

2004 INTEL FALL ANALYST MEETING



INTEL STRATEGY AND DIRECTION

Craig R. Barrett :: CEO :: Intel Corporation

Today's presentations include Intel's business outlook and contain forward-looking statements. These forward-looking statements and all other statements that are not historical facts that may be made during the program are subject to a number of risks and uncertainties, and actual results may differ materially. Please refer to the printed program materials, and to our recent Mid-Quarter Update press release, 2003 Form 10-K and Q3'04 Form 10-Q for more information on the risk factors that could cause actual results to differ.

If, during these presentations, we use any non-GAAP financial measure as defined by the SEC in Regulation G, you will find in the printed program materials or on our website, intc.com, the required reconciliation to the most directly comparable GAAP financial measure.

2004 in Review:

Global Trends

- Strong technology demand
- Governments enabling access
- Convergence driving growth



2004 in Review

ENTERPRISE

WIRELESS

MOBILE

**INTEL
COMPUTING**

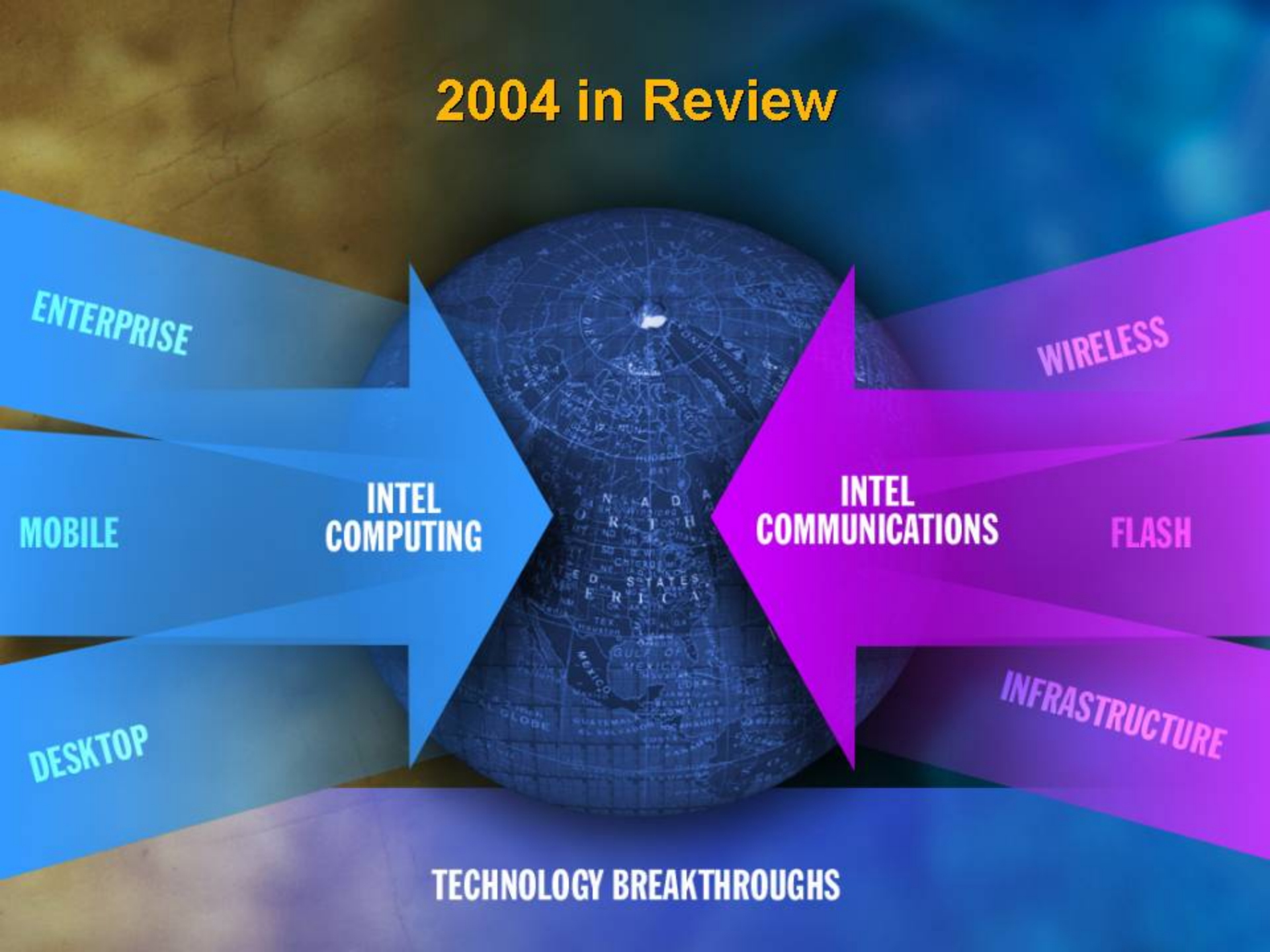
**INTEL
COMMUNICATIONS**

FLASH

DESKTOP

INFRASTRUCTURE

TECHNOLOGY BREAKTHROUGHS



Portfolio of Innovation: Intel's Strengths

- Manufacturing
- Architecture
- Global presence
- Investments
- Brand
- Corporate excellence

Intel Products

- Desktop
- Notebook
- Server and Workstation
- Handheld and Handset
- Embedded Components & Flash Memory
- Wired Access Products
- Storage and I/O

- Telecom
- Network Connect
- Network & Communications Processors
- Ethernet
- Optical
- Software Application Development

- Product Sales
- Downloads and Drivers
- Investor Relations
- Governance & Social Responsibility

