

# NVIDIA Reports Financial Results for First Quarter Fiscal Year 2012

SANTA CLARA, CA -- NVIDIA (NASDAQ: NVDA)

- Revenue increased 8.5 percent to \$962.0 million from the previous quarter.
- GAAP net income was \$135.2 million, or \$0.22 per diluted share. Non-GAAP net income was \$165.7 million, or \$0.27 per diluted share.
- GAAP gross margin increased to 50.4 percent, a third consecutive quarterly record. Non-GAAP gross margin increased to 50.6 percent.

NVIDIA (NASDAQ: NVDA) today reported revenue of \$962.0 million for the first quarter of fiscal 2012 ended May 1, 2011, up 8.5 percent from the prior quarter, and down 4.0 percent from \$1.0 billion from the same period a year earlier.

On a GAAP basis, the company recorded net income of \$135.2 million, or \$0.22 per diluted share, for the first quarter of fiscal 2012. That compares with net income of \$171.7 million, or \$0.29 per diluted share, in the previous quarter, which included a \$57.0 million credit to operating expenses related to the legal settlement in connection with a new Intel licensing agreement. In the same period a year earlier, the company had net income of \$137.6 million, or \$0.23 per diluted share.

On a non-GAAP basis, net income was \$165.7 million, or \$0.27 per diluted share, for the first quarter of fiscal 2012. That compares with non-GAAP net income of \$142.4 million, or \$0.24 per diluted share, in the prior quarter, and \$169.0 million, \$0.29 per diluted share, in the same period a year earlier.

GAAP gross margin was 50.4 percent, a third consecutive record, compared with 48.1 percent in the previous quarter and 45.6 percent in the same period a year earlier. Non-GAAP gross margin was 50.6 percent, compared with 48.3 percent in the prior quarter and 45.7 percent in the same period a year earlier.

(\$ in millions except per share data)	Quarterly Highlights		
	Q1 FY2012	Q4 FY2011	Q1 FY2011
Revenue	\$ 962.0	\$ 886.4	\$ 1,001.8
GAAP:			
Gross margin	50.4%	48.1%	45.6%
Net income	\$ 135.2	171.7	\$ 137.6
Income per share	\$ 0.22	\$ 0.29	\$ 0.23
Non-GAAP:			
Gross margin	50.6%	48.3%	45.7%
Net income	\$ 165.7	\$ 142.4	\$ 169.0
Income per share	\$ 0.27	\$ 0.24	\$ 0.29

"Our core GPU businesses are solid, with expanding revenues and margins. And this quarter, our Tegra mobile business took off."

## Outlook

Excluding the Icera acquisition, the outlook for the second quarter of fiscal 2012 is as follows:

- Revenue is expected to be up 4 to 6 percent from the first quarter.
- GAAP gross margin is expected to be 50.5 to 51.5 percent.
- GAAP operating expenses are expected to be between \$332 and \$336 million.
- GAAP tax rate is expected to be 14 to 16 percent.

## First Quarter Fiscal 2012 and Recent Highlights:

- NVIDIA agreed to acquire Icera, a leading innovator of 3G and 4G baseband processors for tablets and cell phones.
- NVIDIA launched the GeForce® GTX 590, the world's fastest graphics card.
- NVIDIA launched the GeForce GTX 550 Ti, the best entry-level gaming GPU for next generation Intel systems.

- NVIDIA and its partners launched the market's first Android super phones and tablets. Among them are the Motorola Atrix 4G and LG Optimus 2X superphones; as well as tablets like the Acer ICONIA Tab A500, Asus Eee Pad Transformer, Dell Streak, LG Optimus Pad and G-Slate, and Motorola Xoom. In addition, Samsung and Sony announced that their Galaxy Tab 10.1 and Sony S1 and S2 projects, respectively, will be using Tegra™ 2.

#### CFO Commentary

Commentary on the quarter by Karen Burns, NVIDIA interim chief financial officer, is available at [www.nvidia.com/investor](http://www.nvidia.com/investor).

