

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

FORM 10-Q

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934
For the quarterly period ended June 29, 1996

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 (I.R.S. Employer
incorporation or organization) 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 filing requirements for the past 90 days. Yes No

Shares outstanding of the Registrant's common stock:

Class	Outstanding at June 29, 1996
Common Stock, \$.001 par value	824.3 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		Six Months Ended	
	Jun. 29, 1996	Jul. 1, 1995	Jun. 29, 1996	Jul. 1, 1995
Net revenues	\$ 4,621	\$ 3,894	\$ 9,265	\$ 7,451
Costs and expenses:				
Cost of sales	2,150	1,805	4,571	3,414
Research and development	438	316	839	610
Marketing, general and administrative	518	447	1,035	834
	-----	-----	-----	-----

Operating costs and expenses	3,106	2,568	6,445	4,858
	-----	-----	-----	-----
Operating income	1,515	1,326	2,820	2,593
Interest expense	(3)	(10)	(8)	(17)
Interest and other income, net	89	83	165	239
	-----	-----	-----	-----
Income before provision for taxes	1,601	1,399	2,977	2,815
Provision for taxes	560	520	1,042	1,047
	-----	-----	-----	-----
Net income	\$ 1,041	\$ 879	\$ 1,935	\$ 1,768
	=====	=====	=====	=====
Earnings per common and common equivalent share	\$ 1.17	\$ 0.99	\$ 2.19	\$ 2.01
	=====	=====	=====	=====
Cash dividends declared per common share	\$ 0.05	\$ 0.04	\$ 0.09	\$ 0.07
	=====	=====	=====	=====
Weighted average number of common and common equivalent shares outstanding	888	888	884	880
	=====	=====	=====	=====

(See Notes to Consolidated Condensed Financial Statements.)

PART I - (continued)

Item 1. Financial Statements (Continued)

Intel Corporation Consolidated Condensed Balance Sheets (in millions)	Jun. 29, 1996	Dec. 30, 1995
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,809	\$ 1,463
Short-term investments	1,906	995
Accounts receivable, net	2,900	3,116
Inventories:		
Raw materials	382	674
Work in process	693	707
Finished goods	404	623
	-----	-----
	1,479	2,004
	-----	-----
Deferred tax assets	417	408
Other current assets	114	111
	-----	-----
Total current assets	9,625	8,097
	-----	-----
Property, plant and equipment, at cost	13,216	11,792
Less: Accumulated depreciation	(5,074)	(4,321)
	-----	-----
Property, plant and equipment, net	8,142	7,471
Long-term investments	1,327	1,653
Other assets	206	283
	-----	-----
TOTAL ASSETS	\$19,300	\$17,504
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 241	\$ 346
Accounts payable	756	864
Accrued compensation and benefits	629	758
Accrued advertising	298	218
Other accrued liabilities	468	328
Deferred income on shipments to distributors	306	304
Income taxes payable	815	801
	-----	-----
Total current liabilities	3,513	3,619
	-----	-----
Long-term debt	399	400
Deferred tax liabilities	754	620
Put warrants	750	725
Stockholders' equity:		
Preferred stock	--	--
Common stock and capital in excess of par value	2,747	2,583

Retained earnings	11,137	9,557
	-----	-----
Total stockholders' equity	13,884	12,140
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$19,300	\$17,504
	=====	=====

(See Notes to Consolidated Condensed Financial Statements.)

PART I - (continued)

Item 1. Financial Statements (Continued)

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

	Six Months Ended	
	Jun. 29, 1996	Jul. 1, 1995
Cash flows provided by (used for) operating activities:		
Net income	\$ 1,935	\$ 1,768
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	873	622
Net loss on retirements of property, plant and equipment	60	39
Amortization of debt discount	--	9
Change in deferred tax assets and liabilities	103	111
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	216	(906)
Decrease (increase) in inventories	525	(358)
Decrease (increase) in other assets	136	(170)
(Decrease) increase in accounts payable	(108)	161
(Decrease) in accrued compensation and benefits	(129)	(48)
Increase in income taxes payable	14	311
Increase (decrease) in other liabilities	214	(73)
Tax benefit from employee stock plans	62	69
Purchases of trading assets	(75)	--
Gain on trading assets	(4)	--
	-----	-----
Total adjustments	1,887	(233)
	-----	-----
Net cash provided by operating activities	3,822	1,535
	-----	-----
Cash flows provided by (used for) investing activities:		
Additions to property, plant and equipment	(1,604)	(1,614)
Purchases of long-term, available-for-sale investments	(36)	(98)
Sales of long-term, available-for-sale investments	--	67
Maturities and other changes in available-for-sale investments, net	(466)	536
	-----	-----
Net cash (used for) investing activities	(2,106)	(1,109)
	-----	-----
Cash flows provided by (used for) financing activities:		
(Decrease) in short-term debt, net	(105)	(19)
Proceeds from sales of shares through employee stock plans and other	134	120
Proceeds from sales of put warrants	36	16
Repurchase and retirement of common stock	(369)	(650)
Payment of dividends to stockholders	(66)	(50)
	-----	-----
Net cash (used for) financing activities	(370)	(583)
	-----	-----
Net increase (decrease) in cash and cash equivalents	\$ 1,346	\$ (157)
	=====	=====
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ 24	\$ 50
Income taxes	\$ 819	\$ 556

Certain 1995 amounts have been reclassified to conform to the 1996 presentation.

(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 30, 1995. 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 30, 1995.

