

ESPE MATTHEW J
Form 4
August 11, 2010

FORM 4

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

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

OMB APPROVAL

OMB
Number: 3235-0287
Expires: January 31,
2005
Estimated average
burden hours per
response... 0.5

(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)
2500 COLUMBIA AVE
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
08/10/2010

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

LANCASTER, PA 17603

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

(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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common stock ⁽¹⁾	08/10/2010		A		29,303	A	\$ 0
					29,303	D	

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

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information contained in this form are not
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SEC 1474
(9-02)

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 Amount of Underlying Security (Instr. 3 and 4)
				Code V (A) (D)		Date Exercisable Expiration Date	Title
Stock Options - right to buy	\$ 37.54	08/10/2010		A	226,391	(2) (3)	Common Stock
Performance-based restricted stock units (4) (5)	(4) (5)	08/10/2010		A	39,958	(4)(5) (4)(5)	Common stock

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
ESPE MATTHEW J 2500 COLUMBIA AVE LANCASTER, PA 17603	X President and CEO

Signatures

Michele M. Nicholas,
Attorney-in-fact 08/11/2010

__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).
- Represents restricted stock units granted under the 2006 Long-Term Incentive Plan. The units will vest in three installments at one, two and three years as follows: 9,767 shares on August 9, 2011; 9,768 shares on August 9, 2012; and 9,768 shares on August 9, 2013 (contingent upon the officer's employment on the scheduled vesting dates).
- The options will vest and become exercisable in three installments at one, two and three years as follows: 75,463 shares on August 10, 2011; 75,464 shares on August 10, 2012; and 75,464 shares on August 10, 2013 (contingent upon the officer's employment on the scheduled vesting dates).
- (3) No shares of stock may be acquired by exercise of an option after a maximum of ten years from the date the option was granted.
- Mr. Espe was granted 39,958 performance-based restricted stock units ("PRSU") under the 2006 Long-Term Incentive Plan. The PRSU vest as follows: (i) 50% of the PRSU (19,979 units) will vest on December 31, 2012 if the stock price target of \$55.00 has been achieved; (ii) 50% of the PRSU (19,979 shares) will vest on December 31, 2013 if the stock price target of \$70.00 has been achieved; and if the PRSU do not vest in accordance with clause (i) and/or clause (ii), the PRSU will vest when the applicable stock price target is achieved, but only if they are achieved no later than December 31, 2014.
- To the extent that, as of December 31, 2014, the applicable stock price targets set forth above have not been met, the PRSU shall be forfeited. The Company's closing stock price must be equal to or above the stock price target for 15 trading days in a 20 day consecutive trading day period at any time prior to the applicable time vesting date (or by December 31, 2014) for awards to become vested. Each PRSU represents the right to receive, following vesting, one share of Company common stock, together with a cash dividend payment proportionate to the earned shares.

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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