

# EXHIBIT 2

## Where Apple Has Quietly Built Its Biggest Campus

By [Don Reisinger](#) September 1, 2016



[Apple](#) has quietly moved thousands of employees into a campus that is bigger than any other that the company currently has—and it's not its Cupertino, Calif. headquarters.

The iPhone maker last week moved into a massive 1.1-million-square-foot campus in north Austin, as well as another smaller 216,000 square foot campus in southwest Austin, the company has confirmed. In total, Apple (AAPL) now has more than 6,000 employees in Texas' capital.

Apple's presence in Austin, which dates back to 1992, has fluctuated over time. But in recent years, the city has become a major hub for the company as it expanded outside its Silicon Valley base.

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In 2010, Apple announced plans to add to its then 100-person team in Austin by making it a base for microchip design. Those engineers have since played a major role in developing the company's "A" series processors as well as other components for the iPhone to the iPad.

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Today, Apple has 500 workers in its Austin engineering operations who report to Johny Srouji, Apple's senior vice president of hardware technologies. In an interview with *the Austin American Statesman*, he said the group would eventually double in size expand to 1,000 employees.

Meanwhile, Apple's massive 1.1-million-square-foot campus in Austin is home to a customer service center, human resources functions, and its online store.

Still, it's the hardware engineering center in Austin that may be the most important in Apple's expansion. Over the last several years, the company has built a large workforce in Austin without many people knowing. Indeed, the *Austin American Statesman* acknowledged in its report that Apple's employee growth in the city has been "discreet." What's more, those employees are hard at work on some of Apple's most important products.

"We have been quietly building out this team, which is one of our most important engineering groups," Srouji told the Austin newspaper. "They play a very critical and integral role—they are designing chips that go into all the devices we sell."

He added that the chips designed at Apple's Austin facilities are included in "hundreds of millions of devices" that Apple sells each year.

Austin is also home to a Mac Pro manufacturing facility, where the company's high-end desktop is constructed.

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So, why did Apple choose Austin over its California home for such a big workforce that it plans to add to in coming years? The company says that city has a large contingent of tech workers who have the expertise that it needs for engineering and support.

However, Apple is also getting financial incentives to expand in Austin. The city, county, and state have agreed to give the company \$35 million in tax breaks over time, the *Statesman* reported after reviewing tax documents. Apple has already received \$10.5 million in tax incentives, the report said.

Apple declined to comment on the move to *Fortune*.

*For more about iPhone, watch:*

But alas, the Austin campus will only hold onto its title as Apple's largest campus site for a short period. After Apple moves into its new space-ship-like Silicon Valley headquarters in 2017, its 2.8 million square feet will dwarf the 1.1-million-square-foot facility in Austin. A second Silicon Valley campus will house more than 12,000 employees.

Regardless, there's more to Apple's Austin campus than just work: It features everything from the usual restaurants to a wellness center where employees can get acupuncture for their aches and pains. Apple Campus 2 will have similar amenities, including a huge fitness center and restaurants.

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