

Exhibit 99.2

ITW Conference Call

**Fourth Quarter
2004**

ITW Agenda

- 1. Introduction.....John Brooklier**
- 2. Financial Overview.....Jon Kinney**
- 3. Manufacturing Segments..... John Brooklier**
- 4. Forecast 2005.....Jon Kinney**
- 5. Q & A.....Kinney/Brooklier**

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Forward - Looking Statements

This conference call contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements regarding end market conditions and base business and future tax rate expectations for full year 2005 and the Company's related earnings forecasts. These statements are subject to certain risks, uncertainties, and other factors, which could cause actual results to differ materially from those anticipated, including, without limitation, the risks described herein. Important factors that may influence future results include (1) a downturn in the construction, automotive, general industrial, food service and retail, or commercial real estate markets, (2) deterioration in global and domestic business and economic conditions, particularly in North America, the European Community or Australia, (3) the unfavorable impact of foreign currency fluctuations and prices of raw materials, (4) an interruption in, or reduction in, introducing new products into the Company's product lines, (5) an unfavorable environment for making acquisitions or dispositions, domestic and international, including adverse accounting or regulatory requirements and market values of candidates, and (6) unfavorable tax law changes and tax authority rulings.

Conference Call Playback

Replay number: 402-530-7662

No pass code necessary

**Telephone replay available through midnight of
February 10, 2005**

**Webcast / PowerPoint replay available at itw.com
website**

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Quarterly Highlights

	2003	2004	F(U) Last Year	
	<u>Q4</u>	<u>Q4</u>	<u>Amount</u>	<u>%</u>
Operating Revenues	2,626.0	3,051.6	425.6	16.2%
Operating Income	431.7	535.2	103.5	24.0%
% of Revenues	16.4%	17.5%	1.1%	
Income From Continuing Operations				
Income Amount	286.9	359.2	72.3	25.2%
Income Per Share-Diluted	0.93	1.21	0.28	30.1%
Average Invested Capital	6,875.6	7,780.3	(904.7)	-13.2%
Return on Average Invested Capital	17.3%	19.2%	1.9%	
Free Operating Cash Flow	425.7	326.4	(99.3)	-23.3%

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Quarterly Operating Analysis

	<u>Revenue</u>	<u>Income</u>	<u>Margins</u>
Base Manufacturing Business			
Operating Leverage	8.2%	20.2%	1.8%
Nonvolume-related	-	-2.2%	-0.3%
Total	8.2%	18.0%	1.5%
Acquisitions / Divestitures	4.3%	1.7%	-0.4%
Translation	3.9%	4.1%	-
Impairment	-	-	-
Restructuring	-	-1.0%	-0.2%
Leasing & Investments	0.2%	1.2%	0.1%
Other Revenue	-0.4%	-	0.1%
Total	16.2%	24.0%	1.1%

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Leasing & Investments

	2003 <u>Q4</u>	2004 <u>Q4</u>	<u>F(U) Last Year</u>	
			<u>Amount</u>	<u>%</u>
Operating Revenues	27.9	33.3	5.4	19.4%
Operating Income	22.7	27.9	5.2	22.9%
Operating Margins	81.3%	83.7%	2.4%	

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Non Operating & Taxes

	2003 <u>Q4</u>	2004 <u>Q4</u>	<u>F(U) Last Year</u> <u>Amount</u>	<u>%</u>
Operating Income	431.7	535.2	103.5	24.0%
Interest Expense	(18.0)	(15.8)	2.2	
Other Income(expense)	3.5	(5.5)	(9.0)	
Income From Continuing Operations-P/T	<u>417.2</u>	<u>513.9</u>	<u>96.7</u>	<u>23.2%</u>
Income Taxes	130.3	154.7	(24.4)	
% to Pre Tax Income	31.2%	30.1%	1.1%	
Income From Continuing Operations-A/T	<u><u>286.9</u></u>	<u><u>359.2</u></u>	<u><u>72.3</u></u>	<u><u>25.2%</u></u>

