



Lenovo Corporate Presentation

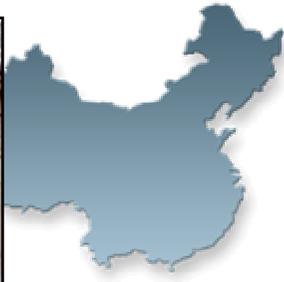
2010 Citi Global Technology Conference

Rory Read, President and COO

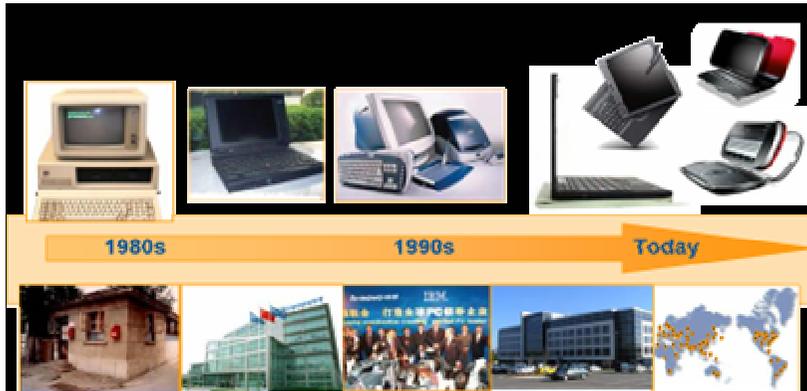
Forward-Looking Statements

Statements about future results or events, including statements about Lenovo's anticipated financial and operating performance and goals, and all other statements that are not purely historical, are forward-looking statements based on Lenovo's current expectations. Actual results in the future may differ materially from those indicated by these forward-looking statements due to a wide variety of risks and uncertainties including, but not limited to, general economic and business conditions, competition and pricing pressures in the technology industry, labor conditions, political instability, unexpected regulatory changes, trade protection measures, changes in tax and other laws, foreign currency exchange rates, the ability to predict and plan for future demand, dependence on certain single-source supplier relationships, and the effect of terrorism, natural disasters, and public health issues. In addition, any forward-looking statements represent our estimates only as of the date of this presentation and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update forward-looking statements at some point in the future, we specifically disclaim any obligation to do so, even if our estimates change.

The Beginning: A New Idea



- **1981: IBM introduces the PC**
- **1984: Lenovo is founded in China**
 - 11 founding engineers
 - US\$25,000 seed money



- **Today:**
 - \$17+ billion in revenue
 - 21,000+ employees in 60+ countries
 - Customers in 200 + countries

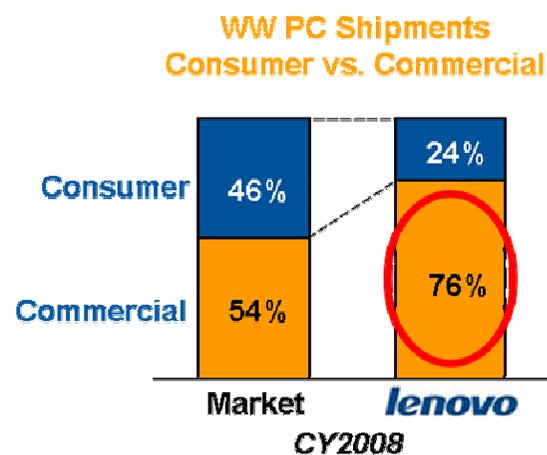
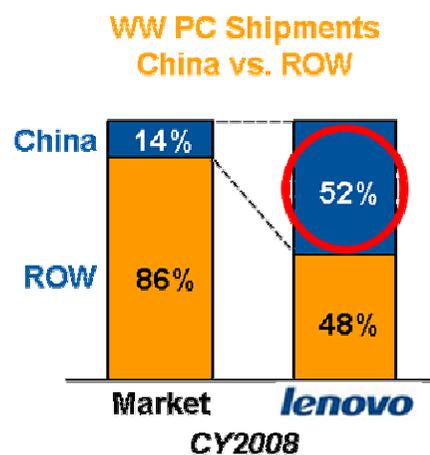
Post-Merger Integration: 3 Stages

