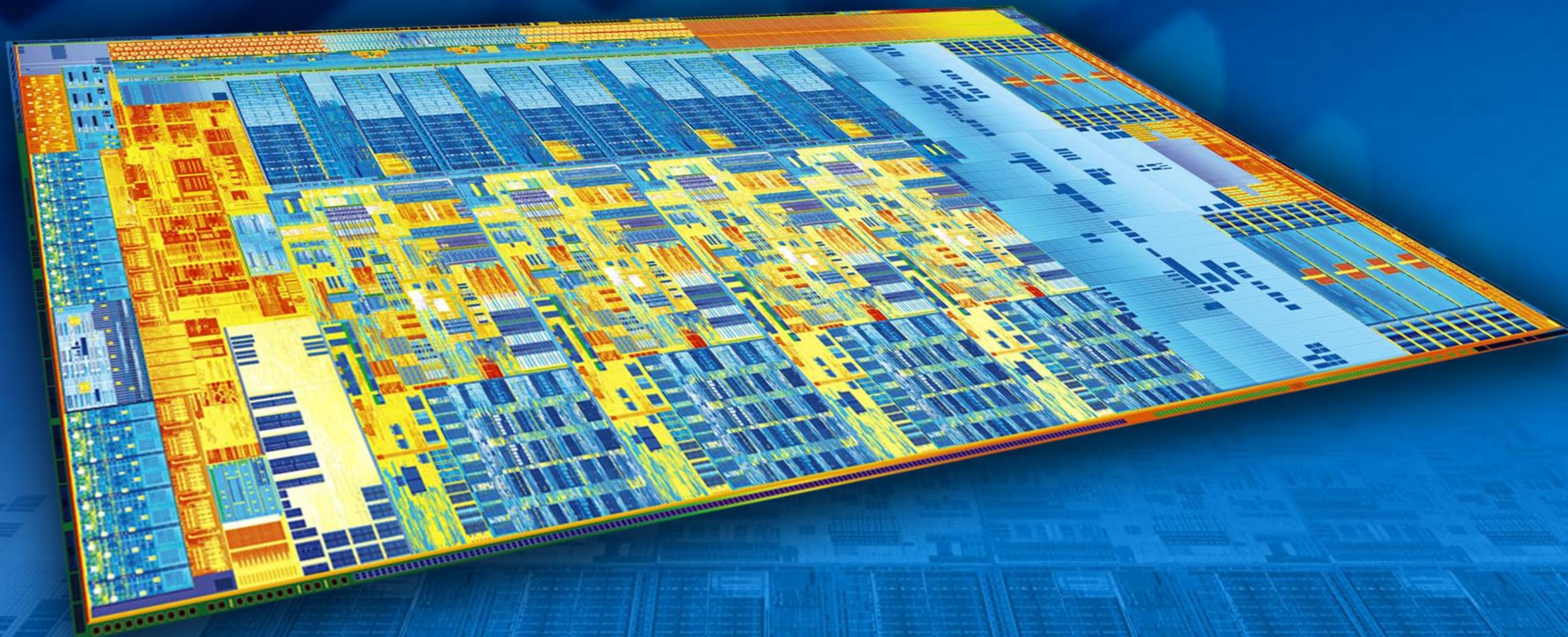




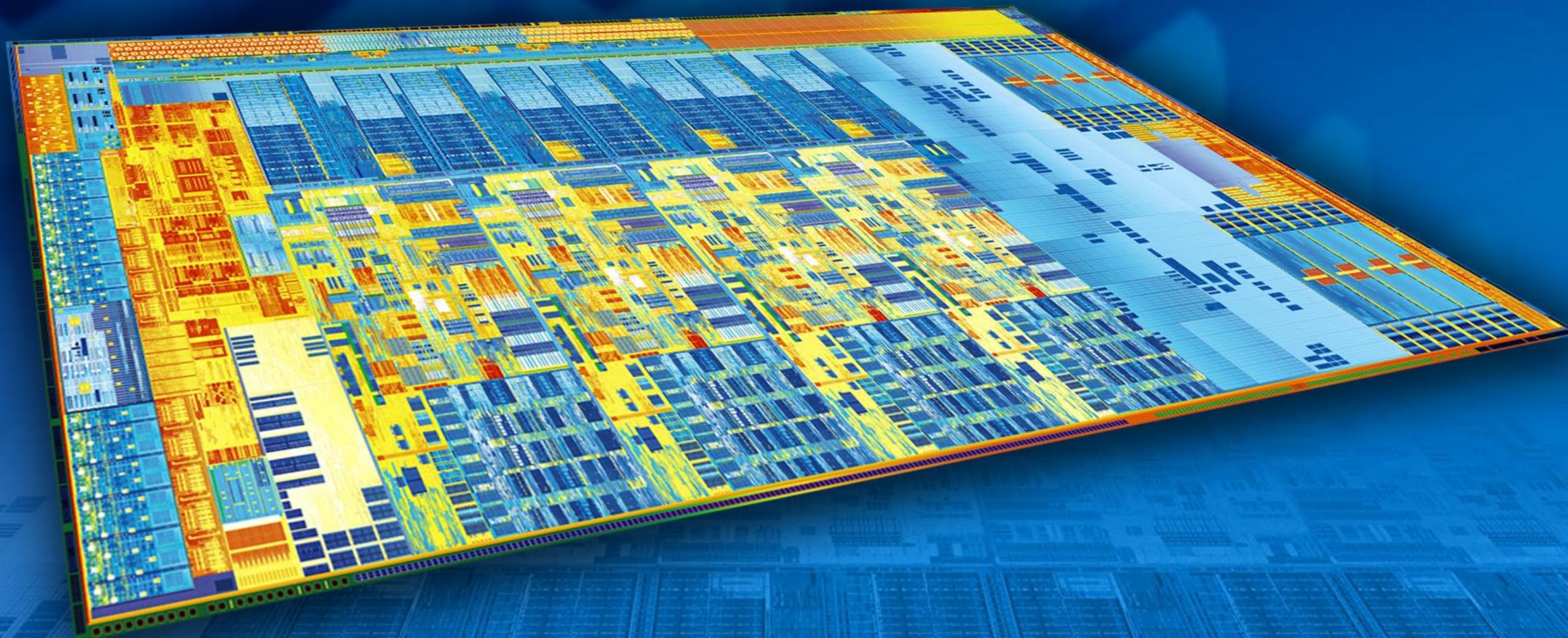
# INVESTOR MEETING 2012





**Diane Bryant**

Vice President & General Manager, Datacenter & Connected Systems Group



# Datacenter Overview

Billions of Devices and Data Explosion Drives Growth

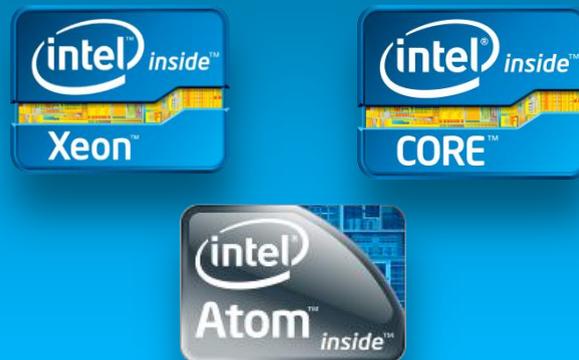
We Have an Unmatched Set of Capabilities

