 <p>Project XL A New Era of Environmental Performance</p>	<p>Intel Ocotillo Project XL</p> <p>ANNUAL</p> <p>FPA PROGRESS REPORT</p> <p>Issued April 1, 2007</p> <p>(January 1 - December 31, 2006)</p>
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ANNUAL FPA PROGRESS REPORT
(Issued April 1, 2007)

Intel Corporation
Ocotillo Campus
Chandler, Arizona

REPORTING FACILITY

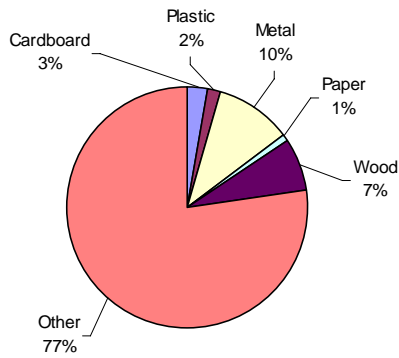
Intel Corporation
Ocotillo Campus
4500 S. Dobson Road
Chandler, Arizona 85248

Year: January 1 - December 31, 2006
Report date: April 1, 2007
Report prepared by: Jim Larsen/ Len Drago
Telephone Number: (480) 715-0206/ (480) 715-0132
Fax Number: (480) 715-5140

2006 SOLID WASTE RECYCLE

Reporting period: January 1 - December 31, 2006

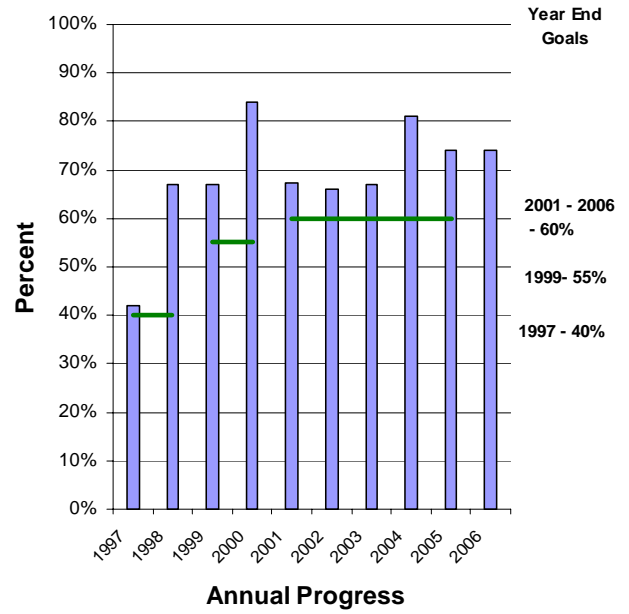
Percent recycled year-to-date (YTD): 74%



Other: Auctions, Donations, Gloves, Glass, and Compost, Concrete, Asphalt, Coffee

11,434 TOTAL TONS SOLID WASTE RECYCLED IN 2006

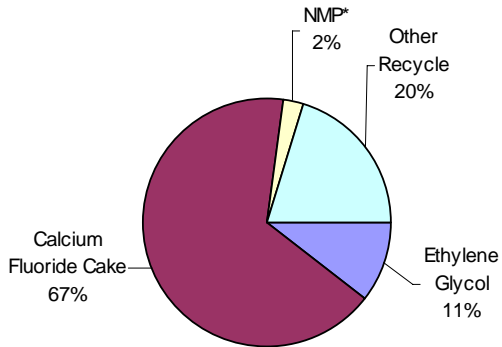
SOLID WASTE RECYCLE



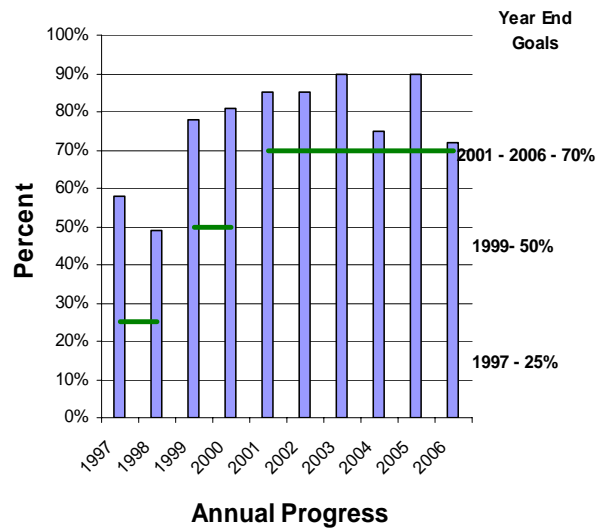
2006 NON-HAZARDOUS CHEMICAL WASTE RECYCLE

Reporting period: January 1 - December 31, 2006

Percent recycled year-to-date (YTD): 72%



NON-HAZARDOUS CHEMICAL WASTE RECYCLE



*NMP- N-Methylpyrrolidone

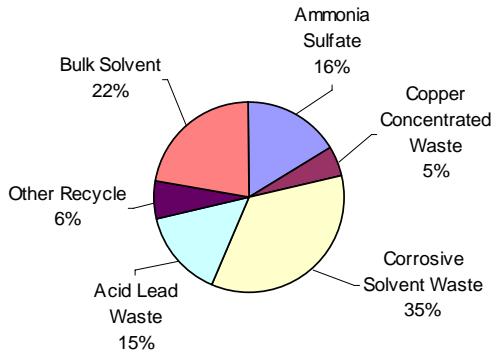
Other: Aerosols, Fluorescent Bulbs, Debris, Batteries, Used Oil, Empty Drums, Ion Exchange Beds.

