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

FORM 10-K

(Mark One)

/x/ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended August 30, 2001

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** (IRS Employer Identification No.)
8000 S. Federal Way, P.O. Box 6, Boise, Idaho (Address of principal executive offices)	**83707-0006** (Zip Code)
Registrant's telephone number, including area code	**(208) 368-4000**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, par value $.10 per share	**New York Stock Exchange**

Securities registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

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 /x/ No / /

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained to the best of registrants knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. / /

The aggregate market value of the voting stock held by nonaffiliates of the registrant, based upon the closing price of such stock on September 28, 2001, as reported by the New York Stock Exchange, was approximately $7.6 billion. Shares of common stock held by each officer and director and by each person who owns 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

The number of outstanding shares of the registrant's common stock as of October 10, 2001, was 599,277,188.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for registrant's 2001 Annual Meeting of Shareholders to be held on November 27, 2001, are incorporated by reference into Part III of this Annual Report on Form 10-K.

PART I

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 expectations that DDR SDRAMs will account for a larger portion of DRAM sales in the future and "Manufacturing" regarding the transition to .13µ line-width process technology. 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 "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.

Financial data for 2000 and 1999 has been restated to reflect the disposition of the PC Operations in May 2001. The net assets, results of operations and cash flows of the PC business have been reported separately as discontinued PC Operations in the Company's consolidated financial statements. (See "Item 8. Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Discontinued PC Operations.")

General

Micron Technology, Inc., and its subsidiaries (hereinafter referred to collectively as the "Company") principally design, develop, manufacture and market semiconductor memory products. 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.

On May 31, 2001, Micron Electronics, Inc., formerly a 61% owned subsidiary of the Company, ("MEI"), completed the disposition of its PC operations to Gores Technology Group. On August 6, 2001, MEI completed a merger with Interland, Inc. in a stock-for-stock acquisition (the "Interland Merger"). Upon completion of the Interland Merger, MEI changed its name to Interland, Inc. ("Interland"), and the Company's ownership interest was reduced from 61% to 43% of Interland's outstanding common stock. On August 30, 2001, the Company contributed all of its shares of Interland common stock to the Micron Technology Foundation (the "Foundation"), a charitable organization established by the Company.

On April 30, 2001, the Company acquired Kobe Steel, Ltd.'s ("KSL") 75% interest in KMT Semiconductor Limited ("KMT") (the "KMT Acquisition") in a transaction that resulted in KMT becoming a wholly-owned subsidiary of the Company.

Semiconductor Operations

Products and Services

The Company designs, develops and manufactures leading edge semiconductor memory products. The Company offers products with a wide variety of packaging and configuration options, architectures and performance characteristics to meet particular customer needs.

Dynamic Random Access Memory ("DRAM"). DRAM is the Company's primary semiconductor memory product. DRAMs are high density, low-cost-per-bit, random access memory components that store digital information and provide high-speed storage and retrieval of data. DRAMs are the most widely used semiconductor memory component in computer systems. DRAM sales represented approximately 87%, 94% and 95% of the Company's net sales in 2001, 2000 and 1999 respectively.

Synchronous DRAMs ("SDRAMs") are memory components that operate faster than legacy DRAMs, due in part to the addition of a clock input that synchronizes inputs and allows PC systems to transfer data at faster rates, enabling subsystems to maintain pace with high speed CPUs and graphics engines. SDRAMs are currently the most popular and highest volume type of semiconductor memory used in computing, networking, communications, and consumer applications. The Company's primary product for 2001 was the 128 Meg SDRAM, available in multiple configurations, speeds and package types. The Company offers PC100 and PC133 64 Meg, 128 Meg and 256 Meg SDRAMs. The Company began shipping 256 Meg SDRAMs in 2001 and is developing 512 Meg SDRAMs.

The Company started shipping Double Data Rate ("DDR") SDRAMs in 2001 and expects them to account for a larger portion of DRAM sales in the future. DDR SDRAM is a higher bandwidth memory solution that leverages existing SDRAM technology by supporting data transfers on both edges of each clock cycle, effectively doubling the memory chip's data throughput. DDR SDRAMs are currently being used in high-end graphics and networking cards, and servers, workstation and desktop PC applications.

The Company continues to produce legacy DRAM products such as extended data out ("EDO") and fast page mode ("FPM") and lower density products such as the 64 Meg and 16 Meg DRAM. The Company also continues to design and develop other DRAM products, including Rambus® DRAM ("RDRAM®").

Static Random Access Memory ("SRAM"). SRAMs are semiconductor devices that perform memory functions similar to DRAMs. SRAMs utilize a more complex memory cell and do not require the memory array to be periodically refreshed. This simplifies system design for memory applications utilizing SRAM and allows SRAM to operate faster than DRAM, although SRAM has a higher cost-per-bit than DRAM. The Company produces SRAMs for the high-performance or high-bandwidth applications that require a "buffer" or "cache" of high-speed memory to provide data access and data routing quickly. SRAMs are a key component in leading-edge telecommunications and networking applications where bandwidth is a critical system parameter. Sales of SRAM products represented approximately 4%, 2%, and 2% of the Company's total net sales in 2001, 2000 and 1999, respectively.

Flash Memory ("Flash). Flash products are non-volatile semiconductor devices that retain memory content when the power is turned off, and are electrically re-writeable. Flash is used in networking applications, workstations, servers, PCs, and handheld electronic devices such as digital cellular phones, digital cameras, and digital music players. Sales of Flash devices represented approximately 3%, 1% and 1% of the Company's total net sales in 2001, 2000 and 1999, respectively.

Manufacturing

The Company is a leading global manufacturer of semiconductor memory products with manufacturing facilities located in the United States, Italy, Japan, Singapore, and Scotland. The Company's manufacturing facilities operate 24 hours per day, 7 days per week. The Company develops leading edge manufacturing process technology at its research and development wafer fabrication facility in Boise, Idaho, which is then deployed to its fabrication facilities in Boise, Italy and Japan and its joint venture, TECH Semiconductor Singapore Pte. Ltd. ("TECH").

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 memory 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 (since the potential number of good die per wafer increases with reduced die size), number of mask layers and yield of acceptable die produced on each wafer. Other factors that contribute to manufacturing costs are wafer size, number of fabrication steps, cost and sophistication of manufacturing equipment, equipment utilization, process complexity, cost of

raw materials, labor productivity, package type and cleanliness of manufacturing environment. The Company is continuously enhancing production processes, reducing the die size of existing products and transitioning to higher density products. The Company has transitioned a majority of its manufacturing operations to .15µ line-width process technology and anticipates that it will move a significant portion of its manufacturing operations to .13µ line-width process technology in 2002.

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 or other problems may cause a substantial percentage of wafers to be scrapped or individual circuits to be 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 connected to external leads by extremely fine wire and assembled into plastic packages. Each completed package is then inspected, sealed and tested. The Company also sells semiconductor products in die and wafer 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 all die during the burn-in process, capturing quality and reliability data and reducing testing time and cost.

The Company assembles a significant portion of its memory products into memory modules before sale to customers. Memory modules consist of an array of memory components attached to printed circuit boards ("PCBs") that connect to 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 visual inspection.

TECH Semiconductor Singapore Pte. Ltd. TECH, which operates in Singapore, is a memory manufacturing joint venture 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%, 20% and 10% of the total megabits of memory produced by the Company in 2001, 2000 and 1999, respectively. TECH is expected to require external financing to fund its ongoing operations. The Company's source of supply from TECH could be interrupted if TECH is unable to obtain required financing. The Company purchases semiconductor memory products from TECH at prices determined quarterly, generally based on a discount from average selling prices realized by the Company for the immediately preceding quarter. The Company performs assembly and test services on products manufactured by TECH. The Company also provides certain technology, engineering, and training support to TECH. All transactions with TECH are recognized as part of the net cost of products purchased from TECH.

Availability of Raw Materials

The Company requires raw materials that meet exacting standards. 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 and molding compound. 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 memory products are sold primarily to the PC, telecommunications and networking hardware markets. The Company supplies several major PC original equipment manufacturers with more than 30% of their memory requirements. Sales to Dell Computer Corporation exceeded 10% of the Company's net sales in 2001, 2000 and 1999. In addition, sales to Compaq Computer Corporation exceeded 10% of the Company's net sales in 2000.

The Company markets its semiconductor memory products primarily through its own direct sales force. The Company's products are also offered through independent sales representatives, distributors and its retail sales division, Crucial Technology. The Company's products are offered under the Micron, SpecTek and Crucial brand names, and under other private labels. The Company maintains semiconductor sales offices in North America, Europe and Asia. 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. Semiconductor memory products sold through distributors approximated 17%, 13% and 11% of net sales in 2001, 2000 and 1999, respectively.

The semiconductor memory industry is characterized by volatile market conditions, declining average selling prices, rapid technological change, frequent product introductions and enhancements, difficult product transitions and relatively short product life cycles. In recent periods the DRAM market has become relatively segmented, with diverse memory needs being driven by the different requirements of desktop and notebook PC's, servers, workstations, hand-helds, and communications, industrial and other applications that demand specific memory solutions. Many of the Company's customers require a thorough review or "qualification" of semiconductor memory 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. There can be no assurance that new products will be qualified for purchase by existing or potential customers.

Backlog

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

Product Warranty

Because the design and production process for semiconductor memory 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 semiconductor memory 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 amounts paid. Under certain circumstances the Company may provide more extensive limited warranty coverage.

Competition

The semiconductor memory industry is highly competitive. We face intense competition from a number of companies, including Elpida Memory, Inc., Hynix Semiconductor, Inc., Infineon Technologies AG and Samsung Semiconductor, Inc. Some of these competitors are large corporations or conglomerates that may have greater resources or government support to withstand downturns in the semiconductor memory market, invest in technology and capitalize on growth opportunities. Like us, these competitors aggressively seek to improve yields, reduce die size and decrease mask levels in their product designs. These factors have significantly increased worldwide supply and put downward pressures 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 semiconductor product offerings is necessary to meet expected market demand for specific memory solutions. The Company's total research and development expenses were $490 million, $427 million and $321 million in 2001, 2000 and 1999, respectively.

Research and development 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. The increase in research and development expenses in 2001 as compared to 2000 is primarily due to an increased number of development wafers processed and higher compensation expenses reflective of an increased number of personnel. Process technology research and development efforts are focused on .13µ and .11µ line-width process technologies which are designed to facilitate the Company's transition to next generation products.

In addition to process technology, the Company continues to emphasize product designs which utilize advanced process technology. Currently these designs include further shrink versions of the Company's 128 Meg and 256 Meg SDRAMs. Efforts towards the design and development of new products are concentrated on the Company's 512 Meg SDRAMs, DDR SDRAM, Flash and SRAM memory products. Other research and development efforts are devoted to the design and development of embedded memory and advanced DRAM technology ("ADT") products. The Company is also developing technologies designed to enable customers to more rapidly adopt the Company's advanced memory architectures.

International Sales

International sales totaled $1.8 billion for 2001 and included approximately $780 million in sales to Europe and $640 million in sales to the Asia Pacific region. International sales totaled $2.8 billion for 2000 and $1.0 billion for 1999.

Patents and Licenses

As of August 30, 2001, the Company owned 5,965 United States patents and 452 foreign patents. In addition, the Company has numerous United States and international patent applications pending.

From time to time, others have asserted, and may in the future assert, that the Company's products or processes infringe their product or process technology rights. In this regard, the Company is currently 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. On August 28, 2000, the Company filed a declaratory judgment action against Rambus in the U.S. District Court for the District of Delaware. On February 1, 2001, the Company amended its complaint. Pursuant to its complaint, the Company is seeking (1) relief under the federal antitrust laws for violations by Rambus of Section 2 of the Sherman Act; (2) a declaratory judgment that (a) certain Rambus patents are not infringed, are invalid and/or are unenforceable, (b) the Company has an implied license to Rambus' patents, and (c) Rambus is estopped from enforcing its patents against the Company because of its conduct in the Joint Electron Device Engineering Council standards setting body; and (3) damages and declaratory relief for Rambus' breach of contract, fraud, deceptive trade practices, negligent misrepresentation, and conduct requiring the application of equitable estoppel. On February 15, 2001, Rambus filed an Answer and Counterclaim. Rambus denies that the Company is entitled to relief and has alleged willful infringement by the Company of eight Rambus patents. The Company cannot predict the outcome of these suits. A determination that the Company's manufacturing processes or products infringe the product or process 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 results could have a material adverse effect on the Company's business, results of operations or financial condition.

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 August 30, 2001, the Company had approximately 18,100 employees, including approximately 4,000 and 2,000 employees in Asia and Europe, respectively. 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 an adverse effect on the Company's results of operations.

Environmental Compliance

Government regulations impose various environmental controls on discharges, emissions and solid wastes from the Company's manufacturing processes. In 2001, the Company's wafer fabrication facilities continued to conform to the requirements of ISO 14001 certification. To continue certification, the Company met 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 or other government regulations, changes in the regulations could necessitate additional capital expenditures, modification of operations or other compliance actions.

Officers and Directors 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 August 30, 2001, 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	41	Chairman, Chief Executive Officer and President
Kipp A. Bedard	42	Vice President of Corporate Affairs
Robert M. Donnelly	62	Vice President of Memory Products
D. Mark Durcan	40	Chief Technical Officer and Vice President of Research & Development

Jay L. Hawkins	41	Vice President of Operations
Roderic W. Lewis	46	Vice President of Legal Affairs, General Counsel and Corporate Secretary
Michael W. Sadler	43	Vice President of Sales
Wilbur G. Stover, Jr.	48	Vice President of Finance and Chief Financial Officer
James W. Bagley	62	Director
Robert A. Lothrop	75	Director
Thomas T. Nicholson	65	Director
Don J. Simplot	66	Director
Gordon C. Smith	72	Director
William P. Weber	61	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 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 Corporate Affairs 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.

D. Mark Durcan joined the Company in 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 & Development. Mr. Durcan holds a BS and MS in Chemical Engineering from Rice 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 1991 and has served in various capacities with the Company and its subsidiaries. Mr. Lewis served as Vice President, General Counsel and Corporate Secretary for the Company from July 1996 until November 1996, at which time he became Vice President of Legal Affairs, General Counsel and Corporate Secretary. 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 1992 as a Regional Sales Manager and has held various sales and marketing positions since that time. Mr. Sadler first became an officer of the Company in 1997 and has served in his current position since January 2000. 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 Chairman and Chief Executive Officer of Lam Research Corporation ("Lam"), a supplier of semiconductor manufacturing equipment, in August 1997, upon consummation of a merger of OnTrak Systems, Inc. ("OnTrak"), a supplier of semiconductor manufacturing equipment, into Lam. From June 1996 to August 1997, Mr. Bagley served as the Chairman and Chief Executive Officer of OnTrak. Mr. Bagley is a member of the Board of Directors of Teradyne, Inc. and Wind River Systems, 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.

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.

Thomas T. Nicholson has served as Vice President and a Director of Honda of Seattle and Toyota of Seattle since 1988. Mr. Nicholson has also served since May 2000 as Vice President of Mountain View Equipment Company and from 1982 to May 2000 served as President of Mountain View Equipment Company. He has served on the Company's Board of Directors since May 1980. Mr. Nicholson holds a BS in Agriculture from the University of Idaho.

Don J. Simplot served as the President of Simplot Financial Corporation, a wholly-owned subsidiary of the J.R. Simplot Company, from February 1985 until January 1992. Since 1955, Mr. Simplot has served in various capacities with J.R. Simplot Company, including Director. He is a member of the Board of Directors of IMPCO Technologies, Inc. Mr. Simplot has served on the Company's Board of Directors since February 1982.

Gordon C. Smith has served as Chairman and Chief Executive Officer of G.C. Smith L.L.C., a holding company for ranch operations and other investments, since May 2000. Mr. Smith served in various management positions from July 1980 until January 1992 for Simplot Financial Corporation, a wholly-owned subsidiary of the J.R. Simplot Company. From May 1988 until his retirement in March 1994, Mr. Smith served as the President and Chief Executive Officer of J.R. Simplot Company. From September 1996 until September 1999, he served as President of Wesmar, Inc., a food service

company. 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.

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 Instrument's worldwide semiconductor operations and from December 1993 until his retirement in April 1998, he served as Vice Chairman of Texas Instruments Incorporated. He is a member of the Board of Directors of Unigraphics Solutions, Inc. 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.

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

Item 2. *Properties*

The Company's corporate headquarters and principal semiconductor manufacturing, engineering, research and development, administrative and support facilities are located in Boise, Idaho. The Company has approximately 2.5 million square feet of building space at this primary site.

The Company also has a number of other properties including a 570 thousand square foot wafer fabrication facility located in Avezzano, Italy; a 635 thousand square foot wafer fabrication facility located in Nishiwaki City, Japan; a 680 thousand square foot assembly and test facility located in Singapore; a 141 thousand square foot test facility located in Nampa, Idaho; and a 43 thousand square foot module assembly and test facility located in East Kilbride, Scotland. The Company has an approximate 2.5 million square foot, partially completed, semiconductor memory manufacturing facility located Lehi, Utah, of which 444 thousand square feet is being used to perform test operations as of August 30, 2001. Timing for completion of the Lehi 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 uses of capital.

The Company also owns and leases a number of smaller facilities in locations throughout the world that are used for research and development and sales and marketing activities.

Item 3. ***Legal Proceedings***

On August 28, 2000, the Company filed a declaratory judgment action against Rambus, Inc. ("Rambus") in U.S. District Court for the District of Delaware. On February 1, 2001, the Company amended its complaint. Pursuant to its complaint, the Company is seeking (1) relief under the federal antitrust laws for violations by Rambus of Section 2 of the Sherman Act; (2) a declaratory judgment (a) that certain Rambus patents are not infringed by the Company, are invalid, and/or are unenforceable due to, among other reasons, Rambus' fraudulent conduct in misusing and enforcing those patents, (b) that the Company has an implied license to those patents and (c) that Rambus is estopped from enforcing those patents against the Company because of its conduct in the Joint Electron Device Engineering Council, and (3) damages and declaratory relief for Rambus' breach of contract, fraud, deceptive trade practices, negligent misrepresentation, and conduct requiring the application of equitable estoppel. On February 15, 2001, Rambus filed an answer and counterclaim against the Company in Delaware denying the Company is entitled to relief and alleging infringement of eight (8) Rambus patents subject to the Company's declaratory judgment action. On September 1, 2000, Rambus filed suit against Micron Semiconductor GmbH in the District Court of Mannheim, Germany, alleging that certain SDRAM and DDR SDRAM products infringe German patent and utility model counterparts to European patent 525 068. On September 13, 2000, Rambus filed suit against Micron Europe Limited in the High Court of Justice, Chancery Division in London, England, alleging that certain SDRAM and DDR SDRAM products infringe the U.K. counterpart to European patent 525 068. On September 22, 2000, Rambus filed a complaint against the Company and Reptronic

(a distributor of the Company's products) in Court of First Instance of Paris, France, alleging that certain SDRAM and DDR SDRAM products infringe the French counterpart to European patent 525 068. In its suits against the Company, Rambus is seeking monetary damages and injunctive relief. On September 29, 2000, the Company filed suit against Rambus in the Civil Court of Milan, Italy, alleging invalidity and non-infringement of the Italian counterpart to European patent 525 068. On September 29, 2000, Rambus filed a preliminary proceeding against the Company and EBV (a distributor of the Company's products) in the Civil Court of Monza, Italy, alleging that certain SDRAM products infringe the Italian counterpart to European patent 525 068, and seeking the seizure of certain materials and the entry of a preliminary injunction as to products manufactured at the Company's Avezzano, Italy, site. On December 21, 2000, an appeals panel of the Court of Monza held that the Monza trial court had no jurisdiction to adjudicate the seizure matter. The Monza trial court ordered that technical review proceedings continue with respect to the issue of preliminary injunction. On May 24, 2001, the trial court rejected Rambus' assertions of infringement and denied its request for a preliminary injunction. Rambus' appeal from the trial judge's ruling was rejected by the Monza appeals panel on July 18, 2001. On December 29, 2000, the Company filed suit against Rambus in the Civil Court of Avezzano, Italy, alleging invalidity and non-infringement of the Italian counterpart to European patent 1 004 956. On August 10, 2001, Rambus filed suit against the Company and Assitec (an electronics retailer) in the Civil Court of Pavia, Italy, alleging that certain DDR SDRAM products infringe the Italian counterpart to European patent 1 022 642. The Company is unable to predict the outcome of these suits.

(See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Certain Factors.")

Item 4. ***Submission of Matters to a Vote of Security Holders***

There were no matters submitted to a vote of security holders during the fourth quarter of 2001.

PART II

Item 5. ***Market for Registrant's Common Equity and Related Stockholder Matters***

Market for Common Stock

The Company's common stock is listed on the New York Stock Exchange and is traded under the symbol "MU." The following table represents the high and low closing sales prices for the Company's common stock for each quarter of 2001 and 2000, as reported by Bloomberg L.P. Per share prices reflect a two-for-one stock split effected in the form of a stock dividend on May 1, 2000.

	High	Low
2001:		
4th quarter	$ 44.900	$ 35.500
3rd quarter	48.830	34.600
2nd quarter	46.850	29.938
1st quarter	78.375	28.563
2000:		
4th quarter	$ 96.563	$ 73.375
3rd quarter	73.813	46.625
2nd quarter	50.844	30.063
1st quarter	41.719	30.875

Holders of Record

As of September 28, 2001, there were 3,759 shareholders of record of the Company's common stock.

Dividends

The Company has not declared or paid dividends since 1996 and does not intend to pay cash dividends on its common stock for the foreseeable future.

Item 6. ***Selected Financial Data***

	2001	2000	1999	1998	1997
	(amounts in millions except per share amounts)				
Net sales	$ 3,935.9	$ 6,362.4	$ 2,575.1	$ 1,564.5	$ 2,058.9
Gross margin	110.7	3,248.1	628.1	95.7	716.9
Operating income (loss)	(976.5)	2,392.7	(19.6)	(412.6)	301.3
Income (loss) from continuing operations	(521.2)	1,547.7	(59.0)	(224.5)	296.4
Income (loss) from discontinued PC Operations, net of taxes and minority interest	(103.8)	(43.5)	(9.9)	(22.6)	18.6
Net income (loss)	(625.0)	1,504.2	(68.9)	(247.1)	315.0
Diluted earnings (loss) per share:					
Continuing operations	$ (0.88)	$ 2.63	$ (0.11)	$ (0.52)	$ 0.68
Discontinued operations	(0.18)	(0.07)	(0.02)	(0.05)	0.04
Net income (loss)	(1.05)	2.56	(0.13)	(0.57)	0.72
Cash and liquid investments	$ 1,678.3	$ 2,466.4	$ 1,613.5	$ 649.6	$ 998.2
Current assets	3,137.7	4,720.1	2,689.6	1,367.7	1,726.5
Property, plant and equipment, net	4,704.1	4,171.7	3,749.1	3,005.4	2,713.0
Total assets	8,363.2	9,391.9	6,773.5	4,539.8	4,591.8
Current liabilities	687.0	1,447.1	731.2	540.5	492.4
Long-term debt	445.0	931.4	1,527.5	756.8	757.7
Shareholders' equity	8,363.2	6,432.0	3,964.1	2,701.3	2,904.2

On May 31, 2001, Micron Electronics, Inc. ("MEI"), then a 61% owned subsidiary of the Company, completed the disposition of its PC business. The selected financial data above presents the net effect of discontinued PC Operations separate from the results of the Company's continuing operations. Historical financial information of the Company has been restated to present consistently the discontinued PC Operations.

On August 6, 2001, MEI completed its merger with Interland, Inc., in a stock-for-stock acquisition (the "Interland Merger"). Upon completion of the Interland Merger, MEI changed its name to Interland, Inc. ("Interland") and the Company's ownership interest was reduced from 61% to 43% of Interland's outstanding common stock. On August 30, 2001, the Company contributed all of its shares of Interland common stock to the Micron Technology Foundation.

In September 1998, the Company acquired substantially all of the memory operations of Texas Instruments Incorporated in a transaction that was accounted for as a business combination using the purchase method of accounting.

Share and per share amounts reflect a two-for-one stock dividend on May 1, 2000.

See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations—Certain Factors" and "Item 8. Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements."

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

Micron Technology, Inc. and its subsidiaries (hereinafter referred to collectively as the "Company") principally design, develop, manufacture and market semiconductor memory products.

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 "Net Sales" regarding the possibility that the Company's megabit inventories could

continue to increase. 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. All period references are to the Company's fiscal periods unless otherwise indicated. Shares and per share amounts for all periods presented reflect a two-for-one stock split effected in the form of a stock dividend on May 1, 2000. All per share amounts are presented on a diluted basis.

Financial data for 2000 and 1999 has been restated to reflect the disposition of the PC Operations in May 2001. The net assets, results of operations and cash flows of the PC business have been reported separately as discontinued PC Operations in the Company's consolidated financial statements. (See "Item 8. Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Discontinued PC Operations.")

On May 31, 2001, Micron Electronics, Inc., formerly a 61% owned subsidiary of the Company ("MEI"), completed the disposition of its PC Operations to Gores Technology Group. The Company's consolidated net loss for 2001 of $625 million (or $1.05 per share) includes the loss, net of taxes and minority interest, on discontinued PC Operations of $104 million ($0.18 per share). (See "Notes to Consolidated Financial Statements—Discontinued PC Operations.") On August 6, 2001, MEI completed a merger with Interland, Inc. in a stock-for-stock acquisition (the "Interland Merger"). Upon completion of the Interland Merger, MEI changed its name to Interland, Inc. ("Interland"), and the Company's ownership interest was reduced from 61% to 43% of Interland's outstanding common stock. On August 30, 2001, the Company contributed all of its shares of Interland common stock to the Micron Technology Foundation (the "Foundation"), a charitable organization established by the Company. The Company incurred aggregate charges of $191 million in the fourth quarter of 2001 to write down the carrying value of its equity interest in Interland to its market value and to reflect the contribution of Interland shares to the Foundation. MEI's 2001 financial results are included in the Company's financial statements for 11 months through the date of the Interland Merger. The Company's consolidated financial statements for 2000 and 1999 include the financial results of MEI for the full year.

On April 30, 2001, the Company acquired Kobe Steel, Ltd.'s ("KSL") 75% interest in KMT Semiconductor Limited ("KMT") (the "KMT Acquisition") in a transaction that resulted in KMT becoming a wholly-owned subsidiary of the Company. The KMT Acquisition was accounted for as a business combination using the purchase method of accounting. The results of operations of KMT have been included in the accompanying financial statements from the date of acquisition. (See "Notes to Consolidated Financial Statements—Acquisitions—KMT Semiconductor Limited.")

Results of Operations

	2001		2000		1999	
	(amounts in millions except per share amounts)					
Net sales:						
Semiconductor Operations	$ 3,882.6	99%	$ 6,329.7	99%	$ 2,569.7	100%
Web-hosting Operations	53.0	1%	32.9	1%	0.5	0%
Other	0.3	0%	(0.2)	0%	4.9	0%
Consolidated net sales	$ 3,935.9	100%	$ 6,362.4	100%	$ 2,575.1	100%
Operating income (loss):						
Semiconductor Operations	$ (920.8)		$ 2,445.6		$ 42.8	
Web-hosting Operations	(56.1)		(47.0)		(4.7)	
Other	0.4		(5.9)		(57.7)	
Operating income (loss)	$ (976.5)		$ 2,392.7		$ (19.6)	
Income (loss) from continuing operations	$ (521.2)		$ 1,547.7		$ (59.0)	
Net loss from discontinued PC Operations	(103.8)		(43.5)		(9.9)	
Net income (loss)	$ (625.0)		$ 1,504.2		$ (68.9)	
Earnings (loss) per share from continuing operations—Diluted	$ (0.88)		$ 2.63		$ (0.11)	
Net income (loss) per share—Diluted	$ (1.05)		$ 2.56		$ (0.13)	

Activity in "Other" primarily reflects transactions associated with residual assets from the Company's former flat-panel display and radio frequency identification devices operations that were effectively terminated in 1999. (See "Notes to Consolidated Financial Statements—Operating Segment Information.")

Net Sales

Substantially all of the Company's net sales for all periods presented were derived from Semiconductor Operations. The Company's results of operations for 2001 were significantly affected by a precipitous decline in average selling prices for its semiconductor memory products. Average selling prices for the Company's semiconductor memory products declined by approximately 60% for 2001 as compared to 2000, and decreased by approximately 85% for the fourth quarter of 2001 compared to the fourth quarter of 2000. The decrease in average selling prices led to significantly lower net sales. The decrease also led to charges to cost of goods sold for the write-downs of the Company's work in process and finished goods semiconductor memory inventories of $466 million and $261 million in the fourth and third quarters of 2001, respectively, to reduce the carrying value of such inventories to their lower of cost or market value.

Net sales decreased by 38% for 2001 as compared to 2000, primarily due to the significant decline in average selling prices for the Company's semiconductor memory products. Megabit shipments increased by approximately 50% for the same period. The Company achieved higher megabit sales for these comparative periods through ongoing transitions to smaller die size versions of existing memory products ("shrink versions"), shifts to higher density products and increases in total wafer outs. The Company's primary memory product in 2001 was the 128 Meg Synchronous DRAM ("SDRAM"),

which constituted 47% of net sales. The Company's primary memory product in 2000 and 1999 was the 64 Meg SDRAM, which constituted 47% and 66%, respectively, of net sales.

The Company's aggregate work in process and finished goods inventories of semiconductor memory products, as measured in megabits, increased approximately 110% as of the end of 2001 compared to the prior year end. This increase in inventory was primarily due to weak industry demand for memory products and increases in megabit production. The increases in production resulted from increases in total wafer outs and ongoing improvements in manufacturing efficiency and product and process transitions to next generation devices. In addition, the consolidation of KMT's financial statements with those of the Company contributed to the increase in inventory. If industry demand for semiconductor memory products does not improve, the Company's megabit inventories could continue to increase.

Net sales increased by 147% for 2000 as compared to 1999, primarily due to a 142% increase in total megabits of semiconductor memory sold and, to a lesser extent, a 3% increase in average selling prices.

Gross Margin

	2001	% Change	2000	% Change	1999
	(amounts in millions)				
Gross margin	$ 110.7	(96.6)%	$ 3,248.1	417.1%	$ 628.1
as a % of net sales	2.8%		51.1%		24.4%

Substantially all of the Company's gross margin for all periods presented was attributable to Semiconductor Operations. The decrease in gross margin percentage for 2001 as compared to 2000 was principally due to the decrease in average selling prices per megabit of memory. Average selling prices for the Company's memory products are currently below their manufacturing costs. As a result, the Company recorded a $466 million charge in the fourth quarter of 2001 to write down the carrying value of semiconductor memory inventories to their estimated market values. The Company incurred a similar write-down of $261 million in the third quarter of 2001.

The Company's gross margin percentage increased for 2000 as compared to 1999, primarily due to decreases in per megabit manufacturing costs resulting from continued improvements in manufacturing efficiency and, to a lesser extent, a 3% increase in average selling prices. Manufacturing cost improvements were achieved principally through transitions to shrink versions of existing products and shifts to higher density products.

Subject to specific terms and conditions, the Company has agreed to purchase all of the products manufactured by its joint venture wafer fabrication facility, TECH Semiconductor Singapore Pte. Ltd. ("TECH"). TECH supplied approximately 25%, 20% and 10% of the total megabits of memory produced by the Company in 2001, 2000 and 1999, respectively. The Company purchases semiconductor memory products from TECH at prices determined quarterly, generally based on a discount from average selling price realized by the Company for the immediately preceding quarter. The Company performs assembly and test services on products manufactured by TECH. The Company also provides certain technology, engineering, and training support to TECH. All transactions with TECH are recognized as part of the net cost of products purchased from TECH. The Company realized lower gross margins on sales of TECH products than for products manufactured by its wholly-owned facilities in 2001, 2000 and 1999.

Selling, General and Administrative

	2001	% Change	2000	% Change	1999
			(amounts in millions)		
Selling, general and administrative	$ 524.1	19.5%	$ 438.5	58.4%	$ 276.9
as a % of net sales	13.3%		6.9%		10.8%

The increase in selling, general and administrative expenses ("SG&A") for 2001 as compared to 2000 resulted primarily from the contribution charge of $94 million for the market value of the Company's remaining equity interest in Interland contributed to the Foundation in the fourth quarter of 2001. The increase in SG&A for 2001 as compared to 2000 was also due to increased legal costs associated with product and process technology rights litigation and patent prosecution and depreciation expense associated with the Company's business software systems, partially offset by decreased performance-based compensation expense. (See "Notes to Consolidated Financial Statements - Commitments and Contingencies.")

The increase in SG&A expenses for 2000 as compared to 1999 resulted primarily from increased employee compensation costs, attributable to higher levels of performance-based pay and increased administrative personnel. Additionally, selling, general and administrative costs in 2000 included a $25 million charge for the market value of Interland common stock contributed by the Company to the Foundation, increased selling costs resulting from higher semiconductor production volumes and increased legal costs associated with product and process technology rights litigation and patent prosecution.

SG&A for the Company's Web-hosting Operations, which were operated through MEI, was 12%, 11% and 1% of total SG&A for 2001, 2000 and 1999, respectively.

Research and Development

	2001	% Change	2000	% Change	1999
			(amounts in millions)		
Research and development	$ 489.5	14.6%	$ 427.0	33.2%	$ 320.5
as a % of net sales	12.4%		6.7%		12.4%

Research and development 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. The increase in research and development expenses in 2001 as compared to 2000 is primarily due to an increased number of development wafers processed and higher compensation expenses reflective of an increased number of personnel. Process technology research and development efforts are focused on .13µ and .11µ line-width process technologies which are designed to facilitate the Company's transition to next generation products.

In addition to process technology, the Company continues to emphasize product designs which utilize advanced process technology. Currently these designs include further shrink versions of the Company's 128 Meg and 256 Meg SDRAMs. Efforts towards the design and development of new products are concentrated on the Company's 512 Meg SDRAMs, DDR SDRAM, Flash and SRAM memory products. Other research and development efforts are devoted to the design and development of embedded memory and advanced DRAM technology ("ADT") products. The Company is also developing technologies designed to enable customers to more rapidly adopt the Company's advanced memory architectures.

Other Operating Expense (Income)

Other operating expense for 2001 includes losses of $44 million from the write-off of certain costs related to the Company's Lehi facility and losses of $20 million, net of gains, on write-downs and disposals of semiconductor equipment. Other operating income for 2000 includes a gain of $42 million on the sale of the Company's facility located in Richardson, Texas and losses of $23 million, net of gains, on write-downs and disposals of other semiconductor equipment. Other operating expense for 1999 includes charges of $24 million relating to the Company's former flat panel and radio frequency identification devices operations and losses of $12 million, net of gains, from the write-down and disposal of semiconductor equipment.

Other Non-Operating (Expense) Income

Other non-operating expense for 2001 includes a $4 million loss on MEI stock issued to effect the Interland Merger and a charge of $92 million to write down the carrying value of the Company's equity interest in Interland contributed to the Foundation to market value. In addition, the Company recognized charges totaling $12 million resulting from market value adjustments for derivative financial instruments to purchase electricity and natural gas. Other non-operating income for 2000 includes a gain of $14 million from the contribution to the Foundation of Interland common stock owned by the Company.

Interest Income and Expense

Interest income was higher for 2001 as compared to 2000 due to the Company's higher levels of cash and liquid investments in 2001. Interest expense was lower for 2001 as compared to 2000, primarily as a result of the conversions of debt to equity in the third quarter of 2000 and the first quarter of 2001. $500 million of the Company's 7.0%

convertible subordinated notes were converted into equity in the third quarter of 2000 and the Company's $740 million face amount, 6.5% convertible subordinated notes were converted into equity in the first quarter of 2001.

Income Tax Provision (Benefit)

The effective tax rates for 2001, 2000 and 1999 were 46%, 34% and 39%, respectively. The Company's effective tax rate primarily reflects the statutory corporate income tax rate, the net effect of state taxes, the tax effect of earnings or losses by domestic subsidiaries not consolidated with the Company for federal income tax purposes and the effect of foreign income at non-U.S. tax rates. In addition, 2001 includes the benefit of a $34 million change in the prior year's accrual for income taxes upon filing of the tax returns. The Company's future effective income tax rate will vary based on fluctuations in the mix of income and losses among tax jurisdictions with differing rates.

Minority Interests

Minority interests for 2001, 2000 and 1999 includes minority shareholders' interest in the SpecTek component recovery business and the Web-hosting Operation. The component recovery business was purchased by the Company from MEI on April 5, 2001, at which time it became a wholly-owned operation of the Company and, as a result, the Company no longer recorded minority interest in the earnings of the component recovery business after April 5, 2001. Approximately $18 million, $54 million and $18 million of minority interest is attributable to the earnings of the component recovery business for 2001, 2000 and 1999, respectively.

Recently Issued Accounting Standards

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141 "Business Combinations," and SFAS No. 142, "Goodwill and other Intangible Assets." SFAS No. 141 addresses financial accounting and reporting for business combinations and requires recognition of certain intangible assets acquired in a business combination separate and apart from goodwill only when certain criteria are met. SFAS No. 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets. Under SFAS No. 142, goodwill and other intangible assets that have indefinite useful lives are not amortized but rather are periodically tested for impairment. FAS No. 141 is effective for any business combination initiated after June 30, 2001. The Company is required to adopt SFAS No. 142 in fiscal 2003, but expects to adopt the standard in the first quarter of 2002. The Company does not expect the adoption of either SFAS 141 or 142 to have a significant impact on the Company's future results of operations or financial position.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated retirement costs. The adoption of SFAS No. 143 is effective for the Company in 2003. The Company does not expect the adoption of SFAS No. 143 to have a significant impact on the Company's future results of operations or financial position.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supersedes previous guidance for financial accounting and reporting for the impairment or disposal of long-lived assets and for segments of a business to be disposed of. The adoption of SFAS No. 144 is effective for the Company in 2003. The Company is currently assessing the impact of SFAS No. 144 on its results of operations and financial position.

Liquidity and Capital Resources

The Company's liquidity is highly dependent on average selling prices for its semiconductor memory products. Average selling prices have declined significantly in recent periods. The Company's principal source of liquidity during 2001 was net cash flow from operations of $789 million which reflects a decrease in trade receivables, partially offset by an increase in the level of semiconductor memory inventories. In the fourth quarter of 2001, the Company received $480 million from the

issuance of warrants to purchase its common stock. During 2001, the Company expended $1,489 million for property, plant and equipment. As of August 30, 2001, the Company had cash and liquid investments totaling $1,678 million, representing a decrease of $788 million from August 31, 2000. The deconsolidation of MEI had the effect of decreasing cash and liquid investments by $199 million, as MEI's financial results are no longer consolidated into the Company's financial results. On April 30, 2001, the Company completed the acquisition of KMT and, in connection therewith, the Company assumed $296 million in debt and capital lease obligations.

As of October 10, 2001, the Company had received $532 million of income taxes receivable reflected on the balance sheet date of August 30, 2001.

In the first quarter of 2001, the Company's 6.5% convertible subordinated notes due October 2005, with a face amount of $740 million, were converted into 24.7 million shares of common stock, resulting in a reclassification of $685 million from debt to equity.

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 technology, facilities and capital equipment, research and development, and product and process technology. The Company has historically utilized external sources of financing to fund operations and capital improvement projects and has a shelf registration statement in place pursuant to which the Company may from time to time issue debt or equity securities for up to $1 billion. The Company may also seek to raise funds through issuing securities not covered by the existing shelf registration statement. The Company expects capital spending to approximate $1 billion in 2002. If market conditions do not improve and the Company is unable to secure external financing, the Company may be required to adopt various cash conservation measures, which may have an adverse impact on the Company's future results of operations or financial position. As of August 30, 2001, the Company had commitments extending into 2003 of approximately $290 million for equipment purchases and software infrastructure, and approximately $95 million for the construction of facilities.

The Company has pledged $50 million as cash collateral to secure TECH's fully-drawn revolving line of credit.

Certain Factors

In addition to the factors discussed elsewhere in this Form 10-K, 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.

If average selling prices for our memory products do not increase significantly, we expect to continue to record significant losses

Average selling prices for our memory products in the fourth quarter of 2001 decreased approximately 55% compared to the third quarter. In four of the last five fiscal years we experienced decreases in average selling prices, as follows: 60% decline in 2001, 37% decline in 1999, 60% decline in 1998 and 75% decline in 1997. We are unable to predict pricing conditions for any future period.

Average selling prices for our memory products are currently below our manufacturing costs, and accordingly our results of operations, cash flows and financial condition are being adversely affected. If average selling prices do not improve to a level that exceeds cost, we would expect to continue to record significant losses on product sales. In addition, to the extent the estimated market price of products held in finished goods and work in process inventories at a quarterly reporting date is below the cost of these products, we must recognize a charge against operations to write down the carrying value to market value.

If average selling prices of memory products do not improve to a level that exceeds our costs, we may not be able to generate sufficient cash flow to fund our operations or make adequate capital investments

Our cash flow from operations depends primarily on average selling prices and per megabit manufacturing costs of our semiconductor memory products. Average selling prices for our memory products are currently below our manufacturing costs. To develop new product and process technologies, support future growth, achieve operating efficiencies and maintain product quality, we must invest significant capital in manufacturing technology, facilities and capital equipment, research and development, and product and process technology. If average selling prices do not improve to a level that exceeds our costs, we may not be able to generate sufficient cash flows to sustain our operations.

Current economic and political conditions may harm our business

Deteriorating global economic conditions and the effects of ongoing military actions against terrorists may cause significant disruptions to commerce throughout the world. To the extent that such disruptions result in delays or cancellations of customer orders, a general decrease in corporate spending on information technology, or our inability to effectively market, manufacture or ship our products, our business, results of operations and financial conditions could be adversely affected. In addition, our ability to raise capital for purposes of research and development, capital expenditures and ongoing operations is dependent upon ready access to capital markets. During times of adverse global economic and political conditions, investor confidence in and accessibility to capital markets could decrease. If capital markets are not available to us over an extended period of time, we could be unable to fund operations, invest in capital expenditures and fully carry out our research and development efforts, which could adversely affect our business, results of operations and financial conditions.

If the current downturn in the semiconductor memory market persists, we may need to pursue cash conservation measures which may reduce the scale and efficiency of our operations

If the current semiconductor industry downturn persists, we will be required to pursue cash conservation measures, including but not limited to, reductions in our capital spending and reductions in our workforce. Any such measures may reduce the scale and efficiency of our operations.

