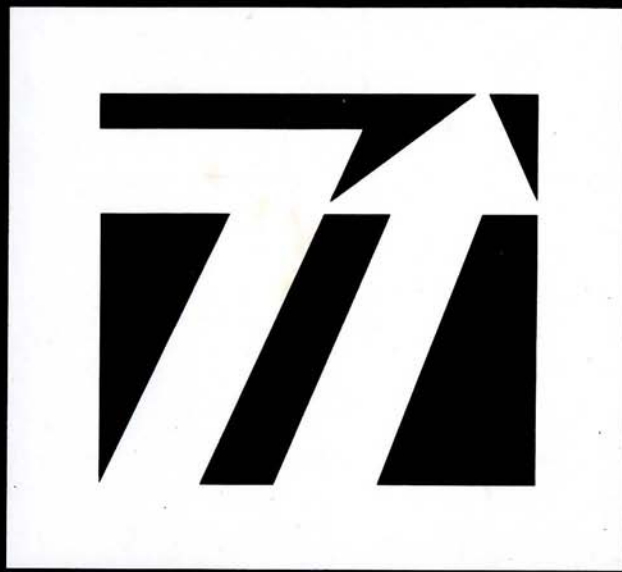


Fairchild 71



**An Open Letter to All Employees
from Charles E. Sporck . . .**

This week Fairchild Semiconductor became a different and better company. The changes are so important, and will affect you in so many ways, that I want to tell you about them in my own words.

First, we have established an ambitious but realistic goal! It is our intention to expand and grow fast enough that by 1971 we will be doing \$400,000,000.00 worth of business per year.

FOUR HUNDRED MILLION DOLLARS!

Many of you have been with us for five or more years, and have pitched in as we overtook long-established competition to take over the worldwide lead in sales of silicon semiconductor components. The growth you witnessed was swift and exciting, and brought many rewards to employees in the form of new positions and job assignments, promotions, gradual growth of salaries and company benefits, and perhaps most important of all, long-range job security based on your company's need for your experienced efforts.

Our goal of \$400 million yearly sales by 1971 is part of a large program called FAIRCHILD '71, which contains, in addition to our sales and profit goals, several developments in the way we manage our business. So many parts of our

company have grown so swiftly that many of us don't realize how big we are unless we stop to think about it. Once we spoke proudly of a single plant in Hong Kong. Today we have major operations in Hong Kong, Australia, Canada and Mexico. This part of our family will continue to parallel our expansion in the United States. Once we produced a handful of parts at Mountain View. Today we make thousands of different items at five locations in America, and we have complicated requirements for materials, for testing, and for the dozens of other specialties that go into our production force.

We have new business ventures, new management systems which use the latest abilities of electronic computers, new needs to manage our money wisely and use it in the most efficient manner, new markets to penetrate and dominate, new improvements to make in the way we design our work areas and communicate with our employees, and more research and development needs than ever before. Every one of these vital functions is a full-time management job.

All of the various endeavors carried out under our division activity have been divided into logical groups and assigned to directors who will report to me. We have separate directors to handle International Operations, Domestic Opera-

tions, Marketing, Integrated Circuits, Transistors and Diodes, Research and Development, New Business, Finance, Management Information and Industrial Relations.

These men, meeting in frequent executive session, will share their common problems and coordinate their activities. They and the managers who report to them will implement our plans and see to it that every Fairchild facility all over the world is doing its part to make the company grow.

The expansion period we are beginning this week will bring a far stronger sense of security to several important groups of people. Our customers will realize that we are building capacity to increase our ability to make on-time delivery of the parts they need so badly. Our suppliers will find new and better ways to serve us, and will find sympathetic listeners to their proposals for ways to save us money on purchased goods and services.

And finally, our own organization will have a need for experienced workers to step into positions created by our growth. We will be hiring and promoting more people than ever before. You, and every other employee at Fairchild, represent our most important resource—*people*. Your individual contributions will make possible

the attainment of our goals.

Simply stated, Fairchild '71 means:

We know where we are going.

We know how to get there.

We need your experience to help us grow.

We need more good people like you!

Let's get on with the job.

