

A graphic consisting of three overlapping rectangular blocks. The top block is red and contains the 'lenovo' logo in white. The middle block is a darker red and contains the text '2010/11 Annual Results' in white. The bottom block is black and contains the date 'May 26, 2011' in white. The blocks are arranged in a staggered, 3D-like fashion.

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2010/11 Annual Results

May 26, 2011

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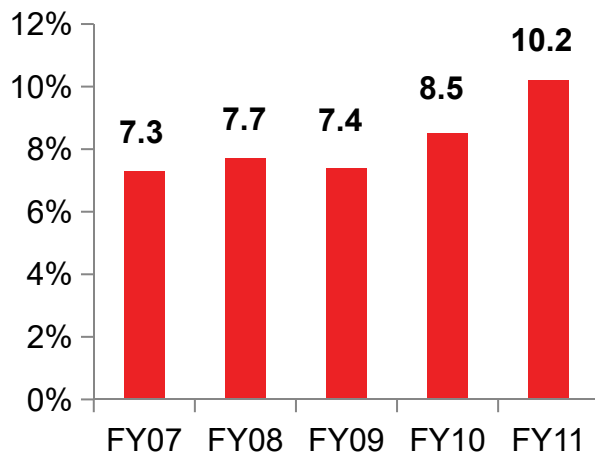
Yang Yuanqing

Chief Executive Officer

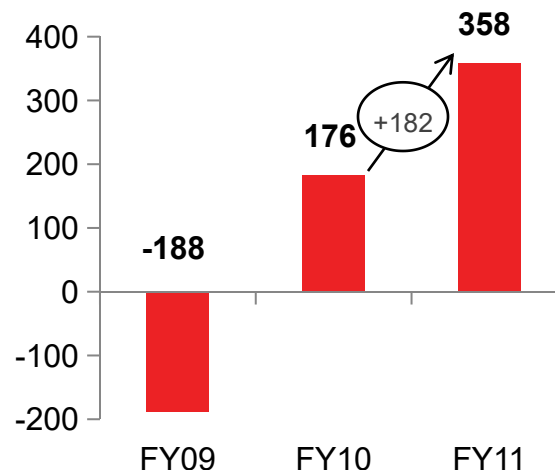
FY 2010-11: Accelerating Growth

- Fastest growing for 6th straight quarter
- Record annual market share of 10.2%
- Record \$21B USD revenue, PTI \$358M USD
- E/R stayed low even with substantial investments

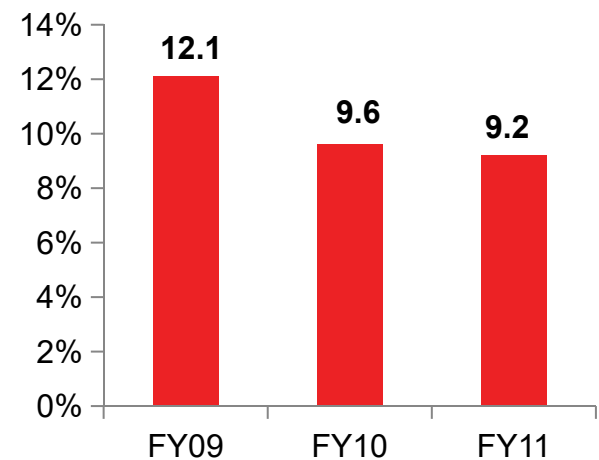
Lenovo WW Market Share by Fiscal Year (%)



Lenovo PTI by Fiscal Year (US\$M)



