

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

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

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 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		2. Issuer Name and Ticker or Trading Symbol KLA TENCOR CORP [klac]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director _____ 10% Owner _____ <input checked="" type="checkbox"/> Officer (give title below) _____ Executive Vice President _____	
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 07/30/2003		
C/O KLA TENCOR, 160 RIO ROBLES			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
(Street) SAN JOSE, CA 95134					
(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	07/31/2003		M		1,292	A	\$ 33.75	0 (U)	D	
Common Stock	07/31/2003		S		1,292	D	\$ 52.6275	0 (U)	D	
Common Stock	07/31/2003		M		583	A	\$ 26.25	0 (U)	D	
Common Stock	07/31/2003		S		583	D	\$ 52.6275	0 (U)	D	
Common Stock	07/31/2003		M		4,207	A	\$ 32.75	0 (U)	D	
Common Stock	07/31/2003		S		4,207	D	\$ 52.6275	0 (U)	D	
Common Stock	07/31/2003		M		13,918	A	\$ 29.31	0 (U)	D	
Common Stock	07/31/2003		S		13,918	D	\$ 52.6275	1,662	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						Title
Non-Qualified Stock Option	\$ 26.25	07/31/2003		M		583		11/10/2001	11/10/2010	Common Stock	583	\$ 52.6275	8,167	D	
Non-Qualified Stock Option	\$ 29.31	07/31/2003		M		13,918		10/02/2002	10/02/2011	Common Stock	13,918	\$ 52.6275	29,250	D	
Non-Qualified Stock Option	\$ 32.75	07/31/2003		M		4,207		04/04/2002	04/04/2011	Common Stock	4,207	\$ 52.6275	9,625	D	
Non-Qualified Stock Option	\$ 33.75	07/31/2003		M		1,292		10/27/2000	10/27/2009	Common Stock	1,292	\$ 52.6275	23,708	D	

Non-Qualified Stock Option	\$ 34.67						11/08/2003	01/28/2013	Common Stock	25,000		25,000	D	
Non-Qualified Stock Option	\$ 37.05						11/08/2003	11/08/2012	Common Stock	12,500		12,500	D	
Non-Qualified Stock Option	\$ 40.14						05/22/2004	05/22/2013	Common Stock	1,000		1,000	D	
Non-Qualified Stock Option	\$ 44.6875						08/13/2001	08/13/2010	Common Stock	21,878		21,878	D	
Non-Qualified Stock Option	\$ 51.229	07/30/2003		A	12,500		11/08/2003	07/30/2013	Common Stock	12,500	\$ 0	12,500	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALLACE RICHARD P C/O KLA TENCOR 160 RIO ROBLES SAN JOSE, CA 95134			Executive Vice President	

Signatures

Richard P. Wallace	08/01/2003
<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) Amount of securities beneficially owned following all reported transactions is equal to 1,662. This total is indicated on the last line on which a transaction is reported for Table I.

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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