

INTEL CORP  
Form 11-K  
June 22, 2006

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**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, 2005

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 033-63489

INTEL CORPORATION 401(k) SAVINGS PLAN

(Full title of the Plan)

INTEL CORPORATION

(Name of the issuer of the securities held pursuant to the Plan)

2200 MISSION COLLEGE BOULEVARD

SANTA CLARA, CALIFORNIA, 95054-1549

(Address of principal executive office of the issuer)

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INTEL CORPORATION 401(k) SAVINGS PLAN  
Index to Financial Statements and Exhibits  
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Report of Ernst & Young LLP, 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 the Intel Corporation 401(k) Savings Plan as of December 31, 2005 and 2004, and the related statement of changes in net assets available for benefits for the year ended December 31, 2005. 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, 2005 and 2004, and the changes in its net assets available for benefits for the year ended December 31, 2005, 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, 2005, 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 19, 2006

**Table of Contents**Intel Corporation 401(k) Savings Plan  
Statements of Net Assets Available for Benefits

|   | December 31,     |                  |
|---|------------------|------------------|
|   | 2005             | 2004             |
| <b>Assets</b>                               |                  |                  |
| Value of interest in the Stable Value Fund  | \$ 101,857,088   | \$ 89,015,028    |
| Investments, at fair value                  | 3,165,678,287    | 2,707,286,275    |
| Receivables:                                |                  |                  |
| Interest and dividends receivable           | 1,294            | 1,927,998        |
| Receivable from brokers for securities sold | 1,866,721        | 1,452,431        |
| Employee contributions receivable           | 9,298,616        | 7,792,116        |
| Total receivables                           | 11,166,631       | 11,172,545       |
| Total assets                                | 3,278,702,006    | 2,807,473,848    |
| <b>Liabilities</b>                          |                  |                  |
| Other accrued liabilities                   | 2,074,374        | 2,195,990        |
| Net assets available for benefits           | \$ 3,276,627,632 | \$ 2,805,277,858 |

*See accompanying notes.*

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Intel Corporation 401(k) Savings Plan  
Statement of Changes in Net Assets Available for Benefits  
Year ended December 31, 2005

**Additions**

|   |                |
|---|----------------|
| Employee contributions  | \$ 342,796,341 |
| Net investment income:  |                |
| Interest and dividend income  | 106,619,279    |
| Net investment gain from participation in Stable Value Fund           | 3,648,654      |
| Net realized and unrealized appreciation in fair value of investments | 134,520,224    |
| Total net investment income   | 244,788,157    |
| Total additions   | 587,584,498    |

**Deductions**

|   |                  |
|---|------------------|
| Benefits paid to participants and participant withdrawals | 118,290,981      |
| Administrative fees                                       | 266,417          |
| Total deductions  | 118,557,398      |
| Transfers to/from other plans, net                        | 2,322,674        |
| Net increase  | 471,349,774      |
| Net assets available for benefits:                        |                  |
| Beginning of year   | 2,805,277,858    |
| End of year   | \$ 3,276,627,632 |

*See accompanying notes.*

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Intel Corporation 401(k) Savings Plan  
Notes to Financial Statements  
December 31, 2005

**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 United States (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 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**

Mellon Bank, N.A. 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**

Prior to November 10, 2004, the company delegated to the Plan Administrative Committee responsibility for the general operation and administration of the Plan and for carrying out and interpreting the Plan's provisions. Effective November 10, 2004, the SERP Administrative Committee (as appointed by the Finance Committee of the company) was named 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) was named 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.

**Plan Mergers**

During 2005, the Intel Puerto Rico Retirement Savings Plan (Puerto Rico Savings Plan) and the Intel Puerto Rico Profit Sharing Retirement Plan (Puerto Rico Profit Sharing Plan) were merged into the Plan, resulting in transfers into the Plan of \$2,452,484 in net assets.

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

**1. Description of the Plan (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, 2005, participants could elect to invest in any combination of the 75 different investment options offered under the Plan. Participants may change their investment elections daily.

*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.

**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.



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

**1. Description of the Plan (continued)**

**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 \$103,443 for the year ended December 31, 2005.

**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 and administered by the recordkeeper.

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.

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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 and Income Recognition**

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, the Intel Pension Plan, the Puerto Rico Savings Plan, the Puerto Rico Profit Sharing Plan, and the Intel Puerto Rico Defined Benefit 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*) based on its respective interest in each master trust investment account. The Plan participates in one such investment account, the Stable Value Fund, along with the Intel Profit Sharing Plan and the Puerto Rico Savings Plan.

