

FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

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

For the quarterly period ended November 30, 2000

OR

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

Commission File Number: 1-10658

Micron Technology, Inc.

State or other jurisdiction of incorporation or organization: Delaware

Internal Revenue Service-Employer Identification No. 75-1618004

8000 S. Federal Way, Boise, Idaho 83716-9632
(208) 368-4000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes /x/ No //

The number of outstanding shares of the registrant's common stock as of January 5, 2001, was 593,340,331.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

MICRON TECHNOLOGY, INC.

Consolidated Balance Sheets
(Amounts in millions except par value amounts)

As of	November 30, 2000	August 31, 2000
	(unaudited)	
ASSETS		
Cash and equivalents	\$ 568.7	\$ 701.7
Liquid investments	1,894.8	1,764.7
Receivables	992.6	1,573.7
Inventories	1,026.4	704.8
Prepaid expenses	38.9	22.4
Deferred income taxes	188.7	137.1
Total current assets	4,710.1	4,904.4
Product and process technology, net	211.9	213.0
Property, plant and equipment, net	4,508.5	4,257.6
Other assets	371.0	256.5
Total assets	\$ 9,801.5	\$ 9,631.5

LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable and accrued expenses	\$ 1,280.9	\$ 1,465.8
Deferred income	58.2	87.9
Equipment purchase contracts	57.9	45.9
Current portion of long-term debt	50.2	47.9
Total current liabilities	1,447.2	1,647.5
Long-term debt	242.5	933.7
Deferred income taxes	326.6	333.5
Other liabilities	88.6	85.5
Total liabilities	2,104.9	3,000.2
Commitments and contingencies		
Minority interests	200.4	199.3
Common stock, \$0.10 par value, authorized 3.0 billion shares, issued and outstanding 593.0 million and 567.3 million shares, respectively	59.3	56.7
Additional capital	3,533.3	2,824.2
Retained earnings	3,901.9	3,549.6
Accumulated other comprehensive income	1.7	1.5
Total shareholders' equity	7,496.2	6,432.0
Total liabilities and shareholders' equity	\$ 9,801.5	\$ 9,631.5

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.

Consolidated Statements of Operations (Amounts in millions except per share amounts) (Unaudited)

For the quarter ended	November 30, 2000	December 2, 1999
Net sales	\$ 1,832.3	\$ 1,584.4
Costs and expenses:		
Cost of goods sold	1,041.0	770.7
Selling, general and administrative	149.6	167.6
Research and development	139.5	91.7
Other operating (income) expense, net	(1.8)	22.4
Total costs and expenses	1,328.3	1,052.4
Operating income	504.0	532.0
Interest income	44.2	23.2
Interest expense	(10.5)	(31.7)
Other non-operating income, net	5.1	9.6
Income before income taxes and minority interests	542.8	533.1
Income tax provision	(189.9)	(186.2)
Minority interests in net income	(0.7)	(5.6)
Net income	\$ 352.2	\$ 341.3
Earnings per share:		
Basic	\$ 0.61	\$ 0.63
Diluted	0.58	0.60
Number of shares used in per share calculations:		
Basic	581.9	538.5
Diluted	609.4	595.1

MICRON TECHNOLOGY, INC.Consolidated Statements of Cash Flows
(Amounts in millions)
(Unaudited)

For the three months ended	November 30, 2000	December 2, 1999
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 352.2	\$ 341.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	274.5	229.5
Additional paid in capital tax effect from stock purchase plans	6.3	26.1
Change in assets and liabilities:		
Decrease (increase) in receivables, net of noncash reclassifications	581.1	(212.7)
Increase in inventories	(321.6)	(138.5)
Increase (decrease) in accounts payable and accrued expenses, net of plant and equipment purchases	(158.2)	219.7
Other	(117.6)	83.3
Net cash provided by operating activities	616.7	548.7
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenditures for property, plant and equipment	(506.8)	(219.8)
Purchase of available-for-sale securities	(791.9)	(638.0)
Proceeds from maturities of available-for-sale securities	621.5	564.7
Proceeds from sales of available-for-sale securities	10.0	24.6
Purchase of held-to-maturity securities	(56.7)	(99.7)
Proceeds from maturities of held-to-maturity securities	36.0	33.7
Other	(49.6)	1.4
Net cash used for investing activities	(737.5)	(333.1)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of common stock	19.5	51.9
Payments on equipment purchase contracts	(25.3)	(86.5)
Repayments of debt	(12.7)	(34.3)
Proceeds from issuance of debt	6.1	—
Other	0.2	0.3
Net cash used for financing activities	(12.2)	(68.6)
Net increase (decrease) in cash and equivalents	(133.0)	147.0
Cash and equivalents at beginning of period	701.7	294.6
Cash and equivalents at end of period	\$ 568.7	\$ 441.6
SUPPLEMENTAL DISCLOSURES		
Income taxes refunded (paid), net	\$ (258.3)	\$ 86.4
Interest paid, net of amounts capitalized	(31.1)	(35.0)
Noncash investing and financing activities:		
Equipment acquisitions on contracts payable and capital leases	37.3	71.1
Net conversion of notes to equity	684.6	—

See accompanying notes to consolidated financial statements.

MICRON TECHNOLOGY, INC.Consolidated Statements of Comprehensive Income
(Amounts in millions)
(Unaudited)

For the quarter ended	November 30, 2000	December 2, 1999
Net income	\$ 352.2	\$ 341.3
Unrealized gain on investments	0.3	0.7

Total comprehensive income, net of tax	\$	352.5	\$	342.0
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See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements
(All tabular amounts in millions except per share amounts)

1. Unaudited interim financial statements

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting solely of normal recurring adjustments) necessary to present fairly the consolidated financial position of Micron Technology, Inc., and subsidiaries (the "Company"), and their consolidated results of operations and cash flows. Micron Technology, Inc. and its wholly-owned subsidiaries are collectively hereinafter referred to as "MTI." The Company's PC operations are operated through Micron Electronics, Inc. ("MEI"), a 61% owned, publicly traded subsidiary of MTI.

Recently issued accounting standards include Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities," issued by the FASB in June 1998 and Staff Accounting Bulletin ("SAB") No. 101 "Revenue Recognition in Financial Statements," issued by the Securities and Exchange Commission in December 1999.

SFAS No. 133 requires that all derivatives be recorded as either assets or liabilities in the balance sheet and marked to market on an ongoing basis. SFAS No. 133 applies to all derivatives including stand-alone instruments, such as forward currency exchange contracts and interest rate swaps, or embedded derivatives, such as call options contained in convertible debt investments. Along with the derivatives, certain underlying hedged items are also to be marked to market on an ongoing basis. These market value adjustments are to be included either in the statement of operations or as a component of comprehensive income, depending on the nature of the transaction. The Company adopted the standard in the first quarter of 2001. The adoption did not affect the Company's results of operations or financial position.

SAB No. 101 summarizes certain staff views in applying generally accepted accounting principles to revenue recognition in the financial statements. Adoption is required for the Company by the fourth quarter of 2001. The implementation of SAB No. 101 is not expected to have a significant impact on the Company's future results of operations or financial position.

These unaudited interim financial statements should be read in conjunction with the consolidated financial statements and accompanying notes included in the Company's Form 10-K for the year ended August 31, 2000.

2. Supplemental balance sheet information

	November 30, 2000	August 31, 2000
Receivables		
Trade receivables	\$ 868.3	\$ 1,354.2
Receivables from joint ventures	30.2	79.4
Taxes receivable other than income	58.1	72.3
Interest receivable	24.4	18.9
Other receivables	42.5	87.5
Allowance for returns and discounts	(18.2)	(19.9)
Allowance for doubtful accounts	(12.7)	(18.7)
	<u>\$ 992.6</u>	<u>\$ 1,573.7</u>
Inventories		
Finished goods	\$ 568.6	\$ 290.0
Work in progress	343.9	331.1
Raw materials and supplies	124.5	96.3
Allowance for obsolescence	(10.6)	(12.6)
	<u>\$ 1,026.4</u>	<u>\$ 704.8</u>
Property, plant and equipment		
Land	\$ 46.3	\$ 46.3
Buildings	1,372.1	1,360.6
Equipment	5,230.7	4,851.1
Construction in progress	666.4	627.4
Software	209.0	200.7

	7,524.5	7,086.1
Less accumulated depreciation and amortization	(3,016.0)	(2,828.5)
	\$ 4,508.5	\$ 4,257.6

As of November 30, 2000, property, plant and equipment included total costs of \$1,034.5 million for the Company's semiconductor memory manufacturing facility in Lehi, Utah, of which \$575.6 million has not been placed in service and is 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. The Company continues to evaluate the carrying value of the facility and as of November 30, 2000, determined there was no impairment.

Depreciation expense was \$256.6 million and \$213.6 million for the first quarter of 2001 and 2000, respectively.

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	November 30, 2000	August 31, 2000
Accounts payable and accrued expenses		
Accounts payable	\$ 712.1	\$ 732.5
Income taxes payable	269.6	288.2
Salaries, wages and benefits	174.7	236.6
Taxes payable other than income	49.0	98.5
Product and process technology payable	21.1	22.8
Interest payable	4.5	27.6
Other	49.9	59.6
	\$ 1,280.9	\$ 1,465.8
Debt		
Convertible subordinated notes payable, due October 2005, with an effective yield to maturity of 8.4%, net of unamortized discount of \$56.2 million	\$ —	\$ 683.8
Subordinated notes payable, due October 2005, with an effective yield to maturity of 10.7%, net of unamortized discount of \$32.0 million and \$33.3 million, respectively	178.0	176.7
Notes payable in periodic installments through July 2015, weighted average interest rate of 7.2% and 7.3%, respectively	84.3	94.5
Capitalized lease obligations payable in monthly installments through August 2004, weighted average interest rate of 9.0% and 7.8%, respectively	30.4	26.6
	292.7	981.6
Less current portion	(50.2)	(47.9)
	\$ 242.5	\$ 933.7

The convertible subordinated notes due October 2005 were converted into approximately 24.7 million shares of the Company's common stock on October 10, 2000.

The subordinated notes due October 2005 with a yield to maturity of 10.7% have a face value of \$210 million and a stated interest rate of 6.5%.

MEI has a \$100 million unsecured credit agreement expiring in June 2001. Under the credit agreement, MEI is subject to certain financial and other covenants including certain financial ratios and limitations on the amount of dividends paid by MEI. As of November 30, 2000, MEI had no borrowings outstanding under the agreement.

3. Other operating (income) expense, net

Other operating income for the first quarter of 2001 primarily reflects the net pre-tax gain from sales of semiconductor operations equipment. Other operating expense for the first quarter of 2000 primarily reflects the net pre-tax charge from the write-down and disposal of semiconductor operations equipment.

4. Other non-operating income, net

Other non-operating income for the first quarter of 2001 reflects a gain of \$4.5 million on the sale of MEI's remaining interest in MCMS, Inc., formerly Micron Custom Manufacturing Services, a wholly owned subsidiary of MEI. Other non-operating income for the first quarter of 2000 includes a \$9.7 million gain on the contribution by MTI of 1.9 million shares of MEI common stock (the "Contribution") to the Micron Technology Foundation. The Contribution decreased MTI's ownership

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interest in MEI from approximately 63% to 61%. Selling, general and administrative expense in the first quarter of 2000 reflects an \$18.7 million charge for the market value of the stock contributed.

