Intel Corp

STANDARD &POOR'S

S&P Recommendation HOLD ★★★★★

Price
$19.75 (as of Apr 15, 2011)

12-Mo. Target Price
$26.00

Investment Style
Large-Cap Growth

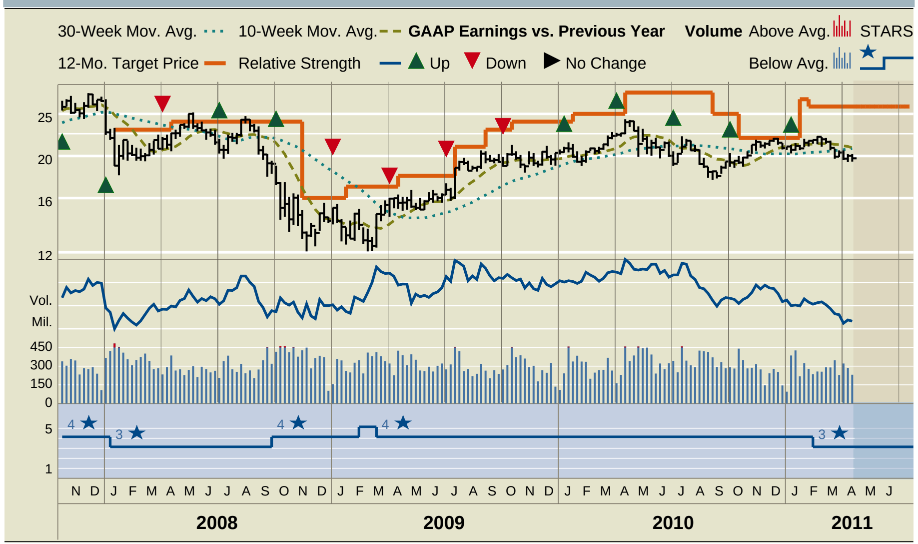
GICS Sector Information Technology
Sub-Industry Semiconductors

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, Vickers, company reports)

52-Wk Range	**$24.25– 17.60**	S&P Oper. EPS 2011**E**	**2.00**	Market Capitalization(B)	**$108.388**	Beta	**1.12**
Trailing 12-Month EPS	**$2.01**	S&P Oper. EPS 2012**E**	**2.23**	Yield (%)	**3.67**	S&P 3-Yr. Proj. EPS CAGR(%)	**11**
Trailing 12-Month P/E	**9.8**	P/E on S&P Oper. EPS 2011**E**	**9.9**	Dividend Rate/Share	**$0.73**	S&P Credit Rating	**A+**
$10K Invested 5 Yrs Ago	**$11,622**	Common Shares Outstg. (M)	**5,488.0**	Institutional Ownership (%)	**62**		

Price Performance



Options: ASE, CBOE, P, Ph

Analysis prepared by **Clyde Montevirgen** on February 14, 2011, when the stock traded at **$ 21.63**.

Highlights

- We think sales will rise 17% in 2011, after a 24% increase in 2010. We believe IT spending, driven by Microsoft Windows 7, aging computers and bandwidth-consuming applications for PCs and servers will provide healthy demand for microprocessors. Laptop sales growth should help balance desktop weakness and tablet cannibalization to support top-line advances, in our view. We expect Intel's 32 nanometer (nm) and 22 nm chips to outperform competitors' offerings, which should lead to share gains in higher-end computing segments, helping preserve average selling prices. We also see fair growth from the wireless and security businesses.
- We see gross margins narrowing to 63% in 2011, from 66% in 2010, reflecting higher costs for the implementation of its 22 nm processes and resolution of a chipset design error. We assume higher expenses for compensation and headcount, and expect operating margins to narrow to 31% in 2011 from 36% in 2010.
- Our EPS projections include a 29% effective tax rate and modest decrease in the share count.

Investment Rationale/Risk

- Our hold opinion is based our view of uninspiring organic growth and fair valuations. Intel has the best competitive position in our semiconductor coverage universe, a solid balance sheet, and strong free cash flows, while carrying lower business and financial risks than most other chipmakers, in our opinion. Although we think that the company will continue to thrive in the PC and server segments, we expect INTC's limited share in fast-growing mobile markets to limit top-line advances and see acquisitions hindering profitability improvement this year. Projecting below-industry growth, we believe that the stock deserves a below-industry multiple.
- Risks to our recommendation and target price include lower-than-expected demand for PCs, accelerated ASP erosion, and less-than anticipated traction for INTC's latest chips.
- Our 12-month target price of $26 is based on our P/E analysis. We apply a P/E multiple of 13X, which reflects our view of INTC's relative growth, return on equity, and risk compared to the chip industry, to our 2011 EPS estimate.

