

ESPE MATTHEW J
Form 4
April 12, 2012

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
ESPE MATTHEW J

2. Issuer Name and Ticker or Trading Symbol
ARMSTRONG WORLD INDUSTRIES INC [AWI]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
04/10/2012

Director 10% Owner
 Officer (give title below) Other (specify below)
President and CEO

C/O ARMSTRONG WORLD INDUSTRIES, INC., 2500 COLUMBIA AVENUE
(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

LANCASTER, PA 17603

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
				Code	V	Amount	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)			6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Underlying Security (Instr. 3 and 4)
					V	(A)	(D)	Date Exercisable	Expiration Date	
Stock Options	\$ 28.83	04/10/2012		<u>D</u> (1)		98,283		08/10/2011	08/10/2020	Common Stock
Stock Options	\$ 24.73	04/10/2012		<u>A</u> (1)	114,611			08/10/2011	08/10/2020	Common Stock
Stock Options	\$ 28.83	04/10/2012		<u>D</u> (1)		98,284		08/10/2012	08/10/2020	Common Stock
Stock Options	\$ 24.73	04/10/2012		<u>A</u> (1)	114,612			08/10/2012	08/10/2020	Common Stock
Stock Options	\$ 28.83	04/10/2012		<u>D</u> (1)		98,284		08/10/2013	08/10/2020	Common Stock
Stock Options	\$ 24.73	04/10/2012		<u>A</u> (1)	114,612			08/10/2013	08/10/2020	Common Stock
Stock Options	\$ 41.47	04/10/2012		<u>D</u> (1)		34,702		03/02/2012	03/02/2021	Common Stock
Stock Options	\$ 35.57	04/10/2012		<u>A</u> (1)	40,466			03/02/2012	03/02/2021	Common Stock
Stock Options	\$ 41.47	04/10/2012		<u>D</u> (1)		34,702		03/02/2013	03/02/2021	Common Stock
Stock Options	\$ 35.57	04/10/2012		<u>A</u> (1)	40,466			03/02/2013	03/02/2021	Common Stock
Stock Options	\$ 41.47	04/10/2012		<u>D</u> (1)		34,703		03/02/2014	03/02/2021	Common Stock
Stock Options	\$ 35.57	04/10/2012		<u>A</u> (1)	40,467			03/02/2014	03/02/2021	Common Stock
Stock Options	\$ 50.38	04/10/2012		<u>D</u> (1)		29,056		02/28/2013	02/28/2022	Common Stock
Stock Options	\$ 43.21	04/10/2012		<u>A</u> (1)	33,882			02/28/2013	02/28/2022	Common Stock
Stock Options	\$ 50.38	04/10/2012		<u>D</u> (1)		29,056		02/28/2014	02/28/2022	Common Stock
Stock Options	\$ 43.21	04/10/2012		<u>A</u> (1)	33,882			02/28/2014	02/28/2022	Common Stock
Stock Options	\$ 50.38	04/10/2012		<u>D</u> (1)		29,056		02/28/2015	02/28/2022	Common Stock

Stock Options	\$ 43.21	04/10/2012	A ⁽¹⁾	33,883	02/28/2015	02/28/2022	Common Stock
Performance Based Restricted Stock Units	(2)	04/10/2012	D ⁽²⁾	19,979	(2)	(2)	Common Stock
Performance Based Restricted Stock Units	(2)	04/10/2012	A ⁽²⁾	19,979	(2)	(2)	Common Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ESPE MATTHEW J C/O ARMSTRONG WORLD INDUSTRIES, INC. 2500 COLUMBIA AVENUE LANCASTER, PA 17603	X		President and CEO	

Signatures

/s/Christopher S. Parisi,
Attorney-in-fact

04/12/2012

**Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

The reported transactions relate to an adjustment of outstanding stock options and exercise prices in connection with the Registrant's
(1) payment of a special cash dividend to shareholders on April 10, 2012, resulting in the deemed cancellation of the original options and the grant of replacement options. An adjustment is required under the terms of the underlying equity incentive plan.

(2) The performance based restricted stock units (PRsUs) granted to the Reporting Person have been amended to adjust the stock price target due to the Registrant's payment of a special cash dividend to shareholders on April 10, 2012, resulting in a deemed cancellation of the original PRsUs and the grant of replacement PRsUs. The PRsUs shall vest on December 31, 2013 if the Company's closing stock price is at or above \$49.56 for 15 trading days in a 20 day consecutive trading day period ("Target") at any time prior to December 31, 2013. If the PRsUs do not vest on December 31, 2013, the PRsUs will vest when the Target has been achieved so long as the achievement date is not later than December 31, 2014. The PRsUs shall be forfeited if the Target is not achieved by December 31, 2014

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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