Lam Research Announces Revised Business Outlook

Lam Research Announces Revised Business Outlook FREMONT, Calif.-Feb. 28, 2001-Lam Research Corporation (Nasdaq: LRCX) today revised its business outlook as a result of the continuing weakness in semiconductor industry fundamentals.

James W. Bagley, Lam's chairman and chief executive officer stated, "Our customers continue to report slowing end-user demand and softening business conditions. Their capital spending plans are being adjusted accordingly. These factors have resulted in a reduction in new equipment orders, delivery push-outs and cancellations of systems in our backlog. Driven by the uncertainties in the market today, the attainment of our previous guidance of $480.0 to $490.0 million in revenue is at risk. Our revenue for the March quarter could decline as much as 15 percent, which would result in an impact to earnings. These changes in our outlook are not the result of a change in competitive position nor the loss of market share, but reflect the restraint in our customers' spending."

The company is implementing a cost-reduction plan which includes: five mandatory shut down days per quarter; Board of Directors and executive salary cuts up to 10 percent; and merit increase delays. All discretionary spending is under priority review.

"We believe that these cost reduction activities are prudent and will support our business objectives during the current slowdown in our customers' capital expenditures. We will maintain our spending on strategic development programs that address the ongoing transition to new materials such as copper and low-k dielectrics. The company is well positioned to gain market share as the industry begins 300 mm pilot production activity. Our success in these two areas will strengthen our position as one of the premier suppliers of wafer processing equipment to the semiconductor industry," 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 relate, but are not limited to, the prospective demand for the company's products, future earnings and market share projections, the company's ability to manage future market conditions, the company's plans and objectives for future operations and 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, and other risks detailed in documents filed with the Securities and Exchange Commission, including, specifically the reports on Form 10-K for the fiscal year ended June 30, 2000, and on Form 10-Q for the quarter ended December 24, 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.

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