846 TOTAL TONS NON-HAZARDOUS CHEMICAL WASTE RECYCLED IN 2006

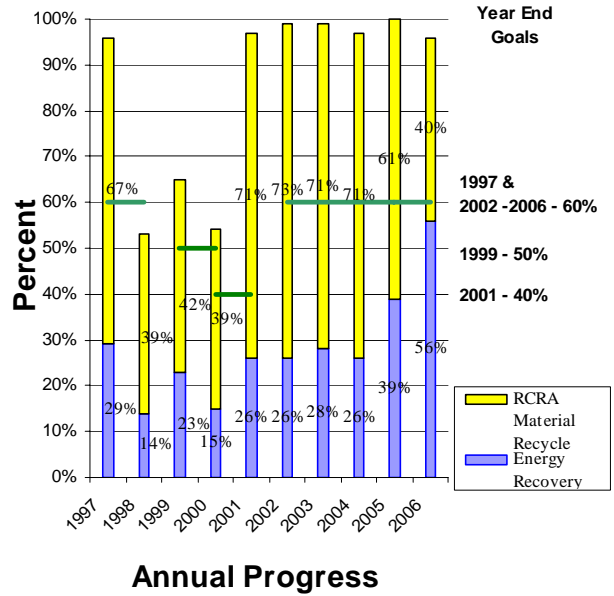
2006 HAZARDOUS WASTE RECYCLE

Reporting period: January 1 - December 31, 2006:

Percent recycled year-to-date (YTD): 96%



HAZARDOUS WASTE RECYCLE



Other: Ion Exchange Resin Beds, Reclaimed Acid Containing Lead, Photo resist, Methanol, Arsenic and Lead Debris, Discarded Acids, and Solvents.

2,840 TOTAL TONS HAZARDOUS WASTE RECYCLED IN 2006

2006 Site Wide Water Conservation

Reporting period: January 1 - December 31, 2006

Percent conserved for 2006: 79 %

Water Flow Details:

<input type="checkbox"/>	Water Recycled Internally	530 MG
<input type="checkbox"/>	Reclaimed Wastewater Used	827 MG
<input type="checkbox"/>	Water Sent to Chandler RO for Groundwater Recharge	578 MG
<input type="checkbox"/>	Incoming City Water	1,076 MG

MG = Million Gallons

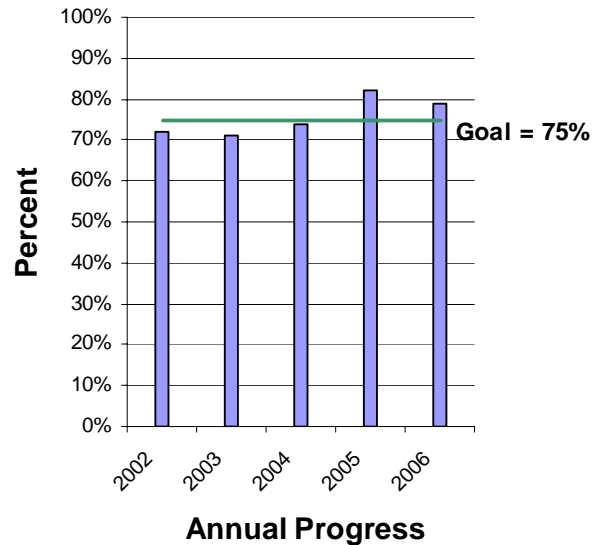
$$\frac{\text{Water Recycled} + \text{Reused} + \text{Recharged}}{\text{All Water Used}}$$

$$\frac{530 + 827 + 578}{530 + 827 + 1,076} = 0.79 \times 100\% = 79\%$$

Notes:

- The reported performance above may not equal the actual reported performance due to water flow rounding.
- This chart provides data for 2002 -- 2006 since 2002 was the first year in reporting Site Wide Water Conservation under the Project XL Renewal.

Site Wide Water Conservation



2006 Net City Water Use Per Capita Per Production Unit

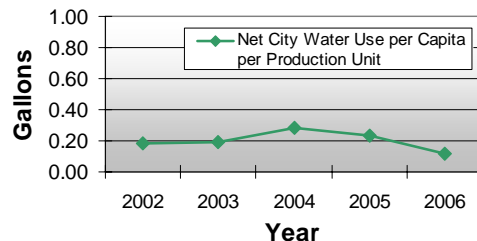
Reporting period: January 1 - December 31, 2006

Note: This chart graphically illustrates the total gallons of net city water used at Intel's Ocotillo site per capita per number of production units produced.