Investing to Address Broad Range of Customer Requirements

## Servers



## Storage



## Networking

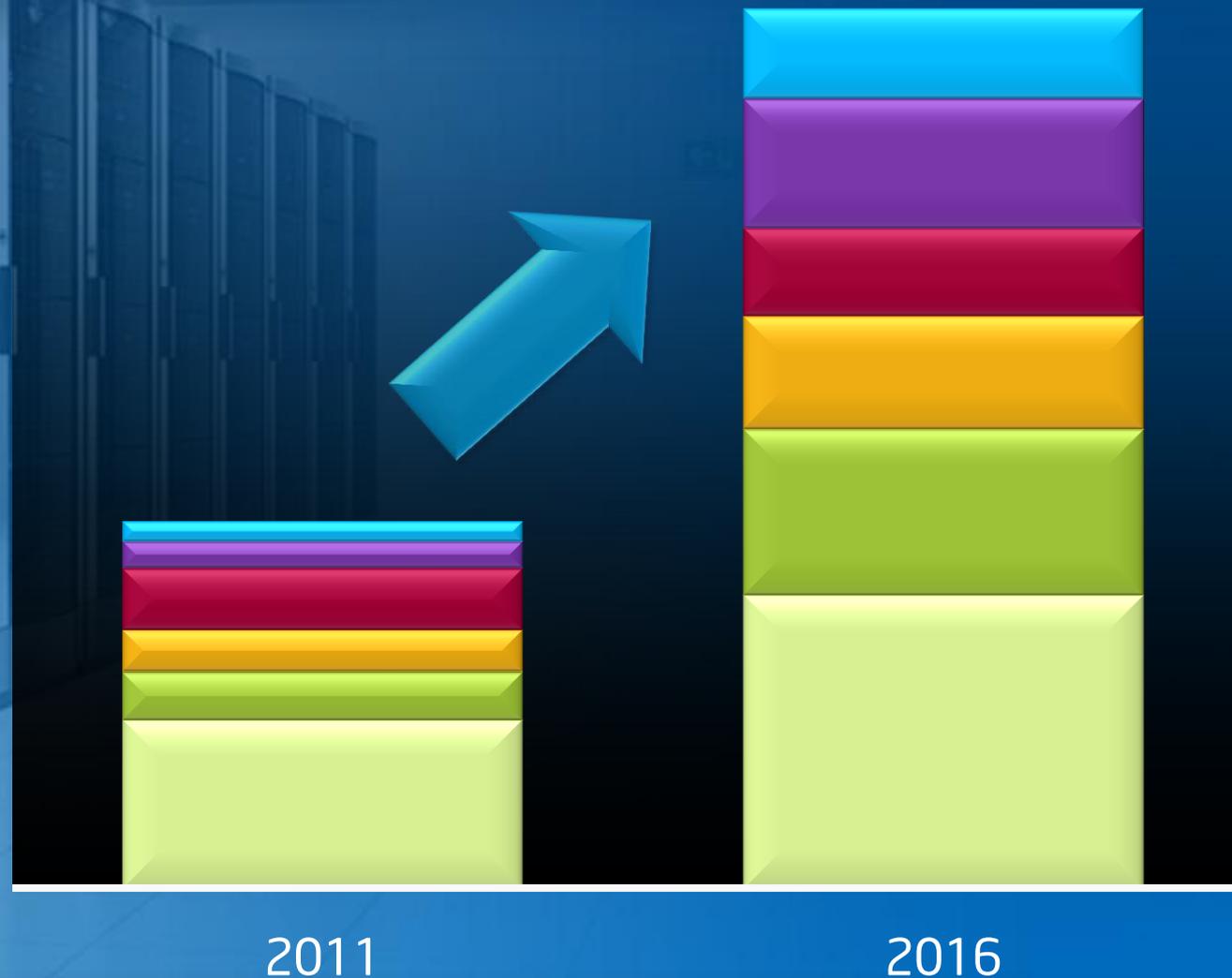


*Software, Services & System Building Blocks*

# Datacenter Processor Growth

2X Volume Growth\*

- Network
- Ent. Storage
- Workstation
- HPC
- Public Cloud
- SMB & Enterprise



Cloud Growth\*  
>25%

HPC Growth\*  
>20%

Network Growth\*  
>30%

***Doubling Volume and Revenue***

# Datacenter Trends

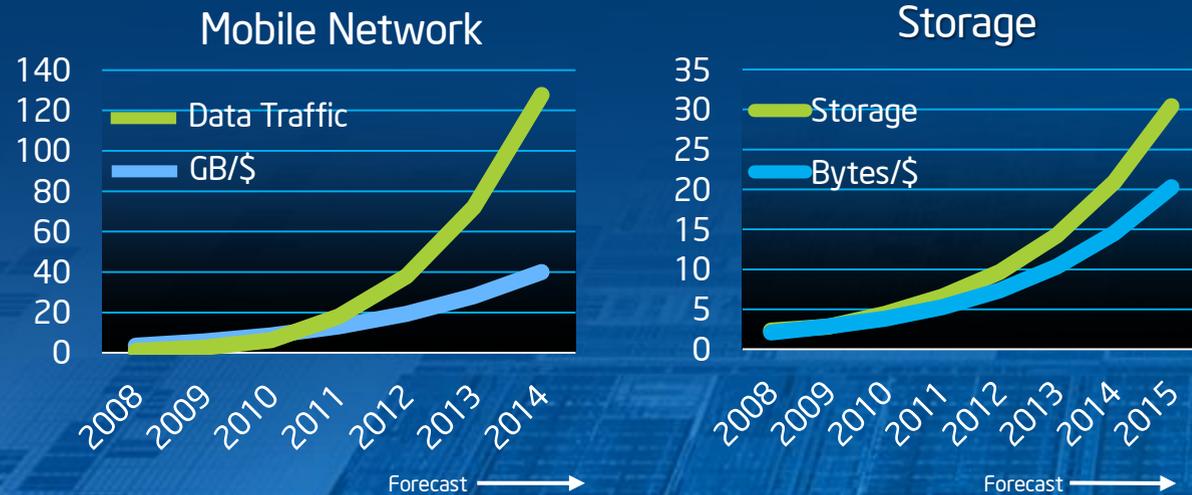
## More Purchase Drivers



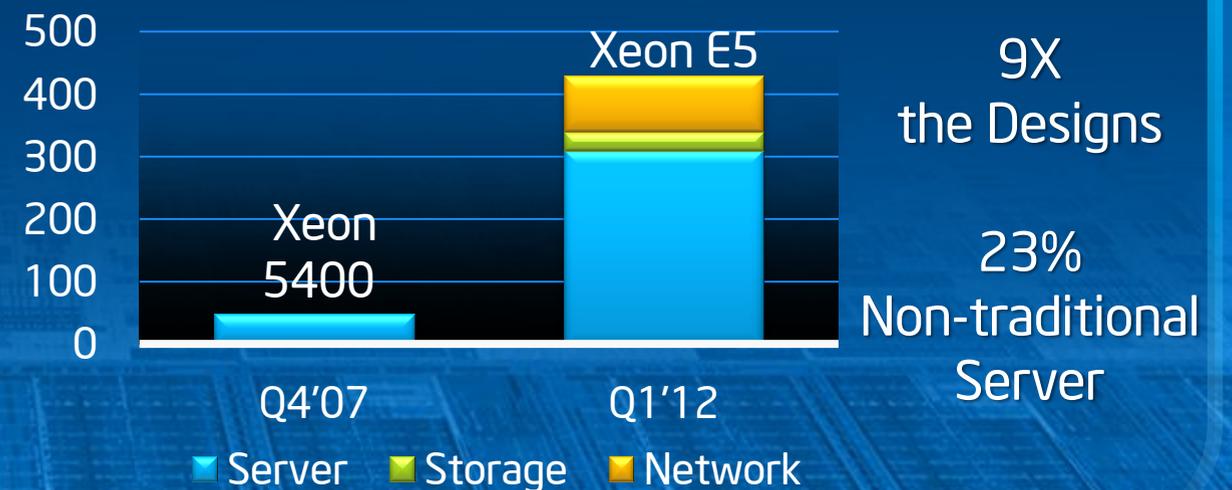
## Emerging Market Growth



## Data Growth Exceeds Cost Improvement



## Xeon® in Servers, Storage, and Network



# Market Growth Attracting New Entrants

Others:  