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

	Three Months Ended		Six Months Ended	
	Jun. 29, 1996	Jul. 1, 1995	Jun. 29, 1996	Jul. 1, 1995
Interest income	\$ 78	\$ 75	\$158	\$149
Foreign currency gains	7	4	14	10
Other income (expense), net	4	4	(7)	80
Total	\$ 89	\$ 83	\$165	\$239

Other income for the six months ended July 1, 1995 included approximately \$58 million from 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 Technologies, 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. The Company's available-for-sale investments are reported at fair value, with unrealized gains and losses, net of tax, recorded in stockholders' equity. Realized gains or losses and declines in value, if any, judged to be other than temporary on available-for-sale securities are reported in other income or expense. Beginning in the first quarter of 1996, the Company purchased securities classified as trading assets. The Company's trading assets (\$79 million at June 29, 1996) are held to generate returns to offset changes in certain liabilities related to deferred compensation arrangements. The trading assets consist of marketable equity securities and are stated at fair value. Both realized and unrealized gains and losses are included in other income or expense and generally offset the change in the deferred compensation liability which is also included in other income or expense.
5. As more fully described in the Company's Annual Report, Intel enters into derivative financial instruments to reduce financial market risks. These instruments are used to hedge foreign currency, equity and interest rate market exposures of underlying assets, liabilities and other obligations. The Company does not use derivative financial instruments for speculative or trading purposes. The Company's accounting policies for these instruments are based on the Company's designation of such instruments as hedging transactions. The criteria the Company uses for designating an instrument as a hedge include its effectiveness in risk reduction and one-to-one matching of derivative instruments to underlying transactions. Gains and losses on currency forward contracts, and options that are designated and effective as hedges of anticipated transactions, for which a firm commitment has been attained, are deferred and recognized in income in the same period that the underlying transactions are settled.

Gains and losses on currency forward contracts, options and swaps that are designated and effective as hedges of existing transactions are recognized in income in the same period as losses and gains on the underlying transactions are recognized and generally offset. Gains and losses on options hedging investments in non-marketable instruments are deferred and recognized in income in the same period as the hedges mature or when the underlying transaction is sold, whichever comes first. Income or expense on swaps is accrued as an adjustment to the yield of the related investments or debt they hedge.

6. During the second quarter of 1996, the Company repurchased 2.0 million shares of Common Stock under the Company's authorized repurchase program at a cost of \$135 million. As of June 29, 1996, after reserving shares to cover the outstanding put warrants, approximately 24.1 million shares remained available under the repurchase program (total authorization of 110 million shares) authorized by the Board of Directors. (See Item 2. Management's Discussion and Analysis for subsequent activity.)
7. In a series of private placements during the 1991-1996 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 half of 1996 is summarized as follows:

(In millions)	Cumulative Proceeds Received	Put Warrants Outstanding	
		Number Of Warrants	Potential Obligation
December 30, 1995	\$ 279	12.0	\$ 725
Sales	18	3.0	175
Exercises	--	(1.8)	(108)
Expirations	--	(1.5)	(58)
	-----	-----	-----
March 30, 1996	\$297	11.7	\$734
Sales	18	3.0	202
Expirations	--	(3.0)	(186)
	-----	-----	-----
June 29, 1996	\$315	11.7	\$750
	=====	=====	=====

The amount related to the Company's potential buyback obligation has been reclassified from Stockholders' Equity and recorded as put warrants. The 11.7 million put warrants outstanding on June 29, 1996 expire on various dates between July 1996 and May 1997 and have exercise prices ranging from \$56 to \$69 per share, with an average exercise price of \$64. There is no material dilutive effect on earnings per share for the periods presented. (See Item 2. Management's Discussion and Analysis for subsequent activity.)

8. On March 29, 1995, Thorn EMI North America Inc. brought suit in Federal Court in Delaware against Intel alleging that certain Intel manufacturing processes infringe a U.S. patent. In April 1996, the plaintiff filed documents with the Federal Court in Delaware indicating that in addition to an injunction it plans to seek damages, if it prevails, equal to between one (1) and one and one half (1 1/2) percent of Intel's net revenues derived from sales of Intel486(TM), Pentium(R) and Pentium(R) Pro processors. On May 28, 1996, the Court granted Intel's motion for summary judgment as to several of the fabrication processes at issue, including all processes currently used to make Pentium and Pentium Pro processors. In June 1996, the Court held a "Markman" hearing to resolve remaining disputed issues of claim interpretation, and on June 11, 1996 announced its rulings, which were largely consistent with Intel's proposed interpretations. The parties subsequently agreed to dismiss the jury, and Intel moved for summary judgment on the processes remaining in the case. This motion is currently under consideration. The Company believes this lawsuit to be without merit and will defend the case vigorously. Although the ultimate outcome of this lawsuit cannot be determined at this time, management, including internal counsel, continues to believe that the ultimate outcome will not have a material adverse effect on Intel's financial position or overall trends in results of operations. This estimate of the potential impact on the Company could change in the future.

and Results of Operations

Results of Operations - Second Quarter of 1996 Compared to Second Quarter of 1995

Revenues for Q2 1996 increased by 19% compared to Q2 1995. Higher volumes of the rapidly ramping Pentium(R) processor family, partially offset by lower prices and decreasing revenues from sales of related board level products, drove the overall growth in revenues. Revenues from the Intel486(TM) microprocessor family declined substantially, primarily due to a major shift in market demand toward the Company's more advanced microprocessors. Chipsets and flash memory also showed significant revenue growth between these periods. Revenue from royalties was higher than normal during the second quarter of 1996.

Cost of sales rose by 19% from Q2 1995 to Q2 1996, primarily due to increased unit volumes. Gross margin was 53% in Q2 1996 versus 54% in Q2 1995. Although the Company's gross margin percentage had been declining since Q2 1995, it returned to the prior year's level, primarily due to lower memory inventory write offs than the Company has been experiencing recently. In addition, gross margin in the second quarter of 1996 benefited from the higher than normal royalties during the period.

A majority and growing portion of the Company's revenues, and a substantial majority of its gross margin, are derived from sales of the Pentium processor family including related board level products. Although sales of the Intel486 microprocessor family represented a significant portion of Q2 1995 revenues and gross margin, revenues and gross margin for these products were negligible for Q2 1996.

Research and development expenses and marketing, general and administrative expenses rose by a total of \$193 million, or 25%, from Q2 1995 to Q2 1996. Spending for internal product and process development programs, personnel related spending and Intel Inside(R) and other advertising and marketing expenses accounted for most of the increase.

Interest and other income for Q2 1996 increased by \$6 million over the prior year due primarily to the higher average investment balance in Q2 1996, offset in part by lower average interest rates on investments.

The \$7 million decrease in interest expense between Q2 1995 and Q2 1996 is primarily the result of lower weighted average borrowing balances.

The Company utilizes investments and corresponding interest rate swaps to preserve principal while enhancing the yield on its investment portfolio without significantly increasing risk, and uses forward contracts, options and swaps to hedge foreign currency, equity and interest rate market exposures. Gains and losses on these instruments are generally offset by those on the underlying hedged transactions; as a result, there was no net impact on the Company's financial results in either Q2 1996 or Q2 1995 from hedging activities.

