

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 year ended: December 31, 1999

\_\_\_\_ TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES  
EXCHANGE ACT OF 1934  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_ .

Commission file number: 333-20951

INTEL PUERTO RICO RETIREMENT SAVINGS PLAN  
P.O. BOX 125  
LAS PIEDRAS, PUERTO RICO, 00771  
(Full title of the Plan and address of the Plan if different  
from that of the issuer named below)

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

2200 MISSION COLLEGE BOULEVARD  
SANTA CLARA, CALIFORNIA, 95052-8119  
(address of principal executive office of issuer)

INTEL PUERTO RICO RETIREMENT SAVINGS PLAN  
Index to Financial Statements and Exhibit

Item

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Report of Ernst & Young LLP, Independent Auditors

Statement of Net Assets Available for Benefits at December 31, 1999 and 1998

Statement of Changes in Net Assets Available for Benefits for the Year Ended  
December 31, 1999

Notes to Financial Statements

Signature

Exhibit 23 - Consent of Ernst & Young LLP, Independent Auditors

Financial Statements

Intel Puerto Rico  
Retirement Savings Plan

Year ended December 31, 1999  
with Report of Independent Auditors

Intel Puerto Retirement Savings Plan

Financial Statements

Year ended December 31, 1999

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Report of Independent Auditors

The Plan Administrative Committee  
Intel Puerto Rico Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Intel Puerto Rico Retirement Savings Plan as of December 31, 1999 and 1998, and the related statement of changes in net assets available for benefits for the year ended December 31, 1999. 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 auditing standards generally accepted in the 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as 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 Intel Puerto Rico Retirement Savings Plan at December 31, 1999 and 1998, and the changes in its net assets available for benefits for the year ended December 31, 1999, in conformity with accounting principles generally accepted in the United States.

/s/ ERNST & YOUNG LLP

April 4, 2000

Intel Puerto Rico Retirement Savings Plan

Statements of Net Assets Available for Benefits

	DECEMBER 31,	
	1999	1998
ASSETS		
Value of interest in the Master Trust	\$5,506,049	\$4,197,902
Employee receivables	17,549	31,041
Total assets	5,523,598	4,228,943
LIABILITIES		
Accrued administrative fees	775	23,563
Net assets available for benefits	\$5,522,823	\$4,205,380

See accompanying notes.

Intel Puerto Rico Retirement Savings Plan

Statement of Changes in Net Assets Available for Benefits

	Year Ended December 31, 1999
Additions:	
Employee contributions	\$ 998,328
Deductions:	
Benefits paid to participants and participant withdrawals	1,002,711

Administrative fees	(19,835)
Total deductions	982,876
Net investment gain from participation in the Master Trust	1,301,991
Net increase	1,317,443
Net assets available for benefits:	
Beginning of year	4,205,380
End of year	\$5,522,823

See accompanying notes.

Intel Puerto Rico Retirement Savings Plan

Notes to Financial Statements

December 31, 1999

1. DESCRIPTION OF THE PLAN

The following description of the Intel Puerto Rico Retirement 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 employees of Intel Puerto Rico. Upon hire, employees are eligible to participate in the Plan, effective the first day of the calendar quarter following thirty days of service.

The Plan is intended to be qualified under Sections 1165(a) and (e) of the Puerto Rico Internal Revenue Code of 1994, as amended and pursuant to Section 1022(i)(2) of the Employee Retirement Income Security Act of 1974 (ERISA) and under Sections 401(a) and (k) of the U.S. Internal Revenue Code of 1986 (the Code), as amended.

TRUSTEE

Mellon Bank, N.A. is the Plan's custodian, and Banco Popular de Puerto Rico is the trustee of the Plan.

CONTRIBUTIONS AND PARTICIPANT ACCOUNTS

Participant Contributions

Participants are allowed to contribute from 1% to 10% (limited to certain percentages for highly compensated individuals) of their annual compensation on a before-tax basis (to a maximum amount of \$8,000 in 1999 and 1998). 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 may elect to invest in eleven mutual funds, the Intel Stock Fund and the Scudder Fixed Income Fund. Scudder Kemper Investments has discretionary authority for the purchase and sale of investments in the Scudder Fixed Income Fund, subject to the general investment policies of the Investment Policy Committee of the company. Participants may change their investment elections on a monthly basis.

