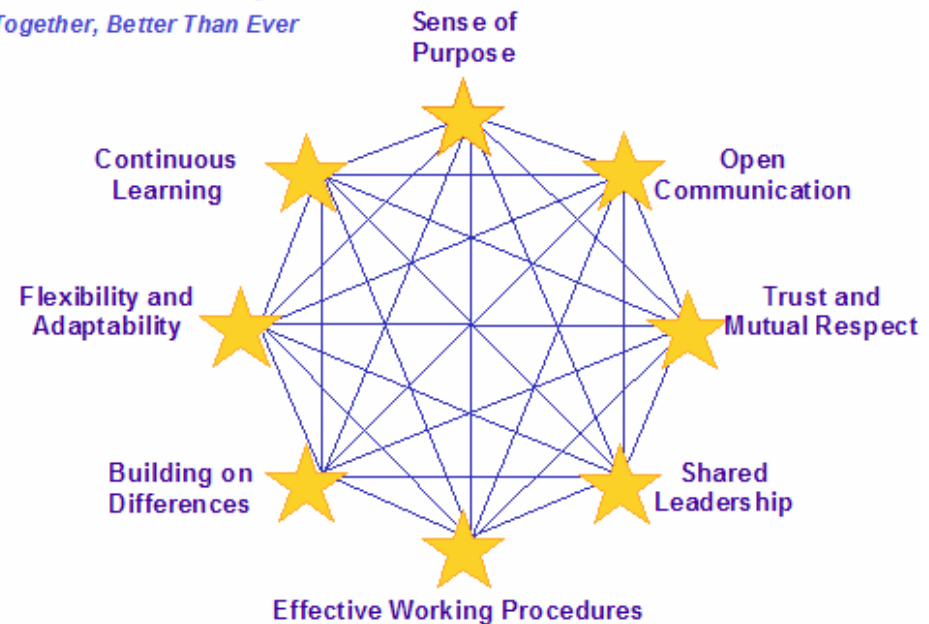


IBM Retail Store Solutions

Business Partner Teleconference Series

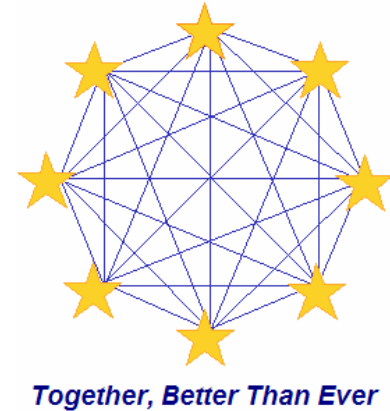
Americas Group

Together, Better Than Ever



May 2005

Agenda



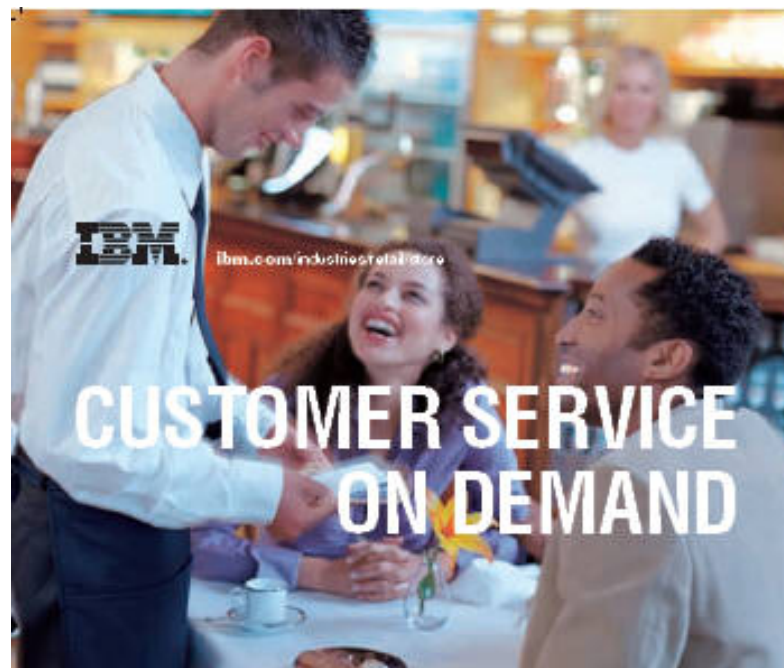
- **Introduction & Marketing Update – Nancy Greene**
 - RSA Overview
 - Advertising Campaigns by IBM Retail Store Solutions
- **Visa CISA – Peter Rieth**
- **Product Announcement Updates – Shirral Davis**
 - SurePOS 700
 - SurePOS 300
 - SureOne
 - Anyplace Kiosk
- **Know Your IBM Program – Nancy Greene**
- **Self Checkout Update – Cathy Wagner**

