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FORM 10-K/A

AMENDMENT NO. 1

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

(MARK ONE)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934 [FEE REQUIRED]

FOR THE FISCAL YEAR ENDED AUGUST 29, 1996

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934 [NO FEE REQUIRED]

FOR THE TRANSITION PERIOD FROM TO

COMMISSION FILE NUMBER 1-10658

MICRON TECHNOLOGY, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE  
(STATE OR OTHER JURISDICTION OF  
INCORPORATION OR ORGANIZATION)

75-1618004  
(I.R.S. EMPLOYER  
IDENTIFICATION NO.)

8000 S. FEDERAL WAY, P.O. BOX 6, BOISE, IDAHO  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

83707-0006  
(ZIP CODE)

REGISTRANTS TELEPHONE NUMBER, INCLUDING AREA CODE (208) 368-4000

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:	NAME OF EACH EXCHANGE ON WHICH REGISTERED
TITLE OF EACH CLASS	NEW YORK STOCK EXCHANGE
COMMON STOCK, PAR VALUE \$.10 PER SHARE	

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:  
NONE  
(TITLE OF CLASS)

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 ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item  
405 of Regulation S-K is not contained herein, and will not be contained to  
the best of registrants knowledge, in definitive proxy or information  
statements incorporated by reference in Part III of this Form 10-K or any  
amendment to this Form 10-K. ☒

The aggregate market value of the voting stock held by nonaffiliates of the  
registrant, based upon the closing price of such stock on August 29, 1996, as  
reported by the New York Stock Exchange, was approximately \$3.9 billion.  
Shares of Common Stock held by each officer and director and by each person  
who owns 5% or more of the outstanding Common Stock have been excluded in that  
such persons may be deemed to be affiliates. This determination of affiliate  
status is not necessarily a conclusive determination for other purposes.

The number of outstanding shares of the registrants Common Stock on August  
29, 1996 was 208,834,820.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for registrant's 1996 Annual Meeting of  
Shareholders to be held on November 18, 1996, are incorporated by reference  
into Part III of this Annual Report on Form 10-K.

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## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion contains trend information and other forward looking statements 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 August 29, 1996, August 31, 1995 or September 1, 1994, unless otherwise indicated.

### OVERVIEW

The Company designs, develops, manufactures and markets semiconductor memory products, primarily DRAM, for use in PCs. Through its majority-owned subsidiary, MEI, the Company also designs, develops, markets, manufactures and supports Micron brand PC systems, and operates a contract manufacturing and component recovery business.

The Company's semiconductor memory products are commodity products, the price and profitability of which are highly dependent on overall supply-demand dynamics in the industry. Historically, the semiconductor memory industry has experienced declines in average selling prices commensurate with the industry's ability to reduce cost per megabit. Consequently, the Company's operating results are significantly affected by the Company's ability to reduce cost per megabit commensurate with, or at a rate greater than, reductions in average selling prices. Cost reductions are effected through design and ramp up of shrink products, maximizing yield of good die produced and maximizing equipment capacity utilization. The Company's gross margins from fiscal 1993 through fiscal 1995 benefited from the Company's ability to effect such cost reductions while DRAM average sales prices remained relatively stable. From December 1995 through August 1996, the average selling price of the Company's 4 Meg DRAM fell 78% as industry supply exceeded demand. Gross margins for the three fiscal quarters ended August 29, 1996 decreased sequentially as a result of the sharp decline in average selling prices for semiconductor memory products at a rate exceeding the Company's ability to effect cost reductions for such products.

As DRAM prices have fallen and as unit shipments of PC systems have increased, the Company's consolidated operating results have been increasingly affected by the results of the PC operations of MEI. While sales of PC systems, less the sales of the Company's semiconductor memory included therein, constituted approximately 31% of the Company's total net sales for fiscal 1996, such sales in the fourth quarter of fiscal 1996 constituted approximately 50% of the Company's total net sales. Unit sales of PC systems increased in fiscal 1996 compared to fiscal 1995 principally due to increased name recognition and market acceptance of Micron brand PC products. While sales of PC systems generally continued to have a lower gross margin percentage than sales of the Company's semiconductor memory products in 1996, the gross margin percentage on sales of PC systems increased in 1996 compared to 1995 and was higher than the gross margin percentage on sales of semiconductor memory products in the fourth quarter of fiscal 1996. Any reduction in MTI's ownership percentage of MEI, whether caused by future dispositions of shares of common stock of MEI by MTI or issuances of shares of common stock by MEI, will have the effect of reducing MTI's share of future results of operations of MEI.

### RESULTS OF OPERATIONS

Net income for 1996 was \$593 million, or \$2.76 per fully diluted share, on net sales of \$3,654 million. The higher level of net sales in 1996 principally resulted from increased production of semiconductor memory products and an increase in PC system sales, which were offset in part by a sharp decline in average selling prices for semiconductor memory products. The decrease in average selling prices for the Company's semiconductor memory products in 1996 at a rate faster than the Company's reductions in cost per megabit resulted in lower net income in 1996 as compared to 1995. Net income for 1995 was \$844 million, or \$3.90 per fully diluted share, on net sales of \$2,953 million.

The Company's results of operations in fiscal 1996 were adversely affected by a restructuring charge of \$29.6 million associated with the discontinuation of sales of ZEOS brand PC systems and the closing of the related PC manufacturing operations in Minneapolis, Minnesota.

#### NET SALES

The following table presents the Company's net sales by principal product or service. The caption "Other" principally includes revenue from contract manufacturing and from module assembly services. Net sales of semiconductor memory products include sales of such products incorporated in MEI personal computer systems and other products. Corresponding amounts excluded from sales of personal computer systems and other products (\$183.7 million, \$182.5 million and \$81.6 million in 1996, 1995 and 1994, respectively) equal the aggregate purchase prices paid by MEI to MTI for semiconductor memory products.

	1996		1995		1994	
	NET SALES	% OF TOTAL	NET SALES	% OF TOTAL	NET SALES	% OF TOTAL
(DOLLARS IN MILLIONS)						
Semiconductor memory products.....	\$2,210.0	60%	\$2,287.0	77%	\$1,367.5	84%
Personal computer systems.....	1,128.3	31	429.1	15	73.7	5
Other.....	315.5	9	236.6	8	187.4	11
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Total net sales.....	\$3,653.8	100%	\$2,952.7	100%	\$1,628.6	100%
	=====		=====		=====	

Net sales in 1996 increased by 24% over 1995, principally due to a higher level of production of semiconductor memory and a higher level of net sales of PC systems. The effect on net sales of increased production of semiconductor memory products was offset by a sharp decline in average selling prices. Net sales of semiconductor memory products declined as a percentage of total net sales to 60% in 1996 from 77% in 1995, due to the sharp decline in average selling prices for semiconductor memory products and continued growth of the Company's PC system sales. The Company's principal product in 1996 was the 4 Meg DRAM, which comprised approximately 87% of the net sales of the semiconductor memory products, and 53% of total net sales. Net sales of the 4 Meg DRAM were 87% and 76% of net sales of semiconductor memory products in 1995 and 1994, respectively. In 1996, total megabits produced increased approximately 95% and megabits shipped increased by approximately 77% from 1995 levels. These increases were principally due to the conversion of FAB III to 8-inch wafers, ongoing transitions to successive shrink versions of existing memory products, particularly the 4 Meg DRAM, a 17% increase in total wafer outs, a shift in the Company's mix of semiconductor memory products to a higher average density and enhanced yields on existing memory products.

Net sales of PC systems, less sales to MEI of the Company's semiconductor memory included therein, increased to approximately 31% of the Company's total net sales for 1996 from 15% and 5% in 1995 and 1994, respectively, primarily due to significantly higher unit sales of PC systems and, to a lesser extent, higher average selling prices for PC systems. Unit sales of PC systems increased in 1996 compared to 1995, principally due to increased name recognition and market acceptance of Micron brand desktop PC products. Increased sales to governmental entities and increased sales of notebook systems also contributed to higher overall unit sales.

Net sales in 1995 increased by 81% compared to 1994 principally due to relatively stable prices for semiconductor memory products and the comparatively higher volume of semiconductor memory produced in 1995. Total megabits produced increased by approximately 74% in 1995 compared to 1994, principally as a result of ongoing transitions to successive shrink versions of then existing products, a shift in the Company's mix of semiconductor memory products to a higher average density and enhanced yields on then existing memory products. Net sales of PC systems, less the value of the Company's semiconductor memory included therein, increased to approximately 15% of the Company's total net sales for 1995 from 5% in 1994. PC system sales increased principally due to increased demand for the Company's PC systems as a result of greater brand name recognition and market acceptance of such products.



