

TEXTRON INC

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

Filed 06/24/97 for the Period Ending 12/31/96

Address	40 WESTMINSTER ST PROVIDENCE, RI 02903
Telephone	4014212800
CIK	0000217346
Symbol	TXT
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TEXTRON INC

FORM 11-K

(Annual Report of Employee Stock Plans)

Filed 6/24/1997 For Period Ending 12/31/1996

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, 1996

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, 1996 and 1995 Statement of Changes in Net Assets Available for Benefits for each of the two years ended December 31, 1996 and 1995 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 24, 1997

Financial Statements
and Supplemental Schedules

Textron Savings Plan

Years ended December 31, 1996 and 1995

with Report of Independent Auditors

Textron Savings Plan

Financial Statements
and Supplemental Schedules

Years ended December 31, 1996 and 1995

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Report of Independent Auditors

The Benefits Committee
Textron Savings Plan

We have audited the accompanying statements of net assets available for benefits of Textron Savings Plan (the Plan) as of December 31, 1996 and 1995, 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, 1996 and 1995, 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 basic financial statements taken as a whole. The accompanying supplemental schedules of assets held for investment purposes as of December 31, 1996, 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 basic 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 basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

May 2, 1997

Textron Savings Plan

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

December 31, 1996

Fund Information

	Fund A	Fund B	Fund C	Fund H	Loan Fund	Total
Assets						
Investments, at fair value (Notes 2 and 4):						
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 4)						
	-	-	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 Net Assets Available for Benefits with Fund Information (In Thousands)

December 31, 1995

	Fund A	Fund B	Fund C	Fund H	Loan Fund	Total
Assets						
Investments, at fair value (Notes 2 and 4):						
Textron Inc. Common Stock	\$941,263	\$ -	\$ -	\$ -	\$ -	\$ 941,263
U. S. Government securities	-	-	11,858	-	-	11,858
Common/collective trust funds	2,533	94,755	6,254	24	-	103,566
Participant notes receivable	-	-	-	-	52	52
Total investments	943,796	94,755	18,112	24	52	1,056,739
Insurance contracts, at contract value (Notes 2 and 4)						
	-	-	150,302	-	-	150,302
Total investments	943,796	94,755	168,414	24	52	1,207,041
Receivables:						
Investment income	5,432	1	880	-	-	6,313
Interfund receivable (payable)	34	(48)	14	-	-	-
Other	31	66	27	-	-	124
Total receivables	5,497	19	921	-	-	6,437
Total assets	949,293	94,774	169,335	24	52	1,213,478
Liabilities						
Payables:						
Excess employer contributions	1,294	251	295	-	-	1,840
Investments purchased	826	-	787	-	-	1,613
Total liabilities	2,120	251	1,082	-	-	3,453
Net assets available for benefits	\$947,173	\$94,523	\$168,253	\$24	\$52	\$1,210,025

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 A	Fund B	Fund C	Fund H	Loan Fund	Total
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Additions to net assets attributed to:						
Investment income:						
Net appreciation in fair value of investments (Note 4)	\$ 355,525	\$ 22,250	\$ 13	\$ -	\$ -	\$ 377,788
Dividends	23,074	-	-	-	-	23,074
Interest	135	5	9,992	8	1	10,141
	378,734	22,255	10,005	8	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	512,399
Deductions from net assets attributed to:						
Benefits paid to participants	(191,755)	(11,355)	(26,309)	(31)	(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)	(232,157)
Net increase (decrease) prior to interfund transfers	267,872	21,300	(8,896)	(23)	(11)	280,242
Interfund transfers, net	(5,615)	3,934	1,521	160	-	-
Net increase (decrease)	262,257	25,234	(7,375)	137	(11)	280,242
Net assets available for benefits:						
Beginning of year	947,173	94,523	168,253	24	52	1,210,025
End of year	\$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, 1995

