

**Exhibit 99.2**

# **ITW Conference Call**

**Second Quarter**

**2004**

# **ITW Agenda**

- 1. Introduction.....John Brooklier**
- 2. Financial Overview.....Jon Kinney**
- 3. Manufacturing Segments..... John Brooklier**
- 4. Forecast 2004.....Jon Kinney**
- 5. Q & A.....Kinney/Brooklier**

# ITW

## 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 expectations for full year 2004 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, (4) an interruption in, or reduction in, introducing new products into the Company's product lines, and (5) an unfavorable environment for making acquisitions or dispositions, domestic and international, including adverse accounting or regulatory requirements and market values of candidates.**

# **Conference Call Playback**

**Replay number: 203-369-1569**

**No pass code necessary**

**Telephone replay available through  
midnight of August 4, 2004**

**Webcast / PowerPoint replay available at  
[itw.com](http://itw.com) website**

# ITW

## Quarterly Highlights

	<b>2003</b>	<b>2004</b>	<b>F(U) Last Year</b>	
	<b><u>Q2</u></b>	<b><u>Q2</u></b>	<b><u>Amount</u></b>	<b><u>%</u></b>
Operating Revenues	2,564.0	3,002.3	438.3	17.1%
Operating Income	454.1	561.5	107.4	23.7%
% of Revenues	17.7%	18.7%	1.0%	
<b>Income From Continuing Operations</b>				
Income Amount	284.0	360.4	76.4	26.9%
Income Per Share-Diluted	0.92	1.16	0.24	26.1%
<b>Average Invested Capital</b>	6,698.2	7,399.2	(701.0)	-10.5%
<b>Return on Average Invested Capital</b>	17.6%	20.0%	2.4%	
<b>Free Operating Cash Flow</b>	217.7	314.2	96.5	44.3%

# ITW

## Quarterly Operating Analysis

	<u>Revenue</u>	<u>Income</u>	<u>Margins</u>
<b>Base Manufacturing Business</b>			
Operating Leverage	8.4%	19.1%	1.8%
Nonvolume-related	-	-2.8%	-0.5%
<b>Total</b>	<b>8.4%</b>	<b>16.3%</b>	<b>1.3%</b>
<b>Acquisitions / Divestitures</b>	<b>5.7%</b>	<b>2.4%</b>	<b>-0.6%</b>
<b>Translation</b>	<b>4.2%</b>	<b>3.8%</b>	<b>-0.1%</b>
<b>Impairment</b>	-	-	-
<b>Restructuring</b>	-	1.9%	0.3%
<b>Leasing &amp; Investments</b>	-0.5%	-0.7%	-
<b>Other Revenue</b>	-0.7%	-	0.1%
<b>Total</b>	<b>17.1%</b>	<b>23.7%</b>	<b>1.0%</b>

# ITW

## Leasing & Investments

	<b>2003</b>	<b>2004</b>	<b>F(U) Last Year</b>	
	<b><u>Q2</u></b>	<b><u>Q2</u></b>	<b><u>Amount</u></b>	<b><u>%</u></b>
<b>Operating Revenues</b>	<b>65.8</b>	<b>53.2</b>	<b>(12.6)</b>	<b>-19.1%</b>
<b>Operating Income</b>	<b>52.1</b>	<b>48.7</b>	<b>(3.4)</b>	<b>-6.5%</b>
<b>Operating Margins</b>	<b>79.2%</b>	<b>91.5%</b>	<b>12.3%</b>	

