
**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): July 25, 2007

KLA-TENCOR CORPORATION

(Exact name of registrant specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-09992
(Commission File Number)

04-2564110
(I.R.S. Employer
Identification No.)

160 Rio Robles, San Jose, California
(Address of principal executive offices)

95134
(Zip Code)

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

(Former name and 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))
-

Item 8.01 Other Events.

On July 25, 2007, KLA-Tencor Corporation (the "Company") announced that it has reached a settlement with the United States Securities and Exchange Commission ("SEC") by consenting to the entry of a permanent injunction against future violations of the reporting, books and records, and internal controls provisions of the federal securities laws.

The settlement resolves completely the previously disclosed SEC investigation into the Company's historical stock option granting practices. The Company was not charged by the SEC with fraud nor was the Company required to pay any civil penalty, fine, or money damages as part of the settlement.

A copy of the Company's news release issued on July 25, 2007 in connection with the foregoing, is attached hereto as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibit is filed herewith:

Exhibit Number	Description
99.1	News Release issued by KLA-Tencor Corporation dated July 25, 2007.

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: July 25, 2007

By: /s/ Jeffrey L. Hall
Name: Jeffrey L. Hall
Title: Chief Financial Officer

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release issued by KLA-Tencor Corporation dated July 25, 2007.

News Release

Company Contacts:

Jeffrey L. Hall
Chief Financial Officer
(408) 875-6800
jeff.hall@kla-tencor.com

Kyra Whitten
Sr. Director, Corporate Communications
(408) 875-7819
kyra.whitten@kla-tencor.com

FOR IMMEDIATE RELEASE

KLA-Tencor Announces Settlement with Securities and Exchange Commission

SAN JOSE, California, July 25, 2007 — KLA-Tencor Corporation (NASDAQ: KLAC) today announced that it has reached a settlement with the United States Securities and Exchange Commission (“SEC”) by consenting to the entry of a permanent injunction against future violations of the reporting, books and records, and internal controls provisions of the federal securities laws.

The settlement resolves completely the previously disclosed SEC investigation into the company’s historical stock option granting practices. KLA-Tencor was not charged by the SEC with fraud nor was the company required to pay any civil penalty, fine, or money damages as part of the settlement.

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, California, the Company has sales and service offices around the world. An S&P 500 company, KLA-Tencor is traded on the NASDAQ Global Select Market under the symbol KLAC. Additional information about the Company is available at <http://www.kla-tencor.com>.