

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11- K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

Annual report pursuant to Section 15(d) of the Securities Exchange Act
of 1934 (Fee required)

For the fiscal year ended DECEMBER 31, 1995

or

Transition report pursuant to Section 15(d) of the Securities Exchange
Act of 1934 (No fee required)

For the transition period from _____ to _____

Commission file number 2-69114

A. Full title of the plan and the address of the plan, if different from
that of the issuer named below:

Applied Materials, Inc. Employee Savings and Retirement Plan

B. Name of issuer of the securities held pursuant to the plan and the
address of its principal executive office:

APPLIED MATERIALS, INC.
3050 Bowers Avenue
Santa Clara, California 95054

SIGNATURE

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

APPLIED MATERIALS, INC.
EMPLOYEE SAVINGS AND RETIREMENT PLAN

Date: June 25, 1996

By /s/ Dana C. Ditmore

Dana C. Ditmore
Group Vice President, Human Resources

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Report of Independent Accountants

To the Administrative Committee of the Applied Materials, Inc. Employee Savings and Retirement Plan:

In our opinion, the financial statements listed in the accompanying table of contents present fairly, in all material respects, the net assets available for benefits of the Applied Materials, Inc. Employee Savings and Retirement Plan at December 31, 1995 and 1994, and the changes in net assets available for benefits for the year ended December 31, 1995, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Administrative Committee; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information included in schedules 27a and 27d is presented for purposes of additional analysis and is not a required part of the basic financial statements but is additional information required by ERISA. The Fund Information in the statement of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the changes in net assets available for benefits of each fund. Schedules 27a and 27d and the Fund Information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Price Waterhouse LLP
PRICE WATERHOUSE LLP

San Jose, California
May 20, 1996

APPLIED MATERIALS, INC.
 EMPLOYEE SAVINGS AND RETIREMENT PLAN
 STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

	December 31, 1995 -----	December 31, 1994 -----
ASSETS		
Cash	\$ --	\$ 1,097,209
Investments, at fair value:		
In shares of registered investment companies:		
Fidelity Retirement Government Money Market Portfolio	9,530,984	7,758,813
Fidelity Equity-Income Fund	16,591,463	9,860,017
Fidelity Intermediate Bond Fund	4,968,760	3,602,500
Fidelity Magellan Fund	33,072,888	18,726,547
Applied Materials, Inc. Common Stock	181,581,671	84,539,205
Fidelity Institutional Cash Portfolio Money Market	2,281,272	--
Participant notes receivable	6,116,408	3,769,075
	-----	-----
	254,143,446	129,353,366
LIABILITIES		
Forfeited matching contributions	1,220,049	345,808
	-----	-----
Net assets available for benefits	\$252,923,397	\$129,007,558
	=====	=====

See accompanying notes to financial statements

APPLIED MATERIALS, INC.

EMPLOYEE SAVINGS AND RETIREMENT PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE
FOR BENEFITS WITH FUND INFORMATION

YEAR ENDED DECEMBER 31, 1995

	FUND A	FUND B	FUND C	FUND D	FUND E	PARTICIPANT NOTES	TOTAL
	-----	-----	-----	-----	-----	-----	-----
Additions to net assets attributed to:							
Investment Income:							
Interest and dividends	\$ 466,412	\$ 907,077	\$ 26,999	\$ 277,695	\$ 1,887,414	\$ -	\$ 3,565,597
Loan interest	-	-	-	-	-	354,235	354,235
Net realized and unrealized appreciation in fair value of investments	-	2,660,808	74,251,432	244,353	5,816,653	-	82,973,246
	-----	-----	-----	-----	-----	-----	-----
	466,412	3,567,885	74,278,431	522,048	7,704,067	354,235	86,893,078
Participant contributions	1,835,878	5,133,193	16,442,568	1,750,263	9,835,621	-	34,997,523
Company and AKTA contributions	-	-	11,263,222	-	-	-	11,263,222
	-----	-----	-----	-----	-----	-----	-----
Total additions	2,302,290	8,701,078	101,984,221	2,272,311	17,539,688	354,235	133,153,823
Deductions from net assets attributed to:							
Benefits paid to participants	(503,656)	(1,050,941)	(5,892,019)	(313,391)	(1,306,491)	(171,486)	(9,237,984)
	-----	-----	-----	-----	-----	-----	-----
Net increase prior to loans and interfund transfers	1,798,634	7,650,137	96,092,202	1,958,920	16,233,197	182,749	123,915,839
Net loans issued	(174,892)	(215,685)	(1,355,486)	(43,430)	(375,091)	2,164,584	-
Interfund transfers	(725,812)	(703,006)	3,489,813	(549,230)	(1,511,765)	-	-
	-----	-----	-----	-----	-----	-----	-----
Net increase	897,930	6,731,446	98,226,529	1,366,260	14,346,341	2,347,333	123,915,839
Net assets available for benefits:							
Beginning of year	7,413,005	9,860,017	85,636,414	3,602,500	18,726,547	3,769,075	129,007,558
	-----	-----	-----	-----	-----	-----	-----
End of year	\$8,310,935	\$16,591,463	\$183,862,943	\$4,968,760	\$33,072,888	\$6,116,408	\$252,923,397
	=====	=====	=====	=====	=====	=====	=====

