

Intel Corp

S&P Capital IQ Recommendation



S&P Capital IQ Equity Analyst A. Zino-CFA

Price
\$31.46 (as of Apr 15, 2016 4:00 PM ET)

12-Mo. Target Price
\$39.00

Report Currency
USD

Investment Style
Large-Cap Growth

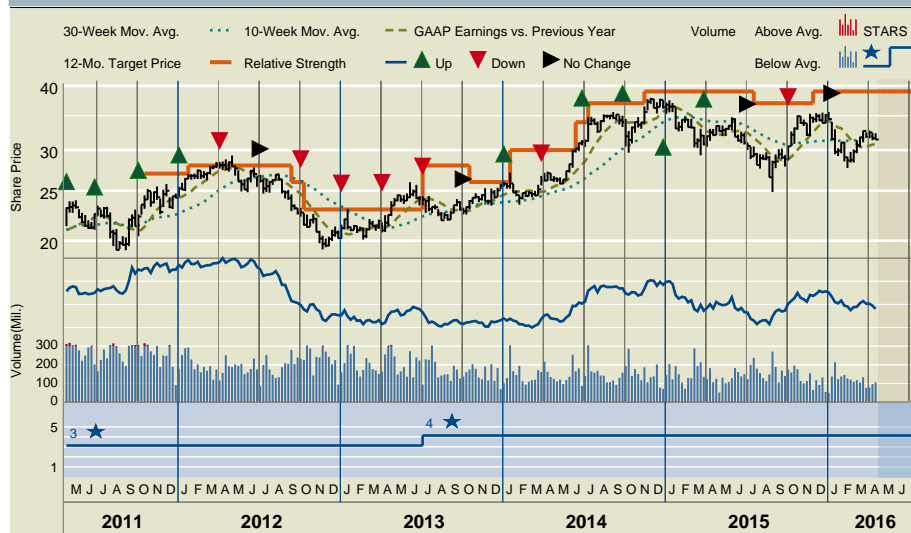
GICS Sector Information Technology
Sub-Industry Semiconductors

Summary This company is the world's largest manufacturer of microprocessors, the central processing units of PCs and also produces other semiconductor products.

Key Stock Statistics (Source S&P Capital IQ, Vickers, company reports)

52-Wk Range	\$35.59–24.87	S&P Oper. EPS 2016E	2.33	Market Capitalization(B)	\$157.174	Beta	0.97
Trailing 12-Month EPS	\$2.33	S&P Oper. EPS 2017E	2.62	Yield (%)	3.31	S&P 3-Yr. Proj. EPS CAGR(%)	6
Trailing 12-Month P/E	13.5	P/E on S&P Oper. EPS 2016E	13.5	Dividend Rate/Share	\$1.04	S&P Quality Ranking	B+
\$10K Invested 5 Yrs Ago	\$18,860	Common Shares Outstg. (M)	4,996.0	Institutional Ownership (%)	63		

Price Performance



Past performance is not an indication of future performance and should not be relied upon as such.

Analysis prepared by Equity Analyst **A. Zino-CFA** on Apr 12, 2016 11:41 AM, when the stock traded at **\$31.84**.

Highlights

- We see revenues increasing 8.7% in 2016 and 4.4% in 2017, after a 0.9% decline in 2015. We estimate that the Client Computing Group, which represents nearly 60% of revenue, will stabilize in 2016 after witnessing a high-single digit, year-over-year decline in 2015. We see healthy growth for INTC's Data Center Group, driven by higher cloud investments by the enterprise space. We see a no-growth environment for PCs long term, but server growth, expansion into mobility/wearables and growth in the "Internet of Things" will help drive revenues higher. We forecast further memory growth in 2016, as INTC ramps its new 3D XPoint technology.
- We see gross margins of 62% to 63% through 2017, which compares to the 62% margin posted in 2015. We see higher volume, but also higher start-up costs from the ramp-up of new process technologies. We positively view recent trends in average selling prices, reflecting better mix from new product launches. We think INTC is executing well on mobile cost reductions.
- We forecast operating EPS of \$2.33 for 2016 and \$2.62 for 2017.

Investment Rationale/Risk

- Our Buy recommendation reflects attractive valuation and belief that fundamentals will improve through 2017, despite periods of lumpiness. We see an aging PC landscape, market share gains and new innovative devices supporting PC sales, while higher cloud investments drive Data Center growth in the coming years. We see significant opportunities within the Internet of Things, and think INTC is likely to grow cash flows to enable it to continue to raise its dividend and repurchase shares. We positively view further diversification away from PCs, as we see two-third of profits in 2016 coming from non-PC markets (about 40% of revenue).
- Risks to our opinion and target price include slowing growth in emerging markets, an inventory correction, faster price erosion due to product mix and greater competition from Advanced Micro Devices (AMD 2, Hold) and lack of traction in mobile.
- Our 12-month target price of \$39 is based on a multiple of about 14.8X our 2017 EPS estimate of \$2.62, which reflects INTC's relative growth, risk and return as being similar to that of other comparable peers.

Analyst's Risk Assessment

LOW	MEDIUM	HIGH
------------	---------------	-------------

Our risk assessment reflects Intel's exposure to the sales cycles of the semiconductor industry and demand trends for personal computers, offset by its large size, long corporate history and its low debt levels compared to peers.

Revenue/Earnings Data

Revenue (Million U.S. \$)

	1Q	2Q	3Q	4Q	Year
2015	12,781	13,195	14,465	14,914	55,355
2014	12,764	13,831	14,554	14,721	55,870
2013	12,580	12,811	13,483	13,834	52,708
2012	12,906	13,501	13,457	13,477	53,341
2011	12,847	13,032	14,233	13,887	53,999
2010	10,299	10,765	11,102	11,457	43,623

Earnings Per Share (U.S. \$)

2015	0.41	0.55	0.64	0.74	2.33
2014	0.38	0.55	0.66	0.74	2.31
2013	0.40	0.39	0.58	0.51	1.89
2012	0.53	0.54	0.58	0.48	2.13
2011	0.56	0.54	0.65	0.64	2.39
2010	0.43	0.51	0.52	0.56	2.01

Fiscal year ended Dec. 31. Next earnings report expected: NA. EPS Estimates based on S&P Capital IQ Operating Earnings; historical GAAP earnings are as reported in Company reports.

Dividend Data

Amount (\$)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.240	Jul 23	Aug 5	Aug 7	Sep 1 '15
0.240	Sep 11	Nov 4	Nov 7	Dec 1 '15
0.260	Jan 22	Feb 3	Feb 7	Mar 1 '16
0.260	Mar 17	May 4	May 7	Jun 1 '16

Dividends have been paid since 1992. Source: Company reports.

Past performance is not an indication of future performance and should not be relied upon as such.

Please read the Required Disclosures and Analyst Certification on the last page of this report.

Redistribution or reproduction is prohibited without written permission. This document is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person who may receive this report. Investors should seek independent financial advice regarding the suitability and/or appropriateness of making an investment or implementing the investment strategies discussed in this document and should understand that statements regarding future prospects may not be realized. Investors should note that income from such investments, if any, may fluctuate and that the value of such investments may rise or fall. Accordingly, investors may receive back less than they originally invested. Investors should seek advice concerning any impact this investment may have on their personal tax position from their own tax advisor. Please note the publication date of this document. It may contain specific information that is no longer current and should not be used to make an investment decision. Unless otherwise indicated, there is no intention to update this document.

Intel Corp**Business Summary** April 12, 2016

CORPORATE OVERVIEW. Intel is the world's largest chipmaker based on revenue and unit shipments, and is well known for its dominant market share in microprocessors for personal computers. The microprocessor is the central processing unit of the computer system, and acts like "the brain" of the computer. The company also sells chipsets, which it refers to as "the nervous system" in a PC or computing device, sending data between the microprocessor and input, display and storage devices.

