

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934For the quarterly period ended May 30, 1996

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from ----- to -----

Commission File Number: 1-10658
-----Micron Technology, Inc.

(Exact name of registrant as specified in its charter)

Delaware
-----(State or other jurisdiction of
incorporation or organization)75-1618004
-----(I.R.S. Employer
Identification No.)8000 S. Federal Way, P.O. Box 6, Boise, Idaho
-----83707-0006

(Address of principal executive offices)

(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed
all reports required to be filed by Section 13 or 15(d) of the
Securities Exchange Act of 1934 during the preceding 12 months
(or for such shorter period that the registrant was required to
file such reports), and (2) has been subject to such filing
requirements for the past 90 days.

Yes ☒ No ☐

The number of outstanding shares of the registrant's Common
Stock as of June 24, 1996 was 208,611,647.

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

MICRON TECHNOLOGY, INC.

Consolidated Balance Sheets

(Dollars in millions, except for par value amount)

As of	(Unaudited) May 30, 1996	August 31, 1995
ASSETS		
Cash and equivalents	\$ 393.0	\$ 128.1

Liquid investments	7.0	427.7
Receivables	299.1	455.4
Inventories	294.4	204.8
Prepaid expenses	15.4	9.1
Deferred income taxes	87.7	49.0
	-----	-----
Total current assets	1,096.6	1,274.1
Product and process technology, net	47.7	41.6
Property, plant, and equipment, net	2,598.9	1,385.6
Other assets	55.8	73.6
	-----	-----
Total assets	\$3,799.0	\$2,774.9
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued expenses	\$ 474.1	\$ 502.3
Short-term debt	200.0	--
Deferred income	13.6	16.4
Equipment purchase contracts	87.3	59.6
Current portion of long-term debt	57.4	26.5
	-----	-----
Total current liabilities	832.4	604.8
Long-term debt	211.8	129.4
Deferred income taxes	168.7	93.3
Non-current product and process technology	48.6	3.6
Other liabilities	61.4	47.6
	-----	-----
Total liabilities	1,322.9	878.7
	-----	-----
Commitments and contingencies		
Common stock, \$0.10 par value, authorized		
1.0 billion shares, issued and		
outstanding 208.6 million and 206.4		
million shares, respectively	20.8	20.6
Additional capital	427.4	391.5
Retained earnings	2,027.9	1,484.1
	-----	-----
Total shareholders' equity	2,476.1	1,896.2
	-----	-----
Total liabilities and shareholders' equity	\$3,799.0	\$2,774.9
	=====	=====

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

Consolidated Statements of Operations
(Amounts in millions, except for per share data)
(Unaudited)

For the quarter ended	May 30, 1996	June 1, 1995

Net sales	\$ 771.0	\$ 761.2
	-----	-----
Costs and expenses:		
Cost of goods sold	558.0	357.2
Selling, general, and administrative	67.1	54.4
Research and development	51.2	33.6
	-----	-----
Total costs and expenses	676.3	445.2
	-----	-----
Operating income	94.7	316.0
Gain from merger transaction	--	29.0
Interest income, net	2.1	7.4
Income before income taxes	96.8	352.4
Income tax provision	38.6	132.2
	-----	-----
Net income	\$ 58.2	\$ 220.2
	=====	=====
Earnings per share:		
Primary	\$0.27	\$1.02
Fully diluted	0.27	1.02
Number of shares used in per share calculations:		
Primary	214.5	215.1
Fully diluted	214.5	215.8
Cash dividend declared per share	\$0.05	\$0.05

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

Consolidated Statements of Operations
(Amounts in millions, except for per share data)
(Unaudited)

For the nine months ended	May 30, 1996	June 1, 1995
-----	-----	-----
Net sales	\$2,953.3	\$1,924.7
	-----	-----
Costs and expenses:		
Cost of goods sold	1,648.2	849.2
Selling, general, and administrative	213.9	131.6
Research and development	145.8	89.5
Restructuring charge	29.9	--
	-----	-----
Total costs and expenses	2,037.8	1,070.3
	-----	-----
Operating income	915.5	854.4
Gain from merger transaction	--	29.0
Interest income, net	14.9	17.4
	-----	-----
Income before income taxes	930.4	900.8
Income tax provision	355.5	337.8
	-----	-----
Net income	\$ 574.9	\$ 563.0
	=====	=====
Earnings per share:		
Primary	\$2.66	\$2.65
Fully diluted	2.66	2.62
Number of shares used in per share calculations:		
Primary	215.9	212.7
Fully diluted	215.9	214.7
Cash dividend declared per share	\$0.15	\$0.10