## GROSS MARGIN

	1996	% CHANGE	1995	% CHANGE	1994
	-----	-----	-----	-----	-----
	(DOLLARS IN MILLIONS)				
Gross margin.....	\$1,455.4	(10.4)%	\$1,624.0	93.5%	\$839.2
as a % of net sales.....	39.8%		55.0%		51.5%

The Company's gross margin percentage in 1996 was lower than in 1995 primarily as a result of lower average selling prices for semiconductor memory products and higher net sales of PC systems as a percentage of total net sales. The Company's gross margin percentage on sales of semiconductor memory products for 1996 was 56%, compared to 65% and 57% in 1995 and 1994, respectively. The lower gross margin percentage on sales of semiconductor memory products in 1996 was principally due to a sharp decline in average selling prices for such products as compared to more gradual decreases in per megabit manufacturing costs. Decreases in the Company's manufacturing costs per megabit were achieved through significant increases in volume production which principally resulted from greater number of die per wafer achieved through conversion of Fab III to 8-inch wafers, transitions to shrink versions of existing products, improved manufacturing yields, increased wafer output and a shift in the Company's mix of semiconductor memory products to higher density devices. The lower gross margin percentage on sales of semiconductor memory products in 1996 was partially offset by the effect of a net reduction of approximately \$55.0 million in accruals recorded in prior years relating to product and process rights contingencies for both semiconductor and personal computer operations.

Sales of PC systems generally had a lower gross margin percentage than sales of the Company's semiconductor memory products in 1996. However, the gross margin percentage on sales of PC systems increased in 1996 compared to 1995 primarily as a result of improved component costs and improved inventory management. In addition, increased sales of notebook PC products favorably affected the gross margin percentage on sales of PC systems. While sales of PC systems generally continued to have a lower gross margin percentage than sales of the Company's semiconductor memory products in fiscal 1996, the gross margin percentage on sales of PC systems was higher in the fourth quarter of fiscal 1996 than the gross margin percentage on sales of semiconductor memory products.

Cost of goods sold includes estimated costs of settlement or adjudication of asserted and unasserted claims for patent infringement prior to the balance sheet date and costs of product and process technology licensing arrangements. Product and process technology costs decreased as a percentage of total net sales in 1996 principally due to the higher level of net sales of PC systems in 1996 which are subject to generally lower royalty costs compared to the Company's semiconductor memory products, and due to the resolution of contingencies for product and process technology rights.

The slight increase in gross margin percentage for 1995 compared to 1994 was principally due to relatively stable prices as compared to reductions in cost per megabit of memory sold for DRAM products. Reductions in cost per megabit of memory sold were realized primarily from a combination of increased wafer output, yield improvements, die shrinks and transitions to generally higher density memory products. This slight increase in gross margin percentage was offset in part by higher net sales of PC systems as a percentage of net sales. Sales of PC systems generally had a lower gross margin percentage than sales of the Company's semiconductor memory products in 1995.

## SELLING, GENERAL AND ADMINISTRATIVE

	1996	% CHANGE	1995	% CHANGE	1994
	-----	-----	-----	-----	-----
	(DOLLARS IN MILLIONS)				
Selling, general and administrative.....	\$289.4	54.6%	\$187.2	43.2%	\$130.7
as a % of net sales.....	7.9%		6.3%		8.0%

The higher level of selling, general and administrative expenses for 1996 as compared to 1995 principally resulted from a higher level of personnel costs associated with the increased number of administrative employees and sales and technical support employees in the Company's PC operations and, to a lesser extent, increased legal costs associated with the development and resolution of product and process technology rights and contingencies, advertising costs for the Company's PC operations and depreciation expense resulting from the addition of new computer equipment in late 1995 and 1996. In addition, selling, general and administrative expenses for 1996 reflect an approximate \$21 million pretax gain from the disposal of equipment, compared to a \$7 million pretax gain in 1995. During the fourth quarter of fiscal 1996, the Company charged operations with a \$9 million accrual relating to revisions of estimates for selling costs associated with sales of PC systems.

The higher level of selling, general and administrative expenses for 1995 as compared to 1994 principally resulted from a higher level of personnel costs associated with the Company's profit sharing programs, an increased number of administrative employees and, to a lesser extent, increased advertising costs and credit card processing fees associated with the increased level of sales from the Company's PC operations. Such increases were partially offset by a reduction in legal fees compared to 1994 primarily resulting from the Company's resolution of product and process technology rights contingencies.

#### RESEARCH AND DEVELOPMENT

	1996	% CHANGE	1995	% CHANGE	1994
	-----	-----	-----	-----	-----
	(DOLLARS IN MILLIONS)				
Research and development.....	\$191.9	49.0%	\$128.8	54.4%	\$83.4
as a % of net sales.....	5.3%		4.4%		5.1%

Research and development expenses vary primarily with the number of wafers and personnel dedicated to new product and process development. The Company's research and development efforts are currently focused principally on further development of shrink versions of the 16 Meg DRAM. Development efforts are also focused on 16 Meg and 64 Meg SDRAM and a move from .35 (mu) process technology to .25 (mu) and .18 (mu) process technology. Other research and development efforts are currently devoted to design of the 64 Meg, 256 Meg and 1 Gig DRAMs, and design and development of new technologies including remote intelligent communications products and Flash semiconductor memory products.

#### INCOME TAX PROVISION

	1996	% CHANGE	1995	% CHANGE	1994
	-----	-----	-----	-----	-----
	(DOLLARS IN MILLIONS)				
Income tax provision.....	\$357.0	(29.5)%	\$506.4	125%	\$225.3

The effective tax rate for 1996 was 37.6%, which primarily reflects the statutory corporate tax rate and the net effect of state taxation. The effective tax rates for 1995 and 1994 were 37.5% and 36.0%, respectively. The changes in the effective tax rates were principally due to the change in the mix of income among taxing jurisdictions and the utilization of state tax credits as a percentage of pretax income. State income taxes have been reduced by state tax credits. As of June 1996, MEI was not consolidated with MTI for federal income tax purposes.

#### RESTRUCTURING CHARGE

Results of operations for 1996 were adversely affected by a one-time \$29.6 million pre-tax restructuring charge resulting from the decisions by its approximately 79% owned subsidiary, Micron Electronics, Inc., to discontinue sales of ZEOS brand PC systems and to close the related PC manufacturing operations in Minneapolis, Minnesota. The restructuring charge reduced 1996 fully diluted earnings per share by \$0.09.

## LIQUIDITY AND CAPITAL RESOURCES

As of August 29, 1996, the Company had cash and liquid investments totaling \$287 million, representing a decrease of \$269 million during 1996. Approximately \$115 million of the Company's consolidated cash and liquid investments were held by MEI. Cash generated from operations 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 1996 were cash flows from operations of \$1,061 million, equipment financing of \$273 million and net borrowings under the Company's bank credit agreements of \$90 million. The principal uses of funds in 1996 were \$1,426 million for property, plant and equipment and \$281 million for repayments of equipment contracts and long-term debt.

Cash flows from operations for fiscal 1996 were slightly higher than cash flows from operations in fiscal 1995. Cash flows from operations are significantly affected by average selling prices and variable cost per megabit for the Company's semiconductor memory products. For example, the Company estimates that each reduction in average selling prices of \$0.25 per megabit reduced the Company's cash flows by approximately \$200 million in fiscal 1996. In the future, to the extent that the Company's level of production increases, similar price decreases may have an even more significant impact. In 1996, the rate of decline in average selling prices for semiconductor memory products surpassed the rate at which the Company was able to decrease costs per megabit, and as a result the Company's cash flows were significantly adversely affected, particularly in the second half of fiscal 1996. In the event that average selling prices were to continue to decline faster than the rate at which the Company is able to decrease costs of production, the Company may not be able to generate sufficient cash flows from operations to sustain operations.

As of August 29, 1996, the Company had contractual commitments extending through calendar year 1997 of approximately \$170 million for equipment purchases and approximately \$9 million for the construction of facilities. The Company believes continuing investments in manufacturing technology, facilities and capital equipment, research and development, and product and process technology are necessary to support future growth, achieve operating efficiencies, and enhance product quality. The Company anticipates that it will need to spend approximately \$500 million in fiscal 1997 to continue its capacity enhancement program. However, due to current market conditions the Company may not have sufficient internal sources of liquidity to continue its capacity enhancement program. As a result, in order to continue its capacity enhancement program as planned, the Company may need to secure additional financing from external sources. As of year end, the Company was evaluating a number of financing alternatives. There can be no assurance that external sources of liquidity will be available to fund the Company's ongoing operations or expansion, diversification and capital improvements in accordance with the Company's capacity enhancement program. The failure to obtain external sources of liquidity would hinder the Company's ability to make continued investments in its capacity enhancement program, which could materially adversely affect the Company's business and results of operations.

