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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

February 7, 2006
Date of Report (date of earliest event reported)

MICRON TECHNOLOGY, INC.
(Exact name of registrant as specified in its charter)

Delaware	**1-10658**	**75-1618004**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

8000 South Federal Way
Boise, Idaho 83716-9632
(Address of principal executive offices)

(208) 368-4000
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4c))

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

On February 8, 2006, the Company's Board of Directors appointed Dr. Teruaki Aoki to its Governance and Compensation Committee and Mr. Robert Switz to its Audit Committee. On February 9, 2006, the Company issued a press release announcing the appointment of Mark Durcan as Chief Operating Officer and the appointment of other executive officers. The full text of the press release related to these appointments is attached hereto as Exhibit 99.1.

Item 5.03 Amendments to Articles of Incorporation or Bylaws; Change in Financial Year

Effective February 7, 2006, the Company's Board of Directors amended the Bylaws of the Company to increase the authorized number of directors from seven to nine in order to effectuate the previously announced appointment of Dr. Aoki and Mr. Switz to the Company's Board of Directors.

Item 8.01 Other Events

In its Quarterly Report on Form 10-Q for the first quarter of fiscal 2006 ("Recent Quarterly Report"), Micron Technology, Inc. (the "Company") changed the presentation of its financial information to include two reportable business segments, Memory and Imaging. The Company is filing this current report of Form 8-K ("Current Report") to provide segment reporting financial information for the Memory and Imaging segments with respect to the historical financial information included in its Annual Report on From 10-K for the year ended September 1, 2005 (the "Annual Report") in order to make such historical financial information consistent with the segment presentation set forth in the Company's Recent Quarterly Report and consistent with how the Company expects to present its financial information in its future filings. In addition, the Company has inserted a footnote entitled "Call Spread Options" into the consolidated financial statements included as Exhibit 99.4 to this Current Report.

For ease of reference, the Company is providing this additional segment reporting information by including such information in the following sections from its Annual Report: Item 1 (Business), Item 7 (Management's Discussion and Analysis of Financial Condition and Results of Operations) and Item 8 (Financial Statements and Supplementary Data). The additional information provided in this Current Report only reflects the Company's new segment reporting structure and the Call Spread Option footnote referred to above.

The Company has not revised its disclosures to reflect events since the date of the Annual Report. Investors are encouraged to check the documents the Company files from time to time with the Securities and Exchange Commission for information related to the Company's business and results of operations subsequent to the date of the Annual Report.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibits are filed herewith:

Exhibit No.	Description
3.8	Bylaws of the Registrant, as amended
23.1	Consent of Independent Registered Public Accounting Firm
99.1	Press Release dated February 9, 2006
99.2	Revised Item 1. Business
99.3	Revised Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations
99.4	Revised Item 8. Financial Statements and Supplementary Data for the year ended September 1, 2005

SIGNATURE

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

MICRON TECHNOLOGY, INC.

Date: February 9, 2006

By: /s/ W. G. Stover, Jr.
Name: W. G. Stover, Jr.
Title: Vice President of Finance and Chief Financial Officer

INDEX TO EXHIBITS FILED WITH THE CURRENT REPORT ON FORM 8-K DATED FEBRUARY 7, 2006

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BYLAWS
OF
MICRON TECHNOLOGY, INC.

ARTICLE I

OFFICES

SECTION 1. The registered office shall be 100 West Tenth Street, in the City of Wilmington, County of New Castle, State of Delaware.

SECTION 2. The corporation may also have offices at such other places both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

MEETINGS OF STOCKHOLDERS

SECTION 1. All meetings of the stockholders shall be held at the principal office of the corporation in the City of Boise, State of Idaho, or at such other place either within or without the State of Delaware as shall be designated in the notice of the meeting or in a duly executed waiver of notice thereof.

SECTION 2. Annual meetings of stockholders shall be held on such day and such hour as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting. At such meeting, the stockholders shall elect a Board of Directors and transact such other business as may properly be brought before the meeting.

SECTION 3. Written notice of the annual meeting stating the place, date and hour of the meeting shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

SECTION 4. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present.

SECTION 5. Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called by the Board of Directors, the Chairman of the Board, the president, or by the holders of shares entitled to cast not less than twenty percent (20%) of the votes at the meeting. Such request shall state the purpose or purposes of the proposed meeting.

SECTION 6. Written notice of a special meeting stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called, shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than sixty days before the date of the meeting.

SECTION 7. Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice.

SECTION 8. The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business except as otherwise provided by statute or by the Certificate of Incorporation. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

SECTION 9. When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which by express provision of the statutes or of the Certificate of Incorporation, a different vote is required in which case such express provision shall govern and control the decision of the question.

SECTION 10. Unless otherwise provided in the Certificate of Incorporation, each stockholder shall at every meeting of the stockholders be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such stockholder, regardless of class, but no proxy shall be voted on or after three years from its date, unless the proxy provides for a longer period. Vote may be viva voice or by ballot; provided, however, that elections for directors must be by ballot upon demand by a shareholder at the meeting and before the voting begins. At all elections of directors of the corporation each stockholder having voting power shall be entitled to exercise the right of cumulative voting as provided in the Certificate of Incorporation.

SECTION 11. Unless otherwise provided in the Certificate of Incorporation, any action required to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, of a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

DIRECTORS

SECTION 1. The authorized number of directors of the corporation shall be nine. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

SECTION 2. The directors shall be elected at each annual meeting of shareholders, but if any such annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of the shareholders held for that purpose. All directors shall hold office until the expiration of the term for which elected and until their respective successors are elected, except in the case of death, resignation or removal of any director. A director need not be a shareholder.

SECTION 3. Any director may resign effective upon giving written notice to the Chairman of the Board, the President, the Secretary or the Board of Directors of the corporation, unless the notice specifies a late time for the effectiveness of such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

SECTION 4. The entire Board of Directors or any individual director may be removed from office, prior to the expiration of their or his term of office only in the manner and within the limitations provided by the General Corporation Law of Delaware.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of such director’s term of office.

SECTION 5. A vacancy in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors be increased, or if the shareholders fail at any annual or special meeting of shareholders at which any director or directors are elected to elect the full authorized number of directors to be voted for at that meeting.

Vacancies in the Board of Directors may be filled by a majority of the directors then in office, whether or not less than a quorum, or by a sole remaining director. Each director so elected shall hold office until the expiration of the term for which he was elected and until his successor is elected at an annual or a special meeting of the shareholders, or until his death, resignation or removal.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors. Any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote.

SECTION 6. The business of the corporation shall be managed by or under the direction of its Board of Directors which may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or these Bylaws directed or required to be exercised or done by the stockholders.

MEETINGS OF THE BOARD OF DIRECTORS

SECTION 7. The Board of Directors of the corporation may hold meetings, both regular and special, either within or without the State of Delaware.

SECTION 8. The first meeting of each newly elected Board of Directors shall be held at such time and place as shall be fixed by the vote of the stockholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting, provided a quorum shall be present. In the event of the failure of the stockholders to fix the time or place of such first meeting of the newly elected Board of Directors, or in the event such meeting is not held at the time and place so fixed by the stockholders, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors, or as shall be specified in a written waiver signed by all of the directors.

SECTION 9. Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board.

SECTION 10. Special meetings of the Board may be called by the president on two days’ notice to each director, either personally or by mail or by telegram; special meetings shall be called by the president or secretary in like manner and on like notice on the written request of the Chairman of the Board or two directors.

SECTION 11. At all meetings of the Board a majority of the authorized number of directors shall constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation. If a quorum shall not be present at any meeting of the Board of Directors, the directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

SECTION 12. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

SECTION 13. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting of the Board of Directors, or any committee, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at the meeting.

COMMITTEES OF DIRECTORS

SECTION 14. The Board of Directors may, by resolution passed by a majority of the authorized number of directors, appoint an executive committee consisting of two or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The executive committee, to the extent provided in the resolution of the Board of Directors and subject to any limitation by statute, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but it shall not have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the Bylaws of the corporation; and, unless the resolution or the Certificate of Incorporation expressly so provide, it shall not have the power or authority to declare a dividend or to authorize the issuance of stock.

SECTION 15. The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate such other committees, each consisting of 2 or more directors, as it may from time to time deem advisable to perform such general or special duties as may from time to time be delegated to any such committee by the Board of Directors, subject to the limitations imposed by statute or by the Certificate of Incorporation or by these Bylaws. The Board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee.

COMPENSATION OF DIRECTORS

SECTION 17. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance of each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

ARTICLE IV

NOTICES

SECTION 1. Whenever, under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, notice is required to be given to any director or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing, by mail, addressed to such director or stockholder, at his address as it appears on the records of the corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Notice to directors may also be given by telegram.

SECTION 2. Whenever any notice is required to be given under the provisions of the Delaware statutes or of the Certificate of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE V

OFFICERS

SECTION 1. The officers of the corporation shall be chosen by the Board of Directors, and shall be a president, a vice-president, a secretary, and a treasurer. The Board of Directors may also choose additional vice-presidents, and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these Bylaws otherwise provide.

SECTION 2. The Board of Directors at its first meeting after each annual meeting of stockholders shall choose a president, one or more vice-presidents, a secretary and a treasurer.

SECTION 3. The Board of Directors may appoint such other officers and agents as it shall deem necessary who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

SECTION 4. The salaries of all officers and agents of the corporation shall be fixed by the Board of Directors.

SECTION 5. The officers of the corporation shall hold office until their successors are chosen and qualify. Any officer elected or appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the Board of Directors. Any vacancy occurring in any office of the corporation shall be filled by the Board of Directors.

Any officer may resign at any time by giving written notice to the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

THE CHAIRMAN OF THE BOARD

SECTION 6. The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by these Bylaws.

THE PRESIDENT

SECTION 7. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the President shall be the general manager of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the Chairman of the Board or if there be none, at all meetings of the Board of Directors. He shall be ex officio a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these Bylaws.

SECTION 8. He shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the corporation.

THE VICE-PRESIDENTS

SECTION 9. In the absence of the president or in the event of his inability or refusal to act, the vice president (or in the event there be more than one vice president, the vice-presidents in the order designated by the directors, or in the absence of any designation, then in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. The vice-presidents shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

SECRETARY AND ASSISTANT SECRETARY

SECTION 10. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or president, under whose supervision he shall be placed. He shall have custody of the corporate seal of the corporation and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation and to attest the affixing by his signature.

SECTION 11. The assistant secretary, or if there be more than one, the assistant secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

THE TREASURER AND ASSISTANT TREASURERS

SECTION 12. The treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate

accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors.

SECTION 13. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the president and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as treasurer and of the financial condition of the corporation.

SECTION 14. If required by the Board of Directors, he shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

SECTION 15. If the assistant treasurer, or if there shall be more than one, the assistant treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election) shall, in the absence of the treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

ARTICLE VI

CERTIFICATE OF STOCK

SECTION 1. Every holder of stock in the corporation shall be entitled to have a certificate, signed by, or in the name of the corporation by, the chairman or vice chairman of the Board of Directors, or the president or a vice president and the treasurer or an assistant treasurer, or the secretary or an assistant secretary of the corporation, certifying the number of shares owned by him in the corporation.

Certificates may be issued for partly paid shares and in such case upon the face or back of the certificates issued to represent any such partly paid shares, the total amount of the consideration to be paid therefor, and the amount paid thereon shall be specified.

If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualification, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in section 202 of the General Corporation Law of Delaware, in lieu of the foregoing requirements, there may be set forth on the face of back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

SECTION 2. Any or all of the signatures on the certificate may be facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature have been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the corporation with the same effect as if he were such officer, transfer agent or registrar at the date of issue.

LOST CERTIFICATES

SECTION 3. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issues by the corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit to that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen or destroyed.

TRANSFER OF STOCK

SECTION 4. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignation or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

FIXING RECORD DATE

SECTION 5. In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any such other action. A determination of shareholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

REGISTERED STOCKHOLDERS

SECTION 6. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

SECTION 7. The accounting books and records, and minutes of proceedings of the shareholders and the Board of Directors and committees of the Board shall be open to inspection upon written demand made upon the corporation by any shareholder or the holder of a voting trust certificate, at any reasonable time during usual business hours, for a purpose reasonably related to his interest as a shareholder, or as the holder of such voting trust certificate. The record of shareholders shall also be open to inspection by any shareholder or holder of a voting trust certificate at any time during usual business hours upon written demand on the corporation, for a purpose reasonably related to such holder's interest as a shareholder or holder of a voting trust certificate. Such inspection may be made in person or by an agent or attorney, and shall include the right to copy and to make extracts.

ARTICLE VII

GENERAL PROVISIONS

DIVIDENDS

SECTION 1. Dividends upon the capital stock of the corporation, subject to the provision of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation.

SECTION 2. Before payment of any dividend, there may be set aside out of funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

CHECKS

SECTION 3. All checks or demands for money and notes of the corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

FISCAL YEAR

SECTION 4. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

SEAL

SECTION 5. The corporate seal shall have inscribed thereon the name of the corporation, the year of its organization and the words "Corporate Seal, Delaware." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

INDEMNIFICATION

SECTION 6. The corporation shall indemnify its officers, directors, employees and agents to the extent permitted by the General Corporation Law of Delaware.

ARTICLE VIII

AMENDMENTS

SECTION 1. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the stockholders or by the Board of Directors at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or the Board of Directors if notice of such alteration, amendment, repeal or adoption of new Bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal Bylaws is conferred upon the Board of Directors by the Certificate of Incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal Bylaws.

I, Nancy A. Stanger, the secretary of Micron Technology, Inc., a Delaware corporation, hereby certify:

The foregoing bylaws, comprising 14 pages, were adopted as the bylaws of Micron Technology on May 21, 1984.

DATED: May 25, 1984

Nancy A. Stanger
Nancy A. Stanger

SEAL

CERTIFICATE OF FIRST AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

We, the undersigned, being the President and Secretary, respectively, of MICRON TECHNOLOGY, INC., a corporation organized and existing under the laws of the State of Delaware, do hereby certify that a meeting of the Board of Directors of this Corporation was held on December 17, 1984 and an amendment to the Bylaws of MICRON TECHNOLOGY, INC. was unanimously adopted.

The amendment adopted was pursuant to a Resolution reading as follows:

RESOLVED: The Board hereby approves that the second paragraph of Article II Section 10 of the Bylaws of the Company be amended to read as follows:

"At all elections of directors of the corporation each stockholder having voting power shall be entitled to exercise the right of cumulative voting as provided in the Certificate of Incorporation. However, no stockholder shall be entitled to cumulate votes for a candidate or candidates unless such candidate's name or candidate's names have been placed in nomination prior to the voting and a stockholder has given notice at the meeting prior to the voting of the stockholder's intention to cumulate votes. If any stockholder has given such notice, all stockholders may cumulate their votes for candidates in nomination."

IN WITNESS WHEREOF, we have hereunto set our hands and the seal of the Corporation this 5th day of July, 1985.

MICRON TECHNOLOGY, INC.

BY: Joseph L. Parkinson
Joseph L. Parkinson, President

(SEAL)

BY: Cathy L. Smith
Cathy L. Smith, Secretary

STATE OF IDAHO)
) ss.
County of Ada)

On this 5th day of July, 1985, before me, the undersigned, personally appeared JOSEPH L. PARKINSON and CATHY L. SMITH, known to me to be the President and Secretary, respectively, of MICRON TECHNOLOGY, INC., the corporation that executed the instrument or the persons who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County the day and year first above written.

Jill L. Henson
Notary Public for Idaho Residing at Boise

CERTIFICATE OF SECOND AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on March 3, 1986:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be ten. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said corporation effective as of the 3rd day of March, 1986.

Cathy L. Smith
Corporate Secretary

(SEAL)

CERTIFICATE THIRD AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on November 24, 1986:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be nine. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 24th day of November, 1986.

Cathy L. Smith
Corporate Secretary

(SEAL)

CERTIFICATE OF FOURTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on September 28, 1987:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be eight. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 28th day of September, 1987.

Cathy L. Smith
Cathy L. Smith
Corporate Secretary

(SEAL)

CERTIFICATE OF FIFTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on March 28, 1988:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be nine. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 28th day of March, 1988.

Cathy L. Smith
Corporate Secretary

(SEAL)

CERTIFICATE OF SIXTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on October 3, 1988:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be ten. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 17th day of October, 1988.

Cathy L. Smith
Corporate Secretary

(SEAL)

CERTIFICATE OF SEVENTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on September 25, 1989:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be nine. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 28th day September, 1989.

Cathy L. Smith
Corporate Secretary

(SEAL)

CERTIFICATE OF EIGHTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on October 30, 1989:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be eight. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 30th day of October, 1989.

Cathy L. Smith—
Corporate Secretary

(SEAL)

CERTIFICATE OF NINTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on August 27, 1990:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be nine. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 27th day of August, 1990.

Cathy L. Smith
Corporate Secretary

(SEAL)

CERTIFICATE OF TENTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on September 24, 1990:

RESOLVED: Article III, Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be ten. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 24th day of September, 1990.

Cathy L. Smith
Corporate Secretary

(SEAL)

CERTIFICATE OF ELEVENTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on July 27, 1992:

RESOLVED: Article III Section 1 of the Bylaws of this corporation are hereby amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be eight. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 27th day of July, 1992.

Cathy L. Smith

Corporate Secretary

(SEAL)

CERTIFICATE OF TWELFTH AMENDMENT

TO THE BYLAWS OF

MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on May 23, 1994:

RESOLVED: Article III, Section I of the Bylaws of this corporation are hereby amended to read as follows:

SECTION I. The authorized number of directors of the Corporation shall be ten.

The number of directors provided in this Section I may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 23rd day of May, 1994.

Cathy L. Smith

Corporate Secretary

(SEAL)

CERTIFICATE OF THIRTEENTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on September 1, 1994:

RESOLVED: Article III, Section I of the Bylaws of this corporation are hereby amended to read as follows:

SECTION I. The authorized number of directors of the Corporation shall be eleven. The number of directors provided in this Section I may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 1st day of September, 1994.

Cathy L. Smith
Corporate Secretary

(SEAL)

CERTIFICATE OF FOURTEENTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on October 27, 1994:

RESOLVED: Article III, Section I of the Bylaws of this corporation are hereby amended to read as follows:

SECTION I. The authorized number of directors of the Corporation shall be ten. The number of directors provided in this Section I may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 27th day of October, 1994.

Cathy L. Smith
Corporate Secretary

(SEAL)

CERTIFICATE OF FIFTEENTH
AMENDMENT TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolution was adopted by the Board of Directors on February 5, 1996:

RESOLVED, that pursuant to Article VIII, Section 1 of the Company s Bylaws, the Board hereby amends Article V, Section 1 of the Bylaws to read in its entirety as follows:

The officers of the corporation shall be chosen by the Board of Directors, and shall be a president or chief executive officer, a secretary, and a treasurer. The Board of Directors may also choose additional officers, including a president, vice president(s), and one or more assistant secretaries and assistant treasurers. Any number of offices may be held by the same person, unless the Certificate of Incorporation or these Bylaws otherwise provide.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 7th day of February, 1996.