Qualitative 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.

Quantitative Evaluations

S&P Quality Ranking **B+**

D	C	B-	B	B+	A-	A	A+

Relative Strength Rank **WEAK**

23

LOWEST = 1 HIGHEST = 99

Revenue/Earnings Data

Revenue (Million $)

	1Q	2Q	3Q	4Q	Year
2010	10,299	10,765	11,102	11,457	43,623
2009	7,145	8,024	9,389	10,569	35,127
2008	9,673	9,470	10,217	8,226	37,586
2007	8,852	8,680	10,090	10,712	38,334
2006	8,940	8,009	8,739	9,694	35,382
2005	9,434	9,231	9,960	10,201	38,826

Earnings Per Share ($)

2010	0.43	0.51	0.52	0.59	2.05
2009	0.12	-0.07	0.33	0.40	0.77
2008	0.25	0.28	0.35	0.04	0.92
2007	0.28	0.22	0.30	0.38	1.18
2006	0.23	0.15	0.22	0.26	0.86
2005	0.35	0.33	0.32	0.40	1.40

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

Dividend Data (Dates: mm/dd Payment Date: mm/dd/yy)

Amount ($)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
0.158	07/22	08/04	08/07	09/01/10
0.158	09/24	11/03	11/07	12/01/10
0.181	01/24	02/03	02/07	03/01/11
0.181	03/18	05/04	05/07	06/01/11

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

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Business Summary February 14, 2011

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 (PCs). 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.

Intel has three main operating segments: PC Client Group, Data Center Group, and Other Intel Architecture.

The PC Client Group (74% of 2010 total sales) makes microprocessors and related chipsets for the notebook, netbook, and desktop segments. This segment also includes motherboards designed for desktop and wireless connectivity products.

The Data Center Group (20%) 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 Other Intel Architecture segments (4%) includes Intel's smaller businesses such as the Embedded and Communications Group, which makes scalable microprocessors and chipsets for various embedded applications, the Ultra-Mobility Group, which offers processors an chipsets for mobile Internet devices, and the Digital Home Group, which produces products for use in various consumer electronics devices.

MARKET PROFILE. The microprocessor market accounts for about 15% 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. But 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 80% 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. As a result, the technology has led to improved profitability, which in 2010 was the highest in several years.

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. Some of Intel's competitive tactics have been viewed as anticompetitive by regulators and competitors. After $2.7 billion worth of combined settlements with the European Commission and AMD over such accusations, Intel entered a $1.5 billion cross-licensing agreement with chipmaker Nvidia, ending all legal disputes between the companies.

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, in our view. 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 of around 26%, on average, over the last few years.

Corporate Information

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J.E. Shaw

Pres & CEO
P.S. Otellini

EVP & Chief Admin Officer
A. Bryant

SVP, CFO & Chief Acctg Officer
S.J. Smith

SVP & General Counsel
A.D. Melamed

Board Members
C. Barshefsky
S. L. Decker
J. J. Donahoe
R. E. Hundt
P. S. Otellini
J. Plummer
D. S. Pottruck
J. E. Shaw
F. D. Yeary
D. B. Yoffie

Domicile
Delaware

Founded
1968

Employees
82,500

Stockholders
175,000

Intel Corp

Quantitative Evaluations

S&P Fair Value Rank 5

1	2	3	4	5

LOWEST — HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation $23.60

Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that INTC is Undervalued by $3.85 or 19.5%.

Investability Quotient Percentile 98

LOWEST = 1 — HIGHEST = 100

INTC scored higher than 98% of all companies for which an S&P Report is available.

Volatility LOW | **AVERAGE** | HIGH

Technical Evaluation BEARISH

Since March, 2011, the technical indicators for INTC have been BEARISH.

