

# Definitions

## ***“Migrations” Defined***

Exchanges of one product entitlement for another where the new product that is being acquired (the “to” product) represents comparable value to the product being surrendered (the “from” product), and no consideration is paid for the exchange. Migrations can be either

- **Default.** These are defined to occur automatically (the replacement product is the basis of the next maintenance renewal quote).
- **On request (aka “optional”).** These are used to supplement default migrations when there are multiple “to” products defined for the qualifying “from” product. They are also used when a migration path is offered prior to market withdrawal of the “from” product.

## ***“Tradeups” Defined***

Exchanges of one product entitlement for another where the new product that is being acquired represents value greater than the product that is being surrendered, and a consideration is paid for the exchange. The consideration is generally either 50% or 75% of the list price of the acquired product. All trade-ups have a part number in Passport Advantage (defined on the product that is being traded up to). Tradeups are never automatic, they must always be requested/purchased.

## ***“Rose XDE” Offerings Defined***

In October 2003 IBM Rational introduced the “IBM Rational Rose XDE” family of products including the following Passport Advantage offerings:

1. IBM Rational Rose XDE Modeler
2. IBM Rational Rose XDE Developer for Java
3. IBM Rational Rose XDE Developer for Visual Studio
4. IBM Rational Rose XDE Developer Plus

These offerings bundle two separate products (Rational Rose and Rational XDE). This was done to provide flexibility, letting customers choose which product to use as a post-purchase decision. Use of the contained products is governed by the standard Passport Advantage license terms and conditions governing product bundles, i.e. either or both products may be used but only by a single user (a single Rose XDE entitlement may not be used to provision multiple practitioners’ desktops).

## ***“Contemporary MDD” Offerings Defined***

In November 2004 we introduced a new generation of Model Driven Development (MDD) product offerings with the announcement of the following:

1. IBM Rational Software Modeler
2. IBM Rational Software Architect

In January 2006 we introduced a third offering in the family of “Contemporary MDD” Offerings

3. IBM Rational Systems Developer

In March 2006 we introduced two additional offerings in the “Contemporary MDD” family

4. IBM Rational Data Architect
5. IBM Rational Data and Application Modeling Bundle

## “Rose Only” Offerings Defined

In June 2006 we announced the start of the market withdrawal process for the “Rose XDE” offerings. At the same time we announced the following new “Rose Only” offerings

1. IBM Rational Rose Modeler
2. IBM Rational Rose Developer for Java
3. IBM Rational Rose Developer for Visual Studio
4. IBM Rational Rose Enterprise

The new “Rose Only” offerings serve to keep the Rose product available as the XDE products are withdrawn. In essence we are breaking up the “Rose XDE” bundles to starting the withdrawal for XDE while continuing to extend the lifetime of Rose. This is superficially depicted in Figure 1. Further details of the unbundling process appear in later sections.

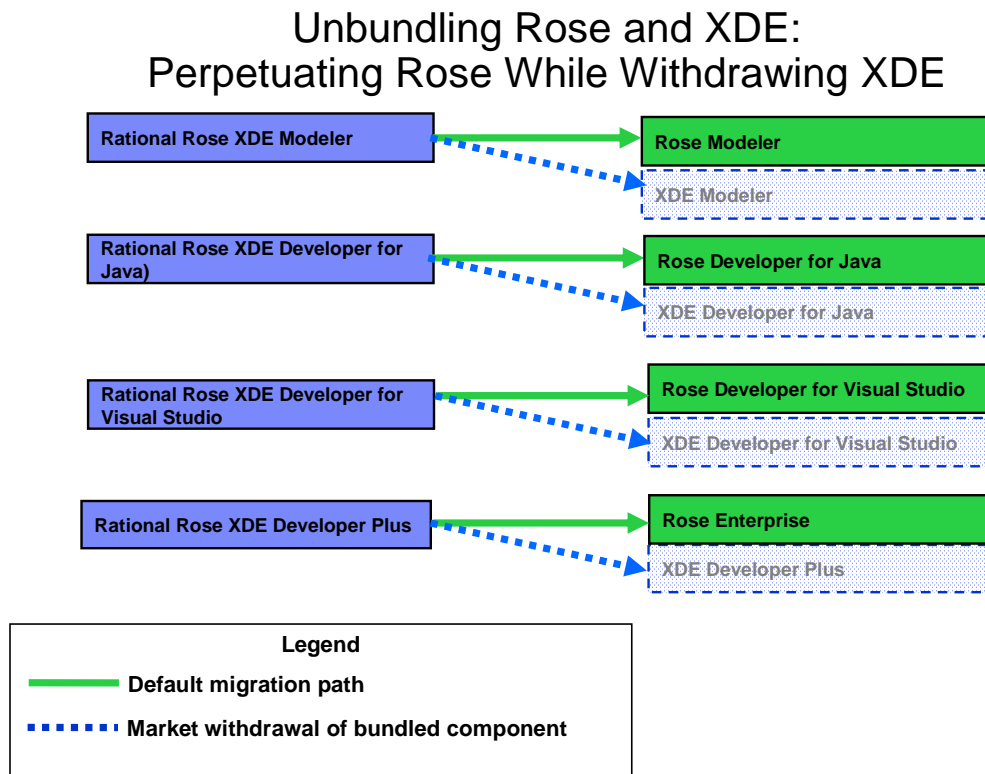


Figure 1