

2 EVALUATING MANAGEMENT

Company **INTEL CORPORATION**

(INTC)

10/08/04

		1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	LAST 5	TREND	
		1994	1995	1990	1997	1990	1999	2000	2001		2003	YEAR AVG.	UP	DOWN
A	% Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	31.3	34.8	38.1	42.5	35.4	39.5	38.6	10.0	17.2	26.8	26.5	EVEN	
В	% Earned on Equity (E/S ÷ Book Value)	23.4	27.1	27.4	29.5	24.9	22.2	23.6	4.3	9.1	14.4	14.7		EVEN

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

		PRESE	ENT PRICE	20.550	Н	GH THIS YEAR	34.6	LOW TH	LOW THIS YEAR		
	Year	A Pr	B	C Earnings Per		D Price Earn	E ings Ratio	F Dividend	G % Payout	H % High Yield	
		HIGH	LOW	Share		HIGH A ÷ C	LOW B÷C	Per Share	F ÷ C X 100	F ÷ B X 100	
1	1999	44.8	25.1	1.09	41.1		23.0	0.055	5.0	0.2	
2	2000	75.8	29.8	1.31		57.9	22.8	0.070	5.3	0.2	
3	2001	38.6	19.0	0.23	_	167.8	82.4	0.080	34.8	0.4	
4	2002	36.8	13.0	0.49	75.1		26.4	0.080	16.3	0.6	
5	2003	34.5	14.9	0.84		41.1	17.7	0.080	9.5	0.5	
6	TOTAL		101.7			140.1	63.5		70.9		
7	AVERAGE		20.3		46.7		21.2		14.2		
8	AVERAGE PRI	CE EARNINGS RAT	-10 3 4	1.0	9	CURRENT PRIC	L CE EARNINGS RA	TIO	18.7	+	
	-	[16.25] Base				-	Current	P/E Based o	on Last 4 qt	r. EPS [1.1	

