

IBM REPORTS 2012 FIRST-QUARTER RESULTS

- o Diluted EPS:
 - GAAP: \$2.61, up 13 percent;
 - Operating (non-GAAP): \$2.78, up 15 percent;
- o Net income:
 - GAAP: \$3.1 billion, up 7 percent;
 - Operating (non-GAAP): \$3.3 billion, up 9 percent;
- o Gross profit margin:
 - GAAP: 45.1 percent, up 0.9 points;
 - Operating (non-GAAP): 45.7 percent, up 1.2 points;
- o Revenue: \$24.7 billion, flat, up 1 percent adjusting for currency;
- o Free cash flow of \$1.9 billion, up \$1.1 billion;
- o Software revenue up 5 percent, 7 percent adjusting for currency;
- o Services revenue up 1 percent:
 - Services pre-tax income up 11 percent;
- o Services backlog of \$139 billion, down 2 percent, up 1 percent adjusting for currency;
- o Systems and Technology revenue down 7 percent, 6 percent adjusting for currency;
- o Growth markets revenue up 9 percent;
- o Business analytics revenue up 14 percent;
- o Smarter Planet revenue up more than 25 percent;
- o Cloud revenue doubled first-quarter 2011 revenue;
- o Full-year 2012 operating (non-GAAP) EPS expectations raised to at least \$15.00 from at least \$14.85.

ARMONK, N.Y., April 17, 2012 . . . IBM (NYSE: IBM) today announced first-quarter 2012 diluted earnings of \$2.61 per share, compared with diluted earnings of \$2.31 per share in the first quarter of 2011, an increase of 13 percent. Operating (non-GAAP) diluted earnings were \$2.78 per share, compared with operating diluted earnings of \$2.41 per share in the first quarter of 2011, an increase of 15 percent.

First-quarter net income was \$3.1 billion compared with \$2.9 billion in the first quarter of 2011, an increase of 7 percent. Operating (non-GAAP) net income was \$3.3 billion compared with \$3.0 billion in the first quarter of 2011, an increase of 9 percent.

Total revenues for the first quarter of 2012 of \$24.7 billion were flat (up 1 percent, adjusting for currency) from the first quarter of 2011.

"In the first quarter, we drove strong profit and earnings per share growth. We delivered another excellent software performance, expanded services margins, and continued the momentum in our growth initiatives," said Ginni Rometty, IBM president and chief executive officer. "Our investments in growth market countries continued to generate strong revenue growth across software, hardware and services while contributing to the company's ongoing margin expansion.

"Based on this performance, we are raising our 2012 full-year operating earnings per share expectations to at least \$15.00."

First-Quarter GAAP - Operating (non-GAAP) Reconciliation

First-quarter operating (non-GAAP) diluted earnings exclude \$0.17 per share of charges: \$0.11 per share for the amortization of purchased intangible assets and other acquisition-related charges, and \$0.06 per share for retirement-related charges driven by changes to plan assets and liabilities primarily related to market performance.

Full-Year 2012 Expectations

IBM raised its expectations for full-year 2012 GAAP diluted earnings per share to at least \$14.27 from at least \$14.16; and operating (non-GAAP) diluted earnings per share to at least \$15.00 from at least \$14.85. The 2012 operating (non-GAAP) earnings expectations exclude \$0.73 per share of charges for amortization of purchased intangible assets, other acquisition-related charges, and retirement-

related charges driven by changes to plan assets and liabilities primarily related to market performance.

Geographic Regions

The Americas' first-quarter revenues were \$10.5 billion, an increase of 1 percent (up 2 percent, adjusting for currency) from the 2011 period. Revenues from Europe/Middle East/Africa were \$7.6 billion, down 2 percent (up 1 percent, adjusting for currency). Asia-Pacific revenues increased 4 percent (up 1 percent, adjusting for currency) to \$6.1 billion. OEM revenues were \$509 million, down 17 percent compared with the 2011 first quarter.

Growth Markets

Revenues from the company's growth markets increased 9 percent (up 9 percent, adjusting for currency) and 40 countries had double digit revenue growth at constant currency. Revenues in the BRIC countries – Brazil, Russia, India and China – increased 10 percent (up 11 percent, adjusting for currency).

