

IBM raises dividend, approves stock buyback

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(AP) -- IBM Corp. is raising its quarterly dividend and repurchasing \$7 billion more of its stock under a new buyback program.

IBM said Tuesday that it is raising its [quarterly dividend](#) by 10 cents, or 13 percent, to 85 cents. The [technology products](#) and services company says this is the 17th year in a row it has increased its dividend.

The additional funds for IBM's [stock buybacks](#) are in addition to \$5.7 billion that was left from an earlier program, bringing the total authorization to \$12.7 billion. IBM said it plans to ask its board to authorize money for more buybacks in October.

Buying back shares can make an existing stockholder's stake more valuable.

The new dividend is payable on June 9 to shareholders of record as of May 10.

The Armonk, N.Y., company has about 1.16 billion shares outstanding, according to FactSet. IBM reported last week its net income grew 7 percent in the first quarter despite flat revenue thanks to strong [profit margins](#) in its services business.

IBM's stock rose \$3.59 to \$202.21 in morning trading. The stock is up about 10 percent in the year to date.

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