During the third quarter of 1996, the Company established a \$500 million revolving credit agreement expiring in May 1999. The credit facility was amended in the fourth quarter of 1996 to reduce the total potential borrowing to \$400 million and to modify the covenants to reflect changes in industry conditions. As of August 29, 1996, the Company had borrowings of \$90 million outstanding under the facility. The amended agreement contains certain restrictive covenants and conditions including a borrowing base tied to the Company's accounts receivable, an Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") covenant, and a maximum net loss covenant. The Company was not in compliance with the EBITDA covenant at the end of the third fiscal quarter, at which time the Company obtained a waiver. As of August 29, 1996 the Company was in compliance with all bank covenants and conditions. There can be no assurance that the Company will continue to be able to meet the terms of the covenants and conditions or be able to borrow the full amount of the credit facility.

The Company's majority-owned subsidiary, MEI, has an unsecured revolving credit facility with two financial institutions providing for borrowings of up to \$40 million. As of August 29, 1996, there were no borrowings outstanding under the agreement. Borrowings are limited based on the amount of MEI's eligible receivables. As of August 29, 1996, MEI was eligible to borrow the entire \$40 million pursuant to the agreement.

#### CERTAIN FACTORS

In addition to the factors discussed elsewhere in this Annual Report on Form 10-K, the following are important factors which could cause actual results or events to differ materially from those contained in any forward-looking statement made by or on behalf of the Company.

#### VOLATILITY OF THE SEMICONDUCTOR MEMORY INDUSTRY; RECENT MARKET CONDITIONS

The semiconductor memory industry is characterized by rapid technological change, frequent product introductions and enhancements, difficult product transitions, relatively short product life cycles, rapid changes in market prices and volatile market conditions. Historically, the semiconductor industry has been highly cyclical, particularly in the market for DRAM products, which are the Company's primary semiconductor memory products. The selling prices for the Company's semiconductor memory products fluctuate significantly with changes in the balance of supply and demand for these commodity products. Market conditions through the end of fiscal 1996 indicated that growth in worldwide supply outpaced growth in demand. Many of the Company's competitors have recently added significant capacity for the production of semiconductor memory components. The amount of capacity 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.

Average sales prices for 4 Meg DRAM, the Company's primary product, declined approximately 78% from early December 1995 to late August 1996, while industry-wide average sales prices for 16 Meg DRAM products declined approximately 75% for the same period. There can be no assurance that the rate of decline of average sales prices will lessen or that market conditions will improve in the foreseeable future. These declines have had a material adverse effect on the Company's business and results of operations. Further declines in average sales prices for the Company's DRAM products could have a material adverse effect on the Company's business and results of operations.

#### DEPENDENCE ON PERSONAL COMPUTER INDUSTRY; CUSTOMER CONCENTRATION

DRAMs are the most widely used semiconductor memory component in most personal computer systems. Approximately 75% of the Company's sales of semiconductor memory products during the fourth quarter of fiscal 1996 were into the PC or peripheral markets. The Company believes that the rate of growth in overall worldwide sales of PC systems has declined and may remain below prior years' growth rates for the foreseeable future. In addition, the growth rate in the amount of semiconductor memory per PC system may decrease in the future as well. Should demand for PC systems decrease or the growth rate in the amount of memory per PC system decrease, growth in demand for 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.

Approximately 22% of the Company's net sales for fiscal 1996 were to the Company's top five customers. As a result of this concentration of the Company's customer base, loss or cancellation of business from any of these major PC system customers, significant changes in scheduled deliveries to any of these customers or decreases in the prices of products sold to any of these customers could have a material adverse effect on the Company's business and results of operations. Certain of MTI's key semiconductor memory customers compete directly with MEI in the sale of PC systems, and there



can be no assurance that in the future such customers will, as a result of this competition with MEI, continue to purchase the Company's semiconductor memory products. A loss of any of these customers could have a material adverse effect on the Company's business and results of operations.

#### FLUCTUATIONS IN OPERATING RESULTS

The Company's past operating results have been, and its future operating results may be, subject to annual and quarterly fluctuations as a result of a wide variety of factors, including, without limitation, the cyclical nature of the semiconductor memory industry, the introduction and announcement of new products and process technologies by the Company or its competitors, pricing pressures, the speed in which the Company reduces costs for any particular new product, fluctuations in manufacturing yields, changes in product mix, the cost and availability of raw materials and general worldwide economic conditions. During the three fiscal quarters ended August 29, 1996, DRAM market conditions were characterized by excess supply over demand, resulting in declining prices. Any additional price declines for memory products in the future, either due to increased supply or decreased demand, could have an adverse effect on the Company's business and results of operations.

The Company's operating results are also significantly impacted by the operating results of its consolidated subsidiaries, in particular MEI. As DRAM prices have fallen and as unit shipments of PC systems have increased, MTI's consolidated results of operations have been increasingly affected by MEI's results of operations. While sales of PC systems, less sales to MEI of MTI's semiconductor memory products included therein, constituted approximately 31% of MTI's total net sales for fiscal 1996, such sales in the fourth quarter of fiscal 1996 constituted approximately 50% of MTI's total net sales. MEI's past operating results have been, and its future operating results may be, subject to fluctuations, on a quarterly and an annual basis, as a result of a wide variety of factors, including, but not limited to, the timing of new product introductions by MEI and its competitors, fluctuating market pricing for computer and semiconductor memory products, industry competition, fluctuating component costs, inventory obsolescence, critical component availability, seasonal cycles common in the personal computer industry, seasonal government purchasing cycles, the effect of product reviews and industry awards, changes in product mix, manufacturing and production constraints and the timing of orders from and shipments to OEM customers.

#### MANUFACTURING RISKS AND VOLUME PRODUCTION

The manufacturing of the Company's semiconductor memory products is a complex process and involves a number of precise steps, including wafer fabrication, assembly in a variety of packages, burn-in and final test. Efficient production of the Company's semiconductor memory products requires utilization of advanced semiconductor manufacturing techniques. The Company is engaged in ongoing efforts to enhance its production processes to reduce the die size of existing products and increase capacity. The Company has completed the conversion of Fab III to process 8-inch wafers and is continuing the conversion of Fab I to process 8-inch wafers, with completion anticipated prior to the end of calendar year 1996. There can be no assurance that the Company will not experience an interruption of its manufacturing processes or experience decreases in manufacturing yield as a result of conversions of wafer process technology. Wafer fabrication occurs in a highly controlled, clean environment to minimize dust and other yield- and quality-limiting contaminants. Despite stringent manufacturing controls, equipment does not consistently perform flawlessly and minute impurities, defects in the photo masks, or other difficulties in the process may cause a substantial percentage of the wafers to be rejected or individual circuits to be nonfunctional. The success of the Company's manufacturing operation will be largely dependent on its ability to minimize such impurities and to maximize its yield of acceptable high-quality circuits. In addition, the Company's manufacturing yields could be adversely affected in the event of future power outages similar to the power outages that have affected the Pacific Northwest during calendar year 1996. There can be no assurance that the Company will not experience decreases in manufacturing yields as a result of any such manufacturing problems.

Completion of MTI's semiconductor manufacturing facility in Lehi, Utah is on indefinite hold as a result of the decline in average selling prices for semiconductor memory products. As of August 29, 1996, MTI had invested approximately \$600 million in the Lehi facility. The cost to complete the Lehi facility is estimated to approximate \$1.5 billion. There can be no assurance that MTI will be able to fund the completion of the Lehi manufacturing facility. The failure by MTI to complete the facility would likely result in MTI being required to write off all or a portion of the facility's cost, which, if required, 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 MTI will successfully commence manufacturing at the Lehi facility in a manner that enables it to take advantage of the improved market conditions. Any such failure to respond to improved market conditions could have a material adverse effect on MTI's business and results of operations.

As a result of the significant investment in facilities and equipment associated with the production of DRAM products and the industry's history of declining average sales prices as products mature, the Company must produce and sell its DRAM products in significant volume and continue to reduce per megabit manufacturing costs in order to achieve profitability. There can be no assurance that revenues derived from sales of MTI's products will be sufficient to cover current fixed costs. In order to achieve profitability, the Company must continue to significantly increase its output of semiconductor memory.

