

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): February 24, 2009

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 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

(e) On February 24, 2009, the Organization and Compensation Committee of the Board of Directors of Textron revised design elements of the previously- approved long-term incentive compensation program for 2009 (described in our Current Report on Form 8-K filed on January 23, 2009) with respect to Textron's executive officers.

For 2009 awards under the Textron Inc. 2007 Long-Term Incentive Plan (amended and restated as of May 1, 2007), as amended, a new award type of performance cash units will be included in addition to the performance share units, restricted stock units and stock options previously approved. The addition of this new award type does not change the total award values previously approved by the Committee. The mix of grant types will be redistributed such that approximately 54% of the award value for each executive officer will be in the form of performance cash units, approximately 25% in the form of performance share units, approximately 14% in the form of restricted stock units and approximately 7% in the form of stock options. In addition, the Committee has added total shareholder return as a metric for the performance share units.

The performance cash units, which are not tied to share price and are payable in cash at the end of a three-year performance period, will be granted for the 2009-2011 cycle. Payouts under these awards and the performance share units to be granted for the 2009-2011 cycle will be based 50% on achievement of earnings per share targets, 25% on enterprise return on invested capital targets and 25% on cash efficiency targets, each of which will be set annually, combined with an ability for the Committee to exercise negative discretion linked to total shareholder return over the entire three-year performance period. The maximum payout on performance cash units and performance share units will be 150%.

Item 8.01 Other Events

Textron announced that it has reached a definitive agreement to sell HR Textron, an operating unit within its Textron Systems segment, to Woodward Governor Company for \$365 million in an all-cash transaction. The transaction is expected to be completed early in the second quarter, subject to certain closing conditions and completion of pending regulatory reviews. The sale is expected to generate approximately \$265 million in net, after-tax cash proceeds.

A copy of the related press release is attached as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

The following exhibit is filed herewith:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated February 27, 2009.

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: February 27, 2009

By: /s/ Terrence O'Donnell
Terrence O'Donnell
Executive Vice President and General Counsel

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated February 27, 2009.

Corporate Communications
Department

NEWS Release

Investor Contacts:

Doug Wilburne – 401-457-2288

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FOR IMMEDIATE RELEASE

Textron Reaches Agreement to Sell HR Textron Operating Unit to Woodward Governor Company for \$365 Million

Providence, Rhode Island – February 27, 2009 - Textron Inc. (NYSE: TXT) today announced that it has reached a definitive agreement to sell HR Textron, an operating unit within its Textron Systems segment to Woodward Governor Company (NASDAQ: WGOV) for \$365 million in an all-cash transaction.

“This transaction is an excellent value for Textron and Woodward and is consistent with Textron’s financial strategy and our defense and intelligence systems strategy within the Textron Systems segment,” said Lewis B. Campbell, Textron’s chairman and CEO.

The deal is expected to be completed early in the second quarter, subject to certain closing conditions and completion of pending regulatory reviews. The sale is expected to generate approximately \$265 million in net, after-tax cash proceeds.

Including a small gain generated by the transaction, the sale is expected to reduce 2009 earnings by about \$0.05 per share. HR Textron generated \$260 million in revenues in 2008.

About HR Textron

HR Textron is one of the world’s leading suppliers of mission critical actuation systems and products for aircraft, guided weapons, armored vehicles and turbine engines. HR Textron is recognized for hydraulic and electric primary flight control actuation products supporting the F-35 Joint Strike Fighter, X-45 unmanned combat air vehicle (UCAV), Joint Direct Attack Munition (JDAM), and AIM-9-X Sidewinder programs, as well as a broad range of military and commercial helicopters. HR Textron also provides turret controls and gun stabilization systems for the U.S. M1 Abrams Main Battle Tank and other armored vehicles worldwide; is one of the world’s leading suppliers of servovalves for critical jet engine controls; and supplies fuel system components to commercial and military programs around the world. Where demand is for mission critical actuation controls and systems, HR Textron brings the experience and technologies necessary to meet customer requirements for performance, reliability and value.

About Textron Systems

Textron Systems Corporation has been providing innovative solutions to the defense, homeland security and aerospace communities for over 50 years. Known for its precision smart weapons, intelligent battlefield systems, surveillance systems, intelligence software solutions, aircraft control components, piston engines, armored vehicles and unmanned aircraft systems, Textron Systems includes AAI, HR Textron, Lycoming Engines, Overwatch Geospatial Systems, Overwatch Tactical Operations, Textron Defense Systems, and Textron Marine & Land Systems. Textron Systems Corporation is an indirect wholly owned subsidiary of Textron Inc. More information is available at www.textronsystems.com.

About Textron

Textron Inc. is a \$14.2 billion multi-industry company operating in 28 countries with approximately 42,000 employees. The company leverages its global network of aircraft, defense and intelligence, industrial and finance businesses to provide customers with innovative solutions and services. Textron is known around the world for its powerful brands such as Bell Helicopter, Cessna Aircraft Company, Jacobsen, Kautex, Lycoming, E-Z-GO, Greenlee, Textron Systems and Textron Financial Corporation. More information is available at www.textron.com.

About Woodward Governor Company

Woodward is an independent designer, manufacturer, and service provider of energy control and optimization solutions for commercial and military aircraft, turbines, reciprocating engines, and electrical power system equipment. The company's innovative fluid energy, combustion control, electrical energy, and motion control systems help customers offer cleaner, more reliable, and more cost-effective equipment. Leading original equipment manufacturers use our products and services in aerospace, power and process industries, and transportation. Woodward is headquartered in Fort Collins, Colo., USA and serves global markets in aerospace, power and process industries, and transportation. Visit our website at www.woodward.com.

Forward Looking Information: Certain statements in this release and other oral and written statements made by Textron from time to time are forward-looking statements, including those that discuss strategies, goals, outlook or other non-historical matters; or project revenues, income, returns or other financial measures. These forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update or revise any forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contained in the statements, including the following: (a) the occurrence of any event, change or other circumstance that could give rise to the termination of the sale agreement; (b) the inability to complete the transaction due to the failure to receive required regulatory or other approvals or to satisfy other conditions to the transaction (c) the risk that the proposed transaction disrupts current plans and operations; and (d) the risk that anticipated benefits as a result of the transaction will not be realized.