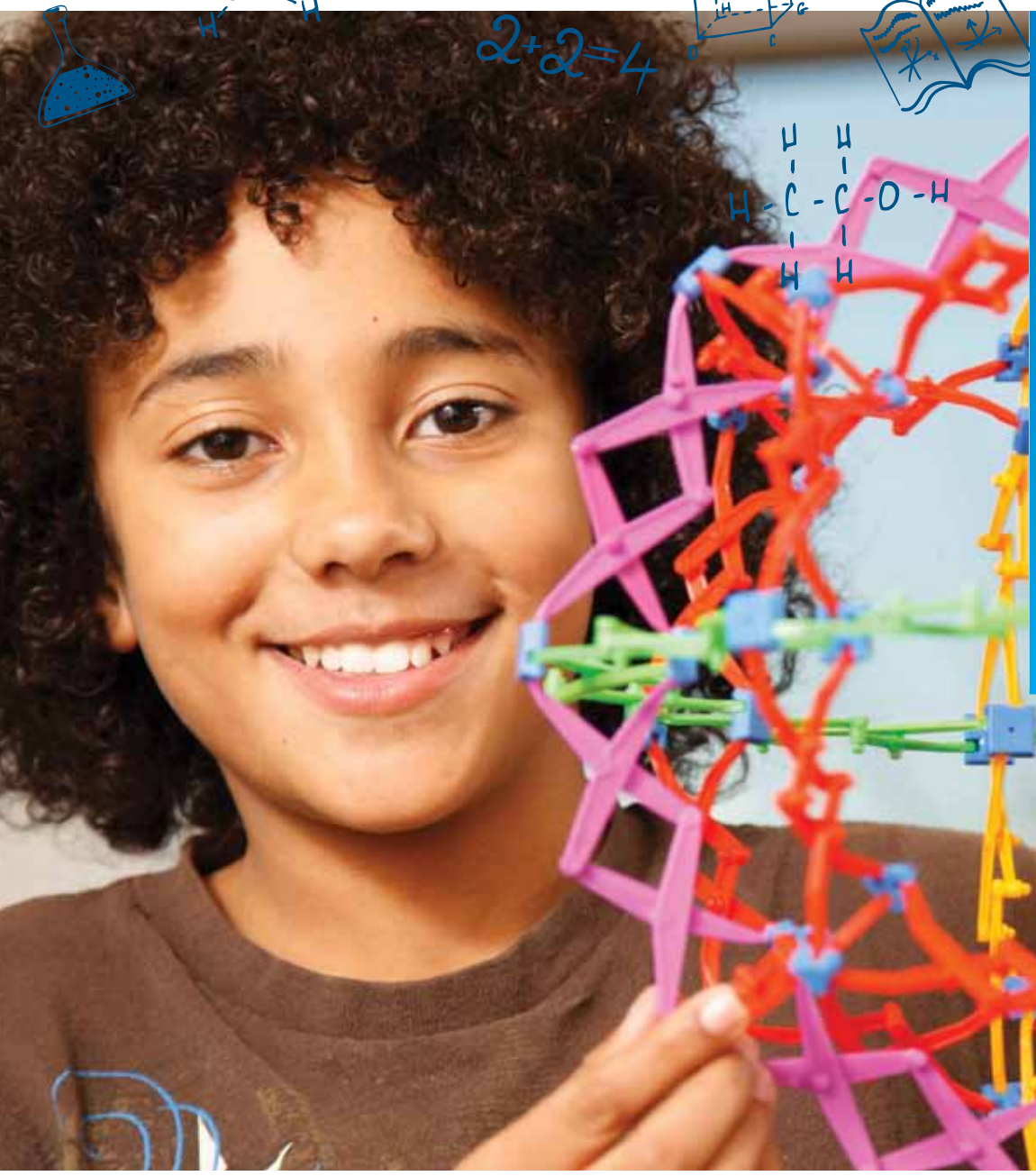


Intel Foundation

2011 Annual Report

Opening doors
to a better future.

We believe that investing in education empowers individuals, families, communities, and entire countries.

Through local and national grants, the Intel Foundation works to fuel classroom innovation and student interest in math, science, engineering, and entrepreneurship; empower women and under-served youth; and enable university education and research.

THE INTEL FOUNDATION

transforming math and science education | fostering innovation | strengthening communities

We also believe that volunteerism plays a pivotal role in transforming education and addressing the needs of communities. Through matching grants for service, community giving, and disaster relief programs, the Foundation supports Intel employees' generosity and passion for improving lives in their own neighborhoods and around the globe.

