NVIDIA CORP
Form 10-Q
August 30, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended August 1, 2010

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 0-23985

NVIDIA CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	94-3177549
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

2701 San Tomas Expressway
Santa Clara, California 95050
(408) 486-2000
(Address, including zip code, and telephone number, including area code, of principal executive offices)

N/A
(Former name, former address and former fiscal year if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

The number of shares of common stock, $0.001 par value, outstanding as of August 25, 2010, was 574 million.

NVIDIA CORPORATION
FORM 10-Q
FOR THE QUARTER ENDED AUGUST 1, 2010

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

NVIDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	August 1, 2010	July 26, 2009	August 1, 2010	July 26, 2009
Revenue	$ 811,208	$ 776,520	$ 1,813,021	$ 1,440,751
Cost of revenue	676,916	619,797	1,222,352	1,094,332
Gross profit	134,292	156,723	590,669	346,419
Operating expenses				
Research and development	210,635	192,855	428,740	494,652
Sales, general and administrative	98,864	73,975	189,743	192,839
Total operating expenses	309,499	266,830	618,483	687,491
Loss from operations	(175,207)	(110,107)	(27,814)	(341,072)
Interest income	4,805	5,779	10,376	11,903
Other income (expense), net	1,355	(2,773)	(884)	(2,753)
Loss before income tax benefit	(169,047)	(107,101)	(18,322)	(331,922)
Income tax benefit	(28,086)	(1,799)	(14,955)	(25,282)
Net loss	$ (140,961)	$ (105,302)	$ (3,367)	$ (306,640)
Basic net loss per share	$ (0.25)	$ (0.19)	$ (0.01)	$ (0.56)
Shares used in basic per share computation	572,764	546,639	569,971	544,463
Diluted net loss per share	$ (0.25)	$ (0.19)	$ (0.01)	$ (0.56)
Shares used in diluted per share computation	572,764	546,639	569,971	544,463

See accompanying Notes to Condensed Consolidated Financial Statements

NVIDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(In thousands)

	August 1, 2010	January 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$ 377,003	$ 447,221
Marketable securities	1,395,497	1,281,006
Accounts receivable, net	395,934	374,963
Inventories	434,227	330,674
Prepaid expenses and other	44,549	38,214
Deferred income taxes	8,752	8,752
Total current assets	2,655,962	2,480,830
Property and equipment, net	542,216	571,858
Goodwill	369,844	369,844
Intangible assets, net	118,879	120,458
Deposits and other assets	44,367	42,928
Total assets	$ 3,731,268	$ 3,585,918
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Current liabilities:		
Accounts payable	$ 280,041	$ 344,527
Accrued liabilities and other	539,098	439,851
Total current liabilities	819,139	784,378
Other long-term liabilities	127,881	111,950
Capital lease obligations, long term	23,734	24,450
Commitments and contingencies - see Note 12		
Stockholders’ equity:		
Preferred stock	—	—
Common stock	665	653
Additional paid-in capital	2,329,456	2,219,401
Treasury stock, at cost	(1,473,656)	(1,463,268)
Accumulated other comprehensive income	11,234	12,172
Retained earnings	1,892,815	1,896,182
Total stockholders' equity	2,760,514	2,665,140
Total liabilities and stockholders' equity	$ 3,731,268	$ 3,585,918

See accompanying Notes to Condensed Consolidated Financial Statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(In thousands)

	Six Months Ended	
	August 1, 2010	July 26, 2009
Cash flows from operating activities:		
Net loss	$ (3,367)	$ (306,640)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Stock-based compensation expense related to stock option purchase	-	135,735
Depreciation and amortization	93,720	99,980
Stock based compensation expense	49,808	59,489
Other	5,890	1,837
Deferred income taxes	(15,244)	(28,031)
Changes in operating assets and liabilities:		
Accounts receivable	(21,193)	(33,758)
Inventories	(102,778)	256,564
Prepaid expenses and other current assets	(6,335)	(14,325)
Deposits and other assets	86	(2,824)
Accounts payable	(67,486)	56,486
Accrued liabilities and other long-term liabilities	95,846	52,732
Net cash provided by operating activities	28,947	277,245
Cash flows from investing activities:		
Purchases of marketable securities	(755,626)	(530,110)
Proceeds from sales and maturities of marketable securities	635,432	427,699
Purchases of property and equipment and intangible assets	(54,724)	(38,433)
Other	(1,525)	782
Net cash used in investing activities	(176,443)	(140,062)
Cash flows from financing activities:		
Payments related to stock option purchase	-	(78,075)
Proceeds from issuance of common stock under employee stock plans	77,852	47,092
Payments under capital lease obligations	(574)	(103)
Net cash provided by(used) in financing activities	77,278	(31,086)
Change in cash and cash equivalents	(70,218)	106,097
Cash and cash equivalents at beginning of period	447,221	417,688
Cash and cash equivalents at end of period	$ 377,003	$ 523,785
Supplemental disclosures of cash flow information:		
Cash paid for income taxes, net	$ 1,605	$ 1,693
Cash paid for interest on capital lease obligations	$ 1,582	$ 1,643
Other non-cash activities:		
Assets acquired by assuming related liabilities	$ 7,811	$ 6,288
Change in unrealized gains from marketable securities	$ 936	$ 4,805

See accompanying Notes to Condensed Consolidated Financial Statements.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements were prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Securities and Exchange Commission, or SEC, Regulation S-X. In the opinion of management, all adjustments, consisting only of normal recurring adjustments except as otherwise noted, considered necessary for a fair statement of results of operations and financial position have been included. The results for the interim periods presented are not necessarily indicative of the results expected for any future period. The following information should be read in conjunction with the audited financial statements and notes thereto included in our Annual Report on Form 10-K for the fiscal year ended January 31, 2010.

Fiscal Year

We operate on a 52 or 53-week year, ending on the last Sunday in January. Fiscal year 2011 is a 52-week year, compared to fiscal year 2010, which was a 53-week year. The second quarter of fiscal years 2011 and 2010 are both 13-week quarters.

Reclassifications

Certain prior fiscal year balances have been reclassified to conform to the current fiscal year presentation.

Principles of Consolidation

Our condensed consolidated financial statements include the accounts of NVIDIA Corporation and its wholly owned subsidiaries. All material intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. On an on-going basis, we evaluate our estimates, including those related to revenue recognition, cash equivalents and marketable securities, accounts receivable, inventories, income taxes, goodwill, stock-based compensation, warranty liabilities, litigation, investigation and settlement costs and other contingencies. These estimates are based on historical facts and various other assumptions that we believe are reasonable.

Revenue Recognition

Product Revenue

We recognize revenue from product sales when persuasive evidence of an arrangement exists, the product has been delivered, the price is fixed or determinable, and collection is reasonably assured. For most sales, we use a binding purchase order and in certain cases we use a contractual agreement as evidence of an arrangement. We consider delivery to occur upon shipment provided title and risk of loss have passed to the customer based on the shipping terms. At the point of sale, we assess whether the arrangement fee is fixed or determinable and whether collection is reasonably assured. If we determine that collection of a fee is not reasonably assured, we defer the fee and recognize revenue at the time collection becomes reasonably assured, which is generally upon receipt of payment.

Our policy on sales to certain distributors, with rights of return, is to defer recognition of revenue and related cost of revenue until the distributors resell the product.

Our customer programs primarily involve rebates, which are designed to serve as sales incentives to resellers of our products in various target markets. We accrue for 100% of the potential rebates and do not apply a breakage factor. We recognize a liability for these rebates at the later of the date at which we record the related revenue or the date at which we offer the rebate. Rebates typically expire six months from the date of the original sale, unless we reasonably believe that the customer intends to claim the rebate. Unclaimed rebates are reversed to revenue.

Our customer programs also include marketing development funds, or MDFs. We account for MDFs as either a reduction of revenue or an operating expense. MDFs represent monies paid to retailers, system builders, original equipment manufacturers, or OEMs, distributors and add-in card partners that are earmarked for market segment development and expansion and typically are designed to support our partners' activities while also promoting NVIDIA products. Depending on market conditions, we may take actions to increase amounts offered under customer programs, possibly resulting in an incremental reduction of revenue at the time such programs are offered.

We also record a reduction to revenue by establishing a sales return allowance for estimated product returns at the time revenue is recognized, based primarily on historical return rates. However, if product returns for a particular fiscal period exceed historical return rates we may determine that additional sales return allowances are required to properly reflect our estimated exposure for product returns.

License and Development Revenue

For license arrangements that require significant customization of our intellectual property components, we generally recognize this license revenue over the period that services are performed. For all license and service arrangements, we determine progress to completion based on actual direct labor hours incurred to date as a percentage of the estimated total direct labor hours required to complete the project. We periodically evaluate the actual status of each project to ensure that the estimates to complete each contract remain accurate. A provision for estimated losses on contracts is made in the period in which the loss becomes probable and can be reasonably estimated. Costs incurred in advance of revenue recognized are recorded as deferred costs on uncompleted contracts. If the amount billed exceeds the amount of revenue recognized, the excess amount is recorded as deferred revenue. Revenue recognized in any period is dependent on our progress toward completion of projects in progress. Significant management judgment and discretion are used to estimate total direct labor hours. Any changes in or deviations from these estimates could have a material effect on the amount of revenue we recognize in any period.

