

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH 2,516,405
REPORTING PERSON
12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) []
EXCLUDES CERTAIN SHARES
13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 10.5%
(11)
14. TYPE OF REPORTING PERSON CO

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Item 2. Identity and Background

- (a) Name of Person Intel Corporation
Filing:
- The executive officers and directors of Intel Corporation are set forth on Appendix A hereto.
- (b) State of Delaware
Incorporation:
- (c) Principal Business: Manufacturer of
microcomputer components,
modules and systems
- (c) Address of Principal Business and Principal
Office:
- 2200 Mission College Boulevard
Santa Clara, CA 95052-8119
- (d) Criminal Proceedings:
- During the last five years neither the Reporting Person nor any officer or director of the Reporting Person has been convicted in any criminal proceeding.
- (e) Civil Proceedings:
- During the last five years neither the Reporting Person nor any officer or director of the Reporting Person has been party to any civil proceeding of a judicial or administrative body of competent jurisdiction as a result of which such person would have been subject to any judgment, decree or final order enjoining future violations of or prohibiting or mandating activities subject to Federal or State securities laws or finding any violation with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration

On February 28, 1997 the Reporting Person paid \$52,278,313.88 to acquire 2,516,405 shares of Common Stock, \$0.001 par value, of the Issuer (the "Common Stock"). In addition, the Reporting Person acquired a warrant (the "Warrant") to purchase up to 1,509,903 shares of Common Stock. Funds for the purchase of the securities were derived from the Reporting Person's working capital.

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On February 17, 1999, pursuant to the terms of the Warrant, the Reporting Person "net exercised" the Warrant. Under the net exercise, the Issuer retained 995,589 of the shares of Common Stock that the Reporting Person had the right to acquire under the Warrant in payment of the aggregate Warrant exercise price of \$40,782,480 (\$27.01 per share). The Reporting Person acquired 514,314 shares of Common Stock as a result of the net exercise of the Warrant. See Item 5(c) below for further details regarding the net exercise.

Item 4. Purpose of the Transaction

The Reporting Person acquired the Common Stock and the Warrant as an investment and in connection with a technology agreement between the Issuer and the Reporting Person pursuant to which the Issuer and Reporting Person will work together to further advance mobile connectivity solutions for high performance business computing. As more fully described in Item 3 above and Item 5(c) below, on February 17, 1999, the Reporting Person net exercised the Warrant, and then immediately sold the 514,314 shares thereby acquired back to the Issuer to realize a gain on its investment.

The Reporting Person presently holds its shares of Common Stock of the Issuer as an investment. Depending upon the Reporting Person's evaluation of market conditions, market price, alternative investment opportunities, liquidity needs and other factors, the Reporting Person will from time to time explore opportunities for liquidating all or a portion of the shares, through one or more sales pursuant to public or private offerings or otherwise. The Reporting Person may determine to retain some portion of the shares as an investment.

Item 5. Interests in Securities of the Issuer.

(a) Number of Shares Beneficially Owned: 2,516,405 shares

Number of Shares Beneficially Owned: 2,516,405 shares

Percent of Class: 10.5% (based upon 23,930,115 shares of common stock outstanding as reported on the Company's most recent 10Q).

(b) Sole Power to Vote, Direct the Vote of, or Dispose of Shares: 2,516,405 shares

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Shared Power to Vote, Direct the Vote of, or Dispose of Shares: None

(c) Recent Transactions:

On February 17, 1999 the Reporting Person elected to net exercise the Warrant, surrendering 995,589 shares of Common Stock valued at \$40.96 per share (the average closing price as quoted by Reuters for the ten (10) trading days immediately preceding the transaction) in payment of the exercise price of the Warrant, and acquiring 514,314 shares of Common Stock. The Issuer then immediately repurchased the 514,314 shares from the Reporting Person at a price of \$38.45 per share (the average closing price as quoted by Reuters for the five (5) trading days immediately preceding the transaction, less a discount of \$0.50 per share). The Issuer will pay the purchase price for these shares to the Reporting Person on February 23, 1999.

(d) Rights with Respect to Dividends or Sales Proceeds: N/A

(e) Date of Cessation of Five Percent Beneficial Ownership: N/A

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Pursuant to the Investor Rights Agreement between the Reporting Person and the Issuer, the Reporting Person has, under certain circumstances, various rights related to (a) registration of the Common Stock that the Reporting Person owns, (b) participation in future sales and issuances of securities by the Issuer, (c) maintaining its ownership percentage in the Issuer, (d) receiving various public filings directly from the Issuer on a periodic basis, and (e) the opportunity to acquire the Issuer or certain assets of the Issuer if the Issuer seeks other offers or receives certain unsolicited offers. The Reporting Person has certain standstill obligations relating to its acquisition of shares of Common Stock of the Issuer and certain restrictions on its voting rights. The Purchase Agreement also contains certain restrictions on transfer of the Common Stock by the Reporting Person. See the Investor Rights Agreement, attached as an Exhibit hereto, for a further description of these provisions.

