

**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	20.44 million	\$34.23

**Hypothetical Quarterly Average Stock Price Matrix**

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ( '000s shares)</u>
Less than \$34.23	-
\$37.00	1,528
\$40.00	2,947
\$43.00	4,167
\$46.00	5,229
\$49.00	6,161
\$52.00	6,985
\$55.00	7,719
\$58.00	8,377
\$61.00	8,970
\$64.00	9,508
\$67.00	9,998
\$70.00	10,446
<b>QMar'16 Adjusted Average Share Price</b>	<b>10,778</b>
\$73.00	10,857
\$76.00	11,235
\$79.00	11,585
\$82.00	11,909
\$85.00	12,210
\$88.00	12,491
\$91.00	12,753
\$94.00	12,999
\$97.00	13,229
\$100.00	13,445

1. Please refer to the Notes to the Consolidated Financial Statements, Note 11 - Long Term Debt and Other Borrowings on Form 10-Q, filed February 3, 2016, 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 March 16, 2016 for additional information.