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 17, 2006
(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)

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:

[] 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-4(c))

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 for the quarter ended September 30, 2006 and forward-looking statements relating to 2006 and the fourth quarter of 2006 as presented in a press release of October 17, 2006. The information in this report shall be deemed incorporated by reference into any registration statement heretofore or hereafter filed under the Securities Act of 1933, as amended, except to the extent that such information is superseded by information as of a subsequent date that is included in or incorporated by reference into such registration statement. The information in this report shall not be treated as filed for purposes of the Securities Exchange Act of 1934, as amended.

In addition to disclosing financial results calculated in accordance with United States (U.S.) generally accepted accounting principles (GAAP), the company's earnings release contains non-GAAP financial measures that exclude the effects of share-based compensation and the requirements of Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment" (SFAS No. 123(R)). The non-GAAP financial measures used by management and disclosed by the company exclude the income statement effects of all forms of share-based compensation and the effects of SFAS No. 123(R) upon the number of diluted common shares used in calculating non-GAAP diluted earnings per share. The non-GAAP financial measures disclosed by the company 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 to those financial statements should be carefully evaluated. The non-GAAP financial measures used by the company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. The company has provided reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures. The company applied the modified prospective method of adoption of SFAS No. 123(R), under which the effects of SFAS No. 123(R) are reflected in the company's GAAP financial statement presentations for and after the first quarter 2006, but are not reflected in results for prior periods.

In managing the company's business on a consolidated basis, consistent with how we managed the business prior to the adoption of SFAS No. 123(R), management develops an annual budget that includes all components of the income statement, exclusive of share-based compensation. Gross margin, expenses (research and development and marketing, general and administrative), operating income, income taxes, net income and diluted earnings per share (EPS) are the primary consolidated financial measures management uses for planning and forecasting future periods that are affected by share-based compensation. The company's budget and planning process commences with a segment-level evaluation which excludes share-based compensation, and culminates with the preparation of a consolidated annual and/or quarterly budget that includes these non-GAAP financial measures. This budget, once finalized and approved, serves as the basis for the allocation of resources and management of operations. The number of full-time equivalent employees working in manufacturing, research and development, and marketing, general and administrative related roles is determined through the budgeting process exclusive of share-based compensation. Segment managers are not held accountable for share-based compensation charges and therefore the budget and planning process, which involves headcount planning, excludes the

effects of share-based compensation. In addition, our tax strategies are determined on a consolidated basis exclusive of the expenses and related tax benefit relating to share-based compensation. The accounting expense impact of share-based compensation is not discussed nor considered when assessing and determining the appropriate level of budgeted expenses for gross margin, research and development, and marketing, general and administrative expenses. Accordingly, such amounts are also excluded from the budgeted operating income, net income, and earnings per share. GAAP-basis financial statements which include the effects of share-based compensation are only reviewed and analyzed for purposes of external reporting where GAAP-basis financial statements are necessary.

Under our budget and planning process, consistent with our practice prior to the adoption of SFAS No. 123(R), when we seek to reduce unit costs with the goal of increasing gross margin, management does not consider the effects of share-based compensation. When assessing the level of research and development efforts currently or prospectively, consistent with our practice prior to the adoption of SFAS No. 123(R), management does not consider the effects of share-based compensation. When making decisions about project spending, administrative budgets, or marketing programs, management does not consider the effects of share-based compensation.

In addition to using the budget process for planning and resource allocation, on a quarterly basis we analyze the performance of our business on a consolidated basis by comparing our gross margin, expenses (research and development and marketing, general and administrative), operating income, net income, and diluted earnings per share, each excluding share-based compensation, to the prior period and forecasted amounts developed during the budget and planning process, also excluding share-based compensation. We use these quarterly assessments to evaluate the performance of the business against prior periods and budget and to develop our business outlook which we communicate to investors.

Consistent with our practice prior to the adoption of SFAS No. 123(R), the company's share-based compensation programs are established and managed on a company-wide basis, including specification of grant types and amount ranges for employees by category and grade. Our philosophy relative to share-based compensation programs is built on the principle that equity compensation should seek to align employees' actions and behaviors with stockholders' interest; be market competitive; be able to attract, motivate and retain the best employees; and support Intel's belief in a broad-based approach. Share based compensation granted to employees is in addition to, not in lieu of, cash compensation. Accordingly, our share-based compensation programs are evaluated separately from the cost of our other compensation programs. Specifically, our share-based compensation programs are carefully evaluated from the perspective of the resulting dilution and other metrics, and not from the resulting expense to be recorded. For example, our goal has been to keep the potential incremental dilution related to our equity incentive plans (stock options and restricted stock units) to a long-term average of less than 2% annually. The dilution percentage is calculated using the new equity-based awards, net of equity-based awards cancelled due to employees leaving the company and expired stock options, divided by the total outstanding shares at the beginning of the year. Further, as noted above, segment managers are not held accountable for share-based compensation charges, and these charges do not impact their business unit's operating income (loss). Accordingly, share-based compensation charges also are excluded from the company's measure of segment profitability (operating income). Therefore, when evaluating segment and operating income, management and the Board of Directors exclude share-based compensation.

