INTERNATIONAL BUSINESS MACHINES CORP
Form 8-K
May 14, 2003

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15 (d)

OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report: **May 14, 2003**

(Date of earliest event reported)

INTERNATIONAL BUSINESS MACHINES CORPORATION

(Exact name of registrant as specified in its charter)

New York	**1-2360**	**13-0871985**
(State of Incorporation)	(Commission File Number)	(IRS employer Identification No.)
ARMONK, NEW YORK		**10504**
(Address of principal executive offices)		(Zip Code)

914-499-1900

(Registrant s telephone number)

Item 5. Other Events

Attachment I of this Form 8-K is IBM s Chairman and CEO Samuel J. Palmisano s charts presented at the 2003 Spring Security Analyst Meeting held on Wednesday, May 14, 2003.

IBM s web site (www.ibm.com) contains a significant amount of information about IBM, including financial and other information for investors (www.ibm.com/investor/). IBM encourages investors to visit its various web sites from time to time, as information is updated and new information is posted.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

Date: May 14, 2003

By: /s/ Andrew Bonzani
              (Andrew Bonzani)
           Assistant Secretary &
         Associate General Counsel

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Certain comments made in this presentation may
be characterized as forward looking under the
Private Securities Litigation Reform Act of 1995.

Those statements involve a number of factors that
could cause actual results to differ materially.

Additional information concerning these factors
is contained in the Company s filing with the SEC.
Copies are available from the SEC, from the IBM
web site, or from IBM Investor Relations.

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2003 Spring Security Analyst Meeting

Sam Palmisano
Chairman and CEO
IBM Corporation

May 14, 2003

IT Industry Remains a Growth Industry

IT Industry Growth vs. WW GDP Growth

[CHART]

* Source: IBM/Government Statistics

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IT Investments Drive Productivity

[CHART]

Source: OECD, Paris 2002

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What Will Reignite Growth in the IT Industry?

The Next Era of Computing

[CHART]

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The Promise of e-business On Demand

*An enterprise whose business
processes integrated end-to-end
across the company and with key
partners, suppliers and customers
can respond with speed to any
customer demand, market
opportunity or external threat*

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The Promise of e-business On Demand

Responsive		*Open*
	An enterprise whose business processes integrated end-to-end across the company and with key partners, suppliers and customers can respond with speed to any customer demand, market opportunity or external threat	
Variable		*Integrated*
Focused		*Virtual*
Resilient		*Autonomic*

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Organization-wide Integration Driving Productivity

[CHART]

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e business on demand

IBM On Demand Market Plays

   I.   Helping customers become   on demand   businesses

  II.   Evolving the computing model to an on demand operating environment

 III.   Establishing utility computing computing on demand as viable and attractive option for accessing and paying for IT

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IBM On Demand Marketplace Traction

Business Transformation

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Operating Environment

[LOGOS]

Financial & Utility Offerings

[LOGOS]

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Where is Value in the IT Industry?

IT Industry Landscape

[CHART]

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Industry Profit Migration

	1995	2000	2005	Trend*
		Operating Profit		
Business Value	14%	21%	33%	∧
Infrastructure Value				
Services & Software	28%	25%	32%	∧
Server/Storage	13%	13%	6%	∨
Clients	11%	6%	4%	∨
Component Value	34%	35%	25%	∨

*2000-2005 trend shown   *Source*: IBM Analysis, 1H03

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Where Will IBM Play and How Will We Perform?

IBM Strategic Scorecard

Business Value	Acquisition of PwCC / formation of BCS
	Launch of Business Transformation Outsourcing
	Debut of Research s On Demand Innovation Services
	Ongoing investments in Emerging Bus. Opps.
Infrastructure Value	Acquisition of 7 software firms, including Rational
Services	$65.2B in services / signings
Software	Leveraging R&D for leadership
Hardware	Took $5.6B in costs via on demand supply chain
Component Value	#1 inventor for 10th straight year
	Opening of 300mm plant
	HDD partnership with Hitachi

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IBM Leading the On Demand Era

[CHART]

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IBM Driving to Lead Market Share

Businesses	1998 Rank	2002 Rank	2002 Oppty ($B)
Professional Services	#2	#1	270
Strategic Outsourcing	#1	#1	122
Information Technology Services	#1	#1	58
Web Services	N/A	#1	10
Data Management	#2	#2	23
Systems Management	#2	#2	18
Server	#1	#1	51
Storage	#3	#2	73

Source: Industry Estimates

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2003 Spring Security Analyst Meeting

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