Lenovo E/R by Fiscal Year (%)*

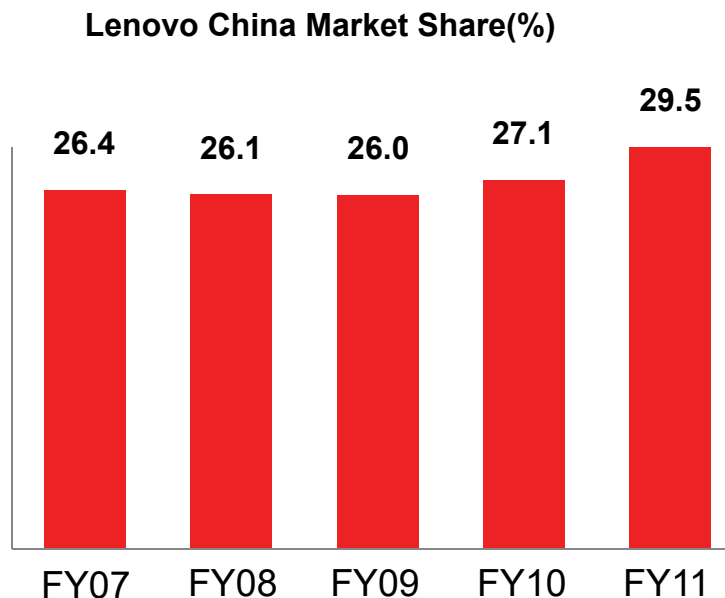
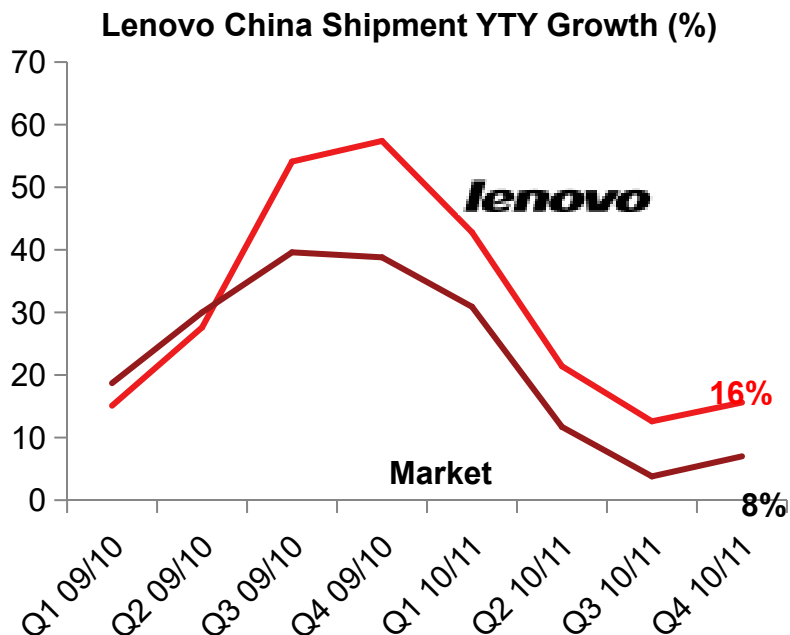


Source: IDC and Internal Data

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Protect China

- Increased profitability; outgrew market all 4 quarters
- Reached record market share of 29.5%
- Lenovo Mobile outgrew market, launched new MID products

