

KELLY JOHN E III  
Form 4  
May 17, 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 \*  
**KELLY JOHN E III**

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, P.O. BOX 218**  
  
(Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**05/14/2010**

**YORKTOWN HEIGHTS, NY 10598**

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/14/2010		M		25,000	A	\$ 120.12
					86,800.187	D	
Common Stock	05/14/2010		S		3,700	D	\$ 129.49
					83,100.187	D	
Common Stock	05/14/2010		S		200	D	\$ 129.495
					82,900.187	D	
Common Stock	05/14/2010		S		1,380	D	\$ 129.5
					81,520.187	D	
Common Stock	05/14/2010		S		3,300	D	\$ 129.51
					78,220.187	D	

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Common Stock	05/14/2010	S	636	D	\$ 129.515	77,584.187	D
Common Stock	05/14/2010	S	700	D	\$ 129.52	76,884.187	D
Common Stock	05/14/2010	S	564	D	\$ 129.525	76,320.187	D
Common Stock	05/14/2010	S	3,537	D	\$ 129.53	72,783.187	D
Common Stock	05/14/2010	S	100	D	\$ 129.535	72,683.187	D
Common Stock	05/14/2010	S	300	D	\$ 129.5375	72,383.187	D
Common Stock	05/14/2010	S	251	D	\$ 129.54	72,132.187	D
Common Stock	05/14/2010	S	560	D	\$ 129.55	71,572.187	D
Common Stock	05/14/2010	S	1,100	D	\$ 129.555	70,472.187	D
Common Stock	05/14/2010	S	800	D	\$ 129.5575	69,672.187	D
Common Stock	05/14/2010	S	100	D	\$ 129.56	69,572.187	D
Common Stock	05/14/2010	S	100	D	\$ 129.67	69,472.187	D
Common Stock	05/14/2010	S	300	D	\$ 129.7	69,172.187	D
Common Stock	05/14/2010	S	800	D	\$ 129.72	68,372.187	D
Common Stock	05/14/2010	S	1,858	D	\$ 129.73	66,514.187	D

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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	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)			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Emp. Stock Option (right to buy)	\$ 120.12	05/14/2010		M				25,000	09/26/2004 <sup>(1)</sup>	09/25/2010	Common Stock	25,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KELLY JOHN E III IBM CORPORATION P.O. BOX 218 YORKTOWN HEIGHTS, NY 10598			Senior Vice President	

## Signatures

D. Cummins on behalf of J. E.  
Kelly III

05/17/2010

\_\_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.