TEXTRON INC

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

Filed 06/26/00 for the Period Ending 12/31/99

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

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(Annual Report of Employee Stock Plans)

Filed 6/26/2000 For Period Ending 12/31/1999

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

[TYPE]

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, 1999
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, 1999 and 1998
Statement of Changes in Net Assets Available for Benefits for each of the two years ended December 31, 1999 and 1998
Notes to financial statements

Supplemental Schedules:

Schedule H, Line 4i - Schedule of Assets Held for Investment Purposes at End of Year
Schedule H, Line 4j - 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 26, 2000

Financial Statements

and Supplemental Schedules

Textron Savings Plan

Years ended December 31, 1999 and 1998

with Report of Independent Auditors

Textron Savings Plan

Financial Statements
and Supplemental Schedules

Years ended December 31, 1999 and 1998

Contents

Supplemental Schedules

Report of Independent Auditors

Textron Inc.
Plan Sponsor
Textron Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Textron Savings Plan as of December 31, 1999 and 1998, 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 auditing standards generally accepted in the United States. 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, 1999 and 1998, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States.

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 at end of year as of December 31, 1999, and reportable transactions for the year then ended, are presented for purposes 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 supplemental schedules 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.

ERNST & YOUNG LLP

May 26, 2000

Textron Savings Plan

Statements of Net Assets Available for Benefits

(In Thousands)

	December 31	
	1999	**1998**
Assets		
Investments, at fair or contract value	**$1,977,771**	$2,065,406
Non-interest bearing cash	**301**	-
	1,978,072	2,065,406
Receivables:		

Investment income	**7,323**	6,526
Participants' contributions	**-**	366
Other	**-**	241
Total receivables	**7,323**	7,133
Total assets	**1,985,395**	2,072,539
Liabilities		
Excess employer contributions	**-**	1,638
Other	**352**	-
Net assets available for benefits	**$1,985,043**	$2,070,901

See accompanying notes.

Textron Savings Plan

Statements of Changes in Net Assets Available for Benefits

(In Thousands)

	Year ended December 31	
	1999	**1998**
Additions		
Investment income:		
Net appreciation in fair value of investments	**$ 66,161**	$ 355,180
Interest and dividends	**38,372**	36,399
	104,533	391,579
Contributions:		
Participants	**93,561**	93,763
Employer	**37,678**	39,847
	131,239	133,610
Total additions	**235,772**	525,189
Deductions		
Benefits paid to participants	**320,122**	244,222
Administrative expenses	**1,508**	2,350
Total deductions	**321,630**	246,572
Net increase (decrease)	**(85,858)**	278,617
Net assets available for benefits:		
Beginning of year	**2,070,901**	1,792,284
End of year	**$1,985,043**	$2,070,901

See accompanying notes.

Textron Savings Plan

Notes to Financial Statements

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 September 1, 1999, with Putnam Fiduciary Trust Company (the “Trustee” or “Putnam”). The Plan was formerly administered under the terms of a Trust Agreement, dated March 3, 1997, with State Street Bank and Trust Company. Putnam also serves as the Plan's recordkeeper, replacing MetLife effective September 1, 1999.

Investment Options

Effective September 1, 1999, participants may elect to direct their employee contributions to the following funds: Textron Stock Fund, Putnam International Growth Fund, Putnam Voyager Fund, Putnam S&P 500 Index Fund, The George Putnam Fund of Boston, One Group Bond Fund, and the Stable Value Fund. Employer contributions are invested entirely in the Textron Stock Fund. Prior to September 1, 1999, participants directed their contributions to three funds, with a fourth fund available after age 55 and ten years of service with Textron.

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, 1999 and 1998, employee contributions included rollovers of approximately $4.2 million and $3.4 million, respectively.

Textron makes contributions to the Plan based on actual contribution levels, effective September 1, 1999. Prior to September 1, 1999, estimated contributions were made. In addition, Textron may make additional discretionary contributions. There were no discretionary contributions made by Textron in 1999 or 1998. The excess of the estimated contributions by Textron over the actual contributions by the participants is not allocated to participant accounts; rather such amounts are used to reduce future Textron contributions. 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.

