

KLA TENCOR CORP  
Form 4  
February 21, 2006

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

OMB APPROVAL

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**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

(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  
 Officer (give title below) \_\_\_ Other (specify below)  
CEO

6. Individual or Joint/Group Filing(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)	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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock-Restricted Stock Units <sup>(1)</sup>	02/17/2006		A	75,000	A \$ 0 <sup>(2)</sup>	141,111	D
Common Stock						3,551	D

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

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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 of Underlying Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount
Non-Qualified Stock Option (right to buy)	\$ 52.53	02/17/2006		A		50,000		02/17/2007	02/17/2013	Common Stock	50,000
Non-Qualified Stock Option (right to buy)	\$ 26.25							11/10/2001	11/10/2010	Common Stock	7,500
Non-Qualified Stock Option (right to buy)	\$ 29.31							10/02/2002	10/02/2011	Common Stock	25,000
Non-Qualified Stock Option (right to buy)	\$ 32.75							04/04/2002	04/04/2011	Common Stock	8,000
Non-Qualified Stock Option (right to buy)	\$ 34.67							11/08/2003	01/28/2013	Common Stock	20,000
Non-Qualified Stock Option (right to buy)	\$ 37.05							11/08/2003	11/08/2012	Common Stock	10,000
Non-Qualified Stock Option (right to buy)	\$ 40.14							05/22/2004	05/22/2013	Common Stock	1,000
Non-Qualified Stock Option (right to buy)	\$ 40.66							10/27/2004	08/02/2014	Common Stock	1,000
Non-Qualified Stock Option (right to buy)	\$ 41.79							09/21/2005	09/21/2014	Common Stock	75,000
Non-Qualified Stock Option (right to buy)	\$ 44.6875							08/13/2000	08/13/2010	Common Stock	19,000
Non-Qualified Stock Option (right to buy)	\$ 45.16							10/27/2004	04/26/2014	Common Stock	18,000

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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