

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934
(AMENDMENT NO. 16)

VLSI TECHNOLOGY, INC.
(NAME OF ISSUER)

COMMON STOCK
(TITLE OF CLASS OF SECURITIES)

918270-10-9
(CUSIP NUMBER)

F. THOMAS DUNLAP, JR.
VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY
INTEL CORPORATION
2200 MISSION COLLEGE BOULEVARD
SANTA CLARA, CA 95052
TELEPHONE: (408) 765-8080
(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON
AUTHORIZED TO RECEIVE NOTICES AND COMMUNICATIONS)

MAY 3, 1995(1)
(DATE OF EVENT WHICH REQUIRES
FILING OF THIS STATEMENT)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b) (3) or (4), check the following box. []

Check the following box if a fee is being paid with this statement. []

Note: Six copies of this statement, including all exhibits, should be filed with the Commission. See Rule 13d-1(a) for other parties to whom copies are to be sent.

The information required in the remainder of this cover page shall not be deemed to be "filed" for purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

(1) This amendment is being made to file confirming documentation for transactions previously reported.

(Continued on following pages)

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1. NAME OF REPORTING PERSON Intel Corporation
S.S. or I.R.S. IDENTIFICATION NO. OF ABOVE PERSON 94-1672743

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) []
(b) []

3. SEC USE ONLY

4. SOURCE OF FUNDS Working Capital

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(d) OR 2(e) []

6. CITIZENSHIP OR PLACE OF ORGANIZATION Delaware

<S>	<C>	<C>
NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7. SOLE VOTING POWER	2,677,604 (warrants)
	8. SHARED VOTING POWER	N/A
	9. SOLE DISPOSITIVE POWER	2,677,604 (warrants)
	10. SHARED DISPOSITIVE POWER	N/A

11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON	2,677,604 (warrants)
-----	--	----------------------

12.	CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES	[]
-----	---	-----

13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)	7%
-----	--	----

14.	TYPE OF REPORTING PERSON	CO
-----	--------------------------	----

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Intel Corporation ("Intel" or the "Reporting Person") hereby amends its statement on Schedule 13D filed with the Securities and Exchange Commission on July 8, 1992 (the "Initial Statement") and previously amended on August 25, 1992, August 5, 1994, January 31, 1995, February 3, 1995, February 6, 1995, February 14, 1995, February 17, 1995, March 2, 1995, March 9, 1995, March 13, 1995, March 20, 1995, April 12, 1995, April 14, 1995, April 18, 1995, and April 28, 1995 with respect to the common stock (the "Common Stock"), of VLSI Technology, Inc. ("VLSI" or the "Issuer").

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

Pursuant to Section 4 of the Stock and Warrant Purchase Agreement, dated August 25, 1992 (the "Agreement"), between Intel and VLSI, Intel is subject to certain standstill provisions and restrictions on transfer and voting with respect to its securities of VLSI. See the Agreement for a further description of these provisions.

Between February 24, 1995 and April 17, 1995, Intel sold call options covering an aggregate of 2,677,604 shares of Common Stock. The strike prices of the call options range from \$15.00 to \$18.88 per share. All of the call options were sold in privately negotiated transactions. The call options can only be exercised on, and expire on, October 1, 1997.

The call options, if exercised, will be settled in cash, and Intel will pay to the counterparties an amount equal to (a) the number of shares subject to the call option multiplied by (b) the positive amount, if any, determined by subtracting the call option strike price from the market price per share of the Common Stock on October 1, 1997 (the "Market Price"). No payment will be made under the call options if the Market Price is less than the strike price of the call options on the expiration date.

Between March 7, 1995 and April 17, 1995, Intel purchased put options covering an aggregate of 2,677,604 shares of Common Stock. The strike prices of the put options range from \$12.00 to \$14.50 per share. All of the put options were purchased in privately negotiated transactions.

On April 26, 1995, in a privately negotiated transaction, Intel sold previously purchased put options covering an aggregate of 1,535,000 shares with a strike price of \$12.00 per share back to the counterparty, and purchased put options from the same counterparty covering an aggregate of 1,535,000 shares with a strike price of \$15.00 per share.