Services

Global Technology Services segment revenues increased 2 percent (up 3 percent, adjusting for currency) to \$10.0 billion. Global Business Services segment revenues were down 2 percent (down 1 percent, adjusting for currency) to \$4.6 billion.

Pre-tax income from Global Technology Services increased 20 percent and pre-tax margin increased to 14.3 percent. Global Business Services pre-tax income decreased 6 percent and pre-tax margin decreased to 12.5 percent.

The estimated services backlog at March 31 was \$139 billion, down 2 percent year over year at actual rates (up 1 percent, adjusting for currency). Services backlog at the end of a quarter measures the current value of work under contract expected to be recognized as revenue in future quarters.

Software

Revenues from the Software segment were \$5.6 billion, an increase of 5 percent (up 7 percent, adjusting for currency) compared with the first quarter of 2011. Software pre-tax income increased 12 percent and pre-tax margin increased to 30.2 percent.

Revenues from IBM's key middleware products, which include WebSphere, Information Management, Tivoli, Lotus and Rational products, were \$3.5 billion, an increase of 7 percent (up 8 percent, adjusting for currency) versus the first quarter of 2011. Operating systems revenues of \$590 million increased 9 percent (up 10 percent, adjusting for currency) compared with the prior-year quarter.

Revenues from the WebSphere family of software products increased 16 percent year over year. Information Management software revenues increased 5 percent. Revenues from Tivoli software increased 5 percent. Revenues from Lotus software were flat, and Rational software increased 1 percent.

Revenues from the company's business analytics operations across services, software and hardware segments increased 14 percent.

Hardware

Revenues from the Systems and Technology segment totaled \$3.7 billion for the quarter, down 7 percent (down 6 percent, adjusting for currency) from the first quarter of 2011. Systems and Technology pre-tax income decreased \$236 million.

Total systems revenues decreased 6 percent (down 6 percent, adjusting for currency). Revenues from Power Systems were flat compared with the 2011 period. Revenues from System x were also flat. Revenues from System z mainframe server products decreased 25 percent compared with the year-ago period. Total delivery of System z computing power, as measured in MIPS (millions of instructions per second), decreased 5 percent. Revenues from System Storage decreased 4 percent, and revenues from Retail Store Solutions decreased 13 percent year over year. Revenues from Microelectronics OEM decreased 13 percent.

Financing

Global Financing segment revenues decreased 5 percent (down 4 percent, adjusting for currency) in the first quarter to \$490 million. Pre-tax income for the segment decreased 1 percent to \$512 million.

The company's total gross profit margin was 45.1 percent in the 2012 first quarter compared with 44.1 percent in the 2011 first-quarter period. Total operating (non-GAAP) gross profit margin was 45.7 percent in the 2012 first quarter compared with 44.5 percent in the 2011 first-quarter period, with increases in Global Technology Services and Global Business Services.

Total expense and other income increased 3 percent to \$7.3 billion compared with the prior-year period. S,G&A expense of \$5.9 billion increased 1 percent year over year. R,D&E expense of \$1.6 billion increased 1 percent compared with the year-ago period. Intellectual property and custom development income decreased to \$255 million compared with \$262 million a year ago. Other (income) and expense was income of \$58 million compared with prior-year income of \$202 million. Interest expense increased to \$110 million compared with \$93 million in the prior year.

Total operating (non-GAAP) expense and other income increased 3 percent to \$7.2 billion compared with the prior-year period. Operating (non-GAAP) S,G&A expense of \$5.8 billion was flat compared with prior-year expense. Operating (non-GAAP) R,D&E expense of \$1.6 billion was flat compared with the year-ago period.

Pre-tax income of \$3.8 billion and pre-tax margin of 15.5 percent were flat compared with the prior-year period. Operating (non-GAAP) pre-tax income increased 3 percent to \$4.1 billion and pre-tax margin was 16.7 percent, up 0.5 points.

IBM's tax rate was 20.1 percent, down 4.9 points year over year; operating (non-GAAP) tax rate was 20.6 percent, down 4.4 points. The lower tax rate was due to a one-time benefit associated with a tax restructuring in Latin America. The benefit offset the company's first-quarter workforce rebalancing expense, similar to first-quarter 2011 when a one-time gain from asset sales offset workforce rebalancing expenses. The company expects its full-year 2012 effective tax rate on a GAAP and operating (non-GAAP) basis to be in the range of 24 percent; and excluding the one-time benefit in the first quarter, the rate is expected to be in the range of 25 percent.

