



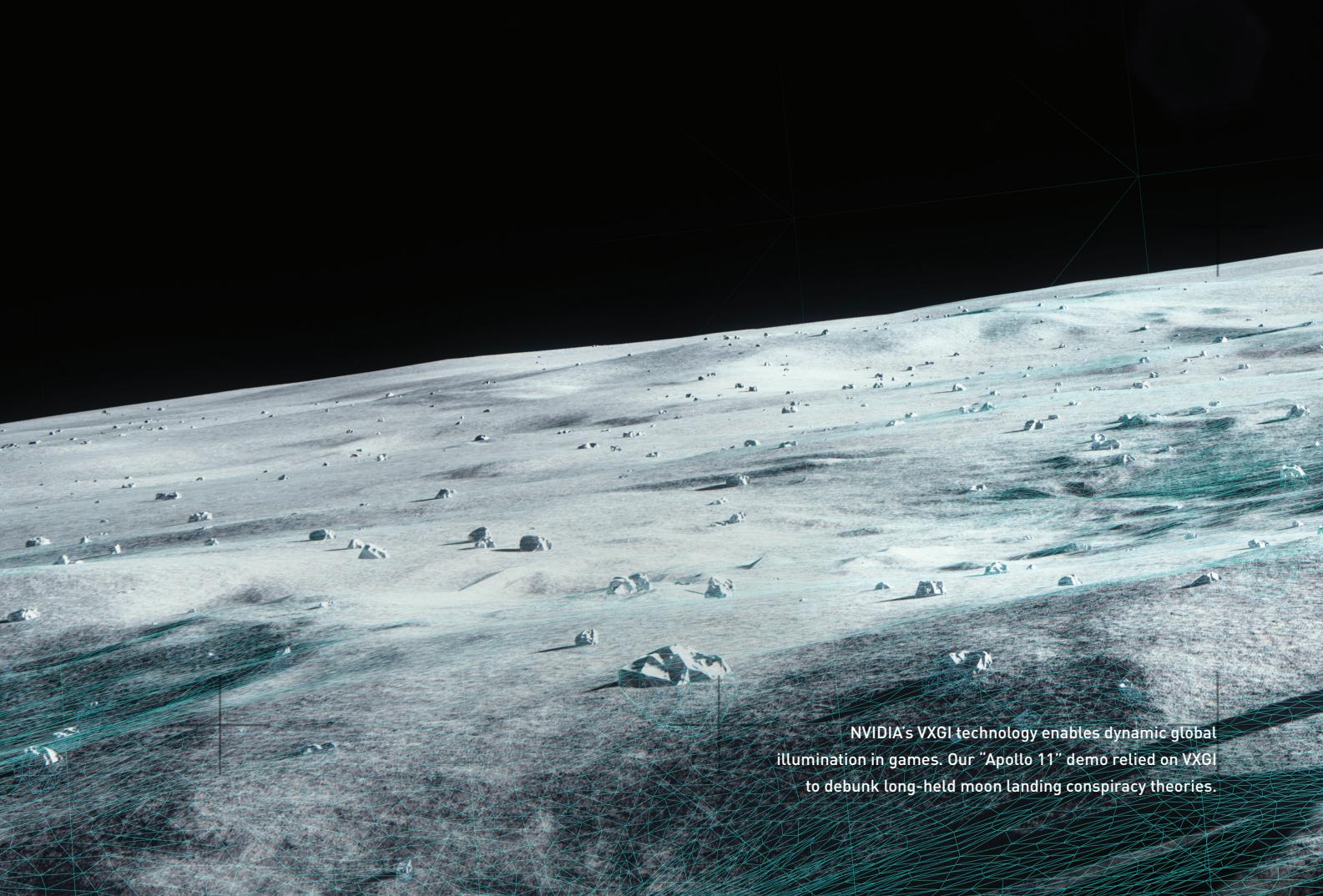
NVIDIA CORPORATION

2015 ANNUAL REVIEW
NOTICE OF ANNUAL MEETING
PROXY STATEMENT AND FORM 10-K

GIANT LEAPS IN VISUAL COMPUTING

NVIDIA is the world leader in visual computing. The GPU, our invention, serves as the visual cortex of modern computers and is at the heart of our products and services. Our work opens up new universes to explore, enables amazing creativity and discovery, and powers what were once science fiction inventions like self-learning machines and self-driving cars.

We serve markets where visual computing is essential and deeply valued — gaming, automotive, enterprise, and high performance computing & cloud.



NVIDIA's VXGI technology enables dynamic global illumination in games. Our "Apollo 11" demo relied on VXGI to debunk long-held moon landing conspiracy theories.



MADE TO GAME

At \$100 billion, computer gaming is the world's largest entertainment industry, exceeding Hollywood and professional sports. And it continues to grow.

- **GeForce, our GPU brand for PC gamers,** is the world's largest gaming platform, with 200 million users.
- **Our share of the market** for discrete GPUs hit a record 72 percent.
- **We formally launched GRID** — dubbed “a Netflix for games” — as the world's first game-streaming service that provides AAA titles at a resolution of up to 1080p, at 60 frames per second.
- **We announced our first living-room entertainment device,** SHIELD, the world's most advanced smart TV console.

“This product marks a major step for NVIDIA, one it has been building toward for decades — to be a full service consumer electronics company.” Jon Peddie

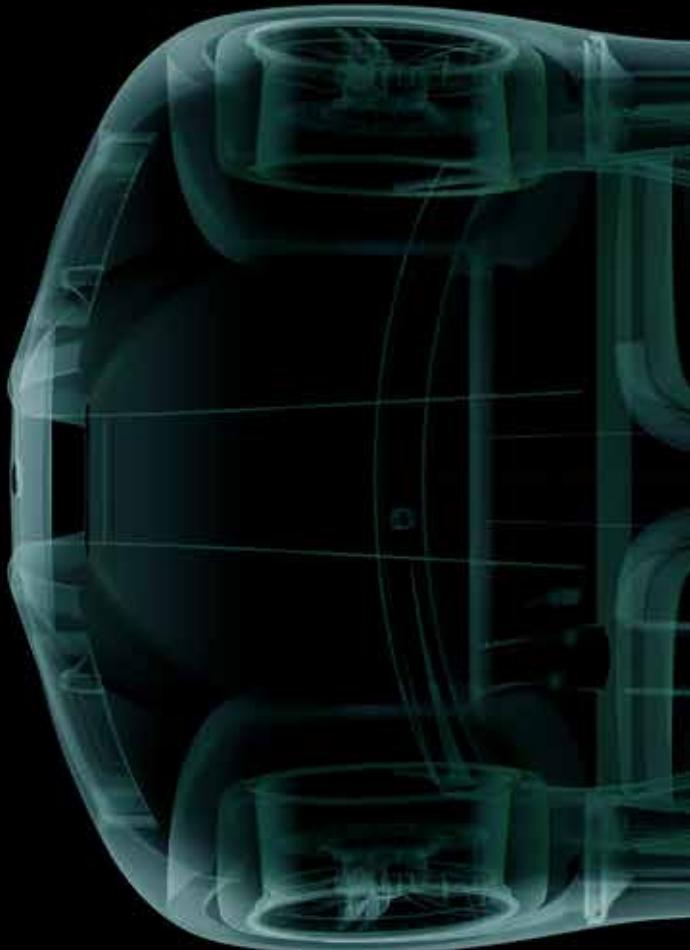




POWERING TOMORROW'S CARS TODAY

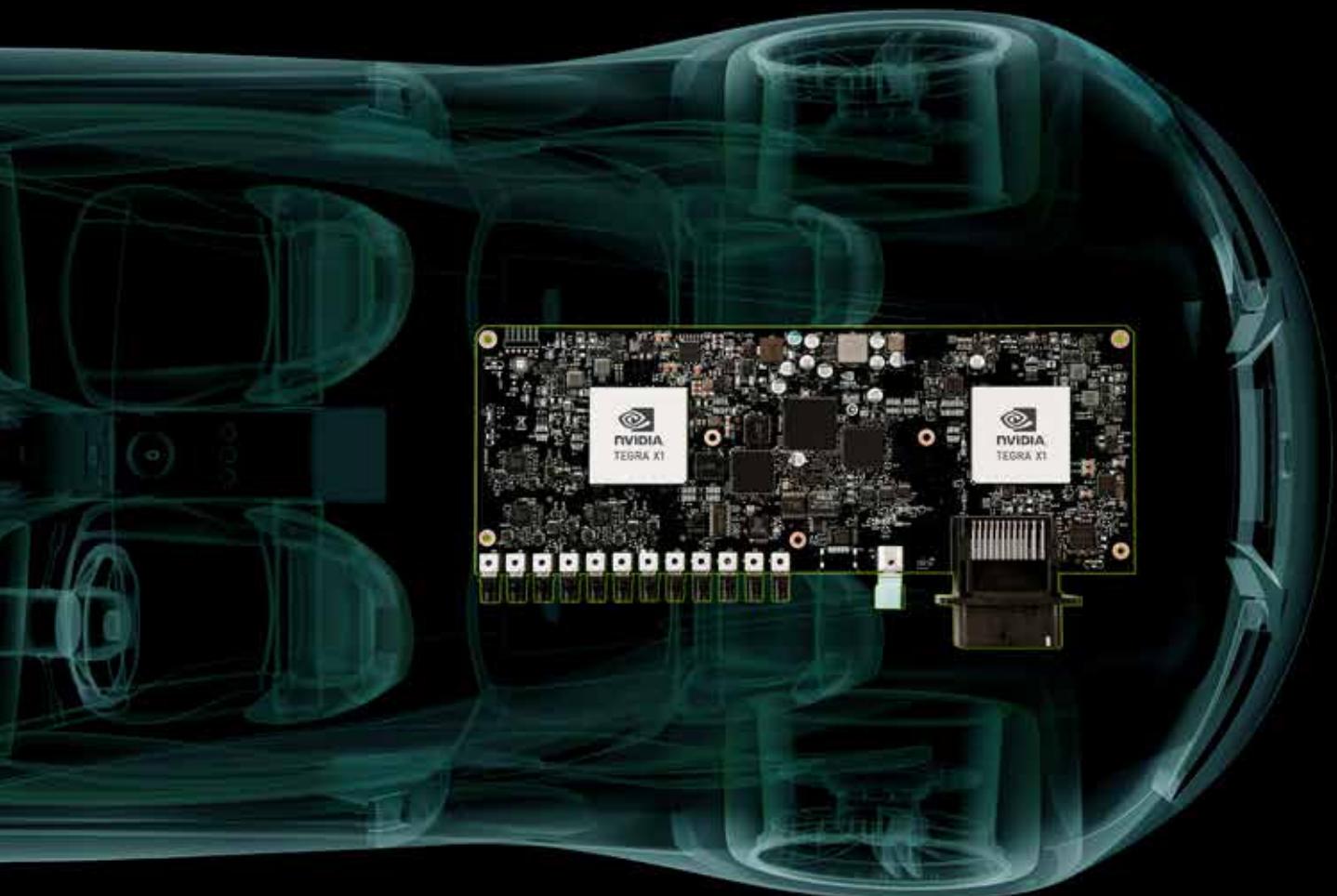
Automakers like Audi, BMW and Tesla rely on NVIDIA technology. We are at the intersection of two trends that are transforming the industry. First, as the car interior continues to shift from analog to digital, displays will increasingly be used as the interface for basic functions and the delivery of information. At the same time, the industry is working toward the self-driving car.

- > **NVIDIA powers 8 million cars** on the road today, a figure that will reach 25 million in five years.
- > **We launched NVIDIA DRIVE**, the world's most advanced car computer, which enables vehicles to be increasingly aware of the world around them and will pave the way to self-driving cars. DRIVE is a car supercomputer made possible with our Tegra X1 mobile chip.



“With every mile it drives, every hour,
the car will learn more and more.”

Ricky Hudi, Executive VP of Electronics Development, Audi



REVOLUTIONIZING ENTERPRISE GRAPHICS

We have long been the standard enterprise workstation platform for digital designers and artists. With NVIDIA GRID, we've virtualized graphics so that millions of enterprise workers who use design tools can benefit from the flexibility, security, and efficiency of the cloud.

- **NVIDIA GRID vGPU** virtualizes graphics-intensive applications, allowing hundreds of millions of professionals to enjoy PC applications hosted in data centers.
- **GRID revenues doubled** from the previous year.
- **NVIDIA Iray technology** was incorporated into leading applications from Autodesk, Dassault Systèmes, Siemens PLM, and others.
- **In March 2015, VMware** brought to market NVIDIA GRID vGPU in vSphere, and we launched the Quadro M6000, our flagship GPU for designers.



“VMware, NVIDIA Revolutionizing
Secure Cloud Desktop.” CIO Magazine



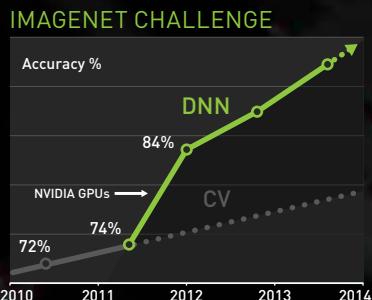
ACCELERATING HPC AND DEEP LEARNING

GPU computing continues to expand its reach. Researchers around the world are doing groundbreaking work in areas as diverse as preventing heart attacks and discovering the origin of galaxies.

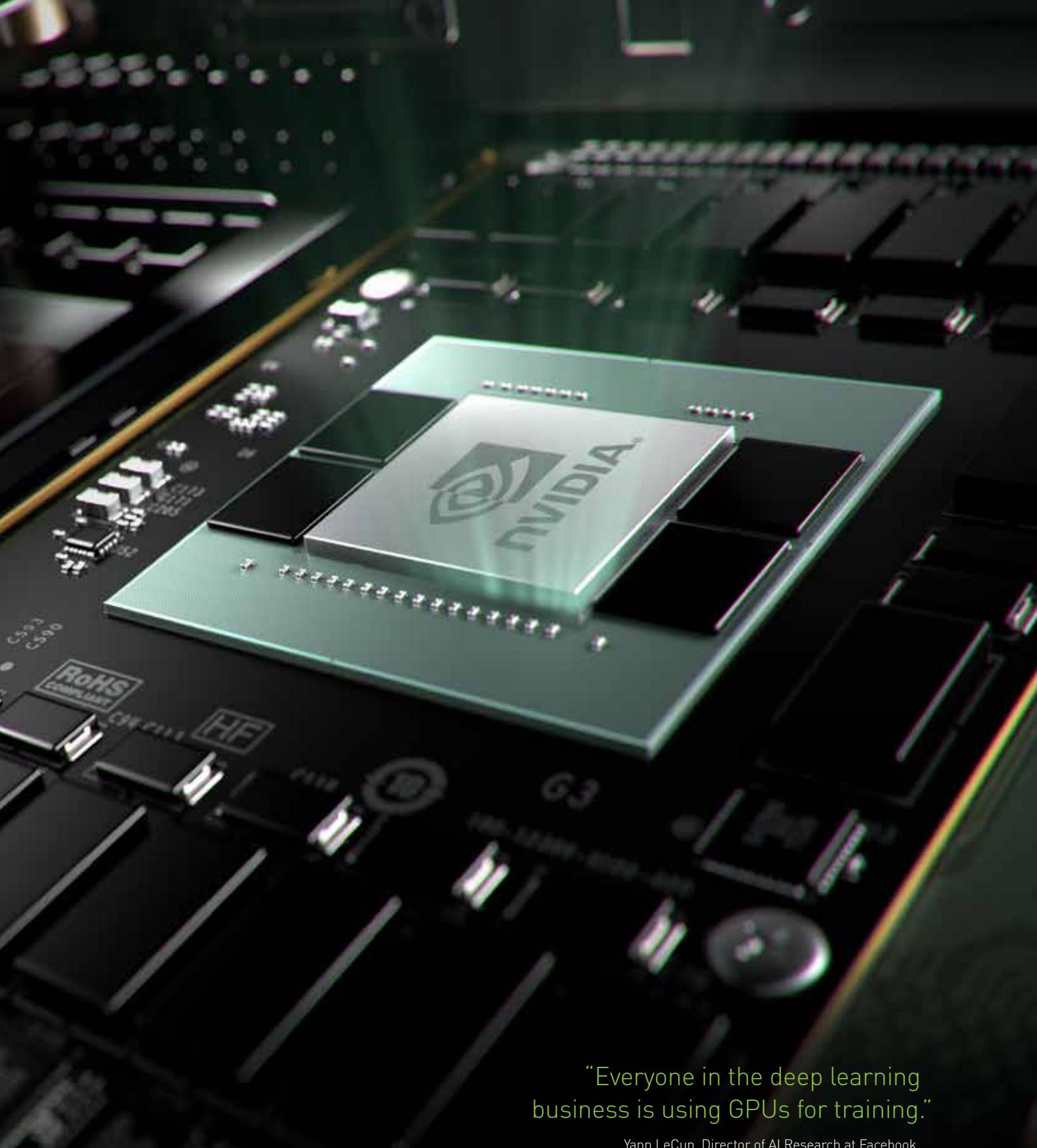
NVIDIA GPUs have been broadly adopted in deep learning, a branch of the longstanding field of artificial intelligence. Deep learning has recently been ignited by three converging trends: the flood of data brought by web service companies; recent algorithm breakthroughs, created by some of the brightest minds in computer science; and the ability to compute massive amounts of data with GPUs.

GPU-powered machines are used to deliver applications that make interacting with computers magical. It's nothing short of miraculous that you can ask your phone a question and instantly receive a spoken response. Speech recognition is just one application. Recognizing images is another. And they are just the tip of the iceberg.

- > **The U.S. Department of Energy** selected NVIDIA to power what are expected to be the world's fastest supercomputers when they come online at the Oak Ridge and Lawrence Livermore National Labs.
- > **GPU computing is taught in nearly 800 universities.** More than 60,000 GPU-related research papers have been published to date.
- > **Some of the world's largest and most innovative companies** are using GPUs for deep learning applications, including Adobe, Alibaba, Baidu, Facebook, Flickr Yahoo!, Google, IBM, Microsoft, Nuance, and Twitter.



Our GPUs are enabling computers to outperform humans at image recognition in the ImageNet Challenge, the World Cup of deep learning.



“Everyone in the deep learning business is using GPUs for training.”

Yann LeCun, Director of AI Research at Facebook

DEAR STAKEHOLDERS,

WE'VE TRANSFORMED OUR COMPANY

We remain the world's leading PC graphics chip company. But we are now much more. We create software-rich visual computing products for PCs, data centers, and mobile devices. Our reinvention has allowed us to continue to grow despite the slowing PC market.



Our financial results reached record levels in fiscal 2015, with revenue up 13 percent to \$4.7 billion and gross margins widening 60 basis points to 55.5 percent. GAAP EPS rose 51 percent to \$1.12 a share. And we returned \$1 billion to shareholders through dividends and stock repurchases.

The successful execution of our strategies drove a year of progress:

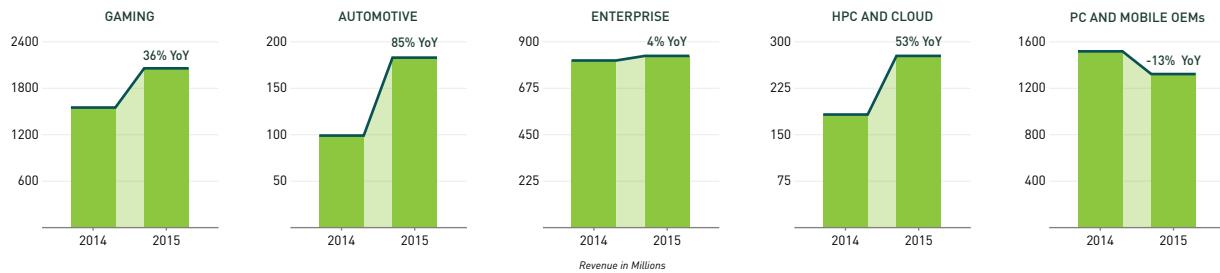
- **We created new products** that bring our world-leading visual computing capabilities to customers through mobile and cloud platforms. Our data center and cloud platform businesses, Tesla and GRID, grew 60 percent. Our mobile platform businesses, including auto, grew 45 percent.
- **We introduced specialized, software-rich visual computing products** for large vertical markets. Our market share for discrete GPUs hit a record 72 percent – not only because our GeForce GPUs are best-in-class, but because GeForce is a “game platform” within the PC, and is loved by gamers all over the world.

➤ **We launched SHIELD**, our first living-room entertainment device, in March 2015. SHIELD is the most advanced smart TV device on the market, and early reviews have been fantastic. Smart TV consoles are revolutionizing our TV experience, just as smartphones revolutionized mobile communications. Tens of millions of these devices are sold each year, with growth over 50 percent annually. We see this as a very large market where we can make a great, sustainable contribution.

➤ **Our invention engine continues to fire.** We introduced Maxwell, our 10th generation GPU architecture and a breakthrough in performance and efficiency. We also launched Tegra X1, our latest mobile superchip, which is at the heart of our DRIVE automotive computers and our SHIELD devices.

We faced challenges during the year in commodity phone and PC markets. But our strategy is to engage component opportunities only where OEMs value our differentiation. And to focus our resources on growth markets – gaming, automotive, enterprise, and high performance computing & cloud.

REVENUE BY MARKET



MAKING AN IMPACT

The people of NVIDIA share a passion for community service and a deep sense of corporate responsibility.

Our philanthropic giving this year totaled \$4.8 million, including more than \$2 million toward Stanford University's investments in medical research, teaching, and a new state-of-the-art hospital.

We proudly awarded our first annual \$150,000 Global Impact Award, recognizing the groundbreaking use of GPUs to address social, humanitarian, and environmental problems. The winner, out of more than two dozen outstanding candidates, was the San Diego Supercomputer Center for its work developing seismic simulations that help us understand conditions that cause earthquakes.

Our philanthropic efforts are driven by the NVIDIA Foundation, one of the industry's few employee-run giving initiatives, which ensures that our energies in this area reflect our employees' priorities.

The Foundation's flagship program, Compute the Cure, focuses on funding research that uses innovative computing techniques in the fight against cancer. Our \$1.6 million invested in Compute the Cure in recent years includes major grants to research teams at the Dana-Farber Cancer Institute and Stanford.

Project Inspire brings together our people, along with their families and friends, to transform their local communities. It continues to gain momentum, with offices worldwide participating.

In Santa Clara, our employees made extensive physical improvements to Fischer Middle School, a school in an underserved part of our community. Our own investment of some \$600,000 in labor and materials was joined by nearly \$200,000 from other local companies and nonprofits.



In Courbevoie, France, we transformed Centre Franchemont School. And in Westford, Massachusetts, our office made over a local Boys and Girls Club.

Over the course of the year, employees contributed more than 15,500 volunteer hours. Many chose to support education programs and activities that, in total, benefited more than 67,000 children.

All of these efforts reflect the dedication and spirit of our employees, which benefit the less fortunate and brings us closer as a team.

THE ROAD AHEAD

I am delighted by NVIDIA's transformation this year. We have innovated beyond PCs, and emerged as a growth company which offers products that are having great success in the large mobile and cloud markets.

Our innovation is revolutionizing the markets we serve. With our new business model, we can see a clear path to sustain our growth and are excited by the opportunity to build a company many times our current size. Most importantly, we are making important contributions to science, industry, customers, and our community that make me incredibly proud.

I want to thank the employees of NVIDIA for their extraordinary achievements this year. All we've achieved is only possible with their innovation and dedication.

Sincerely,

Jen-Hsun Huang
CEO & Co-founder, NVIDIA
April 2015

NVIDIA CORPORATION

NOTICE OF 2015 ANNUAL MEETING PROXY STATEMENT AND FORM 10-K

FORWARD-LOOKING STATEMENTS

Certain statements in this document including, but not limited to, statements as to: the computer gaming industry continuing to grow; trends in the automotive industry; the size of the smart TV market; the benefits and impact of NVIDIA GPUs, NVIDIA DRIVE, NVIDIA GRID, NVIDIA GRID vGPU, SHIELD, Maxwell, and Tegra X1; our success in the large mobile and cloud markets; and our innovation revolutionizing the markets we serve are forward-looking statements that are subject to risks and uncertainties that could cause results to be materially different than expectations. Important factors that could cause actual results to differ materially include: global economic conditions; our reliance on third parties to manufacture, assemble, package and test our products; the impact of technological development and competition; development of new products and technologies or enhancements to our existing product and technologies; market acceptance of our products or our partners' products; design, manufacturing or software defects; changes in consumer preferences or demands; changes in industry standards and interfaces; unexpected loss of performance of our products or technologies when integrated into systems; as well as other factors detailed from time to time in the reports NVIDIA files with the Securities and Exchange Commission, or SEC, including its Form 10-K for the fiscal period ended January 25, 2015. Copies of reports filed with the SEC are posted on the company's website and are available from NVIDIA without charge. These forward-looking statements are not guarantees of future performance and speak only as of April 9, 2015, and, except as required by law, NVIDIA disclaims any obligation to update these forward-looking statements to reflect future events or circumstances.



NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS

Date and time: Wednesday, May 20, 2015 at 10:30 a.m. Pacific Daylight Time

Location: NVIDIA Headquarters, Building E
2800 Scott Boulevard, Santa Clara, California 95050

Virtual meeting: www.virtualshareholdermeeting.com/NVIDIA2015

- Items of business:**
- Election of twelve directors nominated by the Board of Directors
 - Approval of our executive compensation
 - Ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2016

Transaction of other business properly brought before the meeting

Record date: You can vote at the meeting if you were a stockholder of record at the close of business on March 24, 2015.

Your vote is very important. Whether or not you plan to attend the meeting, **PLEASE VOTE YOUR SHARES**. As an alternative to voting in person at the meeting, you may vote via the Internet, by telephone or, if you receive a paper proxy card in the mail, by mailing the completed proxy card.

Important notice regarding the availability of proxy materials for the Annual Meeting of Stockholders to be held on May 20, 2015. This Notice, our Proxy Statement, our Annual Report on Form 10-K and our Stockholder Letter are available at www.nvidia.com/proxy.

By Order of the Board of Directors

A handwritten signature in black ink that reads "David M. Shannon".

David M. Shannon
Secretary

Santa Clara, California
April 9, 2015

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DEFINITIONS

1998 Plan	NVIDIA Corporation 1998 Equity Incentive Plan
1999 Plan	PortalPlayer, Inc. 1999 Stock Option Plan
2004 Plan	PortalPlayer, Inc. Amended and Restated 2004 Stock Incentive Plan
2007 Plan	NVIDIA Corporation Amended and Restated 2007 Equity Incentive Plan
2012 ESPP	NVIDIA Corporation Amended and Restated 2012 Employee Stock Purchase Plan
2014 Annual Meeting.....	2014 Annual Meeting of Stockholders
2015 Annual Meeting.....	2015 Annual Meeting of Stockholders
AC	Audit Committee
Board	The Company's Board of Directors
CC	Compensation Committee
CD&A	Compensation Discussion and Analysis
CEO	Chief Executive Officer
Company, We or Us.....	NVIDIA Corporation, a Delaware corporation
Dodd Frank Act	Dodd-Frank Wall Street Reform and Consumer Protection Act
Exchange Act.....	Securities Exchange Act of 1934, as amended
Exequity.....	Exequity LLP, the CC's independent compensation consultant
Fiscal 2014.....	The Company's fiscal year 2014 (January 28, 2013 to January 26, 2014)
Fiscal 2015.....	The Company's fiscal year 2015 (January 27, 2014 to January 25, 2015)
Form 10-K	The Company's Annual Report on Form 10-K for Fiscal 2015 filed with the SEC on March 11, 2015
GAAP.....	Generally accepted accounting principles
Internal Revenue Code.....	U.S. Internal Revenue Code of 1986, as amended
Lead Director	Lead independent director
NASDAQ.....	The NASDAQ Stock Market LLC
NCGC	Nominating and Corporate Governance Committee
NEOs	Named Executive Officers
Non-GAAP Operating Income ..	GAAP operating income adjusted for certain pre-determined costs and/or credits as the Company reports in its earnings materials
Notice.....	Notice of Internet Availability of Proxy Materials
NYSE.....	New York Stock Exchange
PSUs.....	Performance stock units
RSUs	Restricted stock units
SEC	U.S. Securities and Exchange Commission
PwC	PricewaterhouseCoopers LLP
Variable Cash Plan.....	The Company's variable cash compensation plan

PROXY SUMMARY

This summary highlights information contained elsewhere in the proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

2015 Annual Meeting of Stockholders

- Date and time:** Wednesday, May 20, 2015 at 10:30 a.m. Pacific Daylight Time
- Location:** NVIDIA Headquarters, Building E
2800 Scott Boulevard, Santa Clara, California 95050
(See directions on the last page of the proxy statement)
- Virtual meeting:** You may also vote at the meeting via the Internet by visiting www.virtualshareholdermeeting.com/NVIDIA2015.
- Record date:** Stockholders as of March 24, 2015 are entitled to vote
- Admission to meeting:** Photo identification and proof of share ownership will be required to attend the meeting.

Voting Matters and Board Recommendations

While we have summarized the 2015 Annual Meeting proposals below, please review the proxy statement for more information. **Every stockholder's vote is important. Our Board urges you to vote your shares FOR each of the proposals below.**

Matter	Page Reference (for more detail)	Board Recommendation	Vote Required for Approval	Effect of Abstentions	Effect of Broker Non-Votes
Management Proposals:					
Election of twelve directors.....	10	FOR each director nominee	Receipt of more FOR votes than WITHHOLD votes	None	None
Approval of our executive compensation.....	29	FOR	Majority of shares present	Against	None
Ratification of selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2016.....	56	FOR	Majority of shares present	Against	None

Election of Directors (Proposal 1)

The following table provides summary information about each director nominee:

Name	Age	Director Since	Occupation	Committees		
				AC	CC	NCGC
Robert K. Burgess	57	2011	Independent Consultant		Chair	
Tench Coxe	57	1993	Managing Director, Sutter Hill Ventures		Member	
Persis S. Drell	59	2015	Dean, School of Engineering, Stanford University			
James C. Gaither	77	1998	Managing Director, Sutter Hill Ventures			Member
Jen-Hsun Huang	52	1993	President & CEO, NVIDIA Corporation			
Dawn Hudson	57	2013	Chief Marketing Officer, National Football League		Member	
Harvey C. Jones	62	1993	Managing Partner, Square Wave Ventures	Member		Member
Michael G. McCaffery ..	61	2015	Chairman & Managing Director, Makena Capital Management	Member		
William J. Miller*	69	1994	Independent Consultant	Member		Chair
Mark L. Perry	59	2005	Advisor, Third Rock Ventures		Chair	
A. Brooke Seawell	67	1997	Venture Partner, New Enterprise Associates		Member	
Mark A. Stevens	55	2008 **	Managing Partner, S-Cubed Capital		Member	Member

* Lead Director

** Mr. Stevens previously served as a member of our Board from 1993 until 2006

Corporate Governance Highlights

Our Board is committed to strong corporate governance, which is used to promote the long-term interest of NVIDIA and our stockholders. Regular stockholder outreach is important to us. We seek a collaborative approach to issues of importance to our stockholders that affect our business and also to ensure that they see our governance and executive pay practices as well-structured. In Fiscal 2015, our management reached out to 10 of our largest stockholders as of June 30, 2014 to gain valuable insights into the corporate governance and executive compensation issues they most care about.

In the last four years, the Board has appointed four new directors: Robert K. Burgess, Dawn Hudson, and most recently, Michael G. McCaffery, an asset-management executive and investment banker, and Persis S. Drell, a physicist and dean of the Stanford School of Engineering. Mr. McCaffery brings to the Board deep business, financial and public market knowledge, as well as extensive executive management and corporate governance experience. As an accomplished researcher and educator, Ms. Drell brings to the Board expert leadership in guiding innovation in science and technology.

In Fiscal 2015, we also amended our director and NEO stock ownership guidelines as follows:

- Non-employee directors are required to hold a number of shares of the Company's common stock with a value equal to six times the annual cash retainer for Board service. Each such director has until the later of (i) the end of fiscal year 2016 or (ii) within five years of Board appointment, to reach this threshold.
- The CEO is required to hold a number of shares of the Company's common stock with a value equal to six times his annual base salary. Mr. Huang holds stock with a value equal to 487 times his annual base salary, based on our closing price as of March 24, 2015.
- All other NEOs are required to hold a number of shares of the Company's common stock with a value equal to his or her annual base salary. All of our NEOs hold stock with a value exceeding his or her respective annual base salary, based on our closing price as of March 24, 2015.

Approval of Executive Compensation for Fiscal 2015 (Proposal 2)

We are asking our stockholders to cast a non-binding vote, commonly referred to as “say on pay”, to approve our NEO compensation. The Board believes that our compensation policies and practices are effective in achieving our goals of attracting, retaining and motivating our executive officers, rewarding financial and operating performance and aligning our executives’ interests with those of our stockholders to create long-term value. The Board has adopted a policy of providing for annual say on pay votes.

Executive Compensation Highlights

At our 2014 Annual Meeting, nearly 98% of the votes cast on our say-on-pay proposal were in support of the compensation paid to our executive officers for Fiscal 2014. Consistent with its strong commitment to engagement, communication and transparency, the CC continues to regularly review our executive compensation program to ensure alignment between the interests of our executive officers and stockholders. The only changes made to our executive compensation program since our stockholders overwhelmingly supported our Fiscal 2014 program were the following, each intended to further align pay with performance:

- We granted 100% of our CEO’s equity compensation in the form of PSUs
- We introduced PSUs for all of our other NEOs
- We revised our Variable Cash Plan so that 100% of our NEOs’ variable cash opportunity is tied to NVIDIA’s financial operating performance
- We increased emphasis on equity compensation as a percentage of total target pay

Below are important elements of our compensation program we have adopted, and problematic pay practices that we avoid:

What We Do

- ✓ Heavily weight our NEO compensation toward “at-risk” performance-based compensation, consisting of equity awards and variable cash compensation
- ✓ Use multi-year vesting terms for all executive officer equity awards
- ✓ Engage with our stockholders and corporate governance groups to discuss our executive compensation programs, carefully consider their input and make changes to our pay practices based on their feedback
- ✓ Structure our executive compensation programs to minimize inappropriate risk-taking
- ✓ Cap PSUs and incentive award levels under the annual Variable Cash Plan
- ✓ Rigorously administer our compensation program, including review of peer group practices, advice by an independent compensation consultant reporting directly to our CC, and long-standing, consistently-applied practices regarding the timing of equity grants
- ✓ Have meaningful stock ownership guidelines for our executive officers
- ✓ Enforce a “no-hedging” policy and a “no-pledging” policy that does not allow our executive officers to hedge the economic interest in the NVIDIA shares they hold or pledge NVIDIA shares as collateral
- ✓ Maintain a “clawback” policy for the recovery of performance-based cash and equity compensation in the event of a financial restatement that does not require individual misconduct to be enforced against our executive officers
- ✓ Review the external marketplace and make internal comparisons among the executive officers when making compensation determinations
- ✓ Have three or more independent non-employee directors serve on the CC, which engages an independent consultant to provide advice and counsel on market trends, executive pay practices and regulatory developments

What We Don’t Do

- ✗ Have employment contracts or severance agreements providing for a specific term of employment or severance benefits with any of our executive officers
- ✗ Provide change-in-control benefits to our executive officers
- ✗ Provide for automatic equity vesting upon a change-in-control except for the provisions in our equity plans that are applicable to all of our employees if an acquiring company does not assume or substitute our outstanding stock awards
- ✗ Provide tax gross-ups
- ✗ Offer our executive officers any supplemental retirement benefits or perquisites that are not available to all NVIDIA employees
- ✗ Allow for the repricing of stock options without stockholder approval
- ✗ Use discretion in performance incentive award determination

Ratification of Selection of PricewaterhouseCoopers LLP as Independent Registered Public Accounting Firm for Fiscal Year 2016 (Proposal 3)

We are asking our stockholders to ratify our AC’s selection of PwC as our independent registered public accounting firm for fiscal year 2016. While we are not required to have our stockholders ratify the selection of PwC, we are doing so because we believe it is good corporate practice. If our stockholders do not ratify the selection, the AC will reconsider the appointment, but may nevertheless retain PwC as our independent registered public accounting firm. Even if the selection is ratified, the AC may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of NVIDIA and our stockholders.



NVIDIA CORPORATION
2701 SAN TOMAS EXPRESSWAY
SANTA CLARA, CALIFORNIA 95050
(408) 486-2000

PROXY STATEMENT FOR THE 2015 ANNUAL MEETING OF STOCKHOLDERS - MAY 20, 2015

INFORMATION ABOUT THE MEETING

Your proxy is being solicited for use at the 2015 Annual Meeting on behalf of the Board. Our 2015 Annual Meeting will take place on Wednesday, May 20, 2015 at 10:30 a.m. Pacific Daylight Time.

Meeting Attendance

If you were an NVIDIA stockholder as of the close of business on the March 24, 2015 record date, or if you hold a valid proxy, you can attend and vote at our 2015 Annual Meeting in person or you can attend and participate via the Internet.

Attending In Person. Our 2015 Annual Meeting will take place in Building E of our headquarters located at 2800 Scott Boulevard, Santa Clara, California 95050. Please see the map at the end of this proxy statement for directions. Check-in will begin at 10:00 a.m., Pacific Daylight Time. You must present photo identification for admittance. If you are a stockholder of record or hold your shares through the NVIDIA Sponsored Equity Award Accounts at Charles Schwab, your name will be verified against the list of stockholders of record or plan participants. If you are not a stockholder of record but hold shares through a broker, trustee or nominee, you must provide proof of beneficial ownership on the record date, such as a recent account statement or other similar ownership evidence. **If you do not provide photo identification or comply with the other procedures outlined above, you will not be admitted to the 2015 Annual Meeting.**

Attending Online. You may also attend the 2015 Annual Meeting at www.virtualshareholdermeeting.com/NVIDIA2015, which contains instructions on how to demonstrate proof of stock ownership, as well as how to vote and submit questions via the Internet. You will need the 12-digit control number included on your Notice or proxy card (if you received a printed copy of the proxy materials) to enter the meeting via the Internet.

Non-stockholders can also listen to the 2015 Annual Meeting live at www.virtualshareholdermeeting.com/NVIDIA2015. An archived copy of the webcast will be available at www.nvidia.com/proxy through June 5, 2015.

Quorum and Voting

Quorum. To hold our 2015 Annual Meeting, we need a majority of the outstanding shares entitled to vote at the close of business on March 24, 2015 represented at the 2015 Annual Meeting either in person or by proxy, or a quorum. On the record date, there were 553,171,582 shares of common stock outstanding and entitled to vote, meaning that 276,585,792 shares must be represented in person or by proxy to have a quorum. A list of stockholders entitled to vote at the 2015 Annual Meeting will be available at our headquarters, 2701 San Tomas Expressway, Santa Clara, California for 10 days prior to

the 2015 Annual Meeting. If you would like to view the stockholder list, please call our Investor Relations Department at (408) 486-2000 to schedule an appointment.

Your shares will be counted towards the quorum only if you submit a valid proxy or vote at the 2015 Annual Meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is not a quorum, a majority of the votes present may adjourn the 2015 Annual Meeting to another date.

Vote Options. You may vote **FOR** any nominee to the Board, you may **WITHHOLD** your vote for any nominee or you may **ABSTAIN** from voting. For each other matter to be voted on, you may vote **FOR** or **AGAINST** or **ABSTAIN** from voting.

Stockholder of Record: You are a stockholder of record if your shares were registered directly in your name with our transfer agent, Computershare, on March 24, 2015, and can vote shares in any of the following ways:

- In person, by attending the 2015 Annual Meeting;
- Via mail, by signing and mailing your proxy card to us before the 2015 Annual Meeting; or
- By telephone or over the Internet, by following the instructions provided in the Notice or your proxy materials.

You may change your vote or revoke your proxy before the final vote at the 2015 Annual Meeting in any of the following ways:

- Attend the 2015 Annual Meeting and vote in person;
- Submit another properly completed proxy card with a later date;
- Send a written notice that you are revoking your proxy to NVIDIA Corporation, 2701 San Tomas Expressway, Santa Clara, California 95050, Attention: Secretary; or
- Submit another proxy by telephone or Internet after you have already provided an earlier proxy.

If you do not vote at the 2015 Annual Meeting using any of the ways described above, your shares will not be voted.

Street Name Holder: If your shares are held through a nominee, such as a bank or broker, on March 24, 2015, your shares are held in “street name.” As a beneficial owner, such nominee is the stockholder of record of your shares. However, you have the right to direct your nominee on how to vote the shares in your account. You should have received a Notice or voting instructions from your nominee, and should follow the included instructions in order to instruct such nominee on how to vote your shares. To vote in person or over the Internet at the 2015 Annual Meeting, you must obtain a valid proxy from your nominee.

If you do not instruct your nominee how to vote your shares, such nominee can use its discretion to vote such “uninstructed” shares with respect to matters considered by NYSE rules to be “routine”. However, your nominee will not be able to vote your shares with respect to “non-routine” matters, including elections of directors (even if not contested) and executive compensation (including any advisory stockholder votes on executive compensation), unless they receive specific instructions from you. A broker non-vote occurs when a nominee does not receive voting instructions from the beneficial owner and does not have the discretion to direct the voting of the shares. **Therefore, you MUST give your nominee instructions in order for your vote to be counted on the proposals to elect directors and to conduct an advisory approval of our executive compensation. We strongly encourage you to vote.**

Note that under the rules of the national stock exchanges, any NVIDIA stockholder whose shares are held in street name by a member brokerage firm may revoke a proxy and vote his or her shares in person at the 2015 Annual Meeting only in accordance with applicable rules and procedures of those exchanges, as employed by the street name holder’s brokerage firm.

Vote Count. On each matter to be voted upon, stockholders have one vote for each share of NVIDIA common stock owned as of March 24, 2015. Votes will be counted by the inspector of election. The following table summarizes vote requirements and the effect of abstentions and broker non-votes:

Proposal Number	Proposal Description	Vote Required for Approval	Effect of Abstentions	Effect of Broker Non-Votes
1	Election of twelve directors	Directors are elected if they receive more FOR votes than WITHHOLD votes	None	None
2	Approval of our executive compensation	FOR votes from the holders of a majority of shares present and entitled to vote	Against	None
3	Ratification of the selection of PricewaterhouseCoopers LLP as our independent registered public accounting firm for fiscal year 2016	FOR votes from the holders of a majority of shares present and entitled to vote	Against	None

If you are a stockholder of record and you returned a signed proxy card without marking any selections, your shares will be voted **FOR** each of the nominees listed in Proposal 1 and **FOR** the other proposals. If any other matter is properly presented at the 2015 Annual Meeting, Jen-Hsun Huang or David M. Shannon as your proxyholder will vote your shares using his best judgment.

Vote Results. Preliminary voting results will be announced at the 2015 Annual Meeting. Final voting results will be published in a current report on Form 8-K, which will be filed with the SEC by May 27, 2015.

Proxy Materials

An SEC rule allows companies like NVIDIA to furnish their proxy materials over the Internet even if the stockholder has not previously elected to receive the materials in this manner. On or about April 9, 2015, we sent stockholders who own our common stock at the close of business on March 24, 2015 (other than those who previously requested electronic or paper delivery) a Notice containing instructions on how to access our proxy materials, vote over the Internet or by telephone, and elect to receive future proxy materials electronically or in printed form by mail.

If you choose to receive future proxy materials electronically (via www.proxyvote.com for stockholders of record and www.icsdelivery.com/nvda for street name holders) you will receive an email next year with links to the proxy materials and proxy voting site.

SEC rules also permit companies and intermediaries, such as brokers, to satisfy Notice and proxy material delivery requirements for multiple stockholders with the same address by delivering a single Notice or set of proxy materials addressed to those stockholders. We follow this practice, known as “householding,” unless we have received contrary instructions from any stockholder at that address.

If you received more than one Notice or full set of proxy materials then your shares are either registered in more than one name or are held in different accounts. Please vote the shares covered by each Notice or proxy card. To modify your instructions so that you receive one Notice or proxy card for each account or name, please contact your broker. Your “householding” election will continue until you are notified otherwise or until you revoke your consent.

To make a change regarding the form in which you receive proxy materials (electronically or in print), or to request receipt of a separate set of documents to a household, contact our Investor Relations Department (through our website at www.nvidia.com, with an electronic mail message to ir@nvidia.com or by mail at 2701 San Tomas Expressway, Santa Clara, California 95050).

We will pay the entire cost of soliciting proxies. Our directors and employees may also solicit proxies in person, by telephone, by mail, by Internet or by other means of communication. Our directors and employees will not be paid any additional compensation for soliciting proxies. We have also retained MacKenzie Partners on an advisory basis for an estimated fee of approximately \$15,000 and they may help us solicit proxies from brokers, bank nominees and other institutional owners. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

2016 Annual Meeting Stockholder Proposals

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by December 11, 2015 to NVIDIA Corporation, 2701 San Tomas Expressway, Santa Clara, California 95050, Attention: Secretary and must comply with all applicable requirements of Rule 14a-8 promulgated under the Exchange Act. However, if we do not hold our 2016 Annual Meeting between April 20, 2016 and June 19, 2016, then the deadline is a reasonable time before we begin to print and send our proxy materials. If you wish to submit a proposal for consideration at the 2016 Annual Meeting that is not to be included in next year's proxy materials, you must do so in writing following the above instructions not later than the close of business on December 11, 2015, and not earlier than November 11, 2015. We also advise you to review our Bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations.

Proposal 1—Election of Directors

All of our directors have one-year terms and stand for election annually.

Our Board has twelve members. Upon the recommendation of our NCGC, our Board has nominated for election at the 2015 Annual Meeting the 12 individuals listed in the following table to hold office until the next annual meeting of stockholders and until his or her successor is elected or appointed. Each of the nominees listed below, other than Mr. McCaffery and Ms. Drell, is currently a director of NVIDIA previously elected by our stockholders.

Our nominees include 11 independent directors, as defined by the rules and regulations of NASDAQ, and one NVIDIA officer: Jen-Hsun Huang, who serves as our President and CEO.

The Board expects the nominees will be available for election. If a nominee declines or is unable to act as a director, your proxy may be voted for any substitute nominee proposed by the Board or the size of the Board may be reduced. In accordance with our Bylaws, directors are elected if they receive more **FOR** votes than **WITHHOLD** votes.

Recommendation of the Board

The Board recommends that you vote **FOR** the election of each of the following nominees:

Name	Age	Director Since	Occupation	Independent	Other Public Company Boards
Robert K. Burgess	57	2011	Independent Consultant	•	1
Tench Coxe.....	57	1993	Managing Director, Sutter Hill Ventures	•	2
Persis S. Drell.....	59	2015	Dean, School of Engineering, Stanford University	•	--
James C. Gaither.....	77	1998	Managing Director, Sutter Hill Ventures	•	--
Jen-Hsun Huang.....	52	1993	President & CEO, NVIDIA Corporation		--
Dawn Hudson.....	57	2013	Chief Marketing Officer, National Football League	•	2
Harvey C. Jones	62	1993	Managing Partner, Square Wave Ventures	•	--
Michael G. McCaffery	61	2015	Chairman & Managing Director, Makena Capital Management	•	1
William J. Miller*	69	1994	Independent Consultant	•	3
Mark L. Perry	59	2005	Advisor, Third Rock Ventures	•	--
A. Brooke Seawell	67	1997	Venture Partner, New Enterprise Associates	•	2
Mark A. Stevens.....	55	2008 **	Managing Partner, S-Cubed Capital	•	--

* Lead Director

** Mr. Stevens previously served as a member of our Board from 1993 until 2006

Director Qualifications

The NCGC is responsible for reviewing, assessing and recommending nominees to the Board for approval. The NCGC has not established specific minimum age, education, experience or skill requirements for potential members, and instead considers numerous factors, such as the nominee's: independence; gender; ethnic background; high-level management experience necessary to oversee our business; professional and industry knowledge; financial expertise; desirability as a member of any committees of the Board; willingness and ability to devote substantial time and effort to Board responsibilities; ability to represent the interests of the stockholders as a whole rather than special interest groups or constituencies; and all relationships between the proposed nominee and any of our stockholders, competitors, customers, suppliers or other persons with a relationship to NVIDIA. In determining whether to recommend a director for re-election, the NCGC also reviews

this director's overall service to NVIDIA, including the director's past attendance at Board and committee meetings and participation in and contributions to the activities of the Board. The NCGC values diversity as a factor in selecting nominees to serve on the Board and considers the criteria noted above in selecting nominees for directors, including members from diverse backgrounds who combine a broad spectrum of experience and expertise.

The priorities and emphasis of the NCGC and of the Board with regard to the above factors change from time to time to take into account changes in our business and other trends, as well as the portfolio of skills and experience of current and prospective Board members.

Listed below are key skills and experience that the NCGC and Board consider important for our directors to have in light of our current business and structure. The directors' biographies note each director's relevant experience, qualifications and skills relative to this list as of the date of this proxy statement.

