

Daniels Michael E
 Form 4
 November 03, 2010

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 *
 Daniels Michael E

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, 294 ROUTE 100
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 11/02/2010

SOMERS, NY 10589

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 (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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock	11/02/2010		M	31,802 A \$ 97.59	114,556.2489	D	
Common Stock	11/02/2010		M	955 A \$ 104.71	115,511.2489	D	
Common Stock	11/02/2010		M	26,045 A \$ 104.71	141,556.2489	D	
Common Stock	11/02/2010		S	2,100 D \$ 143.84	139,456.2489	D	
Common Stock	11/02/2010		S	100 D \$ 143.845	139,356.2489	D	

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Common Stock	11/02/2010	S	2,605	D	\$ 143.86	136,751.2489	D
Common Stock	11/02/2010	S	100	D	\$ 143.865	136,651.2489	D
Common Stock	11/02/2010	S	500	D	\$ 143.87	136,151.2489	D
Common Stock	11/02/2010	S	100	D	\$ 143.877	136,051.2489	D
Common Stock	11/02/2010	S	300	D	\$ 143.88	135,751.2489	D
Common Stock	11/02/2010	S	1,800	D	\$ 143.89	133,951.2489	D
Common Stock	11/02/2010	S	100	D	\$ 143.92	133,851.2489	D
Common Stock	11/02/2010	S	1,741	D	\$ 143.93	132,110.2489	D
Common Stock	11/02/2010	S	300	D	\$ 143.9325	131,810.2489	D
Common Stock	11/02/2010	S	100	D	\$ 143.935	131,710.2489	D
Common Stock	11/02/2010	S	500	D	\$ 143.937	131,210.2489	D
Common Stock	11/02/2010	S	1,300	D	\$ 143.94	129,910.2489	D
Common Stock	11/02/2010	S	3,516	D	\$ 143.95	126,394.2489	D
Common Stock	11/02/2010	S	1,400	D	\$ 143.96	124,994.2489	D
Common Stock	11/02/2010	S	800	D	\$ 143.99	124,194.2489	D

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

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(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	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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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Derivative Security			or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
			Code	V (A) (D)					
Emp. Stock Option (right to buy)	\$ 97.59	11/02/2010	M		31,802	02/26/2006 ⁽¹⁾	02/25/2012	Common Stock	31,802
Emp. Stock Option (right to buy)	\$ 104.71	11/02/2010	M		26,045	02/27/2005 ⁽¹⁾	02/26/2011	Common Stock	26,045
Emp. Stock Option (right to buy)	\$ 104.71	11/02/2010	M		955	02/27/2005 ⁽¹⁾	02/26/2011	Common Stock	955

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Daniels Michael E IBM CORPORATION 294 ROUTE 100 SOMERS, NY 10589			Senior Vice President	

Signatures

D. Cummins on behalf of M. E. Daniels 11/03/2010

__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 transactions 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. 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.