

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name Lam Research Corporation		2 Issuer's employer identification number (EIN) 94-2634797	
3 Name of contact for additional information Shanye Hudson	4 Telephone No. of contact 510-572-4589	5 Email address of contact shanye.hudson@lamresearch.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 4650 Cushing Parkway		7 City, town, or post office, state, and Zip code of contact Fremont, CA 94538	
8 Date of action June 4, 2012		9 Classification and description Common Stock	
10 CUSIP number 512807108 and 670008101	11 Serial number(s) N/A	12 Ticker symbol LRCX and NVLS	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On June 4, 2012, Lam Research Corporation ("Lam") completed a merger with Novellus System Inc. ("Novellus"). Pursuant to the terms and conditions of the Agreement and Plan of Merger (the "Merger Agreement") dated as of December 14, 2011, by and among Lam, Novellus and BLMS Inc., a direct wholly-owned subsidiary of Lam ("Merger Sub"), Merger Sub was merged with and into Novellus, with Novellus surviving the merger and becoming a wholly-owned subsidiary of Lam.

Pursuant to the Merger Agreement, Lam issued to Novellus stockholders 1.125 shares of Lam common stock, par value \$0.001 per share, for each outstanding share of Novellus common stock. Upon closing of the merger, Novellus became a wholly-owned subsidiary of Lam and the shares of Novellus common stock, which traded under the symbol, "NVLS", ceased trading on, and were delisted from, the NASDAQ. (See attached statement for additional details.)

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ For federal income tax purposes, the aggregate tax basis of the Lam common shares received by Novellus stockholders will be the same as the aggregate adjusted tax basis of the Lam common shares those stockholders exchanged in the reorganization. In other words, a former Novellus stockholder must allocate the adjusted tax basis of the Novellus common shares across the total (increased) number of the stockholder's new Lam common shares received in the reorganization. By doing this allocation, a tax basis share can be computed. The actual tax basis may differ with respect to each separate former Novellus stockholder and additionally, tax basis may differ with regard to separate and distinct blocks of common shares owned by any former Novellus stockholder. To the extent that a Novellus stockholder received cash in lieu of a fractional share of Lam common stock, a portion of tax basis must be allocated to the fractional share and such fractional share will be deemed to be received and then exchanged for cash. The holding period of any shares of Lam common stock received by Novellus stockholders in the merger generally will include the holding period of the shares of Novellus common stock exchanged for such shares of Lam common stock. (See attached statement for additional details.)

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The full share price used to calculate the cash paid in lieu of issuing fractional share was \$40.48875. An example illustrating the calculation of the adjusted per share after an exchange of shares in one corporation for another following a reorganization is in the attached statement. Additional examples can be found in Treasury Regulation Section 1.358-2.


Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Lam's acquisition of Novellus, pursuant to the merger which was completed on June 4, 2012, qualified as a reorganization within the meaning of section 368(a) of the Internal Revenue Code of 1986, as amended. In general, the income tax consequences to the former Novellus shareholders are determined under Internal Revenue Code sections 302, 354, 358, 1001 and 1221. (See attached statement for additional details.)

18 Can any resulting loss be recognized? ▶ Novellus stockholders generally will not recognize any gain or loss for U.S. federal income tax purposes by reason of the reorganization, except with respect to cash received in lieu of a fractional share of Lam common stock. See Rev. Rul. 66-365. To the extent that a Novellus stockholder received cash in lieu of a fractional share of Lam common stock, such stockholder will be treated as having received the fractional share in the reorganization and then as having exchanged the fractional share for a cash payment based on the full share price of \$40.48875. These holders generally will recognize capital gain or loss with respect to such cash payment, measured by the difference, if any, between the tax basis allocable to the fractional share and the amount of cash received. For example, to compute gain or loss on a fractional share of 7/10ths, a stockholder would need to first allocate 7/10ths of the per share price and 7/10ths of the per share tax basis. The holding period of any shares of Lam common stock received by Novellus stockholders in the merger generally will include the holding period of the shares of Novellus common stock exchanged for such shares of Lam common stock. With respect to these fractional shares, any gain or loss will be reportable in the year the cash is received (individual return taxable year 2012), and may be subject to limitation. (See attached statement for additional details.)

