

As Filed With The Securities And Exchange Commission on October 31, 1995

Registration No. 33-

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-8
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

APPLIED MATERIALS, INC.
(Exact name of issuer as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

94-1655526
(I.R.S. employer
identification number)

3050 Bowers Avenue, Santa Clara, California 95054
(Address of principal executive offices)(Zip Code)

EMPLOYEES' STOCK PURCHASE PLAN
STOCK PURCHASE PLAN FOR OFFSHORE EMPLOYEES
(Full title of the plan)

James C. Morgan
Applied Materials, Inc.
3050 Bowers Avenue, Santa Clara, California 95054
(Name and address of agent for service)

Telephone number, including area code, of agent for service: (408) 748-5555

Copy to:
Donald A. Slichter, Esq.
Orrick, Herrington & Sutcliffe
400 Sansome Street
San Francisco, California 94111

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price Per Share*	Proposed Maximum Aggregate Offering Price*	Amount of Registration Fee*
Common Stock	4,000,000 shares	\$46.625	\$186,500,000	\$64,311

* Estimated solely for the purpose of calculating the registration fee on the basis of \$46.625 per share, the average of the high and low trade prices for the Common Stock on October 26, 1995, as reported by NASDAQ.

INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents are incorporated by reference in this registration statement: (i) Applied Materials, Inc.'s (the "Company") latest annual report filed pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); (ii) all other reports filed by the Company pursuant to Sections 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Company's latest annual report; and (iii) the description of the Company's common stock set forth in the Company's Registration Statement on Form 8-B relating thereto, including any amendment or report filed for the purpose of updating such description. All documents filed by the Company after the date of this registration statement pursuant to Sections 13(a), 13(c), 14, and 15(d) of the Exchange Act, prior to the filing of a post-effective amendment (that indicates all securities offered have been sold or deregisters all securities then remaining unsold), shall be deemed to be incorporated by reference in this registration statement and to be a part hereof from the date of filing of such documents.

ITEM 4. DESCRIPTION OF SECURITIES

Inapplicable.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL

Inapplicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the Delaware General Corporation Law (the "Delaware Law") authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities (including reimbursement for expenses incurred) arising under the Securities Act of 1933, as amended. The Registrant's Certificate of Incorporation and Bylaws provide for indemnification of the Registrant's directors, officers, employees and other agents to the maximum extent permitted by the Delaware Law. In addition, the Registrant has entered into indemnification agreements with its officers and directors.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED

Inapplicable.

ITEM 8. EXHIBITS

- 4.1 The Applied Materials, Inc. Employees' Stock Purchase Plan.
- 4.2 The Applied Materials, Inc. Stock Purchase Plan for Offshore Employees.
- 5.1 Opinion of Orrick, Herrington & Sutcliffe.
- 23.1 Consent of Price Waterhouse LLP.
- 23.2 Consent of Orrick, Herrington & Sutcliffe is included in Exhibit 5.1.
- 24.1 Power of Attorney of Directors.

ITEM 9. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement;

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

Provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3 or Form S-8 and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of

such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933 each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of the Plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Signatures

THE REGISTRANT

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Santa Clara, State of California on the 31st day of October, 1995.

APPLIED MATERIALS, INC.
(Registrant)

/s/ James C. Morgan

James C. Morgan
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dated indicated.

Signature	Title	Date
Principal Executive Officer:		
/s/ James C. Morgan ----- James C. Morgan	Chairman of the Board Chief Executive Officer	October 31, 1995
Principal Financial Officer:		
/s/ Gerald F. Taylor ----- Gerald F. Taylor	Senior Vice President and Chief Financial Officer	October 31, 1995
Principal Accounting Officer:		
/s/ Michael K. O'Farrell ----- Michael K. O'Farrell	Vice President and Corporate Controller	October 31, 1995

Directors:

*s/ James C. Morgan ----- James C. Morgan	Director	October 31, 1995
----- Michael Armacost	Director	October 31, 1995
*s/ James W. Bagley ----- James W. Bagley	Director	October 31, 1995
*s/ Herbert M. Dwight, Jr. ----- Herbert M. Dwight, Jr.	Director	October 31, 1995
*s/ George B. Farnsworth ----- George B. Farnsworth	Director	October 31, 1995
*s/ Philip V. Gerdine ----- Philip V. Gerdine	Director	October 31, 1995
*s/ Paul R. Low ----- Paul R. Low	Director	October 31, 1995
*s/ Dan Maydan ----- Dan Maydan	Director	October 31, 1995
*s/ Alfred J. Stein ----- Alfred J. Stein	Director	October 31, 1995
*By /s/ Donald A. Slichter ----- Donald A. Slichter Attorney-in-Fact		

A majority of the members of the Board of Directors.