Retail Systems Alert Show

- **Date:** May 24 – 26, 2005
- **Location:** Chicago's McCormick Place.
- **IBM Booth #:** 1302
- **Theme:** "Experience Retail -- Creating Value for the Consumer"
- **IBM's Participation at the Show:**
 - Half-day workshop entitled "Delivering the Customer Centric Experience", on Tuesday, May 24, 10:00am - 3:00pm hosted by Joe Gagnon, Managing Partner, IBM Global Retail Industry, and moderated by Phil Lempert, NBC Today Show Correspondent and renowned expert on consumer behavior and retailing.
 - Panelists in four TechTours: Business Intelligence, Store Innovation / Consumer Service Technologies, AutoID and Scanning, and Collaborative Commerce.
 - IBM Retail Customer Center, front and center on the show floor, where we will bring our retail solutions to life. Come see how we can help retailers *Revolutionize the Store, Enable Employees, Focus the Supply Chain* and *Operate on demand*.
 - Personal Shopping Tours
 - Executive Briefings
 - IBM Business Partner Directory to highlight the IBM Partners who will be showcasing IBM hardware or software in their booth.

Advertising Campaign – Express Offering

- **Women's Wear Daily (4 issues)**
 - April, May, June, July
- **RIS News (3 issues)**
 - April, May, June
- **Chain Store Age (1 issue)**
 - August
- **Hospitality Technology (3 issues)**
 - May, July, October
- **NRN (4 issues)**
 - April, May, June, July



When it comes to growing your business and competing against the large chain restaurants, customer service is key. The IBM ServePOD 500 Express point-of-sale solution can help you attract and maintain customers by enabling you to roll out loyalty and sales tracking programs just like the large chains. Available through IBM Business Partners, IBM ServePOD Express solutions can put your business on the fast track without large up-front investments in time or money like an on-demand world. So an On Demand Business.

Learn more about IBM ServePOD Express point-of-sale solutions by calling your IBM Business Partner, or by calling 1 800 IBM-CALL (1 800 435-2343) to speak with an IBM representative. Please visit www.ibm.com/industryretailstore.

