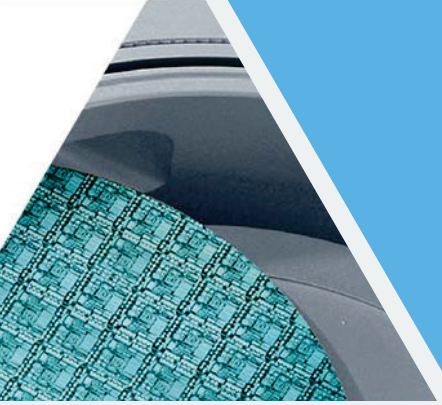
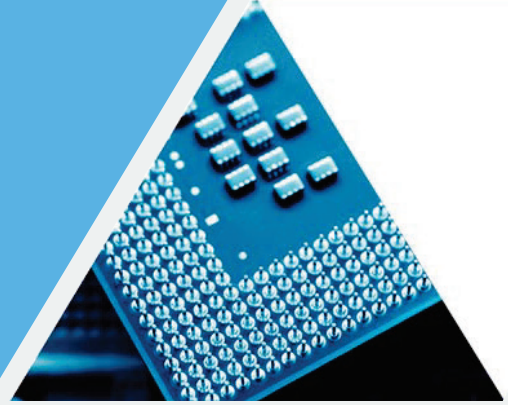
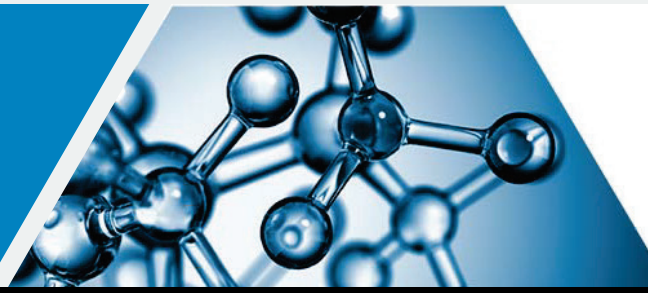





Lam Research Corporation

March Quarter 2015 Financial Results

April 20, 2015



Cautions Regarding Forward-Looking Statements

Statements made in this presentation that are not statements of historical fact are forward-looking statements and are subject to the safe harbor provisions created by the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate, but are not limited, to the components and projections of our financial models; the size of the Wafer Fab Equipment (WFE) market; our ability to continue to outperform the WFE market; the value and extent of our competitive advantage and the differentiation of our products and services; the value of and our ability to engage in collaborations with customers; the strength of our market position in the inflections (such as multi-patterning, 3-D devices and packaging); the percentage of the WFE market that encompasses inflection technologies; the extent of etch and deposition intensity in the inflection points; the extent to which we can sustain growth in the applications and markets influenced by inflections; the components of our industry outlook such as the extent of capital equipment purchases by Memory, Foundry and Logic companies, as well as the timing and size of any such purchases; the ability of our products and services to address customer requirements at the inflection points; our strategic objectives and focus areas for 2015; the anticipated revenue from our sales to Japanese customers; trends in the global economic environment and the semiconductor industry; factors that affect our tax rates; and forecasts for returning capital to stockholders, tax rates, shipments, revenues, gross margins, operating margins, share count and earnings per share on either a GAAP or a non-GAAP basis. Some important factors that may affect these forward-looking statements include but are not limited to: business conditions in the semiconductor industry and the overall economy; global political and economic conditions; electronics consumption; the financial performance and expectations of our existing and prospective customers; the introduction of new technologies; customer, supplier or competitor consolidation; merger and acquisition activity; the level of sovereign investment in companies that consume our products and services or that compete with us; the occurrence and pace of technology transitions and conversions; actions of competitors, consumers, semiconductor companies and key suppliers and subcontractors; and the success of our R&D and sales and marketing programs. These forward-looking statements are based on current expectations and are subject to uncertainties and changes in condition, significance, value and effect, as well as other risks detailed in the oral presentation accompanying these slides, and documents filed with the Securities and Exchange Commission, including the reports on Form 10-K for the year ended June 29, 2014 and on Form 10-Q for the quarters ended September 28, 2014 and December 28, 2014. These important factors could cause actual results to differ materially from expectations. As a result, you should not place undue weight on such forward-looking statements. The Company undertakes no obligation to update the statements made in this presentation.

