

**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	20.52 million	\$34.11

**Hypothetical Quarterly Average Stock Price Matrix**

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ('000s shares)</u>
Less than \$34.11	-
\$37.00	1,602
\$40.00	3,021
\$43.00	4,241
\$46.00	5,303
\$49.00	6,235
\$52.00	7,059
\$55.00	7,793
\$58.00	8,451
\$61.00	9,045
\$64.00	9,582
\$67.00	10,072
\$70.00	10,520
\$73.00	10,931
\$76.00	11,309
\$79.00	11,659
<b>QJun'16 Adjusted Average Share Price</b>	<b>11,778</b>
\$82.00	11,983
\$85.00	12,284
\$88.00	12,565
\$91.00	12,827
\$94.00	13,073
\$97.00	13,303
\$100.00	13,519

1. Please refer to the Notes to the Consolidated Financial Statements, Note 11 - Long Term Debt and Other Borrowings on Form 10-Q, filed April 25, 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 June 15, 2016 for additional information.