



Applied Materials Completes Acquisition of Consilium; Applied Materials Enters the Manufacturing Execution System Software Business With the Acquisition of Consilium, Inc.

December 11, 1998

SANTA CLARA, Calif.--(BUSINESS WIRE)--Dec. 11, 1998--Applied Materials, Inc. announced today that it has completed the acquisition of Consilium, Inc., a leading supplier of integrated semiconductor and electronics manufacturing execution systems (MES) software and services. The stock-for-stock merger was originally announced on October 12, 1998 and was approved by a vote of the shareholders of Consilium on December 10, 1998.

Under the terms of the acquisition, which will be accounted for as a pooling-of-interests, each share of Consilium stock was exchanged for 0.165 of a share of Applied Materials' common stock. Applied Materials issued approximately 2 million shares of its common stock to complete the transaction. Consilium will operate as a wholly-owned subsidiary of Applied Materials. (The closing sales price of Applied Materials' common stock on December 10, 1998 was \$41.1875.)

"With the acquisition of Consilium, Applied Materials has added an important strategic element to our already strong product portfolio," said James C. Morgan, chairman and chief executive officer. "By broadening the scope of our Total Solutions(tm) to include Consilium's MES software, we can now provide customers additional ways to improve overall equipment effectiveness and total fab productivity."

Headquartered in Mountain View, California, Consilium's products have been helping world-class semiconductor and electronics manufacturers achieve best practices of fab utilization for nearly 20 years. Consilium will continue to support and enhance its market leading WorkStream(R) DFS product family as well as invest in its Fab 300(R) automation factory control solution.

This press release contains certain forward-looking statements that involve risks and uncertainties that could cause Applied Materials' actual results to differ materially from those expressed or implied by these statements. Such risks and uncertainties include, but are not limited to risks relating to the performance and successful integration of Consilium. Applied Materials assumes no obligation to update the information in this press release.

Applied Materials, Inc. is a Fortune 500 global company and the world's largest supplier of wafer fabrication systems and services to the global semiconductor industry. Applied Materials is traded on the Nasdaq National Market System under the symbol "AMAT". Applied Materials' web site is <http://www.appliedmaterials.com>.