UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report: October 13, 2015
(Date of earliest event reported)

INTEL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**000-06217**	**94-1672743**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2200 Mission College Blvd., Santa Clara, California	**95054-1549**
(Address of principal executive offices)	(Zip Code)

(408) 765-8080
(Registrant's telephone number, including area code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4c))

Item 2.02 Results of Operations and Financial Condition.

Attached hereto as Exhibit 99.1 and incorporated by reference herein is financial information for Intel Corporation (Intel) for the quarter ended September 26, 2015 and forward-looking statements relating to 2015 and the fourth quarter of 2015 as presented in a press release of October 13, 2015. This Exhibit 99.1, which discloses financial results in accordance with United States (U.S.) generally accepted accounting principles (GAAP), also includes a reconciliation for non-GAAP financial measures for gross cash, net cash and other longer term investments, which non-GAAP terms will be used in Intel's Q3 2015 earnings conference. The "Supplemental Reconciliations of GAAP to Non-GAAP Results" is included in the tables of Exhibit 99.1 and sets forth how management uses these non-GAAP measures and the reasons why management views these measures as providing useful information for investors. These non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP and the financial results calculated in accordance with GAAP and reconciliations from Intel's results should be carefully evaluated.

Attached hereto as Exhibit 99.2 and incorporated by reference herein is financial information and commentary by Stacy J. Smith, Executive Vice President and Chief Financial Officer of Intel, for the quarter ended September 26, 2015 and forward-looking statements relating to 2015 and the fourth quarter of 2015 as posted on Intel's investor website, intc.com, on October 13, 2015.

The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

		INTEL CORPORATION
		(Registrant)
Date: October 13, 2015	By:	/s/ Stacy J. Smith
		Stacy J. Smith
		Executive Vice President, Chief Financial Officer, and Principal Accounting Officer

Intel Corporation
2200 Mission College Blvd.
Santa Clara, CA 95054-1549

News Release

Intel Reports Third-Quarter Revenue of $14.5 Billion, Net Income of $3.1 Billion

News Highlights:

- Quarterly revenue of $14.5 billion, above the midpoint of outlook; gross margin of 63 percent, consistent with outlook
- Quarterly revenue approximately flat year-over-year, with growth in the data center, Internet of things (IoT) and non-volatile memory businesses offsetting lower client revenue
- Results show customer enthusiasm for 6th Gen Intel® Core™ processors

SANTA CLARA, Calif., October 13, 2015 -- Intel Corporation today reported third-quarter revenue of $14.5 billion, operating income of $4.2 billion, net income of $3.1 billion and EPS of 64 cents. The company generated approximately $5.7 billion in cash from operations, paid dividends of $1.1 billion, and used $1.0 billion to repurchase 36 million shares of stock.

“We executed well in the third quarter and delivered solid results in a challenging economic environment,” said Brian Krzanich, Intel CEO. “The quarter demonstrates Intel innovation in action. Customers are excited about our new 6th Gen Intel Core processor, and we introduced our breakthrough 3D XPoint™ technology, the industry’s first new memory category in more than two decades."

Q3 Key Business Unit Trends

- Client Computing Group revenue of $8.5 billion, up 13 percent sequentially and down 7 percent year-over-year
- Data Center Group revenue of $4.1 billion, up 8 percent sequentially and up 12 percent year-over-year
- Internet of Things Group revenue of $581 million, up 4 percent sequentially and up 10 percent year-over-year
- Software and services operating segments revenue of $556 million, up 4 percent sequentially and flat year-over-year

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Financial Comparison			
Quarterly Year-Over-Year			
	Q3 2015	Q3 2014	vs. Q3 2014
Revenue	$14.5 billion	$14.6 billion	approx. flat
Gross Margin	63.0%	65.0%	down 2.0 points
R&D and MG&A	$4.8 billion	$4.8 billion	flat
Operating Income	$4.2 billion	$4.5 billion	down 8%
Tax Rate	26.9%	27.1%	down 0.2 point
Net Income	$3.1 billion	$3.3 billion	down 6%
Earnings Per Share	64 cents	66 cents	down 3%

Financial Comparison			
Quarterly Sequential			
	Q3 2015	Q2 2015	vs. Q2 2015
Revenue	$14.5 billion	$13.2 billion	up 10%
Gross Margin	63.0%	62.5%	up 0.5 point
R&D and MG&A	$4.8 billion	$5.0 billion	down 4%
Operating Income	$4.2 billion	$2.9 billion	up 45%
Tax Rate	26.9%	9.3%	up 17.6 points
Net Income	$3.1 billion	$2.7 billion	up 15%
Earnings Per Share	64 cents	55 cents	up 16%

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Business Outlook

Intel's Business Outlook does not include the potential impact of any business combinations, asset acquisitions, divestitures, strategic investments and other significant transactions that may be completed after October 13.