1. Stabilize the Business
2. Build global culture
3. Execute growth strategy



Foundation of Lenovo's Business

- Lenovo heavily weighted in China and WW Commercial markets
- Global economic crisis hit in the second half of FY2008/09
 - Significantly affected commercial PC demand
 - Growth of China PC market slowed down
- Lenovo's financial performance in FY2008/09 significantly affected by:
 - Widespread economic crisis, slower PC shipment growth
 - Steeper-than-normal decline in ASP
 - Aggressive pricing and currency fluctuations
 - Restructuring charges of US\$146M to enhance operational efficiency



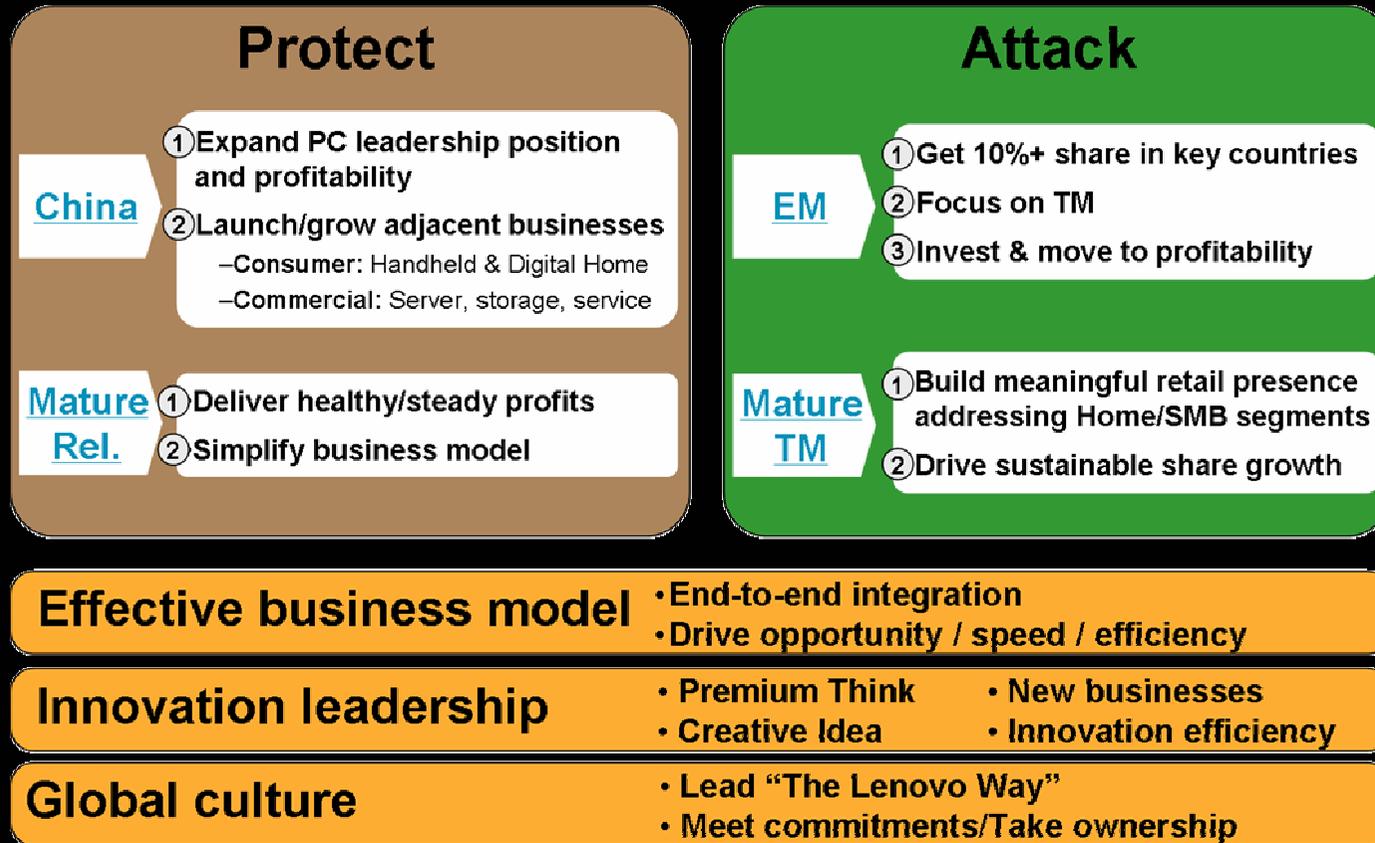
Source: Industry and internal estimates

Lenovo's Performance
For the year ended March 31

| US\$M | 2009 | 2008 | YTY% |
|--------------------|--------|--------|------|
| Sales | 14,901 | 16,352 | -9% |
