FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended February 26, 1998

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-10658

Micron Technology, Inc.

State or other jurisdiction of incorporation or organization: Delaware

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Internal Revenue Service -- Employer Identification No. 75-1618004

8000 S. Federal Way, Boise, Idaho 83716-9632
(208) 368-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes X No

The number of outstanding shares of the registrant's Common Stock as of March 20, 1998 was 212,736,975.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MICRON TECHNOLOGY, INC.

Consolidated Balance Sheets
(Dollars in millions, except for par value data)

As of	February 26, 1998	August 28, 1997
	(Unaudited)	
ASSETS		
Cash and equivalents	$ 561.1	$ 619.5
Liquid investments	373.8	368.2
Receivables	353.7	458.9
Inventories	448.0	454.2
Prepaid expenses	10.9	9.4
Deferred income taxes	81.5	62.2
Total current assets	1,829.0	1,972.4
Product and process technology, net	92.0	51.1
Property, plant and equipment, net	2,848.3	2,761.2
Other assets	69.8	66.6
Total assets	$4,839.1	$4,851.3
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued expenses	$ 578.9	$ 546.1
Short-term debt	10.6	10.6
Deferred income	4.9	14.5
Equipment purchase contracts	45.5	62.7
Current portion of long-term debt	98.0	116.0
Total current liabilities	737.9	749.9
Long-term debt	740.7	762.3
Deferred income taxes	284.1	239.8
Non-current product and process technology	10.0	44.1
Other liabilities	48.7	35.6
Total liabilities	1,821.4	1,831.7
Minority interests	142.9	136.5
Commitments and contingencies		
Common stock, $0.10 par value, authorized 1.0 billion shares, issued and outstanding 212.6 million and 211.3 million shares, respectively	21.3	21.1
Additional capital	513.4	483.8
Retained earnings	2,340.1	2,378.2
Total shareholders' equity	2,874.8	2,883.1
Total liabilities and shareholders' equity	$4,839.1	$4,851.3

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

Consolidated Statements of Operations
(Amounts in millions, except for per share data)
(Unaudited)

For the quarter ended	February 26, 1998	February 27, 1997
Net sales	$ 755.4	$ 876.2
Costs and expenses:		
Cost of goods sold	733.1	657.5
Selling, general and administrative	135.7	97.4
Research and development	69.9	46.8
Other operating expense (income)	24.2	(2.2)
Total costs and expenses	962.9	799.5
Operating (loss) income	(207.5)	76.7
Gain on sale of investments and subsidiary stock, net	157.1	176.8
Gain on issuance of subsidiary stock, net	0.5	28.6
Interest income (expense), net	1.9	(1.8)
Income (loss) before income taxes and minority interests	(48.0)	280.3
Income tax benefit (provision)	8.9	(131.2)
Minority interests in net income	(9.0)	(6.4)
Net (loss) income	$ (48.1)	$ 142.7
Earnings (loss) per share:		
Basic	$ (0.23)	$ 0.68
Diluted	(0.23)	0.67
Number of shares used in per share calculations:		
Basic	211.8	209.7
Diluted	211.8	213.4

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

Consolidated Statements of Operations
(Amounts in millions, except for per share data)
(Unaudited)

For the six months ended	February 26, 1998	February 27, 1997
Net sales	$1,710.0	$1,604.3
Costs and expenses:		
Cost of goods sold	1,477.2	1,230.3
Selling, general and administrative	260.2	173.9
Research and development	133.8	94.0
Other operating expense (income)	28.8	(2.0)
Total costs and expenses	1,900.0	1,496.2
Operating (loss) income	(190.0)	108.1
Gain on sale of investments and subsidiary stock, net	157.1	187.7
Gain on issuance of subsidiary stock, net	0.6	27.7
Interest income (expense), net	0.7	(3.9)
Income (loss) before income taxes	(31.6)	319.6
Income tax benefit (provision)	2.3	(146.8)
Minority interests in net income	(9.2)	(9.5)
Net (loss) income	$ (38.5)	$ 163.3
Earnings (loss) per share:		
Basic	$ (0.18)	$ 0.78
Diluted	(0.18)	0.77
Number of shares used in per share calculations:		
Basic	211.6	209.4
Diluted	211.6	212.9

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

Consolidated Statements of Cash Flows
(Dollars in millions)
(Unaudited)

For the six months ended	February 26, 1998	February 27, 1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ (38.5)	$ 163.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	283.5	227.9
Gain on sale and issuance of subsidiary stock and investments	(157.7)	(215.4)
Change in assets and liabilities, net of effects of sale of MCMS:		
Decrease in receivables	62.1	43.8
Increase in inventories	(16.9)	(80.3)
Increase in accounts payable and accrued expenses, net of plant and equipment purchases	31.0	121.7
Increase in deferred income taxes	10.3	59.4
Increase (decrease) in long-term product and process rights liability	(34.1)	0.3
Other	(13.8)	27.5
Net cash provided by operating activities	125.9	348.2
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(381.3)	(228.3)
Proceeds from sale of subsidiary stock, net of MCMS cash	235.9	199.9
Purchase of available-for-sale and held-to-maturity securities	(482.4)	(2.2)
Proceeds from sales and maturities of securities	490.5	32.7
Other	6.8	1.1
Net cash provided by (used for) investing activities	(130.5)	3.2
CASH FLOWS FROM FINANCING ACTIVITIES		
Net repayments on lines of credit		(90.0)
Proceeds from issuance of debt	31.4	70.7
Repayments of debt	(72.5)	(57.6)
Payments on equipment purchase contracts	(20.1)	(32.3)
Proceeds from issuance of stock by subsidiary	1.4	49.0
Other	6.0	15.6
Net cash used for financing activities	(53.8)	(44.6)
Net increase (decrease) in cash and equivalents	(58.4)	306.8
Cash and equivalents at beginning of period	619.5	276.1
Cash and equivalents at end of period	$ 561.1	$ 582.9
SUPPLEMENTAL DISCLOSURES		
Interest paid	$ (12.3)	$ (15.4)
Income taxes refunded (paid)	(3.4)	25.1
Noncash investing and financing activities:		
Equipment acquisitions on contracts payable and capital leases	48.7	20.5

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements
(All tabular dollar amounts are stated in millions)

1. Unaudited interim financial statements

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the consolidated financial position of Micron Technology, Inc., and subsidiaries (the "Company" or "MTI"), and their consolidated results of operations and cash flows. Certain reclassifications have been made, none of which affect the results of operations, to present the financial statements on a consistent basis.

