



Integrated Supply Chain Engineering

2009 IBM Printed Circuit Board Symposium: Challenge and Opportunity

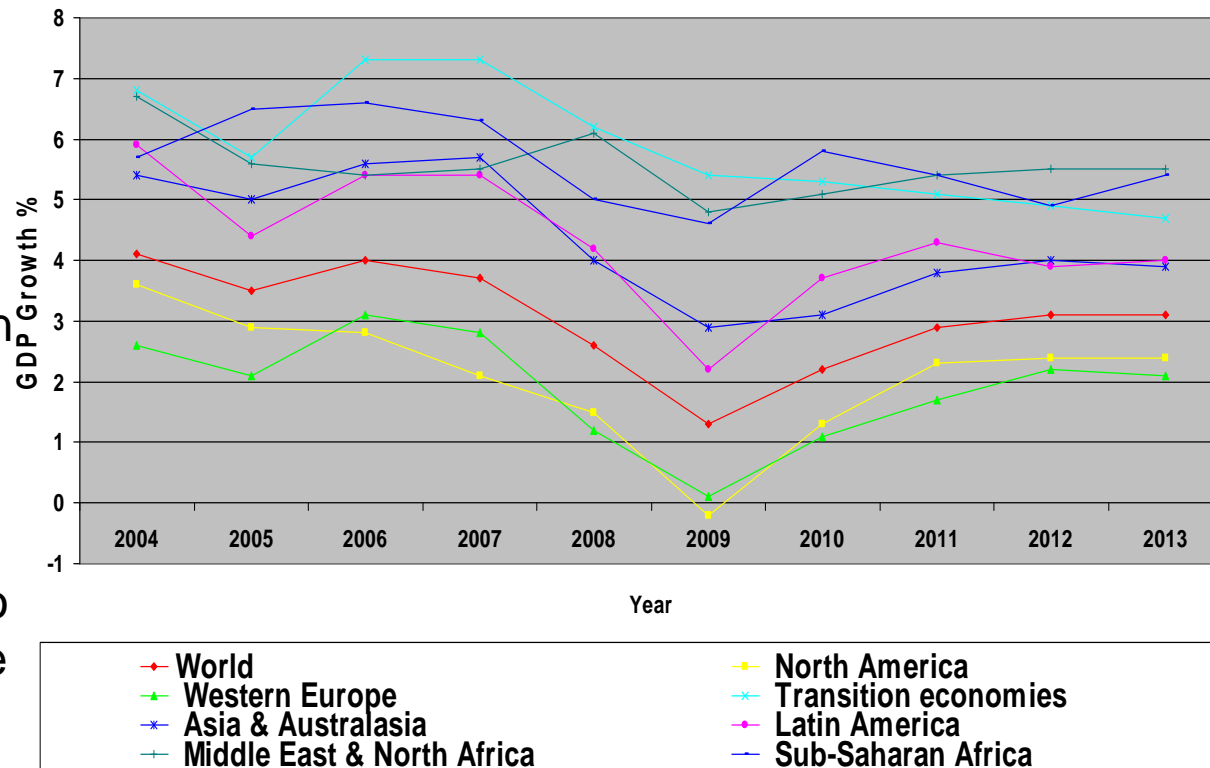
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Global Economic Outlook

2009: A year of challenge for our global economy

- Recession in US and Western Europe
- Slower growth in Transition Economies at +5.4%
- International trade slowing to approx +3%
- Global economy slowing to +1.3% at market exchange rates



2010 and beyond: Gradual recovery

- Global GDP shows gradual recovery at +2.2%
- Slow recovery of recession in US and Western Europe
- Transition Economies to be surpassed by Middle East and Africa

Major market trends are challenging the electronics industry today.

