

INTEL CORP
Form 11-K
June 23, 2008

Table of Contents

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 11-K**

**X ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the fiscal year ended: December 31, 2007

OR

**TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission file number 000-06217

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

INTEL CORPORATION 401(k) SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office

INTEL CORPORATION
2200 MISSION COLLEGE BOULEVARD
SANTA CLARA, CALIFORNIA, 95054-1549

INTEL CORPORATION 401(k) SAVINGS PLAN
Index to Financial Statements and Exhibits
Item

| | Page |
|---|-------------|
| <u>Report of Independent Registered Public Accounting Firm</u> | 2 |
| Financial Statements: | |
| <u>Statements of Net Assets Available for Benefits at December 31, 2007 and 2006</u> | 3 |
| <u>Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2007</u> | 4 |
| <u>Notes to Financial Statements</u> | 5 |
| <u>Supplemental Schedule at December 31, 2007:</u> | |
| <u>Schedule H, Line 4i - Schedule of Assets (Held At End of Year)</u> | 19 |
| <u>Signatures</u> | 28 |
| <u>Exhibit 23 - Consent of Independent Registered Public Accounting Firm</u> | 29 |

Table of Contents

Report of Independent Registered Public Accounting Firm

The SERP Administrative Committee
Intel Corporation 401(k) Savings Plan

We have audited the accompanying statements of net assets available for benefits of Intel Corporation 401(k) Savings Plan as of December 31, 2007 and 2006, and the related statement of changes in net assets available for benefits for the year ended December 31, 2007. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2007 and 2006, and the changes in its net assets available for benefits for the year ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2007, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young, LLP

San Jose, California
June 18, 2008

Table of ContentsIntel Corporation 401(k) Savings Plan
Statements of Net Assets Available for Benefits

| | December 31, | |
|--|-----------------|-----------------|
| | 2007 | 2006 |
| Assets | | |
| Value of interest in the Stable Value Fund, at fair value | \$ 111,522,209 | \$ 107,320,210 |
| Investments, at fair value | 4,196,220,314 | 3,655,594,536 |
| Investment of securities lending collateral | 3,745,496 | |
| Receivables: | | |
| Interest and dividends receivable | 8,716 | 1,162,192 |
| Receivable from brokers for securities sold | 1,422,130 | 1,272,059 |
| Employee contributions receivable | 7,157,362 | 8,456,771 |
| Total receivables | 8,588,208 | 10,891,022 |
| Total assets | 4,320,076,227 | 3,773,805,768 |
| Liabilities | | |
| Payable for securities lending collateral | 3,745,496 | |
| Other accrued liabilities | 7,920,608 | 8,468,729 |
| Total liabilities | 11,666,104 | 8,468,729 |
| Net assets available for benefits, at fair value | 4,308,410,123 | 3,765,337,039 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts held by the Stable Value Fund | 621,296 | 1,540,511 |
| Net assets available for benefits | \$4,309,031,419 | \$3,766,877,550 |

See accompanying notes.

Table of Contents

Intel Corporation 401(k) Savings Plan
Statement of Changes in Net Assets Available for Benefits
Year Ended December 31, 2007

Additions

| | |
|---|----------------|
| Employee contributions | \$ 383,893,447 |
| Net investment income: | |
| Interest and dividend income | 226,934,686 |
| Net investment income from participation in Stable Value Fund | 4,967,377 |
| Net realized and unrealized appreciation in fair value of investments | 216,951,668 |
| Total net investment income | 448,853,731 |
| Total additions | 832,747,178 |

Deductions

| | |
|---|-------------|
| Benefits paid to participants and participant withdrawals | 289,253,626 |
| Administrative fees | 1,216,100 |
| Transfers to other plan | 123,583 |
| Total deductions | 290,593,309 |
| Net increase | 542,153,869 |

Net assets available for benefits:

| | |
|-------------------|------------------|
| Beginning of year | 3,766,877,550 |
| End of year | \$ 4,309,031,419 |

See accompanying notes.

Table of Contents

Intel Corporation 401(k) Savings Plan
Notes to Financial Statements

1. Description of the Plan

The following description of the Intel Corporation 401(k) Savings Plan (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan covering all eligible U.S. employees of Intel Corporation (the company). Eligible employees may participate in the Plan any time on or after their date of hire. The Plan was amended to require all employees who become eligible to participate on or after January 1, 2007, to be automatically enrolled in the Plan unless they make an affirmative election not to participate. Participants who are automatically enrolled will initially have 3% of their compensation withheld and deposited in the appropriate LifeStage Fund, which invests in varying percentages of equity securities and fixed-income debt instruments based on the participants' age.

The Plan is intended to be qualified under Section 401(a) of the U.S. Internal Revenue Code of 1986 (the Code), as amended, and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Trustee

The Bank of New York Mellon, N.A. (Mellon) is the Plan's trustee, and holds all investments of the Plan and the Intel Corporation Master Trust (the Master Trust).

Administration of the Plan

The Sheltered Employee Retirement Plan (SERP) Administrative Committee (as appointed by the Finance Committee of the company) is the fiduciary responsible for the general operation and administration of the Plan (but not management or control of Plan assets) and the Investment Policy Committee (as appointed by the Finance Committee of the company) is the fiduciary responsible for the management and control of Plan assets. The company is the plan sponsor, as defined by ERISA. Fidelity Investments Institutional Operations Company provides recordkeeping services with respect to the Plan.