Q4 2015

- Revenue: $14.8 billion, plus or minus $500 million.
- Gross margin percentage: 62 percent, plus or minus a couple of percentage points.
- R&D plus MG&A spending: approximately $5.0 billion.
- Restructuring charges: approximately $25 million.
- Amortization of acquisition-related intangibles: approximately $70 million.
- Impact of equity investments and interest and other: approximately zero.
- Depreciation: approximately $1.9 billion.
- Tax rate: approximately 25 percent.
- Full-year capital spending: $7.3 billion, plus or minus $500 million.

For additional information regarding Intel's results and Business Outlook, please see the CFO commentary at: www.intc.com/results.cfm.

Status of Business Outlook

Intel's Business Outlook is posted on intc.com and may be reiterated in public or private meetings with investors and others. The Business Outlook will be effective through the close of business on December 11 unless earlier updated; except that the Business Outlook for amortization of acquisition-related intangibles, impact of equity investments and interest and other, restructuring charges, and tax rate, will be effective only through the close of business on October 20. Intel's Quiet Period will start from the close of business on December 11 until publication of the company's fourth-quarter earnings release, scheduled for January 14. During the Quiet Period, all of the Business Outlook and other forward-looking statements disclosed in the company's news releases and filings with the SEC should be considered as historical, speaking as of prior to the Quiet Period only and not subject to an update by the company.

Risk Factors

The above statements and any others in this release that refer to future plans and expectations are forward-looking statements that involve a number of risks and uncertainties. Words such as "anticipates," "expects," "intends," "goals," "plans," "believes," "seeks," "estimates," "continues," "may," "will," "should," and variations of such words and similar expressions are intended to identify such forward-looking statements. Statements that refer to or are based on projections, uncertain events or assumptions also identify forward-looking statements. Many factors could affect Intel's actual results, and variances from Intel's current expectations regarding such factors could cause actual results to differ materially from those expressed in these forward-looking statements. Intel presently considers the following to be important factors that could cause actual results to differ materially from the company's expectations.

- Demand for Intel's products is highly variable and could differ from expectations due to factors including changes in business and economic conditions; consumer confidence or income levels; the introduction, availability and market acceptance of Intel's products, products used together with Intel products and competitors' products; competitive and pricing pressures, including actions taken by competitors; supply constraints and other disruptions affecting customers; changes in customer order patterns including order cancellations; and changes in the level of inventory at customers.

- Intel's gross margin percentage could vary significantly from expectations based on capacity utilization; variations in inventory valuation, including variations related to the timing of qualifying products for sale; changes in revenue levels; segment product mix; the timing and execution of the manufacturing ramp and associated costs; excess or obsolete inventory; changes in unit costs; defects or disruptions in the supply of materials or resources; and product manufacturing quality/yields. Variations in gross margin may also be caused by the timing of Intel product introductions and related expenses, including marketing expenses, and Intel's ability to respond quickly to technological developments and to introduce new products or incorporate new features into existing products, which may result in restructuring and asset impairment charges.
- Intel's results could be affected by adverse economic, social, political and physical/infrastructure conditions in countries where Intel, its customers or its suppliers operate, including military conflict and other security risks, natural disasters, infrastructure disruptions, health concerns and fluctuations in currency exchange rates. Results may also be affected by the formal or informal imposition by countries of new or revised export and/or import and doing-business regulations, which could be changed without prior notice.

- Intel operates in highly competitive industries and its operations have high costs that are either fixed or difficult to reduce in the short term.

- The amount, timing and execution of Intel's stock repurchase program could be affected by changes in Intel's priorities for the use of cash, such as operational spending, capital spending, acquisitions, and as a result of changes to Intel's cash flows or changes in tax laws.

- Intel's expected tax rate is based on current tax law and current expected income and may be affected by the jurisdictions in which profits are determined to be earned and taxed; changes in the estimates of credits, benefits and deductions; the resolution of issues arising from tax audits with various tax authorities, including payment of interest and penalties; and the ability to realize deferred tax assets.

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- Gains or losses from equity securities and interest and other could vary from expectations depending on gains or losses on the sale, exchange, change in the fair value or impairments of debt and equity investments, interest rates, cash balances, and changes in fair value of derivative instruments.

- Product defects or errata (deviations from published specifications) may adversely impact our expenses, revenues and reputation.

