

TEXTRON INC

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

Filed 06/28/99 for the Period Ending 12/31/98

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 11-K

(Annual Report of Employee Stock Plans)

Filed 6/28/1999 For Period Ending 12/31/1998

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

**[X] ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**
for the fiscal year ended December 31, 1998
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, 1998 and 1997 Statement of Changes in Net Assets Available for Benefits for each of the two years ended December 31, 1998 and 1997 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 28, 1999

Financial Statements
and Supplemental Schedules

Textron Savings Plan

Years ended December 31, 1998 and 1997
with Report of Independent Auditors

Textron Savings Plan

Financial Statements
and Supplemental Schedules

Years ended December 31, 1998 and 1997

Contents

Report of Independent Auditors	1
Audited Financial Statements	
Statement of Net Assets Available for Benefits With Fund Information, December 31, 1998	2
Statement of Net Assets Available for Benefits With Fund Information, December 31, 1997	3
Statement of Changes in Net Assets Available for Benefits With Fund Information, Year ended December 31, 1998	4
Statement of Changes in Net Assets Available for Benefits With Fund Information, Year ended December 31, 1997	5
Notes to Financial Statements	6
Supplemental Schedules	
Line 27a--Schedule of Assets Held for Investment Purposes	15
Line 27d--Schedule of Reportable Transactions	17

Report of Independent Auditors

Textron Inc.
Plan Sponsor
Textron Savings Plan

We have audited the accompanying statements of net assets available for benefits of Textron Savings Plan as of December 31, 1998 and 1997, 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, 1998 and 1997, and the changes in its net assets available for benefits for the years then ended, in conformity with generally accepted accounting principles.

Our audits were performed 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, 1998, and reportable transactions for the year then ended, are presented for purpose of additional analysis and are not a required part of the financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan's management. 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
ERNST & YOUNG LLP

May 27, 1999

Textron Savings Plan

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

December 31, 1998

	Fund A	Fund B	Fund Information Fund C	Fund H	Loan Fund	Total
Assets						
Investments, at fair value (Notes 2 and 3):						
Textron Inc. Common Stock	\$1,694,963	\$ -	\$ -	\$ -	\$ -	\$1,694,963
U.S. Government securities	-	-	3,875	-	-	3,875
Mortgage-backed securities	-	-	11,430	-	-	11,430
Common/collective trust funds	1,102	201,030	20,249	211	-	222,592
Participant notes receivable	-	-	-	-	16,391	16,391
Total investments	1,696,065	201,030	35,554	211	16,391	1,949,251
Insurance contracts, at contract value (Notes 2 and 3)						
Total investments	1,696,065	201,030	116,155	-	-	116,155
			151,709	211	16,391	2,065,406
Receivables:						
Employee contributions	-	301	65	-	-	366
Investment income	6,354	-	97	1	74	6,526
Interfund receivable (payable)	(1,331)	536	795	-	-	-
Other	27	84	130	-	-	241
Total receivables	5,050	921	1,087	1	74	7,133
Total assets	1,701,115	201,951	152,796	212	16,465	2,072,539
Liabilities						
Payables:						
Excess employer contributions	1,638	-	-	-	-	1,638
Total liabilities	1,638	-	-	-	-	1,638
Net assets available for benefits	\$1,699,477	\$201,951	\$152,796	\$ 212	\$16,465	\$2,070,901

See notes to financial statements.

Textron Savings Plan

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

December 31, 1997

	Fund A	Fund B	Fund Information Fund C	Fund H	Loan Fund	Total
Assets						
Investments, at fair value (Notes 2 and 3):						
Textron Inc. Common Stock	\$1,475,645	\$ -	\$ -	\$ -	\$ -	\$ 1,475,645
U. S. Government 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)	-	-	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 Changes in Net Assets Available for Benefits with Fund Information
(In Thousands)

