

KELLY JOHN E III
 Form 4
 May 17, 2010

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)

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

3. Date of Earliest Transaction (Month/Day/Year)
05/14/2010

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

(Street)
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 Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock	05/14/2010		M		25,000	A	\$ 120.12	86,800.187	D
Common Stock	05/14/2010		S		3,700	D	\$ 129.49	83,100.187	D
Common Stock	05/14/2010		S		200	D	\$ 129.495	82,900.187	D
Common Stock	05/14/2010		S		1,380	D	\$ 129.5	81,520.187	D
Common Stock	05/14/2010		S		3,300	D	\$ 129.51	78,220.187	D

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Common Stock	05/14/2010	S	636	D	\$ 129.515	77,584.187	D
Common Stock	05/14/2010	S	700	D	\$ 129.52	76,884.187	D
Common Stock	05/14/2010	S	564	D	\$ 129.525	76,320.187	D
Common Stock	05/14/2010	S	3,537	D	\$ 129.53	72,783.187	D
Common Stock	05/14/2010	S	100	D	\$ 129.535	72,683.187	D
Common Stock	05/14/2010	S	300	D	\$ 129.5375	72,383.187	D
Common Stock	05/14/2010	S	251	D	\$ 129.54	72,132.187	D
Common Stock	05/14/2010	S	560	D	\$ 129.55	71,572.187	D
Common Stock	05/14/2010	S	1,100	D	\$ 129.555	70,472.187	D
Common Stock	05/14/2010	S	800	D	\$ 129.5575	69,672.187	D
Common Stock	05/14/2010	S	100	D	\$ 129.56	69,572.187	D
Common Stock	05/14/2010	S	100	D	\$ 129.67	69,472.187	D
Common Stock	05/14/2010	S	300	D	\$ 129.7	69,172.187	D
Common Stock	05/14/2010	S	800	D	\$ 129.72	68,372.187	D
Common Stock	05/14/2010	S	1,858	D	\$ 129.73	66,514.187	D

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	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)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)
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