

[TEST]

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the quarterly period ended October 1, 1994

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from _____ to _____

Commission File Number 0-6217

INTEL CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware 94-1672743
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

2200 Mission College Boulevard; Santa Clara, California 95052-8119
(Address of principal executive offices) (Zip Code)

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

N/A
(Former name, former address, and former fiscal year,
if changed since last report.)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such requirements for the past 90 days. Yes No

Shares outstanding of the Registrant's common stock as of October 1, 1994

Class Outstanding at October 1, 1994
Common Stock, \$.001 par value 414.4 million

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Intel Corporation
Consolidated Condensed Statements of Income (unaudited)
(in millions, except per share amounts)

<TABLE>
<CAPTION>

	Three Months Ended		Nine Months Ended	
	Oct. 1, 1994	Sept. 25, 1993	Oct. 1, 1994	Sept. 25, 1993
Net revenues	<C> \$2,863	<C> \$2,240	<C> \$8,293	<C> \$6,393
Costs and expenses:				
Cost of sales	1,273	833	3,553	2,317
Research and development	282	244	826	708
Marketing, general and administrative	338	293	1,045	835
Operating costs and expenses	1,893	1,370	5,424	3,860
Operating income	970	870	2,869	2,533
Interest expense	(16)	(13)	(36)	(31)
Interest and other income, net	84	42	185	114
Income before provision for taxes	1,038	899	3,018	2,616
Provision for taxes	379	315	1,102	915
Net income	\$ 659	\$ 584	\$1,916	\$1,701
Earnings per common and common equivalent share	\$ 1.52	\$ 1.33	\$ 4.37	\$ 3.86
Cash dividends declared per				

common share	\$ 0.06	\$ 0.05	\$ 0.17	\$ 0.15
	=====	=====	=====	=====
Weighted average number of common and common equivalent shares outstanding	434	440	438	441
	=====	=====	=====	=====

</TABLE>

(See Notes to Consolidated Condensed Financial Statements.)

PART I - (continued)

Item 1. Financial Statements (Continued)

<TABLE>

<CAPTION>

Intel Corporation

Consolidated Condensed Balance Sheets

(in millions)

	Oct. 1, 1994	Dec. 25, 1993
	-----	-----
	(unaudited)	<C>
	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	\$1,186	\$1,659
Short-term investments	1,105	1,477
Accounts receivable, net	1,909	1,448
Inventories:		
Raw materials	347	216
Work in process	668	321
Finished goods	363	301
	-----	-----
	1,378	838
	-----	-----
Deferred tax assets	355	310
Other current assets	122	70
	-----	-----
Total current assets	6,055	5,802
	-----	-----
Property, plant and equipment, at cost	7,819	6,313
Less: Accumulated depreciation	(2,914)	(2,317)
	-----	-----
Property, plant and equipment, net	4,905	3,996
Long-term investments	2,113	1,416
Other assets	199	130
	-----	-----
TOTAL ASSETS	\$13,272	\$11,344
	=====	=====

</TABLE>

<TABLE>

<CAPTION>

<S>

<C>

<C>

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Short-term debt	\$ 640	\$ 399
Long-term debt redeemable within one year	--	98
Accounts payable	500	427
Accrued compensation and benefits	509	544
Other accrued liabilities	490	374
Deferred income on shipments to distributor	264	200
Income taxes payable	393	391
	-----	-----
Total current liabilities	2,796	2,433
	-----	-----
Long-term debt	392	426
	-----	-----
Deferred tax liabilities	345	297
	-----	-----
Put warrants	687	688
	-----	-----
Stockholders' equity:		
Preferred stock	--	--
Common stock and Capital in excess of par value	2,334	2,194
Retained earnings	6,718	5,306
	-----	-----
Total stockholders' equity	9,052	7,500
	-----	-----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$13,272	\$11,344
	=====	=====

</TABLE>

(See Notes to Consolidated Condensed Financial Statements.)

