PART I

ITEM 1. BUSINESS

Our Company

NVIDIA is a visual computing company, connecting people through the powerful medium of computer graphics. In a world increasingly filled with visual displays, our graphics technologies let our customers interact with the world of digital ideas, information and entertainment with an efficiency that no other communication medium can provide. Visualization transcends cultural and language boundaries and enhances the quality of life whether the setting is work or pleasure and the task is mission critical or for entertainment.

We have long been known to millions around the world for creating the graphics chips used in PCs that bring video games to life. With our invention of the GPU, we introduced the world to the power of programmable shading, which defines modern computer graphics. Today, we reach well beyond PC graphics and games. Our energy-efficient processors are at the heart of products ranging from mobile devices to supercomputers. PC gamers choose our GPUs by name to enjoy immersive fantasy worlds. Our Tegra processors power smartphones, tablets and automobile infotainment systems. Professional designers use our GPUs to create visual effects in movies and design everything from audio headsets to commercial aircraft. And supercomputers take advantage of the massively parallel processing capabilities of our GPUs to accelerate a wide range of important applications, from simulations of viruses at the molecular level, to modern weather forecasting and global oil exploration.

NVIDIA's research and development in visual computing has yielded more than 5,000 patents granted or pending worldwide, and including ones covering inventions essential to modern computing.

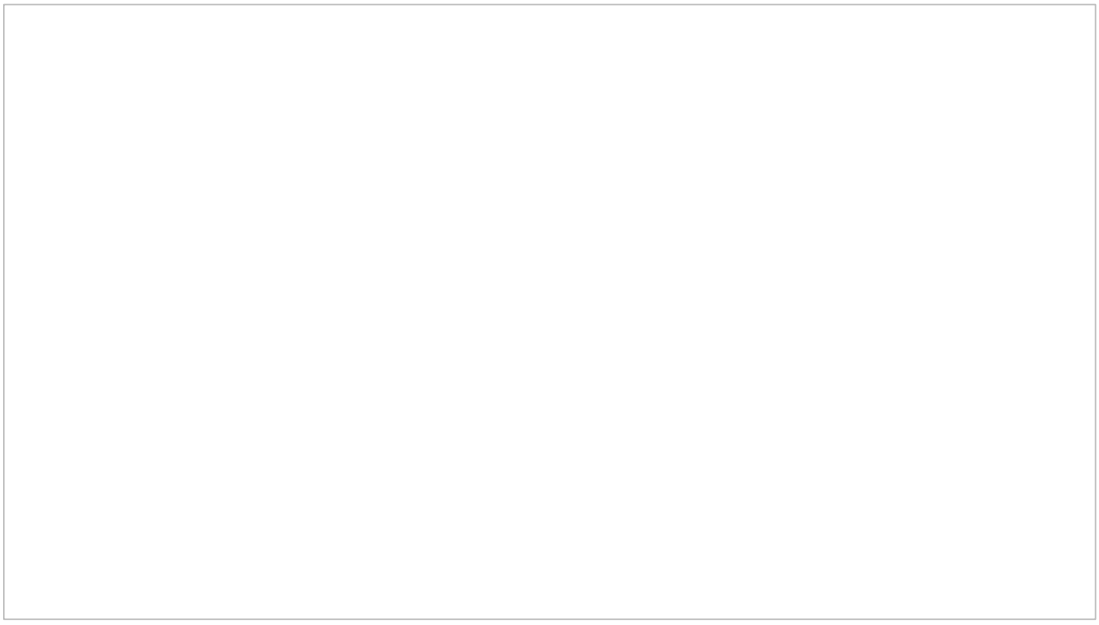
Our businesses are based on two important technologies: the GPU and the Tegra processor. GPUs, each with billions of transistors, are the engine of visual computing and among the world's most complex processors. We have GPU product brands designed for specific users and applications: GeForce for gamers; Quadro for designers; Tesla for researchers; and GRID VGX for cloud-based server graphics modules. We recently announced the NVIDIA GRID visual computing appliance, a fully integrated system with GRID VGX graphics modules that run NVIDIA's proprietary system software. GRID is a first-of-its-kind device, designed to serve graphics-intensive applications from the cloud simultaneously to a large number of concurrent users.