EXHIBIT INDEX

- 4.1 The Applied Materials, Inc. Employees' Stock Purchase Plan.
- 4.2 The Applied Materials, Inc. Stock Purchase Plan for Offshore Employees.
- 5.1 Opinion of Orrick, Herrington & Sutcliffe.
- 23.1 Consent of Price Waterhouse LLP.
- 23.2 Consent of Orrick, Herrington & Sutcliffe is included in Exhibit 5.1.
- 24.1 Power of Attorney of Directors.

EXHIBIT 4.1

APPLIED MATERIALS, INC.
EMPLOYEES' STOCK PURCHASE PLAN
(as amended and restated October 16, 1995)

1. ESTABLISHMENTS; PURPOSE

Effective as of October 16, 1995, the Corporation hereby amends, restates and continues in its entirety, the Applied Materials, Inc. Employees' Stock Purchase Plan on the following terms and conditions. The Plan is intended to encourage ownership of Common Stock of the Corporation by all Eligible Employees and to provide incentives for them to exert maximum efforts for the success of the Corporation and its Affiliates. By extending to Eligible Employees the opportunity to acquire proprietary interests in the Corporation and to participate in its success, the Plan may be expected to benefit the Corporation and its shareholders by making it possible for the Corporation to attract and retain qualified employees. The Plan is intended to qualify as an employee stock purchase plan under section 423 of the Code.

2. DEFINITIONS

The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

2.1 "Affiliate" means any (i) parent to the Corporation as determined under Section 424(e) of the Code and (ii) any subsidiary to the Corporation as determined under Section 424(f) of the Code which parent or subsidiary has been designated by the Board as a corporation employees of which may participate in the Plan.

2.2 "Board" means the Board of Directors of the Corporation, as from time to time constituted.

2.3 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

2.4 "Common Stock" means the common stock of the Corporation.

2.5 "Corporation" means Applied Materials, Inc., a Delaware Corporation.

2.6 "Eligible Employee" means any employee eligible to participate in the Plan in accordance with Section 5.

2.7 "Grant Date" means that date specified by the Board under Section 7 for the granting of Options in an Offering under the Plan.

2.8 "Offering" means an offer to purchase stock under Section 6.

2.9 "Option" means an option to acquire Common Stock under the terms of this Plan.

2.10 "Participating Employee" means, with respect to each Offering under the Plan, any Eligible Employee who has elected to participate in accordance with Section 7.

2.11 "Plan" means this Employees' Stock Purchase Plan, as amended from time to time.

2.12 "Plan Administrator" means the employee or employees of the Corporation selected by the Board or the Committee (if authorized by the Board under Section 4.3) to perform certain ministerial duties in the administration of the Plan.

3. STOCK SUBJECT TO THE PLAN

No more than 2,400,000 shares of Common Stock may be issued upon the exercise of Options granted under the Plan, subject to adjustments as provided in Section 9, which may be unissued shares, reacquired shares, or shares brought on the market. If any Option which shall have been granted shall expire or terminate for any reason without having been exercised in full, the unpurchased shares shall again become available for purposes of the Plan (unless the Plan shall have been terminated).

4. ADMINISTRATION

4.1 The Plan shall be administered by the Board, except to the extent that the Board shall delegate responsibility for the administration of the Plan as stated in Section 4.3.

4.2 The Board shall have the plenary power, subject to and within the limits of the express provisions of the Plan:

- (a) To construe and interpret the Plan and Options granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, shall generally determine all questions of policy and expediency that may arise, and may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any instrument associated

with the Plan, in such manner and to such extent as the Board shall deem necessary to make the Plan fully effective.

