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: January 16, 2007
(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-4c))

Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Attached hereto as Exhibit 99.1 and incorporated by reference herein is financial information for Intel Corporation for the quarter and fiscal year ended December 30, 2006 and forward-looking statements relating to 2007 as presented in a press release of January 16, 2007. 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or hereafter filed under the Securities Act of 1933, as amended, except to the extent that such information is superseded by information as of a subsequent date that is included in or incorporated by reference into such registration statement.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 developed the 2006 annual budget including 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 2006 budget and planning process commenced with a segment-level evaluation which excluded share-based compensation, and culminated with the preparation of a consolidated annual and/or quarterly budget that included these non-GAAP financial measures. This budget, once finalized and approved, served 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 was determined through the budgeting process exclusive of share-based compensation, and our tax strategies were 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 was not discussed nor considered when assessing and determining gross margin or the appropriate level of budgeted expenses for research and development, and marketing, general and administrative expenses. Accordingly, such amounts were excluded from the budgeted operating income, net income, and earnings per share. GAAP-basis financial statements which include the effects of share-based compensation were only reviewed and analyzed in 2006 for purposes of external reporting where GAAP-basis financial statements are necessary.

Under our 2006 budget and planning process, consistent with our practice prior to the adoption of SFAS No. 123(R), management did not consider the effects of share-based compensation when seeking to reduce unit costs with the goal of increasing gross margin. When assessing the level of research and development efforts, consistent with our practice prior to the adoption of SFAS No. 123(R), management did not consider the effects of share-based compensation. When making decisions about project spending, administrative budgets, or marketing programs, management did 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 in 2006 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 2006 business outlook which we communicated to investors.

Consistent with our practice prior to the adoption of SFAS No. 123(R), the company's share-based compensation plans 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 were not held accountable for share-based compensation charges in 2006, and these charges did not impact their business unit's operating income (loss). Accordingly, share-based compensation charges have been excluded from the company's measure of segment profitability (operating income) in 2006. Therefore, when evaluating segment operating income, management and the Board of Directors excluded share-based compensation.

Currently, 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 2006 profit-dependent cash incentives, the company applied 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 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 2006 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.

Management believes providing 2006 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 evaluated 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 point of gross margin, $119 million of research and development expenses, $121 million of marketing, general and administrative expenses, $334 million reduction in total operating income, $236 million reduction in total net income, and a $0.04 reduction in diluted earnings per share for the quarter ended December 30, 2006, compared to zero for all such measures in the quarter ended December 31, 2005. 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. Share-based compensation represents: 1.0 point of gross margin, $487 million of research and development expenses, $539 million of marketing, general and administrative expenses, $1,375 million reduction in total operating income, $987 million reduction in total net income, and a $0.17 reduction in diluted earnings per share for the year ended December 30, 2006, compared to zero for all such measures in the year ended December 31, 2005.

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 were 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 in 2006.

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 December 30, 2006, was 94,100 persons. The company's workforce is expected to be further reduced to approximately 92,000 by the middle of 2007.

The company recorded restructuring and asset impairment charges of $457 million in the fourth quarter of 2006 ($555 million for 2006).

In connection with the divestiture in the fourth quarter of 2006 of certain assets of our communications and application processor business, the company recorded non-cash impairment costs of $103 million for tools and related installation costs in the fourth quarter.

Separately, in response to the divestiture and a subsequent assessment of Intel's worldwide manufacturing capacity operations, on January 12, 2007, Intel Corporation approved a plan to place for sale its fabrication facility in Colorado Springs, Colorado. The assets subject to this impairment were principally used in support of the communications and application processor business.

Although the company is in the process of completing the valuation of land, buildings and equipment at the facility, the company expects aggregate non-cash land, building and equipment write-downs of approximately $214 million, and this estimate was recorded in the fourth quarter of 2006.

The company currently expects to incur additional charges related to employee severance and benefit arrangements of approximately $50 million in the first quarter of 2007, which includes the impacts of our ongoing Efficiency Plan and expected severance charges related to the sale of the Colorado Springs facility. This facility currently has approximately 1000 employees. For these employees, plans regarding employee termination benefits will depend in part on the terms of any sales transaction regarding the facility.

The exact timing of charges from employee severance and benefit arrangements and the related cash outflows, as well as the estimated cost ranges by category type, has 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.

Additional, presently undetermined, charges related to the Efficiency Plan 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 Efficiency Plan reflects the Corporation's intention only.

