

Daniels Michael E
 Form 4
 May 07, 2008

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 *
 Daniels Michael 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)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)

IBM CORPORATION, 294 ROUTE 100

05/06/2008

Senior Vice President

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

SOMERS, NY 10589

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 | 05/06/2008 | | M | | 1,124 | A | \$ 88.955 |
| | | | | | | | 39,460.1154 |
| Common Stock | 05/06/2008 | | M | | 27,076 | A | \$ 88.955 |
| | | | | | | | 66,536.1154 |
| Common Stock | 05/06/2008 | | S | | 200 | D | \$ 120.8 |
| | | | | | | | 66,336.1154 |
| Common Stock | 05/06/2008 | | S | | 200 | D | \$ 120.81 |
| | | | | | | | 66,136.1154 |
| Common Stock | 05/06/2008 | | S | | 100 | D | \$ 120.82 |
| | | | | | | | 66,036.1154 |

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| | | | | | | | |
|--------------|------------|---|-------|---|-------------|-------------|---|
| Common Stock | 05/06/2008 | S | 1,300 | D | \$ 120.83 | 64,736.1154 | D |
| Common Stock | 05/06/2008 | S | 946 | D | \$ 120.84 | 63,790.1154 | D |
| Common Stock | 05/06/2008 | S | 100 | D | \$ 120.845 | 63,690.1154 | D |
| Common Stock | 05/06/2008 | S | 1,700 | D | \$ 120.85 | 61,990.1154 | D |
| Common Stock | 05/06/2008 | S | 400 | D | \$ 120.86 | 61,590.1154 | D |
| Common Stock | 05/06/2008 | S | 1,600 | D | \$ 120.87 | 59,990.1154 | D |
| Common Stock | 05/06/2008 | S | 900 | D | \$ 120.875 | 59,090.1154 | D |
| Common Stock | 05/06/2008 | S | 2,600 | D | \$ 120.88 | 56,490.1154 | D |
| Common Stock | 05/06/2008 | S | 800 | D | \$ 120.9 | 55,690.1154 | D |
| Common Stock | 05/06/2008 | S | 500 | D | \$ 120.92 | 55,190.1154 | D |
| Common Stock | 05/06/2008 | S | 300 | D | \$ 120.93 | 54,890.1154 | D |
| Common Stock | 05/06/2008 | S | 300 | D | \$ 120.96 | 54,590.1154 | D |
| Common Stock | 05/06/2008 | S | 400 | D | \$ 121 | 54,190.1154 | D |
| Common Stock | 05/06/2008 | S | 1,400 | D | \$ 121.01 | 52,790.1154 | D |
| Common Stock | 05/06/2008 | S | 2,480 | D | \$ 121.02 | 50,310.1154 | D |
| Common Stock | 05/06/2008 | S | 600 | D | \$ 121.025 | 49,710.1154 | D |
| Common Stock | 05/06/2008 | S | 1,000 | D | \$ 121.027 | 48,710.1154 | D |
| Common Stock | 05/06/2008 | S | 250 | D | \$ 121.0275 | 48,460.1154 | D |
| Common Stock | 05/06/2008 | S | 1,000 | D | \$ 121.03 | 47,460.1154 | D |
| Common Stock | 05/06/2008 | S | 2,700 | D | \$ 121.04 | 44,760.1154 | D |

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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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| Emp. Stock Option (right to buy) | \$ 88.955 | 05/06/2008 | | M | 27,076 | 02/23/2003 ⁽¹⁾ 02/22/2009 | Common Stock | 27,076 |
| Emp. Stock Option (right to buy) | \$ 88.955 | 05/06/2008 | | M | 1,124 | 02/23/2003 ⁽¹⁾ 02/22/2009 | Common Stock | 1,124 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Daniels Michael E IBM CORPORATION 294 ROUTE 100 SOMERS, NY 10589 | | | Senior Vice President | |

Signatures

D. Cummins for M. E. Daniels by power-of-attorney 05/07/2008

__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).
- (1) This grant vested in four equal annual installments; the last installment vested on the date shown above.

Remarks:

Additional sales will be shown on a subsequent Form 4.

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