

LAM RESEARCH CORP
Form S-4
December 07, 2015
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As filed with the U.S. Securities and Exchange Commission on December 4, 2015

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form S-4
REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

LAM RESEARCH CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3559
(Primary Standard Industrial
Classification Code Number)
4650 Cushing Parkway

94-2634797
(I.R.S. Employer
Identification No.)

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Fremont, CA 94538

(510) 572-0200

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Sarah A. O Dowd

Senior Vice President, Chief Legal Officer and Secretary

Lam Research Corporation

4650 Cushing Parkway

Fremont, CA 94538

(510) 572-0200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Daniel R. Mitz

Teri A. Little

Martin W. Korman

Jonn R. Beeson

Senior Vice President and General Counsel

Katharine A. Martin

Timothy G. Hoxie

KLA-Tencor Corporation

Bradley L. Finkelstein

Jones Day

One Technology Drive

Wilson Sonsini Goodrich & Rosati

1755 Embarcadero Road

Milpitas, CA 95035

Professional Corporation

Palo Alto, CA 94303

(408) 875-3000

650 Page Mill Road

(650) 739-3939

Palo Alto, CA 94304

(650) 493-9300

Approximate date of commencement of proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed joint proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of Class of Securities to be Registered(1)	Amount to be Registered(2)	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price(3)	Amount of Registration Fee(4)
Common stock, par value \$0.001 per share	80,762,759	N/A	\$5,617,857,516.04	\$565,718.25

- (1) This Registration Statement relates to common stock, par value \$0.001 per share, which is referred to as Lam Research common stock, of Lam Research Corporation, which is referred to as Lam Research, issuable to holders of common stock, par value \$0.001 per share, which is referred to as KLA-Tencor common stock, of KLA-Tencor Corporation, which is referred to as KLA-Tencor, who will receive Lam Research common stock as consideration for the cancellation of their KLA-Tencor common stock in the proposed merger of KLA-Tencor with a wholly owned subsidiary of Lam Research. Lam Research common stock is listed on the NASDAQ Global Select Market under the symbol LRCX. KLA-Tencor common stock is listed on the NASDAQ Global Select Market under the symbol KLAC.
 - (2) Consists of Lam Research's estimate of the maximum number of shares of Lam Research common stock to be issued upon completion of the merger. This number is equal to the product of (1) the sum of 157,219,700 shares of KLA-Tencor common stock outstanding as of November 30, 2015 (including giving effect to shares of KLA-Tencor common stock underlying vested restricted stock units) and 4,305,818 shares of KLA-Tencor common stock expected to be issued under KLA-Tencor's employee stock purchase plan and in settlement of equity awards prior to completion of the merger and after November 30, 2015 and (2) 0.50, the average number of shares of Lam Research common stock to be issued for each share of KLA-Tencor common stock.
 - (3) Estimated solely for purposes of calculating the registration fee required by Section 6(b) of the Securities Act, and calculated pursuant to Rules 457(f)(1) and (f)(3) and 457(c) under the Securities Act. The proposed maximum aggregate offering price of the registrant's common stock was calculated based upon the market value of shares of KLA-Tencor common stock (the securities to be cancelled in the merger) as follows: the product of (1) the difference between \$66.78, the average of the high and low prices per share of KLA-Tencor common stock on November 30, 2015, as quoted on the NASDAQ Global Select Market, and \$32.00, the expected average cash component of the merger consideration per share of KLA-Tencor common stock and (2) 161,525,518, the estimated maximum number of shares of KLA-Tencor common stock to be converted into the right to receive merger consideration upon completion of the merger, which includes shares of KLA-Tencor common stock underlying stock options and restricted stock units.
 - (4) Determined in accordance with Section 6(b) of the Securities Act by multiplying the proposed maximum aggregate offering price by .0001007.
- The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act, or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.**

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Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of such securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to appropriate registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY SUBJECT TO COMPLETION DATED []

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Lam Research Corporation stockholders and KLA-Tencor Corporation stockholders:

On behalf of the boards of directors of Lam Research Corporation and KLA-Tencor Corporation, we are pleased to enclose the joint proxy statement/prospectus relating to the merger of KLA-Tencor Corporation with a wholly owned subsidiary of Lam Research Corporation pursuant to the terms of a merger agreement entered into by KLA-Tencor and Lam Research on October 20, 2015.

If the merger is completed, each KLA-Tencor stockholder may elect to receive, for all shares of KLA-Tencor common stock held, one of the following forms of consideration, which will be payable on a per share basis and will be subject to the proration mechanism described below:

1. both 0.5 of a share of Lam Research common stock and \$32.00 in cash, which is referred to as the mixed election;
2. a number of shares of Lam Research common stock equal to 0.5, plus a number of shares of Lam Research common stock equal to \$32.00 divided by the volume-weighted average price of a share of Lam Research common stock measured over a five-trading day period, which is referred to as the five-trading day VWAP, ending approximately two days prior to the closing of the merger, which is referred to as the stock election; or
3. \$32.00 in cash, plus a cash amount equal to 0.5 times the five-trading day VWAP, which is referred to as the cash election.

Pursuant to the merger agreement, Lam Research will not be required to issue (1) a number of shares of Lam Research common stock that exceeds the product of 0.5 and the number of shares of KLA-Tencor common stock outstanding immediately prior to the effective time of the merger or (2) an amount of cash that exceeds the product of \$32.00 and the number of shares of KLA-Tencor common stock outstanding immediately prior to the effective time of the merger. KLA-Tencor stockholders who make the mixed election will receive the mixed election consideration and KLA-Tencor stockholders who make the stock election or the cash election will be subject to a customary proration mechanism set forth in the merger agreement. KLA-Tencor stockholders that do not make an election will be deemed to have made the mixed election. KLA-Tencor stockholders who make the stock election or the mixed election, or who make the cash election but are subject to proration, will receive cash in lieu of any fractional share of Lam Research common stock.

Based on Lam Research's closing stock price on November 30, 2015, the most recent practicable date for which such information was available, the merger consideration represented approximately \$71.10 in value per share of KLA-Tencor common stock, which represents a premium of approximately 32.0% over KLA-Tencor's closing stock price on October 20, 2015, the last trading day before the public announcement of the transaction.

The value of the merger consideration to be received in exchange for each share of KLA-Tencor common stock will fluctuate based on the market value of Lam Research common stock until the merger is completed. Shares of Lam Research common stock and shares of KLA-Tencor common stock are traded on the NASDAQ Global Select Market under the symbols LRCX and KLAC, respectively. We urge you to obtain current market quotations for the shares of common stock of Lam Research and KLA-Tencor.

Based on the number of shares of Lam Research common stock and KLA-Tencor common stock outstanding on November 30, 2015, upon completion of the merger, former KLA-Tencor stockholders will own approximately 33% of the outstanding Lam Research common stock and Lam Research stockholders immediately prior to the merger will own approximately 67% of the outstanding Lam Research common stock.

Each of Lam Research and KLA-Tencor is holding a special meeting of its stockholders to vote on matters related to the merger, as well as certain other matters in the case of Lam Research. We cannot complete the merger unless the stockholders of Lam Research approve the issuance of shares of Lam Research common stock pursuant to the merger agreement and the stockholders of KLA-Tencor adopt the merger agreement, in both cases as described in the joint proxy statement/prospectus. **Your vote is very important, regardless of the number of shares you own. Whether or not you expect to attend the applicable special meeting in person, please submit a proxy to vote your shares as promptly as possible so that your shares may be represented and voted at the Lam Research special meeting or the KLA-Tencor special meeting, as applicable.**

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The Lam Research board of directors has unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger agreement, are fair to, and in the best interests of, Lam Research and its stockholders, and are advisable. **The Lam Research board of directors unanimously recommends that the Lam Research stockholders vote FOR the proposal to approve the issuance of shares of Lam Research common stock pursuant to the merger agreement.**

The KLA-Tencor board of directors has unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, advisable and in the best interests of KLA-Tencor and its stockholders and (2) adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. **The KLA-Tencor board of directors unanimously recommends that the KLA-Tencor stockholders vote FOR the proposal to adopt the merger agreement.**

The obligations of Lam Research and KLA-Tencor to complete the merger are subject to the satisfaction or waiver of several conditions. The accompanying joint proxy statement/prospectus contains detailed information about Lam Research, KLA-Tencor, the special meetings, the merger agreement and the merger. **You should read the joint proxy statement/prospectus carefully and in its entirety before voting, including the section entitled Risk Factors beginning on page 22.**

We look forward to the successful combination of Lam Research and KLA-Tencor.

Sincerely,

Stephen G. Newberry, Chairman of the Board of Directors, Lam Research
Corporation

Edward W. Barnholt, Chairman of the Board of Directors, KLA-Tencor
Corporation

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued under this joint proxy statement/prospectus or determined if this joint proxy statement/prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated [] and is first being mailed to Lam Research stockholders and KLA-Tencor stockholders on or about [].

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ADDITIONAL INFORMATION

The accompanying document is the proxy statement of Lam Research for its special meeting of stockholders, the proxy statement of KLA-Tencor for its special meeting of stockholders and the prospectus of Lam Research for its common stock to be issued in the merger. The accompanying joint proxy statement/prospectus incorporates important business and financial information about Lam Research and KLA-Tencor from other documents that are not included in or delivered with the joint proxy statement/prospectus. This information is available to you without charge upon your request. You can obtain the documents incorporated by reference into the joint proxy statement/prospectus free of charge by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

[]

[]

or

or

Lam Research Corporation

KLA-Tencor Corporation

4650 Cushing Parkway

One Technology Drive

Fremont, CA 94538

Milpitas, CA 95035

(510) 572-0200

(408) 875-3000

Attn: Investor Relations

Attn: Investor Relations

Investors may also consult Lam Research's or KLA-Tencor's website for more information concerning the mergers described in this joint proxy statement/prospectus. Lam Research's website is www.lamresearch.com. KLA-Tencor's website is www.kla-tencor.com. Information included on these websites is not incorporated by reference into this joint proxy statement/prospectus.

In addition, if you have questions about the mergers or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, please contact [], the proxy solicitor for Lam Research, toll-free at [] or collect at [], or [], the proxy solicitor for KLA-Tencor, toll-free at [] or collect at []. You will not be charged for any of these documents that you request.

If you would like to request any documents, please do so by [] in order to receive them before the special meetings.

For a more detailed description of the information incorporated by reference into this joint proxy statement/prospectus and how you may obtain it, see the section entitled "Where You Can Find More Information."

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Lam Research Corporation

4650 Cushing Parkway

Fremont, CA 94538

(510) 572-0200

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On [] At

[] Pacific Time

To the Stockholders of Lam Research Corporation:

We are pleased to invite you to attend the special meeting of stockholders of Lam Research Corporation, a Delaware corporation, which is referred to as Lam Research, which will be held at the principal executive offices of Lam Research located at 4650 Cushing Parkway, Fremont, California 94538 on [] at [] Pacific time, for the following purposes:

to approve the issuance of shares of Lam Research common stock to stockholders of KLA-Tencor Corporation, which is referred to as KLA-Tencor, pursuant to the Agreement and Plan of Merger and Reorganization, dated as of October 20, 2015, by and among Lam Research, KLA-Tencor, Topeka Merger Sub 1, Inc., a wholly owned subsidiary of Lam Research, and Topeka Merger Sub 2, Inc., a wholly owned subsidiary of Lam Research, which is referred to as the merger agreement, a copy of which is included as Annex A to the joint proxy statement/prospectus accompanying this notice, which is referred to as the Share Issuance proposal;

to approve a proposal to adjourn the Lam Research special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the Share Issuance proposal, which is referred to as the Lam Research Adjournment proposal; and

to approve an amendment to the Lam Research certificate of incorporation, as amended, to increase the number of authorized shares of Lam Research stock from 405,000,000 to 590,000,000 and the number of authorized shares of Lam Research common stock from 400,000,000 to 585,000,000, the full text of which is attached as Annex G to the joint proxy statement/prospectus accompanying this notice, which is referred to as the Charter Amendment proposal.

Lam Research will transact no other business at the special meeting except such business as may properly be brought before the special meeting (including by complying with the applicable notice provisions in Lam Research's Amended and Restated Bylaws) or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus accompanying this notice for further information with respect to the business to be transacted at the Lam Research special meeting.

Completion of the merger contemplated by the merger agreement is conditioned on, among other things, approval of the Share Issuance proposal. Approval of the Charter Amendment proposal is not required to complete the merger. Lam Research will not proceed with the Charter Amendment if the mergers are not consummated.

The Lam Research board of directors has unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger agreement, are fair to, and in the best interests of, Lam Research and its stockholders, and are advisable. The Lam Research board of directors unanimously recommends that Lam Research stockholders vote:

FOR the Share Issuance proposal;

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FOR the Lam Research Adjournment proposal; and

FOR the Charter Amendment proposal.

The Lam Research board of directors has fixed the close of business on [] as the record date for determination of Lam Research stockholders entitled to receive notice of, and to vote at, the Lam Research special meeting or any adjournments or postponements thereof. **Approval of the Share Issuance proposal and the Lam Research Adjournment proposal each requires the affirmative vote of holders of a majority of the outstanding shares of Lam Research common stock present in person or represented by proxy at the Lam Research special meeting and entitled to vote on the proposal. Approval of the Charter Amendment proposal requires the affirmative vote of holders of a majority of the outstanding shares of Lam Research common stock on the record date for the Lam Research special meeting.** Whether or not a quorum is present, the chairman of the Lam Research special meeting or the holders of a majority of the shares entitled to vote and present in person or represented by proxy may adjourn such meeting to another place, date or time. At any such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the original meeting. No notice of an adjourned meeting need be given if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting. A list of the names of Lam Research stockholders of record will be available for ten days prior to the Lam Research special meeting for any purpose germane to the special meeting during regular business hours at Lam Research's headquarters, 4650 Cushing Parkway, Fremont, CA 94538. The Lam Research stockholder list will also be available at the Lam Research special meeting for examination by any stockholder present at such meeting.

Your vote is very important. Whether or not you expect to attend in person, we urge you to submit a proxy to vote your shares as promptly as possible by either (1) accessing the website located at [] and following the instructions on that site using the control number provided on your proxy card to vote over the Internet; (2) dialing [] and following the instructions provided in the recorded message; or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the Lam Research special meeting. Your proxy is revocable in accordance with the procedures set forth in the enclosed joint proxy statement/prospectus. If you attend the special meeting, you may vote in person even if you returned a proxy or voting instructions. If your shares are held in the Savings Plus Plan, Lam Research 401(k) Plan or in the name of a bank, broker or other fiduciary, please follow the instructions on the voting instruction card furnished by the plan trustee or administrator, or record holder, as appropriate.

If you hold shares of Lam Research common stock in your name at the record date and plan to attend the Lam Research special meeting, please be prepared to provide valid government-issued photo identification (*e.g.*, a driver's license or a passport) to gain admission to the Lam Research special meeting.

If you are a beneficial owner of Lam Research common stock held in street name, meaning that your shares of Lam Research common stock are held by a broker, bank or other nominee holder of record at the record date and you plan to attend the Lam Research special meeting, in addition to proper identification, you will also need to provide proof of beneficial ownership at the record date to be admitted to the Lam Research special meeting. A brokerage statement or letter from a bank or broker are examples of proof of beneficial ownership. If you wish to vote your shares of Lam Research common stock held in street name in person at the Lam Research special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record who holds your shares. If your shares are held in the Savings Plus Plan, Lam Research 401(k) Plan, you will not be able to vote those shares personally at the Lam Research special meeting.

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The enclosed joint proxy statement/prospectus provides a detailed description of the merger, the merger agreement, the Share Issuance proposal, the Lam Research Adjournment proposal and the Charter Amendment proposal. We urge you to read the joint proxy statement/prospectus, including the documents incorporated by reference, and the Annexes carefully and in their entirety.

By Order of the Board of Directors of

Lam Research Corporation,

Sarah A. O Dowd

Secretary

Fremont, California

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YOUR VOTE IS IMPORTANT

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its Annexes carefully and in their entirety. If you have any questions concerning the merger agreement, the mergers, the Share Issuance proposal, the Lam Research Adjournment proposal, the Charter Amendment proposal or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need help voting your shares of Lam Research common stock, please contact [], the proxy solicitor for Lam Research, toll-free at [] or collect at []. You will not be charged for any of these documents that you request.

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NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

To Be Held On [], At

[] Pacific Time

To the Stockholders of KLA-Tencor Corporation:

We are pleased to invite you to attend the special meeting of stockholders of KLA-Tencor Corporation, a Delaware corporation, which is referred to as KLA-Tencor, which will be held in Building Three of KLA-Tencor's Milpitas facility, located at Three Technology Drive, Milpitas, California, 95035, on [] at [], Pacific time, for the following purposes:

to consider and vote on the proposal to adopt the Agreement and Plan of Merger and Reorganization, dated as of October 20, 2015, by and among Lam Research Corporation, which is referred to as Lam Research, Topeka Merger Sub 1, Inc., which is a wholly owned subsidiary of Lam Research and is referred to as Merger Sub 1, Topeka Merger Sub 2, Inc., which is a wholly owned subsidiary of Lam Research and is referred to as Merger Sub 2, and KLA-Tencor, a copy of which is included as Annex A to the joint proxy statement/prospectus accompanying this notice, which is referred to as the merger agreement, pursuant to which Merger Sub 1 will merge with and into KLA-Tencor, with KLA-Tencor as the surviving corporation, and then KLA-Tencor will merge with and into Merger Sub 2, with Merger Sub 2 as the ultimate surviving corporation, which is referred to as the Merger proposal;

to consider and vote on the proposal to adjourn the KLA-Tencor special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the Merger proposal, which is referred to as the KLA-Tencor Adjournment proposal;

to consider and vote on the proposal to approve, by a non-binding, advisory vote, the compensation of KLA-Tencor's named executive officers that is based on or relates to the merger, which is referred to as the Merger-Related Compensation proposal; and

to consider and vote on the proposal to extend the applicability of KLA-Tencor's outside director vesting acceleration policy to outside members of the KLA-Tencor board of directors who have served on the KLA-Tencor board of directors for less than six years as of their termination date, such that the vesting of all restricted stock units held by outside directors who have served on the KLA-Tencor board of directors for less than six years will accelerate on a pro rata basis upon a separation from service with KLA-Tencor and Lam Research, which is referred to as the Director Compensation proposal.

KLA-Tencor will transact no other business at the special meeting except such business as may properly be brought (including by complying with the applicable notice provisions in KLA-Tencor's amended and restated bylaws) before the special meeting or any adjournment or postponements thereof. Please refer to the joint proxy statement/prospectus accompanying this notice for further information with respect to the business to be transacted at the KLA-Tencor special meeting.

The KLA-Tencor board of directors has unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, advisable and in the best interests of KLA-Tencor and its stockholders and (2) adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. The KLA-Tencor board of directors unanimously recommends that KLA-Tencor stockholders vote:

FOR the Merger proposal;

FOR the KLA-Tencor Adjournment proposal;

FOR the Merger-Related Compensation proposal; and

FOR the Director Compensation proposal.

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The KLA-Tencor board of directors has fixed the close of business on [] as the record date for determination of KLA-Tencor stockholders entitled to receive notice of, and to vote at, the KLA-Tencor special meeting or any adjournments or postponements thereof. Only holders of record of KLA-Tencor common stock at the close of business on the record date are entitled to receive notice of, and to vote at, the KLA-Tencor special meeting. **Approval of the Merger proposal requires the affirmative vote of holders of a majority of the outstanding shares of KLA-Tencor common stock on the record date. Approval of the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal and the Director Compensation proposal each requires the affirmative vote of a majority of the votes cast on such proposal, assuming that a quorum is present.** Whether or not a quorum is present, the chairman of the KLA-Tencor special meeting or the holders of a majority of the shares entitled to vote and present in person or represented by proxy may adjourn such meeting to another place, date or time. At any such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the original meeting. No notice of an adjourned meeting need be given if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting. A list of the names of KLA-Tencor stockholders of record will be available for ten days prior to the KLA-Tencor special meeting for any purpose germane to the special meeting during ordinary business hours at KLA-Tencor's principal executive offices, located at One Technology Drive, Milpitas, California 95035. The KLA-Tencor stockholder list will also be available at the KLA-Tencor special meeting for examination by any stockholder present at such meeting.

Your vote is very important. Whether or not you expect to attend the KLA-Tencor special meeting in person, we urge you to submit a proxy to vote your shares as promptly as possible by either: (1) accessing the website located at [] and following the instructions on that site using the control number provided on your proxy card to vote over the Internet; (2) dialing [] and following the instructions provided in the recorded message; or (3) by completing, signing, dating and returning the enclosed proxy card promptly in the postage-paid envelope provided, so that your shares may be represented and voted at the KLA-Tencor special meeting. Your proxy is revocable in accordance with the procedures set forth in the enclosed joint proxy statement/prospectus. If you attend the special meeting, you may vote in person even if you returned a proxy or voting instructions.

If you hold shares of KLA-Tencor common stock in your name at the record date and plan to attend the KLA-Tencor special meeting, please be prepared to provide valid government-issued photo identification (*e.g.*, a driver's license or a passport) to gain admission to the KLA-Tencor special meeting.

If you are a beneficial owner of KLA-Tencor common stock held in street name, meaning that your shares of KLA-Tencor common stock are held by a broker, bank or other nominee holder of record at the record date and you plan to attend the KLA-Tencor special meeting, in addition to proper identification, you will also need to provide proof of beneficial ownership at the record date to be admitted to the KLA-Tencor special meeting. A brokerage statement or letter from a bank or broker are examples of proof of beneficial ownership. If you wish to vote your shares of KLA-Tencor common stock held in street name in person at the KLA-Tencor special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record who holds your shares.

The enclosed joint proxy statement/prospectus provides a detailed description of the merger, the merger agreement, the Merger proposal, the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal and the Director Compensation proposal. We urge you to read the joint proxy statement/prospectus, including the documents incorporated by reference, and the Annexes, carefully and in their entirety.

By Order of the Board of Directors of KLA-

Tencor Corporation

Richard P. Wallace

President and Chief Executive Officer

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YOUR VOTE IS IMPORTANT

We urge you to read the accompanying joint proxy statement/prospectus, including all documents incorporated by reference into the accompanying joint proxy statement/prospectus, and its Annexes carefully and in their entirety. If you have any questions concerning the merger agreement, the mergers, the Merger proposal, the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal, the Director Compensation proposal or the accompanying joint proxy statement/prospectus, would like additional copies of the accompanying joint proxy statement/prospectus or need help voting your shares of KLA-Tencor common stock, please contact [], the proxy solicitor for KLA-Tencor, toll-free at [] or collect at []. You will not be charged for any of these documents that you request.

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ABOUT THIS JOINT PROXY STATEMENT/PROSPECTUS

This joint proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the U.S. Securities and Exchange Commission, which is referred to as the SEC, by Lam Research, constitutes a prospectus of Lam Research under Section 5 of the Securities Act of 1933, as amended, which is referred to as the Securities Act, with respect to the shares of Lam Research common stock to be issued to KLA-Tencor stockholders pursuant to the merger agreement. This joint proxy statement/prospectus also constitutes a joint proxy statement for both Lam Research and KLA-Tencor under Section 14(a) of the Securities Exchange Act of 1934, as amended, which is referred to as the Exchange Act. It also constitutes a notice of meeting with respect to the special meeting of Lam Research stockholders and a notice of meeting with respect to the special meeting of KLA-Tencor stockholders.

You should rely only on the information contained in or incorporated by reference into this joint proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this joint proxy statement/prospectus. This joint proxy statement/prospectus is dated []. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any other date. You should not assume that the information incorporated by reference into this joint proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this joint proxy statement/prospectus to Lam Research stockholders or KLA-Tencor stockholders nor the issuance by Lam Research of shares of common stock pursuant to the merger agreement will create any implication to the contrary.

This joint proxy statement/prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this joint proxy statement/prospectus regarding Lam Research has been provided by Lam Research and information contained in this joint proxy statement/prospectus regarding KLA-Tencor has been provided by KLA-Tencor.

All references in this joint proxy statement/prospectus to Lam Research refer to Lam Research Corporation, a Delaware corporation; all references in this joint proxy statement/prospectus to KLA-Tencor refer to KLA-Tencor Corporation, a Delaware corporation; all references to Merger Sub 1 refer to Topeka Merger Sub 1, Inc., a Delaware corporation and wholly owned subsidiary of Lam Research formed for the sole purpose of effecting the merger, or its permitted assignees; all references to Merger Sub 2 refer to Topeka Merger Sub 2, Inc., a Delaware corporation and wholly owned subsidiary of Lam Research formed for the sole purpose of effecting the subsequent merger, or its permitted assignees; all references to Merger Subs refer to Merger Sub 1 and Merger Sub 2; unless otherwise indicated or as the context requires, all references in this joint proxy statement/prospectus to we, our and us refer to Lam Research and KLA-Tencor collectively; unless otherwise indicated or as the context requires, all references to the merger agreement refer to the Agreement and Plan of Merger and Reorganization, dated as of October 20, 2015 by and among Lam Research, KLA-Tencor, Merger Sub 1 and Merger Sub 2, a copy of which is included as Annex A to this joint proxy statement/prospectus; all references to the merger refer to the merger of Merger Sub 1 with and into KLA-Tencor, with KLA-Tencor as the surviving corporation; all references to the subsequent merger refer to the merger of KLA-Tencor, as the surviving corporation in the merger, with and into Merger Sub 2; and all references to the mergers refer to the merger and the subsequent merger.

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QUESTIONS AND ANSWERS

*The following are some questions that you, as a stockholder of Lam Research or KLA-Tencor, may have regarding the mergers and the other matters being considered at the special meetings and the answers to those questions. Lam Research and KLA-Tencor urge you to carefully read the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the mergers and the other matters being considered at the special meetings. Additional important information is also contained in the Annexes to, and the documents incorporated by reference into, this joint proxy statement/prospectus. See the section entitled *Where You Can Find More Information* for more information.*

Q: Why am I receiving this joint proxy statement/prospectus?

A: Lam Research and KLA-Tencor have agreed to a business combination pursuant to the terms of the merger agreement that is described in this joint proxy statement/prospectus. A copy of the merger agreement is included in this joint proxy statement/prospectus as Annex A. In order to complete the mergers, among other things:

Lam Research stockholders must approve the Share Issuance proposal, which is defined below under Questions and Answers about the Proposals; and

KLA-Tencor stockholders must approve the Merger proposal, which is defined below under Questions and Answers about the Proposals.

Lam Research is holding a special meeting of its stockholders in order to obtain approval of the Share Issuance proposal. Approval of the Share Issuance proposal requires the affirmative vote of holders of a majority of the outstanding shares of Lam Research common stock present in person or represented by proxy at the Lam Research special meeting and entitled to vote on the proposal. Lam Research stockholders will also be asked to approve the Lam Research Adjournment proposal and the Charter Amendment proposal, each as defined below under Questions and Answers about the Proposals. Approval of the Lam Research Adjournment proposal requires the affirmative vote of holders of a majority of the outstanding shares of Lam Research common stock present in person or represented by proxy at the Lam Research special meeting and entitled to vote on the proposal. Approval of the Charter Amendment proposal requires the affirmative vote of holders of a majority of the outstanding shares of Lam Research common stock on the record date for the Lam Research special meeting. It is important that Lam Research stockholders vote their shares on each of these matters, regardless of the number of shares owned. Approval of the Charter Amendment proposal is not required to complete the mergers.

KLA-Tencor is holding a special meeting of its stockholders in order to obtain approval of the Merger proposal. Adoption of the merger agreement pursuant to the Merger proposal requires the affirmative vote of holders of a majority of the outstanding shares of KLA-Tencor common stock entitled to vote thereon. KLA-Tencor stockholders will also be asked to approve the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal and the Director Compensation proposal, each as defined below under Questions and Answers about the Proposals. Approval of the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal and the Director Compensation proposal each requires the affirmative vote of a majority of the votes cast at the special meeting, assuming that a quorum is present. Whether or not a quorum is present, the chairman of the KLA-Tencor special meeting or the holders of the majority of the shares entitled to vote and present in person or represented by proxy will have the power to adjourn the KLA-Tencor special meeting to another place, date or time. It is important that KLA-Tencor stockholders vote their shares on each of these matters, regardless of the number of shares owned.

This joint proxy statement/prospectus, including its Annexes, contains and incorporates by reference important information about Lam Research and KLA-Tencor, the mergers and the special meetings of Lam Research and KLA-Tencor. You should read all the available information carefully and in its entirety.

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Questions and Answers About the Proposals

Q: What proposals am I being asked to vote on?

A: *Lam Research Stockholders:* At the Lam Research special meeting, Lam Research stockholders will be asked to consider and vote on:

the Share Issuance proposal, which is a proposal to approve the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger agreement, a copy of which is included as Annex A to this joint proxy statement/prospectus;

the Lam Research Adjournment proposal, which is a proposal to adjourn the Lam Research special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the Share Issuance proposal; and

the Charter Amendment proposal, which is a proposal to approve an amendment to the Lam Research certificate of incorporation, as amended, to increase the number of authorized shares of Lam Research stock from 405,000,000 to 590,000,000 and the number of authorized shares of Lam Research common stock from 400,000,000 to 585,000,000, the full text of which is attached as Annex G to this joint proxy statement/prospectus.

See the section entitled *The Lam Research Proposals* for more information about these proposals. It is important that Lam Research stockholders vote their shares on each of these proposals, regardless of the number of shares owned.

KLA-Tencor Stockholders: At the KLA-Tencor special meeting, KLA-Tencor stockholders will be asked to consider and vote on:

the Merger proposal, which is a proposal to adopt the merger agreement, a copy of which is included as Annex A to this joint proxy statement/prospectus, pursuant to which Merger Sub 1 will merge with and into KLA-Tencor, with KLA-Tencor as the surviving corporation, and then KLA-Tencor will merge with and into Merger Sub 2, with Merger Sub 2 as the ultimate surviving corporation;

the KLA-Tencor Adjournment proposal, which is a proposal to adjourn the KLA-Tencor special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the Merger proposal;

the Merger-Related Compensation proposal, which is a non-binding, advisory vote to approve the compensation that may be paid or become payable to KLA-Tencor's named executive officers that is based on or otherwise relates to the merger; and

the Director Compensation proposal, which is a proposal to extend the applicability of KLA-Tencor's outside director vesting acceleration policy by waiving the six year service requirement for outside members of the KLA-Tencor board of directors, such that the vesting of all restricted stock units held by outside directors who have served on the KLA-Tencor board of directors for less than six years will accelerate on a pro rata basis upon a separation from service with KLA-Tencor and Lam Research. The restricted stock units granted to the outside directors of the KLA-Tencor board of directors are the largest component of the annual director compensation program, which consists of a combination of restricted stock units and cash that the Compensation Committee of the KLA-Tencor board of directors has determined to be competitive with companies similarly situated with KLA-Tencor based on market data provided to it.

See the section entitled *The KLA-Tencor Proposals* for more information about these proposals. It is important that KLA-Tencor stockholders vote their shares on each of these proposals, regardless of the number of shares owned.

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Questions and Answers About the Merger

Q: What will happen in the merger?

A: In the merger, KLA-Tencor will become a wholly owned subsidiary of Lam Research and will no longer be a publicly held corporation. Immediately following the effective time of the merger, two members of the KLA-Tencor board of directors, which is referred to as the KLA-Tencor Board, will be appointed to the Lam Research board of directors, which is referred to as the Lam Research Board. See the sections entitled Summary The Merger and The Merger Agreement, and the merger agreement attached as Annex A to this joint proxy statement/prospectus, for more information about the mergers.

Q: What will I receive in the merger?

A: *Lam Research Stockholders:* If the merger is completed, Lam Research stockholders will not receive any merger consideration and will continue to hold their shares of Lam Research common stock.

KLA-Tencor Stockholders: If the merger is completed, each KLA-Tencor stockholder may elect to receive, for all shares of KLA-Tencor common stock held, one of the following forms of consideration, which will be payable on a per share of KLA-Tencor common stock basis, and is collectively referred to as the merger consideration:

mixed consideration, consisting of 0.5 shares of Lam Research common stock and \$32.00 in cash;

all-stock consideration, consisting of (1) a number of shares of Lam Research common stock equal to 0.5 plus (2) a number of shares of Lam Research common stock equal to \$32.00 divided by the volume-weighted average price of Lam Research common stock over a five-day trading period ending approximately two days before the closing of the merger, which is referred to as the five-trading day VWAP, subject to proration as described below in I am a KLA-Tencor stockholder. If I elect all-stock consideration or all-cash consideration, is my election subject to proration?; or

all-cash consideration, consisting of (1) \$32.00 in cash plus (2) an amount in cash equal to 0.5 times the five-trading day VWAP, subject to proration as described below in I am a KLA-Tencor stockholder. If I elect all-stock consideration or all-cash consideration, is my election subject to proration?

KLA-Tencor stockholders that do not make an election will be deemed to have elected to receive the mixed consideration. KLA-Tencor stockholders will not receive any fractional shares of Lam Research common stock in the merger. Instead, Lam Research will, at its option, pay cash or distribute proceeds from sales of fractional shares in lieu of delivering any fractional shares of Lam Research common stock.

Based on the closing price of Lam Research common stock on the NASDAQ Global Select Market on October 20, 2015, the last trading day before the public announcement of the merger agreement, the merger consideration represented approximately \$67.02 in value per share of KLA-Tencor common stock. Based on the closing price of Lam Research common stock on the NASDAQ Global Select Market on November 30, 2015, the most recent practicable date for which such information was available, the merger consideration represented approximately \$71.10 in value per share of KLA-Tencor common stock. The value of the merger consideration will depend on, and change as a result of, changes in the market price of Lam Research common stock following the date of this joint proxy statement/prospectus. **The market price of Lam Research common stock when KLA-Tencor stockholders receive shares of Lam Research common stock after the merger is completed could be greater than, less than or the same as the market price of Lam Research common stock on the date of this joint proxy statement/prospectus, the market price of Lam Research common stock at the time of the respective special meetings or any adjournment or postponement thereof, or the five-trading day VWAP.**

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Q: I am a KLA-Tencor stockholder. How do I make an election as to the form of consideration that I will receive in the merger?

A: An election form is being mailed to each holder of record of KLA-Tencor common stock at the close of business on [], which is referred to as the KLA-Tencor record date, together with this joint proxy statement/prospectus. In order to make a valid election, KLA-Tencor stockholders must return their properly completed and signed election form to [], which is referred to as the exchange agent, in accordance with the instructions contained in the election form, prior to 6:00 a.m. Pacific time on the fourth business day after the date of satisfaction or waiver of the last of the conditions to the merger (other than any such conditions that by their nature are to be satisfied at the closing of the merger), which date is referred to as the election deadline. At least three business days prior to the election deadline, Lam Research will publish a press release announcing the election deadline.

Q: I am a KLA-Tencor stockholder. If I do not make any election as to the form of consideration that I will receive in the merger, what will I receive in the merger?

A: You will receive the mixed consideration.

Q: I am a KLA-Tencor stockholder. Can I make one election for some of my shares and another election or elections for the rest?

A: No. Your election will be effective as to all of the shares of KLA-Tencor common stock held by you.

Q: I am a KLA-Tencor stockholder. Can I change my election after submitting an initial election?

A: Yes. You may change your election by submitting a subsequently dated election form to the exchange agent by the election deadline.

Q: I am a KLA-Tencor stockholder. If I elect all-stock consideration or all-cash consideration, is my election subject to proration?

A: Yes, elections for all-stock consideration and all-cash consideration are subject to proration as follows:

The aggregate amount of cash that Lam Research is obligated to pay to KLA-Tencor stockholders in the merger will not exceed \$32.00 multiplied by the number of shares of KLA-Tencor common stock outstanding immediately prior to the effective time of the merger (excluding shares owned by Lam Research, KLA-Tencor or any subsidiary of Lam Research or KLA-Tencor at such time). The aggregate number of shares of Lam Research common stock that Lam Research is obligated to issue to KLA-Tencor stockholders in the merger will not exceed 0.5 multiplied by the number of shares of KLA-Tencor common stock outstanding immediately prior to the effective time (excluding shares owned by Lam Research, KLA-Tencor or any subsidiary of Lam Research or KLA-Tencor at such time).

Cash and stock will first be allocated to satisfy elections of KLA-Tencor stockholders who have elected to receive the mixed consideration or who made no election (and who will accordingly receive the mixed consideration), such that each such KLA-Tencor stockholder (other than a KLA-Tencor stockholder that perfects appraisal rights) receives 0.5 shares of Lam Research common stock and \$32.00 in cash for each share of KLA-Tencor stock held. The remaining available cash and shares of Lam Research common stock to be paid as merger consideration will thereafter be allocated among the KLA-Tencor stockholders who have elected to receive the all-stock consideration or the all-cash consideration.

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If the number of shares of KLA-Tencor common stock that are subject to elections to receive the all-cash consideration multiplied by the amount of the all-cash consideration exceeds the remaining cash

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available to fully satisfy such elections (after payment of cash in respect of shares of KLA-Tencor common stock that are subject to elections to receive the mixed consideration, or no election), then:

holders of KLA-Tencor common stock who elected to receive the all-cash consideration (other than a KLA-Tencor stockholder that perfects appraisal rights) will receive for each share of KLA-Tencor common stock held immediately prior to the effective time of the merger (1) the amount of cash remaining available to fully satisfy such all cash-elections, divided by the number of shares of KLA-Tencor common stock that are subject to elections to receive the all-cash consideration; and (2) a number of shares of Lam Research common stock that is determined by dividing the difference between the all-cash consideration (determined without regard to any proration) less the all-cash consideration after the foregoing proration, by the five-trading day VWAP; and

holders of KLA-Tencor common stock who elected to receive the all-stock consideration (other than a KLA-Tencor stockholder that perfects appraisal rights) will receive, for each share of KLA-Tencor common stock held immediately prior to the effective time of the merger, the all-stock consideration.

If the number of shares of KLA-Tencor common stock that are subject to elections to receive the all-stock consideration multiplied by the all-stock consideration exceeds the remaining shares of Lam Research common stock available for issuance to fully satisfy such elections (after the issuance of shares of Lam Research common stock in respect of shares of KLA-Tencor common stock that are subject to elections to receive the mixed consideration, or no election), then:

holders of KLA-Tencor common stock who elected to receive the all-stock consideration (other than a KLA-Tencor stockholder that perfects appraisal rights) will receive for each share of KLA-Tencor common stock held immediately prior to the effective time of the merger (1) the number of shares of Lam Research common stock remaining available to fully satisfy such all-stock elections, divided by the number of shares of KLA-Tencor common stock that are subject to elections to receive the all-stock consideration; and (2) an amount of cash that is equal to the difference between the all-cash consideration and the product of the five-trading day VWAP and the number of shares of Lam Research common stock determined in the foregoing clause (1); and

holders of KLA-Tencor common stock who elected to receive the all-cash consideration (other than a KLA-Tencor stockholder that perfects appraisal rights) will receive, for each share of KLA-Tencor common stock held immediately prior to the effective time of the merger, the all-cash consideration.

Q: What is the value of the merger consideration?

A: The value of the merger consideration that KLA-Tencor stockholders receive will depend on the five-trading day VWAP and on the price per share of Lam Research common stock when the shares are issued to KLA-Tencor stockholders. Because the effective time of the merger will occur and the five-trading day VWAP will be calculated sometime after the respective special meetings, the value of the merger consideration that KLA-Tencor stockholders receive will not be known at the time of the special meetings and may be greater than, less than or the same as the current price or the price at the time of the special meetings. We urge you to obtain current market quotations of Lam Research common stock and KLA-Tencor common stock.

Q: What will happen to my Lam Research stock options and other equity awards in the merger?

A: The completion of the merger will not accelerate the vesting or settlement of any outstanding stock options or other equity awards granted under any of Lam Research's equity incentive plans, and all such stock options and other equity awards will continue to vest in accordance

with their applicable terms.

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Q: What will happen to my KLA-Tencor options or KLA-Tencor restricted stock units in the merger?

A: Under the terms of the merger agreement, at the effective time of the merger:

Lam Research will convert each then-outstanding restricted stock unit representing a right to receive shares of KLA-Tencor common stock, which is referred to as a KLA-Tencor RSU, that is unvested (including performance-based restricted stock units) and that is held by an individual who will continue in the service of Lam Research or KLA-Tencor as of the effective time of the merger, each such individual is referred to as a continuing service provider, into a restricted stock unit representing a right to receive Lam Research common stock, which is referred to as a Lam Research RSU, with economically equivalent terms as applied immediately prior to the effective time of the merger;

each share of KLA-Tencor common stock underlying a KLA-Tencor RSU that is vested (after taking into account any acceleration of vesting that occurs at the effective time of the merger) but which such share of stock has not yet been issued will be issued as of immediately prior to the effective time of the merger, treated as KLA-Tencor common stock in the merger and converted into the right to receive the merger consideration; and

each KLA-Tencor stock option will be cancelled and converted into the right to receive an amount of cash (without interest) equal to the product of (a) the number of shares of KLA-Tencor common stock subject to such KLA-Tencor stock option multiplied by (b) (i) the all-cash consideration less (ii) the exercise price per share for such KLA-Tencor stock option.

See the section entitled The Merger Agreement Treatment of KLA-Tencor Equity Awards for a discussion of these awards.

At the effective time of the merger, each KLA-Tencor RSU that is unvested (after applying any rights to accelerated vesting in connection with the mergers) and held by an individual who is not a continuing service provider will be cancelled without payment of any consideration.

Q: What happens if the merger is not completed?

A: If the Merger proposal is not approved by KLA-Tencor stockholders, the Share Issuance proposal is not approved by Lam Research stockholders or if the merger is not completed for any other reason, KLA-Tencor stockholders will not receive any payment for their shares of KLA-Tencor common stock pursuant to the merger agreement. Instead, KLA-Tencor will remain an independent public company and its common stock will continue to be listed and traded on the NASDAQ Global Select Market. If the merger agreement is terminated under specified circumstances, KLA-Tencor may be required to pay Lam Research a termination fee of \$290 million, and if the merger agreement is terminated under certain other circumstances, Lam Research may be required to pay KLA-Tencor a termination fee of \$290 million. See the section entitled The Merger Agreement Expenses and Termination Fees; Liability for Breach for a more detailed discussion of the termination fees. The Charter Amendment proposal, if approved by Lam Research stockholders at the special meeting, will not be given effect if the mergers are not consummated.

Q: How does the Lam Research Board recommend that Lam Research stockholders vote?

A: After careful consideration, the Lam Research Board unanimously approved the merger agreement and the transactions contemplated by the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger agreement, are fair to, and in the best interests of, Lam Research and its stockholders, and are advisable. For more information regarding the factors considered by the Lam Research Board in reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, see the section entitled The Merger Lam Research's Reasons for the Merger; Recommendation of the Lam Research Board. **The Lam Research Board unanimously recommends that Lam Research stockholders vote (1) FOR the**

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Share Issuance proposal; (2) FOR the Lam Research Adjournment Proposal; and (3) FOR the Charter Amendment proposal.

Q: How does the KLA-Tencor Board recommend that KLA-Tencor stockholders vote?

A: After careful consideration, the KLA-Tencor Board has unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, advisable and in the best interests of KLA-Tencor and its stockholders; and (2) adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. For more information regarding the factors considered by the KLA-Tencor Board in reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, see the section entitled *The Merger KLA-Tencor's Reasons for the Merger; Recommendation of the KLA-Tencor Board*. **The KLA-Tencor Board unanimously recommends that KLA-Tencor stockholders vote FOR the Merger proposal, FOR the KLA-Tencor Adjournment proposal, FOR the Merger-Related Compensation proposal and FOR the Director Compensation proposal.**

Q: When do you expect the mergers to be completed?

A: Lam Research and KLA-Tencor hope to complete the mergers as soon as reasonably possible and, as of the date of this joint proxy statement/prospectus, expect the closing to occur in mid-calendar year 2016. However, the mergers are subject to various regulatory clearances and the satisfaction or waiver of other conditions, and factors outside the control of Lam Research and KLA-Tencor could result in the mergers being completed earlier, later or not at all. Several months or longer may elapse between the Lam Research and KLA-Tencor special meetings and the completion of the mergers.

Q: Are stockholders entitled to appraisal or dissenters' rights?

A: *Lam Research stockholders:* No. Lam Research stockholders are not entitled to appraisal or dissenters' rights in connection with the mergers.

KLA-Tencor stockholders: Yes. Under Section 262 of the Delaware General Corporation Law, which is referred to as the DGCL, if the merger is completed, KLA-Tencor stockholders who do not vote in favor of the Merger proposal and who otherwise comply with the procedures for exercising appraisal rights under Section 262 of the DGCL will be entitled, in lieu of receiving the merger consideration, to obtain payment in cash of the fair value of their shares of KLA-Tencor common stock as determined by the Court of Chancery of the State of Delaware, which is referred to as the Court of Chancery. The right to seek appraisal will be lost if a KLA-Tencor stockholder votes FOR the Merger proposal. However, voting AGAINST the Merger proposal (including a broker non-vote or abstention which has the effect of a vote AGAINST the Merger proposal) is not in itself sufficient to perfect appraisal rights because additional actions must also be taken to perfect such rights. See the section entitled *Appraisal Rights* for more information. KLA-Tencor stockholders who wish to exercise appraisal rights must follow the procedures prescribed by the DGCL. In addition, a copy of Section 262 of the DGCL is included as Annex D to this joint proxy statement/prospectus. Failure to comply with the provisions of Section 262 of the DGCL will result in loss of appraisal rights and receipt of the merger consideration payable as a mixed election, unless another election was timely and validly made, in which case, the former dissenting KLA-Tencor stockholder will receive the same form of merger consideration as the other KLA-Tencor stockholders that made such election.

Q: What are the conditions to the completion of the mergers?

A: Completion of the mergers is subject to certain closing conditions, including but not limited to (1) approval of the Share Issuance proposal by Lam Research stockholders; (2) approval of the Merger proposal by KLA-Tencor stockholders; (3) receipt of all required regulatory approvals; and (4) satisfaction of other

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customary conditions. See the section entitled "The Merger Agreement - Conditions to Completion of the Merger" for more information. The consummation of the mergers is not subject to a financing condition.

Q: What is the amount of financing to be incurred in connection with the merger?

A: Lam Research has entered into (1) a senior unsecured term loan agreement which provides up to \$900 million in term loans, subject to certain conditions; and (2) a debt commitment letter which provides for a senior unsecured 364-day bridge facility in a principal amount of up to \$3.3 billion, subject to certain conditions. Lam Research has also entered into an amendment and restatement of its existing revolving credit agreement pursuant to which, among other things, the revolving lenders agreed to increase their aggregate commitments under the revolving credit agreement from \$300 million to \$750 million.

Lam Research intends to fund the cash component of the merger consideration and related fees and expenses and to prepay KLA-Tencor's \$671 million term loan with a combination of approximately \$1.9 billion of the combined companies' balance sheet cash and proceeds of approximately \$3.9 billion under the term loans, the revolving credit agreement and from the issuance of debt securities or, to the extent necessary, borrowings under the bridge facility. Lam Research also expects to guarantee KLA-Tencor's existing notes in the aggregate principal amount of \$2.5 billion.

Q: Is the completion of the merger subject to a financing condition?

A: No. The receipt of financing by Lam Research is not a condition to completion of the merger and, accordingly, Lam Research will be required to complete the merger (assuming that all of the conditions to its obligations to complete the merger under the merger agreement are satisfied) whether or not debt financing or other financing is available on acceptable terms or at all.

Q: What are the material U.S. federal income tax consequences of the mergers to U.S. holders of KLA-Tencor common stock?

A: The mergers, taken together as an integrated transaction, are intended to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which is referred to as the "Code." Assuming that the mergers qualify as a reorganization, a U.S. holder of KLA-Tencor common stock who surrenders such stock solely in exchange for Lam Research common stock pursuant to the merger generally will not recognize gain or loss for U.S. federal income tax purposes, except with respect to cash received in lieu of any fractional share. A U.S. holder of KLA-Tencor common stock who surrenders such stock solely in exchange for cash in the merger will generally recognize gain or loss on such exchange. Finally, a U.S. holder of KLA-Tencor common stock will generally recognize gain, but not loss, if the U.S. holder surrenders its shares of KLA-Tencor common stock in exchange for a combination of Lam Research common stock and cash. In such case, that U.S. holder will generally recognize gain equal to the lesser of (1) the cash received (other than cash in lieu of any fractional share) and (2) the excess of the sum of the cash received (other than cash in lieu of any fractional share) and the fair market value (on the date of the merger) of the Lam Research common stock received (including any fractional share for which cash was paid) over such U.S. holder's adjusted tax basis in the shares of KLA-Tencor common stock surrendered by such U.S. holder in the merger. Such U.S. holder will generally recognize gain or loss on the receipt of cash in lieu of any fractional share. See the section entitled "Material U.S. Federal Income Tax Consequences" for more information.

Questions and Answers About the Special Meetings

Q: When and where will the special meetings be held?

A: *Lam Research Stockholders:* The special meeting of Lam Research stockholders will be held at the principal executive offices of Lam Research, which are located at 4650 Cushing Parkway, Fremont, California 94538, on [], at [], Pacific time.

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KLA-Tencor Stockholders: The special meeting of KLA-Tencor stockholders will be held in Building Three of KLA-Tencor's Milpitas facility, located at Three Technology Drive, Milpitas, California, 95035, on [], at [], Pacific time.

Q: Who is entitled to vote at the special meetings?

A: *Lam Research Stockholders:* Only holders of record of Lam Research common stock at the close of business on [], which is referred to as the Lam Research record date, are entitled to notice of, and to vote at, the Lam Research special meeting or any adjournment or postponement of the Lam Research special meeting.

KLA-Tencor Stockholders: Only holders of record of KLA-Tencor common stock as of the KLA-Tencor record date are entitled to notice of, and to vote at, the KLA-Tencor special meeting or any adjournment or postponement of the KLA-Tencor special meeting.

Q: What constitutes a quorum at the special meetings?

A: *Lam Research Stockholders:* Stockholders who hold shares representing a majority of the Lam Research common stock issued and outstanding on the record date for the Lam Research special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the Lam Research special meeting. Whether or not a quorum is present, the chairman of the Lam Research special meeting or the holders of a majority of the shares entitled to vote and present in person or represented by proxy may adjourn such meeting to another place, date or time. At any such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the original meeting. No notice of an adjourned meeting need be given if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

Abstentions will be included in the calculation of the number of shares of Lam Research common stock represented at the Lam Research special meeting for purposes of determining whether a quorum has been achieved. Broker non-votes will not be included in the calculation of the number of shares of Lam Research common stock represented at the Lam Research special meeting for purposes of determining whether a quorum has been achieved.

KLA-Tencor Stockholders: Stockholders who hold shares representing a majority of the KLA-Tencor common stock issued and outstanding on the record date for the KLA-Tencor special meeting must be present in person or represented by proxy to constitute a quorum for the transaction of business at the KLA-Tencor special meeting. Whether or not a quorum is present, the chairman of the KLA-Tencor special meeting or the holders of a majority of the shares entitled to vote and present in person or represented by proxy may adjourn such meeting to another place, date or time. At any such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the original meeting. No notice of an adjourned meeting need be given if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

Abstentions will be included in the calculation of the number of shares of KLA-Tencor common stock represented at the KLA-Tencor special meeting for purposes of determining whether a quorum has been achieved. Broker non-votes will not be included in the tabulation of the number of shares of KLA-Tencor common stock represented at the KLA-Tencor special meeting for purposes of determining whether a quorum has been achieved.

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Q: How do I vote if I am a stockholder of record?

A: *Lam Research Stockholders.* If you are a stockholder of record of Lam Research as of the Lam Research record date you may vote in person by ballot by attending the Lam Research special meeting. To ensure your shares are represented at the Lam Research special meeting, you may authorize a proxy to vote by:

accessing the website located at [] and following the instructions on that site using the control number provided on your proxy card to vote over the Internet anytime up to [] p.m. Pacific time on [];

dialing [] and following the instructions provided in the recorded message anytime up to [] p.m. Pacific time on []; or

signing and returning your proxy card in the postage-paid envelope provided.

If you hold Lam Research shares in street name through a stock brokerage account or through a bank or other nominee, please follow the voting instructions provided by your broker, bank or other nominee to ensure that your shares are represented at the Lam Research special meeting. If you hold shares through an employee plan provided by Lam Research, please see the question below *How are my employee plan shares voted?*

If you hold shares of Lam Research common stock in your name as of the Lam Research record date and plan to attend the Lam Research special meeting, please be prepared to provide valid government-issued photo identification (e.g., a driver's license or a passport) to gain admission to the Lam Research special meeting.

If you hold Lam Research shares in street name through a stock brokerage account or through a bank or other nominee at the Lam Research record date and you plan to attend the Lam Research special meeting, in addition to proper identification, you will also need to provide proof of beneficial ownership at the Lam Research record date to be admitted to the Lam Research special meeting. A brokerage statement or letter from a bank or broker are examples of proof of beneficial ownership. If you wish to vote your shares of Lam Research common stock held in street name in person at the Lam Research special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record who holds your shares.

KLA-Tencor Stockholders. If you are a holder of record of KLA-Tencor common stock as of the KLA-Tencor record date, you may vote in person by ballot by attending the KLA-Tencor special meeting. To ensure your shares are represented at the KLA-Tencor special meeting, you may authorize a proxy to vote by:

accessing the website located at [] and following the instructions on that site using the control number provided on your proxy card to vote over the Internet anytime up to [] p.m. Pacific time on [];

dialing [] and following the instructions provided in the recorded message anytime up to [] p.m. Pacific time on []; or

signing and returning your proxy card in the postage-paid envelope provided.

If you hold shares of KLA-Tencor common stock in street name through a stock brokerage account or through a bank or other nominee, please follow the voting instructions provided by your broker, bank or other nominee to ensure that your shares are represented at the KLA-Tencor special meeting.

If you hold shares of KLA-Tencor common stock in your name at the KLA-Tencor record date and plan to attend the KLA-Tencor special meeting, please be prepared to provide valid government-issued photo identification (e.g., a driver's license or a passport) to gain admission to the KLA-Tencor special meeting.

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If you hold KLA-Tencor shares in street name through a stock brokerage account or through a bank or other nominee at the record date and you plan to attend the KLA-Tencor special meeting, in addition to proper identification, you will also need to provide proof of beneficial ownership at the KLA-Tencor record date to be admitted to the KLA-Tencor special meeting. A brokerage statement or letter from a bank or

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broker are examples of proof of beneficial ownership. If you wish to vote your shares of KLA-Tencor common stock held in street name in person at the KLA-Tencor special meeting, you will have to obtain a written legal proxy in your name from the broker, bank or other nominee holder of record who holds your shares.

Q: How many votes do I have?

A: *Lam Research Stockholders:* Holders of Lam Research common stock are entitled to one vote for each share of Lam Research common stock owned as of the close of business on the Lam Research record date. On the Lam Research record date, there were [] shares of Lam Research common stock outstanding and entitled to vote at the Lam Research special meeting.

KLA-Tencor Stockholders: Holders of KLA-Tencor common stock are entitled to one vote for each share of KLA-Tencor common stock owned as of the close of business on the KLA-Tencor record date. On the KLA-Tencor record date, there were [] shares of KLA-Tencor common stock outstanding and entitled to vote at the KLA-Tencor special meeting.

Q: What vote is required to approve each proposal?

A: *Lam Research Stockholders:* Approval of the Share Issuance proposal and the Lam Research Adjournment proposal at the Lam Research special meeting each requires the affirmative vote of holders of a majority of the outstanding shares of Lam Research common stock present in person or represented by proxy at the Lam Research special meeting and entitled to vote on the proposal. Approval of the Charter Amendment proposal requires the affirmative vote of holders of a majority of the shares of Lam Research common stock outstanding on the Lam Research record date. Abstentions are treated the same as votes against each such proposal. Failures to vote and broker non-votes, which are described below, will have no effect on the Share Issuance proposal or the Lam Research Adjournment proposal (assuming a quorum is present), but will have the effect of a vote against the Charter Amendment proposal.

KLA-Tencor Stockholders: Approval of the Merger proposal requires the affirmative vote of holders of a majority of the shares of KLA-Tencor common stock outstanding on the KLA-Tencor record date. Failures to vote, abstentions and broker non-votes will have the effect of a vote against the Merger proposal. Approval of the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal and the Director Compensation proposal each requires the affirmative vote of a majority of the votes cast at the KLA-Tencor special meeting. Abstentions, failures to vote and broker non-votes will have no effect on the KLA-Tencor Adjournment proposal (assuming a quorum is present), the Merger-Related Compensation proposal (assuming a quorum is present) or the Director Compensation proposal (assuming a quorum is present).

Q: My shares are held in street name by my broker, bank or other nominee. Will my broker, bank or other nominee automatically vote my shares for me?

A: No. If your shares are held in the name of a broker, bank or other nominee, you are considered the beneficial holder of the shares held for you in what is known as street name. You are not the record holder of such shares. If this is the case, this joint proxy statement/prospectus has been forwarded to you by your broker, bank or other nominee. As the beneficial holder, unless your broker, bank or other nominee has discretionary authority over your shares, you generally have the right to direct your broker, bank or other nominee as to how to vote your shares. You can contact your broker to obtain instructions on how to instruct them with respect to the voting of your shares. If you do not provide voting instructions, your shares will not be voted on any proposal on which your broker, bank or other nominee does not have discretionary authority. This is often called a broker non-vote.

In connection with the Lam Research special meeting, broker non-votes will have no effect on the Share Issuance proposal (assuming a quorum is present) or the Lam Research Adjournment proposal (assuming a quorum is present) but will have the same effect as votes AGAINST the Charter Amendment proposal.

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In connection with the KLA-Tencor special meeting, broker non-votes will have the effect of a vote AGAINST the Merger proposal, but will not be sufficient for stockholders seeking to perfect their appraisal rights. See the section entitled Appraisal Rights for more information. Broker non-votes will have no effect on the outcome of the KLA-Tencor Adjournment proposal (assuming a quorum is present), the Merger-Related Compensation proposal (assuming a quorum is present) or the Director Compensation proposal (assuming a quorum is present).

You should therefore provide your broker, bank or other nominee with instructions as to how to vote your shares of Lam Research common stock or KLA-Tencor common stock.

Please follow the voting instructions provided by your broker, bank or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to Lam Research or KLA-Tencor or by voting in person at the applicable special meeting unless you first obtain a proxy from your broker, bank or other nominee.

Q: How are my employee plan shares voted?

A: *Employees of Lam Research:* If you participate in the Savings Plus Plan, Lam Research 401(k) Plan, which is referred to as the 401(k) Plan, and hold Lam Research common stock in your personal 401(k) Plan account as of the Lam Research record date, then you may vote, by proxy, your interest in Lam Research common stock held by the 401(k) Plan. The trustee of the 401(k) Plan, Fidelity Management Trust, which is referred to as the 401(k) Plan trustee, will aggregate and vote proxies in accordance with the instructions in the proxies of employee participants that they receive. You may instruct the 401(k) Plan trustee, in a confidential manner, how to vote (including an instruction not to vote) the shares allocated to your 401(k) Plan account by one of the following three methods:

accessing the website located at [] and following the instructions on that site using the control number provided on your proxy card to vote over the Internet anytime up to [] p.m. Pacific time on [];

dialing [] and following the instructions provided in the recorded message, anytime up to [] p.m. Pacific time on []; or

marking, signing and mailing your proxy card to the address indicated on your proxy card. Your proxy card must be received by the 401(k) Plan trustee at [], no later than [] p.m. Pacific time on [], to ensure that the trustee is able to vote your shares in accordance with your wishes.

In addition, since only the trustee can vote the shares of Lam Research common stock allocated to your 401(k) Plan account, you will not be able to vote those shares personally at the Lam Research special meeting. Please note that the applicable trust agreement governing the 401(k) Plan provides that if the trustee does not receive your voting instructions, the trustee will not vote the shares allocated to your 401(k) Plan account unless the trustee is required to do so by applicable law.

If you are a participant (or a beneficiary of a deceased participant) in the 401(k) Plan and you also own other shares of Lam Research common stock outside of your 401(k) Plan account, you should receive a proxy card for shares credited to your account in the 401(k) Plan and a separate proxy card if you are a record holder of additional shares of Lam Research common stock or voting instruction card if you hold additional shares of Lam Research common stock through a broker, bank or other nominee. You must vote shares that you hold as a stockholder of record, shares that you hold through a broker, bank or other nominee and shares that are allocated to your 401(k) Plan account separately in accordance with each of the proxy cards and voting instruction cards you receive with respect to such shares of Lam Research common stock.

Q: What will happen if I fail to vote or I abstain from voting?

A: For purposes of each of the Lam Research special meeting and the KLA-Tencor special meeting, an abstention occurs when a respective stockholder attends the applicable special meeting in person and does not vote or returns a proxy with an abstain vote.

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Lam Research Stockholders:

Share Issuance proposal. If you attend the Lam Research special meeting in person but fail to vote, or you mark your proxy or voting instructions to abstain, it will have the same effect as a vote AGAINST the Share Issuance proposal. If you fail to vote by not attending the Lam Research special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have no effect on the Share Issuance proposal (assuming a quorum is present).

Lam Research Adjournment proposal. If you attend the Lam Research special meeting in person but fail to vote, or you mark your proxy or voting instructions to abstain, it will have the same effect as a vote AGAINST the Lam Research Adjournment proposal. If you fail to vote by not attending the Lam Research special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have no effect on the Lam Research Adjournment proposal (assuming a quorum is present).

Charter Amendment proposal. If you attend the Lam Research special meeting in person but fail to vote, you mark your proxy or voting instructions to abstain, you fail to vote by not attending the Lam Research special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have the same effect as a vote AGAINST the Charter Amendment proposal.

If you are a Lam Research stockholder through the 401(k) Plan and fail to instruct the 401(k) Plan trustee how to vote, the trustee will not vote the shares of Lam Research common stock allocated to your 401(k) Plan account, as described above under the question How are my employee plan shares voted?

KLA-Tencor Stockholders:

Merger proposal. If you attend the KLA-Tencor special meeting in person but fail to vote, you mark your proxy or voting instructions to abstain, you fail to vote by not attending the KLA-Tencor special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have the same effect as a vote AGAINST the Merger proposal. Voting against, abstaining from voting on, or failing to vote on the Merger proposal will not in and of itself be sufficient for stockholders seeking to perfect their appraisal rights to obtain appraisal rights for their shares of KLA-Tencor common stock. See the section entitled Appraisal Rights for more information.

KLA-Tencor Adjournment proposal. If you attend the KLA-Tencor special meeting in person but fail to vote, you mark your proxy or voting instructions to abstain, you fail to vote by not attending the KLA-Tencor special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have no effect on the KLA-Tencor Adjournment proposal (assuming a quorum is present).

Merger-Related Compensation proposal. If you attend the KLA-Tencor special meeting in person but fail to vote, you mark your proxy or voting instructions to abstain, you fail to vote by not attending the KLA-Tencor special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have no effect on the Merger-Related Compensation proposal (assuming a quorum is present).

Director Compensation proposal. If you attend the KLA-Tencor special meeting in person but fail to vote, you mark your proxy or voting instructions to abstain, you fail to vote by not attending the KLA-Tencor special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have no effect on the Director Compensation proposal (assuming a quorum is present).

Q: What will happen if I return my proxy card without indicating how to vote?

A: *Lam Research Stockholders:* If you properly complete and sign your proxy card but do not indicate how your shares of Lam Research common stock should be voted on a matter, the shares of Lam Research

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common stock represented by your proxy will be voted as the Lam Research Board recommends and, therefore, FOR the Share Issuance proposal, FOR the Lam Research Adjournment proposal and FOR the Charter Amendment proposal.

KLA-Tencor Stockholders: If you properly complete and sign your proxy card but do not indicate how your shares of KLA-Tencor common stock should be voted on a matter, the shares of KLA-Tencor common stock represented by your proxy will be voted as the KLA-Tencor Board recommends and, therefore, FOR the Merger proposal, FOR the KLA-Tencor Adjournment proposal, FOR the Merger-Related Compensation proposal and FOR the Director Compensation proposal.

Q: Can I change my vote or revoke my proxy after I have returned a proxy or voting instruction card?

A: Yes.

If you are the holder of record of either Lam Research common stock or KLA-Tencor common stock: If you are the holder of record of either Lam Research common stock or KLA-Tencor common stock, you can change your vote or revoke your proxy at any time before your proxy is voted at your special meeting. You can do this in one of three ways:

you can grant a new, valid proxy bearing a later date (including by telephone or through the Internet);

you can send a signed notice of revocation; or

you can attend your special meeting and vote in person, which will automatically cancel any proxy previously given, or you may revoke your proxy in person. Simply attending the Lam Research special meeting or the KLA-Tencor special meeting without voting or affirmatively revoking any proxy previously given will not revoke any proxy that you have previously given, or change your vote.

If you choose either of the first two methods, your notice of revocation or your new proxy must be received by Lam Research or KLA-Tencor, as applicable, no later than the beginning of the applicable special meeting. If you have submitted a proxy for your shares by telephone or via the Internet, you may revoke your prior telephone or Internet proxy by any manner described above.

If you hold shares of either Lam Research common stock or KLA-Tencor common stock in street name : If your shares are held in street name, you must contact your broker, bank or other nominee to change your vote.

If you hold shares of Lam Research in the 401(k) Plan: If you hold interests in shares of Lam Research common stock in the 401(k) Plan, you may revoke your instructions to the 401(k) Plan trustee and change your vote with respect to voting the shares allocated to you in the 401(k) Plan by submitting new voting instructions under any one of the three methods described above under the question How are my employee plan shares voted? The latest dated instructions actually received by the 401(k) Plan trustee in accordance with the instructions for voting set forth in this joint proxy statement/prospectus, before [] p.m. Pacific time on [], will be the instructions that are followed, and all earlier instructions will be revoked.

Q: Do I need to do anything with my shares of common stock other than voting on the proposals at the special meeting?

A: *Lam Research Stockholders:* If you are a Lam Research stockholder, after the merger is completed, you are not required to take any action with respect to your shares of Lam Research common stock.

