

**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	\$34.86

Hypothetical Quarterly Average Stock Price Matrix

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ('000s shares)</u>
Less than \$34.86	-
\$38.00	1,662
\$41.00	3,010
\$44.00	4,174
\$47.00	5,189
\$50.00	6,083
\$53.00	6,875
\$56.00	7,582
\$59.00	8,218
\$62.00	8,792
\$65.00	9,313
\$68.00	9,788
\$71.00	10,223
\$74.00	10,623
\$77.00	10,991
QDec'14 Adjusted Average Share Price	11,015
\$80.00	11,332
\$83.00	11,648
\$86.00	11,942
\$89.00	12,217
\$71.02	10,225
\$92.00	12,473
\$95.00	12,713
\$98.00	12,939
\$101.00	13,151

1. Please refer to the Notes to the Consolidated Financial Statements, Note 12 - Long Term Debt and Other Borrowings on Form 10-Q, filed November 3, 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.