

# Micron Technology Financial Conference Call

## Second Quarter of Fiscal 2015

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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://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

Mark Heil

Corporate Controller

# Financial Results Summary

Amounts in millions, except per share	FQ2-15	% of Sales	FQ1-15	% of Sales
Net sales	\$ 4,166	100%	\$ 4,573	100%
Gross margin	1,405	34%	1,638	36%
Operating income	855	21%	1,085	24%
Equity in net income of equity method investees	208		124	
Other non-operating income (expense), net	(6)	-0%	(49)	-1%
Net income attributable to Micron shareholders	\$ 934	22%	\$ 1,003	22%
Diluted earnings per share	\$ 0.78		\$ 0.84	
Shares in diluted EPS calculations	1,190		1,195	

# Consolidated Statements of Operations

## Non-GAAP Disclosures

Amounts in millions, except per share amounts	FQ2-15	FQ1-15
GAAP net income attributable to Micron	\$ 934	\$ 1,003
Non-GAAP adjustments:		
Restructure and asset impairments	1	11
Amortization of debt discount and other costs	33	38
Loss on restructure of debt	--	30
(Gain) loss from changes in currency exchange rates	6	21
Gain from disposition of shares in Aptina	--	(1)
Estimated tax effects of above items	(1)	(2)
Non-cash taxes from MMJ and MMT	33	38
Non-cash taxes from Inotera	(65)	--
Total non-GAAP adjustments	7	135
Non-GAAP net income attributable to Micron	\$ 941	\$ 1,138
GAAP shares used in diluted EPS calculations	1,190	1,195
Anti-dilutive effect of capped calls <sup>(a)</sup>	(27)	(27)
Non-GAAP shares used in diluted EPS calculations	1,163	1,168
GAAP diluted earnings per share	\$ 0.78	\$ 0.84
Effects of above	0.03	0.13
Non-GAAP diluted earnings per share	\$ 0.81	\$ 0.97
(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

FQ2-15 Actual and FQ3-15 Estimates

Bit Growth*	FQ2-15 Actual (Sales)	FQ3-15 Estimate (Production)
Total DRAM	(9%)	Up high single digits
Trade NAND*	12%	Down low single digits
* Includes purchases from third parties.		
ASP	FQ2-15 Actual	FQ3-15 QTD**
Total DRAM	(6%)	Down high single digits
Trade NAND*	(9%)	Up mid 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	FQ2-15 Actual	FQ3-15 Estimate
Total DRAM	(4%)	Down low single digits
Trade NAND*	(3%)	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

## FQ2-15 Actual and FQ3-15 Estimates

P&L and Cash Flow	FQ2-15 Actual	FQ3-15 Estimate
SG&A	\$187M	\$180M – \$190M
R&D	\$379M	\$385M – \$395M
Net interest expense*	\$75M	~\$85M
Stock-based compensation	\$49M	~\$50M
D&A	\$674M	FY-15: Approx. \$2.9 billion
CapEx	\$853M	FY-15: \$3.6 – 4.0 billion
* Includes imputed interest expense on convertible notes and MMJ's installment debt.		

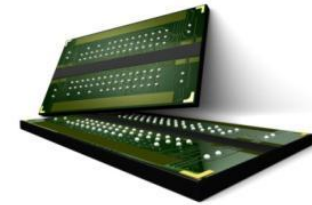


Mark Adams

President

# Business Unit Financial Summary

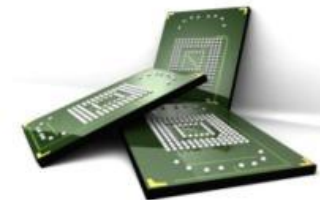
<b>CNBU</b> Dollars in Millions	<b>FQ2-15</b>	<b>FQ1-15</b>
Sales	\$1,822	\$2,088
Operating income (loss)	\$493	\$623
Operating income %	27.1%	29.8%



<b>SBU</b> Dollars in Millions	<b>FQ2-15</b>	<b>FQ1-15</b>
Sales	\$954	\$984
Operating income (loss)	(\$36)	\$26
Operating income %	(3.8%)	2.6%



<b>MBU</b> Dollars in Millions	<b>FQ2-15</b>	<b>FQ1-15</b>
Sales	\$856	\$940
Operating income (loss)	\$262	\$306
Operating income %	30.6%	32.6%



<b>EBU</b> Dollars in Millions	<b>FQ2-15</b>	<b>FQ1-15</b>
Sales	\$502	\$539
Operating income (loss)	\$115	\$118
Operating income %	22.9%	21.9%



# Q&A

