

FARRELL W JAMES
Form 4
March 23, 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 *
FARRELL W JAMES

2. Issuer Name and Ticker or Trading Symbol
ILLINOIS TOOL WORKS INC [ITW]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

(Street)

3. Date of Earliest Transaction (Month/Day/Year)
01/05/2006

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman

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 Ownership (Instr. 4)		
			Code	V	Amount	(A) or (D)	Price		
Common Stock ⁽¹⁾	01/05/2006		G	V	356	D	\$ 89.32 67,492	I	See Footnote ⁽¹⁾
Common Stock ⁽¹⁾	02/06/2006		G	V	59	D	\$ 84.285 67,433	I	See Footnotes ⁽¹⁾
Common Stock ⁽¹⁾	03/17/2006		G	V	104	D	\$ 97.79 67,329	I	See Footnote ⁽¹⁾
Common Stock ⁽¹⁾	03/21/2006		M		100,000	A	\$ 54.62 167,329	I	See Footnotes

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<u>(6)</u>								<u>(1)</u> <u>(6)</u>
Common Stock <u>(1)</u>	03/21/2006	S	56,763	D	\$ 96,4447	110,566	I	See Footnote <u>(1)</u>
Common Stock <u>(2)</u>	08/08/1998	A	0	A	\$ 0	130,302	I	See Footnote <u>(2)</u>
Common Stock <u>(3)</u>	08/08/1998	A	0	A	\$ 0	7,141	I	See Footnote <u>(1)</u>
Common Stock <u>(4)</u> <u>(5)</u>	08/08/1998	A	0	D	\$ 0	68,724	D	

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)

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)	Amount	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Number of Shares
Employee Stock Option <u>(6)</u>	\$ 54.62	03/21/2006		M	100,000	12/12/1998	12/12/2007	Common Stock	100,000
Employee Stock Option <u>(6)</u>	\$ 58.25	12/11/1998		A	100,000	12/11/1999	12/11/2008	Common Stock	100,000
Employee Stock Option <u>(6)</u>	\$ 65.5	12/17/1999		A	200,000	12/17/2000	12/17/2009	Common Stock	200,000
Employee Stock Option <u>(6)</u>	\$ 55.875	12/15/2000		A	412,000	12/15/2001	12/15/2010	Common Stock	412,000
Employee Stock	\$ 62.25	12/14/2001		A	400,000	12/14/2002	12/14/2011	Common Stock	400,000

Option ⁽⁶⁾

Employee
Stock Option

\$ 92.04

09/17/2004

A

23,069

09/17/2005 12/15/2010

Common
Stock

23,069

Employee
Stock Option ⁽⁶⁾

\$ 94.26

12/10/2004

A

400,000

12/10/2005 12/10/2014

Common
Stock

400,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
FARRELL W JAMES	X		Chairman	

Signatures

W. James Farrell by James H. Wooten, Jr., V.P., General Counsel & Secretary
Attorney-In-Fact POA on File

03/23/2006

__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) Shares held in revocable trust.

(2) Shares held in JM investment Partners L.P.

(3) 7,141 shares allocated to my account in the Illinois Tool Works Inc. Savings & Investment Plan. Information reported as of 12/31/2005.

(4) Includes grant of restricted stock that vested over a 3 year period: 12/16/03, 12/16/04, 12/16/05.

(5) Includes grant of restricted stock vesting over 3 year period: 12/16/04, 12/16/05, 12/18/06.

(6) Options vest in four equal annual installments beginning one year from date of grant.

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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