Growing at  
**2X**  
the rate

Intel Server CPU volume



2009

2011

■ Top 3 OEMs

■ Others

## Channel

Combined: #3 OEM

~20K

Intel® Xeon® Channel  
Partners Worldwide

## China OEMs

3X Volume ('08-'11)



HUAWEI

lenovo

inspur 浪潮

中科曙光  
Sugon

## ODMs

Moving to Solutions



Quanta Computer

SUPERMICRO®

wiwynn

# Breadth of Products

## Segment

Mission Critical  
Enterprise  
SMB  
HPC  
Cloud  
Network  
Storage

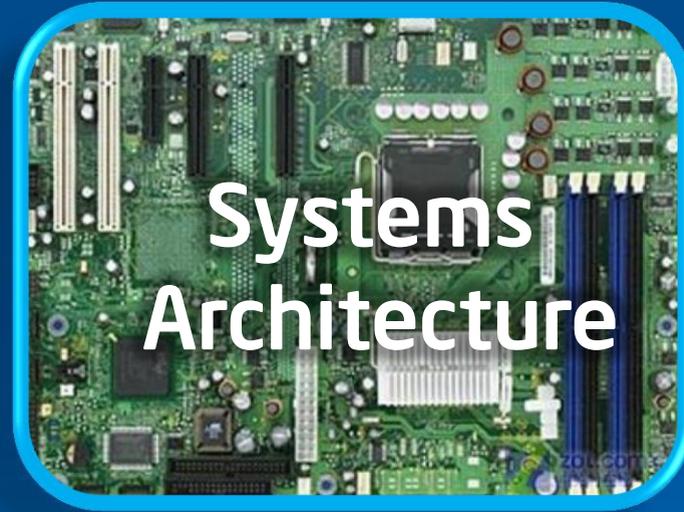
## *New in 2012*

Density Optimized 4-Socket Xeon® E5  
Many Integrated Core™ Architecture  
Data Plane Optimized Xeon Platform  
Microserver Optimized Xeon  
Ultra Low Power CPU Based on Atom®



