|  |  | $-\mathbb{N}$ |  |  |  |  |  | $\begin{aligned} & \mathrm{ENT} \\ & \mathrm{CE} \end{aligned}$ | $37.2$ |  | $15$ | $\left(\begin{array}{l} \text { Trailin } \\ \text { Medial } \end{array}\right.$ | $\begin{aligned} & \text { ng: } 17.7 \\ & \text { an: } 18.0 \end{aligned}$ | $\begin{array}{\|l\|} \hline \text { RELATIVE } \\ \text { PIE RATIC } \end{array}$ | $0.8$ | $\begin{array}{\|l\|} \hline \text { DIV'D } \\ \text { YLD } \end{array}$ | $2.6$ |  | $\begin{aligned} & \text { ALUE } \\ & \text { INE } \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| TIMELIN | $\text { VESS } 2$ | Lowered | /12/14 | High: Low: | 34.5 14.9 | 34.6 <br> 19.6 | 28.8 21.9 | $\begin{aligned} & 26.6 \\ & 16.8 \end{aligned}$ | $\begin{aligned} & 28.0 \\ & 18.8 \end{aligned}$ | $\begin{aligned} & 16.3 \\ & 12.1 \end{aligned}$ | $\begin{aligned} & \hline 21.3 \\ & 12.0 \end{aligned}$ | $\begin{aligned} & \hline 24.4 \\ & 17.6 \end{aligned}$ | $\begin{aligned} & \hline 25.8 \\ & 19.2 \end{aligned}$ | $\begin{array}{l\|} \hline 29.3 \\ 19.2 \end{array}$ | $\begin{array}{l\|} \hline 26.0 \\ 20.1 \end{array}$ | $\begin{aligned} & 37.9 \\ & 23.5 \end{aligned}$ |  |  | Target Price 2017 \| 2018 | Range 2019 |
| SAFET |  | Raised 4 |  | $\frac{\text { LEGEN }}{\ldots} 9 .$ | NDS | Flow" p sh Strength |  |  |  |  |  |  |  |  |  |  |  |  |  | $-80$ |
| BETA | $.00 \quad 1.00$ | Market) |  | Options: Shaded | es area indi | tes recess |  |  |  |  |  |  |  |  |  |  |  |  |  | 60 |
| 2017 | 7-19 PRO | JECTIO |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  | n'l Total |  |  |  |  |  |  |  |  |  |  |  |  | $1-$ |  |  |  | 30 |
| High | Price |  | turn 3\% |  |  |  |  |  |  |  |  |  |  |  | 川 |  |  |  |  | 25 |
| $\begin{aligned} & \text { High } \\ & \text { Low } \end{aligned}$ | $\begin{aligned} & 55 \\ & 45 \\ & \hline \end{aligned}$ | $0 \%)$ |  |  |  |  |  |  | $\\|^{\prime \prime}$ | \|1114 |  |  | $\left\\|^{1} \boldsymbol{1}^{\prime}\right\\|^{\text {II }}$ | 1 | "1,10 |  |  |  |  | $-20$ |
| Insider | Decis | ns |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 15 |
| to Buy | $\begin{array}{lcc} \text { F M A } \\ 0 & 0 & 0 \end{array}$ | $\begin{array}{lll}\text { M J J } \\ 0 & 0\end{array}$ | $\begin{array}{llll}\text { A S O } \\ 0 & 0 \\ 0 & 0 & \end{array}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | -10 |
| ${ }^{\text {to Buy }}$ | $\begin{array}{ll}0 & 4 \\ 3 & 4\end{array}$ | 0 34 | $\begin{array}{lll}0 & 0 & 0 \\ 0 & 0 & 1 \\ 1 & 0 & \end{array}$ |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| to Sell | 356 | 136 | 103 |  |  |  |  |  |  |  |  |  |  |  |  |  |  | \% TO | RETURN 11/14 |  |
| Institut | tional 102014 | ${ }_{2} 22014$ | 3 Q2014 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| $\begin{aligned} & \text { to Buy } \\ & \text { to Sell } \end{aligned}$ | $\begin{aligned} & 713 \\ & 830 \end{aligned}$ | $\begin{aligned} & 719 \\ & 813 \end{aligned}$ | $\begin{aligned} & 587 \\ & 974 \end{aligned}$ | shares <br> shares |  |  |  |  |  |  |  | * | \| |  |  |  |  | $\begin{aligned} & 1 \mathrm{yr} . \\ & 3 \mathrm{yr} . \end{aligned}$ | $\begin{array}{rr} 61.3 & 8.0 \\ 66.0 & 72.4 \end{array}$ |  |
