

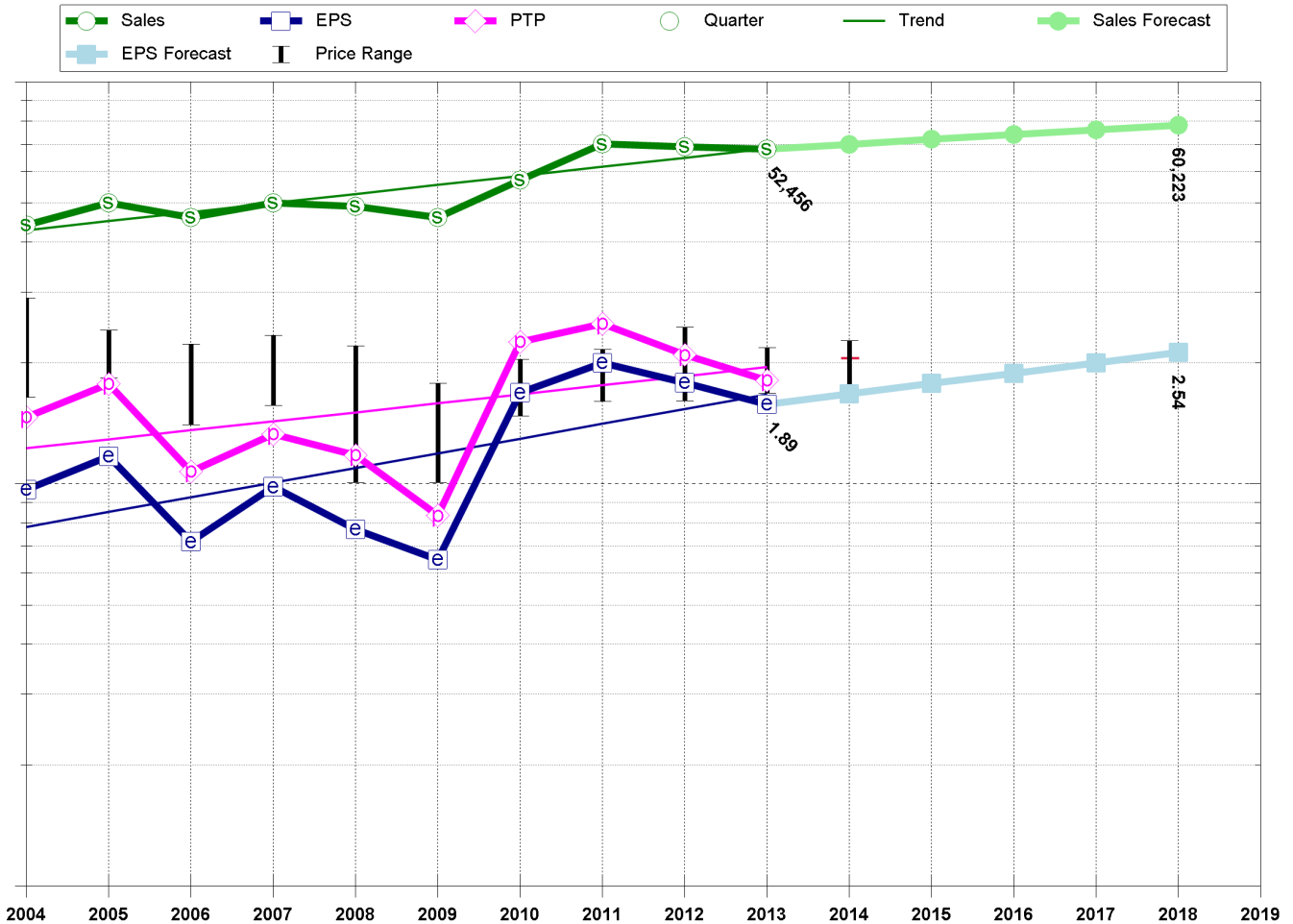
Company	Intel Corp		Date	1/31/2014	
Prepared by	POY		Data taken from	BI Stock Data	
Where traded	NAS		Industry	Semiconductors	
Capitalization ---	Outstanding Amounts		Reference		
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	4,971.0	0.4	67.1		
Debt (\$M)	13,446.0	% to Tot Cap	18.8	% Pot Dil	2.7