The Tegra processor is a system-on-a-chip, or SOC, integrating an entire computer on a single chip. Tegra processors incorporate multi-core GPUs and CPUs together with audio, video and input/output capabilities. They can also be integrated with baseband processors for phone and data communication. Unlike power-inefficient processors built for PCs, our Tegra SOC conserves power while delivering state-of-the-art graphics and multimedia processing. Tegra runs devices like smartphones, tablets and PCs; it can also be embedded into smart devices, such as televisions, monitors, set-top boxes, gaming devices and cars. We recently announced Project SHIELD, the first Android device designed for gaming. Project SHIELD features our Tegra 4 processor, contains proprietary NVIDIA-developed software and system technologies and leverages our deep partnerships with game developers all over the world.

Headquartered in Santa Clara, California, we were incorporated in California in April 1993 and reincorporated in Delaware in April 1998.

Our Businesses

Our two primary reporting segments are based on the GPU and the Tegra processor. We sell our processors to OEMs that build PCs, workstations, servers, smartphones and tablets. We target four market segments - Gaming, Enterprise, Mobile and Cloud - where our deep expertise in visual computing allows us to create solutions and experiences for users.



Businesses	Product Lines
GPU	• **GeForce** for consumer desktop and notebook PCs. GeForce GPUs enhance the gaming experience on PCs by improving the visual quality of graphics through complex visual fidelity effects, higher frame rate for smoother gameplay and replicating the realistic behavior of light and physical objects • **Quadro** for professional workstations • **Tesla** for supercomputing servers and workstations • **GRID Graphics Modules** for industry-standard servers to accelerate virtual desktop infrastructure (VDI) from companies like Citrix and VMware; also for server workstations • **GRID Systems** for applications ranging from streaming games to hosting graphics-intensive design applications such as Adobe, Autodesk and SolidWorks. GRID visual computing appliances -- a new class of computing systems designed to remotely serve graphics-intensive applications from corporate networks or the cloud -- incorporate many GPU modules and run proprietary software so they can serve many users simultaneously. Interactivity, high performance and the ability to serve many concurrent users are GRID's distinguishing characteristics
Tegra Processors	• **Tegra** processors are architected to deliver a superior visual and multimedia experience on tablets, smartphones and gaming devices while consuming minimal power. The latest generation is Tegra 4, the world's fastest mobile processor on leading benchmarks, and the first quad-core A15 processor, with 72 graphics cores (compared with Tegra 3's 12 cores). Tegra 4 was unveiled at the Consumer Electronics Show (CES) 2013 and we expect to begin shipping in the second quarter of fiscal year 2014

- **Icera** baseband processors and radio frequency (RF) transceivers for mobile connectivity
- **Integrated chip solutions** that combine the Tegra applications processor and the Icera baseband processor
- **Project SHIELD**, an Android gaming device featuring our Tegra 4 processor, optimized to help users enjoy digital content in the cloud. There are Android phones, Android book readers and Android notepads with pens. Project SHIELD is for gaming and designed to let gamers play the way they want - untethered, open and connected to the cloud
- **Tegra VCM,** Tegra-based vehicle computing modules that integrate an entire automotive computer into a single component. These drive the computing needs of modern connected cars, enabling sophisticated navigation and infotainment systems, as well as next-generation safety and driver-assistance systems
- **Embedded computing platforms** for a variety of digital consumer devices, such as TVs and smart monitors

Our Markets

For markets where visual computing is particularly important, we dedicate ourselves to creating differentiated experiences that delight users. Visual computing is pervasive and customers include gamers, enterprises, and tablet and mobile phone users. We consistently build the industry's best processors and system software for the segments on which we focus. We work hard to connect all the dots between our hardware and software offerings, as well as partner applications, to provide customers with complete solutions.

Gaming

Consumers today can watch movies, read books or listen to music on many kinds of devices. Their content is either stored and enjoyed on their devices, or stored in the cloud and streamed to their devices, whether PC, Mac, phone, connected TV or tablet. When consumers put down one device and pick up another, they expect to pick up where they left off in a consistent, seamless experience. Our goal is to deliver this same end-to-end experience for gaming, which is the largest market in consumer entertainment.

We focus on open platforms - PCs, mobile devices and, recently, the cloud. We build processors to deliver the best graphics for a great gaming experience, sophisticated 3D software and algorithms that are incorporated into games, and a new visual computing appliance that allows games to be played remotely from the cloud. By developing on our platforms, developers can achieve the broadest reach - on PC, Mac, phone, connected TV or tablet - which provides gamers with enjoyment and flexibility.