Jan R. Reimer

Assistant Secretary

(SEAL)

CERTIFICATE OF SIXTEENTH
AMENDMENT TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolutions were adopted by the Board of Directors on September 30, 1996:

RESOLVED, that Article II, Section 10 of the Bylaws of this Company be amended to read as follows:

SECTION 10. At all elections of directors of the corporation each stockholder having voting power shall be entitled to exercise the right of cumulative voting as provided in the Certificate of Incorporation. However, no stockholder shall be entitled to cumulate votes for a candidate or candidates unless such candidate's name or candidates' names have been placed in nomination prior to the voting and a stockholder has given written notice to Secretary of the corporation of the stockholder's intention to cumulate votes at least 15 days prior to the date of the meeting. If any stockholder has given such notice, all stockholders may cumulate their votes for candidates in nomination.

RESOLVED FURTHER, that Article II of the Bylaws of this Company be amended to add Section 12, which will read in its entirety as follows:

SECTION 12. Advance Notice of Stockholder Nominees and Stockholder Business

(a) To be properly brought before an annual meeting or special meeting, nominations for the election of directors or other business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors, (ii) otherwise properly brought before the meeting by or at the direction of the board of directors or (iii) otherwise properly brought before the meeting by a stockholder.

(b) For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive office of the corporation not less than one hundred twenty (120) calendar days in advance of the date specified in the corporation's proxy statement released to stockholders in connection with the previous year's annual meeting of stockholders; provided, however, that in the event that no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than thirty (30) days from the date contemplated at the time of the previous year's proxy statement, notice by the stockholder to be timely must be so received a reasonable time before the solicitation is made. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting: (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address, as they appear on the corporation's books, of the stockholder proposing such business, (iii) the class and number of shares of the corporation which are beneficially owned by the stockholder, (iv) any material interest of the stockholder in such business and (v) any other information that is required to be provided by the stockholder pursuant to Regulation 14A under the securities Exchange Act of 1934, as amended (the "Exchange Act"), in his capacity as a proponent to a stockholder proposal. Notwithstanding the foregoing, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, stockholders must provide notice as required by the regulations promulgated under the Exchange Act. Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section 12. The chairman of the annual meeting shall, if the facts warrant, determine and declare at the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 12, and, if he should so determine, he shall so declare at the meeting that any such business not properly brought before the meeting shall not be transacted.

(c) Only persons who are nominated in accordance with the procedures set forth in this paragraph (c) shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors or by any stockholder of the corporation entitled to vote in the election of directors at the meeting who complies with the notice procedures set forth in this paragraph (c). Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the corporation in accordance with the provisions of paragraph (b) of this Section 12. Such stockholder's notice shall set forth (i) as to each person, if any, whom the stockholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the corporation which are beneficially owned by such person, (D) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder and (E) any other information relating to such person that is required to be disclosed in solicitations of proxies for elections of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including without limitation such person's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and (ii) as to such stockholder giving notice, the information required to be provided pursuant to paragraph (b) of this Section 12. At the request of the Board of Directors, any person nominated by a stockholder for election as a director shall furnish to the Secretary of the corporation that information required to be set forth in the stockholder's notice of nomination which pertains to the nominee. No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this paragraph (c). The chairman of the meeting shall, if the facts warrant, determine and declare at the meeting that a nomination was not made in accordance with the procedures prescribed by these bylaws; and if he should so determine, he shall so declare at the meeting, and the defective nomination shall be disregarded.

RESOLVED FURTHER, that Article III, Section 1 of the Bylaws of this Company be amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be seven. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affixed the corporate seal of said corporation effective as of the 30th day of September, 1996.

/s/ Jan R. Reimer

Assistant Secretary

(SEAL)

CERTIFICATE OF SEVENTEENTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolutions were adopted by the Board of Directors on June 30, 1997:

RESOLVED, that Article III, Section 1 of the Bylaws of this Company be amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be eight. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said corporation effective as of the 30th day of June, 1997.

/s/ Jan R. Reimer

Assistant Secretary

(SEAL)

CERTIFICATE OF EIGHTEENTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolutions were adopted by the Board of Directors on April 14, 1998:

RESOLVED, that Article III, Section 1 of the Bylaws of this Company be amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be nine. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said corporation effective as of the 20th day of July, 1998.

/s/ Jan R. Reimer
Assistant Secretary

(SEAL)

CERTIFICATE OF NINETEENTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolutions were adopted by the Board of Directors on November 23, 1998:

RESOLVED, that Article III, Section 1 of the Bylaws of this Company be amended to read as follows:

SECTION 1. The authorized number of directors of the Corporation shall be eight. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said corporation effective as of the 23rd day of November, 1998.

/s/ Jan R. Reimer
Assistant Secretary

(SEAL)

CERTIFICATE OF TWENTIETH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolutions were adopted by the Board of Directors on June 16, 1999:

RESOLVED, that pursuant to Article VIII, Section 1 of the Company's Bylaws, the Board hereby amends Article III, Sections 14 and 15 of the Bylaws to read in their entirety as follows:

"SECTION 14. The Board of Directors may, by resolution passed by a majority of the authorized number of directors, appoint an executive committee consisting of one or more of the directors of the corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The executive committee, to the extent provided in the resolution of the Board of Directors and subject to any limitation by statute, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but it shall not have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the Bylaws of the corporation; and, unless the resolution or the Certificate of Incorporation expressly so provide, it shall not have the power of authority to declare a dividend or to authorize the issuance of stock.

SECTION 15. The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate such other committees, each consisting of one or more directors, as it may from time to time deem advisable to perform such general or special duties as may from time to time be delegated to any such committee by the Board of Directors, subject to the limitations imposed by statute or the Certificate of Incorporation or by these Bylaws. The Board may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee."

RESOLVED FURTHER, that any and all actions taken prior to the adoption of the foregoing resolution by the "Employee Option Committee" of the Board are hereby ratified, confirmed, approved and adopted as actions of the Company.

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said corporation effective as of the 16th day of June, 1999.

/s/ Jan R. Reimer
Assistant Secretary

(SEAL)

CERTIFICATE OF TWENTY-FIRST AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Secretary of Micron Technology, Inc., a Delaware corporation, hereby certify that the following resolutions were adopted by the Board of Directors on November 23, 1999:

RESOLVED, that pursuant to Article VIII, Section 1 of the Company's Bylaws, the Board hereby amends Article III, Section 1 of the Bylaws to read in its entirety as follows:

SECTION 1. The authorized number of directors of the Corporation shall be seven. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

RESOLVED FURTHER, that the Board hereby amends Article II, Section 12 of the Company's Bylaws to read in its entirely as follows:

SECTION 12. Advance Notice of Stockholder Nominees and Stockholder Business

(a) To be properly brought before an annual meeting or special meeting, nominations for the election of directors or other business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors, (ii) otherwise properly brought before the meeting by or at the direction of the board of directors or (iii) otherwise properly brought before the meeting by a stockholder.

(b) For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive office of the corporation not less than one hundred twenty (120) calendar days in advance of the date of the corporation's proxy statement released to stockholders in connection with the previous year's annual meeting of stockholders; provided, however, that in the event that no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than thirty (30) days from the date contemplated at the time of the previous year's proxy statement, notice by the stockholder to be timely must be so received a reasonable time before the solicitation is made. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting: (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address, as they appear on the corporation's books, of the stockholder proposing such business, (iii) the class and number of shares of the corporation which are beneficially owned by the stockholder, (iv) any material interest of the stockholder in such business and (v) any other information that is required to be provided by the stockholder pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in his capacity as a proponent to a stockholder proposal. Notwithstanding the foregoing, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, stockholders must provide notice as required by the regulations promulgated under the Exchange Act. Notwithstanding anything in these bylaws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this Section 12. The chairman of the annual meeting shall, if the facts warrant, determine and declare at the meeting that business was not properly brought before the meeting and in accordance with the provisions of this Section 12, and, if he should so determine, he shall so declare at the meeting that any such business not properly brought before the meeting shall not be transacted.

(c) Only persons who are nominated in accordance with the procedures set forth in this paragraph (c) shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors or by any stockholder of the corporation entitled to vote in the election of directors at the meeting who complies with the notice procedures set forth in this paragraph (c). Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the corporation in accordance with the provisions of paragraph (b) of this Section 12. Such stockholder's notice shall set forth (i) as to each person, if any, whom the stockholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class and number of shares of the corporation which are beneficially owned by such person, (D) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder and (E) any other information relating to such person that is required to be disclosed in solicitations of proxies for elections of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including without limitation such person's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and (ii) as to such stockholder giving notice, the information required to be provided pursuant to paragraph (b) of this Section 12. At the request of the Board of Directors, any person nominated by a stockholder for election as a director shall furnish to the Secretary of the corporation that information required to be set forth in the stockholder's notice of nomination which pertains to the nominee. The chairman of the meeting shall, if the facts warrant, determine and declare at the meeting that a nomination was not made in accordance with the procedures prescribed by these bylaws; and if he should so determine, he shall so declare at the meeting, and the defective nomination shall be disregarded.

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said corporation effective as of the 23rd day of November, 1999.

/s/ Jan R. Reimer
Assistant Secretary

(SEAL)

CERTIFICATE OF TWENTY-SECOND AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Corporate Secretary of Micron Technology, Inc., a Delaware corporation (the "Company"), hereby certify that the following resolutions were adopted by the Board of Directors on September 10, 2002:

WHEREAS, the Bylaws of the Company have been amended by the Board from time to time as it has deemed advisable, necessary or convenient; and

WHEREAS, the Company's Bylaws indicate that the President of the Company will participate as an ex officio member of all board committees; and

WHEREAS, such provisions may be inconsistent with provisions of the Sarbanes-Oxley Act of 2002 ("SOXA") requiring that certain Board committees consist solely of independent directors; and

WHEREAS, the Board has determined that it is in the best interests of the Company to amend the foregoing Bylaws to comply with SOXA;

NOW, THEREFORE, BE IT RESOLVED, Article V, Section 7 of the Bylaws of the Company be, and the same hereby is, amended to read as follows:

"PRESIDENT

SECTION 7. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the President shall be the general manager of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the Chairman of the Board or if there be none, at all meetings of the Board of Directors. He shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or by these Bylaws."

FURTHER RESOLVED, that the officers of the Company, including the Secretary and Assistant Secretary, be, and each of them hereby is, authorized and directed in the name and on behalf of the Company to do and perform any and all such acts and things, to sign or make such certificates, instruments, notices, statements, filings and to take or omit such other actions as they or each of them in his or her sole discretion may deem necessary or desirable, in order to carry out the intent or purposes of the above resolution.

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said Company effective as of the 10th day of September, 2002.

/s/ Jan R. Reimer
(SEAL) Assistant Corporate Secretary

CERTIFICATE OF TWENTY-THIRD AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Corporate Secretary of Micron Technology, Inc., a Delaware corporation (the "Company"), hereby certify that the following resolution was adopted by the Board of Directors on April 22, 2003:

WHEREAS, the directors desire to reduce the number of directors permitted to serve on the Board of the Directors to six;

NOW, THEREFORE, BE IT RESOLVED, that Article III, Section I of the Bylaws of this Company be amended to read in its entirety as follows:

SECTION 1. The authorized number of directors of the Corporation shall be six. The number of directors provided in this Section 1 may be changed by a Bylaw duly adopted by the affirmative vote of a majority of the outstanding shares entitled to vote or by a resolution of the Board of Directors.

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said Company effective as of the 22nd day of April, 2003.

/s/ Jan R. Reimer

(SEAL) Assistant Corporate Secretary

CERTIFICATE OF TWENTY-FOURTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Corporate Secretary of Micron Technology, Inc., a Delaware corporation (the "Company"), hereby certify that the following resolution was adopted by the Board of Directors on June 22, 2004:

WHEREAS, the Company's Governance and Compensation Committee of the Board has nominated, approved and recommended that Mr. Ronald C. Foster sit as a member of the Company's Board of Directors; and

WHEREAS, the Board is in agreement with the recommendation of the Governance and Compensation Committee;

NOW THEREFORE, BE IT RESOLVED, that the first sentence of Article III, Section I of the Bylaws of this Company be deleted and the following be substituted therefore:

"SECTION I. The authorized number of directors of the corporation shall be seven."

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said Company effective as of the 22nd day of June, 2004.

/s/ Jan R. Reimer

(SEAL) Assistant Corporate Secretary

CERTIFICATE OF TWENTY-FIFTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Corporate Secretary of Micron Technology, Inc., a Delaware corporation (the "Company"), hereby certify that the following resolution was adopted by the Board of Directors effective as of June 27, 2005:

WHEREAS, the Company's Governance and Compensation Committee of the Board has nominated, approved and recommended that Ms. Mercedes Johnson sit as a member of the Company's Board of Directors; and

WHEREAS, the Board is in agreement with the recommendation of the Governance and Compensation Committee;

NOW THEREFORE, BE IT RESOLVED, that the first sentence of Article III, Section I of the Bylaws of this Company be deleted and the following be substituted therefore:

"SECTION I. The authorized number of directors of the corporation shall be eight."

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said Company effective as of the 27th day of June, 2005.

/s/ Jan Reimer

(SEAL) Assistant Corporate Secretary

CERTIFICATE OF TWENTY-SIXTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Corporate Secretary of Micron Technology, Inc., a Delaware corporation (the "Company"), hereby certify that the following resolution was adopted by the Board of Directors on September 27, 2005:

WHEREAS, the Board has accepted the resignation of Mr. Thomas T. Nicholson;

NOW, THEREFORE, BE IT RESOLVED, that, effective September 27, 2005, the first sentence of Article III, Section I of the Bylaws of this Company be deleted and the following be substituted therefore:

"SECTION I. The authorized number of directors of the corporation shall be seven."

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said Company effective as of the 27th day of September, 2005.

(SEAL) /s/ Jan Reimer
Assistant Corporate Secretary

CERTIFICATE OF TWENTY-SEVENTH AMENDMENT
TO THE BYLAWS OF
MICRON TECHNOLOGY, INC.

I, Jan R. Reimer, Assistant Corporate Secretary of Micron Technology, Inc., a Delaware corporation (the “Company”), hereby certify that the following resolution was adopted by the Board of Directors effective as of February 7, 2006:

WHEREAS, the Governance and Compensation Committee of the Board has recommended that Mr. Robert Switz and Dr. Teruaki Aoki sit as members of the Company’s Board of Directors; and

WHEREAS, the Board is in agreement with the recommendation of the Governance and Compensation Committee;

NOW, THEREFORE, BE IT RESOLVED, that, effective February 7, 2006, the first sentence of Article III, Section I of the Bylaws of the Company be deleted and the following be substituted therefore:

“SECTION I. The authorized number of directors of the corporation shall be nine.”

IN WITNESS WHEREOF, I hereunto set my hand and affix the corporate seal of said Company effective as of the 7th day of February, 2006.

(SEAL) /s/ Jan Reimer
Assistant Corporate Secretary

EXHIBIT 23.1

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statement on Forms S-3 (File Nos. 333-33050, 333-71620, 333-104894) and Forms S-8 (File Nos. 33-27078, 33-57887, 33-65050, 333-07283, 333-17073, 333-50353, 333-65449, 333-71249, 333-82549, 333-99271, 333-102545, 333-103341, 333-111170, 333-120620) of Micron Technology, Inc. of our report dated November 3, 2005, except as to the "Segment Information" footnote, as to which the date is February 9, 2006, relating to the financial statements, financial statement schedule, management's assessment of the effectiveness of internal control over financial reporting and the effectiveness of internal control over financial reporting, which appears in this Current Report on Form 8-K.

/s/ PricewaterhouseCoopers LLP

San Jose, California
February 9, 2006

EXHIBIT 99.1

FOR IMMEDIATE RELEASE

Contact: Daniel Francisco
Micron Technology, Inc.
(208) 368-5584 (office)
(208) 863-6261 (mobile)
dfrancisco@micron.com

MICRON TECHNOLOGY, INC., ANNOUNCES COMPANY REORGANIZATION

Changes Reflect Focus on Furthering Success of Product Diversification Efforts

BOISE, Idaho, Feb. 9, 2006 — Micron Technology, Inc., (NYSE: MU) today announced a company reorganization focused on furthering the success of its product diversification efforts. Among other executive changes, Micron announced the appointment of Mark Durcan, the company's current chief technical officer (CTO) and vice president of research and development, to the position of chief operating officer (COO). In addition to his responsibilities for research and development activities, Durcan will be responsible for the company's global operations. Durcan, 44, joined Micron in 1984 and was named CTO in 1996.

Micron also announced that it is merging its mobile and systems memory business units into one memory group poised to deliver a variety of NAND flash, DRAM and specialty memory solutions to its customers. Brian Shirley has been appointed vice president of memory responsible for the combined groups. Shirley, 36, previously held the role of DRAM design manager for the company.

"Micron's products, customers and the solutions we enable have evolved to a point where changing parts of our organization will continue to increase our presence and competitiveness in the global marketplace ," said Steve Appleton, Micron Chairman, President and CEO.

Within the new combined memory group, Jan du Preez, formerly vice president of Micron's mobile memory group, will now serve as the vice president of memory marketing. Micron has also appointed John Schreck to the role of vice president of DRAM development and Frankie Roohparvar to the role of vice president of NAND development. Schreck, 46, previously served as design manager for Micron's mobile memory group. Roohparvar, 43, previously held the role of senior director of flash memory design.

Micron Technology, Inc., is one of the world's leading providers of advanced semiconductor solutions. Through its worldwide operations, Micron manufactures and markets DRAMs, NAND Flash memory, CMOS image sensors, other semiconductor components, and memory modules for use in leading-edge computing, consumer, networking, and mobile products. Micron's common stock is traded on the New York Stock Exchange (NYSE) under the MU symbol. To learn more about Micron Technology, Inc., visit www.micron.com.

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Item 1. ***Business***

The following discussion contains trend information and other forward-looking statements that involve a number of risks and uncertainties. Forward-looking statements include, but are not limited to, statements such as those made in "Products" regarding the Company's expectation regarding sales of DDR2 products in 2006, growth in sales of the Company's PSRAM and Mobile SDRAM products in 2006, significant growth in the markets for NAND Flash memory in future periods, and CMOS image sensors and the introduction of new NAND Flash and CMOS image sensor products in 2006; and in "Manufacturing" regarding the Company's expectation to transition to 95nm and lower line-width process technology in 2006. The Company's actual results could differ materially from the Company's historical results 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 "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Certain Factors." All period references are to the Company's fiscal periods unless otherwise indicated.

Corporate Information

Micron Technology, Inc., and its subsidiaries are hereinafter referred to collectively as the "Company." Micron Technology, Inc., a Delaware corporation, was incorporated in 1978. The Company's executive offices are located at 8000 South Federal Way, Boise, Idaho 83716-9632 and its telephone number is (208) 368-4000. Information about the Company is available on the internet at www.micron.com. Copies of the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as any amendments to these reports, are available through the Company's website as soon as reasonably practicable after they are electronically filed or furnished with the Securities and Exchange Commission. The Company's Corporate Governance Guidelines, Governance and Compensation Committee Charter, Audit Committee Charter and Code of Business Conduct and Ethics are also available on the Company's website. Any amendments or waivers of the Company's Code of Business Conduct and Ethics will also be posted on the Company's website at www.micron.com within four business days of the amendment or waiver. Copies of these documents are available to shareholders upon request. Information contained or referenced on the Company's website is not incorporated by reference and does not form a part of this Annual Report on Form 10-K.