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

Avg. High P/E		Estimate High E	arnings/Share		2.21		= Forecast I	High Price \$		53.0	(4A1)
BLOW PRICE NEXT 5 YEARS					_						(4A1)
(a) Avg. Low P/E 21-2	12.3 7 as adj.)	X Estimat	ted Low Earnings	/Share	0.84	1.	.10 =	* \$	13.5		-
(b) Avg. Low Price of Last 5 Years		20.3 (3B7)									
(c) Recent Severe Market Low Pric	:e =	13.0									
(d) Price Dividend Will Support	Present Div	vd. =	0.16				25.9				
Selected Estimate Low Price	High Yield	(H)	0.00	06				= \$	\$	13.5	
ZONING								、	•	(4B1)	
53.0 High Forecast Price	e Minus	13.5	Low Forecast	Price Equals		39.5	Range.	1/3 of Range	e =	9.9	
(4A1)		(4B1)			-	(C)				(4CD)	
(4C2) Lower $1/3 = (4B1)$	13.	5	_ to	23.4		(Buy)	Note: Ra	anges cha	anged to 3	25%/50%/	25%
(4C3) Middle 1/3 =	23.	4	_ to	43.1		(Maybe)					
(4C4) Upper 1/3 =	43.	1	_ to	53.0	(4A1)	(Sell)					
Present Market Price of		20.550		is	in the			Buy			Range
								(4C5)			Ŭ
High Price (4A1) 53.0	al Gain vs. Ris		20.550			32.5		_	4.6		Fo 1
DUP-SIDE DOWN-SIDE RATIO (Potentia High Price (4A1) 53.0 Present Price 20.550		sent Price		=_		32.5		=	4.6		Го 1
High Price (4A1) 53.0	Minus Pres	sent Price) 13.5	= e next five ye	ars in sim	7.0	t terms.)	=			Го 1
High Price (4A1) 53.0 Present Price 20.550	Minus Pres	w Price (481)) 13.5 eciation over the			7.0	t terms.)	=	(4D)		Го 1
High Price (4A1) 53.0 Present Price 20.550 E PRICE TARGET (Note: This shows the High Price (4A1) 53.0	Minus Pres	sent Price) 13.5 eciation over the	= e next five ye		7.0	t terms.)	=			
High Price (4A1) 53.0 Present Price 20.550 E PRICE TARGET (Note: This shows the	Minus Pres	w Price (481)) 13.5 eciation over the	100 = (257	7.0 ble interes) - 100 =		(4D) 157.9 (4E)	% Ap	preciatio
High Price (4A1) 53.0 Present Price 20.550 E PRICE TARGET (Note: This shows the High Price (4A1) 53.0 Present Market Price 20.5	Minus Pres	w Price (481) w Price (481) rket price approv (2.57) 13.5 eciation over the	100 = (Re:	257 lative	7.0 ble interes .9 Value:) - 100 = : 55.0%	Proj.	(4D) 157.9 (4E) Relativ	% Ap re Value	preciatio
High Price (4A1) 53.0 Present Price 20.550 PRICE TARGET (Note: This shows the High Price (4A1) High Price (4A1) Present Market Price 20.5 5-YEAR POTENTIAL 77	Minus Pres Minus Lo potential mai	w Price (481) w Price (481) rket price approv (2.57) 13.5 eciation over the 79) X 1	100 = (Re an estimate of to	257 Lative	7.0 Die interes .9 Value : rovides a stat) - 100 = : 55.0%	Proj.	(4D) 157.9 (4E) Relativ nd growth stocks.	% Ap re Value	preciatio
High Price (4A1) 53.0 Present Price 20.550 PRICE TARGET (Note: This shows the High Price (4A1) Present Market Price 20.5 5-YEAR POTENTIAL 77 A Present Full Year's Dividend \$	Minus Pres	w Price (481) w Price (481) rket price approv (2.57) 13.5 eciation over the 79) × 1 dividend yield to get a	100 = (Re: an estimate of to re expressed as	257 Lative tal return. It p	7.0 ble interes .9 Value : rovides a star e; use the ta) - 100 = : 55.0% indard for comp ble below to c	Proj. <i>Daring income al</i> convert to a con	(4D) (4E) Relativ mpound rate.	% Ap	preciatio
High Price (4A1) 53.0 Present Price 20.550 E PRICE TARGET (Note: This shows the High Price (4A1) 53.0 Present Market Price 20.5	Minus Pres Minus Lo potential mai	w Price (481) w Price (481) rket price approv (2.57) 13.5 eciation over the 79) X 1 dividend yield to get a Note: Results an	100 = (Re an estimate of to	257 Lative tal return. It p	7.0 ble interes .9 Value : rovides a star e; use the ta) - 100 = : 55.0% indard for comp ble below to c	Proj. <i>Daring income al</i> convert to a con	(4D) 157.9 (4E) Relativ nd growth stocks.	% Ap	preciatio
