

MICRON TECHNOLOGY INC  
Form S-4  
March 28, 2006

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As filed with the Securities and Exchange Commission on March 28, 2006

Registration No. 333-

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM S-4**

REGISTRATION STATEMENT

Under

The Securities Act of 1933

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**Micron Technology, Inc.**

(Exact name of Registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**3674**  
(Primary Standard Industrial  
Classification Code Number)  
**8000 S. Federal Way**  
**Boise, Idaho 83716-9632**  
**(208) 368-4000**

**75-1618004**  
(I.R.S. Employer  
Identification Number)

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

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**W.G. Stover, Jr.**  
**Vice President of Finance and Chief Financial Officer**  
**8000 S. Federal Way**  
**Boise, Idaho 83716-9632**  
**(208) 368-4000**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

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*Copies to:*

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**Vice President of Legal Affairs,**  
**General Counsel and Corporate**  
**Secretary**  
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**Boise, Idaho 83716**  
**(208) 368-4000**

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**Counsel**  
**and Corporate Secretary**  
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**47300 Bayside Parkway**  
**Fremont, California 94538**  
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**Mountain View, California 94041**  
**(650) 988-8500**

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**Approximate date of commencement of proposed sale of the securities to the public:** Upon completion of the merger described herein.

If the securities being registered on this form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If the form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

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If the form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

### CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered(1)	Proposed Maximum Offering Price per Share	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Common stock, par value \$0.10 per share	59,678,109	N/A	\$969,702,962.24	\$103,758.22

- (1) Represents the maximum number of shares of Micron common stock, par value \$0.10 per share, that may be issued in connection with the merger described herein, which is equal to the product obtained by multiplying (i) 106,094,416, which represents the maximum number of shares of Lexar common stock to be canceled in connection with the merger described herein assuming the exercise of all Lexar options expected to be assumed by Micron, the estimated number of shares to be purchased through Lexar's employee stock purchase plan between March 8, 2006 and the closing of the merger and the conversion of all outstanding 5.625% Senior Convertible Notes due 2010 by (ii) the exchange ratio for the merger of 0.5625.
- (2) Estimated solely for the purpose of computing the amount of the registration fee required by the Securities Act of 1933, as amended, and pursuant to Rules 457(c) and (f) of the Securities Act, equal to the product obtained by multiplying (i) \$9.14, the average of the high and low per share prices of common stock, par value \$0.0001 per share, of Lexar, as reported on the Nasdaq National Market on March 22, 2006, by (ii) 106,094,416, which is the maximum number of shares of Lexar common stock to be canceled in connection with the merger described herein.

**The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

**The information in this proxy statement/prospectus is not complete and may be changed. Micron may not sell these securities until the registration statement filed with the Securities and Exchange Commission, of which this proxy statement/prospectus is a part, is declared effective. This proxy statement/prospectus is not an offer to sell these securities, and it is not soliciting an offer to buy these securities in any jurisdiction where the offer, solicitation or sale is not permitted or would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. Any representation to the contrary is a criminal offense.**

**Subject to completion, dated March 28, 2006**

To Lexar stockholders:

You are cordially invited to attend a special meeting of Lexar stockholders to be held on \_\_\_\_\_, 2006, at \_\_\_\_\_: \_\_\_\_\_ p.m., local time. At the special meeting, Lexar stockholders will be asked to adopt the Agreement and Plan of Merger that Lexar entered into on March 8, 2006, with Micron Technology, Inc., or Micron, and March 2006 Merger Corp., a newly formed, wholly owned subsidiary of Micron. If the merger agreement is adopted, and the other conditions in the merger agreement are satisfied or waived, March 2006 Merger Corp. will merge with and into Lexar, and Lexar will become a wholly owned subsidiary of Micron. Upon completion of the merger, each outstanding share of Lexar common stock will be converted into the right to receive 0.5625 of a share of Micron common stock. This is a fixed exchange ratio that will not be adjusted for changes in the stock price of either Lexar or Micron before the merger is consummated. Micron common stock is listed on the New York Stock Exchange under the trading symbol "MU." On March 27, 2006, the closing sale price of Micron common stock was \$14.77.

**Lexar's board of directors has carefully reviewed and considered the terms and conditions of the merger agreement. Based on its review, Lexar's board of directors has unanimously determined that the merger is fair to, and in the best interests of, Lexar and its stockholders and declared the merger to be advisable. The Lexar board of directors unanimously recommends that you vote "FOR" adoption of the merger agreement. In reaching its determination, the Lexar board of directors considered a number of factors described more fully in the accompanying proxy statement/prospectus.**

**Your vote is very important.** Because adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Lexar common stock entitled to vote at the special meeting, a failure to vote will have the same effect as a vote "against" the merger. Each of our executive officers and directors and two affiliated entities of one of our directors have entered into an agreement with Micron to vote all shares of our common stock held by him, her or it in favor of the adoption of the merger agreement. As of the record date, these executive officers, directors and affiliated entities owned or controlled approximately \_\_\_\_\_% of the outstanding shares of our common stock. Please use this opportunity to take part in Lexar's affairs by voting on the business to come before this meeting. **Whether or not you plan to attend the meeting, please complete, date, sign and promptly return the enclosed proxy in the enclosed postage-paid envelope, or vote by telephone or via the Internet using the instructions on the proxy card before the meeting so that your shares will be represented at the meeting.** This will help to ensure the presence of a quorum at the meeting. Returning the proxy card, or voting by telephone or via the Internet does not deprive you of your right to attend the meeting and to vote your shares in person.

If you have any questions about the proposed merger or about how to vote your shares, please call Lexar's proxy solicitor, Innisfree M&A Incorporated, toll-free at 877-456-3427.

The accompanying proxy statement/prospectus explains the merger agreement and proposed merger in detail and provides specific information concerning the special meeting. Please review this document carefully. **In particular, you should carefully consider the matters discussed under "Risk Factors" beginning on page 23 of the proxy statement/prospectus.**

Thank you for your cooperation and continued support.

Sincerely,

Eric B. Stang  
*President, Chief Executive Officer and Chairman*

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*of the Board Directors*

**Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the merger described in this proxy statement/prospectus or the Micron common stock to be issued in connection with the merger, or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

*This proxy statement/prospectus is dated \_\_\_\_\_, 2006, and is first being mailed to  
Lexar's stockholders on or about \_\_\_\_\_, 2006.*

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**Lexar Media, Inc.**

**47300 Bayside Parkway  
Fremont, California 94538**

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**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held on \_\_\_\_\_, 2006**

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To Lexar stockholders:

You are cordially invited to attend a special meeting of stockholders of Lexar Media, Inc. to be held at the Fremont Marriott, 46100 Landing Parkway, Fremont, California on \_\_\_\_\_, 2006 at \_\_\_\_\_ : \_\_\_\_\_ p.m., local time.