- Intel's results could be affected by litigation or regulatory matters involving intellectual property, stockholder, consumer, antitrust, disclosure and other issues. An unfavorable ruling could include monetary damages or an injunction prohibiting Intel from manufacturing or selling one or more products, precluding particular business practices, impacting Intel's ability to design its products, or requiring other remedies such as compulsory licensing of intellectual property.

- Intel's results may be affected by the timing of closing of acquisitions, divestitures and other significant transactions. In addition, risks associated with our pending acquisition of Altera are described in the “Forward Looking Statements” paragraph of Intel’s press release dated June 1, 2015, which risk factors are incorporated by reference herein.

A detailed discussion of these and other factors that could affect Intel's results is included in Intel's SEC filings, including the company's most recent reports on Forms 10-K and 10-Q.

Earnings Webcast

Intel will hold a public webcast at 2 p.m. PDT today on its Investor Relations website at www.intc.com. A webcast replay and MP3 download will also be available on the site.

Intel plans to report its earnings for the fourth quarter of 2015 on January 14. Immediately following the earnings report, the company plans to publish a commentary by Stacy J. Smith, Intel CFO and executive vice president, at www.intc.com/results.cfm. A public webcast of Intel’s earnings conference call will follow at 2 p.m. PDT at www.intc.com.

About Intel

Intel (NASDAQ: INTC) is a world leader in computing innovation. The company designs and builds the essential technologies that serve as the foundation for the world’s computing devices. As a leader in corporate responsibility and sustainability, Intel also manufactures the world's first commercially available "conflict-free" microprocessors. Additional information about Intel is available at newsroom.intel.com and blogs.intel.com and about Intel's conflict-free efforts at conflictfree.intel.com.

INTEL CORPORATION
CONSOLIDATED SUMMARY STATEMENT OF INCOME DATA
(In millions, except per share amounts)

	Three Months Ended		Nine Months Ended	
	Sep 26, 2015	Sep 27, 2014	Sep 26, 2015	Sep 27, 2014
NET REVENUE	$ 14,465	$ 14,554	$ 40,441	$ 41,149
Cost of sales	5,354	5,096	15,352	15,161
GROSS MARGIN	9,111	9,458	25,089	25,988
Research and development	2,927	2,842	9,009	8,547
Marketing, general and administrative	1,910	1,979	5,812	6,087
R&D AND MG&A	4,837	4,821	14,821	14,634
Restructuring and asset impairment charges	14	20	367	238
Amortization of acquisition-related intangibles	68	77	198	222
OPERATING EXPENSES	4,919	4,918	15,386	15,094
OPERATING INCOME	4,192	4,540	9,703	10,894
Gains (losses) on equity investments, net	165	35	297	178
Interest and other, net	(104)	(25)	(91)	70
INCOME BEFORE TAXES	4,253	4,550	9,909	11,142
Provision for taxes	1,144	1,233	2,102	3,099
NET INCOME	$ 3,109	$ 3,317	$ 7,807	$ 8,043
BASIC EARNINGS PER SHARE OF COMMON STOCK	$ 0.65	$ 0.68	$ 1.64	$ 1.63
DILUTED EARNINGS PER SHARE OF COMMON STOCK	$ 0.64	$ 0.66	$ 1.59	$ 1.58
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:				
BASIC	4,747	4,880	4,749	4,945
DILUTED	4,876	5,045	4,900	5,095

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INTEL CORPORATION
CONSOLIDATED SUMMARY BALANCE SHEET DATA
(In millions)

	Sep 26, 2015	Jun 27, 2015	Dec 27, 2014
CURRENT ASSETS			
Cash and cash equivalents	$ 7,065	$ 4,454	$ 2,561
Short-term investments	7,119	2,606	2,430
Trading assets	6,659	6,810	9,063
Accounts receivable, net	4,101	3,860	4,427
Inventories			
Raw materials	557	490	462
Work in process	2,690	2,668	2,375
Finished goods	1,718	1,660	1,436
	4,965	4,818	4,273
Deferred tax assets	1,992	1,895	1,958
Other current assets	4,304	2,267	3,018
TOTAL CURRENT ASSETS	36,205	26,710	27,730
Property, plant and equipment, net	31,597	32,683	33,238
Marketable equity securities	5,618	7,208	7,097
Other long-term investments	1,829	1,727	2,023
Goodwill	11,026	11,037	10,861
Identified intangible assets, net	4,022	4,226	4,446
Other long-term assets	8,255	6,847	6,505
TOTAL ASSETS	$ 98,552	$ 90,438	$ 91,900
CURRENT LIABILITIES			
Short-term debt	$ 1,129	$ 1,110	$ 1,596
Accounts payable	2,449	2,359	2,748
Accrued compensation and benefits	2,732	2,572	3,475
Accrued advertising	1,028	1,021	1,092
Deferred income	2,160	2,082	2,205
Other accrued liabilities	5,582	4,377	4,895
TOTAL CURRENT LIABILITIES	15,080	13,521	16,011
Long-term debt	20,059	12,070	12,059
Long-term deferred tax liabilities	2,502	3,251	3,775
Other long-term liabilities	2,909	2,996	3,278
TEMPORARY EQUITY	905	905	912
Stockholders' equity			
Preferred Stock	—	—	—
Common stock and capital in excess of par value	23,001	22,625	21,781
Accumulated other comprehensive income (loss)	(335)	645	666
Retained Earnings	34,431	34,425	33,418
TOTAL STOCKHOLDERS' EQUITY	57,097	57,695	55,865
TOTAL LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY	$ 98,552	$ 90,438	$ 91,900