5. Income tax provision

The effective tax rate for the first quarter of 2001 and 2000 approximated 35%.

6. Earnings 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 using the "treasury stock" method and conversion of convertible debentures using the "if-converted" method, when dilutive. Additional shares from the assumed conversion of convertible debentures are excluded from earnings per share calculations when conversion would be antidilutive.

For the quarter ended	November 30, 2000	December 2, 1999
Net income available for common shareholders, Basic	\$ 352.2	\$ 341.3
Adjustments for effects of assumed conversions	3.1	13.7
Net income available for common shareholders, Diluted	\$ 355.3	\$ 355.0
Weighted average common shares outstanding, Basic	581.9	538.5
Adjustments for effects of assumed exercises and conversions	27.5	56.6
Weighted average common shares and share equivalents outstanding, Diluted	609.4	595.1
Basic earnings per share	\$ 0.61	\$ 0.63
Diluted earnings per share	\$ 0.58	\$ 0.60

Average employee stock plan shares of 3.7 million and 1.9 million for November 30, 2000, and December 2, 1999, respectively, were not included in the computation of diluted earnings per share because to do so would have been antidilutive.

7. Joint ventures

MTI participates in two memory manufacturing joint ventures: TECH Semiconductor Singapore Pte. Ltd. ("TECH") and KMT Semiconductor Limited ("KMT"). TECH, which operates in Singapore, is a joint venture between MTI, the Singapore Economic Development Board, Canon Inc. and Hewlett-Packard Company. KMT, which operates in Japan, is a joint venture between MTI and Kobe Steel, Ltd. TECH and KMT are collectively referred to herein as the "JVs."

Subject to certain terms and conditions, MTI has agreed to purchase all of the JVs' production. MTI purchases semiconductor memory products from the JVs at prices generally determined quarterly based on a discount from MTI's average selling prices. MTI is a party to various agreements with the JVs whereby MTI provides technology, engineering support and training to assist the JVs in operating advanced wafer fabrication facilities to produce MTI DRAM products. MTI also performs assembly and test services on product manufactured by the JVs. The net cost of products purchased from the JVs, amounting to \$205.5 million for KMT and \$404.0 million for TECH for the first quarter of 2001 and \$113.6 million for KMT and \$62.1 million for TECH for the first quarter of 2000, reflects all transactions with the JVs.

MTI is amortizing the purchase price allocated to the JV supply arrangements on a straight-line basis over the remaining contractual life of the shareholder agreements. Amortization expense resulting from the JV supply arrangements, included in the cost of product purchased from the JVs, was \$2.9 million for the first quarter of 2001 and \$0.6 million for the first quarter of 2000. Receivables from KMT and TECH were \$12.1 million and \$18.1 million and payables were \$73.9 million and \$134.3 million, respectively, as of November 30, 2000. As of August 31, 2000, receivables from KMT and TECH were \$12.6 million and \$66.8 million and payables were \$90.1 million and \$89.3 million, respectively.

On October 17, 2000, MTI and Kobe Steel, Ltd. ("Kobe Steel") entered into a non-binding term sheet providing for the purchase by MTI of all of Kobe Steel's equity interest in KMT. The transaction is expected to close in the first half of calendar 2001. In the event the transaction is completed KMT would become a wholly-owned subsidiary of MTI. The Consolidated Financial Statements do not reflect MTI's proposed transaction with Kobe Steel.

8. Operating Segment Information

The Company's reportable segments have been determined based on the nature of its operations and products offered to customers. The Company's two reportable segments are Semiconductor operations and PC operations. The Semiconductor operations segment's primary product is DRAM. The PC operations segment's primary products include desktop and notebook PC systems and network servers. The PC operations segment also reflects the activity of the Company's "e-services" operations, which provide Internet access and web hosting services.

Segment operating results are measured based on operating income (loss). Intersegment sales are accounted for at prices offered to the Company's most favored customers. Intersegment sales primarily reflect sales of memory products from the Semiconductor operations segment to the PC operations segment and, to a lesser extent, sales of computers from the PC operations segment to the Semiconductor operations segment.

	2000	1999
Net Sales		
Semiconductor operations:		
External	\$ 1,545.8	\$ 1,321.9
Intersegment	12.2	17.6
	1,558.0	1,339.5
PC operations:		
External	286.3	262.4
Intersegment	1.0	1.2
	287.3	263.6
All other — external	0.1	0.1
Total segments	1,845.4	1,603.2
Elimination of intersegment	(13.1)	(18.8)
Total consolidated net sales	\$ 1,832.3	\$ 1,584.4
Operating income	November 30, 2000	December 2, 1999
Semiconductor operations	\$ 538.4	\$ 564.9
PC operations	(35.4)	(31.2)
All other	(0.2)	(1.8)
Total segments	502.8	531.9
Elimination of intersegment	1.2	0.1
Total consolidated operating income	\$ 504.0	\$ 532.0

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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, investments, accounts receivable, inventory and property, plant and equipment.

Segment assets as of	November 30, 2000	August 31, 2000
Semiconductor operations	\$ 8,813.8	\$ 8,711.4
PC operations	319.9	379.7
All other	14.3	14.6
	9,148.0	9,105.7
Elimination of intersegment	(87.2)	(97.0)
	\$ 9,060.8	\$ 9,008.7
Reconciliation to total assets:		
Total segment assets	\$ 9,060.8	\$ 9,008.7
Prepaid expenses	38.9	22.4
Deferred income taxes	188.7	137.1
Product and process technology	211.9	213.0
Other assets (net of segment assets)	301.2	250.3
Total consolidated assets	\$ 9,801.5	\$ 9,631.5

9. Commitments and contingencies

As of November 30, 2000, the Company had commitments of approximately \$1.3 billion for equipment purchases and software infrastructure and \$238.2 million for the construction of buildings.

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 of Rambus' patents. 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 our 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 our products and/or manufacturing processes. Any of the foregoing results could have a material adverse affect on our 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 us to make one-time or periodic royalty 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.

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.

Item 2. 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 and personal computer ("PC") systems. Micron Technology, Inc. and its wholly-owned subsidiaries are hereinafter referred to collectively as "MTI." The Company's PC operations are operated through Micron Electronics, Inc. ("MEI"), a 61% owned, publicly-traded subsidiary of MTI.

The following discussion may contain 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 made in: "Gross Margin" regarding MTI's pending transaction to purchase Kobe Steel's equity interest in KMT; "Research and Development" regarding the transition to .15μ and .13μ line-width process technology; "Income Tax Provision (Benefit)" regarding the tax effect of certain foreign operations and domestic subsidiaries not consolidated for tax purposes; "Recently Issued Accounting Standards" regarding the impact of the implementation of SAB No. 101; and "Liquidity and Capital Resources" regarding capital spending in 2001 and MTI's pending transaction to purchase Kobe Steel's equity interest in KMT. The Company's actual results could differ materially from the Company's historical results of operations and those discussed in the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, those identified in "Certain Factors." This discussion should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended August 31, 2000. All period references are to the Company's fiscal periods ended November 30, 2000, December 2, 1999, or August 31, 2000, unless otherwise indicated. All per share amounts are presented on a diluted basis unless otherwise stated.

Results of Operations

	First Quarter			
	2001		2000	
	(amounts in millions except per share amounts)			
Net sales:				
Semiconductor operations	\$	1,558.0	85.0%	\$ 1,339.5 84.5%
PC operations		287.3	15.7%	263.6 16.6%
All other		0.1	0.0%	0.1 0.0%
Intersegment		(13.1)	(0.7)%	(18.8) (1.1)%
Consolidated net sales	\$	1,832.3	100.0%	\$ 1,584.4 100.0%
Operating income:				
Semiconductor operations	\$	538.4		\$ 564.9
PC operations		(35.4)		(31.2)
All other		(0.2)		(1.8)
Intersegment		1.2		0.1
Consolidated operating income	\$	504.0		\$ 532.0
Net income	\$	352.2		\$ 341.3
Earnings per share	\$	0.58		\$ 0.60

For the fourth quarter of 2000, net income was \$726.7 million, or \$1.20 per share, on consolidated net sales of \$2,570.2 million.

Intersegment sales represent sales between different segments of the Company and are eliminated to arrive at consolidated net sales. Intersegment sales are primarily comprised of sales from the Company's Semiconductor operations segment to the Company's PC operations segment. (See "Notes

to Consolidated Financial Statements—Operating Segment and Geographic Information.") Unless otherwise stated, all semiconductor production data reflects production of the Company and its joint ventures.

Net Sales

Consolidated net sales for the first quarter of 2001 were higher by 16% compared to the first quarter of 2000, primarily due to an increase in net sales from Semiconductor operations.

Net sales from Semiconductor operations for the first quarter of 2001 increased by 16% as compared to the first quarter of 2000 and decreased by 32% as compared to the fourth quarter of 2000. The increase in net sales from Semiconductor operations for the first quarter of 2001 compared to the first quarter of 2000 was primarily due to a 67% increase in total megabits of semiconductor memory sold, partially offset by a 31% decline in average selling prices. The Company achieved higher megabit sales in the first quarter of 2001 as compared to the first quarter of 2000 through increases in total wafer outs, ongoing transitions to successive reduced die size ("shrink") versions of existing memory products and shifts to higher density products. The increase in wafer outs was primarily due to increased capacity utilization of the Company's international and joint venture facilities.

The decrease in net sales from Semiconductor operations for the first quarter of 2001 as compared to the fourth quarter of 2000 was principally due to a 25% decrease in total megabits of semiconductor memory sold and a 9% decline in average selling prices. The decline in net sales and average selling prices in the first quarter was the result of a lower level of sales to PC OEMs who built inventory during the Company's fourth quarter in anticipation of heightened consumer demand which did not fully materialize. Subsequent to the end of the first quarter, industry supply of semiconductor memory has exceeded demand and as a result the Company's inventory levels have continued to grow.

The Company's primary memory product in the first quarter of 2001 was the 128 Meg Synchronous DRAM ("SDRAM"), which constituted approximately 39% of net sales for Semiconductor operations. The 128 Meg SDRAM comprised approximately 6% and 43% of net sales for Semiconductor operations for the first and fourth quarters of 2000, respectively. The 64 Meg SDRAM comprised approximately 18% of net sales for Semiconductor operations in the first quarter of 2001, and 70% and 28% of net sales for Semiconductor operations the first and fourth quarters of 2000, respectively. The Company's primary memory product comprised a smaller percentage of Semiconductor operations net sales for the first quarter of 2001 as compared to the fourth quarter of 2000 because average selling prices for the Company's 128 Meg SDRAM product declined at a faster rate than the average selling prices for many of the Company's other memory products.

