

VALUENGINE RECOMMENDATION & BASIC INFORMATION

RECOMMENDATION		
NEGATIVE	NEUTRAL	POSITIVE
underperform	match	outperform

VALUENGINE RATING

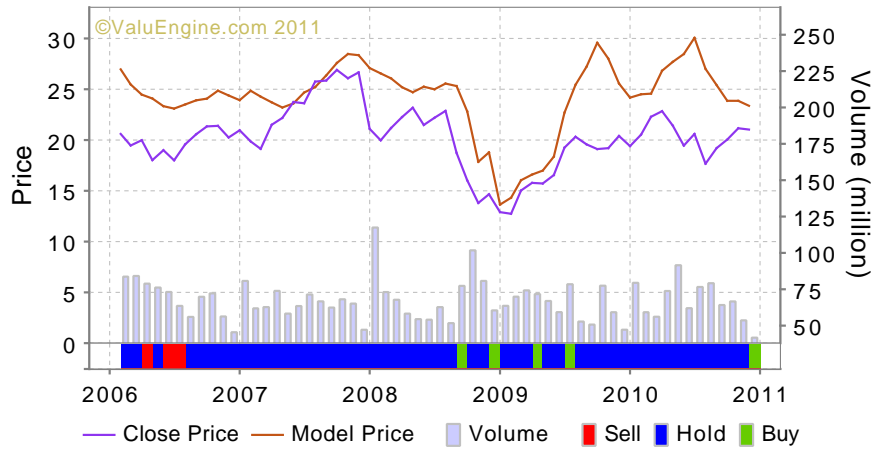
RECOMMENDATION FACTORS		
	Value	Rank
Overall Rank		top 2%
Fair Value	\$23.04	top 25%
1Yr Target Price	\$22.53	top 12%
P/E Ratio	10.65	top 14%
Last 1-Y Return	9.99%	btm 40%
Market Cap(bil)	\$118.26	top 1%

BASIC INFORMATION	
Last Trade	\$21.24
Trade Date	01/24/11
Market Cap(bil)	\$118.264
Trailing P/E	10.65
Forward P/E	11.02
PEG Ratio	n/a
P/S Ratio	2.77
M/B Ratio	2.74
Sharpe Ratio	-0
5-Y Avg Ann Return	-0.01%
Volatility	27.77%
EPS Growth	-3.34%
Annual Dividend	\$0.63
Dividend Yield	2.97%
LT Debt/Equity	0.05
Beta	1.12

VALUATION ANALYSIS	
INTC	Today's Fair value: \$23.04 7.80% undervalued
Industry	10.06% overvalued
Sector	Computer And Technology

FORECAST ANALYSIS		
	Target Price	Exp. Return
1-Month	\$21.54	1.40%
3-Month	\$21.62	1.78%
6-Month	\$21.69	2.13%
1-Year	\$22.53	6.06%
2-Year	\$23.00	8.28%
3-Year	\$28.24	32.97%

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VALUENGINE RECOMMENDATION

ValuEngine has issued a BUY recommendation for INTEL CORP on Jan. 25, 2011. Based on the information we have gathered and our resulting research, we feel that INTEL CORP has the probability to OUTPERFORM average market performance for the next year. The company exhibits ATTRACTIVE company size, volatility and P/E ratio.

RECOMMENDATION OVERVIEW

ValuEngine's stock recommendations are based on the proprietary ValuEngine one-year forecast return (1YFR) model output for each individual equity. A stock is rated Strong Buy, Buy, Hold, Sell, Strong Sell based on the Forecast One Year Return. The breakdown for each rating is as follows:

- Strong Buy: More than +10% 1YFR
- Buy: Between +5% and +10% 1YFR
- Hold: Between -5% and +5% 1YFR
- Sell: Between -10% and -5% 1YFR
- Strong Sell: Less than -10% 1YFR

ValuEngine's Strong Buy-rated stocks have an averaged annual return of 19% since 2001. For more details on the ValuEngine One Year Forecast Target price and its components, please go [HERE](#).