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INTEL CORPORATION
SUPPLEMENTAL FINANCIAL AND OTHER INFORMATION
(In millions)

	Q3 2015	Q2 2015	Q3 2014
CASH INVESTMENTS:			
Cash and short-term investments	$ 14,184	$ 7,060	$ 6,594
Trading assets	6,659	6,810	9,000
Total cash investments	$ 20,843	$ 13,870	$ 15,594
CURRENT DEFERRED INCOME:			
Deferred income on shipments of components to distributors	$ 918	$ 853	$ 992
Deferred income from software and services	1,242	1,229	1,197
Total current deferred income	$ 2,160	$ 2,082	$ 2,189
SELECTED CASH FLOW INFORMATION:			
Depreciation	$ 2,060	$ 1,977	$ 1,891
Share-based compensation	$ 309	$ 332	$ 281
Amortization of intangibles	$ 215	$ 214	$ 307
Additions to property, plant and equipment	$ (1,206)	$ (1,767)	$ (2,445)
Acquisitions, net of cash acquired	$ (14)	$ (467)	$ (56)
Investments in non-marketable equity investments	$ (340)	$ (280)	$ (215)
Equity investment in Tsinghua Unigroup Ltd.	$ (966)	$ —	$ —
Repurchase of common stock	$ (1,029)	$ (697)	$ (4,166)
Proceeds from sales of common stock to employees & excess tax benefit	$ 228	$ 244	$ 605
Issuance of long-term debt, net of issuance costs	$ 7,986	$ —	$ —
Payment of dividends to stockholders	$ (1,140)	$ (1,146)	$ (1,095)
EARNINGS PER SHARE OF COMMON STOCK INFORMATION:			
Weighted average shares of common stock outstanding - basic	4,747	4,759	4,880
Dilutive effect of employee equity incentive plans	48	62	76
Dilutive effect of convertible debt	81	88	89
Weighted average shares of common stock outstanding - diluted	4,876	4,909	5,045
STOCK BUYBACK:			
Shares repurchased[1]	35	24	119
Cumulative shares repurchased (in billions)	4.8	4.7	4.6
Remaining dollars authorized for buyback (in billions)	$ 9.9	$ 10.9	$ 16.4
OTHER INFORMATION:			
Employees (in thousands)	106.5	106.7	105.6

[1] Shares repurchased in Q3 2015 and Q2 2015 included a small portion paid for in cash during the subsequent quarter.

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INTEL CORPORATION
SUPPLEMENTAL OPERATING SEGMENT RESULTS
(In millions)

	Three Months Ended		Nine Months Ended	
	Sep 26, 2015	Sep 27, 2014	Sep 26, 2015	Sep 27, 2014
Net Revenue				
Client Computing Group				
Platform	$ 8,089	$ 8,749	$ 22,262	$ 24,744
Other	417	442	1,201	1,262
	8,506	**9,191**	**23,463**	**26,006**
Data Center Group				
Platform	3,863	3,439	10,861	9,543
Other	277	261	808	753
	4,140	**3,700**	**11,669**	**10,296**
Internet of Things Group				
Platform	501	456	1,450	1,320
Other	80	74	223	231
	581	**530**	**1,673**	**1,551**
Software and services operating segments	**556**	**558**	**1,624**	**1,659**
All other	**682**	**575**	**2,012**	**1,637**
TOTAL NET REVENUE	**$ 14,465**	**$ 14,554**	**$ 40,441**	**$ 41,149**
Operating income (loss)				
Client Computing Group	$ 2,433	$ 3,053	$ 5,445	$ 7,486
Data Center Group	2,127	1,946	5,671	5,124
Internet of Things Group	151	145	383	406
Software and services operating segments	102	29	119	56
All other	(621)	(633)	(1,915)	(2,178)
TOTAL OPERATING INCOME	**$ 4,192**	**$ 4,540**	**$ 9,703**	**$ 10,894**