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 planned sale of the Colorado Springs facility, 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 to any projections of charges or other financial items; any statements of the plans, strategies and objectives of management for future operations, including the timing and execution of the planned sale of the Colorado Springs facility or any restructuring plan; benefit program changes and the extent of employees impacted by planned sale of the Colorado Springs facility or the restructuring; and any statements or assumptions underlying any of the foregoing; the extent or timing of cost savings, use of cost savings, revenue or profitability improvements, or other financial items; 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 September 30, 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: January 16, 2007

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 Fourth-Quarter Revenue $9.7 Billion

-- Operating Income $1.5 Billion

-- EPS 26 Cents

-- Record Microprocessor and Flash Unit Sales

-- Record Mobile and Server Microprocessor Revenue

SANTA CLARA, Calif.--(BUSINESS WIRE)--Jan. 16, 2007--Intel Corporation today announced fourth-quarter revenue of $9.7 billion, operating income of $1.5 billion, net income of $1.5 billion and earnings per share (EPS) of 26 cents. Excluding the effects of share-based compensation, the company posted operating income of $1.8 billion, net income of $1.7 billion and EPS of 30 cents.

Fourth-quarter results included a gain from the sale of certain assets of the company's communications and application processor business to Marvell Technology Group partially offset by impairments, including an impairment for the related decision to place the company's Fab 23 facility in Colorado Springs, Colo., up for sale. The gain and impairments resulted in a net increase to EPS of approximately 2.5 cents. Fourth-quarter restructuring charges related to the company's structure and efficiency program were in line with the company's expectations and decreased EPS by approximately 1.5 cents.

"Intel's product and technology leadership yielded a strong fourth quarter with higher selling prices and record unit shipments in the fastest growing segments of the market," said Intel President and CEO Paul Otellini.

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

	Q4 2006	vs. Q4 2005	vs. Q3 2006
Revenue	$9.7 billion	-5%	+11%
Operating Income	$1.5 billion	-55%	+8%
Net Income	$1.5 billion	-39%	+15%
EPS	26 cents	-35%	+18%

Note: GAAP results for 2005 do not include the effects of share-based compensation. Results for the third quarter of 2006 included the effects of gains and charges that resulted in a net increase to EPS of 1.5 cents. Results for the fourth quarter of 2006 included the effects of a gain as well as restructuring and asset impairment charges that resulted in a net increase to EPS of approximately 1 cent.

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

	Q4 2006	vs. Q4 2005	vs. Q3 2006
Operating Income	$1.8 billion	-45%	+7%
Net Income	$1.7 billion	-29%	+12%
EPS	30 cents	-25%	+11%

Note: GAAP results for 2005 do not include the effects of share-based compensation. Results for the third quarter of 2006 included the effects of gains and charges that resulted in a net increase to EPS of 1.5 cents. Results for the fourth quarter of 2006 included the effects of a gain as well as restructuring and asset impairment charges that resulted in a net increase to EPS of approximately 1 cent.

For 2006, Intel achieved revenue of $35.4 billion, operating income of $5.7 billion, net income of $5 billion and EPS of 86 cents. Intel paid record cash dividends of $2.3 billion and used $4.6 billion to repurchase 226.6 million shares of common stock.

	2006	2005	Change
Revenue	$35.4 billion	$38.8 billion	-9%
Operating Income	$5.7 billion	$12.1 billion	-53%
Net Income	$5 billion	$8.7 billion	-42%
EPS	86 cents	$1.40	-39%

Financial Review

Fourth-quarter gross margin was 49.6 percent, as compared to 49.1 percent in the third quarter. Gross margin included the positive impact of higher microprocessor units and selling prices that were partially offset by higher factory underutilization charges along with flash memory write-downs and NAND start-up costs. The company used $150 million for share repurchases and announced the approval of a 12.5 percent increase in the quarterly cash dividend to 11.25 cents per share beginning with the dividend expected to be declared in the first quarter of 2007.

Structure and Efficiency Review

In September, the company announced decisions and targets resulting from a structure and efficiency analysis. The company ended 2006 with a workforce of 94,100 people, lower than 102,500 in the second quarter of 2006 and slightly below the target of 95,000 people. The company is on track to generate spending and manufacturing cost savings of approximately $2 billion in 2007 exclusive of restructuring costs.

Key Product Trends (Sequential)

-- Total microprocessor units set a record. The ASP was higher, driven primarily by a mix shift to leading-edge processors in all segments along with growth in mobile as a percentage of the PC microprocessor mix.

-- Chipset units were flat.

-- Motherboard units were lower.

-- Flash memory units set a record.

