



Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
Price	2.47	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	10.35	11.05	Sales per sh	13.70
Gain	.74	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	3.35	3.45	"Cash Flow" per sh	4.00
Return	.49	.73	.97	.89	1.17	1.53	.53	.51	.86	1.16	1.40	.86	1.18	.92	.77	2.05	2.35	2.40	Earnings per sh <sup>A</sup>	2.80
Beta	.02	.02	.03	.03	.05	.07	.08	.08	.08	.16	.32	.41	.45	.55	.56	.63	.78	.84	Div'ds Decl'd per sh <sup>B</sup>	1.08
Options	.54	.46	.69	.54	.51	.99	1.09	.72	.56	.61	.98	1.00	.86	.93	.82	.94	2.00	1.40	Cap'l Spending per sh	1.75
to Buy	1.85	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	9.25	11.20	Book Value per sh	15.65
to Sell	6568.0	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	5200.0	5000.0	Common Shs Outst'g <sup>C</sup>	4800.0
to Buy	13.9	14.2	20.6	24.3	29.5	36.1	55.0	45.8	27.5	22.1	17.8	23.3	19.9	21.7	22.2	10.1	9.5		Avg Ann'l P/E Ratio	20.0
to Sell	.93	.89	1.19	1.26	1.68	2.35	2.82	2.50	1.57	1.17	.95	1.26	1.06	1.31	1.48	.65	.60		Relative P/E Ratio	1.35
Hld's(000)	.3%	.2%	.1%	.1%	.1%	.1%	.3%	.3%	.3%	.6%	1.3%	2.0%	1.9%	2.8%	3.3%	3.0%	3.5%		Avg Ann'l Div'd Yield	1.9%

Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
Total Debt	26539	26764	30141	34209	38826	35382	38334	37586	35127	43623	53840	55270	Sales (\$mill)	65750						
LT Debt	33.6%	36.0%	43.5%	43.6%	42.7%	30.8%	34.7%	37.3%	29.8%	45.9%	48.0%	48.5%	Operating Margin	52.0%						
Leases	4131.0	4676.0	4651.0	4590.0	4345.0	4654.0	4546.0	4360.0	4744.0	4398.0	5200	5350	Depreciation (\$mill) <sup>D</sup>	5750						
Pension Assets	3631.0	3457.0	5641.0	7516.0	8664.0	5044.0	6976.0	5292.0	4369.0	11692	12220	12000	Net Profit (\$mill)	13440						
Com. Stock	37.2%	25.9%	24.2%	27.8%	31.3%	28.6%	23.9%	31.1%	23.4%	28.7%	28.0%	29.0%	Income Tax Rate	30.0%						
MARKET CAP	13.7%	12.9%	18.7%	22.0%	22.3%	14.3%	18.2%	14.1%	12.4%	26.8%	22.2%	21.7%	Net Profit Margin	20.5%						
	11063	12330	16003	16052	11960	9766.0	15314	12053	13566	22284	15000	15750	Working Cap'l (\$mill)	18000						
	1050.0	929.0	936.0	703.0	2106.0	1848.0	1980.0	1886.0	2049.0	2077.0	7000	5000	Long-Term Debt (\$mill)	2500						
	35830	35468	37846	38579	36182	36752	39088	41704	49430	48125	55925	55925	Shr. Equity (\$mill)	75000						
	9.9%	9.6%	14.6%	19.2%	22.7%	13.1%	15.6%	12.9%	10.0%	22.8%	22.0%	19.5%	Return on Total Cap'l	17.5%						
	10.1%	9.7%	14.9%	19.5%	23.9%	13.7%	16.3%	13.5%	10.5%	23.7%	25.5%	21.5%	Return on Shr. Equity	18.0%						
	8.6%	8.2%	13.5%	16.8%	18.5%	7.4%	10.2%	5.6%	3.0%	16.6%	17.0%	14.0%	Retained to Com Eq	11.0%						
	15%	15%	9%	14%	23%	46%	38%	59%	71%	30%	33%	35%	All Div'ds to Net Prof	39%						

**CAPITAL STRUCTURE as of 10/1/11**  
**Total Debt \$7142 mill. Due in 5 Yrs \$575 mill.**  
**LT Debt \$7076 mill. LT Interest \$70.0 mill.**  
 (13% of Cap'l)  
**Leases, Uncapitalized** Annual rentals \$102.0 mill.  
**Pension Assets-12/10** \$569 mill. **Oblig.** \$739 mill.  
**Pfd Stock** None  
**Com. Stock** 5,092,000,000 shs. as of 10/28/11  
**MARKET CAP: \$125 billion (Large Cap)**