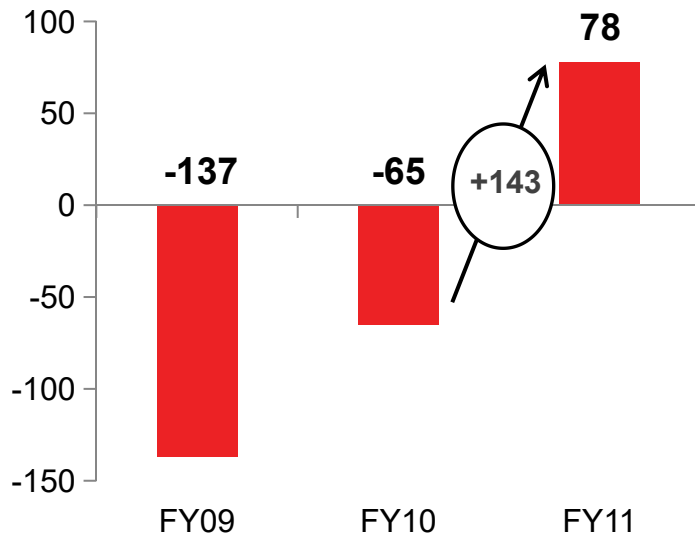


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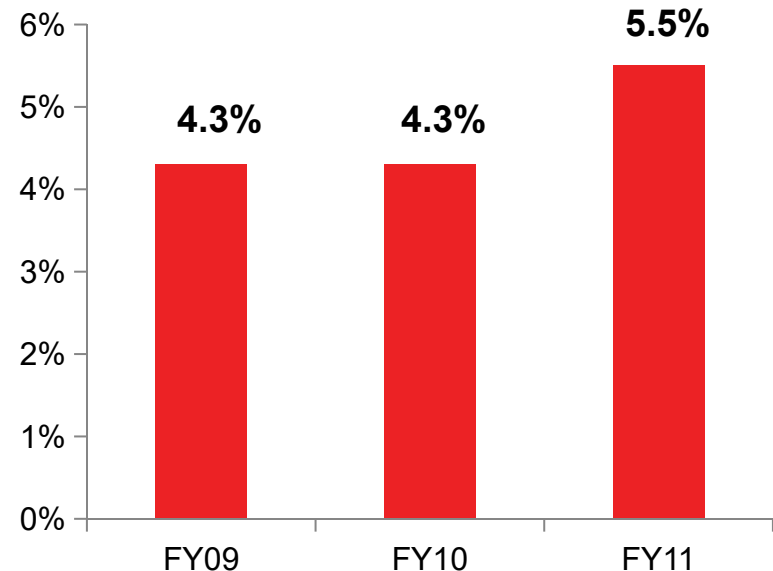
Mature Markets: Protect and Attack

- Improved profitability by \$143M USD YTY
- Record market share
- Outgrew market all four quarters

Lenovo MM Operating Profit (US\$)



Lenovo MM Market Share (%)



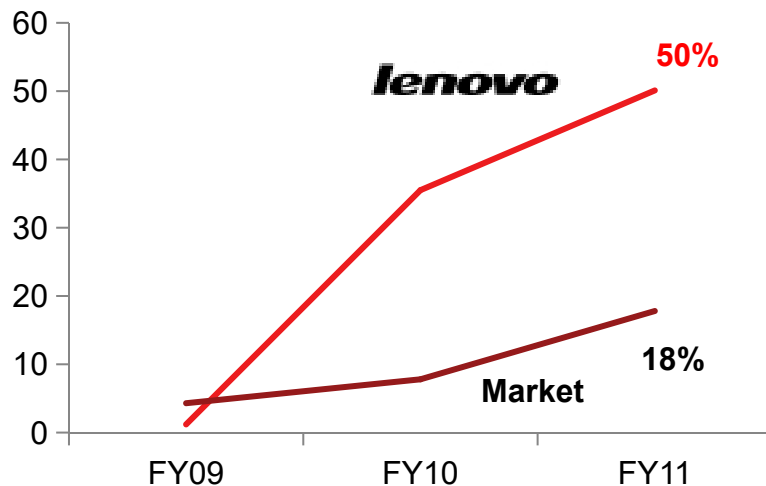
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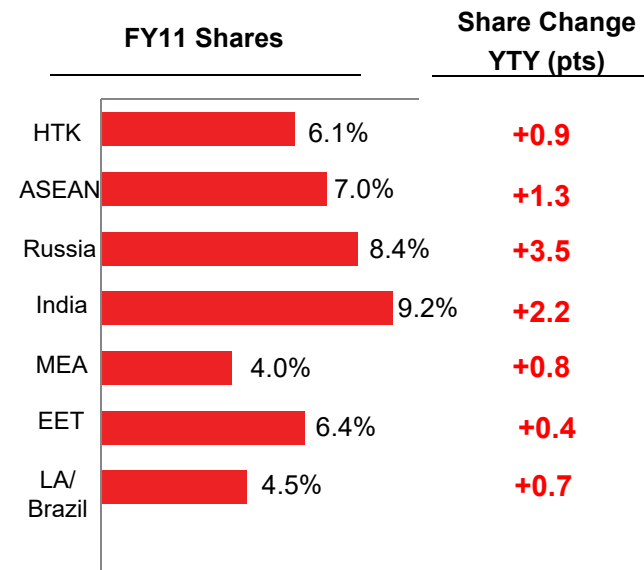
Attack Emerging Markets