- *Senior Management and Operating Experience.* Directors who have served in senior leadership positions bring insight to constructively review and assess our operating plan and business strategy.
- *Industry and Technical Expertise.* Because we are a technology, hardware and software provider, education or experience in relevant technology is useful in understanding our research and development efforts, competing technologies, the various products and processes that we develop and the markets in which we compete.
- *Financial Expertise.* Knowledge of accounting and financial reporting processes is important because it assists our directors in understanding, advising and overseeing our financial reporting and internal controls.
- *Public Company Board Experience.* Directors who have served on boards of directors of other public companies have corporate governance experience, a deep understanding of the role and responsibilities of the Board and insight into matters being handled by our Board.
- *Experience as an Investor.* Directors who have experience as investors can assist the Board with analyzing methods by which the Company can increase stockholder value. As investors themselves, they also have the knowledge and experience to effectively engage with investors and stockholders.
- *Legal Expertise.* Directors who have legal education and experience can assist the Board in fulfilling its responsibilities related to the oversight of our legal and regulatory compliance.

Our Director Nominees

The brief biographies below include information, as of the date of this proxy statement, regarding the specific and particular experience, qualifications, attributes or skills of each director that led the NCGC to believe that that director should continue to serve on the Board.

Robert K. Burgess has served as an independent investor and board member to technology companies since 2005. He was chief executive officer from 1996 to 2005 of Macromedia, Inc., a provider of internet and multimedia software, which was acquired by Adobe Systems Incorporated; he also served from 1996 to 2005 on its board of directors, as chairman of its board of directors from 1998 to 2005 and as executive chairman for his final year. Previously, he held key executive positions from 1984 to 1991 at Silicon Graphics, Inc. (SGI), a graphics and computing company; from 1991 to 1995, served as chief executive officer and a board member of Alias Research, Inc., a publicly traded 3D software company, until its acquisition by SGI; and resumed executive positions at SGI during 1996. Mr. Burgess serves on the board of Adobe and several privately-held companies. He was a director of IMRIS Inc., a provider of image guided therapy solutions, until 2013. He holds a BCom degree from McMaster University. He joined the NVIDIA board in 2011.

Mr. Burgess brings to the Board leadership experience and expertise in the areas of financial- and risk-management and operations. He has a broad understanding of the roles and responsibilities of a corporate board and provides valuable insight on a range of issues in the technology industry.

Tench Coxe has been a managing director of Sutter Hill Ventures, a venture capital investment firm, since 1989, where he focuses on investments in the IT sector, particularly semiconductor companies. Prior to joining Sutter Hill Ventures in 1987, he was director of marketing and MIS at Digital Communication Associates. He serves on the board of directors of Mattersight Corp., a customer loyalty software firm, Artisan Partners Asset Management Inc., an institutional money management firm, and several privately held technology companies. Mr. Coxe holds a BA degree in Economics from Dartmouth College and an MBA degree from Harvard Business School. He joined the NVIDIA board in 1993.

Mr. Coxe brings to the Board expertise in financial and transactional analysis and provides valuable perspectives on corporate strategy and emerging technology trends. His significant experience as an investor gives the Board an understanding of the methods by which companies can increase value for their stockholders.

Persis S. Drell is the Dean of the Stanford School of Engineering, a Professor in the School of Engineering and a Professor of Materials Science and Engineering and Physics at Stanford University. Ms. Drell, who assumed the post of Dean in September 2014, has been on the faculty at Stanford since 2002. Ms. Drell served as the Director of the U.S. Department of Energy SLAC National Accelerator Laboratory from 2007 to 2012. Ms. Drell is a member of the National Academy of Sciences and the American Academy of Arts and Sciences, and is a fellow of the American Physical Society. She has been the recipient of a Guggenheim Fellowship and a National Science Foundation Presidential Young Investigator Award. Ms. Drell holds a Ph.D. from the University of California Berkeley and an AB degree in Mathematics and Physics from Wellesley College. She joined the NVIDIA board in March 2015.

An accomplished researcher and educator, Ms. Drell brings to the Board expert leadership in guiding innovation in science and technology.

James C. Gaither has been a managing director of Sutter Hill Ventures, a venture capital investment firm, since 2000. He was a partner in the law firm Cooley LLP from 1971 to 2000 and senior counsel to the firm from 2000 to 2003. Prior to practicing law he served as a law clerk to The Honorable Earl Warren, Chief Justice of the United States Supreme Court, special assistant to the Assistant Attorney General in the U.S. Department of Justice and staff assistant to U.S. President Lyndon Johnson. Mr. Gaither is a former president of the Board of Trustees at Stanford University, former vice chairman of the board of directors of The William and Flora Hewlett Foundation and immediate past chairman of the Board of Trustees of the Carnegie Endowment for International Peace. Mr. Gaither holds a BA degree in Economics from Princeton University and a JD degree from Stanford University Law School. He joined the NVIDIA board in 1998.

Mr. Gaither brings to the Board expertise in corporate strategy and negotiating complex transactions. He also provides valuable perspectives on the roles and responsibilities of a corporate board, including oversight of a public company's legal and regulatory compliance and engagement with regulatory authorities. His significant experience as an investor gives the Board an understanding of the methods by which companies can increase value for their stockholders.

Jen-Hsun Huang co-founded NVIDIA in 1993 and has since served as president, chief executive officer, and a member of the board of directors. Mr. Huang held a variety of positions from 1985 to 1993 at LSI Logic Corp., a computer chip manufacturer, including leading the business unit responsible for the company's system-on-a-chip strategy. He was a microprocessor designer from 1984 to 1985 at Advanced Micro Devices, Inc., a semiconductor company. Mr. Huang holds a BSEE degree from Oregon State University and an MSEE degree from Stanford University.

Mr. Huang is one of the technology industry's most respected executives, having taken NVIDIA from a startup to a world leader in visual computing. Under his guidance, NVIDIA has compiled a record of consistent innovation and sharp execution, marked by products that have gained strong market share.

Dawn Hudson has served as Chief Marketing Officer for the National Football League since October 2014. Previously, she served from 2009 to 2014 as vice chairman of The Parthenon Group, an advisory firm focused on strategy consulting. She was president and chief executive officer of Pepsi-Cola North America, the beverage division of PepsiCo, Inc. for the U.S. and Canada, from 2005 to 2007 and president from 2002, and simultaneously served as chief executive officer of the foodservice division of PepsiCo, Inc. from 2005 to 2007. Previously, she spent 13 years in marketing, advertising and branding strategy, holding leadership positions at major agencies, such as D'Arcy Masius Benton & Bowles and Omnicom. She currently serves on the boards of directors of The Interpublic Group of Companies, Inc., an advertising holding company, and Lowes Companies, Inc., a home-improvement retailer. She was a director of P.F. Chang's China Bistro, Inc., a restaurant chain, until 2012, and of Allergan, Inc., a biopharmaceutical company, until March 2014. She holds a BA degree from Dartmouth College. She joined the NVIDIA board in 2013.

Ms. Hudson brings to the board experience in executive leadership. As a longtime marketing executive, she has valuable expertise and insights in leveraging brands, brand development and consumer behavior. She also has considerable corporate governance experience, gained from more than 10 years of serving on the boards of public companies.

Harvey C. Jones has been the managing partner of Square Wave Ventures, a private investment firm, since 2004. Mr. Jones has been an entrepreneur, high technology executive and active venture investor for over 30 years. In 1981, he co-founded Daisy Systems Corp., a computer-aided engineering company, ultimately serving as its president and chief executive officer until 1987. Between 1987 and 1998, he led Synopsys, Inc., a major electronic design automation company, serving as its chief executive officer for seven years and then as executive chairman. In 1997, Mr. Jones co-founded Tensilica Inc., a privately held technology IP company that developed and licensed high performance embedded processing cores. He served as chairman of the Tensilica board of directors from inception through its 2013 acquisition by Cadence Design Systems, Inc. In 2014, coincident with his investment in the company, Mr. Jones joined the board of directors of Tintri Technology, a private company that builds data storage solutions for virtual and cloud environments. He also served as lead director on the board of directors of Wind River Systems from 2006 until its sale to Intel in 2009. Mr. Jones holds a BS degree in Mathematics and Computer Sciences from Georgetown University and an MS degree in Management from Massachusetts Institute of Technology. He joined the NVIDIA board in 1993.

Mr. Jones brings to the board an executive management background, an understanding of semiconductor technologies and complex system design, and experience in the business of technology licensing. He provides valuable insight into innovation strategies, research and development efforts, as well as management and development of our technical employees. His financial expertise qualifies him to serve as an "audit committee financial expert" within the meaning of SEC rules, and his significant experience as an investor gives the Board an understanding of the methods by which companies can increase value for their stockholders.

Michael G. McCaffery is the Chairman and a Managing Director of Makena Capital Management, an investment management firm. From December 2005 to December 2013, he was the Chief Executive Officer of Makena Capital Management. From September 2000 to June 2006, he was the President and Chief Executive Officer of the Stanford Management Company, the university subsidiary charged with managing Stanford University's financial and real estate investments. Prior to Stanford Management Company, Mr. McCaffery was President and Chief Executive Officer of Robertson Stephens and Company, a San Francisco-based investment bank and investment management firm, from January 1993 to December 2009, and also served as Chairman from January 2000 to December 2000. Mr. McCaffery serves on the board of directors, or on the advisory boards, of several privately held companies and non-profits. He was a director of KB Home, a homebuilding company, from 2003 until April 2015. Mr. McCaffery is a Trustee of the Rhodes Scholarship Trust. Mr. McCaffery holds a BA degree from Princeton University, a BA honors degree and an MA degree as a Rhodes Scholar from Merton College, Oxford University, Oxford, England, and an MBA degree from the Stanford Graduate School of Business. He joined the NVIDIA board in March 2015.

Mr. McCaffery brings to the Board a broad array of business, investment and real estate experience and recognized expertise in financial matters, as well as a demonstrated commitment to good corporate governance.

William J. Miller has served as an independent consultant since 1999 and is on the board of directors of Waters Corp., a scientific instrument manufacturing company; Digimarc Corp., a developer and supplier of secure identification products and digital watermarking technology; and Glu Mobile, Inc., a publisher of mobile games. He was president, chief executive officer and chairman of the board of directors from 1996 to 1999 of Avid Technology, Inc., a provider of digital tools for multimedia. He was chief executive officer and a board director from 1992 to 1995 of Quantum Corp., a mass storage company, where he was chairman for three years. From 1981 to 1992, he held various positions at Control Data Corp., a supplier of computer hardware, software and services, including executive vice president and president, information services. He was on the board of directors of Overland Storage, Inc., a supplier of data storage products from 2006 to 2009; and of Viewsonic Corp. from 2004 to 2008. He holds a BA and a JD degree from the University of Minnesota. He joined the NVIDIA board in 1994.

Mr. Miller brings to the Board considerable leadership and corporate governance experience and an understanding of the roles and responsibilities of a corporate board. His financial expertise qualifies him to serve as an “audit committee financial expert” within the meaning of SEC rules.

Mark L. Perry has been an advisor to Third Rock Ventures, a venture capital firm, since 2012 and is a member of the boards of directors of several private companies. He served from 2007 to 2011 as president and chief executive officer of Aerovance, Inc., a biopharmaceutical company. He was an executive officer from 1994 to 2004 at Gilead Sciences, Inc., a biopharmaceutical company, serving in a variety of capacities, including general counsel, chief financial officer, and executive vice president of operations, responsible for worldwide sales and marketing, legal, manufacturing and facilities; he was also its senior business advisor until 2007. From 1981 to 1994, Mr. Perry was with the law firm Cooley LLP, where was a partner for seven years. From 2003 to 2009, he served on the board of directors of Nuvelo, Inc., a biopharmaceutical company. Mr. Perry holds a BA degree in History from the University of California, Berkeley, and a JD degree from the University of California, Davis. He joined the NVIDIA board in 2005.

Mr. Perry brings to the Board operating and finance experience gained in a large corporate setting. He has varied experience in legal affairs and corporate governance, and a deep understanding of the roles and responsibilities of a corporate board. His financial expertise qualifies him to serve as an “audit committee financial expert” within the meaning of SEC rules.

A. Brooke Seawell has served since 2005 as a venture partner at New Enterprise Associates, and was a partner from 2000 to 2005 at Technology Crossover Ventures. He was executive vice president from 1997 to 1998 at NetDynamics, Inc., an application server software company, which was acquired by Sun Microsystems, Inc. He was senior vice president and chief financial officer from 1991 to 1997 of Synopsys, Inc., an electronic design automation software company. He serves on the board of directors of Informatica Corp., a data integration software company; Tableau Software, Inc., a business intelligence software company; and several privately held companies. From 2006 to February 2014, Mr. Seawell served on the board of directors of Glu Mobile, Inc., a publisher of mobile games. Mr. Seawell is a member of the Stanford University Athletic Board and previously served on the Management Board of the Stanford Graduate School of Business. Mr. Seawell holds a BA degree in Economics and an MBA degree in Finance from Stanford University. He joined the NVIDIA board in 1997.

Mr. Seawell brings to the Board operational expertise and senior management experience, including knowledge of the complex issues facing public companies, and a deep understanding of accounting principles and financial reporting. His financial expertise qualifies him to serve as an “audit committee financial expert” within the meaning of SEC rules and his significant experience as an investor gives the Board an understanding of the methods by which companies can increase value for their stockholders.

Mark A. Stevens has been the managing partner of S-Cubed Capital, a private family office investment firm, since 2012. He was a managing partner from 1993 to 2011 of Sequoia Capital, a venture capital investment firm, where he had been an associate for the preceding four years. Previously, he held technical sales and marketing positions at Intel Corp., and was a member of the technical staff at Hughes Aircraft Co. He served from 2006 to 2012 as a member of the board of directors of Alpha and Omega Semiconductor Limited. He is a Trustee of the University of Southern California and a part-time lecturer at the Stanford University Graduate School of Business. Mr. Stevens holds a BSEE degree, a BA degree in Economics and an MS degree in Computer Engineering from the University of Southern California and an MBA degree from Harvard Business School. He joined the NVIDIA board in 2008 and previously served as a director from 1993 to 2006.

Mr. Stevens brings to the Board a deep understanding of the technology industry, and the drivers of structural change and high-growth opportunities. He provides valuable insight regarding corporate strategy development and the analysis of acquisitions and divestitures. His significant experience as an investor gives the Board an understanding of the methods by which companies can increase value for their stockholders.

Information About the Board of Directors and Corporate Governance

Independence of the Members of the Board of Directors

Consistent with the requirements of NASDAQ, our Corporate Governance Policies require our Board to affirmatively determine that a majority of our directors do not have a relationship that would interfere with their exercise of independent judgment in carrying out their responsibilities and do meet any other qualification requirements required by the SEC and NASDAQ. After considering all relevant relationships and transactions, the Board determined all members of the Board are “independent” as defined by NASDAQ’s rules and regulations, except for Jen-Hsun Huang, our president and CEO. Thus, as of the date of the mailing of this proxy statement, 92% of the members of our Board are independent. The Board also determined that all members of our AC, CC and NCGC are independent under applicable NASDAQ listing standards. In addition, all current members of the AC are “audit committee financial experts” under SEC rules.

Board Leadership Structure

Our Bylaws and Corporate Governance Policies permit the roles of chairman of the board and chief executive officer to be filled by the same or different individuals. This allows the Board flexibility to determine whether the two roles should be combined or separated based upon our needs and the Board’s assessment of its leadership from time to time. The Board believes that our stockholders are best served at this time by not having a chairman of the board and by having a Lead Director.

In the absence of a chairman of the board, our Corporate Governance Policies provide that our CEO has primary responsibility for preparing the agendas for Board meetings. Our CEO also presides over the portion of the meetings of the Board where he is present.

Given that we do not have a chairman of the board, the Board believes that a Lead Director is an integral part of our Board structure and a critical aspect of effective corporate governance. The independent directors consider the role and designation of the Lead Director on an annual basis. Mr. Miller has been our Lead Director since May 2009. Mr. Miller brings considerable skills and experience, as described above, to the role. In addition, Mr. Miller is Chair of our NCGC, which affords him increased engagement with Board governance and composition. Our Lead Director has significant responsibilities, which are set forth in our Corporate Governance Policies, and include, in part:

- Determining an appropriate schedule of Board meetings, seeking to ensure that the independent members of the Board can perform their duties responsibly while not interfering with the flow of our operations;
- Working with our CEO, seeking input from all directors, the CEO and other relevant management, as to the preparation of the agendas for Board and committee meetings;
- Advising the Board on a regular basis as to the quality, quantity and timeliness of the flow of information requested by the Board from our management with the goal of providing what is necessary for the independent members of the Board to effectively and responsibly perform their duties, and, although our management is responsible for the preparation of materials for the Board, the Lead Director may specifically request the inclusion of certain material; and
- Coordinating, developing the agenda for, and moderating executive sessions of the independent members of the Board, and acting as principal liaison between the independent members of the Board and the CEO on sensitive issues.

As discussed above, a substantial portion of our Board is comprised of independent directors. The active involvement of the independent directors, combined with the qualifications and significant responsibilities of our Lead Director, provide balance on the Board and promote strong, independent oversight of our management and affairs.

Role of the Board in Risk Oversight

The Board is responsible for overseeing risk management at NVIDIA. The Board exercises direct oversight of strategic risks to NVIDIA and other risk areas not delegated to one of its committees. Our AC has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures. The AC also monitors compliance with certain legal and regulatory requirements and oversees the performance of our internal audit function. Our NCGC monitors the effectiveness of our anonymous tip process and corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. Our CC assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Management periodically reports to the Board or relevant committee, which provides guidance on risk assessment and mitigation. Each committee charged with risk oversight reports up to the Board on those matters.

Corporate Governance Policies of the Board of Directors

The Board has documented our governance practices by adopting Corporate Governance Policies to ensure that the Board will have the necessary authority and practices in place to review and evaluate our business operations as needed and to make decisions that are independent of our management. The Corporate Governance Policies set forth the practices the Board follows with respect to board composition and selection, regular evaluations of the Board and its committees, board meetings and involvement of senior management, chief executive officer performance evaluation, and board committees and compensation. Our Corporate Governance Policies may be viewed under Corporate Governance in the Investor Relations section of our website at www.nvidia.com.

Executive Sessions of the Board

As required under NASDAQ's listing standards, our independent directors have in the past met, and will continue to meet, regularly in scheduled executive sessions at which only independent directors are present. In Fiscal 2015, our independent directors met in executive session at three of the four regularly scheduled Board meetings.

In addition, independent directors have in the past met, and will continue to meet, regularly in scheduled executive sessions with our CEO. In Fiscal 2015, our independent directors met in executive session with our CEO at three of the four regularly scheduled Board meetings.

Director Attendance at Annual Meeting

We do not have a formal policy regarding attendance by members of the Board at our annual meetings. We generally schedule a Board meeting in conjunction with our annual meeting and expect that all of our directors will attend each annual meeting, absent a valid reason. Nine of our ten Board members as of the 2014 Annual Meeting attended our 2014 Annual Meeting.

Board Self-Assessments

The NCGC oversees an annual evaluation process, whereby outside corporate counsel for NVIDIA interviews each director to obtain his or her evaluation of the Board as a whole, and of the committees on which he or she serves. The interviews solicit ideas from the directors about, among other things, improving quality of Board and/or committee discussions on key matters, and identifying specific issues which should be discussed in the future. After these evaluations are complete, our outside corporate counsel summarizes the results, provides a preview for our lead director and then submits the summary for discussion by the NCGC. If necessary, action plans are developed by the NCGC and recommended for discussion by the full Board.

In response to the evaluations conducted in Fiscal 2015, director recruitment was prioritized and resulted in the appointments of Mr. McCaffery and Ms. Drell in March 2015.

Director Orientation and Continuing Education

The NCGC and our General Counsel are responsible for director orientation programs and for director continuing education programs to assist directors in maintaining skills and knowledge necessary or appropriate for the performance of their responsibilities. Orientation programs are designed to familiarize new directors with our businesses, strategies, and policies and to assist new directors in developing the skills and knowledge required for their service on the Board. Continuing education programs for directors may include a combination of internally developed materials and presentations, programs presented by third parties, and financial and administrative support for attendance at qualifying academic or other independent programs.

Director Stock Ownership Guidelines

The Board believes that directors should hold a significant equity interest in NVIDIA. Our Corporate Governance Policies require each non-employee director to hold a number of shares of our common stock with a value equal to six times the annual cash retainer for Board service during the period in which he or she serves as a director (or six times the base salary, in the case of our CEO). The shares may include vested deferred stock and shares held in trust and by immediate family members. Non-employee directors have until the later of (i) the end of fiscal year 2016 or (ii) within five years of Board appointment, to reach the ownership threshold. The stock ownership guidelines are intended to further align director interests with stockholder interests.

Each of our non-employee directors currently meets or exceeds the stock ownership requirement, and each of our non-employee directors holds shares of our common stock, with the exception of Ms. Hudson, who joined our Board in July 2013, and Mr. McCaffery and Ms. Drell, who joined our Board in March 2015.

Hedging and Pledging Policy

Our directors and executive officers may not hedge their ownership of NVIDIA stock, including trading in options, puts, calls, or other derivative instruments related to NVIDIA stock or debt. Directors and executive officers may not purchase NVIDIA stock on margin, borrow against NVIDIA stock held in a margin account, or pledge NVIDIA stock as collateral for a loan.

Outside Advisors

The Board and each of its principal committees may retain outside advisors and consultants of their choosing at our expense. The Board need not obtain management's consent to retain outside advisors. In addition, the principal committees need not obtain either the Board's or management's consent to retain outside advisors.

Code of Conduct

We have a Code of Conduct that applies to our executive officers, directors and employees, including our principal executive officer, principal financial officer and principal accounting officer. We also have a Financial Team Code of Conduct that applies to our executive officers, directors and members of our finance, accounting and treasury departments. The Code of Conduct and the Financial Team Code of Conduct are available under Corporate Governance in the Investor Relations section of our website at www.nvidia.com. If we make any amendments to the Code of Conduct or the Financial Team Code of Conduct or grant any waiver from a provision of either code to any executive officer or director, we will promptly disclose the nature of the amendment or waiver on our website.

We expect our directors, executives and employees to conduct themselves with the highest degree of integrity, ethics and honesty. Our credibility and reputation depend upon the good judgment, ethical standards and personal integrity of each

director, executive and employee. In order to better protect us and our stockholders, we regularly review our Code of Conduct and related policies to ensure that they provide clear guidance to our directors, executives and employees.

Corporate Hotline

We have established an independent corporate hotline to allow any employee to confidentially and anonymously lodge a complaint about any accounting, internal control, auditing, Code of Conduct or other matter of concern (unless prohibited by local privacy laws for employees located in the European Union).

Stockholder Communications with the Board of Directors

Stockholders who wish to communicate with the Board regarding nominations of directors or other matters may do so by sending written communications addressed to David M. Shannon, our Secretary, at NVIDIA Corporation, 2701 San Tomas Expressway, Santa Clara, California 95050. All stockholder communications we receive that are addressed to the Board will be compiled by our Secretary. If no particular director is named, letters will be forwarded, depending on the subject matter, to the Chair of the AC, CC or NCGC. Matters put forth by our stockholders will be reviewed by the NCGC, which will determine whether these matters should be presented to the Board. The NCGC will give serious consideration to all such matters and will make its determination in accordance with its charter and applicable laws.

Nomination of Directors

The NCGC identifies, reviews and evaluates candidates to serve as directors and recommends candidates for election to the Board. We engage a professional search firm on an ongoing basis to identify and assist the NCGC in identifying, evaluating and conducting due diligence on potential director nominees. The NCGC also reviews materials provided by professional search firms and other parties in connection with nominees who are not proposed by a stockholder. The NCGC conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board. The NCGC meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to the Board. For an explanation of the factors the NCGC considers when evaluating candidates and the Board as a whole, please see *Director Qualifications* above.

The NCGC evaluates candidates proposed by stockholders using the same criteria as it uses for other candidates. Stockholders seeking to recommend a prospective nominee should follow the instructions under *Stockholder Communications with the Board of Directors* above. Stockholder submissions must include the full name of the proposed nominee, a description of the proposed nominee's business experience for at least the previous five years, complete biographical information, a description of the proposed nominee's qualifications as a director and a representation that the nominating stockholder is a beneficial or record owner of our stock. Any such submission must be accompanied by the written consent of the proposed nominee to be named as a nominee and to serve as a director if elected. Stockholders are advised to review our Bylaws and Corporate Governance Policies, which contain the requirements for director nominations. The NCGC did not receive any stockholder nominations during Fiscal 2015.

Majority Vote Standard

Our Bylaws provide that in a non-contested election if the votes cast **FOR** an incumbent director do not exceed the number of **WITHHOLD** votes, such incumbent director shall promptly tender his or her resignation to the Board. The NCGC will then review the circumstances surrounding the **WITHHOLD** vote and promptly make a recommendation to the Board on whether to accept or reject the resignation or whether other action should be taken. The Board will act on the NCGC's recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of certification of the stockholder vote.

In a contested election, which is an election in which the number of nominees exceeds the number of directors to be elected, our directors will be elected by a plurality of the shares represented in person or by proxy at any such meeting and

entitled to vote on the election of directors at that meeting. Under this provision, the directors receiving the greatest number of **FOR** votes will be elected.

Board Meeting Information

The Board met five times during Fiscal 2015, and held a two day meeting, during which the Board discussed the strategic direction of NVIDIA, explored and discussed new business opportunities and the product roadmap, and addressed challenges facing NVIDIA. We expect each Board member to attend each meeting of the Board and the committees on which he or she serves. Each Board member who served during Fiscal 2015 attended 75% or more of the meetings of the Board and of each committee on which he or she served.

Committees of the Board of Directors

The Board has three standing committees: an AC, a CC and a NCGC. Each of these committees operates under a written charter, which may be viewed under Corporate Governance in the Investor Relations section of our website at www.nvidia.com.

Committee Composition

The composition of our committees is set forth below. Committee assignments are determined based on background and the expertise which individual directors can bring to a committee. In Fiscal 2015, our AC held nine meetings, our CC held five meetings and our NCGC held three meetings. In March 2015, upon the recommendations of the NCGC, the Board examined the composition and chairmanship of the Board's committees and approved certain rotations, assuming each director's election or re-election, effective immediately following the 2015 Annual Meeting as set forth below:

Director	AC		CC		NCGC	
	Before 2015 Annual Meeting	After 2015 Annual Meeting	Before 2015 Annual Meeting	After 2015 Annual Meeting	Before 2015 Annual Meeting	After 2015 Annual Meeting
Robert K. Burgess			Chair	Chair		
Tench Coxe			Member	Member		
Persis S. Drell*						
James C. Gaither					Member	Member
Jen-Hsun Huang*						
Dawn Hudson			Member	Member		
Harvey C. Jones	Member				Member	Member
Michael G. McCaffery	Member	Member				
William J. Miller	Member				Chair	Chair
Mark L. Perry	Chair	Chair				
A. Brooke Seawell	Member	Member				
Mark A. Stevens		Member	Member		Member	Member

* Mr. Huang and Ms. Drell do not serve on any committees.

Committee Functions

Audit Committee

- Oversees our corporate accounting and financial reporting process;
- Oversees our internal audit function;

- Determines and approves the engagement, retention and/or termination of the independent registered public accounting firm, or any new independent registered public accounting firm;
- Evaluates the performance of and assesses the qualifications of our independent registered public accounting firm;
- Reviews and approves the retention of the independent registered public accounting firm to perform any proposed permissible non-audit services;
- Confers with management and our independent registered public accounting firm regarding the results of the annual audit, the results of our quarterly financial statements and the effectiveness of internal control over financial reporting;
- Reviews the financial statements to be included in our Form 10-K;
- Reviews earnings press releases, as well as the substance of financial information and earnings guidance provided to analysts and rating agencies on our quarterly earnings calls;
- Prepares the report required to be included by the SEC rules in our annual proxy statement or Form 10-K; and
- Establishes procedures for the receipt, retention and treatment of complaints we receive regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Compensation Committee

- Reviews and approves our overall compensation strategy and policies;
- Reviews and recommends to the Board the compensation of our Board members;
- Reviews and approves the compensation and other terms of employment of our CEO and other executive officers;
- Reviews and approves corporate performance goals and objectives relevant to the compensation of our executive officers and other senior management;
- Reviews and approves written performance goals for our CEO relevant to his compensation;
- Reviews and approves the disclosure contained in CD&A and considers whether to recommend that it be included in the proxy statement and Form 10-K;
- Administers our stock option and purchase plans, variable compensation plans and other similar programs;
- Assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking; and
- May form and delegate authority to subcommittees as appropriate, including, but not limited to, a subcommittee composed of one or more members of the Board.

Nominating and Corporate Governance Committee

- Identifies, reviews and evaluates candidates to serve as directors;
- Recommends candidates for election to our Board;
- Makes recommendations to the Board regarding committee membership;
- Assesses the performance of the Board and its committees;
- Reviews and assesses our corporate governance principles and practices;
- Approves related party transactions;
- Establishes procedures for the receipt, retention and treatment of complaints we receive regarding violations of our Code of Conduct; and
- Monitors the effectiveness of our anonymous tip process and corporate governance guidelines.

Director Compensation

In reviewing the type and form of compensation to be paid to our non-employee directors for the year starting on the date of our 2014 Annual Meeting, the CC consulted with Exequity and reviewed peer data from the executive peer group approved by the CC for Fiscal 2014. The CC subsequently recommended, and the Board approved, effective on the date of our 2014 Annual Meeting, a mix of cash and equity awards for our non-employee directors with an approximate annual value of \$300,000. This value approximates the average total annual compensation, both cash and equity, paid by technology peer companies of similar size and market capitalization to their non-employee directors. We refer to this as the 2014 Program. We do not pay any additional retainers or fees for serving as a chairperson or member of Board committees or for attending any Board or committee meetings. Discussion of Mr. McCaffery's and Ms. Drell's respective compensation is not included, as they were appointed to the Board in March 2015.

Cash Compensation

Under the 2014 Program, the cash portion of the annual retainer, representing \$75,000 on an annualized basis, was paid quarterly over the course of twelve months beginning on May 23, 2014, the date of our 2014 Annual Meeting.

Equity Compensation

Under the 2014 Program, each non-employee director elected in advance of the 2014 Annual Meeting the form of equity award he or she would receive on the first trading day following the date of our 2014 Annual Meeting. Non-employee directors were allowed to elect RSUs, stock options or a 50/50 combination of each. The aggregate value of the equity award was \$225,000. The number of shares subject to each RSU equaled the value of the annual retainer allocated to the RSU divided by the average closing market price over the 60 calendar days ending two business days before the 2014 Annual Meeting, or the RSU Shares. The number of shares subject to each stock option grant equaled 3.2 times the number of RSU Shares that would correspond to the annual retainer value, rounded down to the nearest whole share.

In order to correlate the vesting of the equity awards to the non-employee directors' service on the Board and its committees over the following year, RSUs vested as to 50% on November 19, 2014 (the third Wednesday in November 2014) and will vest as to the remaining 50% on May 20, 2015 (the third Wednesday in May 2015) and stock options granted under the 2014 Program vested quarterly commencing on the day of our 2014 Annual Meeting.

The options granted to our Board members above have a term of ten years. If a non-employee director's service as a director terminates due to death, the option and RSU grants will immediately fully vest and the option grants will become exercisable. Non-employee directors do not receive dividend equivalents on unvested RSUs.

Non-employee directors choosing RSUs as all or part of their equity compensation could elect to defer settlement of all such RSUs upon vesting, to be issued on the earliest of (a) the date of the non-employee director's "separation from service" (as defined under Treasury Regulation Section 1.409A-1(h)), unless a six month delay would be required under such Section, (b) the date of a change in control of NVIDIA that also would constitute a "change in control event" (as defined under Treasury Regulation Section 1.409A-3(i)(5)), and (c) the third Wednesday in March of the year elected by the non-employee director, which year must be no earlier than 2016. Messrs. Gaither, Jones and Miller elected to defer settlement of the RSUs granted during Fiscal 2015.

Other Compensation/Benefits

Our non-employee directors are also reimbursed for expenses incurred in attending Board and committee meetings, as well as in attending continuing educational programs pursuant to our Corporate Governance Policies. Directors who are also employees do not receive any fees or equity compensation for service on the Board.

We do not offer change-in-control benefits to our directors, except for the change-in-control vesting acceleration provisions in our equity plans that are applicable to all holders of stock awards under such plans in the event that an acquiring company does not assume or substitute for such outstanding stock awards.

Fiscal 2015 Compensation

The following table provides information regarding Fiscal 2015 compensation for non-employee directors, and the number of RSUs and stock options held by them as of January 25, 2015:

Director Compensation for Fiscal Year 2015

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$) ⁽¹⁾⁽²⁾	Option Awards (\$) ⁽¹⁾⁽³⁾	Total (\$)
Robert K. Burgess	75,000	225,726 ⁽⁴⁾	—	300,726
Tench Coxe	75,000	—	154,697 ⁽⁵⁾	229,697
James C. Gaither	75,000	225,726 ⁽⁴⁾	—	300,726
Dawn Hudson	75,000	112,863 ⁽⁶⁾	77,347 ⁽⁶⁾	265,210
Harvey C. Jones	75,000	225,726 ⁽⁴⁾	—	300,726
William J. Miller	75,000	225,726 ⁽⁴⁾	—	300,726
Mark L. Perry	75,000	225,726 ⁽⁴⁾	—	300,726
A. Brooke Seawell	75,000	225,726 ⁽⁴⁾	—	300,726
Mark A. Stevens	75,000	112,863 ⁽⁶⁾	77,347 ⁽⁶⁾	265,210

⁽¹⁾ Amounts shown in this column do not reflect dollar amounts actually received by the non-employee director. Instead, these amounts reflect the aggregate full grant date fair value calculated in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, or FASB ASC Topic 718, for awards granted during Fiscal 2015. The assumptions used in the calculation of values of the awards are set forth under Note 2 to our consolidated financial statements titled “Stock-Based Compensation” in our Form 10-K.

⁽²⁾ As of January 25, 2015, the following aggregate number of RSUs were held by our directors: Mr. Burgess, RSUs for 23,411 shares; Mr. Gaither, RSUs for 29,515 shares; Ms. Hudson, RSUs for 10,262 shares; Mr. Jones, RSUs for 12,208 shares; Mr. Miller, RSUs for 12,208 shares; Mr. Perry, RSUs for 6,104 shares; Mr. Seawell, RSUs for 6,104 shares; and Mr. Stevens, RSUs for 3,052 shares.

⁽³⁾ As of January 25, 2015, stock options to purchase the following aggregate number of shares of our common stock were held by our directors: Mr. Burgess, options to purchase 66,041 shares; Mr. Coxe, options to purchase 294,885 shares; Mr. Gaither, options to purchase 122,269 shares; Ms. Hudson, options to purchase 105,177 shares; Mr. Jones, options to purchase 167,820 shares; Mr. Miller, options to purchase 255,820 shares; Mr. Perry, options to purchase 123,000 shares; Mr. Seawell, options to purchase 207,820 shares; and Mr. Stevens, options to purchase 120,942 shares.

⁽⁴⁾ On May 27, 2014, each of Messrs. Burgess, Gaither, Jones, Miller, Perry and Seawell received an RSU grant for 12,208 shares as the equity portion of compensation for his service on the Board and committees.

⁽⁵⁾ On May 27, 2014, Mr. Coxe received a stock option to purchase 39,065 shares as the equity portion of compensation for his service on the Board and committees with an exercise price of \$18.82 per share, which was the closing price of our common stock as reported by NASDAQ on May 27, 2014. The grant date fair value per share for these awards as determined under FASB ASC Topic 718 was \$3.96.

- (6) On May 27, 2014, each of Ms. Hudson and Mr. Stevens received as the equity portion of compensation for their service on the Board and committees (a) a stock option to purchase 19,532 shares with an exercise price of \$18.82 per share, which was the closing price of our common stock as reported by NASDAQ on May 27, 2014, and (b) an RSU grant for 6,104 shares. The grant date fair value per share for the option award as determined under FASB ASC Topic 718 was \$3.96.

Review of Transactions with Related Persons

It is our policy that all employees, officers and directors must avoid any activity that is in conflict with, or has the appearance of conflicting with, our interests. This policy is included in our Code of Conduct and our Financial Team Code of Conduct. We conduct a review of all related party transactions for potential conflict of interest situations on an ongoing basis and all transactions involving executive officers or directors must be approved by the NCGC or another independent body of the Board. Except as discussed below, we did not conduct any transactions with related persons in Fiscal 2015 that would require disclosure in this proxy statement or approval by the NCGC.

Transactions with Related Persons

We have entered into indemnity agreements with our executive officers and directors which provide, among other things, that we will indemnify such executive officer or director, under the circumstances and to the extent provided for therein, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings which he or she is or may be made a party by reason of his or her position as a director, executive officer or other agent of NVIDIA, and otherwise to the fullest extent permitted under Delaware law and our bylaws. We intend to execute similar agreements with our future executive officers and directors.

See the section below titled *Employment, Severance and Change-in-Control Arrangements* for a description of the terms of the 1998 Plan and the 2007 Plan, related to a change-in-control of NVIDIA.

We have granted stock options and RSUs to our non-employee directors, and stock options, RSUs and PSUs to our executive officers. See the section above titled *Director Compensation* and the section below titled *Executive Compensation*.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth information as of January 25, 2015 as to shares of our common stock beneficially owned by each of our directors, each of the executive officers named in the Summary Compensation Table, all of our directors and executive officers as a group, and all known by us to be beneficial owners of five percent or more of our common stock. Beneficial ownership is determined in accordance with the SEC's rules and generally includes voting or investment power with respect to securities as well as shares of common stock subject to options exercisable, or PSUs or RSUs that will vest, within 60 days of January 25, 2015.

This table is based upon information provided to us by our executive officers and directors. Information about principal stockholders, other than percentages of beneficial ownership, is based solely on Schedules 13G/A filed with the SEC. Unless otherwise indicated and subject to community property laws where applicable, we believe that each of the stockholders named in the table has sole voting and investment power with respect to the shares indicated as beneficially owned.

Name of Beneficial Owner	Shares Owned	Shares Issuable Within 60 Days	Total Shares Beneficially Owned	Percent ⁽¹⁾
NEOs:				
Jen-Hsun Huang ⁽²⁾	21,660,484	2,643,374	24,303,858	4.44%
Colette M. Kress	32,172	72,750	104,922	*
Ajay K. Puri	136,694	383,242	519,936	*
David M. Shannon ⁽³⁾	165,471	405,337	570,808	*
Debora Shoquist	14,899	203,580	218,479	*
Directors, not including CEO:				
Robert K. Burgess	22,385	83,348	105,733	*
Tench Coxe ⁽⁴⁾	1,506,733	285,118	1,791,851	*
Persis S. Drell ⁽⁵⁾	—	—	—	*
James C. Gaither ⁽⁶⁾	158,634	139,576	298,210	*
Dawn Hudson	3,052	75,294	78,346	*
Harvey C. Jones ⁽⁷⁾	824,490	167,820	992,310	*
Michael G. McCaffery ⁽⁵⁾	—	—	—	*
William J. Miller ⁽⁸⁾	302,808	255,820	558,628	*
Mark L. Perry ⁽⁹⁾	89,692	123,000	212,692	*
A. Brooke Seawell ⁽¹⁰⁾	300,000	207,820	507,820	*
Mark A. Stevens ⁽¹¹⁾	2,065,712	116,059	2,181,771	*
Directors and executive officers as a group (16 persons) ⁽¹²⁾	27,283,226	5,162,138	32,445,364	5.90%
5% Stockholders:				
FMR LLC ⁽¹³⁾	81,530,667	—	81,530,667	14.96%
Vanguard Group, Inc. ⁽¹⁴⁾	40,029,136	—	40,029,136	7.35%
PRIMECAP Management Company ⁽¹⁵⁾	33,450,918	—	33,450,918	6.14%
BlackRock, Inc. ⁽¹⁶⁾	30,501,307	—	30,501,307	5.60%

* Represents less than 1 percent of the outstanding shares of our common stock.

- (1) Based on 544,913,224 shares of our common stock outstanding as of January 25, 2015, adjusted as required by SEC rules.
- (2) Includes (i) 19,512,685 shares of common stock held by Jen-Hsun Huang and Lori Huang, as co-trustees of the Jen-Hsun and Lori Huang Living Trust, u/a/d May 1, 1995, or the Huang Trust; (ii) 1,237,239 shares of common stock held by J. and L. Huang Investments, L.P., of which the Huang Trust is the general partner; and (iii) 557,000 shares of common stock held by The Huang 2012 Irrevocable Trust, of which Mr. Huang and his wife are co-trustees. By virtue of their status as co-trustees of the Huang Trust and The Huang 2012 Irrevocable Trust, each of Mr. Huang and his wife may be deemed to have shared beneficial ownership of the shares referenced in (i) - (iii), and to have shared power to vote or to direct the vote or to dispose of or direct the disposition of such shares.
- (3) Includes 110,800 shares of common stock held by the Shannon Revocable Trust, of which Mr. Shannon and his wife are co-trustees and of which Mr. Shannon exercises shared voting and investment power.
- (4) Represents (i) 171,312 shares of common stock held in a retirement trust over which Mr. Coxe exercises sole voting and investment power, and (ii) 1,335,421 shares of common stock held in the Coxe Revocable Trust, of which Mr. Coxe and his wife are co-trustees and of which Mr. Coxe exercises shared voting and investment power. Mr. Coxe disclaims beneficial ownership in the shares held in the retirement trust and by the Coxe Revocable Trust, except to the extent of his pecuniary interest therein.
- (5) Ms. Drell and Mr. McCaffery joined the Board in March 2015.
- (6) Represents shares of common stock held by the James C. Gaither Revocable Trust U/A/D 9/28/2000, of which Mr. Gaither is the trustee and of which Mr. Gaither exercises sole voting and investment power.
- (7) Represents (i) 758,970 shares of common stock held in the H.C. Jones Living Trust, of which Mr. Jones is trustee and of which Mr. Jones exercises sole voting and investment power, and (ii) (a) 21,840 shares of common stock owned by the Gregory C. Jones Trust, of which Mr. Jones is co-trustee and of which Mr. Jones exercises shared voting and investment power, (b) 21,840 shares of common stock owned by the Carolyn E. Jones Trust, of which Mr. Jones is a co-trustee and of which Mr. Jones exercises shared voting and investment power and (c) 21,840 shares of common stock owned by the Harvey C. Jones III Trust, of which Mr. Jones is a co-trustee and of which Mr. Jones exercises shared voting and investment power, collectively, the Jones Children Trusts. Mr. Jones disclaims beneficial ownership of the 11,700 shares of common stock held by the Jones Children Trusts, except to the extent of his pecuniary interest therein.
- (8) Represents shares of common stock held by the Millbor Family Trust, of which Mr. Miller and his wife are co-trustees and of which Mr. Miller exercises shared voting and investment power.
- (9) Includes 50,000 shares of common stock held by The Perry & Pena Family Trust, of which Mr. Perry and his wife are co-trustees and of which Mr. Perry exercises shared voting and investment power.
- (10) Represents shares of common stock held by the Rosemary & A. Brooke Seawell Revocable Trust U/A dated 1/20/2009, of which Mr. Seawell and his wife are co-trustees and of which Mr. Seawell exercises shared voting and investment power.
- (11) Includes 2,054,007 shares of common stock held by the 3rd Millennium Trust, of which Mr. Stevens and his wife are co-trustees and of which Mr. Stevens exercises shared voting and investment power.
- (12) Includes shares owned by all directors and executive officers listed in this beneficial ownership table.
- (13) This information is based solely on a Schedule 13G/A, dated February 13, 2015, filed with the SEC on February 13, 2015 by FMR LLC, or FMR, reporting its beneficial ownership as of December 31, 2014. The Schedule 13G/A reports

that FMR has sole voting power with respect to 8,110,288 shares and sole dispositive power with respect to 81,530,667 shares. FMR is located at 245 Summer Street, Boston, Massachusetts 02210.

- (¹⁴) This information is based solely on a Schedule 13G/A, dated February 9, 2015, filed with the SEC on February 10, 2015 by The Vanguard Group, Inc., or Vanguard, reporting its beneficial ownership as of December 31, 2014. The Schedule 13G/A reports that Vanguard has sole voting power with respect to 906,474 shares and sole dispositive power with respect to 39,174,644 shares. Vanguard is located at 100 Vanguard Boulevard, Malvern, Pennsylvania 19355.
- (¹⁵) This information is based solely on a Schedule 13G/A, dated February 10, 2015, filed with the SEC on February 13, 2015 by PRIMECAP Management Company, or PRIMECAP, reporting its beneficial ownership as of December 31, 2014. The Schedule 13G/A reports that PRIMECAP has sole voting power with respect to 6,845,373 shares and sole dispositive power with respect to 33,450,918 shares. PRIMECAP is located at 225 South Lake Avenue, #400, Pasadena, California 91101.
- (¹⁶) This information is based solely on a Schedule 13G/A, dated January 12, 2015, filed with the SEC on February 2, 2015 by BlackRock, Inc., or BlackRock, reporting its beneficial ownership as of December 31, 2014. The Schedule 13G/A reports that BlackRock has sole voting power with respect to 25,531,187 shares and sole dispositive power with respect to 30,496,770 shares. BlackRock is located at 55 East 52nd Street, New York, New York 10022.

Proposal 2—Approval of Executive Compensation

In accordance with Section 14A of the Exchange Act, we are asking our stockholders to vote on an advisory basis, commonly referred to as “say-on-pay”, to approve the compensation paid to our NEOs as disclosed in the CD&A, the compensation tables and the related narrative disclosure contained in this proxy statement. In response to our stockholders’ preference, our Board has adopted a policy of providing for annual say on pay votes. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the philosophy, policies and practices described in this proxy statement.

This advisory proposal is not binding on the Board or us. Nevertheless, the views expressed by the stockholders, whether through this vote or otherwise, are important to management and the Board and, accordingly, the Board and the CC intend to consider the results of this vote in making determinations in the future regarding NEO compensation arrangements.

Advisory approval of this proposal requires the vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the 2015 Annual Meeting.

Recommendation of the Board

The Board recommends that you vote **FOR** the approval of the compensation of our NEOs because, as discussed in these disclosures, we believe that our compensation policies and decisions are effective in achieving the Company’s goals. Therefore the Board recommends that our stockholders adopt the following resolution:

“**RESOLVED**, that the compensation paid to the Company’s named executive officers, as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion is hereby **APPROVED**. ”

Executive Compensation

Compensation Discussion and Analysis

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Introduction and Compensation Philosophy

This section explains our executive compensation program as it relates to the NEOs listed below for Fiscal 2015:

Jen-Hsun Huang	President and Chief Executive Officer
Colette M. Kress	Executive Vice President and Chief Financial Officer
Ajay K. Puri	Executive Vice President, Worldwide Field Operations
David M. Shannon	Executive Vice President, Chief Administrative Officer and Secretary
Debora Shoquist	Executive Vice President, Operations

The primary goals for our executive compensation program are:

- **Attracting, motivating and retaining a talented, innovative and entrepreneurial team of executives to provide leadership for our success in a dynamic, competitive market** - We design our executive compensation program to position NVIDIA competitively among the companies against which we recruit and compete for talent. Our CC does not use a strict weighting system among compensation elements for each NEO, but instead considers the total compensation necessary to attract, motivate and retain these individuals.
- **Rewarding financial and operating performance** - A significant percentage of our NEOs' compensation is "at-risk" in the form of variable cash compensation and equity that only vests upon achievement of performance goals.
- **Aligning our NEOs' interests with those of our stockholders to create long-term value** - Our CC believes that a mix of both cash and equity incentives is appropriate, as cash incentives reward NEOs for near-term results, while equity incentives motivate NEOs to increase and sustain stockholder value in the longer term. Our CC believes that equity compensation is a critical element of our total compensation package, and for that reason, equity compensation generally comprises a significant portion of the total target value of the annual compensation opportunity for each of our NEOs, especially our CEO. Equity compensation aligns the long-term interests of stockholders and NEOs by creating a strong, direct link between NEO compensation and stock price appreciation. In addition, the four-year vesting schedule of our equity awards rewards our NEOs for longer term performance. Our CC also believes that if our NEOs own shares of our common stock with values that are significant to them,

they will have an incentive to act to maximize longer-term stockholder value instead of short-term gain. Furthermore, the use of PSUs and RSUs helps us to manage stockholder dilution and is consistent with market trends and the practices of our peer companies.

