

**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>
\$631 million	18.71 million	\$33.72

Hypothetical Quarterly Average Stock Price Matrix

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ('000s shares)</u>
Less than \$33.72	-
\$37.00	1,657
\$41.00	3,321
\$45.00	4,689
\$49.00	5,834
\$53.00	6,806
\$57.00	7,642
\$61.00	8,368
\$65.00	9,005
\$69.00	9,567
\$73.00	10,069
\$77.00	10,518
\$81.00	10,922
\$85.00	11,289
\$89.00	11,623
\$93.00	11,928
\$97.00	12,208
\$101.00	12,465
\$105.00	12,703
\$109.00	12,924
\$113.00	13,129
QMar'17 Adjusted Average Share Price	13,274
\$117.00	13,320
\$121.00	13,498
\$125.00	13,665
\$129.00	13,821
\$133.00	13,969
\$137.00	14,107
\$141.00	14,238
\$145.00	14,361
\$149.00	14,478
\$153.00	14,589
\$157.00	14,694
\$161.00	14,794

1. Please refer to the Notes to the Consolidated Financial Statements, Note 11 - Long Term Debt and Other Borrowings on Form 10-Q, filed January 30, 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 March 10, 2017 for additional information.