Table of Contents

Intel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)

Contributions and Participant Accounts

Participant Contributions

Participants may contribute up to 50% (limited to certain percentages for highly compensated individuals) of their annual compensation on a before-tax basis, provided the amounts do not exceed the annual Internal Revenue Service (IRS) limit. Such contributions are withheld by the company from each participant's compensation and deposited in the appropriate fund in accordance with the participant's directives. Participants who are fifty years of age or older by the end of a particular plan year and have contributed the maximum 401(k) deferral amount allowed under the Plan for that year are eligible to contribute an additional portion of their annual compensation on a before-tax basis as catch-up contributions, up to the annual IRS limit. As of December 31, 2007, participants could elect to invest in any combination of the 72 different investment options offered under the Plan; however, effective November 1, 2006, participants may not elect to invest more than 20% of their account in the Intel Stock Fund. Participants may change their investment elections daily.

Subsequent to year-end, the Plan was amended to allow participants to make Roth 401(k) contributions. Effective January 1, 2008, participants can make pre-tax contributions, after-tax Roth 401(k) contributions, or a combination of both, up to the allowed annual IRS limit.

Participant Accounts

Separate accounts are maintained for each participant. The account balances are generally adjusted as follows:

Bi-weekly or semi-monthly for participant contributions.

Daily for a pro rata share of investment income or losses on the Plan's investments based on the ratio that each participant's account bears to the total of all such accounts.

ESOP Conversion

The Plan was amended effective January 1, 2007, to convert the Intel Stock Fund into an employee stock ownership plan (ESOP) in accordance with Code section 4975(e)(7). As such, participants will have the option to receive dividends on their shares of stock held in the Intel Stock Fund distributed in cash or reinvested within the Intel Stock Fund.

Table of Contents

Intel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)

Vesting

Participants are immediately 100% vested with respect to contributions to all investment options in the Plan, as well as the related earnings from such contributions.

Payment of Benefits

Participants are eligible for a distribution of Plan benefits upon termination of service, whether by disability, retirement, death or leaving the company. In the event of financial hardship (as defined by the Plan), participants may withdraw money from their Plan accounts while they are still employed. Upon termination of service, a participant or applicable beneficiary may elect to have benefits paid in a single lump-sum distribution or monthly annuity payments, or may request that the company make a direct transfer to another eligible retirement plan. Spousal consent may be required based on the value of the account balance or type of distribution.

Participants who elect monthly annuity payments will have the balance of their accounts transferred to the Intel Corporation Defined Benefit Pension Plan (Intel Pension Plan). A single annuity is paid to those participants based on the combined benefit under the terms of the two plans. There were transfers under this option of \$123,583 for the year ended December 31, 2007.

Participant Loans

All participants are permitted to obtain loans of up to 50% of their vested account balances in the Plan up to a maximum of \$50,000 when combined with all other loans from this Plan and the Intel Corporation Profit Sharing Retirement Plan (Intel Profit Sharing Plan). The participants' account balances secure their loans. The interest rate is based on the prime rate plus 1% as reported in *The Wall Street Journal* on the last business day of each month. The loan provisions are established by the SERP Administrative Committee and administered by the record keeper.

Participants may choose to obtain loans from either this Plan or the Intel Profit Sharing Plan. Repayments of loans are transferred to the participants' Plan and Intel Profit Sharing Plan accounts in the ratio in which such accounts provided funding for the loan.

Administrative Expenses

The company pays a portion of the expenses for administration of the Plan. All other administrative expenses are paid directly by the Plan.

Table of Contents

Intel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

Investment Valuation

A portion of the investments of the Plan are held in the Master Trust, which consists of the assets of the Plan, the Intel Profit Sharing Plan, and the Intel Pension Plan. The Master Trust includes multiple investment accounts, in which different combinations of the above-mentioned plans invest. Each participating plan shares in the assets and earnings of the master trust investment accounts (*see Note 3: Master Trust Investment Accounts*) are based on its respective interest in each master trust investment account. The Plan, along with the Intel Profit Sharing Plan, participates in one such investment account, the Stable Value Fund.

The Plan, either directly or through investment in the Stable Value Fund, holds investments in mutual funds, common collective trust funds, equity securities, fixed-income debt instruments and participant loans, all of which are stated at fair value as of the last day of the plan year. The fair value for securities traded on a national securities exchange or over-the-counter market is determined using the last reported sales price as of the valuation date. Mutual funds are valued at quoted market prices that represent the net asset values of shares held at year-end. Participation units in common collective trust funds are stated at their unit price based on the fair values of underlying assets in the funds on the last business day of the plan year. Participant loans are valued at their outstanding balances as of the last day of the plan year, which approximates fair value.

Within the Stable Value Fund, traditional Guaranteed Investment Contracts (GICs) and Variable Synthetic (VS) GICs are stated at estimated fair value, computed using discounted cash flows. Wrapper contracts related to Fixed Maturity Synthetic (FMS) GICs and Constant Duration Synthetic (CDS) GICs also held in the Stable Value Fund are stated at estimated fair value, based on a replacement cost determined by Standish Mellon Asset Management (Standish), the Stable Value Fund's investment manager. The Stable Value Fund is allocated to the Plan and the Intel Profit Sharing Plan based on each plan's proportionate share of the underlying assets.