High Price (4A1) 53.0 Present Price 20.550 PRICE TARGET (Note: This shows the High Price (4A1) 53.0 Present Market Price 20.5 5-YEAR POTENTIAL 77 A Present Full Year's Dividend \$	Minus Pres Minus Lc potential mar 50 = 150 = 0.160 20.550 RS	sent Price) 13.5 eciation over the 79) X 1 dividend yield to get a Note: Results an 0.008	IOO = (Re: an estimate of to re expressed as X 100 =	257 Lative Lat return. It p is a simple rat 0. (5A)	7.0 ble interes .9 Value : rovides a star e; use the ta) - 100 = : 55.0% ndard for comp ble below to o resent Yield	Proj. Daring income and convert to a cont or % Returne	(4D) (4E) Relativ mpound rate.	% Ap	preciatio
High Price (4A1) 53.0 Present Price 20.550 E PRICE TARGET (Note: This shows the High Price (4A1) 53.0 Present Market Price 20.5 5-YEAR POTENTIAL 77 A Present Full Year's Dividend \$	Minus Pres Minus Lc potential mar 50 = 150 = 0.160 20.550 RS	sent Price) 13.5 eciation over the 79) X 1 dividend yield to get a Note: Results an	IOO = (257 Lative tal return. It p	7.0 ble interes .9 Value : rovides a star e; use the ta) - 100 = : 55.0% ndard for comp ble below to o resent Yield	Proj. <i>Daring income al</i> convert to a con	(4D) (4E) Relativ mpound rate.	% Ap	preciatio
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High Price (4A1) 53.0 Present Price 20.550 E PRICE TARGET (Note: This shows the High Price (4A1) 53.0 Present Market Price 20.5 5-YEAR POTENTIAL 77 A Present Full Year's Dividend \$ Present Price of Stock B AVERAGE YIELD OVER NEXT 5 YEAH Avg. Earnings Per Share Next 5 Years C ESTIMATED AVERAGE ANNUAL RET	Minus Pres	sent Price) 13.5 eciation over the 79) × 1 dividend yield to get a Note: Results an 0.008 Avg. % Payout	IOO = (Re: an estimate of to re expressed as X 100 =	257 Lative tal return. It p a simple rat 0. (5A) 14.2	7.0 oble interes .9 Value : rovides a stat e; use the ta 8 Pr = Price \$) - 100 = : 55.0% <i>indard for comp</i> ble below to c essent Yield 23 20.	Proj. paring income al convert to a col or % Returne 3.7 .550	(4D) 157.9 (4E) Relativ mpound rate. ed on Purchas = P.A.R.	% Ap re Value e Price 1.2 (5B)	preciatio
High Price (4A1) 53.0 Present Price 20.550 PRICE TARGET (Note: This shows the High Price (4A1) 53.0 Present Market Price 20.5 S-YEAR POTENTIAL 77 A Present Full Year's Dividend \$	Minus Pres Minus Lc potential mar 50 = 150 = 150 0.160 20.550 RS 1 TURN OVER N	sent Price) 13.5 eciation over the 79) × 1 dividend yield to get a Note: Results an 0.008 Avg. % Payout	IOO = (Re: an estimate of to re expressed as X 100 =	257 Lative tal return. If p is a simple rat (5A) 14.2 Present	7.0 oble interess .9 Value : rovides a stat e; use the ta 8Pr = Price \$) -100 = : 55.0% ndard for comp ble below to c esent Yield 23 20. 	Proj. Paroj. paring income al convert to a col or % Returne 3.7 .550 Yield	(4D) (4E) Relativ <i>mpound rate.</i> ed on Purchas = P.A.R. 0.8%	% Ap re Value e Price 1.2 (5B)	preciatio 2: 47
High Price (4A1) 53.0 Present Price 20.550 PRICE TARGET (Note: This shows the High Price (4A1) 53.0 Present Market Price 20.55 5-YEAR POTENTIAL 77 A Present Full Year's Dividend \$ Present Price of Stock Present Price of Stock \$ B AVERAGE YIELD OVER NEXT 5 YEAH Avg. Earnings Per Share Next 5 Years C ESTIMATED AVERAGE ANNUAL RETT 5 Year Appreciation Potential (4E)	Minus Pres	sent Price) 13.5 eciation over the 79) X 1 dividend yield to get a Note: Results at 0.008 Avg. % Payout RS	100 = (257 Lative La return. It p is a simple rat 0. (5A) 14.2 Present	7.0 Jole interess .9 Value : rovides a stat e; use the ta 8 Pr = Price \$ A nnual) - 100 = : 55.0% <i>indard for comp</i> ble below to c essent Yield 23 20.	Proj. Paroj. convert to a con- or % Returne 3.7 .550 Yield iation	(4D) 157.9 (4E) Relativ mpound rate. ed on Purchas = P.A.R.	% Ap re Value e Price 1.2 (5B)	preciatio

