

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)  
 \_\_\_ 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)  
**05/14/2010**

**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 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) |
|--|------------------------------------|--------------------------------------|--|--------------------------------|---|--|---|
|--|------------------------------------|--------------------------------------|--|--------------------------------|---|--|---|

