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THE LENOVO LEXICON

lenovo

Lenovo is the world's most innovative personal computer company. Formed by Lenovo Group's acquisition of the former IBM Personal Computing Division, the company develops, manufactures and markets reliable, high-quality, secure, and easy-to-use technology products and services worldwide. Lenovo is the only leading PC company that masters the entire PC value chain, from design to manufacturing.



From its bold, new Ambition to its Zealous teams around the world, the new Lenovo has plenty to celebrate on its first anniversary. As the company moves forward, this Lexicon aims to spell out Lenovo's goals, strategy and resources. To start, we put a few questions to Milko van Duijl, Senior Vice President, Lenovo Group, and President of Lenovo Europe, Middle East and Africa.

What has happened during the new Lenovo's maiden year?

When I think back to the end of 2004, when the initial agreement was announced to merge the IBM PC activity into Lenovo, it seems like ages ago. We've achieved so much since then. For one, we've formed a whole new company, which is no minor feat, given the scope of our operations and the scale of our goals. We've developed a new branding strategy and implemented a very successful brand launch at the Olympic Games in Turin. We've also begun to implement a new business model, adapting the transactional model invented by Lenovo in China to the EMEA marketplace. And we have achieved all of this while maintaining our revenues, thanks to the ongoing confidence of our customers and business partners.

Interview **Milko van Duijl,**

Senior Vice President, Lenovo Group, and President EMEA



On a global scale, Lenovo has identified small and medium-sized business (SMB) as one of your prime vectors for growth. What does this mean in EMEA?

It's important to remember that the SMB sector is the fastest growing worldwide - especially for notebooks. SMBs account for around 55% of the commercial PC market, with some segments of the EMEA notebook market growing at over 40% annually. To better serve SMBs in EMEA, we are stepping up our marketing efforts and bringing on more resellers. We are also expanding our product portfolio, complementing the strong position of the ThinkPad brand in the high-end segment with new products aimed at the mid and lower-end market segments. The Lenovo 3000 line is a good example - PCs offering the quality, design and functionality that especially appeal to SMBs.

What about the strategic emphasis placed on emerging and high growth markets?

The whole EMEA market, from SMBs to large accounts, is critical to our success, not only for newer markets but also for mature ones. To take advantage of high growth opportunities, we are devoting more resources and enhancing service levels in the Middle East as well as in central and eastern Europe.

What difference does it make that the IBM PC business is now part of a Chinese company?

For people like myself who have moved from IBM to Lenovo, it's as if we've moved into a whole new world, full of ambitious goals and endless possibilities. The fact that Lenovo is a global company with Chinese origins gives us a big competitive edge. Thanks to our economies of scale and low cost manufacturing, we can achieve sustainable growth and profitability. What's more, our number one position in China provides a platform from which we can achieve leadership worldwide. And the innovative transactional model we're now adapting to European markets offers huge possibilities for growing revenue through our business partners.

You have announced an ambitious reorganization plan that is now underway. What effect will it have on customers and business partners?

Our plan integrates Lenovo's global sales organization and back-office support into one highly responsive customer service unit. That's good for customers because it integrates the key functions customers depend on - sales, support and fulfillment - to provide a *one-touch* relationship that's simpler and more responsive. Our customers will also benefit from the changes in our global supply chain, which will improve our efficiency and execution. Furthermore, the expenses we are taking out of the operation can be dedicated to developing more innovative products.

What can customers and business partners expect from Lenovo in the future?

Concretely, everyone will see more new innovative products coming from a faster, more responsive organization. We will work with our business partners throughout EMEA to expand our geographical coverage and extend our reach into more market segments.

One of the world's three leading PC companies, Lenovo aims to combine its innovative approach and unbridled energy with its unique skills and resources to achieve the number one position. The combination of Asia's leading computer products company with IBM's former PC Division, Lenovo brings together strong complementary brands, market positions and market segment expertise.

No one can match the breadth and depth of Lenovo's potential. Thanks to its combined engineering, manufacturing and logistics skills and resources, Lenovo masters the entire PC value chain, from R&D through manufacturing. Thanks to its reputation for value and quality, Lenovo enjoys the number 1 position in China and Asia, setting the standard for small business and individual users. Thanks to ThinkPad and ThinkCentre quality, reliability and security, Lenovo enjoys trusting relationships with the world's most demanding corporate customers.



for Ambition

INNOVATION CENTER BEIJING, CHINA

Building on its undeniable strengths, the challenge facing Lenovo today is to leverage its unique achievements, skills and assets by expanding them worldwide to achieve profitable, sustained growth. In Europe, the Middle East and Africa (EMEA), the implementation of this ambitious, step-by-step growth strategy is underway.