| Hid's(0000) | 3288839 | 3222777 | 3148067 |  |  |  |  |  |  |  |  |  |  |  |  | $1\\|\\|$ |  | 5 yr . | $129.7 \quad 119.8$ |  |
| 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | $\bigcirc$ | LINE PUB. LLC | 7-19 |
| 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 | 10.80 | 10.79 | 10.61 | 11.25 | 11.70 | Sales p | sh | 13.50 |
| 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 | 3.62 | 3.51 | 3.30 | 3.75 | 3.95 | "Cash F | low" per sh | 5.55 |
| . 89 | 1.17 | 1.53 | . 53 | . 51 | . 86 | 1.16 | 1.40 | . 86 | 1.18 | . 92 | . 77 | 2.05 | 2.39 | 2.13 | 1.89 | 2.25 | 2.40 | Earning | per sh A | 3.75 |
| . 03 | . 05 | . 07 | . 08 | . 08 | . 08 | . 16 | . 32 | . 41 | . 45 | . 55 | . 56 | . 63 | . 78 | . 87 | . 90 | . 90 | . 96 | Div'ds D | Decl'd per sh ${ }^{\text {B }}$ - | 1.18 |
| . 54 | . 51 | . 99 | 1.09 | . 72 | . 56 | . 61 | . 98 | 1.00 | . 86 | . 93 | . 82 | 94 | 2.15 | 2.23 | 2.16 | 2.20 | 2.60 | Cap'I | ending per sh | 4.00 |
| 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 | 9.18 | 10.36 | 11.73 | 11.70 | 13.10 | Book Va | lue per sh | 16.00 |
| 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 | 5000.0 | 4944.0 | 4967.0 | 4975.0 | 4985.0 | Comm | Shs Outst'g C | 5000.0 |
| 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 | 11.7 | 12.2 | 13.4 |  | Avg An | 'I P/E Ratio | 13.0 |
| 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 | . 74 | . 68 | . 70 |  | Relative | P/E Ratio | . 80 |
| .1\% | .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\% |  | Avg Ann | 'I Div'd Yield | 2.4\% |
| CAPITAL STRUCTURE as of 9/27/14 <br> Total Debt $\$ 13267$ mill. Due in 5 Yrs $\$ 1076$ mill. LT Debt $\$ 12103$ mill. LT Interest $\$ 120.0$ mill. ( $18 \%$ of Cap') |  |  |  |  |  | 34209 | 38826 | 35382 | 38334 | 37586 | 35127 | 43623 | 53999 | 53341 | 52708 | 55880 | 58200 | Sales |  | 67500 |
|  |  |  |  |  |  | 43.6\% | 42.7\% | 30.8\% | 34.7\% | 37.3\% | 29.8\% | 45.9\% | 42.4\% | 39.9\% | 36.2\% | 40.0\% | 42.0\% | Operat | g Margin | 45.0\% |
|  |  |  |  |  |  | 4590.0 | 4345.0 | 4654.0 | 4546.0 | 4360.0 | 4744.0 | 4398.0 | 5141.0 | 6357.0 | 6790.0 | 7400 | 7800 | Deprec | tion (\$mill) ${ }^{\text {D }}$ | 9000 |
|  |  |  |  |  |  | 7516.0 | 8664.0 | 5044.0 | 6976.0 | 5292.0 | 4369.0 | 11692 | 12942 | 11005 | 9620.0 | 11195 | 11965 | Net Pro | (\$mill) | 18750 |
| Leases, Uncapitalized Annual rentals \$208.0 mill. |  |  |  |  |  | 27.8\% | 31.3\% | 28.6\% | 23.9\% | 31.1\% | 23.4\% | 28.7\% | 27.2\% | 26.0\% | 23.7\% | 28.0\% | 28.0\% | Incom | Tax Rate | 28.0\% |
|  |  |  |  |  |  | 22.0\% | 22.3\% | 14.3\% | 18.2\% | 14.1\% | 12.4\% | 26.8\% | 24.0\% | 20.6\% | 18.3\% | 20.0\% | 20.6\% | Net Pr | it Margin | 27.8\% |