The provision for taxes increased by \$40 million, or 8%, primarily as a result of higher pretax earnings in 1996. In addition, the effective tax rate decreased from 37.2% for Q2 1995 to 35% for Q2 1996.

Results of Operations - First Half of 1996 Compared to First Half of 1995

Revenues for the first half of 1996 increased by 24% compared to the first half of 1995. Higher volumes of the rapidly ramping Pentium processor family, partially offset by lower prices and decreasing revenues from sales of related board level products drove the overall growth in revenues. Revenues from the Intel486 microprocessor family declined substantially, primarily due to a major shift in market demand toward the Company's more advanced microprocessors. Chipsets and flash memory also showed significant revenue growth between these periods. Revenue from royalties was higher than normal during the first half of 1996.

Results of Operations - First Half of 1996 Compared to First Half of 1995 (continued)

Cost of sales rose by 34% from the first half of 1995 to the first half of 1996, primarily due to increased unit volumes. Gross margin was 51% in the first half of 1996 versus 54% in the first half of 1995 as 1996 costs were impacted by inventory reserves and increased costs associated with bringing on advanced manufacturing processes.

A majority and growing portion of the Company's revenues, and a substantial majority of its gross margin, are derived from sales of the Pentium processor family including related board level products.

Although sales of the Intel486 microprocessor family represented a significant portion of revenues and gross margin in the first half of 1995, revenues and gross margin for these products were negligible for the first half of 1996.

Research and development expenses and marketing, general and administrative expenses rose by a total of \$430 million, or 30%, from the first half of 1995 to the first half of 1996. Spending for internal product and process development programs, personnel related spending and Intel Inside(R) and other advertising and marketing expenses accounted for most of the increase.

Interest and other income for the first half 1996 decreased by \$74 million over the prior year due primarily to the gains in the first half of 1995 from the settlement of litigation with Advanced Micro Devices, Inc. and the sale of a portion of Intel's interest in VLSI Technology, Inc.

The \$9 million decrease in interest expense between the first half of 1995 and the first half of 1996 is primarily the result of lower weighted average borrowing balances.

The Company utilizes investments and corresponding interest rate swaps to preserve principal while enhancing the yield on its investment portfolio without significantly increasing risk, and uses forward contracts, options and swaps to hedge foreign currency, equity and interest rate market exposures. Gains and losses on these instruments are generally offset by those on the underlying hedged transactions; as a result, there was no net impact on the Company's financial results in either the first half 1996 or the first half 1995 from hedging activities.

The provision for taxes decreased by \$5 million, primarily due to a decrease in the effective tax rate from 37.2% for the first half of 1995 to 35% for the first half of 1996, offset substantially by an increase in pretax earnings in 1996.

Financial Condition

The Company's financial condition remains very strong. As of June 29, 1996, Intel's portfolio of cash and investments totaled \$6.04 billion, up from \$4.11 billion at December 30, 1995. The Company's other sources of liquidity include credit lines and commercial paper borrowing arrangements that exceed \$1.8 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 the first half of 1996 with cash generated from operations, which totaled \$3.82 billion. Major uses of cash during the first half of 1996 included capital spending of \$1.6 billion for property, plant and equipment, primarily for microprocessor manufacturing capacity.

Inventory levels, particularly raw material and finished goods, decreased significantly during the first half of 1996, primarily attributable to the sell-through of purchased parts inventory and lower costs of manufacturing in the first half of 1996.

The Company's five largest customers accounted for approximately 30% of net revenues for the six month period ended June 29, 1996. At June 29, 1996, these customers accounted for approximately 22% of net accounts receivable.

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

Financial Condition (continued)

Key financing activities in the first half of 1996 included the repurchase of 6.1 million shares of Common Stock for \$369 million as part of the Company's authorized stock repurchase program, including 1.8 million shares for \$108 million upon the exercise of outstanding put warrants. The Company also sold 6 million put warrants, receiving proceeds of \$36 million, while 4.5 million previously outstanding put warrants expired unexercised. Through August 9, 1996, the Company repurchased 8 million shares of its Common Stock for \$598 million, issued 3 million put warrants and 2.7 million put warrants expired unexercised. As of August 9, 1996, Intel had the potential obligation to repurchase 12 million shares of Common Stock at an aggregate cost of \$795 million under outstanding put warrants. The exercise price of these warrants ranges from \$56.25 to \$80.75 per share, with an average

exercise price of \$66 per share. Certain of these put warrants expire upon the Company's stock price reaching certain levels above the exercise price for such put warrants. As of August 9, 1996, 15.8 million shares remained available for repurchase under the repurchase authorization, after reserving shares to cover outstanding put warrants.

Management considers cash flow from operations and available sources of liquidity to be adequate to meet business requirements in the foreseeable future, including planned capital expenditure programs, working capital requirements, the put warrant obligation and the dividend program.

Outlook

The statements contained in this Outlook are based on current expectations. These statements are forward looking and actual results may differ materially.

Although the Company's book-to-bill ratio was above 1.0 for Q2 1996, the Company expects revenue for the third quarter of 1996 to be approximately equal to the second quarter revenue of \$4.6 billion. The Company believes that many customers will continue to place orders for immediate delivery ("turns"), consistent with the second quarter. In a turns environment, however, customer order patterns are inherently difficult to predict. Revenue is also a function of the distribution of microprocessor speed and performance levels, which is difficult to forecast. Because of the large price difference between the highest and lowest performance microprocessors, this distribution affects the average price Intel will realize and has a large impact on Intel's revenues.

Intel's strategy has been and continues to be to introduce ever higher performance microprocessors and work with the software industry to develop compelling applications that can take advantage of this higher performance, thus driving demand toward the newer products. In line with this strategy, the Company continues to be on track to position the 120-MHz and 133-MHz Pentium processors as the entry-level processors in the fourth quarter of 1996. If the market demand does not continue to grow and move rapidly toward higher performance products, revenue and gross margin may be impacted, the manufacturing capacity installed might be under-utilized and capital spending may be slowed. The Company may continue to reduce microprocessor prices aggressively and systematically to bring its technology to market. The Company recently announced that it will cut prices on certain members of the Pentium processor family more than previously planned in Q3 1996 and plans to hold those prices through the end of 1996. The Company's pricing policy is subject to change.