Business Review and Industry Outlook

Martin Anstice

President & Chief Executive Officer

Agenda

- March quarter results and outperformance drivers
- Outlook for 2015 wafer fabrication equipment spending
- Updates on Lam's strategic focus for 2015
- Financial and operational performance review

March Quarter Results

Record quarter, continuing outperformance trajectory

- Lam's values and scalable culture continue to build competitive advantage
- Record levels for shipments, revenues and Op Inc in the March quarter
- Greater than $1B in revenue for 7th consecutive quarter
- Differentiated product and services directly address market driving inflections
- Collaborating with our customers increasing trust and support

YoY Growth Rate
QMar'14 to QMar'15



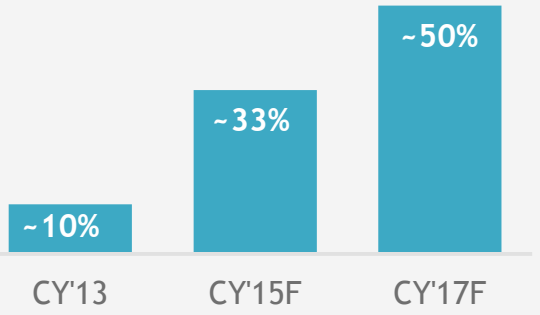
*Non-GAAP

Inflection Driven Market

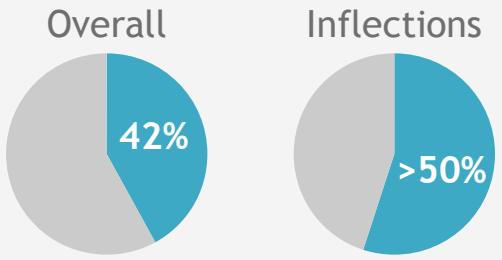
Strength in the inflections, sustainable growth opportunity

- Inflections of multi-patterning, 3D devices, and packaging critical to scaling
- Inflection spending estimated to reach ~50% of WFE by 2017
- Etch and deposition intensity increases in the inflections driving $2B SAM expansion
- Sustainable growth with estimated inflection-based market share >50% across the product portfolio and 28.5% of WFE SAM

Inflection-Based Spending
as % of WFE



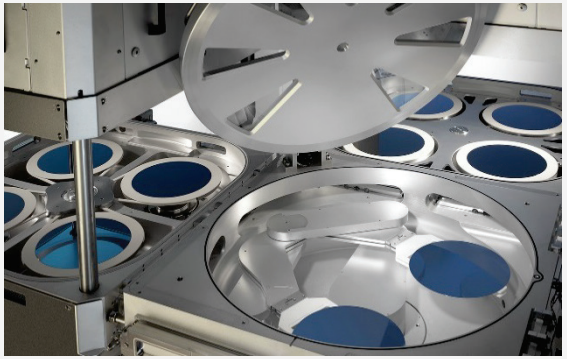
Lam Market Share



Differentiated Products Addressing the Inflections

ALD and conductor etch leadership

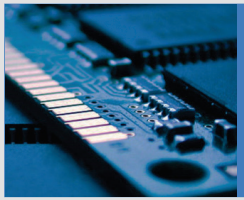
- **Rapid growth in the expanding ALD market**
  - Success in spacer-based multi-patterning extended to multiple segments
  - VECTOR® ALD Oxide delivers technology with productivity necessary for high-volume manufacturing adoption



