

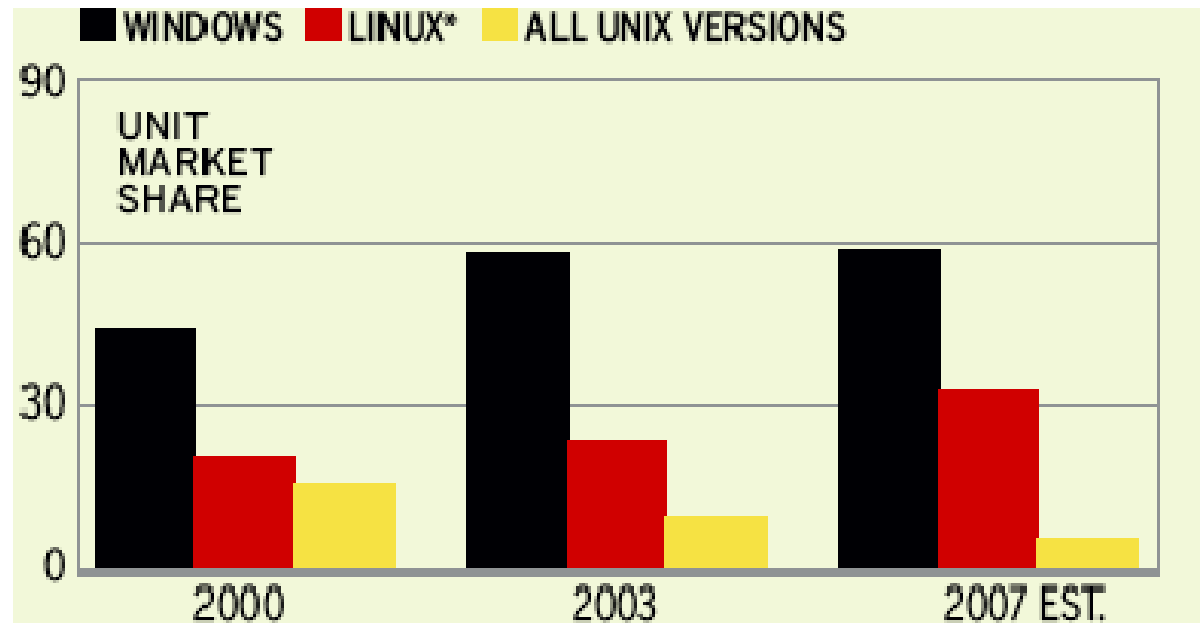


IBM Welcomes You
**Real Business Problems Presented with Real
Solutions on Linux**

Scott Handy, VP, Worldwide Linux Business
February 16, 2005



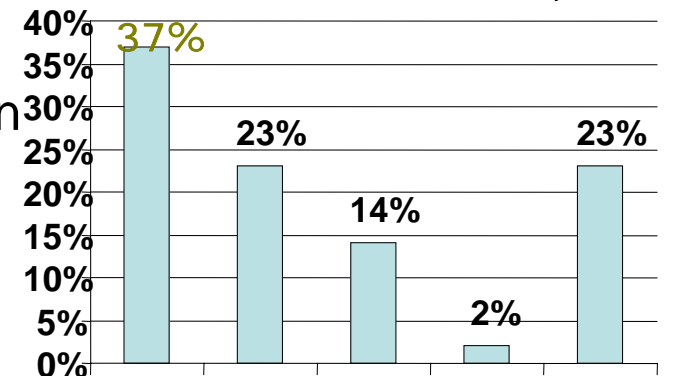
Business Week Believes in Linux



Multi-Platform Linux is a Reality with Customers & ISVs

- **Customers are buying Linux across our server line**
 - IBM #1 in Linux server revenue with 37% share
 - IBM took share from both HP and Dell in Linux x86 servers in 2004 surpassing Dell for 1st time
 - In addition, over 40% of IBM's Linux server revenue in 2004 came from Linux on Power and Linux on the mainframe
 - We have multi-platform Linux experience spanning 10,000 IBM Linux customer engagements worldwide

IBM #1 in Linux Server Revenue Share (Gartner)



