TEXTRON INC

FORM 8-K
(Current report filing)

Filed 04/25/06 for the Period Ending 04/21/06

Address 40 WESTMINSTER ST
          PROVIDENCE, RI 02903
Telephone 4014212800
CIK 0000217346
Symbol TXT
SIC Code 6162 - Mortgage Bankers and Loan Correspondents
Fiscal Year 01/02
Item 1.01 Entry into a Material Definitive Agreement

On April 21, 2006, Textron Inc. ("Textron") amended the 5-year senior unsecured revolving credit facility (the "Facility Agreement") with JPMorgan Chase Bank, N.A., as administrative agent, and Citibank, N.A., as syndication agent, and other lenders. The amendment extended the maturity date from March 2010 to April 2011. Under the amended Facility Agreement, Textron will pay quarterly fees that will range from 5 basis points to 12.5 basis points, depending on Textron's ratings by S&P and Moody's. At Textron's current rating, the fees are 7 basis points. Under the amended Facility Agreement, Textron will also pay a utilization fee of 5 basis points on LIBOR borrowings if the aggregate amount outstanding exceeds 50% of the banks' total commitment under the Facility Agreement. The previous commitment extension language was amended to allow for no more than two one year Termination Date extensions and to modify the required notification period associated with the extension of the Termination Date. The aggregate amount of committed credit remained unchanged at $1.25 billion.

A conformed copy of the amendment is attached hereto as Exhibit 10.1.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit

<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Amendment No. 1, dated as of April 21, 2006, to 5-Year Credit Agreement, dated as of March 28, 2005, among Textron, the Banks listed therein, JPMorgan Chase Bank, N.A., as Administrative Agent, and Citibank, N.A., as Syndication Agent</td>
</tr>
</tbody>
</table>
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TEXTRON INC.
(Registrant)

Date: April 25, 2006

/s/ Mary F. Lovejoy
By: Mary F. Lovejoy
Vice President and Treasurer

EXHIBIT INDEX

<table>
<thead>
<tr>
<th>Exhibit No</th>
<th>Exhibit</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Amendment No. 1, dated as of April 21, 2006, to 5-Year Credit Agreement, dated as of March 28, 2005, among Textron, the Banks listed therein, JPMorgan Chase Bank, N.A., as Administrative Agent, and Citibank, N.A., as Syndication Agent</td>
</tr>
</tbody>
</table>
$1,250,000,000

AMENDMENT No. 1
dated as of April 21, 2006
to the 5-Year Credit Agreement
dated as of March 28, 2005
among

Textron Inc.,
The Banks Listed Herein,
JPMorgan Chase Bank, N.A.,
as Administrative Agent
and

Citibank, N.A.,
as Syndication Agent

____________________

J.P. Morgan Securities Inc.

and

Citigroup Global Markets Inc.,
Lead Arrangers and Joint Bookrunners

Bank of America, N.A.,
Deutsche Bank Securities Inc.
and

UBS Loan Finance LLC,
Documentation Agents

Barclays Bank PLC,
Co-Documentation Agent

AMENDMENT NO. 1 TO 5-YEAR CREDIT AGREEMENT

AMENDMENT dated as of April 21, 2006 to the 5-Year Credit Agreement dated as of March 28, 2005 (the "Credit Agreement") among TEXTRON INC., the BANKS party thereto, JPMORGAN CHASE BANK, N.A., as Administrative Agent, and CITIBANK, N.A., as Syndication Agent.

WITNESSETH:

WHEREAS, the parties hereto desire to amend the Credit Agreement as set forth herein;

NOW, THEREFORE, the parties hereto agree as follows:

Section 1. Defined Terms; References. Unless otherwise specifically defined herein, each term used herein that is defined in the Credit Agreement has the meaning assigned to such term in the Credit Agreement. Each reference to "hereof", "hereunder", "herein" and "hereby" and each other similar reference and each reference to "this Agreement" and each other similar reference contained in the Credit Agreement shall, after this Amendment becomes effective, refer to the Credit Agreement as amended hereby.

Section 2. Amendments.

(a) The reference to "BANKS" in the header of the Credit Agreement is changed to "banks and other financial institutions".