The Plan, either directly or through investment in the Stable Value Fund, holds investments in mutual funds, common collective trust funds, debt securities, equity securities and participant loans, which are stated at fair value as of the last day of the year. The fair value for securities traded on a national securities exchange or over-the-counter market is 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 quoted redemption value on the last business day of the plan year. Participant loans are valued at their outstanding balances, which approximate fair value. In the absence of an actively traded market, investments in the Stable Value Fund are stated at estimated fair value, computed using discounted cash flows.

Net investment income includes the gain (loss) 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.

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

**2. Summary of Significant Accounting Policies (continued)**

**Investment Valuation and Income Recognition (continued)**

The Stable Value Fund holds guaranteed investment contracts (*see Note 6*) with insurance companies and banks in order to provide participants with a stable, fixed-rate return of investment and protection of principal from changes in market interest rates. The guaranteed investment contracts are allocated to the Plan, the Intel Profit Sharing Plan, and the Puerto Rico Savings Plan based on each plan's proportionate share of participation in the Stable Value Fund. The contracts are unallocated in nature and are valued at contract value because they are fully benefit-responsive. Contract value, as reported by the respective insurance companies or bank, approximates fair value. Contract value represents cost plus contributions made under the contracts plus interest at the contract rates less withdrawals and administrative expenses. If the funds in the guaranteed investment contracts are needed for benefit payments prior to contract maturity, they may be withdrawn without penalty.

The Stable Value Fund may also hold derivative financial instruments (*see Note 7*) in order to manage market risks and to alter the return characteristics of underlying securities to replicate the performance of various indices. The Stable Value Fund utilizes derivatives to replicate financial market performance in situations where derivatives are more economical or practical than purchasing the underlying securities themselves. Wrapper contracts issued by insurance companies and banks are stated at contract value, which approximates fair value, as of the last day of the year and are included with the fair value of the related underlying debt securities at year-end. All of the wrapper contracts held in the Stable Value Fund are allocated to the Plan, the Intel Profit Sharing Plan, and the Puerto Rico Savings Plan based on each plan's proportionate share of the underlying debt securities.

Standish Mellon Asset Management 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 of the company.

Investment transactions are recognized as of their trade dates, and collateral has been obtained and secured against investments whenever deemed necessary. Interest is accrued daily; dividends are accrued when declared. Crediting interest rates on guaranteed investment contracts and wrapper contracts may be reset periodically by the issuer, but will not be less than zero percent.

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

**2. Summary of Significant Accounting Policies (continued)**

**Benefit Payments**

Benefits are recorded when paid.

**Contributions**

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

**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.

**Table of Contents**Intel Corporation 401(k) Savings Plan  
Notes to Financial Statements (continued)**3. Master Trust Investment Accounts**

The value of the Plan's interest in the Stable Value Fund included in the statements of net assets available for benefits represents 89.1% of the net assets available for benefits of the Stable Value Fund at December 31, 2005 and 91.7% at December 31, 2004. The Stable Value Fund's net assets available for benefits consisted of the following at:

|                                   | <b>December 31,</b> |               |
|-----------------------------------|---------------------|---------------|
|                                   | <b>2005</b>         | <b>2004</b>   |
| <b>Assets</b>                     |                     |               |
| Investments, at fair value:       |                     |               |
| Common collective trusts          | \$ 11,647,486       | \$ 11,586,010 |
| Debt securities                   | 91,859,587          | 73,992,847    |
| Guaranteed investment contracts   | 10,433,458          | 11,207,354    |
| Total investments                 | 113,940,531         | 96,786,211    |
| Interest and dividends receivable | 392,308             | 304,030       |
| Total assets                      | 114,332,839         | 97,090,241    |
| <b>Liabilities</b>                |                     |               |
| Investment advisory fees          | 25,387              | 22,530        |
| Net assets available for benefits | \$ 114,307,452      | \$ 97,067,711 |

The net investment gain in the Stable Value Fund for the year ended December 31, 2005, was comprised of interest and dividends in the amount of \$4,051,678.

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

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

|   | <b>December 31,</b>   |                |
|---|-----------------------|----------------|
|   | <b>2005</b>           | <b>2004</b>    |
| Mutual funds:                           |                       |                |
| Fidelity Low-Priced Stock Fund          | <b>\$ 298,169,802</b> | \$ 280,354,826 |
| Vanguard Institutional Index Fund       | <b>259,453,265</b>    | 255,876,704    |
| Fidelity Contrafund                     | <b>214,493,744</b>    | 170,993,441    |
| Fidelity Growth Company Fund            | <b>201,092,692</b>    | 182,853,413    |
| American Funds® EuroPacific Growth Fund | <b>169,861,907</b>    | *              |
| Fidelity Growth & Income Portfolio      | *                     | 142,279,437    |
| Common stock:                           |                       |                |
| Intel Corporation                       | <b>613,888,717</b>    | 599,065,229    |

\* Fair value did not exceed 5% of the Plan's net assets available for benefits at year-end.

