



INVESTOR MEETING 2014

SANTA CLARA NOVEMBER 20



INVESTOR MEETING 2014

Stacy Smith

Executive Vice President
Chief Financial Officer

Industry Definitions

MOORE'S LAW: The observation that, over the history of computing hardware, the number of transistors in a dense integrated circuit doubles approximately every two years.

METCALFE'S LAW: States that the value of a telecommunications network is proportional to the square of the number of connected users of the system (n^2).

SIMPSON'S PARADOX: A paradox in probability and statistics, in which a trend that appears in different groups of data disappears when these groups are combined.

JEVON'S PARADOX: The proposition that as technology progresses, the increase in efficiency with which a resource is used tends to increase (rather than decrease) the rate of consumption of that resource.

STACY'S SHROUD: The art of using poetry to hide deep insight in plain sight. A more creative form than the Greenspan Garble.

2014 Investor Meeting

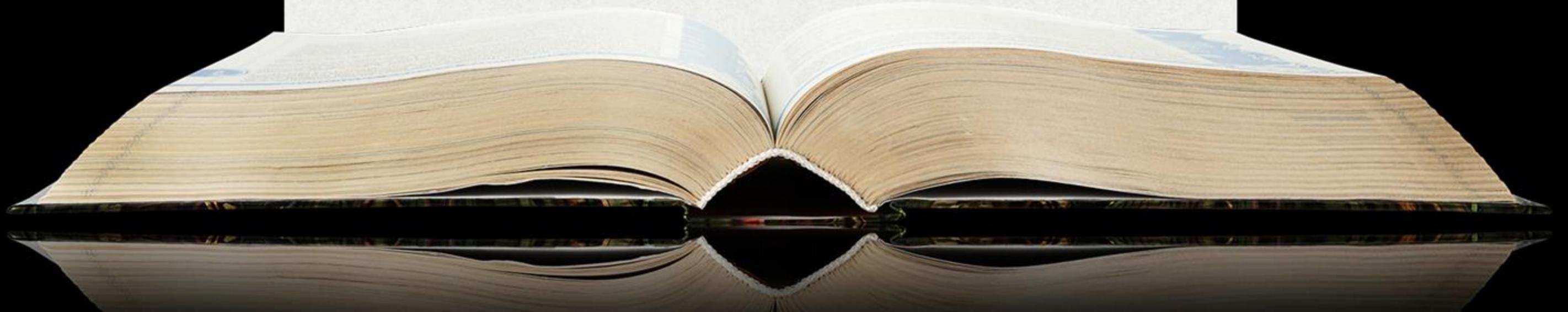
Haiku

Cloud forms, data shines
Transistor density sprouts
Client growth blossoms



STACY'S SHROUD: *[stey-sees shroud]*

1. The number of haiku's double every
Investor Meeting
2. The second haiku is the one that is
likely to get you in trouble with the boss



2014 Investor Meeting
Haiku

Big Drones, cool robots
Intelligence on the edge
BK Spawns Skynet



Key Messages

Return to growth in 2014

IP and Manufacturing leadership are increasingly valuable advantages

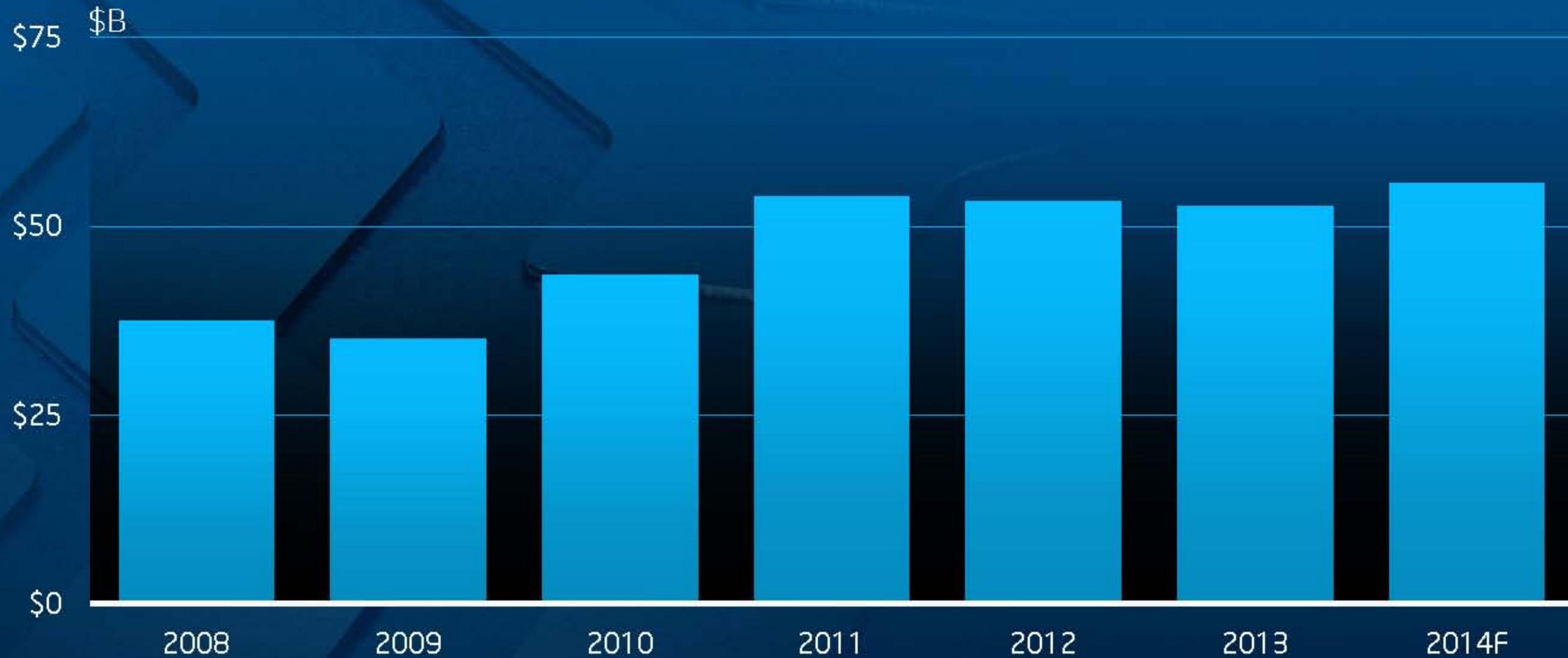
Exquisitely positioned to benefit from cloud and big data

We are investing in our business and returning cash to shareholders

2014 Outlook: Financial Growth

Full Year Revenue at \$55.8B	Up 6% from 2013
Full Year Gross Margin at 63%	Up ~3 pts from 2013
YTD Operating Profit at \$10.9B	Up 25% from 2013
YTD EPS at \$1.58	Up 15% from 2013

Intel Revenue



*The 2014 forecast is based on Q1-Q3'14 actuals plus the midpoint of the Q4'14 forecast.
Forecast range is based on current expectations and is subject to change without notice.
Source: Intel

Our Competitive Advantage 1: IP

Key Segments of Our Business

Our Competitive Advantage 2: Manufacturing

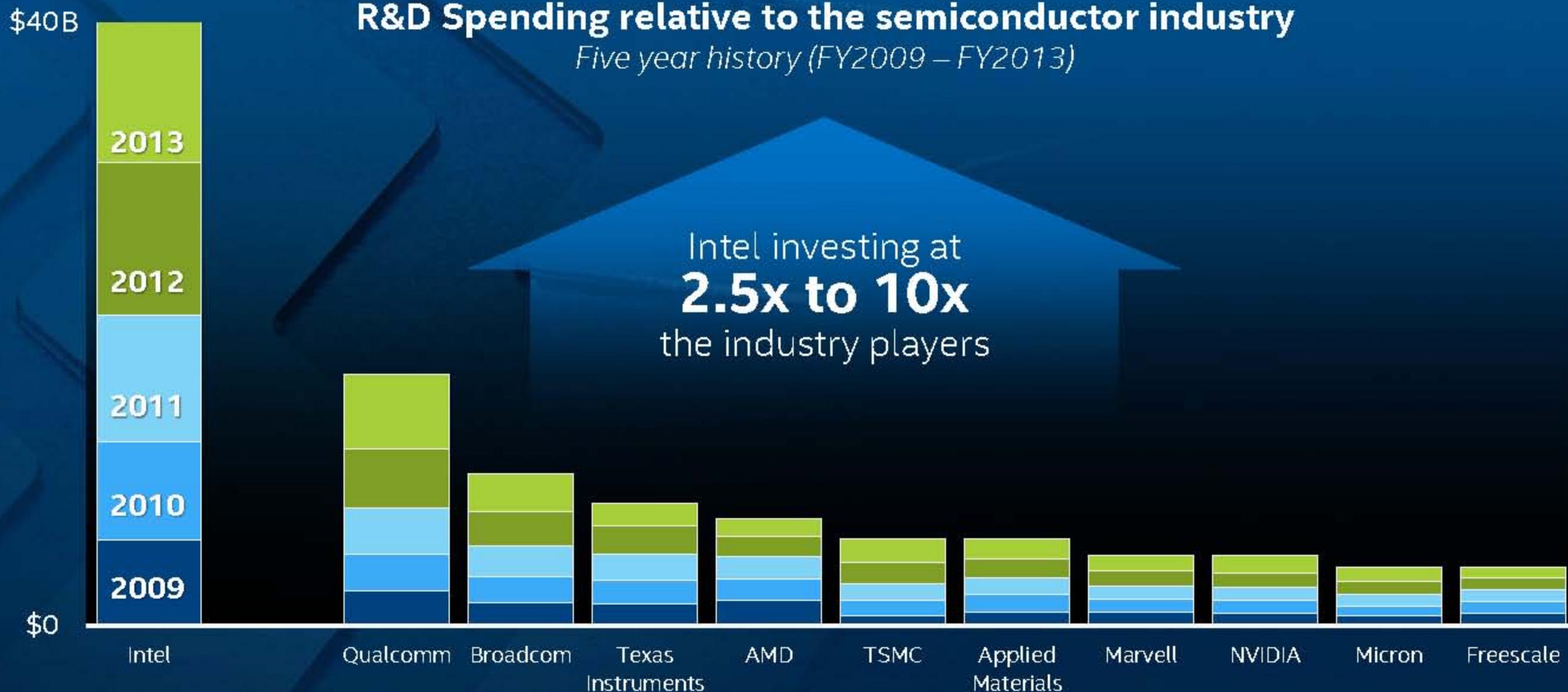
Cash and Shareholder Return

R&D Scale

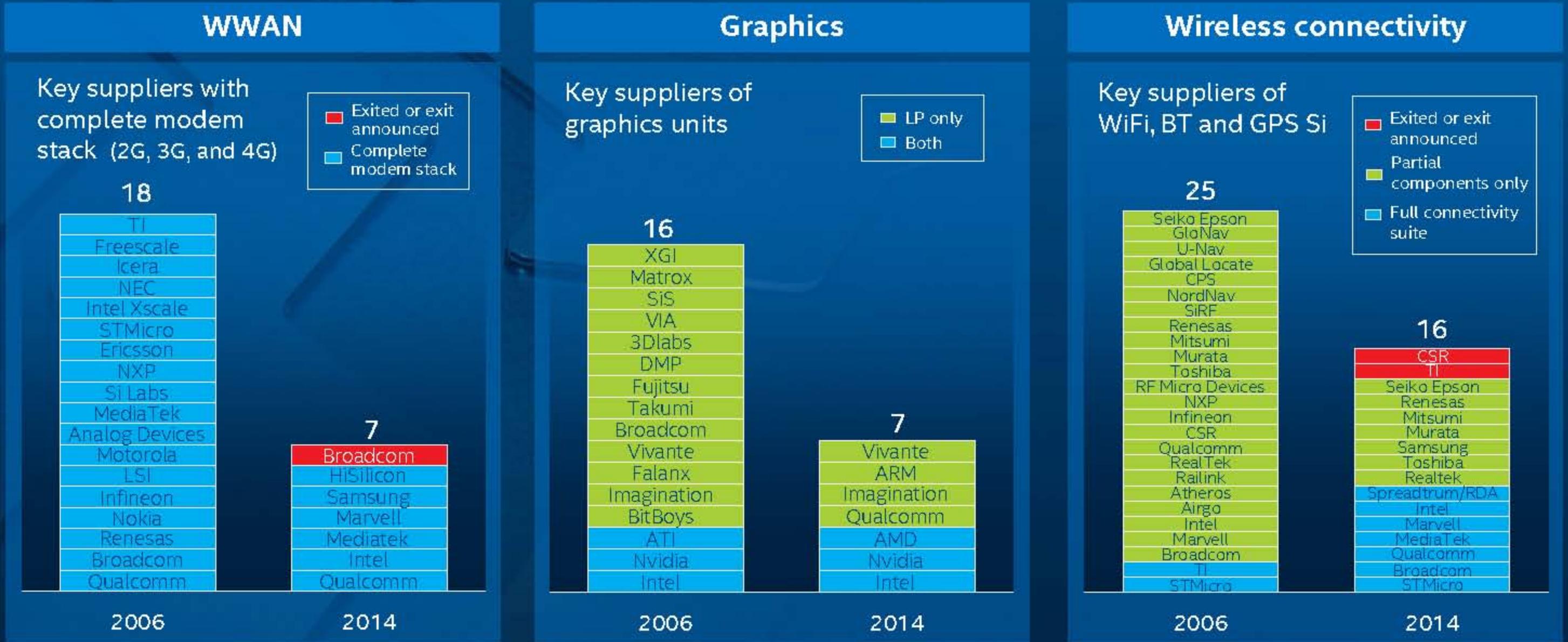
R&D Spending relative to the semiconductor industry

Five year history (FY2009 – FY2013)

Intel investing at
2.5x to 10x
the industry players



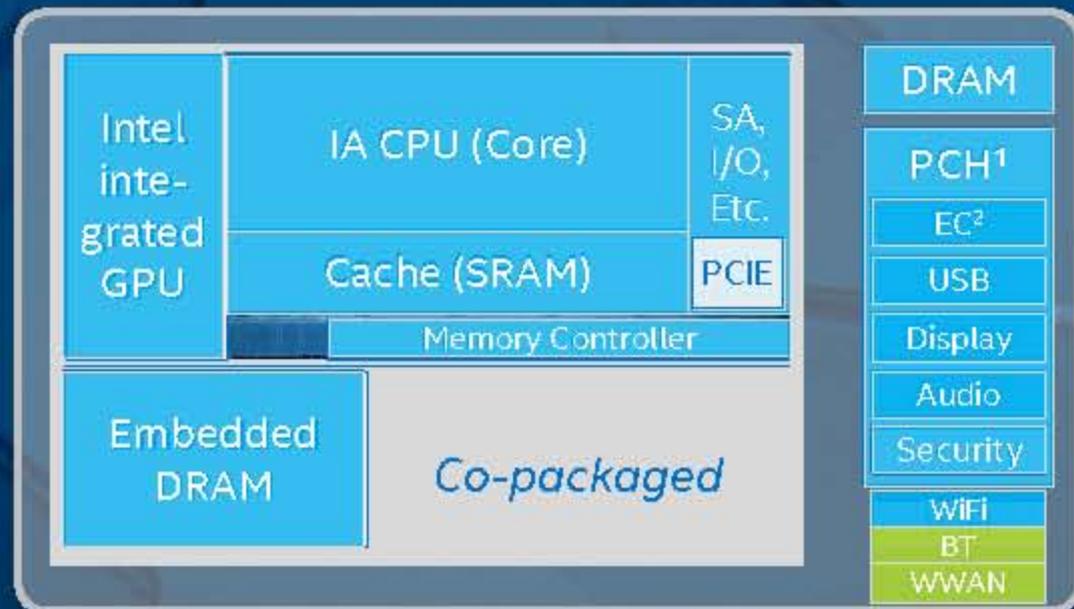
Number of suppliers declining across key IP blocks



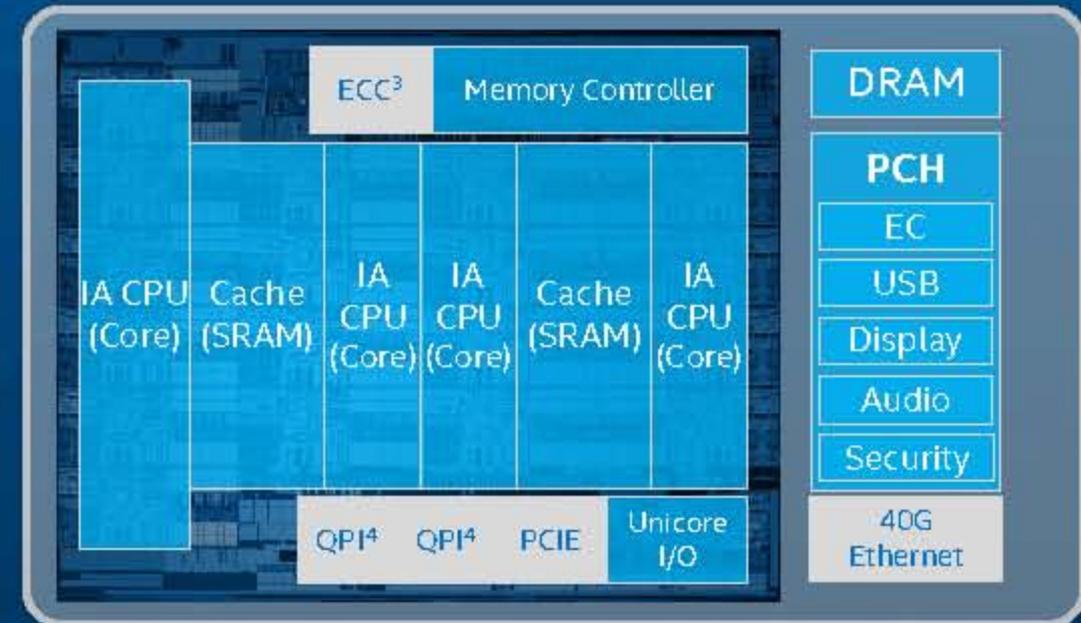
Note: Excludes vendors with low volumes and WWAN excludes LTE vendors with LTE data stack only (e.g., 'WWAN' excludes Spreadtrum, Nvidia, GCT, Altair and Sequans; 'Graphics' excludes VIA, Takumi, DMP and Broadcom)
 Source: Company websites, press releases, literature search, and analyst reports

