

**Report of Organizational Actions
 Affecting Basis of Securities**

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name KLA-TENCOR CORPORATION		2 Issuer's employer identification number (EIN) 04-2564110	
3 Name of contact for additional information ED LOCKWOOD	4 Telephone No. of contact (408) 875-3000	5 Email address of contact IR@KLA-TENCOR.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact ONE TECHNOLOGY DRIVE		7 City, town, or post office, state, and Zip code of contact MILPITAS, CA 95035	
8 Date of action 9/2/2014, 12/1/2014, 12/9/2014		9 Classification and description COMMON STOCK	
10 CUSIP number 482480100	11 Serial number(s) N/A	12 Ticker symbol KLAC	13 Account number(s) N/A

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **DURING THE FISCAL YEAR ENDING JUNE 30, 2015, KLA-TENCOR CORPORATION ("ISSUER") MADE DISTRIBUTIONS PRIOR TO DECEMBER 31, 2014. ON SEPTEMBER 2, 2014 AND DECEMBER 1, 2014, THE ISSUER MADE REGULAR QUARTERLY CASH DISTRIBUTIONS OF \$0.50 PER SHARE TO ITS COMMON STOCKHOLDERS TOTALING \$82,413,428 AND \$82,255,928, RESPECTIVELY (COLLECTIVELY, THE "REGULAR DISTRIBUTIONS") AND ON DECEMBER 9, 2014, THE ISSUER MADE A SPECIAL CASH DISTRIBUTION OF \$16.50 PER SHARE TO ITS COMMON STOCKHOLDERS OF \$2,714,482,122 IN THE AGGREGATE (THE "SPECIAL DISTRIBUTION"). IN ADDITION, FOR THE THIRD AND FOURTH QUARTERS OF THE FISCAL YEAR ENDING JUNE 30, 2015, THE ISSUER INTENDS TO CONTINUE TO PAY REGULAR QUARTERLY CASH DISTRIBUTIONS (THE "INTENDED DISTRIBUTIONS," AND TOGETHER WITH THE REGULAR DISTRIBUTIONS AND SPECIAL DISTRIBUTION, THE "DISTRIBUTIONS"). SUBJECT TO APPROVAL BY ITS BOARD OF DIRECTORS, THE ISSUER CURRENTLY EXPECTS THE DISTRIBUTIONS TO BE IN EXCESS OF ITS CURRENT AND ACCUMULATED EARNINGS AND PROFITS.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **THE ISSUER IS CURRENTLY EXPECTING TO HAVE POSITIVE CURRENT AND ACCUMULATED EARNINGS AND PROFITS FOR THE FISCAL YEAR ENDING JUNE 30, 2015. HOWEVER, THE DISTRIBUTIONS ARE EXPECTED TO BE IN EXCESS OF THE CURRENT AND ACCUMULATED EARNINGS AND PROFITS. BASED ON REASONABLE ASSUMPTIONS CURRENTLY AVAILABLE, THE ISSUER EXPECTS THAT THE ENTIRE AMOUNT OF THE REGULAR DISTRIBUTIONS WILL BE FULLY TAXABLE AS DIVIDENDS. THE ISSUER EXPECTS THAT APPROXIMATELY 75% OF THE SPECIAL DISTRIBUTION WILL BE TAXABLE AS A DIVIDEND AND THE REMAINING PORTION OF THE SPECIAL DISTRIBUTION WILL BE TREATED AS A RETURN OF CAPITAL. ANY AMOUNT CONSIDERED A RETURN OF CAPITAL WILL REDUCE STOCKHOLDER BASIS TO THE EXTENT THEREOF. ANY PORTION OF THE SPECIAL DISTRIBUTION IN EXCESS OF STOCKHOLDER BASIS WILL BE CAPITAL GAIN TO THE RECIPIENT STOCKHOLDER.**

