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: April 19, 2016
(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.

On April 19, 2016, Intel Corporation ("Intel") issued a press release announcing the financial results of its fiscal quarter ended April 2, 2016 and forward-looking statements relating to its second quarter of 2016 and full year 2016. A copy of this press release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

On April 19, 2016, Intel also posted financial information and commentary by Stacy J. Smith, Intel's Executive Vice President and Chief Financial Officer, for its fiscal quarter ended April 2, 2016 on its investor website, intc.com. A copy of this information and commentary is attached hereto as Exhibit 99.2 and is incorporated by reference herein.

Exhibits 99.1 and 99.2 includes non-GAAP financial measures relating to our operations and forecasted outlook. Certain of these non-GAAP terms will be used in Intel's Q1 2016 earnings conference. In addition, Exhibits 99.1 and 99.2 include reconciliations of these GAAP to non-GAAP measures, as well as an explanation of 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.

The information in Item 2.02 of this Report, as well as Exhibits 99.1 and 99.2, are furnished and shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

Item 2.05 Costs Associated with Exit or Disposal Activities.

On April 19, 2016, Intel announced a restructuring plan designed to align its operations with evolving business needs and improve efficiencies. The actions associated with the restructuring plan are expected to be fully completed by the second quarter of 2017. The restructuring plan is estimated to result in annualized pre-tax cost savings of approximately $1.4 billion once it is fully implemented.

Under the restructuring plan, Intel plans to close certain facilities and reduce up to twelve thousand positions globally, representing approximately 11% of Intel's worldwide workforce. Intel expects to incur pre-tax charges of approximately $1.2 billion, substantially all of which are related to employee severance and benefits. Intel expects to recognize these charges during the second quarter of fiscal 2016 and expects substantially all the charges to entail cash expenditures.

Item 2.05 of this Report ("Item 2.05") contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995, which are identified by words such as "plans," "expects," "may," "believes," "estimates" or "estimated, "intends," and other similar words, expressions, and formulations. Item 2.05 contains forward-looking statements regarding the timing and scope of the restructuring plan; the size of the restructuring plan and the amount and timing of the related charges; and the expected cost savings resulting from the restructuring plan. Many factors could affect the actual results of the restructuring plan, and variances from Intel's current expectations regarding such factors could cause actual results of the restructuring plan to differ materially from those expressed in these forward-looking statements. Intel presently considers the following to be a non-exclusive list of important factors that could cause actual results to differ materially from its expectations: the timing and execution of plans and programs that may be subject to local labor law requirements, including consultation with appropriate works councils; assumptions related to severance, post-retirement costs, and relocation costs; future acquisitions, dispositions, or investments; new business initiatives and changes in product roadmap, development, and manufacturing; and/or assumptions related to cost savings, product demand and operating efficiencies. A detailed discussion of these and other risks and uncertainties that could cause Intel's actual results to differ materially from these forward-looking statements is included in the documents that Intel files with the Securities and Exchange Commission on Forms 10-K, 10-Q and 8-K. These forward-looking statements speak only as of the date of this Report, and Intel does not undertake any obligation to revise or update such statements, whether as a result of new information, future events, or otherwise.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On April 19, 2016, Intel announced a Chief Financial Officer ("CFO") succession plan. Stacy Smith, 53, who has served as Executive Vice President and CFO since 2012, will transition to a new senior executive role at the company, leading sales, manufacturing and operations once his successor is in place.

Mr. Smith joined Intel in 1988. From 2010 to 2012, he served as Senior Vice President and CFO. From 2007 to 2010, he was Vice President and CFO. From 2006 to 2007, Mr. Smith was Vice President and Assistant CFO. From 2004 to 2006, he served as Vice President, Finance and Enterprise Services, and Chief Information Officer. From 2002 to 2004, he served as Vice President, Sales and Marketing Group, and General Manager of Intel Europe, Middle East and Africa (EMEA).

Item 7.01 Regulation FD Disclosure.

On April 19, 2016, Intel issued a press release, attached hereto as Exhibit 99.3, announcing a restructuring plan designed to align its operations with evolving business needs and improve efficiencies.

The information in Item 7.01 of this Report is furnished and shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are furnished as part of this Report:

Exhibit Number	Description
99.1	Press Release issued by Intel entitled "Intel Reports First-Quarter GAAP Revenue of $13.7 Billion; Non-GAAP Revenue of $13.8 Billion," dated April 19, 2016.
99.2	Commentary by Intel's Chief Financial Officer regarding the quarter ended April 2, 2016.
99.3	Press Release issued by Intel entitled "Intel Announces Restructuring Initiative to Accelerate Transformation," dated April 19, 2016.

SIGNATURES

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

INTEL CORPORATION
(Registrant)

Date:	April 19, 2016	By:	/s/ STACY J. SMITH
			Stacy J. Smith
			Executive Vice President, Chief Financial Officer, and Principal Accounting Officer

Exhibit 99.1

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

News Release

Intel Reports First-Quarter GAAP Revenue of $13.7 Billion; Non-GAAP Revenue of $13.8 Billion

News Summary:

- Revenue increased year-over-year, driven by growth in an expanded portfolio of businesses
- Strength in Data Center and Internet of Things Groups' revenue, and a strong start for the Programmable Solutions Group (formerly Altera) helped offset PC market and macro-economic challenges
- Intel announces restructuring initiative to accelerate Intel's transformation from a PC company to one that powers the cloud and billions of smart, connected computing devices
- Intel Chief Financial Officer (CFO) Stacy Smith will transition to a new role leading sales, manufacturing and operations once his successor is in place

SANTA CLARA, Calif., April 19, 2016 -- Intel Corporation today reported first-quarter GAAP revenue of $13.7 billion, operating income of $2.6 billion, net income of $2.0 billion and EPS of 42 cents. Intel reported non-GAAP revenue of $13.8 billion, operating income of $3.3 billion, net income of $2.6 billion and EPS of 54 cents. The company generated approximately $4.0 billion in cash from operations, paid dividends of $1.2 billion, and used $793 million to repurchase 27 million shares of stock.

“Our first-quarter results tell the story of Intel’s ongoing strategic transformation, which is progressing well and will accelerate in 2016,” said Brian Krzanich, Intel CEO. “We are evolving from a PC company to one that powers the cloud and billions of smart, connected computing devices.”

Intel also today announced a CFO succession plan. The current CFO, Smith, will transition to a new role at the company, leading sales, manufacturing and operations once his successor is in place. The company is beginning a formal search process for a new CFO that will assess both internal and external candidates. Smith will remain firmly focused on his CFO role and duties throughout the search and transition process.

“We are excited to have Stacy take on this new role, leveraging the deep expertise and strong leadership skills that he has developed over his 28-year career at Intel,” said Krzanich.

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Q1 Key Business Unit Trends*

- Client Computing Group revenue of $7.5 billion, down 14 percent sequentially and up 2 percent year-over-year
- Data Center Group revenue of $4.0 billion, down 7 percent sequentially and up 9 percent year-over-year
- Internet of Things Group revenue of $651 million, up 4 percent sequentially and up 22 percent year-over-year
- Non-Volatile Memory Solutions Group revenue of $557 million, down 15 percent sequentially and down 6 percent year-over-year
- Intel Security Group revenue of $537 million, up 5 percent sequentially and up 12 percent year-over-year
- Programmable Solutions Group revenue of $359 million, which does not include $99 million of revenue as a result of acquisition-related adjustments.

* The first quarter of 2016 had 14 weeks of business versus the typical 13 weeks, as the company realigned its fiscal year with the calendar year.