IBM DEMAND EXPRESS PORTFOLIO
 IBM BUSINESS PARTNER

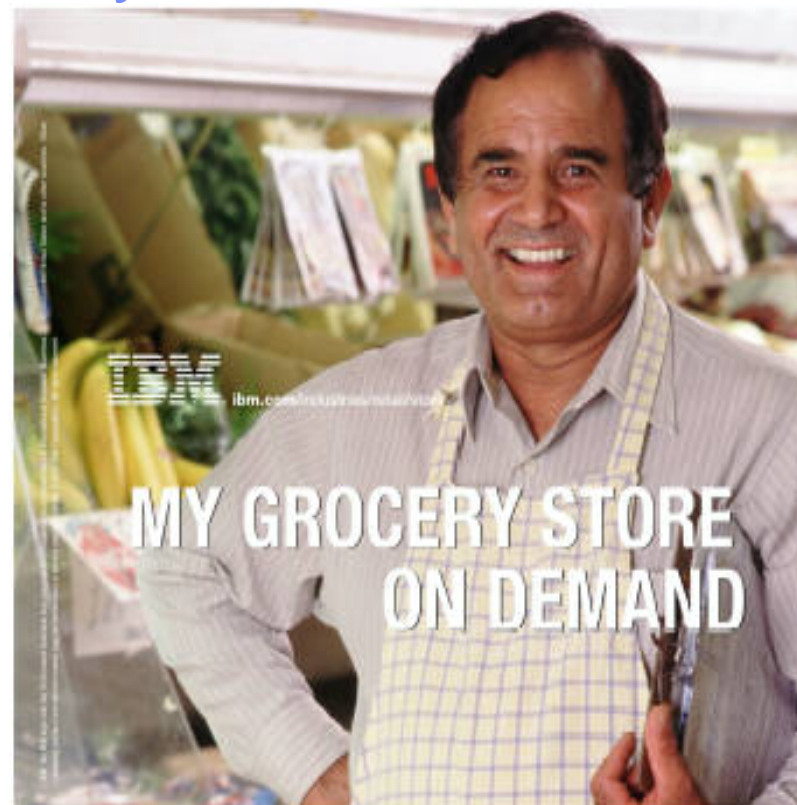


IBM ServePOD 500 Express
\$2,499
 IBM BUSINESS PARTNER

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Advertising Campaign - Grocery

- **Progressive Grocer**
 - May issue
- **Shelby Report of the Southwest – May issue**
 - Bonus distribution at the FMI Show, the NASFT Spring Fancy Food Show and United Produce Expo & Conference, NARMS and ROFDA
- **Shelby Report of the Southeast – June issue**
 - Bonus distribution at the Int'l Dairy/Deli/Bakery Show, Oklahoma Super Show, Gourmet Award Foods and NCA All Candy Expo



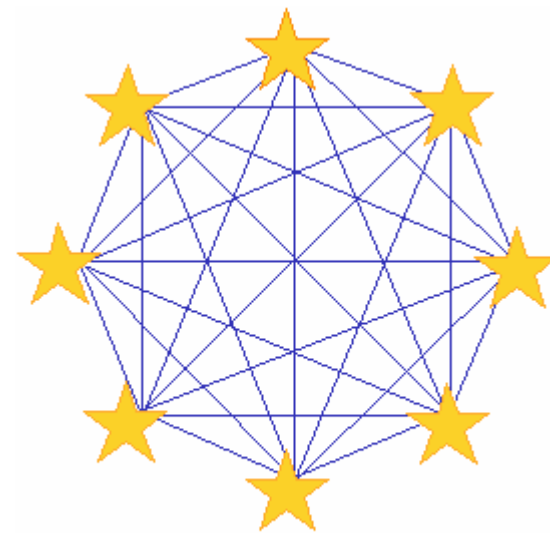
Building strong relationships with customers is vital to your business. With the affordable IBM Business Partner and IBM Demand Business point-of-sale solution, independent grocers can offer self-liquids and sales tracking programs just like the large grocers to help attract and maintain customers, improve store operations and cut costs. Our IBM Business Partners can provide you with the local support you need to ensure that all of your installation, integration, training, service and technical needs are met. Together we can provide the advantages of a world-class solution with the security of hometown support - all at a price that makes sense for your business.

Learn more about IBM point-of-sale solutions for independent grocers by calling your local IBM Business Partner or call 1-800-IBM-CALL (1-800-426-2350) to speak with an IBM representative. Please visit ibm.com/retailstore/solutions.