At the meeting, you will be asked to consider and vote upon the following matters:

1. To adopt the Agreement and Plan of Merger, dated as of March 8, 2006, by and among Micron Technology, Inc., March 2006 Merger Corp., a newly formed, wholly owned subsidiary of Micron, and Lexar (which proposal we refer to in this proxy statement/prospectus as Proposal No. 1); and
2. To grant the persons named as proxies discretionary authority to vote to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adopting the merger agreement (which proposal we refer to in this proxy statement/prospectus as Proposal No. 2).

These proposals are more fully described in the attached proxy statement/prospectus, which we urge you to read very carefully. Only stockholders of record at the close of business on \_\_\_\_\_, 2006, are entitled to notice of, and to vote at, the special meeting or any adjournment of the special meeting. At the close of business on the record date, there were \_\_\_\_\_ shares of Lexar common stock outstanding and entitled to vote.

Your vote is very important, regardless of the number of shares you own. The affirmative vote of the holders of a majority of the voting power of the shares of Lexar common stock outstanding on the record date for the special meeting is required for approval of Proposal No. 1 regarding adoption of the merger agreement. The affirmative vote of the holders of a majority of the votes cast in person or by proxy at the special meeting is required to approve Proposal No. 2 regarding granting discretionary authority to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adopting the merger agreement.

Lexar's board of directors unanimously recommends that you vote "**FOR**" the proposal to adopt the merger agreement and "**FOR**" the proposal to grant discretionary authority to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adopting the merger agreement.

All Lexar stockholders are cordially invited to attend the special meeting in person. **However, whether or not you plan to attend the special meeting in person, please complete, date, sign and promptly return the enclosed proxy card in the enclosed postage-paid envelope or vote using the telephone or via the Internet before the special meeting so that your shares will be represented at the special meeting.** If you sign, date and mail your proxy card without indicating how you wish to vote, your proxy will be counted as a vote "**FOR**" the proposal to adopt the merger agreement and "**FOR**" the proposal to grant discretionary authority to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adopting the merger agreement. If you fail to return your proxy card or if you mark the "abstain" box on the proxy card or voting instruction card, the effect will be a vote "against" adopting the merger agreement, and if you fail to return your proxy card your shares will not be counted for purposes of determining whether a quorum is present at

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the special meeting. If you do attend the special meeting and wish to vote in person, you may withdraw your proxy and vote in person.

By Order of the Board of Directors

Very truly yours,

Eric S. Whitaker  
*Executive Vice President, General Counsel  
and Corporate Secretary*

Fremont, California  
, 2006

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This proxy statement/prospectus incorporates important business and financial information about Micron and Lexar from documents that each company has filed with the Securities and Exchange Commission but that have not been included in or delivered with this proxy statement/prospectus. For a listing of documents incorporated by reference into this proxy statement/prospectus, please see the section entitled "Where You Can Find More Information" beginning on page 131 of this proxy statement/prospectus.

Micron will provide you with copies of this information relating to Micron (excluding all exhibits unless Micron has specifically incorporated by reference an exhibit in this proxy statement/prospectus), without charge, upon written or oral request to:

Micron Technology, Inc.  
8000 South Federal Way  
Boise, Idaho 83716  
Attention: General Counsel  
(208) 368-4000

Lexar will provide you with copies of this information relating to Lexar (excluding all exhibits unless Lexar has specifically incorporated by reference an exhibit in this proxy statement/prospectus), without charge, upon written or oral request to:

Lexar Media, Inc.  
47300 Bayside Parkway  
Fremont, California 94538  
Attention: Public Relations  
(510) 413-1200

**In order to receive the documents before the special meeting of Lexar stockholders, you must make your requests no later than , 2006.**

**QUESTIONS AND ANSWERS REGARDING THE PROPOSED MERGER**

**General Questions and Answers**

The following is important information in a question-and-answer format regarding the special meeting and this proxy statement/prospectus.

**Q: Why am I receiving this proxy statement/prospectus?**

**A:** Micron Technology, Inc. has agreed to acquire Lexar Media, Inc. under the terms of a merger agreement that is described in this proxy statement/prospectus. Please see the section entitled "The Merger Agreement" beginning on page 99 of this proxy statement/prospectus. A copy of the merger agreement is attached to this proxy statement/prospectus as Annex A.

In order to complete the merger, Lexar stockholders must adopt the merger agreement by the affirmative vote of the holders of a majority of the shares of Lexar common stock outstanding on the record date for the special meeting and all other conditions to the merger must be satisfied or waived. Lexar will hold a special meeting of its stockholders to obtain this stockholder approval. This proxy statement/prospectus contains important information about the merger agreement, the merger and the special meeting, and you should read it carefully. The enclosed voting materials for the special meeting allow you to vote your shares of Lexar common stock without attending the special meeting. Stockholders of Micron are not required to approve the merger, the issuance of shares of Micron common stock in the merger or any matter relating to the merger, and accordingly, Micron will not hold a meeting of its stockholders in connection with the merger.

**Q: What is the merger?**

**A:** The merger is a proposed business combination between Micron and Lexar where a wholly owned subsidiary of Micron will merge with and into Lexar, with Lexar surviving the merger and becoming a wholly owned subsidiary of Micron immediately following the merger. The shares of Micron common stock to be issued to Lexar stockholders in connection with the merger are expected to represent approximately % of the outstanding shares of Micron common stock immediately following the consummation of the merger, based on the number of shares of Micron common stock outstanding on , 2006, assuming that no Lexar or Micron stock options are exercised after , 2006, and prior to the consummation of the merger. For a more complete description of the merger, please see the section entitled "Proposal No. 1 The Merger" beginning on page 62 of this proxy statement/prospectus.

**Q: Why are Micron and Lexar proposing the merger?**

**A:** Micron and Lexar believe that combining the strengths of the two companies is in the best interests of each company and their respective stockholders and customers. The merger is designed to combine Micron's technology and manufacturing leadership in NAND flash memory with Lexar's leadership in NAND controller and system design technology, brand recognition and retail channel strength to create a vertically integrated entity fully focused on the NAND business. With Lexar integrated into Micron, Micron expects the combined company to:

Better serve the flash storage requirements of consumer electronics and enterprise customers by making use of Micron's NAND designs, technology, manufacturing capability and distribution channels;

Better align Lexar's cost structure with prevailing business conditions and increase Lexar's development and go-to-market scale to compete more effectively; and

Achieve significant cost synergies and become better positioned to satisfy customer needs and establish faster growth, especially in the emerging mobile handset business.

