

KLA TENCOR CORP  
Form 4  
October 20, 2004

**FORM 4**

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

OMB APPROVAL

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

**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 \*  
**WALLACE RICHARD P**

(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)  
**10/18/2004**

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)  
**Executive Vice President**

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 Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|--|
|  |                                      |  |                                | (A) or (D)  | Price   |  |  |
| Common Stock-Restricted Stock Units <sup>(1)</sup> | 10/18/2004                           |  | A                              | A   | \$ 0<br>(2)   | 41,111   | D  |
| Common Stock                                       |                                      |  |                                |   | 2,903   |  | 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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable      Expiration Date                    | Title      Amount or Number of Shares                         |
| Non-Qualified Stock Option (right to buy)  | \$ 26.25   |                                      |  |                                |   | 11/10/2001      11/10/2010                               | Common Stock      7,000                                       |
| Non-Qualified Stock Option (right to buy)  | \$ 29.31   |                                      |  |                                |   | 10/02/2002      10/02/2011                               | Common Stock      25,500                                      |
| Non-Qualified Stock Option (right to buy)  | \$ 32.75   |                                      |  |                                |   | 04/04/2002      04/04/2011                               | Common Stock      8,459                                       |
| Non-Qualified Stock Option (right to buy)  | \$ 34.67   |                                      |  |                                |   | 11/08/2003      01/28/2013                               | Common Stock      20,000                                      |
| Non-Qualified Stock Option (right to buy)  | \$ 37.05   |                                      |  |                                |   | 11/08/2003      11/08/2012                               | Common Stock      10,000                                      |
| Non-Qualified Stock Option (right to buy)  | \$ 40.14   |                                      |  |                                |   | 05/22/2004      05/22/2013                               | Common Stock      1,000                                       |
| Non-Qualified Stock Option (right to buy)  | \$ 40.66   |                                      |  |                                |   | 10/27/2004      08/02/2014                               | Common Stock      11,250                                      |
| Non-Qualified Stock Option (right to buy)  | \$ 41.79   |                                      |  |                                |   | 09/21/2005      09/21/2014                               | Common Stock      75,000                                      |
| Non-Qualified Stock Option (right to buy)  | \$ 44.6875   |                                      |  |                                |   | 08/13/2000      08/13/2010                               | Common Stock      19,169                                      |
| Non-Qualified Stock Option (right to buy)  | \$ 45.16   |                                      |  |                                |   | 10/27/2004      04/26/2014                               | Common Stock      18,750                                      |

|   |           |            |            |                 |        |
|---|-----------|------------|------------|-----------------|--------|
| Non-Qualified<br>Stock Option<br>(right to buy) | \$ 51.229 | 11/08/2003 | 07/30/2013 | Common<br>Stock | 12,500 |
| Non-Qualified<br>Stock Option<br>(right to buy) | \$ 53.86  | 10/27/2004 | 10/27/2013 | Common<br>Stock | 30,000 |
| Non-Qualified<br>Stock Option<br>(right to buy) | \$ 58.1   | 10/27/2004 | 01/27/2014 | Common<br>Stock | 15,000 |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                                |       |
|---|---------------|-----------|--------------------------------|-------|
|   | Director      | 10% Owner | Officer                        | Other |
| WALLACE RICHARD P<br>C/O KLA-TENCOR CORPORATION<br>160 RIO ROBLES<br>SAN JOSE, CA 95130 |               |           | Executive<br>Vice<br>President |       |

## Signatures

By: Stuart J. Nichols For: Richard P.  
Wallace 10/20/2004

\*\*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.
  - (2) The restricted stock units vest in two equal installments. The first half vests on October 18, 2008. The second half vests the following year on October 18, 2009.

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.