Net sales from PC operations for the first quarter of 2001 were 9% higher compared to the first quarter of 2000 primarily due to a 27% increase in unit sales of the Company's PC systems, partially offset by a 17% decrease in overall average selling prices for PC systems. Average selling prices for desktop systems, which are the PC operations primary product, declined 18% for the first quarter of 2001 as compared to the first quarter of 2000. Desktop and notebook unit sales increased by 31% and 9%, respectively, comparing the first quarter of 2001 with the first quarter of 2000. Net sales from PC operations for the first quarter of 2001 were relatively flat as compared to the fourth quarter of 2000.

Gross Margin

	First Quarter		
	2001	% Change	2000
Gross margin	\$ 791.3	2.8%	\$ 813.7
as a % of net sales	43.2%		51.4%

The decrease in overall gross margin for the first quarter of 2001 as compared to the first quarter of 2000 is primarily attributable to a decline in gross margin for Semiconductor operations and, to a lesser extent, to a decline in gross margin for PC operations. The Company's consolidated gross margin percentage for the fourth quarter of 2000 was 53%. The decrease in overall gross margin for the first quarter of 2001 as compared to the fourth quarter of 2000 is primarily attributable to Semiconductor operations.

The gross margin percentage for the Company's Semiconductor operations for the first quarter of 2001 was 49%, compared to 58% for the first quarter of 2000. This decrease in gross margin percentage for the Company's Semiconductor operations was due to the 31% decrease in average selling prices per megabit of memory, partially offset by decreases in per megabit manufacturing costs resulting from continued improvements in manufacturing efficiency. Manufacturing cost improvements were achieved principally through transitions to shrink versions of existing products and shifts to higher average density products.

The gross margin percentage on sales of semiconductor memory products for the fourth quarter of 2000 was 58%. The decrease in gross margin percentage for semiconductor memory products sold in the first quarter of 2001 as compared to the fourth quarter of 2000 was primarily due to the 9% decrease in average selling prices per megabit of memory, and to a lesser extent, due to increased costs for products purchased from MTI's joint ventures.

Subject to specific terms and conditions, MTI has agreed to purchase all of the products manufactured by two joint venture wafer fabrication facilities: TECH Semiconductor Singapore Pte. Ltd. ("TECH") and KMT Semiconductor Limited ("KMT"). TECH and KMT are collectively referred to herein as the "JVs." The JVs supplied in excess of 40% of the total megabits of memory produced by the Company in the first quarter of 2001. MTI purchases semiconductor memory products from the JVs at prices generally determined quarterly and based on a discount from MTI's average selling prices. MTI provides certain technology, engineering support and training to the JVs. MTI also performs assembly and test services on product manufactured by the JVs. All transactions with the JVs are recognized as part of the net cost of products purchased from the JVs. The Company realized lower gross margins on sales of JV products than for products manufactured by its wholly-owned facilities in the first quarter of 2001 and the first and fourth quarters of 2000. MTI has pending a transaction to purchase Kobe Steel's equity interest in KMT. In the event the transaction is completed, KMT would become a wholly-owned subsidiary of MTI. (See "Liquidity and Capital Resources" and "Notes to Consolidated Financial Statements—Joint ventures.")

The gross margin percentage for PC operations decreased to 11% in the first quarter of 2001 from 14% in the first quarter of 2000, primarily due to an increase in lower margin retail direct and government PC sales. Additionally, the Company continues to experience pricing pressure on its PC systems resulting in the 17% decline in overall average selling prices for PC systems for these comparative periods. The gross margin percentage for PC operations was 12% in the fourth quarter of 2000.

Selling, General and Administrative

	First Quarter		
	2001	% Change	2000
Selling, general and administrative	\$ 149.6	10.7%	\$ 167.6
as a % of net sales	8.2%		10.6%

Selling, general and administrative expenses decreased in the first quarter of 2001 as compared to the first quarter of 2000 primarily as a result of a \$19 million charge in the first quarter of 2000 for the market value of MEI common stock contributed by MTI to the Micron Technology Foundation and a

decrease in advertising expense for the Company's PC operations. Selling, general and administrative expenses decreased in the first quarter of 2001 as compared to the fourth quarter of 2000 primarily as a result of lower levels of performance based compensation costs for the Company's Semiconductor operations and lower bad debt expense.

Research and Development

	First Quarter		
	2001	% Change	2000
Research and development	\$ 139.5	52.1%	\$ 91.7
as a % of net sales	7.6%		5.8%

Substantially all the Company's research and development efforts relate to its Semiconductor operations. Research and development expenses vary primarily with personnel costs, the number of development wafers processed and the cost of advanced equipment dedicated to new product and process development. The increase in research and development expenses in the first quarter of 2001 as compared to the first quarter of 2000 is primarily due to an increased number of development wafers processed and higher compensation expenses reflecting an increased number of personnel. Process technology research and development efforts are focused on .15 μ and .13 μ line-width process technologies, which will enable the Company to transition to next generation products. Application of advanced process technology currently is concentrated on design of shrink versions of the Company's 128 Meg SDRAMs and on design and development of the Company's Flash, 256 Meg and 512 Meg SDRAMs, DDR SDRAM and SRAM memory products. Other research and development efforts are currently devoted to the design and development of embedded memory, RDRAM, and advanced DRAM technology ("ADT") products. The Company is also developing technology which enables customers to more rapidly adopt the Company's advanced memory architectures such as DDR and ADT.

The Company is transitioning its manufacturing operations to .15 μ line-width process technology and expects this transition to continue throughout 2001. The Company anticipates that it will move to .13 μ line-width process technology in the next few years as needed for the development of future generation semiconductor products.

Other Operating Expense (Income), net

Other operating income for the first quarter of 2001 primarily reflects the net pre-tax gain from sales of semiconductor operations equipment. Other operating expense for the first quarter of 2000 primarily reflects the net pre-tax charge from the write-down and disposal of semiconductor operations equipment.

Other Non-Operating Income, net

Other non-operating income for the first quarter of 2001 reflects a gain of \$5 million on the sale of MEI's remaining interest in MCMS, Inc. Other non-operating income for the first quarter of 2000 includes a \$10 million gain on the contribution by MTI of 1.9 million shares of MEI common stock (the "Contribution") to the Micron Technology Foundation. The Contribution decreased MTI's ownership interest in MEI from approximately 63% to 61%. Selling, general and administrative expense in the first quarter of 2000 reflects a \$19 million charge for the market value of the stock contributed.

Income Tax Provision

The effective tax rate for the first quarter of 2001 and 2000 approximated 35%. Taxes on earnings of certain foreign operations and domestic subsidiaries not consolidated for tax purposes may cause the effective tax rate to vary significantly from period to period.

Recently Issued Accounting Standards

Recently issued accounting standards include Statement of Financial Accounting Standards ("SFAS") No. 133 "Accounting for Derivative Instruments and Hedging Activities," issued by the FASB in June 1998 and Staff Accounting Bulletin ("SAB") No. 101 "Revenue Recognition in Financial Statements," issued by the Securities and Exchange Commission in December 1999.

SFAS No. 133 requires that all derivatives be recorded as either assets or liabilities in the balance sheet and marked to market on an ongoing basis. SFAS No. 133 applies to all derivatives including stand-alone instruments, such as forward currency exchange contracts and interest rate swaps, or embedded derivatives, such as call options contained in convertible debt investments. Along with the derivatives, certain underlying hedged items are also to be marked to market on an ongoing basis. These market value adjustments are to be included either in the statement of operations or as a component of comprehensive income, depending on the nature of the transaction. The Company adopted the standard in the first quarter of 2001. The adoption did not affect the Company's results of operations or financial position.

SAB No. 101 summarizes certain views of SEC staff in applying generally accepted accounting principles to revenue recognition in the financial statements. Adoption is required for the Company by the fourth quarter of 2001. The implementation of SAB No. 101 is not expected to have a significant impact on the Company's future results of operations or financial position.

Liquidity and Capital Resources

As of November 30, 2000, the Company had cash and liquid investments totaling \$2.5 billion. The Company's principal source of liquidity during the first three months of 2001 was net cash flow from operations of \$617 million. During the first three months of 2001 the Company made \$507 million of property, plant and equipment expenditures and incurred an increase of \$322 million in inventory.

In the first quarter of 2001, the Company's 6.5% convertible subordinated notes due October 2005, with a principal amount outstanding of \$740 million, were converted into approximately 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 continuously evaluates the financing of capital improvements, including the conversion of some of its operations to 300 millimeter wafer processing, and in this regard 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 seek to raise additional funds through issuing debt or equity securities beyond those covered by the existing shelf registration statement. The Company spent approximately \$544 million in the first quarter of 2001 for purchases of equipment and construction and improvement of buildings and expects capital spending to exceed \$2 billion in 2001. As of November 30, 2000, the Company had commitments extending into fiscal 2003 of approximately \$1.3 billion for equipment purchases and software infrastructure and approximately \$238 million for the construction of facilities.

MTI has pending a transaction to purchase Kobe Steel's equity interest in KMT. In conjunction with the purchase transaction, it is anticipated that MTI will assume or repay all of KMT's debt,

projected to approximate \$325 million at closing. Closing is expected to occur in the first half of calendar 2001. There can be no assurance, however, that the pending transaction with Kobe Steel will be consummated.

As of November 30, 2000, approximately \$306 million of the Company's consolidated cash and liquid investments were held by MEI. Cash generated by MEI is not readily available to finance operations or other expenditures of the Company's Semiconductor operations. MEI has a \$100 million unsecured credit agreement, expiring June 2001, which contains certain restrictive covenants pertaining to MEI, including certain financial ratios and limitations on the amount of dividends declared or paid by MEI. As of November 30, 2000, MEI had no borrowings outstanding under the agreement.

Certain Factors

In addition to the factors discussed elsewhere in this Form 10-Q and in the Company's Form 10-K for the fiscal year ended August 31, 2000, the following are important factors which could cause actual results or events to differ materially from those contained in any forward looking statements made by or on behalf of the Company.

The volatile nature of the DRAM industry could adversely affect our future operating results

The DRAM industry is highly volatile. Due to the commodity nature of DRAM products, when the supply of DRAM products exceeds the demand for such products, average selling prices for DRAM products decline, sometimes rapidly. In the past, our operating results and cash flows have been adversely affected by:

- excess worldwide DRAM supply, and
- declines in average selling prices for DRAM products.

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

We sold most of our memory products to PC or peripheral markets in the first quarter of 2001. DRAMs are the most widely used semiconductor memory component in PCs. The PC market has experienced a slower rate of growth in recent periods and industry forecasts indicate that the amount of memory included in each PC will remain relatively stable in 2001. If either the growth rate of PCs sold or the amount of memory included in each PC decreases, sales of our memory products could decrease and our results of operations, cash flows and financial condition could be adversely affected.