(b) To establish the terms of each Offering of Common Stock under the Plan.

(c) Adopt such procedures and subplans as are necessary or appropriate to permit participation in the Plan by Eligible Employees who are foreign nationals or employed outside of the United States.

4.3 The Board, by resolution, may delegate responsibility for the administration of the Plan or any part thereof, to a committee (the "Committee") composed of not less than the minimum number of disinterested members of the Board as is necessary to maintain the qualification of the Plan under Rule 16b-3 or any similar or successor rule promulgated under the Exchange Act of 1934, as amended ("Rule 16b-3"). The Board may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board. To the extent that responsibility for the administration of the Plan is delegated to the Committee, the Committee shall have the powers theretofore possessed by the Board and to the extent that the Committee has been so authorized to act, all references in this Plan to the Board shall include the Committee, subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as, from time to time, may be adopted by the Board. The Board at any time, by resolution, may revoke such delegation and re-vest in the Board all or any part of the responsibility for the administration of the Plan.

4.4 The Board or the Committee (if authorized by the Board under Section 4.3) may delegate to the Plan Administrator the responsibility to perform certain ministerial duties in the administration of the Plan as are specified in this Plan. To the extent that the Board or Committee has not delegated such duties to the Plan Administrator, all references in this Plan to Plan Administrator shall include the Board or Committee as appropriate.

5. ELIGIBILITY

Subject to the provisions of Section 7.14, an individual shall be eligible to participate in any Offering under the Plan if he or she (a) has been continuously employed by the Corporation and/or an Affiliate for such minimum period (not to exceed two years) prior to such Grant Date as the Board shall fix and (b) is customarily employed by the Corporation and/or an Affiliate at least 20 hours per week and five months per calendar year. A member of the Board who is not also an

employee of the Corporation and/or an Affiliate shall not be eligible to participate in the Plan.

6. OFFERINGS

During the term of the Plan, the Corporation will make one or more offerings ("Offering") in which Options to purchase Common Stock will be granted to Eligible Employees under the Plan. The terms and conditions of Options to be granted in any such Offering will be determined by the Board under Section 7. In connection with any Offering, if the number of shares for which Eligible Employees elect to participate shall be greater than the shares remaining available, the available shares shall, at the end of the Offering Period, be allocated among the Participating Employees pro rata on the basis of the number of shares for which each has elected to participate.

7. TERMS AND CONDITIONS OF OPTIONS

7.1 Subject to the limitations herein contained, the Board shall determine the terms of Options in each Offering all of which shall be granted on the same date (the "Grant Date").

7.2 The Option price per share for each Offering shall be determined by the Board, but shall in no instance be less than the lower of 85% of the fair market value of a share of the Common Stock on the Grant Date, or 85% of the fair market value of a share of the Common Stock on the date the Option is exercised (the "Exercise Date"). The fair market value of a share of the Common Stock on the Grant Date or the Exercise Date shall be the last trade price of the Common Stock as reported in the NASDAQ over-the-counter market for National Market Issues by The Wall Street Journal on such Grant Date or Exercise Date, as determined by the Board, or if no report is available for such date, on the next subsequent date for which such a report is available.

7.3 The expiration date of the Options granted under each Offering shall be determined by the Board on or prior to the Grant Date for such Offering, but in no event shall such expiration be more than 27 months from the Grant Date for such Offering.

7.4 All Eligible Employees to whom Options are granted shall have the same rights and privileges within the meaning of Section 423 of the Code, and applicable rules and regulations thereunder.

7.5 Each Eligible Employee who desires to participate in an Offering shall elect to do so in such manner as may be prescribed from time to time by the Board.

7.6 A Participating Employee shall exercise his or her Option by delivering notice of exercise to the Plan Administrator or a person designated by the Plan Administrator at such time and in such manner as the Board shall prescribe.

7.7 Upon exercise of an Option, full payment for the shares subject to the Option shall be made in such form or manner as the Board shall fix.

7.8 The Board may (but is not required to) establish on such terms and conditions as it shall determine (subject, however, to the requirements of Section 423 of the Code) a payroll deduction system for the purchase of shares covered by the Options hereunder. If there are payroll deductions under any Offering, the Corporation or an Affiliate shall maintain a payroll deduction account for each Participating Employee. The Board may (but is not required to) provide for interest at such rate as the Board shall determine to be credited to the payroll deduction accounts.

