

TEXTRON INC

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

Filed 06/10/98 for the Period Ending 12/31/97

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Symbol	TXT
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TEXTRON INC

FORM 11-K

(Annual Report of Employee Stock Plans)

Filed 6/10/1998 For Period Ending 12/31/1997

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

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SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO
SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934
for the fiscal year ended December 31, 1997

Commission File Number 1-5480

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

TEXTRON SAVINGS PLAN
40 Westminster Street
Providence, Rhode Island 02903

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 Net Assets Available for Benefits for each of the two years ended December 31, 1997 and 1996 Statement of Changes in Net Assets Available for Benefits for each of the two years ended December 31, 1997 and 1996 Notes to financial statements

Supplemental Schedules:

Item 27a - Schedule of Assets Held for Investment Purposes Item 27d - Schedule of Reportable Transactions

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 Committee appointed by the Board of Directors of Textron Inc. to administer the Plan has duly caused this Annual Report on Form 11-K to be signed by the undersigned hereunto duly authorized.

TEXTRON SAVINGS PLAN

*By: /s/Michael D. Cahn
Attorney-in-fact*

Date: June 9, 1998

Financial Statements and Supplemental Schedules

Textron Savings Plan

Years ended December 31, 1997 and 1996

with Report of Independent Auditors

Textron Savings Plan

Financial Statements

and Supplemental Schedules

Years ended December 31, 1997 and 1996

Contents

Report of Independent Auditors	1
Audited Financial Statements	
Statement of Net Assets Available for Benefits With Fund Information, December 31, 1997	2
Statement of Net Assets Available for Benefits With Fund Information, December 31, 1996	3
Statement of Changes in Net Assets Available for Benefits With Fund Information, Year ended December 31, 1997	4
Statement of Changes in Net Assets Available for Benefits With Fund Information, Year ended December 31, 1996	5
Notes to Financial Statements	6

Supplemental Schedules

Line 27a--Schedule of Assets Held for Investment Purposes 16 Line 27d--Schedule of Reportable Transactions 18

Report of Independent Auditors

Textron Inc.

We have audited the accompanying statements of net assets available for benefits of Textron Savings Plan (the Plan) as of December 31, 1997 and 1996, and the related statements of changes in net 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 our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 net assets available for benefits of the Plan at December 31, 1997 and 1996, and the changes in net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment purposes as of December 31, 1997, and reportable transactions for the year then ended, are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and are not a required part of the financial statements. The Fund Information in the statements of net assets available for benefits and the statements of changes in net assets available for benefits is presented for purposes of additional analysis rather than to present the net assets available for benefits and changes in net assets available for benefits of each fund. The supplemental schedules and Fund Information have been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/Ernst & Young LLP

May 14, 1998

Textron Savings Plan

Statement of Net Assets Available for Benefits with Fund Information
(In Thousands)

December 31, 1997

	Fund Information				Loan Fund	Total
	Fund A	Fund B	Fund C	Fund H		
Assets						
Investments, at fair value (Notes 2 and 3):						
Textron Inc. Common Stock	\$1,475,645	\$ -	\$ -	\$ -	\$ -	\$1,475,645
Mortgage-backed securities	-	-	11,882	-	-	11,882
Common/collective trust funds	4,160	155,836	7,555	75	-	167,626
Participant notes receivable	-	-	-	-	5,533	5,533
Total investments	1,479,805	155,836	19,437	75	5,533	1,660,686
Insurance contracts, at contract value (Notes 2 and 3)						
Total investments	-	-	128,530	-	-	128,530
Total investments	1,479,805	155,836	147,967	75	5,533	1,789,216
Receivables:						
Investment income	5,897	4	763	-	-	6,664
Interfund receivable (payable)	(405)	47	358	-	-	-
Other	57	1	-	-	-	58
Total receivables	5,549	52	1,121	-	-	6,722
Total assets	1,485,354	155,888	149,088	75	5,533	1,795,938
Liabilities						
Payables:						
Excess employer contributions	595	197	172	-	-	964
Investments purchased	1,981	-	709	-	-	2,690
Total liabilities	2,576	197	881	-	-	3,654
Net assets available for benefits	\$1,482,778	\$155,691	\$148,207	\$75	\$5,533	\$1,792,284

See notes to financial statements.