Through 2014, Intel reported its businesses in the following operating segments: PC Client Group, Data Center Group, Internet of Things Group, Mobile and Communications Group, Software and Services and other. In the first quarter of 2015, Intel combined its PC Client Group and Mobile and Communications Group into a new segment called Client Computing Group.

The Client Computing Group (58% of 2015 sales) makes microprocessors and related chipsets for the notebook, netbook and desktop segments. Also, it includes motherboards designed for desktop and wireless connectivity products. This segment also concentrates on delivering platforms designed for the tablet and smartphone market segments, and mobile communications components such as baseband processors, radio frequency transceivers and global navigation satellite systems, among other things.

The Data Center Group (29%) makes products, including microprocessors, chipsets, motherboards and wired connectivity devices that are used in servers, storage, workstations and other applications that are used in the data center and for cloud computing.

The Internet of Things Group represented 4.2% of sales in 2015. This segment focuses on delivering platforms designed for embedded market segments including retail, transportation, industrial and buildings and home, along with a broad range of other market segments.

The Software and Services operating segments were 3.9% of sales, while all other operating segments represented about 4.9% of revenue in 2015. We note that the completed acquisition of Altera in late December 2015 will result in a new Intel business unit called the Programmable Solutions Group (PSG) and complements its products in the high-growth data center and Internet of Things markets.

MARKET PROFILE. The microprocessor market accounts for about 20% of the total semiconductor industry's revenues, and is dominated by two companies: Intel and Advanced Micro Devices (AMD). The two competitors have battled for preeminence in the segment for decades. Several years ago, as AMD improved its product line and cut prices, Intel lost market share and, in 2006, experienced notable earnings decreases. Later that year, Intel started to turn the tide by improving its product development, manufacturing and cost structure. Regaining market share, Intel now ships over 85% of the world's microprocessors, and is still the clear leader in this space. It has accomplished this by extending its leadership in key technologies that have provided competitive advantages. Manufacturing technology enables it to produce chips with more transistors at a lower cost.

Intel's powerful chips have done well in devices connected to a power source by a cord, such as PCs, but it has not had the same success in mobile devices powered by a battery. As mobile handset and tablet computers become more feature-rich, the need for more powerful processing grows in importance. Semiconductor companies have been developing application processors (a chip in mobile devices with functions that are comparable to microprocessors) that reach speeds of over 1 Gigahertz (GHz). Although Intel's ATOM processor, which boasts speeds of over 1.8 GHz, is starting to compete against application processors in the smartphone and mobile device segments, its offerings have not been as competitive when it comes to power consumption, an important factor for gadgets that depend on a long battery life.

IMPACT OF MAJOR DEVELOPMENTS. On December 28, 2015, INTC completed its acquisition of Altera for \$54 per share, or \$16.7 billion in cash. We believe Altera presents greater opportunities within the attractive Data Center arena and believe INTC will enhance Altera's products through their existing manufacturing relationship (Altera a foundry customer). While INTC will need to leverage its balance sheet, we think its substantial cash position and cash flow generation still gives its ample financial flexibility. We like ALTR's diversified end-market exposure. INTC expects the deal to be accretive to EPS/free cash flow in the first year, and is expected to close within six to nine months.

FINANCIAL TRENDS. Intel's revenues are cyclical, but less variable than the broader industry's because of its competitive position, a fairly stable computing end-market and the relative size of its revenues. Annual gross margins have been in the mid-50% to mid-60% area over the past few years, fluctuating with the competitive and economic environments. With Intel's "tick-tock" strategy, gross margins generally dip every other year to reflect scheduled equipment and technology additions. Because of the high fixed cost structure in its business model, Intel depends on operating leverage for margin expansion. However, this has not been a problem for Intel, which has benefited from above-industry operating margins.

Corporate Information**Investor Contact**

T. Campbell (503-696-0431)

Office

2200 Mission College Boulevard, Santa Clara, CA 95054.

Telephone

408-765-8080.

Fax

408-765-9904.

Website<http://www.intel.com>**Officers****Chrmn**

A.D. Bryant

SVP & General Counsel

S.R. Rodgers

CEO

B.M. Krzanich

Treas

R. Jacob

EVP & CFO

S.J. Smith

Board Members

C. Barshefsky
 A. D. Bryant
 J. J. Donahoe, II
 B. M. Krzanich
 D. S. Pottruck
 D. B. Yoffie

A. Bhusri
 S. L. Decker
 R. E. Hundt
 J. D. Plummer
 F. D. Yeary

Domicile

Delaware

Auditor

ERNST & YOUNG

Founded

1968

Employees

107,300

Stockholders

130,000

Intel Corp

Quantitative Evaluations

S&P Capital IQ Fair Value Rank	4	1	2	3	4	5
		LOWEST				HIGHEST
		Based on S&P Capital IQ's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).				

Fair Value Calculation **\$35.10** Analysis of the stock's current worth, based on S&P Capital IQ's proprietary quantitative model suggests that INTC is slightly undervalued by \$3.64 or 11.6%.

Investability Quotient Percentile	98
	LOWEST = 1 HIGHEST = 100
	INTC scored higher than 98% of all companies for which an S&P Capital IQ Report is available.

Volatility	LOW	AVERAGE	HIGH
-------------------	-----	---------	------

Technical Evaluation **BULLISH** Since March, 2016, the technical indicators for INTC have been BULLISH.

Insider Activity	UNFAVORABLE	NEUTRAL	FAVORABLE
-------------------------	-------------	---------	-----------

For further clarification on the terms used in this report, please visit www.spcapitaliq.com/stockreportguide

Expanded Ratio Analysis

	2015	2014	2013	2012
Price/Sales	3.05	3.28	2.51	1.99
Price/EBITDA	7.31	7.58	6.43	4.80
Price/Pretax Income	11.86	11.61	10.49	7.15
P/E Ratio	14.76	15.68	13.75	9.67
Avg. Diluted Shares Outstg (M)	4,894.0	5,056.0	5,097.0	5,160.0

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	-0.92	1.71	3.73	6.13
Net Income	-2.43	3.12	-1.29	10.76

Ratio Analysis (Annual Avg.)

Net Margin (%)	20.63	19.94	20.89	19.49
% LT Debt to Capitalization	23.95	19.98	18.75	12.38
Return on Equity (%)	19.53	19.21	21.49	19.37

Company Financials Fiscal Year Ended Dec. 31

Per Share Data (U.S. \$)	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Tangible Book Value	9.70	8.54	8.58	7.13	6.08	7.99	6.59	6.18	6.51	5.70
Cash Flow	4.11	4.01	3.46	3.59	3.51	2.83	1.67	1.72	1.98	1.65
Earnings	2.33	2.31	1.89	2.13	2.39	2.01	0.77	0.92	1.18	0.86
S&P Capital IQ Core Earnings	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Dividends	0.96	0.90	0.90	0.87	0.78	0.63	0.56	0.55	0.45	0.40
Payout Ratio	41%	39%	48%	41%	33%	31%	73%	60%	38%	47%
Prices:High	37.49	37.90	26.04	29.27	25.78	24.37	21.27	26.34	27.99	26.63
Prices:Low	24.87	23.50	20.10	19.23	19.16	17.60	12.05	12.06	18.75	16.75
P/E Ratio:High	16	16	14	14	11	12	28	29	24	31
P/E Ratio:Low	11	10	11	9	8	9	16	13	16	19

Income Statement Analysis (Million U.S. \$)