Thinking small At first, Lenovo's drive focuses on satisfying the needs of small, very small and individual business customers and on expanding Lenovo's footprint in emerging markets. In EMEA, and worldwide, these are the fastest-growing PC market segments. At the same time, Lenovo will nurture its strong relationships with larger customers in mature markets and continue to deliver leading edge technology and performance with innovative Think family products.

For smaller customers, Lenovo is putting into place a ground-breaking business model specifically designed to match the way small businesses purchase products and get support services. In parallel, the company has begun to roll out new generations of desktop and notebook PCs offering the reliability, value and security required for this fast-moving market segment.

Longer term, as the company's step-by-step five-year strategy advances, Lenovo will achieve additional growth by expanding international markets for the business and consumer products that have contributed to its leadership position in China.

The strength of its brands will count among Lenovo 's most valuable assets. Known for the highest levels of quality, reliability and security at a competitive price, the ThinkPad and ThinkCentre brands continue to represent the ultimate business tool for the most demanding customers. As the leading brand in China and Asia, the Lenovo name stands for no-worry, reliable PCs at a great value. Now, Lenovo has begun leveraging the respective strength of its product brands to establish the company name as a household word worldwide.

A single global brand On a global scale, all of the company's product brands are united under the Lenovo name. The global branding campaign launched at the Olympic games in Turin in 2006 constitutes the first volley in an ongoing program to establish Lenovo as a name that stands for Innovation, High Quality and Reliability and Service Excellence.

The Lenovo brand was introduced throughout EMEA when ThinkPad ads began to be signed with the company name. The brand was reinforced further as ThinkPad became Lenovo Thinkpad and more recently, with the launch of the 3000 Family.

Lenovo will continue to build on the equity of the ThinkPad sub-brand, but with no ambiguity between the Think and Lenovo names. All products are Lenovo products: Lenovo ThinkPad, Lenovo ThinkCentre and Lenovo 3000. ThinkPad will be the only product range with ongoing investments in brand equity.

B

for Branding

Product families Under the umbrella of the Lenovo brand, the company offers two families of products: the Think family and the 3000 family.

The Think family stands for products offering industry-leading capabilities that improve productivity and reduce the total cost of owning a PC while maintaining stability and manageability. They are the ultimate business tools.

The 3000 family, designed especially for customers with limited or no IT resources, helps small business and individuals achieve their work and personal goals with exciting, affordable, no-hassle PCs. Lenovo 3000 desktop and notebook computers are the smart choice for those who want a reliable, worry-free PC at a great value.

To help bring to life the Lenovo brand promise, football superstar Ronaldinho is being featured in worldwide marketing campaigns and promotional activities for Lenovo-branded products. As a Lenovo worldwide brand ambassador, the Brazilian star epitomizes the Lenovo culture of innovation and the company's pursuit of excellence.



C

for Channel

Committed to its business partners as the primary route to small and medium-sized business (SMB) customers, Lenovo helps channel partners grow their businesses with enhanced demand generation tools, plenty of marketing support and an expanding product portfolio of industry-leading PC technology.

More than 70 percent of Lenovo's business goes through value added resellers, system integrators and other third party distributors - the so-called channel. The company's future is tied to the success of these independent channel partners, especially as Lenovo sharpens its focus on SMB customers. That's why so much attention and so many resources have been committed to initiatives that support channel business partners.



Expanding opportunities Known as the Lenovo Partner Network, the business partner program aims to help partners expand their SMB business aggressively and profitably by improving their opportunities. For example, as business partners increasingly focus on delivering services to their customers, the ThinkVantage™ and Lenovo™ Care services offerings provide them with a stronger value proposition to help them build new revenue streams.

The expansion of Lenovo's product portfolio enables partners to expand revenue opportunities and find new customers. And Lenovo has undertaken a series of initiatives to simplify and streamline partner collaboration, including an innovative partner website for a fresh, user-friendly web navigation experience.

An end-to-end program, Lenovo Partner Network covers the entire partner relationship lifecycle, including recruitment, education, training, sales and marketing tools and service and support.

D

for Driving Market Demand

Lenovo helps drive market demand in EMEA by building awareness and consideration for its brand, through heavy investments in sponsorships, awareness advertising campaigns and much more. Lenovo focuses on small and very small business markets in particular through e-mailings and web activities, as well as co-marketing campaigns with resellers. A full set of tools and templates makes it easy for resellers to promote their offerings and value proposition to local markets throughout the region.

for Efficient

Lenovo is maximizing efficiency and moving closer to customers' decision making by reducing the layers of its sales and operations management structure. Simplifying the management system and streamlining marketing operations are helping the company reduce costs, cycle times and complexity.

