

# TEXTRON INC

## FORM 8-K (Current report filing)

Filed 02/01/96 for the Period Ending 01/25/96

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 2/1/1996 For Period Ending 1/25/1996

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

January 25, 1996  
(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 January 25, 1996, the Company issued a press release announcing consolidated results for the fourth quarter and fiscal year ended December 30, 1995. The press release stated that revenues for the quarter were \$2.659 billion, as compared with \$2.377 billion for the corresponding period in 1994, that net income for the quarter was \$127 million, as compared with \$112 million for the corresponding period in 1994, and that earnings per share were \$1.45, as compared with \$1.26 per share for the corresponding period in 1994. The press release further stated that revenues for fiscal year 1995 were \$9.973 billion, as compared with fiscal 1994 revenues of \$9.683 billion, that net income for fiscal year 1995 was \$479 million, as compared with \$433 million for fiscal 1994, and that earnings per share were \$5.51, as compared with \$4.80 per share for fiscal 1994.

A statement of the Company's consolidated results for the fourth quarter and fiscal year ended December 30, 1995 and comparative results for the corresponding periods in 1994, a breakdown of such results by business segment and a business segment analysis, which were released concurrently with such press release, are filed herewith as Exhibit 1 and incorporated herein by reference.

**ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.**

(c) Exhibits.

Exhibit No. -----	Exhibit -----
1	Textron Inc. Fourth Quarter and Year Revenues and Income, Textron Inc. Revenues and Income By Business Segment Fourth Quarter and Year and Textron Segment Analysis, as announced on January 25, 1996

## 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/ William P. Janovitz*

-----  
*William P. Janovitz*

*Vice President Financial Reporting*

*Dated: February 1, 1996*

## INDEX TO EXHIBITS

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1	Textron Inc. Fourth Quarter and Year Revenues and Income, Textron Inc. Revenues and Income By Business Segment Fourth Quarter and Year and Textron Segment Analysis, as announced on January 25, 1996

**TEXTRON INC.**  
**FOURTH QUARTER AND YEAR**  
(Dollars in millions except per share amounts)

	Fourth Quarter		Year	
	December 30, 1995	December 31, 1994	December 30, 1995	December 31, 1994
Revenues	\$ 2,659	\$ 2,377	\$ 9,973	\$ 9,683
Income before income taxes	\$ 215	\$ 215	\$ 813	\$ 754
Income taxes	(85)	(101)	(321)	(308)
Elimination of minority interest in net income of Paul Revere	(3)	(2)	(13)	(13)
Net income	\$ 127	\$ 112	\$ 479	\$ 433
Income per share	\$ 1.45	\$ 1.26	\$ 5.51	\$ 4.80
Average shares outstanding	87,345,000	89,120,000	86,894,000	90,119,000

**TEXTRON INC.**  
**REVENUES AND INCOME BY BUSINESS SEGMENT**  
**FOURTH QUARTER AND YEAR**  
(In millions)

	Fourth Quarter		Year	
	December 30, 1995	December 31, 1994	December 30, 1995	December 31, 1994
<b>REVENUES</b>				
-----				
<b>MANUFACTURING:</b>				
Aircraft	\$ 633	\$ 597	\$2,419	\$2,186
Automotive	405	404	1,576	1,557
Industrial	395	318	1,421	1,395
Systems and Components	272	275	1,052	1,540
	-----	-----	-----	-----
	1,705	1,594	6,468	6,678
	-----	-----	-----	-----
<b>FINANCIAL SERVICES:</b>				
Finance	524	445	1,985	1,672
Paul Revere	430	338	1,520	1,331
	-----	-----	-----	-----
	954	783	3,505	3,003
	-----	-----	-----	-----
Total revenues	\$2,659	\$2,377	\$9,973	\$9,681
	=====	=====	=====	=====
<b>INCOME</b>				
-----				
<b>MANUFACTURING:</b>				
Aircraft	\$ 66	\$ 63	\$ 237	\$ 194
Automotive	39	38	138	139
Industrial	42	29	162	142
Systems and Components	19	43	85	99
	-----	-----	-----	-----
	166	173	622	574
	-----	-----	-----	-----
<b>FINANCIAL SERVICES:</b>				
Finance	93	84	365	331
Paul Revere	33	24	123	131
	-----	-----	-----	-----
	126	108	488	462
	-----	-----	-----	-----
Segment operating income	292	281	1,110	1,036
Corporate expenses and other - net	(26)	(20)	(98)	(78)
Interest expense - net	(51)	(46)	(199)	(204)
	-----	-----	-----	-----
Income before income taxes	\$ 215	\$ 215	\$ 813	\$ 754
	=====	=====	=====	=====

## TEXTRON SEGMENT ANALYSIS

### AIRCRAFT

The Aircraft segment's revenues and income for the fourth quarter increased 6% and 5% respectively. For the year, income increased 22% on an 11% increase in revenues.

