

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, 1998

____ 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 issuer of the securities held pursuant to the Plan)

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

INTEL CORPORATION 401(K) SAVINGS PLAN
Index to Financial Statements and Exhibit

Item

Report of Ernst & Young LLP, Independent Auditors

Statement of Net Assets Available for Benefits With Fund Information
at December 31, 1998 and 1997

Statement of Changes in Net Assets Available for Benefits
With Fund Information for Years Ended December 31, 1998 and 1997

Notes to Financial Statements

Signature

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

Financial Statements
Intel Corporation
401(k) Savings Plan
Years ended December 31, 1998 and 1997
with Report of Independent Auditors

Intel Corporation 401(k) Savings Plan

Financial Statements
Years ended December 31, 1998 and 1997

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Report of Independent Auditors

The Plan 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, 1998 and 1997, and the related statements of changes in net assets available for benefits for the years then ended. 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 generally accepted auditing standards. 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 Corporation 401(k) Savings Plan at December 31, 1998 and 1997, and the changes in its net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles.

The Fund Information in the statements of net assets available for benefits and the statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for plan benefits and changes in net assets available for plan benefits of each fund. The Fund Information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ ERNST & YOUNG LLP

May 14, 1999

Intel Corporation 401(k) Savings Plan

Statement of Net Assets Available for Benefits,
With Fund Information

December 31, 1998

<TABLE>
<CAPTION>

Participant-Directed Fund Information

	Participant-Directed Fund Information							
	Total	Fidelity Insti- tutional Cash Portfolio	Scudder Fixed Income Fund	Fidelity Capital & Income Fund	Fidelity Puritan Fund	Vanguard Insti- tutional Index Fund	Fidelity Growth & Income Portfolio	Fidelity Magellan Fund
	(In Thousands)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS								
Investments in Master Trust, at fair value:								
Interest bearing cash and money market funds	\$ 11,348	\$ -	\$ 4,048	\$ -	\$ -	\$ -	\$ -	\$ -
Shares of registered investment companies	933,857	87,518	-	19,103	28,319	200,295	125,886	96,627
Loan participations and corporate bonds, notes, and certificates	40,720	-	40,720	-	-	-	-	-
Guaranteed investment contracts	4,703	-	4,703	-	-	-	-	-
Equity securities	471,065	-	-	-	-	-	-	-
Participant loans receivable	11,555	-	-	-	-	-	-	-
	1,473,248	87,518	49,471	19,103	28,319	200,295	125,886	96,627

Total liabilities	5	5	4	7	34	326	-	208
Net assets available for benefits	\$94,687	\$67,272	\$62,217	\$115,808	\$36,102	\$472,804	\$11,645	\$11,892

See accompanying notes.

</TABLE>

Intel Corporation 401(k) Savings Plan

Statement of Net Assets Available for Benefits,
With Fund Information

December 31, 1997

<TABLE>
<CAPTION>

Participant-Directed Fund Information

	Total	Fidelity Insti- tutional Cash Portfolio	Scudder Fixed Income Fund	Fidelity Capital & Income Fund	Fidelity Puritan Fund	Vanguard Insti- tutional Index Fund	Fidelity Growth & Income Portfolio	Fidelity Magellan Fund
	(In Thousands)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS								
Investments in Master Trust, at fair value:								
Interest bearing cash and money market funds	\$ 9,156	\$ 14	\$ 5,447	\$ -	\$ -	\$ -	\$ -	\$ -
Shares of registered investment companies	618,745	76,965	-	14,410	17,721	98,196	70,952	61,910
Loan participations and corporate bonds, notes, and certificates	25,903	-	25,903	-	-	-	-	-
Guaranteed investment contracts	4,535	-	4,535	-	-	-	-	-
Equity securities	292,782	-	-	-	-	-	-	-
Participant loans receivable	5,424	-	-	-	-	-	-	-
	956,545	76,979	35,885	14,410	17,721	98,196	70,952	61,910
Employee receivables	32	-	-	-	-	-	-	-
Interest and dividends receivable	228	-	211	-	-	-	-	-
Receivable from broker for securities sold	24	-	-	-	-	-	-	-
Total assets	956,829	76,979	36,096	14,410	17,721	98,196	70,952	61,910
LIABILITIES								
Payable to brokers for securities purchased	2,172	-	-	-	-	-	-	-
Accrued administrative fees	52	-	-	-	-	-	-	-
Total liabilities	2,224	-	-	-	-	-	-	-
Net assets available for benefits	\$ 954,605	\$76,979	\$36,096	\$14,410	\$17,721	\$98,196	\$70,952	\$61,910

See accompanying notes.