# ITW

## Non Operating & Taxes

	<b>2003</b>	<b>2004</b>	<b>F(U) Last Year</b>	
	<b><u>Q2</u></b>	<b><u>Q2</u></b>	<b><u>Amount</u></b>	<b><u>%</u></b>
<b>Operating Income</b>	<b>454.1</b>	<b>561.5</b>	<b>107.4</b>	<b>23.7%</b>
<b>Interest Expense</b>	<b>(19.1)</b>	<b>(18.9)</b>	<b>0.2</b>	
<b>Other Income</b>	<b>2.0</b>	<b>3.5</b>	<b>1.5</b>	
<b>Income From Continuing Operations-P/T</b>	<b><u>437.0</u></b>	<b><u>546.1</u></b>	<b><u>109.1</u></b>	<b><u>25.0%</u></b>
<b>Income Taxes</b>	<b>152.9</b>	<b>185.7</b>	<b>(32.8)</b>	
<b>% to Pre Tax Income</b>	<b>35.0%</b>	<b>34.0%</b>	<b>1.0%</b>	
<b>Income From Continuing Operations-A/T</b>	<b><u><u>284.0</u></u></b>	<b><u><u>360.4</u></u></b>	<b><u><u>76.4</u></u></b>	<b><u><u>26.9%</u></u></b>



# ITW

## Invested Capital

	<u>6/30/03</u>	<u>3/31/04</u>	<u>6/30/04</u>
Trade Receivables	1,709.7	1,909.6	1,979.8
Days Sales Outstanding	60.0	63.4	59.3
Inventories	1,011.7	1,070.5	1,098.2
Months on Hand	1.8	1.8	1.7
Other Current Assets	367.0	386.2	383.5
Accounts Payable & Accruals	(1,414.5)	(1,647.4)	(1,729.9)
<b>Operating Working Capital</b>	<b>1,673.9</b>	<b>1,718.9</b>	<b>1,731.6</b>
% to Revenue(Prior 4 Qtrs.)	17%	16%	16%
Net Plant & Equipment	1,703.5	1,783.2	1,791.3
Investments, net of L&I Debt	655.4	659.9	749.5
Goodwill	2,484.3	2,618.1	2,718.2
Other, net	345.1	505.4	522.2
<b>Invested Capital</b>	<b>6,862.2</b>	<b>7,285.5</b>	<b>7,512.8</b>

# ITW

## Debt & Equity

	<u>6/30/03</u>	<u>3/31/04</u>	<u>6/30/04</u>
<b>Total Capital</b>			
Short Term Debt	116.8	51.4	60.0
Long Term Debt	1,446.0	920.8	923.5
<b>Total Debt</b>	1,562.8	972.2	983.5
Stockholders' Equity	7,295.3	8,234.1	8,210.2
<b>Total Capital</b>	8,858.1	9,206.3	9,193.7
Less:			
Leasing & Investments Debt	(761.8)	(191.8)	(143.7)
Cash	(1,234.1)	(1,729.0)	(1,537.2)
<b>Net Debt &amp; Equity</b>	6,862.2	7,285.5	7,512.8
 <b>Debt to Total Capital</b>	 18%	 11%	 11%

# ITW

## Cash Flow

	<b>2003</b>	<b>2004</b>
	<b><u>Q2</u></b>	<b><u>Q2</u></b>
<b>Net Income</b>	276.1	360.4
<b>Adjust for Non-Cash Items</b>	49.8	52.0
<b>Changes in Operating Assets &amp; Liab.</b>	(49.6)	(49.6)
<b>Net Cash From Operating Activities</b>	276.3	362.8
<b>Additions to Plant &amp; Equipment</b>	(66.0)	(69.3)
<b>Proceeds from investments</b>	7.4	20.7
<b>Free Operating Cash Flow</b>	217.7	314.2
<b>Stock Repurchase</b>	-	(259.1)
<b>Acquisitions</b>	(59.5)	(182.8)
<b>Investments</b>	(11.7)	(14.0)
<b>Dividends</b>	(70.5)	(74.0)
<b>Debt</b>	(6.5)	5.2
<b>Other</b>	39.0	18.7
<b>Net Cash Increase/(Decrease)</b>	108.5	(191.8)

# ITW

## Return on Average Invested Capital

<u>Current Quarter</u>	2003 <u>Q2</u>	2004 <u>Q2</u>	F(U) <u>Prior Yr.</u>
Operating Income after taxes	295.1	370.6	75.5
Operating Margins	11.5%	12.3%	0.8%
Average Invested Capital	6,698.2	7,399.2	701.0
Capital Turnover	1.53	1.62	0.09
Return on Average Invested Capital	17.6%	20.0%	2.4%

