

INTERNATIONAL BUSINESS MACHINES CORP

Form 4

May 09, 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 *
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, 294 ROUTE
100**

3. Date of Earliest Transaction
(Month/Day/Year)
05/08/2007

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)
Senior Vice President

(Street)
SOMERS, NY 10589

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 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	05/08/2007		M		3,125	A	\$ 0
Common Stock	05/08/2007		F		1,369	D	\$ 102.8

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
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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 Security (Instr. 3 and 4)	8. Conversion or Exercise Price of Underlying Security
				Code	V	(A)	(D)	Title	Amount
Emp. Stock Option (right to buy)	\$ 102.8	05/08/2007		A	6,698	05/08/2010 ⁽¹⁾	05/07/2017 ⁽¹⁾	Common Stock	6,698
Rst. Stock Unit	\$ 0 ⁽²⁾	05/08/2007		A ⁽²⁾	8,527	⁽²⁾	⁽²⁾	Common Stock	8,527
Rst. Stock Unit	\$ 0 ⁽³⁾	05/08/2007		M ⁽⁴⁾		3,125	⁽³⁾	Common Stock	3,125
Phantom Stock Unit	\$ 0 ⁽⁵⁾	05/08/2007		A ⁽⁶⁾	32	⁽⁷⁾	⁽⁷⁾	Common Stock	32

Reporting Owners

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

Signatures

D. Cummins for J. E. Kelly III by
power-of-attorney

05/09/2007

 **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) These derivative securities vest 100% on the date exercisable shown. All expire on the expiration date shown above.

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- (2) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 2,842 of these units on 05/08/2008, for 2,842 of these units on 05/08/2009, and for the remaining 2,843 of these units on 05/08/2010.
- (3) These units were payable in cash or the company's common stock upon the lapse of the restrictions on the transaction date shown.
- (4) Release of restricted stock units.
- (5) Phantom stock units convert to the cash value of the company's common stock on a one-for-one basis.
- (6) Acquisition of phantom stock units under the IBM Executive Deferred Compensation Plan.
- (7) Distribution of phantom stock units under the IBM Executive Deferred Compensation Plan is deferred until separation from the company.

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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