





**Form 8937**

**Issuer's name: Lam Research Corporation (referred as "The Company" thereafter in this document)**

**FEIN: 94-2634797**

**CUSIP number: 512807 AJ7**

**Part II**

**Line 14.** On February 19, 2016, Lam Research Corporation's (referred as "The Company" thereafter) board of directors declared a quarterly cash dividend payment of \$0.30 per share of the Company's common stock for 2016 March quarter to be paid out on April 06, 2016. Section 14.04(d) of the Indenture provides for an increase in the Conversion Rate in connection with this dividend.

On the dividend declaration date, February 19, 2016, The Company provided the first Notice of Conversion Rate Adjustment in connection with the dividend to the Indenture Note Trustee, The Bank of New York Mellon Trust Company (referred as "BONY" thereafter), for distribution to Note Holders. On the ex-dividend date, March 7, 2016, the Company prepared the 2<sup>nd</sup> Notice with a detailed Conversation Rate Adjustment for distribution to Note Holder. The 2<sup>nd</sup> Notice was sent to BONY and attached to the 8-K filed by the Company dated March 16, 2016.

**Line 15.** Section 14.04(d) of the Indenture (CUSIP number: 512807 AJ7) provides for an increase in the Conversion Rate in connection with the dividend mentioned above.

**The Conversion Rate Adjustment (CR') Calculation Illustration:**

$$CR' = CR_0 \times ((SP_0) / (SP_0 - C))$$

$$\text{The Bond Basis Increment} = (CR' - CR_0) \times SP_0$$

CR<sub>0</sub> = the Conversion Rate in effect immediately prior to the open of business on the Ex-Dividend Date for such dividend or distribution;

CR' = the Conversion Rate in effect immediately after the open of business on the Ex-Dividend Date for such dividend or distribution;

SP<sub>0</sub> = the Last Reported Sale Price of the Common Stock on the Trading Day immediately preceding the Ex-Dividend Date for such dividend or distribution; and

C = the amount in cash per share the Company distributes to holders of its Common Stock

There is deemed distribution to the Bond Holders resulted from the Conversion Rate Adjustment which is to increase the basis in the corresponding bond.

**The Deemed Distribution (i.e. increment to the bond basis) illustration:**

$$\text{Deemed Distribution} = (CR' - CR_0) \times SP_0$$

**Line 16.** The Conversion Rate relating to the Notes, previously equal to 16.2107 shares of Common Stock per \$1,000 principal amount of Notes, was increased to 16.2764 shares of Common Stock per \$1,000 principal amount of Notes as a result of the cash dividend paid on April 6, 2016 by the Company.

The above Conversion Rate Increase resulted in deemed distribution of \$4.8835 per \$1,000 principal amount of Notes to the bond holder and subsequently increases the bond basis accordingly.

**Please see below for calculation detailed illustrated for \$1,000 principal amount of Notes:**

$$CR' = CR_0 \times ((SP_0) / (SP_0 - C)) = 16.2107 \times ((\$74.33) / (\$74.33 - \$0.30)) = 16.2764$$

$$\text{Deemed Distribution} = (CR' - CR_0) \times SP_0 = (16.2764 - 16.2107) \times \$74.33 = \$4.8835$$

$$CR_0 = 16.2107$$

$$CR' = 16.2764$$

$$SP_0 = \$74.33$$

$$C = \$0.30$$