The semiconductor memory industry is highly competitive

Some of our competitors receive government subsidies. To the extent that these practices continue, they may have the result of prolonging the current imbalance in supply and demand in the semiconductor memory industry. In addition, the semiconductor memory industry is highly competitive. We face intense competition from a number of companies, including Elpida Memory, Inc., Hynix Semiconductor, Inc., Infineon Technologies AG and Samsung Semiconductor, Inc. Some of these competitors are large corporations or conglomerates that may have greater resources to withstand downturns in the semiconductor memory market, invest in technology and capitalize on growth opportunities. Like us, these competitors aggressively seek to improve yields, reduce die size and decrease mask levels in their product designs. These factors have significantly increased worldwide supply and put downward pressures on prices.

We are dependent on the personal computer ("PC") market as most of the memory products we sell are used in PCs or peripherals. If the growth rate of either PCs sold or the amount of memory included in each PC decreases, sales of our memory products could decrease

In 2001, we sold most of our memory products to PC or peripheral markets. DRAMs are the most widely used semiconductor memory components in PCs. In recent periods, the growth rate of PCs sold has slowed significantly or declined. In addition, the growth rate in 2001 for the average amount of memory included in each PC sold declined compared to several years prior to 2001. These declining growth rates affected our 2001 results of operations. If we experience a sustained reduction in the growth rate of either PCs sold or the average amount of memory included in each PC, sales of our memory products could decrease and our results of operations, cash flows and financial condition could be adversely affected.

If any one of our major PC customers significantly reduces its purchases of DRAM from us, our results of operations and cash flows could be adversely affected

We supply several major PC customers with more than 30% of their memory requirements. Aggregate sales to three of our PC customers approximated 25% of our net sales in 2001. If any one of our major PC customers significantly reduces its purchases of DRAM from us, our results of operations and cash flows could be adversely affected.

Increased worldwide DRAM production could lead to further declines in average selling prices for DRAM

We and our competitors constantly seek to improve yields, reduce die size and use fewer manufacturing steps. These improvements increase worldwide supply of DRAM. In addition, we and several of our competitors are evaluating plans to manufacture semiconductors in facilities that process 300-millimeter ("300mm") wafers. 300mm wafers have approximately 130% greater usable surface area than 200mm wafers, the current industry standard. The widespread use of 300mm wafers in the industry, which is expected to occur within the next two to five years, could lead to a significant increase in the worldwide supply of DRAM. Increases in worldwide supply of DRAM also result from DRAM fab capacity expansions, either by way of new facilities, increased capacity utilization or reallocation of other semiconductor production to DRAM production. Increases in worldwide supply of DRAM, if not offset by increases in demand, could lead to further declines in average selling prices for our products and adversely affect our results of operations, cash flows and financial condition.

If our TECH joint venture experiences financial difficulty, or if our supply of memory products from TECH is interrupted, our results of operations could be adversely affected

TECH currently supplies us with approximately 20% of our total megabits of memory produced. We have agreements to purchase all of the production from TECH subject to specific terms and conditions. Any reduction in supply could adversely affect our results of operations and cash flows. TECH has historically been required to seek additional external financing to fund its ongoing operations and transition to next generation technologies. TECH is expected to require financing in the immediate future in order to continue operations, therefore our source of supply may be interrupted if TECH is unable to obtain required financing. We have pledged $50 million as cash collateral to secure current TECH financing.

We may not be able to reduce per megabit manufacturing costs at the same rate as we have in the past

In recent years, we have decreased per megabit manufacturing costs through improvements in our manufacturing processes, including reducing the die size of our existing products. In future periods, we

may not be able to reduce our per megabit manufacturing costs at historical rates. Our ability to reduce per megabit manufacturing costs in future periods may be affected because of the following:

- our ability to complete product and process technology upgrades in our international and joint venture facilities;
- our manufacturing yields may decrease as we implement more complex technologies;
- our ability to ramp the latest reduced die size versions of existing devices or new generation devices to commercial volumes; or
- any reduction in the scale of our operations, which would result in losing economies of scale.

An adverse determination that our products and processes infringe the intellectual property rights of others could adversely affect our business, results of operation and financial condition

From time to time, others have asserted, and may in the future assert, that our products or processes infringe their product or process technology rights. In this regard, we are currently engaged in litigation with Rambus, Inc. ("Rambus") relating to certain of Rambus' patents and certain of our claims and defenses. Lawsuits between Rambus and us are pending in the United States, Germany, France, the United Kingdom and Italy. On August 28, 2000, we filed a declaratory judgment action against Rambus in the U.S. District Court for the District of Delaware. On February 1, 2001, we amended our complaint. Pursuant to our complaint, we are seeking (1) relief under the federal antitrust laws for violations by Rambus of Section 2 of the Sherman Act; (2) a declaratory judgment that (a) certain Rambus patents are not infringed, are invalid and/or are unenforceable, (b) we have an implied license to Rambus' patents, and (c) Rambus is estopped from enforcing its patents against us because of its conduct in the Joint Electron Device Engineering Council standards setting body; and (3) damages and declaratory relief for Rambus' breach of contract, fraud, deceptive trade practices, negligent misrepresentation, and conduct requiring the application of equitable estoppel. On February 15, 2001, Rambus filed an Answer and Counterclaim. Rambus denies that we are entitled to relief and has alleged willful infringement by us of eight Rambus patents. We cannot predict the outcome of these suits. A determination that our manufacturing processes or products infringe the product or process rights of others could result in significant liability and/or require us to make material changes to its products and/or manufacturing processes. Any of the foregoing results could have a material adverse effect on our business, results of operations or financial condition.

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

We face risks associated with our foreign sales and operations that could adversely affect our operating results

Foreign sales approximated 46% of our consolidated net sales in 2001. In addition, we have or support manufacturing operations in Italy, Singapore, Japan and Scotland. Our foreign sales and foreign operations are subject to a variety of risks, including:

- currency fluctuations, export duties, changes to import and export regulations, and restrictions on the transfer of funds;
- political and economic instability;
- problems with the transportation or delivery of our products;
- employee turnover and labor unrest;

- longer payment cycles and greater difficulty in collecting accounts receivable; and
- compliance with a variety of foreign laws.

These factors may adversely affect our business, results of operations and financial condition.

Interruptions in our supply of raw materials could adversely affect our results of operations, cash flows and financial position

Our operations require raw materials that meet exacting standards. We generally have multiple sources of supply for our raw materials; however, only a limited number of suppliers are capable of delivering certain raw materials that meet our standards. Various factors could reduce the availability of raw materials such as silicon wafers, photomasks, chemicals, gases, lead frames and molding compound. In addition, any transportation problems could delay our receipt of raw materials. Although raw materials shortages or transportation problems have not interrupted our 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 our supply of raw materials is interrupted or our lead times extended, our results of operations could be adversely affected.

Products that do not meet specifications or that contain, or are rumored to contain, defects or that are otherwise incompatible with end uses could impose significant costs on us or otherwise adversely affect our results of operations

Because the design and production process for semiconductor memory is highly complex, it is possible that we may produce products that do not comply with customer specifications, contain defects or are otherwise incompatible with end uses. If, despite design review, quality control and product qualification procedures, problems with nonconforming, defective or incompatible products occur after we have shipped such products, we could be adversely affected in one or both of the following ways:

- we may need to replace product or otherwise compensate customers for costs incurred or damages caused by defective or incompatible product, and
- we may encounter adverse publicity, which could cause a decrease in sales of our products.

If our manufacturing process is interrupted, our results of operations and cash flows could be adversely affected

We manufacture products using highly complex processes that require technologically advanced equipment and continuous modification to improve yields and performance. Difficulties in the manufacturing process can reduce yields or interrupt production and affect our ability to deliver products on time or cost-effectively. Additionally, if production at a fabrication facility is interrupted for any reason, we may be unable to meet our customers' demand and they may purchase products from other suppliers. The resulting loss of revenues and damage to customer relationships could be significant.

If we are unable to successfully transition our operations to 300mm wafer manufacturing processes, the results of our operations and cash flows could be adversely affected

We have in the past reduced our per megabit manufacturing costs by transitioning to larger wafer sizes. By transitioning to larger wafers, we should be able to produce significantly more die for each wafer at a slightly higher cost for each wafer, resulting in substantially reduced costs for each die. Several of our competitors are evaluating plans to shift part or all of their memory manufacturing operations to 300mm wafers in the near future. Some of these competitors have established pilot 300mm wafer lines. If these competitors are able to transition operations to 300mm wafers before us, we could be at a cost disadvantage. Our transition to 300mm wafer processing will require us to make

substantial capital investments, which will depend on our ability to generate funds from operations or to obtain funds from external sources. We may also experience disruptions in manufacturing operations and reduced yields during our initial transition stage to larger wafer sizes. If we are unable to successfully transition to 300mm wafer processing at the appropriate time, our results of operations and cash flows could be adversely affected.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk***

Substantially all of the Company's liquid investments and long-term debt are at fixed interest rates; therefore, the fair value of these instruments is affected by changes in market interest rates. However, substantially all of the Company's liquid investments mature within one year. As a result, the Company believes that the market risk arising from its holdings of financial instruments is minimal. As of August 30, 2001, the Company held aggregate cash and receivables in foreign currency valued at approximately US $48 million and aggregate foreign currency liabilities valued at approximately US $453 million (including debt and capital lease obligations denominated in Yen valued at approximately US $281 million). Foreign currency payables and receivables are comprised primarily of Yen, British Pounds, Singapore Dollars and Euros.

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	August 30, 2001	August 31, 2000	September 2, 1999
Net sales	$ 3,935.9	$ 6,362.4	$ 2,575.1
Cost of goods sold	3,825.2	3,114.3	1,947.0
Gross margin	110.7	3,248.1	628.1
Selling, general and administrative	524.1	438.5	276.9
Research and development	489.5	427.0	320.5
Other operating expense (income)	73.6	(10.1)	50.3
Operating income (loss)	(976.5)	2,392.7	(19.6)
Interest income	135.8	112.8	82.8

Interest expense	(16.7)	(97.9)	(129.6)
Gain (loss) on issuance of subsidiary stock	(3.4)	1.0	2.1
Other non-operating income (expense)	(98.7)	14.2	(0.1)
Income (loss) before taxes and minority interests	(959.5)	2,422.8	(64.4)
Income tax (provision) benefit	446.0	(829.8)	25.1
Minority interests in net income	(7.7)	(45.3)	(19.7)
Income (loss) from continuing operations	(521.2)	1,547.7	(59.0)
Loss on discontinued PC Operations, net of taxes and minority interest:			
Loss from operations of PC business	(36.1)	(43.5)	(9.9)
Loss on disposal of PC Operations	(67.7)	—	—
Net loss from discontinued PC Operations	(103.8)	(43.5)	(9.9)
Net income (loss)	$ (625.0)	$ 1,504.2	$ (68.9)
Basic earnings (loss) per share:			
Continuing operations	$ (0.88)	$ 2.81	$ (0.11)
Discontinued operations	(0.18)	(0.08)	(0.02)
Net income (loss)	(1.05)	2.73	(0.13)
Diluted earnings (loss) per share:			
Continuing operations	$ (0.88)	$ 2.63	$ (0.11)
Discontinued operations	(0.18)	(0.07)	(0.02)
Net income (loss)	(1.05)	2.56	(0.13)
Number of shares used in per share calculations:			
Basic	592.4	550.9	521.5
Diluted	592.4	605.4	521.5

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

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

As of	August 30, 2001	August 31, 2000
Assets		
Cash and equivalents	$ 469.1	$ 701.7
Liquid investments	1,209.2	1,764.7
Receivables	791.6	1,413.1
Inventories	491.1	688.6
Prepaid expenses	17.3	14.9
Deferred income taxes	159.4	137.1
Total current assets	3,137.7	4,720.1
Product and process technology, net	198.4	213.0
Property, plant and equipment, net	4,704.1	4,171.7
Other assets	323.0	254.2
Net assets of discontinued PC Operations	—	32.9
Total assets	$ 8,363.2	$ 9,391.9
Liabilities and shareholders' equity		
Accounts payable and accrued expenses	$ 512.9	$ 1,271.4
Deferred income	26.4	83.0
Equipment purchase contracts	61.5	45.9
Current portion of long-term debt	86.2	46.8
Total current liabilities	687.0	1,447.1
Long-term debt	445.0	931.4
Deferred income taxes	19.0	333.5
Other liabilities	77.4	70.0
Total liabilities	1,228.4	2,782.0
Commitments and contingencies		
Minority interest	—	177.9

Common stock, $0.10 par value, authorized 3.0 billion shares, issued and outstanding 598.4 million and 567.3 million shares, respectively	59.8	56.7
Additional capital	4,153.7	2,824.2
Retained earnings	2,924.6	3,549.6
Accumulated other comprehensive income (loss), net of tax	(3.3)	1.5
Total shareholders' equity	7,134.8	6,432.0
Total liabilities and shareholders' equity	$ 8,363.2	$ 9,391.9

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(Amounts in millions)

For the year ended	August 30, 2001		August 31, 2000		September 2, 1999	
	Shares	Amount	Shares	Amount	Shares	Amount
Common stock						
Balance at beginning of year	567.3	$ 56.7	252.2	$ 25.2	217.1	$ 21.7
Conversion of notes to stock	24.7	2.5	7.4	0.7	—	—
Stock issued under stock plans	6.4	0.6	9.7	1.0	6.2	0.6
Stock split	—	—	266.4	26.6	—	—
Conversion of Class A to common	—	—	31.6	3.2	—	—
Stock issued in conjunction with acquisitions	—	—	—	—	28.9	2.9
Balance at end of year	598.4	$ 59.8	567.3	$ 56.7	252.2	$ 25.2
Class A common stock						
Balance at beginning of year	—	$ —	15.8	$ 1.6	—	$ —
Conversion to common	—	—	(15.8)	(1.6)	—	—
Stock issued	—	—	—	—	15.8	1.6
Balance at end of year	—	$ —	—	$ —	15.8	$ 1.6
Additional capital						
Balance at beginning of year		$ 2,824.2		$ 1,894.0		$ 565.4
Conversion of notes to stock		682.1		497.9		—
Issuance of common stock warrants		480.2		—		—
Stock issued under stock plans		122.0		256.7		121.8
Tax effect of stock plans		48.3		205.1		54.9
Stock split		—		(28.2)		—
Stock issued in conjunction with acquisitions		—		—		653.5
Stock issued		—		—		498.4
Other		(3.1)		(1.3)		—
Balance at end of year		$ 4,153.7		$ 2,824.2		$ 1,894.0
Retained earnings						
Balance at beginning of year		$ 3,549.6		$ 2,045.4		$ 2,114.3
Net income (loss)		(625.0)		1,504.2		(68.9)
Balance at end of year		$ 2,924.6		$ 3,549.6		$ 2,045.4
Accumulated other comprehensive income (loss)						
Balance at beginning of year		$ 1.5		$ (2.1)		$ (0.1)
Unrealized gain (loss) on investments		(4.8)		3.6		(2.0)
Balance at end of year		$ (3.3)		$ 1.5		$ (2.1)

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in millions)

For the year ended	August 30, 2001	August 31, 2000	September 2, 1999

Cash flows from operating activities			
Net income (loss)	$ (625.0)	$ 1,504.2	$ (68.9)
Loss from discontinued PC Operations, net of taxes and minority interest	103.8	43.5	9.9
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	1,114.4	974.4	829.7
Provision to write down inventories to estimated market values	726.9	—	—
Loss on contributions of investment	186.5	10.7	—
Additional capital tax effect of stock plans	48.3	205.1	54.9
Change in assets and liabilities, net of acquisitions and deconsolidation of MEI			
Decrease (increase) in receivables	605.8	(784.5)	(90.1)
Increase in inventories	(482.8)	(331.6)	(61.8)
Increase (decrease) in accounts payable and accrued expenses, net of property, plant and equipment purchases	(702.4)	596.7	151.7
Other	(186.4)	(216.3)	(31.6)
Net cash provided by operating activities	789.1	2,002.2	793.8
Cash flows from investing activities			
Expenditures for property, plant and equipment	(1,488.6)	(1,127.4)	(763.9)
Purchase of available-for-sale securities	(2,860.3)	(2,504.7)	(2,683.4)
Purchase of held-to-maturity securities	(116.3)	(245.9)	(205.3)
Proceeds from maturities of available-for-sale securities	3,104.1	2,027.0	1,437.4
Proceeds from maturities of held-to-maturity securities	207.7	260.7	98.4
Proceeds from sales of available-for-sale securities	131.1	100.1	154.1
Proceeds from sale of property, plant and equipment	23.7	151.2	40.9
Net cash reduction from deconsolidation of MEI	(170.9)	—	—
Cash paid in connection with disposition of PC Operations	(76.5)	—	—
Other	(136.6)	(118.1)	(65.4)
Net cash used for investing activities	(1,382.6)	(1,457.1)	(1,987.2)
Cash flows from financing activities			
Proceeds from issuance of common stock	118.2	244.0	617.2
Proceeds from issuance of common stock warrants	480.2	—	—
Payments on equipment purchase contracts	(187.2)	(210.7)	(302.9)
Repayments of debt	(73.8)	(175.1)	(93.4)
Proceeds from issuance of debt	22.6	—	34.0
Cash received in conjunction with TI Acquisition	—	—	681.1
Other	0.9	3.8	(6.8)
Net cash provided by (used for) financing activities	360.9	(138.0)	929.2
Net increase (decrease) in cash and equivalents	(232.6)	407.1	(264.2)
Cash and equivalents at beginning of year	701.7	294.6	558.8
Cash and equivalents at end of year	$ 469.1	$ 701.7	$ 294.6
Supplemental disclosures			
Income taxes refunded (paid), net	$ (410.6)	$ (207.9)	$ 185.6
Interest paid, net of amounts capitalized	(34.3)	(88.8)	(89.8)
Non-cash investing and financing activities:			
Equipment acquisitions on contracts payable and capital leases	202.9	177.0	219.3
Conversion of notes to equity	684.6	498.6	—
Cash received in conjunction with TI Acquisition:			
Fair value of assets acquired	$ —	$ —	$ 949.3
Liabilities assumed	—	—	(138.0)
Debt issued	—	—	(836.0)
Stock issued	—	—	(656.4)
	$ —	$ —	$ (681.1)

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Amounts in millions)

For the year ended	August 30, 2001	August 31, 2000	September 2, 1999
Net income (loss)	$ (625.0)	$ 1,504.2	$ (68.9)
Unrealized gain (loss) on investments, net of tax	(4.8)	3.6	(2.0)
Total comprehensive income (loss)	$ (629.8)	$ 1,507.8	$ (70.9)

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(All tabular 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") principally design, develop, manufacture and market semiconductor memory products. All significant intercompany accounts and transactions have been eliminated. The Company's fiscal year is the 52 or 53-week period ending on the Thursday closest to August 31. Fiscal years 2001, 2000 and 1999 each contained 52 weeks and ended on August 30, 2001, August 31, 2000, and September 2, 1999, respectively.

On August 6, 2001, Micron Electronics, Inc. ("MEI"), completed a merger with Interland, Inc., in a stock-for- stock acquisition (the "Interland Merger"). Upon completion of the Interland Merger, MEI changed its name to Interland, Inc. ("Interland"), and the Company's ownership interest was reduced from 61% to 43% of MEI's outstanding common stock. On August 30, 2001, the Company contributed all of its shares of Interland common stock to the Micron Technology Foundation (the "Foundation"). MEI's 2001 financial results are included in the Company's consolidated financial statements for eleven months through the date of the Interland Merger. The Company's consolidated financial statements for 2000 and 1999 include the financial results of MEI for the full year. (See "Gain (Loss) on Issuance of Subsidiary Stock" and "Other Non-Operating Income (Expense)" notes.)

Restatements and reclassifications: As a result of MEI's disposal of its PC operations in 2001, the Company's previously reported consolidated financial statements for 2000 and 1999 have been restated to present the discontinued PC Operations separate from continuing operations. (See "Discontinued PC Operations" note.)

On March 29, 2000, the Company's Board of Directors announced a 2-for-1 stock split effected in the form of a stock dividend to shareholders of record as of April 18, 2000, and payable on May 1, 2000. The par value of the Company's common stock remained unchanged. Share and per share amounts were restated to reflect retroactively the stock split, except for the historical share amounts in the Consolidated Balance Sheets and Consolidated Statements of Shareholders' Equity. Certain other reclassifications have been made, none of which affected the results of operations, to present the financial statements on a consistent basis.

Use of estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue recognition: Revenue from product sales to direct customers is recognized when title transfers to the customer, primarily upon shipment. The Company defers recognition of sales to certain distributors that have rights of return and price protection until such distributors have sold the products. Net sales include revenue from web-hosting and other internet services which are recognized as services are provided.

Stock-based compensation: Employee stock plans are accounted for using the intrinsic value method prescribed by Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees."

Advertising: Advertising costs are charged to operations as incurred. The Company incurred $24.1 million, $33.1 million and $8.6 million of advertising costs in 2001, 2000 and 1999, respectively.

Subsidiary stock sales: Gains and losses on issuance of stock by a subsidiary are recognized in the Company's results of operations.

Foreign currency: The U.S. dollar is the Company's functional currency for substantially all of its operations. For international operations where the local currency is the functional currency, assets and liabilities are translated into U.S. dollars at exchange rates in effect at the balance sheet date and income and expense items are translated at the average exchange rates prevailing during the period.

Earnings (loss) per share: Basic earnings per share is calculated using the weighted average number of shares outstanding during the period. Diluted earnings per share incorporates the additional shares issued from the assumed exercise of outstanding stock options and common stock warrants using the "treasury stock" method and conversion of convertible debentures using the "if-converted" method, when dilutive.

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 liquid investments. Investments with remaining maturities greater than one year are classified as other long-term assets. Securities classified as available-for-sale or trading are stated at market value. Securities classified as held-to-maturity are stated at amortized cost.

The amounts reported as cash and equivalents, liquid investments, receivables, other assets, accounts payable and accrued expenses and equipment purchase contracts approximate their fair values. The fair value of the Company's debt as of August 30, 2001 and August 31, 2000, approximated $491 million and $998 million, respectively. 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.

Certain concentrations: Approximately 70% of the Company's sales of semiconductor memory products for 2001 was to the computer market. Certain components used by the Company in manufacturing semiconductor memory products are purchased 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 accounts receivable. The Company invests cash through high-credit-quality financial institutions and performs periodic evaluations of the relative credit standing of these financial institutions. The Company, 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 computer, telecommunications and networking industries. 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.

Inventories: Inventories are stated at the lower of average cost or market. Cost includes labor, material and overhead costs, including product and process technology costs.

Product and process technology: Costs related to the conceptual formulation and design of products and processes are expensed as research and development. Costs incurred to establish patents and acquire product and process technology are capitalized. Capitalized costs are amortized using the

straight-line method over the shorter of the estimated useful life of the technology, the patent term or the agreement, ranging up to 10 years. 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. Depreciation is computed 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. 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 the net gain or loss is included in the determination of income.

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 $9.8 million, $6.4 million and $1.3 million in 2001, 2000 and 1999, respectively, in connection with various capital projects.

The Company reviews the carrying value of property, plant and equipment for impairment whenever events and circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. In cases where undiscounted expected future cash flows are less than the carrying value, an impairment loss would be recognized equal to an amount by which the carrying value exceeds the fair value of the assets.

Recently issued accounting standards: In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141, "Business Combinations," and SFAS No. 142, "Goodwill and Other Intangible Assets." SFAS No. 141 addresses financial accounting and reporting for business combinations. It requires all business combinations to be accounted for by the purchase method and modifies the criteria for recognition of certain intangible assets separate and apart from goodwill. SFAS No. 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets. Under SFAS No. 142, goodwill and other intangible assets that have indefinite useful lives are not amortized but rather are periodically tested for impairment. SFAS No. 141 is effective for business combinations initiated after June 30, 2001. The Company is required to adopt SFAS No. 142 in fiscal year 2003 but expects to adopt the standard the first quarter of 2002. The Company does not expect the adoption of either SFAS No. 141 or No. 142 to have a significant impact on the Company's future results of operations or financial position.

In August 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations." SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated retirement costs. The adoption of SFAS No. 143 is effective for the Company in 2003. The Company does not expect the adoption of SFAS No. 143 to have a significant impact on the Company's future results of operations or financial position.

In October 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS No. 144 supersedes previous guidance for financial accounting and reporting for the impairment or disposal of long-lived assets and for segments of a business to be disposed of. The adoption of SFAS No. 144 is effective for the Company in 2003. The Company is currently assessing the impact of SFAS No. 144 on its results of operations and financial position.

Supplemental Balance Sheet Information

Investment Securities	2001	2000
Available-for-sale securities:		
U.S. Government and agencies	$ 864.5	$ 456.7
Commercial paper	491.0	991.2
Certificates of deposit	100.2	394.0
Other	286.1	46.0
	1,741.8	1,887.9
Held-to-maturity securities:		
Commercial paper	—	128.8
U.S. Government and agencies	—	96.0
State and local governments	—	62.1
	—	286.9
Trading securities:		
U.S. Government and agencies	—	24.0
Commercial paper	—	18.9
Other	—	17.1
	—	60.0
Total investment securities	1,741.8	2,234.8
Less cash equivalents	(416.1)	(445.1)
Less other long-term assets	(116.5)	(25.0)
Liquid investments	$ 1,209.2	$ 1,764.7

As of August 30, 2001, $1,318.0 million of debt securities mature within one year, $65.0 million mature from one to five years, $26.1 million mature from five to ten years and $9.2 million mature after ten years.

Receivables	2001	2000
Trade receivables	$ 154.9	$ 1,180.1
Income taxes	560.2	6.6
Taxes other than income	34.9	72.3
Joint ventures	25.3	79.4
Interest	10.9	18.9
Other	9.2	70.2
Allowance for doubtful accounts	(3.8)	(14.4)
	$ 791.6	$ 1,413.1

Inventories	2001	2000

Finished goods	$ 248.0	$ 284.4
Work in process	139.3	330.6
Raw materials and supplies	108.2	83.0
Allowance for obsolescence	(4.4)	(9.4)
	$ 491.1	$ 688.6

The Company wrote down the value of work in process and finished goods inventories to the lower of cost or market value in the fourth quarter of 2001 by an aggregate amount of $465.8 million. The Company recorded a similar charge of $261.1 million in the third quarter 2001.

Product and Process Technology

	2001	2000
Product and process technology, at cost	$ 260.1	$ 366.6
Accumulated amortization	(61.7)	(153.6)
	$ 198.4	$ 213.0

Amortization of product and process technology costs was $34.8 million, $41.7 million and $37.6 million in 2001, 2000 and 1999, respectively.

Property, Plant and Equipment

	2001	2000
Land	$ 94.7	$ 46.3
Buildings	1,815.1	1,360.6
Equipment	5,721.3	4,793.5
Construction in progress	402.3	611.1
Software	165.5	140.2
	8,198.9	6,951.7
Accumulated depreciation	(3,494.8)	(2,780.0)
	$ 4,704.1	$ 4,171.7

In 2001, the Company capitalized $420.4 million of costs relating to the Company's semiconductor manufacturing facility in Lehi, Utah. As of August 30, 2001, construction in progress included costs of $194.1 million related to idle facilities in Lehi which are not ready for their intended use and are not being depreciated. Timing for completion of the Lehi 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 uses of capital.

Depreciation expense was $1,049.6 million, $902.0 million and $753.9 million for 2001, 2000 and 1999, respectively.

Accounts Payable and Accrued Expenses

	2001	2000
Accounts payable	$ 307.8	$ 588.8
Salaries, wages and benefits	98.3	222.3
Taxes other than income	34.7	95.9
Income taxes	11.1	288.2
Interest	8.2	27.5
Other	52.8	48.7
	$ 512.9	$ 1,271.4

Debt

	2001	2000
Notes payable in periodic installments through July 2015, weighted average interest rate of 2.7% and 7.3%, respectively	$ 305.6	$ 94.5
Subordinated notes payable, due October 2005, with an effective yield to maturity of 10.7%, net of amortized discount of $28.1 million and $33.3 million, respectively	181.9	176.7
Capitalized lease obligations payable in monthly installments through December 2005, weighted average interest rate of 3.0% and 7.4%, respectively	43.7	23.2
Convertible subordinated notes payable, due October 2005, with an effective yield to maturity of 8.4%, net of amortized discount of $56.2 million	—	683.8
	531.2	978.2
Less current portion	(86.2)	(46.8)
	$ 445.0	$ 931.4

In connection with the KMT Acquisition, the Company assumed $259.5 million in notes payable and $36.9 million in capital lease obligations. (See "Acquisitions—KMT Semiconductor Limited" note.)

The subordinated notes due October 2005 with a yield to maturity of 10.7% have a face value of $210.0 million and a stated interest rate of 6.5%. During 2001, the Company's convertible subordinated notes due October 2005 were converted into 24.7 million shares of the Company's common stock.

Certain notes payable are collateralized by plant and equipment with a total cost of $111.1 million and accumulated depreciation of $80.4 million as of August 30, 2001. Equipment under capital leases and accumulated amortization thereon were $30.3 million and $17.3 million, respectively, as of August 30, 2001, and $41.1 million and $24.7 million, respectively, as of August 31, 2000.

The Company has pledged as collateral $50.0 million in cash deposits for a $50.0 million revolving line of credit held by the Company's memory manufacturing joint venture. On August 31, 2001, the joint venture drew on the entire revolving line of credit.

The Company leases certain facilities and equipment under operating leases. Total rental expense on all operating leases was $25.0 million, $23.1 million and $18.1 million for 2001, 2000 and 1999, respectively. Minimum future rental commitments under operating leases aggregate $38.1 million as of

August 30, 2001, and are payable as follows (in millions): 2002, $13.1; 2003, $11.6; 2004, $2.7; 2005, $2.5; 2006, $1.9 and 2007 and thereafter, $6.3.

Maturities of long-term debt are as follows:

Fiscal year	Notes	Capital Leases
2002	$ 66.3	$ 20.6
2003	80.0	12.7
2004	56.4	10.2
2005	22.3	1.6
2006	232.4	—
2007 and thereafter	58.4	—
Discount and interest	(28.3)	(1.4)
	$ 487.5	$ 43.7

Commitments and Contingencies

As of August 30, 2001, the Company had commitments of $291.3 million for equipment purchases and software infrastructure and $93.8 million for the construction of facilities.

From time to time, others have asserted, and may in the future assert, that the Company's products or its processes infringe their product or process technology rights. In this regard, the Company is currently engaged in litigation with Rambus, Inc. ("Rambus") relating to certain patents of Rambus 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 is unable to predict the outcome of these suits. A determination that the Company's manufacturing processes or products infringe the product or process 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 results 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 settlement or adjudication of asserted and unasserted claims for alleged infringement prior to the balance sheet date. The Company is currently a party to various other 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.

Shareholders' Equity

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 August 30, 2001, 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:

	2001	2000
Foreign currency translation adjustment	$ (0.1)	$ (0.1)
Unrealized gain (loss) on investments	(3.2)	1.6
Accumulated other comprehensive income (loss)	$ (3.3)	$ 1.5

Stock Plans

Stock Option Plans

As of August 30, 2001, the Company had an aggregate of 66.3 million shares of its common stock reserved for issuance under its various stock option plans, of which 61.4 million shares are subject to outstanding options and 4.9 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 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 exercisable in increments of 20% during each year of employment beginning one year from the date of grant. All stock options issued prior to January 19, 1998, expire six years from the date of grant and all subsequent options granted expire 10 years from the date of grant.

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

	2001		2000		1999	
	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price	Number of shares	Weighted average exercise price
Outstanding at beginning of year	48.9	$ 24.03	49.3	$ 16.00	44.3	$ 14.80
Granted	20.4	35.80	17.2	38.10	17.9	15.55
Granted in conjunction with acquisitions	—	—	—	—	1.1	1.96
Terminated or cancelled	(2.1)	30.08	(2.0)	22.29	(2.2)	16.05
Exercised	(5.8)	17.11	(15.6)	14.36	(11.8)	9.50
Outstanding at end of year	61.4	28.39	48.9	24.03	49.3	16.00
Exercisable at end of year	16.6	22.61	9.9	17.64	14.7	15.00

Options outstanding as of August 30, 2001, were at per share prices ranging from $0.28 to $96.56. Options exercised were at per share exercise prices ranging from $0.75 to $40.06 in 2001, $0.28 to

$39.94 in 2000, and $0.28 to $22.89 in 1999. The following table summarizes information about options outstanding as of August 30, 2001:

	Outstanding options			Exercisable options	
Range of exercise prices	Number of shares	Weighted average remaining contractual life (in years)	Weighted average exercise price	Number of shares	Weighted average exercise price
$0.28—$14.02	12.4	6.7	$ 13.17	3.9	$ 12.26
$14.03—$22.89	13.1	2.7	19.78	8.6	20.06
$25.13—$34.06	22.2	8.8	30.05	1.8	32.56
$34.09—$39.94	8.4	8.3	36.77	1.8	36.88
$40.06—$96.56	5.3	9.1	65.79	0.5	71.60
	61.4	7.0		16.6	22.61

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. The shares can be purchased for 85% of the lower of the beginning or ending closing stock prices of each offering period and are restricted from resale for a period of one year from the date of purchase. Purchases are limited to 20% of an employee's eligible compensation. As of August 30, 2001, 14.6 million shares of the Company's common stock had been issued under the ESPP and 3.9 million shares were available for future issuance under the plan.

Miscellaneous Plan

As of August 30, 2001, 6,000 shares of the Company's common stock had been issued under the 1998 Non-Employee Directors Stock Incentive Plan ("DSIP Plan") and 494,000 shares were reserved for future issuance under the DSIP Plan. Shares are issued under the DSIP plan as compensation to non-employee directors of the Company.

Stock-Based Compensation

The Company recognized $0.3 million, $3.9 million and $7.3 million of stock-based compensation in 2001, 2000 and 1999, respectively. Pro forma income and per share data as if the fair value-based accounting method in SFAS No. 123, "Accounting for Stock Based Compensation," had been used to account for stock-based compensation costs is as follows:

	2001	2000	1999
Pro forma income (loss) from continuing operations	$ (746.9)	$ 1,388.1	$ (131.3)
Pro forma basic earnings (loss) per share from continuing operations	(1.26)	2.52	(0.25)
Pro forma diluted earnings (loss) per share from continuing operations	(1.26)	2.36	(0.25)

The Black-Scholes model was used to value stock options for pro forma presentation. Assumptions used to estimate the value of the Company's options included in the pro forma amounts are presented below:

	Stock option plan shares			Employee stock purchase plan shares		
	2001	2000	1999	2001	2000	1999
Average expected life in years	3.50	3.50	3.50	0.25	0.25	0.25
Expected volatility	69%	64%	59%	69%	64%	59%
Risk-free interest rate (zero coupon U.S. Treasury note)	4.9%	6.3%	5.0%	4.8%	5.5%	4.4%
Weighted average fair value at grant:						

Exercise price equal to market price	$ 18.77	$ 19.50	$ 7.46	—	—	—	—	—
Exercise price less than market price	22.51	—	8.90	$ 9.12	$ 20.19	$ 7.21		
Exercise price greater than market price	14.54	—	—	—	—	—		
Weighted average exercise price:								
Exercise price equal to market price	$ 35.67	$ 38.10	$ 15.97	—	—	—	—	—
Exercise price less than market price	41.42	—	10.45	$ 31.51	$ 30.73	$ 14.99		
Exercise price greater than market price	43.11	—	—	—	—	—		

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. In addition, the Black-Scholes model requires the input of subjective assumptions, including the expected stock price volatility and option life. Because the Company's stock options granted to employees have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options granted to employees. 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 employees may contribute from 2% to 16% of their eligible pay to various savings alternatives in the RAM Plan. The Company's contribution provides for an annual match of the first $1,500 of eligible employee contributions, in

addition to contributions based on the Company's financial performance. Expenses for the Company's RAM Plan were $16.9 million, $20.7 million and $10.5 million in 2001, 2000 and 1999, respectively.

Other Operating Expense (Income)

Other operating expense for 2001 includes losses of $44.2 million from the write-off of certain costs related to the Company's Lehi facility and losses of $19.6 million, net of gains, on write-downs and disposals of semiconductor equipment. Other operating income for 2000 includes a gain of $42.0 million on the sale of the Company's facility located in Richardson, Texas and losses of $22.7 million, net of gains, on write-downs and disposals of other semiconductor equipment. Other operating expense for 1999 includes charges of $23.9 million relating to the Company's former flat panel and radio frequency identification devices operations and losses of $12.1 million, net of gains, from the write-down and disposal of semiconductor equipment.

Gain (Loss) on Issuance of Subsidiary Stock

On August 6, 2001, MEI completed the Interland Merger by issuing 40.9 million shares of MEI common stock in exchange for the outstanding shares of Interland, Inc. Upon completion of the Interland Merger, MEI changed its name to Interland, Inc. ("Interland") and the Company's ownership interest was reduced from 61% to 43% of MEI's outstanding common stock. The Company recorded a charge in 2001 of $4.4 million from the issuance of MEI shares in connection with the Interland Merger.

Other Non-Operating Income (Expense)

Other non-operating expense for 2001 includes a charge of $92.4 million to write down the carrying value of the Company's equity interest in Interland to market value. Selling, general and administrative expense for 2001 includes a charge of $94.1 million for the market value of the Interland stock contributed to the Foundation. As of August 30, 2001, the Company no longer holds an investment in Interland.

The Company has long-term fixed-price derivative financial instruments to purchase a portion of the its electricity and natural gas needs. Other non-operating expense for 2001 includes charges totaling $11.6 million for market value adjustments to these instruments.

In 2000, the Company recognized a gain in other non-operating income of $14.2 million on its contribution of 2.3 million shares of MEI common stock to the Foundation. Selling, general and administrative expense for 2000 includes a contribution charge of $24.9 million for the market value of the Interland stock contributed to the Foundation.

Income Taxes

Income tax (provision) benefit consists of the following:

	2001	2000	1999
Current:			
U.S. federal	$ 414.9	$ (718.6)	$ 47.6
State	(1.7)	(45.6)	(4.4)
Foreign	(16.3)	(20.7)	(10.0)
	396.9	(784.9)	33.2
Deferred:			
U.S. federal	74.8	51.9	(19.7)
State	64.8	(45.2)	19.9
Foreign	(22.7)	(18.5)	2.6
	116.9	(11.8)	2.8
Total income tax (provision) benefit	$ 513.8	$ (796.7)	$ 36.0
Income tax (provision) benefit allocated to:			
Continuing operations	$ 446.0	$ (829.8)	$ 25.1
Discontinued PC operations	67.8	33.1	10.9

	$ 513.8	$ (796.7)	$ 36.0

The tax benefit associated with the exercise of nonstatutory stock options and disqualifying dispositions by employees of shares issued in the Company's stock option and purchase plans reduced taxes payable by $48.3 million, $205.1 million and $54.9 million for 2001, 2000 and 1999, respectively. Such benefits are reflected as additional capital.

A reconciliation between income tax computed using the U.S. federal statutory rate and the income tax (provision) benefit follows:

	2001	2000	1999
U.S. federal income tax at statutory rate	$ 375.2	$ (811.0)	$ 32.0
State taxes, net of federal benefit	47.8	(56.4)	13.9
Basis difference in domestic subsidiaries	30.5	0.8	(1.6)
Foreign income at other than U.S. rate	17.2	35.4	2.6
Change in valuation allowance	(16.6)	(15.4)	(10.5)
Other	59.7	49.9	(0.4)
Income tax (provision) benefit	$ 513.8	$ (796.7)	$ 36.0

State taxes reflect investment tax credits of $25.5 million, $24.0 million and $15.7 million for 2001, 2000 and 1999, 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. Components of the Company's deferred tax assets and liabilities are as follows:

	2001	2000
Deferred tax assets:		
Net operating loss and credit carryforwards	$ 188.2	$ 19.3
Inventories	96.1	70.4
Accrued compensation	19.8	24.6
Accrued product and process technology	6.6	1.4
Deferred income	5.3	27.1
Other	85.1	61.9
Gross deferred tax assets	401.1	204.7
Less valuation allowance	(87.4)	(30.0)
Deferred tax assets	313.7	174.7
Deferred tax liabilities:		
Excess tax over book depreciation	(102.3)	(232.0)
Accrued product and process technology	(11.0)	(20.5)
Investments	(0.6)	(54.8)
Other	(59.4)	(63.8)
Deferred tax liabilities	(173.3)	(371.1)
Net deferred tax assets (liabilities)	$ 140.4	$ (196.4)

At August 30, 2001, the Company had aggregate U.S. tax loss carryforwards of $38.6 million and U.S. tax credit carryforwards of $34.2 million, all of which expire in various years through 2021. The Company also has unused state tax net operating loss carryforwards of $449.8 million for tax purposes which expire through 2021 and unused state tax credits of $93.3 million for tax and financial reporting purposes which expire through 2015. The changes in valuation allowance of $57.4 million and $15.4 million in 2001 and 2000, respectively, are primarily due to uncertainties of realizing certain net operating losses and certain tax credit carryforwards. 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. The remaining undistributed earnings of $242.4 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.

Minority Interests

Minority interests for 2001, 2000 and 1999 includes minority shareholders' interest in the SpecTek component recovery business and the Web-hosting Operation. The component recovery business was purchased by the Company from MEI on April 5, 2001, at which time it became a wholly-owned operation of the Company and, as a result, the Company no longer recorded minority interest in the earnings of the component recovery business after April 5, 2001. Approximately $18.1 million, $54.3 million and $17.7 million of minority interest is attributable to the earnings of the component recovery business for 2001, 2000 and 1999, respectively.

