



Applied Materials Demonstrates Momentum for Profitable Growth in Mobile Era

July 8, 2013

- **Consumer demand for sophisticated mobile devices creates profitable growth opportunities for Applied's semiconductor and display equipment businesses**
- **Company's leadership in Precision Materials Engineering enables customers to deliver mobile devices with better performance, longer battery life, higher resolution displays and new form factors**
- **Unveils new financial model targeting non-GAAP adjusted earnings per share of \$1.50 to \$2.15 by fiscal 2016**

SANTA CLARA, Calif., July 8, 2013 - At a meeting of the company's top investors and equity analysts, Applied Materials today demonstrated plans to drive profitable growth by using its leadership in Precision Materials Engineering to help customers overcome the engineering challenges of delivering more powerful, battery-efficient and visually compelling digital devices to a growing global market. The evolution of transistor and display technologies propelled by consumer demand for increased mobility presents Applied Materials with new opportunities for profitable growth. Ever-growing consumer demand for faster processors, longer battery life, and bigger and better displays is creating major device performance and yield challenges for semiconductor and display manufacturers - challenges that Applied Materials is uniquely positioned to solve.

"Semiconductor and display makers are racing to deliver the new mobile products consumers demand," said Mike Splinter, chairman and chief executive officer. "The war for mobility leadership will be won by materials innovation that is enabled by Applied Materials."

The industry is re-engineering transistor designs, driving the need for new materials and new ways of handling those materials, as manufacturers look beyond shrinking lithography geometries to achieve performance gains. Applied Materials' leadership expertise in Precision Materials Engineering is critical to solving customers' toughest device challenges, and enabling further innovations in 3D transistors and display manufacturing.

"Our leadership in Precision Materials Engineering is what makes Applied unique and provides us with great opportunities for profitable growth," said Gary Dickerson, president of Applied Materials. "We are enabling major mobility inflections that bring more advanced features and improved battery life in next-generation mobile devices."

New Financial Model

Robert Halliday, senior vice president and chief financial officer, presented the company's new financial model, which outlines increased profitability goals for non-GAAP adjusted earnings per share of \$1.50 - \$2.15 by fiscal 2016. This model accounts for a number of factors including varying levels of industry investment and market share assumptions. "Industry inflections and the need for new materials to address technology challenges play in our favor and position us as an increasingly strategic and valuable partner to our customers, which we believe will lead to further opportunities to expand our total available market," said Halliday. "Our new financial targets are supported by our investment in cutting-edge innovation, focus on execution and discipline to lower costs as we pursue future profitable growth."

Strong Pipeline of Technology to Deliver New Mobile Products

Dr. Randhir Thakur, executive vice president and general manager of the Silicon Systems Group, highlighted several new products and discussed specific growth opportunities in transistor, interconnect, patterning and yield. "As we enter the second half of 2013, our product pipeline has us strongly positioned with a range of innovations that benefit our customers as they navigate coming technology inflections," said Thakur. "Our new transistor technologies will help customers meet the insatiable demand for more efficient computing power, while our interconnect developments ensure device reliability at the backend. The momentum we are building with these innovations will help customers accelerate their transitions to 1Xnm technology nodes and usher in a new era of mobile products."

Delivering updates on Applied Materials' display equipment business was Ali Salehpour, group vice president, general manager, Energy and Environmental Solutions and Display business groups. "The display industry is experiencing the most significant technology transition in two decades, implementing new metal oxide and low temperature polysilicon (LTPS) materials to manufacture higher resolution LCD and organic light-emitting diode (OLED) displays," said Salehpour. "Manufacturers are facing further significant device performance and yield challenges as they look to deliver larger screens with higher resolution and new form factors such as wearable and bendable displays. All these trends play to Applied Materials' sweet spot in Precision Materials Engineering, where we believe we have distinct differentiation from our competitors."

A webcast replay of the 2013 Analyst Meeting presentations by senior executives and accompanying Q&A will be available for at least 30 days at <http://www.appliedmaterials.com/2013-analyst-meeting> beginning July 9 at 9:00 a.m. PT.

Non-GAAP Adjusted Financial Measures

The non-GAAP EPS targets assume non-GAAP adjustments as applicable for future periods. Management uses non-GAAP adjusted results to evaluate the company's operating and financial performance in light of business objectives and for planning purposes. These measures are not in accordance with GAAP and may differ from non-GAAP methods of accounting and reporting used by other companies. Applied believes these measures enhance investors' ability to review the company's business from the same perspective as management and facilitate comparisons between periods.

Forward-Looking Statements

This release contains forward-looking statements, including those regarding Applied's industry outlooks, growth opportunities, products, strategies and 2016 financial model. These statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied, including: uncertain global economic and industry conditions; demand for mobility products; customers' new technology and capacity requirements; the concentrated nature of our customer base; Applied's ability to (i) develop, deliver and support a broad range of products and expand its markets, (ii) achieve the objectives of operational initiatives, (iii) obtain and protect IP, and (iv) attract, motivate and retain key employees; and other risks described in our most recent SEC Form 10-Q. All forward-looking statements are based on management's estimates, projections and assumptions as of July 8, 2013, and Applied undertakes no obligation to update any forward-looking statements.

Applied Materials, Inc. (Nasdaq:AMAT) is the global leader in providing innovative equipment, services and software to enable the manufacture of advanced semiconductor, flat panel display and solar photovoltaic products. Our technologies help make innovations like smartphones, flat screen TVs and solar panels more affordable and accessible to consumers and businesses around the world. Learn more at www.appliedmaterials.com.

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