Commodity pressure

Global competition & opportunity

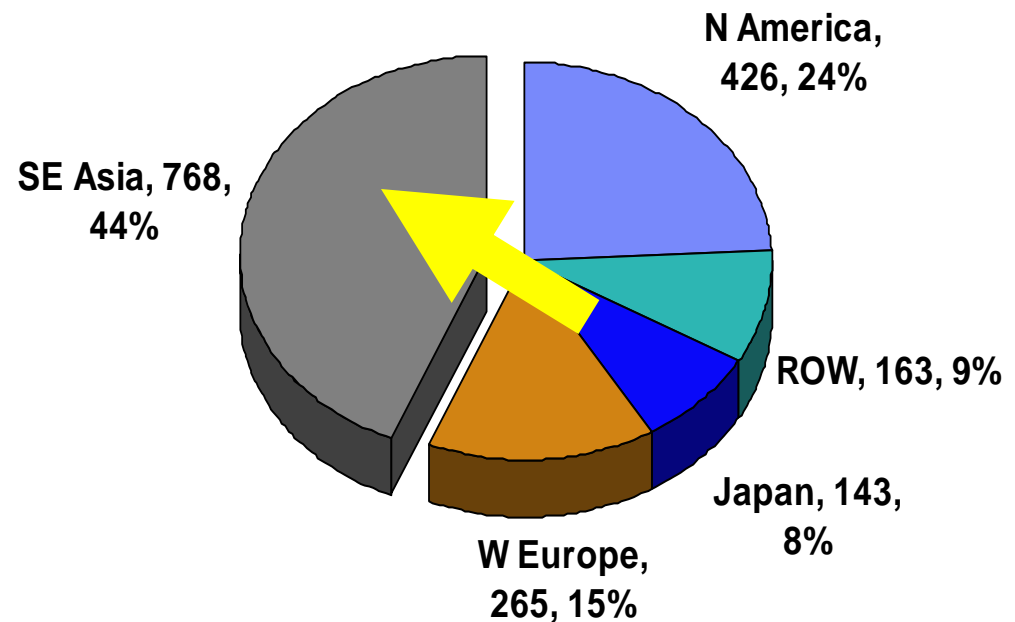
Global volatility & disruption

→ Sustainability challenge

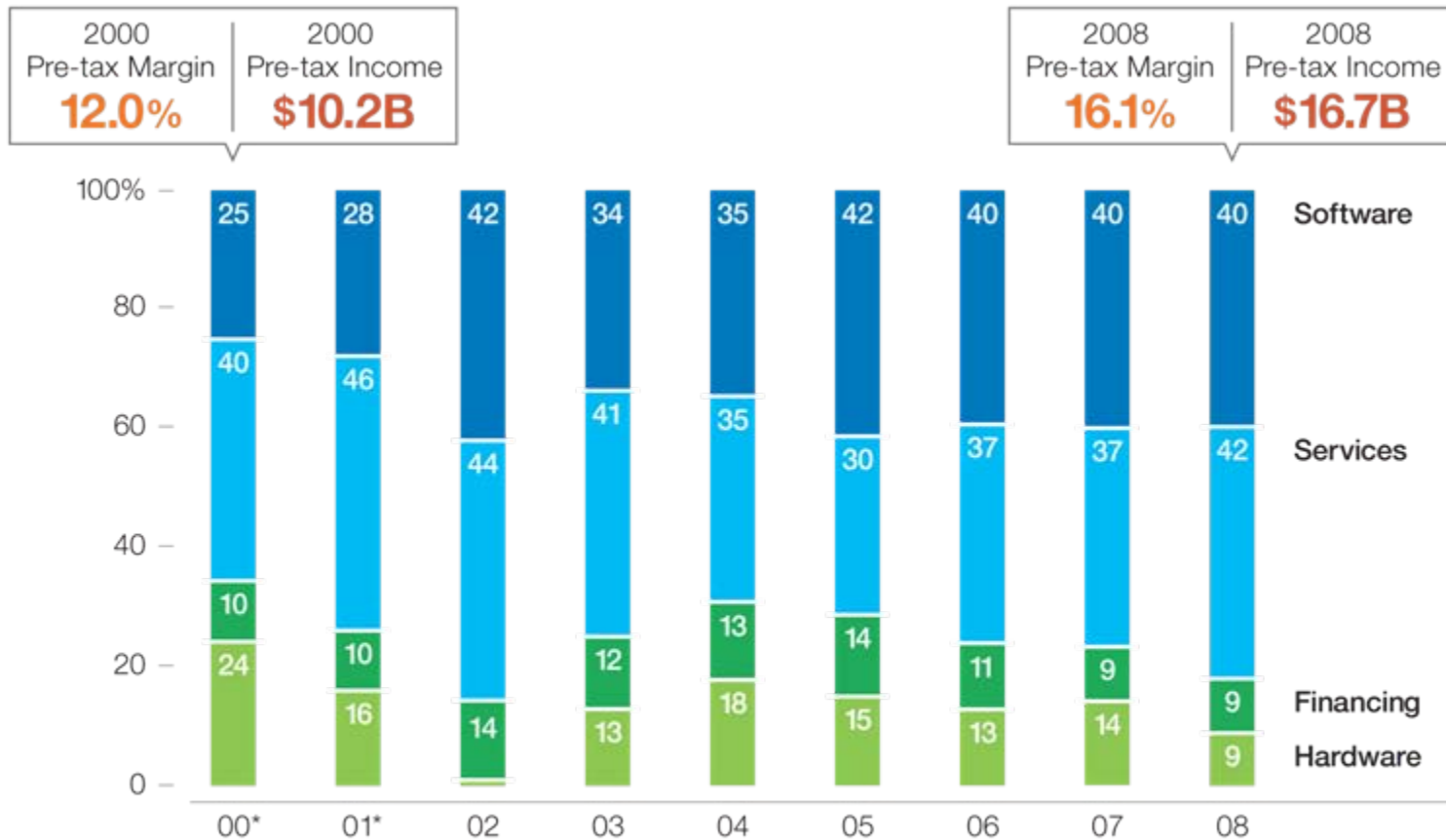
→ Technology & innovation

→ New business models

Total Volume 2009 (projected as of today) = 1.756 Billion



IBM remixed its business portfolio to higher-value spaces and focused on open technologies and solutions to its clients needs.



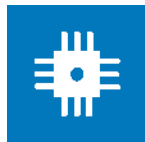
* Segment mix excludes Enterprise Investments and stock-based compensation.

Supplemental Segment Information – 3Q 2009

<i>Systems & Technology</i>	<u>Revenue Growth</u>			
	<u>Yr/Yr</u>	<u>@CC</u>	<u>GP%</u>	<u>Share</u>
System z	(26%)	(25%)	↑	↓
Converged System p	(10%)	(9%)	=	↑
System x Servers	1%	3%	↑	↑
Storage	(13%)	(13%)	↑	↑
Retail Store Solutions	(15%)	(14%)	↑	=
Total Systems	(13%)	(11%)	↑	↑
Microelectronics OEM	(1%)	(1%)	↓	
Total Systems & Technology	(12%)	(11%)	↓	↑

Leading the transition to a smarter planet as we address major market trends...

Today, IBM is helping our clients to **change the way the world literally works** – and to make the planet not just smaller and “flatter,” but **smarter**. IBM is applying its expertise, global scope and creativity to build the backbone of 21st century industries and public institutions.



Our world is becoming

INSTRUMENTED



Our world is becoming

INTERCONNECTED



Virtually all things, processes and ways of working are becoming

INTELLIGENT

As The Electronics Industry Continues To Grow In The IT Era....

through increasingly affordable and easy-to-use user interface technology,



Commoditization and User Appeal



evolution of notebooks.