During 2005, the Plan's investments (including investments purchased, sold as well as held during the year) appreciated in fair value as follows:

|  | <b>Year ended<br/>December 31,<br/>2005</b> |
|--|---|
| Net realized and unrealized appreciation in fair value of investments: |   |
| Mutual funds   | <b>\$ 84,085,689</b>                        |
| Common collective trust funds  | <b>11,269,554</b>                           |
| Intel common stock   | <b>38,748,885</b>                           |
| Other common stock   | <b>416,096</b>                              |
| Net realized and unrealized appreciation in fair value of investments  | <b>\$ 134,520,224</b>                       |

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

**5. Party-In-Interest Transactions**

Approximately 19% of the Plan's investments 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 2005, the Plan made purchases of the company's common stock of \$46,034,360 and sales and distributions of \$69,959,757.

**6. Guaranteed Investment Contracts**

The Stable Value Fund holds guaranteed investment contracts with insurance companies and banks in order to provide participants with a stable, fixed-rate return of investment and protection of principal from changes in market interest rates. As of December 31, 2005, the Stable Value Fund held guaranteed investment contracts in the amount of \$10,433,458 (\$11,207,354 at December 31, 2004) with insurance companies that have S&P ratings of AA- or better at the time of purchase. No more than \$3,231,527 of the guaranteed investment contracts were with any one insurance company at December 31, 2005 (\$3,137,405 at December 31, 2004). The crediting interest rates on the guaranteed investment contracts ranged from 2.85% to 3.70% at December 31, 2005 and December 31, 2004. The average yield earned on the guaranteed investment contracts was 3.29% in 2005 (3.33% in 2004).

**7. Derivative Financial Instruments**

The Stable Value Fund may hold wrapper contracts in order to manage market risks and to alter the return characteristics of underlying securities 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 guaranteed investment contracts. 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. As of December 31, 2005, the Stable Value Fund held wrapper contracts with a positive fair value of \$1,627,251 (negative fair value of \$78,852 as of December 31, 2004). At December 31, 2005, the crediting interest rates on the wrapper contracts ranged from 3.37% to 4.67% (2.99% to 4.67% at December 31, 2004). The average yield earned on the wrapper contracts was 3.60% in 2005 (3.80% in 2004).

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

**8. Concentration of Credit Risk**

The Plan's exposure to a concentration of credit risk is limited by the diversification of investments across 75 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.

**9. Income Tax Status**

The Plan has received a determination letter from the Internal Revenue Service 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. To maintain its qualified status, the Plan is required to operate in conformity with the Code. The plan sponsor believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan 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.



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Notes to Financial Statements (continued)**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, 2004 to Form 5500:

|  | <b>December 31,<br/>2004</b> |
|--|------------------------------|
| Net assets available for benefits per the financial statements | \$ 2,805,277,858             |
| Amounts allocated to withdrawing participants                  | (232,148)                    |
| Net assets available for benefits per the Form 5500            | \$ 2,805,045,710             |

The following is a reconciliation of benefits paid to participants per the financial statements for the year ended December 31, 2005, to Form 5500:

|  | <b>Year ended<br/>December 31,<br/>2005</b> |
|--|---|
| Benefits paid to participants and participant withdrawals per the financial statements | <b>\$ 118,290,981</b>                       |
| Less: Amounts allocated to withdrawing participants at December 31, 2004               | <b>(232,148)</b>                            |
| Benefits paid to participants per Form 5500  | <b>\$ 118,058,833</b>                       |

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date. There were no such amounts allocated to withdrawing participants at December 31, 2005.