- #1 Global Emerging Markets (including China)
- Grew nearly 3x faster than the market for the year
- Increased share across Emerging Markets

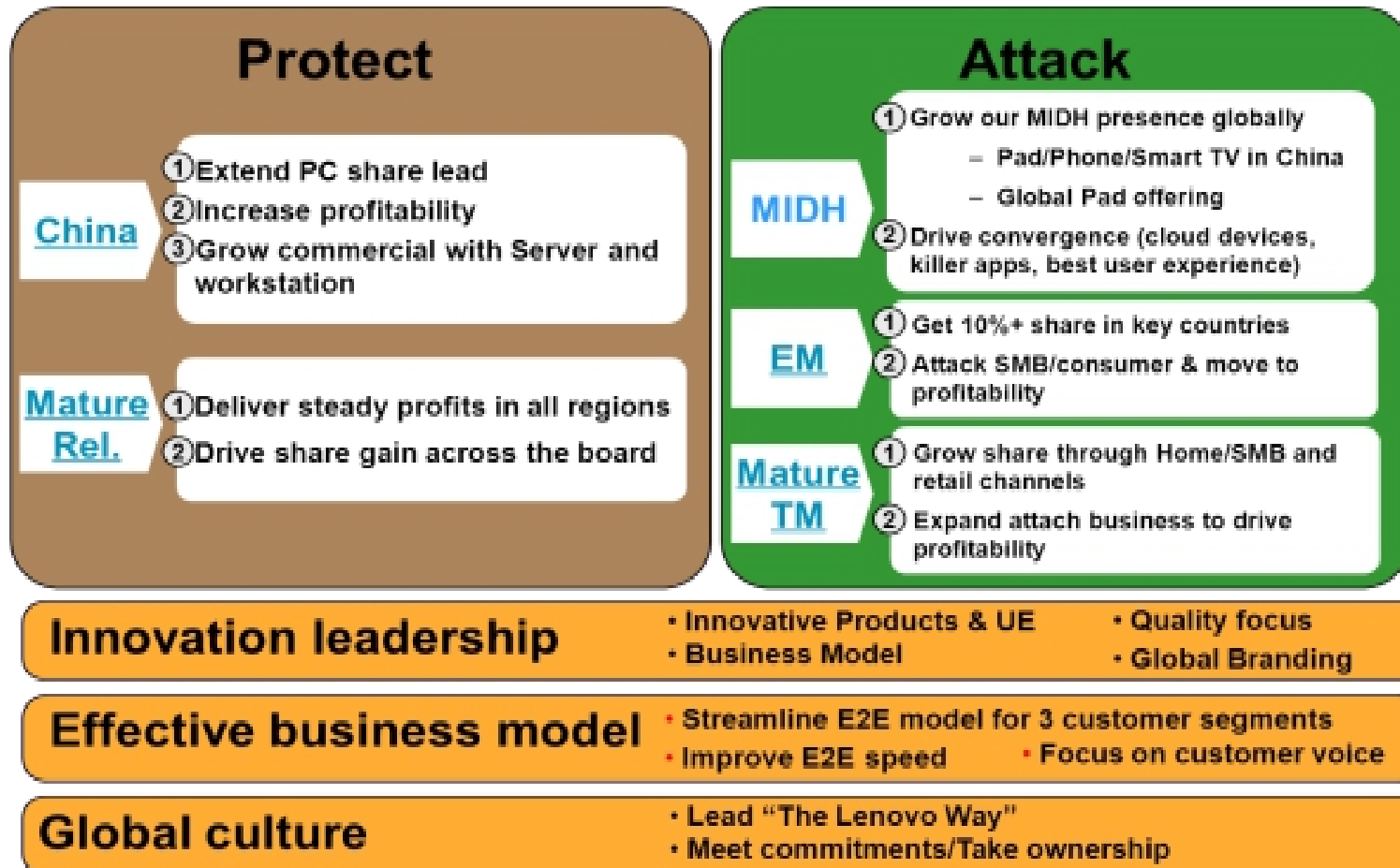
Lenovo EM Shipment YTY Growth (%)