- **Extending market leadership in conductor etch**
  - Secured additional critical 3D NAND conductor etch position with Kiyo® product
  - Kiyo with Hydra® technology enabling CD-critical applications; accelerating adoption in the inflections



2015 Industry Outlook



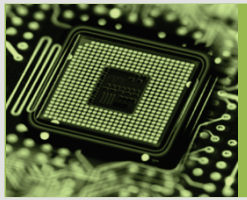
Memory

- Market demand driven by mobile and enterprise
- DRAM spend focused on conversion to 20 nm
- 3D NAND investment 2H'15 weighted
- Expect 3D NAND investment to be slightly greater than planar in CY'15



Foundry

- Leading-edge investment focused on FinFET enablement
- Distributed among a number of customers
- 28 nm capacity additions proceeding as expected
- Expect foundry spending to be slightly down compared to CY'14 levels



Logic

- Logic spend in line with CY'14 levels
- Reflects sustained commitment to technology conversions with optimized reuse
- Increasing demand for image sensors driving a healthy investment level

Forecast 2015 WFE spend in a range of $34B ± $2B

Lam's Strategic Objectives for CY'15

Continued focus on customer trust and profitable growth

- **2015 focus areas:**
  - Execution on opportunities won
  - Further increasing customer trust
  - Strengthen strategic alliances
  - Profitable growth of the company
  - Preparing for the next set of technology inflections through sustained R&D investment
- **Execution excellence provides the foundation for achieving our objectives**
  - Builds competitive advantage
  - Enhances success
  - Returns value to all stakeholders through sustained profitable growth





March Quarter 2015 Financial Results and June Quarter 2015 Outlook

Doug Bettinger

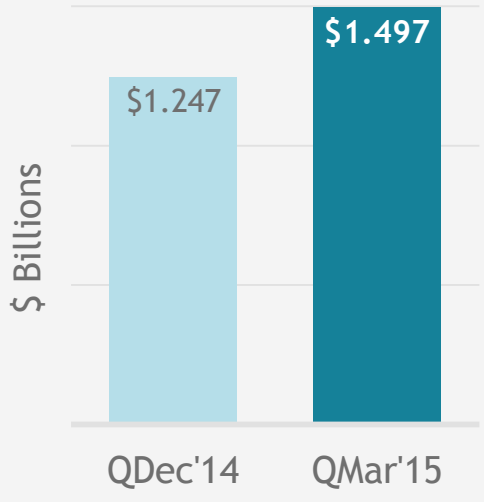
Executive Vice President & Chief Financial Officer

March Quarter Results

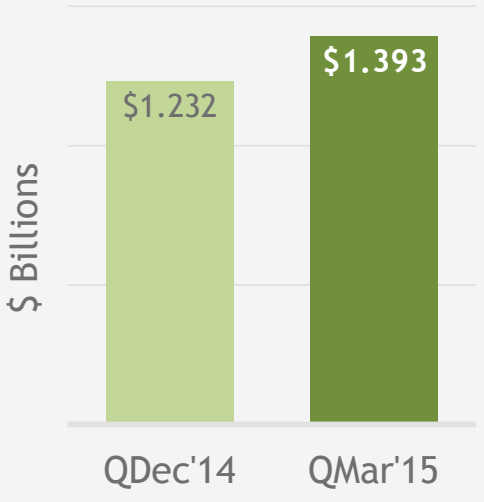
Another quarter of strong execution

- Record levels for shipments, revenue, and operating income
- Above mid-point of guidance for all metrics
- Earnings per share above the high end of guidance

