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:

\[
\text{Share Dilution} = \frac{\text{Average Quarterly Share Price} \times \text{Underlying Shares} - \text{Notional}}{\text{Average Quarterly Share Price}}
\]

<table>
<thead>
<tr>
<th></th>
<th>Notional</th>
<th>Underlying Shares</th>
<th>Conversion Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Convertible Notes</td>
<td>$206 million</td>
<td>3.43 million</td>
<td>$60.02</td>
</tr>
<tr>
<td>Note Hedge</td>
<td>$206 million</td>
<td>3.43 million</td>
<td>$60.02</td>
</tr>
<tr>
<td>Warrants</td>
<td>$450 million</td>
<td>7.5 million</td>
<td>$72.48</td>
</tr>
</tbody>
</table>

**Hypothetical Quarterly Average Stock Price Matrix**

<table>
<thead>
<tr>
<th>Adjusted Average Quarterly Stock</th>
<th>Convertible Notes</th>
<th>Note Hedge</th>
<th>Warrants</th>
<th>Net Dilution (Non-GAAP)</th>
<th>Net Dilution (GAAP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $60.02</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$66.00</td>
<td>311</td>
<td>(311)</td>
<td>-</td>
<td>-</td>
<td>311</td>
</tr>
<tr>
<td>$72.00</td>
<td>571</td>
<td>(571)</td>
<td>-</td>
<td>-</td>
<td>571</td>
</tr>
<tr>
<td>$78.00</td>
<td>791</td>
<td>(791)</td>
<td>530</td>
<td>530</td>
<td>1,322</td>
</tr>
<tr>
<td>$84.00</td>
<td>980</td>
<td>(980)</td>
<td>1,028</td>
<td>1,028</td>
<td>2,008</td>
</tr>
<tr>
<td>$90.00</td>
<td>1,144</td>
<td>(1,144)</td>
<td>1,459</td>
<td>1,459</td>
<td>2,603</td>
</tr>
<tr>
<td>$96.00</td>
<td>1,287</td>
<td>(1,287)</td>
<td>1,836</td>
<td>1,836</td>
<td>3,123</td>
</tr>
<tr>
<td>$102.00</td>
<td>1,413</td>
<td>(1,413)</td>
<td>2,169</td>
<td>2,169</td>
<td>3,583</td>
</tr>
<tr>
<td>$108.00</td>
<td>1,526</td>
<td>(1,526)</td>
<td>2,465</td>
<td>2,465</td>
<td>3,991</td>
</tr>
<tr>
<td>$114.00</td>
<td>1,626</td>
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<td>2,730</td>
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<tr>
<td>$120.00</td>
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<td>2,969</td>
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<tr>
<td>$126.00</td>
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<tr>
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<tr>
<td>$138.00</td>
<td>1,940</td>
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<td>3,559</td>
<td>3,559</td>
<td>5,500</td>
</tr>
<tr>
<td>$144.00</td>
<td>2,003</td>
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<td>3,723</td>
<td>3,723</td>
<td>5,726</td>
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<tr>
<td>$150.00</td>
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<td>3,874</td>
<td>3,874</td>
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<tr>
<td>$156.00</td>
<td>2,113</td>
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<td>4,014</td>
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<tr>
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<td>4,143</td>
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<tr>
<td>$168.00</td>
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<td>4,262</td>
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<tr>
<td>$174.00</td>
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<td>6,623</td>
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<tr>
<td>$180.00</td>
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<td>4,478</td>
<td>6,767</td>
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<tr>
<td>$186.00</td>
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<td>4,576</td>
<td>4,576</td>
<td>6,901</td>
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<tr>
<td>$192.00</td>
<td>2,361</td>
<td>(2,361)</td>
<td>4,667</td>
<td>4,667</td>
<td>7,027</td>
</tr>
</tbody>
</table>

QDec’17 Adjusted Average Share Price | $195.72 | $198.00 | $204.00 | $210.00 | $216.00 | $222.00 | $228.00 | $234.00 | $240.00 | $246.00 | $252.00 | $258.00 | $264.00

1. Please refer to the Notes to the Consolidated Financial Statements, Note 11 - Long Term Debt and Other Borrowings on Form 10-Q, filed October 23, 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 December 11, 2017 for additional information.
3. Lam Research delivers ~2.3M shares from the call spread hedge at the current price.