

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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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 *
 Shaughnessy Timothy 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)
 IBM CORPORATION, NEW ORCHARD ROAD
 (Street)

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

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
 VP, Controller

ARMONK, NY 10504

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

(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 Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4)		
				(A) or (D)	Code	V	Amount	(D)	Price

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

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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	2. Conversion	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if	4. Transaction of	5. Number of Derivative	6. Date Exercisable and Expiration Date	7. Title and Amount Underlying Securities
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Security (Instr. 3)	or Exercise Price of Derivative Security	any (Month/Day/Year)	Code (Instr. 8)	Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	(Month/Day/Year)	(Instr. 3 and 4)				
			Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Emp. Stock Option (right to buy)	\$ 102.8	05/08/2007	A		5,827		05/08/2010 ⁽¹⁾	05/07/2017 ⁽¹⁾	Common Stock	5,827
Rst. Stock Unit	\$ 0 ⁽²⁾	05/08/2007	A ⁽²⁾		4,448		⁽²⁾	⁽²⁾	Common Stock	4,448
Phantom Stock Unit	\$ 0 ⁽³⁾	05/08/2007	A ⁽⁴⁾		16		⁽⁵⁾	⁽⁵⁾	Common Stock	16
Emp. Stock Option (right to buy)	\$ 102.8	05/08/2007	A		603		05/08/2010 ⁽¹⁾	05/07/2017 ⁽¹⁾	Common Stock	603
Rst. Stock Unit	\$ 0 ⁽⁷⁾	05/08/2007	A ⁽⁷⁾		1,053		⁽⁷⁾	⁽⁷⁾	Common Stock	1,053
Phantom Stock Unit	\$ 0 ⁽³⁾	05/08/2007	A ⁽⁴⁾		3		⁽⁵⁾	⁽⁵⁾	Common Stock	3

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Shaughnessy Timothy S IBM CORPORATION, NEW ORCHARD ROAD ARMONK, NY 10504			VP, Controller	

Signatures

D. Cummins for T. S. Shaughnessy 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.
- (2) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 2,224 of these units on 05/08/2009, and the restrictions lapse for the remaining 2,224 of these units on 05/08/2011.
- (3) Phantom stock units convert to the cash value of the company's common stock on a one-for-one basis.
- (4) Acquisition of phantom stock units under the IBM Executive Deferred Compensation Plan.
- (5) Distribution of phantom stock units under the IBM Executive Deferred Compensation Plan is deferred until separation from the company.
- (6) The reporting person disclaims beneficial ownership of the securities, and this report shall not be deemed an admission that the reporting person is the beneficial owner of such securities for purposes of Section 16 or for any other purpose.
- (7) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 526 of these units on 05/08/2009, and the restrictions lapse for the remaining 527 of these units on 05/08/2011.

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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