We have experienced dramatic declines in average selling prices for our memory products which have adversely affected our business

Average per megabit selling prices for memory products decreased by 9% in the first quarter of 2001 as compared to the fourth quarter of 2000 and have decreased approximately 30% per year on a long-term basis. Further, significant fluctuations in average selling prices for our memory products have occurred, including periods when decreases exceeded the long-term 30% rate as shown in the following chart:

Fiscal year to year comparison	Change in average price per megabit
2000 to 1999	3 %
1999 to 1998	(37)%
1998 to 1997	(60)%
1997 to 1996	(75)%
1996 to 1995	(46)%

We are unable to predict pricing conditions for any future period. If average selling prices for our memory products decrease faster than we are able to decrease per megabit manufacturing costs, our results of operations, cash flows and financial condition would 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 as opposed to the current industry standard, 200mm wafers. 300mm wafers have approximately 130% greater usable surface area than 200mm wafers and their widespread use in the industry, which is expected to occur within the next two to five years, will lead to a significant increase in the worldwide supply of DRAM. Increases in worldwide supply of DRAM also result from DRAM capacity expansions, either by way of new facilities, increased capacity utilization, or reallocation of other semiconductor production to DRAM production. We are currently evaluating several capacity expansion programs for our various fabrication facilities. Increases in worldwide supply of DRAM could lead to further declines in average selling prices for our products and adversely affect our results of operations and cash flows.

If any one of our major PC original equipment manufacturer ("OEM") 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 OEMs with more than 30% of their memory requirements. Sales to two of our PC OEM customers approximated 20% of our Semiconductor operation's net sales in the first quarter of 2001. If any one of our major PC OEM customers significantly reduces its purchases of DRAM from us, our results of operations and cash flows could be adversely affected.

If we are unable to make adequate capital investments, our results of operations and cash flows could be adversely affected

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. We must make substantial capital investments to convert manufacturing operations to 300mm wafer processing over the next several years. We made \$544 million in capital investments in the first quarter of 2001 and currently estimate that our capital investments will exceed \$2 billion for fiscal 2001. If we are unable to make adequate capital investments, our results of operations and cash flows could be adversely affected.

If we are unable to reduce per megabit manufacturing costs of our memory products at an acceptable rate, our results of operations could be adversely affected

To reduce per megabit manufacturing costs we must:

- design and develop new generation products,
- reduce the die size of our existing products, and
- increase the production of these products at acceptable rates to acceptable yields.

If these efforts are unsuccessful, we may be unable to sufficiently reduce per megabit manufacturing costs and our results of operations and cash flows could be adversely affected.

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 and costly 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, we may be unable to meet demand and customers may purchase products from other suppliers. The resulting loss of revenues and damage to customer relationships could be significant.

Our transition to higher bandwidth products and more diverse product offerings may adversely affect our manufacturing efficiency

The semiconductor memory industry is currently transitioning to higher bandwidth products, including Double Data Rate Synchronous DRAM ("DDR SDRAM") and direct Rambus® DRAM ("RDRAM®"). We may have trouble achieving the same manufacturing efficiencies in higher bandwidth products as other memory products. In addition, we have committed to make more Flash and SRAM products which may also hinder our manufacturing efficiencies. Our transition to higher bandwidth products and more diverse product offerings may adversely impact our:

- productivity levels,
- die per wafer yields,
- backend assembly, and
- test equipment requirements.

Our transition to higher bandwidth products and more diverse product offerings could increase per megabit production costs and we may not achieve our historical rate of cost per megabit reductions.

We increased megabit production in recent years through improvement to our manufacturing process, but we may not be able to increase production at the same rate in the future

In recent years, we have increased our megabit production through improvements in our manufacturing processes, including reducing the die size of our existing products. As a result, we have decreased per megabit production costs and significantly increased our megabit production. However, we may not be able to increase megabit production at historical rates in the future. Our ability to increase megabit production in future periods may be limited because of the following factors:

- our substantial completion of product and process technology upgrades in our international and JV facilities;
- our commitment of more wafer starts to our Flash and SRAM products;
- our ability to implement more complex technologies without compromising our manufacturing yields; or
- our ability to ramp the latest reduced die size versions of existing devices or new generation devices to commercial volumes.

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 our 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. Lawsuits between Rambus and us are pending in the United States, Germany, France, the United Kingdom and Italy. We are unable to 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 our products and/or manufacturing processes. Any of the foregoing results could have a material adverse affect 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 royalty 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.

If we are not able to purchase technologically-advanced semiconductor manufacturing equipment, our results of operations could be harmed

Our Semiconductor operations require highly advanced, complex, and costly semiconductor equipment. If we want to continue to be a low-cost producer of semiconductor memory products, we will need to be able to replace obsolete equipment and purchase the most technologically-advanced semiconductor manufacturing equipment. However, there are only a limited number of suppliers capable of providing this critical equipment. Equipment shortages have occurred from time to time in the past and lead times for ordering new equipment are typically 6 to 18 months. We often need to place orders for new equipment several months in advance to ensure timely delivery, which may limit our ability to alter plans in response to changes in market conditions. Our supply of new equipment could be significantly delayed if any shortages occur. Any equipment delays could limit our ability to use the most cost-effective processes and limit our ability to expand our capacity.

Interruptions in our supply of raw materials could adversely affect our results of operations

Our Semiconductor 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, including increases in worldwide semiconductor manufacturing, could reduce the availability of raw materials such as silicon wafers, photomasks, chemicals, gases, lead frames and molding compound. Raw materials shortages have not interrupted our operations in the past. Nevertheless, 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.

If we are unable to retain existing key employees or hire qualified new employees, our operating results could be adversely affected

We depend on a limited number of key management and technical personnel. Our future success depends in part on our ability to attract and retain highly qualified personnel in our worldwide operations, particularly as we add different product types. Competition for skilled management and technical employees is intense within our industry. Other employers have increased recruitment of our existing personnel.

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

International sales approximated 38% of our consolidated net sales in the first quarter of 2001. We expect international sales to increase. In addition, we support manufacturing operations in Italy, Singapore, Japan and Scotland. Our international sales and international 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,
- employee turnover and labor unrest,
- longer payment cycles and greater difficulty in collecting accounts receivable,

- political and economic instability.

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

If average selling prices of memory products decline, we may not be able to generate sufficient cash flow to fund our operations

Historically, we have invested substantially all cash flow from Semiconductor operations in capacity expansion and enhancement programs. Our cash flow from operations depends primarily on average selling prices and per megabit manufacturing costs of our semiconductor memory products. If average selling prices decline at a faster rate than our per megabit manufacturing costs, we may not be able to generate sufficient cash flows to sustain our operations. We may be unable to obtain other external sources of liquidity to fund our operations or efforts to enhance our capacity and product and process technology. Without additional financing, we may be unable to invest sufficiently in capacity expansion and enhancement programs, which could materially adversely affect our business, results of operations and financial condition.

If we fail to compete effectively in the highly competitive semiconductor memory industry, our results of operations and cash flows would be adversely affected

The semiconductor memory industry is highly competitive. We face intense competition from a number of companies, including Hitachi, Ltd., Hyundai Electronics Industries Co., Ltd., Infineon Technologies AG., NEC Corporation 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. In addition, a number of these competitors have historically been able to introduce new products before we have. Consolidations in the semiconductor memory industry could weaken our position against competitors. If we fail to compete effectively, our results of operations and cash flows would 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.
- we may encounter adverse publicity, which could cause a decrease in sales of our products.

If our supply of memory products from our joint ventures is interrupted, our results of operations could be adversely affected

We participate in two joint ventures that currently supply us with in excess of 40% of our total megabits of memory produced. We have agreements to purchase all of the production from the joint ventures subject to specific terms and conditions. The joint ventures have historically required and presently are required to seek additional financing to fund their ongoing operations and transition to next generation technologies. Our source of supply may be interrupted if either joint venture is unable

to repay or refinance existing debt or obtain required incremental financing. In addition, our supply from each joint venture may be interrupted if the joint venture's operations experience a disruption in its manufacturing process. Any reduction in supply could adversely affect our results of operations and cash flows.

We have a pending transaction to purchase all of the equity interest in our KMT joint venture. (See "Liquidity and Capital Resources" and "Notes to Consolidated Financial Statements—Joint Ventures.")

If our subsidiary, Micron Electronics, Inc., fails to compete effectively in the highly competitive PC and e-services industry, our consolidated results of operations could be adversely affected

Our results of operations are affected by, Micron Electronics, Inc. ("MEI"), our 61% owned subsidiary. In 2000, we reduced our ownership in MEI from 63% to 61% through contributions to the Micron Technology Foundation. We anticipate that we will further reduce our ownership share in MEI through contributions to the Foundation. MEI is a publicly traded PC and e-services business. MEI's results of operations, and the resulting effect upon our consolidated results of operations, are linked to conditions in the PC and e-services markets and to MEI's ability to compete effectively in these markets. The PC market has recently experienced reduced growth rates and severe pricing pressure. MEI's success depends on its ability to:

- accurately forecast technology trends, design and introduce new PC products and correctly identify demand for such products,
- effectively manage materials and finished goods inventories, manufacturing constraints, and component costs,
-

effectively market PC products directly to end customers and gain market share, and

- identify value added e-services solutions, build an e-services infrastructure to deliver such solutions and generate e-services customers at acceptable margins.

If MEI fails to compete effectively in the PC and e-services industry, our consolidated results of operations could be adversely affected.

If we are unable to successfully transition our Semiconductor 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 only a slightly higher cost for each wafer, resulting in substantially reduced costs for each die. Several of our competitors have announced intentions 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 raise funds. 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, our results of operations and cash flows could be harmed.

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The DRAM market is expected to undergo considerable market segmentation in the near future. If we fail to accurately predict and meet market demand for various products, the results of our operations and cash flows could be harmed

The DRAM market in the past has been characterized by production of large volumes of one dominant part type with the lowest possible megabit cost. We expect the DRAM market to partially transition its focus from the production of one dominant part type to a market with several different part types based on a variety of new technologies. These new technologies include PC133 SDRAM, Double Data Rate (DDR) DRAM, and Rambus® DRAM. We also expect to support a larger number of product densities in the future. This segmentation of the DRAM market is expected to continue in future periods, as our memory products are used in a wide variety of different products. If we are to maintain our large market share with major OEM customers we must offer a broader range of products to meet the memory requirements of these OEMs. It takes several months, or even years, to develop and qualify new products. If we are unable to accurately predict the demand for new products or the technologies on which these new products are based, our results of operations and cash flows could be adversely affected given the long lead times associated with product development.

New technologies could affect demand for our semiconductor memory products and have an adverse affect on our results of operations and cash flows

We and our competitors need to spend substantial resources to develop new semiconductor memory technologies. If our competitors introduce new products and processes before us, demand for our products could decrease and our results of operations could be harmed. We expect our competitors will continue to develop new products and processes in the future. While we will continue to invest substantially in our own research and development efforts, we cannot guarantee that our new products and processes will be competitive.

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Item 3. 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. The Company believes that the market risk arising from its holdings of liquid investments is minimal as substantially all of the Company's investments mature within one year. The carrying value of the Company's long-term debt was \$293 million at November 30, 2000, and \$1.0 billion at August 31, 2000. The Company held aggregate cash and other assets in foreign currency valued at approximately US \$74 million as of November 30, 2000, and US \$97 million as of August 31, 2000. The Company also held aggregate foreign currency payables valued at approximately US \$112 million as of November 30, 2000, and US \$157 million as of August 31, 2000 (including long-term liabilities denominated in Euros valued at approximately US \$16 million for both dates). Foreign currency receivables and payables are comprised primarily of Japanese Yen, British Pounds, Euros and Singapore Dollars.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

On August 28, 2000, the Company filed suit against Rambus, Inc. ("Rambus") in U.S. District Court for the District of Delaware seeking (1) relief under the federal antitrust laws for violations of Section 2 of the Shearman Act; (2) a declaratory judgement (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, 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 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 and DDR 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. On December 21, 2000, an appeals panel of the Court of Monza ordered that the seizure be revoked and held that the Monza court had no jurisdiction to adjudicate the matter. 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. The Company is unable to predict the outcome of these suits.