GAAP Financial Comparison			
Quarterly Year-Over-Year			
	Q1 2016	**Q1 2015**	**vs. Q1 2015**
Revenue	$13.7 billion	$12.8 billion	up 7%
Gross Margin	59.3%	60.5%	down 1.2 points
R&D and MG&A	$5.5 billion	$4.9 billion	up 11%
Operating Income	$2.6 billion	$2.6 billion	flat
Tax Rate	18.4%	25.5%	down 7.1 points
Net Income	$2.0 billion	$2.0 billion	up 3%
Earnings Per Share	42 cents	41 cents	up 2%

Non-GAAP Financial Comparison			
Quarterly Year-Over-Year			
	Q1 2016	**Q1 2015**	**vs. Q1 2015**
Revenue	$13.8 billion	$12.8 billion ^	up 8%
Gross Margin	62.7%	61.4%	up 1.3 points
R&D and MG&A	$5.4 billion	$4.9 billion ^	up 9%
Operating Income	$3.3 billion	$2.9 billion	up 13%
Tax Rate	18.4% ^	25.5% ^	down 7.1 points
Net Income	$2.6 billion	$2.2 billion	up 19%
Earnings Per Share	54 cents	45 cents	up 20%

^ No adjustment on a non-GAAP basis.

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GAAP Financial Comparison			
Quarterly Sequential			
	Q1 2016	**Q4 2015**	**vs. Q4 2015**
Revenue	$13.7 billion	$14.9 billion	down 8%
Gross Margin	59.3%	64.3%	down 5.0 points
R&D and MG&A	$5.5 billion	$5.2 billion	up 4%
Operating Income	$2.6 billion	$4.3 billion	down 40%
Tax Rate	18.4%	16.0%	up 2.4 points
Net Income	$2.0 billion	$3.6 billion	down 43%
Earnings Per Share	42 cents	74 cents	down 43%

Non-GAAP Financial Comparison			
Quarterly Sequential			
	Q1 2016	**Q4 2015**	**vs. Q4 2015**
Revenue	$13.8 billion	$14.9 billion ^	down 7%
Gross Margin	62.7%	64.8%	down 2.1 points
R&D and MG&A	$5.4 billion	$5.2 billion ^	up 3%
Operating Income	$3.3 billion	$4.4 billion	down 26%
Tax Rate	18.4% ^	16.0% ^	up 2.4 points
Net Income	$2.6 billion	$3.7 billion	down 29%
Earnings Per Share	54 cents	76 cents	down 29%

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 April 19.

The acquisition of Altera was completed in early fiscal year 2016. As a result of the Altera acquisition, we have acquisition-related charges that are primarily non-cash. Our guidance for the second quarter and full-year 2016 include both GAAP and non-GAAP estimates. See reconciliations between these GAAP and non-GAAP financial measures are included below.

^ No adjustment on a non-GAAP basis.

Q2 2016 Outlook (GAAP, unless otherwise noted):

- Revenue: $13.5 billion, plus or minus $500 million, returning to a typical 13-week quarter.
- Non-GAAP gross margin percentage: 61 percent, plus or minus a couple percentage points.
- R&D plus MG&A spending: approximately $5.1 billion.
- Restructuring charges: approximately $1.2 billion. Non-GAAP restructuring charges: zero.
- Impact of equity investments and interest and other: approximately $150 million net gain.
- Depreciation: approximately $1.5 billion

Full-Year Outlook (GAAP, unless otherwise noted):

- Revenue: up mid-single digits, down from prior outlook of mid- to high-single digits.
- Non-GAAP gross margin: 62 percent, plus or minus a couple percentage points, down from prior outlook of 63 percent, plus or minus a couple percentage points.
- Non-GAAP R&D plus MG&A spending: approximately $20.6 billion, plus or minus $400 million, down from prior outlook of $21.3 billion.
- Restructuring charges: approximately $1.2 billion. Non-GAAP restructuring charges: zero.
- Depreciation: approximately $6.3 billion, plus or minus $200 million, down from prior outlook of $6.5 billion, plus or minus $200 million.
- Tax rate: approximately 22 percent, for each of the remaining quarters of the year, down from prior outlook of approximately 25 percent.
- Full-year capital spending: $9.5 billion, plus or minus $500 million, is unchanged from prior outlook.

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 June 17 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 April 26. Intel's Quiet Period will start from the close of business on June 17 until publication of the company's second-quarter earnings release, scheduled for July 20. 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.

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Forward-Looking Statements

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. We completed our acquisition of Altera on December 28, 2015 and risks associated with that acquisition 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.

- Intel's results may be affected by factors that could cause the implementation of, and expected results from, the restructuring plan announced on April 19, 2016 to differ from Intel's expectations. A detailed description of risks associated with the restructuring plan and factors that could cause actual results of the restructuring plan to differ is set forth in the "Forward Looking Statements" paragraph of Intel's press release entitled "Intel Announces Restructuring Initiative to Accelerate Transformation" dated April 19, 2016, 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.

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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 audio download will also be available on the site.

Intel plans to report its earnings for the second quarter of 2016 on July 20. 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) expands the boundaries of technology to make the most amazing experiences possible. Information about Intel can be found at newsroom.intel.com and intel.com.

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

	Three Months Ended		
	Apr 2, 2016	Dec 26, 2015	Mar 28, 2015
NET REVENUE	$ 13,702	$ 14,914	$ 12,781
Cost of sales	5,572	5,324	5,051
GROSS MARGIN	8,130	9,590	7,730
Research and development	3,246	3,119	2,995
Marketing, general and administrative	2,226	2,118	1,953
R&D AND MG&A	5,472	5,237	4,948
Restructuring and asset impairment charges	—	(13)	105
Amortization of acquisition-related intangibles	90	67	62
OPERATING EXPENSES	5,562	5,291	5,115
OPERATING INCOME	2,568	4,299	2,615
Gains (losses) on equity investments, net	22	18	32
Interest and other, net	(82)	(14)	26
INCOME BEFORE TAXES	2,508	4,303	2,673
Provision for taxes	462	690	681
NET INCOME	$ 2,046	$ 3,613	$ 1,992
BASIC EARNINGS PER SHARE OF COMMON STOCK	$ 0.43	$ 0.77	$ 0.42
DILUTED EARNINGS PER SHARE OF COMMON STOCK	$ 0.42	$ 0.74	$ 0.41
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING:			
BASIC	4,722	4,722	4,741
DILUTED	4,875	4,876	4,914

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INTEL CORPORATION
CONSOLIDATED SUMMARY BALANCE SHEET DATA
(In millions)

	Apr 2, 2016	Dec 26, 2015
CURRENT ASSETS		
Cash and cash equivalents	$ 3,061	$ 15,308
Short-term investments	2,927	2,682
Trading assets	9,103	7,323
Accounts receivable, net	4,216	4,787
Inventories		
Raw materials	628	532
Work in process	2,980	2,893
Finished goods	2,143	1,742
	5,751	5,167
Other current assets	2,339	3,053
TOTAL CURRENT ASSETS	27,397	38,320
Property, plant and equipment, net	32,644	31,858
Marketable equity securities	6,377	5,960
Other long-term investments	3,097	1,891
Goodwill	16,942	11,332
Identified intangible assets, net	11,140	3,933
Other long-term assets	7,870	8,165
TOTAL ASSETS	$ 105,467	$ 101,459
CURRENT LIABILITIES		
Short-term debt	$ 3,594	$ 2,634
Accounts payable	3,163	2,063
Accrued compensation and benefits	1,834	3,138
Accrued advertising	820	960
Deferred income	2,632	2,188
Other accrued liabilities	5,483	4,663
TOTAL CURRENT LIABILITIES	17,526	15,646
Long-term debt	21,775	20,036
Long-term deferred tax liabilities	1,247	954
Other long-term liabilities	2,851	2,841
TEMPORARY EQUITY	894	897
Stockholders' equity		
Preferred Stock	—	—
Common stock and capital in excess of par value	24,088	23,411
Accumulated other comprehensive income (loss)	560	60
Retained Earnings	36,526	37,614
TOTAL STOCKHOLDERS' EQUITY	61,174	61,085
TOTAL LIABILITIES, TEMPORARY EQUITY AND STOCKHOLDERS' EQUITY	$ 105,467	$ 101,459