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

Outlook (continued)

The Company expects gross margin percentage in the third quarter to be at the upper end of the model of 50 percent plus or minus a couple of points. Intel's gross margin percentage varies depending in part on the mix of microprocessors and related motherboards within a product family because motherboards generally have lower gross margin percentages than microprocessors. Various other factors, including unit volumes and costs and yield issues, sell-through of purchased components, processor speed mix and mix of shipments of other semiconductors will also continue to affect the amount of cost of sales and the variability of gross margin percentages.

To implement its strategy, Intel continues to build capacity to produce high-performance microprocessors and other products. The Company currently expects capital expenditures for 1996 to be about \$3.6 billion. This spending plan is dependent upon delivery times of various machines and construction schedules for new facilities. The current estimate is lower than the previous estimate of \$4 billion due to delays in beginning a new facility, improvements in the rate of equipment re-utilization, and early conversion and high yields on the .35 micron manufacturing process.

Spending on research and development and marketing, general and administrative expenses is expected to increase about 3 to 4 percent in the third quarter of 1996 from the \$956 million in the second quarter of 1996. Expense projections in the third quarter of 1996 are subject to changes based primarily on utilization of cooperative marketing programs by customers.

The Company's future results of operations and the other forward looking statements contained in this outlook involve a number of risks and uncertainties. In addition to the factors discussed above, among the other factors that could cause actual results to differ materially are the following: business conditions and growth in the personal computer industry and general economy; changes in customer order patterns, including timing of delivery and changes in seasonal fluctuations in PC buying patterns; competitive factors, such as rival chip architectures, competing software-compatible microprocessors, acceptance of new products and price pressures; risk of nonpayment of customer receivables; risk of inventory obsolescence due to shifts in market demand; variations in inventory valuation; timing of software industry product introductions; continued success in technological advances, including the manufacturing ramp; excess or shortage of manufacturing capacity; risks associated with foreign operations; changes in the mix of microprocessor speeds and related motherboards; costs and yield issues associated with initiating production at new factories; and litigation involving intellectual property and consumer issues.

Intel believes that it has the product offerings, facilities, personnel, and competitive and financial resources for continued business success, but future revenues, costs, margins, product mix and profits are all influenced by a number of factors, as discussed above.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

A. Litigation

Reference is made to Item 3. Legal Proceedings, in the Registrant's Annual Report on Form 10-K for the year ended December 30, 1995 and Part II, Item 1. Legal Proceedings, in the Registrant's Quarterly Report on Form 10-Q for the quarterly period ended April 1, 1996 for a description of the following legal proceeding.

Thorn EMI North America, Inc.
vs. Intel, DEL (C95-199)

On May 28, 1996, the Court granted Intel's motion for summary judgment as to several of the fabrication processes at issue, including all processes currently used to make Pentium(R) and Pentium(R) Pro processors. In June 1996, the Court held a "Markman" hearing to resolve remaining disputed issues of claim interpretation, and on June 11, 1996 announced its rulings, which were largely consistent with Intel's proposed interpretations. The parties subsequently agreed to dismiss the jury, and Intel moved for summary judgment on the processes remaining in the case. This motion is currently under consideration. The Company believes this lawsuit to be without merit and will defend the case vigorously. Although the ultimate outcome of this lawsuit cannot be determined at this time, management, including internal counsel, continues to believe that the ultimate outcome will not have a material adverse effect on Intel's financial position or overall trends in results of operations. This estimate of the potential impact on the Company could change in the future.

Item 2. Changes in Securities

On July 17, 1996, the Board of Directors amended the Bylaws of Intel Corporation to require stockholders to give written notice to the Company not less than 60 days nor more than 120 days prior to the first anniversary of the preceding year's annual stockholders' meeting for nominations or other business to be properly brought before an annual stockholders' meeting. The amended Bylaws also specify certain information that must be set forth in any such notice. Reference is made to Exhibit 3.1 of this Quarterly Report on Form 10-Q for an amended and restated copy of the Bylaws of Intel Corporation.

Item 4. Submission of Matters to a Vote of Security Holders

At Intel Corporation's Annual Meeting of Stockholders held on May 22, 1996, the following proposals were adopted by the margins indicated.

Number of Shares	
Voted for	Withheld
-----	-----

1. To elect a board of directors to hold office until the next annual meeting of stockholders or until their respective successors

have been elected or appointed.

C. Barrett	722,842,763	1,322,666
W. Chen	722,889,225	1,276,204
A. Grove	722,876,011	1,289,418
J. Guzy	722,870,448	1,294,981
G. Moore	722,887,157	1,278,272
M. Palevsky	722,853,031	1,312,398
A. Rock	722,869,667	1,295,762
J. Shaw	722,881,807	1,283,622
L. Vadasz	722,835,502	1,329,927
D. Yoffie	722,847,351	1,318,078
C. Young	722,858,101	1,307,328

	Number of Shares			No Vote
	Voted For	Voted Against	Abstained	
2. To ratify the appointment of the accounting firm of Ernst & Young LLP as independent auditors for the Company for the current year.	721,999,541	873,145	1,292,739	3

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

3.1 Intel Corporation Bylaws, as amended

10.1 Intel Corporation Sheltered Employee Retirement Plan Plus, as amended and restated effective July 15, 1996 (incorporated by reference to Exhibit 4.1.1 of Registrant's Post-Effective Amendment No. 1 to Form S-8 Registration Statement [Registration Statement No. 33-63489] as filed on July 17, 1996).

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.

No reports on Form 8-K were filed with the Securities and Exchange Commission during the quarter ended June 29, 1996.

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: August 9, 1996

By: /s/Andy D. Bryant

Andy D. Bryant
Vice President and
Chief Financial and
Principal Accounting Officer

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

<TABLE>

	Three Months Ended		Six Months Ended	
	Jun. 29, 1996	Jul. 1, 1995	Jun. 29, 1996	Jul. 1, 1995
<S>	<C>	<C>	<C>	<C>
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	824	828	823	828
Add shares issuable from assumed exercise of options and warrants	64	60	61	52
	-----	-----	-----	-----
Weighted average number of shares outstanding as adjusted	888	888	884	880
	=====	=====	=====	=====
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	824	828	823	828
Add shares issuable from assumed exercise of options and warrants	67	69	67	69
	-----	-----	-----	-----
Weighted average number of shares outstanding as adjusted	891	897	890	897
	=====	=====	=====	=====
NET INCOME	\$1,041	\$ 879	\$1,935	\$1,768
	=====	=====	=====	=====
PRIMARY EARNINGS PER SHARE	\$ 1.17	\$.99	\$ 2.19	\$ 2.01
	=====	=====	=====	=====
(1) FULLY DILUTED EARNINGS PER SHARE	\$ 1.17	\$.98	\$ 2.17	\$ 1.97
	=====	=====	=====	=====

(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.