This report on Form 10-Q for the quarter ended February 26, 1998, should be read in conjunction with the Company's Annual Report to Shareholders and/or Form 10-K for the year ended August 28, 1997.

2. Recently issued financial statements

In June 1997, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income." SFAS No. 130 establishes standards for the reporting and display of comprehensive income and its components in a full set of general purpose financial statements. Comprehensive income is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. The adoption of SFAS No. 130 is effective for the Company in 1999.

In June 1997, the FASB issued SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information." SFAS No. 131 requires publicly-held companies to report financial and other information about key revenue-producing segments of the entity for which such information is available and is utilized by the chief operation decision maker. Specific information to be reported for individual segments includes profit or loss, certain revenue and expense items and total assets. A reconciliation of segment financial information to amounts reported in the financial statements is also to be provided. SFAS No. 131 is effective for the Company in 1999.

3. Supplemental balance sheet information	February 26, 1998	August 28, 1997
Receivables		
Trade receivables	$283.4	$447.2
Income taxes receivable	61.1	17.9
Allowance for returns and discounts	(12.3)	(29.3)
Allowance for doubtful accounts	(7.5)	(9.0)
Other receivables	29.0	32.1
	$353.7	$458.9
Inventories		
Finished goods	$149.1	$128.6
Work in progress	219.5	195.7
Raw materials and supplies	79.4	129.9
	$448.0	$454.2
Product and process technology		
Product and process technology, at cost	$158.8	$108.1
Less accumulated amortization	(66.8)	(57.0)
	$ 92.0	$51.1

3. Supplemental balance sheet information (continued)

Property, plant and equipment	February 26, 1998	August 28, 1997
Land	$ 35.2	$ 35.4
Buildings	861.7	817.9
Equipment	2,635.0	2,416.2
Construction in progress	681.8	681.9
	4,213.7	3,951.4
Less accumulated depreciation and amortization	(1,365.4)	(1,190.2)
	$2,848.3	$ 2,761.2

As of February 26, 1998 property, plant and equipment included unamortized costs of $654.7 million for the Company's semiconductor memory manufacturing facility in Lehi, Utah, of which $618.2 million has not been placed in service and is not being depreciated. Test capacity is expected to be provided by the Lehi facility in the summer of 1998. Completion of the remainder of the Lehi production facilities is dependent upon market conditions. Market conditions which the Company expects to evaluate include, but are not limited to, worldwide market supply and demand of semiconductor products and the Company's operations, cash flows and alternative uses of capital.

Accounts payable and accrued expenses		
Accounts payable	$259.7	$ 277.0
Salaries, wages and benefits	81.9	93.7
Product and process technology payable	96.4	99.9
Taxes payable other than income	41.7	37.3
Interest payable	6.1	6.9
Other	93.1	31.3
	$578.9	$ 546.1

Debt		
Convertible Subordinated Notes payable, due July 2004, interest rate of 7%	$500.0	$ 500.0
Notes payable in periodic installments through July 2015, weighted average interest rate of 7.43% and 7.33%, respectively	297.5	331.3
Capitalized lease obligations payable in monthly installments through August 2002, weighted average interest rate of 7.67% and 7.68%, respectively	36.1	40.7
Other	5.1	6.3
	838.7	878.3
Less current portion	(98.0)	(116.0)
	$740.7	$ 762.3

During the fourth quarter of 1997 the Company issued $500 million in 7% convertible subordinated notes due July 1, 2004 which are convertible into shares of the Company's common stock at $67.44 per share. The notes were offered under a $1 billion shelf registration statement pursuant to which the Company may issue from time to time up to $500 million of additional debt or equity securities.

3. Supplemental balance sheet information (continued)

MTI has a $500 million unsecured revolving credit agreement expiring in May 2000. The agreement contains certain restrictive covenants pertaining to the Company's semiconductor operations, including a minimum fixed charge coverage ratio and a maximum operating loss covenant. As of February 26, 1998, MTI was in compliance with all covenants under the facility and had no borrowings outstanding under the agreement. There can be no assurance that MTI will continue to be able to meet the terms of the covenants and conditions and be able to borrow under the credit agreement.

Micron Electronics, Inc. ("MEI"), a subsidiary of the Company, has an aggregate of $141.7 million in revolving credit agreements which contain certain covenants pertaining to MEI's operations, including a minimum EBITDA covenant, certain minimum financial ratios and limitations on the amount of dividends declared or paid by MEI. For the quarter ended February 26, 1998, MEI was in violation of its ratio of debt to EBITDA covenant, which excludes the effect of the gain from the sale of MCMS. MEI obtained a waiver for the violation of the covenant, and as a result was eligible to borrow approximately $42 million under the credit lines, and had aggregate borrowings of approximately $8.6 million outstanding under the agreements as of February 26, 1998.

The Company leases certain facilities and equipment under operating leases. Total rental expense on all operating leases was $4.1 million and $1.5 million for the second quarters of 1998 and 1997, respectively. Total rental expense in the first six months of 1998 and 1997 was $7.0 and $2.9, respectively. Minimum future rental commitments under operating leases aggregate $35.5 million as of February 26, 1998 and are payable as follows (in millions): 1998, $5.8; 1999, $7.5; 2000, $7.2; 2001, $6.0 and 2002 and thereafter, $9.0.

4. Gains on investments and subsidiary stock transactions

On February 26, 1998, MEI completed the sale of 90% of its interest in MCMS, Inc. ("MCMS"), formerly Micron Custom Manufacturing Services, Inc. and formerly a wholly-owned subsidiary of MEI, resulting in a consolidated pre-tax gain of $157 million (approximately $38 million or $0.18 per share after taxes and minority interests). In exchange for the 90% interest in MCMS, MEI received $249.2 million in cash. The sale was structured as a recapitalization of MCMS, whereby Cornerstone Equity Investors IV, L.P. ("Cornerstone"), other investors and certain members of MCMS management, including Robert F. Subia, then a director of MEI, acquired the 90% interest in MCMS.