The new 15-inch MacBook Pro



系列



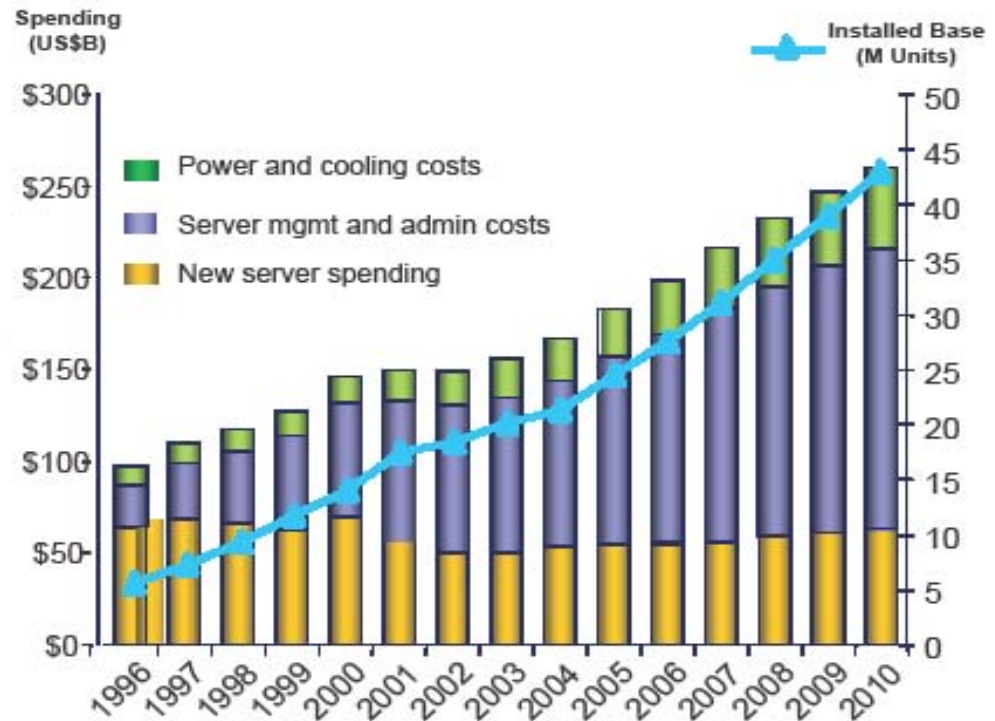
As the next decade approaches, our success in leveraging technology & innovation will depend even more on our supplier partnerships.



The World We Live In

✓ *Dynamic change demands innovative solutions*

- Costs to manage systems has doubled since 2000
- Costs to power and cool systems has doubled since 2000
- Devices accessing data over networks doubling every 2.5 years
- Bandwidth consumed doubling every 1.5 years
- Data Doubling every 18 months¹
- Server processing capacity doubling every 3 years²
- 10G Ethernet ports tripling over the next 5 years