Table of Contents

Intel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)

Effective January 1, 2006, the Plan adopted the requirements as described in Financial Accounting Standards Board (FASB) Staff Position (FSP) AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (FSP AAG INV-1 and SOP 94-4-1). These requirements are effective for financial statements issued for periods ending after December 15, 2006. FSP AAG INV-1 and SOP 94-4-1 requires investment contracts held by a defined contribution plan to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Contract value represents the cost plus contributions made under the contracts plus interest at the contract rates less withdrawals and administrative expenses. In particular, FSP AAG INV-1 and SOP 94-4-1 affected the presentation of the amounts related to the Plan's participation in the Stable Value Fund. The statements of net assets available for benefits present the fair value of the investment in the Stable Value Fund as well as the adjustment from fair value to contract value for the Plan's proportionate share of fully benefit responsive investment contracts within the Stable Value Fund. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Income Recognition

Net investment income includes gains/(losses) realized on the sale of securities and unrealized appreciation/(depreciation) in the fair value of investments, which is the difference between the fair value of investments at the beginning and the end of the year.

Investment transactions are recognized as of their trade dates. Interest is accrued daily; dividends are accrued when declared.

Benefit Payments

Benefits are recorded when paid.

Contributions

Participant contributions are accrued when the participants' salary deferrals are made.

Table of Contents

Intel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ materially from management's estimates.

Recent Accounting Pronouncements

In September 2006, the FASB issued Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements (SFAS No. 157). SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and enhances fair value measurement disclosure. The measurement and disclosure requirements of SFAS No. 157 related to financial assets and financial liabilities are effective for the Plan beginning in 2008. The resulting fair values calculated under SFAS No. 157 after adoption may be different than the fair values that would have been calculated under previous guidance. The Plan is currently evaluating the impact that the adoption of SFAS No. 157 will have on the Plan's financial statements.

3. Master Trust Investment Accounts

Substantially all of the Plan's investments are in various participant-directed investments, included in Investments, at fair value in the statements of net assets available for benefits. A significantly smaller portion of the Plan's investments are in the Stable Value Fund. The value of the Plan's interest in the Stable Value Fund included in the statements of net assets available for benefits represents 81.0% of the net assets available for benefits of the Stable Value Fund at December 31, 2007 and 85.0% at December 31, 2006.

Table of ContentsIntel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)

The Stable Value Fund's net assets available for benefits consisted of the following:

| | December 31, | |
|--|---------------------------|--------------------|
| | 2007 | 2006 |
| Assets | | |
| Investments, at fair value: | | |
| Common collective trusts | \$ 88,664,602 | \$ 79,916,975 |
| Fixed-income debt instruments | 41,825,656 | 33,878,511 |
| Traditional guaranteed investment contracts | 4,566,104 | 9,505,596 |
| Variable synthetic guaranteed investment contracts | 2,548,880 | 2,508,397 |
| Wrapper contracts | 10,345 | 7,977 |
| Total investments, at fair value | 137,615,587 | 125,817,456 |
| Interest and dividends receivable | 214,286 | 493,341 |
| Total assets | 137,829,873 | 126,310,797 |
| Liabilities | | |
| Investment advisory fees | 64,515 | 29,636 |
| Net assets available for benefits, at fair value | 137,765,358 | 126,281,161 |
| Adjustment from fair value to contract value for fully benefit responsive investment contracts | 767,032 | 1,812,683 |
| Net assets available for benefits | \$ 138,532,390 | \$ 128,093,844 |

The net investment income in the Stable Value Fund for the year ended December 31, 2007, was comprised of interest and dividends in the amount of \$6,002,804.

Table of ContentsIntel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)**4. Investments**

The fair value of individual investments that represent 5% or more of the fair value of the Plan's net assets available for benefits at year-end are as follows:

| | December 31, | |
|--|-----------------------|----------------|
| | 2007 | 2006 |
| Mutual funds: | | |
| American Funds EuroPacific Growth Fund | \$ 273,134,153 | \$ 223,288,203 |
| Fidelity Contrafund | \$ 307,508,515 | \$ 258,121,401 |
| Fidelity Growth Company Fund | \$ 237,491,103 | \$ 205,895,490 |
| Fidelity Low-Priced Stock Fund | \$ 295,440,026 | \$ 324,443,235 |
| Vanguard Institutional Index Fund | \$ 270,210,560 | \$ 279,044,861 |
| Common collective trust fund: | | |
| EB Daily Liquidity Stock Index Fund | \$ 332,683,531 | \$ 294,881,790 |
| Common stock: | | |
| Intel Corporation | \$ 487,531,923 | \$ 447,663,383 |

During 2007, the Plan's investments (including investments purchased, sold, and held during the year) appreciated in fair value as follows:

| | Year Ended December 31, 2007 |
|---|---|
| Net realized and unrealized appreciation (depreciation) in fair value of investments: | |
| Mutual funds | \$ 43,673,301 |
| Common collective trust funds | 46,357,406 |
| Intel common stock | 126,735,251 |
| Other common stock | 185,710 |
| Net realized and unrealized appreciation in fair value of investments | \$ 216,951,668 |

Table of Contents

Intel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)

5. Investment Contracts

The Stable Value Fund holds investment contracts with insurance companies and banks in order to provide participants with a stable, fixed-rate return on investment and protection of principal from changes in market interest rates. Standish has discretionary authority for the purchase and sale of investments in the Stable Value Fund, subject to the general investment policies of the Investment Policy Committee.

