

KLA TENCOR CORP
 Form 5
 August 11, 2006

FORM 5

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

OMB APPROVAL

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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 *
 URBANEK LIDA
 (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)

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)	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 Indirect Beneficial Ownership (Instr. 4)	
				(A) or (D) Amount Price				
Common Stock	Â	Â	Â	Â	Â	1,946	D	Â
Common Stock	Â	Â	Â	Â	Â	29,555	I	Family Foundation
Common Stock	Â	Â	Â	Â	Â	1,271,414	I	by Trust
Common Stock - Restricted	Â	Â	Â	Â	Â	1,000	D	Â

Stock Units

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

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(9-02)

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	\$ 13.44	Â	Â	Â	Â	07/22/1999 07/22/2008	Common Stock	5,0
Non-Qualified Stock Option	\$ 17.59	Â	Â	Â	Â	11/17/1998 11/17/2008	Common Stock	6,6
Non-Qualified Stock Option	\$ 26.25	Â	Â	Â	Â	11/10/2000 11/10/2010	Common Stock	10,0
Non-Qualified Stock Option	\$ 29	Â	Â	Â	Â	07/22/1998 07/22/2007	Common Stock	5,0
Non-Qualified Stock Option	\$ 37.05	Â	Â	Â	Â	11/08/2002 11/08/2012	Common Stock	10,0
Non-Qualified Stock Option	\$ 40.24	Â	Â	Â	Â	05/11/2005 05/11/2015	Common Stock	2,5
Non-Qualified Stock Option	\$ 40.68	Â	Â	Â	Â	10/18/2004 10/18/2014	Common Stock	2,5
Non-Qualified Stock Option	\$ 44.76	Â	Â	Â	Â	01/25/2005 01/25/2015	Common Stock	2,5
Non-Qualified Stock Option	\$ 46.28	Â	Â	Â	Â	11/16/1999 11/16/2009	Common Stock	10,0
Non-Qualified Stock Option	\$ 47.23	Â	Â	Â	Â	11/09/2001 11/09/2011	Common Stock	10,0
Non-Qualified Stock Option	\$ 47.86	Â	Â	Â	Â	05/02/2006 05/02/2013	Common Stock	1,2
	\$ 49.99	Â	Â	Â	Â	11/04/2005 11/04/2012		1,2

Non-Qualified Stock Option										Common Stock	
Non-Qualified Stock Option	\$ 51.35	^	^	^	^	^	08/02/2005	08/02/2015		Common Stock	2,5
Non-Qualified Stock Option	\$ 51.98	^	^	^	^	^	01/31/2006	01/31/2013		Common Stock	1,2
Non-Qualified Stock Option	\$ 59.44	^	^	^	^	^	11/05/2003	11/05/2013		Common Stock	10,0

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
URBANEK LIDA 160 RIO ROBLES SAN JOSE, CA 95134	^ X	^	^	^

Signatures

Lida Urbanek 08/11/2006

**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 to show all holdings as of 6/30/2006

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