



## Applied Materials Details Momentum in its Markets and Business at 2011 Investor and Analyst Meeting

March 23, 2011

- **Confirms outlook for record FY2011 revenue of more than \$11 billion and greater than \$1.50 non-GAAP EPS**
- **Outlines trends driving momentum in semiconductor, display and solar businesses**
- **Discusses impact to operations in Japan**

**NEW YORK-March 23, 2011**-Applied Materials, the global leader in manufacturing solutions for the semiconductor, flat panel display and solar photovoltaic industries, today held its 2011 investor and analyst meeting. Executives, led by chairman and chief executive officer Mike Splinter, discussed trends driving strong momentum in its core businesses and outlined the company's strategy to increase sales, develop profitable new businesses and deliver higher levels of profitability.

"This is a very exciting time in our markets and we are seeing strong momentum across all our segments," added Splinter. "We are gaining share in our core businesses, delivering innovative products in new markets and using our scale and global reach to distance Applied from our competitors."

Dr. Randhir Thakur, executive vice president and general manager of the Silicon Systems Group, discussed the unprecedented ramp of smartphones, tablets and notebooks that are connecting consumers from around the world to the Internet and cloud computing. "These exciting products are enabled by our tools and technology," Thakur stated. "Today's products require transistors and chips to become even smaller, faster and more energy efficient. The increased complexity is resulting in higher capital investments by our customers. Applied's innovation engine is in high gear. We launched more than 18 products in the past 18 months, which are expected to generate over a billion dollars in revenue in our 2011 fiscal year. Through innovation and customer focus, we expect to gain market share for the third year in a row."

According to Tom Edman, group vice president and general manager of the Display Business Group, "Emerging market consumers are driving growth in worldwide LCD TV demand and fueling investments by our display customers, notably in China. Tablets and smartphones are driving demand for touch panels and organic LED displays, which provides momentum for our business in 2012."

Dr. Mark Pinto, executive vice president and general manager of the Energy and Environmental Solutions Group, added "solar panel installations and manufacturing capacity continue to grow at a healthy pace. Our restructured solar business, focused on our market leading crystalline silicon business saw record revenues last quarter and is demonstrating our ability to deliver significant profitable growth in this segment."

Joe Flanagan, senior vice president and general manager of worldwide operations, detailed how Applied's Worldwide Operations organization is leveraging the company's global scale to drive nearly \$200 million in annual manufacturing cost reductions that are driving increased gross profits to the company's bottom line. Flanagan outlined new initiatives focused on the "four Cs" of customer service, cost, cash maximization and compliance that are giving Applied a competitive advantage designed to produce \$1 billion in cash flow improvements between FY2011 and FY2013.

According to George Davis, executive vice president and chief financial officer, "Our efforts to drive innovation in our core businesses, improve our energy and environmental business, and turn our global operations into a competitive advantage are driving our financial momentum. For FY2011, we expect record revenue of more than \$11 billion and non-GAAP\* earnings of more than \$1.50 per share." Davis also discussed the positive impact of recent acquisitions in solar, display and semiconductor, which were estimated to represent 15 percent of the company's revenue and 16 percent of operating income for FY2010.

In commenting about Japan, Charlie Pappis, group vice president and general manager of Applied Global Services, added, "It is moments like this where our core value of customer focus is most evident. We are already dispatching customer engineers and mobilizing resources around the world to help our customers in Japan recover their operations."

Splinter added "Our first priority in Japan has been ensuring the safety and meeting the needs of our employees, customers and suppliers. I am relieved that all of our employees and contractors based in Japan are safe. We have launched a robust business continuity plan that is focused on helping our customers restore their operations and strengthening our supply-chain."

A webcast replay of 2011 Investor and Analyst Meeting is available at [www.appliedmaterials.com](http://www.appliedmaterials.com).

\*FY2011 non-GAAP EPS excludes known charges related to completed acquisitions of approximately \$0.04 per share along with favorable adjustments of \$0.02 per share related to previously-announced restructurings and the reinstatement of the federal R&D tax credit. The non-GAAP EPS amount does not take into account other non-GAAP adjustments that may arise subsequent to this release.

**Safe Harbor Statement.** This release contains forward-looking statements, including those regarding Applied's momentum, strategic position, products, customer investments, operations, cash flow improvements, profitability, growth opportunities, FY2011 business outlook, industry outlooks, and Japan business continuity plan. 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 level of demand for Applied's products, which is

subject to many factors, including: uncertain global economic and industry conditions, business and consumer spending, demand for electronic products and semiconductors, government renewable energy policies and incentives, and customers' utilization rates and new technology and capacity requirements; variability of operating expenses and results among the company's segments caused by differing conditions in the served markets; business disruptions arising from the Japan disaster; Applied's ability to (i) develop, deliver and support a broad range of products and expand its markets, (ii) plan and manage its resources and production capability, including its supply chain, (iii) implement initiatives that enhance global operations and efficiencies, (iv) obtain and protect intellectual property rights in key technologies, (v) attract, motivate and retain key employees, and (vi) accurately forecast future results, which depends on multiple assumptions related to market conditions, customer requirements and business needs, among others; 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 23, 2011, and Applied undertakes no obligation to update any forward-looking statements.

Applied Materials, Inc. (Nasdaq:AMAT) is the global leader in providing innovative equipment, services and software to enable the manufacture of advanced semiconductor, flat panel display and solar photovoltaic products. Our technologies help make innovations like smartphones, flat screen TVs and solar panels more affordable and accessible to consumers and businesses around the world. At Applied Materials, we turn today's innovations into the industries of tomorrow. Learn more at [www.appliedmaterials.com](http://www.appliedmaterials.com).

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