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The merger and resulting stock exchange became effective on June 4th 2012; therefore, the company reportable tax year is 2011 (Lam's fiscal year 2012 as of June 24, 2012).

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature  Date ▶ 7-13-2012

Print your name ▶ ERNEST E. MADDOCK Title ▶ VP + CFO

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

**LAM RESEARCH CORPORATION
ACQUISITION OF NOVELLUS SYSTEMS, INC. ON JUNE 4TH, 2012
TAX REPORTING STATEMENT UNDER
SECTION 6045B OF THE INTERNAL REVENUE CODE**

Information required under Internal Revenue Code Section 6045B

Effective January 1, 2011, a corporation that engages in certain actions affecting the basis of its stock must file an information return with the Internal Revenue Service ("IRS") describing, among other things, the organizational action and the action's quantitative effect on the basis of the corporation's stock. A corporation may satisfy the filing requirement by posting the information return in a readily accessible format on its primary public website for a period of ten years. The IRS has not yet issued the form necessary to satisfy the 6045B information reporting requirements.

The information in this statement is being provided by Lam Research Corporation ("Lam"), as the reporting issuer and the acquirer, by merger, of Novellus Systems, Inc. ("Novellus") and is intended to satisfy the requirements of Internal Revenue Code section 6045B and Treasury Regulation section 1.6045B-I.

This statement provides general information to former stockholders of Novellus regarding the effect of the merger, for U.S. Federal income tax purposes, on the adjusted tax basis of the Lam common stock received pursuant to the merger. The information below is intended for illustrative purposes only. Former stockholders of Novellus are urged to consult their tax advisors regarding their individual tax consequences of the reorganization, including but not limited to the specific computation of tax basis, holding periods, and gain or loss with regard to any cash received in the merger in lieu of fractional shares of Lam common stock.

Reporting Issuer:	Lam Research Corporation
	Taxpayer Identification Number 94-2634797
Security Identifiers:	Lam Research Corporation common stock
	CUSIP # 512807108
	Ticker Symbol: LRCX (NASDAQ)
	Novellus Systems, Inc. common stock
	CUSIP # 670008101
	Ticker Symbol: NVLS (NASDAQ)

Contact at Reporting Issuer	Shanye Hudson Director, Investor Relations Lam Research Corporation 4300 Cushing Parkway Fremont, CA 94538 Phone: 510-572-4589 shanye.hudson@lamresearch.com
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Description of the organizational action

On June 4, 2012, Lam completed a merger with Novellus. Pursuant to the terms and conditions of the Agreement and Plan of Merger (the "Merger Agreement") dated as of December 14, 2011, by and among Lam, Novellus and BLMS Inc., a direct wholly-owned subsidiary of Lam ("Merger Sub"), Merger Sub was merged with and into Novellus, with Novellus surviving the merger and becoming a wholly-owned subsidiary of Lam.

Pursuant to the Merger Agreement, Lam issued to Novellus stockholders 1.125 shares of Lam common stock, par value \$0.001 per share, for each outstanding share of Novellus common stock. Upon closing of the merger, Novellus became a wholly-owned subsidiary of Lam and the shares of Novellus common stock, which traded under the symbol, "NVLS", ceased trading on, and were delisted from, the NASDAQ.

Effect of the action (merger)

Lam's acquisition of Novellus, pursuant to the merger which was completed on June 4th, 2012, qualifies as reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. In general, the federal income tax consequences of the reorganization to the former Novellus shareholders are determined under Internal Revenue Code sections 302, 354, 358, 1001, and 1221.