Revenue	55,355	55,870	52,708	53,341	53,999	43,623	35,127	37,586	38,334	35,382
Operating Income	23,067	24,191	20,563	22,160	23,444	20,488	13,691	14,283	13,643	10,861
Depreciation	8,711	8,549	8,032	7,522	6,064	4,638	5,052	4,619	4,798	4,654
Interest Expense	337	192	244	90.0	41.0	NA	1.00	8.00	15.0	1,202
Pretax Income	14,212	15,801	12,611	14,873	17,781	16,045	5,704	7,686	9,166	7,068
Effective Tax Rate	19.7%	25.9%	23.7%	26.0%	27.2%	28.6%	23.4%	31.2%	23.9%	28.6%
Net Income	11,420	11,704	9,620	11,005	12,942	11,464	4,369	5,292	6,976	5,044
S&P Capital IQ Core Earnings	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Balance Sheet & Other Financial Data (Million U.S. \$)

Cash	25,685	14,401	20,216	18,162	14,837	21,885	13,920	11,843	15,363	6,598
Current Assets	40,356	27,730	32,084	31,358	25,872	31,563	21,157	19,871	23,885	18,280
Total Assets	103,065	91,956	92,358	84,351	71,119	63,186	53,095	50,715	55,651	48,368
Current Liabilities	15,667	16,019	13,568	12,898	12,028	9,070	7,591	7,818	8,571	8,514
Long Term Debt	20,050	12,107	13,194	13,136	7,084	2,077	2,049	1,886	1,980	1,848
Common Equity	61,085	55,865	58,256	51,203	45,911	49,638	41,704	39,088	42,762	36,752
Total Capital	83,728	69,060	71,450	64,339	52,995	51,715	43,753	41,020	45,153	38,865
Capital Expenditures	7,326	10,105	10,711	11,027	10,764	5,207	4,515	5,197	5,000	5,779
Cash Flow	20,131	20,253	17,652	18,527	19,006	16,102	9,421	9,911	11,774	9,698
Current Ratio	2.6	1.7	2.4	2.4	2.2	3.5	2.8	2.5	2.8	2.1
% Long Term Debt of Capitalization	24.0	17.5	18.5	20.4	13.4	4.0	4.7	4.6	4.4	4.8
% Net Income of Revenue	20.6	21.0	18.3	20.6	24.0	26.8	12.4	14.1	18.2	14.3
% Return on Assets	11.7	12.7	10.9	14.2	19.3	19.7	8.4	10.0	13.4	10.4
% Return on Equity	19.5	20.5	17.6	22.7	27.2	25.6	10.8	12.9	17.6	13.8

Data as originally reported in Company reports.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Sub-Industry Outlook

We have a positive fundamental outlook for the semiconductors sub-industry for the next 12 months. We think challenging economic conditions resulted in a revenue decline of about 0.2% in 2015 following a sharp 10% increase in 2014. We see modestly higher sales for 2016 and 2017, albeit at a low single digit percentage growth pace. We expect a fairly normalized inventory supply chain to leave the supply-demand balance even to slightly favorable for inventory replenishment, which should contribute to potential upside as demand improves.

Based on forecasts from Standard & Poor's Economics, research from industry and trade groups, and our own bottom-up analysis for semiconductor companies within our coverage universe, we see the various end markets performing differently. We see PC stabilization as tablet cannibalization concerns alleviate and no longer acting as a drag on the sub-industry. We believe the communications and consumer end markets will remain healthy despite periods of lumpiness, as carrier comments in China suggest to us an improved spending outlook, and continued growth in smartphones. We believe the automotive sector has some favorable secular tailwinds despite soft global trends. We think industrial will improve. Given the high exposure to this end market, analog semiconductors are particularly exposed to this trend. All of this is against the backdrop of the proliferation of semiconductors across a range of electronic products and markets.

Industry margins continue to be a function of manufacturing utilization and inventory supply-demand imbalances. While companies that outsource manufacturing typically have more stability in gross margins (a trade-off for capped upside), others that have their own manufacturing see more variability. We believe some companies,

especially in analog, maintain higher inventory levels, reducing potential leverage. However, it is becoming clear to us that the cost of moving to leading-edge manufacturing is reaching a tipping point as the cost benefits of moving to more advanced nodes diminishes. Intel believes that a vendor needs to generate two times the amount of revenue generated annually per dollar of R&D. As such, we expect a continued shift toward outsourcing and market share shifts among the companies with sufficient resources to move ahead.

Long term, growth in semiconductors is highly correlated to global GDP, due to changes in inventory levels.

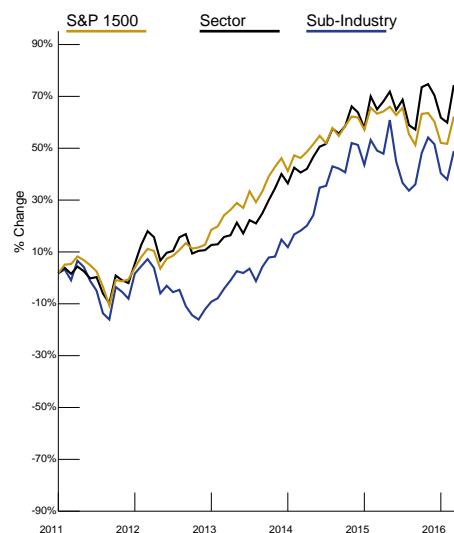
Year-to-date through March 24, 2016, the S&P 1500 Semiconductors sub-industry has fallen 3.3% compared to a 0.5% decline for the S&P 1500 Index. For the full-year 2015, the S&P Semiconductors sub-industry rose 0.2%, versus a 1.0% decline for the S&P 1500 Index.

--Angelo Zino, CFA

Industry Performance

**GICS Sector: Information Technology
Sub-Industry: Semiconductors**

Based on S&P 1500 Indexes
Five-Year market price performance through
Apr 16, 2016



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Past performance is not an indication of future performance and should not be relied upon as such.

Sub-Industry : Semiconductors Peer Group*: Semiconductors - Logic - Larger Cos.

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Intel Corp	INTC	157,174	31.46	35.59/24.87	0.97	3.3	14	35.10	B+	98	20.6	23.9
Advanced Micro Dev	AMD	2,099	2.70	3.06/1.61	2.22	Nil	NM	NA	C	12	NM	125.4
Fairchild Semiconductor Intl	FCS	2,492	19.98	21.71/12.22	2.11	Nil	NM	NA	C	83	NM	15.3
Infineon Technologies ADR	IFNNY	15,420	14.11	15.29/9.83	1.69	1.5	22	16.10	NR	11	10.7	27.3
Integrated Device Tech	IDTI	3,055	20.59	29.04/14.50	2.09	Nil	21	NA	C	82	20.0	NA
STMicroelectronics N.V.	STM	5,043	5.74	9.98/5.11	1.44	5.9	48	6.30	NR	81	1.6	22.3
Xilinx Inc	XLNX	11,898	46.01	50.72/38.70	1.39	2.7	23	35.90	A-	99	27.3	23.8

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

S&P Capital IQ Analyst Research Notes and other Company News**March 3, 2016**

Intel Corporation has appointed Nivruti Rai as the Intel India site general manager. Rai succeeds Kumud Srinivasan, who is now relocating to the United States. Rai has been with Intel for over two decades and has held several technical and business management positions across different functions in both the US and India. Based in Bengaluru, Rai is vice president and director of research and development in Platform Engineering Group (PEG), Intel Corporation. He will partner Debjani Ghosh, vice president-Sales & Marketing Group, managing director, South Asia to represent Intel in India. Ghosh will continue to be responsible for establishing new growth areas for Intel in the South Asian region.

