

HALBROOK JOHN A
Form 4
January 15, 2008

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 *
HALBROOK JOHN A

2. Issuer Name and Ticker or Trading Symbol
WOODWARD GOVERNOR CO
[WGOV]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
1000 E. DRAKE ROAD
(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
01/11/2008

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

FORT COLLINS, CO 80525
(City) (State) (Zip)

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

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 Indirect Beneficial Ownership (Instr. 4) |
|--|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | Code | V | Amount (D) Price | | |
| Woodward Governor Company Common Stock | 01/11/2008 | | M | | 65,163 (1) \$ 10.666 | 456,533 | D |
| Woodward Governor Company Common Stock | 01/11/2008 | | F | | 17,915 (2) \$ 59.47 | 438,618 | D |
| Woodward Governor | 01/11/2008 | | F | | 11,687 (3) \$ 59.47 | 426,931 | D |

Company
Common
Stock

Woodward
Governor
Company
Common
Stock

01/11/2008 M 11,414⁽⁴⁾ A \$ 59.47⁽⁴⁾ 438,345 D

Woodward
Governor
Company
Common
Stock

01/11/2008 F 3,995⁽⁵⁾ D \$ 59.47 434,350 D

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

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(9-02)

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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Nonqualified Stock Option (right to buy) | \$ 10.666 | 01/11/2008 | | M | 65,163 | 01/14/1998 ⁽⁶⁾ 01/14/2008 | Common Stock 6 |
| Nonqualified Stock Option (right to buy) | <u>\$ 59.47</u> ^{(7) (8)} | 01/11/2008 | | <u>M</u> ⁽⁷⁾ | 11,414 | 01/11/2008 01/11/2008 | Common Stock 1 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---------------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| HALBROOK JOHN A 1000 E. DRAKE ROAD | X | | | |

FORT COLLINS, CO 80525

Signatures

Kathleen A Waelti by Power of
Attorney

01/15/2008

__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).
- (1) Shares received incident to the exercise of a security issued in accordance with Rule 16b-3.
- (2) Shares delivered in payment of exercise price incident to the exercise of a security issued in accordance with Rule 16b-3.
- (3) Shares withheld to cover the tax liability incident to the exercise of a security issued in accordance with Rule 16b-3.
- (4) Shares received under the Woodward Executive Benefit Plan in accordance with Rule 16b-3.
- (5) Shares withheld to cover the tax liability incident to the issuance of shares under the Woodward Executive Benefit Plan in accordance with Rule 16b-3.
- (6) Options become exercisable at the rate of 25% per year beginning one year from date of grant.
- (7) Phantom Stock Units disposed of incident to the settlement of a distribution from the Woodward Executive Benefit Plan in accordance with Rule 16b-3.
- (8) The reporting person participates in the Woodward Executive Benefit Plan and elected to defer compensation earned as Chairman and CEO through December 31, 2005. These deferrals are denominated in Company stock. Phantom stock units are accrued under the Plan and are to be settled in 100% stock on a one-for-one basis upon the participant's election to take a distribution from the Plan. Also includes dividend reinvestment shares.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.