

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2010-06-01** | Period of Report: **2010-05-28**
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REPORTING OWNER

KAVANAUGH JAMES J

CIK: **1433640**

Type: **4** | Act: **34** | File No.: **001-02360** | Film No.: **10869416**

Mailing Address

*IBM CORPORATION
ONE NORTH CASTLE DRIVE
ARMONK NY 10504*

ISSUER

INTERNATIONAL BUSINESS MACHINES CORP

CIK: **51143** | IRS No.: **130871985** | State of Incorporation: **NY** | Fiscal Year End: **1231**
SIC: **3570** Computer & office equipment

Mailing Address

*1 NEW ORCHARD RD
ARMONK NY 10504*

Business Address

*1 NEW ORCHARD ROAD
ARMONK NY 10504
9144991900*

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

1. Name and Address of Reporting Person KAVANAUGH JAMES J			2. Issuer Name and Ticker or Trading Symbol INTERNATIONAL BUSINESS MACHINES CORP [IBM]			5. Relationship of Reporting Person(s) to Issuer (Check all applicable) <input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below) VP, Controller		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 05/28/2010			6. Individual or Joint/Group Filing (Check applicable line) <input checked="" type="checkbox"/> Form Filed by One Reporting Person <input type="checkbox"/> Form Filed by More than One Reporting Person		
IBM CORPORATION, ONE NEW ORCHARD ROAD			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) ARMONK, NY 10504								
(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)
			Code	V	Amount	(A) or (D)	Price			

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 Securities Underlying Derivative Security (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)	11. Nature of Indirect Beneficial Ownership (Instr. 4)
				Code	V	(A)	(D)	Date Exercisable	Expiration Date					
Phantom Stock Unit	\$ 0 ⁽¹⁾	05/28/2010		A ⁽²⁾		4		⁽³⁾	⁽³⁾	Common Stock	4	\$ 0	2,547	D

Explanation of Responses:

- Phantom stock units convert to the cash value of the company's common stock on a one-for-one basis.
- Acquisition of phantom stock units under the IBM Excess 401(k) Plus Plan.

3. Distribution of phantom stock units under the IBM Excess 401(k) Plus Plan is deferred until separation from the company. The reporting person may transfer these phantom stock units into an alternative investment account under such plan.

Signatures

D. Cummins on behalf of J. J. Kavanaugh

** Signature of Reporting Person

06/01/2010

Date

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

* 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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.