| Gross profit** | 1,779 | 2,450 | -27% |
| Operating profit** | 7 | 546 | -99% |
| Pre-tax income* | 29 | 560 | -95% |
| Net (loss)/profit | (226) | 484 | n/a |

* Excluding restructuring cost and one-off charges

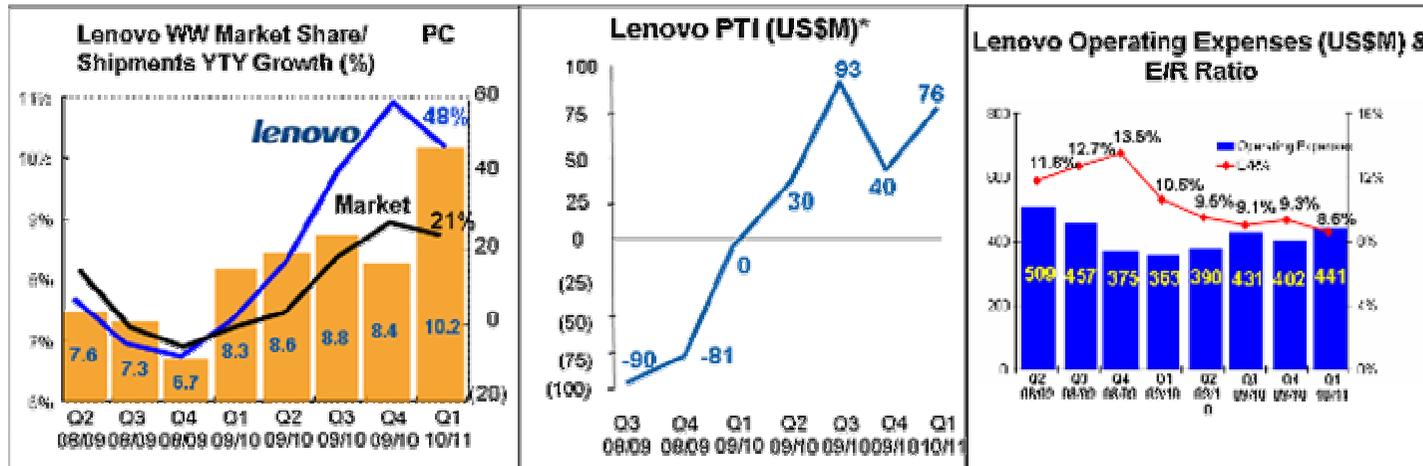
We have the Right Strategy



- Protect & Attack strategy aligned with our dual engines:
 - **Protect:** China / Mature Relationship; **Attack:** Emerging / Mature Transactional
 - **Profit Engine:** Think & Relationship; **Growth Engine:** Idea & Transactional

Historic Market Share Breakthrough, Continued Strong Momentum

- **WW share: 10.2% Share; up 1.9 points YTY**
 - Nearly 3 years ahead of schedule
- **Fastest growing major PC company for 3 straight quarters**
 - More than 2x market AGAIN
- **Improved profitability: PTI of US\$76 million, up US\$77 million YTY**
- **Lowest E/R since acquisition: 8.6%, drop of 2 points YTY**



