Series. mySeries.

IBM eServer_® i5 & i5/OS[™] July 13, 2004 Announcement Update

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IBM eServer



zSeries®

Reliable, mission-critical data transaction servers



iSeries + POWER5 = eServer i5

Flexible, integrated data transaction servers





pSeries® + POWER5 = eServer p5

Powerful, technologically advanced UNIX® servers



xSeries®

 Scalable Intel® processor-based servers with mainframe-inspired reliability technologies





eServer i5: The Value of Integrated Middleware

- IBM middleware integration delivers low operational costs with robust stability and high security
- Exceptional application investment protection with binary compatibility since 1970s, 64-bit since 1995
- WebSphere® Express for iSeries now integrated and shipped with i5/OS





WebSphere software

DB2. Data Management Software



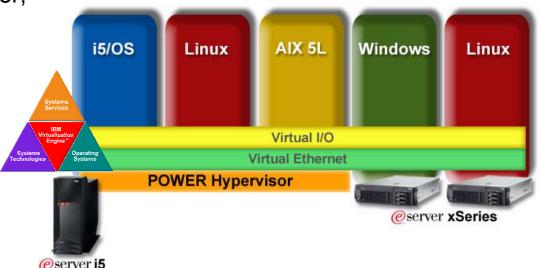




Simplify Your Infrastructure

 Deploy new applications faster, dynamically adjusting to new business opportunities

- Reduce costs by increasing asset utilization
- Redeploy talent to manage your business, not your infrastructure
- Drive new levels of IT staff productivity



"As well as consolidating physical servers, the iSeries provides an easy way to integrate multiple environments. iSeries is the ultimate server for integration, and it has delivered immediate and significant advantages."

Jan van de Straat, Director of R&D, Gemeente Harlem

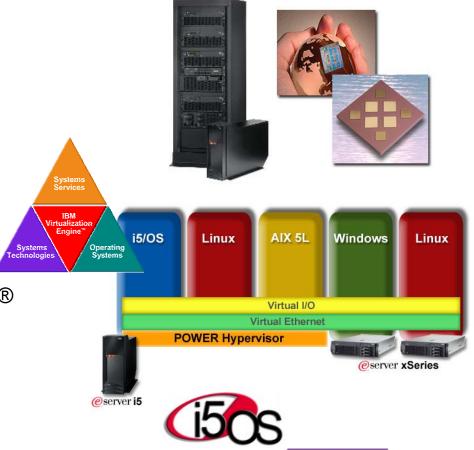






IBM eServer i5 Announcements

- Part 1: May 4, 2004 (GA June 11)
 - Delivering the industry first POWER5™ based servers
 - Exploiting a common eServer platform with eServer p5
 - Completing the vision of an on demand operating environment
 - Extending the value of open integration with i5/OS and WebSphere®
- Part 2: July 13, 2004 (GA August 31)
 - POWER5 scalability with 16-way 570
 - GA of AIX 5L™ 5.3 and Linux™





WebSphere software





Reaction to eServer i5 and i5/OS

"Cost management is key in the manufacturing Industry and IT infrastructure simplification has helped Group Dekko to significantly reduce expenses and more effectively leverage our resources. Superior POWER5 performance and i5/OS virtualization capabilities, have enabled us to consolidate multiple servers, double our performance capacity, while significantly reducing maintenance and support costs."

Chris Edwards, Vice-President, Information Technology, Group Dekko

"The superior security characteristics of our eServer i5 server with i5/OS allows New Generation Software and our customers to more effectively protect our IT resources in today's complex security environment. Innovative multi-operating system support will open new opportunities to broaden our business scope and marketplace presence."