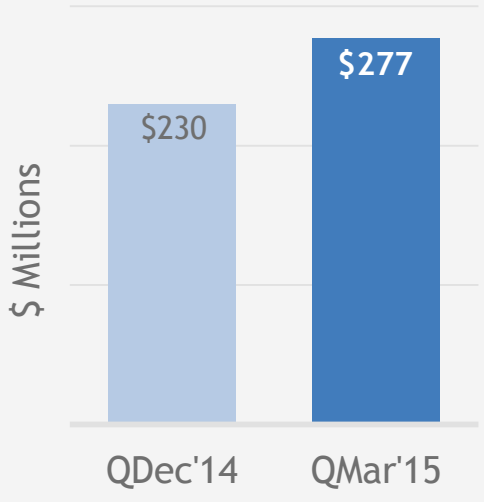
Shipments



Revenue



Op Inc*



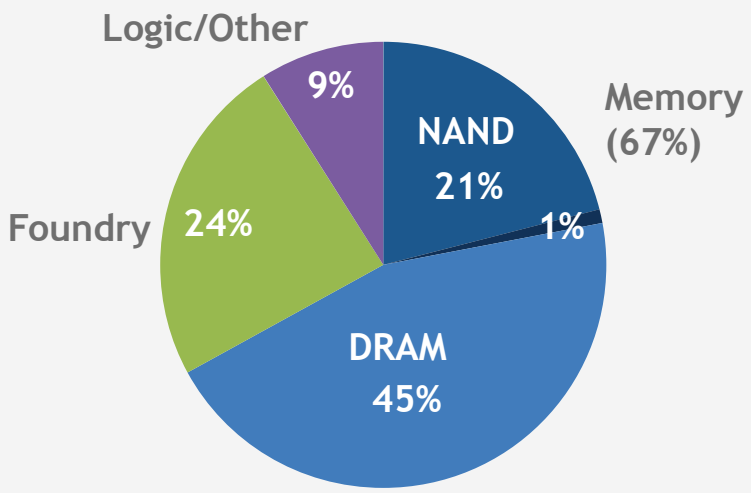
*Non-GAAP

March Quarter Shipments

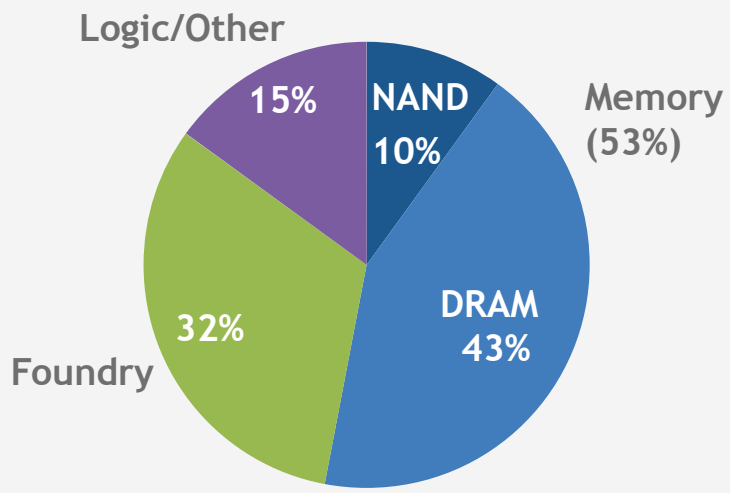
QMar'15 shipments above mid-point

- Shipments of $1.497 billion
  - Shipments up 20% quarter over quarter
- System shipments segment mix:

March 2015



December 2014



March Quarter Financial Results

	Mar'15	Dec'14
Revenue	$1,393M	$1,232M
Non-GAAP Gross Margin*	44.7%	45.4%
Non-GAAP Operating Expenses*	$345M	$330M
Non-GAAP Operating Income*	$277M	$230M
Non-GAAP Operating Margin*	19.9%	18.7%
Non-GAAP Other Income/(Expense)*	($2.6M)	($1.2M)
Non-GAAP Tax Rate*	11%	9%
GAAP EPS	$1.16	$1.00
Non-GAAP EPS*	$1.40	$1.19
Non-GAAP Diluted Share Count*	174M	174M

*A reconciliation of U.S. GAAP results to non-GAAP results can be found at the end of this presentation.

