

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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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 \*  
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)

(Last) (First) (Middle)

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

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

IBM CORPORATION, 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 Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  |                                | (A) or (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 <sup>(1)</sup> 02/22/2009                     | Common Stock  | 48,876                     |
| Emp. Stock Option (right to buy)           | \$ 88.955  | 07/24/2008                           |  | M                              | 1,124   | 02/23/2003 <sup>(1)</sup> 02/22/2009                     | Common Stock  | 1,124                      |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                       |       |
|--|---------------|-----------|-----------------------|-------|
|  | Director      | 10% Owner | Officer               | Other |
| HARRELD J BRUCE<br>IBM CORPORATION<br>NEW ORCHARD ROAD<br>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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