SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A
AMENDMENT NO. 1

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

SEPTEMBER 30, 1998

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED)

MICRON TECHNOLOGY, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE	001-10658	75-1618004
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

8000 SOUTH FEDERAL WAY
BOISE, IDAHO 83716-9632

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(208) 368-4000

(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

Item 7. Financial Statements and Exhibits

(a) Financial Statements of Business Acquired.

Financial Statements

MMP Business
of Texas Instruments Incorporated

Years Ended December 31, 1997 and 1996
with Report of Independent Auditors
and Six Months Ended June 30, 1998 and 1997 (unaudited)

CONTENTS

Report of Independent Auditors

The Board of Directors
Texas Instruments Incorporated

We have audited the accompanying statements of net assets acquired by Micron Technology, Inc. of the MMP Business of Texas Instruments Incorporated ("MMP" as defined in Note 1) as of December 31, 1997 and 1996, prepared pursuant to the Agreement as defined in Note 1, and the related statements of operations and cash flows for the years then ended. These statements are the responsibility of the management of Texas Instruments Incorporated. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements of net assets acquired and the related statements of operations and cash flows are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in these statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of these statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the statements referred to above present fairly, in all material respects, the net assets acquired by Micron Technology, Inc. of MMP at December 31, 1997 and 1996, pursuant to the Agreement as defined in Note 1, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

ERNST & YOUNG LLP

October 5, 1998
Dallas, Texas

MMP Business
of Texas Instruments Incorporated
Statements of Net Assets Acquired
(In thousands of dollars)

	JUNE 30 1998	DECEMBER 31 1997	DECEMBER 31 1996
	(Unaudited)		
ASSETS			
Current assets:			
Receivables	$ 111,508	$ 267,391	$ 172,168
Inventories	79,933	116,154	67,781
Prepaid expenses	2,384	943	1,898
Total current assets	193,825	384,488	241,847
Property, plant and equipment, at cost	1,030,376	874,806	730,822
Less accumulated depreciation	(420,560)	(376,364)	(272,963)
Net property, plant and equipment	609,816	498,442	457,859
Other assets	61,602	14,916	62,465
Total assets	$ 865,243	$ 897,846	$ 762,171
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	137,849	185,050	187,945
Accrued retirement	17,230	17,679	17,447
Total liabilities	155,079	202,729	205,392
Net assets acquired	$ 710,164	$ 695,117	$ 556,779

See accompanying notes.

MMP Business
of Texas Instruments Incorporated
Statements of Operations
(In thousands of dollars)

	SIX MONTHS ENDED June 30		Years ENDED December 31	
	1998	1997	1997	1996
	(Unaudited)			
Net revenues	409,290	819,765	$1,594,551	$1,969,674
Operating costs and expenses:				
Costs of revenues	834,784	716,657	1,443,392	1,873,094
Marketing, general, and administrative	63,291	75,186	166,931	204,500
Research and development	126,876	98,637	195,650	162,575
Total	1,024,951	890,480	1,805,973	2,240,169
Loss from operations	(615,661)	(70,715)	(211,422)	(270,495)
Interest expense	5,215	5,536	11,526	9,663
Loss before provision for income taxes	(620,876)	(76,251)	(222,948)	(280,158)
Income tax expense	10,610	12,081	29,702	32,527
Net loss	$ (631,486)	$(88,332)	$ (252,650)	$ (312,685)

See accompanying notes.

MMP Business
of Texas Instruments Incorporated
Statements of Cash Flows
(In thousands of dollars)

	SIX MONTHS ENDED JUNE 30		YEARS ENDED DECEMBER 31	
	1998	1997	1997	1996
	(Unaudited)			
Cash flows from operating activities:				
Net loss	$(631,486)	$ (88,332)	$(252,650)	$(312,685)
Depreciation	84,685	68,206	148,259	139,408
Amortization expense and equity losses	30,312	46,005	88,294	33,172
(Increase) decrease in working capital:				
Receivables	155,883	(73,265)	(95,223)	124,501
Inventories	36,221	(15,051)	(48,373)	48,284
Prepaid expenses	(1,441)	(2)	955	1,692
Accounts payable and accrued expenses	(47,201)	63,383	(2,895)	(135,190)
Accrued Retirement	(449)	1,141	232	4,184
Other	-	2,980	-	-
Net cash used in operating activities	(373,476)	(5,065)	(161,401)	(96,634)
Cash flows from investing activities:				
Additions to property, plant and equipment	(196,059)	(80,657)	(188,842)	(138,966)
Equity contributions to joint ventures	(78,572)	(25,000)	(50,000)	(23,099)
Net cash used in investing activities	(274,631)	(105,657)	(238,842)	(162,065)
Cash flows from financing activities:				
Net transfers from Texas Instruments	648,107	110,722	400,243	258,699
Net cash provided by financing activities	648,107	110,722	400,243	258,699
Net increase (decrease) in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at beginning of period	$ -	$ -	$ -	$ -
Cash and cash equivalents at end of period	$ -	$ -	$ -	$ -

1. BASIS OF PRESENTATION

Texas Instruments Incorporated ("TI") and Micron Technology, Inc. ("Micron") entered into an acquisition agreement on June 18, 1998 under which Micron acquired substantially all of TI's MOS memory products business ("MMP"). The transaction closed on September 30, 1998 (the "Closing"). The accompanying statements present the assets acquired and liabilities assumed ("Statements of Net Assets Acquired") based upon the structure of the transaction as described in the June 18, 1998 Acquisition Agreement and the First and Second Amendments to the Acquisition Agreement executed on July 31, 1998 and September 30, 1998, respectively. The Acquisition Agreement and amendments are together referred to as the "Agreement," and this transaction is herein referred to as the "Acquisition." The statements of operations present the MMP business as it historically operated within TI.

The Statements of Net Assets Acquired exclude significant assets and liabilities of MMP as it historically operated within TI. Under the terms of the Agreement, certain assets of MMP are excluded from the Acquisition, including but not limited to cash; intercompany receivables; selected equipment; tax assets; receivables and inventory related to all 1 Meg DRAM, 4 Meg DRAM, EPROM, and Flash product lines; and receivables related to grants from the Italian government (see Note 13). The Agreement also excludes certain liabilities of MMP, including but not limited to long-term debt and related interest; tax liabilities; obligations related to U.S. pension and retiree health care benefit plans; and liabilities related to the Italian grant program (see Note 13).

MMP has experienced significant operating losses since 1995 and has been dependent on TI for financial support in the form of working capital, equipment and joint venture investment financings.

The statements have been prepared in accordance with generally accepted accounting principles which require management to make estimates and assumptions (including estimates of the net realizability of inventories and receivables, useful lives of fixed assets, and the realizability of investments in joint ventures) that affect the amounts reported in the statements. Actual results could differ from those estimates. The statements are not intended to be a complete presentation of the financial position, results of operations and cash flows as if MMP had operated as a stand-alone company. The Statement of Net Assets Acquired at June 30, 1998 and the statements of operations and cash flows for the six months ended June 30, 1998 and 1997 are unaudited and reflect all adjustments which are of a normal recurring nature (except as disclosed in the notes to statements herein) and are, in the opinion of management, necessary to present fairly the net assets acquired and the results of operations for the periods shown. Intercompany balances and transactions within MMP have been eliminated.

MMP engages in research, development, manufacture, assembly, test, sales, and distribution of MOS memory semiconductor devices. The business supplies a broad family of memory products, primarily dynamic random access memory ("DRAM") devices and to a lesser extent erasable, programmable, read-only memory ("EPROM") and Flash devices, on a worldwide basis to manufacturers of computers, telecommunications equipment, and automotive systems.

Micron did not acquire receivables or inventory related to EPROM and Flash product lines. Accordingly, the accompanying Statements of Net Assets Acquired exclude receivables and inventory for these product lines. During 1997 and 1996, revenues from these product lines were $157 million and $ 194 million, respectively, which are included in the statements of operations.

TI provides various services to MMP including, but not limited to, facilities management, data processing, security, payroll and employee benefits administration, insurance administration, duplicating and telecommunications services. TI allocates these expenses and all other centrally managed operating costs, first on the basis of direct usage when identifiable, with the remainder allocated among TI's businesses on the basis of their respective revenues, headcount, or other measures. In the opinion of management of TI, these methods of allocating costs are reasonable. These expenses totaled $150 million and $199 million in 1997 and 1996, respectively.

Revenues are recorded upon shipment of products to distributors and original equipment manufacturers. The revenue for shipments to distributors is reduced for estimated returns, price protection and allowance rights. Revenues from products sold by MMP to affiliates of TI (excluding joint ventures--see Note 12) are insignificant. During 1997, a customer terminated a long-term purchase agreement with MMP. As a result of such termination, both 1997 revenues and gross margins increased by approximately $34 million due to the accelerated recognition of a previously received non-refundable deposit from the customer.

MMP participates in a centralized cash management system wherein cash receipts are transferred to and cash disbursements are funded by TI. Since cash and cash equivalents related to MMP operations will not be acquired by Micron, they are excluded from the Statements of Net Assets Acquired.

MMP operations are included in the consolidated income tax returns of TI. Pursuant to the Agreement, TI retained income, as well as other tax liabilities and rights to any tax refunds relating to operations prior to the Closing. Accordingly, the Statements of Net Assets Acquired do not reflect current or prior period income or other tax receivables or payables. The income tax provisions included in the statements of operations have been determined on a hypothetical basis as if MMP were a separate taxpayer. The tax provision consists of hypothetical current foreign taxes on foreign income resulting from intercompany transfer pricing requirements. No hypothetical tax benefit for U.S. losses has been reflected in the provision due to the uncertainty of realization.

The U.S. dollar is the functional currency for financial reporting. With regard to accounts recorded in currencies other than U.S. dollars, current assets (except inventories), other assets, current liabilities, and long-term liabilities are remeasured at exchange rates in effect at year end. Inventories, property, plant and equipment and depreciation thereon are remeasured at historic exchange rates. Revenue and expense accounts other than depreciation for each month are remeasured at the appropriate month-end rate of exchange. Transaction gains and losses are not significant and have been excluded from the statements of operations.

During the second quarter of 1998, MMP terminated certain purchase contracts resulting in charges against operations of approximately $42 million. In connection with these terminations, MMP committed to purchase $18 million of certain test equipment during the second half of 1998.

Upon execution of the acquisition agreement on June 18, 1998, MMP discontinued certain product research and development efforts.

Other significant accounting policies are described below as an integral part of the notes to financial statements to which the policies relate.

2. RECEIVABLES

	(In Thousands)		
	JUNE 30	DECEMBER 31	
	1998	1997	1996
	(Unaudited)		
Trade receivables	$ 53,746	$132,796	$127,953
Amounts due from joint ventures (see Note 12)	57,762	134,595	44,215
	$111,508	$267,391	$172,168

Certain trade accounts receivable have been allocated by TI to MMP, primarily those in Singapore and Europe. At December 31, 1997 and 1996, such allocated receivables were $61 million and $38 million, respectively. TI allocated these amounts based upon net revenues.

3. INVENTORIES

	(In Thousands)		
	JUNE 30	DECEMBER 31	
	1998	1997	1996
	(Unaudited)		
Raw materials	$ 4,990	$ 10,934	$ 9,332
Work in process	17,306	46,896	53,500
Finished goods	57,637	58,323	4,948
Total	$79,933	$116,154	$67,781

Inventories are stated at the lower of cost or estimated realizable value. Cost is generally computed on a currently adjusted standard, which approximates current average costs. Average selling prices of 16 Meg DRAM products declined approximately 84% in 1996 and 55% in 1997. Subsequent to December 31, 1997, average prices continued to decline 42% through June 30, 1998, then average prices declined a further 20% through August 31, 1998. While the realizability of inventories are affected by changes in average selling prices, the direct risk from such changes has partially been mitigated by inventory supply arrangements with joint ventures whereby inventory costs of MMP are determined based upon discounts from MMP's average selling prices (see Note 12).

As discussed in Note 12, MMP amended pricing terms with certain joint ventures in the second quarter of 1998 effectively resulting in fixed prices to be paid by MMP to the joint ventures generally exceeding average selling prices.

4. PROPERTY, PLANT, AND EQUIPMENT

Property, plant, and equipment is stated at cost less accumulated depreciation. Depreciation is computed primarily using the sum-of-the-years-digits method for buildings and improvements and the 150% declining-balance method for machinery and equipment. Fully depreciated assets are written off against accumulated depreciation. Maintenance and repairs are charged to expense.

	DEPRECIABLE LIVES	DECEMBER 31 1997	1996
		(In Thousands)	
Land	40 years	$ 9,997	$ 9,465
Buildings and improvements	9-40 years	207,895	199,571
Machinery and equipment	5-20 years	656,914	521,786
Total		874,806	730,822
Less accumulated depreciation		(376,364)	(272,963)
Net property, plant, and equipment		$ 498,442	$ 457,859

Pursuant to the Agreement, MMP facilities owned by TI which are located in Avezzano, Italy; Richardson, Texas; and Singapore were purchased by the Buyer, and the cost and related accumulated depreciation of such facilities are included in the Statements of Net Assets Acquired. As of December 31, 1997, outstanding commitments for the acquisition of property, plant and equipment amounted to $141 million.

5. OTHER ASSETS

	December 31 1997	1996
	(In Thousands)	
Investments in joint ventures (Note 12)	$13,243	$60,398
Other assets	1,673	2,067
	$14,916	$62,465

6. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

	December 31	
	1997	1996
	(In Thousands)	
Trade payables	73,026	39,374
Amounts due to joint ventures (see Note 12)	68,984	66,102
Advance from customers	258	53,651
Accrued payroll and benefits	9,358	18,293
Accrued profit sharing (non-U.S.)	6,560	--
Other	26,864	10,525
	$185,050	$187,945

7. LONG-TERM DEBT

Certain long-term debt and the related interest expense of TI is attributed to MMP. This debt relates to Italian lira mortgage notes (of an Italian subsidiary of TI) collateralized by real estate and building equipment at the Avezzano wafer fabrication facility. TI has provided certain guarantees on the full amount of this outstanding debt. The carrying amount of the collateral was $114 million at December 31, 1997. Outstanding Italian lira notes amounted to $198 million and $209 million, respectively, at December 31, 1997 and 1996. Interest paid on loans was $10 million in 1997 and $7 million in 1996. Under the terms of the Agreement, Micron did not assume long-term debt or related accrued interest of MMP.

8. RISK CONCENTRATION

Financial instruments which potentially subject MMP to concentrations of credit risk primarily include accounts receivable. Concentrations of credit risk with respect to the receivables are limited due to the large number of customers in MMP's customer base, and their dispersion across different geographic areas (U.S., Europe, and Asia). MMP conducts ongoing credit evaluations of customers and generally does not require collateral or other security. MMP maintains an allowance for losses based upon the expected collectibility of accounts receivable. Historically, MMP has not incurred any significant credit-related losses.

9. STOCK OPTIONS

Stock options have been granted to MMP employees under the Texas Instruments 1996 Long-Term Incentive Plan, approved by TI stockholders on April 18, 1996. Options have also been granted under the 1984 and 1988 Stock Option Plans and the Texas Instruments Long-Term Incentive Plan; however, no further options may be granted under these plans. Under all these stockholder-approved plans, the option price per share may not be less than 100 percent of the fair market value on the date of the grant. Substantially all of the options have a 10-year term. Options granted in 1997 generally vest ratably over four years. Options granted prior to that are either fully vested or will vest within one year.

MMP employees also have stock options outstanding under an Employee Stock Purchase Plan approved by TI stockholders in 1997. The plan provides for options to be offered semiannually to all eligible employees in amounts based on a percentage of the employee's compensation. The option price per share may not be less than 85 percent of the fair market value on the date of grant. If the optionee authorizes and does not cancel payroll deductions, options granted become exercisable after 7 months, and expire not more than 13 months, from the date of grant. Options are also outstanding under the 1988 Employees Stock Option Purchase Plan; however, no further options may be granted under this plan.

In connection with the Acquisition, vested options in TI stock under the Long-Term Incentive Plans (for TI employees who accept employment offers with Micron) will continue to exist based upon the original terms of the option grants. Upon termination from Micron, employees will have 30-90 days to exercise the options. Unvested options in TI stock will be substituted with Micron stock. All options of the Employee Stock and Stock Option Purchase Plans were exercised at Closing unless employees chose to cancel the options prior to Closing.

Stock option transactions related to MMP were as follows:

	LONG-TERM INCENTIVE AND STOCK OPTION PLANS	WEIGHTED-AVERAGE EXERCISE PRICE	EMPLOYEE STOCK AND STOCK OPTION PURCHASE PLANS	WEIGHTED-AVERAGE EXERCISE PRICE
Balance at Dec. 31, 1995	477,858	$15.42	147,508	$28.36
Granted	191,550	22.68	135,210	28.13
Forfeited	(6,752)	20.38	(59,980)	29.11
Expired	--	--	--	--
Exercised	(30,800)	11.04	(31,512)	24.45
Balance at Dec. 31, 1996	631,856	17.79	191,226	28.61
Granted	442,800	37.58	113,715	48.30
Forfeited	(29,800)	30.75	(11,814)	29.74
Expired	--	--	--	--
Exercised	(95,500)	12.63	(160,424)	28.68
Balance at Dec. 31, 1997	949,356	$27.14	132,703	$45.29

In accordance with the terms of APB No. 25, MMP has not recorded compensation expense for TI stock option awards to employees of the MMP Business. As required by SFAS No. 123, the following disclosures of hypothetical values for stock option awards are provided below.

The weighted-average grant-date value of options granted during 1997 and 1996 was estimated to be $15.72 and $9.24 under the Long-Term Incentive Plans (Long-Term Plans) and $13.47 and $6.05 under the Employee Stock and Stock Option Purchase Plans (Employee Plans). These values were estimated using the Black-Scholes option-pricing model with the following weighted-average assumptions for 1997 and 1996: expected dividend yields of .93% and 1.48% (Long-Term Plans) and .70% and 1.21% (Employee Plans); expected volatility of 39%; risk-free interest rates of 5.76% and 5.42% (Long-Term Plans) and 5.69% and 6.15% (Employee Plans); and expected lives of 6 years (Long-Term Plans) and .8 years and 1.5 years (Employee Plans). Compensation expense based on these hypothetical values would not have been material in 1997 and 1996.

Summarized information about stock options outstanding under the Long-Term Plans and 1984 and 1988 Stock Option Plans at December 31, 1997 for employees of MMP, is as follows:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
Range of Exercise Prices	NUMBER OUTSTANDING AT DEC. 31, 1997	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER Exercisable AT DEC. 31, 1997	WEIGHTED-AVERAGE EXERCISE PRICE
$8.21-$13.69	47,400	4.7	$11.22	47,400	$11.22
$13.69-$25.85	477,556	7.2	$19.39	250,956	$17.05
$33.85-$67.00	424,400	9.2	$37.63	-	-
$8.21-$67.00	949,356	7.9	$27.14	298,356	$16.12

10. CONTINGENCIES AND COMMITMENTS

Contingencies: TI is subject to various lawsuits, claims and proceedings arising out of the normal conduct of the MMP business. TI management believes the disposition of matters which are pending or asserted will not have a material adverse effect on the financial statements of MMP.

Commitments: MMP occupies various facilities which are either owned or leased by TI. The statements of operations include occupancy charges from TI which include depreciation, rent, and taxes (as applicable) incurred by TI and charged to MMP based on facilities occupied. These charges do not necessarily represent current market rates to lease such facilities. TI has executed lease agreements with Micron at agreed-upon rates in connection with TI-owned facilities that will be utilized by Micron after the Closing. The rent expense associated with these agreements is immaterial.

MMP also directly leases certain facilities and equipment from third parties under operating leases, many of which contain renewal options and escalation clauses. Total rental expense on such operating leases amounted to $3 million in 1997 and 1996. Future rental commitments under leases at December 31, 1997 were immaterial.

11. PROFIT SHARING AND RETIREMENT PLANS

MMP participates in various incentive plans provided by TI for its employees, including general profit sharing and savings programs as well as annual performance awards. It also participates in TI pension and retiree health care benefit plans in the U.S. and pension plans in certain non-U.S. locations. Pursuant to the Agreement, no liabilities pertaining to U.S. pension and retiree medical plans for employees of MMP were assumed by Micron; therefore, no obligations related to these plans are reflected in the statements of net assets acquired.

PROFIT SHARING

Profit sharing expense has been allocated to MMP by TI based on relative payroll costs. Profit sharing expense was $9 million in 1997. There was no profit sharing expense in 1996. Profit sharing liabilities attributed to non-U.S. MMP employees have been included in the statements of net assets acquired.

SAVINGS PROGRAM

In the U.S., MMP employees participate in the TI matched savings program whereby employees' contributions of up to 4% of their salary are matched by TI at the rate of 50 cents per dollar. Contributions are subject to statutory limitations. The contributions may be invested in several investment funds including TI common stock. The expense under this program charged by TI to MMP was immaterial in 1997 and 1996.

PENSION PLANS

In the U.S., TI has a defined benefit plan which covers MMP employees and provides benefits based on years of service and employee's compensation. The plan is a career-average-pay plan which has been amended periodically in the past to produce approximately the same results as a final-pay type plan. TI's funding policy is to contribute to the plan at least the minimum amount required by ERISA. Pension expense for MMP in the U.S. was immaterial in 1997 and 1996.

Retirement coverage for non-U.S. MMP employees is provided through separate plans. Retirement benefits are based on years of service and employee's compensation, generally during a fixed number of years immediately prior to retirement. Funding policy is based on local statutes. Pension expense of the non-U.S. plans covering MMP employees was $4 million in 1997 and $5 million in 1996. The non-U.S. plans are not funded. The accrued pension as well as the vested, accumulated, and projected benefited obligations for the non-U.S. plans amounted to approximately $17 Million at December 31, 1997 and 1996.

12. JOINT VENTURES

The following is a discussion of TI's interests in certain joint ventures ("JV's") which are ascribed to MMP. The JV agreements do not provide for transference of an investor's interest without approval of the other investors.

MMP has held minority ownership in, and long-term inventory purchase commitments with, four JV's, each formed to construct and operate advanced wafer fabrication facilities for the manufacture of DRAM products. Three of the JV's are located outside the U.S. Under the JV agreements, TI purchases and takes delivery of the output of the JV's at prices based upon percentage discounts from TI's average selling prices. Although these pricing arrangements were designed to help reduce the effect of market volatility on MMP, their effectiveness has been limited due to the sharp declines in average unit prices experienced since 1995. Certain co-venturers have had the right to buy a portion of the output from MMP.

MMP accounts for its investments in non-U.S. JV's as inventory supply arrangements. The purpose of the non-U.S. JV's is to provide 100% of their semiconductor output to MMP (certain co-venturers have the right to purchase such output from TI). As a result, MMP expects to recover its cost of the non-U.S. JV's through sale of the semiconductor output, and is amortizing its cost of the ventures over the expected initial output period of 3 to 5 years, and recognizing its share of any cumulative JV net losses in excess of amortization. The related expense for

such amortization charged to operations for the non-U.S. JV's was $21 million in 1997 and $14 million in 1996. MMP accounts for its investment in the U.S. JV (see Twinstar below), which is operationally different from the non-U.S. JV's, under the equity method of accounting (on a one-quarter lag basis). MMP recognized $67 million in 1997 and $19 million in 1996 for its share of the U.S. JV's net losses under the equity method.

Under various bank financing arrangements, TI has provided certain guarantees of JV obligations. Under the joint venture agreements, certain organizational and operational decisions can only be made by super-majority agreement of the ventures. In addition, MMP has agreements to receive payments from each of the joint ventures to provide certain engineering support, training, and technology transfers to assist in the establishment and maintenance of advanced wafer fabrication facilities.