Cross-platform IP sharing and innovation

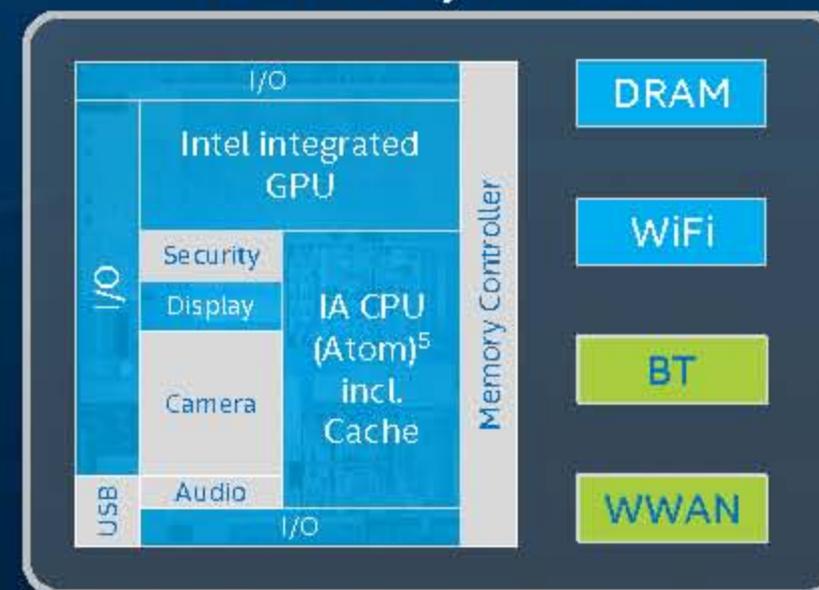
PC – Haswell GT3e



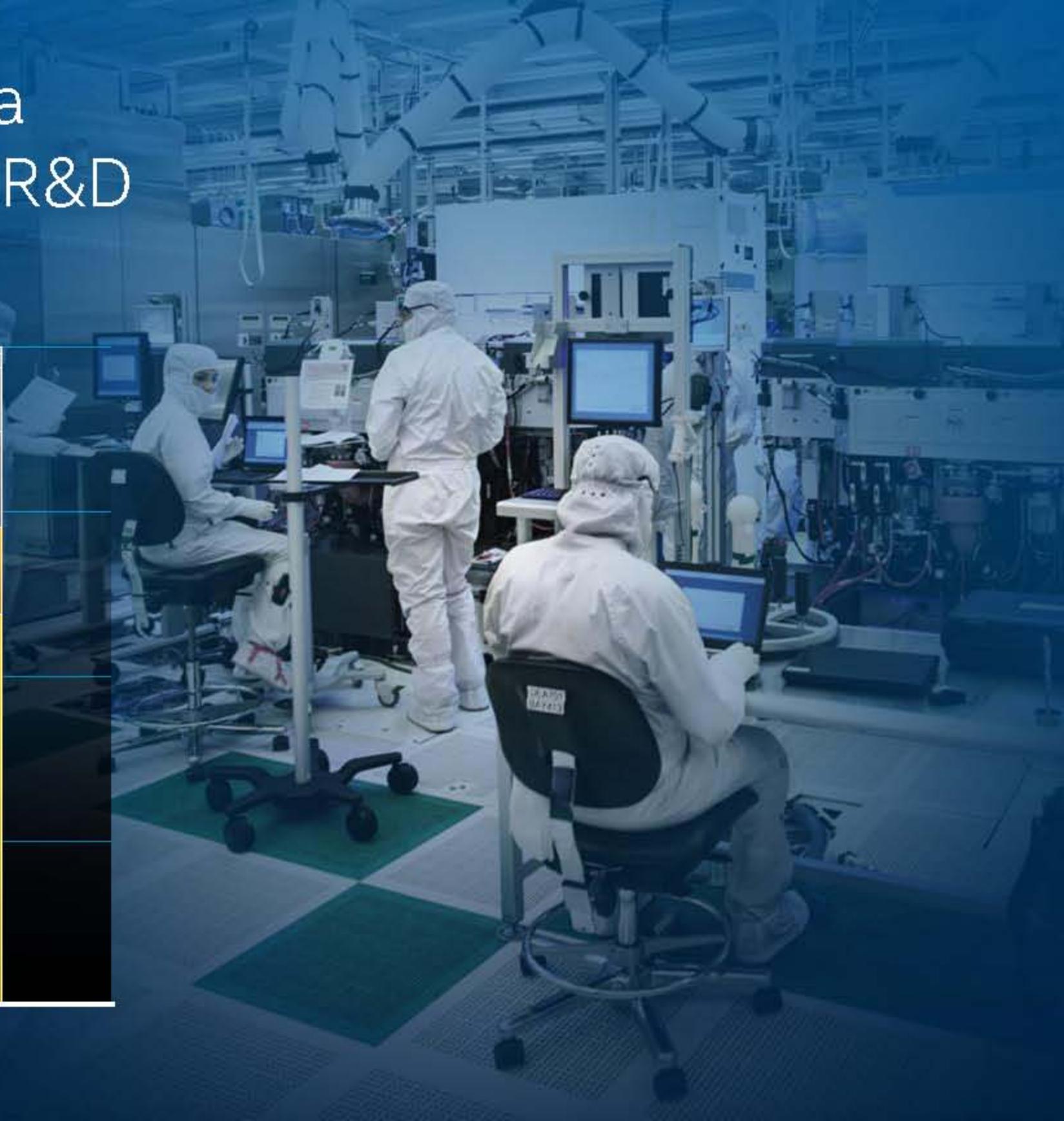
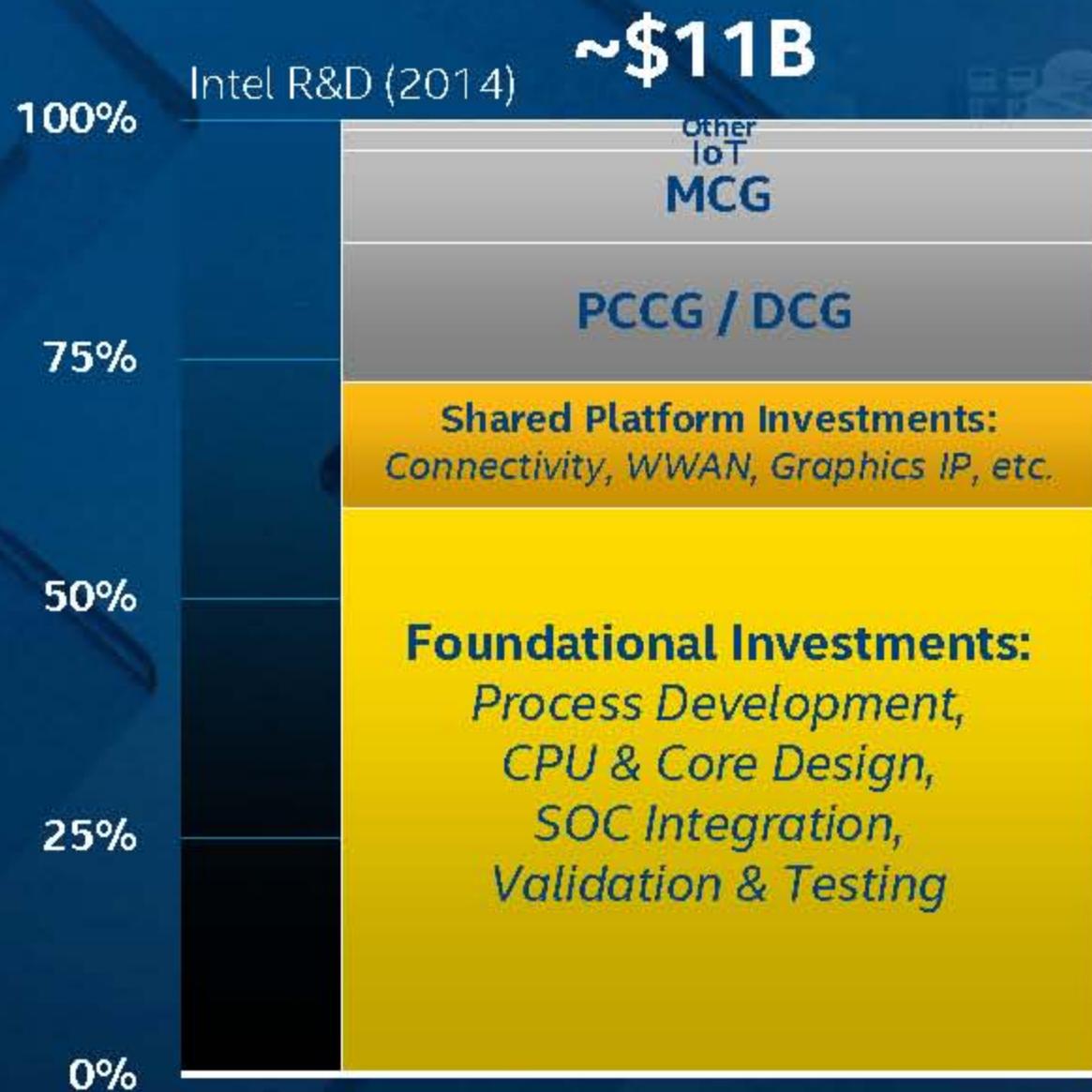
Server - Intel® Xeon® E5-2600 V3



Mobile – Bay Trail SoC



Shared costs are a large portion of Intel R&D



Our Competitive Advantage 1: IP

Key Segments of Our Business

Our Competitive Advantage 2: Manufacturing

Cash and Shareholder Return

DATA CENTER GROUP



PC CLIENT GROUP



MOBILE AND COMMUNICATIONS GROUP



IoT GROUP



WIND RIVER

SOFTWARE AND SERVICES GROUP



ALL OTHER



Data Center Group

2013 vs. 2014 Forecast



2014 PERFORMANCE

~\$14.1B of Revenue:

Up ~16% YoY

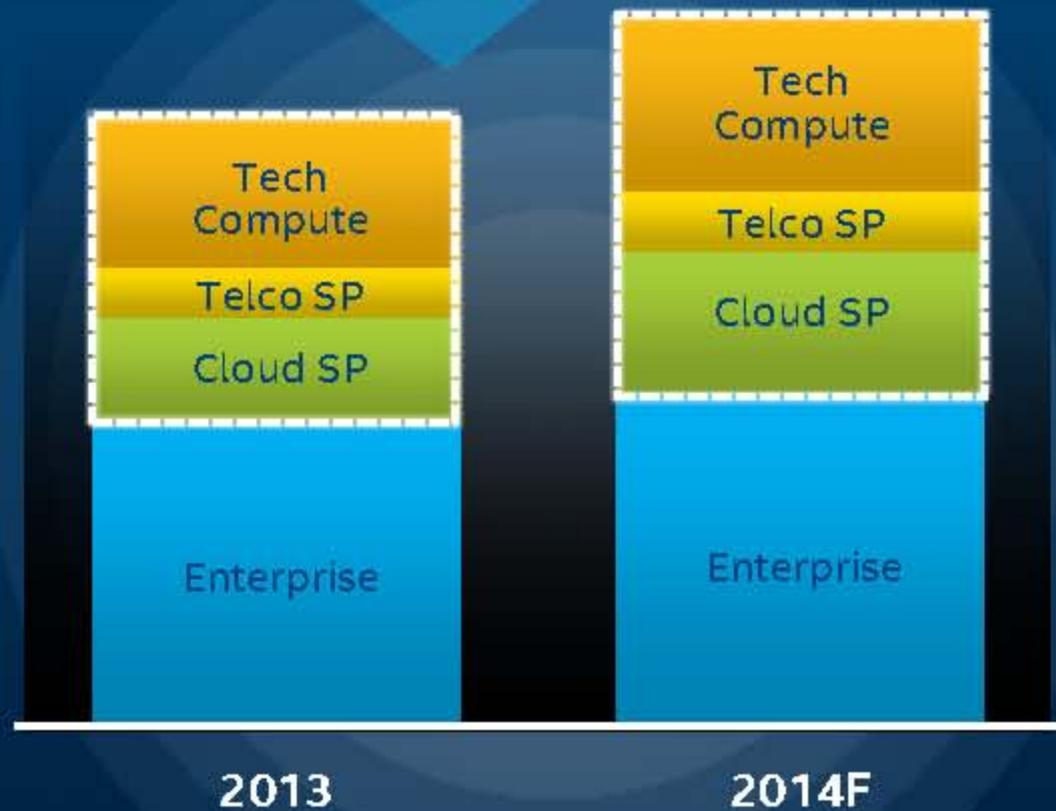
~\$7.0B Operating margin:

Up ~26% YoY

~50% of revenue

Cloud + Big Data =
BIG DEAL

>20%
Growth YoY in
non-enterprise
market segment



Data Center Expectations

DATA CENTER GROUP



YoY Revenue growth >15% in 2015

Operating Profit to grow faster than revenue

DATA CENTER GROUP



PC CLIENT GROUP



MOBILE AND COMMUNICATIONS GROUP



IoT GROUP



WIND RIVER

SOFTWARE AND SERVICES GROUP



ALL OTHER



PC Client Group & Mobile and Communications Group 2013 vs. 2014 Forecast

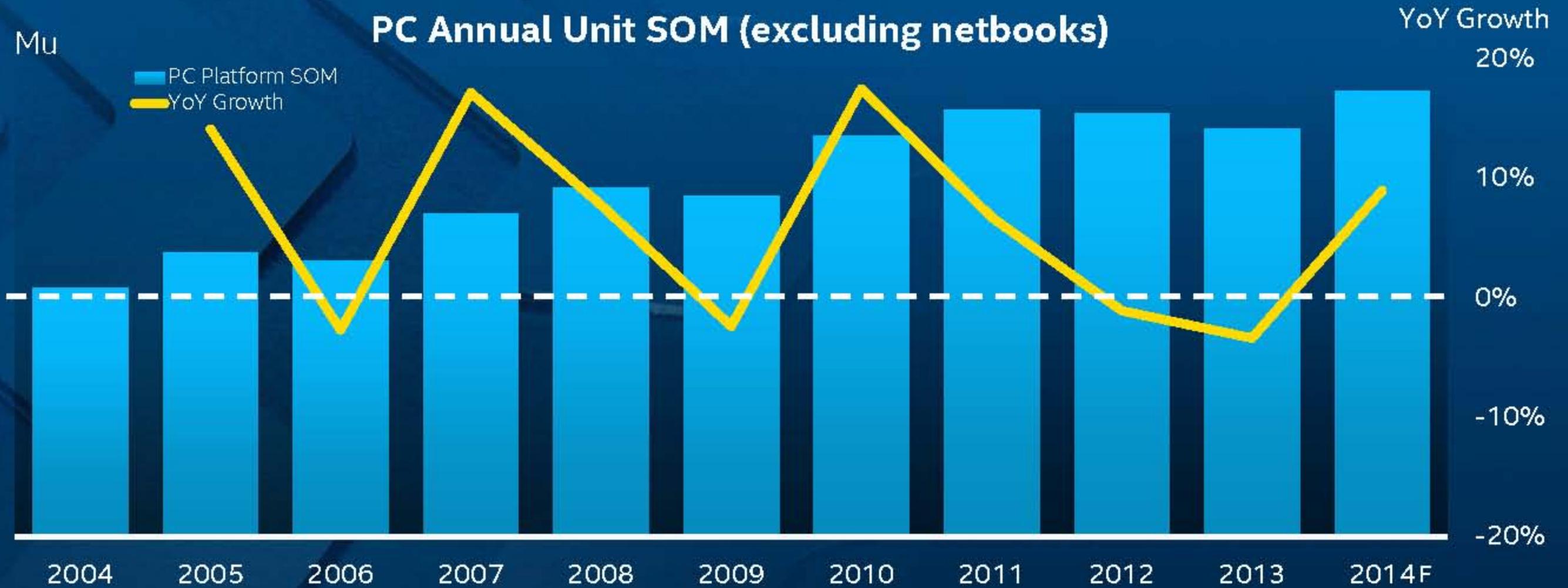
PCCG Financials



MCG Financials



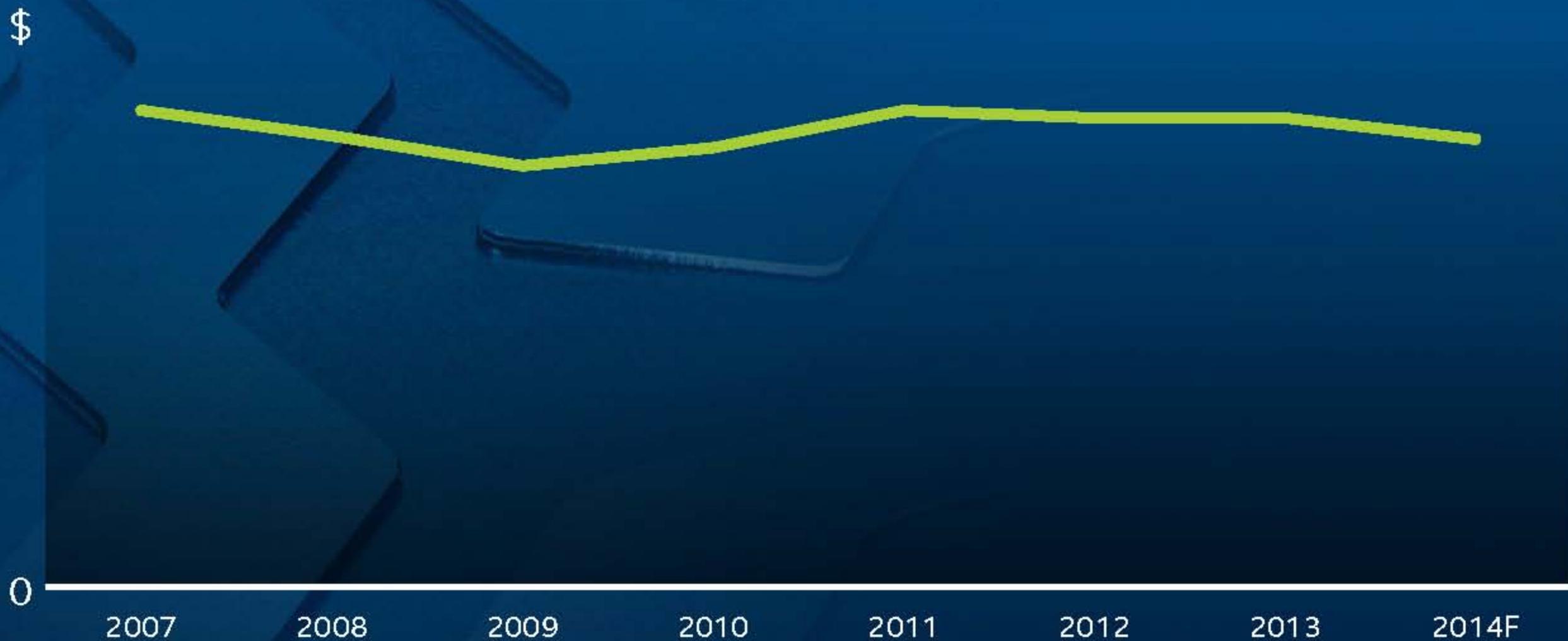
PC Unit Trend: SOM



Units are growing. PC up ~9%

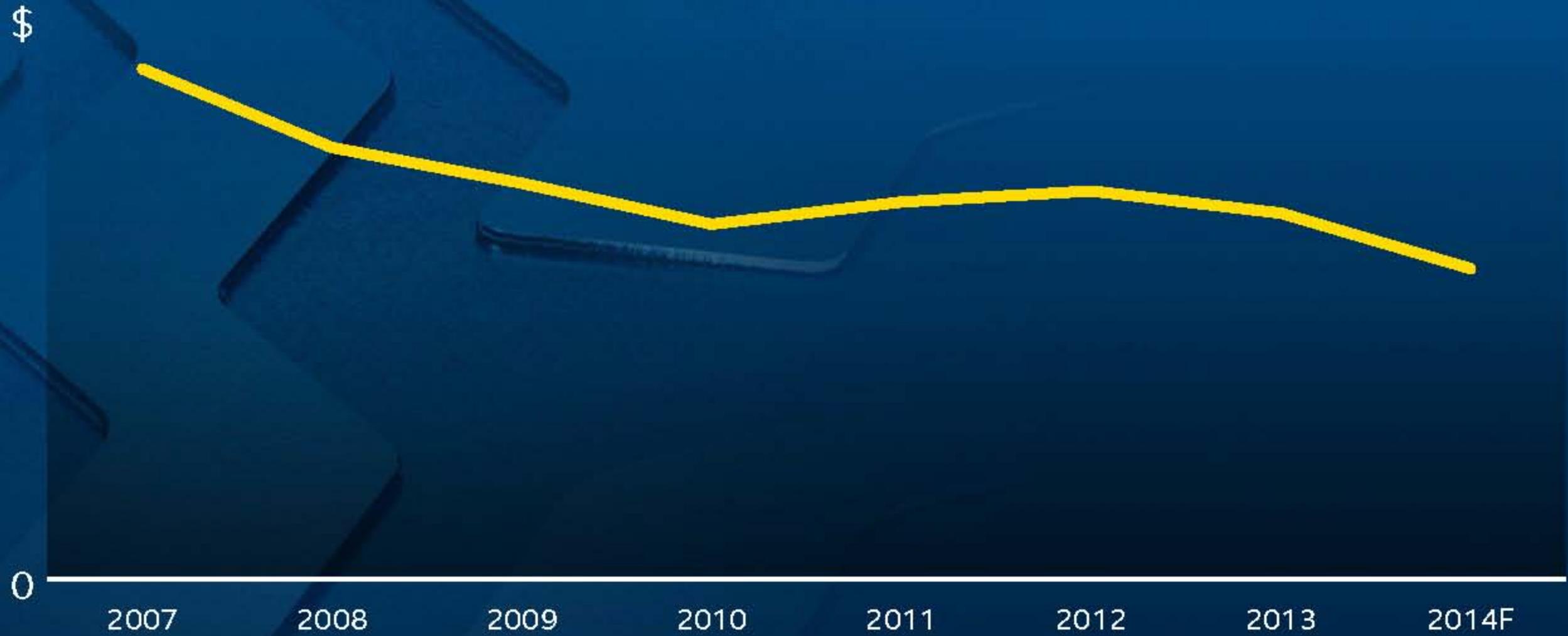
*Platform includes both CPU and chipset and excludes netbook
Forecast is based on current expectations and is subject to change without notice
Source: Intel