Operating income and net income, both on a per-share basis, are calculated excluding share-based compensation for purposes of evaluating profit-dependent cash incentive compensation paid to employees, including senior management. For example, for 2006, the executive compensation cash incentive plan formula measures EPS as the greater of (a) Intel's operating income or (b) Intel's net income (in both cases excluding the effect of share-based compensation), divided by Intel's weighted average diluted common shares outstanding, excluding the effects of share-based compensation. The calculation of diluted common shares outstanding, excluding the effects of share-based compensation, excludes the proceeds from the remaining unamortized share-based compensation, and adjusts the proceeds from tax benefits by excluding the effects of share-based compensation. The calculation of diluted common shares outstanding, excluding the effects of share-based compensation is similar to the calculation of diluted common shares outstanding, as reported, prior to the adoption of SFAS No. 123(R). Accordingly, when budgeting for the company's profit-dependent cash incentives, the company applies the formula above to calculate earnings per share excluding share-based compensation so as to be able to factor the appropriate amount of profit dependent cash incentive into the budget.

The company discloses this non-GAAP information to the public to enable investors to more easily assess the company's performance on the same basis applied by management and to ease comparison on both a GAAP and non-GAAP basis to our prior period results. In particular, as the company begins to apply SFAS No. 123(R), the company believes that it is useful to investors to understand how the expenses and other adjustments associated with the application of SFAS No. 123(R) are being reflected on the company's income statements. Management believes gross margin, excluding share-based compensation, research and development, excluding share-based compensation, and marketing, general, and administrative expense, excluding share-based compensation, are useful information for investors because the GAAP measure when compared in isolation with 2005 would indicate a level of increase in those expenses inconsistent with actual performance. We believe that the non-GAAP measures serve to provide a baseline for investors in this first year of adoption to compare actual results for the current year, excluding share-based compensation to the prior year GAAP amounts which exclude share-based compensation. We believe this comparison also is useful to allow investors to more easily evaluate our results from a period-to-period comparability perspective.

Management believes operating income and net income, excluding share-based compensation, is useful information to investors because it assists investors in evaluating operating income and net income consistent with how management evaluates performance and to understand the basis for the company's profit dependent cash incentive plan. Especially in this first year of applying the provisions of SFAS No. 123(R), we believe operating and net income as reported in our income statement are not comparable to prior year period amounts, and may lead investors to believe business has declined more significantly than would be caused by actual changes in the business (as opposed to changes in accounting treatment between years). When presenting net income, excluding share-based compensation, we believe it appropriate to exclude the related tax benefit recognized in the financial statements for purposes of presenting net income or EPS, excluding share-based compensation. Providing diluted earnings per share, excluding share-based compensation assists investors in evaluating diluted earnings per share compared to prior periods. Especially in this first year of applying the provisions of SFAS No. 123(R), we believe diluted earnings per share as reported in our income statement is not comparable to prior year amounts.

The basis for the company's decision to use these non-GAAP measures excluding share-based compensation is that management has determined in this first year of adoption of SFAS No. 123(R) to continue to evaluate the business on the same basis as prior to the adoption of SFAS No. 123(R) until there is greater familiarity with its effects and until the second year after adoption of SFAS No. 123(R) when financial information is prepared and presented on a consistent basis with the prior year. Share-based compensation represents: 1.2 points of gross margin, $107 million of research and development expenses, $125 million of marketing, general and administrative expenses, $335 million reduction in total operating income, $248 million reduction in total net income, and a $0.05 reduction in diluted earnings per share for the quarter ended September 30, 2006, compared to zero for all such measures in the quarter ended October 1, 2005. Share-based compensation represents: 0.8 points of gross margin, $126 million of research and development expenses, $140 million of marketing, general and administrative expenses, $332 million reduction in total operating income, $239 million reduction in total net income, and a $0.04 reduction in diluted earnings per share for the quarter ended July 1, 2006.