Textron Savings Plan

Statement of Net Assets Available for Benefits with Fund Information
(In Thousands)

December 31, 1996

	Fund Information					Loan Fund	Total
	Fund A	Fund B	Fund C	Fund H			
Assets							
Investments, at fair value (Notes 2 and 3):							
Textron Inc. Common Stock	\$1,205,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,205,830
U.S. Government securities	-	-	9,103	-	-	-	9,103
Common/collective trust funds	1,467	120,775	7,518	160	-	-	129,920
Participant notes receivable	-	-	-	-	41	-	41
	1,207,297	120,775	16,621	160	41	-	1,344,894
Insurance contracts, at contract value (Notes 2 and 3)							
	-	-	144,641	-	-	-	144,641
Total investments	1,207,297	120,775	161,262	160	41	-	1,489,535
Receivables:							
Investment income	5,664	3	862	1	-	-	6,530
Interfund receivable (payable)	5	(74)	69	-	-	-	-
Other	-	15	2	-	-	-	17
Total receivables	5,669	(56)	933	1	-	-	6,547
Total assets	1,212,966	120,719	162,195	161	41	-	1,496,082
Liabilities							
Payables:							
Excess employer contributions	2,541	600	537	-	-	-	3,678
Investments purchased	995	362	780	-	-	-	2,137
Total liabilities	3,536	962	1,317	-	-	-	5,815
Net assets available for benefits	\$1,209,430	\$119,757	\$160,878	\$161	\$41	-	\$1,490,267

See notes to financial statements.

Textron Savings Plan

Statement of Changes in Net Assets Available for Benefits with Fund Information
(In Thousands)

Year ended December 31, 1997

	Fund A	Fund B	Fund C	Fund H	Loan Fund	Total
Additions to net assets						
attributed to:						
Investment income:						
Net appreciation (depreciation) in fair value of investments (Note 3)	\$ 375,300	\$ 38,944	\$ (59)	\$ -	\$ -	\$ 414,185
Dividends	24,104	-	-	-	-	24,104
Interest	121	21	9,676	8	1	9,827
	399,525	38,965	9,617	8	1	448,116
Contributions:						
Participants	61,433	12,991	8,416	-	-	82,840
Employer	36,705	-	-	-	-	36,705
	98,138	12,991	8,416	-	-	119,545
Total additions	497,663	51,956	18,033	8	1	567,661
Deductions from net assets						
attributed to:						
Benefits paid to participants	206,854	16,731	28,319	131	79	252,114
Participant rollovers due to sale of division (Note 5)	7,967	1,070	1,229	-	-	10,266
Forfeitures	1,442	57	28	-	-	1,527
Administrative expenses	1,425	140	172	-	-	1,737
Total deductions	217,688	17,998	29,748	131	79	265,644
Net increase (decrease) prior to interfund transfers	279,975	33,958	(11,715)	(123)	(78)	302,017
Interfund transfers, net	(6,627)	1,976	(956)	37	5,570	-
Net increase (decrease)	273,348	35,934	(12,671)	(86)	5,492	302,017
Net assets available for benefits:						
Beginning of year	1,209,430	119,757	160,878	161	41	1,490,267
End of year	\$1,482,778	\$155,691	\$148,207	\$ 75	\$5,533	\$1,792,284

See notes to financial statements.

Textron Savings Plan

Statement of Changes in Net Assets Available for Benefits with Fund Information
(In Thousands)

