

INTERNATIONAL BUSINESS MACHINES CORP
 Form 4
 May 27, 2008

FORM 4

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

OMB APPROVAL

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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)

(Last) (First) (Middle)
IBM CORPORATION, P.O. BOX 218
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
05/23/2008

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

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			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)
Common Stock	05/14/2008		G	V	100	D	\$ 0	39,250.3445	D	
Common Stock	05/23/2008		M		1,124	A	\$ 88.955	40,374.3445	D	
Common Stock	05/23/2008		M		39,076	A	\$ 88.955	79,450.3445	D	
Common Stock	05/23/2008		S		400	D	\$ 124.06	79,050.3445	D	
Common Stock	05/23/2008		S		600	D	\$ 124.065	78,450.3445	D	

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Common Stock	05/23/2008	S	5,692	D	\$ 124.07	72,758.3445	D
Common Stock	05/23/2008	S	800	D	\$ 124.0701	71,958.3445	D
Common Stock	05/23/2008	S	3,550	D	\$ 124.08	68,408.3445	D
Common Stock	05/23/2008	S	2,600	D	\$ 124.085	65,808.3445	D
Common Stock	05/23/2008	S	208	D	\$ 124.0875	65,600.3445	D
Common Stock	05/23/2008	S	4,100	D	\$ 124.09	61,500.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.095	61,400.3445	D
Common Stock	05/23/2008	S	34	D	\$ 124.1	61,366.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.12	61,266.3445	D
Common Stock	05/23/2008	S	301	D	\$ 124.14	60,965.3445	D
Common Stock	05/23/2008	S	300	D	\$ 124.145	60,665.3445	D
Common Stock	05/23/2008	S	1,000	D	\$ 124.15	59,665.3445	D
Common Stock	05/23/2008	S	1,600	D	\$ 124.155	58,065.3445	D
Common Stock	05/23/2008	S	1,900	D	\$ 124.16	56,165.3445	D
Common Stock	05/23/2008	S	86	D	\$ 124.17	56,079.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.18	55,979.3445	D
Common Stock	05/23/2008	S	600	D	\$ 124.19	55,379.3445	D
Common Stock	05/23/2008	S	2,200	D	\$ 124.195	53,179.3445	D
Common Stock	05/23/2008	S	1,000	D	\$ 124.2	52,179.3445	D
Common Stock	05/23/2008	S	100	D	\$ 124.2001	52,079.3445	D

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 sales 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.