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**Supplemental Schedule**

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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, 2005

| (a) | (b)<br>Identity of issue, borrower,<br>lessor, or similar party | (c)<br>Description of<br>investment<br>including maturity<br>date,<br>rate of interest,<br>collateral,<br>par, or maturity value | (e)<br>Current<br>Value |
|-----|---|--|-------------------------|
|     | Mutual funds:   |  |                         |
|     | AIM Basic Value   | 31,067 shares  | \$ 1,085,796            |
|     |   | 336,351  |                         |
|     | American Century Equity Income Fund                             | shares   | 2,630,265               |
|     |   | 823,795  |                         |
|     | American Century Real Estate Fund                               | shares   | 20,982,049              |
|     |   | 1,199,288  |                         |
|     | American Century Small Cap Value Fund                           | shares   | 11,573,131              |
|     |   | 4,065,204  |                         |
|     | American Century Ultra Fund                                     | shares   | 123,622,849             |
|     |   | 260,411  |                         |
|     | Merrill Lynch Global Allocation Fund                            | shares   | 4,411,357               |
|     |   | 4,133,899  |                         |
|     | American Funds® EuroPacific Growth Fund                         | shares   | 169,861,907             |
|     |   | 663,780  |                         |
|     | Brandywine Blue Fund, Inc.                                      | shares   | 19,634,610              |
|     |   | 293,091  |                         |
|     | Calvert Social Investment Bond Fund                             | shares   | 4,645,487               |
|     | Calvert Social Investment Equity Fund                           | 51,181 shares  | 1,862,480               |
|     |   | 2,426,961  |                         |
|     | American Century Small Company Fund                             | shares   | 23,784,220              |
|     |   | 598,801  |                         |
|     | Delaware Pooled International Equity Fund                       | shares   | 12,317,329              |
|     |   | 478,435  |                         |
|     | Dodge & Cox Stock Fund  | shares   | 65,650,894              |
|     |   | 509,793  |                         |
|     | Evergreen International Bond Fund                               | shares   | 5,408,901               |
| *   |   | 6,346,398  |                         |
|     | Fidelity Capital & Income Fund                                  | shares   | 53,119,353              |
| *   |   | 3,312,133  |                         |
|     | Fidelity Contrafund®  | shares   | 214,493,744             |
| *   |   | 4,085,762  |                         |
|     | Fidelity Growth & Income Portfolio                              | shares   | 140,550,202             |
| *   |   | 3,160,344  |                         |
|     | Fidelity Growth Company Fund                                    | shares   | 201,092,692             |

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|   |                                    |           |             |
|---|------------------------------------|-----------|-------------|
| * |                                    | 7,300,926 |             |
|   | Fidelity Low-Priced Stock Fund     | shares    | 298,169,802 |
| * |                                    | 276,752   |             |
|   | Fidelity Mid-Cap Stock Fund        | shares    | 7,353,294   |
| * |                                    | 3,576,497 |             |
|   | Fidelity Puritan Fund              | shares    | 66,987,783  |
| * |                                    | 348,374   |             |
|   | Fidelity Small Cap Stock Fund      | shares    | 6,375,243   |
|   |                                    | 2,235,027 |             |
|   | Franklin Income Fund               | shares    | 5,341,714   |
|   |                                    | 374,515   |             |
|   | Gabelli Gold                       | shares    | 7,789,903   |
|   |                                    | 2,363,937 |             |
|   | GMO Emerging Countries Fund        | shares    | 41,534,368  |
|   |                                    | 115,940   |             |
|   | Goldman Sachs Small Cap Value Fund | shares    | 4,878,763   |
|   |                                    | 835,048   |             |
|   | Goldman Sachs Mid Cap Value Fund   | shares    | 29,418,741  |

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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, 2005

| (a) | (b)<br>Identity of issue, borrower,<br>lessor, or similar party | (c)<br>Description of<br>investment<br>including maturity<br>date, rate<br>of interest, collateral,<br>par, or<br>maturity value | (e)<br>Current<br>Value |
|-----|---|--|-------------------------|
|     | Mutual funds (continued):                                       |  |                         |
|     | The Growth Fund of America                                      | 357,225<br>shares  | \$ 11,020,395           |
|     | Legg Mason Special Investment Trust                             | 101,557<br>shares  | 5,320,560               |
|     | Legg Mason Value Trust Inc                                      | 153,798<br>shares  | 11,631,742              |
|     | Longleaf Partners Fund  | 136,103<br>shares  | 4,215,097               |
|     | Loomis Sayles Bond  | 837,924<br>shares  | 11,362,243              |
|     | The Merger Fund   | 72,678<br>shares   | 1,066,188               |
|     | Merrill Lynch Global Small Cap Fund Inc                         | 193,321<br>shares  | 4,802,084               |
|     | Morgan Stanley Institutional Fund Inc                           | 762,455<br>shares  | 18,405,675              |
|     | Morgan Stanley Institutional Fund Trust Value<br>Portfolio      | 126,459<br>shares  | 2,162,451               |
|     | Pennsylvania Mutual Fund  | 705,578<br>shares  | 7,606,126               |
|     | PIMCO CCM Capital Appreciation Fund                             | 160,811<br>shares  | 3,179,243               |
|     | PIMCO CCM Mid Cap Fund  | 189,224<br>shares  | 5,192,296               |
|     | PIMCO Emerging Markets Bond Fund                                | 935,305<br>shares  | 10,438,008              |
|     | PIMCO High Yield Fund   | 534,690<br>shares  | 5,197,188               |
|     | PIMCO Long-Term U.S. Government Fund                            | 390,758<br>shares  | 4,298,342               |
|     | PIMCO Total Return Fund   | 7,442,020<br>shares  | 78,141,211              |
| *   | Fidelity Institutional Cash Portfolio                           | 117,814,438<br>shares  | 117,814,438             |

