

McAfee New Co Q&A

External

April 4, 2017

What has happened?

- On September 7, 2016 Intel Corporation and TPG announced a definitive agreement under which the two parties will establish a newly formed, jointly owned, independent cybersecurity company.
- As of today, April 4, 2017, this transaction has closed, and McAfee is now officially an independent company.
- TPG will own 51% of McAfee and Intel will own 49% in a transaction valuing the business at approximately \$4.2 billion.
- TPG and Intel will work together to position McAfee as a strong independent company with access to significant financial, operational, and technology resources.
- With the new investment from TPG and continued strategic backing of Intel, the new entity is expected to capitalize on significant global growth opportunities through greater focus and targeted investment.
- The new company will be one of the world's largest pure-play cybersecurity companies.
- Upon closing of the transaction, Chris Young is CEO of the new company. On September 7, 2016 he published an [open letter](#) to Intel Security's stakeholders outlining benefits of the transaction and new company.

What is McAfee today?

- McAfee's comprehensive software platform:
 - protects more than a quarter of a billion endpoints,
 - secures the footprint for nearly two-thirds of the world's 2,000 largest companies,
 - detects more than 400,000 new threats each day, and
 - represents more than 7,500 strong of the industry's most talented professionals.
- As Intel Security, through the first half of 2016, the organization's revenue grew 11% to \$1.1 billion, while operating income grew 391% to \$182 million. The organization also increased total bookings 7% per year on a constant currency basis from 2013 to 2015.

What is TPG?

- TPG is a leading global alternative asset firm founded in 1992 with over \$70 billion of assets under management and offices around the world.
- TPG's investment platforms are across a wide range of asset classes, including private equity, growth venture, real estate, credit, and public equity.

- TPG aims to build dynamic products and options for its investors while also instituting discipline and operational excellence across the investment strategy and performance of its portfolio.
- For more information, visit <http://www.tpg.com/>.

Strategy and Business

What is TPG?

TPG is a seasoned technology investor that was attracted to our current momentum and long-term potential. Together, TPG and Intel are committed to building the best cybersecurity company in the industry.

Why did Intel sell a 51% stake to TPG?

This creates the ideal company structure to position McAfee for enhanced focus, innovation, and growth. In the end, McAfee will emerge in a position of greater strength, still fully committed to being the best provider in the cybersecurity industry worldwide.

What is TPG's plan for McAfee?

TPG will help build and create one of the largest independent, pure-play cybersecurity companies in the industry.

What role will Intel have with the new McAfee?

Intel will continue to provide world-class support and access to significant financial, operational, and technology resources, enabling us to realize our full potential as a standalone business.

Are former Intel Security Group executives joining the new McAfee?

Yes.

Who will lead the new McAfee?

Chris Young will continue to lead the organization as CEO of the newly formed company and, along with his leadership team, couldn't be more energized about our future and how this transaction moves us forward.

Will Intel have representation on the new McAfee board?

Yes.

What does the new McAfee look like in six months or a year from now?

We will continue to be very focused on our customers. The strategy outlined at our annual security conference, FOCUS 16, will be the same. We are focused on end-to-end solutions and pivoting to the cloud.

Will there be acquisitions going forward?

More than likely as we are in growth mode and the security industry continues to go through consolidation.

Will the new McAfee headquarters remain in Santa Clara?

Yes.

What will happen to the Intel Security Group brand?

We are delighted to reveal a new brand that reflects a new McAfee shield and a new tagline, Together is Power. The new McAfee shield is comprised of two interlocking elements that create a unified whole—representing the power that results when we unite with customers, partners, and others in the industry to combat an enemy common to us all.

Are there plans to radically change McAfee products?

No. We introduced our technology roadmap and strategic direction in 2015 and continue to deliver accordingly.

When was the transaction publicly announced?

September 7, 2016.

Will the new McAfee provide financial targets going forward?

As a private entity, there is no federal obligation to share financials.