

KAVANAUGH JAMES J
 Form 3
 May 06, 2008

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF 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)

<p>1. Name and Address of Reporting Person *</p> <p>Â KAVANAUGH JAMES J</p> <p>(Last) (First) (Middle)</p> <p>IBM CORPORATION,Â ONE NORTH CASTLE DRIVE</p> <p>(Street)</p> <p>ARMONK,Â NYÂ 10504</p> <p>(City) (State) (Zip)</p>	<p>2. Date of Event Requiring Statement</p> <p>(Month/Day/Year)</p> <p>05/02/2008</p>	<p>3. Issuer Name and Ticker or Trading Symbol</p> <p>INTERNATIONAL BUSINESS MACHINES CORP [IBM]</p> <p>4. Relationship of Reporting Person(s) to Issuer</p> <p>(Check all applicable)</p> <p><input type="checkbox"/> Director <input type="checkbox"/> 10% Owner <input checked="" type="checkbox"/> Officer <input type="checkbox"/> Other (give title below) (specify below) Vice President and Controller</p>	<p>5. If Amendment, Date Original Filed(Month/Day/Year)</p> <p>6. Individual or Joint/Group Filing(Check Applicable Line)</p> <p><input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person</p>
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Table I - Non-Derivative Securities Beneficially Owned

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
Common Stock	2,000	D	Â

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

SEC 1473 (7-02)

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

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)	3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)	4. Conversion or Exercise Price of Derivative	5. Ownership Form of Derivative Security:	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Title			

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		Expiration Date		Amount or Number of Shares	Security	Direct (D) or Indirect (I) (Instr. 5)	
Emp. Stock Option (right to buy)	02/23/2003 ⁽¹⁾	02/22/2009	Common Stock	1,124	\$ 88.955	D	Â
Emp. Stock Option (right to buy)	02/23/2003 ⁽¹⁾	02/22/2009	Common Stock	2,276	\$ 88.955	D	Â
Emp. Stock Option (right to buy)	02/29/2004 ⁽¹⁾	02/28/2010	Common Stock	968	\$ 103.25	D	Â
Emp. Stock Option (right to buy)	02/29/2004 ⁽¹⁾	02/28/2010	Common Stock	2,032	\$ 103.25	D	Â
Emp. Stock Option (right to buy)	02/27/2005 ⁽¹⁾	02/26/2011	Common Stock	955	\$ 104.71	D	Â
Emp. Stock Option (right to buy)	02/27/2005 ⁽¹⁾	02/26/2011	Common Stock	6,045	\$ 104.71	D	Â
Emp. Stock Option (right to buy)	02/26/2006 ⁽¹⁾	02/25/2012	Common Stock	10,011	\$ 97.59	D	Â
Emp. Stock Option (right to buy)	02/25/2007 ⁽¹⁾	02/24/2013	Common Stock	16,455	\$ 78.13	D	Â
Emp. Stock Option (right to buy)	02/24/2008 ⁽¹⁾	02/23/2014	Common Stock	16,087	\$ 105.96	D	Â
Emp. Stock Option (right to buy)	03/08/2008 ⁽²⁾	03/07/2015	Common Stock	794	\$ 92.12	D	Â
Emp. Stock Option (right to buy)	03/08/2008 ⁽³⁾	03/07/2015	Common Stock	8,560	\$ 101.33	D	Â
Emp. Stock Option (right to buy)	05/08/2009 ⁽⁴⁾	05/07/2016	Common Stock	1,352	\$ 82.76	D	Â
Emp. Stock Option (right to buy)	05/08/2010 ⁽⁴⁾	05/07/2017	Common Stock	559	\$ 102.8	D	Â
Rst. Stock Unit	Â ⁽⁵⁾	Â ⁽⁵⁾	Common Stock	2,500	\$ 0	D	Â
Rst. Stock Unit	Â ⁽⁶⁾	Â ⁽⁶⁾	Common Stock	2,106	\$ 0	D	Â
Rst. Stock Unit	Â ⁽⁷⁾	Â ⁽⁷⁾	Common Stock	6,098	\$ 0	D	Â
Rst. Stock Unit	Â ⁽⁸⁾	Â ⁽⁸⁾	Common Stock	7,282	\$ 0	D	Â
Phantom Stock Unit	Â ⁽⁹⁾	Â ⁽⁹⁾	Common Stock	1,914	\$ 0	D	Â
Rst. Stock Unit	Â ⁽¹⁰⁾	Â ⁽¹⁰⁾	Common Stock	149	\$ 0	D	Â

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KAVANAUGH JAMES J IBM CORPORATION ONE NORTH CASTLE DRIVE ARMONK, NY 10504	Â	Â	Â Vice President and Controller	Â

Signatures

D. Cummins for James J. Kavanaugh by
power-of-attorney

05/06/2008

____Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(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) This grant vested in four equal annual installments; the last installment vested on the date shown above.
 - (2) This grant vested in its entirety on the date shown above.
 - (3) This grant vests in four equal annual installments; the most recent vesting occurred on the date shown above.
 - (4) This grant vests in its entirety on the date shown above.
 - (5) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 1,250 of these units on May 8, 2008 and for 1,250 of these units on May 8, 2010.
 - (6) Upon lapse of the restrictions, these units are payable in cash or the company's common stock. The restrictions lapse for 1,053 of these units on May 8, 2009 and for 1,053 of these units on May 8, 2011.
 - (7) These units are payable in cash or the company's common stock upon lapse of the restrictions on November 2, 2010.
 - (8) These units are payable in cash or the company's common stock upon lapse of the restrictions on September 4, 2012.
Phantom stock units acquired under the IBM Excess 401(k) Plus Plan convert to the cash value of the company's common stock on a one-for-one basis, and distribution is deferred until separation from the company. The reporting person may transfer some of these phantom stock units into an alternative investment account under such plan.
 - (10) These units have been deferred and are payable in the company's common stock upon lapse of restriction after retirement.

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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