

IBM

Mid-Market Server Usage Trends Survey

Summary Results – 1st Quarter, 2007

••• Program Overview

- Between January 31 and February 21, 2007 Gatepoint Research invited 11,691 selected IT executives to participate in a survey campaign.
- Candidates were invited via email to participate in a survey themed “Server Optimization Strategies.”
- 754 executives have participated to date. Net response rate is 4.8%.
- 70% of responders held the title of *Director* or higher; 80% of responders worked in organizations with 500-5,000 employees.
- 100% of respondents participated voluntarily; *none were engaged using telemarketing.*

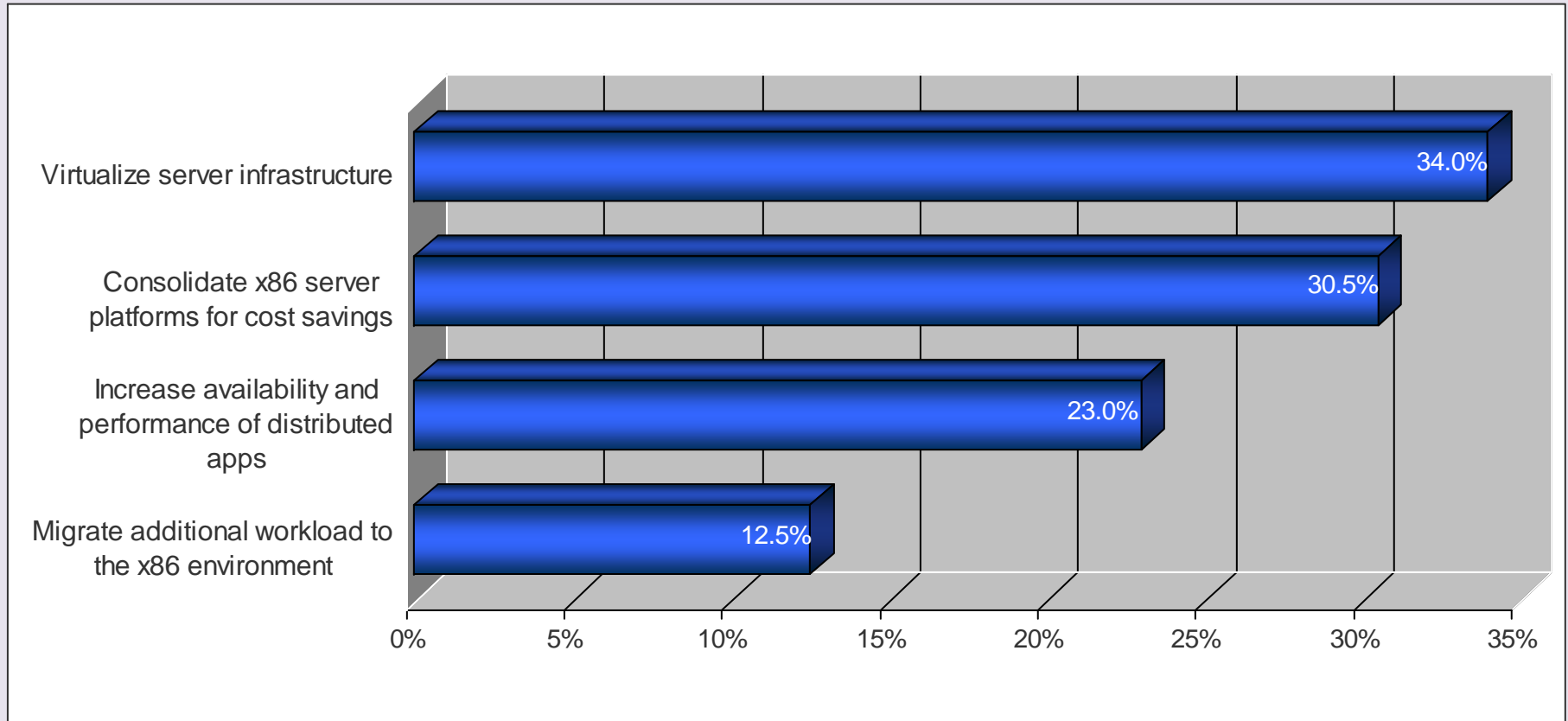
Observations and Conclusions

The survey results provided some notable findings:

- Almost 70% of respondents said that server consolidation or virtualization was a *planned strategy* for their server architecture.
- System uptime, and rapid vendor response, rated *very high* as aspirations for their server environment.

