Applied Materials Ranked Number One Etch Supplier

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SANTA CLARA, Calif.--(BUSINESS WIRE)--Sept. 24, 1998--

Dataquest and VLSI Research Name Applied Materials the
Market Leader in Dry Etch Equipment; Leadership Momentum
Continues with New Technologies and Capabilities

Market research firms Dataquest and VLSI Research have reported that Applied Materials, Inc. was the leading supplier of etch equipment to the semiconductor industry for 1997. Applied Materials has been the dry etch market leader for 11 of the last 14 years, according to both firms. Extending its position in the market for 1997 was the rapid customer acceptance of the company's breakthrough DPS(TM) (decoupled plasma source) and IPS(TM) (inductively-coupled plasma source) technologies, plus strong continuing demand for its established MxP(TM)-series systems. This state-of-the-art etch product portfolio addresses the most advanced technologies for 0.25 micron to 0.18 micron and beyond.

Building on this leadership momentum, Applied Materials has focused its extensive development resources on new etch materials and applications for next-generation devices. Applied Materials' etch products have demonstrated excellent results for a wide range of copper interconnect applications, including damascene structures with multiple dielectric-based and polymeric low (kappa) films and copper etch. At the same time, the company continues to help customers extend the life of their existing systems through multiple device generations with technology upgrades and process support.

According to G. Dan Hutcheson, president of VLSI Research, "Applied Materials' latest DPS and IPS etch technologies have gained rapid customer acceptance in key strategic fabs worldwide, where the most difficult technical challenges are combined with stringent requirements for high productivity and reliability. Looking forward, we expect significant future demand for new etch technologies as linewidths continue to scale at record rates and a number of new materials are incorporated throughout all levels of advanced devices, from the transistor and capacitor structures to the interconnect. Applied Materials is in a good position to take advantage of these new opportunities."

Clark Fuhs, vice president and director at Dataquest, noted, "As the numbers demonstrate, Applied Materials clearly executed their new etch product strategies. The market for dry etch equipment is one of the largest in the semiconductor equipment industry. We see good growth for this market segment and expect it to increase from $2.3 billion in 1998 to $5 billion by 2003."

Underscoring the success of Applied Materials' etch products was the selection of the company's Metal Etch DPS Centura(R) system as "Best Product of 1997" by Semiconductor International magazine. In the same period, the Dielectric Etch eMxP+ system, introduced in early 1997 as an enhanced version of the highly successful Dielectric Etch MxP+ etcher, achieved rapid customer acceptance across a wide spectrum of dielectric etch applications; the MxP-series for dielectric etching now has an installed base of more than 340 systems with over 1,120 process chambers. The company also shipped more than 100 Silicon Etch DPS Centura systems within only 19 months of the product's introduction in June 1996.

"We're excited to be recognized as the etch market leader for 1997, and wish to emphasize our continued commitment to developing solutions that will enhance our customers' profitability and enable the rapid implementation of their new device designs," said David Bergeron, president of Applied Materials' Etch Products Business Group. "We are working closely with customers in all regions, matching our most advanced etch technologies and in-depth process development support to the requirements of their leading-edge products."

Applied Materials is the leading supplier of wafer fabrication systems and services to the global semiconductor industry. Applied Materials is traded on the Nasdaq National Market System under the symbol "AMAT." Applied Materials' web site is http://www.AppliedMaterials.com.