

# 2003 APPLIED MATERIALS

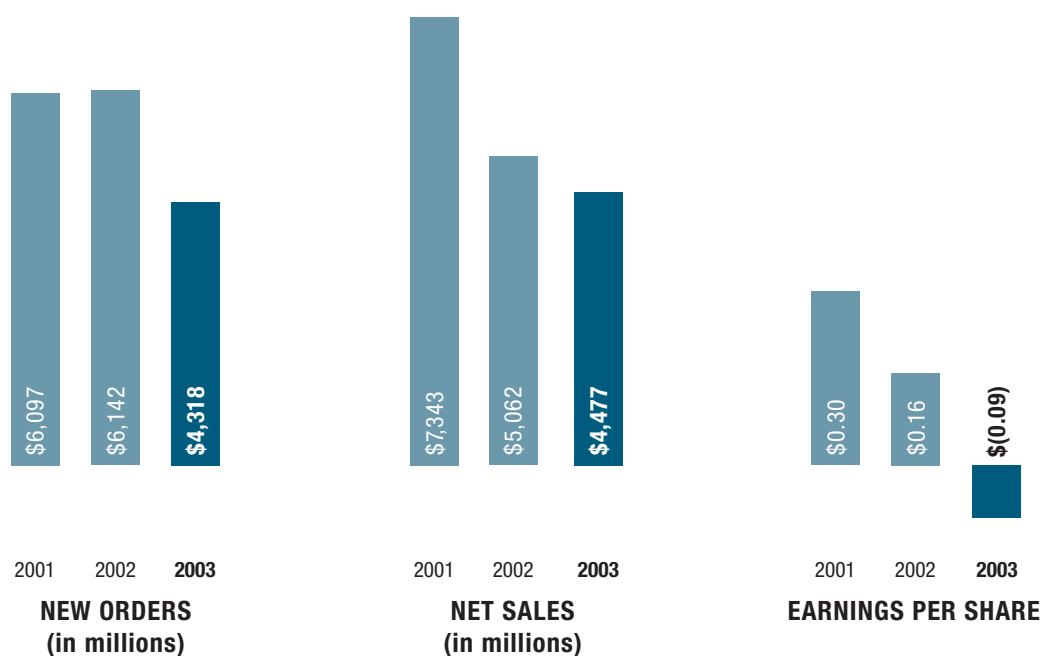


APPLIED MATERIALS®

## FINANCIAL HIGHLIGHTS

Fiscal year	2001	2002	2003
(In thousands, except per share amounts)			
Net sales	\$7,343,248	\$5,062,312	\$4,477,291
Income/(loss) from continuing operations before cumulative effect of change in accounting principle	\$ 775,228	\$ 269,004	\$ (149,147)
Income/(loss) from continuing operations before cumulative effect of change in accounting principle per share	\$ 0.46	\$ 0.16	\$ (0.09)
Net income/(loss)	\$ 507,829	\$ 269,004	\$ (149,147)
Net income/(loss) per share	\$ 0.30	\$ 0.16	\$ (0.09)
Weighted average common shares and equivalents	1,694,658	1,701,557	1,659,557
Stockholders' equity	\$7,606,737	\$8,019,649	\$8,068,034
Order backlog	\$2,725,406	\$3,190,459	\$2,495,115

Share and per share amounts prior to fiscal 2002 have been restated to reflect a two-for-one stock split in the form of a 100 percent stock dividend, effective April 16, 2002.





▶ **CORPORATE OBJECTIVE:**  
ENHANCE AND EXTEND OUR LEADERSHIP POSITION  
IN OUR SILICON SYSTEMS BUSINESS

## WORKING TOGETHER...

Whether we're working with our customers to fuel innovation, or working internally to make our company more efficient, Applied Materials is building a leaner, faster, stronger organization focused on growth.

### APPLIED MATERIALS DELIVERS WORLD-CLASS PERFORMANCE

"We see every challenge of this new era as an opportunity—an opportunity to provide our customers with the best products, services and solutions to ensure their success."

—Mike Splinter, President and Chief Executive Officer



► **CORPORATE OBJECTIVE:**  
BE THE SUPPLIER OUR CUSTOMERS  
WANT TO DO BUSINESS WITH

## TOGETHER, WE CAN DO GREAT THINGS

To deliver the full promise of the Nanometer Era, where chip dimensions are measured on the atomic scale, Applied Materials is cultivating closer, more collaborative relationships with semiconductor manufacturers to ensure the right solutions are available at the right time. Together, we're forging a path to new technologies that will help us target, develop and commercialize products and services highly tuned to solve the challenges of manufacturing future chip designs.

