

Lam Research Corporation Announces 2002 Fourth Quarter And Year-End Results

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FREMONT, Calif., July 23, 2002—Lam Research Corporation (Nasdaq: LRCX) today announced financial results for the fourth quarter and year ended June 30, 2002. Revenues of \$180.3 million in the June quarter were 10 percent higher than the March 2002 quarter. Net loss for the quarter was \$31.0 million, or \$0.24 per diluted share, including a non-taxable loss of \$26.0 million on equity derivative contracts in Lam stock (Other Income/Expense) and a restructuring reserve recovery of \$4.1 million (\$1.7 million in Cost of Goods Sold and \$2.4 million in Operating Expenses). This compares to net income of \$1.6 million, or \$0.01 per diluted share, in the March 2002 quarter, which included a non-taxable gain of \$16.8 million on equity derivative contracts in Lam stock. Excluding the loss from the equity derivative contracts and restructuring reserve recovery, the June 2002 quarter net loss was \$7.9 million, or \$0.06 per diluted share.

New orders of \$234 million increased by 41.0 percent sequentially. Regional distribution of new orders was North America, 16 percent; Europe, 21 percent; Japan, 5 percent; and Asia Pacific, 58 percent.

Geographical breakdown of revenue for the quarter was North America, 38 percent; Europe, 15 percent; Japan, 14 percent; and Asia Pacific, 33 percent. Shipments for the period were approximately \$198 million.

Excluding restructuring reserve recovery, gross margin for the June 2002 quarter was \$64.7 million or 35.9 percent of revenue, compared to \$55.0 million or 33.5 percent of revenue in the previous quarter, reflecting efficiencies gained from higher volumes and the favorable impact of cost reductions.

Excluding restructuring reserve recovery, operating expenses of \$76.0 million were \$1.4 million lower than the prior quarter. Increased investments in product development activities were offset by lower SG&A costs.

Cash, Short-term Investments, and Restricted Cash totaled \$945.2 million at the end of June 2002, an increase of \$43.6 million over the prior quarter, principally from improvements in accounts receivable turnover.

“Current business activities reflect the ongoing investment in leading-edge capacity by our customers,” stated James W. Bagley, chairman and chief executive officer. “Semiconductor manufacturers are developing several next-generation technologies, particularly for sub-90-nm processes involving 193-nm resists, where our 2300™ Etch Series systems are demonstrating flexibility and cost-effectiveness in implementing challenging integration schemes. In CMP, we believe our Teres® systems are demonstrating superior results when planarizing new materials such as low k and copper. We expect the requirements for these advanced technologies to continue to drive capital investment and provide new market share opportunities for the Company,” 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 the Company's products, market share opportunities, process results and our customers' plans for capital investment and technology development. 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 March 31, 2002, 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](#) / [PDF](#) versions)

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

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LAM RESEARCH CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

<https://newsroom.lamresearch.com/2002-07-23-Lam-Research-Corporation-Announces-2002-Fourth-Quarter-And-Year-End-Results>