Inventory purchases from the JV's aggregated $977 million in 1997 and $1176 million in 1996. MMP's assembly/test facility in Singapore performs manufacturing activities for the JV's. Revenues from these activities were $203 million and $323 million in 1996 and 1997 and are included as credits to cost of revenues in the statements of operations. A significant decline in revenues and margins generated from the assembly/test facility is anticipated for 1998 due to tighter market conditions and reduced operating plans commensurate with the decline in assembly/test purchase commitments from the Twinstar and TI-Acer JV's. Receivables from and payables to the JV's were $135 million and $69 million at December 31, 1997, and $44 million and $66 million at December 31, 1996.

Each DRAM joint venture arrangement is described below. Under the terms of the Agreement, Micron acquired all of TI's capital stock in the TECH and KTI joint ventures.

TECH
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TECH Semiconductor Singapore Pte. Ltd. ("TECH") is a joint venture between TI, the Singapore Economic Development Board ("EDB"), Canon Inc. ("Canon"), and Hewlett-Packard Company ("HP") formed in 1991 for purposes of constructing and operating a manufacturing facility in Singapore. As of December 31, 1997 and 1996, TI owned 27.25% of this joint venture. During the second quarter of 1998, TI increased its ownership interest to 29.93% by providing an equity contribution of $31 million.

Under the related purchase agreement between TI and TECH, MMP is required to buy 100% of DRAM units produced by TECH, and HP and Canon hold an option to purchase products from TI (as specified in the shareholders' agreement between the co-venturers). The pricing terms for products purchased from TECH by TI were based upon a percentage discount from TI's average selling price of DRAM products during the previous quarter. During the second quarter of 1998, TI amended the pricing terms with TECH such that the price paid for products supplied by the joint venture is fixed if average selling prices fall below specified levels.

TI was contingently liable at December 31, 1997 and 1996 for $11 million under a debt guarantee provided by TI as part of the joint venture. In addition, if TECH does not maintain certain debt service coverage requirements, TI must deposit a portion of price discounts received from TECH into an escrow account not to exceed $100 million. No such deposits were required prior to 1998. TI deposited $8 million, $5 million, and $3 million into the escrow account during the first, second, and third quarters of 1998, respectively. Such amounts were expensed as paid in 1998. Under the terms of the Agreement, TI retains rights to the escrow account.

KTI
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KTI Semiconductor Limited ("KTI") is a joint venture between TI and Kobe Steel, Ltd. ("Kobe") formed in 1990 for purposes of constructing and operating a manufacturing facility in Japan. As of December 31, 1997 and 1996, TI owned 25% of this joint venture. During the first quarter of 1998, TI, in coordination with a Kobe equity contribution, provided an equity contribution of $48 million to the joint venture and maintained its ownership interest of 25%. During the second quarter of 1998, TI loaned approximately $38 million to KTI. The receivable associated with the loan was not acquired by Micron.

Under the related purchase agreement between TI and KTI, TI is required to buy 100% of DRAM units produced by KTI. The pricing terms for products purchased from KTI by TI were based upon a percentage discount from TI's average selling price of DRAM products during the current quarter. During the second quarter of 1998, TI amended

the pricing terms with KTI such that the price paid for products supplied by the joint venture is fixed. This fixed price exceeded current average selling prices as of the end of the second quarter of 1998.

Under the joint venture arrangement, TI agreed to indemnify 25% of Kobe's guarantee of certain KTI debt. At December 31, 1997 and 1996, TI was contingently liable for $8 million and $14 million, respectively, for such guarantee.

TI-Acer
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Until June, 1998, Texas Instruments - Acer Incorporated ("TI-Acer") was a joint venture between TI, Acer Incorporated ("Acer"), and the China Development Corporation formed in 1990 for purposes of constructing and operating a manufacturing facility in Taiwan. As of December 31, 1997 and 1996, TI owned 33.33% of this joint venture.

Under the related purchase agreement between TI and TI-Acer, TI was required to buy 100% of DRAM units produced by TI-Acer, and Acer held an option to purchase up to 50% of such products from TI (as specified in the shareholders' agreement between the co-venturers). The pricing terms for products purchased from TI-Acer by TI were based upon percentage discounts (depending upon Acer operating results) from TI's average selling price of DRAM products during the current quarter.

On March 3, 1998, TI and Acer entered into a stock purchase agreement whereby Acer agreed to purchase all of TI's equity interest in TI-Acer for $120 million cash. The sale of TI's interest in TI-Acer closed on June 10, 1998, and TI recorded a gain to TI of approximately $83 million in the second quarter of 1998. In connection with the stock purchase agreement, a termination and release agreement was executed between TI, Acer, TI-Acer, and other minority investors whereby TI was released from all claims associated with TI-Acer. In addition, a transition agreement was executed whereby MMP would purchase a specified supply of DRAM units from the former TI-Acer between June 10, 1998 and September 30, 1998 at a fixed price. This fixed price exceeded current average selling prices as of the end of the second quarter of 1998. TI also agreed to provide up to $20 million of interest-free working capital financing through MMP to the former TI-Acer to be repaid to TI in the second half of 1998.

Under the terms of the Agreement, Micron will not invest in or continue an inventory supply arrangement with the former TI-Acer. Accordingly, MMP's investment in this joint venture as of December 31, 1997 and 1996 has not been included in the statements of net assets acquired. Inventory purchases from TI-Acer were $379 million in 1997 and $535 million in 1996. Revenues from assembly/test manufacturing activities performed by MMP for TI-Acer were $124 million in 1997 and $130 million in 1996.

Twinstar
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TwinStar Semiconductor Incorporated ("Twinstar") was a joint venture formed in 1994 between TI and Hitachi, Ltd. ("Hitachi") for purposes of constructing and operating a manufacturing facility in Richardson, Texas. As of December 31, 1997 and 1996, TI owned 36.5% and 27.4%, respectively, of this joint venture.

Under the related purchase agreement between TI, Hitachi, and Twinstar, the DRAM units produced by Twinstar were required to be purchased by TI and Hitachi at a 50/50 ratio. The pricing terms for products purchased from Twinstar by TI were based upon percentage discounts (depending upon Twinstar operating results) from TI's average selling price of DRAM products during the current quarter. Both MMP and Hitachi had agreements to receive payments from the joint venture to provide certain engineering support, training, and technology transfers to assist in the establishment and maintenance of advanced wafer fabrication facilities.

In February, 1998, TI and Hitachi executed an agreement to discontinue their joint venture arrangement, with TI purchasing the JV's assets. Under the terms of the agreement, which closed in March, 1998, all borrowings and original bank equity investments were repaid by TI and Hitachi, and a newly created subsidiary of TI, Texas Instruments Richardson, LLC ("TIR"), was formed to become the sole owner of all assets and liabilities of the former Twinstar joint venture. Such net assets in the joint venture consisted primarily of working capital and property, plant and equipment and were valued at approximately $100 million at acquisition. During the first quarter of 1998, MMP recognized a pretax charge of $219 million, which is included in cost of revenues, in connection with the termination of the Twinstar joint venture.

In June, 1998, TI announced termination of TIR operations effective immediately. MMP recorded shut down costs in second quarter 1998 of approximately $37 million (included in cost of revenue), primarily comprised of employee severance, contract cancellation costs, and inventory write-offs. Under the Agreement, Micron has acquired the assets and assumed certain liabilities of TIR.

13. GRANTS FROM ITALIAN GOVERNMENT

MMP participates in a grant program with the Italian government whereby grants are received from the government as reimbursement for certain purchases of capital equipment and facilities as well as research and development/training costs incurred as part of operations in Avezzano. These grants have been issued to MMP in phases, and MMP is required to maintain use of the related equipment and facilities for a designated time period after the Closing.

During 1997 and 1996, MMP participated in two phases of the program. Prior to 1996, the MMP Business accounted for grants received under Phase I and II of the program using a modified cash basis whereby cash received from the government was recognized in operating results when received over a one year period from the date of receipt. The modified cash basis was utilized by MMP due to collectibility delays experienced in previous years with the Italian government. During 1995, MMP's experience with grant collections improved significantly. Accordingly, effective January 1, 1996, the MMP Business adopted the accrual method for Phase II grants. At that time, substantially all grants under Phase I had been collected. Under the accrual method, the MMP Business recognizes grants in operating results over the period necessary to match the grants received with related costs incurred which were eligible for reimbursement under the program.

In 1996, the MMP Business received $52 million in cash for Phase II grants and recognized $97 million for Phase I and II grants as credits to research and development and capital depreciation in the statements of income. In 1997, the MMP Business received $36 million in cash and recognized $35 million for Phase II grants as credits to research and development and capital depreciation.

In accordance with the terms of the Agreement, receivables from the Italian government and deferred credits for cash received under the grant program have not been included in the Statements of Net Assets Acquired.

14. BUSINESS SEGMENT AND GEOGRAPHIC AREA DATA

Effective for the year ended December 31, 1997, MMP adopted SFAS No. 131, which requires a new basis of determining reportable business segments, i.e., the management approach. This approach designates that the source of business segments within an entity is the internal organization used by management for making operating decisions and assessing performance. MMP operates in one business segment: semiconductor memory products.

Selected geographic data for MMP is presented below for the years ended December 31, 1997 and 1996. Trade revenues are based on product shipment destination, and property, plant and equipment is based on physical location (in millions of dollars):

Geographic Area Net Trade Revenues

	1997	1996
United States	$ 505	$ 557
Japan	239	359
Singapore	125	214
Rest of World	726	840
	$1,595	$1,970

Geographic Area Net Property, Plant and Equipment

	December 31	
	1997	1996
United States	$ 9	$ 1
Singapore	158	103
Italy	331	354
	$ 498	$ 458

15. YEAR 2000 (UNAUDITED)

TI's plan to address Year 2000 issues has included the MMP business. Based on assessments to date, TI believes current MMP products are ready for Year 2000. Obsolete and discontinued products, as well as previously divested product lines, have not been included in these assessments. The extent to which Micron adopts or modifies the strategy TI has undertaken with regard to MMP or how Micron will integrate MMP into its own strategy regarding the Year 2000 is not known.

(b) Pro Forma Financial Information

UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

MICRON/MMP COMBINED COMPANY

Basis of Presentation

Texas Instruments Incorporated ("TI") and Micron Technology, Inc. ("Micron") entered into an acquisition agreement dated as of June 18, 1998, as amended as of July 31, 1998 and September 30, 1998, respectively (the "Agreement"), pursuant to which Micron agreed to acquire substantially all of TI's memory products business, including the acquisition of certain assets and the assumption of certain liabilities (the "Acquired Business"). For purposes of the unaudited pro forma combined financial statements in this Item 7(b), "MMP" refers to the Acquired Business together with those operations, assets and liabilities not acquired by Micron under the Agreement but which constitute a part of TI's memory products business as conducted by TI historically, except as noted herein. The transaction closed on September 30, 1998 (the "Closing"). The transaction described in the Agreement is herein referred to as the "Acquisition."

The following unaudited pro forma combined financial statements are based upon the consolidated financial statements of Micron and the Acquired Business, combined and adjusted to give effect to the Acquisition.

The following unaudited pro forma combined statements of income for the year ended August 28, 1997 and for the nine months ended May 28, 1998 give effect to the Acquisition as if it had occurred on August 30, 1996 and August 29, 1997, respectively. The unaudited pro forma combined statements of income for the year ended August 28, 1997 were prepared based upon the audited consolidated statement of income of Micron for the year ended August 28, 1997 and the unaudited statements of income of MMP for the twelve months ended June 30, 1997. The unaudited pro forma combined statements of income for the nine months ended May 28, 1998 were prepared based upon the unaudited consolidated statement of income of Micron for the nine months ended May 28, 1998 and the unaudited statement of income of MMP for the nine months ended March 31, 1998.

The following unaudited proforma combined balance sheets as of May 28, 1998, give effect to the Acquisition as if it had occurred on such date and were prepared based upon the unaudited consolidated balance sheet of Micron as of May 28, 1998, and the unaudited statement of net assets acquired for the Acquired Business as of March 31, 1998.

These unaudited pro forma combined financial statements and the notes thereto should be read in conjunction with Micron's Form 10-Q for the interim period ended May 28, 1998 and the Company's Form 10-K, as amended, for the year ended August 28, 1997, and the audited financial statements of the MMP Business of TI, including the notes thereto (see Item 7(a)). The financial statements of the MMP Business of TI, including the notes thereto, present MMP, except as noted therein and herein, and are not limited to the results of operations and cash flows of the Acquired Business.

The Acquisition will be accounted for by the purchase method of accounting. Accordingly, Micron's cost to acquire the Acquired Business (the "Purchase Consideration") of approximately $830 million, net of cash proceeds, will be allocated to the assets acquired and liabilities assumed according to their respective fair values, with any excess Purchase Consideration being allocated to goodwill. The Purchase Consideration is based on the approximate market price of Micron's Common Stock ($22.7) when the transaction was announced and the estimated market value of the Convertible Notes and the Subordinated Notes on the date of issuance (approximately 90% and 80% of par value, respectively). The final allocation of the Purchase Consideration is dependent upon the completion of certain valuations and other studies. Accordingly, the purchase allocation adjustments made in connection with the development of the unaudited pro forma combined financial statements are preliminary and subject to change.

The unaudited pro forma combined financial statements are not necessarily indicative of the results of operations or financial position of the combined company that would have occurred had the Acquisition occurred at the beginning of the period presented or on the date indicated, nor are they necessarily indicative of future operating results or financial position.

The Acquisition is expected to have a significant effect on the Company's future results of operations and cash flows, including, but not limited to: a considerable negative impact on gross margin in the near term due in part to significantly higher per unit manufacturing costs at the acquired facilities; costs related to the assimilation of the acquired operations; increased interest expense associated with the Convertible Notes and Subordinated Notes issued; an increase in capital spending relating to the acquired facilities; and the potential for further downward pressure on the average selling prices the Company receives on its semiconductor memory products. In addition, the creation of intangible assets associated with the purchase could result in significant future amortization expense.

The pro forma excess of Purchase Consideration over the historical net book value of the Acquired Business net assets acquired as of September 30, 1998 is estimated to be approximately $200 million, and principally represents a ten year royalty-free patent cross license between TI and Micron which is expected to be amortized over a period of not more than ten years. Excess Purchase Consideration was also allocated to joint venture supply contracts, equity investments in joint ventures, property, plant and equipment, acquired software and software licenses, an established workforce and other miscellaneous assets.

The Company is in the process of completing the valuations and other studies of the significant assets, liabilities and business operations of the Acquired Business. Using this information, Micron will make a final allocation of the Purchase Consideration, including allocation to tangible assets and liabilities, identifiable intangible assets and goodwill.

INDEX TO UNAUDITED PRO FORMA COMBINED FINANCIAL STATEMENTS

UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
YEAR ENDED AUGUST 28, 1997

	HISTORICAL		PRO FORMA		
	MICRON	MMP	ADJUSTMENTS		COMBINED
	(Amounts in millions, except per share data)				
Net sales	$3,515.5	$1,586.7	$ (484.6)	(a)	$4,384.0
Costs and expenses:			$ (233.6)	(b)	
Cost of goods sold	2,539.2	1,483.7	(432.7)	(a)	3,400.6
			(162.9)	(b)	
			(45.2)	(c)	
			18.5	(d)	
Selling, general and administrative	370.9	181.6	(2.6)	(b)	418.0
			2.8	(c)	
			(134.7)	(e)	
Research and development	208.9	185.9	(22.4)	(b)	399.8
			1.0	(c)	
			26.4	(d)	
Other operating expense	(5.9)	1.0	2.1	(c)	(2.8)
Total costs and expenses	3,113.1	1,852.2	(749.7)		4,215.6
Operating income (loss)	402.4	(265.5)	31.5		168.4
Gain on sale of investments and subsidiary stock, net	186.7	-	-		186.7
Gain (loss) on issuance of subsidiary stock, net	29.1	-	-		29.1
Other nonoperating income (expense), net	-		(20.0)	(c)	(20.0)
Interest income (expense), net	0.9	(11.4)	(51.0)	(f)	(50.1)
			11.4	(g)	
Income (loss) before income taxes and minority interests	619.1	(276.9)	(28.1)		314.1
Income tax benefit (provision)	(267.3)	(21.4)	128.2	(h)	(160.5)
Minority interest in net income	(19.6)	-	-		(19.6)
Net income (loss)	$ 332.2	$ (298.3)	$ 100.1		$ 134.0
Earnings (loss) per share:					
Basic	$ 1.58	n/a			$ 0.56
Diluted	$ 1.55	n/a			$ 0.55
Number of shares used in per share calculations:					
Basic	210.0	n/a	28.9	(i)	238.9
Diluted	214.3	n/a	28.9	(f), (i)	243.2

See accompanying notes to unaudited pro forma combined financial statements

UNAUDITED PRO FORMA COMBINED STATEMENT OF INCOME
NINE MONTHS ENDED MAY 28, 1998

	HISTORICAL		PRO FORMA		
	MICRON	MMP	ADJUSTMENTS		COMBINED
	(Amounts in millions, except per share data)				
Net sales	$2,320.0	$1,003.6	$ (238.9)	(a)	$2,946.2
			(138.5)	(b)	
Costs and expenses:					
Cost of goods sold	2,080.8	1,201.2	(208.0)	(a)	2,937.4
			(116.6)	(b)	
			(26.2)	(c)	
			6.2	(d)	
Selling, general and administrative	369.3	123.4	(2.0)	(b)	414.2
			2.1	(c)	
			(78.6)	(e)	
Research and development	200.0	155.3	(17.2)	(b)	360.4
			1.4	(c)	
			20.9	(d)	
Other operating expense	32.1	0.6	1.6	(c)	34.3
Total costs and expenses	2,682.2	1,480.5	(416.4)		3,746.3
Operating income (loss)	(362.2)	(476.9)	39.0		(800.1)
Gain on sale of investments and subsidiary stock, net	157.1	-	-		157.1
Gain (loss) on issuance of subsidiary stock, net	0.8	-	-		0.8
Other nonoperating income (expense), net			(20.0)	(c)	(20.0)
Interest income (expense), net	1.4	(7.7)	(36.9)	(f)	(35.5)
			7.7	(g)	
Income (loss) before income taxes and minority interests	(202.9)	(484.6)	(10.2)		(697.7)
Income tax benefit (provision)	69.6	(24.3)	197.5	(h)	242.8
Minority interest in net income	(11.4)	-	-		(11.4)
Net income (loss)	$ (144.7)	$ (508.9)	$ 187.3		$ (466.3)
Earnings (loss) per share:					
Basic	$ (0.68)	n/a			$ (1.94)
Diluted	$ (0.68)	n/a			$ (1.94)
Number of shares used in per share calculations:					
Basic	211.90	n/a	28.9	(i)	240.8
Diluted	211.90	n/a	28.9	(f),(i)	240.8

See accompanying notes to unaudited pro forma combined financial statements.

UNAUDITED PRO FORMA COMBINED BALANCE SHEET
AS OF MAY 28, 1998

	HISTORICAL		PRO FORMA	
	MICRON	ACQUIRED BUSINESS	ADJUSTMENTS	COMBINED
	(Amounts in millions, except per share data)			
ASSETS				
Cash and equivalents	$ 507.9	$ -	$ 550.3 (a)	$1,058.2
Liquid investments	200.5	-	-	200.5
Receivables	397.8	184.9	29.8 (b)	612.5
Inventories	378.7	102.4	-	481.1
Prepaid expenses	9.3	2.7	-	12.0
Deferred income taxes	77.7	-	-	77.7
Total current assets	1,571.9	290.0	580.1	2,442.0
Product and process technology, net	89.1	-	140.1 (c)	229.2
Property, plant and equipment, net	2,995.8	633.9	(61.6) (c)	3,568.1
Other assets	76.5	46.0	52.3 (c)	174.8
Total assets	$4,733.3	$969.9	$ 710.9	$6,414.1
LIABILITIES AND SHAREHOLDERS' EQUITY				
Accounts payable and accrued expenses	$ 527.1	$152.1	$ 18.6 (d)	$ 697.8
Short-term debt	8.5		-	8.5
Deferred income	5.6		-	5.6
Equipment purchase contracts	117.3		-	117.3
Current portion of long-term debt	93.3		-	93.3
Total current liabilities	751.8	152.1	18.6	922.5
Long-term debt	718.0		836.0 (e)	1,554.0
Deferred income taxes	283.2		-	283.2
Non-current product and process technology	10.7		-	10.7
Other liabilities	50.3	17.7	-	68.0
Total Liabilities	1,814.0	169.8	854.6	2,838.4
Minority interests	145.4	-	-	145.4
Commitments and contingencies				
Common stock	21.3	-	2.9 (f)	24.2
Additional capital	518.6	-	653.5 (f)	1,172.1
Retained earnings	2,234.0	-	-	2,234.0
Total shareholders' equity	2,773.9	-	656.4	3,430.3
Total liabilities and shareholders' equity	$4,733.3	$169.8	$1,511.0	$6,414.1

See accompanying notes to unaudited pro forma combined financial statements.

NOTES TO UNAUDITED PRO FORMA
COMBINED FINANCIAL STATEMENTS

Pro forma adjustments giving effect to the Acquisition in the unaudited pro forma combined statements of income reflect the following:

(a) Exclusion of historical MMP revenues and costs for product sourced from the former Texas Instruments Acer Incorporated ("TI-Acer") and exclusion of historical amortization of TI-Acer supply contracts. Under the terms of the Agreement, Micron will not invest in or continue an inventory supply arrangement with the former TI-Acer. (See notes to MMP historical financial statements.)
(b) Exclusion of historical MMP revenues and costs for FLASH, certain 4 Meg DRAM, and EPROM products, as inventory for such products is not included as part of the Acquisition.
(c) Depreciation and amortization of assets arising from the allocation of excess Purchase Consideration over the historical net book value of MMP net assets acquired, including joint venture supply contracts, property, plant and equipment, an established workforce, acquired software and software licenses and other miscellaneous assets, as well as the effects of equity accounting relating to joint ventures. Pro forma adjustments are net of historical MMP depreciation and amortization. The ten-year royalty-free patent cross license between TI and Micron pursuant to the Agreement does not commence until January 1, 1999, and therefore pro forma adjustments for the periods presented do not reflect amortization expense for this license.
(d) Adjustment to research and development expense and capital depreciation to exclude income statement effects of MMP's grant program with the Italian government. (See notes to MMP historical financial statements.)
(e) Adjustment to historical MMP selling, general and administrative expense to exclude expense associated with employees not hired in the Acquisition.
(f) Interest expense for $740 million principal amount of seven-year, 6.5% notes convertible into an additional 12.3 million shares of Micron Common Stock, and $210 million principal amount, seven-year, 6.5% subordinated notes, net of estimated interest income on cash proceeds. The if-converted method was applied to determine the appropriate effect on earnings per share for the convertible notes. Conversion was not assumed as the effect to earnings per share would have been anti-dilutive.
(g) Exclusion of MMP interest expense for Italian lira mortgage notes (of an Italian subsidiary of TI). These notes will not be assumed by Micron as a part of the acquisition.
(h) Income tax effect of pro forma adjustments and to present income tax expense at the statutory rate.
(i) Effect on earnings per share from the issuance of 28,933,092 unregistered shares of Micron Common Stock to Texas Instruments, Inc.

