

INTERNATIONAL BUSINESS MACHINES CORP
 Form 4
 May 09, 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 *
 MACDONALD J RANDALL

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)
 IBM CORPORATION, NEW ORCHARD ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 05/08/2008

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

ARMONK, NY 10504

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 | | 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 | (A) or (D) | | | | Price |
| Common Stock | 05/08/2008 | | M | | 2,631 | A | \$ 0 | 65,856.4717 | D | |
| Common Stock | 05/08/2008 | | M | | 3,125 | A | \$ 0 | 68,981.4717 | D | |
| Common Stock | 05/08/2008 | | M | | 893 | A | \$ 111.87 | 69,874.4717 | D | |
| Common Stock | 05/08/2008 | | M | | 74,107 | A | \$ 111.87 | 143,981.4717 | D | |
| Common Stock | 05/08/2008 | | F | | 1,153 | D | \$ 124.46 | 142,828.4717 | D | |

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| | | | | | | | |
|--------------|------------|---|--------|---|-------------|--------------|---|
| Common Stock | 05/08/2008 | F | 1,369 | D | \$ 124.46 | 141,459.4717 | D |
| Common Stock | 05/08/2008 | S | 100 | D | \$ 124.6475 | 141,359.4717 | D |
| Common Stock | 05/08/2008 | S | 600 | D | \$ 124.65 | 140,759.4717 | D |
| Common Stock | 05/08/2008 | S | 1,700 | D | \$ 124.66 | 139,059.4717 | D |
| Common Stock | 05/08/2008 | S | 100 | D | \$ 124.665 | 138,959.4717 | D |
| Common Stock | 05/08/2008 | S | 100 | D | \$ 124.6675 | 138,859.4717 | D |
| Common Stock | 05/08/2008 | S | 1,500 | D | \$ 124.67 | 137,359.4717 | D |
| Common Stock | 05/08/2008 | S | 400 | D | \$ 124.675 | 136,959.4717 | D |
| Common Stock | 05/08/2008 | S | 100 | D | \$ 124.6775 | 136,859.4717 | D |
| Common Stock | 05/08/2008 | S | 2,000 | D | \$ 124.68 | 134,859.4717 | D |
| Common Stock | 05/08/2008 | S | 100 | D | \$ 124.6875 | 134,759.4717 | D |
| Common Stock | 05/08/2008 | S | 4,100 | D | \$ 124.69 | 130,659.4717 | D |
| Common Stock | 05/08/2008 | S | 2,200 | D | \$ 124.695 | 128,459.4717 | D |
| Common Stock | 05/08/2008 | S | 1,900 | D | \$ 124.6975 | 126,559.4717 | D |
| Common Stock | 05/08/2008 | S | 300 | D | \$ 124.698 | 126,259.4717 | D |
| Common Stock | 05/08/2008 | S | 12,325 | D | \$ 124.7 | 113,934.4717 | D |
| Common Stock | 05/08/2008 | S | 1,800 | D | \$ 124.705 | 112,134.4717 | D |
| Common Stock | 05/08/2008 | S | 200 | D | \$ 124.707 | 111,934.4717 | D |
| Common Stock | 05/08/2008 | S | 700 | D | \$ 124.7075 | 111,234.4717 | D |
| Common Stock | 05/08/2008 | S | 7,988 | D | \$ 124.71 | 103,246.4717 | 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 Security (Instr. 3 and 4) | | | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|------------------|-----------------|-------|----------------|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Am or Num of S |
| Emp. Stock Option (right to buy) | \$ 111.87 | 05/08/2008 | | M | 74,107 | 07/31/2004 ⁽¹⁾ | 07/30/2010 | Common Stock | 74 | | |
| Emp. Stock Option (right to buy) | \$ 111.87 | 05/08/2008 | | M | 893 | 07/31/2004 ⁽¹⁾ | 07/30/2010 | Common Stock | 8 | | |
| Rst. Stock Unit | \$ 0 ⁽²⁾ | 05/08/2008 | | A ⁽²⁾ | 7,010 | ⁽²⁾ | ⁽²⁾ | Common Stock | 7, | | |
| Rst. Stock Unit | \$ 0 ⁽³⁾ | 05/08/2008 | | M ⁽⁴⁾ | 3,125 | ⁽³⁾ | ⁽³⁾ | Common Stock | 3, | | |
| Rst. Stock Unit | \$ 0 ⁽³⁾ | 05/08/2008 | | M ⁽⁴⁾ | 2,631 | ⁽³⁾ | ⁽³⁾ | Common Stock | 2, | | |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

MACDONALD J RANDALL
IBM CORPORATION
NEW ORCHARD ROAD
ARMONK, NY 10504

Senior Vice President

Signatures

D. Cummins for J. R. MacDonald by
power-of-attorney

05/09/2008

__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.
 - (2) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 2,336 of these units on 05/08/2009, for 2,337 of these units on 05/08/2010, and for the remaining 2,337 of these units on 05/08/2011.
 - (3) These units were payable in cash or the company's common stock upon the lapse of the restrictions on the transaction date shown.
 - (4) Release of restricted stock units.

Remarks:

Additional sales will be shown on two subsequent Form 4 filings.

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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