In an industry as complex as chipmaking, collaboration is critical. Working closely with customers, we're creating the vital chipmaking processes that will enable tomorrow's faster, more powerful electronic products. Our unique Maydan Technology Center is focused on this teamwork philosophy. Set up to simulate a fab environment, it's a place where customers come to test and refine advanced process technologies—well before these systems arrive at their fab. The upshot? Getting new chips to market faster!

This kind of collaboration was essential to Applied's pioneering development of the industry's first true "low  $\kappa$ " dielectric material used in many of today's new chip designs. Opening a new age in chipmaking, the Applied Black Diamond film product provides the critical insulation capability needed between thin copper wires and leads the way to speedier, lower power devices.

The development of Applied's breakthrough Black Diamond low  $\kappa$  product would not have been possible without extensive collaboration with chip manufacturers such as foundry leader Taiwan Semiconductor Manufacturing Co. Ltd. (TSMC). Applied's technologists worked closely with TSMC for many months to develop, test and optimize the film for manufacturing. To date, customers, including TSMC, have used Applied's Black Diamond film in manufacturing more than 40 million chips.



► **CORPORATE OBJECTIVE:**  
CONTINUOUSLY IMPROVE THE EFFECTIVENESS  
OF OUR COMPANY

## **TOGETHER, WE'VE BUILT A LEANER, FASTER ORGANIZATION**

Keeping pace with the accelerating demands of our industry, we've streamlined our company by cutting costs and driving up operational efficiencies. Now, we're not only leaner—we're faster!

*And time to market is everything*—for Applied Materials and for our customers. The faster we develop new products, the faster our customers can develop their new chips.

Working together internally, we've developed programs that have put us on the fast track of technology development and responsiveness. One of our success stories is the Applied SlimCell ECP system. Tapping key experts from throughout the company, we formed "critical path teams" to accelerate every phase of the technology process—from hardware to chemical subsystems to software. The highly motivated SlimCell team launched breakthrough electro-

chemical plating technology in less than a year—slashing traditional development time by half!

Another program tackles customer response time. This company-wide, multi-disciplinary initiative focuses on improving efficiencies and reducing the order fulfillment cycle time—from order placement to system delivery. Every stage of the sale-to-manufacturing process was put under the microscope, re-evaluated and refined. By tapping the creativity of our people, we discovered new methods, new technologies and new ideas. We're proud to report that since this program began in 2002, we've reduced cycle time by 48 percent!

## COPPER/LOW $\kappa$

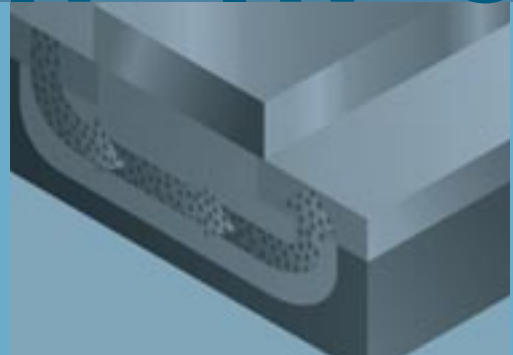
The interconnect is the chip's information superhighway, routing signals at near-light speed through its wires. Copper wires increase interconnect speed, but insulating them with low  $\kappa$  makes the electrons fly! Applied Materials is the industry's leading supplier of advanced copper and low  $\kappa$  technologies.



# LEADERSHIP IN CO

## TRANSISTOR

Transistors are the brains of the chip—microscopic on/off switches that provide raw computing power. New transistor designs will be faster, smaller and more cost-effective to fabricate. Applied Materials will enable these new structures with the most comprehensive line of transistor technologies ever assembled.



## ...TO SET US APART

As consumers, we are all helping to drive technology forward at breakneck speed. We demand new cell phones, computers, video games and other electronic products with:

- **HIGHER PERFORMANCE**
- **LOWER POWER**
- **NEW FEATURES**
- **LOWER COST**

Applied Materials helps make this happen.

