

IBM boosts dividend 18 pct, extends share buyback

April 27 2010, By ANDREW VANACORE , AP Business Writer

(AP) -- IBM Corp. is increasing its dividend payout by 18 percent and buying back more of its stock, offering more signals of confidence in the technology industry's rebound.

The company said Tuesday at its annual shareholders meeting, held this year in Milwaukee, that it is raising the quarterly [dividend](#) payout to 65 cents per share. It had been 55 cents a share for the past four quarters.

[IBM](#) has developed a habit of announcing dividend increases at its shareholder meetings. The per-share payout has more than tripled since 2006.

Investors appeared to have seen this increase coming. IBM shares slipped 89 cents to \$129.84 in midday trading amid a broader market decline.

IBM, which is based in Armonk, N.Y., also said its board has authorized the use of \$8 billion for buying back its stock. The company now has \$10 billion available for that purpose.

IBM has bought back more than \$100 billion of its stock since 1995. The company says it still has plenty left over to invest in its businesses.

"This company, as a result of the investments made over the past eight years, has become very profitable with substantial cash flow," IBM's Jesse Greene, vice president for [financial management](#), said in an

interview. "We have the cash to make investments for the future and return cash to our investors."

Greene noted that IBM, which brought in more than \$95 billion in revenue in 2009, continued to put its usual \$6 billion a year into research and development even during the [recession](#).

IBM's decision to return more cash to shareholders provides another sign of confidence from the technology sector as it rebounds from the recession. Last week IBM increased its profit forecast for 2010 to \$11.20 per share.

Other positive signs have come this month from tech bellwethers such as [Intel](#) Corp., which reported a 44 percent jump in revenue for the first quarter.

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