Year ended December 31, 1998

	Fund Information			Fund H	Loan Fund	Total
	Fund A	Fund B	Fund C			
Additions to net assets attributed to:						
Investment income:						
Net appreciation in fair value of investments (Note 3)	\$ 310,610	\$ 44,545	\$ 25	\$-	\$ -	\$ 355,180
Dividends	25,883	-	-	-	-	25,883
Interest	124	31	9,305	9	1,047	10,516
	336,617	44,576	9,330	9	1,047	391,579
Contributions:						
Participants	69,074	15,349	9,340	-	-	93,763
Employer, net	39,847	-	-	-	-	39,847
	108,921	15,349	9,340	-	-	133,610
Total additions	445,538	59,925	18,670	9	1,047	525,189
Deductions from net assets attributed to:						
Benefits paid to participants	204,225	15,548	19,757	56	4,636	244,222
Administrative expenses	1,945	217	188	-	-	2,350
Total deductions	206,170	15,765	19,945	56	4,636	246,572
Net increase (decrease) prior to interfund transfers	239,368	44,160	(1,275)	(47)	(3,589)	278,617
Interfund transfers, net	(22,669)	2,100	5,864	184	14,521	-
Net increase	216,699	46,260	4,589	137	10,932	278,617
Net assets available for benefits:						
Beginning of year	1,482,778	155,691	148,207	75	5,533	1,792,284
End of year	\$ 1,699,477	\$ 201,951	\$152,796	\$ 21	\$16,465	\$2,070,901

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 Information 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	12,934	8,388	-	-	82,755
Employer, net	35,263	-	-	-	-	35,263
	96,696	12,934	8,388	-	-	118,018
Total additions	496,221	51,899	18,005	8	1	566,134
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
Administrative expenses	1,425	140	172	-	-	1,737
Total deductions	216,246	17,941	29,720	131	79	264,117
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

Notes to Financial Statements

December 31, 1998 and 1997

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 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").

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 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.

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.

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).

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% of the first 5% of eligible salary by Textron subject to certain ERISA restrictions and plan limits, are recorded when Textron makes payroll deductions from participants' wages. For the years ending December 31, 1998 and 1997, employee contributions included rollovers of approximately \$3.4 million and \$3.2 million, respectively.

Textron makes contributions to the Plan based on estimated contribution levels. In addition, Textron may make additional discretionary contributions. There were no discretionary contributions made by Textron in 1998 or 1997. 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	1998		1997	
	Number of Units	Value per Unit	Number Of Units	Value per Unit
B	22,952,153	\$ 8.798796	23,021,704	\$ 6.762800
C	56,121,219	2.722600	58,043,594	2.553375
H	99,952	2.123869	17,183	4.368733

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 \$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 Benefits 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.

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

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.

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 is 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 includes 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.

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	
	1998	1997
	(Dollar amounts in thousands)	
Investments at fair value as determined by quoted market price:		
Textron Inc. Common Stock	\$ 1,694,963	\$ 1,475,645
Investments at estimated fair value:		
State Street S&P 500 Index with Futures Fund	200,848	154,501

During 1998 and 1997, the Plan's investments (including investments bought, sold, and held during the year) appreciated (depreciated) in fair value as follows:

	December 31	
	1998	1997
	(In thousands)	
Investments at fair value as determined by quoted market price:		
Textron Inc. Common Stock	\$ 310,610	\$ 375,300
U.S. Government securities	51	(18)
	310,661	375,282
Investments at estimated fair value:		
Common/collective trust funds	44,545	38,944
Mortgage-backed securities	(26)	(41)
	\$ 355,180	\$ 414,185

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 \$116 million and \$131 million at December 31, 1998 and 1997, respectively. The average yield approximated 4.48% and 5.70% for the years ended December 31, 1998 and 1997, respectively, on contracts with crediting interest rates ranging from 4.67% to 8.28% for both 1998 and 1997.

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.

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:

	1998	December 31 1997
	(In thousands)	
Net assets available for benefits per financial statements	\$ 2,070,901	\$ 1,792,284
Amounts allocated to withdrawn participants	(36,910)	(24,866)
Net assets available for benefits per Form 5500	\$ 2,033,991	\$ 1,767,418

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

	1998	19967
	(In thousands)	
Benefits paid to participants per the financial statements	\$ 244,222	\$ 252,114
Add: Amounts allocated on Form 5500 to withdrawn participants at the end of the year	36,910	24,866
Less: Amounts allocated on Form 5500 to withdrawn participants at the beginning of the year	(24,866)	(41,632)
Benefits paid to participants per Form 5500	\$ 256,266	\$ 235,348

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 the participants employed by this division were rolled into the qualified plan of the purchaser.