Pro forma adjustments giving effect to the Acquisition in the unaudited pro forma combined balance sheets reflect the following:

(a) Receipt of $550 million in cash pursuant to the terms of the Agreement, as amended.
(b) Pro forma cash payment due pursuant to a requirement of the Agreement, as amended, which requires the parties to make cash adjustments to ensure that with respect to the Acquired Business, current acquired assets minus the sum of current and noncurrent assumed liabilities ("working capital") is $150 million at closing. While the final Acquired Business closing statement of net assets is not yet available, the financial position of Acquired Business at closing is expected to differ significantly from the financial position of Acquired Business reflected in the unaudited pro forma combined balance sheets as of May 28, 1998. The actual working capital cash adjustment is expected to require a cash payment from TI to Micron in excess of $100 million. Final determination of the working capital adjustment is subject to a post-closing audit.
(c) Excess Purchase Consideration over net assets acquired, including a ten-year royalty-free patent cross license agreement, property, plant and equipment, joint venture supply contracts, equity investment in joint ventures, acquired software and software licenses, an established workforce and other miscellaneous assets.
(d) Accrual of estimated acquisition costs.
(e) Issuance of $740 million principal amount of seven-year, 6.5% notes convertible into an additional approximately 12.3 million shares of Micron Common Stock, and a $210 million principal amount, seven year, 6.5% subordinated note. The notes will be recorded at estimated market values of 90% and 80% of par value, estimated as of the date of closing.
(f) Issuance of 28,933,092 unregistered shares of Micron Common Stock to Texas Instruments, Inc., the value of which is based on the approximate market price of Micron's Common Stock ($22.7 per share) when the transaction was announced on June 18, 1998.

(c) Exhibits

2.2	Second Amendment to Acquisition Agreement dated as of September 30, 1998 between Micron Technology, Inc. and Texas Instruments Incorporated.
10.125	Second Supplemental Trust Indenture, dated as of September 30, 1998 between Micron Technology, Inc. and Norwest Bank Minnesota, National Association Trustee, relating to the issuance of 6 1/2% Convertible Subordinated Notes due October 2, 2003 (the "Notes") (including the form of Note.)
10.126	Subordinated Promissory Note, dated September 30, 1998, issued by Micron Technology, Inc. in the name of Texas Instruments Incorporated in the amount of $210,000,000.
23.1	Consent of Ernst & Young LLP

SIGNATURE

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

MICRON TECHNOLOGY, INC.

Date: October 16, 1998

By: /s/ Wilbur G. Stover, Jr.

Wilbur G. Stover, Jr.
Vice President of Finance and
Chief Financial Officer

EXHIBIT 2.2

SECOND AMENDMENT TO ACQUISITION AGREEMENT

THIS SECOND AMENDMENT TO ACQUISITION AGREEMENT, dated as of September 30, 1998 (this "Second Amendment"), between Micron Technology, Inc., a Delaware corporation ("Buyer"), and Texas Instruments Incorporated, a Delaware corporation ("Seller"), amends that certain Acquisition Agreement, dated June 18, 1998, as amended by the First Amendment to Acquisition Agreement, dated as of July 31, 1998 (such agreement, as so amended, being hereafter referred to as the "Acquisition Agreement"), between Buyer and Seller. Capitalized terms used and not defined herein have the respective meanings ascribed to them in the Acquisition Agreement.

R E C I T A L S:

A. Section 6.6 of the Acquisition Agreement contemplated that the parties would agree on terms and conditions to apply to the transfer at Closing of the Acquired Assets and Assumed Liabilities associated with Seller's Italian operations to be transferred by Seller to Buyer, including appropriate conditions precedent to Closing.

B. Section 6.7 of the Acquisition Agreement contemplated that, among other things, the parties would agree on the forms of certain agreements pursuant to which various services may be supplied by Seller or its subsidiaries to Buyer and its subsidiaries with respect to the acquired business and Buyer would request KTI to continue manufacturing and supplying certain SDRAM or DRAM products for military and aerospace applications to Seller.

C. Section 6.10 of the Acquisition Agreement contemplated that Seller would deliver to Buyer the Seller Disclosure Letter.

D. Section 6.11 of the Acquisition Agreement contemplated that Buyer would deliver to Seller the Buyer Disclosure Letter.

E. Section 6.12 of the Acquisition Agreement contemplated that the parties would, among other things, agree on terms and conditions of the JV Amendments as well as amendments to all debt, credit or financing Contracts to which any of the Joint Ventures is a party.

F. Section 6.31(a) of the Acquisition Agreement contemplated that Buyer would deliver to Seller the Transferred Contract Schedule.

G. At the Closing, Seller is delivering to Buyer the Seller Disclosure Letter, dated as of the Closing Date, and Buyer is delivering Seller the Buyer Disclosure Letter, dated as of the Closing Date.

H. The parties have identified certain other changes to the Acquisition Agreement necessary to reflect the intentions of the parties and desire to amend the Acquisition Agreement to reflect such changes as well as to set forth the agreements with respect to the foregoing matters.

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

Section 1. Exhibit A to the Acquisition Agreement is amended by deleting Exhibit A in its entirety and replacing it with Exhibit A to this Second Amendment.

Section 2. Exhibit B to the Acquisition Agreement is amended by deleting Exhibit B in its entirety and replacing it with Exhibit B to this Second Amendment.

Section 3. Exhibits D and G to the Acquisition Agreement are amended by deleting Exhibits D and G in their entirety and replacing them with Exhibits D and G to this Second Amendment.

Section 4. Exhibit H to the Acquisition Agreement is amended by deleting Exhibit H in its entirety and replacing it with Exhibit H to this Second Amendment.

Section 4. Exhibit I to the Acquisition Agreement is amended by deleting Exhibit I in its entirety and replacing it with Exhibits I-1 through I-14 to this Second Amendment.

Section 5. Exhibit J to the Acquisition Agreement is amended by deleting Exhibit J in its entirety and replacing it with Exhibit J to this Second Amendment.

Section 6. The Acquisition Agreement is amended to add Exhibits K, L, M, N, O and P hereto as new Exhibits K, L, M, N, O and P to the Acquisition Agreement.

Section 7. Section 1.6 of the Acquisition Agreement is amended by adding, at the end thereof, the following:

> Acquired Intellectual Property shall not include the words or name "Texas Instruments Incorporated", "Texas Instruments" or "TI", or Seller's related monograms, logos, trademarks or trade names.

Section 8. Section 1.11 of the Acquisition Agreement is amended by adding, immediately following the words "(including DRAM, Flash and EPROM devices)," the following:

> and test equipment for testing such MOS memory devices,

Section 9. Section 1.14 of the Acquisition Agreement is amended by deleting Section 1.14 in its entirety and replacing it with the following:

1.14 Intentionally omitted.

Section 10. Section 1.38 of the Acquisition Agreement is amended by deleting Section 1.38 in its entirety and replacing it with the following:

1.38 Intentionally omitted.

Section 11. Section 1.56 of the Acquisition Agreement is amended to replace "Clause 12" with "Clause 13."

Section 12. Section 1.97 of the Acquisition Agreement is amended by deleting Section 1.97 in its entirety and replacing it with the following:

1.97 "KTI Amendments" means that certain Amendment No. 13 to Shareholders' Agreement among Seller, Kobe Steel, Ltd., and KTI, and the amendments to the other agreements and related transactions contemplated by such Amendment No. 13 to be entered into on or prior to the Closing.

Section 13. Section 1.98 of the Acquisition Agreement is amended by deleting Section 1.98 in its entirety and replacing it with the following:

1.98 "KTI Shareholders' Agreement" means the shareholders' agreement entered into by Kobe Steel, Ltd. and Seller effective on March 19, 1990 and ratified by KTI Semiconductor Limited on May 22, 1990, as amended on September 28, 1990, November 5, 1992, June 7, 1993, July 14, 1993, December 15, 1993, March 24, 1994, June 27, 1994, December 11, 1995, December 17, 1996, February 17, 1998, March 26, 1998 and June 23, 1998.

Section 14. Section 1.105 of the Acquisition Agreement is amended to replace the word "Business" with the words "assets and liabilities which would have been Acquired Assets and Assumed Liabilities."

Section 15. Section 1.112 of the Acquisition Agreement is amended by deleting Section 1.112 in its entirety and replacing it with the following:

1.112 "Notes" means the Subordinated Notes and the Convertible Notes.

Section 16. Section 1.124 of the Acquisition Agreement is amended by adding, at the end thereof, the following:

or other body with respect to arbitration, mediation or administrative proceedings.

Section 17. Section 1.132(d) of the Acquisition Agreement is hereby amended to add at the end of such Section 1.132(d) the following:

(including but not limited to, Losses, Claims, Liens and Liabilities that arise with respect to violations existing after the Closing Date which violations arose prior to the Closing Date).

Section 18. Section 1.163 of the Acquisition Agreement is amended by deleting Section 1.163 in its entirety and replacing it with the following:

1.163 "TECH Amendments" means Amendment Agreement No. 4 to the Shareholders' Agreement among Seller, EDB, Canon Inc., a corporation established under the laws of Japan, Hewlett-Packard Company, a corporation established under the laws of the State of California, U.S.A., TECH, Hewlett-Packard World Trade, Inc., a corporation established under the laws of the State of Delaware, U.S.A., EDB Investments Pte Ltd., a corporation established under the laws of Singapore, and Hewlett-Packard Singapore (Private) Limited, a corporation established under the laws of Singapore, and the amendments, to the other agreements and related transactions contemplated by such amendment to be entered into or occur at or prior to Closing.

Section 19. Section 1.164 of the Acquisition Agreement is amended by deleting Section 1.164 in its entirety and replacing it with the following:

1.164 "TECH Shareholders' Agreement" means the shareholders' agreement entered into by Seller, EDB, Canon, Inc. and Hewlett Packard Company effective on April 11, 1991 and ratified by TECH Semiconductor Singapore Pte. Ltd. on May 13, 1991, as amended August 22, 1991, February 15, 1993 and August 4, 1995 and subject to the waivers dated May 31, 1991, December 19, 1991 and February 15, 1997.

Section 20. Section 1.179 of the Acquisition Agreement is amended by deleting Section 1.179 in its entirety and by replacing it with the following:

1.179 "Transition Services Agreement" means each of the following agreements to be executed and delivered by the parties in accordance with Sections 9.2(c) and 9.3(c) hereof: (i) the master Transition Services Agreement substantially in the form of Exhibit I-1 hereto and the individual agreements contemplated by the master Transition Services Agreement including, (ii) the IT Transition Service Agreement between Seller and Buyer; (iii) the General Administrative Services Agreement between Seller and Buyer; (iv) the EPROM Products Agreement between Seller and Buyer; (v) the Wire Bonder Equipment

Service and Support Agreement between Seller and Buyer; (vi) the Military Memory Products Service Agreement between Seller and Buyer; (vii) the Human Resources Administration Transition Services Agreement between Seller and Buyer; (viii) the Miho, Japan Engineering Consulting Services Agreement between Seller and Buyer; (ix) the PTEC Purchase Agreement between Seller and Buyer; (x) the Labeling Agreement between Seller and Buyer; (xi) the Flash Products Agreement between Seller and Buyer; (xii) the Field Memory Products Services Agreement between Seller and Buyer; (xiii) the Transition Lease -Stafford (Houston) Facility between Seller and Buyer; and (xiv) the Transition Sublease, Floyd Road (Dallas) Facility between Seller and Buyer each as set forth as Exhibit I-2 - I-14 hereto.

Section 21. Section 1.183 of the Acquisition Agreement is amended by deleting the reference to "other than up to 345,296 million Italian Lire principal amount of indebtedness for borrowed money directly related to Seller's assets in Italy constituting Acquired Assets".

Section 22. Sections 3.3(a) and 3.3(b) of the Acquisition Agreement are amended by deleting Sections 3.3(a) and 3.3(b) in their entirety and replacing them with the following:

(a) 28,933,092 fully paid and nonassessable unregistered shares of Buyer Common Stock;

(b) Convertible Notes in an aggregate principal amount of $ 324,703,000;

Section 23. Sections 3.4(a) and 3.4(b) of the Acquisition Agreement are amended by deleting Sections 3.4(a) and 3.4(b) in their entirety and replacing them with the following:

(a) Buyer shall deliver to Seller Note Purchasing Subsidiary (i) $210 million aggregate principal amount of Subordinated Notes, and (ii) Convertible Notes in an aggregate principal amount of $415,297,000.

(b) Seller shall cause Seller Note Purchasing Subsidiary to deliver to Buyer U.S. $550,261,699 of immediately available funds (the "Cash Payment") to an account designated to Seller Note Purchasing Subsidiary by Buyer in writing on or prior to the Closing Date. The Notes shall be treated as debt instruments and the portion thereof delivered to Seller Note Purchasing Subsidiary shall be treated as having an aggregate issue price for purposes of Code Section 1273 (and the regulations promulgated thereunder) equal to the Cash Payment; the issue price per $1,000 of principal amount of Notes shall be equal to $880.00 (the "Issue Price"). The issue price per $1,000 of principal amount of the portion of the Convertible Notes not delivered to the Seller Note Purchasing Subsidiary shall also be equal to the Issue Price.

Section 24. Section 3.4(c) of the Acquisition Agreement is amended to delete the first sentence of Section 3.4(c). The second sentence of Section 3.4(c) is amended to delete the phrase "the Debt Valuation and".

Section 25. Section 4.1(e)(i) of the Acquisition Agreement is amended by adding "(A)" immediately before the first sentence and "(B)" immediately before the second sentence.

Section 26. Section 4.1(i) of the Acquisition Agreement is amended to replace the word "Business" in the second sentence thereof with the words "Acquired Assets and Assumed Liabilities."

Section 27. Section 4.1(n)(ii) of the Acquisition Agreement is amended by deleting Section 4.1(n)(ii) in its entirety and replacing it with the following:

(ii) The leases or other written agreements necessary to establish a valid occupancy right or leasehold interest for the Leased Facilities are or, as of the Closing, will be in full force and effect for the benefit of the member of the Buyer Operating Group (indicated in Section 4.1(n) of the Seller Disclosure Letter), as lessee and there are no material defaults or breaches attributable to any member of the Seller Group or to the landlord or landowner thereunder.

Section 28. Section 6.1(a) of the Acquisition Agreement is amended to add, in the third sentence immediately following the phrase "(other than the initial two subscriber shares already held by Seller)" the following:

and Singapore Newco's $150,253,000 5.47% Promissory Note as attached hereto as Exhibit K (the "Singapore Newco Note")

Section 29. Section 6.1(b) of the Acquisition Agreement is amended by deleting the last sentence of Section 6.1(b) in its entirety and by replacing it with the following:

On or before the Closing Date, Seller shall cause Italian Operating Company and Italian Newco to execute a contribution-in-kind agreement (including appropriate schedules of assets to be assigned to, and specific liabilities (including Contract liabilities) to be assumed by, Italian Newco) with terms and conditions reasonably satisfactory to Buyer.

Section 30. Section 6.4 of the Acquisition Agreement is amended (i) to delete the word "Business" wherever it appears in such Section 6.4 and to replace such word with the words "Acquired Assets and Assumed Liabilities" and (ii) to delete the words "GAAP consistently applied and consistent with the GAAP principles used to prepare the March Balance Sheet" wherever it appears in such Section 6.4 and to replace such words with the words "Exhibit L hereto".

Section 31. Section 6.4 is amended by adding, at the end thereof, new Sections 6.4 (g) and (h) as follows:

(g) If, in connection with the contribution-in-kind transaction contemplated in Section 6.1(b), Italian Operating Company, within 90 days after the Closing Date, contributes cash or marketable securities to Italian Newco solely in order to make the value of net assets contributed to Italian Newco equal to the contribution value of net assets reported prior to the Closing, then Buyer shall be obliged to promptly reimburse Seller for such contribution made by Italian Operating Company in satisfaction of such gross-up obligation. If Italian Operating Company makes any such payment, the Buyer's reimbursement obligation in respect thereof may be satisfied by adding such amount to any payment by Buyer, or deducting such amount from any payment by Seller, of the Working Capital Requirement.

(h) Notwithstanding anything else in this Section 6.4, Seller may, at its option elect to reassume and attempt to collect for its benefit any accounts receivable of the Business shown on the Closing Balance Sheet which remain uncollected 90 days after the Closing Date, and in such event, such accounts receivable shall not be included in the Closing Balance Sheet. Moreover, from the Closing Date to the date on which the Closing Balance Sheet is delivered, Buyer agrees to use commercially reasonable efforts to sell inventory at prevailing market rates.

Section 32. Section 6.15 of the Acquisition Agreement is amended by adding to the end of the first sentence thereof the following:

; provided, however, that Licensed IP shall not include the words or name "Texas Instruments Incorporated", "Texas Instruments" or "TI", or Seller's related monograms, logos, trademarks, trade names, or any variations or combinations thereof.

Section 33. Section 6.18 of the Acquisition Agreement is amended by deleting Section 6.18 in its entirety and by replacing it with the following:

The valuation and allocation of the purchase price and other consideration exchanged in connection with the transactions described herein (i) have been determined in accordance with the Issue Price, the Tax Parameters and the applicable provisions of Section 1060 of the Code, and (ii) are set forth in Exhibit M (such valuation and allocation being referred to herein as the "Price Allocation"). Exhibit M also sets forth certain assumptions that were used in preparing the Price Allocation. The Price Allocation shall be adjusted as necessary to reflect the Closing Balance Sheet or the incorrectness of such assumptions. Any disputes involving the Price Allocation shall

be resolved in accordance with the procedures set forth in Section 6.4(d) hereof and the provisions of this Section 6.18. Each party (and their respective Affiliates) hereto shall at its own expense adopt and abide by such Price Allocation, Issue Price and Tax Parameters for purposes of all Tax Returns filed by them and shall not take any position inconsistent therewith in connection with any examination of any Tax Return, any refund claim, or any judicial litigation proceeding but only if doing otherwise in such judicial litigation proceeding would materially prejudice the other party, or otherwise until there has been a final "determination" (within the meaning of Code Section 1313(a)) or any other event which finally and conclusively establishes the amount of any liability for Taxes. In the event that the Price Allocation is disputed by any Taxing authority, the party receiving notice of the dispute shall promptly notify the other parties hereto of such dispute and the parties hereto shall consult with each other concerning resolution of the dispute.

Section 34. Section 6.29 is amended by deleting the reference to "U.S. $750 million" and replacing it with "Cash Payment".

Section 35. Article VI of the Acquisition Agreement is amended to add, immediately following Section 6.31, new Sections 6.32, 6.33, 6.34, 6.34 and 6.35 as set forth below:

6.32 Cross-License Agreement. Buyer and Seller agree that the provisions of Section 4.5 of the Cross-License Agreement relating to the consequences of an action for patent infringement brought by Seller or any of its SUBSIDIARIES (as defined in the Cross-License Agreement) against Micron Electronics, Inc. ("MEI") and/or Micron Communications, Inc. ("MCC") shall remain applicable in the event such action is brought against any successor in interest to all or substantially all of the business and patents of MEI or MCC, as the case may be.

6.33 Certain Technology Agreements.

(a) Seller represents that it is a party to agreements, dated December 9, 1988, November 15, 1991 and May 1, 1995 with Hitachi ("GT Projects"), agreements, dated January 30, 1997 and December 25, 1997 between Seller, Hitachi and Mitsubishi Electric Corporation ("Orion Project"), a License and Technical Assistance Agreement, dated December 19, 1997, between Mitsubishi Electric Corporation and Seller ("Project M"), and an agreement, dated August 1, 1989 between Seller, Universita' degli Studi dell'Aquila and European Engineering and Technologies ("Eagle Consortium"), each relating to the development and manufacture of semiconductor products. To the extent intellectual property has resulted from the sole and/or joint activities of the parties to each of the foregoing agreements, Seller and Buyer desire now to clarify Buyer's rights and Seller's obligations with respect to such intellectual property as follows, without limiting or

diminishing any rights or licenses granted by other agreements between Buyer and Seller:

(i) Seller hereby grants to Buyer and its Subsidiaries a perpetual, non-exclusive, royalty-free, worldwide license under any know how, trade secret, copyright and mask work rights arising out of or transferred to Seller pursuant to the Eagle Consortium as to which Seller and/or any of its Subsidiaries ever had, acquired, or presently have a right to use, such license to grant rights to Buyer to develop, manufacture, have manufactured, use, sell, import or otherwise dispose of semiconductor products for the respective lives of the know-how, trade secret, copyright, and mask work rights.

(ii) Seller hereby grants to Buyer and its Subsidiaries a perpetual, non-exclusive, royalty-free, worldwide license of maximum scope (except that such license shall be non-exclusive), including sublicensing rights, which Seller is permitted to grant to Buyer under the "Termination Agreement of GT Agreements," dated September 28, 1998, "Termination Agreement of Orion Agreements," dated September 29, 1998, or "Memorandum on Termination of License and Technical Assistance Agreement," dated September 29, 1998, respectively, as to any know how, trade secret, copyright and mask work rights arising out of or transferred to Seller pursuant to the GT Projects, the Orion Project, or Project M, respectively, such license to grant rights to Buyer to develop, manufacture, have manufactured, use, sell, import or otherwise dispose of semiconductor products for the respective lives of the know-how, trade secret, copyright, and mask work rights.

(iii) With respect to patents jointly owned by Seller arising out of the GT Projects or the Orion Project, Seller agrees that it will not consent to any licensing framework for any such joint patent that would allow any party to license or enforce such joint patent to or against Buyer on terms that would require Buyer to pay or offer any consideration of any kind in exchange for such license. The terms "joint patents" and "licensing framework" shall have the meaning ascribed to them in the agreements relating to the GT Projects and the Orion Project.

(b) Seller represents and warrants that there are no patents, pending applications for patent, or disclosures which will result in applications for patent arising out of or resulting from Project M that are jointly owned by Seller and Mitsubishi Electric Corporation.

(c) Seller agrees that any patent(s) arising out of or resulting from the Eagle Consortium shall be considered "TI PATENTS" as that term is used in the Cross-License Agreement, attached as Exhibit C to the Acquisition Agreement.

(d) Notwithstanding any other indemnity provision in this Agreement or any agreement or amendment associated with this Agreement, and not subject to any limitations on any other indemnity provision in this Agreement or any agreement or amendment associated with this Agreement, Seller agrees to indemnify, defend and hold Buyer and any Buyer subsidiary, including their respective directors, officers, employees and agents harmless with respect to any claim that any manufacture, use, sale, offer to sell or importation of any product, any combination of such product with any other hardware and/or software, any method or process used in the manufacture or testing of such product, or any tools or equipment used for accomplishing any of the foregoing infringes (a) any know how, trade secret, copyright or mask work rights of the Eagle Consortium to which Buyer received a license under subparagraph 1, above, (b) any Joint Patent arising out of the GT Projects or the Orion Project, or (c) any patent arising out of or resulting from the Eagle Consortium. This indemnity shall apply regardless of whether such claim is brought by Hitachi, Mitsubishi, parties to the Eagle Consortium, or any successor in interest to any intellectual property identified in (a), (b) and (c) herein. Seller agrees to pay all costs, expenses and fees arising out of defense and investigation of such claim, including any and all damages award or settlement amount resulting therefrom. In the event an injunction is obtained against activities of Buyer or its subsidiaries, Seller shall use all commercially reasonable efforts to procure for Buyer the right to continue the activities which resulted in the claim.

6.34 Transfers of Acquired Intellectual Property. To permit Buyer to specifically document the assignment of specific items of Intellectual Property transferred to Buyer as Acquired Intellectual Property, or to facilitate the recordation of such assignments, the parties agree that it is desirable to have specific documents of assignment. Accordingly, attached hereto as Exhibit N is an "Assignment of Trademarks" currently recognized to be included within Acquired Intellectual Property. To the extent that additional trademarks may be identified within the Acquired Intellectual Property, the parties agree that an assignment in the form of Exhibit N may be utilized to document such assignment. Similarly, attached hereto as Exhibit O is a "Form of Copyright Assignment" which the parties agree is appropriate for use to document the assignment(s) of Copyrights included within Acquired Intellectual Property, as agreed upon by the parties subsequent to Closing.

6.35 Backlog. Backlog of DRAM products on the books of the Seller Group as of the Closing Date and scheduled for delivery to any Seller Group customer (other than distributors) within thirty (30) days of the Closing Date shall, to the extent such commitments were entered into in the normal course of the Business consistent with past practices, become backlog of Buyer or one of its Subsidiaries, which shall honor applicable price, quantities and delivery dates; provided that if Buyer or its Subsidiary reasonably determines that price, quantities, delivery dates, credit or payment terms associated with such backlog are not consistent with its

customary policies and Buyer or its Subsidiary is unable to negotiate acceptable terms with such customer, Buyer or its Subsidiary may reject such backlog. Backlog scheduled for delivery to, and DRAM inventory held at, the common distributors designated in the letter agreements attached hereto as Exhibit P shall be treated in accordance with the provisions of such letter agreements. The Seller Group shall exercise commercially reasonable efforts to avoid scheduling backlog for delivery within five (5) Business Days of the Closing Date.