The Traditional GICs crediting rate is based upon the rate that is agreed to when the insurance company writes the contract and is generally fixed for the life of the contract. The initial crediting rate for both the CDS GICs and the FMS GICs is set based on the market interest rates at the time that the initial asset is purchased and is guaranteed to have an interest crediting rate not less than zero percent. The CDS GICs crediting rate and the FMS GICs crediting rate reset every quarter based on the book value of the contract, the market value of the underlying assets, and the average duration of the underlying assets. The crediting rate for CDS GICs aims at converging the book value of the contract and the market value of the contract and therefore will be affected by interest rate and market changes. The VS GICs crediting rate is reset every quarter based on the then current market index rates and investment spread. The investment spread is established when the contract is issued and is guaranteed by the issuer for the life of the investment.

Certain events may limit the ability of the Stable Value Fund to transact at contract value with the issuers. Such events include the following:

- employer initiated events which are within the control of the plan sponsor that would have a material and adverse impact on the fund;

- employer communications designed to induce participants to transfer from the fund;

- competing fund transfer or violation of equity wash or equivalent rules in place; and

- changes in qualification status of the employer or the plans participating in the fund.

If any such event occurs, market value would likely be used in determining the payouts to the participants.

Table of ContentsIntel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)

In general, issuers may terminate the contract and settle at other than contract value if there is a change in the qualification status of the employer or the Plan, a breach of material obligations under the contract and misrepresentations by the contract holder, or a failure of the underlying portfolio to conform to the pre-established investment guidelines.

The FMS GICs and CDS GICs use wrapper contracts in order to manage market risks and to alter the return characteristics of the underlying portfolio of securities owned by the Stable Value Fund to match certain fixed income fund objectives. Wrapper contracts generally change the investment characteristics of underlying securities (such as corporate debt or U.S. government securities) to those of traditional GICs. The wrapper contracts provide that benefit-responsive distributions for specific underlying securities may be withdrawn at contract or face value. Benefit-responsive distributions are generally defined as a withdrawal on account of a participant's retirement, disability, or death, or participant-directed transfers in accordance with the terms of the Plan.

The investment contracts owned by the Stable Value Fund earned the following average yields:

| | Years Ended December 31, | |
|--------------------------|-------------------------------------|-------------|
| | 2007 | 2006 |
| Earned by the Plan | 4.72% | 4.57% |
| Credited to participants | 4.61% | 4.51% |

6. Party-In-Interest Transactions

Approximately 11% of the Plan's net assets available for benefits are shares of the company's common stock. Transactions in shares of the company's common stock qualify as party-in-interest transactions under the provisions of ERISA. During 2007, the Plan made purchases of the company's common stock of \$10,336,014 and sales and distributions of \$97,202,725.

Table of Contents

Intel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)

7. Securities Lending

The Plan has a securities lending agreement with Mellon. The Plan is not restricted from lending securities to other qualified financial institutions, provided such loans are callable at any time and are at all times fully secured by cash, cash equivalents, or securities issued or guaranteed by the U.S. government or its agencies. The Plan may bear the risk of delay in recovery of, or rights in, the securities loaned should the borrower of the securities fail financially. Consequently, loans of securities are only made to firms deemed by the subadvisors to be creditworthy. The Plan receives compensation for lending its securities, either in the form of fees or by retaining a portion of interest on the investment of any cash received as collateral.

Cash collateral is recorded as an asset with a corresponding liability on the statements of net assets available for benefits. For lending agreements collateralized by securities, the collateral is not recorded as an asset or a liability, unless the collateral is repledged. All collateral received will be in an amount equal to at least 102% of the market value of the loaned securities. It is intended that the collateral will be maintained at that level during the period of the loan. The value of the collateral on-hand was \$3,781,817, including \$36,321 collateralized by securities which the Plan does not have the right to sell or repledge, at December 31, 2007. The market value of the loaned securities is determined at the close of business, and any additional required collateral is delivered to the Plan the next business day. The market value of the loaned securities was \$3,639,760 at December 31, 2007. During the loan period, the Plan continues to retain rights of ownership, including dividends and interest of the loaned securities. Income generated from securities lending arrangements totaled \$2,405 for the year ended December 31, 2007. This amount is included in the net realized and unrealized appreciation in fair value of investments on the statement of changes in net assets available for benefits. The Plan did not participate in any securities lending during 2006.

8. Concentration of Credit Risk

The Plan's exposure to a concentration of credit risk is limited by the diversification of investments across 72 participant-directed fund elections. With the exception of the Intel Stock Fund, the investments within each participant-directed fund election are further diversified into varied financial instruments. The Intel Stock Fund invests in a single security. The Plan's exposure to credit risk on the wrapper contracts is limited to the fair value of the contracts with each counterparty. Collateral has been obtained and secured against investments whenever deemed necessary.

Table of ContentsIntel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)**9. Income Tax Status**

The Plan has received a determination letter from the IRS dated February 7, 2006, stating that the Plan is qualified under Section 401(a) of the Code, and therefore the related trust is exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended and restated. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan sponsor believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as amended and restated, is qualified and the related trust is tax-exempt.

10. Plan Termination

The company has the right under the Plan to amend and terminate the Plan at any time for any reason. In the event of a plan termination, participants will remain 100% vested in their accounts.

11. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements at December 31, 2007 and 2006 to the Form 5500:

| | December 31, | |
|---|-------------------------|------------------|
| | 2007 | 2006 |
| Net assets available for benefits per the financial statements | \$ 4,309,031,419 | \$ 3,766,877,550 |
| Less: Adjustment between fair value and contract value related to fully benefit responsive investment contracts held by the Stable Value Fund | (621,296) | (1,540,511) |
| Net assets available for benefits per the Form 5500 | \$ 4,308,410,123 | \$ 3,765,337,039 |

Table of Contents

Intel Corporation 401(k) Savings Plan
Notes to Financial Statements (continued)

The following is a reconciliation of net investment income per the financial statements for the year ended December 31, 2007, to the Form 5500:

| | |
|---|---------------------|
| Net investment income from participation in Stable Value Fund per the financial statements | \$ 4,967,377 |
| Change in adjustment between fair value and contract value related to fully benefit responsive investment contracts held by the Stable Value Fund | 919,215 |
| Net investment income from master trust investment accounts per the Form 5500 | \$ 5,886,592 |

Table of Contents

Supplemental Schedule

18

Table of Contents

Intel Corporation 401(k) Savings Plan
 EIN: 94-1672743, Plan Number: 003
 Schedule H, Line 4i Schedule of Assets (Held At End of Year)
 December 31, 2007

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (e) Current Value |
|-----|---|--|-------------------------|
| | Mutual funds: | | |
| | AIM Basic Value | 70,046 shares | \$ 2,274,405 |
| | Allianz CCM Capital Appreciation Fund | 212,336 shares | 4,510,013 |
| | Allianz CCM Mid Cap Fund | 356,523 shares | 10,135,935 |
| | American Century Equity Income Fund | 675,007 shares | 5,265,053 |
| | American Century Real Estate Fund | 1,377,404 shares | 29,187,194 |
| | American Century Small Cap Value Fund | 1,709,745 shares | 12,976,963 |
| | American Century Small Company Fund | 2,118,683 shares | 17,648,633 |
| | American Funds EuroPacific Growth Fund | 5,369,258 shares | 273,134,153 |
| | American Funds Growth Fund of America | 933,248 shares | 31,730,445 |
| | Blackrock Global Allocation Fund | 907,775 shares | 18,010,265 |
| | Blackrock Global Small Cap Fund Inc | 983,524 shares | 25,276,563 |
| | Brandywine Blue Fund, Inc. | 1,371,266 shares | 48,391,975 |
| | Calvert Social Investment Bond Fund | 485,051 shares | 7,707,464 |
| | Calvert Social Investment Equity Fund | 78,401 shares | 3,167,417 |
| | Delaware Pooled International Equity Fund | 2,576,438 shares | 59,850,644 |
| | Dodge & Cox Stock Fund | 1,059,560 shares | 146,494,791 |
| | Evergreen International Bond Fund | 724,595 shares | 8,158,942 |
| * | Fidelity Capital & Income Fund | 7,742,623 shares | 67,205,964 |
| * | Fidelity Contrafund | 4,206,107 shares | 307,508,515 |
| * | Fidelity Growth Company Fund | 2,862,028 shares | 237,491,103 |
| * | Fidelity Low-Priced Stock Fund | 7,183,079 shares | 295,440,026 |
| * | Fidelity Mid-Cap Stock Fund | 1,264,348 shares | 36,969,525 |
| * | Fidelity Puritan Fund | 3,935,935 shares | 74,900,849 |
| | Franklin Income Fund | 5,904,445 shares | 15,174,422 |
| | GAMCO Gold AAA | 1,634,463 shares | 45,944,766 |
| | GMO Emerging Countries Fund | 4,705,115 shares | 77,210,931 |
| | Goldman Sachs Mid Cap Value Fund | 1,327,668 shares | 47,318,071 |
| | Goldman Sachs Small Cap Value Fund | 200,180 shares | 7,168,453 |

Table of Contents

Intel Corporation 401(k) Savings Plan
 EIN: 94-1672743, Plan Number: 003
 Schedule H, Line 4i Schedule of Assets (Held At End of Year) (continued)
 December 31, 2007

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (e) Current Value |
|-----|---|--|-------------------------|
| | Mutual funds (continued): | | |
| | Legg Mason Special Investment Trust | 232,504 shares | \$ 9,697,728 |
| | Legg Mason Value Trust Inc | 228,227 shares | 16,058,025 |
| | Longleaf Partners Fund | 487,592 shares | 16,168,561 |
| | Loomis Sayles Bond | 2,941,323 shares | 42,884,488 |
| | Merger Fund | 130,991 shares | 1,967,482 |
| | Morgan Stanley Institutional Fund International Small Cap | 1,219,177 shares | 20,823,550 |
| | Morgan Stanley Institutional Fund Trust Value Portfolio | 219,346 shares | 3,522,702 |
| | Pennsylvania Mutual Fund | 2,085,822 shares | 22,568,598 |
| | PIMCO Emerging Markets Bond Fund | 1,379,831 shares | 14,736,595 |
| | PIMCO High Yield Fund | 750,415 shares | 7,158,958 |
| | PIMCO Long-Term U.S. Government Fund | 570,452 shares | 6,292,091 |
| | PIMCO Total Return Fund | 7,265,499 shares | 77,668,181 |
| | | 146,188,993 | |
| | Reserve Primary Institutional | shares | 146,188,993 |
| | T. Rowe Price Growth Stock Fund | 452,570 shares | 15,233,517 |
| | TCW Galileo Select Equities Fund | 81,621 shares | 1,603,039 |
| | TCW Galileo Value Opportunities Fund | 169,109 shares | 3,221,521 |
| | Templeton Growth Fund | 685,450 shares | 16,512,495 |
| | Vanguard Convertible Securities Fund | 466,031 shares | 6,389,286 |
| | Vanguard Growth Index Fund | 2,796,472 shares | 92,926,753 |
| | Vanguard Inflation-Protected Securities Fund | 1,167,514 shares | 11,628,443 |
| | Vanguard Institutional Index Fund | 2,014,392 shares | 270,210,560 |
| | Vanguard International Value Fund | 2,405,506 shares | 100,983,126 |
| | Vanguard Long-Term Bond Index Fund | 787,024 shares | 9,168,830 |
| | Vanguard Mid-Cap Index Fund | 2,416,098 shares | 50,158,189 |
| | Vanguard Small-Cap Growth Index Fund | 1,112,428 shares | 22,293,057 |
| | Vanguard Small-Cap Value Index Fund | 745,601 shares | 11,579,178 |
| | Vanguard Strategic Equity Fund | 770,023 shares | 15,762,362 |