Discontinued PC Operations

On May 31, 2001, MEI completed the disposition of its PC business to Gores Technology Group ("GTG"). In connection with the disposal, GTG received assets, including $76.5 million in cash, and

assumed specified liabilities of the PC Operations. Summary operating results for the discontinued PC Operations follow:

	2001	2000	1999

Net sales	$ 579.8	$ 973.9	$ 1,188.9
Loss from operations of PC business	$ (64.1)	$ (105.8)	$ (27.1)
Minority interest	18.0	29.2	6.3
Income tax benefit	10.0	33.1	10.9
Loss from operations of PC business, net	(36.1)	(43.5)	(9.9)
Loss from disposal of PC business	(126.4)	—	—
Operating losses during phase-out period	(70.2)	—	—
Minority interest	71.1	—	—
Income tax benefit	57.8	—	—
Loss from disposal of PC business, net	(67.7)	—	—
Loss from discontinued PC Operations, net	$ (103.8)	$ (43.5)	$ (9.9)

Summarized balance sheet information for the discontinued PC Operations follows:

	2000
Current assets	$ 184.3
Property, plant and equipment	85.9
Other long-term assets	2.3
Total assets	272.5
Current liabilities	(200.4)
Long-term liabilities	(17.8)
Total liabilities	(218.2)
Minority interest	(21.4)
Net assets of discontinued PC Operations	$ 32.9

Earnings (Loss) Per Share

	2001	2000	1999
Income (loss) from continuing operations available to common shareholders	$ (521.2)	$ 1,547.7	$ (59.0)
Adjustment for effects of assumed conversions	—	43.3	—
Income (loss) from continuing operations available to common shareholders, adjusted	(521.2)	1,591.0	(59.0)
Loss from discontinued PC Operations, net of taxes and minority interest	(103.8)	(43.5)	(9.9)
Net income (loss)	$ (625.0)	$ 1,547.5	$ (68.9)
Weighted average common shares outstanding	592.4	550.9	521.5
Adjustment for effects of assumed exercises and conversions	—	54.5	—
Weighted average common shares and share equivalents outstanding	592.4	605.4	521.5
Basic earnings (loss) per share:			
Continuing operations	$ (0.88)	$ 2.81	$ (0.11)
Discontinued operations	(0.18)	(0.08)	(0.02)
Net income (loss)	(1.05)	2.73	(0.13)
Diluted earnings (loss) per share:			
Continuing operations	$ (0.88)	$ 2.63	$ (0.11)
Discontinued operations	(0.18)	(0.07)	(0.02)
Net income (loss)	(1.05)	2.56	(0.13)

The average shares listed below were not included in the computation of diluted earnings per share because the effect would have been antidilutive for the periods presented:

	2001	2000	1999
Employee stock plans	61.9	0.4	47.7
8.4% convertible subordinated notes payable due 2005	2.6	—	23.1
7.0% convertible subordinated notes payable due 2004	—	—	14.8
Common stock warrants	3.4	—	—

Acquisitions

KMT Semiconductor Limited

On April 30, 2001, the Company acquired Kobe Steel, Ltd.'s ("KSL") 75% interest in KMT Semiconductor Limited ("KMT") (the "KMT Acquisition") in a transaction that resulted in KMT becoming a wholly-owned subsidiary of the Company. The KMT Acquisition was accounted for as a business combination using the purchase method of accounting. The purchase price of $31.3 million, net of $37.7 million cash acquired, which includes $25.0 million cash paid to KSL for land and KSL's equity interest in KMT, was allocated to the assets acquired and liabilities assumed based on their estimated fair value. In connection with the KMT Acquisition, the Company recorded total assets of $408.1 million, net of cash acquired, including deferred income taxes of $204.6 million and property, plant and equipment of $103.6 million, and total liabilities of $376.8 million, including debt and capital lease obligations totaling $296.4 million. The results of operations of KMT have been included in the accompanying financial statements from the date of acquisition.

The following unaudited pro forma information presents the consolidated results of operations of the Company as if the KMT Acquisition had taken place at the beginning of 2001 and 2000. The pro

forma information does not necessarily reflect the actual results that would have occurred nor is it necessarily indicative of future results of operations.

	2001	2000
	(unaudited)	
Net sales from continuing operations	$ 3,935.9	$ 6,362.4
Income (loss) from continuing operations, net of taxes and minority interest	(440.0)	1,779.4
Income (loss) per share from continuing operations—diluted	(0.74)	3.01

Texas Instruments Incorporated

In September 1998, the Company acquired substantially all of the memory operations of Texas Instruments Incorporated ("TI") (the "TI Acquisition") for a net purchase price of $832.8 million. In connection with the TI Acquisition, the Company issued 57.9 million shares of common stock, $740.0 million principal amount of convertible notes and $210.0 million principal amount of subordinated notes. In addition to TI's net memory assets, the Company received $681.1 million in cash. The TI Acquisition was accounted for as a business combination using the purchase method of accounting. The purchase price was allocated to the assets acquired and liabilities assumed based on their estimated fair values. The Company and TI also entered into a ten-year, royalty-free, life-of-patents, patent cross license that commenced in January 1999.

The following unaudited pro forma information presents the consolidated results of operations of the Company as if the TI Acquisition had taken place at the beginning of 1999. The pro forma information does not necessarily reflect the actual results that would have occurred nor is necessarily indicative of future results of operations.

	1999
	(unaudited)
Net sales from continuing operations	$ 2,630.4
Loss from continuing operations, net of taxes and minority interest	(76.2)
Loss per share from continuing operations—diluted	(0.14)

Joint Ventures

TECH Semiconductor Singapore Pte. Ltd. ("TECH"), which operates in Singapore, is a memory manufacturing joint venture 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. The Company purchases semiconductor memory products from TECH at prices determined quarterly, generally based on a discount from average selling prices realized by the Company for the immediately preceding quarter. The Company performs assembly and test services on product manufactured by TECH. The Company performs assembly and test services on products manufactured by TECH. The Company also provides certain technology, engineering and training to support TECH. All 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 $726.0 million, $579.8 million and $136.7 million for 2001, 2000 and 1999, respectively. In 2000, as part of an equity capital infusion by the majority of TECH's shareholders, the Company funded TECH with $98.0 million as support for continuing the TECH supply arrangement. The Company amortizes the value of the TECH supply arrangement on a straight-line basis over the remaining contractual life of the TECH shareholders' agreement. Amortization expense resulting from the TECH supply arrangement, included in the cost of product purchased from TECH, was $10.6 million, $2.8 million and $1.3 million for 2001, 2000 and 1999, respectively. Receivables from TECH were $25.3 million and payables were $40.6 million as of

August 30, 2001. Receivables from TECH were $66.8 million and payables were $89.3 million as of August 31, 2000.

Through April 30, 2001, the Company participated in KMT, a joint venture between the Company and KSL. On April 30, 2001, the Company acquired the remaining interest in KMT by completing the KMT Acquisition. The results of operations of KMT have been included in the accompanying financial statements from the date of acquisition. (See "Acquisitions—KMT Semiconductor Limited" note.) Through the date of acquisition, the Company purchased all of KMT's production at prices generally based on a discount from the Company's average selling prices. The Company was also party to various agreements with KMT whereby the Company provided assembly and test services, and technology, engineering, and training support to KMT. The net cost of products purchased from KMT amounted to $293.3 million, $556.8 million and $188.6 million for 2001, 2000 and 1999. Receivables from KMT were $12.6 million and payables were $90.1 million as of August 31, 2000.

Operating Segment Information

The Company's reportable segments have been determined based on the nature of its operations and products offered to customers. Through 2001, the Company's two reportable segments were Semiconductor Operations and Web-hosting Operations. As a result of the Interland Merger, the Company's only reportable segment is Semiconductor Operations. The Semiconductor Operations segment's primary product is DRAM. The Web-hosting Operations segment provided web-hosting and other internet products and services. Other segments primarily reflect activity of the Company's former flat-panel display and radio frequency identification devices operations.

The accounting policies of the segments are the same as those described in the "Significant Accounting Policies" note. Segment operating results are measured based on operating income (loss). Segment assets consist of assets that are identified to reportable segments and reviewed by the chief operating decision makers. Included in segment

assets are cash, investment securities, accounts receivable, inventories and property, plant and equipment. Deminimus amounts of intersegment eliminations of sales, operating income, capital expenditures and depreciation and amortization have been included with Other.

	2001	2000	1999
Net sales			
Semiconductor Operations:			
External	$ 3,861.0	$ 6,278.4	$ 2,524.7
Sales to discontinued PC Operations	21.6	51.3	45.2
Intersegment	—	—	(0.2)
	3,882.6	6,329.7	2,569.7
Web-hosting Operations:			
External	53.0	32.7	0.5
Intersegment	—	0.2	—
	53.0	32.9	0.5
Other	0.3	(0.2)	4.9
Consolidated net sales	$ 3,935.9	$ 6,362.4	$ 2,575.1
Operating income (loss)			
Semiconductor Operations	$ (920.8)	$ 2,445.6	$ 42.8
Web-hosting Operations	(56.1)	(47.0)	(4.7)
Other	0.4	(5.9)	(57.7)
Consolidated operating income (loss)	$ (976.5)	$ 2,392.7	$ (19.6)

	2001	2000	1999
Capital expenditures			
Semiconductor Operations	$ 1,469.5	$ 1,103.4	$ 755.5
Web-hosting Operations	19.1	24.1	3.3
Other	—	(0.1)	5.1
Consolidated capital expenditures	$ 1,488.6	$ 1,127.4	$ 763.9
Depreciation and amortization			
Semiconductor Operations	$ 1,097.7	$ 955.8	$ 816.0
Web-hosting Operations	22.5	16.8	2.5
Other	(5.8)	1.8	11.2
Consolidated depreciation and amortization	$ 1,114.4	$ 974.4	$ 829.7

	2001	2000
Segment assets		
Semiconductor Operations	$ 7,788.7	$ 8,416.1
Web-hosting Operations	—	411.3
Other	12.9	14.6
Total segment assets	7,801.6	8,842.0
Elimination of intersegment	(22.8)	(96.0)
Total segment assets, net	7,778.8	8,746.0
Prepaid expenses	17.3	14.9
Deferred taxes	159.4	137.1
Product and process technology	198.4	213.0
Other assets (net of segment assets)	209.3	248.0
Net assets of discontinued PC Operations	—	32.9
Consolidated total assets	$ 8,363.2	$ 9,391.9

Major Customers

Sales by the Semiconductor Operations to the Company's largest customer were $425.2 million, $877.0 million and $331.1 million in 2001, 2000 and 1999, respectively. Sales to the Company's second largest customer were $843.8 million in 2000.

Geographic Information

Geographic net sales based on customer location were as follows:

	2001	2000	1999
United States	$ 2,116.8	$ 3,570.8	$ 1,548.9
Europe	780.9	1,164.5	458.0
Asia Pacific	637.9	1,144.8	415.6
Japan	188.8	203.0	73.1
Canada	57.1	77.3	28.8
Other	154.4	202.0	50.7
	$ 3,935.9	$ 6,362.4	$ 2,575.1

Geographic area property, plant and equipment was as follows:

	2001	2000
United States	$ 3,502.1	$ 3,229.1
Singapore	610.1	494.2
Italy	442.3	431.5
Japan	133.6	0.1
Other	16.0	16.8
	$ 4,704.1	$ 4,171.7

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

2001	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$ 1,571.6	$ 1,065.7	$ 818.3	$ 480.3
Gross margin	762.5	200.3	(275.8)	(576.3)
Operating income (loss)	520.3	(41.0)	(527.2)	(928.6)
Income (loss) from continuing operations, net of taxes and minority interest	359.5	(4.1)	(301.1)	(575.5)
Loss from discontinued PC Operations, net of taxes and minority interest	(7.3)	(84.2)	(12.3)	—
Net income (loss)	352.2	(88.3)	(313.4)	(575.5)
Diluted earnings (loss) per share:				
Continuing operations	$ 0.59	$ (0.01)	$ (0.50)	$ (0.96)
Discontinued operations	(0.01)	(0.14)	(0.02)	—
Net income (loss)	0.58	(0.15)	(0.53)	(0.96)

2000	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Net sales	$ 1,343.7	$ 1,159.1	$ 1,553.8	$ 2,305.8
Gross margin	777.8	478.0	661.7	1,330.6
Operating income (loss)	559.8	272.1	443.1	1,117.7
Income from continuing operations, net of taxes and minority interest	352.9	168.8	289.9	736.1
Loss from discontinued PC Operations, net of taxes and minority interest	(11.6)	(7.5)	(15.0)	(9.4)
Net income (loss)	341.3	161.3	274.9	726.7
Diluted earnings (loss) per share:				
Continuing operations	$ 0.62	$ 0.30	$ 0.50	$ 1.21
Discontinued operations	(0.02)	(0.01)	(0.02)	(0.02)
Net income (loss)	0.60	0.29	0.47	1.20

The Company wrote down the value of work in process and finished goods inventories to the lower of cost or market value in the fourth quarter of 2001 by an aggregate amount of $465.8 million.

Selling, general and administrative expense for the fourth quarter of 2001 includes a charge of $94.1 million for the market value of the Interland stock contributed to the Foundation. Other non-operating expense for the fourth quarter of 2001 includes charges of $4.4 million from the issuance of MEI shares in connection with the Interland Merger and $92.4 million to write down the Company's carrying value of its investment in Interland to its market value.

Other operating income for the fourth quarter of 2000 includes a gain of $42.0 million on the sale of the Company's facility located in Richardson, Texas.

In the second quarter of 2001, MEI announced its plan to dispose of its PC operations. The Company's consolidated financial statements for the first quarter of 2001 and 2000 were restated as follows to present the discontinued PC Operations separate from continuing operations. (See "Discontinued PC Operations" note.)

	As previously reported	Discontinued PC Operations	Restated
First Quarter 2001			
Net sales	$ 1,832.3	$ 260.7	$ 1,571.6
Gross margin	791.3	28.8	762.5
Operating income	504.0	(16.3)	520.3
Income from continuing operations, net of taxes and minority interest	N/A	N/A	359.5
Loss from discontinued PC Operations, net of taxes and minority interest	N/A	(7.3)	(7.3)
Net income	352.2	N/A	352.2
Diluted earnings (loss) per share:			
Continuing operations	N/A	N/A	$ 0.59
Discontinued operations	N/A	$ (0.01)	(0.01)
Net income	$ 0.58	N/A	0.58
First Quarter 2000			
Net sales	$ 1,584.4	$ 240.7	$ 1,343.7
Gross margin	813.7	35.9	777.8
Operating income	532.0	(27.8)	559.8
Income from continuing operations, net of taxes and minority interest	N/A	N/A	352.9
Loss from discontinued PC Operations, net of taxes and minority interest	N/A	(11.6)	(11.6)
Net income	341.3	N/A	341.3
Diluted earnings (loss) per share:			
Continuing operations	N/A	N/A	$ 0.62
Discontinued operations	N/A	$ (0.02)	(0.02)
Net income	$ 0.60	N/A	0.60

Report of Independent Accountants

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

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 August 30, 2001 and August 31, 2000, and the results of their operations and their cash flows for each of the three years in the period ended August 30, 2001, 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 accompanying index 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 the financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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.

PricewaterhouseCoopers LLP

Boise, Idaho
September 25, 2001

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure***

None.

PART III

Item 10. ***Directors and Executive Officers of the Registrant***

Item 11. ***Executive Compensation***

Item 12. ***Security Ownership of Certain Beneficial Owners and Management***

Item 13. ***Certain Relationships and Related Transactions***

Certain information concerning the registrant's executive officers is included under the caption, "Officers and Directors of the Registrant," following Part I, Item 1 of this report. Other information required by Items 10, 11, 12 and 13 will be contained in the registrant's Proxy Statement which will be filed with the Securities and Exchange Commission within 120 days after August 30, 2001, and is incorporated herein by reference.

PART IV

Item 14. ***Exhibits, Financial Statement Schedules and Reports on Form 8-K***

(a)

The following documents are filed as part of this report:

Consolidated financial statements and the financial statement schedule—(see "Item 8. Financial Statements and Supplementary Data Financial Statements and Supplementary Data—Notes to Consolidated Financial Statements—Contingencies.")

Exhibit	Description
2.1	Acquisition Agreement between the Registrant and Texas Instruments Incorporated dated June 18, 1998(1)
2.2	Second Amendment to Acquisition Agreement dated as of September 30, 1998, between the Registrant and Texas Instruments Incorporated(2)
3.1	Restated Certificate of Incorporation of the Registrant(9)
3.7	Bylaws of the Registrant, as amended(19)
4.9	Form of Global Warrant representing Warrants to purchase Common Stock expiring May 15, 2008(the "Warrants")
10.82	Form of Indemnification Agreement between the Registrant and its officers and directors(6)
10.91	Board Resolution regarding stock and bonus plan vesting schedules in the event of change in control of the Registrant(7)
10.100	Amended and Restated 1985 Incentive Stock Option Plan(8)
10.110	1994 Stock Option Plan(17)
10.111	Executive Bonus Plan(3)
10.112	Forms of Severance Agreement(10)
10.116	Registration Rights Agreement dated as of June 28, 1996, between the Registrant and Canadian Imperial Bank of Commerce(11)
10.117	Registration Rights Agreement dated as of July 29, 1996, between the Registrant and Canadian Imperial Bank of Commerce(11)
10.118(a)	Irrevocable Proxy dated June 28, 1996, by Canadian Imperial Bank of Commerce in favor of the Registrant(11)
10.118(b)	Irrevocable Proxy dated July 24, 1998, by the Registrant in favor of the Canadian Imperial Bank of Commerce(15)
10.119(a)	Reformed Irrevocable Proxy dated July 23, 1998, by J.R. Simplot Company in favor of the Registrant(15)
10.119(b)	Irrevocable Proxy dated July 24, 1998, by the Registrant in favor of the Canadian Imperial Bank of Commerce(15)
10.120	Form of Agreement and Amendment to Severance Agreement between the Company and its executive officers(12)
10.125	Second Supplemental Trust Indenture dated as of September 30, 1998, between the Registrant and the Trustee, relating to the issuance of 6.5% Convertible Notes due October 1, 2005, including the form of Note (2)
10.126	Subordinated Promissory Note dated September 30, 1998, issued by the Registrant in the name of Texas Instruments Incorporated in the amount of $210,00
10.127	Registration Rights Agreement dated as of July 20, 1998, between the Registrant, Canadian Imperial Bank of Commerce and J.R. Simplot Company(4)
10.128	Nonstatutory Stock Option Plan(17)
10.129	1997 Nonstatutory Stock Option Plan(13)
10.130	Micron Quantum Devices, Inc. 1996 Stock Option Plan(13)
10.131	Sample Stock Option Assumption Letter for Micron Quantum Devices, Inc. 1996 Stock Option Plan(13)

10.132	1998 Nonstatutory Stock Option Plan(17)
10.133	Rendition, Inc. 1994 Equity Incentive Plan(14)
10.134	Sample Stock Option Assumption Letter for Rendition, Inc. 1994 Equity Incentive Plan(14)
10.139	1989 Employee Stock Purchase Plan(17)
10.140	1998 Non-Employee Director Stock Incentive Plan(17)
10.142	Purchase Agreement dated October 1, 1998, between the Company and TECH Semiconductor Singapore Pte. Ltd.(16)
10.143	Micron Quantum Devices Stock Bonus Plan(18)
10.144	Purchase Agreement dated as of July 12, 2001, between the Registrant and Lehman Brothers, Inc. relating to the Warrants
10.145	Registration Rights Agreement dated as of July 18, 2001, between the Registrant and Lehman Brothers, Inc., relating to the Warrants
10.146	Warrant Agreement dated as of July 18, 2001, between the Registrant and Wells Fargo Bank Minnesota, N.A., relating to the Warrants
10.147	Shareholder Agreement dated as of March 22, 2001, by and among Micron Electronics, Inc. and the Registrant(5)
10.148	Amended and Restated Registration Rights Agreement dated as of August 6, 2001, by and between Micron Electronics, Inc., Interland, Inc., the Registrant other shareholders(5)
10.149	Purchase Agreement dated as of August 30, 2001, between the Registrant and Micron Semiconductor Products, Inc.(5)
10.150	Donation Agreement, dated as of August 30, 2001, between Micron Semiconductor Products, Inc. and the Micron Technology Foundation, Inc.(5)
21.1	Subsidiaries of the Registrant
23.1	Consent of Independent Accountants

(1) Incorporated by Reference to Quarterly Report on Form 10-Q for the fiscal quarter ended May 28, 1998

(2) Incorporated by Reference to Current Report on Form 8-K filed on October 14, 1998, as amended on October 16, 1998

(3) Incorporated by Reference to Annual Report on Form 10-K as amended for the fiscal year ended August 31, 1995

(4) Incorporated by Reference to Registration Statement on Form S-3 as amended (Reg. No. 333-57973)

(5) Incorporated by Reference to Schedule 13-D/A filed on September 7, 2001

(6) Incorporated by Reference to Proxy Statement for the 1986 Annual Meeting of Shareholders

(7) Incorporated by Reference to Annual Report on Form 10-K for the fiscal year ended August 31, 1989

(8)

Incorporated by Reference to Registration Statement on Forms S-8 (Reg. No. 33-52653)

(9)
Incorporated by Reference to Quarterly Report on Form 10-Q for the fiscal quarter ended May 31, 2001

(10)
Incorporated by Reference to Quarterly Report on Form 10-Q for the fiscal quarter ended February 29, 1996

(11)
Incorporated by Reference to Annual Report on Form 10-K for the fiscal year ended August 29, 1996

(12)
Incorporated by Reference to Quarterly Report on Form 10-Q for the fiscal quarter ended February 27, 1997

(13)
Incorporated by Reference to Registration Statement on Form S-8 (Reg. No. 333-50353)

(14)
Incorporated by Reference to Registration Statement on Form S-8 (Reg. No. 333-65449)

(15)
Incorporated by Reference to Annual Report on Form 10-K for the fiscal year ended September 3, 1998

(16)
Incorporated by Reference to Quarterly Report on Form 10-Q for the fiscal quarter ended December 3, 1998

(17)
Incorporated by Reference to Quarterly Report on Form 10-Q for the fiscal quarter ended June 3, 1999

(18)
Incorporated by Reference to Registration Statement on Form S-8 (Reg. No. 333-82549)

(19)
Incorporated by Reference to Quarterly Report on Form 10-Q for the fiscal quarter ended December 2, 1999

(b)
The registrant filed the following reports on Form 8-K during the fiscal quarter ended August 30, 2001:

Date	Item
July 10, 2001	Item 5, Other Events.
July 18, 2001	Item 5, Other Events.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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, in the City of Boise, State of Idaho, on the 15th day of October 2001.

MICRON TECHNOLOGY, INC.

By: /s/ WILBUR G. STOVER, JR.

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

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ STEVEN R. APPLETON	Chairman of the Board, Chief Executive Officer and President	October 15, 2001
(Steven R. Appleton)		
/s/ JAMES W. BAGLEY		
(James W. Bagley)	Director	October 15, 2001
/s/ ROBERT A. LOTHROP	Director	October 15, 2001

(Robert A. Lothrop) /s/ THOMAS T. NICHOLSON (Thomas T. Nicholson)	Director	October 15, 2001
/s/ DON J. SIMPLOT (Don J. Simplot)	Director	October 15, 2001
/s/ GORDON C. SMITH (Gordon C. Smith)	Director	October 15, 2001
/s/ WILLIAM P. WEBER (William P. Weber)	Director	October 15, 2001

Schedule II

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

	Balance at Beginning of Period	Acquisition/ Deconsolidation of MEI	Charged (Credited) to Costs and Expenses	Deductions/ Write-Offs	Balance at End of Period
Allowance for Doubtful Accounts					
Year ended August 30, 2001	$ 14.4	$ (1.3)	$ (7.3)	$ (2.0)	$ 3.8
Year ended August 31, 2000	6.2	—	11.6	(3.4)	14.4
Year ended September 2, 1999	3.1	—	3.5	(0.4)	6.2
Allowance for Obsolete Inventory					
Year ended August 30, 2001	$ 9.4	$ —	20.5	$ (25.5)	$ 4.4
Year ended August 31, 2000	12.6	—	0.9	(4.1)	9.4
Year ended September 2, 1999	13.8	—	3.8	(5.0)	12.6
Deferred Tax Asset Valuation Allowance					
Year ended August 30, 2001	$ 30.0	$ 39.6	$ 17.8	$ —	$ 87.4
Year ended August 31, 2000	14.6	—	15.4	—	30.0
Year ended September 2, 1999	4.1	—	10.5	—	14.6

EXHIBIT 4.9

EXHIBIT A

FORM OF GLOBAL WARRANT

MICRON TECHNOLOGY, INC.

No. _____ CUSIP No. 595112111

THE SECURITY EVIDENCED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. BY ACQUISITION HEREOF, THE HOLDER:

(1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, (B) IT IS A NON-U.S. PERSON OUTSIDE THE UNITED STATES ACQUIRING THE SECURITY IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (C) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT IS PURCHASING AT LEAST $100,000 IN AGGREGATE AMOUNT OF SECURITIES;

(2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER (I) WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THE SECURITIES EVIDENCED HEREBY OR (II) IF SUCH HOLDER IS AN AFFILIATE OF THE COMPANY, AT ANY TIME DURING THE THREE MONTHS FOLLOWING SUCH HOLDER'S ACQUISITION OF THE SECURITIES, THE SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT IS PURCHASING AT LEAST $100,000 IN AGGREGATE AMOUNT OF SECURITIES AND THAT PRIOR TO SUCH TRANSFER, FURNISHES TO WELLS FARGO BANK MINNESOTA, N.A., AS WARRANT AGENT, A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND WARRANTIES RELATING TO THE RESTRICTIONS ON TRANSFER OF THE SECURITY EVIDENCED HEREBY (THE FORM OF LETTER CAN BE OBTAINED FROM SUCH WARRANT AGENT), (D) TO A NON-U.S. PERSON OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER; AND

(3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITY EVIDENCED HEREBY IS TRANSFERRED (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(F) ABOVE) A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

IN CONNECTION WITH ANY TRANSFER OF THE SECURITY EVIDENCED HEREBY WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF SUCH SECURITY (OTHER

THAN A TRANSFER PURSUANT TO CLAUSE (2)(F) ABOVE), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE CERTIFICATE (AVAILABLE FROM THE WARRANT AGENT) RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE WARRANT AGENT. IF THE PROPOSED TRANSFER IS PURSUANT TO CLAUSE (2)(C) OR (2)(E) ABOVE, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE WARRANT AGENT (OR ANY SUCCESSOR WARRANT AGENT, AS APPLICABLE) SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE SECURITY EVIDENCED HEREBY PURSUANT TO CLAUSE (2)(F) ABOVE OR THE EXPIRATION OF TWO YEARS FROM THE ORIGINAL ISSUANCE OF THE SECURITY EVIDENCED HEREBY. AS USED HEREIN, THE TERMS "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

UNLESS THIS GLOBAL WARRANT IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO MICRON TECHNOLOGY, INC., THE CUSTODIAN OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFER OF THIS GLOBAL WARRANT SHALL BE LIMITED TO TRANSFERS IN WHOLE, AND NOT IN PART, TO MICRON TECHNOLOGY, INC., DTC, THEIR SUCCESSORS AND THEIR RESPECTIVE NOMINEES AND TRANSFERS OF INTERESTS IN THIS GLOBAL WARRANT SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 1.07 OF THE WARRANT AGREEMENT, DATED AS OF JULY 18, 2001, BETWEEN MICRON TECHNOLOGY, INC. AND THE WARRANT AGENT NAMED THEREIN, PURSUANT TO WHICH THIS WARRANT WAS ISSUED.

GLOBAL WARRANT

REPRESENTING WARRANTS TO PURCHASE COMMON STOCK
EXPIRING MAY 15, 2008

This certifies that CEDE & CO., or its registered assigns, is the registered owner of the number of Warrants set forth on Schedule A hereto, each expiring May 15, 2008, and each of which entitles the registered owner thereof (the "Warrantholder") to purchase, subject to certain conditions set forth below, after July 18, 2001, from MICRON TECHNOLOGY, INC., a Delaware corporation ("the Company"), one share of Common Stock, par value $0.10 per share, of the Company at the purchase price of $56.00 per share of Common Stock (the "Exercise Price"), subject to adjustment as provided in the Warrant Agreement hereinafter referred to.

The Warrants evidenced by this Global Warrant are issued under and in accordance with the Warrant Agreement, dated as of July 18, 2001 (the "Warrant Agreement"), between the Company and Wells Fargo Bank Minnesota, N.A., as Warrant Agent, and the Registration Rights Agreement, dated of even date therewith (the "Registration Rights Agreement"), between the Company and Lehman Brothers Inc., and are subject to the terms and provisions contained therein, to all of which terms and provisions the beneficial owners of the Warrants, the entities through which such beneficial owners hold their beneficial interests in the Warrants and the holder of this Global Warrant consent by acceptance of this Global Warrant and which Warrant Agreement and Registration Rights Agreement are hereby incorporated by reference in and made a part of this Global Warrant.

Reference is hereby made to the Warrant Agreement and the Registration Rights Agreement for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Company and the Warrantholders. The summary of the terms of the Warrant Agreement and the Registration Rights Agreement contained in this Global Warrant is qualified in its entirety by express reference to such agreements. All capitalized terms used but not defined in this Global Warrant shall have the meanings assigned to them in the Warrant Agreement.

As provided in the Warrant Agreement, and subject to the terms and conditions set forth therein, the Warrants shall be exercisable at any time during the period commencing on the day after the date of the Warrant Agreement and ending at 5:00 p.m., New York time, on May 15, 2008 (the "Expiration Date"); *provided, however*, subject to Section 2.01 of the Warrant Agreement, any Warrants exercised during the period commencing with the date upon which the Company is required to maintain the effectiveness of the Common Shelf Registration Statement pursuant to Section 5.03(b) of the Warrant Agreement and ending on the Expiration Date shall be deemed to have been exercised on the Expiration Date; *provided, further*, that if the Company provides a Net Issue Exercise Notice pursuant to Section 2.01 of the Warrant Agreement on or subsequent to the second Trading Day in advance of the Expiration Date, all Warrants exercised from the date of the Cash Exercise Notice until the date of the Net Issue Exercise Notice shall be deemed to be exercised on the Expiration Date. If the Expiration Date shall not be a Business Day, then a Warrant may be exercised on the next succeeding Business Day.

Whenever some but not all of the Warrants represented hereby are exercised in accordance with the Warrant Agreement, this Global Warrant shall be surrendered by the Warrantholder to the Warrant Agent who shall cause an adjustment to be made to Schedule A hereto so that the number of Warrants represented hereby will be equal to the number of Warrants theretofore represented by this Global Warrant less the number of Warrants then exercised. The Warrant Agent shall thereafter return this Global Warrant to such Warrantholder.

The Exercise Price and the number of shares of Common Stock purchasable upon exercise of each Warrant are subject to adjustment as provided in the Warrant Agreement. If, as described in Section 3.05 of the Warrant Agreement, the Company reclassifies or changes the shares of Common

Stock purchasable upon exercise, or consolidates with, merges with or into, any person, each Warrant shall, after such reclassification, change, consolidation or merger, entitle the holder thereof to receive, upon exercise, only the kind and amount of shares and/or other securities receivable upon such reclassification, change, consolidation or merger by a holder of the number of shares of Common Stock into which such Warrant was exercisable prior to such event. The Exercise Price for the shares and/or other securities so issuable shall be an amount equal to the Exercise Price per share of Common Stock immediately prior to such event**.**

Subject to the provisions of Article IV of the Warrant Agreement, each Warrantholder shall have the right, upon a Change of Control and at such Warrantholder's option, to require the Company to repurchase, and upon the exercise of such right the Company shall repurchase, all of such holder's Warrants not theretofore called for repurchase, or any portion of Warrants held by such Warrantholder, on the date that is 45 days after the date of the Change of Control Notice at a purchase price equal to the Repurchase Price. At the option of the Company, the Repurchase Price may be paid in cash or, subject to the fulfillment by the Company of the conditions set forth Section 4.02 of the Warrant Agreement, by delivery of the number of shares of Common Stock, valued at 95% of the Market Price of such shares, equal to the Repurchase Price.

As to any fraction of a share which the same holder of one or more Warrants would otherwise be entitled to purchase upon exercise thereof in the same transaction, the Company shall purchase such fraction for an amount in cash equal to the then-current market value of such fraction determined as provided in the Warrant Agreement.

The Company covenants that it will at all times through 5:00 p.m. New York time on the Expiration Date (or, if the Expiration Date shall not be a Business Day, then on the next-succeeding Business Day) reserve and keep available out of its authorized but unissued shares or shares held in treasury or a combination thereof of Common Stock, solely for the purpose of issue upon exercise of Warrants as herein provided, the full number of shares of Common Stock, if any, then issuable if all outstanding Warrants then exercisable were to be exercised. The Company covenants that all shares of Common Stock that shall be so issuable shall be duly and validly issued and fully paid and non-assessable.

The initial issuance of certificates of Common Stock upon the exercise of Warrants shall be made without charge to the exercising Warrantholders for any tax in respect of the issuance of such stock certificates, and such stock certificates shall be issued in the respective names of, or in such names as may be directed by, the registered holders of the Warrants exercised; *provided, however*, that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such stock certificate, any Warrant Certificates or other securities in a name other than that of the registered holder of the Warrant Certificate surrendered upon exercise of the Warrant, and the Company shall not be required to issue or deliver such certificates or other securities unless and until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Pursuant to the Registration Rights Agreement, the Company has agreed to file under the Securities Act within 90 days after the date of initial issuance of the Warrants (the "Closing Date") a "shelf" registration statement providing for the registration of, and the sale on a continuous or delayed basis by the holders of, all of the Registrable Securities (as defined in the Registration Rights Agreement), pursuant to Rule 415 or any similar rule that may be adopted by the Commission (the "Shelf Registration"). The Company has agreed under the Registration Rights Agreement to use its reasonable efforts to cause the Shelf Registration to be, to become or to be declared effective by the Commission within 180 days after the Closing Date and to keep such Shelf Registration continuously effective for a period ending on the earlier of (i) the second anniversary of the Closing Date or

(ii) such time as there are no longer any Registrable Securities outstanding. Pursuant to the Registration Rights Agreement, the Company shall promptly supplement or make amendments to the Shelf Registration, as and when required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration or by the Securities Act or rules and regulations thereunder for shelf registration, and the Company shall furnish to the holders of the Registrable Securities copies of any such supplement or amendment prior to its being used or promptly following its filing with the Commission

As provided in the Warrant Agreement and the Registration Rights Agreement, the Warrantholders have additional rights and duties with respect to the registration of the Warrants and Common Stock. In connection with the Shelf Registration, Warrantholders and certain other persons have the right to be indemnified and held harmless by the Company under certain circumstances in connection with certain losses, claims, damages or liabilities, under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise. The Company also is required to follow certain procedures as directed by the Warrantholders in connection with the registration of the Warrants and the Common Stock. A Warrantholder will be required to indemnify and hold the Company and certain other persons harmless in certain circumstances in connection with written information furnished to the Company by or on behalf such Warrantholder specifically for use in any registration statement, or any preliminary or final or summary Prospectus contained therein or any amendment or supplement thereto.

By its acceptance of any Warrant represented by a Warrant Certificate bearing the Warrant Private Placement Legend, each holder and beneficial owner of an interest in such a Warrant acknowledges the restrictions on transfer of such a Warrant set forth in the Warrant Private Placement Legend and agrees that it will transfer such a Warrant only in

accordance with the Warrant Private Placement Legend.

In connection with any transfer of a Warrant represented by a Warrant Certificate bearing the Warrant Private Placement Legend, each Warrantholder agrees to deliver to the Company:

(i) if such Warrant is being transferred to a qualified institutional buyer (as defined in Rule 144A under the Securities Act ("Rule 144A")) in accordance with Rule 144A, pursuant to an exemption from registration in accordance with Rule 144, or outside the United States in an offshore transaction to a person other than a U.S. Person (as such term is defined in Regulation S) (a "non-U.S. Person") in compliance with Regulation S, a certification to that effect from the transferee or transferor (in substantially the form attached to the Warrant Agreement); or

(ii) if such Warrant is being transferred in reliance on another exemption from the registration requirements of the Securities Act, a certification to that effect (in substantially the form attached to the Warrant Agreement) and an opinion of counsel reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act;

provided that the Warrant Agent shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certificates or opinions (collectively, "Warrant Transfer Certifications")**.**

Upon the registration of transfer or exchange of or substitution for a Warrant represented by a Warrant Certificate not bearing the Warrant Private Placement Legend, the Warrant Agent shall deliver a Warrant Certificate or Warrant Certificates that do not bear the Warrant Private Placement Legend. Upon the registration of transfer or exchange of or substitution for a Warrant represented by a Warrant Certificate bearing the Warrant Private Placement Legend, the Warrant Agent shall deliver a Warrant Certificate or Warrant Certificates bearing the Warrant Private Placement Legend, unless such legend

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may be removed from such Warrant Certificate in accordance with the terms of the Warrant Agreement. Upon provision of Warrant Transfer Certifications, the Warrant Agent, at the direction of the Company, shall countersign and deliver in exchange or substitution for the Warrant Certificate representing Warrants to be transferred or exchanged or substituted for, a Warrant Certificate or Warrant Certificates (representing, in the aggregate, the same number of Warrants) without such legend if and to the extent such Warrants to be transferred or exchanged or substituted for are no longer "restricted securities" within the meaning of Rule 144. If the Warrant Private Placement Legend has been removed from a Warrant Certificate, as provided above, no other Warrant Certificate issued in exchange for all or any part of such Warrant Certificate shall bear such legend, unless the Company has reasonable cause to believe that the Warrants represented by such other Warrant Certificate represent "restricted securities" within the meaning of Rule 144 and instructs the Warrant Agent in writing to cause a legend to appear thereon.

So long as this Global Warrant is registered in the name of the Depositary or its nominee, Agent Members shall have no rights under this Agreement with respect to this Global Warrant held on their behalf by the Depositary or the Warrant Agent as its custodian, and the Depositary may be treated by the Company, the Warrant Agent and any agent of the Company or the Warrant Agent as the absolute owner of such Global Warrant for all purposes. Accordingly, any such owner's beneficial interest in this Global Warrant will be shown only on, and the transfer of such interest shall be effected only through, records maintained by the Depositary or its nominee or its Agent Members, and neither the Company nor the Warrant Agent shall have any responsibility with respect to such records maintained by the Depositary or its nominee or its Agent Members. Notwithstanding the foregoing, nothing herein shall (i) prevent the Company, the Warrant Agent or any agent of the Company or the Warrant Agent from giving effect to any written certification, proxy or other authorization furnished by the Depositary or (ii) impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a Warrantholder. Any holder of this Global Warrant shall, by acceptance of such Global Warrant, agree that transfers of beneficial interests in this Global Warrant may be effected only through a book entry system maintained by the holder of this Global Warrant (or its agent), and that ownership of a beneficial interest in the Warrants represented thereby shall be required to be reflected in book entry form.

Transfers of this Global Warrant shall be limited to transfers in whole, and not in part, to the Company, the Depositary, their successors, and their respective nominees. Interests of beneficial owners in this Global Warrant will be transferred in accordance with the rules and procedures of the Depositary.

This Global Warrant shall be exchanged for Certificated Warrants in the event that (i) the Depositary (x) has notified the Company that it is unwilling or unable to continue as, or ceases to be, a clearing agency registered under Section 17A of the Exchange Act and (y) a successor to the Depositary registered as a clearing agency under Section 17A of the Exchange Act is not able to be appointed by the Company within 90 days, (ii) the Depositary is at any time unwilling or unable to continue as Depositary and a successor to the Depositary is not able to be appointed by the Company within 90 days, or (iii) a beneficial interest in this Global Warrant has been transferred to an Institutional Accredited Investor or in reliance on another exemption from the registration requirements of the Securities Act, other than pursuant to Rule 144A, Rule 144 or Regulation S, pursuant to Section 1.07(f) of the Warrant Agreement. In any such event, this Global Warrant shall be surrendered to the Warrant Agent for cancellation, and the Company shall execute, and the Warrant Agent shall countersign and deliver, to each beneficial owner identified by the Depositary, in exchange for such beneficial owner's beneficial interest in this Global Warrant, Certificated Warrants representing, in the aggregate, the number of Warrants theretofore represented by this Global Warrant with respect to such beneficial owner's respective beneficial interest.

If a holder of a beneficial interest in this Global Warrant wishes at any time to transfer its interest in this Global Warrant to an Institutional Accredited Investor or in reliance on another exemption from the registration requirements of the Securities Act, such Warrantholder may, subject to the rules and procedures of the Depositary and to compliance with the provisions of Section 1.07(b)(ii) of the Warrant Agreement, cause the exchange of such interest for one or more Certificated Warrants of any Authorized Denomination or Authorized Denominations and of the same aggregate amount. Upon receipt by the Warrant Agent of (A) instructions from the Depositary directing the Warrant Agent to authenticate and deliver one or more Certificated Warrants of the same aggregate amount as the beneficial interest in this Global Warrant to be exchanged, such instructions to contain the name or names of the designated transferee or transferees, the Authorized Denomination or Authorized Denominations of the Certificated Warrants to be so issued and appropriate delivery instructions and (B) instructions from the Company to the effect that it deems sufficient the Warrant Transfer Certifications received pursuant to Section 1.07(b)(ii) of the Warrant Agreement, then the Warrant Agent shall instruct the Depositary to reduce this Global Warrant by the aggregate beneficial interest therein to be exchanged and to debit or cause to be debited from the account of the person making such transfer the beneficial interest in this Global Warrant that is being transferred, and concurrently with such reduction and debit the Company shall execute, and the Warrant Agent shall authenticate and deliver, one or more Certificated Warrants of the same Authorized Denomination in accordance with the instructions referred to above.

Certificated Warrants may be transferred or exchanged for a beneficial interest in this Global Warrant only upon receipt by the Warrant Agent of a Certificated Warrant, duly endorsed or accompanied by appropriate instruments of transfer, in form satisfactory to the Warrant Agent, together with (1) the Warrant Transfer Certifications; and (2) written instructions directing the Warrant Agent to make, or to direct the Depositary to make, an endorsement on this Global Warrant to reflect an increase in the aggregate amount of the Warrants represented by this Global Warrant. Upon such transfer or exchange, the Warrant Agent shall cancel such Certificated Warrant and cause, or direct the Depositary to cause, in accordance with the standing instructions and procedures existing between the Depositary and the Warrant Agent, the number of Warrants represented by this Global Warrant to be increased accordingly.

The holder of this Global Warrant may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action which a Warrantholder is entitled to take under this Warrant or the Warrant Agreement.

Prior to the exercise of the Warrants represented hereby, the holder of this Global Warrant shall not be entitled, as such, to any rights of a stockholder of the Company, including, without limitation, the right to vote or to consent to any action of the stockholders of the Company, to receive dividends or other distributions, to exercise any preemptive right or to receive any notice of meetings of stockholders of the Company, and shall not be entitled to receive any notice of any proceedings of the Company except as provided in the Warrant Agreement.

Copies of the Warrant Agreement are on file at the office of the Warrant Agent and may be obtained by writing to the Warrant Agent at the following address:

Wells Fargo Bank Minnesota, N.A.
Attn: Corporate Trust Services
MAC N9303-110
Sixth and Marquette
Minneapolis, MN 55408

THE WARRANT AGREEMENT AND THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN SAID STATE.

This Warrant shall not be valid for any purpose until it shall have been countersigned by the Warrant Agent.

Dated:

MICRON TECHNOLOGY, INC.

