

INTERNATIONAL BUSINESS MACHINES CORP
 Form 4
 July 26, 2011

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 *
 SANFORD LINDA 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)
 Senior Vice President

IBM CORPORATION, 294 ROUTE 100
 (Street)

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

SOMERS, NY 10589

(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 Ownership Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--------------------|---|--|--|
| | | | | Code | V Amount (D) Price | | | |
| Common Stock | 07/25/2011 | | M | | 54,960 A \$ 97.59 | 54,960 | D | |
| Common Stock | 07/25/2011 | | S | | 600 D \$ 184.2001 | 54,360 | D | |
| Common Stock | 07/25/2011 | | S | | 200 D \$ 184.2002 | 54,160 | D | |
| Common Stock | 07/25/2011 | | S | | 776 D \$ 184.21 | 53,384 | D | |
| Common Stock | 07/25/2011 | | S | | 100 D \$ 184.2101 | 53,284 | D | |

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| | | | | | | | |
|--------------|------------|---|-------|---|-------------|--------|---|
| Common Stock | 07/25/2011 | S | 2,000 | D | \$ 184.22 | 51,284 | D |
| Common Stock | 07/25/2011 | S | 1,200 | D | \$ 184.23 | 50,084 | D |
| Common Stock | 07/25/2011 | S | 1,300 | D | \$ 184.24 | 48,784 | D |
| Common Stock | 07/25/2011 | S | 2,400 | D | \$ 184.27 | 46,384 | D |
| Common Stock | 07/25/2011 | S | 2,645 | D | \$ 184.28 | 43,739 | D |
| Common Stock | 07/25/2011 | S | 1,855 | D | \$ 184.29 | 41,884 | D |
| Common Stock | 07/25/2011 | S | 100 | D | \$ 184.2977 | 41,784 | D |
| Common Stock | 07/25/2011 | S | 4,100 | D | \$ 184.3 | 37,684 | D |
| Common Stock | 07/25/2011 | S | 2,100 | D | \$ 184.31 | 35,584 | D |
| Common Stock | 07/25/2011 | S | 1,400 | D | \$ 184.32 | 34,184 | D |
| Common Stock | 07/25/2011 | S | 900 | D | \$ 184.33 | 33,284 | D |
| Common Stock | 07/25/2011 | S | 19 | D | \$ 184.336 | 33,265 | D |
| Common Stock | 07/25/2011 | S | 4,025 | D | \$ 184.34 | 29,240 | D |
| Common Stock | 07/25/2011 | S | 100 | D | \$ 184.3425 | 29,140 | D |
| Common Stock | 07/25/2011 | S | 4,070 | D | \$ 184.35 | 25,070 | D |
| Common Stock | 07/25/2011 | S | 800 | D | \$ 184.36 | 24,270 | D |
| Common Stock | 07/25/2011 | S | 2,240 | D | \$ 184.37 | 22,030 | D |
| Common Stock | 07/25/2011 | S | 1,300 | D | \$ 184.38 | 20,730 | D |
| Common Stock | 07/25/2011 | S | 50 | D | \$ 184.3877 | 20,680 | D |

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

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(9-02)

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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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Emp. Stock Option (right to buy) | \$ 97.59 | 07/25/2011 | | M | 54,960 | 02/26/2006 ⁽¹⁾ 02/25/2012 | Common Stock 54,960 |

Reporting Owners

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

Signatures

D. Cummins on behalf of L. S. Sanford
07/26/2011

__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 transactions 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.

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.