FAIR MARKET VALUATION PRICE

Based on available data as of Jan. 25, 2011, we believe that INTC should be trading at \$23.04. This makes INTC 7.80% undervalued. Fair Value indicates what we believe the stock should be trading at today if the stock market were perfectly efficient and everything traded at its true worth. For INTC, we base this on actual earnings per share (EPS) for the previous four quarters of \$1.99, forecasted EPS for the next four quarters of \$1.93, and correlations to the 30-year Treasury bond yield of 4.56%. There are an additional 10 firm specific and interest rate related parameters, each playing a role in the valuation analysis. For more details on ValuEngine's Fair Value Model, please go [HERE](#).

FORECASTED TARGET PRICES

The predictive variables used in Valuengine's forecast target price models include both proprietary and well-established forecasting variables derived from credible financial research studies and publications. Our forecasting models capture, among other things, several important tendencies that stock prices consistently exhibit: Short-term price reversals, Intermediate-term momentum continuation, and Long-term price reversals. We use a distinct forecasting model for each time horizon and for every industry. We then apply the most advanced statistical/econometric techniques to ensure that our stock return forecasts are as reliable as possible. For more details on ValuEngine's Fair Value Model, please go [HERE](#).

BUSINESS SUMMARY

Intel Corporation is one of the world's largest semiconductor chip maker. The Company develops advanced integrated digital technology products, primarily integrated circuits, for industries such as computing and communications. It also develops platforms, which it defines as integrated suites of digital computing technologies that are designed and configured to work together to provide an optimized user computing solution compared to components that are used separately. Intel designs and manufactures computing and communications components, such as microprocessors, chipsets, motherboards, and wireless and wired connectivity products, as well as platforms that incorporate these components. The Company sells its products primarily to original equipment manufacturers, original design manufacturers, PC and network communications products users, and other manufacturers of industrial and communications equipment. Intel Corporation is based in Santa Clara, California.

OPTIMAL BUY-SELL

Based solely on the Historical Mispricing of INTC, the best time to buy would be below \$15.89 (or valuation below - 31.00%). The best time to sell would be above \$36.63 (or valuation above 59.00%).

EVALUATION & RANKINGS

	Value	Rank
Valuation	-7.80%	76
12-Month Return	9.99%	40
5-Y Avg Ann Rtn	-0.01%	58
Volatility	27.77%	88
EPS Growth	-3.34%	13
Market Cap(bill)	118.26	100
Sharpe Ratio	-0	58
P/S Ratio	2.77	30
M/B Ratio	2.74	41
P/E Ratio	10.65	87

EVALUATION & RANKINGS SUMMARY

Just as important as the percentages shown for our ten predictive variables for each stock is the way they are ranked against the 7000 plus stocks in our database. This is sometimes confusing to newcomers to ValuEngine. Each of these quantitative measurements is ranked on a scale of 1 to 100. Generally the higher the ranking, the more positive the influence each measurement has on the overall attractiveness of the stock. In other words a high rank is always better. Let's take them one by one:

- Valuation rank 76: 24% of stocks are more undervalued
- Momentum rank 40: 60% of stocks have higher momentum
- Sharpe Ratio rank 58: 42% of stocks have a higher Sharpe Ratio
- 5-Year Average Annual Return 58: 42% of stocks have higher average annual return
- Volatility rank 88: 12% of stocks have less volatility
- EPS growth rank 13: 87% of stocks have greater projected EPS growth
- Size rank 100: 0% of companies have higher market capitalization
- P/E rank 87: 13% of stocks have lower P/E ratios
- Price/Sales rank 30: 70% of stocks have lower price/sales ratios
- Market/Book rank 41: 59% of stocks have lower market/book value ratios

MARKET RATIO BASED VALUATION

Portfolio managers and professionals traditionally rely on market ratios to gauge whether a stock is fair valued or overvalued. On this page, we present such a valuation based on one of three market ratios: PEG (price to trailing 4 quarter earnings ratio, divided by the consensus analyst forecasted next year EPS growth), P/E (price to forward 4 quarter earnings ratio), and P/S ratio (price to trailing 4 quarter sales). Among the three, PEG is the most informative as it reflects both the price/earnings ratio and expected future EPS growth, while P/E is better than P/S. For each given stock, we apply the PEG to give a fair value assessment if both its trailing 4 quarter EPS and forecasted EPS growth rate are positive. If its forecasted EPS growth is negative but its forward 4 quarter EPS is positive, we apply the P/E to give a fair value for the stock as of today. Otherwise, we resort to the P/S to assess its fair value.