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Please see the sections entitled "Proposal No. 1 The Merger Lexar's Reasons for the Merger and Recommendation of Lexar's Board" beginning on page 75 of this proxy statement/prospectus for the numerous factors considered by the board of directors of Lexar in recommending that Lexar stockholders vote "**FOR**" the proposal to adopt the merger agreement. Please see the section entitled "Proposal No. 1 The Merger Micron's Reasons for the Merger" beginning on page 88 of this proxy statement/prospectus for Micron's reasons for the merger.

**Q:**

**How does Lexar's board of directors recommend that stockholders vote?**

**A:**

After careful consideration, Lexar's board of directors approved the merger agreement and the merger and unanimously determined that the merger is fair to, and in the best interests of, Lexar and its stockholders and declared the merger to be advisable. Accordingly, Lexar's board of directors unanimously recommends that you vote "**FOR**" the proposal to adopt the merger agreement and "**FOR**" the proposal to grant discretionary authority to the persons named as proxies to vote your shares to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adopting the merger agreement. To review the background of the merger and Lexar's board of directors' reasons for recommending the merger in greater detail, see the sections entitled "Proposal No. 1 The Merger Background of the Merger" and "Proposal No. 1 The Merger Lexar's Reasons for the Merger and Recommendation of Lexar's Board" beginning on pages 62 and 75 of this proxy statement/prospectus.

**Q:**

**What will I receive in the merger?**

**A:**

If the merger agreement is adopted by Lexar's stockholders, the other conditions to the merger are satisfied or waived and the merger is completed, you will receive 0.5625 of a share of Micron common stock for each share of Lexar common stock that you own. You will not receive fractional shares of Micron common stock. Instead, you will receive the cash value, without interest, of any fractional share of Micron common stock that you would otherwise be entitled to receive. The cash value will be determined based on the average closing price for Micron common stock for the 10 trading day period ending on the trading day immediately before the day the merger closes. Accordingly, if you own 100 shares of Lexar common stock, you will receive 56 shares of Micron common stock in exchange for your shares of Lexar common stock and cash for the remaining 0.25 of a share of Micron common stock.

The number of shares of Micron common stock to be issued for each share of Lexar common stock is fixed and will not be adjusted based upon changes in the value of Lexar common stock or Micron common stock. As a result, the value of the shares of Micron common stock you will receive in the merger will not be known before the completion of the merger, and will fluctuate as the market price of Micron's common stock fluctuates.

After the merger closes, Micron will arrange for a letter of transmittal to be sent to each Lexar stockholder. The merger consideration will be paid to each stockholder once that stockholder submits the completed letter of transmittal, properly endorsed stock certificates and any other required documentation.

**Q:**

**What will happen to Lexar's outstanding options in the merger?**

**A:**

At the effective time of the merger, Micron will assume any outstanding option to purchase shares of Lexar common stock with a per share exercise price less than or equal to \$9.00 that is held by either an employee of Lexar or any of its subsidiaries as of the effective time of the merger or a former employee of Lexar who terminated his or her employment within 90 days prior to the effective time of the merger. Each option assumed by Micron will be subject to, and exercisable and vested upon, the same terms and conditions as under the Lexar stock option plans and the applicable option and other related agreements issued pursuant to such plans, except that:

(i) 25%

of the shares subject to outstanding stock options that are unvested at the effective time of the merger will accelerate and become immediately exercisable, (ii) each assumed option will be exercisable for a number of shares of Micron common stock equal to the number of shares of Lexar common stock subject to such option immediately prior to the effective time of the merger, multiplied by 0.5625, rounded down to the nearest whole number and (iii) the exercise price per share of Micron common stock subject to any assumed option will equal the exercise price per share of Lexar common stock subject to such option in effect immediately prior to the effective time of the merger, divided by 0.5625, rounded up to the nearest whole cent. The exercise price per share for shares of Micron common stock under each assumed option will equal the exercise price for the Lexar common stock under the option divided by 0.5625, rounded up to the nearest whole cent. All other outstanding options to purchase shares of Lexar common stock that are unexpired, unexercised and outstanding immediately prior to the effective time of the merger will be terminated upon the effective time of the merger and the holders of such options will be entitled to receive an amount of cash equal to the product of (i) the number of shares of Lexar common stock subject to such option and (ii) the excess, if any, of \$9.00 over the per share exercise price of such option immediately prior to the effective time of the merger. For more information regarding the treatment of options held by Lexar's directors and executive officers in the merger, see "Proposal No. 1 The Merger Interests of Lexar's Directors and Executive Officers in the Merger" beginning on page 89 of this proxy statement/prospectus.

**Q:**  
**How will the merger affect my participation in the Lexar employee stock purchase plan?**

**A:**  
Lexar will terminate the Lexar employee stock purchase plan immediately before the merger is completed, and any purchase period then in effect will be shortened to the end of the business day immediately prior to the day the merger closes. Lexar will make adjustments under the Lexar employee stock purchase plan to reflect the shortened purchase period. Each outstanding share purchased during the shortened purchase period will be converted into the right to receive 0.5625 of a share of Micron common stock in the merger as described above.

**Q:**  
**What should I do now?**

**A:**  
After carefully reading this proxy statement/prospectus, including its annexes, Micron and Lexar urge you to respond by voting your shares through one of the following means:

*by mail*, by completing, signing, dating and mailing each proxy card (if you are a registered stockholder, meaning that you hold your stock in your name) or voting instruction card (if your shares are held in "street name," meaning that your shares are held in the name of a broker, bank or other nominee) and returning it in the envelope provided;

*via telephone*, using the toll-free number listed on each proxy card or voting instruction card (if your bank, broker or nominee makes telephone voting available);

*via the Internet*, at the address provided on each proxy card or voting instruction card (if your bank, broker or nominee makes Internet voting available); or

*in person*, by attending the special meeting and submitting your vote in person.

**Q:**  
**Do I need to send in my Lexar stock certificates now?**

**A:**  
No. You should not send in your Lexar stock certificates now. Following the merger, a letter of transmittal will be sent to Lexar stockholders informing them where to deliver their Lexar stock certificates in order to receive shares of Micron common stock and any cash in lieu of a fractional share of Micron common stock. You should not send in your Lexar common stock certificates prior to receiving this letter of transmittal.

