

INTERNATIONAL BUSINESS MACHINES CORP  
 Form 4  
 July 27, 2007

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
 Expires: January 31, 2005  
 Estimated average burden hours per response... 0.5

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 \*  
 O DONNELL DANIEL E

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, Secretary

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

3. Date of Earliest Transaction (Month/Day/Year)  
 07/25/2007

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 Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
|                                 |                                      |  | Code                           | V   | Amount  | (A) or (D)   | Price                                      |
| Common Stock                    | 07/25/2007                           |  | M                              |   | 13,934  | A  | \$ 78.13                                   |
| Common Stock                    | 07/25/2007                           |  | M                              |   | 1,124   | A  | \$ 88.955                                  |
| Common Stock                    | 07/25/2007                           |  | M                              |   | 13,276  | A  | \$ 88.955                                  |
| Common Stock                    | 07/25/2007                           |  | S                              |   | 28,334  | D  | \$ 117.2414                                |
|                                 | 07/25/2007                           |  | S                              |   | 4,540   | D  | \$ 117.2414 (1)                            |
|                                 |                                      |  |                                |   |   |  | 9,153.3749                                 |
|                                 |                                      |  |                                |   |   |  | 4,613.3749                                 |
|                                 |                                      |  |                                |   |   |  | 23,087.3749                                |
|                                 |                                      |  |                                |   |   |  | 24,211.3749                                |
|                                 |                                      |  |                                |   |   |  | 37,487.3749                                |

Common Stock \$ 117,2747  
(2)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.** SEC 1474 (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  | 07/25/2007                           |  | M                              | 1,124   | 02/23/2003 <sup>(3)</sup> 02/22/2009                     | Common Stock 1,124  |
| Emp. Stock Option (right to buy)           | \$ 88.955  | 07/25/2007                           |  | M                              | 13,276  | 02/23/2003 <sup>(3)</sup> 02/22/2009                     | Common Stock 13,276   |
| Emp. Stock Option (right to buy)           | \$ 78.13   | 07/25/2007                           |  | M                              | 13,934  | 02/25/2007 <sup>(3)</sup> 02/24/2013                     | Common Stock 13,934   |

## Reporting Owners

| Reporting Owner Name / Address                            | Relationships |           |               |       |
|---|---------------|-----------|---------------|-------|
|   | Director      | 10% Owner | Officer       | Other |
| O DONNELL DANIEL E<br>IBM CORPORATION<br>NEW ORCHARD ROAD |               |           | VP, Secretary |       |

ARMONK, NY 10504

## Signatures

D. Cummins for D. E. O'Donnell by  
power-of-attorney

07/27/2007

\_\_\_\_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 \$117.1600 to \$117.3300 per share.
- (2) The price shown reflects the weighted average of multiple sales, ranging from \$117.1800 to \$117.3300 per share.
- (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.

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.