PART I - (continued)

Item 1. Financial Statements (Continued)

Intel Corporation
 Consolidated Condensed Statements of Cash Flows (unaudited, in millions)

<TABLE>

<CAPTION>

	Nine Months Ended	
	Oct. 1, 1994	Sept. 25, 1993
	-----	-----
<S>	<C>	<C>
Cash flows provided by (used for) operating activities:		
Net income	\$1,916	\$1,701
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	746	494
Net loss on retirements of property, plant and equipment	26	26
Amortization of debt discount	16	13
Change in deferred tax assets and liabilities	3	70
Changes in assets and liabilities:		
(Increase) in accounts receivable	(461)	(408)
(Increase) in inventories	(540)	(188)
(Increase) in other assets	(121)	(66)
Increase in accounts payable	73	112
(Decrease) increase in accrued compensation and benefits	(35)	21
Increase (decrease) in income taxes payable	2	(29)
Tax benefit from employee stock plans	50	55
Increase in other liabilities	176	123
	-----	-----
Total adjustments	(65)	223
	-----	-----
Net cash provided by operating activities	1,851	1,924
	-----	-----
Cash flows provided by (used for) investment activities:		
Additions to property, plant and equipment	(1,681)	(1,304)
Purchases of long-term, available-for-sale investments	(868)	(639)
Sales of long-term, available-for-sale investments	9	--
Maturities and other changes in available-for-sale investments, net	534	(565)
	-----	-----
Net cash (used for) investment activities	(2,006)	(2,508)
Cash flows provided by (used for) financing activities:		
Increase in short-term debt, net	64	138
Additions to long-term debt	127	75
Retirement of long-term debt	(98)	--
Proceeds from sales of shares through employee stock plans and other	139	124
Proceeds from sale of Step-Up Warrants, net	--	287
Proceeds from sales of put warrants	65	55
Repurchase and retirement of common stock	(546)	(341)
Redemption of Common Stock purchase rights	(2)	--
Payment of dividends to stockholders	(67)	(63)
	-----	-----
Net cash (used for) provided by financing activities	(318)	275
	-----	-----
Net (decrease) in cash and cash equivalents	\$ (473)	\$ (309)
	=====	=====
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	\$ 45	\$ 23
Income taxes	\$1,047	\$ 819

</TABLE>

Certain 1993 amounts have been reclassified to conform to the 1994 presentation.
 (See Notes to Consolidated Condensed Financial Statements.)

PART I - (continued)

Item 1. Financial Statements (Continued)

Intel Corporation, Notes to Consolidated Condensed Financial Statements

1. The accompanying interim consolidated condensed financial statements of Intel Corporation ("Intel," the "Company" or the "Registrant") have been prepared in conformity with generally accepted accounting principles, consistent in all material respects with those applied in the Annual Report on Form 10-K for the year ended December 25, 1993. The interim financial information is unaudited, but reflects all normal adjustments which are, in the opinion of management, necessary to provide a fair statement of results for the interim periods presented.

2. Interest and other income includes (in millions):

<TABLE>

<CAPTION>

Three Months Ended

Nine Months Ended

	Oct. 1, 1994	Sept. 25, 1993	Oct. 1, 1994	Sept. 25, 1993
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
Interest income	\$ 59	\$ 40	\$155	\$109
Foreign currency gains	3	1	10	--
Other income	22	1	20	5
	-----	-----	-----	-----
Total	\$ 84	\$ 42	\$ 185	\$ 114
	=====	=====	=====	=====

</TABLE>

Other income for the three months and nine months ended October 1, 1994 includes approximately \$18 million related to the settlement of various insurance claims.

- Earnings per common and common equivalent share as presented on the face of the statements of income represent primary earnings per share. Dual presentation of primary and fully diluted earnings per share has not been made because the differences are insignificant.
- At Intel's Annual Meeting of Stockholders in May 1994, stockholders approved an advisory proposal to redeem the Common Stock Purchase Rights issued in 1989. In July 1994, the Company's Board of Directors voted to redeem the Rights. A one-time payment of \$.005 per share was paid on September 1, 1994 to common stockholders of record on August 1, 1994 to redeem the rights.
- In Q1 1994, the Company adopted accounting for investments pursuant to Statement of Financial Accounting Standards (FAS) No. 115, effective as of the beginning of fiscal 1994. This adoption had no effect on the Company's financial statements. Under FAS No. 115, all of the Company's Short- and Long-term Investments are classified as available-for-sale as of the balance sheet date and are reported at cost, which approximates fair value. Debt securities either have a short period of time to maturity, are at floating rates, or are swapped to floating rates with interest rate swaps. Equity securities are either fully hedged or have no material unrealized gains or losses. Gross unrealized gains and losses for the portfolio as a whole are also not material.
- The Company enters into forward contracts, options and swaps to hedge currency, market and interest rate exposures. None of these instruments is intended to be used for trading purposes.

