

INTERNATIONAL BUSINESS MACHINES CORP  
 Form 4  
 May 20, 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 \*  
 Shaughnessy Timothy S

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)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/19/2008

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

IBM CORPORATION, NEW ORCHARD ROAD

(Street)

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

ARMONK, NY 10504

(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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/19/2008		M		955	A	\$ 104.71
Common Stock	05/19/2008		M		11,045	A	\$ 104.71
Common Stock	05/19/2008		M		26,996	A	\$ 105.96
Common Stock	05/19/2008		S		18,220	D	\$ 127.9
Common Stock	05/19/2008		S		2,700	D	\$ 127.91
							30,573.225
							27,873.225

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Common Stock	05/19/2008	S	200	D	\$ 127.92	27,673.225	D	
Common Stock	05/19/2008	S	100	D	\$ 127.93	27,573.225	D	
Common Stock	05/19/2008	S	1,000	D	\$ 127.96	26,573.225	D	
Common Stock	05/19/2008	S	300	D	\$ 127.98	26,273.225	D	
Common Stock	05/19/2008	S	100	D	\$ 128	26,173.225	D	
Common Stock	05/19/2008	S	100	D	\$ 128.01	26,073.225	D	
Common Stock	05/19/2008	S	600	D	\$ 128.03	25,473.225	D	
Common Stock	05/19/2008	S	2,600	D	\$ 128.04	22,873.225	D	
Common Stock	05/19/2008	S	700	D	\$ 128.05	22,173.225	D	
Common Stock	05/19/2008	S	300	D	\$ 128.06	21,873.225	D	
Common Stock	05/19/2008	S	700	D	\$ 128.08	21,173.225	D	
Common Stock	05/19/2008	S	2,000	D	\$ 128.09	19,173.225	D	
Common Stock	05/19/2008	S	600	D	\$ 128.1	18,573.225	D	
Common Stock	05/19/2008	S	200	D	\$ 128.11	18,373.225	D	
Common Stock	05/19/2008	S	200	D	\$ 128.12	18,173.225	D	
Common Stock	05/19/2008	S	7,700	D	\$ 128.13	10,473.225	D	
Common Stock	05/19/2008	S	636	D	\$ 128.14	9,837.225	D	
Common Stock	05/19/2008	S	500	D	\$ 128.15	9,337.225	D	
Common Stock	05/19/2008	S	100	D	\$ 128.16	9,237.225	D	
Common Stock	05/19/2008	S	30	D	\$ 128.2	9,207.225 <sup>(3)</sup>	D	
	05/19/2008	M	955	A		0 <sup>(3)</sup>	I <sup>(1)</sup>	spouse

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Common Stock						\$ 104.71			
Common Stock	05/19/2008		M	1,545	A	\$ 104.71	1,340.977 <sup>(4)</sup>	I <sup>(1)</sup>	spouse

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 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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Emp. Stock Option (right to buy)	\$ 104.71	05/19/2008		M	11,045	02/27/2005 <sup>(2)</sup> 02/26/2011	Common Stock	11,045	
Emp. Stock Option (right to buy)	\$ 105.96	05/19/2008		M	26,996	02/24/2008 <sup>(2)</sup> 02/23/2014	Common Stock	26,996	
Emp. Stock Option (right to buy)	\$ 104.71	05/19/2008		M	955	02/27/2005 <sup>(2)</sup> 02/26/2011	Common Stock	955	
Emp. Stock Option (right to buy)	\$ 104.71	05/19/2008		M	955	02/27/2005 <sup>(2)</sup> 02/26/2011	Common Stock	955	
Emp. Stock Option	\$ 104.71	05/19/2008		M	1,545	02/27/2005 <sup>(2)</sup> 02/26/2011	Common Stock	1,545	

(right to  
buy)

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Shaughnessy Timothy S IBM CORPORATION, NEW ORCHARD ROAD ARMONK, NY 10504			Senior Vice President	

## Signatures

M. SooHoo for T. S. Shaughnessy by  
power-of-attorney

05/20/2008

\_\_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) 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) The amount shown above in column 5 (9,207.225 shares) includes 955 shares acquired by spouse upon the stock option exercise disclosed in Table II.
- (4) This amount reflects the sale of 1,545 shares acquired by spouse upon the stock option exercise disclosed in Table II, which shares were sold as reflected above.

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