Inventories

Inventory cost is computed on an adjusted standard basis, which approximates actual cost on an average or first-in, first-out basis. Inventory costs consist primarily of the cost of semiconductors purchased from subcontractors, including wafer fabrication, assembly, testing and packaging, manufacturing support costs, including labor and overhead associated with such purchases, final test yield fallout, inventory provisions and shipping costs. We write down our inventory to the lower of cost or estimated market value. Obsolete or unmarketable inventory is completely written off based upon assumptions about future demand, future product purchase commitments, estimated manufacturing yield levels and market conditions. We also write off inventory in excess of forecasted future demand. If actual market conditions are less favorable than those projected by management, or if our future product purchase commitments to our suppliers exceed our forecasted future demand for such products, additional future inventory write-downs may be required that could adversely affect our operating results. Inventory reserves once established are not reversed until the related inventory has been sold or scrapped. So if actual market conditions are more favorable in the fiscal periods subsequent to that in which we record larger than normal inventory reserves, we may have higher gross margins when products are sold. Sales of such products did not have a significant impact on our gross margin for the three and six months ended August 1, 2010.

Adoption of New Accounting Pronouncements

Variable Interest Entities

During the first quarter of fiscal year 2011, we adopted new accounting guidance which amends the evaluation criteria to identify the primary beneficiary of a variable interest entity, or VIE, and requires ongoing reassessment of whether an enterprise is the primary beneficiary of the VIE. The new guidance changes the consolidation rules for VIEs, including the consolidation of common structures, such as joint ventures, equity method investments and collaboration arrangements. The guidance is applicable to all new and existing VIEs. The adoption of this new accounting guidance did not have a material impact on our consolidated financial position, results of operations or financial condition.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Improving Disclosures About Fair Value Measurements

During the first quarter of fiscal year 2011, we adopted new accounting guidance which requires additional disclosures about items transferring into and out of levels 1 and 2 in the fair value hierarchy; adding separate disclosures about purchases, sales, issuances, and settlements relative to level 3 measurements; and clarifying, among other things, the existing fair value disclosures about the level of disaggregation. This new guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for the requirement to provide level 3 activity of purchases, sales, issuances, and settlements on a gross basis, which is effective for fiscal years beginning after December 15, 2010. The adoption of this new accounting guidance impacts only disclosure requirements and did not have an impact on our consolidated financial position, results of operations or financial condition.

Revenue Recognition

In September 2009, the Financial Accounting Standards Board, or FASB, issued new accounting guidance related to the revenue recognition of multiple element arrangements. The new guidance states that if vendor specific objective evidence or third party evidence for deliverables in an arrangement cannot be determined, companies will be required to develop a best estimate of the selling price to separate deliverables and allocate arrangement consideration using the relative selling price method. In addition, the FASB also issued new accounting guidance related to certain revenue arrangements that include software elements. Previously, companies that sold tangible products with “more than incidental” software were required to apply software revenue recognition guidance. This guidance often delayed revenue recognition for the delivery of the tangible product. Under the new guidance, tangible products that have software components that are “essential to the functionality” of the tangible product will be excluded from the software revenue recognition guidance. The new guidance will include factors to help companies determine what is “essential to the functionality.” Software-enabled products will now be subject to other revenue guidance and will likely follow the guidance for multiple deliverable arrangements issued by the FASB in September 2009.

We elected to early adopt this accounting guidance at the beginning of the first quarter of fiscal year 2011 on a prospective basis. We did not have a significant change in units of accounting, allocation methodology, or timing of revenue recognition. As a result, the adoption of these accounting standards did not have a material impact on our consolidated financial position, results of operations or financial condition.

Recently Issued Accounting Pronouncements

During the six months ended August 1, 2010, there was no recent issuance of accounting pronouncements as compared to those described in the Annual Report on Form 10-K for the fiscal year ended January 31, 2010, that are of significance, or have potential material significance to us.

Note 2 – Stock Option Purchase

During the three months ended April 26, 2009, we completed a cash tender offer for certain employee stock options. The tender offer applied to outstanding stock options held by employees with an exercise price equal to or greater than $17.50 per share. None of the non-employee members of our Board of Directors or our officers who file reports under Section 16(a) of the Securities Exchange Act of 1934, as amended, or the Securities Exchange Act, were eligible to participate in the tender offer. All eligible options with exercise prices equal to or greater than $17.50 per share but less than $28.00 per share were eligible to receive a cash payment of $3.00 per option in exchange for the cancellation of the eligible option. All eligible options with exercise prices equal to or greater than $28.00 per share were eligible to receive a cash payment of $2.00 per option in exchange for the cancellation of the eligible option.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Our consolidated statement of operations for the first quarter of fiscal year 2010 includes stock-based compensation charges related to the stock option purchase (in thousands):

Cost of revenue	$	11,412
Research and development		90,456
Sales, general and administrative		38,373
Total	$	140,241

A total of 28.5 million options were tendered under the offer for an aggregate cash purchase price of $78.1 million, which was paid in exchange for the cancellation of the eligible options. As a result of the tender offer, we incurred a charge of $140.2 million consisting of $124.1 million related to the remaining unamortized stock based compensation expense associated with the unvested portion of the options tendered in the offer, $11.6 million related to stock-based compensation expense resulting from amounts paid in excess of the fair value of the underlying options, plus $4.5 million related to associated payroll taxes, professional fees and other costs.

Note 3 - Stock-Based Compensation

We measure stock-based compensation expense at the grant date of the related equity awards, based on the fair value of the awards, and recognize the expense using the straight-line attribution method over the requisite employee service period adjusted for estimated forfeitures. We estimate the fair value of employee stock options on the date of grant using a binomial model and we use the closing trading price of our common stock on the date of grant as the fair value of awards of restricted stock units, or RSUs. We calculate the fair value of our employee stock purchase plan using the Black-Scholes model.

In addition to the stock-based compensation expense related to our cash tender offer to purchase certain employee stock options as described in Note 2 – Stock Option Purchase, our consolidated statements of operations include stock-based compensation expense, net of amounts capitalized as inventory, as follows:

	Three Months Ended		Six Months Ended	
	August 1, 2010	July 26, 2009	August 1, 2010	July 26, 2009
Cost of revenue	$ 2,289	$ 4,828	$ 4,092	$ 7,058
Research and development	$ 14,532	$ 13,268	$ 29,146	$ 34,538
Sales, general and administrative	$ 7,810	$ 7,280	$ 16,570	$ 17,893

During the three and six months ended August 1, 2010, we granted approximately 0.3 million and 2.7 million stock options, respectively, with an estimated total grant-date fair value of $2.2 million and $19.8 million, respectively, and a per option weighted average grant-date fair value of $6.37 and $7.33, respectively. During the three and six months ended August 1, 2010, we granted approximately 0.2 million and 2.9 million RSUs, respectively, with an estimated total grant-date fair value of $2.6 million and $51.1 million, respectively, and a per RSU weighted average grant-date fair value of $11.42 and $17.43, respectively.

During the three and six months ended July 26, 2009, we granted approximately 0.5 million and 5.4 million stock options, respectively, with an estimated total grant-date fair value of $1.8 million and $28.8 million, respectively, and a per option weighted average grant-date fair value of $4.50 and $5.38, respectively. During the three and six months ended July 26, 2009, we granted approximately 0.2 million and 4.8 million RSUs, with an estimated total grant-date fair value of $2.4 million and $48.8 million, respectively, and a per RSU weighted average grant-date fair value of $10.07 and $10.17 respectively.

Of the estimated total grant-date fair value, we estimated that the stock-based compensation expense related to the equity awards that are not expected to vest was $0.9 million and $13.1 million, respectively, for the three and six months ended August 1, 2010. As of August 1, 2010, and July 26, 2009, the aggregate amount of unearned stock-based compensation expense related to our equity awards was $142.3 million and $114.8 million, respectively, adjusted for estimated forfeitures. As of August 1, 2010 and July 26, 2009, we expect to recognize the unearned stock-based compensation expense related to stock options over an estimated weighted average amortization period of 1.6 years and 2.0 years, respectively. As of August 1, 2010 and July 26, 2009, we expect to recognize the unearned stock-based compensation expense related to RSUs over an estimated weighted average amortization period of 2.2 years and 2.7 years, respectively.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Valuation Assumptions

We utilize a binomial model for calculating the estimated fair value of new stock-based compensation awards granted under our stock option plans. We have determined that the use of implied volatility is reflective of market conditions and, therefore, is a reasonable indicator of our expected volatility. We also segregate options into groups of employees with relatively homogeneous exercise behavior in order to calculate the best estimate of fair value using the binomial valuation model. As such, the expected term assumption used in calculating the estimated fair value of our stock-based compensation awards using the binomial model is based on detailed historical data about employees' exercise behavior, vesting schedules, and death and disability probabilities. Our management believes the resulting binomial calculation provides a reasonable estimate of the fair value of our employee stock options. For our employee stock purchase plan we continue to use the Black-Scholes model.