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|  |         |           |
|--|---------|-----------|
|  | 179,821 |           |
| T. Rowe Price Growth Stock Fund                    | shares  | 5,106,914 |
|  | 80,389  |           |
| TCW Galileo Select Equities Fund                   | shares  | 1,632,706 |
|  | 146,084 |           |
| TCW Galileo Value Opportunities Fund               | shares  | 3,215,301 |
|  | 277,561 |           |
| Templeton Growth Fund                              | shares  | 6,370,033 |
|  | 110,304 |           |
| Vanguard Convertible Securities Fund               | shares  | 1,478,067 |
| Wells Fargo Montgomery Emerging Markets Focus Fund | 178,696 |           |
|  | shares  | 5,139,298 |
|  | 153,500 |           |
| Vanguard Growth Index Fund                         | shares  | 4,227,377 |
|  | 964,896 |           |
| Vanguard Inflation-Protected Securities Fund       | shares  | 9,388,435 |

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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, 2005

| (a) | (b)<br>Identity of issue, borrower,<br>lessor, or similar party | (c)<br>Description of<br>investment<br>including maturity<br>date,<br>rate of interest,<br>collateral,<br>par, or maturity<br>value | (e)<br>Current<br>Value |
|-----|---|---|-------------------------|
|     | Mutual funds (continued):                                       |   |                         |
|     | Vanguard Institutional Index Fund                               | 2,275,706<br>shares   | \$ 259,453,265          |
|     | Vanguard-Intermediate-Term Treasury Fund                        | 161,884<br>shares   | 1,769,393               |
|     | Vanguard International Value Fund                               | 597,361<br>shares   | 20,800,098              |
|     | Vanguard Long-Term Bond Index Fund                              | 430,793<br>shares   | 5,100,589               |
|     | Vanguard Mid-Cap Index Fund                                     | 2,128,998<br>shares   | 37,619,402              |
|     | Vanguard Small-Cap Growth Index Fund                            | 410,765<br>shares   | 6,748,870               |
|     | Vanguard Small-Cap Value Index Fund                             | 366,045<br>shares   | 5,329,611               |
|     | Vanguard Strategic Equity Fund                                  | 490,076<br>shares   | 10,747,362              |
|     | Vanguard Windsor Fund   | 47,845<br>shares  | 2,769,275               |
|     | Washington Mutual Investors Fund                                | 133,501<br>shares   | 4,115,826               |
|     | Total mutual funds  |   | \$ 2,237,441,986        |
|     | Common collective trust funds:                                  |   |                         |
| *   | Pooled employee funds-daily liquidity fund                      | 223,576<br>units  | \$ 223,576              |
|     | Barclays Global Investors NASDAQ-100 Index®<br>Fund             | 4,300,872<br>units  | 28,686,815              |
| *   | EB Daily Liquidity Aggregate Bond Index Fund                    | 2,268,659<br>units  | 24,158,494              |
| *   | EB Daily Liquidity Stock Index Fund                             | 11,558,849<br>units   | 131,100,460             |
| *   | EB Daily Liquidity International Stock Index Fund               |   | 14,752,868              |

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|   |           |                |
|---|-----------|----------------|
|   | 1,143,571 |                |
|   | units     |                |
| *   | 1,470,291 |                |
| EB Daily Liquidity Small Cap Stock Index Fund     | units     | 17,449,270     |
|   | 2,965,679 |                |
| Barclays Global Investors Russell 1000 Value Fund | units     | 40,748,427     |
| Total common collective trust funds               |           | \$ 257,119,910 |