During the first quarter of 2015, we combined the PC Client Group and Mobile and Communications Group to create the Client Computing Group (CCG). This change in our organizational structure reflects our strategy to address all aspects of the client computing market segment and utilize our intellectual property to offer compelling customer solutions. All prior-period amounts have been retrospectively adjusted to reflect the way we internally manage and monitor segment performance starting in fiscal year 2015 and includes other minor reorganizations.

Our operating segment results shown above are comprised of the following:

- Client Computing Group: Includes platforms designed for the notebook (including Ultrabook™ devices), 2 in 1 systems, the desktop (including all-in-ones and high-end enthusiast PCs), tablets, and smartphones; wireless and wired connectivity products; as well as mobile communication components.
- Data Center Group: Includes server, network, and storage platforms designed for enterprise, cloud, communications infrastructure, and technical computing segments.
- Internet of Things Group: Includes platforms designed for embedded market segments including retail, transportation, industrial, and buildings and home, along with a broad range of other market segments.
- Software and services operating segments: Includes software and hardware products for endpoint security, network and content security, risk and compliance, and consumer and mobile security from our McAfee business, and software products and services that promote Intel architecture as the platform of choice for software development.
- All other category includes revenue, expenses, and charges such as:
  - results of operations from our Non-Volatile Memory Solutions Group and New Devices Group;
  - amounts included within restructuring and asset impairment charges;
  - a portion of profit-dependent compensation and other expenses not allocated to the operating segments;
  - divested businesses for which discrete operating results are not regularly reviewed by our CODM;
  - results of operations of start-up businesses that support our initiatives, including our foundry business; and
  - acquisition-related costs, including amortization and any impairment of acquisition-related intangibles and goodwill.

A substantial majority of our revenue is generated from the sale of platforms. Platforms incorporate various components and technologies, including a microprocessor and chipset, a stand-alone SoC, or a multichip package. Our remaining primary product lines are incorporated in "other."

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INTEL CORPORATION
SUPPLEMENTAL PLATFORM REVENUE INFORMATION

	Q3 2015 compared to Q2 2015	Q3 2015 compared to Q3 2014	Q3 YTD 2015 compared to Q3 YTD 2014
Client Computing Group Platform			
Unit Volumes	3%	(19)%	(9)%
Average Selling Prices	9%	15%	—%
Data Center Group Platform			
Unit Volumes	7%	6%	9%
Average Selling Prices	1%	6%	5%

Client Computing Group Notebook, Desktop and Tablet Platform Key Drivers

Q3 2015 compared to Q3 2014:
- Notebook platform volumes decreased 14%
- Notebook platform average selling prices increased 4%
- Desktop platform volumes decreased 15%
- Desktop platform average selling prices increased 8%
- Tablet platform volumes of 8 million units decreased 39%

First nine months of 2015 compared to the first nine months of 2014:
- Notebook platform volumes decreased 8%
- Desktop platform volumes decreased 18%
- Desktop platform average selling prices increased 6%
- Tablet platform volumes of 26 million units decreased 7%

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INTEL CORPORATION
EXPLANATION OF NON-GAAP MEASURES

In addition to disclosing financial results in accordance with United States (U.S.) generally accepted accounting principles (GAAP), the accompanying Q3 2015 earnings conference contains references to non-GAAP financial measures of gross cash, net cash and other longer term investments, which are used by management when assessing our sources of liquidity and capital resources. We believe these non-GAAP financial measures are helpful to investors in understanding our capital structure and how we manage our resources. These non-GAAP financial measures should not be considered a substitute for, or superior to, financial measures calculated in accordance with GAAP, and the financial results calculated in accordance with GAAP and reconciliations from these results should be carefully evaluated.

