

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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 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 *
KAUFMAN STEPHEN 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)

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)

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

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

6. Individual or Joint/Group Reporting (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)	(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	^	^	^	^	^	^	1,000	D	^
Common Stock - Restricted Stock Units	^	^	^	^	^	^	1,000	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 Security (Instr. 3 and 4)	Amount or Number of Shares
Non-Qualified Stock Option	\$ 37.05	Â	Â	Â	Â	11/08/2002 11/08/2012	Common Stock	10,000
Non-Qualified Stock Option	\$ 40.24	Â	Â	Â	Â	05/11/2005 05/11/2015	Common Stock	2,500
Non-Qualified Stock Option	\$ 40.68	Â	Â	Â	Â	10/18/2004 10/18/2014	Common Stock	2,500
Non-Qualified Stock Option	\$ 44.76	Â	Â	Â	Â	01/25/2005 01/25/2015	Common Stock	2,500
Non-Qualified Stock Option	\$ 47.86	Â	Â	Â	Â	05/02/2006 05/02/2013	Common Stock	1,250
Non-Qualified Stock Option	\$ 49.99	Â	Â	Â	Â	11/04/2005 11/04/2012	Common Stock	1,250
Non-Qualified Stock Option	\$ 51.35	Â	Â	Â	Â	08/02/2005 08/02/2012	Common Stock	2,500
Non-Qualified Stock Option	\$ 51.98	Â	Â	Â	Â	01/31/2006 01/31/2013	Common Stock	1,250
Non-Qualified Stock Option	\$ 59.44	Â	Â	Â	Â	11/05/2003 11/05/2013	Common Stock	10,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KAUFMAN STEPHEN P 160 RIO ROBLES SAN JOSE, CA 95134	Â X	Â	Â	Â

Signatures

Stephen P.
Kaufman

08/14/2006

__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).

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Remarks:

Voluntary^ filing^ of^ Form^ 5^ 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.