PC Platform* ASP



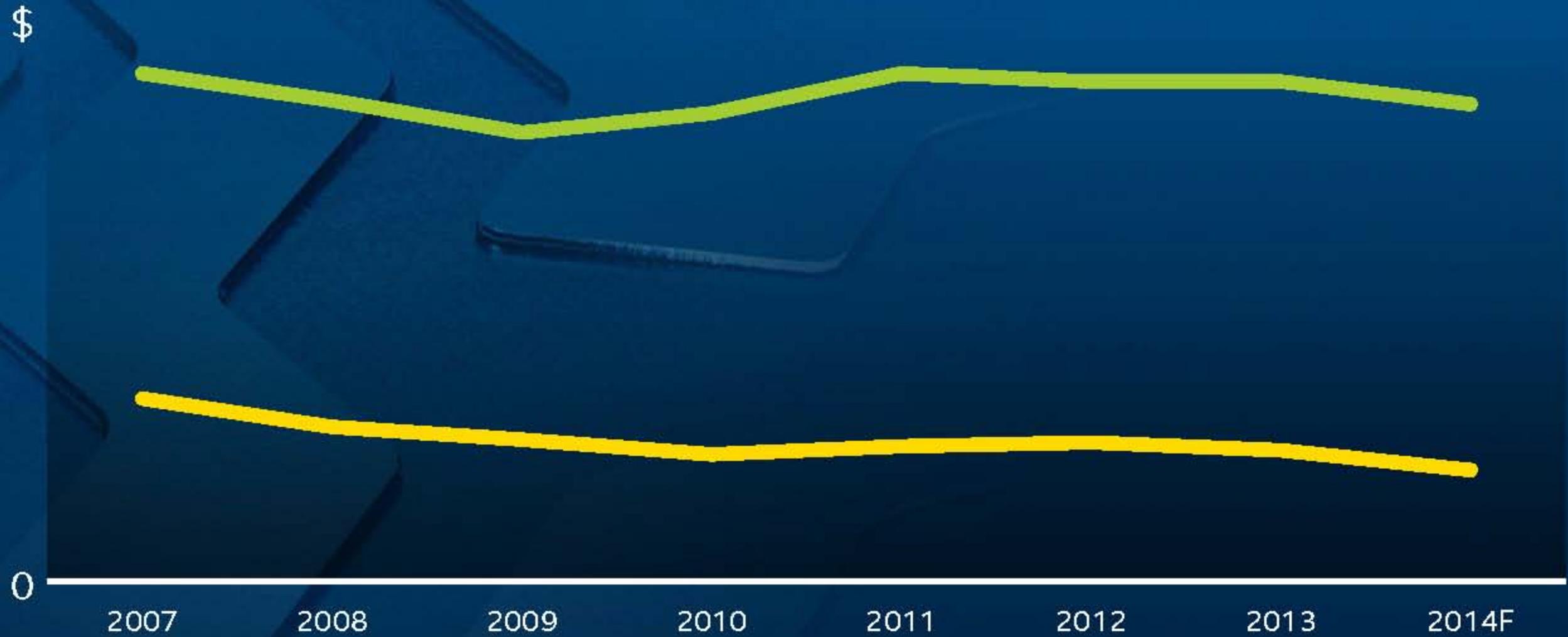
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Forecast is based on current expectations and is subject to change without notice
Source: Intel

PC Platform* Cost



*Platform includes both CPU and chipset and excludes netbook
Forecast is based on current expectations and is subject to change without notice
Source: Intel

PC Platform* ASP and Cost



*Platform includes both CPU and chipset and excludes netbook
Forecast is based on current expectations and is subject to change without notice
Source: Intel

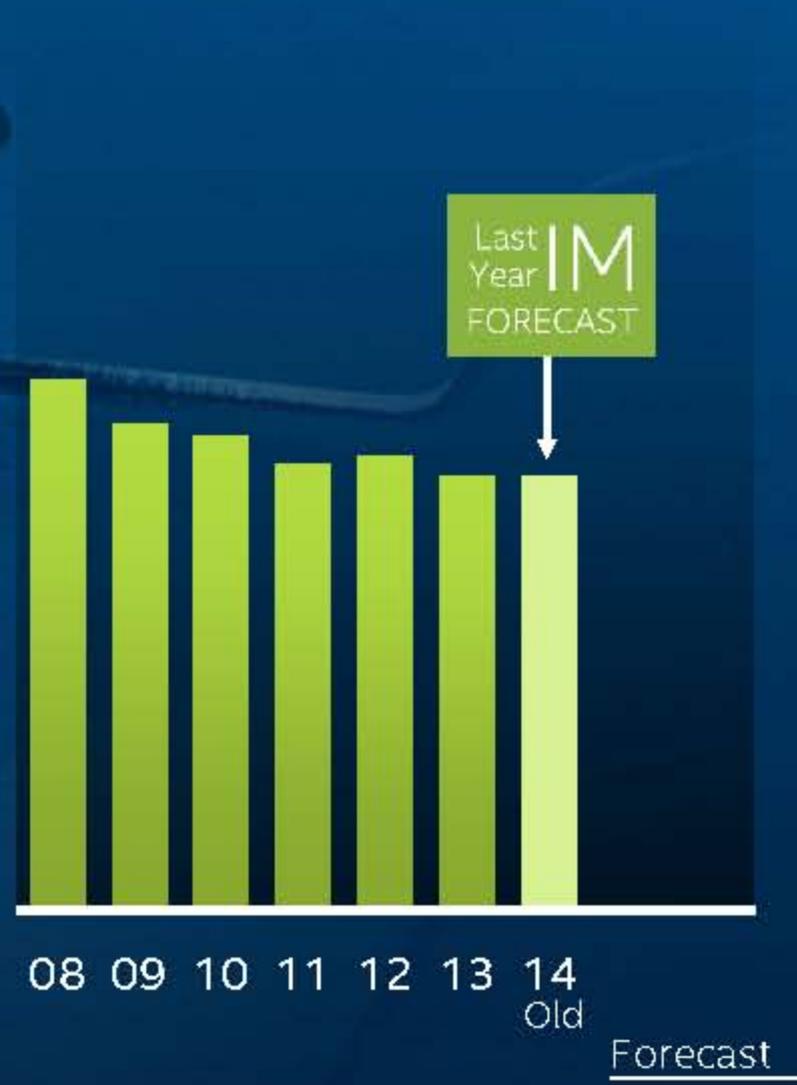
Segmented Costs to Compete Across Segments

Platform Costs*

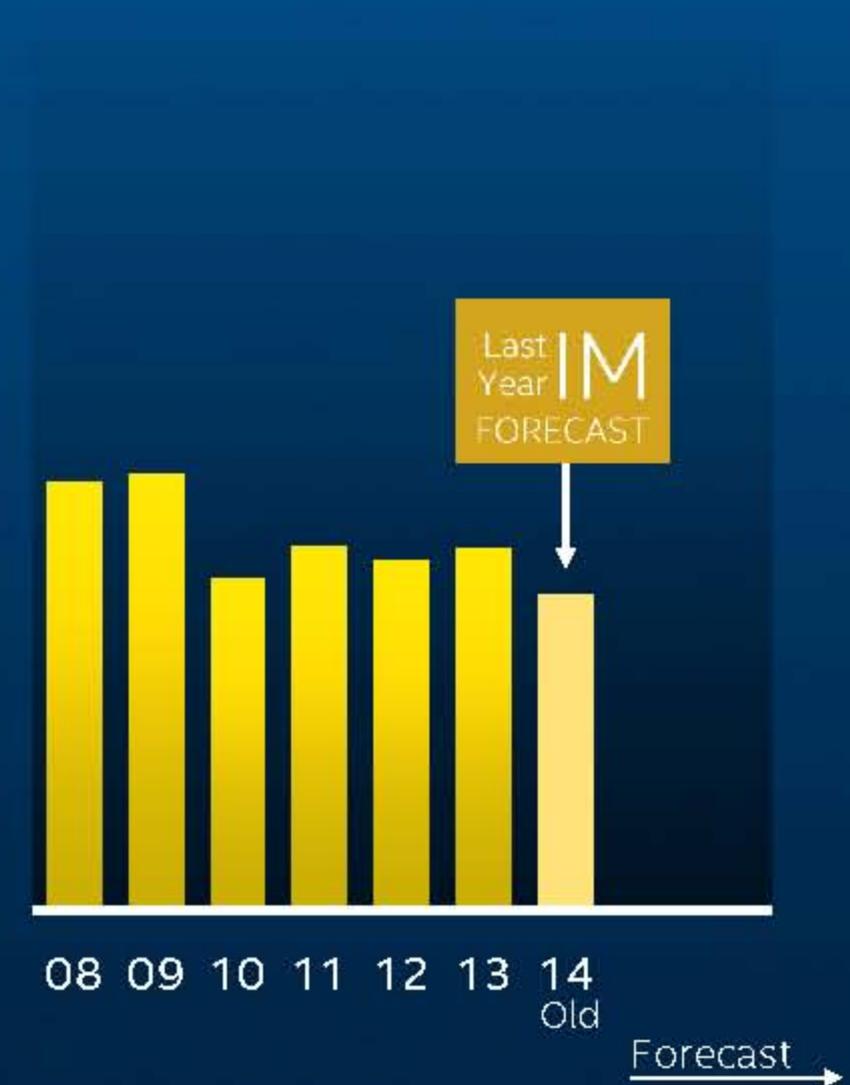
Performance



Mainstream



Value

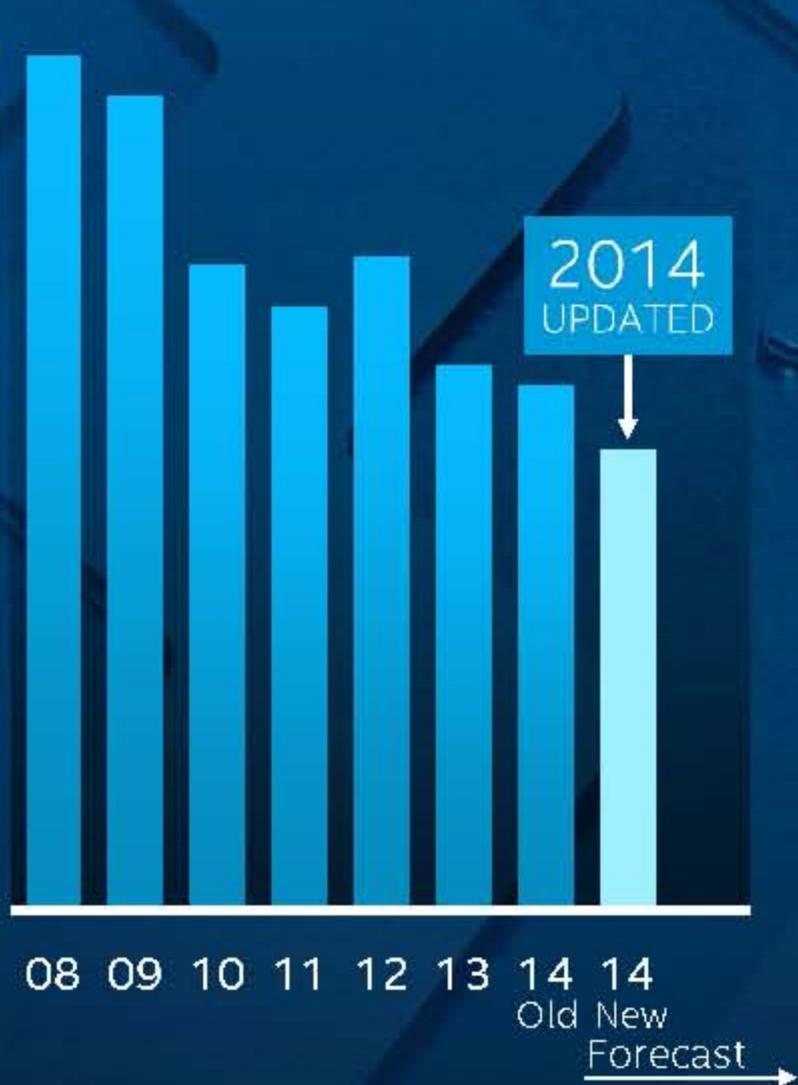


*Platform includes both CPU and Chipset components
Forecast is based on current expectations and is subject to change without notice
Source: Intel

Segmented Costs to Compete Across Segments

Platform Costs*

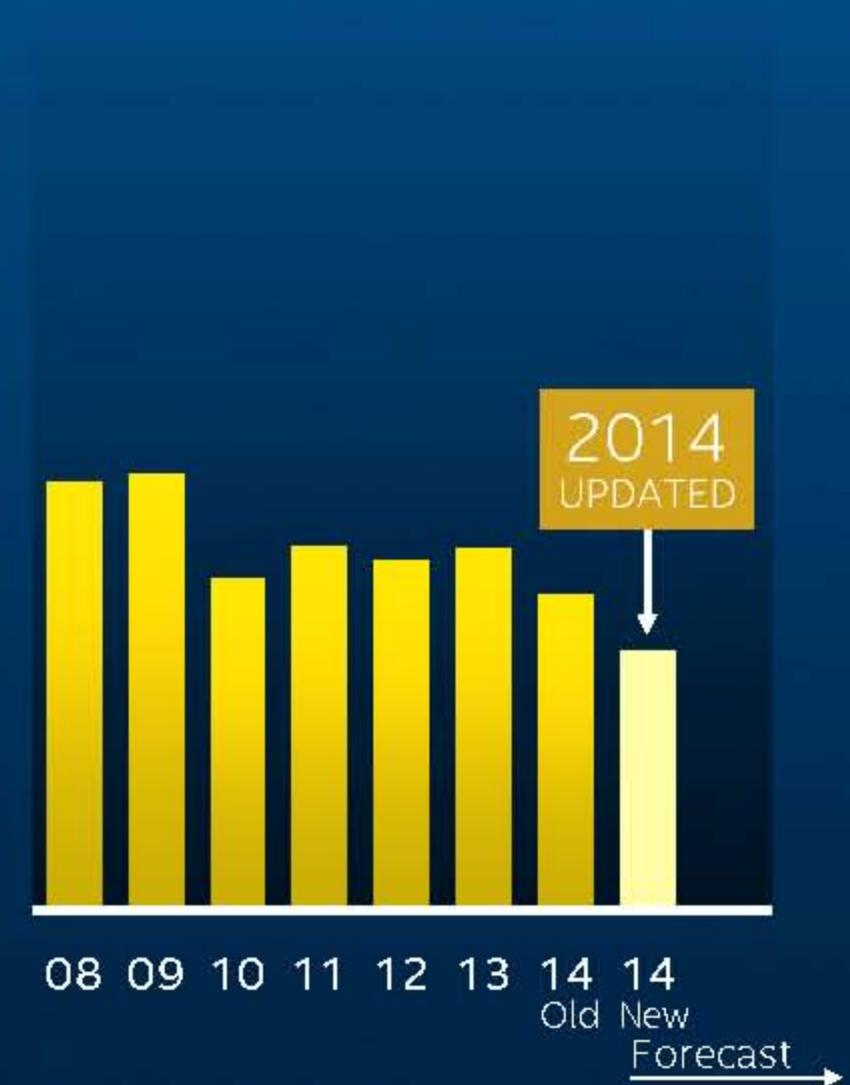
Performance



Mainstream



Value

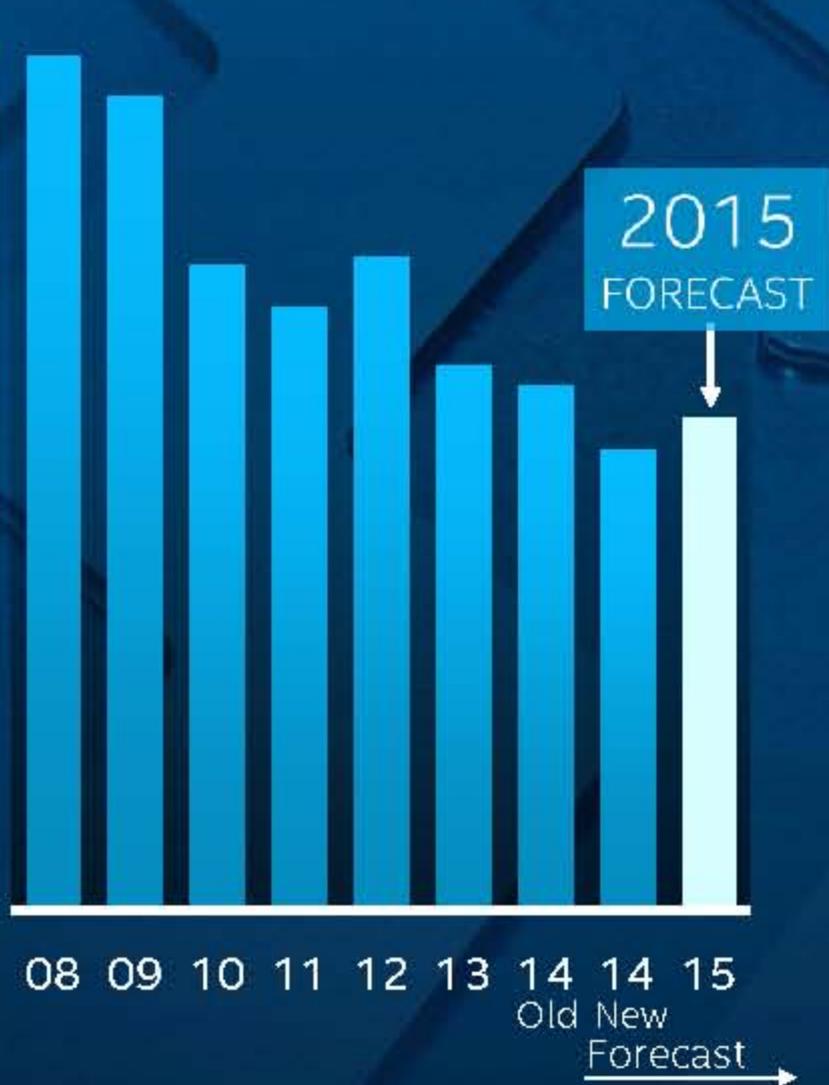


*Platform includes both CPU and Chipset components
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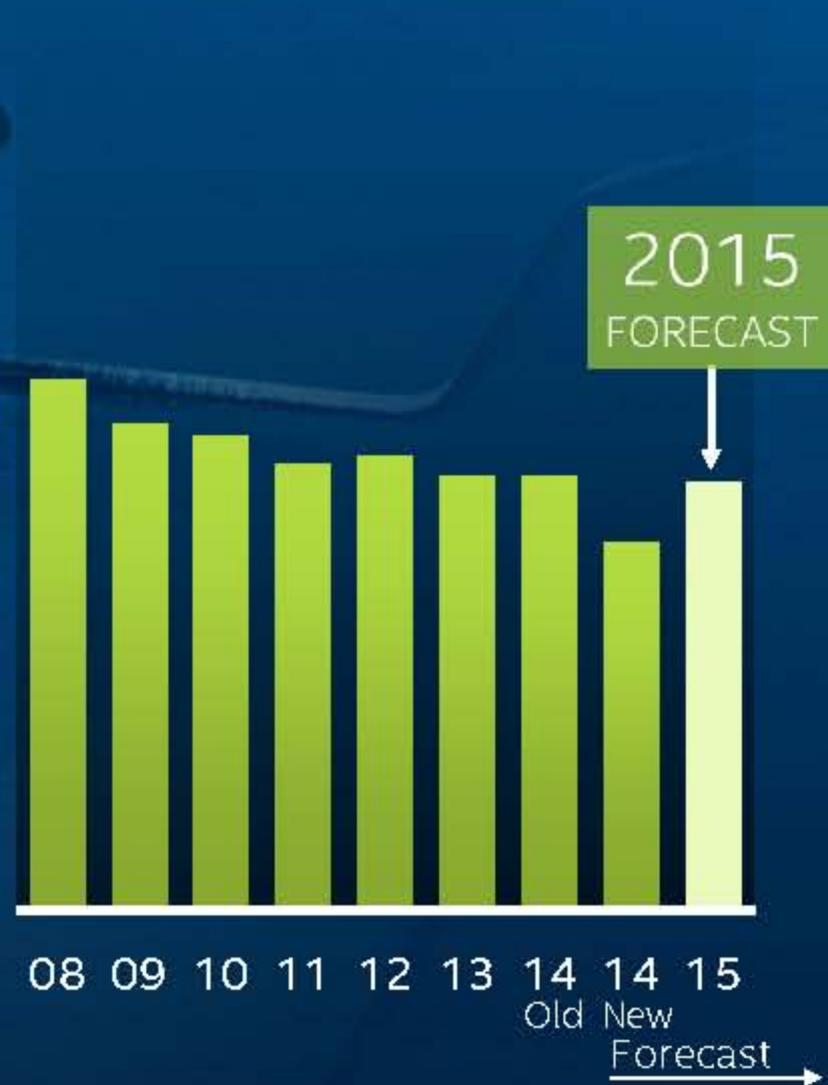
Segmented Costs to Compete Across Segments