The results of the survey confirm that IBM's System x and BladeCenter strategies are well aligned with customer requirements, especially as they relate to driving higher utilization through server consolidation and virtualization.

What is your future direction with regards to server architecture?

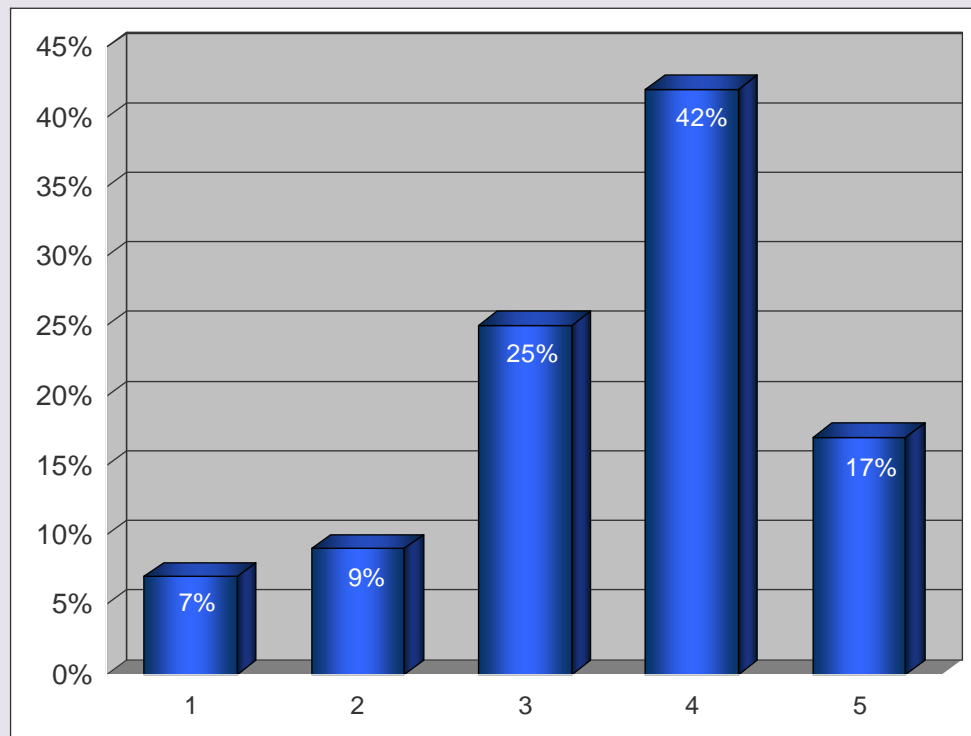


High customer interest in driving higher server utilization rates indicates that IBM's focus on integration and scalability among its BladeCenter and System x products is well aligned to market needs.



How important are each of the following to your server strategy? (Rate 1-5, 1 = unimportant, 5 = critically important)

- More than 55% of the customers surveyed responded that server consolidation is important to them.
- For these customers, it is likely that either IBM's "scale-up" high-performance servers or the "scale-out" Blades architecture would satisfy their platform requirements.