</TABLE>

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

(in millions)

	Six Months Ended	
	Jun. 29, 1996	Jul. 1, 1995

Income before taxes	\$ 2,977	\$ 2,815
Add fixed charges net of capitalized interest	13	22
Income before taxes and fixed charges (net of capitalized interest)	\$ 2,990	\$ 2,837
Fixed charges:		
Interest*	\$ 8	\$ 17
Capitalized interest	17	23
Estimated interest component of rental expense	5	5
Total	\$ 30	\$ 45
Ratio of earnings before taxes and fixed charges, to fixed charges	99.7	63.0

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

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<ARTICLE> 5

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This schedule contains summary information extracted from Intel Corporation's CONSOLIDATED CONDENSED STATEMENTS OF INCOME AND CONSOLIDATED BALANCE SHEETS and is qualified in its entirety by reference to such financial statements. </LEGEND>

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<F1>	Item consists of put warrants.
<F2>	Item consists of research and development.
<F3>	Item shown net of allowance, consistent with the balance sheet presentation.
</FN>	

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INTEL CORPORATION
BYLAWS

ARTICLE I

Offices

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle.

Section 2. Other Offices. The corporation shall also have and maintain an office or principal place of business at 2200 Mission College Boulevard, Santa Clara, County of Santa Clara, State of California, and may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

Stockholders' Meetings

Section 1. Place of Meetings. Meetings of the stockholders of the corporation shall be held at such place, either within or without the State of Delaware, as may be designated from time to time by the Board of Directors, or, if not so designated, then at the office of the corporation required to be maintained pursuant to Section 2 of Article I hereof.

Section 2. Annual Meetings. The annual meetings of the stockholders of the corporation, commencing with the year 1990, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors, but in no event more than fifteen (15) months after the date of the preceding annual meeting.

Section 3. Special Meetings. Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by the Chairman of the Board or the President or the Board of Directors at any time.

Section 4. Notice of Meetings.

(a) Except as otherwise provided by law or the Certificate of Incorporation, written notice of each meeting of stockholders, specifying the place, date and hour and purpose or purposes of the meeting, shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote thereat, directed to his address as it appears upon the books of the corporation.

(b) If at any meeting action is proposed to be taken which, if taken, would entitle stockholders fulfilling the requirements of section 262(d) of the Delaware General Corporation Law to an appraisal of the fair value of their shares, the notice of such meeting shall contain a statement of that purpose and to that effect and shall be accompanied by a copy of that statutory section.

(c) When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken unless the adjournment is for more than thirty days, or unless after the adjournment a new record date is fixed for the adjourned meeting, in which event a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(d) Notice of the time, place and purpose of any meeting of stockholders may be waived in writing, either before or after such meeting, and to the extent permitted by law, will be waived by any stockholder by his attendance thereat, in person or by proxy. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

(e) Unless and until voted, every proxy

shall be revocable at the pleasure of the person who executed it or of his legal representatives or assigns, except in those cases where an irrevocable proxy permitted by statute has been given.

Section 5. Quorum and Voting.

(a) At all meetings of stockholders, except where otherwise provided by law, the Certificate of Incorporation, or these Bylaws, the presence, in person or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. Shares, the voting of which at said meeting have been enjoined, or which for any reason cannot be lawfully voted at such meeting, shall not be counted to determine a quorum at said meeting. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. At such adjourned meeting at which a quorum is present or represented, any business may be transacted which might have been transacted at the original meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

(b) Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, all action taken by the holders of a majority of the voting power represented at any meeting at which a quorum is present shall be valid and binding upon the corporation.

Section 6. Voting Rights.

(a) Except as otherwise provided by law, only persons in whose names shares entitled to vote stand on the stock records of the corporation on the record date for determining the stockholders entitled to vote at said meeting shall be entitled to vote at such meeting. Shares standing in the names of two or more persons shall be voted or represented in accordance with the determination of the majority of such persons, or, if only one of such persons is present in person or represented by proxy, such person shall have the right to vote such shares and such shares shall be deemed to be represented for the purpose of determining a quorum.

(b) Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent, which proxy shall be filed with the Secretary of the corporation at or before the meeting at which it is to be used. Said proxy so appointed need not be a stockholder. No proxy shall be voted on after three years from its date unless the proxy provides for a longer period.

Section 7. List of Stockholders. The officer who has charge of the stock ledger of the corporation shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held and which place shall be specified in the notice of the meeting, or, if not specified, at the place where said meeting is to be held, and the list shall be produced and kept at the time and place of meeting during the whole time thereof, and may be inspected by any stockholder who is present.

Section 8. Action Without Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required by statute to be taken at any annual or special meeting of stockholders of the corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in

writing, setting forth the action so taken, are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. To be effective, a written consent must be delivered to the corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein unless, within sixty days of the earliest dated consent delivered in the manner required by this Section to the corporation, written consents signed by a sufficient number of holders to take action are delivered to the corporation in accordance with this Section. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

Section 9. Nominations and Stockholder Business.

(a) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of the Board of Directors, or (c) by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this Section 9, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 9.

(b) For nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to this Section 9, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation, and such business must be a proper subject for stockholder action under the Delaware General Corporation Law. To be timely, a stockholder's notice shall be delivered to the secretary at the principal executive offices of the Corporation not less than 60 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days or delayed (other than as a result of adjournment) by more than 60 days from such anniversary date, notice by the stockholder to be timely must be delivered not later than the close of business on the later of the 60th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. Such stockholder's notice shall set forth (a) as to each person whom the stockholder proposes to nominate for election or reelection as a director all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act") (including such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owners if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, and (ii) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

(c) Notwithstanding anything in this Section 9

to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation is increased and there is no public announcement specifying the size of the increased Board of Directors made by the Corporation at least 70 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 9 shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

(d) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (a) by or at the direction of the Board of Directors or (b) by any stockholder of the Corporation who is a stockholder of record at the time of giving of notice provided for in this section, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this section. Nominations by stockholders of persons for election to the Board of Directors may be made at such a special meeting of Stockholders if the stockholder's notice required by this section shall be delivered to the secretary at the principal executive offices of the Corporation not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of the 60th day prior to such special meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting.