	Fund Information					
	Fund A	Fund B	Fund C	Fund H	Loan Fund	Total
Additions to net assets attributed to:						
Investment income:						
Net appreciation in fair value of investments (Note 4)	\$246,117	\$25,360	\$ 792	\$ -	\$ -	\$ 272,269
Dividends	22,740	-	-	-	-	22,740
Interest	97	35	10,749	2	-	10,883
	268,954	25,395	11,541	2	-	305,892
Contributions:						
Participants	49,349	9,565	8,437	-	-	67,351
Employer	17,295	-	-	-	-	17,295
	66,644	9,565	8,437	-	-	84,646
Total additions	335,598	34,960	19,978	2	-	390,538
Deductions from net assets attributed to:						
Benefits paid to participants	(143,238)	(9,736)	(29,394)	(43)	(20)	(182,431)
Forfeitures	(1,209)	-	-	-	-	(1,209)
Interest expense	(262)	-	-	-	-	(262)
Administrative expenses	(914)	(105)	(185)	-	-	(1,204)
Total deductions	(145,623)	(9,841)	(29,579)	(43)	(20)	(185,106)
Net increase (decrease) prior to interfund transfers	189,975	25,119	(9,601)	(41)	(20)	205,432
Interfund transfers, net	(3,030)	1,993	1,037	-	-	-
Net increase (decrease)	186,945	27,112	(8,564)	(41)	(20)	205,432
Net assets available for benefits:						
Beginning of year	760,228	67,411	176,817	65	72	1,004,593
End of year	\$947,173	\$94,523	\$168,253	\$24	\$52	\$1,210,025

See notes to financial statements.

Textron Savings Plan

Notes to Financial Statements

December 31, 1996 and 1995

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 May 1, 1989, with Bankers Trust Company (the "Trustee"). During 1997, Textron terminated the Trust Agreement with Bankers Trust Company and entered into a trust agreement with State Street Bank and 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.

Fund B invests primarily in the Bankers Trust Pyramid Large Capitalization Equity Index 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.

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

1. Description of Plan (continued)

Fund H is invested in the Bankers Trust Pyramid Directed Account Cash Fund, which is a portfolio of short-term instruments comprised primarily of demand master notes, certificates of deposit, and commercial paper.

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 (Bankers Trust Pyramid Directed Account Cash Fund and Bankers Trust Pyramid Discretionary Account Cash Fund).

At December 31, 1996, there were approximately 30,100 participants in Fund A, 12,000 in Fund B, 14,000 in Fund C and 6 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, 1996 and 1995, employee contributions included rollovers of approximately \$1.2 million and \$1.8 million, respectively.

Textron makes contributions to the Plan based on estimated contribution levels. In addition, Textron may make, at its own discretion, additional contributions. To the extent actual contributions by the participants differ from estimated contributions, a contribution receivable or payable from Textron will result. This is disclosed as an excess contribution in the statement of net assets available for benefits. 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.

For the year ended December 31, 1995, Textron's contributions were also reduced by approximately \$23.2 million representing the market value of excess shares that were released as a result of loan payments (see Note 3). Additional contributions required by Textron to fund debt service payments on the senior note amounted to \$8.3 million in 1995 (see Note 3). The senior note was paid in full during 1995.

1. Description of Plan (continued)

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	1996		1995	
	Number of Units	Value per Unit	Number of Units	Value per Unit
B	23,518,513	\$4.993703	22,949,673	\$4.048529
C	66,201,075	2.351977	74,169,927	2.211828
H	85,748	1.877012	13,393	1.778853

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 form of cash. An account will be distributed in a single payment if the value of the account is less than \$3,500 when the account first becomes distributable. If the value of the account is \$3,500 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 those 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.

1. Description of Plan (continued)

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.

Termination

While Textron has not expressed any intent to terminate the Plan, it is free to do so at any time. In the event of termination, each participant automatically becomes vested to the extent of the balance in his or her separate account.

Participant Loans

The Textron Capital Accumulation Plan and the Textron Capital Accumulation Plan for Hourly Employees (collectively, "TCAP") were merged into the Plan effective May 1, 1989. Prior to its merger into the Plan, TCAP allowed participants to receive loans from their pre-tax contribution accounts. Because the Plan does not provide for participant loans, no new loans were made to former TCAP participants after April 30, 1989. Existing loans must be repaid with interest to the participant's pre-tax contribution account. The loan repayments and related interest will be invested in the investment funds in the same manner as the optional contributions to the Plan the participant is then making. If the participant is not then making contributions to the Plan, the loan repayments will be invested in Fund C.

