

SCHROEDER KENNETH L
Form 4
August 23, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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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 *
SCHROEDER KENNETH L

(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)
08/23/2005

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)
Chief Executive Officer

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 Beneficial Ownership (Instr. 4)
Common Stock	08/23/2005		M	V Amount (A) or (D) Price	\$ 10.63 197,962	D	
Common Stock	08/23/2005		S	35,304 D	\$ 49.6331 162,658	D	
Common Stock	08/23/2005		M	14,696 A	\$ 16.97 177,354	D	
Common Stock	08/23/2005		S	14,696 D	\$ 49.6331 162,658	D	
Common Stock-Restricted Stock Units ⁽¹⁾					100,000	D	

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

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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 Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Am Num Sha
Non-Qualified Stock Option (right to buy)	\$ 10.63	08/23/2005		M	35,304	08/31/1999 08/31/2008	Common Stock 35
Non-Qualified Stock Option (right to buy)	\$ 16.97	08/23/2005		M	14,696	10/23/1999 10/23/2008	Common Stock 14
Non-Qualified Stock Option (right to buy)	\$ 26.25					11/10/2001 11/10/2010	Common Stock 37
Non-Qualified Stock Option (right to buy)	\$ 29.31					10/02/2002 10/02/2011	Common Stock 34
Non-Qualified Stock Option (right to buy)	\$ 32.75					04/04/2002 04/04/2011	Common Stock 37
Non-Qualified Stock Option (right to buy)	\$ 33.75					10/27/2000 10/27/2009	Common Stock 15
Non-Qualified Stock Option (right to buy)	\$ 34.67					11/08/2003 01/28/2013	Common Stock 62
Non-Qualified Stock Option (right to buy)	\$ 37.05					11/08/2003 11/08/2012	Common Stock 37
Non-Qualified Stock Option (right to buy)	\$ 40.66					10/27/2006 08/02/2014	Common Stock 22

Non-Qualified Stock Option (right to buy)	\$ 41.79	09/21/2005	09/21/2014	Common Stock	32
Non-Qualified Stock Option (right to buy)	\$ 44.6875	08/13/2000	08/13/2010	Common Stock	73
Non-Qualified Stock Option (right to buy)	\$ 45.16	10/27/2004	04/26/2014	Common Stock	33
Non-Qualified Stock Option (right to buy)	\$ 51.229	11/08/2003	07/30/2013	Common Stock	33
Non-Qualified Stock Option (right to buy)	\$ 53.86	10/27/2004	10/27/2013	Common Stock	60
Non-Qualified Stock Option (right to buy)	\$ 58.1	10/27/2006	01/27/2014	Common Stock	30

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 Schroeder
Date: 08/23/2005

**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.

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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