* Excluded one-off item/restructuring cost

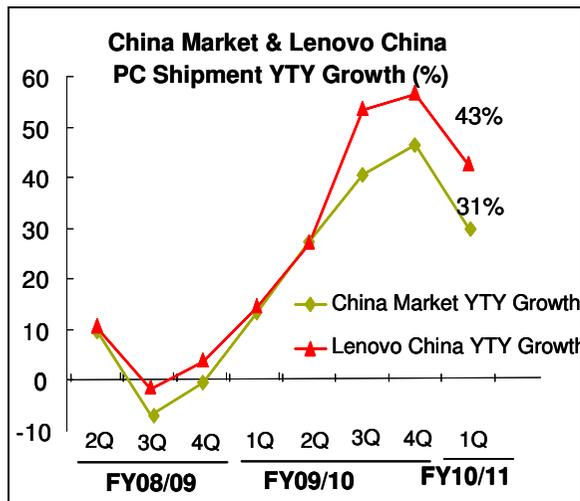
Sources: IDC and Internal Data

“Lenovo makes up ground on PC rivals.”

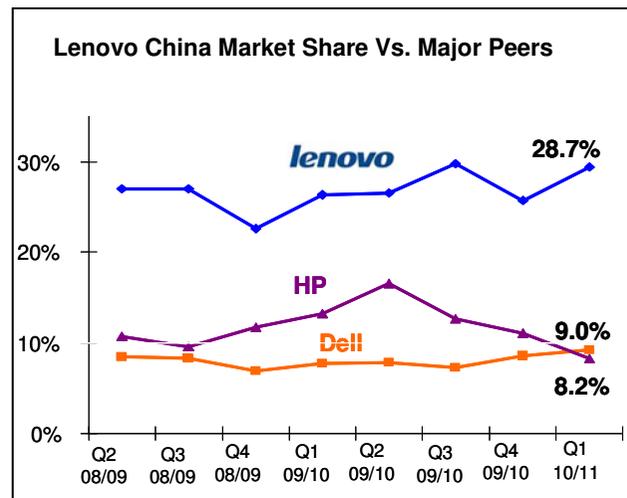
South China Morning Post

Protect China Leadership

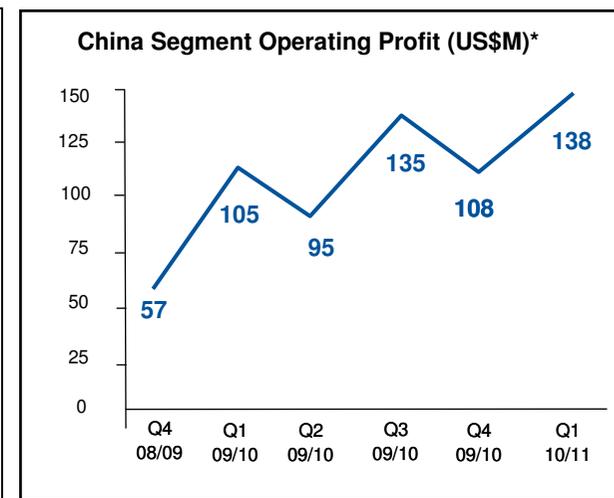
- Strengthened China leadership
 - Grew 43% YTY, gained 2.4 points market share YTY
 - Widened gap with competition
- Improved Segment Operating Profit by US\$33 million YTY



