

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)

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
 (City) (State) (Zip)

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 | Â | Â | Â | Â | Â | Â | 2,225 (1) | D | Â |
| Common Stock - Restricted Stock Units | Â | Â | Â | Â | Â | Â | 25,000 | D | Â |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 2270 (9-02)

Edgar Filing: Hall Jeffrey - Form 5

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

Edgar Filing: Hall Jeffrey - Form 5

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.