We estimate forfeitures at the time of grant and revise the estimates of forfeiture, if necessary, in subsequent periods if actual forfeitures differ from those estimates. Forfeitures are estimated based on historical experience.

The fair value of stock options granted under our stock option plans and shares issued under our employee stock purchase plan have been estimated at the date of grant with the following assumptions:

	Three Months Ended		Six Months Ended	
	August 1, 2010	July 26, 2009	August 1, 2010	July 26, 2009
Stock Options	(Using a binomial model)			
Expected life (in years)	3.1-6.7	3.8-4.2	3.1-6.7	3.8-5.8
Risk free interest rate	2.2-2.6%	2.5-2.7%	2.2-3.0%	1.8-2.7%
Volatility	48-53%	55-66%	43-53%	55-72%
Dividend yield	-	-	-	-

	Three Months Ended		Six Months Ended	
	August 1, 2010	July 26, 2009	August 1, 2010	July 26, 2009
Employee Stock Purchase Plan	(Using a Black-Scholes model)			
Expected life (in years)	-	-	0.5-2.0	0.5-2.0
Risk free interest rate	-	-	0.2-0.8%	0.5-1.0%
Volatility	-	-	45%	73%
Dividend yield	-	-	-	-

Equity Award Activity

The following summarizes the stock option and RSU activities under our equity incentive plans:

	Options Outstanding (In thousands)	Weighted Average Exercise Price (Per Share)
Stock Options		

Balances, January 31, 2010	58,348	$	11.30
Granted	2,705	$	17.26
Exercised	(8,142)	$	8.19
Cancelled	(919)	$	11.92
Balances, August 1, 2010	51,992	$	12.09

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Restricted Stock Units	RSUs (In thousands)	Weighted Average Grant-date fair value (Per Share)
Balances, January 31, 2010	7,489	$ 12.28
Granted	2,931	$ 17.43
Vested	(1,558)	$ 10.18
Cancelled	(276)	$ 14.34
Balances, August 1, 2010	8,586	$ 14.36

The following summarizes the stock options and RSUs, or equity awards, available for grant under our equity incentive plans (in thousands):

Balances, January 31, 2010	44,022
Stock options:	
Granted	(2,705)
Cancelled	919
Restricted Stock Units:	
Granted	(2,931)
Cancelled	276
Balances, August 1, 2010	39,581

Note 4 – Net Loss Per Share

The following is a reconciliation of the numerators and denominators of the basic and diluted net loss per share computations for the periods presented:

	Three Months Ended		Six Months Ended	
	August 1, 2010	July 26, 2009	August 1, 2010	July 26, 2009
	(In thousands, except per share data)			
Numerator:				
Net loss	$ (140,961)	$ (105,302)	$ (3,367)	$ (306,640)
Denominator:				
Denominator for basic net loss per share, weighted average shares	572,764	546,639	569,971	544,463
Effect of dilutive securities:				
Equity awards outstanding	-	-	-	-
Denominator for diluted net loss per share, weighted average shares	572,764	546,639	569,971	544,463
Net loss per share:				
Basic net loss per share	$ (0.25)	$ (0.19)	$ (0.01)	$ (0.56)
Diluted net loss per share	$ (0.25)	$ (0.19)	$ (0.01)	$ (0.56)

All of our outstanding equity awards were anti-dilutive during the three and six months ended August 1, 2010 and July 26, 2009, and are excluded from the computation of diluted earnings per share due to the net loss for three and six months ended August 1, 2010 and July 26, 2009, respectively.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Note 5 – Income Taxes

We recognized income tax benefit of $28.1 million and $15.0 million for the three and six months ended August 1, 2010, respectively, and $1.8 million and $25.3 million for the three and six months ended July 26, 2009, respectively. Income tax benefit as a percentage of income before taxes, or our effective tax rate, was 16.6% and 81.6 for the three and six months ended August 1, 2010, respectively, and 1.7% and 7.6% for the three and six months ended July 26, 2009, respectively.

The expected tax benefit derived from our loss before tax for the first six months of fiscal year 2011 at the United States federal statutory tax rate of 35% differs from our actual effective tax rate of 81.6% due to favorable discrete events in the first half of fiscal year 2011 primarily attributable to the expiration of statutes of limitations in certain non-U.S. jurisdictions for which we had not previously recognized related tax benefits, offset by permanent tax differences related to stock-based compensation and the impact of statutory tax rates in non-U.S. jurisdictions that are less than the U.S. federal statutory tax rate of 35%. The U.S. federal research tax credit expired on December 31, 2009. We will recognize the tax benefit of the U.S. federal research tax credit if and when reenacted into law.

The expected tax benefit derived from our loss before tax for the first six months of fiscal year 2010 at the United States federal statutory tax rate of 35% differs from our actual effective tax rate of 7.6% due primarily to permanent tax differences related to stock-based compensation, including with respect to our stock option purchase completed in the first quarter of fiscal year 2010, and losses recognized in tax jurisdictions where no tax benefit has been recognized, partially offset by the U.S. tax benefit of the federal research tax credit.

For the six months ended August 1, 2010, there have been no material changes to our tax years that remain subject to examination by major tax jurisdictions. Additionally, there have been no material changes to our unrecognized tax benefits and any related interest or penalties from our fiscal year ended January 31, 2010, other than the recognition of tax benefits related to the expiration of statutes of limitations in certain non-U.S. jurisdictions in the six months ended August 1, 2010.

While we believe that we have adequately provided for all uncertain tax positions, amounts asserted by tax authorities could be greater or less than our accrued position. Accordingly, our provisions on federal, state and foreign tax related matters to be recorded in the future may change as revised estimates are made or the underlying matters are settled or otherwise resolved with the respective tax authorities. As of August 1, 2010, we do not believe that our estimates, as otherwise provided for, on such tax positions will significantly increase or decrease within the next twelve months.

Note 6 - Marketable Securities

All of our cash equivalents and marketable securities are classified as “available-for-sale” securities. These securities are reported at fair value with the related unrealized gains and losses included in accumulated other comprehensive income, a component of stockholders’ equity, net of tax.

We performed an impairment review of our investment portfolio as of August 1, 2010. Based on our quarterly impairment review and having considered the guidance in the relevant accounting literature, we did not record any other than temporary impairment charges during the first six months of fiscal year 2011. We concluded that our investments were appropriately valued and that no additional other than temporary impairment charges were necessary on our portfolio of available for sale investments as of August 1, 2010. The following is a summary of cash equivalents and marketable securities at August 1, 2010 and January 31, 2010:

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	August 1, 2010			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
	(In thousands)			
Debt securities of United States government agencies	$ 462,808	$ 1,883	$ (4)	$ 464,687
Corporate debt securities	586,624	3,745	(66)	590,303
Mortgage backed securities issued by United States government-sponsored enterprises	143,850	4,372	(152)	148,070
Money market funds	47,749	-	-	47,749
Debt securities issued by United States Treasury	341,394	1,778	(52)	343,120
Total	$ 1,582,425	$ 11,778	$ (274)	$ 1,593,929
Classified as:				
Cash equivalents				$ 198,432
Marketable securities				1,395,497
Total				$ 1,593,929

	January 31, 2010			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
	(In thousands)			
Debt securities of United States government agencies	$ 492,628	$ 3,606	$ (29)	$ 496,205
Corporate debt securities	514,200	4,064	(44)	518,220
Mortgage backed securities issued by United States government-sponsored enterprises	162,692	3,674	(13)	166,353
Money market funds	94,340	-	-	94,340
Debt securities issued by United States Treasury	316,520	1,318	-	317,838
Asset-backed securities	17	-	-	17
Total	$ 1,580,397	$ 12,662	$ (86)	$ 1,592,973
Classified as:				
Cash equivalents				$ 311,967
Marketable securities				1,281,006
Total				$ 1,592,973

The amortized cost and estimated fair value of cash equivalents and marketable securities which are primarily debt instruments, are classified as available-for-sale at August 1, 2010 and January 31, 2010 and are shown below by contractual maturity.

	August 1, 2010		January 31, 2010	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
	(In thousands)			
Less than one year	$ 846,347	$ 849,104	$ 785,642	$ 788,825
Due in 1 - 5 years	708,266	716,240	729,885	738,124
Mortgage-backed securities issued by government-sponsored enterprises not due at a single maturity date	27,812	28,585	64,870	66,024
Total	$ 1,582,425	$ 1,593,929	$ 1,580,397	$ 1,592,973

Net realized gains for the three and six months ended August 1, 2010, were $0.7 million and $1.0 million, respectively. Net realized gains for the three and six months ended July 26, 2009, were $0.2 million and $1.0 million, respectively.

