Shrewsberry John R.
Form 4
April 17, 2018

FORM 4

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

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

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 *
Shrewsberry John R.

(Last) (First) (Middle)

420 MONTGOMERY STREET

(Street)

SAN FRANCISCO, CA 94104

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
WELLS FARGO & COMPANY/MN [WFC]

3. Date of Earliest Transaction (Month/Day/Year)
03/21/2018

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

_____ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Senior Executive VP & CFO

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ 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, $1 2/3 Par Value	03/21/2018		G	V	81,938	D	$ 0	2,866	D	
Common Stock, $1 2/3 Par Value	03/21/2018		G	V	81,938	A	$ 0	345,982	I	Through Family Trust
Common Stock, $1 2/3 Par Value	03/23/2018		G	V	2,466	D	$ 0	400	D	

Common Stock, $1 2/3 Par Value	03/23/2018		G	V	2,466	A	$ 0	348,448	I	Through Family Trust
Common Stock, $1 2/3 Par Value	04/05/2018		G	V	400	D	$ 0	0	D	
Common Stock, $1 2/3 Par Value	04/05/2018		G	V	400	A	$ 0	348,848	I	Through Family Trust
Common Stock, $1 2/3 Par Value								7,738.7115 (1)	I	Through 401(k) Plan

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

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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)

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)		8. Pr Deri Secu (Inst
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock Units	(2)	04/13/2018		D			0.2833	(3)	(3)	Common Stock, $1 2/3 Par Value	0.2833	$ 5

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
			Senior Executive VP & CFO	

Shrewsberry John R.
420 MONTGOMERY STREET
SAN FRANCISCO, CA 94104

Signatures

John R. Shrewsberry, by Anthony R. Augliera, as Attorney-in-Fact	04/17/2018
**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) Reflects share equivalent of units in the Wells Fargo ESOP Fund under the 401(k) Plan (the "Plan") as of March 31, 2018, as if investable cash equivalents held by Plan were fully invested in Wells Fargo & Company common stock.

(2) Conversion price is 1-for-1. Includes shares held through supplemental 401(k) plan and deferred compensation plan.

(3) Deferred compensation shares payable in installments based upon executive's election. Supplemental 401(k) plan shares payable upon retirement.

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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2012

2011

2010
Components of net periodic benefit cost:

Service cost

$
100

$
94

$
94

$
13

$
14

$
14

Interest cost

107

116

110

27

30

30

Expected return on plan assets

(157
)

(157
)

(150
)

(20
)

(21
)

(18
)

Amortization of actuarial loss

57

39

26

1

—

—

Amortization of prior service cost

1

1

1

3

6

6

Settlement/curtailment loss

14

—

1

—

Explanation of Responses:

—

—

$
122

$
93

$
82

$
24

$
29

$
32

Net periodic benefit cost was included in the statement of income as follows:

	Pension			Other Postretirement Benefits		
In millions	2012	2011	2010	2012	2011	2010
Income from continuing operations	$121	$89	$80	$24	$29	$32
Income from discontinued operations	1	4	2	—	—	—
	$122	$93	$82	$24	$29	$32

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The following tables provide a rollforward of the plan benefit obligations, plan assets and a reconciliation of funded status for the years ended December 31, 2012 and 2011:

	Pension		Other Postretirement Benefits	
In millions	2012	2011	2012	2011
Change in benefit obligation:				
Benefit obligation at January 1	$2,465	$2,301	$569	$559
Service cost	100	94	13	14
Interest cost	107	116	27	30
Plan participants' contributions	6	8	15	15
Amendments	5	—	—	—
Actuarial loss	204	79	45	—
Acquisitions/divestitures	(74)	16	—	—
Benefits paid	(196)	(142)	(45)	(48)
Medicare subsidy received	—	—	3	3
Liabilities from (to) other immaterial plans	—	2	—	(4)
Settlement/curtailment loss (gain)	5	—	(38)	—
Foreign currency translation	33	(9)	—	—
Benefit obligation at December 31	$2,655	$2,465	$589	$569
Change in plan assets:				
Fair value of plan assets at January 1	$2,054	$1,941	$297	$294
Actual return on plan assets	240	108	31	3
Company contributions	190	131	30	33
Plan participants' contributions	6	8	15	15
Acquisitions/divestitures	(38)	15	—	—
Benefits paid	(196)	(142)	(45)	(48)
Foreign currency translation	32	(7)	—	—
Fair value of plan assets at December 31	$2,288	$2,054	$328	$297
Funded status	$(367)	$(411)	$(261)	$(272)
Other immaterial plans	(58)	(63)	(7)	(7)
Net liability at December 31	$(425)	$(474)	$(268)	$(279)
The amounts recognized in the statement of financial position as of December 31 consist of:				
Other assets	$57	$41	$—	$—
Accrued expenses	(12)	(21)	(7)	(7)
Liabilities held for sale	—	(13)	—	—
Other noncurrent liabilities	(470)	(481)	(261)	(272)
Net liability at end of year	$(425)	$(474)	$(268)	$(279)
The pre-tax amounts recognized in accumulated other comprehensive income consist of:				
Net actuarial loss	$892	$848	$10	$15
Prior service cost	7	4	2	5
	$899	$852	$12	$20
Accumulated benefit obligation	$2,358	$2,193		
Plans with accumulated benefit obligation in excess of plan assets as of December 31:				
Projected benefit obligation	$1,928	$1,838		
Accumulated benefit obligation	$1,741	$1,665		
Fair value of plan assets	$1,524	$1,414		

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Assumptions

The weighted-average assumptions used in the valuations of pension and other postretirement benefits were as follows:

	Pension			Other Postretirement Benefits		
	2012	2011	2010	2012	2011	2010
Assumptions used to determine benefit obligations at December 31:						
Discount rate	3.85 %	4.64 %	5.05 %	4.15 %	4.95 %	5.45 %
Rate of compensation increases	3.86 %	3.86 %	3.94 %	— %	— %	— %
Assumptions used to determine net periodic benefit cost for years ended December 31:						
Discount rate	4.64 %	5.05 %	5.57 %	4.95 %	5.45 %	5.80 %
Expected return on plan assets	7.23 %	7.39 %	7.63 %	7.00 %	7.00 %	7.00 %
Rate of compensation increases	3.86 %	3.94 %	4.18 %	— %	— %	— %

The expected long-term rates of return for pension and other postretirement benefit plans were developed using historical asset class returns while factoring in current market conditions such as inflation, interest rates and asset class performance.

