

KELLY JOHN E III  
 Form 4  
 May 17, 2010

**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 \*  
**KELLY JOHN E 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)

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

**IBM CORPORATION, P.O. BOX 218**

**05/14/2010**

Senior Vice President

(Street)

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

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

**YORKTOWN HEIGHTS, NY 10598**

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
|                                 |                                      |  | Code                           | V   | Amount or Price   |  |                                   |
| Common Stock                    | 05/14/2010                           |  | S                              |   | 210 D \$ 129.74   | 66,304.187   | D                                 |
| Common Stock                    | 05/14/2010                           |  | S                              |   | 900 D \$ 129.76   | 65,404.187   | D                                 |
| Common Stock                    | 05/14/2010                           |  | S                              |   | 110 D \$ 129.77   | 65,294.187   | D                                 |
| Common Stock                    | 05/14/2010                           |  | S                              |   | 50 D \$ 129.8   | 65,244.187   | D                                 |
| Common Stock                    | 05/14/2010                           |  | S                              |   | 800 D \$ 129.86   | 64,444.187   | D                                 |

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|              |            |   |       |   |            |            |   |
|--------------|------------|---|-------|---|------------|------------|---|
| Common Stock | 05/14/2010 | S | 600   | D | \$ 129.88  | 63,844.187 | D |
| Common Stock | 05/14/2010 | S | 100   | D | \$ 129.895 | 63,744.187 | D |
| Common Stock | 05/14/2010 | S | 700   | D | \$ 129.9   | 63,044.187 | D |
| Common Stock | 05/14/2010 | S | 400   | D | \$ 129.96  | 62,644.187 | D |
| Common Stock | 05/14/2010 | S | 900   | D | \$ 129.97  | 61,744.187 | D |
| Common Stock | 05/14/2010 | S | 1,200 | D | \$ 129.98  | 60,544.187 | D |
| Common Stock | 05/14/2010 | S | 100   | D | \$ 129.99  | 60,444.187 | D |
| Common Stock | 05/14/2010 | S | 1,200 | D | \$ 130.01  | 59,244.187 | D |
| Common Stock | 05/14/2010 | S | 1,200 | D | \$ 130.07  | 58,044.187 | D |
| Common Stock | 05/14/2010 | S | 1,200 | D | \$ 130.08  | 56,844.187 | D |
| Common Stock | 05/14/2010 | S | 500   | D | \$ 130.09  | 56,344.187 | D |
| Common Stock | 05/14/2010 | S | 200   | D | \$ 130.1   | 56,144.187 | D |
| Common Stock | 05/14/2010 | S | 800   | D | \$ 130.11  | 55,344.187 | D |
| Common Stock | 05/14/2010 | S | 400   | D | \$ 130.12  | 54,944.187 | D |
| Common Stock | 05/14/2010 | S | 700   | D | \$ 130.13  | 54,244.187 | D |

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 | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities | 8. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene |
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|------------------------|
|--|------------------------------------|--------------------------------------|--|--------------------------------|-------------------------|--|--|--|------------------------|

| Derivative Security | Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) |           |                  |                 | (Instr. 3 and 4) |  | Title | Amount or Number of Shares |
|---------------------|---|-----------|------------------|-----------------|------------------|--|-------|----------------------------|
|                     | Code  | V (A) (D) | Date Exercisable | Expiration Date |                  |  |       |                            |

## Reporting Owners

| Reporting Owner Name / Address  | Relationships |           |                       |       |
|---|---------------|-----------|-----------------------|-------|
|   | Director      | 10% Owner | Officer               | Other |
| KELLY JOHN E III<br>IBM CORPORATION<br>P.O. BOX 218<br>YORKTOWN HEIGHTS, NY 10598 |               |           | Senior Vice President |       |

## Signatures

D. Cummins on behalf of J. E.  
Kelly III

05/17/2010

\_\_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).

### Remarks:

Additional transactions 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.