Section 36. Section 6.6 of the Acquisition Agreement is amended by deleting Section 6.6 in its entirety and by replacing it with the following:

6.6 Italian Operations.

(a) Buyer shall cause employment levels in Italian Newco to remain substantially equivalent to the level of employment as of the Closing Date for a period commencing on the Closing Date and terminating on the earlier to occur of (x) the publication in the Italian Official Gazette of a CIPE resolution stating that investment under the 1989 Program Contract is complete (the "Publication Date") or (y) 18 months after the Closing Date; provided, however, that -------- -------
Italian Newco shall be entitled to terminate Italian Newco employees for good reason and shall be allowed to reduce employment levels through Italian Newco employee attrition; provided, further, that in -------- -------
all events Buyer shall cause Italian Newco to maintain levels of employment consistent with the minimum requirements under the 1989 Program Contract (i.e. 1,270 employees) during such period. Buyer shall cause employment levels in Italian Newco to remain at least equal to the Required Employment Levels as in effect from time to time for a period commencing on the earlier of (i) the Publication Date and (ii) 18 months after the Closing Date and terminating 30 months from the Closing Date. The restrictions in this Section 6.6(a) shall not apply to Buyer or any of its affiliates to the extent Buyer or its affiliates obtain appropriate approvals from competent Italian Governmental Agencies permitting or otherwise authorizing the reduction or elimination of the Required Employment Levels but only to the extent of such reduction or elimination. For purposes of this Agreement, "Required Employment Levels" means, on any particular date, the number of Italian employees that Italian Newco is required to employ at such date in accordance with the Ministerial Decrees issued by the Italian Ministry of Treasury, Budget and Economic Programming in connection with subsidies granted under the 1989 Program Contract.

(b) Buyer shall not sell or dispose of any item of Restricted Equipment for a period commencing on the Closing Date and terminating on the earlier to occur of (x) the Equipment Restriction Expiration Date for that particular item of Restricted Equipment or (y) thirty (30) months after the Closing Date, unless Buyer replaces such Restricted Equipment with equipment more technologically advanced and with greater book value; provided, however, that in no event shall any -------- -------
restriction extend

beyond 30 months; provided, further, that the restrictions in this
Section 6.6(b) shall not apply to Buyer or its Affiliates with respect to any item of Restricted Equipment to the extent Buyer or its Affiliates obtains approval in accordance with Article 8 of the Gaspari Decree permitting such sale or disposition. For purposes of this Agreement, (A) "Restricted Equipment" means equipment constituting Acquired Assets subject to use restrictions under Article 8 of the Gaspari Decree, and (B) "Equipment Restriction Expiration Date" means, with respect to any item of Restricted Equipment, the date on which the restrictions under Article 8 of the Gaspari Decree lapse or otherwise become inapplicable to such item of Restricted Equipment.

(c) For a period commencing on the Closing Date and terminating on the earlier to occur of (x) the Facility Restriction Expiration Date for any particular Restricted Facility Portion or (y) 30 months after the Closing Date, Buyer shall use such Restricted Facility Portion for the manufacture of electronics products at levels of activity that in the aggregate are substantially consistent with activity levels at the Closing Date, taking into account the contemplated conversion of the 6-inch line to the 8-inch line and the implementation of new technology provided, however, that in no event
shall any restriction extend beyond 30 months; provided, further, that
the restrictions in this Section 6.6(c) shall not apply to Buyer or any of its Affiliates with respect to any Restricted Facility Portion to the extent Buyer or its Affiliates obtain approval in accordance with Article 8 of the Gaspari Decree eliminating the restrictions with respect to that Restricted Facility Portion. For purposes of this Agreement, (A) "Restricted Facility Portion" means each portion of the facility located at Avezzano, Italy constituting Acquired Assets subject to the use restrictions under Article 8 of the Gaspari Decree, and (B) "Facility Restriction Expiration Date" means, with respect to each Restricted Facility Portion, the date on which all restrictions under Article 8 of the Gaspari Decree lapse or otherwise become inapplicable to such Restricted Facility Portion.

(d) In determining (i) the Required Employment Levels applicable from time to time, (ii) the Equipment Restriction Expiration Date with respect to any item of Restricted Equipment, and (iii) the Facility Restriction Expiration Date with respect to any Restricted Facility Portion for purposes of this Section 6.6, Buyer shall be entitled to rely on the books and records included in the Acquired Assets relating to the operations at Avezzano, and Buyer's good faith determination thereof shall be conclusive and binding. Buyer shall, and shall cause its Affiliates to, retain such books and records and afford Seller and its representatives access thereto in accordance with Section 6.28.

(e) Seller shall cause all bank Liens on the Acquired Assets in Italy arising with respect to the indebtedness described in item 1 of Exhibit J hereto (the "Avezzano Debt") to be fully released within six months from the Closing Date and in

no event shall any such Liens constitute Permitted Liens notwithstanding anything to the contrary contained herein or in the Seller Disclosure Letter.

(f) If at any time prior to the date 30 months following the Closing Date, the Italian government fails to pay interest subsidies in respect of the Avezzano Debt when due or within any applicable grace periods, Buyer shall pay Seller or its designee, promptly on demand, (x) 50% of any additional interest Seller or any of its Affiliates is required to pay as a result thereof, and (y), without duplication, 50% of any amounts paid by Seller of any of its Affiliates in connection with the prepayment or acceleration of the Avezzano Debt, provided that the aggregate amount payable by Buyer pursuant to this Section 6.6(f) shall not exceed $30 million.

(g) Buyer shall, and shall cause its Affiliates to, provide to the Italian Ministry of Treasury, Budget and Economic Programming reasonable access to their facilities, books, records, auditors, employees and agents in order to allow the completion of any verification and audits relating to the 1989 Program Contract.

Section 37. Section 6.7 of the Acquisition Agreement is amended by deleting Section 6.7 in its entirety and by replacing it with the following:

6.7 Transition Services Agreement. Seller and Buyer shall execute and deliver each Transition Services Agreement.

Section 38. Sections 6.10, 6.11 and 6.12 of the Acquisition Agreement are amended by deleting such Sections 6.10, 6.11 and 6.12 in their entirety and replacing them with the following:

6.10 Seller Disclosure Letter. On or prior to the Closing Date, Seller shall deliver to Buyer the Seller Disclosure Letter which shall include all of Seller's disclosure schedules contemplated by this Agreement. The Seller Disclosure Letter shall make specific reference to only that particular Section (or, with respect to representations and warranties, that particular subsection) as to which each disclosure schedule included therein relates and, to the extent any disclosure schedule included therein relates to more than one Section (or more than one representation and warranty), then such disclosure schedule shall include a specific cross-reference to the other Sections (or other representations and warranties) to which such disclosure schedule relates.

6.11 Buyer Disclosure Letter. On or prior to the Closing Date, Buyer shall deliver to Seller the Buyer Disclosure Letter which shall include all of Buyer's disclosure schedules contemplated by this Agreement. The Buyer Disclosure Letter shall make specific reference to only that particular Section (or, with respect to representations and warranties, that particular subsection) as to which each disclosure schedule included therein relates and, to the extent any disclosure schedule included

therein relates to more than one Section (or more than one representation or warranty), then such disclosure schedule shall include a specific cross-reference to the other Sections (or other representations and warranties) to which such disclosure schedule relates.

6.12 JV Amendments. On or prior to the Closing Date, Buyer and Seller shall use commercially reasonable efforts to cause the JV Amendments to be duly executed, delivered, and in full force and effect, and the transactions contemplated to occur thereunder on or prior to the Closing to occur on or prior to the Closing.

Section 39. Section 6.25 of the Acquisition Agreement is amended by adding the following language at the end thereof:

(e) Buyer hereby agrees to waive any claim that Buyer may have against Seller arising out of: (i) Seller's manufacture and sale of Low Density Flash, EPROM, Field Memory or PTEC products (collectively "Waived Products"), (ii) Seller's sale of products fabricated based upon Flash-type EPROM Wafers-in-Process originating in Seller's Avezzano facility on or before the Closing Date (including completed devices in inventory); and (iii) Seller's sale of 1 Meg and 4 Meg DRAM devices in inventory as of the Closing Date, not to exceed 350,000 devices total ("DRAM" in this subsection (iii) shall not include Field Memory), where such claim is based on a violation of the Covenant Not to Compete in Section 6.25 of this Agreement. To the extent the manufacture or sale of any product is permitted by the foregoing waiver (i.e., such product is a Waived Product; a Flash-type EPROM under subsection (ii) above; or a DRAM under subsection (iii) above), such product shall be deemed a Licensed Product under the Cross License Agreement attached as Exhibit C to this Agreement. This waiver shall apply without regard to the fabrication facility utilized by Seller in the manufacture of Waived Products, provided that Seller has an ownership interest either directly or through a wholly owned subsidiary in any such fabrication facility so utilized of fifty percent (50%) or more.

(f) Seller shall have the right to transfer to a third party the entirety of its manufacturing operations relating to any one of the Waived Products (whether or not equipment or facilities are included in such transfer), and in connection with such transfer Seller shall transfer or terminate its contractual commitments, relating to such Waived Products; and, without otherwise diminishing the provisions of Section 6.15, in the event of such transfer as to a Waived Product, Buyer grants to Seller the right to sublicense to such transferee Acquired Intellectual Property that is licensed to Seller pursuant to Section 6.15(b) and that is directly related to and used in the manufacturing of such Waived Product, the scope of such sublicense being strictly limited to the manufacturing of such Waived Product.

(g) The waiver provided in this Section is personal to Seller, and in the event of such transfer, Buyer's waiver described herein shall terminate and shall subsequently be void as to such Waived Product. Nothing in the preceding sentence shall limit any sublicense rights granted in subsection (f) above.

(h) Except as expressly waived in this Section, the provisions of the Covenant not to Compete of Section 6.25 remain undiminished and in full force and effect. Seller agrees that Buyer's granting of the limited waiver and limited right to sublicense in this Section shall not be considered to or deemed to in any way establish any course of dealing between the parties; and further agrees that Buyer shall not in any way be obligated to grant any further waiver under the Covenant not to Compete or any further right to sublicense under Section 6.15(b) in the future.

(i) For purposes of this Section, the following definitions shall apply:

"Low Density Flash" as used herein shall mean: (a) Flash-type EPROM memory products having the density levels up to 4 megabits manufactured at Seller's facility in Lubbock, Texas as of the Closing Date and subject to lifetime buy orders deadlines no later than January 1, 1999.

"EPROM" shall mean erasable programmable read only memory products wherein erasure is accomplished through exposure to ultraviolet light; EPROM shall not include "Flash-type EPROM" memory products.

"Flash-type EPROM" (also known as "Flash-type EEPROM") shall mean non volatile, reprogrammable memory devices in which the storage cells include a floating gate, and in which erasure of the storage cells is achieved through application of electrical current.

"Field Memory" shall mean an application specific DRAM-based memory product specifically designed for use in consumer electronics applications and having dual I/O ports offering independent and asynchronous serial read/write with limited or no random accessing capabilities of the types manufactured by Seller as of the Closing Date, which Seller believes to be the following:

Devices	TI Part Number
4C2072 SSOP	TMS4C2072DT
4C2970 SSOP	TMS4C2970DT
4C2972 SSOP	TMS4C2972DT
4C2973 SSOP	TMS4C2973DT
4C2973 TSSOP	TMS4C2973DGL
4035 SSOP	

92040 CSP
92040 QFP
UvFM 4C397X

; so long as such products are within the technical description above and are products manufactured by Seller as of the Closing Date. In no event shall Field Memory include any product designed for use as main, cache or graphics memory in the PC or High Definition Television (HDTV) space.

"PTEC" shall mean a custom Low Density Flash product which consists of a flash core embedded within the control logic and bus interface logic required by the microcontroller or other processor devices and which is used within an engine control system, and which Seller sells to Ford Motor Company ("Ford") pursuant to a contract between Seller and Ford dated August 6, 1996; except that, without in any way limiting the definition of Low Density Flash, PTEC products shall not be subject to the lifetime buy order deadline of January 1, 1999 set forth in the definition of Low Density Flash.

Without limiting the above in any way, the definition of each of Field Memory and PTEC shall include, but not be limited to, any such product as it may be modified from time to time after the Closing to address customer-requested design changes and manufacturing maintenance requirements, provided such modified product is consistent in general form, functionality and operation with the specific products identified above in the pertinent definitions.

Section 40. Section 6.31(a) of the Acquisition Agreement is amended by deleting Section 6.31(a) in its entirety and replacing it with the following:

(a) For purposes of this Agreement, including Sections 2.1 and 2.2 hereof, "Transferred Contracts" shall mean each Contract to which Seller, any of its Subsidiaries or any of their Affiliates is a party primarily related to or primarily used in the Business (i) that was entered into in the ordinary course of business consistent with past practices and not of a type required to be listed in the Seller Disclosure Letter pursuant to Section 4.1 or 4.2 hereof, or (ii) listed on Schedule 6.31 to this Agreement (the "Transferred Contract Schedule"). The Transferred Contract Schedule shall be prepared by Buyer and delivered to Seller on or prior to the Closing Date and upon delivery thereof, such schedule shall become a part of this Agreement as if attached hereto as of the date hereof.

Section 41. Section 7.1(b) of the Acquisition Agreement is amended by deleting subclause (i) thereof in its entirety and replacing it with the following:

there are not pending or threatened any audits, examinations, assessments, asserted deficiencies or written claims for Taxes except as would not adversely affect the Acquired Assets or the Business

Section 42. Section 7.1(c) of the Acquisition Agreement is amended by adding, at the end thereof, the following:

, including, but not limited to, a "Section 24" election under the tax laws of Singapore.

Section 43. Section 7.1(e) of the Acquisition Agreement is amended by deleting the parenthetical phrase at the end thereof and replacing it with the following:

(other than Seller with respect to Taxes not related to or adversely affecting the Business or the Acquired Assets).

Section 44. Article VII of the Acquisition Agreement is amended by adding, immediately following Section 7.1(o), new Sections 7.1(p) and 7.1(q) as set forth below:

(p) Seller owns all right, title and interest in and to all of the issued and outstanding capital stock of Singapore Newco and Seller is the registered owner of such shares.

(q) Seller has caused Italian Operating Company to sell, transfer, assign and deliver to Seller, and Seller has purchased and accepted, all right, title and interest in and to all of the quota of Italian Newco; the purchase price for such quota was $301,087,000; appropriate steps have been taken to document the transfer of such sale to Seller and Seller is the beneficial and equitable owner of such quota and, after the making of any appropriate filings and registrations, will be the registered owner of such quota; and Seller has caused Italian Operating Company to assign, transfer, and deliver to Italian Newco the "Plafond" certification of Italian Operating Company and Italian Newco has accepted such assignment, transfer, and delivery and such "Plafond" certification is in full force and effect as of the date hereof.

Section 45. Section 8.1(a) of the Acquisition Agreement is amended by deleting, in its entirety, the following:

Notwithstanding the foregoing sentence, Italian Operating Company employees employed in the Business who are on maternity, disability or other employer-approved leave of absence as of the Closing Date shall only have their employment transferred as of the date, if any, upon which they return to work at Buyer's facility. From the Closing Date until the earlier to occur of (x) completion of the Italian government's final audit relating to the 1989 Program Contract, or (y) eighteen (18)

months after the Closing Date, Buyer shall cause employment levels in Italian Newco to remain substantially equivalent to the level of employment as of the Closing Date; provided, however, that Italian
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Newco shall be entitled to terminate Italian Newco employees for good reason and shall be allowed to reduce employment levels through Italian Newco employee attrition; provided, further, that in all
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events Buyer shall cause Italian Newco to maintain levels of employment consistent with the minimum requirements under the 1989 Program Contract (i.e. 1,270 employees) during such

Section 46. Section 8.1(b) of the Acquisition Agreement is amended by deleting, in its entirety, the following:

Notwithstanding the foregoing sentence, Singapore Operating Company employees employed in the Business who are on maternity, disability or other employer-approved leave of absence as of the Closing Date shall only have their employment transferred as of the date, if any, upon which they return to work at Buyer's facility.

Section 47. Section 8.1(c) of the Acquisition Agreement is amended to delete "(e)" immediately after the phrase "set forth in Section 8.1" in line 2.

Section 48. Section 8.2(a) of the Acquisition Agreement is amended by deleting Section 8.2(a) in its entirety and replacing it with the following:

(a) On the Closing Date, and thereafter while employed by Italian Newco, each Transferred Business Employee employed by Italian Newco shall continue, at Buyer's cost, to be covered by the Employee Benefit Plans under which they were covered immediately prior to the Closing Date that were established, maintained and sponsored solely at the Italian Operating Company level to the extent permitted by law and contract. On and after the Closing Date, Transferred Business Employees employed by Singapore Newco ("Singapore Transferred Business Employees") shall continue, at Buyer's cost, to be covered by the following Seller's Employee Benefit Plans through December 31, 1998: Group Term Life Insurance, Group Personal Accident Insurance, Group Hospitalization and Surgical Insurance, Major Medical Insurance and Workmen's Compensation Insurance. Except as set out in the immediately preceding sentence, Seller agrees to use commercially reasonable efforts to cause Singapore Operating Company to transfer the Employee Benefit Plans under which Singapore Transferred Business Employees were covered. immediately prior to the Closing Date to Singapore Newco.

Section 49. Section 8.2(b) of the Acquisition Agreement is amended by deleting the following:

; provided, however, that with respect to Transferred Business Employees located in Texas ("Texas Transferred Business Employees"), Buyer may elect in writing to Seller, but not less than thirty (30) days prior to the Closing Date (the "Buyer COBRA Election"), not to cover such employees under Buyer's group health and dental plans and instead require Seller to offer COBRA continuation coverage to the Texas Transferred Business Employees, with Buyer subsidizing the employees' cost of COBRA coverage of the Texas Transferred Business Employees who elect to receive COBRA coverage in the same dollar amount as Buyer subsidizes the premium payments of Buyer's similarly situated U.S. employees under Buyer's group health and dental plans. In the event Buyer elects to sue the Buyer COBRA Election, Buyer agrees to cover such Texas Transferred Business Employees as are still employed by Buyer under Buyer's group health and dental plans no later than January 1, 2000.

Section 50. Section 8.2(d) of the Acquisition Agreement is amended by adding the phrase "and COBRA" immediately following the phrase "(HIPAA)".

Section 51. Section 8.3 of the Acquisition Agreement is amended by deleting Section 8.3 in its entirety and replacing it with the following:

8.3 General Matters.

(a) Crediting of Service. Buyer, Italian Newco and Singapore Newco, as appropriate, shall credit each Transferred Business Employee with all service with Seller and its Affiliates prior to the Closing Date and with all amounts paid to each such Transferred Business Employee prior to the Closing Date to the extent that service or pay is relevant under any Employee Benefit Plan of Buyer, Italian Newco or Singapore Newco for purposes of determining eligibility to participate, vesting and benefit accrual.

(b) Credit of Deductible and Co-Payment Expenses. Buyer shall also provide Transferred Business Employees with credit under Buyer's Medical Plan and Dental Plan for deductible and co-payment amounts made by Transferred Business Employees under Seller's Medical and Dental Plans prior to the Closing Date in the plan years in which the Closing Date occurs. Seller agrees to provide deductible and co-payment information with respect to the Transferred Business Employees as soon as it practicable following the Closing Date to effectuate such crediting of deductibles and co-payment amounts. Seller agrees to provide Buyer with service commencement date and prior compensation information with respect to each potential Transferred Business Employee as soon as practicable after the date upon which this Agreement is executed.

(c) Pre-Existing Condition Limitation. Buyer shall provide

Transferred Business Employees with credit under Buyer's Medical Plan pre-existing condition limitation for time spent on Seller's Medical Plan.

(d) Cooperation. Commencing with the date upon which this

Agreement is executed, Seller and Buyer agree to cooperate fully with respect to the employment-related actions which are necessary or reasonably desirable to accomplish the transactions contemplated pursuant to this Agreement, including the provision of records and information as each may reasonably request (including job titles, short and long-term disability coverage, life insurance coverage, operator certification and workers' compensation records and information) and the making of all appropriate filings under the Law.

Section 52. Section 8.5(d) of the Acquisition Agreement is amended by replacing the word "whom" with the word "who".

Section 53. Sections 9.2(b), 9.2(c) and 9.2(g) are amended by deleting Sections 9.2(b), 9.2(c) and 9.2(g) in their entirety and replacing them with the following:

(b) JV Amendments. The JV Amendments shall be duly executed,
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delivered, in full force and effect and the transactions contemplated to occur on or prior to the Closing in accordance with the terms thereunder shall have occurred on or prior to the Closing Date.

(c) Transition Services Agreement. Each Transition Services

Agreement shall have been duly executed and delivered by Seller and shall be in full force and effect.

(g) Financing. TECH shall have received financing in an
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aggregate amount of $450 million on terms and conditions satisfactory to Buyer.

Section 54. Section 9.2 of the Acquisition Agreement is amended by adding, immediately following Section 9.2(k), new Section 9.2(1) as follows:

(l) Statutory Declaration. Buyer shall have received the

Statutory Declaration as defined under Singapore Law.

Section 55. Sections 9.3(b) and 9.3(c) are hereby amended by deleting Sections 9.3(b) and 9.3(c) in their entirety and replacing them with the following:

(b) JV Amendments. The JV Amendments shall be duly executed,
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delivered, in full force and effect and the transactions contemplated to occur on or

prior to the Closing in accordance with the terms thereunder shall have occurred on or prior to the Closing Date.

(c) Transition Services Agreement. Each Transition Service Agreement shall have been duly executed and delivered by Buyer and shall be in full force and effect.

Section 56. Section 10.2(c) is amended to add, immediately after "(B)" in line 3 before the reference to "10.2(a)(iii)" the following:

, arising under Section

Section 57. Article X is amended by adding, immediately following Section 10.11, new Sections 10.12 and 10.13 as follows:

10.12 Exclusive Remedy. The indemnification provisions of this Article X shall be the exclusive remedy available to any party hereto with respect to monetary damages in the event of any breach by any other party hereto of any representation, warranty, covenant or agreement set forth in this Agreement (other than any actions under Section 12.2 below).

10.13 Singapore Real Property Indemnification. Seller hereby agrees to indemnify, defend and hold harmless the Indemnified Buyer Group from and against, for, and in respect of any and all Claims and Losses asserted against, arising out of, relating to, imposed upon or incurred by any member of the Indemnified Buyer Group, directly or indirectly, by reason of or resulting from any delay or refusal by the Jurong Town Corporation (a body corporate incorporated under the Jurong Town Corporation Act and located in Jurong Town Hall, Jurong Town Hall Road, Singapore)("JTC") to issue a lease upon the amalgamation of the lots comprising each of the Singapore Properties (defined below), to the extent arising from, or in connection with any failure or delay, prior to the Closing Date, by the Seller, or any of its affiliates or TECH, to carry out any action, or take any step required by any of the covenants, stipulations and conditions contained in, or implied into, any of the written agreements, deeds, or instruments between JTC and any member of the Seller Group (collectively, the "Title Documents") as necessary to cause such lease to be issued in respect of, or relating to, the following properties (hereinafter "Singapore Properties"):

(A) The whole of Lot 1740 Town Subdivision 17 (also known as Private Lots A1627 and A1627 (a)) together with the buildings erected thereon and known as 990 Bendemeer Road, Singapore; and

(B) The whole of Lot 2801 (also known as Private Lot 12408) and Lot 2802 (also known as Private Lot 12408(a)) both of Mukin 13 together with the buildings erected thereon and known as No. 1 Woodlands Industrial Park D Street 1;

For the purposes of this Agreement, the term "Governmental Agency" shall be defined to include the Jurong Town Corporation. For purposes of this Agreement, Seller's indemnification obligation under this Section 10.13 shall be treated as a "Buyer Indemnified Claim" and shall be subject to the Threshold Amount and Maximum Amount set forth in Section 10.2(b) hereof.

