

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	\$171 million	2.86 million	\$59.87
Note Hedge	\$171 million	2.86 million	\$59.87
Warrants	\$450 million	7.52 million	\$72.30

Hypothetical Quarterly Average Stock Price Matrix

Adjusted Average Quarterly Stock Price	Approximate Quarterly Dilutive Share Count Impact ('000s shares)			Net Dilution (Non-GAAP)	Net Dilution (GAAP)
	Convertible Notes	Note Hedge	Warrants		
Less than \$59.87	-	-	-	-	-
\$66.00	266	(266)	-	-	266
\$72.00	482	(482)	-	-	482
\$78.00	666	(666)	549	549	1,215
\$84.00	823	(823)	1,047	1,047	1,869
\$90.00	959	(959)	1,478	1,478	2,437
\$96.00	1,078	(1,078)	1,855	1,855	2,933
\$102.00	1,183	(1,183)	2,188	2,188	3,371
\$108.00	1,276	(1,276)	2,484	2,484	3,761
\$114.00	1,360	(1,360)	2,749	2,749	4,109
\$120.00	1,435	(1,435)	2,988	2,988	4,423
\$126.00	1,503	(1,503)	3,203	3,203	4,706
\$132.00	1,565	(1,565)	3,399	3,399	4,964
\$138.00	1,622	(1,622)	3,578	3,578	5,200
\$144.00	1,673	(1,673)	3,742	3,742	5,416
\$150.00	1,721	(1,721)	3,893	3,893	5,614
\$156.00	1,765	(1,765)	4,033	4,033	5,798
\$162.00	1,806	(1,806)	4,162	4,162	5,967
\$168.00	1,844	(1,844)	4,281	4,281	6,125
\$174.00	1,879	(1,879)	4,393	4,393	6,272
\$180.00	1,912	(1,912)	4,497	4,497	6,409
\$186.00	1,942	(1,942)	4,594	4,594	6,537
\$192.00	1,971	(1,971)	4,686	4,686	6,657
QMar'18 Adjusted Average Share Price	1,993	(1,993)	4,755	4,755	6,747
\$198.00	1,998	(1,998)	4,771	4,771	6,770
\$204.00	2,024	(2,024)	4,852	4,852	6,876
\$210.00	2,048	(2,048)	4,928	4,928	6,976
\$216.00	2,070	(2,070)	5,000	5,000	7,071
\$222.00	2,092	(2,092)	5,068	5,068	7,160
\$228.00	2,112	(2,112)	5,133	5,133	7,245
\$234.00	2,131	(2,131)	5,194	5,194	7,325
\$240.00	2,150	(2,150)	5,252	5,252	7,402
\$246.00	2,167	(2,167)	5,307	5,307	7,474
\$252.00	2,184	(2,184)	5,360	5,360	7,543
\$258.00	2,200	(2,200)	5,410	5,410	7,609
\$264.00	2,215	(2,215)	5,458	5,458	7,672

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, 2018, 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 12, 2018 for additional information.
3. Lam Research delivers ~3.2M shares from the call spread hedge at the current price.