Table of Contents

Intel Corporation 401(k) Savings Plan
 EIN: 94-1672743, Plan Number: 003
 Schedule H, Line 4i Schedule of Assets (Held At End of Year) (continued)
 December 31, 2007

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (e) Current Value |
|-----|---|--|-------------------------|
| | Mutual funds (continued): | | |
| | Vanguard Windsor Fund | 119,932 shares | \$ 6,358,784 |
| | Vanguard Intermediate-Term Treasury Fund | 869,709 shares | 9,836,408 |
| | Total mutual funds | | \$ 2,945,854,980 |
| | Common collective trust funds: | | |
| | Barclays Global Investors NASDAQ-100 Index Fund | 3,464,830 units | \$ 28,931,332 |
| | Barclays Global Investors Russell 1000 Value Fund | 3,155,925 units | 54,913,102 |
| * | EB Daily Liquidity Aggregate Bond Index Fund | 378,269 units | 61,251,544 |
| * | EB Daily Liquidity International Stock Index Fund | 553,293 units | 101,783,793 |
| * | EB Daily Liquidity Small Cap Stock Index Fund | 222,691 units | 30,302,942 |
| * | EB Daily Liquidity Stock Index Fund | 998,507 units | 332,683,531 |
| | Lazard Emerging Markets Instl Fund | 2,788,614 units | 44,478,387 |
| * | Pooled Employee Funds Daily Liquidity Fund | 246,156 units | 246,156 |
| | SSGA Active Emerging Markets Strategy Fund | 2,780,100 units | 47,485,316 |
| | Total common collective trust funds | | \$ 702,076,103 |
| | Common stock: | | |
| * | Intel Corporation | 18,287,019 shares | \$ 487,531,923 |
| | Aaron Rents Inc | 3,000 shares | 57,720 |
| | Acuity Brands Inc | 800 shares | 36,000 |
| | Advance American Cash Advance Centers | 2,800 shares | 28,448 |
| | AFC Enterprises Inc | 1,200 shares | 13,584 |
| | Air Methods Corp | 600 shares | 29,802 |
| | Alexandria Real Estate | 686 shares | 69,746 |
| | Alliance Imaging Inc | 4,593 shares | 44,185 |

Table of Contents

Intel Corporation 401(k) Savings Plan
 EIN: 94-1672743, Plan Number: 003
 Schedule H, Line 4i Schedule of Assets (Held At End of Year) (continued)
 December 31, 2007

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (e) Current Value |
|-----|---|--|-------------------------|
| | Common stock (continued): | | |
| | Ameristar Casinos Inc | 1,100 shares | \$ 30,294 |
| | Ann Taylor Stores Corp | 1,600 shares | 40,896 |
| | Apogee Enterprises Inc | 1,399 shares | 23,937 |
| | Aptar Group Inc | 5,200 shares | 212,732 |
| | Argo Group International | 1,931 shares | 81,353 |
| | Asbury Automotive Group Inc | 1,800 shares | 27,090 |
| | Aspen Insurance Holdings | 2,000 shares | 57,680 |
| | Atmi Inc | 1,400 shares | 45,150 |
| | Bank Of Hawaii Corp | 1,000 shares | 51,140 |
| | Banner Corp | 1,000 shares | 28,730 |
| | Bel Fuse Inc | 1,475 shares | 43,173 |
| | Belden Inc | 1,950 shares | 86,775 |
| | Big 5 Sporting Goods Corp | 1,200 shares | 17,304 |
| | Bio Radiology Labs Inc | 400 shares | 41,448 |
| | Black Box Corp | 1,700 shares | 61,489 |
| | Bok Financial Corp | 845 shares | 43,687 |
| | Cabot Corp | 800 shares | 26,672 |
| | Cabot Oil & Gas Corp | 1,500 shares | 60,555 |
| | Caci International Inc | 1,700 shares | 76,109 |
| | Cambrex Corp | 2,400 shares | 20,112 |
| | CEC Entertainment Inc | 1,700 shares | 44,132 |
| | Central Pacific Financial Corp | 2,033 shares | 37,529 |
| | Charming Shoppes Inc | 11,150 shares | 60,322 |
| | Checkpoint Systems Inc | 1,900 shares | 49,362 |
| | Chicago Bridge & Iron | 500 shares | 30,220 |
| | Ciber Inc | 6,900 shares | 42,159 |
| | Cimarex Energy Co | 1,007 shares | 42,828 |
| | Citizens Republic Bancorp Inc | 6,200 shares | 89,962 |
| | Clarcor Inc | 3,250 shares | 123,403 |