Net income margin increased 0.8 points to 12.4 percent. Total operating (non-GAAP) net income margin increased 1.1 points to 13.2 percent.

The weighted-average number of diluted common shares outstanding in the first-quarter 2012 was 1.17 billion compared with 1.24 billion shares in the same period of 2011. As of March 31, 2012, there were 1.15 billion basic common shares outstanding.

Debt, including Global Financing, totaled \$32.1 billion, compared with \$31.3 billion at year-end 2011. From a management segment view, Global Financing debt totaled \$23.6 billion versus \$23.3 billion at year-end 2011, resulting in a debt-to-equity ratio of 7.0 to 1. Non-global financing debt totaled \$8.5 billion, an increase of \$469 million since year-end 2011, resulting in a debt-to-capitalization ratio of 32.7 percent from 32.0 percent.

IBM ended the first-quarter 2012 with \$12.3 billion of cash on hand and generated free cash flow of \$1.9 billion, excluding Global Financing receivables, up approximately \$1.1 billion year over year. The company returned \$3.9 billion to shareholders through \$0.9 billion in dividends and \$3.0 billion of share repurchases. The balance sheet remains strong, and the company is well positioned to support the business over the long term.

Forward-Looking and Cautionary Statements

Except for the historical information and discussions contained herein, statements contained in this release may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on the company's current assumptions regarding future business and financial performance. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, including the following: a downturn in economic environment and corporate IT spending budgets; the company's failure to meet growth and productivity objectives, a failure of the company's innovation initiatives; risks from investing in growth opportunities;

failure of the company's intellectual property portfolio to prevent competitive offerings and the failure of the company to obtain necessary licenses; cybersecurity and data privacy considerations; fluctuations in financial results and purchases, impact of local legal, economic, political and health conditions; adverse effects from environmental matters, tax matters and the company's pension plans; ineffective internal controls; the company's use of accounting estimates; the company's ability to attract and retain key personnel and its reliance on critical skills; impacts of relationships with critical suppliers and business with government clients; currency fluctuations and customer financing risks; impact of changes in market liquidity conditions and customer credit risk on receivables; reliance on third party distribution channels; the company's ability to successfully manage acquisitions and alliances; risk factors related to IBM securities; and other risks, uncertainties and factors discussed in the company's Form 10-Q, Form 10-K and in the company's other filings with the U.S. Securities and Exchange Commission (SEC) or in materials incorporated therein by reference. Any forward-looking statement in this release speaks only as of the date on which it is made. The company assumes no obligation to update or revise any forward-looking statements.

Presentation of Information in this Press Release

In an effort to provide investors with additional information regarding the company's results as determined by generally accepted accounting principles (GAAP), the company has also disclosed in this press release the following non-GAAP information which management believes provides useful information to investors:

IBM results and expectations –

- o presenting operating (non-GAAP) earnings per share amounts and related income statement items;
- o presenting non-global financing debt-to-capitalization ratio;
- o adjusting for free cash flow;
- o adjusting for currency (i.e., at constant currency);
- o adjusting for one-time tax benefit.

The rationale for management's use of non-GAAP measures is included as part of the supplemental materials presented within the first-quarter earnings materials. These materials are available on the IBM investor relations Web site at www.ibm.com/investor and are being included in Attachment II ("Non-GAAP Supplemental Materials") to the Form 8-K that includes this press release and is being submitted today to the SEC.

Conference Call and Webcast

IBM's regular quarterly earnings conference call is scheduled to begin at 4:30 p.m. EDT, today. Investors may participate by viewing the Webcast at www.ibm.com/investor/1q12. Presentation charts will be available on the Web site shortly before the Webcast.

Financial Results Below (certain amounts may not add due to use of rounded numbers; percentages presented are calculated from the underlying whole-dollar amounts).

