



Investor Conference Call – Acquisition of CCE

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lenovo® **FOR**
THOSE
WHO DO.™

Lenovo + CCE = A Winning Combination

lenovo

cce
INFO

- A \$30B global personal technology company with 27,000 people and customers in 160+ countries
- Global # 2 PC player in the world
- Innovative products from PC to PC+
- Scale & leverage with global PC suppliers



- Nearly fifty years of history
- Portfolio of well known brands
- Strong relationships with large and small retail chains and e-commerce players
- Local manufacturing facilities based in Manaus Free Trade Zone
- Full PC+ product portfolio

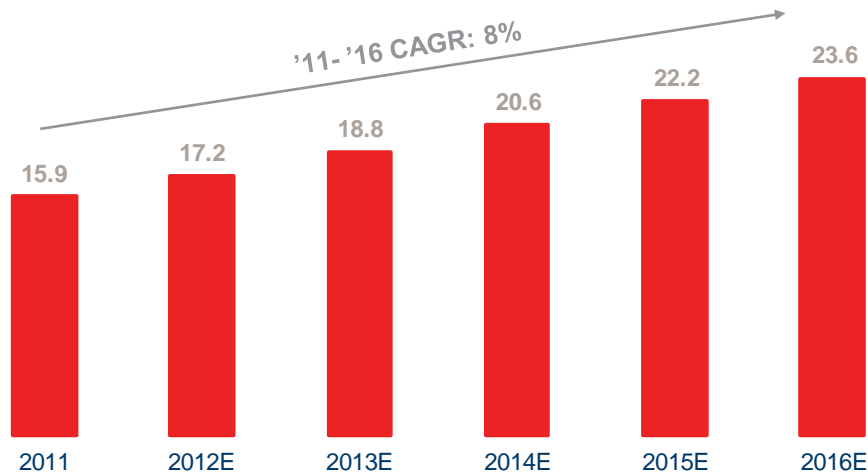
Strong presence and huge growth opportunities in PC+ business in Brazil

Creating a Strong PC+ Player in Brazil

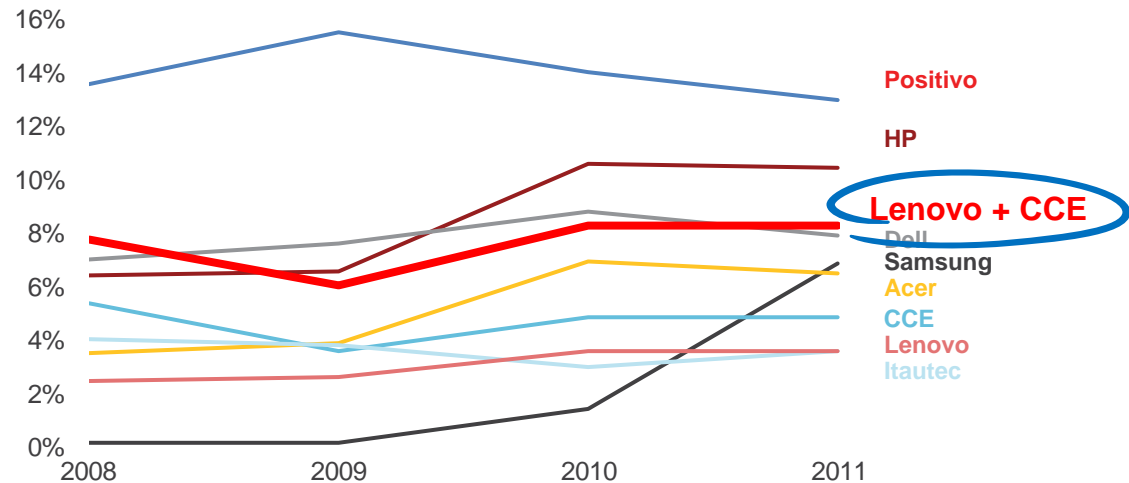
Acquisition of CCE

- Marks another major step in our expansion in Brazil, the world's third largest PC market
- More than doubles our market share in Brazil to over 8%
- Accelerates our timeline to achieving operational localization
- Brings scale-related cost savings to CCE
- Creates a strong consumer platform in Brazil to implement our PC+ strategy in full force