KLA-Tencor Stockholders: If you are a KLA-Tencor stockholder, after the merger is completed, each share of KLA-Tencor common stock you hold will be converted automatically into the right to receive the merger consideration, subject to the terms of the merger agreement, including the ability to elect to receive either the mixed consideration, the all-stock consideration or the all-cash consideration, together with cash in lieu of any fractional shares. You will receive instructions at that time regarding exchanging your shares of KLA-Tencor common stock for shares of Lam Research common stock. You do not need to take any action at this time. Please do not send your KLA-Tencor stock certificates with your

proxy card.

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Q: Should I send in my stock certificates now?

A: No. KLA-Tencor stockholders should not send in their stock certificates at this time. After completion of the merger, Lam Research's exchange agent will send you a letter of transmittal and instructions for exchanging your shares of KLA-Tencor common stock for the merger consideration. The shares of Lam Research common stock that you receive in the merger will be issued in book-entry form unless a physical certificate is requested by a KLA-Tencor stockholder or otherwise required under applicable law. See the section entitled "The Merger Agreement Election Procedures and Proration" for more information. Lam Research stockholders will keep their existing stock certificates, if any, and will not be required to take any action with respect to their certificates.

Q: What happens if I sell my shares of Lam Research common stock or KLA-Tencor common stock before the applicable special meeting?

A: *Lam Research stockholders:* The Lam Research record date is earlier than the date of the Lam Research special meeting. If you transfer your shares of Lam Research common stock after the Lam Research record date but before the Lam Research special meeting, you will retain your right to vote at the Lam Research special meeting.

KLA-Tencor stockholders: The KLA-Tencor record date is earlier than the date of the KLA-Tencor special meeting and the date that the mergers are expected to be completed. If you transfer your KLA-Tencor shares after the KLA-Tencor record date but before the KLA-Tencor special meeting, you will retain your right to vote at the KLA-Tencor special meeting, but will have transferred the right to receive the merger consideration in the merger. In order to receive the merger consideration, you must hold your shares through the effective date of the merger.

Q: What if I hold shares in both Lam Research and KLA-Tencor?

A: If you are a stockholder of Lam Research and a stockholder of KLA-Tencor, you will receive two separate packages of proxy materials. A vote cast as a Lam Research stockholder will not count as a vote cast as a KLA-Tencor stockholder, and a vote cast as a KLA-Tencor stockholder will not count as a vote cast as a Lam Research stockholder. Therefore, please separately submit a proxy for each of your Lam Research and KLA-Tencor shares.

Q: Who can help answer my questions?

A: Lam Research stockholders or KLA-Tencor stockholders who have questions about the mergers, the other matters to be voted on at the special meetings, or how to submit a proxy or desire additional copies of this joint proxy statement/prospectus or additional proxy cards should contact:

If you are a Lam Research stockholder:

[]

or

Lam Research Corporation

If you are a KLA-Tencor stockholder:

[]

or

KLA-Tencor Corporation

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4650 Cushing Parkway

Fremont, California 94538

Telephone: 510-572-0200

Attn: Investor Relations

One Technology Drive

Milpitas, CA 95035

(408) 875-3000

Attn: Investor Relations

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SUMMARY

This summary highlights selected information contained elsewhere in this joint proxy statement/prospectus and may not contain all the information that is important to you with respect to the mergers and the other matters to be considered at the Lam Research and KLA-Tencor special meetings. Lam Research and KLA-Tencor urge you to read the remainder of this joint proxy statement/prospectus carefully, including the attached Annexes, and the other documents to which we have referred you. See also the section entitled "Where You Can Find More Information." We have included page references in this summary to direct you to more complete descriptions of the topics presented below.

The Companies

Lam Research Corporation

Lam Research Corporation, a Delaware corporation, has been a global supplier of innovative wafer fabrication equipment and services to the semiconductor industry for more than 35 years. Lam Research designs, manufactures, markets, refurbishes and services semiconductor processing systems that are used in the fabrication of integrated circuits. Its market-leading products are designed to help its customers build smaller, faster, more powerful and more power-efficient devices that are used in a variety of electronic products, including cell phones, tablets, computers, storage devices and networking equipment. Lam Research's customers include semiconductor manufacturers that make memory, microprocessors and other logic integrated circuits for a wide range of electronics, including cell phones, computers, tablets, storage devices and networking equipment.

Lam Research's common stock is traded on the NASDAQ Global Select Market under the symbol LRCX.

The principal executive offices of Lam Research are located at 4650 Cushing Parkway, Fremont, CA 94538, and its telephone number is (510) 572-0200.

KLA-Tencor Corporation

KLA-Tencor Corporation, a Delaware corporation, is a leading supplier of process control and yield management solutions for the semiconductor and related nanoelectronics industries. KLA-Tencor's broad portfolio of defect inspection and metrology products, and related service, software and other offerings primarily supports integrated circuit, which is referred to as an IC or chip, manufacturers throughout the entire semiconductor fabrication process, from research and development to final volume production. KLA-Tencor provides leading-edge equipment, software and support that enable IC manufacturers to identify, resolve and manage significant advanced technology manufacturing process challenges and obtain higher finished product yields at lower overall cost. In addition to serving the semiconductor industry, KLA-Tencor also provides a range of technology solutions to a number of other high technology industries, including the LED and data storage industries, as well as general materials research.

KLA-Tencor's common stock is traded on the NASDAQ Global Select Market under the symbol KLAC.

The principal executive offices of KLA-Tencor are located at One Technology Drive, Milpitas, California, 95035, and its telephone number is (408) 875-3000.

Topeka Merger Sub 1, Inc.

Topeka Merger Sub 1, Inc., a wholly owned subsidiary of Lam Research, is a Delaware corporation that was formed on October 16, 2015 for the sole purpose of effecting the merger. In the merger, Merger Sub 1 will be merged with and into KLA-Tencor, with KLA-Tencor surviving as a wholly owned subsidiary of Lam Research.

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Topeka Merger Sub 2, Inc.

Topeka Merger Sub 2, Inc., a wholly owned subsidiary of Lam Research, is a Delaware corporation that was formed on October 16, 2015 for the sole purpose of effecting the subsequent merger. In the subsequent merger, KLA-Tencor will be merged with and into Merger Sub 2, with Merger Sub 2 surviving as a wholly owned subsidiary of Lam Research.

The Merger

A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. Lam Research and KLA-Tencor encourage you to read the entire merger agreement carefully, because it is the principal document governing the merger. For more information on the merger agreement, see the section entitled The Merger Agreement.

Structure of the Mergers (see page 105)

In the merger, Merger Sub 1 will be merged with and into KLA-Tencor. KLA-Tencor will be the surviving corporation in the merger, will be a wholly owned subsidiary of Lam Research following completion of the merger, and will no longer be a publicly held corporation. Immediately following the effective time of the merger, KLA-Tencor will be merged with and into Merger Sub 2. Merger Sub 2 will be the surviving corporation in the subsequent merger and a wholly owned subsidiary of Lam Research. Immediately following the effective time of the merger, two members of the KLA-Tencor Board will be appointed to the Lam Research Board.

Merger Consideration (see page 106)

If the merger is completed, each KLA-Tencor stockholder may elect to receive, for all shares of KLA-Tencor common stock held, one of the following forms of the merger consideration:

mixed consideration, consisting of 0.5 shares of Lam Research common stock and \$32.00 in cash;

all-stock consideration, consisting of (1) a number of shares of Lam Research common stock equal to 0.5 plus (2) a number of shares of Lam Research common stock equal to \$32.00 divided by the five-trading day VWAP, subject to proration as described below under the section entitled Proration Mechanism; or

all-cash consideration, consisting of (1) \$32.00 in cash plus (2) an amount in cash equal to 0.5 times the five-trading day VWAP, subject to proration as described below under the section entitled Proration Mechanism.

KLA-Tencor stockholders that do not make an election will be deemed to have elected to receive the mixed consideration. KLA-Tencor stockholders will not receive any fractional shares of Lam Research common stock in the merger. Instead, Lam Research will, at its option, pay cash or distribute proceeds from sales of fractional shares in lieu of delivering any fractional shares of Lam Research common stock that a KLA-Tencor stockholder would otherwise have been entitled to receive.

Proration Mechanism (see page 106)

Elections for all-stock consideration and all-cash consideration are subject to proration as follows:

The aggregate amount of cash that Lam Research is obligated to pay to KLA-Tencor stockholders in the merger will not exceed \$32.00 multiplied by the number of shares of KLA-Tencor common stock outstanding immediately prior to the effective time of the merger (excluding shares owned by Lam Research, KLA-Tencor or any subsidiary of Lam Research or KLA-Tencor at such time). The aggregate number of shares of Lam Research common stock that Lam Research is obligated to issue to KLA-Tencor stockholders in the merger will not exceed 0.5 multiplied by the number of shares of

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KLA-Tencor common stock outstanding immediately prior to the effective time (excluding shares owned by Lam Research, KLA-Tencor or any subsidiary of Lam Research or KLA-Tencor at such time).

Cash and stock will first be allocated to satisfy elections of KLA-Tencor stockholders who have elected to receive the mixed consideration or who made no election (and who will accordingly receive the mixed consideration), such that each such KLA-Tencor stockholder (other than a KLA-Tencor stockholder that perfects appraisal rights) receives 0.5 shares of Lam Research common stock and \$32.00 in cash for each share of KLA-Tencor common stock held. The remaining available cash and shares of Lam Research common stock to be paid as merger consideration will thereafter be allocated among the KLA-Tencor stockholders who have elected to receive the all-stock consideration or the all-cash consideration.

If the number of shares of KLA-Tencor common stock that are subject to elections to receive the all-cash consideration multiplied by the amount of the all-cash consideration exceeds the remaining cash available to fully satisfy such elections (after payment of cash in respect of shares of KLA-Tencor common stock that are subject to elections to receive the mixed consideration, or no election), then:

holders of KLA-Tencor common stock who elected to receive the all-cash consideration (other than a KLA-Tencor stockholder that perfects appraisal rights) will receive for each share of KLA-Tencor common stock held immediately prior to the effective time of the merger (1) the amount of cash remaining available to fully satisfy such all cash-elections, divided by the number of shares of KLA-Tencor common stock that are subject to elections to receive the all-cash consideration; and (2) a number of shares of Lam Research common stock that is determined by dividing the difference between the all-cash consideration (determined without regard to any proration) less the all-cash consideration after the foregoing proration, by the five-trading day VWAP; and

holders of KLA-Tencor common stock who elected to receive the all-stock consideration (other than a KLA-Tencor stockholder that perfects appraisal rights) will receive, for each share of KLA-Tencor common stock held immediately prior to the effective time of the merger, the all-stock consideration.

If the number of shares of KLA-Tencor common stock that are subject to elections to receive the all-stock consideration multiplied by the all-stock consideration exceeds the remaining shares of Lam Research common stock available for issuance to fully satisfy such elections (after the issuance of shares of Lam Research common stock in respect of shares of KLA-Tencor common stock that are subject to elections to receive the mixed consideration, or no election), then:

holders of KLA-Tencor common stock who elected to receive the all-stock consideration (other than a KLA-Tencor stockholder that perfects appraisal rights) will receive for each share of KLA-Tencor common stock held immediately prior to the effective time of the merger (1) the number of shares of Lam Research common stock remaining available to fully satisfy such all-stock elections, divided by the number of shares of KLA-Tencor common stock that are subject to elections to receive the all-stock consideration; and (2) an amount of cash that is equal to the difference between the all-cash consideration and the product of the five-trading day VWAP and the number of shares of Lam Research common stock determined in the foregoing clause (1); and

holders of KLA-Tencor common stock who elected to receive the all-cash consideration (other than a KLA-Tencor stockholder that perfects appraisal rights) will receive, for each share of KLA-Tencor common stock held immediately prior to the effective time of the merger, the all-cash consideration.

Table of Contents**Material U.S. Federal Income Tax Consequences (see page 126)**

It is a condition to the completion of the mergers that each of Jones Day, tax counsel to Lam Research, and Wilson Sonsini Goodrich & Rosati, Professional Corporation, tax counsel to KLA-Tencor, deliver an opinion, dated on the closing date of the mergers, to the effect that the mergers will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Each party may waive the requirement to receive an opinion from its tax counsel as a condition to such party's obligation to complete the mergers. Assuming that the mergers qualify as a reorganization, a U.S. holder of KLA-Tencor common stock who surrenders such stock solely in exchange for Lam Research common stock pursuant to the merger generally will not recognize gain or loss for U.S. federal income tax purposes, except with respect to cash received in lieu of fractional shares. A U.S. holder of KLA-Tencor common stock who surrenders such stock solely in exchange for cash in the merger will generally recognize gain or loss on such exchange. A U.S. holder of KLA-Tencor common stock will generally recognize gain, but not loss, if the U.S. holder surrenders its shares of KLA-Tencor common stock in exchange for a combination of Lam Research common stock and cash. In such case, that U.S. holder will generally recognize gain equal to the lesser of (1) the cash received (other than cash in lieu of any fractional share) and (2) the excess of the sum of the cash received (other than cash in lieu of any fractional share) and the fair market value (on the date of the merger) of the Lam Research common stock received (including any fractional share for which cash was paid) over such U.S. holder's adjusted tax basis in the shares of KLA-Tencor common stock surrendered by such U.S. holder in the merger. Such U.S. holder will generally recognize gain or loss on the receipt of cash in lieu of any fractional share.

The tax opinions regarding the mergers will not address any state, local or foreign tax consequences of the mergers. The opinions will be based on certain assumptions and representations as to factual matters from Lam Research and KLA-Tencor, as well as certain covenants and undertakings by Lam Research and KLA-Tencor, substantially in the forms set forth in the disclosure letters contained in the schedules to the merger agreement. If any of the assumptions, representations, covenants or undertakings is incorrect, incomplete, inaccurate or is violated prior to the effective time of the merger, one or both of the opinions may not be delivered and, if delivered, the conclusions reached by counsel in their opinions cannot be relied upon. In such case, the tax consequences of the mergers could differ from those described in this joint proxy statement/prospectus. Neither Lam Research nor KLA-Tencor is currently aware of, nor expects, any facts or circumstances that would cause any of the assumptions, representations, covenants or undertakings set forth in the form letters attached to the merger agreement to be incorrect, incomplete, inaccurate or violated.

An opinion of counsel represents such counsel's best legal judgment but is not binding on the Internal Revenue Service, which is referred to as the IRS, or any court, so there can be no certainty that the IRS will not challenge the conclusions reflected in the opinion or that a court would not sustain such a challenge.

You should consult your own tax advisor regarding the particular tax consequences to you of the mergers.

Recommendation of the Lam Research Board (see page 63)

After careful consideration, the Lam Research Board unanimously approved the merger agreement and the transactions contemplated by the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger agreement, are fair to, and in the best interests of, Lam Research and its stockholders, and are advisable. For more information regarding the factors considered by the Lam Research Board in reaching its decision to approve the merger agreement and to authorize the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger agreement, see the section entitled "The Merger - Lam Research's Reasons for the Merger; Recommendation of the Lam Research Board." **The Lam Research Board unanimously recommends that Lam Research stockholders vote FOR the Share Issuance proposal, FOR the Lam Research Adjournment proposal and FOR the Charter Amendment proposal.**

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Recommendation of the KLA-Tencor Board (see page 60)

After careful consideration, the KLA-Tencor Board has unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, advisable and in the best interests of KLA-Tencor and its stockholders; and (2) adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. For more information regarding the factors considered by the KLA-Tencor Board in reaching its decision to approve the merger agreement, the merger and the other transactions contemplated by the merger agreement, see the section entitled *The Merger KLA-Tencor's Reasons for the Merger; Recommendation of the KLA-Tencor Board*. **The KLA-Tencor Board unanimously recommends that KLA-Tencor stockholders vote FOR the Merger proposal, FOR the KLA-Tencor Adjournment proposal, FOR the Merger-Related Compensation proposal and FOR the Director Compensation proposal.**

Opinion of Lam Research's Financial Advisor (see page 67)

At a meeting of the Lam Research Board on October 20, 2015, Goldman, Sachs & Co., which is referred to as *Goldman Sachs*, delivered its oral opinion to the Lam Research Board, which was subsequently confirmed in writing, that, as of October 20, 2015 and based upon and subject to the factors and assumptions set forth in *Goldman Sachs' written opinion*, the aggregate merger consideration to be paid by Lam Research pursuant to the merger agreement was fair from a financial point of view to Lam Research.

The full text of the written opinion of *Goldman Sachs*, dated October 20, 2015, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as *Annex B* and is incorporated into this joint proxy statement/prospectus by reference. *Goldman Sachs* provided its opinion for the information and assistance of the Lam Research Board in connection with its consideration of the mergers. The *Goldman Sachs* opinion is not a recommendation as to how any holder of Lam Research common stock should vote with respect to the merger or any other matter. Pursuant to an engagement letter between Lam Research and *Goldman Sachs*, Lam Research has agreed to pay *Goldman Sachs* a transaction fee of \$35 million, a portion of which is payable upon the consummation of the merger. In addition, the engagement letter provides that Lam Research may pay *Goldman Sachs* an additional transaction fee of \$5 million at Lam Research's sole discretion.

Opinion of KLA-Tencor's Financial Advisor (see page 75)

KLA-Tencor retained *Qatalyst Partners LP*, which is referred to as *Qatalyst Partners*, to act as its financial advisor in connection with the mergers. KLA-Tencor selected *Qatalyst Partners* to act as its financial advisor based on *Qatalyst Partners' qualifications, expertise, reputation and knowledge of its business and affairs and the industry in which it operates*. At a meeting of the KLA-Tencor Board on October 20, 2015, *Qatalyst Partners* rendered its oral opinion to the KLA-Tencor Board, which was subsequently confirmed in writing, that as of October 20, 2015 and based upon and subject to the various limitations, qualifications, assumptions and other matters set forth in its written opinion, the merger consideration to be received by the holders of shares of KLA-Tencor common stock, other than Lam Research or any affiliates of Lam Research, pursuant to the merger agreement was fair, from a financial point of view, to such holders.

The full text of the written opinion of *Qatalyst Partners*, dated October 20, 2015, is attached to this joint proxy statement/prospectus as *Annex C* and is incorporated into this joint proxy statement/prospectus by reference. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications of the review undertaken by *Qatalyst Partners* in rendering its opinion. You should read the opinion carefully in its entirety. *Qatalyst Partners' opinion* was provided to the KLA-Tencor Board and addressed only, as of the date of the opinion, the fairness from a financial point of view of the merger consideration to be received by the holders of shares of KLA-Tencor common stock, other than Lam Research or any affiliates of Lam Research, pursuant to the merger agreement. It does not address any other

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aspect of the mergers and does not constitute a recommendation as to how any holder of shares of KLA-Tencor common stock or any holder of shares of Lam Research common stock should vote with respect to the mergers or any other matter. For a further discussion of Qatalyst Partners opinion, see the section entitled *The Merger Opinion of KLA-Tencor's Financial Advisor*. Pursuant to an engagement letter between KLA-Tencor and Qatalyst Partners, KLA-Tencor has agreed to pay Qatalyst Partners a fee of approximately \$[], \$100,000 of which was payable upon the execution of such engagement letter and \$5,000,000 of which was payable upon delivery of its opinion, and the remaining portion of which will be paid upon, and subject to, consummation of the merger (provided that the final actual fee will be, in part, based on an average of the closing prices of Lam Research common stock over ten trading days approaching the closing of the merger).

Interests of KLA-Tencor Directors and Executive Officers in the Merger (see page 88)

KLA-Tencor's directors and executive officers have economic interests in the merger that may be different from, or in addition to, those of KLA-Tencor stockholders generally. As described in more detail under the section entitled *The Merger Interests of KLA-Tencor Directors and Executive Officers in the Merger*, these interests include, but are not limited to, certain payments and benefits that are expected to be provided to the executive officers upon consummation of the merger or in connection with termination of their employment under certain circumstances prior to or following the merger.

The KLA-Tencor Board was aware of and considered these interests, among other matters, in reaching its decisions to adopt and approve the merger agreement, the merger and the other transactions contemplated by the merger agreement (except for the interests of Ms. Higashi and Messrs. Moore and Rango that will arise if the KLA-Tencor stockholders approve the Director Compensation proposal).

Board of Directors Following the Merger (see page 96)

Immediately following the effective time of the merger, two directors from the KLA-Tencor Board, to be mutually designated by Lam Research and KLA-Tencor, will become members of the Lam Research Board. Upon appointment, each director will receive prorated annual compensation for his or her service as a director consistent with Lam Research's policies for compensation of non-employee directors. Lam Research has agreed to indemnify the designated directors on the same terms as the other non-employee directors of Lam Research.

Treatment of Lam Research Stock Options and Other Equity Awards (see page 97)

The completion of the merger will not accelerate the vesting or settlement of any outstanding stock options or other equity awards granted under any of Lam Research's equity incentive plans, and all such stock options and other equity awards will continue to vest in accordance with their applicable terms.

Treatment of KLA-Tencor Equity Awards (see page 97)

Under the terms of the merger agreement, at the effective time of the merger, (1) Lam Research will convert each then-unvested KLA-Tencor RSU (including performance-based restricted stock units) that is held by a continuing service provider into a Lam Research RSU with economically equivalent terms as applied immediately prior to the effective time of the merger; (2) each share of KLA-Tencor common stock underlying KLA-Tencor RSUs that is vested (after taking into account any acceleration of vesting that occurs at the effective time of the merger) but as to which such share of stock has not yet been issued will be issued as of immediately prior to the effective time of the merger, treated as KLA-Tencor common stock in the merger and converted into the right to receive the merger consideration; and (3) each KLA-Tencor stock option will be cancelled and converted into the right to receive an amount of cash (without interest) equal to the product of (a) the number of shares of KLA-Tencor common stock subject to such KLA-Tencor stock option multiplied by (b) (i) the all-cash consideration less (ii) the exercise price per share for such KLA-Tencor option. At the effective time of the

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merger, each KLA-Tencor RSU that is unvested and held by an individual who is not a continuing service provider will be cancelled without payment of any consideration. See the section entitled "The Merger Agreement Treatment of KLA-Tencor Equity Awards" for a discussion of these awards.

Regulatory Clearances Required for the Merger (see page 125)

Lam Research and KLA-Tencor are required to submit notifications to various competition authorities prior to completing the merger. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, which is referred to as the HSR Act, Lam Research and KLA-Tencor must file notifications with the Federal Trade Commission and the Antitrust Division of the Department of Justice and observe a mandatory pre-merger waiting period before completing the merger. In addition, Lam Research and KLA-Tencor are required to submit notifications with competition authorities in China, Germany, Ireland, Israel, Japan, Korea and Taiwan.

Although Lam Research and KLA-Tencor expect to obtain all required regulatory clearances, Lam Research and KLA-Tencor cannot assure you that the antitrust regulators or other government agencies, including state attorneys general or private parties, will not initiate actions to challenge the merger before or after it is completed. Any such challenge to the merger could result in an administrative or court order enjoining the merger or in restrictions or conditions that would have a material adverse effect on the combined company if the mergers are completed. Such restrictions and conditions could include requiring the divestiture or spin-off of assets or businesses, the required licensing of intellectual property rights, or limitations on the ability of the combined company to operate its business as it sees fit. Neither Lam Research nor KLA-Tencor can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the mergers.

Expected Timing of the Mergers

Lam Research and KLA-Tencor currently expect the closing of the mergers to occur in mid-calendar year 2016. However, the merger is subject to various regulatory clearances and the satisfaction or waiver of other conditions as described in the merger agreement, and it is possible that factors outside the control of Lam Research and KLA-Tencor could result in the mergers being completed earlier, later or not at all.

Conditions to Completion of the Mergers (see page 119)

As more fully described in this joint proxy statement/prospectus and in the merger agreement, the obligations of Lam Research and the Merger Subs, on the one hand, and KLA-Tencor, on the other hand, to complete the merger are subject to the satisfaction of a number of conditions, including the following:

approval of the Merger proposal;

approval of the Share Issuance proposal;

effectiveness of the registration statement of which this joint proxy statement/prospectus forms a part and the absence of a stop order or proceedings threatened or initiated by the SEC relating thereto;

absence of any law or any temporary restraining order, injunction or other order issued by any court of competent jurisdiction prohibiting, making illegal or preventing the consummation of the merger;

the waiting period (or any extension thereof) applicable to the merger under the antitrust laws of the United States having expired or been earlier terminated;

any required waiting periods or affirmative approvals under certain foreign antitrust laws having expired or been obtained;

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authorization for the listing on the NASDAQ Global Select Market of the shares of Lam Research common stock to be issued to KLA-Tencor stockholders pursuant to the merger;

accuracy of the representations and warranties made in the merger agreement by the other party, subject to certain materiality thresholds;

the other party having performed or complied with, in all material respects, all its obligations under the merger agreement required to be performed or complied with on or prior to the closing date of the merger;

the absence since the date of the merger agreement of any event or condition that has had or would reasonably be expected to have a material adverse effect on the other party;

the receipt of a customary closing certificate executed by the other party; and

receipt of a tax opinion from such party's tax counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

No Solicitation of Alternative Proposals (see page 113)

The merger agreement prohibits Lam Research and KLA-Tencor from soliciting or engaging in discussions or negotiations with a third party with respect to a proposal for a competing transaction, including the acquisition of a significant interest in Lam Research's or KLA-Tencor's common stock or assets. Notwithstanding those restrictions, prior to obtaining the relevant stockholder approval, each of the Lam Research Board and KLA-Tencor Board is permitted to furnish information with respect to Lam Research or KLA-Tencor, respectively, and enter into discussions with, and only with, a person who has made an unsolicited bona fide written acquisition proposal if the board of directors of such party (1) determines in good faith (after consultation with its outside legal and financial advisors) that such acquisition proposal constitutes or is reasonably likely to result in a superior proposal; and (2) obtains from such person an executed confidentiality agreement.

Termination of the Merger Agreement (see page 120)

Lam Research and KLA-Tencor may mutually agree to terminate the merger agreement at any time. Either party may also terminate the merger agreement if the merger is not consummated by July 20, 2016, subject to extension by mutual agreement of the parties or in the event that certain regulatory clearances have not yet been obtained, provided that in no event shall any such extension be to a date that is later than October 20, 2016 unless both of Lam Research and KLA-Tencor agree. See the section entitled "The Merger Agreement Termination of the Merger Agreement" for a discussion of these and other rights of each of Lam Research and KLA-Tencor to terminate the merger agreement.

Expenses and Termination Fees (see page 122)

Generally, all fees and expenses incurred in connection with the merger agreement and the transactions contemplated in the merger agreement will be paid by the party incurring those expenses, subject to the specific exceptions discussed in this joint proxy statement/prospectus where Lam Research or KLA-Tencor, as the case may be, may be required to pay a termination fee of \$290 million. See the section entitled "The Merger Agreement Expenses and Termination Fees; Liability for Breach" for a discussion of the circumstances under which such termination fees will be required to be paid. Lam Research and KLA-Tencor have agreed to share equally all fees and expenses relating to printing, filing and distributing this joint proxy statement/prospectus, all SEC and other regulatory filing fees incurred in connection with this joint proxy statement/prospectus and the registration statement of which it is a part, and any documentary, sales, use, real property transfer, real property gains, registration, value-added, transfer, stamp, recording and other similar taxes.

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Accounting Treatment (see page 131)

Lam Research prepares its financial statements under existing U.S. generally accepted accounting principles, which are referred to as GAAP standards, which are subject to change and interpretation. The mergers will be accounted for using the acquisition method of accounting with Lam Research being considered the acquiror of KLA-Tencor for accounting purposes.

Appraisal Rights (see page 169)

Under Section 262 of the DGCL, KLA-Tencor stockholders who do not vote in favor of the Merger proposal, who continuously hold their shares of KLA-Tencor common stock through the effective time of the merger and who otherwise comply with the applicable requirements of Section 262 of the DGCL have the right to seek appraisal of the fair value of their shares of KLA-Tencor common stock, as determined by the Court of Chancery if the merger is completed. The fair value of shares of KLA-Tencor common stock as determined by the Court of Chancery could be greater than, the same as, or less than the value of the merger consideration that a stockholder of KLA-Tencor would otherwise be entitled to receive under the terms of the merger agreement.

The right to seek appraisal will be lost if a KLA-Tencor stockholder votes FOR the Merger proposal. However, voting AGAINST the Merger proposal (including a broker non-vote or abstention which has the effect of a vote AGAINST the Merger proposal) is not in itself sufficient to perfect appraisal rights because additional actions must also be taken to perfect such rights.

KLA-Tencor stockholders who wish to exercise their right to seek appraisal of their shares under the DGCL must so advise KLA-Tencor by submitting a written demand for appraisal in the form described in this joint proxy statement/prospectus prior to the vote on the Merger proposal, and must otherwise follow the procedures prescribed by Section 262 of the DGCL. These procedures are summarized in this joint proxy statement/prospectus. See the section entitled Appraisal Rights for more information. A person having a beneficial interest in shares of KLA-Tencor common stock held of record in the name of another person, such as a bank, broker or other nominee, must act promptly to cause the record holder to follow the steps summarized in this joint proxy statement/prospectus and in a timely manner to perfect appraisal rights. In view of the complexity of Section 262 of the DGCL, KLA-Tencor stockholders who may wish to pursue appraisal rights should consult their legal and financial advisors.

In addition, a copy of Section 262 of the DGCL is included as Annex D to this joint proxy statement/prospectus. Failure to comply with the provisions of Section 262 of the DGCL will result in loss of appraisal rights and receipt of the merger consideration payable as the mixed election, unless another election was timely and validly made, in which case, the former dissenting KLA-Tencor stockholder will receive the same per share consideration as the other KLA-Tencor stockholders that made such election.

Lam Research stockholders are not entitled to appraisal or dissenters' rights in connection with the mergers under Delaware law.

Comparison of Rights of Lam Research Stockholders and KLA-Tencor Stockholders (see page 155)

KLA-Tencor stockholders receiving Lam Research common stock as all or part of their merger consideration will have different rights once they become stockholders of Lam Research due to differences between the governing corporate documents of KLA-Tencor and the governing corporate documents of Lam Research. These differences are described in detail under the section entitled Comparison of Rights of Lam Research Stockholders and KLA-Tencor Stockholders.

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Listing of Additional Shares of Lam Research Common Stock; Delisting and Deregistration of Shares of KLA-Tencor Common Stock (see page 98)

It is a condition to the completion of the merger that the shares of Lam Research common stock to be issued to KLA-Tencor stockholders pursuant to the merger agreement be authorized for listing on the NASDAQ Global Select Market at the effective time of the merger. Upon completion of the merger, shares of KLA-Tencor common stock currently listed on the NASDAQ Global Select Market will cease to be listed on the NASDAQ Global Select Market and will be subsequently deregistered under the Exchange Act.

Description of Financing Transactions (see page 100)

Lam Research has entered into (1) a senior unsecured term loan agreement which provides up to \$900 million in term loans, subject to certain conditions; and (2) a debt commitment letter which provides for a senior unsecured 364-day bridge facility in a principal amount of up to \$3.3 billion, subject to certain conditions. Lam Research has also entered into an amendment and restatement of its existing revolving credit agreement pursuant to which, among other things, the revolving lenders agreed to increase their aggregate commitments under the revolving credit agreement from \$300 million to \$750 million.

Lam Research intends to fund the cash component of the merger consideration and related fees and expenses and to prepay KLA-Tencor's \$671 million term loan with a combination of approximately \$1.9 billion of the combined companies' balance sheet cash and proceeds of approximately \$3.9 billion under the term loans, the revolving credit agreement and from the issuance of debt securities or, to the extent necessary, borrowings under the bridge facility. Lam Research also expects to guarantee KLA-Tencor's existing notes in the aggregate principal amount of \$2.5 billion.

Lam Research intends to pursue financing that would replace or supplement financing available under the bridge facility. There can be no assurance that any replacement or supplemental financing will be available to Lam Research at all or on acceptable terms.

The Meetings

The Lam Research Special Meeting (see page 32)

The Lam Research special meeting will be held at the principal executive offices of Lam Research, which are located at 4650 Cushing Parkway, Fremont, California 94538, on [], at [] Pacific time. The Lam Research special meeting is being held to consider and vote on:

the *Share Issuance proposal*, which is the proposal to approve the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger agreement, a copy of which is included as Annex A to this joint proxy statement/prospectus;

the *Lam Research Adjournment proposal*, which is the proposal to adjourn the Lam Research special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the Share Issuance proposal; and

the *Charter Amendment proposal*, which is the proposal to approve the amendment to the Lam Research certificate of incorporation, as amended, to increase the number of authorized shares of Lam Research stock from 405,000,000 to 590,000,000 and the number of authorized shares of Lam Research common stock from 400,000,000 to 585,000,000, the full text of which is attached as Annex G to this joint proxy statement/prospectus.

Completion of the merger is conditioned on the approval of the Share Issuance proposal, but not on the approval of the Lam Research Adjournment proposal or the Charter Amendment proposal.

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Only holders of record of Lam Research common stock at the close of business on [], which is referred to as the Lam Research record date, are entitled to receive notice of, and to vote at, the Lam Research special meeting or any adjournments or postponements thereof. On the Lam Research record date, [] shares of Lam Research common stock were issued and outstanding, approximately []% of which were owned and entitled to be voted by Lam Research directors and executive officers or their affiliates. Lam Research currently expects that Lam Research's directors and executive officers will vote their shares in favor of the Share Issuance proposal, the Lam Research Adjournment proposal and the Charter Amendment proposal, although none of them has entered into any agreement obligating them to do so.

Required Vote (see page 33)

You may cast one vote for each share of Lam Research common stock that you own. Approval of the Share Issuance proposal and the Lam Research Adjournment proposal each requires the affirmative vote of holders of a majority of the shares of Lam Research common stock present in person or represented by proxy and entitled to vote on the proposal. Approval of the Charter Amendment proposal requires the affirmative vote of holders of a majority of the outstanding shares of Lam Research common stock on the Lam Research record date.

If necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the Share Issuance proposal, the chairman of the Lam Research special meeting or the holders of a majority of the shares entitled to vote and present in person or by proxy, whether or not a quorum is present, may adjourn the meeting to another place, date or time. No notice of an adjourned meeting need be given if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

How Proxies are Counted; Failure to Vote; Abstentions and Broker Non-Votes (see page 34)

Share Issuance proposal. If you are a Lam Research stockholder and attend the Lam Research special meeting in person but fail to vote, or you mark your proxy or voting instructions to abstain, it will have the same effect as a vote AGAINST the Share Issuance proposal. If you are a Lam Research stockholder and fail to vote by not attending the Lam Research special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have no effect on the Share Issuance proposal (assuming a quorum is present).

Lam Research Adjournment proposal. If you are a Lam Research stockholder and attend the Lam Research special meeting in person but fail to vote, or you mark your proxy or voting instructions to abstain, it will have the same effect as a vote AGAINST the Lam Research Adjournment proposal. If you are a Lam Research stockholder and fail to vote by not attending the Lam Research special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have no effect on the Lam Research Adjournment proposal (assuming a quorum is present).

Charter Amendment proposal. If you are a Lam Research stockholder and attend the Lam Research special meeting in person but fail to vote, you mark your proxy or voting instructions to abstain, you fail to vote by not attending the Lam Research special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have the same effect as a vote AGAINST the Charter Amendment proposal.

If you are a Lam Research stockholder through the 401(k) Plan and fail to instruct the 401(k) Plan trustee how to vote, the trustee will not vote the shares of Lam Research common stock allocated to your 401(k) Plan account.

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The KLA-Tencor Special Meeting (see page 41)

The KLA-Tencor special meeting is scheduled to be held at Building Three of KLA-Tencor's Milpitas facility, located at Three Technology Drive, Milpitas, California, 95035, on [] at [], Pacific time, to consider and vote on:

the *Merger proposal*, which is the proposal to adopt the merger agreement, a copy of which is included as Annex A to the joint proxy statement/prospectus, pursuant to which Merger Sub 1 will merge with and into KLA-Tencor, with KLA-Tencor as the surviving corporation, and then KLA-Tencor will merge with and into Merger Sub 2, with Merger Sub 2 as the ultimate surviving corporation;

the *KLA-Tencor Adjournment proposal*, which is the proposal to adjourn the KLA-Tencor special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the Merger proposal;

the *Merger-Related Compensation proposal*, which is the proposal to approve by a non-binding, advisory vote the compensation of KLA-Tencor's named executive officers that is based on or otherwise relates to the merger; and

the *Director Compensation proposal*, which is a proposal to extend the applicability of KLA-Tencor's outside director vesting acceleration policy to outside members of the KLA-Tencor Board who have served on the KLA-Tencor Board for less than six years as of their termination date, such that the vesting of all restricted stock units held by outside directors who have served on the KLA-Tencor Board for less than six years will accelerate on a pro rata basis upon a separation from service with KLA-Tencor and Lam Research. The restricted stock units granted to the outside directors of the KLA-Tencor Board are the largest component of the annual director compensation program, which consists of a combination of restricted stock units and cash that the Compensation Committee of the KLA-Tencor Board has determined to be competitive with companies similarly situated with KLA-Tencor based on market data provided to it.

Only holders of record of KLA-Tencor common stock as of the KLA-Tencor record date are entitled to notice of, and to vote at, the KLA-Tencor special meeting or any adjournments or postponements thereof. On the KLA-Tencor record date, [] shares were issued and outstanding, approximately []% of which were owned and entitled to be voted by KLA-Tencor's directors, executive officers or their affiliates. KLA-Tencor currently expects that its directors and executive officers will vote their shares in favor of the Merger proposal, the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal and the Director Compensation proposal.

Required Vote (see page 42)

You may cast one vote for each share of KLA-Tencor common stock you own. Approval of the Merger proposal requires the affirmative vote of holders of a majority of the outstanding shares of KLA-Tencor common stock entitled to vote on the proposal. Approval of the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal and the Director Compensation proposal each requires the affirmative vote of a majority of the votes cast at the special meeting, assuming that a quorum is present. Whether or not KLA-Tencor stockholders approve the KLA-Tencor Adjournment proposal, and whether or not a quorum is present, the chairman of the KLA-Tencor special meeting or the holders of a majority of the shares entitled to vote and present in person or represented by proxy will have the power to adjourn the KLA-Tencor special meeting to another place, date or time. If necessary or appropriate to solicit additional proxies if there are not sufficient votes to approve the Merger proposal, the special meeting may be adjourned to another time or place without further notice unless the adjournment is for more than 30 days or if after the adjournment a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

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How Proxies are Counted; Failure to Vote; Abstentions and Broker Non-Votes (see page 43)

Merger proposal. If you are a KLA-Tencor stockholder and attend the KLA-Tencor special meeting in person but fail to vote, you mark your proxy or voting instructions to abstain, you fail to vote by not attending the KLA-Tencor special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have the same effect as a vote AGAINST the Merger proposal. Voting against, abstaining from voting on, or failing to vote on the Merger proposal will not in and of itself be sufficient for stockholders seeking to perfect their appraisal rights to obtain appraisal rights for their shares of KLA-Tencor common stock. See the section entitled Appraisal Rights for more information.

KLA-Tencor Adjournment proposal. If you are a KLA-Tencor stockholder and attend the KLA-Tencor special meeting in person but fail to vote, you mark your proxy or voting instructions to abstain, you fail to vote by not attending the KLA-Tencor special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have no effect on the KLA-Tencor Adjournment proposal (assuming a quorum is present).

Merger-Related Compensation proposal. If you are a KLA-Tencor stockholder and attend the KLA-Tencor special meeting in person but fail to vote, you mark your proxy or voting instructions to abstain, you fail to vote by not attending the KLA-Tencor special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have no effect on the Merger-Related Compensation proposal (assuming a quorum is present).

Director Compensation proposal. If you are a KLA-Tencor stockholder and attend the KLA-Tencor special meeting in person but fail to vote, you mark your proxy or voting instructions to abstain, you fail to vote by not attending the KLA-Tencor special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote, it will have no effect on the Director Compensation proposal (assuming a quorum is present).

Summary Consolidated Historical Financial Data

Summary Consolidated Historical Financial Data of Lam Research

The following statement of operations data for the fiscal years ended June 28, 2015, June 29, 2014 and June 30, 2013 and the balance sheet data as of June 28, 2015 and June 29, 2014 have been derived from the audited consolidated financial statements of Lam Research contained in its Annual Report on Form 10-K for the fiscal year ended June 28, 2015, which statements are incorporated by reference into this joint proxy statement/prospectus. The statement of operations data for the fiscal years ended June 24, 2012 and June 26, 2011 and the balance sheet data as of June 30, 2013, June 24, 2012 and June 26, 2011 have been derived from Lam Research's audited consolidated financial statements for such periods, which statements have not been incorporated by reference into this joint proxy statement/prospectus.

The statement of operations data for the three months ended September 27, 2015 and September 28, 2014, and the balance sheet data as of September 27, 2015 have been derived from Lam Research's unaudited interim condensed consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 27, 2015, which statements are incorporated by reference into this joint proxy statement/prospectus. The balance sheet data as of September 28, 2014 has been derived from Lam Research's unaudited condensed consolidated financial statements for such period, which statements have not been incorporated by reference into this joint proxy statement/prospectus. These financial statements are unaudited, but, in the opinion of Lam Research's management, contain all adjustments necessary to present fairly Lam Research's financial position, results of operations and cash flows for the periods indicated.

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You should read this summary consolidated historical financial data together with the financial statements that are incorporated by reference into this joint proxy statement/prospectus and their accompanying notes and management's discussion and analysis of financial condition and results of operations contained in the periodic reports incorporated by reference into this joint proxy statement/prospectus.

Statement of Operations Data of Lam Research:

	Three Months Ended		Year Ended				
	September 27, 2015 ⁽¹⁾	September 28, 2014 ⁽¹⁾	June 28, 2015 ⁽¹⁾	June 29, 2014 ⁽¹⁾	June 30, 2013 ⁽¹⁾	June 24, 2012 ⁽¹⁾	June 26, 2011
	(in thousands, except per share data)						
Revenue	\$ 1,600,043	\$ 1,152,368	\$ 5,259,312	\$ 4,607,309	\$ 3,598,916	\$ 2,665,192	\$ 3,237,693
Gross margin	722,363	505,539	2,284,336	2,007,481	1,403,059	1,084,069	1,497,232
Goodwill impairment ⁽²⁾			79,444				
Restructuring charges, net					1,813	1,725	11,579
Operating income	335,428	168,298	788,039	677,669	118,071	237,733	804,285
Net income	288,679	141,081	655,577	632,289	113,879	168,723	723,748
Net income per share:							
Basic	\$ 1.82	\$ 0.87	\$ 4.11	\$ 3.84	\$ 0.67	\$ 1.36	\$ 5.86
Diluted	\$ 1.66	\$ 0.80	\$ 3.70	\$ 3.62	\$ 0.66	\$ 1.35	\$ 5.79
Cash dividends declared per common share	\$ 0.30	\$ 0.18	\$ 0.84	\$ 0.18	\$	\$	\$

Balance Sheet Data of Lam Research:

	September 27, 2015	September 28, 2014	June 28, 2015	June 29, 2014	June 30, 2013	June 24, 2012	June 26, 2011
	(in thousands, except per share data)						
Working capital	\$ 4,234,040	\$ 3,091,351	\$ 3,639,488	\$ 3,201,661	\$ 2,389,354	\$ 2,988,181	\$ 2,592,506
Total assets	9,594,431	7,893,828	9,364,648	7,993,306	7,250,315	8,004,652	4,053,867
Long-term obligations, less current portion	1,775,670	1,221,098	1,388,335	1,198,221	1,170,048	1,228,500	903,263
Current portion of long-term debt and capital leases	969,392	519,099	1,359,650	518,267	514,655	511,139	4,782

- (1) Amount includes operating results of Novellus Systems, Inc., which is referred to as Novellus. Fiscal year 2012 amounts include 20 days of operating results of Novellus from the acquisition date of June 4, 2012. The Novellus acquisition was accounted for as a business combination in accordance with applicable accounting guidance.
- (2) Goodwill impairment analysis during fiscal year 2015 resulted in a non-cash impairment charge upon Lam Research's single-wafer clean reporting unit, extinguishing the goodwill ascribed to the reporting unit.

Summary Consolidated Historical Financial Data of KLA-Tencor

The following statement of operations data for the fiscal years ended June 30, 2015, June 30, 2014, and June 30, 2013 and the balance sheet data as of June 30, 2015 and June 30, 2014 have been derived from the audited consolidated financial statements of KLA-Tencor contained in its Annual Report on Form 10-K for the fiscal year ended June 30, 2015, which statements are incorporated by reference into this joint proxy statement/prospectus. The statement of operations data for the fiscal years ended June 30, 2012 and June 30, 2011 and the

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balance sheet data as of June 30, 2013, June 30, 2012 and June 30, 2011 have been derived from KLA-Tencor's audited consolidated financial statements for such periods, which statements have not been incorporated by reference into this joint proxy statement/prospectus.

The statement of operations data for the three months ended September 30, 2015 and September 30, 2014, and the balance sheet data as of September 30, 2015 have been derived from KLA-Tencor's unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, which statements are incorporated by reference into this joint proxy statement/prospectus. The balance sheet data as of September 30, 2014 has been derived from KLA-Tencor's unaudited condensed consolidated financial statements for such period, which statements have not been incorporated by reference into this joint proxy statement/prospectus. These financial statements are unaudited, but, in the opinion of KLA-Tencor's management, contain all adjustments necessary to present fairly KLA-Tencor's financial position, results of operations and cash flows for the periods indicated.

You should read this summary consolidated historical financial data together with the financial statements that are incorporated by reference into this joint proxy statement/prospectus and their accompanying notes and management's discussion and analysis of financial condition and results of operations contained in the period reports incorporated by reference into this joint proxy statement/prospectus.

Statement of Operations Data of KLA-Tencor:

(in thousands, except per share data)	Three Months Ended				Year Ended			
	September 30, 2015	September 30, 2014	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011	
Consolidated Statement of Operations:								
Revenue	\$ 642,644	\$ 642,901	\$ 2,814,049	\$ 2,929,408	\$ 2,842,781	\$ 3,171,944	\$ 3,175,167	
Net income ⁽¹⁾	104,897	72,233	366,158	582,755	543,149	756,015	794,488	
Cash dividend declared per common share (including a special cash dividend of \$16.50 per share declared during the three months ended December 31, 2014)								
	\$ 0.52	\$ 0.50	\$ 18.50	\$ 1.80	\$ 1.60	\$ 1.40	\$ 1.00	
Net income per share:								
Basic	\$ 0.67	\$ 0.44	\$ 2.26	\$ 3.51	\$ 3.27	\$ 4.53	\$ 4.75	
Diluted	\$ 0.66	\$ 0.43	\$ 2.24	\$ 3.47	\$ 3.21	\$ 4.44	\$ 4.66	

Balance Sheet Data of KLA-Tencor:

(in thousands)	September 30, 2015	September 30, 2014	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012	June 30, 2011
Consolidated Balance Sheets:							
Cash, cash equivalents and marketable securities							
	\$ 2,269,447	\$ 2,942,492	\$ 2,387,111	\$ 3,152,637	\$ 2,918,881	\$ 2,534,444	\$ 2,038,535
Working capital	2,760,177	3,563,700	2,902,813	3,690,484	3,489,236	3,300,401	2,796,414
Total assets ⁽³⁾	4,571,323	5,301,572	4,826,012	5,535,846	5,283,804	5,096,020	4,670,498
Long-term debt ⁽²⁾⁽³⁾	3,151,046	748,054	3,173,435	745,101	743,823	742,545	741,267
Total stockholders' equity ⁽²⁾	294,441	3,529,720	421,439	3,669,346	3,482,152	3,315,595	2,860,893

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- (1) Net income decreased to \$366.2 million in the fiscal year ended June 30, 2015, primarily as a result of the impact of the pre-tax net loss of \$131.7 million for the loss on extinguishment of debt and certain one-time expenses of \$2.5 million associated with the leveraged recapitalization that was completed during the three months ended December 31, 2014.
- (2) Long-term debt increased to \$3.17 billion at the end of fiscal year ended June 30, 2015, because, as part of the leveraged recapitalization plan, KLA-Tencor issued \$2.50 billion aggregate principal amount of senior, unsecured long-term notes, entered into \$750 million of five-year senior unsecured pre-payable term loans and a \$500 million unfunded revolving credit facility and redeemed the \$750 million aggregate principal amount of 6.900% Senior Notes due in 2018. Refer to Note 7 of the KLA-Tencor June 30, 2015 Consolidated Financial Statements, Debt for additional details, which are incorporated by reference into this joint proxy statement/prospectus. KLA-Tencor's total stockholders' equity decreased to \$421.4 million at the end of fiscal year ended June 30, 2015, because, as part of KLA-Tencor's leveraged recapitalization plan, KLA-Tencor declared a special cash dividend of approximately \$2.76 billion. Refer to Note 8 of the KLA-Tencor June 30, 2015 Consolidated Financial Statements, Equity and Long-term Incentive Compensation Plans for additional details, which are incorporated by reference into this joint proxy statement/prospectus.
- (3) KLA-Tencor early adopted the accounting standard update regarding simplification of the presentation of debt issuance costs, which requires that debt issuance costs related to a recognized debt liability be presented on the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Accordingly, KLA-Tencor applied the accounting standard update on a retrospective basis by reclassifying the presentation of the debt issuance costs which was originally included in other current and other non-current assets against the long-term debt on the KLA-Tencor Consolidated Balance Sheets as of June 30, 2014, 2013, 2012 and 2011. The change in the classification of the debt issuance costs reduced total assets and total liabilities by \$2.8 million, \$3.6 million, \$4.3 million and \$5.0 million as of June 30, 2014, 2013, 2012 and 2011, respectively. There is no impact to the KLA-Tencor Consolidated Statements of Operations, Comprehensive Income, Stockholders' Equity and Cash Flows for the fiscal years ended June 30, 2014, 2013, 2012 and 2011.

Summary Unaudited Pro Forma Condensed Combined Financial Information of Lam Research and KLA-Tencor

The following table presents selected unaudited pro forma combined financial information about Lam Research's consolidated balance sheet and statements of operations, after giving effect to the merger with KLA-Tencor. The information under Statement of Operations Data in the table below assumes the merger had been consummated on June 30, 2014, the beginning of the earliest period presented. The information under Balance Sheet Data in the table below assumes the merger had been consummated on September 27, 2015. This unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting with Lam Research considered the acquirer of KLA-Tencor. See the section entitled Accounting Treatment for more information.

The unaudited pro forma condensed combined financial information includes adjustments which are preliminary and may be revised. There can be no assurance that such revisions will not result in material changes. The information presented below should be read in conjunction with the historical consolidated financial statements of each of Lam Research and KLA-Tencor, including the related notes, filed by each of them with the SEC, and with the pro forma condensed combined financial statements of Lam Research and KLA-Tencor, including the related notes, appearing elsewhere in this joint proxy statement/prospectus. See the sections entitled Where You Can Find More Information and Unaudited Pro Forma Condensed Combined Financial Information for more information. The unaudited pro forma condensed combined financial data are not necessarily indicative of results that actually would have occurred or that may occur in the future had the merger been completed on the dates indicated.

Table of Contents**Statement of Operations Data:**

(in thousands, except per share data)	Three Months Ended September 27, 2015	Fiscal Year Ended June 28, 2015
Revenue	\$ 2,239,867	\$ 8,068,960
Gross Margin	1,017,014	3,576,477
Operating Income	334,193	810,782
Net Income	244,861	428,518
Net Income per share:		
Basic	\$ 1.03	\$ 1.79
Diluted	\$ 0.96	\$ 1.67

Balance Sheet Data:

(in thousands)	September 27, 2015
Working Capital	\$ 5,471,404
Total Assets	24,410,976
Long-term obligations, less current portion	7,681,995
Current portion of long-term debt and capital leases	1,114,392

Table of Contents**Unaudited Comparative Per Share Data**

Presented below are Lam Research's historical per share data for the three months ended September 27, 2015 and the year ended June 28, 2015, KLA-Tencor's historical per share data for the three months ended September 30, 2015 and the year ended June 30, 2015, unaudited pro forma combined per share data for the three months ended September 27, 2015 and the year ended June 28, 2015, and unaudited pro forma equivalent data for the three months ended September 27, 2015 and the year ended June 28, 2015. This information should be read together with the consolidated financial statements and related notes of Lam Research and KLA-Tencor that are incorporated by reference into this joint proxy statement/prospectus and with the unaudited pro forma condensed combined financial data included under the section entitled "Unaudited Pro Forma Condensed Combined Financial Information." The pro forma information is presented for illustrative purposes only and is not necessarily indicative of the operating results or financial position that would have occurred if the merger had been completed as of the beginning of the periods presented or on the dates presented, nor is it necessarily indicative of the future operating results or financial position of the combined company. The historical book value per share is computed by dividing total stockholders' equity by the number of diluted shares of common stock outstanding at the end of the period. The pro forma net income per share of the combined company is computed by dividing the pro forma net income by the pro forma weighted average number of diluted shares outstanding. The pro forma book value per share of the combined company is computed by dividing total pro forma stockholders' equity by the pro forma number of shares of common stock outstanding at the end of the period.

	Three Months Ended September 27, 2015	Fiscal Year Ended June 28, 2015
LAM RESEARCH HISTORICAL DATA		
Historical diluted per common share		
Net income per share	\$ 1.66	\$ 3.70
Book value per share	\$ 30.73	\$ 28.82
	Three Months Ended September 30, 2015	Fiscal Year Ended June 30, 2015
KLA-TENCOR HISTORICAL DATA		
Historical diluted per common share		
Net income per share	\$ 0.66	\$ 2.24
Book value per share	\$ 1.86	\$ 2.57
	Three Months Ended September 27, 2015	Fiscal Year Ended June 28, 2015
LAM RESEARCH PRO FORMA COMBINED DATA		
Unaudited diluted pro forma per common share		
Net income per share	\$ 0.96	\$ 1.67
Book value per share ⁽¹⁾	\$ 45.14	n/m
	Three Months Ended September 27, 2015	Fiscal Year Ended June 28, 2015
KLA-TENCOR PRO FORMA EQUIVALENT		
Unaudited diluted pro forma per common share		
Net income per share	\$ 0.48	\$ 0.83
Book value per share ⁽¹⁾	\$ 22.57	n/m

- (1) Pro forma book value per share as of June 28, 2015 is not meaningful as purchase accounting adjustments were calculated as of September 27, 2015.

Table of Contents**Unaudited Comparative Market Value and Dividend Information**

The following table presents trading information for Lam Research and KLA-Tencor common stock on the NASDAQ Global Select Market on October 20, 2015, the last trading day before announcement of the merger and November 30, 2015, the most recent practicable trading day before the date of this joint proxy statement/prospectus. For illustrative purposes, the following table also provides KLA-Tencor equivalent per share information, assuming the mixed election, which is equal to (1) 0.5 of a share of Lam Research common stock plus (2) \$32.00 in cash for each share of KLA-Tencor common stock outstanding.

Date	Lam Research Common Stock			KLA-Tencor Common Stock			Equivalent Per-Share Value		
	High	Low	Close	High	Low	Close	High	Low	Close
October 20, 2015	\$ 71.99	\$ 66.50	\$ 70.03	\$ 54.82	\$ 52.89	\$ 53.86	\$ 68.00	\$ 65.25	\$ 67.02
November 30, 2015	\$ 78.51	\$ 77.28	\$ 78.20	\$ 67.12	\$ 66.45	\$ 66.47	\$ 71.26	\$ 70.64	\$ 71.10

The market prices of shares of Lam Research and KLA-Tencor common stock fluctuate, and the value of the merger consideration will fluctuate with the market price of the Lam Research common stock. As a result, we urge you to obtain current market quotations of Lam Research and KLA-Tencor common stock.

The table below sets forth, for the fiscal quarters indicated, quarterly dividends paid per share of Lam Research common stock, in U.S. dollars per share. On the Lam Research record date, there were [] shares of Lam Research common stock outstanding. Lam Research instituted a quarterly dividend in June 2014.

Fiscal Period:	Date Paid	\$ Per Share
Fiscal Year 2016		
Second Quarter	September 30	\$ 0.30
First Quarter	July 1	\$ 0.30
Fiscal Year 2015		
Fourth Quarter	April 1	\$ 0.18
Third Quarter	January 1	\$ 0.18
Second Quarter	October 1	\$ 0.18
First Quarter	July 2	\$ 0.18

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The table below sets forth, for the fiscal quarters indicated, quarterly dividends paid per share of KLA-Tencor common stock, in U.S. dollars per share. On the KLA-Tencor record date, there were [] shares of KLA-Tencor common stock outstanding.

Fiscal Period:	Date Paid	\$ Per Share
Fiscal Year 2016		
First Quarter	September 1	\$ 0.52
Fiscal Year 2015		
Fourth Quarter	June 1	\$ 0.50
Third Quarter	March 2	\$ 0.50
Second Quarter (special dividend)	December 9	\$ 16.50
Second Quarter	December 1	\$ 0.50
First Quarter	September 2	\$ 0.50
Fiscal Year 2014		
Fourth Quarter	June 2	\$ 0.45
Third Quarter	March 3	\$ 0.45
Second Quarter	December 2	\$ 0.45
First Quarter	September 3	\$ 0.45
Fiscal Year 2013		
Fourth Quarter	June 3	\$ 0.40
Third Quarter	March 1	\$ 0.40
Second Quarter	December 3	\$ 0.40
First Quarter	September 4	\$ 0.40
Fiscal Year 2012		
Fourth Quarter	June 1	\$ 0.35
Third Quarter	March 1	\$ 0.35
Second Quarter	December 1	\$ 0.35
First Quarter	September 1	\$ 0.35

Table of Contents**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This joint proxy statement/prospectus and the documents incorporated by reference into this joint proxy statement/prospectus contain forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that are not limited to historical facts, but reflect Lam Research's and KLA-Tencor's current beliefs, expectations or intentions regarding future events. Words such as may, will, could, should, expect, plan, project, intend, anticipate, believe, estimate, predict, potential, pursue, and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, Lam Research's and KLA-Tencor's expectations with respect to the synergies, costs and other anticipated financial impacts of the proposed mergers; future financial and operating results of the combined company; financial projections of KLA-Tencor and Lam Research; the combined company's plans, objectives, expectations and intentions with respect to future operations and services; approval of the proposed mergers by stockholders and by governmental regulatory authorities; the methods that Lam Research will use to finance the merger and the satisfaction of the closing conditions to the proposed merger; and the timing of the completion of the proposed mergers. Without limiting the generality of the preceding sentence, certain statements contained in the sections "The Merger Background of the Merger," "The Merger Lam Research's Reasons for the Merger; Recommendation of the Lam Research Board," "The Merger KLA-Tencor's Reasons for the Merger; Recommendation of the KLA-Tencor Board," and "The Merger Certain Projections of Lam Research and KLA-Tencor" contain forward-looking statements.

All forward-looking statements involve significant risks and uncertainties that could cause actual results to differ materially from those in the forward-looking statements, many of which are generally outside the control of Lam Research and KLA-Tencor and are difficult to predict. In addition to the risks and uncertainties described in the section entitled "Risk Factors" and those described in any documents that are incorporated by reference into this joint proxy statement/prospectus, such risks and uncertainties include, among others: (1) the risk that the conditions to the closing of the mergers are not satisfied, including the risk that required approvals for the mergers from governmental authorities or the stockholders of KLA-Tencor or Lam Research are not obtained; (2) litigation relating to the mergers; (3) uncertainties as to the timing of the consummation of the mergers and the ability of each party to consummate the mergers; (4) risks that the proposed mergers disrupt the current plans and operations of KLA-Tencor or Lam Research; (5) the ability of KLA-Tencor and Lam Research to retain and hire key personnel; (6) competitive responses to the proposed mergers and the impact of competitive products; (7) unexpected costs, charges or expenses resulting from the mergers; (8) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the mergers; (9) the combined company's ability to achieve the financial and operating results, growth prospects and synergies expected from the mergers, as well as delays, challenges and expenses associated with integrating the existing businesses of Lam Research and KLA-Tencor; (10) the combined company's ability to maintain and improve relationships with customers, suppliers and other third parties following the mergers; (11) the terms and availability of the indebtedness planned to be incurred in connection with the merger; and (12) legislative, regulatory and economic developments, including changing business conditions in the semiconductor industry and overall economy as well as the financial performance and expectations of Lam Research's and KLA-Tencor's existing and prospective customers.

Lam Research and KLA-Tencor caution that the foregoing list of factors is not exclusive and that you should not place undue reliance on any forward-looking statement. All subsequent written and oral forward-looking statements concerning Lam Research, KLA-Tencor, the proposed mergers or other matters and attributable to Lam Research or KLA-Tencor or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. All forward-looking statements contained in this joint proxy statement/prospectus and the documents incorporated by reference herein are made only as of the date of the document in which they are contained and neither Lam Research nor KLA-Tencor undertakes any obligation to update publicly any of these forward-looking statements to reflect events or circumstances that may arise after the date hereof.

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*In addition to the other information included and incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section entitled **Special Note Regarding Forward-Looking Statements**, you should carefully consider the following risks before deciding whether to vote for the Merger proposal, in the case of KLA-Tencor stockholders, or for the Share Issuance proposal, in the case of Lam Research stockholders. In addition, you should read and consider the risks associated with each of the businesses of Lam Research and KLA-Tencor because these risks will also affect the combined company. These risks can be found in the Annual Reports on Form 10-K for the fiscal year ended June 28, 2015, for Lam Research, and June 30, 2015, for KLA-Tencor, and any amendments thereto, as such risks may be updated or supplemented in each company's subsequently filed Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q or Current Reports on Form 8-K, which will be incorporated by reference into this joint proxy statement/prospectus as they are filed. You should also read and consider the other information in this joint proxy statement/prospectus and the other documents incorporated by reference into this joint proxy statement/prospectus. See the section entitled **Where You Can Find More Information**.*

Risk Factors Relating to the Merger

The value of the merger consideration that KLA-Tencor stockholders will receive in the merger will vary and will not be known until completion of the merger.

The value of the merger consideration that KLA-Tencor stockholders will receive will depend on the five-trading day VWAP and on the price per share of Lam Research common stock at the effective time of the merger. The prices of Lam Research common stock and KLA-Tencor common stock at the closing of the merger may vary from their prices on the date the merger agreement was executed, on the date of this joint proxy statement/prospectus and on the date of each special meeting. As a result, the value of the merger consideration will also vary. These variations could result from changes in the business, operations or prospects of Lam Research or KLA-Tencor prior to or following the merger, regulatory considerations, general market and economic conditions and other factors both within and beyond the control of Lam Research or KLA-Tencor. Lam Research and KLA-Tencor will likely complete the merger a considerable period of time after the date of both the Lam Research special meeting and the KLA-Tencor special meeting. Therefore, at the time of the KLA-Tencor special meeting, KLA-Tencor stockholders will not know with certainty the value of any shares of Lam Research common stock that they may receive upon completion of the merger, and the value may be less than the current price or the price at the time of the KLA-Tencor special meeting.

The merger consideration will not be adjusted for changes in the market price of either Lam Research common stock or KLA-Tencor common stock between the date of signing the merger agreement and completion of the merger.

Current Lam Research stockholders and KLA-Tencor stockholders will generally have a reduced ownership and voting interest after the merger.

Lam Research expects to issue or reserve for issuance 80,762,759 shares of Lam Research common stock to KLA-Tencor stockholders in the merger (including shares of Lam Research common stock issuable in connection with outstanding KLA-Tencor equity awards). Based on the number of shares of common stock of Lam Research and KLA-Tencor outstanding as of the Lam Research record date and the KLA-Tencor record date, upon the completion of the merger, current Lam Research stockholders and former KLA-Tencor stockholders would own approximately []% and []% of the common stock of Lam Research, respectively.

Lam Research stockholders and KLA-Tencor stockholders currently have the right to vote for their respective directors and on other matters affecting their respective companies. When the merger occurs, each KLA-Tencor stockholder that receives shares of Lam Research common stock and is not already a stockholder of Lam Research will become a stockholder of Lam Research with a percentage ownership of the combined

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company that will be smaller than such stockholder's percentage ownership of KLA-Tencor prior to the merger. Correspondingly, each Lam Research stockholder will remain a stockholder of Lam Research with a percentage ownership of the combined company that will generally be smaller than such stockholder's percentage of Lam Research prior to the merger. As a result of these reduced ownership percentages, Lam Research stockholders will generally have less voting power in the combined company than they now have with respect to Lam Research, and former KLA-Tencor stockholders will generally have less voting power in the combined company than they now have with respect to KLA-Tencor.

The merger is subject to the receipt of consents and clearances from domestic and foreign regulatory authorities that may impose conditions that could have an adverse effect on Lam Research, KLA-Tencor or the combined company or, if not obtained, could prevent completion of the merger.

Before the merger may be completed, applicable waiting periods must expire or terminate under antitrust and competition laws and various approvals or consents must be obtained from regulatory entities. In deciding whether to grant antitrust or regulatory clearances, the relevant governmental entities will consider the effect of the merger on competition within their relevant jurisdiction. The terms and conditions of any approvals that are granted may impose requirements, limitations or costs or place restrictions on the conduct of the combined company's business. The merger agreement may require Lam Research and KLA-Tencor to comply with conditions imposed by regulatory entities and, in certain circumstances, either company may refuse to close the merger on the basis of those regulatory conditions. There can be no assurance that regulators will not impose conditions, terms, obligations or restrictions, or that such conditions, terms, obligations or restrictions will not have the effect of delaying completion of the merger or imposing additional material costs on or materially limiting the revenues of the combined company following the merger. In addition, neither Lam Research nor KLA-Tencor can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger. For a more detailed description of the regulatory review process, see the section entitled "The Merger - Regulatory Clearances Required for the Merger."

The consummation of the merger is conditioned on there being no material adverse effect on either of Lam Research's or KLA-Tencor's businesses. Ongoing changes in the technology industry, and the semiconductor industry in particular, could expose Lam Research's and KLA-Tencor's businesses to significant risks, which may result in a material adverse effect.

Each of Lam Research's and KLA-Tencor's obligations to consummate the merger is subject to certain customary conditions, including that there be no material adverse effect (as defined in the merger agreement) on the other's business. There is no assurance that this condition to the merger will be satisfied in a timely manner or at all.

