

NVIDIA Corporation
Share Dilution Scenarios
FROM 1.00% CONVERTIBLE SENIOR NOTES (NOTES) DUE 2018
(Shares in Thousands)

Quarterly Average Stock Price	Non-GAAP				GAAP	
	Dilutive Impact from Notes	Offsetting Shares from Note Hedges	Dilutive Shares from Warrants	Impact on Non- GAAP Dilutive Shares = [1] + [2] + [3]	Add back Offsetting Shares from Note Hedges	Impact on GAAP Dilutive Shares = [4] + [5]
[0]	[1]	[2]	[3]	[4]	[5]	[6]
\$20.00	0	0	0	0	0	0
\$30.00	3,673	(3,673)	1,150	1,150	3,673	4,823
\$40.00	5,525	(5,525)	3,738	3,738	5,525	9,262
\$50.00	6,636	(6,636)	5,290	5,290	6,636	11,926
\$60.00	7,377	(7,377)	6,325	6,325	7,377	13,701
\$70.00	7,906	(7,906)	7,064	7,064	7,906	14,970
\$80.00	8,303	(8,303)	7,618	7,618	8,303	15,921
\$90.00	8,611	(8,611)	8,050	8,050	8,611	16,661
\$100.00	8,858	(8,858)	8,394	8,394	8,858	17,253
\$110.00	9,060	(9,060)	8,677	8,677	9,060	17,737
\$120.00	9,229	(9,229)	8,912	8,912	9,229	18,141
\$130.00	9,371	(9,371)	9,111	9,111	9,371	18,482
\$140.00	9,493	(9,493)	9,282	9,282	9,493	18,775
\$150.00	9,599	(9,599)	9,429	9,429	9,599	19,028

In December 2013, we issued \$1.5 billion of 1.00% Convertible Senior Notes due 2018. Concurrent with the Notes issuance, we entered into separate Note Hedges and Warrants transactions. The Note Hedges are designed to neutralize the dilutive effect of the shares that may be issued under the Notes. Conversion of \$1,278 million in principal amount of the Notes were settled during FY17 and Q1FY18. As a result, as of April 30, 2017, the remaining principal amount of the Notes was \$222 million.

On December 12, 2016, we entered into an agreement with Goldman, Sachs & Co. to terminate certain of the outstanding warrants. Pursuant to the terms of this agreement, 63 million warrants in aggregate, of the 75 million outstanding warrants, were terminated by January 31, 2017.

The conversion rate and conversion price of the Notes, and the strike price of the Warrants, are adjusted upon the occurrence of certain events, including our cash dividends or distributions exceeding \$0.085 per share. As of the latest adjustment made on the ex-dividend date of February 22, 2017, the amounts were as follows:

- Conversion price of Notes = \$20.0562
- Strike price of Warrants = \$26.9988

Separately, since reinstating our capital return program in fiscal year 2013, we have repurchased cumulatively 154 million shares through the end of Q1FY18.

Period	Amount	Shares Repurchased
	<i>(In Millions)</i>	
FY13	\$100	8
FY14	\$887	62
FY15	\$814	44
FY16	\$587	25
FY17	\$739	15
Cumulative	\$3,127	154

Footnotes:

[1] Excludes impact of offsetting shares from Note Hedges

[2] Offsetting shares from Note Hedges, which when exercised, will ultimately offset the dilutive shares from the Notes

[3] Dilution from Warrants issued concurrently with the Notes

[4] Impact of Notes on Non-GAAP diluted shares for non-GAAP EPS calculation

[5] Eliminate the expected impact of the Note Hedges, as this is not recognized in GAAP diluted shares until exercised

[6] Impact of Notes on GAAP diluted shares for GAAP EPS calculation

Formula:

Dilutive Impact from Notes [1] = ((Average Stock Prices [0] X Total Underlying Shares [c]) - Converts Size [a]) / Average Stock Prices [0]

Dilutive Shares from Warrants [3] = (Average Stock Prices [0] - Warrant Strike [e]) / Average Stock Prices [0] X Total Underlying Shares [c]