

# Micron Technology Financial Conference Call

## Third Quarter of Fiscal 2012



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June 20, 2012

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# 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://investors.micron.com/riskFactors.cfm>. 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	FQ3 – 2012	% of Sales	FQ2 – 2012	% of Sales
<b>Net sales</b>	<b>\$2,172</b>	100%	<b>\$2,009</b>	100%
<b>Gross margin</b>	<b>234</b>	11%	<b>210</b>	10%
<b>Operating income (loss)</b>	<b>(191)</b>	-9%	<b>(205)</b>	-10%
<b>Income tax (provision) benefit</b>	<b>38</b>		<b>(9)</b>	
<b>Equity in net income (loss) of equity method investees</b>	<b>(115)</b>	-5%	<b>(73)</b>	-4%
<b>Other non-operating income (expense)</b>	<b>1</b>		<b>38</b>	
<b>Net income (loss) attributable to Micron shareholders</b>	<b>(\$320)</b>	-15%	<b>(\$282)</b>	-14%
<b>Diluted earnings (loss) per share</b>	<b>(\$0.32)</b>		<b>(\$0.29)</b>	
<b>Shares in diluted EPS calc</b>	<b>987</b>		<b>983</b>	

# P&L and Cash Flow







## FQ3-12 Actual and FQ4-12 Estimates

P&L and Cash Flow	FQ3-12 Actual	FQ4-12 Estimate
<b>SG&amp;A</b>	<b>\$156M</b>	<b>\$145M - \$155M</b>
<b>R&amp;D</b>	<b>\$231M</b>	<b>\$225M - \$235M</b>
<b>Net interest expense</b>	<b>\$53M</b>	<b>\$50M - \$55M</b>
<b>Tax provision (benefit)</b>	<b>(\$38M)</b>	<b>\$15M - \$25M</b>
<b>Equity comp. expense</b>	<b>\$21M</b>	<b>~\$20M</b>
<b>Diluted shares</b>	<b>987M</b>	<b>~1.01B</b>
<b>CapEx</b>	<b>\$324M</b>	<b>Q4-2012: \$440M - \$450M FY 2013: \$1.6B - \$1.9B</b>
<b>D&amp;A</b>	<b>\$546M</b>	<b>Q4-2012: \$515M - \$520M FY 2013: ~\$2.1B</b>

<sup>1</sup>Excluding dilution associated with net income

# NAND Manufacturing and Technology Joint Venture Update



Previous	After Close
<u>Micron's Output Share</u>	<u>Micron's Output Share</u>
<b>51%</b>	<b>100%</b>
	
<b>51%</b>	<b>51%</b>
	
<b>78%<sup>1</sup></b>	<b>100%</b>
	
<u>Micron's Total Output</u> <b>~62%</b>	<u>Micron's Total Output</u> <b>~80%</b>

Wafer Output Share Pre and Post JV Restructure

<sup>1</sup>Output share as of 2Q12. Changes in output share lag changes in ownership currently by eight months in accordance with the agreements.

# Bit Growth, ASP and Cost/Bit

## FQ3-12 Actual and FQ4-12 Estimates

Bit Growth*	FQ3-12 Actual (Sales)	FQ4-12 Estimate (Production)
<b>DRAM</b>	<b>12%</b>	<b>Down high single digits</b>
<b>Trade NAND*</b>	<b>68%</b>	<b>Up high single digits</b>

\* Includes purchases from third parties

ASP	FQ3-12 Actual	FQ4-12 QTD**
<b>Total DRAM</b>	<b>7%</b>	<b>Flat</b>
<b>Trade NAND*</b>	<b>-39%</b>	<b>Down mid teens QTD</b>

\* 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.

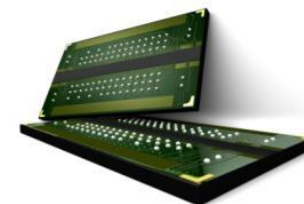
Cost/Bit	FQ3-12 Actual	FQ4-12 Estimate
<b>Total DRAM</b>	<b>-4%</b>	<b>Up slightly</b>
<b>Trade NAND*</b>	<b>-29%</b>	<b>Down mid single digits</b>

\* Trade NAND excludes the portion of sales to Intel which are at long term negotiated prices approximating cost



# Business Unit Financial Summary

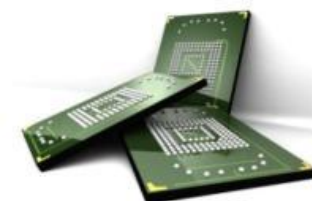
<b>NSG</b>	Dollars in Millions	FQ3-12	FQ2-12
Sales		<b>\$760</b>	<b>\$734</b>
Operating income (loss)		<b>(\$1)</b>	<b>\$97</b>
Operating income %		-0.1%	13.2%