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As of August 1, 2010, we held a money market investment in the Reserve International Liquidity Fund, Ltd., or the International Reserve Fund, which was valued at $13.0 million, net of $5.6 million of other than temporary impairment charges that we recorded during fiscal year 2009. The International Reserve Fund was reclassified out of cash and cash equivalents in our Condensed Consolidated Balance Sheet due to the halting of redemption requests in September 2008 by the International Reserve Fund. The $13.0 million value of our holdings in the International Reserve Fund as of August 1, 2010 reflects an initial investment of $130.0 million, reduced by $111.4 million that we received from the International Reserve Fund during fiscal year 2010 and the $5.6 million other than temporary impairment charge we recorded against the value of this investment during fiscal year 2009 as a result of credit loss. The $111.4 million we received was our portion of a payout of approximately 85.6% of the total assets of the International Reserve Fund. All of the underlying securities held by the International Reserve Fund had matured by October 2009. We expect to ultimately receive the proceeds from our remaining investment in the International Reserve Fund, excluding some or all of the $5.6 million impairment charges. However, redemptions from the International Reserve Fund are currently subject to pending litigation, which could cause further delay in receipt of our funds.

Note 7 – Fair Value of Cash Equivalents and Marketable Securities

We measure our cash equivalents and marketable securities at fair value. The fair values of our financial assets and liabilities are determined using quoted market prices of identical assets or quoted market prices of similar assets from active markets. Our Level 1 assets consist of our money market fund deposits. We classify securities within Level 1 assets when the fair value is obtained from real time quotes for transactions in active exchange markets involving identical assets. Our available-for- sale securities are classified as having Level 2 inputs. Our Level 2 assets are valued utilizing a market approach where the market prices of similar assets are provided by a variety of independent industry standard data providers to our investment custodian. There were no significant transfers between Levels 1 and 2 assets for the six months ended August 1, 2010. Level 3 assets are based on unobservable inputs to the valuation methodology and include our own data about assumptions market participants would use in pricing the asset or liability based on the best information available under the circumstances.

Financial assets and liabilities measured at fair value are summarized below:

		Fair value measurement at reporting date using		
	August 1, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	High Level of Judgment (Level 3)
	(In thousands)			
Debt securities issued by US Government agencies (1)	$ 464,687	$ -	$ 464,687	$ -
Debt securities issued by United States Treasury (2)	343,120	-	343,120	-
Corporate debt securities (3)	590,303	-	590,303	-
	148,070	-	148,070	-

Mortgage-backed securities issued by Government-sponsored entities (4)								
Money market funds (5)		47,749		34,790		-		12,959
Total cash equivalents and marketable securities	$	1,593,929	$	34,790	$	1,546,180	$	12,959

(1) Includes $68.2 million in Cash Equivalents and $396.5 million in Marketable Securities on the Condensed Consolidated Balance Sheet.
(2) Includes $23.0 million in Cash Equivalents and $320.1 million in Marketable Securities on the Condensed Consolidated Balance Sheet.
(3) Includes $72.5 million in Cash Equivalents and $517.8 million in Marketable Securities on the Condensed Consolidated Balance Sheet.
(4) Included in Marketable Securities on the Condensed Consolidated Balance Sheet.
(5) Includes $34.8 million in Cash Equivalents and $13.0 million in Marketable Securities on the Condensed Consolidated Balance Sheet.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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For our money market funds that were held by the International Reserve Fund at August 1, 2010, we assessed the fair value of the money market funds by considering the underlying securities held by the International Reserve Fund. The International Reserve Fund has halted redemption requests due to pending litigation. All of the underlying securities held by the International Reserve Fund had matured by October 2009. We valued the underlying securities held by the International Reserve Fund at their maturity value using an income approach. Certain of the debt securities held by the International Reserve Fund were issued by companies that had filed for bankruptcy during fiscal year 2009 and, as such, our valuation of those securities was zero. The net result was that, during the third quarter of fiscal year 2009, we estimated the fair value of the International Reserve Fund's investments to be 95.7% of their last-known value and we recorded an other than temporary impairment charge of $5.6 million as a result of credit loss. The $13.0 million value of our holdings in the International Reserve Fund as of August 1, 2010 reflects an initial investment of $130.0 million, reduced by $111.4 million that we received from the International Reserve Fund during fiscal year 2010 and the $5.6 million other than temporary impairment charge we recorded against the value of this investment during fiscal year 2009 as a result of credit loss. Due to the inherent subjectivity and the significant judgment involved in the valuation of our holdings of the International Reserve Fund, we have classified these securities under the Level 3 fair value hierarchy.

Reconciliation of financial assets measured at fair value on a recurring basis using significant unobservable inputs, or Level 3 inputs (in thousands):

Balance, beginning of period, January 31, 2010	$	12,959
Transfer into Level 3		-
Other than temporary impairment		-
Redemption of funds		-
Balance, end of period, August 1, 2010	$	12,959

Total financial assets at fair value classified within Level 3 were 0.3% of total assets on our Condensed Consolidated Balance Sheet as of August 1, 2010.

Note 8 - 3dfx

During fiscal year 2002, we completed the purchase of certain assets from 3dfx Interactive, Inc., or 3dfx, for an aggregate purchase price of approximately $74.2 million. On December 15, 2000, NVIDIA Corporation and one of our indirect subsidiaries entered into an Asset Purchase Agreement, or the APA, which closed on April 18, 2001, to purchase certain graphics chip assets from 3dfx.

In October 2002, 3dfx filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Northern District of California. In March 2003, the Trustee appointed by the Bankruptcy Court to represent 3dfx's bankruptcy estate served his complaint on NVIDIA. The Trustee's complaint asserted claims for, among other things, successor liability and fraudulent transfer and sought additional payments from us. In early November 2005, NVIDIA and the Official Committee of Unsecured Creditors, or the Creditors' Committee, agreed to a Plan of Liquidation of 3dfx, which included a conditional settlement of the Trustee's claims against us. This conditional settlement was subject to a confirmation process through a vote of creditors and the review and approval of the Bankruptcy Court. The conditional settlement called for a payment by NVIDIA of approximately $30.6 million to the 3dfx estate. Under the settlement, $5.6 million related to various administrative expenses and Trustee fees, and $25.0

million related to the satisfaction of debts and liabilities owed to the general unsecured creditors of 3dfx. Accordingly, during the three month period ended October 30, 2005, we recorded $5.6 million as a charge to settlement costs and $25.0 million as additional purchase price for 3dfx. The Trustee advised that he intended to object to the settlement.

The conditional settlement reached in November 2005 never progressed through the confirmation process and the Trustee's case still remains pending appeal. As such, we have not reversed the accrual of $30.6 million - $5.6 million as a charge to settlement costs and $25.0 million as additional purchase price for 3dfx – that we recorded during the three months ended October 30, 2005, pending resolution of the appeal of the Trustee's case.

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The 3dfx asset purchase price of $95.0 million and $4.2 million of direct transaction costs were allocated based on fair values presented below. The final allocation of the purchase price of the 3dfx assets is contingent upon the outcome of all of the 3dfx litigation. Please refer to Note 12 of these Notes to the Condensed Consolidated Financial Statements for further information regarding this litigation.

	Fair Market Value (In thousands)	Straight-Line Amortization Period (Years)
Property and equipment	$ 2,433	1-2
Trademarks	11,310	5
Goodwill	85,418	-
Total	$ 99,161	

Note 9 - Intangible Assets

The components of our amortizable intangible assets are as follows:

	August 1, 2010			January 31, 2010		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)					
Technology licenses	$ 136,088	$ (55,291)	$ 80,797	$ 135,112	$ (48,337)	$ $86,775
Acquired intellectual property	75,339	(55,476)	19,863	75,339	(49,838)	25,501
Patents	31,048	(12,829)	18,219	19,347	(11,165)	8,182
Total intangible assets	$ 242,475	$ (123,596)	$ 118,879	$ 229,798	$ (109,340)	$ $120,458

Amortization expense associated with intangible assets for the three and six months ended August 1, 2010 was $7.2 million and $14.3 million, respectively. Amortization expense associated with intangible assets for the three and six months ended July 26, 2009 was $7.9 million and $16.2 million, respectively. Future amortization expense related to the net carrying amount of intangible assets at August 1, 2010 is estimated to be $14.9 million for the remainder of fiscal year 2011, $27.6 million in fiscal year 2012, $20.9 million in fiscal year 2013, $21.3 million in fiscal year 2014, $14.6 million in fiscal year 2015, and a total of $19.6 million in fiscal year 2016 and fiscal years subsequent of fiscal 2016.

