

Shaughnessy Timothy S
 Form 4
 June 11, 2012

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 *
 Shaughnessy Timothy 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)

(Last) (First) (Middle)

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

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)

IBM CORPORATION, 294 ROUTE 100

06/08/2012

Senior Vice President

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

SOMERS, NY 10589

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 (A) or (D) Price | | | |
| Common Stock | 06/08/2012 | | M | 278 A \$ 0 | 2,509.964 | I (1) | spouse |
| Common Stock | 06/08/2012 | | F | 99 D \$ 193.92 | 2,410.964 | I (1) | spouse |
| Common Stock | 06/08/2012 | | M | 213 A \$ 0 | 2,623.964 | I (1) | spouse |
| Common Stock | 06/08/2012 | | F | 76 D \$ 193.92 | 2,547.964 | I (1) | spouse |
| Common Stock | 06/08/2012 | | M | 204 A \$ 0 | 2,751.964 | I (1) | spouse |

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| | | | | | | | | |
|--------------|------------|---|----|---|-----------|------------|------------------|--------|
| Common Stock | 06/08/2012 | F | 73 | D | \$ 193.92 | 2,678.964 | I ⁽¹⁾ | spouse |
| Common Stock | | | | | | 13,576.978 | D | |

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)

| 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) | 8. Price or Value of Derivative Security (Instr. 3) | | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|----------------------------|--|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |
| Rst. Stock Unit | \$ 0 ⁽²⁾ | 06/08/2012 | | M ⁽³⁾ | 278 | ⁽²⁾ ⁽²⁾ | Common Stock | 278 | \$ 0 | |
| Rst. Stock Unit | \$ 0 ⁽²⁾ | 06/08/2012 | | M ⁽³⁾ | 213 | ⁽²⁾ ⁽²⁾ | Common Stock | 213 | \$ 0 | |
| Rst. Stock Unit | \$ 0 ⁽²⁾ | 06/08/2012 | | M ⁽³⁾ | 204 | ⁽²⁾ ⁽²⁾ | Common Stock | 204 | \$ 0 | |
| Rst. Stock Unit | \$ 0 ⁽⁴⁾ | 06/08/2012 | | A ⁽⁴⁾ | 625 | ⁽⁴⁾ ⁽⁴⁾ | Common Stock | 625 | \$ 0 | |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Shaughnessy Timothy S IBM CORPORATION | | | Senior Vice President | |

294 ROUTE 100
SOMERS, NY 10589

Signatures

M. F. SooHoo on behalf of T. S.
Shaughnessy

06/11/2012

____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) These units were payable in cash or the company's common stock upon the lapse of the restrictions on the transaction date shown.
- (3) Release of restricted stock units.
- (4) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 156 of these units on June 8, 2013, for 156 of these units on June 8, 2014, for 156 of these units on June 8, 2015, and for the remaining 157 of these units on June 8, 2016.

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.