

TEXTRON INC

FORM 8-K (Current report filing)

Filed 08/11/98 for the Period Ending 08/11/98

Address	40 WESTMINSTER ST PROVIDENCE, RI 02903
Telephone	4014212800
CIK	0000217346
Symbol	TXT
SIC Code	6162 - Mortgage Bankers and Loan Correspondents
Fiscal Year	01/02

TEXTRON INC

FORM 8-K (Unscheduled Material Events)

Filed 8/11/1998 For Period Ending 8/11/1998

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

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

August 11, 1998
(Date of earliest event reported)

TEXTRON INC.

(Exact name of Registrant as specified in its charter)

Delaware
(State of
Incorporation)

1-5480
(Commission File No.)

05-0315468
(IRS Employer
Identification No.)

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

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

N/A
(Former name or former address, if changed since last report)

Item 5. Other Events.

On August 11, 1998, the Registrant, Textron Inc. ("Textron"), issued a press release announcing that it has reached an agreement to sell its Avco Financial Services, Inc. unit to Associates First Capital Corporation for \$ 3.9 billion in cash. The press release also announced that Textron's Board of Directors has authorized a new 25 million share repurchase program that supersedes the 8 million shares that remained under its previous authorization. A copy of the press release is filed herewith as Exhibit 99 and is incorporated herein by reference.

Item 7. Financial Statements and Exhibits.

(c) Exhibits.

Exhibit No.	Exhibit
99	Press Release issued August 11, 1998.

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)

By/s/Wayne W. Juchatz
Name: Wayne W. Juchatz
Title: Executive Vice President and
General Counsel

Dated: August 11, 1998

INDEX TO EXHIBITS

Exhibit No. Exhibit

99 Press Release issued August 11, 1998

Investor Contact:
Mary Lovejoy
401-457-6009

Media Contact:
Susan Tardanico
**401-457-2354 FOR IMMEDIATE
RELEASE**

Textron to Sell Avco Financial Services to The Associates

Proceeds to Fund Acquisitions, Share Buyback;

Board Authorizes 25-Million-Share Repurchase Program

Providence, RI - August 11, 1998 - Textron Inc. today

announced it has reached an agreement to sell its Avco

Financial Services unit to Dallas, TX-based Associates

First Capital Corporation for \$3.9 billion in cash.

Additional terms were not disclosed. The acquisition is
subject to regulatory approvals.

Net after-tax proceeds to Textron will approximate \$2.9

billion. "These proceeds will enable us to accelerate our
acquisition and share buyback programs, consistent with our
focus on maximizing value for Textron shareholders," said

Textron President and Chief Executive Officer Lewis B.

Campbell. "Our primary objective is to redeploy these funds
into our existing market-leading businesses," he added.

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Textron to Sell Avco/P.2

Textron also announced today that its Board of Directors has authorized a new 25-million-share repurchase program. This program supercedes the 8 million shares that remained under its previous authorization.

"This increased authorization will enable us to be more aggressive in repurchasing shares, beginning immediately," Campbell said. "This, coupled with our disciplined acquisition strategy, position us to maintain our record of consistent, double-digit earnings growth."

It is anticipated that up to 40 % of the after-tax proceeds from the sale of Avco will be used to repurchase Textron shares, while the remaining 60 % will fund acquisitions.

In the past five years, Textron has acquired 33 companies in the United States and Europe. Having invested more than \$500 million in five acquisitions to date this year, the company has already exceeded last year's acquisition activity. "With a full pipeline of opportunities, we are well-positioned to continue our aggressive acquisition activity," Campbell continued.

"However, we remain steadfast in our commitment to our rigorous acquisition criteria."

With \$1.85 billion in annual revenues, AFS comprised 18% of Textron's total 1997 revenues. "Our financial goals are clear and have not changed," said Campbell. "We are confident we will meet or exceed our targets of 8-11% annual revenue growth and double-digit EPS growth, and we are targeting revenues in excess of \$14 billion by the year 2000," he added.

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In June, Textron announced it was exploring strategic alternatives for AFS, which could include a sale, spin-off or other form of divestiture. With the increasing consolidation of the consumer finance industry, Textron concluded the value of AFS would be maximized by combining it with another leading financial services company. The strategic review did not include Textron's commercial finance subsidiary, Textron Financial Corporation (TFC) which finances the sale of Textron and third-party products.

TFC remains a part of Textron.

Textron Inc. (NYSE:TXT) is a \$10.5 billion, global, multi-industry company with market-leading operations in

Aircraft, Automotive, Industrial and Finance.

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Certain statements in this news release 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 are subject to risks and uncertainties that may cause actual results to differ materially from those contained in the statements, including the following: (i) continued market demand for the types of products and services produced and sold by Textron, (ii) changes in worldwide economic and political conditions and associated impact on interest and foreign exchange rates, (iii) the level of sales by original equipment manufacturers of vehicles for which Textron supplies parts, (iv) the successful integration of companies acquired by Textron and (v) changes in consumer debt levels.

End of Filing

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