</TABLE>

Intel Corporation 401(k) Savings Plan
Statement of Net Assets Available for Benefits,
With Fund Information (continued)

December 31, 1997

<TABLE>
<CAPTION>

Participant-Directed Fund Information

	Fidelity Contrafund Fund	Fidelity Low-Priced Stock Fund	Fidelity Growth Company Fund	Twentieth Century Ultra Fund	American Funds EuroPacific Growth Fund	Intel Stock Fund	Participant Loanms	Other
(In Thousands)								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS								
Investments in Master Trust, at fair value:								
Interest bearing cash and money market funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,574	\$ 76	\$ 45
Shares of registered investment companies	65,834	62,568	47,817	73,420	28,952	-	-	-
Loan participations and corporate bonds, notes, and certificates	-	-	-	-	-	-	-	-
Guaranteed investment contracts	-	-	-	-	-	-	-	-
Equity securities	-	-	-	-	-	292,782	-	-
Participant loans receivable	-	-	-	-	-	-	5,424	-
	65,834	62,568	47,817	73,420	28,952	296,356	5,500	45
Employee receivables	-	-	-	-	-	-	-	32
Interest and dividends receivable	-	-	-	-	-	13	-	4
Receivable from broker for securities sold	-	-	-	-	-	24	-	-
Total assets	65,834	62,568	47,817	73,420	28,952	296,393	5,500	81
LIABILITIES								
Payable to brokers for securities purchased	-	-	-	-	-	2,172	-	-
Accrued administrative fees	-	-	-	-	-	-	-	52
Total liabilities	-	-	-	-	-	2,172	-	52
Net assets available for benefits	\$ 65,834	\$ 62,568	\$ 47,817	\$ 73,420	\$ 28,952	\$ 294,221	\$ 5,500	\$ 29

See accompanying notes.

</TABLE>

Intel Corporation 401(k) Savings Plan
Statement of Changes in Net Assets Available
for Benefits, With Fund Information

Year Ended December 31, 1998

<TABLE>

<CAPTION>

Participant-Directed Fund Information

	Total	Fidelity Insti- tutional Cash Portfolio	Scudder Fixed Income Fund	Fidelity Capital & Income Fund	Fidelity Puritan Fund	Vanguard Insti- tutional Index Fund	Fidelity Growth & Income Portfolio	Fidelity Magellan Fund
(In Thousands)								
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Additions to net assets attributed to:								
Investment income from Master Trust:								
Net realized and unrealized appreciation (depreciation) in fair value of interest	\$ 312,521	\$ -	\$ 235	\$(1,506)	\$ 1,020	\$ 34,864	\$ 18,971	\$ 19,087
Interest and dividends	38,812	4,620	2,398	1,824	2,178	1,276	4,358	4,239
Transfer of assets from Digital Equipment Corporation Savings and Investment Plan and Chips and Technologies, Incorporated 401 (k) Plan	53,206	37,222	-	-	-	-	-	-
Employee contributions	169,921	-	-	-	-	-	-	-
Total additions	574,460	41,842	2,633	318	3,198	36,140	23,329	23,326
Deductions from net assets attributed to:								
Benefits paid to participants and participant withdrawals	51,059	113	1,157	-	-	-	-	-
Administrative fees	271	-	-	1	-	-	-	-
Total deductions	51,330	113	1,157	1	-	-	-	-
Net transfers between funds	-	(31,195)	12,156	4,375	7,398	63,814	31,597	11,384
Net increase	523,130	10,534	13,632	4,692	10,596	99,954	54,926	34,710
Net assets available for benefits:								
Beginning of year	954,605	76,979	36,096	14,410	17,721	98,196	70,952	61,910
End of year	\$1,477,735	\$87,513	\$49,728	\$19,102	\$28,317	\$198,150	\$125,878	\$96,620

See accompanying notes.