February 1, 2016

Intel Corporation announced that its board of directors promoted two corporate officers and elected six new corporate vice presidents. Wendell Brooks, 50, was promoted from corporate vice president to senior vice president. Brooks is president of Intel Capital. He also leads the Strategic Transactions Group at Intel, driving the company's mergers and acquisition strategy, execution and integration. Brooks joined Intel in 2014 and is based in Santa Clara, Calif. Steven Fund, 53, was promoted from corporate vice president to senior vice president. As Intel's chief marketing officer, he leads all aspects of worldwide marketing. Fund is responsible for global marketing strategy and execution, brand management, product positioning, market research, advertising, partner marketing, retail channel marketing, digital marketing, social media and global communications. He joined Intel in 2014 and is based in Santa Clara, Calif. Peng Bai, 53, was elected corporate vice president. He is co-director of Logic Technology Development in Intel's Technology and Manufacturing Group. Logic Technology Development is responsible for the development and transfer of next-generation silicon technologies that will produce future Intel microprocessors and SoCs (system-on-chip). Bai joined Intel in 1991 and is based in Hillsboro, Ore. Brice A. Hill, 49, was elected corporate vice president. He is group controller for the Corporate Finance organization and oversees the financial management for Intel businesses including: Data Center Group, the newly created Client and Internet of Things businesses and Systems Architecture Group, Sales and Marketing, Global Marketing and Communications, Intel Security Group, Software and Services Group and the Programmable Solutions Group. Hill joined Intel in 1995 and is based in Hillsboro, Ore. Christina S. Min, 51, was elected corporate vice president. She is group controller for the Corporate Finance organization and oversees the financial management for several groups at Intel including: Intel Capital/Strategic Transactions Group, New Technology Group, Corporate Strategy, Corporate Planning, Worldwide Finance and Accounting, and Global Trade. Min joined Intel in 1993 and is based in Santa Clara, Calif. Matthew M. Smith, 52, was elected corporate vice president. As director of HR Business and Employee Solutions, he is responsible for leading the global organization that advises Intel's businesses and delivers HR solutions to enable organization effectiveness and employee engagement. This organization also provides global payroll, stock, benefits, mobility and retirement for Intel employees. Smith joined Intel in 1997 and is based in Hillsboro, Ore. Weng Kuan Tan, 51, was elected corporate vice president. He is general manager of Client Computing Group (CCG), China and is responsible for leading the strategy and the CCG teams in China in the delivery of turnkey solutions spanning phones, phablets, tablets, 2 in 1s and emerging new form factors for the China Technology Ecosystem (CTE) and the worldwide market. Tan joined Intel in 2011 and is based in Beijing. Jason P. Waxman, 44, was elected corporate vice president. He is general manager of the Cloud Platforms Group in Intel's Data Center Group. He is responsible for managing Intel's business, products and technology development for cloud computing including: silicon components, optimized system design, data center management, security and facility optimization. He joined Intel in 1997 and is based in Hillsboro, Ore.

January 15, 2016

08:46 am ET ... S&P CAPITAL IQ MAINTAINS BUY RECOMMENDATION ON SHARES OF INTEL CORP. (INTC 32.74****): We keep our 12-month target price at \$39, on peer-average P/E. We adjust our '16 operating EPS estimate to \$2.33 from \$2.37 and initiate '17's at \$2.62. We remain positive on INTC fundamentals post Q4 results last night, as data center opportunities and growth in the Internet of Things and memory outweigh ongoing challenges within the PC space. We note slower Q4 data center growth largely reflects tough comparisons and see growth accelerating in '16. We see further diversification away from PCs, as we see 2/3 of profits in '16 coming from non-PC markets (about 40% of revenue). /A. Zino-CFA

January 14, 2016

04:53 pm ET ... S&P MAINTAINS BUY RECOMMENDATION ON SHARES OF INTEL CORP. (INTC 32.74****): INTC posts Q4 operating EPS of \$0.74 vs. \$0.74, beating the \$0.63 Capital IQ view. Sales rose 1.3%, near expectations, as 11% growth in the data center business offset declines in the PC segment. The gross margin narrowed but was better than our view, on lower factory start-up costs and better selling prices. Despite Q1 guidance below seasonal trends (ex. Altera), we think INTC is performing well in a tough environment. Despite ongoing PC pressures, we see easier comparables and remain positive on the growth opportunities related to data centers/Internet of Things/memory. /A. Zino-CFA

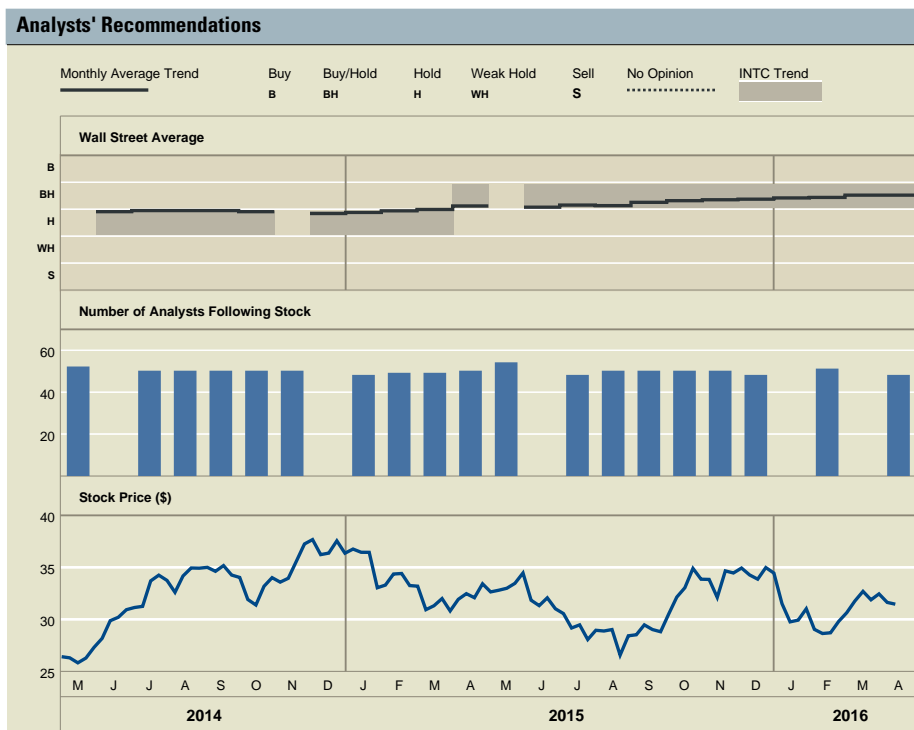
January 14, 2016

04:53 pm ET ... S&P CAPITAL IQ MAINTAINS BUY RECOMMENDATION ON SHARES OF INTEL CORP. (INTC 32.74****): INTC posts Q4 operating EPS of \$0.74 vs. \$0.74, beating the \$0.63 Capital IQ view. Sales rose 1.3%, near expectations, as growth in the data center business offset declines in the PC segment. The gross margin narrowed but was better than our view, on lower factory start-up costs and better selling prices. Despite Q1 guidance below seasonal trends (ex. Altera), we think INTC is performing well in a tough environment. Despite ongoing PC pressures, we see easier comparables and remain positive on the growth opportunities related to data centers/Internet of Things/memory. /A. Zino-CFA

November 20, 2015

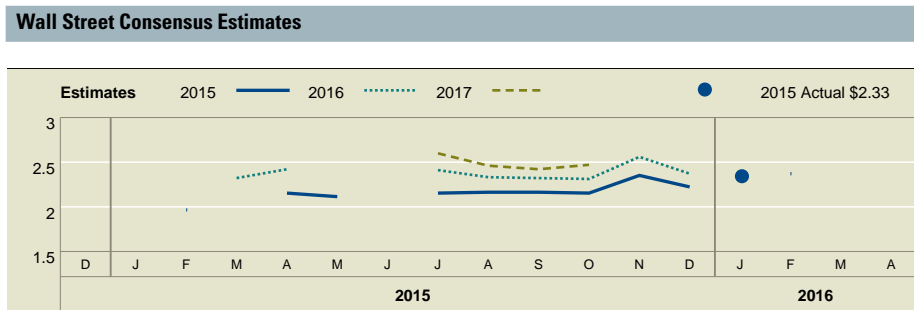
08:05 am ET ... S&P MAINTAINS BUY RECOMMENDATION ON SHARES OF INTEL CORP. (INTC 34.30****): We up our 12-month target price to \$39 from \$37, on higher revised peer-average P/E. We raise our '15 operating EPS estimate to \$2.23 from \$2.21 and '16's to \$2.37 from \$2.34. INTC provides '16 guidance at its analyst event and sees mid-single digit revenue growth (assumes mid-single digit PC decline), gross margin at 62%, and ups annual dividend by \$0.08 per share. We believe data center/Internet of Things/memory expansion is key, as INTC witnesses double digit percentage sales growth excluding PC exposure. We positively view additional \$800M reduction in Mobile losses for '16. /A. Zino-CFA

Intel Corp



Of the total 48 companies following INTC, 47 analysts currently publish recommendations.