Key Balance Sheet and Financial Metrics

	Mar'15	Dec'14
Total Consolidated Gross Cash Balance	$4,113M	$3,039M
Account Receivables, Net	$1,047M	$944M
DSO	68 Days	70 Days
Inventory Turns	3.4	3.0
Deferred Revenue*	$485M	$374M
Capital Expenditures	$32M	$61M
Equity Compensation Expense	$33M	$31M
Amortization Expense	$40M	$40M
Depreciation Expense	$31M	$30M
Headcount	~7,000	~6,900

*Does not include anticipated revenues from previous shipments to Japanese customers. A reconciliation of deferred revenue can be found at the end of this presentation.

June 2015 Quarter Non-GAAP Guidance

	Jun'15 Guidance
Shipments	$1.600 billion ± $50 million
Revenue	$1.460 billion ± $50 million
Non-GAAP Gross Margin	45.5% ± 1%
Non-GAAP Operating Margin	21.0% ± 1%
Non-GAAP Earnings per Share(1)	$1.46 ± $0.07

(1) Based on a share count of ~174 million shares

Questions & Answers

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Lam RESEARCH

Appendix – Reconciliation

Reconciliation of U.S. GAAP Gross Margin, Operating Expenses and Operating Income to Non-GAAP Gross Margin, Operating Expenses and Operating Income
(in thousands, except percentages)
(unaudited)

	Three Months Ended March 29, 2015	Three Months Ended December 28, 2014
U.S. GAAP gross margin	$ 600,602	$ 536,657
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired in Novellus transaction - cost of goods sold	21,286	21,286
Acquisition-related inventory fair value impact - cost of goods sold	308	2,101
Non-GAAP gross margin	$ 622,196	$ 560,044
U.S. GAAP gross margin as a percentage of revenue	43.1%	43.6%
Non-GAAP gross margin as a percentage of revenue	44.7%	45.4%
U.S. GAAP operating expenses	$ 360,637	$ 347,916
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired in Novellus transaction - operating expenses	(16,083)	(16,083)
Restructuring benefits (charges) - operating expenses	495	(1,620)
Non-GAAP operating expenses	$ 345,049	$ 330,213
Non-GAAP operating income	$ 277,147	$ 229,831
Non-GAAP operating margin as a percent of revenue	19.9%	18.7%

Appendix – Reconciliation

Reconciliation of U.S. GAAP Net Income to Non-GAAP Net Income and U.S. GAAP number of dilutive shares to Non-GAAP number of dilutive shares
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended March 29, 2015	Three Months Ended December 28, 2014
U.S. GAAP net income	$ 206,285	$ 176,940
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired in Novellus transaction - cost of goods sold	21,286	21,286
Acquisition-related inventory fair value impact - cost of goods sold	308	2,101
Amortization related to intangible assets acquired in Novellus transaction - operating expenses	16,083	16,083
Restructuring (benefits) charges - operating expenses	(495)	1,620
Amortization of note discounts - other expense, net	8,749	8,609
Net tax benefit on non-GAAP items	(7,181)	(7,914)
Net tax benefit on reinstatement of research and development credit	-	(11,094)
Net tax benefit on successful resolution of certain tax matters	(124)	-
Non-GAAP net income	$ 244,911	$ 207,631
Non-GAAP net income per diluted share	$ 1.40	$ 1.19
U.S. GAAP number of shares used for diluted per share calculation	177,531	177,046
Effect of convertible note hedge	(3,060)	(2,730)
Non-GAAP number of shares used for diluted per share calculation	174,471	174,316

Appendix – Reconciliation

Reconciliation of U.S. GAAP Other Expense, Net to Non-GAAP Other Expense, Net
(in thousands)
(unaudited)

	Three Months Ended	
	March 29, 2015	**December 28, 2014**
U.S. GAAP other expense, net	$ (11,389)	$ (9,799)
Pre-tax non-GAAP items:		
Amortization of note discounts	8,749	8,609
Non-GAAP other expense, net	$ (2,640)	$ (1,190)

