

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 or Section 30(h) of the
Investment Company Act of 1940

☐ Check this box if no
longer subject to
Section 16. Form 4 or
Form 5 obligations
may continue. See
Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person* LEVY KENNETH		2. Issuer Name and Ticker or Trading Symbol KLA TENCOR CORP [KLAC]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) _____ Other (specify below) _____ Chairman of the Board			
(Last) (First) (Middle) C/O KLA-TENCOR CORPORATION, 160 RIO ROBLES		3. Date of Earliest Transaction (Month/Day/Year) 09/13/2004					
(Street) SAN JOSE, CA 95130		4. If Amendment, Date Original Filed(Month/Day/Year)		6. Individual or Joint/Group Filing(Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person			
(City) (State) (Zip)		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	09/13/2004		S	25,000 D	\$ 40.0542 1,744,375	I	by Levy Fam. Trust
Common Stock (u)					762	D	

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

Persons who respond to the collection of information contained
in this form are not required to respond unless the form displays
a currently valid OMB control number. SEC 1474 (9-02)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)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code V	(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares				
Non- Qualified Stock Option (right to buy)	\$ 10.63					08/31/1999 08/31/2008	Common Stock 204,272		204,272	D	
Non- Qualified Stock Option (right to buy)	\$ 10.81					10/07/1997 10/08/2006	Common Stock 125,000		125,000	D	
Non- Qualified Stock Option (right to buy)	\$ 16.97					10/23/1999 10/23/2008	Common Stock 220,728		220,728	D	


Non-Qualified Stock Option (right to buy)	\$ 26.25							11/10/2001	11/10/2010	Common Stock	18,951		18,951	D	
Non-Qualified Stock Option (right to buy)	\$ 29.31							10/02/2002	10/02/2011	Common Stock	28,425		28,425	D	
Non-Qualified Stock Option (right to buy)	\$ 32.75							04/04/2002	04/04/2011	Common Stock	18,951		18,951	D	
Non-Qualified Stock Option (right to buy)	\$ 33.75							10/27/2000	10/27/2009	Common Stock	90,000		90,000	D	
Non-Qualified Stock Option (right to buy)	\$ 34.67							11/08/2003	01/28/2013	Common Stock	15,724		15,724	D	
Non-Qualified Stock Option (right to buy)	\$ 37.05							11/08/2003	11/08/2012	Common Stock	7,863		7,863	D	
Non-Qualified Stock Option (right to buy)	\$ 40.66							10/27/2004	08/02/2014	Common Stock	4,500		4,500	D	
Non-Qualified Stock Option (right to buy)	\$ 44.6875							08/13/2000	08/13/2010	Common Stock	37,901		37,901	D	
Non-Qualified Stock Option (right to buy)	\$ 45.16							10/27/2004	04/26/2014	Common Stock	7,500		7,500	D	
Non-Qualified Stock Option (right to buy)	\$ 51.229							11/08/2003	07/30/2013	Common Stock	7,863		7,863	D	
Non-Qualified Stock Option (right to buy)	\$ 53.86							10/27/2004	10/27/2013	Common Stock	12,000		12,000	D	

Non-Qualified Stock Option (right to buy)	\$ 58.10								10/27/2004	01/27/2014	Common Stock	6,000		6,000	D	
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Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEVY KENNETH C/O KLA-TENCOR CORPORATION 160 RIO ROBLES SAN JOSE, CA 95130	X		Chairman of the Board	

Signatures

By: Stuart J. Nichols For: Kenneth Levy		09/15/2004
 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) Due to an administrative error, the number of securities beneficially owned by the reporting person was reported incorrectly on the original Form 4.

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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