(b) The definition of "Termination Date" in Section 1.01 of the Credit Agreement is amended by changing the date specified therein from "March 28, 2010" to "April 21, 2011".

(c) The definition of "Agent" in Section 1.01 of the Credit Agreement is amended to read as follows:

"Agent" means any of the Administrative Agent, the Syndication Agent, the Documentation Agents and the Co-Documentation Agent.

(d) The definition of "Commitment" in Section 1.01 of the Credit Agreement is amended to read as follows:

"Commitment" means (i) with respect to each Bank listed on the Commitment Schedule, the amount set forth opposite such Bank's name on the Commitment Schedule, and (ii) with respect to any substitute Bank or Assignee which becomes a Bank pursuant to Section 10.01 or 10.15, the amount of the transferor Bank's Commitment assigned to it pursuant to Section 10.01 or 10.15, as such amount may be changed from time to time pursuant to Section 2.10, 10.01 or 10.15; provided that, if the context so requires, the term "Commitment" means the obligation of a Bank to extend credit up to such amount to the Borrowers hereunder.

(e) Section 1.01 of the Credit Agreement is amended by adding the following new definitions in their appropriate alphabetical positions:
Sections 4.03 and 4.04 of the Credit Agreement are amended by changing each reference to the date "January 1, 2005" to "December 31, 2005".

Section 8.07 of the Credit Agreement is amended to read in its entirety as follows:

Section 8.07. Other Agents. Nothing in this Agreement shall impose upon any Agent other than the Administrative Agent any duty or liability whatsoever in its capacity as an Agent.

Section 3. Changes in Commitments. With effect from and including the Amendment Effective Date, (i) the Commitment of each Bank shall be the amount set forth opposite the name of such Bank in the Commitment Schedule attached hereto and (ii) the Commitment Schedule attached hereto shall become the Commitment Schedule attached to the Credit Agreement. On the Amendment Effective Date, any Bank party to the Credit Agreement which is not listed in the Commitment Schedule attached hereto (each, an "Exiting Bank") shall cease to be a Bank party to the Credit Agreement, and all accrued fees and other amounts payable under the Credit Agreement for the account of each Exiting Bank shall be due and payable on such date; provided that the provisions of Sections 2.10 to 2.14 and 10.03 of the Credit Agreement shall continue to inure to the benefit of each Exiting Bank after the Amendment Effective Date.

Section 4. Changes in Pricing Schedule. The Pricing Schedule attached to the Credit Agreement (the "Existing Pricing Schedule") is deleted and replaced by the Pricing Schedule attached to this Amendment (the "New Pricing Schedule"). The New Pricing Schedule shall apply to interest and fees accruing under the Credit Agreement on and after the date hereof. The Existing Pricing Schedule shall continue to apply to interest and fees accruing under the Credit Agreement prior to the date hereof.

Section 5. Representations of Borrower. The Company represents and warrants that (i) the representations and warranties of the Company set forth in Article 4 of the Credit Agreement will be true on and as of the Amendment Effective Date and (ii) no Event of Default will have occurred and be continuing on such date.

Section 6. Effect of Amendments. Except as expressly set forth herein, the amendments contained herein shall not constitute a waiver or amendment of any term or condition of the Credit Agreement, and all such terms and conditions shall remain in full force and effect and are hereby ratified and confirmed in all respects.

Section 7. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

Section 8. Counterparts. This Amendment may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

Section 9. Effectiveness. This Amendment shall become effective as of the date hereof (the "Amendment Effective Date"), subject to satisfaction of the following conditions:

(a) the Administrative Agent shall have received from each of the parties listed in the signature pages hereof a counterpart hereof signed by such party or facsimile or other written confirmation (in form satisfactory to the Administrative Agent) that such party has signed a counterpart hereof; and

(b) the Administrative Agent shall have received an opinion of the General Counsel or Assistant General Counsel of the Company dated as of the Amendment Effective Date, in form and substance satisfactory to the Administrative Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

TEXTRON INC.