Platform Costs*

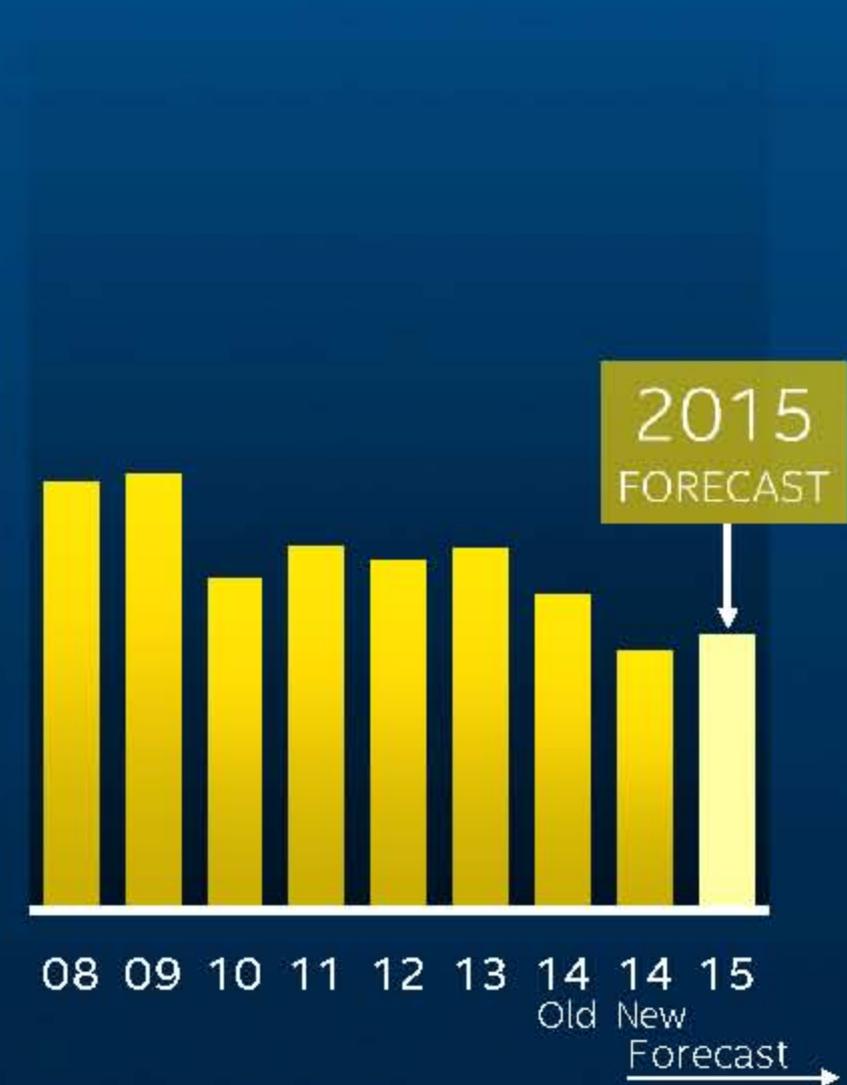
Performance



Mainstream

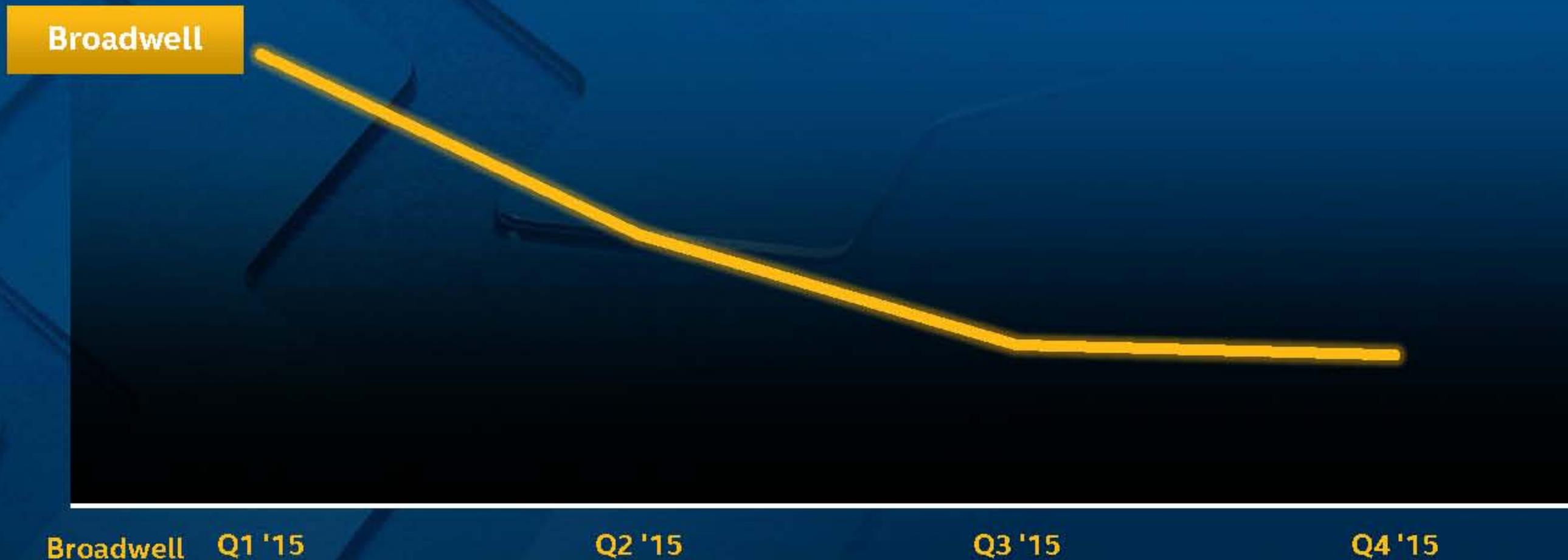


Value

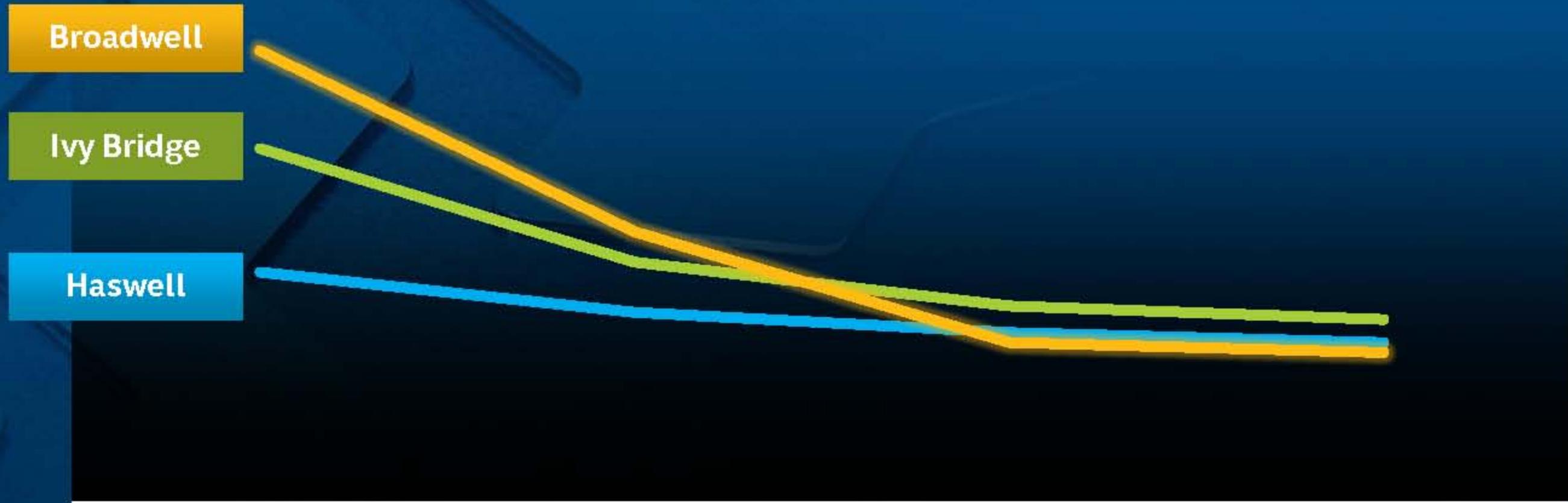


*Platform includes both CPU and Chipset components
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Source: Intel

2015 14nm Ramp: Broadwell Cost Curve



14nm vs. 22nm Cost Curve Comparison

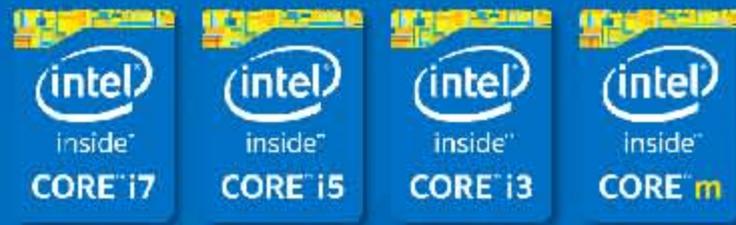


Broadwell	Q1 '15	Q2 '15	Q3 '15	Q4 '15
Ivy Bridge	Q2 '12	Q3 '12	Q4 '12	Q1 '13
Haswell	Q3 '13	Q4 '13	Q1 '14	Q2 '14

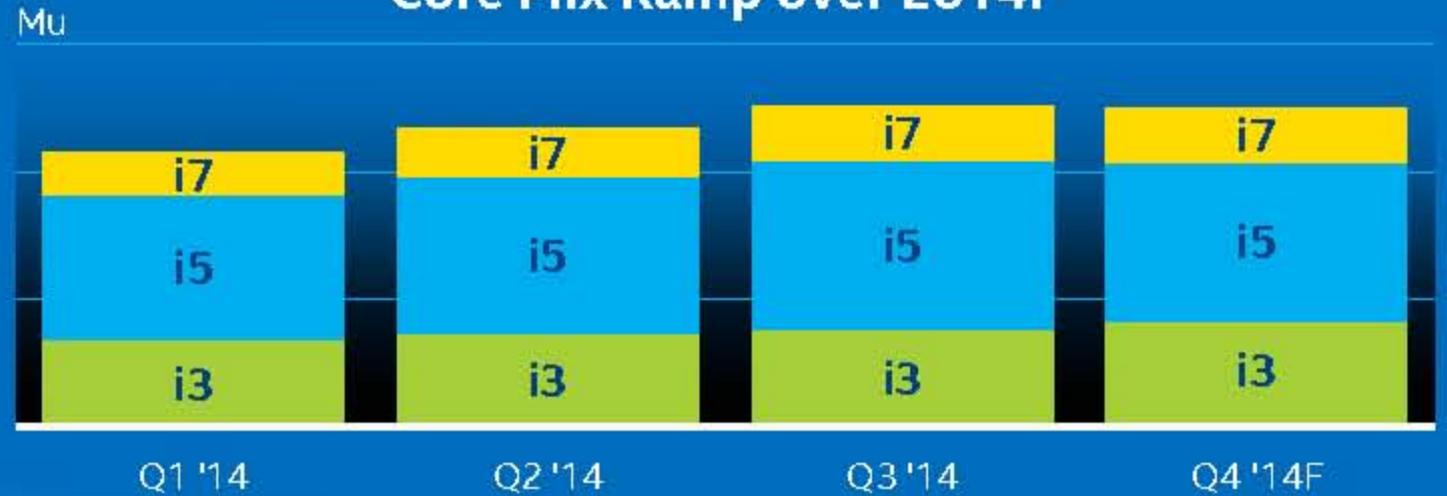
Timing adjusted for volume ramp + 1 quarter. Volume ramp defined as the first quarter shipments exceed 1Mu