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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, 2005

| (a) | (b)<br>Identity of issue, borrower,<br>lessor, or similar party | (c)<br>Description of<br>investment<br>including maturity<br>date,<br>rate of interest,<br>collateral,<br>par, or maturity<br>value | (e)<br>Current<br>Value |
|-----|---|---|-------------------------|
|     | Common stock:   |   |                         |
| *   | Intel Corporation   | 24,594,901 shares   | \$ 613,888,717          |
|     | Endurance Specialty Holdings, Ltd                               | 800 shares  | 28,680                  |
|     | Ipc Holdings Ltd  | 1,338 shares  | 36,634                  |
|     | Platinum Underwriters Holdings                                  | 1,848 shares  | 57,417                  |
|     | AFC Enterprises Inc   | 600 shares  | 9,072                   |
|     | Atmi Inc  | 700 shares  | 19,579                  |
|     | Acuity Brands Inc   | 1,000 shares  | 31,800                  |
|     | Adesa Inc   | 786 shares  | 19,194                  |
|     | Advance American Cash Advance Centers                           | 411 shares  | 5,096                   |
|     | Alabama National Bancorporation                                 | 200 shares  | 12,952                  |
|     | Alexandria Real Estate  | 486 shares  | 39,123                  |
|     | Apria Healthcare Group Inc                                      | 210 shares  | 5,063                   |
|     | Aptargroup Inc  | 1,300 shares  | 67,860                  |
|     | Bok Financial Corp  | 625 shares  | 28,393                  |
|     | Banner Corp   | 300 shares  | 9,360                   |
|     | Banta Corp  | 2,150 shares  | 107,070                 |
|     | Bel Fuse Inc  | 775 shares  | 24,645                  |
|     | Belden CDT Inc  | 1,050 shares  | 25,651                  |
|     | Borders Group Inc   | 500 shares  | 10,835                  |
|     | Borg Warner Inc   | 1,100 shares  | 66,693                  |
|     | Burlington Coat Factory   | 675 shares  | 27,142                  |
|     | CBRL Group Inc  | 500 shares  | 17,575                  |
|     | CEC Entertainment Inc   | 300 shares  | 10,212                  |
|     | CSG Systems International Inc                                   | 700 shares  | 15,624                  |
|     | CTS Corp  | 975 shares  | 10,783                  |
|     | Cabot Corp  | 500 shares  | 17,900                  |
|     | Cabot Oil & Gas Corp  | 500 shares  | 22,550                  |
|     | Cambrex Corp  | 800 shares  | 15,016                  |

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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, 2005

| (a) | (b)<br>Identity of issue, borrower,<br>lessor, or similar party | (c)<br>Description of<br>investment<br>including maturity date,<br>rate<br>of interest, collateral,<br>par, or<br>maturity value | (e)<br>Current<br>Value |
|-----|---|--|-------------------------|
|     | Common stock (continued):                                       |  |                         |
|     | Charming Shoppes Inc  | 6,050 shares   | \$ 79,860               |
|     | Checkpoint Systems Inc  | 700 shares   | 17,255                  |
|     | Chicago Bridge & Iron   | 1,500 shares   | 37,815                  |
|     | Ciber Inc   | 3,966 shares   | 26,176                  |
|     | Cimarex Energy Co   | 807 shares   | 34,709                  |
|     | Claire's Stores Inc   | 875 shares   | 25,567                  |
|     | Clarcor Inc   | 2,050 shares   | 60,905                  |
|     | Columbia Banking Systems Inc                                    | 500 shares   | 14,275                  |
|     | Comstock Resources Inc  | 500 shares   | 15,255                  |
|     | Corn Products International Inc                                 | 492 shares   | 11,754                  |
|     | Covance Inc   | 4,125 shares   | 200,269                 |
|     | Dave & Busters Inc  | 600 shares   | 10,566                  |
|     | Duratek Inc   | 2,900 shares   | 43,297                  |
|     | El Paso Electric Co   | 1,247 shares   | 26,237                  |
|     | Elkcorp   | 1,625 shares   | 54,697                  |
|     | Energen Corp  | 1,552 shares   | 56,369                  |
|     | Energy East Corp  | 2,025 shares   | 46,170                  |
|     | Entercom Communications Corp                                    | 3,175 shares   | 94,202                  |
|     | Essex Property Trust Inc  | 300 shares   | 27,660                  |
|     | Fei Company   | 1,000 shares   | 19,170                  |
|     | Fairchild Semiconductor International                           | 4,225 shares   | 71,445                  |
|     | Ferro Corp  | 2,200 shares   | 41,272                  |
|     | First Financial Bankshares Inc                                  | 300 shares   | 10,518                  |
|     | First Indiana Corp  | 195 shares   | 6,704                   |
|     | First Midwest Bancorp Inc                                       | 400 shares   | 14,024                  |
|     | First Place Financial Corp                                      | 400 shares   | 9,620                   |
|     | Forrester Research Inc  | 1,200 shares   | 22,500                  |
|     | 4 Kids Entertainment  | 1,000 shares   | 15,690                  |

