

INTERNATIONAL BUSINESS MACHINES CORP  
 Form FWP  
 October 10, 2008

**Filed Pursuant to Rule 433  
 Registration No. 333-145104**

International Business Machines Corporation

Pricing Term Sheet

October 9, 2008

6.500% Notes due 2013

7.725% Notes due 2018

8.000% Notes due 2038

Issuer: International Business Machines Corporation  
 Ratings: A1/A+/+A (Moody s/S&P/Fitch)  
 Format: SEC Registered  
 Ranking: Senior  
 Trade Date: October 9, 2008  
 Settlement Date: (T+3); October 15, 2008  
 Net Proceeds: \$3,960,116,000  
 Bookrunners: Banc of America Securities LLC  
 Barclays Capital Inc.  
 Credit Suisse Securities (USA) LLC  
 Deutsche Bank Securities Inc.

Co-Managers BNP Paribas Securities Corp., HSBC Securities (USA) Inc., Mitusbishi UFJ Securities International plc, Mizuho Securities Inc., Morgan Stanley & Co. Incorporated, USB Securities LLC

|                               | <u>2013 Notes</u>       | <u>2018 Notes</u>       | <u>2038 Notes</u>       |
|-------------------------------|-------------------------|-------------------------|-------------------------|
| Title:                        |                         |                         |                         |
| Size:                         | US\$1,400,000,000       | US\$1,600,000,000       | US\$1,000,000,000       |
| Maturity:                     | October 15, 2013        | October 15, 2018        | October 15, 2038        |
| Interest Payment Dates:       | April 15 and October 15 | April 15 and October 15 | April 15 and October 15 |
| First Payment Date:           | April 15, 2009          | April 15, 2009          | April 15, 2009          |
| Coupon:                       | 6.500%                  | 7.625%                  | 8.000%                  |
| Price to Public:              | 99.647%                 | 99.628%                 | 98.891%                 |
| Underwriting Discount:        | 0.25%                   | 0.40%                   | 0.80%                   |
| Price to Issuer:              | 99.397%                 | 99.228%                 | 98.091%                 |
| Spread to Benchmark Treasury: | +387.5 bps              | +387.5 bps              | +400 bps                |
| Yield to Maturity:            | 6.584%                  | 7.679%                  | 8.099%                  |
| Make-Whole Call:              | T+50bps                 | T+50bps                 | T+50bps                 |
| CUSIP:                        | 459200 GN5              | 459200 GM7              | 459200 GL9              |
| ISIN:                         | US459200GN52            | US459200GM79            | US459200GL96            |

**Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.**

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The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Banc of America Securities LLC at 1-800-294-1322, Barclays Capital Inc. at 1-888-227-2775, Ext. 2663, Credit Suisse Securities (USA) LLC at 1-800-221-1037 or Deutsche Bank Securities Inc., at 1-800-503-4611.

This pricing term sheet supplements the preliminary form of prospectus supplement issued by International Business Machines Corporation on October 9, 2008 relating to their Prospectus dated August 3, 2007.

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