IBM DEMAND BUSINESS

Hardware Updates: SP700, SP300, SureOne And AnyPlace Kiosk

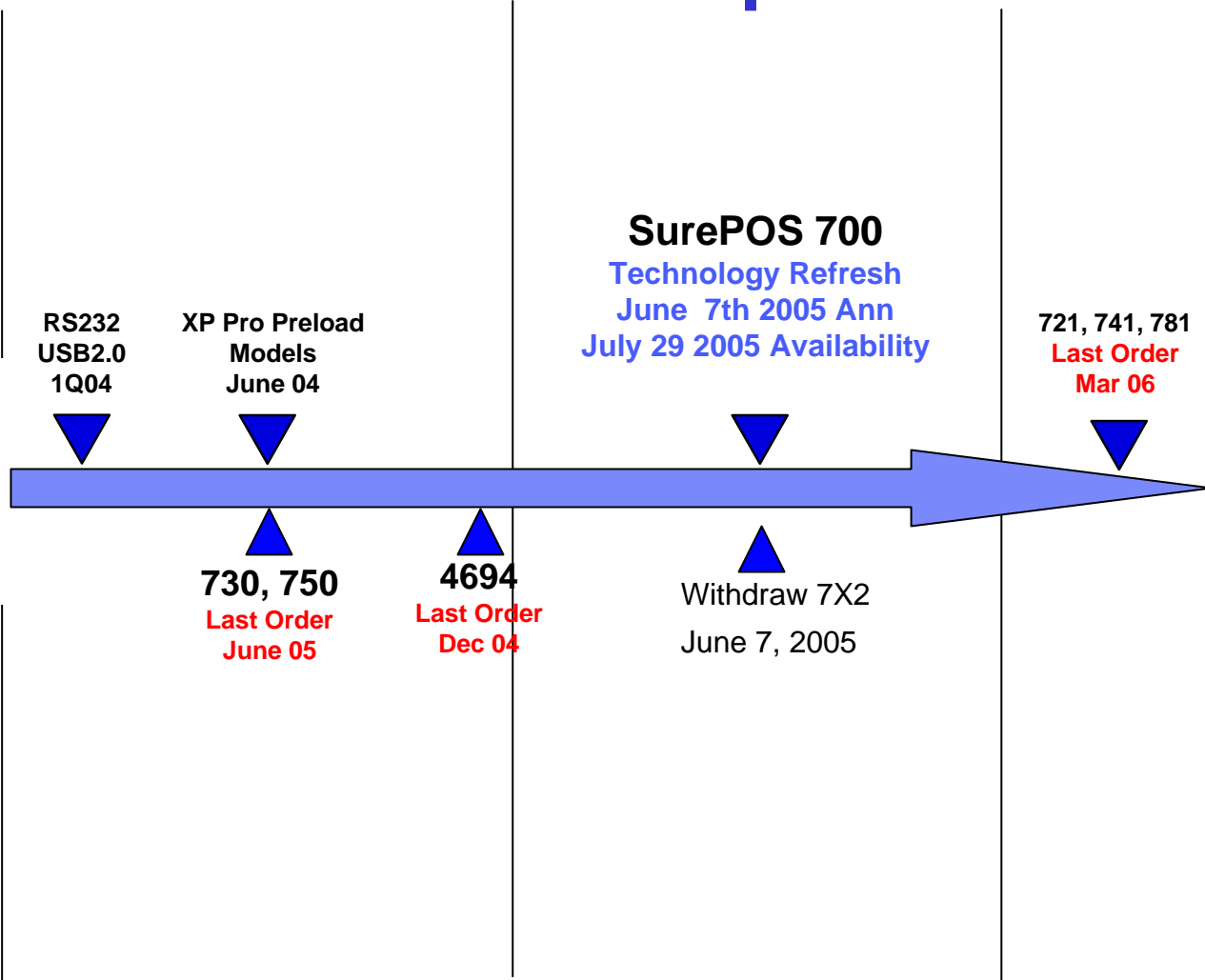
Shirral Davis
AG POS Brand Manager



Together, Better Than Ever



SurePOS 700 Roadmap



2003

2004

2005

2006

Today's SurePOS 700 technology

SurePOS 780 "Performance" model 781, W81

- Intel P4 2.4GHz/533MHz FSB (P4 Socket)
- 512M DDR Base (2G max)
- Shared video memory 64M max
- 80G 7200RPM HDD Standard
- 2nd HDD Option
- Internal CD, External FDD Options

SurePOS 740 "Value" model 741, W41

- Intel Celeron 2GHz/400MHz FSB (P4 Socket)
- 256M DDR Base (2G max)
- Shared video memory 64M max
- 40G 7200RPM HDD Option
- 2nd HDD Option
- Internal CD, External FDD Options

SurePOS 720 "Entry" model 721

- VIA 1.2GHz/133MHz FSB (P3 Socket)
- 128M SDRAM Base (512M max)
- Shared video memory 32M max
- 40G 7200 RPM HDD Option
- External CD and FDD Options

Common Technical Attributes

2 Memory slots

128K NVRAM

10/100 Ethernet

Integrated Analog Video (DVI Upgrade available)