In a public offering in February 1997, MTI sold 12.4 million shares of MEI common stock for net proceeds of $200 million and MEI sold 3 million newly issued shares for net proceeds of $48 million, resulting in consolidated pre-tax gains of $164 million and $25 million, respectively, from these transactions (for a total of approximately $94 million or $0.44 per share after taxes). The sales reduced the Company's ownership of the outstanding MEI common stock from approximately 79% to approximately 64%. The Company also recorded pre-tax gains totaling $22 million for 1997 relating to sales of investments. The Company has recognized a deferred tax liability on the resultant gain from the sale of MEI common stock in the second quarter of 1997.

5. Other operating income (expense)

Other operating expense for the second quarter of 1998 includes charges of $13 million associated with PC operations resulting from employee termination benefits and consolidation of domestic and international operations and a $3 million write-off of software development costs. In addition, other operating expense includes $4 million related to the disposal and write-down of semiconductor memory operations equipment.

6. Income taxes

The effective rate of the tax benefit in the second quarter and first six months of 1998 was 19% and 7%, respectively. The effective rate for the provision of income taxes was 47% and 46%, respectively, for the corresponding periods of 1997. The effective tax rate primarily reflects (1) the statutory corporate income tax rate and the net effect of state taxation, (2) the effect of taxes on the parent of the earnings or loss by domestic subsidiaries not consolidated with the Company for federal income tax purposes and (3) in the second quarter of 1998, the impact of the write-off of a $4.1 million deferred tax asset relating to the Company's consolidation of its NetFRAME enterprise server operations. Because MTI must provide for tax on the earnings of domestic subsidiaries not consolidated for tax purposes, the effective rate may vary significantly from period to period.

7. Purchase of minority interests

In the second quarter of 1998 the Company purchased the 11% minority interest in its subsidiary, Micron Quantum Devices, Inc., for $26.2 million in stock and stock options. The cost of the acquired interest was allocated primarily to intangible assets related to flash semiconductor technology, which is being amortized over a three-year period.

In the first quarter of 1998 the Company purchased the 12% minority interest in its subsidiary, Micron Display Technology, Inc., for $21 million in cash. The cost of the acquired interest was allocated primarily to intangible assets related to field emission flat panel display technology, which is being amortized over a three-year period.

8. Earnings per share

Basic earnings per share is calculated using the average number of common shares outstanding. Diluted earnings per share is computed on the basis of the average number of common shares outstanding plus the effect of outstanding stock options using the "treasury stock method" and convertible debentures using the "if-converted" method.

	Quarter ended		Six months ended	
	February 26, 1998	February 27, 1997	February 26, 1998	February 27, 1997
Net income (loss) available for common shareholders,				
Basic and Diluted	$(48.1)	$142.7	$ (38.5)	$163.3
Weighted average common stock outstanding Basic	211.8	209.7	211.6	209.4
Net effect of dilutive stock options	--	3.7	--	3.5
Weighted average common stock and common stock equivalents Diluted	211.8	213.4	211.6	212.9
Basic earnings per share	$ (0.23)	$ 0.68	$ (0.18)	$ 0.78
Diluted earnings per share	$ (0.23)	$ 0.67	$ (0.18)	$ 0.77

Earnings per share computations exclude stock options and potential shares for convertible debentures to the extent that their effect would have been antidilutive.

9. Commitments

As of February 26, 1998, the Company had commitments of approximately $535.8 million for equipment purchases and $55.0 million for the construction of buildings.

10. Contingencies

Periodically, the Company is made aware that technology used by the Company in the manufacture of some or all of its products may infringe on product or process technology rights held by others. The Company has accrued a liability and charged operations for the estimated costs of settlement or adjudication of asserted and unasserted claims for infringement prior to the balance sheet date. Determination that the Company's manufacture of products has infringed on valid rights held by others could have a material adverse effect on the Company's financial position, results of operations or cash flows and could require changes in production processes and products. The Company is currently party to various other legal actions arising out of the normal course of business, none of which are expected to have a material effect on the Company's financial position or results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion contains trend information and other forward looking statements (including statements regarding future operating results, future capital expenditures and facility expansion, new product introductions, technological developments and industry trends) that involve a number of risks and uncertainties. The Company's actual results could differ materially from the Company's historical results of operations and those discussed in the forward looking statements. Factors that could cause actual results to differ materially include, but are not limited to, those identified in "Certain Factors." All period references are to the Company's fiscal periods ended February 26, 1998, November 27, 1997, August 28, 1997, or February 27, 1997, unless otherwise indicated. All per share amounts are presented on a diluted basis unless otherwise stated.

Micron Technology, Inc. and its subsidiaries (collectively the "Company" or "MTI") design, develop, manufacture and market semiconductor memory products, primarily DRAM. The Company, through its approximately 64% owned subsidiary, Micron Electronics, Inc. ("MEI"), develops, markets, manufactures and supports PC systems.

RESULTS OF OPERATIONS

Net loss for the second quarter of 1998 was $48 million, or $0.23 per share, on net sales of $755 million. Operating losses incurred in the Company's semiconductor memory and PC operations in the second quarter of 1998 were partially offset by a gain on the sale of a 90% interest in MEI's contract manufacturing subsidiary. For the second quarter of 1997 net income was $143 million, or $0.67 per share, on net sales of $876 million. For the first six months of 1998, net loss was $39 million, or $0.18 per share, on net sales of $1,710 million compared to net income of $163 million, or $0.77 per share, on net sales of $1,604 million for the first six months of 1997. The Company reported net sales of $955 million and net income of $10 million, or $0.04 per share, for its first quarter of 1998.