We deliver the systems and process technology that enable our customers to pack hundreds of millions—soon to be billions—of transistors on a single chip using 65 nanometer (a nanometer is one-billionth of a meter) dimensions. These smaller transistors provide the **HIGHER PERFORMANCE** and **LOWER POWER** consumption needed for new applications such as small personal computers with integrated, always-on wireless capability.

And more transistors allow more **FEATURES**. Your mobile phone can now be a digital camera, computer, FM radio, MP3 player, video game machine and TV!

We deliver the capability that enables our customers to build chips with miles of microscopic copper “wires” insulated with “low  $\kappa$ ” material. With this superior insulation, the wires can be built smaller and closer together, allowing the electronic signals to travel through your computer chip at gigahertz speeds.

We deliver the technology that enables our customers to build chips on larger, 300mm wafers. Using larger wafers means they can produce more chips per wafer at **LOWER COST**. This means the cost of new technology can continue to go down!

## DELIVERING TOMORROW'S SOLUTIONS TODAY

Applied Materials has the industry's most comprehensive, advanced line of products and services

APPLIED'S BLACK DIAMOND IS THE INDUSTRY'S FIRST LOW  $\kappa$  DIELECTRIC FILM USED IN PRODUCTION BY MULTIPLE CUSTOMERS.

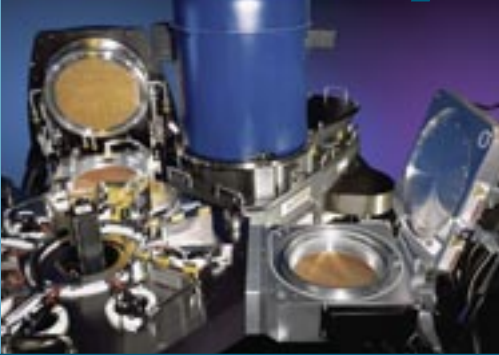
Applied Producer  
Black Diamond ▶



Applied Centura  
Enabler Etch ▶



# COPPER/LOW $\kappa$ INTERCONNECT



◀ Applied Centura DPN

Applied Quantum III Implant ▶



ready to help chip manufacturers usher in the new Nanometer (nm) Era of chipmaking. These systems enable chips with 130nm, 90nm, 65nm and below dimensions—and unleash a multitude of powerful new applications into the world.

It takes semiconductor manufacturers over 400 individual steps to build today's new chips. Beginning with a silicon wafer foundation, they add layers of films (deposition) and remove certain areas (etch) to build the tiny structures that carry electric current. These structures form two main areas of the chip: the transistors, or electronic switches, that are built first—and the interconnect, or “wires,” that carry the current throughout the chip, that are built above the transistor layers.

Applied Materials products cover almost all of these chipmaking steps, from fabricating transistors to copper/low  $\kappa$  interconnects. Many of our systems lead the market—and set the stage to herald the Nanometer Era of chip manufacturing.

## DRIVING FASTER COPPER AND LOW $\kappa$ TECHNOLOGY

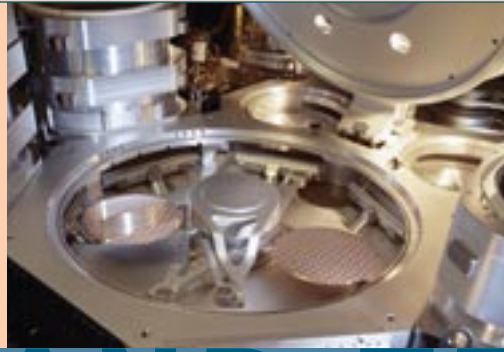
The interconnect is the chip's information super-highway, routing signals at near-light speed throughout its transistor data processing centers. As the world's chipmakers leap from using aluminum to copper for the main interconnect conducting material, they are using Applied Materials systems to build their critical interconnect designs.

Copper boosts chip speed, but surrounding it with low  $\kappa$  insulating material makes the electrons fly! After years of intense development, the Applied Black Diamond product has broken formidable technical barriers and become the industry's first low  $\kappa$  film to be used in production by multiple customers, including TSMC, AMD, NEC and Toshiba. Their Black Diamond-based chips are now powering the latest mobile electronics, high-speed game consoles and computers.