The indemnification obligation set forth in this Section 10.13 shall in any event expire with respect to each of the Singapore Properties on the day that is thirty (30) days following the date of the issuance by the JTC of a lease to a member of the Indemnified Buyer Group for such property.

Section 58. Section 11.1 of the Agreement is amended by deleting Section 11.1 in its entirety and replacing it with the following:

11.1 Intentionally Omitted.

Section 59. Article XII of the Acquisition Agreement is amended to add, immediately following Section 12.13, new Section 12.14 as follows:

12.14 Royalty Bearing Products. Buyer and Seller hereby agree that the term "Royalty Bearing Products" as defined in Section 1.18 of the previous Semiconductor Cross License between Buyer and Seller having an effective date of January 1, 1994 (the "Previous Cross-License"), the term of which and the respective licenses granted under which expire December 31, 1998, shall not include any product manufactured at any facility transferred by Seller to Buyer pursuant to this Agreement, and that the term "Net Sales Billed" as defined in Section 1.20 of the Previous Cross-License shall not include any revenues of any kind derived as a result of Buyer's operation of the Business or any of the Acquired Assets.

Section 60. Seller agrees promptly following the Closing, but in no event later than 23 days after the date hereof, to supplement and reformat Section 4.1(e) of the Seller Disclosure Letter, as reasonably requested by Buyer, to be fully responsive to the requirements of Section 4.1(e) of the Agreement and Buyer agrees to negotiate such supplements and reformatting in good faith.

Section 61. THIS SECOND AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT GIVING EFFECT TO THE PRINCIPLES GOVERNING CONFLICTS OF LAW.

IN WITNESS WHEREOF, the undersigned have caused this Second Amendment to be executed as of the date first above written.

MICRON TECHNOLOGY, INC.

By: _____
Name:
Title:

TEXAS INSTRUMENTS INCORPORATED

By: _____
Name:
Title:

EXHIBIT 10.125

Micron Technology, Inc.

and

Norwest Bank Minnesota, National Association
Trustee

Second Supplemental Trust Indenture

Dated as of September 30, 1998

Supplementing that certain

Indenture

Dated as of June 15, 1997

Authorizing the Issuance and Delivery of

Subordinated Debt Notes

6-1/2% Convertible Subordinated Notes due October 1, 2005

TABLE OF CONTENTS

This Second Supplemental Trust Indenture, dated as of September 30, 1998 (the "Supplemental Indenture"), between Micron Technology, Inc., a corporation duly organized and existing under the laws of the State of Delaware (the "Company"), and Norwest Bank Minnesota, National Association, a national banking association organized and existing under the laws of the United States of America, as Trustee (the "Trustee"), supplementing that certain Indenture, dated as of June 15, 1997, between the Company and the Trustee (the "Indenture").

Recitals

A. The Company has duly authorized the execution and delivery of the Indenture to provide for the issuance from time to time of its unsecured debentures, notes, or other evidences of indebtedness to be issued in one or more series as provided for in the Indenture.

B. The Indenture provides that the Securities of each series shall be in substantially the form set forth in the Indenture, or in such other form as may be established by or pursuant to a Board Resolution or in one or more supplemental indentures thereto, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by the Indenture, and may have such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined to be required by the officers executing such securities, as evidenced by their execution thereof.

C. The Company and the Trustee have agreed that the Company shall issue and deliver, and the Trustee shall authenticate, Securities denominated "6-1/2% Convertible Subordinated Notes due October 1, 2005" (the "Notes") pursuant to the terms of this Supplemental Indenture and substantially in the form set forth below, in each case with such appropriate insertions, omissions, substitutions, and other variations as are required or permitted by the Indenture and this Supplemental Indenture, and with such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of such Securities.

[Form of Face of Security]

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

THE SECURITIES AND THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE BEEN ACQUIRED

FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SECURITIES AND THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITIES MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN OPINION OF COUNSEL SATISFACTORY TO MICRON AS TO THE AVAILABILITY OF AN EXEMPTION FROM REGISTRATION.

THE SECURITIES AND THE COMMON STOCK ISSUABLE UPON CONVERSION OF SUCH SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER, INCLUDING ANY SALE, PLEDGE OR OTHER HYPOTHECATION SET FORTH IN AN AGREEMENT DATED AS OF , 1998 BETWEEN MICRON AND TEXAS INSTRUMENTS INCORPORATED, A COPY OF WHICH AGREEMENT MAY BE OBTAINED AT NO COST BY WRITTEN REQUEST MADE BY THE HOLDER OF RECORD OF THIS CERTIFICATE TO THE SECRETARY OF MICRON AT MICRON'S PRINCIPAL EXECUTIVE OFFICES.

MICRON TECHNOLOGY, INC.

6-1/2% Convertible Subordinated Note due October 1, 2005

No. _____ $_____

Micron Technology, Inc., a corporation duly organized and existing under the laws of Delaware (herein called the "Company," which term includes any successor Person under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____, or registered assigns, the principal sum of _____ Dollars on October 1, 2005 and to pay interest thereon from September 30, 1998 or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually on April 1 and October 1 in each year, commencing April 1, 1999, at the rate of 6-1/2% per annum, until the principal hereof is paid or made available for payment. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the March 15 or September 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date, subject to the right of the Company to defer interest during an Extension Period. Any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities of this series not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

So long as no Event of Default under the Indenture has occurred and is continuing, the Company shall have the right at any time during the term of the Securities to defer interest payments from time to time by extending the interest payment period for successive periods (each, an "Extension Period") not exceeding 4 consecutive semi-annual interest payment periods for each such period; provided, that no Extension Period may extend beyond the Stated Maturity
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of the Securities. At the end of each Extension Period, the Company shall be responsible for the payment of, and the Company shall pay (subject to the exception set forth in the last two sentences of this paragraph) to the Person in whose name this Security is registered at the close of business on the Regular Record Date next preceding such payment date all interest then accrued and unpaid together with interest thereon compounded semi-annually at the rate specified for the Securities to the extent permitted by applicable law; provided, that during any Extension Period, the Company shall not, and shall not
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allow any of its Subsidiaries to, (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of the Company's capital stock or (ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees of indebtedness for money borrowed) of the Company that rank pari passu with or junior to the Notes (other than (a) any dividend, redemption, liquidation, interest, principal or guarantee payment by the Company where the payment is made by way of

securities (including capital stock) that rank pari passu with or junior to the securities on which such dividend, redemption, interest, principal or guarantee payment is being made, (b) purchases of the Company's Common Stock related to the issuance of the Company's Common Stock under any of the Company's benefit plans for its directors, officers or employees, (c) as a result of a reclassification of the Company's capital stock or the exchange or conversion of one series or class of the Company's capital stock for another series or class of the Company's capital stock, and (d) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged). Prior to the termination of any such Extension Period, the Company may further extend such Extension Period; provided, that such Extension Period together with all previous and further extensions thereof may not exceed 4 consecutive semi-annual interest payment periods and may not extend beyond the Stated Maturity of the Securities. Upon the termination of any Extension Period and the payment of all amounts then due, the Company may commence a new Extension Period, subject to the above requirements. No interest during an Extension Period shall be due and payable except at the end thereof. In the event that a Holder converts his or her Security (or portion thereof) within a period of 10 Business Days of the Stated Maturity of the Securities, such Holder will receive, in addition to the shares of Common Stock issuable upon conversion of such Security (or portion thereof) (including any cash paid for fractional shares as provided in Section 1403 of the Indenture), any accrued and unpaid interest that has accrued from the date of commencement of the Extension Period to the earlier to occur of (i) the date of termination of the Extension Period or (ii) the date of conversion. Any such payment shall be in lieu of the payment otherwise required to be made at the end of the Extension Period to the Holder of this Security in whose name this Security is registered at the close of business on the Regular Record Date next preceding the payment date for such interest.

The Company shall give written notice to the Trustee of its election to begin an Extension Period at least one Business Day prior to the earlier of (i) the Regular Record Date for the Interest Payment Date on the Securities that would have been payable but for the election to begin such Extension Period or (ii) if the Securities are listed on the New York Stock Exchange, Inc. ("NYSE") or other stock exchange or quotation system, the date the Company is required to give notice to the NYSE or other applicable self-regulatory organization or to Holders of the Securities of the Regular Record Date or the date such interest is payable.

Payment of the principal of (and premium, if any) and any interest on this Security will be made at Corporate Trust Office of the Trustee in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register.

Reference is hereby made to the further provisions of this Security set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

MICRON TECHNOLOGY, INC.

By:_____
Title:

Attest:

_____

The Trustee's certificates of authentication shall be in substantially the following form:

This is one of the Securities of the series designated herein referred to in the within-mentioned Indenture.

Dated:

NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION,
As Trustee

By:_____
Authorized Officer

FORM OF REVERSE OF SECURITY

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of June 15, 1997 (herein called the "Indenture," which term shall have the meaning assigned to it in such instrument), between the Company and Norwest Bank Minnesota, National Association, as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), and reference is hereby made to the Indenture and all indentures supplemental thereto for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee, the holders of Senior Debt and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof, limited in aggregate principal amount to $740,000,000.

The Securities will not be subject to redemption prior to October 3, 2000 and will be redeemable on and after such date at the option of the Company, in whole or in part, upon not less than 20 nor more than 60 days notice to the Holders, at the Redemption Prices (expressed as percen tages of the principal amount) set forth below; provided, however, that the Securities will not be
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redeemable following October 3, 2000 and before October 2, 2002 unless the Closing Price Per Share of the Company's Common Stock is at least 130% of the Conversion Price for at least 20

Trading Days within a period of 30 consecutive Trading Days ending within five Trading Days of the call for redemption.

The Redemption Price (expressed as a percentage of principal amount) is as follows for the twelve-month periods beginning on October 1 of the following years (beginning on October 3, 2000, and ending on September 30, 2001, in the case of the first such period):

Year	Redemption Price
2000.....	104.64%
2001.....	103.71%
2002.....	102.79%
2003.....	101.86%
2004.....	100.93%

and thereafter is equal to 100% of the principal amount, in each case together with accrued and unpaid interest (including any unpaid interest, compounded semi-annually, that has accrued during any Extension Period) to, but excluding, the Redemption Date; provided, however, that interest installments whose Stated
Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more Predecessor Securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.

In the event of redemption of this Security in part only, a new Security or Securities of this series and of like tenor for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

If a Change in Control occurs, the Holder of this Security, at the Holder's option, shall have the right, in accordance with the provisions of the Indenture, to require the Company to repurchase this Security (or any portion of the principal amount hereof that is $1,000 or any integral multiple of $1,000 in excess thereof, provided that the portion of the principal amount of this
Security to be Outstanding after such repurchase is at least equal to $1,000) for cash at a Repurchase Price equal to 100% of the principal amount thereof plus interest accrued to, but excluding, the Repurchase Date (including any unpaid interest, compounded semi-annually, that has accrued during any Extension Period). At the option of the Company, the Repurchase Price may be paid in cash or, subject to the conditions provided in the Indenture, by delivery of shares of Common Stock having a fair market value equal to the Repurchase Price. For purposes of this paragraph, the fair market value of shares of Common Stock shall be determined by the Company and shall be equal to 95% of the average of the Closing Prices Per Share for the five consecutive Trading Days immediately preceding the second Trading Day prior to the Repurchase Date. Whenever in this Security there is a reference, in any context, to the principal of any Security as of any time, such reference shall be deemed to include reference to the Repurchase Price payable in respect of such Security to the extent that such Repurchase Price is, was or would be so payable at such time, and express mention of the Repurchase Price in any provision of this Security shall not be construed as excluding the Repurchase Price so payable in those provisions of this Security when such express mention is not made; provided, however, that,
for the purposes of the succeeding paragraph, such reference shall be

deemed to include reference to the Repurchase Price only to the extent the Repurchase Price is payable in cash.

The indebtedness evidenced by this Security is, to the extent and in the manner provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Senior Debt of the Company, and this Security is issued subject to such provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to effectuate the subordination so provided and (c) appoints the Trustee as his or her attorney-in-fact for any and all such purposes.

The Indenture contains provisions for defeasance at any time of the entire indebtedness of this Security or certain restrictive covenants and Events of Default with respect to this Security, in each case upon compliance with certain conditions set forth in the Indenture.

Subject to the provisions of the Indenture, the Holder of this Security is entitled, at its option, at any time on or before October 1, 2005 (except that, in case this Security or any portion hereof shall be called for redemption or submitted for repurchase, such right shall terminate with respect to this Security or portion hereof, as the case may be, so called for redemption or submitted for repurchase, as the case may be, at the close of business on the first Business Day next preceding the date fixed for redemption or repurchase, as the case may be, as provided in the Indenture unless the Company defaults in making the payment due upon redemption or repurchase, as the case may be), to convert the principal amount of this Security (or any portion hereof which is $1,000 or an integral multiple thereof) into fully paid and non-assessable shares of the Common Stock of the Company, as said shares shall be constituted at the date of conversion, at the Conversion Rate of 16.6667 shares of Common Stock for each $1,000 principal amount of Securities, or at the adjusted Conversion Rate in effect at the date of conversion determined as provided in the Indenture, upon surrender of this Security, together with the conversion notice hereon duly executed, to the Corporate Trust Office of the Trustee accompanied (if so required by the Company) by instruments of transfer, in form satisfactory to the Company and to the Trustee, duly executed by the Holder or by its duly authorized attorney in writing. Such surrender (other than during an Extension Period) shall, if made during any period beginning at the close of business on a Regular Record Date and ending at the opening of business on the Interest Payment Date next following such Regular Record Date (unless this Security or the portion being converted shall have been called for redemption on a Redemption Date during the period beginning at the close of business on a Regular Record Date and ending at the opening of business on the first Business Day after the next succeeding Interest Payment Date, or if such Interest Payment Date is not a Business Day, the second such Business Day), also be accompanied by payment in funds acceptable to the Company of an amount equal to the interest payable on such Interest Payment Date on the principal amount of this Security then being converted. Subject to the aforesaid requirement for payment and, in the case of a conversion after the Regular Record Date next preceding any Interest Payment Date and on or before such Interest Payment Date, to the right of the Holder of this Security (or any Predecessor Security) of record at such Regular Record Date to receive an installment of interest (with certain exceptions provided in the Indenture), no adjustment is to be made on conversion for interest accrued hereon or for dividends on shares of Common Stock issued on conversion. If, during any Extension Period, this Security (or portion hereof) called for

redemption is surrendered for conversion, any accrued and unpaid interest on this Security (or portion hereof) as of the Interest Payment Date occurring on or immediately preceding the conversion date for this Security shall be paid in cash to the Holder surrendering such Security for conversion. The Company is not required to issue fractional shares upon any such conversion, but shall make adjustment therefor as provided in the Indenture. The Conversion Rate is subject to adjustment as provided in the Indenture. In addition, the Indenture provides that in case of certain consolidations or mergers to which the Company is a party or the sale of substantially all of the assets of the Company, the Indenture shall be amended, without the consent of any Holders of Securities, so that this Security, if then outstanding, will be convertible thereafter, during the period this Security shall be convertible as specified above, only into the kind and amount of securities, cash and other property receivable upon the consolidation, merger or sale by a holder of the number of shares of Common Stock into which this Security might have been converted immediately prior to such consolidation, merger or sale (assuming such holder of Common Stock failed to exercise any rights of election and received per share the kind and amount received per share by a plurality of non-electing shares). In the event of conversion of this Security in part only, a new Security or Securities for the unconverted portion hereof shall be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default with respect to Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of more than 50% in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

As provided in and subject to the provisions of the Indenture, the Holder of this Security shall not have the right to institute any proceeding with respect to the Indenture or for the appointment of a receiver or trustee or for any other remedy thereunder, unless such Holder shall have previously given the Trustee written notice of a continuing Event of Default with respect to the Securities of this series, the Holders of not less than 25% in principal amount of the Securities of this series at the time Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default as Trustee and offered the Trustee reasonable indemnity, and the Trustee shall not have received from the Holders of a majority in principal amount of Securities of this series at the time Outstanding a direction inconsistent with such request, and shall have failed to institute any such proceeding, for 60 days after receipt of such notice, request and offer of indemnity. The

foregoing shall not apply to any suit instituted by the Holder of this Security for the enforcement of any payment of principal hereof or any premium or interest hereon on or after the respective due dates expressed herein.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security Register, upon surrender of this Security for registration of transfer at the office or agency of the Company in any place where the principal of and any premium and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by, the Holder hereof or its attorney duly authorized in writing, and thereupon one or more new Securities of this series and of like tenor, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of $1,000 and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series and of like tenor of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription of the face of this Security, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common	UNIF GIT MIN ACT - _____
TEN ENT - as tenants by the entireties (Cust)	
JT TEN - as joint tenants with right of Uniform survivorship and not as tenants in common	Custodian _____ under (Minor) Gifts to Minors Act_____ (State)

Additional abbreviations may also be used though not in the above list.

CONVERSION NOTICE

To Micron Technology, Inc.:

The undersigned owner of this Security hereby irrevocably exercises the option to convert this Security, or portion hereof (which is $1,000 or an integral multiple thereof) below designated, into shares of Common Stock of the Company in accordance with the terms of the Indenture referred to in this Security, and directs that the shares issuable and deliverable upon the conversion, together with any check in payment for fractional shares and any Securities representing any unconverted principal amount hereof, be issued and delivered to the registered holder hereof unless a different name has been indicated below. If this Notice is being delivered (other than during an Extension Period) on a date after the close of business on a Regular Record Date and prior to the opening of business on the related Interest Payment Date (unless this Security or the portion thereof being converted has been called for redemption on a Redemption Date after the close of business on a Regular Record Date and prior to the opening of business on the first Business Day after the next succeeding Interest Payment Date, or if such Interest Payment Date is not a Business Day, the next such Business Day), this Notice is accompanied by payment, in funds acceptable to the Company, of an amount equal to the interest payable on such Interest Payment Date of the principal of this Security to be converted. If shares are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect hereto. Any amount required to be paid by the undersigned on account of interest accompanies this Security.

Principal Amount to be Converted
(in an integral multiple of $1,000, if less than all)

$ _____

Dated:_____

_____

_____

Signature(s) must be guaranteed by a qualified guarantor institution if shares of Common Stock are to be delivered, or Securities to be issued, other than to and in the name of the registered owner.

_____
Signature Guaranty

Fill in for registration of shares of Common Stock and Security if to be issued otherwise than to the registered Holder.

_____
(Name)

_____
Social Security or Other Taxpayer Identification Number

_____
(Address)

_____

ELECTION OF HOLDER TO REQUIRE REPURCHASE

(1) Pursuant to Section 601 of the Supplemental Indenture, the undersigned hereby elects to have this Security repurchased by the Company.

(2) The undersigned hereby directs the Trustee or the Company to pay it or _____ an amount in cash or, at the Company's election, Common Stock valued as set forth in the Indenture, equal to 100% of the principal amount to be repurchased (as set forth below), plus interest accrued to, but excluding, the Repurchase Date (including any unpaid interest, compounded semi-annually, that has accrued during any Extension Period), as provided in the Supplemental Indenture.

Dated:_____

_____

_____
Signature(s)

Signature(s) must be guaranteed by an Eligible Guarantor Institution with membership in an approved signature guarantee program pursuant to Rule 17Ad-15 under the Securities Exchange Act of 1943.

_____
Signature Guaranteed

Principal amount to be repurchased
(an integral multiple of $1,000): _____

Remaining principal amount following such repurchase
(not less than $1,000): _____

NOTICE: The signature to the foregoing Election must correspond to the Name as written upon the face of this Security in every particular, without alteration or any change whatsoever.

ARTICLE ONE
ISSUANCE OF NOTES.

Section 101 Issuance of Notes; Principal Amount; Maturity.

(a) On September 30, 1998, the Company shall issue and deliver to the Trustee, and the Trustee shall authenticate, Notes substantially in the form set forth above, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by the Indenture and this Supplemental Indenture, and with such letters, numbers, or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Notes, as evidenced by their execution of such Notes.

(b) The Notes shall be issued in the aggregate principal amount of $740,000,000 and shall mature on October 1, 2005.

Section 102 Interest on the Notes; Payment of Interest.

(a) The Notes shall bear interest at the rate of 6-1/2% per annum from September 30, 1998.

(b) The interest so payable, and punctually paid or duty provided for, on any Interest Payment Date shall, as provided in such Indenture, be paid to the Person in whose name a Note is registered at the close of business on the Regular Record Date for such interest, which shall be the March 15 or September 15 (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date, subject to the right of the Company to defer interest during an Extension Period pursuant to 102(c). Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name the Note is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Notes of this series not less than 10 calendar days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any Notes exchange on which the Notes of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture.

(c) So long as no Event of Default under the Indenture has occurred and is continuing, the Company shall have the right at any time during the term of the Notes to defer interest payments from time to time by extending the interest payment period for successive periods (each, an "Extension Period") not exceeding 4 consecutive semi-annual interest payment periods for each such period; provided, that no Extension Period may extend beyond the Stated Maturity
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of the Notes. At the end of each Extension Period, the Company shall be responsible for the payment of, and the Company shall pay (subject to the exception set forth in the last two sentences of this paragraph) to the Person in whose name this Security is registered at the close of business on the Regular Record Date next preceding such payment date all interest then accrued and unpaid together with interest thereon compounded semi-annually at the rate specified for the Notes to the extent permitted by applicable law; provided,
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that during any Extension Period, the Company shall not, and shall not

allow any of its Subsidiaries to, (i) declare or pay any dividends or distributions on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of the Company's capital stock or (ii) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees of indebtedness for money borrowed) of the Company that rank pari passu with or junior to the Notes (other than (a) any dividend, redemption, liquidation, interest, principal or guarantee payment by the Company where the payment is made by way of securities (including capital stock) that rank pari passu with or junior to the securities on which such dividend, redemption, interest, principal or guarantee payment is being made, (b) purchases of the Company's Common Stock related to the issuance of the Company's Common Stock under any of the Company's benefit plans for its directors, officers or employees, (c) as a result of a reclassification of the Company's capital stock or the exchange or conversion of one series or class of the Company's capital stock for another series or class of the Company's capital stock, and (d) the purchase of fractional interests in shares of the Company's capital stock pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged). Prior to the termination of any such Extension Period, the Company may further extend such Extension Period; provided, that such Extension Period together with all previous and
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further extensions thereof may not exceed 4 consecutive semi-annual interest payment periods and may not extend beyond the Stated Maturity of the Notes. Upon the termination of any Extension Period and the payment of all amounts then due, the Company may commence a new Extension Period, subject to the above requirements. No interest during an Extension Period shall be due and payable except at the end thereof. In the event that a Holder converts his or her Note (or portion thereof) within a period of 10 Business Days of the Stated Maturity of the Notes, such Holder will receive, in addition to the shares of Common Stock issuable upon conversion of such Note (or portion thereof) (including any cash paid for fractional shares as provided in Section 1403 of the Indenture), any accrued and unpaid interest that has accrued from the date of commencement of the Extension Period to the earlier to occur of (i) the date of termination of the Extension Period or (ii) the date of conversion. Any such payment shall be in lieu of the payment otherwise required to be made at the end of the Extension Period to the Holder of this Security in whose name this Security is registered at the close of business on the Regular Record Date next preceding the payment date for such interest.

The Company shall give written notice to the Trustee of its election to begin such Extension Period at least one Business Day prior to the earlier of (i) the Regular Record Date for the Interest Payment Date on the Notes that would have been payable but for the election to begin such Extension Period or (ii) if the Notes are listed on the New York Stock Exchange, Inc. ("NYSE") or other stock exchange or quotation system, the date the Company is required to give notice to the NYSE or other applicable self-regulatory organization or to Holders of the Notes of the Regular Record Date or the date such interest is payable.