The Intel Foundation is funded solely through donations from Intel Corporation, and executes most of its programs through effective partnerships with governments, schools, developmental agencies, and nongovernmental organizations.

ensuring a better future by fostering innovation

Improving
Math and Science Education

Hands-on programs such as robotics and science competitions *positively impact* the likelihood that teens will pursue math or science subjects in college.[1]

The Intel Foundation has long sponsored two of the world's largest, most prestigious annual pre-college science and engineering competitions to recognize and reward bright young innovators. Through the Intel International Science and Engineering Fair (Intel ISEF) and the Intel Science Talent Search (Intel STS)—both programs of Society for Science and the Public—students from around the world compete for millions of dollars in awards and scholarships each year while solving real-world problems and tackling challenging questions through original research.

[1] *STEM Learning in Afterschool: An Analysis of Impact and Outcomes,* September 2011, Afterschool Alliance

FOUNDATION SUCCESS STORY

In keeping with our belief that teachers are the highest leverage investment for improving education, the Foundation supports the Intel Educator Academy, which brings together select groups of educators and government officials from around the world to explore proven, innovative methods of engaging students in the study of science and math. The Foundation also sponsors K-8 Math Progressions, an 80-hour professional development course to help teachers deepen their understanding of core mathematics concepts.

ENCOURAGING YOUNG PEOPLE TO REACH THEIR FULL POTENTIAL

For the fifth year in a row, in 2011 the Intel Foundation awarded cash grants to Intel Schools of Distinction, which demonstrate extraordinary excellence in math and science education. We believe that by replicating programs proven at these schools, other schools can reinvigorate their own programs to inspire the next generation of innovators.

BUILD A ROBOT, MEET THE PRESIDENT

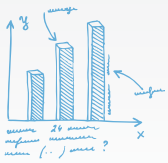
Six middle-school girls designed a robotic device that could tie a ponytail in their hair, and competed in a FIRST LEGO* League robotics tournament. Following the competition, the girls were invited to meet President Barack Obama when he visited Intel's campus in Hillsboro, Oregon, in February 2011. Like all robotics team participants, the girls applied real-world math and science concepts to design, build, test, and program their robot. Along the way, they learned critical thinking, team-building, and presentation skills, and researched challenges facing today's scientists and engineers. The Intel Foundation provides scholarships for children who might otherwise not be able to participate in robotics programs such as these, which are designed to promote engineering degrees and careers.

FOUNDATION SUCCESS STORIES

TWO-TIME INNOVATORS

As Turkish high school students, Emir Konuk and Emre Yilmaz traveled to the U.S. to compete as finalists in the 2005 Intel ISEF, where they captured an award for a device that shows the structure of the veins in an eye. The two young men, now college roommates at Middle East Technical University in Turkey, returned to the U.S. in 2011 as finalists in the Intel Global Challenge entrepreneurship competition at UC Berkeley. During the six years between their participation in these two Intel Foundation-supported programs, Konuk and Yilmaz expanded on their original research to design and build VeinScreen, a simple, inexpensive hardware and software device used to obtain infrared images of blood vessels in the human body. The two teammates are in the process of forming a company called Kaleidoscope to market VeinScreen, which will help phlebotomists draw blood and aid other medical personnel performing intravenous procedures.

