

DEMURO GERARD J
Form 4
August 21, 2006

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 *
DEMURO GERARD J

2. Issuer Name and Ticker or Trading Symbol
GENERAL DYNAMICS CORP
[GD]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
C/O GENERAL DYNAMICS, 2941
FAIRVIEW PARK DRIVE

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
08/17/2006

____ Director
 Officer (give title below) _____ Other (specify below)
Executive Vice President

FALLS CHURCH, VA 22042

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 Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock, \$1.00 par value	08/17/2006		M		25,600 (1)	A	\$ 46.96 88,000 (1) D
Common Stock, \$1.00 par value	08/17/2006		S		12,500	D	\$ 69.1402 75,500 D
Common Stock, \$1.00 par	08/17/2006		S		300	D	\$ 69.17 75,200 D

value

Common
Stock,
\$1.00 par
value

08/17/2006

S

2,977

D

\$ 69.172 72,223

D

Common
Stock,
\$1.00 par
value

08/17/2006

S

3,400

D

\$
69.2821 68,823

D

Common
Stock,
\$1.00 par
value

08/17/2006

F

1,443

D

\$ 69.25 67,380

D

Common
Stock,
\$1.00 par
value

1,967.6449 I⁽²⁾

401(k)
Plan

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

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

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 Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Stock Options	\$ 46.96	08/17/2006		M	12,800 <u>(1)</u>	03/06/2003 03/05/2007	Common Stock 12,800
Stock Options	\$ 46.96	08/17/2006		M	12,800	03/06/2004 03/05/2007	Common Stock 12,800

Reporting Owners

Reporting Owner Name / Address

Relationships

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Director 10% Owner Officer Other

DEMURO GERARD J
C/O GENERAL DYNAMICS
2941 FAIRVIEW PARK DRIVE
FALLS CHURCH, VA 22042

Executive Vice President

Signatures

Margaret N. House, by power of
attorney

08/21/2006

__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).
- (1) Share ownership adjusted for 2-for-1 stock split on 3/24/2006
- (2) Includes share activity under General Dynamics 401(k) plan since date of reporting person's last ownership report, including 2-for-1 stock split

Remarks:

Reporting person has 248,800 additional stock options, as previously reported.

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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