



Applied Materials Announces Joint Venture Restructuring

October 1, 1998

SANTA CLARA, Calif., October 1, 1998 -- Applied Materials, Inc. announced today that Applied Komatsu Technology, Inc. (AKT), a 50-50 joint venture owned by Applied Materials and Komatsu Ltd., will restructure its operations. AKT, a supplier of fabrication systems used to produce Flat Panel Displays (FPD), will focus on Chemical Vapor Deposition systems for the FPD market. AKT expects to complete its restructuring plan and associated cost estimates during Applied Materials' fourth fiscal quarter of 1998, which ends on October 25, 1998.

Applied Materials expects to report, in its fourth fiscal quarter, a non-recurring charge associated with the AKT restructuring. Applied Materials announced on August 25, 1998 that it will incur a non-recurring charge regarding its own restructuring, which will result in a fourth fiscal quarter net loss for Applied Materials.

This press release contains certain forward-looking statements that 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. Such risks and uncertainties include, but are not limited to, the timing of the completion of AKT's restructuring plan and associated cost estimates, the demand for AKT's CVD products and the ability of AKT to timely align its cost structure with prevailing market conditions. Applied Materials assumes no obligation to update the information in this press release.

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 under the symbol, "AMAT". Applied Materials' website is <http://www.appliedmaterials.com>.