Brazil PC Market Forecast (shipment volume in millions)



Brazil PC Market Share by Volume, 2008–2011

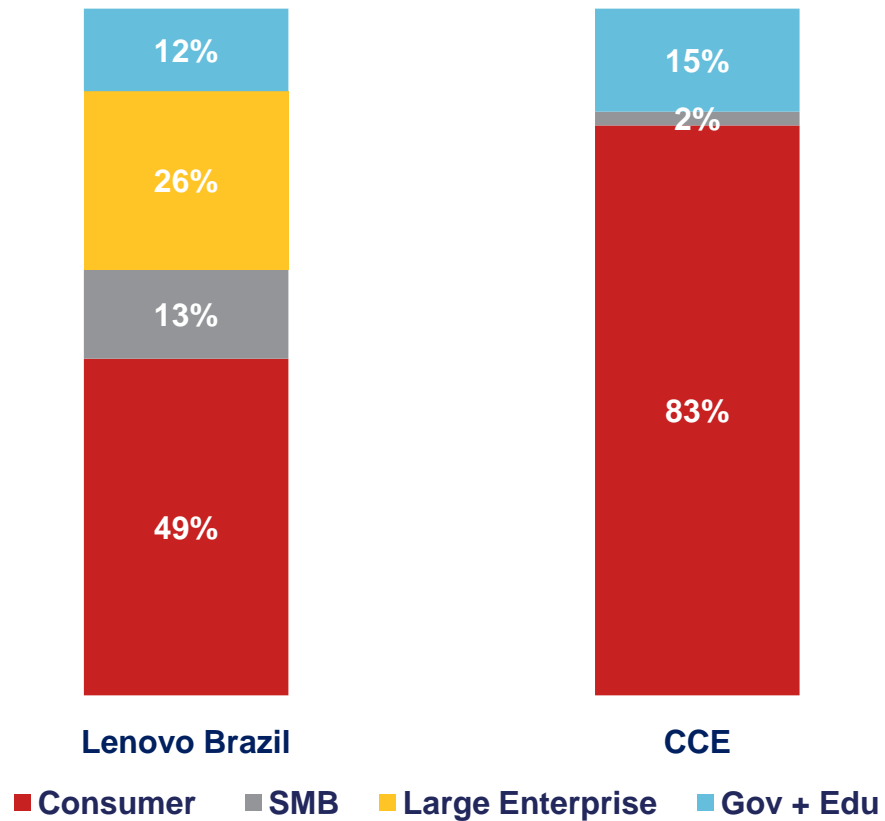


Source: IDC (Q2 2012).

