

Shaughnessy Timothy S
 Form 4
 May 10, 2011

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

(Last) (First) (Middle)
 IBM CORPORATION, 294 ROUTE 100
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 05/06/2011

SOMERS, NY 10589

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)
				(A) or (D)	Price		
				Code	V	Amount	
Common Stock	05/08/2011		M	2,224	A	\$ 0	15,054.545 D
Common Stock	05/08/2011		M	2,243	A	\$ 0	17,297.545 D
Common Stock	05/08/2011		F	1,014	D	\$ 169.21	16,283.545 D
Common Stock	05/08/2011		F	1,023	D	\$ 169.21	15,260.545 D
Common Stock	05/08/2011		M	527	A	\$ 0	2,597.962 I ⁽¹⁾ spouse

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Common Stock 05/08/2011 F 191 D \$ 169.21 2,406.962 I ⁽¹⁾ spouse

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

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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)	8. Price or Value of Underlying Securities (Instr. 3 and 4)		
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
						Code	V	(A)	(D)	
Rst. Stock Unit	\$ 0 ⁽²⁾	05/08/2011		M ⁽³⁾	2,224	⁽²⁾ ⁽²⁾	Common Stock	2,224	\$	
Rst. Stock Unit	\$ 0 ⁽²⁾	05/08/2011		M ⁽³⁾	2,243	⁽²⁾ ⁽²⁾	Common Stock	2,243	\$	
Rst. Stock Unit	\$ 0 ⁽²⁾	05/08/2011		M ⁽³⁾	527	⁽²⁾ ⁽²⁾	Common Stock	527	\$	
Phantom Stock Unit	\$ 0 ⁽⁴⁾	05/06/2011		A ⁽⁵⁾	10	⁽⁶⁾ ⁽⁶⁾	Common Stock	10	\$	
Phantom Stock Unit	\$ 0 ⁽⁴⁾	05/06/2011		A ⁽⁵⁾	2	⁽⁶⁾ ⁽⁶⁾	Common Stock	2	\$	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Shaughnessy Timothy S IBM CORPORATION 294 ROUTE 100			Senior Vice President	

SOMERS, NY 10589

Signatures

D. Cummins on behalf of T. S.
Shaughnessy

05/10/2011

__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 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.
- (2) These units were payable in cash or the company's common stock upon the lapse of the restrictions on the transaction date shown.
- (3) Release of restricted stock units.
- (4) Phantom stock units convert to the cash value of the company's common stock on a one-for-one basis.
- (5) Acquisition of phantom stock units under the IBM Excess 401(k) Plus Plan.
- (6) Distribution of phantom stock units under the IBM Excess 401(k) Plus Plan is deferred until separation from the company. The reporting person may transfer these phantom stock units into an alternative investment account under such plan.

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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