

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)

(Last) (First) (Middle)

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

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP, Secretary

IBM CORPORATION, NEW ORCHARD ROAD

(Street)

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

ARMONK, NY 10504

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

Common Stock \$ 117,2747
(2)

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

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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 ⁽³⁾ 02/22/2009	Common Stock 1,124
Emp. Stock Option (right to buy)	\$ 88.955	07/25/2007		M	13,276	02/23/2003 ⁽³⁾ 02/22/2009	Common Stock 13,276
Emp. Stock Option (right to buy)	\$ 78.13	07/25/2007		M	13,934	02/25/2007 ⁽³⁾ 02/24/2013	Common Stock 13,934

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
O DONNELL DANIEL E IBM CORPORATION 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.

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