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Pursuant to a Letter Agreement dated February 17, 1999, attached as an Exhibit hereto, the definition of "Market Price" as set forth in the Warrant (used to determine the number of shares surrendered in payment of the exercise price of the Warrant upon a net exercise) was modified to mean, as to a share of Common Stock, the average closing price as quoted by Reuters for the ten (10) trading days immediately preceding February 17, 1999. The Letter Agreement further set out the terms upon which the Company would repurchase the remaining shares resulting from the net exercise of the Warrant (as fully described in Item 5(c) above).

Item 7. Material to Be Filed as Exhibits.

- Exhibit 1* Xircom, Inc. Common Stock and Warrant Purchase Agreement, of January 13, 1997, between Xircom, Inc. and Intel Corporation.
- Exhibit 2* Warrant to Purchase Shares of Common Stock of Xircom, Inc., dated February 28, 1997.
- Exhibit 3* Investor Rights Agreement, dated February 28, 1997, between Xircom, Inc. and Intel Corporation.
- Exhibit 4* Press Release of Xircom, Inc., dated January 16, 1997.
- Exhibit 5* Press Release of Xircom, Inc., dated March 3, 1997.
- Exhibit 6 Letter Agreement, dated February 17, 1999, between Xircom, Inc. and Intel Corporation.
- Exhibit 7 Press Release of Xircom, Inc. dated February 18, 1999

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*Previously Filed

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated as of February 19, 1999 INTEL CORPORATION

By: /s/F. Thomas Dunlap, Jr.

F. Thomas Dunlap, Jr.
Vice President, General
Counsel and Secretary

APPENDIX A

DIRECTORS

The following is a list of all Directors of Intel Corporation and certain other information with respect to each Director. All Directors are United States citizens except as indicated below.

Name: Craig R. Barrett
Business Address: 2200 Mission College Boulevard, Santa Clara, CA 95052

Principal Occupation: President and Chief Executive Officer

Name, principal business and address of corporation or other organization in which employment is conducted: Intel Corporation, a manufacturer of microcomputer components, modules and systems.
2200 Mission College Boulevard
Santa Clara, CA 95052

Name: John Browne
Business Address: BP Amoco p.l.c., Britannic House, 1 Finsbury Circus, London EC2M 7BA

Principal Occupation: Group Chief Executive

Name, principal business and address of corporation or other organization in which employment is conducted: BP Amoco p.l.c., an integrated oil company.
Britannic House, 1 Finsbury Circus
London EC2M 7BA

Citizenship: British

Name: Winston H. Chen
Business Address: Paramitas Foundation, 3945 Freedom Circle, Suite 760, Santa Clara, CA 95054

Principal Occupation: Chairman

Name, principal business and address of corporation or other organization in which employment is conducted: Paramitas Foundation, a charitable foundation.
3945 Freedom Circle, Suite 760
Santa Clara, CA 95054

As of January 15, 1999, Mr. Chen owned a total of 9,000 shares of Xircom, Inc. Common Stock, which he acquired more than 60 days prior to the date of this filing. The source of the funds used to purchase the shares was from his personal assets. On January 15, 1999, Mr. Chen sold 3,000 shares at \$39.78 per share; on January 22, 1999, he sold 3,000 shares at \$41.32 per share; and on February 2, 1999, he sold 3,000 shares at \$44.87 per share. The shares were all sold in open market transactions. As of February 19, 1999, Mr. Chen holds a total of 1,000 shares (comprising less than 1% of the outstanding shares), which he acquired in an open market transaction on October 19, 1998 at a purchase price of \$20.88 per share, and as to which he has sole power to vote or direct the vote and dispose or direct the disposition. The shares were purchased and sold for investment purposes.

Name: Andrew S. Grove
Business Address: 2200 Mission College Boulevard, Santa Clara, CA 95052
Principal Occupation: Chairman of the Board of Directors
Name, principal business and address of corporation or other organization in which employment is conducted: Intel Corporation, a manufacturer of microcomputer components, modules and systems.
2200 Mission College Boulevard
Santa Clara, CA 95052

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Name: D. James Guzy
Business Address: 1340 Arbor Road, Menlo Park, CA 94025
Principal Occupation: Chairman
Name, principal business and address of corporation or other organization in which employment is conducted: The Arbor Company, a limited partnership engaged in the electronics and computer industry.
1340 Arbor Road
Menlo Park, CA 94025

