



1st Silicon Chip Foundry Places Over \$100 Million Order for Applied Materials Equipment; May 5th Event Celebrates Malaysia's first 200mm Fab

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KUCHING, SARAWAK, Malaysia--(BUSINESS WIRE)--May 5, 2000--Applied Materials, Inc. has received an order worth more than \$100 million from 1st Silicon (Malaysia) Sdn. Bhd. of Kuching, Sarawak, Malaysia. The order was placed in Applied Materials' first and second fiscal quarters of 2000, and system shipments are expected to begin in May 2000. An event on May 5, attended by both companies' chief executive officers, will celebrate the close cooperation between the two companies and Malaysia's first 200mm fab.

Claudio G. Loddo, CEO of 1st Silicon, said, "Starting up a fab in our location presents unique challenges for an advanced chipmaking operation. This foundry shows our commitment to the semiconductor industry and the Malaysian national initiatives to building the new economy for the 21st century. We look to Applied Materials, with its vast portfolio of technologies and extensive service and support organization in Southeast Asia, to be a key partner in helping to enable the success of this new venture."

Applied Materials will set up a new sales and service office located near 1st Silicon's fab site in Kuching with a staff of nearly 30 service engineers to help install and maintain the sizeable base of Applied Materials' systems. Applied Materials currently employs more than 300 people in Southeast Asia, where the company's business volume has grown more than 20 times in the past eight years.

James C. Morgan, Applied Materials' chairman and CEO said, "This new fab represents a significant step forward for Malaysia as it moves toward developing an increased presence in semiconductor manufacturing. Applied Materials is delighted to be selected as a prime supplier to 1st Silicon and we are rapidly extending our local infrastructure in Malaysia to support 1st Silicon's pioneering efforts."

1st Silicon's order encompasses a wide range of Applied Materials' process technologies, including dielectric, metal and silicon etch; CMP (chemical mechanical polishing); RTP (rapid thermal processing); dielectric and metal CVD (chemical vapor deposition); PVD (physical vapor deposition); and SEM (scanning electron microscope) defect review systems.

1st Silicon is a dedicated semiconductor foundry founded in 1998 by the Malaysian State of Sarawak. 1st Silicon's 200mm wafer fab, with a capacity in excess of 30,000 wafers per month, will be operational in Q3 2000. The facility will commence production with 0.25 micron digital and mixed signal CMOS technology. Geometries of 0.18 micron and below will soon follow. SHARP is 1st Silicon's technology partner as well as its first customer. The company is headquartered in Kuching, Sarawak, Malaysia, with a U.S. registered subsidiary corporation located in San Jose, California. 1st Silicon's web site is www.1stsilicon.com.

Applied Materials, Inc. is a Fortune 500 global growth 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 www.appliedmaterials.com.

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