**CURRENT POSITION (SMILL.)**

	2009	2010	10/1/11
Cash Assets	13920	21885	15198
Receivables	2273	2867	3821
Inventory (FIFO)	2935	3757	3959
Other	2029	3102	3720
Current Assets	21157	31611	26698
Accts Payable	1883	2290	2999
Debt Due	172	38	66
Other	5536	6999	8844
Current Liab.	7591	9327	11909

**BUSINESS:** Intel Corporation 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 85% of '10 sales. R&D: 15.0% of sales. '10 depreciation rate: 8.7%. Has approximately 82,500 employees. Officers/directors own less than 1% of common stock (3/11 proxy). Chairman: Craig Barrett. Pres. and CEO: Paul Otellini. Incorp.: Delaware. Address: 2200 Mission College Blvd., Santa Clara, California 95054-1549. Telephone: 408-765-8080. Internet: www.intc.com.

Year	2008	2009	2010	2011	2012
Annual Sales	9673	9470	10217	8226	37586
"Cash Flow"	7145	8024	9389	10569	35127
Earnings	10299	10765	11102	11457	43623
Dividends	12847	13032	14233	13728	53840
Book Value	12830	13200	14700	14540	55270

**ANNUAL RATES** Past 10 Yrs. Past 5 Yrs. Est'd '08-'10 to '14-'16

Rate	Past 10 Yrs.	Past 5 Yrs.	Est'd '08-'10 to '14-'16
Sales	4.5%	5.0%	12.0%
"Cash Flow"	2.0%	2.0%	11.5%
Earnings	.5%	2.0%	14.5%
Dividends	28.0%	25.5%	11.0%
Book Value	5.5%	5.5%	12.0%

**QUARTERLY SALES (\$ mill.)**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	9673	9470	10217	8226	37586
2009	7145	8024	9389	10569	35127
2010	10299	10765	11102	11457	43623
2011	12847	13032	14233	13728	53840
2012	12830	13200	14700	14540	55270

**EARNINGS PER SHARE <sup>A</sup>**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.25	.28	.35	.04	.92
2009	.11	d.07	.33	.40	.77
2010	.43	.51	.52	.59	2.05
2011	.56	.54	.65	.60	2.35
2012	.51	.55	.70	.64	2.40

**QUARTERLY DIVIDENDS PAID <sup>B</sup>**

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2008	.128	.14	.14	.14	.55
2009	.14	.14	.14	.14	.56
2010	.158	.158	.158	.158	.63
2011	.181	.181	.21	.21	.77
2012					

**Intel reported some solid news for the September quarter of last year. The chip behemoth registered revenues of over \$14.2 billion, which compared favorably to the year-earlier figure of \$11.1 billion and our \$13.9 billion estimate. Furthermore, share net was \$0.65, which represented a 25% gain over the comparable 2010 tally. Results were driven by double-digit unit growth in notebook personal computers, along with continued healthy demand at the Data Center group, fueled by strength from mobile and cloud computing applications.**

**Nevertheless, December-quarter revenues were probably below our prior estimates.** More precisely, the top line likely came in around \$13.7 billion (give or take \$300 million), compared to prior guidance of about \$14.7 billion. Although demand for personal computers was likely up on a sequential basis in the fourth period, the global PC supply chain is reducing inventories and microprocessor purchases, reflecting the shortage of hard disk drives. (This scarcity is due to the Thailand floods.) Ramifications related to this natural disaster may spill over into the early stages of the year just beginning. As a result of the recent news, we have cut our 2011 earnings estimate by a dime, to \$2.35 per share, reflecting the preannouncement. Also, the current year's bottom-line results might well only climb at a modest clip (to \$2.40 a share), a result of lackluster conditions in the broader semiconductor market. This largely reflects a less-than-stellar global economic backdrop.

**Intel remains a compelling choice for the 3 to 5 years ahead, in our view.** The company has historically been known as the leader in the personal computer market. However, given that this segment is mature, with only moderate growth prospects, Intel has boosted its presence in other sectors. The relatively recent acquisition of McAfee, which is involved in Internet security, is a testament to this. The company has also bolstered its exposure to high-growth segments of the chip market, namely mobile and cloud computing. Intel shares offer solid total-return potential to 2014-2016. Furthermore, **This issue is a timely selection for the year ahead.**

Alan G. House  
 January 6, 2012

(A) Dil. eqs. Excl. nonrecurr. gains (losses): '95, 2c; '98, (3c); '99, (11c); '00, (2c); '01, (34c); '02, (5c); '03, (1c); '10, (4c). Next eqs. report mid-Jan. (B) Dividends historically paid in early March, June, September, and December. ■ Dividend reinvestment plan available. (C) In millions, adjusted for stock splits. (D) Excludes amortization of goodwill and other acquisition-related intangibles.

Company's Financial Strength	A++
Stock's Price Stability	80
Price Growth Persistence	25
Earnings Predictability	45