



Acquisition of Medion

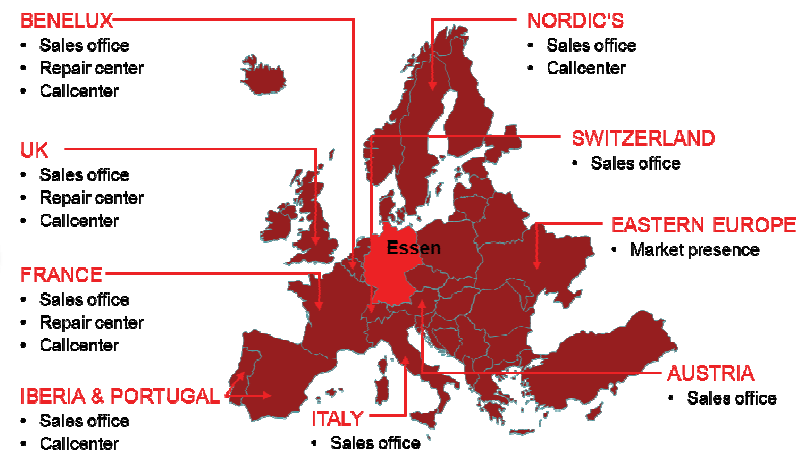
Wai Ming Wong
Chief Financial Officer

A Strong Consumer Platform Aligned with Lenovo Strategy

- Consumer platform for PCs, mobile Internet devices & digital services
- Directly supports our attack strategy in Mature consumer business

Medion delivers important assets:

- Well known and trusted brand
- Strong retail channels for PCs and mobile devices
- Strong team with more than 20 years of experience building a profitable consumer business



- Will add this to our existing consumer business to become the platform for our expansion

E2E Business Model: Complementary Strengths

- Creates efficient E2E business model in Western Europe for Consumer

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A Strong Global Back End

- Scale
- Manufacturing capability
- Lower components pricing
- Strong sales capability in Large Accounts and SMB

**A WIN-WIN
COMBINATION**

MEDION®

A Very Strong Consumer Front End

- Marketing/Brand
- Sales
- Service
- 100% transaction model
- Effective channel with low E/R ratio

Beyond PCs: Bolsters Mobile Internet Capabilities

- Medion: Strong Mobile Internet device and services business in Western Europe
 - Significant digital & mobile telecommunications business
 - Device experience
- Complements Lenovo's growing Mobile Internet and Digital Home business
 - Boosts device and services capability
 - Medion's existing relationships and experience with retailers and telcos are great assets



A Great Partnership with a Bright Future

- **Lenovo has momentum:**
 - FY2010/11: a fantastic year
 - Fastest growing PC company for 6 straight quarters
 - Making long term investments in brand building, innovation, and our business model to support growth

- **Medion will help us continue to build momentum**
- **Proven experience in bringing companies together**
- **Very confident that this acquisition will be a great success**

Transaction Summary

Transaction Description

- Lenovo will own a minimum of 55%* (a maximum of approx. 80%*) of Medion. The founder and CEO of Medion, Gerd Brachmann (“GB”), will own 20%*

Key Transaction Terms

- Lenovo signs a conditional SPA to purchase a 40%* stake in Medion from GB for €13 / share, with GB retaining a 20%* position in Medion
- Lenovo launches a public offer to acquire 15% – 40%* from public shareholders for €13 / share in cash (public offer conditional on receiving an additional 15%* stake from public shareholders in addition to the GB shares acquired)

Consideration

- Lenovo is acquiring a 55% - 80%* stake in Medion for approximately €321MM to €465MM (US\$459MM - US\$666MM)
- €46MM (US\$66MM) of the consideration to GB will be in Lenovo shares, with the remaining consideration to GB and all other shareholders in cash
- The purchase price implies a total value for Medion of approximately €581MM (US\$831MM), which includes net cash of €216MM (US\$308MM) as of March 31, 2011

Timing

- The transaction requires the approval from the German Securities Regulator (BaFin) and the European Commission. Expect public offer to close in August timeframe

Notes

(1) * Denotes percentage voting shares outstanding (i.e., excludes treasury shares)

(2) Assumes €1 = US\$1.43

Complementary Value Creation

- Creates efficient E2E business model in W. Europe for consumer

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- China & Think Heritage
- Commercial strength in Western Europe
- Back-end capability in
 - Scale
 - Manufacturing capability
 - Lower component pricing

Value creation drivers

- E2E platform for consumer growth
- Channel Mgmt. expertise in retail
- MIDH/ Connectivity offerings
- EPS accretive immediately after transaction on a pre-synergy basis
- Procurement synergies