Portfolio of Innovation: Manufacturing

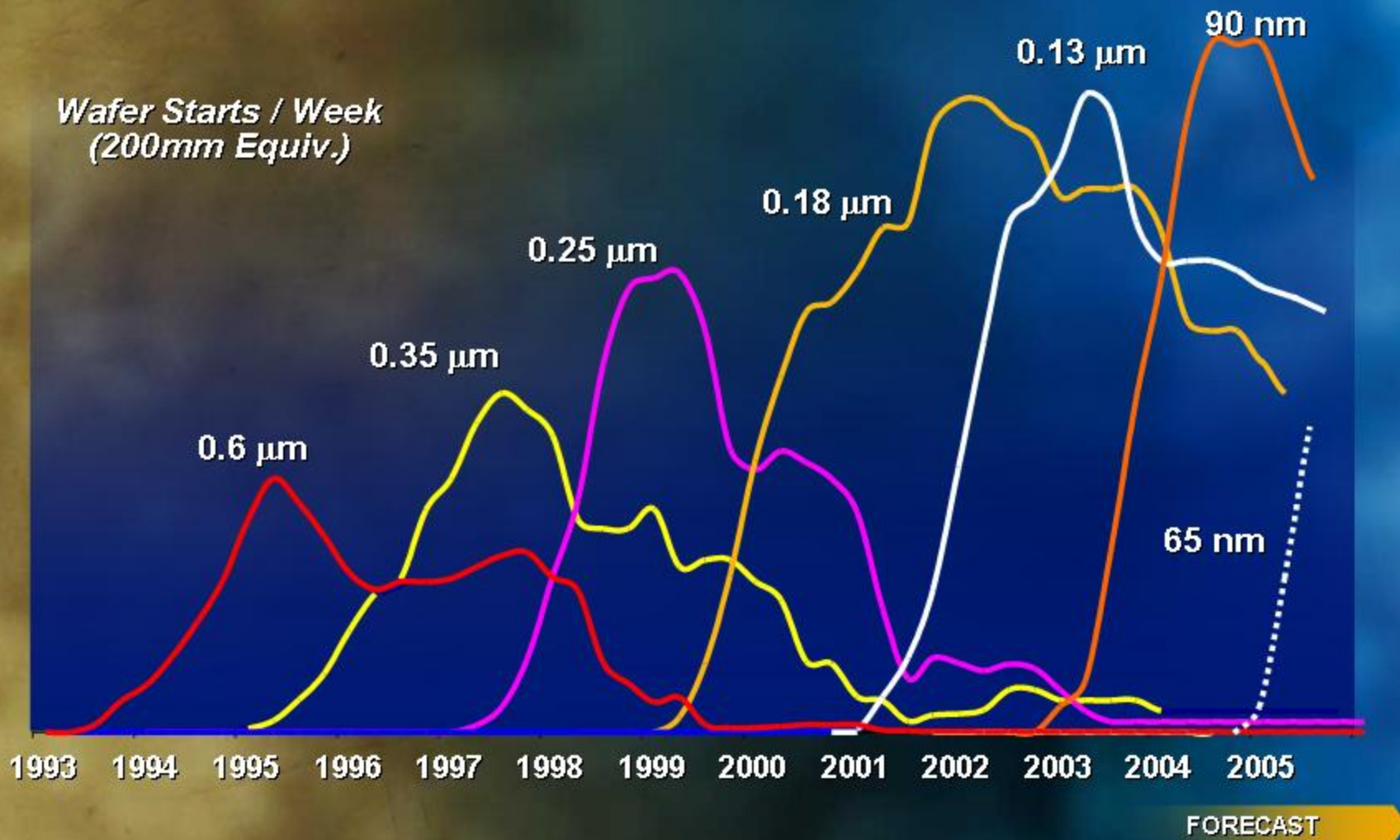
Strength in capacity

Size does matter

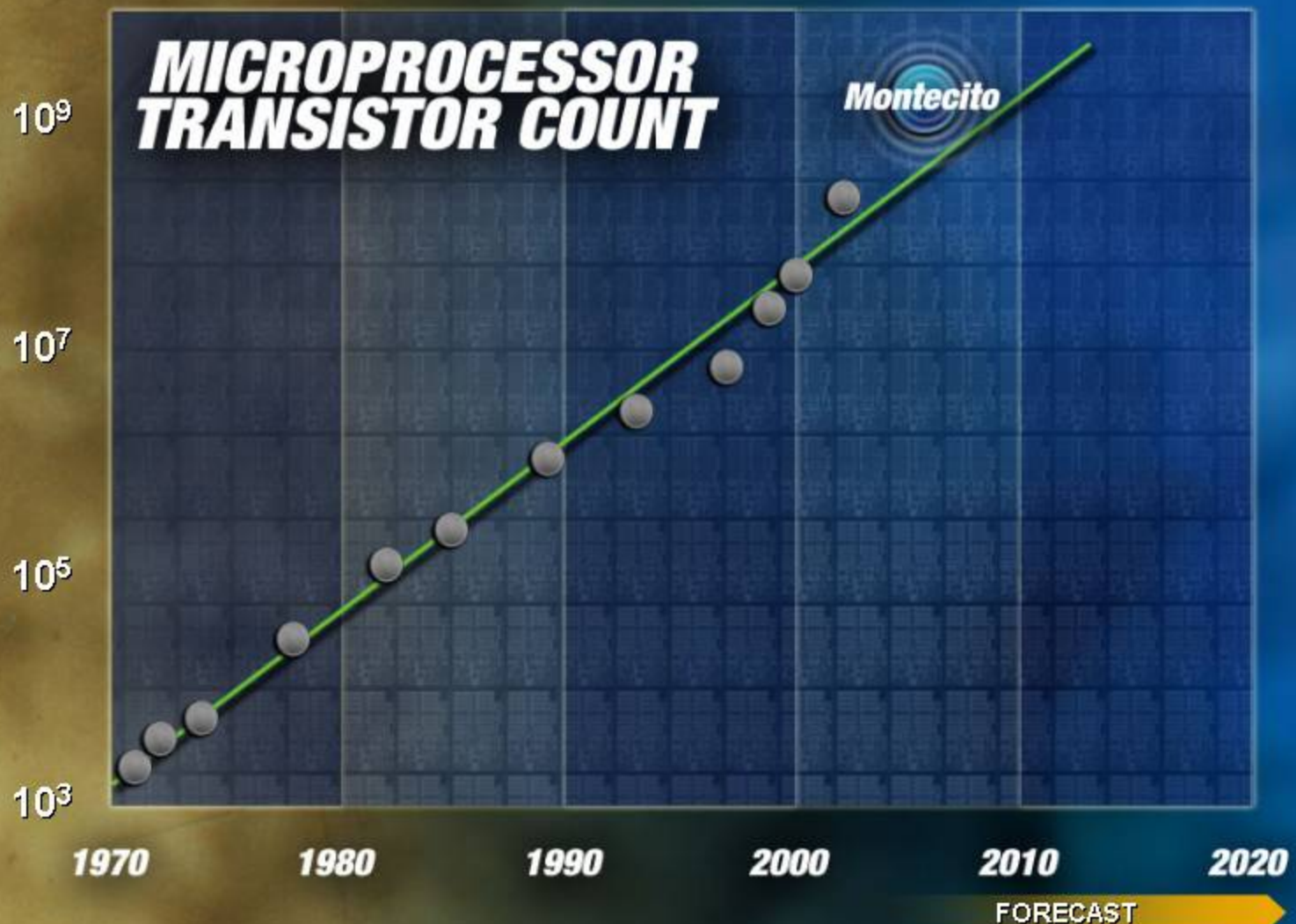
Invest for the long term



Portfolio of Innovation: Faster, Steeper Ramps



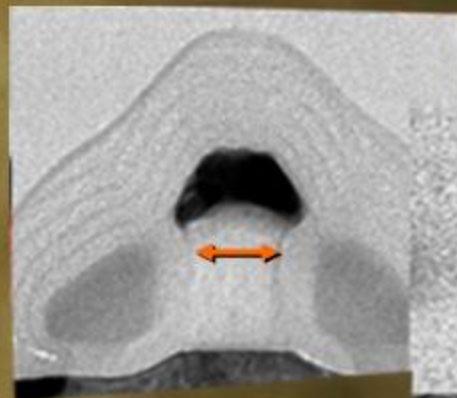
Portfolio of Innovation: Extending Moore's Law



Source: Intel

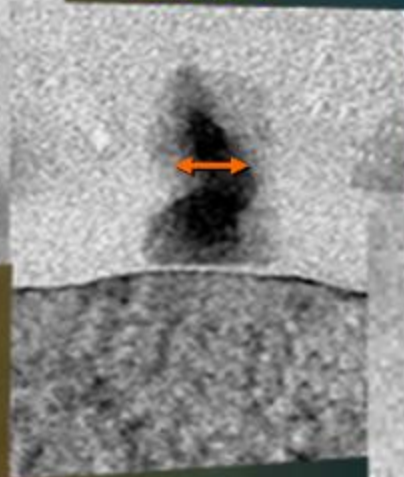
Portfolio of Innovation: Creating the Cutting Edge

2005



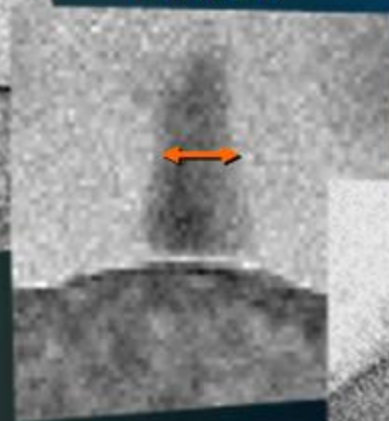
65nm process
30nm gate

2007



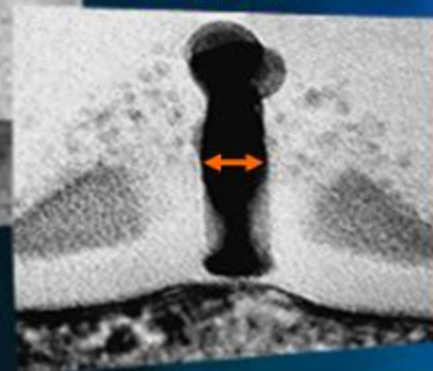
45nm process
20nm prototype

2009



32nm process
15nm prototype

2011



22nm process
10nm prototype

Portfolio of Innovation:

Advanced Architectures for a Digital Economy



Portfolio of Innovation:

More Than Just GigaHertz

Intel® Hyper-Threading Technology (HT)

Intel® Extended Memory 64 Technology (EM64T)

Dual / Multi-Core

LaGrande Technology (LT)*

Vanderpool Technologies (VT)*

Intel® Active Management Technology (IAMT)

Portfolio of Innovation:

Combining Manufacturing and Architecture Success

Flash

Market Segment Share:

#1 in NOR

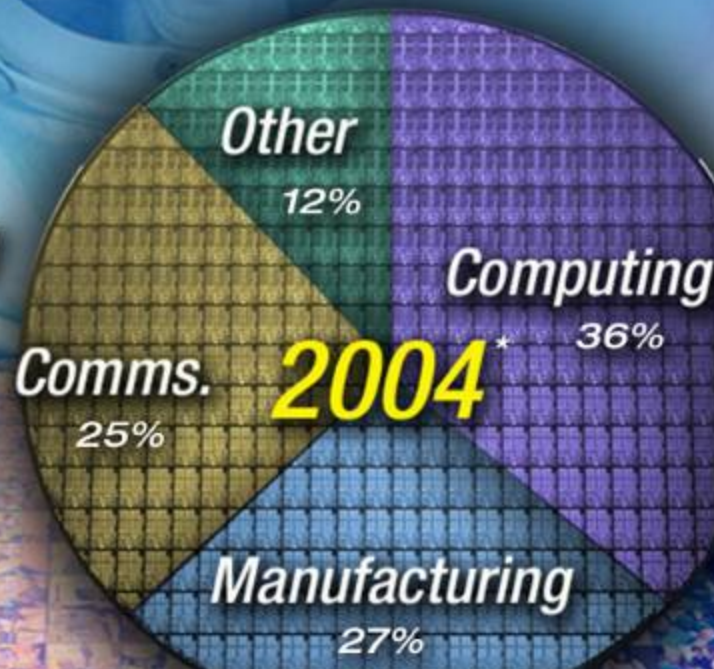
Intel StrataFlash® Memory

Progress towards 90nm, 65nm

Portfolio of Innovation: Investing in Research and Development



\$3.1B



\$4.7B

Portfolio of Innovation: Investing in the Industry

Developer Forum - Microsoft Internet Explorer

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Intel Developer FORUM

Intel hosts IDF in multiple locations around the world to serve the systems and solutions communities. Each conference is tailored to provide region-specific technical content and includes a Technology Showcase that features participants from local, regional, and multinational companies.

| Worldwide Schedule | |
|-------------------------------|---|
| Country | Fall 2004 |
| United States | Complete. Visit the Event Overview Page |
| India | Complete |
| PRC | Complete |
| Russia | Complete |
| Taiwan | Complete |
| Brazil | Complete |

Why Attend IDF?
Need to network?
IDF conferences let you meet face-to-face with top engineers, product managers, and decision makers, giving you an opportunity to...

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Intel Capital

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Intel Capital, Intel's strategic investment program, is one of the largest global corporate venture programs investing in the technology segment. Its mission is to make and manage financially attractive investments that support Intel's strategic objectives.

With an overall strategy to stimulate advances in computing and communications, the Intel Capital team seeks out and invests in promising companies worldwide working together to establish new and innovative technologies, develop industry standard solutions, drive global Internet growth, enable new usage models, and advance the computing and communications platforms.

Recent Press Releases

These press releases are from companies in which Intel has invested. Intel does not control the content of these releases.

[Wireless Services Corporate Revenue Growth](#)

Featured Companies

[Dexterra, Inc.](#)
[LightSmyth Technologies](#)
[Securix, Inc.](#)
[Continuous Computing Corp.](#)

Learn more about Intel Capital portfolio companies by viewing their company profile page or look for a specific company [here](#).

Additional Resources

Portfolio of Innovation: Global Presence

80,000
Intel
Employees

300
Offices

48
Countries



160,000
Channel
Members
in >1,200
Cities

100 Distributors
in 112 Countries

A young girl with a futuristic headpiece is the central focus. Behind her is a globe of the Earth. To the right, a document lists skills: Communicate, Exhibit, Learn, Create, Connect, Aspire, and Transform. The text is overlaid on this background.

Portfolio of Innovation:
Global Education in 53 Countries

Intel Teach to the Future
2 Million Teachers Trained

Intel Computer Clubhouses:
Community-Based Technology Training

Intel Learn:
Closing the Digital Divide
with 21st Century Skills

Portfolio of Innovation: Emerging Market Growth

*Emerging Market PC
TAM as % of WW*

50%

25%



FORECAST

Government Accelerated PC Programs

8.0M

1.5M

2004

2005

FORECAST

Portfolio of Innovation: Ingredient Brand

The World's 10 Most Valuable Brands

| RANK | BRAND | (\$B) |
|----------|--------------|--------------|
| 1 | COCA-COLA | 67.39 |
| 2 | MICROSOFT | 61.37 |
| 3 | IBM | 53.79 |
| 4 | GE | 44.11 |
| 5 | INTEL | 33.50 |
| 6 | DISNEY | 27.11 |
| 7 | McDONALD'S | 25.00 |
| 8 | NOKIA | 24.04 |
| 9 | TOYOTA | 22.67 |
| 10 | MARLBORO | 22.13 |

Portfolio of Innovation: Corporate Excellence

- Stock buyback
- Significant dividend increase
- Double-digit revenue and EPS growth in 2003 and 2004*
- 18 consecutive years of GAAP profitability*

INTEL UPDATES EXPECTATIONS

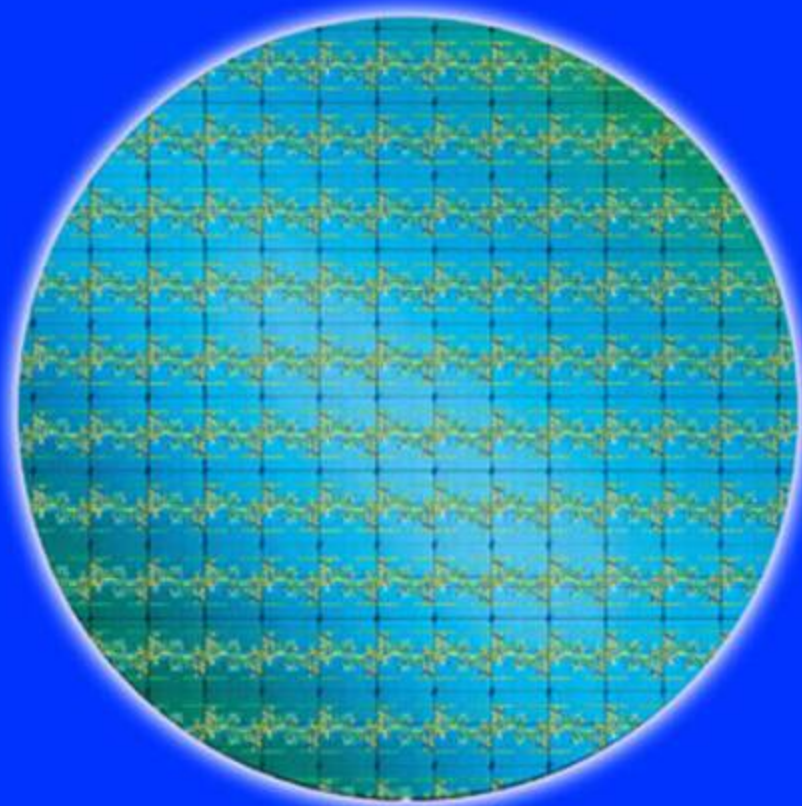
Dec. 2, 2004 – Intel Corporation expects revenue for the fourth quarter to be between \$9.3 billion and \$9.5 billion, higher than the previous range of \$9.6 billion to \$9.2 billion, driven by strong worldwide demand for the company's Intel Architecture products.
Listen to the webcast.

* Forecast

Summary:

Leadership from Technology Innovation

- Manufacturing
- Architecture
- Investments
- Global Presence
- Brand



2004 INTEL FALL ANALYST MEETING

The background of the slide is a blue-tinted collage of various images. On the left side, there is a grid of small, square images, possibly representing microchips or circuit boards. On the right side, there are larger, more detailed images of people in a meeting or conference setting, some looking at laptops and others in discussion. The overall theme is technology and business.