Bell Helicopter's revenues and income increased for both the quarter and the year due to higher international aircraft sales, including deliveries under a 100-unit order to the Canadian Forces. The year also benefited from higher revenues under the V-22 engineering and manufacturing development contract. For the year, these positive factors were partially offset by increased product development expenses on the new model 407. Backlog decreased to \$2.0 billion from \$2.4 billion at the end of 1994, reflecting deliveries under the Canadian Forces contract and performance under the V-22 contract.

Cessna Aircraft's revenues increased for both the quarter and the year due to higher sales of aircraft. Income decreased for the quarter reflecting increased product development expenses related to the Bravo and Excel Citation aircraft. For the year, however, Cessna's income increased as higher product development expenses were more than offset by the benefit of higher sales, lower bid and proposal expenses and lower product support costs. Backlog increased to \$1.5 billion from \$1.4 billion at year-end 1994.

### AUTOMOTIVE

Revenues and income for the quarter and year approximated last year's levels.

These results were achieved despite a reduction in North American automotive production, reflecting higher production of models with Textron content. Textron's average dollar content per car and light truck built in North America increased to \$116 from \$112 in 1994.

### INDUSTRIAL

For the quarter, revenues and income increased 24% and 45% respectively and for the year they increased 2% and 14% respectively.

The increase in revenues and income for both periods was due to higher sales in the fastening systems business, reflecting the acquisitions of Elco Industries and Friedr. Boesner GmbH, higher sales in the contractor tool business and higher sales and better performance in the turf-care business. In addition, the year's results included Avdel for the full year in 1995 compared with nine months in 1994. Excluding the impact of the divestiture of the Homelite division (in August 1994), revenues and income for the full year increased 18% and 26% respectively.

## **SYSTEMS AND COMPONENTS**

For the quarter, revenues were essentially unchanged while income decreased 56%. Revenues and income decreased 32% and 14% respectively, for the year. Both periods in 1994 included the Textron Lycoming Engine division, which was sold in October 1994. The operating margin increased to 8.1% for the year from 6.4% in 1994.

For the year, excluding the impact of that division and the effects of certain provisions in 1994, revenues and income both decreased 9%. The decrease in revenues and income on the remaining businesses was primarily due to reduced shipments on certain commercial aerospace and U.S. government contracts.

## **FINANCE**

Income for the quarter increased 11% on an 18% increase in revenues. For the year, revenues and income increased 19% and 10% respectively.

Avco Financial Services' results increased for both periods, reflecting a higher level of consumer finance receivables and an increase in the contribution from the insurance operations. These factors were partially offset by an increase in the cost of funds and an increase in the level of charge-offs. AFS' charge-off ratio increased to 2.10% for the year from 1.99% in 1994.

The results for Textron's commercial finance division, Textron Financial Corporation, increased for both periods due to a higher level of finance receivables and higher yields on finance receivables, partially offset by an increase in the cost of funds. Full year results also benefited from a lower level of charge-offs.

## **PAUL REVERE**

Revenues increased 27% and 14% for the quarter and full year respectively, primarily due to increased premiums in individual and group disability insurance and higher net investment income, including net realized investment gains. Income decreased 6% for the year while it increased 38% for the quarter.

Income for the quarter was positively impacted by higher premium revenues and a lower benefit ratio in the individual disability line. Fourth quarter results included \$60 million of net realized investment gains and losses of \$62 million in the excess-risk reinsurance line, including reserve strengthening, as a result of a loss recognition study.

For the quarter, the individual disability insurance benefit ratio, excluding reserve strengthening in the excess risk reinsurance line was 81.5% compared with 92.3% in the fourth quarter of 1994, and better than the 83.5% experienced in the third quarter of 1995. The corresponding ratio for the full year was 85.3% compared with 83.8% in 1994, which was the principal reason for the decrease in income for the year.

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**End of Filing**

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