Burgess Ronald W Form 4 February 27, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB Number:

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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

1(b).

(Print or Type Responses)

See Instruction

1. Name and Address of Reporting Person * Burgess Ronald W			2. Issuer Name and Ticker or Trading Symbol KEY TECHNOLOGY INC [KTEC]	5. Relationship of Reporting Person(s) to Issuer			
(Last) C/O KEY TE			3. Date of Earliest Transaction (Month/Day/Year) 02/23/2007	(Check all applicable) Director 10% Owner _X_ Officer (give title Other (specification))			
INC., 150 AVERY STREET				SR VP & CFO			
	(Street)		4. If Amendment, Date Original Filed(Month/Day/Year)	6. Individual or Joint/Group Filing(Check Applicable Line) _X_ Form filed by One Reporting Person			
WALLA WALLA, X1 99362				Form filed by More than One Reporting Person			

(City)	(State) (Zip) Table	e I - Non-D	erivative S	Securi	ties Acqu	ired, Disposed of	, or Beneficiall	y Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transactic Code (Instr. 8)	4. Securit on(A) or Dis (Instr. 3, 4)	sposed	of (D)	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	02/23/2007		D	17,500 (1)	D	\$ 0	18,813 <u>(2)</u>	D	
Common Stock	02/23/2007		D	4,233 (3)	D	\$ 0	14,580	D	
Common Stock	02/23/2007		F	2,391 (4)	D	\$ 16.64	12,189	D	

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

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number.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Title	e and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transacti	onNumber	Expiration D	ate	Amour	nt of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underl	ying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securit	ties	(Instr. 5)	Bene
	Derivative				Securities			(Instr. :	3 and 4)		Owne
	Security				Acquired						Follo
					(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									Amount		
									Amount		
						Date	Expiration		or Namel		
						Exercisable	Date		Number		
				C 1 W	(A) (D)				of		
				Code V	(A) (D)			,	Shares		

Reporting Owners

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

Burgess Ronald W

C/O KEY TECHNOLOGY, INC. SR VP 150 AVERY STREET & CFO

WALLA WALLA, X1 99362

Signatures

Ronald W. 02/27/2007 Burgess

**Signature of Date
Reporting Person

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) Represents restricted stock shares forfeited because certain performance and continuing employment criteria were not achieved.
- (2) Includes 258, 217, 248 and 215 shares purchased 3/31/2006, 6/30/2006, 9/30/2006 and 12/31/2006, respectively, under the Key Technology, Inc. Employee Stock Purchase Plan.
- (3) Represents restricted stock shares forfeited because certain continuing employment criteria were not achieved.
- (4) Delivery of shares to Company to satisfy tax withholding obligations in connection with lapse of restriction on 8,267 shares of restricted 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.

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