In the second quarter of fiscal 1998, the Company's semiconductor memory operations incurred an operating loss in excess of $90 million on net sales of $283 million, primarily due to continued sharp declines in average sales prices for the Company's semiconductor memory products. The Company's PC operations incurred an operating loss in excess of $100 million in the second quarter of fiscal 1998 resulting primarily from the effect of significant price declines for PC products, write-downs of inventories, a 10% decline in unit sales from the prior quarter, and actions taken to reposition PC operations to more efficiently and cost-effectively serve core markets.

Results of operations for the second quarter of 1998 included an aggregate pretax gain of $157 million (approximately $38 million or $0.18 per share after taxes and minority interests) on MEI's sale of a 90% interest in its contract manufacturing subsidiary, Micron Custom Manufacturing Services, Inc. ("MCMS"), for cash proceeds of $249 million.

Results of operations for the second quarter of 1997 included a pretax gain of $190 million (approximately $94 million or $0.44 per share after taxes) on the sale of a portion of the Company's holdings in MEI common stock, which decreased the Company's ownership in MEI to approximately 64%. Results of operations for the first six months of 1997 also included net after-tax gains of $20 million on sales of other investments.

NET SALES

	Second Quarter				Six Months			
	1998		1997		1998		1997	
	Net sales	%	Net sales	%	Net sales	%	Net sales	%
Semiconductor memory products	$283.4	37.5	$401.5	45.8	$ 723.5	42.3	$ 743.7	46.4
PC systems	396.5	52.5	395.4	45.1	841.6	49.2	729.2	45.4
Other	75.5	10.0	79.3	9.1	144.9	8.5	131.4	8.2
Total net sales	$755.4	100.0	$876.2	100.0	$1,710.0	100.0	$1,604.3	100.0

Net sales of "Semiconductor memory products" include sales of MTI semiconductor memory products incorporated in MEI products, which amounted to $5.2 million and $12.6 million in the second quarters of 1998 and 1997, respectively, and $17.6 million and $23.9 million in the first six months of 1998 and 1997, respectively. "Other" sales include revenue from MEI's contract manufacturing services subsidiary, which was sold in February

1998, of approximately $63.0 million and $123.6 million in the second quarter and first six months of 1998, respectively.

Net sales in the second quarter of 1998 decreased by 14% as compared to the second quarter of 1997 principally due to a sharp decline in average selling prices of semiconductor memory products. Net sales for the first six months of 1998 increased by 7% as compared to the first six months of 1997 principally due to an increase in unit sales of PC systems and an increase in non-system revenue. Net sales for the second quarter of 1998 were 21% lower compared to the $955 million of net sales for the first quarter of 1998.

Net sales of semiconductor memory products for the second quarter and first six months of 1998 decreased by 29% and 3% as compared to the corresponding periods of 1997, primarily due to the continued sharp decline in average selling prices, which was partially offset by an increase in megabits of semiconductor memory products sold. Average selling prices per megabit of memory declined approximately 50% from the second quarter of 1997 to the second quarter of 1998 and 46% from the first six months of 1997 to the first six months of 1998. The Company's principal memory product in the second quarter and first six months of 1998 was the 16 Meg DRAM, which comprised approximately 78% and 84% of the net sales of semiconductor memory in the second quarter and first six months of 1998, respectively. The 16 Meg SDRAM comprised approximately 40% and 28% of the total net sales of semiconductor memory in the second quarter and first six months of 1998, respectively. Total megabits shipped increased by 47% and 85%, respectively, for the second quarter and first six months of 1998 as compared to the same periods in 1997, and total megabits produced increased by approximately 70% and 100%, respectively. These production increases were principally the result of the transition to the 16 Meg DRAM as the Company's principal memory product, ongoing transitions to successive reduced die size ("shrink") versions of existing memory products, and enhanced yields on existing memory products.

Net sales of semiconductor memory products for the second quarter of 1998 decreased by 36% as compared to the first quarter of 1998 as a result of a 26% decline in average selling prices per megabit of memory and a 13% decrease in megabits shipped. The decrease in megabit shipments from the first quarter to the second quarter of 1998 was principally due to constraints on the Company's test capacity. These test capacity constraints were resolved in the last few weeks of the second quarter, allowing for a 10% increase in megabit production for the second quarter.

Net sales of PC systems were flat for the second quarter of 1998 compared to the second quarter of 1997 and increased by 15% for the first six months of 1998 compared to the first six months of 1997. Unit sales of PC systems increased by 7% and 20%, respectively, comparing the second quarter and first six months of 1998 with the corresponding periods of 1997. Average per unit revenue for the Company's PC systems declined, while non-system revenue increased for the second quarter and first six months of 1998 compared to the corresponding periods of 1997. Non-system revenue is revenue received from the sale of PC related products and services separate from the sale of a PC system. Net sales of PC systems for the second quarter of 1998 were 11% lower than for the first quarter of 1998 primarily due to a 10% decrease in unit sales of PC systems and a lower level of non-system revenue.

GROSS MARGIN

	Second Quarter			Six Months		
	1998	% Change	1997	1998	% Change	1997
Gross margin	$22.3	(89.8)%	$218.7	$ 232.8	(37.7)%	$373.9
as a % of net sales	3.0%		25.0%	13.6%		23.3%

The Company's gross margin percentage for semiconductor memory products and PC systems was lower in the second quarter and first six months of 1998 than in the corresponding periods of 1997, primarily because of severe declines in average sales prices and because of significant write-downs of the Company's notebook inventory. The Company's gross margin percentage for the first quarter of 1998 was 22%.

The Company's gross margin percentage on sales of semiconductor memory products for the second quarter and first six months of 1998 was 5% and 22%, respectively, compared to 32% and 28% for the corresponding periods of 1997. The decrease in gross margin percentage on sales of semiconductor memory products for the second quarter and first six months of 1998 compared to the corresponding periods in 1997 was primarily the result of a sharp decline in average selling prices, partially offset by a decline in per unit manufacturing costs. Decreases in per unit manufacturing costs for the second quarter and first six months of 1998 compared to the same periods in 1997 were achieved through transitions to shrink versions of existing products, shifts in the Company's mix of semiconductor memory products to a higher average density, and improved manufacturing yields. The gross margin percentage on

the Company's semiconductor memory products for the first quarter of 1998 was 32%. The decline in gross margin percentage for semiconductor memory products from the first quarter to the second quarter of 1998 was primarily the result of the approximate 26% decline in average selling prices per megabit of memory.

