

INTERNATIONAL BUSINESS MACHINES CORP  
 Form 4  
 May 09, 2007

**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 \*  
 O DONNELL DANIEL E

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, NEW ORCHARD ROAD  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/08/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 VP, Secretary

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 Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |     |       |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|-----|-------|
|                                 |                                      |  |                                | (A) or (D)  | Code  | V  | Amount                            | (D) | Price |

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

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SEC 1474 (9-02)

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

| 1. Title of Derivative | 2. Conversion | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if | 4. Transaction of | 5. Number of Derivative | 6. Date Exercisable and Expiration Date | 7. Title and Amount Underlying Securities |
|------------------------|---------------|--------------------------------------|-------------------------------|-------------------|-------------------------|---|---|
|------------------------|---------------|--------------------------------------|-------------------------------|-------------------|-------------------------|---|---|

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| Security (Instr. 3)              | or Exercise Price of Derivative Security | any (Month/Day/Year) | Code (Instr. 8)  | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | (Month/Day/Year) | (Instr. 3 and 4) |                           |                           |              |                            |
|----------------------------------|--|----------------------|------------------|---|------------------|------------------|---------------------------|---------------------------|--------------|----------------------------|
|                                  |  |                      | Code             | V   | (A)              | (D)              | Date Exercisable          | Expiration Date           | Title        | Amount or Number of Shares |
| Emp. Stock Option (right to buy) | \$ 102.8                                 | 05/08/2007           | A                |   | 1,624            |                  | 05/08/2010 <sup>(1)</sup> | 05/07/2017 <sup>(1)</sup> | Common Stock | 1,624                      |
| Rst. Stock Unit                  | \$ 0 <sup>(2)</sup>                      | 05/08/2007           | A <sup>(2)</sup> |   | 1,579            |                  | <sup>(2)</sup>            | <sup>(2)</sup>            | Common Stock | 1,579                      |
| Phantom Stock Unit               | \$ 0 <sup>(3)</sup>                      | 05/08/2007           | A <sup>(4)</sup> |   | 9                |                  | <sup>(5)</sup>            | <sup>(5)</sup>            | Common Stock | 9                          |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |               |       |
|---|---------------|-----------|---------------|-------|
|   | Director      | 10% Owner | Officer       | Other |
| O DONNELL DANIEL E<br>IBM CORPORATION<br>NEW ORCHARD ROAD<br>ARMONK, NY 10504 |               |           | VP, Secretary |       |

## Signatures

D. Cummins for D. E. O'Donnell by power-of-attorney

05/09/2007

        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) These derivative securities vest 100% on the date exercisable shown. All expire on the expiration date shown above.
- (2) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 789 of these units on 05/08/2009, and the restrictions lapse for the remaining 790 of these units on 05/08/2011.
- (3) Phantom stock units convert to the cash value of the company's common stock on a one-for-one basis.
- (4) Acquisition of phantom stock units under the IBM Executive Deferred Compensation Plan.
- (5) Distribution of phantom stock units under the IBM Executive Deferred Compensation Plan is deferred until separation from the company.

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