

Lam Research Corporation Announces Results for the Quarter Ended March 31, 2002

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FREMONT, Calif., April 17, 2002 Lam Research Corporation (Nasdaq: LRCX) today announced financial results for the quarter ended March 31, 2002. Revenues of \$164.1 million were 37 percent lower than the quarter ended December 30, 2001. Net income for the quarter was \$1.6 million, or \$0.01 per diluted share, compared to a net loss of \$51.7 million, or \$0.41 per share, in the December 2001 quarter.

Net income for the March 2002 quarter includes a non-taxable gain of \$16.8 million on equity derivative contracts in Lam stock in the Other income (expense) section. Excluding this item, net loss would have been \$15.3 million, or \$0.12 per share.

New orders of \$166 million increased by 34 percent sequentially. Regional distribution of new orders was North America, 33 percent; Europe, 20 percent; Japan, 7 percent; and Asia Pacific, 40 percent.

Geographical breakdown of revenue for the quarter was North America, 24 percent; Europe, 20 percent; Japan, 19 percent; and Asia Pacific, 37 percent. Shipments for the period were approximately \$122 million.

Gross margin for the March 2002 quarter was \$55.0 million or 33.5 percent of revenue. This result compares to a gross margin of approximately \$89.5 million or 34.5 percent of revenue in the December 2001 quarter, excluding an inventory charge of approximately \$24.1 million and a patent litigation settlement charge of \$38.8 million in that period.

Operating expenses declined by \$6.3 million when compared to the December quarter, after excluding a \$9.5 million charge for the write-down of impaired assets in that quarter.

Cash, Short-term Investments, and Restricted Cash totaled \$901.6 million at the quarter end, providing ample financial resources to fund current research and development projects and strategic investments.

"Capital spending plans by our customers increased during the March quarter. As a result, we recorded a significant increase in new orders for the quarter. This increase was driven by the improvements in the business environment as well as market share gains in key product areas, particularly in dielectric etch," stated James W. Bagley, chairman and chief executive officer.

"Semiconductor manufacturers require advanced equipment to produce today's leading-edge devices. Lam's product portfolio is well-positioned to address the industry's most pressing processing challenges and will enable the company to continue to grow market share as the business cycle improves," Bagley concluded.

Statements made in this press release which are not statements of historical fact are forward-looking statements and are subject to the Safe Harbor provisions created by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relate, but are not limited, to future market conditions, the prospective demand for and positioning of the Company's products, market share projections, future semiconductor manufacturer requirements, and the possibility of future growth in the wafer fab equipment industry. Such statements are based on current expectations and are subject to risks, uncertainties and changes in condition, significance, value and effect as well as other risks detailed in documents filed with the Securities and Exchange Commission, including specifically the report on Form 10-K for the year ended June 24, 2001 and the Form 10-Q for the quarter ended December 30, 2001, which could cause actual results to vary from expectations. The company undertakes no obligation to update the information or statements made in this press release.

Lam Research Corporation is a leading supplier of wafer processing equipment and services to the worldwide semiconductor manufacturing industry. The Company's common stock trades on the Nasdaq National Market under the symbol "LRCX." Lam's World Wide Web address is <http://www.lamrc.com>.

Consolidated Financial Tables to Follow
(Excel versions [Consolidated Financial Tables](#))
(PDF versions [Consolidated Financial Tables](#))

LAM RESEARCH CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

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(1) For the three-month period ended March 31, 2002, diluted net income per share includes the assumed exercise of employee stock options and warrants. The assumed conversion of the convertible subordinated notes into 17,264,000 shares was antidilutive and therefore excluded from the computation of diluted net income per share. For the nine-month period ended March 31, 2002, options, warrants and convertible securities were outstanding, but all 24,809,000 potential

common shares were excluded from the computation of diluted net loss per common share because the effect would have been antidilutive due to the net loss for the period. For the three and nine month periods ended March 25, 2001, diluted net income per share includes the assumed exercise of employee stock options and the assumed conversion of the 5% convertible subordinated notes.

LAM RESEARCH CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

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