Intel Puerto Rico Retirement Savings Plan

Notes to Financial Statements (continued)

1. DESCRIPTION OF THE PLAN (continued)

CONTRIBUTIONS AND PARTICIPANT ACCOUNTS (continued)

Participant Contributions (continued)

Participant contributions and the allocation of the company contributions and forfeitures to each participant in total for the Plan and the Intel Puerto Rico Profit Sharing Retirement Plan are limited to the lesser of \$30,000 or 25% of a participant's compensation.

#### Participant Accounts

- -----

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

- Biweekly for participant contributions.
- Daily for a pro rata share of gains 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 accounts 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, financial hardship (as defined by the Plan), or death. Upon termination of service, the normal form of benefit is an annuity. However, a participant may elect, with spousal consent, to have benefits paid in a single lump sum, which may be in the form of a direct transfer to another eligible retirement plan. In the event of financial hardship or death, the benefits are usually paid in a single lump sum.

#### ADMINISTRATIVE EXPENSES

In 1999, all trustee-related expenses were paid by the Plan. All other administrative expenses were paid by the company.

The administrative fees of (\$19,835) resulted from the reversal of certain prior year expenses that were accrued by the Plan in 1998 but paid by the company in 1999.

Intel Puerto Rico Retirement 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.

### INVESTMENT VALUATION AND INCOME RECOGNITION

Investments in the Master Trust (see Note 3) are stated at each plan's proportionate share of participation in the Master Trust, based upon the fair value of Master Trust investments held at year end.

Investments in interest bearing cash, money market funds, mutual funds, debt securities, equity securities, and participant loans 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. Interest bearing cash and money market funds are stated at cost plus accrued interest which approximate fair value. Participant loans are valued at their outstanding balances which approximate fair value.

Investments not traded in active markets are stated at the estimated fair value, computed using pricing models at current rates.

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.

The Master Trust holds derivative financial instruments in order to manage market risks and to alter the return characteristics of underlying securities to match certain fund objectives. Interest rate swap contracts and wrapper contracts with insurance companies are stated at fair value as of the last day of the year and are netted against the fair value of the related

underlying investment. Foreign currency forward contracts and Standard & Poor's 500 Index (S&P 500 Index) options are stated at fair value as of the last day of the year. Realized and unrealized appreciation (depreciation) in the fair value of all derivative financial instruments are currently recognized in income.

Investment transactions are recognized as of their trade dates, and collateral has been obtained and secured against investments whenever deemed necessary. Interest is accrued monthly; dividends are accrued when declared.

Intel Puerto Rico Retirement Savings Plan

Notes to Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INVESTMENT VALUATION AND INCOME RECOGNITION (continued)

Guaranteed investment contracts are entered into with insurance companies. The contracts, which are unallocated in nature, are valued at contract value, which approximates fair value, as reported by the respective insurance companies. Contract value represents 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.

PAYMENT OF BENEFITS

Benefits are recorded when paid.

CONTRIBUTIONS

Participant contributions are accrued by the Plan when the deferrals are made from the participants' salaries.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

RECLASSIFICATION

Certain amounts for 1998 have been reclassified to conform with the 1999 presentation.

RECENT ACCOUNTING PRONOUNCEMENTS

In September 1999, the American Institute of Certified Public Accountants issued Statement of Position 99-3, "Accounting for and Reporting of Certain Defined Contribution Benefit Plan Investments and Other Disclosure Matters (SOP 99-3)." The 1999 financial statements have been prepared in accordance with SOP 99-3.

Intel Puerto Rico Retirement Savings Plan

Notes to Financial Statements (continued)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

RECENT ACCOUNTING PRONOUNCEMENTS (continued)

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133). The Plan anticipates the adoption of FAS 133 no earlier than the year 2001. Management of the Plan is currently evaluating the effects of FAS 133, but because the Plan accounts for all financial instruments at fair value (or amounts that approximate fair value), the Plan's management does not anticipate that the adoption of the new statement will have a significant effect on the recognized investment income or the net assets available for benefits of the Plan.