Fourth-Quarter Sales Patterns

Revenue was higher in all regions and greater than the seasonal average in the Asia-Pacific and Americas regions.

	Q4 2006	vs. Q4 2005	vs. Q3 2006
Asia-Pacific	$4.9 billion	-5%	+13%
Americas	$2 billion	+9%	+6%
EMEA	$1.9 billion	-17%	+18%
Japan	$936 million	-1%	+1%

Recent Events

-- Intel completed the development of its next-generation 45nm process technology which is scheduled for production in the second half of 2007, ramping to three 300mm factories in 2008. Intel also produced samples of Penryn, the company's first 45nm processor, and booted the Windows Vista(1), Mac OS X(1), Windows XP(1) and Linux operating systems using first silicon.

-- In the fourth quarter, new records were set for total microprocessor unit sales as well as server, mobile and flash unit sales. Server and mobile microprocessor revenue also exceeded previous records.

-- The company shipped more than 70 million 65nm microprocessors during 2006 and ramped dual-core technology to greater than 50 percent of fourth-quarter shipments.

-- Intel launched the industry's first quad-core microprocessors for volume servers and PCs, further extending the performance records established by the Intel(R) Core(TM) microarchitecture. The company is now shipping nine different quad-core processors for servers, workstations and PCs, including a new Intel(R) Core(TM)2 Quad processor for mainstream PCs.

-- Since launch, Intel's dual- and quad-core processors based on the Intel Core microarchitecture have received more than 50 awards from publications and magazine editors worldwide.

-- Apple(1) announced a new Apple TV product that uses a low-power Intel processor and chipset to help stream premium music, TV shows, movies and photos from personal computers to widescreen TVs. DirecTV introduced an HD-DVR player that allows music and pictures stored on Intel(R) Viiv(TM) brand PCs to be wirelessly transmitted to TVs.

-- Intel demonstrated its first mobile WiMAX silicon which is being designed into solutions that will give future laptops and mobile devices broadband access over both WiFi and WiMAX networks, automatically seeking the best available connections.

-- Intel began volume shipments of the industry's first 65nm NOR flash chips featuring multi-level cell technology that stores two bits of data in each transistor. The new flash chip provides cell phone designers with a gigabit of storage for data such as megapixel-quality photos and MPEG-4 video clips.

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 Jan. 15.

Q1 2007 Outlook

-- Revenue: Expected to be between $8.7 billion and $9.3 billion.

-- Gross margin: 49 percent, plus or minus a couple of points.

-- Spending (R&D plus MG&A): Between $2.6 billion and $2.7 billion. In addition, the company expects a first-quarter restructuring charge of approximately $50 million.

-- Net gains from equity investments and interest and other: Approximately $130 million.

-- Tax rate: Approximately 30 percent.

-- Depreciation: Between $1.2 billion and $1.3 billion.

2007 Outlook

-- Gross margin: 50 percent, plus or minus a few points.

-- R&D: Approximately $5.4 billion.

-- MG&A: Approximately $5.3 billion.

-- Capital spending: $5.5 billion plus or minus $200 million. The forecast includes significantly higher equipment spending for the ramp of Intel's next-generation 45nm process technology that will be more than offset by savings in a variety of areas.

-- Tax rate: Approximately 30 percent.

-- Depreciation: $4.8 billion plus or minus $100 million.

The above statements and any others in this document that refer to plans and expectations for the first 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. 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 components from 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; 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, the level of revenue and profits and impairments of long-lived assets.

- Intel is in the midst of a structure and efficiency program 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 Sept. 30.

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 March 2 until publication of the company's first-quarter 2007 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. PST today on its Investor Relations Web site at www.intc.com, with a replay available until Jan. 30.

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		Twelve Months Ended	
	Dec. 30, 2006	Dec. 31, 2005	Dec. 30, 2006	Dec. 31, 2005
NET REVENUE	$9,694	$10,201	$35,382	$38,826
Cost of sales	4,884	3,901	17,164	15,777
GROSS MARGIN	4,810	6,300	18,218	23,049
Research and development	1,426	1,362	5,873	5,145
Marketing, general and administrative	1,434	1,606	6,096	5,688
Restructuring and asset impairment	457	-	555	-
Amortization of acquisition-related intangibles and costs	5	23	42	126
OPERATING EXPENSES	3,322	2,991	12,566	10,959
OPERATING INCOME	1,488	3,309	5,652	12,090
Gains (losses) on equity securities, net	7	(25)	214	(45)
Interest and other, net	632	178	1,202	565
INCOME BEFORE TAXES	2,127	3,462	7,068	12,610
Income taxes	626	1,009	2,024	3,946
NET INCOME	$1,501	$2,453	$5,044	$8,664
BASIC EARNINGS PER SHARE	$0.26	$0.41	$0.87	$1.42
DILUTED EARNINGS PER SHARE	$0.26	$0.40	$0.86	$1.40
COMMON SHARES OUTSTANDING	5,764	6,008	5,797	6,106