In addition, the semiconductor equipment industry and other industries that Lam Research and KLA-Tencor serve are constantly developing and changing. Many of the risks associated with operating in these industries are comparable to the risks faced by all technology companies, such as the uncertainty of future growth rates, pricing trends and changes in customers' capital spending patterns. If either Lam Research or KLA-Tencor fails to appropriately adjust their respective cost structure and operations to adapt to any of these trends, or respond to new technological advances, Lam Research or KLA-Tencor could experience a material adverse effect on their respective businesses, financial condition and operating results.

Any delay in completing the merger may reduce or eliminate the benefits expected to be achieved thereunder.

In addition to the required regulatory clearances, the merger is subject to a number of other conditions beyond Lam Research's and KLA-Tencor's control that may prevent, delay or otherwise materially adversely affect its completion. We cannot predict whether and when these other conditions will be satisfied. Furthermore, the requirements for obtaining the required clearances and approvals could delay the completion of the merger.

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for a significant period of time or prevent it from occurring. Any delay in completing the merger could cause the combined company not to realize some or all of the synergies that Lam Research and KLA-Tencor expect to achieve if the merger is successfully completed within its expected time frame. Neither Lam Research nor KLA-Tencor will be obligated to close the merger if the merger is not consummated by July 20, 2016, which deadline may be extended under certain circumstances to October 20, 2016. See the section entitled *The Merger Agreement* *Conditions to Completion of the Merger* for more information.

Uncertainties associated with the merger may cause a loss of management personnel and other key employees which could adversely affect the future business and operations of the combined company.

Lam Research and KLA-Tencor are dependent on the experience and industry knowledge of their officers and other key employees to execute their business plans. The combined company's success after the merger will depend in part upon its ability to retain key management personnel and other key employees. Current and prospective employees of Lam Research and KLA-Tencor may experience uncertainty about their roles within the combined company following the merger or other concerns regarding the timing and completion of the merger or the operations of the combined company, any of which may have an adverse effect on the ability of each of Lam Research and KLA-Tencor to attract or retain key management and other key personnel. Accordingly, no assurance can be given that the combined company will be able to attract or retain key management personnel and other key employees of Lam Research and KLA-Tencor to the same extent that Lam Research and KLA-Tencor have previously been able to attract or retain their own employees.

Several lawsuits have been filed against Lam Research and KLA-Tencor challenging the merger and an adverse ruling may prevent the merger from being completed.

Lam Research, KLA-Tencor, Merger Sub 1 and Merger Sub 2, as well as the members of the KLA-Tencor Board, have been named as defendants in several lawsuits brought by KLA-Tencor stockholders. Additional lawsuits may be filed against Lam Research, KLA-Tencor, Merger Sub 1, Merger Sub 2 and the directors of one of the foregoing companies in connection with the merger. See the section entitled *The Merger* *Litigation Related to the Merger* for more information about the lawsuits that have been filed related to the merger.

One of the conditions to the closing of the merger is that no order, injunction, decree or other legal restraint or prohibition shall be in effect that prevents completion of the merger. Consequently, if a settlement or other resolution is not reached in the lawsuits referenced above and the plaintiffs secure injunctive or other relief prohibiting, delaying or otherwise adversely affecting the defendants' ability to complete the merger, then such injunctive or other relief may prevent the merger from becoming effective within the expected time frame or at all.

If the mergers do not qualify as a reorganization under Section 368(a) of the Code, the stockholders of KLA-Tencor may be required to pay substantial U.S. federal income taxes.

It is a condition to the completion of the mergers that each of Jones Day, tax counsel to Lam Research, and Wilson Sonsini Goodrich & Rosati, Professional Corporation, tax counsel to KLA-Tencor, deliver an opinion, dated on the closing date of the mergers, to the effect that the mergers will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Each party may waive the requirement to receive an opinion from its tax counsel as a condition to such party's obligation to complete the mergers. These opinions will be based on certain assumptions and representations as to factual matters from Lam Research and KLA-Tencor, as well as certain covenants and undertakings by Lam Research and KLA-Tencor, all of which must continue to be true and accurate as of the effective time of the merger. If any of the assumptions, representations, covenants or undertakings is incorrect, incomplete, inaccurate or is violated, one or both of the opinions may not be delivered and, if delivered, the conclusions reached by counsel in their opinions cannot be relied upon and the tax consequences of the mergers could differ from those described in this joint proxy statement/prospectus. Additionally, an opinion of counsel represents counsel's best legal judgment but is not binding on the IRS or any court, so there can be no certainty that the IRS will not challenge the conclusions

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reflected in the opinions or that a court will not sustain such a challenge. If the IRS or a court determines that the mergers do not qualify as a reorganization, a U.S. holder of KLA-Tencor common stock would generally recognize taxable gain or loss for U.S. federal income tax purposes upon the exchange of KLA-Tencor common stock for Lam Research common stock, cash, or a combination thereof pursuant to the merger. See the section entitled "Material U.S. Federal Income Tax Consequences" for more information.

Failure to complete the merger could negatively impact the stock prices and the future business and financial results of Lam Research and KLA-Tencor.

If the merger is not completed, the ongoing businesses of Lam Research and KLA-Tencor may be adversely affected, and Lam Research and KLA-Tencor will be subject to several risks, including the following:

being required to pay a termination fee of up to \$290 million under certain circumstances provided in the merger agreement;

having to pay certain costs relating to the merger, such as legal, accounting, financial advisor and printing fees;

having had the focus of each company's management on the merger instead of on pursuing other opportunities that could have been beneficial to the companies;

having a potential effect on the relationships with employees, customers, suppliers, distributors and regulators;

having had the restrictions on the conduct of the respective businesses pursuant to the terms of the merger agreement, potentially delaying or preventing the respective companies from undertaking business opportunities that, absent the merger agreement, may have been pursued; and

having had the potential benefits of the merger reflected in their respective stock prices, which could lead to stock price volatility and declines if the merger is not completed.

There can be no assurance that Lam Research will be able to secure the financing it intends to use to pay the cash component of the merger consideration.

Lam Research has entered into (1) a senior unsecured term loan agreement which provides up to \$900 million in term loans, subject to certain conditions; and (2) a debt commitment letter which provides for a senior unsecured 364-day bridge facility in a principal amount of up to \$3.3 billion, subject to certain conditions. Lam Research has also entered into an amendment and restatement of its existing revolving credit agreement pursuant to which, among other things, the revolving lenders agreed to increase their aggregate commitments under the revolving credit agreement from \$300 million to \$750 million.

Lam Research intends to fund the cash component of the merger consideration and related fees and expenses and to prepay KLA-Tencor's \$671 million term loan with a combination of approximately \$1.9 billion of the combined companies' balance sheet cash and proceeds of approximately \$3.9 billion under the term loans, the revolving credit agreement and from the issuance of debt securities or, to the extent necessary, borrowings under the bridge facility. Lam Research also expects to guarantee KLA-Tencor's existing notes in the aggregate principal amount of \$2.5 billion. Lam Research intends to pursue financing that would replace or supplement financing available under the bridge facility.

The availability of the term loans and any debt financing pursuant to the bridge commitment letter is, and other financing Lam Research might arrange will be, subject to certain conditions precedent. In addition, the commitments under the bridge facility commitment letter will terminate upon the first to occur of (i) the execution and delivery of definitive financing documentation for the bridge facility; (ii) the consummation of the merger without using the bridge facility; (iii) the termination of the obligations of Lam Research or Merger Sub 1 to consummate the merger pursuant to the merger agreement, and (iv) July 20, 2016 (or, to the extent this date is extended in accordance with the merger agreement, such extended date occurring on or prior to October 20,

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2016). Therefore, no assurance can be given that the financing pursuant to the term loans, the bridge facility or debt securities described above will be available.

Lam Research's obligation to complete the merger is not subject to a financing contingency. In the event that the term loans, bridge facility or the replacement financing is not available, other financing may not be available on acceptable terms, in a timely manner, or at all. If Lam Research is unable to secure alternative financing, the merger may not be completed and Lam Research could be liable to KLA-Tencor for breach of the merger agreement in connection with its failure to consummate the merger.

The merger agreement contains provisions that could discourage a potential competing acquiror of either Lam Research or KLA-Tencor.

The merger agreement contains no shop provisions that, subject to limited exceptions, restrict each of Lam Research's and KLA-Tencor's ability to solicit, initiate or knowingly encourage and facilitate competing third-party proposals for the acquisition of their respective company's stock or assets. Further, even if the Lam Research Board or the KLA-Tencor Board withdraws or qualifies its recommendation with respect to the merger, Lam Research or KLA-Tencor, as the case may be, will still be required to submit each of their merger-related proposals to a vote at their special meeting, unless the merger agreement is earlier terminated. In addition, the other party generally has an opportunity to offer to modify the terms of the merger in response to any competing acquisition proposals before the board of directors of the company that has received a third-party proposal may withdraw or qualify its recommendation with respect to the merger. The merger agreement further provides that, upon termination of the merger agreement under specified circumstances, including certain terminations in connection with an alternative business combination transaction as permitted by the terms of the merger agreement, either Lam Research or KLA-Tencor may be required to pay the other a termination fee of \$290 million. See the sections entitled *The Merger Agreement - No Solicitation of Alternative Proposals*, *The Merger Agreement - Termination of the Merger Agreement* and *The Merger Agreement - Expenses and Termination Fees; Liability for Breach* for more information.

These provisions could discourage a potential third-party acquiror that might have an interest in acquiring all or a significant portion of Lam Research or KLA-Tencor from considering or proposing that acquisition, even if it were prepared to pay consideration with a higher per share cash or market value than the market value proposed to be received or realized in the merger. These provisions might also result in a potential third-party acquiror proposing to pay a lower price to the stockholders than it might otherwise have proposed to pay because of the added expense of the \$290 million termination fee that may become payable in certain circumstances.

If the merger agreement is terminated and either Lam Research or KLA-Tencor determines to seek another business combination, it may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the merger.

The opinions obtained by the boards of directors of Lam Research and KLA-Tencor from their respective financial advisors will not reflect changes in circumstances between signing the merger agreement and the completion of the merger.

Neither the Lam Research Board nor the KLA-Tencor Board has obtained an updated opinion as of the date of this joint proxy statement/prospectus from Goldman Sachs, Lam Research's financial advisor, or Qatalyst Partners, KLA-Tencor's financial advisor, nor have they requested such an update at any time in the future. These opinions were necessarily based on financial, economic, monetary, market and other conditions and circumstances as in effect on, and the information made available to the financial advisors as of, the date of such opinions. Developments subsequent to the date of such opinions, including changes in the operations and prospects of Lam Research or KLA-Tencor, general market and economic conditions and other factors that may be beyond the control of Lam Research and KLA-Tencor, may affect such opinions. The opinions do not speak as of the time of the special meetings, as of the time the merger will be completed or as of any date other than the dates of such opinions. The opinions are included as Annexes B and C to this joint proxy statement/prospectus.

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For a description of the opinion that the Lam Research Board received from its financial advisor and a summary of the material financial analyses it provided to the Lam Research Board in connection with rendering such opinion, see the section entitled "The Merger Opinion of Lam Research's Financial Advisor." For a description of the opinion that the KLA-Tencor Board received from its financial advisor and a summary of the material financial analyses it provided to the KLA-Tencor Board in connection with rendering such opinion, see the section entitled "The Merger Opinion of KLA-Tencor's Financial Advisor." For a description of the other factors considered by the Lam Research Board in determining to approve the merger agreement and the merger, see the section entitled "The Merger Lam Research's Reasons for the Merger; Recommendation of the Lam Research Board." For a description of the other factors considered by the KLA-Tencor Board in determining to approve the merger agreement and the merger, see the section entitled "The Merger KLA-Tencor's Reasons for the Merger; Recommendation of the KLA-Tencor Board."

Future results of the combined company may differ materially from the unaudited pro forma financial statements included in this joint proxy statement/prospectus and the financial forecasts prepared by Lam Research and KLA-Tencor in connection with the discussions concerning the merger.

The pro forma financial statements contained in this joint proxy statement/prospectus are presented for illustrative purposes only, are based on various adjustments, assumptions and preliminary estimates and may not be an indication of the combined company's financial condition or results of operations following the merger for several reasons. See the section entitled "Unaudited Pro Forma Condensed Combined Financial Information" for more information. The actual financial condition and results of operations of the combined company following the merger may not be consistent with, or evident from, these pro forma financial statements or the financial forecasts prepared by Lam Research and KLA-Tencor. In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect the combined company's financial condition or results of operations following the merger. Any potential decline in the combined company's financial condition or results of operations may cause significant variations in the stock price of the combined company.

KLA-Tencor's executive officers and directors have interests in the merger that may be different from, or in addition to, the interests of KLA-Tencor stockholders generally.

KLA-Tencor's executive officers and directors have interests in the merger that may be different from, or in addition to, the interests of KLA-Tencor stockholders generally. KLA-Tencor's executive officers negotiated the terms of the merger agreement. Certain of KLA-Tencor's compensation and benefit plans and arrangements in which KLA-Tencor's executive officers and directors participate provide for payment or accelerated vesting or distribution of certain rights or benefits upon completion of the merger. Executive officers and directors of KLA-Tencor also have rights to indemnification and directors' and officers' liability insurance that will survive completion of the merger.

The KLA-Tencor Board was aware of these interests at the time it approved the merger agreement and the merger (except for the interests of Ms. Higashi and Messrs. Moore and Rango that will arise if the KLA-Tencor stockholders approve the Director Compensation proposal as the KLA-Tencor Board did not determine to submit the Director Compensation proposal to KLA-Tencor stockholders until after it had approved the merger agreement). These interests may cause KLA-Tencor's directors and executive officers to view the merger differently and more favorably than you may view it. See the section entitled "The Merger Interests of KLA-Tencor Directors and Executive Officers in the Merger" for more information.

The shares of Lam Research common stock to be received by KLA-Tencor stockholders upon completion of the merger will have different rights from shares of KLA-Tencor common stock.

Upon completion of the merger, KLA-Tencor stockholders will no longer be stockholders of KLA-Tencor. Instead, former KLA-Tencor stockholders who receive Lam Research stock will become stockholders of Lam Research and their rights as Lam Research stockholders will be governed by the terms of Lam Research's certificate of incorporation, as amended, and Lam Research's amended and restated bylaws. The terms of Lam

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Research's certificate of incorporation, as amended, and amended and restated bylaws are in some respects materially different than the terms of KLA-Tencor's amended and restated certificate of incorporation, as amended, and amended and restated bylaws, which currently govern the rights of KLA-Tencor stockholders. See the section entitled "Comparison of Rights of Lam Research Stockholders and KLA-Tencor Stockholders" for a discussion of the different rights associated with shares of Lam Research common stock and shares of KLA-Tencor common stock.

Risk Factors Relating to the Combined Company Following the Merger

The combined company may be unable to integrate the businesses of Lam Research and KLA-Tencor successfully or realize the anticipated benefits of the merger.

The merger involves the combination of two companies that currently operate as independent public companies. The combined company will be required to devote significant management attention and resources to integrating the business practices and operations of Lam Research and KLA-Tencor. Potential difficulties that the combined company may encounter as part of the integration process include the following:

the inability to successfully combine the businesses of Lam Research and KLA-Tencor in a manner that permits the combined company to achieve the full revenue and cost synergies and other benefits anticipated to result from the merger;

complexities associated with managing the combined businesses, including difficulty addressing possible differences in corporate cultures and management philosophies and the challenge of integrating complex systems, technology, networks and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, suppliers, employees and other constituencies; and

potential unknown liabilities and unforeseen increased expenses or delays associated with the merger.

In addition, Lam Research and KLA-Tencor have operated and, until the completion of the merger will continue to operate, independently. It is possible that the integration process could result in:

diversion of the attention of each company's management; and

the disruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies,

any of which could adversely affect each company's ability to maintain relationships with customers, suppliers, employees and other constituencies or Lam Research's and KLA-Tencor's ability to achieve the anticipated benefits of the merger, or could reduce each company's earnings or otherwise adversely affect the business and financial results of the combined company.

The future results of the combined company will suffer if the combined company does not effectively manage its expanded operations following the merger.

Following the merger, the size of the business of the combined company will increase significantly beyond the current size of either Lam Research's or KLA-Tencor's business. The combined company's future success depends, in part, upon its ability to manage this expanded business, which will pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that the combined company will be successful or that it will realize the expected operating efficiencies, cost savings, revenue enhancements or other benefits currently anticipated from the merger.

Table of Contents***The combined company is expected to incur substantial expenses related to the merger and the integration of Lam Research and KLA-Tencor.***

The combined company is expected to incur substantial expenses in connection with the merger and the integration of Lam Research and KLA-Tencor. There are a large number of processes, policies, procedures, operations, technologies and systems that may need to be integrated, including purchasing, accounting and finance, sales, payroll, pricing, marketing and benefits. While Lam Research and KLA-Tencor have assumed that a certain level of expenses will be incurred, there are many factors beyond their control that could affect the total amount or the timing of the integration expenses. Moreover, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that the combined company expects to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings. These integration expenses likely will result in the combined company taking significant charges against earnings following the completion of the merger, and the amount and timing of such charges are uncertain at present.

The merger may result in a loss of customers or strategic alliances.

As a result of the merger, some of the customers, potential customers or strategic partners of Lam Research or KLA-Tencor may terminate or scale back their business relationship with the combined company. Some customers may not wish to source a larger percentage of their needs from a single company, or may feel that Lam Research or KLA-Tencor, as applicable, and thus the combined company is too closely allied with one of their competitors. Potential customers or strategic partners may delay entering into, or decide not to enter into, a business relationship with the combined company because of the merger. If customer relationships or strategic alliances are adversely affected by the merger, the combined company's business and financial performance could suffer.

Third parties may terminate or alter existing contracts with KLA-Tencor.

KLA-Tencor has contracts with suppliers, distributors, customers, licensors, licensees, lessors and other business partners that have change of control or similar clauses that allow the counterparty to terminate or change the terms of their contract upon the closing of the transactions contemplated by the merger agreement. Lam Research or KLA-Tencor may seek to obtain consent from these other parties, but if these third party consents are not obtained, or are obtained on unfavorable terms, the combined company may lose the benefit of such contracts, including benefits that may be material to the business of the combined company.

The indebtedness of Lam Research following completion of the mergers will be substantially greater than Lam Research's indebtedness on a stand-alone basis and greater than the combined indebtedness of Lam Research and KLA-Tencor existing prior to the mergers. This increased level of indebtedness could adversely affect Lam Research, including by decreasing Lam Research's business flexibility, and will increase its borrowing costs. Downgrades in Lam Research's ratings could adversely affect Lam Research's business, cash flows, financial condition and operating results.

Lam Research intends to fund the cash component of the merger consideration and related fees and expenses and to prepay KLA-Tencor's \$671 million term loan with a combination of approximately \$1.9 billion of the combined companies' balance sheet cash and proceeds of approximately \$3.9 billion under the term loans, the revolving credit agreement and from the issuance of debt securities or, to the extent necessary, borrowings under the bridge facility. Lam Research also expects to guarantee KLA-Tencor's existing notes in the aggregate principal amount of \$2.5 billion. Lam Research's substantially increased indebtedness and higher debt-to-equity ratio following completion of the mergers in comparison to that of Lam Research prior to the merger will have the effect, among other things, of reducing Lam Research's flexibility to respond to changing business and economic conditions and will increase Lam Research's borrowing costs. In addition, the amount of cash required to service Lam Research's increased indebtedness levels and thus the demands on Lam Research's cash resources will be greater than the amount of cash flows required to service the indebtedness of Lam Research or KLA-

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Tencor individually prior to the merger. The increased levels of indebtedness could also reduce funds available for Lam Research's investments in product development as well as capital expenditures, dividends, share repurchases and other activities and may create competitive disadvantages for Lam Research relative to other companies with lower debt levels.

In addition, Lam Research's credit ratings impact the cost and availability of future borrowings, and, as a result, Lam Research's cost of capital. Lam Research's ratings reflect each rating organization's opinion of Lam Research's financial strength, operating performance and ability to meet Lam Research's debt obligations or obligations to Lam Research's insureds. Each of the ratings organizations reviews Lam Research's ratings periodically, and there can be no assurance that Lam Research's current ratings will be maintained in the future. Downgrades in Lam Research's ratings could adversely affect Lam Research's business, cash flows, financial condition and operating results.

Other Risk Factors of Lam Research and KLA-Tencor

Lam Research's and KLA-Tencor's businesses are and will be subject to the risks described above. In addition, Lam Research and KLA-Tencor are, and will continue to be, subject to the risks described in Lam Research's Annual Report on Form 10-K for the fiscal year ended June 28, 2015, and KLA-Tencor's Annual Report on Form 10-K for the fiscal year ended June 30, 2015, as updated by subsequent Quarterly Reports on Form 10-Q, all of which are filed with the SEC and incorporated by reference into this joint proxy statement/prospectus. See the section entitled "Where You Can Find More Information" for the location of information incorporated by reference into this joint proxy statement/prospectus.

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THE COMPANIES

Lam Research Corporation

Lam Research Corporation, a Delaware corporation, has been a global supplier of innovative wafer fabrication equipment and services to the semiconductor industry for more than 35 years. Lam Research designs, manufactures, markets, refurbishes and services semiconductor processing systems that are used in the fabrication of integrated circuits. Its market-leading products are designed to help its customers build smaller, faster, more powerful and more power-efficient devices that are used in a variety of electronic products, including cell phones, tablets, computers, storage devices and networking equipment. Lam Research's customers include semiconductor manufacturers that make memory, microprocessors, and other logic integrated circuits for a wide range of electronics; including cell phones, computers, tablets, storage devices and networking equipment.

Lam Research's common stock is traded on the NASDAQ Global Select Market under the symbol LRCX.

The principal executive offices of Lam Research are located at 4650 Cushing Parkway, Fremont, CA 94538, and its telephone number is (510) 572-0200.

KLA-Tencor Corporation

KLA-Tencor Corporation, a Delaware corporation, is a leading supplier of process control and yield management solutions for the semiconductor and related nanoelectronics industries. KLA-Tencor's broad portfolio of defect inspection and metrology products, and related service, software and other offerings primarily supports chip manufacturers throughout the entire semiconductor fabrication process, from research and development to final volume production. KLA-Tencor provides leading-edge equipment, software and support that enable IC manufacturers to identify, resolve and manage significant advanced technology manufacturing process challenges and obtain higher finished product yields at lower overall cost. In addition to serving the semiconductor industry, KLA-Tencor also provides a range of technology solutions to a number of other high technology industries, including the LED and data storage industries, as well as general materials research.

KLA-Tencor's common stock is traded on the NASDAQ Global Select Market under the symbol KLAC.

The principal executive offices of KLA-Tencor are located at One Technology Drive, Milpitas, California, 95035, and its telephone number is (408) 875-3000.

Topeka Merger Sub 1, Inc.

Topeka Merger Sub 1, Inc., a wholly owned subsidiary of Lam Research, is a Delaware corporation that was formed on October 16, 2015 for the sole purpose of effecting the merger. In the merger, Merger Sub 1 will be merged with and into KLA-Tencor, with KLA-Tencor surviving as a wholly owned subsidiary of Lam Research.

Topeka Merger Sub 2, Inc.

Topeka Merger Sub 2, Inc., a wholly owned subsidiary of Lam Research, is a Delaware corporation that was formed on October 16, 2015 for the sole purpose of effecting the subsequent merger. In the subsequent merger, KLA-Tencor will be merged with and into Merger Sub 2, with Merger Sub 2 surviving as a wholly owned subsidiary of Lam Research.

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THE LAM RESEARCH SPECIAL MEETING

This joint proxy statement/prospectus is being provided to the Lam Research stockholders as part of a solicitation of proxies by the Lam Research Board for use at the Lam Research special meeting to be held at the time and place specified below, and at any properly convened meeting following an adjournment or postponement thereof. This joint proxy statement/prospectus provides Lam Research stockholders with the information they need to know to be able to vote or instruct their vote to be cast at the Lam Research special meeting.

Date, Time and Place

The Lam Research special meeting will be held at the principal executive offices of Lam Research, which are located at 4650 Cushing Parkway, Fremont, California 94538, at [] Pacific time on [].

Purpose of the Lam Research Special Meeting

At the Lam Research special meeting, Lam Research stockholders will be asked to consider and vote on:

the *Share Issuance proposal*, which is the proposal to approve the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger agreement, a copy of which is included as Annex A to this joint proxy statement/prospectus;

the *Lam Research Adjournment proposal*, which is the proposal to adjourn the Lam Research special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the Share Issuance proposal; and

the *Charter Amendment proposal*, which is the proposal to approve the amendment to the Lam Research certificate of incorporation, as amended, to increase the number of authorized shares of Lam Research stock from 405,000,000 to 590,000,000 and the number of authorized shares of Lam Research common stock from 400,000,000 to 585,000,000, the full text of which is attached as Annex G to this joint proxy statement/prospectus.

Completion of the merger is conditioned on the approval of the Share Issuance proposal, but not upon the approval of the Lam Research Adjournment proposal or the Charter Amendment proposal.

Recommendation of the Board of Directors of Lam Research

After careful consideration, the Lam Research Board unanimously approved the merger agreement and the transactions contemplated by the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger agreement, are fair to, and in the best interests of, Lam Research and its stockholders, and are advisable. For more information regarding the factors considered by the Lam Research Board in reaching its decision to approve the merger agreement and to authorize the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger agreement, see the section entitled "The Merger - Lam Research's Reasons for the Merger; Recommendation of the Lam Research Board."

The Lam Research Board unanimously recommends that Lam Research stockholders vote FOR the Share Issuance proposal, FOR the Lam Research Adjournment proposal and FOR the Charter Amendment proposal.

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Lam Research Record Date; Stockholders Entitled to Vote

Only Lam Research stockholders on the Lam Research record date are entitled to notice of, and to vote at, the Lam Research special meeting or any adjournments or postponements thereof.

On the Lam Research record date, there were [] shares of Lam Research common stock issued and outstanding and entitled to vote at the Lam Research special meeting. Lam Research stockholders will have one vote for each share of Lam Research common stock they owned on the Lam Research record date. A list of stockholders of Lam Research will be available for review for any purpose germane to the special meeting at the principal executive offices of Lam Research, which are located at 4650 Cushing Parkway, Fremont, CA 94538, during ordinary business hours for a period of 10 days before the special meeting. The list will also be available at the special meeting for examination by any stockholder of record present at the special meeting.

Voting by Lam Research's Directors and Executive Officers

On the Lam Research record date, directors and executive officers of Lam Research or their affiliates were entitled to vote [] shares of Lam Research common stock, or approximately []% of the shares of Lam Research common stock outstanding on that date. We currently expect that Lam Research directors and executive officers will vote their shares in favor of the Share Issuance proposal, the Lam Research Adjournment proposal and the Charter Amendment proposal, although none of them has entered into any agreement obligating them to do so.

Quorum

A quorum is necessary to hold a valid special meeting of Lam Research stockholders. The presence in person or by proxy of a majority of the shares of Lam Research common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business at the special meeting. If a quorum is not present, or if fewer shares of Lam Research common stock are voted in favor of the Share Issuance proposal than the number required for its approval, the special meeting may be adjourned to allow additional time for obtaining additional proxies or votes. At any subsequent reconvening of the special meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

Abstentions (shares of Lam Research common stock for which proxies have been received but for which the holders have abstained from voting) will be included in the calculation of the number of shares of Lam Research common stock represented at the Lam Research special meeting for purposes of determining whether a quorum has been achieved. Broker non-votes will not be included in the calculation of the number of shares of Lam Research common stock represented at the Lam Research special meeting for purposes of determining whether a quorum has been achieved.

Required Vote

The Share Issuance proposal requires the affirmative vote of holders of a majority of the outstanding shares of Lam Research common stock present in person or represented by proxy at the Lam Research special meeting and entitled to vote on the proposal.

The Lam Research Adjournment proposal requires the affirmative vote of holders of a majority of the outstanding shares of Lam Research common stock present in person or represented by proxy at the Lam Research special meeting and entitled to vote on the proposal.

The Charter Amendment proposal requires the affirmative vote of the holders of a majority of the outstanding shares of Lam Research common stock on the Lam Research record date.

Completion of the merger is conditioned on the approval of the Share Issuance proposal, but not upon the approval of the Lam Research Adjournment proposal or the Charter Amendment proposal.

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Broker Non-Votes

The proposals to be considered at the Lam Research special meeting are non-routine matters, and banks, brokers and other nominees who hold shares of Lam Research common stock in street name for their customers, but do not have discretionary authority to vote the shares, may not exercise their voting discretion with respect to the Share Issuance proposal, the Lam Research Adjournment proposal or the Charter Amendment proposal. Accordingly, if banks, brokers or other nominees do not receive specific voting instructions from the beneficial owner of such shares, they may not vote such shares with respect to the foregoing proposals.

In connection with the Lam Research special meeting, broker non-votes will have no effect on the Share Issuance proposal (assuming a quorum is present) or the Lam Research Adjournment proposal (assuming a quorum is present) but will have the same effect as votes AGAINST the Charter Amendment proposal.

You should therefore provide your broker, bank or other nominee with instructions as to how to vote your shares of Lam Research common stock.

Please follow the voting instructions provided by your broker, bank or other nominee so that it may vote your shares on your behalf. Please note that you may not vote shares held in street name by returning a proxy card directly to Lam Research or by voting in person at the applicable special meeting unless you first obtain a proxy from your broker, bank or other nominee.

How Proxies are Counted; Failure to Vote; Abstentions

All shares of Lam Research common stock represented by properly executed proxies received in time for the Lam Research special meeting will be voted at the special meeting in the manner specified by the stockholders giving those proxies. Properly executed proxies that do not contain voting instructions will be voted FOR the Share Issuance proposal, FOR the Lam Research Adjournment proposal and FOR the Charter Amendment proposal.

Only shares of Lam Research common stock affirmatively voted FOR the proposals, and properly executed proxies that do not contain voting instructions, will be counted as favorable votes for the foregoing proposals. For shares of Lam Research common stock held in street name, only shares of Lam Research common stock affirmatively voted FOR the proposals will be counted as favorable votes for such proposals.

If you are a Lam Research stockholder that attends the Lam Research special meeting in person but fail to vote, or you mark your proxy or voting instructions to abstain with respect to each proposal, it will have the same effect as a vote AGAINST the Share Issuance proposal, the Lam Research Adjournment Proposal and the Charter Amendment Proposal. If you are a Lam Research stockholder and fail to vote by not attending the Lam Research special meeting, in person or by proxy, or you fail to instruct your broker, bank or other nominee to vote it will have no effect on the Share Issuance proposal (assuming a quorum is present) or the Lam Research Adjournment proposal (assuming a quorum is present) and will have the same effect as a vote AGAINST the Charter Amendment proposal.

If you are a Lam Research stockholder through the 401(k) Plan and fail to instruct the 401(k) Plan trustee how to vote, the trustee will not vote the shares of Lam Research common stock allocated to your 401(k) Plan account.

Voting at the Special Meeting

Whether or not you plan to attend the Lam Research special meeting, please vote your shares. If you are a registered or record holder, which means your shares of Lam Research common stock are registered in your name with Lam Research's transfer agent and registrar, you may vote in person at the special meeting or by

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proxy. If your shares of Lam Research common stock are held in street name, which means your shares are held of record in an account with a broker, bank or other nominee, you must follow the instructions from your broker, bank or other nominee in order to vote.

In addition, if you are a stockholder of record, please be prepared to provide proper identification, such as a driver's license. If you hold your shares in street name, you will need to provide proof of ownership, such as a proxy executed in your favor from your bank, broker or other nominee, along with proper identification.

Voting in Person

If you plan to attend the Lam Research special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares of Lam Research common stock are held in street name, and you wish to vote at the special meeting, you must bring to the special meeting a proxy executed in your favor from the record holder (your broker, bank or other nominee) of the shares authorizing you to vote at the special meeting.

Voting by Proxies

If you are a stockholder of record on the Lam Research record date, a proxy card is enclosed for your use. Lam Research requests that you submit a proxy via the Internet by accessing the website located at [] and following the instructions on that site using the control number provided on your proxy card at any time up to [] p.m. Pacific time on [], by telephone by dialing [] and following the instructions provided in the recorded message at any time up to [] p.m. Pacific time on [], or by signing the accompanying proxy card and returning it promptly in the postage-paid envelope provided.

Your vote is important. Lam Research stockholders should sign and return the enclosed proxy card whether or not they plan to attend the Lam Research special meeting in person. You can always change your vote at the special meeting. Proxies submitted through the specified Internet website or by phone must be received by [] p.m. Pacific time on [].

Voting of Shares Held in the Lam Research 401(k) Plan

If you participate in the 401(k) Plan and hold Lam Research common stock in your personal 401(k) Plan account as of the Lam Research record date, then you may vote, by proxy, your interest in Lam Research common stock held by the 401(k) Plan. The 401(k) Plan trustee will aggregate and vote proxies in accordance with the instructions in the proxies of employee participants that they receive. You may instruct the 401(k) Plan trustee, in a confidential manner, how to vote (including an instruction not to vote) the shares allocated to your 401(k) Plan account by one of the following three methods:

accessing the website located at [] and following the instructions on that site using the control number provided on your proxy card to vote over the Internet anytime up to [] p.m. Pacific time on [];

dialing [] and following the instructions provided in the recorded message, anytime up to [] p.m. Pacific time on []; or

marking, signing and mailing your proxy card to the address indicated on your proxy card. Your proxy card must be received by the 401(k) Plan trustee at [], no later than [] p.m. Pacific time on [], to ensure that the trustee is able to vote your shares in accordance with your wishes.

In addition, since only the trustee can vote the shares of Lam Research common stock allocated to your 401(k) Plan account, you will not be able to vote those shares personally at the Lam Research special meeting. Please note that the applicable trust agreement governing the 401(k) Plan provides that if the trustee does not receive your voting instructions, the trustee will not vote the shares allocated to your 401(k) Plan account unless the trustee is required to do so by applicable law.

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If you are a participant (or a beneficiary of a deceased participant) in the 401(k) Plan and you also own other shares of Lam Research common stock outside of your 401(k) Plan account, you should receive a proxy card for shares credited to your account in the 401(k) Plan and a separate proxy card if you are a record holder of additional shares of Lam Research common stock or voting instruction card if you hold additional shares of Lam Research common stock through a broker, bank or other nominee. You must vote shares that you hold as a stockholder of record, shares that you hold through a broker, bank or other nominee and shares that are allocated to your 401(k) Plan account separately in accordance with each of the proxy cards and voting instruction cards you receive with respect to such shares of Lam Research common stock.

Revocation of Proxies

If you are a record holder of Lam Research common stock on the Lam Research record date, you can change your vote or revoke your proxy at any time before your proxy is voted at the Lam Research special meeting. You can do this in one of three ways:

timely delivering a signed notice of revocation to the Secretary of Lam Research;

timely delivering a new, valid proxy bearing a later date by submitting instructions through the Internet, by telephone or by mail as described on the proxy card; or

attending the Lam Research special meeting and voting in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person. Simply attending the Lam Research special meeting without voting will not revoke any proxy that you have previously given or change your vote.

A registered stockholder may revoke a proxy by any of these methods, regardless of the method used to deliver the stockholder's previous proxy. If you choose either of the first two methods, your notice of revocation of your new proxy must be received by Lam Research no later than [] Pacific time on []. Written notices of revocation and other communications with respect to the revocation of proxies should be addressed as follows:

Secretary

Lam Research Corporation

4650 Cushing Parkway

Fremont, California, 94538

Please note that if your shares of Lam Research common stock are held in street name through a broker, bank or other nominee, you may change your vote by submitting new voting instructions to your broker, bank or nominee in accordance with its established procedures. If your shares of Lam Research common stock are held in the name of a broker, bank or other nominee and you decide to change your vote by attending the special meeting and voting in person, your vote in person at the special meeting will not be effective unless you have obtained and present an executed proxy issued in your name from the record holder (your broker, bank or nominee).

Solicitation of Proxies

Lam Research is soliciting proxies for the Lam Research special meeting and the cost of proxy solicitation will be borne by Lam Research. In addition to solicitation by use of mails, proxies may be solicited by Lam Research directors, officers and employees in person, by telephone or by other means of communication. These individuals will not be additionally compensated, but may be reimbursed for out-of-pocket expenses associated with solicitation. Arrangements will also be made with custodians, nominees and fiduciaries for forwarding of proxy solicitation material to beneficial owners of Lam Research common stock held of record, and Lam Research may reimburse these individuals for their reasonable expenses. To help assure the presence in person or by proxy of the largest number of Lam Research stockholders possible, Lam Research has engaged [], a proxy solicitation firm, to solicit proxies on Lam Research's behalf. Lam Research has agreed to pay [] a proxy solicitation fee not to exceed \$[]. Lam Research will also reimburse [] for its reasonable out-of-pocket costs and expenses.

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Adjournments

Whether or not a quorum is present, the chairman of the Lam Research special meeting or the holders of a majority of the shares entitled to vote and present in person or represented by proxy may adjourn such meeting to another place, date or time. At any such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the original meeting. No notice of an adjourned meeting need be given if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

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THE LAM RESEARCH PROPOSALS

Proposal 1. The Share Issuance Proposal (Proposal 1 on the Lam Research Proxy Card)

Companies listed on the NASDAQ Global Select Market, as Lam Research is, must comply with a series of rules adopted by The NASDAQ Stock Exchange in order to remain listed. Under one of those rules, Listing Rule 5635(a), a listed company is required to obtain stockholder approval prior to the issuance of common stock, or of securities convertible into or exercisable for common stock, in connection with the acquisition of the stock or assets of another company if the number of shares of common stock to be issued equals or exceeds 20% of the number of shares of common stock outstanding before the issuance. If the merger is completed, it is currently estimated that Lam Research will issue or reserve for issuance 80,762,759 shares of Lam Research common stock in connection with the merger, including shares of Lam Research common stock issuable in respect of KLA-Tencor RSUs. On an as-converted basis, the aggregate number of shares of Lam Research common stock to be issued in the merger will exceed 20% of the shares of Lam Research common stock outstanding before such issuance and for this reason Lam Research must obtain the approval of Lam Research stockholders for the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger agreement.

Lam Research is asking its stockholders to approve the Share Issuance proposal. The issuance of these securities to KLA-Tencor stockholders is necessary to effect the merger and the approval of the Share Issuance proposal is required for completion of the merger and is a condition to the completion of the merger.

The Lam Research Board *unanimously* recommends a vote FOR the Share Issuance proposal (Proposal 1).

Proposal 2. The Lam Research Adjournment Proposal (Proposal 2 on the Lam Research Proxy Card)

In the Lam Research Adjournment proposal, Lam Research is asking its stockholders to authorize the holder of any proxy solicited by the Lam Research Board to vote in favor of granting authority to the proxy holders, and each of them individually, to adjourn the Lam Research special meeting to another time and place from time to time for the purpose of soliciting additional proxies. If the Lam Research stockholders approve the Lam Research Adjournment proposal, Lam Research could adjourn the Lam Research special meeting and any adjourned session of the Lam Research special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Lam Research stockholders who have previously voted.

If a quorum is not present at the Lam Research special meeting, then the chairman of the meeting or Lam Research stockholders present in person or represented by proxy at the Lam Research special meeting and entitled to vote thereat may adjourn such meeting to another time and place. At any such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the original meeting. No notice of an adjourned meeting need be given if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

The Lam Research Board *unanimously* recommends a vote FOR the Lam Research Adjournment proposal (Proposal 2).

Proposal 3. The Charter Amendment Proposal (Proposal 3 on the Lam Research Proxy Card)

Overview

Lam Research's certificate of incorporation, as amended, currently provides that the total number of shares of Lam Research capital stock that Lam Research has authority to issue is 405,000,000 shares, consisting of (1) 400,000,000 shares of common stock and (2) 5,000,000 shares of preferred stock.

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Lam Research has proposed to increase the authorized shares of Lam Research common stock from 400,000,000 shares of common stock to 585,000,000 shares of common stock and, in order to effect this change, to increase the total number of shares of capital stock authorized in the Lam Research certificate of incorporation, as amended, from 405,000,000 to 590,000,000, which changes are referred to collectively as the Charter Amendment. As of November 30, 2015 and after giving effect to the mergers and these amendments to Lam Research's certificate of incorporation, as amended, Lam Research expects to have 345,788,384 shares of authorized but unissued shares of common stock immediately following the effective time of the mergers (with 98,189,581 treasury shares counted as unissued). Of this amount, 104,697,968 shares are reserved for issuance.

In December 2015, the Lam Research Board acted unanimously to adopt the Charter Amendment and to recommend to the Lam Research stockholders that they approve the adoption of the Charter Amendment, subject to completion of the merger. The Charter Amendment will only be filed if the merger is completed. Under the DGCL, Lam Research is required to obtain approval from the Lam Research stockholders to amend the Lam Research certificate of incorporation, as amended, to increase the number of shares of common stock authorized for issuance. If the Charter Amendment proposal is approved by the Lam Research stockholders at the special meeting, the Charter Amendment will be effective upon the filing of a certificate of amendment setting forth such amendment with the Secretary of State of the State of Delaware (or at such later time as may be specified therein), which filing is expected to occur promptly after the merger is completed. The full text of the form of the Charter Amendment, which would replace the first paragraph of Article FOURTH of the Lam Research certificate of incorporation, as amended, in its entirety, is attached as Annex G to this joint proxy statement/prospectus.

The approval of the Charter Amendment proposal is not required to complete the mergers. The Charter Amendment proposal, if approved by Lam Research stockholders at the Lam Research special meeting, will not be given effect if the mergers are not consummated.

Reasons for the Charter Amendment Proposal

The Lam Research certificate of incorporation, as amended, currently authorizes Lam Research to issue up to 405,000,000 shares of capital stock, consisting of 400,000,000 shares of Lam Research common stock and 5,000,000 shares of Lam Research preferred stock. As of November 30, 2015, (1) 158,448,857 shares of Lam Research common stock were outstanding and no shares of Lam Research preferred stock were outstanding; (2) 98,189,581 shares of Lam Research common stock were held in Lam Research's treasury; (3) 783,449 shares of Lam Research common stock were subject to outstanding options to purchase Lam Research's common stock, of which 577,327 such options were exercisable; (4) 1,369,712 shares of Lam Research common stock were subject to outstanding performance-based restricted stock units; (5) 3,067,355 shares of Lam Research common stock were subject to outstanding restricted stock units; (6) 7,118,517 shares of Lam Research common stock were reserved for issuance pursuant to Lam Research's employee stock purchase plan; (7) 19,211,268 shares of Lam Research common stock were reserved for issuance pursuant to Lam Research's stock incentive plans; (8) 40,084,003 shares of Lam Research common stock were reserved for issuance upon conversion of Lam Research's 0.5% Convertible Senior Notes due May 2016 and 1.25% Convertible Senior Notes due May 2018 and the Novellus Systems, Inc. 2.625% Convertible Senior Notes due May 2041; and (9) 28,563,664 shares of Lam Research common stock were reserved for issuance upon the exercise of the warrants issued by Lam Research in connection with the Lam Research convertible notes. In addition, Lam Research expects to issue 80,762,759 additional shares of Lam Research common stock to former holders of KLA-Tencor common stock, which includes additional shares of Lam Research common stock underlying Lam Research RSUs into which certain KLA-Tencor RSUs will be substituted upon consummation of the merger, and reserve approximately 4,500,000 additional shares of Lam Research common stock for issuance following the consummation of the merger under the KLA-Tencor 2004 Equity Incentive Plan. As a result, as of November 30, 2015 and after giving effect to the expected shares to be issued or reserved in connection with the mergers, Lam Research had 56,090,416 shares of Lam Research common stock available for future issuance in excess of the outstanding Lam Research common stock, Lam Research's future obligations to issue Lam Research common stock, and other

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shares of Lam Research common stock that Lam Research had reserved or expected to reserve under existing stock plans.

The Lam Research Board believes that it is important to have available for issuance a number of authorized shares of Lam Research common stock that will be adequate to provide for future stock issuances to meet future corporate needs. In connection with Lam Research's acquisition of Novellus, Lam Research did not propose an increase in its authorized shares. The increase pursuant to the Charter Amendment proposal approximates, and is intended to replace, the shares issued by Lam Research in the Novellus acquisition, including shares that may be issued upon the conversion of debt assumed in that transaction, and proposed to be issued pursuant to the merger, and not to replace other share issuances or reservations. The additional authorized shares would be available for issuance from time to time in the discretion of the Lam Research Board, without further stockholder action except as may be required for a particular transaction by law or the rules and regulations of the NASDAQ Global Select Market. The shares of Lam Research common stock would be issuable for any proper corporate purpose, including future acquisitions, capital raising transactions consisting of either equity or convertible debt, stock dividends, stock splits, or issuances under current and future stock plans. The Lam Research Board believes that these additional shares will provide Lam Research with needed flexibility to issue shares in the future without potential expense and delay incident to obtaining stockholder approval for a particular issuance. Except to the extent of Lam Research's existing obligations on the date of mailing of this joint proxy statement/prospectus and as otherwise described in this joint proxy statement/prospectus, Lam Research does not currently have any plans, understandings or agreements for the issuance or use of the additional shares of Lam Research common stock to be approved under this proposal.

Principal Effects on Outstanding Common Stock

Holders of Lam Research common stock are entitled to one vote per share on all matters submitted to a vote of Lam Research stockholders and to receive ratably dividends, if any, as may be declared from time to time by the Lam Research Board from funds legally available therefor, subject to the payment of any outstanding preferential dividends declared with respect to any Lam Research preferred stock that from time to time may be outstanding. Upon Lam Research's liquidation, dissolution or winding up, holders of Lam Research common stock are entitled to share ratably in any assets available for distribution to Lam Research stockholders after payment of all of Lam Research's obligations, subject to the rights to receive preferential distributions of the holders of any Lam Research preferred stock then outstanding.

The proposed amendment to Lam Research's certificate of incorporation, as amended, to increase the number of shares of authorized Lam Research common stock would not affect the rights of existing holders of Lam Research common stock except to the extent that future issuances of Lam Research common stock will reduce each existing Lam Research stockholder's proportionate ownership. Holders of Lam Research common stock do not have any preemptive rights to subscribe for the purchase of any shares of Lam Research common stock, which means that current holders of Lam Research common stock do not have a prior right to purchase any new issue of Lam Research common stock in order to maintain their proportionate ownership.

The issuance of additional shares of Lam Research common stock could have the effect of making it more difficult for a third party to acquire, or discouraging a third party from attempting to acquire, control of Lam Research.

The Lam Research Board unanimously recommends a vote FOR the Charter Amendment proposal (Proposal 3).

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THE KLA-TENCOR SPECIAL MEETING

This joint proxy statement/prospectus is being provided to the KLA-Tencor stockholders as part of a solicitation of proxies by the KLA-Tencor Board for use at the KLA-Tencor special meeting to be held at the time and place specified below, and at any properly convened meeting following an adjournment or postponement thereof. This joint proxy statement/prospectus provides KLA-Tencor stockholders with the information they need to know to be able to vote or instruct their vote to be cast at the KLA-Tencor special meeting.

Date, Time and Place

The KLA-Tencor special meeting is scheduled to be held at Building Three of KLA-Tencor's Milpitas facility, located at Three Technology Drive, Milpitas, California, 95035, on [] at [], Pacific time.

Purpose of the KLA-Tencor Special Meeting

At the KLA-Tencor special meeting, KLA-Tencor stockholders will be asked to consider and vote on the following proposals:

the *Merger proposal*, which is the proposal to adopt the merger agreement, a copy of which is included as Annex A to the joint proxy statement/prospectus, pursuant to which Merger Sub 1 will merge with and into KLA-Tencor, with KLA-Tencor as the surviving corporation, and then KLA-Tencor will merge with and into Merger Sub 2, with Merger Sub 2 as the ultimate surviving corporation;

the *KLA-Tencor Adjournment proposal*, which is the proposal to adjourn the KLA-Tencor special meeting, if necessary or appropriate, to solicit additional proxies if there are not sufficient votes to approve the Merger proposal;

the *Merger-Related Compensation proposal*, which is the proposal to approve by a non-binding, advisory vote the compensation of KLA-Tencor's named executive officers that is based on or otherwise relates to the merger; and

the *Director Compensation proposal*, which is a proposal to extend the applicability of KLA-Tencor's outside director vesting acceleration policy to outside members of the KLA-Tencor Board who have served on the KLA-Tencor Board for less than six years as of their termination date, such that the vesting of all restricted stock units held by outside directors who have served on the KLA-Tencor Board for less than six years will accelerate on a pro rata basis upon a separation from service with KLA-Tencor and Lam Research. The restricted stock units granted to the outside directors of the KLA-Tencor Board are the largest component of the annual director compensation program, which consists of a combination of restricted stock units and cash that the Compensation Committee of the KLA-Tencor Board has determined to be competitive with companies similarly situated with KLA-Tencor based on market data provided to it.

Completion of the merger is conditioned on the approval of the Merger proposal, but not upon the approval of the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal or the Director Compensation proposal.

Recommendation of the Board of Directors of KLA-Tencor

After careful consideration, the KLA-Tencor Board has unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, advisable and in the best interests of KLA-Tencor and its stockholders; and (2) adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement.

The KLA-Tencor Board unanimously recommends that KLA-Tencor stockholders vote FOR the Merger proposal, FOR the KLA-Tencor Adjournment proposal, FOR the Merger-Related Compensation proposal and FOR the Director Compensation proposal.

KLA-Tencor Record Date; Stockholders Entitled to Vote

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Only KLA-Tencor stockholders of record at the close of business on the KLA-Tencor record date are entitled to notice of, and to vote at, the KLA-Tencor special meeting and at any adjournment or postponement thereof.

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On the KLA-Tencor record date, there were [] shares of KLA-Tencor common stock issued and outstanding and entitled to vote at the KLA-Tencor special meeting. KLA-Tencor stockholders will have one vote for each share of KLA-Tencor common stock they owned on the KLA-Tencor record date. A list of stockholders of KLA-Tencor will be available for review for any purpose germane to the special meeting at the principal executive offices of KLA-Tencor, which are located at One Technology Drive, Milpitas, CA 95035, during ordinary business hours for a period of 10 days before the special meeting. The list will also be available at the special meeting for examination by any stockholder of record present at the special meeting.

Voting by KLA-Tencor's Directors and Executive Officers

On the KLA-Tencor record date, directors and executive officers of KLA-Tencor or their affiliates were entitled to vote [] shares of KLA-Tencor common stock, or approximately []% of the shares of KLA-Tencor common stock outstanding on that date. We currently expect that KLA-Tencor directors and executive officers will vote their shares in favor of the Merger proposal, the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal and the Director Compensation proposal although none of them has entered into any agreement obligating them to do so.

Quorum

A quorum is necessary to hold a valid special meeting of KLA-Tencor stockholders. The presence in person or by proxy of a majority of the shares of KLA-Tencor common stock entitled to vote at the special meeting will constitute a quorum for the transaction of business at the special meeting. If a quorum is not present, or if fewer shares of KLA-Tencor common stock are voted in favor of the Merger proposal than the number required for its approval, the special meeting may be adjourned to allow additional time for obtaining additional proxies or votes. At any subsequent reconvening of the special meeting, all proxies will be voted in the same manner as they would have been voted at the original convening of the special meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent meeting.

Abstentions (shares of KLA-Tencor common stock for which proxies have been received but for which the holders have abstained from voting) will be included in the calculation of the number of shares of KLA-Tencor common stock represented at the KLA-Tencor special meeting for purposes of determining whether a quorum has been achieved. Broker non-votes will not be included in the tabulation of the number of shares of KLA-Tencor common stock represented at the KLA-Tencor special meeting for purposes of determining whether a quorum has been achieved.

Required Vote

The Merger proposal requires the affirmative vote of the holders of a majority of the outstanding shares of KLA-Tencor common stock on the KLA-Tencor record date.

The KLA-Tencor Adjournment proposal requires the affirmative vote of a majority of the votes cast at the KLA-Tencor special meeting, assuming that a quorum is present.

The Merger-Related Compensation proposal requires the affirmative vote of a majority of the votes cast at the KLA-Tencor special meeting, assuming that a quorum is present.

The Director Compensation proposal requires the affirmative vote of a majority of the votes cast at the KLA-Tencor special meeting, assuming that a quorum is present.

Completion of the merger is conditioned on the approval of the Merger proposal, but not upon the approval of the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal or the Director Compensation proposal.

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Broker Non-Votes

The proposals to be considered at the KLA-Tencor special meeting are non-routine matters, and banks, brokers and other nominees who hold shares of KLA-Tencor common stock in street name for their customers, but do not have discretionary authority to vote the shares, may not exercise their voting discretion with respect to the Merger proposal, the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal or the Director Compensation proposal. Accordingly, if banks, brokers or other nominees do not receive specific voting instructions from the beneficial owner of such shares, they may not vote such shares with respect to the foregoing proposals.

Broker non-votes will have the effect as a vote AGAINST the Merger proposal, but will not be sufficient for stockholders seeking to perfect their appraisal rights. See the section entitled Appraisal Rights for more information. Broker non-votes will have no effect on the outcome of the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal or the Director Compensation proposal.

You should therefore provide your broker, bank or other nominee with instructions as to how to vote your shares of KLA-Tencor common stock.

How Proxies are Counted; Failure to Vote; Abstentions

All shares of KLA-Tencor common stock represented by properly executed proxies received in time for the KLA-Tencor special meeting will be voted at the special meeting in the manner specified by the stockholders giving those proxies. Properly executed proxies that do not contain voting instructions will be voted FOR the Merger proposal, FOR the KLA-Tencor Adjournment proposal, FOR the Merger-Related Compensation proposal and FOR the Director Compensation proposal.

Only shares of KLA-Tencor common stock affirmatively voted FOR the proposals, and properly executed proxies that do not contain voting instructions, will be counted as favorable votes for the foregoing proposals. For shares of KLA-Tencor common stock held in street name, only shares of KLA-Tencor common stock affirmatively voted FOR the proposals will be counted as favorable votes for such proposals.

Failure to submit a proxy card (including via the internet or by telephone) or to vote in person at the special meeting and abstentions will have the same effect as a vote AGAINST the approval of the Merger proposal, but will not be sufficient for stockholders seeking to perfect their appraisal rights (see the section entitled Appraisal Rights for more information). Abstentions will have no effect on the outcome of the vote on the KLA-Tencor Adjournment proposal, the Merger-Related Compensation proposal or the Director Compensation proposal.

Voting at the Special Meeting

Whether or not you plan to attend the KLA-Tencor special meeting, please vote your shares. If you are a registered or record holder, which means your shares of KLA-Tencor common stock are registered in your name with KLA-Tencor's transfer agent and registrar, you may vote in person at the special meeting or by proxy. If your shares of KLA-Tencor common stock are held in street name, which means your shares are held of record in an account with a broker, bank or other nominee, you must follow the instructions from your broker, bank or other nominee in order to vote.

In addition, if you are a stockholder of record, please be prepared to provide proper identification, such as a driver's license. If you hold your shares in street name, you will need to provide proof of ownership, such as a proxy executed in your favor from your bank, broker or other nominee, along with proper identification.

Voting in Person

If you plan to attend the KLA-Tencor special meeting and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares of KLA-Tencor common stock are held in street

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name, and you wish to vote at the special meeting, you must bring to the special meeting a proxy executed in your favor from the record holder (your broker, bank or other nominee) of the shares authorizing you to vote at the special meeting.

Voting by Proxies

If you are a stockholder of record on the KLA-Tencor record date, a proxy card is enclosed for your use. KLA-Tencor requests that you submit a proxy via Internet by accessing the website located at [] and following the instructions on that site using the control number provided on your proxy card at anytime up to [] p.m. Pacific time on [], by telephone by dialing [] and following the instructions provided in the recorded message at anytime up to [] p.m. Pacific time on [], or by signing the accompanying proxy card and returning it promptly in the postage-paid envelope provided.

If you hold your shares of KLA-Tencor common stock in street name, you will receive instructions from your broker, bank or other nominee that you must follow in order to vote your shares.

Your vote is important. KLA-Tencor stockholders should sign and return the enclosed proxy card whether or not they plan to attend the KLA-Tencor special meeting in person. You can always change your vote at the special meeting. Proxies submitted through the specified Internet website or by phone must be received by [] p.m. Pacific time on [].

Revocation of Proxies

If you are a holder of record of shares of KLA-Tencor common stock on the KLA-Tencor record date, you can change your vote or revoke your proxy at any time before your proxy is voted at the KLA-Tencor special meeting. You can do this in one of three ways:

timely delivering a signed notice of revocation to the Corporate Secretary of KLA-Tencor;

timely delivering a new, valid proxy bearing a later date by submitting instructions through the Internet, by telephone or by mail as described on the proxy card; or

attending the KLA-Tencor special meeting and voting in person, which will automatically cancel any proxy previously given, or you can revoke your proxy in person. Simply attending the KLA-Tencor special meeting without voting will not revoke any proxy that you have previously given or change your vote.

A registered stockholder may revoke a proxy by any of these methods, regardless of the method used to deliver the stockholder's previous proxy. If you choose either of the first two methods, your notice of revocation of your new proxy must be received by KLA-Tencor no later than [] Pacific time on []. Written notices of revocation and other communications with respect to the revocation of proxies should be addressed as follows:

Corporate Secretary

KLA-Tencor Corporation

One Technology Drive

Milpitas, California, 95035

Please note that if your shares of KLA-Tencor common stock are held in street name through a broker, bank or other nominee, you may change your vote by submitting new voting instructions to your broker, bank or nominee in accordance with its established procedures. If your shares of KLA-Tencor common stock are held in the name of a broker, bank or other nominee and you decide to change your vote by attending the special meeting and voting in person, your vote in person at the special meeting will not be effective unless you have obtained and present an executed proxy issued in your name from the record holder (your broker, bank or nominee).

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Solicitation of Proxies

KLA-Tencor is soliciting proxies for the KLA-Tencor special meeting and the cost of proxy solicitation will be borne by KLA-Tencor. In addition to solicitation by use of the mails, proxies may be solicited by KLA-Tencor directors, officers and employees in person, by telephone or by other means of communication. These individuals will not be additionally compensated, but may be reimbursed for out-of-pocket expenses associated with solicitation. Arrangements will also be made with custodians, nominees and fiduciaries for forwarding of proxy solicitation material to beneficial owners of KLA-Tencor common stock held of record, and KLA-Tencor may reimburse these individuals for their reasonable expenses. To help assure the presence in person or by proxy of the largest number of KLA-Tencor stockholders possible, KLA-Tencor has engaged [], a proxy solicitation firm, to solicit proxies on KLA-Tencor's behalf. KLA-Tencor has agreed to pay [] a proxy solicitation fee not to exceed \$[]. KLA-Tencor will also reimburse [] for its reasonable out-of-pocket costs and expenses.

Adjournments

Whether or not a quorum is present at the KLA-Tencor special meeting, the chairman of the KLA-Tencor special meeting or the KLA-Tencor stockholders, by the affirmative vote of the holders of a majority of the shares of KLA-Tencor common stock entitled to vote and present in person or represented by proxy at the KLA-Tencor special meeting may adjourn the KLA-Tencor special meeting to another place, date or time. At any such adjourned meeting at which a quorum shall be present, any business may be transacted that might have been transacted at the original meeting. No notice of an adjourned meeting need be given if the time and place of the adjourned meeting are announced at the meeting at which the adjournment is taken, unless the adjournment is for more than 30 days, or if after the adjournment, a new record date is fixed for the adjourned meeting, in which case a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting.

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THE KLA-TENCOR PROPOSALS

Proposal 1. The Merger Proposal (Proposal 1 on the KLA-Tencor Proxy Card)

KLA-Tencor is asking its stockholders to adopt the merger agreement. For a summary of and detailed information regarding this proposal, see the information about the merger agreement throughout this joint proxy statement/prospectus, including the information set forth in the sections of this joint proxy statement/prospectus entitled *The Merger Agreement* and *The Merger KLA-Tencor's Reasons for the Merger; Recommendation of the KLA-Tencor Board*. A copy of the merger agreement is attached as Annex A to this joint proxy statement/prospectus. You are urged to read the merger agreement carefully and in its entirety.

The KLA-Tencor Board unanimously recommends a vote FOR the Merger proposal (Proposal 1).

Proposal 2 The KLA-Tencor Adjournment Proposal (Proposal 2 on the KLA-Tencor Proxy Card)

The KLA-Tencor special meeting may be adjourned to another time or place from time to time, if necessary or appropriate, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the KLA-Tencor special meeting to approve the Merger proposal.

If, at the KLA-Tencor special meeting, the number of shares of KLA-Tencor common stock present or represented and voting in favor of the Merger proposal is insufficient to approve the Merger proposal, KLA-Tencor intends to adjourn the KLA-Tencor special meeting from time to time in order to enable the KLA-Tencor Board to solicit additional proxies for approval of the Merger proposal.

In the KLA-Tencor Adjournment proposal, KLA-Tencor is asking its stockholders to authorize the holder of any proxy solicited by the KLA-Tencor Board to vote in favor of granting authority to the proxy holders, and each of them individually, to adjourn the KLA-Tencor special meeting to another time and place from time to time for the purpose of soliciting additional proxies. If the KLA-Tencor stockholders approve the KLA-Tencor Adjournment proposal, KLA-Tencor could adjourn the KLA-Tencor special meeting and any adjourned session of the KLA-Tencor special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from KLA-Tencor stockholders who have previously voted. Whether or not KLA-Tencor stockholders approve the KLA-Tencor Adjournment proposal, and whether or not a quorum is present, the chairman of the KLA-Tencor special meeting may adjourn such meeting to another place, date or time. If a quorum is not present, the KLA-Tencor stockholders, by the affirmative vote of the holders of a majority of the shares entitled to vote and present in person or represented by proxy, may adjourn the KLA-Tencor special meeting to another place, date or time.

The KLA-Tencor Board unanimously recommends a vote FOR the KLA-Tencor Adjournment proposal (Proposal 2)

Proposal 3 The Merger-Related Compensation Proposal (Proposal 3 on the KLA-Tencor Proxy Card)

KLA-Tencor is required pursuant to Section 14A of the Exchange Act to include in this joint proxy statement/prospectus a non-binding, advisory vote on the compensation payable to each of its named executive officers, as determined in accordance with Item 402(t) of Regulation S-K, in connection with the proposed merger pursuant to arrangements entered into with KLA-Tencor, and KLA-Tencor is therefore asking its stockholders to approve the following resolution:

RESOLVED, that the stockholders of KLA-Tencor hereby approve, on an advisory, non-binding basis, the compensation that will or may become payable by KLA-Tencor to the named executive officers of KLA-Tencor as disclosed pursuant to Item 402(t) of Regulations S-K in the table entitled *Golden Parachute Compensation* and the accompanying footnotes.

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The description of the payments contained in the section entitled "The Merger Interests of KLA-Tencor's Directors and Executive Officers in the Merger" as well as the table entitled "Golden Parachute Compensation" therein are intended to comply with Item 402(t) of Regulation S-K, which requires disclosure of information about compensation for each of KLA-Tencor's named executive officers that is based on or otherwise relates to the merger and will or may become payable either by KLA-Tencor or Lam Research. KLA-Tencor is asking its stockholders to approve on an advisory, non-binding basis, the compensation that will or may become payable by KLA-Tencor to each of its named executive officers as set forth in the section entitled "The Merger Interests of KLA-Tencor's Directors and Executive Officers in the Merger" as well as the table entitled "Golden Parachute Compensation" therein.

Effect of Advisory Vote

The vote regarding the Merger-Related Compensation proposal is a vote separate and apart from the vote on the Merger proposal. Accordingly, KLA-Tencor stockholders may vote to approve the Merger proposal and vote not to approve the Merger-Related Compensation proposal and vice versa.

Because the vote regarding the Merger-Related Compensation proposal is advisory only, it will not be binding on either KLA-Tencor or Lam Research. Accordingly, if the Merger proposal is approved and the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of KLA-Tencor stockholders on the Merger-Related Compensation proposal.

The KLA-Tencor Board unanimously recommends a vote FOR the Merger-Related Compensation proposal (Proposal 3).

Proposal 4. The Director Compensation Proposal (Proposal 4 on the KLA-Tencor Proxy Card)

As described in the section entitled "The Merger Interests of KLA-Tencor's Directors and Executive Officers in the Merger," KLA-Tencor has had in effect since 2008 a policy of providing prorated vesting acceleration of restricted stock units held by outside directors of the KLA-Tencor Board who are in good standing, who terminate their service before their restricted stock units are fully vested and who, at the time of termination, have served on the KLA-Tencor Board for six years (the "Outside Director Accelerated Vesting Policy"). Under the existing Outside Director Accelerated Vesting Policy, six KLA-Tencor outside directors have served on the KLA-Tencor Board for at least six years and are therefore eligible for prorated vesting acceleration of their unvested restricted stock units granted at the KLA-Tencor 2015 annual meeting, as further described below, if their service terminates prior to November 4, 2016, the date these restricted stock units otherwise vest. KLA-Tencor currently expects that, subject to the satisfaction of the conditions to the merger, the merger will be completed prior to the scheduled vesting date of these awards. If an eligible director joins the Lam Research Board, or otherwise provide services to Lam Research or KLA-Tencor as of the effective time of the merger, the director would not have a separation from service arising from the merger. After the KLA-Tencor Board adopted and approved the merger agreement on October 20, 2015, it was determined that three members of the KLA-Tencor Board are not eligible for this prorated vesting acceleration of their outstanding restricted stock units under the Outside Director Accelerated Vesting Policy because those directors are unlikely to reach the six year service requirement prior to the expected completion of the merger.

KLA-Tencor is asking its stockholders to approve an extension of its existing Outside Director Accelerated Vesting Policy to outside directors who have served on the KLA-Tencor Board for less than six years at the time their service to KLA-Tencor or Lam Research terminates. Emiko Higashi, Gary B. Moore, and Robert A. Rango have each been directors of KLA-Tencor for less than six years. Ms. Higashi commenced her service on the KLA-Tencor Board on November 3, 2010, while Messrs. Moore and Rango commenced their service on the KLA-Tencor Board on November 5, 2014. The restricted stock units granted to the outside directors of the KLA-Tencor Board on November 4, 2015 are the largest component of the annual director compensation program,

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which consists of a combination of restricted stock units and cash that the Compensation Committee of the KLA-Tencor Board has determined to be competitive with companies similarly situated with KLA-Tencor based on market data provided to it.