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

Consolidated Statements of Cash Flows
(Dollars in millions)
(Unaudited)

For the nine months ended	May 30, 1996	June 1, 1995

CASH FLOWS OF OPERATING ACTIVITIES		
Net income	\$ 574.9	\$ 563.0
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	261.7	137.6
Gain from merger transaction	--	(29.0)
Restructuring charge	29.9	--
Decrease (increase) in receivables	156.1	(84.9)
Increase in inventories	(104.0)	(68.5)
Increase (decrease) in accounts payable and accrued expenses	(30.1)	162.8
Increase in non-current product and process technology	45.0	--
Other	17.7	12.7
	-----	-----
Net cash provided by operating activities	951.2	693.7
	-----	-----
CASH FLOWS OF INVESTING ACTIVITIES		
Expenditures for property, plant, and equipment	(1,275.9)	(451.7)
Purchase of investments	(188.5)	(551.1)
Proceeds from sales and maturities of securities	611.5	403.7
Proceeds from sale of equipment	24.9	13.3
Cash acquired in merger transaction	--	14.0
Other	(10.9)	0.5
	-----	-----
Net cash used for investing activities	(838.9)	(571.3)
	-----	-----
CASH FLOWS OF FINANCING ACTIVITIES		
Proceeds from issuance of debt	568.0	59.7
Repayments of debt	(237.9)	(27.3)
Payments on equipment purchase contracts	(178.7)	(116.2)
Proceeds from issuance of common stock	21.7	13.8
Payment of dividends	(20.7)	(10.2)
Other	0.2	(2.4)
	-----	-----
Net cash provided by (used for) financing activities	152.6	(82.6)
	-----	-----
Net increase in cash and equivalents	264.9	39.8
Cash and equivalents at beginning of period	128.1	78.4
	-----	-----
Cash and equivalents at end of period	\$ 393.0	\$ 118.2
	=====	=====
SUPPLEMENTAL DISCLOSURES		
Income taxes paid, net	\$ (417.5)	\$ (310.6)
Interest paid	(8.0)	(7.0)
Noncash investing and financing activities:		
Equipment acquisitions on contracts payable and capital leases	206.4	142.0
Assets acquired, net of cash and liabilities assumed in merger transaction	--	26.0
Long-term debt offset against accounts receivable	19.8	--

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements
(All tabular dollar amounts are stated in millions)

1. Unaudited Interim Financial Statements

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly the consolidated financial position of Micron Technology, Inc., and subsidiaries (the "Company"), and their consolidated results of operations and cash flows. In the third quarter of 1996, the Company recognized a \$12.0 million pre-tax gain on the sale of 6-inch manufacturing equipment. In the second quarter of 1996, the Company recognized a \$29.9 million pre-tax restructuring charge resulting from the decisions by Micron Electronics, Inc., an approximately 80% owned subsidiary, to discontinue sales of ZEOS brand PC systems and to close the related PC manufacturing operations in Minneapolis, Minnesota.

On December 31, 1995, the Company reclassified held-to-maturity liquid investment securities with an amortized cost of \$151 million to available-for-sale concurrent with the Company's adoption of the Federal Accounting Standards Board's special report on implementing Statement 115 "Accounting for Certain Investments in Debt and Equity Securities".

This report on Form 10-Q for the quarter ended May 30, 1996, should be read in conjunction with the Company's Annual Report to Shareholders and/or Form 10-K for the year ended August 31, 1995.