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INTEL CORPORATION
SUPPLEMENTAL FINANCIAL AND OTHER INFORMATION
(In millions)

	Q1 2016	Q4 2015	Q1 2015
CASH INVESTMENTS:			
Cash and short-term investments	$ 5,988	$ 17,990	$ 6,108
Trading assets	9,103	7,323	8,010
Total cash investments	$ 15,091	$ 25,313	$ 14,118
CURRENT DEFERRED INCOME:			
Deferred income on shipments of components to distributors	$ 1,318	$ 920	$ 965
Deferred income from software, services and other	1,314	1,268	1,231
Total current deferred income	$ 2,632	$ 2,188	$ 2,196
SELECTED CASH FLOW INFORMATION:			
Depreciation	$ 1,619	$ 1,936	$ 1,848
Share-based compensation	$ 448	$ 296	$ 368
Amortization of intangibles	$ 396	$ 210	$ 251
Additions to property, plant and equipment*	$ (1,259)	$ (2,328)	$ (2,025)
Acquisitions, net of cash acquired	$ (14,569)	$ (375)	$ (57)
Investments in non-marketable equity investments	$ (182)	$ (147)	$ (278)
Repurchase of common stock	$ (793)	$ (525)	$ (750)
Proceeds from sales of common stock to employees & excess tax benefit	$ 356	$ 190	$ 363
Issuance of long-term debt, net of issuance costs	$ —	$ 1,490	$ —
Payment of dividends to stockholders	$ (1,228)	$ (1,133)	$ (1,137)
EARNINGS PER SHARE OF COMMON STOCK INFORMATION:			
Weighted average shares of common stock outstanding - basic	4,722	4,722	4,741
Dilutive effect of employee equity incentive plans	66	64	82
Dilutive effect of convertible debt	87	90	91
Weighted average shares of common stock outstanding - diluted	4,875	4,876	4,914
STOCK BUYBACK:			
Shares repurchased	27	16	21
Cumulative shares repurchased (in billions)	4.8	4.8	4.7
Remaining dollars authorized for buyback (in billions)	$ 8.6	$ 9.4	$ 11.6
OTHER INFORMATION:			
Employees (in thousands)	112.4	107.3	106.4

* $132 million of equipment received in Q1 2016 is excluded from capital spending. The equipment was prepaid primarily in 2013 and 2014 and was reflected as cash from operations in the respective periods in which the cash was paid.

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INTEL CORPORATION
SUPPLEMENTAL OPERATING SEGMENT RESULTS
(In millions)

	Three Months Ended					Twelve Months Ended	
	Apr 2, 2016	**Dec 26, 2015**	**Sep 26, 2015**	**Jun 27, 2015**	**Mar 28, 2015**	**Dec 26, 2015**	**Dec 27, 2014**
Net Revenue							
Client Computing Group							
Platform	$ 7,188	$ 8,392	$ 8,089	$ 7,124	$ 7,049	$ 30,654	$ 33,210
Other	361	364	417	413	371	1,565	1,662
	7,549	**8,756**	**8,506**	**7,537**	**7,420**	**32,219**	**34,872**
Data Center Group							
Platform	3,718	4,021	3,863	3,579	3,419	14,882	13,366
Other	281	287	277	273	262	1,099	1,030
	3,999	**4,308**	**4,140**	**3,852**	**3,681**	**15,981**	**14,396**
Internet of Things Group							
Platform	571	526	501	487	462	1,977	1,814
Other	80	99	80	72	71	321	328
	651	**625**	**581**	**559**	**533**	**2,298**	**2,142**
Non-Volatile Memory Solutions Group	**557**	**654**	**655**	**696**	**592**	**2,597**	**2,146**
Intel Security Group	**537**	**512**	**506**	**488**	**479**	**1,985**	**2,010**
Programmable Solutions Group	**359**	—	—	—	—	—	—
All other	**50**	**59**	**77**	**63**	**76**	**275**	**304**
TOTAL NET REVENUE	**$ 13,702**	**$ 14,914**	**$ 14,465**	**$ 13,195**	**$ 12,781**	**$ 55,355**	**$ 55,870**
Operating income (loss)							
Client Computing Group	$ 1,885	$ 2,719	$ 2,433	$ 1,603	$ 1,411	$ 8,166	$ 10,327
Data Center Group	1,764	2,175	2,130	1,843	1,699	7,847	7,380
Internet of Things Group	123	132	150	146	87	515	583
Non-Volatile Memory Solutions Group	(95)	24	51	92	72	239	255
Intel Security Group	85	79	97	22	15	213	164
Programmable Solutions Group	(200)	—	—	—	—	—	—
All other	(994)	(831)	(669)	(809)	(669)	(2,978)	(3,362)
TOTAL OPERATING INCOME	**$ 2,568**	**$ 4,298**	**$ 4,192**	**$ 2,897**	**$ 2,615**	**$ 14,002**	**$ 15,347**

During the first quarter of 2016, we formed the Programmable Solutions Group (PSG) as a result of our acquisition of Altera. Additionally, we formed the New Technology Group, which includes products designed for wearables, cameras, and other market segments (including drones). All prior-period amounts have been retrospectively adjusted to reflect the way we internally manage and monitor segment performance starting in fiscal year 2016 and includes other minor reorganizations.

Revenue for our reportable and non-reportable operating segments is primarily related to the following product lines:

- *Client Computing Group*. Includes platforms designed for notebooks (including Ultrabook™ devices), 2 in 1 systems, desktops (including all-in-ones and high-end enthusiast PCs), tablets, phones, wireless and wired connectivity products, and mobile communication components.
- *Data Center Group.* Includes platforms designed for the enterprise, cloud, communications infrastructure, and technical computing segments.
- *Internet of Things Group.* Includes platforms designed for Internet of Things market segments, including retail, transportation, industrial, and buildings and home use, along with a broad range of other market segments.
- *Non-Volatile Memory Solutions Group.* Includes NAND flash memory products primarily used in solid-state drives.
- *Intel Security Group.* Includes security software products designed to deliver innovative solutions that secure computers, mobile devices, and networks around the world from the latest malware and emerging online threats.
- *Programmable Solutions Group.* Includes programmable semiconductors (primary field-programmable gate array) and related products for a broad range of market segments, including communications, networking and storage, industrial, military, and automotive.

We have sales and marketing, manufacturing, engineering, finance, and administration groups. Expenses for these groups are generally allocated to the operating segments, and the expenses are included in the following operating results.

The “all other” category includes revenue, expenses, and charges such as:
- results of operations from our New Technology 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 multi-chip package. Our remaining primary product lines are incorporated in "other."