Lenovo Share Gains in All EM Regions



Protect/Attack 2011-12



Attack: Mobile Internet

- Strategic focus on attacking mobile internet
- Formed Mobile Internet Digital Home business unit
- China and Commercial markets are focus
- Launching consumer and commercial tablets



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Investing in Future Growth

- Continue to invest in business for future growth
- Strategic investments in:
 - Innovation and our products
 - Global brand
 - Refining our business model
 - In-house Service capability
 - Strategic IT deployment
 - Improve Transactional capability



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Outlook for the Year

- Optimistic about:
 - PC growth
 - Expansion in mobile internet
- Focused on executing our strategy
- Confident we will drive sustainable growth

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Wong Wai Ming

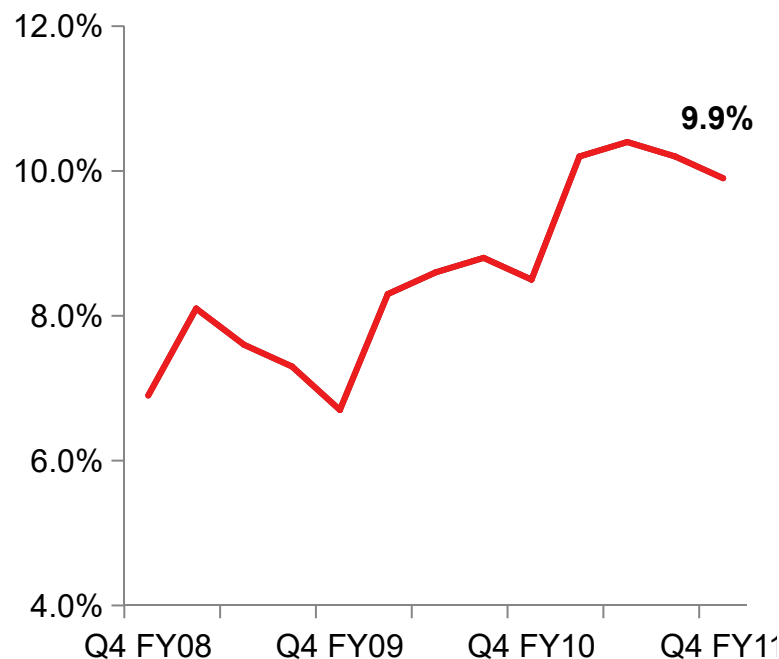
Chief Financial Officer

Q4 FY11: Another Solid Quarter Outperforming WW Markets

- Balanced strong shipments and share growth across the board:

Q4 FY11	Shipments Growth (YTY)		Market Share	
	Lenovo	Market	Lenovo	YTY
Worldwide	+16.0%	-1.1%	9.9%	+1.5 pts
China	+15.8%	+7.6%	27.6%	+1.9 pts
EM (Ex. China)	+31.5%	+12.7%	5.7%	+0.8 pts
MM	+7.0%	-12.1%	5.7%	+1.0 pts
Commercial	+16.9%	+3.0%	13.8%	+1.6 pts
Consumer	+14.3%	-4.4%	6.7%	+1.1 pts

Lenovo's WW Market Share Trend



Financial Summary

US\$ Million	Q4 FY2010/11	Q4 FY2009/10	YTY	QEQ	FY2010/11	YTY
Sales	4,879	4,317	562	(929)	21,594	4,989
Gross Profit	600	449	151	(48)	2,364	574
Operating Expenses*	(531)	(402)	(129)	(10)	(1,978)	(392)
Operating Profit*	69	47	22	(58)	386	182
Other Non-Operating Expenses	(10)	(7)	(3)	(6)	(24)	19
Pre-tax Income*	59	40	19	(64)	362	201
One-off Items and Restructuring Costs	1	(20)	21	3	(4)	64
Other income, net	0	0	0	0	0	(83)
Pre-tax Income	60	20	40	(61)	358	182
Taxation	(18)	(7)	(11)	3	(85)	(38)
Profit attributable to Equity Holders	42	13	29	(58)	273	144
EPS (US cents)						
- Basic	0.43	0.14	0.29	(0.60)	2.84	1.42
- Diluted	0.42	0.13	0.29	(0.56)	2.73	1.40
Dividend per share (HK cents)					7.60	2.10

