

KLA TENCOR CORP
Form 5
August 14, 2006

FORM 5

**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).
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 *
LEVY KENNETH

(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)

160 RIO ROBLES

(Street)

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

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman of the Board

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

6. Individual or Joint/Group Reporting

(check applicable line)

SAN JOSE, CA 95134

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 at end of Issuer's Fiscal Year (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
| | | | | (A) | or | (D) | Price | | |
| Common Stock | Â | Â | Â | Â | Â | Â | 1,552 (1) | D | Â |
| Common Stock | Â | Â | Â | Â | Â | Â | 298,000 | I | KGMW, LP |
| Common Stock | Â | Â | Â | Â | Â | Â | 40,000 | I | Levy Family Foundation |
| Common Stock | Â | Â | Â | Â | Â | Â | 1,614,375 | I | by Levy Family Trust |

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Common
Stock -
Restricted
Stock Units

Â Â Â Â Â Â 1,000 D Â

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

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SEC 2270
(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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|------------------|---|--------------|-------------------------|
| | | | | | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount Number of Shares |
| Non-Qualified Stock Option | \$ 10.63 | Â | Â | Â | Â | Â | 08/31/1999 | 08/31/2008 | Common Stock | 54, |
| Non-Qualified Stock Option | \$ 16.97 | Â | Â | Â | Â | Â | 10/23/1999 | 10/23/2008 | Common Stock | 220 |
| Non-Qualified Stock Option | \$ 26.25 | Â | Â | Â | Â | Â | 11/10/2001 | 11/10/2010 | Common Stock | 18, |
| Non-Qualified Stock Option | \$ 29.31 | Â | Â | Â | Â | Â | 10/02/2002 | 10/02/2011 | Common Stock | 28, |
| Non-Qualified Stock Option | \$ 32.75 | Â | Â | Â | Â | Â | 04/04/2002 | 04/04/2011 | Common Stock | 18, |
| Non-Qualified Stock Option | \$ 33.75 | Â | Â | Â | Â | Â | 10/27/2000 | 10/27/2009 | Common Stock | 90, |
| Non-Qualified Stock Option | \$ 34.67 | Â | Â | Â | Â | Â | 11/08/2003 | 01/28/2013 | Common Stock | 15, |
| Non-Qualified Stock Option | \$ 37.05 | Â | Â | Â | Â | Â | 11/08/2003 | 11/08/2012 | Common Stock | 7,8 |
| Non-Qualified Stock Option | \$ 40.66 | Â | Â | Â | Â | Â | 10/27/2004 | 08/02/2014 | Common Stock | 4,5 |
| Non-Qualified Stock Option | \$ 41.79 | Â | Â | Â | Â | Â | 09/21/2005 | 09/21/2014 | Common Stock | 50, |
| Non-Qualified | \$ 44.6875 | Â | Â | Â | Â | Â | 08/13/2000 | 08/13/2010 | Common | 37, |

| Stock Option | | | | | | | | | | Stock | |
|----------------------------|-----------|---|---|---|---|---|------------|------------|--------------|-------|--|
| Non-Qualified Stock Option | \$ 45.16 | ^ | ^ | ^ | ^ | ^ | 10/27/2004 | 04/26/2014 | Common Stock | 7,5 | |
| Non-Qualified Stock Option | \$ 47.95 | ^ | ^ | ^ | ^ | ^ | 09/26/2006 | 09/26/2012 | Common Stock | 15, | |
| Non-Qualified Stock Option | \$ 51.229 | ^ | ^ | ^ | ^ | ^ | 11/08/2003 | 07/30/2013 | Common Stock | 7,8 | |
| Non-Qualified Stock Option | \$ 53.86 | ^ | ^ | ^ | ^ | ^ | 10/27/2004 | 10/27/2013 | Common Stock | 12, | |
| Non-Qualified Stock Option | \$ 58.1 | ^ | ^ | ^ | ^ | ^ | 10/27/2004 | 01/27/2014 | Common Stock | 6,0 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| LEVY KENNETH 160 RIO ROBLES SAN JOSE, CA 95134 | ^ X | ^ | ^ Chairman of the Board | ^ |

Signatures

Kenneth Levy 08/14/2006
 **Signature of Date
 Reporting Person

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 411 shares purchased through the Employee Stock Purchase Plan during the fiscal year.

^

Remarks:

Voluntary filing of Form 5 to show all holdings as of 6/30/2006.

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