COMMON SHARES ASSUMING DILUTION	5,867	6,081	5,880	6,178

INTEL CORPORATION
CONSOLIDATED SUMMARY BALANCE SHEET DATA
(In millions)

	Dec. 30, 2006	Sept. 30, 2006	Dec. 31, 2005
CURRENT ASSETS			
Cash and short-term investments	$8,868	$7,123	$11,314
Trading assets	1,134	1,096	1,458
Accounts receivable	2,709	3,358	3,914
Inventories:			
Raw materials	608	535	409
Work in process	2,044	2,265	1,662
Finished goods	1,662	1,677	1,055
	4,314	4,477	3,126
Deferred taxes and other current assets	1,255	1,550	1,382
TOTAL CURRENT ASSETS	18,280	17,604	21,194
Property, plant and equipment, net	17,602	18,038	17,111
Marketable strategic equity securities	398	388	537
Other long-term investments	4,023	3,085	4,135
Goodwill	3,861	3,861	3,873
Other long-term assets	4,204	3,879	1,464
TOTAL ASSETS	$48,368	$46,855	$48,314
CURRENT LIABILITIES			
Short-term debt	$180	$196	$313
Accounts payable and accrued liabilities	5,938	6,880	6,329
Deferred income on shipments to distributors	599	603	632
Income taxes payable	1,797	1,378	1,960
TOTAL CURRENT LIABILITIES	8,514	9,057	9,234
Long-term debt	1,848	2,060	2,106
Deferred tax liabilities	265	375	703
Other long-term liabilities	989	346	89
Stockholders' equity	36,752	35,017	36,182
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$48,368	$46,855	$48,314

INTEL CORPORATION
SUPPLEMENTAL FINANCIAL AND OTHER INFORMATION
(In millions)

	Q4 2006	Q3 2006	Q4 2005
GEOGRAPHIC REVENUE:			
Asia-Pacific	$4,855	$4,314	$5,132
	50%	49%	50%
Americas	$2,003	$1,891	$1,836
	21%	22%	18%
Europe	$1,900	$1,611	$2,288
	19%	18%	23%
Japan	$936	$923	$945
	10%	11%	9%
CASH INVESTMENTS:			
Cash and short-term investments	$8,868	$7,123	$11,314
Trading assets - fixed income (1)	684	677	1,095
Total cash investments	$9,552	$7,800	$12,409

STRATEGIC EQUITY INVESTMENTS			
Marketable strategic equity securities	$398	$388	$537
Other strategic investments	2,794	2,593	598
Total strategic equity investments	$3,192	$2,981	$1,135
TRADING ASSETS:			
Trading assets - equity securities offsetting deferred compensation (2)	$450	$419	$363
Total trading assets - sum of 1+2	$1,134	$1,096	$1,458
SELECTED CASH FLOW INFORMATION:			
Depreciation	$1,166	$1,193	$1,050
Share-based compensation	$334	$335	-
Amortization of intangibles and other acquisition-related costs	$61	$63	$58
Capital spending	($1,103)	($1,167)	($1,359)
Stock repurchase program	($150)	($500)	($3,137)
Proceeds from sales of shares to employees, tax benefit & other	$291	$281	$144
Dividends paid	($576)	($577)	($482)
Net cash received(used) for divestitures/acquisitions	$600	$152	($88)
EARNINGS PER SHARE INFORMATION:			
Average common shares outstanding	5,764	5,769	6,008
Dilutive effect of employee equity incentive plans	52	12	64
Dilutive effect of convertible debt	51	51	9
Common shares assuming dilution	5,867	5,832	6,081
STOCK BUYBACK:			
Shares repurchased	7.2	26.6	118.0
Cumulative shares repurchased	2,831.5	2,824.3	2,604.9
Remaining dollars authorized for buyback (in billions)	$17.3	$17.4	N/A
OTHER INFORMATION:			
Employees (in thousands)	94.1	99.9	99.9

