

Hall Jeffrey  
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

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)

160 RIO ROBLES

(Street)

SAN JOSE, CA 95134

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
KLA TENCOR CORP [klac]

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

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
Chief Financial Officer

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

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