Note 10 - Balance Sheet Components

Certain balance sheet components are as follows:

		August 1, 2010		January 31, 2010
Inventories:		(In thousands)		
Raw materials	$	138,826	$	76,935
Work in-process		41,740		67,502
Finished goods		253,661		186,237
Total inventories	$	434,227	$	330,674

At August 1, 2010, we had outstanding inventory purchase obligations totaling approximately $468 million.

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Prepaid Expenses and Other	August 1, 2010	January 31, 2010
	(In thousands)	
Prepaid maintenance	$ 12,843	$ 15,153
Prepaid insurance	4,804	5,389
Prepaid taxes	3,574	3,574
Prepaid rent	3,441	3,352
Other	19,887	10,746
Total prepaid expenses and other	$ 44,549	$ 38,214

	August 1, 2010	January 31, 2010
	(In thousands)	
Accrued Liabilities:		
Accrued customer programs (1)	$ 181,413	$ 212,107
Warranty accrual (2)	203,689	92,655
Accrued payroll and related expenses	60,838	54,915
Accrued legal settlement (3)	30,600	30,600
Deferred rent	8,612	10,245
Deferred revenue	13,448	9,379
Other	40,498	29,950
Total accrued liabilities and other	$ 539,098	$ 439,851

(1) Please refer to Note 1 of these Notes to Condensed Consolidated Financial Statements for discussion regarding the nature of accrued customer programs and their accounting treatment related to our revenue recognition policies and estimates.

(2) Please refer to Note 11 of these Notes to Condensed Consolidated Financial Statements for discussion regarding the warranty accrual.

(3) Please refer to Note 12 of these Notes to Condensed Consolidated Financial Statements for discussion regarding the 3dfx litigation.

	August 1, 2010	January 31, 2010
	(In thousands)	
Other Long-term Liabilities:		
Deferred income tax liability	$ 32,173	$ 17,739
Income taxes payable, long term	50,430	53,397
Asset retirement obligation	10,992	10,638
Other long-term liabilities	34,286	30,176
Total other long-term liabilities	$ 127,881	$ 111,950

Note 11 - Guarantees

U.S. generally accepted accounting principles, or U.S. GAAP, require that upon issuance of a guarantee, the guarantor must recognize a liability for the fair value of the obligation it assumes under that guarantee. In addition, U.S. GAAP requires disclosures about the guarantees that an entity has issued, including a tabular reconciliation of the changes of the entity's product warranty liabilities.

Product Defect

Our products are complex and may contain defects or experience failures due to any number of issues in design, fabrication, packaging, materials and/or use within a system. If any of our products or technologies contains a defect, compatibility issue or other error, we may have to invest additional research and development efforts to find and correct the issue. Such efforts could divert our management's and engineers' attention from the development of new products and technologies and could increase our operating costs and reduce our gross margin. In addition, an error or defect in new products or releases or related software drivers after commencement of commercial shipments could result in failure to achieve market acceptance or loss of design wins. Also, we may be required to reimburse customers, including for customers' costs to repair or replace the products in the field, which could cause our revenue to decline. A product recall or a significant number of product returns could be expensive, damage our reputation and could result in the shifting of business to our competitors. Costs associated with correcting defects, errors, bugs or other issues could be significant and could materially harm our financial results.

During the second quarter of fiscal year 2011, we recorded a charge to cover the estimated remaining customer warranty, repair, return, replacement and other costs arising from a weak die/packaging material set in certain versions of our previous generation media and communications processor, or MCP, and graphics processing unit, or GPU, products used in notebook configurations. The net charge amounted to $193.9 million, of which $181.2 million was charged against cost of revenue. The extra remediation costs are primarily due to additional platforms from late failing systems that we had not previously considered to be at risk. Included in the charge are the estimated costs of implementing a settlement reached during the second quarter of fiscal year 2011 with the plaintiffs of a putative consumer class action lawsuit related to this same matter and another related estimated consumer class action settlement. As a result of this settlement, the other estimated settlement, and offsetting insurance reimbursements, we recorded a net charge of $12.7 million to sales, general and administrative expense during the second quarter of fiscal year 2011. Together with the $282.0 million net charge we had previously recorded for related estimated costs, this brings the total cumulative net charge to $475.9 million, of which $466.4 million has been charged against cost of revenue.

The previous generation MCP and GPU products that are impacted were included in a number of notebook products that were shipped and sold in significant quantities. Certain notebook configurations of these products are failing in the field at higher than normal rates. Testing suggests a weak material set of die/package combination, system thermal management designs, and customer use patterns are contributing factors for these failures. We have worked with our customers to develop and have made available for download a software driver to cause the system fan to begin operation at the powering up of the system and reduce the thermal stress on these chips. We have also recommended to our customers that they consider changing the thermal management of the products in their notebook system designs. We intend to fully support our customers in their repair and replacement of these impacted products that fail, and their other efforts to mitigate the consequences of these failures. The weak die/packaging material combination is not used in any of our products that are currently in production.

In September, October and November 2008, several putative securities class action lawsuits were filed against us, asserting various claims related to the impacted MCP and GPU products. Please refer to Note 12 of these Notes to the Condensed Consolidated Financial Statements for further information regarding this litigation and the settlement.

Accrual for product warranty liabilities

Cost of revenue includes the estimated cost of product warranties that are calculated at the point of revenue recognition. Under limited circumstances, we may offer an extended limited warranty to customers for certain products. Additionally, we accrue for known warranty and indemnification issues if a loss is probable and can be reasonably estimated. The estimated product warranty liabilities for the three and six months ended August 1, 2010 and July 26, 2009 are as follows:

	Three Months Ended		Six Months Ended	
	August 1, 2010	July 26, 2009	August 1, 2010	July 26, 2009
	(In thousands)			
Balance at beginning of period	$ 47,563	$ 112,016	$ 92,655	$ 150,629
Additions (1)	189,928	166,539	191,098	167,864
Deductions (2)	(33,802)	(56,652)	(80,064)	(96,590)

Balance at end of period	$	203,689	$	221,903	$	203,689	$	221,903

(1) Includes $186,241 for the three and six months ended August 1, 2010 and $164,450 for the three and six months ended July 26, 2009 for incremental repair and replacement costs from a weak die/packaging material set.
(2) Includes $27,891 and $64,819 for the three and six months ended August 1, 2010, respectively, and $48,796 and $79,971 for the three and six months ended July 26, 2009, respectively, in cash payments.

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In connection with certain agreements that we have executed in the past, we have at times provided indemnities to cover the indemnified party for matters such as tax, product and employee liabilities. We have also on occasion included intellectual property indemnification provisions in our technology related agreements with third parties. Maximum potential future payments cannot be estimated because many of these agreements do not have a maximum stated liability. As such, we have not recorded any liability in our Condensed Consolidated Financial Statements for such indemnifications. U.S. GAAP requires that upon issuance of a guarantee, the guarantor must recognize a liability for the fair value of the obligation it assumes under that guarantee. In addition, disclosures about the guarantees that an entity has issued, including a tabular reconciliation of the changes of the entity's product warranty liabilities are also required.

Note 12 - Commitments and Contingencies

3dfx

On December 15, 2000, NVIDIA and one of our indirect subsidiaries entered into an Asset Purchase Agreement, or APA, to purchase certain graphics chip assets from 3dfx. The transaction closed on April 18, 2001. That acquisition, and 3dfx's October 2002 bankruptcy filing, led to four lawsuits against NVIDIA: two brought by 3dfx's former landlords, one by 3dfx's bankruptcy trustee and the fourth by a committee of 3dfx's equity security holders in the bankruptcy estate. The landlord lawsuits and bankruptcy trustee suit remain outstanding as more fully explained below.

Landlord Lawsuits

In May 2002, we were served with a California state court complaint filed by the landlord of 3dfx's San Jose, California commercial real estate lease, Carlyle Fortran Trust, or Carlyle. In December 2002, we were served with a California state court complaint filed by the landlord of 3dfx's Austin, Texas commercial real estate lease, CarrAmerica Realty Corporation, or CarrAmerica. The landlords both asserted claims for, among other things, interference with contract, successor liability and fraudulent transfer. The landlords sought to recover damages in the aggregate amount of approximately $15 million, representing amounts then owed on the 3dfx leases. The cases were later removed to the United States Bankruptcy Court for the Northern District of California when 3dfx filed its bankruptcy petition and consolidated for pretrial purposes with an action brought by the bankruptcy trustee.

In 2005, the U.S. District Court for the Northern District of California withdrew the reference to the Bankruptcy Court for the landlords' actions, and on November 10, 2005, granted our motion to dismiss both landlords' complaints. The landlords filed amended complaints in early February 2006, and NVIDIA again filed motions to dismiss those claims. On September 29, 2006, the District Court dismissed the CarrAmerica action in its entirety and without leave to amend. On December 15, 2006, the District Court also dismissed the Carlyle action in its entirety. Both landlords filed timely notices of appeal from those orders.