Assumed health care cost trend rates have an effect on the amounts reported for the postretirement health care benefit plans. The assumed health care cost trend rates used to determine the postretirement benefit obligation at December 31 were as follows:

	2012	2011	2010
Health care cost trend rate assumed for the next year	7.35 %	8.50 %	8.71 %
Ultimate trend rate	5.00 %	5.00 %	5.00 %
Year the rate reaches the ultimate trend rate	2019	2019	2020

A one percentage-point change in assumed health care cost trend rates would have the following impact:

In millions	1 Percentage-Point Increase	1 Percentage-Point Decrease
Change in service cost and interest cost for 2012	$ 1	$ (1)
Change in postretirement benefit obligation at December 31, 2012	$ 13	$ (16)

Plan Assets

The Company’s overall investment strategy for the assets in the pension funds is to achieve a balance between the goals of growing plan assets and keeping risk at a reasonable level over a long-term investment horizon. In order to reduce unnecessary risk, the pension funds are diversified across several asset classes, securities and investment managers. The target allocations for plan assets are 50% to 65% equity securities, 30% to 45% debt securities and 0% to 10% in other types of investments. The Company does not use derivatives for the purpose of speculation, leverage, circumventing investment guidelines or taking risks that are inconsistent with specified guidelines.

The assets in the Company’s postretirement health care plan are primarily invested in life insurance policies. The Company’s overall investment strategy for the assets in the postretirement health care fund is to invest in assets that provide a reasonable tax exempt rate of return while preserving capital.

The following tables present the fair value of the Company’s pension and other postretirement benefit plan assets at December 31, 2012 and 2011, by asset category and valuation methodology. Level 1 assets are valued using unadjusted quoted prices for identical assets in active markets. Level 2 assets are valued using quoted prices or other observable inputs for similar assets. Level 3 assets are valued using unobservable inputs, but reflect the assumptions market participants would be expected to use in pricing the assets. Each financial instrument’s categorization is based on the lowest level of input that is significant to the fair value measurement.

	2012			
In millions	Level 1	Level 2	Level 3	Total
Pension Plan Assets:				
Cash and equivalents	$26	$—	$—	$26
Equity securities:				
Domestic	56	—	—	56
Foreign	85	—	—	85
Fixed income securities:				
Government securities	—	245	—	245
Corporate debt securities	—	263	—	263
Mortgage-backed securities	—	12	—	12
Investment contracts with insurance companies	—	—	75	75
Commingled funds:				
Mutual funds	387	—	—	387
Collective trust funds	—	1,055	—	1,055
Partnerships/private equity interests	—	—	84	84
	$554	$1,575	$159	$2,288
Other Postretirement Benefit Plan Assets:				
Cash and equivalents	$34	$—	$—	$34
Life insurance policies	—	—	294	294
	$34	$—	$294	$328

	2011			
In millions	Level 1	Level 2	Level 3	Total
Pension Plan Assets:				
Cash and equivalents	$17	$—	$—	$17
Equity securities:				
Domestic	56	—	—	56
Foreign	68	—	—	68
Fixed income securities:				
Government securities	—	218	—	218
Corporate debt securities	—	240	4	244
Mortgage-backed securities	—	16	—	16
Investment contracts with insurance companies	—	—	69	69
Commingled funds:				
Mutual funds	345	—	—	345
Collective trust funds	—	932	—	932
Partnerships/private equity interests	—	—	87	87
Other	—	1	1	2
	$486	$1,407	$161	$2,054
Other Postretirement Benefit Plan Assets:				
Cash and equivalents	$34	$—	$—	$34
Life insurance policies	—	—	263	263
	$34	$—	$263	$297

Cash and equivalents include cash on hand and investments with maturities of 90 days or less and are valued at cost, which approximates fair value. Equity securities primarily include common and preferred equity securities covering a wide range of industries and geographies which are traded in active markets and are valued based on quoted prices. Fixed income securities primarily consist of U.S. and foreign government bills, notes and bonds, corporate debt securities, asset-backed securities and investment contracts. The majority of the assets in this category are valued by evaluating bid prices provided by independent financial data services. For securities where market data is not readily available, unobservable market data is used to value the security. Commingled funds include investments in public and private pooled funds. Mutual funds are traded in active markets and are valued based on quoted prices. The underlying investments include small-cap equity, international equity and long- and short-term fixed income instruments. Collective trust funds are private funds that are valued at the net asset value, which is determined based on the fair value of the underlying investments. The underlying investments include both passively and actively managed U.S. and foreign large- and mid-cap equity funds and short-term investment funds. Partnerships/private equity interests are investments in partnerships where the benefit plan is a limited partner. The investments are valued by the investment managers on a periodic basis using pricing models that use market, income and cost valuation methods. Life insurance policies are used to fund other postretirement benefits in order to obtain favorable tax treatment and are valued based on the cash surrender value of the underlying policies.

The following table presents a reconciliation of Level 3 assets measured at fair value for pension and other postretirement benefit plans during the years ended December 31, 2012 and 2011:

In millions	Government Securities	Corporate Debt Securities	Investment Contracts with Insurance Companies	Partnerships/ Private Equity Interests	Life Insurance Policies	Other	Total
Balance Dec 31, 2010	$1	$3	$—	$78	$265	$—	$347
2011 Activity:							
Realized gains (losses)	—	—	—	4	—	—	4
Unrealized gains (losses)	—	—	6	4	(2)	—	8
Purchases (sales)	—	2	2	1	—	1	6
Transfers	(1)	(1)	61	—	—	—	59
Balance Dec 31, 2011	—	4	69	87	263	1	424
2012 Activity:							
Unrealized gains (losses)	—	—	5	4	31	—	40
Purchases (sales)	—	—	1	(7)	—	—	(6)
Transfers	—	(4)	—	—	—	(1)	(5)
Balance Dec 31, 2012	$—	$—	$75	$84	$294	$—	$453

Cash Flows

The Company generally funds its pension and other postretirement benefit plans as required by law or to the extent such contributions are tax deductible. The Company expects to contribute approximately $132 million to its pension plans and $9 million to its other postretirement benefit plans in 2013.

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The Company's portion of the benefit payments that are expected to be paid during the years ending December 31 is as follows:

In millions	Pension	Other Postretirement Benefits
2013	$213	$38
2014	195	39
2015	174	39
2016	180	40
2017	188	41
Years 2018-2022	974	210

Short-Term Debt as of December 31, 2012 and 2011 consisted of the following:

In millions	2012	2011
Commercial paper	$408	$192
Bank overdrafts	40	38
Current maturities of long-term debt	6	262
Other borrowings	5	10
	$459	$502

The Company has committed credit facilities that support the issuance of commercial paper. See the Long-Term Debt note for further discussion. Commercial paper is stated at cost, which approximates fair value.
The weighted-average interest rate on commercial paper was 0.2% at December 31, 2012 and 0.1% at December 31, 2011. The weighted-average interest rate on other borrowings was 0.6% at December 31, 2012 and 11.2% at December 31, 2011.
As of December 31, 2012, the Company had unused capacity of approximately $248 million under international debt facilities.