Management:

- **YANG Yuanqing**, Chairman of the Board
- **William J. AMELIO**, President and Chief Executive Officer
- **Deepak ADVANI**, Senior Vice President and Chief Marketing Officer
- **George HE**, Senior Vice President and Chief Technical Officer, Research & Technology
- **LIU Jun**, Senior Vice President and COO, Global Supply Chain
- **Mary MA**, Senior Vice President and Chief Financial Officer
- **Frances K. O'SULLIVAN**, Senior Vice President and COO, Product Group
- **Milko VAN DUJL**, Senior Vice President and President, EMEA Region

William J. Amelio President and CEO



Bill Amelio joined Lenovo as President and CEO at the start of 2006 to steer the company through a new growth phase, following the 1st May 2005 acquisition of IBM's Personal Computer Division. He had been Senior Vice President of Dell Inc. and President, Asia-Pacific and Japan. Previously, Mr. Amelio served in senior executive and operating positions at NCR Corp., Honeywell International Inc., AlliedSignal Inc. and IBM, including General Manager of Worldwide Operations for IBM's Personal Computing Division.

Net Revenues:

- More than **\$13 billion**
- Annual PC product volume: over **15 million** units
- Lenovo is the third largest manufacturer of PCs worldwide

Executive Headquarters:

Raleigh, North Carolina

Principal Operations:

Beijing, China;
Raleigh, North Carolina

Research & Development Centers:

Yamato, Japan; Raleigh, North Carolina;
Beijing, Shenzhen, Xiamen, Chengdu and Shanghai, China

PC Manufacturing and Assembly and Services Facilities:

Shenzhen, Huiyang, Beijing and Shanghai, China;
Additional facilities in Australia, Brazil, Hungary, India, Japan, Korea, Malaysia, Mexico, Scotland, Slovakia and US.

People:

About **27,000 employees** worldwide (21,400 in the PC activity)

Global Reach:

Offices in **66 countries**



for Facts & Figures

Ownership: (31.01.06)

- Public shareholders: **33,4%**
- Employees' Shareholding Society **28%** (through Legend Holdings Limited)
- The Chinese Academy of Sciences **15%** (through Legend Holdings Limited)
- IBM: **13,4%**
- Strategic Investors (Texas Pacific Group, General Atlantic, Newbridge Capital) **10,2%**



for Go to Market

Most PC companies segment their business model into direct vs. indirect or segment customers into consumer vs. commercial. Lenovo's unique dual business model addresses customers according to their distinctive product and service needs and buying behaviors. Some are relationship driven; others are more transactional oriented. This dual model, which has helped propel Lenovo to market leadership in China, is now being implemented worldwide.

Transactional model Most transaction customers do not purchase PCs very frequently. But when they do, they want products with up-to-date technology, cutting edge design and high value. The key to success is the product itself. For Lenovo, this means up-to-the-minute tracking of market changes – demand, technology, component prices and inventories – and on demand adaptability. Rapid decision-making helps Lenovo be more competitive and profitable. But the customer benefits as well, through up-to-date technology, rapid delivery and lower prices. The product-centered transaction model is a kind of 'push' model, favored by many SMBs, education and consumers.

Relationship model Relationship customers, including large enterprises and government agencies, tend to purchase PCs more frequently. Generally more knowledgeable about products and technologies, they demand stability, security, customization and higher level services. Leveraging their bargaining power, relationship customers define certain aspects of the products and services they want. Lenovo's relationship model is a customer 'pull' model, founded upon long-term, sales relationships. The continuing success with relationship customers rests on the proven ability of Lenovo and its channel partners to deliver service excellence and a highly efficient supply chain.



for Heritage



Shared values are the foundation when people of different backgrounds join together. As Lenovo begins the redraw the outline of the PC industry, a common heritage of innovation, daring and entrepreneurial spirit provides the cement for a new, global vision.

Legendary Vision In 1984, 11 computer scientists in Beijing, China, led by Liu Chuanzhi, had a vision - to create a company that would bring the advantages of information technology to the Chinese people. Setting up shop in a small bungalow, they opened a new era of consumer PCs in China with the creation of a new company, Legend.

Legend introduced PCs to households, then promoted PC usage in China by establishing retail shops nationwide. In 1994, it began trading on the Hong Kong Stock Exchange.