Important Features of our Compensation Program

Below are important elements of our compensation program we have adopted, and problematic pay practices that we avoid:

What We Do	What We Don't Do
<ul style="list-style-type: none">✓ Heavily weight our NEO compensation toward “at-risk” performance-based compensation, consisting of equity awards and variable cash compensation✓ Use multi-year vesting terms for all executive officer equity awards✓ Engage with our stockholders and corporate governance groups to discuss our executive compensation programs, carefully consider their input and make changes to our pay practices based on their feedback✓ Structure our executive compensation programs to minimize inappropriate risk-taking✓ Cap PSUs and incentive award levels under the annual Variable Cash Plan✓ Rigorously administer our compensation program, including review of peer group practices, advice by an independent compensation consultant reporting directly to our CC, and long-standing, consistently-applied practices regarding the timing of equity grants✓ Have meaningful stock ownership guidelines for our executive officers✓ Enforce a “no-hedging” policy and a “no-pledging” policy that does not allow our executive officers to hedge the economic interest in the NVIDIA shares they hold or pledge NVIDIA shares as collateral✓ Maintain a “clawback” policy for the recovery of performance-based cash and equity compensation in the event of a financial restatement that does not require individual misconduct to be enforced against our executive officers✓ Review the external marketplace and make internal comparisons among the executive officers when making compensation determinations✓ Have three or more independent non-employee directors serve on the CC, which engages an independent consultant to provide advice and counsel on market trends, executive pay practices and regulatory developments	<ul style="list-style-type: none">✗ Have employment contracts or severance agreements providing for a specific term of employment or severance benefits with any of our executive officers✗ Provide change-in-control benefits to our executive officers✗ Provide for automatic equity vesting upon a change-in-control except for the provisions in our equity plans that are applicable to all of our employees if an acquiring company does not assume or substitute our outstanding stock awards✗ Provide tax gross-ups✗ Offer our executive officers any supplemental retirement benefits or perquisites that are not available to all NVIDIA employees✗ Allow for the repricing of stock options without stockholder approval✗ Use discretion in performance incentive award determination

Primary Compensation Elements for Fiscal 2015

The primary elements of NVIDIA's fiscal 2015 executive compensation program are described below:

	Cash		Equity	
	Base Salary	Variable Cash Compensation	PSUs	RSUs
Who Receives	All NEOs	All NEOs	All NEOs	All NEOs except CEO
When Granted or Reviewed	Annually in Q1, made retroactive to beginning of fiscal year	Annually in Q1, paid in April of next fiscal year if earned	Reviewed annually in Q1, granted on the third Wednesday in March	Reviewed annually in Q1 and Q3, granted on the third Wednesdays in March and September, respectively
Performance Period	N/A	Annual	Annual, with multi-year vesting	Multi-year vesting
Performance Measure	N/A	Non-GAAP Operating Income achievement	Number of shares eligible to vest is formulaic based on annual Non-GAAP Operating Income achievement	N/A
Type of Performance	Short-term emphasis	Short-term emphasis	Long-term emphasis because of 4 year vesting schedule	Long-term emphasis because of 4 year vesting schedule
Maximum Amount that can be Earned	N/A	200% of target variable cash compensation	For our CEO, 150% of his target PSU amount For our other NEOs, 200% of his or her target PSU amount Ultimate value delivered depends on stock price on date shares vest	100% of initial grant Ultimate value delivered depends on stock price on date shares vest
Vesting	N/A	N/A	If performance threshold achieved, 25% on the one year anniversary of the date of grant; 12.5% every six months thereafter	25% on the one year anniversary of the date of grant; 12.5% every six months thereafter

In addition to the above key elements of our NEOs' compensation, we maintain medical, vision, dental and accidental death and disability insurance as well as time off and paid holidays for all of our employees (including our NEOs on the same basis as our other employees). All of our full-time employees (including our NEOs) are eligible to participate in our Employee Stock Purchase Plan and our 401(k) plan. We have a Company match under our 401(k) plan. In calendar 2014, we matched, on a dollar-for-dollar basis, each participant's salary deferral contributions to the 401(k) plan, up to a maximum of \$1,500, provided the participant was an employee on December 31, 2014. Each of our NEOs received a \$1,500 match in Fiscal 2015 (except for Mr. Huang, who did not participate in our 401(k) plan).

Fiscal 2015 Compensation Changes

In setting Fiscal 2015 NEO compensation, our CC reflected on the votes cast on our say-on-pay proposal for Fiscal 2014. At our 2014 Annual Meeting, nearly 98% of the votes cast on our say-on-pay proposal were in support of the compensation paid to our NEOs for Fiscal 2014. While this vote was only advisory and not binding, our CC carefully considered the results of the vote in the context of our overall compensation philosophy, as well as our compensation policies and decisions. Our CC also considered the feedback that our management received when meeting with the corporate governance departments of our large stockholders in Fall 2013 (in advance of making compensation decisions for Fiscal 2015).

The only changes made to our Fiscal 2015 executive compensation program since our stockholders overwhelmingly supported our Fiscal 2014 executive compensation program were the following, intended to further the specific objectives listed below:

- **We granted 100% of our CEO's equity compensation in the form of PSUs**
 - In years prior to Fiscal 2014, Mr. Huang was awarded stock options only. In Fiscal 2014, Mr. Huang was awarded a combination of PSUs and stock options.
 - In Fiscal 2015, all of Mr. Huang's equity compensation was awarded in the form of PSUs.
- **We introduced PSUs for all of our other NEOs**
 - In Fiscal 2014, our NEOs (other than our CEO as discussed above) received a combination of stock options and RSUs.
 - In Fiscal 2015, our NEOs (other than our CEO as discussed above) received a combination of PSUs and RSUs, weighted roughly 60% toward PSUs.
- **We revised our Variable Cash Plan so that 100% of our NEOs' variable cash opportunity is tied to NVIDIA's financial operating performance**
 - In Fiscal 2014, up to 50% of each NEO's total variable cash target award opportunity was based on the Company's achievement of a corporate financial performance target and up to another 50% was based on the NEO's achievement against his or her individual objectives.
 - In Fiscal 2015, 100% of each NEO's total variable cash target award opportunity was based on the Company's achievement of a corporate financial performance target; therefore, an NEO may no longer earn a payout under our Variable Cash Plan if the Company does not meet its key financial and operational performance goals.
- **We increased emphasis on equity compensation as a percentage of total target pay**
 - In Fiscal 2014, 33% of our CEO's total target pay was in the form of cash and 67% was in the form of equity, specifically a combination of PSUs and stock options. In addition, 50% of our other NEOs' total target pay was in the form of cash and 50% was in the form of equity, specifically a combination of RSUs and stock options. A substantial portion of overall cash compensation was allocated to target variable cash compensation for each NEO.
 - In Fiscal 2015, our CC assigned a greater emphasis on equity compensation as a percentage of overall target pay, resulting in 21% of our CEO's total target pay being in the form of cash and 79% in the form of equity, specifically PSUs. For our other NEOs, 39% of total target pay was in the form of cash and 61% was in the form of equity, specifically a combination of PSUs and RSUs. Given the CC's goal of delivering a substantial portion of overall pay in the form of "at-risk" pay and delivering this "at-risk" pay primarily in the form of long-term equity grants, the CC reduced the target annual variable cash compensation each NEO was eligible to earn to preserve a reasonable competitive total pay position. A larger portion of overall target cash was allocated to base salary as the CC supported the philosophy of balancing cash and equity as well as fixed and variable pay for NEOs.

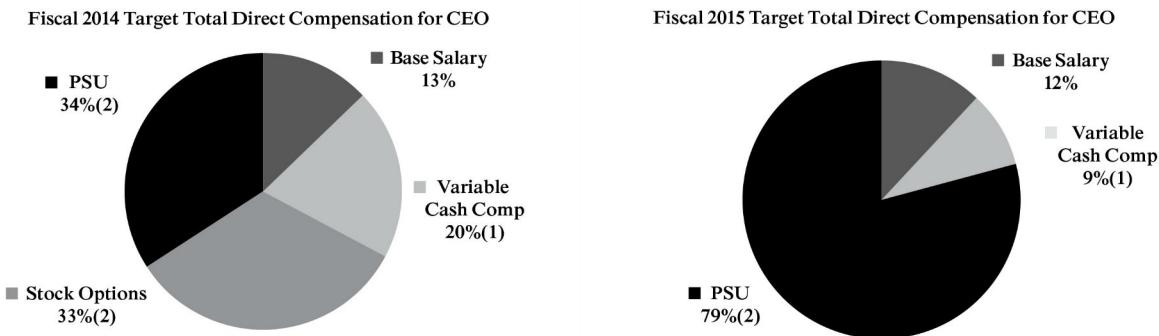
Objectives of Above Changes for Fiscal 2015

- ✓ Increase focus on “at-risk” pay, particularly long-term PSUs that only become eligible to vest based on achievement of specific performance goals
- ✓ Motivate our NEOs to achieve maximum results by giving them increased opportunity for reward upon financial, operational and stock price performance achievements
- ✓ Achieve greater alignment of our NEOs’ interests with those of our stockholders
- ✓ Granting PSUs and RSUs is consistent with pay practices at our peers, helps us manage dilution and promotes retention of our NEOs by balancing the risk associated with our stock price volatility with a larger portion of cash allocated to base salary
- ✓ The equity granted to our NEOs is more retentive than incentive award levels under the annual Variable Cash Plan because our equity is subject to a 4 year vesting schedule
- ✓ The increase in equity granted to our NEOs reinforces our stock ownership culture

Summary of Pay Components and At-Risk Pay

As a result of the above changes, our NEO pay components for Fiscal 2014 compared to Fiscal 2015 are reflected below:

CEO Compensation Components (Fiscal 2014 vs. Fiscal 2015)

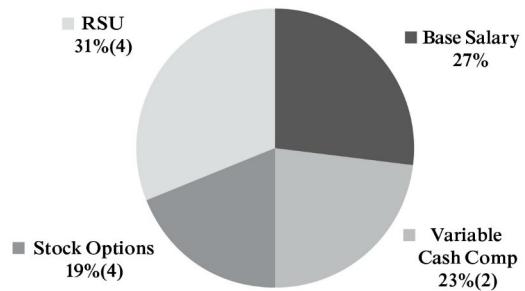


⁽¹⁾ Represents the cash payable under the Variable Cash Plan upon achievement of target performance on the Non-GAAP Operating Income goal.

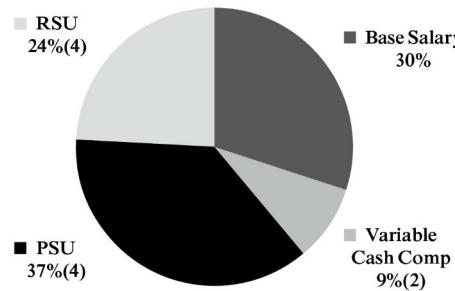
⁽²⁾ Represents the aggregate fair value of the target amount of the equity awards the CC intended to deliver at the time the awards were approved by the CC.

Other NEO Compensation Components (Fiscal 2014 vs. Fiscal 2015)

Fiscal 2014 Target Total Direct Compensation for All Other NEOs⁽¹⁾



Fiscal 2015 Target Total Direct Compensation for All Other NEOs⁽³⁾



⁽¹⁾ Excludes compensation paid to Ms. Kress, who became our CFO on September 30, 2013.

⁽²⁾ Represents the cash payable under the Variable Cash Plan upon achievement of target performance on the Non-GAAP Operating Income goal.

⁽³⁾ Excludes a one-time anniversary bonus paid to Ms. Kress pursuant to her Offer Letter, dated September 13, 2013.

⁽⁴⁾ Represents the aggregate fair value of the target amount of the equity awards the CC intended to deliver at the time the awards were approved by the CC.

Rationale for our Performance Metric and Period for PSUs and Variable Cash Compensation

For Fiscal 2015, the CC selected annual Non-GAAP Operating Income as the financial performance target for determining awards under the Variable Cash Plan and the PSUs. The CC selected this metric because it believes this to be a key indicator of our short-term financial performance which drives value and contributes to the long-term success of the Company. Non-GAAP Operating Income reflects both our annual revenue generation and effective management of operating expenses. The CC determined that management's achievement of this metric should be based on Non-GAAP Operating Income as we report in our earnings release materials, which reflects adjustments to operating income to exclude certain items, including stock-based compensation and acquisition-related costs.

Given that Fiscal 2015 was the first year that the Company granted PSUs to all NEOs, the CC decided that it was appropriate to have one performance metric with which the Company and NEOs were familiar and selected annual Non-GAAP Operating Income as the performance metric to determine whether, and to what extent, any PSUs would become eligible to vest. In addition, our CC selected an annual performance period for Non-GAAP Operating Income due to difficulty in forecasting our financial results beyond one year as a result of the newness of our growth businesses and market volatility. To ensure a long-term performance emphasis, the CC structured the PSUs that could become earned based on the one-year performance to vest over a four-year period and also reduced the target variable cash compensation opportunity.

Based on the operating plan prepared for Fiscal 2015 as approved by the Board, the CC set the following goals for Fiscal 2015 Variable Cash Plan award determination and PSUs that could become eligible to be earned:

	Non-GAAP Operating Income	Payout (% of Variable Cash Plan target award/target PSUs)
Threshold Goal (“Threshold”)	\$500 million	25%
Target Goal (“Target”)	\$660 million	100%
Maximum Goal (“Maximum”)	\$825 million or more	200% (or 150% for our CEO)

The Fiscal 2015 Target goal of \$660 million that the CC set for variable cash compensation and PSUs was higher than the Target goal for Fiscal 2014 and approximated our Fiscal 2014 actual Non-GAAP Operating Income of \$664 million. The Fiscal 2015 Target goal, in line with the annual operating plan approved by the Board at the beginning of Fiscal 2015, included budgeted investments in our future growth businesses and a probable range of revenue that took into account both macroeconomic conditions and reasonable but challenging growth estimates for ongoing and new businesses. The CC determined that for Fiscal 2015, the Target goal of \$660 million was attainable with significant effort and success in execution, and was not certain. In addition, the CC believed that for Fiscal 2015 achievement of the Maximum goal of \$825 million was a significant stretch and only possible with strong market factors and a very high level of successful execution and performance by our management.

Under the Fiscal 2015 Variable Cash Plan and the terms of the PSUs, no cash would be earned and no PSUs would be eligible to vest unless the Company attained or exceeded the Threshold goal of \$500 million. The payout under the Variable Cash Plan and the number of PSUs eligible to vest if Maximum performance was achieved was two times our NEOs’ target amounts (with the exception of our CEO whose maximum PSUs was capped at 1.5 times his target amount in order to help manage internal pay equity). For achievement between the Threshold and Target and between the Target and Maximum, payouts were determined using straight-line interpolation.

Following the close of Fiscal 2015, the CC met and reviewed our financial results against the targets set at the beginning of the year as explained above. For purposes of the Variable Cash Plan and the PSUs, the CC certified that the Company achieved Non-GAAP Operating Income in Fiscal 2015 of \$954 million, which resulted in the payout for Maximum performance under our Variable Cash Plan and the maximum number of PSUs becoming eligible to vest, each as more fully described below.

Changes to our Fiscal 2016 Performance Metric and Period for PSUs and Variable Cash Compensation

In Fall 2014 (after we had set the above metrics), we had meetings with the corporate governance groups of several of our large stockholders. During these meetings, several of our large stockholders supported the use of PSUs and noted that they prefer a multi-year performance period for PSUs and also prefer that we use different financial metrics for determining awards under our Variable Cash Plan and PSUs. While formulating our executive compensation for our fiscal year ending January 31, 2016, our CC considered this feedback and made the following changes for the Variable Cash Plan and the PSUs granted in fiscal year 2016, which will be discussed in detail in the proxy statement for our 2016 Annual Meeting of Stockholders:

- Changed our Variable Cash Plan performance metric to an annual revenue metric;
- Used annual Non-GAAP Operating Income as a performance metric for a portion of PSUs that are determined based on one-year performance period; and
- Introduced a three-year total shareholder return metric for a portion of PSUs that are determined based on a three-year performance period.

How We Determine Executive Compensation

Role of Our CC, Compensation Consultants, and Management

Our CC meets periodically on a regular schedule throughout the fiscal year to manage our executive compensation program. Our CC determines the principal components of compensation for our NEOs on an annual basis, typically at the beginning of each fiscal year. Our CC then meets again mid-year in preparation for the portion of the RSUs that typically are made in September of each year, and has the opportunity to review and revise equity compensation guidelines at that time. The CC makes all determinations of the compensation that we pay to our NEOs.

During Fiscal 2015, our CC continued to use Exequity as its independent compensation consultant. Our CC originally retained Exequity in 2010 after considering a number of other candidates. Our CC selected and continues to use Exequity for its experiences working with compensation committees at other technology companies, the experience of the senior consultant at Exequity with our compensation structure and the availability of Exequity to attend CC meetings.

During Fiscal 2015, our CC analyzed whether the work of Exequity as a compensation consultant raised any conflict of interest, taking into consideration the following factors: (i) the fact that Exequity does not provide any services directly to NVIDIA (although NVIDIA does pay the cost of Exequity's services on behalf of the CC); (ii) the amount of fees paid to Exequity by NVIDIA as a percentage of Exequity's total revenue; (iii) Exequity's policies and procedures that are designed to prevent conflicts of interest; (iv) any business or personal relationship of Exequity or the individual compensation advisors employed by Exequity with an NEO; (v) any business or personal relationship of the individual compensation advisors with any member of our CC; and (vi) any NVIDIA stock owned by Exequity or the individual compensation advisors employed by Exequity. Based on its analysis of these factors, our CC determined that the work of Exequity and the individual compensation advisors employed by Exequity does not create any conflict of interest.

Exequity reports directly to our CC, advising our CC on all material matters relating to executive and non-employee director compensation. Exequity took its direction from our CC Chairman and interacted with management (our CEO and legal and human resources departments), as needed, to understand management proposals and financial objectives and to obtain compensation data that management gathered for our peer group of companies to assist our CC with decisions in February and March 2014. The data that management gathered was from the Radford Global Technology Survey based on parameters established by our CC.

Exequity provided our CC with the following services in Fiscal 2015: (i) reviewed and provided recommendations on the composition of our peer group; (ii) analyzed the Radford survey data; (iii) conducted an independent analysis and review of the compensation arrangements for our CEO and advised our CC regarding base salary, variable cash compensation and equity grant levels for our CEO; (iv) advised the CC on initial equity grants to new non-employee directors; (vi) reviewed and provided feedback on our compensation risk analysis; and (vii) reviewed this CD&A.

With respect to compensation for our CEO, at the beginning of the fiscal year, our CC, working directly with Exequity and without the presence of our CEO, deliberates and makes decisions regarding the salary, variable incentive compensation level and equity-based compensation opportunity to be awarded to our CEO for the new fiscal year, as well as variable compensation payouts for the prior fiscal year. In setting compensation for our NEOs (other than the CEO), our CC solicits the input of our CEO, who recommends to our CC the salary, target variable incentive compensation and equity-based compensation to be awarded to our NEOs for the new fiscal year. Our CC remains solely responsible for making the final decisions on compensation for our NEOs, including our CEO. No NEO is present during discussions of his or her compensation package or participates directly in approving the amount of any component of his or her own compensation package.

Factors Used in Determining Executive Compensation

In any given year, when establishing the elements of executive compensation, our CC may take into consideration one or more of the following factors. The relative weight, if any, given to each of the factors below varies with each individual NEO and with respect to each element of compensation at the sole discretion of our CC.

Factors we Consider

- ✓ The need to attract new talent to our executive team and retain existing talent in a highly competitive industry
- ✓ An NEO's past performance and expected contribution to future results
- ✓ The Company's performance, operating budget and expected financial constraints
- ✓ The trends in compensation paid to similarly situated officers at our peer companies
- ✓ The 25th, 50th and 75th percentiles of compensation paid to similarly situated NEOs at our peer companies based on the data gathered from the Radford Global Technology Survey
- ✓ The philosophy that the total compensation opportunity and the percentage of total compensation "at risk" should increase with the level of responsibility—for example, because the CEO has overall responsibility for our entire company, his total compensation opportunity is significantly greater, as is his percentage of performance-based compensation
- ✓ The need to motivate NEOs to address particular business challenges that are unique to any given year
- ✓ A review of an NEO's current total compensation
- ✓ Our CEO's recommendations, because of his direct knowledge of the results delivered and leadership demonstrated by each NEO
- ✓ The independent judgment of the members of our CC
- ✓ The total compensation cost and stockholder dilution resulting from executive compensation actions, as we believe this helps us maintain a responsible cost structure for our compensation programs*
- ✓ Internal pay equity—that is, we assess an NEO's responsibilities, the scope of the NEO's position and the complexity of the department or function the NEO manages, relative to the NEO's internal peers, and set compensation levels within a relatively narrow band for comparably situated executives

* For a discussion of stock-based compensation cost, see Note 2 to our consolidated financial statements titled "Stock-Based Compensation" in our Form 10-K.

Peer Companies and Market Compensation Data

In late Fiscal 2014, Exequity and our human resources department recommended, and our CC approved, our peer companies for Fiscal 2015 which are companies that (i) we generally think we compete with for executive talent, (ii) have an established business, market presence, and complexity similar to us, and (iii) are of similar size to us as measured by revenue (at roughly 0.5-2.0x NVIDIA) and market capitalizations (at roughly 0.5-3.5x NVIDIA). Our peer group for Fiscal 2015 remained the same as it was for Fiscal 2014. The median revenue and market capitalization for our peer group was approximately \$4.2 billion and \$12.0 billion, respectively, which closely approximates our aggregate revenue of \$4.1 billion for Fiscal 2014 and market capitalization of approximately \$9.0 billion in late Fiscal 2014.

Our CC reviews market practices for compensating our desired talent pool, including data from our peer group, for the three major components of our compensation program and total target compensation. When reviewing and analyzing the amount of each major component and the total compensation opportunity for our NEOs, our CC reviews each component at the 25th, 50th and 75th percentiles for our peer companies for guidance. Our CC reviews these pay levels as reference points in its overall decision making, as indicative of the level of compensation necessary to attract, retain and motivate our NEOs. Our CC sets the actual amount of each element of compensation and the total compensation opportunity of each NEO based in part on its review of peer group data and in part on the factors discussed above and below in *Compensation Actions for Fiscal 2015* in respect of actual decisions for Fiscal 2015.

For fiscal year 2015, our peer group consisted of the companies listed below:

Activision Blizzard	Analog Devices, Inc.	Intuit, Inc.	Micron Technology, Inc.
Adobe Systems, Incorporated	Autodesk, Inc.	Juniper Networks, Inc.	Network Appliance, Inc.
Advanced Micro Devices	Broadcom Corporation	KLA-Tencor Corporation	SanDisk Corporation
Agilent Technologies, Inc.	Citrix Systems Inc.	LSI	Symantec Corporation
Altera Corporation	Electronic Arts, Inc.	Marvell Technology Group	Xilinx

Compensation Actions for Fiscal 2015

Total Target Compensation Approach

In making Fiscal 2015 compensation decisions, for each NEO our CC reviewed the total target cash opportunity (base salary plus variable cash compensation), target equity compensation opportunity and total target pay for similarly situated executives of our peer companies. The CC considered the factors discussed in *Factors Used in Determining Executive Compensation* above, the CC's specific compensation objectives for Fiscal 2015 as outlined in *Fiscal 2015 Compensation Changes* above and the CEO's recommendation for NEOs (other than himself). Our CC did not use a formula or assign a particular weight to any one factor in determining each NEO's target pay. Rather, our CC's determination of the total target compensation, mix of cash and equity and fixed and variable pay opportunities was subjective for each NEO and the CC's overall objectives for total pay positioning and balancing the pay mix as discussed above. In making compensation decisions, the CC did not review and consider each element of pay independently; rather, it was reviewed in the context of overall target pay opportunity for each NEO. Accordingly, when the CC made changes to one element of pay, those changes were made primarily in the context of the levels of the other elements of pay, and resulting total target pay for such NEO. Generally, except in the case of our CEO (as described below), resulting total target compensation for the NEOs was above the median of the market data (but not above the 75th percentile) as a result of the significant target equity opportunity awarded to each NEO. In approving this structure, the CC was mindful that these equity awards would only be realized at above-market levels upon exceptional performance. To reflect the CC's process in making compensation decisions for Fiscal 2015, the summary below describes, for each NEO separately, the three primary components of Fiscal 2015 compensation and compensation changes for such NEO.

Shift Towards Long-Term Performance-Based Awards

The CC determined that for all NEOs, long-term, performance-based equity awards granted in Fiscal 2015 would comprise a meaningful portion of their Fiscal 2015 total target compensation (and more so than in Fiscal 2014) and accordingly each NEO received a greater portion of total target compensation for Fiscal 2015 in the form of equity awards. In order to effectuate the emphasis on long-term equity awards, while maintaining total target direct compensation at a reasonable and appropriate level for each NEO, the CC reduced each NEO's target compensation under the Variable Cash Plan by approximately 50% (which fluctuated by individual based on the subjective decision of the CC). The CC felt that this adjustment was appropriate because of the introduction of PSUs for all NEOs, which were dependent in part on meeting the same objective performance goal as the Variable Cash Plan, and therefore the CC believed our NEOs were sufficiently motivated to work towards achieving such goal. In addition, the CC felt the increase in base salaries for all of our NEOs provided an appropriate balance to the reduced Variable Cash Plan compensation. As described above, the CC's overall goal was to enhance long-term opportunity to drive results and increase alignment with stockholders while maintaining a sufficient level of cash for competitive and retentive purposes. The PSUs and RSUs delivered additional long-term incentive and retentive benefits (that the annual cash incentive lacked) by vesting over a four-year period, to the extent the performance goal was attained (for PSUs) and to the extent the NEO remained in service with us (for PSUs and RSUs).

The CC determined a target equity opportunity value that it wanted to deliver to each NEO in Fiscal 2015 based on the factors described above. Generally, this target equity opportunity fell at the higher end of peer data, which the CC determined was appropriate based on the CC's emphasis on long-term performance-based compensation and allowing for above-market

rewards for exceptional performance. To determine actual shares awarded based on the target opportunity, the CC reviewed the 90-day trailing average of our stock price to smooth for daily volatility to inform it on the number of shares to deliver for RSUs and the target number of shares to deliver for PSUs. In line with its goal of increasing the proportion of performance-based pay, the CC decided to deliver a greater portion of equity awards in the form of PSUs than RSUs. For each NEO other than Mr. Huang, the CC delivered roughly 60% of the target equity opportunity in the form of PSUs and 40% of the target equity opportunity in the form of RSUs, which percentages fluctuated by NEO based on individual adjustments as determined by the CC.

For PSUs, the target number of shares awarded to each NEO represented the number of shares eligible to vest upon achievement of Target performance on the Non-GAAP Operating Income goal for Fiscal 2015. For each of our NEOs, the minimum number of shares eligible to vest was 25% of the target number of shares if Threshold performance was achieved and the maximum number of shares eligible to vest was capped at 200% of the target number of shares (or 150% for Mr. Huang) if Maximum performance was achieved. No shares were eligible to vest if Threshold performance was not achieved. If at least Threshold performance was achieved, 25% of the eligible shares would vest on the one year anniversary of the grant date and 12.5% of the eligible shares would vest every six months thereafter over the next three years, subject to the NEO's continued service with us. Additional information about the PSUs and the performance metric thereunder is discussed in *How and Why we Chose our Performance Metric and Period for PSUs and Variable Cash Compensation* above.

For RSUs, our CC granted 50% of the shares in March 2014. In August 2014, our CC reviewed the grant sizes for the second half of the year that had been established at the start of Fiscal 2015 and decided no changes for any of the NEOs were necessary. Therefore, another 50% of the RSU shares were granted in September 2014. All of the RSUs vest over a four year period beginning on the date of grant (with 25% vesting on approximately the one year anniversary of the date of grant), subject to the NEO's continued service with us.

Below is a summary of the Fiscal 2015 compensation decisions and changes for each individual NEO:

Jen-Hsun Huang - President, Chief Executive Officer, Co-founder and Director

	Fiscal 2014 Pay (\$)	Fiscal 2015 Pay (\$)	Change	Market Position of Fiscal 2015 Pay
Target Cash Compensation	2,175,000	1,700,000 ⁽¹⁾	down 22%	<25th
Base Salary	850,000	1,000,000		
Target Variable Cash Compensation	1,325,000	700,000 ⁽²⁾		
Target Equity Compensation ⁽³⁾	4,500,000	6,300,000 ⁽⁴⁾	up 40%	50th
Target Total Compensation	6,675,000	8,000,000	up 20%	25th - 50th ⁽⁵⁾

⁽¹⁾ Target cash compensation was at the lower-end of the market data as a result of the CC's decision to heavily weight compensation in the form of performance-based equity opportunities. Base salary was increased to provide an appropriate level of fixed pay for day to day performance and in recognition of low Fiscal 2014 target cash compensation in comparison to market data.

⁽²⁾ Represents cash payable upon achievement of Target performance under our Variable Cash Plan. Based on our Non-GAAP Operating Income achievement at Maximum performance, Mr. Huang earned a maximum award of \$1.4 million.

⁽³⁾ Based on the target aggregate fair value of equity awards at the time of CC approval.

⁽⁴⁾ 100% of Fiscal 2015 target equity compensation was in the form of PSUs. Mr. Huang's target equity opportunity was \$6.3 million, set based on market data, overall CC objectives and internal pay equity, which equated to a target PSU award of 400,000 shares (100,000 shares eligible to vest upon Threshold performance and 600,000 shares eligible to vest upon Maximum performance). Based on our Non-GAAP Operating Income achievement at Maximum performance, 150% of the target PSUs (or 600,000 shares) became eligible to vest over a four year period beginning on the date of grant (with 25% vesting on March 18, 2015).

⁽⁵⁾ Market position of target total compensation was slightly below the 50th percentile as a result of the CC's objective to balance internal pay equity with other NEOs and external market competitiveness with other peer CEOs.

Colette M. Kress - Executive Vice President and Chief Financial Officer

	Fiscal 2014 Pay (\$)	Fiscal 2015 Pay (\$)	Change	Market Position of Fiscal 2015 Pay
Target Cash Compensation ⁽¹⁾	1,050,000	1,050,000 ⁽²⁾	no change	50th ⁽³⁾
Base Salary	500,000	775,000		
Target Variable Cash Compensation	550,000	275,000 ⁽⁴⁾		
Target Equity Compensation ⁽⁵⁾	— ⁽⁶⁾	2,097,430 ⁽⁷⁾	—	65th
Target Total Compensation	—	3,147,340	—	65th ⁽⁸⁾

⁽¹⁾ Ms. Kress began employment in the second half of Fiscal 2014; therefore, Fiscal 2014 target cash compensation has been annualized to present a more accurate comparison of year over year change and excludes a sign-on bonus of \$1.5 million paid in Fiscal 2014; Fiscal 2015 target cash compensation excludes an anniversary bonus of \$1.0 million paid in Fiscal 2015 pursuant to Ms. Kress' offer letter (which must be repaid upon a resignation or termination under certain circumstances). The CC determined that these special bonuses were necessary to attract Ms. Kress, in consideration of her compensation opportunity at her prior employer.

⁽²⁾ Target variable cash compensation reduction by 50% (similar to Mr. Puri and Ms. Shoquist) and a base salary increase were determined by the CC to be appropriate because they resulted in overall target cash compensation at the median of the market data.

⁽³⁾ Market position of target cash compensation was lower than that of the other NEOs in part due to internal pay equity for cash compensation.

⁽⁴⁾ Represents cash payable upon achievement of Target performance under our Variable Cash Plan. Based on our Non-GAAP Operating Income achievement at Maximum performance, Ms. Kress earned a maximum award of \$550,000.

⁽⁵⁾ Based on the target aggregate fair value of equity awards at the time of CC approval.

⁽⁶⁾ Excludes new hire equity grant as it will not present an accurate comparison of year over year change.

⁽⁷⁾ Target equity opportunity was \$2.1 million (129,500 shares), set based on market data, overall CC objectives and internal pay equity. 40% of target shares (or 52,000 shares) were allocated to RSUs and 60% of target shares (or 77,500 shares) were allocated to PSUs (where 19,375 shares were eligible to vest upon Threshold performance and 155,000 shares were eligible to vest upon Maximum performance). Based on our Non-GAAP Operating Income achievement at Maximum performance, 200% of the target PSUs (or 155,000 shares) became eligible to vest over a four year period beginning on the date of grant (with 25% vesting on March 18, 2015).

⁽⁸⁾ Market position of target total compensation was lower than that of Mr. Shannon and Ms. Shoquist, but was determined by the CC to be appropriate based on the subjective determination of the CC.

Ajay K. Puri - Executive Vice President, Worldwide Field Operations

	Fiscal 2014 Pay (\$)	Fiscal 2015 Pay (\$)	Change	Market Position of Fiscal 2015 Pay
Target Cash Compensation	1,250,000	1,250,000 ⁽¹⁾	no change	> 90th
Base Salary	500,000	875,000		
Target Variable Cash Compensation	750,000	375,000 ⁽²⁾		
Target Equity Compensation ⁽³⁾	1,211,936	1,611,725 ⁽⁴⁾	up 33%	65th
Target Total Compensation	2,461,936	2,861,725	up 16%	65th ⁽⁵⁾

⁽¹⁾ Target variable cash compensation was reduced by 50% (similar to Ms. Kress and Ms. Shoquist) and base salary was increased to provide an appropriate level of fixed pay for retention and security in light of increased "at-risk" total compensation. Base salary amount was chosen based on internal pay equity with other NEOs, individual performance and responsibilities as head of worldwide field operations.

⁽²⁾ Represents cash payable upon achievement of Target performance under our Variable Cash Plan. Based on our Non-GAAP Operating Income achievement at Maximum performance, Mr. Puri earned a maximum award of \$750,000.

- ⁽³⁾ Based on the target aggregate fair value of equity awards at the time of CC approval.
- ⁽⁴⁾ Target equity opportunity was \$1.6 million (100,000 shares), set based on market data, overall CC objectives and internal pay equity. 35% of target shares (or 35,000 shares) were allocated to RSUs and 65% of target shares (or 65,000 shares) were allocated to PSUs (where 16,250 shares were eligible to vest upon Threshold performance and 130,000 shares were eligible to vest upon Maximum performance). Based on our Non-GAAP Operating Income achievement above Maximum, 200% of the target PSUs (or 130,000 shares) became eligible to vest over a four year period beginning on the date of grant (with 25% vesting on March 18, 2015).
- ⁽⁵⁾ Market position of target total compensation was lower than that of Mr. Shannon and Ms. Shoquist, but was determined by the CC to be appropriate based on the subjective determination of the CC.

David M. Shannon - Executive Vice President, Chief Administrative Officer and Secretary

	Fiscal 2014 Pay (\$)	Fiscal 2015 Pay (\$)	Change	Market Position of Fiscal 2015 Pay
Target Cash Compensation	1,000,000	1,000,000 ⁽¹⁾	no change	> 90th
Base Salary	500,000	800,000		
Target Variable Cash Compensation	500,000	200,000 ⁽²⁾		
Target Equity Compensation ⁽³⁾	1,049,130	1,348,630 ⁽⁴⁾	up 29%	65th
Target Total Compensation	2,049,130	2,348,630	up 15%	75th ⁽⁵⁾

⁽¹⁾ Target variable cash compensation was reduced by 60% (as compared to 50% for Mr. Puri and Ms. Kress and Shoquist) based on the subjective decision of the CC. Base salary was increased to provide an appropriate level of fixed pay for retention and security in light of increased “at-risk” total compensation, and chosen based on internal pay equity with other NEOs, individual performance and responsibilities as head of human resources, legal and intellectual property licensing.

⁽²⁾ Represents cash payable upon achievement of Target performance under our Variable Cash Plan. Based on our Non-GAAP Operating Income achievement at Maximum performance, Mr. Shannon earned a maximum award of \$400,000.

⁽³⁾ Based on the target aggregate fair value of equity awards at the time of CC approval.

⁽⁴⁾ Target equity opportunity was \$1.3 million (84,000 shares), set based on market data, overall CC objectives and internal pay equity. 31% of target shares (or 26,000 shares) were allocated to RSUs and 69% of target shares (or 58,000 shares) were allocated to PSUs (where 14,500 shares were eligible to vest upon Threshold performance and 116,000 shares were eligible to vest upon Maximum performance). Based on our Non-GAAP Operating Income achievement at Maximum performance, 200% of the target PSUs (or 116,000 shares) became eligible to vest over a four year period beginning on the date of grant (with 25% vesting on March 18, 2015).

⁽⁵⁾ Market position of target total compensation was at approximately the 75th percentile among peer general counsels which the CC determined to be appropriate based on Mr. Shannon’s broader scope of responsibilities as compared to executive officers at peer companies, individual performance and internal pay equity with other NEOs.

Debora Shoquist - Executive Vice President, Operations

	Fiscal 2014 Pay (\$)	Fiscal 2015 Pay (\$)	Change	Market Position of Fiscal 2015 Pay
Target Cash Compensation	800,000	850,000 ⁽¹⁾	up 6%	75th
Base Salary	500,000	700,000		
Target Variable Cash Compensation	300,000	150,000 ⁽²⁾		
Target Equity Compensation ⁽³⁾	908,952	1,409,185 ⁽⁴⁾	up 55%	75th
Target Total Compensation	1,708,952	2,259,185	up 32%	> 75th ⁽⁵⁾

⁽¹⁾ Target variable cash compensation was reduced by 50% (similar to Ms. Kress and Mr. Puri) and base salary was increased to provide an appropriate level of fixed pay for retention and security in light of increased “at-risk” total compensation. Base salary amount was increased as a result of Ms. Shoquist’s increasing responsibilities, as well as internal pay equity and individual performance.

- (2) Represents cash payable upon achievement of Target performance under our Variable Cash Plan. Based on our Non-GAAP Operating Income achievement at Maximum performance, Ms. Shoquist earned a maximum award of \$300,000.
- (3) Based on the target aggregate fair value of equity awards at the time of CC approval.
- (4) Target equity opportunity was \$1.4 million (87,000 shares), set based on Ms. Shoquist's increasing responsibilities, market data, overall CC objectives and internal pay equity. 40% of target shares (or 35,000 shares) were allocated to RSUs and 60% of target shares (or 52,000 shares) were allocated to PSUs (where 13,000 shares were eligible to vest upon Threshold performance and 104,000 shares were eligible to vest upon Maximum performance). Based on our Non-GAAP Operating Income achievement at Maximum performance, 200% of the target PSUs (or 104,000 shares) became eligible to vest over a four year period beginning on the date of grant (with 25% vesting on March 18, 2015).
- (5) Market position of target total compensation was slightly above 75th percentile among peer operations executives which the CC determined to be appropriate based on Ms. Shoquist's expanding responsibilities, impact on Company results and internal pay equity with other NEOs.

Additional Executive Compensation Practices, Policies and Procedures

Compensation Recovery Policy

In April 2009, our Board adopted a Compensation Recovery Policy which covers all of our employees. Under this policy, if we are required to prepare an accounting restatement to correct an accounting error on an interim or annual financial statement included in a report on Form 10-Q or Form 10-K due to material noncompliance with any financial reporting requirement under the federal securities laws, or a Restatement, and if the Board or a committee of independent directors concludes that our CEO, CFO or any other officer or employee received a variable compensation payment that would not have been payable if the original interim or annual financial statements reflected the Restatement, then under the Compensation Recovery Policy:

- Our CEO and CFO will be required to disgorge the net after-tax amount of that portion of the variable compensation payment that would not have been payable if the original interim or annual financial statements reflected the Restatement; and
- The Board or the committee of independent directors may require any other officer or employee to repay all (or a portion of) the variable compensation payment that would not have been payable if the original interim or annual financial statements reflected the Restatement, as determined by the Board or such committee in its sole discretion. In using its discretion, the Board or the independent committee may consider whether such person was involved in the preparation of our financial statements or otherwise caused the need for the Restatement and may, to the extent permitted by applicable law, recoup amounts by (1) requiring partial or full repayment by such person of any variable or incentive compensation or any gains realized on the exercise of stock options or on the open-market sale of vested shares, (2) canceling (in full or in part) any outstanding equity awards held by such person and/or (3) adjusting the future compensation of such person.

We will review and update the Compensation Recovery Policy as necessary for compliance with the clawback policy provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act when the final regulations related to that policy are issued.

Tax and Accounting Implications

Section 162(m) of the Internal Revenue Code limits the amount that we may deduct from our federal income taxes for remuneration paid to our CEO and three most highly compensated executive officers (other than our CFO) to \$1 million per person covered per year, unless certain requirements are met. Section 162(m) of the Internal Revenue Code provides an exception from this deduction limitation for certain forms of "performance-based compensation". While our CC is mindful of the benefit to NVIDIA's performance of full deductibility of compensation, our CC believes that it should not be constrained by the requirements of Section 162(m) of the Internal Revenue Code where those requirements would impair

flexibility in compensating our NEOs in a manner that can best promote our corporate objectives. Therefore, our CC has not adopted a policy that requires that all compensation be deductible and approval of compensation, including the grant of “performance-based compensation” to our NEOs, by our CC is not a guarantee of deductibility under the Internal Revenue Code. Our CC intends to continue to compensate our NEOs in a manner consistent with the best interests of NVIDIA and our stockholders.

Our CC also considers the impact of Section 409A of the Internal Revenue Code, and in general, our executive plans and programs are designed to comply with the requirements of that section so as to avoid the possible adverse tax consequences that may arise from non-compliance.

Risk Analysis of Our Compensation Plans

With the oversight of the CC, members from the Company's legal, human resources and finance departments, collectively Management, and Exequity, the independent consultant engaged by the CC, performed an assessment of the Company's compensation programs and policies for Fiscal 2015 as generally applicable to our employees to ascertain any potential material risks that may be created by our compensation programs. The assessment focused on programs with variability of payout and the ability of participants to directly affect payout and the controls over participant action and payout. Specifically, Management and Exequity reviewed the Company's variable cash compensation and equity compensation programs. Management and Exequity identified the key terms of these programs, potential concerns regarding risk taking behavior and specific risk mitigation features. Management's assessment was first presented to our chief administrative officer and our chief financial officer. The assessment was then presented to the CC.

The CC considered the findings of the assessment described above and concluded that our compensation programs, which are structured to recognize both short-term and long-term contributions to the Company, do not create risks which are reasonably likely to have a material adverse effect on our business or financial condition.

The CC believes that the following compensation design features guard against excessive risk-taking:

- Our compensation program encourages our employees to remain focused on both our short-term and long-term goals. For example, while our Variable Cash Plan measured performance on an annual basis in Fiscal 2015, our equity awards vest in installments over four years, with the first installment not vesting until the first anniversary of the grant date, which we believe encourages our employees to focus on the long-term performance of NVIDIA. Annual variable pay is not awarded below the executive level;
- We design our variable cash and PSU compensation programs for executives so that payouts are based on achievement of corporate performance targets, and we cap the potential award payout;
- We have internal controls over our financial accounting and reporting, including operating income, which is used to measure and determine the eligible compensation award under our plan;
- Financial plan target goals and final awards under the Variable Cash Plan and of PSUs are approved by the CC and consistent with the annual operating plan approved by the full board each year;
- We have a compensation recovery policy applicable to all employees that allows NVIDIA to recover compensation paid in situations of fraud or material financial misconduct;
- All executive officer equity awards have multi-year vesting;
- We have stock ownership guidelines that we believe are reasonable and are designed to align our executive officers' interests with those of our stockholders; and
- We enforce a "no-hedging" policy and a "no-pledging" policy involving our common stock which prevents our employees from insulating themselves from the effects of NVIDIA stock price performance.

Summary Compensation Table for Fiscal Years 2015, 2014 and 2013

The following table summarizes information regarding the compensation earned by our CEO, our chief financial officer and our other three executive officers during fiscal years 2015, 2014 and 2013. We refer to these individuals as our NEOs.

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽¹⁾	Option Awards (\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation (\$) ⁽²⁾	All Other Compensation (\$)	Total (\$)
Jen-Hsun Huang	2015	998,418	—	6,896,000	—	1,400,000	5,000 ⁽³⁾	9,299,418
<i>President and Chief Executive Officer</i>	2014	837,450	—	2,111,400	1,657,750	1,405,030	11,000 ⁽³⁾	6,022,630
	2013	784,213	—	—	3,303,000	1,454,875	—	5,542,088
Colette M. Kress ⁽⁴⁾	2015	773,774	1,500,000 ⁽⁵⁾	2,247,920	—	550,000	1,500 ⁽⁶⁾	5,073,194
<i>Executive Vice President and Chief Financial Officer</i>	2014	158,945	—	3,242,800	—	190,668	—	3,592,413
	2013	—	—	—	—	—	—	—
Ajay K. Puri	2015	873,616	—	1,734,325	—	750,000	1,500 ⁽⁶⁾	3,359,441
<i>Executive Vice President, Worldwide Field Operations</i>	2014	498,479	—	745,200	321,080	815,300	1,500 ⁽⁶⁾	2,381,559
	2013	482,426	—	352,125	660,600	581,954	—	2,077,105
David M. Shannon	2015	798,735	—	1,455,830	—	400,000	1,500 ⁽⁶⁾	2,656,065
<i>Executive Vice President, Chief Administrative Officer</i>	2014	498,371	—	645,300	277,804	530,200	1,500 ⁽⁶⁾	1,953,175
	2013	482,488	—	352,125	550,500	407,368	—	1,792,481
Debora Shoquist	2015	698,893	—	1,510,205	—	300,000	1,500 ⁽⁶⁾	2,510,598
<i>Executive Vice President, Operations</i>	2014	498,371	—	558,900	240,810	318,120	1,500 ⁽⁶⁾	1,617,701
	2013	478,161	—	352,125	440,400	232,781	—	1,503,467

⁽¹⁾ Amounts shown in this column do not reflect dollar amounts actually received by the NEO. Instead, these amounts reflect the aggregate full grant date fair value calculated in accordance with FASB ASC Topic 718 for the respective fiscal year. The assumptions used in the calculation of values of the awards are set forth under Note 2 to our consolidated financial statements titled “Stock-Based Compensation” in our Form 10-K. With regard to the NEOs’ stock awards with performance-based vesting conditions, the reported grant date fair value assumes the probable outcome of the performance-related conditions at Target, determined in accordance with applicable accounting standards. Based on the performance that was actually achieved for Fiscal 2015, the grant date fair values of stock awards would be \$10,344,000 for Mr. Huang, \$3,584,020 for Ms. Kress, \$2,854,925 for Mr. Puri, \$2,455,750 for Mr. Shannon and \$2,406,685 for Ms. Shoquist.

⁽²⁾ As applicable, reflects amounts earned in fiscal years 2015, 2014 and 2013 and paid in March of each respective year pursuant to our Variable Cash Plan for each respective year. For further information please see our *Compensation Discussion and Analysis* above.

⁽³⁾ Represents awards for the filing of patents of which Mr. Huang is a named inventor with the U.S. Patent and Trademark Office, or PTO. Awards are made to all NVIDIA employees whose patents are filed by NVIDIA with the PTO.

⁽⁴⁾ Ms. Kress joined NVIDIA as our Executive Vice President and Chief Financial Officer in September 2013.

⁽⁵⁾ Represents a sign-on bonus paid in Fiscal 2014 that was earned in Fiscal 2015.

⁽⁶⁾ Represents match of contributions to our 401(k) savings plan, which we provide to all eligible employees.

Grants of Plan-Based Awards for Fiscal Year 2015

The following table provides information regarding all grants of plan-based awards that were made to or earned by our NEOs during Fiscal 2015. Disclosure on a separate line item is provided for each grant of an award made to an NEO. The information in this table supplements the dollar value of stock options and other awards set forth in the *Summary Compensation Table for Fiscal Years 2015, 2014 and 2013* by providing additional details about the awards.

The PSUs and RSUs set forth in the following table were made under our 2007 Plan. PSUs are eligible to vest based on performance against pre-established criteria. Both PSUs and RSUs are subject to service based vesting.

Name	Grant Date	Approval Date	Estimated Possible Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units (#)	Grant Date Fair Value of Stock Awards (\$) ⁽³⁾
			Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)		
Jen-Hsun Huang . . .	3/19/14	3/12/14	—	—	—	100,000	400,000	600,000	—	6,896,000 ⁽⁴⁾
	1/27/14	3/12/14	175,000	700,000	1,400,000	—	—	—	—	—
Colette M. Kress . . .	3/19/14	3/12/14	—	—	—	19,375	77,500	155,000	—	1,336,100 ⁽⁵⁾
	3/19/14	3/12/14	—	—	—	—	—	—	26,000 ⁽⁶⁾	448,240
	9/17/14	8/20/14	—	—	—	—	—	—	26,000 ⁽⁷⁾	463,580
	1/27/14	3/12/14	68,750	275,000	550,000	—	—	—	—	—
Ajay K. Puri	3/19/14	3/12/14	—	—	—	16,250	65,000	130,000	—	1,120,600 ⁽⁸⁾
	3/19/14	3/12/14	—	—	—	—	—	—	17,500 ⁽⁶⁾	301,700
	9/17/14	8/20/14	—	—	—	—	—	—	17,500 ⁽⁷⁾	312,025
	1/27/14	3/12/14	93,750	375,000	750,000	—	—	—	—	—
David M. Shannon	3/19/14	3/12/14	—	—	—	14,500	58,000	116,000	—	999,920 ⁽⁹⁾
	3/19/14	3/12/14	—	—	—	—	—	—	13,000 ⁽⁶⁾	224,120
	9/17/14	8/20/14	—	—	—	—	—	—	13,000 ⁽⁷⁾	231,790
	1/27/14	3/12/14	50,000	200,000	400,000	—	—	—	—	—
Debora Shoquist	3/19/14	3/12/14	—	—	—	13,000	52,000	104,000	—	896,480 ⁽¹⁰⁾
	3/19/14	3/12/14	—	—	—	—	—	—	17,500 ⁽⁶⁾	301,700
	9/17/14	8/20/14	—	—	—	—	—	—	17,500 ⁽⁷⁾	312,025
	1/27/14	3/12/14	37,500	150,000	300,000	—	—	—	—	—

⁽¹⁾ Represents range of awards payable under our 2015 Variable Cash Plan as further explained in the section titled *Compensation Discussion and Analysis* above.

