
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 11-K

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

For the fiscal year ended: December 31, 2003

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, 95052-8119**
(Address of principal executive office of the issuer)

INTEL CORPORATION 401(k) SAVINGS PLAN
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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, 2003 and 2002, and the related statement of changes in net assets available for benefits for the year ended December 31, 2003. 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 auditing 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. 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 Plan at December 31, 2003 and 2002, and the changes in its net assets available for benefits for the year ended December 31, 2003, 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, 2003, 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. The 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
May 7, 2004

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

	December 31,	
	2003	2002
Assets		
Value of interest in the Stable Value Fund	\$ 84,945,938	\$ 76,230,697
Investments	2,490,075,187	1,583,906,513
Receivables:		
Interest and dividends receivable	3,108	18,040
Receivable from brokers for securities sold	840,189	506,037
Employee contributions receivable	9,482,421	6,090,803
Total receivables	10,325,718	6,614,880
Total assets	2,585,346,843	1,666,752,090
Liabilities		
Accrued administrative fees	68,100	71,355
Payable to brokers for securities purchased	1,677,368	561,002
Total liabilities	1,745,468	632,357
Net assets available for benefits	\$ 2,583,601,375	\$ 1,666,119,733

See accompanying notes.

Intel Corporation 401(k) Savings Plan
Statement of Changes in Net Assets Available for Benefits
Year ended December 31, 2003

Additions	
Employee contributions	\$ 265,693,877
Investment income:	
Interest and dividend income	23,633,597
Net investment gain from participation in Stable Value Fund	2,977,519
Net realized and unrealized appreciation in fair value of investments	718,550,225
Total investment income	745,161,341
Total additions	1,010,855,218
Deductions	
Benefits paid to participants and participant withdrawals	93,658,363
Administrative fees	647,990
Total deductions	94,306,353
Transfers (to)/from other plans, net	932,777
Net increase	917,481,642
Net assets available for benefits:	
Beginning of year	1,666,119,733
End of year	\$ 2,583,601,375

See accompanying notes.

1. Description of the Plan

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

General

The Plan is a defined contribution plan covering all eligible U.S. employees of Intel Corporation (the company). Eligible employees may participate in the Plan any time on or after their date of hire.

The Plan 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 Intel Corporation Master Trust (the Master Trust).

Administration of the Plan

The company has 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. The company is the named fiduciary and administrator of the Plan, as well as the plan sponsor, as defined by ERISA. The company has contracted with Fidelity Investments Institutional Operations Company to provide recordkeeping services with respect to the Plan.

Plan Mergers

During 2003, the Ziotech Corporation 401(k) Plan was merged into the Plan resulting in transfers into the Plan of \$962,223 in net assets.

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. Effective August 15, 2003, 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. Participants may elect to invest in seventeen different investment options, and may change their investment elections daily.

Participant Accounts

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

- Biweekly or semi-monthly 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 investment options in the Plan, as well as the related earnings from such contributions.

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. 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 \$34,966 for the year ended December 31, 2003.

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 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 Corporation Profit Sharing Plan. Repayments of loans are transferred to the participants' Plan and Intel Corporation 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.

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

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 (Intel Profit Sharing Plan), the Intel Corporation Defined Benefit Pension Plan (Intel Pension Plan), the Intel Puerto Rico Profit Sharing Retirement Plan (Puerto Rico Profit Sharing Plan), the Intel Puerto Rico Retirement Savings Plan (Puerto Rico Savings Plan), and the Intel Puerto Rico Defined Benefit Pension Plan (Puerto Rico 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 interest bearing cash, money market funds, 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. Interest bearing cash and money market funds are stated at cost plus accrued interest, which approximates fair value. 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.

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.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

The Stable Value Fund may hold 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.

Effective April 4, 2003, Standish Mellon Asset Management had 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. Prior to that, Deutsche Asset Management had discretionary authority for the purchase and sale of investments in the Deutsche Asset Management Stable Value Fund.

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

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 0%.

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.

Reclassification

Certain amounts in the 2002 financial statements and accompanying footnotes have been reclassified to conform to the 2003 presentation. Investments and the related receivables and liabilities that are specifically attributable to the Plan are presented separately from the master trust investment accounts. The portion of the Plan's net assets that are invested in a pool of assets collectively owned by the Plan and other plans maintained by the company continue to be reported on the statement of net assets available for benefits as an interest in a master trust investment account, and the underlying investments, receivables, and payables are disclosed in the accompanying footnotes (*see Note 3*).

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

3. Master Trust Investment Account

The value of the Plan's interest in the Stable Value Fund included in the statements of net assets available for benefits represents 94.4% of the net assets available for benefits of the Stable Value Fund at December 31, 2003, and 93.5% at December 31, 2002. The Stable Value Fund's net assets available for benefits consisted of the following at:

	December 31,	
	2003	2002
Assets		
Investments:		
Common collective trusts	\$ 8,942,806	\$ 3,389,912
Debt securities	69,772,943	75,591,115
Guaranteed investment contracts	10,979,874	2,349,183
Total investments	89,695,623	81,330,210
Receivables:		
Receivables from brokers for securities sold	20,881	—
Interest and dividends receivable	268,572	190,591
Total receivables	289,453	190,591
Net assets available for benefits	\$ 89,985,076	\$ 81,520,801

The net investment gain in the Stable Value Fund for the year ended December 31, 2003, was comprised of interest and dividends in the amount of \$3,162,755.

