

The Merriam Report **INTC** 4/2/11 Intel

All amounts in millions except for earnings per share

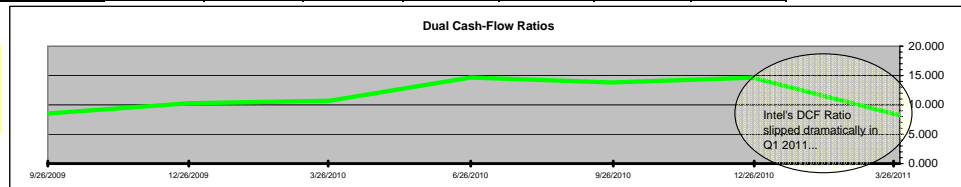
Quarterly period ending:	3	4	1	2	3	4	1	Averages	
	9/26/2009	12/26/2009	3/27/2010	6/26/2010	9/25/2010	12/25/2010	4/2/2011		
Earnings Per Share (Incl. Ext. Items)	\$ 0.330	\$ 0.400	\$ 0.430	\$ 0.510	\$ 0.52000	\$ 0.560	\$ 0.560	\$ 0.473	
% Change in E.P.S. (from prev. qtr.)		21.2%	7.5%	18.6%	2.0%	7.7%	0.0%	9.5%	
Total Revenues	9389.0	10569.0	10299.0	10765.0	11102.0	11457.0	12847.0	10918.3	
% Change in Revenues (from prev. qtr.)		12.6%	-2.6%	4.5%	3.1%	3.2%	12.1%	5.5%	
Cost of Revenues	3985.0	3729.0	3770.0	3530.0	3781.0	4051.0	4962.0	3972.6	
Accounts Receivable:	2025.0	2273.0	2192.0	2430.0	2911.0	2867.0	3542.0	2605.7	
% Change in Receivables (from prev. qtr.)		12.2%	-3.6%	10.9%	19.8%	-1.5%	23.5%	10.2%	-1.90%
DSO's (# of days it took customers to pay)	19.6	19.6	19.4	20.5	23.9	22.8	25.1	21.5	-2.35%
Inventories:	2490.0	2935.0	2986.0	3345.0	3423.0	3757.0	4099.0	3290.7	
% Change in Inventory (from prev. qtr.)		17.9%	1.7%	12.0%	2.3%	9.8%	9.1%	8.8%	-0.04%
Inventory as a % of Sales	26.5%	27.8%	29.0%	31.1%	30.8%	32.8%	31.9%	29.98%	
Prepaid Expenses:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.0	
Other Current Assets:	542.0	813.0	2204.0	2386.0	2415.0	3102.0	3176.0	2091.1	
Property, Plant & Equip. (net):	17354.0	17225.0	17028.0	16946.0	17189.0	17899.0	19559.0	17600.0	
% Change in P,P&E (from prev. qtr.)		-0.7%	-1.1%	-0.5%	1.4%	4.1%	9.3%	2.1%	
Accounts Payable:	1907.0	1883.0	1912.0	2126.0	1903.0	2290.0	2757.0	2111.1	
% Change in Payables (from prev. qtr.)		-1.3%	1.5%	11.2%	-10.5%	20.3%	20.4%	7.0%	-0.0192
Quarterly period ending:	9/26/2009	12/26/2009	3/27/2010	6/26/2010	9/25/2010	12/25/2010	4/2/2011		
Total Liabilities:	11963.0	11391.0	12873.0	11850.0	12892.0	13756.0	18203.0	13275.4	
Shareholder equity:	39033.0	41704.0	42900.0	45841.0	47696.0	49430.0	47349.0	44850.4	
Retained Earnings (Accum. Deficit)	24037.0	26318.0	27020.0	29869.0	31069.0	32919.0	30597.0	28832.7	
Operating Cash Flow (OCF)	38805.0	43441.0	45454.0	50938.0	53672.0	56162.0	45219.0	47670.1	
OCF as % of Revenues	413.3%	411.0%	441.3%	473.2%	483.4%	490.2%	352.0%	437.78%	-0.028
Balance Sheet Cash Flow (BSCF)	7489.0	6422.0	6565.0	4908.0	5663.0	5497.0	8728.0	6467.4	
BSCF as % of Revenues	79.8%	60.8%	63.7%	45.6%	51.0%	48.0%	67.9%	59.54%	-0.141
Spread between OCF & BSCF	31316.0	37019.0	38889.0	46030.0	48009.0	50665.0	36491.0	41202.7	-12 -0.0201
Ratios									
Spread to Revenues	333.54%	350.26%	377.60%	427.59%	432.44%	442.22%	284.04%	3.782	
Spread to OCF	5.182	6.764	6.924	10.379	9.478	10.217	5.181	7.732	
MR Dual Cash-Flow Figure	8.517	10.267	10.700	14.654	13.802	14.639	8.021	11.514	

The Merriam Report

Intel	INTC	4/2/11					
Quarterly period ending:	9/26/09	12/26/09	3/27/10	6/26/10	9/25/10	12/25/10	4/2/11
MR Dual Cash-Flow Figure	8.517	10.267	10.700	14.654	13.802	14.639	8.021

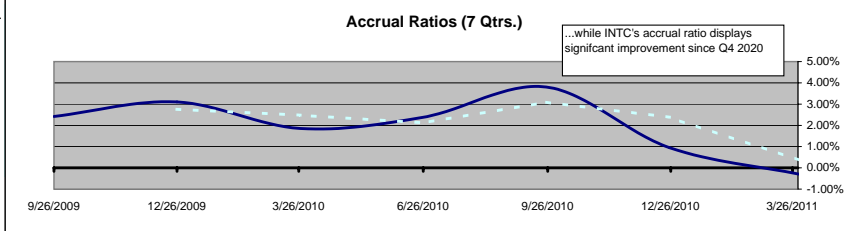
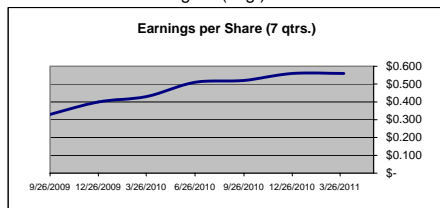
Merriam Report Signals:

Recent Bearish
Confirmed Bearish



MR Dual Cash-Flow Figure (avg.)

