

Shaughnessy Timothy S
 Form 4
 August 17, 2012

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2015
 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 *
 Shaughnessy Timothy S

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)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)

IBM CORPORATION, 294 ROUTE 100

08/16/2012

Senior Vice President

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

SOMERS, NY 10589

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 Beneficial Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	08/16/2012		M	5,533 A	\$ 82.76	19,556.978	D
Common Stock	08/16/2012		M	2,073 A	\$ 92.12	21,629.978	D
Common Stock	08/16/2012		M	5,827 A	\$ 102.8	27,456.978	D
Common Stock	08/16/2012		S	2,759 D	\$ 200.83	24,697.978	D
Common Stock	08/16/2012		S	5,500 D	\$ 200.84	19,197.978	D

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Common Stock	08/16/2012	S	1,000	D	\$ 200.85	18,197.978	D	
Common Stock	08/16/2012	S	300	D	\$ 200.86	17,897.978	D	
Common Stock	08/16/2012	S	723	D	\$ 200.87	17,174.978	D	
Common Stock	08/16/2012	S	3,051	D	\$ 200.88	14,123.978	D	
Common Stock	08/16/2012	S	100	D	\$ 201	14,023.978	D	
Common Stock						2,257.783	I ⁽¹⁾	spouse

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 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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Emp. Stock Option (right to buy)	\$ 92.12	08/16/2012		M	2,073	03/08/2008 ⁽²⁾	03/07/2015	Common Stock	2,073
Emp. Stock Option (right to buy)	\$ 82.76	08/16/2012		M	5,533	05/08/2009 ⁽²⁾	05/07/2016	Common Stock	5,533
Emp. Stock	\$ 102.8	08/16/2012		M	5,827	05/08/2010 ⁽²⁾	05/07/2017	Common Stock	5,827

Option
(right to
buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Shaughnessy Timothy S IBM CORPORATION 294 ROUTE 100 SOMERS, NY 10589			Senior Vice President	

Signatures

D. Cummins on behalf of T. S. Shaughnessy	08/17/2012
<small>**Signature of Reporting Person</small>	<small>Date</small>

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.
 - (2) This grant vested in one installment on the date shown above.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.