

KELLY JOHN E III  
 Form 4  
 May 11, 2009

**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)

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

\_\_\_ Director \_\_\_ 10% Owner  
 Officer (give title below) \_\_\_ Other (specify below)

**IBM CORPORATION, P.O. BOX 218**

**05/08/2009**

Senior Vice President

(Street)

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

6. Individual or Joint/Group Filing(Check Applicable Line)

**YORKTOWN HEIGHTS, NY 10598**

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 (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)
				(A) or (D)	Price		
Common Stock	05/08/2009		M	2,523	A \$ 0	56,680.8189	D
Common Stock	05/08/2009		M	2,842	A \$ 0	59,522.8189	D
Common Stock	05/08/2009		M	3,125	A \$ 0	62,647.8189	D
Common Stock	05/08/2009		F	1,198	D \$ 101.79	61,449.8189	D
Common Stock	05/08/2009		F	1,350	D \$ 101.79	60,099.8189	D

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Common Stock 05/08/2009 F 1,484 D \$ 101.79 58,615.8189 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)	8. Price or Value of Underlying Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Rst. Stock Unit	\$ 0 <sup>(1)</sup>	05/08/2009		M <sup>(2)</sup>	3,125	<sup>(1)</sup>	<sup>(1)</sup>	Common Stock	3,125	\$
Rst. Stock Unit	\$ 0 <sup>(1)</sup>	05/08/2009		M <sup>(2)</sup>	2,842	<sup>(1)</sup>	<sup>(1)</sup>	Common Stock	2,842	\$
Rst. Stock Unit	\$ 0 <sup>(1)</sup>	05/08/2009		M <sup>(2)</sup>	2,523	<sup>(1)</sup>	<sup>(1)</sup>	Common Stock	2,523	\$

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KELLY JOHN E III IBM CORPORATION P.O. BOX 218 YORKTOWN HEIGHTS, NY 10598			Senior Vice President	

## Signatures

D. Cummins for J. E. Kelly III by power-of-attorney 05/11/2009