John O'Sullivan, Vice-President, Information Technology, New Generation Software





SAP 2-Tier SD Standard Application Benchmark

Server Running SAP R/3 Enterprise 4.70	2-way Processor	Memory	os	DB	SAP SD Users
IBM eServer i5	POWER5 1.65 GHz	8 GB	i5/OS	DB2 UDB	433
SunFire V202	AMD 248 2.2 GHz	16 GB	SUSE Linux	Oracle 9i	410
HP Proliant BL20p G2	Intel Xeon 3.2 GHz	8 GB	Windows 2003	Windows SQL 2000	408

"IBM's eServer iSeries equipped with capacity on demand to run our SAP applications keeps our business operations running smoothly and helps meet unpredictable growth cycles. In the short time we have had this system, we have already seen cost benefits and increased performance saving us valuable time and resources."

Jae-Beom Kim CIO Esquire, South Korea

- Esquire is the 2000th customer installation of the mySAP™ Business Suite family of business solutions on the IBM eServer iSeries platform
- In the last three years, the number of SAP® solution-based installations on the iSeries server has doubled





iSeries servers



i810 **I**iSeries 800 **I**

Medium to Large Enterprises



Small to Medium Enterprises

eServer i5 servers

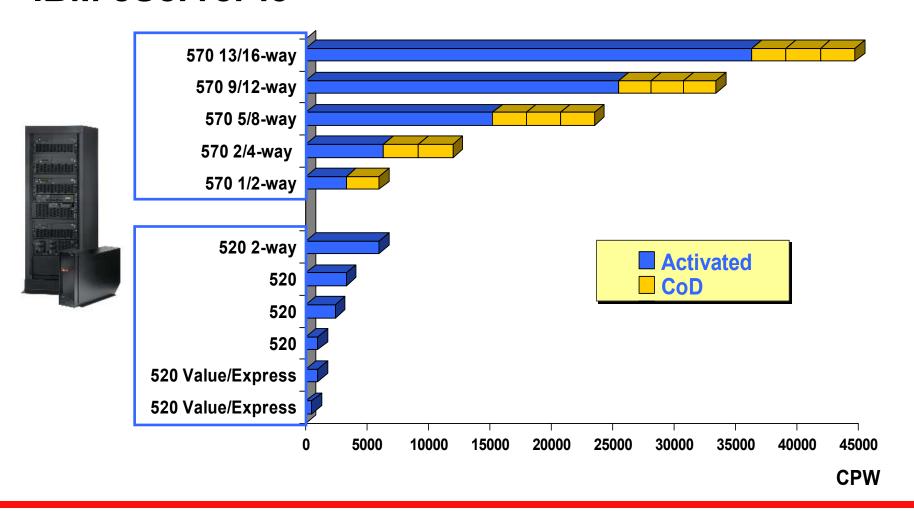








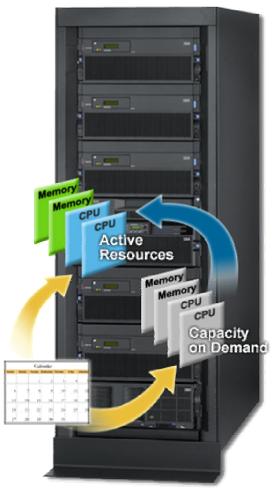
IBM eServer i5







Optimize IT Resources to Changing Business Needs



- Memory Capacity on Demand
 - 4/8GB memory & 1GB activation features
 - Capacity Upgrade on Demand (permanent) or On/Off Capacity on Demand
- Reserve Capacity on Demand
 - Purchase blocks of 30 processor days
 - No contracts or usage reporting required
 - Automatically used by server when utilization hits 100%
- Trial Capacity on Demand
 - 30 consecutive days at no charge
 - Opportunity to test proposed capacity
 - Inactive processors and memory enabled
 - One-time use ... reset after processor upgrade or processor activation



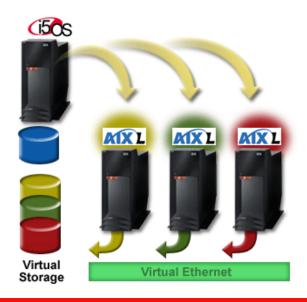


Choose the Applications to Grow Your Business

"The IBM eServer i5 enables
PeopleSoft customers to run our
applications across multiple operating
environments without adding
complexity. Now customers can
deploy AIX-based PeopleSoft
Enterprise Advanced Supply Chain
Planning to run co-resident, allowing
customers to build on their existing
skill base and infrastructure."

