

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)

(Last) (First) (Middle)  
**IBM CORPORATION, P.O. BOX 218**  
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)  
**07/28/2008**

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
**Senior Vice President**

**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

**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)
			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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