



LAM Research Corporation (LRCX)

Stock Report

Date: 11-14-2005

Symbol: LRCX

Price: \$37.41

Michigan State University Student Investment Association

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Symbol: LRCX
Sector: Technology
Industry: Semiconductor
Equipment
Industry Outlook: Neutral

Market Cap: \$5.09 B
Shares Outstanding: 136 M
Avg. Daily Volume: 2.6 M
52-Wk Range: 24.24 – 38.25

DCF Valuation: \$31.96

Net Profit Margin: 15.69%
Return on Equity: 26.26%
Dividend Yield: 0
Debt to Equity: 0
Forward P/E: 19.69

Growth Rates (5 yr.)

	Company	Industry
Sales	20	--
EPS	--	--

Company Efficiency/Profitability

	Comp.	Ind.
ROE	26.26	3.8
ROA	15.69	--
Gross Margin	50.25	38.5
Rec Turnover	n/a	n/a

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

LAM RESEARCH CP
as of 14-Nov-2005

Splits: ▼



Revenues (Million \$)

	2005	2004	2003	2002	2001
1Q	321	184	197	339	305
2Q	380	191	184	259	384
3Q	349	231	187	164	465
4Q	354	329	186	180	365
Yr.	1502	936	755	943	1520

Earnings Per Share (\$)

	2005	2004	2003	2002	2001
1Q	.35	.04	-.11	-.07	.15
2Q	.59	.05	.01	-.41	.24
3Q	.41	.13	.01	.01	.48
4Q	.47	.38	.03	-.24	.19
Yr.	2.1	.59	-.06	-.71	1.07

Company Highlights

- We feel LAM's presence in Asia, which accounts for a major portion of its business, to be very positive.
- DCF valuation is assuming a very conservative growth rate. Actual growth easily could exceed 10-15%.

Major Risks

- Risks to our recommendation and target price include competition from larger companies with more money to spend on research and development
- Potential global slowdown in demand for integrated circuits

Analysts Opinion: This is where you sum up where you stand on this security. Is it a buy/sell/hold? What are the main factors that led you to this decision. Be specific and to the point.