

FORM 5

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

OMB APPROVAL	
OMB Number:	3235-0362
Estimated average burden hours per response...	1.0

- 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 or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* LEVY KENNETH		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) Chairman of the Board					
(Last)	(First)	(Middle)	3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year) 06/30/2006		6. Individual or Joint/Group Reporting (check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person				
160 RIO ROBLES									
(Street)			4. If Amendment, Date Original Filed(Month/Day/Year)						
SAN JOSE, CA 95134									
(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 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)
				Amount	(A) or (D)	Price			
Common Stock							1,552 (1)	D	
Common Stock							298,000	I	KGMW, LP
Common Stock							40,000	I	Levy Family Foundation
Common Stock							1,614,375	I	by Levy Family Trust
Common Stock - Restricted Stock Units							1,000	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 2270 (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 Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned at End of Issuer's Fiscal Year (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares				
Non-Qualified Stock Option	\$ 10.63					08/31/1999	08/31/2008	Common Stock	54,272		54,272	D	
Non-Qualified Stock Option	\$ 16.97					10/23/1999	10/23/2008	Common Stock	220,728		220,728	D	
Non-Qualified Stock Option	\$ 26.25					11/10/2001	11/10/2010	Common Stock	18,951		18,951	D	

Non-Qualified Stock Option	\$ 29.31						10/02/2002	10/02/2011	Common Stock	28,425		28,425	D	
Non-Qualified Stock Option	\$ 32.75						04/04/2002	04/04/2011	Common Stock	18,951		18,951	D	
Non-Qualified Stock Option	\$ 33.75						10/27/2000	10/27/2009	Common Stock	90,000		90,000	D	
Non-Qualified Stock Option	\$ 34.67						11/08/2003	01/28/2013	Common Stock	15,724		15,724	D	
Non-Qualified Stock Option	\$ 37.05						11/08/2003	11/08/2012	Common Stock	7,863		7,863	D	
Non-Qualified Stock Option	\$ 40.66						10/27/2004	08/02/2014	Common Stock	4,500		4,500	D	
Non-Qualified Stock Option	\$ 41.79						09/21/2005	09/21/2014	Common Stock	50,000		50,000	D	
Non-Qualified Stock Option	\$ 44.6875						08/13/2000	08/13/2010	Common Stock	37,901		37,901	D	
Non-Qualified Stock Option	\$ 45.16						10/27/2004	04/26/2014	Common Stock	7,500		7,500	D	
Non-Qualified Stock Option	\$ 47.95						09/26/2006	09/26/2012	Common Stock	15,000		15,000	D	
Non-Qualified Stock Option	\$ 51.229						11/08/2003	07/30/2013	Common Stock	7,863		7,863	D	
Non-Qualified Stock Option	\$ 53.86						10/27/2004	10/27/2013	Common Stock	12,000		12,000	D	
Non-Qualified Stock Option	\$ 58.10						10/27/2004	01/27/2014	Common Stock	6,000		6,000	D	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LEVY KENNETH 160 RIO ROBLES SAN JOSE, CA 95134	X		Chairman of the Board	

Signatures

Kenneth Levy	08/14/2006
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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) Includes 411 shares purchased through the Employee Stock Purchase Plan during the fiscal year.

Remarks:

Voluntary filing of Form 5 to show all holdings as of 6/30/2006.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.