

INTERNATIONAL BUSINESS MACHINES CORP  
Form FWP  
August 09, 2007

Filed Pursuant to Rule 433  
Registration Nos. 333-145104 and 333-145104-01

\$2,600,000,000

Floating Rate Notes Due 2009

IBM International Group Capital LLC

International Business Machines Corporation

August 8, 2007

Pricing Term Sheet

|                                       |  |
|---------------------------------------|--|
| Issuer                                | IBM International Group Capital LLC  |
| Guarantor                             | International Business Machines Corporation  |
| Ratings                               | A1/A+/A+ (Moody s/S&P/Fitch)   |
| Format                                | SEC Registered   |
| Ranking                               | Senior   |
| Trade Date                            | August 8, 2007   |
| Settlement Date                       | August 13, 2007  |
| Size                                  | \$2,600,000,000  |
| Maturity                              | February 13, 2009  |
| Interest Payment Dates                | Quarterly on February 13, May 13, August 13 and November 13  |
| First Payment Date                    | November 13, 2007  |
| Spread to LIBOR                       | 5 bps  |
| Designated LIBOR page                 | Reuters Screen LIBOR01 Page  |
| Index Maturity                        | 3 Months   |
| Interest Reset Period                 | Quarterly  |
| Interest Reset Dates                  | February 13, May 13, August 13 and November 13   |
| Initial Interest Rate                 | Three month LIBOR plus 5 bps, determined on the second London banking day prior to August 13, 2007   |
| Price to Public                       | 100.00%  |
| Underwriting Discount                 | 0.08%  |
| Price to Issuer                       | 99.92%   |
| Net Proceeds                          | \$2,597,920,000  |
| Day Count                             | Actual/360, Modified Following Business Day  |
| Minimum Denomination                  | \$100,000 and increments of \$1,000  |
| Bookrunners                           | Deutsche Bank Securities Inc., J.P. Morgan Securities Inc.,<br>Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and<br>Morgan Stanley & Co. Incorporated |
| Billing and Delivering<br>Co-Managers | Morgan Stanley & Co. Incorporated<br>Barclays Capital Inc., Bear Stearns & Co. Inc., BNP Paribas Securities Corp.,<br>UBS Securities LLC   |
| CUSIP                                 | 44924EAA8  |
| ISIN                                  | US44924EAA82   |

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](http://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 Deutsche Bank Securities Inc. at 1-800-503-4611, collect to J.P. Morgan Securities Inc. at 212-834-4533, Lehman

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Brothers Inc. at 1-888-603-5847, Merrill Lynch, Pierce, Fenner & Smith Incorporated at 1-866-500-5408 or Morgan Stanley & Co. Incorporated at 1-866-718-1649.

This pricing term sheet supplements the preliminary form of prospectus supplement issued by IBM International Group Capital LLC and International Business Machines Corporation on August 8, 2007 relating to their Prospectus dated August 3, 2007.

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