INTEL FALL ANALYST MEETING

PAUL S. OTELLINI · PRESIDENT & CHIEF OPERATING OFFICER

evolving VALUE proposition

1960s-1980s

PERFORMANCE

1990s

PRICE/PERFORMANCE

2000s

PRICE/PERFORMANCE/WATT

All Segments: HANDHELDS → CLIENTS → SERVERS

driving PARALLELISM

Moving from Chips/Computer to Computers/Chip

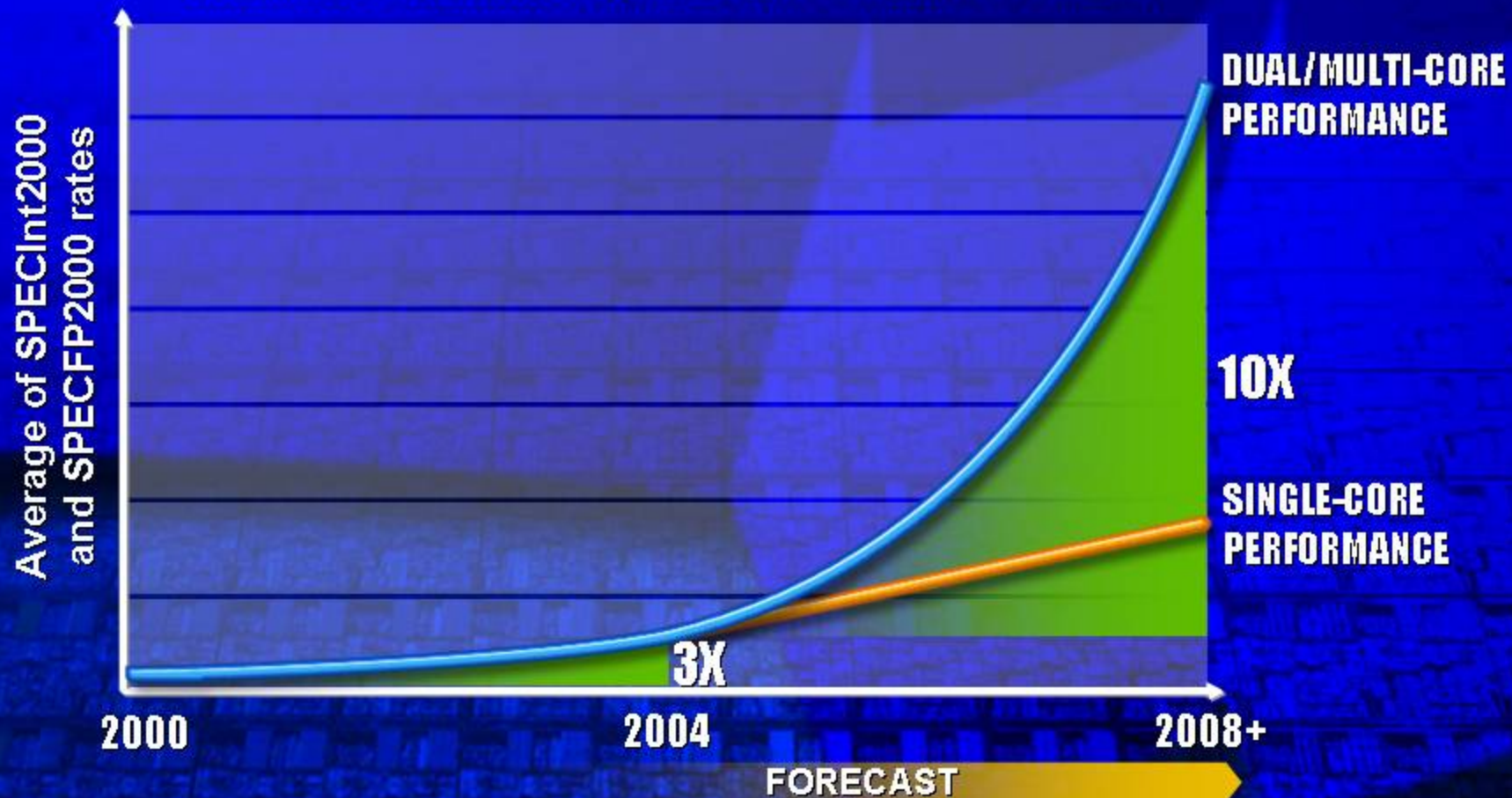
| | 2004 | 2005 | 2006* |
|---------------------|---------|--------------------|----------------------|
| DESKTOP PERFORMANCE | 65% HT | shipping dual-core | >70% dual-core |
| SERVERS | 100% HT | shipping dual-core | >85% dual/multi-core |
| MOBILE PERFORMANCE | | shipping dual-core | >70% dual-core |

**UNIQUE DUAL/MULTI-CORE PRODUCTS in ALL SEGMENTS
DRIVEN BY EVOLVING USER NEEDS**

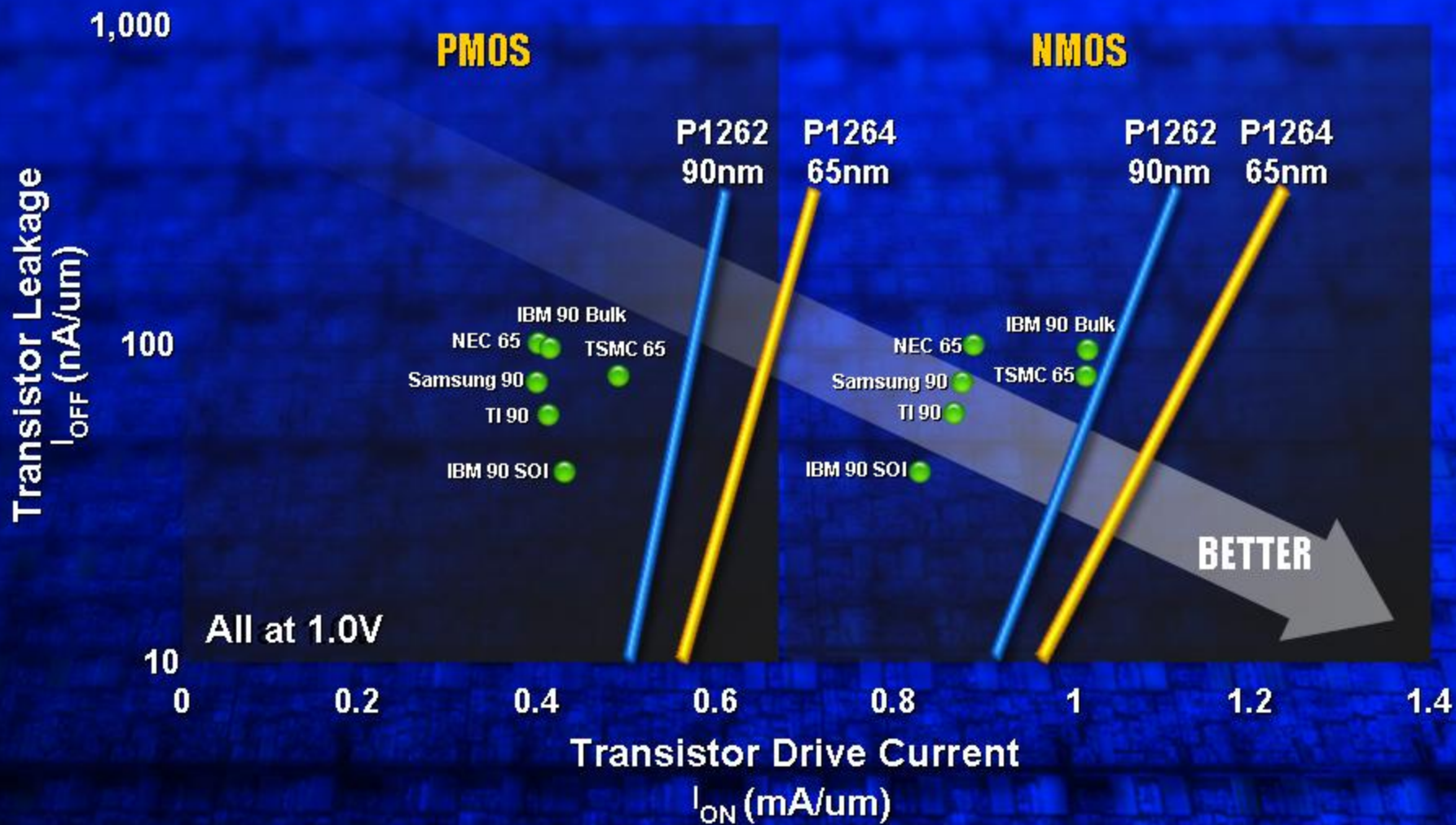
* data is run rate exiting the year.
Source: Intel forecast