The put options can only be exercised on, and expire on, October 1, 1997. The put options, if exercised, will be settled in cash, and the counterparties will pay to Intel an amount equal to (a) the number of shares subject to the put option multiplied by (b) the positive amount, if any, determined by subtracting the Market Price from the put option strike price. No payment will be made under the put options if the Market Price is greater than the put option strike price on the expiration date.

The call and put options do not permit or obligate either party to purchase or sell shares of the Common Stock upon their exercise. Intel entered into the call and put options to reduce the investment risk associated with

its rights under its warrants to purchase 2,677,604 shares of the Common Stock. Intel intends to engage in additional hedging activity, which may include the sale of additional call options and the purchase of additional put options, in connection with hedging the investment risk associated with its rights under the warrants.

Exhibit 3.1 discloses the identity of the counterparties to, and the terms of, the call and put options.

Item 7. Material to be Filed as Exhibits.

- *Exhibit 1 Intel/VLSI Stock and Warrant Purchase Agreement
- *Exhibit 2 Intel/VLSI Joint Press Release Dated July 8, 1992
- Exhibit 3.1 Schedule of Call and Put Options
- Exhibit 3.2.1 Schedule to International Swaps and Derivatives Association Form Master Agreement (1992 version) dated as of April 15, 1993 between Union Bank of Switzerland and Intel Corporation
- Exhibit 3.2.2 Form of Confirmation between Union Bank of Switzerland and Intel Corporation
- **Exhibit 3.3 Agreements with Swiss Bank Corporation
- **Exhibit 3.4 Agreements with Lehman Brothers Finance, S.A.
- *Exhibit 4 Resolution Regarding Signature Authority

* Previously filed.

** Documentation confirming sales of these call options and purchases of these put options is pending and will be filed by amendment.

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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 May 17, 1995.

INTEL CORPORATION

By /s/ ARVIND SODHANI

Arvind Sodhani
Vice President and Treasurer

EXHIBIT 3.1
SCHEDULE OF CALL AND PUT OPTIONS

CALL OPTIONS WRITTEN (SOLD)

<TABLE> <CAPTION>		NUMBER OF			PREMIUM		
EXPIRATION TRADE DATE	COUNTERPARTY	SHARES	STRIKE PRICE	PREMIUM	PAYMENT DATE	DATE	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
2/24/95	Union Bank of Switzerland ("UBS")	140,000	\$15.00	\$693,000	3/3/95	10/1/97	
2/27/95	UBS	60,000	\$15.00	\$309,000	3/6/95	10/1/97	
3/1/95	UBS	170,000	\$15.00	\$837,097	3/8/95	10/1/97	
3/1/95	Lehman Brothers Finance S.A. ("Lehman")	1,000,000	\$15.25	\$4,600,000	3/8/95	10/1/97	
3/3/95	UBS	65,000	\$15.00	\$319,800	3/10/95	10/1/97	
3/6/95	UBS	100,000	\$15.00	\$497,000	3/13/95	10/1/97	
3/16/95	Lehman Brothers	250,000	\$17.50	\$1,327,500	3/23/95	10/1/97	
3/27/95	Swiss Bank Corporation	125,000	\$18.00	\$626,250	4/3/95	10/1/97	
4/10/95	Swiss Bank Corporation	200,000	\$18.00	\$1,028,800	4/17/95	10/1/97	
4/11/95	Swiss Bank Corporation	200,000	\$18.88	\$1,096,000	4/18/95	10/1/97	
4/12/95	Swiss Bank Corporation	120,000	\$15.00	\$912,000	4/19/95	10/1/97	
4/13/95	Swiss Bank Corporation	229,176	\$15.00	\$1,780,698	4/20/95	10/1/97	
4/17/95	Swiss Bank Corporation	18,428	\$15.00	\$144,660	4/24/95	10/1/97	
Total		2,677,604					