Audio

Power Management

Internal UPS- Optional, Wide only

Technology Refresh Objectives

- Insure SurePOS 700 remains a leadership offering
 - ✓ Move 740 and 780 to next long life Intel chipset
 - ✓ (targeting Grantsdale, 915GV)
 - ✓ 3 GHz capability
 - ✓ DDR II memory
 - ✓ RAID support on system board
 - Improved reliability and availability
 - ✓ Serial ATA HDD
 - Better HDD performance and quality
 - ✓ Offer PCI Express slot as an option
 - Does not support graphics
 - ✓ Move 720 to P4 architecture
 - ✓ 2 GHz capability
 - ✓ DDR memory
 - ✓ Upgrade all SurePorts to USB 2.0

Technology Refresh

SurePOS 780 “Performance” model 782

- Intel P4 530 (3GHz/800MHz FSB), 915 chipset
- 512M DDRII Base (2G max)
- Shared video memory 64M max
- 2xPCI slots (standard)
- 80G 7200 RPM SATA HDD Standard
- 2nd HDD Option
- Internal CD, External FDD Options
- 1x PCI, 1x PCI Express slot (option)

- SurePOS 740 “Value” model 742, E42
- Intel Celeron 326 (2.5GHz/533MHz FSB), 915 chipset
- 256M DDR II Base (2G max)
- Shared video memory 64M max
- 2x PCI slots (standard)
- 40G 7200 RPM SATA HDD Option
- 2nd HDD Option
- Internal CD, External FDD Options
- 1x PCI slot, 1x PCI Express slot (option)

- SurePOS 720 “Entry” model 722
- Intel Celeron 2GHz/400MHz FSB, 845 chipset
- 128M DDR Base (2G max)
- Shared video memory 64M max
- 40G 7200 RPM IDE HDD Option
- External CD and FDD Options
- 2 PCI slots

Unique to IBM- front access ports



Front USB

- Attach portable devices
- Latching door

Headphone

- Employee training



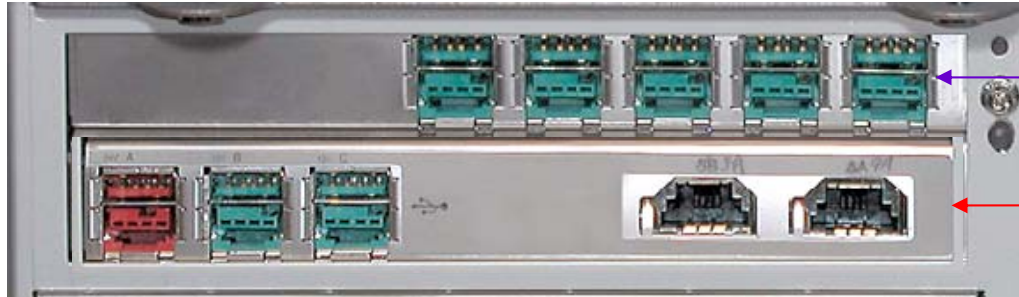
Unique to IBM- customizable SurePorts



Selectable- Investment protection
Field upgradeable- Maximum flexibility

IBM SurePorts

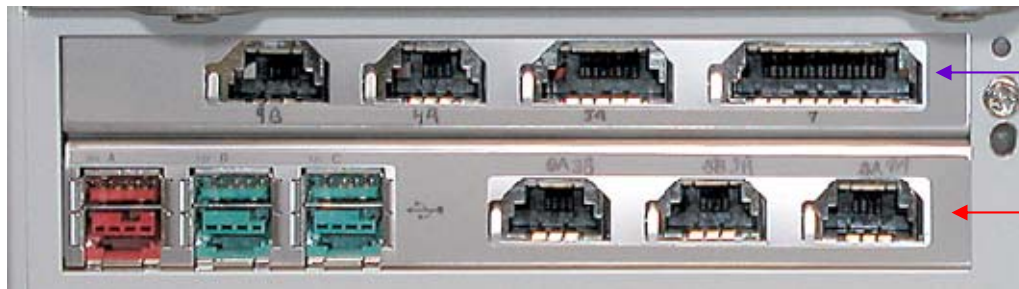
USB I/O Panel Standard



12v USB (2.0)

1 24V USB (2.0)
2 12V USB (2.0) + 1 in Front
2 Cash Drawer ports (3A, 3B)