	No. of Recommendations	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	23	49	22	21
Buy/Hold	6	13	7	8
Hold	15	32	14	16
Weak Hold	2	4	2	3
Sell	1	2	1	1
No Opinion	0	0	0	0
Total	47	100	46	49



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2017	2.59	2.94	2.18	35	12.1
2016	2.35	2.53	2.16	31	13.4
2017 vs. 2016	▲ 10%	▲ 16%	▲ 0.9%	▲ 13%	▼ -10%
Q1 '17	0.56	0.67	0.45	27	56.2
Q1 '16	0.47	0.56	0.41	25	66.9
Q1 '17 vs. Q1 '16	▲ 19%	▲ 20%	▲ 10%	▲ 8%	▼ -16%

A company's earnings outlook plays a major part in any investment decision. S&P Capital IQ organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

Wall Street Consensus Opinion

BUY/HOLD

Companies Offering Coverage

Over 30 firms follow this stock; not all firms are displayed.

- Aegis Capital Corporation
- Arete Research Services LLP
- Argus Research Company
- B. Riley & Co.
- BMO Capital Markets Equity Research
- Barclays
- BofA Merrill Lynch
- Brean Capital
- CRT Capital Group
- Canaccord Genuity
- Citigroup Inc
- Cleveland Research Company
- Cowen and Company
- Credit Suisse
- Daiwa Securities Co. Ltd.
- Deutsche Bank
- Erste Group Bank AG
- Evercore ISI
- Exane BNP Paribas
- FBR Capital Markets & Co.
- Gleacher & Company, Inc.
- Goldman Sachs
- Hamburger Sparkasse AG
- JP Morgan
- Jefferies LLC
- MKM Partners LLC
- Macquarie Research
- Mizuho Securities USA, Inc.
- Morgan Stanley
- Morningstar Inc.

Wall Street Consensus vs. Performance

For fiscal year 2016, analysts estimate that INTC will earn US\$ 2.35. For fiscal year 2017, analysts estimate that INTC's earnings per share will grow by 10% to US\$ 2.59.

Glossary

S&P Capital IQ STARS

Since January 1, 1987, S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs (American Depositary Receipts), and ADSs (American Depositary Shares) based on a given equity's potential for future performance. Similarly, S&P Capital IQ Equity Research has ranked Asian and European equities since June 30, 2002. Under proprietary STARS (STock Appreciation Ranking System), S&P Capital IQ equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350® Index or S&P 500® Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Capital IQ Quality Ranking

(also known as **S&P Capital IQ Earnings & Dividend Rankings**) - Growth and stability of earnings and dividends are deemed key elements in establishing S&P Capital IQ's earnings and dividend rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

S&P Capital IQ EPS Estimates

S&P Capital IQ earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, S&P Capital IQ EPS estimates reflect either forecasts of S&P Capital IQ equity analysts; or, the consensus (average) EPS estimate, which are independently compiled by Capital IQ, a data provider to S&P Capital IQ Equity Research. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

S&P Capital IQ Core Earnings

S&P Capital IQ Core Earnings is a uniform methodology for adjusting operating earnings by focusing on a company's after-tax earnings generated from its principal businesses. Included in the S&P Capital IQ definition are employee stock option grant expenses, pension costs, restructuring charges from ongoing operations, write-downs of depreciable or amortizable operating assets, purchased research and development, M&A related expenses and unrealized gains/losses from hedging activities. Excluded from the definition are pension gains, impairment of goodwill charges, gains or losses from asset sales, reversal of prior-year charges and provision from litigation or insurance settlements.

S&P Capital IQ 12-Month Target Price

The S&P Capital IQ equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics, including S&P Capital IQ Fair Value.

S&P Capital IQ Equity Research

S&P Capital IQ Equity Research U.S. includes Standard & Poor's Investment Advisory Services LLC; Standard & Poor's Equity Research Services Europe includes McGraw-Hill Financial Research Europe Limited trading as S&P Capital IQ; Standard & Poor's Equity Research Services Asia includes: McGraw-Hill Financial Singapore Pte. Limited, Standard & Poor's Investment Advisory Services (HK) Limited, Standard & Poor's Malaysia Sdn Bhd, and Standard & Poor's Information Services (Australia) Pty Ltd.

Abbreviations Used in S&P Capital IQ Equity Research Reports

CAGR - Compound Annual Growth Rate
CAPEX - Capital Expenditures
CY - Calendar Year
DCF - Discounted Cash Flow
DDM - Dividend Discount Model

EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization
EPS - Earnings Per Share
EV - Enterprise Value
FCF - Free Cash Flow
FFO - Funds From Operations
FY - Fiscal Year
P/E - Price/Earnings
P/NAV - Price to Net Asset Value
PEG Ratio - P/E-to-Growth Ratio
PV - Present Value
R&D - Research & Development
ROCE - Return on Capital Employed
ROE - Return on Equity
ROI - Return on Investment
ROIC - Return on Invested Capital
ROA - Return on Assets
SG&A - Selling, General & Administrative Expenses
SOTP - Sum-of-The-Parts
WACC - Weighted Average Cost of Capital

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

S&P Capital IQ Qualitative Risk Assessment

Reflects an S&P Capital IQ equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The S&P Capital IQ Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:

★★★★★ 5-STARS (Strong Buy):

Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ 4-STARS (Buy):

Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ 3-STARS (Hold):

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ 2-STARS (Sell):

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ 1-STAR (Strong Sell):

Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks:

In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the S&P Europe 350 Index and the S&P Asia 50 Index, respectively.

Disclosures

S&P Capital IQ ranks stocks in accordance with the following ranking methodologies:

STARS Stock Reports:

S&P Capital IQ's qualitative STARS recommendations are determined and assigned by S&P Capital IQ equity analysts. For reports containing STARS recommendations refer to the Glossary section of the report for detailed methodology and the definition of STARS rankings.

Quantitative Stock Reports:

S&P Capital IQ's quantitative recommendations quantitative recommendations are determined by ranking a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five (six) model category scores are then weighted and rolled up into a single percentile ranking for that company. For reports containing quantitative recommendations refer to the Glossary section of the report for detailed methodology and the definition of Quantitative rankings.

STARS Stock Reports and Quantitative Stock Reports:

The methodologies used in STARS Stock Reports and Quantitative Stock Reports (collectively, the "S&P Capital IQ's Research Reports" or "Research Reports") reflect different criteria, assumptions and analytical methods and may have differing recommendations. S&P Capital IQ believes that the methodologies and data used to generate the different types of Research Reports are reasonable and appropriate. Generally, S&P Capital IQ does not generate reports with different ranking methodologies for the same issuer. However, in the event that different methodologies or data are used on the analysis of an issuer, the methodologies may lead to different views or recommendations on the issuer, which may at times result in contradicting assessments of an issuer. S&P Capital IQ reserves the right to alter, replace or vary models, methodologies or assumptions from time to time and without notice to clients.