<u>Year to Date</u>	2003 <u>Q2</u>	2004 <u>Q2</u>	F(U) <u>Prior Yr.</u>
Operating Income after taxes	503.8	666.1	162.3
Operating Margins	10.3%	11.7%	1.3%
Average Invested Capital	6,632.8	7,255.2	622.4
Capital Turnover	1.47	1.57	0.10
Return on Average Invested Capital	15.2%	18.4%	3.2%

# ITW

## Acquisitions

	<b>2003</b>				<b>2004</b>			
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
<b>Annual Revenues Acquired</b>	<b>49</b>	<b>35</b>	<b>231</b>	<b>32</b>	<b>247</b>	<b>168</b>	<b>-</b>	<b>-</b>
<b>Purchase Price</b>								
Cash Paid	44	30	74	56	184	183	-	-
Stock Issued	-	-	-	-	2	-	-	-
<b>Total</b>	<b>44</b>	<b>30</b>	<b>74</b>	<b>56</b>	<b>186</b>	<b>183</b>	<b>-</b>	<b>-</b>
<b>Number of Acquisitions</b>								
<b>North America</b>								
Engineered Products	1	-	3	3	2	1	-	-
Specialty Systems	-	2	1	1	-	1	-	-
<b>International</b>								
Engineered Products	-	1	2	1	5	2	-	-
Specialty Systems	7	3	3	-	3	4	-	-
<b>Total</b>	<b>8</b>	<b>6</b>	<b>9</b>	<b>5</b>	<b>10</b>	<b>8</b>	<b>-</b>	<b>-</b>

# Key Economic Data

- **June '04 ISM: 61.1% is down only slightly from 62.5% in March '04**
- **US Industrial Production (ex. Tech.): +5.0% in May '04 compared to +2.2% in March '04**
- **Euro-Zone Purchasing Managers' Index: 54.4% in June '04 vs. 52.5% in February '04**
- **Euro-Zone Industrial Production: +1.6% in April '04 vs. +0.6% in January '04; UK, Germany and France all improve**

# ITW

## Engineered Products – North America

	<b>2003</b>	<b>2004</b>	<b><u>F(U) Last Year</u></b>	
	<b><u>Q2</u></b>	<b><u>Q2</u></b>	<b><u>Amount</u></b>	<b><u>%</u></b>
<b>Operating Revenues</b>	<b>781.7</b>	<b>845.4</b>	<b>63.7</b>	<b>8.1%</b>
<b>Operating Income</b>	<b>133.3</b>	<b>149.7</b>	<b>16.4</b>	<b>12.2%</b>
<b>Operating Margins</b>	<b>17.1%</b>	<b>17.7%</b>	<b>0.6%</b>	

# Engineered Products-North America

## Quarterly Analysis

	% F(U) Prior Year		
	<u>Operating Revenue</u>	<u>Operating Income</u>	<u>Operating Margins</u>
<b>Base Business</b>			
Operating Leverage	8.5%	20.6%	1.9%
Nonvolume-related	-	-11.1%	-1.8%
<b>Total</b>	<b>8.5%</b>	<b>9.5%</b>	<b>0.1%</b>
<b>Acquisitions / Divestitures</b>	<b>-0.4%</b>	<b>-0.4%</b>	<b>-</b>
<b>Translation</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restructuring</b>	<b>-</b>	<b>3.1%</b>	<b>0.5%</b>
<b>Total</b>	<b>8.1%</b>	<b>12.2%</b>	<b>0.6%</b>



# **Engineered Products-North America**

## **Key Points**

- **Total Construction: +11%**
- **ITW construction (Paslode/Buildex/Ramset/ITW Brands) base revenues: +17% for Q2**
- **Wilsonart base revenues: +6% ; Flooring grows 10+% ; basic laminate increases 5%**
- **Total construction: new housing +15%; renovation/rehab +15%; Commercial +6%**
- **2004 End Market Assumptions:**
  - **New housing: -3%**
  - **Renovation: +3% to +4%**
  - **Commercial: Revenues improve in 2<sup>nd</sup> half of year**