	Q4 FY2010/11	Q4 FY2009/10	Q3 FY2010/11	FY2010/11	FY2009/10
Gross margin	12.3%	10.4%	11.2%	10.9%	10.8%
E/R ratio*	10.9%	9.3%	9.0%	9.2%	9.6%
Operating margin*	1.4%	1.1%	2.2%	1.8%	1.2%
PTI margin*	1.2%	0.9%	2.1%	1.7%	1.0%
Net margin	0.9%	0.3%	1.7%	1.3%	0.8%

* Exclude restructuring costs, one-off items and other income, net

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Condensed Balance Sheet

US\$ Million	As at Mar 31, 2011	As at Mar 31, 2010
Non-current assets	2,769	2,720
Property, plant and equipment	209	248
Intangible assets	2,134	2,066
Others	426	406
Current assets	7,937	6,235
Bank deposits and cash	2,997	2,439
Trade, notes and other receivables	4,066	2,871
Inventories	804	879
Others	70	46
Current liabilities	8,033	6,419
Short-term bank loans	72	65
Trade, notes and other payables	7,375	5,822
Current portion of non-current liabilities	450	437
Others	136	95
Net current liabilities	(96)	(184)
Non-current liabilities	838	931
Total equity	1,835	1,606

Cash and Working Capital

US\$ Million	Q4 FY2010/11	Q4 FY2009/10	FY 2010/11	FY 2009/10
Bank deposits and cash	2,997	2,439	2,997	2,439
Total Bank Borrowings	272	495	272	495
Net Cash Reserves	2,725	1,944	2,725	1,944
Days Inventory	18	18	18	15
Days Receivable	32	30	29	24
Days Payable	83	76	75	69
Cash Conversion Cycle	-33 days	-28 days	-28 days	-30 days

Q4 FY11: Performance by Geography

China

- Strong share growth to 27.6% (+1.9pts YTY)
- Solid shipments growth driven by stronger presence in emerging cities
- Increased investments in R&D and marketing for PC & MIDH products

Emerging Markets (Excluding China)

- Continuous share gains; close to 10% market share benchmark in selected countries (e.g. India)
- Continuous share expansion to improve profitability

Mature Markets

- Record high market share at 5.7% (+1.0pts YTY) benefited from strong commercial PC demand
- Enhanced profitability due to enhanced product mix and better operational efficiency

(Excluding restructuring charges & one-off items)	Sales US\$ Million			Segment Operating Profit / (Loss) US\$ Million			Segment Operating Margin		
	Q4 FY11	Y/Y	Q/Q	Q4 FY11	Q4 FY10	Q3 FY11	Q4 FY11	Q4 FY10	Q3 FY11
China*	2,195	12.3%	-18.2%	88	108	132	4.0%	5.5%	4.9%
China- PC[#]	2,008	7.7%	-18.5%	101	106	137	5.0%	5.7%	5.6%
Emerging Markets (Ex. China)	850	14.2%	-23.9%	(10)	(38)	(13)	-1.2%	-5.1%	-1.2%
Mature Markets	1,834	13.3%	-8.7%	36	(6)	22	1.9%	-0.4%	1.1%