If KLA-Tencor stockholders approve the Director Compensation proposal, restricted stock units that were granted to Ms. Higashi and Messrs. Moore and Rango at KLA-Tencor's 2015 annual meeting as part of KLA-Tencor's outside director compensation program will be eligible for the same treatment as restricted stock units that were granted to the other six outside directors of the KLA-Tencor Board at the KLA-Tencor 2015 annual meeting. Specifically, the outside directors who remain in good standing at the closing of the merger and who do not continue to provide services to Lam Research or KLA-Tencor as of the effective time of the merger, including as a member of the Lam Research Board, will receive acceleration of vesting on a prorated basis. The pro rata portion is calculated based on the number of quarters between the grant date for the restricted stock units and the director's termination date, rounded up for any partially-completed quarter of the director's service.

Each outside director not serving as chairman of the KLA-Tencor Board received 2,394 restricted stock units at the KLA-Tencor 2015 annual meeting that normally would vest in one single installment on November 4, 2016 if the director continues in service through that date. The chart below illustrates the percentage of these November 4, 2015 restricted stock units that would vest under the Outside Director Accelerated Vesting Policy as well as the maximum amount that each of these outside directors could potentially receive (based on a value of \$66.90 per share of KLA-Tencor common stock, as described below, but excluding the value of dividend equivalent rights) for these restricted stock units based on the date of their termination of service.

Termination Date	Prorated Vesting Acceleration			
	25%	50%	75%	100%
November 4, 2015 – February 4, 2016	\$40,006.20	\$80,079.30	\$120,085.50	\$160,158.60
February 5, 2016 – May 4, 2016				
May 5, 2016 – August 4, 2016				
August 5, 2016 – November 3, 2016				

Without stockholder approval of this Director Compensation proposal, if Ms. Higashi or either of Messrs. Moore or Rango do not continue in service with Lam Research or KLA-Tencor as of the effective time of the merger, then his or her KLA-Tencor restricted stock unit awards will terminate without becoming vested upon their resignation from the KLA-Tencor Board, and they will each forfeit the entire value of those shares. If stockholders approve this Director Compensation proposal, then as illustrated in the table above, each of Ms. Higashi and Messrs. Moore and Rango would be eligible to vest in restricted stock units having a maximum value of \$160,158.60 (based on such value of \$66.90 per share of KLA-Tencor common stock but excluding the value of dividend equivalent rights), with the actual number of restricted stock units that vest being determined by the period of service to the stockholders of KLA-Tencor through the director's resignation date.

The KLA-Tencor Board recommends the stockholders approve the Director Compensation proposal so that all outside directors are compensated commensurately in connection with their service on the KLA-Tencor Board. KLA-Tencor believes extending this Outside Director Accelerated Vesting Policy to Ms. Higashi and Messrs. Moore and Rango is appropriate for the following reasons:

If the KLA-Tencor stockholders do not approve the Director Compensation proposal, and if Ms. Higashi and Messrs. Moore and Rango are required to resign without being offered the opportunity to continue in service with Lam Research or KLA-Tencor as of the effective time of the merger, each will forfeit all of his or her unvested restricted stock unit awards, which represent a majority of his or her annual compensation. Assuming each of these directors has otherwise served and fulfilled his or her obligations as members of the KLA-Tencor Board, he or she will not receive the equity compensation that KLA-Tencor intended to provide them. Instead, these directors will only receive their cash director fees under KLA-Tencor's outside director compensation program.

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In considering this extension of the Outside Director Accelerated Vesting Policy to outside directors who have provided fewer than six years of service, the KLA-Tencor Board relied on its compensation advisors at Semler Brossy who have advised the KLA-Tencor Board that accelerated vesting of equity awards for non-continuing outside directors, regardless of time served, is a typical market provision in connection with mergers of similar size and scope as the merger.

KLA-Tencor believes that because new outside directors of the KLA-Tencor Board are otherwise treated the same as existing outside directors of the KLA-Tencor Board, all of its outside directors should be treated the same under the Outside Director Accelerated Vesting Policy, regardless of their tenure on the KLA-Tencor Board.

KLA-Tencor's Compensation Committee unanimously approved the extension of KLA-Tencor's Outside Director Accelerated Vesting Policy to outside directors who have served for less than six years as of their termination date, subject to the approval of the Director Compensation proposal by KLA-Tencor's stockholders at this special meeting.

The three outside directors who have not served on the KLA-Tencor Board for six years, Ms. Higashi and Messrs. Moore and Rango, have an interest in this proposal. Please refer to the section entitled "The Merger Interests of KLA-Tencor's Directors and Executive Officers in the Merger" for the number of restricted stock units subject to each director's restricted stock unit awards.

Effect of Vote

Approval of the Director Compensation proposal is not required to complete the merger. The vote regarding the Director Compensation proposal is a vote separate and apart from the vote on the Merger proposal. Accordingly, KLA-Tencor stockholders may vote to approve the Merger proposal and vote not to approve the Director Compensation proposal and vice versa.

The vote regarding the Director Compensation proposal is binding on KLA-Tencor. Accordingly, if (1) the Merger proposal is approved, (2) this Director Compensation proposal is not approved, (3) any of Ms. Higashi and Messrs. Moore and Rango resigns from the KLA-Tencor Board at the closing of the merger before the director's restricted stock unit award is fully vested and (4) the director is not appointed to the Lam Research Board and otherwise does not provide services to Lam Research or KLA-Tencor as of the effective time of the merger, the award held by any of Ms. Higashi or Messrs. Moore and Rango will be completely forfeited and the director will not receive payment of the merger consideration in respect of the shares of KLA-Tencor common stock subject to the November 2015 restricted stock unit award.

The KLA-Tencor Board unanimously recommends a vote FOR the Director Compensation proposal (Proposal 4).

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THE MERGER

Effects of the Merger

At the effective time of the merger, Merger Sub 1, a wholly owned subsidiary of Lam Research that was formed for the sole purpose of effecting the merger, will merge with and into KLA-Tencor. KLA-Tencor will survive the merger and become a wholly owned subsidiary of Lam Research.

At the effective time of the merger, each outstanding share of KLA-Tencor common stock (other than shares owned by Lam Research or any subsidiary of Lam Research or KLA-Tencor, which will be canceled and cease to exist, and shares held by KLA-Tencor stockholders who have not voted in favor of the Merger proposal and are entitled to and who have properly exercised and not withdrawn a demand for, or lost their right to, appraisal rights under the DGCL, who will have the right to receive the payment described in the section entitled "Appraisal Rights") will be converted into the right to receive the merger consideration, with cash paid in lieu of fractional shares (as applicable) plus the amount of any dividends or other distributions with a record date after the date of the merger agreement. Lam Research stockholders will continue to hold their existing shares of Lam Research common stock, which, after the merger, will represent equity interests in the combined company.

At the effective time of the subsequent merger, KLA-Tencor will be merged with and into Merger Sub 2, with Merger Sub 2 surviving as a wholly owned subsidiary of Lam Research.

Background of the Merger

Each of the Lam Research Board and KLA-Tencor Board regularly evaluates the strategic direction and ongoing business plans of their respective companies with a view toward strengthening their businesses and enhancing stockholder value. As part of this evaluation, each of the Lam Research Board and KLA-Tencor Board has from time to time considered a variety of strategic alternatives, including, among others, (1) the continuation of their current business plan; (2) potential expansion opportunities into new business lines through licensing, and acquisitions and combinations with other businesses; and (3) investment in and development of new products. In addition, Lam Research and KLA-Tencor have ongoing collaborative projects to enable more compelling products for their end-customers and, from time to time, representatives of Lam Research and KLA-Tencor meet to discuss those projects.

Beginning in December 2013, Lam Research engaged KLA-Tencor in preliminary discussions concerning a possible merger-of-equals business combination transaction under a pre-existing confidentiality agreement between the parties. To facilitate the exchange of additional due diligence materials and further detailed discussions, on April 17, 2014, KLA-Tencor and Lam Research entered into a transaction-specific confidentiality agreement. In connection with this process, in April 2014, KLA-Tencor retained Qatalyst Partners to act as its financial advisor. The confidentiality agreement between KLA-Tencor and Lam Research was amended on May 30, 2014 to include a standstill provision that prohibited either company from making a public acquisition proposal for the other for a period of one year.

On May 10, 2014, KLA-Tencor sent to Lam Research a letter indicating that it was not prepared to move forward with a merger-of-equals transaction, and making a non-binding proposal for KLA-Tencor to acquire Lam Research. KLA-Tencor and Lam Research continued to engage in discussions regarding a business combination until June 2014.

On June 12, 2014, Lam Research sent a letter to KLA-Tencor stating that it was not likely to continue discussions unless KLA-Tencor was prepared to increase its offer for Lam Research.

On June 16, 2014, Richard P. Wallace, the President and Chief Executive Officer of KLA-Tencor, called Martin Anstice, the President and Chief Executive Officer of Lam Research, to inform him that KLA-Tencor was not in a position to increase its offer. Following that call, the parties terminated discussions regarding a business combination.

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In May 2015, members of Lam Research management began to consider making an offer for a possible acquisition of KLA-Tencor. This was the first time that Lam Research management had actively considered making an offer for an acquisition of KLA-Tencor following the termination of discussions between the parties in June 2014.

On May 13 and May 14, 2015, the Lam Research Board held a regularly scheduled meeting. Members of Lam Research management were also in attendance. As part of a review and discussion of Lam Research's strategic plans, Lam Research management discussed with the Lam Research Board a potential business combination transaction with KLA-Tencor. This discussion, and the discussion that followed in subsequent meetings of the Lam Research Board, included certain of the items noted below in the section entitled "Lam Research's Reasons for the Merger; Recommendation of the Lam Research Board of Directors." At the meeting, the Lam Research Board approved the engagement of Goldman Sachs as Lam Research's financial advisor for the potential business combination transaction and preliminary discussions by members of Lam Research management with members of KLA-Tencor management regarding the potential business combination transaction.

After May 14, 2015, members of Lam Research management met with representatives of Goldman Sachs and Jones Day, Lam Research's outside legal advisor, to discuss possible approaches and strategies for engaging in discussions with KLA-Tencor. During the following weeks, representatives of Lam Research management, Goldman Sachs and Jones Day held internal discussions and analyzed such an acquisition.

On June 15, 2015, the Lam Research Board held a special meeting to discuss a potential business combination with KLA-Tencor. Members of Lam Research management made a presentation regarding the strategic rationale for, and information relevant to, a possible business combination transaction with KLA-Tencor, including a review of (1) the strategic benefits of a transaction, (2) the industry position of both companies and (3) potential cost and revenue synergies of a business combination. Representatives of Jones Day made a presentation regarding the fiduciary duties of the members of the Lam Research Board in assessing any potential transaction. Representatives of Goldman Sachs discussed financial aspects of a potential transaction with KLA-Tencor. Lam Research management then discussed with the members of the Lam Research Board the anticipated process and timing if Lam Research were to make a proposal for a business combination transaction with KLA-Tencor. During the course of that meeting, the Lam Research Board determined that Lam Research management should continue to monitor KLA-Tencor's stock price and business developments and consider engaging in formal discussions with KLA-Tencor regarding a potential business combination in August 2015.

On August 7, 2015, the Lam Research Board held a special meeting to again consider a business combination with KLA-Tencor. At the meeting, members of Lam Research management reviewed the strategic rationale for a potential business combination with KLA-Tencor, including the potential benefits to stockholders and customers, potential synergies, and risks to achieving those synergies. Representatives of Goldman Sachs reviewed with the Lam Research Board developments in the stock market since the June 15, 2015, Lam Research Board meeting, the impact of those developments on a potential business combination transaction, and forecasts for Lam Research's business on a standalone basis prepared by Lam Research management, which forecasts would form the basis of the Lam Research Projections, as defined below in the section entitled

"Opinion of KLA-Tencor's Financial Advisor." Following discussion, the Lam Research Board authorized Mr. Anstice to discuss with Mr. Wallace due diligence and to provide a preliminary indication of interest to acquire KLA-Tencor.

On August 13, 2015, Messrs. Wallace and Anstice spoke at Mr. Anstice's request. During this meeting, Mr. Anstice stated that Lam Research was interested in acquiring KLA-Tencor but did not propose an acquisition price or other terms. Mr. Anstice further stated that (1) the matter had been discussed with the members of the Lam Research Board and they were supportive of the transaction; and (2) Lam Research had engaged in preliminary work related to obtaining the financing necessary to consummate the acquisition. Mr. Wallace told Mr. Anstice that he would discuss the matter with the KLA-Tencor Board.

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On August 14, 2015, Mr. Wallace discussed with Edward W. Barnholt, the chairman of the KLA-Tencor Board, his conversation with Mr. Anstice that had occurred the previous day. Messrs. Barnholt and Wallace agreed to convene a meeting of the KLA-Tencor Board in the following week to discuss the matter further.

Also on August 14, 2015, KLA-Tencor contacted Qatalyst Partners regarding retaining Qatalyst Partners, in light of the proposal from Lam Research, with respect to the evaluation of a potential change-of-control transaction for KLA-Tencor.

On August 15, 2015, Qatalyst Partners delivered a proposed engagement letter to KLA-Tencor.

Also on August 15, 2015, Messrs. Anstice and Wallace coordinated a process by which each company's management team would engage in preliminary diligence and acquisition discussions with the other.

During the week of August 17, 2015, representatives of KLA-Tencor management and Lam Research management met and exchanged business and financial information for the purpose of allowing each company to (1) better understand the other's prospects; (2) become more familiar with the other; and (3) determine whether the perceived strategic benefits of a business combination between the parties were supported. Following these meetings, Mr. Anstice told Mr. Wallace that Lam Research was preparing a formal proposal to acquire KLA-Tencor.

Also during the week of August 17, 2015, representatives of KLA-Tencor management and Lam Research management discussed amending the confidentiality agreement originally signed on April 17, 2014, to include a new standstill provision that would prevent either company from making a public acquisition proposal of the other for a period of one year.

On August 20, 2015, the KLA-Tencor Board met, with representatives of KLA-Tencor management, Qatalyst Partners and Wilson Sonsini Goodrich & Rosati, Professional Corporation, outside legal counsel to KLA-Tencor, which is referred to as Wilson Sonsini, in attendance. Mr. Wallace reported to the KLA-Tencor Board on his conversations with Mr. Anstice. Representatives of Wilson Sonsini reviewed with the members of the KLA-Tencor Board their fiduciary duties, including in the context of a potential sale of KLA-Tencor. The KLA-Tencor Board determined to form a committee of independent directors to (1) advise and direct KLA-Tencor management, including Mr. Wallace, with respect to the exploration, evaluation and negotiation of any strategic transactions; and (2) report to the KLA-Tencor Board on a regular basis regarding the status of KLA-Tencor management's progress. The KLA-Tencor Board retained the power to approve any strategic transaction. Mr. Barnholt, Robert M. Calderoni and Kevin J. Kennedy were appointed to this committee, which is referred to as the KLA Transactions Subcommittee. The KLA-Tencor Board also directed KLA-Tencor management to conduct additional work to assist the KLA-Tencor Board in better understanding both companies' long-term prospects.

On August 22, 2015, Mr. Anstice, on behalf of Lam Research, sent to Mr. Wallace, on behalf of KLA-Tencor, a non-binding proposal for Lam Research to acquire KLA-Tencor for \$30.00 in cash and 0.4946 of a share of Lam Research common stock for each share of KLA-Tencor common stock, implying a value of \$64.50 per KLA-Tencor share based on the closing price of Lam Research common stock on August 21, 2015. Lam Research's proposal stated that the implied pro-forma ownership of the combined company by KLA-Tencor stockholders would be approximately 31%. Messrs. Anstice and Wallace also discussed the proposal by phone.

On August 24, 2015, the KLA Transactions Subcommittee met, with representatives of KLA-Tencor management and Wilson Sonsini in attendance. The KLA Transactions Subcommittee discussed and approved the terms of the engagement letter between KLA-Tencor and Qatalyst Partners. At that point, representatives of Qatalyst Partners joined the meeting and reviewed the August 22, 2015, proposal from Lam Research with the

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KLA Transactions Subcommittee. The KLA Transactions Subcommittee instructed Mr. Wallace to advise Mr. Anstice that Lam Research's August 22, 2015, proposal would be considered by the KLA-Tencor Board at an upcoming special meeting.

On August 25, 2015, KLA-Tencor signed the engagement letter with Qatalyst Partners.

On August 25 and August 26, 2015, the Lam Research Board held a regularly scheduled meeting. Members of Lam Research's management and representatives of Goldman Sachs and Jones Day also attended for portions of the meeting during which the Lam Research Board discussed a potential business combination with KLA-Tencor. Mr. Anstice discussed with the Lam Research Board his delivery to Mr. Wallace of the August 22, 2015, proposal. Lam Research management (1) updated the Lam Research Board on the status of its due diligence review of KLA-Tencor; (2) reiterated the strategic rationale for a business combination; and (3) confirmed that due diligence to date continued to support that rationale. Representatives of Goldman Sachs discussed with the Lam Research Board the August 22, 2015, proposal, as well as a preliminary draft of the Lam Research Projections prepared by Lam Research management and financial aspects of the potential business combination transaction. At the meeting, the Lam Research Board then discussed and approved an amendment to the confidentiality agreement providing for a one year standstill with the same terms as the prior standstill.

On August 26, 2015, KLA-Tencor and Lam Research signed an amendment to the confidentiality agreement providing for a one year standstill with the same terms as the prior standstill.

On August 28, 2015, the KLA Transactions Subcommittee met with representatives of KLA-Tencor management and Wilson Sonsini in attendance. The KLA Transactions Subcommittee reviewed and approved the KLA-Tencor Projections, as defined below in the section entitled "Opinion of KLA-Tencor's Financial Advisor," to be shared with Qatalyst Partners for the purpose of allowing it to assist in the evaluation of a potential sale of KLA-Tencor. Mr. Wallace informed the KLA Transactions Subcommittee that he told Mr. Anstice that the KLA-Tencor Board would review Lam Research's August 22, 2015 proposal at a special meeting during the week of August 31, 2015.

On September 1, 2015, the KLA-Tencor Board met, with representatives of KLA-Tencor management, Qatalyst Partners and Wilson Sonsini in attendance. The representatives of KLA-Tencor management discussed the KLA-Tencor Projections with the KLA-Tencor Board. Representatives of Wilson Sonsini reviewed with the members of the KLA-Tencor Board their fiduciary duties. Representatives of Qatalyst Partners reviewed with the members of the KLA-Tencor Board a preliminary financial presentation concerning Lam Research's proposal. Representatives of Qatalyst Partners also discussed other strategic alternatives that might potentially be available to KLA-Tencor, including other companies that KLA-Tencor could contact if it wished to engage in a wider sale process. The KLA-Tencor Board discussed the likelihood that various other parties would be interested in and capable of pursuing an acquisition of KLA-Tencor and the risks associated with contacting these parties. Following the discussion, the KLA-Tencor Board instructed Mr. Wallace to formulate a response to Mr. Anstice, with the guidance of the KLA Transactions Subcommittee and the assistance of KLA-Tencor management, Qatalyst Partners and Wilson Sonsini that indicated that the financial terms of Lam Research's proposal should be improved.

Later on September 1, 2015, following the meeting of the KLA-Tencor Board, the KLA Transactions Subcommittee met, with representatives of KLA-Tencor management, Qatalyst Partners and Wilson Sonsini in attendance. During this meeting, the KLA Transactions Subcommittee discussed KLA-Tencor's proposed response to Lam Research.

On September 2, 2015, Messrs. Wallace and Anstice spoke. Mr. Wallace informed Mr. Anstice that Lam Research needed to improve the terms of its proposal before the KLA-Tencor Board would be interested in entering into additional discussions and suggested that there was a high degree of certainty for support of a proposal that valued KLA-Tencor in the mid-\$70s per share range. Mr. Anstice said that he would discuss the matter further with the Lam Research Board but that Lam Research would require more detailed financial information to have a basis to consider an increase in the value of its proposal.

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Later on September 2, 2015, the Lam Research Board held a special meeting. Members of Lam Research management and representatives of Goldman Sachs and Jones Day were also in attendance. At the meeting, members of Lam Research management reviewed with the Lam Research Board a five-year financial plan for Lam Research, which included the Lam Research Projections and was approved by the Lam Research Board. Representatives of Goldman Sachs discussed with the Lam Research board financial aspects of the five-year financial plan and a business combination with KLA-Tencor. Mr. Anstice updated the Lam Research Board on his discussions with Mr. Wallace earlier in the day. The Lam Research Board approved sending a letter to KLA-Tencor reiterating Lam Research's interest and requesting additional information.

On September 5, 2015, Mr. Anstice, on behalf of Lam Research, sent Mr. Wallace, on behalf of KLA-Tencor, a letter reiterating Lam Research's interest and requesting certain due diligence materials to permit Lam Research to understand the valuation of KLA-Tencor in additional detail. The Lam Research Projections were included with the letter.

On September 8, 2015, the KLA Transactions Subcommittee met, with representatives of KLA-Tencor management, Qatalyst Partners and Wilson Sonsini in attendance. The KLA Transactions Subcommittee discussed Lam Research's September 5, 2015, letter and determined to provide Lam Research with Case 2 of the KLA-Tencor Projections, as defined below in the section entitled "Certain Projections of Lam Research and KLA-Tencor - Certain Projections Reviewed by the KLA-Tencor Board - Projections for KLA-Tencor Prepared by KLA-Tencor."

On September 9, 2015, Messrs. Wallace and Anstice spoke to discuss additional due diligence matters and the synergy model that Lam Research was developing.

On September 12, 2015, representatives of KLA-Tencor management and Lam Research management met to further discuss the long term management plans of both companies.

On September 17, 2015, the Lam Research Board held a special meeting. Members of Lam Research management and representatives of Goldman Sachs and of Jones Day were also in attendance. Members of Lam Research management updated the Lam Research Board on the status of discussions with KLA-Tencor, and reviewed with the Lam Research Board the strategic value of a transaction with KLA-Tencor, the financial models relating to a transaction, and the anticipated cost and revenue synergies of a transaction. Members of Lam Research management then discussed with the Lam Research Board a potential increase in Lam Research's offer, after which the Lam Research Board authorized Lam Research management to propose to KLA-Tencor an increase in the offer.

On September 18, 2015, Messrs. Wallace and Anstice spoke. During this conversation, Mr. Anstice requested a meeting with Mr. Wallace and other representatives of KLA-Tencor management to discuss Lam Research's current thinking regarding an acquisition of KLA-Tencor. Messrs. Wallace and Anstice agreed to meet during the morning of September 21, 2015.

On September 19, 2015, a representative of KLA-Tencor management spoke with a representative of Lam Research management regarding the meeting to be held on September 21, 2015. During this conversation, the representative of KLA-Tencor management stressed the importance of Lam Research improving the terms of its offer to acquire KLA-Tencor.

On September 21, 2015, representatives of KLA-Tencor management, including Mr. Wallace, met with representatives of Lam Research management, including Mr. Anstice, to further discuss a business combination of KLA-Tencor and Lam Research. During this meeting, Messrs. Wallace and Anstice met separately to discuss Lam Research potentially increasing its offer for KLA-Tencor. Mr. Wallace proposed that Lam Research increase its offer to at least \$31.00 and 0.55 of a share of Lam Research common stock for each outstanding share of KLA-Tencor common stock. Mr. Wallace further proposed that, in view of the significant portion of the combined company to be owned by KLA-Tencor stockholders, Lam Research should appoint two directors currently serving on the KLA-Tencor Board to the Lam Research Board upon completion of the transaction. In a

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subsequent discussion on that day, Mr. Anstice stated that the Lam Research Board had not approved the submission of a revised proposal at that level, but that he would recommend that Lam Research make a proposal to acquire KLA-Tencor for \$31.50 in cash and 0.5 of a share of Lam Research common stock for each share of KLA-Tencor common stock, implying a value of \$65.54 per share based on the closing price of Lam Research common stock on September 21, 2015. Mr. Anstice also stated that he was supportive of two members of the KLA-Tencor Board joining the Lam Research Board. Mr. Anstice informed Mr. Wallace that, as a condition to Lam Research conducting additional discussions, KLA-Tencor would need to agree to negotiate exclusively with Lam Research for a period of time. Mr. Anstice also stated Lam Research's (1) desire to announce the acquisition prior to the time that both companies reported their quarterly earnings near the end of October 2015; and (2) interest in concluding discussions with KLA-Tencor on an expedited basis so that it could pursue other strategic opportunities if a transaction with KLA-Tencor was not feasible. Mr. Wallace stated that he would relay this conversation to the KLA-Tencor Board.

During the afternoon of September 21, 2015, the KLA-Tencor Board met, with representatives of KLA-Tencor management, Qatalyst Partners and Wilson Sonsini in attendance. Representatives of Wilson Sonsini reviewed with the members of the KLA-Tencor Board their fiduciary duties. Representatives of Qatalyst Partners reviewed with the members of the KLA-Tencor Board a preliminary financial presentation concerning the proposal outlined by Mr. Anstice earlier that day. Following discussion, the KLA-Tencor Board instructed Mr. Wallace to obtain a revised written non-binding proposal from Lam Research that was approved by the Lam Research Board. Further, the KLA-Tencor Board instructed Mr. Wallace to seek additional improvements to the financial terms of any formal proposal to be made by Lam Research.

Later on September 21, 2015, Messrs. Wallace and Anstice met. During this meeting, Mr. Wallace requested that Lam Research provide a new written indication of interest that had been approved by the Lam Research Board and setting forth an increased price per share from its prior written indication. In addition, Mr. Wallace requested that Lam Research further improve its offer beyond the terms outlined by Mr. Anstice earlier that day. Mr. Wallace informed Mr. Anstice that he would recommend to the KLA-Tencor Board that it accept a proposal for Lam Research to acquire KLA-Tencor for \$32.50 and 0.5 shares of Lam Research common stock for each share of KLA-Tencor common stock.

On September 22, 2015, the Lam Research Board held a special meeting. Members of Lam Research management and representatives of Goldman Sachs and Jones Day were also in attendance. At the meeting, members of Lam Research management updated the Lam Research Board on meetings between members of Lam Research management and members of KLA-Tencor management, and discussed with the Lam Research Board the proposals from Mr. Wallace (1) regarding an increase in Lam Research's offer; and (2) that two KLA-Tencor directors join the combined company's board of directors. Members of Lam Research management then reviewed with the Lam Research Board the company's available cash and the feasibility of increasing the cash component of Lam Research's offer for KLA-Tencor. The Lam Research Board then authorized Mr. Anstice to submit a revised proposal to Mr. Wallace.

Later on September 22, 2015, Messrs. Wallace and Anstice spoke. During this conversation, Mr. Anstice stated that the Lam Research Board had approved the submission of a revised non-binding proposal to acquire KLA-Tencor for \$32.00 in cash and 0.5 of a share of Lam Research common stock for each share of KLA-Tencor common stock, implying a value of \$64.82 per share based on the closing price of Lam Research common stock on September 22, 2015. In addition, two members of the KLA-Tencor Board would join the Lam Research Board upon completion of the transaction. Mr. Anstice stated that this was Lam Research's best and final proposal and that Lam Research would pursue other strategic opportunities if its proposal was not accepted.

Later on September 22, 2015, Mr. Anstice, on behalf of Lam Research, sent Mr. Wallace a letter confirming the terms of Lam Research's proposal made earlier that day. The letter included a draft exclusivity agreement obligating KLA-Tencor to negotiate exclusively with Lam Research for 40 days.

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On September 23, 2015, the KLA-Tencor Board met, with representatives of KLA-Tencor management, Qatalyst Partners and Wilson Sonsini in attendance. Representatives of Wilson Sonsini reviewed with the members of the KLA-Tencor Board their fiduciary duties. Representatives of Qatalyst Partners reviewed with the members of the KLA-Tencor Board a preliminary financial presentation concerning Lam Research's latest proposal. The members of the KLA-Tencor Board also discussed with the representatives of Qatalyst Partners other strategic alternatives that might potentially be available to KLA-Tencor, including other companies and financial sponsors that KLA-Tencor could contact if it wished to engage in a wider sale process. In this regard, the representatives of Qatalyst Partners discussed the concerns that financial sponsors may have concerning an acquisition of KLA-Tencor due to (1) the amount of leverage that could be added to KLA-Tencor's balance sheet; and (2) their future ability to achieve a liquidity event for their investment in KLA-Tencor. With the representatives of Qatalyst Partners and Wilson Sonsini, the members of the KLA-Tencor Board also reviewed the various actions taken and alternatives considered by the KLA-Tencor Board over the past several years in support of the KLA-Tencor Board's ongoing efforts to increase stockholder value. After discussion, the KLA-Tencor Board concluded that the best opportunity to maximize stockholder value at this time would be to proceed with Lam Research on an exclusive basis because, among other things, (1) there were only a small number of parties that might be interested in acquiring KLA-Tencor; (2) engaging in a wider sale process could result in rumors that might impact KLA-Tencor's relationships with customers, suppliers, business partners and employees; (3) conducting a wider sale process created too much risk that the proposal from Lam Research might be withdrawn; and (4) any definitive agreement with Lam Research would contain an ability for the KLA-Tencor Board to respond to unsolicited superior proposals. In view of these considerations, the KLA-Tencor Board determined (1) not to authorize Qatalyst Partners to contact other parties to determine their interest in a potential acquisition of KLA-Tencor; and (2) to authorize KLA-Tencor management to negotiate and enter into an exclusivity agreement with Lam Research.

On September 23, 2015, and September 24, 2015, Wilson Sonsini negotiated the terms of the exclusivity agreement with Jones Day.

On September 24, 2015, KLA-Tencor and Lam Research signed the exclusivity agreement. The exclusivity agreement provided that KLA-Tencor would not solicit or enter into other proposals to acquire more than 15% of the stock or assets of KLA-Tencor until the earlier to occur of (1) October 28, 2015; and (2) execution of a definitive agreement providing for the acquisition of KLA-Tencor by Lam Research.

Beginning on September 29, 2015, through October 20, 2015, KLA-Tencor and Lam Research engaged in ongoing mutual due diligence in numerous meetings. KLA-Tencor and Lam Research also made available due diligence materials to each other in virtual data rooms during this period. During the same period, representatives of KLA-Tencor and Lam Research also engaged in numerous meetings to discuss communication plans and overall deal coordination.

On September 29, 2015, the KLA Transactions Subcommittee met, with representatives of KLA-Tencor management and Wilson Sonsini in attendance. The KLA Transactions Subcommittee discussed the status of the proposed acquisition. In this and other meetings, the members of the KLA Transactions Subcommittee discussed with the representatives of Qatalyst Partners and Wilson Sonsini the impact that movements in the respective stock prices of KLA-Tencor and Lam Research had on the notional value of the proposed acquisition. The Transactions Committee ultimately determined to monitor this matter but take no action until the KLA-Tencor Board was prepared to make a final decision on entering into an acquisition with Lam Research due to continued movement in stock prices.

On October 1, 2015, the Lam Research Board held a special meeting. Members of Lam Research management and representatives of Goldman Sachs and Jones Day were also in attendance. At the meeting, members of Lam Research management updated the Lam Research Board on meetings between members of Lam Research management and members of KLA-Tencor management and on the execution of the exclusivity agreement. Mr. Anstice discussed with the Lam Research Board that Mr. Wallace had indicated to Mr. Anstice

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that as a result of Lam Research's most recent proposal, KLA-Tencor was prepared to continue discussions and negotiations of a business combination with Lam Research. Members of Lam Research management discussed with the Lam Research Board the expected process and timing to execute definitive agreements. The Lam Research Board then approved the engagement of Goldman Sachs in respect of the potential transaction with KLA-Tencor and in respect of the financing arrangements that would be undertaken to fund the purchase price. Members of Lam Research management then reviewed with the Lam Research Board (1) the status of discussions regarding the proposed financing arrangements; (2) the status and results of due diligence activities; (3) the proposed terms of the draft merger agreement; and (4) a communications strategy in connection with the proposed acquisition.

Also on October 1, 2015, Lam Research signed the engagement letter with Goldman Sachs.

On October 3, 2015, a representative of KLA-Tencor management discussed with a representative of Lam Research management potential terms of a cash and stock election mechanism that could be included in the draft merger agreement.

On October 4, 2015, Jones Day, on behalf of Lam Research, provided Wilson Sonsini, on behalf of KLA-Tencor, with a draft merger agreement. The draft merger agreement, among other things, (1) included a proposed \$300 million termination fee payable by KLA-Tencor to Lam Research if KLA-Tencor, among other things, terminated the merger agreement to accept a superior offer, with a reciprocal fee payable by Lam Research to KLA-Tencor if Lam Research terminated the merger agreement to, among other things, accept a superior offer; (2) provided for the reimbursement by KLA-Tencor of up to \$100 million of Lam Research's expenses if the merger agreement were terminated because it was not approved by KLA-Tencor stockholders, with a reciprocal expenses reimbursement by Lam Research to KLA-Tencor if the merger agreement were terminated because it was not approved by Lam Research stockholders; and (3) provided that Lam Research would use its reasonable best efforts to consummate the acquisition, subject to certain limitations.

On October 7, 2015, the KLA Transactions Subcommittee met, with representatives of KLA-Tencor management, Qatalyst Partners and Wilson Sonsini in attendance. The KLA Transactions Subcommittee discussed the status of the proposed acquisition. Representatives of Wilson Sonsini reviewed with the members of the KLA Transactions Subcommittee the principal terms of the draft merger agreement.

On October 8, 2015, the Lam Research Board held a special meeting. Members of Lam Research management and representatives of Goldman Sachs and Jones Day were also in attendance. At the meeting, representatives of Goldman Sachs provided a market update of the two companies' relative trading prices and the value and implied premium of Lam Research's proposal. The Lam Research Board evaluated the current value implied by the proposal as reviewed by the representatives of Goldman Sachs and determined to closely monitor the relative trading prices of the companies but make no changes to the proposal at that time. Members of Lam Research management then reviewed with the Lam Research Board (1) the proposed communications plan in connection with the proposed acquisition; (2) the proposed equity and debt capitalization of the combined company; (3) the status of discussions with rating agencies concerning the combined company's debt; (4) the terms and costs of the proposed financing arrangements; (5) an update on the draft merger agreement; and (6) an update on due diligence activities.

On October 9, 2015, Wilson Sonsini, on behalf of KLA-Tencor, provided Jones Day, on behalf of Lam Research, with comments to the draft merger agreement. The comments to the merger agreement, among other things, (1) noted that the termination fees to be paid by KLA-Tencor and Lam Research were still under negotiation; (2) removed the concept of expense reimbursement if the stockholders of either party failed to approve the acquisition; and (3) narrowed the scope of the limitations on Lam Research's obligation to use its reasonable best efforts to consummate the acquisition.

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On October 12, 2015, the KLA Transactions Subcommittee met, with representatives of KLA-Tencor management and Wilson Sonsini in attendance. The KLA Transactions Subcommittee discussed the status of the proposed acquisition. Representatives of Wilson Sonsini reviewed with the members of the KLA Transactions Subcommittee their fiduciary duties.

Later on October 12, 2015, Messrs. Wallace and Anstice met to discuss the status of the proposed acquisition.

Later on October 12, 2015, Jones Day and Wilson Sonsini met to negotiate certain of the terms of the merger agreement.

On October 13, 2015, representatives of KLA-Tencor management, including Mr. Wallace, met with representatives of Lam Research management, including Mr. Anstice, to discuss the (1) 2016 operating plans of KLA-Tencor and Lam Research; (2) preliminary financial results for each company for the quarter ending in September 2015; and (3) preliminary financial guidance for each company for the quarter ending in December 2015.

Later on October 13, 2015, the KLA Transactions Subcommittee met, with representatives of KLA-Tencor management, Qatalyst Partners and Wilson Sonsini in attendance. The KLA Transactions Subcommittee discussed the status of the proposed acquisition, including the terms of the draft merger agreement and the meeting of the two companies' management teams that occurred earlier that day. After discussing the meeting of the two companies' management teams earlier in the day, the KLA Transactions Subcommittee concluded to continue working toward an announcement of the acquisition in late October 2015. With the representatives of Qatalyst Partners and Wilson Sonsini, the members of the KLA Transactions Subcommittee engaged in a general discussion of the process of choosing the members of the KLA-Tencor Board who would join the Lam Research Board.

On October 15, 2015, the Lam Research Board held a special meeting. Members of Lam Research management and representatives of Goldman Sachs and Jones Day were also in attendance. Members of Lam Research management provided (1) an analysis of the potential cost and revenue synergies and updates on due diligence activities; (2) the status of negotiations of the merger agreement, (3) the terms and costs of the proposed financing arrangements and (4) an update on discussions with rating agencies.

Later on October 15, 2015, Jones Day, on behalf of Lam Research, provided Wilson Sonsini, on behalf of KLA-Tencor, with comments to the draft merger agreement. The comments to the merger agreement, among other things, (1) noted that the termination fees to be paid by KLA-Tencor and Lam Research were still under negotiation; (2) noted that the concept of expense reimbursement if the stockholders of either party failed to approve the acquisition was still under negotiation; and (3) provided that Lam Research's obligation to use its reasonable best efforts to consummate the acquisition would be subject to certain limitations.

Also on October 15, 2015, KLA-Tencor provided Lam Research with Case 1 of the KLA-Tencor Projections, as defined below in the section entitled "Certain Projections of Lam Research and KLA-Tencor" and "Certain Projections Reviewed by the KLA-Tencor Board" and "Projections for KLA-Tencor Prepared by KLA-Tencor."

On October 16, 2015, Wilson Sonsini, on behalf of KLA-Tencor, provided Jones Day, on behalf of Lam Research, with comments to the draft merger agreement. The comments to the merger agreement, among other things, (1) proposed termination fees to be paid by KLA-Tencor and Lam Research of \$290 million; (2) removed the concept of expense reimbursement if the stockholders of either party failed to approve the acquisition; and (3) narrowed the scope of the limitations on Lam Research's obligation to use its reasonable best efforts to consummate the acquisition. The parties also discussed the terms of a retention bonus plan proposed to be implemented by KLA-Tencor for KLA-Tencor employees.

On October 17, 2015, the Lam Research Board held a special meeting. Members of Lam Research management and representatives of Goldman Sachs and of Jones Day were also in attendance. Members of Lam

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Research management updated the Lam Research Board on the (1) planned communications activity; (2) status and results of due diligence activities; (3) status of negotiations of the merger agreement; and (4) terms and costs of the proposed financing arrangements. Representatives of Goldman Sachs reviewed with the Lam Research Board the financial analysis of the merger consideration to be paid by Lam Research pursuant to the proposed merger agreement. Representatives of Jones Day reviewed again with the members of the Lam Research Board their fiduciary duties in connection with the potential transaction. Representatives of Jones Day also reviewed the terms of the draft merger agreement and the remaining points of negotiation of the merger agreement, as well as the legal terms of Lam Research's proposed financing arrangements. The Lam Research Board indicated that management, Goldman Sachs and Jones Day should work to finalize the definitive merger agreement.

On October 18, 2015, the KLA-Tencor Board met, with representatives of KLA-Tencor management, Qatalyst Partners, Wilson Sonsini and Davis Polk & Wardwell LLP, special antitrust and competition law counsel to KLA-Tencor, in attendance. The representatives of KLA-Tencor management discussed with the members of the KLA-Tencor Board the results of the due diligence performed by KLA-Tencor on Lam Research. Representatives of Wilson Sonsini reviewed with the members of the KLA-Tencor Board (1) their fiduciary duties; (2) their decision to negotiate with Lam Research on an exclusive basis; and (3) the terms of the draft merger agreement, including the KLA-Tencor Board's ability to terminate the merger agreement to accept a superior offer in conjunction with paying Lam Research a termination fee and Lam Research's right to match a superior offer. Representatives of Wilson Sonsini also reviewed the remaining points of negotiation in the merger agreement. Representatives of Qatalyst Partners reviewed with the members of the KLA-Tencor Board a financial presentation concerning Lam Research's proposal. The members of the KLA-Tencor Board discussed the terms of the proposed acquisition. Following discussion, the KLA-Tencor Board determined to proceed with Lam Research's proposal and instructed KLA-Tencor management to finalize the merger agreement.

Later on October 18, 2015, Messrs. Wallace and Anstice discussed the status of the proposed acquisition.

On October 19 and 20, 2015, Wilson Sonsini, on behalf of KLA-Tencor, negotiated the final terms of the merger agreement with Jones Day, on behalf of Lam Research.

On October 20, 2015, the Lam Research Board held a special meeting. Members of Lam Research management and representatives of Goldman Sachs and Jones Day were also in attendance. Members of Lam Research management discussed with the Lam Research Board the (1) completion of due diligence; (2) negotiation of the final terms of the merger agreement; and (3) planned communications activity. Representatives of Jones Day updated the Lam Research Board on changes, since the last meeting of the Lam Research Board, in the legal terms of the merger agreement and the proposed financing arrangements. Representatives of Goldman Sachs reviewed with the Lam Research Board an update to the financial analysis of the merger consideration to be paid by Lam Research pursuant to the merger agreement. At the conclusion of its review, Goldman Sachs rendered Goldman Sachs' oral opinion, subsequently confirmed by delivery of a written opinion dated October 20, 2015, that as of October 20, 2015, and based upon and subject to the factors and assumptions set forth in Goldman Sachs' written opinion, the merger consideration to be paid by Lam Research pursuant to the merger agreement was fair from a financial point of view to Lam Research. For more information about Goldman Sachs' opinion, see the section below entitled "Opinion of Lam Research's Financial Advisor." The Lam Research Board then discussed potential reasons for and against entering into an acquisition with KLA-Tencor. After this discussion, the Lam Research Board unanimously (1) determined that the merger agreement and the transactions contemplated by the merger agreement were fair to, and in the best interests of, Lam Research and its stockholders, and were advisable; (2) approved the merger agreement; (3) authorized the issuance of Lam Research common stock as contemplated by the merger agreement; and (4) recommended to the Lam Research stockholders that they approve the issuance of Lam Research common stock in connection with the merger.

Later on October 20, 2015, the KLA-Tencor Board met, with representatives of KLA-Tencor management, Qatalyst Partners and Wilson Sonsini in attendance. Representatives of Wilson Sonsini reviewed with the members of the KLA-Tencor Board their fiduciary duties. Representatives of Qatalyst Partners reviewed with the

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members of the KLA-Tencor Board Qatalyst Partners' financial analysis of Lam Research's proposal. Following this, Qatalyst Partners rendered its oral opinion, subsequently confirmed in writing, that as of October 20, 2015, and based upon and subject to the various limitations, qualifications, assumptions and other matters set forth in its written opinion, the merger consideration to be received by the holders of shares of KLA-Tencor common stock, other than Lam Research or any affiliates of Lam Research, pursuant to the merger agreement was fair, from a financial point of view, to such holders. For more information about Qatalyst Partners' opinion, see the section below entitled "Opinion of KLA-Tencor's Financial Advisor." Following this, the KLA-Tencor Board discussed potential reasons for and against entering into an acquisition with Lam Research. After this discussion, the KLA-Tencor Board unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement were fair to, advisable and in the best interests of KLA-Tencor and KLA-Tencor stockholders; (2) adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement; and (3) recommended that KLA-Tencor stockholders vote in favor of adoption of the merger agreement at any meeting of KLA-Tencor stockholders to be called for the purposes of acting on that recommendation.

Later on October 20, 2015, Lam Research and KLA-Tencor executed the merger agreement.

On October 21, 2015, prior to the opening of trading of the common stock on the NASDAQ Global Select Market, Lam Research and KLA-Tencor issued a joint press release announcing the entry into the merger agreement.

KLA-Tencor's Reasons for the Merger; Recommendation of the KLA-Tencor Board

In adopting and approving the merger agreement and recommending that KLA-Tencor stockholders approve the Merger proposal, the KLA-Tencor Board considered a number of factors, including the factors described below, and a substantial amount of information, including information regarding certain of the factors described below, was reviewed and discussed with KLA-Tencor's management and legal and financial advisors.

The following discussion of the information and factors considered by the KLA-Tencor Board in reaching its conclusions and recommendation includes the material factors considered, but is not intended to be exhaustive. In view of the wide variety of factors considered in connection with its evaluation of the merger and the complexity of these matters, the KLA-Tencor Board did not find it practicable, and did not attempt, to quantify, rank or assign any relative or specific weights to the various factors that it considered in reaching its determination to adopt and approve the merger agreement and to recommend that KLA-Tencor stockholders approve the Merger proposal. In considering the factors described below, individual members of the KLA-Tencor Board may have given differing weights to different factors.

The principal factors that the KLA-Tencor Board believes support its approval and recommendation of the approval of the Merger proposal include the following:

Merger Consideration. The fact that the merger consideration provides KLA-Tencor stockholders with a combination of cash and Lam Research common stock or an opportunity to elect either all-cash or all-stock consideration, subject to the proration procedures, giving KLA-Tencor stockholders an opportunity to receive liquidity for their KLA-Tencor common stock, an interest in the combined company at closing, or both. This provides KLA-Tencor stockholders a level of price certainty, liquidity and downside protection while simultaneously providing them with the opportunity for a substantial ownership interest in Lam Research following the completion of the merger.

The implied value of the per-share merger consideration of \$32.00 in cash and 0.5 shares of Lam Research common stock compares favorably to the per-share value of KLA-Tencor common stock implied by KLA-Tencor's risk-adjusted standalone plan, in light of the anticipated consolidation in KLA-Tencor's customer and supplier base and KLA-Tencor's anticipated increase in research and development costs in order to bring new products to market on an annual basis that meet customer demands. The implied value of the merger consideration also represents: (1) an approximate premium

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of 24% based on the unaffected closing prices per share of KLA-Tencor and Lam Research common stock on October 20, 2015, the day prior to announcement of the merger agreement; and (2) an approximate premium of 31% based on the average closing price per share of KLA-Tencor common stock over the 30-trading-day period ended October 20, 2015 and the average closing price per share of Lam Research common stock over the 30-trading-day period ended October 20, 2015.

Strategic Considerations. The KLA-Tencor Board's belief that the merger will provide a number of strategic opportunities for the combined company, including the combined company's (1) complementary capabilities in wafer processing and process control; (2) increased scale, enabling more comprehensive support capabilities tailored to customers' needs; (3) acceleration of innovation through increased opportunity and capability to address customers' escalating technical and economic challenges; (4) product line diversification; and (5) management depth and breadth.

Participation in Future Appreciation. The fact that a portion of the merger consideration will be paid in shares of Lam Research common stock, which will provide KLA-Tencor stockholders who elect the mixed consideration or the all-stock consideration, or who elect the cash consideration but are subject to proration, with ownership of approximately 32% of the combined company after the closing of the merger. In evaluating the potential of the combined company, the KLA-Tencor Board considered the business, operations, financial condition, earnings and prospects of both KLA-Tencor and Lam Research, taking into account the results of KLA-Tencor's due diligence review of Lam Research. Ownership in the combined company will enable KLA-Tencor stockholders to share in:

The annualized cost synergies expected to be realized by Lam Research of approximately \$250 million within 18 to 24 months of closing of the merger; and

The anticipated \$600 million in incremental annual revenue expected to be realized by Lam Research by 2020 as a result of improved differentiation of each company's products and creation of new capabilities.

Integration. The KLA-Tencor Board's belief that given the similarities in core values, cultures, geographic presence, complementary product lines, and customer acceptance, integration of the two companies would be successful, thereby enabling the combined company to achieve the anticipated synergies and incremental revenue from the merger, and provide opportunities for employees of KLA-Tencor.

Board Representation. The fact that the terms of the merger agreement provide that two members of the KLA-Tencor Board will be appointed to the Lam Research Board, effective as of immediately after the closing of the merger.

Fixed Lam Research Common Stock Component. The fact that the stock portion of the merger consideration is a fixed number of shares of Lam Research common stock that will not fluctuate as a result of changes in the price of KLA-Tencor common stock or Lam Research common stock prior to the merger, which provides certainty to KLA-Tencor stockholders as to their ownership interest in Lam Research following completion of the merger.

Election Procedure. The fact that the election mechanism in the merger agreement offers KLA-Tencor stockholders the opportunity to seek their desired form of consideration, subject to proration, providing KLA-Tencor stockholders the flexibility to elect all-cash, all-stock or mixed consideration, depending on their individual specific requirements and preferences.

Tax-Free Reorganization. The fact that the mergers are expected to qualify as a tax-free transaction to KLA-Tencor stockholders in respect of the shares of Lam Research common stock they may receive upon the exchange of such holder's shares of KLA-Tencor

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common stock for U.S. federal income tax purposes.

Opinion of Financial Advisor. The opinion of Qatalyst Partners, dated October 20, 2015, delivered to the KLA-Tencor Board that, as of the date of the opinion and based upon and subject to the various limitations, qualifications, assumptions and other matters set forth therein, the merger consideration to

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be received by the holders of KLA-Tencor common stock, other than Lam Research or any affiliates of Lam Research, was fair, from a financial point of view, to such holders, as more fully described below in the section entitled **Opinion of KLA-Tencor's Financial Advisor**.

Superior Proposals. The fact that the KLA-Tencor Board has the ability to change its recommendation in favor of the merger upon receipt of a superior proposal if the failure to take such action would be reasonably likely to be inconsistent with the fiduciary duties of the members of the KLA-Tencor Board under applicable law and after compliance with the requirements set forth in the merger agreement. The KLA-Tencor Board believes that the termination fee, equal to approximately 2.7% of the equity value of the merger, is reasonable and will not unduly impede the ability of a third party to make a superior proposal.

Strategic Alternatives. The perceived risks and expected risk-adjusted value of continuing as a standalone public company or pursuing other alternatives, including potential expansion opportunities into new business lines through licensing, acquisitions and combinations with other businesses, investment in and development of new products, and the likelihood that other parties would propose, and be able to successfully complete, an alternative transaction that would provide superior value to that of the merger.

Fiduciary Duties. The fiduciary duties of the members of the KLA-Tencor Board in light of the foregoing.

The KLA-Tencor Board also considered a variety of risks and other potentially negative factors concerning the merger agreement and the merger, including the following:

the risk of not capturing all of the anticipated operational synergies and cost savings between KLA-Tencor and Lam Research and the risk that other anticipated benefits might not be realized in the expected timeframe or at all;

the risk that failure to complete the merger could negatively affect the price of KLA-Tencor common stock and future business and financial results of KLA-Tencor;

the potential risk of disruption to and attrition of the KLA-Tencor employee base during the pendency of the merger;

the potential risk of diverting management focus and resources from operational matters and other strategic opportunities while working to implement the merger;

the substantial costs to be incurred in connection with the merger, including the costs of integrating the businesses of KLA-Tencor and Lam Research and the expenses arising from the merger;

the fact that under the terms of the merger agreement, KLA-Tencor is unable to solicit other acquisition proposals during the pendency of the merger;

the restrictions on the conduct of KLA-Tencor's business prior to the consummation of the merger, including the requirement that KLA-Tencor conduct its business in the ordinary course, subject to specific limitations, which may delay or prevent KLA-Tencor from undertaking business opportunities that may arise before the completion of the merger and that, absent the merger agreement, KLA-Tencor may have pursued;

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the obligation to pay to Lam Research a termination fee of \$290 million if the merger agreement is terminated under certain circumstances as provided in the merger agreement;

the risk that governmental entities may not approve the merger or may impose conditions on KLA-Tencor or Lam Research in order to gain approval for the merger that may adversely impact the ability of the combined company to realize the synergies that are projected to occur in connection with the merger;

the possibility that the merger may not be completed, or that completion may be unduly delayed, for reasons that include the failure of a majority of the outstanding shares of KLA-Tencor to adopt the

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merger agreement or the failure of Lam Research stockholders to approve the issuance of shares of Lam Research common stock in connection with the merger, or for other reasons beyond the control of KLA-Tencor or Lam Research;

the fact that the stock portion of the merger consideration is a fixed number of shares of Lam Research common stock that will not fluctuate as a result of changes in the price of KLA-Tencor common stock or Lam Research common stock prior to the merger, which means that the value of the merger consideration could decrease prior to the merger if the trading price of Lam Research common stock decreases;

the potential effect of the announcement of the merger on KLA-Tencor's business and relationships with customers, suppliers and the communities in which it operates;

the risk that key members of senior management might choose not to remain employed with KLA-Tencor prior to the completion of the merger or with the combined company after the merger; and

the risks of the type and nature described under the section entitled Risk Factors, and the matters described under the section entitled Special Note Regarding Forward-Looking Statements.

The KLA-Tencor Board also was apprised of certain interests in the merger of executive officers and the directors that may be different from, or in addition to, the interests of KLA-Tencor stockholders generally as discussed below in the section entitled Interests of KLA-Tencor Directors and Executive Officers in the Merger.

The KLA-Tencor Board has unanimously (1) determined that the merger agreement, the merger and the other transactions contemplated by the merger agreement are fair to, advisable and in the best interests of KLA-Tencor and its stockholders; and (2) adopted and approved the merger agreement, the merger and the other transactions contemplated by the merger agreement. The KLA-Tencor Board unanimously recommends that KLA-Tencor stockholders vote FOR the Merger proposal.

Lam Research's Reasons for the Merger; Recommendation of the Lam Research Board

The Lam Research Board considered many factors in making its determination that the terms of the merger agreement are fair to, and in the best interests of, Lam Research stockholders, to approve the merger agreement and the transactions contemplated by the merger agreement, and to recommend that Lam Research stockholders approve the Share Issuance proposal.

Positive Factors

In arriving at its determination, the Lam Research Board consulted with Lam Research's management, as well as with Lam Research's legal and financial advisors, reviewed a significant amount of information and considered a number of factors that it viewed as supporting its decisions, including (not in any relative order of importance) the following:

Benefits to Customers:

Complementary Product Portfolio and Future Product Opportunities. The pairing of Lam Research's capabilities in deposition, etch and single-wafer clean, and KLA-Tencor's products in inspection and metrology, is expected to create a premier semiconductor equipment company with industry leading and complementary capabilities, and provide a strong platform for continuing industry outperformance. The combined company will have the capability to better understand the unit process technical performance and interdependencies of adjacent technologies and product portfolios to deliver products and services to customers that neither company could offer independently. In addition, the combined company will have an enhanced capability to invest in new technologies, products and services at the intersection of process and process control.

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More Opportunities and Better Ability to Meet Customer Challenges and Demands. The pairing of Lam Research and KLA-Tencor brings together industry leadership in process and process control, increasing the combined company's opportunities and capability to address customers' escalating technical and economic challenges, which are driven by market demand for lower power, higher performance and smaller form factor devices, and by the technical challenge to extend Moore's Law by improving uniformity, reducing variability and accelerating yield.

Future Market Opportunities. This is an opportune time to bring Lam Research and KLA-Tencor together because customer product development roadmaps will continue to require enhanced collaboration and innovation by semiconductor equipment manufacturers as the complexity of semiconductor-dependent devices increases due to continuing technology scaling and its associated escalating challenges, and continued expansion in areas such as the internet of things, mobile devices and cloud computing.

Benefits to Stockholders:

Broad Market Relevance, Sustained Growth through Market Cycles and Market Expansion. The combined company will have a comprehensive presence, drawn from complementary products and technologies, across geographies, memory and logic/foundry market segments, and customers. It is expected to provide opportunities to expand the available market served by the combined company's products, and to provide value creating opportunities with every major semiconductor manufacturing company.

Best Strategic Alternative. The Lam Research Board believes that the benefits from the merger and related transactions are superior to alternatives reasonably available to Lam Research, including recapitalizations, restructurings, strategic alliances and other acquisition candidates, and the ability of Lam Research to achieve its strategic goals will be enhanced by completing the merger, as compared to remaining a stand-alone company.

Expected Cost Synergies. The transaction is expected to generate approximately \$250 million in annual on-going pre-tax cost synergies within 18 to 24 months after completing the merger.

Expected Revenue Synergies. The transaction is expected to generate approximately \$600 million in annual revenue synergies by 2020, through strengthening unit process performance and realizing benefits from the complementary strengths of the combined company.

Expected to be Accretive to Financial Performance. The transaction is expected to be accretive to Lam Research's non-GAAP earnings and free cash flow per share during the first 12 months after completing the merger.

Compatible Corporate Cultures. The Lam Research Board believes that integration of Lam Research and KLA-Tencor should be successful because the geographic proximity and compatible corporate culture of the two companies. The two companies share a similar focus on technology leadership and innovative business spirit with a foundation of operational excellence.

Implied Ownership of the Combined Company Allows for Significant Participation in the Combined Company. Upon completion of the merger, Lam Research stockholders will own approximately 67% of the combined company, providing them significant opportunity to participate in the future performance of the combined company, including the expected synergies.

Sufficiency of Resources of the Combined Company. The anticipated market capitalization, liquidity and capital structure of the combined company should well position the combined company to compete, and to invest in the combined company's growth.

Favorable Debt Financing; Availability. The terms of the debt financing expected to be obtained in connection with the merger are favorable, and it is likely that the necessary financing will be obtained given the financing commitments obtained in connection with the merger.

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Analyses and Opinion of Financial Advisor. The Lam Research Board reviewed financial analyses presented by Goldman Sachs to the Lam Research Board, as described below under ***Opinion of Lam Research's Financial Advisor,*** and the opinion of Goldman Sachs rendered to the Lam Research Board to the effect that, as of October 20, 2015 and based upon and subject to the factors and assumptions set forth in its written opinion, the consideration to be paid by Lam Research pursuant to the merger agreement was fair from a financial point of view to Lam Research. See the section below entitled ***Opinion of Lam Research's Financial Advisor.***

Due Diligence Investigation Results. The Lam Research Board's knowledge and understanding of Lam Research's business, operations, management, financial condition, earnings and prospects, and of KLA-Tencor's business, operations, management, financial condition, earnings and prospects (taking into account the results of Lam Research's due diligence review of KLA-Tencor), support the Lam Research Board's evaluation that the merger could reasonably be expected to have significant benefits for Lam Research and its stockholders (including cost synergies, revenue synergies, earnings accretion, and an enhanced ability to deliver solutions to customers), and the Lam Research Board's evaluation of the relative values of Lam Research and KLA-Tencor in connection with a determination of the appropriate merger consideration.

Tax-Free Nature of Reorganization. The Lam Research Board believes that the transaction should be attractive to KLA-Tencor stockholders because the merger consideration will consist of a mix of cash and Lam Research stock, and it is expected that payment of the stock portion of the merger may be exchanged for KLA-Tencor common stock on a tax free basis.

Cash/Stock Election. The Lam Research Board believes that the merger should be attractive to KLA-Tencor stockholders because the KLA-Tencor stockholders will be offered an opportunity to elect all-cash, all-stock or mixed consideration (subject, in the case of the all-cash and all-stock elections, to proration), with the total aggregate cash to be paid and Lam Research stock to be issued limited to fixed amounts.

Experience with Acquisition and Integration. The Lam Research Board believes that Lam Research will successfully integrate KLA-Tencor and the combined company will achieve the expected synergies given Lam Research's past experience with successfully acquiring and integrating Novellus Systems, Inc., and in achieving the projected synergies of the Novellus acquisition.

Terms of the Merger Agreement. The Lam Research Board believes that the conditions to Lam Research's obligation to complete the merger and Lam Research's ability under certain circumstances to terminate the merger agreement are fair to the Lam Research stockholders, and believes that there are no material impediments to completing the transaction as proposed.

Enhanced Opportunities for Employees. The increased scale of the combined company provides opportunities for innovation, achievement and professional growth, enhancing the combined company's opportunity to attract, motivate and retain top talent.

Potentially Negative Factors, Uncertainties and Risks

The Lam Research Board weighed the foregoing against a number of potentially negative factors, uncertainties and risks, including (not in any relative order of importance):

Risks of Failure to Complete the Merger. The risk that the merger may not be completed despite the parties' efforts, including the possibility that the conditions to the parties' obligations to complete the merger may not be satisfied, and the potential resulting disruption to Lam Research's business.

Challenges Relating to Combining the Companies. The challenges inherent in combining the businesses, operations and workforces of two major semiconductor equipment manufacturers, including the potential for (1) unforeseen difficulties in integrating operations and systems; (2) the possible distraction of management attention for an extended period of time; and (3) difficulties in retaining and

assimilating employees.

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Risks Relating to the Benefits of the Merger, Including Synergies. The risk of not capturing all the anticipated operational and revenue synergies expected as a result of the merger, or that the actual financial condition and results of operations of the combined company may not be consistent with the pro forma financial statements or financial forecasts prepared by Lam Research and KLA-Tencor, and the risk that other anticipated benefits may not be realized, including the impact of any such developments on the financial attractiveness of the merger to Lam Research stockholders.

Risks Relating to Diversion of Management Focus and Resources. The risk of diverting Lam Research management's focus and resources from other strategic opportunities and from operational matters while working to implement the merger.

Costs of the Merger and Integration. The substantial costs to be incurred in connection with the merger, including costs to integrate the businesses of Lam Research and KLA-Tencor.

Risks Relating to Governmental Approvals or Imposition of Conditions. The risk that governmental entities may delay, oppose or refuse to approve the merger or impose conditions on Lam Research and/or KLA-Tencor prior to approving the merger that may adversely impact the ability of the combined company to realize synergies and other benefits that are projected to occur in connection with the merger.

Risks Relating to Retention of Key Personnel. The risk that, despite the combined efforts of Lam Research and KLA-Tencor prior to and after the consummation of the merger, the combined company may lose key personnel.

Risks Relating to Retention of Customers and Suppliers. The risk of loss of customers or suppliers prior to and following the merger.

Dilution. The dilution associated with the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger.

Risks Relating to Termination Fee and Other Deal Protections. The risk that Lam Research would be required to pay a termination fee of \$290 million under certain circumstances and the risk that the requirement to pay the termination fee, as well as other terms of the merger agreement, could have the effect of discouraging other parties that would otherwise be interested in a transaction with Lam Research from proposing such a transaction.

Restrictions on the Conduct of Business. The restrictions on the conduct of Lam Research's business during the period between execution of the merger agreement and the consummation of the merger, including the degree to which the merger agreement will limit the ability of Lam Research to carry out capital transactions, to conduct other significant acquisitions, or take other significant actions outside the ordinary course of business.

The Absence of a Financing Condition. The absence of a financing condition to Lam Research's obligation to complete the merger, and KLA-Tencor's ability to specifically enforce Lam Research's obligations under the merger agreement.

Risks Relating to the KLA-Tencor Board's Ability to Change Its Recommendation. The ability of the KLA-Tencor Board, under certain circumstances and subject to certain conditions, to change its recommendation in favor of the transactions in response to a superior proposal or an intervening event, if the KLA-Tencor Board determines in good faith and in consultation with its outside legal counsel that failure to take such action would be reasonably likely to be inconsistent with its fiduciary duties.

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Other Risk and Uncertainties. Other risks and uncertainties of the type and nature described in the section entitled Risk Factors, and the matters described in the section entitled Special Note Regarding Forward-Looking Statements. This discussion of the information and factors considered by the Lam Research Board in reaching its conclusions and recommendation is not intended to be exhaustive, but rather includes material factors considered

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by the Lam Research Board. In view of the wide variety of factors considered in connection with its evaluation of the merger and the merger agreement and the complexity of these matters, the Lam Research Board did not find it useful and did not attempt to assign any relative or specific weights to the various factors that it considered in reaching its determination to approve the merger agreement and the transactions contemplated by the merger agreement and to recommend that Lam Research stockholders vote FOR the Share Issuance proposal. In addition, individual members of the Lam Research Board may have assigned different weights to different factors. The Lam Research Board conducted an overall analysis of the factors described above, including through discussions with, and questioning of, Lam Research's management and outside legal and financial advisors.

The Lam Research Board unanimously approved the merger agreement and the transactions contemplated by the merger agreement and determined that the merger agreement and the transactions contemplated thereby, including the merger and the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger, are fair to, and in the best interests of, Lam Research and its stockholders, and are advisable. The Lam Research Board unanimously recommends that the Lam Research stockholders vote FOR the Share Issuance proposal.

Opinion of Lam Research's Financial Advisor

On October 20, 2015, at a meeting of the Lam Research Board, Goldman Sachs rendered its oral opinion, subsequently confirmed in writing, to the effect that, as of October 20, 2015 and based upon and subject to the factors and assumptions set forth in Goldman Sachs's written opinion, the aggregate merger consideration to be paid by Lam Research pursuant to the merger agreement was fair from a financial point of view to Lam Research.

The full text of the written opinion of Goldman Sachs, dated October 20, 2015, which sets forth assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex B. Goldman Sachs provided its opinion for the information and assistance of the Lam Research Board in connection with its consideration of the merger. The Goldman Sachs opinion is not a recommendation as to how any holder of KLA-Tencor common stock or any holder of Lam Research common stock should vote with respect to the merger, or any other matter.

In connection with rendering the opinion described above and performing its related financial analyses, Goldman Sachs reviewed, among other things:

the merger agreement;

annual reports to stockholders and Annual Reports on Form 10-K of Lam Research for the five fiscal years ended June 28, 2015;

annual reports to stockholders and Annual Reports on Form 10-K of KLA-Tencor for the five fiscal years ended June 30, 2015;

certain interim reports to stockholders and Quarterly Reports on Form 10-Q of Lam Research and KLA-Tencor;

certain other communications from Lam Research and KLA-Tencor to their respective stockholders;

certain publicly available research analyst reports for Lam Research and KLA-Tencor;

certain internal financial analyses and forecasts for KLA-Tencor prepared by its management; and

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certain internal financial analyses and forecasts for Lam Research and certain financial analyses and forecasts for KLA-Tencor, in each case, as prepared by the management of Lam Research and approved for Goldman Sachs use by Lam Research, which are referred to as the Forecasts, including certain operating synergies projected by the managements of Lam Research and KLA-Tencor to result from the merger, as approved for Goldman Sachs use by Lam Research, which are referred to as the Lam Research Synergies. See the section below entitled Certain Projections of Lam Research and KLA-Tencor Certain Projections Reviewed by the Lam Research Board.