2. Receivables	May 30, 1996	August 31, 1995

Trade receivables	\$ 271.3	\$ 457.4
Income taxes recoverable	56.5	--
Allowance for returns and discounts	(37.9)	(9.2)
Allowance for doubtful accounts	(7.5)	(7.4)
Other	16.7	14.6
	-----	-----
	\$ 299.1	\$ 455.4
	=====	=====

3. Inventories	May 30, 1996	August 31, 1995

Finished goods	\$ 59.2	\$ 17.8
Work in progress	133.8	99.1
Raw materials and supplies	101.4	87.9
	-----	-----
	\$ 294.4	\$ 204.8
	=====	=====

4. Product and process technology, net	May 30 1996	August 31, 1995

Product and process technology, at cost	\$ 166.8	\$ 152.3
Less accumulated amortization	(119.1)	(110.7)
	-----	-----
	\$ 47.7	\$ 41.6
	=====	=====

5. Property, plant, and equipment, net	May 30 1996	August 31, 1995

Land	\$ 37.3	\$ 34.4
Buildings	618.2	392.0
Machinery and equipment	1,950.9	1,338.4
Construction in progress	757.9	259.2
	-----	-----
	3,364.3	2,024.0
Less accumulated depreciation and amortization	(765.4)	(638.4)
	-----	-----
	\$2,598.9	\$1,385.6
	=====	=====

Notes to Consolidated Financial Statements, continued

6. Accounts payable and accrued expenses	May 30, 1996	August 31, 1995

Accounts payable	\$ 200.0	\$ 193.2
Salaries, wages, and benefits	64.5	103.2
Product and process technology	125.8	91.5
Income taxes payable	12.0	72.7
Other	71.8	41.7
	-----	-----
	\$ 474.1	\$502.3
	=====	=====

7. Short-term debt

In the third quarter of 1996, the Company established a revolving credit facility that provides for borrowings up to \$500 million. As of May 30, 1996, the Company had \$200 million outstanding and is operating under a 60-day waiver from the bank syndicate while negotiating changes to covenant provisions. The interest rate on borrowed funds is based on various pricing options and was 5.99% as of May 30, 1996.

8. Long-term debt	May 30, 1996	August 31, 1995

Notes payable in periodic installments through July 2015, weighted average interest rate of 7.03% and 6.82%, respectively	\$ 234.8	\$ 89.3
Noninterest bearing obligations, \$3 million due October 1997, \$20.5 million due December 1997, and \$5.0 million due December 1998, weighted average imputed interest rate of 6.94% and 7.17%, respectively	25.5	20.0
Noninterest bearing obligation, \$19.8 million retired in May 1996 by an offset against accounts receivable, imputed interest rate of 6.50%	--	17.8
Notes payable, due June 1998, weighted average of interest rate 5.14% and 5.49%, respectively	3.0	20.0
Capitalized lease obligations payable in monthly installments through April 1998, weighted average interest rate of 7.59% and 8.94%, respectively	5.9	8.8
	-----	-----
	269.2	155.9
Less current portion	(57.4)	(26.5)
	-----	-----
	\$ 211.8	\$ 129.4
	=====	=====

9. Earnings per share

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

10. Income taxes

The estimated effective income tax rate for fiscal year 1996 of approximately 38% and the effective income tax rate of 37.5% in fiscal year 1995 principally reflect the statutory federal corporate income tax rate and the net effect of state taxation.

11. Commitments

As of May 30, 1996, the Company had commitments extending into fiscal 1998 of approximately \$371 million for equipment purchases and \$20 million for the construction of facilities.

12. Contingencies

Periodically, the Company is made aware that technology used by the Company in the manufacture of some or all of its products may infringe on product or process technology rights held by others. The Company has accrued a liability and charged operations for the estimated costs of settlement or adjudication of asserted and unasserted claims for infringement prior to the balance sheet date. Management can give no assurance that the amounts accrued have been adequate and cannot estimate the range of additional possible loss, if any, from resolution of these uncertainties. Resolution of whether the Company's manufacture of products has infringed on valid rights held by others may have a material adverse effect on the Company's financial position or results of operations, and may require material changes in production processes and products. The Company had various product and process technology agreements expire in calendar 1995 and is not able to predict whether these license agreements can be renewed on terms acceptable to the Company.

The Company is a party to various legal actions arising out of the normal course of business, none of which is expected to have a material effect on the Company's financial position or results of operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion contains trend information and other forward looking statements that involve a number of risks and uncertainties. The Company's actual results could differ materially from the Company's historical results of operations and those discussed in the forward looking statements. Factors that could cause actual results to differ materially are included, but are not limited to, those identified in "Certain Factors". All period references are to the Company's fiscal periods ended May 30, 1996, February 29, 1996, November 30, 1995 and June 1, 1995, unless otherwise indicated. All tabular dollar amounts are stated in millions.

