

1Q08

IBM Income Statement

Apr-08

Forecast/Actual

Currency impact: 7%

		1Q08	% of	Annual	1Q07	% of	1Q06	% of
		(\$ mill)	Total	Change	(\$ mill)	Total	(\$ mill)	Total
Revenue	<i>Fcst</i>							
Hardware	4,747	4,219	17.2%	-6.7%	4,521	20.5%	4,419	21.3%
Global Bus Services	4,392	4,911	20.0%	17.4%	4,183	19.0%	3,848	18.5%
Global Tech Services	9,677	9,677	39.5%	17.2%	8,258	37.5%	6,496	31.3%
<i>Maintenance</i>							1,326	6.4%
Software	4,591	4,847	19.8%	14.0%	4,251	19.3%	3,907	18.8%
Other	203	216	0.9%	6.2%	203		184	
Global Financing	639	632	2.6%	3.0%	614	2.8%	582	2.8%
Total Revenue	24,249	24,502	100.0%	11.2%	22,030	99.1%	20,762	99.1%
	<i>Currency adjusted</i>	22,787		3.4%				
Costs	GM							
Cost of Hardware	37.0%	2,658	10.8%	-9.9%	2,950	13.4%	3,006	14.5%
Cost of Bus Services	25.1%	3,680	15.0%	15.4%	3,189	14.5%	3,025	14.6%
Cost of Tech Services	31.3%	6,648	27.1%	13.7%	5,847	26.5%	4,733	22.8%
<i>Cost of Maintenance</i>							806	3.9%
Cost of Software	83.9%	780	3.2%	11.8%	698	3.2%	617	3.0%
Other	-19.9%	258	1.1%	44.4%	179	0.8%	182	0.9%
Global Financing	50.8%	311	1.3%	3.0%	302	1.4%	275	1.3%
Total Costs		14,336	58.5%	8.9%	13,164	59.8%	12,674	60.9%
Gross Profit	9,254	10,166	41.5%	14.7%	8,866	40.2%	8,088	39.0%
SG&A Expenses		5,620	22.9%	10.4%	5,089	23.1%	4,602	22.2%
RD&E Expenses		1,569	6.4%	4.0%	1,509	6.8%	1,456	7.0%
Total Costs & Expenses		21,525	87.8%	8.9%	19,762	89.7%	18,732	90.2%
Operating Income	2,656	2,977	12.2%	31.3%	2,268	10.3%	2,031	9.8%
Intellectual Property Income		-274	-1.1%	33.7%	-205	-0.9%	-229	-1.1%
Other Income		-125	-0.5%	-30.6%	-180	-0.8%	-246	-1.2%
Interest Expenses		178	0.7%	143.8%	73	0.3%	66	0.3%
Earnings (Loss) Before Tax		3,198	13.1%	24.0%	2,579	11.7%	2,440	11.7%
Tax/Rate		879	27.5%	19.6%	735	28.5%	732	30.0%
Disco'd Operations								
Net Earnings	2,122	2,319	9.5%	25.8%	1,844	8.4%	1,708	8.2%
Shares # (basic)		1,383.0		-7.8%	1,499.6		1,564.5	
EPS (basic)	1.49	1.68		36.4%	1.23		1.09	