INTEL CORPORATION
SUPPLEMENTAL PLATFORM REVENUE INFORMATION

	Q1 2016 compared to Q4 2015	Q1 2016 compared to Q1 2015
Client Computing Group Platform		
Unit Volumes	(17)%	(15)%
Average Selling Prices	2%	19%
Data Center Group Platform		
Unit Volumes	(1)%	13%
Average Selling Prices	(7)%	(3)%

Client Computing Group Notebook, Desktop and Tablet Platform Key Drivers

Q1 2016 compared to Q1 2015:
- Notebook platform volumes decreased 2%
- Notebook platform average selling prices were flat
- Desktop platform volumes decreased 4%
- Desktop platform average selling prices increased 6%
- Tablet platform volumes of 4 million units decreased 44%

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INTEL CORPORATION
EXPLANATION OF NON-GAAP MEASURES

In addition to disclosing financial results in accordance with U.S. generally accepted accounting principles (GAAP), this earnings release contains references to the non-GAAP financial measures described below. We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business.

Our non-GAAP financial measures reflect adjustments based on the following items, as well as the related income tax effects. Income tax effects have been calculated using our GAAP effective tax rate. 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.

Acquisition-related adjustments: The non-GAAP financial measures disclosed by the company exclude certain business combination accounting adjustments and certain expenses related to acquisitions as follows:

- Revenue and gross margin non-GAAP outlook excludes the impact of the deferred revenue write-down, amortization of acquisition-related intangible assets that impact cost of sales, and the inventory valuation adjustment.
    - *Deferred revenue write-down*: Sales to distributors are made under agreements allowing for subsequent price adjustments and returns and are deferred until the products are resold by the distributor. Business combination accounting principles require us to write down to fair value the deferred revenue assumed in our acquisitions as we have limited performance obligations associated with this deferred revenue. Our GAAP revenues and related cost of sales for the subsequent reselling by distributors to end customers after an acquisition do not reflect the full amounts that would have been reported if the acquired deferred revenue was not written down to fair value. The non-GAAP adjustments eliminate the effect of the deferred revenue write-down. We believe these adjustments are useful to investors as an additional means to reflect revenue and gross margin trends of our business.
    - *Inventory valuation adjustment*: Business combination accounting principles require us to measure acquired inventory at fair value. The fair value of inventory reflects the acquired company’s cost of manufacturing plus a portion of the expected profit margin. The non-GAAP adjustment to our cost of sales excludes the expected profit margin component that is recorded under business combination accounting principles. We believe the adjustment is useful to investors as an additional means to reflect cost of sales and gross margin trends of our business.
- *Amortization of acquisition-related intangible assets*: Amortization of acquisition-related intangible assets consists of amortization of intangibles assets such as developed technology, trade names, and customer relationships acquired in connection with business combinations. We record charges relating to the amortization of these intangibles within both cost of sales and operating expenses in our GAAP financial statements. Amortization charges for our acquisition-related intangible assets are inconsistent in size and are significantly impacted by the timing and valuation of our acquisitions. Consequently, our non-GAAP adjustments exclude these charges to facilitate an evaluation of our current operating performance and comparisons to our past operating performance.
- *Restructuring and asset impairment charges*: Restructuring and asset impairment charges are costs associated with a formal restructuring plan and are primarily related to employee severance and benefit arrangements, assets impairments and other restructuring charges. We exclude restructuring costs, including any adjustments to charges recorded in prior periods, for purposes of calculating certain non-GAAP measures. We believe that these costs do not reflect our current operating performance or enable effective comparisons to our past operating performance.
- R&D plus MG&A spending non-GAAP outlook excludes the impact of other charges associated with the acquisition of Altera, which primarily includes bankers fees, compensation-related costs, and valuation charges for Altera's stock based compensation.

Constant currency effect on revenue: Constant currency results assume foreign revenues are translated from foreign currencies to the U.S. dollar, net of the effect of foreign currency hedges, at rates consistent with those in the comparable period. We believe this is a useful metric that facilitates comparison to our historical performance for the Intel Security Group operating segment.

Gross cash, net cash and other longer term investments: We reference 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.

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SUPPLEMENTAL RECONCILIATIONS OF GAAP OUTLOOK TO NON-GAAP OUTLOOK

Set forth below are reconciliations of the non-GAAP financial measure to the most directly comparable GAAP financial measure. The non-GAAP financial measure disclosed by the company has limitations and should not be considered a substitute for, or superior to, the financial measure prepared in accordance with GAAP, and the financial outlook prepared in accordance with GAAP and the reconciliations from this Business Outlook should be carefully evaluated. Please refer to "Explanation of Non-GAAP Measures" in this document for a detailed explanation of the adjustment made to the comparable GAAP measures, the ways management uses the non-GAAP measures, and the reasons why management believes the non-GAAP measures provide useful information for investors.

($ in Billions)	**Q2 2016 Outlook**			**2016 Outlook**		
GAAP GROSS MARGIN PERCENTAGE		**58%**	+/- a couple pct. pts.		**60%**	+/- a couple pct. pts.
Adjustments for:						
Deferred revenue write-down		—%			—%	
Inventory valuation		1%			1%	
Amortization of acquisition-related intangibles		2%			2%	
NON-GAAP GROSS MARGIN PERCENTAGE		**61%**	+/- a couple pct. pts.		**62%**	+/- a couple pct. pts.
GAAP R&D plus MG&A SPENDING				**$**	**20.7**	approximately
Adjustment for other acquisition-related charges					(0.1)	
NON-GAAP R&D plus MG&A SPENDING				**$**	**20.6**	approximately
GAAP RESTRUCTURING CHARGES	**$**	**1.2**	approximately	**$**	**1.2**	approximately
Adjustment for restructuring charges		**(1.2)**			**(1.2)**	
NON-GAAP RESTRUCTURING CHARGES	**$**	—		**$**	—	

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SUPPLEMENTAL RECONCILIATIONS OF GAAP ACTUALS TO NON-GAAP ACTUALS

Set forth below are reconciliations of the non-GAAP financial measure to the most directly comparable GAAP financial measure. The non-GAAP financial measure disclosed by the company has limitations and should not be considered a substitute for, or superior to, the financial measure prepared in accordance with GAAP, and the reconciliations from GAAP to Non-GAAP actuals should be carefully evaluated. Please refer to "Explanation of Non-GAAP Measures" in this document for a detailed explanation of the adjustment made to the comparable GAAP measures, the ways management uses the non-GAAP measures, and the reasons why management believes the non-GAAP measures provide useful information for investors.

	Three Months Ended		
($ in Millions, except per share amounts)	Apr 2, 2016	Dec 26, 2015	Mar 28, 2015
GAAP NET REVENUE	**13,702**	**14,914**	**12,781**
Deferred revenue write-down	99	—	—
NON-GAAP NET REVENUE	**13,801**	**14,914**	**12,781**
GAAP GROSS MARGIN	**8,130**	**9,590**	**7,730**
Deferred revenue write-down, net of cost of sales	64	—	—
Inventory valuation	226	—	—
Amortization of acquisition-related intangibles	235	72	120
NON-GAAP GROSS MARGIN	**8,655**	**9,662**	**7,850**
GAAP GROSS MARGIN PERCENTAGE	**59.3%**	**64.3%**	**60.5%**
Deferred revenue write-down, net of cost of sales	0.1%	—%	—%
Inventory valuation	1.6%	—%	—%
Amortization of acquisition-related intangibles	1.7%	0.5%	0.9%
NON-GAAP GROSS MARGIN PERCENTAGE	**62.7%**	**64.8%**	**61.4%**
GAAP R&D plus MG&A SPENDING	**5,472**	**5,237**	**4,948**
Other acquisition related charges	(100)	—	—
NON-GAAP R&D plus MG&A SPENDING	**5,372**	**5,237**	**4,948**
GAAP OPERATING INCOME	**2,568**	**4,299**	**2,615**
Deferred revenue write-down, net of cost of sales	64	—	—
Inventory valuation	226	—	—
Amortization of acquisition related intangibles	325	139	182
Restructuring and asset impairment charges	—	(13)	105
Other acquisition related charges	100	—	—
NON-GAAP OPERATING INCOME	**3,283**	**4,425**	**2,902**
GAAP NET INCOME	**2,046**	**3,613**	**1,992**
Deferred revenue write-down, net of cost of sales	64	—	—
Inventory valuation	226	—	—
Amortization of acquisition related intangibles	325	139	182
Restructuring and asset impairment charges	—	(13)	105
Other acquisition related charges	100	—	—
Income tax effect	(132)	(20)	(73)
NON-GAAP NET INCOME	**2,629**	**3,719**	**2,206**
GAAP DILUTED EARNINGS PER COMMON SHARE	**0.42**	**0.74**	**0.41**
Deferred revenue write down, net of cost of sales	0.01	—	—
Inventory valuation	0.05	—	—
Amortization of acquisition related intangibles	0.07	0.03	0.04
Restructuring and asset impairment charges	—	—	0.02
Other acquisition related charges	0.02	—	—
Income tax effect	(0.03)	(0.01)	(0.02)
NON-GAAP DILUTED EARNINGS PER COMMON SHARE	**0.54**	**0.76**	**0.45**