Intel uses interest rate and equity swaps to hedge the interest rate and market risks of its investment and debt portfolios. A substantial majority of the Company's net long-term fixed rate investments and debt are swapped to floating rates. All of the Company's swaps are tied to investments and debt with similar maturities and the swaps change in value along with the underlying investments and debt. Unrealized gains and losses on these swaps are offset by unrealized gains and losses on their underlying investment or debt.

PART I - (continued)

Item 1. Financial Statements (Continued)

Intel Corporation, Notes to Consolidated Condensed Financial Statements

- (Continued)
Intel hedges substantially all of its identifiable foreign currency accounting exposures. The Company uses currency forward contracts, currency options and currency swaps to hedge its net foreign currency assets and liabilities and its firm purchase commitments. The Company also periodically may purchase options to hedge certain forecasted transactions for which it does not have a firm commitment. Most of these foreign currency instruments are for periods of less than one year. Any gains and losses on currency forwards and currency swaps are recognized in accordance with FAS No. 52. The amount of any deferred hedging gains and losses on them is not material.
- During Q1 1994, the Company called and repurchased all of its outstanding 8 1/8% notes, which were due in 1997. The principal amount of the repurchased notes was \$98 million.
- Short-term debt as of October 1, 1994 includes \$174 million of zero coupon notes, net of unamortized discount of \$13 million. The full principal amount of these notes is due May 15, 1995.
- In July 1994, the Board of Directors approved an increase of up to 15 million shares in the Company's stock repurchase program, to a maximum authorized total of 55 million shares. During the first three quarters of 1994, the Company repurchased and retired 9.1 million shares at an aggregate cost of \$546 million. As of October 1, 1994, after reserving shares to cover outstanding put warrants, approximately 20.7 million shares of common stock remained available for repurchase under the authorization.

10. In a series of private placements during the 1991-1994 period, the Company sold put warrants that entitle the holder of each warrant to sell one share of Common Stock to the Company, at a specified price, if the holder exercises the warrant. Activity during the first three quarters of 1994 is summarized as follows:

<TABLE>
<CAPTION>

(In millions)	Put Warrants Outstanding		
	Cumulative Proceeds Received	Number Of Warrants	Potential Obligation
<S>	<C>	<C>	<C>
December 25, 1993	\$ 118	14.8	\$ 688
Sales	10	1.5	92
Expirations	--	(2.0)	(98)
-----	-----	-----	-----
April 2, 1994	128	14.3	682
Sales	55	9.0	529
Expirations	--	(11.0)	(487)
-----	-----	-----	-----
July 2, 1994	183	12.3	724
Expirations	--	(0.8)	(37)
-----	-----	-----	-----
October 1, 1994	\$ 183	11.5	\$ 687
=====	=====	=====	=====

</TABLE>

The amount related to the Company's potential buyback obligation has been reclassified from Stockholders' Equity and recorded as Put Warrants. The 11.5 million put warrants outstanding at October 1, 1994 expire on various dates between October 1994 and July 1995 and have exercise prices ranging from \$55.00 to \$65.00 per share. There is no material dilutive effect on earnings per share for the periods presented.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations - Third Quarter of 1994 Compared to Third Quarter of 1993

Revenues for Q3 1994 increased by 28% compared to Q3 1993. Higher volumes of microprocessors, namely the Pentium(TM) family of processors and newer, more advanced members of the Intel486(TM) family of microprocessors, were responsible for most of the overall growth in revenues. This volume growth was partially offset by lower average selling prices for certain microprocessors. Also showing significant growth between these periods were sales of integrated (board and system) products, chipsets and flash memory.

Revenues from certain members of the Intel486 microprocessor family declined due to lower prices and a shift in market demand toward the Company's newest microprocessors.

Cost of sales rose more rapidly than revenues, growing by 53% from Q3 1993 to Q3 1994, driven by increased unit volumes; a mix shift, including a greater proportion of integrated products; and costs associated with ramping new factory production processes. These factors, together with price reductions for certain microprocessor products, caused gross margin to decline from 63% in Q3 1993 to 56% in Q3 1994.