Year ended December 31, 1996

	Fund Information					Loan Fund	Total
	Fund A	Fund B	Fund C	Fund H			
Additions to net assets attributed to:							
Investment income:							
Net appreciation in fair value of investments (Note 3)	\$ 355,525	\$ 22,250	\$ 13	\$ -	\$ -	\$ -	\$ 377,788
Dividends	23,074	-	-	-	-	-	23,074
Interest	135	5	9,992	8	1	1	10,141
	378,734	22,255	10,005	8	1	1	411,003
Contributions:							
Participants	51,301	10,523	7,581	-	-	-	69,405
Employer	31,991	-	-	-	-	-	31,991
	83,292	10,523	7,581	-	-	-	101,396
Total additions	462,026	32,778	17,586	8	1	1	512,399
Deductions from net assets attributed to:							
Benefits paid to participants	191,755	11,355	26,309	31	12	12	229,462
Forfeitures	1,470	31	25	-	-	-	1,526
Administrative expenses	929	92	148	-	-	-	1,169
Total deductions	194,154	11,478	26,482	31	12	12	232,157
Net increase (decrease) prior to interfund transfers	267,872	21,300	(8,896)	(23)	(11)	(11)	280,242
Interfund transfers, net	(5,615)	3,934	1,521	160	-	-	-
Net increase (decrease)	262,257	25,234	(7,375)	137	(11)	(11)	280,242
Net assets available for benefits:							
Beginning of year	947,173	94,523	168,253	24	52	52	1,210,025
End of year	\$1,209,430	\$119,757	\$160,878	\$161	\$41	\$41	\$1,490,267

See notes to financial statements.

December 31, 1997 and 1996

1. Description of Plan

General

The Textron Savings Plan (the "Plan") is an employee stock ownership plan covering substantially all domestic employees of Textron Inc. ("Textron"). For a description of the Plan, refer to the Summary Plan Description that is on file with the Department of Labor and available at the Human Resources office of Textron. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA").

The Plan is currently administered under the terms of a Trust Agreement, dated March 3, 1997, with State Street Bank and Trust Company (the "Trustee"). Previously, the Plan was administered under the terms of a Trust Agreement, dated May 1, 1989, with Bankers Trust Company.

Investment Options

The Plan allows participants to direct their employee contributions to Fund A, B, or C. Participants must contribute at least 50% to Fund A. Fund H is available to any participant who has attained age 55 and completed ten years of service with Textron. Employer contributions are invested entirely in Fund A.

Fund A invests primarily in Textron Inc. Common Stock that is either purchased by the Trustee or contributed by Textron. New shares in connection with a two-for-one stock split in the form of a stock dividend were issued and distributed on May 30, 1997, to participants of record on the close of business on May 9, 1997. All share and value per unit amounts have been restated for all periods presented.

Fund B invests primarily in the State Street Bank S&P 500 Index with Futures Fund which is principally a portfolio of common stocks constructed and maintained with the objective of providing investment results which approximate the overall performance of common stocks included in Standard & Poor's Composite Index of 500 stocks. Prior to the change in trustee, this fund invested primarily in the Bankers Trust Pyramid Large Capitalization Equity Index Fund which was maintained with similar objectives to that of the State Street Bank S&P 500 Index with Futures Fund.

Textron Savings Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Fund C may be invested in bonds, notes, debentures, government obligations, insurance contracts, mortgage-backed securities, short-term securities, money market instruments and other fixed income instruments at the discretion of Textron or an investment manager designated by Textron.

Fund H is invested in the State Street Bank and Trust Company Short Term Investment Fund, which is a portfolio of short-term instruments comprised primarily of demand master notes, certificates of deposit, and commercial paper. Prior to the change in trustee, this fund invested in the Bankers Trust Pyramid Directed Cash Fund, which was comprised of similar investments as the State Street Bank and Trust Company Short-Term Investment Fund.

At the discretion of the Trustee or other investment manager, a portion of the assets of Fund A, B, C, or H may be maintained in cash or invested in short-term securities (State Street Bank and Trust Company Short-Term Investment Fund, previously Bankers Trust Pyramid Directed Account Cash Fund and Bankers Trust Pyramid Discretionary Account Cash Fund).

At December 31, 1997, there were approximately 33,100 participants in Fund A, 13,000 in Fund B, 15,100 in Fund C and 5 in Fund H.

Contributions

Participants of the Plan are entitled to elect compensation deferrals within the limits prescribed by Section 401(k) of the Internal Revenue Code (the "Code"). Contributions from employees and employee compensation deferrals, which are matched 50% by Textron subject to certain ERISA restrictions and plan limits, are recorded when Textron makes payroll deductions from participants' wages. The total of the matching contributions (net of forfeitures) made by Textron is limited by the Textron Board of Directors to \$40 million for a calendar year. For the years ending December 31, 1997 and 1996, employee contributions included rollovers of approximately \$3.2 million and \$1.2 million, respectively.