SUPPLEMENTAL RECONCILIATIONS OF CONSTANT CURRENCY

Set forth below is a reconciliation of our operating results for the Intel Security Group operating segment on a constant currency basis. This non-GAAP financial measure 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. Please refer to "Explanation of Non-GAAP Measures" in this document for a detailed explanation of the adjustment made to the comparable GAAP measures, the ways management uses the non-GAAP measures, and the reasons why management believes the non-GAAP measures provide useful information for investors.

Intel Security Group Operating Segment

	Three Months Ended		
($ in Millions)	Apr 2, 2016	Mar 28, 2015	% Change
GAAP Net Revenue	**537**	**479**	**12%**
Constant currency adjustment	14		
Non-GAAP Net Revenue, constant currency adjusted	**$ 551**	**$ 479**	**15%**
GAAP Operating Income	**85**	**15**	**n/m**
Constant currency adjustment	3		
Non-GAAP Operating Income, constant currency adjusted	**$ 88**	**$ 15**	**n/m**

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SUPPLEMENTAL RECONCILIATIONS OF GAAP CASH AND CASH EQUIVALENTS TO NON-GAAP GROSS CASH AND NON-GAAP NET CASH RESULTS

Set forth below are reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures. The non-GAAP financial measures disclosed by the company have limitations and should not be considered a substitute for, or superior to, financial measures prepared in accordance with GAAP, and the financial results prepared in accordance with GAAP and reconciliations from these results should be carefully evaluated. Please refer to "Explanation of Non-GAAP Measures" in this document for a detailed explanation of the adjustments made to comparable GAAP measures, the ways management uses these non-GAAP measures, and the reasons why management believes these non-GAAP measures provide useful information for investors.

($ in Millions)	Apr 2, 2016	Dec 26, 2015
GAAP CASH AND CASH EQUIVALENTS	**$ 3,061**	**$ 15,308**
Short-term investments	2,927	2,682
Trading assets	9,103	7,323
Total cash investments	**$ 15,091**	**$ 25,313**
GAAP OTHER LONG-TERM INVESTMENTS	**$ 3,097**	**$ 1,891**
Loans receivable and other	1,466	1,170
Reverse repurchase agreements with original maturities greater than approximately three months	350	1,000
NON-GAAP OTHER LONGER TERM INVESTMENTS	**$ 4,913**	**$ 4,061**
NON-GAAP GROSS CASH	**$ 20,004**	**$ 29,374**

($ in Millions)	Apr 2, 2016	Dec 26, 2015
GAAP CASH AND CASH EQUIVALENTS	**$ 3,061**	**$ 15,308**
Short-term investments	2,927	2,682
Trading assets	9,103	7,323
Total cash investments	**$ 15,091**	**$ 25,313**
Short-term debt	(3,594)	(2,634)
Unsettled trade liabilities and other	(52)	(99)
Long-term debt	(21,775)	(20,036)
NON-GAAP NET CASH (excluding other longer term investments)	**$ (10,330)**	**$ 2,544**
GAAP OTHER LONG-TERM INVESTMENTS	**$ 3,097**	**$ 1,891**
Loans receivable and other	1,466	1,170
Reverse repurchase agreements with original maturities greater than approximately three months	350	1,000
NON-GAAP OTHER LONGER TERM INVESTMENTS	**$ 4,913**	**$ 4,061**
NON-GAAP NET CASH (including other longer term investments)	**$ (5,417)**	**$ 6,605**

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CFO Commentary on First-Quarter Results

Note: The presentation of our financial results has been retrospectively adjusted to reflect the change in our operating segment structure.

Summary

The first quarter, inclusive of an extra workweek, resulted in year-on-year growth and was in the low end of the range of our prior Outlook. We are seeing growth in Data Center, Internet of Things, Security, and Programmable Solutions (formally Altera) groups, which all helped offset a weak PC market.

On a GAAP basis, first quarter revenue of $13.7B was up 7% on year-on-year basis. Gross margin of 59.3% was up 1.3 points from expectations. Operating income for the first quarter was $2.6B, down 2% on a year-on-year basis. The tax rate for the quarter was 18.4%. Net income for the first quarter was $2.0B, up 3% on a year-on-year basis. Earnings per share was $0.42, up one cent on a year-on-year basis. During the quarter, we purchased $1.3B in capital assets, paid $1.2B in dividends, and repurchased $0.8B of stock. Total debt was $25.4B consistent with our prior commentary on the financing plan for the Altera acquisition.

Non-GAAP^ revenue for the first quarter was $13.8B, up 8% on a year-on-year basis. Client Computing Group revenue was up 2% on a year-on-year basis. Data Center Group revenue was up 9% on a year-on-year basis. Non-GAAP gross margin was 62.7%, up 0.7 points from expectations. Non-GAAP operating income for the first quarter was $3.3B, up 13% on a year-on-year basis. Non-GAAP net income for the first quarter was $2.6B, up 19% on a year-on-year basis. Non-GAAP earnings per share was $0.54, up nine cents on a year-on-year basis.

As we look forward to the second quarter of 2016, we are forecasting the midpoint of the revenue range at $13.5B. This forecast is at the low end of the average seasonal increase for the second quarter after adjusting for the extra workweek in the first quarter. We are forecasting the midpoint of the non-GAAP gross margin range for the second quarter to be 61%. Spending for the second quarter is expected to be $5.1B. Restructuring charges are expected to be $1.2B on a GAAP basis.

Turning to the full year 2016, we are forecasting revenue to grow in the mid-single digits from 2015, down from the expectation of growing in the mid to high single digits. We are forecasting the midpoint of the non-GAAP gross margin range to be 62%, down 1 point from previous expectations. Non-GAAP spending for R&D and MG&A for the year is expected to be $20.6B plus or minus $400M, down $700M from the expectation of $21.3B.

^ See the explanation of non-GAAP measures and the reconciliation to the most directly comparable GAAP financial measures on page 9-10.

The first quarter 2016 results when compared to the first quarter from a year ago were the following:

- Non-GAAP revenue of $13.8B, up $1.0B (8%) from $12.8B.
- Non-GAAP gross margin of 62.7%, up 1.3 points from 61.4%.
- Non-GAAP operating income of $3.3B, up $0.4B (13%) from $2.9B.
- Non-GAAP net income of $2.6B, up $0.4B (19%) from $2.2B.
- Non-GAAP earnings per share of $0.54 was up 9 cents (20%) from $0.45.

This document presents results and comparisons on a GAAP basis unless otherwise stated.

