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FREMONT, Calif., April 22, 1999 - Lam Research Corporation (Nasdaq: LRCX), a leading supplier of wafer fabrication equipment and services to the worldwide semiconductor industry, today announced financial results of $153.0 million in revenue and a net loss of $0.38 per share for the third quarter of fiscal 1999, ended March 31, 1999.

New orders were up substantially from the prior quarter and resulted in a book-to-bill ratio in excess of 1.4 to 1. Incoming orders for all geographic regions were up, particularly in Korea and Taiwan.

Revenue of $153.0 million for the period increased sequentially by 8 percent and was down from March 1998 sales of $240.0 million. Geographic distribution was as follows: North America, 40 percent; Europe, 26 percent; Asia Pacific, 23 percent; and Japan, 11 percent.

Gross margins increased to 35.5 percent of revenue during the March quarter when compared to December's 33.2 percent, reflecting continued reductions in manufacturing and field support costs. Focus on improving administrative efficiencies resulted in the decline of operating expenses to $68.9 million for March from $71.6 million during the previous quarter.

The combination of higher margins and lower operating expenses limited the net loss to $14.7 million, or $0.38 per share for the quarter, compared to a loss of $24.4 million or $0.64 per share last quarter (excluding non-recurring charges) and a loss of $5.1 million or $0.13 per share (excluding non-recurring charges) for the quarter ending March 1998.

Lam's balance sheet remains strong, with $354.2 million of cash, cash equivalents and restricted cash, at the end of the March quarter. Emphasis on asset management resulted in positive cash flow from operations during the quarter. Total cash consumption for the period was $8.7 million, including the use of $9.3 million for the repurchase of treasury shares. Inventories were lowered significantly for the third consecutive quarter, and accounts receivable Days Sales Outstanding (DSO) of 86 days declined by five days from December.

"We are pleased with the ramp in new orders for the quarter. Market conditions have strengthened, fueled by the technology demands associated with the move to finer geometries as well as the enhanced profitability levels of semiconductor manufacturers," James W. Bagley, Lam's chairman and chief executive officer commented. "Our improved market position has enabled Lam to benefit from the industry recovery," Bagley concluded.

This press release contains certain forward-looking statements which are subject to the Safe Harbor provisions created by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relate to the prospective demand for the company's products, acceptance and competitiveness of the company's products and market transition to new processes. Such statements are based on current expectations and are subject to risks, uncertainties, and changes in condition and 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 30, 1998, and the Form 10-Q for the quarter ended December 31, 1998. The company undertakes no obligation to update the information in this press 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 RESEARCH CORPORATION CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,		Nine Months Ended March 31,	
	1999	1998	1999	1998
Total revenue	$ 152,976	$ 240,018	$ 437,070	$ 822,000
Cost and expenses:				
Cost of goods sold- on net sales	98,674	152,476	285,520	508,376
Cost of goods sold - restructuring charges	-	19,553	-	19,553
Gross profit	54,302	67,989	151,550	294,071
Research and development	35,751	48,856	104,857	157,507
Selling, general and administrative	33,175	47,537	112,589	154,196
Restructuring charge	-	65,343	53,372	65,343
Purchased technology for research and development	-	12,100	5,000	12,100
Merger costs	-	-	-	17,685
Operating loss	(14,624)	(105,847)	(124,268)	(112,760)
Other (income)/expense, net	100	(1,605)	(6)	(341)
Loss before income taxes	(14,724)	(104,242)	(124,262)	(112,419)
Tax benefit	-	(34,178)	-	(33,708)
Net loss	$ (14,724)	$ (70,064)	$ (124,262)	$ (78,711)
Net loss per share				
Basic	$ (0.38)	$ (1.84)	$ (3.23)	$ (2.08)
Diluted	$ (0.38)	$ (1.84)	$ (3.23)	$ (2.08)
Number of shares used in per share calculation				
Basic	38,674	38,025	38,430	37,930
Diluted	38,674	38,025	38,430	37,930

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

	March 31, 1999	June 30, 1998
Assets:		
Cash and short-term investments	$ 302,812	$397,156
Accounts receivable, net	144,435	176,029
Inventories	179,550	220,610
Other current assets	101,826	103,294
Total current assets	728,623	897,089
Equipment/leasehold improvements, net	102,450	144,252
Restricted cash	51,357	51,357
Other assets	54,021	58,074
Total assets	$ 936,451	$ 1,150,772
Liabilities and stockholders' equity:		
Total current liabilites	212,212	293,509
Long-term debt and other	328,505	334,174
Stockholders' equity	395,734	523,089
Total liabilities and stockholders' equity	$ 936,451	$ 1,150,772