PUT OPTIONS PURCHASED

<TABLE> <CAPTION>		NUMBER OF			PREMIUM		
EXPIRATION TRADE DATE	COUNTERPARTY	SHARES	STRIKE PRICE	PREMIUM	PAYMENT DATE	DATE	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
3/16/95	Lehman	250,000	\$14.00	\$442,500	3/16/95	10/1/97	
3/27/95	Swiss Bank Corporation	125,000	\$14.00	\$187,500	4/3/95	10/1/97	
4/10/95	Swiss Bank Corporation	200,000	\$14.00	\$292,000	4/10/95	10/1/97	
4/11/95	Swiss Bank Corporation	200,000	\$14.50	\$373,500	4/11/95	10/1/97	
4/12/95	Swiss Bank Corporation	120,000	\$14.00	\$180,000	4/19/95	10/1/97	
4/13/95	Swiss Bank Corporation	229,176	\$14.00	\$343,764	4/13/95	10/1/97	
4/17/95	Swiss Bank Corporation	18,428	\$14.00	\$27,458	4/24/95	10/1/97	
4/26/95	Lehman	1,535,000	\$15.00	\$2,394,600	5/1/95	10/1/97	
Total		2,677,604					

PUT OPTIONS CLOSED (REPURCHASED BY COUNTERPARTY)

<TABLE> <CAPTION>		Number of			Premium		
Date Expiration Purchased	Date Sold	Counterparty	Shares	Strike Price	Premium	Payment Date	Date
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
3/7/95	4/26/95	Lehman	1,000,000	\$12.00	*\$1,285,000	3/14/95	10/1/97
3/8/95	4/26/95	Lehman	535,000	\$12.00	* \$749,000	3/15/95	10/1/97

* Intel received \$1,128,225 from Lehman in connection with the repurchase of these put options.

</TABLE>

EXHIBIT 3.2.1
SCHEDULE

TO THE

MASTER AGREEMENT (THE "AGREEMENT")

DATED AS OF 15 APRIL, 1993

BETWEEN UNION BANK OF SWITZERLAND ("PARTY A")

AND INTEL CORPORATION ("PARTY B")

PART 1
TERMINATION PROVISIONS

- (a) "SPECIFIED ENTITY" means:
- (i) in relation to Party A for the purposes of Section 5(a) (v) of this Agreement, any Affiliate of Party A; and
 - (ii) in relation to Party B for the purpose of Section 5(a) (v) of this Agreement, any Affiliate of Party B.
- (b) "SPECIFIED TRANSACTION" will have the meaning specified in Section 14 of this Agreement.
- (c) The "CROSS DEFAULT" provisions of Section 5(a) (vi) of this Agreement, as modified by Part 5(a) (iii) of this Schedule, will apply to Party A and to Party B.
- "SPECIFIED INDEBTEDNESS" means with respect to Party A and Party B, any obligation (whether present or future, contingent or otherwise as principal or surety or otherwise) for the payment or repayment of any money.
- "THRESHOLD AMOUNT" means USD25,000,000 (or the equivalent in any other currency or currencies).
- (d) The "CREDIT EVENT UPON MERGER" provisions of Section 5(b) (iv) of this Agreement, as modified by Part 5(a) (v) of this Schedule, will apply to both Party A and Party B.
- (e) The "AUTOMATIC EARLY TERMINATION" provision of Section 6(a) of this Agreement will apply to Party A and to Party B.
- (f) "PAYMENTS ON EARLY TERMINATION" for the purpose of Section 6(e) of this Agreement;
- (i) Loss will apply.
 - (ii) The Second Method will apply.
- (g) "TERMINATION CURRENCY" means one of the currencies in which payments are required to be made pursuant to a Confirmation in respect of a Terminated Transaction selected by the non-Defaulting Party or the non-Affected Party, as the case may be, or, in the circumstances where there are two Affected Parties, as agreed between the parties, or, failing such agreement as aforesaid, or if the currency so selected is not freely available, the Termination Currency shall be U.S. Dollars.
- (h) "ADDITIONAL TERMINATION EVENT" will not apply.