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Invested Capital

	<u>12/31/03</u>	<u>9/30/04</u>	<u>12/31/04</u>
Trade Receivables	1,721.2	1,983.6	2,054.6
Days Sales Outstanding	59.0	60.2	60.6
Inventories	992.0	1,142.5	1,281.2
Months on Hand	1.7	1.8	1.9
Other Current Assets	385.5	360.1	319.0
Accounts Payable & Accruals	(1,432.8)	(1,910.1)	(1,647.4)
Operating Working Capital	1,665.9	1,576.1	2,007.4
% to Revenue(Prior 4 Qtrs.)	17%	14%	17%
Net Plant & Equipment	1,728.6	1,807.9	1,876.9
Investments, net of L&I Debt	633.4	820.9	833.5
Goodwill	2,511.3	2,686.8	2,753.1
Other, net	428.1	663.0	534.9
Invested Capital	6,967.3	7,554.7	8,005.8

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Debt & Equity

	<u>12/31/03</u>	<u>9/30/04</u>	<u>12/31/04</u>
Total Capital			
Short Term Debt	56.1	97.1	203.5
Long Term Debt	920.4	924.0	921.1
Total Debt	<u>976.5</u>	<u>1,021.1</u>	<u>1,124.6</u>
Stockholders' Equity	7,874.3	7,543.3	7,627.6
Total Capital	<u>8,850.8</u>	<u>8,564.4</u>	<u>8,752.2</u>
Less:			
Leasing & Investments Debt	(199.0)	(79.4)	(79.0)
Cash	<u>(1,684.5)</u>	<u>(930.3)</u>	<u>(667.4)</u>
Net Debt & Equity	<u>6,967.3</u>	<u>7,554.7</u>	<u>8,005.8</u>
 Debt to Total Capital	 <u>11%</u>	 <u>12%</u>	 <u>13%</u>

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Cash Flow

	2003 <u>Q4</u>	2004 <u>Q4</u>
Net Income	283.3	358.1
Adjust for Non-Cash Items	263.1	276.7
Changes in Operating Assets & Liabilities	(66.2)	(251.8)
Net Cash From Operating Activities	<u>480.2</u>	<u>383.0</u>
Additions to Plant & Equipment	(75.3)	(84.7)
Proceeds from investments	20.8	28.1
Free Operating Cash Flow	<u>425.7</u>	<u>326.4</u>
Stock Repurchase	-	(527.7)
Acquisitions	(55.6)	(148.9)
Investments	(25.4)	(28.8)
Dividends	(73.8)	(83.0)
Debt	(34.2)	100.6
Other	74.9	98.5
Net Cash Increase/(Decrease)	<u>311.6</u>	<u>(262.9)</u>

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Return on Average Invested Capital

<u>Current Quarter</u>	<u>2003</u> <u>Q4</u>	<u>2004</u> <u>Q4</u>	<u>F(U)</u> <u>Prior Yr.</u>
Operating Income after taxes	296.9	374.1	77.2
Operating Margins	11.3%	12.3%	1.0%
Average Invested Capital	6,875.6	7,780.3	(904.7)
Capital Turnover	1.53	1.57	0.04
Return on Average Invested Capital	17.3%	19.2%	1.9%

<u>Year to Date</u>	<u>2003</u> <u>Q4</u>	<u>2004</u> <u>Q4</u>	<u>F(U)</u> <u>Prior Yr.</u>
Operating Income after taxes	1,078.1	1,377.9	299.8
Operating Margins	10.7%	11.7%	1.0%
Average Invested Capital	6,685.3	7,465.2	(779.9)
Capital Turnover	1.50	1.57	0.07
Return on Average Invested Capital	16.1%	18.5%	2.4%

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Acquisitions

	2003				2004			
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
Annual Revenues Acquired	49	35	231	32	247	168	78	131
Purchase Price								
Cash Paid	44	30	74	56	184	193	62	149
Stock Issued	-	-	-	-	2	-	-	-
Total	44	30	74	56	186	193	62	149
Number of Acquisitions								
North America								
Engineered Products	1	-	3	3	2	1	1	1
Specialty Systems	-	2	1	1	-	1	1	1
International								
Engineered Products	-	1	2	1	5	2	-	1
Specialty Systems	7	3	3	-	3	4	1	-
Total	8	6	9	5	10	8	3	3

