

**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	20.59 million	\$34.00

Hypothetical Quarterly Average Stock Price Matrix

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ('000s shares)</u>
Less than \$34.00	-
\$37.00	1,670
\$40.00	3,088
\$43.00	4,309
\$46.00	5,371
\$49.00	6,302
\$52.00	7,126
\$55.00	7,860
\$58.00	8,518
\$61.00	9,112
\$64.00	9,650
\$67.00	10,139
\$70.00	10,587
\$73.00	10,998
\$76.00	11,376
\$79.00	11,726
\$82.00	12,050
\$85.00	12,351
\$88.00	12,632
QSep'16 Adjusted Average Share Price	12,830
\$91.00	12,894
\$94.00	13,140
\$97.00	13,370
\$100.00	13,587
\$103.00	13,790
\$106.00	13,983
\$109.00	14,164
\$112.00	14,336
\$115.00	14,499
\$118.00	14,654
\$121.00	14,801
\$124.00	14,941
\$127.00	15,074
\$130.00	15,202

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 17, 2016, 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 14, 2016 for additional information.