PART 2
TAX REPRESENTATIONS

- (a) PAYER TAX REPRESENTATIONS. For the purpose of Section 3(e) of this Agreement, Party A and Party B each make the following representation:

It is not required by any applicable law, as modified by the practice of any relevant governmental revenue authority, of any Relevant Jurisdiction to make any deduction or withholding for or on account of any Tax from any payment (other than interest under Section 2(e), 6(d) (ii) or 6(e) of this Agreement) to be made by it to the other Party under this

Agreement. In making this representation, it may rely on (i) the accuracy of any representations made by the other Party pursuant to Section 3(f) of this Agreement, (ii) the satisfaction of the agreement contained in Section 4(a)(i) or 4(a)(iii) of this Agreement and the accuracy and effectiveness of any document provided by the other party pursuant to Section 4(a)(i) or 4(a)(iii) of this Agreement and (iii) the satisfaction of the Agreement of the other Party contained in Section 4(d) of this Agreement, PROVIDED that it shall not be a breach of this representation where reliance is placed on sub-clause (ii) above and the other Party does not deliver a form or document under Section 4(a)(iii) by reason of material prejudice to its legal or commercial position.

(b) PAYEE TAX REPRESENTATIONS. For the purpose of Section 3(f) of this Agreement, neither Party makes any representation.

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PART 3
AGREEMENT TO DELIVER DOCUMENTS

For the purposes of Sections 3(d), 4(a)(i) and (ii) of this Agreement, each Party agrees to supply the following documents upon delivery of this Agreement:

PARTY A: None;

PARTY B: (i) Certified copy of Party B's Bye-Laws and Articles of Incorporation;

(ii) Certified copy of the resolution of Party B's Board of Directors authorising the execution and delivery of this Agreement and each Confirmation and performance of its obligations hereunder;

(iii) Opinion of Party B's legal counsel in a form satisfactory to Party A;

(iv) Letter from Process Agent of Party B confirming acceptance of its appointment.

PARTY A AND PARTY B: Upon delivery of this Agreement and each Confirmation forming a part of this Agreement, each Party shall provide to the other Party evidence of the authority and true signatures of each official or representative signing this Agreement or, as the case may be, a Confirmation on its behalf.

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PART 4
MISCELLANEOUS

(a) ADDRESS FOR NOTICES. For the purpose of Section 12(a) of this Agreement:

ADDRESS FOR NOTICES OR COMMUNICATIONS TO PARTY A:

To the office(s) specified in the relevant Confirmation with a copy of any notice or other communication under Section 5 or 6 to both the London and Zurich Branches of Party A as set out below:

ZURICH BRANCH

Union Bank of Switzerland
Bannhofstrasse 45
8021 Zurich

Attn: HASO - Swap Operations

Telex: 814449 UB CH

LONDON BRANCH

Union Bank of Switzerland
100 Liverpool Street
London EC2M 2RH

Attn: Debt and Treasury Transaction Services - DTTS

Telex: 923333 UBSPDW G

ADDRESS FOR NOTICES OR COMMUNICATIONS TO PARTY B:

Intel Corporation
2200 Mission College Blvd.
Santa Clara
California 95052
USA

Attn: Mr. Christian Janin

Fax No: 408 765 1611

- (b) PROCESS AGENT. For the purpose of Section 13(c) of this Agreement Party A appoints as its Process Agent: Union Bank of Switzerland, New York
299 Park Avenue
New York, NY 10171 USA

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- (c) OFFICES. The provisions of Section 10(a) to this Agreement shall not be applicable.
- (d) MULTIBRANCH PARTY. For the purpose of Section 10(c) of this Agreement:

Party A is a Multibranch Party and may act through any office specified in a Confirmation.

Party B is not a Multibranch Party.
- (e) CALCULATION AGENT. The Calculation Agent is Party A, unless otherwise specified in a Confirmation in relation to the relevant Transaction.
- (f) CREDIT SUPPORT DOCUMENT. Not applicable.
- (g) CREDIT SUPPORT PROVIDER. Not applicable.
- (h) GOVERNING LAW. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York (without reference to choice of law doctrine).
- (i) NETTING OF PAYMENTS. The first paragraph of Section 2(c) will apply as set out in this Agreement. However, Party A may notify Party B of a date(s) when it proposes to extend settlement netting to any of the three groups of transactions specified below whereupon the relevant portion of the following paragraph will apply:

"Subparagraph (ii) of Section 2(c) will not apply to the following group(s) of Transactions identified as such in the relevant Confirmation:

(i) interest rate and currency swaps, forward rate agreements and interest rate cap, collars and floors; and

(ii) equity swaps, options and forward transactions; and

(iii) commodity swaps, options and forward transactions."
- (j) "AFFILIATE" will have the meaning set out in Section 14 of this Agreement.

