

Stock Fundamentals as of October 12, 2009

Sabrient Rating	Strong Buy
Ticker	LRCX
Market Cap Designation	Mid-cap
Market Capitalization (Billions)	\$4.8
Price	\$37.91
52-Week High/Low	\$38.04/14.72
EPS (TTM)	\$-2.41
P/E Ratio (TTM)	N/A
Dividend Yield	0.0%
S&P 500 P/E Ratio	32.9
Price/Book Ratio	3.3
Price/Sales Ratio	4.3
30-Day Average Volume (Millions)	2.6
Beta	1.51
Current Ratio	3.5
Short Interest Ratio	5.7
Shares Outstanding (Millions)	127.1

Sabrient Ratings

Sabrient's Buy/Hold/Sell ratings are based on a combination of dynamic filters that determine which attributes of a stock are most predictive in the prevailing market and which stocks best reflect those attributes but are not yet rewarded.

Sabrient starts with an "extraction" process that uses the best performing filters to identify stocks having certain compelling attributes currently sought by the market. Then, a composite scoring process uses a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. As a result, the Buy/Hold/Sell rating may, in certain cases, seem inconsistent with a simple average of the scores cited in this analysis.

A BUY rating means the stock is expected to outperform its relevant benchmark substantially over the next 6 months. A SELL rating means the stock is expected to underperform its relevant benchmark substantially over the next 6 months. A HOLD rating means the stock is expected to perform in line with its relevant benchmark over the next 6 months.

If a stock is rated HOLD, the investor should review the stock's history of Sabrient ratings to see if it has recently changed to HOLD from BUY or SELL. If so, this indicates one of the following: (1) there has been a significant change in the stock's fundamentals, (2) the stock is already appropriately rewarded or punished by the market, or (3) there simply has been some recent price consolidation that warrants attention. A reading of Sabrient's analysis should identify which it is.

More about Sabrient on Page 4

Sabrient's Market Cap Designations

Large Cap	> \$5.0 Billion
Mid Cap	\$1.0 - \$5.0 Billion
Small Cap	\$150 Million - \$1.0 Billion
Micro Cap	< \$150.0 Million

Report prepared on **October 13, 2009** Page 1

Please see important disclaimer on page 5 of this report.

Copyright ©2009 Sabrient Systems LLC. All rights reserved.

LAM RESEARCH CORP



Company Profile

Lam Research Corporation engages in the design, manufacture, marketing, and service of semiconductor processing equipment used in the fabrication of integrated circuits.

Earnings and Revenue Update: For the quarter ended June 30, 2009, Lam Research reported earnings of \$-88.5 million or \$-0.70 per share compared with \$-198.4 million or \$-1.58 per share for the prior quarter and \$72.2 million or \$0.57 per share for the same quarter one year ago. Revenues were \$217.8 million for the quarter ended June 30, 2009 compared with \$174.4 million for the prior quarter and \$566.2 million for the same quarter one year ago. Last twelve months' earnings were \$-2.41 per share compared with \$3.47 per share a year ago. Last twelve months' revenues were \$1.1 billion compared with \$2.5 billion a year ago.

Sabrient Analysis

Notwithstanding its low value score, LRCX earns a Strong Buy rating on its momentum strength, along with a combination of attributes that are currently being rewarded by the market.

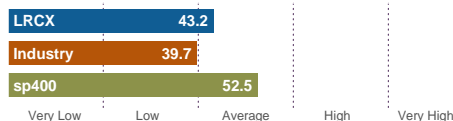
- **Momentum:** A Sabrient Momentum Score of 78.5 implies a favorable accumulation trend for LRCX. The score reflects price, earnings, and group momentum.
- **Growth:** With a Sabrient Growth Score of 43.2, LRCX exhibits a growth profile that is somewhat lower than average.
- **Value:** A Sabrient Value Score of 2.3 indicates that LRCX is considered overvalued at its current price and an unlikely candidate for traditional value investors.
- **Timeliness:** This stock has a Sabrient Timeliness Score of 97.2. This measures technical strength based on short-term and long-term price performance and long-term group strength.

Sabrient Analysis continued on Page 3

Current Sabrient Scores Compared with Industry and Relevant Benchmark

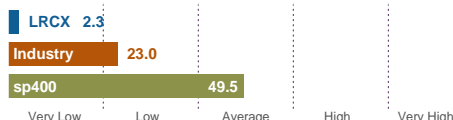
These Sabrient scores compare various aspects of LAM RESEARCH CORP with its industry and relevant benchmarks. The scores are percentile rankings from 0 to 99.9. Higher scores are better. We use a weighted average of several key scores to quantify the relative likelihood of upside or downside price action. Therefore, the Sabrient rating may seem inconsistent with a simple average of the scores cited in this analysis.

