

KLA TENCOR CORP
 Form 5
 August 11, 2006

FORM 5

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

OMB APPROVAL

OMB Number: 3235-0362
 Expires: January 31, 2005
 Estimated average burden hours per response... 1.0

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 Form 3 Holdings Reported Form 4 Transactions Reported

ANNUAL 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

1. Name and Address of Reporting Person *
WALLACE RICHARD P
 (Last) (First) (Middle)

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
 Officer (give title below) ___ Other (specify below)
 CEO

KLA TENCOR, 160 RIO ROBLES
 (Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)
06/30/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Reporting
 (check applicable line)

SAN JOSE, CA 95134
 (City) (State) (Zip)

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)	(A) or (D)	Price	5. Amount of Securities Beneficially Owned at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
Common Stock	^	^	^	^	^	^	4,125 ⁽¹⁾	D	^
Common Stock - Restricted Stock Units	^	^	^	^	^	^	141,111	D	^

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

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SEC 2270 (9-02)

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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 Security (Instr. 3 and 4)	
					(A)	(D)	Date Exercisable	Expiration Date		
Non-Qualified Stock Option	\$ 26.25	Â	Â	Â	Â	Â	11/10/2001	11/10/2010	Common Stock	7,000
Non-Qualified Stock Option	\$ 29.31	Â	Â	Â	Â	Â	10/02/2002	10/02/2011	Common Stock	25,000
Non-Qualified Stock Option	\$ 32.75	Â	Â	Â	Â	Â	04/04/2002	04/04/2011	Common Stock	8,400
Non-Qualified Stock Option	\$ 34.67	Â	Â	Â	Â	Â	11/08/2003	01/28/2013	Common Stock	20,000
Non-Qualified Stock Option	\$ 37.05	Â	Â	Â	Â	Â	11/08/2003	11/08/2012	Common Stock	10,000
Non-Qualified Stock Option	\$ 40.14	Â	Â	Â	Â	Â	05/22/2004	05/22/2013	Common Stock	1,000
Non-Qualified Stock Option	\$ 40.66	Â	Â	Â	Â	Â	10/27/2004	08/02/2014	Common Stock	11,000
Non-Qualified Stock Option	\$ 41.79	Â	Â	Â	Â	Â	09/21/2005	09/21/2014	Common Stock	75,000
Non-Qualified Stock Option	\$ 44.6875	Â	Â	Â	Â	Â	08/13/2000	08/13/2010	Common Stock	19,000
Non-Qualified Stock Option	\$ 45.16	Â	Â	Â	Â	Â	10/27/2004	04/26/2014	Common Stock	18,000
Non-Qualified Stock Option	\$ 47.95	Â	Â	Â	Â	Â	09/26/2006	09/26/2012	Common Stock	125,000
Non-Qualified Stock Option	\$ 51.229	Â	Â	Â	Â	Â	11/08/2003	07/30/2013	Common Stock	12,000
Non-Qualified Stock Option	\$ 52.53	Â	Â	Â	Â	Â	02/17/2007	02/17/2013	Common Stock	50,000
Non-Qualified Stock Option	\$ 53.86	Â	Â	Â	Â	Â	10/27/2004	10/27/2013	Common Stock	30,000
	\$ 58.1	Â	Â	Â	Â	Â	10/27/2004	01/27/2014		15,000

Non-Qualified
Stock Option

Common
Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALLACE RICHARD P KLA TENCOR 160 RIO ROBLES SAN JOSE, CA 95134	^	^	^ CEO ^	^

Signatures

Richard Wallace 08/11/2006

**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) Includes 574 shares purchased through the Employee Stock Purchase Plan during the fiscal year.

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Remarks:

Voluntary filing to show all holdings as of 6/30/2006

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