Overview

The Company is an industry leading, global manufacturer and marketer of semiconductor devices, principally DRAM and NAND Flash memory, and CMOS image sensors. The Company has two reportable segments, Memory and Imaging. The Memory segment's primary products are DRAM and NAND Flash and the Imaging segment's primary product is CMOS image sensors. The Company's products are key components used in a broad array of electronic applications including personal computers, workstations, network servers, mobile phones, flash memory cards, USB storage devices, digital still cameras, MP3 players and other consumer electronics products. The Company's customers are original equipment manufacturers located around the world.

The Company's products are offered in a wide variety of package and configuration options, architectures, and performance characteristics tailored to meet application and customer needs. Individual devices take advantage of the Company's advanced silicon processing technology and manufacturing expertise. The Company continually introduces new generations of products that offer lower costs per unit and improved performance characteristics.

Products

Memory Products: The Company's memory segment has two primary product types: DRAM and NAND Flash.

<u>Dynamic Random Access Memory ("DRAM")</u>: DRAM products are high-density, low-cost-per-bit, random access memory devices that provide high-speed data storage and retrieval. DRAM products were 87%, 92% and 96% of the Company's total net sales in 2005, 2004 and 2003, respectively. The Company offers DRAM products with a variety of performance, pricing and other characteristics. Historically, most of the Company's DRAM sales have been from standardized, high-density, high-volume products sold for use as main memory in computers. With the development, introduction and acceptance of new memory architectures, computer main memory has transitioned in recent years from synchronous DRAM

("SDRAM") to Double Data Rate Synchronous DRAM ("DDR") and DDR2. In 2005, the majority of the Company's DRAM revenue came from sales of DDR and DDR2 products for use in computer main memory. In 2005, the Company experienced a significant increase in revenue from sales of specialty memory products (such as pseudo-static RAM ("PSRAM") and Mobile SDRAM) that are generally targeted to applications with specific performance characteristics such as low power, low latency, and high mobility. The Company expects sales of these products to continue to increase in 2006.

DDR and DDR2: DDR and DDR2 are standardized, high-volume, DRAM products that are sold primarily for use as main system memory in computers. DDR and DDR2 products offer high speed and high bandwidth at a relatively low cost compared to other semiconductor memory products. DDR products were 44%, 57% and 57% of the Company's total net sales in 2005, 2004 and 2003, respectively. DDR2 products were 14% the Company's total net sales in 2005 and were 20% of total net sales in the fourth quarter of 2005. DDR2 products are expected to become the Company's primary DRAM product in 2006.

In response to changes in the DRAM market, the Company has broadened its DDR and DDR2 product offerings in recent years. The Company offers DDR products in 128 Meg, 256 Meg, 512 Meg and 1 Gig densities. The Company also offers 256 Meg, 512 Meg and 1 Gig DDR2 products and has begun sampling 2 Gig DDR2. The Company expects that these densities will be necessary to meet customers' demand in the future. In the fourth quarter of 2005, 512 Meg devices replaced 256 Meg density devices as the Company's predominant density for DDR and DDR2 products. The Company also offers its DDR and DDR2 products in multiple configurations, speeds and package types.

SDRAM: In 2005, SDRAM was primarily used in networking devices, servers, consumer electronics, communications equipment and computer peripherals as well as upgrades to legacy computers. Sales of SDRAM products were 20%, 31% and 37% of the Company's total net sales in 2005, 2004 and 2003, respectively. SDRAM sales have declined as personal computer manufacturers have transitioned to DDR and DDR2 products; the decline has been partially offset by increased usage of SDRAM products in other applications. The Company offers 64 Meg, 128 Meg, 256 Meg and 512 Meg SDRAM products.

PSRAM: PSRAM products, marketed by the Company under the proprietary brand name CellularRAM™, are DRAM products with an SRAM-like interface. PSRAM combines the minimal power consumption of SRAM with a much lower cost-per-bit to provide an economical alternative to SRAM. PSRAM products are used primarily in cellular phone applications. The Company offers PSRAM products in 16 Meg, 32 Meg, 64 Meg and 128 Meg densities. Sales of PSRAM products increased significantly in 2005 and were 7% of the Company's total net sales in 2005.

Mobile DRAM: Mobile DRAM products are specialty DRAM memory devices designed for applications that demand minimal power consumption, such as personal digital assistants (PDAs), smart phones, GPS devices, digital still cameras and other handheld electronic devices. Sales of Mobile DRAM products grew significantly to 2% of the Company's total net sales in 2005 and are expected to continue to grow in 2006. The Company sells SDRAM and DDR Mobile memory products in 64 Meg, 128 Meg, 256 Meg and 512 Meg densities. The Company's mobile DRAM products feature its proprietary Endur-IC™ technology, which the Company believes provides distinct advantages to its customers in terms of low power, high quality, high reliability, and overall robustness.

Reduced Latency DRAM (*"RLDRAM"*): RLDRAM products are low-latency DRAM memory devices with high clock rates targeted at network applications. The Company began shipping commercial volumes of RLDRAM products in 2005.

NAND Flash Memory: Flash memory products are electrically re-writeable, non-volatile semiconductor devices that retain memory content when power is turned off. The Company's Flash efforts are concentrated on NAND Flash ("NAND") devices which use semiconductor technology similar to DRAM. NAND offers faster erase and write times, higher density, and lower cost per bit than NOR Flash, which is the primary competing Flash architecture. In addition, NAND has significantly longer cycle endurance making it ideal for mass-storage devices. The market for NAND products has grown rapidly and the Company expects it to continue to grow due to demand for removable and embedded storage devices. Removable storage devices such as USB and Flash memory cards are used with applications such as personal computers, digital still cameras, MP3 players and mobile phones. Embedded NAND-based storage devices are also beginning to be utilized in mobile phones and other personal and consumer applications.

NAND and DRAM share common manufacturing processes, enabling the Company to leverage its product and process technologies and manufacturing infrastructure across product lines. The Company's NAND designs feature a small cell structure that allows for higher densities for demanding applications. In the second quarter of 2005, the Company began shipping its first NAND product, a 2 Gig device incorporating the Company's 90nm process technology. NAND sales grew to 6% of the Company's total net sales in the fourth quarter of 2005. In 2006, the Company plans to introduce 1 Gig and 4 Gig NAND products and begin manufacturing NAND products using 72nm process technology. The Company expects sales of NAND to continue to increase in 2006 as the Company allocates additional manufacturing resources to NAND production.

Complementary Metal-Oxide Semiconductor ("CMOS") Image Sensors: CMOS image sensors are semiconductor devices that capture and process images into pictures or video for a variety of consumer and industrial applications. The Company's CMOS image sensors are used in products such as cellular phone cameras, digital still cameras, pill cameras for medical use, automotive and other emerging applications. The Company offers image sensors in a range of pixel resolutions from its VGA (video graphics array) products to its higher resolution 3.1 megapixel products. In September 2005, the Company introduced a 5 megapixel sensor designed for use in digital still cameras and camera phones and a 3.1 megapixel designed specifically for camera phones. These products feature a leading-edge pixel size of 2.2 square microns, enabling a smaller form factor for the sensor. The Company expects to begin shipping commercial volumes of these products in 2006. Image sensors are sold either as individual components or combined with integrated circuitry to create complete camera system-on-a-chip ("SOC") solutions. In 2005, the Company's image sensors were primarily used in mobile applications.

The Company's CMOS image sensors incorporating its DigitalClarity™ technology have many advantages over other CMOS image sensors and charge-coupled device ("CCD") sensors. The Company's DigitalClarity™ technology features "active pixels" enabling better sensor performance that produces higher-quality images at faster frame rates. Unlike CCD sensors, which rely on specialized fabrication requiring dedicated, and costly manufacturing processes, CMOS image sensors can be manufactured using standardized semiconductor processes resulting in substantially lower costs. The Company's low-leakage DRAM processes are particularly well-suited for the manufacture of CMOS image sensors. The Company's CMOS image sensors consume substantially less power than CCD devices, a critical advantage in the battery-dependent portable device applications where most image sensors are used. By combining all camera functions on a single chip, from the capture of photons to the output of digital bits, CMOS image sensors reduce the part-count of a digital camera system, which in turn increases reliability, eases miniaturization, and enables on-chip programming of frame size, windowing, exposure, and other camera parameters. The Company's CMOS image sensors are also capable of producing high-quality images in low-light conditions. The Company's CMOS image sensors' active-pixel design architecture enables them to achieve performance comparable to high-end CCD sensors and higher than competitor's CMOS image sensors.

The Company's sales of CMOS image sensors for 2005 increased over 200% from 2004. In the fourth quarter of 2005, sales of CMOS image sensors were 9% of the Company's total net sales. The Company expects its sales of CMOS image sensors to continue to grow rapidly in 2006 due to strong demand and increases in the allocation of manufacturing capacity. The overall market for image sensors is expected to increase significantly over the next several years due to the growth forecasted for applications such as phone cameras and digital still cameras. Additionally, CMOS image sensors are expected to capture an increasing percentage of the overall image sensor market.

Manufacturing

The Company's manufacturing facilities are located in the United States, Italy, Japan, Puerto Rico, Scotland and Singapore. The Company's manufacturing facilities generally operate 24 hours per day, 7 days per week. Semiconductor manufacturing is extremely capital intensive, requiring large investments in sophisticated facilities and equipment. Most semiconductor equipment must be replaced every three to five years with increasingly advanced equipment.

The Company's process for manufacturing semiconductor products is complex, involving a number of precise steps, including wafer fabrication, assembly, burn-in and final test. Efficient production of semiconductor products requires utilization of advanced semiconductor manufacturing techniques and effective deployment of these techniques across multiple facilities. The primary determinants of manufacturing cost are die size, number of mask layers, number of fabrication steps and number of good die produced on each wafer. Other factors that contribute to manufacturing costs are wafer size, cost and sophistication of manufacturing equipment, equipment utilization, process complexity, cost of raw materials, labor productivity, package type and cleanliness of the manufacturing environment. The Company is continuously enhancing production processes, reducing die sizes and transitioning to higher density products. In 2005, the Company manufactured most of its products using its 110 nanometer ("nm") line-width process technology and began transferring its manufacturing operations to 95nm line-width process technology. The Company expects to continue to transfer more of its manufacturing operation to 95nm and lower line-width process technology in 2006. In 2005 most of the Company's DRAM products

incorporated its $6F^2$ Hypershrink™ array architecture technology, a design rule that incorporates a memory cell in 6 design features rather and the industry standard 8 design features, which enables production of approximately 20% more die per wafer.

Wafer fabrication occurs in a highly controlled, clean environment to minimize dust and other yield- and quality-limiting contaminants. Despite stringent manufacturing controls, dust particles, equipment errors, minute impurities in materials, defects in photomasks and circuit design marginalities or defects which can lead to wafers being scrapped and individual circuits being nonfunctional. Success of the Company's manufacturing operations depends largely on minimizing defects and thereby maximizing yield of high-quality circuits. In this regard, the Company employs rigorous quality controls throughout the manufacturing, screening and testing processes. The Company is able to recover many nonstandard devices by testing and grading them to their highest level of functionality.

After fabrication, silicon wafers are separated into individual die. Functional die are sorted, connected to external leads and encapsulated in plastic packages. The Company assembles products in a variety of packages, including TSOP (thin small outline package), TQFP (thin quad flat package) and FBGA (fine pitch ball grid array). Each completed package is then inspected and tested. The Company also sells semiconductor products in an unpackaged or die form. The Company tests its products at various stages in the manufacturing process, performs high temperature burn-in on finished products and conducts numerous quality control inspections throughout the entire production flow. In addition, the Company uses its proprietary AMBYX™ line of intelligent test and burn-in systems to perform simultaneous circuit tests of DRAM die during the burn-in process, capturing quality and reliability data and reducing testing time and cost.

A significant portion of the Company's memory products are assembled into memory modules for sale to customers. Memory modules consist of an array of memory components attached to printed circuit boards ("PCBs") that insert directly into computer systems or other electronic devices. Memory components are attached to PCBs in a soldering process performed by screen printing machines and high speed automated pick-and-place machines. Completed modules are tested by custom equipment and visually inspected.

In 2005, the Company significantly increased its 300mm wafer production. The Company manufactured 256 Meg and 512 Meg DDR devices on the Company's 110nm process technology on 300mm wafers, and manufactured the industry's first memory devices in production to utilize copper interconnects. In 2006, the Company plans to continue increasing its 300mm wafer manufacturing capacity.

In recent years the Company has produced an increasingly broad portfolio of products, which enhances the Company's ability to allocate resources to its most profitable products but increases the complexity of the manufacturing process. Although new product lines such as NAND Flash, CMOS image sensors and specialty memory can be manufactured using processes that are very similar to the processes for the Company's predominant DRAM products, frequent conversions to new products and the allocation of manufacturing capacity to more complex, smaller-volume parts can affect the Company's cost efficiency. However, the Company's ability to competitively manufacture many of these products on existing 200mm lines significantly extends the useful life of this equipment.

TECH Semiconductor Singapore Pte. Ltd. ("TECH"): TECH is a memory manufacturing joint venture in Singapore among Micron Technology, Inc., the Singapore Economic Development Board, Canon Inc. and Hewlett-Packard Company. TECH's semiconductor manufacturing facilities use the Company's product and process technology. Subject to specific terms and conditions, the Company has agreed to purchase all of the products manufactured by TECH. TECH supplied approximately 25%, 30% and 30% of the total megabits of memory produced by the Company in 2005, 2004 and 2003, respectively. The Company generally purchases semiconductor memory products from TECH at prices determined quarterly, based on a discount from average selling prices realized by the Company for the preceding fiscal quarter. The Company performs assembly and test services on product manufactured by TECH. The Company also provides certain technology, engineering and training to support TECH. All of these transactions with TECH are recognized as part of the net cost of products purchased from TECH.

Availability of Raw Materials

The Company's production processes require raw materials that meet exacting standards, including several that are customized for, or unique to, the Company. The Company generally has multiple sources of supply; however, only a limited number of suppliers are capable of delivering certain raw materials that meet the Company's standards. Various factors could reduce the availability of raw materials such as silicon wafers, photomasks, chemicals, gases, lead frames, molding compound

and other materials. In addition, any transportation problems could delay the Company's receipt of raw materials. Although raw materials shortages or transportation problems have not interrupted the Company's operations in the past, shortages may occur from time to time in the future. Also, lead times for the supply of raw materials have been extended in the past. If the Company's supply of raw materials is interrupted, or lead times are extended, results of operations could be adversely affected.

Marketing and Customers

The Company's products are sold into computing and consumer, networking and telecommunications, and imaging markets. Approximately 70% of the Company's net sales for 2005 were to the computing market, including desktop PCs, notebooks, servers and workstations. Sales to both Dell Computer Corporation and Hewlett-Packard Company exceeded 10% of the Company's net sales in 2005, 2004 and 2003, and aggregated 23%, 27% and 28% of the Company's net sales in 2005, 2004 and 2003, respectively.

The Company markets its semiconductor products primarily through its own direct sales force. The Company maintains inventory at locations in close proximity to certain key customers to facilitate rapid delivery of product shipments. The Company's products are also offered through independent sales representatives, distributors and Crucial Technology, the Company's web-based customer direct sales division. The Company's products are offered under the

Micron, SpecTek and Crucial brand names, and under other private labels. The Company maintains sales offices in all of its primary markets around the world. Independent sales representatives obtain orders subject to final acceptance by the Company and are compensated on a commission basis. The Company makes shipments against these orders directly to the customer. Distributors carry the Company's products in inventory and typically sell a variety of other semiconductor products, including competitors' products.

Segmentation of the memory market continues, with diverse memory needs being driven by the different requirements of personal computers, servers, mobile devices, and communications, consumer and other applications that demand specific memory solutions. Many of the Company's customers require a thorough review or qualification of semiconductor products, which may take several months. As the Company further diversifies its product lines and reduces the die sizes of existing memory products, more products become subject to qualification which may delay volume introduction of specific devices by the Company.

Backlog

Volatile industry conditions make customers reluctant to enter into long-term, fixed-price contracts. Accordingly, new order volumes for the Company's semiconductor products fluctuate significantly. Orders are typically accepted with acknowledgment that the terms may be adjusted to reflect market conditions at the date of shipment. Customers can change delivery schedules or cancel orders without significant penalty. For these reasons, the Company does not believe that its order backlog as of any particular date is a reliable indicator of actual sales for any succeeding period.

Product Warranty

Because the design and manufacturing process for semiconductor products is highly complex, it is possible that the Company may produce products that do not comply with customer specifications, contain defects or are otherwise incompatible with end uses. In accordance with industry practice, the Company generally provides a limited warranty that its products are in compliance with Company specifications existing at the time of delivery. Under the Company's general terms and conditions of sale, liability for certain failures of product during a stated warranty period is usually limited to repair or replacement of defective items or return of, or a credit with respect to, amounts paid for such items. Under certain circumstances the Company may provide more extensive limited warranty coverage and general legal principles may impose more extensive liability than that provided under the Company's general terms and conditions.

Competition

The Company faces intense competition in the semiconductor memory markets from a number of companies, including Elpida Memory, Inc., Hynix Semiconductor Inc., Infineon Technologies AG and Samsung Electronics Co., Ltd, SanDisk Corporation and Toshiba Corporation. Additionally, the Company faces competition from emerging companies in Taiwan and China who have announced plans to significantly expand the scale of their operations. The Company faces competition in the

image sensor market from a number of suppliers of CMOS image sensors as well a large number of suppliers of CCD image sensors. Some of the Company's competitors are large corporations or conglomerates that may have greater resources to withstand downturns in the semiconductor markets in which the Company competes, invest in technology and capitalize on growth opportunities. The Company's competitors seek to increase silicon capacity, improve yields, reduce die size and minimize mask levels in their product designs. These factors have significantly increased worldwide supply and put downward pressure on prices.

Research and Development

To compete in the semiconductor memory industry, the Company must continue to develop technologically advanced products and processes. The Company believes that expansion of its semiconductor product offerings is necessary to meet expected market demand for specific memory solutions. The Company has several product design centers around the world, the largest located at its corporate headquarters in Boise, Idaho. In addition, the Company has a facility at its Boise site to develop leading edge photolithography mask technology.

R&D expenses vary primarily with the number of development wafers processed, the cost of advanced equipment dedicated to new product and process development, and personnel costs. Because of the lead times necessary to manufacture the Company's products, the Company typically begins to process wafers before completion of performance and reliability testing. The Company deems development of a product complete once the product has been thoroughly reviewed and tested for performance and reliability and is internally qualified for sale to customers. R&D expenses can vary significantly depending on the timing of product qualification. Product development costs are recorded as R&D expense. The Company's R&D expenses were $603.7 million, $754.9 million and $656.4 million in 2005, 2004 and 2003, respectively.

The Company's process technology R&D efforts are focused primarily on development of 95nm, 78nm, 65nm and smaller DRAM and 90nm, 72nm, 50nm and smaller NAND Flash line-width process technologies, which are designed to facilitate the Company's transition to next generation products. Additional R&D efforts include process development to support the Company's 300mm wafer manufacturing, NAND Flash memory, CMOS image sensors, specialty memory products (including PSRAM, mobile SDRAM and RLDRAM) and new memory manufacturing materials. Efforts toward the design and development of new products are concentrated on the Company's 1 Gig and 2 Gig DDR, DDR2 and DDR3 DRAM products as well as high density and mobile NAND Flash memory, CMOS image sensors and specialty memory products.