*Over 100 SKUs Covering Full Range of Customer Needs*

# Our Unmatched Capabilities



# Evolution of Enterprise IT

EFFICIENCY & CAPACITY  
EXISTING WORKLOADS



GROWTH DRIVERS



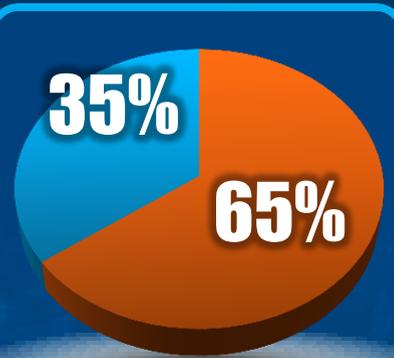
NEW SERVICES &  
CAPABILITIES

## Server Energy Challenges

Age  
Distribution



Energy  
Consumption



Performance  
Capability



■ <4 Years Old  
■ >4 Years Old

Source: Intel analysis of a Fortune 100 datacenter, 2012



## BMW IT Department

2010  
Managing ~95K  
Employee PCs



2012  
Managing  
1M → 10M  
Connected Cars

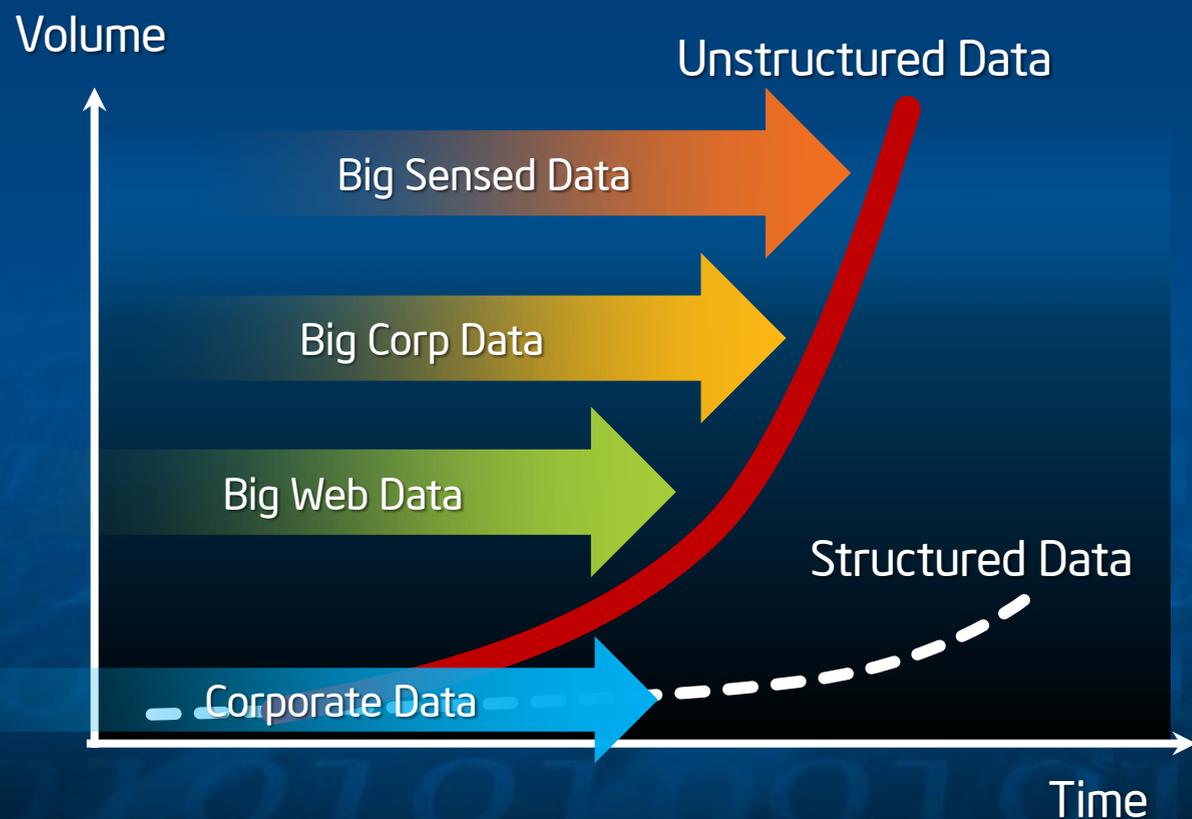
*New Applications Driving Enterprise Growth*

# Big Data Transforms Storage

Data Explosion ...