(d) Payment of the principal of (and premium, if any) and any interest on the Notes shall be made at the Corporate Trust Office of the Trustee in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address appears in the Security Register.

ARTICLE TWO
CERTAIN DEFINITIONS.

Section 201 Certain Definitions.

The terms defined in this Section 201 (except as herein otherwise expressly provided or unless the context of this Supplemental Indenture otherwise requires) for all purposes of this Supplemental Indenture and of any indenture supplemental hereto have the respective meanings specified in this Section 201. All other terms used in this Supplemental Indenture that are defined in the Indenture or the Trust Indenture Act, either directly or by reference therein (except as herein otherwise expressly provided or unless the context of this Supplemental Indenture otherwise requires), have the respective meanings assigned to such terms in the Indenture or the Trust Indenture Act, as the case may be, as in force at the date of this Supplemental Indenture as originally executed.

"Change of Control" has the meaning specified in Section 604 of this Supplemental Indenture.

"Closing Price Per Share" means, with respect to the Common Stock of the Company, for any day, the reported last sales price regular way per share or, in case no such reported sale takes place on such day, the average of the reported closing bid and asked prices regular way, in either case (i) on the New York Stock Exchange as reported in The Wall Street Journal (or other similar newspaper) for New York Stock Exchange Composite Transactions or, if the Common Stock is not listed or admitted to trading on such Exchange, on the principal (as determined by the Company's Board of Directors) national securities exchange on which the Common Stock is listed or admitted to trading or (ii) if not listed or admitted to trading on any national securities exchange, on the Nasdaq National Market, or, if the Common Stock is not listed or admitted to trading on any national securities exchange or quoted on the Nasdaq National Market, the average of the closing bid and asked prices in the over-the-counter market as furnished by any New York Stock Exchange member firm selected from time to time by the Company for that purpose. If no such prices are available, the Closing Price Per Share shall be the fair value of a share as determined by the Board of Directors of the Company.

"Conversion Price" shall equal $1,000 divided by the Conversion Rate.

"Conversion Rate" has the meaning specified in Section 501 of this Supplemental Indenture.

"Extension Period" has the meaning specified in Section 102(c) of this Supplemental Indenture.

"Purchased Shares" has the meaning specified in Section 502(6) of this Supplemental Indenture.

"Record Date" shall mean any Regular Record Date or any Special Record Date.

"Redemption Date", when used with respect to any Note to be redeemed, means the date fixed for such redemption by or pursuant to this Supplemental Indenture.

"Redemption Price", when used with respect to any Note to be redeemed, means the price at which it is to be redeemed pursuant to this Supplemental Indenture.

"Repurchase Date" has the meaning specified in Section 601 of this Supplemental Indenture.

"Repurchase Price" has the meaning specified in Section 601 of this Supplemental Indenture.

"Trading Days" means (i) if the Common Stock is listed or admitted for trading on any national securities exchange, days on which such national securities exchange is open for business or (ii) if the Common Stock is quoted on the Nasdaq National Market or any similar system of automated dissemination of quotations of securities prices, days on which trades may be made on such system or (iii) if the Common Stock is not listed or admitted to trading on any national securities exchange or quoted on the Nasdaq National Market or similar system, days on which the Common Stock is traded regular way in the over-the-counter market and for which a closing bid and a closing asked price for the Common Stock are available.

ARTICLE THREE
CERTAIN COVENANTS.

The following covenant shall be applicable to the Company for so long as any of the Notes are outstanding. Nothing in this paragraph will, however, affect the Company's obligations under any provision of the Indenture or, except for Article Three hereof, this Supplemental Indenture.

Section 301 Registration and Listing.

The Company (i) will effect all registrations with, and obtain all approvals by, all governmental authorities that may be necessary under any United States Federal or state law (including the Securities Act, the Exchange Act and state securities and Blue Sky laws) before the shares of Common Stock issuable upon conversion of Notes may be lawfully issued and delivered, and thereafter publicly traded, and qualified or listed as contemplated by clause (ii); and (ii) will list the shares of Common Stock required to be issued and delivered upon conversion of the Notes prior to such issuance or delivery on The New York Stock Exchange or such other exchange or automated quotation as the Common Stock is then listed at such date of conversion.

ARTICLE FOUR
REDEMPTION OF NOTES

Section 401 Right of Redemption.

The Notes may be redeemed in accordance with the provisions of the form of Security set forth herein.

ARTICLE FIVE
CONVERSION OF NOTES

Section 501 Conversion Privilege and Conversion Rate.

Subject to and upon compliance with the provisions of this Article, at the option of the Holder thereof, any Note may be converted into fully paid and nonassessable shares (calculated as to each conversion to the nearest 1/10,000 of a share) of Common Stock of the Company at the Conversion Rate, determined as hereinafter provided, in effect at the time of conversion. Such conversion right shall commence immediately and expire at the close of business on October 1, 2005, subject, in the case of the conversion of any Global Security, to any applicable book-entry procedures of the Depositary therefor. In case a Note is called for redemption at the election of the Company or the Holder thereof exercises his right to require the Company to repurchase the Note, such conversion right in respect of the Note shall expire at the close of business on the Business Day next preceding the Redemption Date or the Repurchase Date (as defined in Article Six), as the case may be, unless the Company defaults in making the payment due upon redemption or repurchase, as the case may be (in each case subject as aforesaid to any applicable book entry procedures).

If, during any Extension Period, a Note (or portion thereof) called for redemption is surrendered for conversion, any accrued and unpaid interest on such Note (or portion thereof) as of the Interest Payment Date occurring on or immediately preceding the conversion date for such Note (or portion thereof) shall be paid in cash to the Holder surrendering such Note for conversion.

The rate at which shares of Common Stock shall be delivered upon conversion (herein called the "Conversion Rate") shall be initially 16.6667 shares of Common Stock for each $1,000 principal amount of Notes. The Conversion Rate shall be adjusted in certain instances as provided in this Article Five.

Section 502 Adjustment of Conversion Rate.

The rate at which shares of Common Stock shall be delivered upon conversion (herein called the "Conversion Rate") shall be initially 16.6667 shares of Common Stock for each $1,000 principal amount of Notes. The Conversion Rate shall be subject to adjustment from time to time as follows:

(1) In case the Company shall pay or make a dividend or other distribution on Common Stock payable in shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such dividend or other distribution shall be increased by dividing such Conversion Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination and the denominator shall be the sum of such number of shares and the total number of shares constituting such dividend or other distribution,

such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. If, after any such date fixed for determination, any dividend or distribution is not in fact paid, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to pay such dividend or distribution, to the Conversion Rate that would have been in effect if such determination date had not been fixed. For the purposes of this paragraph (1), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not pay any dividend or make any distribution on shares of Common Stock held in the treasury of the Company.

(2) In case the Company shall issue rights, options or warrants to all holders of its Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the current market price per share (determined as provided in paragraph (8) of this Section 502) of the Common Stock on the date fixed for the determination of stockholders entitled to receive such rights, options or warrants (other than any rights, options or warrants that by their terms will also be issued to any Holder upon conversion of a Note into shares of Common Stock without any action required by the Company or any other Person), the Conversion Rate in effect at the opening of business on the day following the date fixed for such determination shall be increased by dividing such Conversion Rate by a fraction of which the numerator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock which the aggregate of the offering price of the total number of shares of Common Stock so offered for subscription or purchase would purchase at such current market price and the denominator shall be the number of shares of Common Stock outstanding at the close of business on the date fixed for such determination plus the number of shares of Common Stock so offered for subscription or purchase, such increase to become effective immediately after the opening of business on the day following the date fixed for such determination. If, after any such date fixed for determination, any such rights, options or warrants are not in fact issued, or are not exercised prior to the expiration thereof, the Conversion Rate shall be immediately readjusted, effective as of the date such rights, options or warrants expire, or the date the Board of Directors determines not to issue such rights, options or warrants, to the Conversion Rate that would have been in effect if the unexercised rights, options or warrants had never been granted or such determination date had not been fixed, as the case may be. For the purposes of this paragraph (2), the number of shares of Common Stock at any time outstanding shall not include shares held in the treasury of the Company but shall include shares issuable in respect of scrip certificates issued in lieu of fractions of shares of Common Stock. The Company will not issue any rights, options or warrants in respect of shares of Common Stock held in the treasury of the Company.

(3) In case outstanding shares of Common Stock shall be subdivided into a greater number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such subdivision becomes effective shall be proportionately increased, and, conversely, in case outstanding shares of Common Stock shall each be combined into a smaller number of shares of Common Stock, the Conversion Rate in effect at the opening of business on the day following the day upon which such combination becomes effective shall be propor tionately reduced, such increase or reduction, as the case may be, to become effective immediately

after the opening of business on the day following the day upon which such subdivision or combination becomes effective.

(4) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock evidences of its indebtedness, shares of any class of capital stock, or other property (including securities, but excluding (i) any rights, options or warrants referred to in paragraph (2) of this Section, (ii) any dividend or distribution paid exclusively in cash, (iii) any dividend or distribution referred to in paragraph (1) of this Section) the Conversion Rate shall be adjusted so that the same shall equal the rate determined by dividing the Conversion Rate in effect immediately prior to the close of business on the date fixed for the determination of stockholders entitled to receive such distribution by a fraction of which the numerator shall be the current market price per share (determined as provided in paragraph (8) of this Section 502) of the Common Stock on the date fixed for such determination less the then fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution filed with the Trustee) of the portion of the assets, shares or evidences of indebtedness so distributed applicable to one share of Common Stock and the denominator shall be such current market price per share of the Common Stock, such adjustment to become effective immediately prior to the opening of business on the day following the date fixed for the determination of stockholders entitled to receive such distribution. If, after any such date fixed for determination, any such distribution is not in fact made, the Conversion Rate shall be immediately readjusted, effective as of the date the Board of Directors determines not to make such distribution, to the Conversion Rate that would have been in effect if such determination date had not been fixed.

(5) In case the Company shall, by dividend or otherwise, distribute to all holders of its Common Stock cash (excluding any cash that is distributed as part of a distribution referred to in paragraph (4) of this Section) in an aggregate amount that, combined together with (I) the aggregate amount of any other cash distributions to all holders of its Common Stock made exclusively in cash within the 12 months preceding the date of payment of such distribution and in respect of which no adjustment pursuant to this paragraph (5) has been made and (II) the aggregate of any cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) of consideration payable in respect of any tender offer by the Company or any of its subsidiaries for all or any portion of the Common Stock concluded within the 12 months preceding the date of payment of such distribution and in respect of which no adjustment pursuant to paragraph (6) of this Section 502 has been made (the "combined cash and tender amount") exceeds 12.5% of the product of the current market price per share (determined as provided in paragraph (8) of this Section 502) of the Common Stock on the date for the determination of holders of shares of Common Stock entitled to receive such distribution times the number of shares of Common Stock outstanding on such date (the "aggregate current market price"), then, and in each such case, immediately after the close of business on such date for determination, the Conversion Rate shall be adjusted so that the same shall equal the rate determined by dividing the Conversion Rate in effect immediately prior to the close of business on the date fixed for determination of the stockholders entitled to receive such distribution by a fraction (i) the numerator of which shall be equal to the current market price per share (determined as provided in paragraph (8) of this Section 502) of the Common Stock on the date fixed for such determination less an amount equal to the quotient of (x) the excess of such combined cash and tender amount over such aggregate current

market price divided by (y) the number of shares of Common Stock outstanding on such date for determination and (ii) the denominator of which shall be equal to the current market price per share (determined as provided in paragraph (8) of this Section 502) of the Common Stock on such date for determination.

(6) In case a tender offer made by the Company or any Subsidiary for all or any portion of the Common Stock shall expire and such tender offer (as amended upon the expiration thereof) shall require the payment to stockholders (based on the acceptance (up to any maximum specified in the terms of the tender offer) of Purchased Shares (as defined below)) of an aggregate consideration having a fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution) that combined together with (I) the aggregate of the cash plus the fair market value (as determined by the Board of Directors, whose determination shall be conclusive and described in a Board Resolution), as of the expiration of such tender offer, of consideration payable in respect of any other tender offer by the Company or any Subsidiary for all or any portion of the Common Stock expiring within the 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to this paragraph (6) has been made and (II) the aggregate amount of any cash distributions to all holders of the Company's Common Stock within 12 months preceding the expiration of such tender offer and in respect of which no adjustment pursuant to paragraph (5) of this Section has been made (the "combined tender and cash amount") exceeds 12.5% of the product of the current market price per share of the Common Stock (determined as provided in paragraph (8) of this Section 502) as of the last time (the "Expiration Time") tenders could have been made pursuant to such tender offer (as it may be amended) times the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time, then, and in each such case, immediately prior to the opening of business on the day after the date of the Expiration Time, the Conversion Rate shall be adjusted so that the same shall equal the rate determined by dividing the Conversion Rate immediately prior to close of business on the date of the Expiration Time by a fraction (i) the numerator of which shall be equal to (A) the product of (I) the current market price per share of the Common Stock (determined as provided in paragraph (8) of this Section 502) on the date of the Expiration Time multiplied by (II) the number of shares of Common Stock outstanding (including any tendered shares) on the Expiration Time less (B) the combined tender and cash amount, and (ii) the denominator of which shall be equal to the product of (A) the current market price per share of the Common Stock (determined as provided in paragraph (8) of this Section 502) as of the Expiration Time multiplied by (B) the number of shares of Common Stock outstanding (including any tendered shares) as of the Expiration Time less the number of all shares validly tendered and not withdrawn as of the Expiration Time (the shares deemed so accepted up to any such maximum, being referred to as the "Purchased Shares").

(7) The reclassification of Common Stock into securities including other than Common Stock (other than any reclassification upon a consolidation or merger to which Section 1409 of the Indenture applies) shall be deemed to involve (a) a distribution of such securities other than Common Stock to all holders of Common Stock (and the effective date of such reclassification shall be deemed to be "the date fixed for the determination of stockholders entitled to receive such distribution" and "the date fixed for such determination" within the meaning of paragraph (4) of this Section), and (b) a subdivision or combination, as the case may be, of the number of shares of

Common Stock outstanding immediately prior to such reclassification into the number of shares of Common Stock outstanding immediately thereafter (and the effective date of such reclassification shall be deemed to be "the day upon which such subdivision becomes effective" or "the day upon which such combination becomes effective", as the case may be, and "the day upon which such subdivision or combination becomes effective" within the meaning of paragraph (3) of this Section 502).

(8) For the purpose of any computation under paragraphs (2), (4), (5) or (6) of this Section 502, the current market price per share of Common Stock on any date shall be calculated by the Company and be deemed to be the average of the daily Closing Prices Per Share for the five consecutive Trading Days selected by the Company commencing not more than 10 Trading Days before, and ending not later than, the earlier of the day in question and the day before the "ex" date with respect to the issuance or distribution requiring such computation. For purposes of this paragraph, the term "ex" date", when used with respect to any issuance or distribution, means the first date on which the Common Stock trades regular way in the applicable securities market or on the applicable securities exchange without the right to receive such issuance or distribution.

(9) No adjustment in the Conversion Rate shall be required unless such adjustment (plus any adjustments not previously made by reason of this paragraph (9)) would require an increase or decrease of at least one percent in such rate;

provided, however, that any adjustments which by reason of this paragraph (9)
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are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under this Article shall be made to the nearest cent or to the nearest one-hundredth of a share, as the case may be.

(10) The Company may make such increases in the Conversion Rate, for the remaining term of the Notes or any shorter term, in addition to those required by paragraphs (1), (2), (3), (4), (5) and (6) of this Section 502, as it considers to be advisable in order to avoid or diminish any income tax to any holders of shares of Common Stock resulting from any dividend or distribution of stock or issuance of rights or warrants to purchase or subscribe for stock or from any event treated as such for income tax purposes. The Company shall have the power to resolve any ambiguity or correct any error in this paragraph (10) and its actions in so doing shall, absent manifest error, be final and conclusive.

(11) Notwithstanding the foregoing provisions of this Section, no adjustment of the Conversion Rate shall be required to be made (a) upon the issuance of shares of Common Stock pursuant to any present or future plan for the reinvestment of dividends or (b) because of a tender or exchange offer of the character described in Rule 13e-4(h)(5) under the Exchange Act or any successor rule thereto.

(12) To the extent permitted by applicable law, the Company from time to time may increase the Conversion Rate by any amount for any period of time if the period is at least twenty (20) days, the increase is irrevocable during such period, and the Board of Directors shall have made a determination that such increase would be in the best interests of the Company, which determination shall be conclusive; provided, however, that no such increase shall be taken
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into account for purposes of determining whether the Closing Price Per Share of the Common Stock exceeds the Conversion Price by 105% in connection with an event which would otherwise be a

Change of Control pursuant to Section 604(4). Whenever the Conversion Rate is increased pursuant to the preceding sentence, the Company shall give notice of the increase to the Holders in the manner provided in Section 106 of the Indenture at least fifteen (15) days prior to the date the increased Conversion Rate takes effect, and such notice shall state the increased Conversion Rate and the period during which it will be in effect.

ARTICLE SIX
REPURCHASE OF NOTES AT THE OPTION OF THE HOLDER UPON A CHANGE OF CONTROL.

Section 601 Right to Require Repurchase.

In the event that a Change in Control (as hereinafter defined) shall occur, then each Holder shall have the right, at the Holder's option, but subject to the provisions of Section 602, to require the Company to repurchase, and upon the exercise of such right the Company shall repurchase, all of such Holder's Notes not theretofore called for redemption, or any portion of the principal amount thereof that is equal to $1,000 or any integral multiple of $1,000 in excess thereof (provided that no single Note may be repurchased in part unless
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the portion of the principal amount of such Note to be Outstanding after such repurchase is equal to $1,000 or integral multiples of $1,000 in excess thereof), on the date (the "Repurchase Date") that is 45 days after the date of the Company Notice (as defined in Section 603) at a purchase price equal to 100% of the principal amount of the Notes to be repurchased plus interest accrued to, but excluding, the Repurchase Date (including any unpaid interest that has accrued during the Extension Period) (the "Repurchase Price"); provided,
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however, that installments of interest on Notes whose Stated Maturity is on or
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prior to the Repurchase Date shall be payable to the Holders of such Notes, or one or more Predecessor Notes, registered as such on the relevant Record Date according to their terms and the provisions of Section 307 of the Indenture. Such right to require the repurchase of the Notes shall not continue after a discharge of the Company from its obligations with respect to the Notes in accordance with Article Four of the Indenture, unless a Change in Control shall have occurred prior to such discharge. At the option of the Company, the Repurchase Price may be paid in cash or, subject to the fulfillment by the Company of the conditions set forth Section 602, by delivery of shares of Common Stock having a fair market value equal to the Repurchase Price. Whenever in this Supplemental Indenture or the Indenture (including in the Form of Note, Section 101 of this Supplemental Indenture, and Sections 501(1) and 508 of the Indenture) there is a reference, in any context, to the principal of any Note as of any time, such reference shall be deemed to include reference to the Repurchase Price payable in respect of such Note to the extent that such Repurchase Price is, was or would be so payable at such time, and express mention of the Repurchase Price in any provision of this Supplemental Indenture shall not be construed as excluding the Repurchase Price in those provisions of this Supplemental Indenture or Indenture when such express mention is not made; provided, however, that for the purposes of Article Fifteen of the Indenture
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such reference shall be deemed to include reference to the Repurchase Price only to the extent the Repurchase Price is payable in cash.

Section 602 Conditions to the Company's Election to Pay the Repurchase Price in Common Stock.

The Company may elect to pay the Repurchase Price by delivery of shares of Common Stock pursuant to Section 601 if and only if the following conditions shall have been satisfied:

(1) The shares of Common Stock deliverable in payment of the Repurchase Price shall have a fair market value as of the Repurchase Date of not less than the Repurchase Price. For purposes of Section 601 and this Section 602, the fair market value of shares of Common Stock shall be determined by the Company and shall be equal to 95% of the average of the Closing Prices Per Share for the five consecutive Trading Days immediately preceding the second Trading Day prior to the Repurchase Date;

(2) The Repurchase Price shall be paid only in cash in the event any shares of Common Stock to be issued upon repurchase of Notes hereunder (i) require registration under any federal securities law before such shares may be freely transferrable without being subject to any transfer restrictions under the Securities Act upon repurchase and if such registration is not completed or does not become effective prior to the Repurchase Date, and/or (ii) require registration with or approval of any governmental authority under any state law or any other federal law before such shares may be validly issued or delivered upon repurchase and if such registration is not completed or does not become effective or such approval is not obtained prior to the Repurchase Date;

(3) Payment of the Repurchase Price may not be made in Common Stock unless such stock is, or shall have been, approved for listing on the New York Stock Exchange or quotation on the Nasdaq National Market, in either case, prior to the Repurchase Date; and

(4) All shares of Common Stock which may be issued upon repurchase of Notes will be issued out of the Company's authorized but unissued Common Stock and, will upon issue, be duly and validly issued and fully paid and non-assessable and free of any preemptive rights.

If all of the conditions set forth in this Section 602 are not satisfied in accordance with the terms thereof, the Repurchase Price shall be paid by the Company only in cash.

Section 603 Notices; Method of Exercising Repurchase Right, Etc.

(1) Unless the Company shall have theretofore called for redemption all of the Outstanding Notes, on or before the 30th day after the occurrence of a Change in Control, the Company or, at the request and expense of the Company on or before the 15th day after such occurrence, the Trustee, shall give to all Holders of Notes, in the manner provided in Section 106 of the Indenture, notice (the "Company Notice") of the occurrence of the Change in Control and of the repurchase right set forth herein arising as a result thereof. The Company shall also deliver a copy of such notice of a repurchase right to the Trustee.

Each notice of a repurchase right shall state:

(i) the Repurchase Date,

(ii) the date by which the repurchase right must be exercised,

(iii) the Repurchase Price, and whether the Repurchase Price shall be paid by the Company in cash or by delivery of shares of Common Stock,

(iv) a description of the procedure which a Holder must follow to exercise a repurchase right, and the place or places where such Notes, are to be surrendered for payment of the Repurchase Price and accrued interest, if any,

(v) that on the Repurchase Date the Repurchase Price, and accrued interest, if any, will become due and payable upon each such Note designated by the Holder to be repurchased, and that interest thereon shall cease to accrue on and after said date,

(vi) the Conversion Rate then in effect, the date on which the right to convert the principal amount of the Notes to be repurchased will terminate and the place or places where such Notes may be surrendered for conversion, and

(vii) the place or places that the Note certificate with the Election of Holder to Require Repurchase as specified in the form of Note shall be delivered.

No failure of the Company to give the foregoing notices or defect therein shall limit any Holder's right to exercise a repurchase right or affect the validity of the proceedings for the repurchase of Notes.

If any of the foregoing provisions or other provisions of this Article Six are inconsistent with applicable law, such law shall govern.

(2) To exercise a repurchase right, a Holder shall deliver to the Trustee on or before the 30th day after the date of the Company Notice (i) written notice of the Holder's exercise of such right, which notice shall set forth the name of the Holder, the principal amount of the Notes to be repurchased (and, if any Note is to repurchased in part, the serial number thereof, the portion of the principal amount thereof to be repurchased and the name of the Person in which the portion thereof to remain Outstanding after such repurchase is to be registered) and a statement that an election to exercise the repurchase right is being made thereby, and, in the event that the Repurchase Price shall be paid in shares of Common Stock, the name or names (with addresses) in which the certificate or certificates for shares of Common Stock shall be issued, and (ii) the Notes with respect to which the repurchase right is being exercised. Such written notice shall be irrevocable, except that the right of the Holder to convert the Notes with respect to which the repurchase right is being exercised shall continue until the close of business on the Business Day prior to the Repurchase Date.

