



## **Lenovo Completes Acquisition of Motorola Mobility from Google**

*Becomes World's #3 Smartphone Maker; Prepares for Even More Growth*

### **Research Triangle Park, North Carolina and Mountain View, California – October 30, 2014**

– Lenovo (HKSE: 992) (ADR: LNVGY) and Google (NASDAQ: GOOG) announced today that Lenovo's acquisition of Motorola Mobility from Google is complete.

The acquisition of the Motorola brand and Motorola's portfolio of innovative smartphones like Moto X, Moto G, Moto E and the DROID™ series, as well as the future Motorola product roadmap, positions Lenovo as the world's third largest maker of smartphones.

Lenovo will operate Motorola as a wholly-owned subsidiary. Motorola's headquarters will remain in Chicago. With the completion of the acquisition, Lenovo welcomes the addition of a new portfolio company with nearly 3,500 employees around the world – including about 2,800 in the U.S. – who design, engineer, sell and support Motorola's outstanding devices.

"Today we achieved a historic milestone for Lenovo and for Motorola – and together we are ready to compete, grow and win in the global smartphone market. By building a strong number three and a credible challenger to the top two in smartphones, we will give the market something it has needed: choice, competition and a new spark of innovation," said Yang Yuanqing, chairman and CEO, Lenovo. "This partnership has always been a perfect fit. Lenovo has a clear strategy, great global scale, and proven operational excellence. Motorola brings a strong presence in the U.S. and other mature markets, great carrier relationships, an iconic brand, a strong IP portfolio and an incredibly talented team. This is a winning combination."

"Motorola is in great hands with Lenovo, a company that's all-in on making great devices," said Larry Page, CEO, Google.

Liu Jun, Lenovo executive vice president and president of Lenovo's Mobile Business Group, is chairman of the Motorola Management Board. Rick Osterloh, a Motorola veteran, will remain president and chief operating officer of Motorola.

"Motorola has already built solid momentum in the market, and their recent results show consumers are excited about their exceptional products that stand out for their design and simplicity," said Liu Jun. "With the complementary strengths of our two companies, we expect to sell more than 100 million mobile devices this year – including smartphones and tablets – by leveraging the Lenovo brand's leading market position in China, our shared momentum in emerging markets, and Motorola's strong foothold in mature markets like the U.S."

Motorola already has strong momentum in the marketplace led by highly successful new product launches and groundbreaking innovations, which have provided solid growth. Beyond smartphones, the Moto 360 watch has captured consumer attention and established Motorola as a company expanding into emerging mobile device areas. As previously stated, Lenovo expects to make the Motorola business profitable in four to six quarters.

Google will maintain ownership of a majority of the Motorola Mobility patent portfolio, while Motorola will receive a license to this rich portfolio of patents and other intellectual property. Motorola will retain over 2,000 patent assets and a large number of patent cross-license agreements, as well as the Motorola Mobility brand and trademark portfolio.

The total purchase price at close was approximately US\$2.91 billion (subject to certain post-close adjustments), including approximately US\$660 million in cash and 519,107,215 newly issued ordinary shares of Lenovo stock, with an aggregate value of US\$750 million, representing about 4.7 percent of Lenovo's shares outstanding, which were transferred to Google at close. The remaining US\$1.5 billion will be paid to Google by Lenovo in the form of a three-year promissory note. A separate cash compensation of approximately US\$228 million was paid by Lenovo to Google primarily for the cash and working capital held by Motorola at the time of close.

The transaction has satisfied all regulatory requirements and customary closing conditions, including clearance by competition authorities in the U.S., China, EU, Brazil and Mexico, and by the Committee on Foreign Investment in the United States (CFIUS). This is the fifth time since 2005 Lenovo has been cleared by CFIUS to acquire a U.S. business.

### **ABOUT LENOVO**

Lenovo (HKSE: 992) (ADR: LNVGY) is a \$39 billion global Fortune 500 company and a leader in providing innovative consumer, commercial, and enterprise technology. Our portfolio of high-quality, secure products and services covers PCs (including the legendary Think and multimode YOGA brands), workstations, servers, storage, smart TVs and a family of mobile products like smartphones (including the Motorola brand), tablets and apps. Join us on [LinkedIn](#), follow us on [Facebook](#) or Twitter ([@Lenovo](#)) or visit us at [www.lenovo.com](http://www.lenovo.com).

### **ABOUT GOOGLE**

Google is a global technology leader, focused on improving ways people connect with information. Google's innovations in web search and advertising have made its website a top Internet property and its brand one of the most recognized in the world.

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### **For More information**

A press kit is available here: <http://news.lenovo.com/MotorolaAcquisition>

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