

INTERNATIONAL BUSINESS MACHINES CORP  
 Form 4  
 May 09, 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 \*  
 MACDONALD J RANDALL

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, NEW ORCHARD ROAD  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/08/2008

ARMONK, NY 10504

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

(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	05/08/2008		M		2,631	A	\$ 0	65,856.4717	D
Common Stock	05/08/2008		M		3,125	A	\$ 0	68,981.4717	D
Common Stock	05/08/2008		M		893	A	\$ 111.87	69,874.4717	D
Common Stock	05/08/2008		M		74,107	A	\$ 111.87	143,981.4717	D
Common Stock	05/08/2008		F		1,153	D	\$ 124.46	142,828.4717	D

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Common Stock	05/08/2008	F	1,369	D	\$ 124.46	141,459.4717	D
Common Stock	05/08/2008	S	100	D	\$ 124.6475	141,359.4717	D
Common Stock	05/08/2008	S	600	D	\$ 124.65	140,759.4717	D
Common Stock	05/08/2008	S	1,700	D	\$ 124.66	139,059.4717	D
Common Stock	05/08/2008	S	100	D	\$ 124.665	138,959.4717	D
Common Stock	05/08/2008	S	100	D	\$ 124.6675	138,859.4717	D
Common Stock	05/08/2008	S	1,500	D	\$ 124.67	137,359.4717	D
Common Stock	05/08/2008	S	400	D	\$ 124.675	136,959.4717	D
Common Stock	05/08/2008	S	100	D	\$ 124.6775	136,859.4717	D
Common Stock	05/08/2008	S	2,000	D	\$ 124.68	134,859.4717	D
Common Stock	05/08/2008	S	100	D	\$ 124.6875	134,759.4717	D
Common Stock	05/08/2008	S	4,100	D	\$ 124.69	130,659.4717	D
Common Stock	05/08/2008	S	2,200	D	\$ 124.695	128,459.4717	D
Common Stock	05/08/2008	S	1,900	D	\$ 124.6975	126,559.4717	D
Common Stock	05/08/2008	S	300	D	\$ 124.698	126,259.4717	D
Common Stock	05/08/2008	S	12,325	D	\$ 124.7	113,934.4717	D
Common Stock	05/08/2008	S	1,800	D	\$ 124.705	112,134.4717	D
Common Stock	05/08/2008	S	200	D	\$ 124.707	111,934.4717	D
Common Stock	05/08/2008	S	700	D	\$ 124.7075	111,234.4717	D
Common Stock	05/08/2008	S	7,988	D	\$ 124.71	103,246.4717	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)

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		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
					Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date		
Emp. Stock Option (right to buy)	\$ 111.87	05/08/2008		M		74,107	07/31/2004 <sup>(1)</sup>	07/30/2010	Common Stock	74,107
Emp. Stock Option (right to buy)	\$ 111.87	05/08/2008		M		893	07/31/2004 <sup>(1)</sup>	07/30/2010	Common Stock	893
Rst. Stock Unit	\$ 0 <sup>(2)</sup>	05/08/2008		A <sup>(2)</sup>		7,010	<sup>(2)</sup>	<sup>(2)</sup>	Common Stock	7,010
Rst. Stock Unit	\$ 0 <sup>(3)</sup>	05/08/2008		M <sup>(4)</sup>		3,125	<sup>(3)</sup>	<sup>(3)</sup>	Common Stock	3,125
Rst. Stock Unit	\$ 0 <sup>(3)</sup>	05/08/2008		M <sup>(4)</sup>		2,631	<sup>(3)</sup>	<sup>(3)</sup>	Common Stock	2,631

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MACDONALD J RANDALL IBM CORPORATION NEW ORCHARD ROAD ARMONK, NY 10504			Senior Vice President	

## Signatures

D. Cummins for J. R. MacDonald by  
power-of-attorney

05/09/2008

\_\_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.
  - (2) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 2,336 of these units on 05/08/2009, for 2,337 of these units on 05/08/2010, and for the remaining 2,337 of these units on 05/08/2011.
  - (3) These units were payable in cash or the company's common stock upon the lapse of the restrictions on the transaction date shown.
  - (4) Release of restricted stock units.

### Remarks:

Additional sales will be shown on two subsequent Form 4 filings.

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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