Name: Gordon E. Moore
Business Address: 2200 Mission College Boulevard, Santa Clara, CA 95052
Principal Occupation: Chairman Emeritus of the Board of Directors
Name, principal business and address of corporation or other organization in which employment is conducted: Intel Corporation, a manufacturer of microcomputer components, modules and systems.
2200 Mission College Boulevard
Santa Clara, CA 95052

Name: David S. Pottruck
Business Address: 101 Montgomery Street, San Francisco, CA 94104
Principal Occupation: President and Co-Chief Executive Officer
Name, principal business and address of corporation or other organization in which employment is conducted: The Charles Schwab Corporation, an investment company
101 Montgomery Street
San Francisco, CA 94104

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Name: Arthur Rock
Business Address: One Maritime Plaza, Suite 1220, San Francisco, CA 94111
Principal Occupation: Venture Capitalist
Name, principal business and address of corporation or other organization in which employment is conducted: Arthur Rock and Company, a venture capital firm.
One Maritime Plaza, Suite 1220
San Francisco, CA 94111

Name: Jane E. Shaw

Business Address: 1310 Orleans Drive, Sunnyvale, CA 94089

Principal Occupation: Chairman and Chief Executive Officer

Name, principal business and address of corporation or other organization in which employment is conducted: AeroGen, Inc., a private company specializing in controlled delivery of drugs to the lungs
1310 Orleans Drive
Sunnyvale, CA 94089

Name: Leslie L. Vadasz

Business Address: 2200 Mission College Boulevard, Santa Clara, CA 95052

Principal Occupation: Senior Vice President, Director, Corporate Business Development

Name, principal business and address of corporation or other organization in which employment is conducted: Intel Corporation, a manufacturer of microcomputer components, modules and systems.
2200 Mission College Boulevard
Santa Clara, CA 95052

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Name: David B. Yoffie

Business Address: Harvard Business School, Morgan Hall 247, Soldiers Field Road, Boston, MA 92163

Principal Occupation: Max and Doris Starr Professor of International Business Administration

Name, principal business and address of corporation or other organization in which employment is conducted: Harvard Business School, an educational institution.
Harvard Business School
Morgan Hall 247, Soldiers Field Road
Boston, MA 92163

Name: Charles E. Young

Business Address: 10920 Wilshire Boulevard, Los Angeles, CA 90024

Principal Occupation: Chancellor Emeritus

Name, principal business and address of corporation or other organization in which employment is conducted: University of California at Los Angeles, an educational institution.
10920 Wilshire Boulevard
Los Angeles, CA 90024

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EXECUTIVE OFFICERS

The following is a list of all executive officers of Intel Corporation excluding executive officers who are also directors. Unless otherwise indicated, each officer's business address is 2200 Mission College Boulevard, Santa Clara, California 95052-8119, which address is Intel Corporation's business address. All executive officers are United States citizens except as indicated below.

Name: Paul S. Otellini
Title: Executive Vice President, General Manager, Intel Architecture Business Group

Name: Gerhard H. Parker
Title: Executive Vice President, General Manager, New Business Group

Name: Andy D. Bryant
Title: Senior Vice President and Chief Financial Officer

Name: Sean M. Maloney
Title: Senior Vice President, Director, Sales and Marketing Group
Citizenship: British

Name: Michael R. Splinter
Title: Senior Vice President, General Manager, Technology and Manufacturing Group

Name: Albert Y. C. Yu
Title: Senior Vice President, General Manager, Microprocessor Products Group

Name: F. Thomas Dunlap, Jr.
Title: Vice President, General Counsel and Secretary

Name: Arvind Sodhani
Title: Vice President, Treasurer

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EXHIBIT INDEX

Exhibit No.	Document	Sequentially Numbered Page
Exhibit 1*	Xircom, Inc. Common Stock and Warrant Purchase Agreement, dated January 13, 1997, between Xircom, Inc. and Intel Corporation.	1.1
Exhibit 2*	Warrant to Purchase Shares of Common Stock of Xircom, Inc., dated February 28, 1997.	2.1
Exhibit 3*	Investor Rights Agreement, dated February 28, 1997, between Xircom, Inc. and Intel Corporation.	3.1
Exhibit 4*	Press Release of Xircom, Inc., dated January 16, 1997.	4.1
Exhibit 5*	Press Release of Xircom, Inc., dated March 3, 1997.	5.1
Exhibit 6	Letter Agreement, dated February 17, 1999, between Xircom, Inc. and Intel Corporation.	6.1
Exhibit 7	Press Release of Xircom, Inc., dated February 18, 1999	7.1

*Previously filed.