On July 17, 2008, the United States Court of Appeals for the Ninth Circuit held oral argument on the landlords' appeals. On November 25, 2008, the Court of Appeals issued its opinion affirming the dismissal of Carlyle's complaint in its entirety. The Court of Appeals also affirmed the dismissal of most of CarrAmerica's complaint, but reversed the District Court's dismissal of CarrAmerica's claims for interference with contractual relations and fraud. On December 8, 2008, Carlyle filed a Request for Rehearing En Banc, which CarrAmerica joined. That same day, Carlyle also filed a Motion for Clarification of the Court's Opinion. On January 22, 2009, the Court of Appeals denied the Request for Rehearing En Banc, but clarified its opinion affirming dismissal of the claims by stating that CarrAmerica had standing to pursue claims for interference with contractual relations, fraud, conspiracy and tort of another, and remanding Carlyle's case with instructions that the District Court evaluate whether the Trustee had abandoned any claims, which Carlyle might have standing to pursue. On April 2, 2009, Carlyle filed a petition for a writ of certiorari in the United States Supreme Court, seeking review of the Court of Appeals decision. We filed an opposition to that petition on June 8, 2009. On October 5, 2009, the US Supreme Court denied Carlyle's petition.

The District Court held a status conference in the CarrAmerica and Carlyle cases on March 9, 2009. That same day, 3dfx's bankruptcy Trustee filed in the bankruptcy court a Notice of Trustee's Intention to Compromise Controversy with Carlyle Fortran Trust. According to that Notice, the Trustee would abandon any claims it has against us for intentional interference with contract, negligent interference with prospective economic advantage, aiding and abetting breach of fiduciary duty, declaratory relief, unfair business practices and tort of another, in exchange for which Carlyle would withdraw irrevocably its Proof of Claim against the 3dfx bankruptcy estate and waive any further right of distribution from the estate. In light of the Trustee's notice, the District Court ordered the parties to seek a hearing on the Notice on or before April 24, 2009, ordered Carlyle and CarrAmerica to file amended complaints by May 10, 2009, and set a further Case Management Conference for May 18, 2009. The parties subsequently filed a stipulation requesting that the District Court vacate the May 18, 2009 Case Management Conference date and other deadlines until after Bankruptcy Court rendered its decision. At a hearing on May 13, 2009, the Bankruptcy Court ruled that the Trustee had not abandoned any claims against us, and denied the Trustee's Notice of Intention to Compromise Controversy with Carlyle Fortran Trust without prejudice. Carlyle filed a motion in the District Court for leave to file an interlocutory appeal from the order denying the Notice, which was denied on November 12, 2009. On January 13, 2010, the District Court, of its own accord, reconsidered and reversed its decision denying Carlyle's motion for leave to file an interlocutory appeal, and set the interlocutory appeal for hearing on April 26, 2010. Carlyle's interlocutory appeal was argued on April 26, 2010. On June 17, 2010, the District Court issued an order reversing the bankruptcy court's decision, finding that the Trustee had abandoned his claims for intentional interference with contract, negligent interference with prospective economic advantage, aiding and abetting breach of fiduciary duty, declaratory relief, unfair business practices and tort of another. On July 8, 2010 we filed a motion in the District Court asking it to certify its order for appeal, which is scheduled to be heard in November 2010. In addition, on July 14, 2010 we filed a notice of appeal from the District Court's order.

On July 7, 2009, the parties attended a Case Management Conference in the District Court for both the CarrAmerica and the Carlyle cases. On July 8, 2009, the District Court issued an order requiring that CarrAmerica file an amended complaint on or before August 10, 2009. CarrAmerica filed its amended complaint on August 10, 2009, alleging claims for interference with contractual relations, fraud, conspiracy, and tort of another. Thereafter, we filed motions directed at dismissing that Fourth Amended Complaint, and CarrAmerica responded by filing a Fifth Amended Complaint. NVIDIA moved to dismiss the Fifth Amended Complaint, but the District Court denied that motion by order dated January 27, 2010. In that same order, however, the Court invited the parties to move for summary judgment and set the motions for hearing on May 3, 2010. NVIDIA filed a motion for summary judgment on CarrAmerica's claims on March 29, 2010, and a hearing was held on May 3, 2010. On June 29, 2010, the District Court issued an order granting our motion for summary judgment, and entered judgment for NVIDIA. CarrAmerica did not file an appeal within the applicable time limits.

On August 19, 2010, we and the landlords participated in a mediation, and agreed to a settlement of both lawsuits. As part of the settlements, both lawsuits will be dismissed and the landlords will be required to reimburse NVIDIA for a certain amount of NVIDIA's attorneys' fees. The settlements are contingent on the execution of written settlement agreements.

Trustee Lawsuit

In March 2003, the Trustee appointed by the Bankruptcy Court to represent 3dfx's bankruptcy estate served his complaint on NVIDIA. The Trustee's complaint asserts claims for, among other things, successor liability and fraudulent transfer and seeks additional payments from us. The Trustee's fraudulent transfer theory alleged that NVIDIA had failed to pay reasonably equivalent value for 3dfx's assets, and sought recovery of the difference between the $70 million paid and the alleged fair value, which the Trustee estimated to exceed $50 million. The Trustee's successor liability theory alleged NVIDIA was effectively 3dfx's legal successor and was therefore responsible for all of 3dfx's unpaid liabilities. This action was consolidated for pretrial purposes with the landlord cases, as noted above.

On October 13, 2005, the Bankruptcy Court heard the Trustee's motion for summary adjudication, and on December 23, 2005, denied that motion in all material respects and held that NVIDIA may not dispute that the value of the 3dfx transaction was less than $108 million. The Bankruptcy Court denied the Trustee's request to find that the value of the 3dfx assets conveyed to NVIDIA was at least $108 million.

In early November 2005, after several months of mediation, NVIDIA and the Official Committee of Unsecured Creditors, or the Creditors' Committee, agreed to a Plan of Liquidation of 3dfx, which included a conditional settlement of the Trustee's claims against us. This conditional settlement was subject to a confirmation process through a vote of creditors and the review and approval of the Bankruptcy Court. The conditional settlement called for a payment by NVIDIA of approximately $30.6 million to the 3dfx estate. Under the settlement, $5.6 million related to various administrative expenses and Trustee fees, and $25.0 million related to the satisfaction of debts and liabilities owed to the general unsecured creditors of 3dfx. Accordingly, during the three month period ended October 30, 2005, we recorded $5.6 million as a charge to settlement costs and $25.0 million as additional purchase price for 3dfx. The Trustee advised that he intended to object to the settlement. The conditional settlement never progressed substantially through the confirmation process.

On December 21, 2006, the Bankruptcy Court scheduled a trial for one portion of the Trustee's case against NVIDIA. On January 2, 2007, NVIDIA terminated the settlement agreement on grounds that the Bankruptcy Court had failed to proceed toward confirmation of the Creditors' Committee's plan. A non-jury trial began on March 21, 2007 on valuation issues in the Trustee's constructive fraudulent transfer claims against NVIDIA. Specifically, the Bankruptcy Court tried four questions: (1) what did 3dfx transfer to NVIDIA in the APA; (2) of what was transferred, what qualifies as "property" subject to the Bankruptcy Court's avoidance powers under the Uniform Fraudulent Transfer Act and relevant bankruptcy code provisions; (3) what is the fair market value of the "property" identified in answer to question (2); and (4) was the $70 million that NVIDIA paid "reasonably equivalent" to the fair market value of that property. The parties completed post-trial briefing on May 25, 2007.

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On April 30, 2008, the Bankruptcy Court issued its Memorandum Decision After Trial, in which it provided a detailed summary of the trial proceedings and the parties' contentions and evidence and concluded that "the creditors of 3dfx were not injured by the Transaction." This decision did not entirely dispose of the Trustee's action; however, as the Trustee's claims for successor liability and intentional fraudulent conveyance were still pending. On June 19, 2008, NVIDIA filed a motion for summary judgment to convert the Memorandum Decision After Trial to a final judgment. That motion was granted in its entirety and judgment was entered in NVIDIA's favor on September 11, 2008. The Trustee filed a Notice of Appeal from that judgment on September 22, 2008, and on September 25, 2008, NVIDIA exercised its election to have the appeal heard by the United States District Court, where the appeal is pending. The District Court's hearing on the Trustee's appeal was held on June 10, 2009 and the appeal remains under submission.

While the conditional settlement reached in November 2005 never progressed through the confirmation process, the Trustee's case still remains pending on appeal. Accordingly, we have not reversed the accrual of $30.6 million – $5.6 million as a charge to settlement costs and $25.0 million as additional purchase price for 3dfx – that we recorded during the three months ended October 30, 2005, pending resolution of the appeal of the Trustee's case.

Rambus Inc.

