

KLA TENCOR CORP

Form 4

February 21, 2006

FORM 4
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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

OMB APPROVAL

OMB
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(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)
02/17/2006

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

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director _____ 10% Owner
__X__ Officer (give title _____ Other (specify
below) below)
CEO

6. Individual or Joint/Group Filing(Check
Applicable Line)
__X__ 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 Beneficial Ownership (Instr. 4)
				(A) or (D)			
			Code	V	Amount	(D)	Price
Common Stock-Restricted Stock Units <u>(1)</u>	02/17/2006		A		75,000	A	\$ 0 <u>(2)</u>
Common Stock							141,111
							D
							3,551
							D

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

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information contained in this form are not
required to respond unless the form
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SEC 1474
(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 Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Am Nun Sha
Non-Qualified Stock Option (right to buy)	\$ 52.53	02/17/2006		A	50,000			02/17/2007	02/17/2013	Common Stock	50
Non-Qualified Stock Option (right to buy)	\$ 26.25							11/10/2001	11/10/2010	Common Stock	7
Non-Qualified Stock Option (right to buy)	\$ 29.31							10/02/2002	10/02/2011	Common Stock	23
Non-Qualified Stock Option (right to buy)	\$ 32.75							04/04/2002	04/04/2011	Common Stock	8
Non-Qualified Stock Option (right to buy)	\$ 34.67							11/08/2003	01/28/2013	Common Stock	20
Non-Qualified Stock Option (right to buy)	\$ 37.05							11/08/2003	11/08/2012	Common Stock	10
Non-Qualified Stock Option (right to buy)	\$ 40.14							05/22/2004	05/22/2013	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 40.66							10/27/2004	08/02/2014	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 41.79							09/21/2005	09/21/2014	Common Stock	73
Non-Qualified Stock Option (right to buy)	\$ 44.6875							08/13/2000	08/13/2010	Common Stock	19
Non-Qualified Stock Option (right to buy)	\$ 45.16							10/27/2004	04/26/2014	Common Stock	18

Non-Qualified Stock Option (right to buy)	\$ 47.95	09/26/2006	09/26/2012	Common Stock	12
Non-Qualified Stock Option (right to buy)	\$ 51.229	11/08/2003	07/30/2013	Common Stock	12
Non-Qualified Stock Option (right to buy)	\$ 53.86	10/27/2004	10/27/2013	Common Stock	30
Non-Qualified Stock Option (right to buy)	\$ 58.1	10/27/2004	01/27/2014	Common Stock	15

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALLACE RICHARD P C/O KLA-TENCOR CORPORATION 160 RIO ROBLES SAN JOSE, CA 95130			CEO	

Signatures

By: Stuart J. Nichols For: Richard
Wallace 02/21/2006

__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) 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 four years from grant date. The second half vests one year thereafter.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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