Within four years, it had produced its one-millionth personal computer. The launch of a series of innovative, market-leading personal computing products catapulted Legend to a leadership position in China for eight consecutive years with over 25% market share in 2004. In 2003, Legend changed its brand name to Lenovo, taking the "Le" from Legend, a nod to its heritage, and adding "novo," the Latin word for "new," to reflect the spirit of innovation at the core of the company.


On 1 May 2005, as the centerpiece in a strategic alliance with IBM, Lenovo consolidated the skills and experience of two organizations rooted in innovation and driven by customer satisfaction with the acquisition of IBM's Personal Computer Division. Today, these two visionary companies are united under the Lenovo name.

Visionary Thinking In 1980, a visionary group of twelve IBM engineers assembled secretly in Boca Raton, Florida to build the 'Acorn.' They changed the world after their machine was launched in 1981 as the IBM Personal Computer.

The rapid success that followed led to the creation of the IBM Personal Computing Division, which advanced the state of the art and of the industry.

In 1992, PCD rolled out a new series of notebook computers - the ThinkPad. Featuring a distinctive black case and an innovative TrackPoint pointing device, the ThinkPad was an immediate hit, winning more than 300 awards for design and quality.

PCD achievements also include the creation of the unique software tools known as ThinkVantage Technologies, which increase user productivity.



The Lenovo focus on innovation is based on the conviction that advances in technology help customers work better. The same logic is applied internally, as Lenovo seeks innovative ways to work more efficiently and productively.

for Innovation

Teams at major R&D centers – in Yamato, Japan; Beijing, Shanghai and Shenzhen, China; and Raleigh, North Carolina – are dedicated exclusively to innovation in PC systems, software and services. The efforts of the company's 1700 development engineers help make Lenovo the best choice for customers who demand the increased productivity that real innovation delivers.

Track record for excellence Lenovo engineers have achieved an unequalled track record, including more than 2,000 patents - and numerous industry firsts. Lenovo is the only PC producer to win Intel's prestigious Innovative PC Design Award for three consecutive years. In 2005, two Lenovo concept PCs won design awards from the prestigious German design institute, Design Zentrum Nordrhein Westfalen. The prizes, for "Best of the Best for Highest Design Quality" and "High Design Quality," were received as part of the Red Dot Design Award, a major design competition, attracting more than 4,000 entries from 40 countries.

Lenovo innovation always aims at helping customers work better. For example, the new levels of performance and portability offered with recent ThinkPad models extend battery life up to 11 hours. Likewise with Lenovo's new System Rejuvenation technology, that enables PCs to perform better by cleaning out unused and unnecessary files and getting rid of spyware and adware.

High-potential Pipeline To ensure that development programs focus on the most important issues, Lenovo has set up unique Innovation Centers in Research Triangle Park, North Carolina and Beijing, to bring customers and developers together to address the toughest IT challenges.

Today, the members of Lenovo global development teams are developing a wealth of new ways to satisfy customer needs - in PC design, quality management, and human interface, including Internet telephony, radio frequency identification, and other exciting new technologies.

Business Innovation Lenovo has established a track record for developing innovative responses to business challenges. For example, it was the first Chinese company to privatize ownership, the first to issue employee stock options, and the first to sponsor the Olympic games.



for
Judicious
choice

For businesses of all sizes,
Lenovo is the judicious
choice for PC Innovation,
Quality, Reliability and
Service Excellence.



for Kudos

Throughout EMEA and throughout the world, Lenovo products are widely recognized for quality, reliability and advanced technology. Here are just a few examples:

ThinkPad Z:

Test Champion (performance & price)

PC Welt, Germany (Mar. 2006)

ThinkPad R52:

5 out of 6 stars,

Labs Winner PC Pro, UK (Feb. 2006)

ThinkPad Z60m:

Editor's Choice

Windows News Magazine, France (Feb. 2006)

Lenovo C400 Projector:

8 out of 10

PC Actual, Spain (Jan. 2006)

Lenovo C100:

Editors Choice

Mikrobitti Magazine, Finland (Apr. 2006)

9 out of 10

Trustedreviews.com, UK (May 2006)

Lenovo J105:

5 out of 6 stars, Recommended

PC Pro, UK (May 2006)

ThinkPad T42 w/fingerprint reader:

Product of the Year 2005

Kapital, Norway (Mar. 2005)

Best of Breed 2004

Computer Week Strategist, So. Afr. (Jan. 2005)

Wprost Certificate

Wprost, Poland (Jan. 2005)

ThinkCentre A50:

VNU Labs award

PC Magazine, Italy (Feb. 2005)

