

OneSource Corporate Overview Report  
International Business Machines Corp.

25 January 2010

## International Business Machines Corp.

## Corporate Overview

Location	Quote Symbol - Exchange	Incorporation Date:	16-Jun-1911
One New Orchard Road	IBM - New York Stock Exchange	Company Type:	Public Parent
Armonk, NY, 10504	Sales USD(mil):	Quoted Status:	Quoted
Westchester County	Assets USD(mil):	Chairman of the Board,	Samuel J.
United States	Employees:	President, Chief Executive	Palmisano
	Fiscal Year End:	Officer:	
	KeyID <sup>SM</sup> :		
Tel: 914-499-1900	Industry:		
Fax: 914-765-6021	Computer Networks		
Toll Free Tel: 800-426-4968			
www.ibm.com			

## Company Web Links

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## Industry Codes

## ANZSIC 2006 Codes:

2421 - Computer and Electronic Office Equipment Manufacturing  
6230 - Non-Depository Financing  
2429 - Other Electronic Equipment Manufacturing  
7000 - Computer System Design and Related Services  
6639 - Other Goods and Equipment Rental and Hiring Not Elsewhere Classified  
5420 - Software Publishing

## NACE 2002 Codes:

3002 - Manufacture of computers and other information processing equipment  
7133 - Renting of office machinery and equipment including computers  
3210 - Manufacture of electronic valves and tubes and other electronic components  
7221 - Publishing of software  
7210 - Hardware consultancy  
6522 - Other credit granting  
7222 - Other software consultancy and supply

## NAICS 2002 Codes:

334111 - Electronic Computer Manufacturing  
522220 - Sales Financing  
334413 - Semiconductor and Related Device Manufacturing  
541511 - Custom Computer Programming Services  
334119 - Other Computer Peripheral Equipment Manufacturing  
532420 - Office Machinery and Equipment Rental and Leasing  
511210 - Software Publishers  
541512 - Computer Systems Design Services

## US SIC 1987:

3571 - Electronic Computers  
7371 - Computer Programming Services

3674 - Semiconductors and Related Devices  
 7373 - Computer Integrated Systems Design  
 3577 - Computer Peripheral Equipment, Not Elsewhere Classified  
 7372 - Prepackaged Software  
 6159 - Miscellaneous Business Credit Institutions  
 7377 - Computer Rental and Leasing

#### UK SIC 2003:

3002 - Manufacture of computers and other information processing equipment  
 7133 - Renting of office machinery and equipment including computers  
 3210 - Manufacture of electronic valves and tubes and other electronic components  
 7221 - Publishing of software  
 7210 - Hardware consultancy  
 6522 - Other credit granting  
 7222 - Other software consultancy and supply

### Business Description

International Business Machines Corporation (IBM), incorporated on June 16, 1911, is an information technology (IT) company. The Company's major operations include Global Technology Services segment (GTS), Global Business Services segment (GBS), Software segment, Systems and Technology segment, and Global Financing segment. On January 31, 2008, the Company acquired 100% of Cognos, Inc. On April 3, 2008, IBM acquired 100% of Telelogic, AB. In July 2008, the Company acquired Platform Solutions, Inc. (PSI). In December 2008, its internal global logistics operations were acquired by SNCF Transport and logistics division of Geodis. In July 2009, IBM acquired Ounce Labs, Inc., a privately held company based in Waltham, Massachusetts, whose software helps companies to reduce the risks and costs associated with security and compliance concerns. IBM will integrate Ounce Labs, a provider of enterprise source code security testing, into its Rational software business. In August 2009, the Company announced the launch of its China Analytics Solution Center, part of a network of global centers. In October 2009, IBM Corporation completed its acquisition of SPSS Inc. In November 2009, IBM acquired Guardium, a real time enterprise database monitoring and protection.

#### Global Technology Services

GTS primarily provides IT infrastructure services and business process services, delivering business value through the Company's global scale, standardization and automation. GTS capabilities include strategic outsourcing services, integrated technology services, business transformation outsourcing, integrated technology services, business transformation outsourcing, business transformation outsourcing and maintenance.

The Company competes with Hewlett-Packard Company, Accenture, Computer Sciences Corporation, Satyam Computer Services Ltd. and Wipro Technologies.