Realizing Economies of Scale across Different Segments

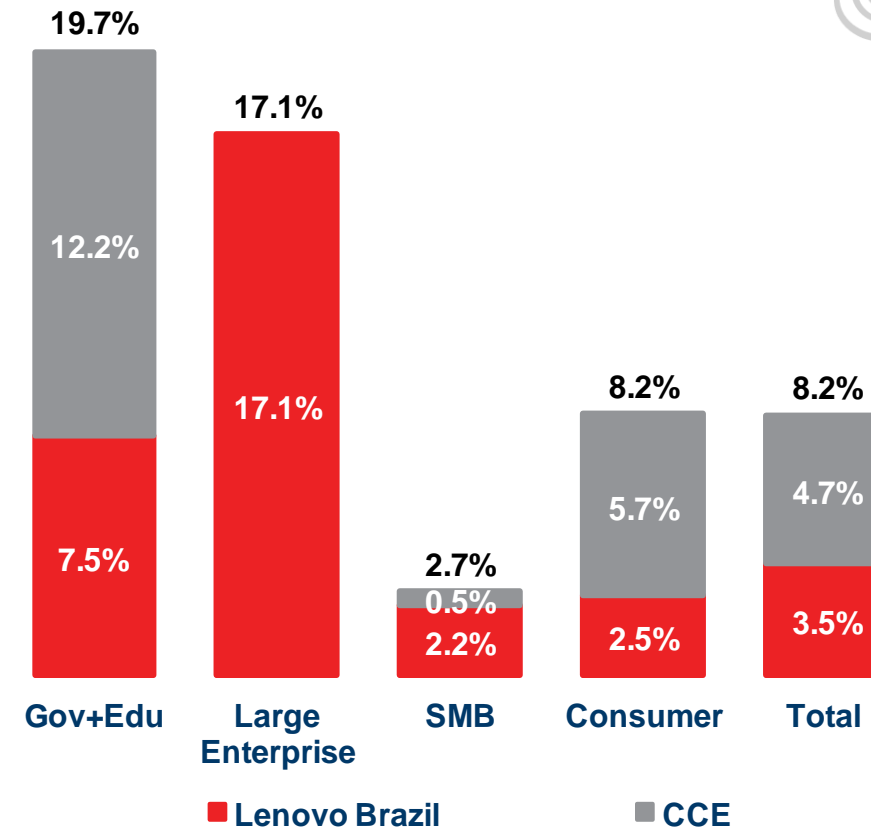
PC Segment Mix in Brazil

% of units, 2011



Combined Segment Share in Brazil

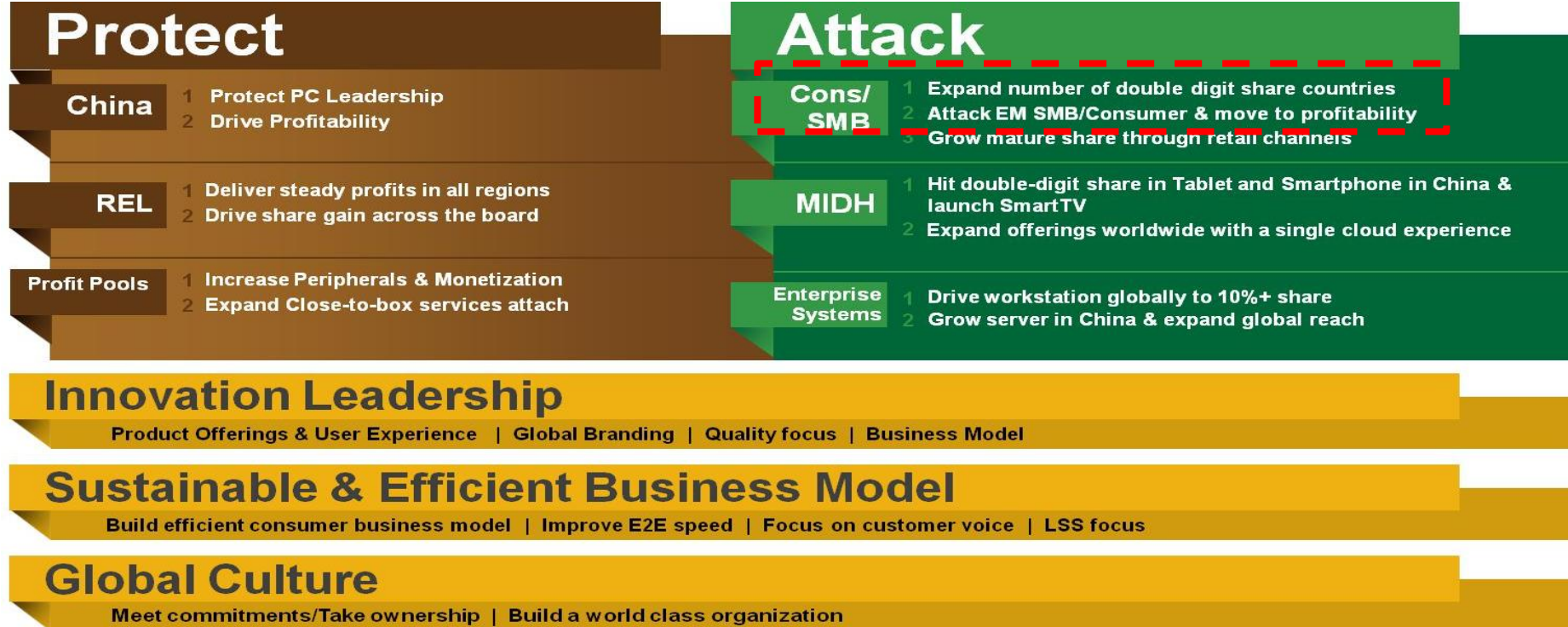
% of units, 2011



Source: IDC (Q2 2012).