By: _____

Name:

Title:

Countersigned:

WELLS FARGO BANK MINNESOTA, N.A., as Warrant Agent

By: _____

Authorized Officer

SCHEDULE A TO GLOBAL WARRANT

The initial number of Warrants represented by this Global Warrant is 26,162,791. The following decreases in the number of Warrants represented by this Global Warrant have been made as a result of the exercise of certain Warrants represented by this Global Warrant:

Date of Exercise of Warrants	Number of Warrants Exercised	Total Number of Warrants Represented Hereby Following Such Exercise	Notation Made by Warrant Agent

EXERCISE FORM

(To be executed only upon exercise of Warrant)

The undersigned registered holder of Warrants irrevocably elects to exercise of the Warrants represented by the Global Warrant for the purchase of (subject to adjustment as set forth in the Warrant Agreement) shares of Common Stock, $0.10 par value, of MICRON TECHNOLOGY, INC., for each Warrant so exercised, and, to the extent so required by Micron Technology, Inc. in the event of a Cash Exercise, herewith makes payment of $ (such payment being by certified check, official bank check or bank cashier's check payable to the order or at the direction of Micron Technology, Inc.), all at the exercise price and on the terms and conditions specified in the Global Warrant and the Warrant Agreement therein referred to, and surrenders all of its right, title and interest in the number of Warrants exercised herein to Micron Technology, Inc., and directs that the shares of Common Stock or other securities or property deliverable upon the exercise of such Warrants, and any Warrant Certificate or interests in the Global Warrant representing unexercised Warrants, be registered or placed in the name and at the address specified below and delivered thereto.

Dated:

_____

(Signature of Warrantholder)

_____

(Street Address)

_____

(City) (State) (Zip Code)

Signature Guaranteed By:

SECURITIES AND/OR CHECK TO BE ISSUED TO:

IF IN CERTIFICATED FORM:

Social Security Number or identifying number:

Name:

Street Address:

City, State and Zip Code:

IF IN BOOK-ENTRY FORM THROUGH DTC:

ACCOUNT NUMBER:

ACCOUNT NAME:

ANY UNEXERCISED WARRANTS REPRESENTED BY THE EXERCISING HOLDER'S INTEREST IN THE GLOBAL WARRANT TO BE ISSUED TO:

IF IN CERTIFICATED FORM:

Social Security Number or identifying number:

Name:

Street Address:

City, State, and Zip Code:

IF IN BOOK-ENTRY FORM THROUGH DTC:

ACCOUNT NUMBER:

ACCOUNT NAME:

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered holder of the within Warrant Certificate hereby sells, assigns, and transfers unto the Assignee(s) named below (including the undersigned with respect to any Warrants constituting a part of the Warrants evidenced by the within Warrant Certificate not being assigned hereby) all of the right of the undersigned under the within Warrant Certificate, with respect to the number of Warrants set forth below:

Name of Assignees	Address	Number of Warrants	Social Security Number or Other Identifying Number

and does hereby irrevocably constitute and appoint , the undersigned's attorney, to make such transfer on the books of Micron Technology, Inc. maintained for the purpose, with full power of substitution in the premises.

Dated:

(Signature of Warrantholder)

(Street Address)

(City) (State) (Zip Code)

Signature Guaranteed By:

EXHIBIT B

FORM OF CERTIFICATED WARRANT

MICRON TECHNOLOGY, INC.

No. _____ CUSIP No. 595112111

THE SECURITY EVIDENCED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. BY ACQUISITION HEREOF, THE HOLDER:

(1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, (B) IT IS A NON-U.S. PERSON OUTSIDE THE UNITED STATES ACQUIRING THE SECURITY IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (C) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT IS PURCHASING AT LEAST $100,000 IN AGGREGATE AMOUNT OF SECURITIES;

(2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER (I) WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THE SECURITIES EVIDENCED HEREBY OR (II) IF SUCH HOLDER IS AN AFFILIATE OF THE COMPANY, AT ANY TIME DURING THE THREE MONTHS FOLLOWING SUCH HOLDER'S ACQUISITION OF THE SECURITIES, THE SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT IS PURCHASING AT LEAST $100,000 IN AGGREGATE AMOUNT OF SECURITIES AND THAT PRIOR TO SUCH TRANSFER, FURNISHES TO WELLS FARGO BANK MINNESOTA, N.A., AS WARRANT AGENT, A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND WARRANTIES RELATING TO THE RESTRICTIONS ON TRANSFER OF THE SECURITY EVIDENCED HEREBY (THE FORM OF LETTER CAN BE OBTAINED FROM SUCH WARRANT AGENT), (D) TO A NON-U.S. PERSON OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER; AND

(3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITY EVIDENCED HEREBY IS TRANSFERRED (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(F) ABOVE) A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

IN CONNECTION WITH ANY TRANSFER OF THE SECURITY EVIDENCED HEREBY WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF SUCH SECURITY (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(F) ABOVE), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE CERTIFICATE (AVAILABLE FROM THE WARRANT AGENT) RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT

THIS CERTIFICATE TO THE WARRANT AGENT. IF THE PROPOSED TRANSFER IS PURSUANT TO CLAUSE (2)(C) OR (2)(E) ABOVE, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE WARRANT AGENT (OR ANY SUCCESSOR WARRANT AGENT, AS APPLICABLE) SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE SECURITY EVIDENCED HEREBY PURSUANT TO CLAUSE (2)(F) ABOVE OR THE EXPIRATION OF TWO YEARS FROM THE ORIGINAL ISSUANCE OF THE SECURITY EVIDENCED HEREBY. AS USED HEREIN, THE TERMS "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

WARRANT CERTIFICATE
REPRESENTING WARRANTS TO PURCHASE COMMON STOCK
EXPIRING MAY 15, 2008

This certifies that , or its registered assigns, is the registered owner of Warrants, each expiring May 15, 2008, and each of which entitles the registered owner thereof (the "the Warrantholder") to purchase, subject to certain conditions set forth below, after July 18, 2001, from MICRON TECHNOLOGY, INC., a Delaware corporation ("the Company"), one share of Common Stock, par value $0.10 per share, of the Company at the purchase price of $56.00 per share of Common Stock (the "Exercise Price"), subject to adjustment as provided in the Warrant Agreement hereinafter referred to.

The Warrants evidenced by this Warrant Certificate are issued under and in accordance with the Warrant Agreement, dated as of July 18, 2001 (the "Warrant Agreement"), between the Company and Wells Fargo Bank Minnesota, N.A., as Warrant Agent, and the Registration Rights Agreement, dated of even date therewith (the "Registration Rights Agreement"), between the Company and Lehman Brothers Inc., and are subject to the terms and provisions contained therein, to all of which terms and provisions the holder and beneficial owners of the Warrants and the entities through which such beneficial owners hold their beneficial interests in the Warrants represented hereby consent by acceptance of this Warrant Certificate and which Warrant Agreement and Registration Rights Agreement are hereby incorporated by reference in and made a part of this Warrant Certificate.

Reference is hereby made to the Warrant Agreement and the Registration Rights Agreement for a full description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Company and the Warrantholders. The summary of the terms of the Warrant Agreement and the Registration Rights Agreement contained in this

Warrant Certificate is qualified in its entirety by express reference to such agreements. All capitalized terms used but not defined in this Warrant Certificate shall have the meanings assigned to them in the Warrant Agreement.

As provided in the Warrant Agreement, and subject to the terms and conditions therein set forth, the Warrants shall be exercisable at any time during the period commencing on the day after the date of the Warrant Agreement and ending at 5:00 p.m., New York time, on May 15, 2008 (the "Expiration Date"); *provided, however*, subject to Section 2.01 of the Warrant Agreement, any Warrants exercised during the period commencing with the date upon which the Company is required to maintain the effectiveness of the Common Shelf Registration Statement pursuant to Section 5.03(b) of the Warrant Agreement and ending on the Expiration Date shall be deemed to have been exercised on the Expiration Date; *provided, further*, that if the Company provides a Net Issue Exercise Notice pursuant to Section 2.01 of the Warrant Agreement on or subsequent to the second Trading Day in advance of the Expiration Date, all Warrants exercised from the date of the Cash Exercise Notice until the date of

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the Net Issue Exercise Notice shall be deemed to be exercised on the Expiration Date. If the Expiration Date shall not be a Business Day, then a Warrant may be exercised on the next succeeding Business Day.

The Exercise Price and the number of shares of Common Stock purchasable upon exercise of each Warrant are subject to adjustment as provided in the Warrant Agreement. If, as described in Section 3.05 of the Warrant Agreement, the Company reclassifies or changes the shares of Common Stock purchasable upon exercise, or consolidates with, merges with or into, any person, each Warrant shall, after such reclassification, change, consolidation or merger, entitle the holder thereof to receive, upon exercise, only the kind and amount of shares and/or other securities receivable upon such reclassification, change, consolidation or merger by a holder of the number of shares of Common Stock into which such Warrant was exercisable prior to such event. The Exercise Price for the shares and/or other securities so issuable shall be an amount equal to the Exercise Price per share of Common Stock immediately prior to such event**.**

Subject to the provisions of Article IV of the Warrant Agreement, each Warrantholder shall have the right, upon a Change of Control and at such Warrantholder's option, to require the Company to repurchase, and upon the exercise of such right the Company shall repurchase, all of such holder's Warrants not theretofore called for repurchase, or any portion of Warrants held by such Warrantholder, on the date that is 45 days after the date of the Change of Control Notice at a purchase price equal to the Repurchase Price. At the option of the Company, the Repurchase Price may be paid in cash or, subject to the fulfillment by the Company of the conditions set forth Section 4.02 of the Warrant Agreement, by delivery of the number of shares of Common Stock, valued at 95% of the Market Price of such shares, equal to the Repurchase Price.

As to any fraction of a share which the same holder of one or more Warrants would otherwise be entitled to purchase upon exercise thereof in the same transaction, the Company shall purchase such fraction for an amount in cash equal to the then-current market value of such fraction determined as provided in the Warrant Agreement.

The Company covenants that it will at all times through 5:00 p.m. New York time on the Expiration Date (or, if the Expiration Date shall not be a Business Day, then on the next-succeeding Business Day) reserve and keep available out of its authorized but unissued shares or shares held in treasury or a combination thereof of Common Stock, solely for the purpose of issue upon exercise of Warrants as herein provided, the full number of shares of Common Stock, if any, then issuable if all outstanding Warrants then exercisable were to be exercised. The Company covenants that all shares of Common Stock that shall be so issuable shall be duly and validly issued and fully paid and non-assessable.

The initial issuance of certificates of Common Stock upon the exercise of Warrants shall be made without charge to the exercising Warrantholders for any tax in respect of the issuance of such stock certificates, and such stock certificates shall be issued in the respective names of, or in such names as may be directed by, the registered holders of the Warrants exercised; *provided, however*, that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such stock certificate, any Warrant Certificates or other securities in a name other than that of the registered holder of the Warrant Certificate surrendered upon exercise of the Warrant, and the Company shall not be required to issue or deliver such certificates or other securities unless and until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

Pursuant to the Registration Rights Agreement, the Company has agreed to file under the Securities Act within 90 days after the date of initial issuance of the Warrants (the "Closing Date") a "shelf" registration statement providing for the registration of, and the sale on a continuous or delayed

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basis by the holders of, all of the Registrable Securities (as defined in the Registration Rights Agreement), pursuant to Rule 415 or any similar rule that may be adopted by the Commission (the "Shelf Registration"). The Company has agreed under the Registration Rights Agreement to use its reasonable efforts to cause the Shelf Registration to be, to become or to be declared effective by the Commission within 180 days after the Closing Date and to keep such Shelf Registration continuously effective for a period ending on the earlier of (i) the second anniversary of the Closing Date or (ii) such time as there are no longer any Registrable Securities outstanding. Pursuant to the Registration Rights Agreement, the Company shall promptly supplement or make amendments to the Shelf Registration, as and when required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration or by the Securities Act or rules and regulations thereunder for shelf registration, and the Company shall furnish to the holders of the Registrable Securities copies of any such supplement or amendment prior to its being used or promptly following its filing with the Commission

As provided in the Warrant Agreement and the Registration Rights Agreement, the Warrantholders have additional rights and duties with respect to the registration of the Warrants and Common Stock. In connection with the Shelf Registration, Warrantholders and certain other persons have the right to be indemnified and held harmless by the Company under certain circumstances in connection with certain losses, claims, damages or liabilities, under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise. The Company also is required to follow certain procedures as directed by the Warrantholders in connection with the registration of the Warrants and the Common Stock. A Warrantholder will be required to indemnify and hold the Company and certain other persons harmless in certain circumstances in connection with written information furnished to the Company by or on behalf such Warrantholder specifically for use in any registration statement, or any preliminary or final or summary Prospectus contained therein or any amendment or supplement thereto.

By its acceptance of any Warrant represented by a Warrant Certificate bearing the Warrant Private Placement Legend, each holder and beneficial owner of an interest in such a Warrant acknowledges the restrictions on transfer of such a Warrant set forth in the Warrant Private Placement Legend and agrees that it will transfer such a Warrant only in accordance with the Warrant Private Placement Legend.

In connection with any transfer of a Warrant represented by a Warrant Certificate bearing the Warrant Private Placement Legend, each Warrantholder agrees to deliver to the Company:

(i) if such Warrant is being transferred to a qualified institutional buyer (as defined in Rule 144A under the Securities Act ("Rule 144A")) in accordance with Rule 144A, pursuant to an exemption from registration in accordance with Rule 144, or outside the United States in an offshore transaction to a person other than a U.S. Person (as such term is defined in Regulation S) (a "non-U.S. Person") in compliance with Regulation S, a certification to that effect from the transferee or transferor (in substantially the form attached to the Warrant Agreement); or

(ii) if such Warrant is being transferred in reliance on another exemption from the registration requirements of the Securities Act, a certification to that effect (in substantially the form attached to the Warrant Agreement) and an opinion of counsel reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act;

provided that the Warrant Agent shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certificates or opinions (collectively, "Warrant Transfer Certifications").

Upon the registration of transfer or exchange of or substitution for a Warrant represented by a Warrant Certificate not bearing the Warrant Private Placement Legend, the Warrant Agent shall deliver a Warrant Certificate or Warrant Certificates that do not bear the Warrant Private Placement Legend. Upon the registration of transfer or exchange of or substitution for a Warrant represented by a Warrant Certificate bearing the Warrant Private Placement Legend, the Warrant Agent shall deliver a Warrant Certificate or Warrant Certificates bearing the Warrant Private Placement Legend, unless such legend may be removed from such Warrant Certificate in accordance with the terms of the Warrant Agreement. Upon provision of such Warrant Transfer Certifications, the Warrant Agent, at the direction of the Company, shall countersign and deliver in exchange or substitution for the Warrant Certificate representing Warrants to be transferred or exchanged or substituted for, a Warrant Certificate or Warrant Certificates (representing, in the aggregate, the same number of Warrants) without such legend if and to the extent such Warrants to be transferred or exchanged or substituted for are no longer "restricted securities" within the meaning of Rule 144. If the Warrant Private Placement Legend has been removed from a Warrant Certificate, as provided above, no other Warrant Certificate issued in exchange for all or any part of such Warrant Certificate shall bear such legend, unless the Company has reasonable cause to believe that the Warrants represented by such other Warrant Certificate represent "restricted securities" within the meaning of Rule 144 and instructs the Warrant Agent in writing to cause a legend to appear thereon.

If a holder of this Certificated Warrant wishes to transfer this Warrant to an Institutional Accredited Investor or in reliance on another exemption from the registration requirements of the Securities Act, such Warrantholder may, subject to the restrictions on transfer set forth herein and in the Warrant Agreement, and to compliance with the provisions of Section 1.07(b)(ii) of the Warrant Agreement, cause the exchange of this Certificated Warrant for one or more Certificated Warrants of any Authorized Denomination or Authorized Denominations and of the same aggregate amount. Upon receipt by the Warrant Agent of (A) this Certificated Warrant, duly endorsed as provided in the Warrant Agreement, (B) instructions from such Warrantholder directing the Warrant Agent to authenticate and deliver one or more Certificated Warrants of the same Authorized Denomination as the Certificated Warrants to be exchanged, such instructions to contain the name or names of the designated transferee or transferees, the Authorized Denomination or Authorized Denominations of the Certificated Warrants to be so issued and appropriate delivery instructions and (C) instructions from the Company to the effect that it deems sufficient the Warrant Transfer Certifications received pursuant to Section 1.07(b)(ii) of the Warrant Agreement, then the Warrant Agent shall cancel or cause to be cancelled this Certificated Warrant and concurrently therewith the Company shall execute, and the Warrant Agent shall authenticate and deliver, one or more Certificated Warrants of the same Authorized Denomination, in accordance with the instructions referred to above.

Subject to the restrictions on transfer set forth herein and in Section 1.07 of the Warrant Agreement, this Warrant and all rights hereunder are transferable by the registered Warrantholder hereof, in whole or in part, on the Warrant Register, upon surrender of this Warrant Certificate duly endorsed, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Warrant Agent duly executed, with signatures guaranteed as specified in the attached Form of Assignment, by the registered Warrantholder hereof or his attorney duly authorized in writing and upon payment of any necessary transfer tax or other governmental charge imposed upon such transfer. Upon any partial transfer, the Company will issue and the Warrant Agent will countersign and deliver to such Warrantholder a new Warrant Certificate or Warrant Certificates with respect to any portion not so transferred. Each taker and Holder of this Warrant, by taking and holding the same, consents and agrees that prior to the registration of transfer as provided in the Warrant Agreement, the Company and the Warrant Agent may treat the person in whose name the Warrants are registered as the absolute owner hereof for any purpose and as the person entitled to exercise the rights represented hereby, any notice to the contrary notwithstanding.

This Warrant Certificate may be exchanged at the office of the Warrant Agent for Warrant Certificates representing the same aggregate number of Warrants, each new Warrant Certificate to represent such number of Warrants as the holder hereof shall designate at the time of such exchange.

Prior to the exercise of the Warrants represented hereby, the holder of this Warrant shall not be entitled, as such, to any rights of a stockholder of the Company, including, without limitation, the right to vote or to consent to any action of the stockholders of the Company, to receive dividends or other distributions, to exercise any preemptive right or to receive any notice of meetings of stockholders of the Company, and shall not be entitled to receive any notice of any proceedings of the Company except as provided in the Warrant Agreement.

Copies of the Warrant Agreement are on file at the office of the Warrant Agent and may be obtained by writing to the Warrant Agent at the following address:

Wells Fargo Bank Minnesota, N.A.
Attn: Corporate Trust Services
MAC N9303-110
Sixth and Marquette
Minneapolis, MN 55408

THE WARRANT AGREEMENT AND THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED IN SAID STATE.

This Warrant shall not be valid for any purpose until it shall have been countersigned by the Warrant Agent.

Dated:

MICRON TECHNOLOGY, INC.

By: _____

Name:

Title:

Countersigned:

WELLS FARGO BANK MINNESOTA, N.A., as Warrant Agent

By: _____

Authorized Officer

EXERCISE FORM

(To be executed only upon exercise of Warrant)

The undersigned registered holder of the within Warrant Certificate irrevocably elects to exercise of the Warrants represented by the within Warrant Certificate for the purchase of (subject to adjustment as set forth in the Warrant Agreement) shares of Common Stock, $0.10 par value, of MICRON TECHNOLOGY, INC., for each Warrant so exercised, and, to the extent so required by Micron Technology, Inc. in the event of a Cash Exercise, herewith makes payment of $ (such payment being by certified check, official bank check or bank cashier's check payable to the order or at the direction of Micron Technology, Inc.), all at the exercise price and on the terms and conditions specified in the within Warrant Certificate and the Warrant Agreement therein referred to, and surrenders this Warrant Certificate and all right, title and interest therein to Micron Technology, Inc., and directs that the shares of Common Stock or other securities or property deliverable upon the exercise of such Warrants, and any Warrant Certificate representing unexercised Warrants, be registered or placed in the name and at the address specified below and delivered thereto.

Dated:

(Signature of Warrantholder)

(Street Address)

(City) (State) (Zip Code)

Signature Guaranteed By:

SECURITIES AND/OR CHECK TO BE ISSUED TO:

IF IN CERTIFICATED FORM:

Social Security Number or identifying number:

Name:

Street Address:

City, State and Zip Code:

IF IN BOOK-ENTRY FORM THROUGH DTC:

ACCOUNT NUMBER:

ACCOUNT NAME:

ANY UNEXERCISED WARRANTS EVIDENCED BY THE WITHIN WARRANT CERTIFICATE TO BE ISSUED TO:

IF IN CERTIFICATED FORM:

Social Security Number or identifying number:

Name:

Street Address:

City, State, and Zip Code:

IF IN BOOK-ENTRY FORM THROUGH DTC:

ACCOUNT NUMBER:

ACCOUNT NAME:

FORM OF ASSIGNMENT

FOR VALUE RECEIVED the undersigned registered holder of the within Warrant Certificate hereby sells, assigns, and transfers unto the Assignee(s) named below (including the undersigned with respect to any Warrants constituting a part of the Warrants evidenced by the within Warrant Certificate not being assigned hereby) all of the right of the undersigned under the within Warrant Certificate, with respect to the number of Warrants set forth below:

Name of Assignees	Address	Number of Warrants	Social Security Number or Other Identifying Number

and does hereby irrevocably constitute and appoint , the undersigned's attorney, to make such transfer on the books of Micron Technology, Inc. maintained for the purpose, with full power of substitution in the premises.

Dated:

(Signature of Warrantholder)

(Street Address)

(City) (State) (Zip Code)

Signature Guaranteed By:

EXHIBIT 10.144

MICRON TECHNOLOGY, INC.

**26,162,791 WARRANTS TO PURCHASE
SHARES OF COMMON STOCK**

PURCHASE AGREEMENT

July 12, 2001

LEHMAN BROTHERS INC.
Three World Financial Center
New York, New York 10285

Ladies and Gentlemen:

Micron Technology, Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated herein, to issue and sell 26,162,791 warrants (the "Firm Warrants") to purchase an aggregate of 26,162,791 shares (the "Firm Warrant Shares") of common stock of the Company, par value U.S.$0.10 per share (the "Common Stock") to Lehman Brothers Inc. (the "Initial Purchaser"). In addition, the Company proposes to grant to the Initial Purchaser an option (the "Option") to purchase up to an additional 2,906,976 warrants (the "Optional Warrants" and, together with the Firm Warrants, the "Warrants") to purchase an aggregate of 2,906,976 shares of Common Stock (the "Optional Warrant Shares" and, together with the Firm Warrant Shares, the "Warrant Shares"). The Warrants are to be issued pursuant to a warrant agreement (the "Warrant Agreement") to be dated as of the First Delivery Date (as defined in Section 2(a)), between the Company and Wells Fargo Bank Minnesota, N.A., as warrant agent (the "Warrant Agent"). The Warrants will be offered and sold to the Initial Purchaser without being registered under the Securities Act of 1933, as amended (the "Securities Act"), in reliance upon an exemption therefrom.

Holders of the Warrant Shares (including the Initial Purchaser and its direct and indirect transferees) will be entitled to the benefits of a Registration Rights Agreement, dated the First Delivery Date, between the Company and the Initial Purchaser (the "Registration Rights Agreement"), pursuant to which the Company will agree to file with the Securities and Exchange Commission (the "Commission") a shelf registration statement pursuant to Rule 415 under the Securities Act (the "Registration Statement") covering the resale of the Warrant Shares, and to use its reasonable efforts to cause the Registration Statement to be declared effective.

This Agreement, the Warrant Agreement, the Warrants and the Registration Rights Agreement are referred to herein collectively as the "Operative Documents".

This is to confirm the agreement between the Company and the Initial Purchaser concerning the issuance, offer and sale of the Warrants.

1. *Representations, Warranties and Agreements of the Company.* The Company represents, warrants to and agrees with, the Initial Purchaser that:

(a) The Company has prepared a preliminary offering memorandum dated July 12, 2001 (the "Preliminary Offering Memorandum") and will prepare an offering memorandum dated the date hereof (the "Offering Memorandum") setting forth information concerning the Company, the Warrants, the Registration Rights Agreement and the Common Stock. Copies of the Preliminary Offering Memorandum have been, and copies of the Offering Memorandum will be, delivered by the Company to the Initial Purchaser pursuant to the terms of this Agreement. The Company hereby confirms that it has authorized the use of the Preliminary Offering Memorandum and the Offering Memorandum in connection with the offer and sale of the Warrants by the Initial Purchaser. As used in this Agreement, "Preliminary Offering Memorandum" and "Offering Memorandum" means the Preliminary Offering Memorandum or the Offering Memorandum, as the case may be, as amended or supplemented and including all documents incorporated by reference therein, including any documents filed under the

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Securities Exchange Act of 1934, as amended (the "Exchange Act"), subsequent to the date hereof. Each of the Preliminary Offering Memorandum and the Offering Memorandum did not, as of its respective date, and the Offering Memorandum will not as of each Delivery Date (as defined in Section 2(b)), contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; *provided*, *however*, that the Company makes no representation or warranty as to information contained in or omitted from the Preliminary Offering Memorandum or the Offering Memorandum in reliance upon and in conformity with written information furnished to the Company by or on the behalf of the Initial Purchaser specifically for inclusion therein.

(b) The documents incorporated by reference in the Offering Memorandum, including any documents filed under the Exchange Act subsequent to the date hereof, when they became effective or were filed with the Securities and Exchange Commission (the "Commission"), as the case may be, conformed in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Offering Memorandum or any further amendment or supplement thereto will conform in all material respects to the requirements of the Exchange Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(c) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Delaware, with full power and authority to own its properties and conduct its business as described in the Offering Memorandum.

(d) The Company has an authorized capitalization as set forth in the Offering Memorandum, and all of the issued and outstanding shares of capital stock of the Company have been duly and validly authorized and issued, are fully paid and nonassessable and conform in all material respects to the description thereof contained in the Offering Memorandum; the Warrant Shares that are authorized on the date hereof have been duly and validly authorized and reserved for issuance upon exercise of the Warrants and are free of preemptive rights; and all Warrant Shares, when so issued and delivered upon such exercise in accordance with the terms of the Warrants and the Warrant Agreement, will be duly and validly authorized and issued, fully paid and nonassessable and free and clear of all liens, encumbrances or claims.

(e) This Agreement has been duly authorized, executed and delivered by the Company.

(f) The Warrants have been duly authorized by the Company; when the Warrants are executed and issued in accordance with the terms of the Warrant Agreement and delivered to and paid for by the Initial Purchaser pursuant to this Agreement on the relevant Delivery Date (assuming due attestation and countersignature of the Warrants by the Warrant Agent), the Warrants will constitute valid and binding obligations of the Company, entitled to the benefits of the Warrant Agreement and enforceable against the Company in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific

performance (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing; and the Warrants conform in all material respects to the description thereof contained in the Offering Memorandum.

(g) The Warrant Agreement has been duly authorized by the Company; on the First Delivery Date, the Warrant Agreement will have been duly executed and delivered by the Company and (assuming due authorization, execution and delivery by the Warrant Agent) will constitute a valid and

binding agreement of the Company enforceable against the Company in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific performance (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing; and the Warrant Agreement conforms in all material respects to the description thereof contained in the Offering Memorandum.

(h) The Registration Rights Agreement has been duly authorized by the Company; when the Registration Rights Agreement is duly executed and delivered by the Company (assuming due authorization, execution and delivery by the Initial Purchaser), the Registration Rights Agreement will constitute a valid and binding agreement of the Company enforceable against the Company in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific performance (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing, and except with respect to the rights of indemnification and contribution thereunder, where enforcement thereof may be limited by federal or state securities laws or the policies underlying such laws; and the Registration Rights Agreement conforms in all material respects to the description thereof contained in the Offering Memorandum.

(i) There are no contracts, agreements or understandings between the Company and any person granting such person the right (other than rights which have been waived or satisfied) to require the Company to include such securities in any securities being registered pursuant to any registration statement filed by the Company under the Securities Act pursuant to the terms of the Registration Rights Agreement.

(j) None of the execution, delivery and performance of this Agreement and the other Operative Documents by the Company, the issuance and sale of the Warrants, the issuance of the Warrant Shares or the consummation of any other of the transactions contemplated hereby or thereby will conflict with, result in a breach or violation of any of the terms or provisions of, or constitute a default under (i) the charter or by-laws of the Company, (ii) any indenture or other agreement or instrument to which the Company or its subsidiaries is a party or bound or to which any of the properties or assets of the Company is subject, or (iii) any decree, regulation or order applicable to the Company of any court, governmental authority or agency having jurisdiction over the Company or any of its properties or assets, except such conflicts, breaches, violations or defaults in clause (ii) or clause (iii) above, as would not have a material adverse effect on the Company's ability to perform its obligations under this Agreement and the other Operative Documents or to consummate the transactions contemplated hereby and thereby.

(k) No authorization, approval or other action by, and no notice to, consent of, order of, or filing with, any governmental authority or agency is required for the consummation of the transactions contemplated in the Operative Documents, except as may be required under the Securities Act and the rules and regulations promulgated in connection with the registration of the Warrant Shares pursuant to the Registration Rights Agreement, or as otherwise contemplated by the Operative Documents, or as may be required under the state securities or blue sky laws of any jurisdiction in connection with the purchase and distribution of the Warrants and any such other approvals as have been obtained.

(l) Since the date as of which information is given in the Offering Memorandum, there has not been any material change in the capital stock (other than upon exercise of outstanding stock options) or any significant increase in long-term debt of the Company and its subsidiaries taken as a whole or any material change in or affecting the business, properties, financial condition or results of operations

of the Company and its subsidiaries taken as a whole, otherwise than as set forth in or contemplated in the Offering Memorandum.

(m) Other than as set forth in the Offering Memorandum, there are no legal or governmental proceedings pending to which the Company or any of its subsidiaries is a party or of which any property of the Company or any of its subsidiaries is the subject, which would individually be reasonably expected to have a material adverse effect on the business, properties, financial condition or results of operations of the Company and its subsidiaries taken as a whole (a "Material Adverse Effect").

(n) The Company is not and, after giving effect to the offering and sale of the Warrants, will not be an "investment company" or an entity "controlled" by an "investment company", as such terms are defined in the Investment Company Act of 1940, as amended (the "Investment Company Act").

(o) Assuming the accuracy of the representations and warranties of the Initial Purchaser contained in Section 6 and its compliance with the agreements set forth therein, it is not necessary, in connection with the issuance and sale of the Warrants to the Initial Purchaser and the offer, resale and delivery of the Warrants by the Initial Purchaser in the manner contemplated by this Agreement, the Warrant Agreement and the Offering Memorandum, to register the Warrants or the Warrant Shares under the Securities Act, except as may be required under the Securities Act and the rules and regulations promulgated thereunder in connection with the registration of the Warrant Shares pursuant to the Registration Rights Agreement.

(p) No securities of the same class (within the meaning of section (d)(3) of Rule 144A under the Securities Act ("Rule 144A") as the Warrants are listed on any national securities exchange registered under Section 6 of the Exchange Act or quoted on an automated inter-dealer quotation system.

(q) None of the Company or any of its affiliates (as defined in Rule 501(b) of Regulation D under the Securities Act ("Regulation D")), or any person acting on its or their behalf (other than the Initial Purchaser, about which no representation is made by the Company), has, directly or through an agent, engaged in any form of general solicitation or general advertising in connection with the offering of the Warrants (as those terms are used in Regulation D) under the Securities Act or in any manner involving a public offering within the meaning of Section 4(2) of the Securities Act; the Company has not entered into any contractual arrangement with respect to the distribution of the Warrants except for the Operative Documents, and the Company will not enter into any such arrangement.

(r) None of the Company or any of its affiliates, or any person acting on its or their behalf (other than the Initial Purchaser, about which no representation is made by the Company), has, directly or through any agent, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any "security" (as defined in the Securities Act) which is or will be integrated with the sale of the Warrants in a manner that would require the registration under the Securities Act of the Warrants.

(s) The Company has not taken, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company in connection with the offering of the Warrants.

2. *Purchase, Sale and Delivery of Warrants.*

(a) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to the Initial Purchaser, and the Initial Purchaser agrees to purchase from the Company, at a purchase price of $16.555 per Warrant, the 26,162,791 Firm Warrants.

Delivery of and payment for the Firm Warrants shall be made at the offices of Wilson Sonsini Goodrich & Rosati, 650 Page Mill Road, Palo Alto, California 94304, at 10:00 a.m. (New York time) on July 18, 2001, or such later date as the Initial Purchaser shall designate, which date and time may be

postponed by agreement between the Initial Purchaser and the Company (such date and time of delivery and payment for the Warrants being herein called the "First Delivery Date"). Delivery of the Firm Warrants shall be made to the Initial Purchaser against payment of the purchase price by the Initial Purchaser. Payment for the Firm Warrants shall be effected either by wire transfer of immediately available funds to an account with a bank in The City of New York, the account number and the ABA number for such bank to be provided by the Company to the Initial Purchaser at least two business days in advance of the First Delivery Date, or by such other manner of payment as may be agreed by the Company and the Initial Purchaser.

(b) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company hereby grants the Option to the Initial Purchaser to purchase the Optional Warrants at the same price as the Initial Purchaser shall pay for the Firm Warrants. The Option may be exercised only to cover over-allotments in the sale of the Firm Warrants by the Initial Purchaser. At any time on or before the thirtieth day after the date of this Agreement (but not more than once), the Option may be exercised by written notice being given to the Company by the Initial Purchaser. Such notice shall set forth the aggregate number of Optional Warrants as to which the Option is being exercised, the names in which the Optional Warrants are to be registered, the denominations in which the Optional Warrants are to be issued and the date and time, as determined by the Initial Purchaser, when the Optional Warrants are to be delivered.

The date for the delivery of and payment for the Optional Warrants, being herein referred to as an "Optional Delivery Date", which may be the First Delivery Date (the First Delivery Date and the Optional Delivery Date, if any, being sometimes referred to as a "Delivery Date"), shall be determined by the Initial Purchaser but shall not be later than five full business days after written notice of election to purchase Optional Warrants is given. Delivery of the Optional Warrants shall be made to the Initial Purchaser against payment of the purchase price by the Initial Purchaser. Payment for the Optional Warrants shall be effected either by wire transfer of immediately available funds to an account with a bank in The City of New York, the account number and the ABA number for such bank to be provided by the Company to the Initial Purchaser at least two business days in advance of the Optional Delivery Date, or by such other manner of payment as may be agreed by the Company and the Initial Purchaser.

(c) The Company will deliver against payment of the purchase price the Warrants initially sold to qualified institutional buyers ("QIBs"), as defined in Rule 144A under the Securities Act initially in the form of one or more global certificates (the "Global Warrants"), registered in the name or names of such person or persons designated by the Initial Purchaser.

The Global Warrants will be made available, at the request of the Initial Purchaser, for checking at least 24 hours prior to such Delivery Date.

(d) Time shall be of the essence, and delivery at the time and place specified pursuant to this Agreement is a further condition of the obligations of the Initial Purchaser hereunder.

3. *Further Agreements of the Company.* The Company further agrees:

(a) With respect to any amendment or supplement prior to completion of the resale of the Warrants by the Initial Purchaser, (i) to advise the Initial Purchaser promptly of any proposal to amend or supplement the Offering Memorandum, (ii) to provide the Initial Purchaser a reasonable opportunity to review such amendment or supplement and (iii) not to effect any such amendment or supplement to which the Initial Purchaser reasonably and timely objects, except, in the case of clause (iii) above, as a result of filings with the Commission or as otherwise required by law. If, at any time prior to completion of the resale of the Warrants by the Initial Purchaser, any event shall occur or condition exist as a result of which it is necessary to amend or supplement the Offering Memorandum in order that the Offering Memorandum will not include an untrue statement of a material fact or omit

to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time it is delivered to a purchaser, not misleading, to promptly notify the Initial Purchaser and prepare, subject to the first sentence of this Section 3(a), such amendment or supplement as may be necessary to correct such untrue statement or omission.

(b) To furnish to the Initial Purchaser and to Cleary, Gottlieb, Steen & Hamilton, counsel to the Initial Purchaser, copies of the Preliminary Offering Memorandum and the Offering Memorandum (and all amendments and supplements thereto) in each case as soon as they are available and in such quantities as the Initial Purchaser reasonably request for internal use and for distribution to prospective purchasers. The Company will pay the expenses of printing and distributing to the Initial Purchaser all such documents.

(c) To use its reasonable efforts to take such action as the Initial Purchaser may reasonably request from time to time, to qualify the Warrants for offering and sale under the securities laws of such jurisdictions as reasonably designated by the Initial Purchaser and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions in the United States for as long as may be necessary to complete the resale of the Warrants; *provided, however,* that in connection therewith, the Company shall not be required to qualify to do business as a foreign corporation or otherwise subject itself to service of process or taxation in any jurisdiction in which it is not otherwise so qualified or subject.

(d) Not to, and not to permit any of its subsidiaries or any person acting on its behalf to, directly or indirectly, make offers or sales of any security, or solicit offers to buy any security, under circumstances that would require the registration of the Warrants or Warrant Shares under the Securities Act.

(e) Not to, and not to permit any of its subsidiaries or any person acting on its behalf to, engage in any form of general solicitation or general advertising (within the meaning of Regulation D) in connection with any offer or sale of the Warrants in the United States.

(f) Between the date hereof and the First Delivery Date, not to do or authorize any act or thing that would result in an adjustment of the exercise price of the Warrants.

(g) To apply the proceeds from the sale of the Warrants as set forth under "Use of Proceeds" in the Offering Memorandum.

(h) For a period of 90 days from the date of the Offering Memorandum, not to, directly or indirectly, offer for sale, sell or otherwise dispose of (or enter into any transaction or device which is designed to, or could be expected to, result in the disposition or purchase by any person at any time in the future of), or announce an offering of any shares of Common Stock (other than the Warrant Shares), or sell or grant options, rights or warrants to purchase or acquire any shares of Common Stock (other than any of the following, or with respect to any of the following: (i) any grants under the Company's employee stock plans in accordance with the terms of such plans as described in the Offering Memorandum, (ii) issuances of shares of Common Stock or rights to receive shares of Common Stock pursuant to the exercise of any warrants, options or other securities outstanding on the date of the Offering Memorandum or granted under such employee stock plans or (iii) issuances of shares of Common Stock or rights to receive shares of Common Stock in connection with any merger, consolidation, acquisition or similar business combination ("Acquisition Shares")) without the prior written consent of Lehman Brothers Inc. (which consent shall not be unreasonably withheld); and to cause each executive officer (as defined for purposes of Section 16 of the Exchange Act) and director of the Company to furnish to the Initial Purchaser, prior to the Delivery Date, and, to the extent that the Company issues Acquisition Shares in any such merger, consolidation, acquisition or similar business combination in excess of 15 million shares in the aggregate, to cause each person or entity receiving any such Acquisition Shares to furnish to the Initial Purchaser, prior to issuance of any such Acquisition Shares, a letter or letters, in form and substance satisfactory to counsel to the Initial

Purchaser, pursuant to which each such person shall agree not to, directly or indirectly, offer for sale, sell or otherwise dispose of (or enter into any transaction or device which is designed to, or could be expected to, result in the disposition or purchase by any person at any time in the future of), any shares of Common Stock beneficially owned, deemed to be beneficially owned, or in the future acquired by each such person for a period of 30 days from the date of the Offering Memorandum, without the prior written consent of Lehman Brothers Inc. (which consent shall not be unreasonably withheld).

(i) For so long as any of the Warrants are "restricted securities" within the meaning of Rule 144(a)(3), to provide to any holder of the Warrants or to any prospective purchaser of the Warrants designated by any holder, upon request of such holder or prospective purchaser, information required to be provided by Rule 144A(d)(4) if, at the time of such request, the Company is not subject to the reporting requirements under Section 13 or 15(d) of the Exchange Act.

(j) Not to, and not permit any of its subsidiaries to, resell any Warrants or Warrant Shares that have been acquired by any of them.

(k) The Company will keep available at all times, free of preemptive rights, the full number of Warrant Shares issuable upon exercise of the Warrants.

(l) Each of the Warrants and the Warrant Shares will bear, to the extent applicable, the legend contained in "Notice to Investors" in the Offering Memorandum for the time period and upon the other terms stated therein.

(m) None of the Company or any of its subsidiaries will take, directly or indirectly, any action which is designed to stabilize or manipulate, or which constitutes or which might reasonably be expected to cause or result in stabilization or manipulation, of the price of any security of the Company in connection with the offering of the Warrants by the Initial Purchaser.

(n) To execute and deliver the Registration Rights Agreement (in form and substance reasonably satisfactory to the Initial Purchaser and the Company).

(o) To use its reasonable efforts to assist the Initial Purchaser in arranging to cause the Warrants to be accepted to trade in the PORTAL market ("PORTAL") of the National Association of Securities Dealers, Inc. ("NASD").

(p) To use its reasonable efforts to cause the Warrants to be accepted for clearance and settlement through the facilities of DTC.

(q) To use its reasonable efforts to have the Warrant Shares approved for listing on the New York Stock Exchange Inc., promptly following the effectiveness of the Registration Statement.

4. *Expenses.* The Company agrees to pay:

(a) the costs incident to the authorization, issuance, sale and delivery of the Warrants and the Warrant Shares, and any taxes payable in that connection;

(b) the costs incident to the preparation, printing and distribution of the Preliminary Offering Memorandum, the Offering Memorandum and any amendment or supplement to the Offering Memorandum, all as provided in this Agreement;

(c) the costs of copying and distributing the Operative Documents;

(d) the fees and expenses of Wilson Sonsini Goodrich & Rosati, Professional Corporation and PricewaterhouseCoopers LLP;

(e) the fees and expenses of qualifying the Warrants under the securities laws of the several jurisdictions as provided in Section 3(c);

(f) the costs of preparing the Warrants;

(g) all expenses and fees in connection with the application for inclusion of the Warrants in the PORTAL market and the listing of the Warrant Shares on the New York Stock Exchange Inc.;

(h) the fees and expenses (including fees and disbursements of counsel) of the Warrant Agent, and the costs and charges of any registrar, transfer agent, paying agent or exercise agent; and

(i) all other costs and expenses incident to the performance of the obligations of the Company under this Agreement;

provided, however, that, except as provided in this Section 4 and in Section 7, the Initial Purchaser shall pay its own costs and expenses, including the costs and expenses of its counsel and any transfer taxes on the Warrants which it may sell.