The gross margin percentage for the Company's PC operations for the second quarter and first six months of 1998 was (2)% and 6%, respectively compared to 18% and 19% for the corresponding periods of 1997. The gross margin for the Company's PC operations was 13% for the first quarter of 1998. Gross margins in the second quarter of fiscal 1998 were significantly affected by write-downs of notebook product inventories and by intense price competition in the PC industry.

SELLING, GENERAL AND ADMINISTRATIVE

	Second Quarter			Six Months		
	1998	% Change	1997	1998	% Change	1997
Selling, general and administrative	$135.7	39.3%	$97.4	$ 260.2	49.6%	$173.9
as a % of net sales	18.0%		11.1%	15.2%		10.8%

The higher level of selling, general and administrative expenses during the second quarter and first six months of 1998 as compared to the same periods of 1997 is primarily attributable to higher levels of personnel, advertising and other costs associated with the Company's PC operations. Selling, general and administrative expense for the second quarter and first six months of 1998 reflect a lower level of performance based compensation than in corresponding periods of 1997. Selling, general and administrative expenses increased by 9% in the second quarter as compared to the first quarter of 1998; this increase was mainly attributable to an increase in personnel costs for the Company's PC operations.

Research and Development

	Second Quarter			Six Months		
	1998	% Change	1997	1998	% Change	1997
Research and development	$69.9	49.4%	$46.8	$ 133.8	42.3%	$94.0
as a % of net sales	9.3%		5.3%	7.8%		5.9%

Research and development expenses vary primarily with the number of wafers processed, personnel costs, and the cost of advanced equipment dedicated to new product and process development. Research and development efforts are focused on advanced process technology, which is the primary determinant in transitioning to next generation products. Application of advanced process technology currently is concentrated on development of the Company's 64 Meg and 128 Meg SDRAMs, Double Data Rate (DDR), SynchLink and Rambus memory products. The PC industry is in the process of transitioning from EDO to SDRAM. The Company has transitioned to SDRAM as its primary DRAM technology, and is in the process of increasing the ratio of 64 Meg DRAMs relative to 16 Meg DRAMs in its product mix. Other research and development efforts are devoted to the design and development of Flash, SRAM, embedded memory, RIC, flat panel display products and PC systems.

The Company anticipates completion of the transition from .30 micron (u) to .25 (u) in fiscal 1999 and anticipates that process technology will move to line widths of .21 (u), .18 (u), and .15 (u) in the next few years as needed for the development of future generation semiconductor products.

OTHER OPERATING EXPENSE (INCOME)

Other operating expense for the second quarter of 1998 includes charges of $13 million associated with PC operations resulting from employee termination benefits and consolidation of domestic and international operations and $3 million for the write-off of abandoned in-development software projects. In addition, other operating expense includes $4 million related to the disposal and write-down of semiconductor memory operations equipment.

Income taxes

The effective rate of the tax benefit in the second quarter and first six months of 1998 was 19% and 7%, respectively. The effective rate for the provision of income taxes was 47% and 46%, respectively, for the corresponding periods of 1997. The effective tax rate primarily reflects 1) the statutory corporate income tax rate and the net effect of state taxation, 2) the effect of taxes on the parent of the earnings or loss by domestic subsidiaries not consolidated with the Company for federal income tax purposes and 3) in the second quarter of 1998, the impact

of the write-off of a $4.1 million deferred tax asset relating to the Company's consolidation of its NetFRAME enterprise server operations. Because MTI must provide for tax on the earnings of domestic subsidiaries not consolidated for tax purposes, the effective rate may vary significantly from period to period.

Recently Issued Accounting Standards

Recently issued accounting standards include Statement of Financial Accounting Standards ("SFAS") No. 128 "Earnings Per Share," issued by the Financial Accounting Standards Board ("FASB") in February 1997, SFAS No. 130 "Reporting Comprehensive Income" and SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information," issued by the FASB in June 1997. SFAS No. 128 is first effective for the Company for its interim period ended February 26, 1998. Basic and diluted earnings per share pursuant to the requirements of SFAS No. 128 are presented on the face of the income statement and in the notes to the financial statements. Descriptions of SFAS No. 130 and SFAS No. 131 are included in the notes to the financial statements.

LIQUIDITY AND CAPITAL RESOURCES

As of February 26, 1998, the Company had cash and liquid investments totaling $935 million, representing a decrease of $53 million during the first six months of 1998. Approximately $351 million of the Company's consolidated cash and liquid investments was held by MEI. Cash generated by MEI is not readily available or anticipated to be available to finance operations or other expenditures of MTI.

The Company's principal sources of liquidity during the first six months of 1998 were net cash proceeds totaling $236 million from the sale of a 90% interest in MEI's contract manufacturing subsidiary, MCMS, and net cash flow from operations of $126 million. Cash flow from operations depends significantly on average selling prices and variable cost per unit for the Company's semiconductor memory products. The principal uses of funds in the first six months of 1998 were $381 million for property, plant and equipment and $93 million for repayments of equipment contracts and debt.

The Company believes that in order to develop new product and process technologies, support future growth, achieve operating efficiencies and maintain product quality, it must continue to invest in manufacturing technology, facilities and capital equipment, research and development, and product and process technology. The Company currently estimates it will spend approximately $1 billion in fiscal 1998 for purchases of equipment and construction and improvement of buildings. As of February 26, 1998, the Company had entered into contracts extending into fiscal 2000 for approximately $536 million for equipment purchases and approximately $55 million for the construction of facilities. Should the Company elect to cancel its outstanding equipment purchase commitments, the Company could be subject to cancellation fees in excess of $135 million. Future capital expenditures will be used primarily to enhance manufacturing efficiencies and product and process technology at the Company's existing facilities. As the Company considers its product and process technology enhancement programs and technology diversification objectives, the Company has evaluated, and continues to evaluate, possible acquisitions and strategic alliances. The Company has a $1 billion shelf registration statement under which $500 million in convertible subordinated notes were issued in July 1997 and under which may be issued from time to time up to an additional $500 million in debt or equity securities.

