



Applied Materials Receives Volume Order for 300mm Systems from TSMC; Broad Spectrum of 300mm Systems to be Installed at Fab 6 for New 300mm Pilot Line

July 26, 2000

SANTA CLARA, Calif.--(BUSINESS WIRE)--July 26, 2000--Applied Materials, Inc. (Nasdaq:AMAT) today announced that Taiwan Semiconductor Manufacturing Company (TSMC), the world's largest semiconductor foundry, has placed a volume purchase order for 300mm semiconductor manufacturing systems. Shipments of the 300mm systems, which cover a significant portion of the chipmaking process, will begin this month to TSMC's Fab 6 located in Tainan, Taiwan.

"Applied Materials and TSMC have forged a long-standing relationship that has produced technological benefits for both companies over multiple generations of process technology," said N.S. Tsai, senior director of TSMC's 300mm pilot line. "Based on the proven technology of their products and the excellent support they have provided us, we have selected a number of Applied Materials' 300mm systems for our pilot line. We expect this latest order to help accelerate our evaluation of 300mm manufacturing capabilities and enable us to quickly meet our customers' volume requirements for their most advanced products."

TSMC has been aggressively expanding capacity, opening Fab 6, the world's largest fab, in March. Part of Fab 6 will house TSMC's pilot 300mm line, with equipment move-in scheduled to begin this month. The Fab 6 pilot line will be used to evaluate and define TSMC's volume manufacturing environment for Fabs 12 and 14, which will be the company's first dedicated 300mm production facilities.

"TSMC is one of the first major chipmakers to embark on 300mm fab construction, demonstrating a continuing commitment to advanced manufacturing processes and efficiencies," said Dr. Dan Maydan, president of Applied Materials. "We are pleased to continue our strong relationship with TSMC by providing 300mm-ready systems that are extendible to multiple device generations."

The volume order from TSMC includes Applied Materials' advanced 300mm systems for chemical vapor deposition (CVD), physical vapor deposition (PVD), etch, CMP (chemical mechanical planarization), and ion implant applications as well as for process diagnostics and control.

Dr. David N.K. Wang, senior vice president and member of the Office of the President of Applied Materials, said, "The transition from 200mm to 300mm wafers presents challenges and opportunities for significant innovation that go far beyond scaling existing systems. In addition to offering leading-edge process technology, Applied Materials has developed critical fab optimization and automation technologies to support more efficient and time effective manufacturing of a 300mm production line. To help ensure TSMC's successful transition to 300mm production, we have also set up a project team that includes technicians from our Taiwan and Santa Clara facilities."

Applied Materials' 300mm systems, based on proven technologies, feature innovations for higher throughput, lower cost of operations, increased automation and integrated metrology and inspection. The company offers more than 22 systems covering over 80 applications for 300mm, supporting the majority of manufacturing process steps.

About TSMC

TSMC is the world's largest dedicated semiconductor foundry, providing the industry's leading process technology, library and IP options and other leading-edge foundry services. With the mergers of WSMC and TASMIC now complete, TSMC is constructing or operating 11 fabs and has substantial capacity commitments at three additional facilities jointly operated by TSMC and its partners. In 2000, TSMC expects to have the capacity for nearly 3.4 million 8-inch equivalent wafers, increasing to 4.7 million wafers in 2001. In addition, TSMC recently became the first foundry to license its technology to a leading IDM, thereby establishing itself as an acknowledged world leader in process technology. Fabrication processes offered by TSMC include CMOS logic, mixed-mode, volatile and non-volatile memory, and BiCMOS. TSMC's corporate headquarters are in Hsin-Chu, Taiwan. More information about TSMC is available through the World Wide Web at <http://www.tsmc.com>.

Applied Materials (Nasdaq:AMAT) is a leader of the Information Age and the world's largest supplier of products and services to the global semiconductor and flat panel display industries. Applied Materials' web site is <http://www.appliedmaterials.com>.

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