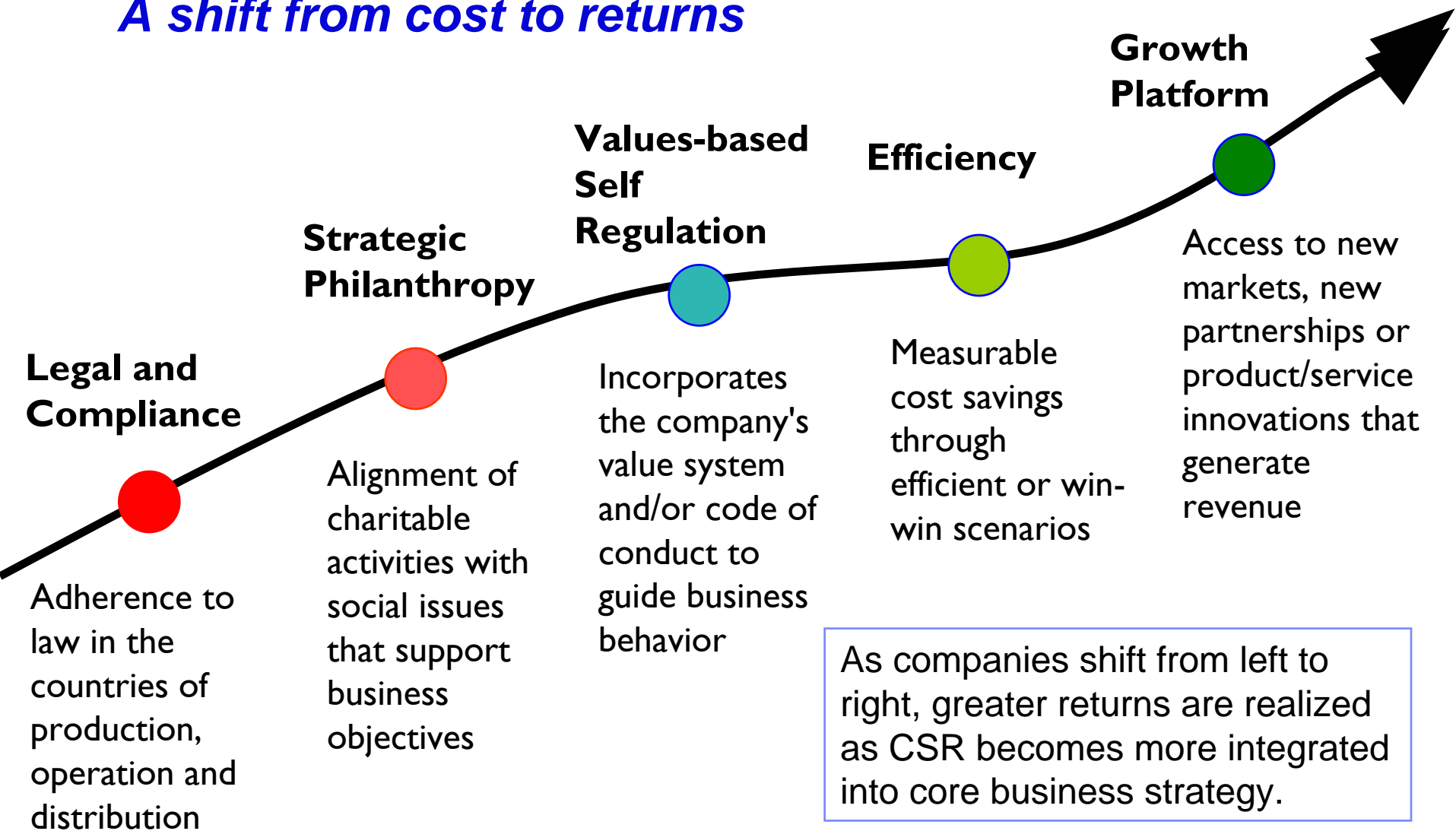


Source: IDC, 2008, ¹WW TB Capacity Shipped on Enterprise Disk Storage Systems, ²Server processing consumption doubles every 3 years

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The Corporate Social Responsibility Value Curve: A shift from cost to returns



For the Electronic Industry , all of this means

Deeper Client Relations

Supplier collaboration

Early involvement of design

Intellectual property protection

Differentiated Solutions

Innovative, end-to-end competitive solutions.