# 690%

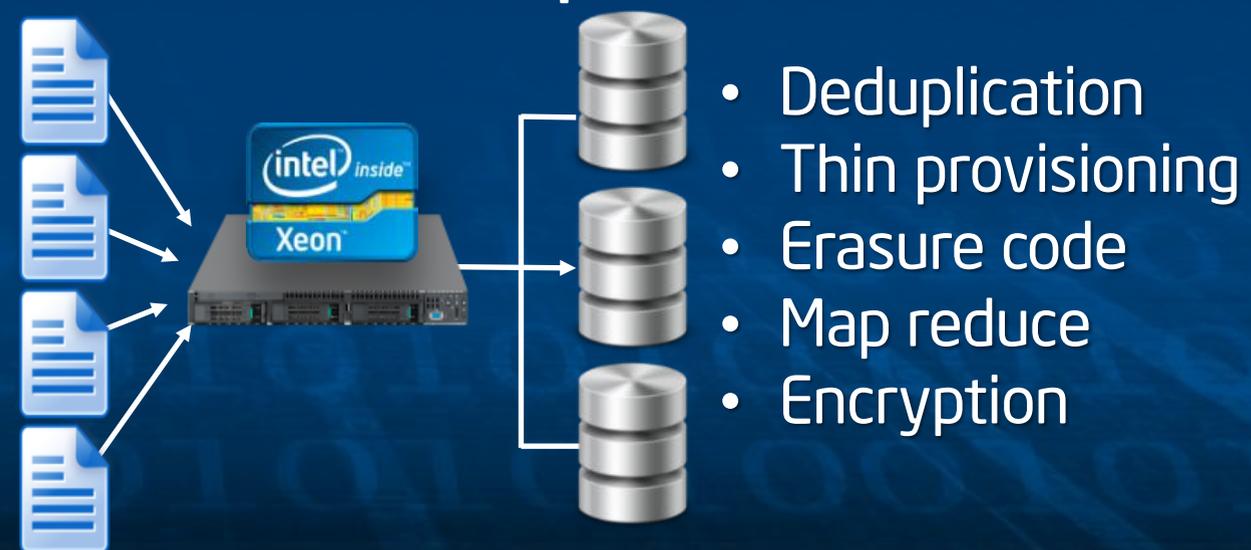
Growth in storage capacity 2010-2015\*



... Driving Big Xeon® Opportunity

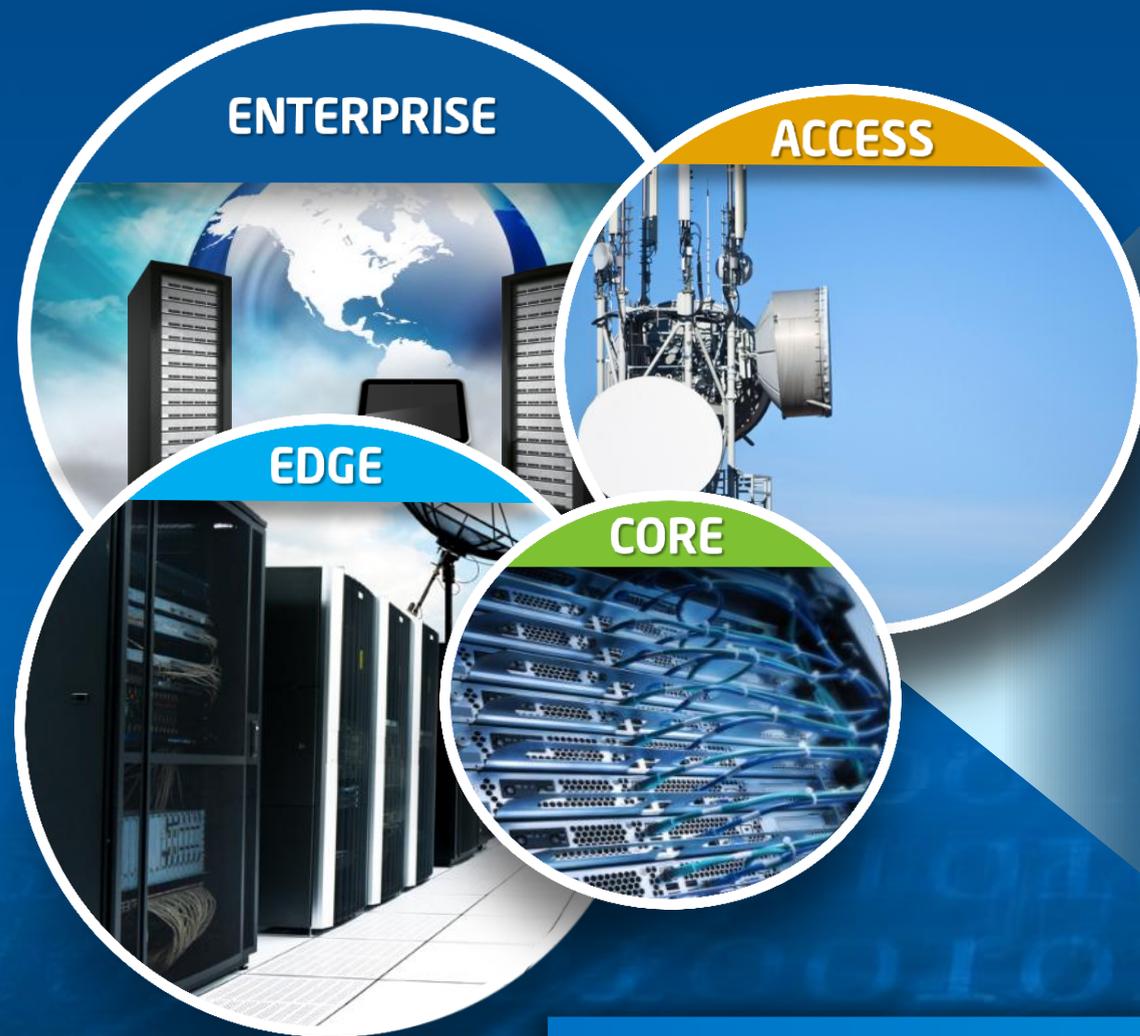


... To Meet Computation Demands



# Network Transformation

## Consolidation of 4 Workloads onto 1 Architecture



Workload	2010	2012	Future
Application	Intel Xeon	Intel Xeon	Intel Xeon
Control	Intel Xeon	Intel Xeon	Intel Xeon
Packet Processing	Proprietary	Intel Xeon	Intel Xeon
Signal Processing	Proprietary	Intel Xeon	Intel Xeon

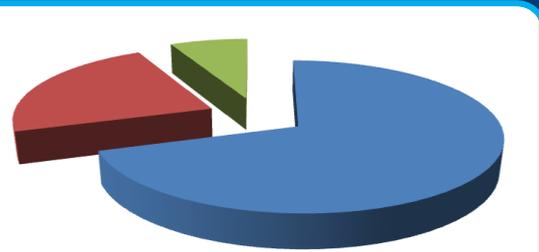
*Networking >30% CAGR Opportunity*

# Cloud Expansion

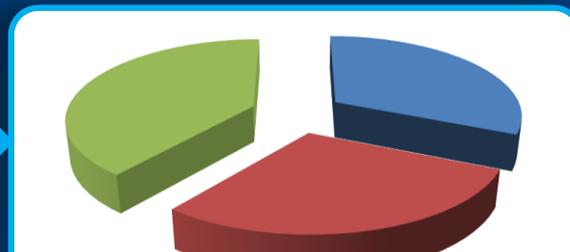
## Public Cloud: Rapid Growth & Diversifying