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Exhibit 6.1

February 17, 1999

Xircom, Inc.
2300 Corporate Center Drive
Thousand Oaks, California 91320
Attn: Steven F. DeGennaro
Vice President, Finance and Chief Financial Officer

RE: Net Exercise Of Xircom Warrant

Ladies and Gentlemen:

Enclosed please find the Annex to Warrant (the "Annex") giving notice of our intention to exercise that certain Warrant to Purchase Shares of Common Stock (the "Warrant") dated February 28, 1997 pursuant to the Net Exercise Election provision of the Annex. The following sets out additional terms of our agreement:

1. The definition of the term "Market Price" set forth in the Warrant shall be modified to mean, as to a share of Common Stock, the average closing price as quoted by Reuters for the ten (10) trading days immediately preceding February 17, 1999, which is

the date of our net exercise election made pursuant to Section 1.3 of the Warrant.

2. Xircom, Inc. (the "Company") agrees to repurchase all shares of Common Stock purchased under the Warrant as a result of the net exercise at the average closing price as quoted by Reuters for the five (5) trading days immediately preceding February 17, 1999, less a discount of \$0.50 per share. The Company will pay the purchase price for these shares on February 23, 1999 by wire transfer per our separate instructions.

Except as expressly modified herein, any terms of the Warrant which by their terms survive its exercise shall continue in full force and effect.

If you are in agreement with the terms set out above, please acknowledge the same by countersigning the letter in the space provided below and faxing this letter to the attention of Michelle Oates at (408) 765-7636.

Sincerely,

Intel Corporation

By: /s/ ARVIND SODHANI
Name: Arvind Sodhani
Title: Vice President and Treasurer

Accepted:
Xircom, Inc.

By: /s/ STEVEN F. DEGENNARO
Name: Steven F. DeGennaro
Title: Vice President, Finance and Chief Financial Officer

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Exhibit 7.1

Thursday February 18, 9:00 am Eastern Time
Company Press Release
Xircom Repurchases 514,314 Shares From Intel Warrant Exercise
Intel Maintains Original 2.5 Million Share Investment in Xircom
THOUSAND OAKS, Calif.--(BUSINESS WIRE)--Feb. 18, 1999--Xircom
Inc. (Nasdaq: XIRC - news) Thursday announced that Intel Corp.
exercised its warrant to purchase additional shares of Xircom
common stock under a February 1997 agreement that was part of
Intel's initial investment in Xircom.

Under the terms of the warrant agreement, Intel elected to receive 514,314 shares at no additional cost in lieu of purchasing 1,509,903 shares at an exercise price of \$27.01.

Concurrent with the exercise of the Intel warrant, Xircom repurchased all 514,314 shares of common stock issued to Intel for a total price of \$19.8 million, or \$38.45 per share. Independent of the warrant exercise, Intel holds approximately 2.5 million shares of Xircom common stock acquired as part of its original investment in February 1997.

"The relationship has been very successful to date in terms of technology transfer, joint development and joint sales and marketing," said Mark Christensen, vice president and general manager of the Network Communications Group at Intel. "We look forward to continuing to maximize our technology and OEM relationship with Xircom in the future."

"Our stated goal when we initiated the relationship with Intel was to create a business relationship which benefited both parties," said Dirk Gates, chairman, president and CEO of Xircom. "We have achieved this goal and continue to expand our relationship. We are pleased to see that Intel is in a position to share in the financial upside that our success has created."

Xircom - A Decade of Focus, Innovation and Leadership in Mobile Communications

Xircom, founded in 1988, is the world's leading manufacturer and OEM supplier of mobile communications solutions, including Integrated PC Card and PC Card products, which connect portable computer users to corporate networks, the Internet and other online resources. The company's products are sold and supported in more than 100 countries through a global network of distributors, integrators and resellers.

Xircom, with headquarters in Thousand Oaks and regional headquarter offices in Antwerp, Belgium; Tokyo; and Singapore, has 1,100 employees worldwide and trailing four-quarter revenue of \$320 million. More information about Xircom and Xircom products may be found at www.xircom.com.

U.S. Sales: 800/438-4526, Telephone: 805/376-9300, Fax: 805/376-9311.

This news release contains forward-looking statements based on current expectations that involve a number of risks and uncertainties that could cause actual results to differ materially and include, but are not limited to, future technology and OEM developments. Other additional risks are described in the company's SEC reports on Form 10-K for the fiscal year ended Sept. 30, 1998, as well as the report on Form 10-Q for the quarter ended Dec. 31, 1998. Investor information may be found on Xircom's Web site at www.xircom.com or on the SEC's EDGAR electronic filing database.

Note to Editors: Xircom is a registered trademark of Xircom Inc. Other company or product names have been used for identification purposes only and may be trademarks of their respective companies.

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Contact:

Xircom Inc., Thousand Oaks
Kristi Cushing, 805/376-9300
kcushing@xircom.com
<http://www.xircom.com>

or

P/E
Craig Rexroad, 310/275-8784
Crexroad@pecomm.com