Appendix – Reconciliation

Reconciliation of U.S. GAAP Income Tax Rate to Non-GAAP Income Tax Rate
(in thousands, except percentages)
(unaudited)

	Three Months Ended	
	March 29, 2015	December 28, 2014
U.S. GAAP income before income taxes	$ 228,576	$ 178,942
U.S. GAAP income tax expense (benefit)	$ 22,291	$ 2,002
U.S. GAAP income tax rate	9.8%	1.1%
Pre-tax non-GAAP items:		
Amortization related to intangible assets acquired in Novellus transaction - cost of goods sold	21,286	21,286
Acquisition-related inventory fair value impact - cost of goods sold	308	2,101
Amortization related to intangible assets acquired in Novellus transaction - operating expenses	16,083	16,083
Restructuring charges - operating expenses	(495)	1,620
Amortization of note discounts - other expense, net	8,749	8,609
Non-GAAP income before taxes	274,507	228,641
Net tax expense (benefit) on non-GAAP items	$ 7,181	$ 7,914
Net tax benefit on reinstatement of research and development tax credit	-	11,094
Net tax benefit on successful resolution of certain tax matters	124	-
Non-GAAP income tax expense	$ 29,596	$ 21,010
Non-GAAP income tax rate	10.8%	9.2%

Appendix – Reconciliation

Reconciliation of U.S. GAAP to Non-GAAP Guidance for the June 2015 Quarter
(unaudited)

	GAAP	Reconciling Items	Non-GAAP
Shipments	$1.60 Billion +/- $50 Million	-	$1.60 Billion +/- $50 Million
Revenue	$1.46 Billion +/- $50 Million	-	$1.46 Billion +/- $50 Million
Gross margin	44.1% +/- 1%	$21 Million	45.5% +/- 1%
Operating margin	18.5% +/- 1%	$37 Million	21.0% +/- 1%
Earnings per share	$1.21 +/- $0.07	$39 Million	$1.46 +/- $0.07
Diluted share count	177 Million	3 Million	174 Million

The information provided above is only an estimate of what the Company believes is realizable as of the date of this release, and does not incorporate the potential impact of any business combinations, asset acquisitions, divestitures, financing arrangements, other investments, or other significant transactions that may be completed after the date of this release. GAAP to non-GAAP reconciling items provided include only those items that are known and can be estimated as of the date of this release. Actual results will vary from this model and the variations may be material. Reconciling items included above are as follows:

- Gross margin - amortization related to intangible assets acquired in the Novellus transaction, $21 million.
- Operating margin - amortization related to intangible assets acquired in the Novellus transaction, $37 million.
- Earnings per share - amortization related to intangible assets acquired in the Novellus transaction, $37 million; amortization of note discounts, $9 million; and associated tax benefit for non-GAAP items ($7) million; totaling $39 million.
- Diluted share count - impact of a note hedge issued contemporaneously with the convertible notes due in 2016 and 2018, 3 million shares.

Appendix – Reconciliation

LAM RESEARCH CORPORATION
RECONCILIATION OF DEFERRED REVENUE
(in millions)
(unaudited)

	Three Months Ended March 29, 2015	Three Months Ended December 28, 2014
Beginning Balance	$ 373.7	$ 356.8
Shipments	1,497.4	1,247.3
Revenue	(1,393.3)	(1,232.2)
Net Change in Japan (1)	7.8	(18.9)
Services & Other	(0.4)	20.7
Ending Balance	$ 485.2	$ 373.7
Value of shipments to Japanese customers not recorded as deferred revenue (2)	$ 45.4	$ 53.2

(1) Net change in the value of orders shipped from backlog to Japanese customers that are not recorded as deferred revenue. These shipments are classified as inventory at cost until title transfers.

(2) The value of orders shipped from backlog to Japanese customers that are not recorded as deferred revenue. These shipments are classified as inventory at cost until title transfers.

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