Intel Foundation

2012 Annual Report

The Intel Foundation

seeks to create opportunities for people everywhere by

TRANSFORMING EDUCATION; EMPOWERING GIRLS, WOMEN, AND UNDER-SERVED YOUTH; *and* STRENGTHENING COMMUNITIES.

Established in 1988, the Foundation ***executes*** most of its programs through ***effective partnerships*** with governments, schools, development agencies, and nongovernmental organizations.

Opening doors to a better future.

Transforming Education

Because *science, technology, engineering, math, and entrepreneurship* are foundations for success in today's global economy, the Intel Foundation rewards excellence, promotes training, and encourages classroom innovation and student interest in these areas.

Math and Science Competitions.
The Foundation has long sponsored two prestigious pre-college competitions that motivate and recognize young innovators: the Intel International Science and Engineering Fair (Intel ISEF) and the Intel Science Talent Search (Intel STS). Each year, these competitions—both programs of the Society for Science and the Public—attract thousands of students from around the world who compete for millions of dollars in awards and scholarships while performing original research and solving real-world problems. In 2012, 15-year-old Jack Andraka of Maryland captured the top Intel ISEF award for developing a new way to detect early-stage pancreatic cancer.

Entrepreneurship.
Through support for the Intel Global Challenge competition, the Intel Foundation encourages college students to develop businesses based on ideas with the potential to positively impact society. Winners of regional competitions come together at the Intel Global Challenge to share their innovations and business plans, compete for prizes, and meet potential investors. In 2012, a team from India took top honors for developing a cooking solution that burns biomass materials cleanly and efficiently, helping thousands of families save fuel costs and reduce their exposure to harmful smoke.

Teaching.
In keeping with the belief that teachers are the highest leverage investment for improving education, the Foundation supports programs such as the Intel Educator Academy, which brings together select groups of educators and government officials around the world to share proven, innovative methods of engaging students in science and math subjects. In 2012, more than 400 educators from around the world participated in Intel Educator Academies, which are aimed at improving math and science education. As a result of work at the Intel ISEF Educator Academy, Intel and the Israeli Ministry of Education launched the "We are the Future" initiative to promote science and technology excellence. The Foundation also sponsors K-8 Math Progressions, an 80-hour professional development course designed to help teachers deepen their understanding of core math concepts.

Research.
At the university level, the Intel Foundation awards research grants, fellowships, and scholarships to help women and under-served minorities pursue careers in education, computer science, and other technology fields. For example, Undergraduate Research Opportunity (URO) grants funded by the Foundation and administered by the Semiconductor Research Council are geared toward helping a diverse population of undergraduates put theories into practice while deepening their appetites for science and math. The 350-plus students enrolled in the program in 2012 conducted cutting-edge research in a wide range of topics, including medical stents, multi-core computing systems, and photosensitive electrical insulators.

EMPOWERING GIRLS, WOMEN, AND UNDER-SERVED YOUTH

Girls and Women.
The Intel Foundation supports all-girls robotics teams, research grants and fellowships for women, and numerous other initiatives aimed at removing gender-based hurdles to education and increasing opportunities for girls and women to participate in the global economy. The Foundation partnered with Ashoka Changemakers to launch the "She Will Innovate: Technology Solutions Enriching the Lives of Girls" competition in 2012 to identify and reward innovators of solutions that are helping girls and women live healthier, smarter, more meaningful lives. The Foundation also supports research, advocacy, and diversity initiatives and organizations such as the Society of Women Engineers, the Anita Borg Institute, and the National Center for Women & Information Technology.

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Strengthening Communities

Each year, the Intel Foundation *contributes* millions of dollars to community programs and disaster relief efforts. Because volunteerism can play a pivotal role in transforming education and building strong communities, the Intel Foundation supports initiatives that encourage *Intel employees' passion* for service.

The Intel Foundation also responds to disaster situations by contributing funds for humanitarian relief—including matching employee donations—and supporting long-term recovery efforts that leverage Intel's technical expertise and competencies.

Volunteerism.
In 2012, Intel employees donated over 1.2 million hours to improve lives around the world. Through the Intel Involved Matching Grants Program (IIMGP), the Intel Foundation increases the impact of employee service by donating cash to qualified nonprofits and schools where Intel employees and retirees volunteer. Through this program, the Intel Foundation paid out more than USD 8.4 million in matching grants for schools and nonprofits in 2012. Each year, the Intel Foundation also recognizes extraordinary volunteer efforts by awarding grants to nonprofits and NGOs chosen by finalists in the Intel Involved Hero Award program. Projects completed by 2012 Intel Involved Hero finalists included building a hydroponics lab at a school in Costa Rica and establishing a children's hospice in Ireland.

Disaster Relief.
The Foundation's approach is to assess the effects of a disaster, and then work to maximize the impact of expertise, cash, and in-kind donations, with the goal of providing sustainable improvements in the lives of people in the affected region. In keeping with the Foundation's emphasis on transforming education around the world, much of the rebuilding assistance focuses on getting children back to school and giving people the skills they need to gain economic self-sufficiency.

Foundation Success Stories

Keeping Kids in College

Yesenia's parents emigrated to the U.S. from Mexico. They didn't go to college, but believed that Yesenia's success depended on her earning a degree. She got into college, but then struggled to find her place on campus, failed her freshman math class, and considered dropping out.