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:

	December 31,	
	2003	2002
Mutual funds:		
Vanguard Institutional Index Fund	\$ 236,602,025	\$ 170,391,059
Fidelity Low-Priced Stock Fund	206,525,854	127,729,045
Fidelity Growth Company Fund	170,353,604	107,540,240
Fidelity Magellan Fund	150,950,404	111,558,039
Fidelity Contrafund	136,563,783	98,319,515
Fidelity Growth & Income Portfolio	133,066,551	105,031,404
American Century Ultra Fund	130,169,621	100,689,484
Fidelity Institutional Cash Portfolio	*	127,034,558
Common stock:		
Intel Corporation	815,832,628	377,365,667

* Fair value did not exceed 5% of the Plan's net assets.

During 2003, the Plan's investments (including investments purchased, sold as well as held during the year) appreciated in fair value as follows:

	Year ended December 31, 2003
Net realized and unrealized appreciation in fair value of investments determined by quoted market price:	
Mutual funds	\$ 305,171,255
Intel common stock	413,378,970
Net realized and unrealized appreciation in fair value of investments	\$ 718,550,225

5. Party-In-Interest Transactions

Certain Plan 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 2003, the Plan made purchases of the company's common stock of \$62,392,715 and sales of \$28,410,141.

6. Guaranteed Investment Contracts

The Stable Value Fund may hold 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, 2003, the Stable Value Fund held guaranteed investment contracts in the amount of \$10,979,874 (\$2,349,183 at December 31, 2002) with insurance companies that have S&P ratings of AA- or better at the time of purchase. No more than \$3,053,680 of the guaranteed investment contracts were with any one insurance company at December 31, 2003. The Stable Value Fund held guaranteed investment contracts with only one insurance company at December 31, 2002. The crediting interest rates on the guaranteed investment contracts ranged from 2.85% to 3.70% at December 31, 2003. The crediting interest rate on the one guaranteed investment contract held on December 31, 2002 was 1.49%. The average yield earned on the guaranteed investment contracts was 3.28% in 2003 (1.83% in 2002).

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, 2003, the Stable Value Fund held wrapper contracts with a negative fair value of \$618,494 (negative fair value of \$1,323,329 as of December 31, 2002). At December 31, 2003, the crediting interest rates on the wrapper contracts ranged from 2.96% to 5.04% (3.46% to 6.35% at December 31, 2002). The average yield earned on the wrapper contracts was 3.72% in 2003 (5.20% in 2002).

8. Concentration of Credit Risk

The Plan's exposure to a concentration of credit risk is limited by the diversification of investments across seventeen participant-directed fund elections. Additionally, the investments within each participant-directed fund election are further diversified into varied financial instruments, with the exception of the Intel Stock Fund, which 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 April 16, 2002, stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. Subsequent to this issuance of the determination letter, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan sponsor has indicated that it will take the necessary steps to maintain the Plan's qualified status.

10. Plan Termination

The company has the right under the Plan to amend and terminate the Plan at any time for any reason. The Board of Directors of the company has delegated to the Plan Administrative Committee the authority to amend the Plan where such amendments do not significantly change the design of the Plan, or where such amendments are designed to bring the Plan into compliance with applicable laws. No amendment of the Plan shall reduce the benefit of any participant, which accrued under the Plan to the date when such amendment is adopted. In the event of a plan termination, participants will remain 100% vested in their accounts.

Supplemental Schedule

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, 2003

(a)	(b) Identity of issue, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value	(e) Current value
	Mutual funds:		
*	Fidelity Institutional Cash Portfolio	124,004,462 shares	\$ 124,004,462
*	Fidelity Capital & Income Fund	5,358,428 shares	43,188,926
*	Fidelity Puritan Fund	3,067,345 shares	56,653,855
	Vanguard Institutional Index Fund	2,324,642 shares	236,602,025
*	Fidelity Growth & Income Portfolio	3,734,677 shares	133,066,551
*	Fidelity Magellan Fund	1,544,408 shares	150,950,404
*	Fidelity Contrafund	2,767,250 shares	136,563,783
*	Fidelity Low-Priced Stock Fund	5,904,112 shares	206,525,854
*	Fidelity Growth Company Fund	3,402,309 shares	170,353,604
	American Century Ultra Fund	4,884,414 shares	130,169,621
	American Funds EuroPacific Growth Fund	3,504,373 shares	105,867,105
	PIMCO Total Return Fund	6,460,955 shares	69,196,823
	Vanguard Midcap Institutional Index Fund	1,150,427 shares	15,139,614
	Total mutual funds		1,578,282,627
	Common collective trusts:		
	NASDAQ 100 Index Fund	3,892,067 units	22,690,753
	Barclays Russell 1000 Fund	2,604,392 units	29,820,284
*	Pooled Employee Funds Daily Liquidity Fund	14,025 units	14,025
	Total common collective trusts		52,525,062
	Common stock:		
*	Intel Corporation	25,454,996 shares	815,832,628
*	Participant loans	Interest at 5.75% – 11.50%, maturing through 2030	43,434,870
	Total investments		\$ 2,490,075,187

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

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

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 9, 2004

By: /s/ Andy D. Bryant

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

Consent of Ernst & Young, LLP, Independent Registered Public Accounting Firm

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 7, 2004, with respect to the financial statements and schedule of the Intel Corporation 401(k) Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2003.

/s/ Ernst & Young, LLP

San Jose, California
June 8, 2004