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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 2

TO

SCHEDULE 14D-1

TENDER OFFER STATEMENT PURSUANT TO SECTION
14(d) (1) OF THE SECURITIES EXCHANGE ACT OF 1934

CHIPS AND TECHNOLOGIES, INC.
(NAME OF SUBJECT COMPANY)

INTEL CORPORATION
INTEL ENTERPRISE CORPORATION
(BIDDERS)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE
(INCLUDING THE ASSOCIATED COMMON STOCK PURCHASE RIGHTS)
(TITLE OF CLASS OF SECURITIES)

170021109
(CUSIP NUMBER OF CLASS OF SECURITIES)

F. THOMAS DUNLAP, JR.
VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY

INTEL CORPORATION
2200 MISSION COLLEGE BOULEVARD
SANTA CLARA, CALIFORNIA 95052
408-765-1125

(NAME, ADDRESS AND TELEPHONE NUMBER OF PERSON AUTHORIZING TO RECEIVE NOTICES
AND COMMUNICATIONS ON BEHALF OF BIDDER)

COPIES TO:

RICHARD M. RUSSO, ESQ.
GIBSON, DUNN & CRUTCHER LLP
1801 CALIFORNIA STREET, SUITE 4100
DENVER, COLORADO 80121
(303) 298-5700

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INTRODUCTION

This Amendment No. 2 dated October 3, 1997 to Tender Offer Statement on Schedule 14D-1 dated August 1, 1997 (the "Schedule 14D-1") relates to the offer by Intel Enterprise Corporation, a Delaware corporation ("Purchaser"), and a wholly owned subsidiary of Intel Corporation, a Delaware corporation ("Intel"), to purchase all outstanding shares of common stock, par value \$0.01 per share (the "Common Stock"), of Chips and Technologies, Inc., a Delaware corporation (the "Company"), and the associated Common Stock purchase rights (the "Rights" and, together with the Common Stock, the "Shares") issued pursuant to the Rights Agreement dated as of August 23, 1989, between the Company and Bank of America, NT & SA, at a price of \$17.50 per Share, net to the seller in cash, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated as of August 1, 1997 (the "Offer to Purchase"), and the related Letter of Transmittal (which together constitute the "Offer").

Capitalized terms used and not otherwise defined herein shall have the meanings given such terms in the Schedule 14D-1.

ITEM 3. ADDITIONAL INFORMATION

Item 3 is hereby amended and supplemented by addition of the following information thereto:

A copy of Intel's press release announcing that Intel and the Company have reached an agreement in principle to settle shareholder class action litigation brought in the Delaware Court of Chancery is filed as Exhibit (a) (10) to the Schedule 14D-1 and incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS

Item 11 is hereby amended and supplemented by addition of the following exhibit thereto.

(a) (10) Press release dated October 2, 1997, issued by Intel.

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SIGNATURE

After due inquiry and to the best of his knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: October 3, 1997

INTEL ENTERPRISE CORPORATION

By /s/ CARY I. KLAFTER
Cary I. Klafter
President

SIGNATURE

After due inquiry and to the best of his knowledge and belief, the undersigned certifies that the information set forth in this statement is true, complete and correct.

Dated: October 3, 1997

INTEL CORPORATION

By /s/ F. THOMAS DUNLAP, JR.
F. Thomas Dunlap, Jr.
Vice-President, General Counsel
and Secretary

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EXHIBIT INDEX

<TABLE>
<CAPTION>

EXHIBIT

<S>
(a) (10)
</TABLE>

EXHIBIT INDEX

<C>
Press release dated October 2, 1997, issued by Intel.

ANNEX B

CONTACT:

Chuck Malloy
Intel Corporation
(408) 765-3684
chuck_malloy@ccm.oc.intel.com

Tim Christofferson
Chips & Technologies
(408) 434-0601, ext. 2310

INTEL AND CHIPS AND TECHNOLOGIES ANNOUNCE AGREEMENT IN PRINCIPLE TO SETTLE
DELAWARE LITIGATION

Santa Clara, Calif., October 2, 1997 -- Intel Corporation and Chips and Technologies, Inc. jointly announced today that they have reached an agreement in principle to settle shareholder class action litigation brought in the Delaware Court of Chancery. The Delaware litigation was filed against Chips and Technologies on July 31, 1997, and was amended by the plaintiffs to include Intel and a subsidiary on Sept. 19, 1997. The suit sought to halt the consummation of the previously proposed acquisition of Chips and Technologies by Intel.

The terms of the settlement agreement, which must still be presented to and approved by the Delaware Court of Chancery at a settlement hearing, call for Chips and Technologies to make additional disclosure in a Securities and Exchange Commission Filing which will then be mailed to Chips shareholders. The settlement also calls for Chips and Technologies and Intel to amend their current Merger Agreement to extend to Nov. 30, 1997, the date after which either Intel or Chips and Technologies may unilaterally terminate the transaction if the tender offer has not been consummated. The settlement also provides that, in the event that Chips seeks to terminate the Merger Agreement due to an unsolicited higher offer meeting the standards set forth in the Merger Agreement, the maximum fee payable to Intel would be reduced from \$15 million to \$7.5 million.

The settlement contains no agreement to pay plaintiffs' attorneys fees. The plaintiffs have reserved the right to apply to the Delaware Court of Chancery for a fee and expense award, and defendants have reserved the right to oppose any such application.

The Merger Agreement between the parties provides that Chips may not solicit other offers, but may, under certain conditions, entertain negotiations with parties who make unsolicited superior proposals to purchase Chips and Technologies.

Chips and Technologies is the world's number one supplier of flat panel video graphics controllers and accelerators to the portable computer market. Chips and Technologies can be reached on the worldwide web at <http://www.chips.com>.

Intel, the world's largest chip maker, is also a leading manufacturer of personal computer, networking and communications products. Additional information is available at www.intel.com/pressroom.