

# Intel Corp. (NASDAQ: INTC)

Industry: Semiconductors

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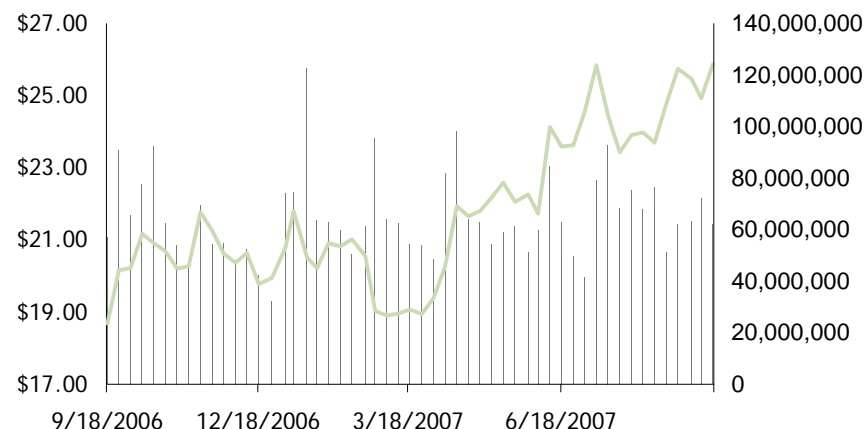
## BUSINESS DESCRIPTION

Intel Corporation is a semiconductor chip maker, developing advanced integrated digital technology platforms and components, primarily integrated circuits, for the computing and communications industries. Intel's products include chips, boards and other semiconductor products that are the building blocks integral to computers, servers, handheld devices, and networking and communications products. Its component-level products consist of integrated circuits used to process information, including microprocessors, chipsets and flash memory.

## INVESTMENT THESIS

Intel Corporation's strong performance in 2007 and innovative product pipeline assures that they will be a leader in their field for the foreseeable future. Strong chip sales have led to increasing revenues while maintaining R&D levels. Their clear technological lead over competitors ensures that Intel will be the primary choice for CPUs going forward. Missteps by competitors as well as focused restructuring by Intel has created a significant competitive advantage which the company will exploit in the coming years.

## STOCK PRICE PERFORMANCE



## FINANCIAL SUMMARY

### Results of Operations

	FY Ended Dec 31,			
	2004	2005	2006	LTM <sup>(1)</sup>
Revenue	\$34,209	\$38,826	\$35,382	\$35,965.0
<i>Growth</i>	13.5%	13.5%	(8.9%)	1.6%
EBIT	10,130	12,090	5,652	5,879.0
<i>EBIT Margin</i>	29.6%	31.1%	16.0%	16.3%
After-tax Earnings	7,516	8,664	5,044	5,777.5
<i>Net Margin</i>	22.0%	22.3%	14.3%	16.1%
D&A	4,889	4,595	4,912	5,568
CapEx	3,843	5,818	5,779	3,610
Interest Expense	50	19	24	17
EPS Current Sh.	\$1.27	\$1.46	\$0.85	\$0.97

### Balance Sheet Data

Total Debt (MM)	\$2,250.7
Cash & Equivalents	\$14,316.0
Net Debt	(\$12,065.3)

### Credit Statistics

	LTM
Total Debt/EBITDA	0.2x
EBITDA/Interest	673.4x

### Valuation Multiples

	Industry	2004	2005	2006	LTM <sup>(1)</sup>
EV/Revenue	3.0x	4.1x	3.6x	4.0x	3.9x
EV/EBITDA	28.8x	9.4x	8.5x	13.4x	12.4x
EV/EBIT	12.5x	14.0x	11.7x	25.1x	24.1x
P/E	39.2x	20.4x	17.7x	30.5x	26.6x

### Public Market Overview

Share Price (09/17/07)	\$25.87
<i>52 Week High</i>	\$27.71
<i>52 Week Low</i>	\$18.75
Diluted Shares Outstanding (MM)	5,941
<b>Market Value of Equity (B)</b>	<b>\$153.7</b>
Plus: Net Debt	(12.1)
<b>Enterprise Value</b>	<b>\$141.6</b>

(1) Figures as of 06/30/2007