FORM 4

# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

| OMB APPROVAL        |           |  |  |  |  |  |  |  |  |  |
|---------------------|-----------|--|--|--|--|--|--|--|--|--|
| OMB Number:         | 3235-0287 |  |  |  |  |  |  |  |  |  |
| Estimated average b | urden     |  |  |  |  |  |  |  |  |  |

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 hours per response: 0.5 Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| 1. Name and Address of Reporting Person*  LORANGER STEVEN R  |  |  |   |                                    | 2. Issuer Name <b>and</b> Ticker or Trading Symbol Xylem Inc. [XYL]   |  |                       |  |       |   |  | (Che  | elationship o<br>eck all applica<br>Director        | ,  | rson(s) to Issu  |  |
|--|--|--|---|------------------------------------|---|--|-----------------------|--|-------|---|--|---|---|--|--|--|
| (Last) (First) (Middle) 1133 WESTCHESTER AVENUE C/O XYLEM INC.   |  |  |   | 1                                  | 3. Date of Earliest Transaction (Month/Day/Year) 10/19/2012  4. If Amendment, Date of Original Filed (Month/Day/Year) |  |                       |  |       |   |  |   | below)  | (give title  | Other (s<br>below)   |  |
| (Street) WHITE   | PLAINS N   | Y<br>tate)                                 | 10604<br>(Zip)  |                                    | . II AME  | ename  | ent, Date of          | Onginai F  | ·iled | (Month/Day                                      | /Year)   | Line  | )<br><mark>X</mark> Form fil                        | oint/Group Filir<br>led by One Re<br>led by More tha                                       | oorting Persor   | ,  |
|  | Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned |  |   |                                    |   |  |                       |  |       |   |  |   |   |  |  |  |
| Date   |  |  |   | t. Transacti<br>Date<br>Month/Day/ | ay/Year)   Execution  |  | ution Date,           | Transaction Disposed Code (Instr. 5)                           |       | ties Acquired (A) or<br>I Of (D) (Instr. 3, 4 a |  | 5. Amoun<br>Securities<br>Beneficia<br>Owned Fo<br>Reported | s Form<br>ally (D) o<br>ollowing (I) (II            | n: Direct I<br>or Indirect I<br>nstr. 4)   | 7. Nature of<br>ndirect<br>Beneficial<br>Ownership<br>Instr. 4)          |  |
|  |  |  |   |                                    |   |  |                       | Code   | V     | Amount  | (A) or<br>(D)  | Price   | Transacti<br>(Instr. 3 a                            | on(s)  |  | ,  |
| Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities) |  |  |   |                                    |   |  |                       |  |       |   |  |   |   |  |  |  |
| 1. Title of<br>Derivative<br>Security<br>(Instr. 3)  | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security            | 3. Transaction<br>Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date<br>if any<br>(Month/Day/Ye | ate, Transaction<br>Code (Instr.   |   | 5. Number of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed<br>of (D) (Instr. 3,<br>4 and 5) |                       | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) |       |   | 7. Title and Amoun<br>of Securities<br>Underlying<br>Derivative Security<br>(Instr. 3 and 4) |   | 8. Price of<br>Derivative<br>Security<br>(Instr. 5) | 9. Number of<br>derivative<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported | 10.<br>Ownership<br>Form:<br>Direct (D)<br>or Indirect<br>(I) (Instr. 4) | 11. Nature<br>of Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|  |  |  |   | Code                               | v   | (A)  | (D)                   | Date<br>Exercisal  |       | Expiration<br>Date                              | Title  | Amount<br>or<br>Number<br>of<br>Shares                      |   | Transaction(s)<br>(Instr. 4)   |  |  |
| Phantom<br>Stock   | (1)  | 10/19/2012                                 |   | J <sup>(2)</sup>                   |   |  | 31.693 <sup>(3)</sup> | (4)  |       | (4)   | Common<br>Stock  | 31.693  | \$24.22   | 0  | D  |  |

## **Explanation of Responses:**

- 1. Each share of phantom stock represents the right to receive the cash value of one share of Xylem Inc. common stock.
- 2. Intra-plan transfer in connection with the liquidation of the Xylem Stock Fund under a deferred compensation plan.
- 3. The total amount of securities being disposed includes dividend equivalent rights accrued in transactions that were exempt from reporting under Rule 16a-11 under the Securities Exchange Act of 1934.
- 4. Credited shares of phantom stock were payable in cash pursuant to the Resignation Agreement, dated as of October 14, 2011, by and between Mr. Loranger and ITT Corporation.

### Remarks:

/s/ Rina E. Teran, Assistant Corporate Secretary of Xylem 12/18/2012 Inc., by power of attorney for Steven R. Loranger

\*\* Signature of Reporting Person Date

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

- $^{\star}$  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).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.