SUPPLEMENTAL RECONCILIATIONS OF GAAP TO NON-GAAP RESULTS

	Sep 26, 2015	Jun 27, 2015	Dec 27, 2014
GAAP CASH AND CASH EQUIVALENTS	**$ 7,065**	**$ 4,454**	**$ 2,561**
Short-term investments	7,119	2,606	2,430
Trading assets	6,659	6,810	9,063
Total cash investments	**$ 20,843**	**$ 13,870**	**$ 14,054**
GAAP OTHER LONG-TERM INVESTMENTS	**$ 1,829**	**$ 1,727**	**$ 2,023**
Loans receivable and other	1,191	1,202	1,335
Reverse repurchase agreements with original maturities greater than approximately three months	2,650	450	450
NON-GAAP OTHER LONGER TERM INVESTMENTS	**$ 5,670**	**$ 3,379**	**$ 3,808**
NON-GAAP GROSS CASH	**$ 26,513**	**$ 17,249**	**$ 17,862**

	Sep 26, 2015	Jun 27, 2015	Dec 27, 2014
GAAP CASH AND CASH EQUIVALENTS	**$ 7,065**	**$ 4,454**	**$ 2,561**
Short-term investments	7,119	2,606	2,430
Trading assets	6,659	6,810	9,063
Total cash investments	**$ 20,843**	**$ 13,870**	**$ 14,054**
Short-term debt	(1,129)	(1,110)	(1,596)
Unsettled trade liabilities and other	(200)	(418)	(77)
Long-term debt	(20,059)	(12,070)	(12,059)
NON-GAAP NET CASH (excluding other longer term investments)	**$ (545)**	**$ 272**	**$ 322**
GAAP OTHER LONG-TERM INVESTMENTS	**$ 1,829**	**$ 1,727**	**$ 2,023**
Loans receivable and other	1,191	1,202	1,335
Reverse repurchase agreements with original maturities greater than approximately three months	2,650	450	450
NON-GAAP OTHER LONGER TERM INVESTMENTS	**$ 5,670**	**$ 3,379**	**$ 3,808**
NON-GAAP NET CASH (including other longer term investments)	**$ 5,125**	**$ 3,651**	**$ 4,130**

Intel Corporation
2200 Mission College Blvd.
Santa Clara, CA 95054-1549

CFO Commentary on Third-Quarter Results

Summary
The third quarter revenue of $14.5B was up 10% from the prior quarter, and above the midpoint provided in our Outlook. The Client Computing Group revenue was up 13% quarter over quarter and down 7% on a year-on-year basis. The Data Center Group revenue was up 8% quarter over quarter and up 12% on a year-on-year basis. Gross margin of 63.0% was up 0.5 point quarter over quarter and flat to our expectations. Operating income for the third quarter was $4.2B, down 8% on a year-on-year basis. The tax rate for the quarter was 26.9%. Net income for the third quarter was $3.1B, down 6% on a year-on-year basis. Earnings per share was $0.64, down two cents on a year-on-year basis. During the quarter, we paid $1.1B in dividends and repurchased $1.0B of stock. We issued $8.0B in new long-term debt as part of the Altera acquisition financing plan.

As we look forward to the fourth quarter of 2015, we are forecasting the midpoint of the revenue range at $14.8B, up 2% from the third quarter. This forecast is in line with the average seasonal increase for the fourth quarter. We are forecasting the midpoint of the gross margin range for the fourth quarter to be 62%, down 1.0 point from the third quarter. Spending for the fourth quarter is expected to be $5.0B. For the full year 2015, we are forecasting the midpoint of capital spending at $7.3B, down $400M from our previous expectations.

The third quarter 2015 results when compared to the third quarter from a year ago were the following:

- Revenue was flat at $14.5B
- Gross margin of 63.0% was down 2.0 points from 65.0%
- Operating income of $4.2B was down $0.3B (8%) from $4.5B
- Net income of $3.1B was down $0.2B (6%) from $3.3B
- Earnings per share of $0.64 was down two cents (3%) from $0.66

Third Quarter 2015

Revenue

Revenue of $14.5B was up 10% sequentially and flat on a year-on-year basis. Total platform* volumes were up 4% when compared to the second quarter. Total platform* average selling prices were up 6% over this same time period.

Year-on-Year Comparisons:

- Client Computing Group had revenue of $8.5B, down 7% with platform volumes down 19% and platform average selling prices up 15%. Desktop platform volumes were down 15% and desktop platform average selling prices were up 8%. Notebook platform volumes were down 14% and notebook platform average selling prices were up 4%. Tablet volumes were down 39% and average selling prices were up.
- Data Center Group had revenue of $4.1B, up 12% with platform volumes up 6% and platform average selling prices up 6%.
- Internet of Things Group had revenue of $581M, up 10%.
- Software and services operating segments revenue was flat at $556M.
- All other operating segments had revenue of $682M, up 19%.

Quarter-on-Quarter Comparisons:

- Client Computing Group revenue was up 13% with platform volumes up 3% and platform average selling prices up 9%.
- Data Center Group revenue was up 8% with platform volumes up 7% and platform average selling prices were flat.
- Internet of Things Group revenue was up 4%.
- Software and services operating segments revenue was up 4%.
- All other operating segments revenue was down 5%.