⁽²⁾ Represents range of possible shares able to be earned with respect to PSUs as further explained in the section titled *Compensation Discussion and Analysis* above.

⁽³⁾ Amounts shown in this column do not reflect dollar amounts actually received by the NEO. Instead, these amounts reflect the aggregate full grant date fair value calculated in accordance with FASB ASC Topic 718 for the awards. The assumptions used in the calculation of values of the awards are set forth under Note 2 to our consolidated financial statements titled “Stock-Based Compensation” in our Form 10-K. With regard to the stock awards with performance-based vesting conditions, the reported grant date fair value assumes the probable outcome of the performance-related conditions at target, determined in accordance with applicable accounting standards.

⁽⁴⁾ Based on the performance that was actually achieved for Fiscal 2015, the grant date fair value would be \$10,344,000.

⁽⁵⁾ Based on the performance that was actually achieved for Fiscal 2015, the grant date fair value would be \$2,672,200.

- (6) Represents RSUs granted to Messrs. Puri and Shannon and Mses. Kress and Shoquist in the first quarter of Fiscal 2015 pursuant to the 2007 Plan. The CC approved these grants on March 12, 2014 for grant on March 19, 2014, the same day that semi-annual grants were made to all of our other eligible employees.
- (7) Represents RSUs granted to Messrs. Puri and Shannon and Mses. Kress and Shoquist in the third quarter of Fiscal 2015 pursuant to the 2007 Plan. The CC approved these grants on August 20, 2014 for grant on September 17, 2014, the same day that semi-annual grants were made to all of our other eligible employees.
- (8) Based on the performance that was actually achieved for Fiscal 2015, the grant date fair value would be \$2,241,200.
- (9) Based on the performance that was actually achieved for Fiscal 2015, the grant date fair value would be \$1,999,840.
- (10) Based on the performance that was actually achieved for Fiscal 2015, the grant date fair value would be \$1,792,960.

Outstanding Equity Awards as of January 25, 2015

The following table presents information regarding outstanding equity awards held by our NEOs as of January 25, 2015. As of January 25, 2015, none of our NEOs held unearned equity incentive or stock awards.

Name	Option Awards				Stock Awards		
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$) ⁽¹⁾	Option Expiration Date	Number of Units of Stock That Have Not Vested (#)	Market Value of Units of Stock That Have Not Vested (\$) ⁽²⁾	
Jen-Hsun Huang	180,000	—	10.00	9/16/2015	—	—	—
	250,000	—	10.20	3/17/2016	—	—	—
	200,000	—	23.65 ⁽³⁾	3/18/2015	—	—	—
	250,000	—	15.94	9/15/2016	—	—	—
	250,000	—	18.10	3/16/2017	—	—	—
	250,000	—	10.56	9/14/2020	—	—	—
	234,375	15,625 ⁽³⁾	17.62	3/17/2021	—	—	—
	203,125	46,875 ⁽⁴⁾	14.465	9/20/2021	—	—	—
	206,250	93,750 ⁽⁵⁾	14.46	3/20/2022	—	—	—
	168,750	131,250 ⁽⁶⁾	13.71	9/18/2022	—	—	—
	103,906	133,594 ⁽⁷⁾	12.62	3/19/2023	—	—	—
	74,218	163,282 ⁽⁸⁾	16.00	9/17/2023	—	—	—
Colette M. Kress	—	—	—	—	121,558 ⁽⁹⁾	2,517,466	—
	—	—	—	—	600,000 ⁽¹¹⁾	12,426,000	—
	—	—	—	—	165,000 ⁽¹²⁾	3,417,150	—
	—	—	—	—	26,000 ⁽¹³⁾	538,460	—
	—	—	—	—	155,000 ⁽¹¹⁾	3,210,050	—
Ajay K. Puri	—	—	—	—	26,000 ⁽¹⁴⁾	538,460	—
	45,000	—	15.94	9/15/2015	—	—	—
	41,250	—	18.10	3/16/2016	—	—	—
	44,530	—	10.56	9/14/2020	—	—	—
	39,843	2,657 ⁽³⁾	17.53	3/15/2021	—	—	—
	34,531	7,969 ⁽⁴⁾	14.465	9/20/2021	—	—	—
	41,250	18,750 ⁽⁵⁾	14.46	3/20/2022	—	—	—
	33,750	26,250 ⁽⁶⁾	13.71	9/18/2022	—	—	—
	20,125	25,875 ⁽⁷⁾	12.62	3/19/2023	—	—	—
	14,375	31,625 ⁽⁸⁾	16.00	9/17/2023	—	—	—
	—	—	—	—	1,563 ⁽¹⁵⁾	32,370	—
	—	—	—	—	3,125 ⁽¹⁶⁾	64,719	—
	—	—	—	—	4,688 ⁽¹⁷⁾	97,088	—
John C. Hwang	—	—	—	—	6,250 ⁽¹⁸⁾	129,438	—
	—	—	—	—	17,250 ⁽¹⁹⁾	357,248	—
	—	—	—	—	20,700 ⁽¹²⁾	428,697	—
	—	—	—	—	17,500 ⁽¹³⁾	362,425	—
	—	—	—	—	130,000 ⁽¹¹⁾	2,692,300	—
	—	—	—	—	17,500 ⁽¹⁴⁾	362,425	—

David M. Shannon	50,100	—	10.20	3/17/2015	—	—
	42,500	—	15.94	9/15/2015	—	—
	37,500	—	18.10	3/16/2016	—	—
	47,500	—	10.56	9/14/2020	—	—
	39,843	2,657 ⁽³⁾	17.62	3/17/2021	—	—
	34,531	7,969 ⁽⁴⁾	14.465	9/20/2021	—	—
	34,375	15,625 ⁽⁵⁾	14.46	3/20/2022	—	—
	28,125	21,875 ⁽⁶⁾	13.71	9/18/2022	—	—
	17,412	22,388 ⁽⁷⁾	12.62	3/19/2023	—	—
	12,437	27,363 ⁽⁸⁾	16.00	9/17/2023	—	—
	—	—	—	—	1,563 ⁽¹⁵⁾	32,370
	—	—	—	—	3,125 ⁽¹⁶⁾	64,719
	—	—	—	—	4,688 ⁽¹⁷⁾	97,088
	—	—	—	—	6,250 ⁽¹⁸⁾	129,438
	—	—	—	—	14,938 ⁽¹⁹⁾	309,366
	—	—	—	—	17,925 ⁽¹²⁾	371,227
	—	—	—	—	13,000 ⁽¹³⁾	269,230
	—	—	—	—	116,000 ⁽¹¹⁾	2,402,360
	—	—	—	—	13,000 ⁽¹⁴⁾	269,230
Debora Shoquist	32,500	—	15.94	9/15/2015	—	—
	29,476	—	18.10	3/16/2016	—	—
	8,750	—	10.56	9/14/2020	—	—
	37,500	2,500 ⁽³⁾	17.53	3/15/2021	—	—
	12,500	7,500 ⁽⁴⁾	14.465	9/20/2021	—	—
	12,500	12,500 ⁽⁵⁾	14.46	3/20/2022	—	—
	12,500	17,500 ⁽⁶⁾	13.71	9/18/2022	—	—
	945	19,407 ⁽⁷⁾	12.62	3/19/2023	—	—
	1,421	23,719 ⁽⁸⁾	16.00	9/17/2023	—	—
	—	—	—	—	1,250 ⁽¹⁵⁾	25,888
	—	—	—	—	2,500 ⁽¹⁶⁾	51,775
	—	—	—	—	4,688 ⁽¹⁷⁾	97,088
	—	—	—	—	6,250 ⁽¹⁸⁾	129,438
	—	—	—	—	12,938 ⁽¹⁹⁾	267,946
	—	—	—	—	15,525 ⁽¹²⁾	321,523
	—	—	—	—	17,500 ⁽¹³⁾	362,425
	—	—	—	—	104,000 ⁽¹¹⁾	2,153,840
	—	—	—	—	17,500 ⁽¹⁴⁾	362,425

⁽¹⁾ Unless otherwise noted, represents the closing price of our common stock as reported by NASDAQ on the date of grant which is the exercise price of stock option grants made pursuant to our 2007 Plan.

⁽²⁾ Calculated by multiplying the number of RSUs by the closing price (\$20.71) of NVIDIA's common stock on January 23, 2015, the last trading day before the end of our Fiscal 2015, as reported by NASDAQ.

⁽³⁾ In connection with the settlement of the stockholder derivative lawsuits relating to our historical stock option practices, effective May 7, 2009, NVIDIA and Mr. Huang agreed to amend the stock options granted to Mr. Huang on March 31, 2006, March 21, 2007 and March 19, 2008 to increase the aggregate exercise price of options exercisable for an aggregate of 700,747 shares held by Mr. Huang by \$3.5 million.

⁽⁴⁾ The option vested as to 25% of the shares on March 16, 2012, and vested as to the remaining 75% in equal quarterly installments over the next three years such that the option was fully vested on March 16, 2015.

- (5) The option vested as to 25% of the shares on September 21, 2012, and vests as to the remaining 75% in equal quarterly installments over the next three years such that the option will be fully vested on September 21, 2015.
- (6) The option vested as to 25% of the shares on March 21, 2013, and vests as to the remaining 75% in equal quarterly installments over the next three years such that the option will be fully vested on March 21, 2016.
- (7) The option vested as to 25% of the shares on September 19, 2013, and vests as to the remaining 75% in equal quarterly installments over the next three years such that the option will be fully vested on September 19, 2016.
- (8) The option vested as to 25% of the shares on March 20, 2014, and vests as to 6.25% at the end of each quarterly period thereafter such that the option will be fully vested on March 20, 2017.
- (9) The option vested as to 25% of the shares on September 18, 2014, and vests as to 6.25% at the end of each quarterly period thereafter such that the option will be fully vested on September 18, 2017.
- (10) The RSU was earned on January 26, 2014 based on achievement of a pre-established performance goal. The RSU vested as to 25% of the shares on March 19, 2014, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on March 15, 2017.
- (11) The RSU was earned on January 25, 2015 based on achievement of a pre-established performance goal. The RSU vested as to 25% of the shares on March 18, 2015, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on March 21, 2018.
- (12) The RSU vested as to 25% on September 17, 2014, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on September 20, 2017.
- (13) The RSU vested as to 25% on March 19, 2015, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on March 21, 2018.
- (14) The RSU will vest as to 25% on September 16, 2015, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on September 19, 2018.
- (15) The RSU vested as to 25% on March 21, 2012, and vested as to 12.50% approximately every six months thereafter over the next three years such that the RSU was fully vested on March 18, 2015.
- (16) The RSU vested as to 25% on September 19, 2012, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on September 16, 2015.
- (17) The RSU vested as to 25% on March 20, 2013, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on March 16, 2016.
- (18) The RSU vested as to 25% on September 18, 2013, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on September 21, 2016.
- (19) The RSU vested as to 25% on March 19, 2014, and vests as to 12.50% approximately every six months thereafter over the next three years such that the RSU will be fully vested on March 15, 2017.

Option Exercises and Stock Vested in Fiscal Year 2015

The following table shows information regarding option exercises and stock vested by our NEOs during Fiscal 2015.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$) ⁽¹⁾
Jen-Hsun Huang	—	—	72,933 ⁽²⁾	1,367,980
Colette M. Kress	—	—	55,000 ⁽³⁾	1,053,250
Ajay K. Puri	185,470 ⁽⁴⁾	1,280,402 ⁽⁵⁾	32,875 ⁽⁶⁾	620,876
David M. Shannon.....	158,750	914,631 ⁽⁷⁾	30,562 ⁽⁸⁾	577,128
Debora Shoquist	274,232	1,309,995 ⁽⁷⁾	27,062 ⁽⁹⁾	511,017

- ⁽¹⁾ The value realized on vesting represents the number of shares acquired on vesting multiplied by the fair market value of our common stock as reported by NASDAQ on the date of vesting.
- ⁽²⁾ The number of shares acquired on vesting includes an aggregate of 30,948 shares that were withheld to pay taxes due upon vesting.
- ⁽³⁾ The number of shares acquired on vesting includes an aggregate of 22,828 shares that were withheld to pay taxes due upon vesting.
- ⁽⁴⁾ Mr. Puri exercised stock options and sold 167,188 shares during Fiscal 2015. Mr. Puri also exercised stock options for an additional 18,282 shares during Fiscal 2015 for an aggregate exercise price of \$185,545 which he still holds as of the date of this proxy statement.
- ⁽⁵⁾ The value realized by Mr. Puri upon the exercise and sale of the 167,188 shares represents the difference between the exercise price per share of the stock option and the sales price of the shares of common stock. The value realized on exercise of the additional 18,282 shares represents the difference between the exercise price per share of the stock option and the closing price of the shares of our common stock as reported by NASDAQ on the date of exercise.
- ⁽⁶⁾ The number of shares acquired on vesting includes an aggregate of 15,005 shares that were withheld to pay taxes due upon vesting.
- ⁽⁷⁾ The value realized by Mr. Shannon and Ms. Shoquist upon the exercise and sale of the shares represents the difference between the exercise price per share of the stock option and the sales price of the shares of common stock. The value realized was determined without considering any taxes that may have been owed. The exercise price of each such stock option was equal to the closing price of our common stock as reported by NASDAQ on the date of grant.
- ⁽⁸⁾ The number of shares acquired on vesting includes an aggregate of 13,907 shares that were withheld to pay taxes due upon vesting.
- ⁽⁹⁾ The number of shares acquired on vesting includes an aggregate of 14,129 shares that were withheld to pay taxes due upon vesting.

Employment, Severance and Change-in-Control Arrangements

Employment Agreements. Our executive officers are “at-will” employees and we do not have employment, severance or change-in-control agreements with our executive officers.

Change-in-Control Arrangements. Our 1998 Plan provides that if we sell all or substantially all of our assets, or we are involved in any merger or any consolidation in which we are not the surviving corporation, or if there is any other change-in-control, all outstanding awards under the 1998 Plan held by all employees then providing services, including our executive officers, will either (a) be assumed or substituted for by the surviving entity or (b) if not assumed or substituted, the vesting and exercisability of the awards will accelerate in full and the awards will terminate if they are not exercised prior to the closing of the change-in-control.

Our 2007 Plan provides that in the event of a corporate transaction or a change-in-control, outstanding stock awards may be assumed, continued, or substituted by the surviving corporation. If the surviving corporation does not assume, continue, or substitute such stock awards, then (a) with respect to any stock awards that are held by individuals performing services for NVIDIA immediately prior to the effective time of the transaction, the vesting and exercisability provisions of such stock awards will be accelerated in full and such stock awards will be terminated if not exercised prior to the effective date of the corporate transaction or change-in-control, and (b) all other outstanding stock awards will be terminated if not exercised on or prior to the effective date of the corporate transaction or change-in-control.

Potential Payments Upon Termination or Change-in-Control

Upon a change-in-control or certain other corporate transactions of NVIDIA, unvested options, RSUs and PSUs will fully vest in some cases as described above under *Employment, Severance and Change-in-Control Arrangements—Change-in-Control Arrangements*. The table below shows our estimates of the amount of the benefit each of our NEOs would have received if the unvested options, RSUs and PSUs held by them as of January 25, 2015 had become fully vested as a result of a change-in-control. The estimated benefit amount of unvested options was calculated by multiplying the number of in-the-money unvested options held by the applicable NEO by the difference between the \$20.71 closing price of our common stock on January 23, 2015, the last trading day of Fiscal 2015, as reported by NASDAQ, and the exercise price of the option. The estimated benefit amount of unvested RSUs and unvested PSUs was calculated by multiplying the number of RSUs or PSUs held by the applicable NEO by the \$20.71 closing price of our common stock on January 23, 2015.

Name	Unvested In-the-Money Options, RSUs and PSUs at January 25, 2015 (#) ⁽¹⁾	Total Estimated Benefit (\$)
Jen-Hsun Huang	1,105,934	14,497,003
Colette M. Kress	294,500	6,099,095
Ajay K. Puri	266,702	3,897,995
David M. Shannon	230,366	3,362,604
Debora Shoquist	213,277	3,219,559

⁽¹⁾ The amounts in this column include unvested PSUs for each NEO, representing the probable outcome of the performance-related conditions at Target on the March 12, 2014 grant date, as set forth under “Estimated PSUs at Target”. Upon certification by our CC in March 2015, the actual number of such NEO’s PSUs that became eligible to vest are set forth under “Actual PSUs Eligible to Vest”:

Name	Estimated PSUs at Target	Actual PSUs Eligible to Vest
Jen-Hsun Huang	400,000	600,000
Colette M. Kress	77,500	155,000
Ajay K. Puri	65,000	130,000
David M. Shannon	58,000	116,000
Debora Shoquist	52,000	104,000

Compensation Committee Interlocks and Insider Participation

For Fiscal 2015, the CC consisted of Messrs. Burgess, Coxe, Gaither and Stevens and Ms. Hudson. No member of the CC is an officer or employee of NVIDIA, and none of our executive officers serve as a director or member of a compensation committee of any entity that has one or more executive officers serving as a member of our Board or CC.

Compensation Committee Report

The Compensation Committee of the Board of Directors oversees the compensation programs of NVIDIA on behalf of the Board of Directors. In fulfilling its oversight responsibilities, the Compensation Committee reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement.

In reliance on the review and discussions referred to above, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Annual Report on Form 10-K of NVIDIA for the year ended January 25, 2015 and in this proxy statement.

COMPENSATION COMMITTEE

Robert K. Burgess, Chairman

Tench Coxe

Dawn Hudson

Mark Stevens

Proposal 3—Ratification of Selection of Independent Registered Public Accounting Firm for Fiscal Year 2016

The AC has selected PwC to serve as our independent registered public accounting firm for our fiscal year ending January 31, 2016. Stockholder ratification of the AC's selection of PwC is not required by our Bylaws or any other governing documents or laws. As a matter of good corporate governance, we are submitting the selection of PwC to our stockholders for ratification. If our stockholders do not ratify the selection, the AC will reconsider whether or not to retain PwC. Even if the selection is ratified, the AC in its sole discretion may direct the appointment of a different independent registered public accounting firm at any time during the fiscal year if it determines that such a change would be in our best interests and those of our stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the 2015 Annual Meeting will be required to ratify the selection of PwC. Abstentions will be counted toward the tabulation of votes cast and will have the same effect as votes against the proposal. Broker non-votes are counted toward a quorum, but are not counted for any purpose in determining whether this proposal has been approved.

We expect that a representative of PwC will attend the 2015 Annual Meeting. The PwC representative will have an opportunity to make a statement at the 2015 Annual Meeting if he or she so desires. The representative will also be available to respond to appropriate stockholder questions.

Recommendation of the Board

The Board recommends that you vote **FOR** the ratifications of the selection of PwC as our independent registered public accounting firm for our fiscal year ending January 31, 2016.

Fees Billed by the Independent Registered Public Accounting Firm

The following is a summary of fees billed by PwC for fiscal years 2015 and 2014 for audit, tax and other professional services during each fiscal year:

	Fiscal 2015	Fiscal 2014
Audit Fees ⁽¹⁾	\$ 4,161,541	\$ 3,894,820
Audit-Related Fees	—	—
Tax Fees ⁽²⁾	261,771	171,478
All Other Fees ⁽³⁾	3,600	3,600
Total Fees	\$ 4,426,912	\$ 4,069,898

⁽¹⁾ Audit fees included fees for the audit of our consolidated financial statements, the audit of our internal control over financial reporting, reviews of our quarterly financial statements and annual report, reviews of SEC registration statements and related consents, fees related to statutory audits of some of our international entities and comfort letter fees related to the convertible note offering completed in Fiscal 2014.

⁽²⁾ Tax fees consisted of fees for tax compliance and consultation services.

⁽³⁾ All other fees consisted of fees for products or services other than those included above, including payment to PwC related to the use of an accounting regulatory database.

All of the services provided for fiscal years 2015 and 2014 described above were pre-approved by the AC or the Chairman of the AC through the authority granted to him by the AC, which is described below.

Our AC determined that the rendering of services other than audit services by PwC was compatible with maintaining PwC's independence.

Pre-Approval Policies and Procedures

The AC has adopted policies and procedures for the pre-approval of all audit and permissible non-audit services rendered by our independent registered public accounting firm. The policy generally permits pre-approvals of specified permissible services in the defined categories of audit services, audit-related services and tax services up to specified amounts. Pre-approval may also be given as part of the AC's approval of the scope of the engagement of our independent registered public accounting firm or on an individual case-by-case basis before the independent registered public accounting firm is engaged to provide each service. In some cases the full AC provides pre-approval for up to a year related to a particular defined task or scope. In other cases, the AC has delegated power to Mark L. Perry, the Chairman of our AC, to pre-approve additional non-audit services if the need for the service was unanticipated and approval is required prior to the next scheduled meeting of the AC. Mr. Perry then communicates such pre-approval to the full AC at its next meeting.

Report of the Audit Committee of the Board of Directors

The material in this report is not “soliciting material,” is not deemed “filed” with the SEC and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing, except to the extent specifically incorporated by reference therein.

The Audit Committee oversees accounting, financial reporting, internal control over financial reporting, financial practices and audit activities of NVIDIA and its subsidiaries. The Audit Committee reviews the results and scope of the audit and other services provided by the independent registered public accounting firm and reviews financial statements and the accounting policies followed by NVIDIA prior to the issuance of the financial statements with both management and the independent registered public accounting firm.

Management is responsible for the financial reporting process, the preparation of consolidated financial statements in accordance with accounting principles generally accepted in the United States, or GAAP, the system of internal control over financial reporting, and the procedures designed to facilitate compliance with accounting standards and applicable laws and regulations. PricewaterhouseCoopers LLP, or PwC, our independent registered public accounting firm for fiscal year 2015, was responsible for performing an independent audit of the consolidated financial statements and issuing a report on the consolidated financial statements and of the effectiveness of our internal control over financial reporting as of January 25, 2015. PwC's judgments as to the quality, not just the acceptability, of our accounting principles and such other matters are required to be disclosed to the Audit Committee under applicable standards. The Audit Committee oversees these processes. Also, the Audit Committee has ultimate authority and responsibility to select, evaluate and, when appropriate, terminate the independent registered public accounting firm. The Audit Committee approves audit fees and non-audit services provided by and fees paid to the independent registered public accounting firm.

NVIDIA has an internal audit function that reports to the Audit Committee. This function is responsible for objectively reviewing and evaluating the adequacy, effectiveness and quality of our system of internal controls and the operating effectiveness of our business processes. The Audit Committee approves an annual internal audit plan and monitors the activities and performance of our internal audit function throughout the year to ensure the plan objectives are carried out and met.

The Audit Committee members are not professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management or the independent registered public accounting firm. The Audit Committee does not plan or conduct audits, determine that our financial statements are complete and accurate and in accordance with GAAP or assess our internal control over financial reporting. The Audit Committee relies, without additional independent verification, on the information provided by our management and on the representations made by management that the financial statements have been prepared with integrity and objectivity, and the opinion of PwC that such financial statements have been prepared in conformity with GAAP.

In this context, the Audit Committee reviewed and discussed the audited consolidated financial statements for fiscal year 2015 with management and our internal control over financial reporting with management and PwC. Specifically, the Audit Committee discussed with PwC the matters required to be discussed by Statement on Auditing Standards No. 61, as amended. We have received from PwC the written disclosures and letter required by the applicable requirements of the Public Company Accounting Oversight Board regarding PwC's communications with the Audit Committee concerning independence. The Audit Committee also considered whether the provision of certain permitted non-audit services by PwC is compatible with PwC's independence and discussed PwC's independence with PwC.

Based on the Audit Committee's review and discussions, the Audit Committee recommended to the Board of Directors that the audited consolidated financial statements be included in the Annual Report on Form 10-K of NVIDIA for the fiscal year ended January 25, 2015.

AUDIT COMMITTEE

Mark L. Perry, Chairman
Harvey C. Jones
William J. Miller
A. Brooke Seawell

Equity Compensation Plan Information

The number of shares issuable upon exercise of outstanding stock options, RSUs and PSUs, the weighted-average exercise price of outstanding stock options, and the number of stock awards remaining for future issuance under each of our equity compensation plans as of January 25, 2015 are summarized as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (\$) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾ .	21,342,004	14.60 ⁽²⁾	76,949,849 ⁽³⁾
Equity compensation plans not approved by security holders ⁽⁴⁾ .	2,713	36.59 ⁽²⁾	—
Total	21,344,717	14.61 ⁽²⁾	76,949,849 ⁽³⁾

⁽¹⁾ This row includes our 2007 Plan (which is intended as the successor to and continuation of our 1998 Plan, our 1998 Non-Employee Directors' Stock Option Plan, our 2000 Nonstatutory Equity Incentive Plan and the 2004 Plan) and our 2012 ESPP. Under our 2012 ESPP, participants are permitted to purchase our common stock at a discount on certain dates through payroll deductions within a pre-determined purchase period. Accordingly, these numbers are not determinable.

⁽²⁾ Represents the weighted-average exercise price of outstanding stock options only.

⁽³⁾ The number of shares that remained available for future issuance as of January 25, 2015 is as follows:

Plan	Number of shares remaining available for future issuance or for the grant of future rights as of January 25, 2015
2007 Plan	24,501,781
2012 ESPP	52,448,068
Total	76,949,849

⁽⁴⁾ This row represents the 2004 Plan and the 1999 Plan, which are described below.

PortalPlayer, Inc. 2004 Stock Incentive Plan

We assumed the 2004 Plan and all related outstanding options in connection with our acquisition of PortalPlayer, Inc. in January 2007. The 2004 Plan was adopted by the PortalPlayer stockholders in 2004. Each option we assumed in connection with our acquisition of PortalPlayer has been converted into the right to purchase that number of shares of NVIDIA common stock determined by multiplying the number of shares of PortalPlayer common stock underlying such option by 0.3601 and then rounding down to the nearest whole number of shares. The exercise price per share for each assumed option has been similarly adjusted by dividing the exercise price by 0.3601 and then rounding up to the nearest whole cent. Vesting schedules and expiration dates for the assumed options did not change. Under the 2004 Plan, options generally vest as to 25% of the shares one year after the date of grant and as to 1/48th of the shares each month thereafter and expire ten years from the date of grant. We no longer make option grants from this plan.

PortalPlayer, Inc. 1999 Stock Option Plan

We assumed options issued under the 1999 Plan when we completed our acquisition of PortalPlayer in January 2007. The 1999 Plan was terminated upon completion of PortalPlayer's initial public offering of common stock in 2004. Each option we assumed in connection with our acquisition of PortalPlayer has been converted into the right to purchase that number of shares of NVIDIA common stock determined by multiplying the number of shares of PortalPlayer common stock underlying such option by 0.3601 and then rounding down to the nearest whole number of shares. The exercise price per share for each assumed option has been similarly adjusted by dividing the exercise price by 0.3601 and then rounding up to the nearest whole cent. Vesting schedules and expiration dates did not change. Under the 1999 Plan, options generally vest as to 25% of the shares one year after the date of grant and as to 1/48th of the shares each month thereafter and expire ten years from the date of grant.

Additional Information

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our executive officers, directors and persons who own more than 10% of a registered class of our equity securities to file initial reports of ownership and reports of changes in ownership of our common stock and other equity securities with the SEC. Executive officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to us and written representations that no other reports were required, during Fiscal 2015, all Section 16(a) filing requirements applicable to our executive officers, directors and greater than 10% beneficial owners were complied with.

Other Matters

The Board knows of no other matters that will be presented for consideration at the 2015 Annual Meeting. If any other matters are properly brought before the 2015 Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

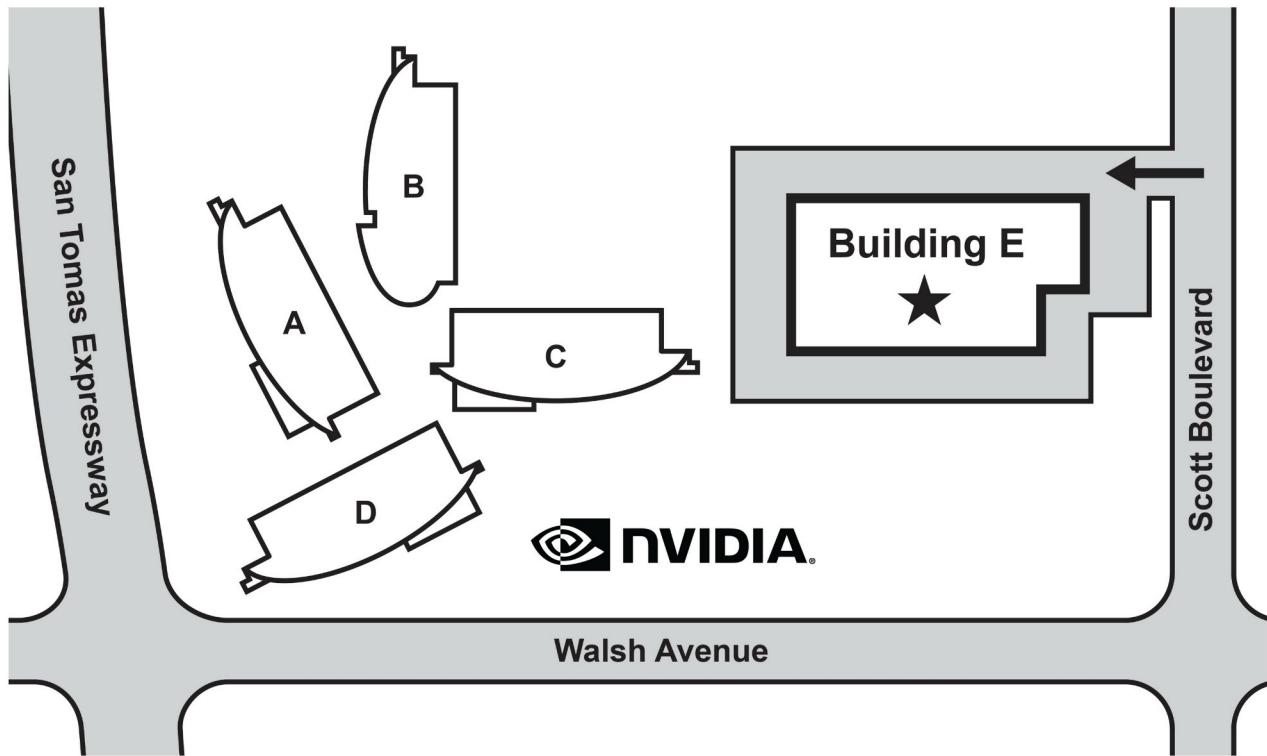


David M. Shannon
Secretary

April 9, 2015

A COPY OF OUR ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED JANUARY 25, 2015 AS FILED WITH THE SEC IS BEING FURNISHED TO STOCKHOLDERS CONCURRENTLY HEREWITH. STOCKHOLDERS MAY SUBMIT A WRITTEN REQUEST FOR AN ADDITIONAL COPY OF THE ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED JANUARY 25, 2015 TO: INVESTOR RELATIONS, NVIDIA CORPORATION, 2701 SAN TOMAS EXPRESSWAY, SANTA CLARA, CALIFORNIA 95050. WE WILL ALSO FURNISH A COPY OF ANY EXHIBIT TO THE ANNUAL REPORT ON FORM 10-K IF SPECIFICALLY REQUESTED IN WRITING.

NVIDIA and the NVIDIA logo are either registered trademarks or trademarks of NVIDIA Corporation in the United States and other countries. Other company names used in this publication are for identification purposes only and may be trademarks of their respective companies.



Directions to Our Headquarters—Building E

FROM HIGHWAY 101

Take the San Tomas/Montague Exit

Follow the sign to San Tomas Expressway

Stay on San Tomas for less than a mile to Walsh Avenue

Turn left onto Walsh Avenue

Continue on Walsh Avenue to the stoplight at Scott Boulevard

Turn left onto Scott Boulevard

2800 Scott Boulevard is the first office building on the left

Turn left into 2800 Scott Boulevard

FROM INTERSTATE 280

Take the Saratoga Ave/Saratoga Exit towards Santa Clara

Stay on Saratoga Avenue for about 1 mile

Turn left onto San Tomas Expressway and drive for approximately 3 miles to Walsh Avenue

Turn right onto Walsh Avenue

Continue on Walsh Avenue to the stoplight at Scott Boulevard

Turn left onto Scott Boulevard

2800 Scott Boulevard is the first office building on the left

Turn left into 2800 Scott Boulevard

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

FORM 10-K

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended January 25, 2015

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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$0.001 par value per share	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 No

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 No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

The aggregate market value of the voting stock held by non-affiliates of the registrant as of July 25, 2014 was approximately \$9.38 billion (based on the closing sales price of the registrant's common stock as reported by the NASDAQ Global Select Market on July 25, 2014). This calculation excludes approximately 25,531,565 shares held by directors and executive officers of the registrant. This calculation does not exclude shares held by such organizations whose ownership exceeds 5% of the registrant's outstanding common stock that have represented to the registrant that they are registered investment advisers or investment companies registered under section 8 of the Investment Company Act of 1940.

The number of shares of common stock outstanding as of March 6, 2015 was 549,840,211.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2015 Annual Meeting of Shareholders to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Annual Report on Form 10-K are incorporated by reference into Part III, Items 10-14 of this Annual Report on Form 10-K.

NVIDIA CORPORATION

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WHERE YOU CAN FIND MORE INFORMATION

Investors and others should note that we announce material financial information to our investors using our investor relations website, press releases, SEC filings and public conference calls and webcasts. We also use the following social media channels as a means of disclosing information about the company, our products, our planned financial and other announcements and attendance at upcoming investor and industry conferences, and other matters and for complying with our disclosure obligations under Regulation FD:

NVIDIA Twitter Account (<https://twitter.com/NVIDIA>)

NVIDIA Company Blog (<http://blogs.nvidia.com/>)

NVIDIA Facebook Page (<https://www.facebook.com/NVIDIA>)

NVIDIA LinkedIn Page (http://www.linkedin.com/company/nvidia?trk=hb_tab_compy_id_3608)

In addition, investors and others can use the Pulse news reader to subscribe to the NVIDIA Daily News feed and can view NVIDIA videos on YouTube.

The information we post through these social media channels may be deemed material. Accordingly, investors should monitor these accounts and the blog, in addition to following our press releases, SEC filings and public conference calls and webcasts. This list may be updated from time to time. The information we post through these channels is not a part of this annual report on Form 10-K. These channels may be updated from time to time on NVIDIA's investor relations website.

Forward-Looking Statements

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are subject to the "safe harbor" created by those sections. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available to our management. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "could," "goal," "would," "expect," "plan," "anticipate," "believe," "estimate," "project," "predict," "potential" and similar expressions intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors, which may cause our actual results, performance, time frames or achievements to be materially different from any future results, performance, time frames or achievements expressed or implied by the forward-looking statements. We discuss many of these risks, uncertainties and other factors in this Annual Report on Form 10-K in greater detail under the heading "Risk Factors." Given these risks, uncertainties and other factors, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent our estimates and assumptions only as of the date of this filing. You should read this Annual Report on Form 10-K completely and with the understanding that our actual future results may be materially different from what we expect. We hereby qualify our forward-looking statements by these cautionary statements. Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

All references to "NVIDIA," "we," "us," "our" or the "Company" mean NVIDIA Corporation and its subsidiaries, except where it is made clear that the term means only the parent company.

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PART I

ITEM 1. BUSINESS

Our Company

NVIDIA is dedicated to advancing visual computing. We enable individuals to interact with digital ideas, data and entertainment with an ease and efficiency unmatched by any other communication medium.

Our business model has three elements: creating NVIDIA-branded products and services, offering our processors to original equipment manufacturers, or OEMs, and licensing our intellectual property. NVIDIA-branded products and services are visual computing platforms that address four large markets: Gaming, Enterprise, High Performance Computing (HPC) & Cloud, and Automotive.

From our inception, we have been known for bringing computer information to life through computer graphics. Our invention of the GPU introduced the world to the power of programmable graphics. Our subsequent invention of CUDA has enabled the massively parallel processing capabilities of GPUs to be harnessed to accelerate general purpose computing. We have invested more than \$10 billion in research and development since our inception, yielding some 7,000 patent assets, including inventions essential to modern computing.

NVIDIA GPUs are chosen by gamers to enjoy immersive, beautiful fantasy worlds. They are used by professional designers to create visual effects in movies and design products ranging from soft drink bottles to commercial aircraft. And they are used by scientists and researchers to accelerate a wide range of important applications, from simulations of viruses to deep learning and global oil exploration.

GPUs, the engines of visual computing, are among the world's most complex processors. Our GPU product brands aimed at specialized markets include GeForce for gamers; Quadro for designers; Tesla for researchers, deep learning and big-data analysts; and GRID for cloud-based visual computing users.

We also integrate our GPUs into tiny mobile chips called system-on-a-chip (SOC) processors, which power tablets, and automotive infotainment and safety systems. Our Tegra brand integrates an entire computer onto a single chip, incorporating GPUs and multi-core CPUs with audio, video and input/output capabilities. They can also be integrated with baseband processors to add voice and data communication. Tegra conserves power while delivering state-of-the-art graphics and multimedia processing.

Headquartered in Santa Clara, California, NVIDIA was incorporated in California in April 1993 and reincorporated in Delaware in April 1998.

Our Businesses

Our two reporting segments - GPU and Tegra Processor - are based on a single underlying graphics architecture. From our proprietary processors, we have created platforms that address four large markets where our visual computing expertise is critically important: Gaming, Enterprise, HPC & Cloud, and Automotive.

Businesses	NVIDIA Visual Computing Platforms and Brands
GPU	<ul style="list-style-type: none"> • GeForce for PC gaming • Quadro for design professionals working in computer-aided design, video editing, special effects and other creative applications • Tesla for deep learning and accelerated computing, leveraging the parallel computing capabilities of GPUs for general purpose computing • GRID to provide the power of NVIDIA graphics through the cloud and datacenters
Tegra Processor	<ul style="list-style-type: none"> • Tegra processors are primarily designed to enable our branded platforms - DRIVE and SHIELD. Tegra is also sold to OEMs for devices where graphics and overall performance is of great importance • DRIVE automotive computers that provide supercomputing capabilities to make driving safer and more enjoyable • SHIELD composed of a family of devices designed to harness the power of mobile-cloud to revolutionize gaming

Our Markets

We focus on specializing in markets in which visual computing and accelerated computing platforms are important, including:

Gaming

By focusing on open platforms and end-to-end experiences, we bring high fidelity and quality to gaming devices.

Our GPUs enhance the gaming experience by improving the visual quality of graphics, increasing the frame rate for smoother gameplay and improving realism by replicating the behavior of light and physical objects. These can be enjoyed independently or together to extend the gaming experience across platforms.

Our gaming platforms utilize sophisticated 3D software and algorithms - including our GameWorks investment in real-time graphics and simulation. These enable us to deliver realism and immersion, even when playing games remotely from the cloud. We further enhance gaming with GeForce Experience, our application for the gaming ecosystem that optimizes the PC user's settings for each title and enables players to record and share their victories. It has been downloaded by more than 50 million users.

Our products for the gaming market include GeForce GTX GPUs for PC gaming, the SHIELD family of tablet and portable devices for mobile gaming, and GRID for cloud-based streaming on gaming devices.

Enterprise

We serve the Enterprise market by working closely with independent software vendors to optimize their offerings for NVIDIA GPUs. Our visual computing solutions enhance productivity for critical parts of the workflow of such major industries as automotive, media and entertainment, oil and gas, and medical imaging - where our GPUs improve productivity and introduce new capabilities. For example, an architect designing a building with a computer-aided design package can interact with the model in real time, view the model in greater detail, and generate photorealistic renderings for the client.

Visual computing is vital to productivity in many environments:

- **Design and Manufacturing** - including computer-aided design, architectural design, consumer-products manufacturing, medical instrumentation and aerospace

- **Digital Content Creation** - including professional video editing and post production, special effects for films and broadcast-television graphics
- **Enterprise Graphics Virtualization** - including enterprises that virtualize their IT infrastructure using software from companies such as VMware, Inc. and Citrix Systems, Inc., which are significantly improved by NVIDIA GRID hardware and software

NVIDIA brands for this market are Quadro GPUs for workstations and GRID for virtualizing enterprise graphics. Quadro GPUs enhance the productivity of designers by improving performance and adding functionality, such as photorealistic rendering, high color fidelity and advanced scalable display capabilities. GRID makes it possible to run graphics-intensive applications remotely on a server in the datacenter, instead of locally on a PC or workstation. Applications include accelerating virtual desktop infrastructures and delivering graphics-intensive applications from the cloud.

HPC & Cloud

The NVIDIA Tesla accelerated computing platform applies the parallel-processing capability of GPUs and enabling software 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 such fields as aerospace, bio-science research, mechanical and fluid simulations, energy exploration, deep learning, computational finance and data analytics.

The fastest supercomputers in the U.S. and in Europe are powered by Tesla GPU accelerators. The U.S. Department of Energy recently announced that its next generation of supercomputers will be based on Tesla GPU accelerators.

Tesla has had a significant impact on scientific discovery, ranging from better understanding the HIV virus to enabling heart surgery on beating hearts. Consumer web and mobile companies like China's Baidu use Tesla GPU accelerators to provide voice assistants, translation services and image analytics.

Automotive

As technology gets increasingly important in the automotive market, the car is on its way to becoming each individual's most powerful computer. Cars will feature a multitude of devices, driven by sophisticated software algorithms. These devices are designed to ensure our safety and the safety of those around us, enhance our comfort and enjoyment, and search and navigate. They will use the tools of deep learning to sense their environment, ultimately driving themselves.

NVIDIA has the potential to own the entire stack of technology that makes this possible, including computing vision, deep learning and natural-language processing.

Beyond Automotive, we see the opportunity for Tegra in other embedded areas where visual computing is valued. Examples include robots that respond to voice and gesture commands, drones that process enormous amounts of visual-based data and smart monitors powered by Android that make a PC optional.

Business Strategies

NVIDIA's key strategies that shape our overall business approach include:

Extending our technology leadership in visual computing. We believe that visual computing is fundamental to the continued expansion and evolution of computing. We apply our research and development resources to extending our leadership in visual computing, enabling us to enhance the user experience for consumer entertainment and professional visualization applications.

Extending our visual computing leadership into mobile and cloud-computing platforms. We believe that visual computing will remain a key component in the computing paradigm circumscribed by mobile, cloud and software as a service. We enable interactive graphics applications - such as games, movie and photo editing and design software - to be accessed by any device, anywhere. We believe that the user experience in virtual desktop infrastructures should be indistinguishable from physical environments and, accordingly, leverage our research and development resources to create differentiated devices and products that deliver this capability.

Revolutionizing computing with the GPU's parallel processing capability. We believe that the massively parallel processing capabilities of NVIDIA GPUs can solve complex computational problems in significantly less time and with less power consumption than a CPU. We work with developers worldwide who write programs for the CUDA platform using various high-level programming languages. Developers are able to accelerate applications in areas ranging from molecular dynamics to image processing, derivatives modeling for financial risk analysis and big-data analytics.

Protecting our intellectual property, and using it to enter into license and development contracts. We believe our intellectual property portfolio is a valuable asset that can be monetized by licensing our technology to customers that desire to build such capabilities directly into their own products. Such license and development arrangements can further enhance the reach of our graphics and mobile technology.

Enabling visual computing platforms in key focus areas. We believe that we are well positioned to use our expertise in visual and parallel computing to make contributions in four key markets where our visual computing expertise is valued:

- Gaming:** Our strategy is to use advanced graphics technologies to create a range of gaming platforms, stretching across PCs, mobile devices and the cloud.
- Enterprise:** Our strategy is to serve as our customers' most trusted graphics partner, working closely with independent software vendors to optimize their offerings for NVIDIA GPUs.
- HPC & Cloud:** Our strategy is to serve growing demand for deep learning, big-data analytics and scientific computing.
- Automotive:** Our strategy is to utilize Tegra's visual computing capabilities and extreme efficiency, as well as our significant computing software assets, to augment the driving experience.

Sales and Marketing

Our worldwide sales and marketing strategy is key to our objective of providing markets with our high-performance and efficient GPUs and mobile SOC 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, retailers/distributors 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.

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 11% of our total revenue for fiscal year 2015.

Additionally, to encourage software title developers and publishers to develop games optimized for platforms utilizing our products and enterprise applications optimized for our GPUs, 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 applications and game 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 GPU and Tegra processor products serve many markets from consumer PC gaming to enterprise workstations to government and service provider cloud datacenters; however, a majority of our revenue is consumer focused. Our consumer products have typically seen stronger revenue in the second half of our fiscal year. 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 and Samsung Electronics Co. Ltd, to produce our semiconductor wafers. We then utilize independent subcontractors, such as Advanced Semiconductor Engineering, Inc., BYD Auto Co. Ltd., Hon Hai Precision Industry Co., Ltd., JSI Logistics Ltd., King Yuan Electronics Co., Ltd. and Siliconware Precision Industries Company Ltd. to perform assembly, testing and packaging of most of our products. We purchase substrates from IbidenCo., Ltd., Nanya Technology Corporation, and Unimicron Technology Corporation.

We typically receive semiconductor products from our subcontractors, perform incoming quality assurance and then ship the semiconductors to contract equipment manufacturers, or 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.

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. A substantial amount of our inventories are maintained as semi-finished products that can be leveraged across a wide range of our processors to balance our customer demands.

Our existing cash and marketable securities balances decreased by 1.0% to \$4.62 billion at the end of fiscal year 2015 compared with the end of fiscal year 2014. We believe that these balances and our anticipated cash flows from operations will be sufficient to meet our operating, acquisition, capital purchases and intended capital return to shareholders needs 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 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. We believe in leveraging our significant research and development depth and scale to create differentiated products.

As of January 25, 2015, we had 6,658 full-time employees engaged in research and development. During fiscal years 2015, 2014 and 2013, we incurred research and development expense of \$1.36 billion, \$1.34 billion and \$1.15 billion, 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 discrete and integrated 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 Corporation, or Intel;
- suppliers of SOC products that are embedded into smart devices such as televisions, monitors, set-top boxes, gaming devices and automobiles, such as AMD, Apple, Inc., Freescale Semiconductor, Inc., Fuzhou Rockchip Electronics Co., Ltd., Intel, Marvell Technology Group Ltd., Mediatek, Mobileye N.V., Qualcomm Incorporated, Samsung, ST Microelectronics, and Texas Instruments Incorporated; and
- licensors of graphics technologies, such as ARM Holdings plc, or ARM, and Imagination Technologies Group plc.

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 April 2015 to December 2034. 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 decreased protection 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.

We have also 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.

Employees

As of January 25, 2015, we had 9,228 employees, 6,658 of whom were engaged in research and development and 2,570 of whom were engaged in sales, marketing, operations and administrative positions.

Environmental Regulatory Compliance

To date, we have not incurred significant expenses related to environmental regulatory compliance matters.

Financial Information by Reporting Segment and Geographic Data

The information included in Note 16 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 and uncertainties 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 positions as of March 6, 2015:

Name	Age	Position
Jen-Hsun Huang	52	President, Chief Executive Officer and Director
Colette M. Kress	47	Executive Vice President and Chief Financial Officer
Ajay K. Puri	60	Executive Vice President, Worldwide Field Operations
David M. Shannon	59	Executive Vice President, Chief Administrative Officer and Secretary
Debora Shoquist	60	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 including as Director of Coreware, the business unit responsible for LSI's “system-on-chip”. 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.

