

1. Intel admits the allegations of the first sentence of Paragraph 1. Intel further admits that for the fiscal year ended December 27, 1997, it reported revenues of approximately \$25 billion and net income of approximately \$6.9 billion.

~~Company would likely require at least four years.~~ Intel admits that it began development of the IA-64 in 1994, and that the device known as "Merced"™ is not expected to be commercially

and on that basis denies each and every one of them.

10. Intel denies that a new entrant would have to establish both product reputation and technical compatibility with a computer operating system and the applications software desired by a significant number of computer users. Intel admits that consumers prefer computer systems and microprocessor components that are capable of running the computer operating systems and

[REDACTED]

is sometimes referred to as "network effects." Intel denies that the importance of [REDACTED] is illustrated by its success in obtaining commitments from computer manufacturers and software vendors to build computers and write software for the Merced™ microprocessor. Intel denies each and every remaining allegation of Paragraph 10.

11. Intel denies the allegations of Paragraph 11.

12. Intel admits that it provides certain customers with certain technical information about new products in advance of the products' commercial release. Intel admits that it regards certain advance technical information to be proprietary and provides it subject to formal nondisclosure agreements, which prohibit recipients from disclosing such information to unauthorized persons or from using it for unauthorized purposes. Intel denies that it makes such information widely available to customers. Intel admits that its relationships with customers to whom it provides advance technical information generally have a commercial benefit for both

16. Intel admits the allegations of the first sentence of Paragraph 16 and admits that Digital reports that in fiscal 1997 sales of Intel-based computers accounted for approximately \$2 billion of its revenues, which is approximately 15% of Digital's total operating revenues for the fiscal year. Intel denies that Digital purchased approximately \$250 million worth of Intel microprocessors for each of the last few years. Intel is without knowledge sufficient to admit or deny the other allegations of Paragraph 16 and on that basis denies each and every one of them.

patents. Intel denies that it was using Digital microprocessor technology in its Pentium Pro or

23. Intel admits that in or about 1987 Intergraph Corporation acquired from National Semiconductor Corporation assets of the Advanced Processor Division of Fairchild Semicon-

infringement. Intel denies that it increased pressure to force Intergraph to grant Intel a royalty-

computer systems that incorporate Intel microprocessors constitute a significant part of

[REDACTED]

41. Intel denies the allegations of Paragraph 41.

42. Intel denies the allegations of Paragraph 42.

Intel had legitimate business justifications for all of its conduct at issue in this matter.

Tenth Additional Defense

Intel's conduct did not adversely affect competition in any relevant market.

INTEL CORPORATION
Intel Corporation


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