RS485 and Powered USB mix



4694 Ports 4,5,7,and 9B

1 24V USB (2.0)
2 12V USB (2.0) + 1 in Front
2 Cash Drawer ports (3A, 3B)
1 Display Scanner port (9A)

RS232 and Powered USB mix



1 24V USB (2.0)
2 12v USB (2.0)
1 Cash Drawer port (3A)
1 Powered RS232 (12V or 5V)
3 Powered RS232 (12V or 5V)

Unique to IBM- field upgradeable mechanical design



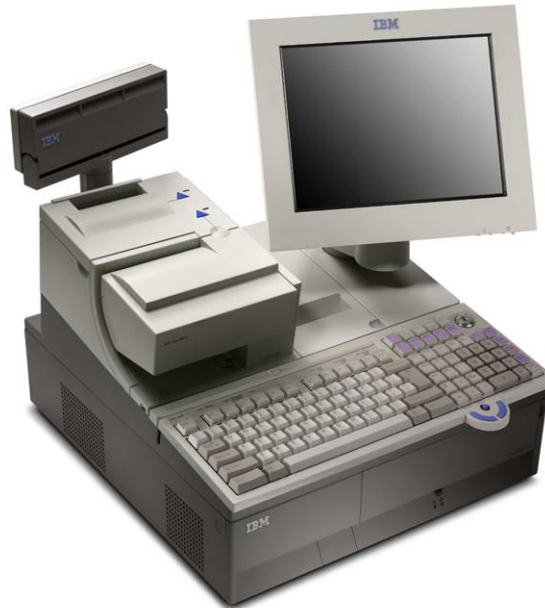
**Winner
2004**



Color Options



Storm Gray



**Back by popular demand:
Litho Gray**



Iron Gray

Controller Roadmap

SurePOS 740



**Model C41
Q4**

Controller Model Refresh

Model C42
Annnc June 7 , 2005
Availability July 29, 2005

**C41
Last Order
Mar 06**

2003

2004

2005

2006

SurePOS 700 Controller Model

SurePOS 740, model C42

- **512M Memory**
- **HDD standard**
- **CD ROM standard, optional DVD upgrade**
- **PC US English Keyboard included in US**
 - **Orderable feature for other countries**
- **No SurePorts included**



Solutions

- Open Platform
 - IBM 4690 OS V4 at GA, V3R3 by Sept
 - Linux: IRES V2
 - Windows 2000
 - Windows XP Professional
 - Windows XP Embedded
 - Windows Embedded for Point of Service
 - WEPOS Preload by October
 - PC DOS 2000
- Driver Support
 - OPOS 1.7.5
 - JavaPOS 1.7.5
 - POSS for DOS
 - POSS for Lin
- Application Compatibility
 - Ready for IBM Retail Store Innovations
 - SurePOS ACE for 4690 OS (Independent Grocer update)
 - General Sales Application
 - 4680-4690 Supermarket Application

Schedule

- On-site EIP Start: May 2 2005
- Remote EIP Start: May 24 2005
- Announce: June 7th (linkage with SP300 refresh)
- General Availability: July 29th (722, 742, C42, 782)

Open systems drivers: mid-year 2005 release

4690 OS updates to be included in 2005 mid-year CSD

SurePOS 300 Series Roadmap



Model W2H
WXP Preload
Ann/GA June 2004



SurePOS 300
Models 310, 31C, 31H
VIA 866 MHz
Ann/GA May 2002

2002



EMEA



WW

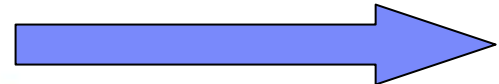
Models 320, 32C, 32H
VIA 1.2Ghz
Annc/GA June 2003 EMEA
Annc Sept 03, GA Oct 03 WW