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

	Three Months Ended		Twelve Months Ended	
OPERATING SEGMENT INFORMATION:	Q4 2006	Q4 2005	Q4 2006	Q4 2005
Digital Enterprise Group				
Microprocessor revenue	3,855	4,929	14,606	19,412
Chipset, motherboard and other revenue	1,307	1,476	5,270	5,725
Net revenue	5,162	6,405	19,876	25,137
Operating income	1,105	2,448	4,267	9,020
Mobility Group				
Microprocessor revenue	2,668	2,400	9,212	8,704
Chipset and other revenue	925	705	3,097	2,427
Net revenue	3,593	3,105	12,309	11,131
Operating income	1,630	1,548	4,993	5,334
Flash Memory Group				
Net revenue	576	600	2,163	2,278
Operating loss	(186)	(12)	(555)	(154)
All Other				
Net revenue	363	91	1,034	280
Operating loss	(1,061)	(675)	(3,053)	(2,110)
Total				
Net revenue	9,694	10,201	35,382	38,826
Operating income	1,488	3,309	5,652	12,090

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 company reports the financial results of the following operating segments:

-- Digital Enterprise Group - includes microprocessors and related chipsets and motherboards designed for the desktop and enterprise computing market segments; communications infrastructure components such as network processors, communications boards, and embedded processors; wired connectivity devices; and products for network and server storage.

-- Mobility Group - includes microprocessors and related chipsets designed for the notebook computing market segment; and wireless connectivity products. The operating results associated with the divested assets of the communications and application processor business were included in the Mobility Group operating segment through the date of the divestiture.

-- Flash Memory Group - 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 memory cards and digital audio players.

The Flash Memory Group, Digital Home Group, Digital Health Group and Channel Platforms Group operating segments do not meet the quantitative thresholds for reportable segments as defined by SFAS No. 131. However, the Flash Memory Group is reported separately, as management believes that this information is useful to the reader. The Digital Home Group, Digital Health Group and Channel Platforms Group operating segments are included within the "all other" category.

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 above. Revenue for the "all other" category primarily relates to microprocessors and related chipsets sold by the Digital Home Group. 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; results of operations of seed businesses that support the company's initiatives; acquisition-related costs, including amortization and any impairment of acquisition-related intangibles and goodwill; charges for purchased in-process research and development; share-based compensation charges; restructuring charges; and asset impairment charges.

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. 123R, "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 January 16, 2007 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

	Dec. 30, 2006	Sept. 30, 2006	Dec. 31, 2005
GAAP SPENDING	$2,860	$2,814	$2,968
Adjustment for share-based compensation	(240)	(232)	-
SPENDING EXCLUDING SHARE-BASED COMPENSATION(3)	$2,620	$2,582	$2,968
GAAP OPERATING INCOME	$1,488	$1,374	$3,309
Adjustment for share-based compensation within:			
Cost of sales	94	103	-
Research and development	119	107	-
Marketing, general and administrative	121	125	-
OPERATING INCOME EXCLUDING SHARE-BASED COMPENSATION(3)	$1,822	$1,709	$3,309
GAAP NET INCOME	$1,501	$1,301	$2,453
Adjustment for share-based compensation within:			
Cost of sales	94	103	-
Research and development	119	107	-
Marketing, general and administrative	121	125	-
Income taxes	(98)	(87)	-
NET INCOME EXCLUDING SHARE-BASED COMPENSATION(3)	$1,737	$1,549	$2,453
GAAP DILUTED EARNINGS PER SHARE	$0.26	$0.22	$0.40
Adjustment for share-based compensation	0.04	0.05	-
DILUTED EARNINGS PER SHARE EXCLUDING SHARE-BASED COMPENSATION(3)	$0.30	$0.27	$0.40
GAAP COMMON SHARES ASSUMING DILUTION	5,867	5,832	6,081
Adjustment for share-based compensation	(6)	12	-
COMMON SHARES ASSUMING DILUTION EXCLUDING SHARE-BASED COMPENSATION(3)	5,861	5,844	6,081
GAAP GROSS MARGIN PERCENTAGE	49.6%	49.1%	61.8%
Adjustment for share-based compensation	1.0%	1.2%	-
GROSS MARGIN PERCENTAGE EXCLUDING SHARE-BASED COMPENSATION(3)	50.6%	50.3%	61.8%

(3) See Item 2.02 in the Form 8-K dated January 16, 2007 that Intel has filed with the Securities and Exchange Commission.

SUPPLEMENTAL SHARE-BASED COMPENSATION OUTLOOK

	Q1 2007 Forecast	2007 Full Year Forecast
Gross margin impact	Approximately 1%	Approximately 1%
Research and development impact	Approximately $100M	Approximately $350M
Marketing, general and administrative impact	Approximately $100M	Approximately $400M