

INTERNATIONAL BUSINESS MACHINES CORP

Form 4

May 27, 2008

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**KELLY JOHN E III**

2. Issuer Name and Ticker or Trading Symbol  
**INTERNATIONAL BUSINESS MACHINES CORP [IBM]**

5. Relationship of Reporting Person(s) to Issuer  
(Check all applicable)  
 Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Senior Vice President**

(Last) (First) (Middle)

**IBM CORPORATION, P.O. BOX 218**

3. Date of Earliest Transaction (Month/Day/Year)  
**05/23/2008**

6. Individual or Joint/Group Filing (Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

(Street)

4. If Amendment, Date Original Filed (Month/Day/Year)

**YORKTOWN HEIGHTS, NY 10598**

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code			4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)	
			Code	V	Amount					(A) or (D)
Common Stock	05/14/2008		G	V	100	D	\$ 0	39,250.3445	D	
Common Stock	05/23/2008		M		1,124	A	\$ 88.955	40,374.3445	D	
Common Stock	05/23/2008		M		39,076	A	\$ 88.955	79,450.3445	D	
Common Stock	05/23/2008		S		400	D	\$ 124.06	79,050.3445	D	
Common Stock	05/23/2008		S		600	D	\$ 124.065	78,450.3445	D	

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Common Stock	05/23/2008	S	5,692	D	\$ 124.07	72,758.3445	D
Common Stock	05/23/2008	S	800	D	\$ 124.0701	71,958.3445	D
Common Stock	05/23/2008	S	3,550	D	\$ 124.08	68,408.3445	D
Common Stock	05/23/2008	S	2,600	D	\$ 124.085	65,808.3445	D
Common Stock	05/23/2008	S	208	D	\$ 124.0875	65,600.3445	D
Common Stock	05/23/2008	S	4,100	D	\$ 124.09	61,500.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.095	61,400.3445	D
Common Stock	05/23/2008	S	34	D	\$ 124.1	61,366.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.12	61,266.3445	D
Common Stock	05/23/2008	S	301	D	\$ 124.14	60,965.3445	D
Common Stock	05/23/2008	S	300	D	\$ 124.145	60,665.3445	D
Common Stock	05/23/2008	S	1,000	D	\$ 124.15	59,665.3445	D
Common Stock	05/23/2008	S	1,600	D	\$ 124.155	58,065.3445	D
Common Stock	05/23/2008	S	1,900	D	\$ 124.16	56,165.3445	D
Common Stock	05/23/2008	S	86	D	\$ 124.17	56,079.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.18	55,979.3445	D
Common Stock	05/23/2008	S	600	D	\$ 124.19	55,379.3445	D
Common Stock	05/23/2008	S	2,200	D	\$ 124.195	53,179.3445	D
Common Stock	05/23/2008	S	1,000	D	\$ 124.2	52,179.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.2001	52,079.3445	D

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Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Table with 7 columns: 1. Title of Derivative Security, 2. Conversion or Exercise Price of Derivative Security, 3. Transaction Date, 3A. Deemed Execution Date, if any, 4. Transaction Code, 5. Number of Derivative Securities, 6. Date Exercisable and Expiration Date, 7. Title and Amount of Underlying Securities. Includes two rows for Employee Stock Options.

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

KELLY JOHN E III
IBM CORPORATION
P.O. BOX 218
YORKTOWN HEIGHTS, NY 10598

Senior Vice President

Signatures

D. Cummins for J. E. Kelly III by power-of-attorney

05/27/2008

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
  - \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) This grant vested in four equal annual installments; the last installment vested on the date shown above.

### Remarks:

Additional sales will be shown on a subsequent Form 4.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.  
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