

=====

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

AMENDMENT NO. 3

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

=====

INTRODUCTION

This Amendment No. 3 dated October 8, 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 10. ADDITIONAL INFORMATION

Item 10 is hereby amended and supplemented by addition of the following information thereto:

A copy of the Amendment to Agreement and Plan of Merger, dated as of October 2, 1997, between the Company, Intel and Purchaser is filed as Exhibit

(c) (2) to the Schedule 14D-1 and is incorporated herein by reference.

A copy of Intel's press release announcing that the Offer has been extended and that the Offer and withdrawal rights will now expire at 8:00 p.m., New York City time, on Friday November 17, 1997, is filed as Exhibit (a) (11) to the Schedule 14D-1 and is incorporated herein by reference.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS

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

(a) (11) Press release dated October 7, 1997, issued by Intel.

(c) (2) Amendment to Agreement and Plan of Merger, dated as of October 2, 1997, between the Company, Intel and Purchaser.

2

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 8, 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 8, 1997

INTEL CORPORATION

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

3

EXHIBIT INDEX

<TABLE>
<CAPTION>

EXHIBIT	EXHIBIT INDEX
-----	-----
<S> (a) (11)	<C> Press release dated October 7, 1997, issued by Intel.
(c) (2)	Amendment to Agreement and Plan of Merger, dated as of October 2, 1997, between the Company, Intel and Purchaser.

</TABLE>

CONTACT: Chuck Mulloy
Press Relations
(408) 765-3484
chuck_mulloy@ccm.sc.intel.com

Gordon Casey
Investor Relations
(408) 765-1480
gordon_casey@ccm.sc.intel.com

INTEL CORPORATION EXTENDS OFFER
FOR CHIPS AND TECHNOLOGIES, INC.

SANTA CLARA, Calif., Oct. 7, 1997 -- Intel Corporation today announced that the expiration date for the \$17.50 per share tender offer by Intel's subsidiary, Intel Enterprise Corporation, for all outstanding shares of common stock of Chips and Technologies, Inc., has been extended until 8 p.m., New York time, on Nov. 21, 1997. This extension is the result of the previously announced Federal Trade Commission request for additional information concerning the transaction under the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

As of the close of business on Oct. 6, 1997, approximately 14,261,400 shares of common stock of Chips and Technologies, Inc., had been tendered in the tender offer. This constitutes approximately 64 percent of Chips and Technologies shares outstanding as of the tender offer.

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.

AMENDMENT TO AGREEMENT AND PLAN OF MERGER

This Amendment to Agreement and Plan of Merger (this "Amendment") is made and entered into as of the 2nd day of October 1997, by and among Chips and Technologies, Inc., a Delaware corporation (the "Company"), Intel Corporation, a Delaware corporation ("Parent") and Intel Enterprise Corporation, a Delaware corporation and a direct, wholly owned subsidiary of Parent ("Merger Sub"; the Company and Merger Sub sometimes being hereinafter together referred to as the "Constituent Corporations").

RECITALS

WHEREAS, the Company, Parent and Merger Sub have entered into an agreement, dated as of July 27, 1997 (the "Original Agreement"), pursuant to which Merger Sub has commenced a tender offer (the "Tender Offer") for any and all shares of the Company at \$17.50 per share, which Tender Offer will be followed by a merger (the "Merger") at the same price; and

WHEREAS, the parties to the Original Agreement now desire to amend the Original Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto amend the Original Agreement as follows:

AGREEMENT

1. Amendment of (Section 1.1(b) (The Offer) of the Original Agreement. Section 1.1(b) of the Original Agreement is deleted in its entirety and replaced with the following provision:

(b) Subject to the terms and conditions thereof, the Offer shall expire at midnight, New York City time, on the date that is twenty (20) Business Days after the date the Offer is commenced; provided, however, that without the consent of the Company's Board of Directors, Parent may (i) from time to time extend the Offer, if at the scheduled expiration date of the Offer any of the conditions to the Offer shall not have been satisfied or waived, until such time as such conditions are satisfied or waived; (ii) extend the Offer for any period required by any rule, regulation, interpretation or position of the Securities and Exchange Commission (the "SEC ") or the staff thereof applicable to the Offer; or (iii) extend the Offer for any reason on one or more occasions for an aggregate period of not more than twenty (20) Business Days beyond the latest expiration date that would otherwise be permitted under clause (i) or (ii) of this sentence if on such expiration date there shall not have been tendered at least 90% of the outstanding Shares. Parent agrees that if all of the conditions to the Offer set forth on Annex A are not satisfied on any scheduled expiration date of the Offer then, provided that all such conditions are reasonably capable of being satisfied prior to November 30, 1997, Parent shall extend the Offer from time to time until such conditions are satisfied or waived, provided that Parent shall not be required to extend the Offer beyond November 30, 1997. Subject to the terms and conditions of the Offer and this Agreement, Parent shall accept for payment, and pay for, all Shares validly tendered and not withdrawn pursuant to the Offer that Parent becomes obligated to accept for payment and pay for pursuant to the Offer, as promptly as practicable after the expiration of the Offer.

2. Amendment of Section 8.3(a) (Termination by the Company) of the Original Agreement. Section 8.3(a) of the Original Agreement is deleted in its entirety and replaced with the following provision:

(a) after November 30, 1997, Parent shall have failed to pay for Shares pursuant to the Offer; provided, however, that the right to terminate this Agreement pursuant to this subsection (a) shall not be available to the Company if it has breached in any material respects its obligations under this Agreement that in any manner shall have proximately contributed to the failure references in this clause (a);

A-1

3. Amendment of Section 8.5(b) (Effect of Termination and Abandonment) of the Original Agreement. Section 8.5(b) of the Original Agreement is deleted in its entirety and replaced with the following provision:

(b)(i) In lieu of any liability or obligation to pay damages (other than the obligation to reimburse Parent for expenses pursuant to Section 8.5(a)), if (A) there shall be a proposal by a Third Party for a Third Party Acquisition existing at the time of termination of the Agreement by the Parent and Merger Sub, and (B) Parent and Merger Sub shall have

terminated this Agreement pursuant to Section 8.4(b) or (c) or (d) and, with respect to a termination pursuant to Section 8.4(d) the Company has breached in any material respect its obligations under this Agreement in any manner which proximately contributed to Parent and Merger Sub's termination of the Offer, the Company shall pay to Parent (i) within two (2) business days after such termination \$2,000,000 and (ii) an additional \$3,500,000 upon consummation, if any, of any Third Party Acquisition with a Person who had proposed a Third Party Acquisition prior to the time of the termination of this Agreement by the Parent and Merger Sub.

(b) (ii) In lieu of any liability or obligation to pay damages (other than the obligation to reimburse Parent for expenses pursuant to Section 8.5(a)), (A) if there shall not have been a material breach of any representation, warranty, covenant or agreement on the part of the Parent or Merger Sub and (B) the Company shall have terminated this Agreement pursuant to Section 8.3(b), the Company shall pay to Parent (i) concurrently with such termination \$2,000,000 and (ii) an additional \$3,500,000 upon consummation, if any, of either the Superior Proposal giving right to terminate this Agreement under Section 8.3(b) or any Third Party Acquisition with a Person who had proposed a Third Party Acquisition prior to the termination of this Agreement under section 8.3(b). (Such amounts payable pursuant to Section 8.5(b) (i) or this Section 8.5(b) (ii) are referred to in the aggregate in this Agreement as the "Termination Fee.")

4. Other Provisions. Except as expressly provided herein, the Original Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by duly authorized officers of the parties hereto as of the date hereof.

CHIPS AND TECHNOLOGIES, INC.

by: /s/ JAMES F. STAFFORD

Name: James F. Stafford
Title: President and CEO

INTEL CORPORATION

by: /s/ LESLIE L. VADASZ

Name: Leslie L. Vadasz
Title: Sr. Vice President

INTEL ENTERPRISE CORPORATION

by: /s/ CARY KLAFTER

Name: Cary Klafter
Title: President