Accrued Expenses as of December 31, 2012 and 2011 consisted of accruals for:

In millions	2012	2011
Compensation and employee benefits	$529	$551
Deferred revenue and customer deposits	243	245
Rebates	137	162
Warranties	51	55
Current portion of pension and other postretirement benefit obligations	19	28
Other	413	394
	$1,392	$1,435

The Company accrues for product warranties based on historical experience. The changes in accrued warranties during 2012, 2011 and 2010 were as follows:

In millions	2012	2011	2010
Beginning balance	$55	$64	$62
Charges	(44)	(47)	(43)
Provision charged to expense	44	37	45
Acquisitions and divestitures	(4)	3	1
Foreign currency translation	—	—	(1)
Transfer to liabilities held for sale	—	(2)	—
Ending balance	$51	$55	$64

Explanation of Responses:

Long-Term Debt at carrying value and fair value as of December 31, 2012 and 2011 consisted of the following:

In millions	2012 Carrying Value	2012 Fair Value	2011 Carrying Value	2011 Fair Value
6.55% preferred debt securities due December 31, 2011	$—	$—	$250	$250
5.15% notes due April 1, 2014	800	846	800	877
5.25% Euro notes due October 1, 2014	989	1,071	971	1,064
6.25% notes due April 1, 2019	700	877	700	872
4.88% notes due thru December 31, 2020	12	13	22	24
3.375% notes due September 15, 2021	349	381	348	368
4.875% notes due September 15, 2041	641	770	641	761
3.9% notes due September 1, 2042	1,089	1,132	—	—
Other borrowings	15	15	18	18
	$4,595	$5,105	$3,750	$4,234
Current maturities	(6)		(262)	
	$4,589		$3,488	

The approximate fair values of the Company’s long-term debt, including current maturities, were based on a Level 2 valuation model, using observable inputs, which included market rates for comparable instruments as of December 31, 2012 and 2011.

In 2002, a subsidiary of the Company issued $250 million of 6.55% preferred debt securities at 99.849% of face value. The effective interest rate of the preferred debt securities was 6.7%. These preferred debt securities were due and fully paid on the first business day in 2012.

In 2005, the Company issued $54 million of 4.88% notes due through December 31, 2020 at 100% of face value.

In 2007, the Company, through a wholly-owned European subsidiary, issued €750 million of 5.25% Euro notes due October 1, 2014 at 99.874% of face value. The effective interest rate of the notes was 5.3%.

In 2009, the Company issued $800 million of 5.15% redeemable notes due April 1, 2014 at 99.92% of face value and $700 million of 6.25% redeemable notes due April 1, 2019 at 99.98% of face value. The effective interest rates of the notes were 5.2% and 6.3%, respectively.

In 2011, the Company issued $350 million of 3.375% notes due September 15, 2021 at 99.552% of face value and $650 million of 4.875% notes due September 15, 2041 at 98.539% of face value. The effective interest rates of the notes were 3.4% and 4.9%, respectively. These notes are senior unsecured obligations, ranking equal in right of payment with all other senior unsecured indebtedness of the Company.

In 2012, the Company issued $1.1 billion of 3.9% notes due September 1, 2042 at 99.038% of face value. The effective interest rate of the notes was 3.955%. These notes are senior unsecured obligations, ranking equal in right of payment with all other senior unsecured indebtedness of the Company.

Other debt outstanding at December 31, 2012 bears interest at rates ranging from 0.3% to 17.5%, with maturities through the year 2029.

On June 8, 2012, the Company entered into a $1.5 billion line of credit agreement with a termination date of June 8, 2017. In connection with the new line of credit, the Company terminated its $500 million revolving credit facility with a termination date of June 15, 2012 and its $1.0 billion line of credit agreement with a termination date of June 11, 2013. In 2010, the Company entered into a $1.0 billion line of credit agreement with a termination date of June 10, 2011, which was replaced in June of 2011 by a $1.0 billion line of credit with a termination date of June 10, 2016. These lines of credit support the issuance of commercial paper. No amounts were outstanding under either of the outstanding facilities at December 31, 2012.

The financial covenants in the Company's debt agreements limit total debt, including guarantees, to 50% of total capitalization. The Company’s total debt, including guarantees, was 34.3% of total capitalization as defined in the Company's debt agreements as of December 31, 2012, which was in compliance with these covenants.

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Explanation of Responses:

Scheduled maturities of long-term debt for the future years ending December 31 are as follows:

In millions	
2013	$6
2014	1,793
2015	2
2016	1
2017	1
2018 and future years	2,792
	$4,595

At December 31, 2012, the Company had open stand-by letters of credit of approximately $194 million, substantially all of which expire in 2013 and 2014.

Other Noncurrent Liabilities at December 31, 2012 and 2011 consisted of the following:

In millions	2012	2011
Pension benefit obligation	$470	$481
Postretirement benefit obligation	261	272
Other	524	615
	$1,255	$1,368

Commitments and Contingencies—The Company is subject to various legal proceedings and claims that arise in the ordinary course of business, including those involving environmental, product liability (including toxic tort) and general liability claims. The Company accrues for such liabilities when it is probable that future costs will be incurred and such costs can be reasonably estimated. Such accruals are based on developments to date, the Company’s estimates of the outcomes of these matters and its experience in contesting, litigating and settling other similar matters. The Company believes resolution of these matters, individually and in the aggregate, will not have a material adverse effect on the Company’s financial position, liquidity or future operations.

Among the toxic tort cases in which the Company is a defendant, the Company and its subsidiaries Hobart Brothers Company and Miller Electric Mfg. Co. have been named, along with numerous other defendants, in lawsuits alleging injury from exposure to welding consumables. The plaintiffs in these suits claim unspecified damages for injuries resulting from the plaintiffs’ alleged exposure to asbestos, manganese and/or toxic fumes in connection with the welding process. In the first quarter of 2012, the Company entered into an agreement resolving substantially all of the manganese-related claims for an immaterial amount. As of December 31, 2012, a majority of the cases against the Company, Hobart Brothers and Miller Electric have been dismissed. The Company believes that the remaining claims will not have a material adverse effect on the Company’s operating results, financial position or cash flows. The Company has not recorded any significant reserves related to these cases.

Preferred Stock, without par value, of which 0.3 million shares are authorized and unissued, is issuable in series. The Board of Directors is authorized to fix by resolution the designation and characteristics of each series of preferred stock. The Company has no present commitment to issue its preferred stock.

Common Stock, with a par value of $0.01, Additional Paid-In-Capital and Common Stock Held in Treasury transactions during 2012, 2011 and 2010 are shown below.