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PART 5
OTHER PROVISIONS

- (a) MODIFICATIONS TO THE AGREEMENT.
- (i) SECTION 3(a) of this Agreement shall be amended to include the following additional representations after paragraph 3(a)(v):

"(vi) that it is acting as principal and not as agent

when entering into each Transaction;

(vii) that it has sufficient knowledge and expertise to enter into each Transaction and is relying on its own judgment and not on advice of the other Party;"

- (ii) SECTION 4 of this Agreement shall be amended by the addition, after paragraph 4(e), of the following new paragraph:

"(f) PHYSICAL DELIVERY. In respect of any physically settled Transactions, it will, at the time of delivery, be the legal and beneficial owner, free of liens and other encumbrances, of any securities or commodities it delivers to the other Party."

Further, in regard to Section 5(a)(ii) of this Agreement as it applies to the added Section 4(f), the following words shall be deleted from lines 5/6:

"if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party".

- (iii) The following proviso will be inserted at the end of SECTION 5(a)(vi) of this Agreement:

"provided, however, that notwithstanding the foregoing, an Event of Default shall not occur under either (1) or (2) above if (a) the event or condition referred to in (1) or the failure to pay referred to in (2) is a failure to pay caused by an error or omission of an administrative or operational nature; and (b) funds were available to such party to enable it to make the relevant payment when due; and (c) such relevant payment is made within three Business Days following receipt of written notice from an interested party of such failure to pay."

- (iv) The following words shall be deleted from line 4 of Section 5(b)(ii) of this Agreement:

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"or there is a substantial likelihood that it will,"

- (v) SECTION 5(b)(IV) of this Agreement shall be amended to read as follows:

"(iv) Credit Event Upon Merger. If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, (aa) such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity, or (bb) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of X or otherwise acquires directly or indirectly the power to control the policy making decisions of X, or (cc) X enters into any agreement providing for (aa) or (bb) above, and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than of X, such Credit Support Provider or such specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or"

- (vi) SECTION 6(e)(iii) of this Agreement shall be amended to include the following sentences after the existing sentence:

"In addition, to, and notwithstanding anything to the contrary in the preceding sentence of this Section 6(e)(iii), if an Early Termination Date is deemed to have occurred under Section 6(a) as a result of Automatic Early Termination, the Defaulting Party hereby agrees to indemnify the Non-defaulting Party on demand against all loss or damage that the Non-defaulting Party may sustain or incur in respect of each Transaction as a result of movement in interest rates, currency exchange rates or market

quotations between the Early Termination Date and the date (the "Determination Date") upon which the Non-defaulting Party first becomes aware that the Early Termination Date has been deemed to have occurred under Section 6(a).

If the Non-defaulting Party shall determine that it would gain or benefit from the movement in interest rates, currency exchange rates or market quotations between the Early Termination Date and the Determination Date, the amount of such gain or benefit shall be deducted from the amount payable by the Defaulting Party pursuant to Section 6(e) (i)4).

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The Determination Date shall be a date not later than the date upon which creditors generally of the Defaulting Party are notified of the occurrence of the Event of Default leading to the deemed Early Termination Date."

(b) SET-OFF.