# **Engineered Products-North America**

## **Key Points**

- **Auto base revenues: +3% for Q2**
- **Big 3 build rates: -2% for Q2**
  - **GM: -1%**
  - **Ford: -5%**
  - **Chrysler: +2%**
- **June Big 3 inventories: 85 days**
  - **GM: 89 days**
  - **Ford: 88 days**
  - **Chrysler: 73 days**
- **ITW estimate for 2004:**
  - **Q3: -4%**
  - **FY: -3%**
- **Industrial: base revenues +10% for Q2**
  - **Industrial Plastics, Engineered Polymers, Fibre Glass Evercoat all had double digit base revenue growth in Q2**

# ITW

## Engineered Products – International

	<b>2003</b>	<b>2004</b>	<b>F(U) Last Year</b>	
	<b><u>Q2</u></b>	<b><u>Q2</u></b>	<b><u>Amount</u></b>	<b><u>%</u></b>
<b>Operating Revenues</b>	<b>470.8</b>	<b>645.6</b>	<b>174.8</b>	<b>37.1%</b>
<b>Operating Income</b>	<b>68.2</b>	<b>101.1</b>	<b>32.9</b>	<b>48.3%</b>
<b>Operating Margins</b>	<b>14.5%</b>	<b>15.7%</b>	<b>1.2%</b>	

# Engineered Products-International

## Quarterly Analysis

	% F(U) Prior Year		
	<u>Operating Revenue</u>	<u>Operating Income</u>	<u>Operating Margins</u>
<b>Base Business</b>			
Operating Leverage	9.8%	27.2%	2.3%
Nonvolume-related	-	-0.2%	-
<b>Total</b>	<b>9.8%</b>	<b>27.0%</b>	<b>2.3%</b>
<b>Acquisitions / Divestitures</b>	<b>15.5%</b>	<b>9.5%</b>	<b>-0.9%</b>
<b>Translation</b>	<b>11.8%</b>	<b>13.9%</b>	<b>0.1%</b>
<b>Impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restructuring</b>	<b>-</b>	<b>-2.1%</b>	<b>-0.3%</b>
<b>Total</b>	<b>37.1%</b>	<b>48.3%</b>	<b>1.2%</b>

# **Engineered Products-International**

## **Key Points**

- **Construction base revenues: +12% in Q2**
  - **Europe: +11% growth (strength in France, Germany, UK, Italy and Denmark)**
  - **Austral-Asia: +9% (Paslode/Buildex in Australia)**
  - **Wilsonart Intl.: +16% (good activity in China)**
- **Automotive base revenues: +7% in Q2**
  - **Builds: -1% ytd**
  - **Ford: +10.8%; BMW: +6.4%; Renault: +1.9%; Fiat: -16.8%; GM Group: -7.6%; VW Group: -1.3%**
  - **ITW forecasting FY '04 builds: +1% to +2%**
- **Industrial base revenues: +8% in Q2**
  - **Electronic component packaging, industrial plastics, and fluid products all grew base revenues in range of 8% to 10%**

# ITW

## Specialty Systems-North America

	<b>2003</b>	<b>2004</b>	<b><u>F(U) Last Year</u></b>	
	<b><u>Q2</u></b>	<b><u>Q2</u></b>	<b><u>Amount</u></b>	<b><u>%</u></b>
<b>Operating Revenues</b>	<b>842.2</b>	<b>972.2</b>	<b>130.0</b>	<b>15.4%</b>
<b>Operating Income</b>	<b>142.7</b>	<b>177.7</b>	<b>35.0</b>	<b>24.6%</b>
<b>Operating Margins</b>	<b>16.9%</b>	<b>18.3%</b>	<b>1.4%</b>	