</TABLE>

Intel Corporation 401(k) Savings Plan

Statement of Changes in Net Assets Available for Benefits,
With Fund Information (continued)

Year Ended December 31, 1998

<TABLE>
<CAPTION>

Participant-Directed Fund Information

	Fidelity Low-Priced Stock Fund	Fidelity Growth Company Fund	Twentieth Century Ultra Fund	American Funds EuroPacific Growth Fund	Intel Stock Fund	Participant Loans Other
Fidelity Contrafund						

assets attributed to:								
Benefits paid to participants and participant withdrawals	(1)	-	(1)	-	-	2,320	-	26,732
Administrative fees	-	-	-	-	-	-	-	94
Total deductions	(1)	-	(1)	-	-	2,320	-	26,826
Transfer of assets (to) from the Intel Corporation Defined Benefit Plan	-	-	-	-	-	(25)	-	-
Net transfers between funds	3,899	12,859	(2,177)	(3,976)	5,355	93,914	41	(121,210)
Net increase(decrease)	15,964	24,829	5,316	9,329	7,393	95,043	165	(3,250)
Net assets available for benefits:								
Beginning of year	49,870	37,739	42,501	64,091	21,559	199,178	5,335	3,279
End of year	\$65,834	\$62,568	\$47,817	\$73,420	\$28,952	\$294,221	\$5,500	\$ 29

See accompanying notes.

</TABLE>

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

December 31, 1998

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 domestic employees of Intel Corporation (the Company). Employees are eligible to participate in the Plan, effective the first day of the calendar quarter following thirty days of service. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

CREATION OF THE PLAN

The Intel Corporation Profit Sharing Retirement Plan (the Predecessor Plan), authorizing discretionary employer contributions, has historically included a cash or deferred arrangement under Section 401(k) of the Internal Revenue Code (the Code). Effective January 1, 1996, the Predecessor Plan was divided into two components for purposes of ERISA: the Intel Corporation 401(k) Savings Plan and the Intel Corporation Profit Sharing Retirement Plan. The Intel Corporation 401(k) Savings Plan consists of participants' deferred accounts, employee accounts, PAYSOP accounts, and rollover accounts. The basic and discretionary Intel Corporation contribution accounts remain in the Intel Corporation Profit Sharing Retirement Plan.

TRUSTEE

Mellon Bank N.A. (the Trustee) is the Plan's trustee.

CONTRIBUTIONS AND PARTICIPANT ACCOUNTS

Company Contributions

- Prior to 1987, the Company contributed shares of its common stock (PAYSOP contributions) based on a percentage of each participant's qualified compensation as defined in the Predecessor Plan. Participants may not transfer funds from the PAYSOP account to other investment options. Effective January 1, 1987, the PAYSOP program was amended so that no further contributions would be made.

1. DESCRIPTION OF THE PLAN (continued)

CONTRIBUTIONS AND PARTICIPANT ACCOUNTS (continued)

PAYSOP contributions are held in a separate fund by the Trustee. For financial statement purposes, this fund has been combined with the Intel Stock Fund. The value of the PAYSOP shares in the Intel Stock Fund as of December 31, 1998 is approximately \$100,518,000 (approximately \$65,003,000 for 1997). For the year ended December 31, 1998, PAYSOP investment income was \$39,491,000 (\$3,381,000 for 1997) and benefits paid were \$158,000 (\$1,827,000 for 1997).

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 \$10,000 in 1998 and \$9,500 in 1997). 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 change their investment elections on a monthly basis.

Participant contributions and the allocation of Company contributions and forfeitures to each participant in total for the Plan and the Intel Corporation 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.

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

1. DESCRIPTION OF THE PLAN (continued)

TRANSFER OF PLAN ASSETS

In May 1998, the Company purchased the semiconductor operations of Digital Equipment Corporation (Digital). At the time of purchase, Digital maintained the Digital Equipment Corporation Savings and Investment Plan (the Digital Plan), a defined contribution plan that provided for employee deferrals and employer matching contributions. The participants in the Digital Plan who became employees of the Company became eligible to participate in the Plan subsequent to the purchase by the Company. The Digital Plan assets of those participants who became employees of the Company were transferred to the Plan in September 1998.

In January 1998, the Company acquired the outstanding shares of Chips and Technologies, Inc. (C&T). At the time of purchase, C&T maintained the Chips and Technologies, Inc. 401(k) Plan (the C&T Plan), a defined contribution plan that provided for employee deferrals and employer matching contributions. The participants in the C&T Plan who became employees of the Company became eligible to participate in the Plan subsequent to the acquisition by the Company. The C&T Plan assets were transferred to the Plan in September 1998.

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. In the event of financial hardship or death, the benefits are usually paid in a single lump sum.