Table of Contents

Intel Corporation 401(k) Savings Plan
 EIN: 94-1672743, Plan Number: 003
 Schedule H, Line 4i Schedule of Assets (Held At End of Year) (continued)
 December 31, 2007

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (e) Current Value |
|-----|---|--|-------------------------|
| | Common stock (continued): | | |
| | Columbia Banking Systems Inc | 700 shares | \$ 20,811 |
| | Comstock Resources Inc | 600 shares | 20,400 |
| | Comtech Telecommunications | 1,700 shares | 91,817 |
| | Core Laboratories | 277 shares | 34,547 |
| | Corn Products International Inc | 1,145 shares | 42,079 |
| | CSG Systems International Inc | 1,600 shares | 23,552 |
| | Delphi Financial Group Inc | 2,200 shares | 77,616 |
| | East West Bancorp Inc | 1,200 shares | 29,076 |
| | ECI Telecom Ltd | 3,799 shares | 37,990 |
| | Education Reality Trust Inc | 3,300 shares | 37,092 |
| | El Paso Electric Co | 4,347 shares | 111,153 |
| | Endurance Specialty Holdings Ltd | 1,600 shares | 66,768 |
| | Energen Corp | 2,352 shares | 151,069 |
| | Energy East Corp | 1,925 shares | 52,379 |
| | Entercom Communications Corp | 5,575 shares | 76,322 |
| | Fairchild Semiconductor International | 7,125 shares | 102,814 |
| | Fei Company | 900 shares | 22,347 |
| | Ferro Corp | 3,400 shares | 70,482 |
| | First Financial Bankshares Inc | 600 shares | 22,590 |
| | First Midwest Bancorp Inc | 1,283 shares | 39,260 |
| | First Place Financial Corp | 2,000 shares | 27,980 |
| | Foot Locker Inc | 3,600 shares | 49,176 |
| | Forest Oil Corp | 335 shares | 17,031 |
| | Forrester Resh Inc | 1,600 shares | 44,832 |
| | Fuller H B Co | 4,450 shares | 99,903 |
| | G & K Services Inc | 750 shares | 28,140 |
| | General Cable Corp | 5,786 shares | 423,998 |
| | General Communication Inc | 8,025 shares | 70,219 |
| | Global Payments Inc | 2,197 shares | 102,204 |

Table of Contents

Intel Corporation 401(k) Savings Plan
 EIN: 94-1672743, Plan Number: 003
 Schedule H, Line 4i Schedule of Assets (Held At End of Year) (continued)
 December 31, 2007

| (a) | (b) | (c) | (e) |
|---|---|---------------|---------|
| Identity of issue, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Current Value | Value |
| Common stock (continued): | | | |
| Graco Inc | 2,150 shares | \$ | 80,109 |
| Greatbatch Inc | 711 shares | | 14,213 |
| Greif Inc | 500 shares | | 32,685 |
| Hanmi Financial Corp | 100 shares | | 862 |
| Harleysville Group Inc | 900 shares | | 31,842 |
| Harris Stratex Networks Inc | 3,500 shares | | 58,450 |
| Harsco Corp | 4,450 shares | | 285,112 |
| Harte-Hanks Inc | 6,375 shares | | 110,288 |
| Health Care Reit Inc | 1,811 shares | | 80,934 |
| Home Properties Inc | 3,107 shares | | 139,349 |
| Hornbeck Offshore Services Inc | 936 shares | | 42,073 |
| Iberia Bank Corp | 1,250 shares | | 58,438 |
| ICT Group Inc | 4,000 shares | | 47,800 |
| Insight Enterprises Inc | 1,625 shares | | 29,640 |
| Integrated Device Tech Inc | 13,300 shares | | 150,423 |
| Interactive Data Corp | 3,600 shares | | 118,836 |
| Inventiv Health Inc | 1,600 shares | | 49,536 |
| IPC Holdings Ltd | 1,466 shares | | 42,323 |
| Jack In The Box Inc | 2,100 shares | | 54,117 |
| Journal Communications Inc | 3,700 shares | | 33,078 |
| Kadant Inc | 1,600 shares | | 47,472 |
| Kennametal Inc | 3,500 shares | | 132,510 |
| Kforce Inc | 2,213 shares | | 21,577 |
| Knoll Inc | 1,700 shares | | 27,931 |
| Lakeland Financial Corp | 1,600 shares | | 33,440 |
| Lance Inc | 3,100 shares | | 63,302 |
| Landstar Systems Inc | 870 shares | | 36,671 |
| Max Capital Group Ltd | 2,500 shares | | 69,975 |
| Maximus Inc | 975 shares | | 37,645 |

Table of Contents

Intel Corporation 401(k) Savings Plan
 EIN: 94-1672743, Plan Number: 003
 Schedule H, Line 4i Schedule of Assets (Held At End of Year) (continued)
 December 31, 2007