Insider Activity NA

UNFAVORABLE | NEUTRAL | FAVORABLE

Expanded Ratio Analysis

	2010	2009	2008	2007
Price/Sales	2.75	3.28	2.24	4.13
Price/EBITDA	5.85	8.41	5.90	11.60
Price/Pretax Income	7.47	20.19	10.96	17.27
P/E Ratio	10.45	26.36	15.92	22.69
Avg. Diluted Shares Outstg (M)	5,696.0	5,645.0	5,748.0	5,936.0

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	24.19	3.25	1.56	4.80
Net Income	NM	13.87	2.00	13.53
Ratio Analysis (Annual Avg.)				
Net Margin (%)	26.28	17.60	17.05	17.77
% LT Debt to Capitalization	4.02	4.43	4.49	3.82
Return on Equity (%)	25.56	16.44	16.14	16.41

Company Financials Fiscal Year Ended Dec. 31

Per Share Data ($)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Tangible Book Value	7.99	6.59	6.18	6.51	5.70	5.46	5.57	5.26	4.74	4.59
Cash Flow	2.83	1.67	1.72	1.98	1.65	2.15	1.91	1.62	1.25	1.13
Earnings	2.01	0.77	0.92	1.18	0.86	1.40	1.16	0.85	0.46	0.19
S&P Core Earnings	2.00	0.94	0.96	1.18	0.77	1.22	0.99	0.83	0.35	0.11
Dividends	0.63	0.56	0.55	0.45	0.40	0.32	0.16	0.08	0.08	0.08
Payout Ratio	31%	73%	60%	38%	47%	23%	14%	9%	17%	42%
Prices:High	24.37	21.27	26.34	27.99	26.63	28.84	34.60	34.51	36.78	38.59
Prices:Low	17.60	12.05	12.06	18.75	16.75	21.94	19.64	14.88	12.95	18.96
P/E Ratio:High	12	28	29	24	31	21	30	41	80	NM
P/E Ratio:Low	9	16	13	16	19	16	17	18	28	NM
Income Statement Analysis (Million $)										
Revenue	43,623	35,127	37,586	38,334	35,382	38,826	34,209	30,141	26,764	26,539
Operating Income	20,488	13,691	14,283	13,643	10,861	16,685	15,019	13,225	9,746	8,923
Depreciation	4,638	5,052	4,619	4,798	4,654	4,595	4,889	5,070	5,344	6,469
Interest Expense	NA	1.00	8.00	15.0	1,202	19.0	50.0	62.0	84.0	56.0
Pretax Income	16,045	5,704	7,686	9,166	7,068	12,610	10,417	7,442	4,204	2,183
Effective Tax Rate	NA	23.4%	31.2%	23.9%	28.6%	31.3%	27.8%	24.2%	25.9%	40.9%
Net Income	11,464	4,369	5,292	6,976	5,044	8,664	7,516	5,641	3,117	1,291
S&P Core Earnings	11,454	5,325	5,521	6,978	4,518	7,555	6,374	5,467	2,332	740
Balance Sheet & Other Financial Data (Million $)										
Cash	21,885	13,920	11,843	15,363	6,598	7,324	8,407	7,971	7,404	7,970
Current Assets	31,563	21,157	19,871	23,885	18,280	21,194	24,058	22,882	18,925	17,633
Total Assets	63,138	53,095	50,715	55,651	48,368	48,314	48,143	47,143	44,224	44,395
Current Liabilities	9,070	7,591	7,818	8,571	8,514	9,234	8,006	6,879	6,595	6,570
Long Term Debt	2,077	2,049	1,886	1,980	1,848	2,106	703	936	929	1,050
Common Equity	49,638	41,704	39,088	42,762	36,752	36,182	38,579	37,846	35,468	35,830
Total Capital	51,715	43,753	41,020	45,153	38,865	38,991	40,137	40,264	37,629	37,825
Capital Expenditures	5,207	4,515	5,197	5,000	5,779	5,818	3,843	3,656	4,703	7,309
Cash Flow	16,102	9,421	9,911	11,774	9,698	13,259	12,405	10,711	8,461	7,760
Current Ratio	3.5	2.8	2.5	2.8	2.1	2.3	3.0	3.3	2.9	2.7
% Long Term Debt of Capitalization	4.0	4.7	4.6	4.4	4.8	5.4	1.8	2.3	2.5	2.8
% Net Income of Revenue	26.8	12.4	14.1	18.2	14.3	22.3	22.0	18.7	11.6	4.9
% Return on Assets	20.1	8.4	10.0	13.4	10.4	18.0	15.8	12.3	7.0	2.8
% Return on Equity	25.6	10.8	12.9	17.6	13.8	23.2	19.7	15.4	8.7	3.5

Data as orig reptd.; 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 neutral fundamental outlook on the semiconductor industry for the next 12 months. Although we still see some risks related to elevated inventory throughout the supply chain and potential supply disruption because of the recent events in Japan, we have grown more optimistic after several chipmakers announced the end of an inventory glut that has prevented growth over the last couple of quarters. After a relatively weak start, the industry should benefit from rebounding demand and finish the year strong, in our view. We project healthy growth of 10% in 2011.

