

Kerschbaum Manfred
 Form 4
 December 08, 2010

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

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

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 ___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Senior Vice President

(Last) (First) (Middle)
 C/O APPLIED MATERIALS, INC., P.O. BOX 58039, 3050 BOWERS AV, M/S 2023
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/06/2010

SANTA CLARA, CA 95054
 (City) (State) (Zip)

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

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. Code	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 Ownership (Instr. 4)			
			Code	V	Amount or Price					
Common Stock	12/06/2010		A		100,000 ⁽¹⁾	A	\$ 0	362,500 ⁽²⁾	D	
Common Stock	12/07/2010		M		200,000	A	\$ 8.58	562,500 ⁽²⁾	D	
Common Stock	12/07/2010		S		200,000	D	\$ 13.0378	362,500 ⁽²⁾	D	
Common Stock								14,331.761 ⁽³⁾	I	By the 401(k) Plan

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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 Number Shares
Employee Stock Option (right to buy)	\$ 8.58	12/07/2010		M	200,000	⁽⁴⁾	03/09/2014	Common Stock	200,000

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
Date: 12/08/2010

**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).

- Represents performance shares (restricted stock units) that will be converted on a one-for-one basis into shares of Applied Materials, Inc. common stock upon vesting. These performance shares will vest only after the satisfaction of specified performance goals. Provided such goals are achieved, vesting is scheduled to occur no earlier than in four equal annual installments beginning 12/19/2011 (subject to continued employment through each vest date).
- Number of shares also includes 262,500 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) 96,875 shares are scheduled to vest on 12/19/2010; (b) 43,750 shares are scheduled to vest in two equal annual installments beginning 12/19/2010; (c) 18,750 shares are scheduled to vest on 12/19/2011; (d) provided specified performance goals are

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achieved, 28,125 shares are scheduled to vest on 12/19/2011; and (e) provided specified performance goals are achieved, 75,000 shares are scheduled to vest: (i) as to 12,500 shares no earlier than 12/19/2011 and (ii) as to 62,500 shares no earlier than in two equal annual installments beginning 12/19/2012 (all vesting is subject to continued employment through each vest date).

- (3) Increased number of shares reflects periodic payroll acquisitions and dividend reinvestment under the 401(k) Plan that are exempt under Rule 16b-3.
- (4) 200,000 became exercisable on 4/1/2010 and 200,000 shares are scheduled to become exercisable on each of 4/1/2011 and 4/1/2012 (subject to continued employment through each vest date).

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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