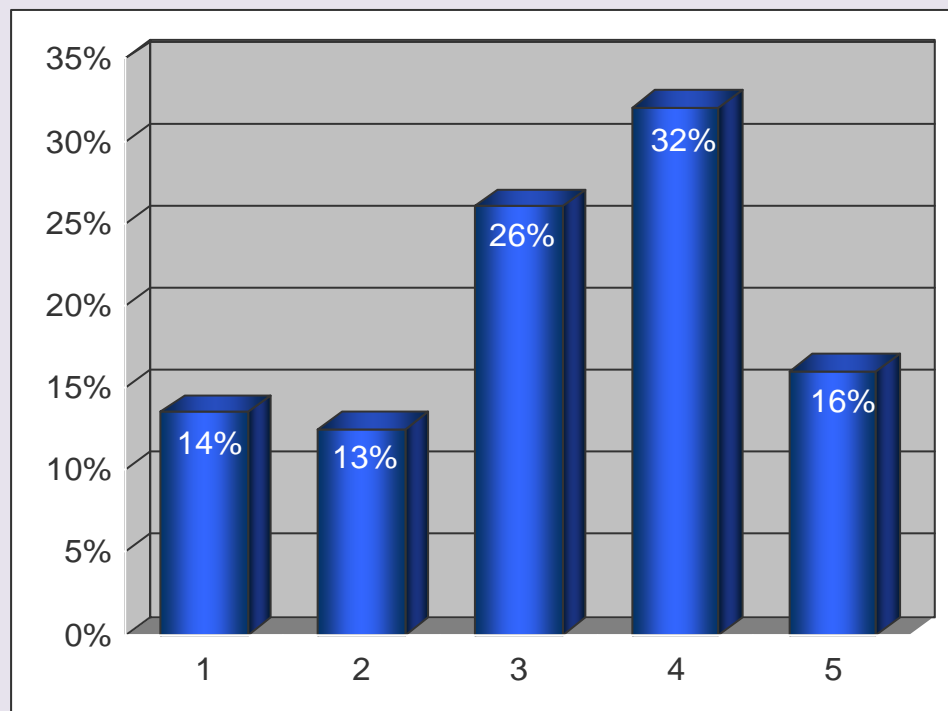


As a strategy, server consolidation rated a 3.53 on a scale of 5.0



How important are each of the following to your server strategy? (Rate 1-5, 1 = unimportant, 5 = critically important)

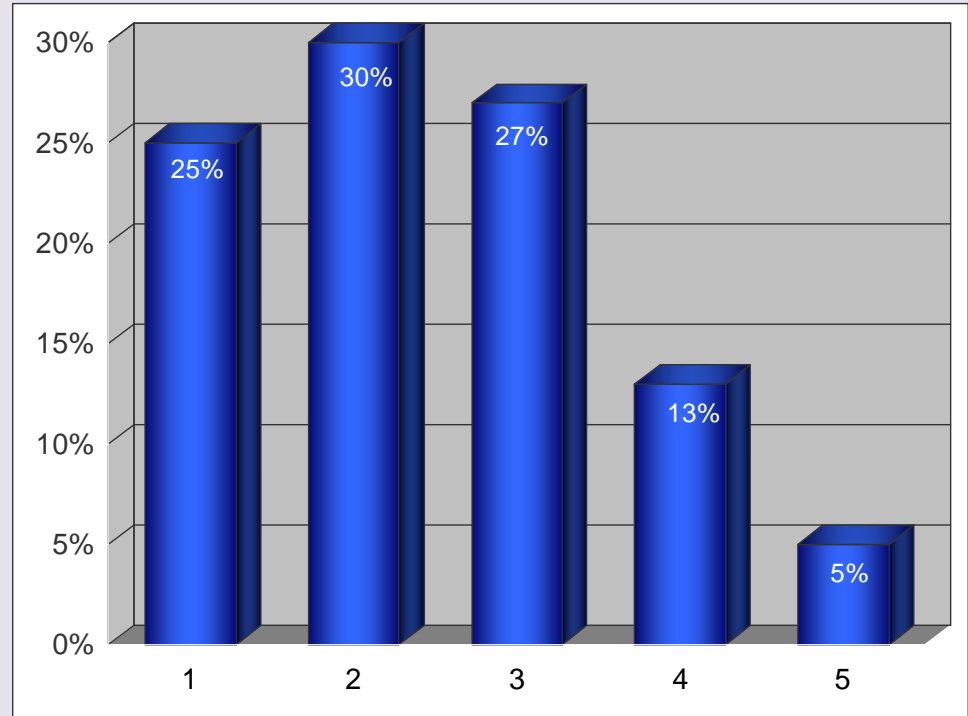
- Nearly half of the respondents said that virtualization was a key strategy for them.
- For these customers, IBM's ability to provide the required horsepower, combined with our partnership with key virtualization ISVs like VMWare and Microsoft, indicate that IBM has a viable solution for the virtualization needs.