3. INTEREST IN THE MASTER TRUST

All of the investments of the Plan are held in the Master Trust which consists of the assets of the Plan, the Intel Corporation 401(k) Savings Plan, the Intel Corporation Profit Sharing Retirement Plan, the Intel Corporation Defined Benefit Pension Plan, the Intel Puerto Rico Profit Sharing Retirement Plan, and the Intel Puerto Rico Defined Benefit Pension Plan. Each plan shares in the assets and earnings of the Master Trust in proportion to its respective interests in the Master Trust. Mellon Bank, N.A. holds all investments of the Master Trust. The company's Treasury Department manages all assets of the Master Trust that pertain to company contributions and has discretionary authority for the related purchases and sales of investments, subject to the general investment policies of the Investment Policy Committee of the company.

The value of the Plan's interest in the Master Trust included in the statements of net assets available for benefits represents 0.10% of undivided interests in the net assets of the Master Trust at December 31, 1999 and 1998. Interest, dividends, net appreciation (depreciation) in the fair value of investments, and expenses are allocated to the Plan based upon its pro rata share in the net assets of the Master Trust.

Intel Puerto Rico Retirement Savings Plan

Notes to Financial Statements (continued)

3. INTEREST IN THE MASTER TRUST (continued)

The Master Trust net assets available for benefits consisted of the following at December 31:

	1999	1998
	-----	
	(In Thousands)	
Assets:		
Investments, at fair value:		
Interest bearing cash and money market funds	\$ 131,497	\$ 35,551
Mutual funds	1,234,191	465,785
Debt securities and debt swaps	681,185	1,086,791
Guaranteed investment contracts	5,152	4,891
Intel common stock	774,398	472,033
Other equity securities and equity derivatives	2,410,699	1,922,311
Participant loans receivable	94,650	89,386
	-----	
Total investments	5,331,772	4,076,748
Receivables:		
Interest and dividends receivable	578	19,015
Receivable from brokers for securities sold	12,000	14,758
	-----	
Total assets	5,344,350	4,110,521
Liabilities:		
Payable to brokers for securities purchased	7,017	38,055
	-----	
Net assets available for benefits	\$5,337,333	\$4,072,466
	=====	

Intel Puerto Rico Retirement Savings Plan

Notes to Financial Statements (continued)

3. INTEREST IN THE MASTER TRUST (continued)

The following is a summary of the investment income in the Master Trust for the year ended December 31:

	1999
	-----
	(In Thousands)
Net appreciation in fair value of investments determined by quoted market price:	
Other equity securities and equity derivatives	\$ 493,018
Mutual funds	219,101
Intel common stock	196,181
	-----

	908,300
Net appreciation in fair value of investments estimated by the trustee:	
Debt securities and debt swaps	6,255
Interest and dividends	121,128
	-----
	\$1,035,683
	=====

The Master Trust held investments in interest bearing cash and money market funds, mutual funds, debt securities, wrapper contracts, and guaranteed investment contracts specifically allocated to the Plan at December 31, 1999 and 1998.

Certain Master Trust investments are shares of the company's common stock specifically allocated to the Plan. Transactions in shares of the company's common stock qualify as party-in-interest transactions under the provisions of ERISA. During 1999, the Master Trust made purchases and sales of the company's common stock of approximately \$136,451,000 and \$10,783,000, respectively. The Plan had a 0.22% and 0.21% interest in the company's common stock held by the Master Trust at December 31, 1999 and 1998, respectively.

Intel Puerto Rico Retirement Savings Plan

Notes to Financial Statements (continued)

#### 4. GUARANTEED INVESTMENT CONTRACTS

The Master Trust held guaranteed investment contracts with insurance companies specifically allocated to the Plan 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, 1999, the Master Trust held guaranteed investment contracts in the amount of \$5,152,000 (\$4,891,000 at December 31, 1998) with insurance companies that have S&P 500 Index's ratings of AA or better at the time of purchase. No more than approximately \$3,064,000 (\$2,904,000 in 1998) of the guaranteed investment contracts is with any one insurance company.