Unlike other forms of compensation, share-based compensation was not recognized prior to January 1, 2006 when we adopted the provisions of SFAS No. 123(R). Additionally, when management determines the annual merit and promotional budget for compensation, the effects of share-based compensation on the company's financial statements are not considered. Rather share-based awards are generally granted via a fixed formula depending on position and level of the employee. In addition, segment managers are held accountable for other forms of compensation, and as such those compensation charges are included in the segments' results and in the budget and planning processes of our reporting segments.

A material limitation associated with the use of these measures as compared to the related GAAP measures is that they may reduce comparability with other companies who may use different types of equity incentive awards, or whose compensation structures may use share-based compensation to a greater or lesser extent as part of their overall compensation. These differences may cause our non-GAAP measures excluding share-based compensation to not be comparable to other companies' non-GAAP measures excluding share-based compensation. Other material limitations associated with the use of these measures as compared to the GAAP comparable measure include: gross margin, excluding share-based compensation, does not include all costs related to the cost of inventory sold during the period; research and development, excluding share-based compensation, does not include all costs related to the research and development needed to bring new products to the market; marketing, general and administrative expenses excluding share-based compensation, does not include all costs related to the marketing, general and administrative efforts required to manage our company and sell our products. A material limitation with using operating income, excluding share-based compensation, net income, excluding share-based compensation, and diluted earnings per share, excluding share-based compensation, is that they do not include all costs typically included in the presentation of the comparable GAAP measure, and they may not include all costs related to hiring and retaining qualified employees.

Although these non-GAAP financial measures adjust cost, expenses and diluted share items to exclude the accounting treatment of share-based compensation, they should not be viewed as a pro forma presentation reflecting the elimination of the underlying share-based compensation programs. Thus, our non-GAAP presentations are not intended to present, and should not be used, as a basis for assessing what our operating results might be if we were to eliminate our share-based compensation programs. Our equity incentive plans are an important element of the company's compensation structure and GAAP indicates that all forms of share-based payments should be valued and included as appropriate in results of operations.

Because of the foregoing limitations, management does not intend to use the non-GAAP financial measures when assessing the company's performance against that of other companies. The company manages its share-based compensation plans in the aggregate against certain metrics rather than reviewing financial statement impacts by financial statement line item. Specifically, our goal has been to keep the potential incremental dilution related to our equity incentive plans (stock options and restricted stock units) to a long-term average of less than 2% annually. The dilution percentage is calculated using the new equity-based awards, net of equity-based awards cancelled due to employees leaving the company and expired stock options, divided by the total outstanding shares at the beginning of the year.

Item 7.01 Regulation FD Disclosure.

In connection with the company's ongoing program designed to improve operational efficiency and results, the company previously announced that it had determined on August 30, 2006 to undertake a number of additional actions recommended by the company's Structure and Efficiency Taskforce relating to organizational efficiency, business processes and programs (collectively, the "Efficiency Plan").

The company's workforce on July 1, 2006, before these additional actions began, was 102,500 persons, and on September 30, 2006, was 99,900 persons. Year-end 2006 employment is expected to be approximately 95,000 persons and thereafter to continue to be reduced to approximately 92,000 by the middle of 2007.

In connection with the Efficiency Plan, the company recorded restructuring charges of $98 million in the third quarter of 2006 and expects to record approximately $125 million of restructuring charges in the fourth quarter of 2006, in each case relating to severance and employee benefit charges. The company currently expects to incur additional charges related to employee severance and benefit arrangements of approximately $120 million in 2007. Additional, presently undetermined, charges may be incurred in the 2007, 2008 and 2009 fiscal years. Additional details will be provided in the company's earnings releases and Business Outlook statements published quarterly in such fiscal years.

The exact timing of these charges and the related cash outflows, as well as the estimated cost ranges by category type, have not been finalized. This information will be subject to the finalization of timetables for the transition of functions, local labor law requirements, including consultation with appropriate works councils as well as the statutory severance requirements of the particular legal jurisdictions impacted, and the amount and timing of the actual charges may vary due to a variety of factors including the salary, position and number of years of service of the affected employees as well as the type and amount of severance benefits offered to employees. The Efficiency Plan reflects the Corporation's intention only and restructuring decisions at certain non-U.S. locations remain subject to local labor law requirements, including consultation with appropriate works councils.