7.9 Subject to such requirements or limitations of Section 423 of the Code as shall apply, the Board shall establish rules, terms and conditions for each Offering governing the exercise of outstanding Options in the event of a Participating Employee's termination of employment or change in employment status.

7.10 The Corporation will seek to obtain from each regulatory committee or agency having jurisdiction such authority as may be required to issue and sell shares of Common Stock to satisfy Options granted under the Plan. Inability of the Corporation to obtain from any such regulatory commission or agency authority which counsel for the Corporation deems necessary for the lawful issuance and sale of its Common Stock to satisfy Options granted under the Plan, shall relieve the Corporation from any liability for failure to issue and sell Common Stock to satisfy such Options pending the time when such authority is obtained or is obtainable.

7.11 Neither an Eligible Employee to whom an Option is granted under the Plan nor his or her transferee shall have any rights as a stockholder with respect to any shares covered by his or her Option until the date of the issuance of a stock certificate to him or her for such shares.

7.12 Options granted under the Plan shall not be transferable, except by will or by the laws of descent and distribution, and may be exercised during the lifetime of a Participating Employee only by him or her.

7.13 Each Option granted under the Plan shall be evidenced by such instrument or documentation, if any, as the

Board shall establish, which shall be dated the Grant Date and shall comply with and be subject to the terms and conditions of the Plan.

7.14 No Eligible Employee shall be granted an Option under the Plan if such Eligible Employee, immediately after the Option is granted, would own stock possessing 5% or more of the total combined voting power or value of all classes of stock of the Corporation, determined in accordance with Section 423(b)(3) of the Code. No Eligible Employee shall be granted an Option under the Plan which permits his or her right to purchase Common Stock under all employee stock purchase plans of the Corporation (qualifying under Section 423 of the Code) to accrue at a rate which exceeds \$25,000 (or such other maximum as may be prescribed from time to time by the Code) of fair market value of the Common Stock (determined at the time the Option is granted) for each calendar year in which the Option is outstanding at any time, in accordance with the provisions of Section 423(b)(8) of the Code.

7.15 Nothing in the Plan or in any Option granted under the Plan shall confer on any Participating Employee any right to continue in the employ of the Corporation or any of its Affiliates or to interfere in any way with the right of the Corporation or any of its Affiliates to terminate his or her employment at any time.

8. FUNDS

All amounts held by the Corporation or an Affiliate in payroll deduction accounts under the Plan may be used for any corporate purpose of the Corporation or Affiliate.

9. ADJUSTMENT IN NUMBER OF SHARES AND IN OPTION PRICE

In the event there is any change in the Common Stock through declarations of stock dividends or stock split-ups, recapitalizations resulting in stock split-ups, or combinations or exchanges of shares, or otherwise, appropriate adjustments in the number of shares available for Option, as well as the shares subject to any Option and the Option price thereof, shall be made, provided that no fractional shares shall be subject to an Option and each Option shall be adjusted down to the nearest full share.

10. AMENDMENT OF THE PLAN

The Board at any time, and from time to time, may amend the Plan, provided however, that except as provided in Section 9, approval by the Shareholders of the Company shall be required (i) to increase the aggregate number of shares which

may be issued under the Plan and (ii) to the extent necessary to preserve the qualification of the Plan under Rule 16b-3.

11. TERMINATION OR SUSPENSION OF THE PLAN

The Board may at any time suspend or terminate the Plan. The Plan, unless sooner terminated, shall terminate on March 10, 2002. No Offering shall be made under the Plan while it is suspended or after it is terminated.

EXHIBIT 4.2

APPLIED MATERIALS, INC.
STOCK PURCHASE PLAN
FOR OFFSHORE EMPLOYEES
(as amended and restated October 16, 1995)

1. ESTABLISHMENT; PURPOSE

Effective as of October 16, 1995, the Corporation hereby establishes the Applied Materials, Inc. Stock Purchase Plan for Offshore Employees on the following terms and conditions. The Plan is intended to encourage ownership of Common Stock of the Corporation by selected Offshore Employees of Affiliates of the Company ("Eligible Employees") and to provide incentives for them to exert maximum efforts for the success of the Corporation. By extending to Eligible Employees the opportunity to acquire proprietary interests in the Corporation and to participate in its success, the Plan may be expected to benefit the Corporation and its shareholders by making it possible to attract and retain qualified employees.