**Q: What vote is required to approve the proposals?**

**A:** The proposal to adopt the merger agreement requires the affirmative vote of holders of a majority of the outstanding shares of Lexar common stock entitled to vote at the Lexar special meeting of stockholders. The proposal to grant discretionary authority to the persons named as proxies to vote your shares to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes for the adoption of the merger agreement requires the affirmative vote of holders of a majority of the shares entitled to vote that are present in person or represented by proxy at the meeting and actually cast at the meeting. Executed proxies returned to Lexar but not marked to indicate your voting preference will be counted as votes **"FOR"** the proposal to adopt the merger agreement and **"FOR"** the proposal to grant discretionary authority to the persons named as proxies to vote your shares to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adopting the merger agreement.

**Q: Are there any stockholders already committed to voting in favor of the merger?**

**A:** Yes. All of the executive officers and directors of Lexar and two affiliated entities of one of the directors have agreed to vote all of their shares of Lexar common stock, representing approximately % of the outstanding shares of Lexar common stock on , 2006, in favor of adoption of the merger agreement and in favor of granting discretionary authority to the persons named as proxies to vote their shares to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes in favor of adopting the merger agreement. A copy of the form of voting agreement is attached as Annex B to this proxy statement/prospectus. See the section entitled "The Voting Agreements" beginning on page 117 of this proxy statement/prospectus.

**Q: When do you expect to complete the merger?**

**A:** Micron and Lexar are working toward completing the merger as quickly as possible. The merger is expected to close during the second or third calendar quarter of 2006. However, because completion of the merger is subject to various conditions, Micron and Lexar cannot predict the exact timing of the merger or whether the merger will occur at all.

**Q: As a Lexar stockholder, will I be able to trade the Micron common stock that I receive in connection with the merger?**

**A:** The shares of Micron common stock issued in connection with the merger will be freely tradable, unless you are an "affiliate" (as defined in the Securities Act of 1933, as amended, or the Securities Act) of Lexar. If you are an affiliate of Lexar, you will be required to comply with the applicable restrictions of Rule 145 under the Securities Act in order to resell shares of Micron common stock you receive in the merger. You will be notified if you are an affiliate of Lexar.

**Q: Am I entitled to appraisal rights?**

**A:** Stockholders of Lexar are not entitled to appraisal rights under Delaware law in connection with the merger and the other transactions contemplated by the merger agreement. For more information, see the section entitled "Proposal No. 1 The Merger No Appraisal Rights" on page 98 of this proxy statement/prospectus.

**Q: What are the United States federal income tax consequences of the merger?**

**A:** The merger has been structured to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. If the merger qualifies as a reorganization, Lexar stockholders will not recognize any gain or loss upon the receipt of Micron common stock in exchange for Lexar common stock in connection with the merger, except with respect to cash received in lieu of a fractional share of Micron common stock.

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Lexar stockholders are urged to read the discussion in the section entitled "Proposal No. 1 The Merger Material United States Federal Income Tax Consequences of the Merger" beginning on page 94 of this proxy statement/prospectus and to consult their tax advisors as to the United States federal income tax consequences of the merger, as well as the effects of state, local and non-United States tax laws.

**Q:** **Are there any risks related to the proposed transaction or any risks related to owning Micron common stock that I should consider in deciding whether to approve the proposals?**

**A:** Yes. You should carefully review the section entitled "Risk Factors" beginning on page 23 of this proxy statement/prospectus.

### Questions and Answers About the Lexar Special Meeting

**Q:** **When and where will the Lexar special meeting be held?**

**A:** The special meeting will take place on \_\_\_\_\_, 2006, at the Fremont Marriott, 46100 Landing Parkway, Fremont, California, commencing at \_\_\_\_\_ p.m., local time.

**Q:** **How can I vote?**

**A:** If you are a stockholder of record, you may submit a proxy for the special meeting: (i) by completing, signing, dating and returning the proxy card in the pre-addressed envelope provided; (ii) using the telephone; or (iii) via the Internet. For specific instructions on how to use the telephone or the Internet to submit a proxy for the special meeting, please refer to the instructions on your proxy card.

If you hold your shares of Lexar common stock in a stock brokerage account or if your shares are held by a bank or nominee (*i.e.*, in "street name"), you must provide the record holder of your shares with instructions on how to vote your shares. Please check the voting instruction card included by your bank, broker or nominee for directions on providing instructions to vote your shares and to see if you may use the telephone or the Internet to provide instructions on how to vote your shares.

If you are a stockholder of record, you may also vote in person at the special meeting. If you hold shares in street name, you may not vote in person at the special meeting unless you obtain a signed proxy from the record holder giving you the right to vote the shares.

**Q:** **How will my proxy be exercised with respect to the proposals?**

**A:** All valid proxies received before the special meeting will be exercised. All shares represented by a proxy will be voted, and where a stockholder specifies by means of his or her proxy a choice with respect to the proposal to adopt the merger agreement and the proposal to grant discretionary authority to adjourn the special meeting, the shares will be voted in accordance with the specification so made. If you submit your executed proxy but fail to indicate how you want to vote, your proxy will be counted as a vote in favor of the proposals.

**Q:** **What happens if I do not return a proxy card or vote?**

**A:** If you do not sign and send in your proxy card, vote using the telephone or via the Internet or vote in person at the special meeting, or if you mark the "abstain" box on the proxy card or voting instruction card, it will have the same effect as a vote against the proposal to adopt the merger agreement, but will have no effect on the proposal to grant discretionary authority to adjourn the special meeting.

**Q: If my shares are held in "street name," will my broker vote my shares for me?**

**A:** Your broker will vote your shares held in "street name" on the proposal to adopt the merger agreement only if you provide instructions on how to vote. Therefore, you should be sure to provide your broker with instructions on how to vote your shares. Without instructions, your shares will not be voted on the proposal to adopt the merger agreement, which will have the effect of a vote against the merger.

**Q: What should I do if I receive more than one set of voting materials?**

**A:** Please complete, sign, date and return each proxy card and voting instruction card that you receive. You may receive more than one set of voting materials, including multiple copies of this proxy statement/prospectus and multiple proxy cards or voting instruction cards. For example, if you hold shares in more than one brokerage account, you will receive a separate voting instruction card for each brokerage account in which you hold shares. If your shares are held in more than one name, you will receive more than one proxy or voting instruction card.