Geographic Information

Sales to customers outside the United States totaled $3.2 billion for 2005 and included $906.3 million in sales to Europe, $775.0 million in sales to China, $380.0 million in sales to Japan and $899.9 million in sales to the rest of the Asia Pacific region, excluding China and Japan. International sales totaled $2.6 billion for 2004 and $1.7 billion for 2003. As of September 1, 2005 the Company had net property, plant and equipment of $3.7 billion in the United States, $378.9 million in Japan, $358.6 million in Italy, $261.1 million in Singapore and $8.1 million in other countries.

Patents and Licenses

As of September 1, 2005, the Company owned approximately 13,000 U.S. patents and 1,300 foreign patents. In addition, the Company has numerous U.S. and foreign patent applications pending. The Company's patents have terms expiring through 2024.

The Company has a number of patent and intellectual property license agreements. Some of these license agreements require the Company to make one time or periodic payments. The Company may need to obtain additional patent licenses or renew existing license agreements in the future. The Company is unable to predict whether these license agreements can be obtained or renewed on acceptable terms.

Employees

As of September 1, 2005, the Company had approximately 18,800 employees, including approximately 12,400 in the United States, 2,800 in Singapore, 1,800 in Italy, 1,200 in Japan and 300 in the United Kingdom. The Company's employees in Italy are represented by labor organizations that have entered into national and local labor contracts with the Company. The

Company's employment levels can vary depending on market conditions and the level of the Company's production, research and product and process development. Many of the Company's employees are highly skilled, and the Company's continued success depends in part upon its ability to attract and retain such employees. The loss of key Company personnel could have a material adverse effect on the Company's business, results of operations or financial condition.

Environmental Compliance

Government regulations impose various environmental controls on raw materials and discharges, emissions and solid wastes from the Company's manufacturing processes. In 2005, the Company's wafer fabrication facilities continued to conform to the requirements of ISO 14001 certification. To continue certification, the Company met annual requirements in environmental policy, compliance, planning, management, structure and responsibility, training, communication, document control, operational control, emergency preparedness and response, record keeping and management review. While the Company has not experienced any materially adverse effects on its operations from environmental regulations, changes in the regulations could necessitate additional capital expenditures, modification of operations or other compliance actions.

Directors and Executive Officers of the Registrant

Officers of the Company are appointed annually by the Board of Directors. Directors of the Company are elected annually by the shareholders of the Company. Any directors appointed by the Board of Directors to fill vacancies on the Board serve until the next election by the shareholders. All officers and directors serve until their successors are duly chosen or elected and qualified, except in the case of earlier death, resignation or removal.

As of September 1, 2005, the following executive officers and directors of the Company were subject to the reporting requirements of Section 16(a) of the Securities Exchange Act of 1934, as amended.

Name	Age	Position
Steven R. Appleton	45	Chairman, Chief Executive Officer and President
Kipp A. Bedard	46	Vice President of Investor Relations
Robert M. Donnelly	66	Vice President of Systems Memory Group
Jan du Preez	48	Vice President of Mobile Memory Group
D. Mark Durcan	44	Chief Technical Officer and Vice President of Research and Development
Robert J. Gove	51	Vice President of Imaging Group
Jay L. Hawkins	45	Vice President of Operations
Roderic W. Lewis	50	Vice President of Legal Affairs, General Counsel and Corporate Secretary
Michael W. Sadler	47	Vice President of Worldwide Sales
Wilbur G. Stover, Jr.	52	Vice President of Finance and Chief Financial Officer
James W. Bagley	66	Director
Mercedes Johnson	51	Director
Robert A. Lothrop	79	Director
Lawrence N. Mondry	45	Director
Gordon C. Smith	76	Director
William P. Weber	65	Director

Steven R. Appleton joined the Company in February 1983 and has served in various capacities with the Company and its subsidiaries. Mr. Appleton first became an officer of the Company in August 1989 and has served in various officer positions with the Company since that time. From April 1991 until July 1992 and since May 1994, Mr. Appleton has served on the Company's Board of Directors. Since September 1994, Mr. Appleton has served as the Chief Executive Officer, President and Chairman of the Board of Directors of the Company. Mr. Appleton is a member of the Board of Directors of National Semiconductor Corporation. Mr. Appleton holds a BA in Business Management from Boise State University.

Kipp A. Bedard joined the Company in November 1983 and has served in various capacities with the Company and its subsidiaries. Mr. Bedard first became an officer of the Company in April 1990 and has served in various officer positions since that time. Since January 1994, Mr. Bedard has served as Vice President of Investor Relations for the Company. Mr. Bedard holds a BBA in Accounting from Boise State University.

Robert M. Donnelly joined the Company in September 1988 and has served in various technical positions with the Company and its subsidiaries. Mr. Donnelly first became an officer of the Company in August 1989 and has served in various officer positions since that time. Mr. Donnelly holds a BS in Electrical Engineering from the University of Louisville.

Jan du Preez joined the Company in June 2002 as Vice President of Mobile Memory Group. Mr. du Preez served as the President of Infineon Technologies North America Corporation from August 2000 until he joined the Company in June 2002. From October 1996 through July 2000, Mr. du Preez served as the Vice President of Memory Products Group for Infineon Technologies North America Corporation (formerly Siemens Semiconductors). Mr. du Preez holds Bachelors Degrees in Public Administration and Business Economics from the University of Pretoria and a Masters Degree in Commerce from Rand University.

D. Mark Durcan joined the Company in June 1984 and has served in various technical positions with the Company and its subsidiaries since that time. Mr. Durcan served as Vice President, Process Research and Development from June 1996 through June 1997, at which time he became Chief Technical Officer and Vice President of Research and Development. Mr. Durcan holds a BS and MChE in Chemical Engineering from Rice University.

Robert J. Gove joined the Company in March 1999 as Senior Director of Engineering and has served in various positions with the Company. In March 2002, he was appointed Vice President of Imaging. Prior to joining the Company, Dr. Gove served as Vice President, Engineering, of Equator Technologies, Inc. Dr. Gove holds a BS in Electrical Engineering from the University of Washington and an MS in Electrical Engineering and Ph.D. in Electrical Engineering from Southern Methodist University.

Jay L. Hawkins joined the Company in March 1984 and has served in various manufacturing positions for the Company and its subsidiaries. Mr. Hawkins served as Vice President, Manufacturing Administration from February 1996 through June 1997, at which time he became Vice President of Operations. Mr. Hawkins holds a BBA in Marketing from Boise State University.

Roderic W. Lewis joined the Company in August 1991 and has served in various capacities with the Company and its subsidiaries. Mr. Lewis has served as Vice President of Legal Affairs, General Counsel and Corporate Secretary since July 1996. Mr. Lewis holds a BA in Economics and Asian Studies from Brigham Young University and a JD from Columbia University School of Law.

Michael W. Sadler joined the Company in September 1992 as a Regional Sales Manager and has held various sales and marketing positions since that time. Mr. Sadler became an officer of the Company in July 1997 and has served as Vice President of Worldwide Sales since November 2001. Mr. Sadler holds a BS in Information Systems and an MBA from the University of Santa Clara.

Wilbur G. Stover, Jr. joined the Company in June 1989 and has served in various financial positions with the Company and its subsidiaries. Since September 1994, Mr. Stover has served as the Company’s Vice President of Finance and Chief Financial Officer. Mr. Stover holds a BA in Business Administration from Washington State University.

James W. Bagley became the Executive Chairman of Lam Research Corporation (“Lam”), a supplier of semiconductor manufacturing equipment, in June 2005. From August 1997 through May 2005, Mr. Bagley served as the Chairman and Chief Executive Officer of Lam. Mr. Bagley is a member of the Board of Directors of Teradyne, Inc. He has served on the Company’s Board of Directors since June 1997. Mr. Bagley holds a BS and MS in Electrical Engineering from Mississippi State University. Mr. Bagley serves as the presiding director of executive sessions of the Company’s Board of Directors.

Mercedes Johnson joined the Board of Directors in June 2005. Ms. Johnson served as the Senior Vice President, Finance, of Lam from June 2004 to January 2005 and as Lam’s Chief Financial Officer from May 1997 to May 2004. Prior to joining Lam, Ms. Johnson spent 10 years with Applied Materials, Inc., where she served in various senior financial management positions, including vice president and worldwide operations controller. Ms. Johnson holds a degree in accounting from the University of Buenos Aires and currently serves on the board of directors for Intersil Corporation. Ms. Johnson serves on the Board’s Audit Committee.

Robert A. Lothrop served as Senior Vice President of J.R. Simplot Company, an agribusiness company, from January 1986 until his retirement in January 1991. From August 1986 until July 1992 and since May 1994, Mr. Lothrop has served on the Board of Directors of the Company. Mr. Lothrop holds a BS in Engineering from the University of Idaho. Mr. Lothrop serves on the Board’s Audit Committee and the Governance and Compensation Committee.

Lawrence N. Mondry joined the Board of Directors in April 2005. Mr. Mondry serves as the Chief Executive Officer of CompUSA Inc., a position he has held since 2003. Mr. Mondry joined CompUSA in 1990 as Senior Vice President and General Merchandise Manager. He was promoted to Executive Vice President-Merchandising in 1993, and President and Chief Operating Officer of CompUSA Stores in 2000. Mr. Mondry currently serves on the board of directors for Golfsmith, Inc. Mr. Mondry serves on the Board’s Governance and Compensation Committee.

Gordon C. Smith has served as the Chairman and Chief Executive Officer of SFG LLC, a holding company for agriculture operations and other investments, since January 2005. Mr. Smith has also served as Chairman and Chief Executive Officer of G.C. Smith LLC since May 2000. From July 1980 to March 1994, Mr. Smith served in various management positions with J.R. Simplot Company, including four years as President and Chief Executive Officer, and seven years as Chief Financial Officer. From February 1982 until February 1984 and since September 1990, he has served on the Company’s Board of Directors. Mr. Smith holds a BS in Accounting from Idaho State University. Mr. Smith is the Chairman of the Board’s Audit Committee.

William P. Weber served in various capacities with Texas Instruments Incorporated, a semiconductor manufacturing company, and its subsidiaries from 1962 until April 1998. From December 1986 until December 1993, he served as the President of Texas Instruments’ worldwide semiconductor operations and from December 1993 until his retirement in April 1998, he served as Vice Chairman of Texas Instruments Incorporated. He has served on the Company’s Board of Directors since July 1998. Mr. Weber holds a BS in Engineering from Lamar University and a MS in Engineering from Southern Methodist University. Mr. Weber is the Chairman of the Board’s Governance and Compensation Committee.

There is no family relationship between any director or executive officer of the Company.

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. Forward-looking statements include, but are not limited to, statements such as those made in "Overview" regarding growth for CMOS image sensor and NAND Flash markets and allocation of wafer starts to products other than Core DRAM; "Net Sales" regarding future megabit production growth, 300mm wafer production and increases in revenue from sales of DDR2 products, CMOS image sensors, PSRAM products and Flash memory products; "Gross Margin" regarding manufacturing cost reductions in future periods; in "Income Taxes" regarding future provisions for income taxes and in "Liquidity and Capital Resources" regarding capital spending in 2006. The Company's actual results could differ materially from the Company's historical results 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." This discussion should be read in conjunction with the Consolidated Financial Statements and accompanying notes for the year ended September 1, 2005. All period references are to the Company's fiscal periods unless otherwise indicated. All per share amounts are presented on a diluted basis. All tabular dollar amounts are in millions. Unless otherwise stated, all production data reflects production of the Company and its TECH joint venture.

Overview

The Company is a global manufacturer of semiconductor devices, principally DRAM, NAND Flash, and CMOS image sensors. Its products are used in a broad range of electronic applications including personal computers, workstations, network servers, mobile phones and other consumer applications including flash memory cards, USB storage devices, digital still camera and MP3 players. The Company's customers are principally original equipment manufacturers located around the world. The Company's success is largely dependent on the market acceptance of a diversified semiconductor product portfolio, efficient utilization of the Company's manufacturing infrastructure, successful ongoing development of advanced process technologies and generation of sufficient return on research and development efforts.

The Company has strategically diversified its business by expanding into semiconductor products such as specialty memory products (including SDRAM, PSRAM, mobile SDRAM and reduced latency DRAM), NAND Flash memory products and CMOS image sensors. These products are used in a wider range of applications than the computing applications that use the Company's standardized DRAM products. The Company leverages its expertise in semiconductor memory manufacturing and product and process technology to provide these products that are differentiated from competitors' products based on performance characteristics. In the fourth quarter of 2005, specialty memory products, NAND Flash products and CMOS image sensors were over 45% of the Company's net sales. The Company expects that the markets for these products will grow more rapidly than the overall semiconductor market in the near term. The Company's products have been well received in these growing customer applications. The Company plans to allocate an increasing portion of its manufacturing capacity to support these products and expand its market position in 2006. The Company believes that the strategic diversification of its product portfolio will strengthen its ability to allocate manufacturing resources to obtain the highest rate of return.

The Company makes significant ongoing investments to implement its proprietary product and process technology in its manufacturing facilities in the United States, Europe and Asia to provide semiconductor products with increasing functionality and performance at lower costs. The Company introduces new generations of products that offer improved performance characteristics, such as higher data transfer rates, reduced package size, lower power consumption and increased megapixel count. The Company generally reduces the manufacturing cost of each generation of product through its advanced product and process technology such as its leading-edge line width process technology and innovative array architecture.

In order to maximize returns from investments in research and development ("R&D"), the Company develops process technology that effectively reduces production costs and leverages the Company's capital expenditures. To be successfully incorporated in customers' end products, the Company must offer qualified semiconductor solutions at a time when customers are developing their design specifications for their end products. This is especially true for specialty memory products and CMOS image sensors which are required to demonstrate advanced functionality and performance well ahead of a planned ramp of production to commercial volumes. In addition, DRAM and NAND Flash products often incorporate highly advanced design and process technologies that are difficult to manufacture. The Company must make significant investments in R&D to expand its product offering and develop its leading-edge product and process technologies.

Results of Operations

	2005		2004		2003	
	(amounts in millions and as a percent of net sales)					
Net sales:						
Memory	$ 4,577.4	93.8%	$ 4,305.5	97.8%	$ 3,075.0	99.5%
Imaging	302.8	6.2%	98.7	2.2%	16.3	0.5%
	$ 4,880.2	100.0%	$ 4,404.2	100.0%	$ 3,091.3	100.0%
Gross margin:						
Memory	$ 1,020.6	22.3%	$ 1,290.2	30.0%	$ (25.6)	(0.8)%
Imaging	125.2	41.3%	24.5	24.8%	4.9	30.1%
	$ 1,145.8	23.5%	$ 1,314.7	29.9%	$ (20.7)	(0.7)%
Selling, general and administrative	$ 348.3	7.1%	$ 332.0	7.5%	$ 358.2	11.6%
Research and development	603.7	12.4%	754.9	17.1%	656.4	21.2%
Restructure and other charges	(1.4)	(0.0)%	(22.5)	(0.5)%	116.3	3.8%
Operating income (loss)	217.5	4.5%	249.7	5.7%	(1,186.5)	(38.4)%

The Company's two reportable segments are Memory and Imaging. The Memory segment's primary products are DRAM and NAND Flash memory and the Imaging segment's primary product is CMOS image sensors. The Company's fiscal year is the 52 or 53-week period ending on the Thursday closest to August 31. The Company's fiscal 2005 and 2003 contained 52 weeks. The Company's fiscal 2004 contained 53 weeks.

Net Sales

Total net sales for 2005 increased 11% as compared to 2004 due to a 6% increase in Memory sales and 207% increase in Imaging sales. The Company was able to achieve increases in sales for both segments primarily as a result of increases in sales volume facilitated by increases in production. Average selling prices for 2005 declined 24% for Memory products and were essentially unchanged for Imaging products as compared to 2004. Memory sales were 94% of total net sales in 2005 compared to 98% in 2004 and 99% in 2003. Imaging sales have grown rapidly in recent periods and have represented an increasing portion of the Company's total net sales. Total net sales for 2004 increased 42% as compared to 2003 due to a 40% increase in Memory sales and a 506% increase in Imaging sales.

Memory: Memory sales for 2005 increased by 6% as compared to 2004 primarily due to a 40% increase in megabits sold, partially offset by a 24% decrease in the overall average selling price per megabit for the Company's Memory products. The Company's overall megabit production in 2005 increased by 48% as compared to 2004, principally due to a steep ramp in 300mm wafer production and gains in manufacturing efficiencies realized from improvements in product and process technologies. The Company realized a significant increase in 300mm wafer production in 2005, achieving its initial target of 5,000 wafer outs per week in the fourth quarter. The Company expects that its 300mm wafer production will continue to increase in 2006. The Company's megabit production exceeded megabit sales in 2005, which resulted in an approximate 170% increase in megabit finished goods inventories, primarily consisting of DDR and DDR2 products. The increase in inventories was largely the result of a slower than previously expected industry-wide transition to DDR2 memory products.

Most of the increase in Memory sales in 2005 as compared to 2004 resulted from sales of the Company's emerging specialty memory products, such as pseudo-static RAM ("PSRAM") and mobile DRAM products and NAND Flash memory. The Company's combined revenue from these products was $509.2 million in 2005 and nearly quintupled from 2004 due to large increases in production and strong demand for the Company's offerings in these product groups. The Company expects that its revenue from these products will continue to grow rapidly in 2006 as it allocates increasing manufacturing resources to these product groups. DDR and DDR2 product sales in 2005 increased 12% from 2004 and were 59% of the Company's total net sales in 2005. Sales of DDR2 products increased to 14% of the Company's total net sales in 2005 from 1% of total net sales in 2004. The Company expects that sales of DDR2 products will continue to increase in 2006 as market demand continues to shift from DDR products to more advanced DDR2 products.

Memory sales for 2004 increased by 40% as compared to 2003 primarily due to a 20% increase in megabits sold and a 16% increase in average per megabit selling prices as a result of generally improved market conditions. During 2004, the Company increased its allocation of manufacturing capacity to specialty memory products and CMOS image sensors. The shift in product mix contributed to the increase in average per megabit selling prices for 2004 as specialty memory products on average had higher selling prices per megabit than the Company's DDR and DDR2 products. The Company's overall megabit

production for 2004 increased approximately 23% from 2003 primarily due to manufacturing efficiencies. The growth rate in megabit production for 2004 was partially mitigated by the allocation of wafers to CMOS image sensors and specialty memory products.

Imaging: Imaging sales for 2005 increased by 207% as compared to 2004 primarily due to increases in unit sales as average selling price per unit were essentially unchanged. The growth in Imaging unit sales for 2005 reflects increased production and strong demand for the Company's products. Production increased due to the allocation of more wafers to the manufacture of Imaging products as well as improvements in manufacturing efficiency. Imaging sales were 6% of the Company's total net sales in 2005 and 9% of total net sales in the fourth quarter of 2005. Imaging sales for 2004 were more than six times Imaging sales for 2003, as the Company significantly increased production of Imaging products. Due to strong demand for the Company's products and the planned introduction of new products, the Company expects that revenue from Imaging products will continue to grow in future periods as additional manufacturing capacity is allocated to the production of these products.