We also redefined interconnect etch technology with the Applied Centura Enabler Etch system, the industry's first production etcher engineered to precisely carve out 65nm and smaller “trenches” in the low  $\kappa$  layer. Once the trenches are made,



Applied Endura ►  
iCuB/S ALD/PVD



# CONNECT AND TRAN

Applied Vantage ►  
RadiancePlus RTP



APPLIED'S TRANSISTOR SOLUTIONS ARE HELPING TO MAKE BILLION-TRANSISTOR CHIPS A REALITY.

the Applied Endura iCuB/S (barrier/seed) system lines them with an incredible barrier film that's just a few dozen atoms thick!

The Applied SlimCell ECP (electrochemical plating) system also breaks new ground, providing the critical technology needed for building the high-performance copper wires in emerging Nanometer Era chip designs. And to polish these delicate copper/low  $\kappa$  films to an ideal flatness, we offer the Applied Reflexion LK CMP (chemical mechanical planarization), the industry's only low pressure system capable of polishing 65nm and below copper/low  $\kappa$  chip designs at the speeds needed for production manufacturing.

## DRIVING HIGHER PERFORMANCE, LOWER POWER TRANSISTORS

Transistors are the neurons of a chip—microscopic switches that power the chip's ability to compute. The world's relentless appetite for raw computing power is pushing chipmakers to create a host of new transistor structures that are faster and smaller, yet still cost-effective to fabricate. Applied Materials is leading the race to enable these advanced designs with the most comprehensive line of transistor technologies ever assembled.

The transistor "gate" area is where speed matters most—and smaller, thinner gates mean faster switching speed. The Applied Centura DPN system clears the path to scaling transistor gates to 65nm and below, combining multiple processes on a single platform to form ultrathin, yet very reliable structures.

We've led the industry in rapid thermal processing (RTP) technology for many years and continue to innovate. We developed the Applied Vantage RadiancePlus RTP system, combining precise temperature control for annealing transistor materials with a streamlined system design for optimized manufacturing efficiency.

The Applied Centura RP Epi system also supplies critical technology for extracting higher performance from transistors. New applications of this process—which grows pure, single-crystal layers of silicon—are now being designed into many leading-edge devices. Beginning with the 90nm generation and extending well into the future, nearly every logic and memory chip will need this capability.

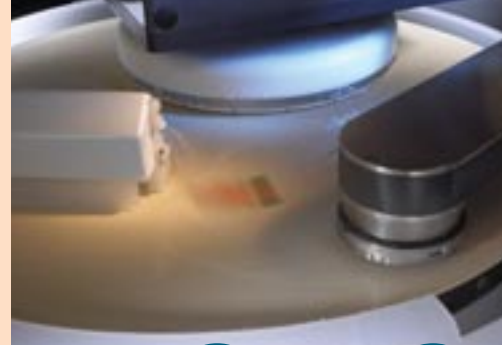


APPLIED HAS OVER 700 SYSTEMS INSTALLED AT CUSTOMERS' FABs  
WORLDWIDE FOR MANUFACTURING COPPER CHIPS.

Applied ►  
SlimCell  
ECP



Applied ►  
Reflexion LK CMP



# SISTOR SOLUTIONS

◀ Applied  
Centura RP Epi



◀ Applied  
SEMVision G2  
FIB Defect  
Analysis



Another vital new system, the Applied Quantum III ion implanter, bombards the wafer with ions at low energies to change the electrical properties of transistor materials. Elevating implant performance to levels never before achieved in the industry, this system is key to propelling transistor technology into the next generation of high-speed, low power computing.

## METROLOGY AND INSPECTION TOOLS— KEY TO FAB PROFITABILITY

Producing a high percentage of perfect chips is the key to chip manufacturers' profitability. That's why metrology and inspection tools play a fundamental role in every fab.

Inspection systems seek out defects—scratches, contamination, open circuit lines, etc.—that can harm a chip's performance. Applied's sophisticated inspection systems not only find the defects, they point to the *source* of the defects so the problem can be quickly corrected.

Once defects are identified on the wafer using the Applied ComPlus-EV inspection system, they can be mapped into the Applied SEMVision G2 FIB (focused ion beam) tool. This system reviews,

cross sections and analyzes the defects right on the manufacturing floor—slashing time and boosting production efficiency!

## LEADING IN FAB SERVICES

Every day, our customers face intense pressures to keep fab operation costs low while improving production efficiencies. Applied has leveraged the expertise and proven methodologies of its global support infrastructure of more than 3,000 support engineers to help customers improve their equipment performance and reduce the overall cost of running their fabs.