To establish a valuation standard, we use both (i) the average historical market ratio of the stock over the past 10 years (or however long there is data available for the stock), and (ii) the average market ratio today of five comparable stocks in the same sector and from companies of similar size. These two alternative perspectives should give you a good idea about where this stock's valuation stands today.

1. Valuation Based on INTC's Past PE

Over the past 10 years, INTC's average PE is 22.78. INTC earned \$1.99 per share in its recent 4 quarters. The analyst consensus estimate is \$1.93 for its 4 quarter forward EPS. INTC's current price sales ratio is 2.77. The following assessment is based on multiplying the historical PE with next 4 quarter EPS for INTC.

Fair Value	
Historical Average PE	22.78
PE-Based Fair Value	\$43.91

2. Valuation Based on Comparables' PE

INTC's comparables are ISIL, LLTC, NVDA, STM and TXN. The current PE average of these comparables is 19.08. INTC earned \$1.99 per share in its recent 4 quarters. The analyst consensus estimate is \$1.93 for its 4-quarter-forward EPS. INTC's current price sales ratio is 2.77. The following assessment is based on multiplying comparable stocks' average PE today with INTC's next 4 quarter EPS.

Comparables' PE




Comparables	Current PE
ISIL	17.76
LLTC	14.76
NVDA	34.83
STM	14.45
TXN	13.6





Fair Value	
Comparable Stocks' Avg PE	19.08
Comparable PE-Based Fair Value	\$36.77





INTEL CORP(INTC)





VALUENGINE RANKINGS




Just as important as the percentages shown for our ten predictive variables for each stock is the way they are ranked against the 7000 plus stocks in our database. Each of these quantitative measurements is ranked on a scale of 1 to 100. Generally the higher the ranking, the more positive the influence each measurement has on the overall attractiveness of the stock. In other words a high rank is always better. The below data points show how the rank for each data point for INTC relates to the overall industry, sector, and S&P 500 averages.


Valuation		Rank	The ValuEngine Valuation Rank measures the relationship between a company's stock price and its Fair Value. The higher the Valuation rank, the more undervalued the stock. With a Valuation Rank of 76, INTC is moderately higher than the average of its industry group, which carries a Valuation Rank of 50.
INTC	-7.80%	 76	
Industry	10.06%	 50	
Sector	n/a	 0	
S&P 500	n/a	n/a	





12-Month Return		Rank	The ValuEngine 12-Month Return Rank reflects the relative stock performance of a stock over the recent 12 months. On a scale of 1 to 100, a higher 12-Month Return rank indicates a stronger performance. With a 12-Month Return Rank of 40, INTC is slightly lower than the industry's rank score of 55.
INTC	9.99%	 40	
Industry	36.66%	 55	
Sector	n/a	 0	
S&P 500	18.23%	 51	




5-Y Avg Ann Rtn		Rank	The ValuEngine 5-Years Average Return Rank reflects a stock's average annual return over the last 5 years, in comparison with the coverage universe. A higher rank indicates a better return performance. With a rank of 58, INTC is in line with the industry, which has a rank of 53.
INTC	-0.01%	 58	
Industry	-7.84%	 53	
Sector	n/a	 0	
S&P 500	0.17%	 59	




Volatility		Rank	The ValuEngine Volatility Rank reflects the volatility associated with the stock. A higher Volatility Rank indicates a lower volatile percentile of stocks. INTC has a Volatility Rank of 88, which is significantly higher than the industry Rank of 46.
INTC	27.77%	 88	
Industry	63.82%	 46	
Sector	n/a	 0	
S&P 500	18.27%	 98	




EPS Growth		Rank	The ValuEngine EPS Growth Rank indicates a stock's expected EPS growth rate. A high rank indicates a high growth rate expectation. INTC has an EPS Growth Rank of 13. This is substantially lower than the industry rank of 50.
INTC	-3.34%	 13	
Industry	70.18%	 50	
Sector	n/a	 0	
S&P 500	n/a	n/a	

Market Cap(bill)		Rank	The ValuEngine Size rank signifies the company's size in terms of market capitalization. A higher rank denotes a larger market capitalization within ValuEngine's stock universe. With a Size rank of 100, INTC is significantly higher than the industry, which has a rank of 48.
INTC	118.26	 100	
Industry	4.49	 48	
Sector	n/a	 0	
S&P 500	n/a	n/a	