Gross Margin

The Company's overall gross margin percentage for 2005 declined to 24% as compared to 30% for 2004. This decline in gross margin percentage was primarily due to a decline in gross margin for Memory products, which was due to decreases in average selling prices per megabit. Partially offsetting the effect of the decline in average selling prices 2004 to 2005 was a reduction in cost of goods sold per megabit and the increase in sales of CMOS image sensors, specialty memory and NAND Flash products, which had significantly higher margins than DDR and DDR2 products. The Company's overall gross margin percentage for 2004 increased to 30% from a negative 1% for 2003 primarily due to improved average selling prices and cost reductions for Memory products.

Memory: The Company's gross margin percentage for Memory products for 2005 declined to 22% as compared to 30% for 2004. This decline in gross margin was primarily due to the 24% decrease in the Company's overall average selling price per megabit of memory and, to a lesser extent, a shift in product mix from DDR to DDR2 products which had lower margins in 2005. Partially offsetting this decline in gross margin from 2005 to 2004 was a reduction in cost of goods sold per megabit and the increase in sales of specialty memory and NAND Flash products, which had significantly higher margins than DDR and DDR2 products.

The Company's overall cost of goods sold per megabit in 2005 declined from 2004 primarily due to manufacturing improvements. The Company reduced product costs through manufacturing efficiencies achieved from improved product yield and increase in production utilizing the Company's 110nm process technology and $6F^2$ technology. The cost per megabit for products manufactured on 300mm wafers decreased significantly in 2005 compared to 2004 as the Company continued to increase 300mm wafer production, reaching its initial target of 5,000 wafer outs per week. Manufacturing costs per megabit for DDR2 products were higher than the Company's DDR products in 2005 because of DDR2's relatively larger die size. The Company expects that per megabit cost reductions in 2006 will continue to be mitigated by shifts in product mix from DDR to DDR2.

The Company's gross margin percentage for Memory products improved to 30% for 2004 from a negative 1% for 2003 primarily due to the 16% increase in average per megabit selling prices and reduced costs per megabit. In addition, compared to 2003, Memory product's gross margin for 2004 benefited from relatively higher margins on sales of products purchased from the Company's TECH joint venture. The Company reduced its overall average cost per megabit for 2004 as compared to 2003 through manufacturing efficiencies achieved by improving product yields and continuing its transition to products utilizing 110nm process technology and $6F^2$ technology.

In accordance with generally accepted accounting principles, the Company recorded $307.0 million of charges to cost of goods sold in 2003 to write down the carrying values of work in process and finished goods inventories to their estimated market values. As these charges were recorded in advance of when inventory subject to the write-down was sold, gross margins in the period of sale were higher than they would be absent the effect of the previous write-downs. The Company did not record any charges for inventory write-downs in 2005 and 2004. Costs of goods sold in 2004 were $61.0 million lower than they otherwise would have been as a result of write-downs in prior periods. Costs of goods sold in 2003 were $174.9 million lower than they otherwise would have been as a result of write-downs in prior periods net of the write-downs in 2003. Substantially all of the inventory write-downs in 2004 and 2003 were for Memory products.

The Company's TECH joint venture supplied approximately 25%, 30% and 30% of the total megabits of memory produced by the Company in 2005, 2004 and 2003, respectively. The Company generally purchases memory products from TECH at prices determined quarterly, based on a discount from average selling prices realized by the Company for the

immediately preceding quarter. Depending on market conditions, the gross margin from the sale of products manufactured by TECH may be higher or lower than the gross margin from the sale of products manufactured by the Company's wholly-owned operations. In 2005, the Company realized gross margin percentages on sales of TECH products that were approximately the same as for the DDR and DDR2 products manufactured by its wholly-owned operations. In 2004 and 2003, the Company realized higher gross margin percentages on sales of TECH products than for products manufactured by its wholly-owned operations.

Imaging: The Company's gross margin for Imaging products increased to 41% for 2005 from 25% for 2005 primarily due to cost reductions as the overall average selling price per unit was essentially unchanged. The Company's gross margin for Imaging products decreased to 25% for 2004 as compared to 30% for 2003 primarily due to shifts in product mix.

Selling, General and Administrative

Selling, general and administrative ("SG&A") expenses for 2005 increased 5% from 2004 primarily due to higher compensation costs, partially offset by a decrease in costs associated with legal matters. SG&A expenses for 2004 were 7% lower than for 2003 primarily due to lower costs associated with outstanding legal matters and reduced depreciation costs, partially offset by higher levels of performance-based compensation expense and other personnel costs.

Research and Development

R&D expenses vary primarily with the number of development wafers processed, the cost of advanced equipment dedicated to new product and process development, and personnel costs. Because of the lead times necessary to manufacture its products, the Company typically begins to process wafers before completion of performance and reliability testing. The Company deems development of a product complete once the product has been thoroughly reviewed and tested for performance and reliability. R&D expenses can vary significantly depending on the timing of product qualification.

R&D expenses for 2005 decreased 20% from 2004 principally because products were qualified on the 300mm wafer fabrication process in the first quarter of 2005. When products are qualified, the Company includes costs from the production of these products in inventory and costs of goods sold rather than research and development expense. Higher compensation costs partially offset the decreases in R&D expenses for 2005 as compared to 2004. R&D expenses for 2004 increased 15% from 2003 principally due to an increase in development wafers processed during 2004 as the Company increased its product diversification and ramped production at its 300mm wafer fabrication facility, which primarily ran development wafers in 2004. Higher R&D costs in 2004 as compared to 2003 also reflected a higher level of expenses related to CMOS image sensors, Flash memory and specialty memory products.

The Company's process technology R&D efforts are focused primarily on development of 95nm, 78nm, 65nm and smaller DRAM and 90nm, 72nm, 50nm and smaller NAND Flash line-width process technologies, which are designed to facilitate the Company's transition to next generation products. Additional R&D efforts include process development to support the Company's 300mm wafer manufacturing, NAND Flash memory, CMOS image sensors, specialty memory products (including PSRAM, mobile SDRAM and reduced latency DRAM) and new manufacturing materials. Efforts toward the design and development of new products are concentrated on the Company's 1 Gig and 2 Gig DDR, DDR2 and DDR3 products as well as high density and mobile NAND Flash memory, CMOS image sensors and specialty memory products.

Restructure and Other Charges

In 2003, the Company announced a series of cost-reduction initiatives. The restructure plan included the shutdown of the Company's 200mm production line in Virginia; the discontinuance of certain memory products, including SRAM and TCAM; and an approximate 10% reduction in the Company's worldwide workforce. In 2003, the Company recorded restructure charges of $109.2 million and other restructure-related charges of $7.1 million, including $50.7 million of equipment write-downs, $26.3 million of severance and other termination benefits and $18.6 million of intangible asset write downs. Substantially all of the restructure charges were in the Memory segment. The Company recorded net credits to restructure of $1.4 million and $22.5 million in 2005 and 2004, respectively, primarily from sales of equipment associated with the Company's 200mm production line in Virginia. The Company substantially completed the restructure plan and paid essentially all costs associated with the restructure plan in 2004 and 2003.

Stock-Based Compensation

In December 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 123(R), "Share-Based Payment." SFAS No. 123(R) will require the Company to use a fair-value based method of accounting for share-based compensation beginning in 2006. Through 2005 the Company used the intrinsic-value method to account for stock-based compensation and generally no compensation costs were recorded. Accordingly, the Company's implementation of SFAS No. 123(R) will increase compensation costs reflected in cost of goods sold, SG&A and R&D in the consolidated statement of operations for future periods.

In April of 2005, the Company accelerated the vesting of approximately 44.6 million unvested stock options outstanding under the Company's stock plans to reduce compensation costs that would have been recognized in the Company's consolidated financial statements after 2005 with the adoption of

SFAS 123(R) by approximately $100 million. As of September 1, 2005, 3% of the Company's then outstanding stock options were unvested and the expense for these unvested stock options to be recorded in 2006 through 2009 is $10.4 million. Because the Company's near-term, stock-based compensation costs were reduced by the acceleration of vesting, share-based compensation costs could grow significantly in future periods if the Company continues to grant amounts of new share-based compensation awards similar to recent periods.

Other Operating (Income) Expense, Net

Other operating income for 2005 includes net gains on write-downs and disposals of semiconductor equipment of $12.7 million and $12.0 million in receipts from the U.S. government in connection with anti-dumping tariffs. Other operating expense for 2004 includes losses of $17.2 million from changes in currency exchange rates. Other operating income for 2004 includes $7.2 million from the Commonwealth of Virginia for meeting investment commitments at the Virginia wafer fabrication facility and net gains of $3.9 million on write-downs and disposals of semiconductor equipment. Other operating expense for 2003 includes net losses on write-downs and disposals of semiconductor equipment of $41.5 million and losses of $10.7 million from changes in currency exchange rates. Other operating expense for 2003 is net of $14.4 million in receipts from the U.S. government in connection with anti-dumping tariffs. The Company estimates that, based on its assets and liabilities denominated in currencies other than U.S. dollar as of September 1, 2005, a 1% change in the exchange rate versus the U.S. dollar would result in foreign currency gains or losses of approximately $1 million for the yen and $1 million for the euro.

Income Taxes

Income taxes for 2005, 2004 and 2003 primarily reflect taxes on the Company's non-U.S. operations. The Company has a valuation allowance for its net deferred tax asset associated with its U.S. operations. The provision for taxes on U.S. operations in 2005 and 2004 was substantially offset by a reduction in the valuation allowance. Until such time as the Company utilizes its U.S. net operating loss carryforwards and unused tax credits, the provision for taxes on the Company's U.S. operations is expected to be substantially offset by a reduction in the valuation allowance. As of September 1, 2005, the Company had aggregate U.S. tax net operating loss carryforwards of $2.5 billion and unused U.S. tax credit carryforwards of $140.7 million. The Company also has unused state tax net operating loss carryforwards of $1.7 billion and unused state tax credits of $137.5 million. Substantially all of the net operating loss carryforwards expire in 2022 to 2025 and substantially all of the tax credit carryforwards expire in 2013 to 2025.

Liquidity and Capital Resources

The Company's liquidity is highly dependent on average selling prices for its semiconductor memory products and the timing of capital expenditures, both of which can vary significantly from period to period. As of September 1, 2005, the Company had cash and marketable investment securities totaling $1,290.4 million compared to $1,231.0 million as of September 2, 2004.

Operating Activities: For 2005, net cash provided by operating activities was $1,237.8 million, which principally reflects the Company's $188.0 million of net income adjusted by $1,264.5 million for non-cash depreciation and amortization expense. Cash provided by operations was reduced by a $193.3 million increase in inventories. The increase in inventories was largely the result of a slower than previously expected industry-wide transition to DDR2 memory products.

Investing Activities: For 2005, net cash used by investing activities was $1,083.9 million, which included cash expenditures for property, plant and equipment of $1,064.8 million. The Company believes that to develop new product and process technologies, support future growth, achieve operating efficiencies and maintain product quality, it must continue to

invest in manufacturing technologies, facilities and capital equipment, research and development, and product and process technologies. The Company projects 2006 capital spending of $1.0 billion to $1.5 billion. As of September 1, 2005, the Company had commitments extending into 2007 of approximately $250 million for the acquisition of property, plant and equipment.

Financing Activities: For 2005, net cash used by financing activities was $115.5 million. Payments on debt were $300.0 million for 2005, and included prepayment of the $210.0 million outstanding on the Company's subordinated notes that were due September 2005. Payments on equipment purchase contracts were $236.0 million for 2005. In the third quarter of 2005, the Company obtained an aggregate of 23.5 billion yen ($221.4 million) from two yen-denominated loan financing arrangements that are payable in semi-annual installments through 2010. In 2005, the Company received $161.3 million in proceeds from sales-leaseback transactions which are payable in periodic installments through January 2009.

In 2004, the Company received $450.0 million from Intel in exchange for stock rights exchangeable into approximately 33.9 million shares of the Company's common stock. Additionally, the Company agreed to achieve operational objectives or be subject to monetary penalties. The Company has achieved operational objectives and does not expect to make any payments to Intel under this agreement.

Access to capital markets has historically been important to the Company. Depending on market conditions, the Company may, from time to time, issue registered or unregistered securities to raise capital to fund a portion of its operations.

As of September 1, 2005, the Company had $632.5 million of 2.5% Convertible Subordinated Notes (the "Notes") outstanding. Holders of the Notes may convert all or some of their Notes at any time prior to maturity, unless previously redeemed or repurchased, into the Company's common stock at a conversion rate of 84.8320 shares for each $1,000 principal amount of the Notes. This conversion rate is equivalent to a conversion price of approximately $11.79 per share. The Company may redeem the Notes at any time after February 6, 2006, at declining premiums to par.

Contractual Obligations: The following table summarizes the Company's significant contractual obligations at September 1, 2005, and the effect such obligations are expected to have on the Company's liquidity and cash flows in future periods.

	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
			(amounts in millions)		
Notes payable	$ 980.0	$ 93.4	$ 153.3	$ 728.4	$ 4.9
Capital lease obligations	221.4	64.3	99.3	57.8	—
Operating leases	60.8	18.1	14.0	5.5	23.2

Purchase obligations	409.7	394.5	15.0	0.2	—
Other long-term liabilities	125.6	—	63.8	12.2	49.6
Total	$ 1,797.5	$ 570.3	$ 345.4	$ 804.1	$ 77.7

The obligations disclosed above do not include contractual obligations recorded on the Company's balance sheet as current liabilities except for the current portion of long-term debt. The expected timing of payment amounts of the obligations discussed above is estimated based on current information. Timing and actual amounts paid may differ depending on the timing of receipt of goods or services, market prices or changes to agreed-upon amounts for some obligations.

Purchase obligations include all commitments to purchase goods or services of either a fixed or minimum quantity that meet any of the following criteria: (1) they are noncancelable, (2) the Company would incur a penalty if the agreement was cancelled, or (3) the Company must make specified minimum payments even if it does not take delivery of the contracted products or services ("take-or-pay"). If the obligation to purchase goods or services is noncancelable, the entire value of the contract was included in the above table. If the obligation is cancelable, but the Company would incur a penalty if cancelled, the dollar amount of the penalty was included as a purchase obligation. Contracted minimum amounts specified in take-or-pay contracts are also included in the above table as they represent the portion of each contract that is a firm commitment.

The Company has an agreement with its TECH joint venture to purchase all of TECH's output of semiconductor memory components subject to specific terms and conditions. As the purchase quantities are based on qualified production output, the agreement does not contain a fixed or minimum purchase quantity and therefore the Company did not include the agreement in its purchase obligations. In addition to purchase quantities, the TECH purchase obligation fluctuates based on average selling

prices for semiconductor memory components which can change significantly from period to period. In 2005, the net cost of semiconductor components purchased from TECH was $651.9 million.

Off-Balance Sheet Arrangements

As of September 1, 2005, the Company had the following off-balance sheet arrangements: convertible debt, call spread options, stock warrants and its variable interest in the TECH joint venture.

See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Capital Resources" for a description of the Company's convertible debt.

Concurrent with the issuance of the Notes, the Company purchased call spread options (the "Call Spread Options") covering 53.7 million shares of the Company's common stock, which is the number of shares issuable upon conversion of the Notes in full. The Call Spread Options have a lower strike price of $11.79, a higher strike price of $18.19, may be settled at the Company's option either in cash or net shares and expire on January 29, 2008. Settlement of the Call Spread Options in cash on January 29, 2008, would result in the Company receiving an amount ranging from zero if the market price per share of the Company's common stock is at or below $11.79 to a maximum of $343.4 million if the market price per share of the Company's common stock is at or above $18.19.

In 2001, the Company received $480.2 million from the issuance of warrants to purchase 29.1 million shares of the Company's common stock. The warrants entitle the holders to exercise their warrants and purchase shares of Common Stock for $56.00 per share (the "Exercise Price") at any time through May 15, 2008 (the "Expiration Date"). Warrants exercised prior to the Expiration Date will be settled on a "net share" basis, wherein investors receive common stock equal to the difference between $56.00 and the average closing sale price for the common shares over the 30 trading days immediately preceding the Exercise Date. At expiration, the Company may elect to settle the warrants on a net share basis or for cash, provided certain conditions are satisfied. As of September 1, 2005, there had been no exercises of warrants and all warrants issued remained outstanding.

See "Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Joint Venture" for a description of the Company's arrangement with its TECH joint venture.

Recently Issued Accounting Standards

In May 2005, the FASB issued SFAS No. 154, "Accounting Changes and Error Corrections." SFAS No. 154 replaces APB Opinion No. 20, "Accounting Changes," and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements," and changes the requirements for the accounting for and reporting of a change in accounting principle. The Company is required to adopt SFAS No. 154 for accounting changes and error corrections that occur after the beginning of 2007. The Company's results of operations and financial condition will only be impacted following the adoption of SFAS No. 154 if it implements changes in accounting principle that are addressed by the standard or corrects accounting errors in future periods.

In March 2005, the FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations," which clarifies that an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value can be reasonably estimated even though uncertainty exists about the timing and (or) method of settlement. The Company is required to adopt Interpretation No. 47 prior to the end of 2006. The Company is currently assessing the impact of Interpretation No. 47 on its results of operations and financial condition.

In December 2004, the FASB issued SFAS No. 123(R), "Share-Based Payment." SFAS No. 123(R) establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services or incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments, focusing primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS No. 123(R) requires public entities to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions) and recognize the cost over the period during which an employee is required to provide service in exchange for the award. In March 2005, the U.S. Securities and Exchange Commission ("SEC") issued SAB 107 which expresses views of the SEC staff regarding the application of SFAS No. 123(R). Among other things, SAB 107 provides interpretive guidance related to the interaction between SFAS No. 123(R) and certain SEC rules and regulations as well as provides the SEC staff's views regarding the valuation of share-based payment arrangements for public companies. The Company is required to adopt SFAS No. 123(R) in the beginning of 2006. Upon adoption, the Company will record non-cash stock compensation expense primarily associated with future grants of stock options, which will have an adverse effect on its results of operations.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets – An Amendment of APB Opinion No. 29," which eliminates the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. The Company is required to adopt SFAS No. 153 for nonmonetary asset exchanges occurring in the first quarter of 2006 and its adoption is not expected to have a significant effect on the Company's results of operations or financial condition.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs – An Amendment of ARB No. 43, Chapter 4," which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material (spoilage). The Company is required to adopt SFAS No. 151 in the beginning of 2006 and its adoption is not expected to have a significant effect on the Company's results of operations or financial condition.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. Estimates and judgments are based on historical experience, forecasted future events and various other assumptions that the Company believes to be reasonable under the circumstances. Estimates and judgments may vary under different assumptions or conditions. The Company evaluates its estimates and judgments on an ongoing basis. Management believes the accounting policies below are critical in the portrayal of the Company's financial condition and results of operations and require management's most difficult, subjective or complex judgments.

