

# TEXTRON INC

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

Filed 06/26/97 for the Period Ending 12/31/96

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 11-K

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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

(Mark one)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

*Commission file number 001-5480*

A. Full title of the plan and the address of the plan, if different for that the issuer named below:

### **ELCO TEXTRON INC.**

#### **PROFIT SHARING AND SAVINGS PLAN**

1111 Samuelson Road  
P.O. Box 7009  
Rockford, Illinois 61125

B. Name of issuer of securities held pursuant to the plan and address of its principal executive office:

#### **TEXTRON INC.**

40 Westminster Street  
Providence, Rhode Island 02903

Financial Statements  
and Supplemental Schedules

Elco Textron Inc.  
Profit Sharing and Savings Plan

**Years ended December 31, 1996 and 1995**

Elco Textron Inc.  
Profit Sharing and Savings Plan

Financial Statements and  
Supplemental Schedules

**Years ended December 31, 1996 and 1995**

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## Report of Independent Auditors

### Elco Textron Inc. Profit Sharing and Savings Plan Administration Committee

We have audited the accompanying statements of net assets available for benefits of the Elco Textron Inc. Profit Sharing and Savings Plan (the Plan) as of December 31, 1996 and 1995, 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, 1996 and 1995, 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, 1996, and reportable transactions for the year then ended, are presented for purposes of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and are not a required part of the financial statements. The Fund Information in the statements of net assets available for benefits and 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.

June 23, 1997

Elco Textron Inc.  
Profit Sharing and Savings Plan

Statement of Net Assets Available for Benefits  
with Fund Information

December 31, 1996

	Money Market Fund	Fund Information		Textron Stock Fund	Total Funds
		Balanced Fund	Mortgage & Bond Fund		
<b>Assets</b>					
Investments, at fair value (Note 4):					
Mortgage notes	\$ -	\$ -	\$5,062,770	\$ -	\$ 5,062,770
Common stocks	-	25,183,741	-	6,189,760	31,373,501
Preferred stocks	-	2,147,187	-	-	2,147,187
U.S. Government and Agency obligations	-	7,801,308	6,627,276	-	14,428,584
Corporate and municipal obligations	-	2,302,400	3,833,272	-	6,135,672
Foreign bonds	-	148,500	348,467	-	496,967
Short-term investments	6,483,572	7,749,102	607,092	-	14,839,766
Loans to participants	-	-	50,182	-	50,182
Total investments	6,483,572	45,332,238	16,529,059	6,189,760	74,534,629
<b>Receivables:</b>					
Employer's contribution	534,463	1,634,238	449,241	466,940	3,084,882

Participants' contribution	15,863	88,666	21,354	27,832	153,715
Interest and dividends	26,369	213,891	139,455	28,899	408,614
Total receivables	576,695	1,936,795	610,050	523,671	3,647,211
Due to (from) other fund	(24,820)	77,522	(52,702)	-	-
Other	136	150,257	5,868	4,377	160,638
Cash	1,246	4,708	82,599	15,655	104,208
	\$7,036,829	\$47,501,520	\$17,174,874	\$6,733,463	\$78,446,686

See accompanying notes.

Elco Textron Inc.  
Profit Sharing and Savings Plan  
Statement of Net Assets Available for Benefits  
with Fund Information

December 31, 1995

	Fund Information			
	Money Market Fund	Balanced Fund	Mortgage & Bond Fund	Total Funds
<b>Assets</b>				
Investments, at fair value (Note 4):				
Mortgage notes	\$ -	\$ -	\$ 6,124,887	\$ 6,124,887
Common stocks	-	19,616,737	-	19,616,737
Preferred stocks	-	1,411,713	-	1,411,713
U.S. Government and Agency obligations	-	7,868,687	6,740,495	14,609,182
Corporate and municipal obligations	-	1,645,356	3,235,413	4,880,769
Foreign bonds	-	97,138	-	97,138
Short-term investments	1,245,289	4,855,118	1,046,161	7,146,568
Loans to participants	-	-	5,498	5,498
Total investments	1,245,289	35,494,749	17,152,454	53,892,492
<b>Receivables:</b>				
Employer's contribution	-	512,624	-	512,624
Interest and dividends	5,381	216,068	139,628	361,077
Total receivables	5,381	728,692	139,628	873,701
Due to (from) other fund	22,449	(92,830)	70,381	-
Cash	8,550	143,324	209,960	361,834
	\$ 1,281,669	\$ 36,273,935	\$ 17,572,423	\$ 55,128,027

See accompanying notes.

