

# Micron Technology Financial Conference Call

First Quarter of Fiscal 2015

# Safe Harbor

During the course of this meeting, we may make projections or other forward-looking statements regarding future events or the future financial performance of the Company and the industry. We wish to caution you that such statements are predictions and that actual events or results may differ materially. We refer you to the documents the Company files on a consolidated basis from time to time with Securities and Exchange Commission, specifically the Company's most recent Form 10-K and Form 10-Q. These documents contain and identify important factors that could cause the actual results for the Company on a consolidated basis to differ materially from those contained in our projections or forward-looking statements. These certain factors can be found at <http://www.micron.com/certainfactors>. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of the presentation to conform these statements to actual results.

Mark Durcan

CEO

Ron Foster

CFO

# Financial Results Summary

Amounts in millions, except per share	FQ1-15	% of Sales	FQ4-14	% of Sales
<b>Net sales</b>	<b>\$4,573</b>	100%	<b>\$4,227</b>	100%
<b>Gross margin</b>	<b>1,638</b>	36%	<b>1,385</b>	33%
<b>Operating income</b>	<b>1,085</b>	24%	<b>828</b>	20%
<b>Equity in net income of equity method investees</b>	<b>124</b>		<b>119</b>	
<b>Other non-operating income (expense), net</b>	<b>(49)</b>	-1%	<b>198</b>	5%
<b>Net income attributable to Micron shareholders</b>	<b>\$1,003</b>	22%	<b>\$1,150</b>	27%
<b>Diluted earnings per share</b>	<b>\$0.84</b>		<b>\$0.96</b>	
<b>Shares in diluted EPS calculations</b>	<b>1,195</b>		<b>1,203</b>	

# Consolidated Statements of Operations

## Non-GAAP Disclosures

Amounts in millions, except per share amounts	FQ1-15	FQ4-14
GAAP net income attributable to Micron	\$ 1,003	\$ 1,150
Non-GAAP adjustments:		
Tessera license	--	66
Restructure and asset impairments	11	22
Amortization of debt discount and other costs	38	37
Loss on restructure of debt	30	17
(Gain) loss from changes in currency exchange rates	21	3
Gain from disposition of shares in Aptina	(1)	(119)
Gain from Inotera issuance of shares	--	(93)
Estimated tax effects of above items	(2)	(4)
Non-cash taxes from MMJ and MMT	38	(118)
Total non-GAAP adjustments	135	(189)
Non-GAAP net income attributable to Micron	<u>\$ 1,138</u>	<u>\$ 961</u>
GAAP shares used in diluted EPS calculations	1,195	1,203
Anti-dilutive effect of capped calls <sup>(a)</sup>	(27)	(27)
Non-GAAP shares used in diluted EPS calculations	<u>1,168</u>	<u>1,176</u>
GAAP diluted earnings per share	\$ 0.84	\$ 0.96
Effects of above	0.13	(0.14)
Non-GAAP diluted earnings per share	<u>\$ 0.97</u>	<u>\$ 0.82</u>
(a) The anti-dilutive effect of the capped calls is based on the average share price for the quarter.		

# Consolidated Statements of Operations

## Non-GAAP Disclosures – FQ1-15 Actual and FQ2-15 Estimates

Amounts in millions, except per share amounts	FQ1-15	FQ2-15
GAAP net income attributable to Micron	\$ 1,003	
Non-GAAP adjustments:		
Tessera license	--	
Restructure and asset impairments	11	~\$5
Amortization of debt discount and other costs	38	~\$35
Loss on restructure of debt	30	
(Gain) loss from changes in currency exchange rates	21	
Gain from disposition of shares in Aptina	(1)	
Gain from Inotera issuance of shares	--	
Estimated tax effects of above items	(2)	~(\$5)
Non-cash taxes from MMJ and MMT	38	~\$25
Total non-GAAP adjustments	135	
Non-GAAP net income attributable to Micron	<u>\$ 1,138</u>	
GAAP shares used in diluted EPS calculations	1,195	
Anti-dilutive effect of capped calls <sup>(a)</sup>	<u>(27)</u>	
Non-GAAP shares used in diluted EPS calculations	<u>1,168</u>	
GAAP diluted earnings per share	\$ 0.84	
Effects of above	<u>0.13</u>	
Non-GAAP diluted earnings per share	<u>\$ 0.97</u>	
(a) The anti-dilutive effect of the capped calls is based on the average share price for the quarter.		

# Bit Growth, ASP and Cost/Bit

FQ1-15 Actual and FQ2-15 Estimates

Bit Growth*	FQ1-15 Actual (Sales)	FQ2-15 Estimate (Production)
Total DRAM	8%	Down high single to low double digits
Trade NAND*	20%	Flat to down low single digits
* Includes purchases from third parties.		
ASP	FQ1-15 Actual	FQ2-15 QTD**
Total DRAM	1%	Flat to down low single digits
Trade NAND*	(6%)	Flat to down low single digits
* Trade NAND excludes the portion of sales to Intel which are at long-term negotiated prices approximating cost.		
** QTD includes both the impact of market price trends and changes in product mix.		
Cost/Bit	FQ1-15 Actual	FQ2-15 Estimate
Total DRAM	(4%)	Approximately flat
Trade NAND*	(5%)	Up mid single digits
* Trade NAND excludes the portion of sales to Intel which are at long-term negotiated prices approximating cost.		



# P&L and Cash Flow

## FQ1-15 Actual and FQ2-15 Estimates

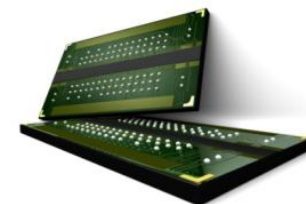
P&L and Cash Flow	FQ1-15 Actual	FQ2-15 Estimate
SG&A	\$193M	\$180M – \$190M
R&D	\$376M	\$385M – \$395M
Net interest expense*	\$83M	\$70M – \$80M
Stock-based compensation	\$35M	\$45M – \$50M
D&A	\$681M	FY-15: Approx. \$2.9 billion
CapEx	\$669M	FY-15: \$3.6B - \$4B
* Includes imputed interest expense on convertible notes and MMJ's installment debt.		

Mark Adams

President

# Business Unit Financial Summary

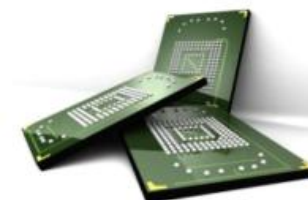
<b>CNBU</b> Dollars in Millions	<b>FQ1-15</b>	<b>FQ4-14</b>
Sales	\$2,088	\$1,897
Operating income (loss)	\$623	\$495
Operating income %	29.8%	26.1%



<b>SBU</b> Dollars in Millions	<b>FQ1-15</b>	<b>FQ4-14</b>
Sales	\$984	\$907
Operating income (loss)	\$26	\$27
Operating income %	2.6%	3.0%



<b>MBU</b> Dollars in Millions	<b>FQ1-15</b>	<b>FQ4-14</b>
Sales	\$940	\$910
Operating income (loss)	\$306	\$204
Operating income %	32.6%	22.4%



<b>EBU</b> Dollars in Millions	<b>FQ1-15</b>	<b>FQ4-14</b>
Sales	\$539	\$476
Operating income (loss)	\$118	\$77
Operating income %	21.9%	16.2%



# Q&A