This Form 8-K and attached press release contain forward-looking statements that involve risks, uncertainties and assumptions. In addition to the factors addressed in the attached press release relating to forward looking statements made in the press release, many factors could affect the Efficiency Plan and the company's actual results, and if the risks or uncertainties ever materialize or the assumptions prove incorrect, the results of the company may differ materially from those expressed or implied by such forward-looking statements and assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements, including but not limited to any projections, the extent or timing of cost savings, charges, use of cost savings, revenue or profitability improvements, or other financial items; any statements of the plans, strategies, and objectives of management for future operations, including timing and execution of any restructuring plans, retirement programs, benefit program changes or reorganizations and extent of employees impacted; any statements concerning the company's expected competitive position or performance; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Intel presently considers the factors set forth below to be the important factors that could cause actual results to differ materially from the company's published expectations: risks, uncertainties and assumptions including the timing and execution of plans and programs subject to local labor law requirements, including consultation with appropriate works councils; assumptions related to severance and post-retirement costs; future acquisitions, dispositions, investments, new business initiatives and changes in product roadmap, development and manufacturing which may affect expense and employment levels at the company; assumptions relating to product demand and the business environment; and other risk factors that are described from time to time in the company's Securities and Exchange Commission reports, including but not limited to the risk factors described in the company's Quarterly Report on Form 10-Q for the fiscal quarter ended July 1, 2006, and other reports filed after the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005. The company assumes no obligation to update these forward-looking statements.

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 17, 2006 By: /s/ Andy D. Bryant

Andy D. Bryant
Executive Vice President,
Chief Financial and Enterprise Services Officer and
Principal Accounting Officer

Exhibit 99.1

Intel Third-Quarter Revenue $8.7 Billion

- Operating income $1.4 billion
- EPS 22 cents
- Record mobile and server microprocessor unit shipments
- Over 6 million processors based on new Intel(R) Core(TM) microarchitecture shipped

SANTA CLARA, Calif.--(BUSINESS WIRE)--Oct. 17, 2006--Intel Corporation today announced third-quarter revenue of $8.7 billion, operating income of $1.4 billion, net income of $1.3 billion and earnings per share (EPS) of 22 cents. Excluding the effects of share-based compensation, the company posted operating income of $1.7 billion, net income of $1.5 billion and EPS of 27 cents.

Operating results included a gain of approximately $100 million from the sale of a portion of an investment in Micron Technology, gains from divestitures of approximately $130 million and a restructuring charge of $98 million. These items resulted in a net positive impact to EPS of approximately 1.5 cents.

"We're pleased with the results of the third quarter, with record mobile and server processor shipments, strong manufacturing execution, industry acclaim for our new products, and quad-core processors now extending our leadership this quarter," said Intel President and CEO Paul Otellini.

GAAP Results (including the effects of share-based compensation)

	Q3 2006	vs. Q3 2005	vs. Q2 2006
Revenue	$8.7 billion	-12%	+9%
Operating Income	$1.4 billion	-56%	+28%
Net Income	$1.3 billion	-35%	+47%
EPS	22 cents	-31%	+47%

Note: GAAP results for 2005 do not include the effects of share-based compensation. Results for the third quarter of 2006 include the effects of investment gains, divestiture gains and restructuring charges that on a net basis increased EPS by 1.5 cents. Results for last year's third quarter included a legal settlement that lowered EPS by approximately 2 cents and a tax increase related to the American Jobs Creation Act that reduced EPS by 4 cents.

Non-GAAP Results (excluding the effects of share-based compensation)

	Q3 2006	vs. Q3 2005	vs. Q2 2006
Operating Income	$1.7 billion	-45%	+22%
Net Income	$1.5 billion	-22%	+38%
EPS	27 cents	-16%	+42%

Note: Results for the third quarter of 2006 include the effects of investment gains, divestiture gains, and restructuring charges that on a net basis increased EPS by 1.5 cents. Results for last year's third quarter included a legal settlement that lowered EPS by approximately 2 cents and a tax increase related to the American Jobs Creation Act that reduced EPS by 4 cents.

Financial Review

The gross margin percentage was consistent with the company's expectation in July as the impact of higher microprocessor revenue was offset by a write-off of older processor inventory of approximately $100 million. Expenses (R&D plus MG&A) were lower than expected primarily due to lower payroll and discretionary spending. Net gains on equity investments and interest and other were higher than forecast due to investment gains and gains on divestitures.

Key Product Trends (Sequential)

- Total microprocessor units were higher. The ASP was lower.

- Chipset and motherboard units were higher.

- Flash memory units were lower.

Sales Patterns

Sequential revenue was above normal seasonal patterns in the Americas, EMEA and Japan regions following a lower-than-seasonal second quarter for the company. Microprocessor unit sales were higher than seasonally normal off a low second-quarter base, and pricing remained competitive, notably in the desktop segment.