2003

2004



WDFM Models 310, 31C, 31H
Ann June 7, 2005,
Last order Dec 31, 2005



New Models

Annc June 7, 2005
GA July 29, 2005

2005

Today's SurePOS 300 technology

SurePOS 320, 32C, 32H

- 1.2GHz VIA C3 Processor
- 256MB SDRAM memory

- 6 RS232 ports (2 powered)
- 1 Cash Drawer Port
- 0 Parallel Port

SurePOS 310, 31C, 31H

- 866MHz VIA Processor
- 128MB SDRAM memory

- 4 RS232 ports (2 powered)
- 1 Parallel Port

Common attributes

SurePOS 300 all models

- VGA video subsystem
- Ethernet 10/100
- Integrated audio (line in, out, mic)
- PS/2 keyboard and mouse
- -1 PCI slot- half size
- -1 Internal HDD bay
- 2 memory slots

New Model Objectives

- Redesign SurePOS 300
 - ✓ **Technical currency**
 - ✓ **Offer internal optical capacity**
 - ✓ **Improve powered POS I/O attach capacity**
 - ✓ **Keep a small mechanical size**
- Improve service and support capability
 - ✓ **Design for Service and System management**
- Price replacement

Tomorrow's SP300 Technology

SurePOS 330, 33C, 33H, W3H (new SurePOS 300)

- Intel Celeron 2GHz Processor (400MHz FSB) -6 RS232 ports (4 powered)
- 256MB DDR memory -1 Cash drawer port
- Internal CD ROM option -4 USB ports (1x24V, 1x 12V)
- 1 Parallel port

- SurePOS 320, 32C, 32H, W2H
- 1.2GHz VIA C3 Processor (133MHz FSB) -6 RS232 ports (2 powered)
- 256MB SDRAM memory -1 Cash drawer port
- - 0 Parallel Port
- - 4 USB ports (PC)

Key changes

- Size increase: 325x255x111
- Expandability: 1x half-size PCI slot, 1x 3.5" HDD bay, 1x slim CD bay
- Connectivity: 6 total RS232 (4 powered);
4 total USB (1x24V for printer, 1x12V, 2x PC)
- Serviceability: tool to remove top cover, ease of service

Solution

- OS Support
 - Linux: IRES
 - Windows 2000
 - Windows XP Professional
 - Windows XP Embedded
 - Windows Embedded for Point of Service
 - WEPOS Preload by October
 - PC DOS 2000

- Driver Support
 - OPOS
 - JavaPOS

- I/O Support
 - Existing SurePOS 300 I/O and selected SP700 I/O

Preliminary Schedule

- **HW Schedule:**

- On-site EIP Start: May 2, 2005
- Remote EIP Start: July 5, 2005
- Announce: June 7^h (linkage with SP700 refresh)
- GA: July 29, 2005

Open systems drivers: 2005 mid-year release

SureOne Update

- SureOne Model A05 being withdrawn
 - ✓ **Announce 6/30/05**
 - ✓ **Last order 7/14/05**

- Investigating potential release of SureOne update
 - ✓ **Upgrade processor to 1.2GHz**
 - ✓ **Update color to Iron Gray**
 - ✓ **Any Interest??**
 - Let your distributor know.

AnyPlace Kiosk Update

- **New Omnidirectional Scanner Option (FC 0809)**
 - ✓ Eliminates necessity to align bar code
 - ✓ Integrated into AnyPlace housing (same place as 1D scanner)
 - ✓ More expensive than 1D scanner (\$795 vs. \$300 list price)
 - ✓ Announce June 7, 2005
 - ✓ GA June 10, 2005

- **Withdraw Machine Type 4836**
 - ✓ Administrative error. Machine type already used for SW product
 - ✓ Announce June 7, 2005
 - ✓ Last order July 7, 2005

- **Announce Replacement Machine Type 4838**
 - ✓ Model numbers and feature codes remain unchanged
 - ✓ Announce June 7, 2005
 - ✓ GA July 7, 2005

Withdrawal Schedule Summary

- SurePOS 700 – 721, 741, 781, C41 (and all admin models)
 - ✓ **Announce June 7, 2005**
 - ✓ **Last order March 31, 2006**

- SurePOS 300 – 310, 31C, 31H
 - ✓ **Announce June 7, 2005**
 - ✓ **Last order March 31, 2005**

- SureOne – A05
 - ✓ **Announce July 1, 2005**
 - ✓ **Last order July 15, 2005**

- AnyPlace Kiosk Machine Type 4836
 - ✓ **Announce June 7, 2005**
 - ✓ **Last order July 7, 2005**

THANK YOU