<b>DSG</b>	Dollars in Millions	FQ3-12	FQ2-12
Sales		<b>\$750</b>	<b>\$608</b>
Operating income (loss)		<b>(\$76)</b>	<b>(\$167)</b>
Operating income %		-10.1%	-27.5%



<b>WSG</b>	Dollars in Millions	FQ3-12	FQ2-12
Sales		<b>\$276</b>	<b>\$307</b>
Operating income (loss)		<b>(\$103)</b>	<b>(\$129)</b>
Operating income %		-37.3%	-42.0%



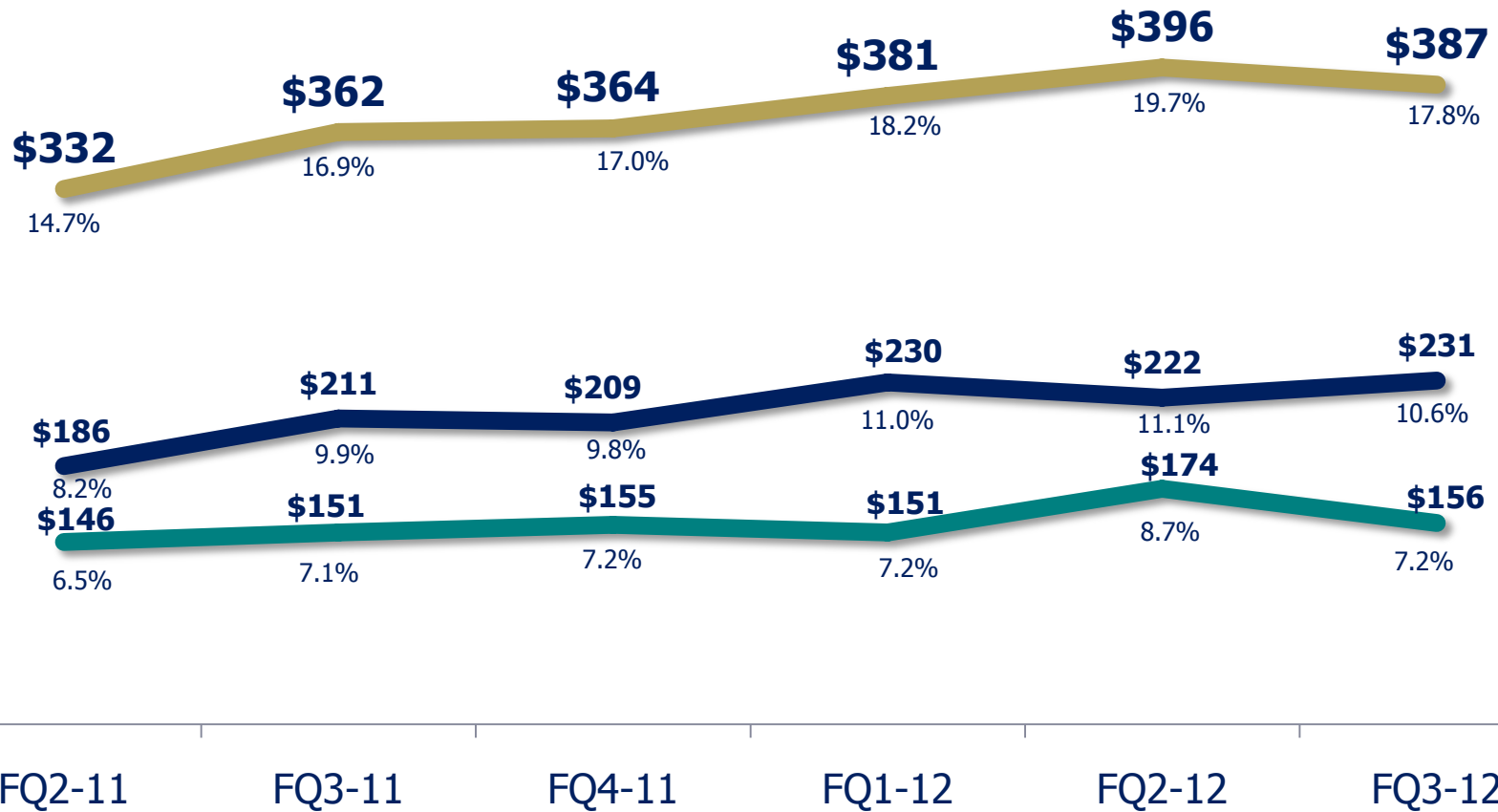
<b>ESG</b>	Dollars in Millions	FQ3-12	FQ2-12
Sales		<b>\$265</b>	<b>\$242</b>
Operating income (loss)		<b>\$32</b>	<b>\$15</b>
Operating income %		12.1%	6.2%



