

Lam Research Corporation Convertible Note (CUSIP 512807AL2) due May 15, 2018 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>
Convertible Notes	\$238 million	3.96 million	\$60.19
Note Hedge	\$238 million	3.96 million	\$60.19
Warrants	\$450 million	7.48 million	\$72.69

Hypothetical Quarterly Average Stock Price Matrix

Adjusted Average Quarterly Stock Less than \$60.19	Approximate Quarterly Dilutive Share Count Impact ('000s shares)					
	Convertible Notes	Note Hedge	Warrants	Net Dilution (Non-GAAP)	Net Dilution (GAAP)	
	-	-	-	-	-	
\$66.00	349	(349)	-	-	349	
\$72.00	650	(650)	-	-	650	
\$78.00	904	(904)	509	509	1,414	
\$84.00	1,123	(1,123)	1,007	1,007	2,130	
\$90.00	1,312	(1,312)	1,438	1,438	2,750	
\$96.00	1,477	(1,477)	1,816	1,816	3,293	
\$102.00	1,623	(1,623)	2,149	2,149	3,772	
\$108.00	1,753	(1,753)	2,445	2,445	4,198	
\$114.00	1,869	(1,869)	2,710	2,710	4,579	
\$120.00	1,974	(1,974)	2,948	2,948	4,922	
\$126.00	2,068	(2,068)	3,164	3,164	5,232	
\$132.00	2,154	(2,154)	3,360	3,360	5,514	
\$138.00	2,233	(2,233)	3,539	3,539	5,772	
\$144.00	2,305	(2,305)	3,703	3,703	6,008	
\$150.00	2,371	(2,371)	3,854	3,854	6,225	
\$156.00	2,432	(2,432)	3,993	3,993	6,425	
QSep'17 Adjusted Average Share Price	\$159.71	2,468	(2,468)	4,074	4,074	6,542
\$162.00	2,489	(2,489)	4,122	4,122	6,611	
\$168.00	2,541	(2,541)	4,242	4,242	6,783	
\$174.00	2,590	(2,590)	4,353	4,353	6,944	
\$180.00	2,636	(2,636)	4,457	4,457	7,093	
\$186.00	2,679	(2,679)	4,555	4,555	7,233	
\$192.00	2,719	(2,719)	4,646	4,646	7,365	
\$198.00	2,756	(2,756)	4,732	4,732	7,488	
\$204.00	2,792	(2,792)	4,813	4,813	7,604	
\$210.00	2,825	(2,825)	4,889	4,889	7,714	
\$216.00	2,857	(2,857)	4,961	4,961	7,817	
\$222.00	2,887	(2,887)	5,029	5,029	7,915	
\$228.00	2,915	(2,915)	5,093	5,093	8,008	
\$234.00	2,942	(2,942)	5,154	5,154	8,096	
\$240.00	2,967	(2,967)	5,212	5,212	8,179	
\$246.00	2,991	(2,991)	5,267	5,267	8,259	
\$252.00	3,014	(3,014)	5,320	5,320	8,334	
\$258.00	3,036	(3,036)	5,370	5,370	8,406	
\$264.00	3,057	(3,057)	5,418	5,418	8,475	

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.
3. Lam Research delivers ~1.6M shares from the call spread hedge at the current price.