Our products for the gaming market include: GeForce GTX GPUs for PC gaming; Tegra processors for mobile devices; the GRID visual computing appliance, which streams games from the cloud to connected devices; and Project SHIELD, which we announced at CES 2013 and expect to ship in the second quarter of fiscal year 2014. These products can be enjoyed independently or in conjunction with each other to connect the gaming experience across platforms. For example, gamers can use Project SHIELD to play Android games or stream games from a PC with a GeForce processor; or, they can stream games from a GRID gaming server to their PC or TV.

Enterprise

Our enterprise strategy is to serve as our customers' most trusted graphics partner, working closely with independent software vendors to optimize their offerings for NVIDIA GPUs, and delivering end-to-end visual computing solutions for targeted visual-computing-intensive applications. Our visual computing solutions enhance productivity for critical parts of the workflow of major industries, ranging from automotive, to film and television broadcast, to oil and gas.

Visual computing is vital to productivity in many large and important industries:

- **Design and Manufacturing** - including architectural design, consumer-products manufacturing, medical instrumentation, and science & aerospace
- **Media and Entertainment** - including special effects for movies and television, advertising, and virtual sets for broadcast
- **High Performance Computing** - aerospace simulation, molecular dynamics and bio-science simulations of viruses, oil & gas exploration
- **Virtual Desktop Infrastructure (VDI)** - professional applications for design, enterprise applications for power and productivity users in the workplace, working on such devices as tablets and notebook PCs

NVIDIA products for the enterprise market include Quadro GPUs for workstations, Tesla GPUs for high performance computing servers, and GRID server graphics for enterprise VDI applications.

NVIDIA Quadro GPUs enhance the productivity of designers by improving performance and adding critical functionality, such as photorealistic rendering for computer-aided design workstations. They are used in professional video editing to generate special effects in movies and to create virtual sets for broadcast. The recognized standard for professional graphics, Quadro products are the reference platform for virtually all major design and content-creation software developed for professional workstations.

Tesla applies the parallel-processing capability of GPUs to general-purpose computing problems, greatly increasing performance and power efficiency over CPU-only solutions. Tesla-based servers and supercomputers increase the speed of applications used in bio-science research, mechanical and fluid simulations, energy exploration and computational finance.

GRID, a first-of-its-kind technology introduced this year, makes it possible to run graphics-intensive applications remotely on a server in the datacenter, instead of locally on a PC or workstation. It enables pixels to be processed, compressed and streamed so quickly that it appears that work is being done by a powerful computer adjacent to the viewing screen. As the processing-intensive application resides in the server and only the final image is streamed, complex applications can now be accessed from virtually any computing device. Designers, sales and marketing professionals can click on an icon and run a professional application from a PC, Mac, iPad or Android tablet. NVIDIA offers GRID graphics modules and software that OEMs can include in their standard servers.

Mobile

Mobile computing devices in various form factors are expected to continue to drive the user experience. According to Strategy Analytics, more than 800 million smartphones and 180 million tablets are expected to ship in 2013, approaching the number of laptop PCs sold.

The foundation of our mobile computing strategy is the Tegra processor, which harnesses our expertise in computer chip, software and system design, while leveraging our world-leading expertise in visual computing. In just a few short years, we have established a presence in the industry and have achieved many industry firsts:

- Tegra 2 - the first dual-core mobile processor
- Tegra 3 - the first quad-core mobile processor
- Tegra 4 - the first mobile processor with computational photography capabilities, making possible for the first time single-shot high dynamic range (HDR) photos, HDR panoramic shots and continuous object tracking and focus
- Icera - the first software-defined radio modem to achieve LTE
- Tegra was also the first processor used in a Google Honeycomb Android tablet and in a Microsoft Windows RT PC

Our strategy is to innovate faster than the competition, introducing new features and capabilities to differentiate the user experience. In doing so, we leverage our PC proficiency and harness industry trends that we believe favor NVIDIA's core graphics expertise.

The mobile market is more than smartphones to us. The combination of Tegra and our significant computing software assets enables us to address the many new markets for connected smart devices. For example, 60 million cars are sold each year, and all, we believe, will eventually include multiple Tegra-like computers that augment our driving experience. They will ensure our safety and the safety of those around us, search and navigate to destinations through heads-up displays, and enhance our comfort and enjoyment. Cars will be connected to our mobile devices. They may someday drive themselves out of parking garages to meet their owners, with the seat and temperature already set to their liking.

Increasingly, devices will be smarter and connected. There will be smart TVs that respond to voice and gesture commands, smart monitors powered by Android making a PC optional, watches and jewelry that recognize voice commands and make calls. Our mobile strategy is to put Tegra into every device where visual computing is valued.