Overview

Net income for the third quarter of 1996 was \$58 million, or \$0.27 per fully-diluted share, on net sales of \$771 million compared to net income of \$220 million, or \$1.02 per fully-diluted share, on net sales of \$761 million for the third quarter of 1995. For the first nine months of 1996, net income was \$575 million, or \$2.66 per fully-diluted share, on net sales of \$2,953 million compared to net income of \$563 million, or \$2.62 per fully-diluted share, on net sales of \$1,925 million for the first nine months of 1995. The Company previously reported net sales of \$1,186 million and net income of \$329 million, or \$1.51 per fully-diluted share, for its first quarter of 1996 and net sales of \$997 million and net income of \$188 million, or \$0.87 per fully-diluted share, for its second quarter of 1996.

The principal cause of the decline in net sales and net income for the third quarter compared to the second quarter of 1996 was the continued decline of average selling prices of semiconductor memory products as a result of growth in worldwide memory supply outpacing growth in demand. Average pricing for the 4 Meg DRAM, the Company's primary product, has declined approximately 75% from late calendar 1995 to the end of third quarter 1996. The megabit volume of semiconductor memory produced in the third quarter of 1996 was approximately 27% higher than in the second quarter of 1996 and approximately double that of the third quarter of fiscal 1995 primarily as a result of conversion to 8-inch wafer processing and further shrinks of the 4 Meg DRAM. While completion of the conversion of Fab I/II to 8-inch wafers is dependent upon market conditions for semiconductor memory products, substantial completion is anticipated prior to the end of calendar 1996.

The Company is managing its transition from the relatively mature 4 Meg DRAM to the 16 Meg DRAM to capitalize on the higher gross margin of the 4 Meg devices. The transition to the 16 Meg DRAM as the Company's primary memory device will be driven by customer demand and overall industry conditions and is expected to occur in the Fall of 1996 and could have a negative impact on the Company's results of operations and cash flows.

Results of Operations

	Third Quarter			Nine Months Ended		
	1996	Change	1995	1996	Change	1995
Net sales	\$771.0	1.3%	\$ 761.2	\$2,953.4	53.4%	\$1,924.7

	Third Quarter				Nine Months Ended			
	1996		1995		1996		1995	
	Net Sales	%	Net Sales	%	Net Sales	%	Net Sales	%
Semiconductor memory products	\$416.3	54.0%	\$618.4	81.2%	\$1,931.7	65.4%	\$1,606.4	83.5%
Personal computer systems	280.3	36.4%	131.1	17.2%	779.4	26.4%	248.5	12.9%
Other	74.4	9.6%	11.7	1.6%	242.3	8.2%	69.8	3.6%
Total net sales	\$771.0	100.0%	\$761.2	100.0%	\$2,953.4	100.0%	\$1,924.7	100.0%

The value of the Company's semiconductor memory products included in PC systems and other products is included under "Semiconductor memory products". "Other" includes revenue from contract manufacturing and module assembly services, construction management services, government contracts, and licensing fees.

The slight increase in net sales in the third quarter of 1996 compared to the third quarter of 1995 reflects the higher level of net sales in PC systems and other sales, which were offset by the reduced sales of the semiconductor memory products. Megabit production of semiconductor memory products increased 98% comparing the third quarter of 1996 to the third quarter of 1995. This increased production was offset by lower average selling prices for such semiconductor memory products. Average selling price for the Company's primary product, the 4 Meg DRAM, decreased 61% for the third quarter of 1996 compared to the third quarter of 1995, 60% compared to the first quarter of 1996, and 53% compared to the second quarter of 1996. Selling prices for the Company's semiconductor memory products were substantially lower in the month of May, 1996, compared to the average for the third quarter of 1996. The 4 Meg DRAM comprised approximately 86% of net sales of semiconductor memory products in the third quarter of 1996.