For federal income tax purposes, the aggregate tax basis of the Lam common shares received by Novellus stockholders will be the same as the aggregate adjusted tax basis of the Novellus common shares those stockholders exchanged in the reorganization. (See Internal Revenue Code section 358). In other words, a former Novellus stockholder must allocate the adjusted tax basis in the stockholder's old Novellus common shares across the total (increased) number of the stockholder's new Lam common shares received in the reorganization. By doing this allocation, a tax basis per share can be computed. The actual tax basis will differ with respect to each separate former Novellus stockholder and, additionally, tax basis may differ with regard to separate and distinct blocks of common shares that were owned by any former Novellus stockholder. Accordingly, each such stockholder is advised to consult his or her own tax advisor. To the extent that a Novellus stockholder received cash in lieu of a fractional share of Lam common stock, a portion of tax basis must be allocated to the fractional share and such fractional share will be deemed to be received and then exchanged for cash (as further described below). The holding period of any shares of Lam common stock received by Novellus stockholders in the merger generally will include the holding period of the shares of Novellus common stock exchanged for such shares of Lam common stock.

The following example illustrates the calculation of the adjusted per share basis after an exchange of shares in one corporation for another following a reorganization (See Treasury Regulation Section 1.358-2 for additional examples).

A stockholder acquired 1,000 shares of Corporation X stock on date 1 for \$22.50 per share and 1,000 shares of Corporation X on date 2 for \$33.75 per share. The total basis in the Corporation X stock is as follows:

Block 1	$\$22.50 \times 1,000 \text{ shares} = \$22,500$
Block 2	$\$33.75 \times 1,000 \text{ shares} = \underline{\$33,750}$
Total basis in Corporation X Stock	\$56,250

Corporation Y acquires the stock of Corporation X in a reorganization. Pursuant to the terms of the reorganization, stockholders of Corporation X receive 1.125 shares of Corporation Y stock in exchange for 1 share of Corporation X stock. The total basis remains the same, but is now allocated across an increased number of shares. Thus, the per share basis in the Corporation Y stock is calculated as follows:

Block 1	$\$22,500 \text{ basis} / 1,125 \text{ shares} = \$20.00 \text{ basis per share}$
Block 2	$\underline{\$33,750} \text{ basis} / 1,125 \text{ shares} = \$30.00 \text{ basis per share}$
Total basis in Corporation Y Stock	\$56,250

This example is for illustrative purposes only and is not intended to indicate the outcome for any particular former Novellus stockholder in the subject transaction. Each stockholder is encouraged to consult his or her own tax advisor concerning individual tax treatment, including but not limited to the computation of basis and holding periods.

Novellus stockholders generally will not recognize any gain or loss for U.S. federal income tax purposes by reason of the reorganization, except with respect to cash received in lieu of a fractional share of Lam common stock. See Rev. Rul. 66-365. To the extent that a Novellus stockholder received cash in lieu of a fractional share of Lam common stock, such stockholder will be treated as having received the fractional share in the

reorganization and then as having exchanged the fractional share for a cash payment calculated based on the full share price of \$40.48875. These holders generally will recognize capital gain or loss with respect to such cash payment, measured by the difference, if any, between the tax basis allocable to the fractional share and the amount of cash received. For example, to compute gain or loss on a fractional share of 7/10ths, a stockholder would need to first allocate 7/10ths of the per share price and 7/10ths of the per share tax basis. The holding period of any shares of Lam common stock received by Novellus stockholders in the merger generally will include the holding period of the shares of Novellus common stock exchanged for such shares of Lam common stock. With respect to these fractional shares, any gain or loss would be reportable in the year the cash is received (individual return taxable year 2012), and may be subject to limitations.

Again, the examples above are for illustrative purposes only. Novellus stockholders are urged to consult their tax advisors regarding the tax consequences of the reorganization, including but not limited to the specific computation of tax basis, holding periods, and gain or loss with regard to any cash received in the merger in lieu of fractional shares of Lam common stock.