

TEXTRON INC

FORM 8-K (Current report filing)

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 20, 2007

TEXTRON INC.

(Exact name of Registrant as specified in its charter)

Delaware
State of
Incorporation

I-5480
Commission File Number

05-0315468
(IRS Employer
Identification Number)

40 Westminster Street, Providence, Rhode Island 02903
(Address of principal executive offices)

Registrant's telephone number, including area code: (401) 421-2800

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On April 20, 2007, 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 entered into on March 28, 2005 and amended and extended on April 21, 2006. The amendment further extended the maturity date from April 21, 2011 to April 20, 2012 and revised the pricing schedule to the Facility Agreement. Under the amended Facility Agreement, Textron will pay quarterly fees that will range from 4.5 basis points to 10 basis points, depending on Textron's ratings by S&P, Moody's and Fitch ("Textron's Ratings"). At Textron's current rating, the fees are 6 basis points. Under the amended Facility Agreement, with respect to LIBOR borrowings, Textron will pay a margin over LIBOR that will range from 13 basis points to 52.5 basis points, depending on Textron's Ratings. In addition Textron will pay a utilization fee that will range, depending on Textron's Ratings, from 2.5 basis points to 12.5 basis points on LIBOR borrowings if the aggregate amount outstanding exceeds 50% of the banks' total commitment under the Facility Agreement. 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

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	Amendment No. 2, dated as of April 20, 2007 to 5-Year Credit Agreement, dated as of March 28, 2005, as amended on April 21, 2006, among Textron, the Banks listed therein, JPMorgan Chase Bank, N.A., as Administrative Agent, and Citibank, N.A., as Syndication Agent

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)

/s/ Mary F. Lovejoy

By: Mary F. Lovejoy

Vice President and Treasurer

Date: April 24, 2007

EXHIBIT INDEX

Exhibit No .

Description

10.1

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\$1,250,000,000

**AMENDMENT NO. 2
dated as of April 20, 2007**

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. 2 TO 5-YEAR CREDIT AGREEMENT

AMENDMENT dated as of April 20, 2007 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; and

WHEREAS the Commitments of the Lenders are set forth in the Commitment Schedule annexed hereto;

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 definition of “Termination Date” in Section 1.01 of the Credit Agreement is amended by changing the date specified therein from “April 21, 2011” to “April 20, 2012”.

(b) Sections 4.03 and 4.04 of the Credit Agreement are amended by changing each reference to the date “December 31, 2005” to “December 30, 2006”.

Section 3 *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 4 *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 5 *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 6 *Governing Law*. This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

Section 7 *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 8 *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.

/s/ Mary F. Lovejoy

Name: Mary F. Lovejoy
Title: Vice President and Treasurer

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

/s/ Randolph Cates

Name: Randolph Cates
Title: Executive Director

JPMORGAN CHASE BANK, N.A.

/s/ Randolph Cates

Name: Randolph Cates
Title: Executive Director

CITIBANK, N.A.

/s/ Peter Kettle

Name: Peter Kettle
Title: Director

BANK OF AMERICA, N.A.

/s/ Jeff Hallmark

Name: Jeff Hallmark
Title: Senior Vice President

BARCLAYS BANK PLC

/s/ Douglas Bernegger

Name: Douglas Bernegger
Title: Director

DEUTSCHE BANK AG NEW YORK BRANCH

/s/ Yvonne Tilden

Name: Yvonne Tilden
Title: Vice President

/s/ Andreas Neumeier

Name: Andreas Neumeier
Title: Director

UBS LOAN FINANCE LLC

/s/ Mary E. Evans

Name: Mary E. Evans
Title: Associate Director

/s/ David B. Julie

Name: David B. Julie
Title: Associate Director

BANK OF TOKYO-MITSUBISHI UFJ TRUST COMPANY

/s/ Joanne Nasuti

Name: Joanne Nasuti
Title: Vice President

BNP PARIBAS

/s/ Berangere Allen

Name: Berangere Allen
Title: Vice President

/s/ Simone Vinocour

Name: Simone Vinocour
Title: Director

CREDIT SUISSE FIRST BOSTON, acting through its Cayman Islands Branch

/s/ Jay Chall

Name: Jay Chall
Title: Director

/s/ Bernhard Schmid

Name: Bernhard Schmid
Title: Assistant Vice President

HSBC BANK USA, NATIONAL ASSOCIATION

/s/ Eduardo P. Abello

Name: Eduardo P. Abello
Title: Vice President

MERRILL LYNCH BANK USA

/s/ Louis Alder

Name: Louis Alder
Title: Director

MORGAN STANLEY BANK

/s/ Daniel Twenge

Name: Daniel Twenge
Title: Authorized Signatory

WACHOVIA BANK, NATIONAL ASSOCIATION

/s/ C. Jeffrey Seaton

Name: C. Jeffrey Seaton
Title: Managing Director

WILLIAM STREET COMMITMENT CORPORATION (Recourse only to assets of

William Street Commitment Corporation)

/s/ Mark Walton

Name: Mark Walton
Title: Assistant Vice President

BANK OF MONTREAL

/s/ Joseph W. Linder

Name: Joseph W. Linder
Title: Vice President

THE BANK OF NOVA SCOTIA

/s/ Todd Meller

Name: Todd Meller
Title: Managing Director

SOCIETE GENERALE

/s/ Nigel Elvey

Name: Nigel Elvey
Title: Vice President

THE BANK OF NEW YORK

/s/ Kenneth P. Sneider, Jr.

Name: Kenneth P. Sneider, Jr.
Title: Vice President

MELLON BANK, N.A.

/s/ Laurie G. Dunn

Name: Laurie G. Dunn
Title: First Vice President

COMMITMENT SCHEDULE

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

PRICING SCHEDULE

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 “ **Utilization** ” at such date and under the column corresponding to the “ **Pricing Level** ” at such date:

	Level I	Level II	Level III	Level IV	Level V	Level VI
Facility Fee Rate	0.045%	0.05%	0.06%	0.07%	0.09%	0.10%
Euro-Dollar Margin						
Utilization < 50%	0.13%	0.15%	0.19%	0.28%	0.36%	0.525%
Utilization > 50%	0.155%	0.20%	0.24%	0.33%	0.41%	0.65%
Letter of Credit Fee Rate	0.155%	0.20%	0.24%	0.33%	0.41%	0.65%

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 and (ii) the denominator of which is the aggregate amount of the commitments 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.