

INTERNATIONAL BUSINESS MACHINES CORP
 Form FWP
 February 02, 2012

Filed Pursuant to Rule 433

Registration Number 333-168333

International Business Machines Corporation
February 1, 2012
Pricing Term Sheet

0.550% Notes due 2015

1.250% Notes due 2017

| | | |
|------------------------------|---|------------------------------------|
| Issuer | International Business Machines Corporation | |
| Expected Issuer Ratings* | Aa3/A+/A+ (Moody s/S&P/Fitch) | |
| Format | SEC Registered | |
| Trade Date | February 1, 2012 | |
| Settlement Date | (T+3); February 6, 2012 | |
| Joint Bookrunning Managers | Credit Suisse Securities (USA) LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Mizuho Securities USA Inc., Morgan Stanley & Co. LLC, RBC Capital Markets, LLC, Wells Fargo Securities, LLC | |
| Co-Managers: | The Williams Capital Group, L.P., BNY Mellon Capital Markets, LLC, Santander Investment Securities Inc., UniCredit Capital Markets LLC, RBS Securities Inc., UBS Securities LLC | |
| | <u>2015 Notes</u> | <u>2017 Notes</u> |
| Principal Amount | \$1,500,000,000 | \$1,000,000,000 |
| Maturity | February 6, 2015 | February 6, 2017 |
| Interest Payment Dates | February 6 and August 6 | February 6 and August 6 |
| First Interest Payment Date | August 6, 2012 | August 6, 2012 |
| Benchmark Treasury | 0.250% due January 15, 2015 | 0.875% due January 31, 2017 |
| Benchmark Treasury Yield | 0.295% | 0.722% |
| Spread to Benchmark Treasury | T + 42 bps | T + 62 bps |
| Yield to Maturity | 0.715% | 1.342% |
| Coupon | 0.550% | 1.250% |
| Make-Whole Call | T + 10 bps | T + 12.5 bps |
| Price to Public | 99.511% | 99.557% |
| Underwriting Discount | 0.150% | 0.250% |
| Day Count | 30/360 | 30/360 |
| Minimum Denomination | \$100,000 and multiples of \$1,000 | \$100,000 and multiples of \$1,000 |
| CUSIP | 459200 HB0 | 459200 HC8 |
| ISIN | US459200HB06 | US459200HC88 |

***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.**

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

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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 Credit Suisse Securities (USA) LLC at (800) 221-1037 (toll free), Merrill Lynch, Pierce, Fenner & Smith Incorporated at (800) 294-1322 (toll free), Mizuho Securities USA Inc. at (866) 271-7403 (toll free), Morgan Stanley & Co. LLC at (866) 718-1649 (toll free), RBC Capital Markets, LLC at (866) 375-6829 (toll free) and Wells Fargo Securities, LLC at (800) 326-5897 (toll free).

This pricing term sheet supplements the preliminary form of prospectus supplement issued by International Business Machines Corporation on February 1, 2012 relating to its Prospectus dated July 27, 2010.