Gross Margin

Gross margin dollars were $9.1B, up $863M compared to the second quarter. Gross margin of 63.0% was up 0.5 point compared to the second quarter, and flat to the midpoint of our expectations.

Gross Margin Reconciliation: Q2'15 to Q3'15 (62.5% to 63.0%, up 0.5 point)
[note: point attributions are approximate]

- + 2.0 points: Higher platform* average selling prices
- + 0.5 point: Higher platform* volume
- + 0.5 point: Lower factory start-up costs (primarily on 14nm)
- - 2.5 points: Higher platform* unit costs (primarily on higher mix of 14nm products)

Gross Margin Reconciliation: Q3'15 Outlook to Q3'15 (63% +/- couple points to 63.0%, flat)
[note: point attributions are approximate]

- + 2.0 points: Higher platform* average selling prices
- + 1.0 point: Lower factory start-up costs
- - 1.5 points: Higher platform* write-offs (primarily on 14nm products)
- - 1.0 point: Higher platform* unit costs (primarily on 14nm products)

*Client Computing Group, Data Center Group, and Internet of Things Group microprocessors and chipsets

Gross Margin Reconciliation: Q3'14 to Q3'15 (65.0% to 63.0%, down 2.0 points)
When comparing the third quarter on a year-on-year basis, gross margin was down 2.0 points primarily due to higher platform* unit costs (primarily on a higher mix of 14nm products) and lower platform* volume, partially offset by higher platform* average selling prices and lower production costs on 14nm products.

Spending
Spending for R&D and MG&A was $4.8B, down $200M from the second quarter, and down $100M from our expectations. The lower third quarter spending compared to our Outlook was primarily driven by lower R&D spending. R&D and MG&A as a percentage of revenue was 33%, down from 38% in the second quarter.

Depreciation was $2.1B, higher than expectations.

Restructuring and asset impairment charges in the third quarter were $14M, lower than our expectations.

Amortization of acquisition related intangibles was $68M, in line with expectations.

Other Income Statement Items
Gains and losses on equity investments and interest and other income was a $61M net gain compared to a $87M net gain in the second quarter and our expectation of approximately $100M.

The effective tax rate for the third quarter was 26.9%, up 0.9 point from expectations.

Balance Sheet and Cash Flow Items
On the balance sheet, total cash investments^^ ended the quarter at $20.8B, up $7.0B from the second quarter. $10.3B of the total $20.8B total cash investments^^ is held by non-U.S. subsidiaries. Cash flow from operations in the third quarter was $5.7B. During the third quarter, we paid $1.1B in dividends, purchased $1.2B in capital assets and repurchased $1.0B in stock. We issued $8.0B in new long-term debt as part of the Altera acquisition financing plan. Total inventories were up $147M.

Other Items
The total number of employees was flat to the second quarter at 107K.

Diluted shares outstanding decreased by 33M shares from the second quarter and decreased by 169M shares from the third quarter of a year ago driven primarily by stock repurchases.

*Client Computing Group, Data Center Group, and Internet of Things Group microprocessors and chipsets
^^ Cash and cash equivalents, short-term investments, and trading assets

<u>Q4 2015 Outlook</u>

Intel's Business Outlook for the fourth quarter does not include the potential impact of any business combinations, asset acquisitions, divestitures, strategic investments and other significant transactions that may be completed after October 13. The midpoint of the forecast ranges will be referred to when making comparisons to specific periods.

Revenue

Revenue is expected to be $14.8B, plus or minus $500M in the fourth quarter. The midpoint of this range is up 2% from the third quarter, in line with the average seasonal range increase for the fourth quarter.

Gross Margin

Gross margin in the fourth quarter is expected to be 62%, plus or minus a couple of points, down 1.0 point from the third quarter.

<u>Gross Margin Reconciliation: Q3'15 to Q4'15 Outlook (63.0% to 62% +/- a couple points, down 1.0 point)</u>

[note: point attributions are approximate]

- - 1.5 points: Higher platform* unit costs (primarily on higher mix of 14nm products partially offset by improvements in 14nm unit costs)
- - 1.0 point: Higher factory startup and other non-production cost of sales
- +1.0 point: Lower platform* write-offs (primarily 14nm products)

Spending

Spending for R&D and MG&A in the fourth quarter is expected to be approximately $5.0B, up approximately $200M from the third quarter primarily driven by seasonally higher marketing expenses and employee benefits.

Depreciation is forecast to be approximately $1.9B, down from the third quarter.