Item 4. Submission of Matters to a Vote of Shareholders

The registrant's 2000 Annual Meeting of Shareholders was held on November 28, 2000. At the meeting, the following items were submitted to a vote of the shareholders:

(a) The following nominees for Directors were elected. Each person elected as a Director will serve until the next annual meeting of shareholders or until such person's successor is elected and qualified.

Name of Nominee	Votes Cast For	Votes Cast Against/Withheld
Steven R. Appleton	496,861,501	5,824,006
James W. Bagley	492,786,082	9,899,425
Robert A. Lothrop	496,762,831	5,922,676
Thomas T. Nicholson	496,827,698	5,857,809
Don J. Simplot	496,799,224	5,886,283
Gordon C. Smith	496,751,194	5,934,313
William P. Weber	496,637,744	6,047,763

(b) The amendment to the Company's Certificate of Incorporation increasing the number of authorized shares of common stock from 1,000,000,000 to 3,000,000,000 was approved with 324,418,658 votes in favor, 176,854,319 votes against, 1,412,530 abstentions and 0 broker non-votes.

(c) The amendment to the Company's Certificate of Incorporation eliminating the Company's authority to issue Class A Common Stock was approved with 500,256,547 votes in favor, 775,724 votes against, 1,653,236 abstentions and 0 broker non-votes.

(d) The ratification and appointment of PricewaterhouseCoopers LLP as independent public accountants of the Company for the fiscal year ending August 30, 2001, was approved with 500,917,329 votes in favor, 369,536 votes against, 1,398,642 abstentions and 0 broker non-votes.

Item 6. Exhibits and Reports on Form 8-K

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

Exhibit Number	Description of Exhibit
3.1	Certificate of Incorporation of the Registrant, as amended

(b) The registrant did not file any reports on Form 8-K during the fiscal quarter ended November 30, 2000.

SIGNATURES

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

Micron Technology, Inc.

(Registrant)

Dated: January 11, 2001

/s/ Wilbur G. Stover, Jr.

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

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Item 4. Submission of Matters to a Vote of Shareholders

Item 6. Exhibits and Reports on Form 8-K

SIGNATURES

EXHIBIT 3.1

CERTIFICATE OF INCORPORATION
OF
MICRON TECHNOLOGY, INC.

- 1. The name of the corporation is MICRON TECHNOLOGY, INC.
- 2. The address of its registered office in the State of Delaware is No. 100 West Tenth Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.
- 3. The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.
- 4. The total number of shares of stock which the corporation shall have authority to issue is fifty million (50,000,000) and the par value of each of such shares is Ten Cents (\$0.10) amounting in the aggregate to Five Million Dollars (\$5,000,000.00).

At all elections of directors of the corporation, each stockholder shall be entitled to as many votes as shall equal the number of votes which (except for such provision as to cumulative voting) he would be entitled to cast for the election of directors with respect to his shares of stock multiplied by the number of directors to be elected by him, and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as he may see fit.

- 5. The name and mailing address of each incorporator is as follows:

NAME	MAILING ADDRESS
W. J. Reif	100 West Tenth Street Wilmington, Delaware 19801
V. A. Brookens	100 West Tenth Street, Wilmington, Delaware 19801
J. L. Austin	100 West Tenth Street, Wilmington, Delaware 19801

- 6. The corporation is to have perpetual existence.
 - 7. In furtherance and not in limitation of the powers conferred by statute, the board of directors is expressly authorized to make, alter or repeal the by-laws of the corporation.
 - 8. Elections of directors need not be by written ballot unless the by-laws of the corporation shall so provide.
- Meetings of stockholders may by held within or without the State of Delaware, as the by-laws may provide. The books of the corporation may be kept (subject to any provision contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the board of directors or in the by-laws of the corporation.
- 9. The corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

WE, THE UNDERSIGNED, being each of the incorporators hereinbefore named, for the purpose of forming a corporation pursuant to the General Corporation Law of the State of Delaware, do make this certificate, hereby declaring and certifying that this is our act and deed and the facts herein stated are true, and accordingly have hereunto set our hands this 6th day of April, 1984.

W. J. REIF
W. J. REIF

V. A. BROOKENS
V. A. BROOKENS

J. L. AUSTIN
J. L. AUSTIN

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

The undersigned, Juan A. Benitez, President and Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following amendment to the Certificate of Incorporation of Micron Technology, Inc. has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended. Said amendment was adopted by a resolution of the Board of Directors on October 27, 1986 which sets forth the proposed amendment, declared its advisability and directed that it be considered at the Annual Meeting of Shareholders. At the regularly scheduled

Annual Meeting of Shareholders held on January 26, 1987, after due notice thereof in accordance with the law, a majority of said shareholders entitled to vote thereon has been voted in favor of said amendment. Said amendment as adopted and approved adds the following provisions to the Certificate of Incorporation:

10. Pursuant to, and to the full extent permitted by Section 102(b) and any other relevant provisions of the General Corporation Law of the State of Delaware, no director shall be liable to the corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, provided that this provision shall not eliminate or limit the liability of a director (i) for any breach of director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the General Corporation Law of the State of Delaware, or (iv) for any transaction from which the director derived an improper personal benefit.

11. Pursuant to, and to the full extent permitted by, Section 145 and any other relevant provisions of the General Corporation Law of the State of Delaware, the corporation shall, and is hereby obligated to, indemnify any person, or the heirs, executors, or administrators of such person, who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director, officer, employee, or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise. The corporation shall, and is hereby obligated to, indemnify any of said persons in each and every situation where the corporation is obligated to make such indemnification pursuant to said statutory provisions. The corporation shall also, and is hereby obligated to, indemnify any of said persons in each and every situation where, under the aforesaid statutory provisions, the corporation is not obligated, but is nevertheless permitted or empowered, to make such indemnification, it being understood that, prior to making such indemnification, the corporation shall make, or cause to be made, such determinations or decisions, following such procedures or methods, as are required by said statutes.

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the corporate seal of said corporation as of this 28th of January 1987.

Juan A. Benitez
Juan A. Benitez, President

Cathy L. Smith
Cathy L. Smith, Secretary

ACKNOWLEDGMENT

STATE OF IDAHO

COUNTY OF ADA

The foregoing instrument was acknowledged before me this 28th day of January, 1987 by Juan A. Benitez, as President and Cathy L. Smith, as Corporate Secretary of Micron Technology, Inc., a Delaware corporation, on behalf of the corporation and that the same is the act and deed of the corporation and the facts stated therein are true.

Notary Public Jill L. Henson

My commission expires 7/88

(SEAL)

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

The undersigned, Randal W. Chance, President and Chief Operating Officer and Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following amendment to the Certificate of Incorporation of Micron Technology, Inc. has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended. Said amendment was adopted by a resolution of the Board of Directors on October 31, 1988 which sets forth the proposed amendment, declared its advisability and directed that it be considered at the Company's Annual Meeting of Shareholders. At the regularly scheduled 1988 Annual Meeting of Shareholders held on January 30, 1989, after due notice thereof in accordance with the law, a majority of the outstanding stock entitled to vote thereon has been voted in favor of said amendment. Said amendment as adopted and approved amends paragraph 4 of the Certificate of Incorporation to read as follows:

4. The total number of shares of stock which the corporation shall have authority to issue is one hundred million (100,000,000) and the par value of each of such shares is Ten Cents (\$0.10) amounting in the aggregate to Ten Million Dollars (\$10,000,000.00).

IN WITNESS WHEREOF, we have hereunto set our hands and affixed the corporate seal of said corporation as of the 31st of January, 1989.

Randal W. Chance
Randal W. Chance, President and
Chief Operating Officer

Cathy L. Smith
Cathy L. Smith, Corporate Secretary

ACKNOWLEDGEMENT

STATE OF IDAHO

COUNTY OF ADA

The foregoing instrument was acknowledged before me this 31st day of January, 1989 by Randal W. Chance, as President and Chief Operation Officer and Cathy L. Smith as Corporate Secretary of Micron Technology, Inc., a Delaware corporation, on behalf of the corporation and that the same is the act and deed of the corporation and the facts stated therein are true.

Benicia R. Morrison
Notary Public
My Commission Expires 6-24-94

(SEAL)

**CERTIFICATE OF THIRD AMENDMENT
TO THE CERTIFICATE OF INCORPORATION OF
MICRON TECHNOLOGY, INC.**

The undersigned, James W. Garrett, President and Chief Operating Officer and Jill L. Devereaux, Assistant Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following amendment to the Certificate of Incorporation of Micron Technology, Inc. has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended. Said amendment was adopted by a resolution of the Board of Directors on December 2, 1993 which set forth the proposed amendment, declared its advisability and directed that it be considered at the Company's Annual Meeting of Shareholders. At the regularly scheduled 1993 Annual Meeting of Shareholders duly held on January 31, 1994, after due notice thereof in accordance with applicable law, a majority of the outstanding stock entitled to vote thereon voted in favor of said amendment. Said amendment as adopted and approved amends paragraph 4 of the Certificate of Incorporation to read as follows:

4. The total number of shares of stock which the corporation shall have authority to issue is one hundred fifty million (150,000,000) and the par value of each of such shares is Ten Cents (\$0.10).

IN WITNESS WHEREOF, this Certificate of Third Amendment to the Company's Certificate of Incorporation have been executed this 8th day of February, 1994.

James W. Garrett
James W. Garrett, President and
Chief Operating Officer

Jill L. Devereaux
Jill L. Devereaux, Assistant Corporate
Secretary

I, Sherilyn Maxfield, a notary public, do hereby certify that on this 8th day of February, 1994, personally appeared before me James W. Garrett and Jill L. Devereaux who, being by me first duly sworn, declared that they are the President and Chief Operating Officer and Assistant Corporate Secretary, respectively, of Micron Technology, Inc., that they signed the foregoing document as President and Chief Operating Officer and Assistant Corporate Secretary of the corporation, and that the statements therein contained are true.

Sherilyn Maxfield
Notary Public
Residing at Boise, Idaho

Commission Expires 10/21/97

(seal)

**CERTIFICATE OF FOURTH AMENDMENT
TO THE CERTIFICATE OF INCORPORATION OF
MICRON TECHNOLOGY, INC.**

The undersigned, Steven R. Appleton, Chief Executive Officer and President and Cathy L. Smith, Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certify that the following amendment to the Certificate of Incorporation of Micron Technology, Inc. has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended. Said amendment was adopted by a resolution of the Board of Directors on October 27, 1994 which set forth the proposed amendment, declared its advisability and directed that it be considered at the Company's Annual Meeting of Shareholders. At the regularly scheduled 1994 Annual Meeting of Shareholders duly held on January 30, 1995, after due notice thereof in accordance with applicable law, a majority of the outstanding stock entitled to vote thereon voted in favor of said amendment. Said amendment as adopted and approved amends paragraph 4 of the Certificate of Incorporation to read as follows:

4. The total number of shares of stock which the corporation shall have authority to issue is three hundred million (300,000,000) and the par value of each of such shares is Ten Cents (\$0.10).

