UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

__X__ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended April 1, 1995

OR

_____ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from ____ to ____.

Commission File Number 0-6217

INTEL CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware	94-1672743
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2200 Mission College Boulevard; Santa Clara, California	95052-8119
(Address of principal executive offices)	(Zip Code)

(408) 765-8080
(Registrant's telephone number, including area code)

N/A
(Former name, former address, and former fiscal year, if changed since last report.)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such requirements for the past 90 days. Yes _X_ No ___

Shares outstanding of the Registrant's common stock as of April 1, 1995

Class	Outstanding at April 1, 1995
Common Stock, $.001 par value	828.2 million

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Intel Corporation
Consolidated Condensed Statements of Income (unaudited)
(in millions, except per share amounts)

	Three Months Ended	
	Apr. 1, 1995	Apr. 2, 1994
Net revenues	$3,557	$2,660
Costs and expenses:		
Cost of sales	1,609	1,124
Research and development	294	265
Marketing, general and administrative	387	344
Operating costs and expenses	2,290	1,733
Operating income	1,267	927
Interest expense	(7)	(11)
Interest and other income, net	156	55
Income before provision for taxes	1,416	971

Provision for taxes	527	354
Net income	$ 889	$ 617
Earnings per common and common equivalent share	$ 1.02	$ .70
Cash dividends declared per common share	$ 0.03	$0.025
Weighted average number of common and common equivalent shares outstanding	872	884

(See Notes to Consolidated Condensed Financial Statements.)

Item 1. Financial Statements (Continued)

Intel Corporation
Consolidated Condensed Balance Sheets
(in millions)

	Apr. 1, 1995 (unaudited)	Dec. 31, 1994
ASSETS		
Current assets:		
Cash and cash equivalents	$1,290	$1,180
Short-term investments	1,220	1,230
Accounts receivable, net	2,340	1,978
Inventories:		
Raw materials	420	345
Work in process	637	528
Finished goods	267	296
	1,324	1,169
Deferred tax assets	524	552
Other current assets	126	58
Total current assets	6,824	6,167
Property, plant and equipment, at cost	9,236	8,516
Less: Accumulated depreciation	(3,412)	(3,149)
Property, plant and equipment, net	5,824	5,367
Long-term investments	2,028	2,127
Other assets	234	155
TOTAL ASSETS	$14,910	$13,816
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	$ 639	$ 517
Accounts payable	714	575
Accrued compensation and benefits	411	588
Other accrued liabilities	550	646
Deferred income on shipments to distributors	241	269
Income taxes payable	721	429
Total current liabilities	3,276	3,024
Long-term debt	404	392
Deferred tax liabilities	402	389
Put warrants	821	744
Stockholders' equity:		
Preferred stock	--	--
Common stock and capital in excess of par value	2,324	2,306
Retained earnings	7,683	6,961
Total stockholders' equity	10,007	9,267
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$14,910	$13,816

(See Notes to Consolidated Condensed Financial Statements.)

Item 1. Financial Statements (Continued)

Intel Corporation
Consolidated Condensed Statements of Cash Flows (unaudited, in millions)

	Three Months Ended Apr. 1, 1995	Three Months Ended Apr. 2, 1994
Cash flows provided by (used for) operating activities:		
Net income	$ 889	$ 617
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	305	233
Net loss on retirements of property, plant and equipment	31	6
Amortization of debt discount	5	5
Change in deferred tax assets and liabilities	41	4
Changes in assets and liabilities:		
(Increase) in accounts receivable	(362)	(83)
(Increase) in inventories	(155)	(151)
(Increase) in other assets	(147)	(67)
Increase in accounts payable	139	97
(Decrease) in accrued compensation and benefits	(177)	(205)
Increase in income taxes payable	292	101
Tax benefit from employee stock plans	21	16
(Decrease) increase in other liabilities	(124)	35
Total adjustments	(131)	(9)
Net cash provided by operating activities	758	608
Cash flows provided by (used for) investment activities:		
Additions to property, plant and equipment	(793)	(538)
Purchases of long-term, available-for-sale investments	(76)	(239)
Sales of long-term, available-for-sale investments	44	--
Maturities and other changes in available-for-sale investments, net	126	31
Net cash (used for) investment activities	(699)	(746)
Cash flows provided by (used for) financing activities:		
Increase in short-term debt, net	117	(4)
Additions to long-term debt	12	--
Retirement of long-term debt	--	(98)
Proceeds from sales of shares through employee stock plans and other	81	66
Proceeds from sales of put warrants	16	10
Repurchase and retirement of common stock	(150)	(52)
Payment of dividends to stockholders	(25)	(21)
Net cash provided by (used for) financing activities	51	(99)
Net increase (decrease) in cash and cash equivalents	$ 110	$ (237)
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 25	$ 16
Income taxes	$ 173	$ 233