Restructuring charges are forecast to be approximately $25M.

Amortization of acquisition-related intangibles is forecast to be approximately $70M.

Other Income Statement Items

Gains and losses from equity investments and interest and other income are expected to be approximately zero, compared to a net gain of $61M in the third quarter.

The tax rate for the fourth quarter is expected to be approximately 25%, down from the third quarter.

<u>2015 Outlook</u>

The Outlook for full year 2015 does not include the potential impact of any business combinations, asset acquisitions, divestitures, strategic investments and other significant transactions that may be completed after October 13.

Balance Sheet and Cash Flow Items

Capital spending for 2015 is expected to be $7.3B plus or minus $500M, down $400M from our previous expectation of $7.7B plus or minus $500M.

*Client Computing Group, Data Center Group, and Internet of Things Group microprocessors and chipsets

Risk Factors

The above statements and any others in this document that refer to future plans and expectations are forward-looking statements that involve a number of risks and uncertainties. Words such as "anticipates," "expects," "intends," "goals," "plans," "believes," "seeks," "estimates," "continues," "may," "will," "should," and variations of such words and similar expressions are intended to identify such forward-looking statements. Statements that refer to or are based on projections, uncertain events or assumptions also identify forward-looking statements. Many factors could affect Intel's actual results, and variances from Intel's current expectations regarding such factors could cause actual results to differ materially from those expressed in these forward-looking statements. Intel presently considers the following to be important factors that could cause actual results to differ materially from the company's expectations.

- Demand for Intel's products is highly variable and could differ from expectations due to factors including changes in business and economic conditions; consumer confidence or income levels; the introduction, availability and market acceptance of Intel's products, products used together with Intel products and competitors' products; competitive and pricing pressures, including actions taken by competitors; supply constraints and other disruptions affecting customers; changes in customer order patterns including order cancellations; and changes in the level of inventory at customers.

- Intel's gross margin percentage could vary significantly from expectations based on capacity utilization; variations in inventory valuation, including variations related to the timing of qualifying products for sale; changes in revenue levels; segment product mix; the timing and execution of the manufacturing ramp and associated costs; excess or obsolete inventory; changes in unit costs; defects or disruptions in the supply of materials or resources; and product manufacturing quality/yields. Variations in gross margin may also be caused by the timing of Intel product introductions and related expenses, including marketing expenses, and Intel's ability to respond quickly to technological developments and to introduce new products or incorporate new features into existing products, which may result in restructuring and asset impairment charges.
- Intel's results could be affected by adverse economic, social, political and physical/infrastructure conditions in countries where Intel, its customers or its suppliers operate, including military conflict and other security risks, natural disasters, infrastructure disruptions, health concerns and fluctuations in currency exchange rates. Results may also be affected by the formal or informal imposition by countries of new or revised export and/or import and doing-business regulations, which could be changed without prior notice.

- Intel operates in highly competitive industries and its operations have high costs that are either fixed or difficult to reduce in the short term.

- The amount, timing and execution of Intel's stock repurchase program could be affected by changes in Intel's priorities for the use of cash, such as operational spending, capital spending, acquisitions, and as a result of changes to Intel's cash flows or changes in tax laws.

- Intel's expected tax rate is based on current tax law and current expected income and may be affected by the jurisdictions in which profits are determined to be earned and taxed; changes in the estimates of credits, benefits and deductions; the resolution of issues arising from tax audits with various tax authorities, including payment of interest and penalties; and the ability to realize deferred tax assets.

- Gains or losses from equity securities and interest and other could vary from expectations depending on gains or losses on the sale, exchange, change in the fair value or impairments of debt and equity investments, interest rates, cash balances, and changes in fair value of derivative instruments.

- Product defects or errata (deviations from published specifications) may adversely impact our expenses, revenues and reputation.

- Intel's results could be affected by litigation or regulatory matters involving intellectual property, stockholder, consumer, antitrust, disclosure and other issues. An unfavorable ruling could include monetary damages or an injunction prohibiting Intel from manufacturing or selling one or more products, precluding particular business practices, impacting Intel's ability to design its products, or requiring other remedies such as compulsory licensing of intellectual property.

- Intel's results may be affected by the timing of closing of acquisitions, divestitures and other significant transactions. In addition, risks associated with our pending acquisition of Altera are described in the “Forward Looking Statements” paragraph of Intel’s press release dated June 1, 2015, which risk factors are incorporated by reference herein.

A detailed discussion of these and other factors that could affect Intel's results is included in Intel's SEC filings, including the company's most recent reports on Forms 10-K and 10-Q.