Considering recent forecasts from S&P Economics, research from industry and trade groups, and our own bottom-up analysis for semiconductor companies within our coverage universe, we see higher enterprise spending, improved consumer spending, increasing Internet usage, expansion of wireless communication, and the proliferation of semiconductors across a broad range of electronic products and markets driving chip demand. Consequently, we expect a pick-up in orders for computers, handsets, and wireless communications, leading to above seasonal growth in the second and third quarters of the year.

We see utilization rates remaining in the high-80% to low-90% area as chipmakers align inventory with anticipated growth. The industry's Days of Inventory metric is a bit above, yet still near, the five-year average, but we think that elevated component stock reflects improving bookings strength for what could be a seasonally stronger second half. There is always the risk of slower production if demand is with softer than anticipated, but we believe that manufacturing plants will stay practically full, helping industry gross margins to stay north of 50%, slightly above the five-year average. We believe that companies remain cautiously optimistic on the economy and end-market demand, which should translate to continued expense management. Overall, we anticipate operating margins to fluctuate around 20%, also above the industry's five-year average.

Over the long term, we believe sales growth will decelerate and converge with that of nominal GDP. We see more tempered variability in margins, leading to more stable profits and less risk. Also, with semiconductor firms increasingly utilizing third-party foundries, we believe the shift to fabless or fab-lite manufacturing will contribute to more flexible cost structures and less margin variability.

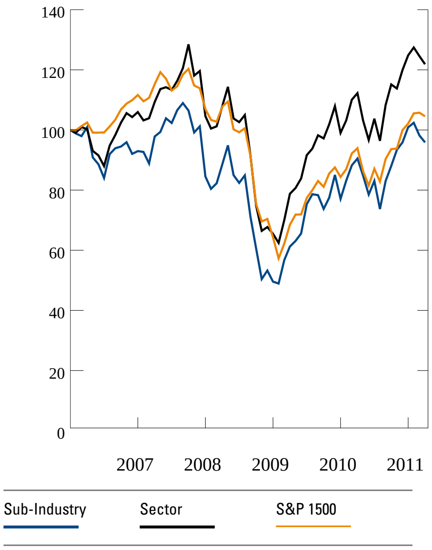
Year to date through March 18, the S&P Semiconductor sub-industry index fell 1.2%, versus a 1.9% increase for the S&P 1500.

--Clyde Montevirgen

Stock Performance

GICS Sector: Information Technology
Sub-Industry: Semiconductors

Based on S&P 1500 Indexes
Month-end Price Performance as of 03/31/11



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

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**	**108,388**	**19.75**	**24.25/17.60**	**1.12**	**3.7**	**10**	**23.60**	**B+**	**98**	**26.8**	**4.0**
Advanced Micro Dev	AMD	5,667	8.27	10.15/5.53	2.14	Nil	13	5.30	B-	27	7.3	68.3
Altera Corp	ALTR	13,813	43.17	45.00/21.97	1.04	0.6	17	41.40	B+	94	40.1	17.7
Atmel Corp	ATML	6,099	13.35	16.80/4.50	0.89	Nil	15	11.40	C	89	25.7	0.4
Fairchild Semiconductor Intl	FCS	2,323	18.39	19.80/7.71	2.44	Nil	15	19.20	C	85	9.6	21.2
Infineon Technologies ADR	IFNNY	10,922	10.05	11.37/5.06	NM	Nil	11	9.00	NR	NA	9.4	9.1
Integrated Device Tech	IDTI	1,094	7.25	8.67/4.82	1.46	Nil	27	NA	C	68	7.5	NA
LSI Corp	LSI	4,060	6.59	7.05/3.89	1.55	Nil	NM	5.60	C	20	1.6	NA
STMicroelectronics N.V.	STM	10,500	11.91	13.53/6.51	1.82	2.7	13	13.80	NR	83	8.0	10.2
Xilinx Inc	XLNX	8,213	31.46	35.42/22.75	0.93	2.4	14	30.40	B	75	19.5	14.3

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 Analyst Research Notes and other Company News

April 19, 2011
Ann Kelleher has become the first Irish female to be appointed as a vice president at Intel.