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Goldman Sachs also held discussions with members of the senior managements of Lam Research and KLA-Tencor regarding their assessment of the past and current business operations, financial condition and future prospects of KLA-Tencor and with the members of senior management of Lam Research regarding their assessment of the past and current business operations, financial condition and future prospects of Lam Research and the strategic rationale for, and the potential benefits of, the merger; reviewed the reported price and trading activity for the shares of Lam Research common stock and the shares of KLA-Tencor common stock; compared certain information for Lam Research and KLA-Tencor with similar information for certain other companies the securities of which are publicly traded; reviewed the financial terms of certain recent business combinations in the semiconductor industry and in other industries; and performed such other studies and analyses, and considered such other factors, as it deemed appropriate.

For purposes of rendering its opinion, Goldman Sachs, with Lam Research's consent, relied upon and assumed the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by, it, without assuming any responsibility for independent verification thereof. In that regard, Goldman Sachs assumed with Lam Research's consent that the Forecasts, including the Lam Research Synergies, were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of Lam Research. Goldman Sachs did not make an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of Lam Research or KLA-Tencor or any of their respective subsidiaries and it was not furnished with any such evaluation or appraisal. Goldman Sachs assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the merger will be obtained without any adverse effect on Lam Research or the KLA-Tencor or on the expected benefits of the merger in any way meaningful to its analysis. Goldman Sachs has also assumed that the merger will be consummated on the terms set forth in the merger agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to its analysis.

Goldman Sachs' opinion does not address the underlying business decision of Lam Research to engage in the merger, or the relative merits of the merger as compared to any strategic alternatives that may be available to Lam Research; nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' opinion addresses only the fairness from a financial point of view to Lam Research, as of the date of the opinion, of the aggregate merger consideration to be paid by Lam Research pursuant to the merger agreement. Goldman Sachs' opinion does not express any view on, and does not address, any other term or aspect of the merger agreement or the merger or any term or aspect of any other agreement or instrument contemplated by the merger agreement or entered into or amended in connection with the merger, including the fairness of the merger to, or any consideration received in connection therewith by, the holders of any other class of securities, creditors, or other constituencies of Lam Research, nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of Lam Research or KLA-Tencor, or any class of such persons in connection with the merger, whether relative to the aggregate merger consideration to be paid by Lam Research pursuant to the merger agreement or otherwise. Goldman Sachs does not express any opinion as to the prices at which shares of Lam Research common stock will trade at any time or as to the impact of the merger on the solvency or viability of Lam Research or KLA-Tencor or the ability of Lam Research or KLA-Tencor to pay their respective obligations when they come due. In addition, Goldman Sachs' opinion was necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion and Goldman Sachs assumed no responsibility for updating, revising or reaffirming its opinion based on circumstances, developments or events occurring after the date of its opinion. Goldman Sachs' advisory services and the opinion expressed in the opinion are provided for the information and assistance of the Lam Research Board in connection with its consideration of the merger and such opinion does not constitute a recommendation as to how any holder of Lam Research common stock should vote on the Share Issuance proposal or any other matter. Goldman Sachs' opinion was approved by a fairness committee of Goldman Sachs.

The following is a summary of the material financial analyses delivered by Goldman Sachs to the Lam Research Board in connection with rendering the opinion described above. The following summary, however,

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does not purport to be a complete description of the financial analyses performed by Goldman Sachs, nor does the order of analyses described represent relative importance or weight given to those analyses by Goldman Sachs. Some of the summaries of the financial analyses include information presented in tabular format. The tables must be read together with the full text of each summary and are alone not a complete description of Goldman Sachs' financial analyses. Except as otherwise noted, the following quantitative information, to the extent that it is based on market data, is based on market data as it existed on or before October 19, 2015, and is not necessarily indicative of current market conditions.

Historical Stock Trading Analysis

Goldman Sachs analyzed the consideration to be paid to holders of KLA-Tencor common stock pursuant to the merger agreement in relation to the closing market price as of October 19, 2015, the 10-day, 1-month and the 52-week trading average and 52-week high market price of KLA-Tencor common stock. The implied value of the per share consideration for each share of KLA-Tencor common stock represents the sum of \$32.00, the cash portion of the per-share merger consideration, plus 0.5 shares of Lam Research common stock, the stock portion of the per-share merger consideration, which, based on the closing price of \$67.64 on October 19, 2015 for Lam Research common stock, results in an implied value of consideration to KLA-Tencor common shareholders of \$65.82.

This analysis indicated that the price per share to be paid to KLA-Tencor stockholders pursuant to the merger agreement represented:

a premium of 23.9% based on the closing market price as of October 19, 2015 of \$53.12 per share;

a premium of 25.1% based on the latest 10-day trading average price of \$52.62 per share;

a premium of 29.3% based on the latest 1-month trading average price of \$50.91 per share;

a premium of 11.1% based on the latest 52-week trading average price of \$59.23 per share; and

a discount of 9.4% based on the latest 52-week high market price of \$72.63 per share.

Illustrative Discounted Cash Flow Analysis

KLA-Tencor Standalone. Using the Forecasts, Goldman Sachs performed an illustrative discounted cash flow analysis on KLA-Tencor on a standalone basis to derive a range of illustrative present values per share of KLA-Tencor common stock. Using discount rates ranging from 11.0% to 13.0%, reflecting an estimate of KLA-Tencor's weighted average cost of capital, Goldman Sachs discounted to present value as of September 30, 2015, (1) estimates of the unlevered free cash flow for KLA-Tencor during the period from the last quarter of calendar year 2015 through calendar year 2020 reflected in the Forecasts; and (2) a range of illustrative terminal values for KLA-Tencor as of December 31, 2020 calculated by applying perpetuity growth rates ranging from 1.5% to 3.5% to a terminal year estimate of the unlevered free cash flow to be generated by KLA-Tencor as reflected in the Forecasts. Goldman Sachs derived ranges of illustrative enterprise values for KLA-Tencor by adding the ranges of present values it derived based on the estimated unlevered free cash flows of KLA-Tencor for the period from the last quarter of calendar year 2015 through calendar year 2020 to the ranges of present value it derived based on the illustrative terminal values for KLA-Tencor as of December 31, 2020. Goldman Sachs subtracted from the range of illustrative enterprise values it derived for KLA-Tencor net debt (total debt minus total cash) (based on face value) of KLA-Tencor as of September 30, 2015 to derive a range of illustrative equity values for KLA-Tencor as of September 30, 2015. Goldman Sachs then divided the range of illustrative equity values it derived by an implied number of fully diluted outstanding shares of KLA-Tencor common stock (calculated on a treasury method basis based on information provided by KLA-Tencor management) to derive a range of illustrative present values per share of KLA-Tencor common stock ranging from \$49.04 to \$73.40.

Lam Research Standalone. Using the Forecasts, Goldman Sachs also performed an illustrative discounted cash flow analysis on Lam Research on a standalone basis to derive a range of illustrative present values per share of Lam Research common stock. Using discount rates ranging from 13.0% to 15.0% for Lam Research on a

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standalone basis, which reflects an estimate of Lam Research's weighted average cost of capital on a standalone basis, Goldman Sachs discounted to present value as of September 30, 2015, (1) estimates of the unlevered free cash flow for Lam Research during the period from the last quarter of calendar year 2015 through calendar year 2020 reflected in the Forecasts; and (2) a range of illustrative terminal values for Lam Research as of December 31, 2020 calculated by applying perpetuity growth rates ranging from 1.5% to 3.5% to a terminal year estimate of the unlevered free cash flow to be generated by Lam Research on a standalone basis, as applicable, as reflected in the Forecasts. Goldman Sachs derived ranges of illustrative enterprise values for Lam Research by adding the ranges of present values it derived based on the estimated unlevered free cash flows of Lam Research on the applicable basis for the period from the last quarter of calendar year 2015 through calendar year 2020 to the ranges of present value it derived based on the illustrative terminal values for Lam Research as of December 31, 2020. Goldman Sachs subtracted from the range of illustrative enterprise values it derived for Lam Research net debt (total debt minus total cash) (based on face value) of Lam Research as of September 27, 2015 to derive a range of illustrative equity values for Lam Research on the applicable basis, as of September 30, 2015. Goldman Sachs then divided the range of illustrative equity values it derived by an implied number of fully diluted outstanding shares of Lam Research common stock (calculated on a treasury method basis), based on information provided by Lam Research management, on the applicable basis, to derive a range of illustrative present values per share of Lam Research common stock ranging from \$79.40 to \$99.70.

Pro Forma Combined Company. Goldman Sachs also performed an illustrative discounted cash flow analysis on the pro forma combined company to derive a range of illustrative present values per share of Lam Research common stock, taking into account consummation of the merger. Using discount rates ranging from 12.0% to 14.0% for the pro forma combined business, which reflects an estimate of weighted average cost of capital of Lam Research taking into account consummation of the merger, Goldman Sachs discounted to present value as of September 30, 2015, (1) estimates of the unlevered free cash flow to be generated by Lam Research, taking into account consummation of the merger, during the period from the last quarter of calendar year 2015 through calendar year 2020 reflected in the Forecasts including the Lam Research Synergies; and (2) a range of illustrative terminal values for Lam Research, taking into account consummation of the merger, as of December 31, 2020 calculated by applying perpetuity growth rates ranging from 1.5% to 3.5% to a terminal year estimate of the unlevered free cash flow for Lam Research, taking into account consummation of the merger, except for the Lam Research Synergies to which growth rates of 1.0%-3.0% were applied, as applicable, as reflected in the Forecasts. Goldman Sachs derived ranges of illustrative enterprise values for the pro forma combined company by adding the ranges of present values it derived based on the estimated unlevered free cash flows of the pro forma combined company on the applicable basis for the period from the last quarter of calendar year 2015 through calendar year 2020 to the ranges of present value it derived based on the illustrative terminal values for the pro forma combined company as of December 31, 2020. Goldman Sachs subtracted from the range of illustrative enterprise values it derived for Lam Research, taking into account consummation of the merger, net debt (total debt minus total cash) (based on face value) of Lam Research as of September 27, 2015, KLA-Tencor as of September 30, 2015 and taking into account the consummation of the merger to derive a range of illustrative equity values for Lam Research on the applicable basis, as of September 30, 2015. Goldman Sachs then divided the range of illustrative equity values it derived by an implied number of fully diluted outstanding shares of Lam Research common stock (calculated on a treasury method basis), based on information provided by Lam Research management, taking into account the consummation of the merger, on the applicable basis, to derive a range of illustrative present values per Lam Research common stock ranging from \$76.47 to \$110.18 on a pro forma combined basis. As described above, the implied value per share of Lam Research common stock on a standalone basis ranges from \$79.40 to \$99.70.

Illustrative Present Value of Future Share Price Analysis

Lam Research Standalone. Goldman Sachs performed an illustrative analysis of the implied present value of Lam Research's future value per share of Lam Research common stock, which is designed to provide an indication of the present value of a theoretical future value of a company's equity as a function of such company's estimated future earnings and its assumed price to future earnings per share multiple. For this

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analysis, Goldman Sachs used the Forecasts to calculate the implied values per share of Lam Research common stock as of December 31 for each of the calendar years 2017 through 2019, by applying illustrative price to one-year forward earnings multiples of 11.0x to 15.0x to earnings per share estimates for Lam Research on a standalone basis for each of the calendar years 2018 through 2020, and then discounted to present values as of September 30, 2015, using an illustrative discount rate of 12.4% reflecting an estimate of Lam Research's cost of equity, the sum of (1) these theoretical future values of Lam Research common stock plus (2) per share dividends forecasted by Lam Research management. This analysis resulted in a range of implied present values of \$78.35-\$117.37 per share of Lam Research common stock.

Pro Forma Combined Company. Goldman Sachs performed an illustrative analysis of the implied present value of Lam Research's future value per share of common stock, taking into account the consummation of the merger, which is designed to provide an indication of the present value of a theoretical future value of a company's equity as a function of such company's estimated future earnings and its assumed price to future earnings per share multiple. For this analysis, Goldman Sachs used the forecasts including the Lam Research Synergies to calculate the implied values per share of Lam Research common stock, taking into account consummation of the merger, as of December 31 for each of the calendar years 2017 through 2019, by applying illustrative price to one-year forward earnings multiples of 11.0x to 15.0x to earnings per share estimates for Lam Research, taking into account consummation of the merger, for each of the calendar years 2018 through 2020, and then discounted to present values as of September 30, 2015, using an illustrative discount rate of 12.3% reflecting an estimate of Lam Research's cost of equity taking into account consummation of the merger, the sum of (1) these theoretical future values of Lam Research common stock plus (2) per share dividends forecasted by Lam Research management. This analysis resulted in a range of implied present values of \$85.68-\$119.39 per share of Lam Research common stock. As described above, the implied value per share of Lam Research common stock on a standalone basis ranged from \$78.35 to \$117.37.

Illustrative Pro Forma Accretion/Dilution Analysis

Goldman Sachs performed illustrative pro forma analyses of the potential financial impact of the merger on earnings per share of Lam Research using the Forecasts and the Lam Research Synergies. For the estimated calendar years 2017 to 2020, Goldman Sachs compared the projected non-GAAP earnings per share of Lam Research common stock, on a standalone basis, to the projected non-GAAP earnings per share of Lam Research common stock, taking into account consummation of the merger, with and without the Lam Research Synergies. Based on such analyses, the proposed transaction would be accretive to Lam Research's stockholders on a non-GAAP earnings per share basis for each of calendar years 2017 to 2020 with the Lam Research Synergies, and dilutive to Lam Research's stockholders on a non-GAAP earnings per share basis for each of calendar years 2017 to 2020 without the Lam Research Synergies.

Selected Transactions Analysis

Goldman Sachs analyzed certain information relating to the following selected transactions in the semiconductor industry after Lam Research's acquisition of Novellus in December 2011.

For each of the selected transactions, Goldman Sachs calculated and compared the offer price as a multiple of Institutional Brokers' Estimate System, which is referred to as IBES, estimated next fiscal year earnings before interest, taxes, and depreciation and amortization, which is referred to as EBITDA (including stock-based compensation, which is referred to as SBC) and earnings per share (including SBC) at the time of announcement.

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Although none of the selected transactions is directly comparable to the merger, the target companies in the selected transaction are involved in the semiconductor industry such that, for the purposes of analysis, the selected transaction may be considered similar to the merger.

Announcement Date	Acquirer	Target
9/20/2015	Dialog Semiconductor plc	Atmel Corporation
5/27/2015	Avago Technologies Limited	Broadcom Corporation
3/2/2015	NXP Semiconductors N.V.	Freescale Semiconductor, Ltd.
12/1/2014	Cypress Semiconductor Corporation	Spansion Inc.
2/24/2014	RFMD	TriQuint
12/14/2011	Lam Research Corporation	Novellus Systems, Inc.

	Next Fiscal year Multiple:	Next Fiscal year Multiple:
Average	EBITDA (Incl. SBC) 17.2x	Net Income (Incl. SBC) 30.8x
Median	15.6x	20.6x
Lam Research / KLA-Tencor ¹	12.6x	17.7x

(1) Lam Research / KLA-Tencor transaction value calculated using closing share price as of October 19, 2015 and net debt (total debt minus total cash) (based on face value) of KLA-Tencor as of September 30, 2015. Using IBES estimates for the next fiscal year EBITDA (including SBC) and net income (including SBC).

Premia Analysis

Goldman Sachs reviewed and analyzed the acquisition premia for certain publicly disclosed transactions with mixed consideration since 2009 in which a majority stake was acquired, excluding any transaction with a premium in excess of 150% or a negative premium of less than 50%, calculated relative to the target's closing share price one day prior to announcement, based on information obtained from Thomson Reuters. Using such data, for each year for the years 2009 to 2015 (through October 19, 2015), Goldman Sachs calculated the annual average acquisition premia for these transactions for each applicable year. The results of this analysis are summarized as follows:

Year	Average Acquisition Premium One Day Prior to Announcement
2009	32%
2010	37%
2011	30%
2012	34%
2013	22%
2014	26%
2015 (through October 19, 2015)	30%
Median (for all years)	30%
Lam Research / KLA-Tencor Premium Over Undisturbed ¹	24%

(1) Lam Research / KLA-Tencor transaction premium calculated using closing share price as of October 19, 2015.

Table of Contents**Selected Companies Analysis**

Goldman Sachs reviewed and compared certain financial information for Lam Research and KLA-Tencor to corresponding financial information, ratios and public market multiples for the following publicly traded corporations in the semiconductor capital equipment industry, which are collectively referred to as the selected companies:

ASML Holding

Applied Materials Inc.

Tokyo Electron Ltd.

ASM International N.V.

Although none of the selected companies is directly comparable to Lam Research or KLA-Tencor, the companies included were chosen because they are publicly traded companies with operations that for purposes of analysis may be considered similar to certain operations of Lam Research and KLA-Tencor.

Goldman Sachs also calculated and compared various financial multiples and ratios based on estimates from IBES and Bloomberg, and market information, in each case as of October 19, 2015. The multiples and ratios for Lam Research and KLA-Tencor were based on the Forecasts as well as IBES estimates. The multiples and ratios for each of the selected companies were based on IBES estimates. With respect to the selected companies, Goldman Sachs calculated:

enterprise value as a multiple of estimated sales for calendar years 2015 to 2017; and

enterprise value as a multiple of estimated EBITDA for calendar years 2015 to 2017.

The results of these analyses are summarized as follows:

Enterprise value as a multiple of:	Selected Companies		Lam Research (Street/Management)	KLA-Tencor (Street/Management)
	Range	Median		
CY2015E Sales	1.1x - 5.2x	2.1x	1.8x/1.7x	3.3x/3.3x
CY2016E Sales	1.1x - 4.9x	2.1x	1.6x/1.5x	3.2x/3.0x
CY2017E Sales	1.1x - 4.3x	2.2x	1.6x/1.3x	3.0x/2.7x
CY2015E EBITDA	6.2x - 17.7x	10.1x	7.3x/7.1x	11.5x/11.0x
CY2016E EBITDA	5.7x - 16.4x	9.4x	6.3x/6.1x	10.3x/9.2x
CY2017E EBITDA	5.5x - 13.2x	9.5x	6.0x/4.8x	9.1x/7.9x

Goldman Sachs also calculated the selected companies price to earnings ratios for:

calendar years 2015 to 2017, which is referred to as Calendarized; and

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calendar years 2015 to 2017 less the value of cash, cash equivalents, short-term and long-term investments, which is referred to as Cash Adjusted.

Price/Earnings Ratio:	Selected Companies		Lam Research	KLA-Tencor
	Range	Median	(Street/Management)	(Street/Management)
CY2015E Calendarized	11.3x - 24.6x	14.1x	12.3x/11.3x	17.0x/16.0x
CY2016E Calendarized	11.0x - 21.5x	12.7x	11.0x/9.7x	14.3x/12.6x
CY2017E Calendarized	9.4x - 16.6x	12.9x	10.0x/7.7x	12.2x/10.5x
CY2015E Cash Adjusted	9.2x - 22.7x	10.7x	7.6x/7.0x	12.4x/11.6x
CY2016E Cash Adjusted	9.0x - 19.8x	9.5x	6.7x/5.9x	10.4x/9.2x
CY2017E Cash Adjusted	7.7x - 15.3x	9.1x	6.1x/4.7x	8.9x/7.7x

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Goldman Sachs also considered five-year compound annual growth rate. The following table presents the results of this analysis:

	Selected Companies		Lam Research	KLA-Tencor
	Range	Median	(Street/Management)	(Street)/Management
5 Year EPS Compound Annual Growth Rate	8.0% - 22.0%	15.6%	11.5%/11.3%	21.2%/14.0%

General

The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses or of the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' opinion. In arriving at its fairness determination, Goldman Sachs considered the results of all of its analyses and did not attribute any particular weight to any factor or analysis considered by it. Rather, Goldman Sachs made its determination as to fairness on the basis of its experience and professional judgment after considering the results of all of its analyses. No company or transaction used in the above analyses as a comparison is directly comparable to Lam Research or KLA-Tencor or the contemplated transaction.

Goldman Sachs prepared these analyses for purposes of Goldman Sachs' providing its opinion to the Lam Research Board as to the fairness from a financial point of view of the aggregate merger consideration to be paid by Lam Research pursuant to the merger agreement. These analyses do not purport to be appraisals nor do they necessarily reflect the prices at which businesses or securities actually may be sold. Analyses based upon forecasts of future results are not necessarily indicative of actual future results, which may be significantly more or less favorable than suggested by these analyses. Because these analyses are inherently subject to uncertainty, being based upon numerous factors or events beyond the control of the parties or their respective advisors, none of Lam Research, KLA-Tencor, Goldman Sachs or any other person assumes responsibility if future results are materially different from those forecast.

The merger consideration was determined through arm's-length negotiations between Lam Research and KLA-Tencor and was approved by the Lam Research Board. Goldman Sachs provided advice to Lam Research during these negotiations. Goldman Sachs did not, however, recommend any specific amount of consideration to Lam Research or the Lam Research Board or that any specific amount of consideration constituted the only appropriate consideration for the merger.

As described above, Goldman Sachs' opinion to the Lam Research Board was one of many factors taken into consideration by the Lam Research Board in making its determination to approve the merger agreement. The foregoing summary does not purport to be a complete description of the analyses performed by Goldman Sachs in connection with the fairness opinion and is qualified in its entirety by reference to the written opinion of Goldman Sachs attached to this joint proxy statement/prospectus as Annex B.

Goldman Sachs and its affiliates are engaged in advisory, underwriting and financing, principal investing, sales and trading, research, investment management and other financial and non-financial activities and services for various persons and entities. Goldman Sachs and its affiliates and employees, and funds or other entities they manage or in which they invest or have other economic interests or with which they co-invest, may at any time purchase, sell, hold or vote long or short positions and investments in securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments of Lam Research, KLA-Tencor and any of their respective affiliates and third parties, or any currency or commodity that may be involved in the transactions contemplated by the merger agreement. Goldman Sachs acted as financial advisor to Lam Research in connection with, and participated in certain of the negotiations leading to, the merger. At Lam Research's request, affiliates of Goldman Sachs entered into financing commitments and agreements concurrently with the execution of the merger agreement to provide Lam Research with bridge financing in connection with the consummation of the

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merger, in each case subject to the terms of such commitments and agreements. At Lam Research's request, affiliates of Goldman Sachs are also participating as term lenders pursuant to the term loan agreement and revolving lenders pursuant to the revolving credit agreement, and are expected to participate as lead left bookrunners in connection with the issuance of debt securities in connection with the financing of the cash component of the merger consideration. See the section below entitled Description of Financing Transactions. In connection with the above-referenced financing activities associated with consummation of the transactions contemplated by the merger agreement, affiliates of Goldman Sachs have been paid customary fees by Lam Research in connection with the execution of the bridge commitment letter and its participation as term lenders and revolving lenders and would expect to receive customary compensation for services in connection with the issuance of debt securities or, to the extent necessary, borrowings under the bridge commitment letter. Goldman Sachs, acting as principal, entered into bond hedge transactions and issuer warrant transactions with Lam Research in connection with Lam Research's 0.50% Convertible Senior Notes due May 2016 (initial aggregate principal amount of \$450,000,000) and Lam Research's 1.25% Convertible Senior Notes due May 2018 (initial aggregate principal amount of \$450,000,000). The issuer warrant transactions may be adjusted by Goldman Sachs, as calculation agent, as a result of the announcement and/or consummation of the merger in accordance with the terms thereof in order to preserve the fair value of the issuer warrant transactions to Goldman Sachs in light of the effect of the announcement and/or consummation of the merger on the theoretical value of Lam Research's shares or such issuer warrant transactions. Such adjustments may compensate Goldman Sachs for any diminution in the value of the issuer warrant transactions to it that would otherwise result from the announcement and/or consummation of the merger. Prior to Lam Research's entry into the merger agreement, Goldman Sachs also provided Lam Research with certain estimates and analyses concerning the impact of the merger on the issuer warrant transactions, based on various assumptions concerning the mergers and market conditions and other information available at the time. Such estimates and analyses were prepared by the Investment Banking Division of Goldman Sachs without consultation with the derivatives trading personnel responsible for Goldman Sachs's position as principal in the issuer warrant transactions. Goldman Sachs has provided certain financial advisory and/or underwriting services to Lam Research and/or its affiliates from time to time for which the Investment Banking Division of Goldman Sachs has received, and may receive, compensation, including having acted as co-manager in Lam Research's investment grade notes offering in March 2015. Goldman Sachs may also in the future provide financial advisory and/or underwriting services to Lam Research, KLA-Tencor, and their respective affiliates for which the Investment Banking Division of Goldman Sachs may receive compensation. During the two year period ended October 20, 2015, the Investment Banking Division of Goldman Sachs has received compensation for financial advisory and/or underwriting services provided to Lam Research and/or its affiliates of approximately \$350,000. During the two year period ended October 20, 2015, Goldman Sachs has not been engaged by KLA-Tencor or its affiliates to provide financial advisory or underwriting services for which the Investment Banking Division of Goldman Sachs has received compensation.

The Lam Research Board selected Goldman Sachs as its financial advisor because it is an internationally recognized investment banking firm that has substantial experience in transactions similar to the merger. Pursuant to a letter agreement dated September 28, 2015, Lam Research engaged Goldman Sachs to act as its financial advisor in connection with a contemplated transaction. The engagement letter between Lam Research and Goldman Sachs provides for a transaction fee of \$35 million, \$8.75 million of which became payable at the execution of the merger agreement, and the remainder of which is contingent upon consummation of the transactions contemplated by the merger agreement. In addition, the engagement letter provides that Lam Research may pay Goldman Sachs an additional transaction fee of \$5 million at Lam Research's sole discretion. In addition, Lam Research has agreed to reimburse Goldman Sachs for certain of its expenses, including attorneys fees and disbursements, and to indemnify Goldman Sachs and related persons against various liabilities, including certain liabilities under the federal securities laws.

Opinion of KLA-Tencor's Financial Advisor

KLA-Tencor retained Qatalyst Partners to act as financial advisor to the KLA-Tencor Board in connection with a potential transaction and to evaluate whether the merger consideration to be received by the holders of

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shares of KLA-Tencor common stock, other than Lam Research or any affiliates of Lam Research, pursuant to the merger agreement was fair, from a financial point of view, to such holders. KLA-Tencor selected Qatalyst Partners to act as its financial advisor based on Qatalyst Partners qualifications, expertise, reputation and knowledge of the business and affairs of KLA-Tencor and the industry in which it operates. Qatalyst Partners has provided its written consent to the reproduction of Qatalyst Partners' opinion in this joint proxy statement/prospectus. At the meeting of the KLA-Tencor Board on October 20, 2015, Qatalyst Partners rendered its oral opinion that, as of such date and based upon and subject to the various limitations, qualifications, assumptions and other matters set forth in its written opinion, the merger consideration to be received by the holders of shares of KLA-Tencor common stock, other than Lam Research or any affiliates of Lam Research, pursuant to the merger agreement was fair, from a financial point of view, to such holders. Qatalyst Partners delivered its written opinion, dated October 20, 2015, to the KLA-Tencor Board following the meeting of the KLA-Tencor Board.

The full text of Qatalyst Partners' written opinion, dated October 20, 2015, to the KLA-Tencor Board is attached hereto as Annex C and is incorporated by reference herein. The opinion sets forth, among other things, the assumptions made, procedures followed, matters considered and limitations and qualifications of the review undertaken by Qatalyst Partners in rendering its opinion. You should read the opinion carefully in its entirety. Qatalyst Partners' opinion was provided to the KLA-Tencor Board and addressed only, as of the date of the opinion, the fairness from a financial point of view of the merger consideration to be received by the holders of shares of KLA-Tencor common stock, other than Lam Research or any affiliates of Lam Research, pursuant to the merger agreement, and it did not address any other aspect of the mergers. It does not constitute a recommendation as to how any holder of shares of KLA-Tencor common stock or any holder of shares of Lam Research common stock should vote with respect to the mergers or any other matter including, without limitation, whether any holder of shares of KLA-Tencor common stock should elect to receive the all-cash consideration, the all-stock consideration or the mixed consideration or make no election with respect to such holder's shares of KLA-Tencor common stock, and does not in any manner address the price at which KLA-Tencor common stock or Lam Research common stock will trade at any time. The summary of Qatalyst Partners' opinion set forth herein is qualified in its entirety by reference to the full text of the opinion.

For purposes of its opinion, Qatalyst Partners reviewed the merger agreement, certain related documents and certain publicly available financial statements and other business and financial information of KLA-Tencor and Lam Research. Qatalyst Partners also reviewed (1) certain forward-looking information relating to KLA-Tencor prepared by the management of KLA-Tencor, including financial projections and operating data of KLA-Tencor, which are described below in the section entitled "Certain Projections of Lam Research and KLA-Tencor - Certain Projections Reviewed by the KLA-Tencor Board - Projections for KLA-Tencor Prepared by KLA-Tencor" and are referred to as the "KLA-Tencor Projections"; (2) certain forward-looking information relating to Lam Research prepared by the management of Lam Research, including financial projections and operating data of Lam Research prepared by the management of Lam Research, which are described below in the section entitled "Certain Projections of Lam Research and KLA-Tencor - Certain Projections Reviewed by the Lam Research Board - Projections for Lam Research Prepared by Lam Research" and are referred to as the "Lam Research Projections"; (3) certain forward-looking information relating to Lam Research prepared by the management of Lam Research, including financial projections and operating data of Lam Research prepared by the management of Lam Research and adjusted by the management of KLA-Tencor, which is referred to as the "Adjusted Lam Research Projections"; and (4) information relating to certain strategic, financial and operational benefits anticipated from the mergers prepared by the managements of Lam Research and KLA-Tencor, each described below in the section entitled "Certain Projections of Lam Research and KLA-Tencor." Additionally, Qatalyst Partners discussed the past and current operations and financial condition and the prospects of KLA-Tencor and Lam Research, including information relating to certain strategic, financial and operational benefits anticipated from the mergers, with senior executives of KLA-Tencor and Lam Research. Qatalyst Partners also reviewed the historical market prices and trading activity for KLA-Tencor common stock and Lam Research common stock and compared the financial performance of KLA-Tencor and Lam Research and the prices and trading activity of KLA-Tencor common stock and Lam Research common stock with that of certain other selected publicly-traded companies and their securities. In addition, Qatalyst Partners reviewed the financial

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terms, to the extent publicly available, of selected acquisition transactions and performed such other analyses, reviewed such other information and considered such other factors as Qatalyst Partners deemed appropriate.

In arriving at its opinion, Qatalyst Partners assumed and relied upon, without independent verification, the accuracy and completeness of the information that was publicly available or supplied or otherwise made available to, or discussed with, Qatalyst Partners by KLA-Tencor and Lam Research. With respect to the KLA-Tencor Projections, Qatalyst Partners was advised by the management of KLA-Tencor, and Qatalyst Partners assumed, that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of KLA-Tencor of the future financial performance of KLA-Tencor and other matters covered thereby. With respect to the Lam Research Projections and the Adjusted Lam Research Projections, Qatalyst Partners was advised by the management of KLA-Tencor, and Qatalyst Partners assumed, that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the management of Lam Research, as adjusted by the management of KLA-Tencor in the case of the Adjusted Lam Research Projections, of the future financial performance of Lam Research and other matters covered thereby. With respect to the KLA-Tencor Synergies, Qatalyst Partners was advised by the managements of Lam Research and KLA-Tencor, and Qatalyst Partners assumed, that they had been reasonably prepared on bases reflecting the best currently available estimates and judgments of the managements of Lam Research and KLA-Tencor relating to the strategic, financial and operational benefits anticipated from the mergers. Qatalyst Partners assumed that the mergers will be consummated in accordance with the terms set forth in the merger agreement, without any modification, waiver or delay. In addition, Qatalyst Partners assumed that in connection with the receipt of all the necessary approvals of the mergers, no delays, limitations, conditions or restrictions will be imposed that could have an adverse effect on KLA-Tencor, Lam Research or the contemplated benefits expected to be derived in the mergers. Qatalyst Partners also assumed that the mergers will qualify as a tax-free reorganization under the Code. Qatalyst Partners did not make any independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of KLA-Tencor or Lam Research, nor was Qatalyst Partners furnished with any such evaluation or appraisal. In addition, Qatalyst Partners relied, without independent verification, upon the assessments of the managements of KLA-Tencor and Lam Research as to (1) the existing and future technology and products of KLA-Tencor and Lam Research and the risks associated with such technology and products; (2) their ability to integrate the businesses of KLA-Tencor and Lam Research; and (3) their ability to retain key employees of KLA-Tencor and Lam Research. In arriving at its opinion, Qatalyst Partners was not authorized to solicit, and did not solicit, interest from any party with respect to an acquisition, business combination or other extraordinary transaction involving KLA-Tencor. Qatalyst Partners' opinion was approved by Qatalyst Partners' opinion committee in accordance with Qatalyst Partners' customary practice.

Qatalyst Partners' opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to it as of, the date of the opinion. Events occurring after the date of the opinion may affect Qatalyst Partners' opinion and the assumptions used in preparing it, and Qatalyst Partners has not assumed any obligation to update, revise or reaffirm its opinion. Qatalyst Partners' opinion does not address the underlying business decision of KLA-Tencor to engage in the mergers, or the relative merits of the mergers as compared to any strategic alternatives that may be available to KLA-Tencor. Qatalyst Partners' opinion is limited to the fairness, from a financial point of view, of the merger consideration to be received by the holders of shares of KLA-Tencor common stock, other than Lam Research or any affiliates of Lam Research, pursuant to the merger agreement, and Qatalyst Partners expressed no opinion with respect to the fairness of the amount or nature of the compensation to any of the officers, directors or employees of KLA-Tencor, or any class of such persons, relative to such merger consideration.

The following is a brief summary of the material analyses performed by Qatalyst Partners in connection with its opinion dated October 20, 2015. The analyses and factors described below must be considered as a whole; considering any portion of such analyses or factors, without considering all analyses and factors, could create a misleading or incomplete view of the process underlying Qatalyst Partners' opinion. For purposes of its analyses, Qatalyst Partners utilized the consensus of third-party research analyst projections for KLA-Tencor, which is referred to as the Analyst Projections, as well as the KLA-Tencor Projections and certain forward-

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looking information related to Lam Research’s financial performance after taking into account the mergers based on the KLA-Tencor Projections, the Lam Research Projections and the Adjusted Lam Research Projections and the KLA-Tencor Synergies (in the case of the Lam Research Projections, the Pro Forma Combined Projections, and in the case of the Adjusted Lam Research Projections, the Adjusted Pro Forma Combined Projections), the KLA-Tencor Projections being described below in the section entitled “Certain Projections of Lam Research and KLA-Tencor.” Some of the summaries of the financial analyses include information presented in tabular format. The tables are not intended to stand alone, and in order to more fully understand the financial analyses used by Qatalyst Partners, the tables must be read together with the full text of each summary. Considering the data set forth below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Qatalyst Partners’ financial analyses.

Illustrative Discounted Cash Flow Analysis

Standalone Company

Qatalyst Partners performed an illustrative discounted cash flow, which is referred to as the DCF, analysis, which is designed to imply a potential, present value of share values for KLA-Tencor common stock as of September 30, 2015 by:

adding:

1. the implied net present value of the estimated future unlevered free cash flows of KLA-Tencor, based on the KLA-Tencor Projections, for the fourth quarter of calendar year 2015 through calendar year 2019 (which implied present value was calculated by using a range of discount rates of 8.0% to 11.0%, based on an estimated weighted average cost of capital for KLA-Tencor);
2. the implied net present value of a corresponding terminal value of KLA-Tencor, calculated by multiplying the estimated net operating profit after tax, which is referred to as NOPAT, in calendar year 2020, based on the KLA-Tencor Projections, by a range of multiples of enterprise value to next-twelve-months estimated NOPAT of 11.0x to 16.0x, and discounted to present value using the same range of discount rates used in item (1) above; and
3. the cash and short-term investments of KLA-Tencor as of September 30, 2015;

subtracting debt of KLA-Tencor as of September 30, 2015;

applying a dilution factor of approximately 5% to reflect the dilution to current stockholders over the projection period due to the effect of future equity compensation grants projected by KLA-Tencor’s management; and

dividing the resulting amount by the number of fully-diluted shares of KLA-Tencor common stock outstanding, adjusted for KLA-Tencor RSUs and KLA-Tencor options outstanding, as provided by KLA-Tencor’s management, as of September 30, 2015.

Based on the calculations set forth above, this analysis implied the following ranges of approximate per share values for KLA-Tencor common stock:

**KLA-Tencor
Projections Case 1**

**KLA-Tencor
Projections Case 2**

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\$53.72	\$81.14	\$	61.89	\$93.73
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Pro Forma Combined Company

Qatalyst Partners also performed an illustrative pro forma DCF analysis with respect to Lam Research, taking into account the mergers, based on each of the Pro Forma Combined Projections and the Adjusted Pro

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Forma Combined Projections, to calculate indications of the implied pro forma present value of the Lam Research common stock constituting the stock consideration as of September 30, 2015 and thus, by addition of the cash consideration, the per share merger consideration by:

adding:

1. the implied net present value as of June 30, 2016, an assumed closing date for the merger, of the estimated future unlevered free cash flows of Lam Research, taking into account the mergers, based on each of the Pro Forma Combined Projections and the Adjusted Pro Forma Combined Projections for the second half of calendar year 2016 through calendar year 2019 (which implied present value was calculated by using a range of discount rates of 8.5% to 10.0%, based on an estimated weighted average cost of capital for Lam Research in the event the mergers are completed);
2. the implied net present value as of June 30, 2016 of a corresponding terminal value of Lam Research, taking into account the mergers, calculated by multiplying the estimated NOPAT in calendar year 2020, based on each of the Pro Forma Combined Projections and the Adjusted Pro Forma Combined Projections, by a range of multiples of enterprise value to next-twelve-months estimated NOPAT of 10.0x to 15.0x, and discounted to present value as of June 30, 2016 using the same range of discount rates used in item (1) above; and
3. the cash and short-term investments of Lam Research, taking into account the mergers, estimated as of June 30, 2016;

subtracting debt of Lam Research, including the face value of outstanding convertible debt, taking into account the mergers, estimated as of June 30, 2016;

applying a dilution factor of approximately 6% to reflect the dilution to current stockholders of Lam Research, taking into account the mergers, over the projection period due to the effect of future equity compensation grants projected by the managements of Lam Research and KLA-Tencor;

dividing the resulting amount by the number of fully-diluted outstanding shares of Lam Research common stock, adjusted for net share settlement of outstanding in-the-money convertible debt, restricted stock units and stock options outstanding, taking into account the mergers, estimated as of June 30, 2016, as provided by the managements of Lam Research and KLA-Tencor;

discounting the resulting amount to present value as of September 30, 2015 using the same range of discount rates used in item (1) above;

applying the exchange ratio of 0.500; and

adding the per share cash consideration of \$32.00 per share.

Based on the calculations set forth above, this analysis implied the following ranges of approximate per share values for the merger consideration:

Adjusted Pro

Pro Forma

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Forma Combined		Combined
Projections (KLA-		Projections (KLA-
Tencor		Tencor
Projections Case		Projections Case
1 + Adjusted Lam		2 + Lam Research
Research		Projections)
Projections)		
\$70.70	\$89.52	\$78.94 \$101.60

Selected Companies Analysis

Qatalyst Partners compared selected financial information and public market multiples for KLA-Tencor with publicly available information and public market multiples for selected companies. The companies used in

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this comparison included those companies listed below and were selected because they are publicly traded companies in KLA-Tencor's industry. Based upon research analyst consensus estimates for calendar year 2016, and using the closing prices as of October 20, 2015 for shares of the selected companies, Qatalyst Partners calculated, among other things, the price per share divided by the estimated earnings per share for calendar year 2016, which is referred to as the CY2016E EPS Multiples of the following companies:

ASML Holding N.V.
Applied Materials, Inc.
Lam Research Corporation

Based on an analysis of the CY2016E EPS Multiples for the selected companies, Qatalyst Partners selected a representative range of 12.0x to 16.0x and applied this range to KLA-Tencor's estimated calendar year 2016 earnings per share based on each of the KLA-Tencor Projections and the Analyst Projections. This analysis implied a range of values for KLA-Tencor common stock of approximately \$46.33 to \$61.78 per share based on Case 1 of the KLA-Tencor Projections, approximately \$51.05 and \$68.07 per share based on Case 2 of the KLA-Tencor Projections and approximately \$44.52 to \$59.36 per share based on the Analyst Projections.

No company included in the selected companies analysis is identical to KLA-Tencor. In evaluating the selected companies, Qatalyst Partners made judgments and assumptions with regard to industry performance, general business, economic, market and financial conditions and other matters. Many of these matters are beyond the control of KLA-Tencor, such as the impact of competition on the business of KLA-Tencor and the industry in general, industry growth and the absence of any material adverse change in the financial condition and prospects of KLA-Tencor or the industry or in the financial markets in general. Mathematical analysis, such as determining the arithmetic mean, median, or the high or low, is not in itself a meaningful method of using selected company data.

Selected Transactions Analysis

Qatalyst Partners compared selected public transactions involving companies in the semiconductor industry announced between February 2006 and April 2014. These transactions are listed below:

Announcement Date	Target	Acquiror
April 11, 2014	Zygo	AMETEK
September 24, 2013*	Tokyo Electron	Applied Materials
August 13, 2012	FSI International	Tokyo Electron
December 14, 2011	Novellus Systems	Lam Research
May 4, 2011	Varian Semiconductor	Applied Materials
November 17, 2009	Semitool	Applied Materials
February 21, 2008	Icos Vision	KLA-Tencor
December 10, 2007	SEZ Group	Lam Research
May 4, 2006	Applied Films	Applied Materials
February 23, 2006	ADE	KLA-Tencor

*** Terminated**

For each of the transactions listed above, Qatalyst Partners reviewed, among other things, the implied fully diluted enterprise value of the target company as a multiple of the next-twelve-months revenue of the target company as reflected in Wall Street analyst research, certain publicly available financial statements and press releases, the median of which (excluding Applied Materials' terminated acquisition of Tokyo Electron) was 2.2x. Based on the analysis of such metrics for the transactions noted above, Qatalyst Partners selected a representative range of 2.5x to 3.5x applied to KLA-Tencor's next-twelve-months revenue (calculated using the four quarters that start on July 1, 2015 and based on the Analyst Projections). Based on the calculations set forth above, then subtracting net debt of KLA-Tencor as of September 30, 2015 and then dividing the resulting amount by KLA-

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Tencor's fully-diluted shares (assuming treasury stock method), including KLA-Tencor common stock, KLA-Tencor RSUs and KLA-Tencor options outstanding as provided by management of KLA-Tencor as of September 30, 2015, this analysis implied a range of values for KLA-Tencor common stock of approximately \$38.86 to \$56.69 per share.

For each of the transactions listed above, Qatalyst Partners also reviewed, among other things, the price as a multiple of the next-twelve-months earnings per share of the target company as reflected in Wall Street analyst research, certain publicly available financial statements and press releases, the median of which (excluding Applied Materials' terminated acquisition of Tokyo Electron) was 22.4x. Based on the analysis of such metrics for the transactions noted above, Qatalyst Partners selected a representative range of 16.0x to 20.0x applied to KLA-Tencor's next-twelve-months estimated earnings per share (calculated using the four quarters that start on July 1, 2015 and based on the Analyst Projections). Based on the calculations set forth above, this analysis implied a range of values for KLA-Tencor common stock of approximately \$52.43 to \$65.54 per share.

No company or transaction utilized in the selected transactions analysis is identical to KLA-Tencor or the mergers. In evaluating the selected transactions, Qatalyst Partners made judgments and assumptions with regard to general business, market and financial conditions and other matters, many of which are beyond the control of KLA-Tencor, such as the impact of competition on the business of KLA-Tencor or the industry generally, industry growth and the absence of any material adverse change in the financial condition of KLA-Tencor or the industry or in the financial markets in general, which could affect the public trading value of the companies and the aggregate value of the transactions to which they are being compared. Because of the unique circumstances of each of these transactions and the mergers, Qatalyst Partners cautioned against placing undue reliance on this information.

Miscellaneous

In connection with the review of the mergers by the KLA-Tencor Board, Qatalyst Partners performed a variety of financial and comparative analyses for purposes of rendering its opinion. The preparation of a financial opinion is a complex process and is not necessarily amenable to a partial analysis or summary description. In arriving at its opinion, Qatalyst Partners considered the results of all of its analyses as a whole and did not attribute any particular weight to any analysis or factor it considered. Qatalyst Partners believes that selecting any portion of its analyses, without considering all analyses as a whole, could create a misleading or incomplete view of the process underlying its analyses and opinion. In addition, Qatalyst Partners may have given various analyses and factors more or less weight than other analyses and factors, and may have deemed various assumptions more or less probable than other assumptions. As a result, the ranges of valuations resulting from any particular analysis described above should not be taken to be Qatalyst Partners' view of the actual value of KLA-Tencor. In performing its analyses, Qatalyst Partners made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond the control of KLA-Tencor. Any estimates contained in Qatalyst Partners' analyses are not necessarily indicative of future results or actual values, which may be significantly more or less favorable than those suggested by such estimates.

Qatalyst Partners conducted the analyses described above solely as part of its analysis of the fairness, from a financial point of view, of the merger consideration to be received by the holders of shares of KLA-Tencor common stock, other than Lam Research or any affiliates of Lam Research, pursuant to the merger agreement, and in connection with the delivery of its opinion to the KLA-Tencor Board. These analyses do not purport to be appraisals or to reflect the price at which KLA-Tencor common stock might actually trade.

Qatalyst Partners' opinion and its presentation to the KLA-Tencor Board was one of many factors considered by the KLA-Tencor Board in deciding to approve the merger agreement. Consequently, the analyses as described above should not be viewed as determinative of the opinion of the KLA-Tencor Board with respect to the merger consideration to be received by KLA-Tencor stockholders pursuant to the mergers or of whether the KLA-Tencor Board would have been willing to agree to a different consideration. The merger consideration

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was determined through arm's-length negotiations between KLA-Tencor and Lam Research and was approved by the KLA-Tencor Board. Qatalyst Partners provided advice to KLA-Tencor during these negotiations. Qatalyst Partners did not, however, recommend any specific consideration to KLA-Tencor or that any specific consideration constituted the only appropriate consideration for the mergers.

Qatalyst Partners provides investment banking and other services to a wide range of corporations and individuals, domestically and offshore, from which conflicting interests or duties may arise. In the ordinary course of these activities, affiliates of Qatalyst Partners may at any time hold long or short positions, and may trade or otherwise effect transactions in debt or equity securities or loans of KLA-Tencor, Lam Research or certain of their respective affiliates. During the two year period prior to the date of Qatalyst Partners' opinion, no material relationship existed between Qatalyst Partners and its affiliates and KLA-Tencor or Lam Research pursuant to which compensation was received by Qatalyst Partners or its affiliates other than Qatalyst Partners acting as financial advisor to KLA-Tencor in connection with a potential acquisition of Lam Research for which KLA-Tencor paid Qatalyst Partners a fee of \$100,000 in 2014; however, Qatalyst Partners and/or its affiliates may in the future provide investment banking and other financial services to KLA-Tencor and Lam Research and their respective affiliates for which it would expect to receive compensation.

Under the terms of its engagement letter, Qatalyst Partners provided KLA-Tencor with financial advisory services in connection with the mergers for which it will be paid approximately \$[], \$100,000 of which was payable upon the execution of such engagement letter and \$5,000,000 of which was payable upon delivery of its opinion (regardless of the conclusion reached in the opinion), and the remaining portion of which will be paid upon, and subject to, consummation of the mergers (provided that the final actual fee will be, in part, based on an average of the closing prices of Lam Research common stock over ten trading days approaching the closing of the merger). KLA-Tencor has also agreed to reimburse Qatalyst Partners for its expenses incurred in performing its services. KLA-Tencor has also agreed to indemnify Qatalyst Partners and its affiliates, their respective members, directors, officers, partners, agents and employees and any person controlling Qatalyst Partners or any of its affiliates against certain liabilities, including liabilities under federal securities law, and certain expenses related to or arising out of Qatalyst Partners' engagement.

Certain Projections of Lam Research and KLA-Tencor

Although each of Lam Research and KLA-Tencor has publicly issued limited short-term guidance concerning certain aspects of its expected financial performance, each company does not, as a matter of course, make public disclosure of detailed forecasts or projections of its expected financial performance for extended periods due to, among other things, (1) the inherent difficulty of accurately predicting future periods; and (2) the likelihood that the underlying assumptions and estimates may prove incorrect. However, for internal purposes and in connection with the process leading to the merger agreement, Lam Research prepared (1) certain projections and estimates of future financial and operating performance for each of Lam Research and KLA-Tencor for the calendar years 2015 through 2020; and (2) projections and estimates of future cost and revenue synergies that may be realized through a combination of Lam Research and KLA-Tencor. In addition, KLA-Tencor prepared certain projections of future financial and operating performance for each of Lam Research and KLA-Tencor for the calendar years 2015 through 2020. The projections and estimates prepared by each of the companies are, other than with respect to the estimated synergies, on a stand-alone basis and are not intended to be added together. Adding together the projections and estimates for the two companies would not represent the results that the combined company will achieve if the merger is completed, and, other than with respect to the estimated synergies, does not represent projections for the combined company. In addition, the projections and estimates do not take into account any of the transactions contemplated by the merger agreement, including the merger and associated expenses, or Lam Research's or KLA-Tencor's compliance with their respective covenants under the merger agreement. As a result, actual results likely will differ, and may differ materially, from those contained in the projections and estimates.

The projections and estimates prepared by Lam Research and KLA-Tencor summarized below were not prepared for purposes of public disclosure, and were not prepared on a basis designed to comply with published

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guidelines of the SEC, the guidelines established by the American Institute of Certified Public Accountants for preparation and presentation of projections, or GAAP. Neither KLA-Tencor's nor Lam Research's current, former or any other independent registered public accounting firm, including those listed as experts below in the section entitled "Experts," nor any other independent accountants, have compiled, examined or performed any procedures with respect to the projections or estimates summarized below, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The independent registered public accounting firms' reports incorporated by reference in this joint proxy statement/prospectus relate to historical financial information. They do not extend to any prospective financial information and should not be viewed as doing so.

Although presented with numerical specificity, the projections and estimates prepared by Lam Research and KLA-Tencor (1) are subject to a wide variety of significant business, economic, and competitive risks and uncertainties; (2) are not actual facts; and (3) were based on numerous variables and assumptions, including those specifically stated below, and other matters specific to KLA-Tencor's and Lam Research's businesses. These matters are inherently uncertain, subject to change and, in many cases, are beyond the control of KLA-Tencor and Lam Research. These risks and uncertainties, include, but are not limited to, (1) changes in the spending environment for Lam Research's and KLA-Tencor's products; (2) changes in the demand for Lam Research's and KLA-Tencor's products; (3) the outcome and results of integrating the operations of Lam Research and KLA-Tencor; (4) the impact of general economic factors and other operating conditions and risks and uncertainties relating to KLA-Tencor's and Lam Research's businesses (including their ability to achieve strategic goals, objectives and targets over applicable periods, or to adopt new strategies in response to changed circumstances); and (5) other matters described in the sections entitled "Special Note Regarding Forward-Looking Statements," "Risk Factors" and Part I, Item 1A in each of Lam Research's and KLA-Tencor's respective most recent Annual Report on Form 10-K, which are incorporated by reference herein.

The inclusion of a summary of the projections in this joint proxy statement/prospectus should not be regarded as an indication that any of Lam Research, KLA-Tencor or their respective affiliates, officers, directors, financial advisors or other representatives consider the projections to be necessarily predictive of actual future events, and the projections should not be relied upon as such. None of Lam Research, KLA-Tencor or their respective affiliates, officers, directors, financial advisors or other representatives can give any stockholder of Lam Research, stockholder of KLA-Tencor or other person any assurance that actual results will not differ materially from the projections, and none of them undertakes any obligation to update or otherwise revise or reconcile the projections and estimates to reflect circumstances existing after the date the projections were generated or to reflect the occurrence of future events, even if any or all of the assumptions and estimates underlying the projections are shown to be in error. None of Lam Research, KLA-Tencor or their respective affiliates, officers, directors, financial advisors or other representatives has made, makes or is authorized in the future to make any representation to any stockholder of Lam Research, stockholder of KLA-Tencor or other person regarding Lam Research's or KLA-Tencor's ultimate performance compared to the information contained in the projections or that the projected results will be achieved. The summaries of the projections included below are not being included to influence your decision whether to vote for the merger and the transactions contemplated in connection with the merger, but are being provided solely because the projections were considered in connection with the merger. Lam Research and KLA-Tencor urge all stockholders to review Lam Research's and KLA-Tencor's most recent SEC filings for a description of Lam Research's and KLA-Tencor's reported financial results. See the section entitled "Where You Can Find More Information."

Certain Projections Reviewed by the Lam Research Board

The projections and estimates below for the calendar years ended December 31, 2015 through December 31, 2020 for Lam Research and KLA-Tencor reflect the forecasts prepared by the management of Lam Research for internal purposes of assessing the merger. In addition, Lam Research management prepared the estimates of cost and revenue synergies for the calendar years ended December 31, 2015 through December 31, 2020 that are expected to be realized following the completion of the merger. These estimated cost and revenue synergies are not reflected in the projections and estimates below for Lam Research or KLA-Tencor, which are prepared on a

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stand-alone basis. Lam Research's management prepared the prospective financial information summarized below in connection with the transaction in order to provide the Lam Research Board and Goldman Sachs with financial projections and potential synergies estimates in connection with their respective evaluation of the transaction. At the direction of the Lam Research Board and Lam Research's management, Goldman Sachs used the projections for Lam Research and KLA-Tencor and the estimated synergies for the combined company in performing its financial analysis in connection with rendering the opinion described and summarized above in Opinion of Lam Research's Financial Advisor. Lam Research also provided the projections and estimates below for Lam Research and the synergies estimates for calendar years 2015 through 2020 to KLA-Tencor. In the view of Lam Research's management, the information below was prepared on a reasonable basis and reflected the best currently available estimates and judgments at the time of preparation, and presented at the time of preparation, to Lam Research's management's knowledge and belief, reasonable projections of the future financial performances of Lam Research and KLA-Tencor. The projections have not been updated, are not statements of fact and should not be relied upon as being indicative of future results. Readers of this joint proxy statement/prospectus are cautioned not to rely on this forward-looking financial information.

Projections for Lam Research Prepared by Lam Research

(in millions)	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020
Revenue	\$ 5,896	\$ 6,490	\$ 7,597	\$ 8,137	\$ 8,453	\$ 8,781
Non-GAAP Operating Income ⁽¹⁾	\$ 1,251	\$ 1,453	\$ 1,862	\$ 2,064	\$ 2,202	\$ 2,292
Non-GAAP Net Income ⁽¹⁾	\$ 1,038	\$ 1,211	\$ 1,515	\$ 1,715	\$ 1,802	\$ 1,886

- (1) Non-GAAP Operating Income is defined as operating income excluding pre-tax non-recurring items and amortization of intangible assets acquired in the Novellus transaction. Non-GAAP Net Income is defined as net income excluding after-tax amortization of notes discount, amortization of intangible assets acquired in the Novellus transaction and after-tax non-recurring items. Neither Non-GAAP Operating Income nor Non-GAAP Net Income is a calculation provided for under GAAP. These measures should not be considered as an alternative to operating income or net income as an indication of Lam Research's operating performance. These measures are not necessarily comparable to similarly titled measures of other companies.

Reconciliation of Non-GAAP measure to GAAP measure

(in millions)	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020
GAAP operating income	\$ 1,004	\$ 1,304	\$ 1,713	\$ 1,925	\$ 2,132	\$ 2,245
Reconciling items:						
Amortization related to intangible assets acquired in Novellus transaction	149	149	149	139	70	47
Acquisition-related inventory fair-value impact	2					
Restructuring charges	7					
Long-lived asset impairment	10					
Goodwill Impairment	79					
Non-GAAP Operating Income	\$ 1,251	\$ 1,453	\$ 1,862	\$ 2,064	\$ 2,202	\$ 2,292
GAAP net income	\$ 808	\$ 1,063	\$ 1,370	\$ 1,585	\$ 1,737	\$ 1,841
Reconciling items:						
Operating income adjustments	247	149	149	139	70	47
Amortization of convertible note discounts	36	26	21	11	5	5
Net tax benefit on non-GAAP items	(32)	(27)	(25)	(20)	(10)	(7)
Net tax benefit on successful resolution of certain tax matters	1					
Cumulative income tax benefit due to a court ruling	(22)					
Non-GAAP Net Income	\$ 1,038	\$ 1,211	\$ 1,515	\$ 1,715	\$ 1,802	\$ 1,886

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The projections and estimates prepared by Lam Research management for KLA-Tencor were based on projections provided by KLA-Tencor's management in connection with the merger, publicly available information and certain adjustments deemed appropriate by Lam Research management.

(in millions)	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020
Revenue	\$ 2,838	\$ 3,098	\$ 3,377	\$ 3,544	\$ 3,676	\$ 3,816
Non-GAAP Operating Income ⁽¹⁾	\$ 781	\$ 950	\$ 1,113	\$ 1,212	\$ 1,280	\$ 1,357
Non-GAAP Net Income ⁽¹⁾	\$ 526	\$ 665	\$ 795	\$ 876	\$ 939	\$ 1,011

(1) Non-GAAP Operating Income is defined as operating income excluding pre-tax non-recurring items. Non-GAAP Net Income is defined as net income excluding after-tax non-recurring items. Neither Non-GAAP Operating Income nor Non-GAAP Net Income is a calculation provided for under GAAP. These measures should not be considered as an alternative to operating income or net income as an indication of KLA-Tencor's operating performance. These measures are not necessarily comparable to similarly titled measures of other companies. In developing the above prospective financial information, Lam Research made numerous assumptions about its and KLA-Tencor's industries, markets and products, and their ability to execute on their respective business plans. In particular, Lam Research assumed that the wafer fabrication equipment market would decline by approximately 1% from 2015 to 2016, grow approximately 10% from 2016 to 2017, and then grow from approximately 1% to 3.5% annually over the remaining projection period, with each of Lam Research and KLA-Tencor increasing market share in its major business units, as well as deriving incremental revenue from new products over the projection period. Lam Research also assumed that no significant restructuring or impairment costs would be incurred during the projection period.

Illustrative Transaction Synergies

Lam Research based the estimated synergies on potential revenue and cost savings synergies that Lam Research's management projected to result from the merger, including the potential for new product offerings combining complementary technologies, realizing benefits from the complementary business model strengths of Lam Research and KLA-Tencor, access to and development of new markets, reduced cost of sales, reduced R&D costs and reduced sales, general and administrative costs.

(in millions)	2HCY2016	CY2017	CY2018	CY2019	CY2020
Net Pre-Tax Cost Synergies	\$ 50	\$ 178	\$ 226	\$ 278	\$ 338
Net Pre-Tax Revenue Synergies	\$ 0	\$ 60	\$ 90	\$ 360	\$ 600

Certain Projections Reviewed by the KLA-Tencor Board

The projections and estimates below for the calendar years ended December 31, 2015 through December 31, 2020 for KLA-Tencor and Lam Research reflect the forecasts prepared by the management of KLA-Tencor for internal purposes of assessing the merger. KLA-Tencor's management prepared the prospective financial information summarized below in connection with the transaction in order to provide the KLA-Tencor Board and Qatalyst Partners with financial projections in connection with their respective evaluations of the transaction. In addition, KLA-Tencor management prepared estimates, based on discussions between KLA-Tencor management and Lam Research management, of cost synergies for the calendar years ended December 31, 2016 through December 31, 2020 that are expected to be realized following the completion of the merger. These estimates, which are referred to as the KLA-Tencor Synergies, reflect KLA-Tencor management's best judgment at the time of preparation, and include \$200 million in cost synergies per annum beginning in 2017, with \$50 million in cost synergies achieved in the second half of 2016, and no revenue synergies. At the direction of the KLA-Tencor Board, Qatalyst Partners used the projections for KLA-Tencor and Lam Research in performing its financial analysis, including the KLA-Tencor Synergies in an illustrative pro forma DCF analysis, in connection with rendering the opinion described and summarized above in the section entitled "Opinion of KLA-Tencor's

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Financial Advisor. KLA-Tencor also provided the projections and estimates below for KLA-Tencor to Lam Research. In the view of KLA-Tencor's management, the information below was prepared on a reasonable basis and reflected the best currently available estimates and judgments at the time of preparation, and presented at the time of preparation, to KLA-Tencor's management's knowledge and belief, reasonable projections of the future financial performances of KLA-Tencor and Lam Research. The projections have not been updated, are not statements of fact and should not be relied upon as being indicative of future results. Readers of this joint proxy statement/prospectus are cautioned not to rely on this forward-looking financial information.

Projections for KLA-Tencor Prepared by KLA-Tencor

KLA-Tencor's management prepared two sets of projections, which are referred to as Case 1 and Case 2. References to the KLA-Tencor Projections refer to Case 1 and Case 2. The principal differences between Case 1 and Case 2 are the assumptions made by KLA-Tencor management regarding KLA-Tencor's revenue growth. The differences in assumptions are related to overall long-term growth in wafer fabrication equipment spending generally and process control equipment spending specifically, including assumptions related to (1) growth and rate of innovation in the semiconductor industry generally; (2) macroeconomic trends with regard to capital expenditures; and (3) the growth of specific types of semiconductor customers, specifically memory, foundry and logic. These factors cannot be forecasted with certainty. KLA-Tencor's management determined, in light of this uncertainty, that it was appropriate to model two cases: (1) Case 1 reflects a 1% growth rate in wafer fabrication and process equipment spending and (2) Case 2 reflects a higher growth rate of 3%, which is more in line with global gross domestic product growth rates, and a slightly higher process control intensity assumption (process control spending as a percentage of overall wafer fabrication equipment spending), which reflects a slightly stronger foundry/logic environment relative to Case 1.

Case 1

(in millions)	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020
Revenue	\$ 2,838	\$ 2,993	\$ 3,318	\$ 3,415	\$ 3,517	\$ 3,622
Non-GAAP Operating Income ⁽¹⁾	\$ 781	\$ 886	\$ 1,079	\$ 1,128	\$ 1,181	\$ 1,237
Non-GAAP Net Operating Profit After Tax	\$ 614	\$ 700	\$ 852	\$ 891	\$ 933	\$ 977
Unlevered Free Cash Flow	\$ 908	\$ 792	\$ 842	\$ 957	\$ 998	\$ 1,042

- (1) Non-GAAP Operating Income is defined as operating income excluding acquisition-related, restructuring, severance and other related charges, and is not a calculation provided for under GAAP. Non-GAAP Net Operating Profit is defined as the product of Non-GAAP operating income multiplied by the applicable period's tax rate. These measures should not be considered as an alternative to operating income or net operating profit as an indication of KLA-Tencor's operating performance. These measures are not necessarily comparable to similarly titled measures of other companies.

**Reconciliation of Non-GAAP measure to GAAP measure
(totals may not add due to rounding)**

GAAP Operating Income	\$ 735	\$ 882	\$ 1,077	\$ 1,128	\$ 1,181	\$ 1,237
Adjustments:						
Acquisition related charges	\$ 12	\$ 4	\$ 2	\$	\$	\$
Restructuring, severance and other	\$ 34	\$	\$	\$	\$	\$
Non-GAAP Operating Income	\$ 781	\$ 886	\$ 1,079	\$ 1,128	\$ 1,181	\$ 1,237
Less: Income taxes on Non-GAAP Operating Income	\$ (167)	\$ (186)	\$ (227)	\$ (237)	\$ (248)	\$ (260)
Non-GAAP Net Operating Profit after tax	\$ 614	\$ 700	\$ 852	\$ 891	\$ 933	\$ 977
Less: Capital Expenditure	\$ (45)	\$ (47)	\$ (50)	\$ (52)	\$ (55)	\$ (57)
Add: Depreciation	\$ 63	\$ 60	\$ 57	\$ 54	\$ 56	\$ 57
Add: Stock Based Compensation	\$ 51	\$ 46	\$ 46	\$ 48	\$ 50	\$ 52
Add: (Increase)/Decrease in Working Capital	\$ 225	\$ 33	\$ (64)	\$ 16	\$ 14	\$ 13
Unlevered Free Cash Flow	\$ 908	\$ 792	\$ 842	\$ 957	\$ 998	\$ 1,042

Table of Contents**Case 2**

(in millions)	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020
Revenue	\$ 2,838	\$ 3,122	\$ 3,496	\$ 3,646	\$ 3,803	\$ 3,965
Non-GAAP Operating Income ⁽¹⁾	\$ 781	\$ 964	\$ 1,186	\$ 1,265	\$ 1,350	\$ 1,439
Non-GAAP Net Operating Profit After Tax	\$ 614	\$ 762	\$ 937	\$ 999	\$ 1,067	\$ 1,137
Unlevered Free Cash Flow	\$ 908	\$ 816	\$ 910	\$ 1,047	\$ 1,115	\$ 1,186

- (1) Non-GAAP Operating Income is defined as operating income excluding acquisition-related, restructuring, severance and other related charges, and is not a calculation provided for under GAAP. Non-GAAP Net Operating Profit is defined as the product of Non-GAAP operating income multiplied by the applicable period's tax rate. These measures should not be considered as an alternative to operating income or net operating profit as an indication of KLA-Tencor's operating performance. These measures are not necessarily comparable to similarly titled measures of other companies.

**Reconciliation of Non-GAAP measure to GAAP measure
(totals may not add due to rounding)**

GAAP Operating Income	\$ 735	\$ 960	\$ 1,184	\$ 1,265	\$ 1,350	\$ 1,439
Adjustments:						
Acquisition related charges	\$ 12	\$ 4	\$ 2	\$	\$	\$
Restructuring, severance and other	\$ 34	\$	\$	\$	\$	\$
Non-GAAP Operating Income	\$ 781	\$ 964	\$ 1,186	\$ 1,265	\$ 1,350	\$ 1,439
Less: Income taxes on Non-GAAP Operating Income	\$ (167)	\$ (202)	\$ (249)	\$ (266)	\$ (283)	\$ (302)
Non-GAAP Net Operating Profit after tax	\$ 614	\$ 762	\$ 937	\$ 999	\$ 1,067	\$ 1,137
Less: Capital Expenditure	\$ (45)	\$ (47)	\$ (50)	\$ (52)	\$ (55)	\$ (57)
Add: Depreciation	\$ 63	\$ 60	\$ 57	\$ 54	\$ 56	\$ 57
Add: Stock Based Compensation	\$ 51	\$ 46	\$ 46	\$ 48	\$ 52	\$ 56
Add: (Increase)/Decrease in Working Capital	\$ 225	\$ (4)	\$ (80)	\$ (2)	\$ (5)	\$ (6)
Unlevered Free Cash Flow	\$ 908	\$ 816	\$ 910	\$ 1,047	\$ 1,115	\$ 1,186

Projections for Lam Research Prepared by KLA-Tencor

The projections and estimates prepared by KLA-Tencor management for Lam Research were based on the projections for Lam Research prepared by Lam Research, publicly available information and certain adjustments deemed appropriate by KLA-Tencor management, including giving effect to assumptions regarding revenue growth, related to overall long-term growth in wafer fabrication equipment spending generally and process control equipment spending specifically, including assumptions related to growth and rate of innovation in the semiconductor industry generally, macroeconomic trends with regard to capital expenditures, and the growth of specific types of semiconductor customers, specifically memory, foundry and logic. These projections are referred to as the Adjusted Lam Research Projections.