INTERNATIONAL BUSINESS MACHINES CORPORATION
COMPARATIVE FINANCIAL RESULTS
(Unaudited; Dollars in millions except per share amounts)

| | Three Months Ended March 31, | | Percent |
|---------|------------------------------|-------|---------|
| | 2012 | 2011 | Change |
| | ----- | ----- | ----- |
| REVENUE | | | |

| | | | |
|---|----------|---------|--------|
| Global Technology Services | \$10,035 | \$9,863 | 1.7% |
| Gross profit margin | 35.3% | 33.8% | |
| Global Business Services | 4,637 | 4,710 | -1.5% |
| Gross profit margin | 28.0% | 27.4% | |
| Software | 5,600 | 5,308 | 5.5% |
| Gross profit margin | 87.0% | 87.0% | |
| Systems and Technology | 3,749 | 4,019 | -6.7% |
| Gross profit margin | 34.2% | 37.8% | |
| Global Financing | 490 | 516 | -5.1% |
| Gross profit margin | 50.7% | 53.5% | |
| Other | 162 | 190 | -14.9% |
| Gross profit margin | -74.8% | -93.3% | |
| TOTAL REVENUE | 24,673 | 24,607 | 0.3% |
| GROSS PROFIT | 11,118 | 10,858 | 2.4% |
| Gross profit margin | 45.1% | 44.1% | |
| EXPENSE AND OTHER INCOME | | | |
| S,G&A | 5,886 | 5,826 | 1.0% |
| Expense to revenue | 23.9% | 23.7% | |
| R,D&E | 1,601 | 1,587 | 0.9% |
| Expense to revenue | 6.5% | 6.4% | |
| Intellectual property and custom development income | (255) | (262) | -2.5% |
| Other (income) and expense | (58) | (202) | -71.2% |
| Interest expense | 110 | 93 | 17.7% |
| TOTAL EXPENSE AND OTHER INCOME | 7,283 | 7,041 | 3.4% |
| Expense to revenue | 29.5% | 28.6% | |
| INCOME BEFORE INCOME TAXES | 3,836 | 3,817 | 0.5% |
| Pre-tax margin | 15.5% | 15.5% | |
| Provision for income taxes | 769 | 954 | -19.4% |
| Effective tax rate | 20.1% | 25.0% | |
| NET INCOME | \$3,066 | \$2,863 | 7.1% |
| Net income margin | 12.4% | 11.6% | |
| EARNINGS PER SHARE OF COMMON STOCK: | | | |
| ASSUMING DILUTION | \$2.61 | \$2.31 | 13.0% |
| BASIC | \$2.65 | \$2.34 | 13.2% |

WEIGHTED-AVERAGE NUMBER
OF COMMON SHARES
OUTSTANDING (M's) :

| | | |
|-------------------|---------|---------|
| ASSUMING DILUTION | 1,174.2 | 1,240.0 |
| BASIC | 1,159.1 | 1,222.2 |

INTERNATIONAL BUSINESS MACHINES CORPORATION
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Unaudited)

| (Dollars in Millions) | At March 31, 2012 | At December 31, 2011 |
|---|-------------------------|----------------------------|
| | ----- | ----- |
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$11,835 | \$11,922 |
| Marketable securities | 500 | -- |
| Notes and accounts receivable - trade (net of allowances of \$272 in 2012 and \$256 in 2011) | 10,012 | 11,179 |
| Short-term financing receivables (net of allowances of \$282 in 2012 and \$311 in 2011) | 15,160 | 16,901 |
| Other accounts receivable (net of allowances of \$9 in 2012 and \$11 in 2011) | 1,669 | 1,481 |
| Inventories, at lower of average cost or market: | | |
| Finished goods | 696 | 589 |
| Work in process and raw materials | 2,058 | 2,007 |
| | ----- | ----- |
| Total inventories | 2,754 | 2,595 |
| Deferred taxes | 1,617 | 1,601 |
| Prepaid expenses and other current assets | 5,299 | 5,249 |
| | ----- | ----- |
| Total Current Assets | 48,847 | 50,928 |
| Property, plant and equipment | 40,441 | 40,124 |
| Less: Accumulated depreciation | 26,496 | 26,241 |
| | ----- | ----- |
| Property, plant and equipment - net | 13,946 | 13,883 |
| Long-term financing receivables (net of allowances of \$58 in 2012 and \$38 in 2011) | 10,549 | 10,776 |
| Prepaid pension assets | 2,974 | 2,843 |
| Deferred taxes | 3,100 | 3,503 |
| Goodwill | 27,468 | 26,213 |
| Intangible assets - net | 3,641 | 3,392 |
| Investments and sundry assets | 4,822 | 4,895 |
| | ----- | ----- |
| Total Assets | \$115,347 | \$116,433 |
| | ===== | ===== |
| LIABILITIES AND EQUITY | | |
| Current Liabilities: | | |
| Taxes | \$2,184 | \$3,313 |
| Short-term debt | 6,293 | 8,463 |
| Accounts payable | 7,416 | 8,517 |
| Compensation and benefits | 4,370 | 5,099 |
| Deferred income | 13,269 | 12,197 |
| Other accrued expenses and liabilities | 4,677 | 4,535 |