PC Segmentation

YoY Growth 5%



Core Mix Ramp over 2014F



YoY Growth 14%

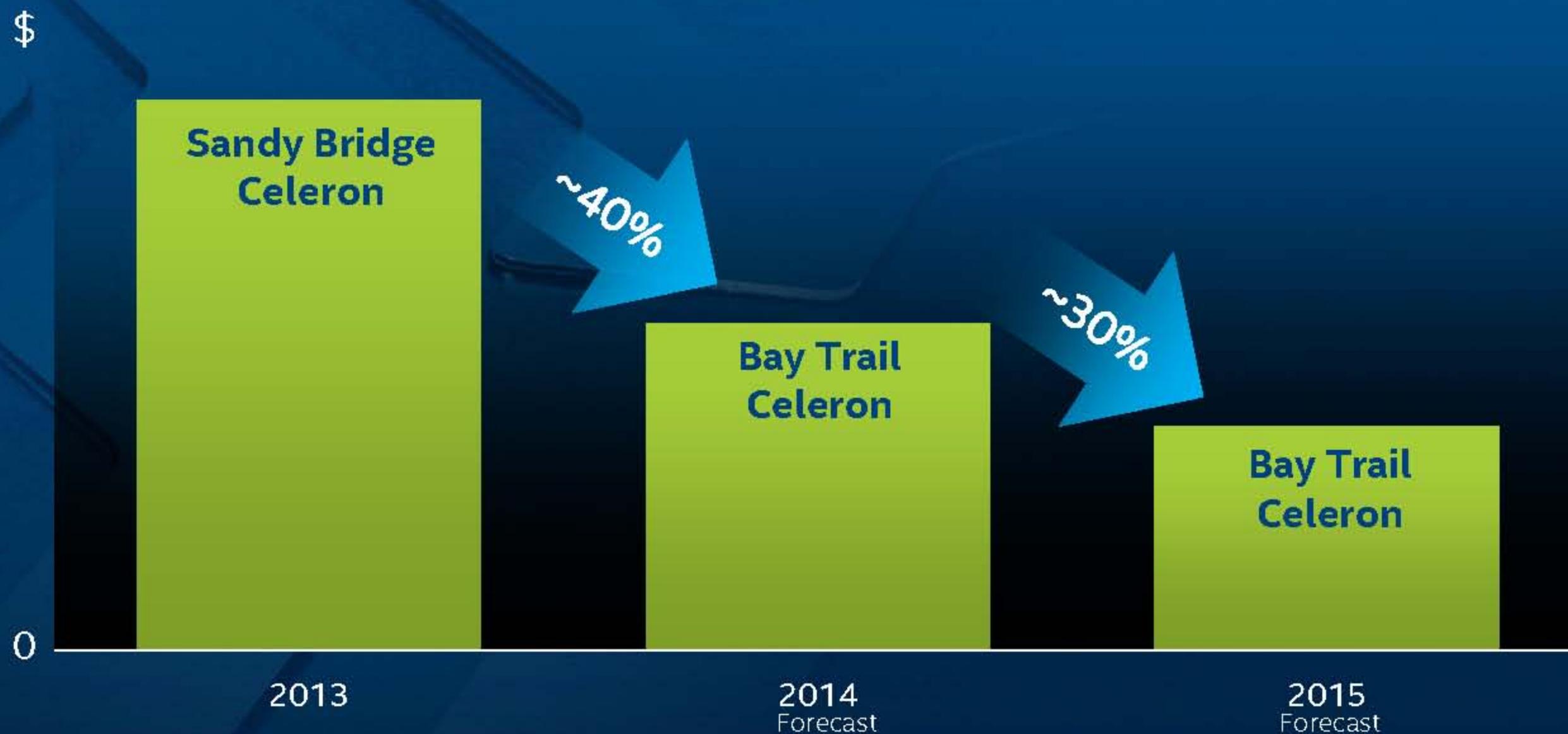


Bay Trail % of Celeron and Pentium Client



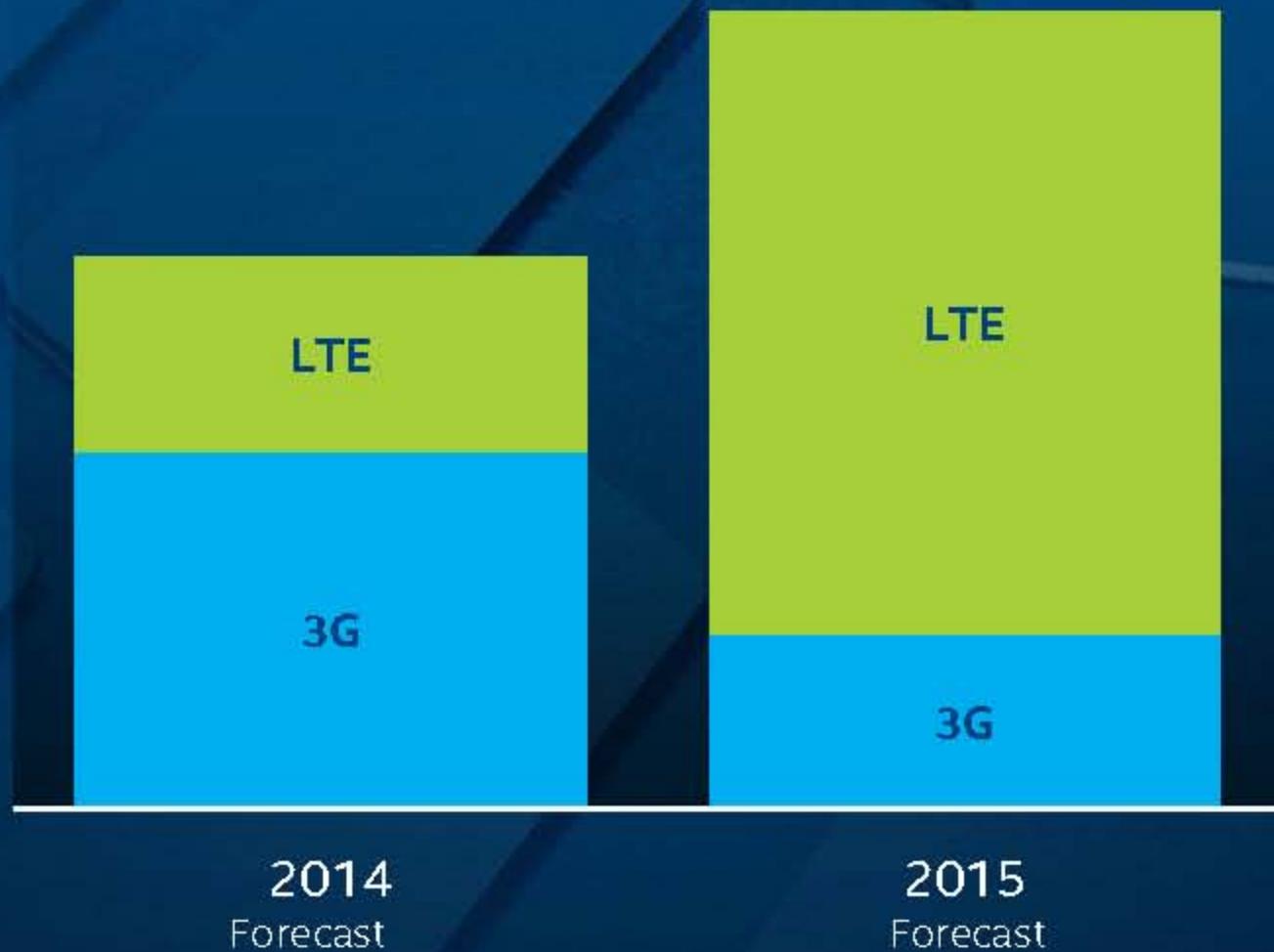
Extending the Cost Curve in Client

Lowest PC Client Platform Cost

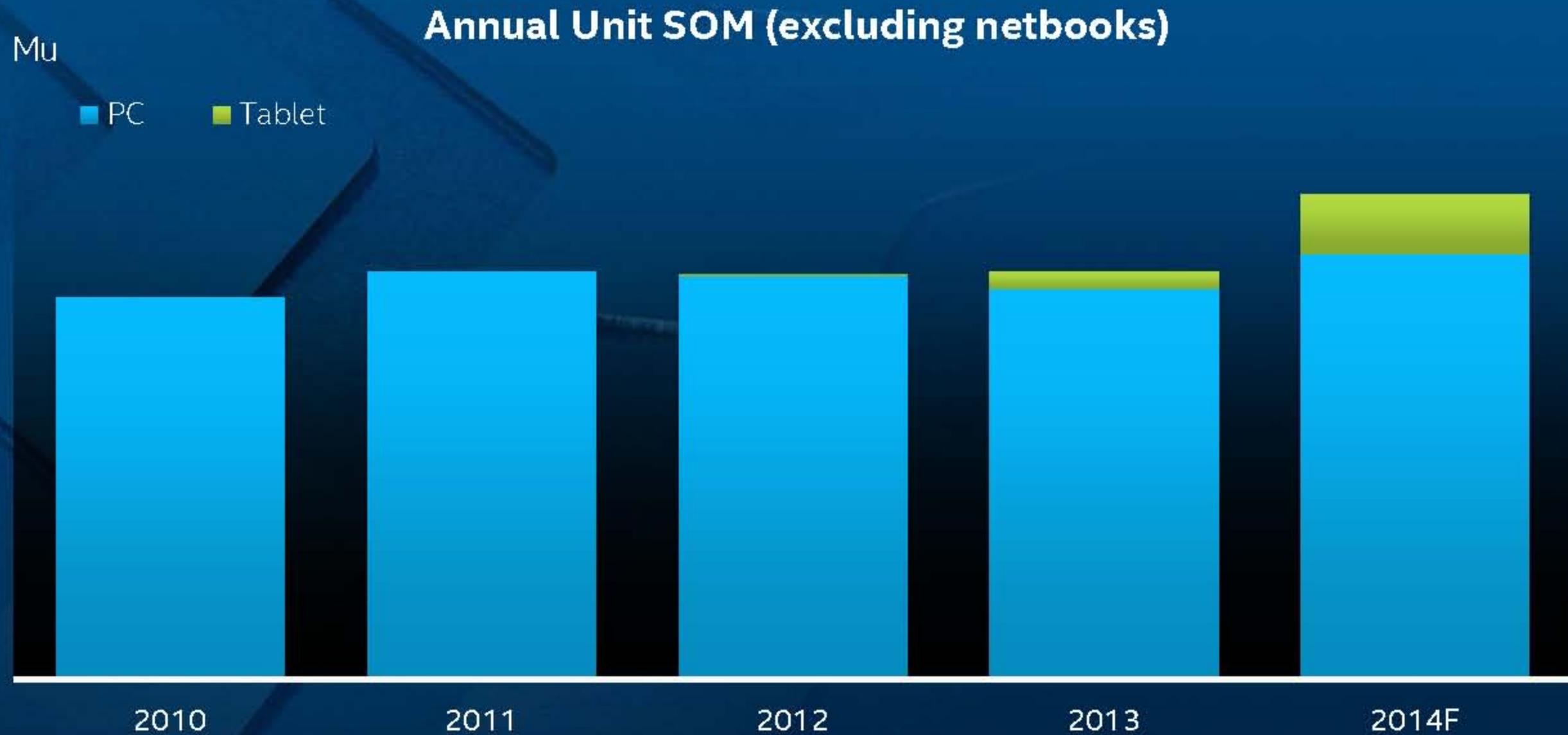


Multi-Comms

Revenue \$M

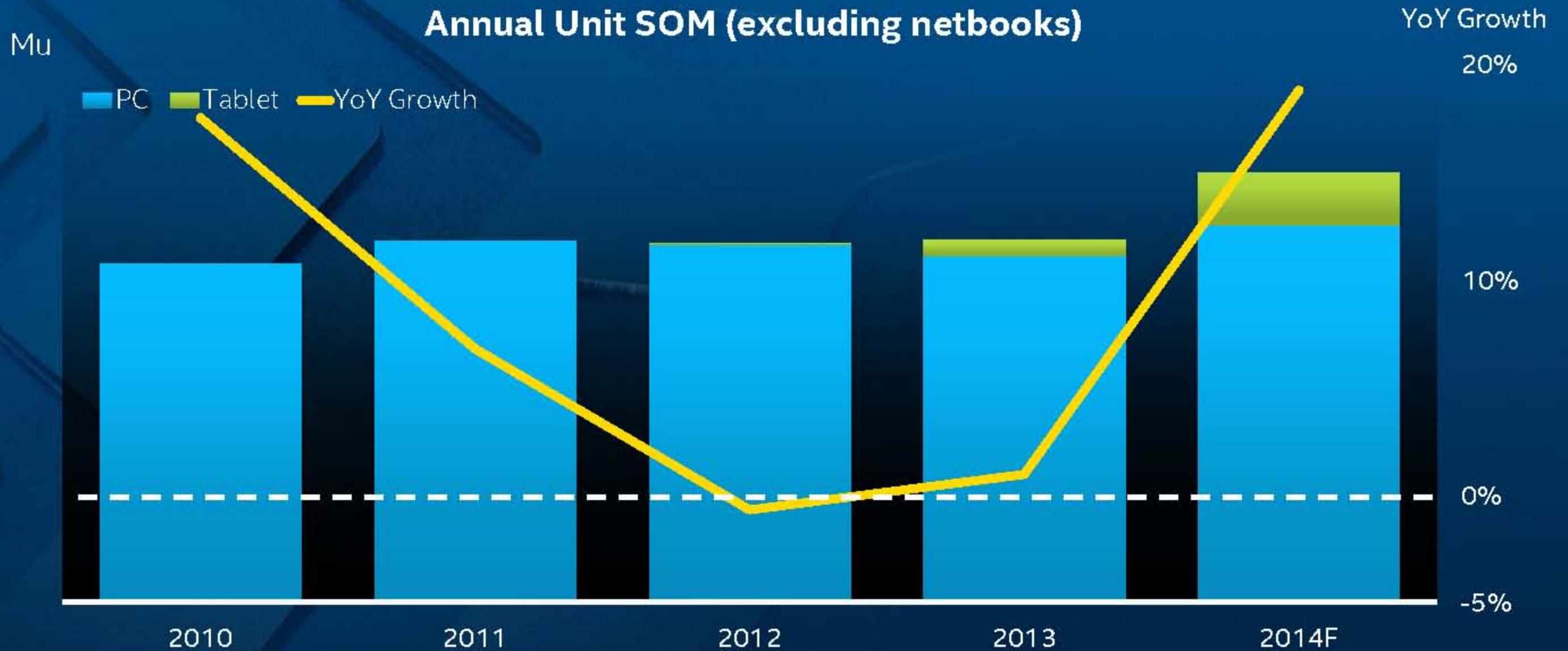


PC and Tablet Unit Trend: SOM



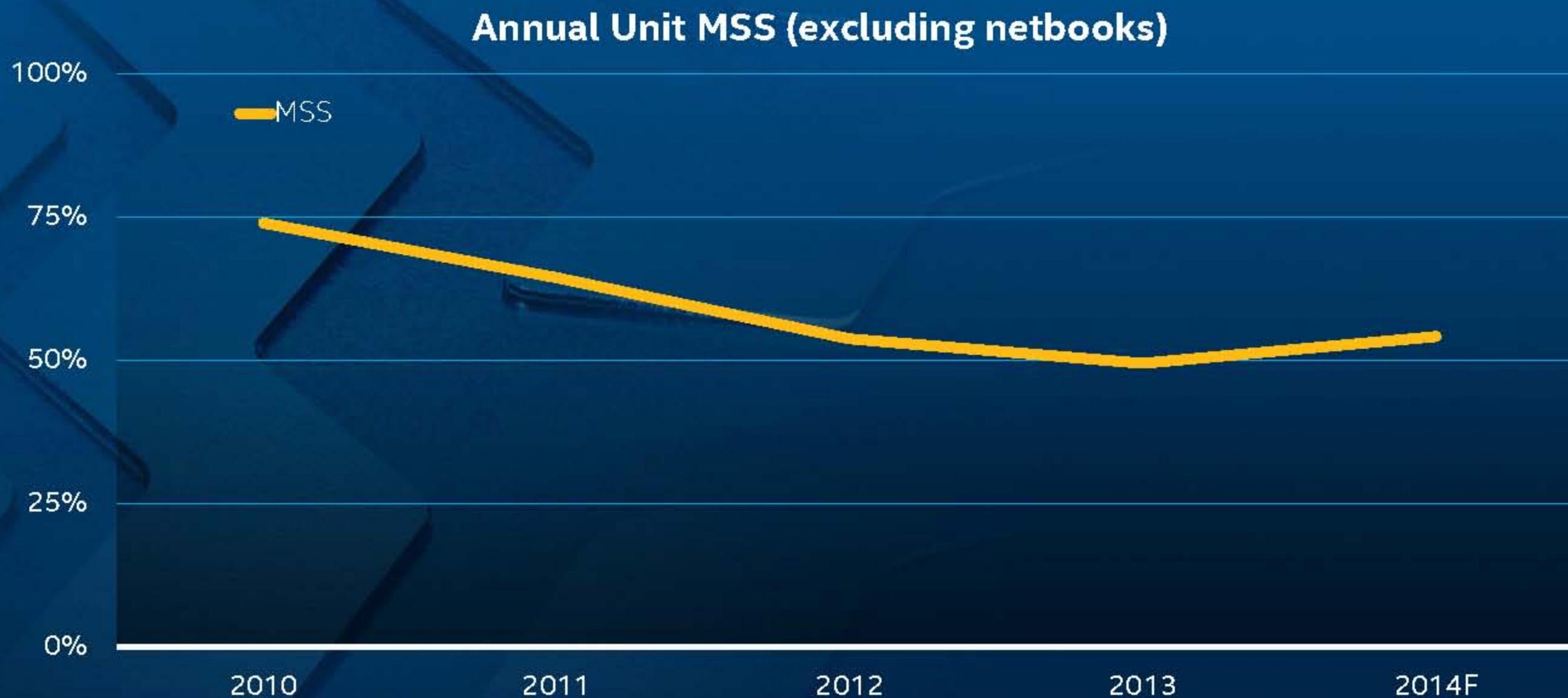
*Platform includes both CPU and chipset and excludes netbook.
Forecast is based on current expectations and is subject to change without notice.
Source: Intel

PC and Tablet Unit Trend: SOM YoY Growth



*Platform includes both CPU and chipset and excludes netbook.
Forecast is based on current expectations and is subject to change without notice.
Source: Intel

PC and Tablet Unit Trend: MSS



*Platform includes both CPU and chipset and excludes netbook
Forecast is based on current expectations and is subject to change without notice
Source: Intel

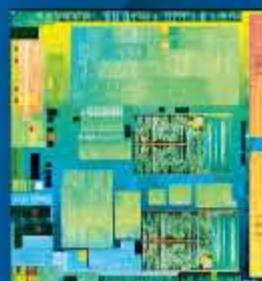
2014 Tablet Progress

Performance



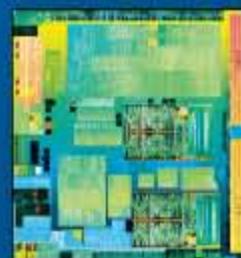
Bay Trail

BOM Delta: >\$15



Bay Trail Entry

Cost: ~90% of Bay Trail
BOM Delta: ~\$8



Clover Trail +

Cost: ~40% of Bay Trail
BOM Delta: >\$15

On track to ship 40M

Designs – across Android,
Windows and Chrome

Enabled the China
Tech ecosystem

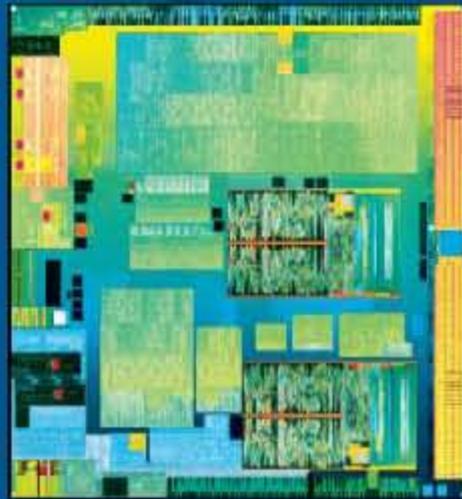
Entry

2015 Introducing New Products for Value and Entry

2014

2015

Bay Trail



BOM Delta: >\$15

SoFIA LTE



Cost: ~40% of Bay Trail
BOM Delta: ~\$0

SoFIA 3G



Cost: ~25% of Bay Trail
BOM Delta: ~\$0

MCG R&D Breakout

Unique vs. Shared Investment



*The 2014 forecast is based on Q1-Q3'14 actuals plus the midpoint of the Q4'14 forecast.
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Source: Intel

PCCG & MCG 2015 Expectations

PC CLIENT GROUP



~ Flat Units and Revenue slightly down

COGS higher:
10nm start-up costs and elevated Broadwell costs in 1H '15, better in 2H '15

MOBILE AND COMMUNICATIONS GROUP



Ramping LTE

SoFIA in value and entry

Operating margin improvement ~\$800M

DATA CENTER GROUP



PC CLIENT GROUP



MOBILE AND COMMUNICATIONS GROUP



IoT GROUP



WIND RIVER

SOFTWARE AND SERVICES GROUP



ALL OTHER



Internet of Things Group

2013 vs. 2014 Forecast



2014 PERFORMANCE

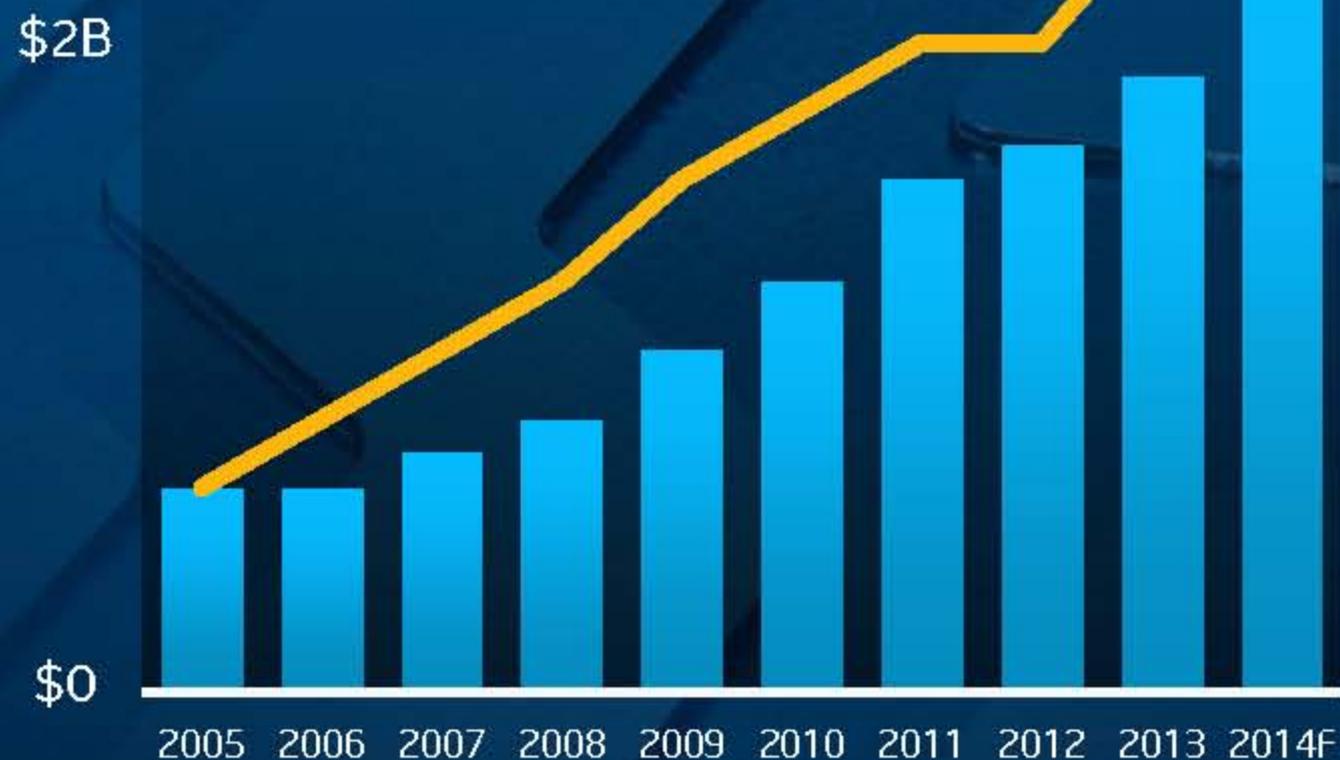
~\$2.1B of Revenue:
Up ~18% YoY

~\$0.6B Operating margin:
~26% of rev

Internet of Things Group

Revenue/Design Win Mapping

Revenue Design Win \$



2014 PERFORMANCE

Design win momentum continues across all segments

2015: Expect uptick in growth

Software & Services operating segment 2013 vs. 2014 Forecast

Software and Services Financials



2014 PERFORMANCE

~\$2.3B of Revenue:

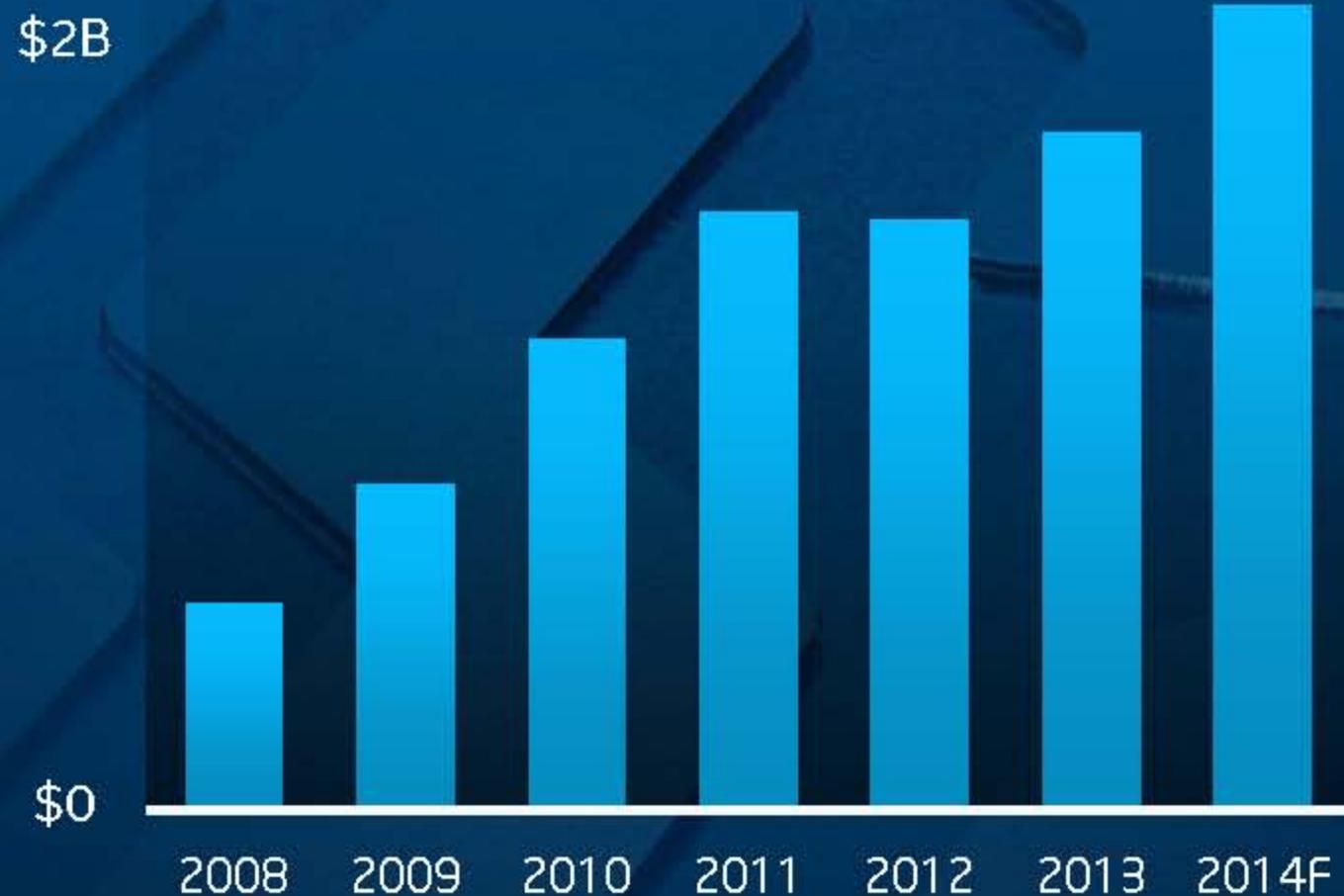
Up ~3% YoY

~\$0.1B Operating margin:

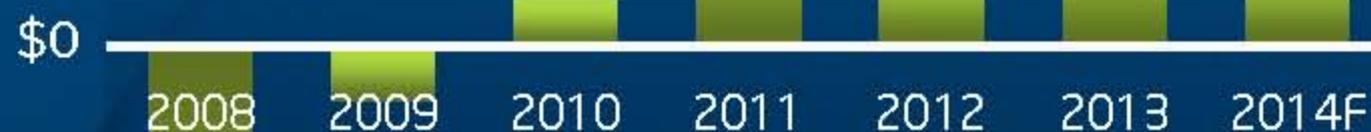
~5% of rev

Non-Volatile Memory Solutions Group

Revenue \$



Operating Profit \$



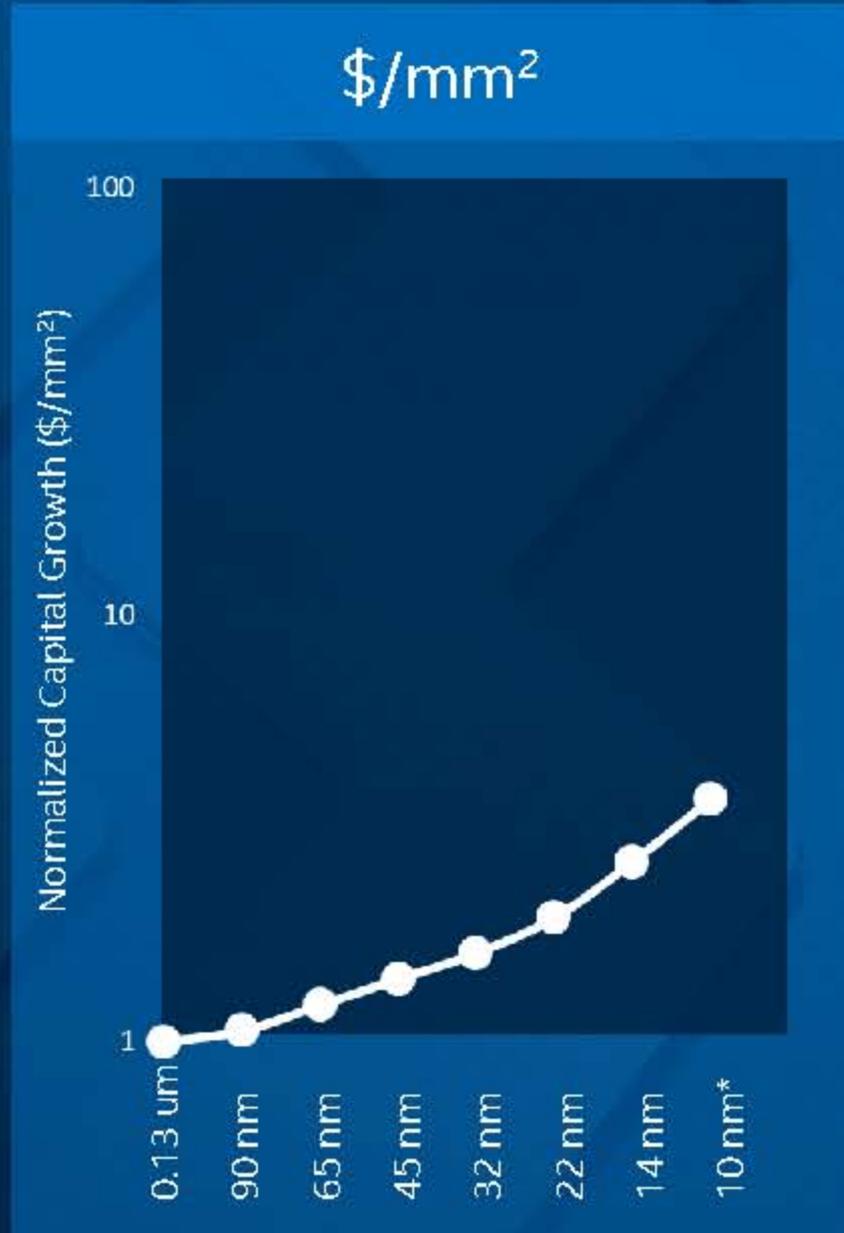
Our Competitive Advantage 1: IP

Key Segments of Our Business

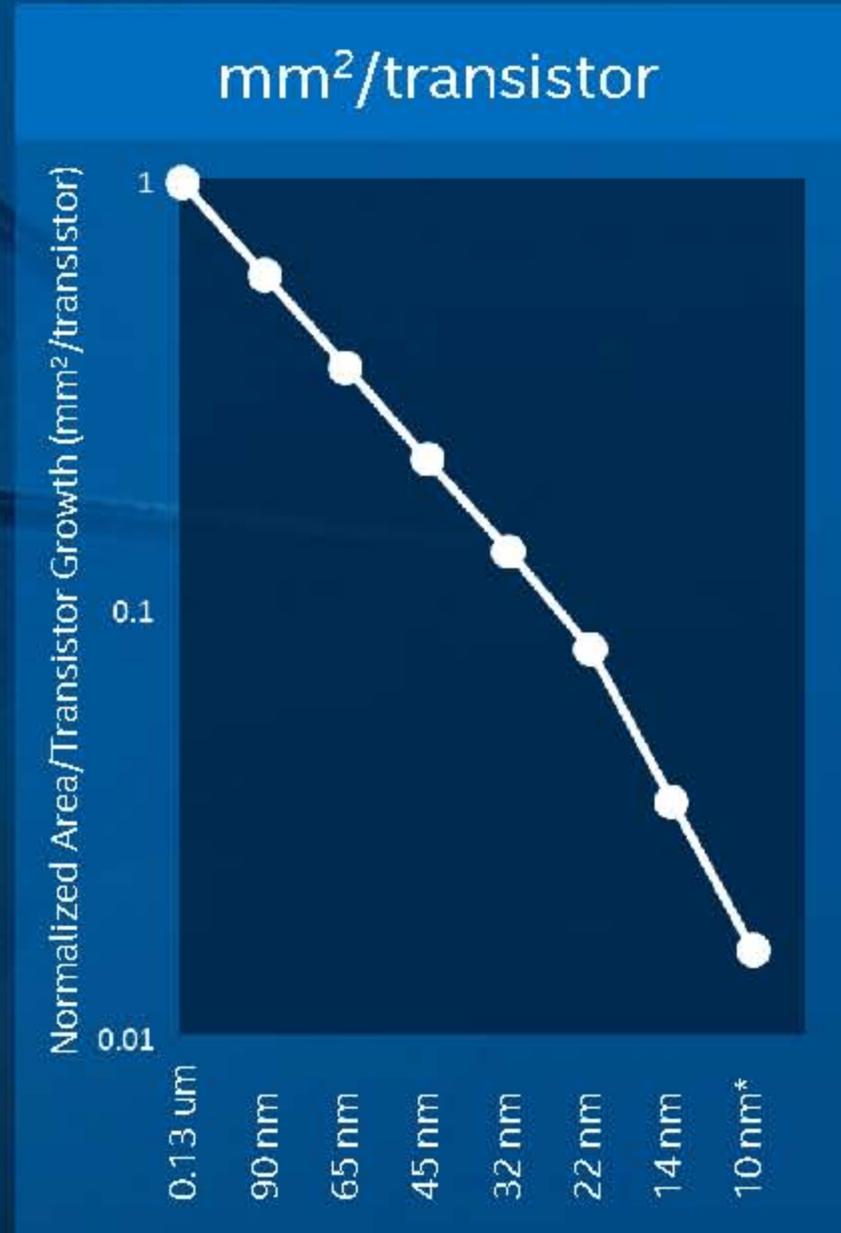
Our Competitive Advantage 2: Manufacturing

Cash and Shareholder Return

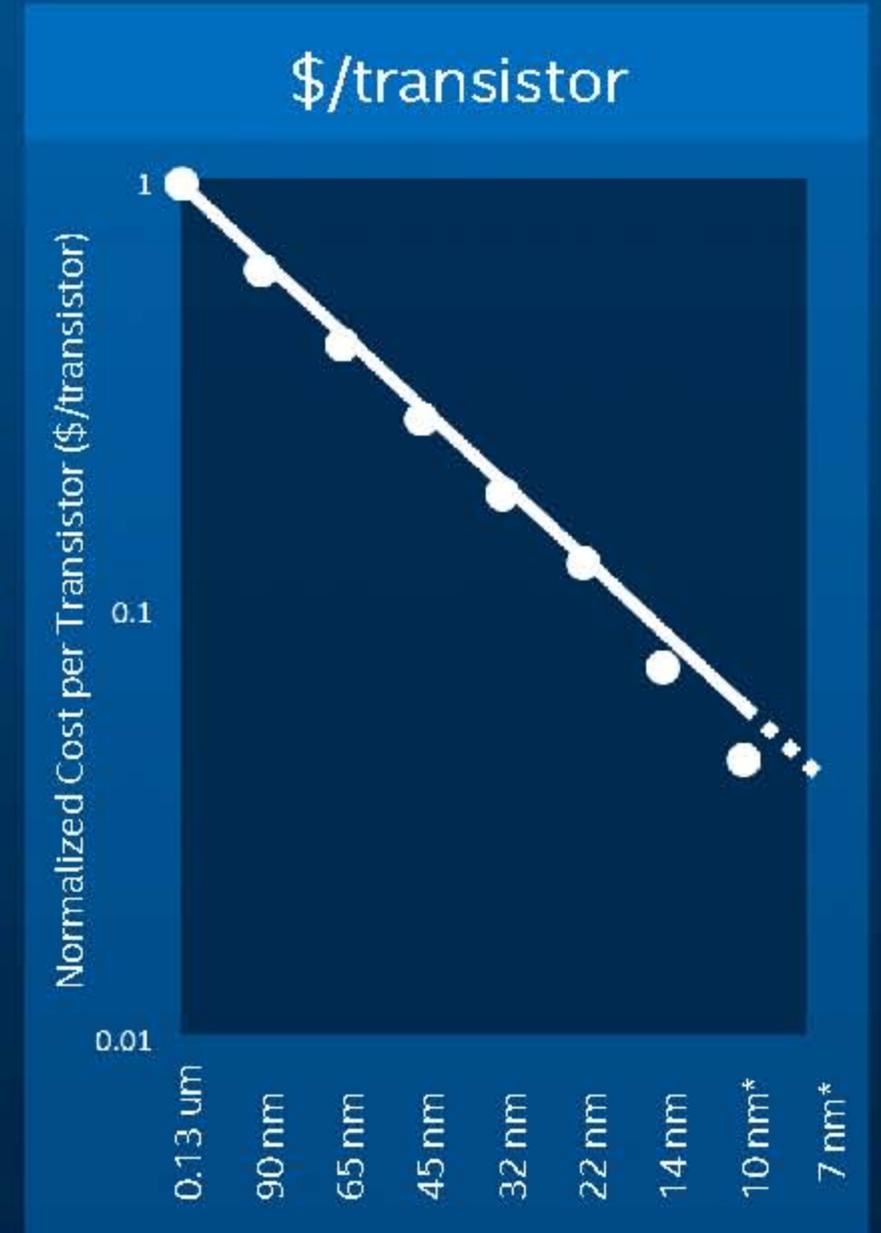
Cost Reduction On Track



X



||

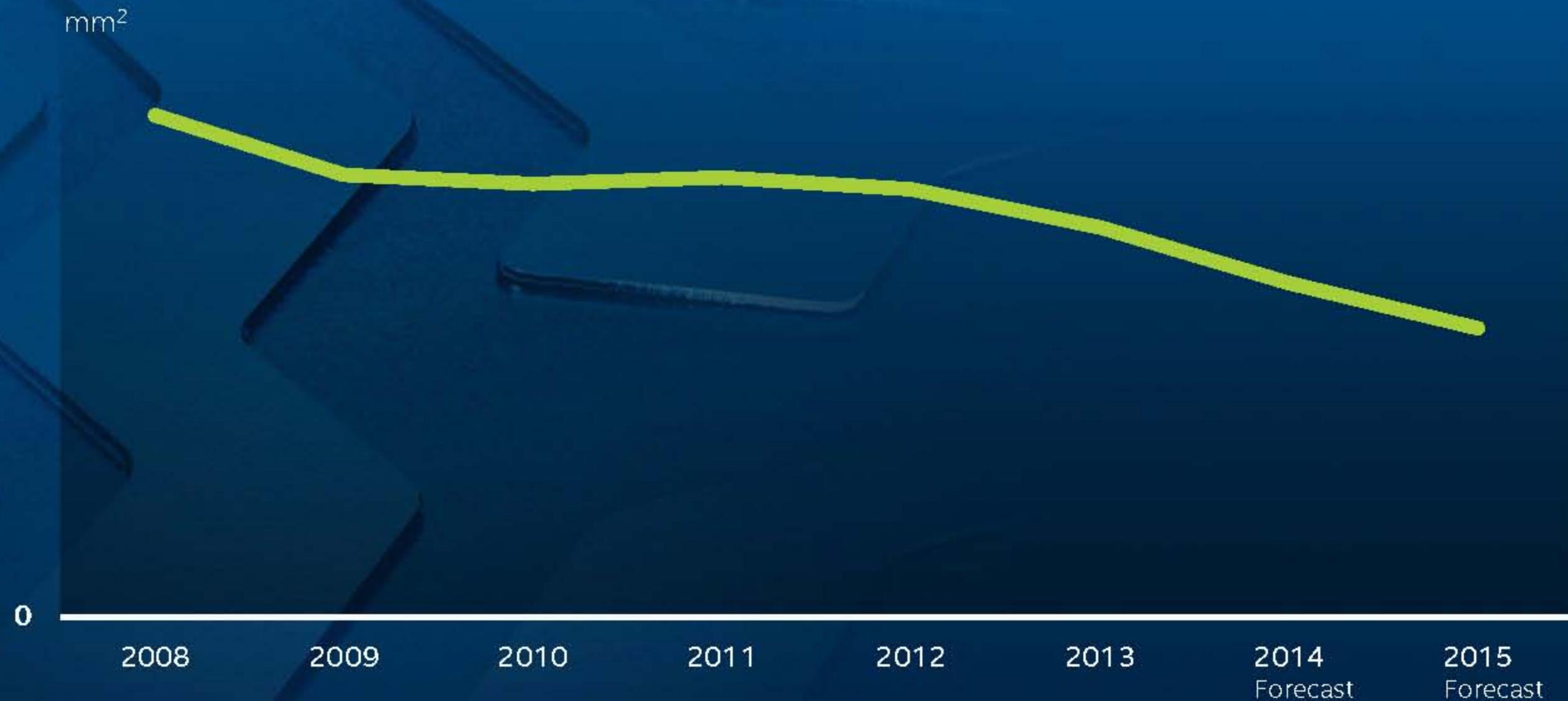


Capex by Peak Wafer Start By Generation



*Forecast is based on current expectations and is subject to change without notice
Source: Intel

Weighted Average Die Size *Platform**



Forecast is based on current expectations and is subject to change without notice

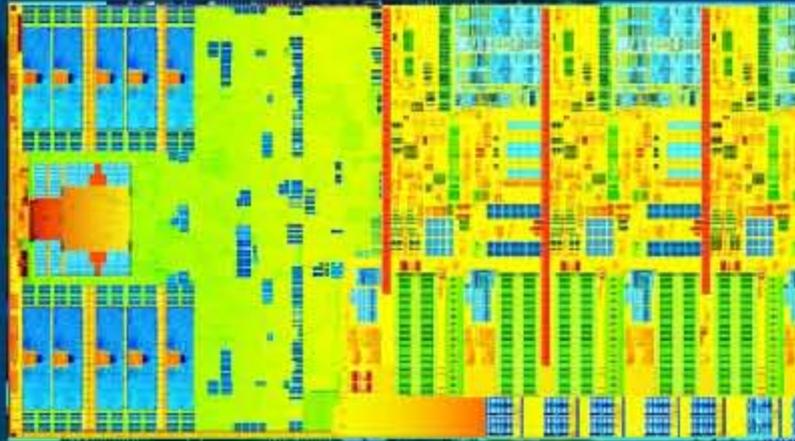
Sources: Intel

*Platform includes CPU and chipset

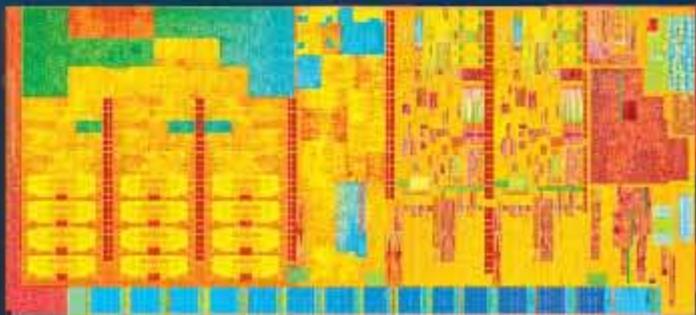
The Broadwell Advantage

HASWELL 2 X 2 (22nm)

**960M
Transistors**



**1.3B
Transistors**



**37%
Smaller**

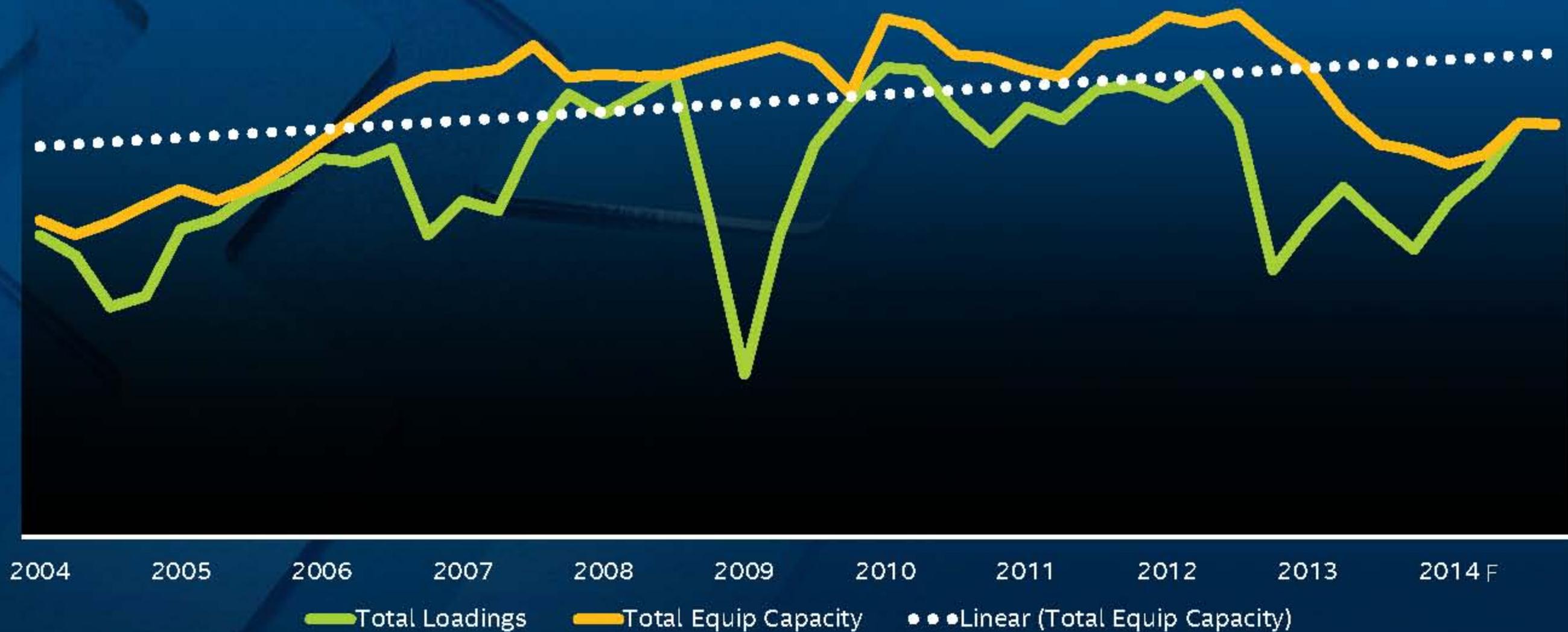
BROADWELL 2 X 2 (14nm)

