

INTERNATIONAL BUSINESS MACHINES CORP  
 Form 4  
 May 13, 2008

**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 \*  
**KERN R. FRANKLIN 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)

3. Date of Earliest Transaction (Month/Day/Year)  
 05/12/2008

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 Senior Vice President

**IBM CORPORATION, C/O SECRETARY'S OFFICE, NEW ORCHARD ROAD**

(Street)

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

**ARMONK, NY 10504**

(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  | Price  |  |
| Common Stock                    | 05/12/2008                           |  | S                              |   | 430   | \$ 125.15  | 34,343.171 D                               |
| Common Stock                    | 05/12/2008                           |  | S                              |   | 200   | \$ 125.16  | 34,143.171 D                               |
| Common Stock                    | 05/12/2008                           |  | S                              |   | 200   | \$ 125.17  | 33,943.171 D                               |
| Common Stock                    | 05/12/2008                           |  | S                              |   | 200   | \$ 125.18  | 33,743.171 D                               |
|                                 | 05/12/2008                           |  | S                              |   | 200   | \$ 125.19  | 33,543.171 D                               |

|              |            |  |   |       |   |             |            |                           |
|--------------|------------|--|---|-------|---|-------------|------------|---------------------------|
| Common Stock |            |  |   |       |   |             |            |                           |
| Common Stock | 05/12/2008 |  | S | 500   | D | \$ 125.2    | 33,043.171 | D                         |
| Common Stock | 05/12/2008 |  | S | 2,200 | D | \$ 125.38   | 30,843.171 | D                         |
| Common Stock | 05/12/2008 |  | S | 800   | D | \$ 125.3801 | 30,043.171 | D                         |
| Common Stock | 05/12/2008 |  | S | 110   | D | \$ 125.13   | 0          | I <sup>(1)</sup> daughter |

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.** 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 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 of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Beneficially (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  |                                |   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |
|  |  |                                      |  |                                |   |  |   |  |  |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                       |       |
|---|---------------|-----------|-----------------------|-------|
|   | Director      | 10% Owner | Officer               | Other |
| KERN R. FRANKLIN III<br>IBM CORPORATION<br>C/O SECRETARY'S OFFICE, NEW ORCHARD ROAD<br>ARMONK, NY 10504 |               |           | Senior Vice President |       |

## Signatures

D. Cummins for R. F. Kern III by  
power-of-attorney

05/13/2008

\_\_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) 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.

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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