Cloud

The computer industry has gone through several major industry shifts - from client-servers, to PCs, to mobile devices connected to the Internet. But none appear to be as sweeping as cloud computing, in which computing devices are connected to the cloud and applications are served as a service.

By extending visual computing into the cloud, NVIDIA is expanding the application of the GPU beyond the PC into the server and datacenter. Virtualizing the GPU enables it to be shared by many concurrent users. And we have created technologies that allow the rendered image to be quickly compressed and streamed to a distant computer.

NVIDIA's GRID visual computing appliance is a first of its kind, designed to let users interact remotely with graphics-intensive applications for entertainment and business. By making graphics applications available on a network or in the cloud, we aim to expand the GPU's addressable market to virtually any connected display. GRID is designed to stream a graphics application the way Netflix streams a movie. It will enable Adobe Photoshop to be run remotely and interacted with as if the application were on the PC. GRID is a computing appliance for many users to share graphics processing, much the same way that a router is a computing appliance designed for networking.

Initial target markets of the NVIDIA GRID appliance are cloud gaming and software-as-a-service (SaaS) hosting of graphics-intensive applications. For cloud gaming, we are partnering with cloud gaming middleware providers around the world, who in turn work with large service and media providers. For hosting graphics-intensive design applications, including Autodesk, Adobe and SolidWorks, we are partnering with value-added resellers specialized in serving the computing needs of designers and artists.

Our Strategies

Extend Technology Leadership in Visual Computing. We believe that visual computing is fundamental to the continued expansion of computing and essential to new computing experiences that define the future of computing. We apply world-leading expertise in these areas to enhance the user experience for consumer entertainment and professional visualization applications. We focus our significant R&D depth and scale to extend our visual computing leadership.

Enable and Deliver the World's Best Gaming Experiences. By focusing on open platforms and end-to-end experiences, we aim to bring the highest fidelity and quality to any gaming device. With a broad portfolio of products and technologies optimized for gamers - GPUs and software, mobile systems-on-a-chip, value-added solutions such as GeForce Experience and TegraZone, differentiated devices like Project SHIELD, and technologies and appliances for high-quality streaming in GRID - NVIDIA is committed to ensuring that gaming on our platforms is delightful and exciting.

Revolutionize Computing with the Parallel Processing Capability of the GPU. NVIDIA CUDA is a general purpose parallel computing architecture that leverages the thousands of massively parallel processors inside an NVIDIA GPU to solve many complex computational problems in a fraction of the time required by a CPU. We work with developers worldwide who write application programs for the CUDA architecture using various high-level programming languages. Developers are able to accelerate algorithms in areas ranging from molecular dynamics to image processing, X-ray image reconstruction and derivatives modeling for financial risk analysis. We believe the work we are doing around GPU computing is an important step to the future of how computing will be done.

Extend our Visual Computing Leadership into Mobile and Cloud Computing Platforms. Mobile, cloud and SaaS are driving changes in the computer industry. Although a great challenge to make possible due to the significant computational intensity of graphics, we believe visual computing will be a key component in this new computing paradigm. As with books and music, we want to enable interactive graphics applications like games, movie and photo editors, and design software to be accessed from any computer and from anywhere.

Leverage our Processors and Visual Computing Expertise to Create Differentiated Devices. We recently announced Project SHIELD, an NVIDIA developed and branded Android device designed for gaming and featuring our latest processor Tegra 4. We believe Project SHIELD will attract modern gamers who want to play on open platforms and untethered to the living room. We believe Project SHIELD will also enhance the strategic position of Tegra. We believe Project SHIELD will attract more games to TegraZone, which will in turn make every Tegra-powered device more enjoyable. Just as Project SHIELD is a device built around Tegra, we leveraged our GPU to create a first-of-its-kind visual computing appliance called GRID. Leveraging our GPU and visual computing expertise, the NVIDIA GRID is a visual computing appliance designed to serve graphics-intensive applications to many users simultaneously.

Use Our Intellectual Property and Resources to Enter into License and Development Contracts. We believe our technology leadership in graphics and mobile computing offers the opportunity to license our technology to strategic customers that desire to build such capabilities directly into their own products. We expect to enter into license and development arrangements, some of which may involve significant customization of our intellectual property components and further enhance the reach of our graphics and mobile technology.

