Lam Research Corporation Announces September Quarter Results

Lam Research Corporation Announces September Quarter Results FREMONT, Calif. - October 12, 2000 - Lam Research Corporation (Nasdaq: LRCX) today announced financial results for the fiscal quarter ended September 24, 2000. Record revenues of $432.0 million were 79 percent higher than the prior year's quarter and 15 percent greater than the quarter ended June 25, 2000. Record net income of $66.1 million, or $0.48 per diluted share compares to earnings of $24.7 million or $0.19 per diluted share for the corresponding quarter ended September 26, 1999.

New orders for the September quarter exceeded the prior quarter's orders by approximately 10 percent. Geographic distribution for the quarter was as follows: North America, 36 percent; Europe, 23 percent; Japan, 14 percent; and Asia Pacific, 27 percent.

Revenues increased in all regions from the prior year's corresponding quarter. Sales distribution for the period was as follows: North America, 34 percent; Europe, 24 percent; Japan, 13 percent; and Asia Pacific, 29 percent.

Gross margins increased to 46.1 percent of revenues compared to 41.7 percent for the corresponding quarter ended September 26, 1999, while operating expenses decreased as a percent of revenues to 25.3 percent.

Cash, short-term investments and restricted cash increased to $434.1 million at the end of the period driven by approximately $13.1 million positive cash flow from operations.

"Demand for our leading edge etch and CMP equipment resulted in robust growth in new orders for the September quarter. Our Exelan™ dielectric etch system and Teres™ CMP system continue to demonstrate good momentum in the marketplace. We recently introduced the TCP® 9400DFM (Designed For Manufacture), targeted at polysilicon applications, which has further strengthened our lead in this important etch market segment," stated James W. Bagley, Lam's chairman and chief executive officer.

"Our continued focus on achieving world-class financial performance has led to the highest after tax profits in the company's history. We believe our commitment to expanding our product portfolio and strengthening our operating model has successfully positioned Lam for the opportunities ahead," 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 include, but are not limited to, the prospective demand for the company's products, the company's plans and objectives for future operations, market opportunities, market and competitive conditions. Such statements are based on current expectations and are subject to risks, uncertainties and changes in condition, significance, value and effect including those 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 25, 2000, which could cause actual results to vary from expectations. 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". Lam's World Wide Web address is http://www.lamrc.com.

(1) Diluted earnings per share for the three month period ended September 24, 2000 assumes conversion of convertible subordinated notes. Accordingly, interest expense net of taxes of $3,025 must be added to net income for computing diluted earnings per share. Conversion of the convertible subordinated notes for the three month period ending September 26, 1999 was antidilutive and therefore excluded from the calculation of diluted earnings per share.
