[For Immediate Release]

LENOVO REPORTS FOURTH QUARTER AND FULL-YEAR 2007/08 RESULTS

- **Full-year sales of US$16.4 billion, up 17%** (1)
- **Full-year EBITDA (excluding restructuring) of US$798 million, up 113%** (1)
- **Full-year pre-tax income (excluding restructuring) of US$560 million, up 237%** (1)
- **Full-year profit attributable to shareholders (including restructuring) of US$484 million, up 201%** (2)
- **Full-year basic EPS of 5.51 US cents, or 42.98 HK cents, up 195%** (2)
- **Net cash reserves of US$1.6 billion (as of March 31, 2008)**

(1) Reflects continuing operations only (excludes mobile handset business)

(2) Includes discontinued operations (includes mobile handset business)

HONG KONG, May 22, 2008– Lenovo Group today reported results for its fourth fiscal quarter and full year ended March 31, 2008, driven by strong performance in all geographies and product segments. During the fourth quarter, Lenovo's worldwide PC shipments grew 21 percent, well ahead of the industry average growth of approximately 15 percent.

As previously announced, Lenovo completed the sale of its mobile handset business in March 2008 in order to better focus on its core PC business. As a result, the Company recorded approximately US$65 million as a pre-tax gain on disposal. Taking into consideration the operating loss, the profit from the mobile handset business amounted to US$36 million and US$20 million in the fiscal fourth quarter and full year, respectively.

Consolidated sales for the quarter from continuing operations (excluding the mobile handset business) rose 13.5 percent year over year to US$3.7 billion. The Company's gross profit margin for the fourth quarter reached 15.0 percent. Including the impact of restructuring, Lenovo reported pre-tax income of US$103 million from continuing operations. Including the net profit of US$36 million from discontinued operations, profit attributable to shareholders for the quarter grew 133 percent to US$140 million.

Basic earnings per share totaled 1.56 US cents, or 12.17 HK cents. Net cash reserves as of March 31, 2008, totaled US$1.6 billion. Lenovo's board of directors has proposed a final dividend of 12.80 HK cents, or approximately 1.64 US cents per share.

"Lenovo continued to demonstrate strong execution of our strategies in the past quarter, achieving the eighth consecutive quarter of profitable growth," said Lenovo Chairman Yang Yuanqing. "In the past three years since the acquisition, Lenovo has successfully achieved the financial targets which we set and accomplished numerous milestones. We have successfully assumed responsibility for our sales and customers, completed our brand transition, rolled out the transaction business outside of China, launched our consumer business, and released highly innovative products. Lenovo's global competitiveness substantially increases with each of these solid steps and provides greater momentum for sustainable growth.

"Looking forward, Lenovo will continue to maintain our momentum in the relationship business and the Greater China region, while pursuing growth opportunities in the emerging markets, notebook markets and transaction business, specifically the consumer business, and actively fostering new business to maintain profitable growth that outpaces the industry."

"Lenovo's unique heritage has enabled us to implement one of the strategic foundations of this company – our worldsourcing business model," said President and CEO William J. Amelio. "A complete approach to doing business in a new global economy, worldsourcing transcends boundaries, cultures and structures. It enables us to leverage our cultural and geographic strengths to manage costs, increase efficiency and harness the power of innovation from across the global organization."

GEOGRAPHIC OVERVIEW

- Lenovo **Greater China** posted US$1.29 billion in consolidated sales in the fourth fiscal quarter, up 18 percent, as the Company's growth of 25 percent in PC shipments outpaced the industry average for the Greater China market. During the quarter, Lenovo further strengthened its number one market position on the strength of sales across product lines. The company's Greater China business accounted for 34 percent of total sales in the quarter.

- The **Americas** accounted for US$1.0 billion in consolidated sales, or 27 percent of total sales. The quarter marked Lenovo's fifth consecutive profitable quarter for the Americas, on the strength of desktop market share gains and overall PC demand in Canada. Lenovo also improved productivity in the region, cutting controllable expenses. Sales of notebooks in the U.S. were affected by a slowing economy, although Lenovo maintained its overall U.S. market share. Lenovo PC shipments in the Americas during the quarter increased 9 percent.

- In the Europe, Middle East and Africa region (**EMEA**), shipments increased 30 percent in the fourth fiscal quarter. For the same period, consolidated sales totaled US$879 million, or 24 percent of total sales. Sales growth was spurred by demand for notebook computers, despite some weakening in consumer demand.