(e) Only those persons who are nominated in accordance with the procedures set forth in this section shall be eligible for election as directors at any meeting of stockholders. Only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this section. The chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the procedures set forth in this section and, if any proposed nomination or business is not in compliance with this section, to declare that such defective proposal shall be disregarded.

(f) For purposes of this section, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 9 13, 14 or 15(d) of the Exchange Act.

(g) Notwithstanding the foregoing provisions of this Section 9, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 9. Nothing in this Section 9 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act.

ARTICLE III

Directors

Section 1. Number and Term of Office. The number of directors which shall constitute the whole of the Board of Directors shall be eleven (11). With the exception of the first Board of Directors, which shall be elected by the incorporator, and except as provided in Section 3 of this Article III, the directors shall be elected by a plurality vote of the shares represented in person or by proxy, at the stockholders annual meeting in each year and entitled to vote on the election of directors. Elected directors shall hold office until the next annual meeting and until their successors shall be duly

elected and qualified. Directors need not be stockholders. If, for any cause, the Board of Directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

Section 2. Powers. The powers of the corporation shall be exercised, its business conducted and its property controlled by or under the direction of the Board of Directors.

Section 3. Vacancies. Vacancies and newly created directorships resulting from any increase in the authorized number of directors may be filled by a majority of the directors then in office, although less than a quorum, or by a sole remaining director, and each director so elected shall hold office for the unexpired portion of the term of the director whose place shall be vacant, and until his successor shall have been duly elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Section in the case of the death, removal or resignation of any director, or if the stockholders fail at any meeting of stockholders at which directors are to be elected (including any meeting referred to in Section 4 below) to elect the number of directors then constituting the whole Board.

Section 4. Resignations and Removals.

(a) Any director may resign at any time by delivering his written resignation to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his successor shall have been duly elected and qualified.

(b) Except as provided in Section 141 of the Delaware General Corporation Law, at a special meeting of stockholders called for the purpose in the manner hereinabove provided, the Board of Directors, or any individual director, may be removed from office, with or without cause, and a new director or directors elected by a vote of stockholders holding a majority of the outstanding shares entitled to vote at an election of directors.

Section 5. Meetings.

(a) The annual meeting of the Board of Directors shall be held immediately after the annual stockholders' meeting and at the place where such meeting is held or at the place announced by the Chairman at such meeting. No notice of an annual meeting of the Board of Directors shall be necessary and such meeting shall be held for the purpose of electing officers and transacting such other business as may lawfully come before it.

(b) Except as hereinafter otherwise provided, regular meetings of the Board of Directors shall be held in the office of the corporation required to be maintained pursuant to Section 2 of Article I hereof. Regular meetings of the Board of Directors may also be held at any place within or without the State of Delaware which has been designated by resolutions of the Board of Directors or the written consent of all directors. Notice of regular meetings of the directors is hereby dispensed with and no notice whatever of any such meetings need be given.

(c) Special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the President or by any two of the directors.

(d) Written notice of the time and place of all special meetings of the Board of Directors shall be delivered personally to each director or sent by telegram at least 24 hours before the start of the meeting, or sent by first class mail at least 72 hours before the start of the meeting. Notice of any meeting may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat.

Section 6. Quorum and Voting.

(a) A quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time in accordance with Section 1 of Article III of these Bylaws, but not less than one; provided, however, at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board at which a quorum is present, all questions and business shall be determined by a vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation, or these Bylaws.

(c) Notwithstanding any of the foregoing, any action stated in any Rights Agreement between this Corporation and the rights agent appointed thereunder from time to time, as such Rights Agreement may be entered into or adopted by this Corporation and amended from time to time (the "Rights Agreement") to be taken by the Board of Directors after a Person has become an Acquiring Person shall require the presence in office of Continuing Directors and the concurrence of a majority of the Continuing Directors. Capitalized terms in this paragraph shall have the meanings indicated in the Rights Agreement.

(d) Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or similar communication equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(e) The transactions of any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present shall sign a written waiver of notice, or a consent to holding such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 7. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board or of such committee, as the case may be, consent thereto in writing, and such writing or writings are filed with the minutes of proceedings of the Board or committee.

Section 8. Fees and Compensation. Directors shall not receive any stated salary for their services as directors but by resolution of the Board, a fixed fee, with or without expense of attendance, may be allowed for attendance at each meeting and at each meeting of any committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefor.

Section 9. Committees.

(a) Executive Committee: The Board of Directors may, by resolution passed by a majority of the whole Board, appoint an Executive Committee of not less than one member,

each of whom shall be a director. The Executive Committee, to the extent permitted by law, shall have and may exercise when the Board of Directors is not in session all powers of the Board in the management of the business and affairs of the corporation, including, without limitation, the power and authority to declare a dividend or to authorize the issuance of stock, except such committee shall not have the power or authority to amend the Certificate of Incorporation, to adopt an agreement of merger or consolidation, to recommend to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, to recommend to the stockholders of the Corporation a dissolution of the Corporation or a revocation of a dissolution, or to amend these Bylaws.