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.

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 Bankers Trust Pyramid Large Capitalization Equity Index Fund is valued at the redemption price established by the fund's Trustee which is generally based on the fair value of the underlying assets. The Bankers Trust Pyramid Directed Account Cash Fund and 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 cost which approximates fair value.

Insurance contracts are fully benefit responsive and are valued at contract value (Note 4) 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.

3. Unallocated Shares and Senior Note

During 1989, coincident with the conversion of the Plan to an employee stock ownership plan, the Plan purchased from Textron 3,652,969 shares of Textron Inc. Common Stock with the proceeds of a \$100 million bank loan. Such shares of Textron Inc. Common Stock were released for allocation to the accounts of participants as the loan was repaid. The Plan made loan repayments with dividends received on unallocated shares and certain other shares and contributions received from Textron. Unallocated shares were collateral for the loan. The value of the Textron Inc. Common Stock allocated as matching contributions and dividends was the average fair market value for the period the shares were allocated to the participants' accounts, even though the shares may have been purchased earlier at a different value as part of a block purchase made by the Trustee. At December 31, 1995, all shares were allocated.

The Plan had a senior note payable to a bank that was guaranteed by Textron which related to a \$100 million term loan agreement entered into during 1989. The agreement provided for the note to be repaid over a seven-year period in quarterly installments beginning April 3, 1990. The maturity date of the note was subsequently changed to October 3, 1995. The note bore interest at 85% of either the lower of the Eurodollar rate or a base rate. The note was paid in full October 3, 1995.

4. Fair Value of Investments

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	
	1996	1995
	(Share and dollar amounts in thousands)	
Investments at fair value as determined by quoted market price:		
Textron Inc. Common Stock*, 12,794 and 13,945 shares, respectively	\$1,205,830	\$ 941,263
Investments at estimated fair value:		
BT Pyramid Capitalization Equity Index Fund*, 71 and 69 shares, respectively	120,412	94,755
Total Investments at fair value	\$1,326,242	\$1,036,018

*Indicates party-in-interest to the Plan.

4. Fair Value of Investments (continued)

During 1996 and 1995, the Plan's investments (including investments bought, sold, and held during the year) appreciated in fair value by \$377,788,000 and \$272,269,000 as follows:

	December 31	
	1996	1995
	(In thousands)	
Investments at fair value as determined by quoted market price:		
Textron Inc. Common Stock	\$355,525	\$246,117

U.S. Government Securities	13	792
Net change in fair value	355,538	246,909
Investments at estimated fair value:		
Common/collective trust funds	22,250	25,360
Net change in fair value	\$377,788	\$272,269

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 \$147,000,000 and \$155,000,000 at December 31, 1996 and 1995, respectively. The average yield approximated 5.99% and 6.14% for the years ended December 31, 1996 and 1995, respectively, on contracts with crediting interest rates ranging from 4.67% to 8.36% and 4.18% to 8.36% for 1996 and 1995, 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.

4. Fair Value of Investments (continued)

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.

5. 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	
	1996	1995
	(In thousands)	
Net assets available for benefits per financial statements	\$1,490,267	\$1,210,026
Amounts allocated to withdrawn participants	(41,632)	(36,154)
Net assets available for benefits per Form 5500	\$1,448,635	\$1,173,872

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

	December 31	
	1996	1995
	(In thousands)	
Benefits paid to participants per the financial statements	\$229,462	\$182,431
Add: Amounts allocated on Form 5500 to withdrawn participants at December 31, 1996	41,632	36,154
Less: Amounts allocated on Form 5500 to withdrawn participants at December 31, 1995	(36,154)	(16,153)
Benefits paid to participants per Form 5500	\$234,940	\$202,432

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.

6. 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.

