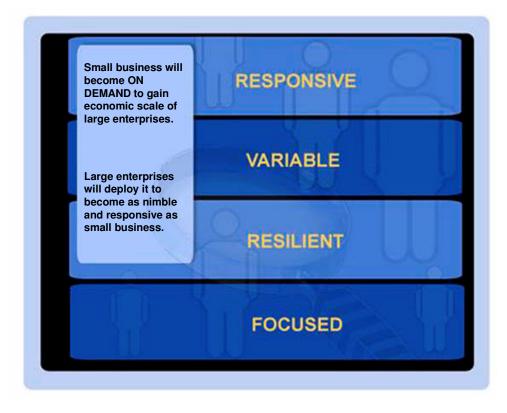


DB2* e-business on demand Enterprise Storage Server GDPS* IBM Business Partner logo* IBM eServer IBM logo* Parallel Sysplex* pSeries WebSphere* xSeries z/OS z/VM zSeries

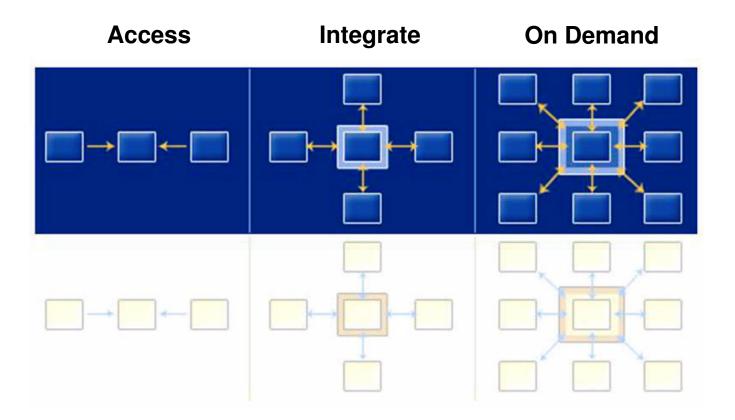
An On Demand Business

"An enterprise whose business processes – integrated end-to-end across the company and with key partners, suppliers and customers – can respond with speed to any customer demand, market opportunity or external threat"