Elco Textron Inc.  
Profit Sharing and Savings Plan  
Statement of Changes in Net Assets Available for Benefits  
with Fund Information

Year ended December 31, 1996

	Fund Information				
	Money Market Fund	Balanced Fund	Mortgage and Bond Fund	Textron Stock Fund	Total Funds
<b>Additions to net assets attributed to:</b>					
<b>Investment income:</b>					
Net appreciation (depreciation) in fair value of investments (Note 4)	\$ -	\$4,091,825	\$ (176,520)	\$ 565,170	\$ 4,480,475
Interest and dividends	161,923	1,430,172	1,144,428	57,254	2,793,777
	161,923	5,521,997	967,908	622,424	7,274,252
<b>Contributions:</b>					
Participants	129,881	1,066,492	369,713	174,376	1,740,462
Employer	534,463	1,634,238	449,241	466,940	3,084,882
	664,344	2,700,730	818,954	641,316	4,825,344
Total additions	826,267	8,222,727	1,786,862	1,263,740	12,099,596
<b>Deductions from net assets attributed to:</b>					
Benefits paid to					

participants	733,204	1,187,757	1,662,179	28,076	3,611,216
Administrative expenses	-	233,906	53,056	386	287,348
Total deductions	733,204	1,421,663	1,715,235	28,462	3,898,564
Net increase (decrease) prior to transfers	93,063	6,801,064	71,627	1,235,278	8,201,032
Transfer from Elco Industries, Inc. Employee Stock Ownership Plan	2,249,811	8,433,912	2,370,760	2,063,144	15,117,627
Interfund transfers (net)	3,412,286	(4,007,391)	(2,839,936)	3,435,041	-
Net increase (decrease)	5,755,160	11,227,585	(397,549)	6,733,463	23,318,659
Net assets available for benefits, beginning of year	1,281,669	36,273,935	17,572,423	-	55,128,027
Net assets available for benefits, end of year	\$7,036,829	\$47,501,520	\$17,174,874	\$6,733,463	\$78,446,686

See accompanying notes.

Elco Textron Inc.  
Profit Sharing and Savings Plan

Statement of Changes in Net Assets Available for Benefits  
with Fund Information

Year ended December 31, 1995

	Fund Information			Total Funds
	Money Market Fund	Balanced Fund	Mortgage and Bond Fund	
Additions to net assets attributed to:				
Investment income:				
Net appreciation (depreciation) in fair value of investments (Note 4)	\$ -	\$ 6,903,221	\$ 851,973	\$ 7,755,194
Interest and dividends	65,177	1,091,529	1,150,798	2,307,504
	65,177	7,994,750	2,002,771	10,062,698
Contributions:				
Participants	33,226	884,381	464,986	1,382,593
Employer	21,654	1,092,881	67,889	1,182,424
	54,880	1,977,262	532,875	2,565,017
Total additions	120,057	9,972,012	2,535,646	12,627,715
Deductions from net assets attributed to:				
Benefits paid to participants	97,807	672,324	1,504,066	2,274,197
Administrative expenses	-	154,698	49,213	203,911
Total deductions	97,807	827,022	1,553,279	2,478,108
Net increase (decrease) prior to transfers	22,250	9,144,990	982,367	10,149,607
Interfund transfers (net)	1,259,419	(473,071)	(786,348)	-
Net increase (decrease)	1,281,669	8,671,919	196,019	10,149,607
Net assets available for benefits, beginning of year	-	27,602,016	17,376,404	44,978,420
Net assets available for benefits, end of year	\$1,281,669	\$36,273,935	\$17,572,423	\$55,128,027

See accompanying notes.

### 1. Description of the Plan

The following description of the Elco Textron Inc. Profit Sharing and Savings Plan (Plan) (formerly the Elco Industries, Inc. Profit Sharing and Savings Plan) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan.