Keeping Our Strategic Objectives in Focus

- Fits “Protect and Attack” strategy perfectly
- Boosts Lenovo’s PC+ strategy beyond China
- Enhances product competitiveness by leveraging global innovation and quality
- Keeps local talent to build winning PC+ business in Brazil



Transaction Summary

Structure

- Lenovo acquires 100% stake upfront
- Earn-out mechanism to incentivize management and drive future performance

Valuation

- Equity value of BR\$300 million, subject to closing adjustments
- Additional Earn-Out payment payable after four years, contingent on CCE's future performance relative to certain business plan targets
 - Earn-Out payment capped at BR\$400 million

Consideration

- Upfront consideration: 75% cash (BR\$225 million) and 25% stock (BR\$75 million)
 - 1/4th of total stock vests every year
- Consideration of the Earn-Out payment (if applicable): cash

Impact on earnings

- Acquisition is expected to be earnings accretive in FY2013/14

The Perfect Combination at the Perfect Time



- All eyes on Brazil (2014 World Cup, 2016 Olympics)
- Right time to invest in foundation
- Excited to help drive development and success



Appendix

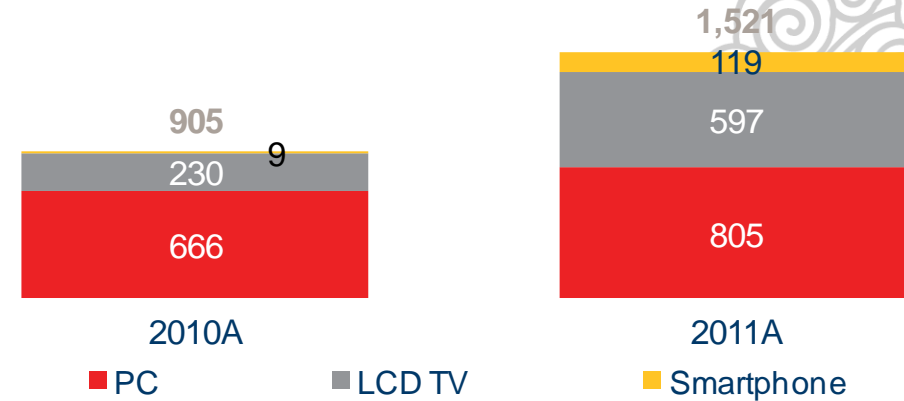
Overview of CCE

- Nearly fifty years of history in the Brazilian consumer electronics market
- Portfolio of consumer high tech brands - including CCE, CCE Info and CCE Mobi
- Strong relationships with large and small retail chains and e-commerce players
- Headquartered in São Paulo; manufacturing facilities in the Free Trade Zone of Manaus
- Full PC+ portfolio, including PC, TV and smartphone



