



## Applied Materials Launches Strategy to Reduce the Cost Per Watt of Solar Power

September 5, 2006

SANTA CLARA, Calif.--(BUSINESS WIRE)--Sept. 5, 2006--Applied Materials, Inc. (NASDAQ:AMAT), the global leader in equipment and services for manufacturing semiconductors and flat panel displays, today launched its strategy to enter the rapidly growing solar photovoltaic (PV) equipment market. Applied Materials will provide a combination of manufacturing tools, together with technology and process innovations from the flat panel and semiconductor industries, that are expected to enable customers to increase conversion efficiency and yields, helping to lower the overall cost per watt for solar electricity users.

"The solar industry has reached the inflection point that Applied Materials has been waiting for, as solar customers seek economies of scale with suppliers who can better meet their needs for global support and who can provide advanced systems that meet technology, throughput, quality and yield goals," said Mike Splinter, president and CEO. "We plan to change the cost equation for solar power through adaptation of our existing technology and new innovation in order to help make solar a more meaningful contributor to the global energy supply."

As worldwide energy demand continues to rise, the overall solar equipment market is expected to grow from approximately \$1 billion in 2006 to more than \$3 billion in 2010, according to industry estimates that do not include additional opportunities for service-related growth.

"Our solar PV products, together with our roadmap for new technology and services, provide an exciting new growth engine for Applied Materials," said Mark Pinto, senior vice president and chief technology officer. "We have assembled a team of industry veterans who, combined with our global reach and technology leadership in semiconductors and flat panel display equipment, can enable customers to move through the expected transition from small-scale 20MW-40MW factories to sophisticated gigawatt-level facilities."

This week, at the world's largest solar show, the European Photovoltaic Solar Energy Conference in Dresden, Germany, Applied is showcasing several PVD(1) and PECVD(1) products as well as processes, material-handling technologies and services to support solar cell production for both crystalline-silicon and thin-film solar applications. These include Applied Materials' ATON(TM) in-line sputtering system, which is already installed in numerous customer locations around the world and which provides quality deposition, high throughput and lower cost of ownership for both thin-film and multi- or mono-crystalline silicon. Other products highlighted at the show include Applied Materials' New Aristo(TM) in-line PVD/CVD(1) system, PECVD technology and the SmartWeb(TM) PV roll-to-roll coater for flexible solar cell applications.

"We believe that Applied Materials is the right company, at the right time, with the right technologies to lead the next wave of solar industry growth," continued Splinter. "This is an exciting new chapter in Applied Materials' growth story, and we are confident that our experience, products and nanomanufacturing technology solutions can advance the industry and improve people's lives through cleaner, more affordable energy."

Applied Materials will hold its "Applied Materials Going Solar" Event on Tuesday, September 5, 2006 at 10:00 a.m. Eastern Time (7:00 a.m. Pacific Time), and provide information about its exciting step forward into the world of solar energy. A live webcast of the event will be available on Applied Materials' website at: <http://www.appliedmaterials.com>. If you are unable to join the live webcast, replays and audio/MP3 will be available. Replay start date: Tuesday, September 5 at 5:00 p.m. PT; replay end date: Tuesday, September 19 at 5:00 p.m. PT. More information about Applied Materials and solar technology, including exclusive Harris Consumer Poll data can be found on the company's online media kit at [http://appliedmaterials.com/news/solar\\_strategy.html](http://appliedmaterials.com/news/solar_strategy.html).

### Safe Harbor Statement

This press release contains forward-looking statements, including those relating to Applied Materials' entry into the solar PV equipment market, growth opportunities, strategy to lower solar electricity costs, product capabilities and development plans; customers' plans; and the outlook for the solar industry. 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 without limitation: (a) broadening of demand in the solar industry, which is subject to many factors, including global economic conditions, the cost-effectiveness and performance of photovoltaic (PV) products compared to conventional and other alternative energy sources, technological innovations, availability and cost of raw materials such as silicon, evolving industry standards, changing customer and end-user requirements, government subsidies and economic incentives for alternative energy development, and geopolitical uncertainties; (b) customers' capacity requirements and timing, rate and amount of capital spending for new technology; (c) Applied Materials' ability to accurately predict the characteristics of, and capitalize on opportunities in, the emerging PV market; successfully adapt its existing products and develop and commercialize new products that enable increased solar cell efficiency and performance at a lower cost; recruit, incent and retain key employees; obtain and protect intellectual property rights in key technologies; develop, deliver and support a broad range of products; integrate acquired businesses; maintain effective cost controls and timely align the company's cost structure with business conditions; and effectively manage its resources and production capability; and (d) other risks described in Applied Materials' SEC filings. All forward-looking statements are based on management's estimates, projections and assumptions as of September 5, 2006 and Applied undertakes no obligation to update any such statements.

Applied Materials, Inc. is the global leader in Nanomanufacturing Technology(TM) solutions for the electronics industry with a broad portfolio of innovative equipment, service and software products. At Applied Materials, we apply Nanomanufacturing Technology to improve the way people live. Learn more at [www.appliedmaterials.com](http://www.appliedmaterials.com)

(1) CVD = chemical vapor deposition

(1) PVD = physical vapor deposition

(1) PECVD = plasma enhanced chemical vapor deposition

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