TEXTRON INC
Reported by
YATES RICHARD L

FORM 4
(Statement of Changes in Beneficial Ownership)

Filed 08/08/06 for the Period Ending 08/04/06

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
TEXTRON INC

FORM 4
(Statement of Changes in Beneficial Ownership)


Address 40 WESTMINSTER ST
            PROVIDENCE, Rhode Island 02903
Telephone 401-421-2800
CIK 0000217346
Industry Conglomerates
Sector Conglomerates
Fiscal Year 12/31
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(f) of the Investment Company Act of 1940

1. Name and Address of Reporting Person *

YATES RICHARD L

(Tax) (First) (Middle)

TEXTRON INC., 40 WESTMINSTER STREET

(Street)

PROVIDENCE, RI 02903

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

TEXTRON INC [ TXT ]

3. Date of Earliest Transaction (MM/DD/YYYY)

8/4/2006

4. If Amendment, Date Original Filed (MM/DD/YYYY)

5. Individual or Joint/Group Filing (Check Applicable Line)

_X_ Form filed by One Reporting Person

___ Form filed by More than One Reporting Person

5. Relationship of Reporting Person(s) to Issuer (Check all applicable)

_____ Director

_____ 10% Owner

_X_ Officer (give title below)

__ Other (specify below)

Senior VP and Controller

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

<table>
<thead>
<tr>
<th>1. Title of Security (Instr. 3)</th>
<th>2. Trans. Date</th>
<th>2A. Deemed Execution Date, if any</th>
<th>3. Trans. Code (Instr. 8)</th>
<th>4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)</th>
<th>5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)</th>
<th>6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)</th>
<th>7. Nature of Indirect Beneficial Ownership (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock</td>
<td>8/4/2006</td>
<td>M</td>
<td>V</td>
<td>Amount: 20000 (A) Price: $40.95</td>
<td>32060 (A)</td>
<td>D</td>
<td>Held on behalf of Reporting Person by the Textron Savings Plan (as of July 31, 2006).</td>
</tr>
<tr>
<td>Common Stock</td>
<td>8/4/2006</td>
<td>M</td>
<td>V</td>
<td>Amount: 14000 (A) Price: $38.71</td>
<td>46060 (A)</td>
<td>D</td>
<td>Held on behalf of Reporting Person’s spouse by the Textron Savings Plan (as of July 31, 2006).</td>
</tr>
<tr>
<td>Common Stock</td>
<td>8/4/2006</td>
<td>S</td>
<td>V</td>
<td>Amount: 28976 (D) Price: $90.56 (1)</td>
<td>17084 (D)</td>
<td>D</td>
<td>1606.966</td>
</tr>
<tr>
<td>Common Stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>I</td>
<td>Held on behalf of Reporting Person by the Textron Savings Plan (as of July 31, 2006).</td>
</tr>
<tr>
<td>Common Stock</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>I</td>
<td>Held on behalf of Reporting Person’s spouse by the Textron Savings Plan (as of July 31, 2006).</td>
</tr>
</tbody>
</table>

(1) Units held on behalf of Textron Savings Plan (as of July 31, 2006).
Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

<table>
<thead>
<tr>
<th>Code</th>
<th>V (A)</th>
<th>(D)</th>
<th>Date Exercisable</th>
<th>Expiration Date</th>
<th>Title</th>
<th>Amount or Number of Shares</th>
<th>Price of Derivative Security</th>
<th>Number of derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4)</th>
<th>Ownership Form of Derivative Security: Direct (D) or Indirect (I) (Instr. 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>M</td>
<td>10000</td>
<td>1/15/2003</td>
<td>1/14/2012</td>
<td></td>
<td>Common Stock</td>
<td>10000</td>
<td>$0 (2)</td>
<td>10000</td>
<td>D</td>
</tr>
<tr>
<td>M</td>
<td>10000</td>
<td>1/15/2004</td>
<td>1/14/2012</td>
<td></td>
<td>Common Stock</td>
<td>10000</td>
<td>$0 (2)</td>
<td>0</td>
<td>D</td>
</tr>
<tr>
<td>M</td>
<td>7000</td>
<td>2/2/2013</td>
<td></td>
<td></td>
<td>Common Stock</td>
<td>7000</td>
<td>$0 (2)</td>
<td>7000</td>
<td>D</td>
</tr>
<tr>
<td>M</td>
<td>7000</td>
<td>2/2/2013</td>
<td></td>
<td></td>
<td>Common Stock</td>
<td>7000</td>
<td>$0 (2)</td>
<td>0</td>
<td>D</td>
</tr>
</tbody>
</table>

Explanation of Responses:
(1) Price reported is weighted average price per share of transaction effected at prices ranging from $90.50 to $90.75 per share.
(2) Issued pursuant to the Textron 1999 Long-Term Incentive Plan.

Reporting Owners

<table>
<thead>
<tr>
<th>Reporting Owner Name / Address</th>
<th>Relationships</th>
</tr>
</thead>
<tbody>
<tr>
<td>YATES RICHARD L</td>
<td>Director</td>
</tr>
<tr>
<td>TEXTRON INC.</td>
<td>10% Owner</td>
</tr>
<tr>
<td>40 WESTMINSTER STREET</td>
<td>Officer</td>
</tr>
<tr>
<td>PROVIDENCE, RI 02903</td>
<td>Senior VP and Controller</td>
</tr>
</tbody>
</table>

Signatures


** Signature of Reporting Person

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.
* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
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 control number.