
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 29, 2005

KLA-TENCOR CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE
(State or other jurisdiction
of incorporation)

000-09992
(Commission File Number)

04-2564110
(IRS Employer
Identification No.)

**160 Rio Robles
San Jose, California 95134**
(Address of principal executive offices, including zip code)

(408) 875-3000
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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TABLE OF CONTENTS

[Item 1.01 Entry into a Material Definitive Agreement](#)

[Item 9.01. Financial Statements and Exhibits](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

[EXHIBIT 10.01](#)

Item 1.01 Entry into a Material Definitive Agreement

Attached is the form of Option Grant Notification used by KLA-Tencor Corporation for grants made under the 2004 Equity Incentive Plan.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits.

Exhibit No.	Description
10.01	Option Grant Notification Form

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KLA-TENCOR CORPORATION

By: /s/ John H. Kispert

JOHN H. KISPERT
EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL
OFFICER

Date: **September 29, 2005**

EXHIBIT INDEX

Exhibit No.	Description
10.01	Option Grant Notification Form

Option Grant Notification

To: [FIRST_NAME] [LAST_NAME]
 [EMAIL_ADDRESS]
 Employee ID: [ID]
 Subject: Option Grant

Congratulations! We are pleased to inform you that the Board of Directors has granted to you a Non-Qualified Stock Option Number [NUM] for [SHARES_GRANTED] shares of KLA-Tencor Corporation common stock at \$[insert price on date of grant] per share pursuant to the terms of the 2004 Equity Incentive Plan. The date of grant of the option is [insert grant date].

Shares under this option become exercisable based upon your continuous full-time service as follows: [insert vesting schedule, as determined at date of grant] The option will be fully vested [insert complete vest date] from [insert grant date] subject to your continued full-time service.

The vesting under this option for current or future continuous part-time service follows the schedule above and is pro rated based on your regular approved schedule of record, as follows:

< 4 hours	= 10%	21-24 hours	= 60%
5-8 hours	= 20%	25-28 hours	= 70%
9-12 hours	= 30%	29-32 hours	= 80%
13-16 hours	= 40%	33-36 hours	= 90%
17-20 hours	= 50%	> 36 hours	= 100%

Should you go on a leave of absence, your vesting will cease on the 1st day of your leave (unless otherwise required by law or as determined in writing by the Plan Administrator, in its sole discretion) and will recommence upon your return to work. Vesting will also cease on your termination of employment for any reason, including pursuant to a reduction-in-force.

The option will expire on [insert date determined by the Plan Administrator] Any unvested options due to either part-time status or leave of absence and/or vested options not exercised on or prior to the expiration date shall expire. Vested options may be exercised up to 3 months after terminating employment with KLA-Tencor. After that date, all options will be cancelled.

The grant of an Option and the issuance of Shares upon exercise of the Option are subject to compliance with all of the applicable requirements of all laws or regulations with respect to such options. Neither the grant of this Option nor the vesting schedule alter the terms of your employment, which remain at-will and subject to termination by KLA-Tencor or you at any time, with or without cause or notice.

For the other terms and conditions relating to your stock option, please see the 2004 Equity Incentive Plan on the Employee Stock Services Web-site. Both of these can be accessed through the KLA-Tencor Intranet site: http://ktwebdev.kla-tencor.com/treasury/kla_web/sop_features.html

Questions should be directed to Employee Stock Services Hotline, x57150 or via e-mail at 401k.stock@kla-tencor.com.

THIS MEMO IS YOUR OFFICIAL NOTIFICATION OF THIS STOCK GRANT. NO ADDITIONAL DOCUMENTATION WILL BE SENT TO YOU CONCERNING THIS GRANT.