

# Micron And Intel Create New Company To Manufacture NAND Flash Memory

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Micron Technology, Inc., and Intel Corporation today announced they have agreed to form a new company to manufacture NAND flash memory for use in consumer electronics, removable storage and handheld communications devices. The new company will exclusively manufacture product for Micron and Intel. Formation of the company is subject to customary closing conditions and is expected to be finalized around the end of the year.

The company, to be called IM Flash Technologies, LLC, brings together the manufacturing technology, assets, experience and scale necessary for Intel and Micron to successfully compete in the NAND flash memory business, an increasingly important and fast-growing market segment. The new company combines Micron's expertise in developing NAND

technology and operating highly efficient manufacturing facilities with Intel's multi-level cell technology and history of innovation in the flash memory business.

In addition and subject to the closing of the venture, Intel and Micron have each entered into separate long-term agreements to supply Apple with a significant portion of each of their share of IM Flash Technologies' NAND flash memory output. As part of these agreements, Apple would prepay \$250 million each to Intel and Micron.

Intel and Micron have agreed to initially contribute approximately \$1.2 billion each in cash, notes and assets to IM Flash Technologies. Subject to certain conditions, the parties will each contribute an additional approximately \$1.4 billion over the next three years and intend to make additional investments as appropriate to support the growth of the operation. The company will be 51 percent owned by Micron and 49 percent owned by Intel. Production will initially take place in manufacturing facilities located in Boise, Idaho, Manassas, Va. and Lehi, Utah. The new company will benefit from Micron's and Intel's process technology expertise to aggressively convert to advanced 72nm and 50nm technology. Initial production from the company is expected in early 2006.

The management team for the new company will be led by Intel's Dave Baglee, who previously served as manager of Intel's Fab 11 in New Mexico, and Micron's Rod Morgan, who most recently served as manager of Micron's fabrication facility in Manassas.

Source: Intel

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