# Specialty Systems-North America

## Quarterly Analysis

	<b>% F(U) Prior Year</b>		
	<b><u>Operating Revenue</u></b>	<b><u>Operating Income</u></b>	<b><u>Operating Margins</u></b>
<b>Base Business</b>			
<b>Operating Leverage</b>	<b>10.8%</b>	<b>26.7%</b>	<b>2.4%</b>
<b>Nonvolume-related</b>	<b>-</b>	<b>-4.2%</b>	<b>-0.6%</b>
<b>Total</b>	<b><u>10.8%</u></b>	<b><u>22.5%</u></b>	<b><u>1.8%</u></b>
<b>Acquisitions / Divestitures</b>	<b>4.6%</b>	<b>2.3%</b>	<b>-0.4%</b>
<b>Translation</b>	<b>-</b>	<b>0.1%</b>	<b>-</b>
<b>Impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restructuring</b>	<b>-</b>	<b>-0.3%</b>	<b>-</b>
<b>Total</b>	<b><u><u>15.4%</u></u></b>	<b><u><u>24.6%</u></u></b>	<b><u><u>1.4%</u></u></b>

# **Specialty Systems-North America**

## **Key Points**

- **Welding base revenues: 20+% in Q2** due primarily to stronger equipment sales to construction and other end markets; consumables and components units also grew sales
- **Industrial packaging: Signode base revenue grew +13% in Q2; consumables / machinery both show improvement**
- **Food Equipment base revenues: Flat in Q2 vs. -9% FY 2003; late cycle recovery business**



# ITW

## Specialty Systems-International

	<b>2003</b>	<b>2004</b>	<b>F(U) Last Year</b>	
	<b><u>Q2</u></b>	<b><u>Q2</u></b>	<b><u>Amount</u></b>	<b><u>%</u></b>
<b>Operating Revenues</b>	<b>498.4</b>	<b>598.4</b>	<b>100.0</b>	<b>20.1%</b>
<b>Operating Income</b>	<b>57.8</b>	<b>84.3</b>	<b>26.5</b>	<b>45.9%</b>
<b>Operating Margins</b>	<b>11.6%</b>	<b>14.1%</b>	<b>2.5%</b>	

# Specialty Systems-International Quarterly Analysis

	% F(U) Prior Year		
	<u>Operating Revenue</u>	<u>Operating Income</u>	<u>Operating Margins</u>
<b>Base Business</b>			
Operating Leverage	2.2%	7.0%	0.6%
Nonvolume-related	-	12.4%	1.4%
<b>Total</b>	<b>2.2%</b>	<b>19.4%</b>	<b>2.0%</b>
<b>Acquisitions / Divestitures</b>	<b>7.6%</b>	<b>3.0%</b>	<b>-0.7%</b>
<b>Translation</b>	<b>10.3%</b>	<b>12.9%</b>	<b>-</b>
<b>Impairment</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restructuring</b>	<b>-</b>	<b>10.6%</b>	<b>1.2%</b>
<b>Total</b>	<b>20.1%</b>	<b>45.9%</b>	<b>2.5%</b>

# **Specialty Systems-International**

## **Key Points**

- **Signode base revenues strengthen in Q2:**
  - Europe: +4%**
  - Asia/Pacific: +10%**
- **Food Equipment: base revenues +2%; operating margins improve 250 basis points in Q2**
- **Finishing: base revenues +4% in Q2; operating margins improve 180 basis points**
- **Welding: base revenues +5% and operating margins improved substantially**

# ITW

## 2004 Forecast

	<u>Low</u>	<u>High</u>	<u>Mid Point</u>
<u>3rd Quarter</u>			
Base Revenues	6.5%	8.5%	7.5%
Income Per Share-Diluted	\$1.05	\$1.11	\$1.08
%F(U) 2003	21%	28%	24%
<u>Full Year</u>			
Base Revenues	6.6%	7.8%	7.2%
Income Per Share-Diluted	\$4.21	\$4.35	\$4.28
%F(U) 2003	25%	29%	27%

# **ITW 2004 Forecast**

## **Key Assumptions**

- **Exchange rates hold at current levels.**
- **Acquired revenues in the \$500 to \$700 million range.**
- **Restructuring cost of \$20 to \$30 million.**
- **No further goodwill or intangible impairment cost.**
- **Share repurchase will add 5 to 7 cents per share for the year.**
- **Tax rate of 34%.**

# **ITW Conference Call**

**Q & A**

**Second Quarter**

**2004**