INTEL NDQ-INTC

RECENT PRICE **24.56** | P/E RATIO **10.6** (Trailing: 10.5 Median: 22.0) | RELATIVE P/E RATIO **0.74** | DIV'D YLD **3.4%** | **VALUE LINE**

TIMELINESS 2 Lowered 12/23/11
SAFETY 1 Raised 4/10/09
TECHNICAL 3 Raised 12/23/11
BETA 1.00 (1.00 = Market)

2014-16 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	60	(+145%)	*26%*
Low	50	(+105%)	*21%*

Insider Decisions

	F	M	A	M	J	J	A	S	O
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	1	1	0	0	0	0	7
to Sell	0	0	1	2	0	0	0	0	7

Institutional Decisions

	1Q2011	2Q2011	3Q2011
to Buy	687	676	735
to Sell	734	706	671
Hld's(0000)	32081	58327	46963

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
High:	75.8	38.6	36.8	34.5	34.6	28.8	26.6	28.0	26.3	21.3	24.4	25.8						
Low:	29.8	19.0	13.0	14.9	19.6	21.9	16.8	18.8	12.1	12.0	17.6	19.2						

LEGENDS
15.0 x "Cash Flow" p sh
Relative Price Strength
2-for-1 split 4/99
2-for-1 split 7/00
Options: Yes
Shaded areas indicate recessions

Target Price Range 2014 | 2015 | 2016

% TOT. RETURN 11/11

	THIS STOCK	VL ARITH.* INDEX
1 yr.	21.8	1.2
3 yr.	99.1	104.4
5 yr.	34.6	22.3

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
	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*
	.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*
	.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 [A]	*2.80*
	.02	.02	.03	.03	.05	.07	.08	.08	.08	.16	.32	.41	.45	.55	.56	.63	.78	*.84*	Div'ds Decl'd per sh [B] ■	*1.08*
	.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*
	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*
	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 [C]	*4800.0*
	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*
	.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*
	.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%*
							26539	26764	30141	34209	38826	35382	38334	37586	35127	43623	*53840*	*55270*	Sales ($mill)	*65750*
							33.6%	36.0%	43.5%	43.6%	42.7%	30.8%	34.7%	37.3%	29.8%	45.9%	*48.0%*	*48.5%*	Operating Margin	*52.0%*
							4131.0	4676.0	4651.0	4590.0	4345.0	4654.0	4546.0	4360.0	4744.0	4398.0	*5200*	*5350*	Depreciation ($mill) [D]	*5750*
							3631.0	3457.0	5641.0	7516.0	8664.0	5044.0	6976.0	5292.0	4369.0	11692	*12220*	*12000*	Net Profit ($mill)	*13440*
							37.2%	25.9%	24.2%	27.8%	31.3%	28.6%	23.9%	31.1%	23.4%	28.7%	*28.0%*	*29.0%*	Income Tax Rate	*30.0%*
							13.7%	12.9%	18.7%	22.0%	22.3%	14.3%	18.2%	14.1%	12.4%	26.8%	*22.2%*	*21.7%*	Net Profit Margin	*20.5%*
							11063	12330	16003	16052	11960	9766.0	15314	12053	13566	22284	*15000*	*15750*	Working Cap'l ($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 ($mill)	*2500*
							35830	35468	37846	38579	36182	36752	42762	39088	41704	49430	*48125*	*55925*	Shr. Equity ($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 ($MILL.)	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

ANNUAL RATES of change (per sh)	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%*

Calendar	QUARTERLY SALES ($ mill.) 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*

Calendar	EARNINGS PER SHARE [A] 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*

Calendar	QUARTERLY DIVIDENDS PAID [B] ■ 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	
2012					

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.

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. egs. Excl. nonrecurr. gains (losses): '95, 2¢; '98, (3¢); '99, (11¢); '00, (2¢); '01, (34¢); '02, (5¢); '03, (1¢); '10, (4¢). Next egs. 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

© 2012, Value Line Publishing LLC. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

To subscribe call 1-800-833-0046.