| | | |
|---|-----------|-----------|
| Total Current Liabilities | 38,209 | 42,123 |
| Long-term debt | 25,760 | 22,857 |
| Retirement and nonpension postretirement benefit obligations | 17,579 | 18,374 |
| Deferred income | 3,904 | 3,847 |
| Other liabilities | 9,112 | 8,996 |
| Total Liabilities | 94,563 | 96,197 |
| Equity: | | |
| IBM Stockholders' Equity: | | |
| Common stock | 48,800 | 48,129 |
| Retained earnings | 107,036 | 104,857 |
| Treasury stock -- at cost | (114,020) | (110,963) |
| Accumulated other comprehensive income/(loss) | (21,115) | (21,885) |
| Total IBM stockholders' equity | 20,701 | 20,138 |
| Noncontrolling interests | 82 | 97 |
| Total Equity | 20,783 | 20,236 |
| Total Liabilities and Equity | \$115,347 | \$116,433 |

INTERNATIONAL BUSINESS MACHINES CORPORATION
CASH FLOW ANALYSIS
(Unaudited)

| (Dollars in Millions) | Three Months Ended | |
|--|--------------------|---------|
| | March 31, | |
| | 2012 | 2011 |
| Net Cash from Operating Activities per GAAP: | \$4,291 | \$3,792 |
| Less: the change in Global Financing (GF) Receivables | 1,424 | 1,936 |
| Net Cash from Operating Activities (Excluding GF Receivables) | 2,867 | 1,856 |
| Capital Expenditures, Net | (1,002) | (1,058) |
| Free Cash Flow (Excluding GF Receivables) | 1,865 | 798 |
| Acquisitions | (1,319) | (51) |
| Dividends | (870) | (795) |
| Share Repurchase | (3,015) | (4,045) |
| Non-GF Debt | 657 | 1,027 |
| Other (includes GF Receivables, GF Debt) | 3,094 | 4,660 |
| Change in Cash, Cash Equivalents and Short-term Marketable Securities | \$413 | \$1,594 |

INTERNATIONAL BUSINESS MACHINES CORPORATION
SEGMENT DATA
(Unaudited)

FIRST-QUARTER 2012

| (Dollars in Millions) | Revenue | | Total | Pre-tax Income/ (Loss) | Pre-tax Margin |
|----------------------------|----------|----------|----------|------------------------------|-------------------|
| | External | Internal | | | |
| SEGMENTS | | | | | |
| Global Technology Services | \$10,035 | \$293 | \$10,328 | \$1,480 | 14.3% |
| % change | 1.7% | -4.6% | 1.6% | 19.6% | |
| Global Business Services | 4,637 | 182 | 4,820 | 601 | 12.5% |
| % change | -1.5% | -8.8% | -1.8% | -6.1% | |
| Software | 5,600 | 840 | 6,439 | 1,945 | 30.2% |
| % change | 5.5% | 1.2% | 4.9% | 12.1% | |
| Systems and Technology | 3,749 | 151 | 3,900 | (105) | -2.7% |
| % change | -6.7% | -38.2% | -8.5% | NM | |
| Global Financing | 490 | 485 | 975 | 512 | 52.6% |
| % change | -5.1% | -2.5% | -3.8% | -1.3% | |
| TOTAL REPORTABLE SEGMENTS | \$24,511 | \$1,951 | \$26,462 | \$4,434 | 16.8% |
| % change | 0.4% | -6.1% | -0.1% | 4.0% | |
| Eliminations / Other | 162 | (1,951) | (1,789) | (598) | |
| TOTAL IBM CONSOLIDATED | \$24,673 | \$0 | \$24,673 | \$3,836 | 15.5% |
| % change | 0.3% | | 0.3% | 0.5% | |

