

IBM to make changes in the presentation of Global Services signings in 2009

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IBM has historically presented signings and backlog using rates that approximate constant currency. In the first quarter 2008, IBM began reporting Global Services signings at actual currency rates, in addition to constant currency rates.

Beginning in the first quarter of 2009, IBM will focus its metrics for signings and backlog using actual currency rates. Specifically, IBM will present signings at actual rates, year-to-year signings growth at both actual rates and at constant currency rates, and backlog at actual rates. With this change, IBM will no longer provide signings dollars at approximated constant currency rates, or backlog at approximated constant currency rates. This approach for signings will be consistent with the way in which IBM reports revenue.

To provide investors with historical perspective, IBM is providing signings at actual rates for 2006 and 2007. (Schedule 1) Estimated backlog at actual rates will be provided in a future communication.

Schedule 1: 2007 and 2006 Signings at actual rates

Global Services Signings (\$M)	<u>4Q 2007</u>	<u>3Q 2007</u>	<u>2Q 2007</u>	<u>1Q 2007</u>
Global Services Signings @ actual	\$ 18,036	\$ 13,246	\$ 13,110	\$ 11,902
Global Business Services Short Term	\$ 4,521	\$ 3,360	\$ 3,568	\$ 3,645
Global Technology Services Short Term	\$ 3,334	\$ 2,017	\$ 2,334	\$ 2,091
Global Business Services Long Term	\$ 2,247	\$ 1,695	\$ 1,988	\$ 917
Global Technology Services Long Term	\$ 7,934	\$ 6,174	\$ 5,220	\$ 5,248

Global Services Signings (\$M)	<u>4Q 2006</u>	<u>3Q 2006</u>	<u>2Q 2006</u>	<u>1Q 2006</u>
Global Services Signings @ actual	\$ 20,047	\$ 11,108	\$ 10,257	\$ 12,004
Global Business Services Short Term	\$ 3,934	\$ 3,447	\$ 3,290	\$ 3,115
Global Technology Services Short Term	\$ 2,864	\$ 2,079	\$ 2,091	\$ 1,959
Global Business Services Long Term	\$ 4,325	\$ 909	\$ 1,154	\$ 1,152
Global Technology Services Long Term	\$ 8,924	\$ 4,672	\$ 3,722	\$ 5,779