On July 10, 2008, Rambus Inc., or Rambus, filed suit against NVIDIA, asserting patent infringement of 17 patents claimed to be owned by Rambus. Rambus seeks damages, enhanced damages and injunctive relief. The lawsuit was filed in the Northern District of California in San Jose, California. On July 11, 2008, NVIDIA filed suit against Rambus in the Middle District of North Carolina asserting numerous claims, including antitrust and other claims. NVIDIA seeks damages, enhanced damages and injunctive relief. Rambus has since dropped two patents from its lawsuit in the Northern District of California. The two cases have been consolidated into a single proceeding in the Northern District of California. On April 13, 2009, the Court issued an order staying motion practice and allowing only document discovery to proceed. On January 27, 2010, the Court entered an order setting a case management conference for March 12, 2010 which has now been continued to October 26, 2010.

On November 6, 2008, Rambus filed a complaint alleging a violation of 19 U.S.C. Section 1337 based on a claim of patent infringement of nine Rambus patents against NVIDIA and 14 other respondents with the U.S. International Trade Commission, or ITC. Rambus has subsequently withdrawn four of the nine patents at issue. The complaint sought an exclusion order barring the importation of products that allegedly infringe the now five Rambus patents. The ITC instituted the investigation and a hearing was held on October 13-20, 2009. The Administrative Law Judge issued an Initial Determination on January 22, 2010, which found the asserted claims of two patents in one patent family infringed but invalid, and the asserted claims of three patents in a separate patent family, valid, infringed and enforceable. This decision was reviewed by the ITC. The ITC issued a Final Decision on July 26, 2010. In its Final Decision, the ITC found that NVIDIA infringed three related patents and issued a limited exclusion order prohibiting import of certain NVIDIA products. NVIDIA intends to appeal the ruling.

NVIDIA also sought reexamination of the patents asserted in the ITC, as well as other patents, in the United States Patent and Trademark Office, or USPTO. Proceedings are underway with respect to all challenged patents. With respect to the claims asserted in the ITC, the USPTO has issued a preliminary ruling invalidating many of the claims. The USPTO has issued "Right to Appeal Notices" for the three patents found by the administrative law judge to be valid, enforceable and infringed. In the Right to Appeal Notices, the USPTO Examiner has cancelled all asserted claims of one of the patents and allowed the asserted claims on the other two patents. Rambus and NVIDIA are both seeking review of the USPTO Examiner's adverse findings. NVIDIA intends to pursue its offensive and defensive cases vigorously in both actions.

Rambus has also been subject to an investigation in the European Union. NVIDIA was not a party to that investigation. However, as a result of Rambus' commitments to resolve that investigation, for a period of five years from the date of the resolution, Rambus must now provide a license to memory controller manufacturers, sellers, and/or companies that integrate memory controllers into other products. The license terms are set forth in a license made available on Rambus' website, or the Required Rambus License. On August 12, 2010, we entered into the Required Rambus License. Pursuant to the agreement, Rambus charges a royalty of (i) one percent of the net sales price per unit for certain memory controllers and (ii) two percent of the net sales price per unit for certain other memory controllers, provided that the maximum average net sales price per unit for these royalty bearing products shall be deemed not to exceed a maximum of $20. The agreement has a term until December 9, 2014. However, NVIDIA may terminate the agreement on or after August 12, 2011 with thirty 30 days prior written notice to Rambus.

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Product Defect Litigation and Securities Cases

In September, October and November 2008, several putative consumer class action lawsuits were filed against us, asserting various claims arising from a weak die/packaging material set in certain versions of our previous generation products used in notebook configurations. Most of the lawsuits were filed in Federal Court in the Northern District of California, but three were filed in state court in California, in Federal Court in New York, and in Federal Court in Texas. Those three actions have since been removed or transferred to the United States District Court for the Northern District of California, San Jose Division, where all of the actions now are currently pending. The various lawsuits are titled Nakash v. NVIDIA Corp., Feinstein v. NVIDIA Corp., Inicom Networks, Inc. v. NVIDIA Corp. and Dell, Inc. and Hewlett Packard, Olivos v. NVIDIA Corp., Dell, Inc. and Hewlett Packard, Sielicki v. NVIDIA Corp. and Dell, Inc., Cormier v. NVIDIA Corp., National Business Officers Association, Inc. v. NVIDIA Corp., and West v. NVIDIA Corp. The First Amended Complaint was filed on October 27, 2008, which no longer asserted claims against Dell, Inc. The various complaints assert claims for, among other things, breach of warranty, violations of the Consumer Legal Remedies Act, Business & Professions Code sections 17200 and 17500 and other consumer protection statutes under the laws of various jurisdictions, unjust enrichment, and strict liability.

The District Court has entered orders deeming all of the above cases related under the relevant local rules. On December 11, 2008, NVIDIA filed a motion to consolidate all of the aforementioned consumer class action cases. On February 26, 2009, the District Court consolidated the cases, as well as two other cases pending against Hewlett-Packard, under the caption “The NVIDIA GPU Litigation” and ordered the plaintiffs to file lead counsel motions by March 2, 2009. On March 2, 2009, several of the parties filed motions for appointment of lead counsel and briefs addressing certain related issues. On April 10, 2009, the District Court appointed Milberg LLP lead counsel. On May 6, 2009, the plaintiffs filed an Amended Consolidated Complaint, alleging claims for violations of California Business and Professions Code Section 17200, Breach of Implied Warranty under California Civil Code Section 1792, Breach of the Implied Warranty of Merchantability under the laws of 27 other states, Breach of Warranty under the Magnuson-Moss Warranty Act, Unjust Enrichment, violations of the New Jersey Consumer Fraud Act, Strict Liability and Negligence, and violation of California’s Consumer Legal Remedies Act.

On August 19, 2009, we filed a motion to dismiss the Amended Consolidated Complaint, and the Court heard arguments on that motion on October 19, 2009. On November 19, 2009, the Court issued an order dismissing with prejudice plaintiffs causes of action for Breach of the Implied Warranty under the laws of 27 other states and unjust enrichment, dismissing with leave to amend plaintiffs’ causes of action for Breach of Implied Warranty under California Civil Code Section 1792 and Breach of Warranty under the Magnuson-Moss Warranty Act, and denying NVIDIA’s motion to dismiss as to the other causes of action. The Court gave plaintiffs until December 14, 2009 to file an amended complaint. On December 14, 2009, plaintiffs filed a Second Amended Consolidated Complaint, asserting claims for violations of California Business and Professions Code Section 17200, Breach of Implied Warranty under California Civil Code Section 1792, Breach of Warranty under the Magnuson-Moss Warranty Act, violations of the New Jersey Consumer Fraud Act, Strict Liability and Negligence, and violation of California’s Consumer Legal Remedies Act. The Second Amended Complaint seeks unspecified damages. On January 19, 2010, we filed a motion to dismiss the Breach of Implied Warranty under California Civil Code Section 1792, Breach of Warranty under the Magnuson-Moss Warranty Act, and California’s Consumer Legal Remedies Act claims in the Second Amended Consolidated Complaint. In addition, on April 1, 2010, Plaintiffs filed a motion to certify a class consisting of all people who purchased computers containing certain of our MCP and GPU products. On May 3, 2010, we filed an opposition to Plaintiffs’ motion for class certification. A hearing on both motions was held on June 14, 2010. On July 16, 2010, the parties filed a stipulation with the District Court advising that, following mediation they had reached a settlement in principle in The NVIDIA GPU Litigation. The settlement in principle is subject to certain approvals, including final approval by the court. As a result of the settlement in principle, the other estimated settlement, and offsetting insurance reimbursements, NVIDIA recorded a net charge of $12.7 million to sales, general and administrative expense during the second quarter of fiscal year 2011. In addition, a portion of the $181.2 million of additional charges we recorded against cost of revenue related to the weak die/packaging set during the second quarter of fiscal year 2011, relates to estimated additional repair and replacement costs related to the implementation of these settlements. On July 19, 2010, the District Court entered an order setting a Preliminary Approval hearing for August 30, 2010, and a Final Approval hearing for November 22, 2010, and removing the pending motions from its calendar. On August 12, 2010, the parties executed a Stipulation and Agreement of Settlement and Release.

In September 2008, three putative securities class actions, or the Actions, were filed in the United States District Court for the Northern District of California arising out of our announcements on July 2, 2008, that we would take a charge against cost of revenue to cover anticipated costs and expenses arising from a weak die/packaging material set in certain versions of our previous generation MCP and GPU products and that we were revising financial guidance for our second quarter of fiscal year 2009. The Actions purport to be brought on behalf of purchasers of NVIDIA stock and assert claims for violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934. On October 30, 2008, the Actions were consolidated under the caption In re NVIDIA Corporation Securities Litigation, Civil Action No. 08-CV-04260-JW (HRL). Lead Plaintiffs and Lead Plaintiffs' Counsel were appointed on December 23, 2008. On February 6, 2009, co-Lead Plaintiff filed a Writ of Mandamus with the Ninth Circuit Court of Appeals challenging the designation of co-Lead Plaintiffs' Counsel. On February 19, 2009, co-Lead Plaintiff filed with the District Court, a motion to stay the District Court proceedings pending resolution of the Writ of Mandamus by the Ninth Circuit. On February 24, 2009, Judge Ware granted the stay. On November 5, 2009, the Court of Appeals issued an opinion reversing the District Court's appointment of one of the lead plaintiffs' counsel, and remanding the matter for further proceedings.

