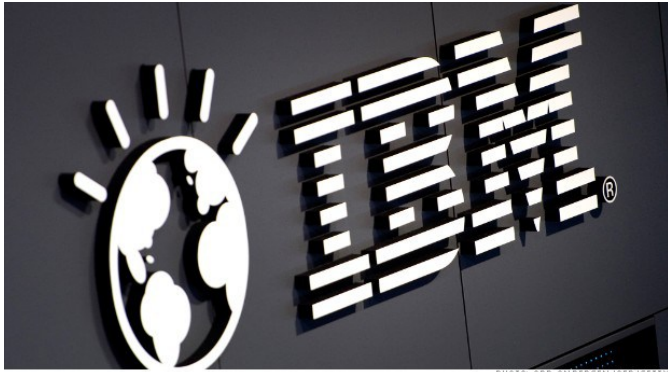


Q4 2014 Revenues Drop for IBM

Written by Marco Attard
23 January 2015

IBM Q4 2014 revenues drop by -12% Y-o-Y to \$24.1 billion, marking out an 11th consecutive quarter of declines for Big Blue, while net income reaches \$5.5bn with a -11% Y-o-Y decrease.



On a full-year 2014 basis IBM reports revenues of \$92.8bn, a 5.7% drop from \$98.4bn in 2013. The company partly blames such declines on its two major sales during the period-- the September sale of the System x server business to Lenovo and the selling of its semiconductor business to Globalfoundries last October.

"We are making significant progress in our transformation, continuing to shift IBM's business to higher value, and investing and positioning ourselves for the longer term," IBM CEO Ginni Rometty says. "In 2014, we repositioned our hardware portfolio for higher value, maintained a services backlog of \$128bn and achieved strong revenue growth across cloud, analytics, mobile, social and security. Together these strategic imperatives grew 16% in 2014 and now represent \$25bn and 27% of our revenue."

Other IBM segments see declines-- Q4 2014 software revenues reach \$7.6bn with -7% Y-o-Y decline, middleware revenues drop by -6% Y-o-Y to \$5.4bn and OS revenues reach \$557m, a 19% Y-o-Y.

The hardware front also sees revenue drops, with the Systems and Technology segment reaching \$2.4bn with -39% Y-o-Y decline with Power Systems revenues dropping by -13%, System z mainframe revenues by -26% and System Storage by -8%. However the company expects hardware improvement for 2015, following the [z13 mainframe launch](#).

Q4 2014 Revenues Drop for IBM

Written by Marco Attard
23 January 2015

As for the future, IBM is set to continue with its transformation towards higher-value business, specifically cloud and mobile. Recently the company reorganised its management by naming company veteran Robert LeBlanc as senior VP of Cloud, and laid out a focus in research, systems, cloud, Watson, security and analytics.

Go [IBM Reports Q4 2014 and full-year Results](#)