#### General

The Plan is a defined contribution plan formed to provide profit sharing benefits to employees of Elco Textron Inc. (the Company). Elco Industries, Inc. was purchased in October 1995 by Textron Inc. and changed its name to Elco Textron Inc. All full-time employees of the Company's Corporate Division, Precision Automotive Division, Precision Commercial Division, Heat Treat and Finishes Division, Tool Manufacturing Division, Construction Products Division and Elco Consumer Products Corp. are eligible to participate in the Plan, commencing with the first annual anniversary of their employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Effective June 30, 1996, Elco Textron Inc. Employee Stock Ownership Plan (ESOP) was terminated. The assets of the ESOP were transferred into the participants' new or existing accounts in the Elco Thermoplastics, Inc. Profit Sharing Plan, the Elco Anchor Wire, Inc. Retirement Plan, the Employees' Retirement Savings Plan for the Precision Stamping Division of Elco Textron Inc. or the Plan, as applicable. Assets distributed to the Plan were distributed to the participants' investment funds as directed by each participant.

The Plan is administered by an administrative committee consisting of not fewer than three members selected by the Board of Directors of the Company.

#### 1. Description of the Plan (continued)

##### **Vesting**

Participants are immediately vested in their contributions plus actual earnings thereon. Participants become 100% vested in the Company contribution upon retirement at the Plan's normal retirement age, disability or death.

Upon a participant's severance date, for any other reason occurring after July 1, 1996, a percentage of the value of his or her Company contribution account shall become nonforfeitable in accordance with the following schedule:

Years of Credited Service	Vested Percentage
Less than 2	0%
2	25%
3	50%
4	75%
5 or more	100%

Upon a participant's severance date, for any other reason occurring before July 1, 1996, a percentage of the value of his or her Company contribution account shall become nonforfeitable based upon the number of years of credited service prior to his severance date, in accordance with the following schedule:

Years of Credited Service	Vested Percentage
Less than 2	0%
2	10%
3	20%
4	40%
5	60%
6	80%
7 or more	100%

#### 1. Description of the Plan (continued)

##### **Contributions**

The Company annually contributes to the Plan the lesser of 10 percent of the Company's net profits for the plan year plus an additional amount, which shall be authorized at the discretion of its Board of Directors, or 15 percent of the aggregate compensation paid to all Plan participants for the plan year. Effective July 1, 1996, the Company may make an additional contribution in such amount as determined at the Board's discretion. The Company made a discretionary contribution of \$1,120,000 during the year ended December 31, 1996. Active participants may elect to make contributions not to exceed 14 percent of their earnings.

##### **Investment Options**

Effective July 1, 1996, participants were granted the option of investing in the Textron Stock Fund, which is invested exclusively in Textron Inc. common stock. Cash dividends, if any, on Textron common stock will be reinvested in shares of Textron common stock. Fractional interests in the shares of Textron common stock held by the Textron Stock Fund are allocated to participants' accounts.

Upon enrollment in the Plan, a participant may direct employer and employee contributions in 10% increments in any of the four investment options:

Money Market Fund - Funds are primarily invested mutual funds which invest primarily exclusively in short-term, interest-bearing paying securities issued by or guaranteed by the U.S. Government or its agencies.

Balanced Fund - Funds are primarily invested in a combination of common stocks, short- and medium-term domestic and foreign corporate bonds and fixed income government securities.

Mortgage and Bond Fund - Funds are primarily invested in a combination of short- and medium-term domestic and foreign corporate bonds and fixed income government securities as well as home mortgages of employees of the Company having maturity of ten years.

#### 1. Description of the Plan (continued)

Textron Stock Fund - Funds are primarily invested exclusively in Textron Inc. Common Stock.

Participants may change their investment options January 1 and July 1.

#### **Participant Accounts**

The allocation of Plan income or loss to active participants is made in the same ratio that a participant's account bears to the sum of the balances of all participants' accounts, taking into consideration the dates on which additional contributions and withdrawals are made.

The allocation of Company contributions and forfeitures is based on participant earnings, plus years of service, as defined by the Plan document.

#### **Payment of Benefits**

The benefit to which a participant is entitled is the benefit that can be provided from the participant's account balance. On termination of service, a participant may elect to receive either a lump-sum amount equal to the vested portion of his account, or periodic payments over a period of time as defined by the Plan.

#### 2. Summary of Significant Accounting Policies

##### **Investment Valuation**

The Plan's investments are stated at fair value. Common stocks, preferred stocks, U.S. Government and Agency obligations, foreign bonds, and corporate and municipal obligations are carried at fair value based on quoted market values. The values of investments in mortgage notes and loans to participants represent the uncollected principal balances, which approximate fair value. Short-term investments are reported at cost, which approximates fair value.