STUDENTS TACKLE REAL-WORLD PROBLEMS

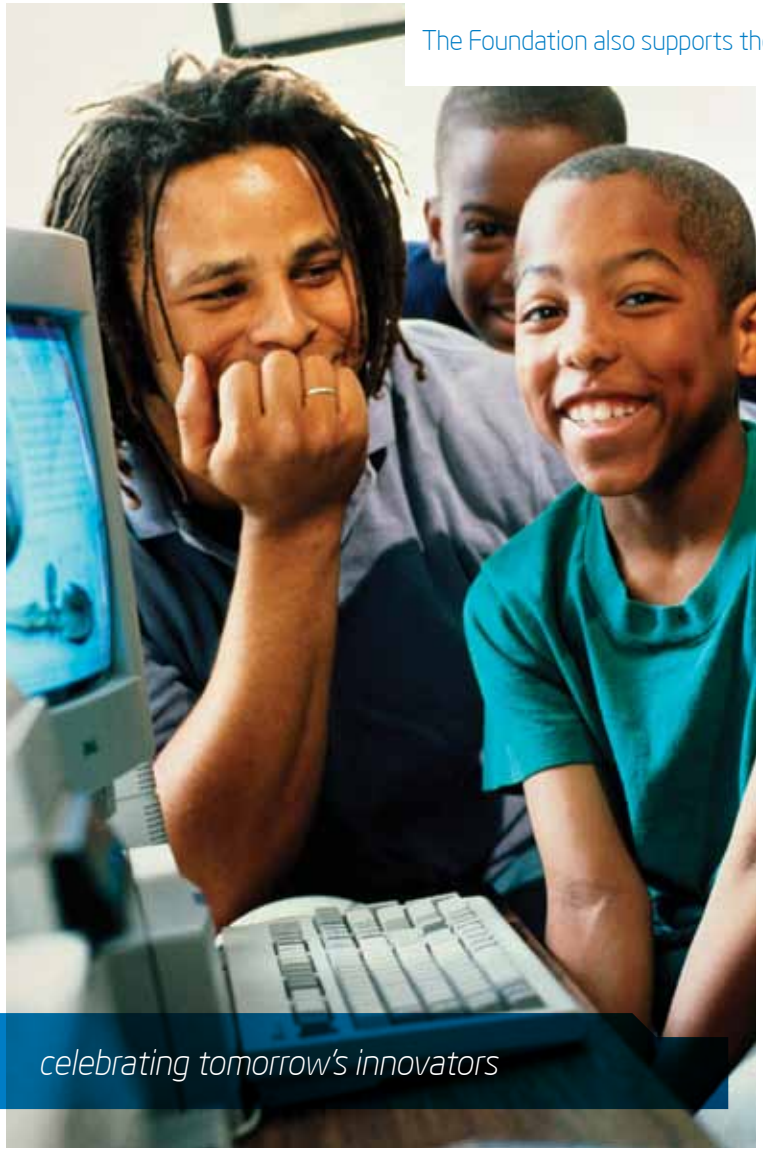


A team of engineering students at Arizona State University (ASU) is designing low-cost ways to use solar power to prevent brownouts at a girls' school in Bangladesh. A second ASU team is working to develop a mobile, nature-oriented video game designed to encourage young girls to be active outside. All of these students are involved in the Engineering Projects in Community Service (EPICS) program at ASU, a series of service learning classes developed by Purdue University, in which students solve engineering- and technology-based problems for nonprofit community agencies, schools, and government entities. A grant from the Intel Foundation helped ASU significantly increase college student participation in the program and expand EPICS to high school students.

Cultivating
A Spirit of Innovation

The Intel Foundation provides support for a number of programs aimed at *enabling children and adults* in under-served communities to acquire technology literacy, problem-solving, and entrepreneurship skills.

The Intel® Learn program, for example, *extends learning beyond classrooms* to informal environments in local community centers, and uses an engaging, project-centered approach. To date, Intel Learn has helped more than 1.6 million learners in 15 countries to *gain 21st century skills* while addressing real issues in their towns and villages.



celebrating tomorrow's innovators

The Foundation also supports the Intel Computer Clubhouse Network, a community-based, after-school education program operated by the Boston Museum of Science in collaboration with the MIT Media Lab. Over 100 Computer Clubhouses in 20 countries offer an environment of trust and respect where young people can develop technological fluency and collaborative work skills.

At the university level, in 2011 the Intel Foundation awarded research grants, fellowships, and scholarships totaling over *USD 1.9 million to help* women and under-served minorities pursue careers in education, computer science, and other technical fields. The Foundation also supports the annual Intel Global Challenge at UC Berkeley, a global business plan competition that encourages college student entrepreneurs and rewards *innovative ideas that have the potential to have a positive impact on society*. In 2011, the Foundation awarded USD 100,000 in cash prizes to winners of the Intel Global Challenge.

FOUNDATION SUCCESS STORIES

TECHNO WOMEN: ENTREPRENEURS FOR THE GLOBAL ECONOMY

A grant from the Intel Foundation is helping women in Turkey become entrepreneurs in the global economy. In collaboration with Futurists Association and Habitat Center for Development and Governance, the three-week Intel Tekno Kadin (Techno Women) training program teaches basic digital literacy skills and helps women gain the skills they need to develop their own businesses. 84 master teachers from 33 provinces have been trained in 2011, who plan to reach 3,000 participants in 2012. The Tekno Kadin program is expected to be the most widespread training program of its kind for women in Turkey.