#### LIQUIDITY AND FUTURE CAPITAL NEEDS

DRAM manufacturers generally have substantial ongoing capital requirements to maintain or increase manufacturing capacity. Historically, the Company has reinvested substantially all of its cash flow from operations in capacity expansion and improvement programs. The Company's cash flows from operations are significantly affected by average selling prices and variable cost per megabit for the Company's semiconductor memory products. For example, the Company estimates that each reduction in average selling price of \$0.25 per megabit reduced the Company's cash flows by approximately \$200 million in fiscal 1996. In the future, to the extent that the Company's level of production increases, similar price decreases may have an even more significant impact. In 1996, the rate of decline in average selling prices for semiconductor memory products surpassed the rate at which the Company was able to decrease costs per megabit, and as a result the Company's cash flows were significantly adversely affected, particularly in the second half of fiscal 1996. In the event that average selling prices were to continue to decline faster than the rate at which the Company is able to decrease costs of production, the Company may not be able to generate sufficient cash flows from operations to sustain operations. The Company anticipates that it will need to spend approximately \$500 million in fiscal 1997 to continue its capacity enhancement program. However, due to current market conditions the Company may not have sufficient internal sources of liquidity to continue its capacity enhancement program. As a result, in order to continue its capacity enhancement program as planned, the Company may need to secure additional financing from external sources. As of year end, the Company was evaluating a number of financing alternatives. There can be no assurance that external sources of liquidity will be available to fund the Company's ongoing operations or the Company's capacity enhancement program. In addition, cash generated from operations by MEI is not readily available or anticipated to be available to finance operations or other expenditures of MTI. The failure to obtain financing would hinder the Company's ability to make continued investments in its capacity enhancement program, which could materially adversely affect the Company's business and results of operations. The Company was not in compliance with one of its financial covenants under its revolving credit agreement at the end of the third fiscal quarter of 1996, at which time the Company obtained a waiver. As of August 29, 1996 the Company was in compliance with its covenants and conditions under the revolving credit agreement. There can be no assurance that the Company will continue to be able to meet the terms of the covenants and conditions or be able to borrow the full amount of the credit facility.

## PRODUCT DEVELOPMENT

From time to time, the Company has experienced volatility in its manufacturing yields, as it has encountered difficulties in ramping shrink versions of existing devices or new generation devices to commercial volumes. The Company is continuing the transition of its primary semiconductor memory products from the relatively mature 4 Meg DRAM to the 16 Meg DRAM. The conversion to the 16 Meg DRAM is expected to occur in late calendar year 1996. The Company is developing various SDRAM products which are expected to be ready for volume production in fiscal 1998, as the Company expects a gradual transition by computer manufacturers to faster types of DRAM-based main memory, including but not limited to SDRAM, over the next several years. During periods of transition to new generation products, including the transition to the 16 Meg DRAM, the Company's gross margins have been adversely affected and there can be no assurance that they will not continue to be adversely affected as a result of the continuing transition to the 16 Meg DRAM or the transition to the SDRAM product. Rapid technological change and intense price competition place a premium on both new product and new process development efforts. The Company's continued ability to compete in the semiconductor memory market will depend in part on its ability to continue to develop technologically advanced products and processes, of which there can be no assurance. Research and development expenses vary primarily with the number of wafers and personnel dedicated to new product and process development. The Company's research and development efforts are currently focused principally on further development of shrink versions of the 16 Meg DRAM. Development efforts are also focused on 16 Meg and 64 Meg SDRAM and a move from .35 (mu) process technology to .25 (mu) and .18 (mu) process technology. Other research and development efforts are currently devoted to design of the 64 Meg, 256 Meg and 1 Gig DRAMs, and design and development of new technologies including remote intelligent communications products and Flash semiconductor memory products. There can be no assurance that the Company will be successful in shrinking the 16 Meg DRAM as fast as its competitors, or that the Company's competitors will not be able to develop and offer 64 Meg or 256 Meg DRAM products before the Company is able to bring comparable products to market. The Company's ability to reduce costs per megabit 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. In the event that the Company is unable to decrease costs per megabit for semiconductor memory products at a rate equal to the rate of decline in selling prices for such products, the Company's business and results of operations will be adversely impacted.

## COMPETITION

The Company's semiconductor memory operations experience intense competition from a number of substantially larger foreign and domestic companies, including Fujitsu, Ltd., Hitachi, Ltd., Hyundai Electronics, Co., Ltd., Mitsubishi Electronic Corp., Motorola, Inc., NEC Corp., Samsung Semiconductor, Inc., LG Semicon, Texas Instruments Incorporated and Toshiba Corporation. The Company has captured only a small percentage of the semiconductor memory market and may be at a disadvantage in competing against larger manufacturers with significantly greater capital resources or manufacturing capacities, larger engineer and employee bases, larger portfolios of intellectual property, and more diverse product lines that provide cash flows counter cyclical to fluctuations in semiconductor memory operations. The Company's larger competitors also have long-term advantages over MTI in research and new product development and in their ability to withstand periodic downturns in the semiconductor memory market. The Company believes that its competition has sufficient resources and manufacturing capacity to influence market pricing. Many of the Company's competitors have recently added new wafer fabrication facilities, significantly increasing worldwide capacity for the production of semiconductor memory products, resulting in downward price pressures on semiconductor memory products.

## INTELLECTUAL PROPERTY MATTERS

The semiconductor industry has 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 the 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 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, some of which expire at the end of calendar year 1996. The Company is unable to predict whether these license agreements can be obtained or renewed on terms acceptable to the Company. Failure to obtain or renew such licenses could result in litigation. Any determination that the Company's manufacturing processes or products have infringed on the product or process rights held by others could have a material adverse effect on the Company's business and results of operations. Further, adverse determinations could result in the Company's loss of proprietary rights, subject the Company to significant liabilities to third parties, require the Company to seek licenses from third parties or prevent the Company from manufacturing or selling its products, any of which could have a material adverse effect on the Company's business and results of operations.

The Company intends to continue to pursue patent, trade secret and mask work protection for its semiconductor process technologies and designs. To that end, the Company has obtained certain patents and patent licenses and intends to continue to seek patents on its inventions and manufacturing processes, as appropriate. The process of seeking patent protection can be long and expensive, and there is no assurance that patents will be issued from currently pending or future applications or that, if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to the Company. In particular, there can be no assurance that any patents held by the Company will not be challenged, invalidated or circumvented. The Company also relies on trade secret protection for its technology, in part through confidentiality agreements with its employees, consultants and third parties. There can be no assurance that these agreements will not be breached, that the Company will have adequate remedies for any breach or that the Company's trade secrets will not otherwise become known to or independently developed by others. In addition, the laws of certain territories in which the Company's products are or may be developed, manufactured or sold may not protect the Company's products and intellectual property rights to the same extent as do the laws of the United States.

## STATE TAXATION

Several states have enacted legislation which would require out of state direct marketers to collect and remit sales and use taxes based on certain limited contacts with the state. Taxation authorities in certain states have, from time to time, solicited information from the Company to determine whether the Company has sufficient contacts with such states to require payment of sales and use taxes on its PC systems sold to customers in those states. The Company could be required to pay sales and use taxes and income and franchise taxes related to the Company's operations in prior periods, which could have a material adverse effect on the Company's business and results of operations. In addition, the Company may be increasing its contacts and presence in various states as it pursues its business strategies. As a result of its contacts, the Company may be required to collect and remit sales and use taxes in the future, which could materially adversely affect the Company's business and results of operations.

#### DEPENDENCE ON LIMITED SOURCES OF SUPPLY

Raw materials utilized by the Company's semiconductor manufacturing operation generally must meet exacting product specifications. The Company generally uses multiple sources of supply, but there are only a limited number of suppliers capable of delivering certain raw materials that meet the Company's specifications. Additionally, the availability of raw materials may decline due to the overall increase in world-wide semiconductor manufacturing. Although shortages have occurred from time to time and lead times in the industry have been extended on occasion, to date the Company has not experienced any significant interruption in operations as a result of a difficulty in obtaining raw materials for its semiconductor manufacturing operations. Interruption of any one raw material source could have a material adverse effect on the Company's business and results of operations.

#### DEPENDENCE ON KEY PERSONNEL

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. 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. On September 30, 1996, MTI announced that Tyler A. Lowrey, previously the Chief Operations Officer and a director of MTI, had resigned as a director and will no longer serve as Chief Operations Officer. There can be no assurance that any of MTI's key personnel will remain employed by MTI. 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.