#### 2. Summary of Significant Accounting Policies (continued)

##### **Use of Estimates**

The preparation of financial statements in accordance 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.

##### **Administrative Expense**

Certain administrative services are provided to the Plan by the Company without charge.

#### 3. Termination Priorities

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contribution at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination, participants will become 100% vested in their accounts.

#### 4. Investments

In accordance with the terms of the trust agreement, as amended January 1, 1976, a bank administered trust fund has custody of all plan assets, except cash, participant loans, and mortgage notes.

The fair value of individual investments that exceed five percent of net assets is as follows:



	1996	1995
U.S. Treasury notes, 5.125%, due 12/31/98	\$ *	\$ 3,486,875
Parkstone U.S. Government Obligations Money Market Fund, 10,304,534 and 4,210,996 units, respectively	10,304,534	4,210,996
Parkstone Prime Obligations Money Market Fund, 4,535,232 and 2,935,572 units, respectively	4,535,232	2,935,572
Textron Inc. Common Stock, 65,674 shares	6,189,760	-

\* Fair value is less than 5% of net assets for the given year.

#### 4. Investments (continued)

During 1996 and 1995, Plan investments (including investments bought, sold, as well as held during the year) appreciated (depreciated) in fair value by \$4,480,475 and \$7,755,194, as follows:

	1996	1995
Investments at fair value as determined by quoted market prices:		
Common stocks	\$ 4,193,570	\$ 6,187,450
Preferred stocks	550,810	67,634
U.S. Government and Agency obligations	(281,640)	1,061,506
Corporate and municipal obligations	(5,980)	494,341
Foreign bonds	23,715	(55,737)
	\$ 4,480,475	\$ 7,755,194

The Plan invests in mortgage notes receivable from certain employees of the Company in northern Illinois who may or may not be Plan participants. The Plan's policy restricts these investments to first mortgages on personal residences, including subsequent home improvements, and requires approval by the administrative committee. The mortgage amount may not exceed 80 percent of the appraised value of the property for non-plan participants. For Plan participants, the mortgage amount may not exceed 80 percent of the appraised value of the property plus 50 percent of the participant's vested benefit in their profit sharing account. The maximum amount loaned is limited to the appraised value, but may not exceed \$50,000. Interest rates currently range from 7.5% to 8.5%. The notes are granted with maturities of up to ten years and payment schedules based on periods of up to twenty-five years. At the maturity date, unpaid loan balances are reviewed by the administrative committee and, upon approval, are refinanced at prevailing interest rates.

#### 5. Income Tax Status

The Internal Revenue Service ruled on April 6, 1995, that the Plan qualifies under Section 401(b) of the Internal Revenue Code (IRC) and, therefore, the related trust is not subject to tax under present income tax law. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator is not aware of any course of action or series of events that might adversely affect the Plan's qualified status.

#### 6. Related-Party Transactions

During the year, the Plan had purchase and sale transactions with mutual funds administered by an affiliate of the Plan's trustee and the common stock of Textron Inc., parent company of Elco.

Supplemental Schedules  
Elco Textron Inc.  
Profit Sharing and Savings Plan  
Employer Identification Number 36-1033080  
Plan Number 010

Line 27a--Schedule of Assets Held for Investment Purposes

December 31, 1996

Identity /Description	Par Value or Shares	Cost	Current Value
Mortgage notes, interest rates of 7.5% D 8.5%, maturing at various dates through 2005*	-	\$5,062,770	\$5,062,770
Common stocks:			
Allstate Corporation	2,785	96,531	161,182
American Home Products Corporation	6,350	277,336	372,268
American Water Works Company	7,900	150,099	162,936