NM - Not Meaningful

FIRST-QUARTER 2011

| (Dollars in Millions) | Revenue | | Total | Pre-tax Income/ (Loss) | Pre-tax Margin |
|----------------------------|----------|----------|----------|------------------------------|-------------------|
| | External | Internal | | | |
| SEGMENTS | | | | | |
| Global Technology Services | \$9,863 | \$307 | \$10,170 | \$1,238 | 12.2% |
| Global Business Services | 4,710 | 200 | 4,910 | 640 | 13.0% |
| Software | 5,308 | 830 | 6,138 | 1,735 | 28.3% |
| Systems and Technology | 4,019 | 244 | 4,263 | 132 | 3.1% |
| Global Financing | 516 | 497 | 1,013 | 519 | 51.3% |
| TOTAL REPORTABLE SEGMENTS | \$24,416 | \$2,078 | \$26,494 | \$4,264 | 16.1% |

| | | | | | |
|------------------------|----------|---------|----------|---------|-------|
| Eliminations / Other | 190 | (2,078) | (1,887) | (447) | |
| TOTAL IBM CONSOLIDATED | \$24,607 | \$0 | \$24,607 | \$3,817 | 15.5% |

INTERNATIONAL BUSINESS MACHINES CORPORATION
U.S. GAAP TO OPERATING RESULTS RECONCILIATION
(Unaudited; Dollars in millions except per share amounts)

| | FIRST-QUARTER 2012 | | | |
|--------------------------------|--------------------|---|---|-------------------------|
| | GAAP | Acquisition- Related Adjustments* | Retirement- Related Adjustments** | Operating (Non-GAAP) |
| Gross Profit | \$11,118 | \$89 | \$71 | \$11,278 |
| Gross Profit Margin | 45.1% | 0.4Pts | 0.3Pts | 45.7% |
| S,G&A | 5,886 | (84) | (36) | 5,766 |
| R,D&E | 1,601 | 0 | 4 | 1,605 |
| Other (Income) & Expense | (58) | (1) | 0 | (59) |
| Total Expense & Other (Income) | 7,283 | (85) | (32) | 7,166 |
| Pre-Tax Income | 3,836 | 173 | 102 | 4,111 |
| Pre-Tax Income Margin | 15.5% | 0.7Pts | 0.4Pts | 16.7% |
| Provision for Income Taxes*** | 769 | 47 | 30 | 846 |
| Effective Tax Rate | 20.1% | 0.3Pts | 0.2Pts | 20.6% |
| Net Income | 3,066 | 126 | 73 | 3,265 |
| Net Income Margin | 12.4% | 0.5Pts | 0.3Pts | 13.2% |
| Diluted Earnings Per Share | \$2.61 | \$0.11 | \$0.06 | \$2.78 |

| | FIRST-QUARTER 2011 | | | |
|--------------------------|--------------------|---|---|-------------------------|
| | GAAP | Acquisition- Related Adjustments* | Retirement- Related Adjustments** | Operating (Non-GAAP) |
| Gross Profit | \$10,858 | \$85 | \$14 | \$10,957 |
| Gross Profit Margin | 44.1% | 0.3Pts | 0.1pts | 44.5% |
| S,G&A | 5,826 | (76) | (10) | 5,740 |
| R,D&E | 1,587 | 0 | 19 | 1,606 |
| Other (Income) & Expense | (202) | (4) | 0 | (206) |

| | | | | |
|--------------------------------|--------|--------|---------|--------|
| Total Expense & Other (Income) | 7,041 | (80) | 10 | 6,971 |
| Pre-Tax Income | 3,817 | 165 | 4 | 3,986 |
| Pre-Tax Income Margin | 15.5% | 0.7Pts | 0.0Pts | 16.2% |
| Provision for Income Taxes*** | 954 | 48 | (6) | 997 |
| Effective Tax Rate | 25.0% | 0.2Pts | -0.2Pts | 25.0% |
| Net Income | 2,863 | 117 | 10 | 2,990 |
| Net Income Margin | 11.6% | 0.5Pts | 0.0Pts | 12.1% |
| Diluted Earnings Per Share | \$2.31 | \$0.09 | \$0.01 | \$2.41 |

* Includes amortization of acquired intangible assets and other acquisition-related charges.

** Includes retirement-related items driven by changes to plan assets and liabilities primarily related to market performance.

*** Tax impact on operating (non-GAAP) pre-tax income is calculated under the same accounting principles applied to the GAAP pre-tax income which employs an annual effective tax rate method to the results.

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