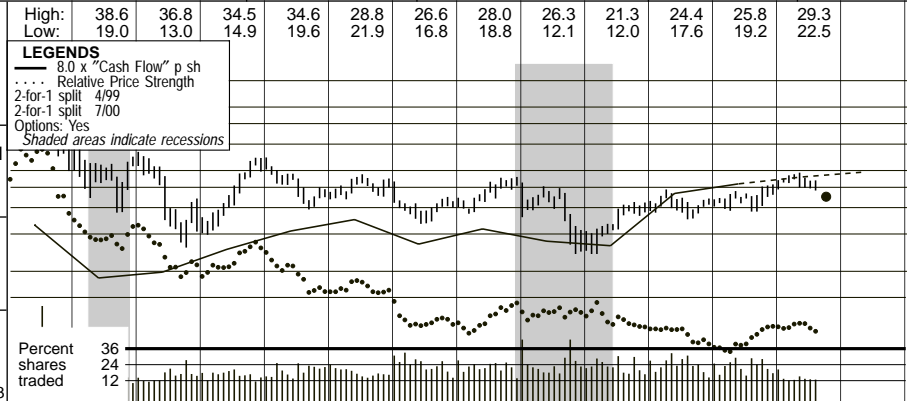


INTEL NDQ-INTC

RECENT PRICE **22.54** P/E RATIO **10.3** (Trailing: 9.6 Median: 21.0) RELATIVE P/E RATIO **0.67** DIV'D YLD **4.0%** VALUE LINE

TIMELINESS **4** Lowered 9/28/12
 SAFETY **1** Raised 4/10/09
 TECHNICAL **3** Raised 8/31/12
 BETA 1.00 (1.00 = Market)



Target Price Range	2015	2016	2017
80			
60			
50			
40			
30			
25			
20			
15			
10			
7.5			

2015-17 PROJECTIONS

Price	Gain	Ann'l Total Return
High 45	(+100%)	21%
Low 35	(+55%)	14%

Insider Decisions

	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	2	0	6	2	3	5	1	0	0
to Sell	3	0	9	2	3	5	3	0	5

Institutional Decisions

	4Q2011	1Q2012	2Q2012
to Buy	700	746	787
to Sell	742	728	671
Hlds(0000)	3025581	3066825	2873723

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	10.80	11.30	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	3.50	3.70	"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	2.20	2.30	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	2.35	2.65	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	10.50	11.80	Book Value per sh	15.00
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	55.0	45.8	27.5	22.1	17.8	23.3	19.9	21.7	22.2	10.1	9.2	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	12.0
.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	.64	.58			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%			Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 6/30/12
 Total Debt \$7185 mill. Due in 5 Yrs \$580 mill.
 LT Debt \$7093 mill. LT Interest \$70.0 mill.
 (13% of Cap'l)

Leases, Uncapitalized Annual rentals \$183.0 mill.

Pension Assets-12/11 \$648 mill. **Oblig.** \$1480 mill.
Pfd Stock None

Common Stock 5,003,000,000 shs. as of 7/27/12
MARKET CAP: \$113 billion (Large Cap)

CURRENT POSITION

	2010	2011	6/30/12
Cash Assets	21885	14837	13648
Receivables	2867	3650	3544
Inventory (FIFO)	3757	4096	4904
Other	3102	3289	3689
Current Assets	31611	25872	25785
Accts Payable	2290	2956	3269
Debt Due	38	247	92
Other	6999	8825	7177
Current Liab.	9327	12028	10538