Colette M. Kress joined NVIDIA in September 2013 as Executive Vice President and Chief Financial Officer. Prior to NVIDIA, Ms. Kress most recently served as Senior Vice President and Chief Financial Officer of the Business Technology and Operations Finance organization at Cisco Systems, Inc., a networking equipment company, since 2010. At Cisco, Ms. Kress was responsible for financial strategy, planning, reporting and business development for all business segments, engineering and operations. From 1997 to 2010 Ms. Kress held a variety of positions at Microsoft Corporation, a software company, including, beginning in 2006, Chief Financial Officer of the Server and Tools division, where Ms. Kress was responsible for financial strategy, planning, reporting and business development for the division. Prior to joining Microsoft, Ms. Kress spent eight years at Texas Instruments Incorporated, a semiconductor company, where she held a variety of finance positions. Ms. Kress holds a B.S. degree in Finance from University of Arizona and an M.B.A. degree from Southern Methodist University.

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

David M. Shannon serves as Executive Vice President, Chief Administrative Officer and Secretary of NVIDIA. In this role, he is responsible for NVIDIA's legal and human resources functions, as well as intellectual property licensing. 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. Mr. Shannon was promoted to the role of Chief Administrative Officer in January 2014. 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 Executive 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, Ms. Shoquist served as Senior Vice President and General Manager of the Electro-Optics business at Coherent, Inc., a manufacturer of commercial and scientific laser equipment. Ms. Shoquist's experience includes her role at Quantum Corporation, a data protection company, as the President of the Personal Computer Hard Disk Drive Division. Ms. Shoquist's experience also includes senior roles at Hewlett-Packard. Ms. Shoquist 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 risks including, but not limited to, the risks described below. Any one of the following risks could harm our business, financial condition and results of operations, which could cause our stock price to decline. Additional risks, trends and uncertainties not presently known to us or that we currently deem immaterial may also harm our business.

Risks Related to Our Business, Industry and Partners

If we are unable to successfully compete in our target markets, our revenue and financial results will be adversely impacted.

NVIDIA-branded products and services are visual computing platforms that address four large markets: Gaming, Enterprise, High Performance Computing & Cloud, and Automotive. Our GPUs and Tegra processors are designed to meet the evolving needs of these markets; however, these markets remain extremely competitive, and we expect competition to intensify as current competitors expand their product and/or service offerings, industry standards continue to evolve and new competitors enter these markets. Our success depends to a significant extent on our ability to identify and develop new products, services and technologies, and enhancements to our existing products, services and technologies, in a timely and cost-effective manner and to achieve consumer and market acceptance of our products, services and technologies.

If we are unable to successfully compete in our target markets, including in significant international markets, such as China, demand for our products, services and technologies could decrease which would cause our revenue to decline and our financial results to suffer. In addition, if we fail to anticipate the changing needs of our target markets and emerging technology trends, our business will be harmed.

Our competitors' products, services and technologies may be less costly, or their products, services and technologies may offer superior functionality or different features than ours. 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 financial, sales, marketing and distribution resources than we do. These competitors may be able to more effectively identify and capitalize upon opportunities in new markets, quickly transition their semiconductor products to increasingly smaller line width geometries and obtain sufficient foundry capacity and packaging materials, which could harm our business.

If we fail to achieve design wins for our products our business will be harmed.

For our products that we do not sell directly to consumers, achieving design wins is an integral part of our future success. Our OEM, ODM, and AIB and motherboard manufacturers' customers typically introduce new system configurations as often as twice per year, typically based on spring and fall design cycles or in connection with trade shows. If OEMs, ODMs, and AIB and motherboard manufacturers do not include our products in their systems, they will typically not use our products in their systems until at least the next design configuration. In order to achieve design wins, we must:

- anticipate the features and functionality that customers and consumers will demand;
- incorporate those features and functionalities into products that meet the exacting design requirements of our customers; and
- price our products competitively.

In general, we are limited in our ability to introduce new products and enhancements to our customers' design cycles and we must maintain compliance with evolving industry standards. Unanticipated changes in industry standards could render our products incompatible with products developed by major hardware manufacturers and software developers. If our products are not in compliance with prevailing industry standards, our customers may not incorporate our products into their design strategies.

If our intellectual property licensing strategy is not successful, our licensing revenues may decline.

We intend to license our GPU cores and visual computing patent portfolio to device manufacturers who offer products in markets such as mobile. The extent of the demand to license our GPU cores or other elements of our visual computing patent portfolio is unknown and may be limited. In addition, we may not be able to renew our existing license agreements. In January 2011, we entered into a patent cross licensing agreement under which Intel agreed to pay us an aggregate of \$1.50 billion over six years. The final \$200.0 million payment under this agreement is scheduled to be received in January 2016, and recognized as revenue into the first quarter of fiscal year 2018. If we are unable to enter into new licensing agreements or renew our existing agreements, and these agreements are not offset by other growth in income, our financial results may be adversely affected.

If our products contain significant defects, we could incur significant expenses to remediate such defects, our reputation could be damaged and we could lose market share.

Our products are complex and may contain defects or experience failures or unsatisfactory performance due to any number of issues in design, fabrication, packaging, materials and/or use within a system. Our products are used by a variety of industries, including the automotive industry. Failure of our products to perform to specifications, or other product defects, could lead to substantial damage to the products we sell directly to customers, the end product in which our device has been integrated by OEMs, ODMs, AIBs and Tier 1 automotive suppliers, and to the user of such end product. Any such defect may cause us to incur significant warranty, support and repair or replacement costs, cause us to lose market share, and divert the attention of our engineering personnel from our product development efforts to find and correct the issue. 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 and harm our relationships with customers. Also, we may be required to reimburse customers, including our customers' costs to repair or replace products in the field. A product recall, particularly an automotive recall, or a significant number of product returns could be expensive, could damage our reputation, could result in the shifting of business to our competitors and could result in litigation against us such as product liability suits. If a product liability claim is brought against us, the cost of defending the claim could be significant and would divert the efforts of our technical and management personnel, and harm our business.

System security and data protection breaches, as well as cyber-attacks, could disrupt our operations, reduce our expected revenue and increase our expenses, which could adversely affect our stock price and damage our reputation.

Security breaches, computer malware and cyber-attacks have become more prevalent and sophisticated in recent years. These attacks have occurred on our systems in the past and may occur in the future. Experienced computer programmers, hackers and employees may be able to penetrate our security controls and misappropriate or compromise our confidential information, or that of our employees or third parties. These attacks may create system disruptions or cause shutdowns. These hackers may also develop and deploy viruses, worms and other malicious software programs that attack or otherwise exploit security vulnerabilities in our products. For portions of our IT infrastructure, including business management and communication software products, we rely on products and services provided by third parties. These providers may also experience breaches and attacks to their products which may impact our systems. Data security breaches may also result from non-technical means, such as actions by an employee with access to our systems.

Actual or perceived breaches of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of proprietary information or sensitive or confidential data about us, our partners, our customers or third parties could expose us, our partners, our customers, third parties or the individuals affected, to a risk of loss or misuse of this information, resulting in litigation and potential liability, damage to our brand and reputation or other harm to our business. Our efforts to prevent and overcome these challenges could increase our expenses and may not be successful. We may experience interruptions, delays, cessation of service and loss of existing or potential customers. Such disruptions could adversely impact our ability to fulfill orders and interrupt other critical functions. Delayed sales, lower margins or lost customers as a result of these disruptions could adversely affect our financial results, stock price and reputation.

We depend on third parties and their technology to manufacture, assemble, test and/or package our products, which reduces our control over product quantity and quality, development, enhancement and product delivery schedule and could harm our business.

We do not manufacture the silicon wafers used for our GPUs and Tegra processors and do not own or operate a wafer fabrication facility. Instead, we are dependent on industry-leading foundries, such as Taiwan Semiconductor Manufacturing Company Limited and Samsung Electronics Co. Ltd., to manufacture our semiconductor wafers using their fabrication equipment and techniques. Similarly, we do not assemble, test or package our products, but instead rely on independent subcontractors, such as Advanced Semiconductor Engineering, Inc., BYD Auto Co., Ltd., Hon Hai Precision Industry Co., Ltd., JSI Logistics, Ltd., King Yuan Electronics Co. and Siliconware Precision Industries Co. Ltd. We do not have long-term commitment contracts with these foundries or subcontractors. As a result, we face several significant risks which could have an adverse effect on our ability to meet customer demands and/or negatively impact our business operations, gross margin, revenue and/or financial results, including:

- a lack of guaranteed supply of wafers and other components and potential higher wafer and component prices due to supply constraints;
- a failure by our foundries to procure raw materials or to provide or allocate adequate manufacturing or test capacity for our products;
- a failure to develop, obtain or successfully implement high quality, leading-edge process technologies, including transitions to smaller geometry process technologies, needed to manufacture our products profitably or on a timely basis;
- loss of a supplier and additional expense and/or production delays as a result of qualifying a new foundry or subcontractor and commencing volume production or testing in the event of a loss of or a decision to add or change a supplier;
- a lack of direct control over delivery schedules or product quantity and quality; and

- delays in product shipments, shortages, a decrease in product quality and/or higher expenses in the event our subcontractors or foundries prioritize our competitors orders over our orders or otherwise.

We also rely on third-party software development tools to assist us in the design, simulation and verification of new products or product enhancements. To bring new products and enhancements to market in a timely manner, we utilize sophisticated and technologically advanced software development tools to complete our design, simulations and verifications. In the past, we have experienced delays in the introduction of products and enhancements as a result of the inability of then available software development tools to fully simulate the complex features and functionalities of our products. In the future, the design requirements necessary to meet consumer demands for more features and greater functionality from our products may exceed the capabilities of available software development tools. If we miss design cycles or lose design wins due to the unavailability of such software development tools, we could lose market share and our revenues could decline.

If our products fail to achieve expected manufacturing yields, our financial results could be adversely impacted and our reputation with our customers may be harmed.

Manufacturing yields for our products are a function of product design, which is developed largely by us, and process technology, which typically is proprietary to the foundry. Low yields may result from either product design or process technology failure. We do not know whether a yield problem will exist until our design is actually manufactured by the foundry. When a yield issue is identified, the product is analyzed and tested to determine the cause. As a result, yield problems may not be identified until well into the manufacturing process and require us and the foundry to cooperate to resolve the problem. Because of our potentially limited access to wafer foundry capacity, any decrease in manufacturing yields could result in higher manufacturing costs and require us to allocate our available product supply among our customers. Lower than expected yields could harm customer relationships, our reputation and our financial results.

Business disruptions could harm our business, lead to a decline in revenues and increase our costs.

Our worldwide operations could be disrupted by earthquakes, telecommunications failures, power or water shortages, tsunamis, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics or pandemics and other natural or man-made disasters, catastrophic events or climate change. The occurrence of any of these business disruptions could harm our business and result in significant losses, a decline in revenue and increase our costs and expenses. Any of these business disruptions could require substantial expenditures and recovery time in order to fully resume operations. Our corporate headquarters, and a portion of our research and development activities, are located in California, and other critical business operations and some of our suppliers are located in Asia, near major earthquake faults known for seismic activity. In addition, a majority of our principal IT datacenters are located in California, making our operations vulnerable to natural disasters or other business disruptions occurring in this geographical area. The manufacture of product components, the final assembly of our products and other critical operations are concentrated in certain geographic locations, including Taiwan, China and Korea. Our operations could be harmed if manufacturing, logistics or other operations in these locations are disrupted for any reason, including natural disasters, high heat events or water shortages, information technology system failures, military actions or economic, business, labor, environmental, public health, regulatory or political issues. The ultimate impact on us, our third-party foundries and other suppliers and our general infrastructure of being located near major earthquake faults and being consolidated in certain geographical areas is unknown. In the event of a major earthquake or other natural disaster or catastrophic event, our revenue could decline and our business may be harmed.

We receive a significant amount of our revenue from a limited number of customers and our revenue could decline if we lose any of these customers.

We receive a significant amount of our revenue from a limited number of customers. Revenue from significant customers, those representing 10% or more of total revenue, was 11% of our total revenue from one customer in fiscal year 2015, 21% of our total revenue from two customers in fiscal year 2014, and 13% of our total revenue from one customer in fiscal year 2013. The percentage of revenue we receive from our largest customers has fluctuated significantly from period to period primarily due to the timing and number of design wins with each customer, as well as the continued diversification of our

customer base as we expand into new markets, and will likely continue to fluctuate in the future. Our operating results in the foreseeable future will continue to depend on sales to a relatively small number of customers, as well as the ability of these customers to sell products that incorporate our GPUs and Tegra processors. In the future, these customers may decide not to purchase our products at all, purchase fewer products than they did in the past, or alter their purchasing patterns in some other way, particularly because:

- substantially all of our sales are made on a purchase order basis, which permits our customers to cancel, change or delay product purchase commitments with little or no notice to us and without penalty;
- our customers may develop their own solutions;
- our customers may purchase products from our competitors; or
- our customers may discontinue sales or lose market share in the markets for which they purchase our products.

The loss of any of our large customers or a significant reduction in purchases by them would likely harm our financial condition and results of operations and any difficulties in collecting accounts receivable could harm our operating results and financial condition.

We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of certain of our customers to make required payments and obtain credit insurance over the purchasing credit extended to these customers. In the future, we may have to record additional provisions or write-offs and/or defer revenue on certain sales transactions which could negatively impact our financial results and we may not be able to acquire credit insurance on the credit we extend to these customers or in amounts that we deem sufficient.

Our gross margin depends on a number of factors and changes in any of these factors could adversely affect our gross margin.

Our gross margin for any period depends on a number of factors, including the mix of our products sold, average selling prices, introduction of new products, product transitions, sales discounts, pricing actions by our competitors, the cost of product components and the yield of wafers produced by the foundries that manufacture our products. We are focused on improving our gross margin and if we are not able to control or estimate the impact of the above factors or other factors we do not foresee, our gross margins may be negatively impacted. In addition, gross margins for our Tegra processors are lower than our overall corporate gross margins. If Tegra processors comprise a higher percentage of our future revenue, or if we continue to enter into new business areas with comparatively lower margins, our overall gross margins may decline.

If we fail to estimate customer demand properly our financial results could be harmed.

We manufacture our GPUs and Tegra processors based on estimates of customer demand. In order to have shorter shipment lead times and quicker delivery schedules for our customers, we may build inventories for anticipated periods of growth which do not occur, or may build inventory anticipating demand for a customer's product that does not materialize. In estimating demand, we make multiple assumptions any of which may prove to be incorrect. Situations that may result in excess or obsolete inventory include:

- changes in business and economic conditions, including downturns in our target markets and/or overall economy;
- changes in consumer confidence caused by changes in market conditions, including changes in the credit market;
- a sudden and significant decrease in demand for our products;
- a higher incidence of inventory obsolescence because of rapidly changing technology or customer requirements;

- our introduction of new products resulting in lower demand for older products; or
- increased competition, including competitive pricing actions.

In addition, the cancellation or deferral of customer purchase orders could result in our holding excess inventory, which could adversely affect our gross margins. In addition, because we often sell a substantial portion of our products in the last month of each quarter, we may not be able to reduce our inventory purchase commitments in a timely manner in response to customer cancellations or deferrals. We could be required to write-down our inventory to the lower of cost or market or write-off excess inventory, and we could experience a reduction in average selling prices if we incorrectly forecast product demand, any of which could harm our financial results.

Conversely, if we underestimate our customers' demand for our products, our foundry partners may not have adequate lead-time or capacity to increase production and we may not be able to obtain sufficient inventory to fill customers' orders on a timely basis. Even if we are able to increase production levels to meet customer demand, we may not be able to do so in a cost-effective or timely manner. If we fail to fulfill our customers' orders on a timely basis, or at all, our customer relationships could be damaged, we could lose revenue and market share and our reputation could be damaged.

We are subject to risks and uncertainties associated with international operations which may harm our business.

We conduct our business worldwide and we have offices in various countries outside of the United States. Our semiconductor wafers are manufactured, assembled, tested and packaged by third parties located outside of the United States and Other Americas. We also generate a significant portion of our revenue from sales to customers outside the United States and Other Americas. Revenue from sales to customers outside of the United States and Other Americas accounted for 75% of total revenue for both fiscal year 2015 and 2014 and 74% of total revenue for fiscal year 2013. The global nature of our business subjects us to a number of risks and uncertainties, including:

- international economic and political conditions, such as political tensions between countries in which we do business;
- unexpected changes in, or impositions of, legislative or regulatory requirements;
- differing legal standards with respect to protection of intellectual property and employment practices;
- local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the Foreign Corrupt Practices Act and other anticorruption laws and regulations;
- exporting or importing issues related to export or import restrictions, tariffs, quotas and other trade barriers and restrictions;
- financial risks such as longer payment cycles, difficulty in collecting accounts receivable and foreign exchange rate fluctuations; and
- increased costs due to imposition of climate change regulations, such as carbon taxes, fuel or energy taxes, and pollution limits.

If sales to any of our customers outside of the United States and Other Americas are delayed or cancelled because of any of the above factors, our revenue may be negatively impacted.

We may not be able to realize the potential financial or strategic benefits of business acquisitions or strategic investments and we may not be able to successfully integrate acquisition targets, which could hurt our ability to grow our business, develop new products or sell our products.

We have in the past and intend to continue to acquire and invest in other businesses that offer products, services and technologies that we believe will help expand or enhance our existing products and business. Any of the following risks associated with past or future acquisitions or investments could impair our ability to grow our business, develop new products or sell our products, and ultimately could have a negative impact on our growth or our financial results:

- difficulty in combining the technology, products, operations or workforce of the acquired business with our business;
- diversion of capital and other resources, including management's attention;
- assumption of liabilities;
- incurring amortization expenses, impairment charges to goodwill or write-downs of acquired assets;
- potential failure of our due diligence processes to identify significant issues with product quality, architecture and development, or legal and financial contingencies, among other things; and
- impairment of relationships with employees, vendors and customers, or the loss of any of our key employees, vendors or customers or our target's key employees, vendors or customers, as a result of our acquisition or investment.

Risks Related to Regulatory, Legal, Our Common Stock and Other Matters

Actions to adequately protect our intellectual property rights, such as litigation to defend against alleged infringement of intellectual property rights or to enforce our intellectual property rights, could result in substantial costs to us and our ability to compete could be harmed if we fail to take such actions or are unsuccessful in doing so.

We rely primarily on a combination of patents, trademarks, trade secrets, employee and third-party nondisclosure agreements, licensing arrangements, and the laws of the countries in which we operate to protect our intellectual property in the United States and internationally. The laws of certain foreign countries 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 existing and new innovations and technologies, but cannot be certain whether our applications for such protections will be approved, and, if approved, whether we will be able to enforce such protections.

We have in the past and may in the future become involved in lawsuits or other legal proceedings alleging patent infringement or other intellectual property rights violations by us, our employees or parties that we have agreed to indemnify for certain claims of infringement. An unfavorable ruling in any such intellectual property related litigation could include significant damages, invalidation of a patent or family of patents, indemnification of customers, payment of lost profits, or, when it has been sought, injunctive relief.

We may commence litigation or other legal proceedings in order to protect our intellectual property rights. Such proceedings may increase our operating expenses, which could negatively impact our operating results. Further, we could be subject to countersuits as a result of our initiation of litigation. For example, in September 2014, we filed complaints against Qualcomm, Inc. and various Samsung entities with both the ITC and the United States District Court for the District of Delaware for infringement of seven patents relating to graphics processing. In November 2014, various Samsung entities filed a complaint against us and Velocity Micro for alleged infringement of Samsung's patents. If infringement claims are made against us or our products are found to infringe a third parties' patent or intellectual property, we or one of our indemnitees may have to seek a license to the third parties' patent or other intellectual property rights. However, we may

not be able to obtain licenses at all or on terms acceptable to us particularly from our competitors. If we or one of our indemnitees is unable to obtain a license from a third party for technology that we use or that is used in one of our products, we could be subject to substantial liabilities or have to suspend or discontinue the manufacture and sale of one or more of our products. We may also have to make royalty or other payments, or cross license our technology. If these arrangements are not concluded on commercially reasonable terms, our business could be negatively impacted. Furthermore, the indemnification of a customer or other indemnitee may increase our operating expenses which could negatively impact our operating results.

Our operating results have in the past fluctuated and may in the future fluctuate, and if our operating results are below the expectations of securities analysts or investors, our stock price could decline.

Our operating results have in the past fluctuated and may in the future continue to fluctuate due to numerous factors. For example, our operating expenses represent a significant portion of total revenue and are largely independent of revenue in any particular period. In particular, our research and development expenses reflect multi-year commitments to the development of new products and enhancements that will not result in revenue, if any, until future periods. Therefore, investors should not rely on quarterly comparisons of our results of operations as an indication of our future performance.

Factors that could affect our results of operations in the future include:

- demand and market acceptance for our products and/or our customers' products;
- the successful development and volume production of our next-generation products;
- our inability to adjust spending to offset revenue shortfalls due to multi-year development cycle for some of our products and services;
- new product announcements or product introductions by our competitors;
- our introduction of new products in accordance with OEMs' design requirements and design cycles;
- changes in the timing of product orders due to unexpected delays in the introduction of our customers' products;
- the level of growth or decline of the PC industry in general;
- seasonal fluctuations associated with the PC and consumer products market;
- contraction in automotive and consumer end-market demand due to adverse regional or worldwide economic conditions;
- slower than expected growth of demand for new technologies;
- fluctuations in the availability of manufacturing capacity or manufacturing yields;
- our ability to reduce the manufacturing costs of our products;
- competitive pressures resulting in lower than expected average selling prices;
- product rates of return in excess of that forecasted or expected due to quality issues;
- rescheduling or cancellation of customer orders;
- the loss of a significant customer;

- substantial disruption in the operations of our foundries or other third-party subcontractors, as a result of a natural disaster, equipment failure, terrorism or other causes;
- supply constraints for and changes in the cost of the other components incorporated into our customers' products, including memory devices;
- costs associated with the repair and replacement of defective products;
- unexpected inventory write-downs or write-offs;
- legal and other costs related to defending intellectual property and other types of lawsuits;
- availability of software and technology licenses at commercially reasonable terms for the continued sale or development of new products;
- customer bad debt write-offs;
- changes in our effective tax rate as a result of changes in the mix of earnings in countries with differing statutory tax rates, applicable tax laws or interpretations of tax laws;
- any unanticipated costs associated with environmental liabilities;
- unexpected costs related to our ownership of real property;
- costs to comply with new government regulations, such as the SEC's conflict mineral regulations, and regulatory enforcement actions;
- costs to maintain effective internal control over financial reporting;
- our inability to forecast changes in financial accounting standards or interpretations of existing standards; and
- general macroeconomic events and factors affecting the overall semiconductor industry.

Any one or more of the factors discussed above could prevent us from achieving our expected future financial results. Any such failure to meet our expectations or the expectations of our investors or security analysts could cause our stock price to decline or experience substantial price volatility and, as a result, investors may suffer losses.

In the past, securities class action litigation has often been brought against a company following periods of volatility in the market price of its securities. We have been in the past, and may be in the future, the target of securities litigation. Such lawsuits generally result in the diversion of management's time and attention away from business operations, which could harm our business. In addition, the costs of defense and any damages resulting from litigation, a ruling against us, or a settlement of the litigation could adversely affect our cash flow and financial results.

We have a substantial amount of indebtedness which could adversely affect our financial position and prevent us from implementing our strategy or fulfilling our contractual obligations.

In December 2013, we issued \$1.5 billion of 1.00% Convertible Senior Notes due 2018, or 1.00% Notes. Our substantial indebtedness may:

- limit our ability to use our cash flow or borrow additional funds for working capital, capital expenditures, acquisitions and general corporate and other purposes;

- make it difficult for us to satisfy our financial obligations;
- place us at a competitive disadvantage compared to our less leveraged competitors; and
- increase our vulnerability to the impact of adverse economic and industry conditions.

The exercise of warrants issued to Goldman, Sachs & Co. concurrently with our 1.00% Notes would, and the conversion of our 1.00% Notes could, dilute the ownership interest of our existing shareholders.

The warrants issued concurrently with our 1.00% Notes will be deemed to be automatically exercised on certain dates between March 2019 and June 2019, unless Goldman, Sachs & Co. notifies us otherwise. Any issuance by us of additional shares to Goldman, Sachs & Co. upon exercise of the warrants will dilute the ownership interest of our existing shareholders. In addition, the conversion of our 1.00% Notes will dilute the ownership interests of our existing shareholders and could have a dilutive effect on our net income per share to the extent that the price of our common stock exceeds the conversion price of the 1.00% Notes. Any sales in the public market by Goldman, Sachs & Co. of our common stock upon exercise of the warrants or sales in the public market of our common stock issuable upon conversion of the 1.00% Notes could adversely affect prevailing market prices of our common stock.

Delaware law and provisions in our certificate of incorporation, our bylaws and our agreement with Microsoft Corporation could delay or prevent a change in control.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested shareholder for a period of three years after the person becomes an interested shareholder, even if a change of control would be beneficial to our existing shareholders. In addition, our certificate of incorporation and bylaws contain provisions that could make it more difficult for a third party to acquire a majority of our outstanding voting stock. These provisions include the following:

- the ability of our Board of Directors to create and issue preferred stock without prior shareholder approval;
- the prohibition of shareholder action by written consent;
- advance notice requirements for director nominations and shareholder proposals;
- the ability of our Board of Directors to increase or decrease the number of directors without shareholder approval;
- a super-majority voting requirement to amend some provisions in our certificate of incorporation and bylaws;
- the inability of our shareholders to call special meetings of shareholders; and
- the ability of our Board of Directors to make, amend or repeal our bylaws.

On March 5, 2000, we entered into an agreement with Microsoft in which we agreed to develop and sell graphics chips and to license certain technology to Microsoft and its licensees for use in the Xbox. Under the agreement, if an individual or corporation makes an offer to purchase shares equal to or greater than 30% of the outstanding shares of our common stock, Microsoft may have first and last rights of refusal to purchase the stock. The Microsoft provision and the other factors listed above could also delay or prevent a change in control of NVIDIA. These provisions could also discourage proxy contests and make it more difficult for shareholders to elect directors of their choosing and to cause us to take other corporate actions they desire.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

Our headquarters complex is located in Santa Clara, California. It includes eight leased commercial buildings totaling 887,993 square feet and real property that we own, which consists of twelve commercial buildings on 36 acres of land. We expect to eventually build a new corporate headquarters campus on this owned property. However, during fiscal year 2014 we leased and occupied an office building within the boundaries of our Santa Clara campus that balanced the workspace needs for our Santa Clara staff and provided us the opportunity to delay the start of the new campus building and refine our design to further optimize for functionality and cost. In addition, we also lease datacenter space in Santa Clara.

Outside of Santa Clara, we lease space in Austin, Texas and a number of regional facilities in other U.S. locations, which are used as research and development centers and/or sales and administrative offices. Outside of the United States, we own a building in Hyderabad, India, which is being used primarily as a research and development center. We also lease facilities in various international locations as research and development centers and/or sales and administrative offices. These leased facilities are located primarily in Asia and Europe.

We believe that we currently have sufficient facilities to conduct our operations for the next twelve months. For additional information regarding obligations under leases, see Note 12 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K under the subheading “Lease Obligations,” which information is hereby incorporated by reference.

ITEM 3. LEGAL PROCEEDINGS

Please see Note 12 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for a discussion of our legal proceedings.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is traded on the NASDAQ Global Select Market under the symbol NVDA. Public trading of our common stock began on January 22, 1999. Prior to that, there was no public market for our common stock. As of March 6, 2015, we had approximately 349 registered shareholders, not including those shares held in street or nominee name. The following table sets forth for the periods indicated the high and low sales price for our common stock as quoted on the NASDAQ Global Select Market:

	High	Low
Fiscal year ending January 31, 2016		
First Quarter (through March 6, 2015)	\$ 22.90	\$ 18.94
Fiscal year ended January 25, 2015		
Fourth Quarter	\$ 21.25	\$ 18.27
Third Quarter	\$ 20.15	\$ 16.77
Second Quarter	\$ 19.73	\$ 17.71
First Quarter	\$ 19.46	\$ 15.32
Fiscal year ended January 26, 2014		
Fourth Quarter	\$ 16.44	\$ 14.52
Third Quarter	\$ 16.10	\$ 13.11
Second Quarter	\$ 15.48	\$ 13.37
First Quarter	\$ 13.50	\$ 12.04

Dividend Policy

On November 8, 2012, we announced the initiation of a quarterly cash dividend program. The initial quarterly dividend was \$0.075 per share, or \$0.30 per share on an annual basis, which was subsequently increased on November 7, 2013 by 13% to a quarterly dividend of \$0.085 per share, or \$0.34 per share on an annual basis. In fiscal years 2015 and 2014, we paid \$186.5 million and \$181.3 million, respectively, in cash dividends to our common shareholders.

Our cash dividend program and the payment of future cash dividends under that program are subject to continued capital availability and our Board of Directors' continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders and are in compliance with all laws and agreements of NVIDIA applicable to the declaration and payment of cash dividends. In fiscal year 2015, based upon our earnings and profits, 50% of our dividend payments were considered qualified dividends and 50% of our dividend payments were considered to be a return of capital for U.S. federal income tax purposes. It is possible that a portion of our dividend payments in fiscal year 2016 may be considered a return of capital for U.S. federal income tax purposes.

Issuer Purchases of Equity Securities

Beginning August 2004, our Board of Directors authorized us, subject to certain specifications, to repurchase shares of our common stock. Most recently, in November 2013, the Board extended the previously authorized repurchase program through January 2016 and authorized an additional \$1.00 billion for an aggregate of \$3.70 billion under the repurchase program. Through January 25, 2015, we have repurchased an aggregate of 205.6 million shares under our share repurchase program for a total cost of \$3,265.2 million. As of January 25, 2015, we are authorized, subject to certain specifications, to repurchase shares of our common stock up to \$434.8 million through January 2016. In November 2014, we announced our intention to return approximately \$600.0 million to shareholders in fiscal year 2016 in the form of share repurchases and cash dividends.

The repurchases will be made from time to time in the open market, in privately negotiated transactions, or in structured share repurchase programs, and may be made in one or more larger repurchases, in compliance with Rule 10b-18 of the Securities Exchange Act of 1934, as amended, or the 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.

The following table presents details of our share repurchase transactions during the three months ended January 25, 2015 (in millions, except per share amounts):

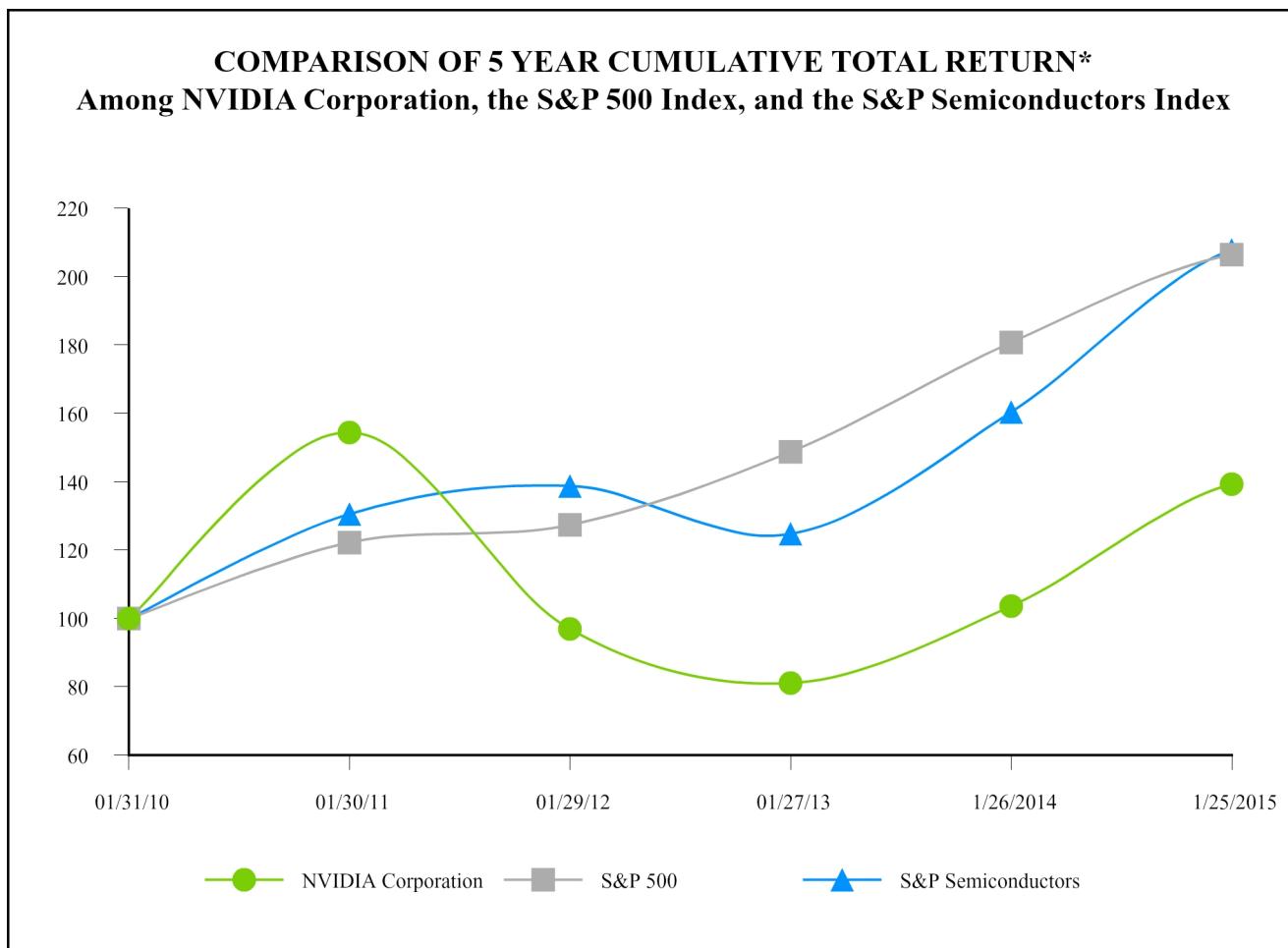
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
October 27, 2014 - November 23, 2014	—	—	—	\$438.4
November 24, 2014 - December 21, 2014	0.2	\$19.86	0.2	\$434.8
December 22, 2014 - January 25, 2015	—	—	—	\$434.8
Total	<u>0.2</u>	<u>\$19.86</u>	<u>0.2</u>	

In December 2014, we repurchased in the open market 0.2 million shares for \$3.6 million at an average price of \$19.86 per share.

In addition to our share repurchase program, we withhold common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of restricted stock unit, or RSU, and performance stock unit, or PSU, awards under our equity incentive program. During fiscal year 2015, we withheld approximately 2.3 million shares at a total cost of \$43.7 million through net share settlements. Please refer to Note 2 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Form 10-K for further discussion regarding our equity incentive plans.

Stock Performance Graphs

The following graph compares the cumulative total shareholder return for our common stock, the S&P 500 Index and the S&P Semiconductors Index for the five years ended January 25, 2015. The graph assumes that \$100 was invested on January 31, 2010 in our common stock and in each of the S&P 500 Index and the S&P Semiconductors Index. Total return assumes reinvestment of dividends in each of the indices indicated. Total return is based on historical results and is not intended to indicate future performance.

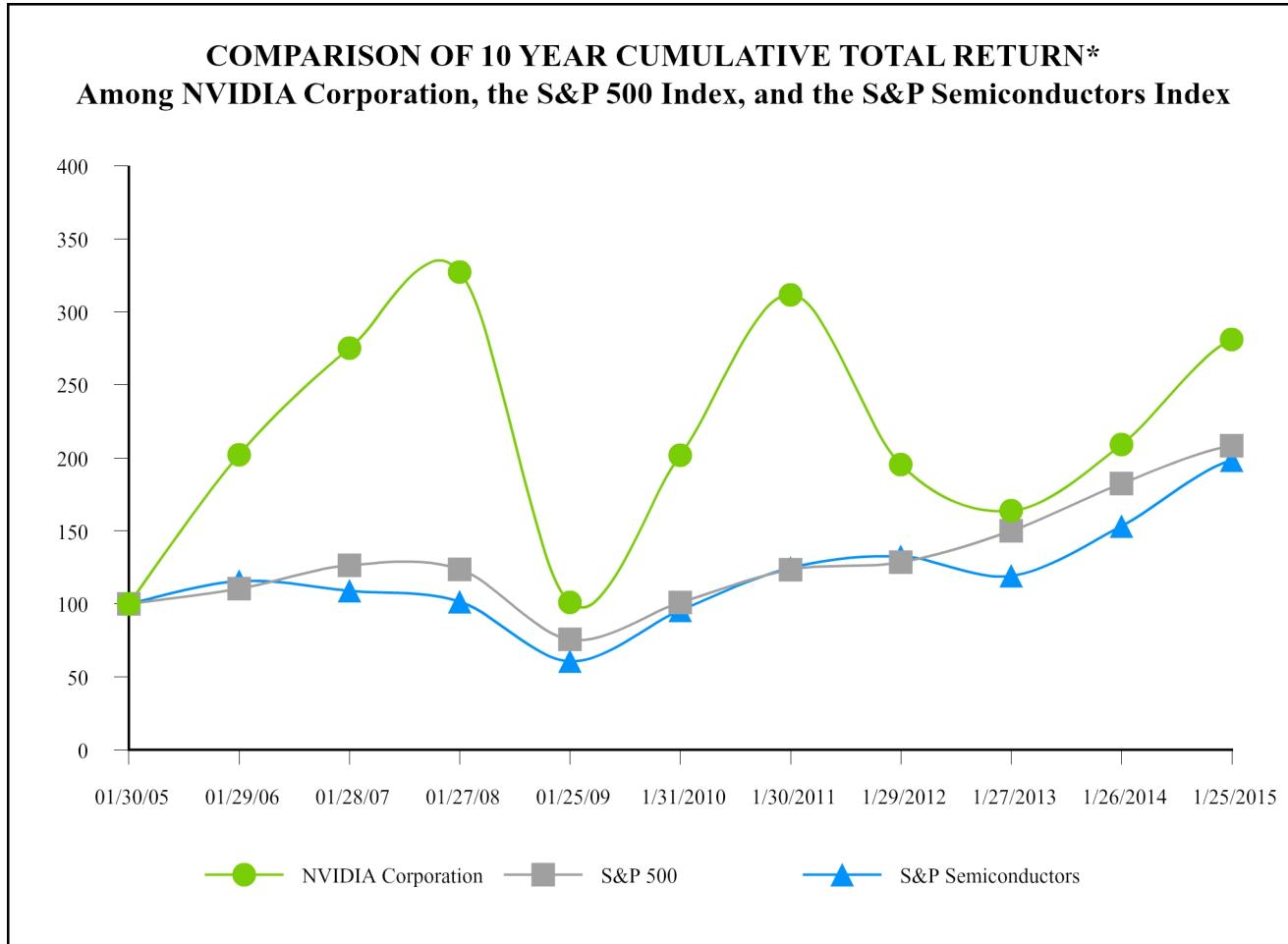


*\$100 invested on 1/31/10 in stock and in indices, including reinvestment of dividends.

The S&P 500 index and S&P Semiconductor Select Industry index are proprietary to and are calculated, distributed and marketed by S&P Opco, LLC (a subsidiary of S&P Dow Jones Indices LLC), its affiliates and/or its licensors and has been licensed for use. S&P® and S&P 500®, among other famous marks, are registered trademarks of Standard & Poor's Financial Services LLC, and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. © 2015 S&P Dow Jones Indices LLC, its affiliates and/or its licensors. All rights reserved.

	1/31/2010	1/30/2011	1/29/2012	1/27/2013	1/26/2014	1/25/2015
NVIDIA Corporation	\$ 100.00	\$ 154.39	\$ 96.88	\$ 81.12	\$ 103.61	\$ 139.28
S&P 500	\$ 100.00	\$ 122.18	\$ 127.34	\$ 148.70	\$ 180.70	\$ 206.41
S&P Semiconductors	\$ 100.00	\$ 130.50	\$ 138.76	\$ 124.79	\$ 160.36	\$ 207.78

The following graph compares the cumulative total shareholder return for our common stock, the S&P 500 Index and the S&P Semiconductors Index for the ten years ended January 25, 2015. The graph assumes that \$100 was invested on January 30, 2005 in our common stock and in each of the S&P 500 Index and the S&P Semiconductors Index. Total return assumes reinvestment of dividends in each of the indices indicated. Total return is based on historical results and is not intended to indicate future performance.



*\$100 invested on 1/30/05 in stock or in indices, including reinvestment of dividends.

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	1/30/05	1/29/06	1/28/07	1/27/08	1/25/09	1/31/10	1/30/11	1/29/12	1/27/13	1/26/14	1/25/15
NVIDIA Corporation....	\$ 100.00	\$ 202.14	\$ 275.09	\$ 327.14	\$ 101.09	\$ 201.79	\$ 311.54	\$ 195.50	\$ 163.70	\$ 209.07	\$ 281.05
S&P 500.....	\$ 100.00	\$ 110.37	\$ 126.39	\$ 123.46	\$ 75.77	\$ 100.88	\$ 123.26	\$ 128.46	\$ 150.02	\$ 182.30	\$ 208.23
S&P Semiconductors....	\$ 100.00	\$ 115.62	\$ 108.86	\$ 101.45	\$ 60.82	\$ 95.46	\$ 124.59	\$ 132.46	\$ 119.13	\$ 153.09	\$ 198.36

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data should be read in conjunction with our financial statements and the notes thereto, and with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." The consolidated statements of operations data for the fiscal years ended January 25, 2015, January 26, 2014 and January 27, 2013 and the consolidated balance sheet data as of January 25, 2015 and January 26, 2014 have been derived from and should be read in conjunction with our audited consolidated financial statements and the notes thereto included in Part IV, Item 15 in this Annual Report on Form 10-K. We operate on a 52- or 53-week year, ending on the last Sunday in January. Fiscal years 2015, 2014, 2013, 2012 and 2011 were 52-week years.

	Year Ended				
	January 25, 2015	January 26, 2014	January 27, 2013	January 29, 2012	January 30, 2011 (A,B)

(In thousands, except per share data)

Consolidated Statement of Operations Data:

Revenue	\$ 4,681,507	\$ 4,130,162	\$ 4,280,159	\$ 3,997,930	\$ 3,543,309
Income from operations.....	\$ 758,989	\$ 496,227	\$ 648,239	\$ 648,299	\$ 255,747
Net income.....	\$ 630,587	\$ 439,990	\$ 562,536	\$ 581,090	\$ 253,146
Net income per share:					
Basic	\$ 1.14	\$ 0.75	\$ 0.91	\$ 0.96	\$ 0.44
Diluted.....	\$ 1.12	\$ 0.74	\$ 0.90	\$ 0.94	\$ 0.43
Weighted average shares used in per share computation:					
Basic	552,319	587,893	619,324	603,646	575,177
Diluted.....	563,068	594,517	624,957	616,371	588,684

	Year Ended				
	January 25, 2015 (C)	January 26, 2014 (C,D)	January 27, 2013 (C)	January 29, 2012 (E)	January 30, 2011

(In thousands, except per share data)

Consolidated Balance Sheet Data:

Cash, cash equivalents and marketable securities	\$ 4,623,339	\$ 4,671,810	\$ 3,727,883	\$ 3,129,576	\$ 2,490,563
Total assets.....	\$ 7,201,368	\$ 7,250,894	\$ 6,412,245	\$ 5,552,928	\$ 4,495,246
Long-term debt.....	\$ 1,384,342	\$ 1,356,375	\$ —	\$ —	\$ —
Capital lease obligations, less current portion.....	\$ 14,086	\$ 17,500	\$ 18,998	\$ 21,439	\$ 23,389
Total shareholders' equity.....	\$ 4,417,982	\$ 4,456,398	\$ 4,827,703	\$ 4,145,724	\$ 3,181,462
Cash dividends declared and paid per common share.....	\$ 0.340	\$ 0.310	\$ 0.075	\$ —	\$ —

(A) We recorded a net warranty charge of \$193.9 million during fiscal year 2011 towards the repair and replacement of products arising from a weak die/packaging material set used in certain versions of our previous generation MCP and GPU products.

- (B) In fiscal year 2011, we entered into a six-year cross licensing agreement with Intel and also mutually agreed to settle all outstanding legal disputes. We valued the settlement portion at \$57.0 million, which was recorded within income from operations in fiscal year 2011.
- (C) On November 8, 2012, we initiated a quarterly dividend payment of 7.5 cents per share, or 30 cents on an annual basis. On November 7, 2013, we increased the quarterly cash dividend to 8.5 cents per share, or 34 cents on an annual basis.
- (D) On December 2, 2013, we issued \$1.5 billion aggregate principal amount of 1.00% Convertible Senior Notes due 2018.
- (E) On June 10, 2011, we completed the acquisition of Icera, Inc. for total cash consideration of \$352.2 million, and recorded goodwill of \$271.2 million.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with “Item 1A. Risk Factors”, “Item 6. Selected Financial Data”, our Consolidated Financial Statements and related Notes thereto, as well as other cautionary statements and risks described elsewhere in this Annual Report on Form 10-K, before deciding to purchase, hold or sell shares of our common stock.

Overview

Our Company and Our Businesses

NVIDIA is dedicated to advancing visual computing, enabling individuals to interact with digital ideas, data and entertainment with an ease and efficiency unmatched by any other communication medium.

Our business model has three elements: creating NVIDIA-branded products and services, offering our processors to original equipment manufacturers, or OEMs, and licensing our intellectual property. NVIDIA-branded products and services are visual computing platforms that address four large markets: Gaming, Enterprise, High Performance Computing & Cloud, and Automotive.

Our two business segments - GPU and Tegra Processor - are based on a single underlying graphics architecture. In addition to the two reporting segments, the “All Other” category primarily includes licensing revenue from our patent cross licensing agreement with Intel, which we expect to recognize through March 2017.

GPUs, the engines of visual computing, are among the world's most complex processors. Our GPU product brands aimed at specialized markets include GeForce for gamers; Quadro for designers; Tesla for researchers, deep learning and big-data analysts; and GRID for cloud-based visual computing users.

We also integrate our GPUs into tiny mobile chips called system-on-a-chip (SOC) processors, which power tablets, and automotive infotainment and safety systems. Our Tegra brand integrates an entire computer onto a single chip, incorporating GPUs and multi-core CPUs with audio, video and input/output capabilities. They can also be integrated with baseband processors to add voice and data communication. Tegra conserves power while delivering state-of-the-art graphics and multimedia processing.

Headquartered in Santa Clara, California, NVIDIA was incorporated in California in April 1993 and reincorporated in Delaware in April 1998.

Recent Developments, Future Objectives and Challenges

GPU Business

During fiscal year 2015, we announced and shipped GeForce GPUs based on our new Maxwell architecture and we surpassed fifty million installations of our GeForce Experience client, which provides game-ready drivers, optimized play settings, and streaming and sharing of gameplay. We also disclosed the first details of our Pascal GPU architecture, which will succeed Maxwell. Pascal is expected to feature 3D memory and NVLink interconnect technology.

Quadro professional graphics continue to maintain market leadership. We refreshed our Quadro product lineup during fiscal year 2015 and also extended our product lineup to include Maxwell-based GPUs.

We extended our reach in accelerated datacenter computing, with the world's fifteen most highly-efficient supercomputers all utilizing our Tesla GPUs. We continued to expand our reach in the big data analytics market, with IBM announcing future support for GPU acceleration in its IBM DB2 with BLU acceleration. We launched our Tesla K80 dual-GPU accelerator, which is designed to power a wide range of machine learning, data-analytics and high performance computing applications. In addition, we announced that our Tesla GPUs will power the U.S. Department of Energy's next-generation supercomputers in conjunction with our NVIDIA NVLink high-speed interconnect technology. These systems are to be deployed at Oak Ridge and Lawrence Livermore National Laboratories and will serve scientists to accelerate their research.

We announced that NVIDIA GRID technology will be available on the VMware Horizon DaaS Platform to deliver 3D graphics on virtualized desktops and applications delivered through the cloud, partnered with VMware on a customer access program for NVIDIA GRID with companies like Airbus, CH2M Hill, MetroHealth and Halliburton, and announced that the new version of VMware's virtualization suite, VMware Horizon 6, includes the capability to deliver scalable, virtualized 3D graphics enabled by NVIDIA GRID vGPU. NVIDIA GRID graphics virtualization continued to gain momentum as more companies come forward to experience cloud-based GPU-accelerated virtual desktops through our "Try GRID" online demonstration.

Tegra Processor Business

During fiscal year 2015, we expanded our SHIELD family of gaming devices, adding the SHIELD tablet and SHIELD wireless controller to the product family that also includes the SHIELD portable. We also launched our GRID On-Demand Streaming Service, providing it free for SHIELD users through June 30, 2015.

We announced the NVIDIA Tegra X1 mobile processor, a 256-core Maxwell architecture-based mobile super chip with over one teraflops of computing power. Our Tegra K1 processor was featured in Google's Nexus 9 and Project Tango tablets, in NVIDIA's SHIELD tablet and in Chromebooks made by Acer and HP, and was one of the first processors to support Android TV. Tegra K1 was also included in our launch of Jetson TK1, a development platform aimed at automotive, robotics, defense and embedded applications.