Textron Savings Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Textron makes contributions to the Plan based on estimated contribution levels. In addition, Textron may make, at its own discretion, additional discretionary contributions. There were no discretionary contributions made by Textron in 1997 or 1996. The excess of the estimated contributions over the actual contributions by the participants is not allocated to participant accounts; rather such amounts are used to reduce future Textron contributions and are disclosed as an excess contribution in the statement of net assets available for benefits. In addition, all forfeitures arising out of a participant's termination of employment for reasons other than retirement, disability or death, are used to reduce future Textron contributions.

Unit Valuation

Plan equity is reported on a unit valuation basis except for Fund A, which is reported on a per share basis. Unit values are determined by dividing the Plan equity in each fund by the number of fund units outstanding.

At December 31, the number of units outstanding and the values for each unit were:

Fund	1997		1996	
	Number of Units	Value per Unit	Number Of Units	Value per Unit
B	23,021,704	\$ 6.762800	23,518,513	\$4.993703
C	58,043,594	2.553375	66,201,075	2.351977
H	17,183	4.368733	85,748	1.877012

Benefits

In the event a participant ceases to be an employee or becomes totally disabled while employed, all of his or her accounts, to the extent then vested, shall become distributable. Distributions to participants whose accounts hold more than forty whole shares of Textron Inc. Common Stock shall be in the form of Textron Inc. Common Stock. Distributions to participants whose accounts hold forty or less whole shares of Textron Inc. Common Stock shall be in the form of cash unless the participant or beneficiary expressly requests Textron Inc. Common Stock. All other distributions shall be in the

Textron Savings Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

form of cash. An account will be distributed in a single payment if the value of the account is less than \$5,000 when the account first becomes distributable. If the value of the account is \$5,000 or more when the account first becomes distributable, a participant is not required to take a distribution immediately. However, current federal law requires Textron to begin to distribute accounts by April 1 of the year following the year in which the participant reaches age 70 1/2. A participant is always vested in the portions of his or her account attributable to his or her own contributions and compensation deferrals and to discretionary contributions by Textron. Employees of discontinued operations become fully vested upon approval of the Textron Management Committee. The Plan provides for full vesting of a participant's account in the event of his or her termination of employment, other than for cause, within two years after a change in control of Textron. Benefits are recorded when paid.

Vesting

Textron's 50% matching contributions vest based on the length of participation in the Plan as follows:

Months of Participation	Ownership Interest
24 months but less than 36 months	25%
36 months but less than 48 months	50%
48 months but less than 60 months	75%
60 months or more	100%

A separate account is maintained for each participant and is increased monthly by (a) the participant's contributions and compensation deferrals, (b) Textron's 50% matching contribution, and annually by the pro rata share of additional discretionary contributions made by Textron, if any, and (c) the pro rata share of income.

Textron Savings Plan

Notes to Financial Statements (continued)

1. Description of Plan (continued)

Plan Termination

Although it has not expressed any intent to do so, Textron 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 Plan termination, participants will become 100 percent vested in their accounts.

Participant Notes Receivable

Effective October 1, 1997, a new loan feature was added to the Plan for all active participants with account balances. Active participants may have one loan outstanding and may borrow a minimum of \$1,000 up to a maximum of the lesser of one-half of their vested balance or \$50,000 less the participant's highest outstanding loan balance during the twelve-month period preceding the new loan request. Interest is charged at a rate of Bankers Trust Prime Rate plus 1%. A \$50 fee will be charged to the participant to cover the cost of administration. The loan terms may range from one to five years and are repaid primarily through automatic payroll deductions.

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting.

