



Applied Materials and Praxair Announce Service Alliance to Streamline Customer Operations

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SANTA CLARA, Calif. & DANBURY, Conn.--(BUSINESS WIRE)--May 26, 2004--Applied Materials, Inc. and Praxair Electronics, a division of Praxair, Inc., announced today a joint initiative to provide fab-wide Commodity Consumables Services (CCS) to semiconductor manufacturers worldwide.

The Commodity Consumables Services, which will be marketed by Applied Materials, is aimed at streamlining the efficiency and lowering the cost of customer fab operations. It offers a one-stop shopping service for a wide range of generic commodity consumable items that are critical to the maintenance and operation of all wafer fabrication equipment.

Customers using CCS will be provided with supply chain management, planning, inventory consignment and point-of-use delivery for generic commodity consumable items such as o-rings, seals, fasteners, filters and other parts required to run a semiconductor fab. The service is intended to eliminate the need for semiconductor manufacturers to deal with multiple vendors of thousands of commodity consumable parts, thus simplifying operations, enhancing productivity and potentially lowering fab costs.

"This Commodity Consumables Service extends Applied Materials' strategy of providing innovative fab-wide services to help make our customers' job easier," said David N.K. Wang, executive vice president, Applied Global Services group. "This service goes beyond supporting Applied Materials' large installed base of equipment in fabs around the world and now includes commodity consumable parts for virtually all types of tools used in the fab. We are pleased to have Praxair Electronics, an accomplished logistics service provider, as a collaborator in this important customer service offering."

"The winning combination of Applied Materials' leading global position and our proven logistics expertise is expected to provide chipmakers with greatly enhanced efficiency in their parts supply chain, while also providing lower cost for important spare parts consumables," said Mark Gruninger, vice president of Praxair Electronics. "We're confident that many customers will quickly see the value in this service."

Praxair Electronics, a division of Praxair, Inc. (NYSE:PX), provides the global semiconductor industry with process consumables, including a full line of gases and materials; sputtering targets and CMP (chemical mechanical polishing) slurries; on-site services; chamber components including electrostatic chucks; and spare parts logistics services. Praxair Electronics' website is www.praxair.com/electronics. Praxair is the largest industrial gases company in North and South America, and one of the largest worldwide, with 2003 sales of \$5.6 billion.

Applied Materials, Inc. (Nasdaq:AMAT) is the largest supplier of products and services to the global semiconductor industry. Applied Materials' web site is www.appliedmaterials.com.

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