Stock Selection Guide

Symbol: INTC

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2013 Quarter Ending (12/13)	Sales (\$M)	Earnings Per Share
Latest Quarter	13,834.0	0.51
Year Ago Quarter	13,477.0	0.48
Percentage Change	2.6%	6.2%



- | | | | |
|-----------------------------------|------|--|------|
| (1) Historical Sales Growth | 5.3% | (3) Historical Earnings Per Share Growth | 8.8% |
| (2) Estimated Future Sales Growth | 2.8% | (4) Estimated Future Earnings Per Share Growth | 6.1% |

2 EVALUATING Management

Intel Corp

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Last 5 Year Avg.
Pre-tax Profit on Sales	30.5%	32.5%	21.5%	24.7%	22.3%	16.9%	36.8%	32.9%	27.9%	24.4%	27.8%
% Earned on Equity	19.0%	23.4%	13.5%	16.1%	12.9%	10.2%	22.4%	26.0%	20.6%	16.9%	19.3%
% Debt To Capital	2.3%	6.3%	5.2%	4.7%	4.8%	5.1%	4.1%	13.8%	20.8%	18.8%	12.5%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

PRESENT PRICE 24.5

HIGH THIS YEAR 27.12

LOW THIS YEAR 20.10

		A	B	C	D	E	F	G	H
	Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
		High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
1	2009	21.3	12.1	0.77	27.5	15.6	0.56	72.4	4.6
2	2010	24.4	17.6	2.01	12.1	8.7	0.63	31.3	3.6
3	2011	25.8	19.2	2.39	10.8	8.0	0.78	32.7	4.1
4	2012	29.3	19.2	2.13	13.7	9.0	0.87	40.8	4.5
5	2013	26.0	20.1	1.89	13.8	10.7	0.90	47.7	4.5
	AVERAGE		17.6		15.6	10.4		45.0	
	CURRENT/TTM			1.89			0.90	47.7	
AVERAGE PRICE EARNINGS RATIO 13.0					CURRENT PRICE EARNINGS RATIO 13.0				

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 12.50 X Estimate High Earnings/Share 2.54 = Forecasted High Price \$ 31.8

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 10.50 X Estimate Low Earnings/Share 1.89 = Forecasted Low Price \$ 19.8

(b) Avg. Low Price of Last 5 Years 17.6

(c) Recent Market Low Price 19.23

(d) Price Dividend Will Support $\frac{\text{Present Dividend}}{\text{High Yield}} = \frac{0.900}{4.50\%} = 20.0$

Selected Forecasted Low Price \$ 19.9

C ZONING using 25%-50%-25%

Forecasted High Price 31.8 Minus Forecasted Low Price 19.9 = 11.9 Range. 25% of Range 3.0

Buy Zone 19.9 to 22.9

Hold Zone 22.9 to 28.8

Sell Zone 28.8 to 31.8

Present Market Price of 24.54 is in the **Hold** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Minus Low Price}} = \frac{31.8 - 24.54}{24.54 - 19.9} = \frac{7.21}{4.64} = 1.6$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Present Market Price}}{\text{Present Market Price}} = \frac{31.8 - 24.54}{24.54} = 1.29$ X 100 = 129.38 - 100 = 29.4 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Present Full Year's Dividend \$}}{\text{Present Price of Stock}} = \frac{0.90}{24.54} = 0.04 = 3.7\%$ Present Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{45.0\%}{12.50} = 3.6\%$

AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{45.0\%}{11.50} = 3.9\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 5.3 %
Average Yield 3.6 %
Annualized Rate of Return 8.9 %

COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 3.5 %
Average Yield 3.9 %
Annualized Rate of Return 7.5 %