	Common Stock		Additional Paid-In-Capital	Common Stock Held in Treasury	
In millions	Shares	Amount	Amount	Shares	Amount
Balance, December 31, 2009	535.0	$5	$271	(32.7)	$ (1,391)
During 2010—					
Shares issued for stock options	3.5	—	114	—	—
Shares issued for stock compensation and vesting of restricted stock	—	—	1	—	—
Stock compensation expense	—	—	56	—	—
Noncontrolling interest	—	—	—	—	—
Tax benefits related to stock options	—	—	16	—	—
Tax benefits related to defined contribution plans	—	—	3	—	—
Repurchases of common stock	—	—	—	(8.1)	(350)
Balance, December 31, 2010	538.5	5	461	(40.8)	(1,741)
During 2011—					
Shares issued for stock options	3.9	—	151	—	—
Shares issued for stock compensation and vesting of restricted stock	0.1	—	2	—	(1)
Stock compensation expense	—	—	56	—	—
Noncontrolling interest	—	—	—	—	—
Tax benefits related to stock options	—	—	13	—	—
Tax benefits related to defined contribution plans	—	—	3	—	—
Repurchases of common stock	—	—	—	(18.1)	(950)
Balance, December 31, 2011	542.5	5	686	(58.9)	(2,692)
During 2012—					
Shares issued for stock options	6.3	—	285	—	—
Shares withheld for taxes	—	—	1	(0.3)	(19)
Shares issued for stock compensation and vesting of restricted stock	0.8	—	(10)	0.2	9
Stock compensation expense	—	—	54	—	—
Noncontrolling interest	—	—	(22)	—	—
Tax benefits related to stock options	—	—	14	—	—
Tax benefits related to defined contribution plans	—	—	4	—	—
Repurchases of common stock	—	—	—	(35.5)	(2,020)
Balance, December 31, 2012	549.6	$5	$1,012	(94.5)	$ (4,722)
Authorized, December 31, 2012	700.0				

On August 20, 2007, the Company’s Board of Directors authorized a stock repurchase program which provided for the buyback of up to $3.0 billion of the Company’s common stock over an open-ended period of time (the “2007 Program”). Under the 2007 Program, the Company made repurchases of 8.1 million shares of its common stock at an average price of $43.29 per share during 2010 and 16.3 million shares of its common stock at an average price of $53.51 per share during 2011. As of December 31, 2011, there were no authorized repurchases remaining under the 2007 Program.

On May 6, 2011, the Company’s Board of Directors authorized a new stock repurchase program which provides for the buyback of up to an additional $4.0 billion of the Company’s common stock over an open-ended period of time (the “2011 Program”). Under the 2011 Program, the Company made repurchases of 1.8 million shares of its common stock at an average price of $43.20 per share during 2011 and 35.5 million shares of its common stock at an average price of $56.93 per share during 2012. As of December 31, 2012, there was approximately $1.9 billion of authorized repurchases remaining under the 2011 Program.

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Cash Dividends declared were $1.48 per share in 2012, $1.40 per share in 2011 and $1.30 per share in 2010. Cash dividends paid were $1.84 per share in 2012, which included an accelerated dividend payment of $0.38 per share in December 2012 which was originally scheduled to be paid in January 2013, $1.38 per share in 2011 and $1.27 per share in 2010.

Accumulated Other Comprehensive Income—The changes in accumulated other comprehensive income during 2012, 2011 and 2010 were as follows:

In millions	2012	2011	2010
Beginning balance	$224	$427	$249
Foreign currency translation adjustments	94	(141)	153
Pension and other postretirement benefits actuarial gains (losses), net of tax of $55 million in 2012, $54 million in 2011 and $(3) million in 2010	(104)	(93)	4
Amortization of unrecognized pension and other postretirement benefits costs, net of tax of $(22) million in 2012, $(17) million in 2011 and $(12) million in 2010	40	31	21
Pension and other postretirement benefits settlements, curtailments and other, net of tax of $(21) million in 2012	39	—	—
Ending balance	$293	$224	$427

Foreign currency translation adjustments for the year ended December 31, 2011 is net of a $55 million increase for the resolution of an issue with the Internal Revenue Service in the U.S. related to a deduction for foreign exchange losses on an intercompany loan.

As of December 31, 2012 and 2011, the ending balance of accumulated other comprehensive income consisted of cumulative translation adjustment income of $867 million and $773 million, respectively, and unrecognized pension and other postretirement benefits costs of $574 million and $549 million, respectively. The estimated unrecognized benefit cost that will be amortized from accumulated other comprehensive income into net periodic benefit cost in 2013 is $76 million for pension and $2 million for other postretirement benefits.

Stock-Based Compensation—Stock options and restricted stock units have been issued to officers and other management employees under ITW’s 2011 Long-Term Incentive Plan (the “Plan”). The stock options generally vest over a four-year period and have a maturity of ten years from the issuance date. Restricted stock units generally vest after a three-year period and include units with and without performance criteria. To cover the exercise of vested options and vesting of restricted stock units, the Company generally has issued new shares from its authorized but unissued share pool. At December 31, 2012, 43.6 million shares of ITW common stock were reserved for issuance under the Plan. The Company records compensation expense for the grant date fair value of stock awards over the remaining service periods of those awards.

The following summarizes the Company’s stock-based compensation expense:

In millions	2012	2011	2010
Pre-tax compensation expense	$54	$56	$56
Tax benefit	(19)	(17)	(18)
Total stock-based compensation recorded as expense, net of tax	$35	$39	$38

The following table summarizes activity related to non-vested restricted stock units during 2012:

Shares in millions	Number of Shares	Weighted-Average Grant-Date Fair Value
Unvested, January 1, 2012	2.2	$39.27
Granted	0.5	51.39
Vested	(1.0)	31.69
Canceled	(0.1)	45.97

Unvested, December 31, 2012	1.6	47.36

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The following table summarizes stock option activity under the Plan for the year ended December 31, 2012:

In millions except exercise price and contractual terms	Number of Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
Under option, January 1, 2012	17.5	$46.57		
Granted	1.8	55.72		
Exercised	(6.3)	45.23		
Canceled or expired	(0.2)	48.33		
Under option, December 31, 2012	12.8	48.50	6.0 years	$157
Exercisable, December 31, 2012	9.5	47.49	5.3 years	$127

The Company's annual equity awards consist of stock options, restricted stock units (“RSUs”) and performance restricted stock units (“PRSUs”). The RSUs provide for full “cliff” vesting three years from the date of grant. The PRSUs provide for full “cliff” vesting after three years if the Compensation Committee certifies that the performance goals set with respect to the PRSUs have been met. Upon vesting, the holder will receive one share of common stock of the Company for each vested RSU or PRSU. Option exercise prices are equal to the common stock fair market value on the date of grant. The fair value of RSUs and PRSUs is determined by reducing the closing market price on the date of the grant by the present value of projected dividends over the vesting period. The Company uses a binomial option pricing model to estimate the fair value of the stock options granted. The following summarizes the assumptions used in the models:

	2012	2011	2010
Risk-free interest rate	0.2-2.1%	0.3-3.8%	0.4-3.9%
Weighted-average volatility	25.0%	25.0%	25.0%
Dividend yield	2.61%	2.80%	2.78%
Expected years until exercise	7.6-7.8	7.6-7.9	7.5-7.8