#### Conference Call and webcast Information

NVIDIA will conduct a conference call with analysts and investors to discuss its first quarter fiscal 2012 financial results and current financial prospects today at 2:00 p.m. Pacific Time (5:00 p.m. Eastern Time). To listen to the call, please dial (706) 679 2572 (ID#: 59360508). A live webcast (listen-only mode) of the conference call will be accessible at the NVIDIA investor relations web site [www.nvidia.com/ir](http://www.nvidia.com/ir) and at [www.streetevents.com](http://www.streetevents.com). The webcast will be recorded and available for replay until the company's conference call to discuss its financial results for its second quarter fiscal 2012.

#### Non-GAAP Measures

To supplement NVIDIA's Condensed Consolidated Statements of Income and Condensed Consolidated Balance Sheets presented in accordance with GAAP, the company uses non-GAAP measures of certain components of financial performance. These non-GAAP measures include non-GAAP gross profit, non-GAAP gross margin, non-GAAP operating expenses, non-GAAP tax expense, non-GAAP tax rate, non-GAAP net income, and non-GAAP net income per share. In order for NVIDIA's investors to be better able to compare its current results with those of previous periods, the company has shown a reconciliation of GAAP to non-GAAP financial measures. These reconciliations adjust the related GAAP financial measures to exclude stock-based compensation, amortization of acquired intangible assets, other acquisition related costs, a non-recurring benefit from a legal settlement, and the associated tax impact of these items, where applicable. NVIDIA believes the presentation of its non-GAAP financial measures enhances the user's overall understanding of the company's historical financial performance. The presentation of the company's non-GAAP financial measures is not meant to be considered in isolation or as a substitute for the company's financial results prepared in accordance with GAAP, and our non-GAAP measures may be different from non-GAAP measures used by other companies.

#### About NVIDIA

NVIDIA (NASDAQ: NVDA) awakened the world to the power of computer graphics when it invented the GPU in 1999. Since then, it has consistently set new standards in visual computing with breathtaking, interactive graphics available on devices ranging from tablets and portable media players to notebooks and workstations. NVIDIA's expertise in programmable GPUs has led to breakthroughs in parallel processing which make supercomputing inexpensive and widely accessible. The Company holds more than 1,800 issued patents worldwide, including ones covering designs and insights that are essential to modern computing. For more information, see [www.nvidia.com](http://www.nvidia.com).

Certain statements in this press release including, but not limited to statements as to: the strength of the company's core businesses; the acquisition of Icera; the importance of our Tegra super chip and the Icera wireless communication processor; the company's financial outlook for the second quarter of fiscal 2012; the company's expectations with respect to the use of its Tegra 2 processor; and the effects of the company's patents on modern computing are forward-looking statements that are subject to risks and uncertainties that could cause results to be materially different than expectations. Important factors that could cause actual results to differ materially include: global economic conditions; our reliance on third parties to manufacture, assemble, package and test our products; the impact of technological development and competition; development of faster or more efficient technology; design, manufacturing or software defects; changes in consumer preferences or demands; changes in industry standards and interfaces; unexpected loss of performance of our products or technologies when integrated into systems; the failure of the acquisition of Icera to close; as well as other factors detailed from time to time in the reports NVIDIA files with the Securities and Exchange Commission, or SEC, including its Form 10-K for the fiscal year ended January 30, 2011. Copies of reports filed with the SEC are posted on the company's website and are available from NVIDIA without charge. These forward-looking statements are not guarantees of future performance and speak only as of the date hereof, and, except as required by law, NVIDIA disclaims any obligation to update these forward-looking statements to reflect future events or circumstances.

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#### About NVIDIA

Since 1993, [NVIDIA](http://www.nvidia.com) (NASDAQ : NVDA ) has pioneered the art and science of [visual computing](http://www.nvidia.com). The company's technologies are transforming a world of displays into a world of interactive discovery — for everyone from gamers to scientists, and consumers to enterprise customers. More information at <http://nvidianews.nvidia.com/> and <http://blogs.nvidia.com/>.

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