

Erad Menachem
 Form 4
 October 05, 2007

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 *
 Erad Menachem

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)
 Group VP, Chief of Staff

(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)
 10/03/2007

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. 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 Ownership (Instr. 4)
			Code	V	Amount or Price (A) or (D)		
Common Stock	10/03/2007		M		35,000 A \$ 15.07	149,236 ⁽¹⁾	D
Common Stock	10/03/2007		S		35,000 D \$ 21.4	114,236 ⁽¹⁾	D
Common Stock	10/03/2007		M		18,750 A \$ 16.12	132,986 ⁽¹⁾	D
Common Stock	10/03/2007		S		18,750 D \$ 21.4	114,236 ⁽¹⁾	D
	10/03/2007		M		15,000 A	129,236 ⁽¹⁾	D

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Common Stock						\$			
						18.64			
Common Stock	10/03/2007		S	15,000	D	\$ 21.4	114,236 ⁽¹⁾		D
Common Stock	10/03/2007		S	24,736	D	\$ 21.4	89,500 ⁽¹⁾		D

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)	\$ 15.07	10/03/2007		M	35,000	07/15/2007 11/19/2009	Common Stock	35,000	
Employee Stock Option (right to buy)	\$ 16.12	10/03/2007		M	18,750	⁽²⁾ 11/03/2011	Common Stock	18,750	
Employee Stock Option (right to buy)	\$ 18.64	10/03/2007		M	15,000	⁽³⁾ 12/01/2012	Common Stock	15,000	

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

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

Group VP, Chief of Staff

Signatures

/s/ Charmaine Mesina,
Attorney-in-Fact

10/05/2007

__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 89,500 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 immediately upon vesting, which vesting is scheduled to occur as follows: 37,500 performance shares are scheduled to vest in three equal annual installments beginning 8/31/08; and 52,000 performance shares are scheduled to vest in two equal annual installments beginning 8/31/08 (all vesting is subject to continued employment).
- (1) 18,750 shares became exercisable on each of 7/15/05, 7/15/06 and 7/15/07; and 18,750 shares become exercisable on 7/15/08 (subject to continued employment).
 - (2) 15,000 shares became exercisable on each of 8/31/06 and 8/31/07; and 15,000 shares become exercisable on each of 8/31/08 and 8/31/09 (subject to continued employment).
 - (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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