

KLA TENCOR CORP
Form 4
February 21, 2006

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

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

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

(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) |
|--|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock-Restricted Stock Units ⁽¹⁾ | 02/17/2006 | | A | | 75,000 | A | \$ 0 ⁽²⁾ |
| Common Stock | | | | | 3,551 | D | |

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 1474 (9-02)

Edgar Filing: KLA TENCOR CORP - Form 4

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 | Am Num 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.
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.