2009 Cloud TAM

2012 Cloud TAM\*



3X+



Top 4

Next 20

Rest

## Private Cloud Accelerating



Today: 14%  
2014: 42%

>40% of IT Operations<sup>1</sup>

## Virtuous Cycle

More Devices



...and so on

New Services

Cloud Build-out

More Devices

## Demanding Intel Technology

**3 of Top 5:** Deployed Xeon® E5 Before Launch

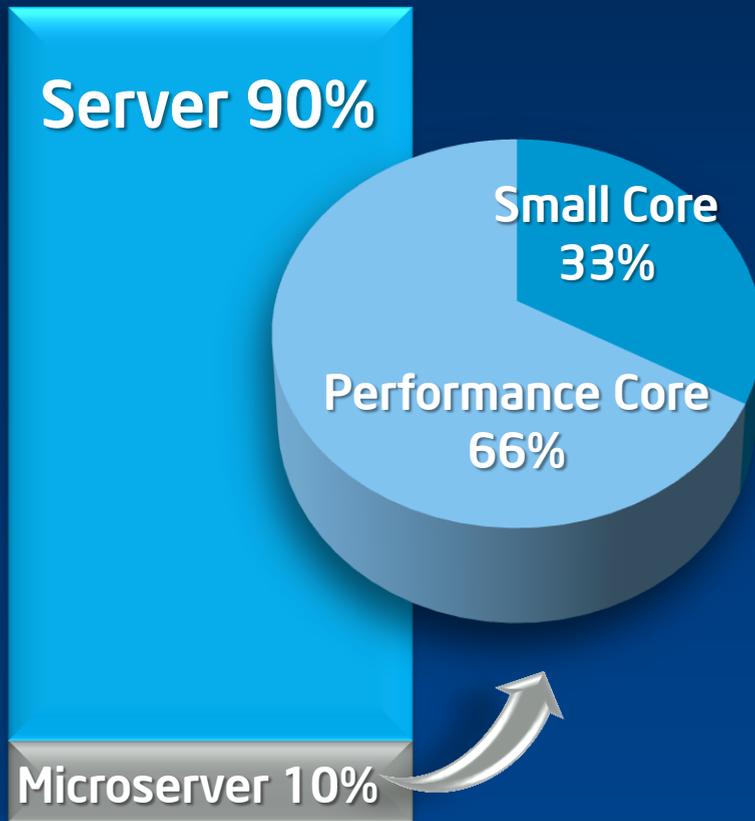
**2X:** Attach Rate of non-CPU Technologies in Public Cloud (vs. Average)

*Cloud Opportunity > 25% CAGR*

# Microservers: Opportunity & Intel Advantage

## Emerging Workloads

### 2015 Market Forecast



## Intel Server-class Features

### NEW for 2012



*Ivy Bridge 17W*

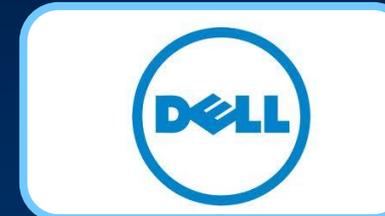


*Atom™ SOC 6W*

### Intel Advantage:

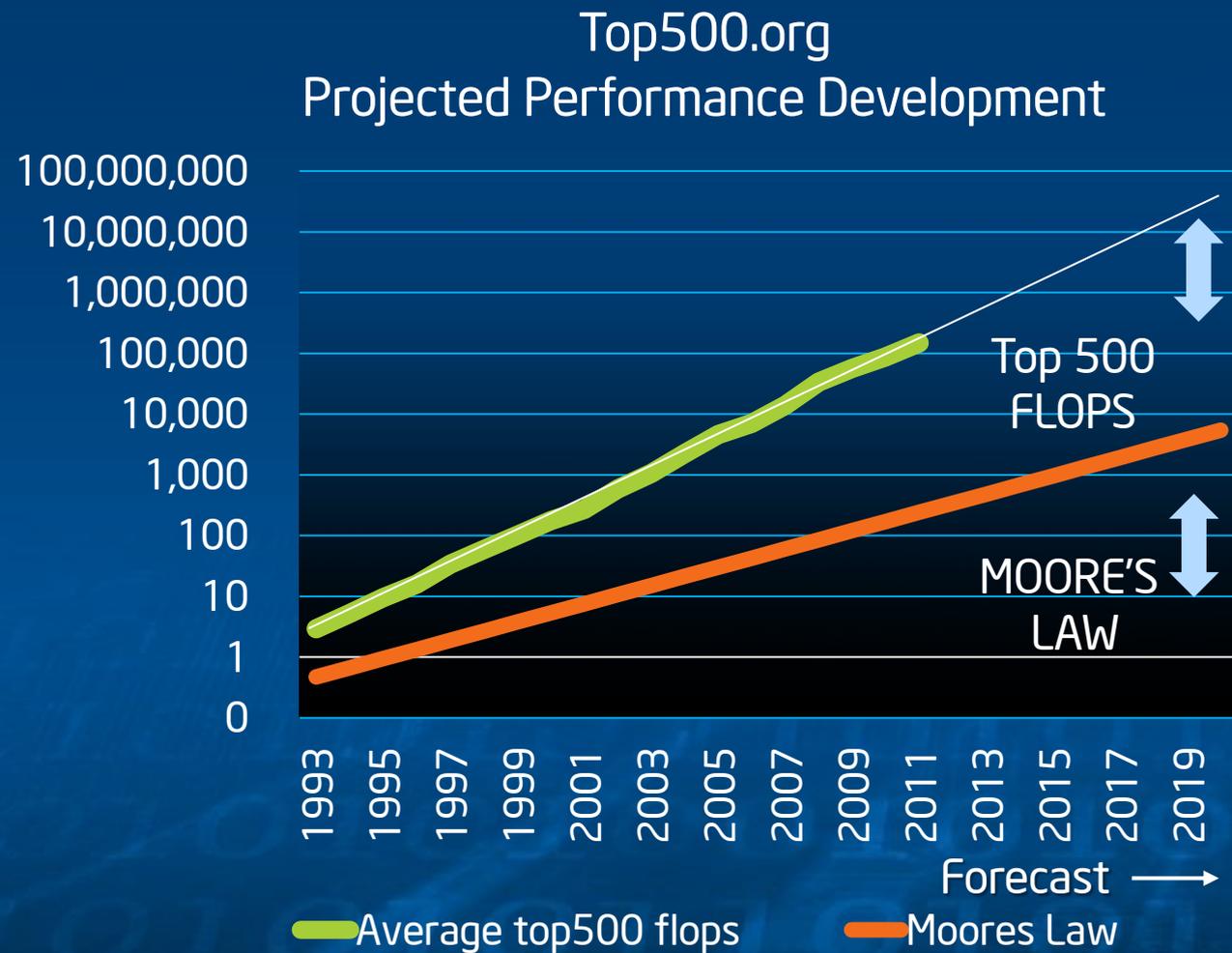
- Broad Software Compatibility
- Complete Server Feature Set
- Product Breadth
- Energy Efficiency

