

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* SCHROEDER KENNETH L			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) <input type="checkbox"/> Other (specify below) Chief Executive Officer		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 10/18/2004			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		
C/O KLA-TENCOR CORPORATION, 160 RIO ROBLES			4. If Amendment, Date Original Filed (Month/Day/Year)					
(Street) SAN JOSE, CA 95130								
(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-Restricted Stock Units (1)	10/18/2004		A		100,000	A	\$ 0 (2)	100,000	D	
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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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					
Non-Qualified Stock Option (right to buy)	\$ 10.63							08/31/1999	08/31/2008	Common Stock		79,272	D	
Non-Qualified Stock Option (right to buy)	\$ 16.97							10/23/1999	10/23/2008	Common Stock		220,728	D	
Non-Qualified Stock Option (right to buy)	\$ 26.25							11/10/2001	11/10/2010	Common Stock		37,900	D	

Non-Qualified Stock Option (right to buy)	\$ 29.31							10/02/2002	10/02/2011	Common Stock	341,100		341,100	D	
Non-Qualified Stock Option (right to buy)	\$ 32.75							04/04/2002	04/04/2011	Common Stock	37,900		37,900	D	
Non-Qualified Stock Option (right to buy)	\$ 33.75							10/27/2000	10/27/2009	Common Stock	150,000		150,000	D	
Non-Qualified Stock Option (right to buy)	\$ 34.67							11/08/2003	01/28/2013	Common Stock	62,900		62,900	D	
Non-Qualified Stock Option (right to buy)	\$ 37.05							11/08/2003	11/08/2012	Common Stock	31,450		31,450	D	
Non-Qualified Stock Option (right to buy)	\$ 40.66							10/27/2006	08/02/2014	Common Stock	22,500		22,500	D	
Non-Qualified Stock Option (right to buy)	\$ 41.79							09/21/2005	09/21/2014	Common Stock	325,800		325,800	D	
Non-Qualified Stock Option (right to buy)	\$ 44.6875							08/13/2000	08/13/2010	Common Stock	75,800		75,800	D	
Non-Qualified Stock Option (right to buy)	\$ 45.16							10/27/2004	04/26/2014	Common Stock	37,500		37,500	D	
Non-Qualified Stock Option (right to buy)	\$ 51.229							11/08/2003	07/30/2013	Common Stock	31,450		31,450	D	
Non-Qualified Stock Option (right to buy)	\$ 53.86							10/27/2004	10/27/2013	Common Stock	60,000		60,000	D	

Non-Qualified Stock Option (right to buy)	\$ 58.10							10/27/2006	01/27/2014	Common Stock	30,000		30,000	D
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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
<small>Signature of Reporting Person</small>		<small>Date</small>

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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