"One quarter of low-income students who enter college leave before their second year, and only 15 percent earn a bachelor's degree within five years,"

says Alexandra Bernadotte, a leading social entrepreneur and the recipient of an Ashoka Fellowship funded by the Intel Foundation. Bernadotte is the founder and CEO of nonprofit Beyond 12, which aims to break the cycle of poverty by increasing the number of low-income, first-generation students who graduate from U.S. colleges and universities.

Beyond 12 has created a one-of-its-kind technology platform that enables high schools and colleges to track data about how students fare—academically, socially, and financially—once they enter college. High schools and colleges can analyze the data to determine where students struggle, and then tailor support and teaching strategies appropriately. Beyond 12 college coaches also work with students who are most in need of help.

Beyond 12's combination of technology and service "really allows us to impact not just the kids we're working with, but the educational system as a whole," says Bernadotte. "We started in 2009, and today we are tracking the progress of over **20,000 college students and coaching close to 2,000 students at 180 colleges and universities** across the U.S." Early results are dramatic: 95 percent of low-income students coached by Beyond 12 at San Francisco State University re-enrolled their second year. Yesenia is one of them; now a third-year student, she is well on her way to becoming a special education teacher.

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Inspiring the Next Generation of Innovators

Naomi Shah is an award-winning scientist. She has studied the impact of volatile organic compounds on lung health, created a mathematical model to predict pollutants' effect on respiratory flow rates, and developed a plant-based filter to break down chemical pollutants. She also mentors kids who are interested in science, and founded a computer camp to expose middle school girls to science and technology research. Naomi is 16 years old.

Now a Portland, Oregon high school senior, Naomi has conducted original research and competed in science fairs since she was in sixth grade. She captured numerous prizes at the Intel Foundation-sponsored Intel ISEF competition during her freshman, sophomore, and junior years, and was a finalist in the 2013 Intel STS competition. In 2013, the Foundation also awarded Naomi a trip to Brussels, Belgium for the first annual ITU Tech Needs Girls Awards.

"Naomi is an example of the kind of young scientist who will change the world—imaginative, inquisitive, persistent, and generous," says Wendy Hawkins, Executive Director of the Intel Foundation. "We are proud to be able to support her at the beginning of what will clearly be an illustrious career."

Helping Rebuild Haiti

PHOTO COURTESY OF INVENEO

Nancy Jean-Pierre believes that technology has the power to change her life and those of others in Dessalines, the farming community where she lives in Haiti. For that reason, she was among the first people to sign up when the Intel Foundation-funded Digital Literacy for Haiti Rebuilding (DLHR) computer training program came to town. Nonprofits Inveneo and NetHope launched the program in Dessalines and other rural communities in the spring of 2012, as part of long-term relief efforts following the devastating 2010 earthquake in Haiti.

DLHR training offers many participants their first experience touching a computer. Many attendees walk for several hours to attend DLHR courses, which cover computer fundamentals (mouse, keyboard, etc.), and the basics of Microsoft Word,* e-mail, and the Internet. Through DLHR, farmers and businesswomen are discovering better ways to do their jobs and run their businesses, and other participants are finding paths to information technology careers. Some attendees complete advanced training modules and become Community IT Instructors themselves, helping ensure program sustainability.

Jean-Pierre is now an assistant for the DLHR program. "I would have lost a big part of my life if I had missed this course," she says. **"I will continue to learn computers and help others who do not know. That will be my profession."**

Intel Foundation
By the Numbers

Contributions Received

Contributions come generally from Intel Corporation, although individuals may also contribute to the Intel Foundation. Contributions received are either in the form of cash or marketable securities. Stock contributions are recorded at their fair market value on the date they are received. In 2012, 65 percent of total contributions were marketable securities, and 35 percent were cash. In 2011, 81 percent of contributions were in marketable securities, and 19 percent were cash.

TOTAL CONTRIBUTIONS RECEIVED

2012 USD 42,528,000
2011 USD 41,285,795

Grant Disbursement

Grant disbursement refers to the dollar amount of grants paid out during a specified time period. It serves as a measure of the sheer financial impact that the Foundation has on communities around the globe.

TOTAL GRANT DISBURSED

2012 USD 45,214,512
2011 USD 43,398,803

Foundation Investments

The Intel Foundation's fixed income investment holdings ensure a reliable and consistent asset base from which grants can be paid out as necessary. They are recorded at historical cost.

Grants Payable

The Intel Foundation has entered into agreements to pay out grants to various not-for-profit organizations through 2019. Short-term grants payable are those grants that are due to be paid on or before December 31, 2013, with the remaining commitments being long-term.

FOUNDATION INVESTMENTS AT YEAR-END	2012	2011
Cash and cash equivalents	USD 38,949,265	USD 55,364,076
Marketable equity securities and proceeds receivable	USD 17,547,221	USD 0
Short-term investments	USD 2,496,738	USD 5,000,000
Long-term investments	USD 7,028,534	USD 7,028,534
TOTAL	**USD 66,021,758**	**USD 67,392,610**

GRANTS PAYABLE AT YEAR-END	2012	2011
Short-term grants payable	USD 23,724,826	USD 22,121,025
Long-term grants payable	USD 54,072,500	USD 65,232,500
TOTAL	**USD 77,797,326**	**USD 87,353,525**

Note: All figures are in U.S. dollars.

Disclaimer: The financial data presented above is unaudited and not prepared in accordance to United States Generally Accepted Accounting Principles (U.S. GAAP).

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Printed in USA 0513/FHM/HBD/PG/500 326982-002US