Gross margin for Q3 1994 also includes \$27 million from the sale of the Company's programmable logic device assets to Altera Corporation in a transaction completed on October 1, 1994.

Sales of the Intel486 family of microprocessors continue to comprise a majority of the Company's revenues and a substantial majority of its gross margin. A significant and growing portion of the Company's revenues and margins are derived from sales of the Pentium processor family.

Research and development expenses and marketing, general and administrative expenses rose by a total of \$83 million, or 15%, between these periods. Expenses for microprocessor development and strategic marketing programs, including related headcount growth, accounted for most of the increase.

Interest and other income increased by \$42 million or 100%, due primarily to \$18 million from the settlement of certain insurance cases, together with higher average interest rates on investments. Higher average rates also resulted in a \$3 million increase in interest expense between these periods. The Company enters into forward contracts, options and swaps as part of an ongoing program to hedge currency, market and interest rate exposures. Gains and losses on these instruments are offset by their underlying hedged transactions; as a result, there was no net impact on the Company's financial results in Q3 1993 or Q3 1994.

The provision for taxes grew by \$64 million, or 20%, primarily due to increased pretax income and, to a lesser extent, an increase in the effective tax rate from 35.0% for Q3 1993 to 36.5% for Q3 1994. The higher rate for 1994 reflects changes in the federal tax law and the diminishing impact of certain tax benefits.

Results of Operations-

First Nine Months of 1994 Compared to First Nine Months of 1993

Revenues for the first nine months of 1994 grew by 30% compared to the same period in 1993. Higher volumes of members of the Pentium processor family, increased revenues from integrated products, higher volumes of members of the Intel486 microprocessor family and increased sales of flash memory, chipsets and other semiconductors drove the growth in revenues. Lower average selling prices for certain microprocessors partially offset the revenue impact of higher microprocessor unit volumes.

Cost of sales grew by 53% or \$1.24 billion. Higher unit volumes, including greater proportions of lower-margin products such as integrated products and memories, and increased factory startup costs fueled the growth in cost of sales. Lower average selling prices for certain microprocessors, the typically lower yields and higher costs associated with ramping new factory production processes, and the shift in product mix led to a decline in gross margin from 64% in the first nine months of 1993 to 57% in 1994.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Results of Operations - First Nine Months of 1994 Compared to First Nine Months of 1993 (continued)

Sales of members of the Intel486 family of microprocessors comprised a majority of the Company's revenues and a substantial majority of its gross margin during the first nine months of 1994. A growing portion of the Company's revenues and margins were derived from sales of members of the Pentium processor family.

Research and development expenses and marketing, general and administrative expenses increased by a combined 21%. Personnel-related spending, including headcount and profit dependent expenses, and expenditures for strategic marketing and microprocessor development programs accounted for most of this growth.

The \$187 million increase in the provision for taxes is the result of higher pretax income and, to a lesser degree, an increase in the effective tax rate from 35.0% in 1993 to 36.5% in 1994.

Interest and other income rose by \$71 million, or 62%, mainly as a result of higher average interest rates and balances and the Q3 1994 settlement of certain insurance cases. Interest expense increased by \$5 million, as the effects of higher average borrowings and rates were partially offset by increased construction-related interest capitalization. The Company enters into forward contracts, options and swaps as part of an ongoing program to hedge currency, market and interest rate exposures. Gains and losses on these instruments are offset by their underlying hedges transactions; as a result, there was no net impact on the Company's financial results in 1993 or 1994.

Fiscal 1994 is a 53-week year for Intel. The first nine months of 1994 consisted of 40 weeks, compared to 39 in 1993. The additional week had no significant effect on the Company's results of operations.

Financial Condition

Intel's financial condition remains strong. As of October 1, 1994, the Company had a cash and investments portfolio of \$4.40 billion, compared to \$4.55 billion at the end of 1993. The Company's other sources of liquidity include credit lines and commercial paper borrowing arrangements that exceed \$1.5 billion in the aggregate. The Company also retains the authority to issue an aggregate of approximately \$1.4 billion in debt, equity and other securities under a consolidated SEC shelf registration.

The Company funded most of its investment needs during the nine months of 1994 with cash generated from operations, which totaled \$1.85 billion.

