Letter of Comment No: 4542

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Lior Levin@amat.com From:

File Reference: 1102-100

Thursday, June 17, 2004 7:07 PM Sent:

To: Director - FASB

Subject: File Reference 1102-100: Accounting for Stock Options and ESPPs

Dear Sir/ Madam

I am writing to express my opposition to changing the accounting treatment for stock options and Employee Stock Purchase Plans (ESPPs).

- These employee incentives have effectively tied employee performance to shareholder return in a way that no other incentive can match.
- Stock options have helped Applied Materials attract and retain the highly-skilled workers necessary in our globally competitive industry.
- In an increasingly competitive world, the United States should not decrease the utility of these incentives while our technological competitors, particularly in China and Taiwan, are increasing their use of stock and stock options. We believe stock options have contributed to unprecedented levels of innovation.

Sincerely

Lior Levin