Adjusted Lam Research Projections

(in millions)	CY2015	CY2016	CY2017	CY2018	CY2019	CY2020
Revenue	\$ 5,893	\$ 6,189	\$ 6,860	\$ 7,252	\$ 7,537	\$ 7,834
Non-GAAP Operating Income ⁽¹⁾	\$ 1,247	\$ 1,330	\$ 1,547	\$ 1,667	\$ 1,758	\$ 1,829
Non-GAAP Net Operating Profit After Tax	\$ 1,067	\$ 1,131	\$ 1,284	\$ 1,383	\$ 1,459	\$ 1,493
Unlevered Free Cash Flow	\$ 999	\$ 1,108	\$ 1,374	\$ 1,447	\$ 1,559	\$ 1,587

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- (1) Non-GAAP Operating Income is defined as operating income excluding pre-tax charges, and is not a calculation provided for under GAAP. Non-GAAP Net Operating Profit is defined as the product of Non-GAAP operating income multiplied by the applicable period's tax rate. These measures should not be considered as an alternative to operating income or net operating profit as an indication of Lam Research's operating performance. These measures are not necessarily comparable to similarly titled measures of other companies.

Interests of KLA-Tencor Directors and Executive Officers in the Merger

In considering the recommendation of the KLA-Tencor Board that you vote to approve the Merger proposal, you should be aware that KLA-Tencor's directors and executive officers have economic interests in the merger that may be different from, or in addition to, those of KLA-Tencor stockholders generally. The KLA-Tencor Board was aware of and considered these interests, among other matters, in reaching its decisions to adopt and approve, the merger agreement, the merger and the other transactions contemplated by the merger agreement (except for the interests of Ms. Higashi and Messrs. Moore and Rango that will arise if the KLA-Tencor stockholders approve the Director Compensation proposal as the KLA-Tencor Board did not determine to submit the Director Compensation proposal to KLA-Tencor stockholders until after it had approved the merger agreement).

Treatment of KLA-Tencor Equity Awards

Other than as described in the section below entitled "KLA-Tencor Compensation Arrangements," the equity compensation held by directors and executive officers of KLA-Tencor will be treated in the merger in the same manner as similar awards held by other employees of KLA-Tencor. See "The Merger Agreement Treatment of KLA-Tencor Equity Awards" for more information.

The following table provides a summary of the unvested KLA-Tencor RSUs including performance-based restricted stock units, which are referred to as "PSUs" that are held by KLA-Tencor's directors and executive officers as of November 20, 2015 and that remain subject to single-trigger or double-trigger accelerated vesting in connection with the merger. Consequently, the following table excludes all KLA-Tencor RSUs that vested prior to November 20, 2015 under the normal (non-accelerated) vesting schedule applicable to such awards, but have not yet been settled. No KLA-Tencor director or executive officer directly or indirectly owns any stock options covering shares of KLA-Tencor stock.

	Number of Shares Subject to Outstanding and Unvested KLA-Tencor RSUs and PSUs ⁽¹⁾	Estimated Total Value (\$) ⁽²⁾
Executive Officers		
Richard P. Wallace	290,863	\$ 19,458,735
Bren D. Higgins	62,553	\$ 4,184,796
Bobby R. Bell	113,048	\$ 7,562,911
Michael D. Kirk	113,048	\$ 7,562,911
Ahmad A. Khan	73,392	\$ 4,909,925
Directors		
Edward W. Barnholt	2,993	\$ 50,041
Robert M. Calderoni	2,394	\$ 40,006
John T. Dickson	2,394	\$ 40,006
Emiko Higashi	2,394	\$ 40,006
Kevin J. Kennedy	2,394	\$ 40,006
Gary B. Moore	2,394	\$ 40,006
Kiran M. Patel	2,394	\$ 40,006
Robert A. Rango	2,394	\$ 40,006
David C. Wang	2,394	\$ 40,006

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- (1) Under the terms of the merger agreement, at the effective time of the merger, Lam Research will convert each KLA-Tencor RSU that is unvested (including performance-based restricted stock units) and held by a continuing service provider into a Lam Research RSU, with economically equivalent terms as applied immediately prior to the effective time of the merger, and subject to certain adjustments as described in the section entitled "The Merger Agreement Treatment of KLA-Tencor Equity Awards." Further, at the effective time of the merger, each KLA-Tencor RSU that is unvested (after applying any rights to accelerated vesting in connection with the mergers) and held by an individual who is not a continuing service provider will be cancelled without payment of any consideration. Pursuant to the KLA-Tencor Original Severance Plan, as described below under "KLA-Tencor Compensation Arrangements Original Severance Plan," all outstanding and unvested KLA-Tencor RSUs issued to Mr. Wallace will accelerate and fully vest upon a termination other than for "cause" or upon a resignation for "good reason" (as such terms are defined in the Original Severance Plan) on or within two years following the effective time of the merger. Pursuant to the KLA-Tencor 2010 Severance Plan, as described below under "KLA-Tencor Employment Arrangements 2010 Severance Plan," KLA-Tencor RSUs issued to executive officers other than Mr. Wallace will accelerate and fully vest upon a termination other than for "cause" or upon resignation for "good reason" (as such terms are defined in the 2010 Severance Plan) on or within one year following the effective time of the merger.

As noted below under "KLA-Tencor Compensation Arrangements," under the terms of the KLA-Tencor PSU program, if a participant's qualifying termination of service occurs after a "change of control," the vesting acceleration of PSUs for which the achievement of the applicable performance criteria has not yet been determined as of the executive officer's termination date is based on a shortened performance period, ending as of the most recent fiscal quarter end preceding the closing date of the "change of control." For purposes of this table, KLA-Tencor is assuming the applicable performance criteria for outstanding PSUs held by each executive officer is achieved at 100% of target levels of performance. Actual performance could vary based on the actual closing date of the merger, which directly impacts the number of outstanding PSUs held by each executive officer on the actual closing date of the merger (and therefore the number of PSUs that may be subject to accelerated vesting under the PSU program, the Original Severance Plan and the 2010 Severance Plan).

Pursuant to KLA-Tencor's "Outside Director Accelerated Vesting Policy," if any outside director who has served on the KLA-Tencor Board for at least six years ceases to provide services to KLA-Tencor and any successor company, he or she would be entitled to accelerated vesting of their unvested KLA-Tencor RSUs on a prorated basis. The pro rata portion would be calculated based on the number of quarters between the grant date for the KLA-Tencor RSUs and the director's termination date, rounded up for any partially completed quarter of the director's service. This accelerated vesting benefit would not apply to any outside director serving on the KLA-Tencor Board who becomes a member of the Lam Research Board or otherwise provides services to Lam Research or KLA-Tencor as of the effective time of the merger. As of the date of this joint proxy statement/prospectus, this "Outside Director Accelerated Vesting Policy" would apply to all outside directors of KLA-Tencor Board, except for Emiko Higashi, Gary B. Moore, and Robert A. Rango. If the Director Compensation proposal is approved by KLA-Tencor's stockholders, Ms. Higashi and Messrs. Moore and Rango also would be entitled to the same accelerated vesting benefit (subject to the other terms of the "Outside Director Accelerated Vesting Policy").

- (2) The estimated total value of the outstanding and unvested KLA-Tencor RSUs held by each director or executive officer as of November 20, 2015 was determined by multiplying (1) the number of shares of KLA-Tencor common stock subject to the outstanding and unvested KLA-Tencor RSUs as of November 20, 2015 that would be subject to accelerated vesting (as described in footnote 1) assuming a termination date of November 20, 2015 and assuming the Director Compensation proposal is approved by KLA-Tencor stockholders, and (2) \$66.90 (the estimated value of the all-cash consideration payable by Lam Research for one share of KLA-Tencor common stock, assuming that the closing date of the merger is November 20, 2015, but excluding the value of dividend equivalent rights). If the Director Compensation proposal is not approved by the KLA-Tencor stockholders, Ms. Higashi and Messrs. Moore and Rango would not be

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eligible to receive the prorated accelerated vesting benefit. As a result, if one of these directors ceases to provide services to KLA-Tencor and Lam Research as of the effective time of the merger, and if the closing occurs prior to November 4, 2016, such director would forfeit his or her KLA-Tencor RSUs in their entirety.

KLA-Tencor Compensation Arrangements

Employment Agreements. KLA-Tencor has not entered into any employment agreements with its executive officers pursuant to which an executive officer would be entitled to any benefits or compensation in connection with the merger or a termination of employment in connection with the merger.

Original Severance Plan. Mr. Wallace currently participates in the KLA-Tencor Executive Severance Plan, which is referred to as the Original Severance Plan, which was most recently amended in September 2015. Pursuant to the Original Severance Plan, if Mr. Wallace is terminated other than for cause, or voluntarily resigns for good reason, prior to a change of control (as each such term is defined in the Original Severance Plan), then he will receive (1) a lump sum payment equal to two years of Mr. Wallace's base salary; (2) a prorated annual incentive payment for the fiscal year of his termination or resignation (calculated based on his annual incentive bonus for the then-most recently completed fiscal year and the proportion of the then-current fiscal year served through the date of termination or resignation); (3) prorated vesting of all of his outstanding equity awards through the date of his termination or resignation (rounded up to the next whole month and disregarding any cliff-vesting provisions applicable to the award); and (4) the extension of the post-termination exercise period of each stock option or stock appreciation right granted after January 1, 2006 so that the option or right will remain exercisable for twelve months following the date of termination or resignation, but in no event beyond the original term of the award. The calculation in clause (3) of this paragraph with respect to any performance-based equity awards for which the achievement of the applicable performance criteria has not yet been determined as of Mr. Wallace's termination date will be delayed until the extent of the achievement of those criteria (and thus the maximum number of shares issuable under the applicable award) has been finally determined in accordance with the terms of the applicable award.

If Mr. Wallace is terminated other than for cause, or voluntarily resigns for good reason, within two years following a change of control, then he will receive (1) a lump sum payment equal to three years of Mr. Wallace's base salary; (2) a lump sum payment equal to three times his average annual bonus for the preceding three completed fiscal years; (3) a prorated annual incentive payment for the fiscal year of his termination or resignation (calculated as described in clause (2) of the preceding paragraph); (4) 100% vesting acceleration of all of his outstanding equity awards; (5) an additional lump sum payment of \$72,000; and (6) the extension of the post-termination exercise period of each stock option or stock appreciation right granted after January 1, 2006 so that the option or right will remain exercisable for twelve months following the date of termination or resignation, but in no event beyond the original term of the award. The KLA-Tencor PSU program provides that the calculation in clause (4) of this paragraph with respect to any performance-based equity awards for which the achievement of the applicable performance criteria had not yet been determined as of the participant's termination date is made based on a shortened performance period ending as of the most recent fiscal quarter end preceding the closing date of the change of control.

Pursuant to the Original Severance Plan, Mr. Wallace is also eligible for the Executive Retiree Medical Benefits in accordance with the terms described below under the section entitled Executive Retiree Medical Program.

In addition, Mr. Wallace will be entitled under certain circumstances to a full tax gross-up payment to cover any excise tax liability he may incur under Code Section 4999 and the resulting income and employment tax liability attributable to that payment, should the benefits to which he becomes entitled in connection with a change of control constitute parachute payments that exceed by more than \$50,000 the maximum parachute payment otherwise allowable under the federal tax laws without the imposition of the Code Section 4999 excise tax.

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The KLA-Tencor RSUs granted to Mr. Wallace in fiscal years 2015 and 2016 were issued with dividend equivalent rights pursuant to the KLA-Tencor 2004 Equity Incentive Plan, which is referred to as the 2004 Plan. These dividend equivalent rights entitle the recipient to receive credits, payable in cash or additional shares of KLA-Tencor common stock, equal to the cash dividends that would have been received on the shares of KLA-Tencor common stock had the shares been issued and outstanding on the dividend record date. The dividend equivalents would only be paid to Mr. Wallace upon vesting or settlement of the underlying award (including satisfaction of any performance-vesting criteria associated with any performance-based awards). In November 2014, the KLA-Tencor Board declared a special cash dividend of \$16.50 per share on outstanding KLA-Tencor common stock, which was substantially paid to the KLA-Tencor stockholders in December 2014. In connection with the special cash dividend, the KLA-Tencor Board and compensation committee approved an equitable and proportionate adjustment to then-outstanding equity awards (KLA-Tencor RSUs and KLA-Tencor options) under the 2004 Plan, as required by the plan, to reflect the value of this special cash dividend, the value of which will be earned and payable subject to the vesting requirements of the underlying awards. Accordingly, in connection with an acceleration of vesting of some or all outstanding equity awards held by Mr. Wallace, as applicable, Mr. Wallace would be entitled to receive accrued dividend equivalents and the benefit of the equitable and proportionate adjustment for the special cash dividend attributable to his accelerated equity awards.

2010 Severance Plan. Messrs. Higgins, Bell, Kirk and Khan participate in the KLA-Tencor 2010 Executive Severance Plan, which is referred to as the 2010 Severance Plan, which was most recently amended in September 2015. Pursuant to the 2010 Severance Plan, if Mr. Higgins, Mr. Bell, Mr. Kirk or Mr. Khan is terminated other than for cause, or voluntarily resigns for good reason, within one year following a change of control (as each such term is defined in the 2010 Severance Plan), then such officer will receive (1) a lump sum payment equal to 18 months of base salary; (2) a prorated annual incentive payment for the fiscal year of his termination or resignation (calculated based on such officer's annual incentive bonus for the then-most recently completed fiscal year and the proportion of the then-current fiscal year served through the date of termination or resignation); (3) 100% vesting acceleration of all of his outstanding equity awards; and (4) the extension of the post-termination exercise period of each stock option or stock appreciation right granted after January 1, 2006 so that the option or right will remain exercisable for twelve months following the date of termination or resignation, but in no event beyond the original term of the award. The KLA-Tencor PSU program provides that the calculation in clause (3) of this paragraph with respect to any performance-based equity awards for which the achievement of the applicable performance criteria had not yet been determined as of the participant's termination date is made based on a shortened performance period ending as of the most recent fiscal quarter end preceding the closing date of the change of control.

Pursuant to the 2010 Severance Plan, Mr. Bell also is eligible for the Executive Retiree Medical Benefits in accordance with the terms described below under the section entitled Executive Retiree Medical Program.

The KLA-Tencor RSUs granted to Messrs. Higgins, Bell, Kirk and Khan in fiscal years 2015 and 2016 were issued with dividend equivalent rights pursuant to the 2004 Plan. These dividend equivalent rights entitle the recipient to receive credits, payable in cash or additional shares of KLA-Tencor common stock, equal to the cash dividends that would have been received on the shares of KLA-Tencor common stock had the shares been issued and outstanding on the dividend record date. The dividend equivalents would only be paid to the recipient upon vesting or settlement of the underlying award (including satisfaction of any performance-vesting criteria associated with any performance-based awards). In November 2014, the KLA-Tencor Board declared a special cash dividend of \$16.50 per share on outstanding KLA-Tencor common stock, which was substantially paid to KLA-Tencor stockholders in December 2014. In connection with the special cash dividend, the KLA-Tencor Board and compensation committee approved an equitable and proportionate adjustment to outstanding equity awards (KLA-Tencor RSUs and KLA-Tencor options) under the KLA-Tencor 2004 Equity Incentive Plan, as required by the KLA-Tencor 2004 Equity Incentive Plan, to reflect the value of this special cash dividend, the value of which will be earned and payable subject to the vesting requirements of the underlying awards. Accordingly, in connection with an acceleration of vesting of all outstanding equity awards held by Messrs. Higgins, Bell, Kirk or Khan, such officer would be entitled to receive accrued dividend equivalents and the benefit of the equitable and proportionate adjustment for the special cash dividend attributable to their accelerated equity awards.

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The 2010 Severance Plan provides that, if a payment under the 2010 Severance Plan would constitute a parachute payment and would therefore be subject to Code Section 4999 excise tax, then the payment will be reduced to either (1) the largest portion of the payment that would result in no portion of the payment being subject to the excise tax or (2) the largest portion, up to and including the total, of the payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the excise tax (all computed at the highest applicable marginal rate), results in the participant's receipt, on an after-tax basis, of the greater amount of the payment, notwithstanding that all or some portion of the payment may be subject to the excise tax.

Executive Retiree Medical Program. KLA-Tencor has established a retiree medical program to offer continued health benefits to certain current senior executive officers. To be eligible, an executive must be at least 55 years old with ten years of service with KLA-Tencor, and must be in good standing with KLA-Tencor at the time of retirement. Eligible executives are entitled to participate until age 65 and must pay the full cost of the premium. Participation in this program is limited to KLA-Tencor's Section 16 executive officers as of February 2011. The benefits described above shall be referred to herein as the Executive Retiree Medical Benefits. As of November 20, 2015, the only executive officers potentially eligible to participate in this program are Messrs. Wallace and Bell.

Outside Director Accelerated Vesting Policy. KLA-Tencor adopted the existing Outside Director Accelerated Vesting Policy in 2008. This policy provides that any outside director serving on the KLA-Tencor Board in good standing who served on the KLA-Tencor Board for at least six years will be entitled to accelerated vesting on the director's termination of service equal to a pro rata portion of the then-unvested KLA-Tencor RSUs. The pro-rata portion is calculated based on the number of quarters of service rendered between the grant date for the KLA-Tencor RSUs and the director's termination date, rounded up for any partially-completed quarter of the director's service. Under the existing Outside Director Accelerated Vesting Policy, if an outside director becomes a member of the Lam Research Board, or otherwise provides service to Lam Research or KLA-Tencor as of the effective time of the merger, he or she is not deemed to have a termination of service and so is not eligible for accelerated vesting until he or she has a later termination event. As of the date hereof, this accelerated vesting benefit does not apply to Emiko Higashi, Gary B. Moore, and Robert A. Rango, as these outside directors have not yet met the six year eligibility requirement. If the Director Compensation proposal is approved by KLA-Tencor's stockholders, then Ms. Higashi and Messrs. Moore and Rango will become eligible to receive the prorated accelerated vesting of their director equity awards on the same terms as the other KLA-Tencor outside directors who have provided at least six years of service. If the Director Compensation proposal is not approved by KLA-Tencor's stockholders, then Ms. Higashi and Messrs. Moore and Rango will not be entitled to this accelerated vesting and may forfeit their award entirely if their service with KLA-Tencor and Lam Research terminates at the closing of the merger.

Indemnification

Directors and executive officers of KLA-Tencor also have rights to indemnification and directors' and officers' liability insurance that will survive completion of the merger. See the section entitled "The Merger Agreement - Other Covenants and Agreements" for more information.

Lam Research Board of Directors Following the Merger

Immediately following the effective time of the merger, two directors from the KLA-Tencor Board, to be mutually designated by Lam Research and KLA-Tencor, will become members of the Lam Research Board. Upon appointment, each director will receive prorated annual compensation for their service as a director consistent with Lam Research's policies for compensation of non-employee directors. Lam Research has agreed to indemnify the designated directors on the same terms as the other non-employee directors of Lam Research.

Table of Contents**New Arrangements with Lam Research**

Executive Officers. As of the date of this joint proxy statement/prospectus, no KLA-Tencor executive officer has reached an understanding on potential employment or other retention terms with Merger Sub 2, the ultimate surviving corporation in the mergers, or with Lam Research, and no KLA-Tencor executive officer has entered into any definitive agreement or arrangement regarding employment or other retention with Merger Sub 2 or with Lam Research following the completion of the mergers. However, prior to the effective time of the merger, Lam Research may initiate discussions regarding employment or other retention terms and may enter into definitive agreements regarding employment or retention for certain of KLA-Tencor's employees, to be effective as of the effective time of the merger. In addition, Lam Research has agreed to, or to cause Merger Sub 2 to, assume, honor and fulfill the terms of the Original Severance Plan and the 2010 Severance Plan. See the section entitled "The Merger Agreement Employee Benefits Matters" for more information.

Directors. Immediately following the effective time of the merger, two directors from the KLA-Tencor Board, to be mutually designated by Lam Research and KLA-Tencor, will become members of the Lam Research Board. Upon appointment, each director will receive prorated annual compensation for his or her service as a director consistent with Lam Research's policies for compensation of non-employee directors. Lam Research has agreed to indemnify the designated directors on the same terms as the other non-employee directors of Lam Research.

Golden Parachute Compensation

The table below reflects the compensation and benefits that will or may be paid or provided in connection with the merger in the circumstances described below to each of KLA-Tencor's named executive officers (Richard P. Wallace, Bren D. Higgins, Bobby R. Bell, Michael D. Kirk, and Ahmad A. Khan), as determined in accordance with Item 402(t) of Regulation S-K. Except where noted, severance payments have been calculated based on the named executive officer's current compensation. Regardless of the manner in which a named executive officer's employment terminates, the executive is entitled to receive amounts already earned during his or her term of employment, such as base salary earned through the date of termination. Please note that the amounts indicated below are estimates based on the material assumptions described in the notes to the table below, which may or may not actually occur. Some of these assumptions are based on information currently available and, as a result, the actual amounts, if any, to be received by a named executive officer may differ in material respects from the amounts set forth below. Furthermore, for purposes of calculating such amounts, we have assumed a closing date of November 20, 2015.

Name	Cash (\$) ⁽¹⁾	Equity (\$) ⁽²⁾	Perquisites/ Benefits (\$) ⁽³⁾	Total (\$) ⁽⁴⁾⁽⁵⁾
Richard P. Wallace	6,664,650	19,458,735	3,300,989	29,424,374
Bren D. Higgins	784,558	4,184,796	649,039	5,618,393
Bobby R. Bell	876,178	7,562,911	1,365,838	9,804,927
Michael D. Kirk	904,217	7,562,911	1,365,838	9,832,966
Ahmad A. Khan	807,023	4,909,925	827,867	6,544,815

- (1) Pursuant to the Original Severance Plan, if Mr. Wallace is involuntarily terminated without cause or voluntarily terminates for good reason within two years following a change of control, as described in greater detail in the section above entitled "KLA-Tencor Compensation Arrangements," then Mr. Wallace is entitled to a lump sum payment in an amount equal to the sum of (a) 36 months of Mr. Wallace's base salary immediately prior to the termination, with an aggregate dollar value of \$2,700,000, (b) an amount equal to three times Mr. Wallace's average annual bonus for the preceding three completed fiscal years, with an aggregate dollar value of \$3,440,596, (c) a pro-rated annual incentive payment for the fiscal year of Mr. Wallace's termination or resignation (calculated based on Mr. Wallace's annual incentive bonus for the then-most recently completed fiscal year and the proportion of the then-current fiscal year served through the date of termination or resignation), with an aggregate dollar value of \$452,054, and (d) an additional lump sum payment of \$72,000.

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Pursuant to the 2010 Severance Plan, if Mr. Higgins, Mr. Bell, Mr. Kirk or Mr. Khan is involuntarily terminated without cause or voluntarily terminates for good reason within one year following a change of control, as described in greater detail in the section above entitled

KLA-Tencor Compensation Arrangements, then the executive officer is entitled to a lump sum payment in an amount equal to the sum of (a) 18 months of the participating executive officer's base salary immediately prior to the termination, with an aggregate dollar value of (i) \$675,000 with respect to Mr. Higgins, (ii) \$750,000 with respect to Mr. Bell, (iii) \$750,000 with respect to Mr. Kirk, and (iv) \$712,500 with respect to Mr. Khan, and (b) a pro-rated annual incentive payment for the fiscal year of the executive officer's termination or resignation (calculated based on such officer's annual incentive bonus for the then-most recently completed fiscal year and the proportion of the then-current fiscal year served through the date of termination or resignation), with an aggregate dollar value of (i) \$109,558 with respect to Mr. Higgins, (ii) \$126,178 with respect to Mr. Bell, (iii) \$154,217 with respect to Mr. Kirk, and (iv) \$94,523 with respect to Mr. Khan.

The amounts determined in this column are estimated based on the executive officer's salary and target annual cash incentive as of November 20, 2015.

- (2) Under the terms of the merger agreement, at the effective time of the merger, (i) Lam Research will convert each KLA-Tencor RSU that is unvested (including performance-based restricted stock units) and held by a continuing service provider into a LAM Research RSU, with economically equivalent terms as applied immediately prior to the effective time, and subject to certain adjustments as described in the section entitled The Merger Agreement Treatment of KLA-Tencor Equity Awards. Pursuant to the Original Severance Plan with respect to Mr. Wallace and the 2010 Severance Plan with respect to Messrs. Higgins, Bell, Kirk and Khan, if the participating executive officer is involuntarily terminated without cause or voluntarily terminates for good reason within one year (two years for Mr. Wallace) following a change of control, as described in greater detail in the section above entitled KLA-Tencor Compensation Arrangements, then 100% of the executive officer's unvested and outstanding KLA-Tencor RSUs shall accelerate and fully vest.

As noted above, pursuant to the terms of the KLA-Tencor PSU program, if a qualifying termination occurs after a change of control, the vesting acceleration of the PSUs for which the achievement of the applicable performance criteria has not yet been determined as of the executive officer's termination date is based on a shortened performance period ending as of the most recent fiscal quarter end preceding the closing date of the change of control. For purposes of this table, KLA-Tencor is assuming the applicable performance criteria is achieved at 100% of target levels of performance for the outstanding PSUs. Actual performance could vary based on the actual closing date of the mergers, which directly impact the number of outstanding PSUs held by each executive officer on the actual closing date of the mergers.

The number of KLA-Tencor shares earnable under the fiscal year 2016 KLA-Tencor PSUs is based on KLA-Tencor's achieved level of three-year Relative Free Cash Flow Margin over fiscal years 2016, 2017 and 2018.

The number of KLA-Tencor shares earnable under the fiscal year 2015 KLA-Tencor PSUs is based on KLA-Tencor's achieved level of three-year Relative Free Cash Flow Margin over fiscal years 2015, 2016 and 2017.

The number of KLA-Tencor shares earnable under the fiscal year 2014 KLA-Tencor PSUs is based on KLA-Tencor's achieved level of three-year Relative Free Cash Flow Margin over fiscal years 2014, 2015 and 2016.

The number of KLA-Tencor shares earnable under the fiscal year 2013 KLA-Tencor PSUs is based on KLA-Tencor's achieved level of three-year Relative Free Cash Flow Margin over fiscal years 2013, 2014 and 2015.

As of November 20, 2015, Mr. Wallace holds 290,863 unvested and outstanding KLA-Tencor RSUs, Mr. Higgins holds 62,553 unvested and outstanding KLA-Tencor RSUs, Mr. Bell holds 113,048 unvested and outstanding KLA-Tencor RSUs, Mr. Kirk holds 113,048 unvested and outstanding KLA-Tencor RSUs,

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and Mr. Khan holds 73,392 unvested and outstanding KLA-Tencor RSUs. These numbers reflect each executive officer holding only the target number of PSUs for each of the fiscal 2013, fiscal 2014, fiscal 2015 and fiscal 2016 awards. The values in the table above represent the product of: (i) \$66.90 per share (which is the estimated value of the all-cash consideration assuming the closing date of the mergers is November 20, 2015, but excluding the value of dividend equivalent rights) multiplied by (ii) the number of shares outstanding KLA-Tencor RSUs.

- (3) The unvested and outstanding KLA-Tencor RSUs (including PSUs) granted to Messrs. Wallace, Higgins, Bell, Kirk and Khan in fiscal years 2015 and 2016 were issued with dividend equivalent rights pursuant to the KLA-Tencor 2004 Equity Incentive Plan, as described in greater detail in the section above entitled KLA-Tencor Compensation Arrangements. These dividend equivalent rights entitle the recipient to receive credits, generally payable in cash, equal to the cash dividends that would have been received on the shares of KLA-Tencor common stock underlying each RSU award had the shares been issued and outstanding on the dividend record date. The dividend equivalents would only be paid to the recipient upon vesting or settlement of the underlying award (including satisfaction of any performance-vesting criteria associated with any performance-based awards). In November 2014, the KLA-Tencor Board declared a special cash dividend of \$16.50 per share on KLA-Tencor outstanding common stock, which was substantially paid to KLA-Tencor stockholders in December 2014. In connection with the special cash dividend, the KLA-Tencor Board and Compensation Committee approved an equitable and proportionate adjustment to the then-outstanding equity awards under the KLA-Tencor 2004 Equity Incentive Plan, as required by the plan, to reflect the value of this special cash dividend, the value of which will be earned and payable subject to the vesting requirements of the underlying awards. Accordingly, in connection with an acceleration of vesting of some or all of outstanding equity awards held by Mr. Wallace, Mr. Higgins, Mr. Bell, Mr. Kirk and Mr. Khan, as applicable, based on provisions discussed above, Mr. Wallace, Mr. Higgins, Mr. Bell, Mr. Kirk and Mr. Khan would be entitled to receive accrued dividend equivalents and the benefit of the equitable and proportionate adjustment of the special cash dividend attributable to the executive officer's accelerated RSUs.
- (4) As noted above, pursuant to the terms of the 2010 Severance Plan, if any executive officer (other than Mr. Wallace) receives any payment or benefit that would constitute a parachute payment, within the meaning of Section 280G of the Code, that would be subject to the excise tax under Section 4999 of the Code, then such payment or benefit will be reduced by the Reduced Amount. The Reduced Amount will be either (i) the largest portion of the payment or benefit that would result in no portion of the payment or benefit being subject to the excise tax or (ii) the largest portion, up to and including the total of the payment or benefit, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the excise tax, results in the participant's receipt, on an after-tax basis, of the greater amount of the payment or benefit. Based on the assumptions used in preparing this tabular disclosure in accordance with Item 402(t) of Regulation S-K, Messrs. Higgins, Bell, Kirk and Khan would not be subject to a reduction (to avoid the excise tax imposed under Section 4999 of the Code) in the compensatory payments that are reasonably likely to become due to each executive in connection with this transaction under this provision of the 2010 Severance Plan. Based on the actual closing date of the mergers, certain executive officers listed in the table above may have their payments or benefits reduced by the Reduced Amount in connection with the mergers under the terms of the 2010 Severance Plan (other than Mr. Wallace).
- (5) As noted above, pursuant to the terms of the Original Severance Plan, Mr. Wallace is eligible under certain circumstances to receive a full tax gross-up payment to cover (i) any excise tax liability he may incur under Code Section 4999 and (ii) the resulting income and employment tax liability attributable to that payment, should the benefits to which he becomes entitled in connection with a change of control constitute parachute payments that exceed by more than \$50,000 the maximum parachute payment otherwise allowable under the federal tax laws without the imposition of the Code Section 4999 excise tax. Based on the assumptions used in preparing this tabular disclosure in accordance with Item 402(t) of Regulation S-K, Mr. Wallace would not receive the tax gross-up payment under this provision of the Original Severance Plan in respect of the compensatory payments that are reasonably likely to become due to Mr. Wallace in connection with this transaction.

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Board of Directors Following the Merger

Immediately following the effective time of the merger, two directors from the KLA-Tencor Board, to be mutually designated by Lam Research and KLA-Tencor, will become members of the Lam Research Board. Upon appointment, each director will receive prorated annual compensation for their service as a director consistent with Lam Research's policies for compensation of non-employee directors. Lam Research has agreed to indemnify the designated directors on the same terms as the other non-employee directors of Lam Research.

Regulatory Clearances Required for the Merger

Lam Research and KLA-Tencor are required to submit notifications to various competition authorities prior to completing the merger. Under the HSR Act, Lam Research and KLA-Tencor must file notifications with the Federal Trade Commission and the Antitrust Division of the Department of Justice and observe a mandatory pre-merger waiting period before completing the merger. In addition, Lam Research and KLA-Tencor are required to submit notifications with competition authorities in China, Germany, Ireland, Israel, Japan, Korea and Taiwan.

While Lam Research and KLA-Tencor expect to obtain all required regulatory clearances, Lam Research and KLA-Tencor cannot assure you that the antitrust regulators or other government agencies, including state attorneys general or private parties, will not initiate actions to challenge the merger before or after it is completed. Any such challenge to the merger could result in an administrative or court order enjoining the merger or in restrictions or conditions that would have a material adverse effect on the combined company if the merger is completed. Such restrictions and conditions could include requiring the divestiture or spin-off of assets or businesses, the required licensing of intellectual property rights, or limitations on the ability of the combined company to operate its business as it sees fit. Neither Lam Research nor KLA-Tencor can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger.

Procedures for Surrendering KLA-Tencor Common Stock in the Merger

The conversion of KLA-Tencor common stock into the right to receive the merger consideration will occur automatically at the completion of the merger. Lam Research has designated [] as the exchange agent and will enter into an exchange agent agreement with the exchange agent reasonably acceptable to KLA-Tencor providing for the exchange agent to handle the exchange of certificates or book-entry shares representing shares of KLA-Tencor common stock for the merger consideration. At or promptly after the effective time of the merger, Lam Research or Merger Sub 1 will deposit or make available as needed the cash and shares of Lam Research common stock comprising the merger consideration payable in respect of KLA-Tencor common stock. Promptly after the effective time of the merger, Lam Research will, or will cause the exchange agent to, send a letter of transmittal to each person who is a record holder of KLA-Tencor common stock at the completion of the merger for use in the exchange and instructions explaining how to surrender KLA-Tencor stock certificates or transfer uncertificated shares of KLA-Tencor common stock to the exchange agent.

KLA-Tencor stockholders who submit a properly completed letter of transmittal, together with their stock certificates (in the case of certificated shares) or other evidence of transfer requested by the exchange agent (in the case of book-entry shares), will receive the merger consideration into which the shares of KLA-Tencor common stock were converted in the merger. The Lam Research common stock constituting part of such merger consideration will be delivered to KLA-Tencor stockholders in book-entry form unless a physical certificate is requested by a KLA-Tencor stockholder or otherwise required under applicable law. After completion of the merger, each certificate that previously represented shares of KLA-Tencor common stock and each uncertificated share of KLA-Tencor common stock that previously was registered to a holder on KLA-Tencor's stock transfer books, except for shares held by KLA-Tencor as treasury stock, shares owned by Lam Research or by any subsidiary of Lam Research or KLA-Tencor and shares with respect to which appraisal rights have been properly exercised in accordance with the DGCL, will only represent the right to receive the merger consideration into

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which those shares of KLA-Tencor common stock have been converted (and cash in lieu of any fractional shares of Lam Research common stock, and any dividends on the Lam Research common stock into which such KLA-Tencor shares have been converted).

Neither Lam Research nor KLA-Tencor will be responsible for transfer or other similar taxes and fees incurred by holders of KLA-Tencor common stock in connection with the mergers. Those taxes and fees, if any, will be the sole responsibility of such holders. In addition, if there is a transfer of ownership of KLA-Tencor common stock that is not registered in the records of KLA-Tencor's transfer agent, payment of the merger consideration as described above (and cash in lieu of any fractional share of Lam Research common stock, and any dividends on the Lam Research common stock into which such KLA-Tencor shares have been converted) will be made to a person other than the person in whose name the certificate or uncertificated share so surrendered is registered only if the certificate is properly endorsed or otherwise is in proper form for transfer or the uncertificated share is properly transferred, and the person requesting the payment must pay to the exchange agent any transfer or other similar taxes required as a result of such payment or satisfy the exchange agent that any transfer or other similar taxes have been paid or that no payment of those taxes is necessary.

After completion of the merger, Lam Research will not pay dividends with a record date on or after completion of the merger to any holder of any KLA-Tencor stock certificates or uncertificated shares of KLA-Tencor common stock on the Lam Research common stock into which such KLA-Tencor shares have been converted until the holder surrenders the KLA-Tencor stock certificates or transfers the uncertificated shares of KLA-Tencor common stock as described above. However, once those certificates or uncertificated shares of KLA-Tencor common stock are surrendered or transferred, as applicable, Lam Research will pay to the holder, without interest, any dividends on the Lam Research common stock into which such KLA-Tencor shares have been converted with a record date on or after completion of the merger that have been paid prior to such surrender or transfer, as applicable.

Lam Research stockholders need not take any action with respect to their stock certificates.

Treatment of Lam Research Stock Options and Other Equity Awards

The completion of the merger will not accelerate the vesting or settlement of any outstanding stock options or other equity awards granted under any of Lam Research's equity incentive plans, and all such stock options and other equity awards will continue to vest in accordance with their applicable terms.

Treatment of KLA-Tencor Equity Awards

The equity compensation held by directors and executive officers of KLA-Tencor will be treated in the mergers in the same manner as similar awards held by other employees of KLA-Tencor. See the section entitled "The Merger Agreement Treatment of KLA-Tencor Equity Awards" for more information.

Dividend Policy

Lam Research currently pays a quarterly dividend on Lam Research common stock and last paid a dividend on September 30, 2015 of \$0.30 per share. Lam Research will pay its next quarterly dividend of \$0.30 per share on January 6, 2016 to Lam Research stockholders of record on December 9, 2015. Under the terms of the merger agreement, during the period before completion of the merger, Lam Research is not permitted to authorize or pay any dividends on or make any distribution with respect to the Lam Research common stock other than its quarterly cash dividend in an amount not in excess of \$0.30 per share, consistent with past practice.

KLA-Tencor currently pays quarterly cash dividends on shares of KLA-Tencor common stock. Any future determination regarding dividend or distribution payments will be at the discretion of the KLA-Tencor Board, subject to applicable limitations under Delaware law and the merger agreement, which provides that quarterly dividends shall not exceed \$0.52 per share during the pendency of the mergers.

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After completion of the merger, each former KLA-Tencor stockholder who holds Lam Research common stock into which KLA-Tencor common stock has been converted pursuant to the merger agreement will receive whatever dividends are declared and paid on Lam Research common stock. However, no dividend or other distribution having a record date after completion of the merger will actually be paid with respect to any Lam Research common stock into which KLA-Tencor common stock has been converted pursuant to the merger agreement until the certificates formerly representing shares of KLA-Tencor common stock have been surrendered (or the book-entry shares formerly representing shares of KLA-Tencor common stock have been transferred), at which time any accrued dividends and other distributions on those shares of Lam Research common stock will be paid without interest. Subject to the limitations set forth in the merger agreement described above, any future dividends by Lam Research will be made at the discretion of the Lam Research Board, subject to applicable limitations under Delaware law. There can be no assurance that any future dividends will be declared or paid by Lam Research or KLA-Tencor or as to the amount or timing of those dividends, if any.

Listing of Additional Shares of Lam Research Common Stock

It is a condition to the completion of the merger that the shares of Lam Research common stock to be issued pursuant to the merger agreement be authorized for listing on the NASDAQ Global Select Market, subject to official notice of issuance.

De-Listing and Deregistration of Shares of KLA-Tencor Common Stock

KLA-Tencor common stock is currently traded on the NASDAQ Global Select Market under the symbol KLAC. Upon completion of the mergers, KLA-Tencor common stock will cease to be listed on the NASDAQ Global Select Market and will subsequently be deregistered under the Exchange Act.

Advisory Vote Regarding Merger-Related Executive Compensation

KLA-Tencor is required pursuant to Section 14A of the Exchange Act to include in this joint proxy statement/prospectus a non-binding, advisory vote on the compensation payable to each of its named executive officers, as determined in accordance with Item 402(t) of Regulation S-K, in connection with the proposed merger pursuant to arrangements entered into with KLA-Tencor, and KLA-Tencor is therefore asking its stockholders to approve the following resolution:

RESOLVED, that the stockholders of KLA-Tencor hereby approve, on an advisory, non-binding basis, the compensation that will or may become payable by KLA-Tencor to the named executive officers of KLA-Tencor as disclosed pursuant to Item 402(t) of Regulations S-K in the table entitled "Golden Parachute Compensation" and the accompanying footnotes.

The description of the payments contained in the section entitled "Interests of KLA-Tencor's Directors and Executive Officers in the Merger" as well as the table entitled "Golden Parachute Compensation" therein are intended to comply with Item 402(t) of Regulation S-K, which requires disclosure of information about compensation for each of KLA-Tencor's named executive officers that is based on or otherwise relates to the merger and will or may become payable either by KLA-Tencor or Lam Research. KLA-Tencor is asking its stockholders to approve on an advisory, non-binding basis, the compensation that will or may become payable by KLA-Tencor to each of its named executive officers as set forth in the section entitled "The Merger Interests of KLA-Tencor's Directors and Executive Officers in the Merger" as well as the table entitled "Golden Parachute Compensation" therein.

Effect of Advisory Vote

The vote regarding the Merger-Related Compensation proposal is a vote separate and apart from the vote on the Merger proposal. Accordingly, KLA-Tencor stockholders may vote to approve the Merger proposal and vote not to approve the Merger-Related Compensation proposal and vice versa.

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Because the vote regarding the Merger-Related Compensation proposal is advisory only, it will not be binding on either KLA-Tencor or Lam Research. Accordingly, if the Merger proposal is approved and the merger is completed, the compensation will be payable, subject only to the conditions applicable thereto, regardless of the outcome of the non-binding, advisory vote of KLA-Tencor stockholders on the Merger-Related Compensation proposal.

Vote Required and Recommendation of the KLA-Tencor Board

Approval of the Merger-Related Compensation proposal requires the affirmative vote of a majority of votes cast at the KLA-Tencor special meeting.

The KLA-Tencor Board unanimously recommends a vote FOR the Merger-Related Compensation proposal (Proposal 3).

Appraisal Rights

Pursuant to Section 262 of the DGCL, KLA-Tencor stockholders who do not vote in favor of the Merger proposal, who continuously hold their shares of KLA-Tencor common stock through the effective time of the merger and who otherwise comply with the applicable requirements of Section 262 of the DGCL have the right to seek appraisal of the fair value of their shares of KLA-Tencor common stock, as determined by the Court of Chancery, if the merger is completed. The fair value of shares of KLA-Tencor common stock as determined by the Court of Chancery could be greater than, the same as, or less than the value of the merger consideration that a stockholder of KLA-Tencor would otherwise be entitled to receive under the terms of the merger agreement.

KLA-Tencor stockholders who wish to exercise the right to seek an appraisal of their shares must so advise KLA-Tencor by submitting a written demand for appraisal in the form described in this joint proxy statement/prospectus prior to the vote to approve the Merger proposal, and must otherwise follow the procedures prescribed by Section 262 of the DGCL. A person having a beneficial interest in shares of KLA-Tencor common stock held of record in the name of another person, such as a bank, broker or other nominee, must act promptly to cause the record holder to follow the steps summarized in this joint proxy statement/prospectus and in a timely manner to perfect appraisal rights. In view of the complexity of Section 262 of the DGCL, KLA-Tencor stockholders who may wish to pursue appraisal rights should consult their legal and financial advisors. The foregoing summary of Section 262 of the DGCL does not purport to be complete and is qualified in its entirety by reference to Section 262 of the DGCL, which is attached as Annex D to this joint proxy statement/prospectus. See the section entitled Appraisal Rights for more information.

The stockholders of Lam Research are not entitled to appraisal rights in connection with the mergers under Delaware law.

Litigation Related to the Merger

Hedgecock Lawsuit

On October 28, 2015, a complaint was filed in the California Superior Court for Santa Clara County against KLA-Tencor, the members of the KLA-Tencor Board, Lam Research, Merger Sub 1, and Merger Sub 2, which, together with Merger Sub 1 and Lam Research, are referred to as the Lam Defendants. The action, captioned *Hedgecock v. KLA-Tencor Corp., et al.*, Case No. 115CV287329, was filed by a purported KLA-Tencor stockholder as a purported class action on behalf of all KLA-Tencor stockholders (excluding defendants and their affiliates) against all defendants. In the complaint, plaintiff alleges that the individual defendants (the KLA-Tencor Board) breached their fiduciary duties by, among other things, causing KLA-Tencor to agree to a merger transaction with the Lam Defendants at an unfair price and pursuant to an unfair process, and that the Lam Defendants aided and abetted such breaches. Plaintiff seeks to enjoin or rescind KLA-Tencor's transaction with the Lam Defendants, as applicable, as well as an award of damages and attorney's fees, in addition to other relief. Lam Research and KLA-Tencor believe this lawsuit has no merit and intend to defend against it vigorously.

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Karr Lawsuit

Also on October 28, 2015, another complaint was filed in the California Superior Court for Santa Clara County against KLA-Tencor, the members of the KLA-Tencor Board, Lam Research, Merger Sub 1, and Merger Sub 2. This action, captioned *Karr v. KLA-Tencor Corporation, et al.*, Case No. 115CV287331, was filed by one of the same plaintiff's law firms as in the *Hedgecock* action on behalf of a different purported KLA-Tencor stockholder, as a purported class action on behalf of all KLA-Tencor stockholders (excluding defendants and their affiliates) against all defendants. The allegations in the *Karr* complaint are similar to the allegations in the *Hedgecock* action. In the complaint, plaintiff alleges that the individual defendants (the KLA-Tencor Board) breached their fiduciary duties by, among other things, causing KLA-Tencor to agree to a merger transaction with the Lam Defendants at an unfair price and pursuant to an unfair process, and that KLA-Tencor and the Lam Defendants aided and abetted such breaches. Plaintiff seeks to enjoin or rescind KLA-Tencor's transaction with the Lam Defendants, as applicable, as well as an award of attorney's fees, in addition to other relief. Lam Research and KLA-Tencor believe this lawsuit has no merit and intend to defend against it vigorously.

Rooney Lawsuit

On November 10, 2015, a complaint was filed in the Court of Chancery against the members of the KLA-Tencor Board. This action, captioned *Rooney v. Wallace, et al.*, Case No. 11700, was filed on behalf of a purported KLA-Tencor stockholder, as a purported class action on behalf of all similarly-situated KLA-Tencor stockholders (excluding defendants and their affiliates) against all defendants. The allegations in the *Rooney* complaint are similar to the allegations in the *Hedgecock* and *Karr* actions. In the complaint, plaintiff alleges that the defendants (the KLA-Tencor Board) breached their fiduciary duties by, among other things, causing KLA-Tencor to agree to a merger transaction with Lam Research at an unfair price and pursuant to an unfair process. Plaintiff seeks to enjoin or rescind KLA-Tencor's transaction with Lam Research, as applicable, as well as an award of attorney's fees, in addition to other relief. Lam Research and KLA-Tencor believe this lawsuit has no merit and intend to defend against it vigorously.

Description of Financing Transactions

Overview

In connection with the merger, Lam Research has entered into a commitment letter pursuant to which Goldman Sachs Bank USA, together with certain of its affiliates and certain other lenders that have or may become a party to the commitment letter, which are collectively referred to as the initial bridge lenders, have agreed to provide a 364-day senior unsecured bridge loan facility in an aggregate principal amount of up to \$3.3 billion, subject to certain terms and conditions. A copy of the commitment letter is filed as an exhibit to the Current Report on Form 8-K filed by Lam Research on October 21, 2015 and a copy of the joinder agreement that amends the commitment letter is filed as an exhibit to the Current Report on Form 8-K filed by Lam Research on November 12, 2015, which are incorporated by reference into this joint proxy statement/prospectus. See the section entitled *Where You Can Find More Information*. You are urged to read the commitment letter and the joinder agreement carefully. The commitment letter, as amended by the joinder agreement, is referred to as the bridge commitment letter.

In connection with the merger, Lam Research has also entered into a term loan agreement with certain term lenders pursuant to which the term lenders have agreed to provide a senior unsecured term loan facility in an aggregate amount of up to \$900 million, which is comprised of (1) up to \$375 million of 3-year tranche term loans and (2) up to \$525 million of 5-year tranche term loans, in each case, subject to certain terms and conditions. A copy of the term loan agreement is filed as an exhibit to the Current Report on Form 8-K filed by Lam Research on November 12, 2015, which is incorporated by reference into this joint proxy statement/prospectus. See the section entitled *Where You Can Find More Information*. You are urged to read the term loan agreement carefully.

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Lam Research has also entered into an amendment and restatement of its existing revolving credit agreement pursuant to which, among other things, the revolving lenders agreed to increase their aggregate commitments under the revolving credit agreement from \$300 million to \$750 million. A copy of the amendment and restatement agreement, which includes as an exhibit the amended and restated revolving credit agreement, which is referred to as the revolving credit agreement, is filed as an exhibit to the Current Report on Form 8-K filed by Lam Research on November 12, 2015, which is incorporated by reference into this joint proxy statement/prospectus. See the section entitled "Where You Can Find More Information." You are urged to read the revolving credit agreement carefully.

Lam Research intends to fund the cash component of the merger consideration and related fees and expenses and to prepay KLA-Tencor's \$671 million term loan with a combination of approximately \$1.9 billion of the combined companies' balance sheet cash and proceeds of approximately \$3.9 billion under the term loans, the revolving credit agreement and from the issuance of debt securities or, to the extent necessary, borrowings under the bridge facility. Lam Research also expects to guarantee KLA-Tencor's existing notes in the aggregate principal amount of \$2.5 billion. Lam Research intends to pursue financing that would replace or supplement financing available under the bridge facility. There can be no assurance that any replacement or supplemental financing will be available at all or on acceptable terms.

Bridge Loan

Pursuant to the terms of the bridge commitment letter, the proceeds of the bridge facility are expected to be available upon the satisfaction of certain conditions precedent on completion of the merger and, if drawn, will be used to finance, in part, the cash component of the merger consideration and to pay fees and expenses incurred in connection with the mergers. As of the date of this joint proxy statement/prospectus, Lam Research has not entered into any definitive financing documentation for the bridge facility, and, as a result, the actual terms of the bridge facility may differ from those described herein. If definitive documentation for the bridge facility is entered into and Lam Research borrows under the bridge facility to finance a portion of the merger consideration, the bridge facility will mature on the 364th day after the completion of the merger. The amount of the bridge facility available at closing is subject to reduction in accordance with the terms of the bridge commitment letter, including but not limited to reduction upon the contemplated issuance of debt securities expected to be the primary source of the cash consideration to finance the cash component of the merger consideration and related fees and expenses.

There can be no assurance that any replacement or supplemental financing in lieu of drawings under the bridge facility will be available to Lam Research at all or on acceptable terms. Lam Research's ability to obtain additional debt financing, including financing to replace or supplement the bridge facility, will be subject to various factors, including market conditions, operating performance and credit ratings, and may be subject to restrictions in the agreements relating to Lam Research's outstanding debt. For a description of certain risks associated with the financing of the merger, see the section entitled "Risk Factors - Risk Factors Relating to the Merger." There can be no assurance that Lam Research will be able to secure the financing it intends to use to pay the cash component of the merger consideration.

Conditions Precedent

The initial bridge lenders' obligation to fund the bridge facility is subject to several conditions, including completion of the merger, the non-occurrence of a Target Material Adverse Effect (which is defined to have the same meaning as a Company Material Adverse Effect under the merger agreement), the accuracy of certain representations and warranties related to both Lam Research and KLA-Tencor, the absence of certain defaults by Lam Research, the delivery of certain financial statements of Lam Research and KLA-Tencor, Lam Research having used commercially reasonable efforts to issue debt securities pursuant to one or more registered public offerings or Rule 144A or other private placements, the payment of certain fees and expenses in connection with

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the bridge facility, the completion of a customary marketing period for syndication of the bridge facility, the delivery of certain customary closing documents and other conditions to completion more fully set forth in the bridge commitment letter.

Interest

At the option of Lam Research, borrowings under the bridge facility will bear interest at either a base rate or at the London Interbank Offered Rate, which is referred to as LIBOR, plus, in each case, an applicable margin. The applicable margin will range from 0.00-0.75% with respect to the base rate, and 1.00-1.75% with respect to LIBOR, based on the ratings of Lam Research's long-term senior unsecured debt, and subject to increase, beginning 90 days after completion of the merger, based on how long the bridge loan is outstanding.

Base Rate Option

With respect to bridge loans for which Lam Research has elected the base rate option, interest will be at the base rate plus an applicable margin based on the ratings of Lam Research's long-term senior unsecured debt, calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days, and payable quarterly in arrears. The base rate will be defined in the definitive bridge facility documentation to have a meaning customary for financings of this type. In no event shall the base rate be less than the sum of (1) the one-month reserve adjusted LIBOR (after giving effect to a reserve adjusted LIBOR floor of 0.00%) plus (2) the difference between the applicable stated margin for reserve adjusted LIBOR loans and the applicable stated margin for base rate loans.

LIBOR Option

With respect to bridge loans for which Lam Research has elected the LIBOR option, interest will be determined based on interest periods to be selected by Lam Research of one, two, three or six months and will be at an annual rate equal to the reserve adjusted LIBOR, plus the applicable margin based on the ratings of Lam Research's long-term senior unsecured debt. The reserve adjusted LIBOR will be defined in the definitive bridge facility documentation to have a meaning customary for financings of this type. Interest will be paid at the end of each interest period and will be calculated on the basis of the actual number of days elapsed in a year of 360 days.

Covenants and Events of Default

The credit agreement for the bridge facility will contain certain financial covenants, affirmative covenants, negative covenants and events of default that will be substantially similar to the corresponding covenants and defaults in the term loan agreement and the revolving credit agreement, as described below in the section entitled "Term Loan Covenants and Events of Default."

Mandatory Prepayments and Reductions in Commitments

Lam Research will be required to prepay the bridge loans (or, prior to the execution of definitive documentation for the bridge facility, the commitments under the bridge facility will be permanently reduced) in the amount of the net cash proceeds received by Lam Research in connection with certain types of transactions, including, without limitation, (1) the issuance of debt or equity securities or borrowings of other indebtedness; (2) the incurrence of the term loans pursuant to the term loan agreement or any other term loan facility; and (3) certain asset sales.

Term Loan

Pursuant to the terms of the term loan agreement, the proceeds of the term loan are expected to be available upon the satisfaction of certain conditions precedent on completion of the merger and, if drawn, will be used to

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finance, in part, the cash component of the merger consideration and to pay fees and expenses incurred in connection with the mergers. The term loan is pre-payable without premium or penalty. The 3-year tranche term loans will mature on the third anniversary of the completion of the merger and the 5-year tranche term loans will mature on the fifth anniversary of the completion of the merger.

Conditions Precedent

The term lenders' obligation to fund the term loan is subject to several conditions, including completion of the merger, the non-occurrence of a Target Material Adverse Effect, the accuracy of certain representations and warranties related to both Lam Research and KLA-Tencor, the absence of certain defaults by Lam Research, the delivery of certain financial statements of Lam Research and KLA-Tencor, the payment of certain fees and expenses in connection with the bridge facility, the delivery of certain customary closing documents and other conditions to completion more fully set forth in the term loan agreement.

Interest

At the option of Lam Research, borrowings under the term loan agreement will bear interest at either a base rate or at LIBOR, plus, in each case, an applicable margin. The applicable margin for the 3-year tranche term loans will range from 0.00-0.75% with respect to the base rate, and 1.00-1.75% with respect to LIBOR, based on the ratings of Lam Research's long-term senior unsecured debt. The applicable margin for the 5-year tranche term loans will range from 0.125-1.00% with respect to the base rate, and 1.125-2.00% with respect to LIBOR, based on the ratings of Lam Research's long-term senior unsecured debt.

Base Rate Option

With respect to term loans for which Lam Research has elected the base rate option, interest will be at the base rate plus an applicable margin based on the ratings of Lam Research's long-term senior unsecured debt, calculated on the basis of the actual number of days elapsed in a year of 365 or 366 days, and payable quarterly in arrears. The base rate is defined in a manner customary for financings of this type. In no event shall the base rate be less than the sum of (1) the one-month reserve adjusted LIBOR (after giving effect to a reserve adjusted LIBOR floor of 0.00%) plus (2) the difference between the applicable stated margin for reserve adjusted LIBOR loans and the applicable stated margin for base rate loans.

LIBOR Option

With respect to term loans for which Lam Research has elected the LIBOR option, interest will be determined based on interest periods to be selected by Lam Research of one, two, three or six months and will be at an annual rate equal to the reserve adjusted LIBOR, plus the applicable margin based on the ratings of Lam Research's long-term senior unsecured debt. The reserve adjusted LIBOR is defined in a manner customary for financings of this type. Interest will be paid at the end of each interest period and will be calculated on the basis of the actual number of days elapsed in a year of 360 days.

Covenants and Events of Default

The term loan agreement contains covenants relating to the following subjects:

delivery of financial statements and other notices and information;

conduct of business and maintenance of existence and insurance;

compliance with laws (including Federal Reserve margin regulations, anti-corruption laws and sanctions) and material contractual obligations;

maintenance of properties;

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inspection of property, books and records;

payment of taxes and material obligations;

use of proceeds;

certain subsidiary guarantees;

limitations on subsidiary debt;

limitations on liens;

limitations on consolidations, mergers and sales of assets; and

limitations on certain transactions with affiliates.

In addition, the term loan agreement includes the following financial covenants:

the ratio of consolidated total indebtedness to consolidated capitalization at the end of each fiscal quarter shall not exceed 0.50 to 1.00, which is referred to as the capitalization covenant; provided that, until and including the earlier of (1) the end of the first two consecutive fiscal quarters following the effective date of the term loan agreement that Lam Research is in compliance with the capitalization covenant and (2) December 31, 2017, if Lam Research is not in compliance with the capitalization covenant, Lam Research will be deemed not to have violated the capitalization covenant so long as Lam Research's consolidated debt to adjusted EBITDA ratio is less than or equal to 4.50 to 1.00 for the period of four fiscal quarters then ended; and

liquidity shall not be less than \$1 billion at the end of each fiscal quarter nor shall it be less than \$1 billion at the time of, and after giving effect to, any repayment or prepayment of debt in excess of \$200 million.

The term loan agreement also contains certain events of default, limited to nonpayment of principal when due; nonpayment of interest or fees within three business days of the due date; violation of covenants (subject to grace periods in the case of certain affirmative covenants); inaccuracy of representations and warranties when made or deemed made; payment default or default resulting in or permitting acceleration in respect of indebtedness of \$150,000,000 or more; bankruptcy or insolvency events; change in control; undischarged judgments in excess of \$150,000,000; certain events under the Employee Retirement Income Security Act of 1974; the occurrence of any default under any other loan document related to the term loan agreement; and the failure of any material provision of any loan document related to the term loan agreement to be enforceable in accordance with its terms.

Revolving Credit Agreement

Pursuant to the revolving credit agreement, the lenders agreed to increase their aggregate commitments under the previous revolving credit agreement from \$300 million to \$750 million. The pricing and related definitions related to the applicable interest rates are substantially similar to the corresponding provisions in the previous revolving credit agreement. The revolving credit agreement contains financial covenants, affirmative covenants, negative covenants and events of default that are substantially similar to the corresponding covenants and defaults in the term loan agreement and the previous revolving credit agreement, as described above in the section entitled "Term Loan Covenants and Events of Default."

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THE MERGER AGREEMENT

The following section summarizes material provisions of the merger agreement, which is included in this joint proxy statement/prospectus as Annex A, is incorporated herein by reference in its entirety, and qualifies the following summary in its entirety. The rights and obligations of Lam Research and KLA-Tencor are governed by the merger agreement and not by the summary or any other information contained in this joint proxy statement/prospectus.

The merger agreement is included in this joint proxy statement/prospectus to provide you with information regarding its terms and is not intended to provide any factual information about Lam Research or KLA-Tencor. Such information can be found elsewhere in this joint proxy statement/prospectus and in the other public filings Lam Research and KLA-Tencor make with the SEC. Please see the section entitled *Where You Can Find More Information*.

The merger agreement contains representations and warranties by each of the parties to the merger agreement. These representations and warranties have been made solely for the benefit of Lam Research and the Merger Subs, on the one hand, and KLA-Tencor, on the other hand, and:

may not be intended as statements of fact, but rather as a way of allocating risk between Lam Research and KLA-Tencor in the event the statements therein prove to be inaccurate;

have been qualified in important respects by confidential disclosure letters that were exchanged between Lam Research and KLA-Tencor at the time they entered into the merger agreement, which disclosures are not reflected in the merger agreement itself; and

may apply standards of materiality in a way that is different from the standard of materiality that is applicable to disclosures to investors.

The confidential disclosure letters contain information that has been included in the prior public disclosures of each of Lam Research and KLA-Tencor, as well as additional non-public information. While we do not believe that this non-public information is required to be publicly disclosed by Lam Research and KLA-Tencor under the applicable securities laws, that information does modify, qualify and create exceptions to the representations and warranties set forth in the merger agreement. In addition, these representations and warranties were made as of the date of the merger agreement or as of the date specified in the merger agreement. Information concerning the subject matter of the representations and warranties may have changed since the date of the merger agreement, which subsequent information may or may not be fully reflected in the public disclosures of Lam Research or KLA-Tencor.

Structure of the Mergers

The merger agreement provides for (1) the merger, in which Merger Sub 1 will be merged with and into KLA-Tencor, with KLA-Tencor surviving the merger as a wholly owned subsidiary of Lam Research, and (2) immediately following the merger, the subsequent merger, in which KLA-Tencor will be merged with and into Merger Sub 2, with Merger Sub 2 surviving the subsequent merger as a wholly owned subsidiary of Lam Research.

After the completion of the merger and before the completion of the subsequent merger, the certificate of incorporation and the bylaws of KLA-Tencor in effect immediately prior to completion of the merger will be the certificate of incorporation and bylaws, respectively, of KLA-Tencor as the surviving corporation of the merger, and the directors and officers of Merger Sub 1 immediately prior to the completion of the merger will be the directors and officers, respectively, of KLA-Tencor as the surviving corporation in the merger.

After the completion of the subsequent merger, the certificate of incorporation and the bylaws of Merger Sub 2 in effect immediately prior to completion of the subsequent merger will be the certificate of incorporation

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and the bylaws, respectively, of Merger Sub 2 as the surviving corporation in the subsequent merger, and the directors and officers KLA-Tencor immediately prior to the completion of the subsequent merger will be the directors and officers, respectively, of Merger Sub 2 as the surviving corporation of the subsequent merger.

Merger Consideration

At completion of the merger, each share of KLA-Tencor common stock issued and outstanding immediately prior to completion of the merger, except for (1) shares owned by Lam Research or by any subsidiary of Lam Research or KLA-Tencor and (2) shares with respect to which appraisal rights have been properly demanded in accordance with the DGCL, which will have the rights described in the section entitled

Appraisal Rights, will be converted at the election of each KLA-Tencor stockholder into the right to receive, for each share of KLA-Tencor common stock held by the stockholder: (a) the all-cash consideration, (b) the all-stock consideration or (c) the mixed consideration. The merger consideration received by KLA-Tencor stockholders is subject to proration as described below in the section entitled Election Procedures and Proration.

If, between the date of the merger agreement and completion of the merger, any change in the outstanding shares of capital stock of Lam Research or KLA-Tencor occurs as a result of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities convertible into KLA-Tencor common stock or Lam Research common stock, as applicable), reorganization, recapitalization, reclassification, combination, exchange of shares or other like change with a record date during such period, the all-cash consideration, the all-stock consideration and the mixed consideration, and any other amounts payable pursuant to the merger agreement will be adjusted appropriately to reflect the effect of such event thereon.

No fractional shares of Lam Research common stock will be issued to any KLA-Tencor stockholder upon completion of the merger. Instead, all fractional Lam Research shares that a KLA-Tencor stockholder would otherwise be entitled to receive as a result of the merger will be aggregated and, if any fractional share results from that aggregation, the holder will be entitled to receive in lieu thereof, at Lam Research's election, either (1) a cash payment representing that holder's proportionate interest in the net proceeds from the sale by the exchange agent in one or more transactions of the aggregate of the fractional shares of Lam Research common stock which would otherwise have been issued as merger consideration or (2) a cash payment in lieu of such fractional share of Lam Research common stock equal to the product obtained by multiplying (a) the fraction of a share of Lam Research common stock to which such holder would otherwise have been entitled by (b) the closing price for a share of Lam Research common stock on the NASDAQ Global Select Market on the first business day immediately following the effective time of the merger.

Election Procedures and Proration

An election form is included with the copy of this joint proxy statement/prospectus that has been delivered to KLA-Tencor stockholders, which permits each KLA-Tencor stockholder (or the beneficial owner through appropriate and customary documentation and instructions) to elect to receive (1) the all-stock consideration, which is referred to as a Stock Election, with respect to all of such holder's shares of KLA-Tencor common stock; (2) the all-cash consideration, which is referred to as a Cash Election, with respect to all of such holder's shares of KLA-Tencor common stock; or (3) the mixed consideration, which is referred to as a Mixed Election, with respect to all of such holder's shares of KLA-Tencor common stock. Any KLA-Tencor stockholder who does not make an election will be deemed to have selected the Mixed Election and will receive the mixed consideration.

In order to make a valid election, KLA-Tencor stockholders must return their properly completed and signed election form to the exchange agent in accordance with the instructions contained in the election form, prior to the election deadline. At least three business days prior to the election deadline, Lam Research will publish a press release announcing the election deadline.

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If the aggregate cash consideration that would be payable with respect to KLA-Tencor common stock as to which the holders have made Cash Elections exceeds the product of \$32.00 multiplied by the difference of (1) the number of shares of KLA-Tencor common stock that have been converted into the right to receive merger consideration minus (2) the number of shares of KLA-Tencor common stock as to which a Mixed Election or no election has been made, which is referred to as the Available Cash for Cash Election, then each share of KLA-Tencor common stock subject to a Cash Election will be converted into the right to receive both (a) an amount in cash equal to the quotient of the Available Cash for Cash Election divided by the aggregate number of shares of KLA-Tencor common stock as to which the holder made a Cash Election, which is referred to as the Satisfied Per Share Cash Consideration, and (b) a number of shares of Lam Research common stock equal to the quotient of (i) the difference of the all-cash consideration minus the Satisfied Per Share Cash Consideration divided by (ii) the five-trading day VWAP.

