

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)

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

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

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

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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Emp. Stock Option (right to buy)	\$ 88.955	08/03/2007		M	7,538	02/23/2003 <sup>(3)</sup>	02/22/2009	Common Stock	7,538
Emp. Stock Option (right to buy)	\$ 103.25	08/03/2007		M	11,032	02/29/2004 <sup>(3)</sup>	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 <sup>(3)</sup>	02/25/2012	Common Stock	23,601
Emp. Stock Option (right to buy)	\$ 103.25	08/03/2007	M	968	02/29/2004 <sup>(3)</sup>	02/28/2010	Common Stock	968
Emp. Stock Option (right to buy)	\$ 88.955	08/03/2007	M	843	02/23/2003 <sup>(3)</sup>	02/22/2009	Common Stock	843
Emp. Stock Option (right to buy)	\$ 88.955	08/03/2007	M	2,276	02/23/2003 <sup>(3)</sup>	02/22/2009	Common Stock	2,276
Emp. Stock Option (right to buy)	\$ 103.25	08/03/2007	M	1,032	02/29/2004 <sup>(3)</sup>	02/28/2010	Common Stock	1,032
Emp. Stock Option (right to buy)	\$ 97.59	08/03/2007	M	2,650	02/26/2006 <sup>(3)</sup>	02/25/2012	Common Stock	2,650
Emp. Stock Option (right to buy)	\$ 103.25	08/03/2007	M	968	02/29/2004 <sup>(3)</sup>	02/28/2010	Common Stock	968
Emp. Stock Option (right to buy)	\$ 88.955	08/03/2007	M	1,124	02/23/2003 <sup>(3)</sup>	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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