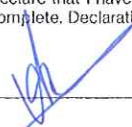
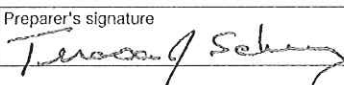
16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **WHEN AN ISSUER MAKES MULTIPLE DISTRIBUTIONS DURING THE TAX YEAR AND SUCH DISTRIBUTIONS, IN AGGREGATE, EXCEED THE EXPECTED CURRENT EARNINGS AND PROFITS, THE ISSUER'S EXPECTED CURRENT EARNINGS AND PROFITS ARE ALLOCATED PROPORTIONATELY ACROSS ALL OF THE DISTRIBUTIONS. WHILE THE INTENDED DISTRIBUTIONS HAVE NOT YET BEEN DECLARED AND PAID BY THE ISSUER, THEY ARE DISTRIBUTIONS THAT ARE INTENDED TO BE DECLARED AND PAID DURING THE 2015 TAX YEAR OF THE ISSUER. AS SUCH, THE INTENDED DISTRIBUTIONS WILL BE INCLUDED FOR PURPOSES OF THE ALLOCATION OF CURRENT EARNINGS AND PROFITS. HOWEVER, ACCUMULATED EARNINGS AND PROFITS ARE ALLOCATED BASED ON THE CHRONOLOGICAL ORDER OF THE DISTRIBUTIONS AND WILL NOT AFFECT THE INTENDED DISTRIBUTIONS. APPLYING THESE ALLOCATION PROVISIONS, THE ISSUER EXPECTS THAT THE REGULAR DISTRIBUTIONS ON SEPTEMBER 2, 2014 AND DECEMBER 1, 2014 WILL BE FULLY TAXABLE AS DIVIDENDS. THE ISSUER EXPECTS THAT APPROXIMATELY 75% OF THE SPECIAL DISTRIBUTION WILL BE TAXABLE AS A DIVIDEND AND THE REMAINING PORTION OF THE SPECIAL DISTRIBUTION WILL BE TREATED AS A RETURN OF CAPITAL.**

Part III Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶
DISTRIBUTIONS TO STOCKHOLDERS TO THE EXTENT OF THE CORPORATION'S EARNINGS AND PROFITS ARE REPORTED AS TAXABLE DIVIDENDS UNDER SECTION 301(c)(1) AND IN ACCORDANCE WITH SECTION 316. IN THE EVENT A DISTRIBUTION TO STOCKHOLDERS EXCEEDS THE CORPORATION'S CURRENT AND ACCUMULATED EARNINGS AND PROFITS AS COMPUTED UNDER SECTION 312, STOCKHOLDERS MUST APPLY THE RULES OF SECTION 301(c) TO DETERMINE IF THE DISTRIBUTION IS A NON-TAXABLE RETURN OF CAPITAL UNDER SECTION 301(c)(2) OR IF THE DISTRIBUTION IS REPORTED AS A CAPITAL GAIN UNDER SECTION 301(c)(3). THE ISSUER HAS ESTIMATED ITS POSITIVE CURRENT AND ACCUMULATED EARNINGS AND PROFITS AS COMPUTED IN ACCORDANCE WITH SECTION 312.
AS MENTIONED ABOVE, THE CURRENT EARNINGS AND PROFITS ARE ALLOCATED PROPORTIONATELY ACROSS ALL OF THE DISTRIBUTIONS IN ACCORDANCE WITH TREAS. REG. SECTION 1.316-2(b) AND THE ACCUMULATED EARNINGS AND PROFITS ARE ALLOCATED BASED ON THE CHRONOLOGICAL ORDER OF THE DISTRIBUTIONS PURSUANT TO REV RUL. 74-338.

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶
THE STOCKHOLDER'S REPORTABLE TAX YEAR IS THE YEAR ENDED DECEMBER 31, 2014.

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.				
	Signature ▶ 		Date ▶ 1/12/2015		
Paid Preparer Use Only	Print your name ▶ VIRENDRA KIRLOSKAR		Title ▶ CHIEF ACCOUNTING OFFICER		
	Print/Type preparer's name TERASA SCHERRY		Preparer's signature 		Date 1/9/2015
	Firm's name ▶ ERNST & YOUNG LLP			Check <input type="checkbox"/> if self-employed PTIN P01395123	
	Firm's address ▶ 725 SOUTH FIGUEROA STREET, LOS ANGELES, CA 90017			Firm's EIN ▶ 34-656596 Phone no. 213-977-3200	