	Q3 2006	vs. Q3 2005	vs. Q2 2006
Asia-Pacific	$4.3 billion	-16%	+7%
Americas	$1.9 billion	-1%	+10%
EMEA	$1.6 billion	-20%	+17%
Japan	$923 million	Flat	+2%

Recent Events

- Intel began initial revenue shipments of the world's first quad-core microprocessors for PCs and high-volume servers. The processors plug into existing customer system designs, providing integer performance gains of up to 50 percent in servers and up to nearly 70 percent in desktops and workstations.

- The company announced a processor shipment crossover to advanced 65nm technology during the quarter and has now shipped more than 40 million 65nm processors, including over 6 million based on the new Intel(R) Core(TM) microarchitecture.

- Intel announced that the first of 15 45nm processor designs is scheduled to be completed by the end of the year, with Intel's next-generation 45nm process technology on track for production in the second half of 2007.

- The company launched 10 Intel(R) Core(TM) 2 Duo and Intel(R) Core(TM) 2 Extreme processors for consumer and business desktop PCs, notebooks and workstations, with more than 550 customer systems in design or production.

- Intel launched a new generation of corporate PC technology based on the Intel Core 2 Duo processor and Intel(R) vPro(TM) technology, which provides IT departments with more proactive control of security and costs.

- The company introduced eight Dual-Core Intel Xeon(R) 7100 series processors for multi-processor (MP) servers offering up to twice the performance and up to four times the performance-per-watt of previous designs. Dell, Fujitsu-Siemens and IBM announced new world performance records using the new Intel Xeon MP processors.

- Intel introduced the industry's first WiMAX chip solution capable of supporting mobile as well as fixed networks and supporting all global WiMAX frequencies, with equipment makers including Motorola planning to design the WiMAX solution into their equipment.

- Intel and Micron Technology announced sampling of the industry's first NAND flash memories built on 50nm process technology, with commercial production expected in 2007.

Business Outlook and Risk Factors Regarding Forward-Looking Statements

The following expectations do not include the potential impact of any mergers, acquisitions, divestitures or other business combinations that may be completed after Oct. 16.

Q4 2006 Outlook

- Revenue: Expected to be between $9.1 billion and $9.7 billion.

- Gross margin: 50 percent, plus or minus a couple of points (51 percent, plus or minus a couple of points, excluding share-based compensation effects of approximately 1 percent).

- Expenses (R&D plus MG&A): Between $2.7 billion and $2.8 billion (between $2.5 billion and $2.6 billion excluding share-based compensation effects of approximately $250 million). In addition, the company expects restructuring charges of approximately $125 million.

-- Net gains from equity investments and interest and other: Approximately $135 million.

-- Tax rate: Approximately 30 percent.

-- Depreciation: Between $1.1 billion and $1.2 billion.

-- R&D for 2006: Approximately $5.9 billion (approximately $5.4 billion excluding share-based compensation effects of approximately $500 million).

-- Capital spending for 2006: Between $5.7 billion and $5.9 billion, lower than the previous expectation primarily due to greater equipment reuse, productivity improvements and small timing changes.

The above statements and any others in this document that refer to plans and expectations for the fourth quarter, the year and the future are forward-looking statements that involve a number of risks and uncertainties. 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 factors set forth below to be the important factors that could cause actual results to differ materially from the Corporation's published expectations:

-- Intel operates in intensely competitive industries that are characterized by a high percentage of costs that are fixed or difficult to reduce in the short term, significant pricing pressures, and product demand that is highly variable and difficult to forecast. Additionally, Intel is transitioning to a new microarchitecture on 65nm process technology in all major product segments, and there could be execution issues associated with these changes, including product defects and errata along with lower than anticipated manufacturing yields. Revenue and the gross margin percentage are affected by the timing of new Intel product introductions and the demand for and market acceptance of Intel's products; actions taken by Intel's competitors, including product offerings, marketing programs and pricing pressures and Intel's response to such actions; Intel's ability to respond quickly to technological developments and to incorporate new features into its products; and the availability of sufficient inventory of Intel products and related components from other suppliers to meet demand. Factors that could cause demand to be different from Intel's expectations include customer acceptance of Intel and competitors' products; changes in customer order patterns, including order cancellations; changes in the level of inventory at customers; and changes in business and economic conditions.

-- The gross margin percentage could vary significantly from expectations based on changes in revenue levels; product mix and pricing; capacity utilization; variations in inventory valuation, including variations related to the timing of qualifying products for sale; excess or obsolete inventory; manufacturing yields; changes in unit costs; impairments of long-lived assets, including manufacturing, assembly/test and intangible assets; and the timing and execution of the manufacturing ramp and associated costs, including start-up costs.

-- Expenses, particularly certain marketing and compensation expenses, vary depending on the level of demand for Intel's products and the level of revenue and profits.

