

LEVY KENNETH
Form 4
February 27, 2007

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

2. Issuer Name and Ticker or Trading Symbol
KLA TENCOR CORP [KLAC]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O KLA-TENCOR CORPORATION, 160 RIO ROBLES

3. Date of Earliest Transaction (Month/Day/Year)
02/26/2007

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman of the Board

(Street)
SAN JOSE, CA 95130

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | Code V Amount (D) Price | | | |
| Common Stock | 02/26/2007 | | S | 50,000 D \$ 54.1598 | 1,464,375 | I | by Levy Fam. Trust |
| Common Stock (1) | | | | | 1,552 | D | |
| Common Stock | | | | | 298,000 | I | KGMW, LP |
| Common Stock | | | | | 40,000 | I | Levy Fam. Foundation |
| Common Stock-Restricted | | | | | 1,000 | D | |

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Stock Units ⁽²⁾

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 Securities (Instr. 3 and 4) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|-------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount Number of Shares |
| Non-Qualified Stock Option (right to buy) | \$ 10.63 | | | | | 08/31/1999 | 08/31/2008 | Common Stock | 54,272 |
| Non-Qualified Stock Option (right to buy) | \$ 16.97 | | | | | 10/23/1999 | 10/23/2008 | Common Stock | 220,72 |
| Non-Qualified Stock Option (right to buy) | \$ 26.25 | | | | | 11/10/2001 | 11/10/2010 | Common Stock | 18,951 |
| Non-Qualified Stock Option (right to buy) | \$ 29.31 | | | | | 10/02/2002 | 10/02/2011 | Common Stock | 28,425 |
| Non-Qualified Stock Option (right to buy) | \$ 32.75 | | | | | 04/04/2002 | 04/04/2011 | Common Stock | 18,951 |
| Non-Qualified Stock Option (right to buy) | \$ 33.75 | | | | | 10/27/2000 | 10/27/2009 | Common Stock | 90,000 |
| Non-Qualified Stock Option (right to buy) | \$ 44.6875 | | | | | 08/13/2000 | 08/13/2010 | Common Stock | 37,901 |
| Non-Qualified Stock Option | \$ 51.229 | | | | | 11/08/2003 | 07/30/2013 | Common Stock | 6,159 |

(right to buy)

Non-Qualified

Stock Option \$ 53.86

10/27/2004 10/27/2013

Common
Stock

7,000

(right to buy)

Non-Qualified

Stock Option \$ 58.1

10/27/2004 01/27/2014

Common
Stock

3,500

(right to buy)

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

Kenneth Levy

02/27/2007

**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.

(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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