| Pension Assets-12/13 \$649 mill. Oblig. \$1137 mill. |  |  |  |  |  | 16052 | 11960 | 9766.0 | 15314 | 12053 | 13566 | 22284 | 13844 | 18460 | 18516 | 12750 | 15000 | Workin | Cap'I (\$mill) | 20000 |
|  |  |  |  |  |  | 703.0 | 2106.0 | 1848.0 | 1980.0 | 1886.0 | 2049.0 | 2077.0 | 7084.0 | 13136 | 13165 | 12000 | 11500 | Long-Te | m Debt (\$mill) | 10000 |
| Pfd Stock None |  |  |  |  |  | 38579 | 36182 | 36752 | 42762 | 39088 | 41704 | 49430 | 45911 | 51203 | 58256 | 58250 | 65425 | Shr. Eq | uity (\$mill) | 80000 |
| Common Stock 4,835,000,000 shs.as of 10/17/14 |  |  |  |  |  | 19.2\% | 22.7\% | 13.1\% | 15.6\% | 12.9\% | 10.0\% | 22.8\% | 24.5\% | 17.2\% | 13.6\% | 16.0\% | 15.5\% | Return | n Total Cap'l | 21.0\% |
|  |  |  |  |  |  | 19.5\% | 23.9\% | 13.7\% | 16.3\% | 13.5\% | 10.5\% | 23.7\% | 28.2\% | 21.5\% | 16.5\% | 19.0\% | 18.5\% | Return | on Shr. Equity | 23.5\% |
| MARKET CAP: \$180 billion (Large Cap) |  |  |  |  |  | $\begin{array}{r} 16.8 \% \\ 14 \% \end{array}$ | 18.5\% | 7.4\% | 10.2\% | 5.6\% | 3.0\% | 16.6\% | 19.2\% | 13.0\% | 8.8\% | 11.5\% | 11.0\% | Retaine | to Com Eq | 16.0\% |
| CURRENT POSITION (\$MILL.) |  |  | 2012 2013 6 9/27/14 |  |  |  | 23\% | 46\% | 38\% | 59\% | 71\% | 30\% | 32\% | 40\% | 47\% | 40\% | 40\% | All Div'd | to Net Prof | 31\% |


| (\$MILL.) |  |  |  |
| :--- | ---: | ---: | ---: |
| Cash Assets | 18162 | 20087 | 15594 |
| Receivables | 3833 | 3582 | 3647 |
| Inventory (FIFO) | 4734 | 4172 | 4115 |
| Other | 4629 | 4243 | 4153 |
| Current Assets | 31358 | 32084 | 27509 |
| Accts Payable | 3023 | 2969 | 2597 |
| Debt Due | 312 | 281 | 1164 |
| Other | 9563 | 10318 | 11143 |
| Current Liab. | 12898 | 13568 | 14904 |


| ANNUAL RATES <br> of change (per sh) Sales <br> "Cash Flow" <br> Earnings <br> Dividends <br> Book Value |  | Past P <br> 10 Yrs. 5 <br> $10.0 \%$ 1 <br> $10.0 \%$ 1 <br> $13.0 \%$ 1 <br> $26.5 \%$ 1 <br> $6.5 \%$  |  | $\begin{array}{lc} \hline \text { Past } & \text { Est } \\ 5 \text { Yrs. } \\ 10.5 \% \\ 14.0 \% \\ 16.5 \% \\ 12.5 \% & \\ 8.5 \% \end{array}$ | Est'd '11-'13 to '17.'19 $4.0 \%$ $8.0 \%$ $10.0 \%$ $5.5 \%$ $7.5 \%$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | $\text { Mar. } 31$ | Jun. 30 | Ser | $31$ | Full Year |
| 2011 | 12847 | 130321 | 14233 | 13887 |  |
| 2012 | 12906 | 13501 | 13457 | 13477 | 34 |
| 13 | 12580 | 12811 | 13483 | 13834 | 888 |
| 2014 | 12764 | 13831 | 14554 | 14731 | 5880 |
| 2015 | 13770 | 14400 | 14900 | 1513 | 820 |
|  | $\begin{aligned} & \text { EAA } \\ & \hline \end{aligned}$ | Jun. 30 | Sep. 30 | Dec. 31 | Full Year |
| 2011 | . 56 | 54 | 65 | . 64 | 2.39 |
| 2012 | . 53 | . 54 | . 58 | . 48 | 2.13 |
| 2013 | 41 | . 39 | . 58 | . 51 |  |
| 2014 | . 38 | . 55 | . 66 | . 66 | 2.25 |
| 2015 | . 51 | . 55 | . 66 | 68 |  |
| endar | $\begin{gathered} \hline \text { QUAR } \\ \text { Mar. } 31 \end{gathered}$ | TERLY DIVID Jun. 30 | $\begin{gathered} \text { IDENDS P/ } \\ \text { Sep. } 30 \end{gathered}$ | $\begin{aligned} & \hline \mathrm{ID}_{\mathrm{B}} \\ & \operatorname{Dec} .31 \end{aligned}$ | Full Year |
