

APPLIED MATERIALS INC /DE

Form 4

October 09, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Kerschbaum Manfred

(Last) (First) (Middle)

C/O APPLIED MATERIALS,
INC., P.O. BOX 58039, 3050
BOWERS AV, M/S 2023

(Street)

SANTA CLARA, CA 95054

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
APPLIED MATERIALS INC /DE
[AMAT]

3. Date of Earliest Transaction
(Month/Day/Year)
10/05/2007

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
Senior Vice President

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)
Common Stock	10/05/2007		M	54,000 A	\$ 21.0313	305,424 ⁽¹⁾	D
Common Stock	10/05/2007		S	54,000 D	\$ 21.21	251,424 ⁽¹⁾	D
Common Stock	10/05/2007		M	60,000 A	\$ 20.0625	311,424 ⁽¹⁾	D
Common Stock	10/05/2007		S	60,000 D	\$ 21.3	251,424 ⁽¹⁾	D
					9,190.871 ⁽²⁾	I	

Common
StockBy the
401(k)
Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 21.0313	10/05/2007		M		54,000		07/15/2004	10/18/2007	Common Stock	54,000
Employee Stock Option (right to buy)	\$ 20.0625	10/05/2007		M		60,000		07/15/2005	04/03/2008	Common Stock	60,000

Reporting Owners

Reporting Owner Name / Address**Relationships**

Director 10% Owner Officer Other

Kerschbaum Manfred
C/O APPLIED MATERIALS, INC.
P.O. BOX 58039, 3050 BOWERS AV, M/S 2023
SANTA CLARA, CA 95054

Senior Vice President

Signatures

/s/ Charmaine Mesina,
Attorney-in-Fact

10/09/2007

__Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Number of shares includes 245,000 performance shares (restricted stock units) previously reported that in the future will be converted on a one-for-one basis into shares of Applied Materials, Inc. common stock immediately upon vesting, which vesting is scheduled to occur

(1) as follows: 20,000 performance shares are scheduled to vest in two equal annual installments beginning 8/31/08; and, provided specified performance goals are achieved, 225,000 performance shares are scheduled to vest no earlier than in four equal annual installments beginning 12/19/07 (all vesting is subject to continued employment).

(2) Increased number of shares reflects dividend reinvestment and periodic allocation of accrued interest (which interest was automatically converted into shares) to all participants under 401(k) Plan that are exempt under Rule 16b-3.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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