STARS Stock Reports:

S&P Capital IQ Global STARS Distribution as of March 31, 2016

Ranking	North America	Europe	Asia	Global
Buy	30.1%	40.6%	37.8%	33.6%
Hold	50.6%	32.8%	48.7%	46.2%
Sell	19.3%	26.6%	13.5%	20.2%
Total	100%	100%	100%	100%

Quantitative Stock Reports:

The rankings for Quantitative reports have a fixed distribution based on relative weightings as described in the Glossary section of the report.

Analyst Certification

STARS Stock Reports are prepared by the equity research analysts of Standard & Poor's Investment Advisory Services LLC ("SPIAS"), McGraw-Hill Financial Research Europe Limited ("MHFRE"), and Standard & Poor's Malaysia Sdn Bhd ("S&P Malaysia"), each a division of S&P Capital IQ. All of the views expressed in STARS Stock Reports accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. Analysts generally update stock reports at least four times each year. No part of analyst compensation and SPIAS', MHFRE's or S&P Malaysia's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in a STARS Stock Report.

About S&P Capital IQ's Distributors:

S&P Capital IQ's Research Reports have been prepared by Global Markets Intelligence ("GMI"), a business unit of S&P Capital IQ. In the United States, Research Reports are prepared and issued by SPIAS. In the European Economic Area ("EEA") States, Research Reports are distributed by MHFRE, which is authorized and regulated by the Financial Conduct Authority in the United Kingdom. Under and subject to the Markets in Financial Instruments Directive ("MiFID"), MHFRE is entitled to exercise a passport right to provide cross border investment advice into EEA States. MHFRE exercises its MiFID right to passport investment advice including the Research Reports into EEA States. In Hong Kong, Research Reports are issued by Standard & Poor's Investment Advisory Services (HK) Limited ("SPIAS HK"), which is regulated by the Hong Kong Securities Futures Commission; in Singapore, by McGraw-Hill Financial Singapore Pte. Limited ("MHFSPL"), which is regulated by the Monetary Authority of Singapore; Research Reports are distributed in Malaysia, by S&P Malaysia, which is regulated by the Securities Commission of Malaysia; in Australia, by Standard & Poor's Information Services (Australia) Pty Ltd ("SPIS"),

which is regulated by the Australian Securities & Investments Commission; and in Japan, by McGraw-Hill Financial Japan KK ("MHF Japan"), which is registered by Kanto Financial Bureau. SPIAS, MHFRE, SPIAS HK, MHFSPL, S&P Malaysia, SPIS and MHF Japan, each a wholly owned subsidiary of McGraw Hill Financial, Inc. operate under the GMI brand.

S&P Capital IQ and its affiliates provide a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.

For details on the S&P Capital IQ research objectivity and conflict-of-interest policies, please visit: <https://www.spcapitaliq.com/disclaimers/s-p-capital-iq-research-reports>

For a list of companies mentioned in a Research Report for which McGraw Hill Financial, Inc. and/or one of its affiliates own 1% or more of common equity securities and for a list of companies mentioned in a Research Report that own more than 5% of the common equity securities of McGraw Hill Financial, Inc. and/or one of its affiliates, please visit: www.SPcapitaliq.com/issuer-stock-ownership

For a list of companies mentioned in a Research Report with whom S&P Capital IQ and/or one of its affiliates has had business relationships within the past year, please go to: www.spcapitaliq.com/relationships

S&P Capital IQ and/or one of its affiliates has performed services for and received compensation from this company during the past twelve months.

General Disclosure

Notice to all jurisdictions:

Where S&P Capital IQ's Research Reports are made available in a language other than English and in the case of inconsistencies between the English and translated versions of a Research Report, **the English version will control and supersede any ambiguities associated with any part or section of a Research Report that has been issued in a foreign language.** Neither S&P Capital IQ nor its affiliates guarantee the accuracy of the translation.

Assumptions, opinions and estimates constitute our judgment as of the date of this material and are subject to change without notice. This document may contain forward looking statements or forecasts, such statement or forecasts are not a reliable indicator of future performance.

Past performance is not necessarily indicative of future results.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

While S&P Capital IQ has obtained information from sources it believes to be reliable, S&P Capital IQ does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

S&P keeps certain activities of its business units separate from each other in order to

preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

Research Reports are not intended to be investment advice and do not constitute any form of invitation or inducement by S&P Capital IQ to engage in investment activity. This material is not intended as an offer or solicitation for the purchase or sale of any security or other financial instrument. Securities, financial instruments or strategies mentioned herein may not be suitable for all investors and this material is not intended for any specific investor and does not take into account an investor's particular investment objectives, financial situations or needs. Any opinions expressed herein are given in good faith, are subject to change without notice, and are only current as of the stated date of their issue. Prices, values, or income from any securities or investments mentioned in this report may fluctuate, and an investor may, upon selling an investment, lose a portion of, or all of the principal amount invested. Where an investment is described as being likely to yield income, please note that the amount of income that the investor will receive from such an investment may fluctuate. Where an investment or security is denominated in a different currency to the investor's chosen currency, changes in rates of exchange may have an adverse effect on the value, price or income of or from that investment to the investor. The information contained in Research Reports does not constitute advice on the tax consequences of making any particular investment decision. Before acting on any recommendation in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice.

Additional information on a subject company may be available upon request.

Notice to all Non U.S. Residents:

S&P Capital IQ's Research Reports may be distributed in certain localities, countries and/or jurisdictions ("Territories") by independent third parties or independent intermediaries and/or distributors (the "Intermediaries" or "Distributors"). Intermediaries are not acting as agents or representatives of S&P Capital IQ. In Territories where an Intermediary distributes S&P Capital IQ's Research Reports, the Intermediary, and not S&P Capital IQ, is solely responsible for complying with all applicable regulations, laws, rules, circulars, codes and guidelines established by local and/or regional regulatory authorities, including laws in connection with the distribution of third-party Research Reports, licensing requirements, supervisory and record keeping obligations that the Intermediary may have under the applicable laws and regulations of the territories where it distributes the Research Reports.

Each Research Report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would subject S&P Capital IQ or its affiliates to any registration or licensing requirements in such jurisdiction.

Each Research Report is not directed to, or intended for distribution to or use by, any person or entity who is not in a class qualified to receive Research Reports (e.g., a qualified person and/or investor), as defined by the local laws or regulations in the country or jurisdiction where the person is domiciled, a citizen or resident of, or the entity is legally registered or domiciled.

S&P Capital IQ's Research Reports are not intended for distribution in or directed to entities, residents or investors in: Burma, Cuba, Crimea, Czech Republic, Iran, Kuwait, Lebanon, North Korea, Portugal, Romania, Sudan, Slovakia, Syria, Thailand and Turkey.

For residents of Australia: Research Reports are distributed in Australia by SPIS. Any express or implied opinion contained in a Research Report is limited to "General Advice" and based solely on consideration of the investment merits of the financial product(s) alone. The information in a Research Report has not been prepared for use by retail investors and has been prepared without taking account of any particular investor's financial or investment objectives, financial situation or needs. Before acting on any advice, any investor using the advice should consider its appropriateness having regard to their own or their clients' objectives, financial situation and needs. Investors should obtain a Product Disclosure Statement relating to the product and consider the statement before making any decision or recommendation about whether to acquire the product. Each opinion must be weighed solely as one factor in any investment decision made by or on behalf of any adviser and any such adviser must accordingly make their own assessment taking into account an individual's particular circumstances.