Lattice-based option valuation models, such as the binomial option pricing model, incorporate ranges of assumptions for inputs. The risk-free rate of interest for periods within the contractual life of the option is based on a zero-coupon U.S. government instrument over the contractual term of the equity instrument. Expected volatility is based on implied volatility from traded options on the Company’s stock and historical volatility of the Company’s stock. The Company uses historical data to estimate option exercise timing and employee termination rates within the valuation model. The weighted-average dividend yield is based on historical information. The expected term of options granted is derived from the output of the option valuation model and represents the period of time that options granted are expected to be outstanding. The ranges presented result from separate groups of employees assumed to exhibit different behavior.
The weighted-average grant-date fair value of options granted during 2012, 2011 and 2010 was $11.48, $12.34 and $9.59 per share, respectively. The aggregate intrinsic value of options exercised during the years ended December 31, 2012, 2011 and 2010 was $84 million, $63 million and $56 million, respectively. As of December 31, 2012 there was $20 million of total unrecognized compensation cost related to unvested stock options. That cost is expected to be recognized over a weighted-average period of 2.4 years. Exercise of options during the years ended December 31, 2012, 2011 and 2010 resulted in cash receipts of $285 million, $151 million and $114 million, respectively. The total fair value of vested stock option awards during the years ended December 31, 2012, 2011 and 2010 was $48 million, $33 million and $30 million, respectively.
As of December 31, 2012, there was $22 million of total unrecognized compensation cost related to unvested restricted stock units. That cost is expected to be recognized over a weighted-average remaining contractual life of 1.7 years. The total fair value of vested restricted stock unit awards during the years ended December 31, 2012 and 2011 was $31 million and $1 million, respectively.

Segment Information—The Company has 40 operating segments which are aggregated from the Company's more than 750 operations in 58 countries. These businesses are internally reported as 40 operating segments to senior management and have been aggregated into the following seven external reportable segments: Transportation; Power Systems & Electronics; Industrial Packaging; Food Equipment; Construction Products; Polymers & Fluids; and All Other.

As discussed in the Divestiture of Majority Interest in Decorative Surfaces Segment note, the Company ceased consolidating the results of the Decorative Surfaces segment as of October 31, 2012 and now reports its 49% ownership interest in Wilsonart using the equity method of accounting. Effective November 1, 2012, the Company made changes to its management reporting structure and Decorative Surfaces is no longer a reportable segment of the Company.

Transportation—Transportation-related components, fasteners, fluids and polymers, as well as truck remanufacturing and related parts and service.

Power Systems & Electronics—Equipment and consumables associated with specialty power conversion, metallurgy and electronics.

Industrial Packaging—Steel, plastic and paper products and equipment used for bundling, shipping and protecting goods in transit.

Food Equipment—Commercial food equipment and related service.

Construction Products—Construction fastening systems and truss products.

Polymers & Fluids—Adhesives, sealants, lubrication and cutting fluids, and hygiene products.

All Other—All other operating segments.

Segment information for 2012, 2011 and 2010 was as follows:

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In millions	2012	2011	2010
Operating revenues:			
Transportation	$3,550	$3,444	$2,839
Power Systems & Electronics	3,151	2,988	2,518
Industrial Packaging	2,412	2,463	2,123
Food Equipment	1,939	1,985	1,860
Construction Products	1,902	1,959	1,753
Polymers & Fluids	1,230	1,250	1,001
All Other	2,883	2,690	2,407
Intersegment revenues	(64)	(76)	(77)
Total Segments	$17,003	$16,703	$14,424
Decorative Surfaces	921	1,084	992
Total	$17,924	$17,787	$15,416
Operating income:			
Transportation	$560	$539	$427
Power Systems & Electronics	643	605	493
Industrial Packaging	282	249	208
Food Equipment	324	304	255
Construction Products	200	225	192
Polymers & Fluids	195	188	167
All Other	521	489	395
Total Segments	$2,725	$2,599	$2,137
Decorative Surfaces	122	132	117
Total	$2,847	$2,731	$2,254
Depreciation and amortization and impairment of goodwill and intangible assets:			
Transportation	$144	$132	$105
Power Systems & Electronics	96	90	82
Industrial Packaging	66	69	67
Food Equipment	47	50	44
Construction Products	57	58	59
Polymers & Fluids	49	48	38
All Other	136	125	134
Total Segments	$595	$572	$529
Decorative Surfaces	18	22	20
Total	$613	$594	$549
Plant and equipment additions:			
Transportation	$127	$105	$74
Power Systems & Electronics	52	43	27
Industrial Packaging	40	27	34
Food Equipment	34	36	31
Construction Products	28	37	28
Polymers & Fluids	21	22	14
All Other	62	60	57
Total Segments	$364	$330	$265
Decorative Surfaces	18	23	23
Total	$382	$353	$288

Identifiable assets:		
Transportation	$2,981	$2,835
Power Systems & Electronics	2,451	2,516
Industrial Packaging	1,786	1,825
Food Equipment	979	1,022
Construction Products	1,463	1,505
Polymers & Fluids	1,322	1,340
All Other	2,975	2,539
Total Segments	$13,957	$13,582
Corporate	5,352	3,616
Assets held for sale	—	386
Decorative Surfaces	—	400
Total	$19,309	$17,984

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Identifiable assets by segment are those assets that are specifically used in that segment. Corporate assets are principally cash and equivalents, investments and other general corporate assets.

2011 and 2012 Segment Changes—In the first quarter of 2011, the Company made certain changes in its management reporting structure that resulted in changes in some of the reportable segments. The pressure sensitive adhesives, and the static and contamination control reporting units were moved to the Power Systems & Electronics segment from the Polymers & Fluids and All Other segments, respectively. The changes in the reportable segments and underlying reporting units did not result in any goodwill impairment charges in the first quarter of 2011.

In the first quarter of 2012, the Company made certain changes in its management reporting structure that resulted in changes in some of the reportable segments. These changes primarily related to the industrial fasteners reporting unit, formerly in the All Other segment, moving to the Transportation segment; certain businesses in a Latin American reporting unit, formerly in the Polymers & Fluids segment, moving to the Transportation segment; and a worldwide insulation reporting unit, formerly in the Industrial Packaging segment, moving to the Power Systems & Electronics segment. The changes in the reportable segments and underlying reporting units did not result in any goodwill impairment charges in the first quarter of 2012.

2013 Segment Changes—Effective January 1, 2013, the Company made certain changes in how its operations are reported to senior management in order to better align its portfolio of businesses with its enterprise-wide portfolio management initiative.
As a result of this reorganization, the Company's operations will be prospectively aggregated into the following eight external reportable segments: Industrial Packaging; Test & Measurement and Electronics; Automotive OEM; Polymers & Fluids; Food Equipment; Construction Products; Welding; and Specialty Products.

The significant changes resulting from this reorganization include the following:

- Certain businesses within the former Transportation segment, primarily related to the automotive aftermarket business, will be reported in the Polymers & Fluids segment and the Transportation segment will be renamed Automotive OEM.
- The Welding business, which was formerly reported in the Power Systems & Electronics segment, will be reported separately as the Welding segment.
- The Electronics business, which was formerly reported in the Power Systems & Electronics segment, will be combined with the Test & Measurement business, which was formerly reported in the All Other segment, to form a new Test & Measurement and Electronics segment.
- The All Other segment will be renamed Specialty Products.