2. DEFINITIONS

The following words and phrases shall have the following meanings unless a different meaning is plainly required by the context:

2.1 "Affiliate" means any direct or indirect subsidiary of the Corporation which has been designated by the Board as a corporation employees of which may participate in the Plan.

2.2 "Board" means the Board of Directors of the Corporation, as from time to time constituted.

2.3 "Common Stock" means the common stock of the Corporation.

2.4 "Corporation" means Applied Materials, Inc., a Delaware Corporation.

2.5 "Eligible Employee" means any Offshore Employee eligible to participate in the Plan in accordance with Section 5.

2.6 "Grant Date" means that date specified by the Board of the Committee for the granting of options in an Offering under the Plan.

2.7 "Offshore Employee" means a natural person employed by an Affiliate who is neither a U.S. citizen nor a U.S. resident for U.S. tax purposes.

2.8 "Option" means an option to acquire Common Stock under the terms of this Plan.

2.9 "Participating Employee" means, with respect to each Offering under the Plan, any Eligible Employee who has elected to participate in accordance with Section 7.

2.10 "Plan" means this Stock Purchase Plan for Offshore Employees as amended from time to time.

2.11 "Plan Administrator" means the employee or employees of the Corporation selected by the Board or the Committee (if authorized by the Board under Section 4.3) to perform certain ministerial duties in the administration of the Plan.

3. STOCK SUBJECT TO THE PLAN

No more than 1,600,000 shares of Common Stock may be issued upon the exercise of Options granted under the Plan, subject to adjustments as provided in Section 9, which may be unissued shares, reacquired shares, or shares brought on the market. If any Option which shall have been granted shall expire or terminate for any reason without having been exercised in full, the unpurchased shares shall again become available for purposes of the Plan (unless the Plan shall have been terminated).

4. ADMINISTRATION

4.1 The Plan shall be administered by the Board except to the extent that the Board shall delegate responsibility for the administration of the Plan as stated in Section 4.3.

4.2 The Board shall have the plenary power, subject to and within the limits of the express provisions of the Plan:

(a) To construe and interpret the Plan and Options granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, shall generally determine all questions of policy and expediency that may arise, and may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any instrument associated with the Plan, in such manner and to such extent as the Board shall deem necessary to make the Plan fully effective.

(b) To establish the terms of each Offering of Common Stock under the Plan.

4.3 The Board, by resolution, may delegate responsibility for the administration of the Plan or any part thereof, to a committee (the "Committee") composed of members of the Board. The Board may from time to time remove members from, or add members to, the Committee. Vacancies on the Committee, howsoever caused, shall be filled by the Board. To the extent that responsibility for the administration of the Plan is delegated to the Committee, the Committee shall have the powers theretofore possessed by the Board, and to the extent that the Committee has been authorized to act, all references in this Plan to the Board shall include the Committee, subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as, from time to time, may be adopted by the Board. The Board at any time, by resolution, may revoke such delegation and re-vest in the Board all or any part of the responsibility for the administration of the Plan.

4.4 The Board or Committee (if authorized by the Board) may delegate to the Plan Administrator the responsibility to perform certain ministerial duties in the administration of the Plan as are specified in the Plan. To the extent that the Board or Committee has not delegated such duties to the Plan Administrator, all references in this Plan to Plan Administrator shall include Board or Committee, as appropriate.

5. ELIGIBILITY

The Committee shall designate the Eligible Employees who shall be eligible to participate in any Offering under the Plan.

6. OFFERINGS

During the term of the Plan, the Corporation will make one or more Offerings ("Offering") in which Options to purchase Common Stock will be granted to Eligible Employees under the Plan. The terms and conditions of Options to be granted in any such Offering will be determined by the Board under Section 7. In connection with any Offering, if the number of shares for which Eligible Employees elect to participate shall be greater than the shares remaining available, the available shares shall, at the end of the Offering Period, be allocated among the Participating Employees pro rata on the basis of the number of shares for which each has elected to participate.

