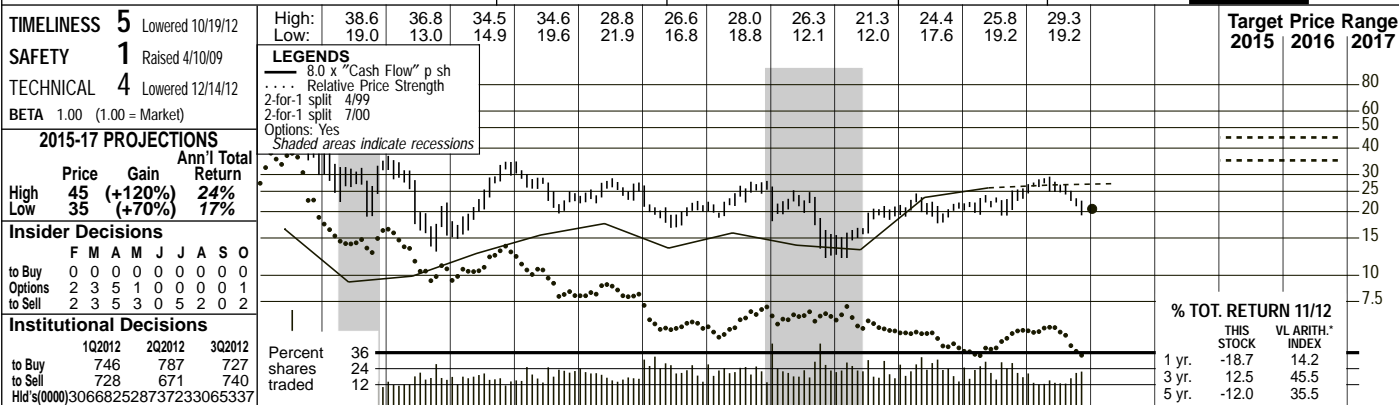


INTEL NDQ-INTC

RECENT PRICE **20.64** P/E RATIO **11.0** (Trailing: 9.0 Median: 21.0) RELATIVE P/E RATIO **0.71** DIV'D YLD **4.4%** VALUE LINE



1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	© VALUE LINE PUB. LLC	15-17
3.17	3.85	3.96	4.41	5.02	3.97	4.07	4.65	5.47	6.56	6.14	6.59	6.76	6.36	7.92	9.68	10.70	10.90	Sales per sh	14.00
1.07	1.40	1.36	1.68	2.07	1.16	1.24	1.59	1.94	2.20	1.68	1.98	1.74	1.65	2.92	3.24	3.35	3.40	"Cash Flow" per sh	5.10
.73	.97	.89	1.17	1.53	.53	.51	.86	1.16	1.40	.86	1.18	.92	.77	2.05	2.39	2.10	2.00	Earnings per sh ^A	3.40
.02	.03	.03	.05	.07	.08	.08	.08	.16	.32	.41	.45	.55	.56	.63	.78	.87	.90	Div'ds Decl'd per sh ^B	1.15
.46	.69	.54	.51	.99	1.09	.72	.56	.61	.98	1.00	.86	.93	.82	.94	1.93	2.25	2.50	Cap'l Spending per sh	3.50
2.57	2.96	3.53	4.88	5.55	5.36	5.40	5.83	6.17	6.11	6.37	7.35	7.03	7.55	8.97	8.23	10.05	11.15	Book Value per sh	14.00
6568.0	6512.0	6630.0	6668.0	6721.0	6690.0	6570.0	6487.0	6253.0	5919.0	5766.0	5818.0	5562.0	5523.0	5511.0	5581.0	5000.0	5000.0	Common Shs Outst'g ^C	5000.0
14.2	20.6	24.3	29.5	36.1	NMF	45.8	27.5	22.1	17.8	23.3	19.9	21.7	22.2	10.1	9.2	12.0		Avg Ann'l P/E Ratio	12.0
.89	1.19	1.26	1.68	2.35	NMF	2.50	1.57	1.17	.95	1.26	1.06	1.31	1.48	.64	.58	.75		Relative P/E Ratio	.80
.2%	.1%	.1%	.1%	.1%	.3%	.3%	.3%	.6%	1.3%	2.0%	1.9%	2.8%	3.3%	3.0%	3.5%	3.5%		Avg Ann'l Div'd Yield	2.8%