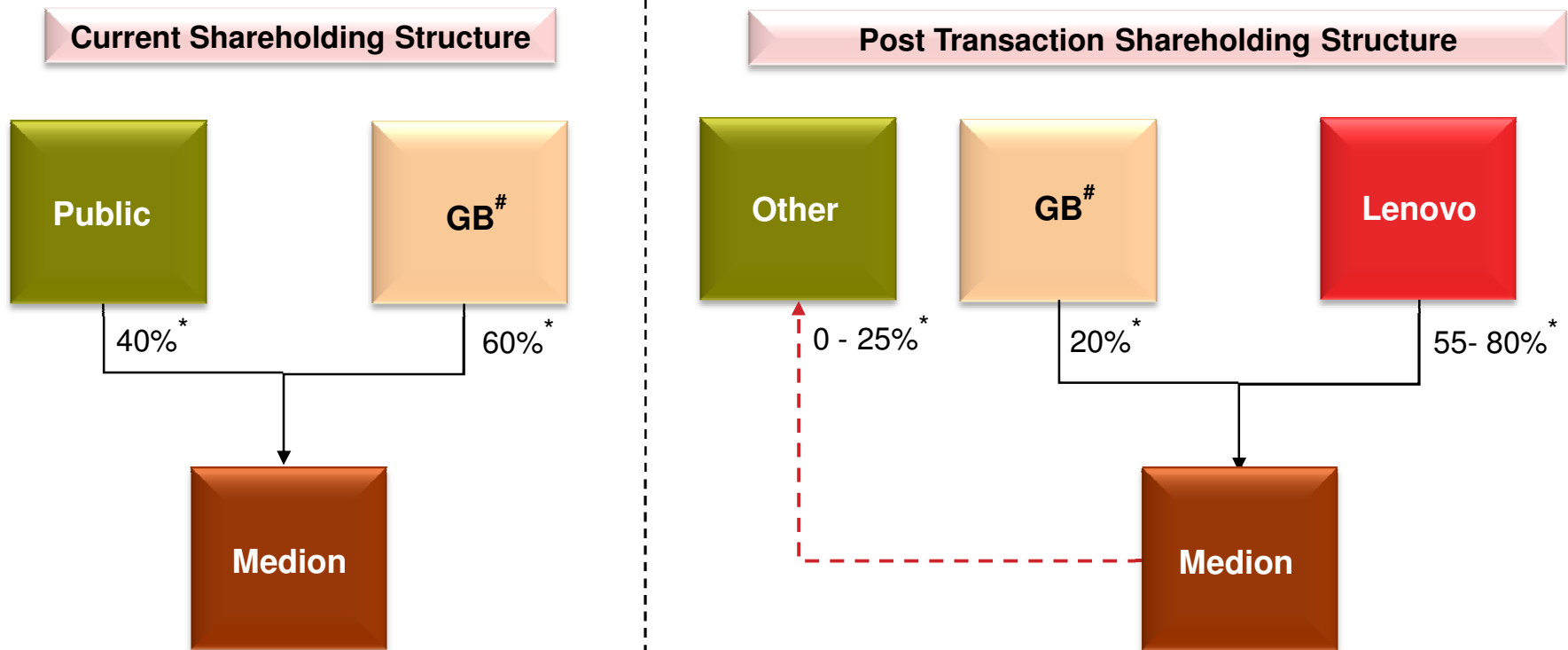
MEDION[®]

- Largest German consumer PC brand
- Strong expertise in the PC and Connectivity business
- Front-end capability in
 - Marketing/Brand
 - Sales
 - Services



Appendices

Proposed Transaction Structure



Notes

* Denotes percentage voting shares outstanding (i.e., excludes treasury shares).

Denotes the founder and CEO of Medion, Gerd Brachmann

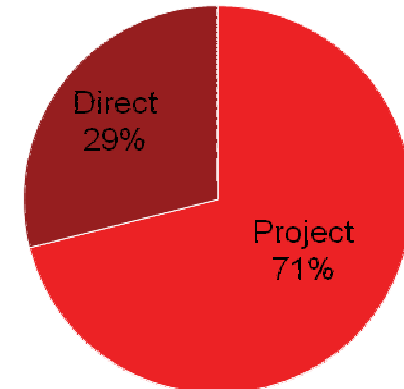
Overview of Medion

Business Overview

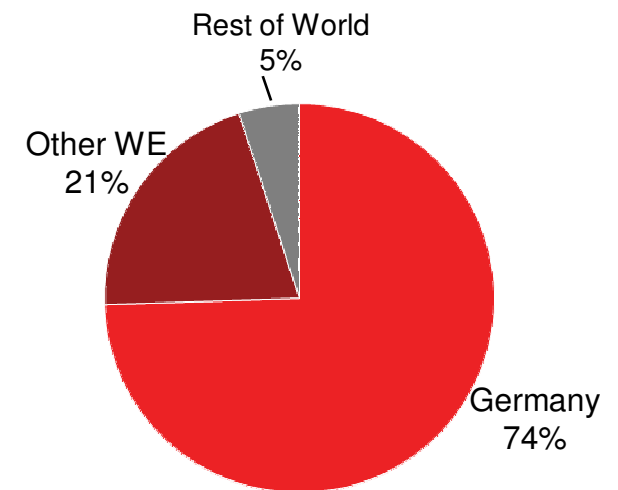
- Publicly listed German provider of
 - PC's and Consumer Electronics
 - Digital Services & Mobile Internet & Mobile Telecommunications
- Headquartered in Essen, Germany, ~1,000 employees
- Extensive presence in major European markets including Germany, UK, France & Switzerland
- Strong and stable management driven by its founder and CEO, Gerd Brachmann

2010 Revenue Mix (€1,639MM / US\$2,344MM)

Type



Geography



Medion's business is complementary to our Western European business with strength in consumer retail experience and partnership

Note: Assumes 1EUR=1.43USD.

THANK YOU GRAZIE MERCI DANKE GRAZIAS 謝謝 СПАСИБО
GRACIAS OBRIGADO ありがとう DANK TAKK BEDANKT DAKUJEM