Benefits

In the event a participant ceases to be an employee or becomes totally disabled while employed, all of his or her account, 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 by (a) the participant's contributions and compensation deferrals, (b)

Textron's 50% matching contribution, and by the pro rata share of additional discretionary contributions made by Textron, if any, and (c) plan income, and charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

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 Wall Street Journal Prime Rate plus 1%, as of the first business day of the month. 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 have been prepared on the accrual basis of accounting.

Investment Valuation and Income Recognition

Except for the investment contracts, the Plan's investments are stated at fair value which equals the quoted market price on the last business day of the Plan year. The shares of registered investment companies are valued at quoted market prices which represent the net asset values of shares held by the Plan at year end. The participant loans are valued at their outstanding balances, which approximate fair value.

Insurance contracts are recorded at their contract values, which represent contributions and reinvested income, less any withdrawals, plus accrued interest, because these investments have fully benefit responsive features. For example, participants may ordinarily direct the withdrawal or transfer all or a portion of their investment at contract value. However, withdrawals influenced by Company-initiated events, such as in connection with the sale of a business, may result in a distribution at other than contract value. There are no reserves against contract values for credit risk of contract issues or otherwise. The fair value of the investment contracts at December 31, 1999 and 1998, was approximately $120 million and $116 million, respectively. The average yield was approximately 6.7% and 6.1%, respectively. The crediting interest rate for these investment contracts is reset annually by the issuer but cannot be less than zero and ranged from 5.5% to 6.9% for 1999, and 4.7% to 8.3% for 1998.

The fair values of insurance contracts presented above 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.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Administrative Expenses

All administrative expenses are paid from Plan assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassification

The Plan has adopted Statement of Position 99-3, “Accounting for and Reporting of Certain Defined Contribution Benefit Plan Investments and Other Disclosure Matters” for the 1999 financial statement presentation. Accordingly, 1998 amounts have been reclassified to conform with Statement of Position 99-3.

3. Investments

During 1999 and 1998, the Plan's investments (including investments purchased, sold, as well as held during the year) appreciated (depreciated) in fair value as follows:

	December 31	
	1999	**1998**
	(In thousands)	
Investments at fair value as determined by quoted market price:		
Textron Inc. common stock	**$24,924**	$310,610
U.S. Government securities	**-**	51
Mutual funds	**25,135**	-
	50,059	310,661
Investments at estimated fair value:		
Common/collective trust funds	**16,102**	44,545
Mortgage-backed securities	**-**	(26)
	$66,161	$355,180

Investments that represent 5% or more of the fair value of the Plan's net assets available for benefits are as follows:

	December 31	
	1999	**1998**
	(In thousands)	
Textron Inc. common stock*	**$1,572,722**	$1,694,963
Putnam S&P 500 Index Fund	**232,971**	-
State Street S&P 500 Index with Futures Fund	**-**	200,848

* Nonparticipant directed

4. Nonparticipant-Directed Investments

Information about the net assets and the significant components of changes in net assets related to the nonparticipant-directed investments is as follows:

	December 31	
	1999	**1998**
	(In thousands)	
Investments, at fair value:		
Textron Inc. common stock	**$1,572,722**	$1,694,963
Changes in net assets:		
Contributions	**$ 102,726**	$ 108,920
Dividends	**26,944**	25,883
Net appreciation	**24,924**	310,610
Benefits paid to participants	**(256,117)**	(213,487)
Transfers to participant-directed investments	**(22,354)**	(13,407)
Total	**$ (123,877)**	$ 218,519

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	
	1999	**1998**
	(In thousands)	
Net assets available for benefits per financial statements	**$1,985,043**	$2,070,901
Amounts allocated to withdrawn participants	**(3,230)**	(36,910)
Net assets available for benefits per Form 5500	**$1,981,813**	$2,033,991

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

	1999	**1998**
	(In thousands)	
Benefits paid to participants per the financial statements	**$320,122**	$244,222
Add: Amounts allocated on Form 5500 to withdrawn participants at the end of the year	**3,230**	36,910
Less: Amounts allocated on Form 5500 to withdrawn participants at the beginning of the year	**(36,910)**	(24,866)
Benefits paid to participants per Form 5500	**$286,442**	$256,266

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.