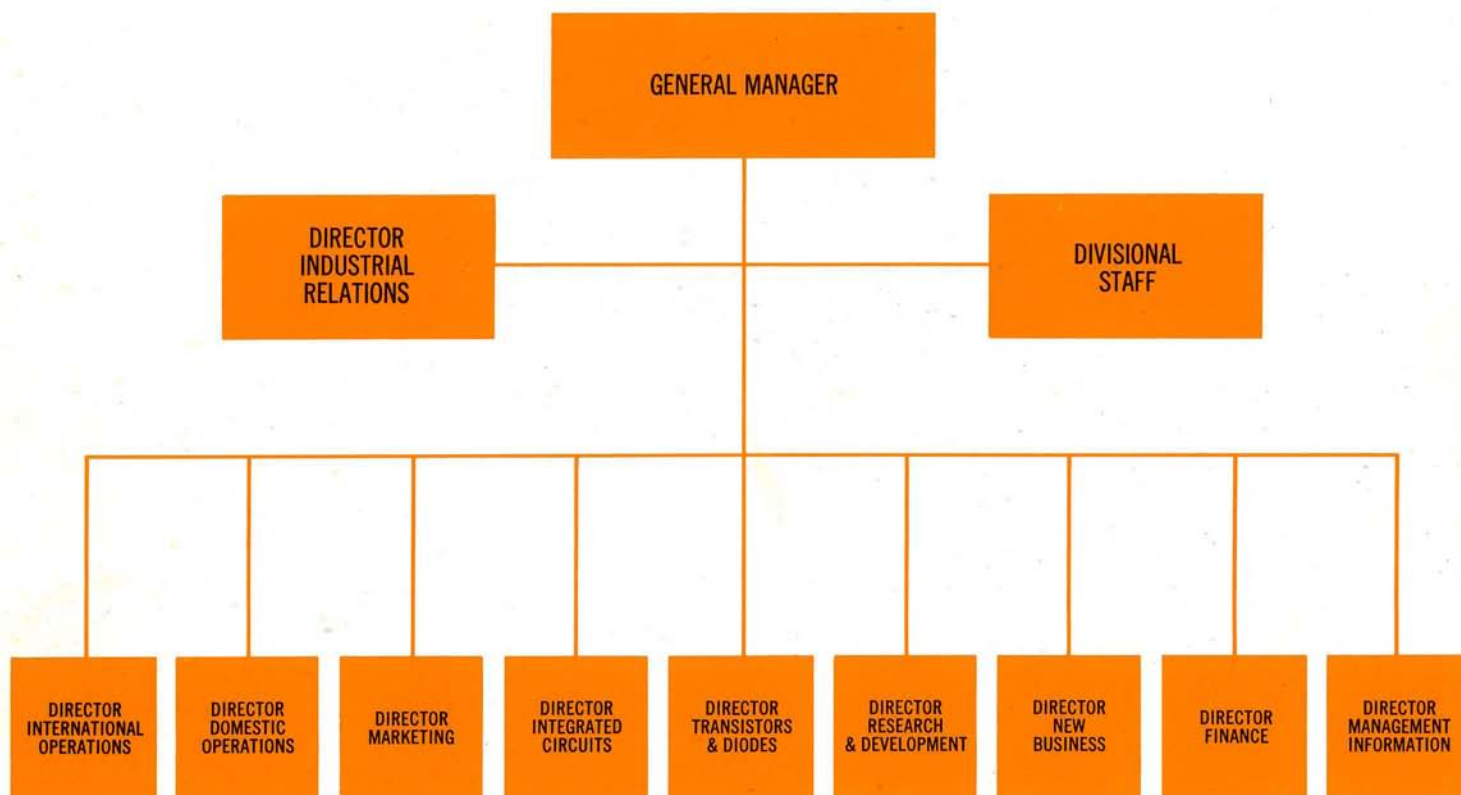


Sincerely,

A handwritten signature in red ink that reads "C. Sporck". The signature is written in a cursive, flowing style.

Charles E. Sporck, General Manager
Fairchild Semiconductor
a division of
Fairchild Camera and Instrument Corporation

Fairchild 71 begins with a realignment of the executive staff group composed of the general manager, his staff, and directors.



OUR NEW EXECUTIVE ORGANIZATION