

LORANGER STEVEN R
 Form 4
 November 03, 2011

FORM 4

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

OMB APPROVAL

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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 *
LORANGER STEVEN R

(Last) (First) (Middle)

1133 WESTCHESTER AVENUE, C/O XYLEM INC.

(Street)

WHITE PLAINS, NY 10604

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
Xylem Inc. [XYL]

3. Date of Earliest Transaction (Month/Day/Year)
 11/01/2011

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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

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 | 11/01/2011 | | A | | 166,779 | A | \$ 0 |
| Common Stock | | | | | 50,551 | I | |
| Common Stock | | | | | 311 ⁽¹⁾ | I | |

By Betsy Palmer Loranger Revocable Trust
 By 401(k) plan

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

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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) | | |
|--|--|--------------------------------------|--|--------------------------------|---|---------|--|------------------|---|--------------|----------------------|
| | | | | | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount Number Shares |
| Stock Option (Right to Buy) | \$ 25.53 | 11/01/2011 | | A | | 199,120 | | (2) | 03/08/2012 | Common Stock | 199,120 |
| Stock Option (Right to Buy) | \$ 29.57 | 11/01/2011 | | A | | 83,612 | | (2) | 03/06/2013 | Common Stock | 83,612 |
| Stock Option (Right to Buy) | \$ 32.56 | 11/01/2011 | | A | | 89,235 | | (2) | 03/07/2014 | Common Stock | 89,235 |
| Stock Option (Right to Buy) | \$ 23.31 | 11/01/2011 | | A | | 250,000 | | (2) | 10/31/2012 | Common Stock | 250,000 |
| Stock Option (Right to Buy) | \$ 29.81 | 11/01/2011 | | A | | 100,000 | | (2) | 03/10/2015 | Common Stock | 100,000 |
| Stock Option (Right to Buy) | \$ 18.63 | 11/01/2011 | | A | | 165,690 | | 03/05/2012 | 03/05/2016 | Common Stock | 165,690 |
| Stock Option (Right to Buy) | \$ 30.03 | 11/01/2011 | | A | | 132,265 | | 03/05/2013 | 10/31/2018 | Common Stock | 132,265 |
| Stock Option | \$ 32.38 | 11/01/2011 | | A | | 115,247 | | 10/31/2013 | 10/31/2018 | Common Stock | 115,247 |

(Right to Buy)

| | | | | | | | | |
|---------------|-----|------------|---|----|-----|-----|--------------|----|
| Phantom Stock | (3) | 11/01/2011 | A | 20 | (4) | (4) | Common Stock | 20 |
|---------------|-----|------------|---|----|-----|-----|--------------|----|

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| LORANGER STEVEN R 1133 WESTCHESTER AVENUE C/O XYLEM INC. WHITE PLAINS, NY 10604 | X | | | |

Signatures

| | |
|---|------------|
| /s/ Rina E. Teran, Assistant Corporate Secretary of Xylem Inc., by power of attorney for Steven R. Loranger | 11/03/2011 |
| **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) As of November 1, 2011.
- (2) These options are fully vested and exercisable.
- (3) Each share of phantom stock represents the right to receive the cash value of 1 share of Xylem Inc. common stock.
- (4) Credited shares of phantom stock are payable in cash following the director's termination of service on the board of directors or a date selected by the director.

Remarks:

Securities reported herein as having been acquired were equity awards formerly granted by ITT Corporation converted into eq

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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