

INTERNATIONAL BUSINESS MACHINES CORP
 Form 4
 August 06, 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 *
 Shaughnessy Timothy S

2. Issuer Name and Ticker or Trading Symbol
 INTERNATIONAL BUSINESS MACHINES CORP [IBM]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 ___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
 VP, Controller

(Last) (First) (Middle)
 IBM CORPORATION, NEW ORCHARD ROAD
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 08/03/2007

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 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				(A) or (D)	Price
Common Stock	08/03/2007		M			843	A	\$ 88.955	2,207.858	D	
Common Stock	08/03/2007		M			7,538	A	\$ 88.955	9,745.858	D	
Common Stock	08/03/2007		M			23,601	A	\$ 97.59	33,346.858	D	
Common Stock	08/03/2007		M			968	A	\$ 103.25	34,314.858	D	
Common Stock	08/03/2007		M			11,032	A	\$ 103.25	45,346.858	D	

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Common Stock	08/03/2007	S	42,171	D	\$ 113.745 <u>(1)</u>	3,175.858	D	
Common Stock	08/03/2007	M	1,124	A	\$ 88.955	2,310.772	I <u>(2)</u>	By spouse
Common Stock	08/03/2007	M	2,276	A	\$ 88.955	4,586.772	I <u>(2)</u>	By spouse
Common Stock	08/03/2007	M	968	A	\$ 103.25	5,554.772	I <u>(2)</u>	By spouse
Common Stock	08/03/2007	M	1,032	A	\$ 103.25	6,586.772	I <u>(2)</u>	By spouse
Common Stock	08/03/2007	M	2,650	A	\$ 97.59	9,236.772	I <u>(2)</u>	By spouse
Common Stock	08/03/2007	S	5,958	D	\$ 113.745 <u>(1)</u>	3,278.772	I <u>(2)</u>	By spouse

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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Emp. Stock Option (right to buy)	\$ 88.955	08/03/2007		M	7,538	02/23/2003 ⁽³⁾ 02/22/2009	Common Stock 7,538
Emp. Stock Option (right to buy)	\$ 103.25	08/03/2007		M	11,032	02/29/2004 ⁽³⁾ 02/28/2010	Common Stock 11,032

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Emp. Stock Option (right to buy)	\$ 97.59	08/03/2007	M	23,601	02/26/2006 ⁽³⁾	02/25/2012	Common Stock	23,601
Emp. Stock Option (right to buy)	\$ 103.25	08/03/2007	M	968	02/29/2004 ⁽³⁾	02/28/2010	Common Stock	968
Emp. Stock Option (right to buy)	\$ 88.955	08/03/2007	M	843	02/23/2003 ⁽³⁾	02/22/2009	Common Stock	843
Emp. Stock Option (right to buy)	\$ 88.955	08/03/2007	M	2,276	02/23/2003 ⁽³⁾	02/22/2009	Common Stock	2,276
Emp. Stock Option (right to buy)	\$ 103.25	08/03/2007	M	1,032	02/29/2004 ⁽³⁾	02/28/2010	Common Stock	1,032
Emp. Stock Option (right to buy)	\$ 97.59	08/03/2007	M	2,650	02/26/2006 ⁽³⁾	02/25/2012	Common Stock	2,650
Emp. Stock Option (right to buy)	\$ 103.25	08/03/2007	M	968	02/29/2004 ⁽³⁾	02/28/2010	Common Stock	968
Emp. Stock Option (right to buy)	\$ 88.955	08/03/2007	M	1,124	02/23/2003 ⁽³⁾	02/22/2009	Common Stock	1,124

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Shaughnessy Timothy S
IBM CORPORATION, NEW ORCHARD ROAD
ARMONK, NY 10504

VP,
Controller

Signatures

D. Cummins for T. S. Shaughnessy by
power-of-attorney

08/06/2007

__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) The price shown reflects the weighted average of multiple sales, ranging from \$113.6100 to \$113.9300 per share.
- (2) 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.
- (3) This grant vested in four equal annual installments; the last installment vested on the date shown above.

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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