



Applied Materials' Support Program Improves Fab Efficiency At Motorola

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TSP Results in Higher System Availability and Lower Costs;
Motorola Expands Program to Cover Support of More Systems

Applied Materials, Inc. (Nasdaq:AMAT) today reported that Motorola, Inc. has demonstrated significant improvements in fab efficiency on specific systems covered by Applied Materials' Total Support Program (TSP) at the Dan Noble Center in Austin, Texas. Results of the TSP include higher system availability and lower operating costs on the Applied Materials systems covered, leading Motorola to expand the scope of the program to cover additional systems.

Bill McKean, director of fab operations at the Dan Noble Center for Motorola's Semiconductor Products Sector (SPS), said, "We have seen major benefits from using Applied Materials' TSP, including reducing system operating cost up to 25 percent and boosting availability of our systems by up to 10 percent. Applied Materials has helped contribute to our aggressive production goals by going beyond customer support and taking an active role in managing system productivity and producing profitable results. The impressive results from our first phase of the TSP have led us to increase our use of the program at the Dan Noble Center to take advantage of its potential for improving fab efficiency and to further investigate the potential for deployment of TSP at other SPS factories."

Since the TSP pilot introduction in July 2002, Motorola has expanded the scope of its original program to include support of Applied Materials' equipment in physical and chemical vapor deposition (PVD and CVD), etch, and ion implantation. Under the program, Applied Materials is contractually responsible for all service maintenance and service-related parts inventories for covered systems, including consumables and non-consumables.

"The TSP program enables our customers to better focus on their primary business," noted David J. Fried, corporate vice president and general manager of Applied Materials' Customer Productivity Support Product Business Group. "By outsourcing its service and support needs to Applied Materials, Motorola's Dan Noble Center has been able to significantly improve manufacturing efficiency and provide a lower, more predictable cost structure on covered systems."

Applied Materials (Nasdaq:AMAT), the largest supplier of products and services to the global semiconductor industry, is one of the world's leading information infrastructure providers. Applied Materials enables Information for Everyone(TM) by helping semiconductor manufacturers produce more powerful, portable and affordable chips. Applied Materials' Web site is <http://www.appliedmaterials.com>.

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