As a strategy, virtualization rated a 3.25 on a scale of 5.0

••• How important are each of the following to your server strategy?
(Rate 1-5, 1 = unimportant, 5 = critically important)

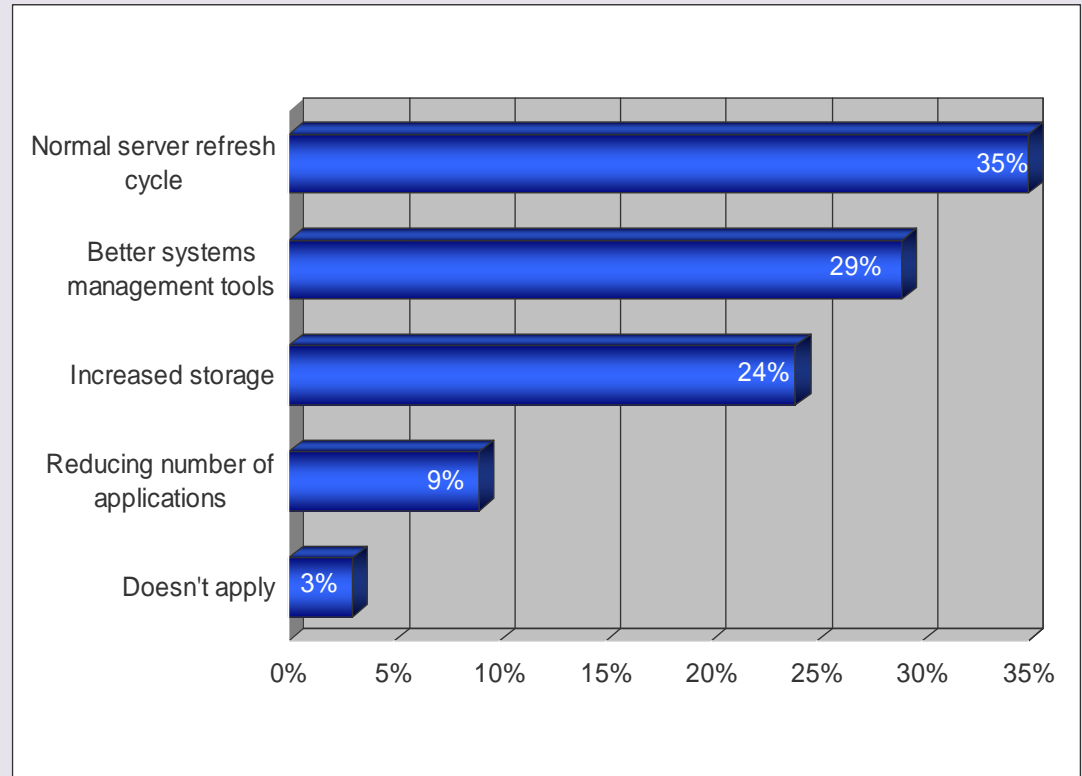
- Many of the respondents with a larger server environment considered power savings a high priority for their server strategy.
- IBM combines proactive energy management tools with power-efficient systems to help you minimize power and cooling costs.



As a strategy, power savings rated a 2.43 on a scale of 5.0

Specific to your consolidation strategy, what initiatives do your plans include?

- Refreshing servers, using better systems management tools and increasing storage were commonly cited initiatives regarding consolidation
- IBM System x provides the tools necessary to optimize and manage your IT across all your systems, thereby helping you reduce your IT costs and deliver better service to your users.