5. *Conditions of the Initial Purchaser's Obligations.* The obligations of the Initial Purchaser hereunder are subject to the accuracy in all material respects (except to the extent such representations and warranties are qualified by materiality, in which case, in all respects), when made and on each Delivery Date, of the representations and warranties of the Company contained herein, to the performance by the Company of its obligations hereunder, and to each of the following additional terms and conditions:

(a) The Initial Purchaser shall not have discovered and disclosed to the Company prior to or on such Delivery Date that the Offering Memorandum or any amendment or supplement thereto contains any untrue statement of a fact which, in the opinion of counsel to the Initial Purchaser, is material or omits to state any fact which is material and necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(b) Wilson Sonsini Goodrich & Rosati, Professional Corporation, shall have furnished to the Initial Purchaser their written opinion, as counsel to the Company, addressed to the Initial Purchaser and dated such Delivery Date, in form and substance reasonably satisfactory to the Initial Purchaser, to substantially the effect that:

(i) The Company has been duly incorporated, is validly existing as a corporation in good standing under the laws of the State of Delaware and has the corporate power and authority to own its properties and to conduct its business as described in the Offering Memorandum;

(ii) The Company has an authorized capitalization as set forth in the Offering Memorandum, and the Company's capital stock conforms in all material respects to the description thereof contained in the Offering Memorandum under the caption "Description of Capital Stock";

(iii) The Warrant Shares that are authorized on the date hereof have been duly authorized and reserved for issuance upon exercise of the Warrants by valid corporate action; are free of preemptive rights under the Company's charter or by-laws, the federal laws of the United States of America and the Delaware General Corporation Law; when so issued and delivered upon such exercise in accordance with the terms of the Warrant Agreement and the Warrants, such Warrant Shares will be validly

issued, fully paid and nonassessable; and conform in all material respects to the description thereof contained in the Offering Memorandum under the caption "Description of Capital Stock";

(iv) This Agreement has been duly authorized, executed and delivered by the Company;

(v) The Warrants have been duly authorized by the Company and when executed and issued in accordance with terms of the Warrant Agreement and delivered to and paid for by the Initial Purchaser, will constitute valid and binding obligations of the Company, entitled to the benefits of the Warrant Agreement and enforceable against the Company in accordance with their terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific

performance (regardless of whether such enforceability is considered in a proceeding in equity or at law) or by an implied covenant of good faith and fair dealing;

(vi) The Warrant Agreement has been duly authorized, executed and delivered by the Company and (assuming due authorization, execution and delivery by the Warrant Agent) constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific performance (regardless of whether such enforceability is considered in a proceeding in equity or at law) or by an implied covenant of good faith and fair dealing;

(vii) The Registration Rights Agreement has been duly authorized, executed and delivered by the Company and (assuming due authorization, execution and delivery thereof by the Initial Purchaser) constitutes a valid and binding agreement of the Company enforceable against the Company in accordance with its terms except as rights to indemnity contained therein may be limited by applicable law and except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, subject to general principles of equity and to limitations on availability of equitable relief, including specific performance (regardless of whether such enforceability is considered in a proceeding in equity or at law), by an implied covenant of good faith and fair dealing;

(viii) None of the execution, delivery and performance of this Agreement, the Warrant Agreement, the Registration Rights Agreement, the issuance and sale of the Warrants, the issuance of the Warrant Shares or the consummation of any other of the transactions contemplated hereby and thereby will conflict with, result in a breach or violation of any of the terms or provisions of, or constitute a default under (A) the charter or by-laws of the Company or (B) any decree, regulation or order known to such counsel to be applicable to the Company of any Delaware court, governmental authority or agency having jurisdiction over the Company or any of its properties or assets, except such conflicts, breaches, violations or defaults in clause (B) above as would not have a material adverse effect on the Company's ability to perform its obligations under this Agreement and the other Operative Documents or to consummate the transactions contemplated hereby and thereby;

(ix) Except as may be required under the Securities Act and the rules and regulations promulgated thereunder in connection with the registration of the Warrant Shares pursuant to the Registration Rights Agreement, or as otherwise contemplated by the Operative Documents, or as may be required by the securities or "blue sky" laws of any state of the United States in connection with the sale of the Warrants, no consent, approval, authorization or order of, or filing or registration with, any Delaware court or governmental agency or body is required for the execution, delivery and performance of this Agreement and the Warrant Agreement by the Company and the issuance of the Warrants and the Warrant Shares and the consummation of the transactions contemplated hereby and thereby; and

(x) The Company is not an "investment company" within the meaning of the Investment Company Act.

In rendering such opinion, such counsel may state that its opinion is limited to matters governed by the federal laws of the United States of America, the laws of the State of New York (but only with respect to opinions as to validity or binding effect) and the Delaware General Corporation Law. Such counsel's opinion may state that it is not counsel to, and does not represent the Company in, intellectual property matters, including intellectual property litigation and, in particular, that it has made no independent investigation with respect to any litigation involving Rambus, Inc.

Such counsel shall also have furnished to the Initial Purchaser a written statement, addressed to the Initial Purchaser and dated such Delivery Date, in form and substance satisfactory to the Initial Purchaser, to the effect that such counsel has participated in conferences with officers and other representatives of the Company, the independent accountants of the Company, counsel for the Initial Purchaser and the Initial Purchaser at which the Preliminary Offering Memorandum and the Offering Memorandum and related matters were discussed and, although such counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the Preliminary Offering Memorandum, the Offering Memorandum or the statements contained therein and has made no independent check or verification thereof, on the basis of the foregoing, no facts have come to such counsel's attention that has caused it to believe that the Offering Memorandum (except the financial statements and the notes thereto and financial statement schedules and other information of an accounting, statistical or financial nature included therein, as to which such counsel need express no view) as of its date and such Delivery Date included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(c) The Company shall have furnished to the Initial Purchaser the opinion of the General Counsel, a Chief Corporate Counsel or an Assistant General Counsel of the Company, addressed to the Initial Purchaser and dated such Delivery Date, in form and substance reasonably satisfactory to the Initial Purchaser, to substantially the effect that:

(i) To the knowledge of such counsel, but without inquiring into dockets of any court, commissions, regulatory body, administrative agency or other government body, and other than as set forth in the Offering Memorandum, there are no legal or governmental proceedings pending to which the Company is a party or of which any property or assets of the Company is the subject which such counsel believes individually would be reasonably expected to have a Material Adverse Effect;

(ii) The Warrant Shares are free of preemptive rights under any agreement known to such counsel;

(iii) None of the execution, delivery and performance of this Agreement, the Warrant Agreement, the Registration Rights Agreement, the issuance and sale of the Warrants, the issuance of the Warrant Shares or the consummation of any other of the transactions contemplated hereby and thereby will conflict with, result in a breach or violation of any of the terms or provisions of, or constitute a default under (A) any material indenture or other material agreement or instrument to which the Company or its subsidiaries is a party or bound, or (B) any decree, regulation or order applicable to the Company of any U.S. Federal or Idaho court, governmental authority or agency having jurisdiction over the Company or any of its properties or assets, except such conflicts, breaches, violations or defaults as would not have a material adverse effect on the Company's ability to perform its obligations under this Agreement and the other Operative Documents or to consummate the transactions contemplated hereby and thereby; and

(iv) Except as may be required under the Securities Act and the rules and regulations promulgated thereunder in connection with the registration of the Warrant Shares pursuant to the Registration Rights Agreement, or as otherwise contemplated by the Operative Documents, or as may be required by the securities or "blue sky" laws of any state of the United States in connection with the sale of the Warrants, no consent, approval, authorization or order of, or filing or registration with, any U.S. Federal or Idaho court or governmental agency or body is required for the execution, delivery and performance of this Agreement and the Warrant Agreement by the Company and the issuance of the Warrants and the Warrant Shares and the consummation of the transactions contemplated hereby and thereby.

In rendering such opinion, such counsel may state that its opinion is limited to matters governed by the federal laws of the United States of America and the laws of the State of Idaho.

Such counsel shall also have furnished to the Initial Purchaser a written statement, addressed to the Initial Purchaser and dated such Delivery Date, in form and substance satisfactory to the Initial Purchaser, to the effect that such counsel has participated in conferences with officers and other representatives of the Company, the independent accountants of the Company, counsel for the Initial Purchaser and the Initial Purchaser at which the Preliminary Offering Memorandum and the Offering Memorandum and related matters were discussed and, although such counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the Preliminary Offering Memorandum, the Offering Memorandum or the statements contained therein and has made no independent check or verification thereof, on the basis of the foregoing, no facts have come to such counsel's attention that has caused him to believe that the Offering Memorandum (except the financial statements and the notes thereto and financial statement schedules and other information of an accounting, statistical or financial nature included therein, as to which such counsel need express no view) as of its date and such Delivery Date included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) Cleary, Gottlieb, Steen & Hamilton shall have furnished to the Initial Purchaser their written opinion, as counsel to the Initial Purchaser, addressed to the Initial Purchaser and dated such Delivery Date, in form and substance reasonably satisfactory to the Initial Purchaser, and the Company shall have furnished to such counsel all documents and information that they may reasonably request to enable them to pass upon the matters covered therein.

(e) At the time of execution of this Agreement, the Initial Purchaser shall have received from PricewaterhouseCoopers LLP a letter, in form and substance satisfactory to the Initial Purchaser, addressed to the Initial Purchaser and dated the date hereof.

(f) With respect to the letter of PricewaterhouseCoopers LLP referred to in the preceding paragraph and delivered to the Initial Purchaser concurrently with the execution of this Agreement (the "initial letter"), the Company shall have furnished to the Initial Purchaser a letter (the "bring-down letter") of such accountants, addressed to the Initial Purchaser and dated such Delivery Date (A) confirming that they are independent accountants within the meaning of the Securities Act and are in compliance with the applicable requirements relating to the qualification of accountants under the applicable rules and regulations of the Commission, (B) stating, as of the date of the bring-down letter (or, with respect to matters involving changes or developments since the respective dates as of which specified financial information is given in the Offering Memorandum, as of a date not more than five days prior to the date of the bring-down letter), the procedures and findings of such firm with respect to the financial information and other matters covered by the initial letter and (C) confirming in all material respects the procedures and findings set forth in the initial letter.

(g) The Company shall have furnished to the Initial Purchaser on such Delivery Date a certificate, dated such Delivery Date and delivered on behalf of the Company by the president or any vice president of the Company and its chief financial officer, in form and substance reasonably satisfactory to the Initial Purchaser, to substantially the effect that:

(i) The representations, warranties and agreements of the Company in Section 1 hereof are true and correct in all material respects (except to the extent such representations and warranties are qualified by materiality, in which case, in all respects) as of the date given and as of such Delivery Date; and the Company has complied in all material respects with all its agreements contained herein to be performed prior to or on such Delivery Date; and

(ii) (A) The Company has not sustained since the date of the latest audited financial statements included in the Offering Memorandum any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, except (x) as set forth or contemplated in the Offering Memorandum and (y) for operating losses incurred in the ordinary course of business, or (B) since such date there has not been any material change in the capital stock or long-term debt of the Company (except for issuances of shares of Common Stock upon exercise of outstanding options described in the Offering Memorandum or pursuant to any grants under the Company's employee stock plans in accordance with the terms of such plans as described in the Offering Memorandum), or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, financial position or results of operations of the Company, except as set forth or contemplated in the Offering Memorandum.

(h) The Warrant Agreement shall have been duly executed and delivered by the Company and the Warrant Agent, and the Warrants shall have been duly executed and delivered by the Company and duly attested and countersigned by the Warrant Agent.

(i) The Company and the Initial Purchaser shall have executed and delivered the Registration Rights Agreement (in form and substance reasonably satisfactory to the Initial Purchaser) and the Registration Rights Agreement shall be in full force and effect.

(j) The NASD shall have accepted the Warrants for trading on PORTAL.

(k) The Company shall not have sustained since the date of the latest audited financial statements included in the Offering Memorandum any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, except (A) as set forth or contemplated in the Offering Memorandum and (B) for operating losses incurred in the ordinary course of business, or since such date, there shall not have been any material change in the capital stock or long-term debt of the Company (except for issuances of shares of Common Stock upon exercise of outstanding options described in the Offering Memorandum or pursuant to any grants under the Company's employee stock plans in accordance with the terms of such plans as described in the Offering Memorandum), or any material adverse change, or any development involving a prospective material adverse change, in or affecting the business, financial position or results of operations of the Company, except as set forth or contemplated in the Offering Memorandum, the effect of which, in any such case described above, is, in the reasonable judgment of the Initial Purchaser, so material and adverse as to make it impracticable or inadvisable to proceed with the sale or the delivery of the Warrants being delivered on such Delivery Date on the terms and in the manner contemplated in the Offering Memorandum.

(l) Subsequent to the execution and delivery of this Agreement there shall not have occurred any of the following:

(i) trading in securities generally on the New York Stock Exchange, the American Stock Exchange, the NASDAQ or the over-the-counter market, or trading in any securities issued by the Company on any exchange shall have been suspended or minimum prices shall have been established on any such exchange or market by the Commission, by such exchange or by any other regulatory body or governmental authority having jurisdiction;

(ii) a banking moratorium shall have been declared by United States federal or New York State authorities;

(iii) the United States shall have become engaged in hostilities, there shall have been an escalation in hostilities involving the United States, or there shall have been a declaration of a national emergency or war by the United States; or

(iv) a material adverse change in general economic, political or financial conditions (or the effect of international conditions on the financial markets in the United States),

so as to make it in case of the above events (i) through (iv), in the sole judgment of the Initial Purchaser, impracticable or inadvisable to proceed with the offering or delivery of the Warrants being delivered on such Delivery Date on the terms and in the manner contemplated in the Offering Memorandum.

(m) The Company shall have furnished to the Initial Purchaser such further information, certificates and documents as the Initial Purchaser may reasonably request to evidence compliance with the conditions set forth in this Section 5.

(n) All opinions, letters, evidence and certificates mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel to the Initial Purchaser.

6. *Representations, Warranties and Agreements of Initial Purchaser.* The Initial Purchaser represents and warrants that it is a QIB. The Initial Purchaser represents and warrants and agrees with the Company that:

(a) The Warrants and the Warrant Shares have not been and will not be registered under the Securities Act in connection with the initial offering of the Warrants.

(b) The Initial Purchaser is purchasing the Warrants pursuant to a private sale exemption from registration under the Securities Act.

(c) The Warrants have not been and will not be offered or sold by the Initial Purchaser or its affiliates acting on its behalf except in accordance and in compliance with Rule 144A under the Securities Act, and the Initial Purchaser will effect such offers and sales only in compliance with all applicable securities laws in any jurisdiction in which the Initial Purchaser effects such offers of sales.

(d) The Initial Purchaser will not offer or sell the Warrants in the United States by means of any form of general solicitation or general advertising within the meaning of Rule 502(c) of Regulation D, including (i) any advertisement, article, notice or other communication published in any newspaper, magazine or similar medium or broadcast over television or radio, or (ii) any seminar or meeting whose attendees have been invited by any general solicitation or general advertising in the United States.

(e) The Initial Purchaser has not offered or sold, and will not offer or sell, any Warrants except to persons whom it reasonably believes to be QIBs.

(f) The Initial Purchaser is an institutional "accredited investor" as that term is defined in Rule 501 of Regulation D under the Securities Act.

(g) The Initial Purchaser has not taken, directly or indirectly, any action designed to cause or result in, or which has constituted or which might reasonably be expected to constitute manipulation of the price of any security of the Company in connection with the offering of the Warrants.

7. *Indemnification and Contribution.*

(a) The Company shall indemnify and hold harmless the Initial Purchaser, its officers and employees and each person, if any, who controls the Initial Purchaser within the meaning of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of the Warrants), to which the Initial Purchaser, officer, employee or controlling

person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon:

(i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Memorandum or the Offering Memorandum or in any amendment or supplement thereto;

(ii) the omission or alleged omission to state in any Preliminary Offering Memorandum or the Offering Memorandum, or in any amendment or supplement thereto, any material fact required to be stated therein or necessary to make the statements therein not misleading; or

(iii) any act or failure to act or any alleged act or failure to act by the Initial Purchaser in connection with, or relating in any manner to, the Warrants or the offering contemplated hereby, and which is included as part of or referred to in any loss, claim, damage, liability or action arising out of or based upon matters covered by clause (i) or (ii) above (*provided* that the Company shall not be liable under this clause (iii) to the extent that it is determined in a final judgment by a court of competent jurisdiction that such loss, claim, damage, liability or action resulted directly from any such acts or failures to act undertaken or omitted to be taken by the Initial Purchaser through its gross negligence or willful misconduct),

and shall reimburse the Initial Purchaser and each such officer, employee or controlling person promptly upon demand for any legal or other expenses reasonably incurred by the Initial Purchaser, officer, employee or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; *provided*, *however*, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Offering Memorandum or the Offering Memorandum, or in any such amendment or supplement, in reliance upon and in conformity with written information concerning the Initial Purchaser furnished to the Company by or on behalf of the Initial Purchaser specifically for inclusion therein; *provided*, *further*, that as to any Preliminary Offering Memorandum, this indemnity agreement shall not inure to the benefit of any Initial Purchaser, its officers or employees or any person controlling that Initial Purchaser on account of any loss, claim, damage, liability or action arising from the sale of the Warrants to any person by the Initial Purchaser if the Initial Purchaser failed to send or give a copy of the Offering Memorandum, as the same may be amended or supplemented, to that person and the untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in such Preliminary Offering Memorandum was corrected in the Offering Memorandum unless such failure resulted from non-compliance by the Company with Section 3(b) with respect to the furnishing of copies of the Offering Memorandum. The foregoing indemnity agreement is in addition to any liability that the Company may otherwise have to the Initial Purchaser or to any officer, employee or controlling person of the Initial Purchaser.

(b) The Initial Purchaser shall indemnify and hold harmless the Company, its officers and employees, each of its directors, and each person, if any, who controls the Company within the meaning of the Securities Act from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or any such officer, employee, director or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon:

(i) any untrue statement or alleged untrue statement of a material fact contained in any Preliminary Offering Memorandum or the Offering Memorandum or in any amendment or supplement thereto, or

(ii) the omission or alleged omission to state in any Preliminary Offering Memorandum or the Offering Memorandum, or in any amendment or supplement thereto, any material fact required to be stated therein or necessary to make the statements therein not misleading,

but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information concerning the Initial Purchaser furnished to the Company by or on behalf of the Initial Purchaser specifically for inclusion therein, and shall reimburse the Company and any such officer, employee, director or controlling person for any legal or other expenses reasonably incurred by the Company or any such officer, employee, director or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability that the Initial Purchaser may otherwise have to the Company or any such director, officer, employee or controlling person.

(c) Promptly after receipt by an indemnified party under this Section 7 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 7, notify the indemnifying party in writing of the claim or the commencement of that action; *provided, however*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 7 except to the extent it has been materially prejudiced by such failure and, *provided further*, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 7. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 7 for any legal or other expenses subsequently incurred by the indemnified party in connection with the defense thereof other than reasonable costs of investigation; *provided, however*, that the Initial Purchaser shall have the right to employ counsel to represent jointly the Initial Purchaser and its officers, employees and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the Initial Purchaser against the Company under this Section 7 if, in the reasonable judgment of the Initial Purchaser, it is advisable for the Initial Purchaser and those officers, employees and controlling persons to be jointly represented by separate counsel, and in that event the fees and expenses of such separate counsel shall be paid by the Company. No indemnifying party shall:

(i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding, or

(ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with the consent of the indemnifying party or if there be a final judgment of the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(d) If the indemnification provided for in this Section 7 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 7(a) or 7(b) in respect of any loss,

claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof:

(i) in such proportion as shall be appropriate to reflect the relative benefits received by the Company, on the one hand, and the Initial Purchaser, on the other, from the offering of the Warrants, or

(ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and the Initial Purchaser, on the other, with respect to the statements or omissions that resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations.

The relative benefits received by the Company on the one hand, and the Initial Purchaser on the other, with respect to such offering shall be deemed to be in the same proportion as the total net proceeds from the offering of the Warrants purchased under this Agreement (before deducting expenses) received by the Company (which amounts to $433,125,005), on the one hand, and the total discounts and commissions received by the Initial Purchaser with respect to the Warrants purchased under this Agreement (which amounts to $16,875,000), on the other hand, bear to the total gross proceeds from the offering of the Warrants under this Agreement (which amounts to $450,000,005)**.** The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Initial Purchaser, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Initial Purchaser agree that it would not be just and equitable if contributions pursuant to this Section 7(d) were to be determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 7(d) shall be deemed to include, for purposes of this Section 7(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7(d), the Initial Purchaser shall not be required to contribute any amount in excess of the amount by which the total price at which the Warrants resold by it in the initial placement of such Warrants were offered to investors exceeds the amount of any damages which the Initial Purchaser has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(e) The Initial Purchaser confirms that the statements with respect to the offering of the Warrants set forth on the cover page of the Offering Memorandum and in the third, eleventh, twelfth, thirteenth and fourteenth paragraphs under the caption "Plan of Distribution" in the Offering Memorandum are correct and constitute the only information furnished in writing to the Company by the Initial Purchaser specifically for inclusion in the Offering Memorandum.

(f) For the avoidance of doubt, it shall be understood that the Company shall not be liable pursuant to this Section 7 for the portion of any loss, claim, damage, liability or action resulting, directly or indirectly, from the sale or resale by the Initial Purchaser of any securities or interests therein that are sold or resold by the Initial Purchaser in connection or in combination with the resale by the Initial Purchaser of the Warrants.

8. *Termination.* The obligations of the Initial Purchaser hereunder may be terminated by the Initial Purchaser by notice given to and received by the Company prior to delivery of and payment for

the Warrants if, prior to that time, any of the events described in Sections 5(l), (m) and (n) shall have occurred or if the Initial Purchaser shall decline to purchase the Warrants for any reason permitted under this Agreement.

9. *Reimbursement of Initial Purchaser's Expenses.* If (a) the Company shall fail to tender the Warrants for delivery to the Initial Purchaser for any reason permitted under this Agreement or (b) the Initial Purchaser shall decline to purchase the Warrants because of any failure or refusal on the part of the Company to comply with the terms or to fulfill any of the conditions of this Agreement or if the Company shall be unable to perform its obligations under this Agreement, the Company shall reimburse the Initial Purchaser for the reasonable fees and expenses of its counsel and for such other reasonable out-of-pocket expenses as shall have been incurred by it in connection with this

Agreement and the proposed purchase of the Warrants, and upon demand the Company shall pay the full amount thereof to the Initial Purchaser. If this Agreement is terminated pursuant to Section 5(n), the Company shall not be obligated to reimburse the Initial Purchaser on account of those expenses.

10. *Notices, etc.* All statements, requests, notices and agreements hereunder shall be in writing, and:

(a) if to the Initial Purchaser, shall be delivered or sent by mail, telex or facsimile transmission to Lehman Brothers Inc., Three World Financial Center, New York, New York 10285, Attention: Syndicate Department (Fax: 212-528-8822); and

(b) if to the Company, shall be delivered or sent by mail, telex or facsimile transmission to Micron Technology, Inc., 8000 S. Federal Way, Boise, Idaho 83716-9632; Attention: Chief Financial Officer (Fax: 208-363-2900), with a copy to the General Counsel, Micron Technology, Inc., 8000 S. Federal Way, Boise, Idaho 83716-9632, (Fax: 208-368-4540).

Any such statements, requests, notices or agreements shall take effect at the time of receipt thereof.

11. *Persons Entitled to Benefit of Agreement.* This Agreement shall inure to the benefit of and be binding upon the Initial Purchaser, the Company and their respective successors. This Agreement and the terms and provisions hereof are for the sole benefit of only those persons, except that the representations, warranties, indemnities and agreements of the Company contained in this Agreement shall also be deemed to be for the benefit of the officers and employees of the Initial Purchaser and the person or persons, if any, who control the Initial Purchaser within the meaning of Section 15 of the Securities Act and any indemnity agreement of the Initial Purchaser contained in Section 7(b) of this Agreement shall be deemed to be for the benefit of directors, officers and employees of the Company, and any person controlling the Company within the meaning of Section 15 of the Securities Act. Nothing contained in this Agreement is intended or shall be construed to give any person, other than the persons referred to in this Section 12, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein.

12. *Survival.* The respective indemnities, representations, warranties and agreements of the Company and the Initial Purchaser contained in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall survive the delivery of and payment for the Warrants and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any of them or any person controlling any of them.

13. *Definition of the Terms "Business Day" and "Subsidiary".* For purposes of this Agreement, (a) "business day" means any day on which the New York Stock Exchange, Inc. is open for trading and (b) "subsidiary" has the meaning set forth in Rule 405 of the rules and regulations promulgated under the Securities Act.

14. *Governing Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

15. *Counterparts.* This Agreement may be executed in one or more counterparts and, if executed in more than one counterpart, the executed counterparts shall each be deemed to be an original but all such counterparts shall together constitute one and the same instrument.

16. *Headings.* The headings herein are inserted for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing correctly sets forth the agreement between the Company and the Initial Purchaser, please indicate your acceptance in the space provided for that purpose below.

Very truly yours,

MICRON TECHNOLOGY, INC.

By _____

Name:
Title:

Accepted and agreed by:

LEHMAN BROTHERS INC.

By _____

Authorized Representative

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EXHIBIT 10.145

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated as of July 18, 2001 (as amended, modified or supplemented from time to time, this "Agreement"), among MICRON TECHNOLOGY, INC., a Delaware corporation (together with its successors, the "Company"), and LEHMAN BROTHERS INC. on behalf of itself as initial purchaser (the "Initial Purchaser") of the Warrants to purchase common shares, par value $0.10, of the Company, to be issued pursuant to the provisions of a Warrant Agreement dated as of July 18, 2001, between the Company and Wells Fargo Bank Minnesota, N.A., as Warrant Agent (the "Warrant Agent") and all other Holders (as defined below).

1. *Certain Definitions.*

For purposes of this Agreement, the following terms shall have the following respective meanings:

(a) *"Business Day"* means a day of the week other than a Saturday, a Sunday or a day which shall be in New York, New York, or Boise, Idaho, or in the city in which the principal office of the Warrant Agent is located a legal holiday or a day on which banking institutions are authorized or required by law.

(b) *"Closing Date"* means the date on which the Warrants are initially issued.

(c) *"Commission"* means the Securities and Exchange Commission, or any other federal agency at the time administering the Exchange Act or the Securities Act, whichever is the relevant statute for the particular purpose.

(d) *"Damages Event"* has the meaning assigned thereto in Section 2(c).

(e) *"Deferral Notice"* has the meaning assigned thereto in Section 3(f).

(f) *"Deferral Period"* has the meaning assigned thereto in Section 3(f).

(g) *"Effective Time"* means the time and date as of which the Commission declares the Shelf Registration effective or as of which the Shelf Registration otherwise becomes effective.

(h) *"Effectiveness Period"* has the meaning assigned thereto in Section 2(a).

(i) *"Exchange Act"* means the Securities Exchange Act of 1934, or any successor thereto, as the same shall be amended from time to time.

(j) *"Holder"* means the Initial Purchaser, for so long as it owns any Registrable Securities, and each of its successors, assigns and direct and indirect transferees who become registered owners of such Registrable Securities.

(k) *"Issue Price"* means $17.20.

(l) *"Liquidated Damages"* has the meaning assigned thereto in Section 2(c).

(m) *"Material Event"* has the meaning assigned thereto in Section 3(a)(vi).

(n) *"NASD"* means the National Association of Securities Dealers.

(o) *"Notice and Questionnaire"* means a written notice delivered to the Company containing substantially the information called for by the Selling Security Holder Notice and Questionnaire of the Company, attached as Annex A to the Offering Memorandum, dated July 12, 2001, relating to the offer and sale of the Warrants.

(p) *"Notice Holder"* means, on any date, any Holder that has delivered a Notice and Questionnaire to the Company on or prior to such date.

(q) *"Person"* means a corporation, association, partnership, organization, business, individual, government or political subdivision thereof or governmental agency.

(r) *"Prospectus"* means the prospectus included in any Shelf Registration, as amended or supplemented by any amendment or prospectus supplement, including post-effective amendments, and all materials incorporated by reference or deemed explicitly to be incorporated by reference in such Prospectus.

(s) *"Purchase Agreement"* means the Purchase Agreement dated July 12, 2001, between the Company and the Initial Purchaser.

(t) *"Registrable Securities"* means the Shares; *provided*, *however*, that such Shares shall cease to be Registrable Securities (i) when in the circumstances contemplated by Section 2(a), a registration statement registering such Shares under the Securities Act has been declared or becomes effective and such Shares have been sold or otherwise transferred by a Holder thereof pursuant to such effective registration statement; (ii) when such Shares are sold pursuant to Rule 144 under circumstances in which any legend borne by such Shares relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed or such Shares are eligible to be sold pursuant to paragraph (k) of Rule 144; or (iii) when such Shares shall cease to be outstanding.

(u) *"Registration Expenses"* has the meaning assigned thereto in Section 5.

(v) *"Resale Period"* means any period during the Effectiveness Period (i) beginning, (x) for the purposes of Section 2(c)(iii) hereof, on the earlier of (1) the Resale Period Commencement Date and (2) the second Trading Day after the day the Company is first obliged to file with the Commission an annual report on Form 10-K or a quarterly report on Form 10-Q for the immediately preceding fiscal year or fiscal quarter, as the case may be, and (y) for all other purposes, on the Resale Period Commencement Date, and (ii) ending on the earlier of (x) the day which follows the Resale Period Commencement Date by a number of days which is the sum of (A) 30 and (B) the number of days during the Resale Period during which either the Shelf Registration or the Prospectus or both are not available for resales by Notice Holders and (y) the first day, after the next Resale Period Commencement Date, on which the Shelf Registration and the Prospectus are available for resales by Notice Holders.

(w) *"Resale Period Commencement Date"* means the second Trading Day after the day the Company first files with the Commission an annual report on Form 10-K or a quarterly report on Form 10-Q for the immediately preceding fiscal year or fiscal quarter, as the case may be.

(x) *"Rule 144," "Rule 405"* and *"Rule 415"* means, in each case, such rule promulgated under the Securities Act, or any successor thereto, as amended from time to time.

(y) *"Securities"* means, collectively, the Warrants and the Shares.

(z) *"Securities Act"* means the Securities Act of 1933, or any successor thereto as amended from time to time.

(aa) *"Shares"* means the shares of common stock of the Company, par value $0.10 per share, for which the Warrants are exercisable or that have been issued upon any exercise of the Warrants.

(bb) *"Shelf Registration"* has the meaning assigned thereto in Section 2(a).

(cc) *"Trading Day"* means a day on which the New York Stock Exchange (or such other principal securities exchange or automated quotation system upon which the Registrable Securities may then be listed for public trading) shall be open for business.

(dd) *"Warrant Agreement"* means the Warrant Agreement dated as of July 18, 2001, between the Company and Wells Fargo Bank Minnesota, N.A., as Warrant Agent.

(ee) *"Warrants"* means the Warrants to purchase common shares, par value $0.10, of the Company to be issued under the Warrant Agreement and sold by the Company to the Initial Purchaser.

Unless the context otherwise requires, any reference herein to a "section" or "clause" refers to a section or clause, as the case may be, of this Agreement, and the words "herein," "hereof" and

"hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular section or other subdivision. Unless the context otherwise requires, any reference to a statute, rule or regulation refers to the same (including any successor statute, rule or regulation thereto) as it may be amended from time to time.

2. *Registration Under the Securities Act.*

(a) The Company agrees to file under the Securities Act within 90 days after the Closing Date a "shelf" registration statement providing for the registration of, and the sale on a continuous or delayed basis by the Holders of, all of the Registrable Securities, pursuant to Rule 415 or any similar rule that may be adopted by the Commission (the "Shelf Registration"). The Company agrees to use its reasonable efforts to cause the Shelf Registration to be, to become or to be declared, effective by the Commission within 180 days after the Closing Date and to keep such Shelf Registration continuously effective for a period (the "Effectiveness Period") ending on the earlier of (i) the second anniversary of the Closing Date or (ii) such time as there are no longer any Registrable Securities outstanding. The Company further agrees to promptly supplement or to make amendments to the Shelf Registration, as and when required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration or by the Securities Act or rules and regulations thereunder for shelf registration, and the Company agrees to furnish to the Holders of the Registrable Securities copies of any such supplement or amendment prior to its being used or promptly following its filing with the Commission.

(b) Each Holder of Registrable Securities agrees that if such Holder wishes to sell or transfer Registrable Securities pursuant to a Shelf Registration and related Prospectus, it will do so only in accordance with this Section 2(b) and Section 3(f). Each Holder of Securities wishing to sell or transfer Registrable Securities pursuant to a Shelf Registration and a related Prospectus agrees to deliver a Notice and Questionnaire to the Company at least five (5) Business Days prior to any intended sale or transfer of Registrable Securities under the Shelf Registration. From and after the date the Shelf Registration is declared effective, during any Resale Period (exclusive of any days which are within a Deferral Period), the Company shall, as promptly as is practicable after the date a Notice and Questionnaire is delivered, and in any event within five (5) Business Days after such date, (i) if required by applicable law, file with the Commission a post-effective amendment to the Shelf Registration or prepare and, if required by applicable law, file a supplement to the related Prospectus or a supplement or amendment to any document incorporated therein by reference or file any other required document so that the Holder delivering such Notice and Questionnaire is named as a selling security Holder in the Shelf Registration and the related Prospectus in such a manner as to permit such Holder to deliver such Prospectus to purchasers of the Registrable Securities in accordance with applicable law and, if the Company shall file a post-effective amendment to the Shelf Registration, use its reasonable efforts to cause such post-effective amendment to be declared effective under the Securities Act as promptly as is practicable; (ii) provide such Holder copies of any documents filed pursuant to clause (i) of this sentence; and (iii) notify such Holder as promptly as practicable after the effectiveness under the Securities Act of any post-effective amendment filed pursuant to clause (i) of this sentence; *provided* that if such Notice and Questionnaire is delivered during a Deferral Period, the Company shall so inform the Holder delivering such Notice and Questionnaire and shall take the actions set forth in clauses (i), (ii) and (iii) above upon expiration of the Deferral Period in accordance with Section 3(f). Notwithstanding anything contained herein to the contrary, (i) the Company shall be under no obligation to name any Holder that is not a Notice Holder as a selling securityholder in any Registration Statement or related Prospectus; and the Company shall not be obligated to file more than one (1) post-effective amendment or supplement for the purpose of naming Holders as selling securityholders who were not named in the initial Shelf Registration at the time of effectiveness in any five (5) day period following the effectiveness of the initial Shelf Registration. Any Holder which subsequently provides a Notice and Questionnaire required by this Section 2(b) pursuant to the provisions of this Section 2(b) (whether or not such Holder has supplied the Notice and Questionnaire

at the time the initial Shelf Registration was declared effective) shall be named as a selling securityholder in the Shelf Registration and related Prospectus in accordance with the requirements of this Section 2(b).

(c) If any of the following events (each, a "Damages Event") shall occur, then liquidated damages (the "Liquidated Damages") shall become payable in respect of the Registrable Securities as follows:

(i) if the Shelf Registration has not been filed with the Commission within 90 days following the Closing Date, then commencing on the 91st day after the Closing Date, Liquidated Damages shall accrue at a rate of 0.25% per annum of the Issue Price for the first 90 days following such 91st day, 0.50% per annum of the Issue Price for the next 90 days and 0.75% per annum of the Issue Price thereafter; or

(ii) if the Shelf Registration has been filed with the Commission and has not been declared effective by the Commission within 180 days following the Closing Date, then commencing on the 181st day after the Closing Date, Liquidated Damages shall accrue at a rate of 0.25% per annum of the Issue Price for the first 90 days following such 181st day, 0.50% per annum of the Issue Price for the for the next 90 days and 0.75% per annum of the Issue Price thereafter, *provided, however*, that no Liquidated Damages shall be payable pursuant to this clause 2(c)(ii) during any period during which Liquidated Damages are payable pursuant to clause 2(c)(i); or

(iii) if the aggregate duration of Deferral Periods in any Resale Period exceeds thirty (30) days, then commencing on the 31st day of such aggregated Deferral Periods, Liquidated Damages shall accrue at a rate of 0.25% per annum of the Issue Price for the first 90 days following such 30th day, 0.50% per annum of the Issue Price for the next 90 days and 0.75% per annum of the Issue Price thereafter, *provided, however*, that no Liquidated Damages shall be payable pursuant to this clause 2(c)(iii) during any period during which Liquidated Damages are payable pursuant to clause 2(c)(i) or 2(c)(ii); *provided further*, that Liquidated Damages under this clause 2(c)(iii) shall be paid only to Notice Holders;

provided, further, that upon (1) the filing of the Shelf Registration (in the case of clause (i) above), (2) the effectiveness of the Shelf Registration (in the case of clause (ii) above), (3) the earlier of (i) the time sales have been permitted under the Shelf Registration for an aggregate of thirty (30) days in any Resale Period and (ii) the time sales are permitted under the Shelf Registration in connection with a subsequent Resale Period (in the case of clause (iii) above) or (4) the termination of transfer restrictions on the Registrable Securities as a result of the application of Rule 144(k), Liquidated Damages on the Registrable Securities as a result of such clause shall cease to accrue.

(d) Any reference herein to a registration statement shall be deemed to include any document incorporated therein by reference as of the applicable Effective Time and any reference herein to any post-effective amendment to a registration statement shall be deemed to include any document incorporated therein by reference as of a time after such Effective Time.

(e) Notwithstanding any other provision of this Agreement, no Holder of Securities which Holder is, in the case of Liquidated Damages payable pursuant to Section 2(c)(iii) hereof, not a Notice Holder and does not comply with the provisions of Section 3(c), if applicable, shall be entitled to receive Liquidated Damages unless and until such Holder complies with the provisions of such section, if applicable.

(f) Notwithstanding any other provision of this Agreement, no Liquidated Damages shall accrue as to any Registrable Security from and after the earlier of the date such security is no longer a Registrable Security and the expiration of the Effectiveness Period. All of the Company's obligations set forth in this Section 2 that are outstanding with respect to any Registrable Security at the time such security ceases to be a Registrable Security shall survive until such time as all obligations with respect to such security have been satisfied in full.

(g) The Company shall pay any Liquidated Damages on January 18 and July 18 of each year (each, a "Liquidated Damages Payment Date") with respect to the Liquidated Damages, if any, accruing during the six-month period ending on such Liquidated Damages Payment Date. The Company shall pay any such Liquidated Damages to the Person who is the Holder of the Securities at the close of business on December 18 or June 18, as the case may be, next preceding the Liquidated Damages Payment Date. The Company shall pay such Liquidated Damages in money of the United States of America that at the time of payment is legal tender for the payment of public and private debts. The Company shall pay any such Liquidated Damages to the Warrant Agent on behalf of the Holders entitled thereto, and the Warrant Agent shall pay such Liquidated Damages to the Holders entitled thereto.

(h) The parties hereto agree that the Notice Holders of Registrable Securities will suffer damages, and that it would not be feasible to ascertain the extent of such damages with precision, if a Damages Event were to occur. The parties hereto further agree that the Liquidated Damages provided for in this Section 2 constitute a reasonable estimate of the damages that may be incurred by Notice Holders of Registrable Securities by reason of the failure of the Shelf Registration Statement to be filed or declared effective or available for effecting resales of Registrable Securities in accordance with the provisions hereof. Therefore, the parties hereto agree that the sole damages payable for a violation of the terms of this Agreement with respect to which Liquidated Damages are expressly provided for (including any non-compliance with a covenant that results, directly or indirectly, in a Damages Event) shall be such Liquidated Damages.

3. *Registration Procedures.*

The following provisions shall apply to registration statements filed pursuant to Section 2:

(a) In connection with the Company's obligations with respect to the Shelf Registration, the Company shall:

(i) prepare and file with the Commission a registration statement with respect to the Shelf Registration on any form which may be utilized by the Company and which shall permit the disposition of the Registrable Securities in accordance with the intended method or methods thereof, as specified in writing by the Holders of the Registrable Securities, and use its reasonable efforts to cause such registration statement to become effective in accordance with Section 2(a) above;

(ii) prepare and file with the Commission such amendments and supplements to such registration statement and the Prospectus included therein as may be necessary to effect and to maintain the effectiveness of such registration statement for the period specified in Section 2(a) and as may be required by the applicable rules and regulations of the Commission and the instructions applicable to the form of such registration statement, and furnish to the Holders of the Registrable Securities copies of any such supplement or amendment simultaneously with or promptly following its being filed with the Commission;

(iii) comply, as to all matters within the Company's control, with the provisions of the Securities Act with respect to the disposition of all of the Registrable Securities covered by such registration statement in accordance with the intended methods of disposition by the Holders thereof provided for in such registration statement;

(iv) during any Resale Period (exclusive of any Deferral Period), provide to any of (A) the Holders of the Registrable Securities to be included in such registration statement and (B) not more than one counsel for all the Holders of such Registrable Securities that so request of the Company in writing, the opportunity to review and comment upon such registration statement, each Prospectus included therein or filed with the Commission and each amendment or supplement thereto, provided that the foregoing shall not apply to any reports or other filings by the Company with the Commission pursuant to its obligations under the Securities Act or the

Exchange Act even though such reports or filings may be incorporated by reference in the Registration Statement;

(v) during any Resale Period (exclusive of any Deferral Period), promptly notify the Holders of Registrable Securities named in the Shelf Registration or a supplement thereto, and confirm such notice in writing, (A) when such registration statement or the Prospectus included therein or any Prospectus amendment or supplement or post-effective amendment has been filed, and, with respect to such registration statement or any post-effective amendment, when the same has become effective, (B) of the issuance by the Commission of any stop order suspending the effectiveness of such registration statement or the initiation or written threat of any proceedings for that purpose, (C) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Registrable Securities for sale in any jurisdiction or the initiation or written threat of any proceeding for such purpose, (D) during any Resale Period (exclusive of any Deferral Period) of the occurrence of (but not the nature of or details concerning) any event or the existence of any fact (a "Material Event") as a result of which any Shelf Registration shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, or any Prospectus shall contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (*provided, however*, that no notice by the Company shall be required pursuant to this clause (D) in the event that the Company either promptly files a Prospectus supplement to update the Prospectus or a Form 8-K or other appropriate Exchange Act report that is incorporated by reference into the Shelf Registration, which, in either case, contains the requisite information with respect to such Material Event that results in such Shelf Registration's no longer containing any untrue statement of material fact or omitting to state a material fact necessary to make the statements contained therein not misleading), (E) of the determination by the Company that a post-effective amendment to a Shelf Registration will be filed with the Commission, which notice may, at the discretion of the Company (or as required pursuant to Section 3(f)), state that it constitutes a Deferral Notice, in which event the provisions of Section 3(f) shall apply or (F) at any time when a Prospectus is required to be delivered under the Securities Act, that such registration statement, Prospectus, Prospectus amendment or supplement or post-effective amendment does not conform in all material respects to the applicable requirements of the Securities Act and the rules and regulations of the Commission thereunder;

(vi) use its reasonable efforts to obtain the withdrawal of any order suspending the effectiveness of such registration statement or any post-effective amendment thereto at the earliest practicable date;

(vii) subject to the limits set forth in Section 2(b) hereof, during any Resale Period (exclusive of any Deferral Period), if requested by any Holder of Registrable Securities which is also a Notice Holder, promptly incorporate into a Prospectus supplement or post-effective amendment such information as is required by the applicable rules and regulations of the Commission relating to the terms of the sale of such Registrable Securities, including information with respect to the number of

Registrable Securities being sold by such Holder, the name and description of such Holder, the offering price of such Registrable Securities and any discount, commission or other compensation payable in respect thereof and with respect to any other terms of the offering of the Registrable Securities to be sold by such Holder; and make all required filings of such Prospectus supplement or post-effective amendment promptly after notification of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(viii) during any Resale Period (exclusive of any Deferral Period), if requested in writing, furnish to each Holder of Registrable Securities an executed copy (or, in the case of a Holder of Registrable Securities, a conformed copy) of such registration statement, each such amendment or

supplement thereto (in each case including all exhibits thereto) and such number of copies of such registration statement (excluding exhibits thereto) and of the Prospectus included in such registration statement (including each preliminary Prospectus and any summary Prospectus); and the Company hereby consents (except during such periods that a Deferral Notice is outstanding and has not been revoked) to the use of such Prospectus (including any such preliminary or summary Prospectus) and any amendment or supplement thereto by each such Holder in the form most recently provided to such person by the Company in connection with the offering and sale of the Registrable Securities covered by the Prospectus (including any such preliminary or summary Prospectus) or any supplement or amendment thereto; and

(ix) during any Resale Period (exclusive of any Deferral Period), use its reasonable efforts to (A) register or qualify, to the extent required by law, the Registrable Securities to be included in such registration statement under such securities laws or blue sky laws of such United States jurisdictions as any Holder of such Registrable Securities shall reasonably request, and (B) keep such registrations or qualifications in effect and comply with such laws so as to permit the continuance of offers, sales and dealings therein in such jurisdictions during the period the Shelf Registration is required to remain effective under Section 2(a) and for so long as may be necessary to enable any such Holder to complete its distribution of Securities pursuant to such registration statement but in any event not later than the date through which the Company is required to keep the Shelf Registration effective pursuant to Section 2(a); *provided*, *however*, that the Company shall not be required for any such purpose to (1) qualify to do business as a foreign corporation in any jurisdiction wherein it would not otherwise be required to qualify but for the requirements of this Section 3(a)(x), (2) consent to general service of process or otherwise subject itself to service of process in any such jurisdiction or otherwise subject itself to taxation in any such jurisdiction or (3) make any changes to its certificate of incorporation or by-laws or any agreement between it and its stockholders.

