

INTERNATIONAL BUSINESS MACHINES CORP

Form 4

July 25, 2011

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 *
MILLS STEVEN A

(Last) (First) (Middle)

IBM CORPORATION, ONE NEW ORCHARD ROAD

(Street)

ARMONK, NY 10504

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
INTERNATIONAL BUSINESS MACHINES CORP [IBM]

3. Date of Earliest Transaction (Month/Day/Year)
07/22/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
____ Form filed by More than One Reporting Person

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--------------------|---|--|---|
| | | | | Code | V Amount (D) Price | | | |
| Common Stock | 05/31/2011 | | G | V 10 | D \$ 0 | 123,429.8713 | D | |
| Common Stock | 05/31/2011 | | G | V 10 | D \$ 0 | 123,419.8713 | D | |
| Common Stock | 05/31/2011 | | G | V 10 | D \$ 0 | 123,409.8713 | D | |
| Common Stock | 05/31/2011 | | G | V 20 | D \$ 0 | 123,389.8713 | D | |
| Common Stock | 05/31/2011 | | G | V 20 | D \$ 0 | 123,369.8713 | D | |

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| | | | | | | | | | |
|--------------|------------|--|---|---|--------|---|------------|--------------|---|
| Common Stock | 05/31/2011 | | G | V | 120 | D | \$ 0 | 123,249.8713 | D |
| Common Stock | 07/22/2011 | | M | | 11,804 | A | \$ 82.76 | 135,053.8713 | D |
| Common Stock | 07/22/2011 | | M | | 26,120 | A | \$ 91.04 | 161,173.8713 | D |
| Common Stock | 07/22/2011 | | M | | 4,523 | A | \$ 92.12 | 165,696.8713 | D |
| Common Stock | 07/22/2011 | | M | | 49,647 | A | \$ 101.33 | 215,343.8713 | D |
| Common Stock | 07/22/2011 | | M | | 12,411 | A | \$ 102.8 | 227,754.8713 | D |
| Common Stock | 07/22/2011 | | S | | 76,505 | D | \$ 185 | 151,249.8713 | D |
| Common Stock | 07/22/2011 | | S | | 100 | D | \$ 185.001 | 151,149.8713 | D |
| Common Stock | 07/22/2011 | | S | | 100 | D | \$ 185.005 | 151,049.8713 | D |
| Common Stock | 07/22/2011 | | S | | 14,471 | D | \$ 185.01 | 136,578.8713 | D |
| Common Stock | 07/22/2011 | | S | | 100 | D | \$ 185.015 | 136,478.8713 | D |
| Common Stock | 07/22/2011 | | S | | 2,079 | D | \$ 185.02 | 134,399.8713 | D |
| Common Stock | 07/22/2011 | | S | | 1,750 | D | \$ 185.03 | 132,649.8713 | D |
| Common Stock | 07/22/2011 | | S | | 1,100 | D | \$ 185.04 | 131,549.8713 | D |
| Common Stock | 07/22/2011 | | S | | 1,200 | D | \$ 185.05 | 130,349.8713 | D |

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 | 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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| Derivative Security | or Disposed of (D) (Instr. 3, 4, and 5) | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
|----------------------------------|--|------------|--|------|---|--------|-----|---------------------------|-----------------|--------------|----------------------------|
| | | | | | | | | | | | |
| Emp. Stock Option (right to buy) | \$ 101.33 | 07/22/2011 | | M | | 49,647 | | 03/08/2009 ⁽¹⁾ | 03/07/2015 | Common Stock | 49,647 |
| Emp. Stock Option (right to buy) | \$ 91.04 | 07/22/2011 | | M | | 26,120 | | 05/08/2010 ⁽¹⁾ | 05/07/2016 | Common Stock | 26,120 |
| Emp. Stock Option (right to buy) | \$ 92.12 | 07/22/2011 | | M | | 4,523 | | 03/08/2008 ⁽²⁾ | 03/07/2015 | Common Stock | 4,523 |
| Emp. Stock Option (right to buy) | \$ 82.76 | 07/22/2011 | | M | | 11,804 | | 05/08/2009 ⁽²⁾ | 05/07/2016 | Common Stock | 11,804 |
| Emp. Stock Option (right to buy) | \$ 102.8 | 07/22/2011 | | M | | 12,411 | | 05/08/2010 ⁽²⁾ | 05/07/2017 | Common Stock | 12,411 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MILLS STEVEN A IBM CORPORATION ONE NEW ORCHARD ROAD ARMONK, NY 10504 | | | Senior Vice President | |

Signatures

D. Cummins on behalf of S. A. Mills 07/25/2011

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

Remarks:

Additional transactions will be shown on a subsequent Form 4.

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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