

ESPE MATTHEW J  
Form 4  
December 21, 2010

**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 \*  
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)

3. Date of Earliest Transaction (Month/Day/Year)  
12/17/2010

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

C/O ARMSTRONG WORLD INDUSTRIES, INC., 2500 COLUMBIA AVENUE  
(Street)

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

LANCASTER, PA 17603

(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)
				(A) or (D)	Price		
				Code	V	Amount	

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)**



## 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) The reported transactions involved an amendment of outstanding options due to the recapitalization of the Company, resulting in the deemed cancellation of the "old" options and the grant of replacement options.

The performance-based restricted stock units (PRSU) granted to Mr. Espe have been amended to adjust the stock price target due to the recapitalization of the Company, resulting in a deemed cancellation of the old PRSU and the grant of replacement PRSU. PRSU vest as follows: (i) 50% of PRSU (19,979 units) will vest on 12/31/12 if the stock price target of \$42.73 has been achieved; (ii) 50% of PRSU (19,979 units) will vest on 12/31/13 if the stock price target of \$57.73 has been achieved; and if PRSU do not vest in accordance with clause (i) and/or clause (ii), PRSU will vest when the applicable stock price targets are achieved, but only if they are achieved no later than 12/31/14. To the extent that, as of 12/31/14, the applicable stock price targets have not been met, 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 anytime prior to the applicable vesting dates.

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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