Sharpe Ratio		Rank	The ValuEngine Sharpe Ratio Rank measures the risk return tradeoff offered by a stock. Sharpe ratio is the stock's average annual return (over the last five years) divided by its annualized volatility over the same 5 years. With a rank of 58, INTC is in line with the industry, which has a rank of 52.
INTC	-0	 58	
Industry	-0.07	 52	
Sector	n/a	 0	
S&P 500	0.01	 59	

P/S Ratio		Rank	The ValuEngine Price/Sales rank signifies the relative position of the company based on its P/S ratio. Stocks with the lowest P/S ratio are assigned a rank of 100 while stocks with the highest P/S ratio are ranked 1. At a Price/Sales rank of 30, INTC is slightly lower than the industry rank of 47.
INTC	2.77	 30	
Industry	3.56	 47	
Sector	n/a	 0	
S&P 500	n/a	n/a	

M/B Ratio		Rank	The Market/Book Rank is a measure of a stock's market to book ratio relative to the stock universe. A higher rank corresponds to a lower market book value. INTC has a Market/Book rank of 41, which is in line with the industry rank of 40.
INTC	2.74	 41	
Industry	6.44	 40	
Sector	n/a	 0	
S&P 500	n/a	n/a	

P/E Ratio		Rank	The ValuEngine P/E Rank signifies the relative standing of a company on its P/E ratio, relative to the universe. Stocks in the top P/E percentile are each assigned a rank of 1(highest P/E stocks) while those in the bottom P/E percentile are assigned a rank of 100 (traditional value stocks). With a P/E rank of 87, INTC is significantly higher than the industry P/E rank of 46.
INTC	10.65	 87	
Industry	36.88	 46	
Sector	n/a	 0	
S&P 500	n/a	n/a	

COMPARISON OF SIMILAR STOCKS* & RISK ASSESSMENT

Valuation

Company	Valuation	Rank
INTC	-7.80%	76
TXN	17.04%	34
NVDA	48.11%	10
STM	-14.74%	82
LLTC	6.11%	53

12-Month Return

Company	12-Month Return	Rank
INTC	9.99%	40
TXN	52.78%	81
NVDA	50.24%	80
STM	46.66%	78
LLTC	32.18%	68

5-Y Avg Ann Rtn

Company	5-Y Avg Ann Rtn	Rank
INTC	-0.01%	58
TXN	3.40%	68
NVDA	10.02%	83
STM	-8.83%	40
LLTC	-1.18%	55

Volatility

Company	Volatility	Rank
INTC	27.77%	88
TXN	28.54%	87
NVDA	58.83%	41
STM	41.47%	66
LLTC	28.74%	87

EPS Growth

Company	EPS Growth	Rank
INTC	-0.03	13
TXN	0.03	19
NVDA	0.2	49
STM	0.14	39
LLTC	0.08	28

Market Cap(bill)

Company	Market Cap(bill)	Rank
INTC	118.26	100
TXN	41.41	98
NVDA	14.19	94
STM	10.45	92
LLTC	8.06	90

Sharpe Ratio

Company	Sharpe Ratio	Rank
INTC	-0	58
TXN	0.12	71
NVDA	0.17	76
STM	-0.21	36
LLTC	-0.04	54

P/S Ratio

Company	P/S Ratio	Rank
INTC	2.77	30
TXN	3.08	28
NVDA	3.9	23
STM	1.04	61
LLTC	6.09	15

M/B Ratio

Company	M/B Ratio	Rank
INTC	2.74	41
TXN	4.63	24
NVDA	5.88	19
STM	1.6	62
LLTC	54.34	2

P/E Ratio

Company	P/E Ratio	Rank
INTC	10.65	87
TXN	13.95	76
NVDA	41.71	38
STM	16.46	67
LLTC	15.99	69

FORECAST COMPARISONS

RETURN FORECAST: EXPECTED RETURN

	INTC	LLTC	NVDA	STM	TXN
One-Month	1.40%	1.14%	-0.57%	0.94%	0.75%
Three-Month	1.78%	1.10%	-0.84%	0.90%	0.42%
Six-Month	2.13%	0.51%	-2.33%	0.04%	-0.29%
One-Year	6.06%	2.66%	-3.22%	2.16%	1.74%
Two-Year	8.28%	3.27%	-4.81%	2.06%	3.03%
Three-Year	32.97%	24.67%	9.21%	23.18%	23.44%