See accompanying notes to financial statements.

APPLIED MATERIALS, INC.
EMPLOYEE SAVINGS AND RETIREMENT PLAN
NOTES TO FINANCIAL STATEMENTS

1. Summary of Accounting Policies

Basis of Accounting

The financial statements of the Applied Materials, Inc. Employee Savings and Retirement Plan (the Plan) are prepared under the accrual method of accounting.

Investment Valuation

The Plan's investments are stated at fair value, which is the value per unit as certified by the Plan Trustee for the Fidelity Retirement Government Money Market Portfolio (Fund A) and the Fidelity Institutional Cash Portfolio Money Market (included in Fund C), and the closing market price as of December 31 for Fidelity Equity-Income shares (included in Fund B); Applied Materials, Inc. Common Stock (included in Fund C); Fidelity Intermediate Bond Fund shares (included in Fund D); and Fidelity Magellan Fund shares (included in Fund E). Participant notes are valued at cost, which approximates fair value.

Payment of Benefits

Benefits are recorded when paid.

2. The Plan - APPLIED MATERIALS, INC. EMPLOYEE SAVINGS AND RETIREMENT PLAN

General

The Plan is a defined contribution plan covering primarily all U.S. employees of Applied Materials, Inc. (the Company) and Applied Komatsu Technology America, Inc. (AKTA). Employees of the Company and AKTA are eligible to participate in the Plan after receipt of their first paycheck. The Plan provides for retirement benefits to participants, is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and is intended to qualify for favorable tax treatment granted to qualified plans that meet the requirements of sections

401(a) and (k) of the Internal Revenue Code. As a result of favorable tax treatment, participant salary deferral contributions, Company and AKTA matching contributions and any net earnings or gains on contributions generally will not be taxable to the participant until they are distributed or withdrawn in accordance with the terms of the plan.

Administrative Committee

The Plan's Administrative Committee has been appointed by the Benefits Committee of the Company to oversee the Plan and its performance on behalf of the participants, and consists of certain officers and executives of the Company.

Plan Administrator

Fidelity Institutional Retirement Services Company has been appointed by the Administrative Committee to maintain individual participant accounts in which participant contributions, Company and AKTA matching contributions and investment income attributable to each participant are recorded. For purposes of ERISA, the Company is the "plan administrator".

Termination of the Plan

The Company expects to continue the Plan indefinitely and to make contributions under the Plan. However, there is no contractual commitment that Company contributions or the Plan will be continued since the Company's Board of Directors has the right to alter or terminate the Plan at any time and for any reason subject to the provisions of ERISA. In the event of Plan termination, participants will become 100 percent vested in their accounts.

Expenses of the Plan

Expenses incurred in the administration of the Plan, including legal and trustee fees, are paid by the Company, and therefore are not reflected in the financial statements of the Plan. Brokerage commissions and other charges incurred in connection with investment transactions are paid out of fund assets.

3. Contributions

General guidelines with respect to participant and Company and AKTA matching contributions are included below. Participants, the Company and AKTA are subject to certain Internal Revenue Code rules and regulations which may further limit the contributions allowable.

