

INTERNATIONAL BUSINESS MACHINES CORP
 Form FWP
 October 28, 2011

Filed Pursuant to Rule 433

Registration Number 333-168333

International Business Machines Corporation
October 27, 2011
Pricing Term Sheet

0.875% Notes due 2014

2.900% Notes due 2021

| | | |
|------------------------------|---|------------------------------------|
| Issuer | International Business Machines Corporation | |
| Expected Issuer Ratings* | Aa3/A+/A+ (Moody s/S&P/Fitch) | |
| Format | SEC Registered | |
| Trade Date | October 27, 2011 | |
| Settlement Date | (T+3); November 1, 2011 | |
| Bookrunners | Barclays Capital Inc., BNP Paribas Securities Corp., Citigroup Global Markets Inc., J.P. Morgan Securities LLC | |
| Co-Managers | Credit Suisse Securities (USA) LLC, Lebenthal & Co., LLC, Mizuho Securities USA Inc., RBC Capital Markets, LLC, RBS Securities Inc. | |
| | <u>2014 Notes</u> | <u>2021 Notes</u> |
| Principal Amount | \$1,350,000,000 | \$500,000,000 |
| Maturity | October 31, 2014 | November 1, 2021 |
| Interest Payment Dates | April 30 and October 31 | May 1 and November 1 |
| First Interest Payment Date | April 30, 2012 | May 1, 2012 |
| Benchmark Treasury | 0.500% due October 15, 2014 | 2.125% due August 15, 2021 |
| Benchmark Treasury Yield | 0.513% | 2.384% |
| Spread to Benchmark Treasury | T + 40 bps | T + 62.5 bps |
| Yield to Maturity | 0.913% | 3.009% |
| Coupon | 0.875% | 2.900% |
| Make-Whole Call | T + 10 bps | T + 12.5 bps |
| Price to Public | 99.888% | 99.065% |
| Underwriting Discount | 0.150% | 0.450% |
| Day Count | 30/360 | 30/360 |
| Minimum Denomination | \$100,000 and multiples of \$1,000 | \$100,000 and multiples of \$1,000 |
| CUSIP | 459200GZ8 | 459200HA2 |
| ISIN/Common Code | US459200GZ82 | US459200HA23 |

*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. 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. toll free at 1-888-603-5847, BNP Paribas Securities Corp. toll free at 1-800-854-5674, Citigroup Global Markets Inc. toll free at 1-877-858-5407 or J.P. Morgan Securities LLC collect at 1-212-834-4533.

This pricing term sheet supplements the preliminary form of prospectus supplement issued by International Business Machines Corporation on October 27, 2011 relating to its Prospectus dated July 27, 2010.
