

**Lam Research Corporation Convertible Note (CUSIP 512807AJ7) due May 15, 2016 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>
\$450 million	7.16 million	\$62.84

Hypothetical Quarterly Average Stock Price Matrix

	Average Quarterly Stock Price (\$)	Approximate Quarterly Dilutive Share Count Impact ('000s shares)
QJun'14 Average Share Price	\$59.52	-
	Less than \$62.84	-
	\$63.00	18
	\$64.00	130
	\$65.00	238
	\$66.00	343
	\$67.00	444
	\$68.00	543
	\$69.00	639
	\$70.00	732
	\$71.00	823
	\$72.00	911
	\$73.00	996
	\$74.00	1,080
	\$75.00	1,161
	\$76.00	1,240
	\$77.00	1,317
	\$78.00	1,392
	\$79.00	1,465
	\$80.00	1,536
	\$81.00	1,605
	\$82.00	1,673
	\$83.00	1,739
	\$84.00	1,804
	\$85.00	1,867

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.
3. Lam Research receives ~0.9M shares above \$71.14 from the call spread hedge.