RISK ASSESSMENT: CHANCE OF GAIN

	INTC	LLTC	NVDA	STM	TXN
One-Month	56.93%	55.44%	48.66%	53.12%	53.62%
Three-Month	55.10%	53.05%	48.86%	51.72%	51.17%
Six-Month	54.31%	51.00%	47.77%	50.06%	49.42%
One-Year	58.64%	53.69%	47.82%	52.08%	52.43%
Two-Year	58.35%	53.21%	47.70%	51.40%	52.99%
Three-Year	75.34%	68.99%	53.60%	62.65%	68.24%

RISK ASSESSMENT: CHANCE OF LOSS

	INTC	LLTC	NVDA	STM	TXN
One-Month	43.07%	44.56%	51.34%	46.88%	46.38%
Three-Month	44.90%	46.95%	51.14%	48.28%	48.83%
Six-Month	45.69%	49.00%	52.23%	49.94%	50.58%
One-Year	41.36%	46.31%	52.18%	47.92%	47.57%
Two-Year	41.66%	46.79%	52.30%	48.60%	47.01%
Three-Year	24.66%	31.01%	46.40%	37.35%	31.76%

* Comparables are companies in the same Sector and Industry and of approximately similar market capitalization value.

ANNUAL FINANCIALS (All items in Millions)

BALANCE SHEET	200912	200812	200712	200612	200512	200412	200312	200212
Cash	3987	3350	7307	6598	7324	8407	7971	7404
Marketable Securities	9933	8493	5490	2270	3990	5654	5568	3382
Receivables	2273	1712	2576	2709	3914	2999	2960	2574
Inventory	2935	3744	3370	4314	3126	2621	2519	2276
Raw Materials	437	608	--	--	--	--	--	--
Work in Progress	1469	1577	--	--	--	--	--	--
Finished Goods	1029	1559	--	--	--	--	--	--
Notes Receivable	0	0	0	0	0	0	0	0
Other Current Assets	2029	2572	5142	2389	2840	4377	3864	3289
Total Current Assets	21157	19871	23885	18280	21194	24058	22882	18925
Property, Plant & Equipment	47822	48088	--	--	--	--	--	36912
Accumulated Depreciation	30597	30544	--	--	--	--	--	19065
Net Property, Plant & Equipment	17225	17544	16918	17602	17111	15768	16661	17847
Investment & Advances	4952	3276	5385	4421	4672	3219	2380	1234
Other non-current Assets	0	0	5547	0	0	0	0	0
Deferred Charges	0	0	0	0	1464	0	0	0
Intangibles	4421	3932	3916	3861	3873	3719	3705	4330
Deposits & other assets	5340	6092	0	4204	0	1379	1515	1888
TOTAL ASSETS	53095	50715	55651	48368	48314	48143	47143	44224
Notes Payable	0	0	142	180	313	201	224	436
Accounts Payable	1883	2390	2361	2256	2249	1943	1660	1543
Current Portion of Long-term Debt	172	102	0	0	0	0	0	0
Current Portion of Capital Leases	0	0	0	0	0	0	0	0
Accrued Expenses	4857	4863	5104	3682	4080	2752	2275	2984
Income Taxes Payable	86	0	339	1797	1960	1163	785	1157
Other Current Liabilities	593	463	625	599	632	1947	1935	475
Total Current Liabilities	7591	7818	8571	8514	9234	8006	6879	6595
Mortgages	0	0	0	0	0	0	0	0
Deferred Charges (taxes/income)	748	782	411	265	703	855	1482	1232
Convertible Debt	0	0	0	0	0	0	0	0
Long Term Debt	2049	1886	1980	1848	2106	703	936	929
Non-Current Capital Leases	0	0	0	0	0	0	0	0
Other Long-Term Liabilities	1003	1141	1927	989	89	0	0	0
Minority Interest (liabilities)	0	0	0	0	0	0	0	0
Total Liabilities	11391	11627	12889	11616	12132	9564	9297	8756
Preferred Stock	0	0	0	0	0	0	0	0
Common Stock, Net	14993	12944	11653	7825	6245	6143	6754	7641
Capital Surplus	0	0	0	0	0	0	0	0
Retained Earnings	26318	26537	30848	28984	29810	32288	31016	27847
Treasury Stock	0	0	0	0	0	0	0	0
Other Equity	393	-393	261	-57	127	148	76	-20
Total Shareholders' Equity	41704	39088	42762	36752	36182	38579	37846	35468
Total Liabilities & Shareholders Equity	53095	50715	55651	48368	48314	48143	47143	44224