- (i) In addition to any rights of set-off a Party may have as a matter of law or otherwise, upon the occurrence of an Event of Default with respect to Party ("X") hereof (or a provision analogous thereto) or a Tax Event, a Tax Event Upon Merger, an Illegality or a Credit Event Upon Merger where X is the sole Affected Party, the other Party ("Y") shall have the right (but shall not be obliged) without prior notice to X or any other person to set off any obligation of X owing to Y or any Affiliate of Y (whether or not arising under this Agreement, whether or not matured, whether or not contingent and regardless of the currency, place of payment or booking office of the obligation) against any obligations of Y or any Affiliate of Y owing to X (whether or not arising under this Agreement, whether or not matured, whether or not contingent and regardless of the currency, place of payment or booking office of the obligation).
- (ii) For the purpose of cross-currency set off, Y may convert any obligation to another currency at a market rate determined by Y.
- (iii) If an obligation is unascertained, Y may in good faith estimate that obligation and set off in respect of the estimate, subject to the relevant Party accounting to the other when the obligation is ascertained.
- (iv) Nothing in this paragraph will have the effect of creating a charge or other security interest. This paragraph shall be without prejudice and in addition to any right of set-off, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

(c) CONSENTS TO RECORDING. Each Party (i) consents to the recording of the telephone conversations of trading and marketing personnel of the Parties and their Affiliates in connection with this Agreement or any potential Transaction and (ii) agrees to obtain any necessary consent of, and give notice of such recording to, such personnel of its and its Affiliates.

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IN WITNESS WHEREOF the parties have executed this Schedule on the respective dates specified below with effect from the date specified on the first page of this document.

<TABLE>

<S>		<C>
UNION BANK OF SWITZERLAND		INTEL CORPORATION
By: /s/ V. SAREEN		By: /s/ CHRISTIAN JANIN
-----		-----
Name: V. Sareen		Name: Christian Janin
Title: First Vice President		Title: Assistant Treasurer
Date: 8 June, 1993		Date: July 27, 1993

By: /s/ H. SANTS

Name: H. Sants
Title: Senior Vice President
Date: 8 June, 1993

By: -----
Name:
Title:
Date:

</TABLE>

EXHIBIT 3.2.2
UNION BANK OF SWITZERLAND

To: Eddie Lee
Intel Corporation
2200 Mission College Blvd.
Santa Clara, California 95052

Fax#: 408-765-1611

c/o: UBS Securities Inc.
299 Park Avenue
New York, NY 10171
USA

Date: [Trade Date]

Ref#: NYC0000010539

The purpose of this letter agreement (this "Confirmation") is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below (the "Transaction"). This Confirmation constitutes a "Confirmation" as referred to in the Master Agreement specified below.

The definitions and provisions contained in the 1991 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc.) are incorporated into this Confirmation. In the event of any inconsistency between those definitions and provisions and this Confirmation, this Confirmation will govern. References herein to a "Transaction" shall be deemed to be references to a "Transaction" for the purposes of the 1991 ISDA Definitions.

This Confirmation supplements, forms part of, and is subject to, the following Master Agreement as amended and supplemented from time to time:

Dated as of: 15 April 1993

Between: Union Bank of Switzerland

and: Intel Corporation

All provisions contained or incorporated by reference in such Master Agreement shall govern this Confirmation except as expressly modified below. In the event of any inconsistency between this Confirmation and the Master Agreement, this Confirmation will govern.

The Agreement and each Confirmation thereunder will be governed by and construed in accordance with the laws of the State of New York without reference to choice of law doctrine.

1.

The terms of the Option Transaction to which this Confirmation relates are as follows:

GENERAL TERMS

Trade Date: _____

Option Style: European

Option Type: Call Option

Option Seller: Intel Corporation

Option Buyer: Union Bank of Switzerland, London Branch

Underlying Security: VLSI Technology Inc. Common Stock ("VLSI")

Underlying Currency: US Dollars ("\$\$")

Quotation Exchange: The New York Stock Exchange, The American Stock Exchange and NASDAQ National Market System.

Strike Price: _____

Number of Option Units: _____ [Number of Shares/100]

Multiplier: 100

Option Premium: _____

Premium Payment Date: _____, subject to adjustment in accordance with the Following Business Day convention.

Exchange Business Day: A day on which the Quotation Exchange is open for business and which the Underlying Securities are principally traded.

Seller Business Day: Any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in New York and London.

Calculation Agent: UBS jointly with Intel whose agreement to the calculations and determinations provided by UBS shall not be unreasonably withheld.

