

HARRELD J BRUCE
 Form 4
 July 25, 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 *
 HARRELD J BRUCE

2. Issuer Name and Ticker or Trading Symbol
 INTERNATIONAL BUSINESS MACHINES CORP [IBM]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 ___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 Senior Vice President

(Last) (First) (Middle)
 IBM CORPORATION, NEW ORCHARD ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 07/24/2008

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 (Instr. 8)	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 (D) Price			
Common Stock	07/24/2008		M	1,124 A \$ 88.955	62,811.4953	D	
Common Stock	07/24/2008		M	48,876 A \$ 88.955	111,687.4953	D	
Common Stock	07/24/2008		S	990 D \$ 129.8	110,697.4953	D	
Common Stock	07/24/2008		S	200 D \$ 129.815	110,497.4953	D	
Common Stock	07/24/2008		S	300 D \$ 129.82	110,197.4953	D	

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Common Stock	07/24/2008	S	100	D	\$ 129.84	110,097.4953	D
Common Stock	07/24/2008	S	4,100	D	\$ 129.85	105,997.4953	D
Common Stock	07/24/2008	S	300	D	\$ 129.87	105,697.4953	D
Common Stock	07/24/2008	S	300	D	\$ 129.94	105,397.4953	D
Common Stock	07/24/2008	S	100	D	\$ 129.965	105,297.4953	D
Common Stock	07/24/2008	S	400	D	\$ 129.967	104,897.4953	D
Common Stock	07/24/2008	S	10,752	D	\$ 129.97	94,145.4953	D
Common Stock	07/24/2008	S	506	D	\$ 129.975	93,639.4953	D
Common Stock	07/24/2008	S	2,200	D	\$ 129.98	91,439.4953	D
Common Stock	07/24/2008	S	100	D	\$ 129.9825	91,339.4953	D
Common Stock	07/24/2008	S	400	D	\$ 129.985	90,939.4953	D
Common Stock	07/24/2008	S	1,700	D	\$ 129.99	89,239.4953	D
Common Stock	07/24/2008	S	3,271	D	\$ 130	85,968.4953	D
Common Stock	07/24/2008	S	200	D	\$ 130.005	85,768.4953	D
Common Stock	07/24/2008	S	3,678	D	\$ 130.01	82,090.4953	D
Common Stock	07/24/2008	S	800	D	\$ 130.015	81,290.4953	D
Common Stock	07/24/2008	S	2,400	D	\$ 130.02	78,890.4953	D
Common Stock	07/24/2008	S	850	D	\$ 130.025	78,040.4953	D
Common Stock	07/24/2008	S	300	D	\$ 130.03	77,740.4953	D
Common Stock	07/24/2008	S	400	D	\$ 130.032	77,340.4953	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 Securities (Instr. 3 and 4)	Amount or Number of Shares
Emp. Stock Option (right to buy)	\$ 88.955	07/24/2008		M	48,876	02/23/2003 ⁽¹⁾ 02/22/2009	Common Stock	48,876
Emp. Stock Option (right to buy)	\$ 88.955	07/24/2008		M	1,124	02/23/2003 ⁽¹⁾ 02/22/2009	Common Stock	1,124

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
HARRELD J BRUCE IBM CORPORATION NEW ORCHARD ROAD ARMONK, NY 10504			Senior Vice President	

Signatures

D. Cummins for J. B. Harreld by power-of-attorney 07/25/2008

__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.

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.
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