

**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>
\$700 million	19.94 million	\$35.11

**Hypothetical Quarterly Average Stock Price Matrix**

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ('000s shares)</u>
Less than \$35.11	-
\$36.00	493
\$37.00	1,018
\$38.00	1,516
\$39.00	1,989
\$40.00	2,437
\$41.00	2,864
\$42.00	3,271
\$43.00	3,658
\$44.00	4,028
\$45.00	4,382
<b>QJun'13 Average Share Price</b>	<b>4,452</b>
\$46.00	4,720
\$47.00	5,044
\$48.00	5,354
<b>QSep'13 Average Share Price</b>	<b>5,599</b>
\$49.00	5,652
\$50.00	5,937
\$51.00	6,212
\$52.00	6,476
\$53.00	6,730
\$54.00	6,974
\$55.00	7,210
\$56.00	7,437
\$57.00	7,657
\$58.00	7,868
\$59.00	8,073
\$60.00	8,271

Please refer to the Notes to the Consolidated Financial Statements, Note 13 - Long Term Debt on Form 10-K, filed August 27, 2013, for additional information.