



Applied Materials Files to Establish Holding Company in China

June 1, 2005

SHANGHAI, China--(BUSINESS WIRE)--June 1, 2005--Applied Materials, Inc. (Nasdaq:AMAT) today announced its intention to form a holding company in China and to enhance its operations and capabilities in the country which is one of the fastest growing electronics markets in the world.

Applied Materials, which was the first semiconductor equipment company to establish a presence in China in 1984, filed an application to establish a holding company earlier this month in Shanghai. The application for Applied Materials (China) Holdings, Ltd. is pending approval by Chinese government agencies. Only a limited number of global companies have been granted holding company status that allows them to act as local Chinese companies with greater flexibility in structuring corporate operations, providing a wider scope of services and forming joint ventures.

"Applied Materials has been in China longer than any other semiconductor equipment company," said Mike Splinter, president and CEO of Applied Materials. "China is emerging as a key center of semiconductor manufacturing and the establishment of a holding company will provide Applied Materials with an additional vehicle for growth as the local industry expands in the decades ahead."

Pending approval of Applied's holding company application, Applied plans to open a Global Development Capability (G.D.C.) center in Xi'an, that will provide engineering and software support services to Applied Materials locations around the world. Applied's G.D.C. centers offer a variety of strategic advantages including the ability to speed product development cycle times by working across time zones and to perform global engineering project support.

"With the opening of a G.D.C. location in China, Applied will be able to tap the region's well educated workforce and use local resources to achieve our goals to be fast and flexible," said Dr. David N.K. Wang, executive vice president and president of Applied Materials Asia. "Xi'an is an excellent location for these activities due to the number of local universities and research institutions, broad base of engineering and manufacturing companies, low operating costs and strong local government support."

Today, Applied Materials employs approximately 300 people in China with offices in Shanghai, Beijing, Tianjin, Wuxi, and Suzhou.

Applied Materials, Inc., headquartered in Santa Clara, California, (Nasdaq:AMAT) is the largest supplier of equipment and services to the global semiconductor industry. Applied Materials' web site is www.appliedmaterials.com.

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SOURCE: Applied Materials, Inc.