Growth Score: 43.2



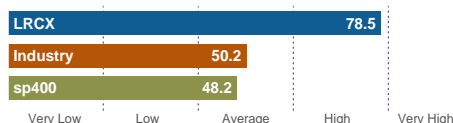
The Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures. With a Sabrient Growth Score of 43.2, Lam Research is marginally higher than the average of its industry group, which has a Sabrient Growth Score of 39.7.

Value Score: 2.3



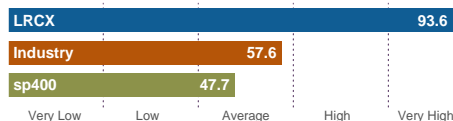
The Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. With a Sabrient Value Score of 2.3, Lam Research is considerably lower than the average of its industry group, which has a Sabrient Value Score of 23.0.

Momentum Score: 78.5



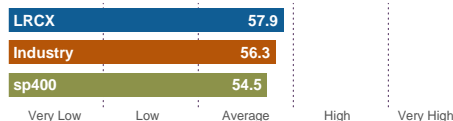
The Sabrient Momentum Score measures a company's earnings and price momentum, evenly weighted, and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. With a Sabrient Momentum Score of 78.5, Lam Research is considerably higher than the average of its industry group, which carries a Sabrient Momentum Score of 50.2.

Earnings Score: 93.6



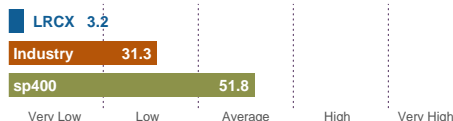
The Sabrient Earnings Score assesses a company's overall earnings performance and projected outlook. Time periods include an average look-back of three years with an emphasis on the past four quarters and a forward look of one to five years. With a Sabrient Earnings Score of 93.6, Lam Research is substantially higher than the average of its industry group, which has a Sabrient Earnings Score of 57.6.

Balance Sheet Score: 57.9



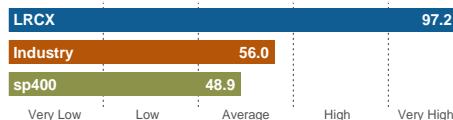
The Sabrient Balance Sheet Score measures a company's liquidity and debt issues, as well as receivables and inventory quality. This score is used to assess relative risk associated with a stock: the lower the score, most likely the higher the inherent risk. With a Sabrient Balance Sheet Score of 57.9, Lam Research is in line with the average of its industry group, which carries a Sabrient Balance Sheet Score of 56.3.

Fundamental Score: 3.2



The Sabrient Fundamental Score is the broad measure of a company's financial health, including its balance sheet, cash flow, revenue, and earnings quality. With a Sabrient Fundamental Score of 3.2, Lam Research is considerably lower than the average of its industry group, which carries a Sabrient Fundamental Score of 31.3.

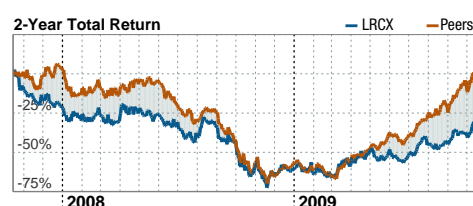
Timeliness Score: 97.2



The Sabrient Timeliness Score is an assessment of a stock's short and long-term price strength as determined by various chart-based indicators and measures of group momentum and relative price performance. With a Sabrient Timeliness Score of 97.2, Lam Research is significantly higher than the average of its industry group, which carries a Sabrient Timeliness Score of 56.0.

Peer Analysis

This table compares LRCX with other similar-sized companies in the same industry group, focusing on Sabrient's growth, momentum and value scores, which represent the three main investing styles. The Peer Analysis chart compares LRCX's 2-year total return with the average 2-year total return of these companies.

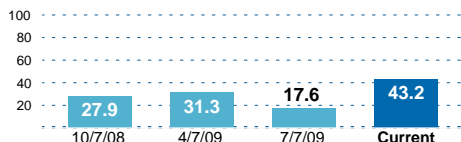


Symbol	Company	Growth Score	Momentum Score	Value Score	Market Cap.(B)
KLAC	KLA-Tencor	36.2	72.3	2.2	\$6.4
ATE	Advantest	43.2	66.1	4.2	\$5.3
LRCX	LAM RESEARCH CORP	43.2	78.5	2.3	\$4.8
WFR	MEMC	1.1	39.5	60.2	\$3.7
AIXG	Aixtron	32.7	72.1	5.1	\$2.8
VSEA	Varian	26.2	52.6	2.9	\$2.4
NVLS	Novellus	33.4	60.0	4.3	\$2.1

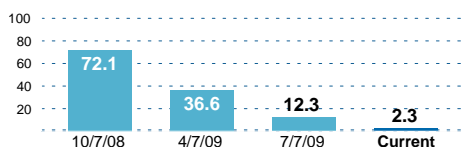
Historical Sabrient Scores

The recent histories of key Sabrient scores provide insight into the stock's trends -- whether they are increasing or decreasing in strength in a particular area or simply holding steady. The Sabrient scores are percentile rankings from 0 to 99.9, with higher scores better. Keep in mind that Sabrient ratings may seem inconsistent with a simple average of these key scores because a weighted average of several key scores is used to quantify the relative likelihood of upside or downside price action.