The volume of semiconductor memory produced in the third quarter of 1996 increased 27% compared to the second quarter of 1996 principally as a result of the conversion of Fab III production to 8-inch wafers. The increase in volume was partially offset by inefficiencies encountered in the conversion of Fab I/II to 8-inch wafers. 8-inch wafers have approximately 84% greater usable surface area than 6-inch wafers. Production of semiconductor memory megabits was 97% higher for the first nine months of 1996 compared to the first nine months of 1995 as a result of the greater surface area on 8-inch wafers and a shift to a further shrink of the 4 Meg DRAM.

Net sales of PC systems, excluding the value of the Company's semiconductor memory included therein, increased to approximately 36% of the Company's total net sales for the third quarter of 1996 from approximately 17% in the third quarter of 1995. Net sales of PC systems as a percentage of the Company's total net sales were higher in 1996 primarily as a result of higher unit sales of Micron brand desktop PC systems and lower average selling prices on the Company's semiconductor memory products.

The Company also experienced an increase in sales of its notebook products due primarily to the introduction in the third quarter of 1996 of its Millennia Transport product offering. The increase in unit sales of Micron brand PC systems was principally a result of enhanced name recognition and market acceptance of such systems, which the Company attributes to the receipt of a number of awards from computer trade magazines relating to price and performance characteristics of such systems and the Company's service and support functions.

	Third Quarter			Nine Months Ended		
	1996	Change	1995	1996	Change	1995
Cost of goods sold	\$558.0	56.2%	\$ 357.2	\$1,648.2	94.1%	\$ 849.2
Gross margin %	27.6%		53.1%	44.2%		55.9%

The Company's gross margin percentage was lower in the third quarter of 1996 than in the third quarter of 1995 primarily as a result of lower average selling prices on semiconductor memory products and the effect of increased PC systems sales as a percentage of total sales. PC systems sales have historically had a lower gross margin percentage than the Company's semiconductor memory products. The Company's gross margin percentage on sales of semiconductor memory products for the third quarter of 1996 was approximately 38% compared to approximately 62% in both the third quarter of 1995 and the second quarter of 1996.

The Company is managing its transition from the relatively mature 4 Meg DRAM to the 16 Meg DRAM to capitalize on the higher gross margin of the 4 Meg devices. The transition to the 16 Meg DRAM as the Company's primary memory device will be driven by customer demand and overall industry conditions and is expected to occur in the Fall of 1996. The transition to the 16 Meg DRAM as its principal memory product could have a negative impact on the Company's results of operations and cash flows. During prior periods of transition to new generation products, the Company's gross margin percentages were adversely affected.

The Company's gross margin percentage on sales of PC systems increased in the third quarter of 1996 compared to both the second quarter of 1996 and the third quarter of 1995, primarily as a result of more favorable prices for components and improved inventory management. Many of the Company's competitors have substantially greater resources and purchasing power relative to those of the Company dedicated to PC operations. Although the Company has begun to realize reduction in costs of components for PC systems in recent periods, the Company's gross margin percentage on sales of PC systems continues to be lower than those of the Company's semiconductor memory products. Continuing pressure on the gross margin for PC systems results from intense competition in the PC industry and consumer expectations of more powerful PC systems at lower prices. In the event that sales of PC systems continue to increase as a percentage of total net sales and/or average selling prices for semiconductor memory products continue to decline, the Company's overall gross margin percentage will be adversely affected.

Cost of goods sold includes estimated costs of settlement or adjudication of asserted and unasserted claims for patent infringement prior to the balance sheet date, and costs of product and process technology licensing arrangements. Charges for product and process technology remained relatively constant as a percentage of net sales in the third quarter of 1996 compared to both the second quarter of 1996 and the third quarter of 1995. Future product and process technology charges may fluctuate in absolute dollars and as a percentage of net sales, however, as a result of claims that may be asserted in the future, and as a result of future license arrangements.

	Third Quarter			Nine Months Ended		
	1996	Change	1995	1996	Change	1995
Selling, general, and administrative as a % of net sales	\$ 67.1 8.7%	23.3%	\$ 54.4 7.1%	\$ 213.9 7.2%	62.5%	\$ 131.6 6.8%

The higher level of selling, general, and administrative expenses during the third quarter and first nine months of 1996 as compared to comparable periods of 1995 resulted primarily from increased personnel costs, legal fees, depreciation charges, and advertising costs associated with the administrative and information systems support for the Company and the growth of its subsidiaries. These higher costs were partially offset by a gain during the third quarter of 1996 of approximately \$12 million on the sale of 6-inch manufacturing equipment as compared to a \$3 million gain on the sale of assets in the third quarter of 1995.