-- Intel is in the midst of a structure and efficiency review which is resulting in several actions that could have an impact on expected expense levels and gross margin.

-- The tax rate expectation is based on current tax law and current expected income and assumes Intel continues to receive tax benefits for export sales. The tax rate may be affected by the closing of acquisitions or divestitures; 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; and the ability to realize deferred tax assets.

-- Gains or losses from equity securities and interest and other could vary from expectations depending on equity market levels and volatility; gains or losses realized on the sale or exchange of securities; impairment charges related to marketable, non-marketable and other investments; interest rates; cash balances; and changes in fair value of derivative instruments.

-- Dividend declarations and the dividend rate are at the discretion of

Intel's board of directors, and plans for future dividends may be revised by the board. Intel's dividend and stock buyback programs could be affected by changes in its capital spending programs, changes in its cash flows and changes in the tax laws, as well as by the level and timing of acquisition and investment activity.

-- Intel's results could be affected by the amount, type, and valuation of share-based awards granted as well as the amount of awards cancelled due to employee turnover and the timing of award exercises by employees.

-- Intel's results could be impacted by unexpected economic, social, political and physical/infrastructure conditions in the countries in which 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.

-- Intel's results could be affected by adverse effects associated with product defects and errata (deviations from published specifications), and by litigation or regulatory matters involving intellectual property, stockholder, consumer, antitrust and other issues, such as the litigation and regulatory matters described in Intel's SEC reports.

A more detailed discussion of these and other factors that could affect Intel's results is included in Intel's SEC filings, including the report on Form 10-Q for the quarter ended July 1.

Status of Business Outlook

During the quarter, Intel's corporate representatives may reiterate the Business Outlook during private meetings with investors, investment analysts, the media and others. From the close of business on Dec. 1 until publication of the company's fourth-quarter 2006 earnings release, Intel will observe a "Quiet Period" during which the Business Outlook disclosed in the company's press releases and filings with the SEC should be considered to be historical, speaking as of prior to the Quiet Period only and not subject to update by the company.

Earnings Webcast

Intel will hold a public webcast at 2:30 p.m. PDT today on its Investor Relations Web site at www.intc.com, with a replay available until Dec. 1.

Intel, the world leader in silicon innovation, develops technologies, products and initiatives to continually advance how people work and live. Additional information about Intel is available at www.intel.com/pressroom.

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

	Three Months Ended Sept. 30, 2006	Three Months Ended Oct. 1, 2005	Nine Months Ended Sept. 30, 2006	Nine Months Ended Oct. 1, 2005
NET REVENUE	$ 8,739	$ 9,960	$ 25,688	$ 28,625
Cost of sales	4,445	4,012	12,280	11,876
GROSS MARGIN	4,294	5,948	13,408	16,749
Research and development	1,389	1,341	4,447	3,783
Marketing, general and administrative	1,425	1,478	4,662	4,082
Restructuring	98	-	98	-
Amortization of acquisition-related intangibles and costs	8	29	37	103
OPERATING EXPENSES	2,920	2,848	9,244	7,968
OPERATING INCOME	1,374	3,100	4,164	8,781
Gains (losses) on equity securities, net	168	(2)	207	(20)
Interest and other, net	272	145	570	387

INCOME BEFORE TAXES	1,814	3,243	4,941	9,148
Income taxes	513	1,248	1,398	2,937
NET INCOME	$ 1,301	$ 1,995	$ 3,543	$ 6,211
BASIC EARNINGS PER SHARE	$ 0.23	$ 0.33	$ 0.61	$ 1.01
DILUTED EARNINGS PER SHARE	$ 0.22	$ 0.32	$ 0.60	$ 1.00
COMMON SHARES OUTSTANDING	5,769	6,062	5,808	6,139
COMMON SHARES ASSUMING DILUTION	5,832	6,144	5,885	6,211

INTEL CORPORATION
CONSOLIDATED SUMMARY BALANCE SHEET DATA
(In millions)

