

Lam Research Corporation Convertible Note (CUSIP 512807AJ7) due May 15, 2016 Dilution Schedule
Sensitivity Based on Average Quarterly Stock Price

Quarterly share dilution under the Treasury stock method is calculated as follows:

$$\text{Share Dilution} = \frac{(\text{Average Quarterly Share Price} \times \text{Underlying Shares}) \text{ minus Notional}}{\text{Average Quarterly Share Price}}$$

	<u>Notional</u>	<u>Underlying Shares</u>	<u>Conversion Price</u>
Convertible Notes	\$450 million	7.27 million	\$61.93
Note Hedge	\$450 million	7.27 million	\$61.93
Warrants	\$450 million	7.27 million	\$70.11

Hypothetical Quarterly Average Stock Price Matrix

Adjusted Average Quarterly Stock Price	Approximate Quarterly Dilutive Share Count Impact ('000s shares)				Net Dilution (Non-GAAP)	Net Dilution (GAAP)
	Convertible Notes	Note Hedge	Warrants			
Less than \$61.93	-	-	-	-	-	-
\$62.00	9	(9)	-	-	-	9
\$64.00	235	(235)	-	-	-	235
\$66.00	448	(448)	-	-	-	448
\$68.00	649	(649)	-	-	-	649
\$70.00	838	(838)	-	-	-	838
\$72.00	1,017	(1,017)	191	191	191	1,208
QSep'15 Adjusted Average Share Price	1,164	(1,164)	358	358	358	1,522
\$74.00	1,186	(1,186)	382	382	382	1,568
\$76.00	1,346	(1,346)	564	564	564	1,909
\$78.00	1,497	(1,497)	735	735	735	2,233
\$80.00	1,642	(1,642)	899	899	899	2,540
\$82.00	1,779	(1,779)	1,054	1,054	1,054	2,833
\$84.00	1,910	(1,910)	1,202	1,202	1,202	3,111
\$86.00	2,034	(2,034)	1,343	1,343	1,343	3,377
\$88.00	2,153	(2,153)	1,478	1,478	1,478	3,631
\$90.00	2,267	(2,267)	1,606	1,606	1,606	3,873
\$92.00	2,375	(2,375)	1,729	1,729	1,729	4,105
\$94.00	2,479	(2,479)	1,847	1,847	1,847	4,327
\$96.00	2,579	(2,579)	1,960	1,960	1,960	4,539
\$98.00	2,675	(2,675)	2,068	2,068	2,068	4,743
\$100.00	2,767	(2,767)	2,172	2,172	2,172	4,939

1. Please refer to the Notes to the Consolidated Financial Statements, Note 14 - Long Term Debt and Other Borrowings on Form 10-K, filed August 13, 2015, for additional information.
2. The conversion price has been adjusted to reflect the impact of the cash dividend payout on the conversion rate. Refer to Form 8-K filed September 13, 2015 for additional information.
3. Lam Research receives ~0.8M shares from the call spread hedge at the current price.