

E-mail to Employees by Intel CEO Brian Krzanich

Subject: Today's Announcement

Date: April 19, 2016

Since I became CEO nearly three years ago, I have been working with our leadership team and all of you to transform our company from a PC company to a company that powers the cloud and billions of smart, connected computing devices. The data center and Internet of Things businesses are now Intel's primary growth engines, and combined with memory and FPGAs, form and fuel a virtuous cycle of growth. Together, these businesses delivered \$2.2 billion in revenue growth last year, made up 40% of our revenue, and the majority of our operating profit.

Our results demonstrate a strategy that's working and a solid foundation for growth. Our opportunity now is to accelerate our momentum and build on our strengths. But this requires some difficult decisions.

With that context, today we are announcing a restructuring initiative that will allow Intel to intensify our investments in the products and technologies that fuel our growth, and drive more profitable mobile and PC businesses.

We expect that this initiative will result in the reduction of up to 12,000 positions globally. This will be achieved by voluntary and involuntary departures, global site consolidation, and efficiency initiatives. The majority of these actions will be communicated over the next 60 days, with some spanning into 2017.

These are not changes I take lightly. We are saying goodbye to colleagues who have played an important role in Intel's success. We are deeply committed to helping our employees through this transition and will do so with the utmost dignity and respect.

Today's announcement is about accelerating our growth strategy. And it's about driving long-term change to further establish Intel as the leader for the smart, connected world.

As we drive this transformation, there is an extraordinary opportunity ahead. We will emerge as a more productive company with broader reach, and sharper execution.

I know that many of you will have questions about these changes. You'll hear more details from me, and from the rest of Intel's leadership team, in the coming days and weeks. To get started, I encourage you to attend the Q2 BUM later today.

You're also invited to listen to the company's first-quarter earnings conference call with investors here. Information about these changes will also be available on Circuit

Thank you for your support. I look forward to talking with you all soon.

Brian