	Sept. 30, 2006	July 1, 2006	Dec. 31, 2005
CURRENT ASSETS			
Cash and short-term investments	$ 7,123	$ 6,421	$ 11,314
Trading assets	1,096	1,222	1,458
Accounts receivable	3,358	3,178	3,914
Inventories:			
Raw materials	535	496	409
Work in process	2,265	2,331	1,662
Finished goods	1,677	1,505	1,055
	4,477	4,332	3,126
Deferred taxes and other current assets	1,550	1,602	1,382
TOTAL CURRENT ASSETS	17,604	16,755	21,194
Property, plant and equipment, net	18,038	18,098	17,111
Marketable strategic equity securities	388	604	537
Other long-term investments	3,085	3,513	4,135
Goodwill	3,861	3,871	3,873
Other long-term assets	3,879	3,247	1,464
TOTAL ASSETS	$ 46,855	$ 46,088	$ 48,314
CURRENT LIABILITIES			
Short-term debt	$ 196	$ 287	$ 313
Accounts payable and accrued liabilities	6,880	6,570	6,329
Deferred income on shipments to distributors	603	567	632
Income taxes payable	1,378	998	1,960
TOTAL CURRENT LIABILITIES	9,057	8,422	9,234
Long-term debt	2,060	2,054	2,106
Deferred tax liabilities	375	470	703
Other long-term liabilities	346	346	89
Stockholders' equity	35,017	34,796	36,182
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 46,855	$ 46,088	$ 48,314

INTEL CORPORATION
SUPPLEMENTAL FINANCIAL AND OTHER INFORMATION
(In millions)

	Q3 2006	Q2 2006	Q3 2005
GEOGRAPHIC REVENUE:			
Asia-Pacific	$4,314	$4,015	$5,124
	49%	50%	52%
Americas	$1,891	$1,713	$1,903

	22%	22%	19%
Europe	$1,611	$1,375	$2,007
	18%	17%	20%
Japan	$923	$906	$926
	11%	11%	9%
CASH INVESTMENTS:			
Cash and short-term investments	$7,123	$6,421	$11,951
Trading assets - fixed income (1)	677	828	1,632
Total cash investments	$7,800	$7,249	$13,583
STRATEGIC EQUITY INVESTMENTS			
Marketable strategic equity securities	$388	$604	$520
Other strategic investments	2,593	1,887	555
Total strategic equity investments	$2,981	$2,491	$1,075
TRADING ASSETS:			
Trading assets - equity securities offsetting deferred compensation (2)	$419	$394	$350
Total trading assets - sum of 1+2	$1,096	$1,222	$1,982
SELECTED CASH FLOW INFORMATION:			
Depreciation	$1,193	$1,156	$1,055
Share-based compensation	$335	$332	-
Amortization of intangibles and other acquisition-related costs	$63	$59	$59
Capital spending	($1,180)	($1,738)	($1,282)
Stock repurchase program	($500)	($1,000)	($2,500)
Proceeds from sales of shares to employees, tax benefit & other	$281	$163	$444
Dividends paid	($577)	($582)	($486)
Net cash used for acquisitions	-	-	($22)
EARNINGS PER SHARE INFORMATION:			
Average common shares outstanding	5,769	5,801	6,062
Dilutive effect of employee equity incentive plans	12	17	82
Dilutive effect of convertible debt	51	50	N/A
Common shares assuming dilution	5,832	5,868	6,144
STOCK BUYBACK:			
Shares repurchased	26.6	54.3	93.6
Cumulative shares repurchased	2,824.3	2,797.7	2,486.9
Remaining dollars authorized for buyback (in billions)	$17.4	$17.9	N/A
OTHER INFORMATION:			
Employees (in thousands)	99.9	102.5	96.0

INTEL CORPORATION
SUPPLEMENTAL FINANCIAL AND OTHER INFORMATION
($ in millions)

	Three Months Ended		Nine Months Ended	
OPERATING SEGMENT INFORMATION:	Q3 2006	Q3 2005	Q3 2006	Q3 2005
Digital Enterprise Group				
Microprocessor revenue	3,521	4,936	10,751	14,483
Chipset, motherboard and other revenue	1,425	1,434	3,963	4,249
Net revenue	4,946	6,370	14,714	18,732
Operating income	858	2,164	3,165	6,574
Mobility Group				
Microprocessor revenue	2,239	2,331	6,544	6,304
Chipset and other revenue	809	639	2,172	1,722
Net revenue	3,048	2,970	8,716	8,026
Operating income	1,260	1,431	3,362	3,784

Flash Memory Group				
Net revenue	507	573	1,587	1,678
Operating loss	(116)	(30)	(369)	(142)
All Other				
Net revenue	238	47	671	189
Operating loss	(628)	(465)	(1,994)	(1,435)
Total				
Net revenue	8,739	9,960	25,688	28,625
Operating income	1,374	3,100	4,164	8,781

The company's operating segments currently include the Digital Enterprise Group, the Mobility Group, the Flash Memory Group, the Digital Home Group, the Digital Health Group, and the Channel Platforms Group. The prior period amounts have been adjusted retrospectively to reflect reorganizations.

