



APPLIED MATERIALS REVISES FY2012 BUSINESS OUTLOOK ON LOWER FOUNDRY EQUIPMENT DEMAND

July 10, 2012

SANTA CLARA, Calif., July 10, 2012 - Applied Materials, Inc. (NASDAQ:AMAT), the global leader in providing manufacturing solutions for the semiconductor, display and solar industries, today revised its fiscal year 2012 business outlook due to weaker than expected near-term demand in its semiconductor equipment business, primarily among foundry customers.

For the fiscal year ending October 28, 2012, the company expects net sales to be below the previous outlook of \$9.1 billion to \$9.5 billion, with non-GAAP earnings per share (EPS) below the previous range of \$0.85 to \$0.95. The company will provide a new target range during its August 15 earnings call, however it expects that the demand changes could have a \$0.15 to \$0.20 impact on full-year non-GAAP EPS results.

Applied expects financial results for the third quarter of fiscal 2012 ending July 29, 2012, to remain within the outlook ranges provided during its second quarter earnings call on May 17. Net sales for the third quarter are expected to be at the low end of the previous outlook of flat-to-down-10 percent from \$2.54 billion in the second quarter. The company expects non-GAAP EPS for the third quarter to be in the lower half of the previous outlook of \$0.21-\$0.29.

The company also revised its calendar year 2012 industry forecast for wafer fab equipment spending to \$30 to \$33 billion, compared to its previous expectation of \$32 to \$35 billion, in line with the market changes.

Applied will discuss its revised business and industry outlooks, along with the company's strategies and new products for advanced semiconductor manufacturing, during a briefing today at the SEMICON West trade show in San Francisco. The presentation is scheduled to begin at 8:05 a.m. PDT, and a live video webcast will be available on Applied's website at: <http://www.appliedmaterials.com/investor-relations>. A replay will be available beginning today at 5:00 p.m. PDT and will remain available for at least 30 days.

Non-GAAP Financial Measures

The non-GAAP EPS outlooks exclude charges related to completed acquisitions and announced restructuring and asset impairments, but do not reflect other non-GAAP adjustments that may arise subsequent to this release.

Forward-Looking Statements

This release contains forward-looking statements, including those regarding Applied's third quarter and full-year fiscal 2012 business outlooks and industry forecast. 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: the level and timing of demand for Applied's products, which is subject to many factors, such as uncertain global economic and industry conditions, demand for electronic products and semiconductors, and customers' new technology and capacity requirements; the concentrated nature of Applied's customer base; Applied's ability to (i) develop, deliver and support a broad range of products and expand its markets, (ii) effectively integrate Varian and realize synergies, (iii) timely align its cost structure with business conditions, and (iv) accurately forecast future operating and financial results, which depends on multiple assumptions; and other risks described in Applied Materials' SEC filings. All forward-looking statements are based on management's estimates, projections and assumptions as of July 10, 2012, and Applied undertakes no obligation to update any forward-looking statements.

About Applied Materials

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.

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