

INTERNATIONAL BUSINESS MACHINES CORP  
Form FWP  
November 03, 2008

**Filed Pursuant to Rule 433**

**Registration Nos. 333-145104**

750,000,000  
6.625% Notes Due 2014  
International Business Machines Corporation  
October 30, 2008  
Pricing Term Sheet

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|--|---|
| Issuer:                                  | International Business Machines Corporation   |
| Ratings:                                 | A1/A+/A+ (Moody s/S&P/Fitch)  |
| Size:                                    | 750,000,000   |
| Trade Date:                              | October 30, 2008  |
| Settlement Date:                         | November 6, 2008  |
| Maturity:                                | January 30, 2014  |
| Interest Payment Dates:                  | January 30, commencing January 30, 2009   |
| Benchmark Government Security:           | German Government DBR 4.25% due January 4, 2014   |
| Benchmark Government Security Yield:     | 3.196%  |
| Spread to Benchmark Government Security: | +356 basis points   |
| Yield to Maturity:                       | 6.756%  |
| Coupon:                                  | 6.625% per annum, accruing from November 6, 2008  |
| Make-Whole Call (Reference Bond):        | German Government DBR 4.25% due January 4, 2014   |
| Price to Public:                         | 99.476%   |
| Underwriting Discount:                   | 0.25%   |
| Use of Proceeds:                         | General corporate purposes  |
| Minimum Denomination:                    | 50,000 and multiples of 50,000  |
| Listing:                                 | Application has been made to list the Notes on the New York Stock Exchange                            |
| Bookrunners:                             | BNP Paribas, HSBC Bank plc, Morgan Stanley & Co. International plc and UBS Limited                    |
| Co-Managers:                             | Banca IMI S.p.A., Banco Santander, S.A., Bayerische Hypo- und Vereinsbank AG and BBVA Securities Inc. |
| Billing and Delivering:                  | UBS Limited   |
| CUSIP:                                   | 459200GP0   |
| ISIN/Common Code:                        | XS0397540294/039754029  |

**Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.**

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling BNP Paribas at +44 (0) 207 595-8222 or toll-free at 1-800-854-5674, HSBC Bank plc at +44 (0) 207 991-1427 or toll-free at 1-866-811-8049, Morgan Stanley & Co. International plc at +44 (0) 207 677-7799 or toll-free at 1-866-718-1649 or UBS Limited at +44 (0) 207 567-2479.

**This pricing term sheet supplements the preliminary form of prospectus supplement issued by International Business Machines Corporation on October 30, 2008 relating to their Prospectus dated August 3, 2007.**

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