MTI has a $500 million unsecured revolving credit agreement expiring in May 2000. The agreement contains certain restrictive covenants pertaining to the Company's semiconductor operations, including a minimum fixed charge coverage ratio and a maximum operating loss covenant. As of February 26, 1998, MTI was in compliance with all covenants under the facility and had no borrowings outstanding under the agreement. There can be no assurance that MTI will continue to be able to meet the terms of the covenants and conditions and be able to borrow under the credit agreement.

MEI has an aggregate of $142 million in revolving credit agreements which contain certain restrictive covenants pertaining to MEI's operations, including a minimum EBITDA covenant, certain minimum financial ratios and limitations on the amount of dividends declared or paid by MEI. For the quarter ended February 26, 1998, MEI was in violation of its ratio of debt to EBITDA covenant, which excludes the effect of the gain on the sale of MCMS. MEI obtained a waiver for the violation of the covenant, and as a result was eligible to borrow approximately $42 million under the credit lines, and had aggregate borrowings of approximately $9 million outstanding under the agreements.

CERTAIN FACTORS

In addition to the factors discussed elsewhere in this Form 10-Q and in the Company's Form 10-K for the fiscal year ended August 28, 1997, the following are important factors which could cause actual results or events to differ materially from those contained in any forward looking statements made by or on behalf of the Company.

The semiconductor memory industry is characterized by rapid technological change, frequent product introductions and enhancements, difficult product transitions, relatively short product life cycles, and volatile market conditions. These characteristics historically have made the semiconductor industry highly cyclical, particularly in the market for DRAMs, which are the Company's primary semiconductor memory products. The semiconductor industry has a history of declining average sales prices as products mature. Long-term average decreases in sales prices for semiconductor memory products approximate 30% on an annualized basis; however, significant fluctuations from this rate have occurred from time to time, as evidenced by the 75% decline in average selling prices for the Company's semiconductor memory products for 1997 and the subsequent 25% and 26% declines in average selling prices for the first and second quarters of 1998 as compared to the preceding quarters.

The selling prices for the Company's semiconductor memory products fluctuate significantly with real and perceived changes in the balance of supply and demand for these commodity products. Growth in worldwide supply has outpaced growth in worldwide demand in recent periods, resulting in a significant decrease in average selling prices for the Company's semiconductor memory products. For most of fiscal 1997 the rate at which the Company was able to decrease per unit manufacturing costs exceeded the rate of decline in average selling prices, due mainly to a transition to a higher density product. However, in the fourth quarter of 1997 and the first six months of 1998 the Company was unable to decrease per unit manufacturing costs at a rate commensurate with the decline in average selling prices. In the event that average selling prices continue to decline at a faster rate than that at which the Company is able to decrease per unit manufacturing costs, the Company could be materially adversely affected in its operations, cash flows and financial condition. Although worldwide excess capacity exists, certain Asian competitors continue to add capacity for the production of semiconductor memory products. The amount of capacity to be placed into production and future yield improvements by the Company's competitors could dramatically increase worldwide supply of semiconductor memory and increase downward pressure on pricing. Further, the Company has no firm information with which to determine inventory levels of its competitors, or to determine the likelihood that substantial inventory liquidation may occur and cause further downward pressure on pricing.

Worldwide semiconductor pricing is influenced by currency fluctuations. In calendar 1997 the Korean Won, the New Taiwan Dollar and the Japanese Yen were devalued significantly, dropping approximately 100%, 20% and 10%, respectively, compared to the U.S. dollar. The devaluation of these currencies was particularly severe in the fourth quarter of calendar 1997 and contributed to the current South Korean credit crisis. South Korean semiconductor competitors are likely to be particularly affected by the currency devaluations as a result of substantial debt structures denominated in U.S. dollars. The currency devaluations and the credit crisis could have a significant adverse impact on DRAM pricing if the Company's Asian, and particularly Korean, competitors offer products at significantly lower prices in an effort to maximize cash flows to service near-term dollar denominated obligations. While the Company cannot predict the overall impact of the Asian currency devaluations and the Korean credit crisis, its products may be subject to further downward pricing pressure. If average selling prices for semiconductor memory products continue to decline, the Company's results of operations will continue to be adversely affected.

If pricing for the Company's semiconductor products remains at current levels for an extended period of time or declines further, the Company may be required to make changes in its operations, including but not limited to, reduction of the amount or changes in timing of its capital expenditures, renegotiation of existing debt agreements, reduction of production and workforce levels, reduction of research and development, or changes in the products produced.

Approximately 70% of the Company's sales of semiconductor memory products during the second quarter of 1998 were directly into the PC or peripheral markets. DRAMs are the most widely used semiconductor memory component in most PC systems. Should the rate of growth of sales of PC systems or the rate of growth in the amount of memory per PC system decrease, the growth rate for sales of semiconductor memory could also decrease, placing further downward pressure on selling prices for the Company's semiconductor memory products. The Company is unable to predict changes in industry supply, major customer inventory management strategies, or end user demand, which are significant factors influencing pricing for the Company's semiconductor memory products.

In recent periods the PC industry has seen a shift in demand towards sub-$1000 PCs. While the Company cannot predict with any degree of accuracy the future impact on the PC and semiconductor industry of this shift, possible effects include, but are not limited to, further downward pricing pressure on PC systems and further downward pricing pressure on semiconductor memory products.

The Company's operating results are significantly impacted by the operating results of its consolidated subsidiaries, particularly MEI. MEI's past operating results have been, and its future operating results may be, subject to seasonality and other fluctuations, on a quarterly and an annual basis, as a result of a wide variety of factors, including, but not limited to, industry competition, MEI's ability to accurately forecast demand for its PC products, fluctuating market pricing for PCs and semiconductor memory products, MEI's ability to effectively manage inventory levels, the lead time and inventory exposure from shipments of products from OEM suppliers, fluctuating component costs, changes in product mix, inventory obsolescence, the timing of new product introductions by MEI and its competitors, seasonal government purchasing cycles, manufacturing and production constraints, the effects of product reviews and industry awards, seasonal cycles common in the PC industry and critical component availability. Changing circumstances, including but not limited to, changes in the Company's core operations, uses of capital, strategic objectives and market conditions, could result in the Company changing its ownership interest in its subsidiaries.