The relentless progress of semiconductor technology continues to offer boundless opportunities for Applied Materials. We are entering the Nanometer Era with an exceptional lineup of differentiated products and services, all poised to make our customers' most advanced designs a reality.

We are also helping to meet the growing demand for flat panel displays (FPDs) through our subsidiary, AKT, Inc. Our industry-leading systems provide the chemical vapor deposition technology necessary to fabricate the displays in your new notebook computer, desktop monitor and large screen LCD flat panel TV.



◀ **MIKE SPLINTER**

PRESIDENT AND CHIEF EXECUTIVE OFFICER  
(LEFT)

◀ **JAMES C. MORGAN**

CHAIRMAN OF THE BOARD  
(RIGHT)

## TO OUR STOCKHOLDERS,

**Applied Materials is prepared for the future.** By the end of 2003, business conditions markedly improved in the semiconductor equipment industry. Signs of renewed customer confidence were evident in nearly every region. With a complete lineup of technically differentiated products, an improved cost structure, and intensified customer focus, Applied Materials is well positioned to prosper and grow.

Fiscal 2003 was a year of dramatic change, for the industry and our Company. The industry crossed over to 300mm wafer production, new materials—such as copper and low  $\kappa$  dielectrics—emerged as an interconnect standard, and circuit linewidths in advanced factories hit 90 nanometers (nm). Applied Materials strengthened its leadership position during the year with a full offering of 300mm systems across our product line. The Company is the leader in copper interconnect and advanced processing solutions for 90nm and beyond. Looking to the future, we have exciting new products in the pipeline that will provide innovative, differentiated capabilities for the next generation of semiconductor manufacturing.

**THE COMPANY IS THE LEADER IN COPPER  
INTERCONNECT SOLUTIONS AND SUB-MICRON  
PROCESSING FOR THE 300mm ERA.**

It was also a year of changes within the Company. During the year, Applied Materials undertook a dramatic company-wide restructuring to prepare it for the future. This effort included a realignment program resulting in accelerated product development programs, refocused customer account support, significant reductions in operating costs and the launch of a new, streamlined organization. The program also resulted in a 25 percent reduction of the work force and a consolidation of facilities, vacating approximately 2 million square feet.

In April, Mike Splinter was named president and chief executive officer. Jim Morgan remains chairman of the Board of Directors, and Dan Maydan continues as a Board member and as president emeritus. Our new leadership is intensely customer-centric, and the new organizational structure—with fewer levels of management—aligns us more closely with our customers' requirements, enables us to make effective decisions more rapidly and further drives accountability across the corporation.

These changes have strengthened our core competitive capability, significantly improved our customer account focus, strengthened our industry-leading product lines and enhanced the performance of our manufacturing operations, enabling us to provide our customers with better solutions in less time.

## Financial Performance

In 2003, our revenue was \$4.48 billion and new orders were \$4.32 billion. While we reported a loss of \$149 million, as a result of the realignment activities during the year, we were profitable on an ongoing basis. We generated \$802 million of cash from operations, adding to our strong financial position, and ended the year with \$5.5 billion in cash.

While our performance reflected what was, for the most part, a challenging year, the trends by our fourth quarter were positive, indicating our worldwide customers' renewed willingness to invest in capacity.

## Market Trends and Growth Opportunities

In addition to improved economic conditions, semiconductor investment is strongly influenced by technology and industry-specific factors such as the need for better performance and for increasingly more powerful, portable and affordable electronic products. These requirements are fueling new investments in:

- **The transition to 300mm wafers.** The adoption of 300mm wafers dramatically increases our customers' productivity. New 300mm fabs and expansions of existing facilities are forecast for 2004. Applied Materials is well positioned to support our customers and, based on customers' acceptance of our 300mm systems in development lines in 2003, we are positioned to gain market share.
- **Advanced interconnect technology.** The industry is migrating from aluminum to copper interconnect due to its superior electrical performance. Applied Materials is the leading supplier of copper-based technologies and the only supplier with a complete suite of copper interconnect products.
- **Substrate and transistor technology.** Customers began planning significant engineering investments in new transistors that are at the heart of chip technology. Applied Materials is leading in the development of equipment and processes for gate and substrate technologies to meet these critical high-performance requirements.
- **Asia.** Applied Materials' commitment to the Asia region has spanned more than 20 years. Our significant infrastructure there is a strategic

advantage as growth in this region far outpaces the industry. Asia represented more than 60 percent of Applied Materials' orders in 2003 and is expected to continue above market growth rates in 2004.

