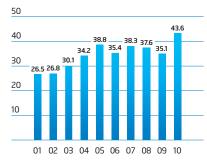


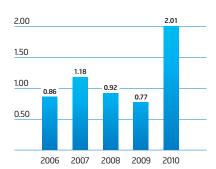
## **Financial Results**



#### Net Revenue Dollars in billions

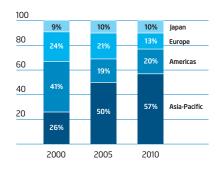


## **Diluted Earnings Per Share**

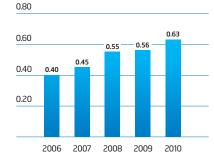


### Geographic Breakdown of Revenue

Percent

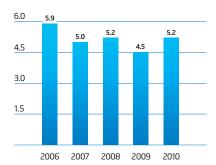


### Dividends Per Share Paid



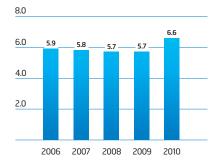
### Capital Additions to Property, Plant and Equipment

Dollars in billions



### Research and Development

Dollars in billions



The "visibly smart" 2nd generation Intel® Core® processor family features built-in graphics that enable a richer, higher performance computing experience while efficiently managing power use for longer battery life.

"2010 was a year for the record books. Our revenue, operating profit, net income, and gross margin were all the highest in Intel's history. Growth opportunities, our strong product lineup, and our industry lead in manufacturing process technology give me confidence that 2011 will be even better."

Paul S. Otellini, President and Chief Executive Officer

Past performance does not guarantee future results. This Annual Report to Stockholders contains forward-looking statements, and actual results could differ materially. Risk factors that could cause actual results to differ are set forth in the "Risk Factors" section and throughout our 2010 Form 10-K, which is included in this Annual Report.

## Letter From Your CEO



Intel reported its best financial results ever in 2010. Broad-based demand for our products across all regions and market segments continued in 2010, contributing to revenue of \$43.6 billion, up 24% compared to 2009. Operating income for 2010 rose to \$15.6 billion, net income to

\$11.5 billion, and earnings per share to \$2.01. Our continued focus on factory reuse and efficiency drove costs down again in 2010, helping to increase our gross margin to a record 65%. These results reflect charges recorded in the fourth quarter of 2010 to repair and replace materials and systems impacted by a design issue related to the Intel® 6 Series Express Chipset family. We implemented a silicon fix for the affected product in early 2011.

### PC and server businesses are strong

2010 marked the first year in which more than 1 million PCs were sold per day, and for the year the PC segment grew approximately 17% worldwide. Part of that growth is driven by the increasingly "personal" nature of PCs, which is causing a shift from one PC per household to one or more PCs per person in many mature markets. PC growth also continues at a strong pace in most emerging markets.

Traffic crossing the Internet in 2010 was greater than in all previous years combined. As millions more people join the global online community, demand for high-performance servers continues to increase. In 2010, we delivered Intel® Xeon® processors and Intel® Itanium® processors that give servers significantly higher performance as well as new reliability and security features, helping to boost our Data Center Group revenue 35% over 2009.

### **Delivering complete solutions**

The computing landscape is changing. New categories of compute devices such as smartphones, smart TVs, tablets, in-vehicle systems, and more are connecting to the Internet and becoming more intelligent. Intel is aggressively pursuing opportunities to expand our business in these new device categories with the Intel® Atom™ processor family. We closed 2010 with 1,700 design wins for embedded Intel Atom processors and over 4,900 total design engagements in the embedded market segment. We shipped our 80 millionth Intel Atom processor into the netbook market segment, and our products are being designed into more than 35 tablets, many of which are expected to launch in 2011. In 2010, we also introduced nine products for the smart TV market segment, for televisions, Blu-ray\* players, and set-top boxes.

We are transforming from a company with a primary focus on the design and manufacture of semiconductor chips for PCs and servers to a computing company that delivers complete solutions in the form of hardware and software platforms and supporting services. We are also strengthening Intel's ability to innovate across what we believe are the three critical pillars for all computing going forward: energy-efficient performance, connectivity, and security.

### **Energy-efficient performance**

Our new 2nd generation Intel® Core™ processors represent the largest increase in computing performance and capabilities over any previous

generation in our history. These "visibly smart" processors incorporate built-in graphics that enhance HD video, 3-D gaming, multitasking, videoconferencing, social networking, and multimedia performance, yet also offer better overall power management and battery life.