IBM Linux Server Revenue Distribution 2004/2005

- **Developers are porting to multi-platform Linux**
 - ISV app porting for Linux x86 continues unabated
 - IBM added 2,500 new Linux applications to portfolio in 2004 bringing new total to 6,000
 - Plan to double to 12,000 total by 2007
 - Linux on Mainframe & Linux on Power show dramatic acceleration
 - 1000th App for Linux on Power announced today



IBM Chiphopper™ Concept

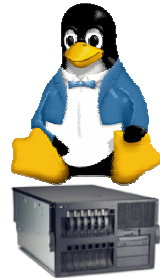
From Here



Get Here

Plus

Assurance Offering – Support for ISVs with portability related customer problems



xSeries
(or other x86-based processor)

✓ Minimize Cost

- Portability through one or combination of
 - LSB standards
 - Java
 - Selected IBM middleware



xSeries
(or other x86-based processor)



BladeCenter
HS20 / JS20



OpenPower



iSeries/i5



pSeries/p5



zSeries

✓ Maximize Revenue



IBM Customers



BARNES & NOBLE



Our Customers and IBM

Ed Clary, CIO

- Atlanta-based furniture company
- Leveraging Linux on Power on IBM eServer iSeries
- With the success of this project they have grown their use of Linux to provide the security for their Domino mail environment.
- Resulting in decrease of over 40% of spam email they receive daily by leveraging the SpamAssassin solution in a Linux partition.
- Reducing costs, consolidating workloads and integrating their on demand operating environments for better performance.



HAVERTYS
MAKES IT HOME



Our Customers and IBM

**Kurtis Dayley,
Regional
Manager, Intel
Engineering
Computing**

Challenges

- Contain design engineering computing costs
- Design complexity drives 2x/year increase in compute demand
- Design Globalization and productivity

IBM Solution

- \$1B in total capital savings using a 40,000 node Linux based Intel architecture batch farm (IBM eServer xSeries and BladeCenter)
- Mobile workstations for connected and unconnected design



Our Customers and IBM



**Chris Martino,
Systems
Administrator**

- Leading provider of prepaid card solutions that utilize the Visa, MasterCard, EFT and ATM Networks.

IBM Solution

- IBM eServer OpenPower with DB2 for Linux for back-end debit processing
- Both the OpenPower processing speed and the disk I/O speed were faster than anticipated
- Now able to process more customer transactions per minute/hour/day
- Rolling out additional OpenPower systems – 15 additional OpenPower servers



Our Customers and IBM

**Mike Baker,
Director,
Projects and
Technology
Services**

Challenges

- bkstore.com e-commerce website was suffering from the buggy nuances of Microsoft Windows 2000 IIS and the COM+ architecture
- Needed to re-engineer its e-commerce platform to an open platform
- Reuse the existing Intel (xSeries) Platform

IBM Solution

- Allowed BNCO to continue to use its current Intel based server technology with a more stable and cost effective platform
- Provides BNCO with platform flexibility and scalability
- IBM WebSphere running on Linux



BARNES & NOBLE



Our Customers and IBM



**Prof Gerard Shockley,
Assistant
Director of
Technical
Services**

Challenges

- Leveraging key technical skills of sysprog/admin staff
- Utilization of vast training obtained for individuals
- Poor to non-existent capability to share resources on other platforms.
- Unable to coordinate properly debug operating systems
- Managing the server farm

IBM Solution

- Reductions in cost over traditional vended product via use of OSS.
- Rapid deployment of new technology with Linux on the mainframe (IBM eServer zSeries)
- Multi-Dimensional Virtualization of zSeries resources for zSeries Linux.
- Rock Solid Dependability of z/VM in support of zSeries for Linux guests.
- Centralized server management via z/VM



Our Customers and IBM



**Ken Kucera,
Senior Vice
President**

Challenges

- Cost-effectively enhance manageability, reliability and scalability for systems supporting key banking operations

IBM Solution

- Consolidated and simplified a large, decentralized IT infrastructure using Linux on the mainframe, IBM Storage and Software
 - Uses IBM eServer zSeries, BladeCenter, IBM TotalStorage, and IBM Capacity On Demand and migrating to WebSphere and DB2 for Linux
- Benefits include:
 - Reduced administrative overhead
 - Provided outstanding flexibility and scalability for growth
 - Resulted in low total cost of ownership (TCO)



IBM Customers