	Third Quarter			Nine Months Ended		
	1996	Change	1995	1996	Change	1995
Research and development	\$51.2	52.4%	\$ 33.6	\$ 145.8	62.9%	\$ 89.5
as a % of net sales	6.6%		4.4%	4.9%		4.7%

Research and development expenses vary primarily with the number of wafers and personnel dedicated to new product and process development. Research and development efforts in the third quarter of 1996 were focused primarily on further development of .35, .30 and .25 micron technology to be used on shrinks of the 16 Meg DRAM, 64 Meg DRAM and initial 256 Meg DRAM products, design and development of non-volatile semiconductor memory devices, synchronous SRAMs and future generation technology. The Company expects research and development expenses for fourth quarter 1996 to approximate those for third quarter 1996.

	Third Quarter			Nine Months Ended		
	1996	Change	1995	1996	Change	1995
Income tax provision	\$38.6	(70.8)%	\$ 132.2	\$355.5	5.2%	\$ 337.8

The estimated effective income tax rate for fiscal year 1996 of approximately 38% and the effective income tax rate of 37.5% in fiscal year 1995 principally reflect the statutory federal corporate income tax rate and the net effect of state taxation.

Liquidity and Capital Resources

The Company's principal sources of liquidity during the first nine months of 1996 were cash flows from operations of \$951 million, equipment financing of \$374 million, and net borrowings under the Company's bank credit agreement of \$200 million. The principal uses of funds in the first nine months of 1996 were \$1,276 million for property, plant, and equipment, and \$217 million for repayments of equipment contracts and long-term debt. The Company had cash and liquid investments of \$400 million as of May 30, 1996, which includes the proceeds of \$200 million on the Company's revolving credit facility. Excluding borrowings under the credit facility, cash and liquid investments decreased \$356 million from the \$556 million held at August 31, 1995.

During the third quarter of 1996, the Company replaced its temporary \$250 million credit facility with a \$500 million revolving credit agreement expiring in May 1999. As of May 30, 1996, the Company had borrowings outstanding under the facility of \$200 million. The agreement contains certain restrictive covenants and conditions including an Earnings Before Interest, Taxes, Depreciation and Amortization covenant for which the Company has obtained a 60-day waiver. There can be no assurance that the Company will be able to negotiate amended terms, including covenants, acceptable to the Company or to borrow the full amount of the credit facility. Depending on overall market conditions, the Company may pursue debt or equity financing. The availability of financing on terms acceptable to the Company is required for continuing the Company's capacity enhancement program and to preclude changes in operations which could have the effect of limiting production capacity.

The Company's ability to invest in its capacity enhancement program has been largely dependent on the Company's ability to generate cash flows from operations. Cash flow from operations for the third quarter of 1996 was lower than cash flow from operations for the second quarter of 1996 primarily as a result of lower overall average selling prices for semiconductor memory

products. Cash flow from operations depends significantly on average selling prices and variable cost per part for the Company's semiconductor memory products. The semiconductor memory industry is experiencing, and may continue to experience, downward pressure on selling prices for DRAM products. Future declines in selling prices for DRAM products will further erode the Company's ability to fund capital expenditures. Should the Company be unable to decrease costs per part for semiconductor memory products at a rate equal to the rate of decline in selling prices for such products, the Company's results of operations and cash flows will be adversely impacted.

Completion of the Company's semiconductor memory manufacturing facility in Lehi, Utah, is on indefinite hold except for completion of the exterior of the facility which is expected in the Fall of 1996. The Company's conversion of Fab I/II to process 8-inch wafers is currently proceeding. The Company expects capital expenditures in the fourth quarter of 1996 to be between \$200 million and \$300 million, primarily to complete the conversion of Fab I/II to 8-inch wafers. Additional expenditures will be required to achieve full and efficient utilization of recent capacity additions and all capital expenditures are dependent upon market conditions which the Company cannot predict.

The Company paid a \$0.05 per share cash dividend on May 31, 1996, aggregating approximately \$10 million to shareholders of record on May 9, 1996.