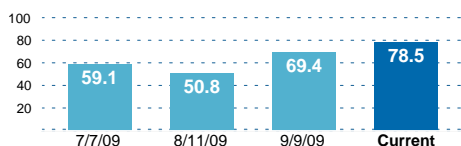
Growth Score: 43.2



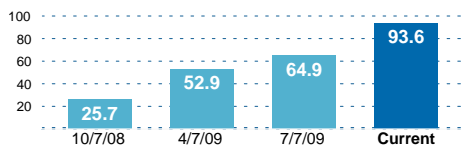
Value Score: 2.3



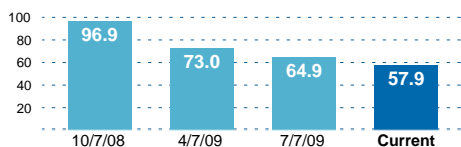
Momentum Score: 78.5



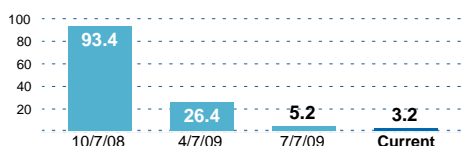
Earnings Score: 93.6



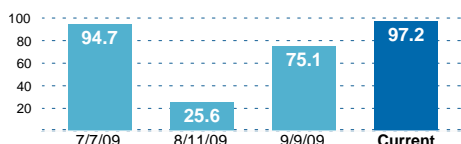
Balance Sheet Score: 57.9



Fundamental Score: 3.2



Timeliness Score: 97.2



Sabrient Analysis continued from Page 1

- **Best Performing Filters:** To determine the likelihood of near-term performance, Sabrient builds and backtests "Smart Filters" to establish which caps, styles and attributes are drawing a premium in today's market. Currently, the three most predictive filters for the relevant segment are:

Primary Value Filter: The Primary Value Filter measures key growth and valuation ratios, both long-term and short-term. It is currently one of our best-performing filters, showing a substantial premium to its mid-cap benchmark for the past three months. LRCX scores 5.6 for this filter.

Price Trend Filter: The Price Trend Filter uses a sophisticated statistical analysis to evaluate a stock's current price with respect to its long-term trend and to compare the result to the stock's core growth characteristics. A high score means the stock is below its long-term trend, especially in light of its earnings performance. A low score means the stock is above its long-term trend and may likely fall back to or below the mean. As of last month, this filter showed a substantial premium to its mid-cap benchmark. LRCX scores 22.7 for this filter.

Valuation Ratios Filter: The Valuation Ratios Filter is a proxy for fundamental valuation, bestowing high Sabrient scores on stocks with low, and therefore favorable, valuation ratios such as price-to-earnings and price-to-sales. This filter outperformed its mid-cap benchmark by a substantial margin over the past three months. LRCX scores 3.1 for this filter.

In summary, LRCX's Strong Buy rating is based on a profile of forward-looking metrics which show this stock could significantly outperform the broader markets.

What the Market Wants: October 2009

[Note: What the Market Wants is now a weekly publication. For email delivery, sign up at www.sabrient.com. To view this week's market stats and stocks selections, visit our blog at <http://www.sabrient.com/blog/>.]

BREAKING OUT OR TOPPING OUT?

By David Brown, Chief Market Strategist

(October 12, 2009, 4:55 pm PDT)

All major indices closed at or very near 2009 highs on Friday as the week featured a combination of better-than-expected economic news and a sprinkling of early earnings announcements on the plus side. From a technical perspective, the market is extended as the Dow reaches for 10,000 and the S&P500 aims for 1,100. Will it breakout now -- or take a breather and wait for good earnings reports to provide the fuel to propel it? This week should provide some clues.

New jobless claims dropped on Friday representing the best of the good surprises after a positive ISM report and early month-over-month strong retail reports fueled a 4% (large-cap) to 6% (small-cap) surge in market prices. Value stocks did a little better than growth last week, but both were quite robust.

With regard to sectors, weakness in the dollar sparked a 9% price gain in the Materials sector followed by Energy (+7%) and Financials (+6%) atop the performance list. However, Consumer Staples, was still up nearly 3%, as were Utilities and Health Care. These three sectors had been the leaders of the past few weeks in which recessionary caution threatened to abort the rally which began in March.