## Technically Differentiated Products

We are developing a family of technically differentiated products and services that improve our customers' productivity, cost and return on investment.

We are also enhancing our product offerings at 90nm and below in new areas including electrochemical plating, low  $\kappa$  dielectrics, etch, and inspection and metrology.

Our focus is paying off.

- Our low  $\kappa$  chemical vapor deposition (CVD) Black Diamond product is the first truly low  $\kappa$  dielectric film used in production by multiple chipmakers.
- The electrochemical plating system (ECP) for depositing copper films that we announced in June is seeing strong acceptance and is being designed in at critical device levels.
- As dielectric etch became more critical, we launched two new products to meet both current production and longer term development challenges, a tremendous new growth area.
- Our innovative high speed wafer inspection systems, in-line monitoring system and recently released mask metrology product are all gaining ground.

All of this, combined with our manufacturing capabilities, global infrastructure and extensive product offerings, provide an unparalleled strategic advantage to our customers.

**WE ARE DEVELOPING A FAMILY OF  
TECHNICALLY DIFFERENTIATED PRODUCTS  
AND SERVICES THAT IMPROVE OUR  
CUSTOMERS' PRODUCTIVITY, COST  
AND RETURN ON INVESTMENT.**



#### ◀ A TRIBUTE TO DR. DAN MAYDAN, PRESIDENT EMERITUS

DR. DAN MAYDAN, PRESIDENT OF APPLIED MATERIALS SINCE 1994, RETIRED FROM HIS POSITION IN APRIL, 2003.

During his 23-year tenure at Applied Materials, Dr. Dan Maydan combined extraordinary leadership with a broad technological vision and keen entrepreneurial sense. Renowned as the father of the “single wafer, multi-chamber” system architecture—today the standard in our industry—Dr. Maydan’s business philosophy reached far beyond technology innovation to include an intense focus on product commercialization. From his first days at the company, Dr. Maydan was a key proponent of Applied Materials’ successful multi-product strategy, which now includes most of the primary process technologies used in chipmaking. Dr. Maydan continues to serve as a Board member and a technical advisor to the Company, influencing future generations of Applied leadership and technology.

We are also leveraging our manufacturing capabilities around the world for key competitive advantage. We have worked extensively to improve our supply chain productivity in order to increase our manufacturing effectiveness. This improvement reduces our overall cycle times and enables us to deliver higher quality equipment to our customers with shorter manufacturing lead times.

On the growing service front, Applied Global Services (AGS), with its worldwide support infrastructure, builds on the strength of Applied Materials’ silicon systems business by providing innovative service, maintenance and productivity solutions that help customers achieve their operational cost and productivity goals.

#### Looking Ahead

Applied Materials is a leadership company with a focus on growth. As the leading global provider of integrated circuit fabrication equipment and solutions, we occupy a unique space in the high technology world. As we enter the Nanometer Era, we believe the best years are still ahead of us; a myriad of new ways are arising daily for information technology to improve how we live, work and play. A million new people join the global economy every day, through cell phones, the Internet and satellite communications networks. There is much yet to be done to extend Moore’s Law and the boundaries of semiconductor technology—and Applied Materials intends to lead the way.

### THERE IS MUCH YET TO BE DONE TO EXTEND MOORE’S LAW AND THE BOUNDARIES OF SEMICONDUCTOR TECHNOLOGY—AND APPLIED MATERIALS INTENDS TO LEAD THE WAY.

We want to thank our stockholders, customers and suppliers for their continued confidence in our company. Most importantly, we would like to thank our employees around the world for their incredible commitment to the success of our customers and Applied Materials. Their talent and dedication through these past challenging years have made us a stronger and better company that is ready to grow in 2004 and beyond.