## 10+ Industry Design Wins



# High Performance Computing

#1 System in '13  $\approx$  1% of 2011 Xeon<sup>®</sup> Volume



## HPC Going Mainstream



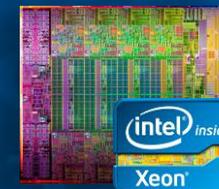
Football  
Concussion  
Studies



Fewer  
Physical  
Prototypes

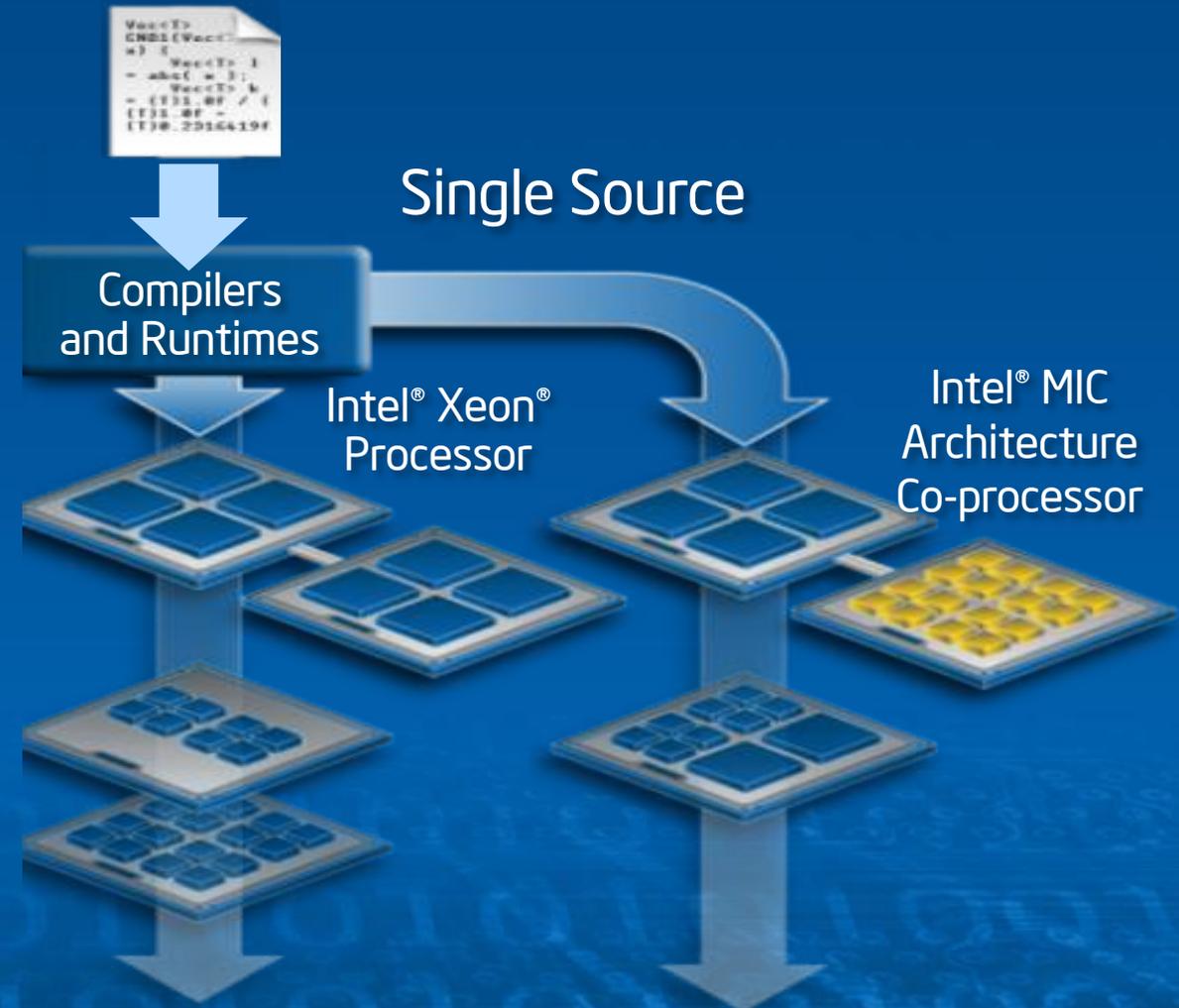
## Intel's Unmatched Assets

**Energy Efficiency & Integration**  
**System Ingredients - Fabrics, Storage**  
**Software Tools/Middleware**



**Insatiable Demand Driving > 20% Growth**

# Many Integrated Core: Game Changer for HPC



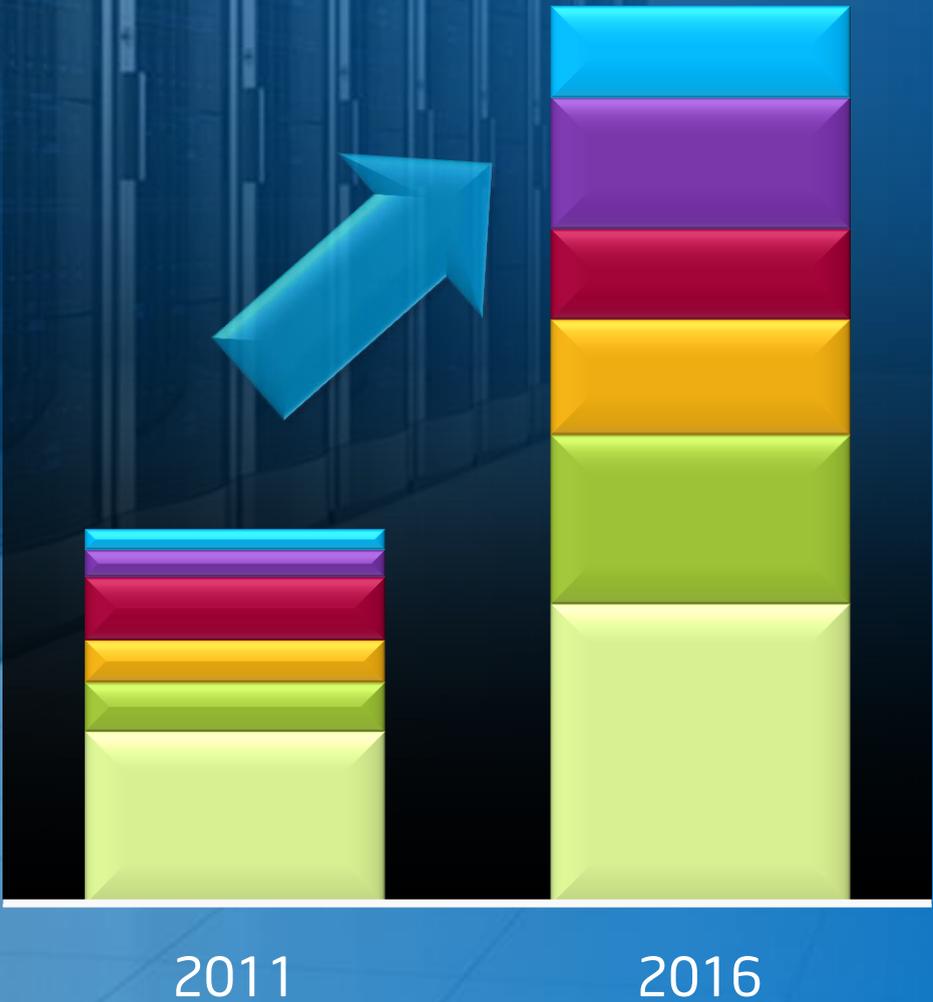
*"Unparalleled productivity...  
most of this software does not run on a GPU"*

— Oak Ridge National Labs

# Summary

## Datacenter Processor Growth

- Network
- Ent. Storage
- Workstation
- HPC
- Public Cloud
- SMB & Enterprise



## Tremendous Datacenter Growth

2011-2016

2X CPU Volume\*

\$20B Revenue\*

**Intel**

Unmatched Assets

Investing to Address Demand

Bringing New Value to Customers

# Risk Factors

The above statements and any others in this document that refer to plans and expectations for the second 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 the important factors that could cause actual results to differ materially from the company's expectations. Demand could be different from Intel's expectations due to factors including changes in business and economic conditions, including supply constraints and other disruptions affecting customers; customer acceptance of Intel's and competitors' products; changes in customer order patterns including order cancellations; and changes in the level of inventory at customers. Uncertainty in global economic and financial conditions poses a risk that consumers and businesses may defer purchases in response to negative financial events, which could negatively affect product demand and other related matters. Intel operates in intensely competitive industries that are characterized by a high percentage of costs that are fixed or difficult to reduce in the short term and product demand that is highly variable and difficult to forecast. Revenue and the gross margin percentage are affected by the timing of Intel