Varian Semiconductor Associates and Lam Research Corporation Announce Settlement of All Outstanding Litigation

GLOUCESTER, Mass. and FREMONT, Calif. (Business Wire)?December 20, 2001?Varian Semiconductor Equipment Associates, Inc. (Nasdaq: VSEA) of Gloucester, Mass. and Lam Research Corporation (Nasdaq: LRCX) of Fremont, Calif. jointly announced today that they have amicably resolved the patent infringement litigation between the two companies that was filed by Varian in October 1993.

Under the settlement agreement signed today, Varian has granted a nonexclusive license to Lam under the patents in question. In return, Lam has agreed to pay Varian $20 million and to issue a warrant for the purchase of 2 million shares of Lam common stock, exercisable through December 2005 at a price of $21.30 per share. As part of the full and final settlement, the parties have agreed to dismiss all pending claims and counterclaims.

Richard Aurelio, chief executive officer of Varian, said, ?We are pleased to have arrived at an amicable resolution with Lam that is consistent with our business objectives.? James Bagley, chairman and chief executive officer of Lam, added, ?We too are pleased to have been able to resolve this lawsuit.? The parties indicated that they would have no further comment regarding the lawsuit or the settlement.

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 include those relating to the resolution of the litigation between Varian and Lam, the parties? performance of the terms of the settlement and the accounting treatment of the settlement. Such statements are based on current expectations and are subject to risks, uncertainties, and changes in condition, significance, value and effect including but not limited to the parties? future interpretation of the terms of the settlement agreement, future claims between the parties that are unrelated to the current settlement and those risks detailed in documents filed with the Securities and Exchange Commission, and specifically the report on Form 10-K for the fiscal year ended June 24, 2001 and the Form 10-Q for the quarter ended September 23, 2001, which could cause actual results to vary from expectations. The company undertakes no obligation to update the information in this Press Release.

Varian Semiconductor Equipment Associates is the leading producer of ion implantation equipment used in the manufacture of semiconductors. The Company is headquartered in Gloucester, Mass., and operates worldwide. Varian Semiconductor Equipment Associates stock trades on the Nasdaq National Market under the symbol VSEA. The company?s World Wide Web address is http://www.vsea.com.

Lam Research Corporation is a leading supplier of wafer fabrication equipment and services to the world?s semiconductor industry. Lam?s common stock trades on the Nasdaq National Market under the symbol LRCX. The Company?s World Wide Web address is http://www.lamrc.com.

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