The breadth of the market rise is best demonstrated by the fact that even the worst industry, Biotechnology, was up about 1%.

This week's corporate news will be a bellwether of the market's trend as a number of large market-moving companies make their third quarter earnings announcements. These include on Monday (today), Schwab (Nasdaq: SCHW); Tuesday, Intel (Nasdaq: INTC) and Johnson & Johnson (NYSE: JNJ); Wednesday, JP Morgan (NYSE: JPM) and Abbott Labs (NYSE: ABT); Thursday, Advanced Micro Devices (NYSE: AMD) and Citigroup (NYSE: C) (Thursday). Of course, many others will also be announcing, but this group is likely to set the pace.

In addition, several new economic reports will be key to near-term stock performance. On Wednesday, look for a crucial sales report, and on Thursday, a highly anticipated CPI report and more jobs data, followed by the Capacity Utilization Report on Friday.

As of today, our forward-looking SectorCast continues to rank Consumer Staples, Utilities and Health Care at the top, reflecting concerns of valuation in the lower sectors. This concern coupled with a paucity of upward EPS revisions placed Telecom, Materials, and Industrials at the bottom of the rankings.

Especially due to the upcoming news this week, I recommend a continuation of a cautionary stance, taking profits on fully valued issues, looking for bargains, and where appropriate, hedging the downside.

Next update: Monday, October 19

Company Description

Lam Research Corporation engages in the design, manufacture, marketing, and service of semiconductor processing equipment used in the fabrication of integrated circuits. It offers etch products, including dielectric; conductor; micro-electromechanical systems and deep silicon; and three-dimensional integrated circuits, which are used in etching process. The company also provides single-wafer wet clean and plasma-based bevel clean systems, which are used in post-etch/post-strip cleaning and pre-diffusion/pre-deposition cleaning process. Lam Research Corporation sells its products and services primarily to companies involved in the production of semiconductors in the United States, Europe, Taiwan, Korea, Japan, and the Asia Pacific. The company was founded in 1980 and is headquartered in Fremont, California.

About Sabrient

Sabrient Systems is an independent research firm providing statistical analysis of a company's fundamental data to investment professionals. We use a computer-driven, quantitative methodology to identify stocks that appear poised to outperform or underperform the market.

The Sabrient methodology was developed by an experienced research team led by David Brown, a former NASA scientist and retired CEO of Telescan and designer of its premier stock search program, ProSearch. The research team employs a scientific approach to the creation and testing of multi-factor filters. Each filter targets a key area of traditional stock analysis, including value, growth, momentum, fundamentals, earnings, balance sheet, and group strength. Using an adaptive process, filters are continually tested and monitored to ensure that only the best performing filters are at work.

Sabrient's ratings begin with an extraction process in which each of the few best-performing filters scans the universe of equities to identify stocks having certain compelling attributes sought, but not sufficiently rewarded, by the current market. Then, a composite scoring system employs a broader set of "weighting" filters to rank the extracted stocks. To support individual investors, Sabrient uses the same sophisticated methodology to provide individual stock reports on a universe of approximately 5,600 stocks.

Sabrient regularly tests the performance of its stock selections, using its primary list of published rankings and statistical techniques it believes appropriate. These recommendations have consistently outperformed relevant benchmarks across a broad range of investing styles, market caps, time frames and market conditions, demonstrating the robustness of Sabrient's proprietary methodology. While past performance is no guarantee of future results, Sabrient believes it can maintain its strong performance through its rigorous, scientific approach to filter construction and ongoing backtesting within a dynamic and adaptive composite scoring system.

For more information on Sabrient and its performance, go to www.sabrient.com

Disclaimer

Sabrient SmartStock™ research is provided for informational purposes only. It is neither a solicitation to buy nor an offer to sell these securities. The report is based upon data from sources believed to be reliable, but Sabrient makes no representation as to the data's adequacy, accuracy, completeness or timeliness. The report does not address individual investment objectives or financial situations. The analysis used in preparing these reports may also be used in the preparation of other research products which may reflect distinct investment objectives. Sabrient accepts no liability for any loss arising from any use of this report.

This report is based solely on mathematical calculations and does not reflect any bias of individual analysts. Sabrient provides no investment banking, consulting or other services to the subject company of this report. No Sabrient employee is on the Board of Directors of the subject company, and no one at the subject company serves on the Board of Directors of Sabrient Systems. Sabrient or its employees may have long or short positions in the securities or other related investments of the company mentioned herein, but never more than one percent (1%) of the outstanding shares of any company covered by Sabrient. No part of this document may be reproduced without the written permission of Sabrient Systems.