11.514



Accrual Ratios
Average Accruals

9/26/09	12/26/09	3/27/10	6/26/10	9/25/10	12/25/10	4/2/11
2.42%	3.10%	1.86%	2.38%	3.80%	0.95%	-0.32%
2.03%						0.125

Comments:

- ①Accounts Receivable spiked in Q1
- ②Accounts Payable trends have been rising in recent periods. s
- ③Rev. Metrics and Cap. Productivity declined in latest period.
- ④Rising Goodwill in recent Q1 is worth watching going forward.

Revenue Metrics (as % of Sales)

	Recent Qtr.	Combined Avg.
Research & Development	14.91%	15.08%
Cost of Sales	38.62%	36.38%
S/G/A	13.82%	19.96%
Payables	21.46%	19.34%

③

	Recent Qtr.	Combined Avg.
Inventory / Revenues	\$ 0.319	\$ 0.301
Receivables / Revenues	\$ 0.276	\$ 0.239
Inventory & Receivables / Revenues	\$ 0.595	\$ 0.540
P,P&E / Revenues	\$ 1.522	\$ 1.612

Accrual Ratios: According to the MR model, a ratio of -5 or less is very bullish and a ratio of +5 or more is very bearish.

-2.24% 6.14%

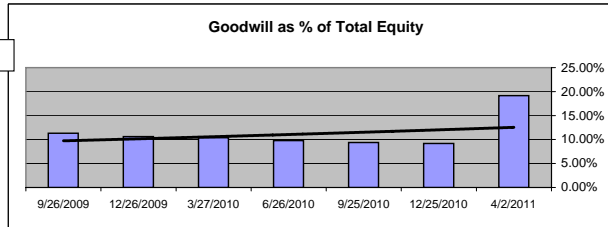
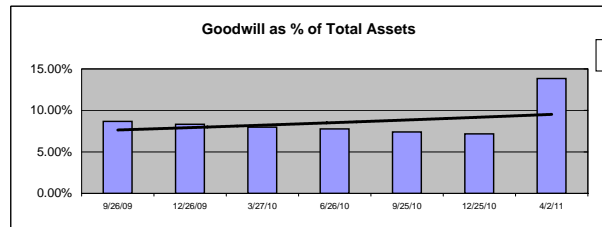
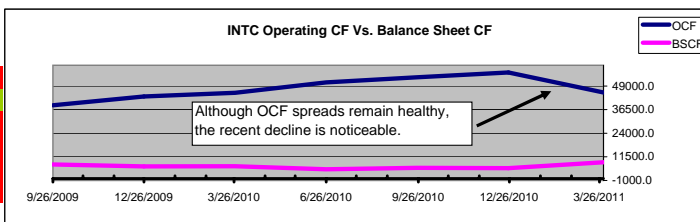
Summary of Merriam Report Signals

Dual Cash-Flow Figures

	Recent Bearish	Confirmed Bearish	Recent Bullish	Confirmed Bullish					
Operating Cash-Flow Trend	Bullish	OCF	9/26/09	12/26/09	3/27/10	6/26/10	9/25/10	12/25/10	4/2/11
Balance Sheet Cash-Flow Trend	Bearish	BSCF	38805.0	43441.0	45454.0	50938.0	53672.0	56162.0	45219.0
			7489.0	6422.0	6565.0	4908.0	5663.0	5497.0	8728.0

Comparison of Recent Quarter Changes to Average

EPS	Bearish	
Revenues	Bullish	
Accounts Receivable	Bearish	
Days Sales Outstanding	Bearish	
Inventory	Bearish	
Accounts Payable	Bullish	
Accrual Ratios	Mildly Bearish	



	9/26/09	12/26/09	3/27/10	6/26/10	9/25/10	12/25/10	4/2/11	AVG.	
Goodwill as % of Total Assets	8.67%	8.33%	7.98%	7.77%	7.40%	7.17%	13.83%	8.74%	-1
Goodwill as % of Total Equity	11.33%	10.60%	10.38%	9.78%	9.39%	9.17%	19.15%	11.40%	-1
	1.31	1.27	1.30	1.26	1.27	1.28	1.38	1.30	-1

Dual Cash Flow Trend	-2
Financial Ratios (conventional)	0
Balance Sheet and Income Statement	-12
Accrual Ratios	0.125
Revenue Metrics and Capital Productivity	-2
Goodwill Trends	-3
Merriam Report Score	-18.875

Intel	4/2/2011	7/29/2011
Ending Period Share Price	19.72	\$ 22.33
Estimated Fair Value	\$ 17.91	
End Price to Est. FV	0.19%	24.69%

Valuation	19.68
Earnings Quality	0.19%
	OVERVALUED
	A+
	A-
	B+
	B-
	C+
	C-

Adjustments (Payables)	\$ (0.38)
Adjustments (Receivables)	\$ (0.37)
Adjustments (DSO)	\$ (0.07)
Adjustments (OCF)	\$ (0.55)
Adjustments (BSCF)	\$ (0.40)
Adjustments (Inventory)	\$ (0.01)
Total Adjustments	\$ (1.77)

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