# SG&A and R&D Expenses

Dollars in Millions

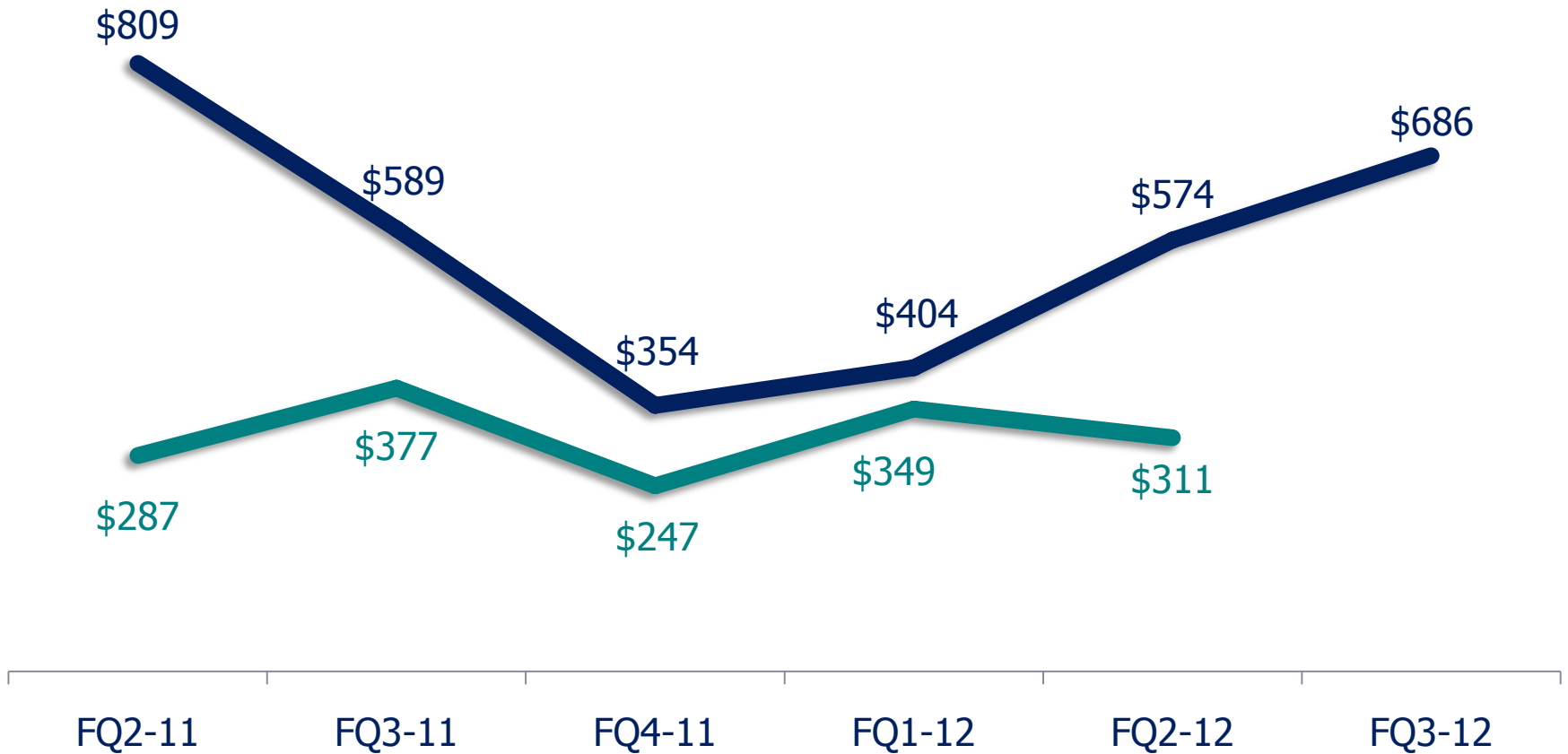
— Total SG&A and R&D — R&D — SG&A



# Cash Flow From Operations

Dollars in Millions

— Micron — Market



All competitor data based on closest calendar quarter; Micron data based on fiscal quarters  
Source: Company Data, Micron Finance Strategy Group Estimates

Market: Elpida, Hynix, Nanya, Powerchip, SanDisk, Winbond, Macronix and Spansion  
Represented by a weighted average of competitors' respective operating cash flows

# Mark Adams

## President

# Q&A