- 2002 = 0.18 gallons per capita per production
- 2003 = 0.19 gallons per capita per production
- 2004 = 0.29 gallons per capita per production
- 2005 = 0.23 gallons per capita per production
- 2006 = 0.12 gallons per capita per production

*Net city water use is fresh city water minus the water sent to the Chandler RO plant for groundwater recharge.

Net City Water Use Per Capita Per Production Unit



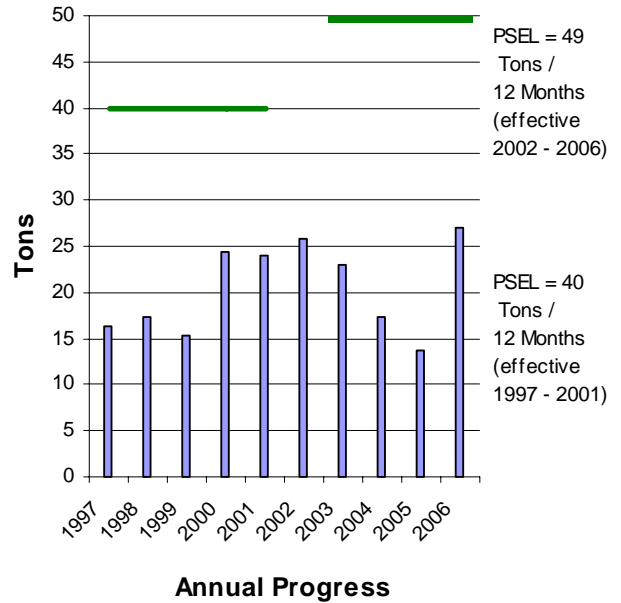
2006 VOLATILE ORGANIC COMPOUND (VOC) EMISSIONS

Reporting period: January 1 - December 31, 2006

VOC emissions in tons (12-month rolling summation): 27.0

Note: The Plant Site Emission Limit (PSEL) during the original Project XL Agreement (effective from 1997 – 2001) was 40 tons per year (tpy). During the renewal (effective from 2002 – 2006), the PSEL was raised to 49 tpy.

VOC EMISSIONS



2006 ORGANIC HAZARDOUS AIR POLLUTANTS (HAPs) EMISSIONS

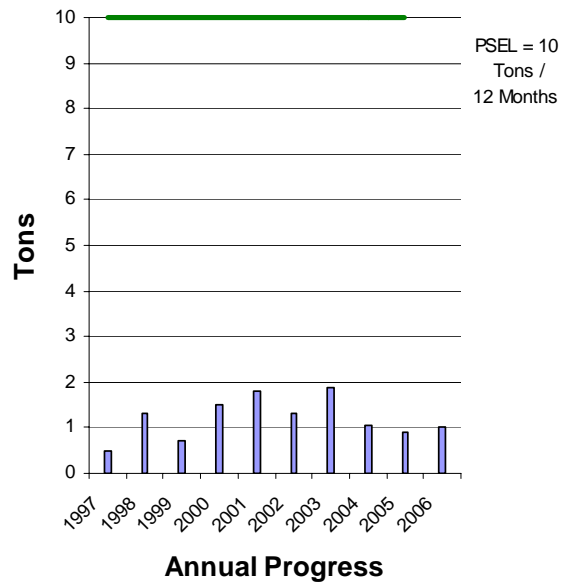
Reporting period: January 1 - December 31, 2006

Individual Organic HAPs:

- Methanol
- Xylene
- Ethylene Glycol
- Acetonitrile

Organic HAPs emissions in tons (12-month rolling summation): 1.0

ORGANIC HAZARDOUS AIR POLLUTANTS (HAPs) EMISSIONS



2006 INORGANIC HAZARDOUS AIR POLLUTANTS (HAPs) EMISSIONS

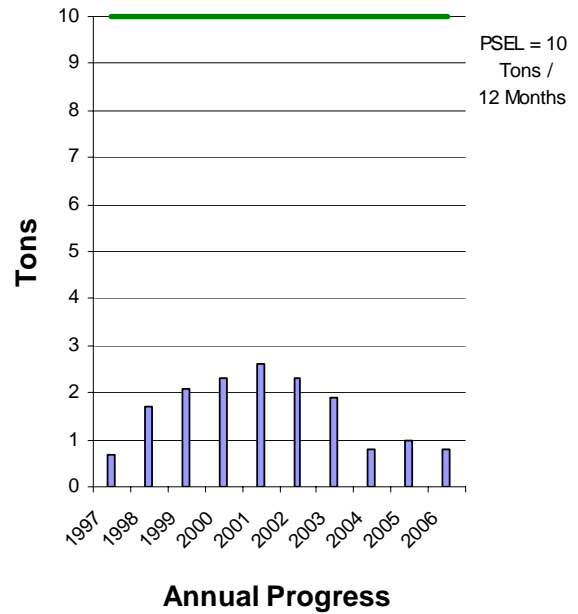
Reporting period: January 1 - December 31, 2006

