

Micron CEO Appleton Killed



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Plane Wreck Claims Aerobat

Micron CEO and chairman Steve Appleton died February 3, 2012 in a small plane crash. Trading in Micron stock was halted.

Appleton, a professional aerobat, was alone in the plane when it crashed at the Boise airport. Reports indicate that the plane was on fire as it landed. He was 51 years old.

Micron Career

Appleton began working at Micron after college in 1983 in a production job and worked his way to the top spot through a succession of manufacturing positions. He was promoted to president in 1991 and replaced founder Joe Parkinson as chairman & CEO in 1994.

Under his guidance the company became the last surviving US DRAM manufacturer and turned around a number of failing DRAM businesses it acquired from Texas Instruments, Toshiba, Qimonda, and others, while investing in businesses outside of its core DRAM strength including a recent acquisition of NOR maker Numonyx. One particularly successful investment has been Micron's IMFT joint venture with Intel for the manufacture of NAND flash.

An Ardent Aerobat

Appleton devoted a good share of his time to his hobby. We were amused to find his name on a show bill for an air show in the San Francisco Bay Area a few years ago.

He was well aware of the risks aerobatics involve. In July 2004 he crashed a plane near Boise and suffered some injuries. This did not prevent him from making a keynote presentation at the Semicon West conference in San Francisco a few days later in which he shared a video of the accident.

Mr. Appleton was not the only CEO to engage in this risky sport. Oracle founder Larry Ellison is also a stunt pilot.

Succession After Death

This raises the question of how a company can manage the contingency that the CEO will suddenly perish. We would expect all major corporations to have succession plans, whether their CEOs

indulge in risky behavior or are aging or unhealthy.

Even companies with cautious, vital executives can be caught in difficult situations. In 1980 Arrow Electronics suffered a significant blow when thirteen of its executives were killed in a fast-moving fire in a hotel ballroom during a conference. The company which at the time was the US' second largest electronics components distributor, was able to continue through the heroic efforts of the surviving employees and even the spouses of some of those employees killed in the fire.

We would anticipate that Mark Durcan, Micron's current president and COO, will be given the CEO title, and that another board member will be assigned chairman. Durcan will have to decide whether or not to stay with the firm after his planned retirement in August, which was announced only one week earlier on January 27. Mark Adams was named as Durcan's successor in last week's announcement.

There have also been recent board changes, with the retirement of directors Teruaki Aoki and Jim Bagley, announced on January 24. Even with the loss of Aoki, Appleton, Bagley, and Durcan, fourteen board members remain, giving a good number of candidates for the chairmanship. The board members are reputed to share Appleton's vision, so there is likely to be good continuity over the near term.

Our hearts go out to Mr. Appleton's family, and to Micron's employees as they deal with the loss of a great leader.

Jim Handy (with help from Lane Mason)

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