#### Global Business Services

GBS primarily provides professional services and application outsourcing services. GBS capabilities include consulting and systems integration, and application management services. Consulting and systems integration includes delivery of value to clients through consulting services for client relationship management, financial management, human-capital management, business strategy and change, and supply-chain management. Application management services include application development, management, maintenance and support services for packaged software, as well as custom and legacy applications.

The Company competes with Accenture, Infosys Consulting and Wipro.

#### Software

Software consists primarily of middleware and operating systems software. Middleware software enables clients to integrate systems, processes and applications across a standard software platform. IBM middleware is designed to open standards, which allows the integration of disparate client applications that may have been built internally, or provided by packaged software vendors or system integrators. Operating systems are the software engines that run computers. Approximately two-thirds of external software segment revenue is annuity-based, coming from recurring license charges and on-going subscription and support from one-time charge (OTC) arrangements. The remaining one-third of external revenue relates to OTC arrangements, in which the client pays one up-front payment for a perpetual license. Arrangements for the sale of OTC software include one year of maintenance. The client can also purchase ongoing maintenance after the first year, which includes product upgrades and technical support. Its software includes WebSphere software, Information Management software, Tivoli software, Lotus software, Rational software and Operating systems.

The Company competes with Oracle Corporation, Microsoft Corporation, EMC and CA, Inc.

#### Systems and Technology

Systems and Technology segment provides clients with business solutions requiring advanced computing power and storage capabilities. Approximately 55% of Systems and Technology's server and storage sales transactions are through the Company's business partners; approximately 45% are direct to end user clients. In addition, Systems and Technology provides semiconductor

technology and products, packaging solutions and engineering technology services to clients and for IBM's own technology needs.

The Company competes with Hewlett-Packard Company, Dell, Inc., Sun Microsystems and EMC Corporation.

#### Global Financing

Global Financing invests in financing assets, leverages with debt and manages the associated risks with the objective of generating returns on equity. Global Financing comprises three lines of business: Client financing, Commercial financing and Remarketing. Client financing provides lease and loan financing to end users and internal clients for terms generally between two and seven years. Internal financing is predominantly in support of Global Services' long-term client service contracts. Commercial financing provides primarily short-term inventory and accounts receivable financing to dealers and remarketers of IT products. Remarketing sells and leases used equipment to new or existing clients both externally and internally. This equipment is primarily sourced from the conclusion of lease transactions.

The Company competes with Hewlett-Packard Company, Dell, Inc., General Electric Company and CIT Group, Inc

*Source: Reuters*

#### More Business Descriptions

International Business Machines Corporation (IBM), is an information technology (IT) company. The Company's major operations include Global Technology Services segment (GTS), Global Business Services segment (GBS), Software segment, Systems and Technology segment, and Global Financing segment. On January 31, 2008, the Company acquired 100% of Cognos, Inc. On April 3, 2008, IBM acquired 100% of Telelogic, AB. In July 2008, the Company acquired Platform Solutions, Inc. In December 2008, its internal global logistics operations were acquired by SNCF Transport and logistics division of Geodis. In July 2009, IBM acquired Ounce Labs, Inc., a privately held company based in Waltham, Massachusetts, whose software helps companies to reduce the risks and costs associated with security and compliance concerns. In August 2009, the Company announced the launch of its China Analytics Solution Center, part of a network of global centers. For the nine months 30 September 2009, International Business Machines Corporation's revenues decreased 11% to \$68.53B. Net income increased 9% to \$8.6B. Revenues reflect a decrease in the income from Global Technology Services, lower income from strategic outsourcing and a decrease in income from Global Business Service segment. Net income was partially offset by a decrease in research & development expenses and lower general & administrative expenses.

*Source: Reuters*

IBM (USA) is the world's largest information technology company, with over 80 years of leadership in helping businesses innovate. It creates, develops and manufactures the industry's most advanced information technologies, including computer systems, software, networking systems, storage devices and microelectronics. IBM played a leading role in the three computing waves - mainframe computing, personal computing and e-business, and now sets a new agenda for the industry, e-business on demand.

*Source: BMI*

IBM is one of the world's largest information technology companies, with more than 80 years of leadership in helping businesses. Drawing on resources from IBM and key business partners -- such as Oracle, SAP and Cisco -- the company offers a range of services, solutions, financing and technologies that enable customers, large and small, to take full advantage of the new era of on demand. It provides an array of solutions for several industries, such as aerospace and defense, banking, consumer products, electronics, health care, media and entertainment, retail, education and government. IBM's solutions are used for business intelligence, content management, enterprise resource planning, information integration and security. It also offers IT services, business consulting, software and application services and asset recovery. The company also manufactures a variety of computer systems, software, servers, semiconductors, printing and storage systems, as well as other accessories and parts. IBM is located in Armonk, N.Y.

