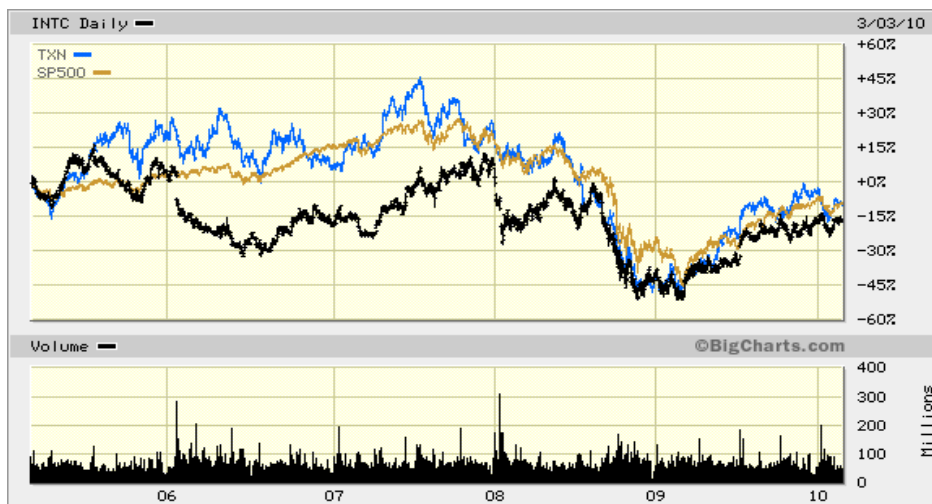


Intel Corporation (INTC) 3/3/10

INTC designs and produces various semiconductors, switches, and computing components worldwide. INTC's products are found in a wide array of electronic devices that are then assembled and branded by other companies. The company operates in several business divisions; the Mobility Group, the Digital Enterprise Group, and various others (which make up a very small percentage of sales). INTC was founded in 1968 and is headquartered in Santa Clara, California.

Current Price	\$20.52
52 Week High	21.55
52 Week Low	\$12.07
One Yr Target	\$25.00
Market Cap (in billions)	\$113.35
P/E (Trailing)	26.51
P/E(1 Yr Forward)	11.40
P/E/G	1.06
ROA	8.44%
ROE	10.75%
EPS	\$0.77
Beta	1.32
Annualized Dividend	\$0.63
Dividend Yield	3.07%
Analyst Consensus	2.00
Debt to Equity	0.27



Annual EPS

2006	\$0.87	
2007	\$0.91	3.98%
2008	\$0.95	4.60%
2009	\$0.79	-16.86%
ttm	\$0.77	-2.15%

Annual Revenue (in millions)

2006	\$35,382.00	
2007	\$38,334.00	8.34%
2008	\$37,586.00	-1.95%
2009	\$35,127.00	-6.54%

Annual Net Income (in millions)

2006	\$5,044.00	
2007	\$5,292.00	4.92%
2008	\$5,292.00	0.00%
2009	\$4,369.00	-17.44%

Free Cash Flows (in millions)

2006	\$4,772.00	
2007	\$7,625.00	59.79%
2008	\$5,729.00	-24.87%
2009	\$6,655.00	16.16%

Required Rate of Return

12.54%

Dividend Growth Model

Present Value of 2015 Price	\$7.48
Holding Period Return (5 years)	-1.65%

Expected Annualized Return Model

Present Value of 2015 Price	\$15.27
Holding Period Return (5 years)	-4.94%

Residual Income Model

Intrinsic Stock Price	\$21.32
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Analysis

Positives

Good PEG ratio and low Debt/Equity numbers make the stock valuation appealing

Negatives

Financial Statements

Income Statement shows Revenue that has stalled, good Margins, and responsible management

Balance Sheet is good, Debt levels are very low but inhibits ROE

Cash Flows are flat and Capital Expenditures are a great concern

Industry Analysis

Semiconductor industry is very cyclical on computer side and rapidly evolving in smartphones

INTC has better than average ratios compared with its industry

Summary

INTC is a longtime industry leader and in an industry that should be entering an upswing in its business cycle soon. Its financial ratios are solid, and should increase going forward. Its financial statements are good but a bit conservative, INTC definitely won't see the growth of some smaller companies. The semiconductor industry should see a boost as a whole from the increasing use of smartphones and the increasing technological power that they use.

Several smaller companies are desperately trying to beat INTC at their own game, so it should be noted that in the long run they could potentially lose their position as industry leader. INTC should market perform going forward, as most positive outlook information is already priced into the stock. The RI valuation model seems to be on in saying the current stock price is fairly valued, which makes INTC a **hold**.