

INTEL CORP
Form 8-K
October 14, 2009

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 (Date of earliest event reported): October 13, 2009

INTEL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

000-06217

(Commission File Number)

94-1672743

(IRS Employer Identification No.)

2200 Mission College Blvd., Santa Clara, California 95054-1549

(Address of principal executive offices) (Zip Code)

(408) 765-8080

(Registrant's telephone number, including area code)

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

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

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

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

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

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o 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 and commentary by Stacy J. Smith, Vice President and Chief Financial Officer of Intel Corporation, regarding results of the quarter ended September 26, 2009 and forward-looking statements relating to 2009 and the fourth quarter of 2009, as posted on the company's investor website, intc.com on October 13, 2009. 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 commentary contains non-GAAP financial measures that exclude the charge incurred in the second quarter of 2009 as a result of the European Commission (EC) fine in the amount of 1.06 billion, or about \$1.45 billion. In the earnings release, the expense associated with the fine is presented separately within operating expenses for the nine-months ended September 26, 2009. 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.

Management uses operating income, net income and EPS, excluding the EC fine, to conduct and evaluate results of the business, as we believe that analyzing the trends of the underlying business is aided by the removal of the EC fine due to the significant impact it has on comparability. Specifically, in period to period comparisons in our budget and planning process, and with respect to our analysis of actual results, management disregards the EC fine.

The economic substance behind management's decision to use such non-GAAP measures is that the charge in all cases substantially decreases operating income, net income, and earnings per share for the second quarter of 2009. The period to period changes do not reflect and do not provide meaningful comparative information regarding typical operating expenses such as compensation and benefits, depreciation, etc. The EC fine was not an expense that was expected, budgeted or planned for. Management believes the non-GAAP financial measures are appropriate for both its own assessment of, and to show the reader, how our performance compares to other periods. The table below shows the significant effect the EC fine has on comparability of these measures.

(in millions)	Operating Income (Loss)		Net Income (Loss)		Earnings (Loss) per Common Share	
	Q2 2009	Q3 2009	Q2 2009	Q3 2009	Q2 2009	Q3 2009
GAAP	\$ (12)	\$ 2,579	\$ (398)	\$ 1,856	(\$ 0.07)	\$ 0.33
Non-GAAP	\$ 1,435	\$ 2,579	\$ 1,049	\$ 1,856	\$ 0.18	\$ 0.33

A material limitation associated with the use of these measures as compared to the related GAAP measures is that operating income, net income, and EPS excluding the EC fine do not include all of the costs which are required to be recognized by GAAP, and thus if viewed in isolation may provide less overall understanding of how the EC fine affects the company's financial results. Management compensates for these limitations by continuing to provide operating income, net income and earnings per common share on a GAAP basis, as prominently as the related non-GAAP measure, to ensure that readers understand the amount of the charges and our GAAP results.

The company discloses this non-GAAP information to the public to enable investors who wish 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 current period results.

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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)

/s/ Cary I. Klafter
Cary I. Klafter

Date: October 14, 2009

Corporate Secretary