*Source: infoUSA*

Establishments primarily engaged in manufacturing electronic computers. Electronic computers are machines which: (1) store the processing program or programs and the data immediately necessary for execution of the program; (2) can be freely programmed in accordance with the requirements of the user; (3) perform arithmetical computations specified by the user; and (4) execute, without human intervention, a processing program which requires them to modify their execution by logical decision during the processing run. Included in this industry are digital computers, analog computers, and hybrid digital/analog computers.

*Source: infoUSA*

Manufacturer and developer of the industry's most advanced information technologies, including computer systems, software, storage systems and microelectronics. Products include AS400, Asset Recovery Solutions, AIX, APL2, C/C++, CATIA Solutions, Disk Storage Systems, DB2 Document Manager, ENOVIA Solutions, Firewall, Fortran, Home Page Reader, HTTP Server, Host Publisher, IBM Records Manager, IntelliStation, Informix dynamic server, Java, Kiosk, LAN Adapters, Linux, Lotus 1-2-3, Lotus Notes, MQSeries, Mainframes, NetView, Network Data Couplers, Notes, OS/400, OS/390, pSeries, PC -Services, POS, RS/6000, Storage Networks, S/390, Software, Storage, Systemi5, TXSeries, Tivoli, Tape storage systems, UNIX Workstations, UNIX servers, VisualAge, VSE/ESA, WebSphere MQ, XML and zSeries. Products and services are sold to multiple industries.

*Source: CorpTech*

#### Product Codes

Product Code	Product Description
COM-AI-ESO	Optical character recognition equipment
COM-CB-R	Packaged processors
COM-MC-H	High-end microcomputers

COM-MC-P	Portable microcomputers
COM-MF	Mainframe computers
COM-MO-C	Color monitors
COM-MO-G	Graphics monitors
COM-MO-M	Monochrome monitors
COM-MO-R	High-resolution monitors
COM-OU-PI	Inkjet printers
COM-OU-PL	Laser printers
COM-OU-PZ	Impact printers
COM-SP-S	Scientific computers
COM-SV-CC	Systems consulting services
COM-SV-CC	Systems integration services
COM-TR-D	Display terminals
COM-TR-SA	Automatic teller equipment
COM-TR-SC	Credit authorization terminals
COM-TR-SD	Data entry terminals
COM-TR-SF	Financial terminals
COM-TR-SM	Cash dispensers
COM-TR-SP	Point of sale terminals
COM-TR-SR	Payment processing equipment
COM-TR-ST	Teller terminals
COM-TR-WC	CAD/CAM/CAE workstations
COM-TR-WC	Graphics terminals
COM-TR-WN	Diskless workstations
SOF-AC-T	Tax planning software
SOF-AI-EC	Development/building expert system software
SOF-AI-ED	Decision support software
SOF-AI-EZ	Expert systems technologies
SOF-BA-L	Loans & interest software
SOF-CS-C	Networking software
SOF-CS-I	Online search engine application software
SOF-CS-I	Internet tools
SOF-CS-L	Local area network systems software
SOF-CS-M	Microcomputer-mainframe communications software - InterSession(tm)
SOF-CS-M	Database access software
SOF-CS-M	EAI software - Mercator(R)
SOF-CS-M	Mainframe-microcomputer communications software
SOF-CS-M	Electronic data interchange software
SOF-DM-F	File management software
SOF-DM-MR	Data warehousing software - Ascential Enterprise Integration Suite(tm), DataStage(R) Load PACK(tm) for SSAP BW(tm), SAP Business Information Warehouse(tm) (BW)
SOF-DM-MR	Object/relational database management software - Media360(tm)
SOF-DM-MR	Relational database software
SOF-DM-Q	Database indexing software - Ascential Enterprise Integration Suite(tm)
SOF-DM-Q	Query languages software
SOF-DM-Z	Personal database software
SOF-ED-G	K-8 language arts software
SOF-ED-G	K-8 math/science software
SOF-FN-P	Analysis and planning software
SOF-GO-F	Federal government software
SOF-GO-M	Military applications software
SOF-MA-I	Integrated manufacturing software
SOF-MA-MC	Bill of materials software
SOF-MA-P	Process control software

