

INTERNATIONAL BUSINESS MACHINES CORP

Form 4

August 31, 2009

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 *
MILLS STEVEN A

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

08/28/2009

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		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	(A) or (D)			
Common Stock	08/14/2009		G	V	10	D	\$ 0	81,198.6325	D
Common Stock	08/14/2009		G	V	10	D	\$ 0	81,188.6325	D
Common Stock	08/14/2009		G	V	10	D	\$ 0	81,178.6325	D
Common Stock	08/14/2009		G	V	20	D	\$ 0	81,158.6325	D
Common Stock	08/14/2009		G	V	20	D	\$ 0	81,138.6325	D

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Common Stock	08/28/2009	M	726	A	\$ 103.25	81,864.6325	D
Common Stock	08/28/2009	M	29,032	A	\$ 103.25	110,896.6325	D
Common Stock	08/28/2009	S	29,032	D	\$ 120	81,864.6325	D

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)	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)	\$ 103.25	08/28/2009		M	29,032	02/29/2004 ⁽¹⁾ 02/28/2010	Common Stock	29,032	
Emp. Stock Option (right to buy)	\$ 103.25	08/28/2009		M	726	02/29/2004 ⁽¹⁾ 02/28/2010	Common Stock	726	

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MILLS STEVEN A IBM CORPORATION 294 ROUTE 100 SOMERS, NY 10589			Senior Vice President	

Signatures

D. Cummins for S. A. Mills by
power-of-attorney

08/31/2009

__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.

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.