ThinkPad X41:

Editor's Choice

Skenegroup.net, Finland, (Jan. 2006)

ThinkPad Z60t:

Best Design Award

PC Revue, Slovakia (Apr. 2006)

ThinkCentre A35:

4 out of 5 stars

PC World, Italy (May 2005)

L for Leadership

For Lenovo, market leadership depends on leveraging resources and experiences across the entire global organization, to deliver tangible benefits to customers everywhere. That means capitalizing on the company's unique multicultural heritage, entrepreneurial drive and shared values. Constant innovation and leading edge technology fuel Lenovo's relentless drive forward. But for Lenovo people, industry leadership also depends on setting the global benchmark for business processes, management, customer satisfaction and new thinking.

m

for Mobility

In a faster moving world, customers everywhere want to be able to work easily, securely and reliably when they are on the move. To respond to this need, Lenovo development teams are creating a constant stream of innovation to enhance and expand mobile computing.

For example, the integration of Vodafone's high speed mobile data connectivity into ThinkPad notebooks enables customers to benefit from high speed mobile data networking with no need for external accessories. Likewise, the ThinkVantage Access Connections feature allows users to automatically switch between wired and wireless local area networks, for example when they move from their desks to a conference room. As wireless and collaborative computing environments grow increasingly complex, Lenovo engineers are developing solutions for seamless porting among systems using different standards.



**I STARTED A BUSINESS TO
SEE WHAT I WAS MADE OF.**

**NOT WHAT COMPUTERS
ARE MADE OF.**

We hear you. PCs are supposed to help you work, not make more work for you.

Introducing the Lenovo 3000 Family:
It has a virus recovery button*.
It updates its own software.
It's easy to hook up.
It has live phone support.
It's got a keyboard to die for.
It starts at XXXXX.
It's easy to buy via resellers.

It's a new kind of computer for
a new kind of world.
New World. New Thinking.™

lenovo.com/3000/xx



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©2008 Lenovo. All rights reserved. *Virus recovery button can help restore system to previously saved uninfected state; does not include anti-virus software. Lenovo and the Lenovo logo are trademarks of Lenovo. Windows is a registered trademark of Microsoft Corporation. Note: models pictured are for illustration purposes only, may not correspond to advertised product specifications and have no contractual effect.

The 'New World, New Thinking' headline positions Lenovo powerfully and succinctly for Lenovo's first global brand ad campaign.

N

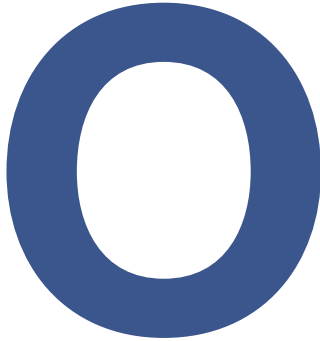
for
New World,
New Thinking



lenovo



WORLDWIDE PARTNER



TORINO OLYMPIC COMMITTEE CONTROL CENTER



LENOVO OLYMPIC VILLAGE I-LOUNGE IN TORINO

for Olympic Games

Following the flawless performance at the XX Olympic Winter Games in Torino, Italy in March 2006, Lenovo will once again rise to the challenge in 2008 as the official computing equipment provider to the XXIX Olympic Games in China. As a TOP sponsor, Lenovo has another opportunity to demonstrate its commitment to global excellence and impeccable performance.

A robust computing platform is critical to the success of the Games. In Torino, Lenovo stepped up to the challenge with world-calibre hardware and technicians and flawless execution. More than 5,000 Lenovo desktop PCs, 800 notebooks and 350 servers were used in nearly every aspect of the IT infrastructure, helping accurate and rapid collection, distribution and storage of competition results. Lenovo's performance, publicly acclaimed by International Olympic Committee executives, proved error-free.

Supported by an onsite team of 60 Lenovo engineers, Lenovo systems ran for more than 360 hours over 16 days with no delays in service. In collaboration with other technology sponsors, the Lenovo computing equipment tracked results from more than 200 competitions and events in real-time. Sixty-two of the events, including the opening and closing ceremonies, took place outdoors in sub-zero temperatures, including 60 events in mountain venues.

As part of the demonstration of the value of the Lenovo brand to a global audience, Lenovo equipped six athlete Internet i.lounges, located throughout the three Olympic Villages. Designed to help keep athletes, coaches and staff connected to family and friends during the Games, the Lenovo Internet i.lounges hosted some 1,800 athlete visits from 60 countries each day. Lenovo also coordinated a charity event at the Torino Olympic Village i.lounge with "Right to Play," an organization of Olympic, Paralympic and professional athletes that helps children in impoverished regions.