**14nm Delivers Cost AND
Performance Benefits:**

SUB 5 WATT enables
fanless designs

Up to 40% higher 3D
graphics performance¹

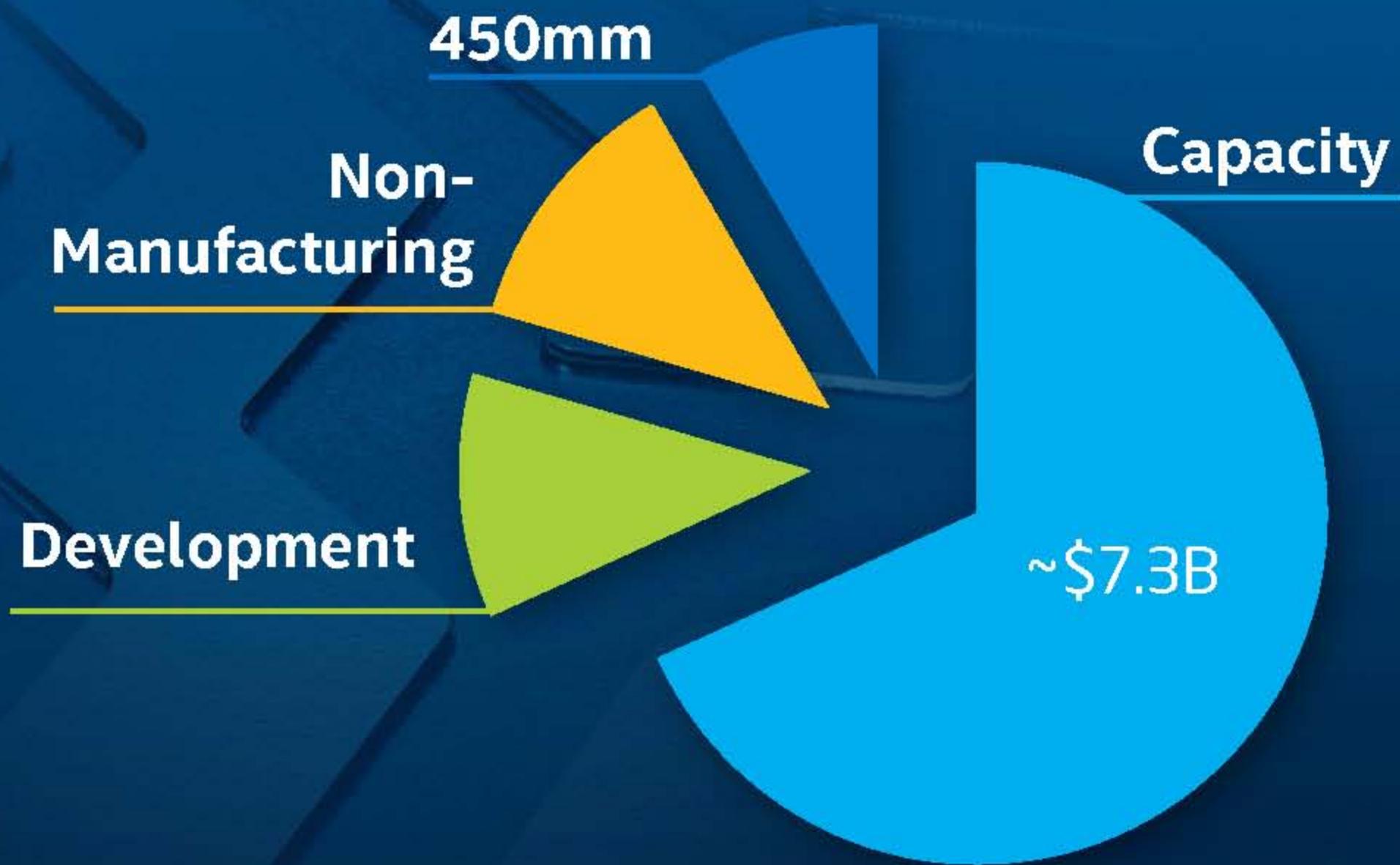
Capacity & Loadings



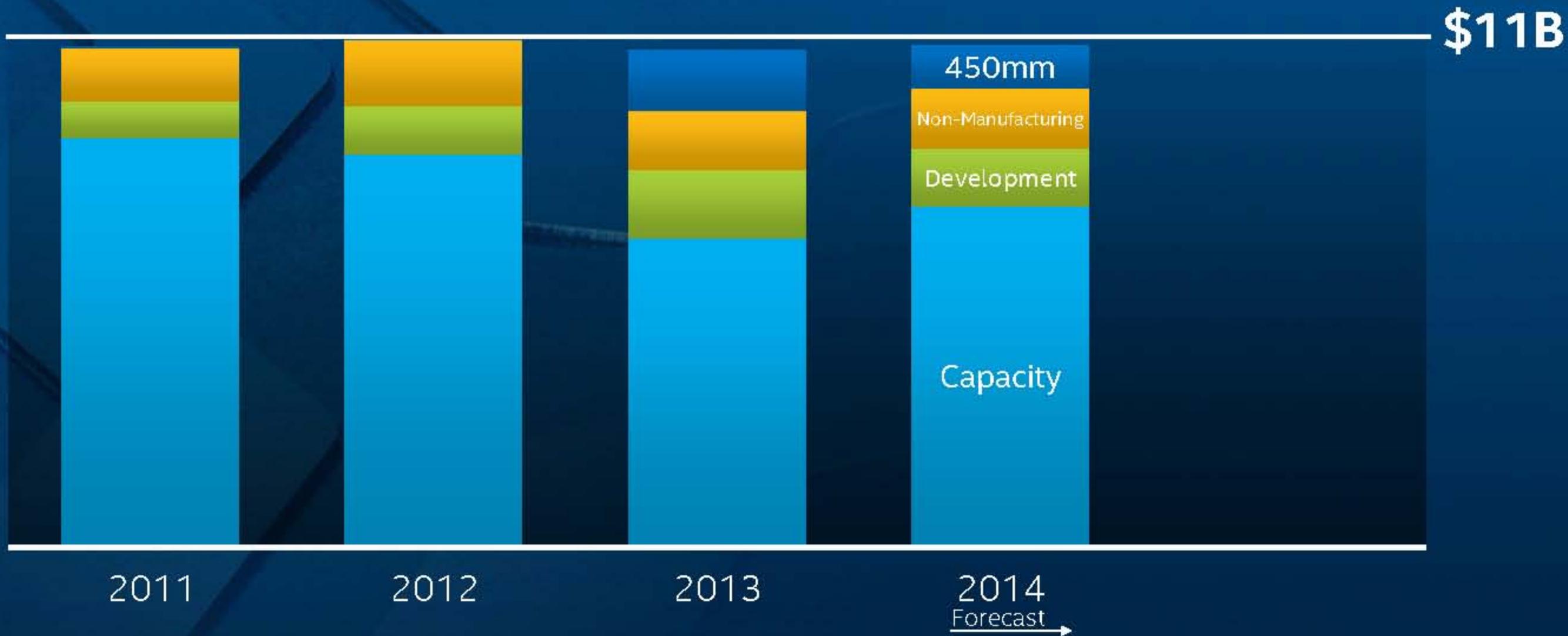
So hold on there Tex

Can you tell me again why it takes \$11B of
Capex to run your business?

2014 Capex Breakout

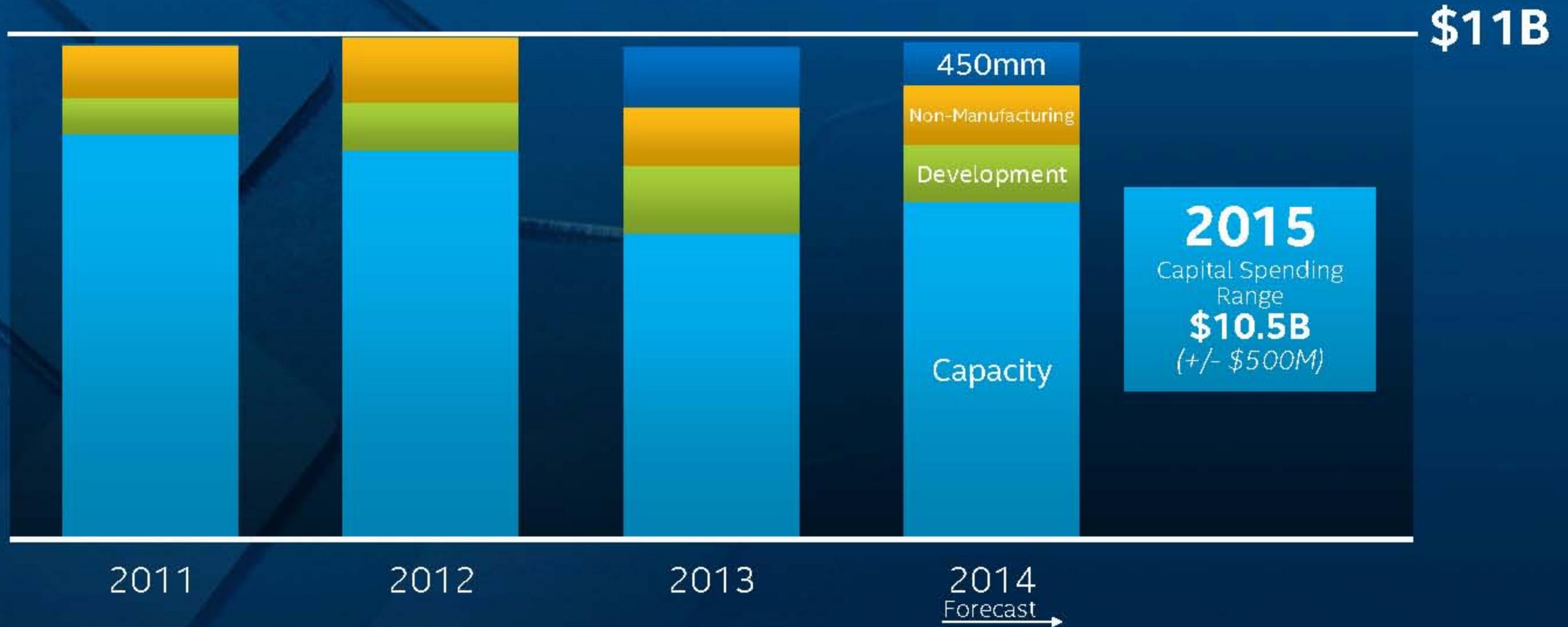


Capital Trends: 2011 – 2014F



*The 2014 forecast is based on Q1-Q3'14 actuals plus the midpoint of the Q4'14 forecast. Forecast range is based on current expectations and is subject to change without notice. Source: Intel

Capital Trends: 2011 – 2015F



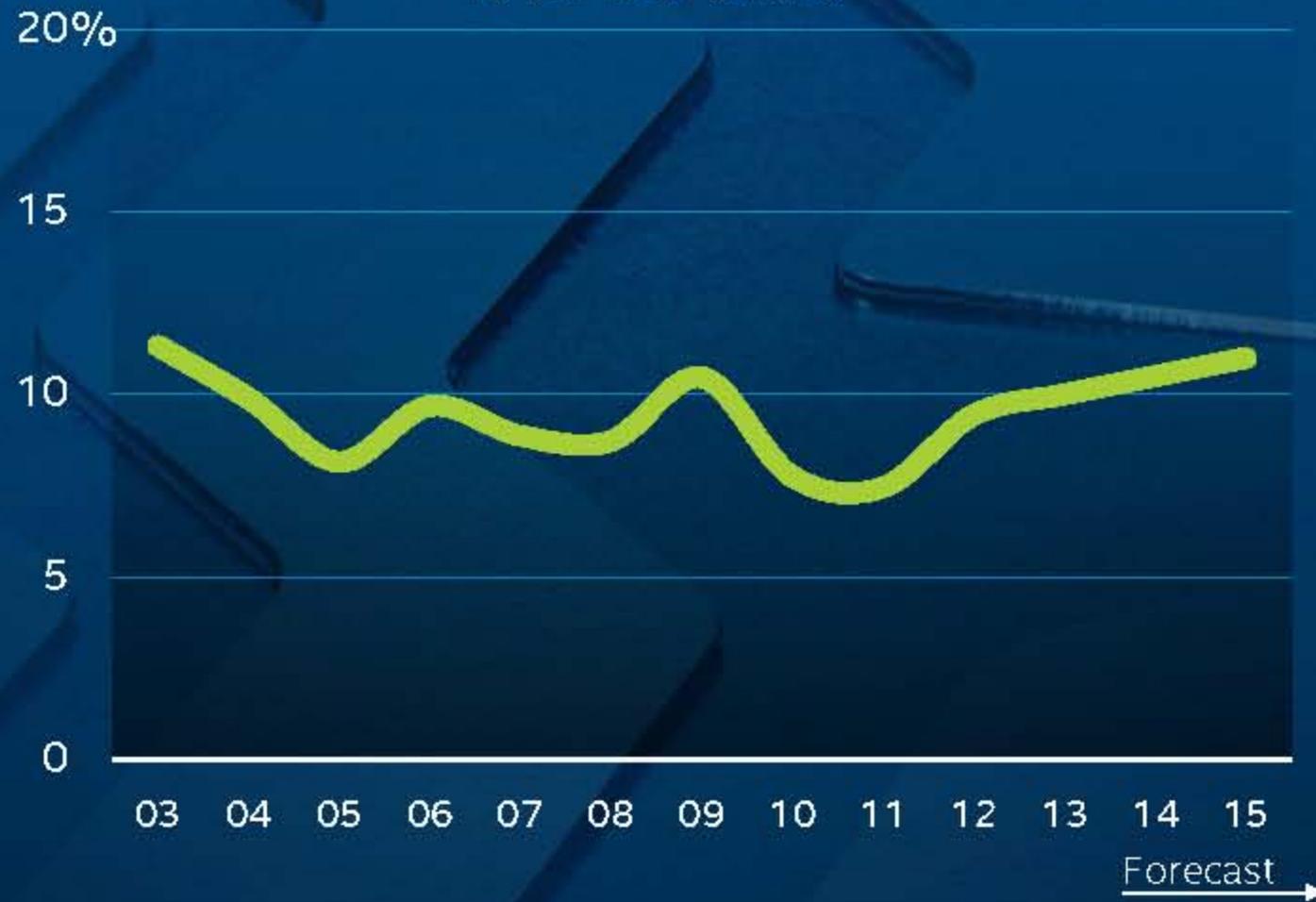
*The 2014 forecast is based on Q1-Q3'14 actuals plus the midpoint of the Q4'14 forecast.
Forecast range is based on current expectations and is subject to change without notice
Source: Intel

So hold on there Tex (part 2)...

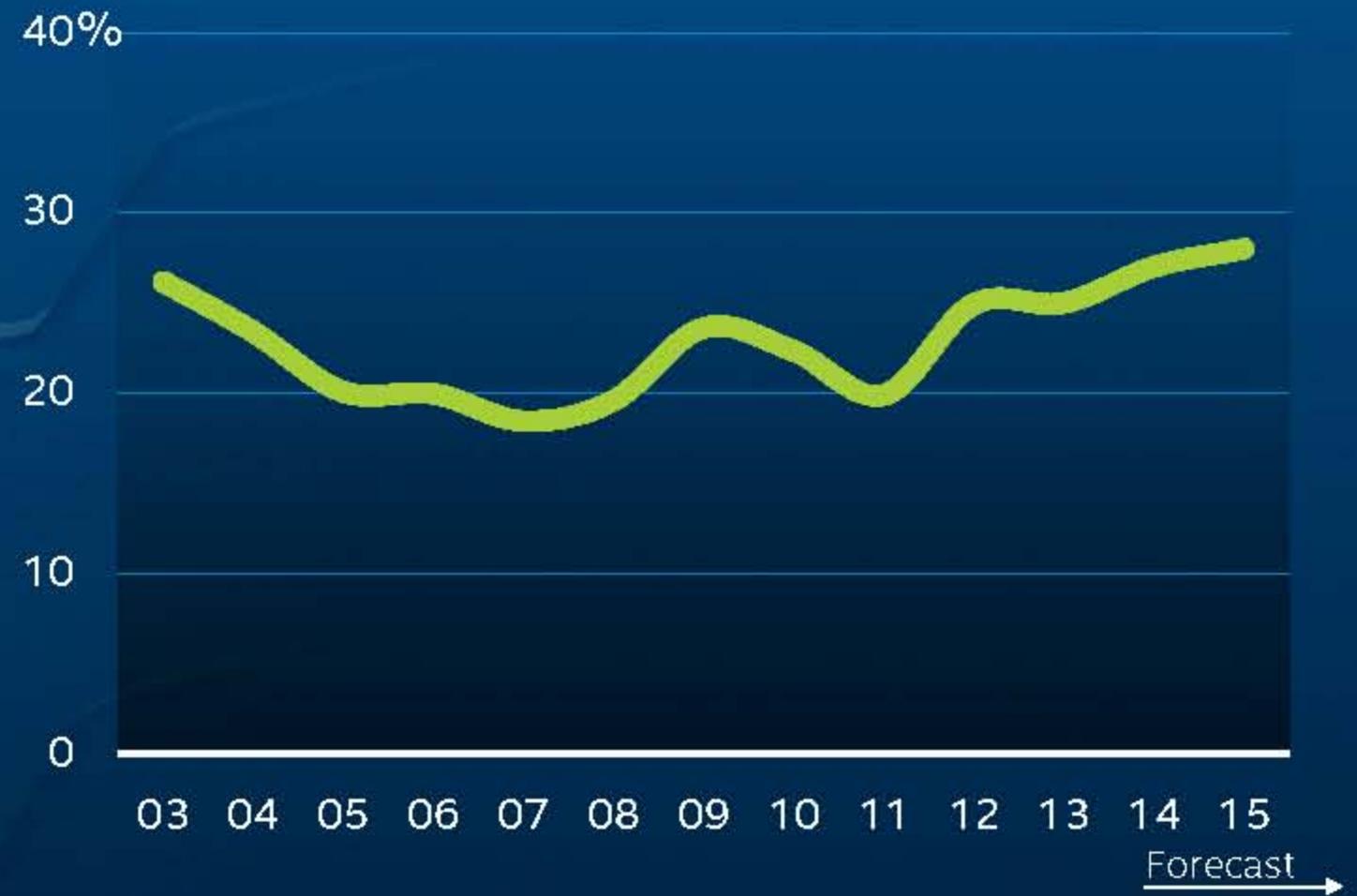
Even at \$7B - \$8B of CapEx,
won't the increase in depreciation lower your
Gross Margins?