Use of Estimates

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

Textron Savings Plan

Notes to Financial Statements (continued)

2. Significant Accounting Policies (continued)

Investment Valuation and Income Recognition

Textron Inc. Common Stock is valued at the New York Stock Exchange closing price on the last business day of the Plan year. U.S. Government securities are valued at fair value as determined by quoted market price. The State Street S&P 500 Index with Futures Fund and the Bankers Trust Pyramid Large Capitalization Equity Index Fund are valued at the redemption price established by the fund's Trustee which is generally based on the fair value of the underlying assets. Valuations of equity investments in mortgage-backed securities are estimated by external asset managers. Factors such as real estate type, market conditions, property performance, valuation of comparable properties, and consultation with external real estate advisors are considered in determining fair value. The State Street Bank and Trust Company Short Term Investment Fund, the Bankers Trust Pyramid Directed Account Cash Fund and the Bankers Trust Pyramid Discretionary Account Cash Fund include pooled temporary investments and are stated at cost which approximates market value. Participant notes receivable are valued at their outstanding balances which approximates fair value.

Insurance contracts are fully benefit responsive and are valued at contract value (Note 3) which represents contributions made under the contract, plus accrued interest less funds used to pay employee withdrawals and administrative expenses.

Purchases and sales of investments are recorded on a trade- date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Dividends, interest and other distributions received by the Plan are reinvested in the fund in which earned.

Administrative Expenses

All administrative expenses are paid from Plan assets.

Textron Savings Plan

Notes to Financial Statements (continued)

3. Fair Value of Investments

The Plan's investments are held by a bank-administered trust fund. The fair value of individual investments that represent 5% or more of the fair value of the Plan's net assets is as follows:

	December 31	
	1997	1996
	(Share and dollar amounts in thousands)	
Investments at fair value as determined by quoted market price:		
Textron Inc. Common Stock*, 23,610 shares and 25,588** shares, respectively	\$1,475,645	\$1,205,830
Investments at estimated fair value:		
State Street S&P 500 Index with Futures Fund*, 970 shares	154,501	-
BT Pyramid Capitalization Equity Index Fund*, 71 shafes	-	120,412

* Indicates party-in-interest to the Plan. ** Adjusted for a two-for-one stock split in the form of a stock dividend (Note 1).

During 1997 and 1996, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in fair value by \$414,185,000 and \$377,788,000 as follows:

	December 31	
	1997	1996
	(In thousands)	
Investments at fair value as determined by quoted market price:		
Textron Inc. Common Stock	\$375,300	\$355,525
U.S. Government securities	(18)	13
	375,282	355,538
Investments at estimated fair value:		
Common/collective trust funds	38,944	22,250
Mortgage-backed securities	(41)	-
	\$414,185	\$377,788

Textron Savings Plan

Notes to Financial Statements (continued)

3. Fair Value of Investments (continued)

Statement of Financial Accounting Standards No. 107, "Disclosures about Fair Value of Financial Instruments," (FAS 107) requires disclosure of fair value information about all financial instruments held or owned by a plan except for certain excluded instruments and instruments for which it is not practicable to estimate fair value. Note 2 describes the methods and assumptions used in determining the fair value of all Plan investments except insurance contracts.

The estimated fair value of the Plan's investment in guaranteed insurance contracts was determined by discounted cash flow analyses using U. S. Treasury Note interest rates with maturities similar to the remaining terms of the guaranteed insurance contracts. The estimated fair value of such contracts was approximately \$131 million and \$147 million at December 31, 1997 and 1996, respectively. The average yield approximated 5.70% and 5.99% for the years ended December 31, 1997 and 1996, respectively, on contracts with crediting interest rates ranging from 4.67% to 8.28% and 4.67% to 8.36% for 1997 and 1996, respectively.

The fair values of insurance contracts presented herein are estimates of the fair value of the insurance contracts at a specific point in time using available market information and appropriate valuation methodologies. These estimates are subjective in nature and involve uncertainties and significant judgment in the interpretation of current market data. Therefore, the fair values presented are not necessarily indicative of amounts the Plan could realize or settle currently. The Plan does not necessarily intend to dispose of or liquidate such instruments prior to maturity.

