

**Paul Otellini**  
**Prepared Remarks for Intel/AMD Settlement**  
**November 12, 2009**

Today Intel and AMD brought an end to all outstanding legal issues between the companies, including antitrust litigation and patent cross license disputes. By now you have most likely seen the details of our settlement. Before I take your questions I'd like to make a few comments.

The AMD antitrust case has been massive and it promised to become even more so as the date for trial came closer. We have exchanged more than 200 million pages of documents, conducted 2,200 hours of depositions and sent thousands of pages of expert reports to the court. Throughout this process, we have not wavered in our conviction that Intel has operated within the bounds of the law. We have competed fairly and legally.

The vast majority of antitrust cases settle out of court – not because the company being sued believes it acted wrongly, but because antitrust lawsuits are massively complex and, because under U.S. law damages are tripled. These cases can be extremely expensive and the risk very high.

In most lawsuits between businesses, there comes a time where both sides step back and look at whether spending all of that time and money makes sense. That's what happened here. Intel and AMD took that step back. We looked at the claims AMD was making and they looked at our claims that they had breached their license rights to Intel's patents. After lengthy negotiation that began last spring, we found a way to put these matters behind us and move forward.

People can honestly disagree about business and marketing practices. We continue to believe that our discounts are lawful and in the best interests of consumers and the marketplace -- although we understand that others have a different perspective. At this point, the best path forward is to bring closure to all disputes between the companies.

The settlement involves several parts. AMD will drop its antitrust claims against Intel and withdraw the complaints it has made with regulators around the world. In return, we are dropping our claims that AMD breached our patent cross-license when it spun out its manufacturing operations and created GlobalFoundries with the government of Abu Dhabi. We have negotiated a separate deal with GlobalFoundries that allows them to manufacture product for AMD and still protects Intel's intellectual property.

This settlement is good for Intel, for our shareholders and for our employees. I'm proud of Intel and what we accomplish every day with our technology innovations and what we have brought to consumers through this very competitive marketplace. As we've shown before, it is an indisputable fact that microprocessor prices have declined significantly year after year, while innovation has proceeded at a rapid pace.

While Intel and AMD have resolved our disagreements and AMD will withdraw pending complaints it has before regulators worldwide, there are other matters that we will continue to actively work to resolve.

There are class action cases pending in Delaware that need resolution. We are well into our appeal in the European Court of First Instance and look forward to a successful resolution of that process. We continue to cooperate with the U.S. FTC in their ongoing investigation and are meeting with them to explain the terms of this settlement.

We strongly disagree with the New York Attorney General's case and believe the complaint is entirely without merit. Discounting and rebates are standard business practices and perfectly legal and it's unfortunate that the New York Attorney General chose to distort the facts. We would have preferred to have engaged in a dialogue with the Attorney General.

Looking forward, Intel will continue to design and deliver innovative products that will make computing better, more exciting and more affordable for every person.

And now Andy and I will be happy to take your questions.