As of May 30, 1996, the Company had contractual commitments and order cancellation fees extending through calendar 1998 of approximately \$371 million for equipment purchases and approximately \$20 million for the construction of facilities. Should the Company elect to cancel its outstanding equipment purchase commitments, the Company could be subject to cancellation fees. The Company believes continuing investments in manufacturing technology, facilities and equipment, research and development, and product and process technology are necessary to support growth, achieve operating efficiencies, and enhance product quality. However, due to current market conditions the Company is unlikely to have sufficient internal sources of liquidity to increase or enhance production capacity at its existing facilities or to pursue development of new product and process technologies at a rate commensurate to the Company's competition. The Company's sources of liquidity will be used to complete the conversion of Fab I/II to 8-inch wafers and sustain production capacity.

Certain Factors

The following are important factors which could cause actual results or events to differ materially from those contained in any forward looking statements made by or on behalf of the Company.

The semiconductor memory industry is characterized by rapid technological change, frequent product introductions and enhancements, difficult product transitions, relatively short product life cycles, and volatile market conditions. These characteristics historically have made the semiconductor industry highly cyclical, particularly in the market for DRAMs, which are the Company's primary products.

DRAMs are the most widely used semiconductor memory component in most PC systems. Approximately 62% of the Company's sales of semiconductor memory products during the third quarter of 1996 were directly into the personal computer or peripheral markets. Should demand for PC systems decrease, or fail to increase in accordance with industry expectations, demand for semiconductor memory would likely decrease, placing further downward pressure on selling prices for the Company's semiconductor memory products. In recent periods the average selling prices of the Company's semiconductor memory products have decreased significantly. Average pricing for the 4 Meg DRAM, the Company's primary product, has declined approximately 75% from late calendar 1995 to the end of the third quarter of 1996. The Company is unable to predict changes in industry supply, major customer inventory management strategies, or end user demand, which are significant factors influencing pricing for the Company's semiconductor memory products.

The selling prices for the Company's semiconductor memory products fluctuate significantly with changes in the balance of supply and demand for these commodity products. Although recently some of the Company's competitors have announced adjustments to the rate at which they will implement capacity expansion programs, many of the Company's competitors have already added significant capacity for the production of semiconductor memory components. The Company is unable to accurately estimate the amount of world-wide production capacity.

Current market conditions indicate that growth in worldwide supply is outpacing growth in demand. The Company has taken measures to manage costs under these conditions, including deferral of capacity expansion plans, but there can be no assurance that these measures will be sufficient to sustain the Company's future profitability. The amount of capacity to be placed into production and future yield improvements by the Company's competitors could dramatically increase world-wide supply of semiconductor memory and further increase downward pressure on pricing.

The manufacture of the Company's semiconductor memory products is a complex process and involves a number of precise steps, including wafer fabrication, assembly in a variety of packages, burn-in, and final test. The Company has completed the conversion of Fab III to process 8-inch wafers and is continuing the conversion of Fab I/II. While completion of the conversion of Fab I/II is dependent upon future market conditions for semiconductor memory products, substantial completion is anticipated prior to the end of calendar 1996. There can be no assurance that the Company will not experience an interruption of its manufacturing process or experience decreases in manufacturing yields as a result of the conversion.

From time to time, the Company has experienced volatility in its manufacturing yields, as it is not unusual to encounter difficulties in ramping shrink versions of existing devices or new generation devices, such as the 16 Meg DRAM, to commercial volumes. The Company is continuing the transition of its primary semiconductor memory products from the relatively mature 4 Meg DRAM to the 16 Meg DRAM. During prior periods of transition to new generation products, the Company's gross margins were adversely affected and there can be no assurance that they will not be adversely affected as a result of the transition to the 16 Meg DRAM. The Company's ability to reduce costs per part of its semiconductor memory products is largely dependent on its ability to design and develop new generation products and shrink versions of existing products and its ability to ramp such products at acceptable rates to acceptable yields, of which there can be no assurance. Should the Company be unable to decrease costs per part for semiconductor memory products at a rate equal to the rate of decline in selling prices for such products, the Company's results of operations and cash flows will be adversely impacted.