The 2012 Annual Report on Form 10-K has not been restated for these changes in segment reporting. Results for 2012 and prior periods are reported on the basis under which the Company managed its business in 2012 and do not reflect the January 2013 reorganization described above.
Enterprise-wide information for 2012, 2011 and 2010 was as follows:

In millions	2012	2011	2010
Operating Revenues by Geographic Region:			
United States	$7,714	$7,379	$6,462
Europe	5,090	5,492	4,806
Asia	2,097	1,932	1,698
Other North America	1,222	1,161	1,018
Australia/New Zealand	864	885	781
Other	937	938	651
	$17,924	$17,787	$15,416

Operating revenues by geographic region are based on the customers’ locations.
The Company has thousands of product lines within its businesses; therefore, providing operating revenues by product line is not practicable.
Total noncurrent assets excluding deferred tax assets and financial instruments were $11.0 billion and $10.2 billion at December 31, 2012 and 2011, respectively. Of these amounts, approximately 53% and 52% was attributed to U.S. operations for 2012 and 2011, respectively. The remaining amounts were attributed to the Company’s foreign operations, with no single country accounting for a significant portion.

QUARTERLY AND COMMON STOCK DATA (UNAUDITED)

Quarterly Financial Data

The unaudited quarterly financial data included as supplementary data reflects all adjustments that are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented.

	Three Months Ended							
	March 31		June 30		September 30		December 31	
In millions except per share amounts	2012	2011	2012	2011	2012	2011	2012	2011
Operating revenues	$4,547	$4,272	$4,655	$4,615	$4,501	$4,580	$4,221	$4,320
Cost of revenues	2,911	2,762	2,964	2,996	2,855	2,962	2,725	2,798
Operating income	705	659	770	711	763	714	609	647
Income from continuing operations	471	606	527	484	525	490	972	437
Income from discontinued operations	15	17	354	15	(1)	17	7	5
Net income	486	623	881	499	524	507	979	442
Income per share from continuing operations:								
Basic	0.98	1.22	1.12	0.97	1.13	1.01	2.12	0.90
Diluted	0.97	1.21	1.11	0.96	1.12	1.00	2.10	0.90
Net income per share:								
Basic	1.01	1.25	1.86	1.00	1.13	1.04	2.13	0.91
Diluted	1.00	1.24	1.85	0.99	1.12	1.04	2.11	0.91

In the first quarter of 2011, the Company recorded a favorable discrete non-cash tax benefit of $166 million, or $0.33 per diluted share, associated with an Australian tax matter.

In the second quarter of 2012, the Company recorded an after-tax gain of $361 million, or $0.76 per diluted share, related to the sale of the finishing group of businesses which was included in discontinued operations.

In the fourth quarter of 2012, the Company recorded an after-tax gain of $632 million, or $1.37 per diluted share, in income from continuing operations related to the sale of a 51% majority interest in the Decorative Surfaces segment.

ITEM 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

Not applicable.

ITEM 9A. Controls and Procedures

Controls and Procedures

The Company's management, with the participation of the Company's President & Chief Executive Officer and Senior Vice President & Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e)) as of December 31, 2012. Based on such evaluation, the Company's President & Chief Executive Officer and Senior Vice President & Chief Financial Officer have concluded that, as of December 31, 2012, the Company's disclosure controls and procedures were effective.

Management Report on Internal Control over Financial Reporting

The Management Report on Internal Control over Financial Reporting and the Report of Independent Registered Public Accounting Firm are found in Item 8. Financial Statements and Supplementary Data.

In connection with the evaluation by management, including the Company's President & Chief Executive Officer and Senior Vice President & Chief Financial Officer, no changes in the Company's internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f)) during the quarter ended December 31, 2012 were identified that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

ITEM 9B. Other Information

Not applicable.

PART III

ITEM 10. Directors, Executive Officers and Corporate Governance

Information regarding the Directors of the Company is incorporated by reference from the information under the captions “Election of Directors” and “Corporate Governance Policies and Practices” in the Company’s Proxy Statement for the 2013 Annual Meeting of Stockholders.

Information regarding the Audit Committee and its Financial Experts is incorporated by reference from the information under the captions “Board of Directors and Its Committees” and “Audit Committee Report” in the Company’s Proxy Statement for the 2013 Annual Meeting of Stockholders.

Information regarding the Executive Officers of the Company can be found in Part I of this Annual Report on Form 10-K under the caption “Executive Officers.”

Information regarding compliance with Section 16(a) of the Exchange Act is incorporated by reference from the information under the caption “Section 16(a) Beneficial Ownership Reporting Compliance” in the Company’s Proxy Statement for the 2013 Annual Meeting of Stockholders.

Information regarding the Company’s code of ethics that applies to the Company’s President & Chief Executive Officer, Senior Vice President & Chief Financial Officer, and key financial and accounting personnel is incorporated by reference from the information under the caption “Corporate Governance Policies and Practices” in the Company’s Proxy Statement for the 2013 Annual Meeting of Stockholders.

ITEM 11. Executive Compensation

This information is incorporated by reference from the information under the captions “Executive Compensation,” “Director Compensation,” “Compensation Discussion and Analysis” and “Compensation Committee Report” in the Company’s Proxy Statement for the 2013 Annual Meeting of Stockholders.

ITEM 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

This information is incorporated by reference from the information under the captions “Ownership of ITW Stock” and “Equity Compensation Plan Information” in the Company’s Proxy Statement for the 2013 Annual Meeting of Stockholders.

ITEM 13. Certain Relationships and Related Transactions, and Director Independence

Information regarding certain relationships and related transactions is incorporated by reference from the information under the captions “Ownership of ITW Stock,” “Certain Relationships and Related Transactions” and “Corporate Governance Policies and Practices” in the Company’s Proxy Statement for the 2013 Annual Meeting of Stockholders.

Information regarding director independence is incorporated by reference from the information under the captions “Corporate Governance Policies and Practices” and “Categorical Standards for Director Independence” in the Company’s Proxy Statement for the 2013 Annual Meeting of Stockholders.

ITEM 14. Principal Accounting Fees and Services

This information is incorporated by reference from the information under the caption “Ratification of the Appointment of Independent Registered Public Accounting Firm” in the Company’s Proxy Statement for the 2013 Annual Meeting of Stockholders.

PART IV

ITEM 15. Exhibits and Financial Statement Schedules

(a)(1) Financial Statements

The following information is included as part of Item 8. Financial Statements and Supplementary Data:

Management Report on Internal Control over Financial Reporting

Report of Independent Registered Public Accounting Firm

Statement of Income

Statement of Comprehensive Income

Statement of Income Reinvested in the Business

Statement of Financial Position

Statement of Cash Flows

Notes to Financial Statements

(2) Financial Statement Schedules

Not applicable.

(3) Exhibits

(i) See the Exhibit Index within this Annual Report on Form 10-K.