PERFORMANCE through parallelism

Normalized Performance vs. initial Intel® Pentium® 4 Processor



POWER as a competitive advantage



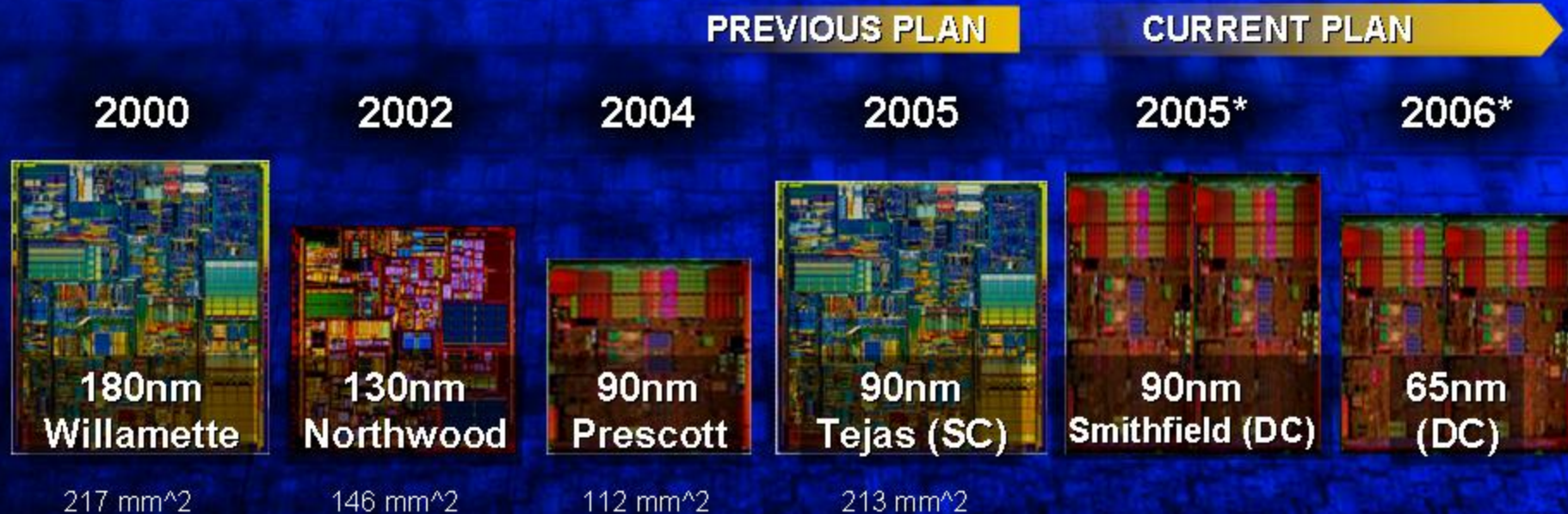
CAPACITY update

Dual Core Implications

- 2005: No significant impact from DC acceleration
- 2006 and beyond: No change to plan

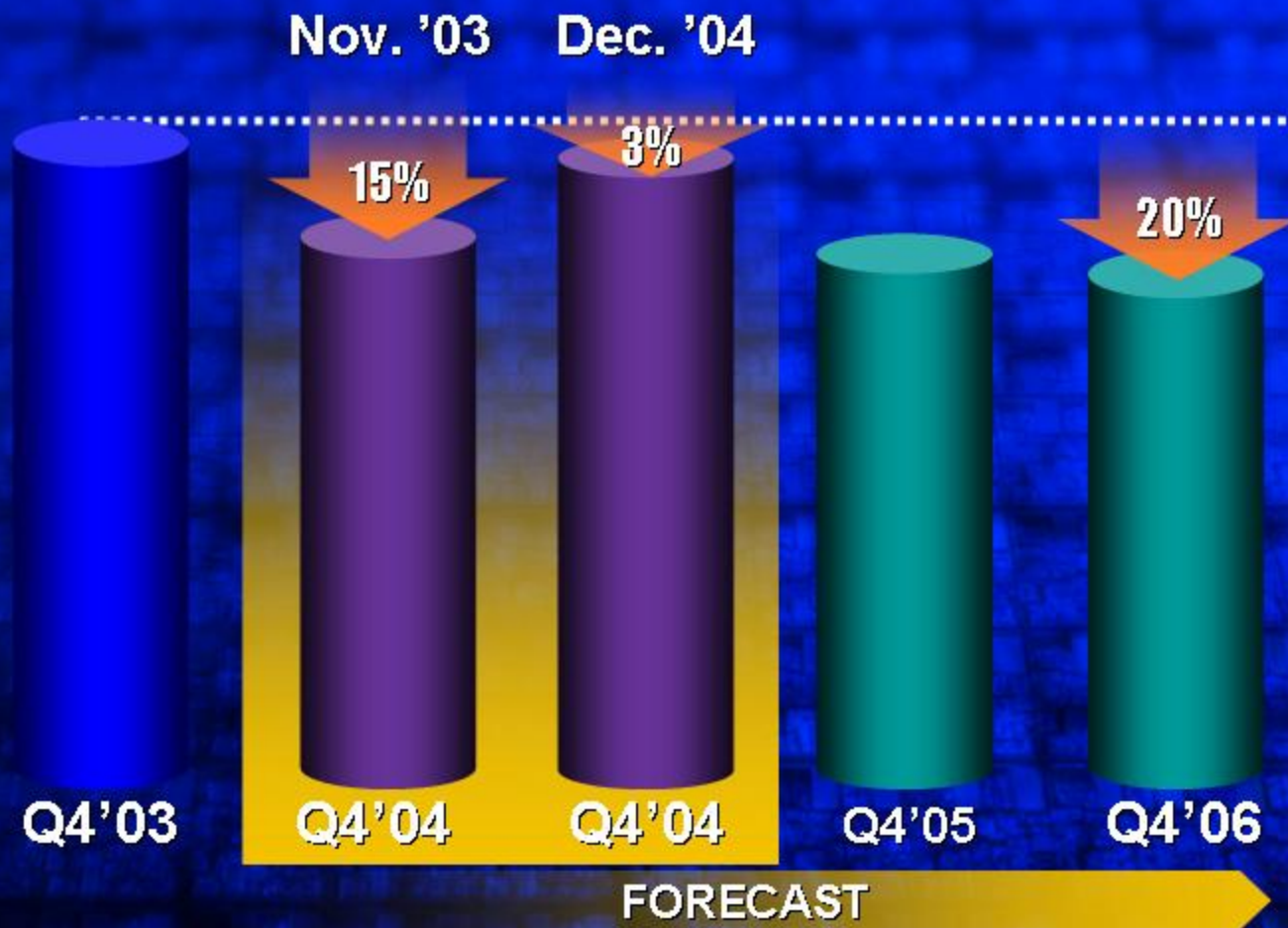
Factory Loading

- Full 300mm utilization by Q1'05
- Focus on utilizing N-1 capacity
 - Driving flash, chipset ramp



Note: die pictures are not actual, only pictorial depiction of likely size *forecast

CPU unit cost trend



ACCELERATING platform shift for key segments



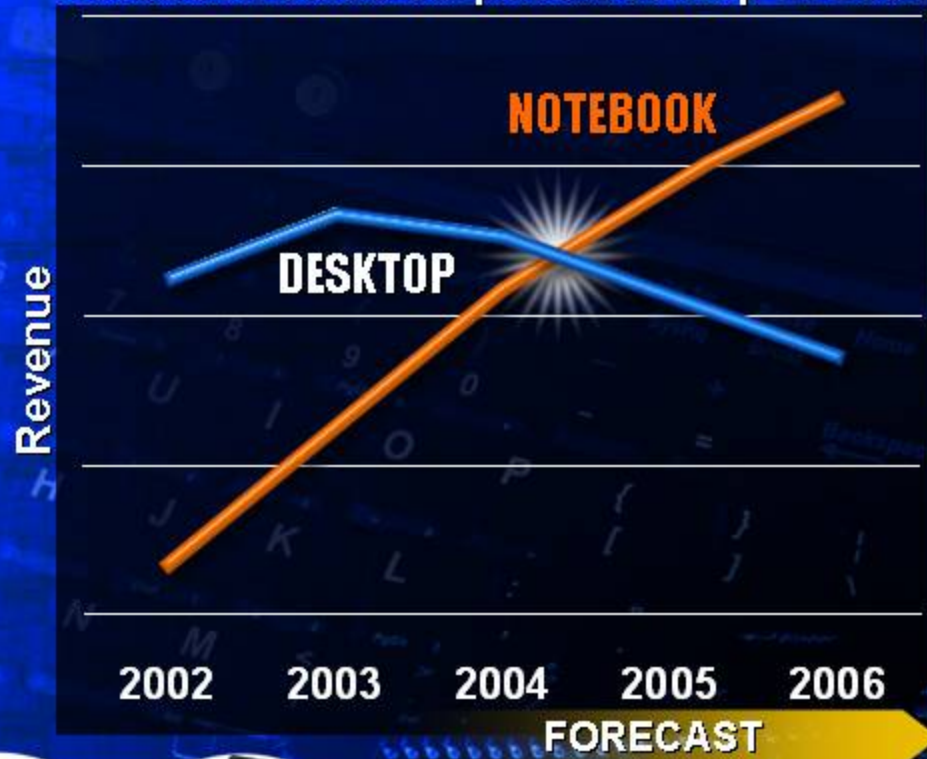
MOBILITY

accelerating momentum

- Double-digit notebook growth through 2008¹
- Channel: 70% Mobile CPU Growth YOY²