First Quarter 2016

Revenue

Non-GAAP revenue of $13.8B was down 7% sequentially and up 8% on a year-on-year basis. Total platform* volumes were down 15% when compared to the fourth quarter. Total platform* average selling prices were up 3% over this same time period.

Year-on-Year Comparisons:

- Client Computing Group had revenue of $7.5B, up 2% with platform volumes down 15% and platform average selling prices up 19%. Desktop platform volumes were down 4% and desktop platform average selling prices were up 6%. Notebook platform volumes were down 2% and notebook platform average selling prices were flat. Tablet volumes were down 44% and average selling prices were up significantly.
- Data Center Group had revenue of $4.0B, up 9% with platform volumes up 13% and platform average selling prices were down 3% as result of strong unit growth in networking and storage.
- Internet of Things Group had revenue of $651M, up 22%.
- Non-Volatile Memory Solutions Group had revenue of $557M, down 6%.
- Intel Security Group had revenue of $537M, up 12% on a GAAP basis and up 15% on a constant currency basis.
- Programmable Solutions Group had revenue of $359M. When adjusting for $99M of deferred revenue, this business achieved mid-single digit growth.

Quarter-on-Quarter Comparisons:

- Client Computing Group revenue was down 14% with platform volumes down 17% and platform average selling prices up 2%.
- Data Center Group revenue was down 7% with platform volumes down 1% and platform average selling prices down 7%.
- Internet of Things Group revenue was up 4%.
- Non-Volatile Memory Solutions Group revenue was down 15%.
- Intel Security Group revenue was up 5%.

Gross Margin

On a non-GAAP basis, gross margin of 62.7% was down 2.1 points compared to the fourth quarter, and up 0.7 points to the midpoint of expectations.

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

Gross Margin Reconciliation: GAAP Q4'15 to Q1'16 Non-GAAP (64.3% to 62.7%, down 1.6 points)

Gross Margin Reconciliation [note: point attributions are approximate]:

64.3 %	**Q4’15 GAAP Gross Margin**
-1.5 points:	Altera acquisition related adjustments
-1.5 points:	Amortization of acquisition-related intangibles
-1.5 point:	Lower platform* volume
-1.0 point:	Higher factory startup costs (primarily on 10nm)
-1.0 point:	Miscellaneous
-0.5 point:	Higher write-offs (primarily on platform* products)
+1.5 points:	Lower platform* unit cost (primarily on 14nm products)
+1.0 point:	Higher platform* average selling prices
59.3 %	**Q1’16 GAAP Gross Margin**
+1.5 point:	Altera acquisition-related adjustments
+1.5 point:	Amortization of acquisition-related intangibles
62.7 %	**Q1'16 Non-GAAP Gross Margin**

Gross Margin Reconciliation: Q1'16 Non-GAAP Outlook to Q1'16 Non-GAAP (62% +/- couple points to 62.7%, up 0.7 points)

Gross Margin Reconciliation [note: point attributions are approximate]:

62.0 %	**Q1’16 Non-GAAP Gross Margin Outlook**
+1.0 point:	Lower platform* unit cost (primarily on 14nm products)
+1.0 point:	Higher platform* average selling prices
-1.0 point:	Lower platform* volume
62.7 %	**Q1'16 Non-GAAP Gross Margin**

Gross Margin Reconciliation: Q1'15 to Q1'16 (60.5% to 59.3%, down 1.2 points)
When comparing the first quarter on a year-on-year basis, gross margin was down 1.2 points, primarily driven by Altera and other acquisition related charges, higher platform* unit costs (primarily on of 14nm products), lower platform* volume, and Non-Volatile Memory Solutions Group (NSG). This was partially offset by higher platform* average selling prices.

Non-GAAP Gross Margin Reconciliation: Non-GAAP Q1'15 to Non-GAAP Q1'16 (61.4% to 62.7, up 1.3 points)
On a non-GAAP basis, when comparing the first quarter year-on-year, gross margin was up 1.3 points primarily due to higher platform* average selling prices. This was partially offset by higher platform* unit costs (primarily on of 14nm products), lower platform* volume, and Non-Volatile Memory Solutions Group (NSG).

Spending
Spending in the first quarter for R&D and MG&A was $5.5B. On a non-GAAP basis, spending was $5.4B, up $100M from the fourth quarter. This is down $100M from expectations. This was primarily driven by lower R&D spending.

Depreciation was $1.6B, lower than the expectation of $1.7B.

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

Amortization of acquisition-related intangibles included in operating expense was $90M, in line with expectations and all of which is excluded on a non-GAAP basis.

Other Income Statement Items
Gains and losses on equity investments and interest and other income was a $60M net loss compared to a $4M net gain in the fourth quarter and below the expectation of approximately zero.

The effective tax rate for the first quarter was 18.4%, down 6.6 points from expectations. This is primarily driven by a one time tax gain from a divestiture and higher proportion of income in lower tax jurisdictions.

Balance Sheet and Cash Flow Items
On the balance sheet, total cash investments^^ ended the quarter at $15.1B, down $10.2B from the fourth quarter. $14.0B of the total $15.1B total cash investments^^ is held by non-U.S. subsidiaries. Cash flow from operations in the first quarter was $4.0B. During the first quarter, we paid $1.2B in dividends, purchased $1.3B in capital assets and repurchased $0.8B in stock. Total inventories were up $584M primarily driven by our acquisition of Altera. Total debt is $25.4B, consistent with our prior commentary on the financing plan for the Altera acquisition.

Other Items
The total number of employees was up from the fourth quarter at 112K as we completed the Altera acquisition.

Diluted shares outstanding decreased by 1M from the fourth quarter and decreased by 39M shares driven primarily by stock repurchases on a year-on-year basis.

^^ Cash and cash equivalents, short-term investments, and trading assets

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 April 19. The midpoint of the forecast ranges will be referred to when making comparisons to specific periods.

Q2 2016 Outlook

Revenue

Revenue is expected to be $13.5B, plus or minus $500M in the second quarter. After adjusting for the extra workweek in the first quarter, this forecast is at the low end of the average seasonal increase for the second quarter.

Non-GAAP Gross Margin

Non-GAAP gross margin in the second quarter is expected to be 61%, plus or minus a couple of points, down 1.7 points from the first quarter.

Gross Margin Reconciliation [note: point attributions are approximate]:

62.7 %	**Q1'16 Non-GAAP Gross Margin**
-1.0 point:	Lower platform* volume (primarily on notebook and desktop units)
-0.5 point:	Non-Volatile Memory Solutions Group (NSG)
-0.5 point:	Higher platform* unit costs (primarily on 14nm server products)
-0.5 point:	Higher factory start-up costs on 10nm
1.0 point:	Lower platform* write-offs
61.0 %	**Q2'16 Non-GAAP Gross Margin**

Spending

Spending for R&D and MG&A in the second quarter is expected to be approximately $5.1B. On a non-GAAP basis, this is down $300M compared to non-GAAP spending of $5.4B in the first quarter.

Depreciation is forecast to be approximately $1.5B, down from the first quarter.

Restructuring charges are expected to be approximately $1.2B on a GAAP basis, all of which is excluded on a non-GAAP basis.

Other Income Statement Items

Gains and losses from equity investments and interest and other income are expected to be a net gain of approximately $150M, compared to a net loss of $60M in the first quarter.

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

2016 Outlook

The Outlook for full year 2016 does not include the potential impact of any business combinations, asset acquisitions, divestitures, strategic investments and other significant transactions that may be completed after April 19. The midpoint of the forecast ranges will be referred to when making comparisons to specific periods.