In automotive, we launched NVIDIA DRIVE automotive computers - a computing platform for advanced driver assistance systems and digital cockpits that could enable auto-piloted cars and run state of the art infotainment systems. NVIDIA DRIVE is powered by the Tegra X1. We also announced that many automobile manufacturers were shipping various new models with infotainment systems powered by NVIDIA, including the BMW i8 and i3, the Volkswagen Golf and Passat, and the Honda Civic, Civic Tourer and CR-V.

Capital Return to Shareholders

During fiscal year 2015, we repurchased 44.4 million shares of our common stock for \$813.6 million and paid \$186.5 million in cash dividends. As a result, we returned \$1.00 billion to shareholders during fiscal year 2015 in the form of share repurchases and dividend payments.

On November 6, 2014 we announced our intention to return approximately \$600.0 million to our shareholders in fiscal year 2016 through a combination of share repurchases and cash dividends. On February 11, 2015, we declared that we would pay our next quarterly cash dividend of \$0.085 per share on March 19, 2015, to all shareholders of record on February 26, 2015.

Please refer to Note 14 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion.

Litigation

In September 2014, we filed lawsuits against Qualcomm, Inc. and various Samsung entities in the United States International Trade Commission, or ITC, and the United States District Court for the District of Delaware for using our GPU patents without a license. On November 10, 2014, Samsung filed a complaint against NVIDIA and Velocity Micro, Inc., in the United States District Court for the Eastern District of Virginia. The complaint alleges that NVIDIA infringed six patents and falsely advertised that the Tegra K1 processor is the world's fastest mobile processor. On December 19, 2014, Samsung filed an amended, longer complaint but asserting the same claims against NVIDIA.

Please refer to Note 12 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion.

Critical Accounting Policies and Estimates

Management's discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, cost of revenue, expenses and related disclosure of contingencies. On an on-going basis, we evaluate our estimates, including those related to revenue recognition, inventories, income taxes, goodwill, cash equivalents and marketable securities, stock-based compensation, and litigation, investigation and settlement costs and other contingencies. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities.

We believe the following critical accounting policies affect our significant judgments and estimates used in the preparation of our consolidated financial statements. Our management has discussed the development and selection of these critical accounting policies and estimates with the Audit Committee of our Board of Directors. The Audit Committee has reviewed our disclosures relating to our critical accounting policies and estimates in this Annual Report on Form 10-K.

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 of the related receivable is reasonably assured.

For sales to certain distributors with rights of return for which the level of returns cannot be reasonably estimated, our policy is to defer recognition of revenue and related cost of revenue until the distributors resell the product and, in some cases, when customer return rights lapse.

Our customer programs primarily involve rebates, which are designed to serve as sales incentives to resellers of our products in various target markets. We account for rebates as a reduction of revenue and accrue for 100% of the potential rebates and do not apply a breakage factor. While we have a long history of rebate arrangements with OEMs, we believe we are unable to apply our historical experience to reliably estimate the amount of rebates that will eventually be claimed

by individual OEMs. In such cases, the OEMs may not be our direct customers and therefore the quantity and mix of demand they place on their CEMs/ODMs may shift as we introduce new generations and iterations of products and as we experience changes in new competitor offerings. In addition, we typically find that approximately 95% of the rebates we accrue each year are eventually claimed, which is substantially close to 100%, and that this percentage varies by program and by customer. 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, the amount of which typically represents approximately 0.5% of total revenue.

Our customer programs also include marketing development funds, or MDFs. MDFs represent monies paid to retailers, system builders, OEMs, distributors, add-in card partners and other channel 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 account for MDFs as a reduction of revenue and apply a breakage factor to certain types of MDF program accruals for which we believe we can make a reasonable and reliable estimate of the amount that will ultimately be unclaimed.

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 the related revenue over the period that services are performed. For most 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. 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.

For license arrangements that do not require significant customization but where we are obligated to provide further deliverables over the term of the license agreement, we record revenue over the life of the license term, with consideration received in advance of the performance period classified as deferred revenue.

Please refer to Note 1 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

Inventories

Inventory cost is computed on an adjusted standard basis, which approximates actual cost on an average or first-in, first-out basis. We charge cost of sales for inventory provisions to write down our inventory to the lower of cost or estimated market value or to completely write off obsolete or excess inventory. Most of our inventory provisions relate to the write-off of excess quantities of products, based on our inventory levels and future product purchase commitments compared to assumptions about future demand and market conditions.

Situations that may result in excess or obsolete inventory include changes in business and economic conditions, changes in consumer confidence caused by changes in market conditions, sudden and significant decreases in demand for our products, inventory obsolescence because of rapidly changing technology and customer requirements, failure to estimate customer demand properly for older products as newer products are introduced, or unexpected competitive pricing actions

by our competition. In addition, cancellation or deferral of customer purchase orders could result in our holding excess inventory. Also, because we often sell a substantial portion of our products in the last month of each quarter, we may not be able to reduce our inventory purchase commitments in a timely manner in response to customer cancellations or deferrals.

Charges to cost of sales for inventory provisions totaled \$59.4 million, \$50.1 million and \$89.9 million for fiscal years 2015, 2014 and 2013, unfavorably impacting our gross margin by 1.3%, 1.2% and 2.1%, respectively. Sales of inventory that was previously written-off or written-down totaled \$32.4 million, \$43.4 million and \$53.7 million for fiscal years 2015, 2014 and 2013, favorably impacting our gross margin by 0.7%, 1.1% and 1.3%, respectively. As a result, the overall net effect on our gross margin from inventory provisions and sales of items previously written down was an unfavorable impact of 0.6%, 0.1% and 0.8% in fiscal years 2015, 2014 and 2013, respectively.

During fiscal years 2015, 2014 and 2013, the charges we took to cost of sales for inventory provisions were primarily related to the write-off of excess quantities of GPU and Tegra Processor products whose inventory levels were higher than our updated forecasts of future demand for those products. As a fabless semiconductor company, we must make commitments to purchase inventory based on forecasts of future customer demand. In doing so, we must account for our third-party manufacturers' lead times and constraints. We also adjust to other market factors, such as product offerings and pricing actions by our competitors, new product transitions, and macroeconomic conditions - all of which may impact demand for our products.

Please refer to the Gross Profit and Gross Margin discussion below in this Management's Discussion and Analysis for further discussion.

Income Taxes

We recognize federal, state and foreign current tax liabilities or assets based on our estimate of taxes payable or refundable in the current fiscal year by tax jurisdiction. We recognize federal, state and foreign deferred tax assets or liabilities, as appropriate, for our estimate of future tax effects attributable to temporary differences and carryforwards; and we record a valuation allowance to reduce any deferred tax assets by the amount of any tax benefits that, based on available evidence and judgment, are not expected to be realized.

United States income tax has not been provided on a portion of earnings of our non-U.S. subsidiaries to the extent that such earnings are considered to be indefinitely reinvested.

Our calculation of current and deferred tax assets and liabilities is based on certain estimates and judgments and involves dealing with uncertainties in the application of complex tax laws. Our estimates of current and deferred tax assets and liabilities may change based, in part, on added certainty or finality to an anticipated outcome, changes in accounting standards or tax laws in the United States, or foreign jurisdictions where we operate, or changes in other facts or circumstances. In addition, we recognize liabilities for potential United States and foreign income tax contingencies based on our estimate of whether, and the extent to which, additional taxes may be due. If we determine that payment of these amounts is unnecessary or if the recorded tax liability is less than our current assessment, we may be required to recognize an income tax benefit or additional income tax expense in our financial statements accordingly.

As of January 25, 2015, we had a valuation allowance of \$261.0 million related to state and certain foreign deferred tax assets that management determined are not likely to be realized due, in part, to projections of future taxable income and potential utilization limitations of tax attributes acquired as a result of stock ownership changes. To the extent realization of the deferred tax assets becomes more-likely-than-not, we would recognize such deferred tax asset as an income tax benefit during the period.

Goodwill

Goodwill is subject to our annual impairment test during the fourth quarter of our fiscal year, or earlier if indicators of potential impairment exist, using either a qualitative or a quantitative assessment. Our impairment review process compares the fair value of the reporting unit in which the goodwill resides to its carrying value. We have identified two reporting units, GPU and Tegra Processor, for the purposes of completing our goodwill analysis. Goodwill assigned to these reporting units as of January 25, 2015 was \$209.7 million and \$408.5 million, respectively. Determining the number of reporting units and the fair value of a reporting unit requires us to make judgments and involves the use of significant estimates and assumptions. We also make judgments and assumptions in allocating assets and liabilities to each of our reporting units. We base our fair value estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain.

During the fourth quarter of fiscal year 2015, we elected to use the quantitative assessment to test goodwill for impairment for each reporting unit. In applying the fair value based test of each reporting unit, the results from the income approach and the market approach were equally weighted. These valuation approaches consider a number of factors that include, but are not limited to, prospective financial information, growth rates, terminal or residual values, discount rates and comparable multiples from publicly traded companies in our industry and require us to make certain assumptions and estimates regarding industry economic factors and the future profitability of our business.

When performing an income approach valuation, we incorporate the use of projected financial information and a discount rate that are developed using market participant based assumptions to our discounted cash flow model. Our estimates of discounted cash flow were based upon, among other things, certain assumptions about our expected future operating performance, such as revenue growth rates, operating margins, risk-adjusted discount rates, and future economic and market conditions. Our estimates may differ from actual cash flow due to, among other things, economic conditions, changes to our business model or changes in operating performance. Additionally, certain estimates of discounted cash flow involve businesses with limited financial history and developing revenue models, which increases the risk of differences between the projected and actual performance. The long-term financial forecasts that we utilize represent the best estimate that we have at this time and we believe that its underlying assumptions are reasonable. Significant differences between our estimates and actual cash flow could materially affect our future financial results, which could impact our future estimates of the fair value of our reporting units.

During the fourth quarter of fiscal year 2015, we concluded that there was no impairment of our goodwill. The fair value of our GPU reporting unit significantly exceeded its carrying value and the fair value of our Tegra Processor reporting unit exceeded its carrying value by 21%. As such, even if we applied a hypothetical 10% decrease to the fair value of each reporting unit, it still would not have resulted in the fair value of our reporting units being less than their carrying values. As an overall test of the reasonableness of estimated fair values of our reporting units, we reconciled the combined fair value estimates of our reporting units to our market capitalization as of the valuation date. The reconciliation confirmed that the fair values were relatively representative of the market views when applying a reasonable control premium to the market capitalization. However, any significant reductions in the actual amount of future cash flows realized by our reporting units, reductions in the value of market comparables, or reductions in our market capitalization could impact future estimates of the fair values of our reporting units. Such events could ultimately result in a charge to our earnings in future periods due to the potential for a write-down of the goodwill associated with our reporting units.

In particular, the fair value of our Tegra reporting unit exceeded its carrying value by approximately 21%. The fair value of this reporting unit was assessed using a combination of income and market approaches. The underlying assumptions we used in assessing the fair value of the Tegra reporting unit include, but are not limited to, assumptions around future revenue growth rates, gross margins, operating expense investment levels, overall market growth rates, our market share of the overall market, and the appropriate discount rates to apply to future cash flows. If the actual future results of the Tegra reporting unit do not achieve the levels we estimated in assessing its fair value, the fair value of the Tegra reporting unit could decline. A future decline in the fair value of the Tegra reporting unit could result a charge to our earnings as a result of a write-down of the value of the goodwill associated with that reporting unit.

Our next annual evaluation of the goodwill by reporting unit will be performed during the fourth quarter of fiscal year 2016, or earlier if indicators of potential impairment exist. Such indicators include, but are not limited to, challenging economic conditions, such as a decline in our operating results, an unfavorable industry or macroeconomic environment, a substantial decline in our stock price, or any other adverse change in market conditions. Such conditions could have the effect of changing one of the critical assumptions or estimates we use to calculate the fair value of our reporting units, which could result in a decrease in fair value and require us to record goodwill impairment charges.

Cash Equivalents and Marketable Securities

Cash equivalents consist of financial instruments which are readily convertible into cash and have original maturities of three months or less at the time of acquisition. Marketable securities consist primarily of highly liquid investments with maturities of greater than three months when purchased.

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 funds. 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. Most of our cash equivalents and marketable securities are valued based on Level 2 inputs. We did not have any investments classified as Level 3 as of January 25, 2015.

All of our available-for-sale investments are subject to a periodic impairment review. We record a charge to earnings when a decline in fair value is significantly below cost basis and judged to be other-than-temporary, or have other indicators of impairments.

If the fair value of an available-for-sale debt instrument is less than its amortized cost basis, an other-than-temporary impairment is triggered in circumstances where (1) we intend to sell the instrument, (2) it is more likely than not that we will be required to sell the instrument before recovery of its amortized cost basis, or (3) a credit loss exists where we do not expect to recover the entire amortized cost basis of the instrument. In these situations, we recognize an other-than-temporary impairment in earnings equal to the entire difference between the debt instruments' amortized cost basis and its fair value. For available-for-sale debt instruments that are considered other-than-temporarily impaired due to the existence of a credit loss, if we do not intend to sell and it is more likely than not that we will not be required to sell the instrument before recovery of its remaining amortized cost basis (amortized cost basis less any current-period credit loss), we separate the amount of the impairment into the amount that is credit related and the amount due to all other factors. The credit loss component is recognized in earnings.

We performed an impairment review of our investment portfolio as of January 25, 2015. We concluded that our investments were appropriately valued and that no other than temporary impairment charges were necessary on our portfolio of available-for-sale investments as of January 25, 2015.

Stock-based Compensation

Our stock-based compensation expense is associated with stock options, restricted stock units, or RSUs, performance stock units, or PSUs, and our employee stock purchase plan, or ESPP.

During fiscal year 2015, we shifted away from granting stock options and toward granting RSUs and PSUs to reflect changing market trends for equity incentives at our peer companies. The number of PSUs that will ultimately vest is contingent on the Company's level of achievement compared with the corporate financial performance target established by our Compensation Committee in the beginning of each fiscal year. The number of shares of our stock to be received at vesting ranges from 0% to 200% of the target amount.

We use the closing trading price of our common stock on the date of grant, minus a dividend yield discount, as the fair value of awards of RSUs and PSUs. The compensation expense for RSUs is recognized using a straight-line attribution method over the requisite employee service period, while compensation expense for PSUs is recognized using an accelerated amortization model. We estimate the fair value of shares to be issued under our ESPP using the Black-Scholes model at the commencement of an offering period in March and September of each year. Stock-based compensation for our ESPP is expensed using an accelerated amortization model.

Our RSU and PSU awards are not eligible for cash dividends prior to vesting; therefore, the fair value of RSUs and PSUs is discounted by the dividend yield. Additionally, we estimate forfeitures annually based on historical experience and revise the estimates of forfeiture in subsequent periods if actual forfeitures differ from those estimates. If factors change, the compensation expense that we record under these accounting standards may differ significantly from what we have recorded in the current period.

Litigation, Investigation and Settlement Costs

From time to time, we are involved in legal actions and/or investigations by regulatory bodies. We are aggressively defending our current litigation matters. However, there are many uncertainties associated with any litigation or investigations, and we cannot be certain that these actions or other third-party claims against us will be resolved without costly litigation, fines and/or substantial settlement payments. If that occurs, our business, financial condition and results of operations could be materially and adversely affected. If information becomes available that causes us to determine that a loss in any of our pending litigation, investigations or settlements is probable, and we can reasonably estimate the loss associated with such events, we will record the loss in accordance with U.S. GAAP. However, the actual liability in any such litigation or investigation may be materially different from our estimates, which could require us to record additional costs.

Results of Operations

The following table sets forth, for the periods indicated, certain items in our consolidated statements of operations expressed as a percentage of revenue.

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
Revenue	100.0%	100.0%	100.0%
Cost of revenue	44.5	45.1	48.0
Gross profit	55.5	54.9	52.0
Operating expenses:.....			
Research and development	29.0	32.3	26.8
Sales, general and administrative	10.3	10.5	10.1
Total operating expenses.....	39.3	42.8	36.9
Income from operations.....	16.2	12.1	15.1
Interest income.....	0.6	0.4	0.5
Interest expense	(1.0)	(0.3)	(0.1)
Other income (expense), net	0.3	0.2	(0.1)
Income before income taxes	16.1	12.4	15.4
Income tax expense.....	2.6	1.7	2.3
Net income	13.5%	10.7%	13.1%

Revenue

	Year Ended				Year Ended			
	January 25, 2015	January 26, 2014	\$ Change	% Change	January 26, 2014	January 27, 2013	\$ Change	% Change
	(In millions)				(In millions)			
GPU	\$3,838.9	\$3,468.1	\$370.8	11%	\$3,468.1	\$3,251.7	\$216.4	7 %
Tegra Processor.....	578.6	398.0	180.6	45%	398.0	764.4	(366.4)	(48)%
All Other	264.0	264.0	—	—%	264.0	264.0	—	— %
Total	<u>\$4,681.5</u>	<u>\$4,130.1</u>	<u>\$551.4</u>	<u>13%</u>	<u>\$4,130.1</u>	<u>\$4,280.1</u>	<u>\$(150.0)</u>	<u>(4)%</u>

Revenue was \$4.68 billion, \$4.13 billion and \$4.28 billion for fiscal years 2015, 2014 and 2013, respectively. A discussion of our revenue results for each of our reporting segments and the All Other category is as follows:

GPU Business. GPU business revenue increased by 11% in fiscal year 2015 compared to fiscal year 2014. This increase was due primarily to higher revenue from GeForce GTX GPUs and associated memory for gaming, reflecting a combination of continued strength in PC gaming and increased sales of our Maxwell-based GPU products. Revenue from Tesla for accelerated datacenter computing increased due to large project wins with cloud service providers and revenue from our NVIDIA GRID virtualization products also increased as this platform gained momentum. Revenue from GPU products for mainstream PC OEMs declined compared to last year.

GPU business revenue increased by 7% in fiscal year 2014 compared to fiscal year 2013. This increase was largely attributable to strength in our high-end GeForce GTX GPUs driven by gaming market segment demand. The GPU business also benefited from higher sales of Tesla accelerated datacenter computing and Quadro enterprise products in fiscal year 2014. Offsetting these growth areas were declines in the overall market for mainstream desktop PCs and notebooks, which contributed to lower unit volumes of our mainstream GeForce GPUs.

Tegra Processor Business. Tegra Processor business revenue increased by 45% in fiscal year 2015 compared to fiscal year 2014. This increase was driven by higher sales of Tegra products serving automotive infotainment systems, smartphones and tablet devices, and the onset of SHIELD tablet sales in fiscal year 2015.

Tegra Processor business revenue decreased by 48% in fiscal year 2014 compared to fiscal year 2013. This decrease was primarily due to lower sales of our previous generation Tegra 3-based products for smartphones and tablet devices. Additionally, sales of our embedded products for entertainment devices and revenue from license fees related to game consoles also decreased during fiscal year 2014. These decreases were partially offset by increased sales of Tegra 4-based products for smartphones and tablet devices, as well as for automotive infotainment systems.

All Other. License revenue from the patent cross licensing arrangement we entered into with Intel in January 2011 was flat at \$264.0 million for fiscal years 2015, 2014 and 2013.

Concentration of Revenue

Revenue from sales to customers outside of the United States and Other Americas accounted for 75% of total revenue for both fiscal years 2015 and 2014, and 74% of total revenue for fiscal year 2013. Revenue by geographic region is allocated to individual countries based on the location to which the products are initially billed even if the revenue is attributable to end customers in a different location.

Revenue from significant customers, those representing 10% or more of total revenue for the respective dates, is summarized as follows:

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
Revenue:			
Customer A	11%	11%	13%
Customer B	9%	10%	9%

Gross Profit and Gross Margin

Gross profit consists of total revenue, net of allowances, less cost of revenue. Cost of revenue consists primarily of the cost of semiconductors purchased from subcontractors, including wafer fabrication, assembly, testing and packaging, board and device costs, manufacturing support costs, including labor and overhead associated with such purchases, final test yield fallout, inventory and warranty provisions and shipping costs. Cost of revenue also includes development costs for license and service arrangements and stock-based compensation related to personnel associated with manufacturing.

Gross margin is the percentage of gross profit to revenue. Our gross margin can vary in any period depending on the mix of types of products sold. Our gross margin is significantly impacted by the mix of products we sell, which is often difficult to estimate with accuracy. Therefore, if we experience product transition challenges, if we achieve significant revenue growth in our lower margin product lines, or if we are unable to earn as much revenue as we expect from higher margin product lines, our gross margin may be negatively impacted.

Our overall gross margin was 55.5%, 54.9% and 52.0% for fiscal years 2015, 2014 and 2013, respectively. The increase over these fiscal years was driven primarily by a richer product mix in our GPU business, partially offset by lower Tegra business margins.

Charges to cost of sales for inventory provisions totaled \$59.4 million, \$50.1 million and \$89.9 million for fiscal years 2015, 2014 and 2013, unfavorably impacting our gross margin by 1.3%, 1.2% and 2.1%, respectively. Sales of inventory that was previously written-off or written-down totaled \$32.4 million, \$43.4 million and \$53.7 million for fiscal years 2015, 2014 and 2013, favorably impacting our gross margin by 0.7%, 1.1% and 1.3%, respectively. As a result, the overall net effect on our gross margin from inventory provisions and sales of items previously written down was an unfavorable impact of 0.6%, 0.1% and 0.8% in fiscal years 2015, 2014 and 2013, respectively.

A discussion of our gross margin results for each of our reporting segments is as follows:

GPU Business. The gross margin of our GPU business increased during fiscal year 2015 when compared to fiscal year 2014 due to richer product mix resulting from strong sales of high-end GeForce GTX GPU products based on our Maxwell architecture and the volume increase in our Tesla accelerated computing products. The increase in fiscal year 2014 when compared to fiscal year 2013 was primarily due to a combination of a richer product mix of our high-end GeForce GTX GPU, Tesla high performance computing, and Quadro professional workstation products. Lower inventory provisions for excess inventory in fiscal year 2014 also contributed to the increase.

Tegra Processor Business. The gross margin of our Tegra Processor business decreased during fiscal year 2015 when compared to fiscal year 2014, and during fiscal year 2014 when compared to fiscal year 2013. These decreases were driven primarily by a combination of an overall decline in margins of our Tegra products and a less rich mix between tablet products, which have had higher gross margins, and smartphone and automotive module products, which have had comparably lower gross margins.

Operating Expenses

	Year Ended				Year Ended			
	January 25, 2015	January 26, 2014	\$ Change	% Change	January 26, 2014	January 27, 2013	\$ Change	% Change
	(In millions)				(In millions)			
Research and development expenses	\$ 1,359.7	\$ 1,335.8	\$ 23.9	2%	\$ 1,335.8	\$ 1,147.3	\$ 188.5	16%
Sales, general and administrative expenses	480.8	435.7	45.1	10%	435.7	430.8	4.9	1%
Total operating expenses	<u>\$ 1,840.5</u>	<u>\$ 1,771.5</u>	<u>\$ 69.0</u>	4%	<u>\$ 1,771.5</u>	<u>\$ 1,578.1</u>	<u>\$ 193.4</u>	12%
Research and development as a percentage of net revenue	29.0%	32.3%			32.3%	26.8%		
Sales, general and administrative as a percentage of net revenue	10.3%	10.5%			10.5%	10.1%		

Research and Development

Research and development expenses remained relatively flat during fiscal year 2015 compared to fiscal year 2014. Compensation and benefits increased by \$56.5 million resulting from employee additions, employee compensation increases and related costs, including stock-based compensation expense. Offsetting this increase was a \$38.9 million decrease in engineering development expenses.

Research and development expenses increased by 16% in fiscal year 2014 compared to fiscal year 2013. Compensation and benefits increased by \$101.9 million resulting from employee additions, employee compensation increases and related costs. The growth in engineering employees also drove an increase in facilities and IT support expense of \$34.6 million, purchases of computer and software supplies of \$14.1 million and depreciation and amortization of \$11.0 million. In addition, engineering development expenses increased by \$23.2 million, primarily related to the ramp up of Tegra products.

Sales, General and Administrative

Sales, general and administrative expenses increased by 10% in fiscal year 2015 compared to fiscal year 2014. Compensation and benefits increased by \$53.7 million resulting from employee additions, employee compensation increases and related costs, including stock-based compensation expense. Facilities costs increased by \$10.3 million as we expanded our offices internationally and leased an office building within the boundaries of our main Santa Clara campus. Offsetting these increases were a decrease in outside professional fees of \$8.8 million as well as more favorable international taxes and government subsidies.

Sales, general and administrative expenses remained relatively flat during fiscal year 2014 compared to fiscal year 2013. Compensation and benefits increased by \$37.9 million resulting from employee additions, employee compensation increases and related costs. Offsetting this increase were the absence of both a \$20.1 million charge for a charitable contribution and a charge of \$3.1 million for a class action settlement that we recorded in fiscal year 2013.

Interest Income and Interest Expense

Interest income consists of interest earned on cash, cash equivalents and marketable securities. Interest expense is primarily comprised of coupon interest and debt discount amortization related to the convertible notes issued in the fourth quarter of fiscal year 2014.

Interest income was \$28.1 million, \$17.1 million and \$19.9 million in fiscal years 2015, 2014 and 2013, respectively. The increase in fiscal year 2015 compared to fiscal year 2014 was primarily due to higher average cash balances as we invested the proceeds from the convertible notes we issued in December 2013 in interest bearing securities. The decrease in fiscal year 2014 compared to fiscal year 2013 was primarily due to the result of lower average cash balances as we liquidated a portion of our investment portfolio to fund an accelerated share repurchase transaction during the second quarter of fiscal year 2014.

Interest expense was \$46.1 million, \$10.4 million and \$3.3 million in fiscal years 2015, 2014 and 2013, respectively. The increases in fiscal years 2015 and 2014 compared to fiscal years 2014 and 2013, respectively, were primarily due to coupon interest and debt discount amortization related to the convertible notes we issued in December 2013.

Other Income and Expense

Other income and expense primarily consists of realized gains and losses from the sale of marketable securities, sales or impairments of investments in non-affiliated companies, and the impact of changes in foreign currency rates.

Net other income (expense) was \$13.9 million, \$7.4 million and \$(2.8) million in fiscal years 2015, 2014 and 2013, respectively. The increase for fiscal year 2015 compared to fiscal year 2014 was primarily due to a gain from the sale of a non-affiliated investment, partially offset by the recognition of an impairment loss of a non-affiliated investment during the second quarter of fiscal year 2015 and losses from foreign currency remeasurement. The increase in other income for fiscal year 2014 compared to fiscal year 2013 was primarily due to an increase in gains from foreign currency remeasurements and a gain from the sale of a non-affiliated investment.

Income Taxes

We recognized income tax expense of \$124.2 million, \$70.3 million and \$99.5 million during fiscal years 2015, 2014 and 2013, respectively. Income tax expense as a percentage of income before taxes, or our annual effective tax rate, was 16.5%, 13.8%, and 15.0% in fiscal years 2015, 2014 and 2013, respectively. The difference in the effective tax rates amongst the three years was primarily due to an increase in the amount of earnings subject to United States tax in fiscal year 2015 and a higher percentage of research tax credit benefit in fiscal year 2014.

Our effective tax rate on income before tax for the fiscal years was lower than the United States federal statutory rate of 35% due to income earned in jurisdictions, including British Virgin Islands, Hong Kong, China, Taiwan and United Kingdom, where the tax rate is lower, favorable recognition of the U.S. federal research tax credit and release of tax reserves as a result of the expiration of statutes of limitations in certain non-U.S. jurisdictions for which we had not previously recognized related tax benefits.

Please refer to Note 13 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

Liquidity and Capital Resources

	January 25, 2015	January 26, 2014
	(In millions)	
Cash and cash equivalents.....	\$ 496.7	\$ 1,151.6
Marketable securities.....	4,126.7	3,520.2
Cash, cash equivalents, and marketable securities	<u>\$ 4,623.4</u>	<u>\$ 4,671.8</u>

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
	(In millions)		
Net cash provided by operating activities.....	\$ 905.7	\$ 835.1	\$ 824.2
Net cash (used in) investing activities	\$ (727.0)	\$ (805.9)	\$ (744.0)
Net cash (used in) provided by financing activities.....	\$ (833.5)	\$ 389.6	\$ (15.3)

As of January 25, 2015, we had \$4.62 billion in cash, cash equivalents and marketable securities, a decrease of \$48.5 million from the end of fiscal year 2014. Our portfolio of cash equivalents and marketable securities is managed on our behalf by several financial institutions which are required to follow our investment policy, which requires the purchase of high grade investment securities, the diversification of asset types and includes certain limits on our portfolio duration.

Cash provided by operating activities increased in fiscal year 2015 compared to fiscal year 2014 primarily due to higher net income from revenue growth and contained operating expenses, partially offset by an increase in inventories resulting from the introduction of newly launched Maxwell-based GPUs and certain Tegra SOCs and SHIELD devices, and an increase in accounts receivable. Cash provided by operating activities increased slightly in fiscal year 2014 compared to fiscal year 2013 primarily due to a decrease in operating assets offset by a decrease in net income. The decrease in operating assets was driven mainly by a combination of a decrease in accounts receivable, resulting from strong collections and linear monthly shipments in the fourth quarter of fiscal year 2014, and a decrease in inventories.

Cash used in investing activities for fiscal year 2015 decreased from fiscal year 2014 primarily due to lower purchases of property and equipment and intangible assets. Cash used in investing activities for fiscal year 2014 increased from fiscal year 2013 driven primarily by capital expenditures in fiscal year 2014 for new technology licenses and leasehold improvements at our facilities in various locations.

Cash used in financing activities in fiscal year 2015 resulted primarily from our repurchase of \$813.6 million of shares of our common stock and our cash dividend payments totaling \$186.5 million. These uses of cash were offset by cash proceeds of \$153.5 million from common stock issued under our employee stock plans. Cash provided by financing activities increased in fiscal year 2014 due primarily to the net proceeds of \$1.48 billion we received from the convertible note offering that was completed during the fourth quarter of fiscal year 2014, as well as cash proceeds of \$70.2 million from common stock issued under our employee stock plans. Concurrent with the convertible note offering, we used net proceeds of \$108.0 million to fund the related note hedge and warrant transactions. During fiscal year 2014, we also used \$887.3 million to repurchase shares of our common stock and paid \$181.3 million of cash dividends to shareholders.

Liquidity

Our primary source of liquidity is cash generated by our operations. Our investment portfolio consists principally of cash and cash equivalents, debt securities of corporations and United States government and its agencies, asset-backed securities, mortgage-backed securities issued by government-sponsored enterprises, money market funds and foreign

government bonds. These investments are denominated in United States dollars. As of January 25, 2015, we did not have any investments in auction-rate preferred securities.

Please refer to Note 7 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

As of January 25, 2015 and January 26, 2014, we had \$4.62 billion and \$4.67 billion, respectively, in cash, cash equivalents and marketable securities. Our investment policy requires the purchase of high grade investment securities and the diversification of asset types and includes certain limits on our portfolio duration, as specified in our investment policy guidelines. These guidelines also limit the amount of credit exposure to any one issue, issuer or type of instrument. As of January 25, 2015, we were in compliance with our investment policy. As of January 25, 2015, our investments in U.S. government agencies and U.S. government sponsored enterprises represented 35% of our total investment portfolio, while the financial sector accounted for 30% of our total investment portfolio. All of our investments are with A/A3 or better rated securities.

We performed an impairment review of our investment portfolio as of January 25, 2015. Based on our quarterly impairment review, we concluded that our investments were appropriately valued and did not record any impairment during fiscal year 2015.

Net realized gains were \$0.1 million, \$2.4 million and \$0.5 million for fiscal years 2015, 2014 and 2013, respectively. As of January 25, 2015, we had a net unrealized gain of \$8.4 million, which was comprised of gross unrealized gains of \$11.0 million, offset by \$2.6 million of gross unrealized losses. As of January 26, 2014, we had a net unrealized gain of \$4.8 million, which was comprised of gross unrealized gains of \$7.2 million, offset by \$2.4 million of gross unrealized losses.

Our accounts receivable are highly concentrated. Two customers accounted for 30% of our accounts receivable balance at January 25, 2015. We maintain an allowance for doubtful accounts for estimated losses resulting from the inability of our customers to make required payments. This allowance consists of an amount identified for specific customers and an amount based on overall estimated exposure.

Our cash balances are held in numerous locations throughout the world, including substantial amounts held outside of the United States. As of January 25, 2015, we had cash, cash equivalents and marketable securities of \$1.72 billion held within the United States and \$2.90 billion held outside of the United States. Most of the amounts held outside the United States may be repatriated to the United States but, under current law, would be subject to U.S. federal income taxes, less applicable foreign tax credits. Further, repatriation of some foreign balances may be restricted by local laws. As of January 25, 2015, we have not provided for U.S. federal and state income taxes on approximately \$2.27 billion of undistributed earnings of non-United States subsidiaries, as such earnings are considered indefinitely reinvested outside the United States. Although we have no current need to do so, if we repatriate foreign earnings for cash requirements in the United States, we would incur U.S. federal and state income tax, less applicable foreign tax credits, and reduced by the current amount of our U.S. federal and state net operating loss and tax credit carryforwards. Further, in addition to the \$1.72 billion of cash, cash equivalents and marketable securities held within the United States and available to fund our U.S. operations and any other U.S. cash needs, we have access to external sources of financing if cash is needed in the United States other than by repatriation of foreign earnings where U.S. income tax may otherwise be due. Accordingly, we do not reasonably expect any material effect on our business, as a whole, or to our financial flexibility with respect to our current cash balances held outside of the United States.

Dividend payments and any share repurchases must be made from cash held in the United States. For fiscal year 2015, we made total cash dividend payments of \$186.5 million and repurchased \$813.6 million of our common stock, utilizing a significant amount of our U.S. cash balance previously taxed as of January 25, 2015.

Convertible Notes

On December 2, 2013, we issued \$1.50 billion of 1.00% Convertible Senior Notes, or the Notes, due in 2018 and concurrently entered into separate note hedge and warrant transactions and used \$14.3 million to repurchase shares of our common stock from purchasers of the Notes in privately negotiated transactions. The Notes will mature on December 1, 2018 unless earlier repurchased or converted in accordance with their terms prior to such date. As of January 25, 2015, none of the conditions allowing holders of the Notes to convert had been met. Please refer to Note 11 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion.

Capital Return to Shareholders

Our Board of Directors has authorized us to repurchase up to \$3.70 billion of our common stock through January 2016. As of January 25, 2015, we had repurchased \$3,265.2 million of that amount, leaving up to \$434.8 million available under this authorization through January 2016. During fiscal year 2015, we repurchased 44.4 million shares of our common stock for \$813.6 million and paid \$186.5 million in cash dividends - equivalent to \$0.085 per share on a quarterly basis, or \$0.34 per share on an annual basis - to our common shareholders. As a result, we returned \$1.0 billion to shareholders during fiscal year 2015 in the form of share repurchases and dividend payments.

On November 6, 2014 we announced our intention to return approximately \$600.0 million to our shareholders in fiscal year 2016 through a combination of share repurchases and cash dividends. On February 11, 2015, we declared that we would pay our next quarterly cash dividend of \$0.085 per share on March 19, 2015, to all shareholders of record on February 26, 2015.

Our cash dividend program and the payment of future cash dividends under that program are subject to continued capital availability and our Board's continuing determination that the dividend program and the declaration of dividends thereunder are in the best interests of our shareholders and are in compliance with all laws and agreements of NVIDIA applicable to the declaration and payment of cash dividends. Please refer to Note 14 of the Notes to Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for further discussion.

Operating Capital and Capital Expenditure Requirements

We believe that our existing cash balances and anticipated cash flows from operations will be sufficient to meet our operating, acquisition, share repurchase, cash dividend and capital requirements for at least the next twelve months. However, there is no assurance that we will not need to raise additional equity or debt financing within this time frame. Additional financing may not be available on favorable terms or at all and may be dilutive to our then-current shareholders. We also may require additional capital for other purposes not presently contemplated. If we are unable to obtain sufficient capital, we could be required to curtail capital equipment purchases or research and development expenditures, which could harm our business. Factors that could affect our cash used or generated from operations and, as a result, our need to seek additional borrowings or capital include:

- decreased demand and market acceptance for our products and/or our customers' products;
- inability to successfully develop and produce in volume production our next-generation products;
- competitive pressures resulting in lower than expected average selling prices; and
- new product announcements or product introductions by our competitors.

We expect to spend approximately \$150.0 million to \$200.0 million for capital expenditures during fiscal year 2016, primarily for facilities, emulation equipment, computers and engineering workstations.

Contractual Obligations

The following table summarizes our contractual obligations as of January 25, 2015:

Contractual Obligations	Payment Due By Period					
	Total	Less than 1 Year	1-3 Years	4-5 Years	More than 5 Years	All Other
		(In thousands)				
1.00% Convertible Senior Notes due 2018 (1).....	\$ 1,560,000	\$ 15,000	\$ 30,000	\$ 1,515,000	\$ —	\$ —
Inventory purchase obligations.....	456,000	456,000	—	—	—	—
Operating leases (2)	241,311	76,741	100,312	36,781	27,477	—
Uncertain tax positions, interest and penalties (3).....	120,961	—	—	—	—	120,961
Capital purchase obligations.....	51,000	51,000	—	—	—	—
Capital lease.....	22,156	5,303	11,060	5,793	—	—
Retention program (4).....	3,521	3,521	—	—	—	—
Total contractual obligations.....	<u>\$ 2,454,949</u>	<u>\$ 607,565</u>	<u>\$ 141,372</u>	<u>\$ 1,557,574</u>	<u>\$ 27,477</u>	<u>\$ 120,961</u>

- (1) Represents the aggregate principal amount of \$1.50 billion and anticipated interest payments of \$60.0 million of the Notes. See Note 11 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K.
- (2) Includes facilities leases as well as non-cancelable obligations under certain software licensing arrangements in the operating lease category.
- (3) Represents unrecognized tax benefits of \$121.0 million which consists of \$106.6 million plus the related interest and penalties of \$14.4 million recorded in non-current income tax payable as of January 25, 2015. We are unable to reasonably estimate the timing of any potential tax liability or interest/penalty payments in individual years due to uncertainties in the underlying income tax positions and the timing of the effective settlement of such tax positions.
- (4) Represents the remaining portion of a retention program totaling approximately \$61.5 million that we initiated in fiscal year 2012 in connection with our acquisition of Icera. As of January 25, 2015, we have made payments of \$58.0 million in connection with this program. The remaining payments will be paid out within the next year.

Off-Balance Sheet Arrangements

During fiscal years 2015, 2014 and 2013, we had no material off-balance sheet arrangements as defined in Regulation S-K 303(a)(4)(ii).

Adoption of New and Recently Issued Accounting Pronouncements

Please see Note 1 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for a discussion of adoption of new and recently issued accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Investment and Interest Rate Risk

As of January 25, 2015 and January 26, 2014, we had \$4.62 billion and \$4.67 billion, respectively, in cash, cash equivalents and marketable securities. We invest in a variety of financial instruments, consisting principally of cash and cash equivalents, debt securities of corporations and United States government and its agencies, asset-backed securities, mortgage-backed securities issued by government-sponsored enterprises, money market funds and foreign government bonds. As of January 25, 2015, we did not have any investments in auction-rate preferred securities. All of our investments are denominated in United States dollars.

As of January 25, 2015, we performed a sensitivity analysis on our floating and fixed rate financial investments. According to our analysis, parallel shifts in the yield curve of both plus or minus 0.5% would result in changes in fair values for these investments of \$26 million - \$28 million. Please refer to Note 7 of the Notes to the Consolidated Financial Statements in Part IV, Item 15 of this Annual Report on Form 10-K for additional information.

Other income and expense could also vary materially from expectations depending on gains or losses realized on the sale or exchange of financial instruments; impairment charges related to debt securities as well as equity and other investments; interest rates; and cash, cash equivalent and marketable securities balances. Volatility in the financial markets and economic uncertainty increases the risk that the actual amounts realized in the future on our financial instruments could differ significantly from the fair values currently assigned to them. As of January 25, 2015, our investments in government agencies and government sponsored enterprises represented 35% of our total investment portfolio, while the financial sector accounted for 30% of our total investment portfolio. Substantially all of our investments are with A/A3 or better rated securities. If the fair value of our investments in these sectors was to decline by 2% - 5%, the fair values of these investments could decline by approximately \$57 million - \$144 million.

On December 2, 2013, we issued \$1.50 billion of 1.00 % Convertible Senior Notes due 2018, or the Notes. The Notes are unsecured, unsubordinated obligations of the Company, which pay interest in cash semi-annually at a rate of 1.00% per annum. We carry the Notes at face value less unamortized discount on our consolidated balance sheets. Since the Notes bear interest at a fixed rate, we have no financial statement risk associated with changes in interest rates. However, the fair value of the Notes changes primarily when the market price of our stock fluctuates.

Exchange Rate Risk

We consider our direct exposure to foreign exchange rate fluctuations to be minimal. Gains or losses from foreign currency remeasurement are included in "Other expense, net" in our Consolidated Financial Statements and to date have not been significant. The impact of foreign currency transaction gain (loss) included in determining net income for fiscal years 2015, 2014 and 2013 was \$0.5 million, \$4.7 million and \$(1.5) million, respectively.

Sales and arrangements with third-party manufacturers provide for pricing and payment in United States dollars, and, therefore, are not subject to exchange rate fluctuations. Increases in the value of the United States' dollar relative to other currencies would make our products more expensive, which could negatively impact our ability to compete. Conversely, decreases in the value of the United States' dollar relative to other currencies could result in our suppliers raising their prices in order to continue doing business with us. Additionally, we have international operations and incur expenditures in currencies other than U.S. dollars. Our operating expenses benefit from a stronger dollar and are adversely affected by a weaker dollar.

We may enter into certain transactions such as forward contracts which are designed to reduce the future potential impact resulting from changes in foreign currency exchange rates. There were no forward exchange contracts outstanding at January 25, 2015.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information required by this Item is set forth in our Consolidated Financial Statements and Notes thereto included in this Annual Report on Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Controls and Procedures

Disclosure Controls and Procedures

Based on their evaluation as of January 25, 2015, our management, including our Chief Executive Officer and Chief Financial Officer, has concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended, or the Exchange Act) were effective to provide reasonable assurance.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of January 25, 2015 based on the criteria set forth in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the criteria set forth in *Internal Control — Integrated Framework*, our management concluded that our internal control over financial reporting was effective as of January 25, 2015.

The effectiveness of our internal control over financial reporting as of January 25, 2015 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in its report which is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls, will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within NVIDIA have been detected.

ITEM 9B. OTHER INFORMATION

None.

PART III

Certain information required by Part III is omitted from this report because we will file with the SEC a definitive proxy statement pursuant to Regulation 14A, or the 2015 Proxy Statement, no later than 120 days after the fiscal year ended January 25, 2015, and certain information included therein is incorporated herein by reference.

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Identification of Directors

Reference is made to the information regarding directors appearing under the heading “Proposal 1 - Election of Directors” in our 2015 Proxy Statement, which information is hereby incorporated by reference.

Identification of Executive Officers

Reference is made to the information regarding executive officers appearing under the heading “Executive Officers of the Registrant” in Part I of this Annual Report on Form 10-K, which information is hereby incorporated by reference.

Identification of Audit Committee and Financial Experts

Reference is made to the information regarding directors appearing under the heading “Report of the Audit Committee of the Board of Directors” and “Information About the Board of Directors and Corporate Governance” in our 2015 Proxy Statement, which information is hereby incorporated by reference.

Material Changes to Procedures for Recommending Directors

Reference is made to the information regarding directors appearing under the heading “Information About the Board of Directors and Corporate Governance” in our 2015 Proxy Statement, which information is hereby incorporated by reference.

Compliance with Section 16(a) of the Exchange Act

Reference is made to the information appearing under the heading “Section 16(a) Beneficial Ownership Reporting Compliance” in our 2015 Proxy Statement, which information is hereby incorporated by reference.

Code of Conduct

Reference is made to the information appearing under the heading “Information About the Board of Directors and Corporate Governance - Code of Conduct” in our 2015 Proxy Statement, which information is hereby incorporated by reference. The full text of our “Code” and “Financial Team Code” are published on the Investor Relations portion of our web site, under Corporate Governance, at www.nvidia.com. The contents of our website are not a part of this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is hereby incorporated by reference from the sections entitled “Executive Compensation”, “Compensation Committee Interlocks and Insider Participation”, “Director Compensation” and “Compensation Committee Report” in our 2015 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Ownership of NVIDIA Securities

The information required by this item is hereby incorporated by reference from the section entitled “Security Ownership of Certain Beneficial Owners and Management” in our 2015 Proxy Statement.

Equity Compensation Plan Information

Information regarding our equity compensation plans, including both shareholder approved plans and non-shareholder approved plans, will be contained in our 2015 Proxy Statement under the caption ”Equity Compensation Plan Information,” and is hereby incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this item is hereby incorporated by reference from the sections entitled “Review of Transactions with Related Persons” and “Information About the Board of Directors and Corporate Governance - Independence of the Members of the Board of Directors” in our 2015 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this item is hereby incorporated by reference from the section entitled “Fees Billed by the Independent Registered Public Accounting Firm” in our 2015 Proxy Statement.