(b) Other Committees: The Board of Directors may, by resolution passed by a majority of the whole Board, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committee, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term: The members of all committees of the Board of Directors shall serve a term coexistent with that of the Board of Directors which shall have appointed such committee. The Board, subject to the provisions of subsections (a) or (b) of this Section 9, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee; provided, that no committee shall consist of less than one member. The membership of a committee member shall terminate on the date of his death or voluntary resignation, but the Board may at any time for any reason remove any individual committee member and the Board may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings: Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 9 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter; special meetings of any such committee may be held at the principal office of the corporation required to be maintained pursuant to Section 2 of Article I hereof; or at any place which has been designated from time to time by resolution of such committee or by written consent of all members thereof, and may be called by any director who is a member of such committee, upon written notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of written notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time after the meeting and will be waived by any director by attendance thereat. A majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 10. Emeritus Director. The Board of Directors may, from time to time, elect one or more Emeritus Directors, each of whom shall serve, at the pleasure of the Board, until the first meeting of the Board next following the Annual Meeting of Stockholders and for a maximum period of 3 years, subject to an annual review,

or until earlier resignation or removal by the Board (except that founders of the company may remain as Emeritus Directors, subject to the annual review, or until earlier resignation or removal by the Board). Emeritus Directors shall serve as advisors and consultants to the Board of Directors and may be appointed by the Board to serve as advisors and consultants to committees of the Board. Emeritus Directors may be invited to attend meetings of the Board or any committee of the Board for which they have been appointed to serve as advisors and consultants and, if present, may participate in the discussions occurring during such meetings. Emeritus Directors shall not be permitted to vote on matters brought before the Board or any committee thereof and shall not be counted for the purpose of determining whether a quorum of the Board or the committee is present. Emeritus Directors shall receive no fee for their services as Emeritus Directors. Emeritus Directors will not be entitled to receive reimbursement for expenses of meeting attendance, except as approved by the Chairman of the Board. Emeritus Directors may be removed at any time by the Board of Directors.

ARTICLE IV

Officers

Section 1. Officers Designated. The officers of the corporation shall be a Chairman of the Board of Directors who shall be a member of the Board of Directors, a President, one or more Vice Presidents, a Secretary, and a Treasurer. The order of the seniority of the Vice Presidents shall be in the order of their nomination, unless otherwise determined by the Board of Directors. The Board of Directors or the Chairman of the Board or the President may also appoint one or more assistant secretaries, assistant treasurers, and such other officers and agents with such powers and duties as it or he shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as they shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 2. Tenure and Duties of Officers.

(a) General: All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors. Nothing in these Bylaws shall be construed as creating any kind of contractual right to employment with the corporation.

(b) Duties of the Chairman of the Board of Directors: The Chairman of the Board of Directors (if there be such an officer appointed) shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(c) Duties of President: The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. The President shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(d) Duties of Vice Presidents: The Vice Presidents, in the order of their seniority, may assume and perform the duties of the President in the absence or disability of the President or whenever the office of the President is vacant. The Vice President shall perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(e) Duties of Secretary: The Secretary shall attend all meetings of the stockholders and of the Board of Directors and any committee thereof, and shall record all acts and proceedings thereof in the minute book of the corporation and shall keep the seal of the corporation in safe custody. The Secretary shall give notice, in conformity with these Bylaws, of all meetings of the stockholders, and of all meetings of the Board of Directors and any Committee thereof requiring notice. The Secretary shall perform such other duties and have such other powers as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(f) Duties of Chief Financial Officer and Treasurer: The Chief Financial Officer and Treasurer shall control, audit and arrange the financial affairs of the corporation. He or she shall receive and deposit all monies belonging to the corporation and shall pay out the same only in such manner as the Board of Directors may from time to time determine, and he or she shall perform such other further duties as the Board of Directors may require. It shall be the duty of the assistant treasurers to assist the Treasurer in the performance of the Treasurer's duties and generally to perform such other duties as may be delegated to them by the Board of Directors.

ARTICLE V

Execution of Corporate Instruments, and Voting of Securities Owned by the Corporation

Section 1. Execution of Corporate Instruments.

(a) The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute any corporate instrument or document, or to sign the corporate name without limitation, except where otherwise provided by law, and such execution or signature shall be binding upon the corporation.

(b) Unless otherwise specifically determined by the Board of Directors or otherwise required by law, formal contracts of the corporation, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the corporation, and other corporate instruments or documents requiring the corporate seal, and certificates of shares of stock owned by the corporation, shall be executed, signed or endorsed by the Chairman of the Board (if there be such an officer appointed), the President, any Vice President or the Secretary. All other instruments and documents requiring the corporate signature, but not requiring the corporate seal, may be executed as aforesaid or in such other manner as may be directed by the Board of Directors.

(c) All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation, or in special accounts of the corporation, shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Section 2. Voting of Securities Owned by Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors or, in the absence of such authorization, by the Chairman of the Board (if there be such an officer appointed), or by the President, or by any Vice President.

ARTICLE VI

Shares of Stock

Section 1. Form and Execution of Certificates. Certificates for the shares of stock of the corporation shall be in such form as is consistent with the Certificate of Incorporation and applicable

law. Every holder of stock in the corporation shall be entitled to have a certificate signed by, or in the name of the corporation by, the Chairman of the Board (if there be such an officer appointed), or by the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be a facsimile. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. If the corporation shall be authorized to issue more than one class of stock or more than one series of any class, the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights shall be set forth in full or summarized on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, provided that, except as otherwise provided in section 202 of the Delaware General Corporation Law, in lieu of the foregoing requirements, there may be set forth on the face or back of the certificate which the corporation shall issue to represent such class or series of stock, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 2. Lost Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to indemnify the corporation in such manner as it shall require and/or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost or destroyed.

Section 3. Transfers. Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a certificate or certificates for a like number of shares, properly endorsed.

Section 4. Fixing Record Dates.

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty nor less than ten days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the date on which the meeting is held. A determination of stockholders of record entitled notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to consent (if such written

consent is permitted under these Bylaws and the Certificate of Incorporation) corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by the Delaware General Corporation Law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to a corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 5. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VII

Other Securities of the Corporation

All bonds, debentures and other corporate securities of the corporation, other than stock certificates, may be signed by the Chairman of the Board (if there be such an officer appointed), or the President or any Vice President or such other person as may be authorized by the Board of Directors and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Treasurer or an Assistant Treasurer; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signature of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by trustee as aforesaid, shall be signed by the Treasurer or Assistant Treasurer of the corporation, or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear

thereon or before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE VIII

Corporate Seal

The corporation shall have a common seal, upon which shall be inscribed:

"Intel Corporation
Incorporated March 1, 1989
Delaware"

In the event the corporation changes its name, the corporate seal shall be changed to reflect such new name.

