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## Micron Technology Inc. F3Q09 (Qtr End 06/04/09) Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions) Your first question comes from Gary Hsueh - Oppenheimer & Co.

#### Gary Hsueh - Oppenheimer & Co.

It seems like the biggest variable in my model for you in fiscal Q3 was NAND pricing. What is the expectation in the August quarter for Q4 in terms of NAND ASP per bit?

#### Steven R. Appleton

Right now, in the market today, we expect to be kind of flat to mildly up in the quarter until we see what some of our customers and all look like going into the holiday season, which normally we get a good sense of in August.

#### Gary Hsueh - Oppenheimer & Co.

I guess my question is, you know, this is just guess work here, but if you're rolling off of Intel heavy Q3 and maybe lightening a little bit up in terms of the mix in terms of Intel in Q4, does that effect have any impact on our assumptions for ASP per bit in Q4?

#### Steven R. Appleton

I'm not sure the assumption that we're rolling off Intel in Q4 is correct. It's basically a flat stick. That doesn't change quarter-over-quarter.

#### Gary Hsueh - Oppenheimer & Co.

So the Intel content in your NAND Flash business is basically roughly flat quarter-over-quarter as a percentage of the mix?

#### Steven R. Appleton

On a volume base, that's right.

#### Gary Hsueh - Oppenheimer & Co.

And I just kind of look at the royalty business, I think with Nanya projected to start kicking in sometime I guess next year in terms of their production, I was just wondering how should we be modeling basically, or thinking about that royalty and licensing revenue stream in 2010? Should we expect R&D

kind of sharing part of that revenue stream to start declining or does that start picking up because of the units coming out of Nanya in 2010? What's the directionality and what's the magnitude of that in 2010.

**Ronald C. Foster**

We have got some technology agreements that are already in place and that's showing in the revenue numbers that I mentioned were at \$32.0 million this quarter, roughly the same last quarter. And that continues forward.

Then also, as you point out, when volume picks up with product volumes out of Inotera, there will be licensing royalties associated with that capacity as well. At typical market rates, you might say. We haven't specifically called it out.

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