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FREMONT, Calif., July 28, 1998 - Lam Research Corporation (Nasdaq: LRCX), a leading supplier of wafer fabrication equipment to the worldwide semiconductor industry, today announced financial results for the company's fourth quarter and fiscal year, ended June 30, 1998.

Revenues for the fourth quarter of fiscal 1998 were $230.6 million, compared to revenues of $282.6 million for the fourth quarter of fiscal 1997. Geographic revenue distribution for the quarter was: North America, 46 percent; Asia Pacific, 25 percent; Europe, 23 percent; and Japan, 6 percent.

Lam recorded a charge in the fourth quarter of $64.0 million relating to severance and other costs associated with the company's previously announced restructuring and reduction in force. Including the restructuring charge, the company reported a net loss of $65.9 million ($1.72 per share) for the fourth fiscal quarter of 1998. This compares to a net loss of $1.5 million ($0.04 per share) for the fourth fiscal quarter of 1997.

Excluding restructuring charges, the company reported gross margin of $92.5 million or 40.1 percent and a net loss of $1.9 million ($0.05 per share) for the fourth fiscal quarter of 1998.

Cash and short-term investments increased to $397.2 million at June 30, 1998, from $350.3 million at March 31, 1998.

For the twelve months ended June 30, 1998, the company reported revenues of $1.1 billion, flat with fiscal year 1997 levels. Including one time charges, the company reported a net loss of $144.6 million ($3.80 per share) for fiscal 1998 versus a net loss of $30.7 million ($0.83 per share) for fiscal 1997.

"Clearly, this has been a difficult year for Lam as we have faced the combined challenges of repositioning the company and doing so within what has become the worst downturn the industry has seen in over a decade. We expect our business to continue to be impacted over the next several quarters," stated James W. Bagley, chief executive officer of Lam.

"Nevertheless, despite a worldwide slowdown throughout the semiconductor equipment industry, we remain optimistic about the company's future. I am pleased with the progress we have made with respect to strengthening our product portfolio. We've also continued to execute to our operating plan as demonstrated by our increased gross margins as a percentage of sales (excluding restructuring charges), despite a declining revenue environment. I believe we will continue to make improvements throughout this difficult period."

"This downturn is a strategic opportunity to build market share momentum as our customers focus on developing advanced technology applications and enhancing the productivity and cost structure within their existing fab lines. Lam is well positioned in both of these critical areas. The company has made improvements across all product lines during the past year. As a result, I believe we offer the most innovative productivity solutions coupled with leading edge capabilities extending below the 0.25 micron regime. This combination will enable the company to take advantage of the market opportunities as the industry recovers," Bagley concluded.

This press release contains certain forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, which statements are subject to the Safe Harbor provisions created thereunder. Such forward-looking statements include, but are not limited to, statements that relate to the company's future revenue and operating expenses, management's plans and objectives for future operations, the effect of any consolidation or restructuring of operations on the company's future profitability, and a continued downturn in the semiconductor market. Such statements are based on current expectations that may involve other risks detailed from time to time in the company's SEC reports, including the report on Form 10-K for the year ended June 30, 1997 and the Form 10-Q for the quarter ended March 31, 1998. The company assumes no obligation to update the information in this release.

Lam Research Corporation is a leading supplier of wafer fabrication equipment and services to the world's semiconductor industry. Lam's headquarters are located in Fremont, California. The company's common stock trades on the Nasdaq National Securities Market under the symbol "LRCX." Lam's World Wide Web address is http://www.lamrc.com.

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

	Three Months Ended June 30,		Twelve Months Ended June 30,	
	1998	1997	1998	1997
Net Sales	$ 230,357	$281,892	$1,050,527	$1,060,535
Royalty income	229	729	2,059	12,662
Total Revenue	230,586	282,621	1,052,586	1,073,197
Cost and expenses				