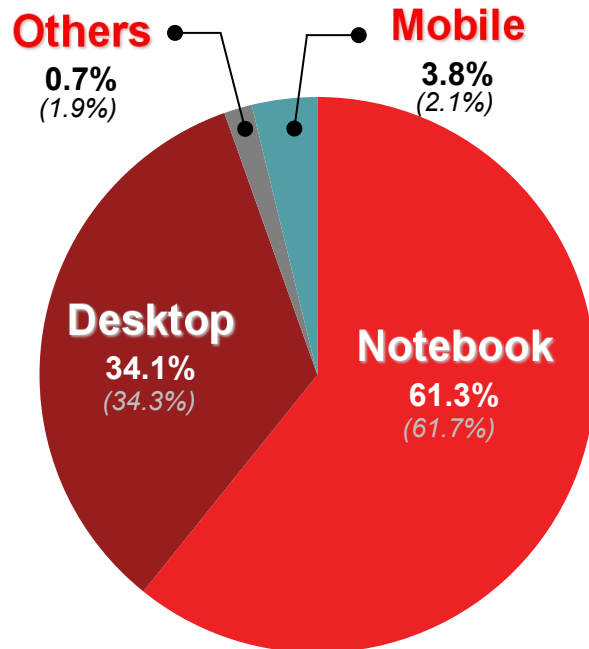
* Included PC & Mobile business

Financials on China PC extracted from management report are not presented as a separate reportable segment in external report and are shown for reference only.



Q4 FY11: Performance By Product

Revenue by Product*



Desktop

- Shipments up 17% YTY; Sales up 13% YTY
- World's third largest desktop player
- Market share up 1.8 pts YTY
- Strong growth through launch of enhanced AIO and SMB targeted desktops

Notebook

- Shipments up 15% YTY; Sales up 12% YTY
- Market share up 1.2 pts YTY
- World's largest relationship notebook player
- New generation of ultraportable laptops to target SMB customers

Mobile

- Shipments up 27% YTY
- Strong feature phones shipment growth at 24% YTY with market share up 1.5 pts YTY
- China's largest domestic mobile handset brand

* Comparative figures based on Lenovo Mobile pro-forma information

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Liu Chuanzhi

Chairman of the Board



Appendix

- FY11: Shipments Performance by Geography
- FY11: Performance by Geography
- Highlights of Q4 Geography Performance
- FY11: Performance by Product
- Consolidated Income Statement
- Condensed Consolidated Cash Flow Statement

FY11: Shipments Performance by Geography

	Shipments Growth (YTY)		Market Share	
	Lenovo	Market	Lenovo	YTY
Worldwide	+28.2%	+7.4%	10.2%	+1.7 pts
China	+22.2%	+12.4%	29.5%	+2.4 pts
EM (Ex. China)	+50.1%	+17.8%	6.1%	+1.3 pts
MM	+27.4%	-0.2%	5.5%	+1.2 pts
Commercial	+27.6%	+8.8%	14.3%	+2.1 pts
Consumer	+29.3%	+6.2%	6.8%	+1.2 pts

FY11: Performance by Geography

(Excluding restructuring charges & one-off items)	Sales US\$ Million		Segment Operating Profit / (Loss) US\$ Million		Segment Operating Profit Margin	
	FY11	YTY	FY11	FY10	FY11	FY10
China*	10,015	26.9%	507	444	5.1%	5.6%
China- PC[#]	9,211	18.1%	523	442	5.7%	5.7%
Emerging Markets (Ex. China)	3,860	46.2%	(65)	(97)	-1.7%	-3.7%
Mature Markets	7,719	27.1%	78	(65)	1.0%	-1.1%

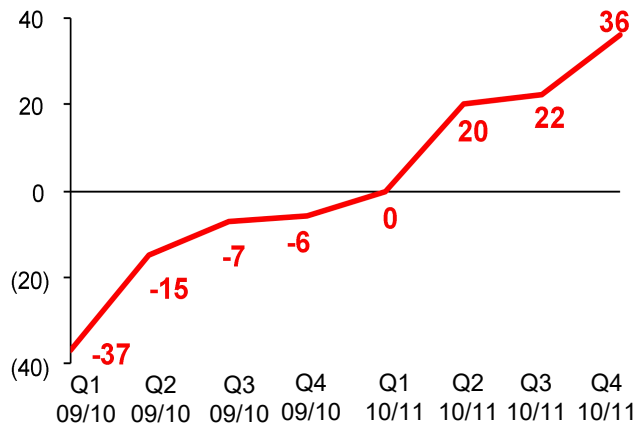
* Included PC & Mobile business

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Highlights of Q4 Geography Performance