The Company is engaged in ongoing efforts to enhance its semiconductor production processes to reduce per unit costs by reducing the die size of existing products. The result of such efforts has led to a significant increase in megabit production. There can be no assurance that the Company will be able to maintain or approximate increases in megabit production at a level approaching that experienced in recent periods or that the Company will not experience decreases in production volume as it attempts to implement future technologies. Further, from time to time, the Company experiences volatility in its manufacturing yields, as it is not unusual to encounter difficulties in ramping latest shrink versions of existing devices or new generation devices to commercial volumes. The Company's ability to reduce per unit manufacturing costs of its semiconductor memory products is largely dependent on its ability to design and develop new generation products and shrink versions of existing products and its ability to ramp such products at acceptable rates to acceptable yields, of which there can be no assurance.

The semiconductor memory industry is characterized by frequent product introductions and enhancements. The Company's transition to SDRAM products reached approximately 59% of DRAM wafer starts at the end of the second quarter of 1998. The Company's transition from the 16 Meg to the 64 Meg SDRAM as its primary memory product is expected to occur in late summer of 1998. It is not unusual to encounter difficulties in manufacturing while transitioning to shrink versions of existing products or new generation products. Future gross margins will be adversely impacted if the Company is unable to efficiently transition to shrink versions of the 64 Meg SDRAM.

Historically, the Company has reinvested substantially all cash flow from semiconductor memory operations in capacity expansion and enhancement programs. The Company's cash flow from operations depends primarily on average selling prices and per unit manufacturing costs of the Company's semiconductor memory products. If for any extended period of time average selling prices decline faster than the rate at which the Company is able to decrease per unit manufacturing costs, the Company may not be able to generate sufficient cash flows from operations to sustain operations. The Company has a $500 million unsecured revolving credit agreement which is available to finance its semiconductor operations. However, the agreement contains certain restrictive covenants, including a minimum fixed charge coverage ratio and a maximum operating losses covenant, which the Company may not be able to meet if semiconductor market conditions continue to deteriorate. In the event that the Company does not comply with the covenants, there can be no assurance that the Company would be able to successfully renegotiate the agreement or obtain a waiver to the covenants of the existing agreement. In either event, the Company may not be able to draw on the credit facility. Cash generated by, and credit lines available to, MEI are not anticipated to be available to finance other MTI operations.

Completion of the Company's semiconductor manufacturing facility in Lehi, Utah was suspended in February 1996, as a result of the decline in average selling prices for semiconductor memory products. As of February 26, 1998 the Company had invested approximately $655 million in the Lehi facility. The cost to complete the Lehi facility is estimated to approximate $1.6 billion. Although additional test capacity for Boise production is anticipated to be provided in Lehi in 1998, completion of the remainder of the Lehi production facilities is dependent upon market conditions. Market conditions which the Company expects to evaluate include, but are not limited to, worldwide market supply and demand of semiconductor products and the Company's operations, cash flows and alternative uses of capital. There can be no assurance that the Company will be able to fund the completion of the Lehi manufacturing facility. The failure by the Company to complete the facility would likely result in the Company

being required to write off all or a portion of the facility's cost, which could have a material adverse effect on the Company's business and results of operations. In addition, in the event that market conditions improve, there can be no assurance that the Company can commence manufacturing at the Lehi facility in a timely, cost effective manner that enables it to take advantage of the improved market conditions.

The semiconductor and PC industries have experienced a substantial amount of litigation regarding patent and other intellectual property rights. In the future, litigation may be necessary to enforce patents issued to the Company, to protect trade secrets or know-how owned by the Company, or to defend the Company against claimed infringement of the rights of others. The Company has from time to time received, and may in the future receive, communications alleging that its products or its processes may infringe on product or process technology rights held by others. The Company has entered into a number of patent and intellectual property license agreements with third parties, some of which require one-time or periodic royalty payments. It may be necessary or advantageous in the future for the Company to obtain additional patent licenses or to renew existing license agreements. The Company is unable to predict whether these license agreements can be obtained or renewed on terms acceptable to the Company. Adverse determinations that the Company's manufacturing processes or products have infringed on the product or process rights held by others could subject the Company to significant liabilities to third parties or require material changes in production processes or products, any of which could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is dependent upon a limited number of key management and technical personnel. In addition, the Company's future success will depend in part upon its ability to attract and retain highly qualified personnel, particularly as the Company adds different product types to its product line, which will require parallel design efforts and significantly increase the need for highly skilled technical personnel. The Company competes for such personnel with other companies, academic institutions, government entities and other organizations. In recent periods, the Company has experienced increased recruitment of its existing personnel by other employers. There can be no assurance that the Company will be successful in hiring or retaining qualified personnel. Any loss of key personnel or the inability to hire or retain qualified personnel could have a material adverse effect on the Company's business and results of operations.

Item 6. Exhibits and Reports on Form 8-K

(a) The following are filed as a part of this report:

Exhibit Number	Description of Exhibit
10.122	Second Amendment to First Amended & Restated Revolving Credit Agreement dated February 26, 1998, among the Company and several financial institutions
27	Financial Data Schedule

(b) The registrant did not file any reports on Form 8-K during the fiscal quarter ended February 26, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Micron Technology, Inc.

(Registrant)

Dated: April 1, 1998

/s/ Wilbur G. Stover, Jr.

Wilbur G. Stover, Jr.
Vice President of Finance and Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT 10.122

SECOND AMENDMENT TO FIRST AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

THIS SECOND AMENDMENT TO FIRST AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (the "Amendment"), dated as of February 26, 1998, is entered into by and among MICRON TECHNOLOGY, INC. (the "Company"), BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, as agent for itself and the Banks (the "Agent"), and the several financial institutions party to the Credit Agreement (collectively, the "Banks").