Line 27a--Schedule of Assets Held for Investment Purposes
(In Thousands)

December 31, 1996

	Number of Shares or Units	Cost/ Contract Value	Fair Value
Fund A			
Textron Inc. Common Stock*	12,794	\$ 483,642	\$1,205,830
BT Pyramid Directed Account Cash Fund*	1,467	1,467	1,467
Total Fund A		\$ 485,109	\$1,207,297
Fund B			
BT Pyramid Large Capitalization Equity Index Fund*	71	\$ 76,822	\$ 120,412
BT Pyramid Discretionary Account Cash Fund*		363	363
Total Fund B		\$ 77,185	\$ 120,775
Fund C			
Insurance Contracts:			
Metropolitan Life Ins. Co.			
Matures through 6/30/98; 4.67%	11,631	\$ 11,631	\$ 11,503
Matures through 3/1/99; 5.27%	1,737	1,737	1,713
Matures through 3/31/99; 5.11%	2,893	2,893	2,841
Matures through 5/15/99; 7.38%	12,067	12,067	12,398
Prudential Asset Management			
Matures 6/1/97; 7.08%	5,988	5,988	6,027
Matures 7/31/97; 6.3%	11,782	11,782	11,828
N. Y. Life Insurance Co.			
Matures 3/31/97; 7.7%	7,825	7,825	7,872
Matures 9/9/98; 5.2%	11,827	11,827	11,693
Matures through 8/16/99; 7.33%	11,834	11,834	12,259
Commonwealth Life Insurance Co.			
Matures 1/5/99; 8.28%	5,857	5,857	6,152
Matures 3/1/04, 6.67%	9,469	9,469	9,702
Hartford Life Insurance Co.			
Matures 1/4/99; 7.97%	5,823	5,823	6,077
AIG Life Insurance Co.			
Matures 9/15/01, 6.90%	5,095	5,095	5,261

Textron Savings Plan

Line 27a--Schedule of Assets Held for Investment Purposes (continued)
(In Thousands)

	Number of Shares or Units	Cost/ Contract Value	Fair Value
Fund C (continued)			
Allstate Insurance Co.			
Matures 12/15/00; 6.87%	11,158	11,158	11,486
John Hancock Mutual Life Ins. Co.			
Matures 6/30/01; 6.75%	5,485	5,485	5,623
Matures 1/2/96; 8.36%	5,099	5,099	5,328
Matures 6/30/00; 6.50%	5,467	5,467	5,545
Mass Mutual Life Ins. Co.			
Matures through 1/31/97; 6.11%	3,022	3,022	3,025
SunAmerica Life Insurance Co.			
Matures 1/31/97; 6.11%	10,582	10,582	10,491
Government Obligations:			
Federal National Mortgage Association			
Matures 4/25/17; 6.5%	5,102	5,102	5,092
Matures 9/25/07; 5.8%	1,283	1,283	1,277
United States Dept. Veterans Affairs			
Matures 3/15/01	2,723	2,718	2,734
BT Pyramid Directed Acct. Cash Fund *	7,518	7,518	7,518
Total Fund C		\$161,262	\$163,445
Fund H			
BT Pyramid Directed Acct. Cash Fund*	160	\$ 160	\$ 160
Total Fund H		\$ 160	\$ 160
Total all funds		\$723,716	\$1,491,677

Loans					
Loans Receivable (9.5% - 11%)	41	\$	41	\$	41

* Indicates party-in-interest to the Plan

Textron Savings Plan

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

Year ended December 31, 1996

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						
**	Purchase of 1,145,083 shares of Textron Inc. Common Stock in 229 transactions	\$94,453		\$94,453	\$94,453	
	Sale of 2,295,767 shares of Textron Inc. Common Stock		\$185,411	75,809		\$109,602
Bankers Trust Company*	Purchase of 139,971,410 units of BT Pyramid Directed Account Cash Fund in 210 transactions	139,971		139,971	139,971	
	Sale of 139,638,222 units of BT Pyramid Directed Account Cash Fund in 217 transactions		139,638	139,638	139,638	

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

* Indicates party-in-interest to the Plan. ** Transactions made on the market.

**TEXTRON SAVINGS PLAN
ANNUAL REPORT ON FORM 11-K
FOR FISCAL YEAR ENDED DECEMBER 31, 1996**

EXHIBIT INDEX

Exhibit Number Description
23 Consent of Independent Auditors

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 Textron Inc. of our report dated May 2, 1997, 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, 1996.

ERNST & YOUNG LLP

Providence, Rhode Island

June 23, 1997

End of Filing

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