

INTERNATIONAL BUSINESS MACHINES CORP
Form FWP
September 12, 2007

Filed Pursuant to Rule 433
Registration No. 333-145104

\$3,000,000,000

5.700% Notes Due 2017

International Business Machines Corporation

September 11, 2007

Pricing Term Sheet

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|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Issuer | International Business Machines Corporation |
| Ratings | A1/A+/A+ (Moody s/S&P/Fitch) |
| Format | SEC Registered |
| Size | \$3,000,000,000 |
| Trade Date | September 11, 2007 |
| Settlement Date | September 14, 2007 |
| Maturity | September 14, 2017 |
| Interest Payment Dates | March 14 and September 14 |
| First Payment Date | March 14, 2008 |
| Pricing Benchmark | 4.750% due August 15, 2017 |
| Spread to Benchmark | + 139 bps |
| Yield to Maturity | 5.746% |
| Coupon | 5.700% |
| Make-Whole Call | T+ 20 bps |
| Price to Public | 99.654% |
| Underwriting Discount | 0.40% |
| Price to Issuer | 99.254% |
| Net Proceeds | \$2,977,620,000 |
| Day Count | 30/360 |
| Minimum Denomination | \$100,000 and increments of \$1,000 |
| Ranking | Senior |
| Bookrunners | Barclays Capital Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., Goldman, Sachs & Co., J.P. Morgan Securities Inc., UBS Securities LLC |
| Billing and Delivering Co-Managers | Barclays Capital Inc. Deutsche Bank Securities Inc., Lehman Brothers Inc., Morgan Stanley & Co. Incorporated Banc of America Securities LLC, Mitsubishi UFJ Securities International plc, HSBC Securities (USA) Inc. CastleOak Securities, L.P., Loop Capital Markets, LLC, M.R. Beal & Company, Muriel Siebert & Co., Inc. |
| CUSIP | 459200 GJ4 |
| ISIN | US459200GJ41 |

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. Alternatively, the Issuer, any underwriter or any dealer participating in the Offering will

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arrange to send you the prospectus if you request it by calling Barclays Capital Inc. toll free at 1-888-227-2275 ext. 2663, BNP Paribas Securities Corp. toll-free at 1-800-854-5674, Citigroup Global Markets Inc. toll-free at 1-877-858-5407, Goldman, Sachs & Co. toll-free at 1-866-471-2526, J.P. Morgan Securities Inc. at 212-834-4533, or **UBS Securities LLC toll free at 1-888-722-9555, ext. 1088.**

This pricing term sheet supplements the preliminary form of prospectus supplement issued by International Business Machines Corporation on September 11, 2007 relating to its Prospectus dated August 3, 2007.