Sales and Marketing

Our worldwide sales and marketing strategy is key to our objective to become the leading supplier of high-performance and efficient GPUs and mobile system-on-chip products. Our sales and marketing teams work closely with each industry's respective OEMs, original design manufacturers, or ODMs, system builders, motherboard manufacturers, add-in board manufacturers, or AIBs, and industry trendsetters, collectively referred to as our Channel, to define product features, performance, price and timing of new products. Members of our sales team have a high level of technical expertise and product and industry knowledge to support the competitive and complex design win process. We also employ a highly skilled team of application engineers to assist our Channel in designing, testing and qualifying system designs that incorporate our products. We believe that the depth and quality of our design support are keys to improving our Channel's time-to-market, maintaining a high level of customer satisfaction within our Channel and fostering relationships that encourage customers to use the next generation of our products.

In the markets we serve that purchase our GPUs, the sales process involves achieving key design wins with leading OEMs and major system builders and supporting the product design into high volume production with key ODMs, motherboard manufacturers and AIBs. These design wins in turn influence the retail and system builder channel that is serviced by AIB and motherboard manufacturers. Our distribution strategy is to work with a number of leading independent contract equipment manufacturers, or CEMs, ODMs, motherboard manufacturers, AIBs and distributors, each of which have relationships with a broad range of major OEMs and/or strong brand name recognition in the retail channel. Currently, we sell a significant portion of our processors directly to distributors, CEMs, ODMs, motherboard manufacturers and AIBs, which then sell boards and systems with our products to leading OEMs, retail outlets and a large number of system builders. In the Tegra Processor segment that we serve, the sales process primarily involves achieving key design wins directly with the leading mobile OEMs and supporting the product design into high-volume production.

As a result of our Channel strategy, a small number of our customers represent the majority of our revenue. However, their end customers consist of a large number of OEMs and system builders throughout the world. Sales to our largest customer accounted for 13% of our total revenue for fiscal year 2013.

To encourage software title developers and publishers to develop games optimized for platforms utilizing our products, we seek to establish and maintain strong relationships in the software development community. Engineering and marketing personnel interact with and visit key software developers to promote and discuss our products, as well as to ascertain product requirements and solve technical problems. Our developer program makes certain that our products are available to developers prior to volume availability in order to encourage the development of software titles that are optimized for our products.

Backlog

Our sales are primarily made pursuant to standard purchase orders. The quantity of products purchased by our customers as well as our shipment schedules are subject to revisions that reflect changes in both the customers' requirements and in manufacturing availability. The semiconductor industry is characterized by short lead time orders and quick delivery schedules. In light of industry practice and experience, we believe that only a small portion of our backlog is non-cancelable and that the dollar amount associated with the non-cancelable portion is not significant.

Seasonality

Our industry is largely focused on the consumer products market. Historically, we have seen stronger revenue in the second half of our fiscal year than in the first half of our fiscal year, primarily due to back-to-school and holiday demand. However, there can be no assurance that this trend will continue.

Manufacturing

We do not directly manufacture semiconductor wafers used for our products. Instead, we utilize what is known as a fabless manufacturing strategy for all of our product-line operating segments whereby we employ world-class suppliers for all phases of the manufacturing process, including wafer fabrication, assembly, testing and packaging. This strategy uses the expertise of industry-leading suppliers that are certified by the International Organization for Standardization in such areas as fabrication, assembly, quality control and assurance, reliability and testing. In addition, this strategy allows us to avoid many of the significant costs and risks associated with owning and operating manufacturing operations. Our suppliers are also responsible for procurement of most of the raw materials used in the production of our products. As a result, we can focus our resources on product design, additional quality assurance, marketing and customer support.

We utilize industry-leading suppliers, such as Taiwan Semiconductor Manufacturing Company Limited, to produce our semiconductor wafers. We then utilize independent subcontractors, such as Advanced Semiconductor Engineering, Inc., JSI Logistics Ltd., King Yuan Electronics Co., Ltd., Siliconware Precision Industries Company Ltd. and STATS ChipPAC Incorporated to perform assembly, testing and packaging of most of our products. We purchase substrates from Nanya Technology Corporation, IbidenCo., Ltd. and Unimicron Technology Corporation.

We typically receive semiconductor products from our subcontractors, perform incoming quality assurance and then ship the semiconductors to CEMs, distributors, motherboard and AIB customers from our third-party warehouse in Hong Kong. Generally, these manufacturers assemble and test the boards based on our design kit and test specifications, and then ship our products to retailers, system builders or OEMs as motherboard and add-in board solutions.

