

INTERNATIONAL BUSINESS MACHINES CORP
 Form FWP
 May 03, 2013

Filed Pursuant to Rule 433

Registration Number 333-168333

International Business Machines Corporation
May 2, 2013
Pricing Term Sheet

0.450% Notes due 2016

1.625% Notes due 2020

| | |
|----------------------------|---|
| Issuer | International Business Machines Corporation |
| Expected Issuer Ratings* | Aa3/AA-/A+ (Moody s/S&P/Fitch) |
| Format | SEC Registered |
| Trade Date | May 2, 2013 |
| Settlement Date | May 7, 2013 (T+3) |
| Joint Bookrunning Managers | BNP Paribas Securities Corp. |

Merrill Lynch, Pierce, Fenner & Smith

Incorporated

RBS Securities Inc.

| | |
|-------------|---------------------------------|
| Co-Managers | Wells Fargo Securities, LLC |
| | BNY Mellon Capital Markets, LLC |

CastleOak Securities, L.P.

MFR Securities, Inc.

Toussaint Capital Partners, LLC

| | <u>2016 Notes</u> | <u>2020 Notes</u> |
|------------------------------|---------------------------|---------------------------|
| Principal Amount | \$1,000,000,000 | \$1,250,000,000 |
| Maturity | May 6, 2016 | May 15, 2020 |
| Interest Payment Dates | May 6 and November 6 | May 15 and November 15 |
| First Interest Payment Date | November 6, 2013 | November 15, 2013 |
| Benchmark Treasury | 0.250% due April 15, 2016 | 1.125% due April 30, 2020 |
| Benchmark Treasury Yield | 0.295% | 1.069% |
| Spread to Benchmark Treasury | T + 25 bps | T + 67 bps |
| Yield to Maturity | 0.545% | 1.739% |
| Coupon | 0.450% | 1.625% |
| Make-Whole Call | T + 5 bps | T + 12.5 bps |
| Price to Public | 99.718% | 99.249% |
| Underwriting Discount | 0.150% | 0.300% |
| Price to Issuer | 99.568% | 98.949% |

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| | | |
|----------------------|------------------------------------|------------------------------------|
| Day Count | 30/360 | 30/360 |
| Minimum Denomination | \$100,000 and multiples of \$1,000 | \$100,000 and multiples of \$1,000 |
| CUSIP | 459200 HL8 | 459200 HM6 |
| ISIN | US459200HL87 | US459200HM60 |

***Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.**

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC web site at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling BNP Paribas Securities Corp. toll-free at 800-854-5674, Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at 800-294-1322, RBS Securities Inc. toll-free at 866-884-2071, or Wells Fargo Securities, LLC toll-free at 800-326-5897.

This pricing term sheet supplements the preliminary form of prospectus supplement issued by International Business Machines Corporation on May 2, 2013 relating to its Prospectus dated July 27, 2010.
