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Intel Announces Initial Investment of More Than €33 Billion for Semiconductor R&D and Manufacturing in EU

Investments advance world-class semiconductor ecosystem in Europe, spanning France, Germany, Ireland, Italy, Poland and Spain.

SANTA CLARA, Calif.--(BUSINESS WIRE)-- Intel today announced the first phase of its plans to invest as much as 80 billion euros in the European Union over the next decade along the entire semiconductor value chain – from research and development (R&D) to manufacturing to state-of-the art packaging technologies. Today's announcement includes plans to invest an initial 17 billion euros into a leading-edge semiconductor fab mega-site in Germany, to create a new R&D and design hub in France, and to invest in R&D, manufacturing and foundry services in Ireland, Italy, Poland and Spain. With this landmark investment, Intel plans to bring its most advanced technology to Europe, creating a next-generation European chip ecosystem and addressing the need for a more balanced and resilient supply chain.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20220315005547/en/

A rendering shows early plans for two new Intel processor factories in Magdeburg, Germany. Announced in March 2022, the 17 billion euro project will deliver computer chips using Intel's most advanced transistor technologies. Construction is expected to begin in the first half of 2023, with production coming online at the end of 2027. (Credit: Intel Corporation)

More: Intel Plans Investments in Europe (Press Kit) | Intel EU Investment Webcast (Livestream/Replay) | Industry Partner Quotes (PDF) | Government Partner Quotes (PDF)

Pat Gelsinger, CEO of Intel, said: "Our planned investments are a major step both for Intel and for Europe. The EU Chips Act will empower private companies and governments to work together to drastically advance Europe's position in the semiconductor sector. This broad initiative will boost Europe's R&D innovation and bring leading-edge manufacturing to the region for the benefit of our customers and partners around the world. We are committed to playing an essential role in shaping Europe's digital future for decades to come."

Expanding Leading-Edge Manufacturing Capacities for 'Made in Europe' Chips

The investment program is centered around balancing the global semiconductor supply chain with a major expansion of Intel's production capacities in Europe. In the initial phase, Intel plans to develop two first-of-their-kind semiconductor fabs in Magdeburg, Germany, the capital of Saxony-Anhalt. Planning will start immediately, with construction expected to begin in the first half of 2023 and production planned to come online in 2027, pending European

Commission approval. The new fabs are expected to deliver chips using Intel's most advanced, Angstrom-era transistor technologies, serving the needs of both foundry customers and Intel for Europe and globally as part of the company's IDM (integrated device manufacturer) 2.0 strategy.

At the center of Europe and with top talent, superb infrastructure and an existing ecosystem of suppliers and customers, Germany is an ideal place to establish a new hub – a "Silicon Junction" – for advanced chipmaking. Intel plans to initially invest 17 billion euros, creating 7,000 construction jobs over the course of the build, 3,000 permanent high-tech jobs at Intel, and tens of thousands of additional jobs across suppliers and partners. Intel plans to refer to the new site as the Silicon Junction, connecting technology. This Silicon Junction will serve as the connection point for other centers of innovation and manufacturing across the country and region.

Intel is also continuing to invest in its Leixlip, Ireland, expansion project, spending an additional 12 billion euros and doubling the manufacturing space to bring Intel 4 process technology to Europe and expand foundry services. Once complete, this expansion will bring Intel's total investment in Ireland to more than 30 billion euros.

In addition, Intel and Italy have entered into negotiations to enable a state-of-the-art back-end manufacturing facility. With a potential investment of up to 4.5 billion euros, this factory would create approximately 1,500 Intel jobs plus an additional 3,500 jobs across suppliers and partners, with operations to start between 2025 and 2027. Intel and Italy aim to make this facility a first of its kind in the EU with new and innovative technologies. This would be in addition to the foundry innovation and growth opportunities Intel expects to pursue in Italy based on its planned acquisition of Tower Semiconductor. Tower has a significant partnership with STMicroelectronics, which has a fab in Agrate Brianza, Italy.

In total, Intel plans to spend more than 33 billion euros on these manufacturing investments. By significantly increasing its manufacturing capacities across the EU, Intel would lay the groundwork to bring various parts of the semiconductor value chain closer together and increase supply chain resiliency in Europe.

Strengthening Europe's World-Class Innovation Capabilities

R&D and design are critical to advance leading-edge semiconductor manufacturing. Europe is home to world-class universities, research institutes, and leading chip designers and suppliers. Supporting this innovation cluster with additional investments in R&D and linking them to Intel's leading-edge manufacturing plans will boost the circle of innovation in Europe, including providing small and medium enterprises (SMEs) better access to cutting-edge technologies. (**Video:** Ursula von der Leyen, EU Commission President, Speaks to Intel's EU Investment Plans)

Around Plateau de Saclay, France, Intel plans to build its new European R&D hub, creating 1,000 new high-tech jobs at Intel, with 450 jobs available by the end of 2024. France will become Intel's European headquarters for high performance computing (HPC) and artificial intelligence (AI) design capabilities. HPC and AI innovation will benefit a broad set of industry sectors, including automotive, agriculture, climate, drug discovery, energy, genomics, life sciences and security – greatly improving the life of every European.