(3) In the event a repurchase right shall be exercised in accordance with the terms hereof, the Company shall pay or cause to be paid to the Trustee the Repurchase Price in cash or shares of Common Stock, as provided above, for payment to the Holder on the Repurchase Date or, if shares of Common Stock are to be paid, as promptly after the Repurchase Date as practicable, together with accrued and unpaid interest to the Repurchase Date payable with respect to the Notes as to which the repurchase right has been exercised; provided, however, that installments of interest that mature on or prior to the Repurchase Date shall be payable in cash to the Holders of such Notes, or one or more Predecessor Securities, registered as such at the close of business on the relevant Regular Record Date.

(4) If any Note (or portion thereof) surrendered for repurchase shall not be so paid on the Repurchase Date, the principal amount of such Note (or portion thereof, as the case may be) shall, until paid, bear interest to the extent permitted by applicable law from the Repurchase Date at the rate of 6-1/2% per annum, and each Note shall remain convertible into Common Stock until the principal of such Note (or portion thereof, as the case may be) shall have been paid or duly provided for.

(5) Any Note which is to be repurchased only in part shall be surrendered to the Trustee (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and make available for delivery to the Holder of such Note without service charge, a new Note or Notes, containing identical terms and conditions, each in an authorized denomination in aggregate principal amount equal to and in exchange for the unrepurchased portion of the principal of the Note so surrendered.

(6) Any issuance of shares of Common Stock in respect of the Repurchase Price shall be deemed to have been effected immediately prior to the close of business on the Repurchase Date and the Person or Persons in whose name or names any certificate or certificates for shares of Common Stock shall be issuable upon such repurchase shall be deemed to have become on the Repurchase Date the holder or holders of record of the shares represented thereby; provided, however, that any surrender for repurchase on a date when the stock transfer books of the Company shall be closed shall constitute the Person or Persons in whose name or names the certificate or certificates for such shares are to be issued as the record holder or holders thereof for all purposes at the opening of business on the next succeeding day on which such stock transfer books are open. No payment or adjustment shall be made for dividends or distributions on any Common Stock issued upon repurchase of any Note declared prior to the Repurchase Date.

(7) No fractions of shares shall be issued upon repurchase of Notes. If more than one Note shall be repurchased from the same Holder and the Repurchase Price shall be payable in shares of Common Stock, the number of full shares which shall be issuable upon such repurchase shall be computed on the basis of the aggregate principal amount of the Notes so repurchased. Instead of any fractional share of Common Stock which would otherwise be issuable on the repurchase of any Note or Notes, the Company will deliver to the applicable Holder a check for the current market value of such fractional share. The current market value of a fraction of a share is determined by multiplying

the current market price of a full share by the fraction, and rounding the result to the nearest cent. For purposes of this Section, the current market price of a share of Common Stock is the Closing Price Per Share of the Common Stock on the Trading Day immediately preceding the Repurchase Date.

(8) Any issuance and delivery of certificates for shares of Common Stock on repurchase of Notes shall be made without charge to the Holder of Notes being repurchased for such certificates or for any tax or duty in respect of the issuance or delivery of such certificates or the Notes represented thereby; provided, however, that the Company shall not be required to pay any tax or duty
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which may be payable in respect of (i) income of the Holder or (ii) any transfer involved in the issuance or delivery of certificates for shares of Common Stock in a name other than that of the Holder of the Notes being repurchased, and no such issuance or delivery shall be made unless and until the Person requesting such issuance or delivery has paid to the Company the amount of any such tax or duty or has established, to the satisfaction of the Company, that such tax or duty has been paid.

(9) All Notes delivered for repurchase shall be delivered to the Trustee to be canceled at the direction of the Trustee, which shall dispose of the same as provided in Section 309 of the Indenture.

Section 604 Certain Definitions.

For purposes of this Article Six,

(1) the term "beneficial owner" shall be determined in accordance with Rule 13d-3, as in effect on the date of the original execution of this Supplemental Indenture, promulgated by the Commission pursuant to the Exchange Act;

(2) a "Change in Control" shall be deemed to have occurred at the time, after the original issuance of the Notes, of:

(i) the acquisition by any Person (including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act) of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of transactions, of shares of capital stock of the Company entitling such person to exercise 50% or more of the total voting power of all shares of capital stock of the Company entitled to vote generally in the elections of directors (any shares of voting stock of which such person or group is the beneficial owner that are not then outstanding being deemed outstanding for purposes of calculating such percentage), other than any such acquisition by the Company, any Subsidiary of the Company or any employee benefit plan of the Company existing on the date of this Supplemental Indenture; or

(ii) any consolidation of the Company with, or merger of the Company into, any other Person, any merger of another Person into the Company, or any sale or transfer of all or substantially all of the assets (other than to a wholly-owned subsidiary of the Company) of the Company to any other Person (other than (a) any such transaction pursuant to which the holders of

50% or more of the total voting power of all shares of capital stock of the Company entitled to vote generally in elections of directors immediately prior to such transaction have, directly or indirectly, at least 50% or more of the total voting power of all shares of capital stock of the continuing or surviving corporation entitled to vote generally in elections of directors of the continuing or surviving corporation immediately after such transaction and (b) a merger (x) which does not result in any reclassification, conversion, exchange or cancellation of outstanding shares of capital stock of the Company or (y) which is effected solely to change the jurisdiction of incorporation of the Company and results in a reclassification, conversion or exchange of outstanding shares of Common Stock into solely shares of common stock);

provided, however, that a Change in Control shall not be deemed to have occurred
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if either (a) the Closing Price Per Share of the Common Stock for any five Trading Days within the period of 10 consecutive Trading Days ending immediately after the later of the Change in Control or the public announcement of the Change in Control (in the case of a Change in Control under clause 604(2)(i) above) or the period of 10 consecutive Trading Days ending immediately before the Change in Control (in the case of a Change in Control under clause 604(2)(ii) above) shall equal or exceed 105% of the Conversion Price of the Notes in effect on each such Trading Day, or (b) all of the consideration (excluding cash payments for fractional shares and cash payments made pursuant to dissenters' appraisal rights) in a merger or consolidation constituting the Change in Control described in clause 604(2)(i) and/or clause 604(2)(ii) above consists of shares of common stock traded on a national securities exchange or quoted on the Nasdaq National Market (or will be so traded or quoted immediately following the Change in Control) and as a result of such transaction or transactions the Notes become convertible solely into such common stock.

(3) for purposes of Section 604(2)(i), the term "person" shall include any syndicate or group which would be deemed to be a "person" under Section 13(d)(3) of the Exchange Act, as in effect on the date of the original execution of this Supplemental Indenture.

Section 605 Consolidation, Merger, etc.

In the case of any consolidation, conveyance, sale, transfer or lease of all or substantially all of the assets of the Company to which Section 1409 applies, in which the Common Stock of the Company is changed or exchanged as a result into the right to receive shares of stock and other securities or property or assets (including cash) which includes shares of Common Stock of the Company or common stock of another Person that are, or upon issuance will be, traded on a United States national securities exchange or approved for trading on an established automated over-the-counter trading market in the United States and such shares constitute at the time such change or exchange becomes effective in excess of 50% of the aggregate fair market value of such shares of stock and other securities, property and assets (including cash) (as determined by the Company, which determination shall be conclusive and binding), then the Person formed by such consolidation or resulting from such merger or combination or which acquires the properties or assets (including cash) of the Company, as the case may be, shall execute and deliver to the Trustee a supplemental indenture (which shall comply with the Trust Indenture Act as in force at the date of execution of such supplemental indenture) modifying the provisions of this Supplemental Indenture relating to the right of Holders to cause the Company to repurchase the Notes following a Change in Control,

including without limitation the applicable provisions of this Article Six and the definitions of the Common Stock and Change in Control, as appropriate, and such other related definitions set forth herein as determined in good faith by the Company (which determination shall be conclusive and binding), to make such provisions apply in the event of a subsequent Change of Control to the common stock and the issuer thereof if different from the Company and Common Stock of the Company (in lieu of the Company and the Common Stock of the Company).

ARTICLE SEVEN
EVENT OF DEFAULT

Section 701 Event of Default.

In addition to the Events of Default set forth in Section 501 of the Indenture, the following will be an Event of Default under the Supplemental Indenture: any indebtedness under any bond, debenture, note or other evidence of indebtedness for money borrowed by the Company in a principal amount then outstanding in excess of $50,000,000 is not paid at final maturity thereof (either at its stated maturity or upon acceleration thereof), and such indebtedness is not discharged, or such acceleration is not rescinded or annulled, within a period of 30 days after there has been given, by registered or certified mail, to the Company by the Trustee or to the Company and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Notes a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder.

ARTICLE EIGHT
MISCELLANEOUS

Section 801 Applicability of Certain Indenture Provisions.

Each of the defeasance and covenant defeasance provisions of Article Thirteen of the Indenture shall apply to the Notes.

Section 802 Reference to and Effect on the Indenture.

This Supplemental Indenture shall be construed as supplemental to the Indenture and all the terms and conditions of this Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture. Except as set forth herein, the Indenture heretofore executed and delivered is hereby (i) incorporated by reference in this Supplemental Indenture and (ii) ratified, approved and confirmed.

Section 803 Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any term, provision, or condition set forth in Article Three hereof if the Holders of a majority in principal amount of the

outstanding Notes shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision, or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision, or condition shall remain in full force and effect.

Section 804 Supplemental Indenture May be Executed In Counterparts.

This instrument may be executed in any number of counterparts, each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

Section 805 Effect of Headings.

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed all as of the day and year first above written.

Micron Technology, Inc.

By:_____
Name: Steven R. Appleton
Title: Chairman of the Board of Directors,
Chief Executive Officer and President

Norwest Bank of Minnesota, National Association, as Trustee

By:_____
Name:
Title:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, REGISTRATION.

THIS NOTE IS SUBJECT TO THE TERMS OF A SECURITIES RIGHTS AND RESTRICTIONS AGREEMENT AMONG THE COMPANY AND CERTAIN OTHER PARTIES INCLUDING THE INITIAL HOLDER OF THIS NOTE. THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF ACKNOWLEDGES AND AGREES THAT IT IS BOUND BY THE TERMS OF SUCH AGREEMENT, INCLUDING, WITHOUT LIMITATION, A PROVISION THAT IT MAY NOT OFFER, SELL, ASSIGN, TRANSFER, PLEDGE, ENCUMBER OR OTHERWISE DISPOSE OF THIS NOTE OR ANY PORTION THEREOF OR INTEREST THEREIN TO ANY PERSON OTHER THAN (A) THE COMPANY, OR (B) PURSUANT TO A SALE TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A.

NOT LATER THAN 10 DAYS AFTER THE DATE OF ISSUANCE OF THIS NOTE, INFORMATION REGARDING THE ISSUE PRICE, AMOUNT OF ORIGINAL ISSUE DISCOUNT, ISSUE DATE AND YIELD TO MATURITY OF THIS NOTE WILL BE MADE AVAILABLE TO THE HOLDER OF THIS NOTE UPON REQUEST TO THE CHIEF FINANCIAL OFFICER OF THE COMPANY.

MICRON TECHNOLOGY, INC.

SUBORDINATED PROMISSORY NOTE

Due September 30, 2005

SN-1 Boise, Idaho
$210,000,000 September 30,1998

FOR VALUE RECEIVED, the undersigned, MICRON TECHNOLOGY, INC., a Delaware corporation (the "Company"), hereby promises to pay to the order of TEXAS INSTRUMENTS INCORPORATED, a Delaware corporation (together with its successors and assigns, "Holder" or "Holders"), the principal sum of Two Hundred Ten Million Dollars ($210,000,000) on September 30, 2005, with interest from the date hereof (or the last interest payment date as to which interest has been paid, if earlier) on the unpaid balance at a rate of six and one-half percent (6.5%) per annum. Accrued interest shall be payable semi-annually in arrears as

provided in Section 2.1 hereof. Interest shall be calculated based on a 365/366-day year and the actual days elapsed. Payments of both principal and interest are to be made in lawful money of the United States of America as provided herein.

This Note, together with any other substantially identical (except as to denomination and name of the holder thereof) subordinated promissory notes of the Company which may be issued from time to time upon partial transfer hereof, are in an aggregate principal amount equal to $210,000,000 (collectively, the "Notes"). As used herein, the term "Note" includes this Note and any Note issued in exchange for this Note or in replacement hereof. Notes shall only be issued in denominations of $10,000,000 or any integral multiple of $1,000,000 in excess thereof.

Each Note shall be dated the date of its issuance, shall bear interest from its date of issuance stated therein (or the last interest payment date as to which interest had been paid (or the date of issuance of the first Note to have been issued, if no interest has yet been paid), if earlier). The Notes shall otherwise be substantially identical, except as to denomination and name of the Holder thereof. The Notes shall be issued only in fully registered form and shall each be substantially in the form hereof, appropriately completed. The Notes may have such letters, numbers or other marks of identification and such legends or endorsements not included hereon placed thereon as may be required to comply with any law or with any rules made pursuant thereto or with the rules of any securities exchange or governmental agency or as may, consistently herewith, be determined by the Company, as conclusively evidenced by its execution of such Notes.

The following is a statement of the rights of the Holder of this Note and the conditions to which this Note is subject, and to which the Holder hereof, by the acceptance of this Note, agrees:

1. Definitions. The following terms, as used herein, have the following meanings:

"Bankruptcy Code" means Title 11 of the United States Code.

"Bankruptcy, Insolvency or Liquidation Proceeding" means (i) any case commenced by or against the Company under any chapter of the Bankruptcy Code, any other proceeding for the reorganization, recapitalization or adjustment or marshaling of the assets or liabilities of the Company, any receivership or assignment for the benefit of creditors relating to the Company or any similar case or proceeding relative to the Company or its creditors, as such, in each case whether or not voluntary, (ii) any liquidation, dissolution, marshaling of assets or liabilities or other winding up of or relating to the Company, in each case whether or not voluntary and whether or not involving bankruptcy or insolvency, and (iii) any other proceeding of any type or nature in which Claims against the Company generally are determined, proven or paid.

"Business Day" means each Monday, Tuesday, Wednesday, Thursday and Friday, which is not a day in which banking institutions in Boise, Idaho, Dallas, Texas or New York, New York are authorized or obligated by law or executive order to close.

"Claim" is used as defined in the Bankruptcy Code, whether or not, in the context in which it appears, a case under the Bankruptcy Code is pending.

"Convertible Notes" means the 2005 Convertible Notes and the 2004 Convertible Notes.

"Designated Senior Debt" means the Company's obligations under any particular Senior Debt in which the instrument creating or evidencing the same or the assumption or guarantee thereof (or related agreements or documents to which the Company is a party) expressly provides that such Senior Debt shall be "Designated Senior Debt" for purposes of this Note (provided that such instrument, agreement or other document may place limitations and conditions on the right of such Senior Debt to exercise the rights of Designated Senior Debt).

"Holder" or "Holders" has the meaning given in the second paragraph hereof.

"Indenture" means that Indenture, dated as of June 15, 1997, between the Company and Norwest Bank Minnesota, National Association, as trustee, together with all amendments and supplements thereto.

"Note" and "Notes" have the meanings given in the preamble hereto.

"Person" shall mean and include an individual, a partnership, a corporation (including a business trust), a joint stock company, a limited liability company, an unincorporated association, a joint venture or other entity or a governmental authority.

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

"Senior Debt" means the principal of (and premium, if any) and interest, if any (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company whether or not such claim for post-petition interest is allowed in such proceeding), on, rent with respect to, and all fees and other amounts payable in connection with, the following, whether absolute or contingent, secured or unsecured, due or to become due, outstanding on the date hereof or hereafter created, incurred or assumed: (a) indebtedness of the Company evidenced by a credit or loan agreement, note, bond, debenture or other written obligation, including without limiting the generality of the foregoing the Convertible Notes, (b) all obligations of the Company for money borrowed, (c) all obligations of the Company evidenced by a note or similar instrument given in connection with the acquisition of any businesses, properties or assets of any kind, (d) obligations of the Company (i) as lessee under leases required to be capitalized on the balance sheet of the lessee under generally accepted accounting principles, (ii) as lessee under other leases for facilities, equipment or related assets, whether or not capitalized, entered into or leased after the date hereof for financing purposes (as determined by the Company), (iii) under any lease or related document (including a purchase agreement) that provides that the Company is contractually obligated to purchase or cause a third party to purchase the leased property, and (iv)

under such lease or related document to purchase or to cause a third party to purchase such leased property, (e) all obligations of the Company under interest rate and currency swaps, caps, floors, collars, hedge agreements, forward contracts, or similar agreements or arrangements, (f) all obligations of the Company with respect to letters of credit, bankers' acceptances or similar facilities (including reimbursement obligations and standby or commitment fees with respect to any of the foregoing), (g) all obligations of the Company issued or assumed as the deferred purchase price of property or services (but excluding trade accounts payable arising in the ordinary course of business), (h) all obligations of the type referred to in clauses (a) through (g) above of another Person and all dividends of another Person, the payment of which, in either case, the Company has assumed or guaranteed (or in effect guaranteed through an agreement to purchase or otherwise (including, without limitation, "take or pay" and similar arrangements)), or for which the Company is responsible or liable, directly or indirectly, jointly or severally, as obligor, guarantor or otherwise, or which is secured by a lien on property of the Company, and all obligations of the Company with respect thereto, and (i) renewals, extensions, modifications, replacements, restatements and refundings of, or any indebtedness or obligation issued in exchange for, any such indebtedness or obligation described in clauses (a) through (h) of this paragraph; provided, however, that
Senior Debt shall not include the Notes or any such indebtedness or obligation if the terms of such indebtedness or obligation (or the terms of the instrument under which, or pursuant to which it is issued) expressly provide that such indebtedness or obligation is not superior in right of payment to the Notes.

"Subordinated Claims" means all present and future indebtedness and obligations of every type and description arising under or in respect of the Notes or other instrument, agreement, transaction, act or event in respect thereof and all other Claims in any manner based on, arising from or related to any such indebtedness or obligation, whether based on a contract or quasi-contract or founded on a tort or arising by law or otherwise.

"2004 Convertible Notes" means the Company's 7% Convertible Subordinated Notes due July 1, 2004 issued under the Indenture, as supplemented by the Supplemental Indenture dated as of June 15, 1997, between the Company and Norwest Bank Minnesota, National Association, as trustee.

"2005 Convertible Notes" means the Company's 6-1/2% Convertible Subordinated Notes due October 1, 2005 issued under the Indenture, as supplemented by that certain supplemental indenture dated as of September 30, 1998, between the Company and Norwest Bank Minnesota, National Association, as trustee.

2. Repayments and Payments of Principal and Interest on Notes.

2.1 Interest. Subject to the provisions of Section 6, interest is payable in arrears in cash on the last business day of each March 30 and September 30 beginning September 30, 1998. Payment of all amounts due under the Notes shall be made by mail to the registered address of each Holder, or if such Holder shall elect, by wire transfer to the account designated by such Holder of immediately available funds; provided, however, that for any Holder to receive its interest or

principal payments by wire transfer, the Company must receive such Holder's written bank wire transfer instructions by the record date (as defined below) for such payment. The Person in whose name any Note is registered at the close of business on the third business day prior to any interest or principal payment date (the "record date") shall be entitled to receive the interest, if any, payable on such interest payment date notwithstanding any transfer or exchange of such Note subsequent to the record date and prior to such interest or principal payment date.

2.2 Optional Prepayments of Notes. Subject to the provisions of Section 6, the Company may, at its option, prepay all or, from time to time, part of the principal amount of the Notes, without penalty or premium, together with interest on the principal amount so prepaid accrued to (but not including) the date fixed for such prepayment.

2.3 Allocation of Payments and Prepayments. Each payment or prepayment of principal of less than the entire unpaid principal amount of the Notes shall be allocated (in units of $1,000) by the Company among the Holders of the Notes at the time outstanding, in proportion, as nearly as practicable, to the respective aggregate unpaid principal amount of the Notes (not theretofore called for prepayment) then held by them, respectively, with adjustments, to the extent practicable, to equalize for any prior payments or prepayments not made in such proportion.

2.4 Notice of Prepayment to Holders. Not less than three (3) nor more than ten (10) days prior to the date fixed for each optional prepayment, the Company shall give notice thereof to the registered Holders of the Notes, specifying the date fixed for prepayment and the aggregate principal amount to be prepaid on such date. Such notice shall also contain instructions for the delivery of the Notes by the Holders to the Company. Subject to the provisions of Section 6, such notice shall be irrevocable.

2.5 Legal Holidays. In any case where any interest payment date or maturity date is not a Business Day, then (notwithstanding any other provision of the Notes), payment of interest or principal, as applicable, with respect to the Notes need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on the Interest Payment Date or Maturity Date, as the case may be.

3. Certain Covenants of the Company.

3.1 Existence. The Company will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, provided that this Section 3.1 shall not apply to a consolidation or merger of the Company with or into another Person in which the Company is not the surviving Person or conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety to another Person provided that the transferee Person expressly assumes the due and punctual payment of the principal and interest on all of the Notes and the performance or observance of every covenant set forth in the Notes on the part of the Company to be performed or observed.

3.2 Maintenance of Properties. The Company will cause all properties used or useful in the conduct of its business to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as, and to the extent, in the judgment of the Company may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent the Company from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business and not disadvantageous in any material respect to the Holders.

3.3 Payment of Taxes and Other Claims. The Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (a) all taxes, assessments and governmental charges levied or imposed upon the Company or upon the income, profits or property of the Company, and (b) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Company; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim (i) whose amount, applicability or validity is being contested in good faith by appropriate proceedings or (ii) if the failure to pay or discharge would not have a material adverse effect on the assets, business, operations, properties or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole.

3.4 144A Information. For so long as any Notes remain outstanding, if the Company is not subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company will furnish to Holders of Notes and to prospective purchasers of such Notes designated by such Holders the information required to be delivered pursuant to 144A(d)(4) under the Securities Act to permit compliance with Rule 144A under the Securities Act in connection with resales of Notes.

4. Events of Default; Acceleration.

4.1 Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" with respect to the Notes:

(a) the Company defaults in the payment of the principal of any Note when the same becomes due and payable at maturity or otherwise (other than a default in the payment of principal resulting from application of Section 6 hereof); or

(b) the Company defaults in the payment of interest on any Note (other than a failure to pay interest resulting from application of Section 6 hereof) for 30 days after the same becomes due and payable; or

(c) the Company defaults in the performance of or breaches any covenant or warranty of the Company in this Note (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with), and continuance

of such default or breach for a period of 60 days after there has been given, by registered or certified mail, to the Company by the Holders of at least 25% in principal amount of the Notes at that time outstanding a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "Notice of Default" hereunder;

(d) any event or condition occurs which results in the acceleration of the maturity of any indebtedness under any bond, debenture, note or other evidence of indebtedness for money borrowed having an aggregate principal amount in excess of $50,000,000 or the Company fails to pay any such indebtedness at the final maturity thereof, and such indebtedness is not discharged, or such acceleration is not rescinded or annulled, within a period of 30 days after there has been given, by registered or certified mail, to the Company by the Holders of at least 25% in principal amount of the Notes at that time outstanding a written notice specifying such acceleration or failure to pay and stating that such notice is a "Notice of Default" hereunder; provided, --------
however, that if any such failure, default or acceleration shall thereafter - -------
cease or be cured, waived, rescinded or annulled, then the Event of Default hereunder by reason thereof shall be deemed likewise to have been thereupon cured, notwithstanding any receipt by the Company of a Notice of Default with respect thereto; or

(e) the entry by a court having jurisdiction in the premises of (A) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (B) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and the continuance of any such decree or order for relief or any such other decree or order unstayed and in effect for a period of 90 consecutive days; or

(f) the commencement by the Company of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the taking of corporate action by the Company in furtherance of any such action.

