

INTERNATIONAL BUSINESS MACHINES CORP

Form FWP

July 24, 2008

Filed Pursuant to Rule 433

Registration No. 333-145104

\$1,000,000,000

Floating Rate Notes Due 2011

International Business Machines Corporation

July 23, 2008

Pricing Term Sheet

|                        |   |
|------------------------|---|
| Issuer                 | International Business Machines Corporation   |
| Ratings                | A1/A+/A+ (Moody s/S&P/Fitch)  |
| Format                 | SEC Registered  |
| Ranking                | Senior  |
| Trade Date             | July 23, 2008   |
| Settlement Date        | July 28, 2008   |
| Size                   | \$1,000,000,000   |
| Maturity               | July 28, 2011   |
| Interest Payment Dates | Quarterly on January 28, April 28, July 28, and October 28  |
| First Payment Date     | October 28, 2008  |
| Spread to LIBOR        | 58 bps  |
| Designated LIBOR page  | Reuters Screen LIBOR01 Page   |
| Index Maturity         | 3 Months  |
| Interest Reset Period  | Quarterly   |
| Interest Reset Dates   | January 28, April 28, July 28, and October 28   |
| Initial Interest Rate  | Three month LIBOR plus 58 bps, determined on the second London banking day prior to July 28, 2008                                     |
| Price to Public        | 100.00%   |
| Underwriting Discount  | 0.150%  |
| Price to Issuer        | 99.850%   |
| Net Proceeds           | \$998,500,000   |
| Day Count              | Actual/360, Modified Following Business Day   |
| Minimum Denomination   | \$100,000 and increments of \$1,000   |
| Bookrunners            | Barclays Capital Inc., Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated and Morgan Stanley & Co. Incorporated |
| Billing and Delivering | Barclays Capital Inc.   |
| CUSIP                  | 459200GK1   |
| ISIN                   | US459200GK14  |

Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

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 Barclays Capital Inc. at 1-888-227-2775, Ext. 2663, Lehman 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.

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This pricing term sheet supplements the preliminary form of prospectus supplement issued by International Business Machines Corporation on July 23, 2008 relating to their Prospectus dated August 3, 2007.

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