**Q: May I change my vote after I have mailed my signed proxy or voting instruction card or voted using the telephone or Internet if available?**

**A:** Yes. If you have submitted a proxy, you may change your vote at any time before your proxy is voted at the Lexar special meeting of stockholders. You can do this one of four ways:

send a written, dated notice to the Secretary of Lexar stating that you would like to revoke your proxy;

complete, sign, date and submit a new later-dated proxy card;

re-vote electronically via the Internet or by telephone; or

attend the special meeting and vote in person. Your attendance alone will not revoke your proxy.

If you have instructed a bank, broker or nominee to vote your shares of Lexar common stock by executing a voting instruction card or by using the telephone or Internet, you must follow the directions received from your bank, broker or nominee to change your instructions.

**Q: Who will bear the cost of this solicitation?**

**A:** Lexar will pay the expenses of soliciting proxies for the special meeting. Lexar has retained Innisfree M&A Incorporated, a proxy solicitation firm, to solicit proxies in connection with the special meeting at a cost of approximately \$50,000 plus expenses. In addition, Lexar may reimburse brokers, banks and other custodians, nominees and fiduciaries representing beneficial owners of shares for their expenses in forwarding soliciting materials to such beneficial owners. Lexar and/or its agents may also solicit proxies by mail, telephone, facsimile, email or in person. No additional compensation will be paid for these services.

**Q: Who can answer my questions about the merger or Lexar's special meeting of stockholders?**

**A:** If you would like additional copies of this proxy statement/prospectus without charge or if you have questions about the merger or Lexar's special meeting of stockholders, including the procedures for voting your shares, you should contact:

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Innisfree M&A Incorporated

Toll free from within the United States and Canada: (877) 456-3427

From outside the United States and Canada: +1-412-232-3651

Banks and brokers call collect: (212) 750-5833



## SUMMARY

The following is a summary of the information contained in this proxy statement/prospectus. This summary may not contain all of the information about the merger that is important to you. For a more complete description of the merger, Micron and Lexar encourage you to read carefully this entire proxy statement/prospectus, including the attached annexes. In addition, Micron and Lexar encourage you to read the information incorporated by reference into this proxy statement/prospectus, which includes important business and financial information about Micron and Lexar. You may obtain the information incorporated by reference into this proxy statement/prospectus without charge by following the instructions in the section entitled "Where You Can Find More Information" beginning on page 131 of this proxy statement/prospectus.

### **The Merger and the Merger Agreement (see pages 62 and 99)**

Micron has agreed to acquire Lexar under the terms of a merger agreement between the companies that is described in this proxy statement/prospectus. Under the terms of the merger agreement, a newly formed, wholly owned subsidiary of Micron will merge with and into Lexar with Lexar surviving the merger as a wholly owned subsidiary of Micron. Upon completion of the merger, stockholders of Lexar will be entitled to receive 0.5625 of a share of Micron common stock for each share of Lexar common stock that they then hold. A copy of the merger agreement is attached as Annex A to this proxy statement/prospectus, and Micron and Lexar encourage you to read the merger agreement in its entirety.

### **Parties to the Merger**

#### *Micron Technology, Inc.*

Micron is one of the world's largest companies focused on memory, storage and imaging semiconductor products from DRAM to NAND flash to CMOS image sensors. Micron's products are designed to add differentiated value to the applications its customers develop with a portfolio that includes leading-edge devices for mobile, computing, server, automotive, networking, security, industrial, consumer and medical applications.

Through innovative process and design technology, Micron has provided the market with next generation digital technology since its inception in 1978. Micron is an industry leader in accelerating development of next generation digital innovations for its customers. In addition to being a market leader in DRAM products and solutions, Micron has joined with Intel Corporation to form IM Flash Technologies, a joint venture to meet the needs of the rapidly growing flash memory segment. Micron is also a leading provider of specialty DRAM and pseudo-static RAM for mobile applications.

Micron has delivered higher density innovations before its competitors and pushed the boundaries of imaging technology with the development of the industry's smallest CMOS image sensor pixel. Micron's superior image quality has helped Micron become the industry's leading provider of CMOS image sensors, including over 30% of all image sensors used in camera cell phones worldwide.

Micron pioneered the strategy of implementing product "shrink" designs, along with reduced mask step processes to reduce production costs. Micron's products remain among the most cost-effective while meeting the unique needs of customers in multiple markets. Micron has over 15,000 patents in its portfolio and is consistently ranked among the top 10 annual recipients of patents in the United States. Micron has been ranked first by ipIQ (formerly the MIT Technology Review) in 2004 and 2005 in patent portfolio quality among semiconductor companies.

Micron Technology, Inc., a Delaware corporation, was incorporated in 1978. Micron's executive offices are located at 8000 South Federal Way, Boise, Idaho 83716 and its telephone number is

(208) 368-4000. Micron's website is located at [www.micron.com](http://www.micron.com). Information contained in this website does not constitute part of this proxy statement/prospectus.

*Lexar Media, Inc.*

Lexar Media, Inc. designs, develops, manufactures and markets through its retail and OEM channels, high-performance digital media products, as well as other flash based storage products. Lexar's digital media technologies are incorporated by Lexar or its customers into a variety of products for consumer and professional markets that utilize digital media for the capture and retrieval of digital content for the digital photography, consumer electronics, computer, industrial and communications markets. Lexar's digital media products include a variety of flash memory cards with a range of speeds, capacities and value-added features. Lexar's digital media products also include Lexar's JumpDrive products, which are high-speed, portable USB flash drives for consumer applications that serve a variety of uses, including floppy disk replacement, as well as digital media accessories and a variety of connectivity products that link Lexar's media products to PCs and other electronic host devices. In addition, Lexar markets and sells controllers and other components to other manufacturers of flash storage media. Lexar also licenses its technology to certain third parties.

Lexar's principal executive offices are located at 47300 Bayside Parkway, Fremont, California 94538, and its telephone number is (510) 413-1200. Lexar's website address is [www.lexar.com](http://www.lexar.com). Information contained in this website does not constitute part of this proxy statement/prospectus.

*March 2006 Merger Corp.*

March 2006 Merger Corp. is a wholly owned subsidiary of Micron formed on March 3, 2006. Micron formed March 2006 Merger Corp. solely to effect the merger, and March 2006 Merger Corp. has not conducted any business during any period of its existence.

**Special Meeting of Stockholders of Lexar (see page 59)**

*Time, Date and Place.* Lexar will hold a special meeting of its stockholders on \_\_\_\_\_, 2006, at \_\_\_\_\_ p.m., local time, at the Fremont Marriott, 46100 Landing Parkway, Fremont, California, at which stockholders will be asked to vote to adopt the merger agreement and to grant discretionary authority to the persons named as proxies to vote your shares to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes for the adoption of the merger agreement.

