

INTERNATIONAL BUSINESS MACHINES CORPORATION
and Subsidiary Companies

FIVE-YEAR COMPARISON OF SELECTED FINANCIAL DATA

(dollars in millions except per share amounts)

FOR THE YEAR:	2000	1999	1998	1997	1996
Revenue	\$ 88,396	\$ 87,548	\$ 81,667	\$ 78,508	\$ 75,947
Net income	8,093	7,712	6,328	6,093	5,429
Per share of common stock:					
Assuming dilution	4.44	4.12	3.29	3.00	2.50
Basic	4.58	4.25	3.38	3.09	2.56
Cash dividends paid on common stock	909	859	814	763	686
Per share of common stock	.51	.47	.43	.3875	.325
Investment in plant, rental machines and other property	5,616	5,959	6,520	6,793	5,883
Return on stockholders' equity	39.7%	39.0%	32.6%	29.7%	24.8%
AT END OF YEAR:					
Total assets	\$ 88,349	\$ 87,495	\$ 86,100	\$ 81,499	\$ 81,132
Net investment in plant, rental machines and other property	16,714	17,590	19,631	18,347	17,407
Working capital	7,474	3,577	5,533	6,911	6,695
Total debt	28,576	28,354	29,413	26,926	22,829
Stockholders' equity	20,624	20,511	19,433	19,816	21,628

SELECTED QUARTERLY DATA

(dollars in millions except per share amounts and stock prices)

	Revenue	Gross Profit	Net Income	Per Share of Common Stock			Stock Prices**	
				Earnings			High	Low
				Assuming Dilution	Basic	Dividends		
2000								
First quarter	\$ 19,348	\$ 7,011	\$ 1,519	\$.83	\$.85	\$.12	\$ 128.25	\$ 99.50
Second quarter	21,651	7,943	1,941	1.06	1.10	.13	126.94	101.25
Third quarter	21,781	7,801	1,963	1.08	1.11	.13	134.94	100.00
Fourth quarter	25,616	9,669	2,670	1.48	1.52	.13	119.63	80.06
Total	\$ 88,396	\$ 32,424	\$ 8,093	\$ 4.44*	\$ 4.58	\$.51		
1999								
First quarter	\$ 20,317	\$ 7,258	\$ 1,470	\$.78	\$.80	\$.11	\$ 99.63	\$ 80.88
Second quarter	21,905	8,224	2,391	1.28	1.32	.12	132.00	81.50
Third quarter	21,144	7,564	1,762	.93	.97	.12	139.19	117.56
Fourth quarter	24,182	8,883	2,089	1.12	1.16	.12	123.25	89.00
Total	\$ 87,548	\$ 31,929	\$ 7,712	\$ 4.12*	\$ 4.25	\$.47		

* Earnings Per Share (EPS) in each quarter is computed using the weighted-average number of shares outstanding during that quarter while EPS for the full year is computed using the weighted-average number of shares outstanding during the year. Thus, the sum of the four quarters' EPS does not equal the full-year EPS.

**The stock prices reflect the high and low prices for IBM's common stock on the New York Stock Exchange composite tape for the last two years.

STOCKHOLDER INFORMATION
INTERNATIONAL BUSINESS MACHINES CORPORATION
and Subsidiary Companies

IBM Stockholder Services

Stockholders with questions about their accounts should contact: EquiServe, First Chicago Trust Division
Mail Suite 4688
P.O. Box 2530
Jersey City, New Jersey 07303-2530
(888) IBM-6700
Investors residing outside the United States, Canada and Puerto Rico should call (201) 324-0405.

Stockholders can also reach EquiServe, First Chicago Trust Division, via the Internet at: ibm@equiserve.com

Hearing-impaired stockholders with access to a telecommunications device (TDD) can communicate directly with EquiServe, First Chicago Trust Division by calling (800) 490-1493. Stockholders residing outside the United States, Canada and Puerto Rico should call (201) 222-4489.

IBM on the Internet

Topics featured in this Annual Report can be found via the IBM home page on the Internet (<http://www.ibm.com>). Financial results, news on IBM products, services and other activities can also be found via that address. Stockholders of record can receive online account information and answers to frequently asked questions regarding stockholder accounts via the internet (<http://www.ibm.com/investor>).

Stockholders of record can also consent to receive future IBM Annual Reports and Proxy Statements online through the Internet at this site.

IBM Investor Services Program

The Investor Services Program brochure outlines a number of services provided for IBM stockholders and potential IBM investors, including the reinvestment of dividends, direct purchase and the deposit of IBM stock certificates for safekeeping. Call (888) 421-8860 for a copy of the brochure. Investors residing outside the United States, Canada and Puerto Rico should call (201) 324-0405.

Investors with other requests may write to:

IBM Stockholder Relations
IBM Corporation
New Orchard Road
Armonk, New York 10504

IBM Stock

IBM common stock is listed on the New York Stock Exchange, on other exchanges in the United States and around the world.

Annual Meeting

The IBM Annual Meeting of Stockholders will be held on Tuesday, April 24, 2001, at 10 a.m. (EST) in the Savannah International Trade and Convention Center, One International Drive, Savannah, Georgia.

Stockholder Communications

Stockholders in the United States and Canada can get quarterly financial results, listen to a summary of Mr. Gerstner's Annual Meeting remarks and hear voting results from the meeting by calling (800) IBM-7800. Callers can also request printed copies of the information via mail or fax. Stockholders residing outside the United States, Canada and Puerto Rico should call (402) 573-9861.

Literature for IBM Stockholders

The following literature on IBM is available without charge from: EquiServe, First Chicago Trust Division
Mail Suite 4688
P.O. Box 2530
Jersey City, New Jersey 07303-2530
(888) IBM-6700
Investors residing outside the United States, Canada and Puerto Rico should call (201) 324-0405.

The Form 10-K Annual Report and Form 10-Q Quarterly Reports to the SEC provide additional information on IBM's business. The 10-K is issued in March; 10-Q reports are released in May, August and November.

An audio cassette recording of the 2000 Annual Report will be available for sight-impaired stockholders in June.

IBM Credit Corporation's Annual Report is available in April.

"IBM Environment and Well-Being: Progress Report" reports on IBM's environmental, safety and energy programs.


"Valuing Diversity: An Ongoing Commitment" communicates to the company's entire community of employees, customers, stockholders, vendors, suppliers, business partners and employment applicants the importance IBM places on the diversity of the company's workplace and marketplace.

General Information

For answers to general questions about IBM from within the continental United States, call (800) IBM-4YOU. From outside the United States, call (404) 238-1234.

Corporate Offices

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and Subsidiary Companies

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YOU'RE **ONE CLICK** AWAY

from the no-holds-barred story of one year
in the life of a company.

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