ANNUAL FINANCIALS (All items in Millions)

INCOME STATEMENT	200912	200812	200712	200612	200512	200412	200312	200212
Net Sales or Revenues	35127	37586	38334	35382	38826	34209	30141	26764
Cost of Goods Sold	15566	16742	18430	17164	15777	14463	13047	13446
Gross Profit	19561	20844	19904	18218	23049	19746	17094	13318
Research & Development Expense	5653	5722	5755	5873	5145	4778	4360	4034
Selling, General & Admin. Expense	8162	6168	5401	6096	5688	4659	4278	4334
Income Before Depr., Depl., Amort.	5746	8954	8748	6249	12216	10309	8456	4950
Depreciation, Depletion, Amort.	35	0	16	42	126	179	301	548
Non-Operating Income	-7	-1268	434	861	520	287	-713	-198
Interest Expense	0	0	0	0	0	0	0	0
Pretax Income	5704	7686	9166	7068	12610	10417	7442	4204
Provision for Income Taxes	1335	2394	2190	2024	3946	2901	1801	1087
Minority Interest	0	0	0	0	0	0	0	0
Investment Gains (Losses)	0	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0
Income Before Extraordinaries & Disc	4369	5292	6976	5044	8664	7516	5641	3117
Extraordinary Items & Discontinued	0	0	0	0	0	0	0	0
Net Income	4369	5292	6976	5044	8664	7516	5641	3117
Average Shares used for Diluted EPS	5645	5748	5936	5880	6178	6494	6621	6759
Average Shares used for Basic EPS	5557	5663	5816	5797	6106	6400	6527	6651
Income Before Non-Recurring Items	5816	5774.4	6822.8	4946.1	8804	7621.3	5641	3464
Income From Non-Recurring Items	-1447	-482.4	153.2	97.9	-140	-105.3	0	-347
EPS - Basic, net	0.8	0.9	1.2	0.9	1.4	1.2	0.9	0.5
EPS - Diluted, net	0.8	0.9	1.2	0.9	1.4	1.2	0.9	0.5
EPS - Diluted, before non-recurring	1	1	1.1	0.8	1.4	1.2	0.9	0.5
Preferred Dividends - Acc & Pd	--	--	--	--	--	--	--	--
Dividends (common)	3092.3	3045.2	2631.1	2306.4	1929.3	1011.7	522.6	533.5
Dividend per share (common)	0.6	0.6	0.4	0.4	0.3	0.2	0.1	0.1

CASH FLOW STATEMENT

Net Income (Cash Flow)	4369	5292	6976	5044	8664	7516	5641	3117
Depreciation, Depletion, Amortization-CF	5052	4616	4798	4654	4345	4889	5687	5344
Net Increase(decrease) in	60	-1505	74	-72	2002	484	-925	-405
Cash from(used in) Discontinued Oper.	0	0	0	0	0	0	0	0
Other Adjustments - Net	1689	2523	777	994	307	230	1112	1073
Net Cash from (used by) Operating Act.	11170	10926	12625	10620	15318	13119	11515	9129
Increase/Decrease in Prop, Plant, & Equ.	-4515	-5197	-5000	-5779	-5818	-3843	-3656	-4703
Acquisition/Disposition of Subsidiaries	-853	69	-44	752	0	-53	-61	-57
Increase (decrease) in Investments	-700	139	-5176	153	-42	-985	-3174	-675
Other Cash inflow from Investment Act.	-1897	-876	294	-33	-502	-151	-199	-330
Net Cash from (used by) Investment Act.	-7965	-5865	-9926	-4907	-6362	-5032	-7090	-5765
Issuance (purchase) of Equity Shares	-1362	-6090	264	-3547	-9435	-6622	-3045	-3333
Issuance (repayment) of Debt Securities	1980	0	125	0	1723	-31	-137	37
Increase (decrease) in Bank & Other	-87	-40	-39	-695	126	24	-152	-101
Payment of Dividends & Other Cash	-3108	-3100	-2618	-2320	-1958	-1022	-524	-533
Other Cash from (used by) Financing	9	212	278	123	0	0	0	0
Net Cash from (used by) Financing Act.	-2568	-9018	-1990	-6439	-9544	-7651	-3858	-3930
Net Change in Cash & Cash Equivalents	637	-3957	709	-726	-1083	436	567	-566