PART IV**ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULE**

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The exhibits listed in the accompanying index to exhibits are filed or incorporated by reference as a part of this Annual Report on Form 10-K.	92

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and Board of Directors of NVIDIA Corporation:

In our opinion, the accompanying consolidated financial statements listed in the index appearing under item 15(a)(1) present fairly, in all material respects, the financial position of NVIDIA Corporation and its subsidiaries at January 25, 2015 and January 26, 2014, and the results of their operations and their cash flows for each of the three years in the period ended January 25, 2015 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of January 25, 2015, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for these financial statements, and financial statement schedule, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company's internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
San Jose, California

March 11, 2015

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

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
Revenue	\$ 4,681,507	\$ 4,130,162	\$ 4,280,159
Cost of revenue.....	2,082,030	1,862,399	2,053,816
Gross profit	2,599,477	2,267,763	2,226,343
Operating expenses:			
Research and development.....	1,359,725	1,335,834	1,147,282
Sales, general and administrative.....	480,763	435,702	430,822
Total operating expenses.....	<u>1,840,488</u>	<u>1,771,536</u>	<u>1,578,104</u>
Income from operations.....	758,989	496,227	648,239
Interest income	28,090	17,119	19,908
Interest expense.....	46,133	10,443	3,294
Other income (expense), net	13,890	7,351	(2,814)
Income before income tax	754,836	510,254	662,039
Income tax expense.....	124,249	70,264	99,503
Net income.....	<u>\$ 630,587</u>	<u>\$ 439,990</u>	<u>\$ 562,536</u>
Net income per share:			
Basic.....	<u>\$ 1.14</u>	<u>\$ 0.75</u>	<u>\$ 0.91</u>
Diluted.....	<u>\$ 1.12</u>	<u>\$ 0.74</u>	<u>\$ 0.90</u>

Weighted average shares used in per share computation:

Basic.....	552,319	587,893	619,324
Diluted.....	<u>563,068</u>	<u>594,517</u>	<u>624,957</u>

Cash dividends declared and paid per common share

\$ 0.340 \$ 0.310 \$ 0.075

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
Net income	\$ 630,587	\$ 439,990	\$ 562,536
Other comprehensive income (loss), net of tax:			
Net change in unrealized gains (losses) on available-for-sale securities, net of taxes of \$(747), \$134 and \$(126) in fiscal years 2015, 2014 and 2013, respectively.....	3,061	(3,555)	(303)
Reclassification adjustments for net realized gains on available-for-sale securities included in net income, net of taxes of \$51, \$834 and \$178 in fiscal years 2015, 2014 and 2013, respectively	(94)	(1,549)	(330)
Other comprehensive income (loss).....	2,967	(5,104)	(633)
Total comprehensive income	<u>\$ 633,554</u>	<u>\$ 434,886</u>	<u>\$ 561,903</u>

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except per share data)

	January 25, 2015	January 26, 2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 496,654	\$ 1,151,587
Marketable securities	4,126,685	3,520,223
Accounts receivable, less allowances of \$16,982 as of January 25, 2015 and \$14,959 as of January 26, 2014	473,637	426,357
Inventories	482,893	387,765
Prepaid expenses and other current assets	70,174	70,285
Deferred income taxes	63,254	68,494
Total current assets	5,713,297	5,624,711
Property and equipment, net	557,282	582,740
Goodwill	618,179	643,179
Intangible assets, net	221,714	296,012
Other assets	90,896	104,252
Total assets	\$ 7,201,368	\$ 7,250,894
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 293,223	\$ 324,391
Accrued liabilities and other current liabilities	602,807	621,105
Total current liabilities	896,030	945,496
Long-term debt	1,384,342	1,356,375
Other long-term liabilities	488,928	475,125
Capital lease obligations, long-term	14,086	17,500
Commitments and contingencies - see Note 12	—	—
Shareholders' equity:		
Preferred stock, \$.001 par value; 2,000 shares authorized; none issued	—	—
Common stock, \$.001 par value; 2,000,000 shares authorized; 758,872 shares issued and 544,913 outstanding as of January 25, 2015; 735,242 shares issued and 567,997 outstanding as of January 26, 2014	754	732
Additional paid-in capital	3,855,092	3,483,342
Treasury stock, at cost (213,959 shares in 2015 and 167,246 shares in 2014)	(3,394,585)	(2,537,295)
Accumulated other comprehensive income	7,844	4,877
Retained earnings	3,948,877	3,504,742
Total shareholders' equity	4,417,982	4,456,398
Total liabilities and shareholders' equity	\$ 7,201,368	\$ 7,250,894

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands)

	Common Stock Outstanding		Additional Paid-in Capital	Treasury Stock	Accumulated Other Comprehensive Income	Retained Earnings	Total Shareholders' Equity
	Shares	Amount					
Balances, January 29, 2012	612,191	\$ 700	\$ 2,900,896	\$ (1,496,904)	\$ 10,614	\$ 2,730,418	\$ 4,145,724
Other comprehensive loss.....	—	—	—	—	(633)	—	(633)
Net income.....	—	—	—	—	—	562,536	562,536
Issuance of common stock from stock plans.....	14,801	20	90,721	—	—	—	90,741
Tax withholding related to vesting of restricted stock units	(1,836)	—	—	(25,805)	—	—	(25,805)
Share repurchase.....	(8,400)	—	—	(100,000)	—	—	(100,000)
Cash dividends declared and paid (\$0.075 per common share)	—	—	—	—	—	(46,866)	(46,866)
Tax benefit from stock-based compensation.....	—	—	64,905	—	—	—	64,905
Stock-based compensation	—	—	137,101	—	—	—	137,101
Balances, January 27, 2013	616,756	720	3,193,623	(1,622,709)	9,981	3,246,088	4,827,703
Other comprehensive loss.....	—	—	—	—	(5,104)	—	(5,104)
Net income.....	—	—	—	—	—	439,990	439,990
Issuance of common stock from stock plans	15,089	12	97,442	—	—	—	97,454
Tax withholding related to vesting of restricted stock units	(1,944)	—	—	(27,282)	—	—	(27,282)
Share repurchase.....	(61,904)	—	—	(887,304)	—	—	(887,304)
Discount on convertible notes ..	—	—	125,725	—	—	—	125,725
Purchase of convertible note hedges	—	—	(167,100)	—	—	—	(167,100)
Proceeds from the sale of common stock warrants	—	—	59,100	—	—	—	59,100
Deferred tax asset associated with convertible notes.....	—	—	14,481	—	—	—	14,481
Cash dividends declared and paid (\$0.310 per common share)	—	—	—	—	—	(181,336)	(181,336)
Tax benefit from stock-based compensation.....	—	—	23,827	—	—	—	23,827
Stock-based compensation	—	—	136,244	—	—	—	136,244
Balances, January 26, 2014	567,997	732	3,483,342	(2,537,295)	4,877	3,504,742	4,456,398
Other comprehensive income ...	—	—	—	—	2,967	—	2,967
Net income.....	—	—	—	—	—	630,587	630,587
Issuance of common stock from stock plans	23,629	22	197,140	(6)	—	—	197,156
Tax withholding related to vesting of restricted stock units	(2,326)	—	—	(43,684)	—	—	(43,684)
Share repurchase.....	(44,387)	—	—	(813,600)	—	—	(813,600)
Cash dividends declared and paid (\$0.340 per common share)	—	—	—	—	—	(186,452)	(186,452)
Tax benefit from stock-based compensation.....	—	—	16,625	—	—	—	16,625
Stock-based compensation	—	—	157,985	—	—	—	157,985
Balances, January 25, 2015	<u>544,913</u>	<u>\$ 754</u>	<u>\$ 3,855,092</u>	<u>\$ (3,394,585)</u>	<u>\$ 7,844</u>	<u>\$ 3,948,877</u>	<u>\$ 4,417,982</u>

See accompanying notes to the consolidated financial statements.

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

	Year Ended		
	<u>January 25, 2015</u>	<u>January 26, 2014</u>	<u>January 27, 2013</u>
Cash flows from operating activities:			
Net income	\$ 630,587	\$ 439,990	\$ 562,536
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	220,125	239,148	226,235
Stock-based compensation expense	157,841	136,295	136,662
Amortization of debt discount	27,967	4,600	—
Net gain on sale and disposal of long-lived assets and investments ...	(16,549)	(8,140)	—
Deferred income taxes.....	82,569	15,430	31,860
Tax benefit from stock-based compensation	(18,456)	(25,801)	(68,710)
Others	24,099	21,387	47,911
Changes in operating assets and liabilities, net of effects of acquisitions:			
Accounts receivable	(49,324)	28,852	(118,940)
Inventories	(94,984)	24,651	(78,949)
Prepaid expenses and other assets	4,427	11,552	(11,723)
Accounts payable	(26,895)	(20,382)	10,885
Accrued liabilities and other current liabilities	5,322	5,352	17,353
Other long-term liabilities	(41,073)	(37,788)	69,052
Net cash provided by operating activities	<u>905,656</u>	<u>835,146</u>	<u>824,172</u>
Cash flows from investing activities:			
Purchases of marketable securities.....	(2,861,809)	(3,065,404)	(2,378,445)
Proceeds from sales of marketable securities.....	1,371,982	1,926,817	854,993
Proceeds from maturities of marketable securities	864,798	585,150	962,417
Purchases of property and equipment and intangible assets	(122,381)	(255,186)	(183,309)
Proceeds from sale of long-lived assets and investments	20,862	24,781	—
Acquisition of businesses, net of cash and cash equivalents.....	—	(17,145)	—
Others	(500)	(4,950)	352
Net cash used in investing activities	<u>(727,048)</u>	<u>(805,937)</u>	<u>(743,992)</u>
Cash flows from financing activities:			
Proceeds from issuance of convertible notes, net	—	1,477,500	—
Purchase of convertible note hedges	—	(167,100)	—
Proceeds from the sale of common stock warrants	—	59,100	—
Proceeds from issuance of common stock under employee stock plans	153,472	70,170	64,935
Payments related to repurchases of common stock.....	(813,600)	(887,304)	(100,000)
Dividends paid.....	(186,452)	(181,336)	(46,866)
Tax benefit from stock-based compensation.....	18,456	25,801	68,710
Payments under capital lease obligations.....	(2,917)	(2,239)	(2,049)
Others	(2,500)	(5,000)	—
Net cash (used in) provided by financing activities.....	<u>(833,541)</u>	<u>389,592</u>	<u>(15,270)</u>
Change in cash and cash equivalents	(654,933)	418,801	64,910
Cash and cash equivalents at beginning of period	1,151,587	732,786	667,876
Cash and cash equivalents at end of period	<u>\$ 496,654</u>	<u>\$ 1,151,587</u>	<u>\$ 732,786</u>

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
<i>Supplemental disclosures of cash flow information:</i>			
Cash (received) paid for income taxes, net	\$ 14,470	\$ 14,615	\$ (38,608)
Cash paid for interest on capital lease obligations	\$ 17,208	\$ 2,518	\$ 2,772
<i>Non-cash investing and financing activities:</i>			
Change in unrealized gains (losses) from marketable securities	\$ 2,967	\$ (5,104)	\$ (633)
Assets acquired by assuming related liabilities.....	\$ 9,605	\$ 3,327	\$ 45,195
Goodwill adjustment related to previously acquired business.....	\$ (25,000)	\$ —	\$ —

See accompanying notes to the consolidated financial statements.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Organization and Summary of Significant Accounting Policies

Our Company

NVIDIA is dedicated to advancing visual computing. We enable individuals to interact with digital ideas, data and entertainment with an ease and efficiency unmatched by any other communication medium.

Our two reporting segments - GPU and Tegra Processor - are based on a single underlying graphics architecture.

Our GPU product brands aimed at specialized markets include GeForce for gamers; Quadro for designers; Tesla for researchers, deep learning and big-data analysts; and GRID for cloud-based visual computing users.

We also integrate our GPUs into tiny mobile chips called system-on-a-chip (SOC) processors, which power tablets, and automotive infotainment and safety systems. Our Tegra brand integrates an entire computer onto a single chip, incorporating GPUs and multi-core CPUs with audio, video and input/output capabilities. They can also be integrated with baseband processors to add voice and data communication. Tegra conserves power while delivering state-of-the-art graphics and multimedia processing.

Headquartered in Santa Clara, California, NVIDIA was incorporated in California in April 1993 and reincorporated in Delaware in April 1998.

All references to "NVIDIA," "we," "us," "our" or the "Company" mean NVIDIA Corporation and its subsidiaries, except where it is made clear that the term means only the parent company.

Fiscal Year

We operate on a 52- or a 53-week year, ending on the last Sunday in January. Fiscal years 2015, 2014 and 2013 were 52-week years.

Reclassifications

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

Principles of Consolidation

Our 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, or U.S. GAAP, 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 ongoing basis, we evaluate our estimates, including those related to revenue recognition, inventories, income taxes, goodwill, cash equivalents and marketable securities, stock-based compensation, and litigation, investigation and settlement costs and other contingencies. These estimates are based on historical facts and various other assumptions that we believe are reasonable.

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

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 of the related receivable 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. 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.

For sales to certain distributors with rights of return for which the level of returns cannot be reasonably estimated, our policy is to defer recognition of revenue and related cost of revenue until the distributors resell the product and, in some cases, when customer return rights lapse.

Our customer programs primarily involve rebates, which are designed to serve as sales incentives to resellers of our products in various target markets. We account for rebates as a reduction of revenue and 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. Unclaimed rebates are reversed to revenue.

Our customer programs also include marketing development funds, or MDFs. MDFs represent monies paid to retailers, system builders, original equipment manufacturers, or OEMs, distributors, add-in card partners and other channel partners that are earmarked for market segment development and expansion and typically are designed to support our partners' activities while also promoting NVIDIA products. We account for MDFs as a reduction of revenue and apply a breakage factor to certain types of MDF programs.

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 the related revenue over the period that services are performed. For most 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. 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.

For license arrangements that do not require significant customization but where we are obligated to provide further deliverables over the term of the license agreement, we record revenue over the life of the license term, with consideration received in advance of the performance period classified as deferred revenue.

Royalty revenue is recognized related to the distribution or sale of products that use our technologies under license agreements with third parties. We recognize royalty revenue upon receipt of a confirmation of earned royalties and when collectability is reasonably assured from the applicable licensee.

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

Research and Development Expense

Research and development expense includes the conceptual formulation, design, and testing of product alternatives, construction of prototypes, and operation of pilot plants. Research and development costs are charged to expense as incurred.

Advertising Expenses

We expense advertising costs in the period in which they are incurred. Advertising expenses for fiscal years 2015, 2014 and 2013 were \$14.6 million, \$13.1 million and \$9.2 million, respectively.

Rent Expense

We recognize rent expense on a straight-line basis over the lease period and accrue for rent expense incurred, but not paid.

Product Warranties

We generally offer limited warranty to end-users that ranges from one to three years for products in order to repair or replace products for any manufacturing defects or hardware component failures. 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. We also accrue for known warranty and indemnification issues if a loss is probable and can be reasonably estimated.

Stock-based Compensation

We estimate the fair value of employee stock options on the date of grant using a binomial model and recognize the expense using a straight-line attribution method over the requisite employee service period. We use the closing trading price of our common stock on the date of grant, minus a dividend yield discount, as the fair value of awards of restricted stock units, or RSUs, and performance stock units, or PSUs. The compensation expense for the RSUs is recognized using a straight-line attribution method over the requisite employee service period while compensation expense for PSUs is recognized using an accelerated amortization model. We estimate the fair value of shares to be issued under our employee stock purchase plan, or ESPP, using the Black-Scholes model at the commencement of an offering period in March and September of each year. Stock-based compensation for our ESPP is expensed using an accelerated amortization model.

Litigation, Investigation and Settlement Costs

From time to time, we are involved in legal actions and/or investigations by regulatory bodies. We are aggressively defending our current litigation matters. However, there are many uncertainties associated with any litigation or investigation, and we cannot be certain that these actions or other third-party claims against us will be resolved without litigation, fines and/or substantial settlement payments. If that occurs, our business, financial condition and results of operations could be materially and adversely affected. If information becomes available that causes us to determine that a loss in any of our pending litigation, investigations or settlements is probable, and we can reasonably estimate the loss associated with such events, we will record the loss in accordance with U.S. GAAP. However, the actual liability in any such litigation or investigation may be materially different from our estimates, which could require us to record additional costs.

Foreign Currency Remeasurement

We use the United States dollar as our functional currency for all of our subsidiaries. Foreign currency monetary assets and liabilities are remeasured into United States dollars at end-of-period exchange rates. Non-monetary assets and liabilities such as property and equipment, and equity are remeasured at historical exchange rates. Revenue and expenses are remeasured at average exchange rates in effect during each period, except for those expenses related to the previously noted

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

balance sheet amounts, which are remeasured at historical exchange rates. Gains or losses from foreign currency remeasurement are included in “Other income (expense), net” in our Consolidated Statements of Income and to date have not been significant.

The impact of gain or loss from foreign currency remeasurement included in determining other income (expense), net for fiscal years 2015, 2014 and 2013 was \$0.5 million, \$4.7 million and \$(1.5) million, respectively.

Income Taxes

We recognize federal, state and foreign current tax liabilities or assets based on our estimate of taxes payable or refundable in the current fiscal year by tax jurisdiction. We recognize federal, state and foreign deferred tax assets or liabilities, as appropriate, for our estimate of future tax effects attributable to temporary differences and carryforwards; and we record a valuation allowance to reduce any deferred tax assets by the amount of any tax benefits that, based on available evidence and judgment, are not expected to be realized.

United States income tax has not been provided on a portion of earnings of our non-U.S. subsidiaries to the extent that such earnings are considered to be indefinitely reinvested.

Our calculation of current and deferred tax assets and liabilities is based on certain estimates and judgments and involves dealing with uncertainties in the application of complex tax laws. Our estimates of current and deferred tax assets and liabilities may change based, in part, on added certainty or finality to an anticipated outcome, changes in accounting standards or tax laws in the United States, or foreign jurisdictions where we operate, or changes in other facts or circumstances. In addition, we recognize liabilities for potential United States and foreign income tax contingencies based on our estimate of whether, and the extent to which, additional taxes may be due. If we determine that payment of these amounts is unnecessary or if the recorded tax liability is less than our current assessment, we may be required to recognize an income tax benefit or additional income tax expense in our financial statements accordingly.

As of January 25, 2015, we had a valuation allowance of \$261.0 million related to state and certain foreign deferred tax assets that management determined are not likely to be realized due, in part, to projections of future taxable income and potential utilization limitations of tax attributes acquired as a result of stock ownership changes. To the extent realization of the deferred tax assets becomes more-likely-than-not, we would recognize such deferred tax asset as an income tax benefit during the period.

Our deferred tax assets do not include the excess tax benefit related to stock-based compensation that are a component of our federal and state net operating loss and research tax credit carryforwards in the amount of \$411.9 million as of January 25, 2015. Consistent with prior years, the excess tax benefit reflected in our net operating loss and research tax credit carryforwards will be accounted for as a credit to shareholders' equity, if and when realized. In determining if and when excess tax benefits have been realized, we have elected to utilize the with-and-without approach with respect to such excess tax benefits. We have also elected to ignore the indirect tax effects of stock-based compensation deductions for financial and accounting reporting purposes, and specifically to recognize the full effect of the research tax credit in income from operations.

We recognize the benefit from a tax position only if it is more-likely-than-not that the position would be sustained upon audit based solely on the technical merits of the tax position. Our policy is to include interest and penalties related to unrecognized tax benefits as a component of income tax expense. Please refer to Note 13 of these Notes to the Consolidated Financial Statements for additional information.

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income (loss). Other comprehensive income (loss) components include unrealized gains (losses) on available-for-sale securities, net of tax.

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Net Income Per Share

Basic net income per share is computed using the weighted average number of common shares outstanding during the period. Diluted net income per share is computed using the weighted average number of common and potentially dilutive shares outstanding during the period, using the treasury stock method. Under the treasury stock method, the effect of stock options outstanding is not included in the computation of diluted net income per share for periods when their effect is anti-dilutive. Additionally, we issued convertible notes with a net settlement feature that requires us, upon conversion, to settle the principal amount of debt for cash and the conversion premium for cash or shares of our common stock. Our convertible notes, note hedges, and related warrants contain various conversion features, which are further described in Note 11 of these Notes to the Consolidated Financial Statements. The potentially dilutive shares resulting from the convertible notes and warrants under the treasury stock method will be included in the calculation of diluted income per share when their inclusion is dilutive. However, unless actually exercised, the note hedges will not be included in the calculation of diluted net income per share, as their pre-exercised effect would be anti-dilutive under the treasury stock method.

Cash and Cash Equivalents

We consider all highly liquid investments that are readily convertible into cash and have an original maturity of three months or less at the time of purchase to be cash equivalents. As of January 25, 2015 and January 26, 2014, our cash and cash equivalents were \$496.7 million and \$1,151.6 million, respectively, which include \$132.5 million and \$307.9 million invested in money market funds for fiscal year 2015 and fiscal year 2014, respectively.

Marketable Securities

Marketable securities consist primarily of highly liquid investments with maturities of greater than three months when purchased. We generally classify our marketable securities at the date of acquisition as available-for-sale. These securities are reported at fair value with the related unrealized gains and losses included in accumulated other comprehensive income, a component of shareholders' equity, net of tax. The fair value of interest-bearing securities includes accrued interest. Any unrealized losses which are considered to be other-than-temporary impairments are recorded in the other income and expense section of our consolidated statements of income. Realized gains and losses on the sale of marketable securities are determined using the specific-identification method and recorded in the other income and expense section of our consolidated statements of income.

All of our available-for-sale investments are subject to a periodic impairment review. We record a charge to earnings when a decline in fair value is significantly below cost basis and judged to be other-than-temporary, or have other indicators of impairments. If the fair value of an available-for-sale debt instrument is less than its amortized cost basis, an other-than-temporary impairment is triggered in circumstances where (1) we intend to sell the instrument, (2) it is more likely than not that we will be required to sell the instrument before recovery of its amortized cost basis, or (3) a credit loss exists where we do not expect to recover the entire amortized cost basis of the instrument. In these situations, we recognize an other-than-temporary impairment in earnings equal to the entire difference between the debt instruments' amortized cost basis and its fair value. For available-for-sale debt instruments that are considered other-than-temporarily impaired due to the existence of a credit loss, if we do not intend to sell and it is not more likely than not that we will not be required to sell the instrument before recovery of its remaining amortized cost basis (amortized cost basis less any current-period credit loss), we separate the amount of the impairment into the amount that is credit related and the amount due to all other factors. The credit loss component is recognized in earnings while loss related to all other factors is recorded as other comprehensive income.

Fair Value of Financial Instruments

The carrying value of cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to their relatively short maturities as of January 25, 2015 and January 26, 2014. Marketable securities are comprised of available-for-sale securities that are reported at fair value with the related unrealized gains and losses included

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in accumulated other comprehensive income, a component of shareholders' equity, net of tax. Fair value of the marketable securities is determined based on quoted market prices.

Concentration of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash equivalents, marketable securities, accounts receivable and the note hedge. Our investment policy requires the purchase of high grade investment securities, the diversification of asset type and includes certain limits on our portfolio duration. All marketable securities are held in our name, managed by several investment managers and held by one major financial institution under a custodial arrangement. Accounts receivable from significant customers, those representing 10% or more of total accounts receivable, aggregated approximately 30% of our accounts receivable balance from two customers at January 25, 2015 and approximately 23% of our accounts receivable balance from one customer at January 26, 2014. We perform ongoing credit evaluations of our customers' financial condition and maintain an allowance for potential credit losses. This allowance consists of an amount identified for specific customers and an amount based on overall estimated exposure. Our overall estimated exposure excludes amounts covered by credit insurance and letters of credit.

Accounts Receivable

We maintain an allowance for doubtful accounts receivable for estimated losses resulting from the inability of our customers to make required payments. We determine this allowance, which consists of an amount identified for specific customer issues as well as an amount based on overall estimated exposure. Factors impacting the allowance include the level of gross receivables, the financial condition of our customers and the extent to which balances are covered by credit insurance or letters of credit.

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, and shipping costs, as well as the cost of purchased memory products and other component parts. We charge cost of sales for inventory provisions to write down our inventory to the lower of cost or estimated market value or to completely write off obsolete or excess inventory. Most of our inventory provisions relate to the write-off of excess quantities of products, based on our inventory levels and future product purchase commitments compared to assumptions about future demand and market conditions. Once inventory has been written-off or written-down, it creates a new cost basis for the inventory that is not subsequently written-up.

Property and Equipment

Property and equipment are stated at cost. Depreciation of property and equipment is computed using the straight-line method based on the estimated useful lives of the assets, generally three to five years. Once an asset is identified for retirement or disposition, the related cost and accumulated depreciation or amortization are removed, and a gain or loss is recorded. The estimated useful lives of our buildings are up to twenty five years. Depreciation expense includes the amortization of assets recorded under capital leases. Leasehold improvements and assets recorded under capital leases are amortized over the shorter of the expected lease term or the estimated useful life of the asset.

Goodwill

Goodwill is subject to our annual impairment test during the fourth quarter of our fiscal year, or earlier if indicators of potential impairment exist. For the purposes of completing our impairment test, we perform either a qualitative or a quantitative analysis on a reporting unit basis.

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For those reporting units where a significant change or event has occurred, where potential impairment indicators exist, or for which we have not performed a quantitative assessment recently, we utilize a two-step quantitative assessment to testing goodwill for impairment. The first step tests for possible impairment by applying a fair value-based test by weighing the results from the income approach and the market approach. The second step, if necessary, measures the amount of such impairment by applying fair value-based tests to individual assets and liabilities. Please refer to Note 5 of these Notes to the Consolidated Financial Statements for additional information.

Intangible Assets

Intangible assets primarily represent rights acquired under technology licenses, patents, acquired intellectual property, trademarks and customer relationships and are subject to an annual impairment test. We currently amortize our intangible assets with definitive lives over periods ranging from one to ten years using a method that reflects the pattern in which the economic benefits of the intangible asset are consumed or otherwise used up or, if that pattern cannot be reliably determined, using a straight-line amortization method.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment and intangible assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset, or asset group may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset, or asset group to estimated undiscounted future cash flows expected to be generated by the asset, or asset group. If the carrying amount of an asset or asset group exceeds its estimated future cash flows, an impairment charge is recognized for the amount by which the carrying amount of the asset or asset group exceeds the estimated fair value of the asset or asset group. Fair value is determined based on the estimated discounted future cash flows expected to be generated by the asset or asset group. Assets and liabilities to be disposed of would be separately presented in the consolidated balance sheet and the assets would be reported at the lower of the carrying amount or fair value less costs to sell, and would no longer be depreciated.

Accounting for Asset Retirement Obligations

We account for asset retirement obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The accounting guidance applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and/or normal use of the assets and requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The fair value of the liability is added to the carrying amount of the associated asset and this additional carrying amount is depreciated over the life of the asset. As of January 25, 2015 and January 26, 2014, our asset retirement obligations to return the leasehold improvements at our headquarters facility and certain laboratories at our domestic and international facilities to their original condition upon lease termination were \$7.4 million and \$11.1 million, respectively.

Adoption of New and Recently Issued Accounting Pronouncements

In May 2014, the FASB issued a new accounting standard update that creates a single source of revenue guidance under U.S. GAAP for all companies, in all industries. Under the new standard, recognition of revenue occurs when a customer obtains control of promised goods or services in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In addition, the new guidance requires that reporting companies disclose the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers, including significant judgments and estimates used. This new guidance is effective for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early adoption is not permitted. We will adopt this guidance either by using a full retrospective approach for all periods presented in the period of adoption or a modified

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retrospective approach. We are currently evaluating the impact of this accounting guidance on our consolidated financial statements and have not yet determined which transition method we will apply.

Note 2 - Stock-Based Compensation

Our stock-based compensation expense is associated with stock options, RSUs, PSUs and our ESPP.

Our consolidated statements of income include stock-based compensation expense, net of amounts capitalized as inventory, as follows:

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
	(In thousands)		
Cost of revenue	\$ 12,022	\$ 10,688	\$ 10,490
Research and development	88,355	82,940	82,157
Sales, general and administrative	57,464	42,667	44,015
Total	<u>\$ 157,841</u>	<u>\$ 136,295</u>	<u>\$ 136,662</u>

Stock-based compensation capitalized in inventories resulted in a net charge of \$0.1 million, \$0.1 million and \$0.4 million in cost of revenue during the fiscal years 2015, 2014 and 2013, respectively.

The following is a summary of equity awards granted under our equity incentive plans:

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
	(In thousands, except per share data)		
Stock Options			
Awards granted	86	6,149	7,119
Estimated total grant-date fair value	\$ 345	\$ 21,310	\$ 38,326
Weighted average grant-date fair value (per share).....	\$ 4.02	\$ 3.47	\$ 5.38
RSUs and PSUs			
Awards granted	12,912	10,757	8,136
Estimated total grant-date fair value	\$ 228,223	\$ 144,798	\$ 112,795
Weighted average grant-date fair value (per share).....	\$ 17.68	\$ 13.46	\$ 13.86
ESPP			
Shares purchased.....	6,672	6,124	5,463
Weighted average price (per share).....	\$ 10.99	\$ 10.79	\$ 10.83
Weighted average grant-date fair value (per share).....	\$ 4.99	\$ 5.60	\$ 5.16

During fiscal year 2015, we shifted away from granting stock options and toward granting RSUs and PSUs to reflect changing market trends for equity incentives at our peer companies. The number of PSUs that will ultimately vest is contingent on the Company's level of achievement versus the corporate financial performance target established by our

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Compensation Committee in the beginning of each fiscal year. The number of shares of our stock to be received at vesting typically ranges from 0% to 200% of the target amount.

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 for fiscal years 2015, 2014 and 2013 was \$36.6 million, \$29.7 million and \$27.1 million, respectively.

	January 25, 2015	January 26, 2014
	(In thousands)	
Aggregated unearned stock-based compensation expense	\$ 291,416	\$ 256,500
Estimated weighted average amortization period		
Stock Options	1.8	2.5
RSUs and PSUs	2.8	2.7
ESPP	0.5	0.6

Valuation Assumptions

We use the closing trading price of our common stock on the date of grant, minus a dividend yield discount, as the fair value of awards of RSUs and PSUs. Compensation expense for RSUs is recognized using a straight-line attribution method over the requisite employee service period, while compensation expense for PSUs is recognized using an accelerated amortization model.

We estimate the fair value of employee stock options on the date of grant using a binomial model and recognize the expense using a straight-line attribution method over the requisite employee service period.

We estimate the fair value of shares to be issued under our ESPP using the Black-Scholes model at the commencement of an offering period in March and September of each year. Stock-based compensation for our ESPP is expensed using an accelerated amortization model.

The fair value of stock options granted under our stock option plans and shares issued under our ESPP have been estimated with the following assumptions:

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
(Using a binomial model)			
Stock Options			
Weighted average expected life (in years)	2.5-3.2	2.4-3.5	3.1-4.9
Risk-free interest rate	2.5%-2.8%	1.8%-3.0%	1.5%-2.3%
Volatility	31%	28%-37%	39%-49%
Dividend yield	1.8%-1.9%	1.9%-2.4%	2.4%

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	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
(Using the Black-Scholes model)			
ESPP			
Weighted average expected life (in years).....	0.5-2.0	0.5-2.0	0.5-2.0
Risk-free interest rate.....	0.1%-0.5%	0.1%-0.4%	0.1%-0.3%
Volatility	23%-31%	32%-37%	44%-47%
Dividend yield	1.7%-1.9%	2.0%-2.4%	—

The expected life of employee stock options is a derived output of our valuation model and is impacted by the underlying assumptions of our company. For ESPP shares, the expected term represents the average term from the first day of the offering period to the purchase date.

The risk-free interest rate assumption used to value stock options and ESPP is based upon observed interest rates on Treasury bills appropriate for the expected term of the award.

Our expected stock price volatility assumption for stock options and ESPP is estimated using implied volatility.

For awards granted on or subsequent to November 8, 2012, we use a dividend yield at grant date, based on the per share dividends declared during the most recent quarter. Our RSU and PSU awards are not eligible for cash dividends prior to vesting; therefore, the fair value of RSUs and PSUs is discounted by the dividend yield.

Additionally, for employee stock options and RSU and PSU awards, we estimate forfeitures annually and revise the estimates of forfeiture in subsequent periods if actual forfeitures differ from those estimates. Forfeitures are estimated based on historical experience.

Equity Incentive Program

We grant stock options, RSUs, PSUs, and stock purchase rights under the following equity incentive plans.

Amended and Restated 2007 Equity Incentive Plan

In 2007, our shareholders approved the NVIDIA Corporation 2007 Equity Incentive Plan, or the 2007 Plan. The 2007 Plan was amended and restated in 2012, 2013 and 2014, or the Restated 2007 Plan.

The Restated 2007 Plan authorizes the issuance of incentive stock options, non-statutory stock options, restricted stock, restricted stock unit, stock appreciation rights, performance stock awards, performance cash awards, and other stock-based awards to employees, directors and consultants. Only our employees may receive incentive stock options. With the 2014 amendment and restatement of the 2007 Plan, which increased the number of shares of common stock authorized for issuance under the 2007 Plan by 10,000,000 shares, up to 187,767,766 shares of our common stock may be issued pursuant to stock awards granted under the Restated 2007 Plan. Currently, we grant stock options, RSUs and PSUs under the Restated 2007 Plan, under which, as of January 25, 2015, there were 24,501,781 shares available for future issuance.

Stock options granted to employees, subject to certain exceptions, vest over a four year period, subject to continued service, with 25% vesting on the anniversary of the hire date in the case of new hires or the anniversary of the date of grant in the case of grants to existing employees and 6.25% vesting at the end of each quarterly period thereafter. Options granted under the 2007 Plan generally expire ten years from the date of grant.

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Subject to certain exceptions, RSUs granted to employees vest over a four year period, subject to continued service, with 25% vesting on a pre-determined date that is close to the anniversary of the date of grant and 12.5% vesting semi-annually thereafter until fully vested.

PSUs granted to employees vest on a similar schedule, although the number of shares subject to PSUs that are eligible to vest is generally determined by the Compensation Committee based on achievement of pre-determined criteria.

Unless terminated sooner, the Restated 2007 Plan is scheduled to terminate on March 21, 2022. Our Board may suspend or terminate the Restated 2007 Plan at any time. No awards may be granted under the Restated 2007 Plan while the Restated 2007 Plan is suspended or after it is terminated. The Board may also amend the Restated 2007 Plan at any time. However, if legal, regulatory or listing requirements require shareholder approval, the amendment will not go into effect until the shareholders have approved the amendment.

PortalPlayer, Inc. 1999 Stock Option Plan

We assumed options issued under the PortalPlayer, Inc. 1999 Stock Option Plan, or the 1999 Plan, when we completed our acquisition of PortalPlayer on January 5, 2007. As of January 25, 2015, there were no outstanding options to purchase NVIDIA common stock under the 1999 Plan and we do not intend to grant future stock awards under the 1999 Plan as the plan expired on July 28, 2014.

1998 and 2012 Employee Stock Purchase Plans

In February 1998, our Board approved the 1998 Employee Stock Purchase Plan, or the 1998 Plan. At the Annual Meeting of Shareholders held on May 17, 2012, our shareholders approved the 2012 Employee Stock Purchase Plan, or the 2012 Plan, as the successor to the 1998 Plan. At the Annual Meeting of Shareholders held on May 23, 2014, our shareholders approved an amendment and restatement of the 2012 Plan, or the Restated 2012 Plan.

Prior to the effective date of the 2012 Plan, we had authorized a total of 78,000,000 shares for issuance under the 1998 Plan, 54,567,667 shares of which had been issued, 15,000,000 shares of which were reserved for issuance pursuant to outstanding purchase rights and 8,432,333 shares of which were available for future issuance. Upon its approval by our shareholders in 2012, the maximum aggregate number of shares that could be issued under the 2012 Plan would not exceed 55,432,333 shares.

Effective upon the August 31, 2012 purchase date pursuant to the 1998 Plan, of the 15,000,000 shares which had been reserved for issuance pursuant to outstanding purchase rights, 2,687,698 shares were issued pursuant to outstanding purchase rights, 183,000 shares were available but reserved for future issuance, and the remaining 12,129,302 shares were moved into the share reserve of the 2012 Plan. Effective upon the final February 28, 2013 purchase date pursuant to the 1998 Plan, 8,819 shares were issued pursuant to outstanding purchase rights, and the remaining 174,181 shares were moved into the share reserve of the 2012 Plan. With the 2014 amendment and restatement of the 2012 Plan, which increased the share reserve of the Restated 2012 Plan by 12,500,000 shares, up to 65,235,816 shares of our common stock may be issued pursuant to purchases under the Restated 2012 Plan. At January 25, 2015, we had issued 12,787,748 shares and reserved 52,448,068 shares for future issuance under the Restated 2012 Plan.

The Restated 2012 Plan is intended to qualify as an “employee stock purchase plan” under Section 423 of the Internal Revenue Code. Under the current offerings adopted pursuant to the Restated 2012 Plan, each offering period is 24 months, which is divided into four purchase periods of six months.

Employees are eligible to participate if they are employed by us or an affiliate of us as designated by the Board. Employees who participate in an offering may have up to 10% of their earnings withheld up to certain limitations and applied on specified dates determined by the Board to the purchase of shares of common stock. The Board may increase

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this percentage at its discretion, up to 15%. The price of common stock purchased under our ESPP will be equal to 85% of the lower of the fair market value of the common stock on the commencement date of each offering period and the purchase date of each offering period. Employees may end their participation in the ESPP at any time during the offering period, and participation ends automatically on termination of employment with us. In each case, the employee's contributions are refunded.

The following is a summary of our equity award transactions under our equity incentive plans:

	Options Outstanding				RSUs and PSUs Outstanding		
	Number of Shares	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life	Aggregate Intrinsic Value (1)	Number of Shares	Weighted Average Grant-Date Fair Value	
						(In thousands, except years and per share data)	
Balances, January 26, 2014.....	32,504	\$ 14.22			18,852	\$ 13.82	
Granted (2).....	86	\$ 18.75			12,912	\$ 17.68	
Exercised	(9,795)	\$ 12.64			—	—	
Vested restricted stock.....	—	—			(7,163)	\$ 13.78	
Canceled and forfeited.....	(1,450)	\$ 19.27			(1,326)	\$ 14.44	
Balances, January 25, 2015.....	<u>21,345</u>	\$ 14.61	5.9	\$ 130,923	<u>23,275</u>	\$ 15.94	
Exercisable at January 25, 2015	<u>15,120</u>	\$ 14.70	5.1	\$ 91,434			
Vested and expected to vest after January 25, 2015	<u>20,356</u>	\$ 14.62	5.8	\$ 124,575	<u>18,988</u>	\$ 15.96	

- (1) The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value for in-the-money options at January 25, 2015, based on the \$20.71 closing stock price of our common stock on the NASDAQ Global Select Market on January 23, 2015, the last trading day of fiscal year 2015, which would have been received by the option holders had all in-the-money option holders exercised their options as of that date. The total number of in-the-money options outstanding and exercisable as of January 25, 2015 was 21.1 million shares and 14.9 million shares, respectively.
- (2) Includes the total number of PSUs issuable if the maximum corporate financial performance target level for fiscal year 2015 is achieved. Depending on the actual level of achievement of the corporate performance target at the end of fiscal year 2015, the range of PSUs issued could be from 1.3 million to 2.5 million shares. The PSUs were granted during the first quarter of fiscal year 2015 to our CEO and senior management as approved by our Compensation Committee.

As of January 25, 2015 and January 26, 2014, there were 24.5 million and 24.7 million shares of common stock reserved for future issuance under our equity incentive plans.

The total intrinsic value of options exercised was \$61.9 million, \$14.4 million and \$21.1 million for fiscal years 2015, 2014 and 2013, respectively. Upon exercise of an option, we issue new shares of stock. The total fair value of options vested was \$32.6 million, \$34.6 million and \$40.3 million for fiscal years 2015, 2014 and 2013, respectively.

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Note 3 - Net Income Per Share

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

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
(In thousands, except per share data)			
Numerator:			
Net income.....	\$ 630,587	\$ 439,990	\$ 562,536
Denominator:			
Denominator for basic net income per share, weighted average shares	552,319	587,893	619,324
Effect of dilutive securities:			
Stock awards outstanding	10,749	6,624	5,633
Denominator for diluted net income per share, weighted average shares	<u>563,068</u>	<u>594,517</u>	<u>624,957</u>
Net income per share:			
Basic	\$ 1.14	\$ 0.75	\$ 0.91
Diluted	\$ 1.12	\$ 0.74	\$ 0.90
Potentially dilutive securities excluded from income per diluted share because their effect would have been anti-dilutive.....	11,807	25,630	26,784

The denominator for diluted net income per share for fiscal years 2015 and 2014 does not include any effect from the 1.00 % Convertible Senior Notes due 2018, or the Notes. In accordance with ASC 260, *Earnings per Share*, commencing after the fiscal quarter ending on April 27, 2014, the Notes will not impact the denominator for diluted net income per share unless the average price of our common stock, as calculated under the terms of the Notes, exceeds the conversion price of \$20.16 per share. Likewise, the denominator for diluted net income per share will not include any effect from the warrants unless the average price of our common stock, as calculated under the terms of the warrants, exceeds \$27.14 per share.

The denominator for diluted net income per share for fiscal years 2015 and 2014 also does not include any effect from the convertible note hedge transaction, or the Note Hedges. In future periods, the denominator for diluted net income per share will exclude any effect of the Note Hedges, as their effect would be anti-dilutive. In the event an actual conversion of any or all of the Notes occurs, the shares that would be delivered to us under the Note Hedges are designed to neutralize the dilutive effect of the shares that we would issue under the Notes. Please refer to Note 11 of these Notes to the Consolidated Financial Statements for discussion regarding the Notes.

Note 4 - 3dfx

During fiscal year 2002, we completed the purchase of certain assets from 3dfx Interactive, Inc., or 3dfx, for an aggregate purchase price of \$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

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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 \$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 20, 2010, the District Court issued an Order affirming the Bankruptcy Court's entry of summary judgment in NVIDIA's favor, and on January 19, 2011, the Trustee filed a Notice of Appeal to the United States Court of Appeals for the Ninth Circuit. Oral argument on the appeal was held on October 8, 2014. On November 6, 2014, the Ninth Circuit affirmed the District Court's decision upholding the ruling of the Bankruptcy Court. As a result, we paid \$5.6 million in related legal expenses. The case concluded on February 5, 2015 and we reversed the \$25.0 million liability for additional contingent consideration and reduced the goodwill related to our 3dfx acquisition by the same amount as of January 25, 2015.

Please refer to Note 12 of these Notes to the Consolidated Financial Statements for further information regarding this litigation.

Note 5 - Goodwill

The carrying amount of goodwill is as follows:

	January 25, 2015	January 26, 2014
	(In thousands)	
Icera.....	\$ 271,186	\$ 271,186
PortalPlayer	104,896	104,896
3dfx.....	50,326	75,326
Mental Images.....	59,252	59,252
MediaQ.....	35,167	35,167
ULi	31,115	31,115
Hybrid Graphics	27,906	27,906
Ageia	19,198	19,198
Portland Group Inc.	2,149	2,149
Other.....	16,984	16,984
Total goodwill.....	<u>\$ 618,179</u>	<u>\$ 643,179</u>

The \$25.0 million decrease in goodwill as of January 25, 2015, when compared to January 26, 2014 is due to conclusion of the 3dfx case without requiring additional contingent consideration. Please refer to Note 4 of these Notes to the Consolidated Financial Statements for further discussion regarding the 3dfx case.

The amount of goodwill allocated to our GPU and Tegra Processor segments as of January 25, 2015 was \$209.7 million and \$408.5 million, respectively, and as of January 26, 2014 was \$230.4 million and \$412.8 million, respectively. Please refer to Note 16 of these Notes to the Consolidated Financial Statements for further discussion regarding segments.

We allocate goodwill to our reporting units and perform our annual impairment test during the fourth quarter of our fiscal year, or earlier if indicators of potential impairment exist. For the purposes of completing our impairment test,

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(Continued)

we perform either a qualitative or a quantitative analysis on a reporting unit basis. We utilized a quantitative analysis to complete our most recent annual impairment test during the fourth quarter of fiscal year 2015 and concluded that there was no impairment, as the fair value of our reporting units exceeded their carrying values.

In a qualitative analysis, we evaluate factors including, but not limited to, macro-economic conditions, market and industry conditions, the competitive environment, the operational stability and the overall financial performance of the reporting units, including cost factors and actual revenue results. For reporting units in which the qualitative assessment concludes it is more likely than not that the fair value is more than its carrying value, no further goodwill impairment testing is required.

For those reporting units where a significant change or event has occurred, where potential impairment indicators exist, or for which we have not performed a quantitative assessment recently, we utilize a two-step quantitative assessment to testing goodwill for impairment. The first step tests for possible impairment by applying a fair value-based test by weighing the results from the income approach and the market approach. These valuation approaches consider a number of factors that include, but are not limited to, prospective financial information, growth rates, terminal or residual values, discount rates and comparable multiples from publicly traded companies in our industry and require us to make certain assumptions and estimates regarding industry economic factors and the future profitability of our business.

When performing an income approach valuation, we incorporate the use of projected financial information and a discount rate that are developed using market participant based assumptions to our discounted cash flow model. Our estimates of discounted cash flow were based upon, among other things, certain assumptions about our expected future operating performance, such as revenue growth rates, operating margins, risk-adjusted discount rates, and future economic and market conditions. The market method of determining the fair value of our reporting units requires us to use judgment in the selection of appropriate market comparables.

Note 6 - Amortizable Intangible Assets

The components of our amortizable intangible assets are as follows:

	January 25, 2015				January 26, 2014			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Useful Life	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Useful Life
	(In thousands)			(In years)	(In thousands)			(In years)
Acquisition-related intangible assets	\$ 189,239	\$ (134,062)	\$ 55,177	6.8	\$ 189,239	\$ (114,104)	\$ 75,135	6.5
Patents and licensed technology	448,873	(282,336)	166,537	7.2	446,196	(225,319)	220,877	7.2
Total intangible assets	<u>\$ 638,112</u>	<u>\$ (416,398)</u>	<u>\$ 221,714</u>		<u>\$ 635,435</u>	<u>\$ (339,423)</u>	<u>\$ 296,012</u>	

Amortization expense associated with intangible assets for fiscal years 2015, 2014 and 2013 was \$77.0 million, \$72.7 million and \$68.4 million, respectively. Amortization expense increased compared to the prior year primarily due to the addition of licensed technology during fiscal year 2015. Future amortization expense for the net carrying amount of intangible assets at January 25, 2015 is estimated to be \$71.9 million in fiscal year 2016, \$63.6 million in fiscal year 2017, \$49.1 million in fiscal year 2018, \$20.4 million in fiscal year 2019, \$11.9 million in fiscal year 2020 and \$4.8 million in fiscal years subsequent to fiscal year 2020 until fully amortized.

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Note 7 - Marketable Securities

All of the cash equivalents and marketable securities are classified as “available-for-sale” securities. Investments in both fixed and floating rate interest earning instruments carry a degree of interest rate risk. Fixed rate debt securities may have their market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than expected if interest rates fall. Due in part to these factors, our future investment income may fall short of expectations due to changes in interest rates or if the decline in fair value of our publicly traded debt or equity investments is judged to be other-than-temporary. We may suffer losses in principal if we are forced to sell securities that decline in market value due to changes in interest rates. However, because any debt securities we hold are classified as “available-for-sale,” no gains or losses are realized in our consolidated statement of income due to changes in interest rates unless such securities are sold prior to maturity or unless declines in market values are determined to be other-than-temporary. These securities are reported at fair value with the related unrealized gains and losses included in accumulated other comprehensive income, a component of shareholders’ equity, net of tax.

The following is a summary of cash equivalents and marketable securities at January 25, 2015 and January 26, 2014:

	January 25, 2015			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
(In thousands)				
Corporate debt securities.....	\$ 2,184,925	\$ 2,600	\$ (1,214)	\$ 2,186,311
Debt securities of United States government agencies	749,630	917	(227)	750,320
Debt securities issued by United States Treasury	533,673	2,694	(3)	536,364
Asset-backed securities	453,088	125	(329)	452,884
Mortgage backed securities issued by United States government-sponsored enterprises.....	274,366	4,589	(850)	278,105
Money market funds	132,495	—	—	132,495
Foreign government bonds.....	84,800	121	(5)	84,916
Total.....	<u>\$ 4,412,977</u>	<u>\$ 11,046</u>	<u>\$ (2,628)</u>	<u>\$ 4,421,395</u>
Classified as:				
Cash equivalents				\$ 294,710
Marketable securities				4,126,685
Total.....				<u>\$ 4,421,395</u>

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	January 26, 2014			
	Amortized Cost	Unrealized Gain	Unrealized Loss	Estimated Fair Value
(In thousands)				
Corporate debt securities.....	\$ 1,762,833	\$ 1,837	\$ (945)	\$ 1,763,725
Debt securities of United States government agencies	1,012,740	848	(261)	1,013,327
Debt securities issued by United States Treasury	495,889	621	(57)	496,453
Money market funds	307,865	—	—	307,865
Asset-backed securities	258,017	15	(315)	257,717
Mortgage backed securities issued by United States government-sponsored enterprises.....	185,594	3,837	(725)	188,706
Foreign government bonds.....	64,955	20	(120)	64,855
Total.....	<u>\$ 4,087,893</u>	<u>\$ 7,178</u>	<u>\$ (2,423)</u>	<u>\$ 4,092,648</u>
Classified as:				
Cash equivalents				\$ 572,425
Marketable securities				3,520,223
Total.....				<u>\$ 4,092,648</u>

The following table provides the breakdown of the investments that were in a continuous unrealized loss position at January 25, 2015:

	Less than 12 Months		12 Months or Greater		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
Corporate debt securities.....	\$ 709,392	\$ (1,199)	\$ 10,085	\$ (15)	\$ 719,477	\$ (1,214)
Mortgage backed securities issued by United States government-sponsored enterprises	81,245	(639)	21,314	(211)	102,559	(850)
Debt securities of United States Treasury.....	10,026	(3)	—	—	10,026	(3)
Debt securities issued by United States government agencies	246,480	(227)	—	—	246,480	(227)
Asset-backed securities	306,066	(323)	4,476	(6)	310,542	(329)
Foreign government bonds.....	11,008	(5)	—	—	11,008	(5)
Total.....	<u>\$ 1,364,217</u>	<u>\$ (2,396)</u>	<u>\$ 35,875</u>	<u>\$ (232)</u>	<u>\$ 1,400,092</u>	<u>\$ (2,628)</u>

We performed an impairment review of our investment portfolio as of January 25, 2015. Factors considered included general market conditions, the duration and extent to which fair value is below cost, and our intent and ability to hold an investment for a sufficient period of time to allow for recovery in value. We also consider specific adverse conditions related to the financial health of and business outlook for an investee, including industry and sector performance, changes in technology, operational and financing cash flow factors, and changes in an investee's credit rating. Investments that we identify as having an indicator of impairment are subject to further analysis to determine if the investment was other than temporarily impaired. Based on our quarterly impairment review and having considered the guidance in the relevant

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accounting literature, we concluded that our investments were appropriately valued and that no other than temporary impairment charges were necessary on our portfolio of available for sale investments as of January 25, 2015.

As of January 25, 2015, we had nine investments that were in an unrealized loss position with total unrealized losses amounting to \$2.4 million and with a duration of less than one year. The gross unrealized losses related to fixed income securities were due to changes in interest rates. We have determined that the gross unrealized losses on investment securities at January 25, 2015 are temporary in nature. Currently, we have the intent and ability to hold our investments with impairment indicators until maturity.

Net realized gains were \$0.1 million, \$2.4 million and \$0.5 million for fiscal years 2015, 2014, and 2013, respectively. As of January 25, 2015, we had a net unrealized gain of \$8.4 million, which was comprised of gross unrealized gains of \$11.0 million, offset by \$2.6 million of gross unrealized losses. As of January 26, 2014, we had a net unrealized gain of \$4.8 million, which was comprised of gross unrealized gains of \$7.2 million, offset by \$2.4 million of gross unrealized losses.

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 January 25, 2015 and January 26, 2014 and are shown below by contractual maturity.

