

**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	20.36 million	\$34.37

Hypothetical Quarterly Average Stock Price Matrix

<u>Average Quarterly Stock Price (\$)</u>	<u>Approximate Quarterly Dilutive Share Count Impact ('000s shares)</u>
Less than \$34.37	-
\$37.00	1,445
\$40.00	2,864
\$43.00	4,085
\$46.00	5,146
\$49.00	6,078
\$52.00	6,902
\$55.00	7,636
\$58.00	8,294
\$61.00	8,888
\$64.00	9,426
\$67.00	9,915
\$70.00	10,363
\$73.00	10,774
QDec'15 Adjusted Average Share Price	10,918
\$76.00	11,153
\$79.00	11,502
\$82.00	11,826
\$85.00	12,128
\$88.00	12,408
\$91.00	12,671
\$94.00	12,916
\$97.00	13,146
\$100.00	13,363

1. Please refer to the Notes to the Consolidated Financial Statements, Note 11 - Long Term Debt and Other Borrowings on Form 10-Q, filed November 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 December 16, 2015 for additional information.