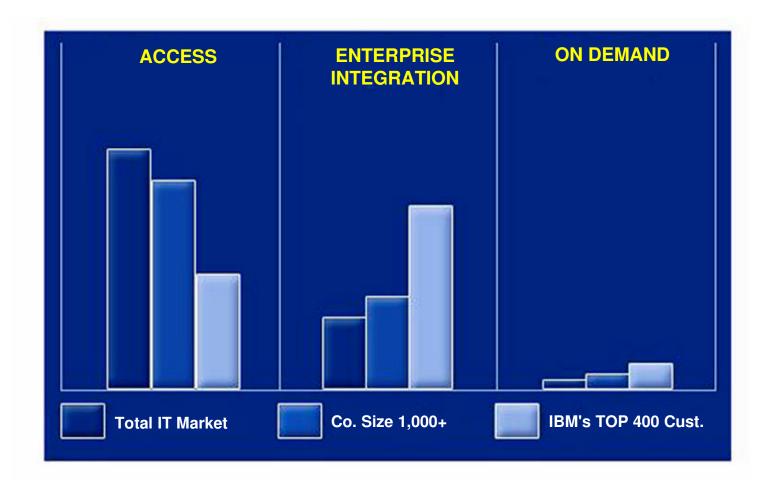
Sam Palmisano, Oct 2002



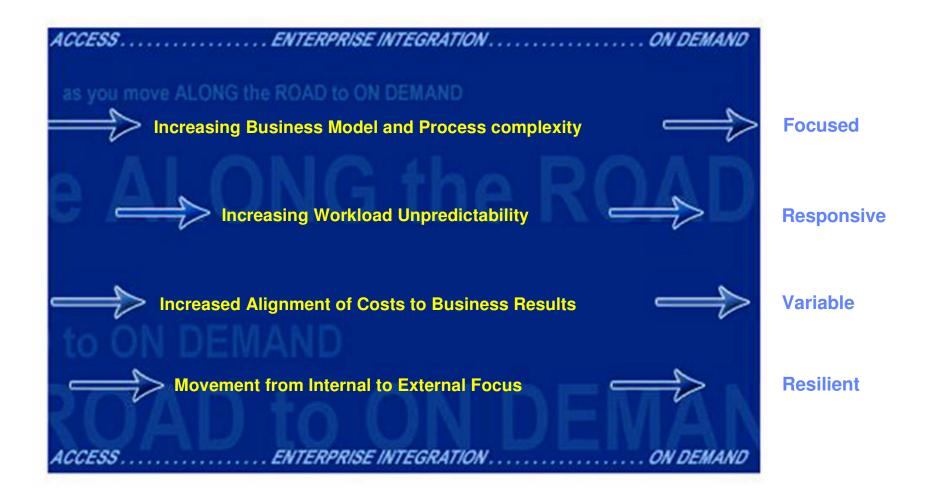
Stages of e-business on demand[™] Adoption



And Our Customers are Responding



Changing Business Dynamics

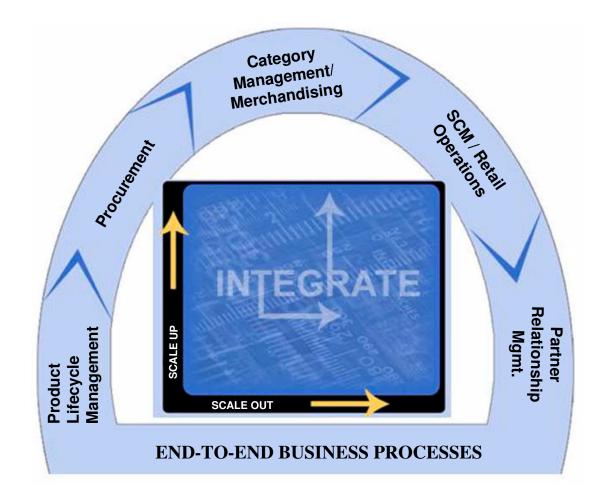


Scope of Business Requirements for IT

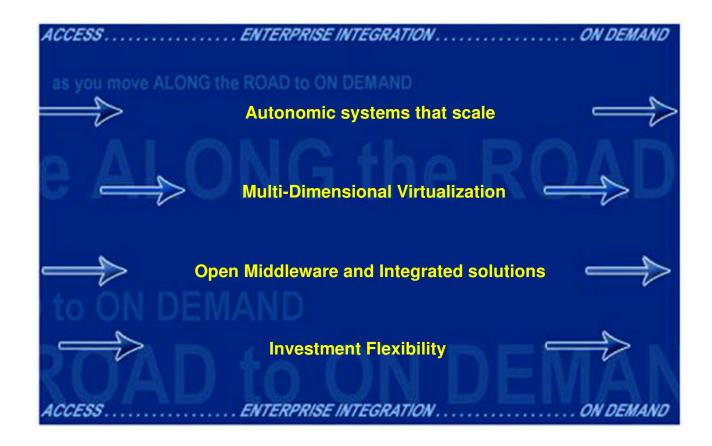
End-to-End Implementation	 Application or single business process 	Enterprise level	Open to all external partners
Manageability	Application level	 Mature systems management and consolidation 	Self-managing systems
Scale	 Size of single database or application 	 Size of integrated applications or databases; more dynamic 	Resources must scale across infrastructure dynamically on demand
Downtime impact	 Entire business process; lost productivity 	 Multiple business processes across enterprise; lost business 	Across entire infrastructure; Impact to revenue, customer satisfaction, and image
	 Fixed costs within budget 	 Optimized investment; low TCO 	Variable costs aligned to workload demands