Inventory and Working Capital

We focus considerable attention on managing our inventories and other working-capital-related items. We manage inventories by communicating with our customers and then using our industry experience to forecast demand on a product-by-product basis. We then place manufacturing orders for our products that are based on forecasted demand. The quantity of products actually purchased by our customers as well as shipment schedules are subject to revisions that reflect changes in both the customers' requirements and in manufacturing availability. We generally maintain substantial inventories of our products because the semiconductor industry is characterized by short lead time orders and quick delivery schedules.

Our existing cash and marketable securities balances increased by 19.1% at the end of fiscal year 2013 compared with the end of fiscal year 2012. We believe that these balances and our anticipated cash flows from operations will be sufficient to meet our operating, acquisition and capital requirements for at least the next twelve months.

Research and Development

We believe that the continued introduction of new and enhanced products designed to deliver leading visual computing technology including 3D graphics, HD video, audio, ultra-low power consumption and SOC architectures is essential to our future success. Our research and development strategy is to focus on concurrently developing multiple generations of GPUs and Tegra Processors, including GPUs for high-performance computing, and Tegra SOCs for Project SHIELD and other mobile products using independent design teams. Our research and development efforts are performed within specialized groups consisting of software engineering, hardware engineering, very large scale integration design engineering, process engineering, architecture and algorithms. These groups act as a pipeline designed to allow the efficient simultaneous development of multiple generations of products.

A critical component of our product development effort is our partnerships with leaders in the computer-aided design industry. We invest significant resources in the development of relationships with industry leaders, often assisting these companies in the product definition of their new products. We believe that forming these relationships and utilizing next-generation development tools to design, simulate and verify our products will help us remain at the forefront of the 3D graphics market and develop products that utilize leading-edge technology on a rapid basis. We believe this approach assists us in meeting the new design schedules of PC OEMs and other manufacturers.

As of January 27, 2013, we had 5,783 full-time employees engaged in research and development. During fiscal years2013, 2012 and 2011, we incurred research and development expense of $1,147.3 million, $1,002.6 million and $848.8 million, respectively.

Competition

The market for our products is intensely competitive and is characterized by rapid technological change, evolving industry standards and declining average selling prices. We believe that the principal competitive factors in this market are performance, breadth of product offerings, access to customers and distribution channels, software support, conformity to industry standard Application Programming Interfaces, manufacturing capabilities, processor pricing and total system costs. We believe that our ability to remain competitive will depend on how well we are able to anticipate the features and functions that customers will demand and whether we are able to deliver consistent volumes of our products at acceptable levels of quality and at competitive prices. We expect competition to increase from both existing competitors and new market entrants with products that may be less costly than ours, or may provide better performance or additional features not provided by our products. In addition, it is possible that new competitors or alliances among competitors could emerge and acquire significant market share.

A significant source of competition comes from companies that provide or intend to provide GPUs and mobile SOC products. Some of our competitors may have greater marketing, financial, distribution and manufacturing resources than we do and may be more able to adapt to customer or technological changes.

Our current competitors include:

- suppliers of GPUs, including supercomputers and chipsets that incorporate 3D graphics functionality as part of their existing solutions, such as Advanced Micro Devices, or AMD, and Intel;
- suppliers of SOC products that support tablets, smartphones, and PCs as well as products that are embedded into smart devices such as televisions, monitors, set-top boxes, gaming devices and cars, such as AMD, Apple Inc., ARM Holdings plc, Broadcom Corporation, Fujitsu Limited, HiSilicon Technologies Co., Ltd., Imagination Technologies Ltd., Intel, Marvell Technology Group Ltd., Mediatek, NEC Corporation, Qualcomm Incorporated, Renesas Technology Corp., Samsung Electronics Co. Ltd., and ST Microelectronics;
- licensors of graphics technologies, such as ARM Holdings plc, Imagination Technologies Group plc. and Vivante Corporation; and
- suppliers of cellular basebands such as Broadcom Corporation, Freescale Semiconductor Inc., HiSilicon Technologies Co., Ltd., Intel, Marvell Technology Group Ltd., Mediatek, Qualcomm Incorporated, Renesas Technology Corp., Samsung Electronics Co. Ltd., Spreadtrum Communications Co., Ltd, and ST-Ericsson.