If the number of shares of Lam Research common stock that would be issuable as merger consideration with respect to KLA-Tencor common stock as to which the holders have made Stock Elections exceeds the product of 0.5 multiplied by the difference of (1) the number of shares of KLA-Tencor common stock that have been converted into the right to receive merger consideration minus (2) the number of shares of KLA-Tencor common stock as to which a Mixed Election or no election has been made, which is referred to as the Available Stock for Stock Election, then each share of KLA-Tencor common stock subject to a Stock Election will be converted into the right to receive both (a) a number of shares of Lam Research common stock equal to the quotient of the Available Stock for Stock Election divided by the aggregate number of shares of KLA-Tencor common stock as to which the holder made a Stock Election, which is referred to as the Satisfied Per Share Stock Consideration, and (b) an amount in cash equal to (i) the all-cash consideration minus (ii) the product of the five-trading day VWAP and the Satisfied Per Share Stock Consideration.

The conversion of KLA-Tencor common stock into the right to receive the all-cash consideration, the all-stock consideration or the mixed consideration as selected by the KLA-Tencor stockholder (or the mixed consideration if no election is made by such stockholder) will occur automatically at the completion of the merger. Lam Research has appointed [] as the exchange agent to handle the exchange of KLA-Tencor common stock for the selected merger consideration. Promptly after completion of the merger, Lam Research or the surviving corporation of the mergers will cause the exchange agent to send to each person who is a record holder of KLA-Tencor common stock immediately before the completion of the merger a letter of transmittal for use in the exchange and instructions explaining how to surrender KLA-Tencor stock certificates or transfer uncertificated shares of KLA-Tencor common stock in exchange for the merger consideration.

KLA-Tencor stockholders who surrender their stock certificates (or an affidavit of loss in lieu thereof) or book-entry shares for cancellation to the exchange agent or to such other agent or agents as may be appointed by Lam Research or the surviving corporation of the mergers, together with a properly completed letter of transmittal, will receive the all-cash consideration, the all-stock consideration or the mixed consideration into which the shares of KLA-Tencor common stock were converted in the merger, subject to proration as described above. If the merger consideration to be paid to the former KLA-Tencor stockholders includes shares of Lam Research common stock, such Lam Research common stock will be delivered to former KLA-Tencor stockholders in book-entry form unless a physical certificate is requested by a KLA-Tencor stockholder or otherwise required under applicable law. After completion of the merger, each certificate that previously represented shares of KLA-Tencor common stock and each uncertificated share of KLA-Tencor common stock that previously was represented by book-entry will only represent the right to receive the merger consideration into which those shares of KLA-Tencor common stock have been converted in accordance with the merger agreement.

Lam Research is entitled to deduct and withhold, or cause the exchange agent to deduct and withhold, from the consideration otherwise payable to a holder of KLA-Tencor common stock any amounts that are required to be withheld or deducted with respect to such consideration under the Code, or any applicable provisions of state, local or foreign tax law. To the extent that amounts are so withheld and timely remitted to the appropriate

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governmental authority, such withheld amounts shall be treated for all purposes of the merger agreement as having been paid to the holder of the KLA-Tencor shares for which such deduction and withholding was made.

In the event that any KLA-Tencor stock certificate has been lost, stolen or destroyed, the exchange agent will issue to the holder of such certificate his or her selected merger consideration (including any fractional share consideration and any dividends or other distributions in respect of such shares) upon receipt of an affidavit regarding such loss, theft or destruction from the stockholder. Lam Research may, in its discretion and as a condition precedent to the issuance thereof, require the holder of any lost, stolen or destroyed KLA-Tencor stock certificate to deliver a bond as indemnity against any claim that may be made against the Lam Research, its subsidiaries or the exchange agent with respect to the certificate alleged to have been lost, stolen or destroyed.

With respect to shares of Lam Research common stock that are issued as merger consideration, all dividends or other distributions that have a record date after the effective time of the merger will be paid by Lam Research to the exchange agent and not to the holder of any unsurrendered certificates or book-entry shares of KLA-Tencor common stock. Subject to applicable laws, following surrender of any such certificates (or affidavit of loss in lieu thereof) or book-entry shares, the exchange agent will pay to the holder thereof, without interest, (1) the amount of dividends or other distributions with a record date after the effective time of the merger theretofore paid with respect to such shares of Lam Research common stock to which such holder is entitled pursuant to the merger agreement; and (2) at the appropriate payment date, the amount of dividends or other distributions with a record date after the effective time of the merger but prior to such surrender and with a payment date subsequent to such surrender payable with respect to such shares of Lam Research common stock.

Appraisal Rights

Shares of KLA-Tencor common stock held by KLA-Tencor stockholders who did not vote in favor of the Merger proposal and who are entitled to demand, and have properly demanded, appraisal of such shares under, and have complied in all respects with, Section 262 of the DGCL, will not be converted into the right to receive the all-cash consideration, the all-stock consideration or the mixed consideration. Instead, at the effective time of the merger, such shares will automatically be converted into the right to receive payment of the fair value of such shares in accordance with Section 262 of the DGCL, will no longer be outstanding, and will automatically be cancelled and will cease to exist, and the holder of such shares shall cease to have any rights with respect thereto other than the right to receive the appraised value of such dissenting shares to the extent afforded under Section 262 of the DGCL. If any dissenting stockholder fails to perfect or otherwise waives, withdraws or loses the right to payment of the fair value of such dissenting shares, then the dissenting shares shall automatically be converted into the right to receive the mixed consideration unless another election was timely and validly made, in which case, the former dissenting KLA-Tencor stockholder will receive the same per-share consideration as the other KLA-Tencor stockholders that made such election. KLA-Tencor will provide Lam Research with notice of any demands for appraisal of KLA-Tencor common stock or withdrawals of such demands, and Lam Research has the right to participate in and direct all negotiations and proceedings with respect to such demands. KLA-Tencor will not, except with Lam Research's prior written consent, make any payment with respect to, or settle or offer to settle, any such demands.

Representations and Warranties

The merger agreement contains largely reciprocal representations and warranties of Lam Research and the Merger Subs, on the one hand, and KLA-Tencor, on the other hand, regarding, among other things:

capital structure;

absence of any conflict with or violation or breach of organizational documents or any conflict with or violation or breach of agreements, laws or regulations as a result of the execution, delivery or performance of the merger agreement and completion of the mergers;

compliance with applicable laws;

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SEC filings, the absence of material misstatements or omissions from such filings and compliance of such filings with legal requirements;

financial statements;

absence of undisclosed liabilities and off-balance-sheet arrangements;

internal controls and disclosure controls and procedures;

absence of certain litigation;

accuracy of information supplied or to be supplied for use in this joint proxy statement/prospectus;

intellectual property, tax and environmental matters;

existence of and compliance with certain material contracts;

compliance with the listing rules of The NASDAQ Stock Exchange;

brokers' fees payable in connection with the merger;

absence of transactions, contracts or arrangements with affiliates requiring disclosure under the securities laws; and

receipt of a fairness opinion from such party's financial advisor.

In addition, Lam Research has further made representations and warranties regarding, among other things:

absence of certain changes in or events affecting Lam Research from June 28, 2015 to the date of the merger agreement;

approvals required for the issuance of shares of Lam Research common stock in the transaction; and

debt commitment letter regarding the financing for the mergers.

In addition, KLA-Tencor has further made representations and warranties regarding, among other things:

absence of certain changes in and events affecting KLA-Tencor from June 30, 2015 to the date of the merger agreement;

employees, employee benefit plans and labor matters;

ownership of tangible assets;

owned and leased real property;

insurance matters;

applicability of antitakeover statutes;

approvals required to approve the merger and adopt the merger agreement; and

standstill agreements.

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Many of the representations and warranties in the merger agreement are qualified by a materiality or material adverse effect standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct would be material to or have a material adverse effect with respect to the party making the representation or warranty). For purposes of the merger agreement, a material adverse effect means, with respect to a party, any change, effect, development, circumstance, condition, state of facts, event or occurrence that, individually or in the aggregate, is, or would reasonably be expected to be, materially adverse to (1) such party's ability to consummate the merger or (2) the business, assets, properties, condition (financial or otherwise) or results of operations of such party and its subsidiaries, taken as a whole, except that the definition of material adverse effect excludes any effect that results from or arises in connection with:

conditions (or changes in such conditions) in the industries in which such party and its subsidiaries operate (unless such changes or conditions disproportionately affect the party and its subsidiaries, taken as a whole, in any material respect relative to other companies of comparable size in the same industries and geographies in which such party and its subsidiaries operate);

general economic conditions (or changes in such conditions) within the U.S. or any other country (unless such changes or conditions disproportionately affect the party and its subsidiaries, taken as a whole, in any material respect relative to other companies of comparable size in the same industries and geographies in which such party and its subsidiaries operate);

conditions (or changes in such conditions) in the securities markets, credit markets, currency markets or other financial markets in the U.S. or any other country (unless such changes or conditions disproportionately affect the party and its subsidiaries, taken as a whole, in any material respect relative to other companies of comparable size in the same industries and geographies in which such party and its subsidiaries operate);

political conditions (or changes in such conditions) in the U.S. or any other country or acts of war, sabotage or terrorism (including any escalation or general worsening of any such acts of war, sabotage or terrorism) in the U.S. or any other country (unless such changes or conditions disproportionately affect the party and its subsidiaries, taken as a whole, in any material respect relative to other companies of comparable size in the same industries and geographies in which such party and its subsidiaries operate);

earthquakes, hurricanes, tsunamis, tornadoes, floods, mudslides, wild fires or other natural disasters, weather conditions and other force majeure events in the U.S. or any other country (unless such changes or conditions disproportionately affect the party and its subsidiaries, taken as a whole, in any material respect relative to other companies of comparable size in the same industries and geographies in which such party and its subsidiaries operate);

changes in law or other legal or regulatory conditions (or the interpretation thereof) or changes in GAAP or other accounting standards (or the interpretation thereof) (unless such changes or conditions disproportionately affect the party and its subsidiaries, taken as a whole, in any material respect relative to other companies of comparable size in the same industries and geographies in which such party and its subsidiaries operate);

the public announcement of the parties' discussion of the mergers, the public announcement, execution, delivery or performance of the merger agreement, or the public announcement of the identity of the other party in the mergers;

changes in the party's stock price or the trading volume of the party's stock, or any failure by the party to meet any public estimates or expectations of the party's revenue, earnings or other financial performance or results of operations for any period, or any failure by the party to meet any internal budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations (but not, in each case, the underlying cause of such changes or failures, unless such changes or failures would otherwise be excepted); or

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any lawsuit, action or proceeding brought by any of the current or former stockholders of either party in connection with the merger and the other transactions contemplated by the merger agreement.

The representations and warranties contained in the merger agreement will not survive the completion of the merger.

Conduct of Business

Each of Lam Research and KLA-Tencor has agreed to, between the date of the merger agreement and the effective time of the merger, conduct its business in the ordinary course of business consistent with past practice, including by using reasonable best efforts to (1) preserve intact its business organization and relationships with customers, suppliers and other material business relations and (2) keep available the services of its officers and key employees.

In addition, each of Lam Research and KLA-Tencor has agreed not to take certain actions between the date of the merger agreement and the effective time of the merger, including the following (subject to exceptions described below or in agreed in disclosure letters that were exchanged between Lam Research and KLA-Tencor at the time they entered into the merger agreement):

authorizing or paying dividends or other distributions on any of its capital stock, except that (1) KLA-Tencor can pay quarterly cash dividends to KLA-Tencor stockholders that are not in excess of \$0.52 per share and (2) Lam Research can pay quarterly cash dividends to Lam Research stockholders that are not in excess of \$0.30 per share;

splitting, combining, reducing or reclassifying its capital stock, or issuing or authorizing the issuance of any other securities in respect of, in lieu of or in substitution for, shares of its capital stock;

making any acquisition of any company or business in excess of certain thresholds specified in the merger agreement or of any equity interest in any person or material assets;

amending its certificate of incorporation or bylaws, or permitting any of its subsidiaries to adopt amendments to its governing documents;

making any material change with respect to accounting policies or procedures, except as may be required as a result of a change in GAAP or SEC policy;

issuing, delivering, selling, granting, pledging or otherwise encumbering (1) shares of its capital stock, or other voting securities or equity interests, (2) any securities convertible into or exchangeable for any such shares of its capital stock, voting securities or equity interest, (3) any rights, warrants or options to acquire any such shares of its capital stock, voting securities or equity interest or (4) any phantom stock, phantom stock rights, stock appreciation rights or stock based performance units, except that Lam Research is permitted to (a) issue shares of its common stock in respect of any exercise of its options, any purchase rights under its employee stock purchase plan, or the vesting or settlement of its equity awards, (b) issue shares of its common stock pursuant to the terms of the its convertible notes or warrants, (c) take such specified actions in respect of transactions exclusively involving Lam Research or its wholly owned subsidiaries, (d) issue equity awards and (e) issue shares of its common stock for an amount not exceeding \$150,000,000 in the aggregate;

purchasing, redeeming or otherwise acquiring its own capital stock or other voting securities or equity interests, or any rights, warrants or options to acquire its own capital stock or other voting securities or equity interests; or

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making or changing any material tax election, filing any material amended tax return, settling any tax claim or assessment, or consenting to any extension or waiver of the limitation period applicable to any tax claim or assessment.

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KLA-Tencor has further agreed not to take certain actions between the date of the merger agreement and the effective time of the merger, including the following (subject, in each case, to exceptions specified below and in the merger agreement or previously disclosed in writing to Lam Research as provided in the merger agreement):

increasing the compensation or benefits payable to its employees, officers, directors or independent contractors, other than increases in annual base salaries and target short-term cash incentive compensation after July 31, 2016 in amounts in the ordinary course of business and that for the employees, directors or individual independent contractors in a particular country do not exceed in the aggregate the percentage of the increases effected in fiscal year 2015 for employees, directors or individual independent contractors in that country;

granting to any of its employees, officers, directors or independent contractors any increase in severance pay;

entering into any employment, severance or retention agreement with its employees, officers, directors or independent contractors, except for offer letters for at will employment that provide for no severance or change in control benefits (other than severance or change in control benefits offered under the KLA-Tencor benefit plans as of the date of the merger agreement and that are applicable to similarly situated individuals);

establishing, adopting, entering into, amending, renewing or terminating any collective bargaining agreement or benefit plan;

increasing or accelerating any benefits provided to its directors, officers, employees or independent contractors;

terminating the employment of its chief executive officer, or any the individuals who report directly to him, other than for cause or nonperformance of material duties;

hiring employees at a level of vice president or higher, except for vacancies that arise after the date of the merger agreement;

taking any action to cause to be exercisable any otherwise unexercisable equity award under any benefit plan;

implementing a material organizational restructuring of such party or any of its subsidiaries, or reassigning the responsibilities of any employee at a level of vice president or higher in any material respect;

redeeming, repurchasing, prepaying, defeasing, incurring, assuming, endorsing, guaranteeing or otherwise becoming liable for or modifying in any material respects the terms of any indebtedness for borrowed money or issuing or selling any debt securities or rights to acquire debt securities;

making any loans, advances or capital contributions;

selling, leasing, licensing, transferring, exchanging, swapping, or otherwise disposing of any of its material assets or properties, or subjecting any of its material assets or properties to any lien;

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settling claims, actions or proceedings;

commencing lawsuits in excess of \$10 million;

making any new capital expenditure in excess of the amounts disclosed to Lam Research;

entering into or amending material contracts; or

failing to file, deliver or provide any document, information or other material, or pay any fee due, that is necessary to prevent the abandonment, expiration or termination of its intellectual property.

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Lam Research has further agreed not to take certain actions between the date of the merger agreement and the effective time of the merger, including the following (subject, in each case, to exceptions specified below and in the merger agreement or previously disclosed in writing to KLA-Tencor as provided in the merger agreement):

convening any meeting of its stockholders for the purpose of revoking or varying the authority of its directors to allot Lam Research common stock; or

entering into any joint development or similar collaboration agreement, except any such agreement that would not reasonably be expected to prevent or materially delay or impede the consummation of the mergers.

No Solicitation of Alternative Proposals

Each of Lam Research and KLA-Tencor has agreed that, from the time of the execution of the merger agreement until the earlier of the termination of the merger agreement or the effective time of the merger, it will not, it will cause its subsidiaries, directors and officers not to, and it will use its reasonable best efforts to cause its representatives not to, directly or indirectly:

solicit, initiate or knowingly encourage or knowingly facilitate any inquiry, proposal or offer, or the making, submission or announcement of any inquiry, proposal or offer that constitutes or would be reasonably expected to lead to an acquisition proposal (as described below);

participate or engage in any negotiations or discussions regarding an acquisition proposal;

disclose or furnish any nonpublic information or data to any third party that is seeking to make, or has made, an acquisition proposal or afford any such third party access to its properties, books, or records;

waive, terminate, modify or release any third party from any provision of any standstill agreement, except to the extent that such party's board of directors determines that the failure to do so would be reasonably likely to be inconsistent with its fiduciary duties under applicable laws;

execute or become bound by any letter of intent or similar document relating to, or any agreement or commitment providing for, any acquisition proposal; or

resolve or agree to do any of the foregoing.

Notwithstanding the restrictions described above, if, prior to obtaining the stockholder approval required of it in connection with the merger, Lam Research or KLA-Tencor receives a bona fide written acquisition proposal, the receiving party is permitted to contact any third party that makes the acquisition proposal to clarify and understand the terms and conditions thereof. If the board of directors of such party determines in good faith after consultation with its outside legal and financial advisors that such acquisition proposal constitutes, or would reasonably be expected to result in, a superior proposal, then such party or its representatives may, after giving notice to the other party, (1) furnish nonpublic information to the person making such acquisition proposal and its potential sources of financing; and (2) engage in discussions or negotiations with such person and their potential sources of financing with respect to such acquisition proposal, including by making counterproposals thereto.

The merger agreement requires that each party notify the other party within 24 hours of the party's knowledge of the receipt of (1) any acquisition proposal or material amendment thereto; (2) any inquiries that would reasonably be expected to lead to an acquisition proposal; or (3) any initial inquiry or request for nonpublic information by any third party who makes or would reasonably be expected to make an

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acquisition proposal. Any such notification shall include the identity of the person making the acquisition proposal, inquiry or request and the material terms and conditions of any proposal or the nature of the information requested. Each party must promptly after the receipt thereof provide to the other party copies of any written documentation or communications (and a summary of any oral terms) material to understanding an acquisition proposal which is received by the party from any person relating to the acquisition proposal. The recipient of the acquisition proposal must keep the other party informed of the status of discussions relating to, and the material terms (including any amendments or proposed amendments)

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of, any acquisition proposal. The recipient of an acquisition proposal must promptly provide to the other party any material nonpublic information concerning the receiving party that is provided to any third party in connection with an acquisition proposal that was not previously provided to the other party.

An acquisition proposal with respect to a party means any offer that contemplates a third party acquiring beneficial ownership of (1) at least 15% of such party's assets (on a consolidated basis) or (2) at least 15% of the equity interest in such party (whether pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, sale of assets, tender offer or exchange offer or otherwise).

A superior proposal with respect to a party means any offer (1) that contemplates a third party acquiring beneficial ownership of (a) at least 50% of such party's assets (on a consolidated basis) or (b) at least 50% of the equity interest in such party (whether pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, sale of assets, tender offer or exchange offer or otherwise); and (2) that its board of directors determines in good faith after consultation with its outside legal and financial advisors is (a) more favorable to its stockholders from a financial point of view than the mergers, taking into account all relevant factors (including any changes to the terms of the merger agreement proposed by the other party in response to the offer) and (b) reasonably capable of being completed, taking into account all financial, legal, regulatory and other aspects of such offer and the identity and financial capability of the person or group making such offer.

Changes in Board Recommendations

Each of Lam Research and KLA-Tencor has agreed that it will not, it will cause its subsidiaries, directors and officers not to, and it will use its reasonable best efforts to cause its representatives not to, directly or indirectly, (1) approve or publicly recommend, or propose publicly to approve or recommend, any acquisition proposal with respect to it, or (2) withdraw, change, amend, modify or qualify, or otherwise propose publicly to withdraw, change, amend, modify or qualify, in a manner adverse to the other party, the respective recommendations that the Lam Research stockholders approve the Share Issuance proposal or that the KLA-Tencor stockholders approve the Merger proposal. We refer to the actions described in the previous sentence as a change of recommendation.

Notwithstanding the restrictions described above, Lam Research or KLA-Tencor, as applicable, at any time before the stockholder approval required to be obtained by it in connection with the mergers is received, may make a change of recommendation in response to a change, effect, development, circumstance, condition, state of facts, event or occurrence that was not known to its board of directors, or the material consequences of which (based on facts known to the board of directors as of the date of the merger agreement) were not reasonably foreseeable, as of the date of the merger agreement and that does not relate to any acquisition proposal, if its board of directors determines in good faith (after consultation with outside legal counsel) that the failure to do so would be reasonably likely to be inconsistent with the board of directors fiduciary duties under applicable law. Prior to making a change of recommendation with respect to it, the party must inform the other party in writing of its board of directors' determination and that its board of directors intends to effect a change of recommendation, specifying, in reasonable detail, the reasons therefor, and allow four business days to elapse following the other party's receipt of such written notice. During such four-business day period, the party intending to make a change of recommendation will make its representatives reasonably available for the purpose of engaging in discussions and negotiations with the other party and its representatives regarding a possible amendment to the merger agreement and is required to consider in good faith any proposals made by the other party. If after taking into account such proposals the party's board of directors does not again determine in good faith (after consultation with outside legal counsel) that the failure to make a change of recommendation would be reasonably likely to be inconsistent with the board of directors' fiduciary duties under applicable law, then the board of directors may not make a change of recommendation.

Notwithstanding the restrictions described above, Lam Research or KLA-Tencor, as applicable, at any time before the stockholder approval required to be obtained by it in connection with the transaction is received, may, in response to a *bona fide* written acquisition proposal, make a change of recommendation or terminate the

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merger agreement to enter into a definitive written agreement with respect to such acquisition proposal, if its board of directors determines in good faith (after consultation with outside legal counsel) that (1) such acquisition proposal constitutes a superior proposal and (2) the failure to do so would be reasonably likely to be inconsistent with the board of directors' fiduciary duties under applicable law. Prior to making a change of recommendation with respect to it or terminating the merger agreement, the party must inform the other party in writing of its board of directors determination and that its board of directors intends to effect a change of recommendation or terminate the merger agreement, specifying, in reasonable detail, the reasons therefor, and allow four business days to elapse following the other party's receipt of such written notice. During such four-business day period, the party intending to make a change of recommendation or terminate the merger agreement must make its representatives reasonably available for the purpose of engaging in discussions and negotiations with the other party and its representatives regarding a possible amendment to the merger agreement and is required to consider in good faith any proposals made by the other party. If after taking into account such proposals the party's board of directors does not again determine in good faith (after consultation with outside legal counsel) that (1) such acquisition proposal constitutes a superior proposal and (2) the failure to do so would be reasonably likely to be inconsistent with the board of directors' fiduciary duties under applicable law, then the board of directors may not make a change of recommendation or terminate the merger agreement.

Efforts to Obtain Required Stockholder Votes

Lam Research has agreed to hold a special stockholders meeting for the purpose of voting on the Share Issuance proposal. Lam Research has also agreed to use its reasonable best efforts to obtain stockholder approval of the Share Issuance proposal, unless the Lam Research Board no longer recommends the proposal or the merger agreement has been earlier terminated in accordance with its terms. The merger agreement requires Lam Research to hold its special stockholders meeting and submit the Share Issuance proposal to a stockholder vote even if the Lam Research Board no longer recommends the proposal, unless the merger agreement has been earlier terminated in accordance with its terms. The Lam Research Board has approved the issuance of shares of Lam Research common stock to KLA-Tencor stockholders pursuant to the merger and has adopted resolutions directing that the Share Issuance proposal be submitted to Lam Research stockholders for their consideration.

KLA-Tencor has agreed to hold a special stockholders meeting for the purpose of voting on the Merger proposal. KLA-Tencor has also agreed to use its reasonable best efforts to obtain stockholder approval of the Merger proposal unless the KLA-Tencor Board no longer recommends the proposal or the merger agreement has been earlier terminated in accordance with its terms. The merger agreement requires KLA-Tencor to hold its special stockholders meeting and submit the Merger proposal to a stockholder vote even if the KLA-Tencor Board no longer recommends the proposal, unless the merger agreement has been earlier terminated in accordance with its terms. The KLA-Tencor Board has approved the merger, the merger agreement and the principal terms thereof and has adopted resolutions directing that the Merger proposal be submitted to KLA-Tencor stockholders for their consideration.

Efforts to Complete the Merger

Each of Lam Research and KLA-Tencor has agreed to use its reasonable best efforts to take all actions, and do all things necessary, proper or advisable under applicable law to consummate the mergers as soon as practicable, including to:

prepare and file, as promptly as practicable and advisable, all documentation to effect all necessary applications, notices, petitions, filings and other documents and to obtain as promptly as practicable all waiting period expirations or terminations, consents, clearances, waivers, licenses, orders, registrations, approvals, permits and authorizations necessary or advisable to be obtained from any governmental authority in order to consummate the mergers;

take all steps as may be necessary to obtain all such waiting period expirations or terminations, consents, clearances, waivers, licenses, registrations, permits, authorizations, orders and approvals,

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including defending or contesting any claim, suit, action or other proceeding brought by a third party, including any governmental authorities, that would prevent or materially impede, interfere with, hinder or delay the consummation of the mergers; and

obtain all consents, waivers, authorizations and approvals of all third parties (other than governmental authorities, as to which Lam Research's and KLA-Tencor's obligations are described in the preceding two items) necessary, proper or advisable for the consummation of the mergers and provide any notices to third parties required to be provided before the effective time of the merger.

In connection with the obligations described in the second item of the immediately preceding paragraph, Lam Research and KLA-Tencor each has agreed to:

cooperate in all respects and consult with each other in connection with any filing or submission and in connection with any investigation or other inquiry, including allowing the other party to review and comment on drafts of filings and submissions;

promptly inform the other party of any communication received by the obligated party from, or given by such party to, the Antitrust Division of the Department of Justice, the Federal Trade Commission or any other governmental authority, by promptly providing copies to the other party any such written communications, and of any material communication received or given in connection with any proceeding by a private party; or

permit the other party to review any communication that it gives to, and consult with each other in advance of any meeting with, the Antitrust Division of the Department of Justice, the Federal Trade Commission or any other governmental authority, or in connection with any proceeding by a private party.

In no event is Lam Research required to (1) divest, dispose of or hold separate any assets or businesses of it or KLA-Tencor, or the assets or businesses of any of their respective subsidiaries; (2) agree to divest, dispose or hold separate or businesses of it or KLA-Tencor, or the assets or businesses of any of their respective subsidiaries; or (3) agree to or enter into any license or condition or commit to take any action that limits in any manner its freedom of action with respect to, or its ability to retain, any of the assets or businesses of it or KLA-Tencor or any of its respective subsidiaries to the extent such license, condition or action is not commercially reasonable or materially impacts in an adverse manner the benefits to be derived by Lam Research from the merger. Additionally, KLA-Tencor is prohibited from taking any of the actions described in clauses (1) through (3) of the preceding sentence and has agreed, if requested by Lam Research, to use reasonable best efforts to effect a license, divestiture or disposition or hold separate of any of its assets or businesses that is necessary to obtain clearances or approvals required for the completion of the mergers under applicable antitrust laws, so long as such action is conditioned on the completion of the merger.

Employee Benefits Matters

As a result of the mergers, upon the completion of the subsequent merger, each of the then-current employees of KLA-Tencor and its subsidiaries will become employees of the surviving corporation and its subsidiaries by operation of law. Lam Research and KLA-Tencor have agreed that, from the date of completion of the subsequent merger until the earlier of December 31, 2016 and the termination of service of any continuing employee, which period is referred to as the Protection Period, Lam Research will, or will cause the surviving corporation or any of their respective affiliates or successors, which are referred to collectively as the Parent Employers, to:

maintain each continuing employee's base salary or base hourly wage, as applicable, as in effect immediately prior to the effective time of the merger;

assume, honor and fulfill each continuing employee's short-term cash incentive opportunity to the extent disclosed to Lam Research and in which such continuing employee participated with respect to a performance period that is ongoing immediately prior to the first effective time; and

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permit each continuing employee to participate in (1) health, welfare and 401(k) plans disclosed to Lam Research that were in effect at the effective time of the merger or (2) in the same type of health, welfare or 401(k) plan sponsored or maintained by the Parent Employers for the benefit of similarly situated employees of the Parent Employers, on the same terms and conditions as apply to such Parent Employer employees, in each case of (1) and (2), other than with respect to retiree health and welfare plans and defined benefit plans.

In addition, if the effective time of the merger occurs prior to the end of KLA-Tencor's 2016 fiscal year, and Lam Research expects to have a continuing employee participate in short term cash incentive plan of the Parent Employers commencing January 1, 2017 (*i.e.*, the beginning of Lam Research's compensation year), then Lam Research shall cause the Parent Employers to adopt a short term cash incentive arrangement for such continuing employee for the period beginning on the first day of what would have otherwise been the start of the KLA-Tencor's 2017 fiscal year through December 31, 2016. The Parent Employers will also recognize and honor each continuing employee's accrued but unused vacation or paid time off balances.

Lam Research and KLA-Tencor have also agreed that to the extent that any KLA-Tencor employees who remain employed by the surviving corporation following completion of the mergers participate in employee benefit plans of the Parent Employers, service with KLA-Tencor (including current and former affiliates and predecessors) prior to the effective time of the merger shall be treated as service with Lam Research for purposes of eligibility to participate, level of benefits and vesting of benefits, except (1) for purposes of determining any accrued benefit under any defined benefit pension plan or retiree health or welfare plan; (2) for purposes of vesting credit for any awards granted under any long term incentive programs after the effective time of merger; (3) to the extent KLA-Tencor did not recognize such period of employment under a plan or program of a similar type maintained, sponsored by or contributed to by KLA-Tencor prior to the effective time of the merger; or (4) if such recognition of service would result in a duplication of benefits. In addition, during the Protection Period, Lam Research shall cause the Parent Employers to use commercially reasonable efforts to (1) ensure that no eligibility waiting periods, actively-at-work requirements or pre-existing condition limitations or exclusions shall apply with respect to the continuing employees under the applicable health and welfare benefits plan of the Parent Employers made available to the continuing employees during the Protection Period (except to the extent such periods, requirements, limitations or exclusions were applicable under the KLA-Tencor plans immediately prior to the effective time of the merger); and (2) waive any and all evidence of insurability requirements under the health and welfare benefit plans of the Parent Employers made available to the continuing employees with respect to such continuing employees to the extent such evidence of insurability requirements were not applicable to the continuing employees under the KLA-Tencor plans of a similar type immediately prior to the effective time of the merger.

Lam Research will, or will cause the surviving corporation to, assume, honor and fulfill the terms of KLA-Tencor's Executive Severance Plan and 2010 Executive Severance Plan. KLA-Tencor will take all actions necessary to ensure that each and every severance benefit plan or practice governed by ERISA and covering any continuing employee prior to the effective time of the merger will be terminated as of immediately prior to the effective time of the merger and no Parent Employer will have any liability in respect of any such ERISA severance plan or practice from and after the effective time of the merger with respect to any continuing employee. Through the first anniversary of the effective time of the merger, the Parent Employers shall ensure that each continuing employee is covered by the severance plans and practices of the Parent Employers that are applicable to similarly situated Parent Employer employees, except to the extent that KLA-Tencor did not provide severance plans or practices to such continuing employee immediately prior to the effective time of the merger or if such coverage would result in a duplication of benefits.

Nothing in the merger agreement requires Lam Research, the Parent Employers or the surviving corporation to (1) continue the employment of any specific person following the completion of the merger or (2) require Lam Research or any Parent Employer to maintain any particular KLA-Tencor employee benefit plan, program or arrangement.

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Treatment of KLA-Tencor Equity Awards

Treatment of KLA-Tencor RSUs. Under the terms of the merger agreement, at the effective time of the merger, Lam Research will convert each KLA-Tencor RSU that is unvested and held by a continuing service provider into a Lam Research RSU. Each substituted Lam Research RSU will continue to have, and be subject to, the same vesting and economically equivalent terms (including rights to dividend equivalents in cash) and conditions as applied to the applicable KLA-Tencor RSU immediately prior to the effective time of the merger (after taking into account any necessary changes required by reason of the merger). Each substituted Lam Research RSU will constitute an award to acquire the number of shares of Lam Research common stock (rounded down to the nearest whole share) equal to the product obtained by multiplying (1) the number of shares of KLA-Tencor common stock subject to such award immediately prior to the effective time of the merger by (2) the all-stock consideration, rounded down to the nearest whole number. At the effective time of the merger, each KLA-Tencor RSU that is unvested and held by an individual who is not a continuing service provider will be cancelled without payment of any consideration.

Under the terms of the merger agreement, at the effective time of the merger, each share of KLA-Tencor common stock underlying a KLA-Tencor RSU that is vested (after taking into account any acceleration of vesting that occurs at the effective time of the merger) but as to which such share of stock has not yet been issued will be issued as of immediately prior to the effective time of the merger. Each such newly issued share will be treated in the same way as outstanding shares of KLA-Tencor common stock under the merger agreement and converted into the right to receive the merger consideration.

Treatment of KLA-Tencor options. Under the terms of the merger agreement, at the effective time of the merger, each KLA-Tencor option will be cancelled and converted into the right to receive an amount of cash (without interest) equal to the product of (1) the number of shares of KLA-Tencor common stock subject to such KLA-Tencor option immediately prior to the effective time of the merger multiplied by (2) (a) the all-cash consideration less (b) the exercise price per share for such KLA-Tencor option.

Treatment of Purchase Rights under the KLA-Tencor ESPP. Under the terms of the merger agreement, KLA-Tencor will take all actions necessary to (1) terminate the Amended and Restated 1997 KLA-Tencor Corporation Employee Stock Purchase Plan, which is referred to as the KLA-Tencor ESPP, as of immediately prior to the effective time of the merger; and (2) provide that any offering period under the KLA-Tencor ESPP that would otherwise be in progress as of the closing date of the merger will be shortened so that the last day of each such offering period will be at least 10 business days prior to the closing date of the merger, which is referred to as the final purchase date. The purchases made on the final purchase date will be contingent on the occurrence of the effective time of the merger. KLA-Tencor will take actions to avoid the commencement of any new offering period under the KLA-Tencor ESPP at or after the final purchase date and prior to the earlier of the termination of the merger agreement or the effective time of the merger. Any shares of KLA-Tencor common stock acquired under the KLA-Tencor ESPP prior to or on the final purchase date will be treated in the same way as outstanding shares of KLA-Tencor common stock in the merger and converted into the right to receive the merger consideration.

Other Covenants and Agreements

The merger agreement contains certain other covenants and agreements, including covenants relating to:

cooperation between Lam Research and KLA-Tencor in the preparation of this joint proxy statement/prospectus;

confidentiality and access by each party to certain information about the other party during the period prior to the effective time of the merger;

the use of each party's reasonable best efforts to cause the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code;

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each party taking actions necessary to ensure that no takeover statutes are, or become, applicable to the mergers;

at the request of Lam Research, KLA-Tencor's termination of the KLA-Tencor benefit plans that are intended to be qualified within the meaning of Section 401(a) of the Code;

cooperation between Lam Research and KLA-Tencor in the defense or settlement of any litigation brought by its stockholders relating to the mergers;

causing the dispositions of KLA-Tencor common stock resulting from the merger by each director and officer of KLA-Tencor who is subject to reporting requirements under Section 16(a) of the Exchange Act to be exempt from Section 16(b) of the Exchange Act;

cooperation between Lam Research and KLA-Tencor in connection with press releases and other public announcements;

cooperation between Lam Research and KLA-Tencor to delist the KLA-Tencor common stock from the NASDAQ Global Select Market and terminate its registration under the Exchange Act;

KLA-Tencor's use of reasonable best efforts to deliver a resignation from each KLA-Tencor director to Lam Research prior to the effective time of the merger;

Lam Research's use of reasonable best efforts to cause the shares of Lam Research common stock to be issued in the merger to be approved for listing on the NASDAQ Global Select Market prior to the effective time of the merger;

Lam Research's use of reasonable best efforts to obtain debt financing for the mergers prior to the closing of the mergers;

KLA-Tencor's use of reasonable best efforts to provide Lam Research with assistance with respect to its debt financing as is reasonably requested by Lam Research; and

the appointment by Lam Research of two members of the KLA-Tencor Board to the Lam Research Board as of immediately after the effective time of the merger, and the cooperation between Lam Research and KLA-Tencor to identify those two individuals.

Lam Research has also agreed to assume all rights to indemnification, advancement of expenses and exculpation from liabilities for acts or omissions occurring at or prior to the effective time of the merger existing in favor of the current or former directors, officers and employees of KLA-Tencor. Lam Research has also agreed to purchase a directors' and officers' liability insurance policy for current directors and officers of KLA-Tencor.

Conditions to Completion of the Merger

The obligations of Lam Research, the Merger Subs and KLA-Tencor to complete the mergers are subject to the satisfaction of the following conditions:

approval of the Merger proposal;

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approval of the Share Issuance proposal;

effectiveness of the registration statement of which this joint proxy statement/prospectus forms a part and the absence of a stop order or proceedings threatened or initiated by the SEC relating thereto;

absence of any law or any temporary restraining order, injunction or other order issued by any court of competent jurisdiction prohibiting, making illegal or preventing the consummation of the merger;

the waiting period (or any extension thereof) applicable to the merger under the antitrust laws of the United States having expired or been earlier terminated;

any required waiting periods, clearances, consents or approvals under certain foreign antitrust laws having expired or been obtained; and

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authorization for the listing on the NASDAQ Global Select Market of the shares of Lam Research common stock to be issued to KLA-Tencor stockholders pursuant to the merger.

In addition, each of Lam Research's, the Merger Subsidiary and KLA-Tencor's obligations to effect the mergers are subject to the satisfaction or waiver of the following conditions:

the representations and warranties of the other party relating to its issued and outstanding shares of capital stock and other equity interests will be true and correct, except for, as to the representation relating to the number of shares of common stock of the other party that are outstanding on a fully diluted basis as of September 30, 2015, in the case of KLA-Tencor's representation, or September 27, 2015, in the case of Lam Research's representation, inaccuracies that reflect an underrepresentation of more than 0.50% from the number of shares of common stock set forth in the merger agreement;

the representations and warranties of the other party related to (1) its corporate existence, good standing and qualification to conduct business; (2) its capital structure; (3) the due authorization, execution and validity of the merger agreement; (4) the absence of any conflict with or violation or breach of its organizational documents, agreements, applicable laws or regulations as a result of the execution, delivery or performance of the merger agreement and completion of the mergers; (5) the purpose of certain dividends on its common stock; (6) brokers' fees payable in connection with the mergers; (7) stockholder approvals required to effect the mergers; and (8) receipt of a fairness opinion from its financial advisor must be, if qualified by materiality or material adverse effect, true and correct in all respects, and if not qualified by materiality or material adverse effect, must be true and correct in all material respects as of the closing date of the transaction (except for those representations and warranties that address matters only as of a particular date, which need only be true and correct as of such particular date);

the representations and warranties of the other party, except for those representations and warranties described in the preceding two items, must be true and correct (without giving effect to any materiality or material adverse effect qualifications contained in such representations and warranties) as of the closing date of the transaction, except for (1) any failure to be so true and correct that has not had, and would not reasonably be expected to have, individually or in the aggregate, a material adverse effect on such party and (2) those representations and warranties that address matters only as of a particular date, which need only be true and correct as of such particular date, subject to the exception described in the preceding clause (1);

the other party having performed or complied with, in all material respects, all its obligations under the merger agreement required to be performed or complied with on or prior to the closing date of the merger;

the absence since the date of the merger agreement of any event or condition that has had or would reasonably be expected to have a material adverse effect on the other party;

receipt of a customary closing certificate executed by the other party; and

receipt of a tax opinion from such party's tax counsel to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

Termination of the Merger Agreement

The merger agreement may be terminated at any time prior to the effective time of the merger, notwithstanding the receipt of the requisite approval of Lam Research stockholders or KLA-Tencor stockholders, as applicable, under the following circumstances:

by mutual written consent of Lam Research and KLA-Tencor;

by either Lam Research or KLA-Tencor if:

any governmental authority has (1) issued any law that makes consummation of the merger illegal or otherwise prohibited or (2) issued a final and nonappealable order that permanently enjoins Lam Research and KLA-Tencor from consummating the merger;

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if the Lam Research stockholders fail to approve the Share Issuance proposal at the Lam Research special meeting or any adjournment thereof;

if the KLA-Tencor stockholders fail to approve the Merger proposal at the KLA-Tencor special meeting or any adjournment thereof; or

if the merger is not consummated by July 20, 2016, provided that if on July 20, 2016 (1) the applicable waiting period (or extension thereof) relating to the mergers under the HSR Act shall not have expired or been earlier terminated; (2) any affirmative approval of a governmental authority required under certain other antitrust laws agreed to by the parties shall not have been obtained or any mandatory waiting period related thereto shall not have expired; or (3) there is an order or injunction of a court of competent jurisdiction under an applicable antitrust law prohibiting the closing, but the other closing conditions have been satisfied, then neither Lam Research nor KLA-Tencor may terminate the merger agreement until October 20, 2016 (July 20, 2016 or October 20, 2016 as determined as described in this item being referred to as the outside date), and provided that neither party may terminate the merger agreement as described in this item if such party's breach of its obligations has been the cause of, or resulted in, the failure to close by the outside date;

by Lam Research if Lam Research, Merger Sub 1 or Merger Sub 2 has not breached the merger agreement so as to cause the merger to not occur by the outside date and there is an inaccuracy in KLA-Tencor's representations and warranties in the merger agreement, or a breach by KLA-Tencor of its covenants in the merger agreement, in either case such that the closing conditions relating to the accuracy of KLA-Tencor's representations and warranties or KLA-Tencor's compliance with covenants would fail to be satisfied, and such inaccuracy or breach is not cured by the earlier of 45 days after notice thereof or three days before the outside date; or

by KLA-Tencor if KLA-Tencor has not breached the merger agreement so as to cause the merger to not occur by the outside date and there is an inaccuracy in Lam Research's representations and warranties in the merger agreement, or a breach by Lam Research of its covenants in the merger agreement (other than the covenant restricting solicitation of acquisition proposals), in either case such that the closing conditions relating to the accuracy of Lam Research's representations and warranties or Lam Research's compliance with covenants would fail to be satisfied, and such inaccuracy or breach is not cured by the earlier of 45 days after notice thereof or three days before the outside date.

The merger agreement may be terminated at any time prior to obtaining the approval of the KLA-Tencor stockholders of the Merger proposal, under the following circumstances:

by Lam Research if (1) the KLA-Tencor Board has withdrawn its recommendation that the KLA-Tencor stockholders approve the Merger proposal; (2) KLA-Tencor fails to include in this joint proxy statement/prospectus the recommendation of the KLA-Tencor Board that the KLA-Tencor stockholders approve the Merger proposal; (3) KLA-Tencor has failed to make a statement in opposition and recommend rejection to the KLA-Tencor stockholders of a tender or exchange offer initiated by a third party within 10 business days after such tender or exchange offer has been published, sent or given by such third party; (4) an acquisition proposal by a third party has been publicly announced and KLA-Tencor fails to issue a press release reaffirming the recommendation of the KLA-Tencor Board that the KLA-Tencor stockholders approve the Merger proposal within 10 business days following Lam Research's written request to issue such press release; or (5) KLA-Tencor willfully breaches its covenant not to seek an acquisition proposal in any material respect; or

by KLA-Tencor in order to enter into an agreement with respect to a superior proposal.

The merger agreement may be terminated at any time prior to obtaining the approval of the Lam Research stockholders of the Share Issuance proposal, under the following circumstances:

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by KLA-Tencor if (1) the Lam Research Board has withdrawn its recommendation that the Lam Research stockholders approve the Share Issuance proposal; (2) Lam Research fails to include in this

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joint proxy statement/prospectus the recommendation of the Lam Research Board that the Lam Research stockholders approve the Share Issuance proposal; (3) Lam Research has failed to make a statement in opposition and recommend rejection to the Lam Research stockholders of a tender or exchange offer initiated by a third party within 10 business days after such tender or exchange offer has been published, sent or given by such third party; (4) an acquisition proposal by a third party has been publicly announced and Lam Research fails to issue a press release reaffirming the recommendation of the Lam Research Board that the Lam Research stockholders approve the Share Issuance proposal within 10 business days following KLA-Tencor's written request to issue such press release; or (5) Lam Research willfully breaches its covenant not to seek an acquisition proposal in any material respect in any material respect; or

by Lam Research in order to enter into an agreement with respect to a superior proposal.

Expenses and Termination Fees; Liability for Breach

Each party shall pay all fees and expenses incurred by it in connection with the transaction, except that the parties will share equally all fees and expenses in relation to printing, filing and distribution of this joint proxy statement/prospectus, all SEC and other regulatory filing fees incurred in connection with this joint proxy statement/prospectus and the registration statements of which it is a part, and any documentary, sales, use, real property transfer, real property gains, registration, value-added, transfer, stamp, recording and other similar taxes.

If the merger agreement is validly terminated, the merger agreement will become null and void and there will be no liability on the part of any party, except as expressly set forth therein, provided that no such termination will relieve any party from liability for any fraud or willful breach of its representations, warranties, covenants or agreements under the merger agreement.

Lam Research will be obligated to pay a termination fee of \$290 million to KLA-Tencor if:

Lam Research terminated the merger agreement in order to enter into an agreement with respect to a superior proposal;

KLA-Tencor terminates the merger agreement because (1) the Lam Research Board has withdrawn its recommendation that the Lam Research stockholders approve the Share Issuance proposal; (2) Lam Research fails to include in this joint proxy statement/prospectus the recommendation of the Lam Research Board that the Lam Research stockholders approve the Share Issuance proposal; (3) Lam Research has failed to make a statement in opposition and recommend rejection to Lam Research's stockholders of a tender or exchange offer initiated by a third party within 10 business days after such tender or exchange offer has been published, sent or given by such third party; (4) an acquisition proposal by a third party has been publicly announced and Lam Research fails to issue a press release reaffirming the recommendation of the Lam Research Board that the Lam Research stockholders approve the Share Issuance proposal within 10 business days following KLA-Tencor's written request to issue such press release or (5) Lam Research willfully breaches its covenant not to seek an acquisition proposal in any material respect in any material respect;

(1) Lam Research or KLA-Tencor terminate the merger agreement because the Lam Research stockholders failed to approve the Share Issuance proposal before the outside date; (2) before the taking of the vote by the Lam Research stockholders on the Share Issuance proposal, an acquisition proposal for Lam Research has been publicly announced and not withdrawn or otherwise abandoned and (3) either (a) Lam Research consummates a transaction in which a third party acquires beneficial ownership of at least 50% of Lam Research's assets (on a consolidated basis) or at least 50% of the equity interest in Lam Research (whether pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, sale of assets, tender offer or exchange offer or otherwise) within 12 months after such termination or (b) Lam Research enters into a definitive agreement providing for an acquisition proposal within 12 months after such termination and such acquisition proposal is subsequently consummated; or

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Lam Research or KLA-Tencor terminates the merger agreement because (1) the Lam Research stockholders failed to approve the Share Issuance proposal; (2) an acquisition proposal was publicly disclosed and not publicly, irrevocably withdrawn prior to the date of the Lam Research special meeting to approve the Share Issuance proposal; and (3) at such time KLA-Tencor had the right to terminate the merger agreement because an acquisition proposal was publicly disclosed and not publicly, irrevocably withdrawn prior to the date of the Lam Research special meeting to approve the Share Issuance proposal.

KLA-Tencor will be obligated to pay a termination fee of \$290 million to Lam Research if:

KLA-Tencor terminates the merger agreement in order to enter into an agreement with respect to a superior proposal;

Lam Research terminates the merger agreement because (1) the KLA-Tencor Board has withdrawn its recommendation that the KLA-Tencor stockholders approve the Merger proposal; (2) KLA-Tencor fails to include in this joint proxy statement/prospectus the recommendation of the KLA-Tencor Board that the KLA-Tencor stockholders approve the Merger proposal; (3) KLA-Tencor has failed to make a statement in opposition and recommend rejection to the KLA-Tencor stockholders of a tender or exchange offer initiated by a third party within 10 business days after such tender or exchange offer has been published, sent or given by such third party; (4) an acquisition proposal by a third party has been publicly announced and KLA-Tencor fails to issue a press release reaffirming the recommendation of the KLA-Tencor Board that the KLA-Tencor stockholders approve the Merger proposal within 10 business days following Lam Research's written request to issue such press release; or (5) KLA-Tencor willfully breaches its covenant not to seek an acquisition proposal in any material respect;

(1) KLA-Tencor or Lam Research terminates the merger agreement because the KLA-Tencor stockholders failed to approve the Merger proposal before the outside date; (2) before the taking of the vote by the KLA-Tencor stockholders on the Merger proposal, an acquisition proposal for KLA-Tencor has been publicly announced and not withdrawn or otherwise abandoned; and (3) either (a) KLA-Tencor consummates a transaction in which a third party acquires beneficial ownership of at least 50% of KLA-Tencor's assets (on a consolidated basis) or at least 50% of the equity interest in KLA-Tencor (whether pursuant to a merger, consolidation or other business combination, sale of shares of capital stock, sale of assets, tender offer or exchange offer or otherwise) within 12 months after such termination or (b) KLA-Tencor enters into a definitive agreement providing for an acquisition proposal within 12 months after such termination and such acquisition proposal is subsequently consummated; or

KLA-Tencor or Lam Research terminates the merger agreement because (1) the KLA-Tencor stockholders failed to approve the Merger proposal; (2) an acquisition proposal was publicly disclosed and not publicly, irrevocably withdrawn prior to the date of the KLA-Tencor special meeting to approve the Merger proposal; and (3) at such time Lam Research had the right to terminate the merger agreement because an acquisition proposal was publicly disclosed and not publicly, irrevocably withdrawn prior to the date of the KLA-Tencor special meeting to approve the Merger proposal.

Amendments, Extensions and Waivers

The merger agreement may be amended by the parties at any time by execution of a written instrument, except that after (1) the approval of the Merger proposal by the KLA-Tencor stockholders or (2) the approval of the Share Issuance proposal by the Lam Research stockholders, no amendment may be made that requires the approval of such stockholders under applicable law without such approval, and except that certain provisions of the merger agreement may not be amended, supplemented, waived or otherwise modified in a manner that is adverse to the sources of the debt financing without their consent.

At any time prior to the effective time of the merger, any party may (1) extend the time for performance of any obligations or other acts of the other party; (2) waive any inaccuracies in the representations and warranties

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of the other party contained in the merger agreement; and (3) waive compliance by the other party with any of the agreements or conditions contained in the merger agreement.

No Third Party Beneficiaries

The merger agreement is not intended to confer upon you or any person other than Lam Research, KLA-Tencor, Merger Sub 1 and Merger Sub 2 any rights or remedies, except with the respect to the rights to indemnification and liability insurance coverage after the completion of the merger for the current and former directors, officers and employees of KLA-Tencor described above in the section entitled **Other Covenants and Agreements** above and except that the sources of the debt financing are beneficiaries of certain provisions related to the debt financing.

Specific Performance

Lam Research and KLA-Tencor acknowledged and agreed in the merger agreement that irreparable injury would occur in the event any provision of the merger agreement were not performed in accordance with its specific terms or were otherwise breached. Lam Research and KLA-Tencor further agreed that each party is entitled to an injunction or injunctions, without the necessity of proving the inadequacy of damages as a remedy and without the necessity of posting any bond or other security, to prevent or remedy breaches or threatened breaches of the merger agreement by the other party and to enforce specifically the terms and provisions of the merger agreement.

Governing Law

The merger agreement is governed by Delaware law, except as provided with respect to certain matters related to financing.

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REGULATORY CLEARANCES REQUIRED FOR THE MERGER

Lam Research and KLA-Tencor are required to submit notifications to various competition authorities prior to completing the merger. Under the HSR Act, Lam Research and KLA-Tencor must file notifications with the Federal Trade Commission and the Antitrust Division of the Department of Justice and observe a mandatory pre-merger waiting period before completing the merger. In addition, Lam Research and KLA-Tencor are required to submit notifications with competition authorities in China, Germany, Ireland, Israel, Japan, Korea and Taiwan.

Although Lam Research and KLA-Tencor expect to obtain all required regulatory clearances, Lam Research and KLA-Tencor cannot assure you that the antitrust regulators or other government agencies, including state attorneys general or private parties, will not initiate actions to challenge the merger before or after it is completed. Any such challenge to the merger could result in an administrative or court order enjoining the merger or in restrictions or conditions that would have a material adverse effect on the combined company if the merger is completed. Such restrictions and conditions could include requiring the divestiture or spin-off of assets or businesses, the required licensing of intellectual property rights, or limitations on the ability of the combined company to operate its business as it sees fit. Neither Lam Research nor KLA-Tencor can provide assurance that any such conditions, terms, obligations or restrictions will not result in the delay or abandonment of the merger.

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MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following is a discussion of the material U.S. federal income tax consequences of the exchange of shares of KLA-Tencor common stock for shares of Lam Research common stock, cash, or a combination thereof in the merger.

This discussion addresses only U.S. holders of KLA-Tencor common stock, meaning persons who hold that stock as a capital asset and are U.S. persons, as defined for U.S. federal income tax purposes. For these purposes a U.S. person is:

an individual citizen or resident of the United States;

a corporation (or any other entity treated as a corporation for U.S. federal tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;

an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

a trust that (1) is subject to the primary supervision of a court within the United States, if one or more U.S. persons have the authority to control all of its substantial decisions or (2) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

This discussion does not address any non-income tax or any foreign, state or local tax consequences of the mergers. This discussion does not address all aspects of U.S. federal income taxation that may be relevant to a U.S. holder of KLA-Tencor common stock in light of that U.S. holder's particular circumstances or to a U.S. holder subject to special rules (such as a company that accumulates earnings to avoid U.S. federal income tax, a financial institution, a broker or dealer in securities, an insurance company, a regulated investment company, a real estate investment trust, a tax-exempt organization, a person who holds KLA-Tencor common stock as part of a hedging or conversion transaction or as part of a short-sale or straddle, a partnership or other pass-through entity for U.S. federal tax purposes, a holder of KLA-Tencor common stock who exercises appraisal rights or a person who acquired KLA-Tencor common stock pursuant to the exercise of options or otherwise as compensation). This discussion is based on the Code, applicable Treasury regulations, administrative interpretations and court decisions, each as in effect as of the date of this joint proxy statement/prospectus and all of which are subject to change, possibly with retroactive effect.

If a partnership (or an entity or arrangement treated as a partnership for U.S. federal tax purposes) holds KLA-Tencor common stock, the tax treatment of a partner in the partnership will generally depend on the status of the partner and the activities of the partnership. Any partnership or entity or arrangement treated as a partnership for U.S. federal tax purposes that holds KLA-Tencor common stock, and the partners in such partnership, should consult their own tax advisors.

HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO THEM OF THE MERGERS, INCLUDING THE APPLICABILITY AND EFFECT OF FEDERAL, STATE, LOCAL AND FOREIGN INCOME AND OTHER TAX LAWS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

General

It is a condition to the completion of the mergers that Jones Day, tax counsel to Lam Research, deliver an opinion to Lam Research, and Wilson Sonsini Goodrich & Rosati, Professional Corporation, tax counsel to KLA-Tencor, deliver an opinion to KLA-Tencor, in each case dated on the closing date of the mergers, to the effect that the mergers will qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Code. Each party may waive the requirement to receive an opinion from its tax counsel as a condition to such party's obligation to complete the mergers. Neither Lam Research nor KLA-Tencor intends to waive this condition.

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The opinions regarding the mergers will not address any state, local or foreign tax consequences of the mergers. The opinions will be based on certain assumptions and representations as to factual matters from each of Lam Research and KLA-Tencor, as well as certain covenants and undertakings by each of Lam Research and KLA-Tencor, each substantially in the forms set forth in the disclosure letters attached to the merger agreement. If any of these assumptions, representations, covenants or undertakings is incorrect, incomplete, inaccurate or is violated prior to the effective time of the merger, one or both of the opinion may not be delivered, and if delivered, the conclusions reached by counsel in their opinions cannot be relied upon. In such case, the tax consequences of the mergers could differ from those described in this joint proxy statement/prospectus. Neither Lam Research nor KLA-Tencor is currently aware of any facts or circumstances that would cause any of the assumptions, representations, covenants or undertakings set forth in the form letters attached to the merger agreement to be incorrect, incomplete, inaccurate or violated.

An opinion of counsel represents such counsel's best legal judgment but is not binding on the IRS or any court, so there can be no certainty that the IRS will not challenge the conclusions reflected in the opinion or that a court would not sustain such a challenge. Neither Lam Research nor KLA-Tencor intends to obtain a private letter ruling from the IRS on the tax consequences of the mergers. If the IRS were to successfully challenge the reorganization status of the mergers, a U.S. holder of KLA-Tencor common stock would recognize taxable gain or loss for U.S. federal income tax purposes upon the exchange of KLA-Tencor common stock for Lam Research common stock, cash, or a combination thereof pursuant to the merger.

Assuming that the mergers qualify as a reorganization within the meaning of Section 368(a) of the Code, the U.S. federal income tax consequences to U.S. holders of KLA-Tencor common stock who receive shares of Lam Research common stock, cash or a combination thereof in the merger generally will be as follows.

Exchange of KLA-Tencor common stock solely for Lam Research common stock

Except as discussed below in the section entitled Cash in Lieu of Fractional Shares, a U.S. holder who surrenders all of its shares of KLA-Tencor common stock solely in exchange for shares of Lam Research common stock in the merger generally will not recognize gain or loss in connection with such exchange.

A U.S. holder's aggregate tax basis in the Lam Research common stock received in the merger, including any fractional share deemed received by the U.S. holder as discussed below in the section entitled Cash in Lieu of Fractional Shares, generally will equal such U.S. holder's aggregate tax basis in the KLA-Tencor common stock surrendered by such U.S. holder in the merger. The holding period for the shares of Lam Research common stock received by such U.S. holder in the merger, including any fractional share deemed received by the U.S. holder as discussed below in Cash in Lieu of Fractional Shares, generally will include the holding period for the shares of KLA-Tencor common stock exchanged therefor.

Exchange of KLA-Tencor common stock solely for cash

A U.S. holder who surrenders all of its shares of KLA-Tencor common stock solely in exchange for cash in the merger generally will recognize capital gain or loss equal to the difference between the amount of cash received by such U.S. holder and the U.S. holder's adjusted tax basis in the KLA-Tencor common stock exchanged therefor.

Any capital gain or loss generally will be long-term capital gain or loss if the U.S. holder held the shares of KLA-Tencor common stock for more than one year at the effective time of the merger. Currently, long-term capital gains of an individual generally are subject to a maximum U.S. federal income tax rate of 20% and short-term capital gains of an individual generally are subject to a maximum U.S. federal income tax rate of 39.6% (in each case, without regard to the net investment income tax discussed below in the section entitled Medicare Net Investment Income Tax). The deductibility of capital losses is subject to limitations.

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Exchange of KLA-Tencor common stock for a combination of Lam Research common stock and cash

Except as discussed below in the section entitled **Cash in Lieu of Fractional Shares**, a U.S. holder who surrenders shares of KLA-Tencor common stock in exchange for a combination of Lam Research common stock and cash generally will recognize gain (but not loss) equal to the lesser of:

- (1) the excess, if any, of the cash plus the fair market value of any Lam Research common stock received (including such fractional share for which cash was paid) in the merger, over such U.S. holder's adjusted tax basis in the shares of KLA-Tencor common stock surrendered by such U.S. holder in the merger, and
- (2) the cash received by such U.S. holder in the merger (other than cash received in lieu of any fractional share of Lam Research common stock).

For purposes of this calculation, the fair market value of Lam Research common stock is based on the trading price of that stock on the date of the merger, rather than on the five-day volume-weighted average price used in calculating the number of shares of Lam Research common stock to be issued to the U.S. holder.

In the case of any U.S. holder who acquired different blocks of KLA-Tencor common stock at different times and at different prices, any realized gain or loss will be determined separately for each identifiable block of shares surrendered in the merger, and a loss realized on the exchange of one block of shares cannot be used to offset a gain realized on the exchange of another block of shares. Such U.S. holder should consult its tax advisor prior to the exchange with regard to identifying the bases or holding periods of the particular shares of KLA-Tencor common stock surrendered in the merger.

Any capital gain generally will be long-term capital gain if the U.S. holder held the shares of KLA-Tencor common stock for more than one year at the effective time of the merger. Currently, long-term capital gains of an individual generally are subject to a maximum U.S. federal income tax rate of 20% and short-term capital gains of an individual generally are subject to a maximum U.S. federal income tax rate of 39.6% (in each case, without regard to the net investment income tax discussed below in the section entitled **Medicare Net Investment Income Tax**). In some limited cases where the U.S. holder actually or constructively owns Lam Research common stock before the merger, such gain may be treated as having the effect of the distribution of a dividend to such U.S. holder under the tests set forth in Section 302 of the Code, in which case such gain would be treated as ordinary dividend income. These rules are complex and dependent upon the specific factual circumstances particular to each U.S. holder. Consequently, each U.S. holder that may be subject to these rules should consult its tax advisor as to their application to the particular facts relevant to such U.S. holder.

Generally, a U.S. holder's aggregate tax basis in the Lam Research common stock received by such U.S. holder in the merger, including any fractional share deemed received by the U.S. holder under the treatment discussed below in the section entitled **Cash in Lieu of Fractional Shares**, will equal such U.S. holder's aggregate tax basis in the KLA-Tencor common stock surrendered in the merger, increased by the amount of taxable gain or dividend income, if any, recognized by such U.S. holder in the merger (other than with respect to any gain recognized on the receipt of cash in lieu of any fractional share of Lam Research common stock), and decreased by the amount of cash, if any, received by such U.S. holder in the merger (other than any cash received in lieu of any fractional share of Lam Research common stock). The holding period for the shares of Lam Research common stock received in the merger, including any fractional share deemed received by the U.S. holder under the treatment discussed below in the section entitled **Cash in Lieu of Fractional Shares**, generally will include the holding period for the shares of KLA-Tencor common stock exchanged therefor.

Cash in Lieu of Fractional Shares

No fractional shares of Lam Research common stock will be issued to holders of KLA-Tencor common stock pursuant to the mergers. A U.S. holder that receives cash in lieu of any fractional share of Lam Research

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common stock in connection with the merger will generally recognize capital gain or loss measured by the difference between the cash received for such fractional share and the U.S. holder's tax basis in the fractional share. Any capital gain or loss generally will be long-term capital gain or loss if the U.S. holder held the shares of KLA-Tencor common stock for more than one year at the effective time of the merger. Currently, long-term capital gains of an individual generally are subject to a maximum U.S. federal income tax rate of 20% and short-term capital gains of an individual generally are subject to a maximum U.S. federal income tax rate of 39.6% (in each case, without regard to the net investment income tax discussed below in the section entitled "Medicare Net Investment Income Tax").

Information Reporting and Backup Withholding

Backup withholding, currently at a rate of 28%, may apply with respect to certain payments unless the holder of the KLA-Tencor common stock receiving such payments (1) is an exempt holder (including corporations, tax-exempt organizations, qualified pension and profit-sharing trusts and individual retirement accounts) who, when required, provides certification as to its status; or (2) provides a certificate containing the holder's name, address, correct U.S. federal taxpayer identification number and a statement that the holder is exempt from backup withholding. Additional information regarding the required certifications will be provided in the Letter of Transmittal to holders of KLA-Tencor common stock shortly before the merger is effected.

A U.S. holder of KLA-Tencor common stock who does not provide Lam Research (or the exchange agent) with its correct taxpayer identification number may be subject to penalties imposed by the IRS. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against the U.S. holder's U.S. federal income tax liability, provided that the holder timely furnishes certain required information to the IRS.

Reporting Requirements

Each U.S. holder of KLA-Tencor common stock who receives shares of Lam Research common stock in the merger is required to retain records pertaining to the merger pursuant to Treasury Regulations Section 1.368-3(d). U.S. holders who hold 5 percent or more (by vote or value) of the KLA-Tencor common stock immediately prior to the merger or who hold KLA-Tencor common stock with a basis of \$1 million or more will also generally be required to file a statement that contains the information listed in Treasury Regulations Section 1.368-3(b) with their U.S. federal income tax returns for the year of the mergers. Such statement must include the U.S. holder's basis in the shares of KLA-Tencor common stock surrendered in the merger and other information regarding the mergers.

Medicare Net Investment Income Tax

A U.S. holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% tax on the lesser of:

- (1) the U.S. holder's net investment income (or undistributed net investment income in the case of an estate or trust) for the relevant taxable year, and
- (2) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals is between \$125,000 and \$250,000, depending on the individual's circumstances).

For this purpose, net investment income generally includes dividend and net capital gain income, for example, net capital gain recognized with respect to a disposition of shares of KLA-Tencor common stock pursuant to the merger, unless such dividend income or net gain is derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. holder that is an individual, estate or trust, please consult your tax advisors regarding the applicability

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of the net investment income tax with respect to your disposition of shares of KLA-Tencor common stock pursuant to the merger.

Consequences to Lam Research, KLA-Tencor, Merger Sub 1 and Merger Sub 2

None of Lam Research, KLA-Tencor, Merger Sub 1 or Merger Sub 2 will recognize any gain or loss for U.S. federal income tax purposes as a result of the mergers.

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ACCOUNTING TREATMENT

Lam Research prepares its financial statements under existing GAAP standards, which are subject to change and interpretation. The mergers will be accounted for using the acquisition method of accounting with Lam Research being considered the acquiror of KLA-Tencor for accounting purposes. This means that Lam Research will allocate the purchase price to the fair value of KLA-Tencor's tangible and intangible assets and liabilities at the acquisition date, with the excess purchase price being recorded as goodwill. Under the acquisition method of accounting, goodwill is not amortized but is tested for impairment at least annually.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following sets forth certain unaudited pro forma condensed combined financial information giving effect to the planned merger of Lam Research and KLA-Tencor. The unaudited pro forma condensed combined financial information set forth below has been presented for informational purposes only. The pro forma information is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the merger been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company.

