INTEL NDQ-INTC

RECENT PRICE **30.79** | P/E RATIO **13.8** (Trailing: 13.2) (Median: 18.0) | RELATIVE P/E RATIO **0.72** | DIV'D YLD **3.1%** | **VALUE LINE**

TIMELINESS 3 Lowered 3/20/15

SAFETY 1 Raised 4/10/09

TECHNICAL 3 Raised 3/6/15

BETA 1.00 (1.00 = Market)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
High:	34.6	28.8	26.6	28.0	26.3	21.3	24.4	25.8	29.3	26.0	37.9	37.5
Low:	19.6	21.9	16.8	18.8	12.1	12.0	17.6	19.2	19.2	20.1	23.5	30.3

Target Price Range
2018 | 2019 | 2020

2018-20 PROJECTIONS

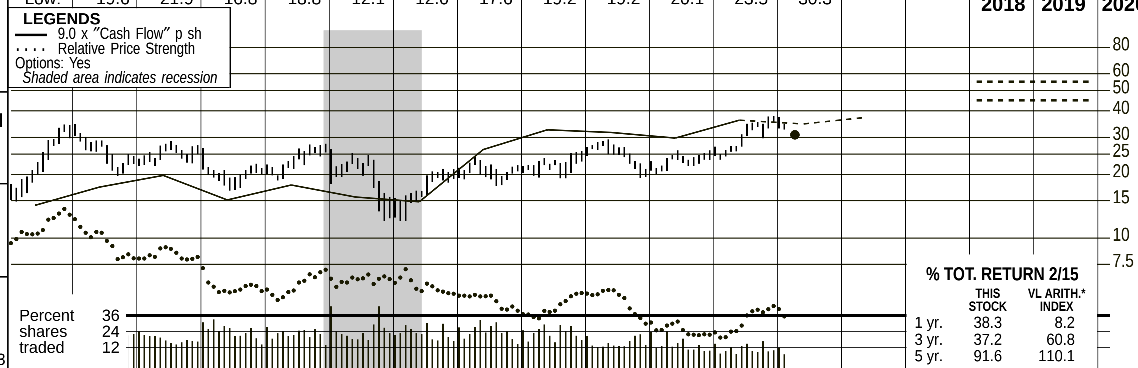
	Price	Gain	Ann'l Total Return
High	55	(+80%)	*18%*
Low	45	(+45%)	*12%*

Insider Decisions

	M	J	J	A	S	O	N	D	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	3	4	0	0	1	1	0	2
to Sell	1	3	6	1	0	3	2	0	4

Institutional Decisions

	2Q2014	3Q2014	4Q2014
to Buy	719	587	791
to Sell	813	974	841
Hld's(000)	3222777	3148067	3089083



1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	© VALUE LINE PUB. LLC	18-20
4.41	5.02	3.97	4.07	4.65	5.47	6.56	6.14	6.59	6.76	6.36	7.92	10.80	10.79	10.61	11.77	*11.60*	*12.00*	Sales per sh	*13.50*
1.68	2.07	1.16	1.24	1.59	1.94	2.20	1.68	1.98	1.74	1.65	2.92	3.62	3.51	3.30	4.02	*3.85*	*4.15*	"Cash Flow" per sh	*5.55*
1.17	1.53	.53	.51	.86	1.16	1.40	.86	1.18	.92	.77	2.05	2.39	2.13	1.89	2.33	*2.15*	*2.40*	Earnings per sh A	*3.75*
.05	.07	.08	.08	.08	.16	.32	.41	.45	.55	.56	.63	.78	.87	.90	.90	*.96*	*1.00*	Div'ds Decl'd per sh B ■	*1.18*
.51	.99	1.09	.72	.56	.61	.98	1.00	.86	.93	.82	.94	2.15	2.23	2.16	2.13	*2.10*	*2.50*	Cap'l Spending per sh	*4.00*
4.88	5.55	5.36	5.40	5.83	6.17	6.11	6.37	7.35	7.03	7.55	8.97	9.18	10.36	11.73	11.77	*12.80*	*13.90*	Book Value per sh	*16.00*
6668.0	6721.0	6690.0	6570.0	6487.0	6253.0	5919.0	5766.0	5818.0	5562.0	5523.0	5511.0	5000.0	4944.0	4967.0	4748.0	*4800.0*	*4850.0*	Common Shs Outst'g C	*5000.0*
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	11.7	12.2	13.0	*Bold figures are*		Avg Ann'l P/E Ratio	*13.0*
1.68	2.35	2.82	2.50	1.57	1.17	.95	1.26	1.06	1.31	1.48	.64	.58	.74	.69	.69	*Value Line*		Relative P/E Ratio	*.80*
.1%	.1%	.3%	.3%	.3%	.6%	1.3%	2.0%	1.9%	2.8%	3.3%	3.0%	3.5%	3.5%	3.9%	3.0%	*estimates*		Avg Ann'l Div'd Yield	*2.4%*

