

INTERNATIONAL BUSINESS MACHINES CORP  
 Form 4  
 May 27, 2008

**FORM 4**

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

OMB APPROVAL

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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)

(Last) (First) (Middle)  
**IBM CORPORATION, P.O. BOX 218**

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

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Senior Vice President**

(Street)  
**YORKTOWN HEIGHTS, NY 10598**

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

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

**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 (Instr. 8)	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 Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Common Stock	05/23/2008		S		300	D	\$ 124.21
					51,779.3445	D	
Common Stock	05/23/2008		S		300	D	\$ 124.22
					51,479.3445	D	
Common Stock	05/23/2008		S		100	D	\$ 124.23
					51,379.3445	D	
Common Stock	05/23/2008		S		100	D	\$ 124.24
					51,279.3445	D	
Common Stock	05/23/2008		S		255	D	\$ 124.25
					51,024.3445	D	

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Common Stock	05/23/2008	S	200	D	\$ 124.2601	50,824.3445	D
Common Stock	05/23/2008	S	1,200	D	\$ 124.3	49,624.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.3001	49,524.3445	D
Common Stock	05/23/2008	S	402	D	\$ 124.31	49,122.3445	D
Common Stock	05/23/2008	S	623	D	\$ 124.32	48,499.3445	D
Common Stock	05/23/2008	S	1	D	\$ 124.33	48,498.3445	D
Common Stock	05/23/2008	S	600	D	\$ 124.34	47,898.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.3409	47,798.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.341	47,698.3445	D
Common Stock	05/23/2008	S	500	D	\$ 124.345	47,198.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.3475	47,098.3445	D
Common Stock	05/23/2008	S	939	D	\$ 124.35	46,159.3445	D
Common Stock	05/23/2008	S	1,300	D	\$ 124.36	44,859.3445	D
Common Stock	05/23/2008	S	900	D	\$ 124.365	43,959.3445	D
Common Stock	05/23/2008	S	1,261	D	\$ 124.37	42,698.3445	D
Common Stock	05/23/2008	S	500	D	\$ 124.38	42,198.3445	D
Common Stock	05/23/2008	S	135	D	\$ 124.3892	42,063.3445	D
Common Stock	05/23/2008	S	1,339	D	\$ 124.39	40,724.3445	D
Common Stock	05/23/2008	S	300	D	\$ 124.4	40,424.3445	D
Common Stock	05/23/2008	S	50	D	\$ 124.43	40,374.3445	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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**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu... Deriv... Secur... Bene... Own... Follo... Repo... Trans... (Instr...)
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)

**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  
 Signature of Reporting Person: \_\_\_\_\_ Date: 05/27/2008

**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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.