Consumer Functionality:
PVRs, widescreens, TV tuners, 10 ft. UI

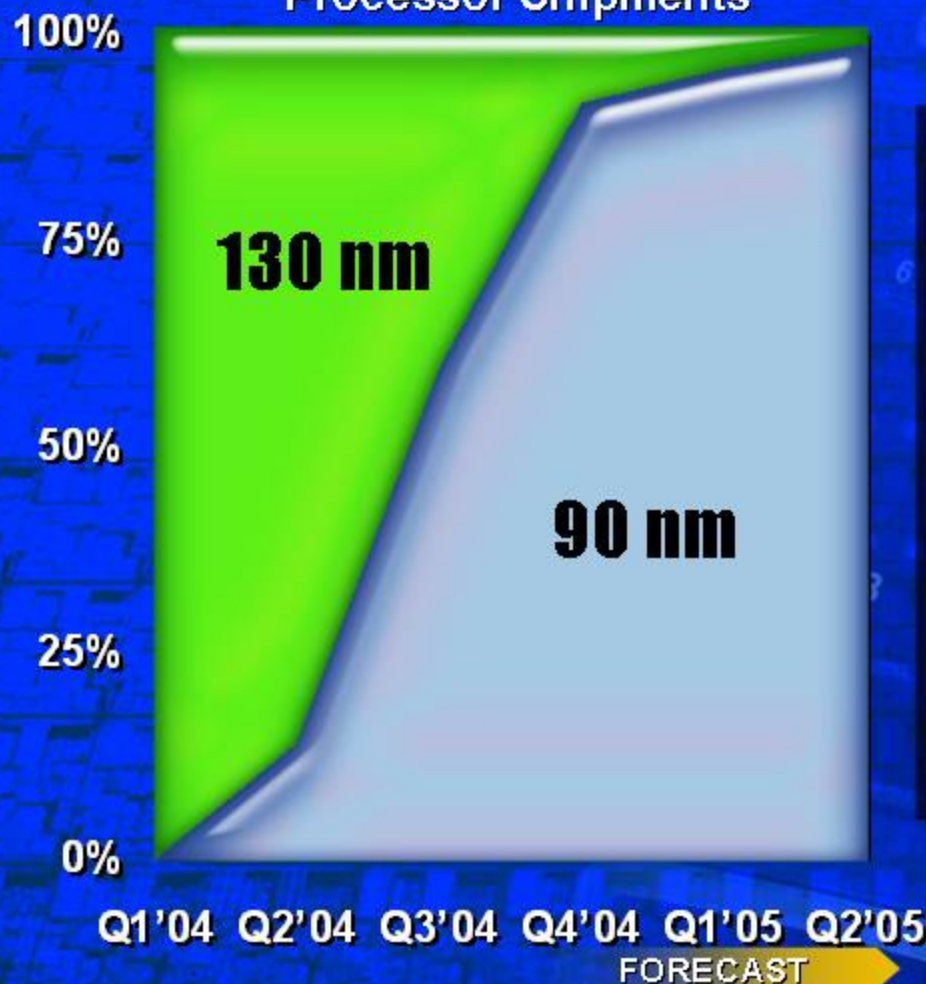
Western Europe:
Notebook sales surpass desktop in 2004*



Source: *Intel CMR 1; Gartner 2; Intel

MOBILITY platform ramp

Intel® Pentium® M Processor Shipments



Intel® Centrino™ Mobile Technology Ramp

- >\$5B (including family) cumulative revenue
- >10M Dothan units by EOY
- 90nm = 90% of Q4'04* shipments
- #1 client Wi-Fi supplier

MOBILITY

driving platform innovation

2005: Sonoma Platform

Q1'05 launch

150 customer designs; >2X  launch

Alviso: HD Audio, TV out

PCI-Express*, DDR-2, 802.11 a/b/g

NEXT

2006: Napa Platform

Yonah: 65nm Dual Core

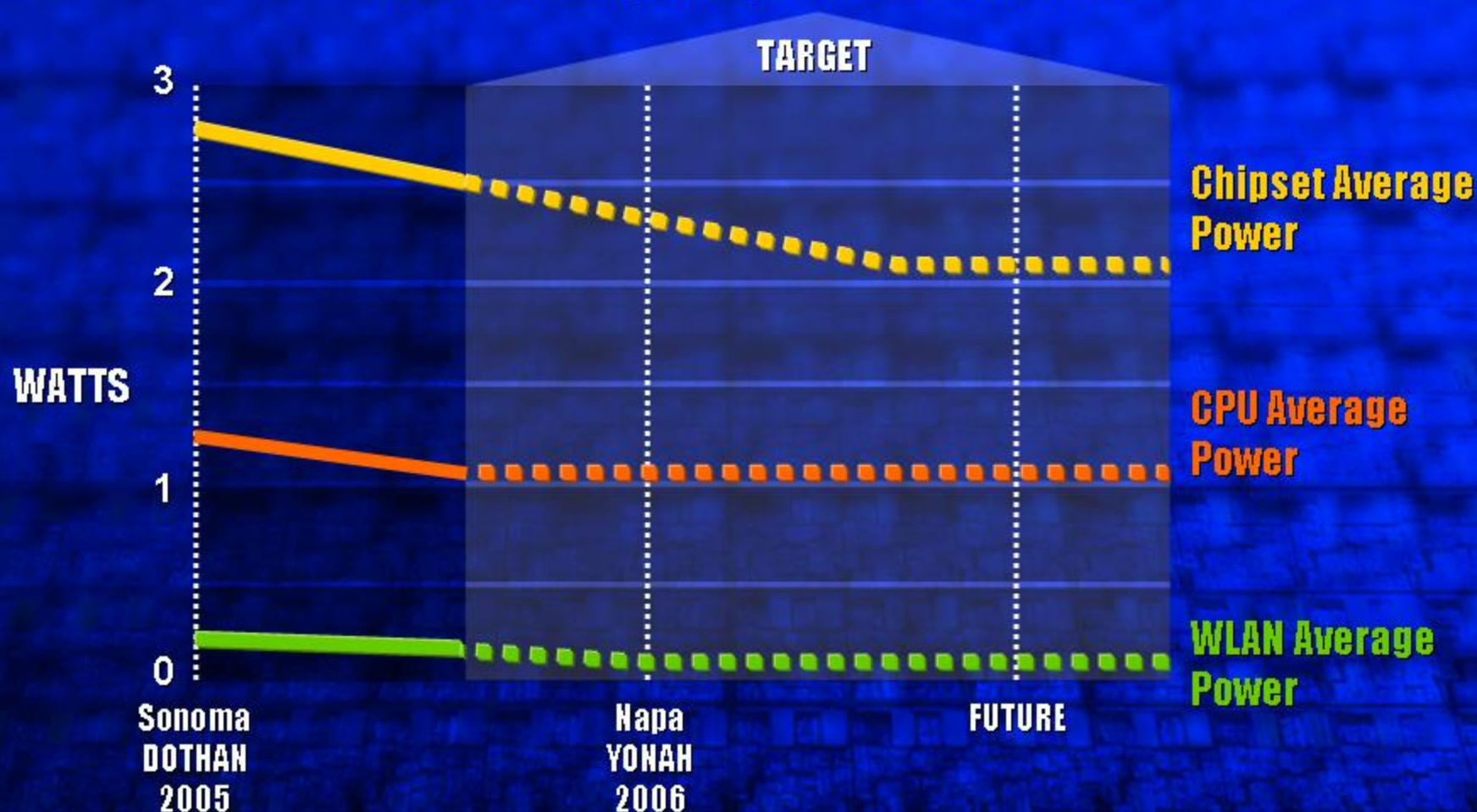
Calistoga: Next generation graphics,
power management, Wi-Fi mini-card

Battery Life: >5 hours

WiMAX and 3G Options

MOBILITY

OPTIMIZE for price /performance /watt



'05 → '06 TARGET:

Battery Life: ~1 extra hour

Performance: ~50% improvement

MOBILITY

handset progress

Palm Treo 650



Motorola A780



Motorola E680



"Bulverde" App Processor

>10M units shipped since '01

>55% MSS in PDAs

Smart Phone/PDA ramp; >20M in '05*

Hermon Comm Processor

Achieving D/W goals in all 4 geos

Live on 2 networks

1st Symbian 3G reference platform



DIGITAL HOME **getting into production**

DLNA membership at 192 companies

Entertainment PCs: >20 shipping worldwide

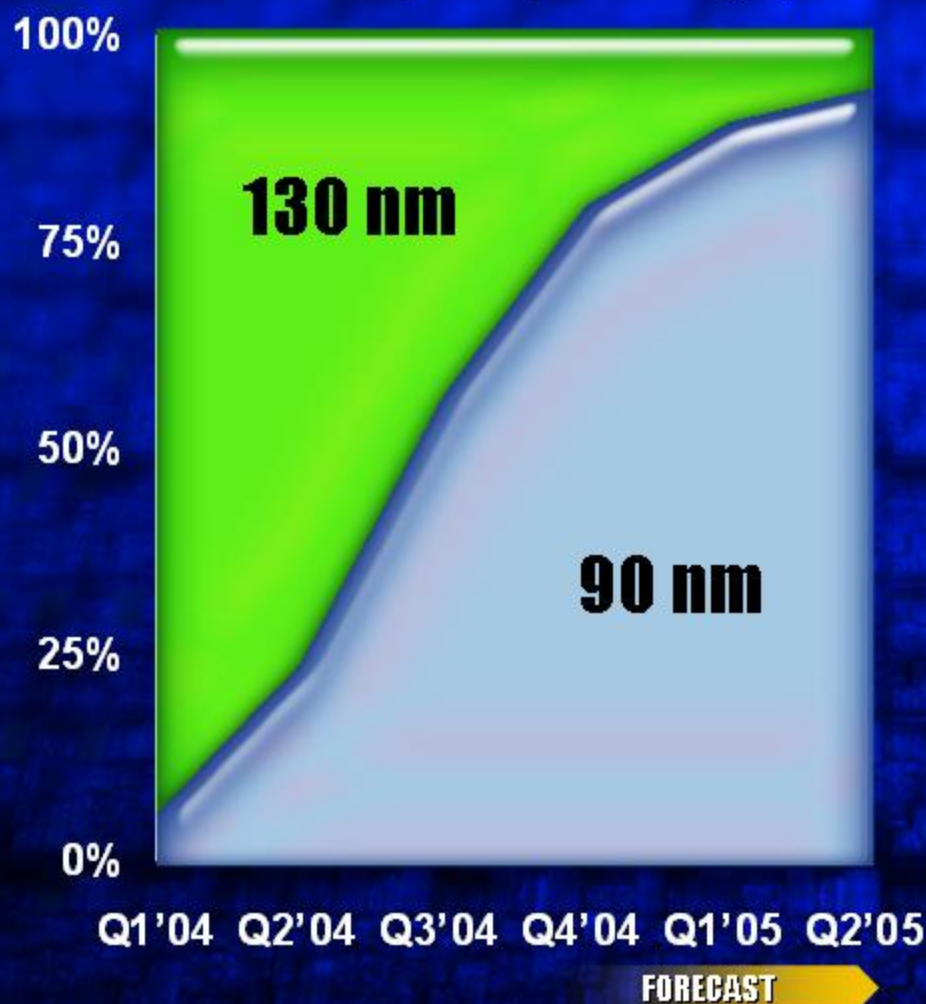
OEMs: HP, Sony, Fujitsu, Samsung, TCL, Alienware

DTCP/IP: products shipping

Studios and Microsoft endorsement

DIGITAL home + office platform ramp

Desktop Shipments (%)



Prescott Family

- 80% of DT shipments by EOY*
- >50M units shipped by EOY*
- XD bit shipping

Grantsdale Chipset

- 50% chipset shipments in Q1'05*

CEG: 48% YOY Revenue Growth

- >1M "smart" STB CPUs by EOY*

DIGITAL home + office

Adding value beyond GHz

2005

Lyndon Platform

2M cache

EIST (Enhanced SpeedStep™)

EM64T

iAMT

Dual Core (Smithfield)