Individual Inorganic HAPs:

- Hydrofluoric Acid
- Chlorine
- Hydrochloric Acid
- Phosphine
- Arsine

Inorganic HAPs emissions in tons (12-month rolling summation): 0.8

INORGANIC HAPs EMISSIONS



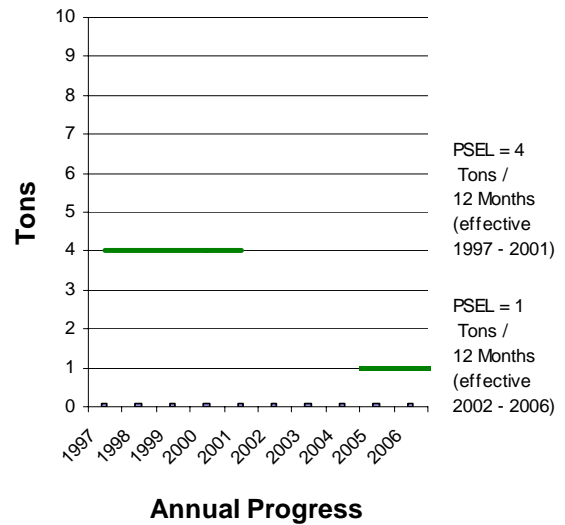
2006 PHOSPHINE EMISSIONS

Reporting period: January 1 - December 31, 2006

Phosphine emissions in tons (12-month rolling summation): 0.02

Note: The Plant Site Emission Limit (PSEL) during the original Project XL Agreement (effective from 1997 – 2001) was 4 tons per year (tpy). During the renewal (effective from 2002 – 2006), the PSEL was lowered to 1 tpy.

PHOSPHINE EMISSIONS



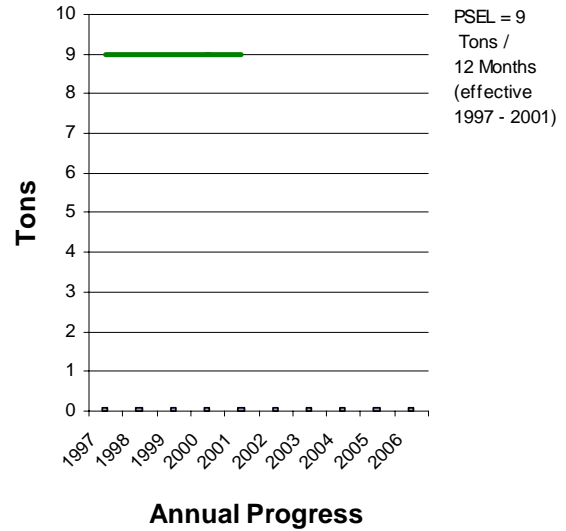
2006 SULFURIC ACID EMISSIONS

Reporting period: January 1 - December 31, 2006

Sulfuric Acid emissions in tons (12-month rolling summation): 0.04

Note: The Plant Site Emission Limit (PSEL) during the original Project XL Agreement (effective from 1997 – 2001) was 9 tons per year (tpy). During the renewal (effective from 2002 – 2006), the PSEL was lowered to 1 tpy.

SULFURIC ACID EMISSIONS



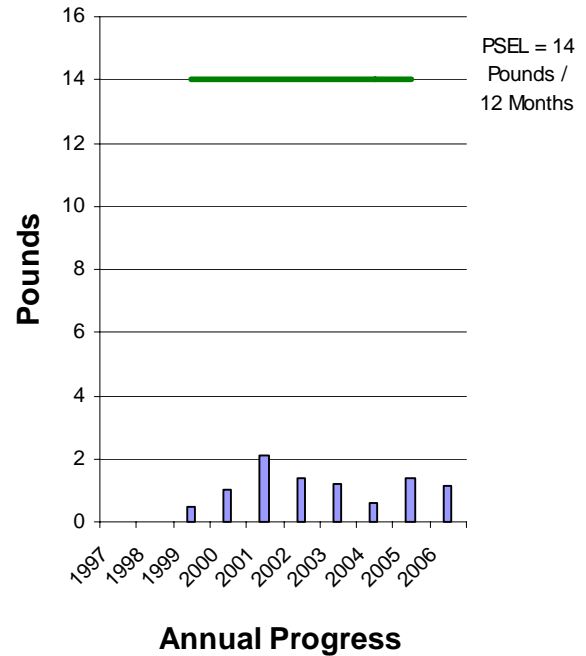
2006 ARSINE EMISSIONS

Reporting period: January 1 - December 31, 2006

Arsine emissions in pounds (12-month rolling summation): 1.17

Note: Arsine Plant Site Emission Limit of 14 pounds per year was established in 1999 due to the introduction of a new process at Fab 12 utilizing Safe Delivery System Arsine. Arsine is reported in pounds vs. tons for all other air emissions, so scale is different.

