

McClain Gretchen W
 Form 4
 November 03, 2011

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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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 *
 McClain Gretchen W

(Last) (First) (Middle)
 C/O XYLEM INC., 1133
 WESTCHESTER AVENUE
 (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)
 President & CEO

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 Ownership (Instr. 4)
			Code	V Amount (D) Price			
Common Stock	11/01/2011		A	70,736 A \$ 0	155,292 ⁽¹⁾	D	
Common Stock					123 ⁽²⁾	I	By 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)

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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)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Employee Stock Option (Right to Buy)	\$ 31.21	11/01/2011		A		59,374		(3)	09/19/2012	Common Stock	59,374
Employee Stock Option (Right to Buy)	\$ 29.57	11/01/2011		A		15,541		(3)	03/06/2013	Common Stock	15,541
Employee Stock Option (Right to Buy)	\$ 32.56	11/01/2011		A		26,994		(3)	03/07/2014	Common Stock	26,994
Employee Stock Option (Right to Buy)	\$ 29.81	11/01/2011		A		29,693		(3)	03/10/2015	Common Stock	29,693
Employee Stock Option (Right to Buy)	\$ 18.63	11/01/2011		A		53,669		03/05/2012	03/05/2016	Common Stock	53,669
Employee Stock Option (Right to Buy)	\$ 30.03	11/01/2011		A		42,837		03/05/2013	03/05/2020	Common Stock	42,837
Employee Stock Option (Right to Buy)	\$ 32.38	11/01/2011		A		59,598		03/03/2014	03/03/2021	Common Stock	59,598

Buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
McClain Gretchen W C/O XYLEM INC. 1133 WESTCHESTER AVENUE WHITE PLAINS, NY 10604	X		President & CEO	

Signatures

/s/ Rina E. Teran, Assistant Corporate Secretary of Xylem Inc., by power of attorney for
Gretchen W. McClain

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).
The total amount of securities beneficially owned following the reported transactions includes securities that were received in connection with the spin-off of Xylem Inc. from ITT Corporation in a transaction that was exempt from reporting under Rule 16a-9 under the Securities Exchange Act of 1934.
- (1) As of November 1, 2011.
- (2) These options are fully vested and exercisable.

Remarks:

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

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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