Contingencies: The Company is subject to the possibility of losses from various contingencies. Considerable judgment is necessary to estimate the probability and amount of any loss from such contingencies. An accrual is made when it is probable that a liability has been incurred or an asset has been impaired and the amount of loss can be reasonably estimated. The Company accrues a liability and charges operations for the estimated costs of adjudication or settlement of asserted and unasserted claims existing as of the balance sheet date.

Income taxes: The Company is required to estimate its provision for income taxes and amounts ultimately payable or recoverable in numerous tax jurisdictions around the world. Estimates involve interpretations of regulations and are inherently complex. Resolution of income tax treatments in individual jurisdictions may not be known for many years after completion of any fiscal year. The Company is also required to evaluate the realizability of its deferred tax assets on an ongoing basis in accordance with U.S. GAAP, which requires the assessment of the Company's performance and other relevant factors when determining the need for a valuation allowance with respect to these deferred tax assets. Realization of deferred tax assets is dependent on the Company's ability to generate future taxable income.

Inventories: Inventories are stated at the lower of average cost or market value. Cost includes labor, material and overhead costs, including product and process technology costs. Determining market value of inventories involves numerous judgments, including projecting average selling prices and sales volumes for future periods and costs to complete products in work in process inventories. To project average selling prices and sales volumes, the Company reviews recent sales volumes, existing customer orders, current contract prices, industry analysis of supply and demand, seasonal factors, general economic trends and other information. When these analyses reflect estimated market values below the Company's manufacturing costs, the Company records a charge to cost of goods sold in advance of when the inventory is actually sold. Differences in forecasted average selling prices used in calculating lower of cost or market adjustments can result in significant changes in the estimated net realizable value of product inventories and accordingly the amount of write-down recorded. Due to the volatile nature of the semiconductor memory industry, actual selling prices and volumes often vary significantly from projected prices and volumes and, as a result, the timing of when product costs are charged to operations can vary significantly.

U.S. GAAP provides for products to be grouped into categories in order to compare costs to market values. The amount of any inventory write-down can vary significantly depending on the determination of inventory categories. The Company's inventory has been categorized as semiconductor memory products or CMOS image sensors. The major characteristics the Company considers in determining inventory categories are product type and markets.

Product and process technology: Costs incurred to acquire product and process technology or to patent technology developed by the Company are capitalized and amortized on a straight-line basis over periods currently ranging up to 10 years.

The Company capitalizes a portion of costs incurred based on its analysis of historical and projected patents issued as a percent of patents filed. Capitalized product and process technology costs are amortized over the shorter of (i) the estimated useful life of the technology, (ii) the patent term or (iii) the term of the technology agreement.

Property, plant and equipment: The Company reviews the carrying value of property, plant and equipment for impairment when events and circumstances indicate that the carrying value of an asset or group of assets may not be recoverable from the estimated future cash flows expected to result from its use and/or disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss is recognized equal to the amount by which the carrying value exceeds the estimated fair value of the assets. The estimation of future cash flows involves numerous assumptions which require judgment by the Company, including, but not limited to, future use of the assets for Company operations versus sale or disposal of the assets, future selling prices for the Company's products and future production and sales volumes. In addition, judgment is required by the Company in determining the groups of assets for which impairment tests are separately performed.

Research and development: Costs related to the conceptual formulation and design of products and processes are expensed as research and development when incurred. Determining when product development is complete requires judgment by the Company. The Company deems development of a product complete once the product has been thoroughly reviewed and tested for performance and reliability.

EXHIBIT 99.4

Item 8. ***Financial Statements and Supplementary Data***

Index to Consolidated Financial Statements

MICRON TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in millions except per share amounts)

For the year ended	September 1, 2005	September 2, 2004	August 28, 2003
Net sales	$ 4,880.2	$ 4,404.2	$ 3,091.3
Cost of goods sold	3,734.4	3,089.5	3,112.0
Gross margin	1,145.8	1,314.7	(20.7)
Selling, general and administrative	348.3	332.0	358.2
Research and development	603.7	754.9	656.4
Restructure	(1.4)	(22.5)	109.2
Other operating (income) expense, net	(22.3)	0.6	42.0
Operating income (loss)	217.5	249.7	(1,186.5)
Interest income	31.5	15.2	18.1
Interest expense	(46.9)	(36.0)	(36.5)
Other non-operating income (expense), net	(3.5)	3.1	4.7
Income (loss) before taxes	198.6	232.0	(1,200.2)
Income tax (provision)	(10.6)	(74.8)	(73.0)
Net income (loss)	$ 188.0	$ 157.2	$ (1,273.2)
Earnings (loss) per share:			
Basic	$ 0.29	$ 0.24	$ (2.11)
Diluted	0.29	0.24	(2.11)
Number of shares used in per share calculations:			
Basic	647.7	641.5	607.5
Diluted	702.0	645.7	607.5

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

CONSOLIDATED BALANCE SHEETS
(Dollars in millions except par value amounts)

As of		September 1, 2005		September 2, 2004
Assets				
Cash and equivalents	$	524.5	$	486.1
Short-term investments		765.9		744.9
Receivables		794.4		773.7
Inventories		771.5		578.1
Prepaid expenses		37.8		37.4
Deferred income taxes		31.5		18.5
Total current assets		2,925.6		2,638.7
Intangible assets, net		260.2		276.2
Property, plant and equipment, net		4,683.8		4,712.7
Deferred income taxes		29.9		41.4
Restricted cash		50.2		27.6
Other assets		56.7		63.4
Total assets	$	8,006.4	$	7,760.0
Liabilities and shareholders' equity				
Accounts payable and accrued expenses	$	752.5	$	796.2
Deferred income		30.3		35.2
Equipment purchase contracts		48.8		70.1
Current portion of long-term debt		147.0		70.6
Total current liabilities		978.6		972.1
Long-term debt		1,020.2		1,027.9
Deferred income taxes		35.2		42.0
Other liabilities		125.6		103.2
Total liabilities		2,159.6		2,145.2
Commitments and contingencies				
Common stock, $0.10 par value, authorized 3.0 billion shares, issued and outstanding 616.2 million and 611.5 million shares		61.6		61.2
Additional capital		4,707.4		4,663.9
Retained earnings		1,078.1		890.1
Accumulated other comprehensive loss		(0.3)		(0.4)
Total shareholders' equity		5,846.8		5,614.8
Total liabilities and shareholders' equity	$	8,006.4	$	7,760.0

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(Amounts in millions)

	Common Stock										
	Number of Shares		Amount		Additional Capital		Retained Earnings		Accumulated Other Comprehensive Income (Loss)		Total Shareholders' Equity
Balance at August 29, 2002	604.4	$	60.3	$	4,229.6	$	2,015.5	$	1.0	$	6,306.4
Comprehensive income (loss):											
Net loss							(1,273.2)				(1,273.2)
Other comprehensive income (loss):											
Net change in unrealized gain (loss) on investments, net of tax									(0.9)		(0.9)
Total comprehensive income (loss)											(1,274.1)
Stock issued under stock plans	5.7		0.5		56.9						57.4
Purchase of call spread options					(109.1)						(109.1)
Repurchase and retirement of common stock	(0.2)				(1.1)		(2.2)				(3.3)
Redeemable common stock accretion							(6.3)				(6.3)
Balance at August 28, 2003	609.9	$	60.8	$	4,176.3	$	733.8	$	0.1	$	4,971.0
Comprehensive income:											
Net income							157.2				157.2
Other comprehensive income (loss):											
Net change in unrealized gain (loss)on investments, net of tax									(0.5)		(0.5)
Total comprehensive income											

						156.7
Stock issued under stock plans	3.1	0.4	37.6			38.0
Issuance of stock rights			450.0			450.0
Redemption of common stock	(1.5)					
Redeemable common stock accretion and fair value adjustment				(0.9)		(0.9)
Balance at September 2, 2004	611.5	$ 61.2	$ 4,663.9	$ 890.1	$ (0.4)	$ 5,614.8
Comprehensive income:						
Net income				188.0		188.0
Other comprehensive income (loss):						
Net change in unrealized gain (loss) on investments, net of tax					0.1	0.1
Total comprehensive income						188.1
Stock issued under stock plans	4.7	0.4	43.5			43.9
Balance at September 1, 2005	616.2	$ 61.6	$ 4,707.4	$ 1,078.1	$ (0.3)	$ 5,846.8

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in millions)

For the year ended	September 1, 2005	September 2, 2004	August 28, 2003
Cash flows from operating activities			
Net income (loss)	$ 188.0	$ 157.2	$ (1,273.2)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,264.5	1,217.5	1,209.9
Noncash restructure and other charges (benefits)	(1.6)	(37.0)	85.2
Provision to write down inventories to estimated market values	—	—	307.0
Loss (gain) from write-down or disposition of equipment	(12.7)	(3.9)	48.4
Loss (gain) from write-down or disposition of investments	0.8	0.6	(0.6)
Change in operating assets and liabilities:			
Increase in receivables	(22.4)	(130.9)	(103.8)
Increase in inventories	(193.3)	(160.5)	(196.2)
Increase in accounts payable and accrued expenses	11.1	30.1	98.8
Deferred income taxes	(9.7)	57.8	70.5
Other	13.1	27.9	38.2
Net cash provided by operating activities	1,237.8	1,158.8	284.2
Cash flows from investing activities			
Purchases of available-for-sale securities	(1,848.6)	(1,799.4)	(758.0)
Expenditures for property, plant and equipment	(1,064.8)	(1,080.7)	(821.5)
(Increase) decrease in restricted cash	(23.4)	101.6	(75.1)
Proceeds from maturities of available-for-sale securities	1,825.8	1,179.0	832.0
Proceeds from sales of property, plant and equipment	47.2	92.7	20.0
Proceeds from sales of available-for-sale securities	10.3	225.7	319.1
Other	(30.4)	(31.6)	(34.6)
Net cash used for investing activities	(1,083.9)	(1,312.7)	(518.1)
Cash flows from financing activities			
Proceeds from issuance of debt	221.4	63.5	667.5
Proceeds from equipment sale-leaseback transactions	161.3	37.6	60.6
Proceeds from issuance of common stock	40.9	37.0	53.5
Proceeds from issuance of stock rights	—	450.0	—
Repayments of debt	(300.0)	(106.9)	(106.0)
Payments on equipment purchase contracts	(236.0)	(343.7)	(143.2)
Debt issuance costs	(3.2)	(0.3)	(17.3)
Redemption of common stock	—	(67.5)	—
Purchase of call spread options	—	—	(109.1)
Other	0.1	—	—
Net cash provided by (used for) financing activities	(115.5)	69.7	406.0
Net increase (decrease) in cash and equivalents	38.4	(84.2)	172.1
Cash and equivalents at beginning of year	486.1	570.3	398.2
Cash and equivalents at end of year	$ 524.5	$ 486.1	$ 570.3

Supplemental disclosures			
Income taxes refunded (paid), net	$ (20.7)	$ 9.8	$ 104.9
Interest paid, net of amounts capitalized	(58.1)	(27.4)	(27.1)
Noncash investing and financing activities:			
Equipment acquisitions on contracts payable and capital leases	372.3	280.0	292.1

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All tabular dollar amounts in millions except per share amounts)

Significant Accounting Policies

Basis of presentation: Micron Technology, Inc. and its subsidiaries (hereinafter referred to collectively as the "Company") manufacture and market DRAM, NAND Flash memory, CMOS image sensors and other semiconductor components. The Company has two reportable segments, Memory and Imaging. The Memory segment's primary products are DRAM and NAND Flash and the Imaging segment's primary product is CMOS image sensors. The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include the accounts of the Company and its consolidated subsidiaries. All significant intercompany transactions and balances have been eliminated.

The Company's fiscal year is the 52 or 53-week period ending on the Thursday closest to August 31. The Company's fiscal 2005 and 2003 contained 52 weeks. The Company's fiscal 2004 contained 53 weeks. All period references are to the Company's fiscal periods unless otherwise indicated.

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

Use of estimates: The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. Estimates and judgments are based on historical experience, forecasted future events and various other assumptions that the Company believes to be reasonable under the circumstances. Estimates and judgments may differ under different assumptions or conditions. The Company evaluates its estimates and judgments on an ongoing basis. Actual results could differ from estimates.

Certain concentrations: Approximately 70% of the Company's net sales for 2005 were to the computing market, including desktop PCs, notebooks, servers and workstations. Sales to one customer were 12.2%, 14.1 % and 14.9% of the Company's net sales in 2005, 2004 and 2003, respectively. Sales to another customer were 11.3%, 13.2% and 13.2% of the Company's net sales in 2005, 2004 and 2003, respectively. Sales of DRAM products constituted 87% of the Company's net sales for 2005 and no other product group individually constituted greater than 10% of the Company's net sales. Certain components used by the Company in manufacturing semiconductor products are available from a limited number of suppliers.

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash, investment securities and trade receivables. The Company invests through high-credit-quality financial institutions and, by policy, limits the concentration of credit exposure by restricting investments with any single obligor. 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 computing industry. 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 on receivables.

Product warranty: The Company generally provides a limited warranty that its products are in compliance with Company specifications existing at the time of delivery. Under the Company's general terms and conditions of sale, liability for certain failures of product during a stated warranty period is usually limited to repair or replacement of defective items or return of, or a credit with respect to, amounts paid for such items. Under certain circumstances, the Company may provide more extensive limited warranty coverage and general legal principles may impose upon the Company more extensive liability than that provided under the Company's general terms and conditions. The Company's warranty obligations are not material.

Revenue recognition: The Company recognizes revenue when persuasive evidence of a sales arrangement exists, delivery has occurred, the price is fixed or determinable and collectibility is reasonably assured. Because of frequent changes in market prices for the Company's products, sales made under agreements allowing pricing protection or rights of return (other than for product warranty) are deferred until customers have sold the product.

Research and development: Costs related to the conceptual formulation and design of products and processes are expensed as research and development as incurred. Determining when product development is complete requires judgment by the Company. The Company deems development of a product complete once the product has been thoroughly reviewed and tested for performance and reliability. Subsequent to product qualification, product costs are valued in inventory.

Stock-based compensation: Through 2005, the Company's employee stock plans were accounted for using the intrinsic value method prescribed by APB No. 25, "Accounting for Stock Issued to Employees." The Company utilizes the Black-Scholes option valuation model to value stock options for pro forma presentation of income and per share data as if the fair value based method in Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," had been used to account for stock-based compensation. The following presents pro forma income (loss) and per share data as if a fair value based method had been used to account for stock-based compensation:

	2005	2004	2003
Net income (loss), as reported	$ 188.0	$ 157.2	$ (1,273.2)
Redeemable common stock accretion	—	(0.5)	(6.3)
Redeemable common stock fair value adjustment	—	(0.4)	—
Net income (loss) available to common shareholders	188.0	156.3	(1,279.5)
Stock-based employee compensation expense included in reported net income (loss), net of tax	1.8	—	0.4
Less total stock-based employee compensation expense determined under a fair value-based method for all awards, net of tax	(264.7)	(203.9)	(295.2)
Pro forma net income (loss) available to common shareholders	$ (74.9)	$ (47.6)	$ (1,574.3)
Earnings (loss) per share:			
Basic, as reported	$ 0.29	$ 0.24	$ (2.11)
Basic, pro forma	(0.12)	(0.07)	(2.59)
Diluted, as reported	$ 0.29	$ 0.24	$ (2.11)
Diluted, pro forma	(0.12)	(0.07)	(2.59)

Stock-based compensation expense in the above presentation does not reflect any significant income taxes, which is consistent with the Company's treatment of income or loss from its U.S. operations. (See "Income Taxes" note.)

On April 4, 2005, the Company accelerated the vesting of approximately 44.6 million unvested stock options outstanding under the Company's stock plans with exercise prices per share of $12.00 or higher. The options had a range of exercise prices of $12.00 to $44.90 and a weighted average exercise price of $14.08. The closing price of the Company's common stock on April 1, 2005, the last trading day before the acceleration, was $10.26. The acceleration was effective as of April 4, 2005. The purpose of the accelerated vesting was to enable the Company to avoid recognizing compensation expense associated with these options upon adoption of SFAS No. 123(R). The aggregate pre-tax expense associated with the accelerated options that would have been reflected in the Company's consolidated financial statements in future fiscal years was approximately $100 million, which is included in pro forma stock-based employee compensation expense for 2005.

Functional currency: The U.S. dollar is the Company's functional currency for substantially all of its operations.

Earnings per share: Basic earnings per share is computed based on the weighted average number of common shares and stock rights outstanding. Diluted earnings per share is computed based on the weighted average number of common shares outstanding plus the dilutive effects of stock options, warrants and convertible notes. Potential common shares that would increase earnings per share amounts or decrease loss per share amounts are antidilutive and are, therefore, excluded from earnings per share calculations. Basic and diluted earnings per share computations reflect the effect of accretion of, and fair value adjustment to, redeemable common stock.

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. Investments with original maturities greater than three months and remaining maturities less than one year are classified as short-term investments. Investments with remaining maturities greater than one year are classified as other noncurrent assets. Securities classified as available-for-sale are stated at market value. The carrying value of investment securities sold is determined using the specific identification method.

The amounts reported as cash and equivalents, short-term investments, receivables, other assets, accounts payable and accrued expenses and equipment purchase contracts approximate their fair values. The estimated fair value of the Company's debt was $1.2 billion as of September 1, 2005 and September 2, 2004. The fair value estimates presented herein were based on market interest rates and other market information available to management as of each balance sheet date presented. The use

of different market assumptions and/or estimation methodologies could have a material effect on the estimated fair value amounts. The approximate fair values do not take into consideration expenses that could be incurred in an actual settlement.

Inventories: Inventories are stated at the lower of average cost or market value. Cost includes labor, material and overhead costs, including product and process technology costs. Determining market value of inventories involves numerous judgments, including projecting average selling prices and sales volumes for future periods and costs to complete products in work in process inventories. As a result of these analyses, when market values are below the Company's costs, the Company records a charge to cost of goods sold in advance of when the inventory is actually sold.

Product and process technology: Costs incurred to acquire product and process technology or to patent technology developed by the Company are capitalized and amortized on a straight-line basis over periods currently ranging up to 10 years. The Company capitalizes a portion of costs incurred based on its analysis of historical and projected patents issued as a percent of patents filed. Capitalized product and process technology costs are amortized over the shorter of (i) the estimated useful life of the technology, (ii) the patent term or (iii) the term of the technology agreement. Fully-amortized costs are removed from product and process technology and accumulated amortization.

Property, plant and equipment: Property, plant and equipment are stated at cost and depreciated using the straight-line method over the estimated useful lives of 5 to 30 years for buildings, 2 to 20 years for equipment and 2 to 5 years for software. Assets held for sale are carried at the lower of cost or estimated fair value and are included in other noncurrent assets. When property or equipment is retired or otherwise disposed of, the net book value of the asset is removed from the Company's accounts and any net gain or loss is included in the Company's results of operations.

The Company capitalizes interest on borrowings during the active construction period of major capital projects. Capitalized interest is added to the cost of the underlying assets and is amortized over the useful lives of the assets. The Company capitalized interest costs of $1.8 million, $1.1 million and $3.4 million in 2005, 2004 and 2003, respectively, in connection with various capital projects.