CAPITAL STRUCTURE as of 9/29/12		BUSINESS: Intel Corp. is a leading manufacturer of integrated circuits. Markets served: primarily makers of personal computers; also communications, industrial automation, military, and other electronic equipment. Main products: microprocessors (notably, the Pentium series), microcontrollers, and memory chips. Also sells computer modules and boards, and network products. Foreign business: about 84% of '11 sales. R&D: 15% of sales. '11 depreciation rate: 8.9%. Has approximately 100,100 employees. Off/dir. own less than 1% of common shares; BlackRock, 5.3% (4/12 proxy). Chair.: Andy Bryant; Pres. and CEO: Paul Otellini. Incorp.: Delaware. Add.: 2200 Mission College Blvd., Santa Clara, California 95054-1549. Tele.: 408-765-8080. Internet: www.intc.com.															
Total Debt \$7156 mill.	Due in 5 Yrs \$580 mill.	26764	30141	34209	38826	35382	38334	37586	35127	43623	53999	53400	54410	Sales (\$mill)	70000		
LT Debt \$7100 mill.	LT Interest \$70.0 mill. (13% of Cap'l)	36.0%	43.5%	43.6%	42.7%	30.8%	34.7%	37.3%	29.8%	45.9%	42.4%	41.5%	40.5%	Operating Margin	48.0%		
		4676.0	4651.0	4590.0	4345.0	4654.0	4546.0	4360.0	4744.0	4398.0	5141.0	6325	6900	Depreciation (\$mill) ^D	8500		
		3457.0	5641.0	7516.0	8664.0	5044.0	6976.0	5292.0	4369.0	11692	12942	10500	10000	Net Profit (\$mill)	17000		
Leases, Uncapitalized	Annual rentals \$183.0 mill.	25.9%	24.2%	27.8%	31.3%	28.6%	23.9%	31.1%	23.4%	28.7%	27.2%	27.0%	28.0%	Income Tax Rate	30.0%		
Pension Assets-12/11	\$648 mill. Oblig. \$1480 mill.	12.9%	18.7%	22.0%	22.3%	14.3%	18.2%	14.1%	12.4%	26.8%	24.0%	19.5%	18.5%	Net Profit Margin	24.5%		
Pfd Stock	None	12330	16003	16052	11960	9766.0	15314	12053	13566	22284	13844	11250	13000	Working Cap'l (\$mill)	19000		
Common Stock	4,976,000,000 shs. as of 10/19/12	929.0	936.0	703.0	2106.0	1848.0	1980.0	1886.0	2049.0	2077.0	7084.0	7000	6000	Long-Term Debt (\$mill)	4000		
MARKET CAP: \$103 billion (Large Cap)		35468	37846	38579	36182	36752	42762	39088	41704	49430	45911	50350	55850	Shr. Equity (\$mill)	70000		
CURRENT POSITION	2010 2011 9/29/12	9.6%	14.6%	19.2%	22.7%	13.1%	15.6%	12.9%	10.0%	22.8%	24.5%	18.5%	16.0%	Return on Total Cap'l	23.0%		
		9.7%	14.9%	19.5%	23.9%	13.7%	16.3%	13.5%	10.5%	23.7%	28.2%	21.0%	18.0%	Return on Shr. Equity	24.5%		
		8.2%	13.5%	16.8%	18.5%	7.4%	10.2%	5.6%	3.0%	16.6%	19.2%	12.0%	10.0%	Retained to Com Eq	16.0%		
		15%	9%	14%	23%	46%	38%	59%	71%	30%	32%	41%	40.5%	All Div'ds to Net Prof	34%		

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '15-'17
of change (per sh)	10 Yrs.	5 Yrs.	to '15-'17
Sales	6.0%	5.5%	10.0%
"Cash Flow"	4.5%	6.0%	12.0%
Earnings	5.0%	9.0%	12.0%
Dividends	25.5%	17.0%	10.0%
Book Value	4.5%	6.0%	9.0%

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	7145	8024	9389	10569	35127
2010	10299	10765	11102	11457	43623
2011	12847	13032	14233	13887	53999
2012	12906	13501	13457	13536	53400
2013	12940	13400	13700	14370	54410

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.11	d.07	.33	.40	.77
2010	.43	.51	.52	.59	2.05
2011	.56	.54	.65	.64	2.39
2012	.53	.54	.58	.45	2.10
2013	.40	.45	.55	.60	2.00

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2009	.14	.14	.14	.14	.56
2010	.158	.158	.158	.158	.63
2011	.181	.181	.21	.21	.78
2012	.21	.21	.225	.225	
2013					

Intel posted decent results for the September period. Revenues came in at about \$13.5 billion, which was a bit higher than our \$13.3 billion expectation. Share earnings were \$0.58, which was \$0.06 above our estimate. However, both the top and bottom lines were below the prior year's figures, which doesn't come as a surprise to us, given the current state of the chip industry. On the plus side, the Other Intel Architecture group inked a revenue gain of 6%, while the overall gross margin was moderately above management's guidance and stood at nearly 63.5%. Too, the tax rate was 24%, or 4% lower than guidance. On the other hand, Data Center Group results fell mid-single-digits on a sequential basis, while PC Client Group revenue was essentially flat. **However, fourth-quarter results were likely not too exciting.** This is especially worth noting, as the December period is generally among the seasonally strongest. Management's guidance suggested that revenues were about \$13.6 billion, give or take \$500 million, while the gross margin was likely in the vicinity of 57%. Both of these assumptions are well below our prior forecast. Intel's results are being constrained by a sluggish personal computer market. (Intel chips are found in about 80% of PCs). This segment is being hurt by an uneven global economy, coupled with elevated demand for smartphones, tablets, and notebooks. Although Intel has a presence in these markets, its bread-and-butter is personal computers. Hence, we have pared a dime and \$0.30 a share from our December quarter and 2013 earnings estimates, respectively. We believe some of these macroeconomic concerns will spill over into the year just begun. **We remain cautiously optimistic in our 3- to 5-year growth assumptions.** The PC market is mature, and we look for most of the growth to come from elsewhere. The company's push into other segments, such as Ultrabooks, Internet security, and mobile devices is imperative for sustainable long-term gains, in our view. **These shares are untimely.** However, long-term return potential is solid. The announcement that CEO Paul Otellini will be stepping down in May adds a degree of uncertainty, though.