

**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	19.99 million	\$34.93

**Hypothetical Quarterly Average Stock Price Matrix**

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ('000s shares)</u>
Less than \$34.93	-
\$37.00	1,121
\$39.00	2,091
\$41.00	2,967
\$43.00	3,761
\$45.00	4,484
\$47.00	5,146
\$49.00	5,754
\$51.00	6,314
\$53.00	6,832
\$55.00	7,312
\$57.00	7,759
\$59.00	8,175
\$61.00	8,564
\$63.00	8,928
\$65.00	9,270
\$67.00	9,592
\$69.00	9,894
\$71.00	10,180
<b>QSep'14 Adjusted Average Share Price</b>	<b>10,183</b>
\$73.00	10,450
\$75.00	10,706
\$77.00	10,948
\$79.00	11,178
\$81.00	11,397
\$83.00	11,605
\$85.00	11,804

1. Please refer to the Notes to the Consolidated Financial Statements, Note 13 - Long Term Debt and Other Borrowings on Form 10-K, filed August 26, 2014, 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 10, 2014 for additional information.