

APPLIED MATERIALS INC /DE
Form 4
August 18, 2008

FORM 4

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

OMB APPROVAL

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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

(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)
08/14/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock | 08/14/2008 | | M | | 40,000 | A | \$ 16.275 |
| Common Stock | 08/14/2008 | | S | | 40,000 | D | \$ 19.114 |
| Common Stock | 08/14/2008 | | M | | 70,000 | A | \$ 16.275 |
| Common Stock | 08/14/2008 | | S | | 70,000 | D | \$ 19.114 |
| | | | | | | | 10,627.86 ⁽²⁾ |

Common
Stock

By the
401(k)
Plan

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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) | \$ 16.275 | 08/14/2008 | | M | 40,000 | 07/15/2005 10/19/2008 | Common Stock 40,000 |
| Employee Stock Option (right to buy) | \$ 16.275 | 08/14/2008 | | M | 70,000 | 07/15/2006 10/19/2008 | Common Stock 70,000 |

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

08/18/2008

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 313,750 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 upon vesting, which vesting is scheduled to occur as follows: (a) 20,000 performance shares are scheduled to vest in two equal annual installments beginning 8/31/08, (b) 168,750 performance shares are scheduled to vest in three equal annual installments beginning 12/19/08, and (c) provided specified performance goals are achieved, 125,000 performance shares are scheduled to vest no earlier than in four equal annual installments beginning 12/19/08 (all vesting is subject to continued employment).
- (1) Increased number of shares reflects periodic payroll acquisitions, 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.
- (2)

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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