In case any of the foregoing obligations depends on information provided or to be provided by a party other than the Company, such obligation shall be subject to the provision of such information by such party; provided that the Company shall use its reasonable efforts to obtain the necessary information from any party responsible for providing such information.

(b) In the event that the Company would be required, pursuant to Section 3(a)(vi)(D), to notify the selling Holders of Registrable Securities named in the Shelf Registration or a supplement thereto of the existence of the circumstances described therein, the Company shall, unless a Deferral Period is in effect, prepare and furnish to each such Holder a reasonable number of copies of a Prospectus supplemented or amended so that, as thereafter delivered to purchasers of Registrable Securities, such Prospectus shall conform in all material respects to the applicable requirements of the Securities Act and the rules and regulations of the Commission thereunder. Each Holder of Registrable Securities agrees that upon receipt of any notice from the Company, pursuant to Section 3(a)(vi)(D), such Holder shall forthwith discontinue (and cause any placement or sales agent or underwriters acting on their behalf to discontinue) the disposition of Registrable Securities pursuant to the registration statement applicable to such Registrable Securities until such Holder (i) shall have received copies of such amended or supplemented Prospectus and, if so directed by the Company, such Holder shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Holder's possession of the Prospectus covering such Registrable Securities at the time of receipt of such notice or (ii) shall have received notice from the Company that the disposition of Registrable Securities pursuant to the Shelf Registration may continue.

(c) The Company may require each Holder of Registrable Securities as to which any registration pursuant to Section 2(a) is being effected to furnish to the Company such information regarding such Holder and such Holder's intended method of distribution of such Registrable Securities as the Company may from time to time reasonably request in writing, but only to the extent that such information is required in order to comply with the Securities Act. Each such Holder agrees to notify

the Company as promptly as practicable of any inaccuracy or change in information previously furnished by such Holder to the Company or of the occurrence of any event in either case as a result of which any Prospectus relating to such registration contains or would contain an untrue statement of a material fact regarding such Holder or such Holder's intended method of disposition of such Registrable Securities or omits to state any material fact regarding such Holder or such Holder's intended method of disposition of such Registrable Securities required to be stated therein or necessary to make the statements therein not misleading, and promptly to furnish to the Company any additional information required to correct and update any previously furnished information or required so that such Prospectus shall not contain, with respect to such Holder or the disposition of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading.

(d) Until the expiration of two years after the Closing Date, the Company shall not, and shall not enter into any transaction that is designed to or which could reasonably be expected to cause its "affiliates" (as defined in Rule 144) to, resell any of the Securities that have been reacquired by any of them except pursuant to an effective registration statement under the Securities Act.

(e) Upon the occurrence of a Material Event, during any Resale Period the Company shall as promptly as practicable prepare and file a post-effective amendment to the Shelf Registration or a supplement to the related Prospectus or any document incorporated therein by reference or file any other required document that would be incorporated by reference into such Shelf Registration and Prospectus so that such Shelf Registration does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and such Prospectus does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, and, in the case of a post-effective amendment to a Shelf Registration, use its reasonable efforts to cause it to be declared effective as promptly as is reasonably practicable; *provided* that the Company shall not be required to comply with the foregoing obligations during any Deferral Period or any period during which Liquidated Damages are accruing; and *provided further* that the Company shall be required to comply with the foregoing obligations as promptly as practicable after the end of any Deferral Period during which it has not complied with such obligations unless Liquidated Damages are accruing.

(f) Upon the occurrence or existence of any pending corporate development or any other event or circumstance that, in the reasonable judgment of the Company, makes it appropriate to suspend the availability of the Shelf Registration and the related Prospectus, the Company shall give two Trading Days' notice (without notice of the nature or details of such events) to the Notice Holders that the availability of the Shelf Registration and the Prospectus is suspended (a "Deferral Notice") and, upon receipt of any Deferral Notice, each Notice Holder agrees not to sell any Registrable Securities pursuant to the Shelf Registration until such Notice Holder is advised in writing by the Company that the Prospectus may be used, and has received copies of any additional or supplemental filings that are incorporated or deemed incorporated by reference in such Prospectus. Each Holder agrees to keep the receipt of a Deferral Notice and the contents thereof confidential unless such Holder is required to disclose such receipt or such contents pursuant to a subpoena or order of any court or other governmental agency or body having jurisdiction over the matter. The period during which the availability of the Shelf Registration or the Prospectus for effecting resales of Registrable Securities is suspended is herein referred to as a "Deferral Period."

4. *Holder's Obligations.*

(a) Each Holder agrees, by acquisition of the Registrable Securities, that no Holder of Registrable Securities shall be entitled to sell any of such Registrable Securities pursuant to a Shelf Registration or to receive or use a Prospectus relating thereto, unless such Holder has furnished the Company with a Notice and Questionnaire as required pursuant to Section 2(b) hereof (including the information required to be included in such Notice and Questionnaire) and the information set forth in the next sentence.

(b) Each Notice Holder agrees to furnish promptly to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Notice Holder not misleading and any other information regarding such Notice Holder and the distribution of such Registrable Securities as may be required to be disclosed in the Shelf Registration or the Prospectus under applicable law or pursuant to Commission comments.

(c) Each Holder agrees to sell Securities pursuant to the Shelf Registration in accordance with this Agreement, including, without limitation, that each Holder agrees not to sell any Registrable Securities pursuant to the Shelf Registration outside any Resale Period or during any Deferral Period.

(d) Each Holder agrees not to sell any Registrable Securities without delivering, or causing to be delivered, a Prospectus to the purchaser thereof.

(e) Each Holder agrees to notify the Company, following termination of any Resale Period and within 5 Business Days of the Company's request for such information, of the amount of Registrable Securities sold pursuant to the Shelf Registration, and, in the absence of a response, the Company may assume that all of the Holder's Registrable Securities were so sold.

5. *Registration Expenses.*

The Company agrees to bear and to pay or to cause to be paid promptly, upon request being made therefor, all expenses incident to the Company's performance of or compliance with this Agreement, including (a) all Commission and registration and filing fees and expenses of the New York Stock Exchange, (b) all fees and expenses in connection with the qualification of the Registrable Securities for offering and sale under the State securities and blue sky laws referred to in Section 3(a)(x) hereof, (c) all expenses relating to the preparation, and reproduction of each registration statement required to be filed hereunder, each Prospectus included therein or prepared for distribution pursuant hereto, each amendment or supplement to the foregoing, the certificates representing the Registrable Securities and all other documents relating hereto, (d) reasonable fees and expenses of the Warrant Agent under the Warrant Agreement, and of any escrow agent or custodian, and of the registrar and transfer agent for the Registrable Securities, (e) internal expenses (including all salaries and expenses of the Company's officers and employees performing legal or accounting duties), and (f) reasonable fees, disbursements and expenses of one counsel for the Holders of Registrable Securities retained in connection with the Shelf Registration, as selected by the Company (unless reasonably objected to by Holders of at least a majority in aggregate of the Registrable Securities being registered), and fees, expenses and disbursements of any other persons, including special experts, retained by the Company in connection with such registration (collectively, the "Registration Expenses"). To the extent that any Registration Expenses are incurred, assumed or paid by any Holder of Registrable Securities, the Company shall reimburse such person for the full amount of the Registration Expenses so incurred, assumed or paid promptly after receipt of a documented request therefor. Notwithstanding the foregoing, the Holders of the Registrable Securities being registered shall pay all agency fees and commissions and underwriting discounts and commissions attributable to the sale of such Registrable Securities and the fees and disbursements of any counsel or other advisors or experts retained by such Holders (severally or jointly), other than the counsel and experts specifically referred to above.

6. *Representations and Warranties.*

The Company represents and warrants to, and agrees with, the Initial Purchaser and each of the Holders from time to time of Registrable Securities that:

(a) Each registration statement covering Registrable Securities and each Prospectus (including any preliminary or summary Prospectus) contained therein or furnished pursuant to Section 3(b) hereof and any further amendments or supplements to any such registration statement or Prospectus, when it becomes effective or is filed with the Commission, as the case may be, and, in the case of an

underwritten offering of Registrable Securities, at the time of the closing under the underwriting agreement relating thereto, will conform in all material respects to the applicable requirements of the Securities Act and the rules and regulations of the Commission thereunder and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; and at all times subsequent to the Effective Time when a Prospectus would be required to be delivered under the Securities Act, other than from (i) such time as a notice has been given to Holders of Registrable Securities pursuant to Section 3(a)(vi)(D) hereof until (ii) such time as the Company furnishes an amended or supplemented Prospectus pursuant to Section 3(b) hereof or such time as the Company provides notice that offers and sales pursuant to the Shelf Registration may continue, each such registration statement, and each Prospectus (including any summary Prospectus) contained therein or furnished pursuant to Section 3(a) hereof, as then amended or supplemented, will conform in all material respects to the applicable requirements of the Securities Act and the rules and regulations of the Commission thereunder; *provided, however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of a Holder of Registrable Securities expressly for use therein.

(b) Any documents incorporated by reference in any Prospectus referred to in Section 6(a) hereof, when they become or became effective or are or were filed with the Commission, as the case may be, will conform or conformed in all material respects to the requirements of the Securities Act or the Exchange Act, as applicable, and none of such documents will contain or contained an untrue statement of a material fact or will omit or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading; *provided, however*, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Company by a Holder of Registrable Securities expressly for use therein.

(c) The compliance by the Company with all of the provisions of this Agreement and the consummation of the transactions herein contemplated will not contravene any provision of applicable law or the certificate of incorporation or by-laws of the Company or, except to the extent that any such contravention would not have a material adverse effect on the Company and its subsidiaries, taken as a whole, any indenture or instrument relating to indebtedness for money borrowed or any material agreement to which the Company is a party or any order, rule, regulation or decree of any court or governmental agency or authority located in the United States having jurisdiction over the Company or any property of the Company; and, to the knowledge of the Company, no consent, authorization or order of, or filing or registration with, any court or governmental agency or authority is required for the consummation by the Company of the transactions contemplated by this Agreement, except the registration under the Securities Act contemplated hereby and such consents, approvals, authorizations, registrations or qualifications as may be required under State securities or blue sky laws.

(d) This Agreement has been duly authorized, executed and delivered by the Company.

7. *Indemnification.*

(a) *Indemnification by the Company.* In connection with the Shelf Registration, the Company shall, and it hereby agrees to, indemnify and to hold harmless each of the Holders of Registrable Securities included in such Shelf Registration, and each person who is named in such Shelf Registration or a supplement thereto as an underwriter in any offering or sale of such Registrable Securities and each person who controls any such person (each, a "Participant") against any losses, claims, damages or liabilities, joint or several, to which such Participant may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any registration

statement under which such Registrable Securities were registered under the Securities Act, or any preliminary, final or summary Prospectus contained therein or furnished by the Company to any such Participant, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading and the Company shall, and it hereby agrees to, reimburse each such Participant for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, damage, liability or action; *provided, however*, that the Company shall not be liable to any such person in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, or preliminary, final or summary Prospectus, or amendment or supplement thereto, in reliance upon and in conformity with written information furnished to the Company by any Participant expressly for use therein; *provided, further*, that this indemnity agreement shall not apply to any loss, liability, claim, damage or expense (1) arising from an offer or sale of Registrable Securities occurring during a Deferral Period, if Notice Holders received a Deferral Notice, or (2) the Participant fails to deliver at or prior to the written confirmation of sale, the most recent Prospectus, as amended or supplemented, and such Prospectus, as amended or supplemented, would have corrected such untrue statement or alleged untrue statement of a material fact. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) *Indemnification by Participants.* Each Participant, severally and not jointly, agrees to indemnify and hold harmless the Company, each of the Company's directors, officers and employees and each person who controls the Company within the meaning of either the Securities Act or the Exchange Act (each, a "Company Party"), against any losses, claims, damages or liabilities, joint or several, to which such Company Party may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any registration statement under which such Registrable Securities were registered under the Securities Act, or any preliminary, final or summary Prospectus contained therein or furnished by the Company to such Participant, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and each Participant shall, and it hereby agrees to, reimburse each Company Party for any legal or other expenses reasonably incurred by it in connection with investigating or defending any such loss, claim, damage, liability or action; *provided*, that, each Participant agrees to provide such indemnification only with reference to written information furnished to the Company by or on behalf of such Participant specifically for use in any registration statement, or any preliminary or final or summary Prospectus contained therein or any amendment or supplement thereto. This indemnity agreement will be acknowledged by each Participant that is not an Initial Purchaser in such Participant's Notice and will be in addition to any liability which any such person may otherwise have.

(c) *Notice.* Promptly after receipt by an indemnified party under Section 7(a) or (b) of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability which it may have to any indemnified party otherwise than under Section 7(a) or (b). In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel satisfactory to such indemnified party; *provided* that, if the defendants in any such action include both the indemnified party and the indemnifying party and representation of both parties

by the same counsel would be inappropriate due to actual or potential conflicting interests between them, the indemnified party or parties shall have the right to select separate counsel to participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under Section 7(a) or (b) for any legal or other expenses subsequently incurred by such indemnified party (other than reasonable costs of investigation) in connection with the defense thereof unless (i) the indemnified party shall have employed separate counsel in connection with the assertion of legal defenses in accordance with the proviso to the immediately preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate national counsel, approved by the indemnifying party, representing the indemnified parties who are parties to such action), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party; and except that, if clause (i) or (iii) is applicable, such liability shall be only in respect of the counsel referred to in such clause (i) or (iii).

No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action. No indemnified party shall, without the prior written consent of the indemnifying party, effect any settlement of any pending or threatened action for which the indemnifying party could have liability under this Agreement.

(d) *Contribution.* Each party hereto agrees that, if for any reason the indemnification provisions contemplated by Section 7(a) or Section 7(b) are unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative fault of the indemnifying party and the indemnified party in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative fault of such indemnifying party and indemnified party shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by such indemnifying party or by such indemnified party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The parties hereto agree that it would not be just and equitable if contributions pursuant to this Section 7(d) were determined by pro rata allocation (even if the Participants were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to in this Section 7(d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages, or liabilities (or actions in respect thereof) referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 7(d), no Participant shall be required to contribute any amount in excess of the amount by which the dollar amount of the proceeds received by such Participant from the sale of any Registrable Securities exceeds the amount of any damages which such Participant has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission, and no underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Registrable Securities underwritten by it and distributed to the public were offered to the public

exceeds the amount of any damages which such underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Participants' obligations in this Section 7(d) to contribute shall be several in proportion to the number of Registrable Securities registered or underwritten, as the case may be, by them and not joint.

(e) The obligations of the Company under this Section 7 shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each officer, director and partner of each Participant and each person, if any, who controls any Participant within the meaning of the Securities Act or the Exchange Act; and the obligations of the Participants contemplated by this Section 7 shall be in addition to any liability which the respective Participants may otherwise have and shall extend, upon the same terms and conditions, to each officer, employee and director of the Company (including any person who, with his consent, is named in any

registration statement as about to become a director of the Company), and to each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act.

8. *Rule 144.*

The Company covenants to the Holders of Registrable Securities that the Company shall use its reasonable efforts to file in a timely manner the reports it is required to file under the Exchange Act or the Securities Act (including the reports under Sections 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the Commission under the Securities Act) and the rules and regulations adopted by the Commission thereunder, all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar or successor rule or regulation hereafter adopted by the Commission. Upon the request of any Holder of Registrable Securities in connection with that Holder's sale pursuant to Rule 144, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements.

9. *Miscellaneous.*

(a) *Notices.* All notices, requests, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered by hand, if delivered personally or by courier, when received if sent via facsimile or telex or three days after being deposited in the mail (registered or certified mail, postage prepaid, return receipt requested) as follows: if to the Company, to it at 8000 S. Federal Way, Boise, Idaho 83716-9632, Attention: Chief Financial Officer (fax: (208) 363-2900); if to an Initial Purchaser, to it at Three World Financial Center, New York, New York 10285, Attention: Syndicate Department (fax: (212) 528-8822); and if to a Holder, to the address of such Holder set forth in the security register, a Notice and Questionnaire or other records of the Company or to such other address as the Company or any such Holder may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

(b) *Parties in Interest.* All the terms and provisions of this Agreement shall be binding upon, shall inure to the benefit of and shall be enforceable by the respective successors and assigns of the parties hereto. In the event that any transferee of any Holder of Registrable Securities shall acquire Registrable Securities, in any manner, whether by gift, bequest, purchase, operation of law or otherwise, such transferee shall, without any further writing or action of any kind, be deemed a party hereto for all purposes and such Registrable Securities shall be held subject to all of the terms of this Agreement, and by taking and holding such Registrable Securities such transferee shall be entitled to receive the benefits of, and be conclusively deemed to have agreed to be bound by and to perform, all of the

applicable terms and provisions of this Agreement and such transferee shall promptly furnish to the Company a Notice and Questionnaire.

(c) *Survival.* The respective indemnities, agreements, representations, warranties and each other provision set forth in this Agreement or made pursuant hereto shall remain in full force and effect regardless of any investigation (or statement as to the results thereof) made by or on behalf of any Holder of Registrable Securities, any director, officer or partner of such Holder, any agent or underwriter or any director, officer or partner thereof, or any controlling person of any of the foregoing, and shall survive delivery of and payment for the Registrable Securities pursuant to the Purchase Agreement and the transfer and registration of Registrable Securities by such Holder.

(d) *GOVERNING LAW.* THIS REGISTRATION RIGHTS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK.

(e) *Headings.* The descriptive headings of the several sections and paragraphs of this Agreement are inserted for convenience only, do not constitute a part of this Agreement and shall not affect in any way the meaning or interpretation of this Agreement.

(f) *Entire Agreement; Amendments.* This Agreement and the other writings referred to herein (including the Warrant Agreement) or delivered pursuant hereto which form a part hereof contain the entire understanding of the parties with respect to its subject matter. This Agreement supersedes all prior agreements and understandings between the parties with respect to its subject matter. This Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively) only by a written instrument duly executed by the Company and the Holders of at least a majority of the Shares constituting Registrable Securities at the time outstanding (with Holders of Warrants deemed to be the Holders, for the purposes of this section, of the number of outstanding Shares for which such Warrants are or would be exercisable as of the date on which such consent is requested). Each Holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any amendment or waiver effected pursuant to this Section 9(f), whether or not any notice, writing or marking indicating such amendment or waiver appears on such Registrable Securities or is delivered to such Holder.

(g) *Inspection.* For so long as this Agreement shall be in effect, this Agreement and a complete list of the names and addresses of all the Holders of Registrable Securities shall be made available for inspection and copying on any Business Day by any Holder of Registrable Securities for proper purposes only (which shall include any purpose related to the rights of the Holders of Registrable Securities under the Securities, the Warrant Agreement and this Agreement) at the offices of the Company at the address thereof set forth in Section 9(a) above, or at the office of the Warrant Agent under the Warrant Agreement.

(h) *Counterparts.* This Agreement may be executed by the parties in counterparts, each of which shall be deemed to be an original, but all such respective counterparts shall together constitute one and the same instrument.

Agreed to and accepted as of the date referred to above.

Very truly yours,

MICRON TECHNOLOGY, INC.

By: _____

Name:
Title:

LEHMAN BROTHERS INC.

By: _____

Name:
Title:

QuickLinks

EXHIBIT 10.146

WARRANT AGREEMENT

dated as of July 18, 2001

between

MICRON TECHNOLOGY, INC.

and

WELLS FARGO BANK MINNESOTA, N.A.
as warrant agent

TABLE OF CONTENTS

WARRANT AGREEMENT

This Agreement dated as of July 18, 2001, between Micron Technology, Inc., a corporation organized under the laws of Delaware (the "Company"), and Wells Fargo Bank Minnesota, N.A. (the "Warrant Agent").

WITNESSETH THAT:

WHEREAS, pursuant to certain resolutions of the Board of Directors of the Company, adopted on June 26, 2001, the Company authorized the offering and issuance of warrants (each, a "Warrant" and, collectively, the "Warrants") to purchase shares of Common Stock of the Company, par value $0.10 per share, and has entered into a Purchase Agreement with Lehman Brothers Inc. (the "Initial Purchaser"), dated as of July 12, 2001 (the "Purchase Agreement"), pursuant to which the Initial Purchaser will purchase the Warrants and resell the Warrants as contemplated therein.

WHEREAS, the Company desires to enter into this Agreement to set forth the terms and conditions of the Warrants and the rights of the holders thereof;

WHEREAS, the Company desires that the Warrant Agent act on behalf of the Company, and the Warrant Agent is willing to act in connection with the issuance, exchange, transfer, substitution and exercise of Warrants; and

WHEREAS, the Company and the Initial Purchaser are executing on even date herewith a registration rights agreement (the "Registration Rights Agreement").

NOW THEREFORE in consideration of the mutual agreements herein contained, the parties hereto agree as follows:

DEFINITIONS

"Agent Members" means members of, or participants in, the Depositary.

"Board of Directors" means the Board of Directors of the Company or any committee of such Board of Directors duly authorized to exercise the power of such Board of Directors with respect to the matters provided for in this Agreement as to which the Board of Directors is authorized or required to act.

"Business Day" means a day of the week other than a Saturday, a Sunday or a day which shall be in New York, New York, or Boise, Idaho, or in the city in which the principal office of the Warrant Agent is located a legal holiday or a day on which banking institutions are authorized or required by law to close for business.

"Cancellation Notice" has the meaning set forth in Section 2.01(b).

"Cash Amount" means the amount paid by the holder (i) in cash, (ii) by certified or official bank check in immediately available funds or (iii) by a combination of the foregoing, equal to the Exercise Price multiplied by the Share Number.

"Cash Exercise" means an exercise of Warrants for cash in accordance with Section 2.01(b).

"Cash Exercise Notice" has the meaning set forth in Section 2.01(b).

"Certificated Warrants" means Warrants represented by Warrant Certificates in definitive, fully registered form.

"Change of Control" means the occurrence, after the original issue date of the Warrants, of:

(i) the acquisition by any Person of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of capital stock of the Company entitling such Person to exercise 50% or more of the total voting power of all shares of

capital stock of the Company entitled to vote generally in the elections of directors, other than any such acquisition by the Company, any Subsidiary of the Company or any employee benefit plan of the Company existing on the date of this Agreement; provided, the term "beneficial owner" shall be determined in accordance with Rule 13d-3, as in effect on the date of the original execution of the Agreement, promulgated by the United States Securities and Exchange Commission pursuant to the Exchange Act; or

(ii) any consolidation of the Company with, or merger of the Company into, any other Person, any merger of another Person into the Company, or any sale or transfer of all or substantially all of the assets (other than to one or more wholly-owned subsidiaries of the Company) of the Company to any other Person (other than (a) any such transaction pursuant to which the holders of 50% or more of the total voting power of all shares of capital stock of the Company entitled to vote generally in elections of directors immediately prior to such transaction have, directly or indirectly, at least 50% or more of the total voting power of all shares of capital stock of the continuing or surviving corporation entitled to vote generally in elections of directors of the continuing or surviving corporation immediately after such transaction and (b) any (x) transaction which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of capital stock of the Company or (y) merger which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of Common Stock into solely shares of

common stock); *provided, however*, that a Change of Control shall not be deemed to have occurred if either (a) the average of the reported closing price of the Common Stock on the New York Stock Exchange (or such other principal securities exchange or automated quotation system upon which the Common Stock may then be listed for public trading) for any 5 Trading Days during the 10 consecutive Trading Days ending on the Trading Day immediately after the later of the occurrence which would otherwise constitute a Change of Control or the public announcement of an occurrence which would otherwise constitute a Change of Control (in the case of an occurrence which would otherwise constitute a Change of Control under paragraph (i) above) or the average of the reported closing price of the Common Stock on the New York Stock Exchange (or such other principal securities exchange or automated quotation system upon which the Common Stock may then be listed for public trading) for the 10 consecutive Trading Days ending on the Trading Day immediately before the occurrence which would otherwise constitute a Change of Control (in the case of an occurrence which would otherwise constitute a Change of Control under this paragraph (ii) above) shall equal or exceed 110% of the Exercise Price of the Warrants in effect on each such Trading Day, or (b) all of the consideration (excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) in a transaction the occurrence of which would otherwise constitute a Change of Control consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq National Market (or will be so traded or quoted immediately following the occurrence which would otherwise constitute a Change of Control) and as a result of such transaction or transactions the Warrants become exercisable solely into such common stock. For the purposes of this definition, the term "Person" shall include any syndicate or group which would be deemed to be a "person" under Section 13(d)(3) of the Exchange Act, as in effect on the date of the original execution of this Agreement.

"Change of Control Notice" has the meaning set forth in Section 4.03(a).

"Commission" means the United States Securities and Exchange Commission.

"Common Shelf Registration Statement" has the meaning set forth in Section 5.03(a).

"Common Stock" means the common stock, par value $0.10 per share, of the Company authorized at the date of this Agreement or as such stock may be constituted from time to time. Subject to the provisions of Section 3.05, shares issuable upon exercise of the Warrants shall include only shares of the class designated as Common Stock of the Company as of the date of this Agreement

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or shares of any class or classes resulting from any reclassification or reclassifications or change or changes thereof and which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, and if at any time there shall be more than one such resulting class, the shares of such class resulting from all such reclassifications or changes bears to the total number of shares of all such classes resulting from such reclassifications or changes.

"Common Stock Transfer Certifications" means the certifications set forth in Section 5.04(c).

"Depositary" or "DTC" means The Depository Trust Company, its nominees, and their respective successors.

"Distributed Property" has the meaning set forth in Section 3.01(c).

"Dollars," "U.S.$" and "$" refer to the lawful currency of the United States of America.

"Exercise Date" means the date on which a Warrant is exercised.

"Exercise Price" means a price of $56.00 per share, subject to adjustment as provided in Article III hereof.

"Expiration Date" means 5:00 p.m., New York time, on May 15, 2008.

"Global Warrant" has the meaning set forth in Section 1.01(b).

"Global Warrant Legend" means the legend set forth in Section 1.03(b).

"Initial Purchaser" has the meaning set forth in the preamble hereto.

"Institutional Accredited Investor" means an institutional "accredited investor" as defined in Rule 501(A)(1), (2), (3) or (7) under the Securities Act, other than a "qualified institutional buyer" as defined in Rule 144A under the Securities Act.

"Market Price" means, with respect to any day, the average of the reported closing price of the Common Stock or Subsidiary shares, as the case may be, on the New York Stock Exchange (or such other principal securities exchange or automated quotation system upon which the Common Stock or Subsidiary shares, as the case may be, as may then be listed for public trading) for the 30 consecutive Trading Days preceding, but not including, such day or, where the context requires, the applicable record date (or, if applicable, the date on which the Common Stock or Subsidiary shares, as the case may be, commences trading on an ex-distribution basis), or, if the Common Stock or Subsidiary shares, as the case may be, is not so listed, the average of three quotations obtained from broker-dealers selected by the Company, or, if such quotes are unavailable, the fair market value determined by a nationally recognized investment banking firm hired for such purpose by the Company; *provided, however*, that for the purposes of Section 4.02(a), "Market Price" means the average of the reported closing price of the Common Stock on the New York Stock Exchange (or such other principal securities exchange or automated quotation system upon which the Common Stock may then be listed for public trading) for the 15 consecutive Trading Days preceding the second Trading Day prior to the Repurchase Date.

"Net Issue Exercise" means an exercise of Warrants in accordance with Section 2.01(a).

"Net Issue Exercise Notice" has the meaning set forth in Section 2.01(b).

"Net Issue Number" has the meaning set forth in Section 2.01(a).

"Officer's Certificate" means a certificate provided in accordance with Section 3.01(g).

"Person" means an individual, partnership, firm, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

"Purchase Agreement" has the meaning set forth in the preamble hereto.

"Purchased Shares" has the meaning set forth in Section 3.01(e).

"Repurchase Date" has the meaning set forth in Section 4.01.

"Repurchase Price" means the following percentages of the initial Warrant issue price of $17.20:

on or before	January 18, 2002	93%
	July 18, 2002	86%
	January 18, 2003	79%
	July 18, 2003	72%
	January 18, 2004	65%
	July 18, 2004	58%
	January 18, 2005	51%
	July 18, 2005	44%
	January 18, 2006	37%
	July 18, 2006	30%
	January 18, 2007	23%
	July 18, 2007	15%
	January 18, 2008	8%
after	January 18, 2008	0%

"Registration Rights Agreement" has the meaning set forth in the preamble.

"Regulation S" means Regulation S under the Securities Act.

"Rights Plan" has the meaning set forth in Section 3.01(f).

"Rule 144A" means Rule 144A under the Securities Act.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Share Number" means initially one share of Common Stock, as adjusted pursuant to Article III hereof.

"Share Private Placement Legend" means the legend set forth in Section 5.04(a).

"Subsidiary" of any Person means any corporation, association, partnership, limited liability company or other business entity of which more than 50% of the total voting power of shares of capital stock or other interests (including partnership interests) entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by (i) such Person, (ii) such Person and one or more Subsidiaries of such Person or (iii) one or more Subsidiaries of such Person.

"Tender Expiration Time" has the meaning set forth in Section 3.01(e).

"Trading Day" means a day on which the securities exchange specified for the purposes of determining the Market Price shall be open for business or, if the shares of Common Stock shall not be listed on such exchange for such period, a day with respect to which quotations of the character referred to in the next preceding sentence shall be reported.

"Trigger Event" has the meaning set forth in Section 3.01(f).

"Warrant" has the meaning set forth in the preamble.

"Warrant Certificate" has the meaning set forth in Section 1.01(a).

"Warrant Private Placement Legend" means the legend set forth in Section 1.03(a).

"Warrant Register" has the meaning set forth in Section 1.05(a).

"Warrant Transfer Certifications" means the certifications set forth in Section 1.07(b).

"Warrantholder" means such person in whose name Warrants are registered in the Warrant Register.

ARTICLE I

ISSUANCE, EXECUTION AND TRANSFER OF WARRANT CERTIFICATES

Section 1.01. *Form of Warrant Certificates.* (a) Any certificate representing Warrants (each a "Warrant Certificate") shall have such insertions as are appropriate or required or permitted by this Agreement and may have such letters, numbers or other marks of identification and such legends and endorsements, stamped, printed, lithographed or engraved thereon, (i) as the Company may deem appropriate and as are not inconsistent with the provisions of this Agreement, (ii) such as may be required to comply with this Agreement, any law or any rule of any securities exchange on which the Warrants may be listed, (iii) and such as may be necessary to conform to customary usage.

(b)

The Warrants shall be issued initially in the form of a permanent global Warrant Certificate (the "Global Warrant") in definitive, fully registered form, substantially in the form set forth in Exhibit A hereto, which exhibit is hereby incorporated in and expressly made a part of this Agreement. Upon issuance, the Global Warrant shall be duly executed by the Company and countersigned by the Warrant Agent as hereinafter provided and deposited with the Warrant Agent as custodian for The Depository Trust Company, its nominees, and their respective successors (the "Depositary"). Any Warrants represented by Warrant Certificates in definitive, fully registered form issued to beneficial owners of interests in the Global Warrant ("Certificated Warrants") shall be issued in substantially in the form set forth in Exhibit B hereto, which exhibit is hereby incorporated in and expressly made a part of this Agreement. Any such Warrant Certificate shall be duly executed by the Company and countersigned by the Warrant Agent and delivered, all as hereinafter provided.

(c)

Warrant Certificates shall be typed, printed, lithographed or engraved or produced by any combination of such methods or produced in any other manner permitted by the rules of any securities exchange on which the Warrants may be listed, all as determined by the officers of the Company executing such Warrant Certificates, as evidenced by their execution thereof.

(d)

Each Warrant shall evidence the right, subject to the provisions of this Agreement and of the Warrant Certificate, to purchase a number of shares equal to the Share Number (as defined below) of shares of Common Stock, calculated in accordance with Section 2.01 hereof and subject to adjustment pursuant to the provisions of Article III hereof.

SECTION 1.02. *Execution of Warrant Certificates*. Each Warrant Certificate, whenever issued, shall be dated as of the date of countersignature thereof by the Warrant Agent either upon initial issuance or upon exchange, substitution or transfer, shall be signed manually by, or bear the

facsimile signature of, the Chairman of the Board or the President or a Treasurer or Executive or Senior Vice President or any Vice President (whether or not designated by a number or numbers of words added before or after the title "Vice President") of the Company, and shall be attested by the manual or facsimile signature of the Treasurer or Assistant Treasurer or Secretary or an Assistant Secretary of the Company. In case any officer of the Company whose manual or facsimile signature has been placed upon any Warrant Certificate shall have ceased to be such before such Warrant Certificate is issued, it may be issued with the same effect as if such officer had not ceased to be such at the date of issuance. Warrant Certificates shall, upon the Warrant Agent's (or successor warrant agent's) receipt of written delivery instructions related to such Warrant Certificates from the Company, be countersigned manually by the Warrant Agent (or successor warrant agent) and shall not be valid for any purpose unless so countersigned. Warrant Certificates may be countersigned by the Warrant Agent (or successor warrant agent), however, notwithstanding that the persons whose manual or facsimile signatures appear thereon as proper officers of the Company shall have ceased to be such officers at the time of such countersignature, issuance or delivery. Any Warrant Certificate may be signed on behalf of the Company by any person who, at the actual date of the execution of such Warrant Certificate, shall be a proper officer of the Company to sign such Warrant Certificate, although at the date of the execution of this Agreement any such person was not such an officer.

SECTION 1.03. *Legends.* (a) Except as provided in Section 1.07(c) hereof, each Warrant Certificate shall bear the following (the "Warrant Private Placement Legend") on the face thereof:

THE SECURITY EVIDENCED BY THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. BY ACQUISITION HEREOF, THE HOLDER:

(1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, (B) IT IS A NON-U.S. PERSON OUTSIDE THE UNITED STATES ACQUIRING THE SECURITY IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (C) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT IS PURCHASING AT LEAST $100,000 IN AGGREGATE AMOUNT OF SECURITIES;

(2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER (I) WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THE SECURITIES EVIDENCED HEREBY OR (II) IF SUCH HOLDER IS AN AFFILIATE OF THE COMPANY, AT ANY TIME DURING THE THREE MONTHS FOLLOWING SUCH HOLDER'S ACQUISITION OF THE SECURITIES, THE SECURITY EVIDENCED HEREBY OR THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITY EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT IS PURCHASING AT LEAST $100,000 IN AGGREGATE AMOUNT OF SECURITIES AND THAT PRIOR TO SUCH TRANSFER, FURNISHES TO WELLS FARGO BANK MINNESOTA, N.A., AS WARRANT AGENT, A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND WARRANTIES RELATING TO THE RESTRICTIONS ON TRANSFER OF THE SECURITY EVIDENCED HEREBY (THE FORM OF LETTER CAN BE OBTAINED FROM SUCH WARRANT AGENT), (D) TO A NON-U.S. PERSON OUTSIDE THE UNITED STATES IN COMPLIANCE

WITH REGULATION S UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER; AND

(3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE SECURITY EVIDENCED HEREBY IS TRANSFERRED (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(F) ABOVE) A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

IN CONNECTION WITH ANY TRANSFER OF THE SECURITY EVIDENCED HEREBY WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF SUCH SECURITY (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(F) ABOVE), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE CERTIFICATE (AVAILABLE FROM THE WARRANT AGENT) RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE WARRANT AGENT. IF THE PROPOSED TRANSFER IS PURSUANT TO CLAUSE (2)(C) OR (2)(E) ABOVE, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE WARRANT AGENT (OR ANY SUCCESSOR WARRANT AGENT, AS APPLICABLE) SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE SECURITY EVIDENCED HEREBY PURSUANT TO CLAUSE (2)(F) ABOVE OR THE EXPIRATION OF TWO YEARS FROM THE ORIGINAL ISSUANCE OF THE SECURITY EVIDENCED HEREBY. AS USED HEREIN, THE TERMS "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

(b)

The Global Warrant shall bear the following legend (the "Global Warrant Legend") on the face thereof:

UNLESS THIS GLOBAL WARRANT IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO MICRON TECHNOLOGY, INC., THE CUSTODIAN OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

TRANSFER OF THIS GLOBAL WARRANT SHALL BE LIMITED TO TRANSFERS IN WHOLE, AND NOT IN PART, TO MICRON TECHNOLOGY INC., DTC, THEIR SUCCESSORS AND THEIR RESPECTIVE NOMINEES AND TRANSFERS OF INTERESTS IN THIS GLOBAL WARRANT SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN SECTION 1.07 OF THE WARRANT AGREEMENT, DATED AS OF JULY 18, 2001, BETWEEN

MICRON TECHNOLOGY, INC. AND THE WARRANT AGENT NAMED THEREIN, PURSUANT TO WHICH THIS WARRANT WAS ISSUED.

SECTION 1.04. *Issuance, Delivery and Registration of Warrant Certificates.* In connection with the initial issuance of the Warrants, the Warrant Agent shall issue and deliver the Warrants to the Initial Purchaser or its designee or designees as provided in the Purchase Agreement. Additionally, the Warrant Agent shall countersign and deliver Warrant Certificates upon exchange, transfer or substitution for one or more previously countersigned Warrant Certificates as hereinafter provided.

SECTION 1.05. *Transfer, Exchange and Substitution.* (a) The Warrants shall be issued in registered form only. The Company shall cause to be kept at the office of the Warrant Agent, and the Warrant Agent shall maintain, a register (the "Warrant Register") in which, subject to such reasonable regulations as the Company may prescribe, the Company shall provide for the registration of Warrants and transfers, exchanges or substitutions of Warrants as herein provided. All Warrants issued upon any registration of transfer or exchange of or substitution for Warrants shall be valid obligations of the Company, evidencing the same obligations, and entitled to the same benefits under this Agreement, as the Warrants surrendered for such registration of transfer, exchange or substitution, and shall bear the Warrant Private Placement Legend set forth in Section 1.03, except as provided in Section 1.07(c) hereof.

(b)

A Warrantholder may transfer a Warrant only upon surrender of such Warrant for registration of transfer. No such transfer shall be effected until, and the transferee shall succeed to the rights of a Warrantholder only upon, final acceptance and registration of the transfer in the Warrant Register by the Warrant Agent. Prior to the registration of any transfer of a Warrant by a Warrantholder as provided herein, the Company, the Warrant Agent, and any agent of the Company or the Warrant Agent may treat the person in whose name the Warrants are registered as the owner thereof for all purposes and as the person entitled to exercise the rights represented thereby, any notice to the contrary notwithstanding.

(c)

Every Warrant presented or surrendered for registration of transfer or for exchange or substitution shall (if so required by the Company or the Warrant Agent) be duly endorsed, or be accompanied by a duly executed instrument of transfer in form satisfactory to the Company and the Warrant Agent, by the holder thereof or such Warrantholder's attorney duly authorized in writing.

(d)

When Warrants are presented to the Warrant Agent with a request to register the transfer of, or to exchange or substitute, such Warrants, the Warrant Agent shall register the transfer or make the exchange or substitution as requested if its requirements for such transactions and any applicable requirements hereunder are satisfied. To permit registrations of transfers, exchanges and substitutions, the Company shall execute Warrant Certificates at the Warrant Agent's request and the Warrant Agent shall countersign and deliver such Warrant Certificates. No service charge shall be made for any registration of transfer or exchange of or substitution for Warrants, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer of Warrants.

(e)

If less than all the Warrants represented by a Certificated Warrant are transferred, exchanged or substituted in accordance with this Agreement, the Warrant Certificate shall be surrendered to the Warrant Agent and a new Warrant Certificate of the same tenor and for the number of Warrants which were not transferred, exchanged or substituted, registered in such name or names as may be directed in writing by the surrendering Warrantholder, shall be executed by the Company and delivered to the Warrant Agent and the Warrant Agent shall countersign

such new Warrant Certificate and shall deliver such new Warrant Certificate to the person or persons entitled to receive the same.

