

**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	18.77 million	\$33.63

**Hypothetical Quarterly Average Stock Price Matrix**

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ( '000s shares)</u>
Less than \$33.63	-
\$38.00	2,159
\$43.00	4,090
\$48.00	5,619
\$53.00	6,859
\$58.00	7,886
\$63.00	8,749
\$68.00	9,486
\$73.00	10,121
\$78.00	10,676
\$83.00	11,163
\$88.00	11,595
\$93.00	11,981
\$98.00	12,327
\$103.00	12,639
\$108.00	12,923
\$113.00	13,182
\$118.00	13,418
\$123.00	13,636
\$128.00	13,836
\$133.00	14,021
\$138.00	14,193
\$143.00	14,353
<b>QJun'17 Adjusted Average Share Price</b>	<b>14,422</b>
\$148.00	14,502
\$153.00	14,642
\$158.00	14,772
\$163.00	14,895
\$168.00	15,010
\$173.00	15,118
\$178.00	15,221
\$183.00	15,318
\$188.00	15,410
\$193.00	15,496
\$198.00	15,579

1. Please refer to the Notes to the Consolidated Financial Statements, Note 11 - Long Term Debt and Other Borrowings on Form 10-Q, filed April 24, 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 June 9, 2017 for additional information.