(ii) Pursuant to Regulation S-K, Item 601(b)(4)(iii), the Company has not filed with Exhibit 4 any debt instruments for which the total amount of securities authorized thereunder is less than 10% of the total assets of the Company and its subsidiaries on a consolidated basis as of December 31, 2012, with the exception of the agreements related to the 5.15% Notes due 2014, the 6.25% Notes due 2019, the 3.375% Notes due 2021, the 4.875% Notes due 2041, and the 3.9% Notes due 2042, which are described as Exhibit numbers 4(a) through (g) in the Exhibit Index. The Company agrees to furnish a copy of the agreement related to the debt instruments which have not been filed with Exhibit 4 to the Securities and Exchange Commission upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 19th day of February 2013.

ILLINOIS TOOL WORKS INC.

By: /s/ E. SCOTT SANTI
E. Scott Santi
President & Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities indicated on this 19th day of February 2013.

Signatures	Title
/s/ E. SCOTT SANTI E. Scott Santi	President & Chief Executive Officer, Director (Principal Executive Officer)
/s/ RONALD D. KROPP Ronald D. Kropp	Senior Vice President & Chief Financial Officer (Principal Financial Officer)
/s/ RANDALL J. SCHEUNEMAN Randall J. Scheuneman	Vice President & Chief Accounting Officer (Principal Accounting Officer)
DANIEL J. BRUTTO	Director
SUSAN CROWN	Director
DON H. DAVIS, JR.	Director
JAMES W. GRIFFITH	Director
ROBERT C. MCCORMACK	Director
ROBERT S. MORRISON	Chairman of the Board
JAMES A. SKINNER	Director
DAVID B. SMITH, JR.	Director
PAMELA B. STROBEL	Director
KEVIN M. WARREN	Director
ANRÉ D. WILLIAMS	Director
	By /s/ E. SCOTT SANTI (E. Scott Santi, as Attorney-in-Fact)

Explanation of Responses:

Original powers of attorney authorizing E. Scott Santi to sign the Company's Annual Report on Form 10-K and amendments thereto on behalf of the above-named directors of the registrant have been filed with the Securities and Exchange Commission as part of this Annual Report on Form 10-K (Exhibit 24).

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Exhibit Index
Annual Report on Form 10-K
2012

Exhibit Number	Description
2.1	Investment Agreement, dated as of August 15, 2012, among CD&R Wimbledon Holdings III, L.P., a Cayman Islands limited partnership; Illinois Tool Works Inc.; ITW DS Investments Inc., a Delaware corporation; and Wilsonart International Holdings LLC, a Delaware limited liability company, filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on August 17, 2012 (Commission File No. 1-4797) and incorporated herein by reference. (Certain of the schedules and similar attachments have been omitted pursuant to Item 601(b)(2) of Regulation S-K, but the Company undertakes to furnish a copy of the schedules or similar attachments to the Securities and Exchange Committee upon request.)
3(a)	Restated Certificate of Incorporation of Illinois Tool Works Inc., filed as Exhibit 3(a) to the Company’s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006 (Commission File No. 1-4797) and incorporated herein by reference.
3(b)	By-laws of Illinois Tool Works Inc., as amended and restated as of December 7, 2012, filed as Exhibit 3(b)(ii) to the Company’s Form 8-K filed on December 7, 2012 (Commission File No. 1-4797) and incorporated herein by reference.
4(a)	Indenture between Illinois Tool Works Inc. and The First National Bank of Chicago, as Trustee, dated as of November 1, 1986, filed as Exhibit 4.1 to the Company’s Registration Statement on Form S-3 filed on January 15, 1999 (Commission File No. 333-70691) and incorporated herein by reference.
4(b)	First Supplemental Indenture between Illinois Tool Works Inc. and Harris Trust and Savings Bank, as Trustee, dated as of May 1, 1990, filed as Exhibit 4.2 to the Company’s Registration Statement on Form S-3 filed on January 15, 1999 (Commission File No. 333-70691) and incorporated herein by reference.
4(c)	Officers’ Certificate dated March 26, 2009 establishing the terms, and setting forth the forms, of the 5.15% Notes due 2014 and the 6.25% Notes due 2019 filed as Exhibit 4.3 to the Company’s Current Report on Form 8-K filed on March 27, 2009 (Commission File No. 1-4797) and incorporated herein by reference.
4(d)	Registration Rights Agreement dated March 26, 2009, by and among the Company and HSBC Securities (USA) Inc. and Banc of America Securities LLC filed as Exhibit 4.4 to the Company’s Current Report on Form 8-K filed on March 27, 2009 (Commission File No. 1-4797) and incorporated herein by reference.
4(e)	Officers’ Certificate dated August 31, 2011, establishing the terms, and setting forth the forms, of the 3.375% Notes due 2021 and the 4.875% Notes due 2041, filed as Exhibit 4.3 to the Company’s Form 8-K filed on September 1, 2011 (Commission File No. 001-04797) and incorporated herein by reference.
4(f)	Registration Rights Agreement dated August 31, 2011, by and among the Company and J.P. Morgan Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, filed as Exhibit 4.4 to the Company’s Form 8-K filed on September 1, 2011 (Commission File No. 001-04797) and incorporated herein by reference.
4(g)	Officers' Certificate dated August 28, 2012, establishing the terms, and setting forth the forms, of the 3.9% Notes due 2042, filed as Exhibit 4.1 to the Company's Current Report on Form 8-K filed on August

	28, 2012 (Commission File No. 1-4797) and incorporated herein by reference.
10(a)*	Illinois Tool Works Inc. 1996 Stock Incentive Plan dated February 16, 1996, as amended on December 12, 1997, October 29, 1999, January 3, 2003, March 18, 2003, January 2, 2004, December 10, 2004 and December 7, 2005, filed as Exhibit 10(a) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005 (Commission File No. 1-4797) and incorporated herein by reference.
10(b)*	Illinois Tool Works Inc. 2006 Stock Incentive Plan dated February 10, 2006, as amended on May 5, 2006, filed as Exhibit 10(a) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006 (Commission File No. 1-4797) and incorporated herein by reference.
10(c)*	Amendment to Illinois Tool Works Inc. 2006 Stock Incentive Plan dated February 8, 2008, filed as Exhibit 10(q) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 (Commission File No. 1-4797) and incorporated herein by reference.
10(d)*	Second Amendment to Illinois Tool Works Inc. 2006 Stock Incentive Plan dated February 13, 2009, filed as Exhibit 10(d) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (Commission File No. 1-4797) and incorporated herein by reference.
10(e)*	Illinois Tool Works Inc. 2011 Long-Term Incentive Plan filed as Exhibit 99.2 to the Company's Current Report on Form 8-K filed on December 16, 2010 (Commission File No. 1-4797) and incorporated herein by reference.
10(f)*	Form of stock option terms filed as Exhibit 10.4 to the Company's Current Report on Form 8-K filed on December 16, 2004 and incorporated herein by reference.