(See Notes to Consolidated Condensed Financial Statements.)

Item 1. Financial Statements (Continued)

Intel Corporation, Notes to Consolidated Condensed Financial Statements

1. The accompanying interim consolidated condensed financial statements of Intel Corporation ("Intel," the "Company" or the "Registrant") have been prepared in conformity with generally accepted accounting principles,

consistent in all material respects with those applied in the Annual Report on Form 10-K for the year ended December 31, 1994. The interim financial information is unaudited, but reflects all normal adjustments which are, in the opinion of management, necessary to provide a fair statement of results for the interim periods presented. The interim financial statements should be read in connection with the financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 1994.

2. Interest and other income includes (in millions):

	Three Months Ended	
	Apr. 1, 1995	Apr. 2, 1994
Interest income	$ 74	$ 52
Foreign currency gains	6	4
Other income	76	(1)
Total	$ 156	$ 55

Other income for the three months ended April 1, 1995 includes $58 million for the settlement of all ongoing litigation with Advanced Micro Devices, Inc. and $23 million from the sale of a portion of the Company's interest in VLSI Technology, Inc.

3. Earnings per common and common equivalent share as presented on the face of the statements of income represent primary earnings per share. Dual presentation of primary and fully diluted earnings per share has not been made because the differences are insignificant.

4. As more fully described in the Company's Annual Report, Intel enters into derivative financial instruments to reduce financial market risks. The Company follows accounting policies for these instruments based on the Company's designation as a hedge. The criteria the Company uses for designating an instrument as a hedge include its effectiveness in risk reduction and one-to-one matching to underlying transactions. Gains and losses on foreign currency forwards and options that are designated and effective as hedges of anticipated transactions are deferred and recognized in income in the same period as the hedged transactions. Gains and losses on foreign currency forwards, options, and swaps that are designated and effective as hedges of existing transactions are recorded on the balance sheet or recognized in income in the same period as the hedged transactions. Income or expense on swaps is accrued as an adjustment to the yield of the related investments or debt they hedge. Gains and losses on any instruments not meeting the above criteria are recognized in income in the current period.

5. During the first quarter of 1995, the Company repurchased and retired 4.0 million shares of Common Stock at an aggregate cost of $150 million. As of April 1, 1995, after reserving shares to cover outstanding put warrants, approximately 30.8 million shares of Common Stock remained available under the repurchase program (total authorization of 110 million shares) authorized by the Board of Directors.

Item 1. Financial Statements (Continued)

Intel Corporation, Notes to Consolidated Condensed Financial Statements

6. In a series of private placements during the 1991-1995 period, the Company sold put warrants that entitle the holder of each warrant to sell one share of Common Stock to the Company, at a specified price, if the holder exercises the warrant. Activity during the first quarter of 1995 is summarized as follows:

		Put Warrants Outstanding	
(In millions)	Cumulative Proceeds Received	Number Of Warrants	Potential Obligation
December 31, 1994	$ 194	25	$ 744
Sales	16	7	258
Expirations	--	(6)	(181)
April 1, 1995	$ 210	26	$ 821

The amount related to the Company's potential buyback obligation has been reclassified from Stockholders' equity and recorded as Put warrants. The 26 million put warrants outstanding at April 1, 1995 expire on various dates between April 1995 and February 1996 and have exercise prices ranging from $27.50 to $38.12 per share. There is no material dilutive effect on earnings per share for the periods presented.