**Mike Splinter**  
President and  
Chief Executive Officer

**James C. Morgan**  
Chairman of the Board

# STOCKHOLDERS' INFORMATION

## LEGAL COUNSEL

Orrick, Herrington & Sutcliffe LLP  
San Francisco, California

## INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP  
San Jose, California

## NUMBER OF REGISTERED STOCKHOLDERS

7,029 (as of October 26, 2003)

## STOCK LISTING

Applied Materials, Inc. is traded on The NASDAQ  
Stock Market®, Nasdaq Symbol: AMAT

## TRANSFER AGENT

Computershare Investor Services, LLC.  
Stockholder Services  
P.O. Box A3504  
Chicago, Illinois 60690  
(312) 360-5186  
(877) 388-5186  
web.queries@computershare.com

## INVESTOR CONTACT

Investor Relations  
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Santa Clara, California 95052-8039  
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(408) 748-5227  
investor\_relations@amat.com  
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## CORPORATE HEADQUARTERS

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Santa Clara, CA 95054-3298

## MAIL ADDRESS AND TELEPHONE

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Fax: (408) 748-9943

## RESOURCE INFORMATION

Additional information can be found on  
the Applied Materials corporate website at  
[www.appliedmaterials.com](http://www.appliedmaterials.com).

For information on the **Company**, go to  
[www.appliedmaterials.com/about](http://www.appliedmaterials.com/about)

For information on **Products**, go to  
[www.appliedmaterials.com/products](http://www.appliedmaterials.com/products)

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For information on **Careers**, go to  
[www.appliedmaterials.com/careers](http://www.appliedmaterials.com/careers)

This Annual Report contains forward-looking statements. All statements other than historical information may be forward-looking statements. These include statements regarding Applied Material's future financial results, operating results, business strategies, projected costs and capital expenditures, products, competitive position, and plans and objectives of management for future operations. Forward-looking statements may be identified by use of words such as "may," "will," "should," "expect," "plan," "anticipate," "believe," "estimate," "forecast," "intend" and "continue," or the negative of these terms, and include the assumptions that underlie such statements. Applied Materials' actual results could differ materially from those expressed or implied in such forward-looking statements as a result of various risks and uncertainties that include, but are not limited to, the sustainability of the uptrend in the semiconductor industry, which is subject to many factors, such as economic conditions, business spending, consumer confidence, demand for electronic products and semiconductors, and geopolitical uncertainties; customers' capacity requirements, including capacity utilizing the latest technology; the timing, rate, amount and sustainability of increases in capital spending for new technology, such as 300mm and 90nm and below applications; Applied Materials' ability to develop, deliver and support a broad range of products and services on a timely basis; Applied Materials' successful and timely development of new markets, products, processes and services; Applied Materials' ability to timely satisfy manufacturing demands; the impact of realignment activities on Applied Materials' operations, net sales and profitability; Applied Materials' ability to maintain effective cost controls and timely align its cost structure with market conditions; changes in management; and other risks described in Applied Materials' Forms 10-K, 10-Q and other filings with the Securities and Exchange Commission. All forward-looking statements are based on management's estimates, projections and assumptions as of the date hereof and Applied Materials assumes no obligation to update any such statements.

## APPLIED MATERIALS' MISSION

Applied Materials' mission is to be the leading supplier of semiconductor fabrication solutions worldwide—through innovation and enhancement of customer productivity with systems and service solutions.

## CORPORATE PROFILE

Applied Materials is the largest supplier of manufacturing systems and related services to the global semiconductor industry. The Company supplies wafer fabrication systems that perform atomic layer deposition (ALD), chemical vapor deposition (CVD), physical vapor deposition (PVD), epitaxial and polysilicon deposition, rapid thermal processing (RTP), plasma etching, electrochemical plating (ECP), ion implantation, metrology, inspection, chemical mechanical polishing (CMP) and wafer wet cleaning; maskmaking equipment; CVD and test systems used to produce flat panel displays (FPDs); and manufacturing execution system (MES) software for semiconductor factory automation. Applied's services include equipment remanufacturing, yield enhancement, productivity support, and parts and materials management for wafer processing systems.

### GLOBAL LEADERSHIP

#### Values

Build a culture of achievement based on a set of core values—Close to the Customer, Mutual Trust and Respect, World-Class Performance—shared by employees around the world.

#### World-Class Workforce

Attract, retain and develop the best people in the world and provide a global knowledge base for collaboration and effective decision-making.

#### Vision of Innovation

Create a shared vision and commitment to innovation in all organizations and activities.

#### Market Leadership

Early leaders win. Focus on markets where it's possible to take the leadership share.

