

KLA TENCOR CORP
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 *
WALLACE RICHARD P

(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)
Executive Vice President

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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock-Restricted Stock Units ⁽¹⁾	10/18/2004		A		41,111	A	\$ 0 (2)
Common Stock					2,903	D	

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

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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 or Number of Shares
Non-Qualified Stock Option (right to buy)	\$ 26.25					11/10/2001 11/10/2010	Common Stock 7,000
Non-Qualified Stock Option (right to buy)	\$ 29.31					10/02/2002 10/02/2011	Common Stock 25,500
Non-Qualified Stock Option (right to buy)	\$ 32.75					04/04/2002 04/04/2011	Common Stock 8,459
Non-Qualified Stock Option (right to buy)	\$ 34.67					11/08/2003 01/28/2013	Common Stock 20,000
Non-Qualified Stock Option (right to buy)	\$ 37.05					11/08/2003 11/08/2012	Common Stock 10,000
Non-Qualified Stock Option (right to buy)	\$ 40.14					05/22/2004 05/22/2013	Common Stock 1,000
Non-Qualified Stock Option (right to buy)	\$ 40.66					10/27/2004 08/02/2014	Common Stock 11,250
Non-Qualified Stock Option (right to buy)	\$ 41.79					09/21/2005 09/21/2014	Common Stock 75,000
Non-Qualified Stock Option (right to buy)	\$ 44.6875					08/13/2000 08/13/2010	Common Stock 19,169
Non-Qualified Stock Option (right to buy)	\$ 45.16					10/27/2004 04/26/2014	Common Stock 18,750

Non-Qualified Stock Option (right to buy)	\$ 51.229	11/08/2003	07/30/2013	Common Stock	12,500
Non-Qualified Stock Option (right to buy)	\$ 53.86	10/27/2004	10/27/2013	Common Stock	30,000
Non-Qualified Stock Option (right to buy)	\$ 58.1	10/27/2004	01/27/2014	Common Stock	15,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALLACE RICHARD P C/O KLA-TENCOR CORPORATION 160 RIO ROBLES SAN JOSE, CA 95130			Executive Vice President	

Signatures

By: Stuart J. Nichols For: Richard P.
Wallace 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 two equal installments. The first half vests on October 18, 2008. The second half vests the following year on October 18, 2009.

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.