Notes to Financial Statements
(continued)

1. DESCRIPTION OF THE PLAN (continued)

PARTICIPANT LOANS

All participants are permitted to obtain loans of up to 50% of their combined vested account balances in the Plan and the Intel Corporation Profit Sharing Retirement Plan up to a maximum of \$50,000. The loan provisions are established and administered by the Company's Sheltered Employee Retirement Plan (SERP) Administration Department. Loan accounts are maintained in a separate account by the Trustee.

The amounts borrowed by the participants are first withdrawn from the vested value of the Intel Corporation Profit Sharing Retirement Plan accounts until these funds are exhausted and then withdrawn from the accounts of the Plan. Repayments of loans are transferred to the participants' accounts in the Plan and Intel Corporation Profit Sharing Retirement Plan in the ratio in which such accounts provided funding for the loan.

Loan activity for 1998 included approximately \$7,473,000 of loans made to and \$1,960,000 of repayments from the Plan's participants (\$4,188,000 and \$4,147,000 for 1997).

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.

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 4) are stated at the Plan's proportionate share of participation in the Master Trust, based upon the fair market value of Master Trust investments held at year end.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

INVESTMENT VALUATION AND INCOME RECOGNITION (continued)

Investments in interest bearing cash, money market funds, shares of registered investment companies, loan participations, corporate bonds, notes, certificates, and participant loans receivable 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. The shares of registered investment companies are valued at quoted market prices that represent the net asset values of shares held by the Plan at year end. Interest bearing cash and money market funds are stated at cost plus accrued interest which approximate fair value. Participant loans receivable are valued at their outstanding balances which approximate fair value.

Investments not traded in an active market are stated at 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 market value of investments held by the Plan, which is the difference between the fair value of investments at the beginning and the end of the year.

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 (see Note 5). Wrapper contracts with insurance companies are stated at fair market value as of the last day of the year and are netted against the fair value of the related underlying investment.

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.

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 to the Plan 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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

RECENT ACCOUNTING PRONOUNCEMENTS

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 adoption of FAS 133 no earlier than the year 2000. 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.

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

3. INVESTMENTS

INVESTMENT OPTIONS

During 1998, participants had the option to direct the investment of their voluntary contributions to the Plan in increments of 10% among the following investment funds:

Fidelity Institutional Cash Portfolio

- ----- - This mutual fund invests in high-quality, short-term money market securities of U.S. and foreign issuers. The objective of the fund is to preserve the participant's investment, maintain a stable price, and provide current income.

Scudder Fixed Income Fund

- ----- - The objective of this fund is to provide participants with a stable fixed-rate return of investment and protection of principal from changes in market interest rates. This fund invests in guaranteed investment contracts with insurance companies and approved financial institutions and other debt instruments with similar characteristics.

Fidelity Capital and Income Fund

- ----- - This mutual fund invests primarily in higher yielding, lower quality debt securities.

Fidelity Puritan Fund

- ----- - This mutual fund invests in securities of U.S. and foreign issuers, including those in emerging markets. The securities include bonds of any quality, common stocks, and preferred stocks.

Vanguard Institutional Index Fund

- ----- - This mutual fund seeks to replicate the overall market performance as measured by the Standard & Poor's 500 Index (S&P 500 Index). This fund holds the same 500 stocks that are included in the S&P 500 Index.

Fidelity Growth and Income Portfolio

- ----- - This mutual fund invests primarily in U.S. and foreign stocks, focusing on those that pay current dividends.

Fidelity Magellan Fund

- ----- - This mutual fund invests primarily in common stocks of small, medium, and large foreign and U.S. companies. Investments are broadly diversified across many different types and sizes of companies and industries.

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

3. INVESTMENTS (continued)

INVESTMENT OPTIONS (continued)

Fidelity Contrafund

- ----- - The objective of this mutual fund is to increase the value of the participant's investment by investing in common stocks that are currently out of public favor.

Fidelity Low-Priced Stock Fund

- ----- - This mutual fund invests primarily in undervalued stocks of smaller, less well-known companies that have potential for significant growth or stocks of companies that are out of favor with other investors.

Fidelity Growth Company Fund

- ----- - This mutual fund invests primarily in stocks of companies with earnings or revenues that indicate the potential for above-average growth.

Twentieth Century Ultra Fund

- ----- - This mutual fund invests primarily in common stocks of small- and mid-size companies whose earnings and revenues are accelerating. Investments are broadly diversified across many different types and sizes of companies and industries.