Les Wyatt, General Manager PeopleSoft EnterpriseOne

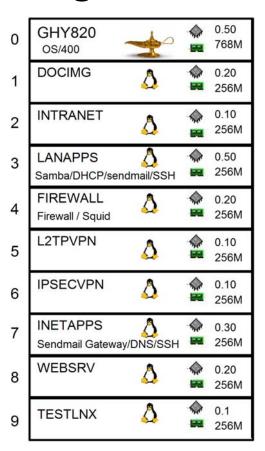
- AIX 5L on eServer i5 GA 8/31/2004
 - AIX 5L 5.2 supported
 - AIX 5L 5.3 supports micropartitioning, Virtual Storage and Virtual Ethernet
 - Single storage & backup management





eserver*

Deploy Open Infrastructure Applications Without Starting Another Server Farm



"We selected Linux on the iSeries because it was such a compelling alternative to the cost and complexity of managing nine separate Intel-based servers."



Nigel Fortlage, Vice President of IT, GHY

- Linux on POWER
 - Up to 254* Linux partitions
 - Automatic processor balancing
- Red Hat Enterprise Linux 3
 - Update 3 GA on 9/30/2004
- SUSE LINUX Enterprise Server 9
 - GA 8/31/2004



^{*} Product Preview Up to 160 with 570 16-way. This presentation contains information about IBM's plans and directions. Such plans are subject to change without notice.

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IBM eServer i5 570

- Flexible configuration options
 - Rack mount featuring Capacity on Demand options
 - 1/2, 2/4, 5/8, 9/12, 13/16-way POWER5 processor
- Highly scalable growth options
 - Starts at 3,300 CPW, up to 44,700 CPW
 - Up to 512 GB memory
 - Up to 96 TB disk storage
- Features Standard, Enterprise options
- Upgrades from i810, i820, i825, i830, i840 i870 and i890







Building Blocks Enables Balanced Growth

- Pay as you grow SMP architecture
- Rack optimized building block design enables balanced upgradeability through a single model with over 10x CPW growth
 - Each additional 4-way building block extends the system's I/O capabilities proportionately
- Provides full memory compatibility across 570
- Simplifies upgrades

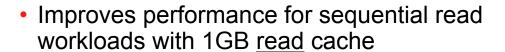






Enhanced Disk Controller for Performance and Resiliency

- #2780 PCI-X Ultra4 RAID Disk controller
 - Same price & 757MB <u>write</u> cache as #2757 controller



- Improves resiliency with concurrent battery maintenance
- For eServer i5 520, 570 with i5/OS V5R3



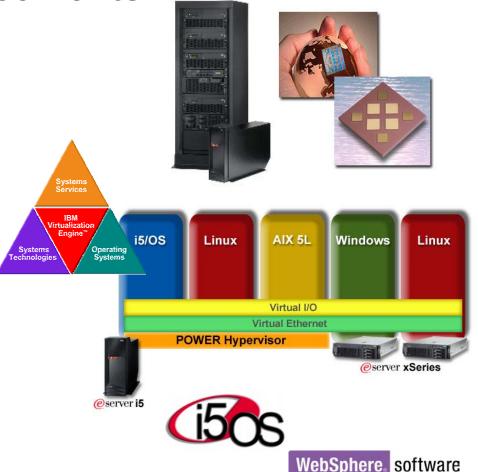






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AIX 5L	DataPropagator	Hipersockets	Notes	POWER Hypervisor	ThinkPad	400
AIX 5L (logo)	Domino	IBM	OS/400	POWER6	Tivoli	i5/OS
AS/400	e business(logo)	IBM Virtualization Engine	POWER	pSeries	TotalStorage	
AS/400e	e(logo)business	IBM(logo)	POWER4	Quickplace	WebSphere	
DB2	e(logo)server	iSeries	POWER5	Rational	xSeries	

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