



Lam Research Corporation Announces Earnings for the Quarter Ended March 27, 2005

FREMONT, Calif., April 13, 2005--Lam Research Corporation (Nasdaq: LRCX) today announced earnings for the quarter ended March 27, 2005. Revenue for the period was \$349.3 million, and net income was \$59.5 million, or \$0.41 per diluted share, compared to revenue of \$379.8 million and net income of \$83.6 million, or \$0.59 per diluted share, for the December 2004 quarter. Gross margin and operating expenses for the March 2005 quarter were \$174.6 million and \$95.9 million, respectively.

The Company believes the presentation of ongoing results, which excludes certain special items, is useful for analyzing ongoing business trends. During the March 2005 quarter, the Company received a tax refund, which is recorded in selling, general and administrative expenses. The Company also recognized additional liabilities for unoccupied facilities included in prior restructuring plans. Tables that provide reconciliations of ongoing performance to results under U.S. Generally Accepted Accounting Principles (GAAP) are included at the end of this press release and on the Company's web site.

Ongoing gross margin for the March 2005 quarter was 50.0 percent of revenue compared to 52.4 percent of revenue in the December 2004 quarter. The gross margin achieved for the March 2005 quarter was a result of lower installation and warranty expenses and improved field resource utilization. In the period, ongoing operating expenses remained essentially flat sequentially at \$89.7 million. Ongoing net income of \$64.1 million, or \$0.44 per diluted share, in the March 2005 quarter compares with ongoing net income of \$83.6 million, or \$0.59 per diluted share, for the December 2004 quarter.

New orders recorded in backlog decreased 19% sequentially to \$315 million. The geographic distribution of new orders as well as revenue during the March quarter is shown in the following table:

<u>Region</u>	<u>New Orders</u>	<u>Revenue</u>
North America	16%	17%
Europe	19%	13%
Japan	22%	18%
Korea	14%	35%
Asia Pacific	29%	17%

Cash, short-term investments and restricted cash balances increased to \$838.8 million at the end of March, and cash flows from operating activities were approximately \$101 million during the quarter. Deferred revenue and deferred profit balances increased to \$152.8 million and \$86.9 million, respectively, and unshipped orders in backlog were approximately \$399 million at the end of the quarter. The value of orders shipped from backlog to Japanese customers that are not recorded as deferred revenue was approximately \$49 million.

"The Company continues to deliver solid financial results in the current industry environment. Strong cash generation, healthy gross margins, and good expense management reflect our commitment to increasing shareholder value," stated James W. Bagley, Lam's Chairman and Chief Executive Officer.

"In 2004, we announced a \$250 million stock buy-back program. In this quarter we purchased approximately \$68 million of common stock and plan to continue to exercise the approved plan over the coming periods."

"The strength in our financial performance is driven by our continuing success in the markets we serve. For the fourth consecutive year, Lam is the number one provider of etch equipment to the semiconductor industry, as reported by a number of industry research firms. We believe we are well-positioned to continue to expand our market leadership, as well as our strong financial results," Bagley concluded.

Statements made in this press release which are not statements of historical fact are forward-looking statements and are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relate, but are not limited, to our future financial performance, our ability to maintain and expand our market leadership and strong financial results, our future ability to increase gross margins, generate cash and control costs, and our plans for repurchasing our common stock. Some factors that may affect these forward-looking statements include: changing business conditions in the semiconductor industry and our plans for reacting to those changes, changing customer demands,

our competitors' development of new technologies that could affect our market share, margins and cash generation, and future changes to our cash requirements or spending opportunities that alter our perception of the best way to use the Company's cash reserves. These forward-looking statements are based on current expectations and are subject to uncertainties and changes in condition, significance, value and effect as well as other risks detailed in documents filed with the Securities and Exchange Commission, including specifically the reports on Form 10-K for the year ended June 27, 2004, and the Form 10-Q for the quarter ended December 26, 2004, which could cause actual results to vary from expectations. The Company undertakes no obligation to update the information or statements made in this press release.

Lam Research Corporation is a major supplier of wafer fabrication equipment and services to the world's semiconductor industry. Lam's common stock trades on the Nasdaq National Market under the symbol LRCX. The Company's World Wide Web address is <http://www.lamrc.com>.

Lam Research Corporation Contact:

Kathleen Bela, Investor Relations, phone: 510/572-4566, e-mail: kathleen.bela@lamrc.com

View Financial Tables

- [View HTML](#)
- [Download Excel](#)
- [Download PDF](#)