ARSINE EMISSIONS



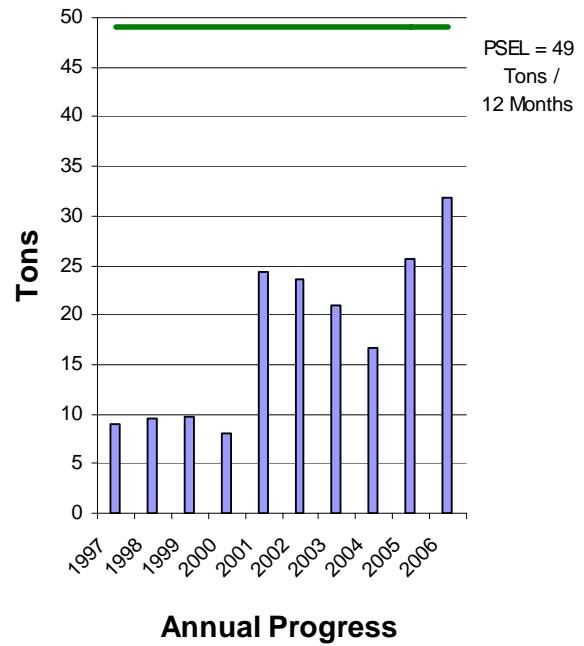
2006 NITROGEN OXIDE (NO_x) EMISSIONS

Reporting period: January 1 - December 31, 2006

NO_x emissions in tons (12-month rolling summation): 31.9

Note: The increase in emissions shown from 2001 and beyond is from the construction and operation of Fab 22, the second, high- volume manufacturing facility on the Ocotillo Site.

NO_x EMISSIONS



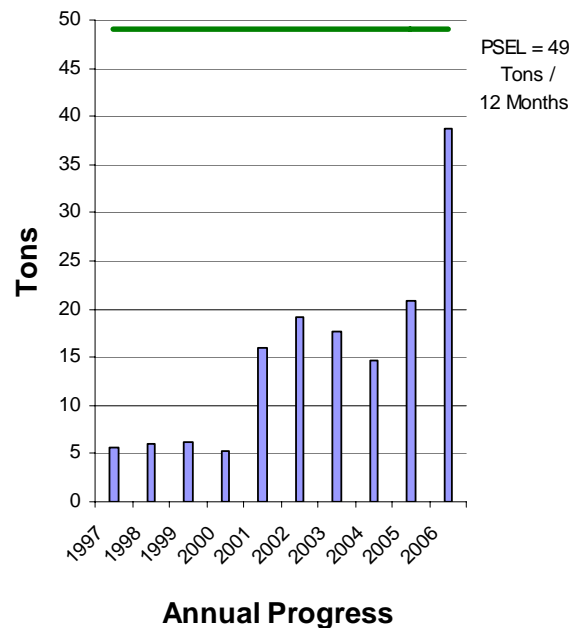
2006 CARBON MONOXIDE (CO) EMISSIONS

Reporting period: January 1 - December 31, 2006

CO emissions in tons (12-month rolling summation): 38.7

Note: The increase in emissions shown from 2001 and beyond is from the construction and operation of Fab 22, the second, high- volume manufacturing facility on the Ocotillo Site.

CO EMISSIONS

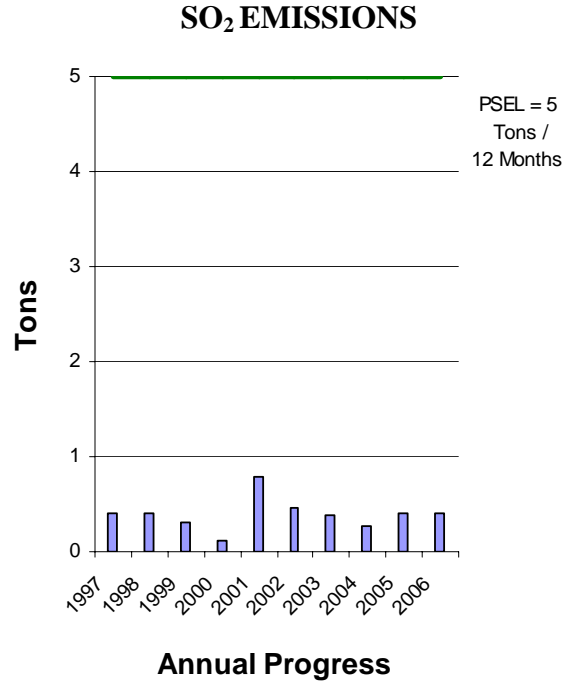


2006 SULFUR DIOXIDE (SO₂) EMISSIONS

Reporting period: January 1 - December 31, 2006

SO₂ emissions in tons (12-month rolling summation): 0.4

Note: The increase in emissions shown from 2001 and beyond is from the construction and operation of Fab 22, the second, high- volume manufacturing facility on the Ocotillo Site.