Our continuing leadership in silicon manufacturing process technology enables us to build processors with increased energy-efficient performance at low cost. We have been shipping products built using 32-nanometer (nm) process technology since 2009, and as of yearend 2010 our competition had not shipped any. We expect to start volume production on 22nm process technology in 2011.

### Connectivity

We are working to take full advantage of the growth potential in every connected computing segment. In January 2011, we completed the acquisition of Infineon's Wireless Solutions business, which we believe will enable us to offer a portfolio of products that cover a broad range of wireless options, from WiFi and 3G to WiMAX and 4G LTE. In 2010, we also acquired Texas Instruments' cable modem product line, a move that we believe will allow us to bring the Internet and advanced services to cable television—further enabling our vision of smart TV.

### Security

More effective security approaches are needed to protect the growing number of connected devices against increasingly sophisticated viruses and malicious attacks. In 2010, as part of our effort to improve security across the range of computing devices, we announced plans to acquire McAfee, the world's largest dedicated security technology company. We believe that the combination of hardware- and software-based security that will result from the acquisition will help us protect consumers, corporations, and governments before attacks occur.

### Excellence in citizenship

At Intel, we don't separate corporate responsibility from our business; it's part of our overall global strategy. We continue to positively impact people's lives through our technology, environmental stewardship, and ongoing commitment to transform education around the world.

For the third consecutive year, Intel was the largest voluntary purchaser of green power in the U.S., according to the U.S. Environmental Protection Agency, and our new Intel Israel Design Center earned Leadership in Energy and Environmental Design (LEED) Gold Certification for sustainable construction. Intel was included on the Dow Jones Sustainability Indexes for the 12th year in a row, and received the Chairman's Award from the Committee Encouraging Corporate Philanthropy for Intel® Teach, our educator development program.

I am honored to work with the men and women of Intel. They regularly deliver groundbreaking technologies, and over the last three years have contributed more than 3 million hours of volunteer service around the world. Intel employees truly make amazing things happen.

Paul S. Otelline

Paul S. Otellini, President and Chief Executive Officer

## 2010 Highlights



# 22-nanometer manufacturing technology ramps up.

In 2009, we began shipping products built using 32nm process technology, and by year-end 2010, none of our competitors had shipped any. We expect to start volume production with 22nm process technology in 2011. Each generation can enable processors with improved performance and energy efficiency.



## Over 1 million PCs sold worldwide per day.

PC shipments grew by double-digit percentages in 2010, but computing is no longer confined to computers. Thousands of other devices powered by Intel\* technology—in cars, homes, hospitals, offices, and factories—are also improving how we work, live, and play.



## More than \$1 billion invested in education in the last decade.

Intel collaborates with governments, technology companies, NGOs, and other organizations to help transform education. We support education and entrepreneurship programs in over 70 countries to enable young people to acquire the skills they need to succeed in today's innovation economy.

## Letter From Your Chairman



Part of the role of the Intel Board of Directors is to help balance how Intel uses the cash that the company generates to maximize stockholder value. Ways that Intel increases stockholder value include periodically repurchasing its own stock in the open market, and returning cash in the

form of dividends. In 2010, Intel repurchased 70 million shares of common stock for \$1.5 billion, and the total dividend payout was \$3.5 billion, including a 12.5% increase in the quarterly dividend effective the first quarter of 2010. With confidence in Intel's business going forward, the Board voted in November 2010 to increase the quarterly dividend another 15% starting with the first quarter of 2011.

Intel also works to increase stockholder value by investing in acquisitions, capital additions, and research and development to build capabilities. For example, Intel plans to invest between \$6 billion and \$8 billion to deploy its next-generation 22nm manufacturing process across several existing U.S. facilities and to build a new development factory in Oregon. The company also plans to build a new high-volume manufacturing facility in Arizona. Investments such as these help Intel to remain the most advanced semiconductor manufacturer in the world.

In 2010, we enhanced Intel's ongoing commitment to operating at the highest level of integrity by forming a new Compliance Committee at the Board level. Members of this committee help to monitor the highly competitive global environment in which Intel operates, and work to ensure that the company remains in compliance with legal requirements in all geographies where Intel does business.