*Record Date and Voting Power.* You are entitled to vote at the special meeting if you owned shares of Lexar common stock at the close of business on \_\_\_\_\_, 2006, the record date for the special meeting. You will have one vote at the special meeting for each share of Lexar common stock you owned at the close of business on the record date. There are \_\_\_\_\_ shares of Lexar common stock entitled to be voted at the special meeting.

*Required Vote.* The affirmative vote of holders of a majority of the outstanding shares of Lexar common stock entitled to vote at the special meeting is required to approve the proposal to adopt the merger agreement. The proposal to grant discretionary authority to the persons named as proxies to vote your shares to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes for the adoption of the merger agreement requires the affirmative vote of holders of a majority of the shares entitled to vote that are present in person or represented by proxy at the meeting and actually cast at the meeting.

*Voting by Lexar's Directors and Executive Officers; Voting Agreements.* Each of the executive officers and directors of Lexar and two affiliated entities of one of the directors have agreed with Micron to vote all of their shares of Lexar common stock, representing approximately % of the outstanding

shares of Lexar common stock on \_\_\_\_\_, 2006, in favor of the proposal to adopt the merger agreement and the proposal to grant discretionary authority to the persons named as proxies to vote their shares to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes for the proposal to adopt the merger agreement.

**Risk Factors (see page 23)**

The "Risk Factors" section beginning on page 23 of this proxy statement/prospectus should be considered carefully by Lexar stockholders in evaluating whether to approve the proposals. These risk factors should be considered along with any additional risk factors in the reports of Micron and Lexar filed with the Securities and Exchange Commission, or SEC, and any other information included in or incorporated by reference into this proxy statement/prospectus.

**Recommendation of the Lexar Board of Directors (see page 75)**

After careful consideration, the Lexar board of directors unanimously approved the merger agreement and the merger and determined that the merger is fair to, and in the best interests of, Lexar and its stockholders, and declared the merger to be advisable. The Lexar board of directors unanimously recommends that you vote "FOR" the proposal to adopt the merger agreement, and "FOR" the proposal to grant discretionary authority to the persons named as proxies to vote your shares to adjourn the special meeting, if necessary, to solicit additional proxies if there are not sufficient votes for the proposal to adopt the merger agreement.

**Lexar's Reasons for the Merger (see page 75)**

After careful consideration the Lexar board of directors approved the merger agreement and the merger, and determined that the merger would be fair to, and in the best interests of, Lexar and its stockholders, based on a number of factors, including, but not limited to, the following:

the belief that Lexar, as a combined entity, would be able to achieve vertical integration and enhance gross margin percentages by gaining access to Micron's low-cost flash memory supply when it becomes available;

the belief that Lexar, as a combined entity, would more likely be able to quickly and effectively enhance its products and develop products for new market opportunities, especially with respect to opportunities in the emerging mobile handset and solid state computing segments;

the belief in the strength of Micron's flash business, financial position, strategic partnership with Intel and anticipated future performance in flash development and manufacturing;

the potential achievement of cost synergies by combining the operations of Lexar and Micron to enable Lexar to improve inventory management, optimize product architectures to reduce production costs and reduce product handling, testing, and packaging charges;

Lexar's uncertain prospects as an independent company, including, but not limited to:

- ( ) Lexar's recent financial results and anticipated difficulty in returning to profitability, its accumulated deficit and its continued inability to achieve sustained profitability;
- ( ) the decline in revenue with respect to its retail customers in the last three quarters of 2005 as compared with the same periods in 2004;
- ( ) the fact that Lexar's revenue growth in 2005 was largely driven by sales of controllers and components to OEM customers, which is not anticipated to be a stable source of revenue in future periods;



- (
  - ) increasing competitive and pricing pressures in Lexar's markets, which have had a negative effect on Lexar's operating results, and the expectation that this pricing environment would continue to prevail for the foreseeable future;
- (
  - ) uncertainty regarding Lexar's ability to secure a sufficient supply of cost-effective flash memory;
- (
  - ) the difficulty Lexar faced in growing its licensing revenue, the costs of its ongoing intellectual property litigation matters and the uncertainty surrounding the amount and timing of any recovery of damages in the Toshiba trade secrets litigation; and
- (
  - ) Lexar's need to maintain global operations and invest substantial sums for continued research and development in order to successfully compete with companies with greater resources;

Lexar's exploration during the past year, with the assistance of Deutsche Bank Securities Inc., or Deutsche Bank, of potential strategic opportunities with many companies;

Lexar's inability to obtain, after lengthy discussions with flash memory suppliers, a consistent, cost-effective dependable flash supply that would provide Lexar with a sustainable competitive position relative to its competitors;

the opinion of Deutsche Bank that on March 8, 2006, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by Deutsche Bank, the exchange ratio was fair, from a financial point of view, to the stockholders of Lexar;

the belief that the merger with Micron could be consummated in light of the probability of receiving regulatory approvals and clearances and satisfying the other conditions needed to complete the transaction;

the receipt by Lexar stockholders of freely tradable shares of Micron common stock, subject to certain restrictions applicable to Lexar's affiliates, in a tax-free exchange at a premium over the market price of Lexar common stock prior to the public announcement of the proposed merger that would, by virtue of ownership of Micron common stock, permit Lexar stockholders to participate in the potential strategic and operational synergies to be achieved through the combination of the two companies;

a merger agreement that, subject to certain conditions, would permit the Lexar board of directors to consider unsolicited acquisition proposals that constitute a superior proposal and enter into a definitive agreement with respect to such superior proposal upon, among other things, payment of a termination fee; and

the terms of a patent cross-license agreement that included the following: (i) a release for all patent infringement claims for past uses and distributions of products that were licensed as part of the agreement; (ii) a license that was not assignable or sublicensable by Micron to a third party; (iii) a license to Lexar in its field of use to Micron's extensive patent portfolio, which license would continue subject to certain reasonable limits in the event Lexar is acquired by another party; (iv) a non-exclusive license only to Micron and to certain of its subsidiaries and not to joint venture partners or to downstream combination products incorporating Micron products where the combination was done by downstream component purchasers; (v) except with respect to controllers designed by or for Micron, a license that did not permit the manufacture and sale of third party controller products; (vi) a term that was reasonably limited in duration and patents included in the scope of the license; (vii) terms that would allow another party to acquire Lexar and obtain all of the benefits of Lexar's intellectual property, subject to not being able to assert infringement claims based on Lexar's patents against Micron for a limited period

of time; and (viii) appropriate provisions to terminate the cross-license on March 8, 2007, if the merger agreement is terminated under certain circumstances.