On December 8, 2009, the District Court appointed Milberg LLP and Kahn Swick & Foti, LLC as co-lead counsel. On January 22, 2010, Plaintiffs filed a Consolidated Amended Class Action Complaint for Violations of the Federal Securities Laws, asserting claims for violations of Section 10(b) of the Securities Exchange Act, Rule 10b-5, and Section 20(a) of the Securities Exchange Act. The consolidated complaint seeks unspecified compensatory damages. We filed a motion to dismiss the consolidated complaint. A hearing on our motion to dismiss was held on June 24, 2010 before Judge Seeborg, and the matter is currently under submission.

Intel Corporation

On February 17, 2009, Intel Corporation filed suit against NVIDIA Corporation, seeking declaratory and injunctive relief relating to a license agreement that the parties signed in 2004. The lawsuit was filed in Delaware Chancery Court. Intel seeks an order from the Court declaring that the license does not extend to certain NVIDIA chipset products and enjoining NVIDIA from stating that it has license rights for these products. The lawsuit seeks no damages from NVIDIA. If Intel successfully obtains such a court order, we could be unable to sell our MCP products for use with certain Intel processors and our competitive position would be further harmed.

On March 23, 2009, we filed our answer to Intel's complaint and also asserted counterclaims for declaratory relief, injunctive relief, breach of contract, and breach of the implied covenant of good faith and fair dealing. Our counterclaims seek an order declaring that NVIDIA has the right to sell certain chipset products with Intel's processors under the 2004 license agreement, and enjoining Intel from interfering with NVIDIA's license rights. In addition, the counterclaims seek a finding that Intel has materially breached its obligations under the 2004 license agreement, and requests various remedies for that breach, including termination of Intel's cross licensing rights. On April 16, 2009, Intel filed its answer to our counterclaims.

Discovery is proceeding and trial is currently scheduled for December 6, 2010. NVIDIA disputes Intel’s claims and intends to vigorously defend these claims, as well as pursue its counterclaims.

Note 13 - Stockholders’ Equity

Stock Repurchase Program

Our Board of Directors has authorized us, subject to certain specifications, to repurchase shares of our common stock up to an aggregate maximum amount of $2.7 billion through May 2013. The repurchases will be made from time to time in the open market, in privately negotiated transactions, or in structured stock repurchase programs, and may be made in one or more larger repurchases, in compliance with Rule 10b-18 of the Securities Exchange Act, subject to market conditions, applicable legal requirements, and other factors. The program does not obligate NVIDIA to acquire any particular amount of common stock and the program may be suspended at any time at our discretion. As part of our share repurchase program, we have entered into, and we may continue to enter into, structured share repurchase transactions with financial institutions. These agreements generally require that we make an up-front payment in exchange for the right to receive a fixed number of shares of our common stock upon execution of the agreement, and a potential incremental number of shares of our common stock, within a pre-determined range, at the end of the term of the agreement.

We did not enter into any structured share repurchase transactions or otherwise purchase any shares of our common stock during the three and six months ended August 1, 2010. Through August 1, 2010, we have repurchased an aggregate of 90.9 million shares under our stock repurchase program for a total cost of $1.46 billion. As of August 1, 2010, we are authorized, subject to certain specifications, to repurchase shares of our common stock up to $1.24 billion through May 2013.

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Convertible Preferred Stock

As of August 1, 2010 and January 31, 2010, there were no shares of preferred stock outstanding.

Common Stock

At the Annual Meeting of Stockholders held on June 19, 2008, our stockholders approved an increase in our authorized number of shares of common stock to 2,000,000,000. The par value of our common stock remained unchanged at $0.001 per share.

Please refer to Note 2 of these Notes to the Condensed Consolidated Financial Statements for further discussion regarding the cash tender offer for certain employee stock options completed in March 2009.

Note 14 - Comprehensive Loss

Comprehensive loss consists of net loss and other comprehensive loss. Other comprehensive loss components include unrealized gains or losses on available-for-sale securities, net of tax. The components of comprehensive loss, net of tax, were as follows:

	Three Months Ended		Six Months Ended	
	August 1, 2010	July 26, 2009	August 1, 2010	July 26, 2009
	(In thousands)			
Net loss	$ (140,961)	$ (105,302)	$ (3,367)	$ (306,640)
Net change in unrealized gains (losses) on available-for-sale securities, net of tax	840	3,896	(244)	5,505
Reclassification adjustments for net realized losses on available-for-sale securities included in net loss, net of tax	(478)	(157)	(692)	(700)
Total comprehensive loss	$ (140,599)	$ (101,563)	$ (4,303)	$ (301,835)

Note 15 - Segment Information

Our Chief Executive Officer, who is considered to be our chief operating decision maker, or CODM, reviews financial information presented on an operating segment basis for purposes of making operating decisions and assessing financial performance.

During the first quarter of fiscal year 2011, we began reporting internally the results of our former MCP segment along with the results of our GPU segment to reflect the way we manage the GPU business. Comparative periods presented reflect this change. Our GPU business is comprised primarily of our GeForce and ION products that support desktop, notebook and netbook personal computers, or PCs. The GPU business also includes memory products. Our professional solutions business, or PSB, is comprised of our Quadro professional workstation products and other professional graphics products, including our NVIDIA Tesla high-performance computing products. Our consumer products business, or CPB, is comprised of our Tegra mobile brand and products that support tablets and smartbooks, smartphones, personal media players, or PMPs, internet television, automotive navigation, and other such devices. CPB also includes license, royalty, other revenue and associated costs related to video game consoles and other digital consumer electronics devices.

The "All Other" category includes non-recurring charges that we do not allocate to our other operating segments as these expenses are not included in the segment operating performance measures evaluated by our CODM. There were no non-recurring charges for the three months and six months ended August 1, 2010. Non-recurring charges related to our cash tender offer to purchase certain employee stock options were $140.2 million for the six months ended July 26, 2009. Please refer to Note 2 of the Notes to the Condensed Consolidated Financial Statements for further discussion regarding the cash tender offer.

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Our CODM does not review any information regarding total assets on an operating segment basis. Operating segments do not record intersegment revenue, and, accordingly, there is none to be reported. The accounting policies for segment reporting are the same as for NVIDIA as a whole.

	GPU	PSB	CPB (In thousands)	All Other	Consolidated
Three Months Ended August 1, 2010:					
Revenue	$ 550,413	$ 215,091	$ 45,704	$ -	$ 811,208
Depreciation and amortization expense	$ 30,743	$ 7,201	$ 8,629	$ -	$ 46,573
Operating income (loss)	$ (221,711)	$ 85,226	$ (38,722)	$ -	$ (175,207)
Three Months Ended July 26, 2009:					
Revenue	$ 615,617	$ 116,626	$ 44,277	$ -	$ 776,520
Depreciation and amortization expense	$ 35,549	$ 7,211	$ 6,562	$ -	$ 49,322
Operating income (loss)	$ (127,437)	$ 32,822	$ (15,492)	$ -	$ (110,107)
Six Months Ended August 1, 2010:					
Revenue	$ 1,331,266	$ 404,821	$ 76,934	$ -	$ 1,813,021
Depreciation and amortization expense	$ 65,602	$ 12,597	$ 15,521	$	$ 93,720
Operating income (loss)	$ (106,367)	$ 159,091	$ (80,538)	$ -	$ (27,814)
Six Months Ended July 26, 2009:					
Revenue	$ 1,163,001	$ 222,775	$ 54,975	$ -	$ 1,440,751
Depreciation and amortization expense	$ 71,720	$ 14,389	$ 13,871	$ -	$ 99,980
Operating income (loss)	$ (196,037)	$ 53,927	$ (58,721)	$ (140,241)	$ (341,072)

Revenue by geographic region is allocated to individual countries based on the location to which the products are initially billed even if our customers' revenue is attributable to end customers that are located in a different location. The following tables summarize information pertaining to our revenue from customers based on invoicing address in different geographic regions:

	Three Months Ended		Six Months Ended	
	August 1, 2010	July 26, 2009	August 1, 2010	July 26, 2009
	(In thousands)			
Revenue:				
China	$ 271,362	$ 323,478	$ 648,681	$ 583,628
Taiwan	189,027	203,185	467,152	369,621

Other Asia Pacific	155,164	95,151	282,799	165,635
United States	61,143	59,882	148,159	111,772
Other Americas	72,781	50,469	137,682	121,072
Europe	61,731	44,355		