I continue to take pride in how Intel's education and access programs are increasing opportunities for women and underserved minorities around the world. The annual Intel Science Talent Search (Intel STS) and Intel International Science and Engineering Fair, programs of Society for Science & the Public, provide young people with opportunities to showcase their research and compete for awards and scholarships. The caliber of the projects at these competitions is impressive: The 2010 winner of Intel STS, a young woman from New Mexico, developed a navigation system designed to improve spacecraft travel.

I am also proud of the mentoring and development programs focused on increasing diversity within Intel's workforce, including targeted initiatives addressing gender diversity and underrepresented minorities. For example, since the creation of Intel's Women's Initiative in 2004, the number of women in technical mid- to senior-level Intel jobs has grown by 24%. I am committed to supporting continued progress in these areas in the coming years, including at the Board level.

Over the past year, I have had many opportunities to interact with Intel employees, during the course of business and at annual award events celebrating the extraordinary creativity and high quality of their work. Intel's future is in excellent hands.

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Jane E. Shaw, Chairman of the Board

## Corporate Directory

### **BOARD OF DIRECTORS**

Ambassador Charlene Barshefsky <sup>3 6t</sup>

Senior International Partner Wilmer Cutler Pickering Hale and Dorr LLP A multinational law firm

Susan L. Decker 116 Private investor and advisor

John J. Donahoe 24 President and Chief Executive Officer eBav Inc. A global online marketplace

Reed E. Hundt 136 **Principal** REH Advisors LLC A strategic advice firm

Paul S. Otellini 5 President and Chief Executive Officer

lames D. Plummer 16 John M. Fluke Professor of Electrical Engineering Frederick E. Terman Dean of the School of Engineering Stanford University

David S. Pottruck 2t 5 Chairman and Chief Executive Officer Red Eagle Ventures, Inc.

A San Francisco private eauity firm

Jane E. Shaw 45t Chairman of the Board

Frank D. Yeary 13t 6 Vice Chancellor University of California, Berkeley

David B. Yoffie 24t Max and Doris Starr Professor of International **Business Administration** Harvard Business School

### **FORMER CHIEF EXECUTIVE OFFICERS** AND CHAIRMEN OF THE BOARD

Gordon E. Moore Co-Founder Retired Chief Executive Officer and Chairman of the Board

Andrew S. Grove Senior Advisor

Retired Chief Executive Officer and Chairman of the Board

Craig R. Barrett Retired Chief Executive Officer and Chairman of the Board

Arthur Rock Co-Founder Retired Chairman of the Board

- <sup>1</sup> Member of Audit Committee
- <sup>2</sup> Member of Compensation Committee
- <sup>3</sup> Member of Compliance
- <sup>4</sup> Member of Corporate Governance and Nominating
- <sup>5</sup> Member of Executive Committee
- <sup>6</sup> Member of Finance Committee
- † Committee Chairman

### **CORPORATE OFFICERS**

Paul S. Otellini President and Chief Executive Officer

Andy D. Bryant Executive Vice President Technology, Manufacturing, and Enterprise Services

Chief Administrative Officer

Sean M. Maloney Executive Vice President General Manager, Intel® Architecture Group

David Perlmutter Executive Vice President General Manager, Intel® Architecture Group

Arvind Sodhani **Executive Vice President** President. Intel Capital

Anand Chandrasekher Senior Vice President General Manager, Ultra-Mobility Group

William M. Holt Senior Vice President General Manager, Technology and Manufacturing Group

Renee J. James Senior Vice President General Manager, Software and Services Group

Thomas M. Kilroy Senior Vice President General Manager, Sales and Marketing Group

Brian M. Krzanich Vice President General Manager, Manufacturing and Supply Chain

A. Douglas Melamed Senior Vice President General Counsel

Patricia Murray Senior Vice President Director, Human Resources

Sohail U. Ahmed Vice President Logic Technology Development

Rani N. Borkar Vice President General Manager, Microprocessor Development Group

Diane M. Bryant Vice President Chief Information Officer

Deborah S. Conrad Vice President General Manager, Corporate Marketing Group

Robert B. Crooke Vice President General Manager, Intel® Atom™ and System on Chip (SoC) Development Group

