

SCHROEDER KENNETH L
 Form 4
 February 09, 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 *
 SCHROEDER KENNETH L

(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)
 02/08/2006

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)
 Chief Executive Officer

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) |
|--|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V Amount (D) Price | | | |
| Common Stock | 02/08/2006 | | S | 30,000 D \$ 53.9155 | 132,658 | D | |
| Common Stock | 02/08/2006 | | M | 56,032 A \$ 16.97 | 188,690 | D | |
| Common Stock | 02/08/2006 | | S | 56,032 D \$ 53.9155 | 132,658 | D | |
| Common Stock-Restricted Stock Units ⁽¹⁾ | | | | | 100,000 | D | |

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Am Num Sha |
| Non-Qualified Stock Option (right to buy) | \$ 16.97 | 02/08/2006 | | M | 56,032 | 10/23/1999 10/23/2008 | Common Stock 50 |
| Non-Qualified Stock Option (right to buy) | \$ 26.25 | | | | | 11/10/2001 11/10/2010 | Common Stock 37 |
| Non-Qualified Stock Option (right to buy) | \$ 29.31 | | | | | 10/02/2002 10/02/2011 | Common Stock 34 |
| Non-Qualified Stock Option (right to buy) | \$ 32.75 | | | | | 04/04/2002 04/04/2011 | Common Stock 37 |
| Non-Qualified Stock Option (right to buy) | \$ 33.75 | | | | | 10/27/2000 10/27/2009 | Common Stock 15 |
| Non-Qualified Stock Option (right to buy) | \$ 34.67 | | | | | 11/08/2003 01/28/2013 | Common Stock 62 |
| Non-Qualified Stock Option (right to buy) | \$ 37.05 | | | | | 11/08/2003 11/08/2012 | Common Stock 37 |
| Non-Qualified Stock Option (right to buy) | \$ 40.66 | | | | | 10/27/2006 08/02/2014 | Common Stock 22 |
| Non-Qualified Stock Option (right to buy) | \$ 41.79 | | | | | 09/21/2005 09/21/2014 | Common Stock 32 |
| | \$ 44.6875 | | | | | 08/13/2000 08/13/2010 | 73 |

| | | | | | |
|---|-----------|------------|------------|-----------------|----|
| Non-Qualified Stock Option (right to buy) | | | | Common Stock | |
| Non-Qualified Stock Option (right to buy) | \$ 45.16 | 10/27/2004 | 04/26/2014 | Common Stock | 3 |
| Non-Qualified Stock Option (right to buy) | \$ 47.95 | 09/26/2006 | 09/26/2012 | Common Stock | 25 |
| Non-Qualified Stock Option (right to buy) | \$ 47.95 | 09/26/2009 | 09/26/2015 | Common Stock | 73 |
| Non-Qualified Stock Option (right to buy) | \$ 51.229 | 11/08/2003 | 07/30/2013 | Common Stock | 3 |
| Non-Qualified Stock Option (right to buy) | \$ 53.86 | 10/27/2004 | 10/27/2013 | Common Stock | 60 |
| Non-Qualified Stock Option (right to buy) | \$ 58.1 | 10/27/2006 | 01/27/2014 | Common Stock | 30 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| SCHROEDER KENNETH L C/O KLA-TENCOR CORPORATION 160 RIO ROBLES SAN JOSE, CA 95130 | X | | Chief Executive Officer | |

Signatures

By: Stuart J. Nichols For: Kenneth L. Schroeder 02/09/2006

__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.

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.