

Kerschbaum Manfred
Form 4
December 08, 2010

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

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

(Last) (First) (Middle)

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

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

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

(Street)

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

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

SANTA CLARA, CA 95054

(City) (State) (Zip)

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)
Common Stock	12/06/2010		A	Amount <u>100,000</u> (1)	(A) or (D) 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	<u>(4)</u> 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

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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