If and to the extent we offer products in new markets, we may face competition from existing competitors as well as from companies with which we currently do not compete. We expect substantial competition from both Intel's and AMD's strategy of selling platform solutions, including integrating a CPU and a GPU on the same chip or same package, as evidenced by AMD's APU product and Intel's CPUs with integrated graphics. As AMD and Intel continue to pursue platform solutions and integrated CPUs, we may not be able to successfully compete and our business could be negatively impacted.

Patents and Proprietary Rights

We rely primarily on a combination of patents, trademarks, trade secrets, employee and third-party nondisclosure agreements and licensing arrangements to protect our intellectual property in the United States and internationally. Our currently issued patents have expiration dates from August 2013 to February 2032. We have numerous patents issued, allowed and pending in the United States and in foreign jurisdictions. Our patents and pending patent applications primarily relate to our products and the technology used in connection with our products. We also rely on international treaties, organizations and foreign laws to protect our intellectual property. The laws of certain foreign countries in which our products are or may be manufactured or sold, including various countries in Asia, may not protect our products or intellectual property rights to the same extent as the laws of the United States. This makes the possibility of piracy of our technology and products more likely. We continuously assess whether and where to seek formal protection for particular innovations and technologies based on such factors as:

- the location in which our products are manufactured;
- our strategic technology or product directions in different countries;
- the degree to which intellectual property laws exist and are meaningfully enforced in different jurisdictions; and
- the commercial significance of our operations and our competitors' operations in particular countries and regions.

Our pending patent applications and any future applications may not be approved. In addition, any issued patents may not provide us with competitive advantages or may be challenged by third parties. The enforcement of patents by others may harm our ability to conduct our business. Others may independently develop substantially equivalent intellectual property or otherwise gain access to our trade secrets or intellectual property. Our failure to effectively protect our intellectual property could harm our business. We have licensed technology from third parties for incorporation in some of our products and for defensive reasons, and expect to continue to enter into such license agreements. These licenses may result in royalty payments to third parties, the cross licensing of technology by us or payment of other consideration. If these arrangements are not concluded on commercially reasonable terms, our business could suffer.

Employees

As of January 27, 2013, we had7,974 employees, 5,783 of whom were engaged in research and development and2,191 of whom were engaged in sales, marketing, operations and administrative positions. We believe we have good relationships with our employees.

Environmental Regulatory Compliance

To date, we have not incurred significant expenses related to environmental regulatory compliance matters. For additional detail see "Item 1A. Risk Factors - Risks Related to Regulatory, Legal, Our Common Stock and Other Matters - *Our failure to comply with any applicable environmental regulations could result in a range of consequences, including fines, suspension of production, excess inventory, sales limitations, and criminal and civil liabilities*."

Financial Information by Reporting Segment and Geographic Data

The information included in Note 17 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K, including financial information by reporting segment and revenue and long-lived assets by geographic region, is hereby incorporated by reference. For additional detail regarding the risks attendant to our foreign operations see "Item 1A. Risk Factors - Risks Related to Our Business, Industry and Partners - *We are subject to risks associated with international operations which may harm our business.*"

Executive Officers of the Registrant

The following sets forth certain information regarding our executive officers, their ages and their positions as of February 25, 2013:

Name	Age	Position
Jen-Hsun Huang	50	President, Chief Executive Officer and Director
Karen Burns	45	Vice President and Interim Chief Financial Officer
Ajay K. Puri	58	Executive Vice President, Worldwide Sales
David M. Shannon	57	Executive Vice President, General Counsel and Secretary
Debora Shoquist	58	Executive Vice President, Operations

Jen-Hsun Huang co-founded NVIDIA in April 1993 and has served as its President, Chief Executive Officer and a member of the Board of Directors since its inception. From 1985 to 1993, Mr. Huang was employed at LSI Logic Corporation, a computer chip manufacturer, where he held a variety of positions, most recently as Director of Coreware, the business unit responsible for LSI's "system-on-chip" strategy. From 1983 to 1985, Mr. Huang was a microprocessor designer for Advanced Micro Devices, Inc., a semiconductor company. Mr. Huang holds a B.S.E.E. degree from Oregon State University and an M.S.E.E. degree from Stanford University.

Karen Burns joined NVIDIA in October 2000 and has served as Vice President and Interim Chief Financial Officer of NVIDIA since March 2011. From December 2010 to March 2011, Ms. Burns served as NVIDIA's Vice President, Corporate Controller and Tax and as Vice President - Tax from November 2007. From October 2000 to October 2007, Ms. Burns served as head of the tax department in various capacities, including Senior Director and Director. Previous to NVIDIA, Ms. Burns served nine years in various capacities in tax and audit with KPMG, a global public accounting firm, in their Atlanta, London, and Silicon Valley based practices. Ms. Burns holds both a B.A. and an M.A. in Accounting from Florida State University.