#### 5. WRAPPER CONTRACTS

The Master Trust holds wrapper contracts specifically allocated to the Plan 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. Guaranteed investment contracts provide participants with a stable, fixed-rate return of investment and protection of principal from changes in market interest rates. 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, death, or participant-directed transfers in accordance with the terms of the Plan. As of December 31, 1999 and 1998, the Master Trust held wrapper contracts with notional amounts of \$44,974,000 and \$33,832,000 with a fair value of approximately \$1,274,000 and (\$36,000), respectively.

#### 6. CONCENTRATION OF CREDIT RISK

The Plan's exposure to a concentration of credit risk is limited by the diversification of investments across thirteen participant-directed fund elections. Additionally, the investments within each participant-directed fund election are further diversified into varied financial markets. The Plan's exposure to credit risk on the wrapper contracts is limited to the fair value of the contracts with each counterparty.

Intel Puerto Rico Retirement Savings Plan

Notes to Financial Statements (continued)

#### 7. DIFFERENCES BETWEEN FINANCIAL STATEMENTS AND THE FORM 5500

The following is a reconciliation of net assets available for benefits per the statement of net assets available for benefits to the Form 5500 as of December 31:

	1999	1998
	-----	
Net assets available for benefits per the financial statements	\$5,522,823	\$4,205,380
Amounts allocated to withdrawing participants	(184,129)	(10,752)
	-----	
Net assets available for benefits per the Form 5500	\$5,338,694	\$4,194,628
	=====	

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, 1999 but not yet paid as of that date.

The following is a reconciliation of benefits paid to participants per the statement of changes in net assets available for benefits to the Form 5500:

	1999
	-----
Benefits paid to participants per the financial statements	\$1,002,711
Amounts allocated on the Form 5500 to withdrawn participants at December 31, 1999	184,129
Amounts allocated on the Form 5500 to withdrawn participants at December 31, 1998	(10,752)
	-----
Benefits paid to participants per the Form 5500	\$1,176,088
	=====

Intel Puerto Rico Retirement Savings Plan

Notes to Financial Statements (continued)

#### 8. INCOME TAX STATUS

The Plan has received a determination letter from the Internal Revenue Service, dated December 10, 1992, stating that the Plan is qualified under Section 401(a) of the Code, and therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan has also received a determination letter, dated May 11, 1993, from the Puerto Rico Department of the Treasury stating that the Plan meets the requirements for qualification under Puerto Rico income tax laws, and the trust that forms a part of the Plan is exempt from income taxes. The Plan has been amended since receiving the determination letters. However, the plan administrator and the Plan's internal tax counsel believe that the Plan is designed and is currently being operated in compliance with the Code and Puerto Rico income tax law.

#### 9. PLAN TERMINATION

Although it has not expressed any intent to do so, the company has the right under the Plan to amend or terminate the Plan at any time and for any reason. The Plan may be amended by the Board of Directors of the company. No amendment of the Plan shall reduce the benefit of any participant, which accrued under the Plan prior to the date when such amendment is adopted. In the event of a plan termination, participants will remain 100% vested in their accounts.

#### 10. SUBSEQUENT EVENT

On April 1, 2000, the Plan began transferring certain recordkeeping functions from Merrill Lynch/Howard Johnson & Company to Fidelity Employer Services Company, a division of Fidelity Investments Institutional Services Company, Inc. On June 7, 2000, the transfer of the recordkeeping function was completed, and full recordkeeping services were available to participants.

#### 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 PUERTO RICO RETIREMENT SAVINGS PLAN  
(Full Title of the Plan)



Date: June 22, 2000

By: /s/ Andy D. Bryant

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Andy D. Bryant  
Senior Vice President and  
Chief Financial and  
Enterprise Services  
Officer of Intel  
Corporation,  
Plan Administrator

Consent of Ernst & Young LLP, Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-20951) pertaining to the Intel Puerto Rico Retirement Savings Plan of our report dated April 4, 2000, with respect to the financial statements of the Intel Puerto Rico Retirement Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 1999.

/s/ ERNST & YOUNG LLP

San Jose, California  
June 22, 2000