Participant Contributions

Each participant may elect to defer from 1% to 12% of compensation (defined as base pay plus overtime), and may change their contribution percentage as often as they desire. Salary deferral contributions are invested at the direction of the participant and share in the earnings and gains or losses of each investment fund selected. Participants are always 100% vested in salary deferral accounts.

The maximum annual salary deferral contribution was \$9,240 for 1995 and will be \$9,500 for 1996. This limitation applies in the aggregate for all elective deferrals to all plans made by the participant during the year. Accordingly, new participants who have made contributions to 401(k) plans with their prior employer must aggregate all contributions for purposes of the limit.

Company and AKTA Contributions

Participants in the Plan become eligible for Company and AKTA matching contributions immediately upon joining the Plan. All matching contributions are made to the Applied Materials, Inc. Common Stock Fund (Fund C), and cannot be transferred to other investment funds until a participant is 100% vested and age 50, or 100% vested and has completed 10 years of service. The Company and AKTA match 100% of participant contributions, up to the first 3% of compensation contributed, and 50% of every dollar between 4% and 6% of compensation contributed. The Company's and AKTA's contributions are made biweekly, and may be in the form of cash, shares of Applied Materials, Inc. Common Stock or any combination thereof. The trustee will use cash contributions to purchase shares of Applied Materials Common Stock on the open market (at the then prevailing market price), directly from the Company, or from other persons in private transactions. The Company and AKTA can change the matching contribution rate or make additional discretionary matching contributions, subject to the limits of the Plan and the Internal Revenue Code. No additional matching contributions were made during 1995.

Participants become fully vested in the portion of Company or AKTA matching contributions allocated to their accounts if employed by the Company or AKTA upon a) normal retirement (age 65 or older), b) permanent disability, c) death, or d) after a designated time period per the applicable vesting schedule. The Plan provides for vesting of Company or AKTA matching contributions as follows:

Years of Service -----	Vested Percentage -----
Less than three years	0%
Three but less than four years	20%
Four but less than five years	40%
Five but less than six years	60%
Six but less than seven years	80%
Seven or more years	100%

If a participant leaves the Company or AKTA prior to retirement, the portion of his or her matching account which is not vested will be forfeited. Forfeitures can be used to offset the Company's or AKTA's required matching contribution, as applicable. Forfeitures in 1995 and 1994 were \$834,087 and \$345,808, respectively, and were temporarily invested in Fund A.

The Plan contains a rehire provision whereby if a participant leaves the Company or AKTA and at a later date is rehired before being separated for five consecutive years, the forfeited portion of his or her account will be restored as of the date of the rehire.

4. Investments

The Plan permits participants to direct and/or redirect their prospective salary deferrals and/or their existing salary deferral account balances into one of the available investment funds or to allocate them among the funds. All of the funds, except the Company Stock Fund, are managed by Fidelity Investments.

Certain information with respect to the five investment funds available during 1995 is as follows:

Fund A: "Fidelity Retirement Government Money Market Portfolio" (RGMMP)
 - seeks to preserve capital and liquidity while producing reasonable interest income. Investments are in units of the Fidelity RGMMP. RGMMP's assets are invested in obligations issued or guaranteed as to principal and interest by the U.S. government, its agencies or instrumentalities. The rate of return fluctuates daily as short-term interest rates change.

- Fund B: "Fidelity Equity-Income Fund" - seeks reasonable income by investing in income-producing equity investments. At least 65% of the fund's portfolio is invested in income-producing common and preferred stocks, and the remainder tends to be invested in various types of domestic and foreign instruments, including bonds. The Equity-Income Fund invests in securities of varying quality, but the fund does not expect to purchase securities of companies without proven earnings or credit. The fund diversifies investments among a variety of industries to help reduce overall investment risk.
- Fund C: "Company Stock Fund" - allows participants to acquire and hold shares of Company Common Stock. The fund will purchase shares of Common Stock from the Company, in the open market or in private transactions. No brokerage commissions are charged on shares of Common Stock purchased from the Company or from any other person in a private transaction.
- Fund D: "Fidelity Intermediate Bond Fund" - seeks a high level of current income by investing in corporate debt obligations, U.S. government obligations and obligations of U.S. banks, including certificates of deposit and banker's acceptances. The average portfolio maturity ranges from three to ten years.
- Fund E: "Fidelity Magellan Fund" - seeks long-term capital appreciation by investing in common stocks, and securities convertible into common stock, issued by companies operating in the U.S. and/or abroad as well as foreign companies. Investments are made in large corporations as well as smaller, less well-known companies. The fund diversifies investments among a variety of industries and sectors within the market to reduce overall investment risk.