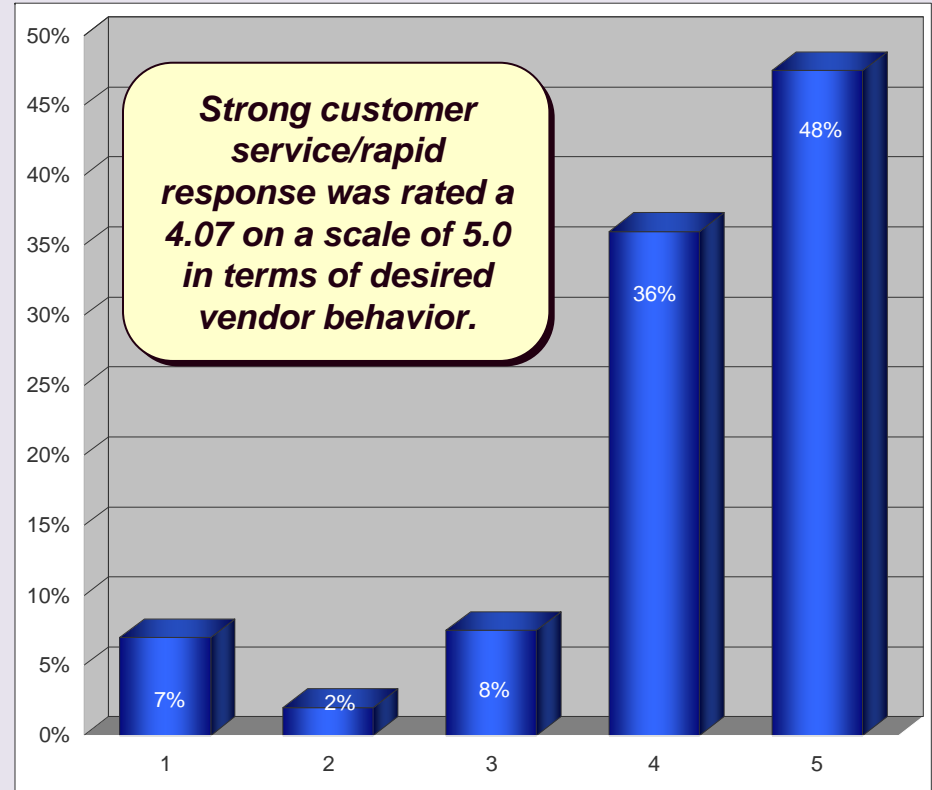
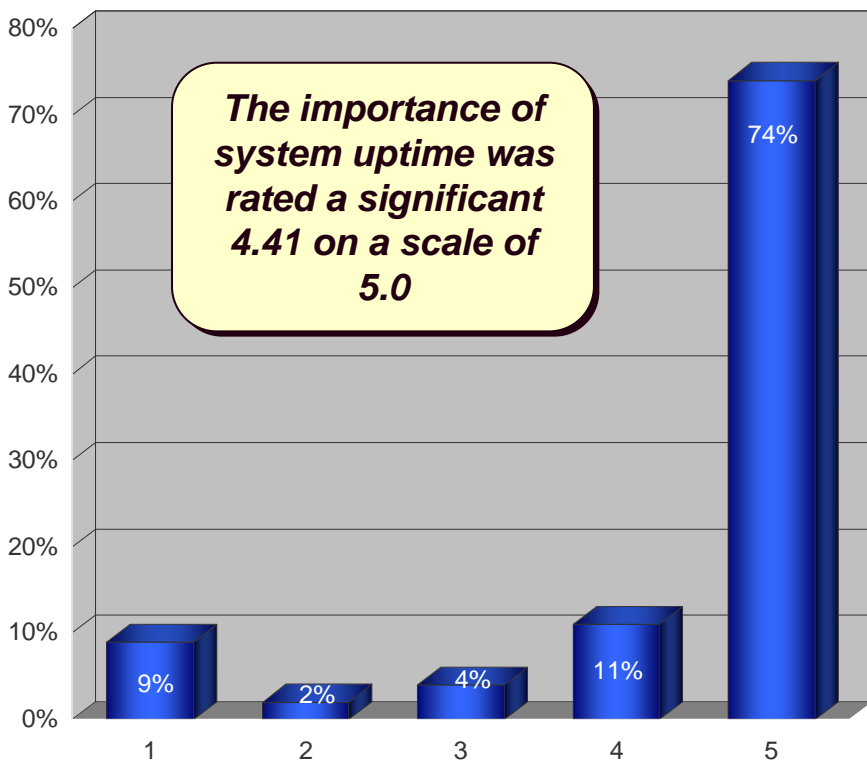


IBM Director is an award-winning systems management tool for the x86 environment that provides a strong platform for server consolidation.



How important is uptime performance for your systems? (Rate 1-5, 1 = unimportant, 5 = critically important)

To what extent is strong customer service/rapid response important in your selection of a server vendor? (Rate 1-5, 1 = unimportant, 5 = critically important)



Over 80% of responders felt their x86 Intel platform is critical to their server environment. IBM helps insure uptime and service delivery and reliability.