SECTION 1.06. *The Global Warrant.* (a) So long as the Global Warrant is registered in the name of the Depositary or its nominee, members of, or participants in, the Depositary ("Agent Members") shall have no rights under this Agreement with respect to the Global Warrant held on their behalf by the Depositary or the Warrant Agent as its custodian, and the Depositary may be treated by the Company, the Warrant Agent and any agent of the Company or the Warrant Agent as the absolute owner of such Global Warrant for all purposes. Accordingly, any such owner's beneficial interest in Global Warrant will be shown only on, and the transfer of such interest shall be effected only through, records maintained by the Depositary or its nominee or its Agent Members, and neither the Company nor the Warrant Agent shall have any responsibility with respect to such records maintained by the Depositary or its nominee or its Agent Members. Notwithstanding the foregoing, nothing herein shall (i) prevent the Company, the Warrant Agent or any agent of the Company or the Warrant Agent from giving effect to any written certification, proxy or other authorization furnished by the Depositary or (ii) impair, as between the Depositary and its Agent Members, the operation of customary practices governing the exercise of the rights of a Warrantholder.

(b)

Any holder of the Global Warrant shall, by acceptance of such Global Warrant, agree that transfers of beneficial interests in such Global Warrant may be effected only through a book-entry system maintained by the holder of such Global Warrant (or its agent), and that ownership of a beneficial interest in the Warrants represented thereby shall be required to be reflected in book-entry form.

(c)

Transfers of the Global Warrant shall be limited to transfers in whole, and not in part, to the Company, the Depositary, their successors, and their respective nominees. Interests of beneficial owners in the Global Warrant shall be transferred in accordance with the rules and procedures of the Depositary.

(d)

The Global Warrant shall be exchanged for Certificated Warrants in the event that (i) the Depositary (x) has notified the Company that it is unwilling or unable to continue as, or ceases to be, a clearing agency registered under Section 17A of the Exchange Act and (y) a successor to the Depositary registered as a clearing agency under Section 17A of the Exchange Act is not able to be appointed by the Company within 90 days, (ii) the Depositary is at any time unwilling or unable to continue as Depositary and a successor to the Depositary is not able to be appointed by the Company within 90 days, or (iii) a beneficial interest in such Global Warrant has been transferred to an Institutional Accredited Investor or in reliance on another exemption from the registration requirements of the Securities Act, other than pursuant to Rule 144A, Rule 144 or Regulation S, pursuant to Section 1.07(f) hereof. In any such event, the Global Warrant shall be surrendered to the Warrant Agent for cancellation, and the Company shall execute, and the Warrant Agent shall countersign and deliver, to each beneficial owner identified by the Depositary, in exchange for such beneficial owner's beneficial interest in the Global Warrant, Certificated Warrants representing, in the aggregate, the number of Warrants theretofore represented by the Global Warrant with respect to such beneficial owner's respective beneficial interest. Any Certificated Warrant delivered in exchange for an interest in the Global Warrant pursuant to this Section 1.06(d) shall, except as otherwise provided in

Section 1.07(c) hereof, bear the Warrant Private Placement Legend, but shall not bear the Global Warrant Legend. Interests in the Global Warrant may not be exchanged for Certificated Warrants other than as provided in this Section 1.06(d).

(e)

Certificated Warrants may be transferred or exchanged for a beneficial interest in the Global Warrant only upon receipt by the Warrant Agent of a Certificated Warrant, duly endorsed or accompanied by appropriate instruments of transfer, in form satisfactory to the Warrant Agent, together with (i) the Warrant Transfer Certifications; and (ii) written instructions directing the Warrant Agent to make, or to direct the Depositary to make, an endorsement on the Global Warrant to reflect an increase in the aggregate amount of the Warrants represented by the Global Warrant. Upon such transfer or exchange, the Warrant Agent shall cancel such Certificated Warrant and cause, or direct the Depositary to cause, in accordance with the standing instructions and procedures existing between the Depositary and the Warrant Agent, the number of Warrants represented by the Global Warrant to be increased accordingly.

(f)

The holder of the Global Warrant may grant proxies and otherwise authorize any person, including Agent Members and persons that may hold interests through Agent Members, to take any action which a Warrantholder is entitled to take under this Agreement or the Warrant.

SECTION 1.07. *Special Transfer Provisions.*

(a) *Limitations on Transfer.* By its acceptance of any Warrant represented by a Warrant Certificate bearing the Warrant Private Placement Legend, each holder of, and beneficial owner of an interest in, such a Warrant acknowledges the restrictions on transfer of such a Warrant set forth in the Warrant Private Placement Legend and agrees that it will transfer such a Warrant only in accordance with the Warrant Private Placement Legend.

(b) *Transfer of Restricted Warrants.* In connection with any transfer of a Warrant represented by a Warrant Certificate bearing the Warrant Private Placement Legend, each Warrantholder agrees to deliver to the Company

(i)

if such Warrant is being transferred to a qualified institutional buyer (as defined in Rule 144A under the Securities Act ("Rule 144A")) in accordance with Rule 144A, pursuant to an exemption from registration in accordance with Rule 144, or outside the United States in an offshore transaction to a person other than a U.S. Person (as such term is defined in Regulation S) (a "non-U.S. Person") in compliance with Regulation S, a certification to that effect from the transferee or transferor (in substantially the form of Exhibit C hereto); or

(ii)

if such Warrant is being transferred in reliance on another exemption from the registration requirements of the Securities Act, a certification to that effect (in substantially the form of Exhibit C hereto) and an opinion of counsel reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act;

provided that the Warrant Agent shall not be required to determine (but may rely on a determination made by the Company with respect to) the sufficiency of any such certificates or opinions (collectively, "Warrant Transfer Certifications").

(c) *Warrant Private Placement Legend.* Upon the registration of transfer or exchange of or substitution for a Warrant represented by a Warrant Certificate not bearing the Warrant Private Placement Legend, the Warrant Agent shall deliver a Warrant Certificate or Warrant Certificates that do not bear the Warrant Private Placement Legend. Upon the registration of transfer or exchange of or substitution for a Warrant represented by a Warrant Certificate bearing the Warrant Private Placement Legend, the Warrant Agent shall deliver a Warrant Certificate or Warrant Certificates bearing the Warrant Private Placement Legend, unless such legend may be removed from such Warrant Certificate pursuant to the provisions of this Section 1.07(c). Upon provision of

Warrant Transfer Certifications, the Warrant Agent, at the direction of the Company, shall countersign and deliver in exchange or substitution for the Warrant Certificate representing Warrants to be transferred or exchanged or substituted for, a Warrant Certificate or Warrant Certificates (representing, in the aggregate, the same number of Warrants). Such Warrant Certificates shall be delivered without such legend if and to the extent such Warrants to be transferred or exchanged or substituted for are no longer "restricted securities" within the meaning of Rule 144. If the Warrant Private Placement Legend has been removed from a Warrant Certificate, as provided above, no other Warrant Certificate issued in exchange for all or any part of such Warrant Certificate shall bear such legend, unless the Company has reasonable cause to believe that the Warrants represented by such other Warrant Certificate represent "restricted securities" within the meaning of Rule 144 and instructs the Warrant Agent in writing to cause a legend to appear thereon.

(d) *Documents.* The Company shall deliver to the Warrant Agent, and the Warrant Agent shall retain for two years, copies of all documents received pursuant to this Section 1.07 to the extent such documents were delivered to the Company instead of the Warrant Agent as required hereunder. The Company shall have the right to inspect and make copies of all such documents at any reasonable time upon the giving of reasonable written notice to the Warrant Agent.

(e) *Company Covenant.* The Company will not at any time after the date hereof offer, sell or otherwise dispose of (or enter into any transaction which is designed to, or which the Company reasonably expects to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any affiliate (as such term is defined in Rule 144(a)(1) under the Securities Act, an "Affiliate") of the Company), directly or indirectly, or announce the offering of, any Warrants which are the subject of this Agreement.

(f) *Transfers to Institutional Accredited Investors or in Reliance on Other Exemptions.* (i) If a holder of a beneficial interest in the Global Warrant wishes at any time to transfer its interest in such Global Warrant to an Institutional Accredited Investor or in reliance on another exemption from the registration requirements of the Securities Act, such Warrantholder may, subject to the rules and procedures of the Depositary and to compliance with the provisions of Section 1.07(b)(ii) hereof, cause the exchange of such interest for one or more Certificated Warrants of any Authorized Denomination or Authorized Denominations and of the same aggregate amount. Upon receipt by the Warrant Agent of (A) instructions from the Depositary directing the Warrant Agent to authenticate and deliver one or more Certificated Warrants of the same aggregate amount as the beneficial interest in the Global Warrant to be exchanged, such instructions to contain the name or names of the designated transferee or transferees, the Authorized Denomination or Authorized Denominations of the Certificated Warrants to be so issued and appropriate delivery instructions and (B) instructions from the Company to the effect that it deems sufficient the Warrant Transfer Certifications received pursuant to Section 1.07(b)(ii) hereof, then the Warrant Agent shall instruct the Depositary to reduce such Global Warrant by the aggregate beneficial interest therein to be exchanged and to debit or cause to be debited from the account of the person making such transfer the beneficial interest in the Global Warrant that is being transferred, and concurrently with such reduction and debit the Company shall execute, and the Warrant Agent shall authenticate and deliver, one or more Certificated Warrants of the same Authorized Denomination in accordance with the instructions referred to above; and

(ii)

if a holder of a Certificated Warrant wishes to transfer such Warrant to an Institutional Accredited Investor or in reliance on another exemption from the registration requirements of the Securities Act, such Warrantholder may, subject to the restrictions on transfer set forth herein and in such Certificated

Warrant, and to compliance with the provisions of Section 1.07(b)(ii) hereof, cause the exchange of such Certificated Warrant

for one or more Certificated Warrants of any Authorized Denomination or Authorized Denominations and of the same aggregate amount. Upon receipt by the Warrant Agent of (A) such Certificated Warrant, duly endorsed as provided herein, (B) instructions from such Warrantholder directing the Warrant Agent to authenticate and deliver one or more Certificated Warrants of the same Authorized Denomination as the Certificated Warrants to be exchanged, such instructions to contain the name or names of the designated transferee or transferees, the Authorized Denomination or Authorized Denominations of the Certificated Warrants to be so issued and appropriate delivery instructions and (C) instructions from the Company to the effect that it deems sufficient the Warrant Transfer Certifications received pursuant to Section 1.07(b)(ii) hereof, then the Warrant Agent shall cancel or cause to be cancelled such Certificated Warrant and concurrently therewith the Company shall execute, and the Warrant Agent shall authenticate and deliver, one or more Certificated Warrants of the same Authorized Denomination, in accordance with the instructions referred to above.

SECTION 1.08. *Surrender of Warrant Certificates.* Any Warrant Certificate surrendered for registration of transfer, exchange, substitution or exercise of the Warrants represented thereby shall, if surrendered to the Company, be delivered to the Warrant Agent, and all Warrant Certificates surrendered or so delivered to the Warrant Agent shall be promptly cancelled by the Warrant Agent and shall not be reissued by the Company and, except as provided in this Article I in case of an exchange, transfer or substitution, Article II hereof in case of the exercise of less than all the Warrants represented thereby or Section 5.02 hereof in case of mutilation, no Warrant Certificate shall be issued hereunder in lieu thereof. The Warrant Agent shall deliver to the Company from time to time or otherwise dispose of such cancelled Warrant Certificates as the Company may direct.

SECTION 1.09. *Rule 144A Information.* Prior to the effectiveness under the Securities Act of a registration statement relating to the offer and sale of the Warrants by the Warrantholders, Warrantholders (or holders of interests therein) and prospective purchasers designated by such Warrantholders (or such holders of interests therein) shall have the right to obtain from the Company upon request by such Warrantholders (or such holders of interests) or prospective purchasers, during any period in which the Company is not subject to Section 13 or 15(d) of the Exchange Act, the information required by paragraph (d)(4)(i) of Rule 144A in connection with any transfer or proposed transfer of such Warrants or interests.

ARTICLE II

WARRANT PRICE, EXPIRATION DATE, ACCELERATION, REPURCHASE AND EXERCISE OF WARRANTS

SECTION 2.01. *Exercise Price.* (a) Subject to the provisions of Section 2.01(b) and Article III, each Warrant Certificate shall entitle the registered holder only to exercise the Warrants represented thereby in accordance with this Section 2.01(a) and upon such exercise to receive from the Company for each Warrant represented thereby and so exercised a number of shares (the "Net Issue Number") of Common Stock, which number shall not be less than zero, computed using the following formula:

$$X = \frac{Y \times (A-B)}{A}$$

where:

X	=	the Net Issue Number;
Y	=	the Share Number;
A	=	the Market Price of a share of Common Stock on the date on which such Warrant is exercised (the "Exercise Date"); *provided*, *however*, that if the Company elects to make adequate provision of shares of capital stock of a Subsidiary distributed to holders of Common Stock pursuant to Section 3.01(c), "A" shall equal the Market Price of a share of Common Stock on the date on which such Warrant is exercised plus the Market Price of the shares of capital stock that such holder would have received if such holder had exercised such Warrant on the record date;
B	=	the then-current Exercise Price;

(an exercise of Warrants pursuant to this clause, a "Net Issue Exercise"). For purposes of this Agreement, "Share Number" shall mean one share of Common Stock and the "Exercise Price" shall mean a price of $56.00 per share, each subject to adjustment as provided in Article III hereof. Upon a Net Issue Exercise of a Warrant, the holder thereof shall be entitled to receive shares of Common Stock without the exchange of any funds.

(b)

Subject to the provisions of Section 5.03(a), the Company may, at its option, elect to require any Warrantholder exercising, or deemed to exercise, Warrants on the Expiration Date to exercise such Warrants for cash (a "Cash Exercise") instead of pursuant to the provisions of Section 2.01(a) by providing, at least 60 days, and not more than 90 days, prior to the Expiration Date, to the Warrantholders notice (a "Cash Exercise Notice") of the Company's election to require a Cash Exercise of the Warrants. If the Common Shelf Registration Statement to be filed by the Company pursuant to Section 5.03(a) is not effective 45 days prior to the Expiration Date, the Company shall promptly provide notice (a "Cancellation Notice") to the Warrantholders of the mandatory cancellation of the Cash Exercise Notice. Provided no Cancellation Notice has been given, the Company may, at any time after the date of such Cash Exercise Notice and prior to the Expiration Date, revoke its election to require holders to Cash Exercise their Warrants by providing notice to all Warrantholders of the Company's election to require a Net Issue Exercise of the Warrants on the Expiration Date (a "Net Issue Exercise Notice"), in which case the prior Cash Exercise Notice shall no longer have any force or effect and any and all exercises of Warrants on the Expiration Date shall be pursuant to the Net Issue Exercise provisions of Section 2.01(a); *provided*, *however*, that the Company may provide a Net Issue Exercise Notice on or after the 45th day prior to the Expiration Date only if the Company has complied with Section 5.03 and if the Company has a reasonable basis to conclude, in its discretion, that the Common Shelf Registration Statement will not be, or is not likely to be, effective on the Expiration Date. If a Net Issue Exercise Notice is provided (i) prior to the second Trading Day prior to the Expiration Date, then the exercise of all Warrants deemed exercised on the Expiration Date pursuant to the first proviso of Section 2.02 shall be revoked, in which case (A) all amounts advanced by such Warrantholder pursuant to Section 2.01(b) shall be returned to such Warrantholder as soon as practicable following the date of the Net Issue Exercise Notice and (B) all such Warrants shall be exercisable pursuant to the provisions of Section 2.01(a) immediately after such notice is provided; or (ii) on or subsequent to the second Trading Day prior to the Expiration Date, then all Warrants exercised on the Expiration Date shall be exercised in accordance with a Net Issue Exercise, in which case all amounts advanced by such Warrantholder pursuant to this Section 2.01(b) shall be returned to such Warrantholder as soon as practicable following the Expiration Date. If a Cash Exercise Notice remains in effect and, on the Expiration Date, the Common Shelf Registration Statement is not effective and available for the issuance of Common Stock to Warrantholders, then all Warrants exercised on the Expiration Date shall be exercised in accordance with a Net Issue Exercise, in which case all amounts advanced by such

Warrantholder pursuant to this Section 2.01(b) shall be returned to such Warrantholder as soon as practicable following the Expiration Date. If the Company elects to require the Warrantholders to Cash Exercise the Warrants pursuant to this Section 2.01(b) and such election continues to be in effect on the Execution Date, each Warrant Certificate shall, following a Cash Exercise Notice and prior to any Cancellation Notice or Net Issue Exercise Notice, entitle the registered holder thereof, upon exercise and payment in full to the Warrant Agent, for the account of the Company, of the Cash Amount, to receive for each Warrant represented by such Warrant Certificate and as to which such exercise and payment has been made, the Share Number of shares of Common Stock.

SECTION 2.02. *Exercise Period.* Subject to the provisions of this Agreement and of the Warrants, each Warrant may be exercised at any time during the period commencing on the day after the date hereof and ending at 5:00 p.m., New York time, on May 15, 2008 (the "Expiration Date"); *provided, however*, subject to Section 2.01, any Warrants exercised during the period commencing with the date upon which the Company is required to maintain the effectiveness of the Common Shelf Registration Statement pursuant to Section 5.03(b) and ending on the Expiration Date shall be deemed to have been exercised on the Expiration Date; *provided, further*, that if the Company provides a Net Issue Exercise Notice pursuant to Section 2.01 on or subsequent to the second Trading Day in advance of the Expiration Date, all Warrants exercised from the date of the Cash Exercise Notice until the date of the Net Issue Exercise Notice shall be deemed to be exercised on the Expiration Date. If the Expiration Date shall not be a Business Day, then a Warrant may be exercised on the next succeeding Business Day.

SECTION 2.03. *Exercise of Warrants.* (a) Warrants may be exercised by surrendering the Warrant Certificate evidencing such Warrants at the principal office of the Warrant Agent (or successor warrant agent), with the Election to Exercise form set forth on the reverse of the Warrant Certificate duly completed and executed, and in the case of a Cash Exercise, by paying in full the Cash Amount for all Warrants exercised to the Warrant Agent for the account of the Company. The registered holder of a Warrant Certificate surrendered for exercise shall pay any applicable taxes, other than taxes that the Company is required to pay hereunder. A registered Warrantholder may exercise the full number of Warrants represented by a Warrant Certificate or any number of whole Warrants thereof. Except as provided in Article III, no adjustment in respect of any dividend on the Common Stock shall be made during the term of a Warrant or on the exercise of a Warrant.

(b)

Subject to the provisions of Section 3.09 hereof, as soon as practicable after the exercise of any Warrants, the Warrant Agent shall promptly requisition from the transfer agent of the Common Stock and deliver to or upon the order of such registered Warrantholder a certificate or certificates for the number of full shares of Common Stock to which such Warrantholder is entitled, registered in such name or names as may be directed by such Warrantholder, together with cash, as provided in Section 2.04 hereof, in respect of any fractional shares, and, if the number of Warrants represented by a Warrant Certificate shall not have been exercised in full, a new Warrant Certificate, countersigned by the Warrant Agent (or successor warrant agent), for the balance of the number of whole Warrants represented by the surrendered Warrant Certificate; *provided, however*, that the Company shall not be required to pay any tax or taxes that may be payable in respect of any transfer in connection with the issue of any Warrant Certificate in a name other than that of the registered holder of the Warrant Certificate surrendered upon the exercise of a Warrant.

(c)

Each person in whose name any such certificate for shares of Common Stock is issued shall for all purposes be deemed to have become the holder of record of such shares on the date on which the Warrant Certificate was surrendered to the Warrant Agent and, in the case of a Cash Exercise, payment of an amount equal to the Exercise Price multiplied by the Share

Number, plus any applicable taxes was made to the Warrant Agent for the account of the Company, irrespective of the date of delivery of such certificate, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are closed, such person shall be deemed to have become the holder of such shares at the close of business on the next succeeding date on which the stock transfer books are open or on which the Company is required to permit Warrants to be exercised or does not exercise its right not to permit Warrants to be exercised.

(d)

Promptly after the Warrant Agent shall have taken the action required in subsection (b) above or at such later time as may be mutually agreeable to the Company and the Warrant Agent, the Warrant Agent shall account to the Company with respect to any Warrants exercised and, in the case of a Cash Exercise, shall pay to the Company the amount of money received by it upon the exercise of Warrants (less any amount paid by the Warrant Agent in respect of a fractional share upon such exercise in accordance with Section 2.04 hereof). The Company shall reimburse the Warrant Agent for any amounts paid by the Warrant Agent in respect of a fractional share upon such exercise in accordance with Section 2.04 hereof.

SECTION 2.04. *No Fractional Shares to Be Issued.* Notwithstanding anything to the contrary contained in this Agreement, the Company shall not be required to issue any fraction of a share of Common Stock or to distribute stock certificates that evidence fractional shares of Common Stock or to issue a Warrant Certificate representing a fractional Warrant upon exercise of any Warrants. If more than one Warrant Certificate shall be surrendered for exercise at one time by the same holder, the number of full shares which shall be issuable upon exercise thereof shall be computed on the basis of the aggregate number of Warrants so surrendered. If any fraction of a share of Common Stock would, except for the provisions of this Section 2.04, be issuable on the exercise of any Warrant or warrants, the Company shall purchase such fraction for an amount in cash equal to the Market Price of such fraction on the date on which such Warrants are surrendered to the Warrant Agent, computed in accordance with Section 3.01(d) hereof. The Warrantholders, by their acceptance of the Warrant Certificates, expressly waive their right to receive any fraction of a share of Common Stock or a stock certificate representing a fraction of a share of Common Stock or Warrant Certificate representing a fractional Warrant upon exercise of any Warrant.

SECTION 2.05. *Acquisition of Warrants by the Company; Cancellation of Warrants.* The Company shall have the right, except as limited by law, to purchase or otherwise to acquire Warrants at such times, in such manner and for such consideration as it may deem appropriate and shall have agreed with the holder of such Warrants. The Warrant Agent shall cancel any Warrant Certificate delivered to it for exercise, in whole or in part, or delivered to it for transfer, exchange, or substitution, and no Warrant Certificates shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Agreement. On request of the Company, the Warrant Agent shall destroy cancelled Warrant Certificates held by it and shall deliver its certificates of destruction to the Company. If the Company shall acquire any of the Warrants, such acquisition shall not operate as a repurchase or termination of the right represented by such Warrants unless and until the Warrant Certificates evidencing such Warrants are surrendered to the Warrant Agent for cancellation.

ARTICLE III

ADJUSTMENT OF WARRANT PRICE AND SHARE NUMBER

SECTION 3.01. *Adjustment of Exercise Price.* The Exercise Price specified in Section 2.01 shall be subject to adjustment from time to time as follows:

(a)

If the Company after the date hereof shall (i) pay a dividend (or make a distribution) payable in shares of its Common Stock on its Common Stock; (ii) subdivide the outstanding shares of Common Stock into a greater number of shares; or (iii) combine the outstanding shares of Common Stock into a smaller number of shares, then in any such case the Exercise Price in effect immediately prior thereto shall be adjusted to a price obtained by multiplying such Exercise Price by a fraction of which the numerator shall be the number of shares of Common Stock outstanding immediately prior to such action and the denominator shall be the number of shares of Common Stock outstanding immediately after giving effect to such action. An adjustment made pursuant to clause (i) of this subsection (a) shall become effective retroactively immediately after the ex-dividend date for such dividend or distribution, and an adjustment made pursuant to clause (ii) or (iii) of this subsection (a) shall become effective immediately after the effective date of such subdivision or combination.

(b)

In case the Company after the date hereof shall issue rights or warrants (other than pursuant to a Rights Plan) to all holders of Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Market Price on the record date (or, if applicable, the ex-distribution date) mentioned below, the Exercise Price in effect immediately prior thereto shall be adjusted to a price obtained by multiplying such Exercise Price by a fraction of which (i) the numerator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of shares which the aggregate offering price of the total number of shares so to be offered would purchase at such Market Price; and (ii) the denominator shall be the number of shares of Common Stock outstanding on the date of issuance of such rights or warrants plus the number of additional shares of Common Stock to be offered for subscription or purchase; *provided, however*, that no adjustment shall be made if the Company issues or distributes to each Warrantholder the rights or warrants which each Warrantholder would have been entitled to receive had such holder's Warrants been exercised prior to the record date mentioned below. Any such adjustments shall be made whenever such rights or warrants are issued and shall become effective retroactively immediately after the record date for the determination of stockholders entitled to receive such rights or warrants. In determining whether any such rights or warrants are issued at less than the Market Price, and in determining the aggregate offering price of such shares of Common Stock, there shall be taken into account any consideration received by the Company for such rights or warrants, the value of such consideration, if other than cash, to be determined by the Board of Directors of the Company, whose determination shall be conclusive and described in a certificate filed with the Warrant Agent. Upon the expiration of any right or warrant to purchase Common Stock the issuance of which resulted in an adjustment to the Exercise Price pursuant to this clause (b), if any such right or warrant shall expire and shall not have been exercised, the Exercise Price shall immediately upon such expiration be recomputed to the Exercise Price which would have been in effect had the adjustment of the Exercise Price made upon the issuance of such rights or warrants been made on the basis of offering for subscription or purchase only that number of shares of Common Stock actually purchased upon the exercise of such rights or warrants actually exercised.

(c)

In case the Company after the date hereof shall distribute to all holders of Common Stock evidences of its indebtedness or assets (excluding any cash dividend or distribution) or rights or warrants to subscribe for (excluding those referred to in subsection (b) above or pursuant to a Rights Plan) shares of capital stock of any class of the Company other than Common Stock ("Distributed Property"), in each such case the Exercise Price in effect immediately prior thereto shall be adjusted to a price obtained by multiplying such Exercise Price by a fraction of which (i) the numerator shall be the Market Price of the Common Stock on the ex-distribution date; and (ii) the denominator shall be such Market Price of the Common Stock plus the fair market value (as determined by the Board of Directors whose determination shall be conclusive, and described in a statement filed with the Warrant Agent) of the portion of the Distributed Property, applicable to one share of Common Stock; *provided, however*, that no adjustment shall be made (1) if the Company issues or distributes to each Warrantholder the subscription rights or warrants referred to above in this subsection (c) that each Warrantholder would have been entitled to receive had the Warrants been exercised prior to the record date mentioned below; or (2) if the Company grants to each Warrantholder the right to receive, upon the exercise thereof at any time after the distribution of the evidences of indebtedness or assets or shares of capital stock of any class other than the Common Stock referred to above in this subsection (c), the evidences of indebtedness or assets or shares of capital stock of any class other than the Common Stock that such Warrantholder would have been entitled to receive had the Warrants been exercised prior to the record date mentioned below; *provided further*, however, that if the Distributed Property consists of shares of capital stock of a Subsidiary, the Company may, at its option and in lieu of the foregoing adjustment, elect to make adequate provision so that each Warrantholder shall have the right to receive upon exercise the amount of such shares of capital stock that such Warrantholder would have received if such Warrantholder had exercised such Warrant on the record date. Any such adjustment shall be made whenever any such distribution is made and shall become effective retroactively immediately after the record date for the determination of stockholders entitled to receive such distribution. In the event that such dividend or distribution is not so paid or made, the Exercise Price shall again be adjusted to be the Exercise Price that would then be in effect if such dividend or distribution had not been declared.

(d)

In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock cash (excluding any cash that is distributed as part of a distribution referred to in paragraph (c) above) in an aggregate amount that, combined together with (i) the aggregate amount of any other cash distributions to all holders of its Common Stock made exclusively in cash within the 12 months preceding the date of payment of such distribution and in respect of which no adjustment pursuant to this paragraph (d) has been made and (ii) the aggregate of any cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive, and described in a statement filed with the Warrant Agent) of consideration payable in respect of any tender offer by the Company or any of its subsidiaries for all or any portion of the Common Stock concluded within the 12 months preceding the date of payment of such distribution and in respect of which no adjustment pursuant to paragraph (e) of this Section 3.01 has been made (the "combined cash and tender amount") exceeds 10% of the product of the Market Price of the Common Stock on the date for the determination of holders of shares of Common Stock entitled to receive such distribution times the number of shares of Common Stock outstanding on such date (the "aggregate current market price"), then, and in each such case, immediately after the close of business on such date for determination, the Exercise Price shall be adjusted so that it shall equal the Exercise Price in effect immediately prior to the close of business on the date fixed for determination of the stockholders entitled to receive such distribution less the quotient of

(x) the combined cash and tender amount divided by (y) the number of shares of Common Stock outstanding on such date for determination.

(e)

In case a tender offer made by the Company or any Subsidiary for all or any portion of the Common Stock shall expire and such tender offer (as amended upon the expiration thereof) shall require the payment to stockholders (based on the acceptance (up to any maximum specified in the terms of the tender offer) of Purchased Shares) of an aggregate consideration having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive, and described in a statement filed with the Warrant Agent) that combined together with (i) the aggregate of the cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive, and described in a statement filed with the Warrant Agent), as of the expiration of such tender offer, of consideration payable in respect of any other tender offer by the Company or any Subsidiary for all or any portion of the Common Stock expiring within the 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to this paragraph (e) has been made and (ii) the aggregate amount of any cash distributions to all holders of the Company's Common Stock within 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to paragraph (d) of this Section has been made (the "combined tender and cash amount") exceeds 10% of the product of Market Price of the Common Stock as of the last time (the "Tender Expiration Time") tenders could have been made pursuant to such tender offer (as it may be amended) times the number of shares of Common Stock outstanding (including any tendered shares) as of the Tender Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Tender Expiration Time, the Exercise Price shall be adjusted so that the same shall equal the rate determined by dividing the Exercise Price immediately prior to close of business on the date of the Tender Expiration Time by a fraction (1) the numerator of which shall be equal to (A) the product of (i) the Market Price of the Common Stock on the date of the Tender Expiration Time multiplied

by (ii) the number of shares of Common Stock outstanding (including any tendered shares) on the Tender Expiration Time less (B) the combined tender and cash amount, and (2) the denominator of which shall be equal to the product of (A) the Market Price of the Common Stock as of the Tender Expiration Time multiplied by (B) the number of shares of Common Stock outstanding (including any tendered shares) as of the Tender Expiration Time less the number of all shares validly tendered and not withdrawn as of the Tender Expiration Time (the shares deemed so accepted up to any such maximum, being referred to as the "Purchased Shares").

(f)

Rights or warrants distributed by the Company to all holders of Common Stock entitling holders thereof to subscribe for or purchase shares of the Company's capital stock (either initially or under certain circumstances) pursuant to a plan (a "Rights Plan"), which rights or warrants, until the occurrence of a specified event or events ("Trigger Event"):

(i)

are deemed to be transferred with such shares of Common Stock,

(ii)

are not exercisable, and

(iii)

are also to be issued in connection with further issuances of Common Stock,

shall not be deemed distributed for purposes of paragraphs (b) or (d) of this Section 3.01, as the case may be, until the occurrence of a Trigger Event. In addition, in the event of any distribution of rights or warrants pursuant to a Rights Plan, or any Trigger Event with respect thereto, that shall have resulted in an adjustment to the Exercise Price under 3.01(b) or (d), as the case may be, (x) in the case of any such rights or warrants which shall all have been redeemed or repurchased without exercise by any holders thereof, the Exercise Price shall be readjusted upon such final redemption or repurchase to give effect to such distribution or Trigger Event, as the case may be, as though it were a cash

distribution, equal to the per share redemption or repurchase price received by a holder of Common Stock with respect to such rights or warrants (assuming such holder had retained such rights or warrants), made to all holders of Common Stock as of the date of such redemption or repurchase, and (y) in the case of any rights or warrants all of which have expired without exercise by any holder thereof, the Exercise Price shall be readjusted as if such issuance had not occurred.

(g)

In any case in which this Section 3.01 shall require that an adjustment be made retroactively immediately following a record date, the Company may elect to defer (but only until 20 Business Days following the filing by the Company with the Warrant Agent of a certificate signed by the Chairman of the Board, the President, the Treasurer or any Executive Vice President or any Vice President (an "Officer's Certificate")) issuing to the holder of any Warrant exercised after such record date the shares of Common Stock and any other capital stock of the Company issuable upon such exercise in excess of the Share Number of shares of Common Stock for which such Warrant was exercisable prior to such adjustment.

(h)

No adjustment in the Exercise Price shall be made unless and until such adjustment would result, either by itself or with other adjustments not previously made, in an increase or decrease of at least 1% in the Exercise Price; *provided, however*, that any adjustment that is not made as a result of this paragraph (h) shall be carried forward and taken into account in any subsequent adjustment.

(i)

Whenever an adjustment in the Exercise Price is made as required or permitted by the provisions of this Section 3.01, the Company shall promptly file with the Warrant Agent an Officer's Certificate setting forth (i) the adjusted Exercise Price as provided in this Section 3.01 and a brief statement of the facts requiring such adjustment and the computation thereof; and (ii) the Share Number after such adjustment in the Exercise Price in accordance with Section 3.02 hereof or the number of Warrants outstanding in accordance with Section 3.03 hereof after such adjustment in the Exercise Price and the record date therefor, which Officer's Certificate shall be conclusive evidence of the correctness of any such adjustment, and promptly after such filing shall mail or cause to be mailed a notice of such adjustment to each Warrantholder at his last address as the same appears on the Warrant Register. The Warrant Agent shall be under no duty or responsibility with respect to any such certificate except to exhibit the same to any Warrantholder desiring inspection thereof.

(j)

In case:

1)

the Company shall declare a dividend (or any other distribution) on shares of Common Stock that would require an adjustment to the Exercise Price pursuant to Section 3.01; or

2)

the Company shall authorize the granting to all holders of shares of Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class of the Company; or

3)

of any reclassification of shares of Common Stock (other than a subdivision or combination of outstanding shares of Common Stock or a change in par value, or from par value to no par value, or no par value to par value), or of any consolidation or merger to which the Company is a party and for which approval of any stockholders of the Company is required, or of the sale or transfer of all or substantially all of the assets of the Company; or

4)

of the voluntary or involuntary dissolution, liquidation or winding up of the Company;

then the Company shall cause to be filed with the Warrant Agent, and shall cause to be mailed to the holders of the Warrants, at their last addresses as they shall appear upon the Warrant Register, at least ten days prior to the applicable record date hereinafter specified, a

notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution or rights, or, if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distribution or rights are to be determined; or (y) the date on which such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up is expected, if applicable, (A) to become effective; and (B) that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property (including cash) deliverable upon

such reclassification, consolidation, merger, sale, transfer, dissolution, liquidation or winding up. Failure to give any such notice, or any defect therein, shall not affect the validity of the proceedings referred to in clauses (1), (2), (3) and (4) above.

(k)

Anything in this Section 3.01 to the contrary notwithstanding, the Company shall be entitled, but not required, to make such reductions in the Exercise Price, in addition to those required by this Section 3.01, as in its discretion shall determine to be advisable, including, without limitation, in order that any dividend in or distribution of shares of Common Stock or shares of capital stock of any class other than Common Stock, subdivision, reclassification or combination of shares of Common Stock, issuance of rights or warrants, or any other transaction having a similar effect, shall not be treated as a distribution of property by the Company to its stockholders under Section 305 of the Internal Revenue Code of 1986 or any successor provision and shall not be taxable to them.

(l)

No adjustment in the Exercise Price shall be made because the Company issues in exchange for cash, property or services or other legal consideration, shares of Common Stock, or any securities convertible into, or exchangeable or exercisable for, shares of Common Stock, or securities carrying the right to purchase shares of Common Stock or such convertible, exchangeable or exercisable securities. Furthermore, notwithstanding any other provision of this Agreement, no adjustment in the Exercise Price shall be required under this Section 3.01 for sales of Common Stock pursuant to a plan providing for reinvestment of dividends or interest or in the event the par value of the Common Stock is changed or eliminated.

SECTION 3.02. *Adjustment of Shares of Common Stock Purchasable Upon Exercise of Warrants.* Unless the Company shall have exercised its election as provided in Section 3.03 hereof, upon each adjustment of the Exercise Price pursuant to Section 3.01(a), 3.01(b) or 3.01(c) hereof, the Share Number in effect prior to the effectiveness of such adjustment shall be adjusted to the number of shares of Common Stock, calculated to the nearest one-hundredth of a share, obtained by (i) multiplying the Share Number in effect immediately prior to such adjustment by the Exercise Price in effect prior to such adjustment, and (ii) dividing the product so obtained by the Exercise Price in effect immediately after such adjustment of the Exercise Price.

SECTION 3.03. *Election to Adjust Warrants Instead of Shares Per Warrant.* The Company may elect on or after the date of any adjustment of the Exercise Price pursuant to Section 3.01 hereof to adjust the number of Warrants outstanding in substitution for any adjustment in the number of shares of Common Stock purchasable upon the exercise of a Warrant as provided in Section 3.02 hereof. Each of the Warrants outstanding after such adjustment of the number of Warrants shall be exercisable for the Share Number of shares of Common Stock. Each Warrant held of record prior to such adjustment of the number of Warrants shall become that number of Warrants (calculated to the nearest hundredth) obtained by (i) multiplying the number of Warrants held of record prior to adjustment of the number of Warrants by the Exercise Price in effect prior to adjustment of the Exercise Price; and (ii) dividing the product so obtained by the Exercise Price in effect after adjustment of the Exercise Price. The Company shall notify the holders of Warrants in the manner provided in Section 5.16, indicating the record date for the adjustment, and, if known at the time, the amount of the adjustment to be made. This record date may be the date on which the Exercise Price is adjusted or any day thereafter, but shall not be less than 10 or more

than 30 days later than the date of notice is mailed to holders. Upon each adjustment of the number of Warrants pursuant to this Section 3.03, the Company shall cause the Warrant Agent, as promptly as practicable, to distribute to holders of record of the Warrant Certificates on such record date either (i) Warrant Certificates evidencing any additional Warrants to which such holders shall be entitled as a result of such adjustment; or (ii) in substitution for the Warrant Certificates held by such holders prior to the date of adjustment, and upon surrender thereof, if required by the Company, new Warrant Certificates evidencing all the Warrants to which such holders shall be entitled after such adjustment. Warrant Certificates to be so distributed shall be issued, executed and countersigned in the manner specified in this Agreement (but may bear, at the option of the Company, the adjusted Exercise Price) and shall be registered in the names of the holders of record of the Warrant Certificates on the record date.

SECTION 3.04. *No Fractional Warrants to Be Issued.* Notwithstanding anything to the contrary contained in this Agreement, the Company shall not be required to issue fractions of Warrants on any distribution of Warrants to Warrantholders pursuant to Section 3.03 hereof or otherwise or to distribute Warrant Certificates that evidence fractional Warrants. If any fraction of a Warrant would, except for the provisions of this Section 3.04, be issuable upon an adjustment of the Exercise Price and distribution of Warrants pursuant to Section 3.03 hereof or otherwise, the Company shall purchase such fraction for an amount in cash equal to the then-current market value of such fraction computed in accordance with Section 3.01(d) hereof (with respect to the current Market Price of the Warrant rather than the per share current Market Price of the Common Stock and assuming, for the purpose of such computation, that the effective date of such adjustment of the Exercise Price, or such other relevant date, shall be the applicable record date referred to in Section 3.01(d)). The Warrantholders, by their acceptance of the Warrant Certificates, expressly waive their right to receive any fraction of a Warrant or a Warrant Certificate representing a fraction of a Warrant upon the adjustment thereof in accordance with this Article III or otherwise.

SECTION 3.05. *Rights Upon Consolidation, Merger, Sale, Transfer or Reclassification.* (a) In the case of any consolidation with or merger of the Company into another corporation (other than a merger or consolidation in which the Company is the continuing corporation), or in case of any lease, sale or conveyance to another corporation of the property of the Company as an entirety or substantially as an entirety, such successor, leasing or purchasing corporation, as the case may be, shall execute with the Warrant Agent a supplemental agreement (1) providing that the holder of each Warrant then outstanding shall have the right thereafter (until the expiration of the exercise right of the Warrant) to receive, upon exercise thereof, in lieu of each share of Common Stock of the Company deliverable upon such exercise immediately prior to such event, only the kind and amount of shares and/or other securities receivable upon such consolidation, merger, lease, sale or conveyance by a holder of the number of shares of Common Stock of the Company into which such Warrant was exercisable prior to such event; and (2) setting forth the Exercise Price for the shares and/or other securities, which shall be an amount equal to the Exercise Price per share of Common Stock of the Company immediately prior to such event.

(b)

In case of any reclassification or change of the shares of Common Stock issuable upon exercise of the Warrants (other than a change in par value, or from par value to no par value, or as a result of a subdivision or combination) or in case of any consolidation or merger of another corporation into the Company in which the Company is the continuing corporation and in which the holders of the shares of Common Stock as a result thereof thereafter receive shares and/or other securities and/or property and/or cash for such shares of Common Stock, the Company shall execute with the Warrant Agent a supplemental agreement (1) providing that the holder of each Warrant then outstanding shall have the right thereafter (until the expiration of the exercise right of the Warrant) to receive, upon exercise thereof, in lieu of

each share of Common Stock deliverable upon such exercise immediately prior to such event, only the kind and amount of shares and/or other securities receivable upon such reclassification, change, consolidation or merger by a holder of the number of shares of Common Stock of the Company into which such Warrant was exercisable prior to such event; and (2) setting forth the Exercise Price for the shares and/or other securities so issuable, which shall be an amount equal to the Exercise Price per share of Common Stock immediately prior to such event. If, as a result of this subsection (b), the holder of any Warrant thereafter surrendered for exercise shall become entitled to receive shares of two or more classes of capital stock of the Company, the Board of Directors (whose determination shall be conclusive and shall be described in a statement filed with the Warrant Agent) shall determine the allocation of the Exercise Price between or among shares of such classes of capital stock.

(c)

Any supplemental agreement entered into pursuant to this Section 3.05 shall (1) where appropriate, state the Exercise Price in terms of one full share of Common Stock of the Company or one full share of the common stock of any successor, leasing or purchasing corporation; and (2) provide for adjustments that shall be as nearly equivalent as may be practicable to the adjustments provided for in this Article III.

(d)

The above provisions of this Section 3.05 shall similarly apply to successive reclassifications and changes of shares of Common Stock and to successive consolidations, mergers, leases, sales or conveyances.

(e)

The Company shall mail notice of the execution of any such supplemental agreement to registered holders of Warrants as soon as reasonably practicable after the execution of such supplemental agreement.

(f)

In the event that at any time as a result of the provisions of this Section 3.05, the holder of any Warrant thereafter surrendered for exercise shall become entitled to receive any shares or other securities other than shares of Common Stock, thereafter the price or prices of such other shares or other securities so receivable upon exercise of any Warrant shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as practicable to the provisions with respect to Common Stock contained in Article III hereof, and the provisions of Section 2.01, 2.02, 2.03 and 2.04, and Article III hereof with respect to the Common Stock shall apply on like terms to any such other shares or other securities.

