

INTERNATIONAL BUSINESS MACHINES CORP
 Form 4
 August 28, 2007

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 *
 ELIX DOUGLAS T

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, ONE
 NORTH CASTLE DRIVE
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 08/27/2007

ARMONK, NY 10504

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	08/27/2007		M			45,000	A	\$ 51.155	166,150	D	
Common Stock	08/27/2007		S			300	D	\$ 112.82	165,850	D	
Common Stock	08/27/2007		S			3,440	D	\$ 112.83	162,410	D	
Common Stock	08/27/2007		S			3,986	D	\$ 112.84	158,424	D	
Common Stock	08/27/2007		S			5,410	D	\$ 112.85	153,014	D	

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Common Stock	08/27/2007	S	500	D	\$ 112.86	152,514	D
Common Stock	08/27/2007	S	900	D	\$ 112.87	151,614	D
Common Stock	08/27/2007	S	3,000	D	\$ 112.88	148,614	D
Common Stock	08/27/2007	S	2,592	D	\$ 112.89	146,022	D
Common Stock	08/27/2007	S	4,200	D	\$ 112.9	141,822	D
Common Stock	08/27/2007	S	400	D	\$ 112.905	141,422	D
Common Stock	08/27/2007	S	900	D	\$ 112.91	140,522	D
Common Stock	08/27/2007	S	700	D	\$ 112.92	139,822	D
Common Stock	08/27/2007	S	472	D	\$ 112.93	139,350	D
Common Stock	08/27/2007	S	800	D	\$ 112.94	138,550	D
Common Stock	08/27/2007	S	800	D	\$ 112.95	137,750	D
Common Stock	08/27/2007	S	900	D	\$ 112.96	136,850	D
Common Stock	08/27/2007	S	600	D	\$ 112.97	136,250	D
Common Stock	08/27/2007	S	600	D	\$ 112.98	135,650	D
Common Stock	08/27/2007	S	900	D	\$ 112.99	134,750	D
Common Stock	08/27/2007	S	1,800	D	\$ 113	132,950	D
Common Stock	08/27/2007	S	3,600	D	\$ 113.01	129,350	D
Common Stock	08/27/2007	S	200	D	\$ 113.015	129,150	D
Common Stock	08/27/2007	S	500	D	\$ 113.02	128,650	D
Common Stock	08/27/2007	S	500	D	\$ 113.03	128,150	D
	08/27/2007	S	2,400	D	\$ 113.08	125,750	D

Common Stock							
Common Stock	08/27/2007	S	700	D	\$ 113.09	125,050	D
Common Stock	08/27/2007	S	500	D	\$ 113.1	124,550	D
Common Stock	08/27/2007	S	400	D	\$ 113.12	124,150	D
Common Stock	08/27/2007	S	200	D	\$ 113.16	123,950	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 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)
Emp. Stock Option (right to buy)	\$ 51.155	08/27/2007		M	45,000	02/24/2002 ⁽¹⁾ 02/23/2008	Common Stock 45,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ELIX DOUGLAS T IBM CORPORATION ONE NORTH CASTLE DRIVE ARMONK, NY 10504			Senior Vice President	

Signatures

D. Cummins for D. T. Elix by
power-of-attorney

08/28/2007

__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.

Remarks:

Additional sales 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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