Printed: 10/10/04 04:03 PM Prepared by: MG Using The NAIC Investor's Toolkit



PERT Worksheet-A

Company INTEL CORPORATION

(INTC)

			QUAF	RTERLY	DATA				LAST 12 MONTHS DATA									
PERIOD	EF	PS	PRE	E-TAX PRO	FIT	SA	LES	INCOME TAX	EPS	PRE-TAX	PROFIT	SALES	INCOM	E TAX	%	% CHAN		
T EIRIOD	\$	% CHANGE	\$ MIL	% SALES	% CHANGE	\$ MIL	% CHANGE	RATE	\$	\$ MIL	% SALES	MIL	\$ MIL	% RATE	EPS	PRE-TAX PROFIT	SALES	
03/98								33.1						34.4				
06/98								33.1						33.9				
09/98	0.22		2,342.00	34.8		6,731.00		33.0						33.5				
12/98	0.30		3,120.00	41.0		7,614.00		33.0						33.0				
03/99	0.29		2,984.00	42.0		7,103.00		33.6						33.2				
06/99	0.26		2,610.00	38.7		6,746.00		32.7	1.06	11,056.00	39.2	28,194.0	3,654.8	33.1				
09/99	0.24	7.1	2,705.00	36.9	15.5	7,328.00	8.9	38.4	1.08	11,419.00	39.7	28,791.0	3,928.7	34.4				
12/99	0.31	4.4	3,321.00	40.4	6.4	8,212.00	7.9	35.0	1.09	11,620.00	39.5	29,389.0	4,054.7	34.9				
03/00	0.40	38.6	3,256.00	40.7	9.1	7,993.00	12.5	15.2	1.20	11,892.00	39.3	30,279.0	3,602.2	30.3				
06/00	0.26	0.0	2,670.00	32.2	2.3	8,300.00	23.0	33.1	1.20	11,952.00	37.5	31,833.0	3,633.1	30.4	13.1	8.1	12.	
09/00	0.36	50.0	3,831.00	43.9	41.6	8,731.00	19.1	34.2	1.32	13,078.00	39.3	33,236.0	3,836.9	29.3	22.6	14.5	15.	
12/00	0.31	0.0	3,276.00	37.6	-1.4	8,702.00	6.0	34.3	1.32	13,033.00	38.6	33,726.0	3,803.8	29.2	21.1	12.2	14.	
03/01	0.09	-77.2	1,069.00	16.0	-67.2	6,677.00	-16.5	41.9	1.02	10,846.00	33.5	32,410.0	3,891.2	35.9	-15.4	-8.8	7.	
06/01	0.04	-84.3	469.00	7.4	-82.4	6,334.00	-23.7	41.2	0.80	8,645.00	28.4	30,444.0	3,277.8	37.9	-33.3	-27.7	-4.	
09/01	0.02	-94.4	137.00	2.1	-96.4	6,545.00	-25.0	-0.4	0.46	4,951.00	17.5	28,258.0	1,449.8	29.3	-65.2	-62.1	-15.	
12/01	0.08	-74.2	987.00	14.1	-69.9	6,983.00	-19.8	44.5	0.23	2,662.00	10.0	26,539.0	846.9	31.8	-82.6	-79.6	-21.	
03/02	0.15	66.7	1,472.00	21.7	37.7	6,781.00	1.6	30.1	0.29	3,065.00	11.5	26,643.0	884.4	28.9	-71.4	-71.7	-17.	
06/02	0.08	100.0	855.00	13.5	82.3	6,319.00	-0.2	36.3	0.33	3,451.00	13.0	26,628.0	953.5	27.6	-58.7	-60.1	-12.	
09/02	0.10	400.0	923.00	14.2	573.7	6,504.00	-0.6	27.3	0.41	4,237.00	15.9	26,587.0	1,463.7	34.5	-10.9	-14.4	-5.	
12/02	0.16	100.0	1,362.00	19.0	38.0	7,160.00	2.5	21.8	0.49	4,612.00	17.2	26,764.0	1,331.4	28.9	113.0	73.3	0.	
03/03	0.14	-6.7	1,338.00	19.8	-9.1	6,751.00	-0.4	30.8	0.48	4,478.00	16.8	26,734.0	1,301.2	29.1	65.5	46.1	0.	
06/03	0.14	75.0	1,280.00	18.8	49.7	6,816.00	7.9	28.0	0.54	4,903.00	18.0	27,231.0	1,322.7	27.0	63.6	42.1	2.	
09/03	0.23	130.0	2,280.00	29.1	147.0	7,833.00	20.4	33.2	0.67	6,260.00	21.9	28,560.0	1,781.0	28.4	63.4	47.7	7.	
12/03	0.33	106.3	3,191.00	36.5	134.3	8,741.00	22.1	31.0	0.84	8,089.00	26.8	30,141.0	2,488.3	30.8	71.4	75.4	12.	
03/04	0.28	100.0	2,706.00	33.4	102.2	8,091.00	19.8	31.5	0.98	9,457.00	30.0	31,481.0	2,923.9	30.9	104.2	111.2	17.	
06/04	0.26	85.7	2,420.00	30.1	89.1	8,049.00	18.1	29.5	1.10	10,597.00	32.4	32,714.0	3,316.4	31.3	103.7	116.1	20.	
09/04								25.9						29.5				
12/04								25.9						28.2				
A	ВС	D	E	F	G	н	1	J	K L	M	N	0	P	Q	R	S	Т	

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