February 14, 2011
01:35 pm ET ... S&P LOWERS OPINION OF SHARES OF INTEL CORP TO HOLD FROM BUY (INTC 21.66***): Following the recent reduction in our 2011 and 2012 PC forecast, and considering our more favorable view of growth for mobile devices such as tablets and smartphones, we expect Intel to post healthy, yet uninspiring, organic growth ahead. Recent acquisitions should improve its exposure to faster growing markets, but we see this limiting margin improvement until technology and cost synergies are realized, which we think may take a while. While maintaining our $26 target price, we see faster growing chip companies, and would not add to INTC positions. /C.Montevirgen

February 8, 2011
On 1/31, INTC disclosed design issue with the Intel 6 Series Chipset that has potential to impact certain PC system configurations. INTC initiated talks with PC makers and as a result of these discussions and specific requests from computer makers, INTC is resuming shipments of the Intel 6 Series Chipset for use only in PC system configurations that are not impacted by design issue.

February 8, 2011
10:46 am ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF MCAFEE INC (MFE 47.92***): Q4 EPS of $0.38, vs. $0.34, misses our $0.42 estimate on one-time restructuring charges. Revenues rose 4.5% to $550M, $4M above our forecast. We continue to see a gradual recovery in IT spending, and expect the security software sector to grow at a mid-single digit rate this year. Despite modest revenue growth, we project wider operating margins on economies of scale. Switching from GAAP to non-GAAP, we raise our '11 operating EPS estimate by $0.42 to $1.83. We keep our target price of $48 on the belief the proposed merger with Intel (INTC 21.53, Buy) will close shortly. /J.Yin-CFA

February 7, 2011
01:32 pm ET ... S&P UPGRADES RECOMMENDATION ON SHARES OF KLA-TENCOR TO BUY FROM HOLD (KLAC 46.34****): Our upgrade reflects valuation as well as our optimistic view of foundry and logic demand. Specifically, we expect KLAC to be a major beneficiary of robust capital spending by Intel (INTC 21.77, Buy) and Taiwan Semiconductor (TSM 13.72, Buy) in calendar year '11. Also, we see rising yield monitoring and process control system sales to memory makers as they ramp to more advanced technology nodes. We keep our FY 11 (Jun.) operating EPS estimate at $4.52 and FY 12's at $4.47. We up our target price by $2 to $53, on a blend of peer-average P/E and near historical price-to-sales. /A.Zino-CFA

February 1, 2011
02:32 pm ET ... S&P MAINTAINS HOLD RECOMMENDATION ON SHARES OF MCAFEE (MFE 47.9***): Ahead of Q4 results expected February 8th after the markets close, we continue to see EPS of $0.42 on sales of $546M. Results from some of MFE's peers have been mixed. While some companies saw a year-end budget flush, they stated that IT budgets remain tight and provided cautious outlook. We project MFE's revenues will increase about 6% in 2011. Separately, we expect the merger with Intel (INTC 21.64, Buy) to close in the first half of this year. European Union cleared the deal last month after INTC gave assurance that its products will work with competitors' security software. /J.Yin-CFA

January 31, 2011
DOWN 0.02 to 21.44... Shares of INTC have been halted as co. announces there is a design error in recently released Intel 6 Series chip.

January 31, 2011
12:41 pm ET ... S&P REITERATES BUY OPINION ON SHARES OF INTEL CORP (INTC 21.26****): INTC finds chipset design error and expects costs to be $700M, charged against Q4 '10 and Q1 '11 COGS, and a Q1 sales hit of $300M. Assuming pent-up demand for Sandy Bridge and mild competition, we think impact of this problem will be relatively small. Also, INTC revises '11 guidance, now including anticipated design problem costs and wireless and security acquistions. We raise our sales estimate, but lower our margin projections. Overall, we reduce our '11 EPS forecast $0.25 to $2.00, and cut our target price by $1 to $26, but still think the stock is attractively valued. /C.Montevirgen

January 31, 2011
Intel Corporation promoted six leaders to corporate vice president, including four Oregon executives. The four promoted in Oregon: Rani Borkar, vice president of the Intel architecture group and general manager of the microprocessor development group; Doug Fisher, vice president of the software and services group and general manager of the systems software division; Babak Sabi, vice president of the technology and manufacturing group and director of assembly test and technology development; Sunil Shenoy, vice president of the Intel architecture group and general manager of the visual and parallel computing group.