As part of a planned 1994 budget of \$2.4 billion, the Company invested \$1.68 billion for property, plant and equipment during the first nine months of 1994. Most of this spending was directed toward increased manufacturing capacity and new microprocessor production processes.

Inventory levels, particularly work in process, increased significantly during the first nine months of 1994, as the Company ramped production to meet expected

demand for advanced microprocessors at various levels of integration. Control over finished goods inventories remains good. The sharp increase in accounts receivable over this period is due in large part to strong September billings.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations (continued)

Financial Condition (continued)

Key financing activities during the first nine months of 1994 included the redemption of \$98 million in long-term notes in Q1 1994. In addition, as part of the ongoing stock repurchase program authorized by the Board of Directors, the Company bought back 9.1 million shares at an aggregate cost of \$546 million during the first nine months of 1994 (510,000 shares in Q3 1994). The board approved an increase in the program authorization, to a total of 55 million shares, in July 1994. The Company also sold 10.5 million put warrants in private placements during this period, receiving proceeds of \$65 million, while 13.8 million put warrants expired unexercised. Early in Q4 1994, 1.0 million put warrants were exercised by holders for \$65 million and the Company sold an additional 1.0 million put warrants for \$6 million. As of November 9, 1994, approximately 19.7 million shares remained available for repurchase under the authorization, after reserving shares to cover 11.5 million outstanding put warrants.

Cash flow from operations and available sources of liquidity are considered adequate for planned capital expenditure programs, working capital requirements, and quarterly cash dividend payouts.

Outlook

Future trends for revenue and profitability remain difficult to predict, despite the strong financial results described above. Among the risks and uncertainties that continue to face the Company are business conditions and growth in the personal computer industry and the economy in general; competitive factors, including rival chip architectures, imitators of the Company's key microprocessors, and price pressures for semiconductors and integrated products; manufacturing capacity; and ongoing litigation involving Intel intellectual property.

The Company believes that its Intel486 and Pentium microprocessor families will follow normal price maturity curves, but some distortion could occur as imitation products enter the market in significant volume or alternative architectures gain market acceptance. Early in the year, the Company set a challenging goal to ship 6-7 million Pentium processors in 1994. The Company expects to be within a few weeks of meeting this goal as it exits 1994. The outlook for Pentium processor shipments in Q4 1994 and future periods remains dependent upon a number of business factors including a rapid manufacturing ramp and market demand, including microprocessor product mix.

Gross margin percentage has trended downward during 1993 and 1994, although gross margin dollar contribution has generally (except for Q3 1994) continued to grow. Cost of sales has grown faster than revenues as the result of higher unit volumes, including new microprocessors manufactured at factories still early in their production ramps; changes in product mix; and costs associated with initiating production at new factories. These factors are likely to continue to impact the amount and variability of cost of sales and the Company expects a lower gross margin percentage in Q4 1994 compared to Q3 1994.

The Company plans to invest a total of \$2.4 billion for property, plant and equipment in 1994. Spending on strategic marketing and technology development programs is also expected to remain at high levels during the remainder of 1994 and for the foreseeable future. The Company expects operating expenses as a percentage of revenue in Q4 1994 to remain about the same as in Q3 1994. However, marketing, general and administrative expenses are likely to grow in Q4 1994 due to the remaining portion of an \$80 million Pentium processor merchandising campaign launched in Q3 1994.

Intel believes that it has the product offerings and competitive resources needed for continued success, but revenue and profitability trends cannot be precisely determined at this time.

PART II - OTHER INFORMATION

- - - - -

Item 1. Legal Proceedings

A. Litigation

Reference is made to Item 3, Legal Proceedings, in the Registrant's Annual Report on Form 10-K for the year ended December 25, 1993, and Item 1, Legal Proceedings, in the Registrant's Quarterly Reports on Form 10-Q for the

quarters ended April 2, 1994 and July 2, 1994, for descriptions of the following proceedings:

Intel v. Advanced Micro Devices, Inc. ("AMD")
U.S. District Court for the Northern District of California
(C92-20039, C93-20301) - Intel386(TM)/Intel486(TM) Copyright Infringement Suit

On October 11, 1994, Judge Trumbull ruled that AMD is not licensed to copy or distribute the Company's ICE(TM) (in-circuit emulator) microcode. On October 21, 1994 the Court granted an injunction which prohibits AMD from shipping on an interim basis products which contain infringing code, except under certain conditions, and from shipping any products which contain infringing code after January 15, 1995.