Lenovo is currently working with the Beijing Organizing Committee for the Olympic Games to define needs for the XXIX Olympic Games and is already providing computing equipment to support planning operations.

Lenovo's strategic alliance with IBM helps provide a best-in-class experience for customers. In addition to IBM's shareholding, long-term agreements give customers preferred access to IBM's world-class customer service organization and global financing offerings.

The partnership with IBM covers:

Sales & marketing: IBM and Lenovo have a 5-year commitment for PC lead generation with incentives

Warranty and service: 5-year commitment to provide Lenovo with warranty services

Financing: 5-year commitment covers customer leasing and financing

Internal supply: IBM has a 5-year commitment to buy PCs from Lenovo

Technology partners Lenovo works together with numerous technology partners:

AMD: Lenovo's partnership with innovative microprocessor provider AMD expanded significantly as AMD Athlon™ 64 processors and advanced onboard components were designed into Lenovo 3000 J105 desktops.

Intel: The benefits of Lenovo's long-standing collaboration with Intel, a founding partner in the Lenovo Innovation Center, include increased productivity and lower ownership costs. The combination of Intel and ThinkVantage Technologies has enhanced the user experience for Lenovo customers.

Microsoft Corp.: Microsoft and Lenovo have a history of close collaboration, the most recent examples of this include such initiatives as the new Lenovo Innovation Centers in the U.S., China and India; the ThinkPad Tablet PC; and the Genuine Windows Experience Program to combat counterfeiting and piracy in China.

LANDesk: The partnership with LANDesk enables Lenovo customers to benefit from leading systems, security and process management solutions for desktops, servers and mobile devices. LANDesk is among the founding partners in Lenovo's Innovation Center.

Brainboxes: Thanks to our cooperation with Brainboxes, a leading PC communication card supplier, Lenovo customers can connect serial and Bluetooth devices to Lenovo PCs and ThinkPads using Brainboxes' leading edge serial solutions.

Neoware: Thin Clients from Neoware are a core component of the Lenovo desktop product portfolio, enabling enterprises to realize the full benefits server based computing.

Symantec: The partnership between Lenovo and Symantec helps customers of all sizes - from individuals to large enterprises - assure the security, availability and integrity of their information assets. Symantec is also a founding member of the Lenovo Innovation Centers.

Targus: Lenovo customers enjoy a quality range of mobile computing cases and accessories thanks to the partnership with Targus, the world's leading global supplier.

Utimaco: Lenovo's partnership with Utimaco gives enterprise and government customers access to state-of-the-art security solutions for protecting data.

Vodafone: Cooperation with one of the world's largest mobile network operators enables Lenovo customers in France, Germany, Ireland, Italy, the Netherlands, Portugal, Spain, and the UK to benefit from fast, simple and secure access to business applications and the Internet, with no separate data card, and no need to find a hotspot.

P
for Partnerships

Q for Quality

From the peak of Mount Everest to fail-safe Olympic computing to the most demanding mission critical corporate environment, Lenovo products deliver rugged, reliable performance. As the preferred PC provider to IBM and IBM's customers, Lenovo is committed to the highest standards of quality and durability.

World leading quality is one of the hallmarks of every product that leaves a Lenovo factory. All ThinkPad, ThinkCentre, and Lenovo PC products undergo exceptionally rigorous testing to ensure that they can survive the trials of the business world. In fact, Lenovo has invested upwards of \$1 billion to make certain that all its offerings meet the highest quality standards.

The Lenovo Lexicon / 16/17



INNOVATION CENTER BEIJING, CHINA

Industry benchmark With 46 quality testing labs spread worldwide, Lenovo leads the industry. The first PC manufacturing company to win ISO 9001 quality certification, Lenovo purchases components only from the most reliable Tier 1 suppliers.

Lenovo quality has been recognized by the International Olympic Committee, which selected Lenovo, as part of The Olympic Partner program, for more than 6,000 desktop and notebook computers and servers, as well as technical support, funding and expertise to contribute to the success of the XX Olympic Winter Games in Torino, Italy. The smooth, error-free performance and flawless execution, under a high pressure, global spotlight, attest to Lenovo quality and reliability under the most extreme conditions.

The same teams that established ThinkPad as the industry standard of quality for notebook computers continue to enhance the reliability and durability of every Lenovo product. What is more, customers throughout Europe, the Middle East and Africa can benefit from award-winning IBM service and support, with an optional warranty upgrade from the standard one-year limited warranty to three years.

