

Daniels Michael E
 Form 4
 May 07, 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 *
 Daniels Michael E

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, 294 ROUTE 100
 (Street)
 SOMERS, NY 10589
 (City) (State) (Zip)

3. Date of Earliest Transaction (Month/Day/Year)
 05/06/2008
 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

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	05/06/2008		M		1,124	A	\$ 88.955
Common Stock	05/06/2008		M		27,076	A	\$ 88.955
Common Stock	05/06/2008		S		200	D	\$ 120.8
Common Stock	05/06/2008		S		200	D	\$ 120.81
Common Stock	05/06/2008		S		100	D	\$ 120.82

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Common Stock	05/06/2008	S	1,300	D	\$ 120.83	64,736.1154	D
Common Stock	05/06/2008	S	946	D	\$ 120.84	63,790.1154	D
Common Stock	05/06/2008	S	100	D	\$ 120.845	63,690.1154	D
Common Stock	05/06/2008	S	1,700	D	\$ 120.85	61,990.1154	D
Common Stock	05/06/2008	S	400	D	\$ 120.86	61,590.1154	D
Common Stock	05/06/2008	S	1,600	D	\$ 120.87	59,990.1154	D
Common Stock	05/06/2008	S	900	D	\$ 120.875	59,090.1154	D
Common Stock	05/06/2008	S	2,600	D	\$ 120.88	56,490.1154	D
Common Stock	05/06/2008	S	800	D	\$ 120.9	55,690.1154	D
Common Stock	05/06/2008	S	500	D	\$ 120.92	55,190.1154	D
Common Stock	05/06/2008	S	300	D	\$ 120.93	54,890.1154	D
Common Stock	05/06/2008	S	300	D	\$ 120.96	54,590.1154	D
Common Stock	05/06/2008	S	400	D	\$ 121	54,190.1154	D
Common Stock	05/06/2008	S	1,400	D	\$ 121.01	52,790.1154	D
Common Stock	05/06/2008	S	2,480	D	\$ 121.02	50,310.1154	D
Common Stock	05/06/2008	S	600	D	\$ 121.025	49,710.1154	D
Common Stock	05/06/2008	S	1,000	D	\$ 121.027	48,710.1154	D
Common Stock	05/06/2008	S	250	D	\$ 121.0275	48,460.1154	D
Common Stock	05/06/2008	S	1,000	D	\$ 121.03	47,460.1154	D
Common Stock	05/06/2008	S	2,700	D	\$ 121.04	44,760.1154	D

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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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Emp. Stock Option (right to buy)	\$ 88.955	05/06/2008		M	27,076	02/23/2003 ⁽¹⁾ 02/22/2009	Common Stock	27,076	
Emp. Stock Option (right to buy)	\$ 88.955	05/06/2008		M	1,124	02/23/2003 ⁽¹⁾ 02/22/2009	Common Stock	1,124	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Daniels Michael E IBM CORPORATION 294 ROUTE 100 SOMERS, NY 10589			Senior Vice President	

Signatures

D. Cummins for M. E. Daniels by power-of-attorney
 05/07/2008
 **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) 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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