

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

March 29, 2000

Date of Report (Date of earliest event reported)

APPLIED MATERIALS, INC.

(Exact name of registrant as specified in its charter)

Delaware

0-6920

94-1655526

(State or other
jurisdiction of
incorporation)

(Commission
File number)

(I.R.S. Employer
Identification No.)

3050 Bowers Avenue
Santa Clara, CA 95054

(Address of principal executive offices)

(408) 727-5555

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Item 2. Acquisition or Disposition of Assets.

On March 29, 2000, Applied Materials, Inc. ("Applied Materials") completed its acquisition of Etec Systems, Inc. ("Etec") in a stock-for-stock transaction. Pursuant to an Agreement and Plan of Reorganization (the "Merger Agreement"), dated as of January 12, 2000, by and among Applied Materials, Etec and Boston Acquisition Sub, Inc. ("Merger Sub"), a wholly-owned subsidiary of Applied Materials, Merger Sub was merged with and into Etec ("the Merger"), with Etec being the surviving corporation. As a result of the Merger, Etec became a wholly-owned subsidiary of Applied Materials. In connection with the Merger: (a) each outstanding share of Etec common stock will be exchanged for 1.298 shares of Applied Materials common stock (or 0.649 of a share of Applied Materials common stock on a pre-stock dividend basis), resulting in the issuance of 32,908,578 shares of Applied Materials common stock for all outstanding shares of Etec common stock, and (b) all options to purchase shares of Etec common stock outstanding immediately prior to the consummation of the Merger were converted into options to purchase shares of Applied Materials common stock. The description contained in this Item 2 of the transactions consummated pursuant to the terms and conditions of the Merger Agreement is qualified in its entirety by reference to the full text of the Merger Agreement, a copy of which is attached to this Report as Exhibit 2.1.

The Merger is intended to qualify as a tax-free reorganization under the Internal Revenue Code of 1986, as amended, and is expected to be accounted for as a "pooling-of-interests." A copy of the press release announcing the consummation of the Merger is attached hereto as Exhibit 99.1.

Etec is a leader in patterning solutions for the semiconductor and electronics industries. Etec designs, develops, manufactures and markets electron and laser beam systems that produce high-precision masks, which are used to print circuit patterns onto semiconductor wafers.

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(a) Financial Statements

Not applicable.

(b) Pro Forma Financial Information

Not applicable.

(c) Exhibits

The following Exhibits are filed as part of this report:

Exhibit	Description
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2.1	Agreement and Plan of Reorganization, dated as of January 12, 2000, by and among Applied Materials, Inc., Boston Acquisition Sub, Inc. and Etec Systems, Inc. (incorporated herein by reference to Exhibit 2.1 to Applied Materials, Inc.'s Registration Statement on Form S-4 (No. 333-96427) filed February 8, 2000, as amended).
99.1	Press Release of Applied Materials, Inc. dated March 29, 2000.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

APPLIED MATERIALS, INC.

Dated: April 10, 2000

By: /s/ JOSEPH J. SWEENEY

Joseph J. Sweeney
Group Vice President
Legal Affairs and Intellectual Property

EXHIBIT INDEX

EXHIBIT
NUMBER DESCRIPTION

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- 99.1 Press Release of Applied Materials, Inc. dated March 29, 2000.

APPLIED MATERIALS COMPLETES ACQUISITION OF ETEC SYSTEMS

Applied Materials Enters the Maskmaking Equipment Market

SANTA CLARA, Calif., March 29, 2000--Applied Materials, Inc. announced today that it has completed the acquisition of Etec Systems, Inc., in a stock-for-stock merger. The acquisition combines the strengths of Etec as the leading manufacturer of mask pattern generation solutions for the semiconductor and electronics industries, and Applied Materials, the world's largest semiconductor equipment company.

Under the terms of the acquisition, originally announced on January 12, 2000, each share of Etec Systems, Inc. was exchanged for 1.298 (or 0.649 pre-split) shares of Applied Materials' common stock. Applied Materials issued approximately 29 million shares of its common stock to complete the transaction. This acquisition will be accounted for as a pooling of interests.

"We are pleased that we can now bring the combined capabilities of Applied Materials and Etec Systems to our customers throughout the world," said James C. Morgan, chairman and chief executive officer of Applied Materials. "This acquisition underscores Applied Materials' commitment to help customers address the technical requirements presented by the move to increasingly smaller line-widths. Our joint efforts should enable us to continue the critical advancement of semiconductor mask pattern generation technology while realizing new market opportunities from products developed by our etch and metrology and inspection business units."

This acquisition brings a well-positioned and excellent product portfolio to Applied Materials. As production of 180-nanometer devices and development of 130-nanometer devices increase, demand for maskmaking equipment and masks that enable subwavelength lithography is expected to grow.

This press release contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, risks relating to the performance and successful integration of the acquired businesses and to the future size of the market for mask pattern generation equipment. The Company assumes no obligation to update the information in this press release.

Applied Materials is a Fortune 500 global growth company and the world's largest supplier of wafer fabrication systems and services to the global semiconductor industry. Applied Materials is traded on the Nasdaq National Market under the symbol, "AMAT". Applied Materials' website is <http://www.appliedmaterials.com>.

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