SECTION 3.06. *Covenant to Reserve Shares for Issuance on Exercise.* (a) The Company covenants that it will at all times through 5:00 p.m. New York time on the Expiration Date (or, if the Expiration Date shall not be a Business Day, then on the next-succeeding Business Day) reserve and keep available out of its authorized but unissued shares or shares held in treasury or a combination thereof of Common Stock, solely for the purpose of issue upon exercise of Warrants as herein provided, the full number of shares of Common Stock, if any, then issuable if all outstanding Warrants then exercisable were to be exercised. The Company covenants that all shares of Common Stock that shall be so issuable shall be duly and validly issued and fully paid and non-assessable.

(b)

The Company agrees to authorize and direct its current and future transfer agents for the Common Stock and for any shares of the Company's common stock issuable upon the exercise of any of the Warrants at all times to reserve such number of authorized shares as shall be requisite for such purpose. The Warrant Agent is hereby authorized to requisition from time to time from any such transfer agents stock certificates required to honor outstanding Warrants upon exercise thereof in accordance with the terms of this Agreement, and the Company agrees to authorize and direct such transfer agents to comply with all such requests of the Warrant Agent. The Company will supply such transfer agents with duly executed stock

certificates for such purposes and will provide or otherwise make available any cash or scrip which may be payable as provided in this Article III. Promptly after the date of expiration of the Warrants, the Warrant Agent shall certify to the Company the aggregate number of Warrants then outstanding, and thereafter no shares shall be required to be reserved in respect of such Warrants.

SECTION 3.07. *Condition Precedent to Reduction of Exercise Price Below Par Value of Shares of Common Stock; Compliance with Governmental Requirements; Suspension of Exercise of Warrants.* (a) Before taking any action that would cause an adjustment reducing the Exercise Price to be adjusted below the then-par value of any of the shares of Common Stock issuable upon exercise of the Warrants, the Company shall take any corporate action that may, in the opinion of its counsel (which may be counsel employed by the Company), be necessary in order that the Company may validly and legally issue fully paid and non-assessable shares of such Common Stock at such adjusted Exercise Price.

(b)

The Company covenants that if any shares of Common Stock required to be reserved for purposes of exercise of Warrants require, under any Federal or state law or rule or regulation of any national securities exchange, registration with or approval of any governmental authority, or listing on any national securities exchange before such shares may be issued upon exercise, the Company will in good faith and as expeditiously as possible endeavor to cause such shares to be duly registered, approved or listed on the relevant national securities exchange, as the case may be; *provided, however*, that in no event shall such shares of Common Stock be issued, and the Company is hereby authorized to suspend the exercise of all Warrants, for the period during which such registration, approval or listing is required but not in effect.

SECTION 3.08. *Payment of Taxes on Stock Certificates Issued upon Exercise.* The initial issuance of certificates of Common Stock upon the exercise of Warrants shall be made without charge to the exercising Warrantholders for any tax in respect of the issuance of such stock certificates, and such stock certificates shall be issued in the respective names of, or in such names as may be directed by, the registered holders of the Warrants exercised; *provided, however*, that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such stock certificate, any Warrant Certificates or other securities in a name other than that of the registered holder of the Warrant Certificate surrendered upon exercise of the Warrant, and the Company shall not be required to issue or deliver such certificates or other securities unless and until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

SECTION 3.09. *Warrant Agent Not Responsible for Adjustments or Validity of Stock.* The Warrant Agent shall not at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist that may require an adjustment of the Exercise Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed, or herein or in any supplemental agreement provided to be employed, in making the same. The Warrant Agent shall not be accountable with respect to the validity or value (or the kind or amount) of any shares of Common Stock or of any securities or property which may at any time be issued or delivered upon the exercise of any Warrant or upon any adjustment to Article III, and it makes no representation with respect thereto. The Warrant Agent shall not be responsible for any failure of the Company to make any cash payment or to issue, transfer or deliver any shares of Common Stock or stock certificates or other securities or property or scrip upon the surrender of any Warrant for the purpose of exercise or upon any adjustment pursuant to Article III, or to comply with any of the covenants of the Company contained in this Article III.

SECTION 3.10. *Statements on Warrants.* The form of Warrant Certificate need not be changed because of any adjustment made pursuant to this Article III, and Warrant Certificates issued after such adjustment may state the same Exercise Price and the same number of shares of Common Stock as are stated in the Warrant Certificates initially issued pursuant to this Agreement. However, the Company may at any time in its sole discretion (which shall be conclusive) make any change in the form of Warrant Certificate that it may deem appropriate and that does not materially adversely affect the interest of the holders of the Warrants; and any Warrant Certificates thereafter issued or countersigned, whether in exchange or substitution for an outstanding Warrant Certificate or otherwise, may be in the form as so changed.

ARTICLE IV

REPURCHASE OF WARRANTS AT THE OPTION OF THE HOLDER UPON A CHANGE OF CONTROL

Section 4.01. *Repurchase Upon a Change of Control.* Upon a Change of Control, each Warrantholder shall have the right, at the Warrantholder's option, but subject to the provisions of Section 4.02, to require the Company to repurchase, and upon the exercise of such right the Company shall repurchase, all of such holder's Warrants not theretofore called for repurchase, or any portion of Warrants held by such Warrantholder, on the date (the "Repurchase Date") that is 45 days after the date of the Change of Control Notice at a purchase price equal to the Repurchase Price. At the option of the Company, the Repurchase Price may be paid in cash or, subject to the fulfillment by the Company of the conditions set forth Section 4.02, by delivery of the number of shares of Common Stock, valued at 95% of the Market Price of such shares, equal to the Repurchase Price.

SECTION 4.02. *Conditions to the Company's Election to Pay the Repurchase Price in Common Stock.* The Company may elect to pay the Repurchase Price by delivery of shares of Common Stock pursuant to Section 4.01 if and only if the following conditions shall have been satisfied:

(a)

The Common Stock to be issued upon repurchase of Warrants hereunder shall not (i) require registration under any Federal securities law before such shares may be freely transferable without being subject to any transfer restrictions under the Securities Act upon repurchase, or if such registration is required, it shall have been completed or shall have become effective prior to the Repurchase Date, and/or (ii) require registration with or approval of any U.S. governmental authority under any state law or any other federal law before such shares may be validly issued or delivered upon repurchase, or if such registration is required, it shall have been completed or shall have become effective or such approval shall have been obtained prior to the Repurchase Date;

(b)

The Common Stock to be issued upon repurchase of the Warrants shall have been approved for listing on the New York Stock Exchange or quotation on the Nasdaq National Market, in either case, prior to the Repurchase Date; and

(c)

All shares of Common Stock that may be issued upon repurchase of Warrants will be issued out of the Company's authorized but unissued Common Stock and will, upon issue, be duly and validly issued and fully paid and non-assessable and free of any preemptive rights.

If all of the conditions set forth in this Section 4.02 are not satisfied in accordance with the terms thereof, the Repurchase Price shall be paid by the Company only in cash.

SECTION 4.03. *Notices; Procedures for Exercise of Repurchase Right.* (a) On or before the 30th day after the occurrence of a Change of Control, the Company or, at the request and expense

of the Company on or before the 15th day after such occurrence, the Warrant Agent, shall give to all holders of Warrants, in the manner provided in Section 6.16, notice (the "Change of Control Notice") of the occurrence of the Change of Control and of the repurchase right set forth herein arising as a result thereof. Each Change of Control Notice shall state:

(i)
the Repurchase Date;

(ii)
the date by which the repurchase right must be exercised;

(iii)
the Repurchase Price, and whether the Repurchase Price shall be paid by the Company in cash or by delivery of shares of Common Stock;

(iv)
a description of the procedure which a holder must follow to exercise a repurchase right, and the place or places where such Warrants are to be surrendered for payment of the Repurchase Price;

(v)
that on the Repurchase Date the Repurchase Price will become due and payable upon each such Warrant designated by the holder to be repurchased;

(vi)
the place or places that the Warrant certificate with the Election of holder to Require Repurchase, substantially in the form set forth in Exhibit E hereto, shall be delivered.

No failure of the Company to give the foregoing notices or defect therein shall limit any holder's right to exercise a repurchase right or affect the validity of the proceedings for the repurchase of Warrants. If any of the foregoing provisions or other provisions of this Article Four are inconsistent with applicable law, such law shall govern.

(b)

To exercise a repurchase right, a Warrantholder shall deliver to the Warrant Agent on or before the 30th day after the date of the Change of Control Notice (i) written notice of the Warrantholder's exercise of such right, which notice shall set forth the name of the Warrantholder, the principal amount of the Warrants to be repurchased (and, if any Warrant certificate is to be repurchased in part, the serial number thereof, the number of Warrants to be repurchased and the name of the person in which the number of Warrants to remain outstanding after such repurchase is to be registered) and a statement that an election to exercise the repurchase right is being made thereby, and, in the event that the Repurchase Price shall be paid in shares of Common Stock, the name or names (with addresses) in which the certificate or certificates for shares of Common Stock shall be issued, and (ii) the Warrants with respect to which the repurchase right is being exercised. Such written notice shall be irrevocable, except that the right of the Warrantholder to exercise the Warrants with respect to which the repurchase right is being exercised shall continue until the close of business on the Business Day prior to the Repurchase Date.

(c)

In the event a repurchase right shall be exercised in accordance with the terms hereof, the Company shall pay or cause to be paid to the Warrant Agent the Repurchase Price in cash or shares of Common Stock, as provided above, for payment to the Warrantholder on the Repurchase Date or, if shares of Common Stock are to be paid, as promptly after the Repurchase Date as practicable.

(d)

Any Warrant certificate which is to be repurchased only in part shall be surrendered to the Warrant Agent (with, if the Company or the Warrant Agent so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Warrant Agent duly executed by, the holder thereof

or his attorney duly authorized in writing), and the Company shall execute, and the Warrant Agent shall authenticate and make available for delivery to the holder of such Warrant without service charge, a new Warrant certificate or Warrants certificates, containing identical terms and conditions, each in a number equal to and

in exchange for the unrepurchased number of Warrants represented by the Warrant Certificate so surrendered.

(e)

Any issuance of shares of Common Stock in respect of the Repurchase Price shall be deemed to have been effected immediately prior to the close of business on the Repurchase Date, and the Person or Persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such repurchase shall be deemed to have become on the Repurchase Date the holder or holders of record of the shares represented thereby; *provided, however*, that any surrender for repurchase on a date when the stock transfer books of the Company shall be closed shall be deemed to have been effected, and the Person or Persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such repurchase shall be deemed to have become the holder or holders of record of the shares represented thereby, for all purposes at the opening of business on the next succeeding day on which such stock transfer books are open. No payment or adjustment shall be made for dividends or distributions on any Common Stock issued upon repurchase of any Warrant.

(f)

No fractions of shares of Common Stock shall be issued upon repurchase of Warrants. If the Repurchase Price shall be payable in shares of Common Stock, the number of full shares which shall be issuable upon such repurchase shall be computed on the basis of the aggregate number of Warrants repurchased by a holder. Instead of any fractional share of Common Stock that would otherwise be issuable on the repurchase of any Warrant or Warrants, the Company will deliver to the applicable Warrantholder a check for the current market value of such fractional share. The current market value of a fraction of a share is determined by multiplying the current market price of a full share by the fraction, and rounding the result to the nearest cent. For purposes of this Section, the current market price of a share of Common Stock is the Market Price of the Common Stock on the Trading Day immediately preceding the Repurchase Date.

(g)

Any issuance and delivery of certificates for shares of Common Stock on repurchase of Warrants shall be made without charge to the holder of Warrants being repurchased for such certificates or for any tax or duty in respect of the issuance or delivery of such certificates or the Warrants represented thereby; *provided, however*, that the Company shall not be required to pay any tax or duty which may be payable in respect of (i) income of the Warrantholder or (ii) any transfer involved in the issuance or delivery of certificates for shares of Common Stock in a name other than that of the holder of the Warrants being repurchased, and no such issuance or delivery shall be made unless and until the person requesting such issuance or delivery has paid to the Company the amount of any such tax or duty or has established, to the satisfaction of the Company, that such tax or duty has been paid.

(h)

All Warrants delivered for repurchase shall be delivered to the Warrant Agent to be canceled at the direction of the Warrant Agent, which shall dispose of the same as provided in Section 1.08.

ARTICLE V

OTHER PROVISIONS RELATING TO RIGHTS OF HOLDERS OF WARRANTS

Section 5.01. *No Rights as Shareholders.* Nothing contained in this Agreement or in any Warrant Certificate shall be construed as conferring on the holder of any Warrant or his transferee any rights whatsoever as a shareholder of the Company, including but not limited to, the right to vote at, or to receive notice of, any meeting of shareholders of the Company; nor shall the consent

of any such holder be required with respect to any action or proceeding of the Company; nor shall any such holder, by reason of the ownership or possession of a Warrant or the Warrant Certificate representing the same, either at, before or after exercising such Warrant, have any right to receive any cash dividends, stock dividends, allotments or rights, or other distributions (except as specifically provided herein), paid, allotted or distributed or distributable to the shareholders of the Company prior to the date of the exercise of such Warrant, nor shall such holder have any right not expressly conferred by the Warrant or Warrant Certificate that he holds.

SECTION 5.02. *Mutilated or Missing Warrant Certificates.* If any Warrant Certificate is lost, stolen, mutilated or destroyed, the Company may in its discretion issue and the Warrant Agent may countersign, in exchange and substitution for and upon cancellation of the mutilated Warrant Certificate, or in lieu of an substitution for the Warrant Certificate lost, stolen or destroyed, upon receipt of a proper affidavit or other evidence satisfactory to the Company and the Warrant Agent (and surrender of any mutilated Warrant Certificate) and bond of indemnity in form and amount and with corporate surety satisfactory to the Company and the Warrant Agent in each instance protecting the Company and the Warrant Agent, a new Warrant Certificate of like tenor and representing an equivalent number of Warrants as the Warrant Certificate so lost, stolen, mutilated or destroyed. Any such new Warrant Certificate shall constitute an original contractual obligation of the Company, whether or not the allegedly lost, stolen, mutilated or destroyed Warrant Certificate shall be at any time enforceable by anyone. An applicant for such a substitute Warrant Certificate shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company or the Warrant Agent may prescribe. All Warrant Certificates shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the substitution for lost, stolen, mutilated or destroyed Warrant Certificates, and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the substitution for and replacement of negotiable instruments or other securities without their surrender.

SECTION 5.03. *Registration of Common Stock Issuable Upon Cash Exercise of Warrants and Listing.* (a) The Company shall provide to Warrantholders a Cash Exercise Notice pursuant to Section 2.01(b) the Company only if it shall have, on or prior to the date the Company provides such Cash Exercise Notice, file with the Commission a shelf registration statement (or any successor registration statement thereto) relating to the Company's sale of the Common Stock (or any other securities) to Warrantholders (a "Common Shelf Registration Statement") upon exercise of the Warrants.

(b)

Subject to Section 2.01(b), the Company shall cause the Common Shelf Registration Statement to be declared effective under the Securities Act not later than 45 days prior to the Expiration Date and shall use its best efforts to keep the Common Shelf Registration Statement continuously effective from the date the Common Shelf Registration Statement is declared effective by the Commission until all Warrants have been exercised and shall use its best efforts to allow the Common Stock (or any other securities) received upon a Cash Exercise of the Warrants to be freely transferable under the Securities Act and any applicable state securities laws.

(c)

The Company shall take all action which may be necessary so that the Common Stock, immediately upon its issuance after a Cash Exercise of Warrants, will be listed on the principal securities exchanges and markets (including, without limitation, the New York Stock Exchange) within the United States of America, if any, on which other shares of Common Stock are then listed. Upon the listing of such Common Stock, the Company shall promptly notify the Warrant Agent in writing. The Company shall obtain and keep all required permits and records in connection with such listing.

SECTION 5.04. *Common Stock Legend.* (a) Any Common Stock or other securities of the Company issuable upon exercise of such Warrants pursuant to the net exercise provisions of Section 2.01(a) prior to the termination of the Rule 144(k) holding period shall bear the following legend (the "Share Private Placement Legend"):

THE SHARES EVIDENCED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE SECURITIES LAWS. BY ACQUISITION HEREOF, THE HOLDER:

(1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT, (B) IT IS A NON-U.S. PERSON OUTSIDE THE UNITED STATES ACQUIRING THE SHARES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (C) IT IS AN INSTITUTIONAL "ACCREDITED INVESTOR" AS DEFINED IN RULE 501(A)(1), (2), (3) OR (7) UNDER THE SECURITIES ACT (AN "INSTITUTIONAL ACCREDITED INVESTOR") THAT IS PURCHASING AT LEAST $100,000 IN AGGREGATE AMOUNT OF SHARES;

(2) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER (I) WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF THE SHARES EVIDENCED HEREBY OR (II) IF SUCH HOLDER IS AN AFFILIATE OF THE COMPANY, AT ANY TIME DURING THE THREE MONTHS FOLLOWING SUCH HOLDER'S ACQUISITION OF THE SHARES, THE SHARES EVIDENCED HEREBY EXCEPT (A) TO THE COMPANY OR ANY SUBSIDIARY THEREOF, (B) TO A QUALIFIED INSTITUTIONAL BUYER IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT TO AN INSTITUTIONAL ACCREDITED INVESTOR THAT IS PURCHASING AT LEAST $100,000 IN AGGREGATE AMOUNT OF SHARES AND THAT PRIOR TO SUCH TRANSFER, FURNISHES TO THE TRANSFER AGENT A SIGNED LETTER CONTAINING CERTAIN REPRESENTATIONS AND WARRANTIES RELATING TO THE RESTRICTIONS ON TRANSFER OF THE SHARES EVIDENCED HEREBY (THE FORM OF LETTER CAN BE OBTAINED FROM SUCH TRANSFER AGENT)], (D) TO A NON-U.S. PERSON OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (E) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (F) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT AND WHICH CONTINUES TO BE EFFECTIVE AT THE TIME OF SUCH TRANSFER; AND

(3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THE SHARES EVIDENCED HEREBY IS TRANSFERRED (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(F) ABOVE) A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

IN CONNECTION WITH ANY TRANSFER OF THE SHARES EVIDENCED HEREBY WITHIN TWO YEARS AFTER THE ORIGINAL ISSUANCE OF SUCH SHARES (OTHER THAN A TRANSFER PURSUANT TO CLAUSE (2)(F) ABOVE), THE HOLDER MUST CHECK THE APPROPRIATE BOX SET FORTH ON THE CERTIFICATE (AVAILABLE FROM THE TRANSFER AGENT) RELATING TO THE MANNER OF SUCH TRANSFER AND SUBMIT THIS CERTIFICATE TO THE TRANSFER AGENT]. IF THE PROPOSED TRANSFER IS PURSUANT TO CLAUSE

(2)(C) OR (2)(E) ABOVE, THE HOLDER MUST, PRIOR TO SUCH TRANSFER, FURNISH TO THE TRANSFER AGENT (OR ANY SUCCESSOR TRANSFER AGENT, AS APPLICABLE) SUCH CERTIFICATIONS, LEGAL OPINIONS OR OTHER INFORMATION AS THE COMPANY MAY REASONABLY REQUIRE TO CONFIRM THAT SUCH TRANSFER IS BEING MADE PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THIS LEGEND WILL BE REMOVED UPON THE EARLIER OF THE TRANSFER OF THE SHARES EVIDENCED HEREBY PURSUANT TO CLAUSE (2)(F) ABOVE OR THE EXPIRATION OF TWO YEARS FROM THE ORIGINAL ISSUANCE OF THE SHARES EVIDENCED HEREBY. AS USED HEREIN, THE TERMS "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

Any Common Stock or other securities issued upon exercise of the Warrants pursuant to a Common Shelf Registration Statement in accordance with the provisions of Section 5.03 shall not bear any Share Private Placement Legend.

(b)

Limitations on Transfer. By its acceptance of any Common Stock bearing the Share Private Placement Legend, each holder of, and beneficial owner of an interest in, such Common Stock acknowledges the restrictions on transfer of such Common Stock set forth in the Share Private Placement Legend and agrees that it will transfer such Common Stock only in accordance with the Share Private Placement Legend.

(c)

Transfer of Restricted Common Stock. In connection with any transfer of Common Stock bearing the Share Private Placement Legend, each Warrantholder agrees to deliver to the Company

(i)

if such Common is being transferred to a qualified institutional buyer (as defined in Rule 144A) in accordance with Rule 144A, pursuant to an exemption from registration in accordance with Rule 144, or outside the United States in an offshore transaction to a person other than a U.S. Person (as such term is defined in Regulation S) (a "non-U.S. Person") in compliance with Regulation S, a certification to that effect from the transferee or transferor (in substantially the form of Exhibit D hereto); or

(iii)

if such Common Stock is being transferred in reliance on another exemption from the registration requirements of the Securities Act, a certification to that effect (in substantially the form of Exhibit D hereto) and an opinion of counsel reasonably acceptable to the Company to the effect that such transfer is in compliance with the Securities Act (such certification and opinion collectively, "Common Stock Transfer Certifications").

(d)

Share Private Placement Legend. Upon the registration of transfer or exchange of or substitution for Common Stock not bearing the Share Private Placement Legend, the Company or its agent shall deliver a Common Stock certificate that does not bear the Share Private Placement Legend. Upon the registration of transfer or exchange of or substitution for Common Stock bearing the Share Private Placement Legend, the Company or its agent shall deliver a Common Stock certificate bearing the Share Private Placement Legend, unless such legend may be removed from such Common Stock certificate pursuant to the provisions of

this Section 5.04(c). Upon provision of such Common Stock Transfer Certification, the Company, or its agent at the direction of the Company, shall countersign and deliver in exchange for the Common Stock certificate to be transferred or exchanged or substituted for, a Common Stock certificate (representing, in the aggregate, the same number of shares of Common Stock). Such certificate shall be issued without such legend if and to the extent such

Common Stock Certificate to be transferred or exchanged or substituted for no longer represents "restricted securities" within the meaning of Rule 144.

(e)

If a holder of a Common Stock Certificate wishes to transfer such Common Stock Certificate to a Institutional Accredited Investor or in reliance on another exemption from the registration requirements of the Securities Act, other than pursuant to Rule 144A, Rule 144 or Regulation S, such holder may, subject to the restrictions on transfer set forth herein and in such Common Stock Certificate, and to compliance with the provisions of Section 5.04(c)(ii) hereof, cause the exchange of such Common Stock Certificate for one or more Common Stock Certificates of the same denomination. Upon receipt by the Transfer Agent of (A) such Common Stock Certificate, duly endorsed as provided herein, (B) instructions from such holder directing the Transfer Agent to authenticate and deliver one or more Common Stock Certificates of the same denomination as the Common Stock Certificates to be exchanged, such instructions to contain the name or names of the designated transferee or transferees, the denominations of the Common Stock Certificates to be so issued and appropriate delivery instructions and (C) instructions from the Company to the effect that it deems sufficient the Common Stock Transfer Certifications received pursuant to Section 5.04(b) (ii) hereof, then the Transfer Agent shall cancel or cause to be cancelled such Common Stock Certificates and concurrently therewith the Company shall execute, and the Transfer Agent shall authenticate and deliver, one or more Common Stock Certificates of the same denomination, in accordance with the instructions referred to above.

ARTICLE VI

CONCERNING THE WARRANT AGENT AND OTHER MATTERS

Section 6.01. *Payment of Certain Taxes.* The Company will from time to time promptly pay all taxes and charges that may be imposed upon the Company or the Warrant Agent in respect of the initial issuance or delivery of shares of Common Stock upon the exercise of Warrants, but the Company shall not be obligated to pay any transfer taxes in respect of the Warrants or such shares.

SECTION 6.02. *Change of Warrant Agent.* (a) The Warrant Agent, or any successor to it hereafter appointed, may resign its duties and be discharged from all further duties and liabilities hereunder after giving 60 days' notice in writing to the Company, except that such shorter notice may be given as the Company shall, in writing, accept as sufficient. If the office of the Warrant Agent becomes vacant by resignation or incapacity to act or otherwise, the Company shall appoint in writing a successor warrant agent in place of the Warrant Agent. If the Company shall fail to make such appointment within a period of 60 days after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated warrant agent or by any holder of Warrants (who shall, with such notice, submit his Warrant Certificate for inspect by the Company), then the holder of any Warrants may apply to any court of competent jurisdiction for the appointment of a successor warrant agent.

(b)

The Warrant Agent may be removed by the Company at any time upon 30 days' written notice to the Warrant Agent; *provided, however*, that the Company shall not remove the Warrant Agent until a successor warrant agent meeting the qualifications hereof shall have been appointed.

(c)

Any successor warrant agent, whether appointed by the Company or by such a court, shall be a corporation organized, in good standing and doing business under the laws of the United States of America or any state thereof or the District of Columbia, and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by Federal

or state authority and having a combined capital and surplus of not less than $5,000,000. The combined capital and surplus of any such successor Warrant Agent shall be deemed to be the combined capital and surplus as set forth in the most recent report of its condition published prior to its appointment, provided that such reports are published at least annually pursuant to law or to the requirements of a Federal or state supervising or examining authority. After appointment, any successor warrant agent shall be vested with all the authority, powers, rights, immunities, duties and obligations of its predecessor warrant agent with like effect as if originally named as warrant agent hereunder, without any further act or deed; but if for any reason it becomes necessary or appropriate, the predecessor warrant agent shall execute and deliver, at the expense of the Company, an instrument transferring to such successor warrant agent all the authority, powers and rights of such predecessor warrant agent hereunder; and upon request of any successor warrant agent, the Company shall make, execute, acknowledge and deliver any and all instruments in writing to more fully and effectually vest in and conform to such successor warrant agent all such authority, powers, rights, immunities, duties and obligations. Upon assumption by a successor warrant agent of the duties and responsibilities hereunder, the predecessor warrant agent shall deliver and transfer, at the expense of the Company, to the successor warrant agent any property at the time held by it hereunder. As soon as practicable after such appointment, the Company shall give notice thereof to the predecessor warrant agent, the registered holders to the Warrants and each transfer agent for the shares of its Common Stock. Failure to give such notice, or any defect therein, shall not affect the validity of the appointment of the successor warrant agent.

(d)

Any corporation into which the warrant agent may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the warrant agent shall be a party, shall be the successor warrant agent under this Agreement without any further act. In case at the time such successor to the warrant agent shall succeed to the agency created by this Agreement, any of the Warrant Certificates shall have been countersigned but not delivered, any such successor to the warrant agent may adopt the countersignature of the original warrant agent and deliver such Warrant Certificates so countersigned, and in case at that time any of the Warrant Certificates shall not have been countersigned, any successor to the warrant agent may countersign such Warrant Certificates either in the name of the predecessor warrant agent or in the name of the successor warrant agent; and in all such cases Warrant Certificates shall have the full force provided in the in the Warrant Certificates and in this Agreement.

(e)

In case at any time the name of the Warrant Agent shall be changed and at such time any of the Warrant Certificates shall have been countersigned but not delivered, the Warrant Agent may adopt the countersignatures under its prior name and deliver such Warrant Certificates so countersigned; and in case at that time any of the Warrant Certificates shall not have been countersigned, the Warrant Agent may countersign such Warrant Certificates either in its prior name or in its changed name; and in all such cases such Warrant Certificates shall have the full force provided in the Warrant Certificates and in this Agreement.

SECTION 6.03. *Compensation; Further Assurances.* The Company agrees (i) that it will pay the Warrant Agent reasonable compensation for its services as Warrant Agent hereunder and, except as otherwise expressly provided, will pay or reimburse the Warrant Agent upon demand for all reasonable expenses, disbursements and advances incurred or made by the Warrant Agent in accordance with any of the provisions of this Agreement (including the reasonable compensation, expenses and

disbursements of its agents and counsel) except any such expense, disbursement or advance as may arise from its or any of their negligence or bad faith; and (ii) that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered

all such further and other acts, instruments and assurances as may reasonably be required by the Warrant Agent for the carrying out or performing of the provisions of this Agreement.

SECTION 6.04. *Reliance on Counsel.* The Warrant Agent may consult with legal counsel (who may be legal counsel for the Company), and the written opinion of such counsel or any advice of legal counsel subsequently confirmed by a written opinion of such counsel shall be full and complete authorization and protection to the Warrant Agent as to any action taken or omitted by it in good faith and in accordance with such written opinion or advice.

SECTION 6.05. *Proof of Actions Taken.* Whenever in the performance of its duties under this Agreement the Warrant Agent shall deem it necessary or desirable that any matter be proved or established by the Company prior to taking or suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Warrant Agent, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Warrant Agent; and such Officers' Certificate shall, in the absence of bad faith on the part of the Warrant Agent be full warrant to the Warrant Agent for any action taken, suffered or omitted in good faith by it under the provisions of this Agreement in reliance upon such certificate; but in its discretion the Warrant Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

SECTION 6.06. *Correctness of Statements.* The Warrant Agent shall not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the Warrant Certificates (except its countersignature thereof) or be required to verify the same, and all such statements and recitals are and shall be deemed to have been made by the Company only.

SECTION 6.07. *Validity of Agreement.* The Warrant Agent shall not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof or in respect of the validity or execution of any Warrant Certificates (except its countersignature thereof); nor shall it be responsible for any breach by the Company of any covenant or condition contained in this Agreement or in any Warrant Certificate; nor shall it by any act hereunder be deemed to make any representation or warranty as to the authorization or reservation of any shares of Common Stock to be issued pursuant to this Agreement or any Warrants or as to whether any shares of Common Stock will, when issued, be validly issued and fully paid and nonassessable.

SECTION 6.08. *Use of Agents.* The Warrant Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents and the Warrant Agent shall not be responsible for the misconduct or negligence of any agent or attorney, provided due care had been exercised in the appointment and continued employment thereof.

SECTION 6.09. *Liability of Warrant Agent.* The Warrant Agent shall incur no liability or responsibility to the Company or to any holder of Warrants for any action taken in reliance on any notice, resolution, waiver, consent, order, certificate, or other paper, document or instrument believed by it to be genuine and to have been signed, sent or presented by the proper party or parties. The Company agrees to indemnify the Warrant Agent and save it harmless against any and all liabilities, including judgments, costs and reasonable counsel fees, for anything done or omitted in good faith by the Warrant Agent in the execution of this Warrant Agreement, except as a result of the Warrant Agent's negligence or willful misconduct or bad faith.

SECTION 6.10. *Legal Proceedings.* The Warrant Agent shall be under no obligation to institute any action, suit or legal proceeding or to take any other action likely to involve expense unless the Company or one or more holders of Warrants shall furnish the Warrant Agent with

reasonable security and indemnity for any costs and expenses which may be incurred, but this provision shall not affect the power of the Warrant Agent to take such action as the Warrant Agent may consider proper, whether with or without any such security or indemnity.

SECTION 6.11. *Other Transactions in Securities of the Company.* The Warrant Agent in its individual or any other capacity may become the owner of the Warrants or other securities of the Company, or become pecuniarily interested in any transaction in which the Company may be interested, or contract with or lend money to the Company or otherwise act as fully and freely as though it were not Warrant Agent under this Warrant Agreement. Nothing herein shall preclude the Warrant Agent from acting in any other capacity for the Company or for any other legal entity.

SECTION 6.12. *Actions as Agent.* The Warrant Agent shall act hereunder solely as agent and not in a ministerial capacity, and its duties shall be determined solely by the provisions hereof. The Warrant Agent shall not be liable for anything that it may do or refrain from doing in good faith in connection with this Agreement except for its own negligence or willful misconduct or bad faith.

SECTION 6.13. *Appointment and Acceptance of Agency.* The Company hereby appoints the Warrant Agent to act as agent for the Company in accordance with the instructions set forth in this Agreement, and the Warrant Agent hereby accepts the agency established by this Agreement and agrees to perform the same upon the terms and conditions herein set forth.

SECTION 6.14. *Supplements and Amendments.* (a) Notwithstanding the provisions of subsection (b) below, the Warrant Agent may, without the consent or concurrence of the registered holders of the Warrants, enter into one or more supplemental agreements or amendments with the Company for the purpose of evidencing the rights of Warrantholders upon consolidation, merger, sale, transfer or reclassification pursuant to Section 3.05 hereof, making any changes or corrections in this Agreement that are required to cure any ambiguity, to correct or supplement any provision contained herein that may be defective or inconsistent with any other provision herein or any clerical omission or mistake or manifest error herein contained, or making such other provisions in regard to matters or questions arising under this Agreement as shall not materially and adversely affect the interests of the holders of the Warrants or shall not be inconsistent with this Agreement or any supplemental agreement or amendment.

(b)

With the consent of the registered holders of at least a majority in number of the Warrants at the time outstanding, the Company and the Warrant Agent may at any time and from time to time by supplemental agreement or amendment add any provisions to or change in any manner or eliminate any of the provisions of this Agreement or of any supplemental agreement or modify in any manner the rights and obligations of the Warrantholders and of the Company; *provided, however*, that no such supplemental agreement or amendment shall, without the consent of the registered holder of each outstanding Warrant affected thereby,

1) alter the provisions of this Agreement so as to affect adversely the terms upon which the Warrants are exercisable; or

2) reduce the number of Warrants outstanding the consent of whose holders is required for any such supplemental agreement or amendment.

SECTION 6.15. *Successors and Assigns.* All the covenants and provisions of this Agreement by or for the benefit of the Company or the Warrant Agent shall bind and inure to the benefit of their respective successors and assigns hereunder.

SECTION 6.16. *Notices.* Any notice or demand authorized by this Agreement to be given or made by the Warrant Agent or by the holder of any Warrant to or on the Company shall be

sufficiently given or made if sent by mail first-class, postage prepaid, addressed (until another address is filed in writing by the Company with the Warrant Agent), as follows:

Micron Technology, Inc.
8000 S. Federal Way
P. O. Box 6
Boise, Idaho 83707-0006
Attention: Chief Financial Officer

Any notice or demand authorized by this Agreement to be given or made by the holder of any Warrant or by the Company to or on the Warrant Agent shall be sufficiently given or made if sent by mail first- class, postage prepaid, addressed (until another address is filed in writing by the Warrant Agent with the Company), as follows:

Wells Fargo Bank Minnesota, N.A.
Attn: Corporate Trust Services
MAC N9303-110
Sixth and Marquette
Minneapolis, MN 55408

Any notice of demand authorized by this Agreement to be given or made to the holder of any Warrants shall be sufficiently given or made if sent by first-class mail, postage prepaid to the last address of such holder as it shall appear on the Warrant Register.

SECTION 6.17. *Applicable Law.* The validity, interpretation and performance of this Agreement and of the Warrant Certificates shall be governed by the law of the State of New York without giving effect to the principles of conflicts of laws thereof.

SECTION 6.18. *Benefits of this Agreement.* Nothing in this Agreement expressed and nothing that may be implied from any of the provisions hereof is intended, or shall be construed, to confer upon, or give to, any person or corporation other than the parties hereto and the holders of the Warrants any right, remedy or claim under or by reason of this Agreement or of any covenant, condition, stipulation, promise or agreement hereof, and all covenants, conditions, stipulations, promises and agreements in this Agreement contained shall be for the sole and exclusive benefit of the parties hereto and their successors and of the holders of the Warrants.

SECTION 6.19. *Registered Warrantholders.* Prior to due presentment for registration of transfer, the Company and the Warrant Agent may deem and treat the person in whose name any Warrants are registered in the Warrant Register as the absolute owner thereof for all purposes whatever (notwithstanding any notation of ownership or other writing thereon made by anyone other than the Company or the Warrant Agent) and neither the Company nor the Warrant Agent shall be affected by any notice to the contrary or be bound to recognize any equitable or other claim to or interest in any Warrants on the part of any other person and shall not be liable for any registration of transfer of Warrants that are registered or to be registered in the name of a fiduciary or the nominee of a fiduciary unless made with actual knowledge that a fiduciary or nominee is committing a breach of trust in requesting such registration of transfer or with such knowledge of such facts that its participation therein amounts to bad faith. The terms "Warrantholder" and holder of any "Warrants" and all other similar terms used herein shall mean such person in whose name Warrants are registered in the Warrant Register.

SECTION 6.20. *Inspection of Agreement.* A copy of this Agreement shall be available at all reasonable times for inspection by any registered Warrantholder at the principal office of the Warrant Agent (or successor warrant agent). The Warrant Agent may require any such holder to submit his Warrant Certificate for inspection by it before allowing such holder to inspect a copy of this Agreement.

SECTION 6.21. *Headings.* The Article and Section headings herein are for convenience only and are not a part of this Agreement and shall not affect the interpretation thereof.

SECTION 6.22. *Counterparts.* The Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original.

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties hereto as of the day and year first above written.

MICRON TECHNOLOGY, INC.

By: _____

Name:
Title:

WELLS FARGO BANK MINNESOTA, N.A., as Warrant Agent

By: _____

Name:
Title:

EXHIBIT A

FORM OF GLOBAL WARRANT

EXHIBIT B

FORM OF CERTIFICATED WARRANT

EXHIBIT C

**CERTIFICATE TO BE DELIVERED UPON EXCHANGE
OR REGISTRATION OF TRANSFER OF WARRANTS**

Re: *Warrants to Purchase Common Stock (the "Warrants") of Micron Technology, Inc.*

This Certificate relates to Warrants held in* book-entry or* certificated form by (the "Transferor").

The Transferor: has requested the Warrant Agent by written order to exchange or register the transfer of a Warrant or Warrants.

In connection with such request and in respect of each such Warrant, the Transferor does hereby certify that the Transferor is familiar with the Warrant Agreement relating to the above captioned Warrants and the restrictions on transfers thereof as provided in Section 1.07 of such Warrant Agreement, and that the transfer of this Warrant does not require registration under the Securities Act of 1933, as amended (the "Securities Act") because*:

- Such Warrant is being acquired for the Transferor's own account, without transfer.
- Such Warrant is being transferred to a qualified institutional buyer (as defined in Rule 144A under the Securities Act ("Rule 144A")), in reliance on Rule 144A.
- Such Warrant is being transferred outside the United States in an offshore transaction to a non-U.S. Person (as such term is defined in Regulation S under the Securities Act ("Regulation S") in compliance with Regulation S.
- Such Warrant is being transferred in accordance with Rule 144 under the Securities Act ("Rule 144").
- Such Warrant is being transferred in reliance on and in compliance with an exemption from the registration requirements of the Securities Act, other than Rule 144A, Regulation S or Rule 144. An opinion of counsel to the effect that such transfer does not require registration under the Securities Act accompanies this Certificate.

(Name of Transferor)

By:
Date:

*Check applicable box.

EXHIBIT D

**CERTIFICATE TO BE DELIVERED UPON EXCHANGE
OR REGISTRATION OF TRANSFER OF COMMON STOCK**

Re: *Common Stock, par value $0.10 (the "Common Stock") of Micron Technology, Inc.*

This Certificate relates to shares of Common Stock held in* book-entry or* certificated form by (the "Transferor").

The Transferor: has requested the Company or its transfer agent by written order to exchange or register the transfer of a share or shares of Common Stock.

In connection with such request and in respect of each such share of Common Stock, the Transferor does hereby certify that the Transferor is familiar with the Warrant Agreement relating to the above captioned shares of Common Stock and the restrictions on transfers thereof as provided in Section 5.04 of such Warrant Agreement, and that the transfer of this share or these shares of Common Stock does not require registration under the Securities Act of 1933, as amended (the "Securities Act") because*:

- Such Common Stock is being acquired for the Transferor's own account, without transfer.
- Such Common Stock is being transferred to a qualified institutional buyer (as defined in Rule 144A under the Securities Act ("Rule 144A")), in reliance on Rule 144A.
-

Such Common Stock is being transferred outside the United States in an offshore transaction to a non-U.S. Person (as such term is defined in Regulation S under the Securities Act ("Regulation S") in compliance with Regulation S.

- Such Common Stock is being transferred in accordance with Rule 144 under the Securities Act ("Rule 144").

- Such Common Stock is being transferred in reliance on and in compliance with an exemption from the registration requirements of the Securities Act, other than Rule 144A, Regulation S or Rule 144. An opinion of counsel to the effect that such transfer does not require registration under the Securities Act accompanies this Certificate.

(Name of Transferor)

By:
Date:

*Check applicable box.

EXHIBIT E

ELECTION OF HOLDER TO REQUIRE REPURCHASE

Re: *Warrants to Purchase Common Stock (the "Warrants") of Micron Technology, Inc.*

(1) Pursuant to Section 4.01 of the Agreement, the undersigned hereby elects to have these Warrants repurchased by the Company.

(2) The undersigned hereby directs the Warrant Agent or the Company to pay it or an amount in cash or, at the Company's election, Common Stock valued as set forth in the Agreement, equal to the Repurchase Price as provided in the Agreement.

Dated:

(Name of holder)

By: _____

Name:
Title:

Signature(s) must be guaranteed by an Eligible Guarantor Institution with membership in an approved signature guarantee program pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1943.

(Signature Guaranteed By)

By: _____

Name:
Title:

Number of Warrants to be Repurchased: _____ _____

Remaining Warrants following such repurchase: _____ _____

NOTICE: The signature to the foregoing Election must correspond to the Name as written upon the face of this Warrant, without alteration or any change whatsoever.

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EXHIBIT 21.1

MICRON TECHNOLOGY, INC.

SUBSIDIARIES OF THE REGISTRANT

Name	State (or jurisdiction) in which Organized
KMT Semiconductor Limited	Japan
Micron Europe Limited Also does business as Crucial Technology Europe	United Kingdom
Micron International Sales, Inc.	Barbados
Micron Semiconductor Asia Pte. Ltd. Also does business as Crucial Technology Asia	Singapore
Micron Semiconductor (Deutschland) GmbH	Germany
Micron Semiconductor Products, Inc. Also does business as Crucial Technology	Idaho
Micron Technology Asia Pacific, Inc.	Idaho
Micron Technology Italia S.r.l.	Italy
Micron Technology Japan, K.K.	Japan
Micron Technology Services, Inc.	Idaho
Micron Technology Texas, LLC	Idaho

QuickLinks

EXHIBIT 21.1

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EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 as amended (File No. 333-33050) and Forms S-8 (File Nos. 33-3686, 33-16832, 33-27078, 33-38665, 33-38926, 33-65050, 33-52653, 33-57887, 333-07283, 333-17073, 333-50323, 333-65449, 333-71249, 333-82549) of Micron Technology, Inc. and subsidiaries of our report dated September 25, 2001, relating to the consolidated financial statements and financial statement schedule, which appear in this Annual Report on Form 10-K.

/s/ PRICEWATERHOUSECOOPERS LLP

Boise, Idaho
October 12, 2001

QuickLinks

EXHIBIT 23.1