In addition, Intel plans to establish its main European foundry design center in France, offering design services and design collaterals to French, European and worldwide industry partners and customers.

In Gdansk, Poland, Intel is increasing its lab space by 50% with a focus on developing solutions in the fields of deep neural networks, audio, graphics, data center and cloud computing. The expansion is expected to be completed in 2023.

These investments will further strengthen Intel's long-standing relationships with European research institutes across the continent, including IMEC in Belgium, Technical University Delft in the Netherlands, CEA-Leti in France and the Fraunhofer Institutes in Germany. Intel is also developing exciting partnerships in Italy with Leonardo, INFN and CINECA to explore advanced new solutions in HPC, memory, software programming models, security and cloud.

Over the past decade in Spain, the Barcelona Supercomputing Center and Intel have been collaborating on exascale architecture. Now, they are developing zettascale architecture for the next decade. The supercomputing center and Intel plan to establish joint labs in Barcelona to advance computing.

Positive Spillover Effects across the EU

Intel's ambitious European investment plans will have positive effects across industries and member states. Building up manufacturing capacities and R&D capabilities at this scale will create a virtuous cycle of innovation

Intel has been present in Europe for more than 30 years and currently employs around 10,000 people throughout the EU. In the past two years, Intel has spent more than 10 billion euros with European suppliers. As Intel works to rebalance silicon supply globally, that spend is expected to nearly double by 2026.

Intel's investment plans will accelerate leading-edge chip design capabilities, boost the European material and equipment supplier industry, and serve the strong customer base across industries in Europe. Additionally, the investments would be a magnet for thousands of additional engineers and technical workers, growing the pool of innovators, entrepreneurs and visionaries that will advance Europe's digital and green future.

Supporting Europe's Green Transition

A state-of-the-art European semiconductor ecosystem will support the green transition and help deliver the European Green Deal. More efficient chips can reduce the power consumption of the next wave of digital hardware while driving HPC and AI solutions. In 2020, Intel outlined its 2030 RISE strategy and corporate responsibility goals to accelerate the integration of responsible, inclusive and sustainable practices over this decade. In line with the EU's climate targets, Intel is on track to achieve its 2030 sustainability goals, including achieving net positive water use by conserving, recycling and reclaiming water, and funding local water projects that restore more fresh water than it consumes. In addition, Intel will power its global manufacturing operations with 100% renewable energy and achieve zero total waste to landfills.

About Intel

Intel (Nasdaq: INTC) is an industry leader, creating world-changing technology that enables global progress and enriches lives. Inspired by Moore's Law, we continuously work to advance the design and manufacturing of semiconductors to help address our customers' greatest challenges. By embedding intelligence in the cloud, network, edge and every kind of computing device, we unleash the potential of data to transform business and society for the better. To learn more about Intel's innovations, go to newsroom.intel.com and intel.com.

Forward-Looking Statements

Statements in this press release that refer to future plans and expectations, including with respect to Intel's manufacturing expansion and investment plans in the European Union (EU), are forward-looking statements that involve a number of risks and uncertainties. Words such as "anticipates," "expects," "intends," "goals," "plans," "believes," "seeks," "estimates," "continues," "may," "will," "would," "on track," "should," "could," and variations of such words and similar expressions are intended to identify such forward-looking statements. Statements that refer to or are based on estimates, forecasts, projections, uncertain events or assumptions, including statements relating to the anticipated benefits of Intel's planned EU investments, including with respect to meeting future demand and future capacity expansion; anticipated supplier, ecosystem, community, and government support and approval for Intel's planned EU investments and anticipated benefits related to such support; the proposed transaction between Intel and Tower Semiconductor (Tower), including statements regarding the benefits and the timing of the transaction, as well as statements regarding the companies' products, customers, and markets; additional future site investments and the timing of such investments; anticipated construction and production timing for Intel's planned factories; future products and technology and the availability and benefits of such products and technology, including future transistor technology; environmental plans for and benefits from Intel's factories and technologies, including regarding energy use, water use, and waste; future external foundry business; plans and goals related to Intel's foundry business; foundry service offerings; market opportunity; and anticipated trends in our businesses or the markets relevant to them, also identify forward-looking statements. Such statements are based on management's expectations as of the date they were first made and involve risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in our forward-looking statements. Important factors that could cause actual results to differ materially include, among others, Intel's failure to realize the anticipated benefits of its strategy, plans, and proposed transactions; construction delays or changes in plans due to business, economic, or other factors; increases in capital requirements and changes in capital investment plans; adverse changes in anticipated government incentives and associated approval related to Intel's planned EU investments; adverse legislative or other government actions; insufficient ecosystem support; the risk that the proposed transaction with Tower may not be completed in a timely manner or at all; uncertainties as to the timing of the consummation of the Tower transaction and the potential failure to satisfy the conditions to the consummation of the transaction, including the receipt of certain governmental and regulatory approvals; demands in Tower customer end markets and for Tower foundry services and/or products that exceed Tower's capacity; the impact of macroeconomic and geopolitical trends and events; and the factors set forth in Intel's Securities and Exchange Commission (SEC) filings, including the company's most recent reports on Forms 10-K and 10-Q, which may be obtained by visiting

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