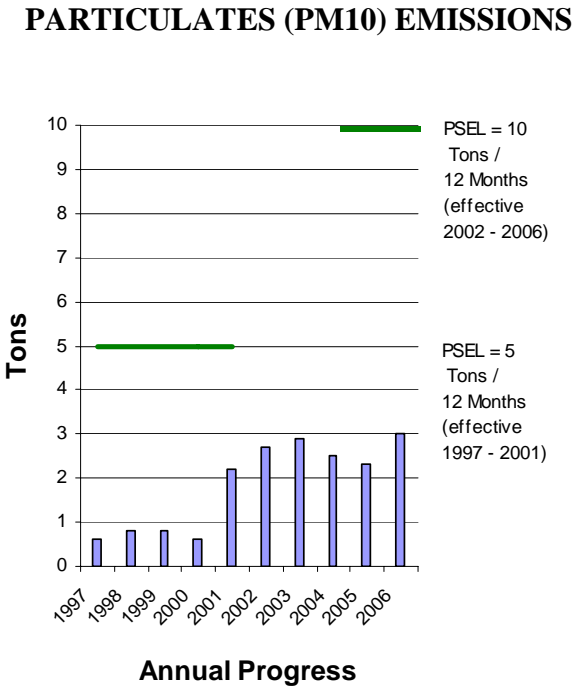
2006 PARTICULATES (PM₁₀) EMISSIONS

Reporting period: January 1 - December 31, 2006

PM₁₀ emissions in tons (12-month rolling summation): 3.0

Notes:

- The Plant Site Emission Limit (PSEL) during the original Project XL Agreement (effective from 1997 – 2001) was 5 tons per year (tpy). During the renewal (effective from 2002 – 2006), the PSEL was raised to 10 tpy.
- The increase in emissions shown from 2001 and beyond is from the construction and operation of Fab 22, the second, high- volume manufacturing facility on the Ocotillo Site.



OC 2006 ANNUAL FOSSIL FUEL USAGE

Natural Gas:	554 Million Cubic Feet
Fuel Oil:	10,606 Gallons (All Low sulfur content)
Emergency Generator Hours of Operation:	246 hours

<p>2006 PRODUCTION UNIT FACTOR (PUF)</p> <p>Reporting period: January 1 - December 31, 2006</p> <p>Note: The Project XL Renewal FPA states that Intel commits that it will not increase the level of its' emissions beyond the levels proportional to increases in production activities. To demonstrate this commitment, Intel agrees to maintain the production unit factor (PUF) below 1.</p>	<p>VOC</p> $\frac{2006 \text{ PUF}}{1997 \text{ PUF}} = 0.06 \text{ (Goal < 1)}$
	<p>HAP</p> $\frac{2006 \text{ PUF}}{1997 \text{ PUF}} = 0.06 \text{ (Goal < 1)}$

Commitment

This the final Project XL report. Past Project XL performance reports are posted on the website..

2006 OTHER ACTIVITIES THAT BENEFIT THE ENVIRONMENT

Sun Lakes Household Hazardous Waste Collection Day Event

On January 28, 2006 Sun Lakes, Maricopa County and Intel partnered with Sun Lakes to sponsor the 4th Sun Lakes Household Hazardous Waste Collection Day. Supervisor Fulton Brock (Maricopa County) participated in this year's event. Approximately 644 vehicles dropped off waste material totaling to 21,817 pounds. The Students Recycling Used Technology (AZ StRUT) program was also on hand collecting old computers, printers, and various electronic equipment.



Collection point supported by volunteers



Electronic Equipment Collection

Project WET - Water Festival

The City of Chandler hosted its second annual *Make a Splash* Water Festival at Chandler-Gilbert Community College on Friday, May 19. Intel provided volunteers to assist with the festival. The students are ushered through four stations where they learn about water conservation, our water supply and the water cycle. All activities are interactive and hands-on. Chandler educated 1,000 fourth-grade students bringing the state total for 2006 to more than 5,000 students.

Lowell Career Day & Science Fair

Intel volunteers participated in the Lowell career day to broaden students knowledge of possible careers. Students were able to ask questions as well as learn about the importance of education. In May, the school also held a science fair. Volunteers assisted with miscellaneous activities on the day that the projects were displayed to the public. Intel also provided funding for Camp Invention for 60 children to participate in a week-long camp where students learned about a variety of science related topics.

StRUT Computer Recycle Day



Arizona StRUT Computer Recycle Day is an opportunity for civic organizations, small businesses, and the general public to recycle their used and obsolete computers, old cell phones, and computer parts, while benefiting schools and non-profits. A total of approximately 750 participants contributed to the program achieving a total of approximately 70,000 pounds that were placed into beneficial reuse vs. landfill disposal.