- Shipments for the **Asia Pacific** business (excluding Greater China) increased 18 percent in the fourth fiscal quarter. Consolidated sales in Asia Pacific totaled US$543 million in the fourth quarter, or 15 percent of total sales. Market share gains in Japan and volume gains in ASEAN, Australia and New Zealand were offset by investment in India.

PRODUCT OVERVIEW

- Lenovo's **Notebook** computers continued to be the largest contributor to total sales. Notebook shipments in the fourth fiscal quarter were up 38 percent year over year, and consolidated sales grew 22 percent to US$2.3 billion, or 61 percent of total sales for the quarter. Growth was driven by increased adoption of notebook PCs worldwide and an expanded portfolio of Lenovo products introduced to meet growing demand.

- In the fourth fiscal quarter, Lenovo's **Desktop** shipments rose 9 percent year over year. Consolidated sales increased 2 percent to US$1.4 billion in the quarter, or 38 percent of total sales. Performance was positively impacted by continued focus on operational efficiencies and introduction of competitive desktop PC offerings.

FULL YEAR RESULTS

For the 2007/08 fiscal year, consolidated sales from continuing operations (excluding the mobile handset business) increased 17 percent year over year to US$16.4 billion. Lenovo's PC shipments grew 22 percent year over year, ahead of the estimated industry average of 16 percent. The Company's gross profit margin for the fiscal year improved to 15.0 percent from 13.5 percent.

Including the impact of restructuring, pre-tax income for continuing operations surged 232 percent to US$512 million. Reflecting the impact of restructuring and the net profit of US$20 million from discontinued operations, full-year profit attributable to shareholders increased 201 percent year over year to US$484 million.

Basic earnings per share for the 2007/2008 fiscal year totaled 5.51 US cents, or 42.98 HK cents.

ABOUT LENOVO

Lenovo (HKSE: 992) (ADR: LNVGY) develops, manufactures and markets high-quality, secure and easy-to-use technology products and services worldwide and is dedicated to building the world's best-engineered personal computers. Formed by Lenovo Group's acquisition of the former IBM Personal Computing Division, Lenovo's heritage in both emerging and developed markets has resulted in a New World Company business model where ideas, operations and resources are borderless and mobile. With four operational hubs in Beijing, Raleigh, Singapore and Paris, Lenovo has major research centers in Yamato, Japan; Beijing, Shanghai and Shenzhen, China; and Raleigh, North Carolina, as well as a marketing center in Bangalore, India. For more information, see www.lenovo.com

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LENOVO GROUP
FINANCIAL SUMMARY
For the fiscal quarter and full year ended March 31, 2008

(in US$ millions, except per share data)

	Q4 07/08	Q4 06/07	Y/Y % CHG	FY 07/08	Y/Y % CHG
Continuing operations[1]					
Sales	3,734	3,290	13.5%	16,352	17.0%
Gross Profit	559	489	14.3%	2,450	29.8%
Gross Profit Margin	15.0%	14.9%	0.1 pts	15.0%	1.5 pts
Operating Expenses	(470)	(424)	10.8%	(1,921)	10.8%
Operating Expense Margin	12.6%	12.9%	(0.3) pts	11.7%	(0.7) pts
Other Income / (Expense), net	6	(2)	-	17	110.8%
Pre-Tax Income before restructuring and other non-operating income / (expense)	95	63	50.8%	546	215.5%
Other non-operating income / (expense)[2]	8	(2)	-	14	-
Restructuring Costs	0	-	-	(48)	303.9%
Pre-Tax Income	103	61	68.6%	512	231.8%
Profit from continuing operations	104	56	87.8%	464	262.5%
Profit from discontinued operations[3]	36	4	-[5]	20	-[5]
Profit Attributable to Shareholders	140	60	132.8%	484	200.5%
EPS (US cents)					
Basic	1.56	0.70	122.9%	5.51	194.7%
Diluted	1.44	0.68	111.8%	5.06	175.0%
Dividend per share (HK cents)	12.80	2.80	357.1%	15.80	203.8%
EBITDA[1][4]	152	110	39.1%	798	113.0%

(1) Continuing operations include the PC business only. Mobile handset sales of US$93 million in Q4 and US$436 million in FY 2007/08 are classified as discontinued operations.

(2) Includes finance income, finance cost and share of profits/(losses) of associated companies.

(3) Includes taxation from discontinued mobile handset business.

(4) Excludes restructuring charges.

(5) Comparison not applicable because current year includes gain on sale.