7. On April 27, 1995 the Board of Directors of Intel Corporation declared a two for one stock split to be effected in the form of a stock distribution payable on June 16, 1995 to stockholders of record as of May 19, 1995. All share and per share amounts reported herein have been adjusted to reflect the effects of this split. In addition, the Board of Directors declared an increased cash dividend (on a post split basis) of $0.04 per share payable on September 1, 1995 to stockholders of record on August 1, 1995.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations - First Quarter of 1995 Compared to First Quarter of 1994

Revenues for Q1 1995 increased by 34% compared to Q1 1994. Higher volumes of the rapidly ramping Pentium(R) processor family, partially offset by lower prices, and increased sales of associated board level products drove the overall growth in revenues. Revenues from the Intel486(TM) microprocessor family declined due to lower prices and a shift in market demand toward the Company's more advanced microprocessors. Semiconductor products, namely chipsets and flash memory, also showed significant growth between these periods.

Cost of sales rose by 43% from Q1 1994 to Q1 1995, primarily due to increased unit volumes, including higher proportions of board level products. Lower prices for certain microprocessor products also contributed to the decline in gross margin percentage from 58% in Q1 1994 to 55% in Q1 1995.

A significant and growing portion of the Company's revenues, and a majority of its gross margin, are derived from sales of the Pentium processor family. During Q1 1995 revenues from sales of the Pentium processor family exceeded revenues from sales of the Intel486 family of Microprocessors. Sales of the Intel486 microprocessor family represent a significant but declining portion of the Company's revenues and margins.

Research and development expenses and marketing, general and administrative expenses rose by a total of $72 million, or 12%, from Q1 1994 to Q1 1995. Spending for internal microprocessor development programs and personnel-related expenses accounted for most of the increase.

Interest and other income increased by $101 million or 184%. Other income for Q1 1995 included $58 million related to the settlement of litigation with Advanced Micro Devices, Inc. and $23 million from the sale of a portion of Intel's interest in VLSI Technology, Inc. Higher interest rates in Q1 1995 were also a factor in the overall increase in interest and other income.

The slight decrease in interest expense between Q1 1994 and Q1 1995 is the result of higher construction-related interest capitalization, partially offset by higher rates on borrowings.

The Company enters into investments and corresponding interest rate swaps to preserve principal while enhancing the yield on its investment portfolio without increasing risk, and enters into forward contracts, options and swaps to hedge currency, market and interest rate exposures. Gains and losses on these instruments are offset by those on the underlying hedged transactions; as a result, there was no net impact on the Company's financial results in either Q1 1994 or Q1 1995.

The provision for taxes grew by $173 million, or 49%, primarily due to increased pretax income and, to a lesser extent, an increase in the effective tax rate from 36.5% for Q1 1994 to 37.2% for Q1 1995. The higher rate for 1995 reflects primarily the diminishing impact of certain tax benefits due to increased profitability.

Financial Condition

The Company's financial condition remains strong. As of April 1, 1995, Intel's portfolio of cash and investments totaled $4.54 billion, essentially unchanged from December 31, 1994. The Company's other sources of liquidity include credit lines and commercial paper borrowing arrangements that exceed $1.7 billion in the aggregate. The Company also retains the authority to issue an aggregate of approximately $1.4 billion in debt, equity and other securities under SEC shelf registration statements.

The Company funded most of its investment needs during Q1 1995 with cash generated from operations, which totaled $758 million. Major uses of cash during Q1 1995 included capital spending of $793 million for property plant and equipment, primarily for microprocessor manufacturing capacity.

Inventory levels, particularly work in process, increased significantly during Q1 1995, as the Company replenished inventories written down in Q4 1994 in connection with the floating point divide problem in the Pentium processor. The increase in accounts receivable over this period is due primarily to strong March billings.

Key financing activities in Q1 1995 included the repurchase of 4.0 million shares of Common Stock for $150 million as part of the Company's authorized stock repurchase program. Subsequent to the end of Q1 1995, the Company repurchased 4 million shares of Common Stock at a total cost of $219 million. Early in Q2 1995, 7.5 million put warrants expired unexercised. As of May 12, 1995, Intel had the potential obligation to repurchase 18.5 million shares of Common Stock at an aggregate cost of $600 million under outstanding put warrants.