Source: IDC



Source: IDC



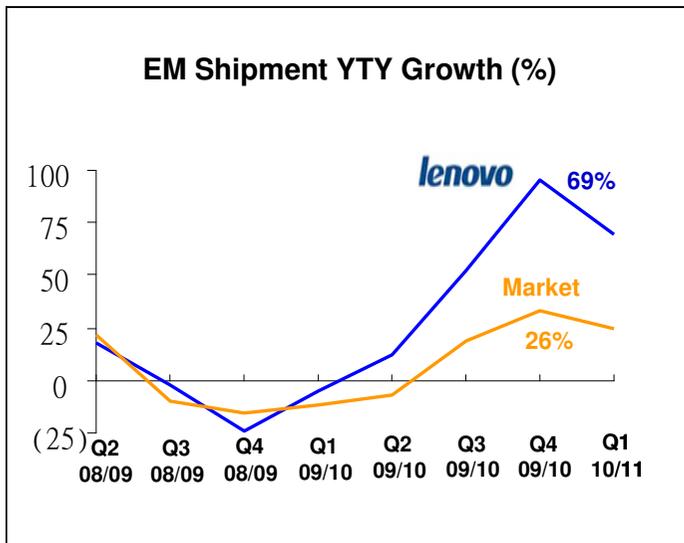
* Excluded one-off item/restructuring cost

“Lenovo turns in profit on rise in PC shipments”

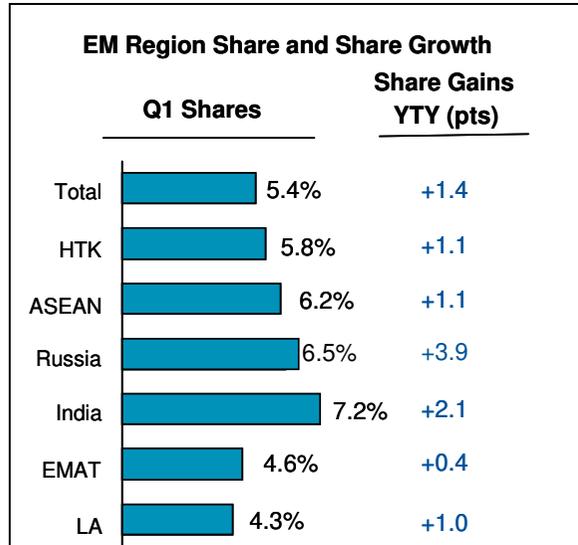
– The Wall Street Journal

Attack Emerging Markets

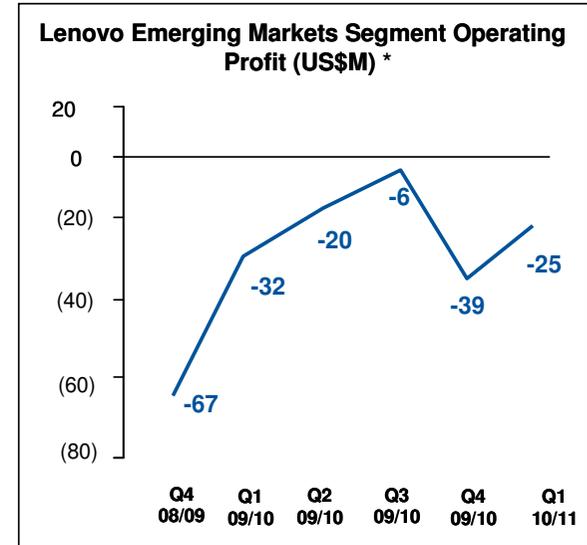
- Achieved rapid growth
 - Volume grew 69% YTY, gained 1.4 points market share YTY
 - Increased market share in all key emerging markets
- Improved Segment Operating Profit by US\$7 million YTY