The Digital Enterprise Group operating segment's products include microprocessors and related chipsets and motherboards designed for the desktop (including consumer desktop) and enterprise computing market segments, communications infrastructure components such as network processors and embedded microprocessors, wired connectivity devices, and products for network and server storage. The Mobility Group operating segment's products include microprocessors and related chipsets designed for the notebook computing market segment, wireless connectivity products, and application and cellular baseband processors used in handheld devices. In the second quarter of 2006, the company entered into an agreement to sell the business line that includes application and cellular baseband processors used in handheld devices. The Flash Memory Group operating segment includes NOR flash memory products designed for cellular phones and embedded form factors, and NAND flash memory products manufactured by IMFT that are designed for digital audio players and memory cards. Revenue for the "all other" category primarily relates to microprocessors and related chipsets sold by the Digital Home Group.

In addition to these operating segments, the company has sales and marketing, manufacturing, finance, and administration groups. Expenses of these groups are generally allocated to the operating segments and are included in the operating results reported below. In addition to the operating results for the Digital Home Group, Digital Health Group, and Channel Platforms Group operating segments, the "all other" category includes certain corporate-level operating expenses, including a portion of profit-dependent bonus and other expenses not allocated to the operating segments. "All other" also includes the results of operations of seed businesses that support the company's initiatives. Additionally, "all other" includes acquisition-related costs, including amortization and any impairments of acquisition-related intangibles and goodwill, and charges for purchased in-process research and development. Intel does not allocate share-based compensation charges or restructuring charges to the operating segments; as such, these charges are included in "all other."

In addition to disclosing financial results calculated in accordance with U.S. generally accepted accounting principles (GAAP), the company's earnings release contains non-GAAP financial measures that exclude the effects of share-based compensation and the requirements of SFAS No. 123(R), "Share-based Payment" ("123R"). The non-GAAP financial measures used by management and disclosed by the company exclude the income statement effects of all forms of share-based compensation and the effects of 123R upon the number of diluted shares used in calculating non-GAAP earnings per share. The non-GAAP financial measures disclosed by the company 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 to those financial statements should be carefully evaluated. The non-GAAP financial measures used by the company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. Set forth below are reconciliations of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

For additional information regarding these non-GAAP financial measures, see the Form 8-K dated October 17, 2006 that Intel has filed with the Securities and Exchange Commission.

INTEL CORPORATION
SUPPLEMENTAL RECONCILIATIONS OF GAAP TO NON-GAAP RESULTS
(In millions, except per-share amounts and percentages)

Three Months Ended

	Sept. 30, 2006	July 1, 2006	Oct. 1 2005
GAAP SPENDING	$ 2,814	$ 3,089	$ 2,819
Adjustment for share-based compensation	(232)	(266)	-
SPENDING EXCLUDING SHARE-BASED COMPENSATION (3)	$ 2,582	$ 2,823	$ 2,819
GAAP OPERATING INCOME	$ 1,374	$ 1,072	$ 3,100
Adjustment for share-based compensation within:			
Cost of sales	103	66	-
Research and development	107	126	-
Marketing, general and administrative	125	140	-
OPERATING INCOME EXCLUDING SHARE-BASED COMPENSATION (3)	$ 1,709	$ 1,404	$ 3,100
GAAP NET INCOME	$ 1,301	$ 885	$ 1,995
Adjustment for share-based compensation within:			
Cost of sales	103	66	-
Research and development	107	126	-
Marketing, general and administrative	125	140	-
Income taxes	(87)	(93)	-
NET INCOME EXCLUDING SHARE-BASED COMPENSATION (3)	$ 1,549	$ 1,124	$ 1,995
GAAP DILUTED EARNINGS PER SHARE	$ 0.22	$ 0.15	$ 0.32
Adjustment for share-based compensation	0.05	0.04	-
DILUTED EARNINGS PER SHARE EXCLUDING SHARE-BASED COMPENSATION (3)	$ 0.27	$ 0.19	$ 0.32
GAAP COMMON SHARES ASSUMING DILUTION	5,832	5,868	6,144
Adjustment for share-based compensation	12	8	-
COMMON SHARES ASSUMING DILUTION EXCLUDING SHARE-BASED COMPENSATION (3)	5,844	5,876	6,144
GAAP GROSS MARGIN PERCENTAGE	49.1%	52.1%	59.7%
Adjustment for share-based compensation	1.2%	0.8%	-
GROSS MARGIN PERCENTAGE EXCLUDING SHARE-BASED COMPENSATION (3)	50.3%	52.9%	59.7%

(3) See Item 2.02 in the Form 8-K dated October 17, 2006 that Intel has filed with the Securities and Exchange Commission.