

## IBM RELEASES HIGHER THAN EXPECTED EARNINGS - BEATS ANALYST FORECASTS



Today, IBM Corp. announced higher than expected earnings. Although, the strong dollar's impact kept overseas sales revenue below forecasts. The glimmer of good news came when IBM announced that for all of 2008, the company reported earnings per share of \$8.93 and revenue of \$104.75 billion. Analyst were expecting 2008 earnings per share of \$8.69 and revenue of \$103.6 billion. The Armonk, N.Y.-based company reported net income of \$4.4 billion, or \$3.28 per share, for the three months ended Dec. 31. That compares with net income of \$4 billion, or \$2.80 per share, a year earlier. The much welcomed rosy forecast on Wall Street came as IBM reported that fourth-quarter profit rose 12 percent, beating analyst estimates, while sales fell 6 percent in the tough economy, missing the consensus estimate. Revenue in services, IBM's largest business segment, dropped 4 percent, but IBM was able to ink \$17.2 billion in new services contracts. That was a healthy showing that demonstrates companies worldwide are still forking out for outsourcing and other technical support contracts, which are often viewed as money savers in the long run. Hardware revenue fell 18 percent. Mainframe revenue fell 6 percent, and sales of lower-end servers based on industry-standard processors fell 32 percent. The earnings report came out after IBM shares closed at \$81.98, down \$2.94 or 3.5 percent. On Wall Street, the IBM stock jumped to \$85.25 in after-hours trading.

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