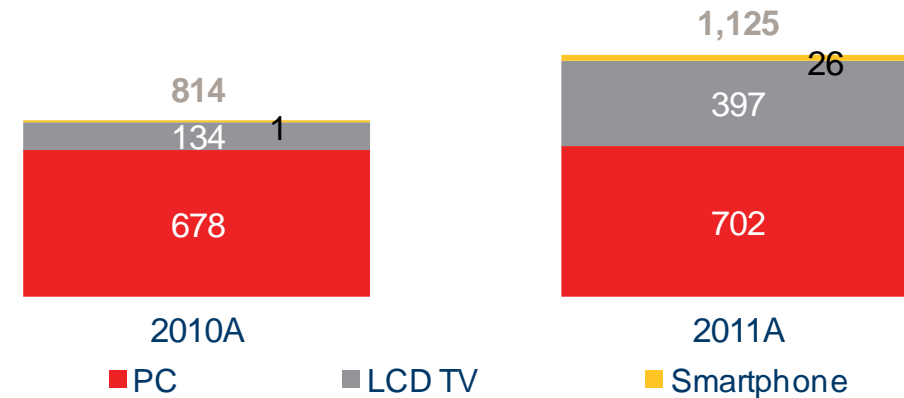
Shipment Volume

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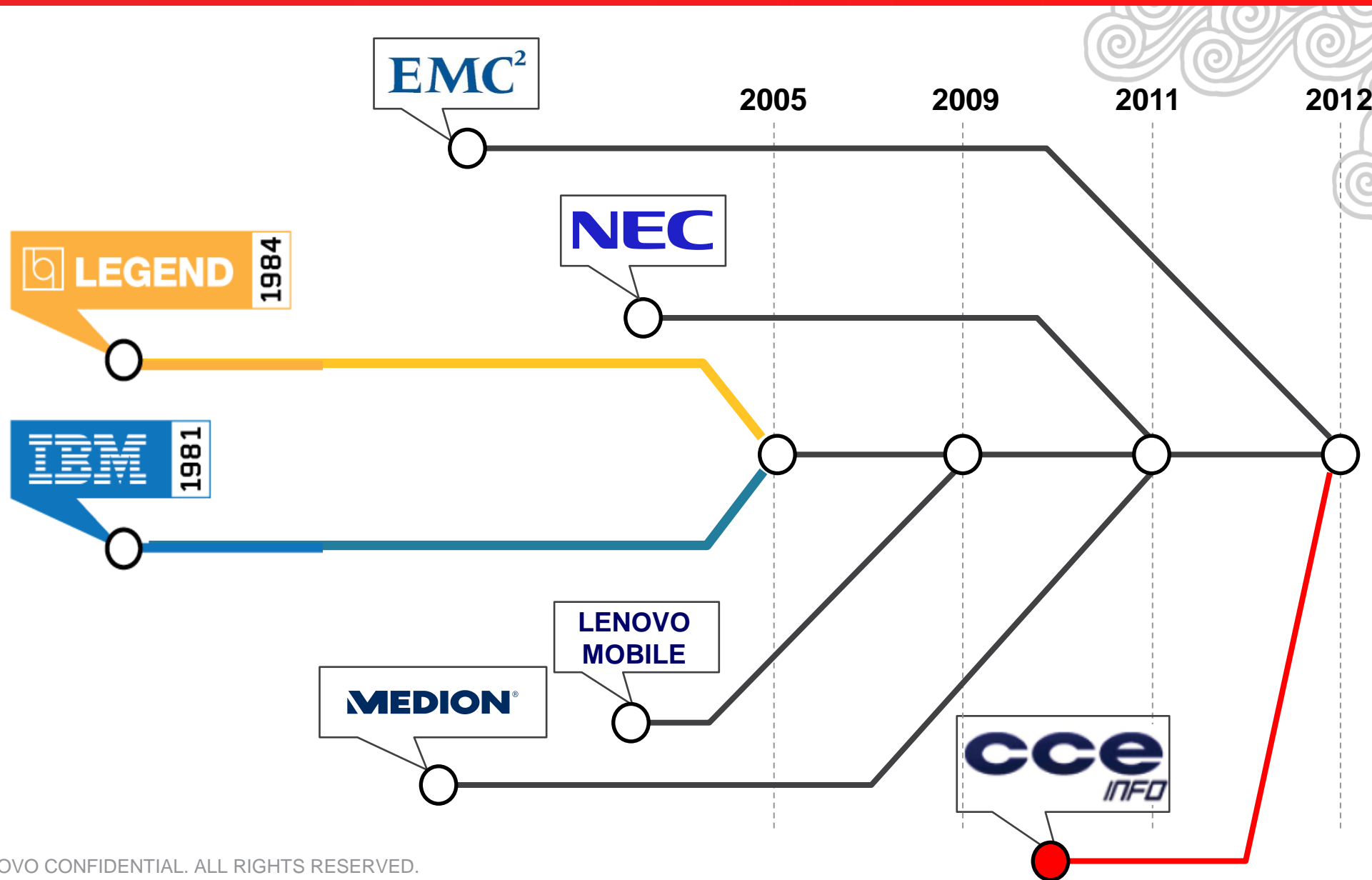
Net Revenues

(BR\$ mn)



Source: Company Data

History of Success in Delivering on Acquisitions and Partnerships



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