R for Responsibility

Lenovo is committed to fulfill its role as a responsible, active corporate citizen, contributing to the development of society and protecting the environment as it works to improve its business. Dedicated to sustainable growth, Lenovo has implemented corporate policies to ensure responsible interaction with all of its stakeholders worldwide.

As part of its commitment to provide products safe for customers and employees, all Lenovo people constantly assess product safety initiatives and report results to senior management. Likewise, the company is committed to providing a safe and healthful workplace for all employees, including voluntary practices not required by local law.

LENOVO BEIJING DESKTOP ASSEMBLY LINE



To respect intellectual property rights of other companies and individuals, all Lenovo people are required to obtain necessary license or other permission in order to use non-Lenovo proprietary materials such as copyrights, patents or trademarks. Lenovo corporate policies also ensure protection of privacy, workforce diversity and nondiscrimination, and controls against conflicts of interest.

Corporate Citizenship As a complement to corporate initiatives, Lenovo people everywhere play an active, leadership role within their local context. For example, in 2003, at the height of the SARS epidemic in China, Lenovo donated funds to support SARS prevention, with employees voluntarily raising additional donations for this important cause. Again in 2005, the company contributed funds to South Asian countries devastated by the tsunami. As part of its support for the Olympics, Lenovo provided technology and technicians for the 2006 Paralympic Winter Games in Torino, including operation of four i.lounges to enable athletes, coaches and staff to connect with family and friends during the Games.

Global environmental management

Lenovo is committed to environmental leadership in all of its business activities, from its operations to the design of its products and use of its technology. Lenovo's corporate policy on environmental affairs is supported by the company's global environmental management system, which is the key element in the company's efforts to achieve results consistent with environmental leadership and ensures the company is vigilant in protecting the environment across all of its operations worldwide.

In Europe, the Middle East and Africa, Lenovo participates in numerous environmental programs. In many countries, Lenovo offers customers end-of-life management solutions for their computer equipment and participates in initiatives designed to collect and recycle batteries. Likewise, small and medium-sized business customers as well as large enterprises safely and economically dispose of Lenovo and non-Lenovo IT equipment through IBM Global Finance Asset Recovery Solutions, including the resale of marketable assets or the disposal of assets without market value.



for Service excellence

To ensure world-class service and support, Lenovo customers and business partners enjoy access to IBM Global Services offerings, including technical support. What's more, unique service and support features are built into Lenovo Think and 3000 family desktops and notebooks.

Lenovo customers throughout EMEA can continue to depend on the IBM service and support they've always relied on. For those who prefer to receive service and support from their local dealer, reseller or system integrator, Lenovo has 10,000 certified business partners around the world to meet their support needs.

ThinkVantage™ To reduce total cost of PC ownership, especially in larger corporate networks, ThinkVantage™ technologies are built into Think family products. They help customers improve business productivity and efficiency as they deploy, connect, protect, support and retire PCs. For example, the ThinkVantage Productivity Center makes it easy for users to set up, understand and enhance their PCs with one touch of a button. The ThinkVantage Client Security Solution enables users to easily recover logon passwords themselves; it also features disk encryption and a System Security Audit.

Lenovo Care™ Lenovo 3000 PCs feature a unique suite of easy-to-use Lenovo Care productivity tools that help make owning and operating a PC a worry-free experience for small business and individual users. For example, instead of manually locating and applying critical system updates, Lenovo Care identifies and updates software automatically. Additional Lenovo Care features include one-button system recovery and simple set up facilities for wired or wireless home office, office or leisure connections.



for Trustworthy

Trustworthiness & integrity are among the core values that guide Lenovo people in their relationships with customers and all company stakeholders. Customers and business partners have demonstrated their ongoing confidence as the company moves forward.

Determined to achieve sustainable growth, Lenovo people know that long-term business relationships are always built upon trust. That's one reason why people throughout the organization cite trustworthiness and integrity as part of their shared legacy and one of Lenovo's core values.

Trust in Lenovo among customers and business partners has helped propel the company to its strong market positions. Trust in Lenovo underpins IBM's financial stake and its selection as IBM's preferred PC supplier both internally and for customers. In EMEA, Lenovo's relationships with customers and business partners, and the trust upon which they are founded, remain untouched as the company expands its offerings and its markets.

Trustworthiness also extends to product innovation. In response to customer needs to protect privacy and security, some ThinkPad models include a fingerprint reader that provides user authentication without intruding on personal privacy. The device, which records only data points rather than an entire fingerprint, stores the data in the local hard drive and does not send it over the Internet.

