This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Company announced today a strategic restructuring plan to enhance responsiveness to customers, strengthen global competitiveness and increase operational efficiency which has the effect of:

(1) Achieving an annualized gross cost saving of approximately US$250 million (or about HK$1,950 million) when fully implemented;

(2) Achieving a resource reduction of approximately 1,000 regular fulltime employees globally; and

(3) Incurring a cost related to restructuring of approximately US$100 million (or about HK$780 million).

Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.

The board of directors (the “Board”) of Lenovo Group Limited (the “Company” and together with its subsidiaries, the “Group”) wishes to inform the shareholders of the Company and investors that the Company announced today a strategic restructuring plan to enhance responsiveness to customers, strengthen global competitiveness and increase operational efficiency with a view of achieving operational and cost efficiency. The restructuring plan includes integrating sales service, support and fulfillment operations, streamlining its global sales and marketing operations and centralizing the global supply chain business. This restructuring plan when fully implemented has the effect of:

(a) Achieving an annualized gross cost saving of approximately of US$250 million (or about HK$1,950 million);

(b) Achieving a resource reduction of approximately 1,000 regular fulltime employees globally; and

(c) Incurring a cost related to restructuring of approximately US$100 million (or about HK$780 million).

The Board considers that a combination of a major portion of the restructuring cost of approximately US$ 100 million (or about HK$780 million) which will be reflected in the 4th quarter of the annual results of the Group for the year ending March 31, 2006, together with a traditional lower level of turnover in the 4th quarter in a number of markets as compared with the last three quarters, will have an impact on the financial results of the Group for the year ending March 31, 2006. At this stage, the Board is not yet in a position to quantify precisely the effect of the above on the financial results of the Group for the year ending March 31, 2006 as the restructuring is just implemented and the financial year has not yet ended. The Board currently expects to announce the audited consolidated financial results of the Group for the year ending March 31, 2006 by end of May 2006.
Shareholders of the Company and investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board

Yuanqing Yang
Chairman

New York, March 16, 2006

As of the date of this announcement, the Executive Directors are Mr. Yuanqing Yang, Mr. William J. Amelio and Ms. Xuezheng Ma, the Non-executive Directors are Mr. Chuanzhi Liu, Mr. Linan Zhu, Mr. James G. Coulter, Mr. William O. Grabe, Mr. Weijian Shan, Mr. Justin T Chang (alternate Director to Mr. James G. Coulter), Mr. Vince Feng (alternate Director to Mr. William O. Grabe) and Mr. Daniel A. Carroll (alternate Director to Mr. Weijian Shan); and the Independent Non-executive Directors are Mr. Wai Ming Wong, Professor Chia-Wei Woo, Mr. Lee Sen Ting and Mr. John W. Barter III.

“Please also refer to the published version of this announcement in the South China Morning Post”