#### ENVIRONMENTAL REGULATIONS

The Company is subject to a variety of federal, state and local governmental regulations related to the storage, use, discharge and disposal of toxic, volatile or otherwise hazardous chemicals used in its manufacturing process. Increasing public attention has been focused on the environmental impact of semiconductor manufacturing operations. There can be no assurance that changes in environmental regulations will not impose the need for additional capital equipment or other requirements. Any failure by the Company to control the use of, or adequately to restrict the discharge of, hazardous substances under present or future regulations could subject MTI to substantial liability or could cause its manufacturing operations to be suspended. Such liability or suspension of manufacturing operations could have a material adverse effect on the Company's business and results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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MICRON TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS  
(AMOUNTS IN MILLIONS, EXCEPT FOR PER SHARE DATA)

	FISCAL YEAR ENDED		
	AUGUST 29, 1996	AUGUST 31, 1995	SEPTEMBER 1, 1994
Net sales.....	\$3,653.8	\$2,952.7	\$1,628.6
Costs and expenses:			
Cost of goods sold.....	2,198.4	1,328.7	789.4
Selling, general and administrative.....	289.4	187.2	130.7
Research and development..	191.9	128.8	83.4
Restructuring charge.....	29.6	--	--
	-----	-----	-----
Total costs and expenses.....	2,709.3	1,644.7	1,003.5
	-----	-----	-----
Operating income.....	944.5	1,308.0	625.1
Gain from merger transaction.....	--	29.0	--
Interest income, net.....	14.3	25.0	5.7
Minority interests.....	(8.3)	(11.5)	(5.0)
Income before income taxes..	950.5	1,350.5	625.8
Income tax provision.....	357.0	506.4	225.3
	-----	-----	-----
Net income.....	\$ 593.5	\$ 844.1	\$ 400.5
	=====	=====	=====
Earnings per share:			
Primary.....	\$ 2.76	\$ 3.95	\$ 1.92
Fully diluted.....	2.76	3.90	1.90
Number of shares used in per share calculation:			
Primary.....	215.0	213.9	208.9
Fully diluted.....	215.0	216.2	210.4

The accompanying notes are an integral part of the financial statements.

MICRON TECHNOLOGY, INC.

CONSOLIDATED BALANCE SHEETS  
(DOLLARS IN MILLIONS, EXCEPT FOR PAR VALUE DATA)

	AS OF	
	AUGUST 29, 1996	AUGUST 31, 1995
<b>ASSETS</b>		
Cash and equivalents.....	\$ 276.1	\$ 128.1
Liquid investments.....	10.7	427.7
Receivables.....	347.4	455.4
Inventories.....	251.4	204.8
Prepaid expenses.....	13.4	9.1
Deferred income taxes.....	65.0	49.0
	-----	-----
Total current assets.....	964.0	1,274.1
Product and process technology, net.....	43.2	41.6
Property, plant and equipment, net.....	2,708.1	1,385.6
Other assets.....	36.2	73.6
	-----	-----
Total assets.....	\$3,751.5	\$2,774.9
	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Accounts payable and accrued expenses.....	\$ 423.7	\$ 502.3
Short-term debt.....	90.0	--
Deferred income.....	7.8	16.4
Equipment purchase contracts.....	67.8	59.6
Current portion of long-term debt.....	75.2	26.5
	-----	-----
Total current liabilities.....	664.5	604.8
Long-term debt.....	314.6	129.4
Deferred income taxes.....	157.4	93.3
Non-current product and process technology.....	43.5	3.6
Other liabilities.....	15.7	9.4
	-----	-----
Total liabilities.....	1,195.7	840.5
	-----	-----
Minority interests.....	53.8	38.2
Commitments and contingencies		
Common stock, \$0.10 par value, authorized 1.0 billion shares, issued and outstanding 208.8 million and 206.4 million shares, respectively.....	20.9	20.6
Additional capital.....	434.7	391.5
Retained earnings.....	2,046.4	1,484.1
	-----	-----
Total shareholders' equity.....	2,502.0	1,896.2
	-----	-----
Total liabilities and shareholders' equity.....	\$3,751.5	\$2,774.9
	=====	=====

The accompanying notes are an integral part of the financial statements.



MICRON TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(DOLLARS AND SHARES IN MILLIONS)

	FISCAL YEAR ENDED					
	AUGUST 29, 1996		AUGUST 31, 1995		SEPTEMBER 1, 1994	
	SHARES	AMOUNT	SHARES	AMOUNT	SHARES	AMOUNT
<b>COMMON STOCK</b>						
Balance at beginning of year.....	206.4	\$ 20.6	101.9	\$ 10.2	40.1	\$ 4.0
Stock sold.....	0.4	0.1	0.2	0.0	0.1	0.0
Stock option plan.....	2.0	0.2	1.4	0.1	0.8	0.1
Stock split.....	--	--	102.9	10.3	60.9	6.1
Balance at end of year..	208.8	\$ 20.9	206.4	\$ 20.6	101.9	\$ 10.2
<b>ADDITIONAL CAPITAL</b>						
Balance at beginning of year.....		\$ 391.5		\$ 368.3		\$ 353.0
Stock sold.....		11.1		5.6		1.9
Stock option plan.....		11.5		14.3		8.9
Tax effect of stock purchase plans.....		20.6		13.6		10.6
Stock split.....		--		(10.3)		(6.1)
Balance at end of year..		\$ 434.7		\$ 391.5		\$ 368.3
<b>RETAINED EARNINGS</b>						
Balance at beginning of year.....		\$1,484.1		\$ 670.8		\$ 282.5
Net income.....		593.5		844.1		400.5
Dividends paid.....		(31.2)		(30.8)		(12.2)
Balance at end of year..		\$2,046.4		\$1,484.1		\$ 670.8

The accompanying notes are an integral part of the financial statements.

MICRON TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS  
(DOLLARS IN MILLIONS)

	FISCAL YEAR ENDED		
	AUGUST 29, 1996	AUGUST 31, 1995	SEPTEMBER 1, 1994
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income.....	\$ 593.5	\$ 844.1	\$ 400.5
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation.....	363.7	199.0	138.8
Decrease (increase) in receivables.....	107.5	(197.9)	(81.0)
Increase in inventories.....	(61.1)	(76.0)	(17.9)
Increase (decrease) in accounts payable and accrued expenses.....	(80.6)	249.4	45.2
Increase in non-current product and process liability.....	40.0	2.1	0.5
Restructuring charge.....	29.6	--	--
Gain from equipment sales.....	(20.7)	(7.4)	(3.3)
Increase in deferred income taxes.....	48.1	24.8	2.7
Gain from merger transaction.....	--	(29.0)	--
Other.....	40.5	29.7	72.0
Net cash provided by operating activities.....	1,060.5	1,038.8	557.5
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Expenditures for property, plant and equipment.....	(1,425.9)	(730.0)	(251.0)
Purchase of available-for-sale and held-to-maturity securities.....	(194.6)	(719.6)	(403.6)
Proceeds from sales and maturities of securities.....	613.8	651.8	185.3
Proceeds from sale of equipment.....	33.8	13.7	8.7
Other.....	(7.5)	13.5	(19.2)
Net cash used for investing activities....	(980.4)	(770.6)	(479.8)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of long-term debt..	264.7	62.4	119.2
Net proceeds from borrowings on lines of credit.....	90.0	--	--
Payments on equipment purchase contracts..	(226.1)	(202.5)	(119.3)
Repayments of long-term debt.....	(54.9)	(63.4)	(46.2)
Proceeds from issuance of common stock....	25.1	18.4	12.1
Payment of dividends.....	(31.2)	(30.8)	(12.2)
Other.....	0.3	(2.6)	(0.4)
Net cash provided by (used for) financing activities.....	67.9	(218.5)	(46.8)
Net increase in cash and equivalents.....	148.0	49.7	30.9
Cash and equivalents at beginning of year.....	128.1	78.4	47.5
Cash and equivalents at end of year.....	\$ 276.1	\$ 128.1	\$ 78.4
<b>Supplemental disclosures</b>			
Income taxes paid, net.....	\$ (403.4)	\$ (438.6)	\$ (197.4)
Interest paid, net of amounts capitalized.....	(12.3)	(9.5)	(6.6)
<b>Noncash investing and financing activities:</b>			
Equipment acquisitions on contracts payable and capital leases.....	273.0	230.8	125.6
Assets acquired, net of cash and liabilities assumed in merger transaction.....	--	26.0	--

The accompanying notes are an integral part of the financial statements.



MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
(ALL TABULAR DOLLAR AND SHARE AMOUNTS ARE STATED IN MILLIONS)

SIGNIFICANT ACCOUNTING POLICIES

**BASIS OF PRESENTATION:** The consolidated financial statements include the accounts of Micron Technology, Inc. and its domestic and foreign subsidiaries (the "Company"). The Company designs, develops, manufactures, and markets semiconductor memory products, primarily DRAM, for use in personal computers ("PCs"). Through its majority-owned subsidiary, Micron Electronics, Inc. ("MEI"), the Company also designs, develops, markets, manufactures and supports Micron brand PC systems and operates a contract manufacturing and component recovery business. All significant intercompany accounts and transactions have been eliminated. The Company's fiscal year ends on the Thursday closest to August 31.