Lenovo R&D teams use Trustworthy Computing technology to embed security in PC hardware. By interconnecting hardware, operating systems and software applications, Lenovo engineers are integrating many devices - cell phones and PDAs in addition to desktop and notebook PCs - into what will be a chain of Trustworthy Computing.



U

for Unique

Other PC companies simply follow market trends and refuse to invest in innovation, and often rely on third parties for manufacturing. Only Lenovo masters the entire PC value chain, from research & development through manufacturing.

V for Values



THE LENOVO EMEA UNIVERSITY, APRIL 06

Lenovo people worldwide rally around four key values: **Serving customers, Innovative & entrepreneurial spirit, Accuracy & truth-seeking and Trustworthiness & integrity.** These four pillars provide the underpinning for the company's future and a firm foundation for all Lenovo stakeholders.

When the two organizations that constitute Lenovo were first brought together, nearly 1,400 people from all levels of the company were asked to choose the values most appropriate to current and future goals. The results showed a remarkable commonality, with people everywhere seeking to reinforce the things that had made their companies great: customer focus, strong leadership, clear strategy and efficiency.

Building upon this broadly-shared heritage, Lenovo identified the values that would anchor the company's drive for profitable, sustainable growth everywhere it does business:

- **Serving customers:** We are dedicated to the satisfaction and success of every customer.
- **Innovative and entrepreneurial spirit:** Innovation that matters to our customers, and our company, created and delivered with speed and efficiency.
- **Accuracy and truth-seeking:** We manage our business and make decisions based on carefully understood facts.
- **Trustworthiness and integrity:** Trust and personal responsibility in all relationships.

Today, Lenovo people worldwide are committed to these values as they build the world's leading PC company.

Four critical attributes are being emphasized to strengthen the company's winning culture: **Change, Speed, Discipline** and **Performance**. Change involves the will and the ability to adapt new habits and approaches. Speed is critical to respond to rapidly evolving market conditions, especially in the transactional segment. Discipline ensures that the Lenovo strategy is implemented coherently company-wide. Building a performance driven culture involves defining clear, attainable goals for departments and individuals and tying incentives to results.

W for Win

X for Xpanding product portfolio

Lenovo pledges to deliver innovation and value that means bringing to market a constant stream of new products with technologies that help business customers work better, faster and more easily.

Y for YANG Yuanqing

Chairman of the Board

The mastermind behind the acquisition of the IBM Personal Computer Division, Lenovo Chairman of the Board Yang Yuanqing has spearheaded the combined organization through its maiden year.

When Business Week named Yang Yuanqing as one of the “Stars of Asia” a few years ago, it described the then-34 year old “whiz kid” as “the reason China’s computing industry is thriving today.” Named sales manager in 1991, at the age of 26, Mr. Yang has been driving the company to success ever since. Under his leadership, Lenovo has been China’s best-selling PC brand since 1997. Two years later, Lenovo ranked as first in PC sales in Asia-Pacific (excluding Japan) and has maintained this position ever since.

Named CEO in 2001, Mr. Yang played a key role in Lenovo’s transformation into a truly global company, leading Lenovo to become the International Olympic Committee’s worldwide partner in March 2004. Mr. Yang was also responsible for spearheading Lenovo’s landmark acquisition of IBM’s PC business in May 2005, fulfilling the company’s internationalization strategy and making Lenovo the third-largest PC manufacturer worldwide.

Born in 1964, Mr. Yang joined what was then called Legend Holdings in 1989, after he was awarded a master’s degree from the Department of Computer Science at the University of Science and Technology of China.

He has been selected by the Chinese media as one of China’s “Ten Star Entrepreneurs” and “Ten Most Valuable Managers” and was named by CCTV as a “Man of the Year” in 2004. Mr. Yang is a member of the National Youth Association Committee, director of China’s Entrepreneurs’ Association, a guest professor at the University of Science and Technology of China, and a member of the New York Stock Exchange International Advisory Committee.



Z for Zeal

Driven by ambitious goals as they build on their rich legacy, Lenovo people in EMEA and worldwide are determined to help customers become more productive in business and enhance their personal lives.

We are zealous about innovation

We are zealous about quality and reliability

We are zealous about service excellence

We are zealous about our international scope

We are zealous about trustworthiness

We are zealous about making it easy to work together

We are zealous about leadership in customer satisfaction

Published by Lenovo EMEA Communications, the Lenovo Lexicon is designed to highlight the company's initial achievements, unique resources and future prospects. It provides an overview of key messages for customers, business partners and internal audiences, as well as media and other opinion leaders throughout EMEA.

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