

Hall Jeffrey
Form 5
August 11, 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 *
Hall Jeffrey

(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)
Chief Financial Officer

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

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	^	^	^	^	^	^	2,225 ⁽¹⁾	D	^
Common Stock - Restricted Stock Units	^	^	^	^	^	^	25,000	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)	Amount or Number of Shares
Non-Qualified Stock Option	\$ 29.31	Â	Â	Â	Â	10/02/2002 10/02/2011	Common Stock	10,2
Non-Qualified Stock Option	\$ 34.67	Â	Â	Â	Â	11/08/2003 01/28/2013	Common Stock	5,5
Non-Qualified Stock Option	\$ 37.05	Â	Â	Â	Â	11/08/2003 11/08/2012	Common Stock	3,2
Non-Qualified Stock Option	\$ 40.66	Â	Â	Â	Â	10/27/2004 08/02/2014	Common Stock	1,9
Non-Qualified Stock Option	\$ 41.79	Â	Â	Â	Â	09/21/2005 09/21/2014	Common Stock	20,0
Non-Qualified Stock Option	\$ 45.16	Â	Â	Â	Â	10/26/2004 04/26/2014	Common Stock	3,2
Non-Qualified Stock Option	\$ 46.67	Â	Â	Â	Â	11/10/2001 07/10/2011	Common Stock	35,8
Non-Qualified Stock Option	\$ 47.95	Â	Â	Â	Â	09/26/2006 09/26/2012	Common Stock	30,0
Non-Qualified Stock Option	\$ 51.229	Â	Â	Â	Â	11/08/2003 07/30/2013	Common Stock	3,2
Non-Qualified Stock Option	\$ 52.53	Â	Â	Â	Â	02/17/2007 02/17/2013	Common Stock	15,0
Non-Qualified Stock Option	\$ 53.86	Â	Â	Â	Â	10/27/2004 10/27/2013	Common Stock	5,2
Non-Qualified Stock Option	\$ 58.1	Â	Â	Â	Â	10/27/2004 01/27/2014	Common Stock	2,6

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

Hall Jeffrey
160 RIO ROBLES
SAN JOSE, CA 95134

^ ^ ^ Chief Financial Officer ^

Signatures

Jeffrey Hall 06/30/2006

**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 434 shares acquired through the Employee Stock Purchase Plan during the fiscal year.

^

Remarks:

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

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.