Key Economic Data

- **December '04 ISM: 58.6% same as in Q3 '04; new order index of 67.4% in December '04**
- **US Industrial Production (ex. Tech.): +4.1% in December '04 compared to +5.7% in August '04**
- **Euro-Zone Purchasing Managers' Index: 51.4% in December '04 versus 53.9% in August '04**
- **Euro-Zone Industrial Production: +0.4% in December '04 versus +2.2% in August '04; Germany and U.K. indexes both slightly negative in December '04**

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Engineered Products - North America

	2003	2004	F(U) Last Year	
	<u>Q4</u>	<u>Q4</u>	<u>Amount</u>	<u>%</u>
Operating Revenues	748.6	818.4	69.8	9.3%
Operating Income	114.2	126.8	12.6	11.0%
Operating Margins	15.3%	15.5%	0.2%	

Engineered Products - North America

Quarterly Analysis

	% F(U) Prior Year		
	<u>Operating Revenue</u>	<u>Operating Income</u>	<u>Operating Margins</u>
Base Business			
Operating Leverage	5.3%	14.5%	1.3%
Nonvolume-related	-	-1.9%	-0.3%
Total	5.3%	12.6%	1.0%
Acquisitions / Divestitures	3.7%	1.0%	-0.4%
Translation	0.3%	0.2%	-
Impairment	-	-	-
Restructuring	-	-2.8%	-0.4%
Total	9.3%	11.0%	0.2%

Engineered Products - North America

Key Points

- **Total construction: +7% for Q4 '04**
- **ITW construction (Paslode/Buillex/Ramset/ITW Brands) base revenues: +8% for Q4 '04; new housing and renovation markets +5% to +8%; commercial +5%**
- **Wilsonart base revenues: +6%; basic laminate and flooring products add to growth**

Engineered Products - North America

Key Points

- **Auto base revenues: -4% for Q4 '04**
- **Big 3 build rates: -6% for Q4 '04**
 - **GM: -10%**
 - **Ford: -12%**
 - **Chrysler: +11%**
 - **Transplants: +9%**
- **Big 3 inventories: 78 days at 12-31-04**
 - **GM: 77 days**
 - **Ford: 79 days**
 - **Chrysler: 80 days**
 - **Transplants: 49 days**
- **ITW build estimates for 2005:**
 - **Q1: -7%**
 - **FY: flat**
- **Industrial: base revenues +11% for Q4 '04**
 - **Top performers: Minigrip/ZipPak, fluid products, industrial plastics**

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Engineered Products - International

	2003 <u>Q4</u>	2004 <u>Q4</u>	<u>F(U) Last Year</u>	
			<u>Amount</u>	<u>%</u>
Operating Revenues	535.9	684.2	148.3	27.7%
Operating Income	86.5	108.8	22.3	25.8%
Operating Margins	16.1%	15.9%	-0.2%	

Engineered Products - International

Quarterly Analysis

	% F(U) Prior Year		
	<u>Operating Revenue</u>	<u>Operating Income</u>	<u>Operating Margins</u>
Base Business			
Operating Leverage	4.3%	10.6%	1.0%
Nonvolume-related	-	-	-
Total	4.3%	10.6%	1.0%
Acquisitions / Divestitures	14.0%	8.4%	-0.8%
Translation	9.4%	10.6%	0.2%
Impairment	-	-	-
Restructuring	-	-3.8%	-0.6%
Total	27.7%	25.8%	-0.2%