**Opinion of Lexar's Financial Advisor Regarding the Merger (see page 82)**

On March 3, 2006, Deutsche Bank delivered its oral opinion to the Lexar board of directors, subsequently confirmed orally on March 7, 2006 and in writing on March 8, 2006, to the effect that, as of such dates, based upon and subject to the assumptions made, matters considered and limits of the review undertaken by Deutsche Bank, the exchange ratio was fair, from a financial point of view, to the stockholders of Lexar. The full text of Deutsche Bank's written opinion, which discusses, among other things, the assumptions made, matters considered and limits on the review undertaken by Deutsche Bank in connection with the opinion, is attached as Annex C to this proxy statement/prospectus and is incorporated into this proxy statement/prospectus by reference. Deutsche Bank provided its opinion for the information and assistance of Lexar's board of directors in connection with its consideration of the merger and the merger agreement. The Deutsche Bank opinion is not a recommendation as to how any holder of Lexar common stock should vote with respect to the proposal to adopt the merger agreement. Lexar's stockholders are urged to read this opinion in its entirety.

**Lexar's Directors and Executive Officers Have Interests in the Merger (see page 89)**

When Lexar stockholders consider Lexar's board of directors' recommendation that they vote in favor of the proposal to adopt the merger agreement, they should be aware that the executive officers of Lexar and the members of Lexar's board of directors have interests in the merger that may be different from, or in addition to, the interests of stockholders generally. These interests include, among other things: (i) acceleration of options held by the directors and executive officers upon completion of the merger and, for certain executive officers, an additional time period in which to exercise such options; (ii) the right of certain executive officers to receive a cash payment upon completion of the merger; (iii) severance benefits (including cash payments, additional option acceleration and, for certain executive officers, reimbursement for health and life insurance benefits) if an executive officer's employment is terminated following the merger under certain circumstances; (iv) the right of directors who are not employees of Lexar or one of its subsidiaries to receive a cash payment for their Lexar stock options equal to the product of (A) the number of shares subject to the directors' unexpired, unexercised and outstanding options; and (B) the excess, if any, of \$9.00 over the per share exercise price of their options; and (v) the right of one of Lexar's executive officers to a capped tax gross-up for change-in-control excise tax. Micron has also agreed to, and will cause Lexar, as the surviving company after the merger, to fulfill Lexar's indemnification obligations as in effect on the date of the merger agreement and maintain directors' and officers' liability insurance for six years following the effective time of the merger. Lexar's board of directors was aware of these interests when they approved the merger agreement.

**What Is Needed to Complete the Merger (see page 111)**

Several conditions must be satisfied or waived before Micron and Lexar complete the merger, including those summarized below:

adoption of the merger agreement by the affirmative vote of holders of a majority of the shares of Lexar common stock outstanding on the record date;

absence of any law, regulation or order making the merger illegal or otherwise prohibiting the merger;

receipt of United States and certain non-United States antitrust approvals;

receipt of opinions by Micron and Lexar from their respective tax counsel that the merger will qualify as a "reorganization" under the Code;

the parties' respective representations and warranties contained in the merger agreement must be true and correct except as would not have a material adverse effect on such party, other than in the case of a limited number of representations and warranties of Lexar, which must be true and correct in all material respects, or in the case of a limited number of other representations and warranties of Lexar, which must be true and correct in all respects;

material compliance by each party with its covenants in the merger agreement;

no material adverse effect with respect to either party having occurred; and

no pending or overtly threatened suit, action or proceeding asserted by a governmental entity challenging or threatening to restrain or prohibit the merger or seeking to require one of the parties to make a divestiture.

If the law permits, either Lexar or Micron could choose to waive a condition to its obligation to complete the merger even though that condition has not been satisfied. Stockholders of Micron are not required to approve the merger, the issuance of shares of Micron common stock in the merger or any matter relating to the merger, and, accordingly, Micron will not hold a meeting of its stockholders in connection with the merger.

**Lexar Is Prohibited from Soliciting Other Offers (see page 104)**

The merger agreement contains detailed provisions that prohibit Lexar and its subsidiaries, and their officers and directors, from taking any action to solicit or engage in discussions or participate in negotiations with any person or group with respect to an acquisition proposal, as defined in the merger agreement, including an acquisition that would result in the person or group acquiring more than a 20% interest in Lexar's total outstanding voting securities, a merger or other business combination involving Lexar, a sale or license of more than 20% of Lexar's assets that is not in the ordinary course of business or any liquidation or dissolution of Lexar. Lexar is also required to use all reasonable efforts to cause its advisors to comply with these restrictions. The merger agreement does not, however, prohibit Lexar or its board of directors from considering and, in the event of a tender or exchange offer made directly to Lexar stockholders, from potentially recommending, an unsolicited bona fide written acquisition proposal from a third party if specified conditions are met.

**Change of Board Recommendation (see page 106)**

Subject to specified conditions, the board of directors of Lexar may withdraw or modify its recommendation in support of the adoption of the merger agreement by Lexar's stockholders. In the event that the board of directors of Lexar withdraws or modifies its recommendation in a manner adverse to Micron, Lexar may be required to pay a termination fee of \$22 million to Micron.

**Micron and Lexar May Terminate the Merger Agreement under Specified Circumstances (see page 113)**

Under circumstances specified in the merger agreement, either Micron or Lexar may terminate the merger agreement. These circumstances generally include if:

the boards of directors of Micron and Lexar authorize the termination of the merger agreement;

the merger is not completed by December 6, 2006, except that this right to terminate is not available to any party whose action or failure to act was a principal cause of or resulted in the failure of, the merger to occur on or before such date and such action or failure to act constitutes a breach of the merger agreement;

a final, non-appealable order of a court or other action or inaction of any governmental entity has the effect of permanently prohibiting completion of the merger;

the required approval of Lexar stockholders has not been obtained at the special meeting, except that this right to terminate is not available to Lexar if Lexar's action or failure to act caused the failure to obtain the requisite vote and such action or failure to act constitutes a breach of the merger agreement;

there has occurred a material adverse effect on either party since March 8, 2006, that is not reasonably capable of being cured prior to December 6, 2006, or that is not cured prior to the earlier of December 6, 2006, and 30 days following receipt of written notice from the other party of such material adverse effect; or

the other party breaches its representations, warranties or covenants in the merger agreement such that the conditions to completion of the merger regarding its representations, warranties or covenants would not be satisfied, subject to a 30-day cure period.