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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, 2005

| (a) | (b)<br>Identity of issue, borrower,<br>lessor, or similar party | (c)<br>Description of<br>investment<br>including maturity date,<br>rate<br>of interest, collateral,<br>par, or<br>maturity value | (e)<br>Current<br>Value |
|-----|---|--|-------------------------|
|     | Common stock (continued):                                       |  |                         |
|     | Fuller H B Co   | 1,775 shares   | \$ 56,924               |
|     | G & K Services Inc  | 450 shares   | 17,662                  |
|     | General Cable Corp  | 4,786 shares   | 94,284                  |
|     | General Communication Inc                                       | 3,125 shares   | 32,281                  |
|     | Georgia Gulf Corp   | 650 shares   | 19,773                  |
|     | Global Payments Inc   | 1,450 shares   | 67,584                  |
|     | Graco Inc   | 1,350 shares   | 49,248                  |
|     | Greif Inc   | 150 shares   | 9,942                   |
|     | Griffon Corp  | 1,950 shares   | 46,429                  |
|     | Harsco Corp   | 2,075 shares   | 140,083                 |
|     | Harte-Hanks Inc   | 3,675 shares   | 96,983                  |
|     | Home Properties Inc   | 715 shares   | 29,172                  |
|     | Houston Exploration Co  | 250 shares   | 13,200                  |
|     | Hyperion Solutions Corp   | 600 shares   | 21,492                  |
|     | ITLA Capitol Corp   | 200 shares   | 9,770                   |
|     | Iberiabank Corp   | 350 shares   | 17,854                  |
|     | Independent Bank Corp Mass                                      | 500 shares   | 14,265                  |
|     | Independent Bank Corp Mich                                      | 315 shares   | 8,577                   |
|     | Insight Enterprises Inc   | 925 shares   | 18,139                  |
|     | Integrated Device Technologies Inc                              | 5,000 shares   | 65,900                  |
|     | Inter Tel Inc   | 1,117 shares   | 21,860                  |
|     | Interactive Data Corp   | 2,500 shares   | 56,775                  |
|     | Jack In The Box Inc   | 500 shares   | 17,465                  |
|     | Jacobs Energy Group Inc   | 400 shares   | 27,148                  |
|     | Journal Communications Inc                                      | 1,200 shares   | 16,740                  |
|     | Kadant Inc  | 600 shares   | 11,100                  |
|     | Kansas City Southern  | 825 shares   | 20,155                  |
|     | Kennametal Inc  | 1,050 shares   | 53,592                  |

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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, 2005

| (a) | (b)<br>Identity of issue, borrower,<br>lessor, or similar party | (c)<br>Description of<br>investment<br>including maturity<br>date,<br>rate of interest,<br>collateral,<br>par, or maturity value | (e)<br>Current<br>Value |
|-----|---|--|-------------------------|
|     | Common stock (continued):                                       |  |                         |
|     | Lakeland Financial Corp   | 300 shares   | \$ 12,114               |
|     | Landstar Systems Inc  | 470 shares   | 19,618                  |
|     | MAF Bancorp Inc   | 300 shares   | 12,414                  |
|     | MB Financial Inc  | 400 shares   | 14,160                  |
|     | M/I Homes Inc   | 525 shares   | 21,326                  |
|     | Macatawa Bank Corp  | 300 shares   | 10,914                  |
|     | Macerich Co   | 625 shares   | 41,963                  |
|     | Martin Marietta Materials Inc                                   | 400 shares   | 30,688                  |
|     | Meritage Homes Corp   | 600 shares   | 37,752                  |
|     | Mettler-Toledo International Inc                                | 1,925 shares   | 106,260                 |
|     | Minerals Technologies Inc                                       | 500 shares   | 27,945                  |
|     | Molecular Devices Corp  | 2,300 shares   | 66,539                  |
|     | Moneygram International Inc                                     | 1,300 shares   | 33,904                  |
|     | Moog Inc  | 1,188 shares   | 33,715                  |
|     | Noble International Ltd   | 400 shares   | 8,336                   |
|     | Northwest Natural Gas Co  | 1,400 shares   | 47,852                  |
|     | Oceaneering International Inc                                   | 650 shares   | 32,357                  |
|     | Oxford Industries Inc   | 1,000 shares   | 54,700                  |
|     | Pff Bancorp Inc   | 575 shares   | 17,549                  |
|     | Pacer International Inc Tennessee                               | 2,025 shares   | 52,772                  |
|     | Parkway Properties Inc  | 800 shares   | 32,112                  |
|     | Perot Systems Corp  | 2,900 shares   | 41,006                  |
|     | Philadelphia Consolidated Holdings Corp                         | 125 shares   | 12,086                  |
|     | Prentiss Properties   | 700 shares   | 28,476                  |
|     | Prosperity Bancshares Inc                                       | 365 shares   | 10,490                  |
|     | RC2 Corp  | 900 shares   | 31,968                  |
|     | Rayonier Inc  | 1,762 shares   | 70,216                  |
|     | Readers Digest Association Inc                                  | 2,800 shares   | 42,616                  |

