

INTERNATIONAL BUSINESS MACHINES CORP
Form 10-Q
July 28, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10 - Q

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTER ENDED JUNE 30, 2015

1-2360

(Commission file number)

INTERNATIONAL BUSINESS MACHINES CORPORATION

(Exact name of registrant as specified in its charter)

New York
(State of incorporation)

13-0871985
(IRS employer identification number)

Armonk , New York
(Address of principal executive offices)

10504
(Zip Code)

914-499-1900

(Registrant's telephone number)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The registrant had 979,529,828 shares of common stock outstanding at June 30, 2015.

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Part I - Financial Information**Item 1. Consolidated Financial Statements:****INTERNATIONAL BUSINESS MACHINES CORPORATION
AND SUBSIDIARY COMPANIES****CONSOLIDATED STATEMENT OF EARNINGS
(UNAUDITED)**

(Dollars in millions except per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014*	2015	2014*
Revenue:				
Services	\$ 12,597	\$ 14,128	\$ 24,963	\$ 28,110
Sales	7,733	9,410	14,489	17,146
Financing	484	509	950	1,027
Total revenue	20,813	24,047	40,403	46,283
Cost:				
Services	8,431	9,131	16,709	18,232
Sales	1,726	2,643	3,351	4,872
Financing	266	230	501	508
Total cost	10,423	12,003	20,561	23,612
Gross profit	10,390	12,044	19,842	22,671
Expense and other (income):				
Selling, general and administrative	5,179	5,593	10,541	11,865
Research, development and engineering	1,300	1,361	2,598	2,763
Intellectual property and custom development income	(128)	&		