Recently Issued Accounting Standards: In May 2005, the Financial Accounting Standards Board ("FASB") issued SFAS No. 154, "Accounting Changes and Error Corrections." SFAS No. 154 replaces APB Opinion No. 20, "Accounting Changes", and SFAS No. 3, "Reporting Accounting Changes in Interim Financial Statements," and changes the requirements for the accounting for and reporting of a change in accounting principle. The Company is required to adopt SFAS No. 154 for accounting changes and error corrections that occur after the beginning of 2007. The Company's results of operations and financial condition will only be impacted following the adoption of SFAS No. 154 if it implements changes in accounting principle that are addressed by the standard or corrects accounting errors in future periods.

In March 2005, the FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations," which clarifies that an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value can be reasonably estimated even though uncertainty exists about the timing and (or) method of settlement. The Company is required to adopt Interpretation No. 47 prior to the end of 2006. The Company is currently assessing the impact of Interpretation No. 47 on its results of operations and financial condition.

In December 2004, the FASB issued SFAS No. 123(R), "Share-Based Payment." SFAS No. 123(R) establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services or incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments, focusing primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS No. 123(R) requires public entities to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions) and recognize the cost over the period during which an employee is required to provide service in exchange for the award. In March 2005, the U.S. Securities and Exchange Commission ("SEC") issued SAB 107 which expresses views of the SEC staff regarding the application of SFAS No. 123(R). Among other things, SAB 107 provides interpretive guidance related to the interaction between SFAS No. 123(R) and certain SEC rules and regulations as well as provides the SEC staff's views regarding the valuation of share-based payment arrangements for public companies. The Company is required to adopt SFAS No. 123(R) in the beginning of 2006. Upon adoption, the Company will record non-cash stock compensation expense primarily associated with future grants of stock options, which will have an adverse effect on its results of operations.

In December 2004, the FASB issued SFAS No. 153, "Exchanges of Nonmonetary Assets – An Amendment of APB Opinion No. 29," which eliminates the exception for nonmonetary exchanges of similar productive assets and replaces it with a general exception for exchanges of nonmonetary assets that do not have commercial substance. The Company is required to

adopt SFAS No. 153 for nonmonetary asset exchanges occurring in the first quarter of 2006 and its adoption is not expected to have a significant effect on the Company's results of operations or financial condition.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs – An Amendment of ARB No. 43, Chapter 4," which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material (spoilage). The Company is required to adopt SFAS No. 151 in the beginning of 2006 and its adoption is not expected to have a significant effect on the Company's results of operations or financial condition.

Supplemental Balance Sheet Information

Investment Securities	**2005**	**2004**
Available-for-sale securities:		
Commercial paper	$ 484.6	$ 286.2
U.S. government and agencies	396.5	664.2
Repurchase agreements	48.3	86.9
Certificates of deposit	47.2	118.9
Other	68.7	22.4
	1,045.3	1,178.6
Less cash equivalents	(276.5)	(431.0)
Less noncurrent investments	(2.9)	(2.7)
Short-term investments	$ 765.9	$ 744.9

Gross unrealized gains and losses as of the end of the periods shown above were de minimis as were gross realized gains and losses in 2005, 2004 and 2003. Debt securities of $995.2 million held by the Company as of September 1, 2005, have contractual maturities within one year.

Receivables	**2005**	**2004**
Trade receivables	$ 719.7	$ 710.4
Joint venture	24.0	23.8
Taxes other than income	24.0	14.8
Income taxes	8.6	9.6
Other	20.2	17.0
Allowance for doubtful accounts	(2.1)	(1.9)
	$ 794.4	$ 773.7

Inventories	**2005**	**2004**
Finished goods	$ 271.1	$ 151.0
Work in process	395.1	337.9
Raw materials and supplies	129.0	115.6
Allowance for obsolescence	(23.7)	(26.4)
	$ 771.5	$ 578.1

The Company recognized write-downs aggregating $307.0 million in 2003 to record work in process and finished goods inventories at their estimated market values.

Intangible Assets	2005 Gross Amount	2005 Accumulated Amortization	2004 Gross Amount	2004 Accumulated Amortization
Product and process technology	$ 384.6	$ (177.7)	$ 364.2	$ (153.6)
Joint venture supply arrangement	105.0	(54.7)	105.0	(43.0)
Other	5.3	(2.3)	5.3	(1.7)
	$ 494.9	$ (234.7)	$ 474.5	$ (198.3)

During 2005, the Company capitalized $34.7 million for product and process technology with a weighted average useful life of ten years. During 2004, the Company capitalized $37.0 million for product and process technology with a weighted average useful life of ten years. As part of a restructure plan announced in the second quarter of 2003, the Company wrote off net carrying values of $16.1 million of product and process technology and $2.5 million of other intangible assets associated with discontinued products, including SRAM and TCAM products. (See “Restructure and Other Charges” note.)

Amortization expense for intangible assets was $50.8 million, $50.3 million and $51.1 million in 2005, 2004 and 2003, respectively. Annual amortization expense for intangible assets held as of September 1, 2005, is estimated to be $51.1 million for 2006, $49.2 million for 2007, $48.5 million for 2008, $37.5 million for 2009 and $29.0 million for 2010.

Property, Plant and Equipment	2005	2004
Land	$ 108.5	$ 108.9
Buildings	2,419.0	2,311.0
Equipment	8,045.5	7,339.4
Construction in progress	235.8	250.0
Software	220.3	213.8
	11,029.1	10,223.1
Accumulated depreciation	(6,345.3)	(5,510.4)
	$ 4,683.8	$ 4,712.7

Depreciation expense was $1,211.4 million, $1,166.3 million and $1,157.8 million for 2005, 2004 and 2003, respectively.

The Company has a manufacturing facility in Utah that is only partially utilized. The Utah facility had a net book value of $683.7 million as of September 1, 2005. A portion of the Utah facility is being used for component test operations. The Company is depreciating substantially all assets at the Utah facility other than $192.1 million included in construction in progress as of September 1, 2005. Increased utilization of the facility is dependent upon market conditions, including, but not limited to, worldwide market supply of, and demand for, semiconductor products and the Company’s operations, cash flows and alternative capacity utilization opportunities.

As part of a restructure plan announced in the second quarter of 2003, the Company recorded impairment charges of $42.6 million in 2003 to writedown the carrying value of certain assets used in the Company’s 200mm production line in Virginia, which was shut down as part of the restructure plan. (See “Restructure and Other Charges” note.)

Accounts Payable and Accrued Expenses	2005	2004
Accounts payable	$ 393.6	$ 419.7
Salaries, wages and benefits	167.3	171.4
Joint venture	51.4	56.8
Taxes other than income	17.1	20.7
Other	123.1	127.6
	$ 752.5	$ 796.2

Debt	2005	2004
Convertible subordinated notes payable, face amount of $632.5 million, net of fair value adjustments (as underlying on fair-value hedge) of $10.2 million and $0.4 million, interest rate of 2.5%, due February 2010	$ 622.3	$ 632.1
Subordinated notes payable, face amount of $210.0 million, net of unamortized discount of $8.5 million, stated interest rate of 6.5%, effective yield to maturity of 10.7%, due September 2005	—	201.5
Notes payable in periodic installments through July 2015, weighted average interest rate of 1.9% and 3.0%	347.5	187.1
Capital lease obligations payable in monthly installments through January 2009, weighted average imputed interest rate of 6.4% and 6.6%	197.4	77.8
	1,167.2	1,098.5
Less current portion	(147.0)	(70.6)
	$ 1,020.2	$ 1,027.9

In the third quarter of 2005, the Company entered into two yen-dominated loans aggregating 23.5 billion yen ($221.4 million), payable in semi-annual installments through 2010. The first, a syndicated term loan for 13.5 billion yen bears interest at the 6-month Tokyo Interbank Offered Rate ("TIBOR") plus 1.25% (1.35% as of September 1, 2005) and requires the Company to maintain a deposit with the lead bank ($14.5 million as of September 1, 2005), which is included in restricted cash in the accompanying consolidated balance sheet. The second loan for 10.0 billion yen bears interest at a fixed rate of 0.95% and is collateralized by certain equipment owned by the Company.

As of September 1, 2005, notes payable of $298.9 million denominated in Japanese yen were at a weighted average interest rate of 1.2%.

In 2005, the Company received $161.3 million in proceeds from sales-leaseback transactions and as a result recorded capital lease obligations aggregating $157.3 million with a weighted average imputed interest rate of 6.3%, payable in periodic installments through January 2009.

In February 2003, the Company issued $632.5 million of 2.5% Convertible Subordinated Notes due February 1, 2010 (the "Notes"). Holders of the Notes may convert all or some of their Notes at any time prior to maturity, unless previously redeemed or repurchased, into the Company's common stock at a conversion rate of 84.8320 shares for each $1,000 principal amount of Notes. This conversion rate is equivalent to a conversion price of approximately $11.79 per share. The Company may redeem the notes at any time after February 6, 2006, at declining premiums to par.

Certain notes payable are collateralized by property, plant and equipment with a carrying value of $302.3 million as of September 1, 2005. Equipment under capital leases and accumulated amortization thereon were $253.8 million and $73.8 million, respectively, as of September 1, 2005, and $108.1 million and $38.0 million, respectively, as of September 2, 2004.

As of September 1, 2005, maturities of notes payable and future minimum lease payments under capital lease obligations were as follows:

Fiscal year	Notes Payable	Capital Lease Obligations
2006	$ 93.4	$ 64.3
2007	86.6	49.2
2008	66.7	50.1
2009	48.2	57.8
2010	680.2	—
2011 and thereafter	4.9	—
Fair-value adjustment	(10.2)	—
Interest	—	(24.0)
	$ 969.8	$ 197.4

Interest Rate Swap: The Company entered into an interest rate swap agreement (the "Swap") that effectively converted, beginning August 29, 2003, the fixed interest rate on the Company's 2.5% Convertible Subordinated Notes (the "Notes") to a variable interest rate based on the 3-month London Interbank Offering Rate ("LIBOR") less 65 basis points (average rate of 1.99% for 2005). The Swap qualifies as a fair-value hedge under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. The gain or loss from changes in the fair value of the Swap is expected to be highly effective at offsetting the gain or loss from changes in the fair value of the Notes attributable to changes in interest rates. The Company measures the effectiveness of the Swap using regression analysis. The Company recognizes changes in the fair value of the Swap and changes in the fair value of the Notes since inception of the Swap in the accompanying consolidated balance sheets. Through September 1, 2005, the cumulative difference between the change in the fair value of the Swap and the change in the fair value of the Notes was de minimis. As of September 1, 2005, the Company had pledged $34.5 million as collateral for the Swap which is included in restricted cash in the accompanying consolidated balance sheet. The amount of collateral fluctuates based on the fair value of the Swap. The Swap will terminate if the closing price of the Company's common stock is at or exceeds $14.15 after February 6, 2006.

Call Spread Options: Concurrent with the issuance of the Notes, the Company purchased call spread options (the "Call Spread Options") covering 53.7 million shares of the Company's common stock, which is the number of shares issuable upon conversion of the Notes in full. The Call Spread Options have a lower strike price of $11.79, a higher strike price of $18.19, may be settled at the Company's option either in cash or net shares and expire on January 29, 2008. Settlement of the Call Spread Options in cash on January 29, 2008, the expiration date, would result in the Company receiving an amount ranging from zero if the market price per share of the Company's common stock is at or below $11.79 to a maximum of $343.4 million if the market price per share of the Company's common stock is at or above $18.19. Settlement of the Call Spread Options in net shares on the expiration date would result in the Company receiving a number of shares of the Company's common stock, not to exceed 18.9 million shares, with a value equal to the amount otherwise receivable on cash settlement. Should there be an early unwind of the Call Spread Options, the amount of cash or net shares potentially received by the Company will be dependent upon then existing overall market conditions, and on the Company's stock price, the volatility of the Company's stock and the amount of time remaining on the Call Spread Options. The Call Spread Options therefore have the potential of limiting the dilution associated with the conversion of the Notes from 53.7 million shares to as few as 34.8 million shares. The Call Spread Option transactions, including fees and costs of $109.1 million, are accounted for as capital transactions.

Commitments

As of September 1, 2005, the Company had commitments of approximately $250 million for the acquisition of property, plant and equipment. The Company leases certain facilities, equipment and software under operating leases. Total rental expense on all operating leases was $23.4 million, $21.1 million and $24.6 million for 2005, 2004 and 2003, respectively. Minimum future rental commitments under operating leases aggregated $60.8 million as of September 1, 2005, and are payable as follows: $18.1 million in 2006; $8.3 million in 2007; $5.7 million in 2008; $3.0 million in 2009; $2.5 million in 2010, $23.2 million in 2011 and thereafter.

Contingencies

As is typical in the semiconductor and other high technology industries, from time to time, others have asserted, and may in the future assert, that the Company's products or manufacturing processes infringe their intellectual property rights. In this regard, the Company is engaged in litigation with

Rambus, Inc. ("Rambus") relating to certain of Rambus' patents and certain of the Company's claims and defenses. Lawsuits between Rambus and the Company are pending in the United States, Germany, France, the United Kingdom and Italy. The Company also is engaged in litigation with Tessera, Inc. ("Tessera") relating to certain of Tessera's patents and certain of the Company's patents in the U.S. District Court for the Eastern District of Texas. Among other things, the above lawsuits pertain to certain of the Company's SDRAM, DDR SDRAM, and DDR2 SDRAM products, which account for a significant portion of net sales. The Company is unable to predict the outcome of assertions of infringement made against the Company. A court determination that the Company's products or manufacturing processes infringe the intellectual property rights of others could result in significant liability and/or require the Company to make material changes to its products and/or manufacturing processes. Any of the foregoing could have a material adverse effect on the Company's business, results of operations or financial condition.

On June 17, 2002, the Company received a grand jury subpoena from the U.S. District Court for the Northern District of California seeking information regarding an investigation by the Antitrust Division of the Department of Justice (the "DOJ") into possible antitrust violations in the "Dynamic Random Access Memory" or "DRAM" industry. The Company is cooperating fully and actively with the DOJ in its investigation. The Company's cooperation is pursuant to the terms of the DOJ's Corporate Leniency Policy, which provides that in exchange for the Company's full, continuing and complete

cooperation in the pending investigation, the Company will not be subject to prosecution, fines or other penalties from the DOJ. Subsequent to the commencement of the DOJ investigation, at least eighty-three (four of which have been voluntarily dismissed) purported class action lawsuits have been filed against the Company and other DRAM suppliers in various federal and state courts in the United States and in Puerto Rico by direct and indirect purchasers alleging price-fixing in violation of federal antitrust laws, violations of state unfair competition law, and/or unjust enrichment relating to the sale and pricing of DRAM products. The complaints seek treble damages for the alleged damages sustained by purported class members, in addition to restitution, costs and attorneys' fees, as well as an injunction against the allegedly unlawful conduct. Three purported class action lawsuits also have been filed in Canada, alleging violations of the Canadian Competition Act. The substantive allegations in these cases are similar to those asserted in the cases filed in the United States and Puerto Rico. The Company is unable to predict the outcome of these suits. Based upon the Company's analysis of the claims made and the nature of the DRAM industry, the Company believes that class treatment of these cases is not appropriate and that any purported injury alleged by plaintiffs in the direct purchaser cases would be more appropriately resolved on a customer-by-customer basis. In addition, the Attorneys General of Arkansas, California, Colorado, Delaware, Florida, Hawaii, Idaho, Illinois, Iowa, Louisiana, Maryland, Mississippi, Nevada, New Jersey, New Mexico, New York, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wisconsin have indicated that they are investigating potential state and federal civil claims against the Company and other DRAM suppliers on behalf of state and governmental entities that were direct or indirect purchasers of DRAM and potentially on behalf of other indirect purchasers of DRAM. The Company is unable to predict the outcome of these lawsuits and investigations. The final resolution of these alleged violations of antitrust laws could result in significant liability and could have a material adverse effect on the Company's business, results of operations or financial condition.

On May 5, 2004, Rambus filed a complaint in the Superior Court of the State of California (San Francisco County) against the Company and other DRAM suppliers. The complaint alleges various causes of action under California state law including conspiracy to restrict output and fix prices on Rambus DRAM ("RDRAM") and unfair competition. Tessera also has asserted certain antitrust and unfair competition claims relating to Tessera's packaging technology. These complaints seek treble damages, punitive damages, attorneys' fees, costs, and a permanent injunction enjoining the defendants from the conduct alleged in the complaints. The Company is unable to predict the outcome of these suits. A court determination against the Company could result in significant liability and could have a material adverse effect on the Company's business, results of operations or financial condition.

The Company has accrued a liability and charged operations for the estimated costs of adjudication or settlement of various asserted and unasserted claims existing as of the balance sheet date. The Company is currently a party to other legal actions arising out of the normal course of business, none of which is expected to have a material adverse effect on the Company's business, results of operations or financial condition.

In the normal course of business, the Company is a party to a variety of agreements pursuant to which it may be obligated to indemnify the other party. It is not possible to predict the maximum potential amount of future payments under these types of agreements due to the conditional nature of the Company's obligations and the unique facts and circumstances involved in each particular agreement. Historically, payments made by the Company under these types of agreements have not had a material effect on the Company's business, results of operations or financial condition.

Redeemable Common Stock

In connection with the Company's acquisition on April 22, 2002, of substantially all of the assets of Toshiba Corporation's ("Toshiba") DRAM business as conducted by Dominion Semiconductor L.L.C., the Company issued Toshiba 1.5 million shares of common stock and granted Toshiba an option to require the Company to repurchase the shares for $67.5 million in cash. During the first quarter of 2004, Toshiba exercised its option and the Company redeemed the 1.5 million shares.

Shareholders' Equity

Stock Rights: On September 24, 2003, the Company received $450.0 million, which is included in additional capital in the accompanying consolidated balance sheet, from Intel Corporation ("Intel") in exchange for the issuance of stock rights exchangeable into approximately 33.9 million shares of the Company's common stock. In conjunction with the issuance of the stock rights, the Company agreed to achieve operational objectives through May 2005, including certain levels of DDR2 production and 300mm wafer processing capacity, or be subject to monetary penalties. The Company has achieved the DDR2 production and 300mm wafer processing milestones and, consequently, does not expect to make any payments to Intel under this agreement. The shares issuable pursuant to the stock rights are included in weighted average common shares outstanding in the computations of earnings per share.

Common Stock Warrants: During the fourth quarter of 2001, the Company received $480.2 million from the issuance of warrants to purchase 29.1 million shares of the Company's common stock. The warrants entitle the holders to exercise their warrants and purchase shares of Common Stock for $56.00 per share (the "Exercise Price") at any time through May 15, 2008 (the "Expiration Date"). Warrants exercised prior to the Expiration Date will be settled on a "net share" basis, wherein investors receive common stock equal to the difference between $56.00 and the average closing sale price for the common shares over the 30 trading days immediately preceding the Exercise Date. At expiration, the Company may elect to settle the warrants on a net share basis or for cash, provided certain conditions are satisfied. As of September 1, 2005, there have been no exercises of warrants and all warrants issued remain outstanding.