**CERTAIN CONCENTRATIONS AND ESTIMATES:** Approximately 80% of the Company's sales of semiconductor memory products are to the PC or peripheral markets. Certain components used by the Company in manufacturing of PC systems are purchased from a limited number of suppliers.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

**REVENUE RECOGNITION:** Revenue from product sales to direct customers is recognized when title transfers to the customer, primarily upon shipment. The Company defers recognition of sales to distributors, which allow certain rights of return and price protection, until distributors have sold the products. Net sales include construction management fees earned, and revenues under cross-license agreements with third parties and under government research contracts.

**EARNINGS PER SHARE:** Earnings per share are computed using the weighted average number of common and common equivalent shares outstanding. Common equivalent shares result from the assumed exercise of outstanding stock options and affect earnings per share when they have a dilutive effect.

**FINANCIAL INSTRUMENTS:** Cash equivalents include highly liquid short-term investments with original maturities of three months or less, readily convertible to known amounts of cash. The amounts reported as cash and equivalents, liquid investments, receivables, other assets, accounts payable and accrued expenses, equipment purchase contracts and long-term debt are considered to be reasonable approximations of their fair values. The fair value estimates presented herein were based on market information available to management as of August 29, 1996. The use of different market assumptions and/or estimation methodologies could have a material effect on the estimated fair value amounts. The reported fair values do not take into consideration potential expenses that would be incurred in an actual settlement.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, liquid investments and trade accounts receivable. The Company invests cash through high-credit-quality financial institutions and performs periodic evaluations of the relative credit standing of these financial institutions. The Company, by policy, limits the concentration of credit exposure by restricting investments with any single obligor, instrument or geographic area. A concentration of credit risk may exist with respect to trade receivables, as a substantial portion of the Company's customers are affiliated with the computer, telecommunications and office automation industries. The Company performs ongoing credit evaluations of customers worldwide and generally does not require collateral from its customers. Historically, the Company has not experienced significant losses related to receivables for individual customers or groups of customers in any particular industry or geographic area.

MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

**INVENTORIES:** Inventories are stated at the lower of average cost or market. Cost includes labor, material and overhead costs, including product and process technology costs.

**PROPERTY, PLANT AND EQUIPMENT:** Property, plant and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of 5 to 30 years for buildings and 2 to 5 years for equipment.

**PRODUCT AND PROCESS TECHNOLOGY:** Costs related to the conceptual formulation and design of products and processes are expensed as research and development. Costs incurred to establish patents and acquire product and process technology are capitalized. Capitalized costs are amortized on the straight-line method over the shorter of the estimated useful life of the technology, the patent term or the agreement, ranging up to 10 years. The Company has royalty-bearing license agreements that allow it to manufacture and sell semiconductor memory devices, hardware and software. Royalty costs are accrued and included in cost of goods sold when the sale is recognized.

**ADVERTISING:** Advertising costs are charged to operations as incurred.

**RECENTLY ISSUED ACCOUNTING STANDARDS:** In March 1995, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of." The Company has not elected early adoption of SFAS 121. The Company will adopt the provisions of SFAS 121 in fiscal 1997. Adoption of SFAS 121 is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

In October 1995, the FASB issued SFAS 123, "Accounting for Stock-Based Compensation." The Company has not elected early adoption of SFAS 123. The Company intends to adopt SFAS 123 in fiscal 1997. As permitted under SFAS 123, the Company will continue to measure compensation expense for its stock-based employee compensation plans using the intrinsic value method prescribed by Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and will provide pro forma disclosures of net income and earnings per share as if a fair value-based method had been applied in measuring compensation expense. As a result, adoption of SFAS 123 is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

**FOREIGN CURRENCY:** The U.S. dollar is the Company's functional currency for financial reporting.

**RESTATEMENTS AND RECLASSIFICATIONS:** On March 27, 1995, the Company's Board of Directors announced a 2 for 1 stock split effected in the form of a stock dividend to shareholders of record as of May 4, 1995. On March 1, 1994, the Company's Board of Directors announced a 5 for 2 stock split effected in the form of a stock dividend to shareholders of record as of April 1, 1994. The Company distributed cash in lieu of fractional shares resulting from the stock split. The Company's par value of \$0.10 per share remained unchanged. Historical share and per share amounts have been restated to reflect retroactively the stock splits.

MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

On December 31, 1995, the company reclassified a portion of its held-to-maturity liquid investment securities to available-for-sale concurrent with the Company's adoption of the FASB's special report on implementing Statement 115, "Accounting for Certain Investments in Debt and Equity Securities."

Certain other reclassifications have been made, none of which affected results of operations, to present the financial statements on a consistent basis.

LIQUID INVESTMENTS

	8/29/96	8/31/95
	-----	-----
Available-for-sale securities:		
U.S. Government agency.....	\$ 1.8	\$ 28.6
State and local governments.....	2.3	7.6
Corporate notes.....	--	4.0
Commercial paper.....	3.9	--
	-----	-----
	8.0	40.2
Held-to-maturity securities:		
State and local governments.....	24.7	196.2
Commercial paper.....	80.3	118.3
U.S. Government agency.....	12.8	88.8
Bankers' acceptances.....	30.9	44.5
Corporate notes.....	--	16.5
Other.....	2.7	4.1
	-----	-----
	151.4	468.4
Total investments.....	159.4	508.6
Less cash equivalents.....	(148.7)	(80.9)
	-----	-----
	\$ 10.7	\$427.7
	=====	=====

Securities classified as available-for-sale are stated at fair value which approximates cost. Securities classified as held-to-maturity are stated at amortized cost. Securities classified as available-for-sale mature within one year, and securities classified as held-to-maturity have maturities within 90 days.

RECEIVABLES

	8/29/96	8/31/95
	-----	-----
Trade receivables.....	\$288.2	\$457.4
Income taxes receivable.....	69.1	--
Other.....	17.6	14.6
Allowance for returns and discounts.....	(18.5)	(9.2)
Allowance for doubtful accounts.....	(9.0)	(7.4)
	-----	-----
	\$347.4	\$455.4
	=====	=====

INVENTORIES

	8/29/96	8/31/95
	-----	-----
Finished goods.....	\$ 54.3	\$ 17.8
Work in progress.....	112.8	99.1
Raw materials and supplies.....	84.3	87.9
	-----	-----
	\$251.4	\$204.8
	=====	=====



MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

PRODUCT AND PROCESS TECHNOLOGY

Amortization of capitalized product and process technology costs was \$13.6 million in 1996; \$10.3 million in 1995; and \$40.9 million in 1994. Accumulated amortization was \$124.3 million and \$110.7 million as of August 29, 1996, and August 31, 1995, respectively.

PROPERTY, PLANT AND EQUIPMENT

	8/29/96	8/31/95
	-----	-----
Land.....	\$ 37.3	\$ 34.4
Buildings.....	674.4	392.0
Equipment.....	2,073.4	1,338.4
Construction in progress.....	753.9	259.2
	-----	-----
	3,539.0	2,024.0
Less accumulated depreciation and amortization.....	(830.9)	(638.4)
	-----	-----
	\$2,708.1	\$1,385.6
	=====	=====

As of August 29, 1996, property, plant and equipment included costs of \$616.9 million for the Company's semiconductor memory manufacturing facility in Lehi, Utah, of which \$577.8 million remained in construction in progress, and \$13.4 million for the expansion of the Company's corporate administration building in Boise, Idaho. The completion of both projects has been delayed and the Company expects to complete the facilities when market conditions warrant. Market conditions which the Company expects to evaluate include, but are not limited to, world-wide market supply and demand of semiconductor products, the Company's operations, cash flows and alternative uses of capital.

ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	8/29/96	8/31/95
	-----	-----
Accounts payable.....	\$232.4	\$193.2
Salaries, wages and benefits.....	67.3	103.2
Product and process technology payable.....	39.7	91.5
Income taxes payable.....	22.7	72.7
Other.....	61.6	41.7
	-----	-----
	\$423.7	\$502.3
	=====	=====

SHORT-TERM DEBT

The Company has a revolving credit facility that provides for borrowings up to \$400 million and expires in May 1999. As of August 29, 1996 the Company had borrowings of \$90 million outstanding under the facility. The interest rate on borrowed funds is based on various pricing options and was 6.19% as of August 29, 1996. The agreement contains certain restrictive covenants and conditions including a borrowing base tied to the Company's accounts receivable, an Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) covenant, and a maximum net loss covenant.