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (e) Current Value |
|-----|---|--|-------------------------|
| | Common stock (continued): | | |
| | MB Financial Inc | 2,000 shares | \$ 61,660 |
| | Mettler-Toledo International Inc | 2,925 shares | 332,865 |
| | Microstrategy Inc | 500 shares | 47,550 |
| | Minerals Technologies Inc | 600 shares | 40,170 |
| | Molina Healthcare Inc | 1,400 shares | 54,180 |
| | Moneygram International Inc | 3,500 shares | 53,795 |
| | Monro Muffler Brake Inc | 900 shares | 17,541 |
| | Moog Inc | 1,788 shares | 81,908 |
| | Navigant Consulting Inc | 2,400 shares | 32,808 |
| | Navigators Group Inc | 700 shares | 45,500 |
| | Noble International Ltd | 1,000 shares | 16,310 |
| | Northwest Natural Gas Co | 2,000 shares | 97,320 |
| | Oceaneering International Inc | 1,600 shares | 107,760 |
| | Old Dominion Freight Lines Inc | 2,400 shares | 55,464 |
| | Oxford Industries Inc | 3,400 shares | 87,618 |
| | Pacer International Inc Tennessee | 2,195 shares | 32,047 |
| | Pacific Continental Corp | 990 shares | 12,335 |
| | Pantry Inc | 1,500 shares | 39,195 |
| | Parametric Technology Corp | 4,400 shares | 78,540 |
| | Parkway Properties Inc | 1,000 shares | 36,980 |
| | Perot Systems Corp | 12,900 shares | 174,150 |
| | Philadelphia Consolidated Holding Corp | 2,075 shares | 81,651 |
| | Platinum Underwriters Holdings | 1,648 shares | 58,603 |
| | Preferred Bank Los Angeles California | 550 shares | 14,311 |
| | Progress Software Corp | 1,800 shares | 60,624 |
| | Prosperity Bancshares Inc | 2,665 shares | 78,324 |
| | Ramco-Gershenson Properties Trust | 3,100 shares | 66,247 |
| | Rayonier Inc | 2,462 shares | 116,305 |
| | RC2 Corp | 2,700 shares | 75,789 |

Table of Contents

Intel Corporation 401(k) Savings Plan
 EIN: 94-1672743, Plan Number: 003
 Schedule H, Line 4i Schedule of Assets (Held At End of Year) (continued)
 December 31, 2007

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (e) Current Value |
|-----|---|--|-------------------------|
| | Common stock (continued): | | |
| | Ryder Systems Inc | 350 shares | \$ 16,454 |
| | S Y Bancorp Inc | 1,091 shares | 26,119 |
| | Scholastic Corp | 450 shares | 15,701 |
| | Scotts Miracle-Gro Company | 4,120 shares | 154,170 |
| | Skywest Inc | 1,200 shares | 32,220 |
| | Southwest Bancorp Inc Oklahoma | 1,131 shares | 20,731 |
| | Spartan Stores Inc | 2,600 shares | 59,410 |
| | St Mary Land & Exploration | 1,500 shares | 57,915 |
| | Stancorp Financial Group Inc | 1,250 shares | 62,975 |
| | Standex International Corp | 3,352 shares | 58,492 |
| | Stifel Finl Corp | 1,000 shares | 52,570 |
| | Sun Cmnty Inc | 1,800 shares | 37,926 |
| | Swift Energy Co | 1,200 shares | 52,932 |
| | Sybase Inc | 3,000 shares | 78,270 |
| | Sykes Enterprises Inc | 3,075 shares | 55,350 |
| | Tanger Factory Outlet Center Inc | 1,250 shares | 47,138 |
| | Taubman Centers Inc | 1,100 shares | 54,109 |
| | Technitrol Inc | 3,725 shares | 106,461 |
| | Tenneco Inc | 1,011 shares | 26,357 |
| | Tower Group Inc | 1,100 shares | 36,740 |
| | Trueblue Inc | 1,541 shares | 22,314 |
| | Trustmark Corp | 1,900 shares | 48,184 |
| | UCBH Holdings Inc | 1,300 shares | 18,408 |
| | United Bankshares Inc West Virginia | 3,100 shares | 86,862 |
| | United Stationers Inc | 3,125 shares | 144,405 |
| | URS Corp | 5,194 shares | 282,189 |
| | Vectren Corp | 5,125 shares | 148,675 |
| | Viad Corp | 3,150 shares | 99,476 |
| | Wausu Paper Corp | 3,800 shares | 34,162 |

Table of Contents

Intel Corporation 401(k) Savings Plan
 EIN: 94-1672743, Plan Number: 003
 Schedule H, Line 4i Schedule of Assets (Held At End of Year) (continued)
 December 31, 2007

| (a) | (b) Identity of issue, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value | (e) Current Value |
|-----|---|--|-------------------------|
| | Common stock (continued): | | |
| | Werner Enterprises Inc | 4,333 shares | \$ 73,791 |
| | West Coast Bancorp Oregon | 1,400 shares | 25,900 |
| | Westamerica Bancorporation | 1,600 shares | 71,279 |
| | WSFS Financial Corp | 800 shares | 40,160 |
| | Zep Inc | 200 shares | 2,774 |
| | Total common stock | | \$ 497,540,098 |
| * | Participant Loans | Interest at 5.00% 11.50%, maturing through 2029 | \$ 50,749,133 |
| | Total investments | | \$ 4,196,220,314 |

Column (d) for Cost
has been omitted as
investments are
participant-directed

* Indicates a
party-in-interest

Table of Contents

SIGNATURES

The Plan. Pursuant to the requirements of the Securities and Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

INTEL CORPORATION 401(k) SAVINGS
PLAN

(Name of Plan)

Date: June 18, 2008

By: /s/ Stacy J. Smith
Stacy J. Smith
Vice President,
Chief Financial Officer and
Principal Accounting Officer

28