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Intel CEO Brian Krzanich Resigns, Board Appoints Bob Swan as Interim CEO

Second Quarter Revenue and Non-GAAP EPS to Exceed Prior Guidance; 2018 to be Another Record Year

SANTA CLARA, Calif.--(BUSINESS WIRE)-- Intel Corporation today announced the resignation of Brian Krzanich as CEO and a member of the Board of Directors. The Board has named Chief Financial Officer Robert Swan Interim Chief Executive Officer, effective immediately.

Intel was recently informed that Mr. Krzanich had a past consensual relationship with an Intel employee. An ongoing investigation by internal and external counsel has confirmed a violation of Intel's non-fraternization policy, which applies to all managers. Given the expectation that all employees will respect Intel's values and adhere to the company's code of conduct, the Board has accepted Mr. Krzanich's resignation.

"The Board believes strongly in Intel's strategy and we are confident in Bob Swan's ability to lead the company as we conduct a robust search for our next CEO. Bob has been instrumental to the development and execution of Intel's strategy, and we know the company will continue to smoothly execute. We appreciate Brian's many contributions to Intel," said Intel Chairman Andy Bryant.

Intel expects to deliver a record second quarter, with revenues of approximately $16.9 billion and non-GAAP EPS of approximately $0.99. With accelerating data-centric revenue, the company is off to an excellent start in the first half of the year and expects 2018 to be another record year. Intel will provide full second quarter results and an updated outlook for the full year on the second quarter earnings call on July 26.

As Interim CEO, Swan will manage operations in close collaboration with Intel's senior leadership team. Swan has been Intel's CFO since October 2016 and leads the global finance, IT, and corporate strategy organizations. He previously spent nine years as CFO of eBay Inc. Earlier, he was CFO of Electronic Data Systems Corp and TRW Inc. He has also served as CEO of Webvan Group Inc.

Swan added, "Intel's transformation to a data-centric company is well under way and our team is producing great products, excellent growth and outstanding financial results. I look forward to Intel continuing to win in the marketplace."

The Board has a robust succession planning process in place and has begun a search for a permanent CEO, including both internal and external candidates. The Board will retain a leading executive search firm to assist in the process.

About Intel

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Forward-Looking Statements

Intel's second quarter outlook, references to succession planning and CEO search, and other statements in this release that refer to future plans and expectations 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," "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 projections, uncertain events or assumptions also identify forward-looking statements. All forward-looking statements included in this news release are based on management's expectations as of the date of this earnings release and, except as required by law, Intel disclaims any obligation to update these forward-looking statements to reflect future events or circumstances. Forward-looking statements involve many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statements. Intel's expectations about its second quarter results are based on preliminary information and are subject to revision, including in light of the quarter not yet being completed. Accordingly, as Intel completes its normal quarter-end closing and review processes, actual results could differ materially from the expectations set forth in this release. In addition, Intel presently considers the following to be important factors that could cause actual results to differ materially from the company's expectations.

- Demand for Intel's products is highly variable and could differ from expectations due to factors including changes in business and economic conditions; customer confidence or income levels; the introduction, availability and market acceptance of Intel's products, products used together with Intel products and competitors' products; competitive and pricing pressures, including actions taken by competitors; supply constraints and other disruptions affecting customers; changes in customer order patterns including order cancellations; and changes in the level of inventory at customers.
- Intel's results could vary significantly from expectations based on capacity utilization; variations in inventory valuation, including variations related to the timing of qualifying products for sale; changes in revenue levels; segment product mix; the timing and execution of the manufacturing ramp and associated costs; excess or obsolete inventory; changes in unit costs; defects or disruptions in the supply of materials or resources; and product manufacturing quality/yields. Variations in results may also be caused by the timing of Intel product introductions and related expenses, including marketing programs, and Intel's ability to respond quickly to technological developments and to introduce new products or incorporate new features into existing products, which may result in restructuring and asset impairment charges.
- Intel's results could be affected by adverse economic, social, political and physical/infrastructure conditions in countries where Intel, its customers or its suppliers operate, including military conflict and other security risks, natural disasters, infrastructure disruptions, health concerns, fluctuations in currency exchange rates,

sanctions and tariffs, and continuing uncertainty regarding social, political, immigration, and tax and trade policies in the U.S. and abroad, including the United Kingdom's vote to withdraw from the European Union. Results may also be affected by the formal or informal imposition by countries of new or revised export and/or import and doing-business regulations, which could be changed without prior notice.

