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INTERNATIONAL BUSINESS MACHINES CORP

Form 4 July 17, 2008

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

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)

(Last)

(City)

1. Title of

Security

(Instr. 3)

1. Name and Address of Reporting Person * KAVANAUGH JAMES J

(Middle)

(Zip)

IBM CORPORATION, NEW ORCHARD ROAD

(Street)

(State)

(First)

ARMONK, NY 10504

2. Issuer Name and Ticker or Trading

Symbol

INTERNATIONAL BUSINESS MACHINES CORP [IBM]

(Month/Day/Year) 07/15/2008

3. Date of Earliest Transaction

4. If Amendment, Date Original

Filed(Month/Day/Year)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

2. Transaction Date 2A. Deemed 3. 4. Securities (Month/Day/Year) Execution Date, if TransactionAcquired (A) or Code (Month/Day/Year) (Instr. 8)

Disposed of (D)

(Instr. 3, 4 and 5)

(A)

Transaction(s) or (Instr. 3 and 4) Code V Amount (D) Price

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.

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

3. Transaction Date 3A. Deemed 1. Title of (Month/Day/Year) Execution Date, if TransactionNumber Derivative Conversion

5.

6. Date Exercisable and **Expiration Date**

Underlying Securities Derivative

OMB APPROVAL

3235-0287

January 31,

2005

0.5

OMB

Number:

Expires:

response...

5. Relationship of Reporting Person(s) to

(Check all applicable)

VP, Controller

6. Ownership

Form: Direct

(Instr. 4)

6. Individual or Joint/Group Filing(Check

X Form filed by One Reporting Person Form filed by More than One Reporting

10% Owner

Other (specify

7. Nature of

Ownership

(Instr. 4)

SEC 1474

(9-02)

Indirect

(D) or Indirect Beneficial

Issuer

below)

Director

Applicable Line)

5. Amount of

Securities

Following Reported

Owned

Beneficially

X_ Officer (give title

Estimated average

burden hours per

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Security (Instr. 3)	or Exercise Price of Derivative Security		any (Month/Day/Year)	Code (Instr. 8	3)	of (Month/Day/Year) Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		(Instr. 3 and 4)		Security (Instr. 5)	
				Code	V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock Unit	\$ 0 (1)	07/15/2008		A(2)		3	(3)	(3)	Common Stock	3	\$ 123.2
Phantom Stock Unit	\$ 0 (1)	07/15/2008		A(2)		1	(3)	(3)	Common Stock	1	\$ 0

Reporting Owners

Reporting Owner Name / Address	Relationships						
r	Director	10% Owner	Officer	Other			
KAVANAUGH JAMES J							
IBM CORPORATION			VD Controllor				
NEW ORCHARD ROAD	VP, Controller						
ARMONK, NY 10504							

Signatures

D. Cummins for J. J. Kavanaugh by power-of-attorney 07/17/2008

**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) Phantom stock units convert to the cash value of the company's common stock on a one-for-one basis.
- (2) Acquisition of phantom stock units under the IBM Excess 401(k) Plus Plan.
- (3) Distribution of phantom stock units under the IBM Excess 401(k) Plus Plan is deferred until separation from the company. The reporting person may transfer these phantom stock units into an alternative investment account under such plan.

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.

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