Revenue

Revenue for the year is expected to grow in the mid-single digits from 2015, down from our previous expectation of growing in the mid to high single digits.

Non-GAAP Gross Margin

Non-GAAP gross margin for the year is expected to be 62%, plus or minus a couple points, down 1 point from the previous non-GAAP expectation of 63%. The decrease is a result of lower platform* volume.

Non-GAAP Spending

The company is going through a significant restructuring over the next several months. When completed by mid-2017, these actions will result in a 12K person workforce reduction and a $1.4B reduction to run rate spending. Over half of the total workforce reduction is expected to be realized by the end of this year, driving approximately $750M in savings. Non-GAAP spending is expected to be down by $700M from previous expectations to $20.6 billion dollars. In the second quarter of this year, we expect to recognize a $1.2B restructuring charge on a GAAP basis as an estimate for the related actions.

Non-GAAP spending for R&D and MG&A for the year is expected to be $20.6B plus or minus $400M, down $700M from the previous expectation of $21.3B plus or minus $400M.

Depreciation is forecast to be $6.3B plus or minus $200M, down to the previous expectation of $6.5B plus or minus $200M.

Restructuring charges are expected to be $1.2B on a GAAP basis, all of which is excluded on a non-GAAP basis.

Other Income Statement Items

The tax rate for each of the remaining quarters is expected to be 22%, down from the previous expectation of 25%.

Balance Sheet and Cash Flow Items

Capital spending for 2016 is expected to be $9.5B plus or minus $500M, flat to previous expectations.

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

Forward-Looking Statements

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. We completed our acquisition of Altera on December 28, 2015 and risks associated with that acquisition 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.

- Intel’s results may be affected by factors that could cause the implementation of, and expected results from, the restructuring plan announced on April 19, 2016 to differ from Intel’s expectations. A detailed description of risks associated with the restructuring plan and factors that could cause actual results of the restructuring plan to differ is set forth in the “Forward Looking Statements” paragraph of Intel’s press release entitled “Intel Announces Restructuring Initiative to Accelerate Transformation” dated April 19, 2016, 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.

INTEL CORPORATION
EXPLANATION OF NON-GAAP MEASURES

In addition to disclosing financial results in accordance with U.S. generally accepted accounting principles (GAAP), this document contains references to the non-GAAP financial measures described below. We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and allow for greater transparency with respect to key metrics used by management in operating our business.

Our non-GAAP financial measures reflect adjustments based on the following items, as well as the related income tax effects. Income tax effects have been calculated using our GAAP effective tax rate. 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.

Acquisition-related adjustments: The non-GAAP financial measures disclosed by the company exclude certain business combination accounting adjustments and certain expenses related to acquisitions as follows:

- Revenue and gross margin non-GAAP outlook excludes the impact of the deferred revenue write-down, amortization of acquisition-related intangible assets that impact cost of sales, and the inventory valuation adjustment.
    - *Deferred revenue write-down*: Sales to distributors are made under agreements allowing for subsequent price adjustments and returns and are deferred until the products are resold by the distributor. Business combination accounting principles require us to write down to fair value the deferred revenue assumed in our acquisitions as we have limited performance obligations associated with this deferred revenue. Our GAAP revenues and related cost of sales for the subsequent reselling by distributors to end customers after an acquisition do not reflect the full amounts that would have been reported if the acquired deferred revenue was not written down to fair value. The non-GAAP adjustments eliminate the effect of the deferred revenue write-down. We believe these adjustments are useful to investors as an additional means to reflect revenue and gross margin trends of our business.
    - *Inventory valuation adjustment*: Business combination accounting principles require us to measure acquired inventory at fair value. The fair value of inventory reflects the acquired company’s cost of manufacturing plus a portion of the expected profit margin. The non-GAAP adjustment to our cost of sales excludes the expected profit margin component that is recorded under business combination accounting principles. We believe the adjustment is useful to investors as an additional means to reflect cost of sales and gross margin trends of our business.
- *Amortization of acquisition-related intangible assets*: Amortization of acquisition-related intangible assets consists of amortization of intangibles assets such as developed technology, trade names, and customer relationships acquired in connection with business combinations. We record charges relating to the amortization of these intangibles within both cost of sales and operating expenses in our GAAP financial statements. Amortization charges for our acquisition-related intangible assets are inconsistent in size and are significantly impacted by the timing and valuation of our acquisitions. Consequently, our non-GAAP adjustments exclude these charges to facilitate an evaluation of our current operating performance and comparisons to our past operating performance.
- *Restructuring and asset impairment charges*: Restructuring and asset impairment charges are costs associated with a formal restructuring plan and are primarily related to employee severance and benefit arrangements, assets impairments and other restructuring charges. We exclude restructuring costs, including any adjustments to charges recorded in prior periods, for purposes of calculating certain non-GAAP measures. We believe that these costs do not reflect our current operating performance or enable effective comparisons to our past operating performance.
- R&D plus MG&A spending non-GAAP outlook excludes the impact of other charges associated with the acquisition of Altera, which primarily includes bankers fees, compensation-related costs, and valuation charges for Altera's stock based compensation.

Constant currency effect on revenue: Constant currency results assume foreign revenues are translated from foreign currencies to the U.S. dollar, net of the effect of foreign currency hedges, at rates consistent with those in the comparable period. We believe this is a useful metric that facilitates comparison to our historical performance for the Intel Security Group operating segment.

SUPPLEMENTAL RECONCILIATIONS OF GAAP ACTUALS TO NON-GAAP ACTUALS

Set forth below are reconciliations of the non-GAAP financial measure to the most directly comparable GAAP financial measure. The non-GAAP financial measure disclosed by the company has limitations and should not be considered a substitute for, or superior to, the financial measure prepared in accordance with GAAP, and the reconciliations from GAAP to Non-GAAP actuals should be carefully evaluated. Please refer to "Explanation of Non-GAAP Measures" in this document for a detailed explanation of the adjustment made to the comparable GAAP measures, the ways management uses the non-GAAP measures, and the reasons why management believes the non-GAAP measures provide useful information for investors.

	Three Months Ended		
($ in Millions, except per share amounts)	Apr 2, 2016	Dec 26, 2015	Mar 28, 2015
GAAP NET REVENUE	**13,702**	**14,914**	**12,781**
Deferred revenue write-down	99	—	—
NON-GAAP NET REVENUE	**13,801**	**14,914**	**12,781**
GAAP GROSS MARGIN	**8,130**	**9,590**	**7,730**
Deferred revenue write-down, net of cost of sales	64	—	—
Inventory valuation	226	—	—
Amortization of acquisition-related intangibles	235	72	120
NON-GAAP GROSS MARGIN	**8,655**	**9,662**	**7,850**
GAAP GROSS MARGIN PERCENTAGE	**59.3%**	**64.3%**	**60.5%**
Deferred revenue write-down, net of cost of sales	0.1%	—%	—%
Inventory valuation	1.6%	—%	—%
Amortization of acquisition-related intangibles	1.7%	0.5%	0.9%
NON-GAAP GROSS MARGIN PERCENTAGE	**62.7%**	**64.8%**	**61.4%**
GAAP R&D plus MG&A SPENDING	**5,472**	**5,237**	**4,948**
Other acquisition related charges	(100)	—	—
NON-GAAP R&D plus MG&A SPENDING	**5,372**	**5,237**	**4,948**
GAAP OPERATING INCOME	**2,568**	**4,299**	**2,615**
Deferred revenue write-down, net of cost of sales	64	—	—
Inventory valuation	226	—	—
Amortization of acquisition related intangibles	325	139	182
Restructuring and asset impairment charges	—	(13)	105
Other acquisition related charges	100	—	—
NON-GAAP OPERATING INCOME	**3,283**	**4,425**	**2,902**
GAAP NET INCOME	**2,046**	**3,613**	**1,992**
Deferred revenue write-down, net of cost of sales	64	—	—
Inventory valuation	226	—	—
Amortization of acquisition related intangibles	325	139	182
Restructuring and asset impairment charges	—	(13)	105
Other acquisition related charges	100	—	—
Income tax effect	(132)	(20)	(73)
NON-GAAP NET INCOME	**2,629**	**3,719**	**2,206**
GAAP DILUTED EARNINGS PER COMMON SHARE	**0.42**	**0.74**	**0.41**
Deferred revenue write down, net of cost of sales	0.01	—	—
Inventory valuation	0.05	—	—
Amortization of acquisition related intangibles	0.07	0.03	0.04
Restructuring and asset impairment charges	—	—	0.02
Other acquisition related charges	0.02	—	—
Income tax effect	(0.03)	(0.01)	(0.02)
NON-GAAP DILUTED EARNINGS PER COMMON SHARE	**0.54**	**0.76**	**0.45**