SPIS holds an Australian Financial Services License Number 258896. Please refer to the SPIS Financial Services Guide for more information at: www.spcapitaliq.com/financialservicesguide

More information about the written criteria and methodologies for the generation of Research Reports and historical information for Research Reports for the past 12 months are available by contacting S&P Capital IQ Client Services Department at 61-1300-792-553 or via e-mail at clientsupport@standardandpoors.com or clientsupport@sandp.com.

For residents of Bahamas: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with licensing requirements under the Securities Industry Act of 1999 and the Securities Industry Regulations of 2000 of The Bahamas, when distributing Research Reports to members of the public in The Bahamas. The Intermediary is also solely responsible for providing any required disclosures under applicable securities laws and regulations to its Bahamian clients, including but not limited to disclosing whether the Intermediary: (i) has a reasonable basis for specific investment recommendations, and the recommended security's price or price range at the time of the recommendation to the client; (ii) makes a market in the recommended security; (iii) its directors, officers or principal shareholders have a current or contingent financial interest in the recommended security, unless the interest is nominal; (iv) participated in a public offering of the recommended security in the last two (2) years; and (v) has disclosed any conflict of interest between it and the issuer of the recommended security.

For residents of Bermuda: The Bermuda Monetary Authority or the Registrar of Companies in Bermuda has not approved the Research Reports and any representation, explicit or implicit, is prohibited.

For residents of Brazil: Research reports are distributed by S&P Capital IQ and in compliance with Instruction 483 enacted by Comissão de Valores Mobiliários (the Brazilian Securities Commission) dated as of July 6, 2010, the analyst (where applicable) who prepares a Research Report or a report extract affirms: (i) that all the views expressed herein and/or in a Research Report accurately reflect his or her personal views about the securities and issuers; (ii) that all recommendations issued by him or her were independently produced, including from the opinion of the entity in which he or she is an employee. S&P Capital IQ is of the opinion its Research Reports have been prepared in accordance with section 17, II of Instruction 483. The Distributor of the Research Report is responsible for disclosing any circumstances that may impact the independence of S&P Capital IQ's Research Report, in accordance with section 17, II of Instruction 483.

For residents of British Virgin Islands: All products and services offered by S&P Capital IQ and its affiliates are provided or performed, outside of the British Virgin Islands. The intended recipients of the Research Reports are (i) persons who are not members of the public for the purposes of the Securities and Investment Business Act, 2010 ("SIBA"); (ii) persons who are professional services providers to the British Virgin Islands business companies for the purposes of SIBA; and (iii) any other person who is given the Research Reports by a person licensed as an investment advisor in the British Virgin Islands. If you are in any doubt as to whether you are the intended recipient of this document, please consult your licensed investment advisor.

For residents of Canada: Canadian investors should be aware that any specific securities discussed in a Research Report can only be purchased in Canada through a Canadian registered dealer and, if such securities are not available in the secondary market, they can only be purchased by eligible private placement purchasers on a basis that is exempt from the prospectus requirements of Canadian securities law and will be subject to resale restrictions. Information in Research Reports may not be suitable or appropriate for Canadian investors.

For residents of Chile: S&P Capital IQ shall not be acting as an Intermediary of any securities referred to in a Research Report. S&P Capital IQ (and its affiliates) is not registered with, and such securities may not be registered in the Securities Registry maintained by the Superintendencia de Valores y Seguros de Chile (Chilean Securities and Insurance Superintendence or "SVS") pursuant to the Chilean Securities Market Law 18045. Accordingly, investment research presented in a Research Report is not intended to constitute a public or private offer of securities in Chile within the meaning of Article 4 of the Chilean Securities Market Law 18045, as amended and restated, and supplemental rules enacted thereunder.

For residents of Colombia: This information and/or information contained in Research Reports is not intended or should not be construed as constituting information delivery to the Colombian Securities Market under Colombian Law.

For residents of Czech Republic: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with licensing requirements under the Capital Markets Act (Act No. 256/2004 Coll., as amended), implementing Directive 2004/39/EC of the European Parliament and of the Council of 21 April, 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC and its implementing directives, and Directive 2003/125/EC implementing Directive 2003/6/EC as regards the fair presentation of investment recommendations and the disclosure of conflicts of interest; and the Civil Code (Act No. 40/1964 Coll., as amended) as regards the distance financial contract regulation

protecting the consumers.

For residents of Dubai (DIFC): The information contained in Research Reports distributed by S&P Capital IQ is intended for investors who are "professional clients", as defined in Rule 2.3.2(2) of the Conduct of Business Module (COB) of the DFSA Rulebook.

For residents of the European Economic Area (EEA): Research Reports have been approved for distribution in the EEA listed here: Austria; Belgium; Bulgaria; Cyprus; Czech Republic (see further disclosure above); Denmark; Estonia; Finland; France (see further disclosure below); Germany; Gibraltar; Greece; Hungary (see further disclosure below); Iceland; Ireland; Italy; Latvia; Liechtenstein; Lithuania; Luxembourg; Malta (see further disclosure below); Netherlands; Norway; Poland; Portugal; Romania; Slovakia (see further disclosure below); Slovenia; Spain (see further disclosure below); Sweden and United Kingdom, as investment research by MHFRE, which is authorized and regulated by the Financial Conduct Authority in the UK. S&P Capital IQ's Stock Reports are to be read in conjunction with "Your Guide to S&P Capital IQ's Stock Reports" which can be found at: www.spcapitaliq.com/stockreportguide.

More information about the written criteria and methodologies for the generation of Research Reports and historical information for Research Reports for the past 12 months are available by contacting S&P Capital IQ Client Services Department at 800-523-4534 or via e-mail at: clientsupport@standardandpoors.com or clientsupport@sandp.com.

For residents of Guernsey, Isle of Man and Jersey: The Research Reports provide by S&P Capital IQ serve to assist the Intermediary in determining the advice it provides to its clients, but are not intended as advice to any of the Intermediary's clients, and the Intermediary, and not S&P Capital IQ, will be solely responsible for the provision of investment advice to the client. Independent investment advice should be sought by persons in their capacity as investors or potential investors and the Intermediary will be solely responsible for complying with any applicable regulatory obligations relating to the distribution of investment research.

For residents of France: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with the rules related to the distribution of investment recommendations as specified in the Financial Code and the Autorité des Marchés Financiers rule book.

For residents of Hong Kong: Information in the Research Reports shall not be construed to imply any relationship, advisory or otherwise, between S&P and the recipient user of the research report unless expressly agreed by S&P Capital IQ. S&P Capital IQ is not acting nor should it be deemed to be acting, as a "fiduciary" or as an "investment manager" or "investment advisor" to any recipient of this information unless expressly agreed by S&P Capital IQ. The Distributor of the Research Reports will be solely responsible for describing its role to its clients with respect to the distribution of S&P Capital IQ's Research Reports.

Please contact via e-mail at clientsupport@standardandpoors.com or clientsupport@sandp.com if you have any queries on or any matters arising from or in connection with this document.

For residents of Hungary: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with the rules related to data protection requirements as set out in Act CXII of 2011 on the Right of Informational Self-Determination and on Freedom of information; and with Act CLV. of 1997 on Consumer Protection and with Act CXXXVIII of 2007 on Investment services.

For residents of India: Residents of India should consult their financial and legal advisers regarding the suitability of any of S&P Capital IQ's services and products. S&P Capital IQ does not intend to utilize the Research Report service to invite or carry out any business activities with S&P Capital IQ. Research Reports provided by S&P Capital IQ serve to assist the Intermediary in determining the advice it provides to its clients, but are not intended as advice to the Intermediary and to any of the Intermediary's clients and the Intermediary will be solely responsible for the provision of investment advice to the client.