About IBM

IBM is the world's largest information technology company, with 80 years of leadership in helping businesses innovate. The IBM x86 servers for Windows and Linux are designed to deliver exceptional availability, simplified manageability, outstanding performance and revolutionary scalability.

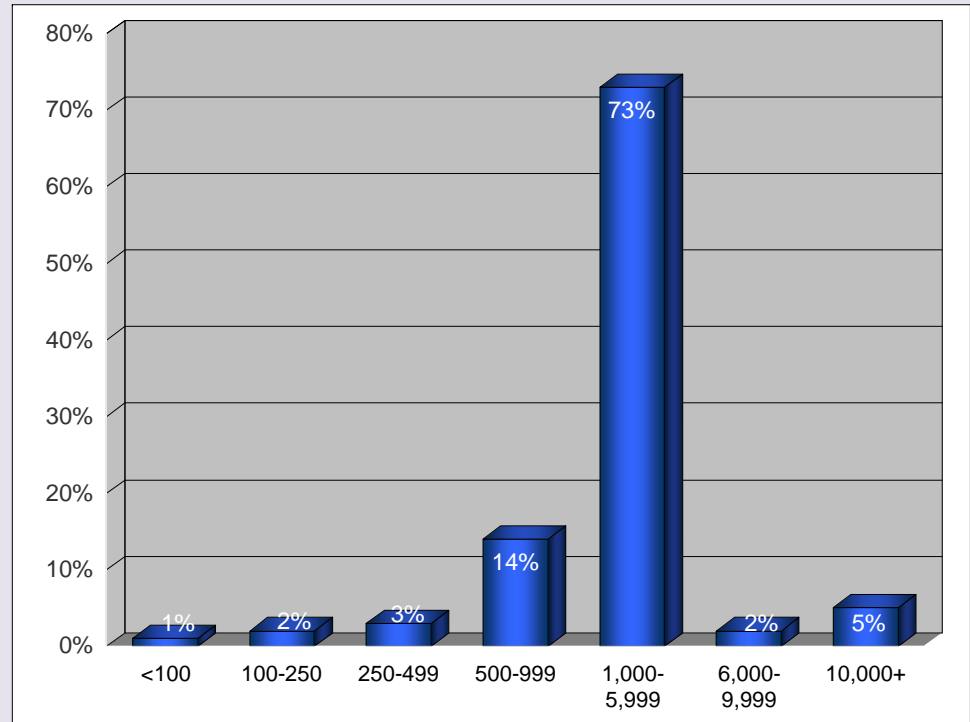
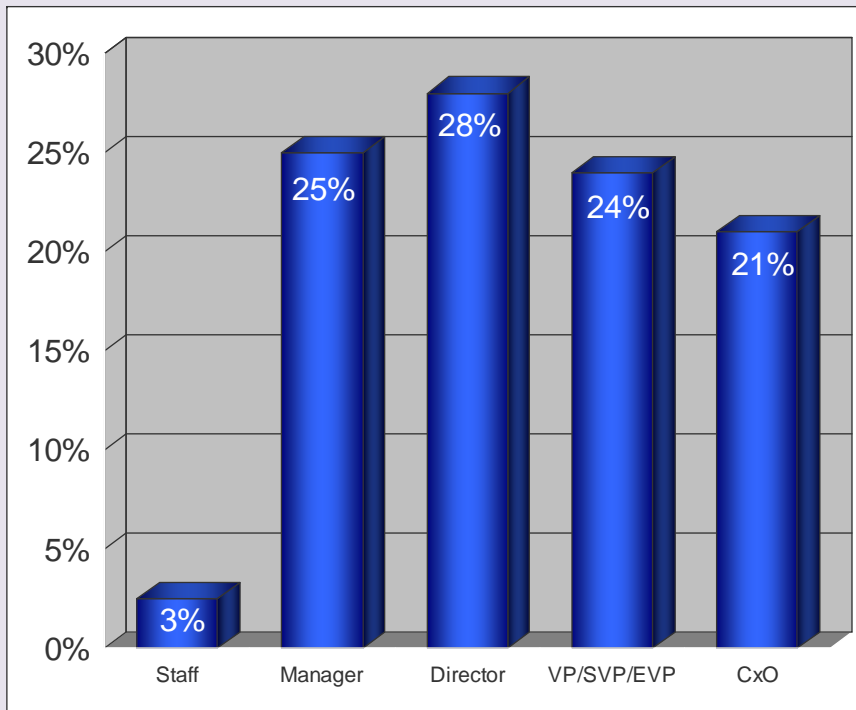
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∴∴∴ DEMOGRAPHICS



