

INTERNATIONAL BUSINESS MACHINES CORP
 Form FWP
 November 01, 2013

Filed Pursuant to Rule 433

Registration Number 333-190160

2,500,000,000
1,500,000,000 1.875% Notes Due November 6, 2020

1,000,000,000 2.875% Notes Due November 7, 2025
International Business Machines Corporation
October 31, 2013
Pricing Term Sheet

| | |
|-----------------|---|
| Issuer | International Business Machines Corporation |
| Issuer Ratings* | Aa3/AA-/A+ (Moody s/S&P/Fitch) |
| Format | SEC Registered |
| Form | Registered Form |
| Trade Date | October 31, 2013 |
| Settlement Date | November 7, 2013 (T+5) |
| Listing | Application will be made to list the Notes on the New York Stock Exchange |
| Bookrunners | Deutsche Bank AG, London Branch, Goldman, Sachs & Co., Société Générale and UniCredit Bank AG |
| Co-Managers | Banca IMI Spa., Banco Bilbao Vizcaya Argentaria, S.A., Lloyds Bank plc and Santander Investment Securities Inc. |

| | <u>2020 Notes</u> | <u>2025 Notes</u> |
|--------------------------|----------------------------------|--------------------------------|
| Size | 1,500,000,000 | 1,000,000,000 |
| Maturity | November 6, 2020 | November 7, 2025 |
| Interest Payment Date | November 6 of each year | November 7 of each year |
| First Payment Date | November 6, 2014 | November 7, 2014 |
| Benchmark Bund | DBR 2.250% due September 4, 2020 | DBR 2.000% due August 15, 2023 |
| Benchmark Bund Yield | 1.048% | 1.695% |
| Spread to Benchmark Bund | +89 bps | +118.7 bps |
| Mid Swaps Yield | 1.518% | 2.202% |
| Spread to Mid Swaps | +42 bps | +68 bps |
| Yield to Maturity | 1.938% | 2.882% |
| Coupon | 1.875% (payable annually) | 2.875% (payable annually) |
| Make-Whole Call | | |
| Reference Bund | DBR 2.250% due September 4, 2020 | DBR 2.000% due August 15, 2023 |
| Spread to Reference Bund | +13 bps | +17 bps |
| Price to Public | 99.591% | 99.930% |
| Underwriting Discount | 0.300% | 0.425% |
| Price to Issuer | 99.291% | 99.505% |
| Day Count | Actual / Actual (ICMA) | Actual / Actual (ICMA) |
| Minimum Denomination | 100,000 and multiples of 1,000 | 100,000 and multiples of 1,000 |
| CUSIP | 459200 HQ7 | 459200 HR5 |

***Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.**

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The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Deutsche Bank AG, London Branch at 1 800-503-4611, Goldman, Sachs & Co. at 1-866-471-2526, Société Générale at +44 20 7676 7618 or UniCredit Bank AG at +49 89 378 41771.

This pricing term sheet supplements the preliminary form of prospectus supplement issued by International Business Machines Corporation on October 31, 2013 relating to its Prospectus dated July 26, 2013.