ARTICLE IX

Indemnification of Officers, Directors, Employees and Agents

Section 1. Right to Indemnification. Each person who was or is a party or is threatened to be made a party to or is involved (as a party, witness, or otherwise), in any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (hereinafter a "Proceeding"), by reason of the fact that he, or a person of whom he is the legal representative, is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation or of a partnership, joint venture, trust, or other enterprise, including service with respect to employee benefit plans, whether the basis of the Proceeding is alleged action in an official capacity as a director, officer, employee, or agent or in any other capacity while serving as a director, officer, employee, or agent (hereafter an "Agent"), shall be indemnified and held harmless by the corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended or interpreted (but, in the case of any such amendment or interpretation, only to the extent that such amendment or interpretation permits the corporation to provide broader indemnification rights than were permitted prior thereto) against all expenses, liability, and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement, and any interest, assessments, or other charges imposed thereon, and any federal, state, local, or foreign taxes imposed on any Agent as a result of the actual or deemed receipt of any payments under this Article) reasonably incurred or suffered by such person in connection with investigating, defending, being a witness in, or participating in (including on appeal), or preparing for any of the foregoing in, any Proceeding (hereinafter "Expenses"); provided, however, that except as to actions to enforce indemnification rights pursuant to Section 3 of this Article, the corporation shall indemnify any Agent seeking indemnification in connection with a Proceeding (or part thereof) initiated by such person only if the Proceeding (or part thereof) was authorized by the Board of Directors of the corporation. The right to indemnification conferred in this Article shall be a contract right.

Section 2. Authority to Advance Expenses. Expenses incurred by an officer or director (acting in his capacity as such) in defending a Proceeding shall be paid by the corporation in advance of the final disposition of such Proceeding, provided, however, that if required by the Delaware General Corporation Law, as amended, such Expenses shall be advanced only upon delivery to the corporation of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this Article or otherwise. Expenses incurred by other Agents

of the corporation (or by the directors or officers not acting in their capacity as such, including service with respect to employee benefit plans) may be advanced upon such terms and conditions as the Board of Directors deems appropriate. Any obligation to reimburse the corporation for Expense advances shall be unsecured and no interest shall be charged thereon.

Section 3. Right of Claimant to Bring Suit.

If a claim under Section 1 or 2 of this Article is not paid in full by the corporation within thirty (30) days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense (including attorneys' fees) of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending a Proceeding in advance of its final disposition where the required undertaking has been tendered to the corporation) that the claimant has not met the standards of conduct that make it permissible under the Delaware General Corporation Law for the corporation to indemnify the claimant for the amount claimed. The burden of proving such a defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper under the circumstances because he has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant had not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

Section 4. Provisions Nonexclusive. The

rights conferred on any person by this Article shall not be exclusive of any other rights that such person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, agreement, vote of stockholders or disinterested directors, or otherwise, both as to action in an official capacity and as to action in another capacity while holding such office. To the extent that any provision of the Certificate, agreement, or vote of the stockholders or disinterested directors is inconsistent with these Bylaws, the provision, agreement, or vote shall take precedence.

Section 5. Authority to Insure. The corporation

may purchase and maintain insurance to protect itself and any Agent against any Expense, whether or not the corporation would have the power to indemnify the Agent against such Expense under applicable law or the provisions of this Article.

Section 6. Survival of Rights. The rights

provided by this Article shall continue as to a person who has ceased to be an Agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

Section 7. Settlement of Claims. The

corporation shall not be liable to indemnify any Agent under this Article (a) for any amounts paid in settlement of any action or claim effected without the corporation's written consent, which consent shall not be unreasonably withheld; or (b) for any judicial award if the corporation was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such action.

Section 8. Effect of Amendment. Any

amendment, repeal, or modification of this Article shall not adversely affect any right or protection of any Agent existing at the time of such amendment, repeal, or modification.

Section 9. Subrogation. In the event of payment

under this Article, the corporation shall be subrogated to the extent of such payment to all of the rights of recovery of the Agent, who shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents necessary to enable the corporation effectively to

bring suit to enforce such rights.

Section 10. No Duplication of Payments. The corporation shall not be liable under this Article to make any payment in connection with any claim made against the Agent to the extent the Agent has otherwise actually received payment (under any insurance policy, agreement, vote, or otherwise) of the amounts otherwise indemnifiable hereunder.

ARTICLE X

Notices

Whenever, under any provisions of these Bylaws, notice is required to be given to any stockholder, the same shall be given in writing, timely and duly deposited in the United States Mail, postage prepaid, and addressed to his last known post office address as shown by the stock record of the corporation or its transfer agent. Any notice required to be given to any director may be given by the method hereinabove stated, or by telegram, except that such notice other than one which is delivered personally, shall be sent to such address as such director shall have filed in writing with the Secretary of the corporation, or, in the absence of such filing, to the last known post office address of such director. If no address of a stockholder or director be known, such notice may be sent to the office of the corporation required to be maintained pursuant to Section 2 of Article I hereof. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, specifying the name and address or the names and addresses of the stockholder or stockholders, director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall be conclusive evidence of the statements therein contained. All notices given by mail, as above provided, shall be deemed to have been given as at the time of mailing and all notices given by telegram shall be deemed to have been given as at the sending time recorded by the telegraph company transmitting the same. It shall not be necessary that the same method of giving be employed in respect of all directors, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others. The period or limitation of time within which any stockholder may exercise any option or right, or enjoy any privilege or benefit, or be required to act, or within which any director may exercise any power or right, or enjoy any privilege, pursuant to any notice sent him in the manner above provided, shall not be affected or extended in any manner by the failure of such a stockholder or such director to receive such notice. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation, or of these Bylaws, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the Delaware General Corporation Law, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

ARTICLE XI

Amendments

Unless otherwise provided in the Certificate of Incorporation, these Bylaws may be repealed, altered or amended or new Bylaws adopted by written

consent of stockholders in the manner authorized by Section 8 of Article II, or at any meeting of the stockholders, either annual or special, by the affirmative vote of a majority of the stock entitled to vote at such meeting. The Board of Directors shall also have the authority to repeal, alter or amend these Bylaws or adopt new Bylaws (including, without limitation, the amendment of any Bylaws setting forth the number of directors who shall constitute the whole Board of Directors) by unanimous written consent or at any annual, regular, or special meeting by the affirmative vote of a majority of the whole number of directors, subject to the power of the stockholders to change or repeal such Bylaws and provided that the Board of Directors shall not make or alter any Bylaws fixing the qualifications, classifications, term of office or compensation of directors.