

Is this announcement worldwide?

Yes. The announcement is worldwide.

When will the new prices be effective?

All prices are effective January 1, 2007. Japan's effective date will be April 1, 2007.

Are customers being notified of this price increase?

Customers will be notified of the price action via worldwide marketing announcement letters and posting on Passport Advantage Online for customers. There are other communications being sent to customers.

- Americas: Marketing Announcement 306-265
- Asia Pacific: Marketing Announcement AA06-0265
- EMEA: Marketing Announcement ZA06-0264

How does this affect any outstanding quotations?

Outstanding 4Q quotations are not impacted since the new prices will be effective January 1, 2007.

What does this mean for renewals that are due the last day of Jan, Feb and March, 2007?

Renewal quotes are typically generated 60-90 days prior to their expiration dates. Renewals due with a January 1 and February 1 Anniversary date will not be impacted. Renewals impacted are those with a March 1 Anniversary date or later.

What products are affected?

Most Passport Advantage Eligible Products from IBM's WebSphere, Information Management, Lotus, Tivoli, and Rational divisions.