

PALMISANO SAMUEL J  
 Form 4  
 August 29, 2008

**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 \*  
 PALMISANO SAMUEL J

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)

3. Date of Earliest Transaction (Month/Day/Year)  
 08/28/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
 Chairman, Pres., and CEO

IBM CORPORATION, NEW ORCHARD ROAD  
 (Street)

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

ARMONK, NY 10504

(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                    | 08/28/2008                           |  | S                              |   | 4,900   | D  | \$ 124.97 85,855.9922 D                    |
| Common Stock                    | 08/28/2008                           |  | S                              |   | 800   | D  | \$ 124.98 85,055.9922 D                    |
| Common Stock                    | 08/28/2008                           |  | S                              |   | 100   | D  | \$ 124.985 84,955.9922 D                   |
| Common Stock                    | 08/28/2008                           |  | S                              |   | 5,800   | D  | \$ 124.99 79,155.9922 D                    |
| Common Stock                    | 08/28/2008                           |  | S                              |   | 38,500  | D  | \$ 125 40,655.9922 D                       |

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|              |            |   |       |   |           |             |                  |          |
|--------------|------------|---|-------|---|-----------|-------------|------------------|----------|
| Common Stock | 08/28/2008 | S | 4,200 | D | \$ 125.04 | 36,455.9922 | D                |          |
| Common Stock | 08/28/2008 | S | 700   | D | \$ 125.05 | 35,755.9922 | D                |          |
| Common Stock | 08/28/2008 | S | 400   | D | \$ 125.09 | 35,355.9922 | D                |          |
| Common Stock | 08/28/2008 | S | 500   | D | \$ 125.1  | 34,855.9922 | D                |          |
| Common Stock |            |   |       |   |           | 309         | I <sup>(1)</sup> | daughter |
| Common Stock |            |   |       |   |           | 529         | I <sup>(1)</sup> | son 1    |
| Common Stock |            |   |       |   |           | 309         | I <sup>(1)</sup> | son 2    |
| Common Stock |            |   |       |   |           | 194,404     | I <sup>(1)</sup> | spouse   |

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

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(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 of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned (Instr. 6) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |

## Reporting Owners

| Reporting Owner Name / Address | Relationships |           |         |       |
|--------------------------------|---------------|-----------|---------|-------|
|                                | Director      | 10% Owner | Officer | Other |

PALMISANO SAMUEL J  
IBM CORPORATION  
NEW ORCHARD ROAD  
ARMONK, NY 10504

X

Chairman, Pres., and CEO

## Signatures

M. SooHoo for S. J. Palmisano by  
power-of-attorney

08/29/2008

\_\_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.

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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