

**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>
\$700 million	19.99 million	\$34.78

Hypothetical Quarterly Average Stock Price Matrix

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ('000s shares)</u>
Less than \$34.78	-
\$38.00	1,707
\$41.00	3,055
\$44.00	4,219
\$47.00	5,234
\$50.00	6,128
\$53.00	6,920
\$56.00	7,628
\$59.00	8,263
\$62.00	8,837
\$65.00	9,358
\$68.00	9,833
\$71.00	10,268
\$74.00	10,668
\$77.00	11,036
QMar'15 Adjusted Average Share Price	11,291
\$80.00	11,377
\$83.00	11,693
\$86.00	11,988
\$89.00	12,262
\$71.02	10,271
\$92.00	12,518
\$95.00	12,759
\$98.00	12,984
\$101.00	13,196

1. Please refer to the Notes to the Consolidated Financial Statements, Note 12 - Long Term Debt and Other Borrowings on Form 10-Q, filed February 3, 2015, 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 13, 2015 for additional information.