

SCHROEDER KENNETH L
 Form 4
 October 20, 2004

FORM 4

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

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
 SCHROEDER KENNETH L

(Last) (First) (Middle)

C/O KLA-TENCOR CORPORATION, 160 RIO ROBLES

(Street)

SAN JOSE, CA 95130

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
 KLA TENCOR CORP [KLAC]

3. Date of Earliest Transaction (Month/Day/Year)
 10/18/2004

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
 Chief Executive Officer

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock-Restricted Stock Units ⁽¹⁾	10/18/2004		A		100,000	A	\$ 0 (2)
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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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

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. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount 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	220,720
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	341,100
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	150,000
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	325,800
	\$ 44.6875					08/13/2000	08/13/2010		75,800

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.

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