



## Applied Materials Details Plans for Growth at Analyst Meeting

March 30, 2010

### *Raises Net Sales Forecast for Fiscal Year 2010*

NEW YORK, Mar 30, 2010 (BUSINESS WIRE) --Applied Materials, Inc., the global leader in Nanomanufacturing Technology(TM) solutions for the semiconductor, flat panel display and photovoltaic (PV) solar industries, today held an analyst meeting to outline its plans for growing revenue and profitability over the next several years. Applied's executive team shared the company's goals of capitalizing on an expected multi-year expansion in the semiconductor industry, increasing market share across its businesses, and driving operational improvements.

Applied is seeing growth in demand across a number of its businesses, and the company now expects fiscal 2010 net sales to be more than 60% higher than in fiscal 2009 - compared to its previous forecast of up more than 50%. Applied's current expectations by business segment are as follows:

Segment	Net Sales Expectation as of 2/17/10	Net Sales Expectation as of 3/30/10
Silicon	Up >100% over fiscal 2009	Up >120% over fiscal 2009
Applied Global Services	Up 30% over fiscal 2009	Up >35% over fiscal 2009
Display	Up 30% over fiscal 2009	Up >50% over fiscal 2009
Energy and Environmental Solutions	Flat to +/- 10% from fiscal 2009	Up >5% over fiscal 2009

"Applied Materials has engineered a solid operating model for the future, backed by innovative technologies and the strength of our most profitable businesses," said Mike Splinter, chairman and chief executive officer. "Our momentum is strong, and we believe we are in the early stages of a multi-year growth cycle in many of our served markets. Applied will take advantage of opportunities arising from key market trends, including accelerating demand for consumer electronics in emerging markets worldwide, for increased semiconductor functionality and pervasiveness, and for cost-effective, renewable energy solutions."

George Davis, chief financial officer, discussed how the company has increased the efficiency of its businesses while creating new opportunities that increase the company's served market by billions of dollars annually. "We are focused on helping our customers increase production as their end markets recover and on expanding our operations in Asia to serve our customers more effectively and efficiently. Business in each of our segments is improving, generating the earnings and cash flow necessary to fund our growth opportunities and reward our stockholders over the long term."

Dr. Randhir Thakur, general manager of the Silicon Systems Group, detailed Applied's progress in delivering products to enable the next chip generations during a multi-year semiconductor growth cycle. "We will gain market share for the second consecutive year - most notably in our inspection and etch businesses. Our focus continues to be on our customers - collaborating closely with them to deliver innovative new technologies across our product lines to meet their current and future needs. We have launched six new products in the past six months and plan to accelerate this product introduction strategy throughout 2010. Our acquisition of Semitool last December gives us the leadership position in advanced packaging - a market that is expected to grow to nearly \$1 billion over the next several years. At the same time, by driving efficiencies in the way we develop and deliver our products around the world, we are on track to deliver as much as 10 additional points of profit margin to the company's bottom line."

Charlie Pappis, general manager of Applied Global Services, spoke to the resilient business model of the company's services group, which generated positive cash flow during 2009 - one of the most challenging years on record for the semiconductor industry. "Asia holds the greatest opportunity for growth. We are developing closer customer ties in this region, both on an operational and a relationship basis, and expect about ten percent growth in the next several years."

Applied's LCD\* flat panel display equipment business is rebounding, led by growth in consumer demand in emerging markets, especially in China where flat panel TV sales were up 100% in 2009. Jim Scholhamer, general manager of the Display Group, discussed how Applied's LCD business is growing faster than the overall market, spurred by its new Pivot PVD\* product that significantly reduces the materials cost in manufacturing LCD TVs. "Applied is also prepared to serve customers as they transition to the display market's most advanced Generation 10 and above technology - which will enable even larger LCD TV screens. In addition, we are well-positioned with our innovative product line to take advantage of the increasing demand for the latest touch screen, advanced LCD TV technologies and e-reader applications."

Dr. Mark Pinto, chief technology officer and general manager of the Energy and Display Systems Group, discussed the strategies and opportunities for Applied's Energy and Environmental Solutions (EES) segment. "This business has enormous potential for growth, and we are capitalizing on Applied's core strengths in technology and manufacturing innovation to take advantage of these opportunities. We rapidly became the top supplier of PV solar equipment in 2008, and the EES segment achieved \$1.15 billion in revenue in fiscal year 2009. We have developed new products and applications to expand our market share in crystalline silicon, and have made excellent progress with our thin film customers in establishing the technology and installation advantages of the SunFab line for lowering the cost of electricity. We expect 2010 to be another growth year due to our strong position in the rapidly expanding market in China, the investments we've made in emerging energy-related areas, and improvements we've made in our bottom line performance."

The presentation slides from today's event are available at <http://www.appliedmaterials.com>. An event replay will be available beginning Wednesday,

March 31 at 12:00 pm ET (9:00 am PT) and until April 30, 2010 at 8:00 pm ET (5:00 pm PT).

**Forward-Looking Statements.** This release contains forward-looking statements, including those regarding Applied's revenue and profitability expectations, strategic positions, growth opportunities, served markets, operational improvements, cash generation and deployment strategies, products, as well as end-market trends and industry outlooks. These statements, including underlying assumptions, 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: demand for Applied's products, which is subject to many factors, including fluctuating global economic and industry conditions, demand for electronic products and semiconductors, government renewable energy policies and incentives, and customers' new technology and capacity requirements; Applied's ability to (i) develop, deliver and support a broad range of products, expand its markets and enter new markets, (ii) timely align its cost structure with business conditions, (iii) plan and manage its resources and production capability, including its supply chain, (iv) implement initiatives that enhance global operations and efficiencies, (v) realize synergies from, and successfully commercialize technologies acquired in, business acquisitions, (vi) obtain and protect intellectual property rights in key technologies, (vii) attract, motivate and retain key employees, and (viii) accurately forecast future operating and financial results, which depends on multiple assumptions related to, without limitation, market conditions and business needs; and other risks described in Applied's SEC filings. All forward-looking statements are based on management's estimates, projections and assumptions as of March 30, 2010, and Applied undertakes no obligation to update any forward-looking statements.

## **ABOUT APPLIED MATERIALS**

Applied Materials, Inc. (Nasdaq:AMAT) is the global leader in Nanomanufacturing Technology(TM) solutions with a broad portfolio of innovative equipment, service and software products for the fabrication of semiconductor chips, flat panel displays, solar photovoltaic cells, flexible electronics and energy efficient glass. At Applied Materials, we apply Nanomanufacturing Technology to improve the way people live. Learn more at <http://www.appliedmaterials.com>.

*\*LCD: liquid crystal display; PVD: physical vapor deposition*

SOURCE: Applied Materials, Inc.

Applied Materials, Inc.  
Howard Clabo, 408-223-5864 (editorial/media)  
Michael Sullivan, 408-986-7977 (financial community)