Advanced Micro Devices, Inc. ("AMD") v. Intel Corporation
U.S. District Court for the Northern District of California
(C91-20541) - Antitrust Suit

A hearing was held August 26, 1994 on Intel's motion to dismiss portions of AMD's amended complaint which was filed on March 25, 1994. At the hearing, Judge Aguilar reinstated certain AMD allegations (based upon a new Ninth Circuit case), but dismissed other AMD claims. A March 1997 trial date has been scheduled.

PART II - OTHER INFORMATION (continued)

-
- Item 6. Exhibits and Reports on Form 8-K
 - (a) Exhibits
 - 11.1 Statement re: computation of earnings per share.
 - 12.1 Statement setting forth the computation of ratios of earnings to fixed charges.
 - 27 Financial Data Schedule.
 - (b) Reports on Form 8-K.

No reports on Form 8-K were filed with the Securities and Exchange Commission during the quarter ended October 1, 1994.

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 thereunto duly authorized.

INTEL CORPORATION
(Registrant)

Date: November 9, 1994

By: /s/Andy D. Bryant

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

Exhibit 11.1
INTEL CORPORATION
COMPUTATION OF EARNINGS PER SHARE
(in millions, except per share amounts)
<TABLE>
<CAPTION>

	Three Months Ended		Nine Months Ended	
	Oct. 1, 1994	Sept. 25, 1993	Oct. 1 1994	Sept. 25, 1993
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
PRIMARY SHARES CALCULATION				
Reconciliation of weighted average number of shares outstanding to amount used in primary earnings per share computation:				
Weighted average number of shares outstanding	413	417	416	418
Add shares issuable from assumed exercise of options and warrants	21	23	22	23
	-----	-----	-----	-----
Weighted average number of shares outstanding as adjusted	434	440	438	441
	=====	=====	=====	=====
FULLY DILUTED SHARES CALCULATION				
Reconciliation of weighted average number of shares outstanding to amount used in fully diluted earnings per share computation:				
Weighted average number of shares outstanding	413	417	416	418
Add shares issuable from assumed exercise of options and warrants	21	25	22	23
	-----	-----	-----	-----
Weighted average number of shares outstanding as adjusted	434	442	438	441
	=====	=====	=====	=====
NET INCOME	\$ 659	\$ 584	\$1,916	\$1,701
	=====	=====	=====	=====
PRIMARY EARNINGS PER SHARE	\$ 1.52	\$ 1.33	\$ 4.37	\$ 3.86
	=====	=====	=====	=====
(1) FULLY DILUTED EARNINGS PER SHARE	\$ 1.52	\$ 1.32	\$ 4.37	\$ 3.86
	=====	=====	=====	=====

(1) Earnings per common equivalent share presented on the face of the statements of income represent primary earnings per share. Dual presentation of primary and fully diluted earnings per share has not been made on the statement of income because the differences are insignificant.

</TABLE>

Exhibit 12.1
INTEL CORPORATION
STATEMENT SETTING FORTH THE COMPUTATION
OF RATIOS OF EARNINGS TO FIXED CHARGES

(in millions)

<TABLE>

<CAPTION>

	Nine Months Ended	
	Oct. 1, 1994	Sept. 25, 1993
	-----	-----
<S>	<C>	<C>
Income before taxes	\$3,018	\$ 2,616
Add - Fixed charges net of capitalized interest	43	37
	-----	-----
Income before taxes and fixed charges (net of capitalized interest)	\$3,061	\$2,653
	-----	-----
Fixed charges:		
Interest*	\$ 36	\$ 31
Capitalized interest	17	7
Estimated interest component of rental expense	7	6
	-----	-----
Total	\$ 60	\$ 44
	=====	=====
Ratio of earnings before taxes and fixed charges, to fixed charges	51.0	60.3

</TABLE>

* Interest expense includes the amortization of underwriting fees for the relevant periods outstanding.

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

This schedule contains summary information extracted from Intel Corporation's CONSOLIDATED CONDENSED STATEMENTS OF INCOME AND CONSOLIDATED CONDENSED BALANCE SHEETS and is qualified in its entirety by reference to such financial statements.

</LEGEND>

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<F2>	Item shown net of allowance, consistent with the balance sheet presentation.
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