$ 0.37

Consolidated Statements of Operations

FQ1-16 Non-GAAP Reconciliations

Amounts in millions	GAAP	Adjustments		Non-GAAP
Net sales	$ 3,350	$ —		$ 3,350
Cost of goods sold	2,501	—		2,501
Gross margin	849	—		849
Selling, general and administrative	179	—		179
Research and development	421	—		421
Other operating (income) expense, net	17	(15)	A	2
Total operating expenses	617	(15)		602
Operating income	232	15		247
Interest income	11	—		11
Interest expense	(96)	33	B	(63)
Other non-operating income (expense), net	(4)	4	C,D	—
	143	52		195
Income tax (provision) benefit	4	(17)	E,F,G	(13)
Equity in net income (loss) of equity method investees	59	8	H	67
Net income	206	43		249
Net income (loss) attributable to noncontrolling interests	—	—		—
Net income attributable to Micron	$ 206	$ 43		$ 249

Consolidated Statements of Operations

FQ1 2016 Non-GAAP Reconciliations (continued)

Amounts in millions			
A	Restructure and asset impairments	$	15
B	Amortization of debt discount and other costs		33
C	Loss on restructure of debt		1
D	(Gain) loss from changes in currency exchange rates		3
E	Estimated tax effects of above items		2
F	Non-cash taxes from MMJ and MMT		22
G	Non-cash taxes from business acquisition activities		(41)
H	Non-cash taxes from Inotera		8

Summary Key Data

Operational & Financial Data and Guidance

Approximate % of Revenue	FQ1-16
DRAM	58%
Non-Volatile*	34%
Other	8%

Sales Bit Growth	FQ1-16
DRAM	2%
Non-Volatile*	5%

Average Sales Price	FQ1-16
DRAM	(13%)
Non-Volatile*	(7%)

Cost / Bit	FQ1-16
DRAM	(10%)
Non-Volatile*	(6%)

	FQ1-16 Non-GAAP (amounts in millions, except per share)	FQ2-16 Non-GAAP Guidance
Revenue	$ 3,350	$2.9 billion – $3.2 billion
Gross Margin	25%	17.5% – 20%
Operating expenses	$ 602	$565 million – $620 million
Operating income (loss)	$ 247	($60) million – $20 million
Earnings per share	$ 0.24	($0.12) – ($0.05)

	FQ1-16 Non-GAAP (amounts in millions)	FQ2-16 Non-GAAP Estimates
Net interest expense	$ 52	$60 million
Equity in net income of equity method investments	$ 67	Primarily ~33% of Inotera net income (on a 2-month lag)
Equity compensation expense	$ 46	$50 million
Diluted shares	1,035	~1,030 million based on $16 share price. Refer to the Convertible Notes Dilution Overview provided in our Earnings Data File.
FY-16 estimated tax rate		Mid-teens percent
Operating cash flow	$ 1,120	N/A
Depreciation and amortization	$ 737	FY-16: Approximately $3.2 billion
Capital expenditures (Capital cash flow)	$ 990	FY-16: $5.3 billion – $5.8 billion (a)

See Non-GAAP reconciliations.
* Non-Volatile includes NAND and 3D XPoint and excludes NOR and sales to Intel through IMFT, which are at long-term negotiated prices approximating cost
(a) Excludes estimated investments from partners

Convertible Notes Dilution Overview

FQ1 2016

Stock Price	$10	$12	$14	$16	$18	$20	$22	$24	$26	$28	$30
Non-GAAP Dilutive Shares (Rounded, in millions)											
2032 C Notes	1	5	7	9	11	12	13	14	15	15	16
2032 D Notes	0	3	5	7	8	9	10	10	11	11	12
2033 E Notes	0	1	4	5	6	7	8	9	9	10	10
2033 F Notes	0	2	6	9	11	12	14	15	16	17	17
2043 G Notes											1
Total dilutive shares	1	11	22	30	36	40	45	48	51	53	56
Benefit from capped calls	-2	-26	-46	-51	-45	-41	-37	-34	-31	-29	-27
Net dilution	-1	-15	-24	-21	-9	-1	8	14	20	24	29

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