Cash flow from operations and available sources of liquidity are considered adequate for planned capital expenditure programs, working capital requirements, quarterly cash dividend payouts, and the maturity on May 15, 1995 of Intel's $187 million zero coupon notes.

Outlook

Future trends for revenue and profitability remain difficult to predict, despite the strong financial results described above. The Company continues to face many risks and uncertainties, including business conditions and growth in the personal computer industry and general economy; competitive factors, such as rival chip architectures, imitative microprocessors, and price pressures; manufacturing capacity; and litigation involving intellectual property.

As part of its strategic goal to double performance at major system price points, the Company may continue to cut microprocessor prices aggressively and systematically. Future distortion of price maturity curves could occur as imitation products enter the market in significant volume or alternative architectures gain market acceptance. The outlook for Pentium processor shipments in 1995 remains dependent on several business factors, including continued success in the manufacturing ramp, availability of other components to build personal computers, and market demand, including microprocessor product mix.

The Company expects gross margin percentage to remain in the low 50's range in Q2 1995. Over the longer term, various factors, including higher unit volumes; changes in product mix; and costs and yield issues associated with initiating production at new factories will continue to affect the amount and variability of cost of sales in future quarters.

The Company recently boosted its 1995 capital investment budget from an earlier estimate of $2.9 billion to $3.2 billion. The Company has increased its planned 1995 capital spending for manufacturing due to anticipated demand growth for the Company's microprocessor products. Spending on strategic marketing and technology development programs is also expected to grow from Q1 1995 to Q2 1995.

Intel believes that it has the product offerings and competitive resources needed for continued success, but precise revenue and profitability trends cannot be predicted at this time.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Item 3. Legal Proceedings, in the Registrant's Annual Report on Form 10-K for the year ended December 31, 1994 for a description of legal proceedings.

Item 2. Changes in Securities

On April 27, 1995 the Board of Directors of Intel Corporation declared a two for one stock split to be effected in the form of a stock distribution payable on June 16, 1995 to stockholders of record as of May 19, 1995. All share and per share amounts reported herein have been adjusted to reflect the effects of this split. In addition, the Board of Directors declared an increased cash dividend (on a post split basis) of $0.04 per share payable on September 1, 1995 to stockholders of record on August 1, 1995.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

10.7 Intel Corporation Executive Officer Bonus Plan as amended and restated.

11.1 Statement re: computation of earnings per share.

12.1 Statement setting forth the computation of ratios of earnings to fixed charges.

27 Financial Data Schedule.

(b) Reports on Form 8-K.

On January 20, 1995, the Registrant filed a report on Form 8-K relating to the settlement of outstanding legal disputes between Intel Corporation and Advanced Micro Devices, Inc.

SIGNATURES

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

INTEL CORPORATION
(Registrant)

Date: May 15, 1995

By: /s/Andy Bryant
Andy D. Bryant
Vice President and
Chief Financial and
Principal Accounting Officer

Exhibit 11.1

INTEL CORPORATION
COMPUTATION OF EARNINGS PER SHARE
(In millions, except per share amounts)

	Three Months Ended	
	Apr. 1, 1995	Apr. 2, 1994
PRIMARY SHARES CALCULATION:		
Reconciliation of weighted average number of shares outstanding to amount used in primary earnings per share computation:		
Weighted average number of shares outstanding	828	838
Add shares issuable from assumed exercise of options and warrants	44	46
Weighted average number of shares outstanding as adjusted	872	884
FULLY DILUTED SHARES CALCULATION:		
Reconciliation of weighted average number of shares outstanding to amount used in fully diluted earnings per share computation:		
Weighted average number of shares outstanding	828	838
Add shares issuable from assumed exercise of options and warrants	46	46
Weighted average number of shares outstanding as adjusted	874	884
NET INCOME	$ 889	$ 617
PRIMARY EARNINGS PER SHARE	$1.02	$ .70
(1) FULLY DILUTED EARNINGS PER SHARE	$1.02	$ .70

(1) Earnings per common equivalent share presented on the face of the statements of income represent primary earnings per share. Dual presentation of primary and fully diluted earnings per share has not been made on the statement of income because the differences are insignificant.