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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, 2005

| (a) | (b)<br>Identity of issue, borrower,<br>lessor, or similar party | (c)<br>Description of<br>investment<br>including maturity<br>date,<br>rate of interest,<br>collateral,<br>par, or maturity value | (e)<br>Current<br>Value |
|-----|---|--|-------------------------|
|     | Common stock (continued):                                       |  |                         |
|     | Rehabcare Group Inc   | 500 shares   | \$ 10,100               |
|     | Robbins & Myers Inc   | 1,288 shares   | 26,211                  |
|     | Ryder Systems Inc   | 250 shares   | 10,255                  |
|     | Ryland Group Inc  | 450 shares   | 32,459                  |
|     | SI Green Realty Corp  | 425 shares   | 32,466                  |
|     | St Mary Land & Exploration Co                                   | 800 shares   | 29,448                  |
|     | Scholastic Corp   | 250 shares   | 7,128                   |
|     | The Scotts Miracle-Gro Company                                  | 2,800 shares   | 126,672                 |
|     | Seacoast Banking Corp of Florida                                | 400 shares   | 9,180                   |
|     | Skechers U S A Inc  | 900 shares   | 13,788                  |
|     | Skywest Inc   | 900 shares   | 24,174                  |
|     | Smart & Final Inc   | 700 shares   | 9,016                   |
|     | Southwest Bancorp Inc   | 731 shares   | 14,620                  |
|     | Stancorp Financial Group Inc                                    | 550 shares   | 27,473                  |
|     | Standex International Corp                                      | 2,349 shares   | 65,208                  |
|     | Steak N Shake Co  | 1,225 shares   | 20,764                  |
|     | Swift Energy Co   | 500 shares   | 22,535                  |
|     | Sybase Inc  | 2,500 shares   | 54,650                  |
|     | Sykes Enterprises Inc   | 2,175 shares   | 29,080                  |
|     | Tanger Factory Outlet Center Inc                                | 1,950 shares   | 56,043                  |
|     | Technitrol Inc  | 2,425 shares   | 41,468                  |
|     | Tenneco Inc   | 611 shares   | 11,982                  |
|     | Trustmark Corp  | 800 shares   | 21,976                  |
|     | URS Corp  | 2,594 shares   | 97,560                  |
|     | United Bankshares Inc W Virginia                                | 800 shares   | 28,192                  |
|     | United Fire & Casualty  | 300 shares   | 12,129                  |
|     | United Stationers Inc   | 2,225 shares   | 107,912                 |
|     | Vectren Corp  | 3,525 shares   | 95,739                  |

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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, 2005

| (a) | (b)<br>Identity of issue, borrower,<br>lessor, or similar party | (c)<br>Description of<br>investment<br>including maturity<br>date,<br>rate of interest,<br>collateral,<br>par, or maturity<br>value | (e)<br>Current<br>Value |
|-----|---|---|-------------------------|
|     | Common stock (continued):                                       |   |                         |
|     | Viad Corp   | 1,750 shares  | \$ 51,327               |
|     | WSFS Financial Corp   | 300 shares  | 18,375                  |
|     | Washington Group International Inc                              | 1,745 shares  | 92,433                  |
|     | Wausu Paper Corp  | 1,800 shares  | 21,330                  |
|     | Werner Enterprises Inc  | 2,433 shares  | 47,930                  |
|     | West Coast Bancorp  | 478 shares  | 12,643                  |
|     | Zale Corp   | 1,250 shares  | 31,438                  |
|     | Total common stock  |   | \$ 619,044,566          |
| *   | Participant loans   | Interest at<br>4.75%<br>11.50%,<br>maturing<br>through<br>2030  | \$ 52,071,825           |
|     | Total investments   |   | \$ 3,165,678,287        |

Column (d) cost has been omitted as investments are participant-directed.

\* Indicates a party-in-interest to the Plan.

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SIGNATURE

*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

(Full Title of the Plan)

Date: June 19, 2006

By: /s/ Andy D. Bryant

Andy D. Bryant  
Executive Vice President,  
Chief Financial and  
Enterprise Services Officer and  
Principal Accounting Officer

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