For residents of Indonesia: Research Reports do not constitute an offering document and it should not be construed as an offer of securities in Indonesia, and any such securities will only be offered or sold through a financial institution.

For residents of Israel: Research reports are intended only for distribution to "Qualified Investors", as defined in the Schedule to Israel's Regulation of Investment Advice, Investment Marketing and Portfolio Management Law of 1995. All other persons who are not Qualified Investors under Israeli law should seek additional investment advice from their financial advisers. The relevant analyst declares that the views expressed in a particular Research Report faithfully reflect the analyst's personal views regarding the securities under review and the issuer of the securities.

For residents of Japan: Research Reports are intended only for distribution to "Asset Management Firms".

For residents of Kazakhstan: The distribution to specific persons in Kazakhstan is the sole responsibility of the Distributor and the Distributor, and not S&P Capital IQ, is responsible for complying with all local regulations, including but not limited to advertising requirements related to public solicitation.

For residents of Malta: The Distributor of Research Reports in Malta, is solely responsible for ensuring that the investment research produced by S&P Capital IQ and proposed to be disseminated in or from within Malta is reviewed for compliance with the investment services rules issued by the Malta Financial Services Authority in terms of the Investment Services Act, Cap 370 of the laws of Malta.

For residents of Mexico: S&P Capital IQ is not regulated or supervised by the Mexican National Banking and Securities Commission ("CNBV"). S&P Capital IQ has a licensed rating agency affiliate in Mexico (Standard & Poor's, S.A. De C.V.), of which S&P maintains firewalls and seeks to avoid conflicts of interest, pursuant to approved policies. Research Reports on securities that are not registered with the National Securities Registry maintained by the Mexican National Securities Registry are intended only for distribution to qualified, institutional investors or to any other investors to whom distribution the S&P Research is permissible under Mexican law.

For residents of Monaco: The Intermediary, and not S&P Capital IQ, will be solely responsible for providing copies of S&P Capital IQ Research Reports to the appropriate Monegasque regulator prior to distributing to its clients.

For residents of Morocco: Research Reports are intended for distribution only to professional investors.

For residents of Peru: S&P Capital IQ's Research Reports shall not, under any circumstances, be considered an invitation to take deposits or funds from the public, under any mechanism, or to carry on any activities that may be prohibited by Peruvian law. The Intermediary also agrees that the use of S&P Capital IQ's Research Reports shall not be used by Intermediary to solicit an investment in the securities that are the subject of the Research Report in any way that may be prohibited by Peruvian law.

For residents of Qatar: The Distributor, and not S&P Capital IQ, is responsible for complying with all relevant licensing requirements as set forth by the Qatar Financial Markets Authority or the Qatar Central Bank, and with all relevant rules and regulations set out in the Qatar Financial Markets Authority's rule book, including third party branded investment research distribution of securities that are admitted for trading on a Qatari securities exchange (Admitted Securities).

For residents of Russia: Research Reports on financial instruments are intended for "qualified investors", as defined in the Securities market law of the Russian Federation dated 22 April 1996, as amended, only.

For residents of The Kingdom of Saudi Arabia: S&P Capital IQ and its affiliates do not distribute Research Reports in the Kingdom of Saudi Arabia. Residents of Saudi Arabia should be aware that the Distributor of S&P Capital IQ's Research Reports may not be permitted to distribute investment research either: (i) from a permanent place of business in or otherwise within the territory of the Kingdom of Saudi Arabia; or (ii) to an investor in the Kingdom of Saudi Arabia unless that investor is a Capital Market Authority authorized investor or the Saudi Arabian Monetary Agency.

When a Distributor disseminates S&P Capital IQ's Research Reports in the Kingdom of Saudi Arabia, the Distributor, and not S&P Capital IQ, is solely responsible for approving the contents of Research Reports and complying with licensing requirements and authorizations of the Saudi Arabian Capital Market Authority's ("CMA"), including CMA's Authorized Persons Regulations concerning securities advertisements.

S&P does not conduct a securities business in the Kingdom of Saudi Arabia and the Distributor, and not S&P Capital IQ, assumes all responsibilities and liabilities for distributing Research Reports in the Kingdom of Saudi Arabia. **Research Reports are not intended to be investment advice and do not constitute any form of invitation or inducement by S&P Capital IQ to engage in an investment activity in the Kingdom of Saudi Arabia.** S&P Capital IQ does not communicate directly with a Distributor's customers and a Distributor's customers should not contact S&P Capital IQ directly regarding any information or data provided in Research Reports.

For residents of Singapore: Recipients of the Research reports in Singapore should contact the Distributor of the Research Reports in respect to any matters arising from, or in connection with, the analysis of the report. The Distributor accepts all legal responsibility for the contents of the Research Reports. When reports are distributed by Intermediaries in Singapore, the Intermediary, and not S&P Capital IQ, is solely responsible for ensuring that the recipients of the Research Reports understand the information contained in the Research Reports and that such information is suitable

based on the customer's profile and investment objectives.

For residents of Slovak Republic: The Intermediary, and not S&P Capital IQ, is solely responsible for complying with the rules related to the Slovak Securities Act (Act No. 566/2001 Coll., as amended), implementing Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC and its implementing directives, and Directive 2003/125/EC implementing Directive 2003/6/EC as regards the fair presentation of investment recommendations and the disclosure of conflicts of interest; and with the Slovak Act on Consumer Protection in Distance Financial Services Contracts (Act No. 266/2005 Coll., as amended).

For residents of Spain: Certain of S&P Capital IQ's equity Research Reports may be considered to be marketing communications for purposes of Spanish law.

For residents of the United Arab Emirates (UAE): S&P Capital IQ and its affiliates neither undertake banking, financial, or investment consultations business in or into the UAE within the meaning of the Central Bank Board of Directors' Resolution No. 164/8/94 regarding the regulations for investment companies nor provides financial analysis or consultation services in or into the UAE within the meaning of UAE SECURITIES AND COMMODITIES AUTHORITY DECISION NO. 48/R OF 2008 concerning financial consultation and financial analysis.

Investment research distributed by S&P Capital IQ and its affiliates is not intended to amount to an offer of securities within the meaning of DIFC Law NO. 12 OF 2004 (the DIFC Markets Law) or the equivalent laws, rules and regulations made by the Central Bank of the UAE and their Emirates Securities and Commodities Authority. Neither the Dubai Financial Services Authority, the UAE Securities nor Commodities Authority of the Central Bank of the UAE has reviewed or verified any of the information provided in a Research Report or through any service provided by S&P Capital IQ or its affiliates, or has any responsibility for it.

If a recipient of Research Report does not understand any of the contents of the Research Report, the recipient should contact a financial advisor. Users of extracts of investment Research Reports should be aware that if they are distributed in the UAE by an Intermediary, the Intermediary is solely responsible for the distribution and contents of the investment research in the UAE.

For residents of Uruguay: S&P Capital IQ or its affiliates are not, individually a risk assessment entity registered with the Central Bank of Uruguay, and S&P Capital IQ's Research Reports do not constitute a risk assessment. Investment research presented in a Research Report is not intended to constitute a public or private offer of securities in Uruguay. S&P Capital IQ's Research Reports are not intended for worldwide distribution, as such, and are not published to Uruguayan clients in Spanish.

For residents of Venezuela: Research Reports can only be distributed in Venezuela by an investment advisor, duly licensed under Venezuelan law. The Distributor of the Research Reports, and not S&P Capital IQ, is solely responsible for complying with licensing requirements.

Copyright © 2016 Standard & Poor's Financial Services LLC. All rights reserved. STANDARD & POOR'S, S&P, S&P 500, S&P EUROPE 350 and STARS are registered trademarks of Standard & Poor's Financial Services LLC. S&P CAPITAL IQ is a trademark of Standard & Poor's Financial Services LLC.