#### Global Presence

Control our destiny in global markets with strong local management and capabilities.

#### Management Excellence

Develop a capable management team that can translate vision into performance. Leverage scale and profitability to invest strategically.

## BOARD OF DIRECTORS

### James C. Morgan

Chairman  
Applied Materials, Inc.

### Michael R. Splinter

President and  
Chief Executive Officer  
Applied Materials, Inc.

### Dan Maydan

President Emeritus  
Applied Materials, Inc.

### Michael H. Armacost\*\*

Shorenstein Distinguished Fellow  
Asia/Pacific Research Center,  
Stanford University

### Deborah A. Coleman\*\*

General Partner  
SmartForest Ventures LLC  
Chairman of the Board  
Tesda Corporation

### Herbert M. Dwight, Jr.\*\*

Chief Executive Officer  
Optical Coating  
Laboratory, Inc. (retired)

### Philip V. Gerdine\*\*

Executive Director  
(Overseas Acquisitions)  
Siemens AG (retired)

### Paul R. Low\*\*

Chief Executive Officer  
P.R.L. Associates

### Steven L. Miller\*\*

Chairman and President  
SLM Discovery Ventures, Inc.  
Chairman, President and  
Chief Executive Officer  
Shell Oil Company (retired)

### Gerhard H. Parker\*\*

Executive Vice President,  
New Business Group  
Intel Corporation (retired)

### Stan Shih\*\*

Chairman, Chief Executive  
Officer and Co-Founder  
The Acer Group

## CORPORATE MANAGEMENT

### James C. Morgan

Chairman of the Board  
of Directors

### Michael R. Splinter

President and  
Chief Executive Officer

### Dan Maydan

President Emeritus

### Joseph R. Bronson

Executive Vice President and  
Chief Financial Officer

### David N. K. Wang

Executive Vice President,  
Applied Global Services

### Gino Addiego

Senior Vice President,  
Foundation Engineering  
and Operations

### Tetsuo Iwasaki

Senior Vice President and  
Chairman, Applied Materials  
Japan Subsidiaries

### Franz Janker

Senior Vice President,  
Sales and Marketing

### Mark Pinto

Senior Vice President,  
New Business and  
New Products Group

### Ashok K. Sinha

Senior Vice President  
and General Manager,  
Etch Product Business Group

### Gilad Almogy

Vice President and General  
Manager, Process Diagnostics  
and Control Product  
Business Group

### David Bergeron

Vice President,  
Corporate Asset Services

### Garry Berryman

Vice President,  
Global Materials and Supply  
Chain Management

### Wendell Blonigan

Vice President and  
General Manager, Display  
Business Products (AKT)

### Edward J. Brown, Jr.

Group Vice President, Operations,  
Applied Global Services

### Fusen Chen

Group Vice President and  
General Manager, Copper,  
PVD and Integrated Systems  
Product Business Group

### George Davis

Vice President and Treasurer

### Trung Doan

Vice President, Products,  
Applied Global Services

### Russell Ellwanger

Group Vice President  
and General Manager,  
Planarization, Plating and Clean  
Product Business Group

### Menachem Erad

Group Vice President,  
New Business and New  
Products Group

### David Fried

Vice President,  
Business Development,  
Applied Global Services

### Nancy H. Handel

Group Vice President,  
Deputy Chief Financial Officer  
and Corporate Controller

### John Hoffman

Vice President and Chief  
Information Officer

### Seitaro Ishii

Group Vice President,  
Regional Business Operations  
and Administration

### Manfred Kerschbaum

Group Vice President,  
Foundation Engineering  
and Operations

### Warren Kocmond

Vice President,  
Supply Chain Management,  
Applied Global Services

### Ray Leubner

Vice President, Manufacturing

### Jeannette Liebman

Vice President,  
Human Resources

### Craig Lowrie

Vice President and  
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### Farhad Moghadam

Group Vice President  
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### Seiji Sato

Vice President and  
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### Joseph J. Sweeney

Group Vice President,  
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Corporate Secretary

### Avi Tepman

Vice President,  
Silicon Business New  
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### Randhir Thakur

Vice President and General  
Manager, Front End Products  
Business Group

### David Tu

Vice President Asia,  
Applied Global Services

\* Audit Committee

+ Corporate Governance and  
Nominating Committee

‡ Human Resources and  
Compensation Committee

