LAM RESEARCH CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	Dec. 29, 2002	Dec. 30, 2001	Dec. 29, 2002	Dec. 30, 2001
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Total revenue	$ 184,569	$ 259,173	$ 382,089	$ 598,753
Cost and expenses:				
Cost of goods sold	112,380	193,745	230,906	407,614
Cost of goods sold - restructuring charges (recoveries)	(301)	-	(301)	7,600
Cost of goods sold - patent settlement	-	38,780	-	38,780
Total cost of goods sold	112,079	232,525	230,605	453,994
Gross margin	72,490	26,648	151,484	144,759
Operating expenses - research and development	39,739	49,734	81,121	96,964
Operating expenses - selling, general and administrative	31,715	43,524	65,074	90,689
Operating expenses - restructuring charges, net	2,053	33,773	2,053	47,221
Total operating expenses	73,507	127,031	148,248	234,874
Operating income (loss)	(1,017)	(100,383)	3,236	(90,115)
Other income (expense):				
Gain/(loss) on equity derivative contracts in Lam stock	-	18,884	(16,407)	890
Other income (expense), net	2,989	(386)	2,327	(571)
Income (loss) before income taxes	1,972	(81,885)	(10,844)	(89,796)
Income tax expense (benefit)	493	(30,230)	1,391	(29,221)
Net income (loss)	$ 1,479	$ (51,655)	$ (12,235)	$ (60,575)
Net income (loss) per share:				
Basic	$ 0.01	$ (0.41)	$ (0.10)	$ (0.48)
Diluted (1)	$ 0.01	$ (0.41)	$ (0.10)	$ (0.48)
Number of shares used in per share calculation:				
Basic	125,411	125,674	126,171	125,507
Diluted (1)	128,537	125,674	126,171	125,507

(1) For the three-month period ended December 29, 2002, diluted net income per share includes the assumed exercise of employee stock options. The assumed conversion of the outstanding warrant and convertible subordinated 4% notes was antidilutive and therefore excluded from the computation of net income per share for the three-month period ended December 29, 2002. For the six-month period ended December 29, 2002, and the three- and six-month periods ended December 30, 2001, options, warrants and convertible subordinated notes were outstanding, but were excluded from the computation of diluted net loss per common share because the effect would have been antidilutive due to the net loss for the period.

LAM RESEARCH CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	Dec. 29, 2002 (unaudited)	June 30, 2002 (1)
Assets:		
Cash and short-term investments	$ 552,036	$ 874,205
Accounts receivable, net	119,873	132,113
Inventories	146,671	180,799
Other current assets	143,204	168,307
Total current assets	961,784	1,355,424
Equipment/leasehold improvements, net	57,511	67,496
Restricted cash	61,907	70,983
Other assets	153,013	138,388
Total assets	$ 1,234,215	$ 1,632,291
Liabilities and stockholders' equity:		
5% convertible debenture	$ -	$ 309,763
Other current liabilities	238,615	287,781
Total current liabilities	238,615	597,544
Other long-term debt and liabilities	372,848	359,691
Stockholders' equity	622,752	675,056
Total liabilities and stockholders' equity	$ 1,234,215	$ 1,632,291

(1) Derived from audited financial statements