6. Party-in-Interest Transactions

The Plan invests in mutual funds managed by Putnam Fiduciary Trust Company, who became the Plan's trustee on September 1, 1999. Prior to that, the Plan invested in mutual funds managed by State Street Bank and Trust Company, who at the time was the Plan's trustee. Therefore, these transactions qualify as party-in-interest transactions.

7. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated October 3, 1995, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax exempt.

Textron Savings Plan

Employer Identification Number 05-0315468

Plan Number 030

Schedule H, Line 4i, Schedule of Assets Held for Investment Purposes

at End of Year

(In Thousands)

December 31, 1999

Identity of Issue	Number of Shares or Units	Cost	Current Value
Common Stock:			

Textron Inc.*	**20,463**	**$640,028**	**$1,572,722**
Common/Collective Trust Funds:			
SEI Stable Asset Fund	**18,129**		**18,129**
Dwight Managed Unwrapped	**13,182**		**13,182**
The Boston Company Money Market Fund	**1,810**		**1,810**
Total Common/Collective Trust Funds			**33,121**
Mutual Funds:			
Putnam S&P 500 Index Fund*	**6,668**		**232,971**
Putnam Voyager Fund*	**177**		**5,597**
Putnam International Growth Fund*	**114**		**3,386**
The George Putnam Fund of Boston*	**48**		**780**
One Group Bond Fund	**71**		**713**
Total Mutual Funds			**243,447**
Insurance Contracts:			
AIG Life Insurance Co.			
Matures 9/15/01; 6.90%	**6,224**		**6,588**
Matures 12/15/04; 6.05%	**5,231**		**6,282**
Allstate Insurance Co.			
Matures 12/15/00; 6.87%	**10,031**		**10,288**
CDC Investment Management Co.			
Matures 12/15/00; 5.73%	**14,837**		**15,050**
John Hancock Mutual Life Ins. Co.			
Matures 6/30/00; 6.50%	**6,604**		**6,670**
Matures 6/15/01; 6.71%	**5,988**		**6,251**

Textron Savings Plan

Employer Identification Number 05-0315468

Plan Number 030

Schedule H, Line 4i, Schedule of Assets Held for Investment Purposes

at End of Year (continued)

(In Thousands)

Identity of Issue	Number of Shares or Units	Cost	Current Value
Insurance Contracts (continued)			
State Street Bank			
Matures 9/15/06; 6.36%	**19,702**		**26,517**
Principal Life Insurance Co.			
Matures 6/14/01; 6.58%	**9,535**		**9,932**

Matures 12/14/02; 5.52%	**5,271**	**5,688**
SunAmerica Life Insurance Co.		
Matures 6/15/00; 5.85%	**12,550**	**12,621**
Massachusetts Mutual Life Insurance Co.		
Matures 6/15/04; 6.15%	**7,267**	**8,559**
Monumental Life Insurance Co.		
Matures 12/16/02; 5.51%	**5,272**	**5,488**
Total Insurance Contracts		**119,934**
Participant notes receivable	**9.5% to 11%**	**19,942**
Total assets held for investment purposes		**$1,989,166**

* Indicates party-in-interest to the Plan

Textron Savings Plan

Employer Identification Number 05-0315468

Plan Number 030

Schedule H, Line 4j, Schedule of Reportable Transactions

(In Thousands)

Year ended December 31, 1999

Identity of Party	**Description**	**Purchase Price**	**Selling Price**	**Cost of Assets**	**Curren of Ass Trans. Da**
Category (iii) - Series of transactions in excess of 5% of plan assets					
*	Purchase of 2,288 shares of Textron Inc. Common Stock in 221 transactions	**$192,700**		**$192,700**	**$**
*	Sale of 4,146 shares of Textron Inc. Common Stock in 291 transactions		**$258,430**	**111,798**	

There were no category (i), (ii), or (iv) reportable transactions during the year ended December 31, 1999.

* Transactions made on the market.