Lenovo Mature Markets Segment Operating Profit/(Loss)* (US\$M)



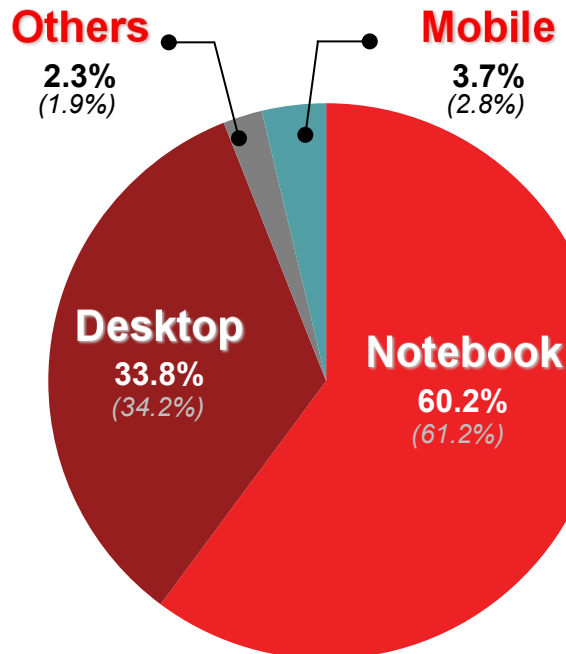
* Exclude restructuring costs, one-off items and other income, net

Emerging Market Regions Market Shares (Q4 FY11)

Q4 Shares		Share Change YTY (pts)
HTK	5.2%	+0.6
ASEAN	6.9%	+1.3
RUCIS	8.9%	+3.5
India	10.0%	+2.8
MEA	3.8%	+0.8
EET	4.9%	-1.3
LA/ Brazil	4.1%	-0.3

FY11: Performance By Product

Revenue by Product*



Desktop

- Shipments up 26% YTY; Sales up 25% YTY
- World's third largest desktop player
- Market share up 1.8 pts YTY

Notebook

- Shipments up 30% YTY; Sales up 24% YTY
- Market share up 1.5 pts YTY
- World's second largest commercial notebook player

Mobile

- Shipments up 48% YTY
- Strong feature phones shipment growth at 40% YTY with market share up 0.9 pts YTY
- China's largest domestic mobile handset brand
- LePhone shipments reached over 500K

* Comparative figures based on Lenovo Mobile pro-forma information

Consolidated Income Statement

US\$ Million	Q4 FY2010/11	FY 2010/11	Q4 FY2009/10	FY 2009/10
Sales	4,879	21,594	4,317	16,605
Cost of sales	(4,279)	(19,230)	(3,868)	(14,815)
Gross profit	600	2,364	449	1,790
Other income, net	-	-	-	83
Selling and distribution expenses	(281)	(1,038)	(213)	(840)
Administrative expenses	(194)	(720)	(155)	(566)
Research and development expenses	(92)	(303)	(56)	(214)
Other operating income/(expense) - net	37	79	3	(34)
Operating profit	70	382	28	219
Finance income	7	25	5	20
Finance costs	(17)	(49)	(13)	(63)
Share of gains of associated companies	-	-	-	-
Profit before taxation	60	358	20	176
Taxation	(18)	(85)	(7)	(47)
Profit attributable to:				
Equity holders of the company	42	273	13	129
Dividend		97		69
Earnings per share (US cents)				
- Basic	0.43	2.84	0.14	1.42
- Diluted	0.42	2.73	0.13	1.33

Condensed Consolidated Cash Flow Statement

US\$ Million	FY 2010/11	FY 2009/10
Net cash generated from operating activities	965	835
Net cash generated from/(used in) investing activities	66	(255)
Net cash used in financing activities	(373)	(217)
Increase in cash and cash equivalents	658	363
Effect of foreign exchange rate changes	58	12
Cash and cash equivalents at the beginning of the year	2,238	1,863
Cash and cash equivalents at the end of the year	2,954	2,238

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