TEXTRON INC

FORM 8-K
(Unscheduled Material Events)

Filed 5/20/2005 For Period Ending 5/20/2005

Address 40 WESTMINSTER ST
PROVIDENCE, Rhode Island 02903
Telephone 401-421-2800
CIK 0000217346
Industry Conglomerates
Sector Conglomerates
Fiscal Year 12/31
ITEM 2.06 Material Impairments

In connection with Textron's sale of its Automotive Trim business in 2001, Textron acquired shares of preferred stock (the "C&A Preferred Shares") of Collins & Aikman Products Co. ("C&A Products"), a subsidiary of Collins & Aikman Corporation ("C&A Corporation"). The C&A Preferred Shares are currently valued at $39 million on Textron's balance sheet. On May 17, 2005, C&A Corporation and substantially all of its U.S. operating subsidiaries, including C&A Products, filed voluntary petitions for reorganization under Chapter 11 of the U.S. bankruptcy code. Textron has concluded that the C&A Preferred Shares will likely have limited value as a result of the bankruptcy. Accordingly, Textron will record a non-cash impairment charge of $39 million in the second quarter of 2005.

ITEM 7.01 Regulation FD Disclosure

Textron has provided approximately $64 million of lease financing to C&A Products and has guaranteed the performance of C&A Products under real property and equipment leases that were transferred to C&A Products as part of the sale of the Automotive Trim business. The current maximum exposure of Textron under the guarantees is approximately $11.5 million. Textron is evaluating the effect that the petition for reorganization of C&A Products discussed under Item 2.06 above may have on the lease financing and the guarantees.

SIGNATURES

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: May 20, 2005

s/ Richard L. Yates
By: Richard L. Yates
    Senior Vice President and Controller

End of Filing