4.2 Acceleration. In the event an Event of Default has occurred and is continuing, subject to the provisions of Section 6, the Holder or Holders of 25% or more in principal amount of the Notes at the time outstanding at its or their option may, by written notice or notices to the Company, declare the Notes due and payable, whereupon the same shall forthwith mature and become due and payable together with interest accrued thereon, without presentment, demand, protest or notice, all of which are hereby waived; provided, however, that such acceleration shall be automatic without the necessity of any such notice in the case of Events of Default under clause (e) or (f) above.

4.3 Waiver of Past Defaults. The Holders of not less than a majority in principal amount of the outstanding Notes may on behalf of the Holders of the Notes waive any past default thereunder and its consequences, except a default in the payment of principal of or any interest on the Note. Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for all purposes; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

4.4 Rescission and Annulment. At any time after a declaration of acceleration with respect to the Notes has been made and before a judgment or decree for payment of the money due has been obtained, the Holders of a majority in principal amount of the outstanding Notes, by written notice to the Company, may rescind and annul such declaration and its consequences if the Company has paid all overdue interest on all Notes and the principal of any Notes which has become due otherwise than by such declaration of acceleration and all Events of Default with respect to the Notes, other than the non-payment of the principal of Notes which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 4.3.

5. Remedies. Subject to the provisions of Section 6 hereof, upon the acceleration of the amounts due under the Notes in accordance with Section 4 or if such amounts remain unpaid after the maturity date of the Notes, any Holder may proceed to protect and enforce any right, power or remedy granted to it under applicable law. If any Holder of any Note or holder of any other indebtedness of the Company gives any notice or takes any other action in respect of a claimed default, the Company will forthwith give written notice thereof to all Holders of the Notes at the time outstanding describing the notice or action and the nature of the claimed default. No course of dealing and no delay on the part of any Holder of any Note in exercising any right, power or remedy will operate as a waiver thereof or otherwise prejudice such Holder's rights, powers or remedies. No right, power or remedy conferred hereby is exclusive of any other right, power or remedy referred to herein or now or hereafter available at law, in equity, by statute or otherwise.

6. Subordination of Notes.

6.1 Subordination. The Company hereby agrees and each Holder by its acceptance of this Note agrees that the Subordinated Claims are and shall be postponed, subordinated and junior in right of payment to the prior payment in full of all Senior Debt on the terms and conditions herein set forth.

6.2 Permitted Payments; Deferral of Payments. So long as there shall not have occurred and be continuing (i) a default in the payment of principal, premium, if any, or interest (including a default under any repurchase or redemption obligation) or other amounts with respect to any Senior Debt or (ii) any other event of default which has been declared in writing, or is automatically effective in the case of Bankruptcy, Insolvency or Liquidation Proceedings, with respect to any Designated Senior Debt (as such event of default is defined therein or in the instrument under which it is outstanding) and of which the Holder has received a notice (a "Blockage Notice") from the holders of such Designated Senior Debt (each of the events specified in clause (i) or clause (ii), a "Senior Default"), the Company shall be permitted to make, and each Holder to accept and receive, regularly scheduled payments of principal and accrued interest under this Note and any prepayment of principal that the Company has decided to make, as heretofore set forth. Notwithstanding any provision to the contrary contained in this Note, the Company shall not make, and no Holder shall demand, accept, receive or retain, any payment or distribution of any kind or character, whether in cash, property, securities or otherwise, on account or in respect of any Subordinated Claim after a Senior Default has occurred or deferral of interest on any Convertible Notes for a period of time (a "Deferral Period") in accordance with the terms thereof has occurred. Payments due under the Notes may be resumed (x) in the case of a deferral of interest, after the end of a Deferral Period (such payment to resume as set forth in the next paragraph of this Note), and (y) in the case of defaults referred to in clauses (i) and (ii) above, upon the earlier of:

(A) the date upon which the default is cured or waived or ceases to exist, or

(B) in the case of a default referred to in clause (ii) above, the date which is 179 days after the Blockage Notice is received,

unless this Section 6.2 otherwise prohibits the payment at the time of such payment (including, without limitation, as a result of a payment default with respect to the applicable Senior Debt as a consequence of the acceleration of the maturity thereof or otherwise).

If a Deferral Period shall occur, interest payable on all of the Notes on regular payment dates occurring during such Deferral Period shall be deferred and the Company shall be responsible for the payment of, and the Company shall pay to the Person in whose name this Note is registered at the close of business on the record date immediately preceding the regular payment date hereunder next occurring after the termination of the Deferral Period, all interest then accrued and unpaid together with, to the extent permitted by law, interest thereon (compounded semi-annually on regular payment dates) at the rate specified for the Notes. The foregoing provisions shall apply during

successive Deferral Periods with respect to the 2004 Convertible Notes and the 2005 Convertible Notes. The Company shall provide to the Holders written notice of the occurrence of any Deferral Period at the time notice thereof is given to the trustee under the Indenture, provided that any failure to do so shall not affect the deferral of interest payments which would occur pursuant to the terms hereof.

6.3 Prior Payment to Senior Debt Upon Acceleration. In the event that any Notes are declared due and payable before their stated maturity, then and in such event the Holders of the Senior Debt outstanding at the time such Notes so become due and payable shall be entitled to receive payment in full in cash or other payment satisfactory to the Holders of Senior Debt of all amounts due or to become due on or in respect of all Senior Debt before the Holders of the Notes are entitled to receive any payment by the Company on account of any Subordinated Claim. If the payment of Notes is accelerated because of an Event of Default, the Company shall promptly notify Holders of Senior Debt of the acceleration.

The provisions of this Section 6.3 shall not apply to any payment with respect to which Section 6.4 would be applicable.

6.4 Bankruptcy, Insolvency or Liquidation Proceedings. In the event of any Bankruptcy, Insolvency or Liquidation Proceeding:

(a) Priority of Payment. All Senior Debt shall be paid in full in cash (but excluding indemnification obligations which are then contingent and as to which no payment is then due and no claim or demand has then been made) before any Holder shall be entitled to receive any payment or distribution of any kind or character, whether in cash, property, securities or otherwise, in respect of this Note in such Bankruptcy, Insolvency or Liquidation Proceeding.

(b) Payments and Distributions on Subordinated Claims. Each holder of Senior Debt shall be entitled to receive any payment or distribution of any kind or character, whether in cash, property, securities or otherwise (including, without limitation, any such payment or distribution which may become payable or deliverable by reason of the payment of any other claim against the Company being subordinated to the payment of the Subordinated Claims), that may become payable or deliverable to Holders on account or in respect of any Subordinated Claim, for application to the payment of all Senior Debt, until all holders of Senior Debt have received payment in full in cash of all Senior Debt (but excluding indemnification obligations which are then contingent and as to which no payment is then due and no claim or demand has then been made).

(c) Delivery and Application. All such payments and distributions on account or in respect of Subordinated Claims shall be delivered by the debtor, trustee, receiver, disbursing agent or other Person making such payment or distribution in such Bankruptcy, Insolvency or Liquidation Proceeding directly to the holders of Senior Debt. If such payment or distribution consists of any property or securities other than cash, (i) such payment or distribution shall not be deemed applied to the payment of Senior Debt at any adjudicated or imputed value and

(ii) such payment or distribution and all other and future non-cash payments and distributions on account or in respect of Subordinated Claims shall be delivered to and held by the holders of Senior Debt, until cash proceeds from such non-cash payments and distributions have been received by the holders of Senior Debt in an amount sufficient (with any other cash paid or distributed to them by or on behalf of the Company) to pay, in full and in cash, all of the Senior Debt (but excluding indemnification obligations which are then contingent and as to which no payment is then due and no claim or demand has then been made).

(d) Proof of Claim.
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(1) If any Holder fails to file a proof of claim or other statement or demand in respect of its Subordinated Claims in such Bankruptcy, Insolvency or Liquidation Proceeding prior to the 30th day preceding any bar date or other deadline for filing a proof of claim or other such statement or demand therein, or if any such proof of claim, statement or demand filed by any Holder prior to such day is in any respect inadequate or insufficient (in the good faith opinion of any holder of Senior Debt), then each holder of Senior Debt shall have the right, but not the obligation, to execute and deliver (in the name of such Holder or in its own name but on behalf of such Holder, as such holder of Senior Debt may elect) and file in such Bankruptcy, Insolvency or Liquidation Proceeding any proof of claim, statement or demand which such holder of Senior Debt may determine to be required or appropriate in respect of such Subordinated Claim.

(2) To the extent necessary or reasonably appropriate to permit the holders of Senior Debt to exercise the right granted to them under this Section 6.4(d), each Holder hereby constitutes and appoints each holder of Senior Debt as its attorney-in-fact and agent, with full power of substitution and delegation, to execute, deliver and file any such proof of claim, statement or demand as herein provided, and the power of attorney granted herein (being coupled with an interest) is and shall be in all respects irrevocable.

(3) No holder of Senior Debt shall, by executing, delivering or filing any such proof of claim, statement or demand, become liable or responsible in any respect for the legality, adequacy or sufficiency thereof.

(4) Each holder of Senior Debt filing any such proof of claim, statement or demand shall deliver or mail a copy thereof to the Company at least 10 days prior to filing such proof of claim, statement or demand, but the failure to deliver or mail such copy shall not in any respect (i) impose any liability on such holder or upon any other holder of Senior Debt or (ii) destroy, affect or impair the subordination provided hereby or any right, power or benefit hereby granted to any holder of Senior Debt. The Company shall, promptly after its receipt thereof, deliver or mail a copy of such proof of claim, statement or demand to each Holder.

6.5 Enforcement Rights. No Holder shall have any right to enforce
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any Subordinated Claim, institute or attempt to institute any Bankruptcy, Insolvency or Liquidation Proceeding against the Company or otherwise to take any action against the Company or the

Company's property during any periods payments on or distributions in respect of Subordinated Claims are prohibited under Section 6.2, 6.3 or 6.4 hereof.

6.6 Turnover. If and in each instance that any Holder receives any payment or distribution of any kind or character, whether in cash, property, securities or otherwise (including, without limitation, any such payment or distribution which may become payable or deliverable by reason of the payment of any other Claim against the Company being subordinated to the payment of any Subordinated Claim) on account or in respect of any Subordinated Claim which payment or distribution is prohibited by Section 6.2, 6.3 or 6.4, at any time when any Senior Debt or any commitment to extend credit which would constitute Senior Debt is outstanding, or at any time when payment of interest on any Convertible Notes is deferred as aforesaid, then and in each such event:

(a) Transfer and Delivery. Each Holder shall forthwith pay over, transfer and deliver such payment or distribution to the holders of Senior Debt, whether or not any Bankruptcy, Insolvency or Liquidation Proceeding is then pending, until the holders of Senior Debt have received payment in full and in cash of all outstanding Senior Debt (but excluding indemnification obligations which are then contingent and as to which no payment is then due and no claim or demand has then been made).

(b) Held in Trust. Each Holder hereby agrees to hold in trust for the holders of Senior Debt, in the identical form received (except for any necessary endorsement to the holders of Senior Debt) and as trustee of an express trust, all payments and distributions required to be paid over, transferred and delivered pursuant to this Section 6.6.

6.7 Subrogation. Subject to the prior payment in full and cash of any and all Senior Debt (but excluding indemnification obligations which are then contingent and as to which no payment is then due and no claim or demand has then been made), each Holder shall be subrogated to the rights of the holders of such Senior Debt to receive payments and distributions, whether in cash, property, securities or otherwise, applicable to the Senior Debt until such Holder's Subordinated Claim is paid in full. For such purposes:

(a) Postponement of Subrogation. No right of subrogation shall be available to or may be enforced by any Holder, unless and until the payment in full and in cash of all outstanding Senior Debt (but excluding indemnification obligations which are then contingent and as to which no payment is then due and no claim or demand has then been made).

(b) No Representation, Warranty or Responsibility. No holder of any Senior Debt makes any representation or warranty, or shall otherwise have any responsibility, as to whether any such right of subrogation is accorded or available to any Holder or is enforceable by it in any particular circumstance.

(c) No Duty; No Exoneration. No holder of any Senior Debt shall have any duty to any Holder to ensure, perfect, protect, enforce or maintain any right of subrogation that

might otherwise be accorded or available to or enforceable by such Holder. The subordination provided herein and the rights of the holders of Senior Debt hereunder shall remain fully enforceable on the terms set forth herein, regardless of any act, omission or circumstance (whether or not attributable to any holder of any Senior Debt and whether or not wrongful) which does or might in any manner or in any respect destroy, limit, reduce, affect or impair any right of subrogation otherwise accorded or available to or enforceable by any Holder. Each holder of any Senior Debt shall remain utterly free to take or fail to take any and all actions in respect of any Senior Debt or any Person liable therefor or any collateral security therefor (including, without limitation, each and all of the acts, omissions and matters described in Section 6.8), without exonerating Holders, even if any right of subrogation is destroyed, limited, reduced, affected or impaired thereby.

(d) Disallowed Senior Debt. The subordination provided herein and the rights of the holders of Senior Debt hereunder shall be fully enforceable as to all Senior Debt which is not allowed, allowable or enforceable in any Bankruptcy, Insolvency or Liquidation Proceeding, even if and even though no right of subrogation is available in respect of such Senior Debt.

(e) Payment of Senior Debt. For purposes of enforcing any right of subrogation on the terms set forth in this Section 6.7, no payment or distribution on account of any Subordinated Claim arising in respect of this Note applied to the payment of Senior Debt shall, as between the Company and Holders and to the extent of the payment or distribution so applied, discharge the liability of the Company for the payment of such Senior Debt and, to this end, the Company shall remain obligated to pay such Senior Debt in full notwithstanding any such application.

6.8 Subordination Not Prejudiced, Affected or Impaired. No right of any present or future holder of any Senior Debt to enforce subordination as provided in this Note shall at any time in any way be prejudiced, affected or impaired by any act or failure to act on the part of the Company or by any act or failure to act on the part of any holder of Senior Debt or by any breach or default by the Company in the performance or observance of any promise, covenant or obligation enforceable by any Holder, regardless of any knowledge thereof that any holder of Senior Debt may have or otherwise be charged with.

(a) Certain Acts, Omissions and Events. Without in any way limiting the generality of the foregoing, each holder of any Senior Debt may at any time and from time to time, without the consent of or notice to Holder, without incurring any responsibility or liability to any Holder and without in any manner prejudicing, affecting or impairing the subordination provided herein or the obligations of Holders to the holders of Senior Debt:

(1) Make loans and advances to the Company or issue, guaranty or obtain letters of credit for the account of the Company or otherwise extend credit to the Company, in any amount and on any terms, whether pursuant to a commitment or as a discretionary advance and whether or not any default or event of default or failure of condition is then continuing;

(2) Change the manner, place or terms of payment or extend the time of payment of, or renew or alter, compromise, accelerate, extend or refinance, any Senior Debt or any agreement, guaranty, lien or obligation of the Company or any other Person in any manner related thereto, or otherwise amend, supplement or change in any manner any Senior Debt or any such agreement, guaranty, lien or obligation;

(3) Increase or reduce the amount of any Senior Debt or the interest accruing thereon;

(4) Release or discharge any Senior Debt or any guaranty thereof or any agreement or obligation of the Company or any other Person with respect thereto;

(5) Take or fail to take any collateral security for any Senior Debt or take or fail to take any action which may be necessary or appropriate to ensure that any lien upon any property securing any Senior Debt is duly enforceable or perfected or entitled to priority as against any other lien or to ensure that any proceeds of any property subject to any lien are applied to the payment of any Senior Debt;

(6) Release, discharge or permit the lapse of any or all liens upon any property at any time securing any Senior Debt;

(7) Exercise or enforce, in any manner, order or sequence, or fail to exercise or enforce, any right or remedy against the Company or any collateral security or any other Person or property in respect of any Senior Debt or lien securing any Senior Debt or any right under this Note; or

(8) Sell, exchange, release, foreclose upon or otherwise deal with any property that may at any time be subject to any lien securing any Senior Debt.

(b) No Release or Exoneration. No exercise, delay in exercising or failure to exercise any right arising under this Section 6, no act or omission of any holder of any Senior Debt in respect of the Company or any other Person or any collateral security for any Senior Debt or any right arising under this Section 6, no change, impairment, or suspension of any right or remedy of any holder of any Senior Debt, and no other act, failure to act, circumstance, occurrence or event which, but for this provision, would or could act as a release or exoneration of the obligations of any Holder hereunder shall in any way affect, decrease, diminish or impair any of the obligations of any Holder under this Note or give any Holder or any other Person any recourse or defense against any holder of Senior Debt in respect of any right arising under this Section 6.

6.9 Reinstatement. If any payment or distribution at any time made on account or in respect of any Senior Debt is thereafter rescinded, recovered, set aside, avoided or required to be returned, then such Senior Debt and all rights of the holder of such Senior Debt to enforce

subordination as set forth herein shall be automatically and unconditionally reinstated, as fully as if such payment or distribution had never been made.

7. Amendments and Waivers. Neither this Note nor any term hereof may be amended or waived orally or in writing, except that any term of the Notes may be amended and the observance of any term of the Notes may be waived (either generally or in a particular instance and either retroactively or prospectively), and such amendment or waiver shall be applicable to all of the Notes, upon the approval of the Company and the Holders of fifty percent (50%) or more of the outstanding principal amount of all then outstanding Notes; provided, however, that any amendment to (i) the outstanding principal amount of the Notes, (ii) the rate of interest borne by the Notes, (iii) the date of maturity or interest payment dates of the Notes or (iv) this Section 7 shall require the approval of the Holder of each Note to which such amendment shall apply. The Company will not amend any provision of any other Note in a manner favorable to any Holder thereof unless a similar amendment is made or offered with respect to all of the Notes. Each Holder of this Note by its acceptance hereof acknowledges and agrees that the subordination provisions of this instrument are for the benefit of the holders of the Senior Debt and that, accordingly, no provision of Section 6 hereof may be amended or otherwise modified without the prior written consent of each holder of Senior Debt at such time outstanding.

8. Notices. Any notice or communication to the Company shall be given in writing and delivered in person or by overnight courier or mailed by certified or registered mail, return receipt requested, addressed as follows:

Micron Technology, Inc.
8000 South Federal Way
Boise, Idaho 8379-9632
Attention: General Counsel.

Any notice or communication to a Holder shall be given in writing and delivered by telecopier, in person or by overnight courier or mailed by certified or registered mail, return receipt requested, addressed to the address of the Holder in the Note Register on the date of such notice or communication. The address of Seller, as original Holder, is as follows:

Texas Instruments Incorporated
7839 Churchill Way - MS
Dallas, Texas 75215
Attention: General Counsel

Any such notice or communication shall be effective (x) when received, if delivered in person, (y) on the next business day, if delivered by overnight courier and (z) when received, if delivered by mail.

9. Restrictions on Transfer. This Note has not been registered under the Securities Act, or the securities laws of any state or other jurisdiction. Neither this Note nor any interest or participation herein may be reoffered, sold, assigned, transferred, pledged, encumbered or otherwise disposed of in the absence of such registration or unless such transaction is exempt from, or not subject to, registration. Each Holder by its acceptance of this Note agrees that it shall not offer, sell, assign, transfer, pledge, encumber or otherwise dispose of this note or any portion thereof or interest therein other than in a minimum denomination of $10,000,000 principal amount (or any integral multiple of $1,000,000 in excess thereof) and then only (a) to the Company, or (b) for so long as the securities are eligible for resale pursuant to Rule 144A, pursuant to a sale to a Person it reasonably believes is a "qualified institutional buyer" as defined in Rule 144A.

10. Transfer Agent and Registrar; Transfers of Notes.

10.1 Company Own Transfer Agent and Note Registrar. The Company shall serve as its own agent for the transfer and exchange of Notes and registrar to keep a register or registers in which, subject to such reasonable regulations as it may prescribe, the Company will provide for the registration of Notes and the registration of transfers of Notes (the "Note Register"). The Note Register will be maintained at the office of the Company set forth in Section 8 hereof.

10.2 Transfer of Notes. Upon presentation of any Note for registration of transfer at the office of the Company set forth in Section 8 hereof accompanied by (i) certification by the transferor that such transfer is in compliance with the terms hereof and (ii) by a written instrument of transfer in a form approved by the Company executed by the registered Holder, in person or by such holder's attorney thereunto duly authorized in writing, and including the name, address and telephone and fax numbers of the transferee and name of the contact person of the transferee, such Note shall be transferred on the Note Register, and a new Note of like tenor and bearing the same legends shall be issued in the name of the transferee and sent to the transferee at the address and c/o the contact person so indicated. Transfers and exchanges of Notes shall be subject to such additional restrictions as are set forth in the legends on the Notes and to such additional reasonable regulations as may be prescribed by the Company. Successive registrations of transfers as aforesaid may be made from time to time as desired, and each such registration shall be noted on the Note Register. No service charge shall be made for any registration of transfer or exchange of the Notes, but the Company may require payment of a sum sufficient to cover any stamp or other tax or governmental charge in connection therewith.

10.3 Registered Holders Treated as Absolute Owners. The Company may deem and treat the Person in whose name any Note is registered on the Note Register as the absolute owner of such Note (whether or not such Note shall be overdue and notwithstanding any notation of ownership or other writing thereon) for the purpose of receiving payment of or on account of the principal of and, subject to the provisions of this Agreement, interest on such Note and for all other purposes; and neither the Company nor any agent of the Company shall be affected by any notice to the contrary. All such payments so made to any such Person, or upon such Person's order, shall

be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable on any such Note.

10.4 Loss, Theft, Destruction or Mutilation of Note. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of a Note, and in the case of loss, theft or destruction, receipt of indemnity or security reasonably satisfactory to the Company, and upon reimbursement to the Company of all reasonable expenses incidental thereto, and upon surrender and cancellation of such Note, if mutilated, the Company will deliver a new Note of like tenor and dated as of such cancellation, in lieu of such Note.

11. Holder Representations. By its acceptance hereof, each Holder represents and warrants as follows:

11.1 Qualified Institutional Buyer. Such Holder is a "qualified institutional buyer" as such term is defined in Rule 144A under the Securities Act. Such Holder has been advised that this Note has not been registered under the Securities Act, or any state securities laws and, therefore, cannot be resold unless it is registered under the Securities Act and applicable state securities laws or unless an exemption from such registration requirements is available. Such Holder is aware that the Company is under no obligation to effect any such registration or to file for or comply with any exemption from registration. Such Holder has not been formed solely for the purpose of making this investment and is acquiring the Note for its own account, or for the account of a qualified institutional buyer to whom notice is given that the transfer is being made in reliance on Rule 144A, for investment, and not with a view to, or for resale in connection with, the distribution thereof.

11.2 Access to Information. The initial Holder of this Note acknowledges that the Company has given such Holder access to the corporate records and accounts of the Company and to all information in its possession relating to the Company, has made its officers and representatives available for interview by such Holder, and has furnished such Holder with all documents and other information required for such Holder to make an informed decision with respect to the acquisition of the Note.

12. General. This Note shall be governed by and shall be construed and
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enforced in accordance with the laws of the State of New York.

MICRON TECHNOLOGY, INC.

By:_____
Name: Steven R. Appleton
Title: Chairman of the Board of Directors,
Chief Executive Officer and President

Exhibit 23.1

Consent of Independent Auditors

We consent to the use of our report dated October 5, 1998, with respect to the financial statements of the MMP Business of Texas Instruments Incorporated included in this Current Report on Form 8-K of Micron Technology, Inc.

We also consent to the incorporation by reference in the Registration Statements of Micron Technology, Inc. on Form S-8 (File Nos. 033-3686, 033-16832, 033-27078, 033-38665, 033-38926, 033-65050, 033-52653, 033-57887, 333-07283, 333-17073, 333-50353) and on Form S-3 (File No. 333-184441) of our report dated October 5, 1998, with respect to the financial statements of the MMP Business of Texas Instruments Incorporated included in this Current Report on Form 8-K of Micron Technology, Inc.

ERNST & YOUNG LLP

Dallas, Texas
October 9, 1998