

KELLY JOHN E III
 Form 4
 July 29, 2008

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)
07/28/2008

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 or Price | | |
| Common Stock | 07/28/2008 | | S | | 500 | D | \$ 126.84 58,398.1286 D |
| Common Stock | 07/28/2008 | | S | | 900 | D | \$ 126.845 57,498.1286 D |
| Common Stock | 07/28/2008 | | S | | 600 | D | \$ 126.85 56,898.1286 D |
| Common Stock | 07/28/2008 | | S | | 772 | D | \$ 126.86 56,126.1286 D |
| Common Stock | 07/28/2008 | | S | | 100 | D | \$ 126.865 56,026.1286 D |

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| | | | | | | | |
|--------------|------------|---|-------|---|------------|-------------|---|
| Common Stock | 07/28/2008 | S | 100 | D | \$ 126.88 | 55,926.1286 | D |
| Common Stock | 07/28/2008 | S | 100 | D | \$ 126.92 | 55,826.1286 | D |
| Common Stock | 07/28/2008 | S | 100 | D | \$ 126.93 | 55,726.1286 | D |
| Common Stock | 07/28/2008 | S | 900 | D | \$ 126.935 | 54,826.1286 | D |
| Common Stock | 07/28/2008 | S | 400 | D | \$ 126.937 | 54,426.1286 | D |
| Common Stock | 07/28/2008 | S | 1,100 | D | \$ 126.94 | 53,326.1286 | D |
| Common Stock | 07/28/2008 | S | 600 | D | \$ 126.945 | 52,726.1286 | D |
| Common Stock | 07/28/2008 | S | 500 | D | \$ 127.005 | 52,226.1286 | D |
| Common Stock | 07/28/2008 | S | 300 | D | \$ 127.007 | 51,926.1286 | D |
| Common Stock | 07/28/2008 | S | 100 | D | \$ 127.015 | 51,826.1286 | D |
| Common Stock | 07/28/2008 | S | 100 | D | \$ 127.025 | 51,726.1286 | D |
| Common Stock | 07/28/2008 | S | 300 | D | \$ 127.08 | 51,426.1286 | D |
| Common Stock | 07/28/2008 | S | 400 | D | \$ 127.085 | 51,026.1286 | D |
| Common Stock | 07/28/2008 | S | 3,705 | D | \$ 127.09 | 47,321.1286 | D |
| Common Stock | 07/28/2008 | S | 1,000 | D | \$ 127.095 | 46,321.1286 | D |
| Common Stock | 07/28/2008 | S | 1,800 | D | \$ 127.1 | 44,521.1286 | D |
| Common Stock | 07/28/2008 | S | 200 | D | \$ 127.105 | 44,321.1286 | D |
| Common Stock | 07/28/2008 | S | 3,800 | D | \$ 127.11 | 40,521.1286 | D |

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

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