As Your Business Becomes More Integrated

Your IT Needs to be Integrated to Support it

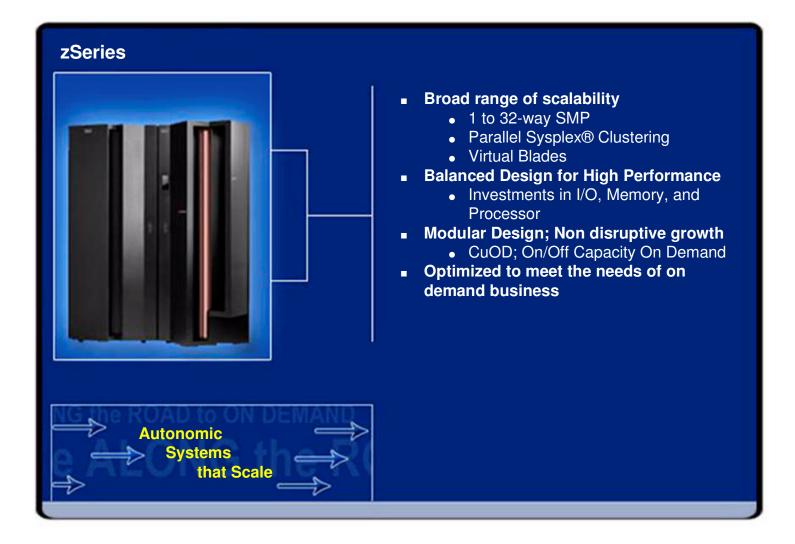


There are Profound Differences in Architecture and System Design that Distinguish IBM eServer[™] zSeries[™] as the serve for On Demand Solutions



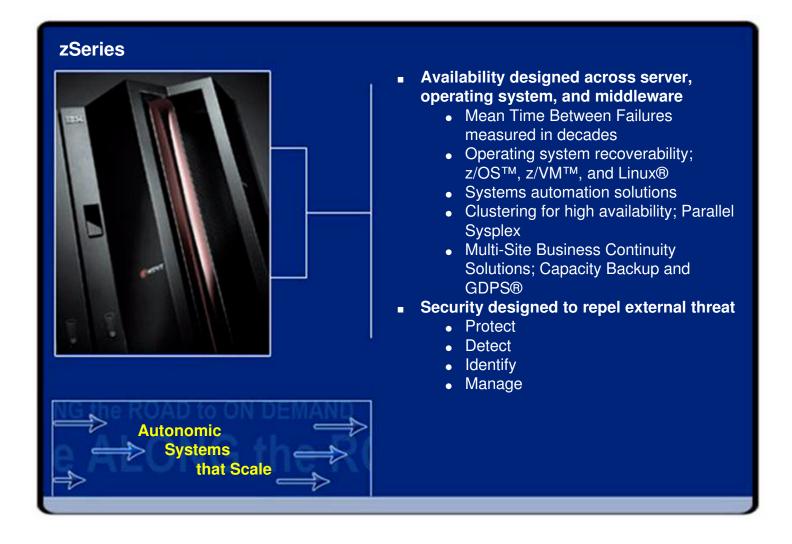
Autonomic Systems that Scale:

Broad Range of Scalability Optimized to Meet High Performance Needs



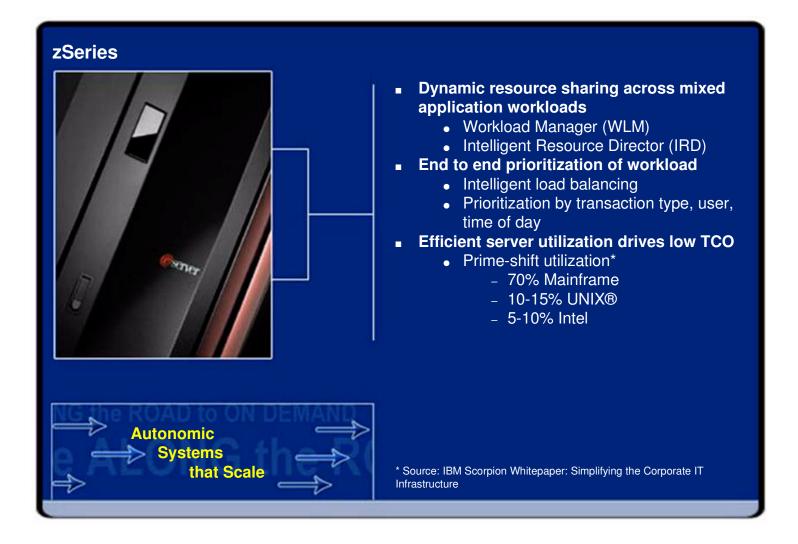
Autonomic Systems that Scale:

Security and high availability to build customer confidence



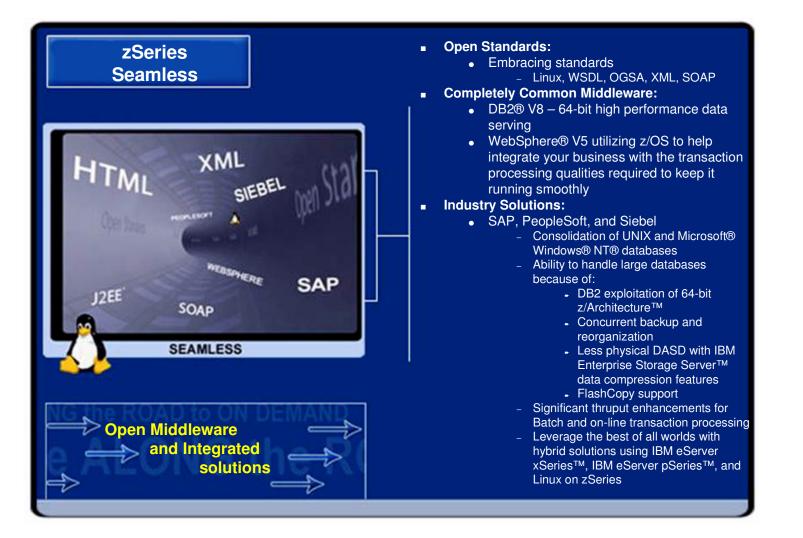
Autonomic Systems that Scale:

Automatic sense and respond capabilities for Fluid Management of Resources



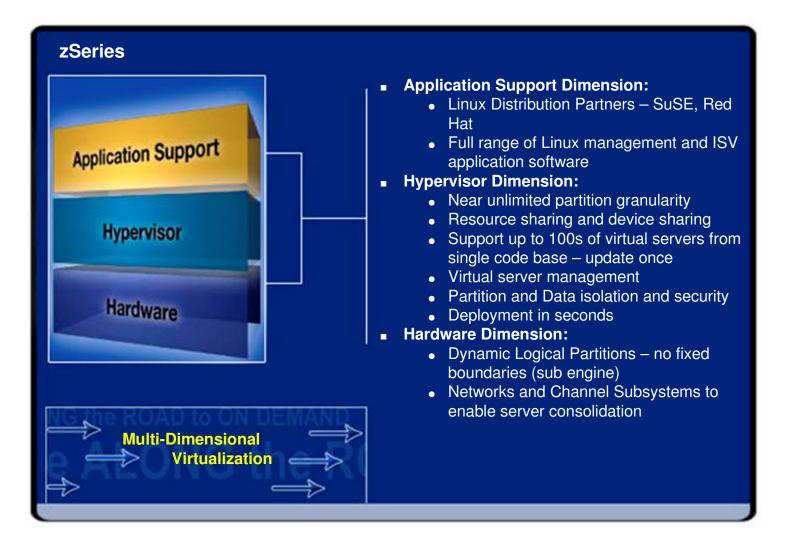
Open Middleware and Integrated Solutions:

Seamless Integration and Maximum Choice



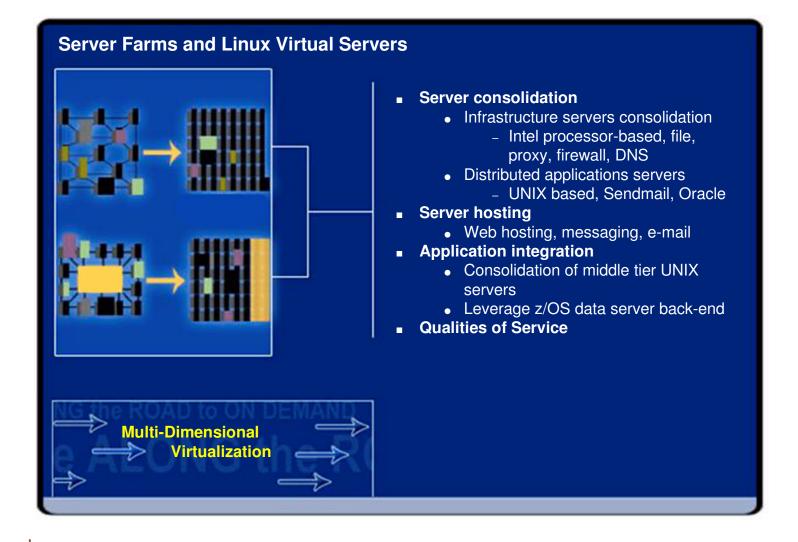
Multi-dimensional Virtualization:

Comprehensive Support for an Effective "Scale Out" Virtual Blade Solution



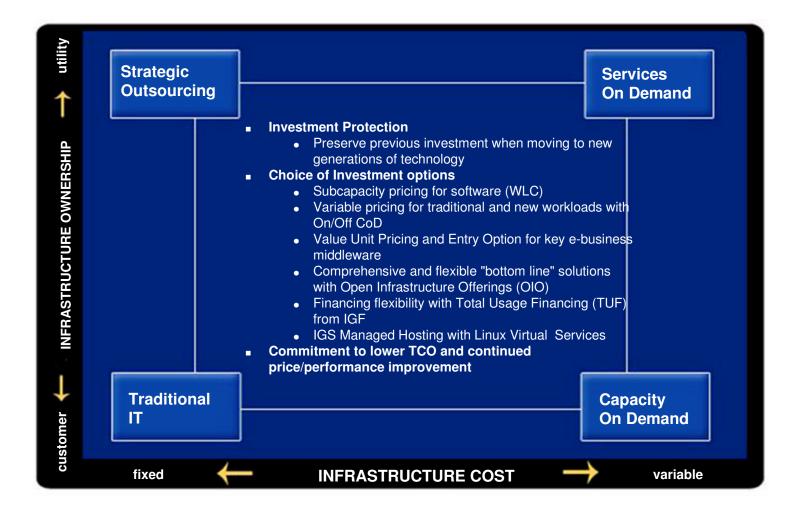
Multi-dimensional Virtualization:

Efficient, Cost Effective Consolidation and Integration



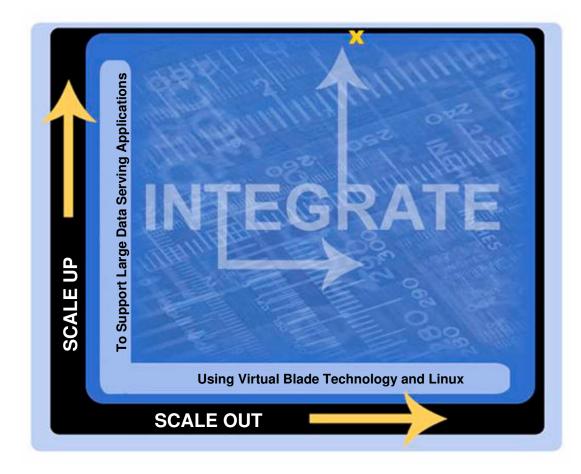
Investment Flexibility for the On Demand Business

More Choices to Meet Challenging Business Demands



IBM eServer zSeries:

Outstanding versatility, efficiency, and resilience



- Flexibility to "scale up" to support large data serving applications...
- "Scale out" using virtualization technology and Linux...
- And integrate your on demand business

There are Profound Differences in Architecture and System Design that Distinguish zSeries as the server for today's On Demand Solutions

"Big Iron retains lustre: Demand for hefty computing power is still healthy and innovations continue apace"

Financial Times; April 4th, 2003

"Mainframes are Still a Mainstay; ...support for Linux, autonomic computing, and Capacity on Demand is attractive"

InformationWeek, October 21st, 2002

"IBM Service Will Test Vision of Computing Power as Utility"

ACCESS ENTERPRISE INTEGRATION ON DEMAN

Wall Street Journal, July 1, 2002



