



Applied Materials Announces New Flexible Service Program To Address Customers' Diverse Requirements

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New Integrated Support Package(TM) Leverages Applied Materials' Operational Expertise and Infrastructure to Deliver Excellent Service and Labor Performance

Applied Materials, Inc. (Nasdaq:AMAT) today announced the addition of the Integrated Support Package(TM) (ISP) to its highly successful family of Total Service Solutions(TM) (TSS) products that are revolutionizing service and support capability in the semiconductor industry. Under the ISP program, Applied Materials owns and manages all parts inventory for covered Applied Materials' systems in a customer's fab, while also providing a custom maintenance package that addresses customers' fab-specific requirements.

"Leveraging the expertise and proven methodologies of our global support infrastructure, we are offering customers a comprehensive range of service products that can contribute to their success through lower costs and more efficient system operation," said Vinod Mahendroo, president of Applied Materials' Installed Base Support Services Business Group. "The ISP program was developed to expand our TSS offerings with a solution that gives customers the flexibility to select service configurations best suited to meet their production requirements."

Outsourcing parts operations to Applied Materials eliminates the need for customers to invest in and manage parts inventories. Flexible service features allow customers to target maintenance requirements and balance Applied Materials support with internal resources. The ISP contract assures a high service level for parts at significantly lower costs, as well as efficient labor performance for selected maintenance services.

"We begin the ISP program by conducting a fab operations audit with the customer to identify short- and long-term production requirements," said Jon Sabol, general manager of Service for the Installed Base Support Services Business Group. "This allows us to develop a comprehensive plan that determines service levels and parts availability needed for covered Applied Materials' equipment. Using the ISP program lets us tailor our support to the unique requirements of diverse sites, at the same time as it is expected to increase our customers' equipment productivity and supply chain efficiencies."

Total Service Solutions includes two additional products; the Total Support Package (TSP) and the Total Parts Management(TM) (TPM) programs. Under the TSP program, customers outsource all maintenance and spare parts, including consumables and non-consumables for Applied Materials' systems, to the company's expert service teams. With TPM, Applied Materials owns and manages spare parts for all its equipment used in a fab.

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 System under the symbol "AMAT." Applied Materials' web site is www.appliedmaterials.com.

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