

**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>
538 million	16.05 million	\$33.54

**Hypothetical Quarterly Average Stock Price Matrix**

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ( '000s shares)</u>
Less than \$33.54	-
\$40.00	2,593
\$47.00	4,598
\$54.00	6,083
\$61.00	7,228
\$68.00	8,136
\$75.00	8,875
\$82.00	9,488
\$89.00	10,005
\$96.00	10,446
\$103.00	10,827
\$110.00	11,160
\$117.00	11,453
\$124.00	11,712
\$131.00	11,945
\$138.00	12,153
\$145.00	12,341
\$152.00	12,512
\$159.00	12,668
<b>QSep'17 Adjusted Average Share Price</b>	<b>12,683</b>
\$166.00	12,811
\$173.00	12,942
\$180.00	13,063
\$187.00	13,175
\$194.00	13,279
\$201.00	13,376
\$208.00	13,466
\$215.00	13,550
\$222.00	13,629
\$229.00	13,704
\$236.00	13,773
\$243.00	13,839
\$250.00	13,901
\$257.00	13,960
\$264.00	14,015

1. Please refer to the Notes to the Consolidated Financial Statements, Note 13 - Long Term Debt and Other Borrowings on Form 10-K, filed August 15, 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 September 15, 2017 for additional information.