Leslie S. Culbertson Vice President Director, Finance

Douglas L. Davis Vice President

General Manager, Tablets and Netbooks Group

Shmuel Eden Vice President General Manager, PC Client Group

Douglas W. Fisher Vice President General Manager, Systems Software Division

Ron Friedman Vice President General Manager, Microprocessor and Chipset Development

Erik Adrianus Hubertus Huggers Vice President General Manager, Digital Home Group

Ravi Jacob Vice President Treasurer

**Christian Morales** Vice President General Manager, Europe, Middle East, Africa

Stuart C. Pann Vice President General Manager, Business Management Group

Gregory R. Pearson Vice President General Manager, Worldwide Sales and Operations Group

lustin R. Rattner Vice President Director, Intel Labs Intel Chief Technology Officer

Babak Sabi Vice President Director. Assembly Test and Technology Development

Sunil R. Shenoy Vice President General Manager, Visual and Parallel Computing Group

Kirk B. Skaugen Vice President, Intel® Architecture Group General Manager, Data Center Group

Stacy J. Smith Vice President Chief Financial Officer

Stephen L. Smith Vice President Director, Intel® Architecture **Group Operations** 

Richard G. A. Taylor Vice President Director. Human Resources

Cary I. Klafter Corporate Secretary

### **APPOINTED VICE PRESIDENTS**

### Intel® Architecture Group

lohn D. Barton

General Manager, Platform Validation Engineering

Michel A. Bell Director, Smartphone Products Development

Daniel J. Casaletto Director, Microprocessor Architecture and Performance

Alan Crouch Director, Software Engineering **Bradley D. Daniels** 

Director, System on Chip (SoC) Engineering

Boyd A. Davis General Manager, Data Center Group Marketing

David R. Ditzel Chief Architect, Hybrid Parallel Computing

Ricardo J. Echevarria General Manager, **Business Client Platform Division** 

Gil G. Frostig Director, Low Power Components, Ultra-Mobility Group

Lisa H. Graff General Manager, Enterprise Platforms and Services Division

James A. Johnson General Manager, Visual Computing Group

Thomas R. Macdonald General Manager, Platform Components Group

Rory M. McInerney Director, Microprocessor Development Group

Raviv Melamed General Manager, Mobile Wireless Group

W. Eric Mentzer General Manager, Strategy, Planning, and Operations, Visual and Parallel Computing

Alexander D. Peleg Director, Intel® Architecture Strategic and Platform Planning and Cross Corporate Platform Technology

Rama K. Shukla Director, WiMAX Program Office

Isic Silas Director, PC Client Program Office

Gadi Singer General Manager, System on Chip (SoC) Enabling Group

Ton H. Steenman General Manager, Embedded and Communications Group

Thomas H. Swinford General Manager, LAN Access Division

Sriram Viswanathan General Manager WiMAX Program Office

Shane D. Wall

Director, Strategic Planning, Platform Architecture, and Software, Ultra-Mobility Group

David P. Whalen

Director, Smartphone Products Business Development, Ultra-Mobility Group

Elenora Yoeli

Director, Intel® Atom™ and System on Chip (SoC) Development Group

### Intel Capital

Lisa M. Lambert Managing Director, Software and Services Sector

Keith R. Larson Managing Director, Manufacturing Sector, and Taiwan, Korea, and Latin America Regions

Raheel A. Shah Director, Mergers and Acquisitions

### Intel Labs

Vida Ilderem Director, Integrated Platform Research Lab

Joseph D. Schutz Director, Microprocessor and Programming Research

Wen-Hann Wang Director, Circuits and Systems Research

### Legal and Corporate Affairs

Peter M. Cleveland Director, Global Public Policy

Shelly M. Esque Director, Corporate Affairs Group President, Intel Foundation

Cary I. Klafter Director, Corporate Legal Corporate Secretary

Suzan A. Miller Deputy General Counsel

Steven R. Rodgers Deputy General Counsel

Sales and Marketing Group

Paul Bergevin General Manager, Global Communications Group

Nancy Bhagat Director, Marketing Strategy and Campaigns

Christopher J. (CJ) Bruno President, Intel Americas, Inc.

