Intel to Pay NVIDIA Technology Licensing Fees of $1.5 Billion

New Six-Year Cross-License Renews Previous Agreement

SANTA CLARA, CA -- NVIDIA announced today that it has signed a new six-year cross-licensing agreement with Intel.

For the future use of NVIDIA's technology, Intel will pay NVIDIA an aggregate of $1.5 billion in licensing fees payable in five annual installments, beginning Jan. 18, 2011.

NVIDIA and Intel have also agreed to drop all outstanding legal disputes between them.

"This agreement signals a new era for NVIDIA," said Jen-Hsun Huang, NVIDIA's president and chief executive officer. "Our cross license with Intel reflects the substantial value of our visual and parallel computing technologies. It also underscores the importance of our inventions to the future of personal computing, as well as the expanding markets for mobile and cloud computing."

Under the new agreement, Intel will have continued access to NVIDIA's full range of patents. In return, NVIDIA will receive an aggregate of $1.5 billion in licensing fees, to be paid in annual installments, and retain use of Intel's patents, consistent with its existing six-year agreement with Intel. This excludes Intel's proprietary processors, flash memory and certain chipsets for the Intel platform.

The existing agreement is to expire March 31, 2011.

Pursuant to U.S. GAAP, a portion of the proceeds will be accounted for and attributed to the settlement of prior legal claims. This amount, which NVIDIA anticipates to be less than $100 million, will be included in the company's fourth-quarter results.

The balance of the licensing fees will be accounted for on a straight-line basis over the six-year term of the agreement. Accordingly it is anticipated that this would amount annually to approximately $233 million of operating income and an increase in net income of $0.29 per diluted share, on a full year basis.

Conference Call
NVIDIA will conduct a conference call with analysts, investors and media to discuss the license agreement at 2pm Pacific Time (5pm Eastern Time). To listen to the call, please dial (706) 679 2572; conference ID #: 36343898. A live Web cast (listen-only mode) of the conference call will be accessible at the NVIDIA investor relations Web site www.nvidia.com/ir and at www.streetevents.com. The Web cast will be recorded and available for seven days.

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 1,600 patents worldwide, including ones covering designs and insights that are essential to modern computing. For more information, see www.nvidia.com.

Certain statements in this press release including, but not limited to statements as to: the new era for NVIDIA; the value of our visual and parallel computing technologies; the importance of our inventions to the future of personal computing; expanding markets for mobile and cloud computing; licensing payments to NVIDIA; the accounting for and financial impact of the licensing payments to NVIDIA; 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: any termination of the license agreement between Intel and NVIDIA; 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; 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-Q for the fiscal period ended October 31, 2010. 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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