6. Party-in-Interest Transactions

The Plan invests in mutual funds managed by State Street Bank and Trust Company, who is also the Plan's 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. Subsequent Events

Effective October 1999, Putnam Investments will become the Plan's recordkeeper and trustee. The Plan will move from a monthly to a daily valuation and will provide participants the opportunity to increase diversification and utilize the Plan more effectively.

9. 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.

Supplemental Schedules

Textron Savings Plan

Employer Identification Number 05-0315468
Plan Number 030

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

December 31, 1998

Identity of Issue	Number of Shares or Units		Cost	Fair Value
Common Stock:				
Textron Inc.*	22,321	\$	559,126	\$1,694,963
Common/Collective Trust Funds:				
State Street S&P 500 Index w/Futures Fund*	981	\$	130,847	\$ 200,848
State Street Bank and Trust Company Short Term Investment Fund*	21,744		21,744	21,744
Total Common/Collective Trust Funds:		\$	152,591	\$ 222,592
Insurance Contracts:				
Metropolitan Life Ins. Co.*				
Matures 3/01/99; 5.27%	1,925	\$	1,925	\$ 1,925
Matures 3/31/99; 5.11%	3,196		3,196	3,196
Matures 5/15/99; 7.38%	6,957		6,957	6,957
N.Y. Life Insurance Co.				
Matures 8/16/99; 7.33%	6,834		6,834	6,835
Commonwealth Life Insurance Co.				
Matures 1/5/99; 8.28%	6,867		6,867	6,867
Hartford Life Insurance Co.				
Matures 1/4/99; 7.97%	6,788		6,788	6,788
AIG Life Insurance Co.				
Matures 9/15/01; 6.90%	5,822		5,822	5,826
Allstate Insurance Co.				
Matures 12/15/00; 6.87%	10,031		10,031	10,036
Cuisse Des Depots Group				
Matures 12/15/00; 5.64%	9,900		9,900	9,901

John Hancock Mutual Life Ins. Co.			
Matures 6/15/01; 6.71%	5,612	5,612	5,615
Matures 6/30/00; 6.50%	6,201	6,201	6,203
Matures 9/15/01; 7.15%	5,855	5,855	5,859
State Street Bank			
Matures 9/15/06; 6.2%*	19,364	19,364	19,385
Principal Mutual Life			
Matures 6/14/01; 6.58%	8,947	8,947	8,952
SunAmerica Life Insurance Co.			
Matures 6/15/00; 5.85%	11,856	11,856	11,858
Total Insurance Contracts		\$ 116,155	\$ 116,203
Mortgage-backed Securities:			
Residential Asset Security Mortgage			
Matures 3/25/26; 5.46%	2,720	2,727	2,727
Country Wide Home Equity			
Matures 1/15/28; 5.72%	3,771	3,770	3,708
First USA Credit Card			
Matures 9/18/06; 5.28%	5,000	4,995	4,995
Total Mortgage-backed Securities:		\$ 11,492	\$ 11,430
U.S. Government Securities			
Federal Home Loan Mortgage			
Matures 5/15/21; 5.00%	4,000	\$ 3,824	\$ 3,875
Participant notes receivable (with interest rates ranging from 9.5% to 11%)		-	16,391
Total assets held for investment purposes		\$ 843,188	\$ 2,065,454

* Indicates party-in-interest to the Plan

Textron Savings Plan

Employer Identification Number 05-0315468
Plan Number 030

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

Year ended December 31, 1998

Identity of Party	Description	Purchase Price	Selling Price	Cost of Assets	Current Value of Asset on Transaction Date	Net Gain (Loss)
Category (iii) -- Individual transactions in excess of 5% of plan assets						
**	Sale of 6,255 shares of Textron Inc. Common Stock in 23 transactions		\$ 285,128	\$ 145,644		\$ 139,484
**	Purchase of 4,965 shares of Textron Inc. Common Stock in 86 transactions	\$ 193,837		193,837	\$193,837	
State Street Bank*	Sale of 212,405 shares of State Street Bank and Trust Co. Short Term Investment Fund in 188 transactions		212,405	212,405		
State Street Bank*	Purchase of 221,024 shares of State Street Bank and Trust Co. Short Term Investment Fund in 313 transactions	221,024		221,024	221,024	

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.

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 27, 1999, 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, 1998.

*By: /s/Ernst & Young LLP
ERNST & YOUNG LLP*

*Providence, Rhode Island
June 28, 1999*

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