

KELLY JOHN E III
 Form 4
 July 29, 2008

FORM 4

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

OMB APPROVAL

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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 *
KELLY JOHN E III

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)
Senior Vice President

(Last) (First) (Middle)
IBM CORPORATION, P.O. BOX 218
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
07/28/2008

YORKTOWN HEIGHTS, NY 10598

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	07/28/2008		S		500	D	\$ 126.84 58,398.1286
Common Stock	07/28/2008		S		900	D	\$ 126.845 57,498.1286
Common Stock	07/28/2008		S		600	D	\$ 126.85 56,898.1286
Common Stock	07/28/2008		S		772	D	\$ 126.86 56,126.1286
Common Stock	07/28/2008		S		100	D	\$ 126.865 56,026.1286

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Common Stock	07/28/2008	S	100	D	\$ 126.88	55,926.1286	D
Common Stock	07/28/2008	S	100	D	\$ 126.92	55,826.1286	D
Common Stock	07/28/2008	S	100	D	\$ 126.93	55,726.1286	D
Common Stock	07/28/2008	S	900	D	\$ 126.935	54,826.1286	D
Common Stock	07/28/2008	S	400	D	\$ 126.937	54,426.1286	D
Common Stock	07/28/2008	S	1,100	D	\$ 126.94	53,326.1286	D
Common Stock	07/28/2008	S	600	D	\$ 126.945	52,726.1286	D
Common Stock	07/28/2008	S	500	D	\$ 127.005	52,226.1286	D
Common Stock	07/28/2008	S	300	D	\$ 127.007	51,926.1286	D
Common Stock	07/28/2008	S	100	D	\$ 127.015	51,826.1286	D
Common Stock	07/28/2008	S	100	D	\$ 127.025	51,726.1286	D
Common Stock	07/28/2008	S	300	D	\$ 127.08	51,426.1286	D
Common Stock	07/28/2008	S	400	D	\$ 127.085	51,026.1286	D
Common Stock	07/28/2008	S	3,705	D	\$ 127.09	47,321.1286	D
Common Stock	07/28/2008	S	1,000	D	\$ 127.095	46,321.1286	D
Common Stock	07/28/2008	S	1,800	D	\$ 127.1	44,521.1286	D
Common Stock	07/28/2008	S	200	D	\$ 127.105	44,321.1286	D
Common Stock	07/28/2008	S	3,800	D	\$ 127.11	40,521.1286	D

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)	8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Own Follo Repo Trans (Instr
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V	(A)	(D)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KELLY JOHN E III IBM CORPORATION P.O. BOX 218 YORKTOWN HEIGHTS, NY 10598			Senior Vice President	

Signatures

D. Cummins for J. E. Kelly III by
 power-of-attorney 07/29/2008

**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).

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