7. TERMS AND CONDITIONS OF OPTIONS

7.1 Subject to the limitations herein contained, the Board shall determine the terms of Options in each Offering all of which shall be granted on the same date (the "Grant Date").

7.2 The Option price per share for each Offering shall be as determined by the Board.

7.3 The expiration date of the Options granted under each Offering shall be determined by the Board on or prior to the Grant Date for such Offering.

7.4 All Eligible Employees to whom Options are granted shall be entitled to purchase the number of full shares as shall be established by the Board at the Grant Date. Each eligible Employee may elect to participate for less than the maximum number of shares which he or she is entitled to purchase under his or her Option. If an Eligible Employee elects to participate for less than the maximum number of shares which he or she is entitled to purchase, his or her Option shall at that time terminate and become void to the extent of the number of shares for which he or she does not elect to participate.

7.5 Each Eligible Employee who desires to participate in an Offering shall elect to do so by completing and delivering to the Plan Administrator or a person designated by the Plan Administrator in a timely fashion such form or forms as may be prescribed by the Board.

7.6 A Participating Employee shall exercise his or her Option by delivering notice of exercise to the Plan Administration or a person designated by the Plan Administrator at such time and in such form and manner as the Board shall prescribe.

7.7 Upon exercise of an Option, full payment for the shares subject to the Option shall be made in such form or manner as the Board shall fix.

7.8 The Board may (but is not required to) establish on such terms and conditions as it shall determine a payroll deduction system for the purchase of shares covered by the Options hereunder. If there are payroll deductions under any Offering, the Corporation or an Affiliate shall maintain a payroll deduction account for each Participating Employee. The Board may (but is not required to) provide for interest at such rate as the Board shall determine to be credited to the payroll deduction accounts.

7.9 The Board shall establish rules, terms and conditions for each Offering governing the exercise of

outstanding Options in the event of a Participating Employee's termination of employment or change in employment status.

7.10 The Corporation will seek to obtain from each regulatory committee or agency having jurisdiction such authority as may be required to issue and sell shares of Common Stock to satisfy Options granted under the Plan. Inability of the Corporation to obtain from any such regulatory commission or agency authority which counsel for the Corporation deems necessary for the lawful issuance and sale of its Common Stock to satisfy Options granted under the Plan, shall relieve the Corporation from any liability for failure to issue and sell Common Stock to satisfy such Options pending the time when such authority is obtained or is obtainable.

7.11 Neither an Eligible Employee to whom an Option is granted under the Plan nor his or her transferee shall have any rights as a stockholder with respect to any shares covered by his or her Option until the date of the issuance of a stock certificate to him for such shares.

7.12 Options granted under the Plan shall not be transferable, except by will or by the laws of descent and distribution, and may be exercised during the lifetime of a Participating Employee only by him.

7.13 Each Option granted under the Plan shall be evidenced by such instrument or documentation, if any, as the Board shall establish, which shall be dated the Grant Date and shall comply with and be subject to the terms and conditions of the Plan.

7.14 Nothing in the Plan or in any Option granted under the Plan shall confer on any Participating Employee any right to continue in the employ of the Corporation or any of its Affiliates or to interfere in any way with the right of the Corporation or any of its Affiliates to terminate his or her employment at any time.

8. FUNDS

Any amounts held by any Affiliate in payroll deduction accounts under the Plan may be used for any corporate purpose of the Affiliate.

9. ADJUSTMENT IN NUMBER OF SHARES AND IN OPTION PRICE

In the event there is any change in the Common Stock through declarations of stock dividends or stock split-ups, recapitalizations resulting in stock split-ups, or combinations or exchanges of shares, or otherwise, appropriate adjustments in the number of shares available for Option, as well as the shares

subject to any Option and the Option price thereof, shall be made, provided that no fractional shares shall be subject to an Option and each Option shall be adjusted down to the nearest full share.

10. AMENDMENT OF THE PLAN

The Board at any time, and from time to time, may amend the Plan, provided, however, the rights and obligations under the Option granted before an amendment of the Plan is made effective shall not be altered or impaired by the amendment without the consent of the Eligible Employee to whom the Option was granted or the person to whom rights under the Option shall have passed by will or by the laws of descent and distribution.