Engineered Products - International

Key Points

- **Construction base revenues: +6% in Q4 '04**
 - **Europe: +5% growth (strength in UK, Belgium, Italy)**
 - **Austral-Asia: +3% (numerous businesses in Australia)**
 - **Wilsonart Intl.: +18% (good activity in U.K. and China)**
- **Automotive base revenues: +3% in Q4 '04**
 - **Builds: -3.5% in Q4 '04**
 - **BMW: +15.6%; Ford: -2%; Daimler/Chrysler -2.8%; GM -11.4%; Fiat -15.5% in Q4 '04**
 - **ITW forecasting FY '05 builds: +2%**
- **Industrial base revenues: +2% in Q4 '04**
 - **Top performers: fluid products and polymers**

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Specialty Systems - North America

	2003 <u>Q4</u>	2004 <u>Q4</u>	<u>F(U) Last Year</u>	
			<u>Amount</u>	<u>%</u>
Operating Revenues	870.3	972.2	101.9	11.7%
Operating Income	140.8	183.3	42.5	30.2%
Operating Margins	16.2%	18.8%	2.6%	

Specialty Systems - North America

Quarterly Analysis

	% F(U) Prior Year		
	<u>Operating Revenue</u>	<u>Operating Income</u>	<u>Operating Margins</u>
Base Business			
Operating Leverage	10.9%	27.7%	2.4%
Nonvolume-related	-	0.6%	0.1%
Total	10.9%	28.3%	2.5%
Acquisitions / Divestitures	0.4%	-0.2%	-0.1%
Translation	0.4%	0.7%	0.0%
Impairment	-	-	-
Restructuring	-	1.4%	0.2%
Total	11.7%	30.2%	2.6%

Specialty Systems - North America

Key Points

- **Welding base revenues: 20+% in Q4 '04 due primarily to stronger equipment sales to construction and variety of other end markets; consumables and components units also grew sales**
- **Industrial packaging: Signode base revenue grew +15% in Q4 '04 ; consumables / machinery both showed improvement**
- **Food Equipment base revenues: +3% in Q4 '04; growth due to restaurant/institutional customers and parts/service**

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Specialty Systems - International

	2003	2004	F(U) Last Year	
	<u>Q4</u>	<u>Q4</u>	<u>Amount</u>	<u>%</u>
Operating Revenues	542.0	653.4	111.4	20.6%
Operating Income	67.5	88.4	20.9	31.0%
Operating Margins	12.4%	13.5%	1.1%	

Specialty Systems - International Quarterly Analysis

	% F(U) Prior Year		
	<u>Operating Revenue</u>	<u>Operating Income</u>	<u>Operating Margins</u>
Base Business			
Operating Leverage	10.8%	32.8%	2.5%
Nonvolume-related	-	-11.3%	-1.3%
Total	10.8%	21.5%	1.2%
Acquisitions / Divestitures	1.2%	-1.5%	-0.3%
Translation	8.6%	10.7%	0.2%
Impairment	-	-	-
Restructuring	-	0.3%	0.0%
Total	20.6%	31.0%	1.1%

Specialty Systems - International Key Points

- **Signode base revenues strengthen in Q4 '04:**
 - Europe: +20%**
 - Asia/Pacific: +20%**
- **Food Equipment: base revenues +8% in Q4 '04; growth from all geographic regions**
- **Finishing: base revenue grew 13% in Q4 '04**

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2005 Forecast

	<u>Low</u>	<u>High</u>	<u>Mid Point</u>
<u>1st Quarter</u>			
Base Revenues	5.1%	7.1%	6.1%
Income Per Share-Diluted	\$1.01	\$1.07	\$1.04
%F(U) 2004	9%	15%	12%
<u>Full Year</u>			
Base Revenues	4.4%	6.4%	5.4%
Income Per Share-Diluted	\$4.91	\$5.11	\$5.01
%F(U) 2004	12%	16%	14%

ITW 2005 Forecast

Key Assumptions

- **Exchange rates hold at current levels.**
- **Acquired revenues in the \$600 to \$800 million range.**
- **Restructuring cost of \$30 to \$50 million.**
- **Leasing & Investments income of \$60 to \$70 million, which is lower than 2004 by \$60 to \$70 million.**
- **Tax rate of 33% for the first quarter and the year.**

ITW Conference Call

Q & A

**Fourth Quarter
2004**