

**UNITED STATES
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

Date of Report (Date of earliest event reported): September 18, 2006

Applied Materials, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-06920
(Commission File Number)

94-165526
(IRS Employer
Identification No.)

3050 Bowers Avenue
P.O. Box 58039
Santa Clara, CA
(Address of principal executive offices)

95052-8039
(Zip Code)

Registrant's telephone number, including area code: (408) 727-5555

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.

On September 18, 2006, Applied Materials, Inc. (the "Company") entered into a Master Confirmation and Supplemental Confirmation (collectively, the "Agreements") with Goldman, Sachs & Co. relating to an accelerated stock buyback program. Under the Agreements, the Company has repurchased 145 million shares of the Company's common stock from Goldman, Sachs & Co. for approximately \$2.5 billion.

The terms of the Agreements include a two-way market purchase price adjustment based on the volume weighted average market trading price of the Company's common stock over what is expected to be a four-month period. If the Company is obligated to make a purchase price adjustment payment to Goldman, Sachs & Co., the Company may elect to satisfy its obligation in cash or in shares of its common stock.

The repurchase was funded with the Company's existing cash. The repurchased shares will be held as treasury stock, and the Company's outstanding shares used to calculate earnings per share will be immediately reduced by the number of shares repurchased.

Goldman, Sachs & Co. and certain of its affiliates have provided, and in the future may provide, financial, advisory and related services to the Company. These parties have received, and in the future may receive, compensation from the Company for these services.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

(b) The information set forth above in Item 1.01 regarding the Company's undertaking of an accelerated stock buyback is incorporated into Item 2.03(b) by reference.

Item 7.01 Regulation FD Disclosure.

On September 18, 2006, the Company issued a press release, announcing, among other things, its repurchase of 145 million shares of its common stock pursuant to an accelerated stock buyback program and a new stock repurchase program authorizing up to \$5.0 billion in repurchases over the next three years in open market or privately negotiated transactions, subject to market conditions. The text of the press release is attached hereto as Exhibit 99.1.

The information in this Form 8-K, including the exhibit, shall not be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing. The information in this report shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by Applied Materials, Inc. dated September 18, 2006.

SIGNATURES

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.
(Registrant)

Date: September 18, 2006

By: /s/ Joseph J. Sweeney

Joseph J. Sweeney
*Senior Vice President, General Counsel
and Corporate Secretary*

EXHIBIT INDEX

Exhibit No.	Description
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NEWS RELEASE

CONTACT:

David Miller (business media) 408.563.9582

Betty Newboe (technical media) 408.563.0647

Randy Bane (financial) 408.986.7916

**Applied Materials Announces Accelerated Stock Buyback and
New \$5 Billion Stock Repurchase Program***Reduces Outstanding Shares by 10% in 4th Quarter*

SANTA CLARA, Calif., September 18, 2006 – Applied Materials, Inc. announced today the repurchase of 145 million shares of its common stock for approximately \$2.5 billion cash under an accelerated stock buyback program. This stock buyback, combined with repurchases of nearly 9 million shares previously made during the current fiscal quarter, has resulted in a 10% reduction of the Company's common stock outstanding at the end of its third fiscal quarter.

In addition, Applied's Board of Directors approved a new stock repurchase program authorizing up to \$5.0 billion in ongoing repurchases of stock over the next three years. With the accelerated stock buyback announced today, Applied has repurchased over \$5.8 billion of its common stock during its 2005 and 2006 fiscal years, or nearly 340 million shares, representing 20% of its common stock outstanding at the beginning of fiscal 2005.

"Applied Materials has delivered increased value to our stockholders through growth of revenue and earnings, as well as our stock repurchase program and payment of quarterly dividends," said Mike Splinter, president and CEO. "We believe the long-term outlook for Applied Materials is excellent and we are confident in our strategy. Our strong balance sheet and significant cash flows enable us to invest in our future business, pursue strategic opportunities, repurchase shares and pay quarterly dividends."

Applied executed its accelerated stock buyback with Goldman, Sachs & Co. Under the agreement, Applied's initial purchase price is subject to adjustment based on the volume-weighted average price of Applied common stock over an expected four-month period. Applied may elect to settle the price adjustment in shares or in cash.

This press release contains forward-looking statements, including those relating to Applied Materials' long-term outlook, cash generation, cash deployment strategies, future business and strategic opportunities, and the execution of the accelerated stock buyback program. These statements 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, including without limitation: the sustainability of demand in the nanomanufacturing technology industry and broadening of demand for emerging applications such as solar, which are subject to many factors, including global economic conditions, business spending, consumer confidence, demand for electronic products, and geopolitical uncertainties; customers' capacity requirements, including capacity utilizing the latest technology; the timing, rate, amount and sustainability of capital spending for new technology; the Company's ability to develop, deliver and support a broad range of products and to expand its markets and develop new markets; the extent of any adjustment to the initial price paid for shares in the accelerated buyback; the Company's ability to timely align its cost structure with business conditions and manage its resources and production capability; and other risks described in Applied's SEC filings. All forward-looking statements are based on management's estimates, projections and assumptions as of September 18, 2006 and Applied undertakes no obligation to update any such statements.

Applied Materials, Inc. is the global leader in Nanomanufacturing Technology™ solutions for the electronics industry with a broad portfolio of innovative equipment, service and software products. At Applied Materials, we apply Nanomanufacturing Technology to improve the way people live. Learn more at www.appliedmaterials.com

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