Gregory M. Bryant Director, Global Accounts - Lenovo

(Sophia) Lee Fang Chew General Manager, Services

Laura G. Crone Director, Global Accounts -Hewlett-Packard

Productivity

Tammy L. Cyphert Director, Global Operations and

Steven J. Dallman

General Manager, Worldwide Reseller Channel Organization

## Corporate Directory (continued)

John E. Davies

General Manager, Intel World Ahead Program

Richard R. Dwyer

General Manager, Worldwide Embedded Sales Group

Gordon G. Graylish

General Manager, **Enterprise Solutions Sales** 

Johan Jervøe

Director, Creative Services and Digital Marketing

Jeffrey P. McCrea

Director,

Consumer Channels Group

Arthur W. Roehm

Director, Global Accounts - Dell

Navin Shenoy

General Manager, Asia-Pacific Region

Robert P. Swinnen

General Manager, Service Provider Group

Xu (lan) Yang

President, Intel China Ltd.

Kazumasa Yoshida President, Intel K.K. (Japan)

Software and Services Group

Elliot D. Garbus

General Manager, Visual Computing Software Division

Kostas A. Katsohirakis

Director

Strategic Business Development

Ionathan Khazam

General Manager, Visual and Parallel Computing Group

William A. Savage

Director, **Developer Products Division** 

Technology, Manufacturing, and **Enterprise Services** 

James G. Campbell

Ronald D. Dickel

Director, Global Tax and Trade

Christina S. Min

Controller, Technology and Manufacturing Group

Corine Perez Controller,

Intel® Architecture Group

R. Kevin Sellers

Director, Investor Relations

Human Resources

Ogden M. Reid Director,

Compensation and Benefits

Ardine Williams

Director, Human Resources **Enterprise Services** 

Information Technology

Patricia N. Perry

General Manager, Customer Capability

Kumud M. Srinivasan

General Manager, Platform **Engineering Capability** 

Kimberly S. Stevenson

General Manager, IT Global Operations and Services

Technology and Manufacturing Group

Mostafa A. Aghazadeh Director, Chandler Assembly

Technology Development

Mohsen Alavi

Director, Product Quality and Reliability

David A. Baglee

Director, NAND Manufacturing and Operations

Pena Bai

Director, Derivative Logic Technology Development

Melton C. Bost

Director, Yield Technology

Nasser Bozorg-Grayeli

Director. Corporate Quality Network

Robert E. Bruck

General Manager, Technology Manufacturing Engineering

Peter Charvat

Director, PTD Patterning and Manufacturing

Maxine Fassberg

Plant Manager, Fab 28 General Manager, Intel Israel

Gulsher S. Grewal

Plant Manager, D1DR Fab

Timothy G. Hendry Plant Manager, Fab 11X

Franklin B. Jones

General Manager, Customer Fulfillment, Planning, and Logistics

Robin A. Martin General Manager,

Assembly Test Manufacturing

Michael C. Mayberry

Director, Components Research

Patricia A. McDonald

Director, Product Health **Enhancement Organization** 

Steven C. Meali

General Manager,

Kaizad R. Mistry

Assembly Test Manufacturing

Director, Logic Technology Integration

John R. Pemberton

Plant Manager, Fab 32/12

Thomas A. Rampone General Manager, NAND Solutions Group

Sunit Rikhi

General Manager, Custom Intel® Architecture Foundry

Ralph A. Schweinfurth Director, Manufacturing and Operations

Eamonn Sinnott

Plant Manager, Fab 24 and Fab 10 General Manager, Intel Ireland

Jacklyn A. Sturm

General Manager, Worldwide Materials

Chi-Hwa Tsang

Director, Thin Films and Chemical Mechanical Polish Technology

Neil R. Tunmore

Director, Corporate Services

Joshua Walden

General Manager, Fab/Sort Manufacturing

Chiang Yuan Yang

Director, Intel Mask Operation

Siva K. Yerramilli General Manager, Design and Technology Solutions

**SENIOR FELLOWS** 

Intel® Architecture Group

Stephen S. Pawlowski General Manager, Central Architecture and Planning

Intel Labs

Justin R. Rattner

Director, Intel Labs Intel Chief Technology Officer

Software and Services Group

Bryant E. Bigbee Director, Systems Software

Technology, Manufacturing, and **Enterprise Services** 

Technology and Manufacturing Group

Mark T. Bohr Director, Process Architecture and Integration

Yan A. Borodovsky

Director, Advanced Lithography

Robert S. Chau

