

INTERNATIONAL BUSINESS MACHINES CORP

Form 4

August 05, 2009

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 *
SANFORD LINDA S

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, 294 ROUTE 100
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/04/2009

SOMERS, NY 10589

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	08/04/2009		M		968 A \$ 103.25	18,485.8159	D
Common Stock	08/04/2009		M		26,032 A \$ 103.25	44,517.8159	D
Common Stock	08/04/2009		S		200 D \$ 119.355	44,317.8159	D
Common Stock	08/04/2009		S		200 D \$ 119.3575	44,117.8159	D
Common Stock	08/04/2009		S		1,750 D \$ 119.36	42,367.8159	D

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Common Stock	08/04/2009	S	268	D	\$ 119.37	42,099.8159	D	
Common Stock	08/04/2009	S	400	D	\$ 119.375	41,699.8159	D	
Common Stock	08/04/2009	S	1,250	D	\$ 119.38	40,449.8159	D	
Common Stock	08/04/2009	S	50	D	\$ 119.3825	40,399.8159	D	
Common Stock	08/04/2009	S	400	D	\$ 119.39	39,999.8159	D	
Common Stock	08/04/2009	S	100	D	\$ 119.395	39,899.8159	D	
Common Stock	08/04/2009	S	1,732	D	\$ 119.4	38,167.8159	D	
Common Stock	08/04/2009	S	1,000	D	\$ 119.405	37,167.8159	D	
Common Stock	08/04/2009	S	4,977	D	\$ 119.41	32,190.8159	D	
Common Stock	08/04/2009	S	800	D	\$ 119.4125	31,390.8159	D	
Common Stock	08/04/2009	S	300	D	\$ 119.415	31,090.8159	D	
Common Stock	08/04/2009	S	1,255	D	\$ 119.42	29,835.8159	D	
Common Stock	08/04/2009	S	425	D	\$ 119.425	29,410.8159	D	
Common Stock	08/04/2009	S	457	D	\$ 119.43	28,953.8159	D	
Common Stock	08/04/2009	S	100	D	\$ 119.435	28,853.8159	D	
Common Stock						2,091.1734	I ⁽¹⁾	son

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Emp. Stock Option (right to buy)	\$ 103.25	08/04/2009		M	26,032	02/29/2004 ⁽²⁾	02/28/2010	Common Stock	26,032
Emp. Stock Option (right to buy)	\$ 103.25	08/04/2009		M	968	02/29/2004 ⁽²⁾	02/28/2010	Common Stock	968

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SANFORD LINDA S IBM CORPORATION 294 ROUTE 100 SOMERS, NY 10589			Senior Vice President	

Signatures

D. Cummins for L. S. Sanford by
power-of-attorney

08/05/2009

__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) The reporting person disclaims beneficial ownership of the securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.
- (2) 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.