Participating locations included:

Hamilton High School, 3700 S. Arizona Ave., Chandler

Gilbert High School, 1101 E. Elliot Rd., Gilbert

Arizona State University (ASU) West, 4701 W. Thunderbird Rd., Glendale

The Phoenix Zoo, 455 N. Galvin Parkway, Phoenix

Red Mountain High School, 7301 E. Brown Rd., Mesa

APS Service Center, 16800 N. Dysart Rd., Surprise

Tempe High School, 1730 S. Mill Ave., Tempe

Data Doctors locations until 4:00 p.m. (see www.datadoctors.com) for locations

For more information on the AZ StRUT program, visit www.AZStRUT.org

Trip Reduction Program

Intel employees completed the 16th (10th for the OC campus) annual trip reduction electronic survey and the plan for the 17th year has been submitted to Maricopa County. 100% of the Ocotillo employees completed the survey which is used by the county to track alternate commute mode users. The results for the Single Occupancy Vehicle (SOV) Trip Rate was 69.65% and the Single Occupancy Vehicle Miles Traveled Rate was 67.44%. Options under the Rideshare program include compressed workweeks, telecommuting, driving alternate fuel vehicles all of which help to reduce the single occupancy vehicle rate. Intel van pool monthly subsidies were raised to \$35, carpools and vanpools may use preferential parking, bus commutes and emergency ride home transportation are 100% subsidized.

ASU Donation

Intel donated scrap copper metal from the Ocotillo site to the Arizona State University (ASU) College of Fine Arts. The art department will utilize the material for sculpture.

Intel Arizona Environmental Excellence and Leadership Awards - Intel Arizona Environmental Excellence and Leadership program was selected for 2 awards this year. The first award was from the U.S. EPA's Region 9 office selecting the Intel Project XL Stakeholder Team for its 2006 Environmental Achievement Award in recognition of their exceptional work and commitment to protecting the environment. The second was from Intel selecting the Ocotillo Environmental Excellence program for its Silver Annual Environmental Excellence Award. This a key demonstration of Intel's recognition for the many leadership programs Intel Arizona has developed through the Project XL Stakeholder team's long standing commitment. The team has made countless contributions and has been a key link to the community on environmental stewardship and excellence. The accomplishments have translated into sustaining a "beyond compliance" environmental *Master Plan* for the Arizona site that has given Intel business-critical operational flexibility while maintaining leading edge environmental performance and public/agency acceptance.



Gila River Indian Community Cleanup Project

Volunteers from Intel, Wells Fargo, Hamilton High School, the Gila River Indian Community and Sherriff Joe Arpiao's "chain gang" teamed-up with county transportation and solid-waste staff to "clean up" a quarter-mile by half-mile stretch of the Gila River Reservation near Price and Queen Creek roads.

The group spent the morning picking up illegally dumped trash, bottles, tires and old appliances which included stoves, washers and dryers, in an effort to clean up the area. Several large dump trucks were loaded with trash that were disposed of at a landfill.

This is the first time that County Supervisor Fulton Brock and his staff organized this type of event but it certainly won't be the last. Brock is looking to organize similar projects with other Native American community leaders in the county.

To report illegal dumping call (602) 506-DUMP (3867).

Transferability Initiatives

The following is a list of groups visited Intel to learn about Intel's manufacturing and environmental programs. All groups were briefed on Intel's innovative environmental management practices under Project XL which have allowed Intel's Arizona site to achieve superior environmental performance results.

- National Association of Manufacturers/Congressional Delegation visit
 - Sun Lakes III HOA Meeting/Presentation
 - GPEC international reporters tour
 - Raytheon benchmarking on crisis management and communications
 - Interview with Lance Yoder, reporter for Expansion Management Magazine
 - Briefing and tour for Chris Tuppen
 - Channel 5 story on sheep and how farming helps Intel Corporation
 - Sun Lakes 1 HOA Board meeting
 - Briefing and tour for DHL and AMEX
 - Swedish Delegation
 - Hugh Church, New Mexico Environmental Working Group
 - AEAC Tour
 - Nokia Tour
 - Chandler Chamber of Commerce Leadership Class
 - Chihuahua, Mexico Economic Development Delegation
 - Intel Finance Interns
 - China Delegation
 - Arizona State University (ASU) Masters of Business Administration (MBA) Group
 - Honeywell visit for Waste Management Benchmarking
 - Intel Program for Information Technology Professionals
 - International Association of Parametric Analysts
 - Western International University MBA students
 - ASU / Mexico MBA Students
 - STRIVE students and mentors from Basha and Hamilton High Schools
-

Energy Conservation

Intel's overall global Corporate Wide Energy Conservation Goal is to reduce normalized energy consumption for internal operations by 4% each year until 2010. Normalized energy was up 1% from 2005 - 2006, but is down 5.7% per year from 2002 baseline through 2006.

GLOSSARY OF TERMS

CARBON MONOXIDE (CO) - CO is defined in Section 302, Subsection W of the United States Clean Air Act, as carbon monoxide. This is a combustion emission produced when fossil fuel is burned (oxidized) incompletely.

FPA RENEWAL ANNUAL REPORT - This is a summary of progress against the Final Project Agreement for the previous calendar year and is published on April 1.

FINAL PROJECT AGREEMENT (FPA) RENEWAL - EPA's Project XL program requires that each proponent develop a final project agreement that defines specific scope and goals to be achieved. For Intel, the FPA sets forth a five-year Environmental Master Plan for Intel's Ocotillo campus, located in Chandler, Arizona.