SUPPLEMENTAL RECONCILIATIONS OF GAAP OUTLOOK TO NON-GAAP OUTLOOK

Set forth below are reconciliations of the non-GAAP financial measure to the most directly comparable GAAP financial measure. The non-GAAP financial measure disclosed by the company has limitations and should not be considered a substitute for, or superior to, the financial measure prepared in accordance with GAAP, and the financial outlook prepared in accordance with GAAP and the reconciliations from this Business Outlook should be carefully evaluated. Please refer to "Explanation of Non-GAAP Measures" in this document for a detailed explanation of the adjustment made to the comparable GAAP measures, the ways management uses the non-GAAP measures, and the reasons why management believes the non-GAAP measures provide useful information for investors.

($ in Billions)		**Q2 2016 Outlook**			**2016 Outlook**	
GAAP GROSS MARGIN PERCENTAGE		**58%**	+/- a couple pct. pts.		**60%**	+/- a couple pct. pts.
Adjustments for:						
Deferred revenue write-down		—%			—%	
Inventory valuation		1%			1%	
Amortization of acquisition-related intangibles		2%			2%	
NON-GAAP GROSS MARGIN PERCENTAGE		**61%**	+/- a couple pct. pts.		**62%**	+/- a couple pct. pts.
GAAP R&D plus MG&A SPENDING				**$**	**20.7**	approximately
Adjustment for other acquisition-related charges					(0.1)	
NON-GAAP R&D plus MG&A SPENDING				**$**	**20.6**	approximately
GAAP RESTRUCTURING CHARGES	**$**	**1.2**	approximately	**$**	**1.2**	approximately
Adjustment for restructuring charges		**(1.2)**			**(1.2)**	
NON-GAAP RESTRUCTURING CHARGES	**$**	—		**$**	—	

SUPPLEMENTAL RECONCILIATIONS OF CONSTANT CURRENCY

Set forth below is a reconciliation of our operating results for the Intel Security Group operating segment on a constant currency basis. This non-GAAP financial measure 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. Please refer to "Explanation of Non-GAAP Measures" in this document for a detailed explanation of the adjustment made to the comparable GAAP measures, the ways management uses the non-GAAP measures, and the reasons why management believes the non-GAAP measures provide useful information for investors.

Intel Security Group Operating Segment

	Three Months Ended		
($ in Millions)	Apr 2, 2016	Mar 28, 2015	% Change
GAAP Net Revenue	**537**	**479**	**12%**
Constant currency adjustment	14		
Non-GAAP Net Revenue, constant currency adjusted	**$ 551**	**$ 479**	**15%**
GAAP Operating Income	**85**	**15**	**n/m**
Constant currency adjustment	3		
Non-GAAP Operating Income, constant currency adjusted	**$ 88**	**$ 15**	**n/m**

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News Release

Intel Announces Restructuring Initiative to Accelerate Transformation

SANTA CLARA, Calif., April 19, 2016 **-** Intel Corporation today announced a restructuring initiative to accelerate its evolution from a PC company to one that powers the cloud and billions of smart, connected computing devices. Intel will intensify its focus in high-growth areas where it is positioned for long-term leadership, customer value and growth, while making the company more efficient and profitable.

The data center and Internet of Things (IoT) businesses are Intel's primary growth engines, with memory and field programmable gate arrays (FPGAs) accelerating these opportunities - fueling a virtuous cycle of growth for the company. These growth businesses delivered $2.2 billion in revenue growth last year, and made up 40 percent of revenue and the majority of operating profit, which largely offset the decline in the PC market segment.

The restructuring initiative was outlined in an e-mail from Intel CEO Brian Krzanich to Intel employees.

"Our results over the last year demonstrate a strategy that is working and a solid foundation for growth," said Krzanich. "The opportunity now is to accelerate this momentum and build on our strengths.

"These actions drive long-term change to further establish Intel as the leader for the smart, connected world," he added. "I am confident that we'll emerge as a more productive company with broader reach and sharper execution."

While making the company more efficient, Intel plans to increase investments in the products and technologies that that will fuel revenue growth, and drive more profitable mobile and PC businesses. Through this comprehensive initiative, the company plans to increase investments in its data center, IoT, memory and connectivity businesses, as well as growing client segments such as 2-in-1s, gaming and home gateways.

These changes will result in the reduction of up to 12,000 positions globally -- approximately 11 percent of employees -- by mid-2017 through site consolidations worldwide, a combination of voluntary and involuntary departures, and a re-evaluation of programs. The majority of these actions will be communicated to affected employees over the next 60 days with some actions spanning in to 2017.

Intel expects the program to deliver $750 million in savings this year and annual run rate savings of $1.4 billion by mid-2017. The company will record a one-time charge of approximately $1.2 billion in the second quarter.

- more -

Webcast

Intel also announced first-quarter 2016 earnings today. The company will discuss the restructuring initiative during the earnings webcast scheduled today at 2:00 pm PDT on its Investor Relations website at www.intc.com. A webcast replay and audio download will also be available on the site.

About Intel

Intel (NASDAQ: INTC) expands the boundaries of technology to make the most amazing experiences possible. Information about Intel can be found at newsroom.intel.com and intel.com.

Forward-Looking Statements

This press release contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995, which are identified by words such as “plans,” “expects,” “may,” “believes,” “estimates” or “estimated, “intends,” and other similar words, expressions, and formulations. This release contains forward-looking statements regarding the timing and scope of the restructuring plan; the size of the restructuring plan and the amount and timing of the related charges; the expected cost savings resulting from the restructuring plan; and demand and growth prospects for Intel’s products. Many factors could affect the actual results of the restructuring plan, and variances from Intel's current expectations regarding such factors could cause actual results of the restructuring plan to differ materially from those expressed in these forward-looking statements. Intel presently considers the following to be a non-exclusive list of important factors that could cause actual results to differ materially from its expectations: the timing and execution of plans and programs that may be subject to local labor law requirements, including consultation with appropriate works councils; assumptions related to severance, post-retirement costs, and relocation costs; future acquisitions, dispositions, or investments; new business initiatives and changes in product roadmap, development, and manufacturing; assumptions related to cost savings, product demand and/or operating efficiencies. A detailed discussion of these and other risks and uncertainties that could cause Intel’s actual results to differ materially from these forward-looking statements is included in the documents that Intel files with the Securities and Exchange Commission on Forms 10-K, 10-Q and 8-K. These forward-looking statements speak only as of the date of this Report, and Intel does not undertake any obligation to revise or update such statements, whether as a result of new information, future events, or otherwise.