Amerin Corporation	8,100	176,175	208,575
Anheuser Busch Companies Incorporated	9,800	368,504	392,000
Arrow Electronics Incorporated	5,200	194,220	278,200
Atlantic Richfield Company	2,850	328,522	377,625
Bandag Incorporated Class A Common	2,600	134,462	118,950
BankNorth Group Incorporated Delaware	4,000	139,964	166,000
Belden Incorporated	10,200	265,058	377,400
Berg Electronics Corporation	7,000	180,600	205,625
Black Box Corporation Delaware	7,600	152,000	313,500
Brady WH Company Class A	11,000	243,046	270,875
Bristol Meyers Squibb Company	3,700	310,673	403,300
Browning Ferris Industries	17,500	508,143	459,375
Burlington Resources, Inc.	10,500	398,030	528,937
Casey's General Stores	28,500	356,105	537,375
Central and South West Corporation	5,400	153,732	138,375
Coca Cola Company	6,500	195,169	342,062
Comcast Corporation Class A Special	22,000	346,063	391,885
Consolidated Natural Gas Company	4,600	248,543	254,150
Corning Incorporated	12,600	359,805	582,750
Cox Communications Incorporated New Class A	18,000	360,900	416,250
Cuno Incorporated	11,800	175,525	175,525
Dentsply International Incorporated	9,700	354,975	460,750
Dial Corporation New	17,300	251,857	253,012
Duke Power Company	7,200	303,345	333,000
Emerson Electric Company	5,100	377,983	494,061

Elco Textron Inc.  
Profit Sharing and Savings Plan  
Employer Identification Number 36-1033080  
Plan Number 010

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

Identity /Description	Par Value or Shares	Cost	Current Value
Common stocks (continued):			
Enron Corporation Common			
Exchangeable EOG	9,850	\$243,015	\$236,400
Family Dollar Store Incorporated	31,000	468,867	631,625
Federal National Mortgage Association Common	14,000	256,073	526,750
Financial Security Assurance Holdings Limited	6,200	178,297	203,825
First Financial Corporation Wisconsin	99,400	46,083	230,300
First Tennessee National Corporation	5,450	159,781	204,375
Fisher Scientific International Incorporated	8,100	261,486	380,700
Flowers Industries Incorporated	15,200	239,674	326,800
Fluke Corporation	4,700	178,835	209,436
FPL Group Incorporated	7,800	312,905	358,800
Frontier Corporation	9,900	234,486	223,987
G & K Services, Incorporated Class A	7,500	66,962	283,125
General Instrument Corporation	8,700	190,747	189,225
GPU Incorporated	4,700	162,388	158,036
Grey Advertising Incorporated	500	109,500	126,500
Haemonetics Corporation	14,500	299,534	273,687
Harnishfeger Industries Incorporated	3,700	139,601	178,062
Intimate Brands Incorporated Class A	13,250	258,083	226,905
Johnson & Johnson	7,100	239,969	353,225
Jostens Incorporated	32,700	687,020	690,787
Kimberly Clark Corporation	3,900	301,987	371,475
Lilly and Company, Eli	7,100	296,441	518,300
Liqui Box Corporation	9,900	288,050	321,750
Mac Frugal's Bargains Close-Outs Incorporated	15,000	367,485	390,875
Marshall & Ilsley	6,900	69,000	238,912
May Department Stores Company	3,700	150,633	172,975
MBNA Corporation	12,350	242,690	514,069
Measurex Corporation	10,100	285,250	242,400
Methode Electronics Incorporated Class A	7,900	139,238	159,975
Mobil Corporation	1,850	177,241	226,163
Moneygram Payment Systems Incorporated	15,500	186,000	205,375
Occidental Petroleum Corporation	8,850	210,733	206,869

Elco Textron Inc.  
Profit Sharing and Savings Plan  
Employer Identification Number 36-1033080  
Plan Number 010

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

Identity /Description	Par Value or Shares	Cost	Current Value
Common stocks (continued):			
Old Republic International Corporation	10,800	\$168,301	\$228,900
OM Group Incorporated	6,900	179,400	186,300
Pall Corporation	25,500	511,492	653,438
Patterson Dental Company	6,000	138,000	169,500
PNC Bank Corporation	4,800	145,621	180,600
Progressive Corporation Ohio	5,000	179,630	336,875
Questar Corporation	4,750	156,546	174,563
Raychem Corporation	6,000	248,016	480,750
Regal Beloit Corporation	14,500	134,449	284,563
Royal Dutch Petroleum Company	1,850	227,612	315,887
Ryans Steak House	34,000	284,185	233,750
Sears Roebuck and Company	8,950	328,226	411,700
Security Capital Industrial Trust	9,900	170,775	211,612
Sirrom Capital Corporation	5,200	176,800	191,100
Snap On Incorporated	7,575	220,183	269,859
Sungard Data Systems Incorporated	7,900	83,648	312,050
Sybron International Corporation	6,600	80,190	217,800
Textron Inc.*	65,674	5,624,612	6,189,774
United Technologies Corporation	6,000	221,785	397,500
UST Incorporated	11,150	334,895	360,981
Watts Industries Class A	18,000	394,364	429,750
Wausau Paper Mills Company	5,225	88,825	96,662
Xerox Corporation	4,250	176,816	223,656
		25,129,790	31,373,501
Convertible preferred stocks:			
Alco Standard	2,650	212,908	253,075
Allstate Corporation	3,500	145,652	165,375
Bowater Incorporated	4,450	140,609	135,725
First USA, Incorporated	8,100	312,617	477,900
Houghton Mifflin Company	2,150	168,533	210,700
Money Store Incorporated	7,600	201,898	208,050
Morgan Stanley Group Incorporated	2,600	172,900	260,000
Sunamerica Incorporated	1,750	114,748	170,187
		1,469,865	1,881,012

