

**Novellus Systems Convertible Note (CUSIP 670008AD3) due May 15, 2041 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>
\$700 million	20.20 million	\$34.65

**Hypothetical Quarterly Average Stock Price Matrix**

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ('000s shares)</u>
Less than \$34.65	-
\$38.00	1,780
\$41.00	3,127
\$44.00	4,291
\$47.00	5,307
\$50.00	6,200
\$53.00	6,993
\$56.00	7,700
\$59.00	8,336
\$62.00	8,910
\$65.00	9,431
\$68.00	9,906
\$71.00	10,341
\$74.00	10,740
\$77.00	11,109
<b>QJun'15 Adjusted Average Share Price</b>	<b>11,226</b>
\$80.00	11,450
\$83.00	11,766
\$86.00	12,060
\$89.00	12,335
\$92.00	12,591
\$95.00	12,831
\$98.00	13,057
\$101.00	13,269

1. Please refer to the Notes to the Consolidated Financial Statements, Note 8 - Long Term Debt and Other Borrowings on Form 10-Q, filed April 30, 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 June 16, 2015 for additional information.