Flexibility of supply

Consistent high quality performance

Environmental sustainability

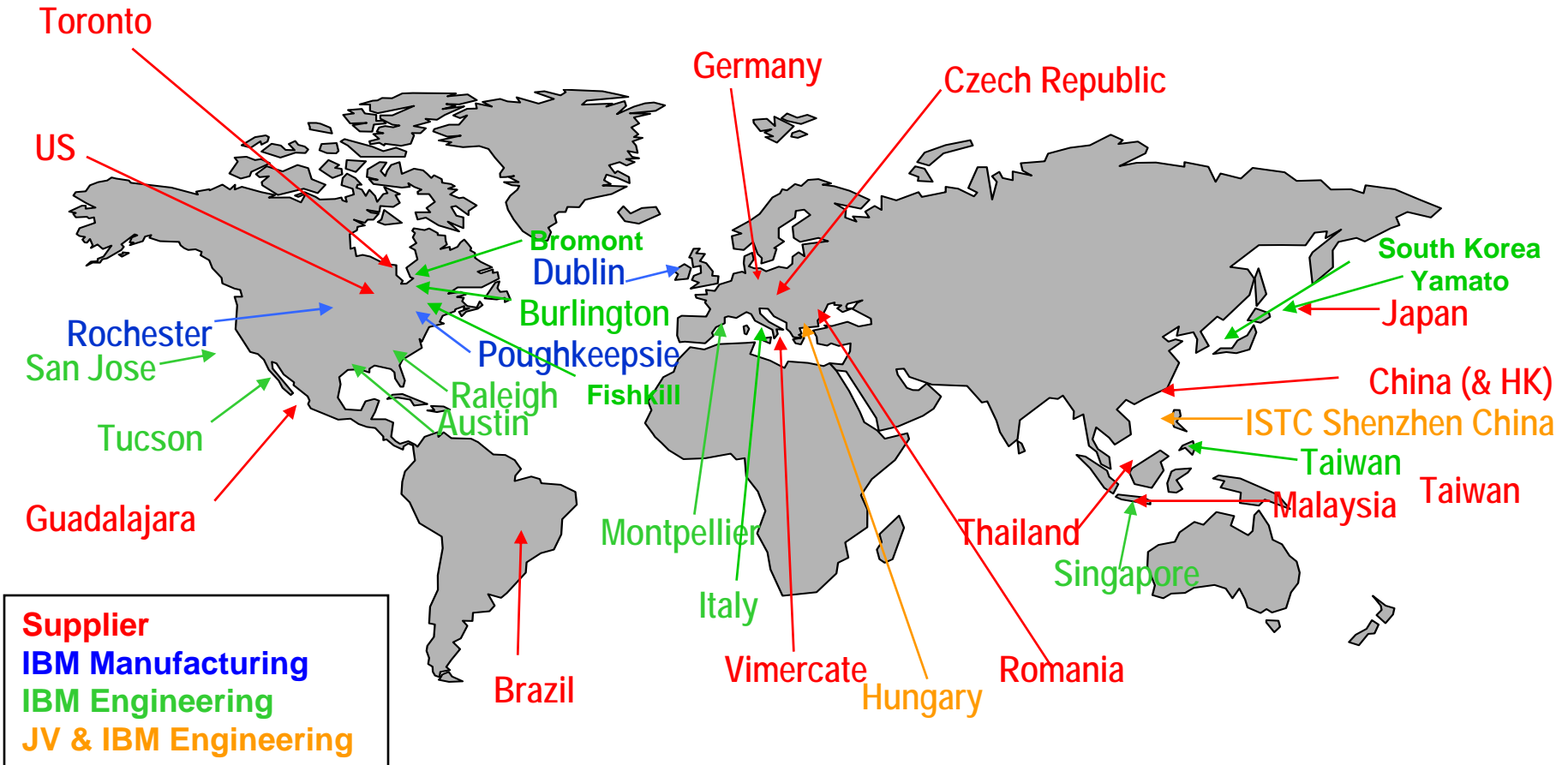
Global Delivery

End to end global integrated PCB solution.

Global competitive solution.

TODAY: IBM Systems & Engineering

The extended IBM engineering team is located all over the world



In summary, our strategy is dynamically determined by new economics and landscapes, which mandate us to ...

Focus on open technologies and high-value solutions

Deliver integration and innovation to clients

Become the premier Globally Integrated Enterprise

The electronics industry, and IBM are looking for your expertise in building innovative, end-to-end, competitive, sustainable, and high quality PCB solutions. Our mutual success is critical for creating greater value for both tangible and intangible business results.