

The amounts in the table below exclude \$373 million of liabilities related to uncertain tax benefits as we are unable to reasonably estimate the ultimate amount or time of settlement. See Note 7 of our Consolidated Financial Statements in Part II, Item 8 of this 2019 Form 10-K for further discussion. The amounts in the table below also exclude \$10 million associated with funding commitments related to non-marketable equity investments as we are unable to make a reasonable estimate regarding the timing of capital calls.

	Total	Less than 1 Year	1-3 Years	3-5 Years	More than 5 Years
(in thousands)					
Operating leases	\$ 98,389	\$ 37,427	\$ 36,581	\$ 12,556	\$ 11,825
Capital leases <sup>(1)</sup>	50,049	7,729	17,422	10,097	14,801
Purchase obligations	424,561	345,498	28,946	13,442	36,675
Long-term debt and interest expense <sup>(2)</sup>	6,468,517	660,840	1,079,096	257,630	4,470,951
One-time transition tax on accumulated unrepatriated foreign earnings <sup>(3)</sup>	798,892	69,469	138,938	199,723	390,762
Other long-term liabilities <sup>(4)</sup>	190,821	4,785	13,692	7,802	164,542
Total	\$ 8,031,229	\$ 1,125,748	\$ 1,314,675	\$ 501,250	\$ 5,089,556

- (1) Excludes \$26.5 million associated with our build-to-suit lease arrangements that are classified as capital leases in the Consolidated Balance Sheets in Part II, Item 8 of this 2019 Form 10-K for which cash payment is not anticipated.
- (2) The conversion period for the 2.625% Convertible Senior Notes due May 2041 (the "2041 Notes") was open as of June 30, 2019, and as such the net carrying value of the 2041 Notes is included within current liabilities on our Consolidated Balance Sheet. The principal balances of the 2041 Notes are reflected in the payment period in the table above based on the contractual maturity assuming no conversion. See Note 14 of our Consolidated Financial Statements in Part II, Item 8 of this 2019 Form 10-K for additional information concerning the 2041 Notes and associated conversion features.
- (3) We may choose to apply existing tax credits, thereby reducing the actual cash payment.
- (4) Certain tax-related liabilities and post-retirement benefits classified as other non-current liabilities on the Consolidated Balance Sheet are included in the "More than 5 Years" category due to the uncertainty in the timing and amount of future payments. Additionally, the balance excludes contractual obligations recorded in our Consolidated Balance Sheet as current liabilities.

## Operating Leases

We lease most of our administrative, R&D, and manufacturing facilities; regional sales/service offices; and certain equipment under non-cancelable operating leases. Certain of our facility leases for buildings located in Fremont and Livermore, California; Tualatin, Oregon; and certain other facility leases provide us with an option to extend the leases for additional periods or to purchase the facilities. Certain of our facility leases provide for periodic rent increases based on the general rate of inflation. In addition to amounts included in the table above, we have guaranteed residual values for certain of our Fremont and Livermore facility leases of up to \$250 million. See Note 16 to our Consolidated Financial Statements in Part II, Item 8 of this 2019 Form 10-K for further discussion.

## Capital Leases

Capital leases reflect building and office equipment lease obligations. The amounts in the table above include the interest portion of payment obligations.

## Purchase Obligations

Purchase obligations consist of significant contractual obligations either on an annual basis or over multi-year periods related to our outsourcing activities or other material commitments, including vendor-consigned inventories. The contractual cash obligations and commitments table presented above contains our minimum obligations at June 30, 2019, under these arrangements and others. For obligations with cancellation provisions, the amounts included in the preceding table were limited to the non-cancelable portion of the agreement terms or the minimum cancellation fee. Actual expenditures will vary based on the volume of transactions and length of contractual service provided.

## Income Taxes

During the December 2017 quarter, a one-time transition tax on accumulated unrepatriated foreign earnings, estimated at \$991 million, was recognized associated with the December 2017 U.S. tax reform. In accordance with SAB 118, we finalized the amount of the transition tax during the period ended December 23, 2018. The final amount is \$868.4 million. The Company elected

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to pay the one-time transition tax over a period of eight years with 8% of the transition tax to be paid each September 15 for years 2018 through 2022, and 15%, 20%, and 25%, respectively, to be paid each September 15 for years 2023 through 2025.

### Long-Term Debt

In June 2012, with the acquisition of Novellus, we assumed \$700 million in aggregate principal amount of 2.625% Convertible Senior Notes due May 2041. We pay cash interest on the 2041 Notes at an annual rate of 2.625%, on a semi-annual basis. The 2041 Notes may be converted, under certain circumstances, into our Common Stock.