January 26, 2011
10:13 am ET ... S&P REITERATES BUY RECOMMENDATION ON SHARES OF APPLIED MATERIALS (AMAT 15.37****): We see improving order visibility and believe AMAT should be a major beneficiary of Intel's (INTC 22, Buy) plan to sharply raise '11 capital spending. Also, we see healthy foundry and logic spending as well as rising flash memory orders offsetting a drop in DRAM investments. We project expansion plans by Asian panel makers to support solar sales, but forecast lower near-term flat panel display orders. We keep our FY 11 (Oct.) operating EPS estimate of $1.32 and FY 12's $1.40. We raise our 12-month target price by $2 to $18, on blend of peer-premium P/E and price-to-sales. /A.Zino-CFA

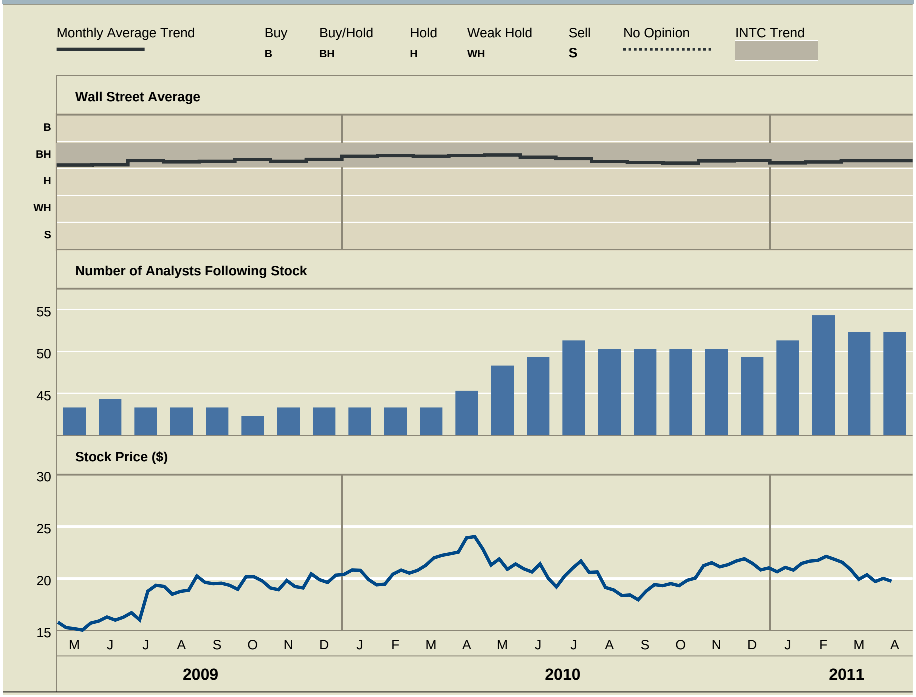
January 24, 2011
10:18 am ET ... S&P REITERATES BUY OPINION ON SHARES OF INTEL CORP (INTC 21.0****): INTC raises its quarterly dividend to $0.18, which would provide a yield of almost 3.5% on annualized basis, and raises its share repurchase program by $10B, increasing the overall buyback authorization to $14.2B. We believe that the company's efforts to improve share value signifies the strength of its business model and balance sheet. We expect gross margins to strengthen throughout the year, and with anticipated sales traction in non-PC markets, we see profitability holding up next year as well. We maintain our 12-month target price of $27. /C.Montevirgen

January 18, 2011
02:05 pm ET ... S&P UPGRADES RECOMMENDATION ON SHARES OF CYMER INC TO HOLD FROM SELL (CYMI 49.0***): We now see higher growth prospects for CYMI following last week's announcement by Intel (INTC 21, Buy) to raise capital spending by 73% in '11. We think CYMI and others heavily exposed to the lithography segment, which now could face supply constraints, are likely to be major beneficiaries of the higher planned investments. We see upside potential for its extreme ultraviolet (EUV) light source as well as its flat panel display tool. We up our '11 EPS estimate by $0.31 to $3.39 and our 12-month target price by $13 to $50, on blended peer-premium P/E and price-to-sales. /A.Zino-CFA