11. TERMINATION OR SUSPENSION OF THE PLAN

The Board may at any time suspend or terminate the Plan. The Plan, unless sooner terminated, shall terminate on March 10, 2002. No Offering shall be made under the Plan while it is suspended or after it is terminated.

October 31, 1995

Applied Materials, Inc.
3050 Bowers Avenue
Santa Clara, California 95054

Re: Employees' Stock Purchase Plan and Stock Purchase
Plan for Offshore Employees

Ladies and Gentlemen:

At your request, we are rendering this opinion in connection with the proposed issuance pursuant to The Applied Materials, Inc. Employees' Stock Purchase Plan and the Applied Materials, Inc. Stock Purchase Plan for Offshore Employees (collectively, the "Plans"), of up to 4,000,000 shares of common stock, \$.01 par value ("Common Stock"), of Applied Materials, Inc., a Delaware corporation (the "Company").

We have examined instruments, documents, and records which we deemed relevant and necessary for the basis of our opinion hereinafter expressed. In such examination, we have assumed the following: (a) the authenticity of original documents and the genuineness of all signatures; (b) the conformity to the originals of all documents submitted to us as copies; and (c) the truth, accuracy, and completeness of the information, representations, and warranties contained in the records, documents, instruments, and certificates we have reviewed.

Based on such examination, we are of the opinion that the 4,000,000 shares of Common Stock to be issued by the Company pursuant to the Plans are validly authorized shares of Common Stock, and, when issued in accordance with the provisions of the Plans, will be legally issued, fully paid, and nonassessable.

We hereby consent to the filing of this opinion as an exhibit to this Registration Statement on Form S-8 and to the use of our name wherever it appears in said Registration Statement. In giving such consent, we do not consider that we are "experts" within the meaning of such term as used in the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission issued thereunder with respect to any part of the Registration Statement, including this opinion, as an exhibit or otherwise.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated November 19, 1994, which appears on page 47 of the 1994 Annual Report to Shareholders of Applied Materials, Inc., which is incorporated by reference in Applied Materials, Inc.'s Annual Report on Form 10-K for the year ended October 30, 1994. We also consent to the incorporation by reference of our report on the Financial Statement Schedules, which appears on page 21 of such Annual Report on Form 10-K.

PRICE WATERHOUSE LLP
San Jose, California
October 31, 1995

EXHIBIT 24.1

POWER OF ATTORNEY OF DIRECTORS

KNOW BY ALL PERSONS BY THESE PRESENTS:

Each of the undersigned hereby constitutes and appoints James C. Morgan, Gerald F. Taylor, and Donald A. Slichter, and each of them with power to act alone, his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign a Registration Statement or Registration Statements on Form S-8, or a post-effective amendment or amendments thereto, relating to up to a total of 4,000,000 shares of common stock issuable under the Applied Materials, Inc. Employees' Stock Purchase Plan and the Applied Materials, Inc. Stock Purchase Plan for Offshore Employees, and to file the same, together with exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorney-in-fact full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises hereof, as fully to all intents and purposes as he or she might do or could do in person, thereby ratifying and confirming all that said attorney-in-fact or his or her substitutes may lawfully do or cause to be done by virtue hereof.

----- Michael H. Armacost	June 15, 1995
/s/ James W. Bagley ----- James W. Bagley	June 15, 1995
/s/ Herbert M. Dwight, Jr. ----- Herbert M. Dwight, Jr.	June 15, 1995
/s/ George B. Farnsworth ----- George B. Farnsworth	June 15, 1995
/s/ Philip V. Gerdine ----- Philip V. Gerdine	June 15, 1995
/s/ Tsuyoshi Kawanishi ----- Tsuyoshi Kawanishi	June 15, 1995

/s/ Paul R. Low

Paul R. Low

June 15, 1995

/s/ Dan Maydan

Dan Maydan

June 15, 1995

/s/ James C. Morgan

James C. Morgan

June 15, 1995

/s/ Alfred J. Stein

Alfred J. Stein

June 15, 1995