SOF-OA-D	Desk management software
SOF-OA-E	Data entry formatting software
SOF-OA-E	Data verification software
SOF-OA-E	Data entry software
SOF-OA-GB	Business graphics software
SOF-OA-GB	Executive presentation software
SOF-OA-L	Phone list management software
SOF-OA-L	Mailing list management software
SOF-OA-MB	Electronic bulletin board software
SOF-OA-ME	Electronic message system software
SOF-OA-P	Web publishing software
SOF-OA-S	Electronic spreadsheets software
SOF-OA-T	Time management software
SOF-OA-W	Word processing software
SOF-PD-G	Data standardization and matching software - Ascential Enterprise Integration Suite(tm)
SOF-SM-D	Web-based customer relationship management application - DWL Unifi(tm)
SOF-SM-I	Customer management processware software
SOF-SV-C	Software consulting services
SOF-SV-C	Software consulting services
SOF-SV-PA	Custom applications software programming services
SOF-SV-PS	Custom systems software programming services
SOF-TS-EC	Civil engineering software
SOF-TS-EC	Architectural CAD/CAM software
SOF-TS-EE	Electrical engineering software
SOF-TS-EE	Electronic CAD/CAM software
SOF-UT-2	Software auditing software - SoftAudit/One(tm), SoftAudit/2000(tm)
SOF-UT-5	Processware
SOF-UT-E	ISPF/PDF enhancement software - SPIFFY(tm)
SOF-UT-F	Operating systems
SOF-UT-G	Windowing systems software
SOF-UT-J	Copy programs software
SOF-UT-M	Graphics editors/painting software
SOF-UT-O	Software license metering software - LicensePower MVS(tm)
SOF-UT-O	Data processing checking software - TICTOC(tm)
SOF-UT-O	Software license management software - LicensePower iFor(tm)
SOF-UT-R	Damaged media recovery software
SOF-UT-R	Power loss recovery software
SOF-UT-V	Spelling corrections software
SOF-UT-X	Access control systems software
SOF-UT-X	Password control software
SOF-UT-X	Encryption and decryption software
SUB-SE-IN	Dynamic access memory chips
TEL-DC-T	Communications terminals
TEL-IF-D	Web-based applications hosting services
TEL-IW-D	Web page design services
TEL-IW-G	Web page graphic development services
TEL-IZ-C	Internet consulting services
TEL-IZ-N	Internet marketing services
TEL-IZ-N	Internet marketing services
TEL-IZ-Z	E-commerce consulting and strategy services
TEL-NW-CH	Hubs
TEL-TD-S	Network servers
ZZZ-HC	Parent/holding company

## Financial Data

Financials in:	USD(mil)	
		1 Year Growth
Revenue:	103,630.0	4.9%
Net Income:	12,334.0	18.4%
Assets:	109,524.0	-9.1%
Long Term Debt:	22,689.0	
Total Liabilities:	96,059.0	
Working Capital:	10.5	
Date of Financial Data:	31-Dec-2008	

## Market Data

Quote Symbol:	IBM
Exchange:	New York Stock Exchange
Currency:	USD
Stock Price:	131.8
Stock Price Date:	01-15-2010
52 Week Price Change % :	56.7
Market Value (mil):	173,106.6
SEDOL:	2005973
ISIN:	US4592001014

## Equity and Dept Distribution:

Common Stock \$.20 Par, 9/09, 4,687,500,000 auth., 2,113,714,035 issd., less 800,111,099 Shs. in Treas. @ \$78.41B. Insiders own 0.05% PO 12/68, 50K shs. @ \$328.50 by Merrill Lynch. 5/99, 5/97, 2-for-1 stock splits. FY'04 Q's are restated.

## Shareholders

% Outstanding Shares held by Institutions:	60.348
Institutions Holding Shares:	2789
Shares held by Institutions (mil):	792.732
Shares Purchased by Institutions 3 months (mil):	47.119
Shares Sold by Institutions 3 months (mil):	32.77

## Key Corporate Relationships

Auditor:	PricewaterhouseCoopers
Auditor:	PricewaterhouseCoopers

## Additional Information

ABI Number:	007519853
Fortune 1000 Rank:	14

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