

**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	\$35.02

Hypothetical Quarterly Average Stock Price Matrix

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ('000s shares)</u>	
Less than \$35.02	-	
\$37.00	1,071	
\$39.00	2,041	
\$41.00	2,917	
\$43.00	3,711	
\$45.00	4,434	
\$47.00	5,096	
\$49.00	5,704	
\$51.00	6,264	
\$53.00	6,782	
\$55.00	7,262	
\$57.00	7,709	
\$59.00	8,125	
QJun'14 Average Share Price	\$59.52	8,229
\$61.00	8,514	8,514
\$63.00	8,878	8,878
\$65.00	9,220	9,220
\$67.00	9,541	9,541
\$69.00	9,844	9,844
\$71.00	10,130	10,130
\$73.00	10,400	10,400
\$75.00	10,656	10,656
\$77.00	10,898	10,898
\$79.00	11,128	11,128
\$81.00	11,347	11,347
\$83.00	11,555	11,555
\$85.00	11,754	11,754

1. Please refer to the Notes to the Consolidated Financial Statements, Note 13 - Long Term Debt on Form 10-Q, filed May 8, 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.