



Applied Materials and Varian Semiconductor Equipment Reach Comprehensive Settlement of All Lawsuits

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SANTA CLARA, Calif.--(BUSINESS WIRE)--Oct. 12, 2000--Applied Materials, Inc. and Varian Semiconductor Equipment Associates, Inc., jointly announced today they have reached a comprehensive, global settlement resulting in termination of all outstanding lawsuits between them.

As part of the settlement and in return for payment by Varian, Applied Materials granted Varian a license for past use of four of Applied Materials' physical vapor deposition (PVD) patents, released all claims for infringement of those four PVD patents by the Inova system as it was made and sold as of May 7, 1997 (the date Novellus Systems, Inc. purchased from Varian the product line that manufactures Inova systems) and dismissed Varian from the patent infringement lawsuit in the federal court in San Jose. Varian in turn dismissed all of its counterclaims in the patent infringement lawsuit and its entire antitrust lawsuit against Applied Materials in the federal court in San Jose. Related patent infringement litigation between Applied Materials and Novellus is still ongoing. Other terms of the settlement are confidential.

Applied Materials (Nasdaq: AMAT) is a leader of the Information Age and the world's largest supplier of products and services to the global semiconductor industry. Applied Materials' Web site is <http://www.appliedmaterials.com>.

Varian Semiconductor Equipment Associates, Inc. is an industry leader in designing, manufacturing, marketing and servicing ion implantation systems, semiconductor processing equipment used in the fabrication of integrated circuits. Through the process and productivity advantages of single wafer technology, VSEA is providing chipmakers with high throughput, low cost and maximum yields. The company is based in Gloucester, Massachusetts and maintains offices around the world. Its stock is traded on the NASDAQ National Market System under the symbol "VSEA." Additional information and background is available on VSEA's Web site www.vsea.com.

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CONTACT: Applied Materials, Inc.

Jeffrey Lettes, 408/563-5161 (editorial/media)

Carolyn Schwartz, 408/748-5227 (investment community)

or

Varian Semiconductor Equipment Associates, Inc.

Ralph E. Knupp, 978/282-2007

ralph.knupp@vsea.com

or

Investor Relations Partners, Inc.

(For Varian)

Shellie M. Roth, 973/535-8389

roth@irpartners.com