Big Data Announcement The Now Factory Limited Acquisition

The purpose of this document is to address particular questions and provide additional insight about IBM's agreement to acquire The Now Factory. To view the full press release, go to IBM Press Release.

BIG DATA STRATEGY

1. What is big data and why is it important?

The explosion in the volume, variety and velocity of information is creating new opportunities to optimize business outcomes in an information-centric, insight-driven world much like the emergence of the Web did 15 years ago. IBM has the opportunity to lead in this industry transition.

2. What is IBM's big data strategy?

New types of solutions, new market opportunities and new decision makers are emerging as clients look to make use of technology to generate innovation and competitive advantage. These opportunities are driven by a new era of computing that is enabled by big data & analytics, cloud, mobile, and social computing.

IBM's strategy is to establish leadership in this new era of smarter computing – computing that is designed for big data, built on software defined environments and open – in order to enhance the way we deliver, create new markets and engage new clients.

IBM expects to spend \$20B in acquisitions over the 2015 road map period to support growth initiatives. This includes the IBM Big Data Platform, advanced analytics, accelerators and solutions, as well as systems and services that help organizations get immediate value from their investments.

Through its big data & analytics portfolio, IBM is delivering an advanced analytics platform that is integrated by design and unrivaled in the depth and breadth of capabilities it delivers to our clients. IBM's advanced analytics platform:

- Enables organizations to align their information to their business objectives leveraging our enterprise big data platform built on systems and storage optimized for analytics workloads and even systems that are built to reason and learn.
- Allows organizations greater insights, leveraging our core analytics capabilities to see, anticipate, and shape business outcomes.
- Provides the core capabilities to embed the insights into core business processes, delivering solutions that help organizations to take action and achieve optimal outcomes.

3. The Now Factory is a big data and analytics offering for telco, how do industry solutions fit into the IBM big data strategy?

IBM is helping organizations capture value by advancing both horizontal use cases and specific industry solutions that shorten time to value for big data and analytics. This is part of our strategy – to open up opportunities for big data at an industry level.

THE NOW FACTORY ANNOUNCEMENT

GENERAL

1. What are you announcing today?

On October 29, 2013, IBM announced the completion of its acquisition of The Now Factory Ltd. with head office in Dublin, Ireland. The Now Factory adds new capabilities for big data analytics into Communications Service Provider (CSP) industry solution offerings. Financial terms were not disclosed.

2. When will this transaction be finalized?

IBM announced the close of this transaction on October 29, 2013.

3. Who is The Now Factory? What do they do?

The Now Factory provides Customer & Network Analytics for Communications Service Providers (CSPs), generating the richest and most accurate information on customer's experience and usage of the mobile internet, in real-time, delivering value across the business & technology domains in CSPs today. The Now Factory's capabilities can be leveraged to improve network efficiency and customer experience, understand subscriber behavior, usage patterns, trends, demographic segmentation etc. for business decisions, and trouble shoot and analyze solutions that allow customer care teams to address complicated service & customer issues.

Established in 2007, The Now Factory is headquartered in Dublin, Ireland

- 170 employees worldwide
- 40 Communication Service Providers (CSPs) in 29 countries use their technology and solutions to engage in excess of 500 million consumers. Clients include: Vodafone, Vodacom, T-Mobile, CSL Hong Kong etc.
- Industry leading technology and experience to exploit 3G & 4G LTE rollouts, OTT apps data and drive new revenue opportunities

4. Why is IBM acquiring The Now Factory?

IBM expects to spend \$20B in acquisitions over the 2015 road map period to support growth initiatives including the IBM Big Data Platform, advanced analytics, accelerators and solutions, as well as systems and services that help organizations get immediate value from their investments.

The Now Factory will accelerate and extend IBM's advanced analytics platform and technology infrastructure to perform real-time big data analytics across the enterprise of a communications service provider (CSP).

Key capabilities of The Now Factory to extend the IBM advanced analytics platform include:

- Data collection tools to ingest data from the network custom hardware and software data collection tools are able to probe and understand data from a huge set of network and third party devices and are easily configurable to add new formats.
- Data model to generate KPIs and provide master set for analysts proprietary and generic model flexible enough to assimilate data from multiple formats and vendors.
- Vertical analytics applications, dashboard and visualization applications tailored to
 different line of business users. Flexible enough to easily deliver new applications with low
 services effort.

5. How will The Now Factory fit within the IBM portfolio?

Upon close of the acquisition, The Now Factory products will become part of the big data portfolio that will extend IBM's big data platform.

6. How will The Now Factory clients benefit?

The Now Factory clients will benefit from the increased investment, global reach, industry expertise and support available from IBM. IBM intends to continue to support and enhance The Now Factory products. The Now Factory clients will benefit from the breadth of IBM's big data platform as well as innovations from IBM Research.

BUSINESS PARTNERS

1. How does this affect current The Now Factory Business Partners?

The Now Factory Business Partners will continue to operate as Business Partners of The Now Factory. As before this announcement, The Now Factory Business Partners are also welcome to

enroll in IBM's Business Partner program – IBM PartnerWorld – to access a vast array of benefits and resources, including marketing, selling, technical and training/certification resources.

Visit IBM PartnerWorld for additional information.

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