IN WITNESS WHEREOF, this Certificate of Fourth Amendment to the Company's Certificate of Incorporation have been executed this 30th day of January, 1995.

Steven R. Appleton
Steven R. Appleton, Chairman,
Chief Executive Officer and
President

Cathy L. Smith
Cathy L. Smith, Corporate Secretary

I, Sherilyn Maxfield, a notary public, do hereby certify that on this 30th day of January, 1995, personally appeared before me Steven R. Appleton and Cathy L. Smith who, being by me first duly sworn, declared that they are the Chairman, Chief Executive Officer and President and Corporate Secretary, respectively, of Micron Technology, Inc., that they signed the foregoing document as Chairman, Chief Executive Officer and President and Corporate Secretary of the corporation, and that the statements therein contained are true.

Sherilyn Maxfield
Notary Public
Residing at Ada County
Commission Expires 10/21/97

(seal)

**CERTIFICATE OF FIFTH AMENDMENT
TO THE CERTIFICATE OF INCORPORATION OF
MICRON TECHNOLOGY, INC.**

The undersigned, Steven R. Appleton, Chairman, Chief Executive Officer and President of Micron Technology, Inc., a Delaware corporation, hereby certify that the following amendment to the Certificate of Incorporation of Micron Technology, Inc. has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended. Said amendment was adopted by a resolution of the Board of Directors on October 2, 1995 which set forth the proposed amendment, declared its advisability and directed that it be considered at the Company's Annual Meeting of Shareholders. At the regularly scheduled 1995 Annual Meeting of Shareholders duly held on January 29, 1996, after due notice thereof in accordance with applicable law, a majority of the outstanding stock entitled to vote thereon voted in favor of said amendment. Said amendment as adopted and approved amends paragraph 4 of the Certificate of Incorporation to read as follows:

4. The total number of shares of stock which the corporation shall have authority to issue is one billion (1,000,000,000) and the par value of each of such shares is Ten Cents (\$0.10).

IN WITNESS WHEREOF, this Certificate of Fifth Amendment to the Certificate of Incorporation of Micron Technology, Inc. has been executed this 7th day of February, 1996.

/s/ Steven R. Appleton
Steven R. Appleton, Chairman, Chief
Executive Officer and President

I, Jan R. Reimer, a notary public, do hereby certify that on this 7th day of February, 1996, personally appeared before me Steven R. Appleton who, being by me first duly sworn, declared that he is Chairman, Chief Executive Officer and President of Micron Technology, Inc., that he signed the foregoing document on behalf of Micron Technology, Inc. in his capacity as Chairman, Chief Executive Officer and President of the corporation, and that the facts stated therein are true.

/s/ Jan R. Reimer
Notary Public
Residing at Ada County
Commission Expires: 9/1/2001

(seal)

**CERTIFICATE OF SIXTH AMENDMENT
TO THE CERTIFICATE OF INCORPORATION OF
MICRON TECHNOLOGY, INC.**

The undersigned, Steven R. Appleton, Chairman, Chief Executive Officer and President of Micron Technology, Inc. a Delaware corporation, hereby certifies that the following amendment to the Certificate of Incorporation of Micron Technology, Inc. has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended. Said amendment was adopted by a resolution of the Board of Directors on November 23, 1998 which set forth the proposed amendment, declared its advisability and directed that it be considered at the Company's Annual Meeting of Shareholders. At the regularly scheduled 1998 Annual Meeting of Shareholders duly held on January 14, 1999, after due notice thereof in accordance with applicable law, a majority of the outstanding stock entitled to vote thereon voted in favor of said amendment. Said amendment as adopted and approved amends the first paragraph of Section 4 of the Certificate of Amendment to read as follows:

4. (a) *Shares Authorized.* The total number of shares of stock which the corporation shall have the authority to issue is one billion thirty two million (1,032,000,000), consisting of (i) one billion (1,000,000,000) shares of Common Stock, par value \$0.10 per share (the "Common Stock") and (ii) thirty two million (32,000,000) shares of Class A Common Stock, par value \$0.10 per share (the "Class A Common Stock").

(b) *Class A Common Stock.*

Section 1. Liquidation Rights. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, the holders of each share of Class A Common Stock shall be entitled to share ratably in any distribution of any of the assets or funds of the Corporation to the holders of the Common Stock (each share of the Class A Common Stock being treated as the number of shares of Common Stock into which it could then be converted for such purpose).

Section 2. Transfer of Class A Common Stock. No person or entity holding shares of Class A Common Stock may transfer, sell, assign, devise or bequeath any of such holder's interest in his or its Class A Common Stock, and the Corporation and the transfer agent for the Class A Common Stock shall not register the transfer of such shares of Class A Common Stock, whether by sale, assignment, gift, devise, bequest, appointment or otherwise, except to a Permitted Transferee (as defined below) of such holder. For purposes of this Section 2, the term "*Permitted Transferee*" with respect to any holder of Class A Common Stock shall mean (i) the Corporation, (ii) a Qualified Subsidiary (provided that if at any time such Qualified Subsidiary ceases to be a Qualified Subsidiary such Class A Common Stock will automatically convert into Common Stock pursuant to Section 3.b) or (iii) Intel Corporation. Notwithstanding the foregoing, the provisions of this Section 2 do not prohibit transfers that result in automatic conversion pursuant to Section 3.b, provided, that the transfer agent shall not register the transfer of such shares of Class A Common Stock or the Common Stock into which they automatically convert unless concurrently with such transfer, the certificate representing such shares of Class A Common Stock to be so transferred shall be surrendered and exchanged for a certificate representing the applicable number of shares of Common Stock into which such shares of Class A Common Stock are automatically converted by virtue of such transfer.

Section 3. Conversion of Class A Common Stock.

a. *Voluntary Conversion.* At any time and from time to time after the issuance of the Class A Common Stock, any holder of Class A Common Stock may convert any or all of the shares of Class A Common Stock held by such holder into shares of Common Stock at the then effective conversion ratio. The conversion ratio at which shares of Common Stock shall be deliverable upon conversion (the "*Conversion Ratio*") shall initially be one-for-one. Such initial Conversion Ratio shall be subject to adjustment, in order to adjust the number of shares of Common Stock into which the Class A Common Stock is convertible, as hereinafter provided.

b. *Automatic Conversion.* Each share of Class A Common Stock shall automatically be converted into shares of Common Stock at the then effective Conversion Ratio upon the transfer by any holder of Class A Common Stock to a person or entity who is not a Permitted Transferee of such holder.

c. *Mechanics of Conversion.* No fractional shares of Common Stock shall be issued upon conversion of the Class A Common Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the then fair market value of one share of Common Stock, as determined in good faith by the Board of Directors. Before any holder of Class A Common Stock shall be entitled to receive certificates for the shares of Common Stock issued upon conversion, such holder shall surrender the certificate or certificates for such Class A Common Stock, duly endorsed, at the principal office of the Corporation and shall state therein his name or the name, or names, of his nominees in which he wishes the certificate or certificates for shares of Common Stock to be issued. No voluntary conversion shall be permitted unless and until the holder shall submit to the Corporation either (i) evidence of compliance with the filing and waiting period requirements of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended ("*HSR Act*") or (ii) a certificate of an officer of the holder that the conversion does not require any filing under the HSR Act. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Class A Common Stock or to such holder's nominee or nominees, a certificate or certificates for the number of shares of Common Stock to which such holder or such holder's nominee shall be entitled as aforesaid, together with cash in lieu of any fraction of a share. Subject to the foregoing, in the case of automatic conversion under Section 3.b, such conversion shall be deemed to have been made immediately prior to the close of business on the date of such automatic conversion and upon surrender of the certificate representing the Class A Common Stock to be converted in the case of a voluntary conversion pursuant to Section 3.a above (the "*Conversion Date*"). The person or persons entitled to receive the shares of Common Stock issuable upon conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock on such date; provided that the certificates representing the Class A Common Stock have been duly endorsed for transfer and delivered to the Corporation or its transfer agent.

d. *Stock Splits, Mergers, etc.* In case of any subdivision (by stock split, stock dividend or otherwise) of the Common Stock or any combination of the Class A Common Stock (by reverse stock split or otherwise), the Conversion Ratio shall be proportionately increased, and conversely in the case of combination of the Common Stock (by reverse stock split or otherwise) or any subdivision of the Class A Common Stock (by stock split, stock dividend or otherwise), the Conversion Ratio shall be proportionately decreased, with such adjustment to the Conversion Ratio to be effective immediately after the opening of business on the day following the day which such subdivision or combination, as the case may be, becomes effective. In case of any reorganization, reclassification or change of shares of the Common Stock (other than a change in par value or from par value to no par value as a result of a subdivision or combination), or in the case of any consolidation of the Corporation with one or more corporations or a merger of the Corporation with another corporation (other than a consolidation or merger in which the Corporation is the resulting or surviving corporation and which does not result in any reclassification or change of outstanding shares of Common Stock), provision shall be made so that each holder of a share of Class A Common Stock shall have the right at any time thereafter as nearly as practicable, so long as the conversion right hereunder with respect to such share would exist had such event not occurred, to convert such share into the kind and amount of shares of stock and other securities and properties (including cash) receivable upon such reorganization, reclassification, change, consolidation or merger by a holder of the number of shares of Common Stock into which such shares of Class A Common Stock might have been converted immediately prior to such reorganization, reclassification, change, consolidation or merger. In the event of such a reorganization, reclassification, change, consolidation or merger, effective provision shall be made in the certificate of incorporation of the resulting or surviving corporation or otherwise for the protection of the conversion rights of the shares of Class A Common Stock that shall be applicable, as nearly as reasonably may be, to any such other shares of stock and other securities and property (including cash) deliverable upon

conversion of shares of Common Stock into which Class A Common Stock might have been converted immediately prior to such event.

e. *Special Conversion Adjustments.* The number of shares of Common Stock receivable upon conversion of a share of Class A Common Stock shall be adjusted in the event that the Corporation fails to achieve any one or more of the Qualified Expenditures Milestone, the First Minimum Production Milestone or the Second Minimum Production Milestone on the applicable milestone dates in the manner described below. On or prior to twenty five (25) days after an applicable milestone date, the Corporation shall deliver to Intel Corporation a certificate of an executive officer of the Corporation certifying whether the applicable milestone has been achieved, and if such milestone has not been achieved, such additional data (including, but not limited to the amount of Qualified Expenditures made and actual RDRAM production during the applicable period) required to calculate the appropriate conversion adjustment. Upon receipt of such certificate with the required information, Intel Corporation shall have thirty (30) days in which to notify the Corporation in writing of its irrevocable election to exercise a Special Conversion Adjustment. If Intel Corporation has not provided an irrevocable written notice electing to exercise a Special Conversion Adjustment within the such period, then there shall be no Special Conversion Adjustment with respect to the applicable milestone. Except as specifically provided herein, the failure to exercise a Special Conversion Adjustment with respect to one milestone shall not impair Intel Corporation's ability to exercise a Special Conversion Adjustment with respect to the failure to achieve a different milestone.

f. *Postponement of Milestone Dates; Modification of Milestones.* (i) In the event that the Corporation's ability to achieve the Qualified Expenditure Milestone by the Qualified Expenditures Milestone Date is significantly impaired by events or circumstances outside of its control, such as Force Majeure or limited availability of required equipment or materials, the milestone date will be appropriately postponed.