Source: IDC



Source: IDC



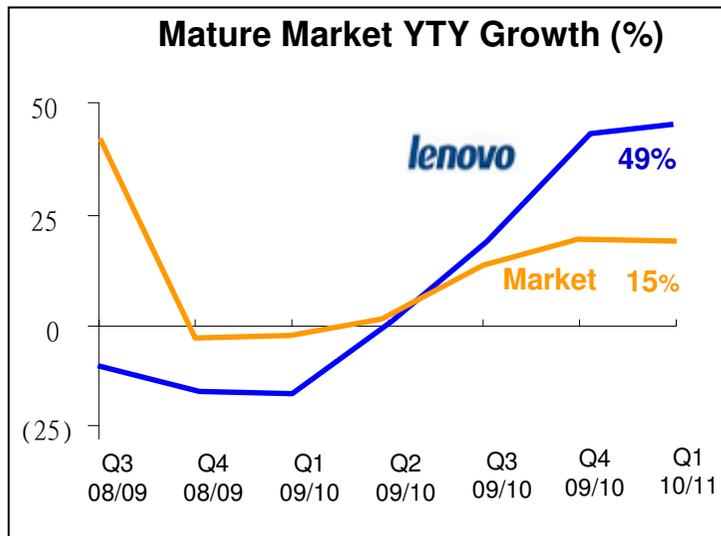
* Excluded one-off item/restructuring cost

“Lenovo's sales surge in China and emerging markets”

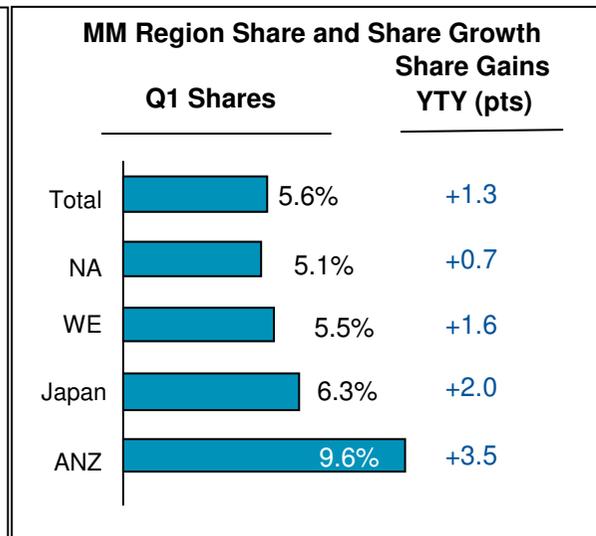
-- BusinessWeek

Mature Markets: Protect Relationship, Attack Transactional

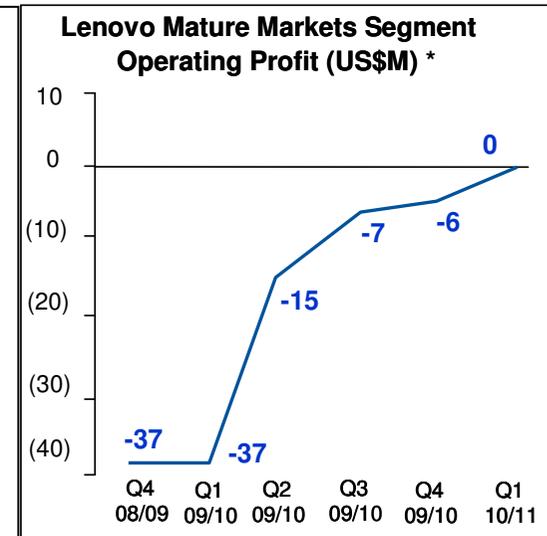
- Mature Market volume grew 49% YTY, gained 1.3 points market share YTY
 - Relationship volume grew 30% YTY, twice as fast as market
 - Transactional volume grew 60% YTY, 4 times as fast as market
- Achieved break-even for first time since economic downturn



