

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) May 5, 1997

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

Delaware	0-6920	94-165526
----- (State or other jurisdiction of Incorporation)	----- (Commission File Number)	----- (IRS employer identification number)
3050 Bowers Avenue, Santa Clara, California		95054-3299
----- (Address of principal executive offices)		----- (Zip Code)
Registrant's telephone number, including area code		(408) 727-5555 -----
	Inapplicable	
----- (Former name or former address, if changed since last report)		

ITEM 5. OTHER EVENTS

On May 5, 1997, the Company issued a press release announcing settlement of all outstanding litigation with Novellus Systems, Inc., pursuant to which the Company would receive \$80 million from Novellus regarding damages for past patent infringement and ongoing royalties for all future shipments of TEOS-based systems. The amount for past patent infringement (\$80 million) was received early in the Company's third fiscal quarter of 1997, and will be reflected in the Company's results of operations for that period. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

On May 13, 1997, the Company issued a press release announcing its results of operations for the three and six months ended April 27, 1997. A copy of the financial statements attached to the press release is attached hereto as Exhibit 99.2 and incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS.

(c) Exhibits

Exhibit Number -----	Exhibit -----
27	Financial Data Schedule (filed electronically)
99.1	Press Release, dated May 5, 1997, of Applied Materials, Inc., announcing settlement of Novellus litigation
99.2	Financial Statements attached to Press Release, dated May 13, 1997, of Applied Materials, Inc.

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.

Dated: May 13, 1997

APPLIED MATERIALS, INC.
(Registrant)

By: /s/ Gerald F. Taylor

Gerald F. Taylor
Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

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Press Releases [LOGO]

Release: Immediate

Contact: Joe Pon (editorial/media) Jerry Taylor (financial community)
(408) 748-5508 (408) 748-5227

Contact: Robert Smith
(chief financial officer)
NOVELLUS SYSTEMS, INC.
(408) 943-9700

APPLIED MATERIALS AND NOVELLUS SYSTEMS REACH
COMPREHENSIVE SETTLEMENT OF ALL PATENT DISPUTES

SANTA CLARA, Calif., May 5, 1997 -- Applied Materials, Inc. and Novellus Systems, Inc., jointly announced today they have amicably resolved their disputes with a comprehensive, global settlement which includes termination of all outstanding litigation between them and cross licenses of patents related to certain aspects of chemical vapor deposition (CVD).

Novellus has agreed to pay \$80 million in damages to Applied Materials for past infringement and a royalty for all future shipments of TEOS-based systems. Other terms of the settlement are confidential. Both parties expressed satisfaction with the settlement, which enables both companies to refocus their efforts on providing the best competitive solutions for the needs of their customers.

"A final resolution of these patent disputes provides a balanced recognition of the companies' respective intellectual property rights, and will foster continuing competition and product developments, along with improved customer satisfaction," said Joseph J. Sweeney, vice president of Intellectual Property and Legal Affairs at Applied Materials.

"Novellus welcomes the opportunity to address fully all customer needs for CVD technologies, with an appropriate resolution of competing intellectual property rights by both sides," said Richard S. Hill, chairman and chief executive officer of Novellus.

Applied Materials, Inc. 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>. Novellus Systems, Inc. manufactures, markets, and services advanced automated wafer fabrication systems for chemical vapor deposition (CVD) of thin films. The Company's stock trades on the Nasdaq Stock Market's National Market under the symbol "NVLS".

APPLIED MATERIALS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(In thousands, except per share amounts)	Three Months Ended		Six Months Ended	
	April 27, 1997	April 28, 1996	April 27, 1997	April 28, 1996
Net sales	\$900,862	\$1,127,855	\$1,736,638	\$2,168,435
Cost of products sold	486,845	586,564	950,965	1,130,344
Gross margin	414,017	541,291	785,673	1,038,091
Operating expenses:				
Research, development and engineering	131,973	124,918	248,465	235,270
Marketing and selling	74,965	80,587	141,236	157,869
General and administrative	59,617	54,820	119,225	104,375
Acquired in-process research and development	--	--	59,500	--
Income from operations	147,462	280,966	217,247	540,577
Interest expense	4,935	4,917	10,735	10,085
Interest income	14,598	9,829	28,155	19,426
Income from consolidated companies before taxes	157,125	285,878	234,667	549,918
Provision for income taxes	54,994	100,057	102,959	192,471
Income from consolidated companies	102,131	185,821	131,708	357,447
Equity in net income/(loss) of joint venture	--	--	--	--
Net income	\$102,131	\$ 185,821	\$ 131,708	\$ 357,447
Earnings per share	\$.54	\$ 1.01	\$.71	\$ 1.94
Average common shares and equivalents	187,899	183,699	186,762	183,921

APPLIED MATERIALS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS*

(In thousands)	April 27, 1997	Oct. 27, 1996
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 202,660	\$ 403,888
Short-term investments	872,190	633,744
Accounts receivable, net	807,181	822,384
Inventories	507,632	478,552
Deferred income taxes	278,352	281,586
Other current assets	83,295	72,915
Total current assets	2,751,310	2,693,069
Property, plant and equipment, net	900,041	919,038
Other assets	240,510	25,880
Total assets	\$ 3,891,861	\$ 3,637,987
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 19,892	\$ 77,522
Current portion of long-term debt	7,659	22,640
Accounts payable and accrued expenses	875,808	791,897
Income taxes payable	147,713	43,168
Total current liabilities	1,051,072	935,227
Long-term debt	227,808	275,485
Deferred income taxes and other non-current obligations	107,601	56,850
Total liabilities	1,386,481	1,267,562
Stockholders' equity:		
Common stock	1,815	1,802
Additional paid-in capital	781,281	763,376
Retained earnings	1,731,272	1,599,564
Cumulative translation adjustments	(8,988)	5,683
Total stockholders' equity	2,505,380	2,370,425
Total liabilities and stockholders' equity	\$ 3,891,861	\$ 3,637,987

* Amounts as of April 27, 1997 are unaudited. Amounts as of October 27, 1996 were obtained from the October 27, 1996 audited financial statements.

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED APRIL 27, 1997

1,000

YEAR		
	OCT-26-1997	
	APR-27-1997	
		202,660
		872,190
		807,181
		0
		507,632
		2,751,310
		1,339,444
		439,403
		3,891,861
	1,051,072	
		227,808
	0	
		0
		1,815
		2,503,565
3,891,861		
		1,736,638
	1,736,638	
		950,965
		950,965
		568,426
		0
		10,735
		234,667
		102,959
	131,708	
		0
		0
		0
		131,708
		0.71
		0.71