2.

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PROCEDURE FOR EXERCISE

Expiration Date: _____, or if that date is not an Exchange Business Day, the first following day that is an Exchange Business Day.

Automatic Exercise: An Option shall be deemed automatically exercised on the Expiration Date if it is in-the-money.

Valuation Price: The closing price of the Underlying Security on the Quotation Exchange on which the Underlying Securities are principally traded on the Expiration Date.

MARKET DISRUPTION PROVISIONS

Market Disruption Event: A Market Disruption Event is the suspension or material limitation of trading in the Underlying Security on the Quotation Exchange on which the Underlying Securities are principally traded, as determined by the Calculation Agent. In the event that a Market Disruption Event occurs or is continuing to occur on the Expiration Date, the Expiration Date shall be moved to the next Exchange Business Day on which there is no Market Disruption Event, provided however, that in no case shall the Expiration Date be moved more than five Exchange Business Days from the original Expiration Date. Should the Market Disruption Event continue for five consecutive Exchange Business Days following the original Expiration Date, the Valuation Price shall be determined by the Calculation Agent on such fifth Exchange Business Day based upon the last closing price on the Quotation Exchange and in consultation with the Option Buyer. The Expiration Date shall then become the fifth Exchange Business Day following the original Expiration Date.

ADJUSTMENT EVENTS

Adjustments: In the event of a stock split, dividend other than the ordinary, reorganization, merger or other corporate event involving the Company, the Strike Price shall be subject to adjustment as follows; During the life of this Option, if any adjustment is

3.

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made by the Options Clearing Corporation or its successors ("OCC") in the terms of outstanding OCC-issued options ("OCC Options") on the

Underlying Securities, a pro rata adjustment shall be made to the Strike Price and Number of Option Units of this Option as appropriate. No adjustment shall be made to the Strike Price and Number of Option Units to account for any event that does not result in an adjustment to the terms of outstanding OCC Options on such Shares. Without limiting the generality of the foregoing, no adjustment shall be made for any ordinary cash dividend; and If at any time during the life of this Option there shall be no outstanding OCC Options on the Company's common stock, and an event shall occur for which an adjustment might have been required under the OCC Adjustment Rules, interpretations and policies, the parties will then determine by applying, to the extent possible, the principles set forth in the OCC Adjustment Rules, whether to adjust the terms of the Option, and the nature of any such adjustment provided, however, that no adjustment of the Strike Price shall be required unless such adjustment would require an increase or decrease in such price of at least one U.S. cent.

CASH SETTLEMENT TERMS

Cash Settlement: Seller shall pay to the Buyer the Cash Settlement Amount, if any, on the Cash Settlement Payment Date for all Options exercised, or deemed exercised subject.

Cash Settlement Amount: An amount, as calculated by the Calculation Agent on the Expiration Date being the greater of 0 and:

Units x Multiplier x (VL - K)

where:

Units = Number of Option Units (as defined above)

VL = Valuation Price (as defined above)

K = Strike Price (as defined above)

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Cash Settlement Payment Date: Two Seller Business Days after the Expiration Date.

Transfer: Neither party may transfer any option, in whole or in part, without the prior written consent of the non-transferring party.

Bilateral Collateral Addendum: The obligations of the Option Seller under this Transaction shall be secured in accordance with the provisions of the Bilateral Collateral Addendum, dated April 15, 1993.

Payments to Seller: Citibank, NY for account of Intel Corp.
Acct. # 38385954
ABA # 021000089

Payments to Buyer: Chemical Bank, New York
for the account of UBS
A/C # ###-##-####
ABA # 021000128

Please confirm that the foregoing correctly sets forth the terms of the Transaction by executing the copy of this Confirmation enclosed for that purpose and returning it to the above address marked for the attention of G. Broehl, 29th Floor.

Yours faithfully

By: /s/ R. Goldstein
R. Goldstein
Senior Vice President

By: /s/ L. Wood
L. Wood
Vice President

By: /s/ Arvind Sodhani
Title: Arvind Sodhani, Vice President and Treasurer
Date: May 3, 1995
Intel Corporation