Depreciation Trends

COS Depreciation as a % of Revenue



COS Depreciation as a % of Total Cost of Sales



Napkin Math

$$\$7.8B / .32 = \$24B CO$$

$$\begin{array}{r} \$56B \text{ (FLAT)} \\ - \$24B \text{ COS} \\ \hline \end{array}$$

\$32B

57% GM

FLAT REVENUE

$$\$7.8B / .32 = \$24B CO$$

$$\begin{array}{r} \$59B \text{ (5% GROWTH)} \\ - \$24B \text{ COS} \\ \hline \end{array}$$

\$35B

59% GM

+5 REVENUE

$$\$7.8B / .32 = \$24B \text{ COS}$$

$$\begin{array}{r} \$62B \text{ (10% GROWTH)} \\ - \$24B \text{ COS} \\ \hline \end{array}$$

\$38B

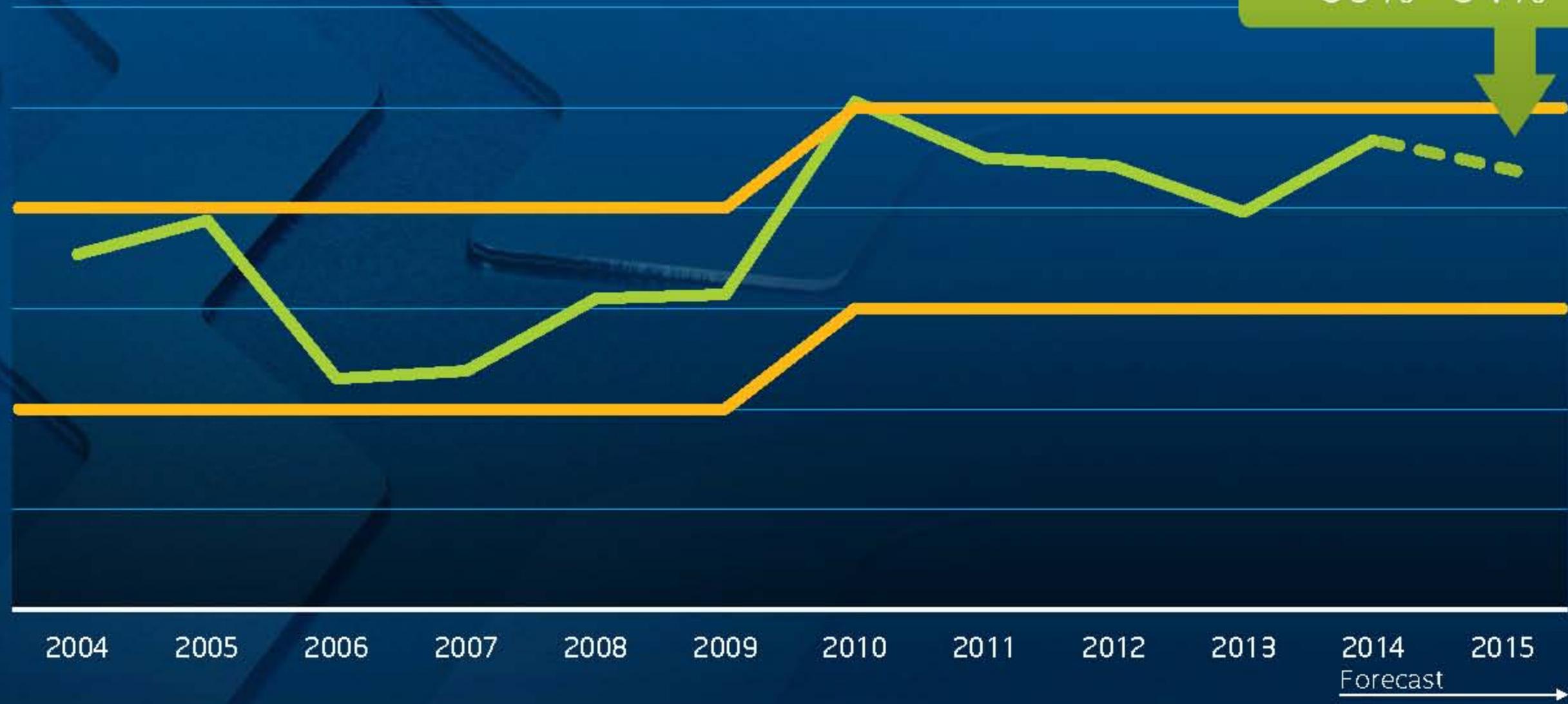
61% GM

10% REVENUE

Gross Margins

Gross Margin % Annual 2004-2015

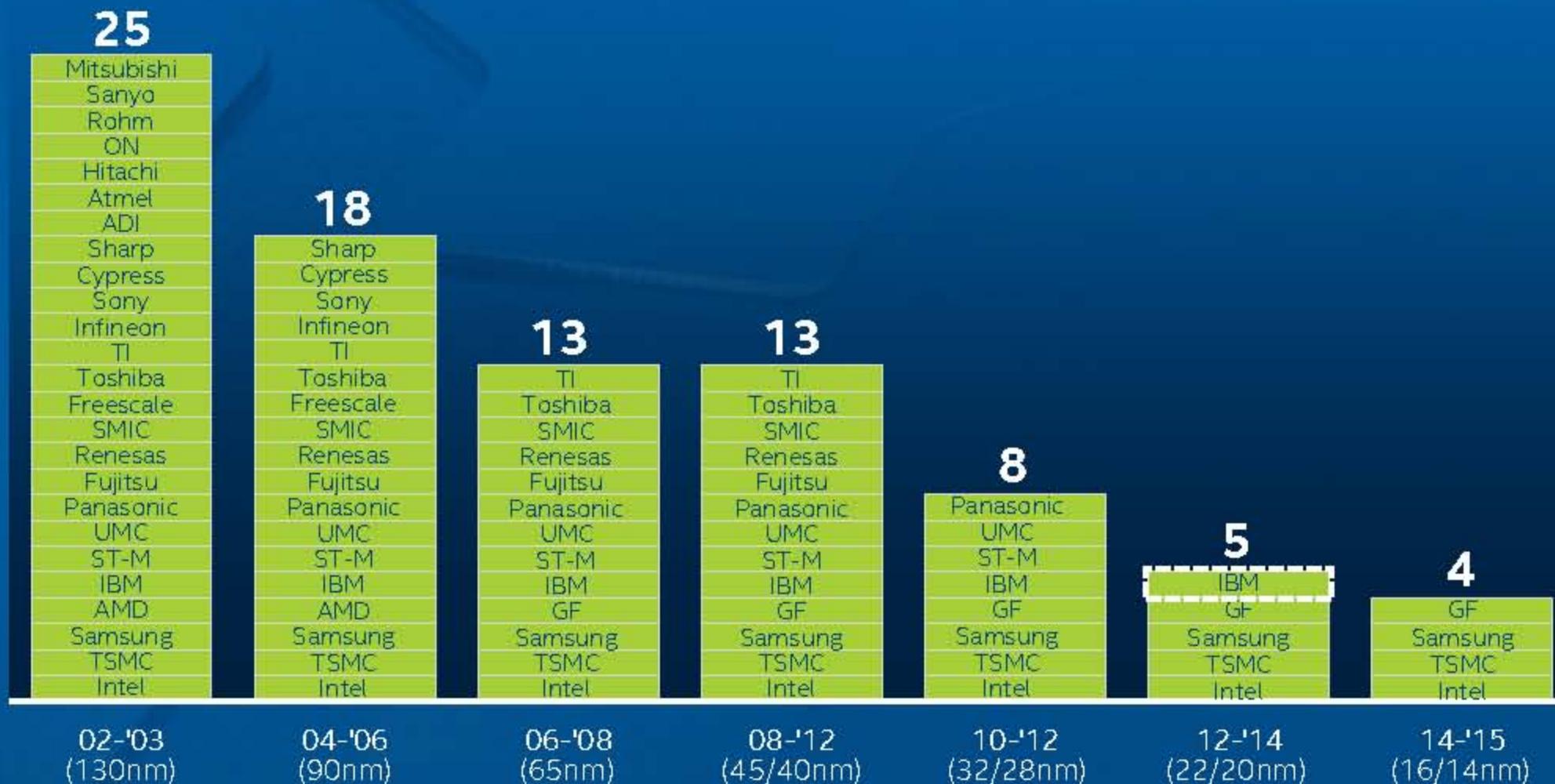
2015
Forecast Range
60% - 64%



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Forecast range is based on current expectations and is subject to change without notice.
Source: Intel

Si technology is becoming rare

Number of players with a leading edge fab



Our Competitive Advantage 1: IP

Key Segments of Our Business

Our Competitive Advantage 2: Manufacturing

Cash and Shareholder Return

Strong Cash Generation



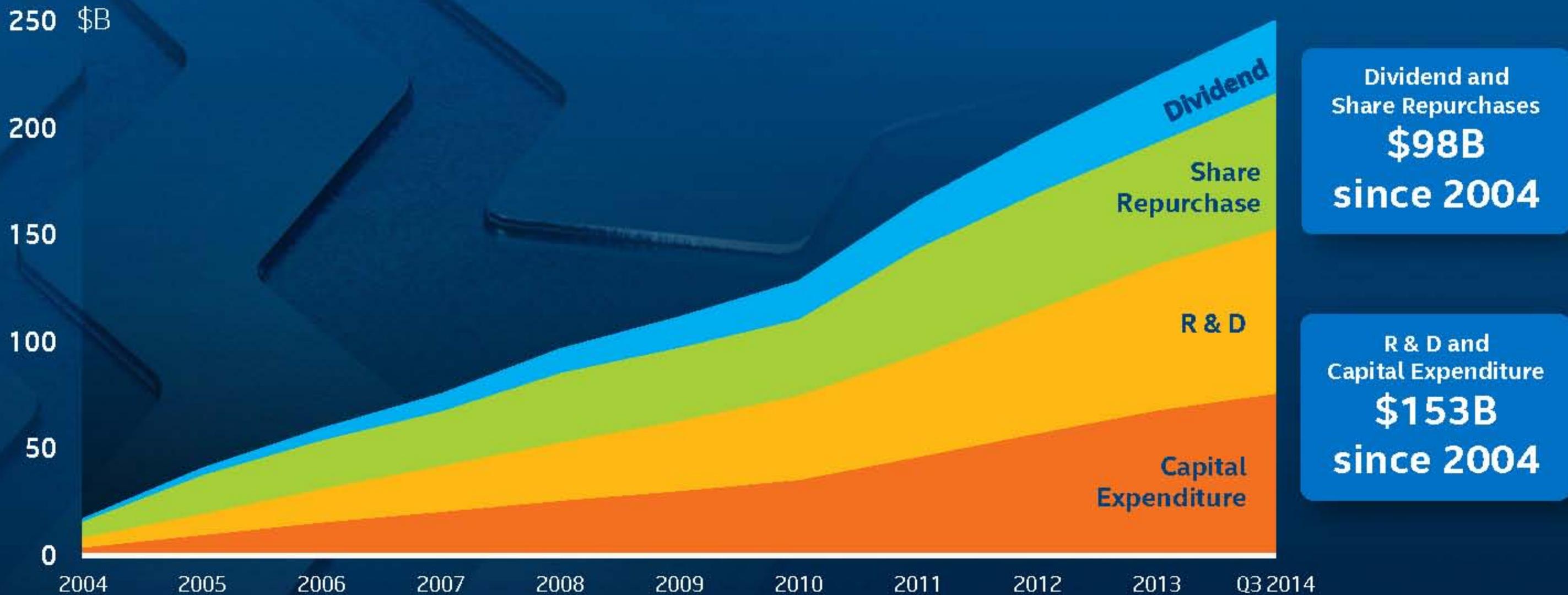
Investing and Returning Cash to Shareholders

First: **Invest in our business**

Second: **Dividend**

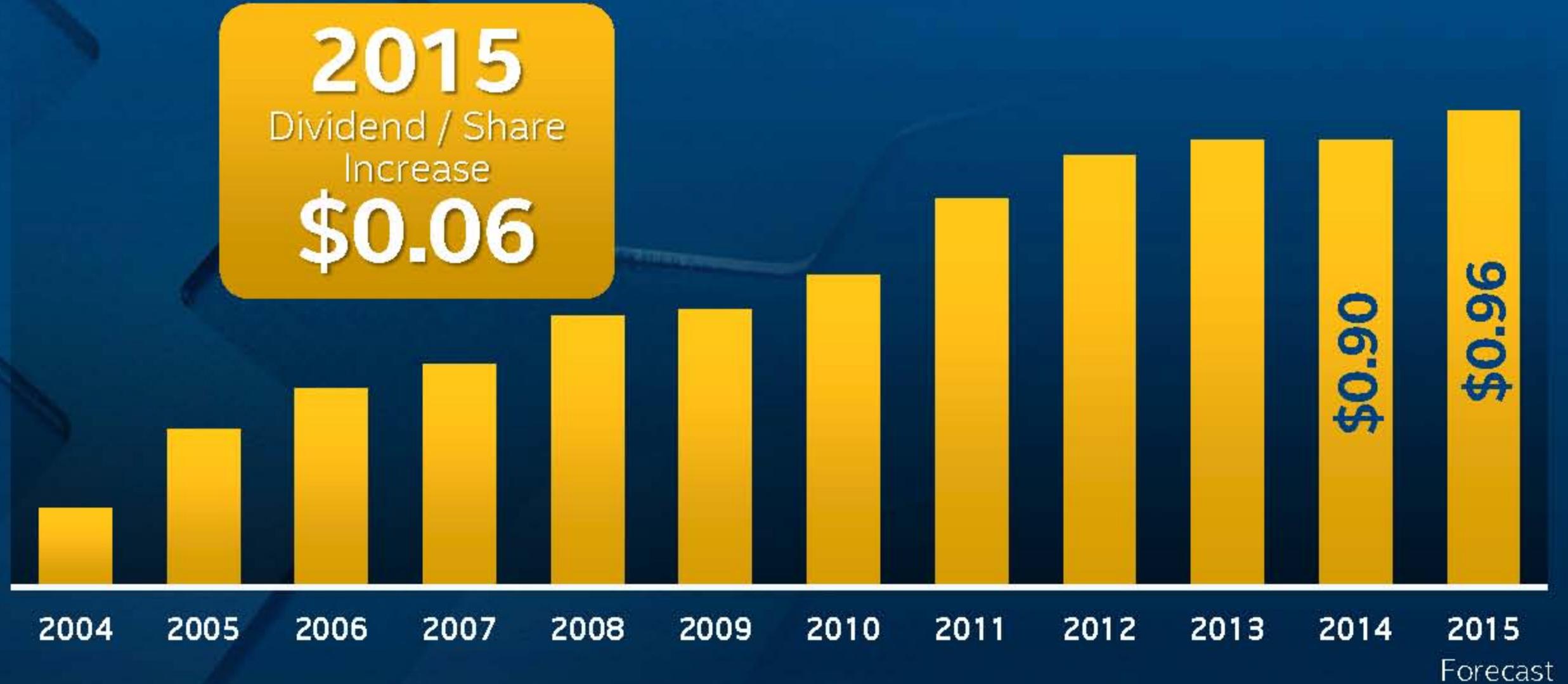
Third: **Share Repurchases**

Investing and Returning Cash to Shareholders



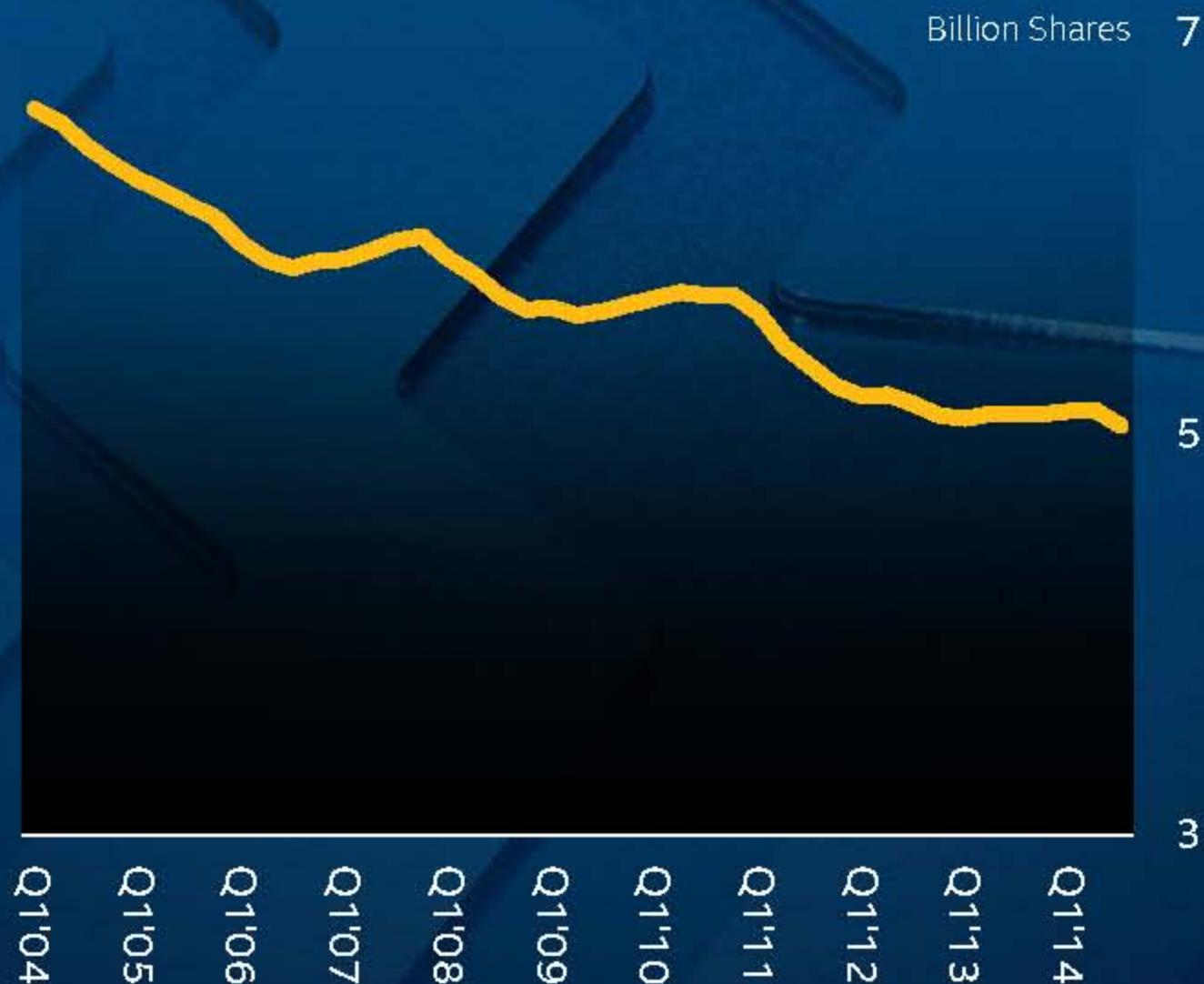
Announcing Dividend Increase Starting in Q1 '15

Dividend/Share



Buyback History (Q1 '04 to Q3 '14)

Dilutive Shares



Buyback program in place since 1990

Returned ~\$98B cash and repurchased 4.6B shares from inception

Last 5 years returned \$29B in cash and repurchased 1.2B shares

Putting It All Together

2015 Full Year Outlook

Revenue Growth in the Mid Single Digits

Gross Margin at 62% (+/- 2 points)

Spending at \$20B (+/- \$400M)
Spending as a Percent of Revenue Down

Capital Spending at \$10.5B (+/- \$500M)

Key Messages

Return to growth in 2014

IP and Manufacturing leadership are increasingly valuable advantages

Exquisitely positioned to benefit from cloud and big data

We are investing in our business and returning cash to shareholders



INVESTOR MEETING 2014

Q&A



INVESTOR MEETING 2014

SANTA CLARA NOVEMBER 20

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*Other names and brands may be claimed as the property of others.

Risk Factors

The statements in the presentations and other commentary that refer to plans and expectations for the fourth quarter, the year and the future are forward-looking statements that involve a number of risks and uncertainties. Words such as “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “may,” “will,” “should” and their variations identify forward-looking statements. Statements that refer to or are based on projections, uncertain events or assumptions also identify forward-looking statements. 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 following to be important factors that could cause actual results to differ materially from the company’s expectations.

- Demand for Intel’s products is highly variable and could differ from Intel’s expectations due to factors including changes in the business and economic conditions; consumer confidence or income levels; customer acceptance of Intel’s and competitors’ products; competitive and pricing pressures, including actions taken by competitors; supply constraints and other disruptions affecting customers; changes in customer order patterns including order cancellations; and changes in the level of inventory at customers.
- Intel’s gross margin percentage could vary significantly from expectations based on capacity utilization; variations in inventory valuation, including variations related to the timing of qualifying products for sale; changes in revenue levels; segment product mix; the timing and execution of the manufacturing ramp and associated costs; excess or obsolete inventory; changes in unit costs; defects or disruptions in the supply of materials or resources; and product manufacturing quality/yields. Variations in gross margin may also be caused by the timing of Intel product introductions and related expenses, including marketing expenses, and Intel’s ability to respond quickly to technological developments and to introduce new features into existing products, which may result in restructuring and asset impairment charges.
- Intel operates in highly competitive industries and its operations have high costs that are either fixed or difficult to reduce in the short term.
- The declaration and rate of dividend payments and the amount and timing of Intel’s stock buyback program are at the discretion of Intel’s board of directors, and plans for future dividends and stock buy backs and could be affected by changes in Intel’s priorities for the use of cash, such as operational spending, capital spending, acquisitions, and because of changes to Intel’s cash flows and changes in tax laws.
- Intel’s expected tax rate is based on current tax law and current expected income and may be affected by 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 authorities, including payment of interest and penalties; and the ability to realize deferred tax assets.
- Gains or losses from equity securities and interest and other could vary from expectations depending on gains or losses on the sale, exchange, change in the fair value or impairments of debt and equity investments; interest rates; cash balances; and changes in fair value of derivative instruments.
- Intel’s results could be affected by adverse economic, social, political and physical/infrastructure conditions in countries where 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 the timing of closing of acquisitions, divestitures and other significant transactions.
- 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, disclosure and other issues. An unfavorable ruling could include monetary damages or an injunction prohibiting Intel from manufacturing or selling one or more products, precluding particular business practices, impacting Intel’s ability to design its products, or requiring other remedies such as compulsory licensing of intellectual property.

A detailed discussion of these and other factors that could affect Intel’s results is included in Intel’s SEC filings, including the company’s most recent Form 10-Q, Form 10-K and earnings release.