CAPITAL STRUCTURE as of 12/27/14
Total Debt $13711 mill. **Due in 5 Yrs** $1110 mill.
LT Debt $12107 mill. **LT Interest** $120.0 mill.
(18% of Cap'l)
Interest Coverage: NMF
Leases, Uncapitalized Annual rentals $208.0 mill.

Pension Assets-12/13 $649 mill. **Oblig.** $1137 mill.
Pfd Stock None

Common Stock 4,736,000,000 shs.
as of 2/16/15
MARKET CAP: $146 billion (Large Cap)

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016		18-20
38826	35382	38334	37586	35127	43623	53999	53341	52708	55870	*55740*	*58320*	Sales ($mill)	*67500*
42.7%	30.8%	34.7%	37.3%	29.8%	45.9%	42.4%	39.9%	36.2%	40.7%	*40.0%*	*41.5%*	Operating Margin	*45.0%*
4345.0	4654.0	4546.0	4360.0	4744.0	4398.0	5141.0	6357.0	6790.0	7380.0	*8100*	*8400*	Depreciation ($mill) D	*9000*
8664.0	5044.0	6976.0	5292.0	4369.0	11692	12942	11005	9620.0	11704	*10320*	*11640*	Net Profit ($mill)	*18750*
31.3%	28.6%	23.9%	31.1%	23.4%	28.7%	27.2%	26.0%	23.7%	25.9%	*27.0%*	*27.0%*	Income Tax Rate	*28.0%*
22.3%	14.3%	18.2%	14.1%	12.4%	26.8%	24.0%	20.6%	18.3%	20.9%	*18.5%*	*20.0%*	Net Profit Margin	*27.8%*
11960	9766.0	15314	12053	13566	22284	13844	18460	18516	11711	*12500*	*14000*	Working Cap'l ($mill)	*20000*
2106.0	1848.0	1980.0	1886.0	2049.0	2077.0	7084.0	13136	13165	12107	*12000*	*11500*	Long-Term Debt ($mill)	*10000*
36182	36752	42762	39088	41704	49430	45911	51203	58256	55865	*61500*	*67500*	Shr. Equity ($mill)	*80000*
22.7%	13.1%	15.6%	12.9%	10.0%	22.8%	24.5%	17.2%	13.6%	17.0%	*14.0%*	*14.5%*	Return on Total Cap'l	*21.0%*
23.9%	13.7%	16.3%	13.5%	10.5%	23.7%	28.2%	21.5%	16.5%	20.9%	*17.0%*	*17.0%*	Return on Shr. Equity	*23.5%*
18.5%	7.4%	10.2%	5.6%	3.0%	16.6%	19.2%	13.0%	8.8%	12.1%	*9.5%*	*10.0%*	Retained to Com Eq	*16.0%*
23%	46%	38%	59%	71%	30%	32%	40%	47%	39%	*45%*	*42%*	All Div'ds to Net Prof	*31%*

