

RECENT PRICE	163.00	P/E RATIO	10.7 (Trailing: 10.4 Median: 13.0)	RELATIVE P/E RATIO	0.56	DIV'D YLD	2.8%	VALUE LINE
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2018-20 PROJECTIONS				
	Price	Gain	Ann'l Total Return	
High	260	(+60%)	14%	
Low	215	(+30%)	10%	

Insider Decisions

	M	J	J	A	S	O	N	D	J
to Buy	0	0	0	0	0	0	0	0	0
Options	1	0	1	4	0	0	0	0	0
to Sell	2	0	5	6	0	0	0	0	2

Institutional Decisions

	202014	3Q2014	4Q2014
to Buy	611	622	619
to Sell	916	869	1020
Hld's(000)	578241	577018	574895

% TOT. RETURN 2/15

	THIS STOCK	VL ARITH. INDEX
1 yr.	-10.3	8.2
3 yr.	-12.3	60.8
5 yr.	40.5	110.1

CAPITAL STRUCTURE as of 12/31/14				91134	91424	98786	103630	95758	99870	106916	104507	99751	92793	84000	85000	Revenues (\$mill)	89000
				16.0%	19.3%	20.7%	20.6%	23.0%	23.0%	23.5%	25.1%	24.3%	24.0%	26.0%	26.5%	Operating Margin	28.0%
Total Debt \$40804 mill. Due in 5 Yrs \$19246 mill.				5188.0	4983.0	5201.0	5450.0	4994.0	4831.0	4815.0	4676.0	4678.0	4492.0	4500	4600	Depreciation (\$mill)	5300
LT Debt \$35073 mill. LT Interest \$945 mill.				8519.0	9416.0	10418	12334	13425	14833	15855	16604	16483	15751	14600	15000	Net Profit (\$mill)	16500
(LT interest earned: 22.2x; total interest coverage: 20.5x)				30.3%	29.3%	28.1%	26.2%	26.0%	24.8%	24.5%	24.2%	15.6%	21.2%	20.0%	20.0%	Income Tax Rate	20.0%
(75% of Cap'l)				9.3%	10.3%	10.5%	11.9%	14.0%	14.9%	14.8%	15.9%	16.5%	17.0%	17.4%	17.6%	Net Profit Margin	18.5%
Pension Assets-12/14 \$147.4 bill. Oblig. \$112.3 bill.				10509	4569.0	8867.0	6569.0	12933	7554.0	8805.0	5808.0	11196	9822.0	7000	10000	Working Cap'l (\$mill)	12000
				15425	13780	23039	22689	21932	21846	22857	24088	32856	35073	37000	39000	Long-Term Debt (\$mill)	50000
Pfd Stock None				33098	28506	28470	13465	22755 ^E	23172	20236	18860	22792	11868	16450	22750	Shr. Equity (\$mill) ^D	50000
Common Stock 990,523,759 shs.				18.3%	23.1%	21.3%	35.6%	31.2%	33.8%	37.6%	39.5%	30.4%	34.6%	28.0%	25.0%	Return on Total Cap'l	17.5%
				25.7%	33.0%	36.6%	91.6%	59.0%	64.0%	78.4%	88.0%	72.3%	132.7%	89.0%	66.0%	Return on Shr. Equity	33.0%
MARKET CAP \$161 billion (Large Cap)				22.0%	27.1%	29.1%	72.4%	46.4%	50.3%	61.2%	68.0%	54.5%	96.8%	62.0%	46.0%	Retained to Com Eq	23.5%
CURRENT POSITION				2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2012				15%	18%	21%	21%	21%	21%	22%	23%	25%	27%	30%	30%	All Div'ds to Net Prof	29%

(SMILL)			BUSINESS: International Business Machines Corporation is a worldwide supplier of advanced information processing technology, communication systems, services, and program products. 2014 revenue breakdown: Global Technology Services, 38%; Global Business Services, 18%; Systems and Technology, 10%; Software, 32%; Global Financing, 2%. Foreign business: 55% of 2014 revenues; Research, 5.8%. '14 depreciation rate: 11.5%. Has 379,592 empl. Officers & directors control less than 1% of stock; Berkshire Hathaway, 7.8%; State Street, 5.5%; BlackRock, 5.4%; Vanguard Group, 5.6% (3/15 proxy). Chairman, Pres. & CEO: Virginia M. Rometty. Inc.: NY. Add.: New Orchard Road, Armonk, NY 10504. Tel.: 914-499-1900. Internet: www.ibm.com .	nues; Research, 5.8%. '14 depreciation rate: 11.5%. Has 379,592 empl. Officers & directors control less than 1% of stock; Berkshire Hathaway, 7.8%; State Street, 5.5%; BlackRock, 5.4%; Vanguard Group, 5.6% (3/15 proxy). Chairman, Pres. & CEO: Virginia M. Rometty. Inc.: NY. Add.: New Orchard Road, Armonk, NY 10504. Tel.: 914-499-1900. Internet: www.ibm.com .	
Cash Assets	11129	11066			8476
Receivables	30578	31836			31831
Inventory (Avg Cst)	2287	2310			2103
Other	5439	6138			7012
Current Assets	49433	51350			49422
Accts Payable	7952	7461			6864
Debt Due	9181	6862			5731
Other	26492	25831			27005
Current Liab	43625	40154	39600		
			IBM's results in the final quarter of	decline with interest. Over the long haul, to	

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd to '18-'20
of change (per sh)			
Revenues	6.0%	5.0%	1.0%
"Cash Flow"	10.5%	9.0%	3.5%
Earnings	13.0%	11.5%	3.5%
Dividends	19.5%	15.0%	6.0%
Book Value	.5%	1.0%	22.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2012	24673	25783	24747	29304	104507
2013	23408	24924	23720	27699	99751
2014	22236	24047	22397	24113	92793
2015	20000	21250	20750	22000	84000
2016	20000	21250	20750	22000	84000

2016	2025Q	2150Q	2100Q	2225Q	6300Q
Cal- endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
	EARNINGS PER SHARE ^A				
2012	2.61	3.34	3.33	5.13	14.37
2013	2.70	2.91	3.68	5.73	14.94
2014	2.43	4.23	3.46	5.54	15.59
2015	2.60	3.65	3.45	5.30	15.00
2016	2.75	3.85	3.70	5.60	15.90

Calendar	QUARTERLY DIVIDENDS PAID \$				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2011	.65	.75	.75	.75	2.90
2012	.75	.85	.85	.85	3.30
2013	.85	.95	.95	.95	3.70
2014	.95	1.10	1.10	1.10	4.25
2015	1.10				

<p>(A) Based on diluted shs. Excl. nonrecurring gains (losses) from discontinued operations: '03, (\$0.02); '04, (\$0.01); '05, (\$0.02); '06, \$0.05; '14, (\$3.65). Quarters may not sum due to change in shs. Net earnings report mid-April. (B) Dividends historically paid in early March, June, September, and December. (C) Dividend reinvestment plan available. (D) In millions. (E) Incl. Intangibles. As of 12/31/14, \$33.7 billion, \$33.98/sh. (F) In '08, incl. \$15.2 bill. retirement benefit plan loss.</p>		<p>Company's Financial Strength A++</p> <p>Stock's Price Stability 90</p> <p>Price Growth Persistence 65</p> <p>Earnings Predictability 100</p>
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