

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 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		2. Issuer Name and Ticker or Trading Symbol KLA TENCOR CORP [KLAC]		5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) President and CEO	
(Last) (First) (Middle) C/O KLA-TENCOR CORPORATION, ONE TECHNOLOGY DRIVE		3. Date of Earliest Transaction (Month/Day/Year) 08/02/2016			
(Street) MILPITAS, CA 95035		4. If Amendment, Date Original Filed(Month/Day/Year)		6. Individual or Joint/Group Filing (Check Applicable Line) <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person	
(City) (State) (Zip)					

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	(A) or (D)	Price			
Common Stock	08/02/2016		M		29,437 (1)	A	\$ 0	88,178 (2)	D	
Common Stock	08/02/2016		F		13,433 (3)	D	\$ 75.72	74,745	D	
Common Stock	08/02/2016		M		11,775 (4)	A	\$ 0	86,520	D	
Common Stock	08/02/2016		F		6,145 (5)	D	\$ 75.72	80,375	D	
Common Stock								9,182	I	By Trust (6)
Common Stock - Restricted Stock Units (7)								108,200 (8)	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 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 Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other

WALLACE RICHARD P C/O KLA-TENCOR CORPORATION ONE TECHNOLOGY DRIVE MILPITAS, CA 95035	X		President and CEO	
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Signatures

Teri Little as Attorney-in-Fact for Richard P. Wallace		08/04/2016
<small>Signature of Reporting Person</small>		<small>Date</small>

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).

- On August 2, 2012, the Reporting Person received a grant of performance-based restricted stock units ("RSUs") that, following the completion of fiscal year 2014, was
- (1) determined by the Compensation Committee of KLA-Tencor's Board of Directors (in August 2014) to cover, based on KLA-Tencor's financial performance during fiscal year 2014, 58,875 shares of KLA-Tencor common stock. On August 2, 2016, the Reporting person vested in fifty percent (50%) of the performance-based RSUs.
 - (2) Includes 363 shares acquired by the Reporting Person under the KLA-Tencor Employee Stock Purchase Plan on June 30, 2016.
 - (3) Pursuant to such terms of the August 2, 2012 performance-based RSU grant, 13,433 shares of KLA-Tencor common stock were automatically withheld at vesting to cover required tax withholding.
 - (4) On August 2, 2012, the Reporting Person received a grant of RSUs covering 47,100 shares of KLA-Tencor common stock. On August 2, 2016, the Reporting Person vested in twenty-five percent (25%) of such RSUs.
 - (5) Pursuant to the terms of the August 2, 2012 RSU grant described in note (4) above, 6,145 shares of KLA-Tencor common stock were automatically withheld at vesting to cover required tax withholding.
 - (6) Shares held under the Wallace Living Trust u/a/d 03/27/01, as amended, a trust of which the Reporting Person is a trustee and beneficiary.
 - (7) Each RSU represents a contingent right to receive one share of KLA-Tencor common stock.
 - (8) Does not include performance-based RSUs, if any, held by the Reporting Person for which an assessment has not yet been made regarding the achievement of the applicable performance goals. Any such holdings will be reported on a Form 4 within two business days of the date such assessment is made.

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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