Elco Textron Inc.  
Profit Sharing and Savings Plan  
Employer Identification Number 36-1033080  
Plan Number 010

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

Identity /Description	Par Value or Shares	Cost	Current Value
Nonconvertible preferred stocks -			
Sunamerica Incorporated	6,300	\$236,250	\$266,175
		236,250	266,175
U.S. Government obligations:			
U.S. Treasury note, 5.125%, due 12/31/98	3,000,000	2,968,542	2,950,320
U.S. Treasury note, 5.625%, due 11/30/00	750,000	725,078	736,410
U.S. Treasury note, 5.750%, due 10/31/00	1,650,000	1,619,414	1,628,352
U.S. Treasury note, 6.375%, due 7/15/99	1,300,000	1,319,627	1,312,194
U.S. Treasury note, 7.875%, due 11/15/04	650,000	649,188	709,313
		7,281,849	7,336,589
U.S. Government Agency obligations:			
FHLB, 6.877% DTD 9/13/95, due 9/13/00	500,000	500,781	500,650
FHLB, 7.050% DTD 12/21/95, due 12/21/05	700,000	700,000	688,870
FHLB, 7.100% DTD 2/07/96, due 2/07/11	600,000	600,000	582,000
FHLB, 7.200% DTD 2/22/96, due 2/22/11	750,000	750,000	731,025
FHLB, 7.250% DTD 3/04/96, due 3/04/96	750,000	746,400	732,450
FHLB, 7.300% DTD 12/28/95, due 12/27/05	800,000	800,000	783,280
FHLB, 7.325% DTD 12/28/95, due 12/28/10	600,000	600,000	588,180
FHLB, 7.625% DTD 12/09/96, due 12/09/11	300,000	300,000	294,840
FHLB, 7.750% DTD 12/12/96, due 12/12/96	500,000	500,000	494,200
FHLB, 8.010% DTD 8/26/96, due 8/26/11	100,000	100,000	100,220
FHLB, 8.080% DTD 8/28/95, due 12/27/10	500,000	500,000	500,650
FHLMC Debenture, 6.780% DTD 2/12/93, due 2/12/03	500,000	499,297	494,850
SLMA, 6.970% DTD 8/23/95, due 8/23/00	600,000	601,500	600,780
		7,197,978	7,091,995
Corporate and municipal obligations:			
American Express Master Trust CMO, 6.050%, due 7/15/97	200,000	199,418	200,530
Analog Devices Incorporated, 3.500%,			

dueE12/01/00	150,000	155,031	206,250
Anheuser Busch, Inc., 8.750%, due 12/01/99	300,000	320,478	318,093
Bear Stearns Companies, 9.375%, due 6/01/01	150,000	153,314	164,883
Coca Cola Enterprises, Inc., 7.875%, dueE2/01/02	300,000	298,050	316,028

Elco Textron Inc.  
Profit Sharing and Savings Plan  
Employer Identification Number 36-1033080  
Plan Number 010

