

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

	Three Months Ended		
	July 1, 2006	April 1, 2006	July 2, 2005
GAAP SPENDING	\$ 3,089	\$ 3,206	\$ 2,518
Adjustment for share-based compensation	(266)	(288)	-
SPENDING EXCLUDING SHARE-BASED COMPENSATION*	\$ 2,823	\$ 2,918	\$ 2,518
GAAP OPERATING INCOME	\$ 1,072	\$ 1,718	\$ 2,649
Adjustment for share-based compensation within:			
Cost of sales	66	86	-
Research and development	126	135	-
Marketing, general and administrative	140	153	-
OPERATING INCOME EXCLUDING SHARE-BASED COMPENSATION*	\$ 1,404	\$ 2,092	\$ 2,649
GAAP NET INCOME	\$ 885	\$ 1,357	\$ 2,038
Adjustment for share-based compensation within:			
Cost of sales	66	86	-
Research and development	126	135	-
Marketing, general and administrative	140	153	-
Income taxes	(93)	(110)	-
NET INCOME EXCLUDING SHARE-BASED COMPENSATION*	\$ 1,124	\$ 1,621	\$ 2,038
GAAP DILUTED EARNINGS PER SHARE	\$ 0.15	\$ 0.23	\$ 0.33
Adjustment for share-based compensation	0.04	0.04	-
DILUTED EARNINGS PER SHARE EXCLUDING SHARE-BASED COMPENSATION*	\$ 0.19	\$ 0.27	\$ 0.33
GAAP COMMON SHARES ASSUMING DILUTION	5,868	5,954	6,215
Adjustment for share-based compensation	8	(17)	-
COMMON SHARES ASSUMING DILUTION EXCLUDING SHARE-BASED COMPENSATION*	5,876	5,937	6,215
GAAP GROSS MARGIN PERCENTAGE	52.1%	55.3%	56.4%
Adjustment for share-based compensation	0.8%	1.0%	-
GROSS MARGIN PERCENTAGE EXCLUDING SHARE-BASED COMPENSATION*	52.9%	56.3%	56.4%

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

	Six Months Ended	
	July 1, 2006	July 2, 2005
GAAP SPENDING	\$ 6,295	\$ 5,046
Adjustment for share-based compensation	(554)	-
SPENDING EXCLUDING SHARE-BASED COMPENSATION*	\$ 5,741	\$ 5,046
GAAP OPERATING INCOME	\$ 2,790	\$ 5,681
Adjustment for share-based compensation within:		
Cost of sales	152	-
Research and development	261	-
Marketing, general and administrative	293	-
OPERATING INCOME EXCLUDING SHARE-BASED COMPENSATION*	\$ 3,496	\$ 5,681
GAAP NET INCOME	\$ 2,242	\$ 4,216
Adjustment for share-based compensation within:		
Cost of sales	152	-
Research and development	261	-
Marketing, general and administrative	293	-
Income taxes	(203)	-
NET INCOME EXCLUDING SHARE-BASED COMPENSATION*	\$ 2,745	\$ 4,216
GAAP DILUTED EARNINGS PER SHARE	\$ 0.38	\$ 0.68
Adjustment for share-based compensation	0.08	-
DILUTED EARNINGS PER SHARE EXCLUDING SHARE-BASED COMPENSATION*	\$ 0.46	\$ 0.68
GAAP COMMON SHARES ASSUMING DILUTION	5,911	6,244
Adjustment for share-based compensation	(4)	-
COMMON SHARES ASSUMING DILUTION EXCLUDING SHARE-BASED COMPENSATION*	5,907	6,244
GAAP GROSS MARGIN PERCENTAGE	53.8%	57.9%
Adjustment for share-based compensation	0.9%	-
GROSS MARGIN PERCENTAGE EXCLUDING SHARE-BASED COMPENSATION*	54.7%	57.9%