(ii) In the event that any of the events specified in Section 7(f)(ii) of the Stock Rights Agreement occur, the First Minimum Production Milestone or the Second Minimum Production Milestone shall be either postponed or waived, respectively, as appropriate. In addition, if on the Maximum FGI Date, the RDRAM device finished goods inventory of the Corporation and its subsidiaries exceeds the Maximum FGI, the Second Minimum Production Milestone will be modified, as appropriate.

(iii) In the event of the occurrence of any of the foregoing events or circumstances, as a result of which either a milestone date or milestone is to be postponed, waived or modified, no Special Conversion Adjustment shall occur as a result of the failure to achieve the applicable milestone by the applicable milestone date, unless and until the Corporation and Intel Corporation shall have agreed upon the appropriate postponement, waiver or modification. Notwithstanding the above, upon such agreement, the Special Conversion Adjustment shall be applied as of the agreed upon date, notwithstanding that such agreement is reached after such date. If no agreement can be reached, the dispute will be settled in accordance with Section 8.12 of the Securities Purchase Agreement.

g. *Failure to Achieve Qualified Expenditures Milestone.* Subject to the provisions hereof:

(i) If the Corporation fails to make at least the Minimum Qualified Expenditures on or prior to the Qualified Expenditures Milestone Date, the Conversion Ratio shall be adjusted by multiplying the current Conversion Ratio by a fraction, the numerator of which shall be the Initial Purchase Price and the denominator of which shall be the greater of (i) the average closing sales price on the New York Stock Exchange for the Common Stock during the 20 trading day period ending two trading days prior to the Qualified Expenditures Milestone Date, or (ii) 50% of the Initial Purchase Price.

(ii) If the Corporation makes Qualified Expenditures of more than the Minimum Qualified Expenditures but less than the Required Qualified Expenditures on or prior to the Qualified Expenditures Milestone Date, the Conversion Ratio shall be increased. The amount of the increase in the Conversion Ratio (expressed as a decimal) shall be determined by first (w) dividing the Initial

Purchase Price by the greater of (i) the average closing sales price on the New York Stock Exchange for the Common Stock during the 20 trading day period ending two trading days prior to the applicable milestone date, or (ii) 50% of the Initial Purchase Price, then (x) subtracting 1.0 from the result, then (y) multiplying this result by a fraction, the numerator of which shall be (A) the Required Qualified Expenditures minus (B) the amount of Qualified Expenditures and the denominator of which shall be the Required Qualified Expenditures, and (z) dividing the result by 2. The new Conversion Ratio shall then be the result of the above calculation plus the prior Conversion Ratio.

h. *Failure to Achieve First Minimum Production Milestone.* Subject to the provisions hereof, if the Corporation fails to achieve the First Minimum Production Milestone, the increase in the Conversion Ratio (expressed as a decimal) shall be determined by first (w) dividing the Initial Purchase Price by the greater of (i) the average closing sales price on the New York Stock Exchange for the Common Stock during the 20 trading day period ending two trading days prior to the applicable milestone date, or (ii) 50% of the Initial Purchase Price, then (x) subtracting 1.0 from the result, then (y) multiplying this result by a fraction, the numerator of which shall be the First Minimum Production Milestone for the quarter minus the actual RDRAM production achieved during the quarter and the denominator of which shall be the First Minimum Production Milestone for the quarter, and (z) dividing the result by 2. The new Conversion Ratio shall then be the result of the above calculation plus the prior Conversion Ratio.

i. *Failure to Achieve Second Minimum Production Milestone.* Subject to the provisions hereof, if the Corporation fails to achieve the Second Minimum Production Milestone the increase in the Conversion Ratio (expressed as a decimal) shall be determined by first (w) dividing the Initial Purchase Price by greater of (A) the average closing sales price on the New York Stock Exchange for the Common Stock during the 20 trading day period ending two trading days prior to the applicable milestone date, or (ii) 50% of the Initial Purchase Price, then (x) subtracting 1.0 from the result, then (y) multiplying this result by a fraction, the numerator of which shall be the Second Minimum Required Production for the quarter minus the actual RDRAM production achieved during the quarter and the denominator of which shall be the Second Minimum Required Production for the quarter and (z) dividing the result by 2. The new Conversion Ratio shall then be the result of the above calculation plus the prior Conversion Ratio.

j. *Multiple Special Conversion Adjustments; Prior Adjustments.* If more than one Special Conversion Adjustment occurs hereunder (or comparable adjustments under the Stock Rights Agreement ("*Rights Special Conversion Adjustments*")), subsequent Special Conversion Adjustments shall be calculated as provided herein, but only the number of additional shares in excess of the number issuable using the Initial Conversion Ratio (as defined in this Section 3.j) (appropriately adjusted to reflect the effect of any stock splits, reclassifications, stock dividends, recapitalizations, combinations or other similar events affecting the Common Stock occurring after the creation of the Class A Common Stock), shall be issuable in respect of such subsequent Special Conversion Adjustment upon conversion of the Class A Common Stock. For purposes of this Section 3.j, the "Initial Conversion Ratio" will be one-to-one (appropriately adjusted to reflect the effect of any stock splits, reclassifications, stock dividends, recapitalizations, combinations or other similar events affecting the Common Stock occurring after the creation of the Class A Common Stock), *provided, however*, that in the event of the occurrence of a Rights Special Conversion Adjustment that resulted in an adjustment to the Exchange Ratio in accordance with the provisions of the Stock Rights Agreement prior to the creation of the Class A Common Stock, the Initial Conversion Ratio shall be equal to a fraction, the numerator of which shall be one (appropriately adjusted to reflect the effect of any stock splits, reclassifications, stock dividends, recapitalizations, combinations or other similar events affecting the Common Stock occurring after creation of the Class A Common Stock), and the denominator of which shall be the exchange ratio in effect under the Stock Rights Agreement immediately prior to the creation of the Class A Common Stock. Notwithstanding anything else to the contrary set forth herein, the Conversion Ratio shall not be adjusted for any events, circumstances or milestones for which adjustments have been made (or may be made as a result of completion of an audit or resolution of any dispute as to

the appropriate amount of an adjustment required thereunder) pursuant to the Stock Rights Agreement.

k. *Cash Option.* In lieu of all or a portion of a Special Conversion Adjustment, the Corporation may elect to make a cash payment in respect of all or a portion of the dollar amount of the Special Conversion Adjustment (such election to be made within five (5) business days of Intel Corporation's Special Conversion Adjustment election, and such amount shall be paid within five (5) business days of the Corporation's election). The dollar amount in respect of any Special Conversion Adjustment to be paid in cash shall be calculated by multiplying the additional shares issuable to Intel Corporation upon conversion of the Class A Common Stock following the Special Conversion Adjustment by the average closing sales price on the New York Stock Exchange for the Common Stock during the 20 trading day period ending two trading days prior to the applicable milestone date.

l. *Limitations on Special Conversion Adjustments.* Anything in Sections 3.h and 3.j to the contrary notwithstanding, no Special Conversion Adjustment will be made for failure to achieve the First Minimum Production Milestone or Second Minimum Production Milestone if a Special Conversion Adjustment election pursuant to clause (i) of Section 3.g above is made by Intel Corporation. In addition, anything in Sections 3.e through 3.j notwithstanding, Special Conversion Adjustments will be limited, and not given effect, to the extent required to ensure (1) that the value of additional shares of Common Stock and other securities or property and any related payments (including payments in lieu of adjustments pursuant to Section 3.k hereof) issued or issuable or payable as a result of such

adjustments, together with any shares of Common Stock and other securities or property and any related payments issued or issuable or payable as a result of the Special Conversion Adjustments with respect to the Rights, does not exceed the Maximum Adjustment Amount (with the value of such additional shares, securities and property measured as of the milestone date with respect to the applicable Special Conversion Adjustments resulting in such additional shares, securities or property and any related payments, which, in the case of the Common Stock, shall be based on the average closing sales price on the New York Stock Exchange for the Common Stock during the 20 trading day period ending two trading days prior to the milestone date corresponding to such Special Conversion Adjustment); and (2) that the aggregate number of shares of Common Stock issued or issuable upon exercise of Rights or upon conversion of Class A Common Stock does not exceed the lesser of (i) the Maximum Percentage and (ii) the Maximum Shares.

m. *Existing Stock Certificates.* Irrespective of any adjustments in the number or kind of shares issuable upon the conversion of the Class A Common Stock, certificates representing Class A Common Stock theretofore or thereafter issued may continue to express the same number and kind of shares as are stated in the certificates initially issuable pursuant hereto.

n. *Payment of Taxes.* The Corporation will pay all documentary stamp taxes and other governmental charges (excluding all foreign, federal, state or local income, franchise, property, net worth, capital, estate, inheritance, gift or similar taxes) in connection with the issuance or delivery of the Class A Common Stock, as well as all such taxes attributable to the initial issuance or delivery of Common Stock upon the conversion of Class A Common Stock. The Corporation shall not, however, be required to pay any tax that may be payable in respect of any subsequent transfer of the Class A Common Stock or any transfer involved in the issuance and delivery of Common Stock in a name other than that in which the Class A Common Stock or Common Stock to which such issuance relates were registered, and, if any such tax would otherwise be payable by the Corporation, no such issuance or delivery shall be made unless and until the person requesting such issuance has paid to the Corporation the amount of any such tax, or it is established to the reasonable satisfaction of the Corporation that any such tax has been paid.

o. *Common Stock Reserved.* The Corporation shall reserve and keep available out of its authorized but not outstanding Common Stock such number of shares of Common Stock as shall, from time to time be, sufficient for conversion of the Class A Common Stock.

Section 4. No Redemption. The Class A Common Stock shall not be redeemable.

Section 5. Voting Rights; Non-Voting Security. The holders of shares of Class A Common Stock shall have no voting rights except as provided in the Certificate of Incorporation or by applicable law.

Section 6. Dividend Rights. In the event any dividend or other distribution payable in cash or other property is declared on the Common Stock (excluding any dividend or other distribution for which adjustment to the Conversion Ratio is provided by Section 3.d hereof), each holder of shares of Class A Common Stock on the record date for such dividend or distribution shall be entitled to receive on the date of payment or distribution of such dividend or other distribution the same cash or other property which such holder would have received if on such record date such holder was the holder of record of the number (including for purposes of this Section 6 any fraction) of shares of Common Stock into which the shares of Class A Common Stock then held by such holder are then convertible.

Section 7. Certain Definitions; Interpretation.

For purposes hereof the following terms shall have the meanings set forth below.

First Minimum Production Milestone. The First Minimum Production Milestone shall have the meaning ascribed to such term in the Securities Purchase Agreement.

