Lam Research Corporation Announces Fiscal 2000 First Quarter Results

Lam Research Corporation Announces Fiscal 2000 First Quarter Results FREMONT, Calif. - October 21, 1999 - Lam Research Corporation (Nasdaq: LRCX) today announced financial results for the fiscal quarter ended September 26, 1999. Revenues of $241.6 million were 70 percent higher than first fiscal quarter 1999 and 15 percent higher than the $210.9 million for the quarter ended June 30, 1999. Net income was $24.7 million, or $0.58 per share, and compared favorably to a net loss of $26.8 million or $(0.70) per share for the prior year's quarter and net income of $11.3 million, or $0.28 per share for the quarter ended June 30,1999. First quarter net income of $24.7 million included a provision for income tax expense of approximately $2.7 million, reflecting an estimated effective tax rate of 10 percent for the fiscal year ending June 25, 2000.

Revenues increased in all regions from the prior year's first quarter levels. Compared to the previous quarter, Japan was particularly strong with a three-fold increase in revenue. Geographic revenue distribution for the quarter was as follows: North America, 40 percent; Europe, 18 percent; Japan, 14 percent; and Asia Pacific, 28 percent.

New orders for the quarter continued to increase sequentially, resulting in a book to bill ratio in excess of 1.15 to 1. Geographic distribution of orders during the quarter was: North America, 27 percent; Europe, 31 percent; Japan, 12 percent; and Asia Pacific, 30 percent.

Gross margins increased to 41.7 percent compared with 35.3 percent for the same period last year, and 38.8 percent for the quarter ended June 30, 1999. Operating expenses totaled $73.8 million and continued to decline as a percentage of total revenue in line with our objectives.

Lam's balance sheet remains strong. Cash, equivalents and restricted cash rose to approximately $375 million at September 26, 1999. Ongoing emphasis on asset management resulted in positive cash flow from operations for the third consecutive quarter.

"Industry fundamentals have improved, resulting in the positive revision of capital spending plans by many of the world's largest semiconductor makers," stated James W. Bagley, chairman and chief executive officer.

"Here at Lam, we have focused our efforts on strengthening the company's operations and new product offerings. We are pleased to note the strong customer interest in our latest dielectric etch system, Exelan™. In addition, we announced, in a separate press release, that our Teres™ CMP system was named production tool of record for copper CMP processes at Taiwan Semiconductor Manufacturing Company."

"We intend to continue Changing the Value Equation™ by ensuring that our customers receive leading edge products that enable them to achieve lower overall cost of ownership. We believe this strategy will position us for market share gains as the industry invests to meet the demand for semiconductors in the years ahead," 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, but are not limited to, the prospective demand for the company's products, acceptance, market share, and competitiveness of the company's products and market transition to new processes, the company's plans and objectives for future operations and product development and continued capital spending in the semiconductor industry. 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 fiscal year ended June 30, 1999 and the Form 10Q/A for the quarter ended March 31, 1999. The company undertakes no obligation to update the information in this press release.

Lam Research Corporation is a leading supplier of front-end 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."