CURRENT POSITION ($MILL.)	2012	2013	12/27/14
Cash Assets	18162	20087	14054
Receivables	3833	3582	4427
Inventory (FIFO)	4734	4172	4273
Other	4629	4243	4976
Current Assets	31358	32084	27730
Accts Payable	3023	2969	2748
Debt Due	312	281	1604
Other	9563	10318	11667
Current Liab.	12898	13568	16019

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '11-'13 to '18-'20
Sales	10.0%	10.5%	*3.5%*
"Cash Flow"	10.0%	14.0%	*7.0%*
Earnings	13.0%	16.5%	*8.5%*
Dividends	26.5%	12.5%	*5.0%*
Book Value	6.5%	8.5%	*6.5%*

Cal-endar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	12906	13501	13457	13477	53341
2013	12580	12811	13483	13834	52708
2014	12764	13831	14554	14721	55870
2015	*12910*	*13510*	*14500*	*14820*	*55740*
2016	*13600*	*14200*	*15200*	*15320*	*58320*

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2012	.53	.54	.58	.48	2.13
2013	.41	.39	.58	.51	1.89
2014	.38	.55	.66	.74	2.33
2015	*.41*	*.48*	*.60*	*.66*	*2.15*
2016	*.47*	*.55*	*.66*	*.72*	*2.40*

Cal-endar	QUARTERLY DIVIDENDS PAID B ■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2011	.181	.181	.21	.21	.78
2012	.21	.21	.225	.225	.87
2013	.225	.225	.225	.225	.90
2014	.225	.225	.225	.225	.90
2015	.24				

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 business: about 83% of '13 sales. R&D: 20% of sales. '13 dep. rate: 9.2%. Has 107,600 employees. Off./dir. own less than 1% of common shares; BlackRock, 5.9; The Vanguard Group, 5% (4/14 proxy). Chair.: Andy Bryant. Pres.: Renee James. CEO: Brian Krzanich. Incorp.: DE. Add.: 2200 Mission College Blvd., Santa Clara, CA 95054. Tele.: 408-765-8080. Internet: www.intc.com.

It's been a tale of two quarters since our January review on Intel. The chip behemoth posted record revenues for the fourth quarter and full-year 2014 of $14.7 billion and $55.9 billion, respectively. This enabled earnings to come in at $0.74 a share during the December period, which was a 45% improvement over the prior-year figure and $0.08 above our estimate. Positives during the quarter included 25% year-to-year growth in the Data Center group, while the Internet of Things and PC Client divisions chipped in with gains of 10% and 3%, respectively. However, the tide has turned, as Intel preannounced some rather disappointing news for the March quarter of 2015. On point, revenues were likely $12.8 billion, plus or minus $300 million, compared to prior guidance of $13.7 billion. The main variable behind the reduction is weaker-than-anticipated demand for personal computers on the corporate side, along with lower inventories across the aggregate PC supply chain. Also, lackluster macroeconomic and currency factors in Europe exacerbated the pressure.

We have introduced our 2016 share-earnings estimate at $2.40. It appears likely the pressures facing the PC supply chain will reverse course, but this generally takes time. Hence, we expect a gradual increase at the bottom line beginning next year, assuming the macroeconomy improves, especially in Europe. Intel's aggressive capital spending should help ease downside pressure, though, as new, enhanced products hit the market.

Intel has announced an acquisition, while more deals are likely in the works. In February, it stated that it plans to buy Lantiq, a leading supplier of broadband access and home networking technologies. Further acquisitions are highly likely, given strong finances.

These shares are now ranked to be market performers in the year ahead. Intel stock has lost substantial value over the past three months. While investors may be tempted to jump in, downward pressure may persist, given concerns in the PC industry and Europe. However, patient investors may be rewarded with above-average total returns out to 2018-2020. The solid dividend is also a plus.

Alan G. House *April 3, 2015*

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

Company's Financial Strength	A++
Stock's Price Stability	75
Price Growth Persistence	50
Earnings Predictability	45