By: /S/ MARY F. LOVEJOY  
Name: Mary F. Lovejoy  
Title: Vice President and Treasurer

JPMORGAN CHASE BANK, N.A., as Administrative Agent

By: /S/ RANDOLPH CATES  
Name: Randolph Cates  
Title: Vice President

JPMORGAN CHASE BANK, N.A.
By: /S/ RANDOLPH CATES  
Name: Randolph Cates  
Title: Vice President  
Citibank, N.A.

By: /S/ DIANE L. POCKAJ  
Name: Diane L. Pockaj  
Title: Managing Director  
BANK OF AMERICA, N.A.

By: /S/ SANJAY H. GURNANI  
Name: Sanjay H. Gurnani  
Title: Senior Vice President  
Barclays Bank PLC

By: /S/ NICHOLAS BELL  
Name: Nicholas Bell  
Title: Director  
Deutsche Bank AG New York Branch

By: /S/ YVONNE TILDEN  
Name: Yvonne Tilden  
Title: Vice President  
UBS Loan Finance LLC

By: /S/ BARBARA EZELL-MCMICHAEL  
Name: Barbare Ezell-McMichael  
Title: Associate Director  
Banking Products Services, US

By: /S/ TOBA LUMBANTOBING  
Name: Toba Lumbantobing  
Title: Associate Director  
Banking Products Services, US

Bank of Tokyo-Mitsubishi UFJ Trust Company

By: /S/ CHRISTOPHER J. DELAURO  
Name: Christopher J. DeLauro  
Title: Assistant Vice President
BNP Paribas

By: /S/ RICHARD PACE
   Name: Richard Pace
   Title: Managing Director

By: /S/ ANGELA B. ARNOLD
   Name: Angela B. Arnold
   Title: Director

Credit Suisse First Boston, acting through its Cayman Islands Branch

By: /S/ JAY CHALL
   Name: Jay Chall
   Title: Director

By: /S/ JAMES NEIRA
   Name: James Neira
   Title: Associate

HSBC Bank USA, National Association

By: /S/ C J WARNER
   Name: C J Warner
   Title: Head of Transport Services and Infrastructure

Merrill Lynch Bank USA

By: /S/ Louis Alder
   Name: Louis Alder
   Title: Director

Morgan Stanley Bank

By: /S/ DANIEL TWENGE
   Name: Daniel Twenge
   Title: Vice President

Wachovia Bank, National Association

By: /S/ NATHAN R. RANTALA
   Name: Nathan R. Rantala
   Title: Vice President

William Street Commitment Corporation (Recourse only to assets of William Street Commitment Corporation)

By: /S/ MARK WALTON
   Name: Mark Walton
   Title: Assistant Vice President
### COMMITMENT SCHEDULE

<table>
<thead>
<tr>
<th>Bank</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>JPMorgan Chase Bank, N.A.</td>
<td>$120,000,000</td>
</tr>
<tr>
<td>Citibank, N.A.</td>
<td>$120,000,000</td>
</tr>
<tr>
<td>Bank of America, N.A.</td>
<td>$90,000,000</td>
</tr>
<tr>
<td>Barclays Bank PLC</td>
<td>$90,000,000</td>
</tr>
<tr>
<td>Deutsche Bank AG New York Branch</td>
<td>$90,000,000</td>
</tr>
<tr>
<td>UBS Loan Finance LLC</td>
<td>$90,000,000</td>
</tr>
<tr>
<td>Bank of Tokyo-Mitsubishi UFJ Trust Company</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>BNP Paribas</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>Credit Suisse First Boston, acting through its Cayman Islands Branch</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>HSBC Bank USA, National Association</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>Merrill Lynch Bank USA</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>Morgan Stanley Bank</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>Wachovia Bank, National Association</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>William Street Commitment Corporation</td>
<td>$60,000,000</td>
</tr>
<tr>
<td>Bank of Montreal</td>
<td>$45,000,000</td>
</tr>
<tr>
<td>The Bank of Nova Scotia</td>
<td>$45,000,000</td>
</tr>
<tr>
<td>Societe Generale</td>
<td>$40,000,000</td>
</tr>
<tr>
<td>The Bank of New York</td>
<td>$20,000,000</td>
</tr>
<tr>
<td>Mellon Bank, N.A.</td>
<td>$20,000,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,250,000,000</strong></td>
</tr>
</tbody>
</table>

