

LOUGHRIDGE MARK

Form 4

July 25, 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 *
LOUGHRIDGE MARK

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)
07/24/2008

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. VP and CFO

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	07/24/2008		M		28,881	A	\$ 78.13
					60,525.866		D
Common Stock	07/24/2008		M		10,388	A	\$ 83.16
					70,913.866		D
Common Stock	07/24/2008		M		562	A	\$ 88.955
					71,475.866		D
Common Stock	07/24/2008		M		14,138	A	\$ 88.955
					85,613.866		D
Common Stock	07/24/2008		S		200	D	\$ 129.81
					85,413.866		D

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Common Stock	07/24/2008	S	730	D	\$ 129.82	84,683.866	D
Common Stock	07/24/2008	S	400	D	\$ 129.825	84,283.866	D
Common Stock	07/24/2008	S	300	D	\$ 129.8275	83,983.866	D
Common Stock	07/24/2008	S	300	D	\$ 129.83	83,683.866	D
Common Stock	07/24/2008	S	100	D	\$ 129.8325	83,583.866	D
Common Stock	07/24/2008	S	2,000	D	\$ 129.835	81,583.866	D
Common Stock	07/24/2008	S	500	D	\$ 129.84	81,083.866	D
Common Stock	07/24/2008	S	3,073	D	\$ 129.87	78,010.866	D
Common Stock	07/24/2008	S	500	D	\$ 129.88	77,510.866	D
Common Stock	07/24/2008	S	4,200	D	\$ 129.89	73,310.866	D
Common Stock	07/24/2008	S	1,600	D	\$ 129.9	71,710.866	D
Common Stock	07/24/2008	S	300	D	\$ 129.91	71,410.866	D
Common Stock	07/24/2008	S	600	D	\$ 129.92	70,810.866	D
Common Stock	07/24/2008	S	2,300	D	\$ 129.93	68,510.866	D
Common Stock	07/24/2008	S	400	D	\$ 129.94	68,110.866	D
Common Stock	07/24/2008	S	400	D	\$ 129.95	67,710.866	D
Common Stock	07/24/2008	S	12,000	D	\$ 129.9525	55,710.866	D
Common Stock	07/24/2008	S	1,900	D	\$ 129.955	53,810.866	D
Common Stock	07/24/2008	S	600	D	\$ 129.96	53,210.866	D
Common Stock	07/24/2008	S	3,127	D	\$ 129.97	50,083.866	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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(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
Emp. Stock Option (right to buy)	\$ 88.955	07/24/2008		M	14,138	02/23/2003 ⁽¹⁾ 02/22/2009	Common Stock	14,138
Emp. Stock Option (right to buy)	\$ 83.16	07/24/2008		M	10,388	05/01/2006 ⁽¹⁾ 04/30/2012	Common Stock	10,388
Emp. Stock Option (right to buy)	\$ 78.13	07/24/2008		M	28,881	02/25/2007 ⁽¹⁾ 02/24/2013	Common Stock	28,881
Emp. Stock Option (right to buy)	\$ 88.955	07/24/2008		M	562	02/23/2003 ⁽¹⁾ 02/22/2009	Common Stock	562

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
LOUGHRIDGE MARK IBM CORPORATION			Sr. VP and CFO	

NEW ORCHARD ROAD
ARMONK, NY 10504

Signatures

D. Cummins for M. Loughridge by
power-of-attorney

07/25/2008

__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.

Remarks:

Additional sales 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.

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