Exhibit Number	Description
10(g)*	Form of stock option terms filed as Exhibit 10(m) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 (Commission File No. 1-4797) and incorporated herein by reference.
10(h)*	Form of stock option terms filed as Exhibit 10(o) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 (Commission File No. 1-4797) and incorporated herein by reference.
10(i)*	Form of stock option terms filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on February 5, 2009 (Commission File No. 1-4797) and incorporated herein by reference.
10(j)*	Form of stock option terms filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on February 9, 2011 (Commission File No. 1-4797) and incorporated herein by reference.
10(k)*	Form of stock option terms filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on February 7, 2012 (Commission File No. 1-4797) and incorporated herein by reference.
10(l)*	Form of restricted stock unit terms filed as Exhibit 99.2 to the Company's Current Report on Form 8-K filed on February 5, 2009 (Commission File No. 1-4797) and incorporated herein by reference.
10(m)*	Form of restricted stock unit terms filed as Exhibit 99.2 to the Company's Current Report on Form 8-K filed on February 9, 2011 (Commission File No. 1-4797) and incorporated herein by reference.
10(n)*	Form of restricted stock unit terms filed as Exhibit 99.2 to the Company's Current Report on Form 8-K filed on February 7, 2012 (Commission File No. 1-4797) and incorporated herein by reference.
10(o)*	Form of qualifying or performance restricted stock unit terms filed as Exhibit 10(j) to the Company's Annual Report on Form 10-K filed on February 26, 2010 (Commission File No. 1-4797) and incorporated herein by reference.
10(p)*	Form of performance restricted stock unit terms filed as Exhibit 99.3 to the Company's Current Report on Form 8-K filed on February 9, 2011 (Commission File No. 1-4797) and incorporated herein by reference.
10(q)*	Form of performance restricted stock unit terms filed as Exhibit 99.3 to the Company's Current Report on Form 8-K filed on February 7, 2012 (Commission File No. 1-4797) and incorporated herein by reference.
10(r)*	Form of company-wide growth plan grant filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on March 3, 2010 (Commission File No. 1-4797) and incorporated herein by reference.
10(s)*	Form of company-wide growth plan grant filed as Exhibit 99.4 to the Company's Current Report on Form 8-K filed on February 9, 2011 (Commission File No. 1-4797) and incorporated herein by reference.
10(t)*	Form of company-wide growth plan grant filed as Exhibit 99.4 to the Company's Current Report on Form 8-K filed on February 7, 2012 (Commission File No. 1-4797) and incorporated herein by reference.
10(u)*	Illinois Tool Works Inc. Executive Incentive Plan adopted February 16, 1996, filed as Exhibit 10(a) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1996 (Commission File No. 1-4797) and incorporated herein by reference.

10(v)*	Illinois Tool Works Inc. 2011 Executive Incentive Plan filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on December 16, 2010 (Commission File No. 1-4797) and incorporated herein by reference.
10(w)*	Illinois Tool Works Inc. 1982 Executive Contributory Retirement Income Plan adopted December 13, 1982, filed as Exhibit 10(c) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1990 (Commission File No. 1-4797) and incorporated herein by reference.
10(x)*	Illinois Tool Works Inc. 1985 Executive Contributory Retirement Income Plan adopted December 1985, filed as Exhibit 10(d) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1990 (Commission File No. 1-4797) and incorporated herein by reference.
10(y)*	Amendment to the Illinois Tool Works Inc. 1985 Executive Contributory Retirement Income Plan dated May 1, 1996, filed as Exhibit 10(c) to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 1996 (Commission File No. 1-4797) and incorporated herein by reference.
10(z)*	Illinois Tool Works Inc. Executive Contributory Retirement Income Plan as amended and restated, effective January 1, 2010, filed as exhibit 10 to the Company's Current Report on Form 8-K filed on November 5, 2009 (Commission File No. 1-4797) and incorporated herein by reference.
10(aa)*	Illinois Tool Works Inc. Nonqualified Pension Plan, effective January 1, 2008, as amended and approved by the Board of Directors on December 22, 2008, filed as Exhibit 10(p) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (Commission File No. 1-4797) and incorporated herein by reference.

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Exhibit Number	Description
10(bb)*	Illinois Tool Works Inc. 2011 Change-in-Control Severance Compensation Policy filed as Exhibit 99.3 to the Company's Current Report on Form 8-K filed on December 16, 2010 (Commission File No. 1-4797) and incorporated herein by reference.
10(cc)*	Illinois Tool Works Inc. Directors' Deferred Fee Plan effective May 5, 2006, as amended and approved by the Board of Directors on February 9, 2007, filed as Exhibit 10(h) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006 (Commission File No. 1-4797) and incorporated herein by reference.
10(dd)*	Amendment to the Illinois Tool Works Inc. Directors' Deferred Fee Plan, effective February 8, 2008, filed as Exhibit 10(j) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007 (Commission File No. 1-4797) and incorporated herein by reference.
10(ee)*	Illinois Tool Works Inc. Phantom Stock Plan for Non-Officer Directors, as approved by the Board of Directors on December 5, 2008, filed as Exhibit 10(s) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2008 (Commission File No. 1-4797) and incorporated herein by reference.
10(ff)*	Illinois Tool Works Inc. 2011 Cash Incentive Plan, filed as Exhibit 99.1 to the Company's Form 8-K filed on May 12, 2011 (Commission File No. 1-4797) and incorporated herein by reference.
10(gg)	Letter Agreement, dated January 12, 2012, among the Company, Relational Investors LLC and the other parties named in the Letter Agreement, filed as Exhibit 99.1 to the Company's Current Report on Form 8-K filed on January 13, 2012 (Commission File No. 1-4797) and incorporated herein by reference.
21	Subsidiaries and Affiliates of the Company.
23	Consent of Independent Registered Public Accounting Firm.
24	Powers of Attorney.
31	Rule 13a-14(a) Certifications.
32	Section 1350 Certification.
99(a)	Description of the capital stock of Illinois Tool Works Inc. filed as Exhibit 99(a) to the Company's Annual Report on Form 10-K filed on February 26, 2010 (Commission File No. 1-4797) and incorporated herein by reference.
101.INS	XBRL Instance Document**
101.SCH	XBRL Taxonomy Extension Schema**
101.CAL	XBRL Taxonomy Extension Calculation Linkbase**
101.DEF	XBRL Taxonomy Extension Definition Linkbase**

101.LAB	XBRL Taxonomy Extension Label Linkbase**
101.PRE	XBRL Taxonomy Extension Presentation Linkbase**

* Management contract or compensatory plan or arrangement.

** The following financial information from Illinois Tool Works Inc. Company's Annual Report on Form 10-K for the year ended December 31, 2012, formatted in XBRL (Extensible Business Reporting Language): (i) Statement of Income, (ii) Statement of Comprehensive Income, (iii) Statement of Income Reinvested in the Business (iv) Statement of Financial Position, (v) Statement of Cash Flows and (vi) related Notes to Financial Statements.

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