Director, Transistor Research and Nanotechnology

Richard L. Coulson

Director, I/O Architecture

Ian A. Young Director, Advanced Circuits and Technology Integration

**FELLOWS** 

Intel® Architecture Group

Matthew J. Adiletta

Director, Communication Infrastructure and Architecture

Ajay V. Bhatt Chief Client Architect

Fayé A. Briggs Director, Scalable Server Architecture

Douglas M. Carmean Larrabee Chief Architect

John H. Crawford Computer Architect

Eric Dishman Director, Health Innovation

Joel S. Emer

Director,

Microarchitecture Research

Tryggve Fossum

Microarchitecture Development

Glenn J. Hinton

Director,

IA-32 Microarchitecture Development

Karl G. Kempf

Director, Decision Engineering

Rajesh Kumar

Director, Circuit and Low Power Technologies

Wesley D. McCullough

Director, Ingredient Productization and Customer Enabling, Microprocessor Development

Thomas A. Piazza

Director, Graphics Architecture

Shreekant Thakkar

Director, Platform Architecture, Ultra-Mobility Group

**Brendan Traw** 

Chief Technology Officer, Digital Home Group

Ofri Wechsler

Director, Mobility Microprocessor Architecture

Rai Yavatkar Director, System on Chip (SoC) Architecture

Intel Labs

Genevieve Bell Director, Interaction and

Experience Research

Shekhar Y. Borkar

Director,

Microprocessor Technology Lab

Vivek K. De

Circuit Technology Research James P. Held

Tera-Scale Computing Research

Randy Mooney

Director, I/O Research

Mario Paniccia

Photonics Technology Lab

Radia Perlman

Director Network and Security Technology

Gregory F. Taylor Chief Architect,

Integrated Platforms Research Richard A. Uhlig Chief Virtualization Architect

Legal and Corporate Affairs

David B. Papworth

Director, Microprocessor Product Development

Software and Services Group

Boris A. Babayan

Director, Architecture

Shivnandan D. Kaushik

Director, Systems Software

David J. Kuck Director, Parallel and Distributed

Solutions Division

P. Geoffrey Lowney Chief Technology Officer, Developer Products Division

Technology, Manufacturing, and

Enterprise Services Technology and Manufacturing Group

Albert Fazio Director, Memory Technology

Paolo A. Gargini

Director, Technology Strategy

Development

Tahir Ghani Director, Transistor Technology and Integration,

Portland Technology Development Knut S. Grimsrud

Director, Storage Architecture

Chia-Hong Jan Director, System on Chip (SoC) Technology Integration

Kelin J. Kuhn Director, Advanced Device

Technology Jose A. Maiz Director, Logic Technology Quality

and Reliability

Neal R. Mielke Director, Reliability Methods

Paul A. Packman Director, Transistor Technology

Development

Devadas D. Pillai Director, Operational Decision Support Technology

Valluri R. Rao Director, Analytical and Microsystems Technologies

Director,

Vivek K. Singh

Computational Lithography Swaminathan Sivakumar

Director, Lithography Joseph M. Steigerwald Director, Chemical Mechanical

Polish Technology Clair Webb Director, Circuit Technology

Kevin X. Zhang

Director, Advanced Design

## Investor Information

**Investor materials.** Intel's Investor Relations web site contains background on our company and our products, financial information, frequently asked questions, and our online annual report, as well as other useful information. For investor information, including additional copies of our annual report/10-K, 10-Qs, or other financial literature, visit our web site at *www.intc.com* or call Intel at (408) 765-1480 (U.S.); (44) 1793 403 000 (Europe); (852) 2844 4555 (Hong Kong); (81) 298 47 8511 (Japan).

**Intel on NASDAQ.** Intel's common stock trades on The NASDAQ Global Select Market\* under the symbol INTC.

Direct stock purchase plan. Intel's Direct Stock Purchase Plan allows stockholders to reinvest dividends and purchase Intel common stock on a weekly basis. For more information, contact Intel's transfer agent, Computershare Investor Services, LLC, by phone at (800) 298-0146 (U.S. and Canada) or (312) 360-5123 (worldwide), or by e-mail through Computershare's web site at <a href="https://www.computershare.com/contactus">www.computershare.com/contactus</a>.