During the quarter-ended June 30, 2019, the market value of our Common Stock was greater than or equal to 130% of the 2041 Notes conversion prices for 20 or more trading days of the 30 consecutive trading days preceding the quarter end. As a result, the 2041 Notes are convertible at the option of the holder and are classified as current liabilities in our Consolidated Balance Sheets for fiscal year 2019.

On March 12, 2015, we completed a public offering of \$500 million aggregate principal amount of Senior Notes due March 15, 2020 (the "2020 Notes") and \$500 million aggregate principal amount of Senior Notes due March 15, 2025 (the "2025 Notes"). We pay interest at an annual rate of 2.75% and 3.80%, respectively, on the 2020 Notes and 2025 Notes, on a semi-annual basis on March 15 and September 15 of each year.

On June 7, 2016, we completed a public offering of \$800.0 million aggregate principal amount of Senior Notes due June 15, 2021, (the "2021 Notes"), together with the 2020 Notes, and 2021 Notes, the "Senior Notes", and collectively with the Convertible Notes, the "Notes"). We pay interest at an annual rate of 2.80% on the 2021 Notes on a semi-annual basis on June 15 and December 15 of each year.

On March 4, 2019, we completed a public offering of \$750 million aggregate principal amount of the Company's Senior Notes due March 15, 2026 (the "2026 Notes"), \$1 billion aggregate principal amount of the Company's Senior Notes due March 15, 2029 (the "2029 Notes"), and \$750 million aggregate principal amount of the Company's Senior Notes due March 15, 2049 (the "2049 Notes", collectively with the 2026 and 2029 Notes, the "Senior Notes issued in 2019"). We will pay interest at an annual rate of 3.75%, 4.00%, and 4.875%, respectively on the 2026, 2029 and 2049 Notes, on a semi-annual basis on March 15 and September 15 of each year, beginning September 15, 2019.

We may redeem the 2020, 2021, 2025, 2026, 2029 and 2049 Notes (collectively the "Senior Notes") at a redemption price equal to 100% of the principal amount of such series ("par"), plus a "make whole" premium as described in the indenture in respect to the Senior Notes and accrued and unpaid interest before February 15, 2020, for the 2020 Notes, before May 15, 2021 for the 2021 Notes, before December 15, 2024 for the 2025 Notes, before January 15, 2026 for the 2026 Notes, before December 15, 2028 for the 2029 Notes, and before September 15, 2048 for the 2049 Notes. We may redeem the Senior Notes at par, plus accrued and unpaid interest at any time on or after February 15, 2020, for the 2020 Notes, on or after May 15, 2021 for the 2021 Notes, on or after December 24, 2024, for the 2025 Notes, on or after January 15, 2026 for the 2026 Notes, on or after December 15, 2028 for the 2029 Notes, and on or after September 15, 2048 for the 2049 Notes. In addition, upon the occurrence of certain events, as described in the indenture, we will be required to make an offer to repurchase the Senior Notes at a price equal to 101% of the principal amount of the respective note, plus accrued and unpaid interest.

During fiscal year 2019, 2018, and 2017, we made \$117 million, \$753 million, and \$1.7 billion, respectively, in principal payments on long-term debt and capital leases.

### Revolving Credit Arrangements

On March 12, 2014, the Company established an unsecured Credit Agreement. This agreement was amended on November 10, 2015 (the "Amended and Restated Credit Agreement"), October 13, 2017 (the "2nd Amendment"), and February 25, 2019 (the "3rd Amendment"). Under the Amended and Restated Credit Agreement (as amended by the 2nd and 3rd Amendment), the Company has a revolving credit facility of \$1.25 billion with a syndicate of lenders with an expansion option that will allow the Company, subject to certain requirements, to request an increase in the facility of up to an additional \$600 million, for a potential total commitment of \$1.85 billion. The facility matures on October 13, 2022.

Interest on amounts borrowed under the credit facility is, at our option, based on (1) a base rate, defined as the greatest of (a) prime rate, (b) Federal Funds rate plus 0.5%, or (c) one-month London Interbank Offered Rate ("LIBOR") plus 1.0%, plus a spread of 0.0% to 0.5%, or (2) LIBOR multiplied by the statutory reserve rate, plus a spread of 0.9% to 1.5%, in each case as the applicable spread is determined based on the rating of our non-credit enhanced, senior unsecured long-term debt. Principal and