The unaudited pro forma condensed combined balance sheet assumes that the merger took place on September 27, 2015 and combines Lam Research's September 27, 2015 consolidated balance sheet with KLA-Tencor's September 30, 2015 consolidated balance sheet.

The unaudited pro forma condensed combined statement of operations for the fiscal year ended June 28, 2015 assumes that the merger took place on June 30, 2014. Lam Research's audited consolidated statement of operations for the fiscal year ended June 28, 2015 has been combined with KLA-Tencor's audited consolidated statement of operations for the fiscal year ended June 30, 2015.

The unaudited pro forma condensed combined statement of operations for the three months ended September 27, 2015 also assumes that the merger took place on June 30, 2014. Lam Research's unaudited consolidated statement of operations for the three months ended September 27, 2015 has been combined with KLA-Tencor's unaudited consolidated statement of operation for the three months ended September 30, 2015.

The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the merger; (2) factually supportable; and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements. In addition, the unaudited pro forma condensed combined financial information was based on and should be read in conjunction with the following historical consolidated financial statements and accompanying notes of Lam Research and KLA-Tencor for the applicable periods, which are incorporated by reference into this joint proxy statement/prospectus:

Separate historical financial statements of Lam Research as of and for the year ended June 28, 2015 and the related notes included in Lam Research's Annual report on Form 10-K for the year ended June 28, 2015;

Separate historical financial statements of KLA-Tencor as of and for the year ended June 30, 2015 and the related notes included in KLA-Tencor's Annual report on Form 10-K for the year ended June 30, 2015;

Separate historical financial statements of Lam Research as of and for the three months ended September 27, 2015 and the related notes included in Lam Research's Quarterly Report on Form 10-Q for the period ended September 27, 2015; and

Separate historical financial statements of KLA-Tencor as of and for the three months ended September 30, 2015 and the related notes included in KLA-Tencor's Quarterly Report on Form 10-Q for the period ended September 30, 2015.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting under existing GAAP standards, which are subject to change and interpretation. Lam Research has been treated as the acquiror in the merger for accounting purposes. The acquisition accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there

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is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information. Differences between these preliminary estimates and the final acquisition accounting will occur and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company's future results of operations and financial position.

The unaudited pro forma combined financial information does not reflect any cost savings, operating synergies or revenue enhancements that the combined company may achieve as a result of the merger, the costs to combine the operations of Lam Research and KLA-Tencor or the costs necessary to achieve any of the foregoing cost savings, operating synergies and revenue enhancements.

Table of Contents**Lam Research Corporation and KLA-Tencor Corporation****Unaudited Pro Forma Condensed Combined Statement of Operations****For the Year Ended June 28, 2015****(in thousands, except per share data)**

	Historical		Pro Forma		Pro Forma
	Lam	KLA-Tencor	Adjustments		Combined
Revenue	\$ 5,259,312	\$ 2,814,049	\$ (4,401)	A	\$ 8,068,960
Cost of goods sold	2,974,976	1,215,229	302,278	A, B, C, D	4,492,483
Gross Margin	2,284,336	1,598,820	(306,679)		3,576,477
Research and development	825,242	530,616	(13,749)	B, C, D	1,342,109
Selling, general and administrative	591,611	406,864	345,667	B, C, D	1,344,142
Goodwill impairment	79,444				79,444
Total operating expenses	1,496,297	937,480	331,918		2,765,695
Operating Income	788,039	661,340	(638,597)		810,782
Interest Expense	(73,682)	(106,009)	(151,858)	E, F	(331,549)
Other (expense) income, net	26,493	(121,200)			(94,707)
Income before income taxes	740,850	434,131	(790,455)		384,526
Income tax (expense) benefit	(85,273)	(67,973)	197,238	G	43,992
Net income	\$ 655,577	\$ 366,158	\$ (593,217)		\$ 428,518
Net income per share:					
Basic	\$ 4.11	\$ 2.26		H	\$ 1.79
Diluted	\$ 3.70	\$ 2.24		H	\$ 1.67
Number of shares used in per share calculations					
Basic	159,629	162,282			238,911
Diluted	177,067	163,701			256,868

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements. The pro forma adjustments are explained in Note 6 Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations.

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Lam Research Corporation and KLA-Tencor Corporation
Unaudited Pro Forma Condensed Combined Statement of Operations

For the Three Months Ended September 27, 2015

(in thousands, except per share data)

	Historical		Pro Forma		Pro Forma
	Lam	KLA-Tencor	Adjustments		Combined
Revenue	\$ 1,600,043	\$ 642,644	\$ (2,820)	A	\$ 2,239,867
Cost of goods sold	877,680	270,244	74,929	A, B, C, D	1,222,853
Gross margin	722,363	372,400	(77,749)		1,017,014
Research and development	234,209	119,943	(2,985)	B, C, D	351,167
Selling, general and administrative	152,726	91,663	87,265	B, C, D	331,654
Total operating expenses	386,935	211,606	84,280		682,821
Operating Income	335,428	160,794	(162,029)		334,193
Interest Expense	(24,661)	(30,564)	(36,294)	E, F	(91,519)
Other (expense) income, net	(2,460)	4,069			1,609
Income before income taxes	308,307	134,299	(198,323)		244,283
Income tax (expense) benefit	(19,628)	(29,402)	49,608	G	578
Net income	\$ 288,679	\$ 104,897	\$ (148,715)		\$ 244,861
Net income per share:					
Basic	\$ 1.82	\$ 0.67		H	\$ 1.03
Diluted	\$ 1.66	\$ 0.66		H	\$ 0.96
Number of shares used in per share calculations					
Basic	158,352	156,820			237,634
Diluted	174,374	157,984			254,175

See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements. The pro forma adjustments are explained in Note 6 Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations.

Table of Contents**Lam Research Corporation and KLA-Tencor Corporation****Unaudited Pro Forma Condensed Combined Balance Sheet**

September 27, 2015

(in thousands)

	Historical Lam	KLA-Tencor	Pro Forma Adjustments		Pro Forma Combined
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 1,744,325	\$ 763,697	\$ (1,922,448)	A	\$ 585,574
Short-term investments	2,587,474	1,505,750			4,093,224
Accounts receivable, net	1,088,942	460,813			1,549,755
Inventories	916,683	650,496	534,504	B	2,101,683
Prepaid expenses and other current assets	178,557	294,662	(129,751)	C, D	343,468
Total current assets	6,515,981	3,675,418	(1,517,695)		8,673,704
Property and equipment, net	636,769	302,868	148,348	E	1,087,985
Restricted cash and investments	183,455				183,455
Goodwill	1,387,213	335,218	6,016,020	F	7,738,451
Intangible assets, net	688,951	8,242	5,621,758	G	6,318,951
Other assets	182,062	249,577	(23,209)	C, D	408,430
Total assets	\$ 9,594,431	\$ 4,571,323	\$ 10,245,222		\$ 24,410,976
LIABILITIES AND SHAREHOLDERS EQUITY					
Current liabilities:					
Trade accounts payable	\$ 254,331	\$ 107,363	\$		\$ 361,694
Accrued expenses and other current liabilities	733,233	609,990	(11,994)	P	1,331,229
Deferred profit	324,985	197,888	(127,888)	H	394,985
Current portion of long-term debt	969,392		145,000	I	1,114,392
Total current liabilities	2,281,941	915,241	5,118		3,202,300
Long-term liabilities:					
Long-term debt	1,400,615	3,151,046	3,130,334	I, L, N	7,681,995
Income taxes payable	247,448	16,400			263,848
Other long-term liabilities	127,607	194,195	1,289,234	D, H	1,611,036
Total liabilities	4,057,611	4,276,882	4,424,686		12,759,179
Temporary equity, convertible notes	178,665				178,665
Shareholders equity:					
Common stock	158	385,633	5,757,229	J, K	6,143,020
Additional paid-in capital	5,479,238		34,785	O	5,514,023
Treasury stock, at cost	(4,395,980)				(4,395,980)
Accumulated other comprehensive loss	(62,958)	(46,137)	46,137	J	(62,958)
Retained earnings (accumulated deficit)	4,337,697	(45,055)	(17,615)	D, J, M	4,275,027
Total shareholders equity	5,358,155	294,441	5,820,536		11,473,132

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Total liabilities and shareholders equity	\$ 9,594,431	\$ 4,571,323	\$ 10,245,222	\$ 24,410,976
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See the accompanying notes to the unaudited pro forma condensed combined financial statements, which are an integral part of these statements. The pro forma adjustments are explained in Note 7 Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheets.

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NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Description of Transaction

On October 20, 2015, Lam Research entered into an Agreement and Plan of Merger and Reorganization with KLA-Tencor, under which KLA-Tencor will ultimately become a direct or indirect wholly-owned subsidiary of Lam Research.

As a result of the merger, Lam Research will pay cash and issue common stock and equity-based awards, subject to certain exceptions, as follows:

each KLA-Tencor stockholder may elect to receive, for all shares of KLA-Tencor common stock held, one of the following forms of merger consideration, which will be payable on a per share basis:

mixed consideration, consisting of 0.5 shares of Lam Research common stock and \$32.00 in cash;

all-stock consideration, consisting of (1) a number of shares of Lam Research common stock equal to 0.5 plus (2) a number of shares of Lam Research common stock equal to \$32.00 divided by the five-trading day VWAP, subject to proration; or

all-cash consideration, consisting of (1) \$32.00 in cash plus (2) an amount in cash equal to 0.5 times the five-trading day VWAP, subject to proration;

each then-unvested KLA-Tencor RSU (including performance-based restricted stock units) that is held by a continuing service provider will be converted into a Lam Research RSU with economically equivalent terms as applied immediately prior to the effective time of the merger;

each share of KLA-Tencor common stock underlying KLA-Tencor RSUs that is vested (after taking into account any acceleration of vesting that occurs at the effective time of the merger) but as to which such share of stock has not yet been issued will be issued as of immediately prior to the effective time of the merger, treated as KLA-Tencor common stock in the merger and converted into the right to receive the merger consideration; and

each KLA-Tencor stock option will be cancelled and converted into the right to receive an amount of cash (without interest) equal to the product of (a) the number of shares of KLA-Tencor common stock subject to such KLA-Tencor stock option multiplied by (b) (i) the all-cash consideration less (ii) the exercise price per share for such KLA-Tencor option.

At the effective time of the merger, each KLA-Tencor RSU that is unvested and held by an individual who is not a continuing service provider will be cancelled without payment of any consideration.

Lam Research has entered into (1) a senior unsecured term loan agreement which provides up to \$900 million in term loans, subject to certain conditions; and (2) a debt commitment letter which provides for a senior unsecured 364-day bridge facility in a principal amount of up to \$3.3 billion, subject to certain conditions. Lam Research has also entered into an amendment and restatement of its existing revolving credit agreement pursuant to which, among other things, the revolving lenders agreed to increase their aggregate commitments under the revolving credit agreement from \$300 million to \$750 million.

Lam Research intends to fund the cash component of the merger consideration and related fees and expenses and to prepay KLA-Tencor's term loan of approximately \$671 million with a combination of approximately \$1.9 billion of the combined companies' balance sheet cash and proceeds of approximately \$3.9 billion under the term loans, the revolving credit agreement and from the issuance of debt securities or, to the extent necessary, borrowings under the bridge facility. Lam Research also expects to guarantee KLA-Tencor's existing notes in the aggregate

principal amount of \$2.5 billion.

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Lam Research intends to pursue financing that would replace or supplement financing available under the bridge facility. There can be no assurance that any replacement or supplemental financing will be available to Lam Research at all or on acceptable terms.

Completion of the merger is subject to certain closing conditions, including but not limited to approval of the issuance of shares of Lam Research common stock to KLA-Tencor stockholders by the Lam Research stockholders, approval of the merger, the merger agreement and the principal terms thereof by the KLA-Tencor stockholders, receipt of all required regulatory approvals, and other customary conditions. The merger agreement contains certain termination rights for both Lam Research and KLA-Tencor and further provides that, Lam Research or KLA-Tencor, as applicable, may be required to pay a termination fee of \$290 million.

2. Basis of Presentation

The unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting and was based on the historical financial statements of Lam Research and KLA-Tencor. All unaudited pro forma condensed combined financial statements use Lam Research's period end dates.

The acquisition method of accounting is based on Accounting Standards Codification (ASC) Topic 805, Business Combinations, which uses the fair value concepts defined in ASC Topic 820, Fair Value Measurements and Disclosures.

ASC Topic 805 requires, among other things, that assets and liabilities acquired be recognized at their fair values as of the acquisition date. Financial statements of Lam Research issued after completion of the merger will reflect such fair values, measured as of the acquisition date, which may be different than the estimated fair values included in these unaudited pro forma condensed combined financial statements. The financial statements of Lam Research issued after the completion of the merger will not be retroactively restated to reflect the historical financial position or results of operations of KLA-Tencor. In addition, ASC Topic 805 establishes that the consideration transferred be measured at the closing date of the merger at the then-current market price, which will likely result in a purchase price that is different from the amount assumed in these unaudited pro forma condensed combined financial statements.

ASC Topic 820, defines the term "fair value" and sets forth the valuation requirements for any asset or liability measured at fair value, expands related disclosure requirements and specifies a hierarchy of valuation techniques based on the nature of the inputs used to develop the fair value measures. Fair value is defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date." This is an exit price concept for the valuation of the asset or liability. In addition, market participants are assumed to be buyers and sellers unrelated to Lam Research in the principal (or the most advantageous) market for the asset or liability. Fair value measurements for an asset assume the highest and best use by these market participants. As a result of these standards, Lam Research may be required to record assets which are not intended to be used or sold and/or to value assets at fair value measures that do not reflect Lam Research's intended use of those assets. Many of these fair value measurements can be highly subjective and it is also possible that other professionals, applying reasonable judgment to the same facts and circumstances, could develop and support a range of alternative estimated amounts.

Under ASC 805, acquisition-related transaction costs (such as advisory, legal, valuation, and other professional fees) are not included as a component of consideration transferred and are excluded from the unaudited pro forma condensed combined statements of operations. Such costs will be expensed in the historical statements of operations in the period incurred. Lam Research and KLA-Tencor expect to incur total acquisition-related transaction costs of approximately \$85.0 million and \$63.0 million, respectively. As discussed in Note 7(M), Lam Research's transaction costs have been included in the unaudited pro forma condensed combined balance sheet as of September 27, 2015 and KLA-Tencor's transaction costs have not been included.

Table of Contents**3. Accounting Policies**

As part of preparing the unaudited pro forma condensed combined financial statements, Lam Research conducted an initial review of the accounting policies of KLA-Tencor to determine if differences in accounting policies require recasting or reclassification of results of operations or reclassification of assets or liabilities to conform to Lam Research's accounting policies and classifications. During the preparation of these unaudited pro forma condensed combined financial statements, Lam Research did not become aware of any material differences between accounting policies of Lam Research and KLA-Tencor except for certain reclassifications necessary to conform to Lam Research's financial statement presentation. The reclassifications made in the preparation of the unaudited pro forma condensed combined financial statements are presented in Notes 6 and 7.

Upon consummation of the merger, a more comprehensive review of the accounting policies of KLA-Tencor will be performed, which may identify other differences among the accounting policies of Lam Research and KLA-Tencor that, when conformed, could have an impact on the unaudited pro forma condensed combined financial statements.

4. Estimate of Consideration Expected to be Transferred

The following is a preliminary estimate of consideration expected to be transferred to effect the acquisition of KLA-Tencor:

(in thousands, except per share amounts)	Conversion Calculation	Estimated Fair Value
KLA-Tencor outstanding stock at September 30, 2015	155,945,694	
KLA-Tencor vested stock awards	1,160,758	
Total KLA-Tencor Shares	157,106,452	
Exchange ratio	0.50	
Lam common stock to be issued	78,553,226	
Per share price of Lam common stock as of November 30, 2015	\$ 78.20	
Estimated fair value of Lam common stock to be issued		\$ 6,142,862
Cash to be paid		5,039,408
Cash paid on behalf of KLA-Tencor to terminate existing term loan		671,250
Vested restricted stock units and performance restricted stock units consideration		22,792
Estimated purchase price consideration⁽¹⁾		\$ 11,876,312

- (1) The estimated consideration expected to be transferred reflected in these unaudited pro forma condensed combined financial statements does not purport to represent what the actual consideration transferred will be when the merger is completed. In accordance with ASC Topic 805, the fair value of equity securities issued as part of the consideration transferred will be measured on the closing date of the merger at the then-current market price. This requirement will likely result in a per share equity component different from the \$78.20 closing price of Lam Research common stock on November 30, 2015 that is assumed in these unaudited pro forma condensed combined financial statements, and that difference may be material. Lam Research believes that an increase or decrease by as much as 10% in the Lam Research common stock price on the closing date of the merger from the common stock price assumed in these unaudited pro forma condensed combined financial statements is reasonably possible based upon the recent history of Lam Research's common stock price. A change in the estimated fair value of Lam Research's share price of 10% would increase or decrease the consideration paid as follows, with a corresponding increase or decrease in the goodwill recorded in connection with the merger.

Table of Contents**Sensitivity of common stock price**

% change in common stock price	-10%	10%
Stock price	\$ 70.38	\$ 86.02
Change in consideration transferred	\$ (616,331)	\$ 616,292

5. Estimate of Assets to be Acquired and Liabilities to be Assumed

The following is a preliminary estimate of the assets to be acquired and the liabilities to be assumed by Lam Research in the merger, reconciled to the estimate of consideration expected to be transferred:

	(in thousands)
Net book value of assets acquired as of September 27, 2015	\$ 294,441
Less: write off of existing KLA-Tencor goodwill	(335,218)
Less: write off of existing KLA-Tencor intangible assets	(8,242)
Add: KLA-Tencor term loan	671,250
 Adjusted net book value of assets acquired as of September 27, 2015	 \$ 622,231
 Adjustments:	
Property and equipment	\$ 148,348
Identifiable intangible assets	5,630,000
Inventory	534,504
Debt issuance costs	(16,583)
Deferred revenue	152,858
Deferred taxes	(1,546,284)
Goodwill	6,351,238
 Total net assets acquired	 \$ 11,876,312

The preliminary valuation of assets acquired and liabilities assumed performed for the purposes of these unaudited pro forma condensed combined financial statements was primarily limited to the identification and valuation of intangible assets, property and equipment, inventory, deferred revenue and taxes. Lam Research believes this was an appropriate approach based on a review of similar acquisitions, which appeared to indicate that the most significant and material portion of the purchase price would be allocated to identifiable intangible assets. Lam Research will continue to refine its identification and valuation of assets to be acquired and the liabilities to be assumed as further information becomes available.

The following is a discussion of the adjustments made to KLA-Tencor's assets and liabilities in connection with the preparation of these unaudited pro forma condensed combined financial statements:

Property and equipment: As of the effective time of the merger, property, equipment and software is required to be measured at fair value, unless those assets are classified as held-for-sale on the acquisition date. The acquired assets can include assets that are not intended to be used or sold, or that are intended to be used in a manner other than their highest and best use. For purposes of these unaudited pro forma condensed combined financial statements, the fair value of property and equipment has been determined primarily through the use of either the sales comparison method or the depreciated replacement cost method. The sales comparison method is a form of the market approach in which the value of the asset is estimated based on the market price of an asset of comparable features such as location and size. The depreciated replacement cost method is a form of the cost approach in which the value of the asset is estimated based on the cost to replace the asset with an asset of comparable utility and adjusting for physical deterioration, functional obsolescence and economic obsolescence.

Lam Research does not have sufficient information at this time as to the specific types, nature, age, condition or location of these assets to perform a final valuation. However, for the purposes of these unaudited pro forma condensed combined financial statements, using currently available information, such as

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KLA-Tencor's balance sheet, fixed asset register, high-level discussions with company management, real estate information and certain other high-level assumptions, the fair value of property and equipment were estimated by Lam Research management and were as follows:

(in thousands, except years)	Estimated Average Useful Lives (years)	Estimated Fair Value September 27, 2015
Land		\$ 40,388
Buildings and improvements	20 - 40	120,000
Leasehold improvements	8 - 12	105,000
Machinery and equipment	3 - 8	145,900
Computer & Office Equipment	2 - 5	19,000
Computer software	2 - 5	6,400
Furniture & Fixtures	6 - 8	9,600
Construction in progress		4,928
Total		\$ 451,216

These preliminary estimates of fair value and weighted-average useful life will likely be different from the final acquisition accounting, and the difference could have a material impact on the accompanying pro forma condensed combined financial statements.

Intangible assets: As of the effective time of the merger, identifiable intangible assets are required to be measured at fair value and these acquired assets could include assets that are not intended to be used or sold or that are intended to be used in a manner other than their highest and best use. For purposes of these unaudited pro forma condensed combined financial statements, it is assumed that all assets will be used in a manner that represents their highest and best use. Based on internal assessments as well as discussions with KLA-Tencor, Lam Research identified the following significant intangible assets: customer relationships, technology, and in-process research and development.

For purposes of these unaudited pro forma condensed combined financial statements, the fair value of these intangible assets has been determined primarily through the use of the income approach, which requires an estimate or forecast of all the expected future cash flows through the use of either the multi-period excess earnings method or the relief-from-royalty method.

At this time, Lam Research does not have sufficient information as to the amount, timing and risk of the estimated future cash flows needed to perform a final valuation of customer relationships, technology, backlog, or in-process research and development. Some of the more significant assumptions inherent in the development of estimated cash flows, from the perspective of a market participant, include: the amount and timing of projected future cash flows (including revenue, cost of revenue, sales and marketing expenses, working capital, capital expenditures and contributory asset charges) and the discount rate selected to measure the risks inherent in the projections of future cash flows. However, for the purposes of these unaudited pro forma condensed combined financial statements, using currently available information, such as KLA-Tencor's historical and projected revenues, customer attrition rates, cost structure and certain other high-level assumptions, the fair value of the customer relationships, technology, backlog, and in-process research and development were estimated by Lam Research management.

These preliminary estimates of fair value and weighted-average useful life will likely be different from the final acquisition accounting, and the difference could have a material impact on the accompanying pro forma condensed combined financial statements. Once Lam Research has full access to the specifics of KLA-Tencor's intangible assets, additional insight will be gained that could impact: (i) the estimated total value assigned to intangible assets, and (ii) the estimated useful life of each category of intangible assets. The estimated intangible asset values and their useful lives could be impacted by a variety of factors that may become known to Lam

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Research only upon access to additional information and/or changes in such factors that may occur prior to the effective time of the merger. For each \$100 million change in the fair value of identifiable intangible assets, there could be an annual change in amortization expense increase or decrease of approximately \$12.7 million (\$3.2 million per quarter), assuming a weighted-average useful life of 8 years.

Inventory: As of the effective time of the merger, inventory is required to be measured at fair value. KLA-Tencor's inventory consists of raw materials, work in process, finished goods and spare parts. For purposes of these unaudited pro forma condensed combined financial statements, the preliminary fair value of inventory has been determined based on currently available information and certain high-level assumptions and may be different from the final acquisition accounting, and the difference could have an impact on the accompanying pro forma condensed combined financial statements. Raw materials were valued based on KLA-Tencor's current net book values. Work in process, finished goods and spare parts were valued using the comparative sales method, which estimates the expected sales price of the subject inventory, reduced for all costs expected to be incurred in its completion (for work in process), disposition and a profit on those efforts.

Deferred revenue: Deferred revenue in the context of a business combination represents an obligation to provide future products or services to a customer when payment for such products or services has been made prior to the products being delivered or services being rendered. A certain portion of KLA-Tencor's deferred revenue is for tools that have been delivered to the customer and for which KLA-Tencor is awaiting installation or customer acceptance. Therefore there are only minimal future costs required to secure customer acceptance of the tools. Accordingly, Lam Research reduced the balance of deferred revenue as of September 27, 2015 by \$152.9 million for the preliminary estimate of the portion of deferred revenue for which future costs exists.

Debt: As of the effective time of the merger, debt is required to be measured at fair value. The fair value of KLA-Tencor's notes payable have been determined using readily available market information. It has been preliminarily determined that book value approximates fair value. In addition, Lam Research intends to extinguish KLA-Tencor's term loan at transaction close.

Deferred income taxes: As of the effective time of the merger, Lam Research will provide deferred taxes and other tax adjustments as part of the accounting for the acquisition, primarily related to the estimated fair value adjustments for acquired intangibles. The \$1.5 billion net increase to deferred tax liabilities included in the unaudited pro forma condensed combined balance sheet reflects the summation of those adjustments. These estimates are based on a preliminary valuation and are subject to further review by Lam Research's management, which may result in material adjustments at the closing date of the merger.

To account for the combined results, Lam Research has decreased the pro forma combined provision for income taxes by \$197.2 million for the year ended June 28, 2015 and decreased the pro forma combined provision for income taxes by \$49.6 million for the three months ended September 27, 2015.

Other Assets/Liabilities: Adjustments to KLA-Tencor's remaining assets and liabilities may also be necessary, however at this time Lam Research has limited knowledge as to the specific details and nature of those assets and liabilities necessary in order to make adjustments to those values. However, since the majority of the remaining assets and liabilities are current assets and liabilities, Lam Research believes that the current KLA-Tencor book values for these assets represent reasonable estimates of fair value or net realizable value, as applicable. Lam Research does not anticipate that the actual adjustments for these assets and liabilities on the closing date will be materially different.

Goodwill: Goodwill is calculated as the difference between the acquisition date fair value of the consideration expected to be transferred and the values assigned to the assets acquired and liabilities assumed. Goodwill is not amortized but rather subject to an annual fair value impairment test.

Table of Contents**6. Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations:**

The following reclassifications have been made in the presentation of the historical consolidated financial statements to conform to the combined presentation:

\$131.7 million of loss on extinguishment of debt and other, net to other expense (income), net for the year ended June 28, 2015. There was no loss on extinguishment of debt and other, net realized in the three months ended September 27, 2015.

\$24.7 and \$73.7 million of other expense, net to interest expense for the three months ended September 27, 2015 and year ended June 28, 2015, respectively.

- (A) Inter-company transactions To eliminate revenue and cost of goods sold resulting from transactions occurring between Lam Research and KLA-Tencor.
- (B) Intangible amortization To eliminate historical amortization expense related to KLA-Tencor's existing intangible assets and to reflect amortization of acquired intangible assets based on the preliminary estimated fair values and useful lives expected to be recorded as a result of the merger. For estimated intangible asset values and the estimated associated useful lives, see footnote (G) in Note 7.

	Year Ended June 28, 2015	Three Months Ended September 27, 2015
	(in thousands)	
Eliminate KLA-Tencor historical amortization		
Cost of goods sold	\$ (9,944)	\$ (2,282)
Research and development	(3,049)	(725)
Selling, general and administrative	(2,809)	(646)
	\$ (15,802)	\$ (3,653)
New intangible asset amortization		
Cost of goods sold	\$ 309,996	\$ 77,499
Selling, general and administrative	384,288	96,072
	\$ 694,284	\$ 173,571
Pro Forma amortization adjustment		
Cost of goods sold	\$ 300,052	\$ 75,217
Research and development	(3,049)	(725)
Selling, general and administrative	381,479	95,426
	\$ 678,482	\$ 169,918

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- (C) Depreciation To eliminate historical depreciation expense related to KLA-Tencor's property and equipment based on historical cost and to reflect new depreciation expense based on the preliminary estimated fair values and useful lives of property and equipment to be acquired. For estimated property and equipment values and the estimated associated useful lives, see Note 5 Estimate of Assets to be Acquired and Liabilities to be Assumed.

	Year Ended June 28, 2015	Three Months Ended September 27, 2015
Eliminate KLA-Tencor historical depreciation		
(in thousands)		
Cost of goods sold	\$ (13,240)	\$ (3,349)
Research and development	(18,163)	(4,595)
Selling, general and administrative	(24,447)	(5,934)
	\$ (55,850)	\$ (13,878)
New asset depreciation		
Cost of goods sold	\$ 12,902	\$ 3,225
Research and development	17,699	4,425
Selling, general and administrative	23,824	5,956
	\$ 54,425	\$ 13,606
Pro Forma depreciation adjustment		
Cost of goods sold	\$ (338)	\$ (124)
Research and development	\$ (464)	\$ (170)
Selling, general and administrative	\$ (623)	\$ 22
	\$ (1,425)	\$ (272)

- (D) Stock-based compensation expense To eliminate the historical stock-based compensation expense related to KLA-Tencor's existing equity awards and reflect new stock-based compensation expense based on the preliminary estimated fair values and vesting periods of equity awards expected to be assumed by Lam Research as a result of the merger.
- (E) Historical interest expense To eliminate historical interest expense related to the KLA-Tencor term loan that will be extinguished at, or near, the date of the merger.
- (F) New interest expense To record new interest expense and amortization of deferred financing fees associated with the anticipated debt financing to partially finance the acquisition.

	Year Ended June 28, 2015	Pro Forma Three Months Ended September 27, 2015
(in thousands)		
Interest expense on debt financing	\$ (158,834)	\$ (39,092)

A sensitivity analysis on interest expense for the year ended June 28, 2015 and the three months ended September 27, 2015 has been performed to assess the effects of a change of 12.5 basis points of the hypothetical interest rate would have on the debt financing. Stated interest rates related to the new debt financing are as follows:

	Stated Interest Rate
Term Loan Tranche 1	Adjusted LIBOR + 1.25%
Term Loan Tranche 2	Adjusted LIBOR + 1.125%
Revolving Credit Facility	Adjusted LIBOR + 1.00%

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The following table shows the change in interest expense for the debt financing:

	Year Ended June 28, 2015	Pro Forma Three Months Ended September 27, 2015 (in thousands)
Change in interest expense assuming		
Increase of 0.125%	\$ (1,000)	\$
Decrease of 0.125%	1,000	

(G) Income tax expense This represents the tax effect of adjustments to income before income taxes, resulting in a blended tax rate benefit of 25.0% for the year end June 28, 2015 and the three months ended September 27, 2015, representing the estimated combined effective U.S. federal, state, and foreign statutory rates. However, the effective tax rate of the combined company could be significantly different (either higher or lower) depending on post-acquisition activities.

(H) The unaudited pro forma condensed combined basic and diluted earnings per share calculations are based on the combined basic and diluted weighted-average shares, after giving effect to the exchange ratio. The historical basic and diluted weighted average shares of KLA-Tencor are assumed to be replaced by the shares expected to be issued by Lam Research to effect the merger as follows:

	Year Ended June 28, 2015	Three months ended September 27, 2015 (in thousands, except per share data)
Pro Forma Weighted Average Shares (Basic)	159,629	158,352
Issued ordinary shares as consideration for KLA Tencor shares	78,410	78,410
Restricted stock units vested during the period	872	872
Pro Forma Weighted Average Shares (Basic)	238,911	237,634
Pro Forma Weighted Average Shares (Diluted)		
Pro Forma Weighted Average Shares (Basic)	238,911	237,634
Unvested restricted stock units	520	520
Lam Research dilution	17,437	16,021
Pro Forma Weighted Average Shares (Diluted)	256,868	254,175
Pro Forma Basic Earnings Per Share		
Pro Forma Net Income	428,518	244,861
Basic Weighted Average Shares Outstanding	238,911	237,634
Pro Forma Basic Earnings Per Share	\$ 1.79	\$ 1.03
Pro Forma Diluted Earnings Per Share		
Pro Forma Net Income	428,518	244,861
Diluted Weighted Average Shares Outstanding	256,868	254,175
Pro Forma Diluted Earnings Per Share	\$ 1.67	\$ 0.96

7. Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheets:

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The following reclassifications have been made in the presentation of the historical consolidated financial statements to conform to the combined presentation:

\$16.4 million of other long-term liabilities reclassified to income taxes payable.

\$232.0 million of deferred income taxes reclassified to other current assets.

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- (A) Represents the use of the anticipated combined company cash balance reflecting the new debt financing of \$3.93 billion to fund a portion of the estimated merger consideration, as described in Note 4. Additionally, estimated transaction costs and debt issuance costs, anticipated to be paid concurrently with the closing of the merger are included in the net cash outflow as follows:

	(in thousands)
Cash proceeds of new debt	\$ 3,930,000
Cash consideration paid	(5,039,408)
Termination of existing KLA-Tencor term loan	(671,250)
Transaction costs paid	(85,000)
Debt financing fees paid	(56,790)
Net cash outflow	\$ (1,922,448)

- (B) Inventory To record the difference between the historical book value and preliminary estimated fair values of KLA-Tencor inventory acquired in the transaction. No corresponding adjustments have been recorded in the unaudited pro forma condensed combined statement of operations as the step-up in inventory value is not expected to be recurring.
- (C) Debt issuance costs Reflects the recognition of capitalized debt issuance costs of \$56.8 million associated with anticipated borrowings to fund the merger, with \$14.3 million classified in other current assets and \$42.5 million classified in other long-term assets.
- (D) Deferred tax assets and liabilities To record adjustments to deferred tax balances related to the change in fair values in connection with acquisition accounting and the recording of purchased intangible assets as well as the assumed equity awards:

	(in thousands)
Changes in temporary differences:	
Decrease in deferred tax assets of certain stock-based awards	\$ (16,091)
Decrease to long-term deferred tax asset related to combined entity reporting	(65,731)
Decrease to long-term deferred tax liability related to combined entity reporting	65,731
Establish deferred tax liability for the increase in the basis of identified acquired intangible assets	(1,318,976)
Establish deferred tax liability for the increase in the basis of acquired inventory	(120,348)
Establish deferred tax liability for the increase in the basis of acquired property and equipment	(35,885)
Establish deferred tax liability related to decrease in deferred profit	(54,983)
Establish deferred tax asset for accrued expenses	22,330
	\$ (1,523,953)
Total change from the unaudited balance sheet:	
Net change in current portion of deferred tax assets	\$ (144,018)
Net change in long-term portion of deferred tax assets	(65,731)
Net change in long-term portion of deferred tax liabilities	(1,314,204)
	\$ (1,523,953)

- (E) Property and equipment To record the difference between the historical book value and preliminary estimated fair values of KLA-Tencor real property acquired in the transaction.

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- (F) Goodwill To eliminate KLA-Tencor's historical goodwill and record the preliminary estimate of goodwill for the acquisition of KLA-Tencor.

	(in thousands)
Estimated transaction goodwill	\$ 6,351,238
Eliminate KLA-Tencor's historical goodwill as of September 27, 2015	(335,218)
Total	\$ 6,016,020

- (G) Intangible assets To record the difference between the historical amounts of KLA-Tencor net intangible assets and preliminary fair values of KLA-Tencor intangible assets acquired. These estimated fair values and useful lives are considered preliminary and are subject to change at the closing date of the transaction. Accordingly, the estimates related to deferred taxes are also subject to change. Changes in fair value or useful lives of the acquired intangible assets may be material. Determination of the estimated remaining useful lives of the individual categories of intangible assets was based on the nature of the applicable intangible asset and the expected future cash flows to be derived from the intangible asset. The acquired finite-lived intangible assets are being amortized over the estimated useful life in proportion to the economic benefits consumed using the straight-line method. Reflects adjustments to the following:

(in thousands, except years)	Estimated Average Useful Lives (years)	Estimated Fair Value September 27, 2015	Net Book Value September 27, 2015	Pro Forma Adjustment (BS)
Order Backlog	less than 1	\$ 70,000		\$ 70,000
Developed technology	9	2,790,000	4,999	2,785,001
In-process research and development		80,000		80,000
Customer relationships	7	2,690,000	3,243	2,686,757
Total		\$ 5,630,000	\$ 8,242	\$ 5,621,758

- (H) Deferred revenue To record the difference between the historical book value and preliminary estimated fair values of KLA-Tencor deferred revenue. No corresponding adjustments have been recorded in the unaudited pro forma condensed combined statement of operations as the impact is not expected to be recurring.

- (I) New issuance of long-term debt To reflect adjustments to current and long-term debt for anticipated borrowings to fund the KLA-Tencor Merger. The adjustments to current and long-term debt are summarized as follows:

	As of September 27, 2015 (in thousands)
Term loans	\$ 900,000
Revolving line of credit	100,000
Bond issuance	2,930,000
Anticipated new debt financing	\$ 3,930,000
Current portion of new debt financing	\$ 145,000
Long-term portion of new debt financing	3,785,000

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- (J) Equity To eliminate KLA-Tencor historical stockholder s equity.
- (K) Common stock To record the issuance of common stock.
- (L) Historical term loan To eliminate \$669.1 million of principal, net of debt issuance costs, related to KLA-Tencor s term debt that will be extinguished at, or near, the merger date.

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- (M) Transaction costs To record estimated costs related directly to the transaction of approximately \$85.0 million, including estimated investment banking, legal and accounting fees, and other external costs directly related to the merger. No transaction costs were incurred during the periods covered by the historical results of operations. To the extent that Lam Research or KLA-Tencor incur such costs in the future they will be expensed in the statements of operations of the respective companies in the periods incurred. However, any such costs recorded in the historical statements of operations would be reversed for pro forma statement of operations purposes as they would not be expected to have a continuing impact beyond the next twelve months.

- (N) Long-term debt To eliminate debt issuance costs related to historical KLA-Tencor debt assumed as part of the transaction.

- (O) Additional paid in capital To reflect the preliminary fair value of equity awards that were considered to be vested for accounting purposes as part of consideration transferred.

- (P) Accrued dividends payable To reflect the payment of accrued dividends related to unvested equity awards with dividend equivalent rights that are expected to vest upon the close of the transaction.

Table of Contents**COMPARATIVE STOCK PRICE DATA AND DIVIDENDS**

Shares of Lam Research common stock are listed for trading on the NASDAQ Global Select Market under the symbol LRCX. Shares of KLA-Tencor common stock are listed for trading on the NASDAQ Global Select Market under the symbol KLAC. The following table presents trading information for Lam Research and KLA-Tencor common stock on October 20, 2015, the last trading day before announcement of the merger, and November 30, 2015, the most recent practicable trading day before the date of this joint proxy statement/prospectus. For illustrative purposes, the following table also provides KLA-Tencor equivalent per share information, assuming the mixed election, which is equal to (1) 0.5 of a share of Lam Research common stock plus (2) \$32.00 in cash for each share of KLA-Tencor common stock outstanding.

Date	Lam Research Common Stock			KLA-Tencor Common Stock			Equivalent Per-Share Value		
	High	Low	Close	High	Low	Close	High	Low	Close
October 20, 2015	\$ 71.99	\$ 66.50	\$ 70.03	\$ 54.82	\$ 52.89	\$ 53.86	\$ 68.00	\$ 65.25	\$ 67.02
November 30, 2015	\$ 78.51	\$ 77.28	78.20	\$ 67.12	\$ 66.45	\$ 66.47	\$ 71.26	\$ 70.64	\$ 71.10

The following tables set forth the high and low sales prices of shares of Lam Research common stock and KLA-Tencor common stock as reported in the NASDAQ Global Select Market's consolidated transaction reporting system, for the calendar quarters indicated.

Fiscal Period:	Lam Research		KLA-Tencor	
	High	Low	High	Low
Fiscal Year 2016				
First Quarter	\$ 84.13	\$ 61.20	\$ 57.35	\$ 44.95
Fiscal Year 2015				
First Quarter	\$ 77.35	\$ 66.70	\$ 81.27	\$ 70.10
Second Quarter	\$ 85.70	\$ 65.78	\$ 84.21	\$ 65.25
Third Quarter	\$ 84.49	\$ 66.92	\$ 71.26	\$ 57.49
Fourth Quarter	\$ 84.39	\$ 69.07	\$ 60.80	\$ 55.24
Fiscal Year 2014				
First Quarter	\$ 52.31	\$ 44.11	\$ 62.45	\$ 54.29
Second Quarter	\$ 55.48	\$ 49.54	\$ 67.05	\$ 58.83
Third Quarter	\$ 57.16	\$ 48.45	\$ 70.78	\$ 59.44
Fourth Quarter	\$ 67.85	\$ 50.54	\$ 72.78	\$ 61.43
Fiscal Year 2013				
First Quarter	\$ 37.99	\$ 31.93	\$ 54.11	\$ 44.77
Second Quarter	\$ 38.14	\$ 31.17	\$ 48.94	\$ 43.21
Third Quarter	\$ 43.92	\$ 35.32	\$ 57.97	\$ 47.37
Fourth Quarter	\$ 49.13	\$ 39.94	\$ 57.56	\$ 50.23

The table below sets forth, for the fiscal quarters indicated, quarterly dividends paid per share of Lam Research common stock, in U.S. dollars per share. On the Lam Research record date, there were [] shares of Lam Research common stock outstanding. Lam Research instituted a quarterly dividend in June 2014.

Fiscal Period:	Date Paid	\$ Per Share
Fiscal Year 2016		
Second Quarter	September 30	\$ 0.30
First Quarter	July 1	\$ 0.30
Fiscal Year 2015		
Fourth Quarter	April 1	\$ 0.18
Third Quarter	January 1	\$ 0.18
Second Quarter	October 1	\$ 0.18
First Quarter	July 2	\$ 0.18

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The table below sets forth, for the fiscal quarters indicated, quarterly dividends paid per share of KLA-Tencor common stock, in U.S. dollars per share. On the KLA-Tencor record date, there were [] shares of KLA-Tencor common stock outstanding.

Fiscal Period:	Date Paid	\$ Per Share
Fiscal Year 2016		
First Quarter	September 1	\$ 0.52
Fiscal Year 2015		
Fourth Quarter	June 1	\$ 0.50
Third Quarter	March 2	\$ 0.50
Second Quarter (special dividend)	December 9	\$ 16.50
Second Quarter	December 1	\$ 0.50
First Quarter	September 2	\$ 0.50
Fiscal Year 2014		
Fourth Quarter	June 2	\$ 0.45
Third Quarter	March 3	\$ 0.45
Second Quarter	December 2	\$ 0.45
First Quarter	September 3	\$ 0.45
Fiscal Year 2013		
Fourth Quarter	June 3	\$ 0.40
Third Quarter	March 1	\$ 0.40
Second Quarter	December 3	\$ 0.40
First Quarter	September 4	\$ 0.40
Fiscal Year 2012		
Fourth Quarter	June 1	\$ 0.35
Third Quarter	March 1	\$ 0.35
Second Quarter	December 1	\$ 0.35
First Quarter	September 1	\$ 0.35

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DESCRIPTION OF LAM RESEARCH CAPITAL STOCK

The following describes the material terms of the capital stock of Lam Research. This description is qualified in its entirety by reference to the Lam Research certificate of incorporation, as amended, and Lam Research bylaws, which are incorporated by reference into this joint proxy statement/prospectus. See the section entitled "Where You Can Find More Information" for more information about the documents incorporated by reference into this joint proxy statement/prospectus.

Lam Research's authorized capital stock consists of 400,000,000 shares of common stock, par value \$0.001 per share and 5,000,000 shares of preferred stock, par value \$0.001 per share. As of November 30, 2015; (1) 158,448,857 shares of Lam Research common stock were outstanding and no shares of Lam Research preferred stock were outstanding; (2) 98,189,581 shares of Lam Research common stock were held in Lam Research's treasury; (3) 783,449 shares of Lam Research common stock were subject to outstanding options to purchase Lam Research's common stock, of which 577,327 such options were exercisable; (4) 1,369,712 shares of Lam Research common stock were subject to outstanding performance-based restricted stock units; (5) 3,067,355 shares of Lam Research common stock were subject to outstanding restricted stock units; (6) 7,118,517 shares of Lam Research common stock were reserved for issuance pursuant to Lam Research's employee stock purchase plan; (7) 19,211,268 shares of Lam Research common stock were reserved for issuance pursuant to Lam Research's stock incentive plans; (8) 40,084,003 shares of Lam Research common stock were reserved for issuance upon conversion of Lam Research's 0.5% Convertible Senior Notes due May 2016 and 1.25% Convertible Senior Notes due May 2018 and the Novellus Systems, Inc. 2.625% Convertible Senior Notes due May 2041; and (9) 28,563,664 shares of Lam Research common stock were reserved for issuance upon exercise of the warrants issued by Lam Research in connection with the Lam Research convertible notes.

If the Lam Research stockholders approve the Charter Amendment proposal and the merger is consummated, then, upon the filing of the Charter Amendment, Lam Research's authorized capital stock will consist of 585,000,000 shares of common stock, par value \$0.001 per share and 5,000,000 shares of preferred stock, par value \$0.001 per share.

Each share of Lam Research common stock has the same relative rights as, and is identical in all respects with, each other share of Lam Research common stock.

Holders of Lam Research common stock are entitled to one vote per share on all matters requiring stockholder action, including, but not limited to, the election of directors. Holders of Lam Research common stock are not entitled to cumulate their votes for the election of directors.

Holders of Lam Research common stock are entitled to receive ratably such dividends as may be declared by the Lam Research Board out of funds legally available for the payment of dividends, subject to the payment of any preferential amounts to which any class of preferred stock may be entitled.

Holders of Lam Research common stock are not entitled to a liquidation preference in respect of their shares of Lam Research common stock. Upon liquidation, dissolution or winding up of Lam Research, the holders of Lam Research common stock would be entitled to receive pro rata all assets remaining for distribution to stockholders after the payment of all liabilities of Lam Research and of all preferential amounts to which any preferred stock may be entitled.

Holders of Lam Research common stock have no preemptive or subscription rights, and have no rights to convert their common stock into any other securities. Lam Research common stock is not subject to call or redemption.

The Lam Research certificate of incorporation, as amended, expressly authorizes the Lam Research Board to issue up to 5,000,000 shares of preferred stock in one or more series and to fix or alter the dividend rights,

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dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), redemption price or prices, and liquidation preferences or any wholly unissued class or series of preferred stock, and the number of shares constituting any such series and the designation thereof, or any of them. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of Lam Research. Any such issuance of additional stock could have the effect of diluting the earnings per share and book value per share of outstanding shares of common stock, and such additional shares could be used to dilute the stock ownership or voting rights of persons seeking to obtain control of Lam Research. The issuance of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of Lam Research common stock, including the loss of voting control to others.

The DGCL prohibits a Delaware corporation from engaging in a business combination with an interested stockholder (*i.e.*, a stockholder owning 15% or more of the corporation's voting stock) for three years following the time that the interested stockholder becomes such, subject to certain exceptions. Lam Research has not opted out of Section 203 of the DGCL in its certificate of incorporation and is therefore governed by the terms of this provision of the DGCL.

See the section entitled Comparison of Rights of Lam Research Stockholders and KLA-Tencor Stockholders for more information.

Table of Contents**DESCRIPTION OF KLA-TENCOR CAPITAL STOCK**

The following description is qualified in its entirety by reference to KLA-Tencor's amended and restated certificate of incorporation, as amended, which is referred to as the certificate of incorporation, and amended and restated bylaws, which are referred to as the bylaws, which are incorporated herein by reference into this joint proxy statement/prospectus, and the DGCL. While KLA-Tencor believes that this description covers the material provisions within the certificate of incorporation and bylaws, this summary may not contain all of the information that is important to you. You should carefully read the entire joint proxy statement/prospectus and the other information incorporated by reference into this joint proxy statement/prospectus for a more complete understanding of the rights attendant to KLA-Tencor stockholders. See the section entitled "Where You Can Find More Information" for more information about the documents incorporated by reference into this joint proxy statement/prospectus.

KLA-Tencor's authorized capital stock consists of 500,000,000 shares of common stock, par value \$0.001 per share, and 1,000,000 shares of preferred stock, par value \$0.001 per share.

Common Stock

As of October 19, 2015, the last trading day before announcement of the transaction, there were 155,363,395 shares of KLA-Tencor common stock outstanding. As of the KLA-Tencor record date, there were [] shares of KLA-Tencor common stock outstanding held of record by approximately [] stockholders.

Each share of KLA-Tencor common stock has the same relative rights as, and is identical in all respects with, each other share of KLA-Tencor common stock. The holders of KLA-Tencor common stock are entitled to one vote per share on all matters to be voted upon by the stockholders. Holders of KLA-Tencor common stock are not entitled to cumulate their votes for the election of directors. Subject to preferences that may be applicable to any outstanding preferred stock, the holders of KLA-Tencor common stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the KLA-Tencor Board out of funds legally available therefor. In the event of a liquidation, dissolution or winding up of KLA-Tencor, the holders of KLA-Tencor common stock are entitled to share ratably in assets remaining after payment of liabilities, subject to prior distribution rights of KLA-Tencor preferred stock, if any, then outstanding. KLA-Tencor common stock has no preemptive or conversion rights or other subscription rights. There are no call, redemption or sinking fund provisions applicable to KLA-Tencor common stock. All outstanding shares of KLA-Tencor common stock are fully paid and non-assessable. Certain transactions with interested stockholders (as defined in the certificate of incorporation) or those beneficial owners of more than five percent of KLA-Tencor's capital stock available for voting, including, but not limited to mergers, liquidations proposed by such interested stockholders, and the issuance of securities to any such interested stockholder having a value of \$1,000,000 or more requires the affirmative vote of at least 80% of the then outstanding shares of capital stock of KLA-Tencor.

Preferred Stock

As of the record date, there were no shares of KLA-Tencor preferred stock outstanding. Under the certificate of incorporation, the KLA-Tencor Board may direct the issuance of up to 1,000,000 shares of preferred stock in one or more series and with rights, preferences, privileges and restrictions, including dividend rights, voting rights, conversion rights, terms of redemption and liquidation preferences, that may be fixed or designated by the KLA-Tencor Board without any further vote or action by the KLA-Tencor stockholders. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change in control of KLA-Tencor. Any such issuance of additional stock could have the effect of diluting the earnings per share and book value per share of outstanding shares of KLA-Tencor common stock, and such additional shares could be used to dilute the stock ownership or voting rights of persons seeking to obtain control of KLA-Tencor. The issuance of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of KLA-Tencor common stock, including the loss of voting control to others.

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Anti-Takeover Effects

The DGCL prohibits a Delaware corporation from engaging in a business combination with an interested stockholder (*i.e.*, a stockholder owning 15% or more of the corporation's outstanding voting stock) for three years following the time that the interested stockholder becomes such, subject to certain exceptions. KLA-Tencor has not opted out of Section 203 of the DGCL in its certificate of incorporation and is therefore governed by the terms of this provision of the DGCL.

Director Nominations and Stockholder Proposals

The bylaws provide that stockholders may propose business to be brought before a meeting of stockholders or nominate directors only if they provide notice not less than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting of stockholders. However, in the event that no annual meeting was held in the previous year or the date of the annual meeting is more than 30 days before or more than 60 days after the anniversary date of the previous year's annual meeting, notice by the stockholder must be received not earlier than the close of business on the 120th day prior to the annual meeting and not later than the close of business on the later of the 90th day prior to the annual meeting and the 10th day following the date on which the public announcement of the date of such meeting was first made.

Exchange Listing

KLA-Tencor's common stock is currently listed on the NASDAQ Global Select Market under the symbol KLAC.

See the section entitled "Comparison of Rights of Lam Research Stockholders and KLA-Tencor Stockholders" for more information.

Table of Contents**COMPARISON OF RIGHTS OF LAM RESEARCH STOCKHOLDERS AND KLA-TENCOR STOCKHOLDERS**

	KLA-TENCOR CORPORATION	LAM RESEARCH CORPORATION
Outstanding Capital Stock	KLA-Tencor has outstanding only one class of common stock, par value \$0.001 per share. Holders of KLA-Tencor common stock are entitled to all the rights and obligations provided to common stockholders under the DGCL and KLA-Tencor's certificate of incorporation and bylaws (each as amended and restated and in effect on the date hereof).	Lam Research has outstanding only one class of common stock, par value \$0.001 per share. Holders of Lam Research common stock are entitled to all the rights and obligations provided to common stockholders under the DGCL and Lam Research's certificate of incorporation and bylaws (each as amended and restated and in effect on the date hereof).
Authorized Capital	The aggregate number of shares that KLA-Tencor has the authority to issue is 501,000,000 shares, of which 1,000,000 are shares of preferred stock, \$0.001 par value, and 500,000,000 are shares of common stock, \$0.001 par value.	The aggregate number of shares that Lam Research has the authority to issue is 405,000,000 shares, of which 5,000,000 are shares of preferred stock, \$0.001 par value per share, and 400,000,000 are shares of common stock, \$0.001 per share.
	As of the date of this joint proxy statement/prospectus, KLA-Tencor does not have outstanding any shares of preferred stock.	If the Lam Research stockholders approve the Charter Amendment proposal and the merger is consummated, then, upon the filing of the Charter Amendment, the aggregate number of shares that Lam Research will have the authority to issue will be 590,000,000 shares, of which 5,000,000 will be shares of preferred stock, \$0.001 par value per share, and 585,000,000 will be shares of common stock, par value \$0.001 per share.
Preferred Stock	The rights and preferences of holders of KLA-Tencor common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that KLA-Tencor may designate and issue.	As of the date of this joint proxy statement/prospectus, Lam Research does not have outstanding any shares of preferred stock. The rights and preferences of holders of Lam Research's common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that Lam Research may designate and issue.
Voting Rights	Each stockholder of record of KLA-Tencor common stock is entitled to one vote for each share held on every matter properly submitted to the stockholders for their vote.	Each stockholder of record of Lam Research common stock is entitled to one vote for each share held on every matter properly submitted to the stockholders for their vote.
Stock Transfer Restrictions Applicable to Stockholders	None. Holders of KLA-Tencor common stock do not have cumulative voting rights.	None. Holders of Lam Research common stock do not have cumulative voting rights.

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	KLA-TENCOR CORPORATION	LAM RESEARCH CORPORATION
Dividends	<p>Under Delaware law, subject to any restriction in KLA-Tencor’s certificate of incorporation, the KLA-Tencor board of directors may declare and pay dividends out of (1) surplus of KLA-Tencor which is defined as net assets less statutory capital or (2) if no surplus exists, out of the net profits of KLA-Tencor for the year in which the dividend is declared and/or the preceding year; provided, however, that if the capital of KLA-Tencor has been diminished to an amount less than the aggregate amount of capital represented by the issued and outstanding stock of all classes having preference upon the distribution of assets, the board of directors may not declare and pay dividends out of KLA-Tencor’s net profits until the deficiency in the capital has been repaired.</p> <p>KLA-Tencor’s bylaws provide that the KLA-Tencor board of directors may declare dividends from time to time in accordance with applicable law.</p>	<p>Under Delaware law, subject to any restriction in the corporation’s certificate of incorporation, the board of directors may declare and pay dividends out of (1) surplus of the corporation which is defined as net assets less statutory capital, or (2) if no surplus exists, out of the net profits of the corporation for the year in which the dividend is declared and/or the preceding year; provided, however, that if the capital of the corporation has been diminished to an amount less than the aggregate amount of capital represented by the issued and outstanding stock of all classes having preference upon the distribution of assets, the board of directors may not declare and pay dividends out of the corporation’s net profits until the deficiency in the capital has been repaired.</p> <p>Lam Research’s bylaws provide that dividends on capital stock may be declared by the Lam Research Board pursuant to the DGCL and may be paid in cash or in property or in shares of Lam Research capital stock. Such entitlement is subject to any rights to receive dividends to which holders of any other class or series of stock may be entitled. Before paying any dividend, the Lam Research Board may set aside a reserve for any proper purpose from the funds available for dividends. The Lam Research Board may later abolish or modify such reserve.</p>
Number of Directors	<p>KLA-Tencor’s bylaws provide that the number of directors shall initially be ten and thereafter be fixed from time to time exclusively by the KLA-Tencor board of directors pursuant to a resolution adopted by a majority of the number of authorized directors.</p> <p>There are currently ten directors serving on the KLA-Tencor board of directors.</p>	<p>Lam Research’s bylaws provide that the number of directors shall be eleven, provided that the Lam Research Board may change such number by resolution from time to time within a range of seven to fifteen directors.</p> <p>There are currently nine directors serving on the Lam Research Board. Upon completion of the merger, Lam Research will appoint two directors in accordance with the terms and conditions of the merger agreement.</p>
Election of Directors	<p>KLA-Tencor’s bylaws provide that, in any uncontested election, directors are elected by a majority of the votes cast by the holders of KLA-Tencor common stock. For purposes of director elections only, majority of the votes cast means that the number of shares voted for a director must exceed the number of</p>	<p>Lam Research’s bylaws provide that nominees for director are elected if the votes cast for such nominee’s election exceed the votes cast against such nominee’s election (with abstentions and broker non-votes not counted as votes cast either for or against a nominee’s election). However, if the election is</p>

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votes cast against that director. However, if as of a date that is 14 days in advance of the date KLA-Tencor files its definitive proxy statement with the SEC the number of nominees exceeds the number of directors to be elected, then the directors shall be elected by plurality vote.

Pursuant to KLA-Tencor's bylaws, each director holds office for a one-year term expiring at the next annual meeting of stockholders, and until his or her successor is duly elected and qualified, or until his or her death, resignation or removal.

Removal of Directors

KLA-Tencor's bylaws provide that any director may be removed, with or without cause, by the holders of at least a majority of the voting power of all of the then-outstanding shares of capital stock then entitled to vote generally in the election of directors, voting as a single class at a meeting of stockholders properly called for that purpose.

Vacancies of the Board of Directors

KLA-Tencor's bylaws provide that vacancies in the board of directors created by removal of a director may be filled by (1) a majority of the directors then in office, though less than a quorum or (2) the stockholders at a special meeting of the stockholders properly called for that purpose, by a vote of the holders of a majority of the shares entitled to vote at such special meeting.

Directors chosen in accordance with clause (1) above shall hold office for the remainder of the full term of the class of directors in which such vacancy occurred and until such

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contested, directors shall be elected by a plurality of the votes cast at any meeting of stockholders. An election shall be deemed to be contested if (i) the number of nominees (or purported nominees) for the board exceeds the number of open board seats; (ii) the secretary of Lam Research has received one or more notices that a stockholder or stockholders intend to nominate a person or persons for election to the Lam Research Board, which notice(s) purports to be in compliance with Lam Research's bylaws; and (iii) all such nominations have not been withdrawn by the proposing stockholder(s) on or prior to the tenth day preceding the date Lam Research first mails its notice of meeting for such meeting to the stockholders (regardless of whether all such nominations are subsequently withdrawn, and regardless of whether the board of directors of Lam Research determines that any such notice is not in compliance with Lam Research's bylaws). If directors are to be elected by a plurality of the votes cast, stockholders are not permitted to vote against a nominee.

Pursuant to Lam Research's bylaws, each director holds office until the next annual meeting of stockholders or until his or her successor is elected and qualified.

Lam Research's bylaws provide that any director may be removed at any time, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

Lam Research's bylaws provide that vacancies in the Lam Research Board created by the removal of a director by the vote or written consent of the stockholders or by a court order may be filled only by the vote of a majority of the outstanding shares entitled to vote thereon represented at a duly held meeting at which quorum is present. Vacancies created by reason of resignation or an increase in the number of authorized directors may be filled for the applicable unexpired term by a majority affirmative vote of the Lam Research Board, whether or not less than a quorum, or a sole remaining director.

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director's successor shall have been duly elected and qualified, or until his or her death, resignation or removal. Directors chosen in accordance with clause (2) above shall hold office for a term expiring at the next annual meeting of stockholders immediately following such director's election to the board of directors.

Newly created directorships resulting from any increase in the authorized number of directors or any vacancies resulting from death, resignation, retirement, disqualification or other cause (other than removal from office by a vote of stockholders) may be filled only by a majority vote of the directors then in office, though less than a quorum, and directors so chosen shall hold office the remainder of the full term of the class of directors in which such new directorship was created or such vacancy occurred and until such director's successor shall have been duly elected and qualified, or until his or her death, resignation or removal.

KLA-Tencor's bylaws prohibit stockholder action by written consent.

**Action by
Written
Consent**

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Lam Research's bylaws also provide that vacancies (other than vacancies caused by the removal of a director by the vote or written consent of the stockholders or by a court order) and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director. Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected.

A director elected or appointed to fill a vacancy or newly created directorship shall serve until the next annual meeting of stockholders or until a successor shall be elected and qualified.

Lam Research's bylaws provide that stockholders may take action by written consent. The Lam Research Board may establish a record date, and any stockholder seeking to have the stockholders take action by written consent may request the Lam Research Board to fix a record date, to determine the stockholders entitled to vote. If no record date has been fixed by the Lam Research Board within 10 days of the date on which such a request is received, the record date for determining stockholders entitled to consent to action by written consent shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to Lam Research's registered office in Delaware, its principal place of business or an officer or agent of Lam Research having custody of the book in which proceedings of meetings of stockholders are recorded, to the attention of the Secretary of Lam Research. The written consent must be signed by holders of record of capital stock having at least the minimum number of votes necessary to authorize the proposed action.

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Advance Notice Requirements for Stockholder Nominations and Other Proposals	<p><i>Annual Meetings</i></p> <p>KLA-Tencor’s bylaws provide that KLA-Tencor stockholders wishing to propose nominees to serve as directors or bring business before the annual meeting of KLA-Tencor stockholders must provide proper and timely notice in writing to the Secretary of KLA-Tencor and any updates or supplements required by the bylaws.</p> <p>To be timely, the notice with respect to an annual meeting must be received by the Secretary of KLA-Tencor not later than the close of business on the 90th day, nor earlier than the close of business on the 120th day, prior to the first anniversary of the previous year’s annual meeting. However, if no annual meeting was held the previous year or the date of the annual meeting is more than 30 days before or 60 days after the anniversary date of the previous year’s annual meeting, notice must be received not earlier than the close of business on the 120th day prior to the annual meeting and not later than the close of business on the later of (i) the 90th day prior to the annual meeting and (ii) the 10th day following the date on which the public announcement of the date of such meeting is first made.</p> <p>To be in proper form, the notice must set forth:</p> <ul style="list-style-type: none"> as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the business is being proposed: the name and address of the stockholder proposing such business, and the name and address of the beneficial owner; the class and number of shares which are owned by the stockholder and the beneficial owner as of the date of the notice, and the stockholder’s agreement to notify KLA-Tencor in writing within five business days after the record date for the annual meeting of the class and number of shares owned by the stockholder and the beneficial owner as of the record date for the meeting; and 	<p><i>Annual Meetings</i></p> <p>Lam Research’s bylaws provide that Lam Research stockholders wishing to propose nominees to serve as directors or to bring business before the annual meeting of Lam Research stockholders must provide proper and timely notice to the secretary of Lam Research and any updates or supplements required by the bylaws.</p> <p>To be timely, the notice with respect to an annual meeting must be received by the secretary of Lam Research not less than 45 days or more than 75 days prior to the one-year anniversary of the date on which Lam Research first mailed its proxy materials for the preceding year’s annual meeting. However, if the annual meeting has been advanced by more than 25 days (or delayed by more than 25 days) from the one-year anniversary of the preceding year’s annual meeting, or if no annual meeting was held in the preceding year, notice must be delivered no later than the close of business on the 10th day following the day on which public announcement is first made by Lam Research of the meeting date.</p> <p>To be in proper form, the notice must include, as to the record stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, the following information:</p> <ul style="list-style-type: none"> the name and address of each such party; the class, series and number of shares of capital stock of Lam Research that are owned, directly or indirectly, beneficially and of record by the stockholder and the beneficial owner and any affiliates of such parties; the name of each nominee holder of shares of all stock of Lam Research owned beneficially but not of record by the stockholder and the beneficial owner and any affiliates of such parties; a description of any options, warrants, convertible securities, stock appreciation right or similar right with an

exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of Lam

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a representation that the stockholder intends to appear in person or by proxy at the meeting to propose such business; and

as to the stockholder giving the notice or, if the notice is given on behalf of a beneficial owner on whose behalf the business is being proposed, as to the beneficial owner:

the class and number of shares which are beneficially owned by the stockholder or beneficial owner as of the date of the notice, and the stockholder's agreement to notify KLA-Tencor in writing within five business days after the record date for the meeting of the class and number of shares of KLA-Tencor beneficially owned by the stockholder or beneficial owner as of the record date for the meeting;

a description of any agreement, arrangement or understanding with respect to the business between or among the stockholder or beneficial owner and any other person, including any agreements that would be required to be disclosed pursuant to Item 5 or Item 6 of the Exchange Act Schedule 13D and the stockholder's agreement to notify KLA-Tencor in writing within five business days after the record date for the annual meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting; and

a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, the stockholder or beneficial owner, the effect or intent of which is to mitigate loss, manage risk or

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Research or with a value derived in whole or in part from the value of any class or series of shares of Lam Research, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of Lam Research or otherwise (a Derivative Instrument) directly or indirectly owned beneficially by each such person or any affiliates of such person, and any other direct or indirect opportunities to profit or share in any profit derived from any increase or decrease in the value of shares of Lam Research;

whether and the extent to which any other transaction agreement, arrangement or understanding, including any short position or any borrowing or lending of shares of stock of Lam Research, has been made by or on behalf of the stockholder, the beneficial owner or any affiliates of such parties, the effect or intent of any of the foregoing being to mitigate loss to, or to manage risk or benefit of stock price changes for, such stockholder, beneficial owner or any affiliates of such parties, or to increase or decrease the voting power or pecuniary or economic interest of such stockholder, beneficial owner or any affiliates of such parties, with respect to stock of Lam Research;

a description of any proxies, contracts, arrangement, understanding, relationship pursuant to which either party has a right to vote, directly or indirectly, any shares of Lam Research;

a description of any rights to dividends owned beneficially directly or indirectly by each such party that are separated or separable from the underlying shares of Lam Research;

any performance-related fees (other than an asset-based fee) that the stockholder or the beneficial owner is directly or indirectly entitled to based on any increase or decrease in the value of shares

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benefit from changes in the share price of any class of shares of KLA-Tencor, or increase or decrease the voting power of the stockholder or beneficial owner with respect to shares of KLA-Tencor, and the stockholder's agreement to notify KLA-Tencor in writing within five business days after the record date for such meeting of any such agreement, arrangement or understanding in effect as of the record date for the meeting the name and address of each such party.

For director nominations, the notice must also set forth, as to each person whom the stockholder proposes to nominate for election or re-election as a director:

the name, age, business address and residence address of such person;

the principal occupation or employment of such person;

the class and number of shares of KLA-Tencor which are owned by such person, including shares beneficially owned and shares held of record;

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