

uncertainty and product cycle dynamics continued, our fourth-quarter results reflect strong performance in hybrid cloud led by Red Hat, gross margin expansion and solid cash generation.

Total consolidated revenue decreased 6.5 percent as reported and 9 percent adjusted for currency compared to the prior year. Excluding divested businesses, revenue was down 6.2 percent as reported and 8 percent adjusted for currency. Cloud & Cognitive Software decreased 4.5 percent as reported and 7 percent adjusted for currency. Within this segment, Cloud & Data Platforms grew 8.8 percent (6 percent adjusted for currency) with Red Hat delivering double-digit growth across infrastructure software and application development and emerging technologies. Cognitive Applications increased 0.2 percent as reported but decreased 2 percent adjusted for currency and Transaction Processing Platforms decreased 23.8 percent (26 percent adjusted for currency). GBS decreased 2.7 percent as reported and 5 percent adjusted for currency but improved sequentially from the third quarter. Cloud revenue within GBS grew at a double-digit rate and GPS revenue returned to growth in the fourth quarter. GTS decreased 5.5 percent as reported and 8 percent adjusted for currency, with declines in Infrastructure & Cloud Services and Technology Support Services. Systems decreased 17.8 percent as reported and 19 percent adjusted for currency primarily driven by product cycle dynamics. Across the