Source: IDC



Source: IDC



* Excluded one-off item/restructuring cost

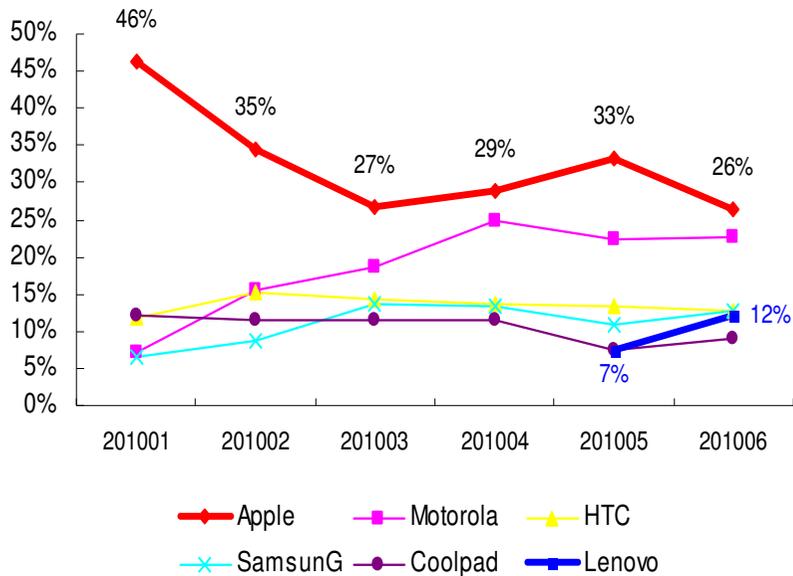
“As economy picks up, Lenovo revs up engine...”

-- Manilla Bulletin

Capture Growth Opportunities in Mobile Internet

- LePhone launch successful; reached 12% share of premium internet phone market

> ¥2000 3G Mobile Internet Phone Market Share



Source: SINO, excluded Symbian O/S

“Our performance was strong globally, Lenovo has a clear strategy when and where to focus on gaining share, and when and where to focus on maximizing profit.”

-- Chairman Liu in AP story

Expanded Innovative Product Portfolio

- Industry-leading products continue to win awards
- Lenovo's innovation continues to be efficient and customer-driven



ThinkPad T400s

"ThinkPads have a well-earned reputation for rugged construction and great keyboards, and the T400s does not disappoint on either score. I have the sense that an elephant could dance on the lid without causing damage."

BusinessWeek

lenovo

NEW WORLD. NEW THINKING.



IdeaCentre Q100
Nettop



IdeaCentre Q700
Home Theatre



IdeaCentre A600 AIO



IdeaCentre
D400 Home
Server

Lenovo A600:
Best All-in-One



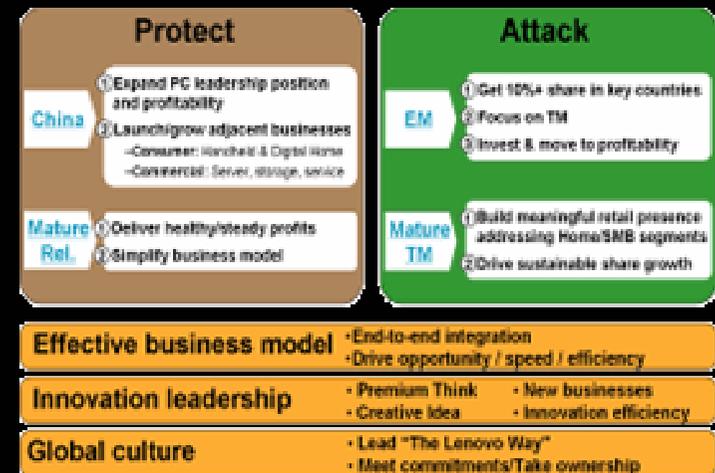
Building Strong and Long-term Foundation for Growth

- Investing in our competitiveness
 - Further invest in innovation, improve innovation capability
 - Refine business model, maximize value and efficiency
 - Increase branding efforts, raise brand recognition



Leadership is About Balance

- BALANCED strategy
- BALANCED performance
- BALANCED business model
- BALANCE of core and new businesses
- BALANCED short and long term thinking



Outlook

- Facing challenges:
 - China market experiencing slight slowdown
 - Mature Markets' demands not fully recovered
- Capturing opportunities:
 - Commercial replacement demand improving gradually
 - Emerging Markets offer growth opportunities
 - Strategy in place to seize opportunity presented by mobile internet

**Drive Faster
Than Market Growth**





THANK YOU

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