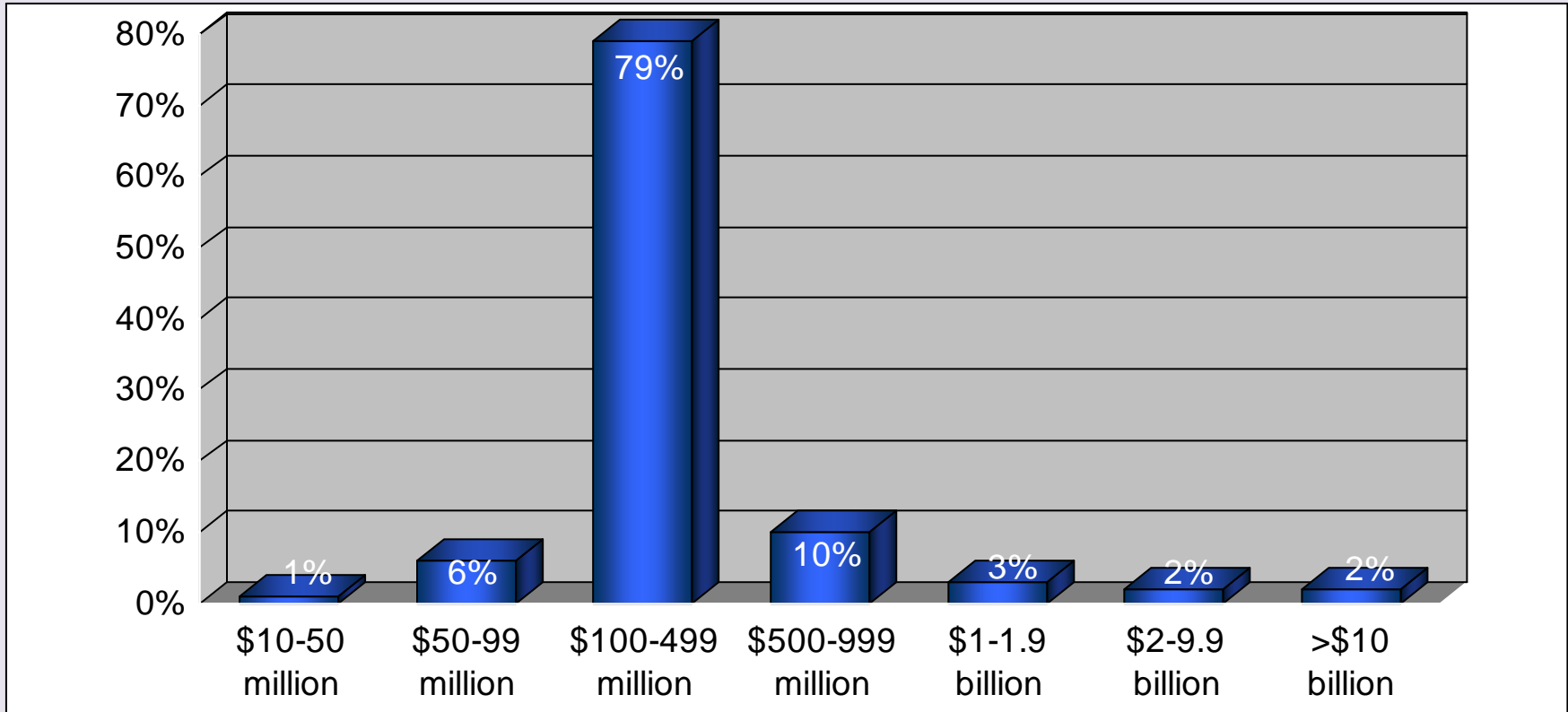
Profile of Responders – By Company Size/Number of Employees



- **Nearly 70% of respondents held the title of *Director* or higher.**
- **Over 80% of respondents were from companies having between 500 and 5,000 employees.**



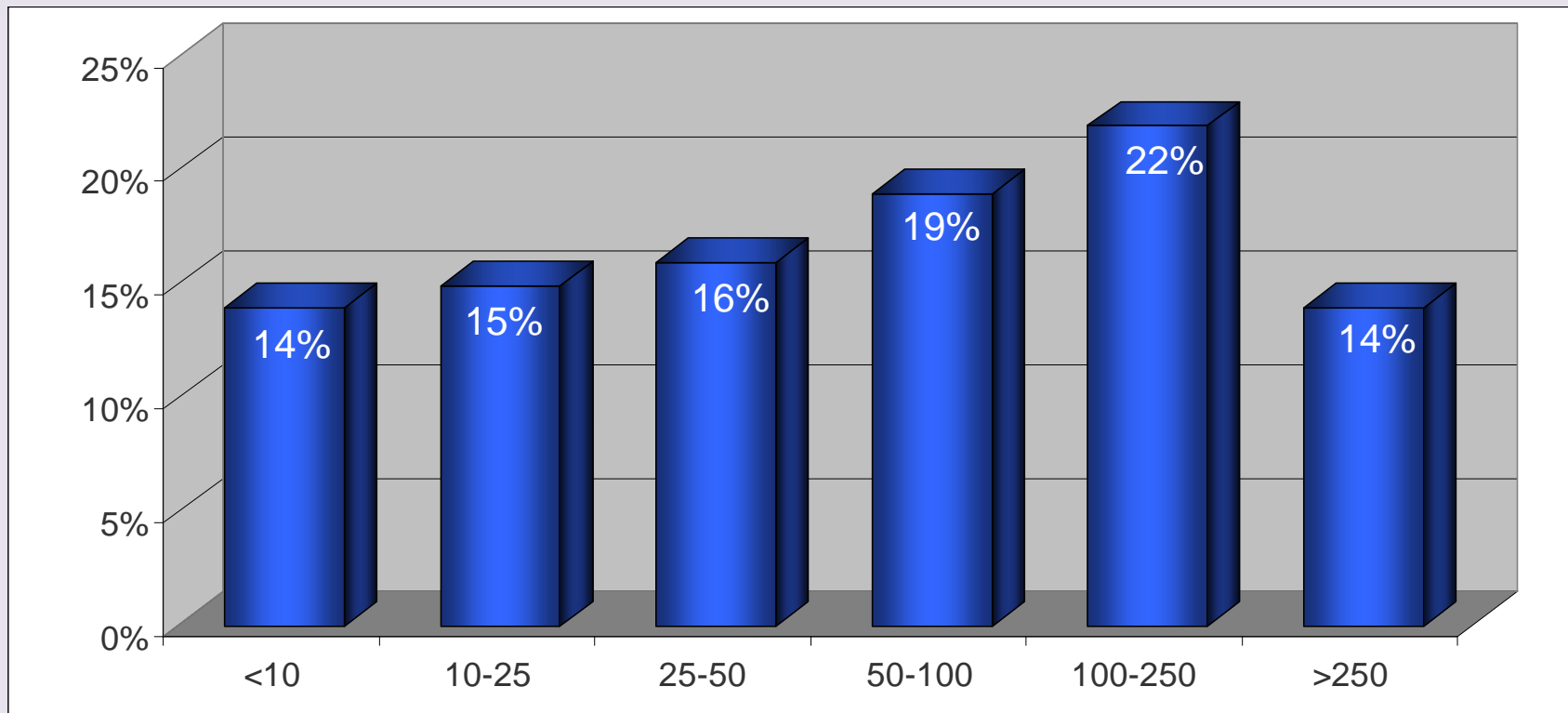
Profile of Responders – By Company Size/Annual revenue



Nearly 80% of respondents were from companies having between \$100 and \$499 million in annual revenue.



Approximately how many x86 servers are in your application infrastructure?



76% have between 10 and 250 servers present.