The Company's majority-owned subsidiary, Micron Electronics, Inc. (MEI), has an unsecured credit facility with financial institutions providing for borrowings of up to \$40 million based on the amount of MEI's eligible receivables. As of August 29, 1996, MEI was eligible to borrow \$40 million pursuant to the agreement but had no borrowings outstanding.



MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

LONG-TERM DEBT

	8/29/96	8/31/95
	-----	-----
Notes payable in periodic installments through July 2015, weighted average interest rate 7.28% and 6.82%, respectively..	\$322.0	\$ 89.3
Capitalized lease obligations payable in monthly installments through August 2002, weighted average interest rate of 7.72% and 8.94%, respectively.....	42.8	8.8
Noninterest bearing obligations, \$3 million due October 1997 and \$20.5 million due December 1997, weighted average imputed interest rate of 7.17%.....	21.6	20.0
Noninterest bearing obligation, \$19.8 million retired in May 1996 by an offset against accounts receivable, imputed interest rate of 6.50%.....	--	17.8
Notes payable, due at maturity, ranging from December 1997 to June 1998, weighted average interest rate of 5.30% and 5.50%, respectively.....	3.0	15.0
Noninterest bearing obligation, \$0.5 million due in December 1998, \$4.5 million retired in July 1996 by cash payment and an offset against accounts receivable, imputed interest rate of 6.25% and stated interest rate of 5.44%, respectively.....	0.4	5.0
	-----	-----
	389.8	155.9
Less current portion.....	(75.2)	(26.5)
	-----	-----
	\$314.6	\$129.4
	=====	=====

Certain notes payable are collateralized by plant and equipment with a total cost of approximately \$351.5 million and accumulated depreciation of approximately \$89.1 million as of August 29, 1996. Equipment under capital leases, and the accumulated depreciation thereon, were approximately \$53.3 million and \$14.3 million, respectively, as of August 29, 1996, and \$16.7 million and \$10.7 million, respectively, as of August 31, 1995. Maturities of long-term debt are as follows:

FISCAL YEAR	NOTES PAYABLE	NONINTEREST BEARING OBLIGATIONS	CAPITAL LEASES
-----	-----	-----	-----
1997.....	\$ 66.3	\$ 0.3	\$ 11.1
1998.....	91.3	23.6	8.4
1999.....	62.0	--	7.4
2000.....	60.4	--	7.4
2001.....	44.6	--	15.3
2002 and thereafter.....	0.4	--	3.4
Less discount and interest.....	--	(1.9)	(10.2)
	-----	-----	-----
	\$325.0	\$22.0	\$ 42.8
	=====	=====	=====

Interest income in 1996, 1995, and 1994 is net of interest expense of \$8.6 million, \$7.3 million, and \$5.8 million, respectively. Construction period interest of \$7.5 million, \$4.9 million and \$2.6 million was capitalized in 1996, 1995 and 1994, respectively.

MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

STOCK PURCHASE PLANS

The Company's 1985 and 1994 Stock Option Plans ("Stock Plans") provide for the granting of incentive or nonstatutory stock options. As of August 29, 1996, there was an aggregate of 19.6 million shares of the Company's common stock available for issuance, of which 14.5 million shares have been granted, under the Stock Plans. Options are subject to terms and conditions determined by the Board of Directors, and generally are exercisable in increments of 20% during each year of employment beginning one year from date of grant and expiring six years from date of grant.

Option activity under the Stock Plans is summarized as follows:

	FISCAL YEAR ENDED		
	8/29/96	8/31/95	9/1/94
Outstanding at beginning of year.....	13.7	11.6	9.7
Granted.....	3.3	5.0	5.0
Terminated or cancelled.....	(0.5)	(0.5)	--
Exercised.....	(2.0)	(2.4)	(3.1)
Outstanding at end of year.....	14.5	13.7	11.6
Exercisable at end of year.....	2.9	1.4	.8
Shares available for future grants.....	5.1	3.3	5.8

Options outstanding under the Stock Plans as of August 29, 1996, were at per share prices ranging from \$1.72 to \$80.25. Options exercised were at per share prices ranging from \$1.53 to \$28.87 in 1996, \$1.30 to \$21.33 in 1995 and \$1.30 to \$4.71 in 1994.

On September 30, 1996, the Board of Directors approved an option exchange program pursuant to which employees with options having an exercise price in excess of \$30.00 per share under the Stock Plans may elect to exchange such options for non statutory stock options having 1) an exercise price equal to the average closing price of the Company's common stock for the five business days preceding October 18, 1996, and 2) generally the same terms and conditions, including vesting and expiration terms, as the options surrendered. Options to purchase 2.8 million shares of the Company's common stock under the 1985 Stock Option Plan are eligible for exchange for options issued under the Nonstatutory Stock Option Plan adopted by the Board of Directors on September 30, 1996. Options to purchase 907,000 shares of the Company's common stock are eligible for exchange under the 1994 Stock Option Plan.

The Company's 1989 Employee Stock Purchase Plan and MEI's 1995 Employee Stock Purchase Plan allow eligible employees to purchase shares of the Company's common stock and MEI's common stock through payroll deductions. The shares can be purchased for 85% of the lower of the beginning or ending fair market value of each offering period and are restricted from resale for a period of one year from the date of purchase. Purchases are limited to 20% of an employees eligible compensation. A total of 6.8 million shares of Company common stock are reserved for issuance under the purchase plan, of which 5.8 million shares have been issued as of August 29, 1996. A total of 2.5 million shares of MEI common stock are reserved for issuance under MEI's plan, of which approximately 136,000 shares had been issued as of August 29, 1996.

On April 7, 1995, the Company's subsidiaries Micron Computer, Inc. and Micron Custom Manufacturing Services, Inc. were merged with and into ZEOS International, Ltd. ("ZEOS"), a personal computer manufacturer. The newly merged company was renamed Micron Electronics, Inc. ("MEI"), and is a majority-owned subsidiary of MTI.

MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

MEI's 1995 Stock Option Plan provides for the granting of incentive and nonstatutory stock options. As of August 29, 1996, there were 5 million shares of MEI's common stock reserved for issuance under the plan. Options are granted subject to terms and conditions determined by the MEI Board of Directors, and generally are exercisable in increments of 20% for each year of employment beginning one year from date of grant and expiring six years from date of grant. As of August 29, 1996, there were options outstanding to purchase approximately 1.9 million shares of MEI common stock at prices ranging from \$8.89 to \$23.83 of which options to purchase approximately 121,000 shares of common stock were exercisable.

Granting of options under ZEOS' stock option plans was suspended after the merger. During 1996 and subsequent to the merger in 1995, options to purchase approximately 993,000 and 84,000 of MEI's common stock shares, respectively, were exercised at per share prices ranging from \$0.33 to \$17.00 and \$2.63 to \$8.50, respectively. As of August 29, 1996, options to purchase approximately 49,000 shares of MEI common stock were outstanding under this plan, all of which were exercisable at per share prices ranging from \$2.63 to \$10.75.

In December 1994, ZEOS awarded shares of its common stock to certain employees subject to their continued employment as of January 1, 1996. Compensation expense was recognized over the vesting period based upon the fair market value of the stock at the date of award. To satisfy this award, the Company issued approximately 151,000 shares of the Company's common stock in January 1996.

EMPLOYEE SAVINGS PLAN

The Company has 401(k) profit-sharing plans ("RAM Plans") in which substantially all employees are participants. Employees may contribute from 2% to 16% of their eligible pay to various savings alternatives in the RAM Plans. The Company's contribution provides for an annual match of the first \$1,500 of eligible employee contributions, in addition to contributions based on the Company's financial performance. The Company's RAM Plans expenses were \$14.2 million in 1996, \$15.9 million in 1995 and \$8.2 million in 1994.

COMMITMENTS

As of August 29, 1996, the Company had commitments of \$169.6 million for equipment purchases and \$9.4 million for the construction of buildings.

RESTRUCTURING

In 1996, the Company's subsidiary, MEI, adopted and completed a plan to discontinue the manufacture and sale of ZEOS brand PC systems. The Company recorded a restructuring charge of \$29.6 million in 1996, comprised principally of \$14.5 million relating to the disposition of ZEOS components and systems and \$13 million to write off unamortized goodwill.

MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

INCOME TAXES

The provision for income taxes consists of the following:

	8/29/96	8/31/95	9/1/94
	-----	-----	-----
Current:			
U.S. federal.....	\$274.5	\$409.3	\$192.4
State.....	25.1	64.6	25.2
Foreign.....	9.3	7.0	5.0
	-----	-----	-----
	308.9	480.9	222.6
Deferred:			
U.S. federal.....	45.5	21.6	2.3
State.....	2.6	3.9	0.4
	-----	-----	-----
	48.1	25.5	2.7
Income tax provision.....	\$357.0	\$506.4	\$225.3
	=====	=====	=====

The tax benefit associated with the exercise of nonstatutory stock options and disqualifying dispositions by employees of shares issued in the Company's stock purchase plans reduced taxes payable by \$20.6 million, \$13.6 million and \$10.6 million for 1996, 1995 and 1994, respectively. Such benefits are reflected as additional capital.

A reconciliation between income tax computed using the federal statutory rate and the income tax provision follows:

	8/29/96	8/31/95	9/1/94
	-----	-----	-----
U.S. federal income tax at statutory rate.....	\$332.7	\$472.7	\$219.0
State taxes, net of federal benefit.....	17.5	47.4	16.7
Other.....	6.8	(13.7)	(10.4)
	-----	-----	-----
Income tax provision.....	\$357.0	\$506.4	\$225.3
	=====	=====	=====

State taxes reflect utilization of investment tax credits of \$31.2 million, \$19.1 million and \$20.1 million for 1996, 1995 and 1994, respectively.

MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Deferred income taxes reflect the net tax effects of temporary differences between the basis of assets and liabilities for financial reporting and income tax purposes. Deferred income tax assets totaled \$127.0 million and \$85.7 million and liabilities totaled \$219.4 million and \$130.0 million at August 29, 1996 and August 31, 1995, respectively. The approximate tax effects of temporary differences which give rise to the net deferred tax liability are as follows:

	8/29/96	8/31/95
	-----	-----
Current deferred tax asset:		
Accrued product and process technology.....	\$ 13.7	\$ 10.4
Inventory.....	13.3	9.7
Accrued compensation.....	7.0	6.0
Deferred income.....	3.4	3.4
Net operating loss acquired in merger.....	2.6	2.8
Other.....	25.0	16.7
	-----	-----
Net deferred tax asset.....	65.0	49.0
	-----	-----
Noncurrent deferred tax asset (liability):		
Excess tax over book depreciation.....	(131.5)	(83.5)
Accrued product and process technology.....	21.3	15.3
Investment in subsidiary.....	(16.4)	(11.5)
Other.....	(30.8)	(13.6)
	-----	-----
Net deferred tax liability.....	(157.4)	(93.3)
	-----	-----
Total net deferred tax liability.....	\$ (92.4)	\$(44.3)
	=====	=====

The Company has not recognized a deferred tax liability for the difference between the book basis and tax basis of the common stock of its domestic subsidiaries (such difference relates primarily to unremitted earnings) to the extent the Company expects these basis differences to not be subject to tax at the parent level.

EXPORT SALES AND MAJOR CUSTOMERS

Export sales were \$938.4 million for 1996, including \$375.9 million to Europe and \$320.9 million to Asia Pacific. Export sales were \$753.7 million and \$471.0 million in 1995 and 1994, respectively. Sales to one personal computer manufacturing customer approximated 11% of total net sales in 1994. No other customer individually accounted for 10% or more of the Company's total net sales.

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 alleged 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 a 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.

MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

QUARTERLY FINANCIAL AND MARKET INFORMATION (UNAUDITED)  
(Dollars in millions, except for per share data)

	1ST	2ND	3RD	4TH
	-----	-----	-----	-----
1996 QUARTER				
Net sales.....	\$1,185.8	\$996.5	\$771.0	\$ 700.5
Costs and expenses:				
Cost of goods sold.....	538.1	552.1	558.0	550.2
Selling, general and administrative.....	72.7	72.4	65.1	79.2
Research and development.....	46.6	48.0	51.2	46.1
Restructuring charge.....	--	29.9	--	(0.3)
	-----	-----	-----	-----
Total costs and expenses.....	657.4	702.4	674.3	675.2
	-----	-----	-----	-----
Operating income.....	528.4	294.1	96.7	25.3
Interest income (expense), net.....	8.4	4.4	2.1	(.6)
Minority interests.....	(3.7)	2.0	(2.0)	(4.6)
	-----	-----	-----	-----
Income before income taxes.....	533.1	300.5	96.8	20.1
Income tax provision.....	204.6	112.3	38.6	1.5
	-----	-----	-----	-----
Net income.....	\$ 328.5	\$188.2	\$ 58.2	\$ 18.6
	=====	=====	=====	=====
Fully diluted earnings per share.....	\$ 1.51	\$ 0.87	\$ 0.27	\$ 0.09
Quarterly stock price:				
High.....	\$ 94.38	\$54.75	\$38.38	\$ 32.13
Low.....	47.75	30.88	28.50	17.25
Dividends declared per share.....	0.05	0.05	0.05	--
1995 QUARTER				
Net sales.....	\$ 535.0	\$628.5	\$761.2	\$1,028.0
Costs and expenses:				
Cost of goods sold.....	224.5	267.5	357.2	479.5
Selling, general, and administrative.....	36.6	36.3	50.9	63.4
Research and development.....	27.0	28.9	33.6	39.3
	-----	-----	-----	-----
Total costs and expenses.....	288.1	332.7	441.7	582.2
	-----	-----	-----	-----
Operating income.....	246.9	295.8	319.5	445.8
Gain from merger transaction.....	--	--	29.0	--
Interest income, net.....	3.6	6.5	7.4	7.5
Minority interests.....	(1.6)	(2.7)	(3.5)	(3.7)
	-----	-----	-----	-----
Income before income taxes.....	248.9	299.6	352.4	449.6
Income tax provision.....	89.6	116.1	132.2	168.5
	-----	-----	-----	-----
Net income.....	\$ 159.3	\$183.5	\$220.2	\$ 281.1
	=====	=====	=====	=====
Fully diluted earnings per share.....	\$ .75	\$ .86	\$ 1.02	\$ 1.29
Quarterly stock price:				
High.....	\$ 21.63	\$33.13	\$50.75	\$ 78.00
Low.....	15.25	19.94	32.56	44.75
Dividends declared per share.....	0.025	0.025	0.050	0.050

As of August 29, 1996, the Company had 12,379 shareholders of record.

MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Results of operations in the fourth quarter of 1996 benefited from 1) a decrease in the estimated effective income tax rate for fiscal 1996, resulting in a reduction of income tax expense of approximately \$6.1 million, 2) a pretax reduction of cost of goods sold of \$54.9 million for the release of previously established accruals upon resolution of product and process rights contingencies, and 3) a \$6.6 million pretax gain from disposal of equipment which is included in selling, general and administrative expense. Fourth quarter selling, general and administrative expenses include a \$9 million pretax charge for estimated selling costs on computer systems.

Selling, general and administrative expenses in the third quarter of 1996 reflect a \$12.0 million pretax gain from disposal of equipment.

REPORT OF INDEPENDENT ACCOUNTANTS

The Shareholders and Board of Directors  
Micron Technology, Inc.

We have audited the consolidated financial statements of Micron Technology, Inc., listed in the index on page 27 of this Form 10-K. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Micron Technology, Inc., as of August 29, 1996, and August 31, 1995, and the consolidated results of their operations and their cash flows for each of the three years in the period ended August 29, 1996, in conformity with generally accepted accounting principles.

/s/ Coopers & Lybrand L.L.P.

Boise, Idaho  
September 19, 1996,  
except as to the Stock  
Purchase Plans Note to  
Consolidated Financial  
Statements, the date of  
which is September 30, 1996



SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(d) 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, IN THE CITY OF BOISE, STATE OF IDAHO, ON THE 14TH DAY OF APRIL, 1997.

Micron Technology, Inc.

/s/ Wilbur G. Stover, Jr.

By:

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WILBUR G. STOVER, JR., VICE  
PRESIDENT, FINANCE, CHIEF  
FINANCIAL OFFICER  
(PRINCIPAL FINANCIAL AND  
ACCOUNTING OFFICER)

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statements of Micron Technology, Inc., on Form S-3 as amended (File No. 333-18441) and Forms S-8 (File Nos. 33-3686, 33-16832, 33-27078, 33-38665, 33-38926, 33-65050, 33-52653, 33-57887 and 333-07283) of our report dated September 19, 1996, except as to the Stock Purchase Plans Note to Consolidated Financial Statements the date of which is September 30, 1996, on our audits of the consolidated financial statements of Micron Technology Inc. and subsidiaries as of August 29, 1996 and August 31, 1995 and for the three years in the period ended August 29, 1996, which report is included in this amendment on Form 10-K/A.

/s/ Coopers & Lybrand  
L.L.P.

Boise, Idaho  
April 11, 1997