TEXTRON INC

FORM 11-K
(Annual Report of Employee Stock Plans)

Filed 06/26/00 for the Period Ending 12/31/99

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Symbol TXT
SIC Code 6162 - Mortgage Bankers and Loan Correspondents
Fiscal Year 01/02
[X] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

for the fiscal year ended December 31, 1999
Commission File Number 1-5480

A. Full title of the plan and address of the plan:

ELCO TEXTRON INC. PROFIT SHARING
AND SAVINGS PLAN

B. Name of issuer of the securities held pursuant to
the plan and address of its principal executive office:

TEXTRON INC.
40 Westminster Street
Providence, Rhode Island 02903

REQUIRED INFORMATION

Financial Statements and Exhibit

The following Plan financial statements and schedules prepared in accordance with the financial reporting requirements of the Employee Retirement Income Security Act of 1974 are filed herewith, as permitted by Item 4 of Form 11-K:

Report of Independent Auditors
Statement of Assets Available for Benefits for each of
the two years ended December 31, 1999 and 1998
Statement of Changes in Assets Available for Benefits
for each of the two years ended December 31, 1999 and 1998
Notes to financial statements

Supplemental Schedule:

Schedule H, Line 4i - Schedule of Assets Held for Investment Purposes at End of Year

The Consent of Independent Auditors is filed as an exhibit to this Annual Report.

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this Annual Report on Form 11-K to be signed by the undersigned hereunto duly authorized.

ELCO TEXTRON INC. PROFIT SHARING
AND SAVINGS PLAN
Financial Statements
and Supplemental Schedule

Elco Textron Inc.
Profit Sharing and Savings Plan

Years ended December 31, 1999 and 1998

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at End of Year...........................................................................................8

Report of Independent Auditors

ELCO TEXTRON INC., Plan Administrator

By:/s/Robert Hammes
Secretary
Date: June 26, 2000

We have audited the accompanying statements of assets available for benefits of the Elco Textron Inc. Profit Sharing and Savings Plan as of December 31, 1999 and 1998, and the related statements of changes in assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on
We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets available for benefits of the Plan at December 31, 1999 and 1998, and the changes in its assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets held for investment purposes at end of year as of December 31, 1999, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

ERNST & YOUNG LLP

May 11, 2000

Elco Textron Inc.
Profit Sharing and Savings Plan

Statements of Assets Available for Benefits

December 31

<table>
<thead>
<tr>
<th></th>
<th>1999</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments, at fair value</td>
<td>$89,670,583</td>
<td>$92,080,633</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and dividends</td>
<td>-</td>
<td>81,449</td>
</tr>
<tr>
<td>Due from broker</td>
<td>143,609</td>
<td>179,461</td>
</tr>
<tr>
<td>Total receivables</td>
<td>143,609</td>
<td>260,910</td>
</tr>
<tr>
<td>Assets available for benefits</td>
<td>$89,814,192</td>
<td>$92,341,543</td>
</tr>
</tbody>
</table>

See accompanying notes.
1. Description of the Plan

The following description of the Elco Textron Inc. Profit Sharing and Savings Plan (Plan) provides only general information. Participants should refer to the Summary Plan Description and Plan document for a more complete description of the Plan.

General

The Plan is a defined contribution plan formed to provide profit-sharing benefits to employees of Elco Textron Inc. (the Company) and Textron Inc. All full-time employees of the Company's Corporate Division, Precision Formed Products Division, Precision Commercial Division of Camcar, Heat Treat and Finishes Division, Tool Manufacturing Division, Construction Products Division and Textron Logistics Corp. were eligible to participate in the Plan, however, during 1997, the Plan was amended such that no employee shall become a participant in the Plan after April 1, 1997. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan is administered by an administrative committee consisting of not fewer than three members selected by the Board of Directors of the Company.

Contributions and Vesting

During 1997, the Plan was also amended such that all participant and employer profit-sharing and additional employer contributions were discontinued as of June 30, 1997. All participants became fully vested in the profit-sharing and additional employer contributions at June 30, 1997.

Investment Options

Upon enrollment in the Plan, a participant may direct employer and employee contributions in 10% increments in any of the six investment options. Participants may change their investment options quarterly.
Participant Accounts

The allocation of Plan income or loss to participants is made in the same ratio that a participant's account bears to the sum of the balances of all participants' accounts, taking into consideration the dates on which additional contributions and withdrawals are made. Participant account balances are valued daily by the Plan's recordkeeper based on the value of the number of shares owned in each investment fund.

Payment of Benefits

The benefit to which a participant is entitled is the benefit that can be provided from the participant's account balance.

Participant Notes Receivable

Participants may borrow from their fund accounts up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance relating to participant contributions only. Loan terms range from 1-5 years or longer if for the purchase of a home. The loans are secured by the balance in the participant's account and bear interest at the current prime rate plus 1%. Principal and interest is paid ratably through monthly payroll deductions.

2. Significant Accounting Policies

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting.

Investment Valuation

The Plan's investments are stated at fair value. The shares of the registered investment companies are valued at quoted market prices which represent the net asset values of the shares held by the Plan at year end. Shares of Textron Inc. common stocks are valued based on quoted market values. Money market funds are reported at cost, which approximates fair value. Participant notes receivable are valued at their outstanding balances, which approximate fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Administrative Expenses

Administrative expenses of the Plan are generally paid by the Company.

Reclassification


3. Plan Termination

Although it has not expressed any intent to do so, Elco has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination, participants become 100% vested in their accounts.

4. Investments

The Plan's investments are held by Putnam Fiduciary Trust Company. The fair value of individual investments that exceed five percent of the Plan's assets as of December 31, is as follows:
During 1999 and 1998, Plan investments (including investments bought, sold, as well as held during the year) appreciated (depreciated) in fair value, as follows:

### 5. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated April 6, 1995, stating that the Plans qualified under Section 401(a) of the Internal Revenue Code (IRC) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

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### Elco Textron Inc.

Profit Sharing and Savings Plan

**Schedule H, Line 4i, Schedule of Assets Held for Investment Purposes at End of Year**

**December 31, 1999**

<table>
<thead>
<tr>
<th>Identity of Issuer, Borrower, Lessor or Similar Party</th>
<th>Description of Investment, Including Maturity Date, Rate of Interest Collateral, Par or Maturity Value</th>
<th>Current Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Group Prime Money Market Fund*</td>
<td>6,061,318 units</td>
<td>$ 6,061,318</td>
</tr>
<tr>
<td>One Group Bond Fund*</td>
<td>1,038,050 shares</td>
<td>10,401,261</td>
</tr>
<tr>
<td>One Group Equity Index Fund*</td>
<td>148,700 shares</td>
<td>4,985,912</td>
</tr>
<tr>
<td>Putnam Voyager Fund*</td>
<td>210,255 shares</td>
<td>6,644,054</td>
</tr>
<tr>
<td>The George Putnam Fund of Boston*</td>
<td>2,259,267 shares</td>
<td>36,848,642</td>
</tr>
<tr>
<td>Textron Inc.*</td>
<td>298,423 shares</td>
<td>22,885,321</td>
</tr>
<tr>
<td>Participant notes receivable*</td>
<td>7.9% to 9.5%</td>
<td>1,844,075</td>
</tr>
</tbody>
</table>

$89,670,583

* Indicates a party-in-interest to the Plan.
Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-07121) pertaining to the Elco Textron Inc. Profit Sharing and Savings Plan of our report dated May 11, 2000, with respect to the financial statements and schedule of the Elco Textron Inc. Profit Sharing and Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 1999.

ERNST & YOUNG LLP
Providence, Rhode Island

June 21, 2000