Textron Savings Plan

Notes to Financial Statements (continued)

4. Differences between Financial Statements and Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31	
	1997	1996
	(In thousands)	
Net assets available for benefits per financial statements	\$1,792,284	\$1,490,267
Amounts allocated to withdrawn participants	(24,866)	(41,632)
Net assets available for benefits per Form 5500	\$1,767,418	\$1,448,635

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500:

	1997	1996
	(In thousands)	
Benefits paid to participants per the financial statements	\$252,114	\$229,462
Add: Amounts allocated on Form 5500 to withdrawn participants at the end of the year	24,866	41,632
Less: Amounts allocated on Form 5500 to withdrawn participants at the beginning of the year	(41,632)	(36,154)
Benefits paid to participants per Form 5500	\$235,348	\$234,940

Amounts allocated to withdrawn participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to year end but not yet paid as of that date.

5. Participant Rollovers due to Sale of Division

During 1996, Textron sold the Textron Aerostructures division. In conjunction with this sale, during 1997, the accounts of participants employed by this division were rolled into the qualified plan of the purchaser.

Textron Savings Plan

Notes to Financial Statements (continued)

6. Party-in-Interest Transactions

Fees paid during the years ended December 31, 1997 and 1996, for investment management, custodial services, record keeping and accounting services rendered by parties-in-interest were based on customary and reasonable rates for such services. The Plan invests in mutual funds managed by State Street Bank and Trust Company, who is also the Plan's trustee. Prior to the change in trustee, the Plan invested in mutual funds managed by Bankers Trust Company, the previous trustee. Therefore, these transactions qualify as party-in-interest transactions.

7. Income Tax Status

The Internal Revenue Service has determined and informed the Company by a letter dated October 3, 1995, that the Plan is qualified and the trust established under the Plan is tax exempt, under the appropriate sections of the Internal Revenue Service Code. The Plan has been amended since receiving the determination letter. However, the Plan administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code. Therefore, they believe that the Plan is qualified and the related trust is tax exempt as of the financial statement date.

8. Year 2000 Issue (Unaudited)

Many computer programs, including those used by Textron and Textron's suppliers (including third-party service providers to the Plan), use only two digits to identify a year, and were not designed to handle years beginning after 1999. These programs, some of which are critical to operations, could fail to properly process data that contain dates after 1999 unless they are modified. Textron commenced a company-wide effort to substantially complete the necessary modifications to its computer programs by early 1999. Textron also is working with its principal suppliers (including third-party service providers to the Plan) and customers to ensure that problems in their computer programs will not materially affect Textron or the Plan. Textron believes it is on track to resolve this issue in a timely fashion without having a material adverse effect on the business, operations or financial condition of Textron and of the Plan.

Textron Savings Plan

Line 27a--Schedule of Assets Held for Investment Purposes

(In Thousands)

December 31, 1997

Identity of Issue	Number of Shares or Units	Cost/ Contract Value	Fair Value
Common Stock:			
Textron Inc.*	23,610	\$510,933	\$1,475,645
Common/Collective Trust			
Funds:			
State Street S&P 500 Index w/Futures Fund*	970	\$125,262	\$ 154,501
State Street Bank and Trust Company			
Short Term Investment Fund*	13,125	13,125	13,125
Total Common/Collective Trust Funds:		\$138,387	\$ 167,626
Insurance Contracts:			
Metropolitan Life Ins. Co.*			
Matures 6/30/98; 4.67%	6,087	\$ 6,087	\$ 6,061
Matures 3/01/99; 5.27%	1,828	1,828	1,820
Matures 3/31/99; 5.11%	3,041	3,041	3,020
Matures 5/15/99; 7.38%	12,957	12,957	13,260
N.Y. Life Insurance Co.			
Matures 9/09/98; 5.2%	12,441	12,441	12,407
Matures 8/16/99; 7.33%	12,702	12,703	13,042
Commonwealth Life Insurance Co.			
Matures 1/5/99; 8.28%	6,342	6,342	6,514
Hartford Life Insurance Co.			
Matures 1/4/99; 7.97%	6,287	6,287	6,436
AIG Life Insurance Co.			
Matures 9/15/01; 6.90%	5,446	5,446	5,678
Allstate Insurance Co.			
Matures 12/15/00; 6.87%	10,031	10,031	10,370

Textron Savings Plan

Line 27a--Schedule of Assets Held for Investment Purposes

(continued)