	January 25, 2015		January 26, 2014	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
(In thousands)				
Less than one year.....	\$ 1,570,233	\$ 1,570,622	\$ 1,883,132	\$ 1,883,753
Due in 1 - 5 years	2,719,852	2,725,945	2,114,289	2,117,387
Mortgage-backed securities issued by government-sponsored enterprises not due at a single maturity date....	122,893	124,828	90,472	91,508
Total.....	<u>\$ 4,412,978</u>	<u>\$ 4,421,395</u>	<u>\$ 4,087,893</u>	<u>\$ 4,092,648</u>

Note 8 - Fair Value of Financial Assets and Liabilities

Financial assets measured at fair value

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 funds. 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. We review the fair value hierarchy classification on a quarterly basis. Changes in the observability of valuation inputs may result in a reclassification of levels for certain securities within the fair value hierarchy. There were no significant transfers between Levels 1 and 2 assets for the year ended January 25, 2015. 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. Most of our cash equivalents and marketable securities are valued based on Level 2 inputs. We did not have any investments classified as Level 3 as of January 25, 2015.

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Financial assets measured at fair value are summarized below:

	January 25, 2015	Fair Value Measurement at Reporting Date Using	
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs
		(Level 1)	(Level 2)
(In thousands)			
Debt securities of United States government agencies (1).....	\$ 750,320	\$ —	\$ 750,320
Corporate debt securities (2)	2,186,311	—	2,186,311
Mortgage backed securities issued by United States government-sponsored enterprises (3)	278,105	—	278,105
Money market funds (4).....	132,495	132,495	—
Debt securities issued by United States Treasury (3).....	536,364	—	536,364
Asset-backed securities (3)	452,884	—	452,884
Foreign government bonds (3).....	84,916	—	84,916
Total assets	<u>\$ 4,421,395</u>	<u>\$ 132,495</u>	<u>\$ 4,288,900</u>

- (1) Includes \$15.0 million in Cash Equivalents and \$735.3 million in Marketable Securities on the Consolidated Balance Sheet.
- (2) Includes \$147.2 million in Cash Equivalents and \$2.0 billion in Marketable Securities on the Consolidated Balance Sheet.
- (3) Included in Marketable Securities on the Consolidated Balance Sheet.
- (4) Included in Cash Equivalents on the Consolidated Balance Sheet.

Financial liabilities measured at fair value

We issued \$1.50 billion Convertible Senior Notes, or Notes, in December 2013. The Notes are carried at their original issuance value, net of unamortized debt discount, and are not marked to market each period. The estimated fair value of the Notes was \$1,679.6 million and \$1,528.4 million, respectively, as of January 25, 2015 and January 26, 2014. The estimated fair value of the Notes was determined on the basis of market prices observable for similar instruments and is considered Level 2 in the fair value hierarchy. Please refer to Note 11 of these Notes to the Consolidated Financial Statements for further information regarding the Notes.

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Note 9 - Balance Sheet Components

Certain balance sheet components are as follows:

	January 25, 2015	January 26, 2014	
	(In thousands)		
Inventories:			
Raw materials.....	\$ 156,846	\$ 126,896	
Work in-process.....	91,778	94,844	
Finished goods.....	234,269	166,025	
Total inventories	<u>\$ 482,893</u>	<u>\$ 387,765</u>	

	January 25, 2015	January 26, 2014	Estimated Useful Life
	(In thousands)		(In years)
Property and Equipment:			
Land	\$ 218,496	\$ 218,496	(A)
Building	19,268	19,268	5-25
Test equipment.....	397,319	412,862	3-5
Software and licenses	112,967	120,435	3-5
Leasehold improvements	173,691	178,884	(B)
Computer equipment	152,733	204,344	3
Office furniture and equipment.....	48,692	58,874	5
Capital leases	28,481	28,481	(B)
Construction in process.....	27,610	41,176	(C)
Total property and equipment, gross	<u>1,179,257</u>	<u>1,282,820</u>	
Accumulated depreciation and amortization	<u>(621,975)</u>	<u>(700,080)</u>	
Total property and equipment, net	<u><u>\$ 557,282</u></u>	<u><u>\$ 582,740</u></u>	

(A) Land is a non-depreciable asset.

(B) Leasehold improvements and capital leases are amortized based on the lesser of either the asset's estimated useful life or the remaining expected lease term.

(C) Construction in process represents assets that are not in service as of the balance sheet date.

Depreciation expense for fiscal years 2015, 2014 and 2013 was \$143.1 million, \$164.0 million and \$157.6 million, respectively.

Accumulated amortization of leasehold improvements and capital leases was \$139.6 million and \$146.4 million at January 25, 2015 and January 26, 2014, respectively. Amortization of leasehold improvements and capital leases is included in depreciation and amortization expense.

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	January 25, 2015	January 26, 2014
	(In thousands)	
Accrued Liabilities:		
Deferred revenue (1).....	\$ 292,735	\$ 268,808
Customer related liabilities (2).....	146,724	163,945
Accrued payroll and related expenses.....	112,173	109,721
Professional service fees.....	17,025	13,572
Facilities related liabilities	7,603	5,216
Warranty accrual (3).....	7,523	7,571
Taxes payable, short- term	2,810	2,378
Coupon interest on Notes.....	2,542	2,500
Accrued legal settlement (4).....	—	30,600
Other	13,672	16,794
Total accrued liabilities and other	\$ 602,807	\$ 621,105

- (1) The increase in fiscal year 2015 compared to fiscal year 2014 was due primarily to higher volumes with certain distributors.
- (2) This includes primarily accrued customer programs. Please refer to Note 1 of these Notes to the Consolidated Financial Statements for discussion regarding the nature of accrued customer programs and their accounting treatment related to our revenue recognition policies and estimates.
- (3) Please refer to Note 10 of these Notes to the Consolidated Financial Statements for discussion regarding the warranty accrual.
- (4) Please refer to Note 4 and Note 12 of these Notes to the Consolidated Financial Statements for discussion regarding the 3dfx litigation.

	January 25, 2015	January 26, 2014
	(In thousands)	
Other Long Term Liabilities:		
Deferred income tax liability.....	\$ 232,307	\$ 157,953
Income tax payable.....	120,961	119,977
Deferred revenue	107,838	172,199
Asset retirement obligations.....	7,428	11,056
Other	20,394	13,940
Total other long-term liabilities	\$ 488,928	\$ 475,125

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Note 10 - Guarantees

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, 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.

Accrual for Product Warranty Liabilities

We record a reduction to revenue for estimated product returns at the time revenue is recognized primarily based on historical return rates. Cost of revenue includes the estimated cost of product warranties. 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. During periods prior to fiscal year 2013, we recorded a cumulative net charge of \$475.9 million, most of which was charged against cost of revenue, to cover customer warranty, repair, return, replacement and other costs arising from a weak die/packaging material set in certain versions of our previous generation MCP and GPU products used in notebook configurations. During fiscal year 2014, we released the remaining \$7.8 million unclaimed balance of that warranty accrual.

The estimated product returns and estimated product warranty liabilities for fiscal years 2015, 2014 and 2013 are as follows:

	January 25, 2015	January 26, 2014	January 27, 2013
	(In thousands)		
Balance at beginning of period (1)	\$ 7,571	\$ 14,874	\$ 18,406
Additions.....	5,441	6,786	5,738
Deductions (2)	(5,489)	(14,089)	(9,270)
Balance at end of period	<u>\$ 7,523</u>	<u>\$ 7,571</u>	<u>\$ 14,874</u>

- (1) Includes a balance of \$9.6 million and \$13.2 million for fiscal years 2014 and 2013, respectively, for the remaining amount of the warranty accrual associated with incremental repair and replacement costs from a weak die/packaging material set, which we recorded prior to fiscal year 2013.
- (2) Includes \$1.8 million and \$3.0 million for fiscal years 2014 and 2013, respectively, in payments related to weak die/packaging set warranty accrual recorded prior to fiscal year 2013, and \$7.8 million related to the release of the final unclaimed portion of that accrual during fiscal year 2014.

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 Consolidated Financial Statements for such indemnifications.

Note 11 - Long-Term Debt

1.00 % Convertible Senior Notes Due 2018

On December 2, 2013, we issued \$1.50 billion of the Notes. The Notes are unsecured, unsubordinated obligations of the Company, which pay interest in cash semi-annually at a rate of 1.00% per annum. The Notes will mature on December 1, 2018 unless earlier repurchased or converted in accordance with their terms prior to such date. The Notes may be converted, under the conditions specified below, based on an initial conversion rate of 49.60 shares of common stock per \$1,000

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principal amount of Notes (equivalent to an initial conversion price of \$20.16 per share of common stock), subject to adjustment as described in the indenture governing the Notes.

Holders may convert their notes at their option at any time prior to August 1, 2018 only under the following circumstances: (1) during any fiscal quarter commencing after the fiscal quarter ended on April 27, 2014 (and only during such fiscal quarter), if the last reported sale price of the common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price on each applicable trading day; (2) during the five business day period after any five consecutive trading day period (the measurement period) in which the trading price per \$1,000 principal amount of notes for each trading day of the measurement period was less than 98% of the product of the last reported sale price of our common stock and the conversion rate on each such trading day; or (3) upon the occurrence of specified corporate events. On or after August 1, 2018 to the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert all or any portion of their notes regardless of the foregoing conditions. Upon conversion, we will pay cash up to the aggregate principal amount of the notes to be converted and pay or deliver, as the case may be, cash, shares of our common stock or a combination of cash and shares of our common stock, at our election, in respect of the remainder, if any, of our conversion obligation in excess of the aggregate principal amount of the notes being converted.

As of January 25, 2015, none of the conditions allowing holders of the Notes to convert had been met. The determination of whether or not the Notes are convertible must be performed quarterly. If the Notes become convertible at the option of the holder, the difference between the principal amount and the carrying value of the Notes would be reflected as convertible debt in the mezzanine equity section on our Consolidated Balance Sheets.

In accordance with ASC 470-20 *Debt with Conversion and Other Options*, all cash-settled convertible debt should be separated into debt and equity components at issuance and be assigned a fair value. The value assigned to the debt component is the estimated fair value, as of the issuance date, of a similar debt without the conversion feature. The difference between the net cash proceeds and this estimated fair value, represents the value assigned to the equity component and is recorded as a debt discount. The debt discount is amortized using the effective interest method from the origination date through its stated contractual maturity date.

The initial debt component of the Notes was valued at \$1,351.8 million based on the contractual cash flows discounted at an appropriate market rate for a non-convertible debt at the date of issuance, which was determined to be 3.15%. The carrying value of the permanent equity component reported in additional paid-in-capital was valued at \$125.7 million and recorded as a debt discount. This amount, together with the \$22.5 million purchaser's discount to the par value of the Notes represents the total unamortized debt discount of \$148.2 million we recorded at the time of issuance of the Notes. The aggregate debt discount is amortized as interest expense over the contractual term of the Notes using the effective interest method using an interest rate of 3.15%.

The following table presents the carrying amounts of the liability and equity components:

	January 25, 2015	January 26, 2014
	(In thousands)	
Amount of the equity component.....	\$ 125,725	\$ 125,725
1.00% convertible senior notes due 2018.....	\$ 1,500,000	\$ 1,500,000
Unamortized debt discount (1).....	(115,658)	(143,625)
Net carrying amount.....	\$ 1,384,342	\$ 1,356,375

(1) As of January 25, 2015, the remaining period over which the unamortized debt discount will be amortized is 3.9 years.

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The following table presents the interest expense for the contractual interest and the accretion of debt discount:

	Year Ended	
	January 25, 2015	January 26, 2014
	(In thousands)	
Contractual coupon interest expense.....	\$ 15,000	\$ 2,500
Amortization of debt discount.....	27,967	4,600
Amortization of debt issuance costs.....	195	34
Total interest expense related to Notes.....	<u>\$ 43,162</u>	<u>\$ 7,134</u>

Note Hedges and Warrants

The net proceeds from the Notes were approximately \$1,477.5 million after payment of the initial purchaser's discount. Concurrently with the offering of the Notes, we entered into the Note Hedges with a strike price equal to the initial conversion price of the Notes, or approximately \$20.16 per share. The Note Hedges allow us to receive shares of our common stock and/or cash related to the excess conversion value that we would pay to the holders of the Notes upon conversion. We paid \$167.1 million for the Note Hedges.

In addition, concurrent with the offering of the Notes and the purchase of the Note Hedges, we entered into a separate warrant transaction, or the Warrants, with a strike price to the holders of the Warrants of \$27.14 per share. The Warrants are net share settled and cover, subject to customary antidilution adjustments, 74.4 million shares of our common stock. We received \$59.1 million for the Warrants transaction.

The \$108.0 million net cost of the Note Hedges offset by the proceeds from the Warrants was included as a net reduction to additional paid-in capital in the shareholders' equity section of our consolidated balance sheets, in accordance with the guidance in ASC 815-40 *Derivatives and Hedging-Contracts in Entity's Own Equity*.

Note 12 - Commitments and Contingencies

Inventory Purchase Obligations

At January 25, 2015, we had outstanding inventory purchase obligations totaling \$456.0 million.

Capital Purchase Obligations

At January 25, 2015, we had outstanding capital purchase obligations totaling \$51.0 million.

Lease Obligations

Our headquarters complex is located in Santa Clara, California and includes eight buildings that are leased properties. Future minimum lease payments related to headquarters operating leases total \$73.1 million over the remaining terms of the leases, including predetermined rent escalations, and are included in the future minimum lease payment schedule below.

In addition to the commitment of our headquarters, we have other domestic and international office facilities under operating leases expiring through fiscal year 2025. We also include non-cancelable obligations under certain software licensing arrangements as operating leases.

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Future minimum lease payments under our non-cancelable operating leases as of January 25, 2015, are as follows:

Fiscal Year:	Future Minimum Lease Obligations
	(In thousands)
2016	\$ 76,741
2017	66,242
2018	34,070
2019	26,793
2020	9,988
2021 and thereafter	27,477
Total	<u><u>\$ 241,311</u></u>

Rent expense for the years ended January 25, 2015, January 26, 2014 and January 27, 2013 was \$47.3 million, \$43.8 million and \$38.4 million, respectively.

Capital lease obligations include building and office equipment lease obligations. The building lease relates to our datacenter in Santa Clara, California. Future minimum lease payments under the building capital lease total \$20.9 million over the remaining lease term, including predetermined rent escalations, and are included in the future minimum lease payment schedule below:

Fiscal Year:	Future Capital Lease Obligations
	(In thousands)
2016	\$ 5,303
2017	5,453
2018	5,607
2019	5,767
2020	26
2021 and thereafter	—
Total	<u><u>\$ 22,156</u></u>
Present value of minimum lease payments	<u><u>\$ 17,500</u></u>
Current portion	\$ 3,414
Long-term portion	<u><u>\$ 14,086</u></u>

Litigation

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. In October 2002, 3dfx filed for bankruptcy.

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Following the bankruptcy, in March 2003, the Trustee appointed by the Bankruptcy Court to represent 3dfx's bankruptcy estate served a complaint on NVIDIA asserting claims for, among other things, successor liability and fraudulent transfer and seeking 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 \$70.0 million paid and the alleged fair value, which difference the Trustee estimated to exceed \$50.0 million. The Trustee's successor liability theory alleged NVIDIA was effectively 3dfx's legal successor and therefore was responsible for all of 3dfx's unpaid liabilities.

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 never progressed substantially through the confirmation process.

In March 2007, a trial was held regarding certain valuation issues in the Trustee's constructive fraudulent transfer claims against NVIDIA. 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.

On December 20, 2010, the District Court issued an Order affirming the Bankruptcy Court's entry of summary judgment in NVIDIA's favor, and on January 19, 2011, the Trustee filed a Notice of Appeal to the United States Court of Appeals for the Ninth Circuit. Oral argument on the appeal was held on October 8, 2014. On November 6, 2014, the Ninth Circuit affirmed the District Court's decision upholding the ruling of the Bankruptcy Court and the case concluded on February 5, 2015.

Securities Cases

In September 2008, three putative securities class 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, as amended.

On January 22, 2010, Plaintiffs filed a Consolidated Amended Class Action Complaint, asserting claims for violations of Section 10(b), Rule 10b-5, and Section 20(a) of the Securities Exchange Act and seeking unspecified compensatory damages. We moved to dismiss the consolidated complaint and on October 19, 2010, Judge Seeborg granted our motion with leave to amend. On December 2, 2010, Plaintiffs filed a Second Consolidated Amended Complaint. We again moved to dismiss and on October 12, 2011, Judge Seeborg again granted our motion to dismiss, this time denying Plaintiffs leave to amend. On November 8, 2011, Plaintiffs filed a Notice of Appeal to the Ninth Circuit. Oral argument was held on January 14, 2014. On October 2, 2014, the Ninth Circuit issued an order affirming the dismissal. On October 16, 2014, Plaintiffs requested a rehearing or en banc review of the Ninth Circuit's opinion affirming the dismissal. Plaintiffs' request was denied on November 10, 2014. On February 9, 2015, Plaintiffs filed a petition for writ of certiorari to the United States Supreme Court.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Patent Infringement Cases

On September 4, 2014, NVIDIA filed complaints against Qualcomm, Inc., or Qualcomm, and various Samsung entities with both the United States International Trade Commission, or ITC, and the United States District Court for the District of Delaware for alleged infringement of seven patents relating to graphics processing. In the ITC action, NVIDIA seeks to block shipments of Samsung Galaxy mobile phones and tablets containing Qualcomm's Adreno, ARM's Mali or Imagination's PowerVR graphics architectures. On October 6, 2014, the ITC initiated an investigation of NVIDIA's claim and the investigation is currently underway. On February 2 and 3, 2015, the court conducted a claim construction hearing on certain claim language from five of the patents at issue. A decision on claim construction is expected in March 2015.

In the Delaware action, NVIDIA seeks unspecified damages for Samsung and Qualcomm's alleged patent infringement. On October 22, 2014, Samsung and Qualcomm moved to stay the Delaware proceedings in light of the pending ITC action. The court granted the motion to stay on October 23, 2014.

On November 10, 2014, Samsung filed a complaint against NVIDIA and Velocity Micro, Inc., in the United States District Court for the Eastern District of Virginia, alleging that NVIDIA infringed six patents and falsely advertised that the Tegra K1 processor is the world's fastest mobile processor. On December 19, 2014, Samsung filed an amended, longer complaint but asserting the same claims against NVIDIA. Samsung seeks unspecified damages and an injunction prohibiting NVIDIA from any future violations. NVIDIA answered the amended complaint on January 26, 2015 and filed an amended answer on March 3, 2015. On January 12, 2015, NVIDIA moved to transfer the action to the Northern District of California and to sever and stay the proceedings against Velocity Micro, Inc. Briefing on the motion to transfer is now complete and submitted to the court for decision.

Accounting for Loss Contingencies

While there can be no assurance of favorable outcomes, we believe the claims made by other parties in the above ongoing matters are without merit and we intend to vigorously defend the actions. As of January 25, 2015, we have not recorded any accrual for contingent liabilities associated with the legal proceedings described above based on our belief that liabilities, while possible, are not probable. Further, any possible range of loss in these matters cannot be reasonably estimated at this time. We are engaged in other legal actions not described above arising in the ordinary course of its business and, while there can be no assurance of favorable outcomes, we believe that the ultimate outcome of these actions will not have a material adverse effect on our operating results, liquidity or financial position.

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

Note 13 - Income Taxes

The income tax expense applicable to income before income taxes consists of the following:

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
	(In thousands)		
Current income taxes:			
Federal.....	\$ 7,995	\$ 7,896	\$ 7,506
State.....	818	1,234	1,016
Foreign	<u>17,356</u>	<u>18,513</u>	<u>16,766</u>
Total current.....	<u>26,169</u>	<u>27,643</u>	<u>25,288</u>
Deferred taxes:			
Federal.....	83,827	17,070	28,143
State.....	—	—	—
Foreign	<u>(1,258)</u>	<u>(1,640)</u>	<u>3,717</u>
Total deferred.....	<u>82,569</u>	<u>15,430</u>	<u>31,860</u>
Charge in lieu of taxes attributable to employer stock option plans.....	<u>15,511</u>	<u>27,191</u>	<u>42,355</u>
Income tax expense.....	<u><u>\$ 124,249</u></u>	<u><u>\$ 70,264</u></u>	<u><u>\$ 99,503</u></u>

Income before income tax consists of the following:

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
	(In thousands)		
Domestic	\$ 173,865	\$ 79,136	\$ 99,422
Foreign	<u>580,971</u>	<u>431,118</u>	<u>562,617</u>
Income before income tax.....	<u><u>\$ 754,836</u></u>	<u><u>\$ 510,254</u></u>	<u><u>\$ 662,039</u></u>

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

The income tax expense differs from the amount computed by applying the federal statutory income tax rate of 35% to income before income taxes as follows:

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
	(In thousands)		
Tax expense computed at federal statutory rate.....	\$ 264,192	\$ 178,589	\$ 231,714
State income taxes, net of federal tax effect.....	681	1,608	1,048
Foreign tax rate differential	(119,786)	(93,831)	(123,626)
U.S. federal R&D tax credit	(34,319)	(30,155)	(29,294)
Stock-based compensation.....	4,332	8,900	11,876
Tax expense related to intercompany transaction.....	9,785	9,785	9,785
Other	(636)	(4,632)	(2,000)
Income tax expense.....	\$ 124,249	\$ 70,264	\$ 99,503

The tax effect of temporary differences that gives rise to significant portions of the deferred tax assets and liabilities are presented below:

	January 25, 2015	January 26, 2014
	(In thousands)	
Deferred tax assets:		
Net operating loss carryforwards	\$ 72,322	\$ 81,629
Accruals and reserves, not currently deductible for tax purposes.....	109,123	131,932
Property, equipment and intangible assets	45,593	48,358
Research and other tax credit carryforwards.....	350,655	306,975
Stock-based compensation	29,850	33,135
Convertible debt	12,327	14,885
Gross deferred tax assets	619,870	616,914
Less valuation allowance	(260,985)	(244,487)
Total deferred tax assets	358,885	372,427
Deferred tax liabilities:		
Acquired intangibles	(24,463)	(33,244)
Unremitted earnings of foreign subsidiaries	(500,031)	(425,401)
Gross deferred tax liabilities	(524,494)	(458,645)
Net deferred tax liability	\$ (165,609)	\$ (86,218)

We recognized income tax expense of \$124.2 million, \$70.3 million and \$99.5 million during fiscal years 2015, 2014 and 2013, respectively. Income tax expense as a percentage of income before taxes, or our annual effective tax rate, was 16.5% in fiscal year 2015, 13.8% in fiscal year 2014 and 15.0% in fiscal year 2013. The difference in the effective tax rates amongst the three years was primarily due to an increase in the amount of earnings subject to United States tax in fiscal year 2015 and a higher percentage of research tax credit benefit in fiscal year 2014.

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

Our effective tax rate on income before tax for the fiscal years was lower than the United States federal statutory rate of 35% due to income earned in jurisdictions, including British Virgin Islands, Hong Kong, China, Taiwan and United Kingdom, where the tax rate is lower, favorable recognition of the U.S. federal research tax credit and release of tax reserves as a result of the expiration of statutes of limitations in certain non-U.S. jurisdictions for which we had not previously recognized related tax benefits.

As of January 25, 2015 and January 26, 2014 we had a valuation allowance of \$261.0 million and \$244.5 million, respectively, related to state and certain foreign deferred tax assets that management determined not likely to be realized due, in part, to projections of future taxable income. To the extent realization of the deferred tax assets becomes more-likely-than-not, we would recognize such deferred tax asset as an income tax benefit during the period.

Our deferred tax assets do not include the excess tax benefit related to stock-based compensation that are a component of our federal and state net operating loss and research tax credit carryforwards in the amount of \$411.9 million as of January 25, 2015. Consistent with prior years, the excess tax benefit reflected in our net operating loss and research tax credit carryforwards will be accounted for as a credit to shareholders' equity, if and when realized.

As of January 25, 2015, we had federal, state and foreign net operating loss carryforwards of \$521.5 million, \$667.2 million and \$332.6 million, respectively. The federal and state carryforwards will expire beginning in fiscal year 2022 and 2016, respectively. The foreign net operating loss carryforwards of \$316.7 million may be carried forward indefinitely and the remainder of \$15.9 million will begin to expire in fiscal year 2016. As of January 25, 2015, we had federal research tax credit carryforwards of \$429.6 million that will begin to expire in fiscal year 2018. We have state research tax credit carryforwards of \$411.7 million, of which \$395.9 million is attributable to the State of California and may be carried over indefinitely, and \$15.8 million is attributable to various other states and will expire beginning in fiscal year 2016. We have other state tax credit carryforwards of \$3.0 million that will expire in fiscal year 2026 and foreign tax credit carryforwards of \$18.4 million, which may be refunded in fiscal years 2016 through 2019 if not utilized. Our tax attributes, net operating loss and tax credit carryforwards, remain subject to audit and may be adjusted for changes or modification in tax laws, other authoritative interpretations thereof, or other facts and circumstances. Utilization of federal, state, and foreign net operating losses and tax credit carryforwards may also be subject to limitations due to ownership changes and other limitations provided by the Internal Revenue Code and similar state and foreign tax provisions. If any such limitations apply, the federal, states, or foreign net operating loss and tax credit carryforwards, as applicable, may expire or be denied before utilization.

As of January 25, 2015, U.S. federal and state income taxes have not been provided on approximately \$2.27 billion of undistributed earnings of non-United States subsidiaries as such earnings are considered to be indefinitely reinvested. We have not provided the amount of unrecognized deferred tax liabilities for temporary differences related to investments in our foreign subsidiaries as the determination of such amount is not practicable.

As of January 25, 2015, we had \$253.7 million of gross unrecognized tax benefits, of which \$228.7 million would affect our effective tax rate if recognized. However, approximately \$45.3 million of the unrecognized tax benefits were related to state income tax positions taken, that, if recognized, would be in the form of a carryforward deferred tax asset that would likely attract a full valuation allowance. The \$228.7 million of unrecognized tax benefits as of January 25, 2015 consisted of \$106.6 million recorded in non-current income taxes payable and \$122.1 million reflected as a reduction to the related deferred tax assets.

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

A reconciliation of gross unrecognized tax benefits is as follows:

	January 25, 2015	January 26, 2014	January 27, 2013
	(In thousands)		
Balance at beginning of period	\$ 237,738	\$ 220,543	\$ 138,262
Increases in tax positions for prior years	—	—	18,800
Decreases in tax positions for prior years.....	(871)	(714)	(304)
Increases in tax positions for current year	22,865	22,787	67,764
Lapse in statute of limitations.....	(5,997)	(4,878)	(3,979)
Balance at end of period	<u>\$ 253,735</u>	<u>\$ 237,738</u>	<u>\$ 220,543</u>

We classify an unrecognized tax benefit as a current liability, or as a reduction of the deferred tax assets or amount refundable, to the extent that we anticipate payment or receipt of cash for income taxes within one year. Likewise, the amount is classified as a long-term liability, reduction of long-term deferred tax assets or amount refundable, if we anticipate payment or receipt of cash for income taxes during a period beyond a year.

Our policy is to include interest and penalties related to unrecognized tax benefits as a component of income tax expense. As of January 25, 2015, January 26, 2014, and January 27, 2013, we had accrued \$14.4 million, \$12.9 million and \$11.3 million, respectively, for the payment of interest and penalties related to unrecognized tax benefits, which is not included as a component of our unrecognized tax benefits. As of January 25, 2015, non-current income taxes payable of \$121.0 million consisted of unrecognized tax benefits of \$106.6 million and the related interest and penalties of \$14.4 million.

While we believe that we have adequately provided for all 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. As of January 25, 2015, 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.

We are subject to taxation by a number of taxing authorities both in the United States and throughout the world. As of January 25, 2015, the material tax jurisdictions that may be subject to examination include the United States, Taiwan, Canada, China, Germany, Hong Kong, France, Japan, and India for fiscal years 2003 through 2014. As of January 25, 2015, the material tax jurisdictions for which we are currently under examination include the state of California for fiscal years 2011 through 2012, and India, France and Germany for fiscal years 2003 through 2014.

Note 14 - Shareholders' Equity

Share Repurchase Program

Beginning August 2004, our Board of Directors authorized us, subject to certain specifications, to repurchase shares of our common stock. Most recently, in November 2013, the Board extended the previously authorized repurchase program through January 2016 and authorized an additional \$1.00 billion for an aggregate of \$3.70 billion under the repurchase program.

During fiscal year 2015, we repurchased a total of 44.4 million shares of our common stock for \$813.6 million and paid \$186.5 million in cash dividends - equivalent to \$0.085 per share on a quarterly basis, or \$0.34 per share on an annual basis - to our common shareholders. As a result, we returned \$1.0 billion to shareholders during fiscal year 2015 in the form of share repurchases and dividend payments.

NVIDIA CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Through the end of fiscal year 2015, we have repurchased an aggregate of 205.6 million shares under our share repurchase program for a total cost of \$3,265.2 million. All shares delivered from these repurchases have been placed into treasury stock. As of January 25, 2015, we are authorized, subject to certain specifications, to repurchase shares of our common stock up to \$434.8 million through January 2016.

On November 6, 2014, we announced our intention to return approximately \$600.0 million to our shareholders in fiscal year 2016 through a combination of share repurchases and cash dividends. On February 11, 2015, we declared that we would pay our next quarterly cash dividend of \$0.085 per share on March 19, 2015, to all shareholders of record on February 26, 2015.

In addition to our Board authorized share repurchases, we withhold common stock shares associated with net share settlements to cover tax withholding obligations upon the vesting of RSU and PSU awards under our equity incentive program. During fiscal year 2015, we withheld approximately 2.3 million shares at a total cost of \$43.7 million through net share settlements. Please refer to Note 2 of these Notes to the Consolidated Financial Statements for further information regarding stock-based compensation related to equity awards granted under our equity incentive programs.

Convertible Preferred Stock

As of January 25, 2015 and January 26, 2014, there were no shares of preferred stock outstanding.

Note 15 - Employee Retirement Plans

We have a 401(k) Retirement Plan covering substantially all of our United States employees. Under the plan, participating employees may defer up to 100% of their pre-tax earnings, subject to the Internal Revenue Service annual contribution limits. Effective January 2013, we began matching a portion of the employee contributions. Our contribution expense in fiscal years 2015 and 2014 was \$5.8 million and \$5.1 million, respectively. We also have defined contribution retirement plans outside of the United States to which we contributed \$19.7 million, \$16.2 million and \$16.7 million for fiscal years 2015, 2014 and 2013, respectively.

Note 16 - 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. Our operating segments are equivalent to our reportable segments.

We report our business in two primary reporting segments - the GPU business and the Tegra Processor business - based on a single underlying graphics architecture.

Our GPU product brands aimed at specialized markets include GeForce for gamers; Quadro for designers; Tesla for researchers, deep learning and big-data analysts; and GRID for cloud-based visual computing users.

We also integrate our GPUs into tiny mobile chips called system-on-a-chip (SOC) processors, which power tablets, and automotive infotainment and safety systems. Our Tegra brand integrates an entire computer onto a single chip, incorporating GPUs and multi-core CPUs with audio, video and input/output capabilities. They can also be integrated with baseband processors to add voice and data communication. Tegra conserves power while delivering state-of-the-art graphics and multimedia processing.

We have a single unifying architecture for our GPU and Tegra Processors. This architecture unification leverages our visual computing expertise by charging the operating expenses of certain core engineering functions to the GPU business, while charging the Tegra Processor business for the incremental cost of the teams working directly for that business. In instances where the operating expenses of certain functions benefit both reporting segments, our CODM assigns 100% of

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

those expenses to the reporting segment that benefits the most. The revenue and cost of revenue of the reporting segments was not affected, and comparative periods presented below reflect the impact of this change.

The “All Other” category presented below represents the revenue and expenses that our CODM does not assign to either the GPU business or the Tegra Processor business for purposes of making operating decisions or assessing financial performance. The revenue includes primarily patent licensing revenue and the expenses include corporate infrastructure and support costs, stock-based compensation costs, amortization of acquisition-related intangible assets, other acquisition-related costs, and other non-recurring charges and benefits that our CODM deems to be enterprise in nature.

Our CODM does not review any information regarding total assets on a reporting segment basis. Reporting 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. The table below presents details of our reportable segments and the “All Other” category.

	GPU	Tegra Processor	All Other	Consolidated
	(In thousands)			
Year Ended January 25, 2015:				
Revenue	\$ 3,838,906	\$ 578,601	\$ 264,000	\$ 4,681,507
Depreciation and amortization expense.....	\$ 116,683	\$ 57,282	\$ 46,160	\$ 220,125
Operating income (loss).....	\$ 1,113,350	\$ (254,435)	\$ (99,926)	\$ 758,989
Year Ended January 26, 2014:				
Revenue	\$ 3,468,144	\$ 398,018	\$ 264,000	\$ 4,130,162
Depreciation and amortization expense.....	\$ 146,571	\$ 49,839	\$ 42,738	\$ 239,148
Operating income (loss).....	\$ 834,763	\$ (268,068)	\$ (70,468)	\$ 496,227
Year Ended January 27, 2013:				
Revenue	\$ 3,251,712	\$ 764,447	\$ 264,000	\$ 4,280,159
Depreciation and amortization expense.....	\$ 143,262	\$ 40,793	\$ 42,180	\$ 226,235
Operating income (loss).....	\$ 694,338	\$ 40,508	\$ (86,607)	\$ 648,239
Year Ended				
	January 25, 2015	January 26, 2014	January 27, 2013	
	(In thousands)			
<u>Reconciling items included in "All Other" category:</u>				
Revenue not allocated to reporting segments.....	\$ 264,000	\$ 264,000	\$ 264,000	\$ 264,000
Unallocated corporate operating expenses and other expenses	(168,730)	(166,483)	(157,680)	
Stock-based compensation	(157,841)	(136,295)	(136,662)	
Acquisition-related costs, net	(37,355)	(31,652)	(36,138)	
Other non-recurring expenses and benefits	—	(38)	(20,127)	
Total.....	<u>\$ (99,926)</u>	<u>\$ (70,468)</u>	<u>\$ (86,607)</u>	

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

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:

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
Revenue:	(In thousands)		
Taiwan.....	\$ 1,594,435	\$ 1,321,503	\$ 1,356,838
China	922,121	793,790	780,493
United States	790,614	726,830	799,430
Other Asia Pacific	637,029	675,339	783,573
Europe	368,921	295,160	263,488
Other Americas	368,387	317,540	296,337
Total revenue	<u>\$ 4,681,507</u>	<u>\$ 4,130,162</u>	<u>\$ 4,280,159</u>

The following table presents summarized information for long-lived assets by geographic region. Long-lived assets consist of property and equipment and deposits and other assets, and exclude goodwill and intangible assets.

	January 25, 2015	January 26, 2014
	(In thousands)	
Long-lived assets:		
United States.....	\$ 467,277	\$ 522,461
Taiwan	52,176	51,993
Europe.....	51,521	50,677
India	48,544	31,456
China.....	28,073	29,313
Other Asia Pacific.....	587	1,092
Total long-lived assets	<u>\$ 648,178</u>	<u>\$ 686,992</u>

Revenue from significant customers, those representing 10% or more of total revenue for the respective dates, is summarized as follows:

	Year Ended		
	January 25, 2015	January 26, 2014	January 27, 2013
Revenue:			
Customer A	11%	11%	13%
Customer B	9%	10%	9%

Revenue from customer A was attributable to both the GPU and Tegra Processor businesses, while revenue from customer B was attributable to the GPU business.

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

Accounts receivable from significant customers, those representing 10% or more of total accounts receivable for the respective periods, is summarized as follows:

	January 25, 2015	January 26, 2014
Accounts Receivable:		
Customer B	20%	23%
Customer C	10%	9%

Note 17 - Quarterly Summary (Unaudited)

The following table sets forth our unaudited consolidated financial results, for the last eight fiscal quarters:

	Fiscal Year 2015 Quarters Ended		
	January 25, 2015	October 26, 2014	July 27, 2014
(In thousands, except per share data)			

Statement of Income Data:

Revenue.....	\$ 1,250,514	\$ 1,225,382	\$ 1,102,824	\$ 1,102,787
Cost of revenue	\$ 550,911	\$ 548,684	\$ 483,850	\$ 498,585
Gross profit	\$ 699,603	\$ 676,698	\$ 618,974	\$ 604,202
Net income	\$ 193,128	\$ 172,967	\$ 127,976	\$ 136,516
Net income per share:				
Basic.....	\$ 0.35	\$ 0.32	\$ 0.23	\$ 0.24
Diluted.....	\$ 0.35	\$ 0.31	\$ 0.22	\$ 0.24

	Fiscal Year 2014 Quarters Ended		
	January 26, 2014	October 27, 2013	July 28, 2013
(In thousands, except per share data)			

Statement of Income Data:

Revenue.....	\$ 1,144,218	\$ 1,053,967	\$ 977,238	\$ 954,739
Cost of revenue	\$ 524,976	\$ 469,552	\$ 431,700	\$ 436,171
Gross profit	\$ 619,242	\$ 584,415	\$ 545,538	\$ 518,568
Net income	\$ 146,917	\$ 118,734	\$ 96,448	\$ 77,891
Net income per share:				
Basic.....	\$ 0.26	\$ 0.20	\$ 0.16	\$ 0.13
Diluted.....	\$ 0.25	\$ 0.20	\$ 0.16	\$ 0.13

NVIDIA CORPORATION AND SUBSIDIARIES
SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Period	Additions	Deductions	Balance at End of Period
	(In thousands)			
Year ended January 25, 2015				
Allowance for doubtful accounts..	\$ 848	\$ 2,837 (1)	\$ (793) (1)	\$ 2,892
Sales return allowance	\$ 14,111	\$ 12,427 (2)	\$ (12,447) (4)	\$ 14,091
Deferred tax valuation allowance .	\$ 244,487	\$ 16,498 (3)	\$ —	\$ 260,985
Year ended January 26, 2014				
Allowance for doubtful accounts..	\$ 1,804	\$ 309 (1)	\$ (1,265) (1)	\$ 848
Sales return allowance	\$ 14,790	\$ 15,881 (2)	\$ (16,560) (4)	\$ 14,111
Deferred tax valuation allowance .	\$ 224,774	\$ 19,713 (3)	\$ —	\$ 244,487
Year ended January 27, 2013				
Allowance for doubtful accounts..	\$ 973	\$ 1,139 (1)	\$ (308) (1)	\$ 1,804
Sales return allowance	\$ 13,881	\$ 16,533 (2)	\$ (15,624) (4)	\$ 14,790
Deferred tax valuation allowance .	\$ 212,285	\$ 12,489 (3)	\$ —	\$ 224,774

- (1) Additions represent allowance for doubtful accounts charged to expense and deductions represent amounts recorded as reduction to expense upon reassessment of allowance for doubtful accounts at period end.
- (2) Represents allowance for sales returns estimated at the time revenue is recognized primarily based on historical return rates and is charged as a reduction to revenue.
- (3) Represents change in valuation allowance primarily related to state and certain foreign deferred tax assets that management has determined not likely to be realized due, in part, to projections of future taxable income of the respective jurisdictions.
- (4) Represents allowance for sales returns written off.

EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filing Date
		Schedule /Form	File Number	Exhibit	
3.1	Amended and Restated Certificate of Incorporation	S-8	333-74905	4.1	3/23/1999
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation	10-Q	0-23985	3.1	8/21/2008
3.3	Certificate of Amendment of Amended and Restated Certificate of Incorporation	8-K	0-23985	3.1	5/24/2011
3.4	Bylaws of NVIDIA Corporation, Amended and Restated as of November 11, 2013	8-K	0-23985	3.1	11/14/2013
4.1	Reference is made to Exhibits 3.1, 3.2, 3.3 and 3.4				
4.2	Specimen Stock Certificate	S-1/A	333-47495	4.2	4/24/1998
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10.15+	Amended and Restated 2007 Equity Incentive Plan - Non-Employee Director Stock Option Grant (2012 Annual Board Retainer)	10-Q	0-23985	10.4	5/23/2012
10.16+	2007 Equity Incentive Plan - Non Statutory Stock Option	8-K	0-23985	10.2	9/13/2010
10.17+	2007 Equity Incentive Plan - Incentive Stock Option	8-K	0-23985	10.21	9/13/2010
10.18+	Amended and Restated 2007 Equity Incentive Plan - Non Statutory Stock Option	10-Q	0-23985	10.1	8/22/2012
10.19+	Amended and Restated 2007 Equity Incentive Plan - Incentive Stock Option	10-Q	0-23985	10.2	8/22/2012
10.20+	2007 Equity Incentive Plan - Restricted Stock Unit Grant Notice and Restricted Stock Unit Purchase Agreement	10-Q	0-23985	10.22	12/7/2010
10.21+	Amended and Restated 2007 Equity Incentive Plan - Restricted Stock Unit Grant Notice and Restricted Stock Unit Purchase Agreement	10-Q	0-23985	10.3	8/22/2012
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10.29+	Fiscal Year 2015 Variable Compensation Plan	8-K	0-23985	10.1	4/15/2014
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10.31+	Offer Letter between NVIDIA Corporation and Colette Kress, dated September 13, 2013	8-K	0-23985	10.1	9/16/2013
10.32	Lease dated April 4, 2000 between NVIDIA Corporation and Sobrato Interests III for Building A	S-3/A	333-33560	10.1	4/20/2000

10.33	Lease dated April 4, 2000 between NVIDIA Corporation and Sobrato Interests III for Building B	S-3/A	333-33560	10.2	4/20/2000
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10.36	Memory Controller Patent License Agreement Between Rambus Inc. and NVIDIA Corporation, dated August 12, 2010	10-Q	0-23985	10.32	12/7/2010
10.37	Second Amendment to Lease, dated August 18, 2010 between NVIDIA Corporation and Sobrato Interests III for Building A	10-Q	0-23985	10.33	12/7/2010
10.38	Third Amendment to Lease, dated August 18, 2010, between NVIDIA Corporation and Sobrato Interests III for Building B	10-Q	0-23985	10.34	12/7/2010
10.39	Third Amendment to Lease, dated August 18, 2010, between NVIDIA Corporation and Sobrato Interests III for Building C	10-Q	0-23985	10.35	12/7/2010
10.40	Second Amendment to Lease, dated August 18, 2010, between NVIDIA Corporation and Sobrato Interests III for Building D	10-Q	0-23985	10.36	12/7/2010
10.41	Patent Cross License Agreement dated as of January 10, 2011, between NVIDIA Corporation and Intel Corporation	8-K	0-23985	10.1	1/10/2011
10.42	Master Confirmation and Supplemental Confirmation between NVIDIA Corporation and Goldman, Sachs & Co., dated May 14, 2013	10-Q	0-23985	10.3	5/22/2013
10.43	Supplemental Confirmation between NVIDIA Corporation and Goldman, Sachs & Co., dated February 14, 2014	10-Q	0-23985	10.1	5/21/2014
10.44	Base Convertible Note Hedge Transaction Confirmation	8-K	0-23985	99.1	12/2/2013
10.45	Base Warrant Transaction Confirmation	8-K	0-23985	99.2	12/2/2013
10.46	Additional Convertible Note Hedge Transaction Confirmation	8-K	0-23985	99.3	12/2/2013
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* Filed herewith.

+ Management contract or compensatory plan or arrangement.

In accordance with Item 601(b)(32)(ii) of Regulation S-K and SEC Release Nos. 33-8238 and 34-47986, Final Rule: Management's Reports on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports, the certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purpose of Section 18 of the Exchange Act. Such certifications will not be deemed to be incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

Copies of above exhibits not contained herein are available to any shareholder upon written request to:
Investor Relations: NVIDIA Corporation, 2701 San Tomas Expressway, Santa Clara, CA 95050

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 11, 2015.

NVIDIA Corporation

By: /s/ Jen-Hsun Huang

Jen-Hsun Huang

President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Jen-Hsun Huang and Colette M. Kress, and each or any one of them, his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this report, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-facts and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, or any of them, or their or his substitutes or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ JEN-HSUN HUANG</u> Jen-Hsun Huang	President, Chief Executive Officer and Director (Principal Executive Officer)	March 11, 2015
<u>/s/ COLETTE M. KRESS</u> Colette M. Kress	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	March 11, 2015
<u>/s/ MICHAEL J. BYRON</u> Michael J. Byron	Vice President and Chief Accounting Officer (Principal Accounting Officer)	March 11, 2015
<u>/s/ TENCH COXE</u> Tench Coxe	Director	March 11, 2015
<u>/s/ MARK STEVENS</u> Mark Stevens	Director	March 11, 2015

/s/ JAMES C. GAITHER	Director	March 11, 2015
James C. Gaither		
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/s/ HARVEY C. JONES	Director	March 9, 2015
Harvey C. Jones		
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/s/ MARK L. PERRY	Director	March 11, 2015
Mark L. Perry		
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/s/ WILLIAM J. MILLER	Director	March 11, 2015
William J. Miller		
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/s/ A. BROOKE SEAWELL	Director	March 11, 2015
A. Brooke Seawell		
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/s/ ROBERT BURGESS	Director	March 11, 2015
Robert Burgess		
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/s/ DAWN HUDSON	Director	March 11, 2015
Dawn Hudson		
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	Director	
Michael McCaffery		
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	Director	
Persis Drell		
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EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			Filing Date
		Schedule /Form	File Number	Exhibit	
3.1	Amended and Restated Certificate of Incorporation	S-8	333-74905	4.1	3/23/1999
3.2	Certificate of Amendment of Amended and Restated Certificate of Incorporation	10-Q	0-23985	3.1	8/21/2008
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CORPORATE INFORMATION

BOARD OF DIRECTORS

Jen-Hsun Huang

Co-Founder, President and
Chief Executive Officer
NVIDIA Corporation

Robert K. Burgess

Independent Consultant

Tench Coxe

Managing Director, Sutter Hill Ventures

Persis S. Drell

Dean, School of Engineering
Stanford University

James C. Gaither

Managing Director, Sutter Hill Ventures

Dawn Hudson

Chief Marketing Officer
National Football League

Harvey C. Jones

Managing Partner, Square Wave
Ventures

Michael G. McCaffery

Chairman and Managing Director
Makena Capital Management

William J. Miller (Lead Director)

Independent Director and Consultant

Mark L. Perry

Advisor, Third Rock Ventures

Brooke Seawell

Venture Partner
New Enterprise Associates

Mark A. Stevens

Managing Partner, S-Cubed Capital

FOUNDERS

Jen-Hsun Huang

Co-Founder, President and
Chief Executive Officer

Chris A. Malachowsky

Co-Founder, Senior Vice President
and NVIDIA Fellow

EXECUTIVE TEAM

Jonah M. Alben

Senior Vice President
GPU Engineering

Brian E. Cabrera

Senior Vice President and
General Counsel

Rob Csongor

Vice President and General Manager
Automotive

Bill Dally

Chief Scientist
and Senior Vice President
Research

Dwight Diercks

Senior Vice President
Software Engineering

Jeff Fisher

Senior Vice President
GeForce Business Unit

Frank Fox

Senior Vice President
Consumer Electronics Engineering

Joseph D. Greco

Senior Vice President
Advanced Technology Group

Jeff Herbst

Vice President
Business Development

Gary Hicok

Senior Vice President
Mobile Business Unit

Brian M. Kelleher

Senior Vice President
GPU Engineering

David B. Kirk

NVIDIA Fellow

Colette M. Kress

Executive Vice President and
Chief Financial Officer

Tommy Lee

Senior Vice President
Systems Manufacturing Engineering

Jay Puri

Executive Vice President
Worldwide Field Operations

David M. Shannon

Executive Vice President
Chief Administrative Officer
and Secretary

Debora Shoquist

Executive Vice President
Operations

Deepu Talla

Vice President and General Manager
Mobile Business Unit

Tony Tamasi

Senior Vice President
Content and Technology

Bob Worrall

Senior Vice President and
Chief Information Officer

INDEPENDENT ACCOUNTANTS

PricewaterhouseCoopers LLP
488 Almaden Boulevard, Suite 1800
San Jose, California 95110

GENERAL LEGAL COUNSEL

Coley LLP
3175 Hanover Street
Palo Alto, California 94304

TRANSFER AGENT

AND REGISTRAR

Computershare
P.O. Box 30170
College Station, Texas 77842-3170
www.computershare.com/investor

ANNUAL MEETING

May 20, 2015, at 10:30 a.m.
NVIDIA Corporation
2800 Scott Boulevard
Santa Clara, California 95050

FORM 10-K

A copy of NVIDIA's Form 10-K filed
with the SEC will be made available
to all shareholders at no charge.
The Form 10-K also can be accessed
through the SEC website (www.sec.gov)
or through NVIDIA's Investor Relations
website (www.nvidia.com/investor).
To receive a copy by mail please contact:

Investor Relations

NVIDIA Corporation
2701 San Tomas Expressway
Santa Clara, California 95050
Email: ir@nvidia.com



NVIDIA CORPORATION

2701 San Tomas Expressway
Santa Clara, California 95050

WWW.NVIDIA.COM