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

Identity /Description	Par Value or Shares	Cost	Current Value
Corporate and municipal obligations:			
E I DuPont De Nemours & Co., 8.500%, dueE2/15/03	400,000	\$421,559	\$427,000
First Financial Management Corporation, 5.000%, due 12/15/99	90,000	125,387	154,688
Ford Motor Company, 9.000%, due 9/15/01	300,000	305,625	326,811
Ford Motor Credit Company, 6.250%, due 11/08/00	200,000	204,040	198,124
General Instrument Corporation, 7.000%, dueE9/15/02	500,000	527,311	505,000
Great Western Financial Corporation, 6.375%, due 7/01/00	200,000	198,666	198,812
Healthsouth Rehabilitation Corporation, 5.000%, due 4/01/01	215,000	300,881	436,719
HFS Incorporated, 4.750%, due 3/01/03	215,000	224,144	245,100
Home Depot Incorporated, 5.000%, due 10/01/01	335,000	345,638	326,625
Manga International Incorporated, 5.000%, due 10/15/02	140,000	149,629	161,175
Mens Warehouse Incorporated, 5.250%, due 3/01/03	155,000	155,612	151,900
Northern Telecom, 6.875%, due 10/01/02	300,000	300,000	303,000
Pacific Gas and Electric Co., 5.375%, dueE8/01/98	500,000	498,175	494,530
Phycor Incorporated, 4.500%, due 2/15/03	200,000	200,995	197,750
Texas Instruments, Inc., 9.000%, due 3/15/01	350,000	371,350	380,461
USB Finance Delaware Incorporated, 2.500%, due 3/01/01	300,000	302,044	352,500
VLSI Technology Incorporated, 8.250%, due 10/01/05	70,000	69,620	69,693
		5,826,967	6,135,672
Foreign bonds :			
Solectron Euro Bond, 6.000%, due 3/01/06	150,000	149,889	148,500
Walt Disney Company Senior Global Bond, 6.375%, due 3/30/01	350,000	350,000	348,467
		499,889	496,967

Elco Textron Inc.  
Profit Sharing and Savings Plan  
Employer Identification Number 36-1033080  
Plan Number 010

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

Identity /Description	Par Value or Shares	Cost	Current Value
Short-term investments:			
Parkstone Prime Obligations Money Market Fund*	4,535,232	\$ 4,535,232	\$ 4,535,232
Parkstone U.S. Government Obligations Money Market Fund*	10,304,534	10,304,534	10,304,534
		14,839,766	14,839,766
Loans to participants, 8.5%*		50,182	50,182
		\$ 67,595,306	\$74,534,629

\* Indicates party-in-interest to the Plan.

Line 27d--Schedule of Reportable Transactions

Year ended December 31, 1996

Identity of Party Involved	Description of Assets	Purchase Price	Selling Price	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain (Loss)
Category (i)--Individual transactions in excess of 5% of plan assets						
Parkstone Government Money Market Fund*	Purchase of 2,862,750 units	\$2,862,750		\$2,862,750	\$2,862,750	
	Sale of 4,437,220 units		\$4,437,220	4,437,220	4,437,220	
Parkstone Prime Obligations MoneyMarket Fund*	Purchase of 5,498,185 units	5,498,185		5,498,185	5,498,185	
Textron Inc. Common Stock*	Purchase of 37,600 shares	3,221,132		3,221,132	3,221,132	
Category (iii)_Series of transactions in excess of 5% of plan assets						
Parkstone Governmen Money Market Fund*	Purchased 23,925,707 units in 98 transactions	23,925,707		23,925,707	23,925,707	
	Sale of 17,832,169 units in 45 transactions		17,832,169	17,832,169	17,832,169	
Parkstone Prime Obligations Money Market Fund*	Purchased 24,305,469 units in 199 transactions	24,305,469		24,305,469	24,305,469	
	Sale of 22,705,809 units in 81 transactions		22,705,809	22,705,809	22,705,809	
Textron Inc. Common Stock*	Purchased 65,677 shares in transactions	5,624,869		5,624,869	5,624,869	
	Sale of 3 shares in 1 transaction		265	257	265	\$8

There were no category (ii) or (iv) reportable transactions for the year ended December 31, 1996.

\*Indicates party-in-interest to the Plan.

**SIGNATURES**

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

**ELCO TEXTRON INC. PROFIT SHARING AND SAVINGS PLAN**

**ELCO TEXTRON INC., Plan Administrator**

DATE June 25, 1997

By: /s/Kenneth L. Heal  
Title: Secretary/Treasurer

**Consent of Independent Auditors**

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-07121) pertaining to the Elco Textron Inc. Profit

Sharing and Savings Plan of Textron Inc. of our report dated June 23, 1997, with respect to the financial statements and schedules of the Elco Textron Inc. Profit Sharing and Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 1996.

**ERNST & YOUNG LLP**

Providence, Rhode Island  
June 25, 1997

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**End of Filing**

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