

KLA TENCOR CORP  
Form 4  
February 27, 2006

**FORM 4**

**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).

**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 \*  
LEVY KENNETH

(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)  
02/27/2006

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)  
Chairman of the Board

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 Beneficial Ownership (Instr. 4)
Common Stock	02/27/2006		M	V Amount (A) or (D) Price	100,000 A \$ 10.63	101,474	D
Common Stock	02/27/2006		S	100,000 D \$ 51.7785	1,474	D	
Common Stock					298,000	I	KGMW, LP
Common Stock					40,000	I	Levy Fam. Foundation
Common Stock					1,614,375	I	by Levy Fam. Trust (1)

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Common  
Stock-Restricted  
Stock Units <sup>(2)</sup>

1,000 D

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

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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		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)		
					Acquired (A)	Disposed of (D)	Date Exercisable	Expiration Date			
Non-Qualified Stock Option (right to buy)	\$ 10.63	02/27/2006		M	V	(A)	(D)	100,000	08/31/1999 08/31/2008	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 16.97								10/23/1999 10/23/2008	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 26.25								11/10/2001 11/10/2010	Common Stock	3
Non-Qualified Stock Option (right to buy)	\$ 29.31								10/02/2002 10/02/2011	Common Stock	2
Non-Qualified Stock Option (right to buy)	\$ 32.75								04/04/2002 04/04/2011	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 33.75								10/27/2000 10/27/2009	Common Stock	9
Non-Qualified Stock Option (right to buy)	\$ 34.67								11/08/2003 01/28/2013	Common Stock	1
Non-Qualified Stock Option (right to buy)	\$ 37.05								11/08/2003 11/08/2012	Common Stock	

Non-Qualified Stock Option (right to buy)	\$ 40.66	10/27/2004	08/02/2014	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 41.79	09/21/2005	09/21/2014	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 44.6875	08/13/2000	08/13/2010	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 45.16	10/27/2004	04/26/2014	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 47.95	09/26/2006	09/26/2012	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 51.229	11/08/2003	07/30/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 53.86	10/27/2004	10/27/2013	Common Stock
Non-Qualified Stock Option (right to buy)	\$ 58.1	10/27/2004	01/27/2014	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEVY KENNETH C/O KLA-TENCOR CORPORATION 160 RIO ROBLES SAN JOSE, CA 95130	X		Chairman of the Board	

## Signatures

By: Stuart J. Nichols For: Kenneth  
Levy 02/27/2006

\*\*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) Due to an administrative error, the number of securities beneficially owned by the reporting person was reported incorrectly on the original Form 4.

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(2) Each restricted stock unit represents a contingent right to receive one share of KLAC common stock.

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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