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FREMONT, Calif., October 15, 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 first quarter of fiscal 1999, ended September 30, 1998.

Revenue for the first quarter of fiscal 1999 was $142.2 million, compared to revenue of $289.9 for the same prior year period. The company reported a net loss of $26.8 million ($0.70 per share) for the quarter, compared to a net loss of $12.2 million ($0.32 per share) for the same period last year.

Geographic revenue distribution for the quarter was: North America, 58 percent; Europe, 21 percent; Japan, 6 percent; and Asia Pacific, 15 percent. This compares to geographic revenue distribution in the first quarter of fiscal 1998 of: North America, 49 percent; Europe, 11 percent; Japan, 9 percent; and Asia Pacific, 31 percent.

"Our results reflect the continuing downturn in the semiconductor capital equipment market. Persistent over-capacity in the DRAM arena, the sharp reversal in Asian economies, and concerns about growth in consumer end-user markets, have led to a steep decline in capital spending," stated James W. Bagley, chairman and chief executive officer.

"We are evaluating our cost structure and employment levels with the priority to preserve key programs and activities aimed at maintaining our customer support and technology leadership."

"During the quarter, we announced the release of dual damascene applications for the company's 4520XLE advanced dielectric etch system. The 4520XLE is a high productivity system which offers superior performance, coupled with excellent reliability and low cost of ownership. This system is currently in use for copper interconnect production in the United States."

"We remain confident that with the capability of our products combined with the strategies we are executing, the company will participate fully in the market opportunities today as well as in the future," Bagley concluded.

"Safe Harbor" Statement. This press release contains certain forward-looking statements and other prospective information within the meaning of Section 27A of the Securities Act of 1933 and 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 and other prospective information 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 and product development and the demand, acceptance and competitiveness of the company's products, and a continued downturn in the semiconductor market.

Such forward-looking statements and other prospective information are subject to various risks, uncertainties and changes in condition, significance, value and effect that could cause results to differ materially and in ways not readily foreseeable, and which are detailed from time to time in the company's SEC reports, including the most recent reports on Form 10-K for the fiscal year ended June 30, 1998, and Form 10-Q for the fiscal 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 Market under the symbol "LRCX."

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

	Three Months Ended September 30,	
	1998	1997
Net Sales	$ 142,137	289,392
Royalty income	62	534
Total Revenue	142,199	289,926
Cost and expenses		
Cost of goods sold	92,043	176,940

Research and development	35,114	54,177
Selling, general and administrative	41,836	53,204
Merger costs	-	17,685
Operating loss	(26,794)	(12,080)
Other (income)/loss	22	798
Loss before income tax benefit	(26,772)	(12,878)
Tax benefit	-	706
Net loss	$ (26,772)	$ (12,172)
Net loss per share		
Basic	$ (0.70)	$ (0.32)
Diluted	(0.70)	(0.32)
Number of shares used in per share calculation		
Basic	38,400	37,600
Diluted	38,400	37,600

LAM RESEARCH CORPORATION CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

	Sept. 30, 1998	June 30, 1998
Assets:		
Cash and short-term investments	$ 339,840	$397,156
Accounts receivable, net	152,575	176,029
Inventories	214,233	220,610
Other current assets	118,768	103,294
Total current assets	825,416	897,089
Equipment/leasehold improvements, net	137,530	144,252
Restricted cash	51,357	51,357
Other assets	55,735	58,074
Total assets	$ 1,070,038	$ 1,150,772
Liabilities and stockholders' equity:		
Total current liabilites	243,309	293,509
Long-term debt and other	331,645	334,174
Stockholders' equity	495,084	523,089
Total liabilities and stockholders' equity	$ 1,070,038	$ 1,150,772