product introductions and the demand for and market acceptance of Intel's products; actions taken by Intel's competitors, including product offerings and introductions, marketing programs and pricing pressures and Intel's response to such actions; and Intel's ability to respond quickly to technological developments and to incorporate new features into its products. Intel is in the process of transitioning to its next generation of products on 22nm process technology, and there could be execution and timing issues associated with these changes, including products defects and errata and lower than anticipated manufacturing yields. The 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; start-up costs; excess or obsolete inventory; changes in unit costs; defects or disruptions in the supply of materials or resources; product manufacturing quality/yields; and impairments of long-lived assets, including manufacturing, assembly/test and intangible assets. The tax rate expectation is based on current tax law and current expected income. The tax rate 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 tax 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. The majority of Intel's non-marketable equity investment portfolio balance is concentrated in companies in the flash memory market segment, and declines in this market segment or changes in management's plans with respect to Intel's investments in this market segment could result in significant impairment charges, impacting restructuring charges as well as gains/losses on equity investments and interest and other. 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. Expenses, particularly certain marketing and compensation expenses, as well as restructuring and asset impairment charges, vary depending on the level of demand for Intel's products and the level of revenue and profits. Intel's results could be affected by the timing of closing of acquisitions and divestitures. 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, such as the litigation and regulatory matters described in Intel's SEC reports. 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.



# INVESTOR MEETING 2012