QUARTERLY FINANCIALS (All items in Millions)

BALANCE SHEET	201009	201006	201003	200912	200909	200906	200903	200812
Cash	5517	5514	4988	3987	4109	3826	3536	3350
Marketable Securities	15233	12789	11354	9933	8821	7798	7063	8493
Receivables	2911	2430	2192	2273	2025	1938	2086	1712
Inventory	3423	3345	2986	2935	2490	2805	3045	3744
Raw Materials	380	407	464	437	398	385	380	608
Work in Progress	1634	1637	1473	1469	1072	1209	1448	1577
Finished Goods	1409	1301	1049	1029	1020	1211	1217	1559
Notes Receivable	0	0	0	0	0	0	0	0
Other Current Assets	2415	2386	2204	2029	1802	2100	2412	2572
Total Current Assets	29499	26464	23724	21157	19247	18467	18142	19871
Property, Plant & Equipment	--	--	--	47822	--	--	--	48088
Accumulated Depreciation	--	--	--	30597	--	--	--	30544
Net Property, Plant & Equipment	17189	16946	17028	17225	17354	17515	17815	17544
Investment & Advances	4536	4863	5252	4952	4377	3515	2925	3276
Other non-current Assets	0	0	0	0	0	0	0	0
Deferred Charges	0	0	0	0	0	0	0	0
Intangibles	4481	4481	4452	4421	4421	3932	3932	3932
Deposits & other assets	4883	4937	5317	5340	5597	5632	5640	6092
TOTAL ASSETS	60588	57691	55773	53095	50996	49061	48454	50715
Notes Payable	0	0	0	0	0	0	0	0
Accounts Payable	1903	2126	1912	1883	1907	1726	1669	2390
Current Portion of Long-term Debt	259	215	330	172	23	24	31	102
Current Portion of Capital Leases	0	0	0	0	0	0	0	0
Accrued Expenses	6049	5014	5101	4857	4746	4849	4173	4863
Income Taxes Payable	0	0	916	86	471	0	0	0
Other Current Liabilities	626	582	653	593	602	480	468	463
Total Current Liabilities	8837	7937	8912	7591	7749	7079	6341	7818
Mortgages	0	0	0	0	0	0	0	0
Deferred Charges (taxes/income)	855	760	881	748	386	556	662	782
Convertible Debt	0	0	0	0	0	0	0	0
Long Term Debt	2073	2058	2052	2049	2201	1174	1170	1886
Non-Current Capital Leases	0	0	0	0	0	0	0	0
Other Long-Term Liabilities	1127	1095	1028	1003	1627	1205	1217	1141
Minority Interest (liabilities)	0	0	0	0	0	0	0	0
Total Liabilities	12892	11850	12873	11391	11963	10014	9390	11627
Preferred Stock	0	0	0	0	0	0	0	0
Common Stock, Net	16096	15741	15466	14993	14763	13995	13845	12944
Capital Surplus	0	0	0	0	0	0	0	0
Retained Earnings	31069	29869	27020	26318	24037	25205	25609	26537
Treasury Stock	0	0	0	0	0	0	0	0
Other Equity	531	231	414	393	233	-153	-390	-393
Total Shareholders' Equity	47696	45841	42900	41704	39033	39047	39064	39088
Total Liabilities & Shareholders Equity	60588	57691	55773	53095	50996	49061	48454	50715

QUARTERLY FINANCIALS (All items in Millions)