| 2011 | . 181 | . 181 | . 21 | . 21 | . 78 |
| 2012 | , | 21 | . 225 | . 225 | . 87 |
| 2013 | . 225 | . 225 | . 225 | . 225 |  |
| 2014 | 225 | . 225 | . 225 | 225 |  |
| 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 busi-
Intel reported positive news for the September interim. Specifically, earnings came in at $\$ 0.66$ a share, which was a $14 \%$ gain over the prior year's tally. What's more, revenues of $\$ 14.55$ billion were above our $\$ 14.4$ billion estimate and 2013's figure of $\$ 13.5$ billion. The PC Client group enjoyed a 9\% year-over-year increase in revenues, while the Data Center division posted an even stronger, 16\% improvement. The Internet of Things posted a 14\% gain relative to last year. Furthermore, the Software and Service unit chipped in with a $2 \%$ improvement relative to 2013's comparable quarter. Meantime, the gross margin climbed 260 basis points, which helped boost the bottom-line comparison.
The December period was likely a good one for the chip behemoth. Management expected that revenues came in at $\$ 14.7$ billion, plus or minus $\$ 500$ million, while the gross margin was probably about 64\% (a 1\% decline from the September-quarter tally). The company is well positioned to benefit from solid industry fundamentals and manufacturing efficiencies that should help drive the bot-
ness: 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.
tom line over the next 12 months.
We are increasingly bullish on the year just begun. We have tacked on a dime a share to our 2015 earnings estimate as we look for the company to benefit from a healthy economic recovery on the domestic side. However, it should be noted there are concerns that the global economy may be showing signs of slowing, as is reflected in the recent slide in oil prices. This factor bears watching, since foreign business accounts for more than 80\% of I ntel's top line.
Our 3- to 5-year view on the company just got a little bit brighter. Recently, Intel announced that its chips will replace a competitor's processor in the next iteration of Google Glass. The company has also initiated lucrative partnerships with Fossil (watches) and Luxottica (eye brands) that ought to foster long-term opportunities.
These timely shares are best suited to conservative accounts seeking a presence in the semiconductor space. A climbing dividend (currently $\$ 0.96$ a share) adds to their total return potential. Alan G. House

J anuary 2, 2015
(B) Dividends historically paid in early March, (D) Excludes amortization of goodwill and other June, September, and December. ■ Dividend acquisition-related intangibles. reinvestment plan available. (C) In millions, adreinvestment plan ava
justed for stock splits.

Company's Financial Strength
Stock's Price Stability
Price Growth Persistence
A) Dil. egs. Excl. nonrecurr. gains (losses) ( $5 ¢$ ); '03, (1¢); '10, (4¢). Next egs. report mid (5¢); '
Jan.