Ajay K. Puri joined NVIDIA in December 2005 as Senior Vice President, Worldwide Sales and became Executive Vice President, Worldwide Sales in January 2009. Prior to NVIDIA, he held positions in sales, marketing, and general management over a 22-year career at Sun Microsystems, Inc. Mr. Puri previously held marketing, management consulting, and product development positions at Hewlett-Packard Company, Booz Allen Hamilton Inc., and Texas Instruments Incorporated. Mr. Puri holds an M.B.A. degree from Harvard University, an M.S.E.E. degree from the California Institute of Technology and a B.S.E.E. degree from the University of Minnesota.

David M. Shannon serves as Executive Vice President, General Counsel and Secretary of NVIDIA. Mr. Shannon joined NVIDIA in August 2002 as Vice President and General Counsel. Mr. Shannon became Secretary of NVIDIA in April 2005, a Senior Vice President in December 2005 and an Executive Vice President in January 2009. In January 2013, Mr. Shannon also became the head of Human Resources and currently leads both the Legal and Human Resources functions. From 1993 to 2002, Mr. Shannon held various counsel positions at Intel, most recently the position of Vice President and Assistant General Counsel. Mr. Shannon also practiced for eight years in the law firm of Gibson Dunn and Crutcher, focusing on complex commercial and high-technology related litigation. Mr. Shannon holds B.A. and J.D. degrees from Pepperdine University.

Debora Shoquist joined NVIDIA in September 2007 as Senior Vice President of Operations and became Executive Vice President of Operations in January 2009. From 2004 to 2007, Ms. Shoquist served as Senior Vice President of Operations at JDS Uniphase Corporation, a provider of communications test and measurement solutions and optical products for the telecommunications industry. From 2002 to 2004, she served as Senior Vice President and General Manager of the Electro-Optics business at Coherent, Inc., a manufacturer of commercial and scientific laser equipment. Her experience includes her role at Quantum Corporation as the President of the Personal Computer Hard Disk Drive Division. Her experience also includes senior roles at Hewlett-Packard Corporation. She holds a B.S degree in Electrical Engineering from Kansas State University and a B.S. degree in Biology from Santa Clara University.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and, if applicable, amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended, are available free of charge on or through our web site, *http://www.nvidia.com*, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission, or the SEC. Our web site and the information on it or connected to it are not a part of this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

In evaluating NVIDIA and our business, the following factors should be considered in addition to the other information in this Annual Report on Form 10-K. Before you buy our common stock, you should know that making such an investment involves some risks including, but not limited to, the risks described below. Additionally, any one of the following risks could seriously harm our business, financial condition and results of operations, which could cause our stock price to decline. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations.

Risks Related to Our Business, Industry and Partners

If we are unable to compete in the markets for our products, our financial results will be adversely impacted

The market for our products is extremely competitive, and we expect competition to intensify as current competitors expand their product offerings, industry standards continue to evolve and others realize the market potential of mobile and consumer products and services.

We expect competition to increase from both existing competitors and new market entrants with products that may be less costly than ours, or may provide better performance or additional features not provided by our products. In addition, it is possible that new competitors or alliances among competitors could emerge and acquire significant market share. Furthermore, competitors with greater financial resources may be able to offer lower prices than us, or they may offer additional products, services or other incentives that we may not be able to match. In addition, many of our competitors operate and maintain their own fabrication facilities and have longer operating histories, greater name recognition, larger customer bases, and greater sales, marketing and distribution resources than we do. In order to effectively compete we may have to invest more resources in research and development than anticipated, which could increase our operating expenses and negatively impact our operating results. If we are required to invest significantly greater resources than anticipated in research and development efforts without a corresponding increase in revenue, our operating results could decline. In order to remain competitive, we anticipate that we will continue to devote substantial resources to research and development, and we expect these expenses to increase in absolute dollars in the foreseeable future due to the increased complexity and the greater number of products under development.Our ability to compete will depend on, among other factors, our ability to:

- continue to keep pace with technological developments;
- develop and introduce new products, services, technologies and enhancements on a timely basis;
- transition our semiconductor products to increasingly smaller line width geometries;
- obtain sufficient foundry capacity and packaging materials; and
- succeed in significant foreign markets, such as China and India.