Presently, Funds A, B, D and E are invested in Fidelity mutual fund and money market shares bearing the name of the respective Funds (collectively the "Fidelity Funds"). The Fidelity Funds are open-end, diversified investment companies ("mutual funds"), the shares of which are publicly held. In addition, Fund C maintains a money market account to provide liquidity for benefit payments, loans and transfers to other investment funds.

None of the investment funds described above carries a guarantee of principal or rate of return.

5. Loans to Plan Participants

Participants may borrow up to 50% of their vested account balance, subject to minimum and maximum loan amounts of \$1,000 and \$50,000, respectively, although certain participants have lower maximum permitted loan amounts, as required by law. Loans are secured by the balance in the participant's account and bear a fixed rate of interest based on prime plus 1% at the time of the borrowing. Interest rates on loans outstanding at December 31, 1995 range from 7% to 10%. Loan repayments are made by payroll deductions in equal installments over the life of the loan, which can be a minimum of one year and a maximum of five years. Loans are payable in full upon the participant's termination of employment from the Company or AKTA, or the occurrence of certain other events.

6. Federal Income Tax Status of the Plan

The Company amended and restated the Plan as of March 31, 1995 to incorporate current requirements of the Internal Revenue Code (IRC) and reflect certain enhancements to the Plan, and has applied for a determination letter from the IRS that the Plan continues to constitute a qualified plan, and that the trust continues to be tax-exempt. The Company has made all amendments to the Plan necessary or appropriate to ensure that the Company will receive a favorable determination letter covering the Plan and, therefore, expects to receive a favorable determination letter in due course. The Company believes that the Plan is being operated in compliance with the applicable requirements of the IRC. Accordingly, no provision for federal or state income taxes has been made in the financial statements of the Plan.

APPLIED MATERIALS, INC.
 EMPLOYEE SAVINGS AND RETIREMENT PLAN
 SCHEDULE 27a - SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

DECEMBER 31, 1995

	Shares or Principal Amount -----	Historical Cost -----	Approximate Market Value -----
Fund A: Fidelity Retirement Government Money Market Portfolio	9,530,984	\$ 9,530,984	\$ 9,530,984
Fund B: Fidelity Equity-Income Fund	437,423	14,180,210	16,591,463
Fund C: Applied Materials, Inc. Common Stock	4,611,598	70,128,491	181,581,671
Fund D: Fidelity Intermediate Bond Fund	477,306	4,930,683	4,968,760
Fund E: Fidelity Magellan Fund	384,657	28,398,784	33,072,888
Fidelity Institutional Cash Portfolio Money Market	2,281,272	2,281,272	2,281,272
Participant notes with interest rates which range from 7% to 10%			6,116,408 -----
Investments total			\$254,143,446 =====

APPLIED MATERIALS, INC.
EMPLOYEE SAVINGS AND RETIREMENT PLAN
SCHEDULE 27d - SCHEDULE OF REPORTABLE TRANSACTIONS

YEAR ENDED DECEMBER 31, 1995

Issuer	Purchase Price and Current Value of Asset On Transaction Date	Sales Price and Current Value of Asset On Transaction Date	Historical Cost of Assets Sold	Net Gain/(Loss)
Fidelity Retirement Government Money Market Portfolio	\$ 6,852,340	\$	\$	\$
Fidelity Retirement Government Money Market Portfolio		5,080,169	5,080,169	--
Fidelity Equity-Income Fund	8,144,220			
Fidelity Equity-Income Fund		4,073,583	3,696,903	376,680
Applied Materials, Inc. Common Stock	246,419,668			
Applied Materials, Inc. Common Stock		221,347,361	211,174,770	10,172,591
Fidelity Magellan Fund	15,414,317			
Fidelity Magellan Fund		6,884,628	5,846,454	1,038,174

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-52072) of Applied Materials, Inc. of our report dated May 20, 1996 which appears on page 4 of this Form 11-K.

/s/ Price Waterhouse LLP
PRICE WATERHOUSE LLP

San Jose, California
June 25, 1996