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DATAPOINT:

IBM's Announced Acquisition of PwC Consulting

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IBM'S PENDING ACQUISITION OF PwC CONSULTING

Announced: July 30, 2002

July 30, 2002 -- IBM and PricewaterhouseCoopers today announced that IBM would acquire PricewaterhouseCoopers' global business consulting and technology services unit, PwC Consulting ("PwC"). The combination of IBM and PwC will create a powerful, unmatched capability to help clients solve their business issues, exploiting world-class technology for improved business performance. PwC will be combined with the Business Innovation Services unit of IBM Global Services, creating a new global unit. The \$3.5 billion transaction value will be composed of \$2.7 billion cash, \$400 million in convertible notes and \$400 million in IBM stock. The dilutive deal will decrease IBM's earnings per share by 30 cents in the fourth quarter of this year, but will start adding to IBM's earnings in the fourth quarter of 2003. The two companies have signed a definitive agreement approved by IBM's board of directors and PwC's leadership board. The transaction is subject to regulatory approvals and approval of local PwC firms through votes of their partners, and is expected to close around the end of the third quarter. The table below highlights the implied valuation metrics based on the enterprise value of the pending transaction.

Transaction Details:

Valuation Metrics Based on the Enterprise Value ⁽¹⁾ of the Pending Transaction				
Fiscal Year ⁽²⁾ 2001A		Fiscal Year ⁽¹⁾ 2002E		Total Consideration per PwC Employee ^{(5) (6)}
Revenue ⁽³⁾	EBITDA ⁽⁴⁾	Revenue ⁽³⁾	EBITDA ⁽⁴⁾	
0.49x	16.70x	0.71x	11.45x	\$116.67

(1) Based on the 3/31/02 balance sheet of PwC, net debt is estimated to be approximately zero.

(2) Fiscal year ended June 30.

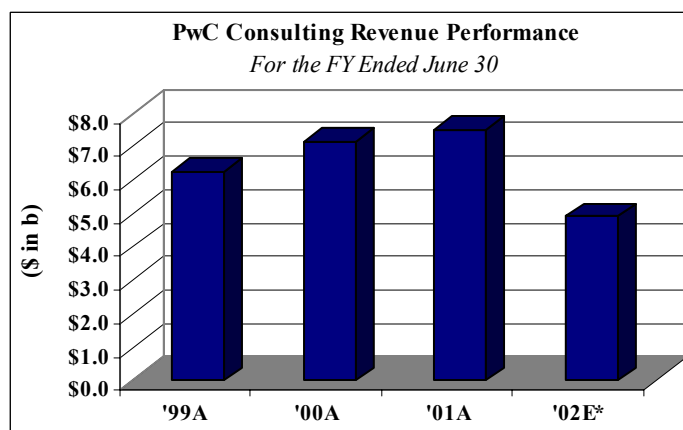
(3) Excludes client reimbursables.

(4) Pro forma EBITDA has been adjusted to reflect a transition to a corporate structure (partner pay, etc.).

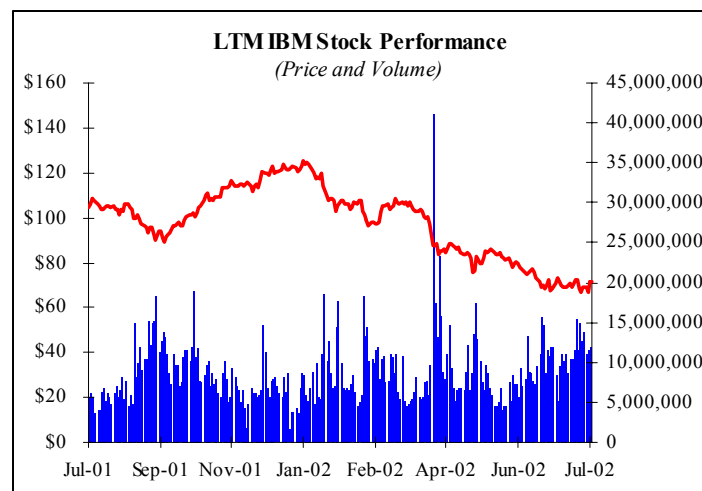
(5) Estimated 30,000 PwC employees.

(6) Implied valuation of Total Consideration per PwC Employee is measured in thousands.

Historical PwC and IBM Performance:



* Estimated revenue until filings are provided.



IBM Company Description:

IBM manufactures and sells computer services, hardware and software. The Company also provides financing services in support of its computer business. The Company's major operations comprise a Global Services segment; three hardware product segments (Enterprise Systems, Personal and Printing Systems, and Technology); a Software segment; a Global Financing segment; and an Enterprise Investments segment. IBM offers its products through its global sales and distribution organizations. The Company operates in more than 150 countries worldwide and derives more than half of its revenues from sales outside the United States.

PwC Consulting Company Description:

The company conducts the management and technology consulting businesses of auditing and accounting firm PricewaterhouseCoopers. PwC Consulting offers its services globally through five industry groups: products; government services; financial services; information and entertainment; and energy and utilities. The company's consulting services include strategic consulting, customer relationship management and infrastructure management. PwC employs approximately 30,000 people.

-- The information contained herein was obtained from public sources and should not be relied upon without independent verification --