RECITALS

A. The Company, the Banks and the Agent are parties to a First Amended and Restated Revolving Credit Agreement dated as of May 28, 1997, as amended by the First Amendment to First Amended and Restated Revolving Credit Agreement dated as of November 28, 1997 (the "Credit Agreement"), pursuant to which the Banks have extended certain credit facilities to the Company.

B. The Company has requested that the Agent and the Banks agree to certain amendments of the Credit Agreement.

C. The Agent and the Banks are willing to amend the Credit Agreement, subject to the terms and conditions of this Amendment.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings assigned to them in the Credit Agreement.

2. Amendments to Credit Agreement.

(a) The following new definition shall be added to Article I of the Credit Agreement:

"Combined EBIT Income" or "Combined EBIT Losses" means, for any period, Combined Net Income or Combined Net Loss, as the case may be, for such period, plus the sum of (a) interest expense and (b) income tax expense, which were deductible in determining Combined Net Income or Combined Net Loss for such period."

(b) Section 7.17 of the Credit Agreement shall be deleted in its entirety and the following new Section 7.17 shall be substituted therefor:

> "7.17 Maximum Operating Losses. The Company shall not permit Combined EBIT Losses to exceed (a) 2% of Combined Tangible Net Worth in any fiscal quarter ending prior to the fiscal quarter ending February 26, 1998; 5% of Combined Tangible Net Worth for the fiscal quarter ending February 26, 1998; and 2% of Combined Tangible Net Worth for any fiscal quarter ending after February 26, 1998, or 5% of Combined Tangible Net Worth in any period of four consecutive fiscal quarters."

(c) Item E. "Section 7.17: Maximum Combined Loss" to Schedule 2 of the Compliance Certificate shall be deleted in its entirety and the following new Item E. "Section 7.17: Maximum Operating Loss" to Schedule 2 of the Compliance Certificate shall be substituted therefor:

"E. SECTION 7.17: MAXIMUM OPERATING LOSS.

1. Combined EBIT Loss for quarter ending on above date: $_______

2. Combined EBIT Loss for Subject Period: $_______

3. Line B.3 (Combined Tangible Net Worth) $_______

a. 2.0% of Line 3.E. for any fiscal quarter ending prior to February 26,1998;
5.0% of Line 3.E. for the fiscal quarter ending February 26, 1998; and
2.0% of Line 3.E. for any fiscal quarter ending after February 26, 1998. $_______

b. 5% of Line E.3. $_______

Line E.1 not to exceed Line E.3.a.

Line E.2 not to exceed Line E.3.b."

3. Representations and Warranties. The Company hereby represents and warrants to the Agent and the Banks as follows:

(a) No Default or Event of Default has occurred and is continuing.

(b) The execution, delivery and performance by the Company of this Amendment have been duly authorized by all necessary corporate and other action and do not and will not require any registration with, consent or approval of, notice to or action by, any Person (including any Governmental Authority) in order to be effective and enforceable. The Credit Agreement as amended by this Amendment constitutes the legal, valid and binding obligations of the Company, enforceable against it in accordance with its respective terms.

(c) The representations and warranties of the Company contained in Article V of the Credit Agreement (except for the representations and warranties contained in Sections 5.05 and 5.14) are true and correct, except to the extent such representations and warranties relate to an earlier date, in which case they were true and correct as of such earlier date.

(d) The Company is entering into this Amendment on the basis of its own investigation and for its own reasons, without reliance upon the Agent and the Banks or any other Person.

4. Effective Date. This Amendment will become effective as of February 26, 1998 (the "Effective Date"), provided that the Agent has received from the Company and the Majority Banks a duly executed original (or, if elected by the Agent, an executed facsimile copy) of this Amendment.

5. Reservation of Rights. The Company acknowledges and agrees that the execution and delivery by the Agent and the Banks of this Amendment shall not be deemed to create a course of dealing or otherwise obligate the Agent or the Banks to forbear or execute similar amendments under the same or similar circumstances in the future.

6. Miscellaneous.

(a) Except as herein expressly amended, all terms, covenants and provisions of the Credit Agreement are and shall remain in full force and effect and all references therein to such Credit Agreement shall henceforth refer to the Credit Agreement as amended by this Amendment. This Amendment shall be deemed incorporated into, and a part of, the Credit Agreement.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto and thereto and their respective successors and assigns. No third party beneficiaries are intended in connection with this Amendment.

(c) This Amendment shall be governed by and construed in accordance with the law of the State of California.

(d) This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Each of the parties hereto understands and agrees that this document may be delivered by any party thereto either in the form of an executed original or an executed original sent by facsimile transmission to be followed promptly by mailing of a hard copy original, and that receipt by the Agent of a facsimile transmitted document purportedly bearing the signature of a Bank or the Company shall bind such Bank or the Company, respectively, with the same force and effect as the delivery of a hard copy original. Any failure by the Agent to receive the hard copy executed original of such document shall not diminish the binding effect of receipt of the facsimile transmitted executed original of such document of the party whose hard copy page was not received by the Agent.

(e) This Amendment, together with the Credit Agreement, contains the entire and exclusive agreement of the parties hereto with reference to the matters discussed herein and therein. This Amendment supersedes all prior drafts and communications with respect thereto. This Amendment may not be amended except in accordance with the provisions of Section 10.01 of the Credit Agreement.

(f) If any term or provision of this Amendment shall be deemed prohibited by or invalid under any applicable law, such provision shall be invalidated without affecting the remaining provisions of this Amendment or the Credit Agreement, respectively.

(g) The Company covenants to pay to or reimburse the Agent, upon demand, for all costs and expenses (including allocated costs of in-house counsel) incurred in connection with the development, preparation, negotiation, execution and delivery of this Amendment.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first above written.

MICRON TECHNOLOGY, INC.

By: ______________________________________

Name:

Title:

5

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
ACCOMPANYING FINANCIAL STATEMENTS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE
TO SUCH FINANCIAL STATEMENTS.

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SEP-03-1998
FEB-26-1998
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