

**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>
526 million	15.73 million	\$33.45

**Hypothetical Quarterly Average Stock Price Matrix**

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ( '000s shares)</u>
Less than \$33.45	-
\$40.00	2,577
\$47.00	4,536
\$54.00	5,988
\$61.00	7,106
\$68.00	7,993
\$75.00	8,716
\$82.00	9,314
\$89.00	9,819
\$96.00	10,250
\$103.00	10,623
\$110.00	10,948
\$117.00	11,234
\$124.00	11,488
\$131.00	11,714
\$138.00	11,918
\$145.00	12,102
\$152.00	12,269
\$159.00	12,422
\$166.00	12,561
\$173.00	12,690
\$180.00	12,808
\$187.00	12,917
\$194.00	13,019
<b>QDec'17 Adjusted Average Share Price</b>	<b>13,043</b>
\$201.00	13,113
\$208.00	13,201
\$215.00	13,284
\$222.00	13,361
\$229.00	13,433
\$236.00	13,501
\$243.00	13,566
\$250.00	13,626
\$257.00	13,684
\$264.00	13,738

1. Please refer to the Notes to the Consolidated Financial Statements, Note 11 - Long Term Debt and Other Borrowings on Form 10-Q, filed October 23, 2017, 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 December 11, 2017 for additional information.