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Intel Announces Investment in Rio Rancho, New Mexico Site

Fab 11X Retooled to Become Intel's Fourth Factory for Next Generation, 45 Nanometer Technology

RIO RANCHO, N.M.--(BUSINESS WIRE)--

Intel Corporation today announced that it will invest \$1 billion to \$1.5 billion in its Rio Rancho site to retool Fab 11X for production on Intel's next generation 45 nanometer (nm) manufacturing process. Fab 11X will be the company's fourth factory scheduled to use the 45nm process, with production in New Mexico scheduled to start in the second half of next year.

Marking one of the biggest advancements in fundamental transistor design in 40 years, Intel's 45nm high-k and metal gate process consists of an innovative combination of new transistor materials that drastically reduces transistor leakage and increases performance. When 45nm production begins later this year, the company will use a new material with a higher-k (dielectric constant), and a new combination of metal materials for the transistor gate electrode. Extending its lead over the rest of the semiconductor industry, early versions of Intel's next generation 45nm family of products -- codenamed Penryn -- are already running multiple operating systems and applications, and the company remains on track to begin 45nm production in the second half of this year.

"Our new 45 nanometer process represents one of the most significant manufacturing breakthroughs in decades and we believe that putting it in our factory in New Mexico will help us deliver the best possible products for our customers," said Paul Otellini, Intel Corporation's president and chief executive officer. "Our Rio Rancho site has successfully operated in New Mexico for 27 years. Based on that success, we are pleased to position Fab 11X for Intel's next generation of technology."

"We have worked hard to make New Mexico a center for new technology and this announcement is \$1 billion worth of proof that our efforts are working," said Governor Bill Richardson. "This investment sends the message that Intel New Mexico will be here for years to come, and will manufacture some of the most advanced technology in the world."

"This decision by Intel to invest over \$1 billion in its Rio Rancho facility is great news," said Senator Pete Domenici. "Intel has been an outstanding corporate citizen in New Mexico. By retooling its plant with the latest technology, the company is ensuring that it will have a major presence in our state for years to come -- and a major impact on our economy. I welcome Intel's commitment, and I'm pleased that they will be continuing to benefit from our state's skilled workforce and commitment to innovation."

Initial production of Intel's 45nm products will be done at its Oregon development fab, D1D. The company is currently building two other factories that will use the 45nm process. The \$3 billion Fab 32 in Chandler, Ariz., will commence production late this year; and the \$3.5 billion Fab 28 in Kiryat Gat, Israel, will begin production the first half of next year.

Fab 11X currently manufactures 90nm computer chips on 300mm wafers. Fab 11X began production in October 2002 and was Intel's first 300mm, or 12 inch, high-volume manufacturing facility. It was also Intel's first fully automated, high volume factory producing 300mm wafers.

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