SCHROEDER KENNETH L

Form 4

October 20, 2004

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

3235-0287

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January 31, 2005

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Section 16. Form 4 or Form 5 obligations may continue.

See Instruction

Check this box

if no longer

subject to

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * 5. Relationship of Reporting Person(s) to 2. Issuer Name and Ticker or Trading SCHROEDER KENNETH L Issuer Symbol KLA TENCOR CORP [KLAC] (Check all applicable) (Last) (First) (Middle) 3. Date of Earliest Transaction (Month/Day/Year) _X__ Director 10% Owner X_ Officer (give title Other (specify C/O KLA-TENCOR 10/18/2004 below) CORPORATION, 160 RIO Chief Executive Officer **ROBLES** (Street) 4. If Amendment, Date Original 6. Individual or Joint/Group Filing(Check Filed(Month/Day/Year) Applicable Line) _X_ Form filed by One Reporting Person Form filed by More than One Reporting SAN JOSE, CA 95130 Person (City) (State) (Zip)

Table I - Non	-Derivative Sec	urities Acquire	d Disposed of	or Reneficially	Owned
Table I - Non	i-Derivauve sec	uriues Acquire	a. Disposeu oi.	or Denencian'	Owneu

1.Title of Security	2. Transaction Date	2A. Deemed	3.	4. Securitie	s Acq	uired	5. Amount of	6.	7. Nature
(Instr. 3)	(Month/Day/Year)	Execution Date, if	Transacti	on(A) or Disp	osed o	of (D)	Securities	Ownership	of Indirect
		any	Code	(Instr. 3, 4	and 5)		Beneficially	Form:	Beneficial
		(Month/Day/Year)	(Instr. 8)				Owned	Direct (D)	Ownership
							Following	or Indirect	(Instr. 4)
							Reported	(I)	
					(A)		Transaction(s)	(Instr. 4)	
					or		(Instr. 3 and 4)	,	
			Code V	Amount	(D)	Price	,		
Common						Φ.Ω			
Stock-Restricted	10/18/2004		A	100,000	Α	\$0	100,000	D	
Stock Units (1)	10,10,200.			100,000		(2)	100,000	_	
Stock Units <u>~</u>									
Common Stock							161,938	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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$\label{thm:convergence} \begin{tabular}{ll} Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned \\ (\emph{e.g.}, puts, calls, warrants, options, convertible securities) \\ \end{tabular}$

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. onNumber of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		e	7. Title and A Underlying S (Instr. 3 and	Securities
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount of Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 10.63					08/31/1999	08/31/2008	Common Stock	79,272
Non-Qualified Stock Option (right to buy)	\$ 16.97					10/23/1999	10/23/2008	Common Stock	220,72
Non-Qualified Stock Option (right to buy)	\$ 26.25					11/10/2001	11/10/2010	Common Stock	37,900
Non-Qualified Stock Option (right to buy)	\$ 29.31					10/02/2002	10/02/2011	Common Stock	341,10
Non-Qualified Stock Option (right to buy)	\$ 32.75					04/04/2002	04/04/2011	Common Stock	37,900
Non-Qualified Stock Option (right to buy)	\$ 33.75					10/27/2000	10/27/2009	Common Stock	150,00
Non-Qualified Stock Option (right to buy)	\$ 34.67					11/08/2003	01/28/2013	Common Stock	62,900
Non-Qualified Stock Option (right to buy)	\$ 37.05					11/08/2003	11/08/2012	Common Stock	31,450
Non-Qualified Stock Option (right to buy)	\$ 40.66					10/27/2006	08/02/2014	Common Stock	22,500
Non-Qualified Stock Option (right to buy)	\$ 41.79					09/21/2005	09/21/2014	Common Stock	325,80
	\$ 44.6875					08/13/2000	08/13/2010		75,800

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Non-Qualified Stock Option (right to buy)				Common Stock	
Non-Qualified Stock Option (right to buy)	\$ 45.16	10/27/2004	04/26/2014	Common Stock	37,500
Non-Qualified Stock Option (right to buy)	\$ 51.229	11/08/2003	07/30/2013	Common Stock	31,450
Non-Qualified Stock Option (right to buy)	\$ 53.86	10/27/2004	10/27/2013	Common Stock	60,000
Non-Qualified Stock Option (right to buy)	\$ 58.1	10/27/2006	01/27/2014	Common Stock	30,000

Reporting Owners

Reporting Owner Name / Address	Relationships					
•	Director	10% Owner	Officer	Other		
SCHROEDER KENNETH L C/O KLA-TENCOR CORPORATION 160 RIO ROBLES SAN JOSE, CA 95130	X		Chief Executive Officer			

Signatures

By: Stuart J. Nichols For: Kenneth L. Schroeder 10/20/2004

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Each restricted stock unit represents a contingent right to receive one share of KLAC common stock.
- (2) The restricted stock units vest in full on the later of July 1, 2007 or 1 year after reporting person's retirement as Chief Executive Officer of registrant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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