Additionally, prior to the adoption of the merger agreement by the Lexar stockholders, Micron may terminate the merger agreement if the board of directors of Lexar takes any of the actions in opposition to the merger described as a triggering event in the merger agreement. Lexar may terminate the merger agreement if it enters into a definitive agreement with respect to an alternative acquisition under specified conditions and pays the termination fee to Micron.

**Lexar May Be Required to Pay a Termination Fee under Specified Circumstances (see page 115)**

If the merger agreement is terminated under specified circumstances, Lexar may be required to pay a termination fee of \$22 million to Micron.

**Formation of IP LLC and Transfer of Patents, Patent Applications and Draft Applications (see page 109)**

Prior to the closing of the merger, Lexar will form a Delaware limited liability company, referred to herein as IP LLC, and immediately prior to the closing of the merger, Lexar will, and will cause its subsidiaries to, transfer, assign and convey all of its patents, patent applications and draft applications to IP LLC, together with the rights to sue for infringement and to collect past damages with respect to those patents. Lexar, as the surviving company of the merger, will be the minority member of IP LLC and one or more private investors that are not affiliated with Micron, Lexar or any of their respective executive officers or directors will own the remaining equity interest in IP LLC. Lexar's executive officers and directors will not have any equity interest in IP LLC following the completion of the merger other than their interests as Micron stockholders generally. If the merger is not consummated, Lexar and its subsidiaries will not transfer their patent rights to IP LLC and this provision of the merger agreement will have no further effect.

**The Patent Cross-License Agreement (see page 119)**

On March 8, 2006 Micron and Lexar entered into a patent cross-license agreement under which, among other things, each party granted to the other party and its subsidiaries a royalty-free, fully-paid, non-exclusive, term license, without the right to sublicense, to all patents and applications owned by the granting party for use in certain defined fields of use flash memory products, in the case of Lexar, and memory products, image sensors, and imaging devices, but excluding controllers the designs for which were not created by or for Micron, in the case of Micron. In addition, each party agreed to release the other party for any past infringements of the releasing party's patents that would have otherwise been within the field of use granted to the released party under the patent cross-license agreement. The patent cross-license agreement is effective until March 8, 2011, but may be terminated



by either party on March 8, 2007 under certain circumstances, as provided in the agreement. A copy of the patent cross-license agreement is attached as Annex D to this proxy statement/prospectus, and Micron and Lexar encourage you to read the patent cross-license agreement in its entirety.

**Material United States Federal Income Tax Consequences of the Merger (see page 94)**

The merger has been structured to qualify as a "reorganization" within the meaning of Section 368(a) of the Code, and it is a condition to closing that each of Micron and Lexar receive opinions from legal counsel to the effect that the merger will so qualify. If the merger qualifies as a reorganization, Lexar stockholders will not recognize any gain or loss upon the receipt of Micron common stock in exchange for Lexar common stock in connection with the merger, except with respect to cash received in lieu of a fractional share of Micron common stock.

Lexar stockholders are urged to read the discussion in the section entitled "Proposal No. 1 The Merger Material United States Federal Income Tax Consequences of the Merger" and to consult their tax advisors as to the United States federal income tax consequences of the merger, as well as the effect of state, local and non-United States tax laws.

**Accounting Treatment of the Merger (see page 95)**

In accordance with United States generally accepted accounting principles, Micron will account for the merger under the purchase method of accounting for business combinations.

**The Merger Is Subject to Antitrust Laws (see page 97)**

Micron and Lexar are required to make filings under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or the HSR Act, with the Antitrust Division of the United States Department of Justice, or the DOJ, and the United States Federal Trade Commission, or the FTC. Micron and Lexar filed the required notification and report forms on March 24, 2006 and requested early termination of the required waiting period. In addition, Micron and Lexar will make any necessary filings with competition authorities in China, Germany, Ireland, Norway and South Korea. Reviewing agencies or governments or private persons may challenge the merger under antitrust or similar laws at any time before or after its completion.

**Micron Will List Shares of Micron Common Stock on the New York Stock Exchange (see page 97)**

If Micron and Lexar complete the merger, Lexar stockholders will be able to trade the shares of Micron common stock they receive in the merger on the New York Stock Exchange, subject to restrictions on affiliates of Lexar described in the section entitled "Proposal No. 1 The Merger Restrictions on Sales of Shares of Micron Common Stock Received in the Merger" beginning on page 97 of this proxy statement/prospectus. If Micron and Lexar complete the merger, Lexar stock will no longer be quoted on the Nasdaq National Market or any other market or exchange.

**No Appraisal Rights (see page 98)**

Under Delaware law, Lexar stockholders will not have appraisal rights pursuant to the merger and the other transactions contemplated by the merger agreement.

**SELECTED HISTORICAL CONSOLIDATED  
FINANCIAL DATA OF MICRON**

The selected historical consolidated financial data in the table below as of and for the three months ended December 1, 2005 and December 2, 2004, were derived from Micron's unaudited consolidated financial statements. The data as of and for the fiscal years ended September 1, 2005, September 2, 2004, August 28, 2003, August 29, 2002 and August 30, 2001, were derived from Micron's audited consolidated financial statements. This information should be read in conjunction with Micron's consolidated financial statements and related notes contained in the annual, quarterly and other reports filed by Micron with the SEC which have been incorporated by reference into this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page 131 of this proxy statement/prospectus.

Three months ended		Year ended				
December 1, 2005	December 2, 2004	September 1, 2005	September 2, 2004	August 28, 2003	August 29, 2002	August 30, 2001

(amounts in millions except per share amounts)

**Consolidated Statements of  
Operations Data:**

Net sales	\$ 1,361.8	\$ 1,260.3	\$ 4,880.2	\$ 4,404.2	\$ 3,091.3	\$ 2,589.0	\$ 3,935.9
Gross margin	311.1	423.0	1,145.8	1,314.7	(20.7)	(110.6)	110.7
Operating income (loss)	62.4	174.9	217.5	249.7	(1,186.5)	(1,025.3)	(976.5)
Income (loss) from continuing operations	62.6	154.9	198.6	157.2	(1,273.2)	(907.0)	(521.2)
Loss from discontinued PC operations, net of taxes and minority interest							(103.8)
Net income (loss)	62.6	154.9	188.0	157.2	(1,273.2)	(907.0)	(625.0)
Diluted earnings (loss) per share:							
Continuing operations	\$ 0.09	\$ 0.23	\$ 0.29	\$ 0.24	\$ (2.11)	\$ (1.51)	