The Company's cash flow from operations depends significantly on average selling prices and costs per part for the Company's semiconductor memory products. Historically, the Company has reinvested substantially all cash flows from operations in capacity expansion and improvement programs. Market conditions for the Company's semiconductor memory products led to the decision to place the Lehi, Utah manufacturing complex on indefinite hold. Decreases in average selling prices have required further cutbacks in capital expenditures and may necessitate changes to operations which would have the effect of limiting production capacity. There can be no assurance that the Company will be able to secure additional sources of financing on terms acceptable to the Company.

Periodically, the Company is made aware that technology used by the Company in the manufacture of some or all of its products may infringe on product or process technology rights held by others. The Company has accrued a liability and charged operations for the estimated costs of settlement or adjudication of asserted and unasserted claims for infringement prior to the balance sheet date. Management can give no assurance that the amounts accrued have been adequate and cannot estimate the range of additional possible loss, if any, from resolution of these uncertainties. Resolution of whether the Company's manufacture of products has infringed on valid rights held by others may have a material adverse effect on the Company's financial position or results of operations, and may require material changes in production processes and products. The Company had various product and process technology license agreements expire in calendar 1995 and is not able to predict whether these license agreements can be renewed on terms acceptable to the Company.

Item 6. Exhibits and Reports on Form 8-K

(a) The following are filed as a part of this report:

Exhibit Number	Description of Exhibit	Page Number
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10.114(*)	Revolving Credit Agreement dated as of May 14, 1996 among the Registrant and several financial institutions	P
11	Computation of per share earnings for the quarters and nine month periods ended May 30, 1996 and June 1, 1995	16-17

(b) The registrant did not file any reports on Form 8-K during the quarter ended May 30, 1996.

* Confidential treatment requested

SIGNATURES

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 thereunto duly authorized.

Micron Technology, Inc.

(Registrant)

Dated: June 27, 1996

/s/ Wilbur G. Stover, Jr.

Wilbur G. Stover, Jr. Vice
President of Finance, and
Chief Financial Officer (Principal
Financial and Accounting Officer)

Exhibit 11

MICRON TECHNOLOGY, INC.

Computation of Per Share Earnings
(Amounts in millions except for per share amounts)

For the quarter ended	May 30, 1996	June 1, 1995

PRIMARY		
Weighted average shares outstanding	208.2	205.6
Net effect of dilutive stock options	6.3	9.5
	-----	-----
Total shares	214.5	215.1
	=====	=====
Net income	\$ 58.2	\$220.2
	=====	=====
Primary earnings per share	\$0.27	\$ 1.02
	=====	=====
FULLY DILUTED		
Weighted average shares outstanding	208.2	205.6
Stock options using greater of average or ending market price	6.3	10.2
	-----	-----
Total shares	214.5	215.8
	=====	=====
Net income	\$ 58.2	\$220.2
	=====	=====
Fully diluted earnings per share	\$0.27	\$1.02
	=====	=====

Exhibit 11

MICRON TECHNOLOGY, INC.

Computation of Per Share Earnings
(Amounts in millions except for per share amounts)

For the nine months ended	May 30, 1996	June 1, 1995

PRIMARY		
Weighted average shares outstanding	207.4	204.8
Stock options using average market price	8.5	7.9
	-----	-----
Total shares	215.9	212.7
	=====	=====
Net income	\$574.9	\$563.0
	=====	=====
Primary earnings per share	\$2.66	\$2.65
	=====	=====
FULLY DILUTED		
Weighted average shares outstanding	207.4	204.8
Stock options using greater of average or		

ending market price	8.5	9.9
	-----	-----
Total shares	215.9	214.7
	=====	=====
Net income	\$574.9	\$563.0
	=====	=====
Fully diluted earnings per share	\$2.66	\$2.62
	=====	=====

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This schedule contains summary financial information
extracted from the accompanying financial statements and is qualified in
its entirety by reference to such financial statements.

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	9-MOS		
		AUG-29-1996	
		May-30-1996	
			393
			7
			344
			45
			294
		1,097	
			3,364
			765
		3,799	
	832		
			213
(LTD)		0	
			0
			21
		2,455	
	3,799		
			2,953
		2,953	
			1,648
		2,038	
		0	
		0	
	(15)		
		930	
			356
		0	
			0
		0	
			0
			575
		2.66	
		2.66	