IWATA JON C Form 4 February 03, 2009

FORM 4

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

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Check this box

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, obligations Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

(Print or Type Responses)

1(b).

(Last)

(City)

1. Name and Address of Reporting Person * **IWATA JON C**

2. Issuer Name and Ticker or Trading Symbol

Issuer

5. Relationship of Reporting Person(s) to

INTERNATIONAL BUSINESS MACHINES CORP [IBM]

(Check all applicable)

IBM CORPORATION, NEW

(First)

(State)

(Middle)

(Zip)

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

X_ Officer (give title below)

10% Owner Other (specify

Senior Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)

Director

X Form filed by One Reporting Person Form filed by More than One Reporting

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

ORCHARD ROAD

(Street) 4. If Amendment, Date Original

Filed(Month/Day/Year)

02/01/2009

ARMONK, NY 10504

						_			=
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. 4. Securities Acquired Transaction(A) or Disposed of (D) Code (Instr. 3, 4 and 5) (Instr. 8) (A) or				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)
Common Stock	02/01/2009		Code V $A_{\underline{(1)}}$	Amount 15,525	(D)	Price \$ 0	40,333.713	D	
Common Stock	02/01/2009		F	5,670	D	\$ 92.36	34,663.713	D	

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

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5.	6. Date Exerc	cisable and	7. Title	and	8. Price of	9. Nu
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transactio	onNumber	Expiration D	ate	Amoun	t of	Derivative	Deriv
Security	or Exercise		any	Code	of	(Month/Day/	Year)	Underly	ying	Security	Secui
(Instr. 3)	Price of		(Month/Day/Year)	(Instr. 8)	Derivative	e		Securit	ies	(Instr. 5)	Bene
	Derivative			Securities				(Instr. 3	3 and 4)		Own
	Security				Acquired						Follo
	•				(A) or						Repo
					Disposed						Trans
					of (D)						(Instr
					(Instr. 3,						
					4, and 5)						
									A manuat		
									Amount		
						Date	Expiration		Or Number		
						Exercisable	Date	Title Nu of	Number		
				C + V	(A) (D)						
				Code V	(A) (D)				Shares		

Reporting Owners

Relationships Reporting Owner Name / Address

> Officer Other Director 10% Owner

IWATA JON C IBM CORPORATION **NEW ORCHARD ROAD** ARMONK, NY 10504

Senior Vice President

Signatures

D. Cummins for J. C. Iwata by power-of-attorney

02/03/2009

**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).
- These shares result from performance share units which vested at the end of the performance period (2006-2008) and were payable in cash or the company's common stock on the transaction date shown.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

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