American Funds EuroPacific Growth Fund

- ----- - This mutual fund invests primarily in stocks of companies whose principal business activities are outside the U.S. Usually, at least 65% of the fund's total assets will be invested in securities of issuers from Europe or the Pacific Basin. The fund can invest in many types of companies, ranging from large multinational corporations located in major world markets to smaller companies located in emerging markets.

Intel Stock Fund

- ----- - This fund provides participants the option to have their voluntary 401(k) contributions invested solely in Intel Corporation common stock. Transactions within this fund qualify as party-in-interest transactions.

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

3. INVESTMENTS (continued)

GUARANTEED INVESTMENT CONTRACTS

The Master Trust held guaranteed investment contracts with insurance companies 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, 1998, the Master Trust held guaranteed investment contracts in the amount of \$4,891,000 with insurance companies that have Standard & Poor's ratings of AA or better at the time of purchase. No more than approximately \$2,904,000 of the guaranteed investment contracts is with any one insurance company.

4. 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 Profit Sharing Retirement Plan, the Intel Corporation Defined Benefit Pension Plan, the Intel Puerto Rico Profit Sharing Retirement Plan, the Intel Puerto Rico Retirement Savings 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. The Trustee holds all investments of the Master Trust. Assets within mutual funds are managed by the respective mutual

fund managers. Scudder, Stevens & Clark 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 Plan.

The following is a summary of the assets and liabilities of the Master Trust and the interest of the Plan in the Master Trust as of December 31 (in thousands, except percentages):

	1998	1997
Total assets	\$3,983,080	\$2,797,183
Total liabilities	\$ 38,055	\$ 2,178
Increase in net trust assets for the year ended	\$1,150,020	\$ 826,673
The Plan's ownership percentage	36.93%	33.89%

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

5. WRAPPER CONTRACTS

The Master Trust holds 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. 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, 1998 and 1997, the Master Trust held wrapper contracts with a notional amount of \$33,832,000 and \$26,444,000 with a fair value of approximately (\$36,000) and (\$113,000), 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 in the Scudder Fixed Income Fund is limited to the fair value of the contracts with each counterparty.

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 (in thousands):

	1998	1997
Net assets available for benefits per the financial statements	\$ 1,477,735	\$ 954,605
Amounts allocated to withdrawing participants	(7,089)	(2,981)
Net assets available for benefits per the Form 5500	\$ 1,470,646	\$ 951,624

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

7. DIFFERENCES BETWEEN FINANCIAL STATEMENTS AND THE FORM 5500 (continued)

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, 1998 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 (in thousands):

	1998	1997
<S>	<C>	<C>
Benefits paid to participants per the financial statements	\$51,059	\$29,025
Amounts allocated on the Form 5500 to withdrawn participants at December 31, 1998	7,089	-
Amounts allocated on the Form 5500 to withdrawn participants at December 31, 1997	(2,981)	2,981
Amounts allocated on the Form 5500 to withdrawn participants at December 31, 1996	-	(2,748)
Benefits paid to participants per the Form 5500	\$55,167	\$29,258

8. INCOME TAX STATUS

The Internal Revenue Service has informed the Company by a letter, dated September 6, 1994, that the Intel Corporation Profit Sharing Retirement Plan (the Predecessor Plan) is qualified and the trust established under the Predecessor Plan is tax exempt under the appropriate sections of the Code. The Predecessor Plan has been amended to segregate the 401(k) Savings component to a separate plan since receiving the determination letter. However, the plan administrator and its internal tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code.

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

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. YEAR 2000 COMPLIANCE (UNAUDITED)

The Company has developed a plan to modify its internal information technology to be ready for the year 2000 and has begun converting critical data processing systems. The Company plans to have internal applications relevant to the Plan year 2000 capable by mid-1999. The Company's plan also includes determining whether third-party service providers have reasonable plans in place to become year 2000 capable. The Company has been informed that the administrator and the Trustee of the Plan expect implementation and testing of action plans to be complete prior to July 31, 1999. The Company has also been informed that the investment managers expect implementation and testing of action plans to be complete prior to September 30, 1999. The Company does not expect the year 2000 projects discussed above to have a significant effect on Plan operations.

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 25, 1999

By: /s/ Andy D. Bryant

Andy D. Bryant
Senior Vice President and
Chief Financial 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. 33-63489) pertaining to the Intel Corporation 401(k) Savings Plan and the Intel Corporation Sheltered Employee Retirement Plan Plus of our report dated May 14, 1999, with respect to the financial statements of the Intel Corporation 401(k) Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 1998.

/s/ ERNST & YOUNG LLP

San Jose, California
June 25, 1999