

The Mainframe Charter Continues to Enhance Economic Value

- **Investment protection with upgrade paths from z9 and z990 to z10 EC**
 - Typically priced on incremental MIPS
- **Lower price per MIPS. Average price per MIPS on System z decreased 17% from 2006 to 2007, and the compound average decreased 18% over the past 10 years.**
 - Price/performance Improvement will continue on IBM System z10
- **Operating costs are declining across the board with each successive generation**
 - System z10 maintenance cost down up to 46% from z9 EC
 - System z10 delivers a 10% reduction in chargeable MSUs from z9 EC
 - System z10 delivers a 19% reduction in chargeable MSUs from z990
- **New workloads aggressively priced**
 - z10 EC specialty engines delivered up to a 35% Total Price/performance Improvement from z9 EC
 - Typically no charge MES upgrades on IFLs, ZAAPs, and zIIPs
 - System z10 memory pricing as low as \$6K per GB*
 - zNALC (New Application License Charges) delivers improved the price performance and sub-capacity pricing of z/OS in certain new workload environments.
 - OTC (On-Time Charge) pricing for DB2 in LPARs running certain new workloads

