

**Lam Research Corporation Convertible Note (CUSIP 512807AL2) due May 15, 2018 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	7.24 million	\$62.19
Note Hedge	\$450 million	7.24 million	\$62.19
Warrants	\$450 million	7.24 million	\$75.10

Hypothetical Quarterly Average Stock Price Matrix

Adjusted Average Quarterly Stock Price	Approximate Quarterly Dilutive Share Count Impact (‘000s shares)					
	Convertible Notes	Note Hedge	Warrants	Net Dilution (Non-GAAP)	Net Dilution (GAAP)	
	Less than \$62.19	-	-	-	-	-
\$64.00	205	(205)	-	-	205	
\$66.00	418	(418)	-	-	418	
\$68.00	619	(619)	-	-	619	
\$70.00	808	(808)	-	-	808	
\$72.00	986	(986)	-	-	986	
\$74.00	1,155	(1,155)	-	-	1,155	
\$76.00	1,315	(1,315)	86	86	1,401	
QJun'15 Adjusted Average Share Price	\$78.00	1,467	(1,467)	269	269	1,736
\$80.00	1,611	(1,611)	443	443	2,055	
\$82.00	1,748	(1,748)	609	609	2,358	
\$84.00	1,879	(1,879)	767	767	2,646	
\$86.00	2,004	(2,004)	917	917	2,921	
\$88.00	2,123	(2,123)	1,061	1,061	3,184	
\$90.00	2,236	(2,236)	1,198	1,198	3,434	
\$92.00	2,345	(2,345)	1,329	1,329	3,674	
\$94.00	2,449	(2,449)	1,455	1,455	3,904	
\$96.00	2,549	(2,549)	1,576	1,576	4,124	
\$98.00	2,644	(2,644)	1,691	1,691	4,336	
\$100.00	2,736	(2,736)	1,802	1,802	4,538	

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.
3. Lam Research receives ~1.2M shares from the call spread hedge at the current price.