

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

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

Date of Report: January 12, 1999  
(Date of earliest event reported)

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

Delaware (State of incorporation)	0-6217 (Commission File Number)	94-1672743 (IRS Employer Identification No.)
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2200 Mission College Blvd., Santa Clara, CA 95052-8119  
(Address of principal executive offices)

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

Item 5. OTHER EVENTS

- 5.1 Attached hereto as Exhibit 99.1 and incorporated by reference herein is financial information for Intel Corporation for the quarter and the year ended December 26, 1998 and forward-looking statements relating to 1999 and the 1st Quarter of 1999, as presented in a press release of January 12, 1999.

Item 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

99.1 Financial information for Intel Corporation for the quarter and the year ended December 26, 1998 and forward-looking statements relating to 1999 and the 1st Quarter of 1999.

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 hereunto duly authorized.

INTEL CORPORATION  
(Registrant)

Date: January 12, 1999 By: /s/Andy D. Bryant

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

EXHIBIT 99.1

INTEL REPORTS RECORD QUARTERLY REVENUE,  
NET INCOME AND EPS  
Twelfth Consecutive Year of Revenue Growth

SANTA CLARA, Calif., Jan.12, 1999 - Intel Corporation set new quarterly records for revenue, net income, earnings per share and microprocessor unit shipments, the company said today. Seasonally strong demand for Intel's P6 micro architecture products in the second half lifted the company's total 1998 revenue to a new annual record.

Revenue totaled \$26.3 billion in 1998, up 5 percent from the prior record of \$25.1 billion in 1997. Net income was \$6.1 billion, down 13 percent from \$6.9 billion in 1997. Earnings per share of \$3.45 declined 11 percent from \$3.87 per share in 1997.

Record fourth quarter revenue of \$7.6 billion was up 17 percent from fourth quarter 1997 revenue of \$6.5 billion. Fourth quarter revenue was up 13 percent from third quarter 1998 revenue of \$6.7 billion.

Record fourth quarter net income of \$2.1 billion was up 18 percent from fourth quarter 1997 net income of \$1.7 billion. Net income in the fourth quarter was up 32 percent from third quarter 1998 net income of \$1.6 billion.

Record fourth quarter earnings per share of \$1.19 increased 21 percent from \$0.98 in the fourth quarter of 1997 and rose 34 percent from \$0.89 in the third quarter of 1998.

"Intel achieved its 12th consecutive year of revenue growth in spite of the challenges of a turbulent market in 1998," said Dr. Craig R. Barrett, president and chief executive officer. "During the fourth quarter we achieved record revenue in the Americas, Europe and Asia-Pacific.

"Intel enters 1999 with a first quarter roadmap offering new products in every segment of the computer market. This quarter we will launch Pentium(R) III and Pentium III Xeon(TM) processors, the first products in the next generation of Intel Architecture microprocessors. On the manufacturing front we will soon begin the transition to 0.18 micron, the next generation of process technology.

"The investments of the last year in new product development and productivity improvement have strengthened the company and positioned it well for a market that will continue to be competitive and dynamic," Barrett said.

During the quarter, the company paid its regular quarterly cash dividend of \$0.04 per share. The dividend was paid on Dec. 1, 1998, to stockholders of record on Nov. 7, 1998.

This is an increase from the previous \$0.03 per share quarterly dividend. Intel has paid a regular quarterly cash dividend for six years, and the dividend has been increased in each of the past five years.

In the fourth quarter, the company repurchased a total of 16.5 million shares of common stock at a cost of \$1.5 billion. For the full year, the company repurchased 80.9 million shares at a cost of \$6.7 billion. Since the program began in 1990, the company has repurchased 294.3 million shares at a total cost of \$13.6 billion.

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INTEL CORPORATION  
CONSOLIDATED SUMMARY FINANCIAL STATEMENTS  
(In millions, except per share amounts)

INCOME	Three Months Ended		Twelve Months Ended	
	Dec.26, 1998	Dec.27, 1997	Dec.26, 1998	Dec.27, 1997
<S>	<C>	<C>	<C>	<C>
NET REVENUE	\$ 7,614	\$ 6,507	\$26,273	\$25,070
Cost of sales	3,176	2,691	12,144	9,945
Research and development	674	605	2,509	2,347
Marketing, general and administrative	928	818	3,076	2,891

Purchased in-process research and development	---	---	165	---
Operating costs and expenses	4,778	4,114	17,894	15,183
OPERATING INCOME	2,836	2,393	8,379	9,887
Interest and other	244	201	758	772
INCOME BEFORE TAXES	3,080	2,594	9,137	10,659
Income taxes	1,016	851	3,069	3,714
NET INCOME	\$ 2,064	\$ 1,743	\$ 6,068	\$ 6,945
BASIC EARNINGS PER SHARE	\$ 1.24	\$ 1.07	\$ 3.64	\$ 4.25
DILUTED EARNINGS PER SHARE	\$ 1.19	\$ 0.98	\$ 3.45	\$ 3.87
COMMON SHARES OUTSTANDING	1,663	1,633	1,668	1,635
COMMON SHARES ASSUMING DILUTION	1,739	1,785	1,759	1,795

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BALANCE SHEET	At Dec.26, 1998	At Sep.26, 1998	At Dec.27, 1997
<S>	<C>	<C>	<C>
CURRENT ASSETS			
Cash and short-term investments	\$ 7,626	\$ 8,687	\$ 9,927
Accounts receivable	3,527	3,636	3,438
Inventories:			
Raw materials	206	258	255
Work in process	795	879	928
Finished goods	581	441	514
	1,582	1,578	1,697
Deferred tax assets and other	740	812	805
Total current assets	13,475	14,713	15,867
Property, plant and equipment, net	11,609	11,863	10,666
Long-term investments	5,365	1,789	1,839
Other assets	1,022	1,023	508
TOTAL ASSETS	\$31,471	\$29,388	\$28,880
CURRENT LIABILITIES			
Short-term debt	\$ 159	\$ 192	\$ 322
Accounts payable and accrued liabilities	4,081	3,795	4,017
Deferred income on shipments to distributors	606	471	516
Income taxes payable	958	798	1,165
Total current liabilities	5,804	5,256	6,020
LONG-TERM DEBT	702	583	448
DEFERRED TAX LIABILITIES	1,387	1,162	1,076
PUT WARRANTS	201	588	2,041
STOCKHOLDERS' EQUITY			
Common Stock and capital in excess of par value	4,822	4,775	3,311

Retained earnings	18,555	17,024	15,984
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Total stockholders' equity	23,377	21,799	19,295
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$31,471	\$29,388	\$28,880
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