2006

Bridge Creek/Averill Platforms

VT

LT

Next Gen iAMT

65nm Dual Core

Desktops: Driving Price/Performance/Watt

FROM THIS

>90W CPU
disc. graphics
35 dB



TO THIS

<60W CPU
int. graphics
<30 dB



PERFORMANCE

POWER

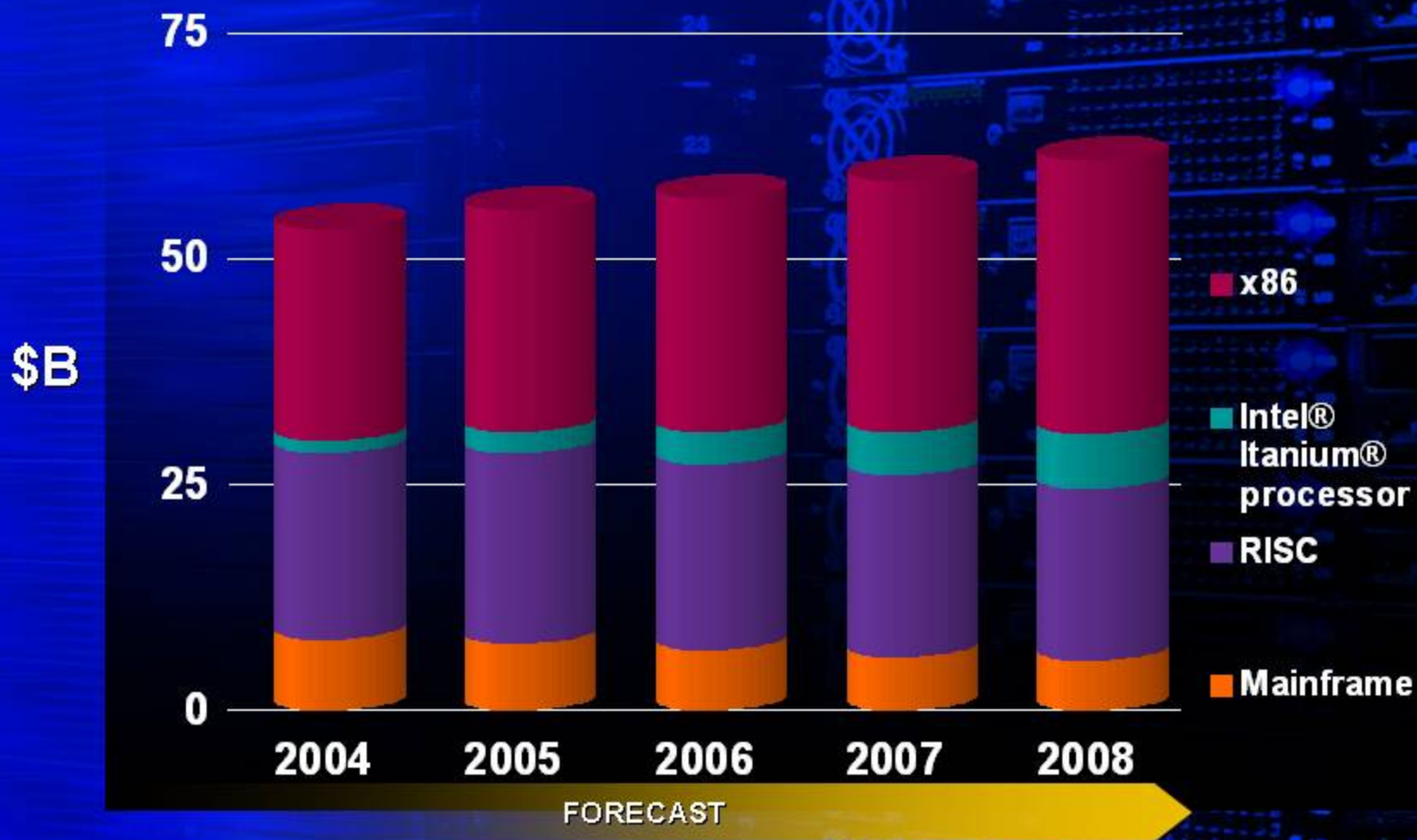
USERS BENEFITS

Sleeker

Quieter

Lower Power Costs

digital ENTERPRISE

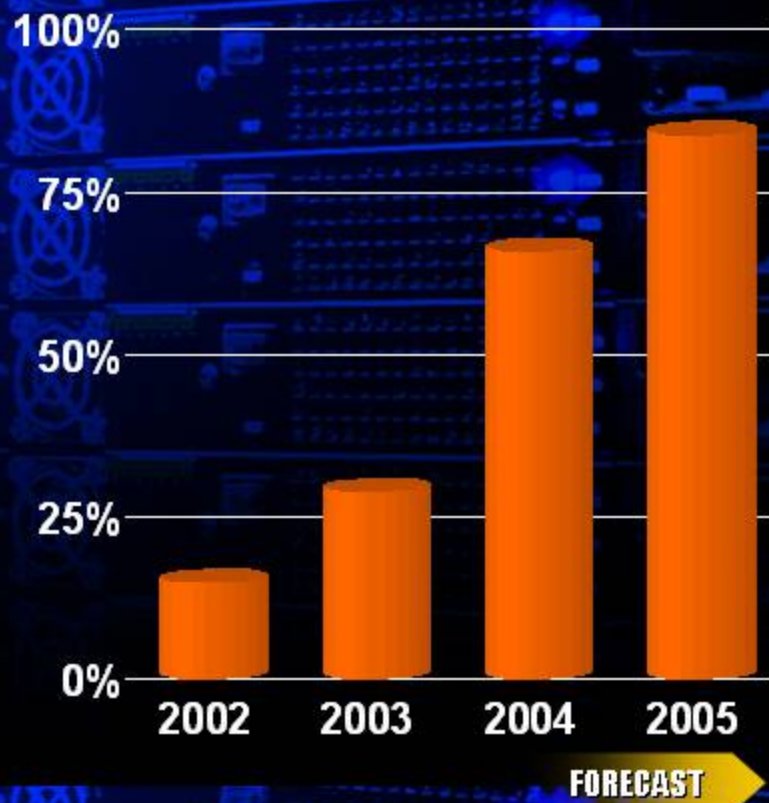


digital ENTERPRISE

platform ramp

- Server CPU unit growth:
~20% YoY '03-'04
- ASPs grew by >20%
in volume segment
- >1 M Intel® Xeon™ processor
EM64T shipped over 6 mos.
 - >3X competition's volume in
1/3 of the time

Intel Server Chipset MSS (Units)



Intel LEADS high performance computing

- Intel® Architecture #1:
189 ('03) → 320 ('04)
- 83 Intel® Itanium® 2-based systems (> than all RISC combined)
- NASA: #2 Supercomputer in the world

>60 TFLOPS (peak)!

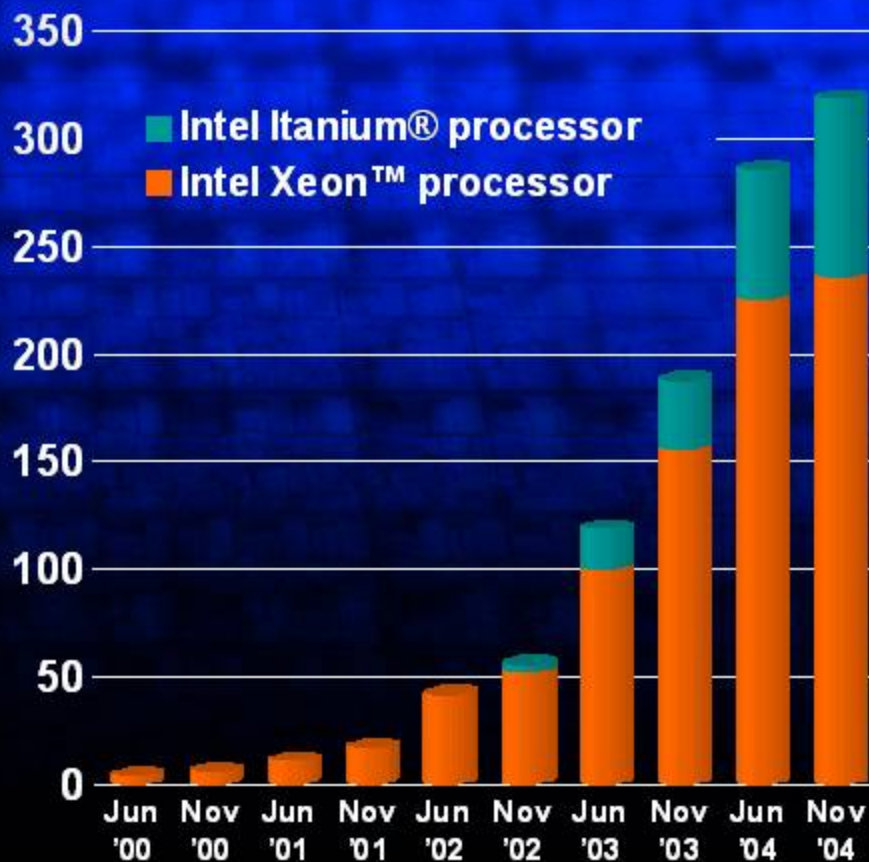
PROJECT COLUMBIA

NASA

10,240

Intel® Itanium® 2 processors

Top 500 HPC List



digital ENTERPRISE

Two complementary 64-bit architectures

Current Architectures

RISC

IA-32

Architecture of Choice



Best performance,
reliability and scalability



Lead on
price/performance/watt

digital ENTERPRISE

multi-core transition

2005



EM64T
Larger cache (2M)
Faster FSB
DDR2
Power Management (DBS)
PCI-Express* I/O

2006

DUAL CORE

Lower Power Cores
Enhanced Memory (FBD)
Virtualization (VT)
iAMT
I/O Packet Acceleration
Advanced Storage Controllers

FUTURE

MULTI-CORE

2 or more
Advanced memory,
virtualization,
RAS and manageability



DUAL CORE

Multi-Threading
Pellston
Foxton

DUAL CORE

Multi-Threading
Pellston
Foxton

MULTI-CORE

4 or more
Advanced memory,
virtualization,
RAS and manageability

DUAL/MULTI-CORE RAMP

ALIGNED with PLATFORM FEATURES

Intel in the NETWORK

2003-2004

- **CIG**: profitable 9 straight quarters
- Modularity happening – ATCA
 - TEM adoption: Siemens, NEC, Huawei, Fujitsu, HP...
- **NPU MSS**: 16% ('03) → 26% ('04)*

2005

- Ramping Intel® Architecture in telecom platforms
 - Well positioned for “3G” network roll-out
- Ramp Intel optimized CGL platforms
- **Goal**: 100% revenue growth for ATCA platforms



EMERGING markets

unique platforms for unique needs

iCafé PC



CHINA EXAMPLE

110K iCafés with ~10M PCs*

CHALLENGE

Reduce OpX costs, theft

SOLUTION

“Christea” iCafé Reference Platform (2005)

TAILORED DESIGN

Motherboard, APIs/firmware,
manageability software

Heading into 2005

Driving beyond GHz to **DUAL/MULTI-CORE**
in all segments

Driving **PRICE/PERFORMANCE/WATT** in all segments

Shifting to **PLATFORM ORIENTATION** to drive growth

Maximizing advantages:
**BREADTH, CAPACITY, TECHNOLOGY, POWER, and
PLATFORM ARCHITECTURES**

A recording of today's presentation and the accompanying slides will be posted on the www.intc.com web site for approximately 60 days, but the information presented is accurate only as of today's date and will not be updated.

Today's presentations and the accompanying slides contain forward-looking statements that involve a number of risks and uncertainties. These statements do not reflect the potential impact of any mergers, acquisitions, and divestitures that may be completed after December 2, 2004. In addition to factors discussed in the presentations and slides, the important factors that could cause actual results to differ materially include the following: Intel operates in intensely competitive industries. Revenue and the gross margin percentage are affected by the demand for and market acceptance of Intel's products, pricing pressures and actions taken by Intel's competitors, the timing of new product introductions and the availability of sufficient inventory to meet demand. Factors that could cause demand to be different from Intel's expectations include changes in business and economic conditions, and changes in customer order patterns and the level of inventory at customers. The gross margin percentage could vary from expectations based on changes in revenue levels, product mix and pricing, manufacturing yields, changes in unit costs, capacity utilization and the existence of excess capacity, the timing and execution of the manufacturing ramp and associated costs, excess or obsolete inventory, variations in inventory valuation and impairment of manufacturing or assembly and test assets. Expenses, particularly certain marketing and compensation expenses, vary depending on the level of demand for Intel's products and the level of revenue and profits. Tax rate expectations are based on current tax law and current expected income, assume Intel continues to receive tax benefits for export sales, do not reflect the impact of any potential repatriation of cash under the American Jobs Creation Act, and may be affected by the closing of acquisitions or divestitures, the jurisdiction in which profits are determined to be earned and taxed, changes in estimates of credits and deductions, the resolution of issues arising from tax audits with various tax authorities and the ability to realize deferred tax assets. Intel's results could be impacted by unexpected economic, social and political conditions in the countries in which Intel, its customers or its suppliers operate, including security risks, possible infrastructure disruptions and fluctuations in foreign currency exchange rates. Intel's results could also 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 and other issues, such as the litigation and regulatory matters described in Intel's SEC reports. Please refer to Intel's 2003 Form 10-K and Q3'04 Form 10-Q for more information on the risk factors that could cause actual results to differ.