### PRICING SCHEDULE

$1,250,000,000
Each of "Facility Fee Rate", "Euro-Dollar Margin" and "Letter of Credit Fee Rate" means, for any date, the rate set forth below in the row opposite such term and in the row corresponding to the the "Utilization" at such date and under the column corresponding to the "Pricing Level" at such date:

<table>
<thead>
<tr>
<th></th>
<th>Level I</th>
<th>Level II</th>
<th>Level III</th>
<th>Level IV</th>
<th>Level V</th>
<th>Level VI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility Fee Rate</td>
<td>0.05%</td>
<td>0.06%</td>
<td>0.07%</td>
<td>0.08%</td>
<td>0.09%</td>
<td>0.125%</td>
</tr>
<tr>
<td>Euro-Dollar Margin</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilization ≤ 50%</td>
<td>0.125%</td>
<td>0.14%</td>
<td>0.18%</td>
<td>0.37%</td>
<td>0.535%</td>
<td>0.625%</td>
</tr>
<tr>
<td>Utilization &gt; 50%</td>
<td>0.175%</td>
<td>0.19%</td>
<td>0.23%</td>
<td>0.42%</td>
<td>0.585%</td>
<td>0.675%</td>
</tr>
<tr>
<td>Letter of Credit Fee Rate</td>
<td>0.175%</td>
<td>0.19%</td>
<td>0.23%</td>
<td>0.42%</td>
<td>0.585%</td>
<td>0.675%</td>
</tr>
</tbody>
</table>

For purposes of this Schedule, the following terms have the following meanings, subject to the concluding paragraph of this Schedule:

"Level I Pricing" applies at any date if, at such date, the Company's long-term debt is rated A+ or higher by S&P, A1 or higher by Moody's and A+ or higher by Fitch.

"Level II Pricing" applies at any date if, at such date, the Company's long-term debt is rated A by S&P, A2 by Moody's and A by Fitch.

"Level III Pricing" applies at any date if, at such date, the Company's long-term debt is rated A- by S&P, A3 by Moody's and A- by Fitch.

"Level IV Pricing" applies at any date, if at such date, the Company's long-term debt is rated BBB+ by S&P, Baa1 by Moody's and BBB+ by Fitch.

"Level V Pricing" applies at any date if, at such date, the Company's long-term debt is rated BBB by S&P, Baa2 by Moody's and BBB by Fitch.

"Level VI Pricing" applies at any date if, at such date, no other Pricing Level applies.

"Fitch" means Fitch Ratings Ltd.

"Moody's" means Moody's Investors Service, Inc.

"Pricing Level" refers to the determination of which of Level I, Level II, Level III, Level IV, Level V or Level VI applies at any date.

"S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

"Utilization" means, at any date, the percentage equivalent of a fraction (i) the numerator of which is the sum of (A) the aggregate outstanding principal amount of the loans under the Facility at such date (after giving effect to any borrowing or payment on such date) plus (B) the aggregate amount then owing in respect of amounts paid by the Issuing Bank upon a drawing under a letter of credit issued under the Facility at such date plus (C) the aggregate amount then available for drawing under all outstanding letters of credit under the Facility at such date (after giving effect to any reduction on such date). If for any reason any Loans or Letter of Credit Liabilities remain outstanding after termination of the commitments under the Facility, Utilization shall be deemed to be 100%.

The credit ratings to be utilized for purposes of this Schedule are those assigned to the senior unsecured long-term debt securities of the Company without third-party enhancement, and any rating assigned to any other debt security of the Company shall be disregarded. The rating in effect at any date is that in effect at the close of business of such date.

If the Company is split-rated, then for purposes of determining the applicable Pricing Level, (a) if the S&P and Moody's ratings are the same, all three ratings will be deemed to be at that level, (b) if the S&P and Moody's ratings are not the same, and the ratings differential is one level, all three ratings will be deemed to be at the higher level of S&P and Moody's and (c) if the S&P and Moody's ratings are not the same and the ratings differential is two levels or more, all three ratings will be deemed to be at a level one notch lower than the higher of S&P and Moody's.