

INTERNATIONAL BUSINESS MACHINES CORP  
Form FWP  
March 20, 2007

**Filed Pursuant to Rule 433**

**Registration No. 333-037034**

\$500,000,000

4.950% Notes Due 2011

International Business Machines Corporation

March 19, 2007

Pricing Term Sheet

|                        |  |
|------------------------|--|
| Issuer                 | International Business Machines Corporation  |
| Ratings                | A1/A+/AA- (Moody s/S&P/Fitch)  |
| Format                 | SEC Registered   |
| Size                   | \$500,000,000  |
| Trade Date             | March 19, 2007   |
| Settlement Date        | March 22, 2007   |
| Maturity               | March 22, 2011   |
| Interest Payment Dates | March 22 and September 22  |
| First Payment Date     | September 22, 2007   |
| Pricing Benchmark      | 4.750% due March 31, 2011  |
| Spread to Benchmark    | + 48 bps   |
| Yield to Maturity      | 4.981%   |
| Coupon                 | 4.950%   |
| Price to Public        | 99.889%  |
| Underwriting Discount  | 0.20%  |
| Price to Issuer        | 99.689%  |
| Net Proceeds           | \$498,445,000  |
| Day Count              | 30/360   |
| Minimum Denomination   | \$100,000 and increments of \$1,000  |
| Ranking                | Senior   |
| Bookrunners            | Barclays Capital Inc., Lehman Brothers Inc. and Morgan Stanley & Co. Incorporated                                |
| Billing and Delivering | Barclays Capital Inc.  |
| Co-Managers            | ABN AMRO Incorporated, Banc of America Securities LLC, Cabrera Capital Markets, Inc., HSBC Securities (USA) Inc. |
| CUSIP                  | 459200DU2  |
| ISIN                   | US459200DU23   |

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 Barclays Capital Inc. toll free at 1-888-227-2275 ext. 2663, Lehman Brothers Inc. toll free at 1-888-603-5847 or Morgan Stanley & Co. Incorporated toll free at 1-866-718-1649.

This pricing term sheet supplements the preliminary form of prospectus supplement issued by International Business Machines Corporation on March 19, 2007 relating to its Prospectus dated June 20, 2000.