BUILDING A DIVERSE WORKFORCE

Destenie Nock plans to graduate from North Carolina Agricultural and Technical State University in 2014 with a double major in Electrical Engineering and Mathematics Education. Although she is an undergraduate, an Intel Foundation-funded Undergraduate Research Opportunity (URO) grant administered by the Semiconductor Research Council (SRC) enabled her to conduct graduate-level research aimed at understanding how various superconducting materials could be used for energy storage applications. Studies have shown that involvement in research enables undergraduate students to put theories into practice, deepens their appetites for science and math, and increases their desire to go on to graduate studies. To increase diversity in the technical workforce, the innovative URO program seeks to attract a diverse student population, including women and under-represented minorities.

Strengthening Communities

In 2011, 50 percent of Intel employees volunteered over 1.16 million hours of their time to *improve lives in communities* around the world. The Intel Foundation increased the impact of that service by providing USD 8.2 million in matching grants to over 5,100 schools and nonprofits where employees volunteered.

Half of Intel's employees hold technical positions, so *passion* at the company runs particularly high for volunteer initiatives related to science, technology, engineering, and math education.

In recent years, we have also increased our focus on skills-based opportunities that enable Intel employees to share the unique expertise they have honed at Intel—in legal, information technology, human resources, marketing, finance, and other areas.

Through Intel's 2011 Community Giving Campaign, Intel employees and retirees generously donated USD 16 million to local nonprofits in 2011. A match from the Intel Foundation brought the total contribution to more than USD 26.2 million. Through the Intel Matching Gifts to Education program, employees and the Intel Foundation also donated USD 1.4 million in support of K-12 and higher education.

ENABLING EMPLOYEES PASSIONS FOR SERVICE AND GIVING

The Foundation also responds in disaster situations by matching employee contributions to relief efforts, contributing additional funds for humanitarian relief, and providing thoughtful long-term relief that leverages Intel's technical expertise and competencies. The Intel and Intel Foundation approach is to assess the effects of each disaster and work to maximize the impact of expertise, cash, and in-kind donations we provide, with the goal of providing sustainable improvements in the lives of people in affected regions.

FOUNDATION SUCCESS STORIES

ENABLING VOLUNTEERS TO EFFECT BIG CHANGE

A team of 13 Intel employees donated over 1,200 hours of service to enable a group of under-served women in India to start their own business making and selling reusable cloth bags. The volunteers ensured that the women received vocational training, and helped them source materials, identify customers, and launch the venture on the premises of a local nonprofit. Funding for the project came from the Intel Involved Matching Seed Grants program, which enables teams of Intel employees to apply for grants of up to USD 5,000 from the Intel Foundation to get their creative volunteer initiatives off the ground. In 2011, the Foundation awarded 23 seed grants for projects that included renovating schools, setting up a thrift shop to fund a hospice program, and conducting a census as part of a turtle conservation program.

Source: Japan Red Cross Society

PROVIDING RELIEF: IMMEDIATELY AND FOR THE LONG RUN

In response to the devastating March 2011 earthquake and tsunami in Japan, Intel employees helped deploy computing and communications infrastructure, trained users, and provided back-end support for refugee centers, and donated over USD 1 million to relief organizations. The Intel Foundation matched employee giving with USD 1 million, and contributed an additional USD 1 million to prefectures and organizations that could provide immediate relief assistance in the hardest hit areas. Over the longer term, the Foundation has worked to restore and improve education in areas where schools were destroyed, partnering with organizations that provide classrooms, supplies, teachers, and mentors for children who were displaced by the disaster.

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 2011, there was a substantial contribution of marketable securities, in addition to cash. In 2010, the contributions were entirely in cash.

2011 USD 41,285,795

2010 USD 46,000,000

contributions received

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 throughout the globe.

grant disbursement

2011 USD 43,398,803

2010 USD 40,383,181

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, 2012, with the remaining *commitments being long-term*.

FOUNDATION INVESTMENTS AT YEAR-END	2011	2010
Cash and cash equivalents	USD 55,364,076	USD 23,510,409
Short-term investments	USD 5,000,000	USD 21,455,229
Long-term investments	USD 7,028,534	USD 12,025,606
TOTAL	USD 67,392,610	USD 56,991,244

GRANTS PAYABLE AT YEAR-END	2011	2010
Short-term grants payable	USD 22,121,025	USD 22,189,114
Long-term grants payable	USD 65,232,500	USD 76,957,233
TOTAL	USD 87,353,525	USD 99,146,347

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

ENSURING A BETTER FUTURE BY FOSTERING INNOVATION

THE INTEL FOUNDATION

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