SCHROEDER KENNETH L

Form 4

February 28, 2005

FORM 4

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

OMB 3235-0287 Number:

Check this box if no longer subject to Section 16.

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

January 31, Expires: 2005 Estimated average

0.5

OMB APPROVAL

Form 4 or Form 5 obligations may continue. See Instruction

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

burden hours per response...

1(b).

(City)

(State)

(Zip)

(Print or Type Responses)

1. Name and Address of Reporting Person * SCHROEDER KENNETH L			2. Issuer Name and Ticker or Trading Symbol	5. Relationship of Reporting Person(s) to Issuer		
(Last) (First) (Middle)		(Middle)	KLA TENCOR CORP [KLAC] 3. Date of Earliest Transaction	(Check all applicable)		
C/O KLA-T CORPORAT ROBLES		RIO	(Month/Day/Year) 02/28/2005	_X Director 10% Owner _X Officer (give title Other (specify below) Chief Executive Officer		
	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person		
SAN JOSE, CA 95130				Form filed by More than One Reporting Person		

Table I - Non-Derivativ	e Securities Acquire	ed. Disposed of, o	r Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date 2A. Deemed (Month/Day/Year) 2A. Deemed Execution Date, if any (Month/Day/Year)		3. 4. Securities Acquired (A) Transactionor Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8)			Securities Beneficially Owned	Ownership Form: Direct (D)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
					(A)		Reported Transaction(s)	(I) (Instr. 4)	
			Code V	Amount	or (D)	Price	(Instr. 3 and 4)		
Common Stock	02/28/2005		M	43,968	A	\$ 10.63	206,075	D	
Common Stock	02/28/2005		S	43,968	D	\$ 50.4927	162,107	D	
Common Stock-Restricted Stock Units (1)							100,000	D	

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

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displays a currently valid OMB control number.

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. Transactic Code (Instr. 8)	tiorDerivative Securities		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amo Underlying Secu (Instr. 3 and 4)	
				Code V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am Nui Sha
Non-Qualified Stock Option (right to buy)	\$ 10.63	02/28/2005		M		43,968	08/31/1999	08/31/2008	Common Stock	43
Non-Qualified Stock Option (right to buy)	\$ 16.97						10/23/1999	10/23/2008	Common Stock	17
Non-Qualified Stock Option (right to buy)	\$ 26.25						11/10/2001	11/10/2010	Common Stock	31
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	31
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	31
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

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Non-Qualified Stock Option (right to buy)	\$ 44.6875	08/13/2000	08/13/2010	Common Stock	75
Non-Qualified Stock Option (right to buy)	\$ 45.16	10/27/2004	04/26/2014	Common Stock	31
Non-Qualified Stock Option (right to buy)	\$ 51.229	11/08/2003	07/30/2013	Common Stock	31
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					
coporating of the state of state of	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. 02/28/2005 Schroeder

**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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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