



Applied Materials Achieves CVD Leadership for 17th Year

June 1, 2005

SANTA CLARA, Calif.--(BUSINESS WIRE)--June 1, 2005--Applied Materials, Inc. increased its market share in reactor-type CVD (chemical vapor deposition) systems in 2004 to 58% of the estimated \$3.0 billion market, according to Gartner Dataquest's April 2005 report(1). Calendar year 2004 was the 17th consecutive year that Applied Materials was named the industry leader in CVD. The company offers leading dielectric and metal CVD technologies for virtually every application within the CVD market, including transistor, capacitor and interconnect fabrication for both memory and logic chips.

"Applied Materials' continued success in helping chipmakers around the world implement a wide range of CVD films for copper interconnects, including our Black Diamond(R) low k dielectric and other advanced films, resulted in high demand for our systems," said Dr. Farhad Moghadam, senior vice president and general manager of Applied Materials' Thin Films Product Business Group. "Our transistor-level CVD technologies also provided DRAM customers with gap-fill and lithography-enabling films to help extend memory technology. Applied's breakthrough strain-engineered solutions are currently being designed into many advanced chips to increase speed and reduce power consumption."

Applied's primary CVD platform is its award-winning Producer(R) CVD system, which provides the industry's broadest array of plasma and thermal CVD processes. By early 2005, customers had purchased over 1,000 Producer CVD systems. A key Producer application is Applied's Black Diamond(R) film, the industry's most widely-used low k dielectric material. The implementation of Black Diamond has increased steadily year after year as key chipmakers expand their low k-based products and transition to 90nm and 65nm copper interconnect designs. The Applied Centura(R) Ultima HDP-CVD(2) system also made significant gains as the leading HDP-CVD system for pre-metal dielectric and STI(2) gap-fill applications.

Chipmakers are increasing their use of Applied's strained silicon solutions in their process flows to increase transistor performance in 90nm and 65nm-generation designs. The Applied Producer HARP(TM) process and Applied's innovative strain-engineered Stress Nitride films together have demonstrated greater than 30% transistor speed improvement -- without added integration complexity or cost.

Forward-Looking Statements. This press release contains forward looking statements, including those related to Applied Materials' technological leadership, product capabilities, strategic position and opportunities. These statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including but not limited to: the sustainability of demand in the semiconductor and semiconductor equipment industries, which is subject to many factors, including global economic conditions, business spending, consumer confidence, demand for electronic products and semiconductors, and geopolitical uncertainties; the timing, rate, amount and sustainability of capital spending for new technology, such as 300mm and sub-100 nanometer applications; the company's ability to successfully develop, deliver and support a broad range of products and services and expand its markets; and other risks described in Applied Materials' Forms 10-K, 10-Q and 8-K. All forward-looking statements are based on management's estimates, projections and assumptions as of the date hereof and the company undertakes no obligation to update any forward-looking statement.

Applied Materials, Inc. (Nasdaq:AMAT), headquartered in Santa Clara, California, is the largest supplier of equipment and services to the global semiconductor industry. Applied Materials' web site is www.appliedmaterials.com.

(1) "Wafer Fab Equipment Market Share Reshuffled in Boom of 2004," Dean Freeman, Mark Stromberg, Klaus Rinnen, Bob Johnson, Takashi Ogawa; Gartner Dataquest Report April 1, 2005.

(2) HDP-CVD = high-density plasma chemical vapor deposition STI = shallow trench isolation

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SOURCE: Applied Materials, Inc.