FPA RENEWAL QUARTERLY PROGRESS REPORT - This is a progress report that is published by Intel on the following schedule which documents progress against the goals established within the FPA Renewal:

REPORTING PERIOD	DATE PUBLISHED
January, February, March	By May 31
April, May, June	By August 31
July, August, September	By November 30
October, November, December	By February 28

HAZARDOUS AIR POLLUTANTS - Hazardous Air Pollutants (HAPs) refers to the 189 chemicals and chemical categories listed in section 112(b) of the United States Clean Air Act. Under the Act, a major source of HAPs is defined as one that emits 10 tons/yr. of any single chemical on the list, or 25 tons/yr. of any combination of these chemicals.

HAZARDOUS MATERIALS MANAGEMENT PLAN (HMMP) - An emergency plan required by the City of Chandler for all operations, which store hazardous materials above a certain quantity on-site.

HAZARDOUS WASTE RECYCLE - This category includes materials that are specifically designated as hazardous waste under EPA's Resource Conservation and Recovery Act regulations. The percent recycled is calculated by dividing the quantity of hazardous waste sent off for beneficial recycle and energy recovery by the total quantity of hazardous waste generated and shipped off-site.

NITROUS OXIDES - In accordance with the definition in section 302, subsection V of the United States Clean Air Act, NO_x refers to oxides of nitrogen. The oxides of nitrogen typically emitted from combustion processes are nitrogen monoxide (NO) and nitrogen dioxide (NO₂).

NON-HAZARDOUS CHEMICAL WASTE RECYCLE - This includes used chemical materials, which are collected for the purpose of returning them back into beneficial reuse. These materials are classified as non-hazardous, based upon EPA's definition set forth under the Resource Conservation and Recovery Act (RCRA). The percent recycled is calculated by

dividing the material in this category sent for beneficial reuse, divided by the total quantity of chemical waste generated.

OTHER ACTIVITIES THAT BENEFIT THE ENVIRONMENT - Intel has committed to voluntarily engage in other activities, which may connect back to programs implemented by Intel Arizona and/or Intel's corporate programs. The items that will be reported on include:

- Environmental mentoring/education
- Donation of equipment
- Environmental activities with suppliers
- Energy Conservation
- Transferability

PARTICULATE MATTER (PM10) EMISSIONS - Airborne particulate matter with an aerodynamic diameter less than or equal to 10 microns (PM10) as defined in 40 CFR 51.100(qq).

PLANT SITE EMISSIONS LIMITS (PSEL) - The air permit establishes PSELs for emissions (tons per year (tpy)) of volatile organic compounds (VOCs/49 tpy), oxides of nitrogen (NO_x/49 tpy), carbon monoxide (CO/49 tpy), particulate matter of 10 microns or smaller (PM10/10 tpy), sulfur dioxide (SO₂/5 tpy), combined organic hazardous air pollutants, (HAPs/10 tpy), combined inorganic HAPs (10 tpy), sulfuric acid (1 tpy) and phosphine-also an inorganic HAP(1 tpy).

REGULATORY AGENCIES - The following are the regulatory agencies associated with the Intel Ocotillo site Final Project Agreement:

- ADEQ - Arizona Department of Environmental Quality
- City of Chandler
- EPA - U.S. Environmental Protection Agency
- MCAQD - Maricopa County Air Quality Department

RESOURCE CONSERVATION AND RECOVERY ACT (RCRA) - Refer to the statutes and promulgated EPA regulations in 40 CFR 260 through 282 which address the generation, storage, treatment and disposal of hazardous waste.

REVERSE OSMOSIS (RO) - Reverse Osmosis is a high-pressure filtration process which separates dissolved salt and minerals from water, using a membrane. Clean water passes through the membrane, and the salt and minerals are rejected.

SOLID WASTE RECYCLE - This includes materials that are designated as non-hazardous waste, based upon EPA's definitions under the Resource Conservation and Recovery Act, which include such materials as, plastics, aluminum, glass, wood, pallets, metal, cardboard, etc. The percent recycled is calculated by dividing the quantity of materials within this category that are sent to beneficial recycle by the total volume of solid waste shipped off-site.

SULFUR DIOXIDE (SO₂) - This is an oxide of sulfur, which is emitted during the combustion of fossil fuels.

SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT (SARA) - TITLE III -
Refers to the statutes and promulgated EPA regulations, which address Emergency Planning and Community Right-to-Know.

TOTAL DISSOLVED SOLIDS - A measurement of the salt and mineral content in water.

VOLATILE ORGANIC COMPOUNDS - Volatile Organic Compounds (VOCs) are any compound of carbon which participate in atmospheric photochemical reactions, except those which are specifically excluded, as defined in 40 CFR 51.100(s).

WATER CONSERVATION - Efforts to Reduce, Reuse or Recycle water to avoid the use of the City of Chandler's drinking water supply.