Intel Corp

STANDARD &POOR'S

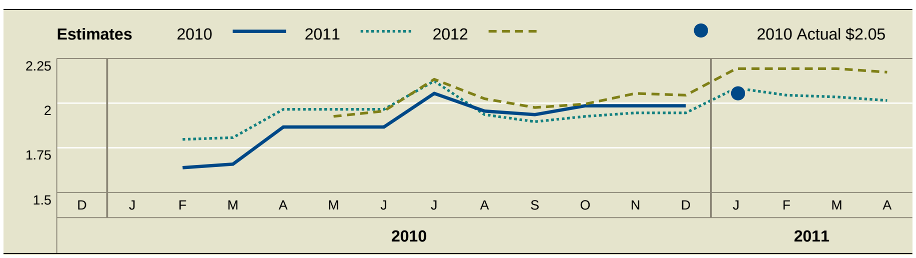
Analysts' Recommendations



Of the total 57 companies following INTC, 53 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	15	28	14	12
Buy/Hold	14	26	16	17
Hold	20	38	19	18
Weak Hold	3	6	3	3
Sell	0	0	0	1
No Opinion	1	2	1	1
Total	**53**	**100**	**53**	**52**

Wall Street Consensus Estimates



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2012	2.18	2.57	1.30	42	9.1
2011	2.02	2.25	1.74	47	9.8
2012 vs. 2011	▲ 8%	▲ 14%	▼ -25%	▼ -11%	▼ -7%
Q1'12	0.49	0.58	0.41	33	40.3
Q1'11	0.46	0.50	0.39	43	42.9
Q1'12 vs. Q1'11	▲ 7%	▲ 16%	▲ 5%	▼ -23%	▼ -6%

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Steet Consensus Opinion

BUY/HOLD

Companies Offering Coverage

Over 30 firms follow this stock; not all firms are displayed.
ABN Amro Global
Arete Research
Argus Research Company
Auriga USA
Avian Securities LLC
BMO Capital Markets-us
Barclays Capital
Bofa Merrill Lynch
Canaccord Genuity
Caris & Company
Charter Equity Research
Citi
Cleveland Research Company
Cowen AND Company
Credit Agricole Securities
Credit Suisse - North America
Crowell, Weedon & Co.
Davenport & Company LLC
Deutsche Bank North America
Dolmen Securities
FBR Capital Markets & Co.
First Global Stockbroking Ltd.
Gabelli & Company
Gleacher & Company
Global Equities Research
Goldman Sachs & Co.
Hamburger Sparkasse (haspa)
JMP Securities
Jpmorgan
Kaufman Bros.

Wall Street Consensus vs. Performance

For fiscal year 2011, analysts estimate that INTC will earn $2.02. For fiscal year 2012, analysts estimate that INTC's earnings per share will grow by 8% to $2.18.

The McGraw·Hill Companies

Glossary

S&P STARS
Since January 1, 1987, Standard & Poor's Equity Research Services 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, Standard & Poor's Equity Research Services has used STARS® methodology to rank Asian and European equities since June 30, 2002. Under proprietary STARS (STock Appreciation Ranking System), S&P 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.

S&P Quality Ranking
(also known as S&P Earnings & Dividend Rankings)- Growth and stability of earnings and dividends are deemed key elements in establishing S&P's earnings and dividend rankings for common stocks, which are designed to capsulize 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 Issuer Credit Rating
A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation.

S&P Core Earnings
Standard & Poor's 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 Standard & Poor's 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 12-Month Target Price
The S&P 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.

S&P Equity Research Services
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Abbreviations Used in S&P Equity Research Reports
CAGR- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **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 ; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

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

Required Disclosures

In contrast to the qualitative STARS recommendations covered in this report, which are determined and assigned by S&P equity analysts, S&P's quantitative evaluations are derived from S&P's proprietary Fair Value quantitative model. In particular, the Fair Value Ranking methodology is a relative ranking methodology, whereas the STARS methodology is not. Because the Fair Value model and the STARS methodology reflect different criteria, assumptions and analytical methods, quantitative evaluations may at times differ from (or even contradict) an equity analyst's STARS recommendations. As a quantitative model, Fair Value relies on history and consensus estimates and does not introduce an element of subjectivity as can be the case with equity analysts in assigning STARS recommendations.

S&P Global STARS Distribution

In North America: As of December 31, 2010, research analysts at Standard & Poor's Equity Research Services North America recommended 35.0% of issuers with buy recommendations, 56.4% with hold recommendations and 8.6% with sell recommendations.