Transfer agent and registrar. Computershare Investor Services, LLC, 250 Royall Street, Canton, MA 02021 USA. Stockholders may call (800) 298-0146 (U.S. and Canada) or (312) 360-5123 (worldwide), or send e-mail through Computershare's web site at <a href="https://www.computershare.com/contactus">www.computershare.com/contactus</a> with any questions regarding the transfer of ownership of Intel stock.

**Independent registered public accounting firm.** Ernst & Young LLP, San Jose, California, USA.

The Intel® brand. The Intel brand is consistently ranked as one of the

most recognizable and valuable brands in the world. It represents our

commitment to moving technology forward and is the embodiment of

what we make possible for people everywhere. As the world leader in computing innovation, Intel designs and builds the essential technologies that serve as the foundation for the world's computing devices.

Corporate responsibility disclosure. Detailed information on our corporate responsibility and environmental sustainability management systems and performance is published each May and is reviewed with senior management and our Board of Directors. Intel's Corporate Responsibility Report, prepared using the Global Reporting Initiative's G3 Sustainability Reporting Guidelines, details our strategic priorities and performance on a wide variety of environmental, social, and governance factors, including workplace practices, community engagement, and supply chain responsibility initiatives. The report and supporting materials are available at <a href="https://www.intel.com/go/responsibility">www.intel.com/go/responsibility</a>.

Environmental performance. We believe that technology is fundamental to finding solutions to the world's environmental challenges. Intel is a recognized leader in sustainability for the ways we work to minimize the environmental impacts of our operations and design products that are more energy efficient over time. In 2010, for the third year in a row, Intel was the largest voluntary purchaser of green power according to the U.S. Environmental Protection Agency (EPA), and we announced plans for a third party to construct and operate eight solar installations at our facilities in the U.S. We also adopted a new water policy for the

company, to reinforce our commitment to conservation and responsible management. As part of our effort to further integrate sustainability into the culture at Intel, we continued to include an environmental component in the formula used to determine the payout for employee variable compensation, and through the Intel Environmental Excellence Awards (now in their 11th year) we recognized our employees around the world for their projects to reduce environmental impact. We also continued to collaborate with others to drive global standards for products and manufacturing that ensure energy-efficient performance. Complete information is available at <a href="https://www.intel.com/go/environment">www.intel.com/go/environment</a>.

Education initiatives. Intel believes that students everywhere deserve the skills needed to succeed in a knowledge-based economy. As part of our efforts to improve teaching and learning through the effective use of technology, and advance math, science, and engineering education, Intel and the Intel Foundation invest approximately \$100 million annually in programs around the world—from professional development for teachers to premier science and engineering fairs. In 2010, we surpassed the milestone of training over 9 million teachers in more than 60 countries through the Intel® Teach Program, founded in 1999. Complete information is available at <a href="https://www.intel.com/go/educate">www.intel.com/go/educate</a>.

The Intel World Ahead Program extends Intel's efforts to advance progress in accessibility, connectivity, content, and education in the world's developing communities, with a focus on advancing knowledge and skills development, job growth, and quality of life. Our goals also include developing PCs tailored to local needs, driving critical connectivity, cultivating sustainable local capabilities, and providing the education needed to make a difference in people's lives. Complete information is available at www.intel.com/go/worldahead. Governance and ethics. Intel is committed to the highest standards of business ethics and corporate governance. Intel is a member of the United Nations Global Compact and has in place Human Rights Principles to reinforce our commitment to corporate citizenship. We are also committed to promoting effective governance and responsibility in our supply chain, and working collaboratively with others in our industry through the Electronic Industry Citizenship Coalition. Our Corporate Governance Guidelines, Code of Conduct, Statement on Conflict Minerals, and other related policies are available at www.intel.com/go/governance. Awards and recognitions. Each year, Intel receives awards and accolades from around the world for our business practices and work in education, environmental sustainability, the community, and overall corporate citizenship. In 2010, Fortune featured Intel in its "World's Most Admired Companies" and "100 Best Companies to Work For" lists. Intel again placed in the top five in Newsweek's ranking of the 500 greenest companies in the U.S., received its third Green Power Leadership Award from the EPA, and was named to the Dow Jones Sustainability Indexes for the 12th year in a row. Intel also received the 2010 Corporate Engagement Award from the Points of Light Institute for our employees' outstanding commitment to their communities. Information on additional awards is available at www.intel.com/go/awards.