First Minimum Required Production. First Minimum Required Production shall have the meaning ascribed to such term in the Securities Purchase Agreement.

First Production Milestone Date. The First Production Milestone Date shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Force Majeure. Force Majeure shall mean an act of God, fire, flood, accident, riot war, government intervention, embargoes, strikes, labor difficulties, equipment failure, late delivery of supplies, supplier shortages or other difficulties which are beyond the reasonable control and without the fault or negligence of a party whose performance has been affected.

Initial Purchase Price. Initial Purchase Price means \$31.625, appropriately adjusted to reflect the effect of any stock splits, reclassifications, stock dividends, recapitalizations, combinations or other similar events affecting the Common Stock occurring after October 19, 1998.

Maximum Adjustment Amount. Maximum Adjustment Amount shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Maximum FGI. Maximum FGI shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Maximum FGI Date. Maximum FGI Date shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Maximum Percentage. Maximum Percentage shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Maximum Shares. Maximum Shares shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Minimum Qualified Expenditures. Minimum Qualified Expenditures shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Qualified Expenditures. Qualified Expenditures shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Qualified Expenditures Milestone. The Qualified Expenditures Milestone means the expenditure of at least the Required Qualified Expenditures on or before the Qualified Expenditures Milestone Date.

Qualified Expenditures Milestone Date. The Qualified Expenditures Milestone Date shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Qualified Subsidiary. Qualified Subsidiary shall have the meaning ascribed to such term in the Rights and Restrictions Agreement.

Rambus. Rambus means Rambus, Inc. , a Delaware corporation, and any successor to all or substantially all of Rambus Inc.'s business (by acquisition or otherwise).

RDRAM. RDRAM shall have the meaning ascribed to such term in the Supply Agreement.

Required Qualified Expenditures. Required Qualified Expenditures shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Rights. Rights shall have the meaning ascribed to such term in the Stock Rights Agreement.

Rights and Restrictions Agreement. Rights and Restrictions Agreement shall mean that certain Securities Rights and Restrictions Agreement, dated as of October 19, 1998, as amended from time to time, by and between the Corporation and Intel Corporation.

Second Minimum Production Milestone. The Second Minimum Production Milestone shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Second Minimum Required Production. Second Minimum Required Production shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Second Production Milestone Date. The Second Production Milestone Date shall have the meaning ascribed to such term in the Securities Purchase Agreement.

Securities Purchase Agreement. Securities Purchase Agreement shall mean that certain Securities Purchase Agreement, dated October 15, 1998, as amended from time to time, by and between the Corporation and Intel Corporation.

Special Conversion Adjustment. A Special Conversion Adjustment shall mean an adjustment to the number of shares of Common Stock receivable upon conversion of Class A Common Stock, as provided in Section 3 hereof.

Stock Rights Agreement. Stock Rights Agreement shall mean that certain Stock Rights Agreement, dated as of October 19, 1998, as amended from time to time, by and between the Corporation and Intel Corporation.

Supply Agreement. Supply Agreement shall mean that certain Supply Agreement, dated as of October 19, 1998, as amended from time to time, by and between the Corporation and Intel Corporation.

Volume Production. Volume Production shall have the meaning ascribed to such term in the Securities Purchase Agreement.

IN WITNESS WHEREOF, this Certificate of Sixth Amendment to the Certificate of Incorporation of Micron Technology, Inc. has been executed this 27th day of January, 1999.

/s/ Steven R. Appleton

Steven R. Appleton, Chairman, Chief
Executive Officer and President

**CERTIFICATE OF CORRECTION
OF CERTIFICATE OF SECOND AMENDMENT
TO THE CERTIFICATE OF INCORPORATION OF
MICRON TECHNOLOGY, INC.**

Micron Technology, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The name of the corporation is Micron Technology, Inc.

2. A Certificate of Second Amendment to the Certificate of Incorporation (the "Second Certificate") was filed with the Secretary of State of the State of Delaware on February 15, 1989 which contains an inaccurate record of the corporate action taken therein and said Second Certificate requires correction as permitted by subsection (f) of Section 103 of the General Corporation Law of the State of Delaware.

3. The inaccuracy in said Second Certificate is as follows:

The final sentence of the first paragraph of the Second Certificate purported to amend the entire paragraph 4 of the Certificate of Incorporation by stating as follows:

"Said amendment as adopted and approved amends paragraph 4 of the Certificate of Incorporation to read as follows:"

In fact, only the first paragraph of section 4 of the Certificate of Incorporation was amended.

4. Therefore, the final sentence of the first paragraph of the Second Certificate is corrected to read as follows:

"Said amendment as adopted and approved amends the first paragraph of section 4 of the Certificate of Incorporation to read as follows:"

Micron Technology, Inc. has caused this Certificate of Correction to be signed by its authorized officer this 10th day of October, 2000.

By: /s/ Roderic W. Lewis
Name: Roderic W. Lewis
Title: V.P. of Legal Affairs, General Counsel & Corporate Secretary

**CERTIFICATE OF CORRECTION
OF CERTIFICATE OF THIRD AMENDMENT
TO THE CERTIFICATE OF INCORPORATION OF
MICRON TECHNOLOGY, INC.**

Micron Technology, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The name of the corporation is Micron Technology, Inc.
2. A Certificate of Third Amendment to the Certificate of Incorporation (the "Third Certificate") was filed with the Secretary of State of the State of Delaware on February 15, 1994 which contains an inaccurate record of the corporate action taken therein and said Third Certificate requires correction as permitted by subsection (f) of Section 103 of the General Corporation Law of the State of Delaware.
3. The inaccuracy in said Third Certificate is as follows:

The final sentence of the first paragraph of the Third Certificate purported to amend the entire paragraph 4 of the Certificate of Incorporation by stating as follows:

"Said amendment as adopted and approved amends paragraph 4 of the Certificate of Incorporation to read as follows:"

In fact, only the first paragraph of section 4 of the Certificate of Incorporation was amended.

4. Therefore, the final sentence of the first paragraph of the Third Certificate is corrected to read as follows:

"Said amendment as adopted and approved amends the first paragraph of section 4 of the Certificate of Incorporation to read as follows:"

Micron Technology, Inc. has caused this Certificate of Correction to be signed by its authorized officer this 10th day of October, 2000.

By: /s/ Roderic W. Lewis
Name: Roderic W. Lewis
Title: V.P. of Legal Affairs, General Counsel & Corporate Secretary

**CERTIFICATE OF CORRECTION
OF CERTIFICATE OF FOURTH AMENDMENT
TO THE CERTIFICATE OF INCORPORATION OF
MICRON TECHNOLOGY, INC.**

Micron Technology, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The name of the corporation is Micron Technology, Inc.
2. A Certificate of Fourth Amendment to the Certificate of Incorporation (the "Fourth Certificate") was filed with the Secretary of State of the State of Delaware on February 7, 1995 which contains an inaccurate record of the corporate action taken therein and said Fourth Certificate requires correction as permitted by subsection (f) of Section 103 of the General Corporation Law of the State of Delaware.
3. The inaccuracy in said Fourth Certificate is as follows:

The final sentence of the first paragraph of the Fourth Certificate purported to amend the entire paragraph 4 of the Certificate of Incorporation by stating as follows:

"Said amendment as adopted and approved amends paragraph 4 of the Certificate of Incorporation to read as follows:"

In fact, only the first paragraph of section 4 of the Certificate of Incorporation was amended.

4. Therefore, the final sentence of the first paragraph of the Fourth Certificate is corrected to read as follows:

"Said amendment as adopted and approved amends the first paragraph of section 4 of the Certificate of Incorporation to read as follows:"

Micron Technology, Inc. has caused this Certificate of Correction to be signed by its authorized officer this 10th day of October, 2000.

By: /s/ Roderic W. Lewis
Name: Roderic W. Lewis
Title: V.P. of Legal Affairs, General Counsel & Corporate Secretary

**CERTIFICATE OF CORRECTION
OF CERTIFICATE OF FIFTH AMENDMENT
TO THE CERTIFICATE OF INCORPORATION OF
MICRON TECHNOLOGY, INC.**

Micron Technology, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware,

DOES HEREBY CERTIFY:

1. The name of the corporation is Micron Technology, Inc.

2. A Certificate of Fifth Amendment to the Certificate of Incorporation (the "Fifth Certificate") was filed with the Secretary of State of the State of Delaware on February 7, 1996 which contains an inaccurate record of the corporate action taken therein and said Fifth Certificate requires correction as permitted by subsection (f) of Section 103 of the General Corporation Law of the State of Delaware.

3. The inaccuracy in said Fifth Certificate is as follows:

The final sentence of the first paragraph of the Fifth Certificate purported to amend the entire paragraph 4 of the Certificate of Incorporation by stating as follows:

"Said amendment as adopted and approved amends paragraph 4 of the Certificate of Incorporation to read as follows:"

In fact, only the first paragraph of section 4 of the Certificate of Incorporation was amended.

4. Therefore, the final sentence of the first paragraph of the Fifth Certificate is corrected to read as follows:

"Said amendment as adopted and approved amends the first paragraph of section 4 of the Certificate of Incorporation to read as follows:"

Micron Technology, Inc. has caused this Certificate of Correction to be signed by its authorized officer this 10th day of October, 2000.

By: /s/ Roderic W. Lewis

Name: Roderic W. Lewis

Title: V.P. of Legal Affairs, General Counsel & Corporate Secretary

**CERTIFICATE OF SEVENTH AMENDMENT
TO THE CERTIFICATE OF INCORPORATION OF
MICRON TECHNOLOGY, INC.**

The undersigned, Roderic W. Lewis, V.P. of Legal Affairs, General Counsel and Corporate Secretary of Micron Technology, Inc. a Delaware corporation, hereby certifies that the following amendment to the Certificate of Incorporation of Micron Technology, Inc. has been duly adopted in accordance with Section 242 of the General Corporation Law of the State of Delaware, as amended. Said amendment was adopted by a resolution of the Board of Directors on October 3, 2000 which set forth the proposed amendment, declared its advisability and directed that it be considered at the Company's Annual Meeting of Shareholders. At the regularly scheduled 2000 Annual Meeting of Shareholders duly held on November 28, 2000, after due notice thereof in accordance with applicable law, a majority of the outstanding stock entitled to vote thereon voted in favor of said amendment. Said amendment as adopted and approved amends Section 4 of the Certificate of Amendment to read in its entirety as follows:

4. The total number of shares of stock which the corporation shall have authority to issue is three billion (3,000,000,000) and the par value of each of such shares is Ten Cents (\$0.10) amounting in the aggregate to three Hundred Million Dollars (\$300,000,000.00).

At all elections of directors of the corporation, each stockholder shall be entitled to as many votes as shall equal the number of votes which (except for such provision as to cumulative voting) he would be entitled to cast for the election of directors with respect to his shares of stock multiplied by the number of directors to be elected by him, and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as he may see fit.

IN WITNESS WHEREOF, this Certificate of Seventh Amendment to the Certificate of Incorporation of Micron Technology, Inc. has been executed this 8th day of December, 2000.

/s/ Roderic W. Lewis

Roderic W. Lewis

V.P. of Legal Affairs, General Counsel and Corporate Secretary

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