- Intel operates in highly competitive industries and its operations have high costs that are either fixed or difficult to reduce in the short term.
- The amount, timing and execution of Intel's stock repurchase program may fluctuate based on Intel's priorities for the use of cash for other purposes—such as investing in our business, including operational and capital spending, acquisitions, and returning cash to our stockholders as dividend payments—and because of changes in cash flows, tax laws, or the market price of our common stock.
- Intel's expected tax rate is based on current tax law, including current interpretations of the Tax Cuts and Jobs Act of 2017 (”TCJA”), and current expected income and may be affected by evolving interpretations of TCJA; the jurisdictions in which profits are determined to be earned and taxed; changes in the estimates of credits, benefits and deductions; the resolution of issues arising from tax audits with various tax authorities, including payment of interest and penalties; and the ability to realize deferred tax assets.
- Intel's results could be affected by gains or losses from equity securities and interest and other, which could vary depending on gains or losses on the change in fair value, sale, exchange, or impairments of equity and debt investments, interest rates, cash balances, and changes in fair value of derivative instruments.
- Product defects or errata (deviations from published specifications) may adversely impact our expenses, revenues and reputation.
- Security vulnerability issues may exist with respect to our processors and other products as well as the operating systems and workloads running on them. Mitigation techniques, including software and firmware updates, may not operate as intended or effectively resolve these vulnerabilities. In addition, we may be required to rely on third parties, including hardware, software, and services vendors, as well as end users, to develop and deploy mitigation techniques, and the effectiveness of mitigation techniques may depend solely or in part on the actions of these third parties. Security vulnerabilities and/or mitigation techniques, including software and firmware updates, may result in adverse performance, reboots, system instability, data loss or corruption, unpredictable system behavior, or the misappropriation of data by third parties. We have and may continue to face product claims, litigation, and adverse publicity and customer relations from security vulnerabilities and/or mitigation techniques, including as a result of side-channel exploits such as “Spectre” and “Meltdown,” which could adversely impact our results of operations, customer relationships, and reputation. Separately, the publicity around recently disclosed security vulnerabilities may result in increased attempts by third parties to identify additional vulnerabilities, and future vulnerabilities and mitigation of those vulnerabilities may also adversely impact our results of operations, customer relationships, and reputation.
- Intel's results could be affected by litigation or regulatory matters involving intellectual property, stockholder, consumer, antitrust, disclosure and other issues. An unfavorable

ruling could include monetary damages or an injunction prohibiting Intel from manufacturing or selling one or more products, precluding particular business practices, impacting Intel's ability to design its products, or requiring other remedies such as compulsory licensing of intellectual property.

- Intel's results may be affected by the timing of closing of acquisitions, divestitures and other significant transactions.

Additional information regarding these and other factors that could affect Intel's results is included in Intel's SEC filings, including the company's most recent reports on Forms 10-K and 10-Q, copies of which may be obtained by visiting our Investor Relations website at www.intc.com or the SEC's website at www.sec.gov.

Reconciliation of Non-GAAP Q2 Updated Outlook to GAAP Q2 Updated Outlook

Set forth below is a reconciliation of the non-GAAP financial measure to the most directly comparable GAAP financial measure.

	Q2 2018 Updated Outlook	
GAAP EARNINGS PER SHARE	**$ 0.99**	approximately
Amortization of acquisition-related intangibles	0.07	
(Gains) losses from divestiture	(0.08)	
Income tax effect	0.01	
NON-GAAP EARNINGS PER SHARE	**$ 0.99**	approximately

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