Accumulated Other Comprehensive Income (Loss): Accumulated other comprehensive income (loss), net of tax, consists of the following as of the end of the periods shown below:

	2005	2004
Foreign currency translation adjustment	$ (0.1)	$ (0.1)
Unrealized gain (loss) on investments	(0.2)	(0.3)
Accumulated other comprehensive income (loss)	$ (0.3)	$ (0.4)

Employee and Director Stock Plans

Stock Options: As of September 1, 2005, the Company had an aggregate of 159.8 million shares of its common stock reserved for issuance under its various stock plans, of which 119.1 million shares are subject to outstanding options and 40.7 million shares are available for future grants. Options are subject to terms and conditions as determined by the Company's Board of Directors.

Stock options granted after June 16, 1999, are generally exercisable in increments of 25% during each year of employment beginning one year from the date of grant. Stock options granted prior to June 16, 1999, are generally exercisable in increments of 20% during each year of employment beginning one year from the date of grant. Stock options issued prior to January 19, 1998, expire six years from the date of grant; stock options issued from January 19, 1998 to September 22, 2004, expire ten years from the date of grant; stock options granted after September 22, 2004, expire six years from the date of grant.

Option activity under the Company's stock option plans is summarized as follows:

	2005		2004		2003	
	Number of shares in millions	Weighted average exercise price	Number of shares in millions	Weighted average exercise price	Number of shares in millions	Weighted average exercise price
Outstanding at beginning of year	106.4	$ 21.88	88.9	$ 24.17	80.4	$ 26.96
Granted	16.4	11.93	21.9	12.98	23.5	13.23
Exercised	(0.1)	6.59	(0.7)	12.44	(1.8)	14.39
Cancelled or expired	(3.6)	19.88	(3.7)	26.02	(13.2)	23.02
Outstanding at end of year	119.1	20.58	106.4	21.88	88.9	24.17
Exercisable at end of year	115.7	$ 20.86	55.2	$ 27.21	35.6	$ 28.32

The following table summarizes information about options outstanding as of September 1, 2005:

	Outstanding options			Exercisable options	
Range of exercise prices	Number of shares in millions	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number of shares in millions	Weighted average exercise price
$0.75 - $14.02	58.0	6.3	$ 12.41	54.6	$ 12.50
14.03 - 22.83	28.8	6.3	19.36	28.8	19.36
23.25 - 34.06	20.8	4.9	29.96	20.8	29.96
34.09 - 40.06	7.3	4.4	36.84	7.3	36.84
40.51 - 96.56	4.2	5.1	66.08	4.2	66.08
	119.1	5.9	20.58	115.7	20.86

Restricted Stock Awards: As of September 1, 2005, there were 305,000 shares of restricted stock awards outstanding. The fair value for the restricted shares, all of which were granted during 2005, was $12.17 at grant date. The restrictions lapse in one-third increments during each year of employment after the grant date.

Stock Purchase Plan: The Company's 1989 Employee Stock Purchase Plan ("ESPP") allows eligible employees to purchase shares of the Company's common stock through payroll deductions. Prior to July 1, 2005, shares could be purchased at 85% of the lower of the beginning or ending closing stock prices of each quarterly offering period. After July 1, 2005, shares can be purchased at 95% of the ending closing stock price of each offering quarterly period. Shares can be resold when purchased. Purchases are limited to 20% of an employee's eligible compensation. As of September 1, 2005, 26.3 million shares of the Company's common stock had been issued under the ESPP and 3.2 million shares were available for future issuance under the plan.

Non-Employee Director Stock Incentive Plan: As of September 1, 2005, 39,957 shares of the Company's common stock had been issued under the 1998 Non-Employee Director Stock Incentive Plan ("DSIP Plan") and 460,043 shares were reserved for future issuance under the plan. Shares are issued under the DSIP plan as compensation to non-employee directors of the Company.

Stock-Based Compensation: Assumptions used in the Black-Scholes option valuation model to estimate the value of the Company's options included in pro forma amounts are presented below:

	Stock option plan shares			Employee stock purchase plan shares		
	2005	2004	2003	2005	2004	2003

Average expected life in years	4.25	5.50	5.50	0.25	0.25	0.25
Expected volatility	48%	72%	78%	33%	40%	78%
Risk-free interest rate (zero coupon U.S. Treasury note)	3.6%	3.5%	3.0%	2.1%	1.1%	1.2%
Weighted average fair value per share at date of grant:						
Exercise price equal to market price	$ 5.10	$ 8.54	$ 9.94	—	—	—
Exercise price less than market price	—	—	—	$ 2.41	$ 3.47	$ 3.22
Exercise price greater than market price	4.72	8.09	9.21	—	—	—
Weighted average exercise price per share:						
Exercise price equal to market price	$ 11.93	$ 12.97	$ 13.22	—	—	—
Exercise price less than market price	—	—	—	$ 9.73	$ 12.97	$ 7.92
Exercise price greater than market price	11.50	13.70	13.65	—	—	—

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable and requires the input of subjective assumptions, including the expected stock price volatility and estimated option life. For purposes of this valuation model, no dividends have been assumed.

Employee Savings Plan

The Company has a 401(k) retirement plan ("RAM Plan") under which U.S. employees may contribute up to 45% of their eligible pay (subject to IRS annual contribution limits) to various savings alternatives, none of which include direct investment in the Company's common stock. Under the plan, the Company matches in cash eligible contributions from employees up to 3% of the employee's annual eligible earnings, or $1,500, whichever is greater. The Company may provide additional contributions based on its financial performance. Contribution expense for the Company's RAM Plan was $17.6 million, $13.7 million and $12.5 million in 2005, 2004 and 2003, respectively.

Restructure and Other Charges

In 2003, the Company announced a series of cost-reduction initiatives. The restructure plan included the shutdown of the Company's 200mm production line in Virginia; the discontinuance of certain memory products, including SRAM and TCAM; and an approximate 10% reduction in the Company's worldwide workforce. In 2003, the Company recorded restructure charges of $109.2 million and other restructure-related charges of $7.1 million, including $50.7 million of equipment write-downs, $26.3 million of severance and other termination benefits and $18.6 million of intangible asset write downs. Substantially all of the restructure charges were in the Memory segment. The Company recorded net credits to restructure of $1.4 million and $22.5 million in 2005 and 2004, respectively, primarily from sales of equipment associated with the Company's 200mm production line in Virginia. The Company substantially completed the restructure plan and paid essentially all costs associated with the restructure plan in 2004 and 2003.

Other Operating (Income) Expense, Net

Other operating income for 2005 includes net gains on write-downs and disposals of semiconductor equipment of $12.7 million and $12.0 million in receipts from the U.S. government in connection with anti-dumping tariffs. Other operating expense for 2004 includes losses of $17.2 million from changes in currency exchange rates. Other operating income for 2004 includes $7.2 million from the Commonwealth of Virginia for meeting investment commitments at the Virginia wafer fabrication facility and net gains of $3.9 million on write-downs and disposals of semiconductor equipment. Other operating expense for 2003 includes net losses on write-downs and disposals of semiconductor equipment of $41.5 million and losses of $10.7 million from changes in currency exchange rates. Other operating expense for 2003 is net of $14.4 million in receipts from the U.S. government in connection with anti-dumping tariffs.

Income Taxes

Income (loss) before taxes and the income tax (provision) benefit consisted of the following:

	2005	2004	2003
Income (loss) before taxes:			
U.S.	$ 107.7	$ (18.8)	$ (1,370.0)
Foreign	90.9	250.8	169.8
	$ 198.6	$ 232.0	$ (1,200.2)
Income tax (provision) benefit:			
Current:			
U.S. federal	$ —	$ —	$ —
State	(3.3)	(0.3)	(0.8)
Foreign	(17.5)	(11.9)	(4.4)
	(20.8)	(12.2)	(5.2)
Deferred:			
U.S. federal	—	—	—
State	—	—	—
Foreign	10.2	(62.6)	(67.8)
	10.2	(62.6)	(67.8)

Income tax (provision)	$ (10.6)	$ (74.8)	$ (73.0)

A reconciliation between income tax (provision) computed using the U.S. federal statutory rate and the Company's income tax (provision) is as follows:

	2005	2004	2003
U.S. federal income tax (provision) benefit at statutory rate	$ (69.5)	$ (81.2)	$ 420.1
State taxes, net of federal benefit	6.3	(8.7)	37.3
Foreign operations	8.6	(43.9)	(21.2)
Change in valuation allowance	(7.2)	(10.6)	(558.8)
Tax credits	28.3	7.4	16.1
Export sales benefit	16.5	15.9	2.2
Resolution of tax matters	—	37.4	18.9
Other	6.4	8.9	12.4
Income tax provision	$ (10.6)	$ (74.8)	$ (73.0)

State taxes reflect investment tax credits of $13.7 million, $9.1 million and $16.8 million for 2005, 2004 and 2003, respectively.

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. The Company's deferred tax assets and liabilities consist of the following as of the end of the periods shown below:

	2005	2004
Deferred tax assets:		
Net operating loss and credit carryforwards	$ 1,202.0	$ 1,237.7
Deferred revenue	75.7	13.1
Accrued compensation	39.7	33.9
Inventories	32.6	46.3
Accounts payable	24.5	21.4
Accrued product and process technology	11.5	11.2
Other	88.5	88.2
Gross deferred tax assets	1,474.5	1,451.8
Less valuation allowance	(1,028.9)	(1,004.3)
Deferred tax assets	445.6	447.5
Deferred tax liabilities:		
Excess tax over book depreciation	(315.0)	(331.2)
Unremitted earnings on certain subsidiaries	(49.4)	(43.6)
Product and process technology	(38.6)	(31.6)
Other	(16.4)	(23.2)
Deferred tax liabilities	(419.4)	(429.6)
Net deferred tax assets	$ 26.2	$ 17.9
Reported as:		
Current deferred tax assets	$ 31.5	$ 18.5
Long-term deferred tax assets	29.9	41.4
Long-term deferred tax liabilities	(35.2)	(42.0)
Net deferred tax assets	$ 26.2	$ 17.9

The Company currently records a valuation allowance against substantially all of its U.S. net deferred tax assets. As of September 1, 2005, the Company had aggregate U.S. tax net operating loss carryforwards of $2.5 billion and unused U.S. tax credit carryforwards of $140.7 million. The Company also has unused state tax net operating loss carryforwards of $1.7 billion and unused state tax credits of $137.5 million. Substantially all of the net operating loss carryforwards expire in 2022 to 2025 and substantially all of the tax credit carryforwards expire in 2013 to 2025.

The changes in valuation allowance of $24.6 million and $11.2 million in 2005 and 2004, respectively, are primarily due to uncertainties of realizing certain U.S. net operating losses and certain tax credit carryforwards. The change in the valuation allowance in 2005 and 2004 includes $1.7 million and $2.3 million, respectively, for stock plan deductions, which will be credited to additional capital if realized.

Provision has been made for deferred taxes on undistributed earnings of non-U.S. subsidiaries to the extent that dividend payments from such companies are expected to result in additional tax liability. Remaining undistributed earnings of $657.2 million have been indefinitely reinvested; therefore, no provision has been made for taxes due upon remittance of these earnings. Determination of the amount of unrecognized deferred tax liability on these unremitted earnings is not practicable.

Earnings (Loss) Per Share

	2005	2004	2003

Net income (loss)	$ 188.0	$ 157.2	$ (1,273.2)
Redeemable common stock accretion	—	(0.5)	(6.3)
Redeemable common stock fair value adjustment	—	(0.4)	—
Net income (loss) available to common shareholders – Basic	188.0	156.3	(1,279.5)
Net effect of assumed conversion of debt	14.5	—	—
Net income (loss) available to common shareholders – Diluted	$ 202.5	$ 156.3	$ (1,279.5)
Weighted average common shares outstanding – Basic	647.7	641.5	607.5
Net effect of dilutive stock options and assumed conversionof debt	54.3	4.2	—
Weighted average common shares outstanding – Diluted	702.0	645.7	607.5
Earnings (loss) per share:			
Basic	$ 0.29	$ 0.24	$ (2.11)
Diluted	0.29	0.24	(2.11)

On September 24, 2003, the Company issued stock rights to Intel which are exchangeable into approximately 33.9 million shares of the Company's common stock. The shares issuable pursuant to the stock rights are considered outstanding common shares in the computations of basic and diluted earnings per share. (See "Shareholders' Equity – Stock Rights" note.)

Listed below are the potential common shares, as of the end of the periods shown below, that could dilute basic earnings per share in the future that were not included in the computation of diluted earnings per share because to do so would have been antidilutive:

	2005	2004	2003
Employee stock plans	117.4	62.8	88.9
Convertible subordinated notes payable	—	53.7	53.7
Common stock warrants	29.1	29.1	29.1

Joint Venture

Since 1998, the Company has participated in TECH Semiconductor Singapore Pte. Ltd. ("TECH"), a semiconductor memory manufacturing joint venture in Singapore among the Company, the Singapore Economic Development Board, Canon Inc. and Hewlett-Packard Company. As of September 1, 2005, the Company had a 39.12% ownership interest in TECH. Significant financing, investment and operating decisions for TECH typically require approval from TECH's Board of Directors. The shareholders' agreement for the TECH joint venture expires in 2011. Under FASB Interpretation No. 46(R), "Consolidation of Variable Interest Entities," TECH does not qualify for consolidation.

TECH's semiconductor manufacturing facilities use the Company's product and process technology. Subject to specific terms and conditions, the Company has agreed to purchase all of the products manufactured by TECH. The Company generally purchases semiconductor memory products from TECH at prices determined quarterly, based on a discount from average selling prices realized by the Company for the preceding quarter. The Company performs assembly and test services on product manufactured by TECH. The Company also provides certain technology, engineering and training to support TECH. All of these transactions with TECH are recognized as part of the net cost of products purchased from TECH. The net cost of products purchased from TECH amounted to $651.9 million, $453.8 million and $318.2 million for 2005, 2004 and 2003, respectively. Amortization expense resulting from the TECH supply arrangement, included in the cost of products purchased from TECH, was $11.7 million, $11.8 million and $9.6 million for 2005, 2004 and 2003, respectively. Receivables from TECH were $24.0 million and payables to TECH were $51.4 million as of September 1, 2005. Receivables from TECH were $23.8 million and payables to TECH were $56.8 million as of September 2, 2004. TECH supplied approximately 25% of

the total megabits of memory produced by the Company in 2005. As of September 1, 2005, the Company had intangible assets with a net book value of $50.3 million relating to the supply arrangement to purchase product from TECH.

Segment Information

In the first quarter of 2006, the Company determined, based on the nature of its operations and products offered to customers, that its reportable segments are Memory and Imaging. The Memory segment's primary products are DRAM and NAND Flash and the Imaging segment's primary product is CMOS image sensors. Segment information reported below is consistent with how it is reviewed and evaluated by the Company's chief operating decision maker. The Company does not identify or report depreciation and amortization, capital expenditures or assets by segment. Prior to the first quarter of 2006, the Company had a single reportable segment. The information below represents the Company's reportable segments.

	2005	2004	2003
Net sales:			
Memory	$ 4,577.4	$ 4,305.5	$ 3,075.0
Imaging	302.8	98.7	16.3
Total consolidated net sales	$ 4,880.2	$ 4,404.2	$ 3,091.3
Operating income:			
Memory	$ 192.5	$ 316.6	$ (1,141.0)
Imaging	25.0	(66.9)	(45.5)
Total consolidated operating income	$ 217.5	$ 249.7	$ (1,186.5)

Geographic Information

Geographic net sales based on customer location were as follows:

	2005	2004	2003
United States	$ 1,657.4	$ 1,789.2	$ 1,342.8
Europe	906.3	863.7	612.4
Asia Pacific	899.9	632.9	390.5
China	775.0	559.8	346.4
Japan	380.0	354.8	260.1
Other	261.6	203.8	139.1
	$ 4,880.2	$ 4,404.2	$ 3,091.3

Net property, plant and equipment by geographic area was as follows:

	2005	2004
United States	$ 3,677.1	$ 3,514.2
Japan	378.9	460.1
Italy	358.6	457.7
Singapore	261.1	272.0
Other	8.1	8.7
	$ 4,683.8	$ 4,712.7

Quarterly Financial Information (Unaudited)
(Amounts in millions except per share amounts)

2005	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$ 1,260.3	$ 1,307.9	$ 1,054.2	$ 1,257.8
Gross margin	423.0	354.0	86.6	282.2
Operating income (loss)	174.9	126.4	(130.1)	46.3
Net income (loss)	154.9	117.9	(127.9)	43.1
Diluted earnings (loss) per share	$ 0.23	$ 0.17	$ (0.20)	$ 0.07

2004	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$ 1,107.2	$ 991.0	$ 1,116.8	$ 1,189.2
Gross margin	286.0	248.2	387.9	392.6
Operating income (loss)	21.7	(7.1)	109.7	125.4
Net income (loss)	1.1	(28.3)	90.9	93.5
Diluted earnings (loss) per share	$ 0.00	$ (0.04)	$ 0.13	$ 0.14

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders
of Micron Technology, Inc.

We have completed an integrated audit of Micron Technology, Inc.'s 2005 consolidated financial statements and of its internal control over financial reporting as of September 1, 2005 and audits of its 2004 and 2003 consolidated financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Our opinions, based on our audits, are presented below.

Consolidated financial statements and financial statement schedule

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of Micron Technology, Inc. and its subsidiaries at September 1, 2005 and 2004, and the results of their operations and their cash flows for each of the three years in the period ended September 1, 2005, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 8 presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 of financial statements includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Internal control over financial reporting

Also, in our opinion, management's assessment, included in Management's Report on Internal Control Over Financial Reporting (not presented herein) appearing under Item 9A Controls and Procedures in the Company's Annual Report on Form 10-K for the year ended September 1, 2005 that the Company maintained effective internal control over financial reporting as of September 1, 2005, based on criteria established in *Internal Control - - Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), is fairly stated, in all material respects, based on those criteria. Furthermore, in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of September 1, 2005, based on criteria established in *Internal Control - Integrated Framework* issued by the COSO. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express opinions on management's assessment and on the effectiveness of the Company's internal control over financial reporting based on our audit. We conducted our audit of internal control over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. An audit of internal control over financial reporting includes obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP

San Jose, California

November 3, 2005, except as to the "Segment Information" footnote, as to which the date is February 9, 2006

Schedule II

MICRON TECHNOLOGY, INC.
VALUATION AND QUALIFYING ACCOUNTS
(Amounts in millions)

	Balance at Beginning of Period	Charged (Credited) to Costs and Expenses	Deductions/ Write-Offs	Balance at End of Period
Allowance for Doubtful Accounts				
Year ended September 1, 2005	$ 1.9	$ 0.5	$ (0.3)	$ 2.1
Year ended September 2, 2004	4.8	0.9	(3.8)	1.9
Year ended August 28, 2003	6.2	(0.5)	(0.9)	4.8
Allowance for Obsolete Inventory				
Year ended September 1, 2005	$ 26.4	$ 26.4	$ (29.1)	$ 23.7
Year ended September 2, 2004	21.4	27.6	(22.6)	26.4
Year ended August 28, 2003	27.1	31.3	(37.0)	21.4
Deferred Tax Asset Valuation Allowance				
Year ended September 1, 2005	$ 1,004.3	$ 7.2	$ 17.4	$ 1,028.9
Year ended September 2, 2004	993.1	10.6	0.6	1,004.3
Year ended August 23, 2003	431.5	558.8	2.8	993.1

The allowance for obsolete inventory excludes any charges for write-downs of work in process and finished goods inventories to their estimated market values. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements."