

INTERNATIONAL BUSINESS MACHINES CORP  
 Form 3  
 April 02, 2008

**FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

OMB APPROVAL

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**INITIAL STATEMENT OF 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)

<p>1. Name and Address of Reporting Person *</p> <p>Â KERN R. FRANKLIN III</p> <p>(Last) (First) (Middle)</p> <p>IBM CORPORATION,Â C/O                  SECRETARY'S OFFICE, NEW                  ORCHARD ROAD</p> <p>(Street)</p> <p>ARMONK,Â NYÂ 10504</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>04/01/2008</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>INTERNATIONAL BUSINESS MACHINES CORP                  [IBM]</p> <p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input type="checkbox"/> 10% Owner  <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other                  (give title below) (specify below)                  Senior Vice President</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p> <p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person  <input type="checkbox"/> Form filed by More than One Reporting Person</p>
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**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	33,326.171	D	Â
Common Stock	110	I <sup>(1)</sup>	daughter

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

SEC 1473 (7-02)

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**Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying	4. Conversion	5. Ownership	6. Nature of Indirect Beneficial
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(Instr. 4)	Date Exercisable	Expiration Date	Derivative Security (Instr. 4) Title	Amount or Number of Shares	or Exercise Price of Derivative Security	Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 5)	Ownership (Instr. 5)
Emp. Stock Option (right to buy)	02/29/2004 <sup>(2)</sup>	02/28/2010	Common Stock	968	\$ 103.25	D	Â
Emp. Stock Option (right to buy)	02/29/2004 <sup>(2)</sup>	02/28/2010	Common Stock	24,032	\$ 103.25	D	Â
Emp. Stock Option (right to buy)	02/27/2005 <sup>(2)</sup>	02/26/2011	Common Stock	955	\$ 104.71	D	Â
Emp. Stock Option (right to buy)	02/27/2005 <sup>(2)</sup>	02/26/2011	Common Stock	24,245	\$ 104.71	D	Â
Emp. Stock Option (right to buy)	02/26/2006 <sup>(2)</sup>	02/25/2012	Common Stock	30,035	\$ 97.59	D	Â
Emp. Stock Option (right to buy)	02/24/2008 <sup>(2)</sup>	02/23/2014	Common Stock	33,000	\$ 105.96	D	Â
Emp. Stock Option (right to buy)	03/08/2008 <sup>(2)</sup>	03/07/2015	Common Stock	2,272	\$ 92.12	D	Â
Emp. Stock Option (right to buy)	03/08/2008 <sup>(3)</sup>	03/07/2015	Common Stock	28,890	\$ 101.33	D	Â
Emp. Stock Option (right to buy)	05/08/2009 <sup>(4)</sup>	05/07/2016	Common Stock	2,619	\$ 82.76	D	Â
Emp. Stock Option (right to buy)	05/08/2010 <sup>(4)</sup>	05/07/2017	Common Stock	3,972	\$ 102.8	D	Â
Rst. Stock Unit	Â <sup>(5)</sup>	Â <sup>(5)</sup>	Common Stock	5,000	\$ 0	D	Â
Rst. Stock Unit	Â <sup>(6)</sup>	Â <sup>(6)</sup>	Common Stock	12,196	\$ 0	D	Â
Rst. Stock Unit	Â <sup>(7)</sup>	Â <sup>(7)</sup>	Common Stock	4,375	\$ 0	D	Â
Rst. Stock Unit	Â <sup>(8)</sup>	Â <sup>(8)</sup>	Common Stock	5,264	\$ 0	D	Â
Rst. Stock Unit	Â <sup>(9)</sup>	Â <sup>(9)</sup>	Common Stock	4,855	\$ 0	D	Â
Phantom Stock Unit	Â <sup>(10)</sup>	Â <sup>(10)</sup>	Common Stock	4,212	\$ 0	D	Â
Rst. Stock Unit	Â <sup>(11)</sup>	Â <sup>(11)</sup>	Common Stock	51,450	\$ 0	D	Â

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KERN R. FRANKLIN III IBM CORPORATION C/O SECRETARY'S OFFICE, NEW ORCHARD ROAD ARMONK, NY 10504	Â	Â	Â Senior Vice President	Â

## Signatures

D. Cummins for R. Franklin Kern III by  
power-of-attorney

04/02/2008

\_\_Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 5(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) The reporting person disclaims beneficial ownership of the securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.
  - (2) This grant vested in four equal annual installments; the last installment vested on the date shown above.
  - (3) This grant vests in four equal annual installments; the most recent vesting occurred on the date shown above.
  - (4) This grant vests in its entirety on the date shown above.
  - (5) These units are payable in cash or the company's common stock upon lapse of the restrictions on October 12, 2009.
  - (6) These units are payable in cash or the company's common stock upon lapse of the restrictions on October 25, 2010.
  - (7) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 2,187 of these units on May 8, 2008 and for 2,188 of these units on May 8, 2010.
  - (8) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 2,632 of these units on May 8, 2009 and for 2,632 of these units on May 8, 2011.
  - (9) These units are payable in cash or the company's common stock upon lapse of the restrictions on September 4, 2012.
  - (10) Phantom stock units acquired under the IBM Excess 401(k) Plus Plan convert to the cash value of the company's common stock on a one-for-one basis, and distribution is deferred until separation from the company. The reporting person may transfer some of these phantom stock units into an alternative investment account under such plan.
  - (11) These units have been deferred and are payable in the company's common stock upon lapse of restriction after retirement.

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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