(In Thousands)

Identity of Issue	Number of Shares or Units	Cost/ Contract Value	Fair Value
Insurance Contracts (continued):			
John Hancock Mutual Life Ins. Co.			
Matures 6/30/01; 6.75%	5,856	5,856	6,050
Matures 6/15/01; 6.71%	5,259	5,259	5,433
Matures 6/30/00; 6.50%	5,823	5,823	5,936
Matures 9/15/01; 7.15%	5,464	5,464	5,749
Peoples Security Life			
Matures 4/3/01; 6.67	9,369	9,369	9,652
Principal Mutual Life			
Matures 6/14/01; 6.58%	8,395	8,395	8,633
SunAmerica Life Insurance Co.			
Matures 6/15/00; 5.85%	11,201	11,201	11,234
Total Insurance Contract		\$128,530	\$ 131,295
Mortgage-backed Securities:			
Residential Asset Security			
Mortgage			
Matures 3/25/26; 6.09%	5,585	\$ 5,600	\$ 5,583
Country Wide Home Equity			
Matures 1/1/28; 5.87%	6,324	6,323	6,299
Total Mortgage-backed Securities:		\$ 11,923	\$ 11,882
Participant notes receivable*			
(with interest rates ranging from 9.5% to 11%)		\$ -	\$ 5,533
Total assets held for investment purposes		\$789,773	\$1,791,981

* Indicates party-in-interest to the Plan

Textron Savings Plan

Line 27d--Schedule of Reportable Transactions
(In Thousands)

Year ended December 31, 1997

Identity of Party	Description	Purchase Price	Selling Price	Cost of Assets	Current Value of Asset on Transaction Date	Net Gain (Loss)
Category (i) -- Individual transactions in excess of 5% of plan assets						
State Street Bank*	Purchase of 943,081 shares of State Street Bank S&P 500 Index with Futures	\$120,579		\$120,579	\$120,579	
Bankers Trust Company*	Sale of 66,198 shares of Bankers Trust Pyramid Large Capitalization Equity Index Fund		\$120,544	72,086		\$ 48,458
Category (iii)--Series of transactions in excess of 5% of plan assets						
**	Purchase of 3,430,984 shares of Textron Inc. Common Stock in 132 transactions	167,197		167,197	167,197	
**	Sale of 5,179,172 shares of Textron Inc. Common Stock in 28 transactions		297,024	150,970		146,054
Bankers Trust Company*	Purchase of 549 shares of BT Pyramid Large Capitalization Equity Index Fund in 5 transactions	979		979	979	
Bankers Trust Company*	Sale of 71,136 shares of BT Pyramid Large Capitalization Equity Index Fund in 4 transactions		129,462	77,459		52,003

Textron Savings Plan

Line 27d--Schedule of Reportable Transactions (continued)
(In Thousands)

Year ended December 31, 1997

Identity of Party	Description	Purchase Price	Selling Price	Cost of Assets	Current Value of Asset on Transaction Date	Net Gain (Loss)
Category (iii)--Series of transactions in excess of 5% of plan assets (continued)						
State Street Bank*	Purchase of 145,477,319 shares of State Street Bank and Trust Short Term Investment Fund in 286 transactions	145,477		145,477	145,477	
State Street Bank*	Sale of 132,352,607 shares of State Street Bank and Trust Short Term Investment Fund in 166 transactions		132,353	132,353		
State Street Bank*	Purchase of 1,060,501 shares of State Street Bank S&P 500 Index with Futures in 24 transactions	136,849		136,849	136,849	
State Street Bank*	Sale of 90,359 shares of State Street Bank S&P 500 Index with Futures in 13 transactions		12,835	11,586		1,249

There were no category (ii) or (iv) reportable transactions during the year.

* Indicates party-in-interest to the Plan

** Transactions made on the market.

Exhibit 23

Consent of Independent Auditors

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 33-63741) pertaining to the Textron Savings Plan of our report dated May 14, 1998, with respect to the financial statements and schedules of the Textron Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 1997.

/s/ERNST & YOUNG LLP

*Boston, Massachusetts
June 4, 1998*

End of Filing

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