26764	30141	34209	38826	35382	38334	37586	35127	43623	53999	54000	56500	Sales (\$mill)	70000
36.0%	43.5%	43.6%	42.7%	30.8%	34.7%	37.3%	29.8%	45.9%	42.4%	42.0%	43.0%	Operating Margin	50.0%
4676.0	4651.0	4590.0	4345.0	4654.0	4546.0	4360.0	4744.0	4398.0	5141.0	6400	7000	Depreciation (\$mill) ^D	8500
3457.0	5641.0	7516.0	8664.0	5044.0	6976.0	5292.0	4369.0	11692	12942	11000	11500	Net Profit (\$mill)	17000
25.9%	24.2%	27.8%	31.3%	28.6%	23.9%	31.1%	23.4%	28.7%	27.2%	28.0%	28.0%	Income Tax Rate	30.0%
12.9%	18.7%	22.0%	22.3%	14.3%	18.2%	14.1%	12.4%	26.8%	24.0%	20.5%	20.5%	Net Profit Margin	24.5%
12330	16003	16052	11960	9766.0	15314	12053	13566	22284	13844	15000	16000	Working Cap'l (\$mill)	19000
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)	3500
35468	37846	38579	36182	36752	42762	39088	41704	49430	45911	52500	59000	Shr. Equity (\$mill)	75000
9.6%	14.6%	19.2%	22.7%	13.1%	15.6%	12.9%	10.0%	22.8%	24.5%	18.5%	17.5%	Return on Total Cap'l	21.5%
9.7%	14.9%	19.5%	23.9%	13.7%	16.3%	13.5%	10.5%	23.7%	28.2%	21.0%	19.5%	Return on Shr. Equity	22.5%
8.2%	13.5%	16.8%	18.5%	7.4%	10.2%	5.6%	3.0%	16.6%	19.2%	12.5%	12.0%	Retained to Com Eq	15.5%
15%	9%	14%	23%	46%	38%	59%	71%	30%	32%	40%	39%	All Div'ds to Net Prof	34%

ANNUAL RATES

	Past 10 Yrs	Past 5 Yrs	Est'd '09-'11
change (per sh)			'09-'11
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%	10.5%

QUARTERLY SALES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	7145	8024	9389	10569	35127
2010	10299	10765	11102	11457	43623
2011	12847	13032	14233	13887	53999
2012	12906	13501	13300	14293	54000
2013	13275	13900	14850	14475	56500

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2009	.11	d.07	.33	.40	.77
2010	.43	.51	.52	.59	2.05
2011	.56	.54	.65	.64	2.39
2012	.53	.54	.52	.61	2.20
2013	.51	.51	.57	.71	2.30

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	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	.78
2012	.21	.21	.225		

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 busi-

Intel announced that third-quarter revenues were likely below prior expectations. This primarily reflects weaker-than-anticipated demand in the Personal Computer unit, the result of challenging macroeconomic conditions. More precisely, customers are reducing inventory in the distribution channel relative to normal levels in response to the lackluster economic recovery, while emerging market demand has slowed, too. Management now believes that September-quarter revenues were \$13.2 billion (plus or minus \$300 million), compared to the prior midpoint of \$14.3 billion. Furthermore, the gross margin was likely 62%, a 1% reduction from the prior estimate. Finally, reflecting broader concerns, full-year capital spending will probably be below the low end of the company's prior \$12.1 billion-\$12.9 billion guidance.

We have lowered our expectations, reflecting the recent news. We now look for revenues of \$54 billion and \$56.5 billion in 2012 and 2013, respectively, compared to our prior \$56.175 billion and \$61.320 billion estimates. Too, earnings-per-share targets have been cut by \$0.25

and \$0.30 for each of the next two years, respectively, to \$2.20 and \$2.30. **Despite the near-term challenges, we continue to recommend Intel shares to long-term investors seeking a technology holding.** The company's immense size and healthy balance sheet should keep it in a solid competitive position over the 3- to 5-year haul. We believe the tech giant will attempt to make a splash in the lucrative smartphone and tablet segments, as the personal computer industry is rather mature in nature. The company has boosted its nonpersonal-computer exposure in recent months via acquisitions and internal means. The stock's long-term total return potential is solid at the recent valuation. However, **We have pared Intel stock's Timeliness rank by two notches.** Hence, these shares are now ranked to underperform the year-ahead market averages. Near-term challenges might well persist, given the current global economic climate. Thus, near-term price volatility might be greater than its Highest (1) Safety ranking might otherwise suggest.

Alan G. House
 October 5, 2012

(A) Dil. egs. Excl. nonrecurr. gains (losses): '98, (3c); '99, (11c); '00, (2c); '01, (34c); '02, (5c); '03, (1c); '10, (4c). Next egs. report mid-Oct.	(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 35
			Earnings Predictability 45