INCOME STATEMENT	201009	201006	201003	200912	200909	200906	200903	200812
Net Sales or Revenues	11102	10765	10299	10569	9389	8024	7145	8226
Cost of Goods Sold	3781	3530	3770	3729	3985	3945	3907	3857
Gross Profit	7321	7235	6529	6840	5404	4079	3238	4369
Research & Development Expense	1675	1666	1564	1603	1430	1303	1317	1316
Selling, General & Admin. Expense	1506	1584	1514	2717	1383	2788	1274	1939
Income Before Depr., Depl., Amort.	4140	3985	3451	2520	2591	-12	647	1114
Depreciation, Depletion, Amort.	4	4	3	23	12	0	0	0
Non-Operating Income	115	204	-2	96	-47	-38	-18	-745
Interest Expense	0	0	0	0	0	0	0	0
Pretax Income	4251	4185	3446	2593	2532	-50	629	369
Provision for Income Taxes	1296	1298	1004	311	676	348	0	135
Minority Interest	0	0	0	0	0	0	0	0
Investment Gains (Losses)	0	0	0	0	0	0	0	0
Other Income	0	0	0	0	0	0	0	0
Income Before Extraordinaries & Disc	2955	2887	2442	2282	1856	-398	647	234
Extraordinary Items & Discontinued	0	0	0	0	0	0	0	0
Net Income	2955	2887	2442	2282	1856	-398	647	234
Average Shares used for Diluted EPS	5694	5711	5681	5650	5616	5595	5634	5623
Average Shares used for Basic EPS	5575	5563	5529	5522	5537	5595	5573	5562
Income Before Non-Recurring Items	2955	2887	2442	2282	1856	1049	647	234
Income From Non-Recurring Items	0	0	0	0	0	-1447	0	0
EPS - Basic, net	0.5	0.5	0.4	0.4	0.3	-0.1	0.1	0
EPS - Diluted, net	0.5	0.5	0.4	0.4	0.3	-0.1	0.1	0
EPS - Diluted, before non-recurring	0.5	0.5	0.4	0.4	0.3	0.2	0.1	0
Preferred Dividends - Acc & Pd	--	--	--	--	--	--	--	--
Dividends (common)	877	876.3	870	773.1	783.7	781.9	778.7	778.7
Dividend per share (common)	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1

CASH FLOW STATEMENT

Net Income (Cash Flow)	8284	5329	2442	4369	2087	231	629	5292
Depreciation, Depletion, Amortization-CF	3432	2290	1141	5052	3791	2556	1270	4616
Net Increase(decrease) in	-966	-328	192	60	431	-6	-1993	-1505
Cash from(used in) Discontinued Oper.	0	0	0	0	0	0	0	0
Other Adjustments - Net	392	274	304	1689	1456	981	472	2523
Net Cash from (used by) Operating Act.	11142	7565	4079	11170	7765	3762	378	10926
Increase/Decrease in Prop, Plant, & Equ.	-3338	-1976	-928	-4515	-3434	-2490	-1509	-5197
Acquisition/Disposition of Subsidiaries	-70	-70	-37	-853	-853	0	0	69
Increase (decrease) in Investments	-3945	-2191	-1462	-700	-734	889	1901	139
Other Cash inflow from Investment Act.	-214	-405	-245	-1897	-175	-215	17	-876
Net Cash from (used by) Investment Act.	-7567	-4642	-2672	-7965	-5196	-1816	409	-5865
Issuance (purchase) of Equity Shares	313	167	225	-1362	-1385	169	247	-6090
Issuance (repayment) of Debt Securities	0	0	0	1980	1980	0	0	0
Increase (decrease) in Bank & Other	87	43	158	-87	-77	-76	-69	-40
Payment of Dividends & Other Cash	-2624	-1747	-870	-3108	-2334	-1563	-779	-3100
Other Cash from (used by) Financing	179	141	81	9	6	0	0	212
Net Cash from (used by) Financing Act.	-2045	-1396	-406	-2568	-1810	-1470	-601	-9018
Net Change in Cash & Cash Equivalents	1530	1527	1001	637	759	476	186	-3957

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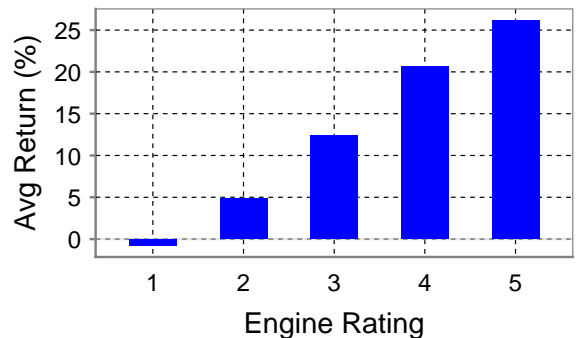
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