All share and per share amounts have been restated to reflect the effects of a 2 for 1 stock dividend to be effected in the form of a stock distribution, as approved by the Board of Directors of Intel Corporation on April 27, 1995.

Exhibit 12.1

INTEL CORPORATION
STATEMENT SETTING FORTH THE COMPUTATION
OF RATIOS OF EARNINGS TO FIXED CHARGES

(in millions)

	Three Months Ended Apr. 1, 1995	Apr. 2, 1994
Income before taxes	$ 1,416	$ 971
Add fixed charges net of capitalized interest	9	13
Income before taxes and fixed charges (net of capitalized interest)	$ 1,425	$ 984
Fixed charges:		
Interest*	$ 7	$ 11
Capitalized interest	11	4
Estimated interest component of rental expense	2	2
Total	$ 20	$ 17
Ratio of earnings before taxes and fixed charges, to fixed charges	71.3	57.9

* Interest expense includes the amortization of underwriting fees for the relevant periods outstanding.

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<F3>Restated to reflect the effects of a 2 for 1 stock dividend to be effected in the form of a stock distribution, as approved by the Board of Directors of Intel Corporation on April 27, 1995.
</FN>

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Exhibit 10.7

INTEL CORPORATION
EXECUTIVE OFFICER BONUS PLAN
(Amended and Restated effective January 1, 1995)

1. PURPOSE

The purpose of this amended and restated Bonus Plan is to motivate and reward eligible employees for good performance by making a portion of their cash compensation dependent on growth in earnings per share ("EPS") of Intel Corporation (the "Company"). The Bonus Plan is designed to ensure that the annual bonus paid hereunder to executive officers of the Company is deductible without limit under Section 162(m) of the Internal Revenue Code of 1986, as amended, and the regulations and interpretations promulgated thereunder (the "Code"). This amended and restated Bonus Plan clarifies the description of EPS and the multiplier that appeared in the original Bonus Plan and extends the time period during which bonus targets can be established to the latest time permitted by the Code. This amended and restated Bonus Plan is subject to stockholder approval.

2. COVERED INDIVIDUALS

The individuals entitled to bonus payments hereunder shall be the executive officers of the Company, as determined by the Compensation Committee (the "Committee").

3. THE COMMITTEE

The Committee shall consist of at least two outside directors of the Company who satisfy the requirements of Code Section 162(m). The Committee shall have the sole discretion and authority to administer and interpret the Bonus Plan in accordance with Code Section 162(m).

4. AMOUNT OF BONUS

Bonus payments are made in cash. The maximum bonus payment is the product of (i) an individual bonus target in dollars for the performance period set by the Committee in writing and (ii) the numerical value of EPS for the performance period multiplied by a factor (the multiplier) that is set by the Committee in writing. The term "performance period" shall mean the service period for which the bonus is payable. The term "EPS" shall mean the greater of operating income or net income for the performance period, in each case per weighted average common and common equivalent shares outstanding for the period. The individual bonus target and the multiplier shall be adopted by the Committee in its sole discretion with respect to each performance period no later than the latest time permitted by the Code. However, no bonus in excess of $5,000,000 will be paid to any executive officer for any performance period. The Committee may also reduce an individual's bonus calculated under the preceding formula in its sole discretion. The bonus payable hereunder shall be paid in lieu of any bonus payable under the Company's Executive Bonus Plan.

5. PAYMENT OF BONUS

The payment of a bonus for a given performance period requires that the executive officer be on the Company's payroll as of the last day of the performance period. The Committee may make exceptions to this requirement in the case of retirement, death or disability, as determined by the Committee in its sole discretion. No bonus shall be paid unless and until the Committee makes a certification in writing as required by Code Section 162(m).

6. AMENDMENT AND TERMINATION

The Company reserves the right to amend or terminate this Bonus Plan at any time with respect to future services of covered individuals. Bonus Plan amendments will require stockholder approval only to the extent required by applicable law.