

SECURITIES AND EXCHANGE COMMISSION

FORM 4

Statement of changes in beneficial ownership of securities

Filing Date: **2005-05-02** | Period of Report: **2005-05-01**
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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*

REPORTING OWNER

TAUREL SIDNEY

CIK: **1016844**
Type: **4** | Act: **34** | File No.: **001-02360** | Film No.: **05791033**

Mailing Address
*ELI LILLY AND COMPANY
LILLY CORPORATE CENTER
INDIANAPOLIS IN 46285*

Business Address
XXX

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

OMB APPROVAL

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

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 TAUREL SIDNEY			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 checked="" type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input type="checkbox"/> Officer (give title below) <input type="checkbox"/> Other (specify below)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction (Month/Day/Year) 05/01/2005			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		
ELI LILLY AND COMPANY, LILLY CORPORATE CENTER			4. If Amendment, Date Original Filed(Month/Day/Year)					
(Street) INDIANAPOLIS, IN 46285								
(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					
BOD Stock Option (right to buy) ⁽¹⁾	\$76.48	05/01/2005		A		4,000		05/01/2006 ⁽²⁾	04/30/2015 ⁽²⁾	Common Stock	4,000	\$ 0	4,000	D

Explanation of Responses:

- Stock options granted pursuant to the IBM Non-Employee Directors Stock Option Plan.
- These derivative securities vest in four equal annual installments, the first vesting being on the date exercisable shown above.

Signatures

C. B. Gregory for S. Taurel by power-of-attorney

05/02/2005

** Signature of Reporting Person

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.