

INTEL CORP
Form 10-Q
April 25, 2014

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
For the quarterly period ended March 29, 2014.

Or
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
For the transition period from _____ to _____

Commission File Number 000-06217

INTEL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

94-1672743

(I.R.S. Employer Identification No.)

2200 Mission College Boulevard, Santa Clara, California

(Address of principal executive offices)

(408) 765-8080

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Shares outstanding of the Registrant's common stock:

Class

Common stock, \$0.001 par value

Outstanding as of April 18, 2014

4,978 million

PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INTEL CORPORATION

CONSOLIDATED CONDENSED STATEMENTS OF INCOME (Unaudited)

(In Millions, Except Per Share Amounts)	Three Months Ended	
	Mar 29, 2014	Mar 30, 2013
Net revenue	\$12,764	\$12,580
Cost of sales	5,151	5,514
Gross margin	7,613	7,066
Research and development	2,846	2,527
Marketing, general and administrative	2,047	1,947
Restructuring and asset impairment charges	137	—
Amortization of acquisition-related intangibles	73	73
Operating expenses	5,103	4,547
Operating income	2,510	2,519
Gains (losses) on equity investments, net	48	(26)
Interest and other, net	112	(50)
Income before taxes	2,670	2,443
Provision for taxes	740	398
Net income	\$1,930	\$2,045
Basic earnings per common share	\$0.39	\$0.41
Diluted earnings per common share	\$0.38	\$0.40
Cash dividends declared per common share	\$0.45	\$0.45
Weighted average common shares outstanding:		
Basic	4,974	4,948
Diluted	5,117	5,080
See accompanying notes.		

INTEL CORPORATION

CONSOLIDATED CONDENSED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)

(In Millions)	Three Months Ended		
	Mar 29, 2014	Mar 30, 2013	
Net income	\$1,930	\$2,045	
Other comprehensive income, net of tax:			
Change in net unrealized holding gains (losses) on available-for-sale investments	(77) 173	
Change in net deferred tax asset valuation allowance	(2) —	
Change in net unrealized holding gains (losses) on derivatives	14	(156)
Change in net prior service costs	(42) 1	
Change in actuarial valuation	(2) 34	
Change in net foreign currency translation adjustment	22	(63)
Other comprehensive income (loss)	(87) (11)
Total comprehensive income	\$1,843	\$2,034	
See accompanying notes.			

INTEL CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS (Unaudited)

(In Millions)	Mar 29, 2014	Dec 28, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$4,777	\$5,674
Short-term investments	5,234	5,972
Trading assets	9,035	8,441
Accounts receivable, net	3,505	3,582
Inventories	3,763	4,172
Deferred tax assets	2,507	2,594
Other current assets	1,733	1,649
Total current assets	30,554	32,084
Property, plant and equipment, net of accumulated depreciation of \$42,791 (\$41,988 as of December 28, 2013)	32,502	31,428
Marketable equity securities	6,085	6,221
Other long-term investments	1,765	1,473
Goodwill	10,617	10,513
Identified intangible assets, net	4,963	5,150
Other long-term assets	5,446	5,489
Total assets	\$91,932	\$92,358
Liabilities and stockholders' equity		
Current liabilities:		
Short-term debt	\$36	\$281
Accounts payable	3,010	2,969
Accrued compensation and benefits	1,979	3,123
Accrued advertising	1,019	1,021
Deferred income	2,171	2,096
Other accrued liabilities	5,337	4,078
Total current liabilities	13,552	13,568
Long-term debt	13,172	13,165
Long-term deferred tax liabilities		