
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant To Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): June 30, 2006

KLA-TENCOR CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

000-09992
(Commission File Number)

04-2564110
(IRS Employer Identification No.)

160 Rio Robles
San Jose, California 95134
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (408) 875-3000

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events

On June 30, 2006, KLA-Tencor Corporation issued a press release to report the preliminary conclusion of its Special Committee with respect to its ongoing internal investigation relating to past stock option grants, the timing of such grants and related accounting and documentation. A copy of the press release is filed hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release issued by KLA-Tencor Corporation dated June 30, 2006.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KLA-TENCOR CORPORATION

Date: June 30, 2006

By: /s/ Stuart J. Nichols

Name: Stuart J. Nichols

Title: Vice President and General Counsel

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release issued by KLA-Tencor Corporation dated June 30, 2006.

News Release

Company Contact: Jeff Hall
Chief Financial Officer
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jeff.hall@kla-tencor.com

Kyra Whitten
Sr. Director, Corporate Communications
(408) 875-7819
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FOR IMMEDIATE RELEASE

KLA-TENCOR PROVIDES UPDATE ON SPECIAL COMMITTEE INVESTIGATION

SAN JOSE, Calif., June 30, 2006 — KLA-Tencor Corporation (NASDAQ: KLAC) today announced that a Special Committee of the Company's Board of Directors has reached a preliminary conclusion that the actual measurement dates for financial accounting purposes of certain stock option grants issued in prior years likely differ from the recorded grant dates of such awards. The Special Committee has not completed its investigation and is continuing its review of these matters. The Special Committee has not yet determined whether any resulting compensation charges are material or whether the Company ultimately will restate previously issued financial statements.

The Company previously announced that its Board of Directors has appointed a Special Committee of independent directors to conduct an internal investigation relating to stock options granted to members of senior management and the employees of the Company. The Special Committee, assisted by independent legal counsel and accounting experts, is investigating the timing of such grants, as well as their related accounting treatment.

Based on the Special Committee's investigation to date, the Company now anticipates that it may record additional non-cash charges for stock-based compensation expense. The Company has not yet determined the amount of such charges or the resulting tax impact of these actions. In the event that the Company determines that these items are material, KLA-Tencor may be required to restate its financial statements for the relevant prior fiscal periods.

Forward Looking Statements: Statements in this press release regarding KLA-Tencor's financial statements for prior periods and the possible conclusions or determinations to be made by the Board of Directors, the Audit Committee, or the Special Committee are forward-looking statements, and are subject to the Safe Harbor provisions created by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current information and expectations, and involve a number of risks and uncertainties. Actual results may differ materially from those projected in such statements due to various factors, including but not limited to, the final conclusions of the Board of Directors, the Audit Committee, the Special Committee, and the Company's independent public accountants concerning matters related to the company's stock option grants.

About KLA-Tencor: KLA-Tencor is the world leader in yield management and process control solutions for semiconductor manufacturing and related industries. Headquartered in San Jose, Calif., the company has sales and service offices around the world. An S&P 500 company, KLA-Tencor is traded on the Nasdaq National Market under the symbol KLAC. Additional information about the company is available on the Internet at <http://www.kla-tencor.com>