

4Q08

IBM Pretax Profitability

Jan-09

Actual

Business Segments

	Revenue		<u>4Q08</u>	4Q07 (cust)	Pretax Profit		<u>4Q07</u>	<u>Margins</u>
	<u>Customer</u>	<u>Internal</u>			<u>4Q08</u>	<u>Margins</u>		
Systems & Tech	5,425	249	5,674	7,070	722	12.7%	1,061	15.0%
Global Tech Services	9,623	383	10,006	8,590	1,437	14.4%	843	9.8%
Global Bus Services	4,709	267	4,976	4,223	740	14.9%	538	12.7%
Software	6,420	720	7,140	5,607	2,789	39.1%	2,015	35.9%
<u>Global Financing</u>	589	<u>488</u>	<u>1,184</u>	<u>620</u>	<u>452</u>	<u>38.2%</u>	<u>387</u>	62.4%
Sub-Total	26,766	2,107	28,980	26,110	6,140	21.2%	4,844	18.6%
Eliminations			-1,975	-2,266	-331			
Total	27,006		27,006	23,844	5,808	21.5%	5,489	23.0%

Source: Annex Research

*Includes maintenance