In Europe: As of December 31, 2010, research analysts at Standard & Poor's Equity Research Services Europe recommended 33.6% of issuers with buy recommendations, 45.6% with hold recommendations and 20.8% with sell recommendations.

In Asia: As of December 31, 2010, research analysts at Standard & Poor's Equity Research Services Asia recommended 39.4% of issuers with buy recommendations, 51.8% with hold recommendations and 8.8% with sell recommendations.

Globally: As of December 31, 2010, research analysts at Standard & Poor's Equity Research Services globally recommended 35.2% of issuers with buy recommendations, 54.0% with hold recommendations and 10.8% with sell recommendations.

★★★★★ **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-STARS (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 generally the S&P Europe 350 Index and the S&P Asia 50 Index.

For All Regions: All of the views expressed in this research report accurately reflect the research analyst's personal views regarding any and all of the subject securities or issuers. No part of analyst compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed in this research report.

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Globally: As of December 31, 2010, Standard & Poor's Quantitative Services globally recommended 45.0% of issuers with buy recommendations, 19.0% with hold recommendations and 35.0% with sell recommendations.

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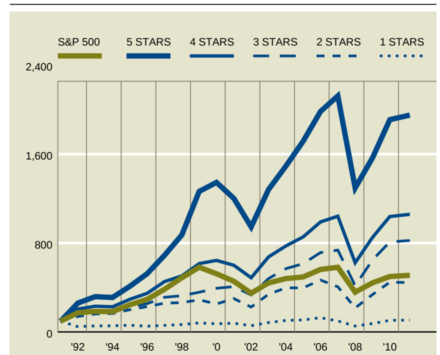
U.S. STARS Cumulative Model Performance
Hypothetical Growth Due to Price Appreciation of $100
For the Period 12/31/1986 through 03/31/2011



The performance above represents only the results of Standard & Poor's model portfolios. Model performance has inherent limitations. Standard & Poor's maintains the models and calculates the model performance shown, but does not manage actual assets. The U.S. STARS model performance chart is only an illustration of Standard & Poor's (S&P) research; it shows how U.S. common stocks, ADRs (American Depositary Receipts) and ADSs (American Depositary Shares), collectively "equities", that received particular STARS rankings performed. STARS categories are models only; they are not collective investment funds. The STARS performance does not show how any actual portfolio has performed. STARS model performance does not represent the results of actual trading of investor assets. Thus, the model performance shown does not reflect the impact that material economic and market factors might have had on decision-making if actual investor money had been managed. Performance is calculated using a time-weighted rate of return. While model performance for some or all STARS categories performed better than the S&P 500 for the period shown, the performance during any shorter period may not have, and there is no assurance that they will perform better than the S&P 500 in the future. STARS does not take into account any particular investment objective, financial situation or need and is not intended as an investment recommendation or strategy. Investments based on the STARS methodology may lose money. High returns are not necessarily the norm and there is no assurance that they can be sustained. Past model performance of STARS is no guarantee of future performance.

For model performance calculation purposes, the equities within each STARS category at December 31, 1986 were equally weighted. Thereafter, additions to the composition of the equities in each STARS category are made at the average value of the STARS category at the preceding month end with no rebalancing. Deletions are made at the closing price of the day that the deletion is made. Performance was calculated from inception through March 31, 2003 on a monthly basis. Thereafter, performance is calculated daily. Equities in each STARS category will change over time, and some or all of the equities that received STARS rankings during the time period shown may not have maintained their STARS ranking during the entire period.

The model performance does not consider taxes and brokerage commissions, nor does it reflect the deduction of any advisory or other fees charged by advisors or other parties that investors will incur when their accounts are managed in accordance with the models. The imposition of these fees and charges would cause actual performance to be lower than the performance shown. For example, if a model returned 10 percent on a $100,000 investment for a 12-month period (or $10,000) and an annual asset-based fee of 1.5 percent were imposed at the end of the period (or $1,650), the net return would be 8.35 percent (or $8,350) for the year. Over 3 years, an annual 1.5% fee taken at year end with an assumed 10% return per year would result in a cumulative gross return of 33.1%, a total fee of $5,375 and a cumulative net return of 27.2% (or $27,200). Fees deducted on a frequency other than annual would result in a different cumulative net return in the preceding example.

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