



Applied Materials' Etch Market Share Jumps in 2004

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SANTA CLARA, Calif.--(BUSINESS WIRE)--June 2, 2005--Applied Materials, Inc. (Nasdaq:AMAT) reported a jump in market share for its etch systems, from 24% to 27% of the estimated \$3.8 billion etch market in calendar year 2004, according to Gartner Dataquest's April 2005 report(1). This gain was the greatest of the top three etch system manufacturers. Applied's share increased in dielectric etch systems in particular, far outpacing the competition, with sales increasing 159% from 2003 to 2004.

"Our market share gains in 2004 demonstrated increasing customer acceptance of our most advanced systems, especially for dielectric and silicon etching," said Dr. Ashok Sinha, senior vice president and general manager of Applied Materials' Etch Products Business group. "We have a full range of new etch technology advances aimed at the 65 nanometer generation and beyond, where the industry faces increasingly severe challenges in etch process control, precision, and the ability to handle new materials with great flexibility."

In dielectric etch, increased acceptance of the Applied Centura(R) Enabler(R) Etch system for 90nm production pushed market share upward. The Enabler system is gaining momentum for its capability to perform the most complex copper interconnect etching sequences within a single chamber. With its steadily increasing breadth of etch processes, the recently-introduced Applied Producer(R) Etch system is generating interest among customers for its ability to increase productivity for several mainstream etch applications by over 30% compared to other dielectric etch systems.

The Applied Centura DPS(R) Silicon Etch system for advanced gate, recess and shallow trench isolation and other transistor applications is firmly positioned as the system of choice for silicon etching. With integrated Applied Axiom strip/passivation technology, the system provides superior closed-loop, in-line linewidth control. Increasing need for nanometer-scale control over complex gate structures elevated the DPS system's position in silicon etching. The Applied Centura DPS(R) Metal Etch system, in combination with Applied's Axiom chamber, remains the leading solution for etching aluminum interconnect layers used primarily by memory manufacturers.

(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.

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.

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