

TEXTRON INC

FORM 10-K/A (Amended Annual Report)

Filed 03/04/04 for the Period Ending 01/03/04

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-K/A

Amendment No. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended January 3, 2004
Commission File Number 1-5480

Textron Inc.

(Exact name of registrant as specified in charter)

Delaware 05-0315468
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)
40 Westminster Street, Providence, R.I. 02903

(401) 421-2800

(Address and telephone number of principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock - par value 12½¢ (137,741,965 shares outstanding at February 13, 2004); Preferred Stock Purchase Rights	New York Stock Exchange Pacific Stock Exchange Chicago Stock Exchange
\$2.08 Cumulative Convertible Preferred Stock, Series A - no par value	New York Stock Exchange
\$1.40 Convertible Preferred Dividend Stock, Series B (preferred only as to dividends) - no par value	New York Stock Exchange
8¾% Debentures due July 1, 2022	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2)

has been subject to such filing requirements for the past 90 days. Yes No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2.) Yes No .

The aggregate market value of the voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold as of the last business day of Textron's most recently completed second fiscal quarter, June 27, 2003, was approximately \$5,215,392,000. Textron has no non-voting common equity.

Portions of Textron's Annual Report to Shareholders for the fiscal year ended January 3, 2004, are incorporated by reference in Parts I and II of this Report. Portions of Textron's Proxy Statement for its Annual Meeting of Shareholders to be held on April 28, 2004, are incorporated by reference in Part III of this Report.

EXPLANATORY NOTE

This Form 10-K/A is being filed solely to correct errors in entries for 1999 and 2000 under "Total Assets" appearing in Selected Financial Information on page 70 of Exhibit 13 of Textron's Annual Report on Form 10-K for the year ended January 3, 2004, filed with the Securities and Exchange Commission on February 27, 2004. No other changes are being made by means of this filing.

The registrant hereby amends Item 15 of the Form 10-K by the addition of the following:

ITEM 15 . EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

The following additional exhibits are filed herewith:

Exhibits

- 13.1 Corrected page 70 of Textron's 2003 Annual Report to Shareholders.
- 31.3 Certification of Chief Executive Officer Pursuant to Rule 13a-14(a).
- 31.4 Certification of Chief Financial Officer Pursuant to Rule 13a-14(a).

SIGNATURES

Pursuant to the requirement of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized

TEXTRON INC.

Registrant

By: s/Ted R. French

Ted R. French
Executive Vice President
and Chief Financial Officer

DATE: March 4, 2004

LIST OF EXHIBITS

The following exhibits are filed as part of this report on Form 10-K/A:

Name of Exhibit

- 13.1 Corrected page 70 of Textron's 2003 Annual Report to Shareholders
- 31.3 Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)
- 31.4 Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)

Corrected page 70 of Textron's 2003 Annual Report to Shareholders

Selected Financial Information

(Dollars in millions, except per share amounts and where otherwise noted)	2003	2002	2001	2000	1999
Revenues					
Bell	\$ 2,348	\$ 2,235	\$ 2,243	\$ 2,194	\$ 2,135
Cessna	2,299	3,175	3,043	2,814	2,472
Fastening Systems	1,737	1,650	1,679	1,996	2,059
Industrial	2,903	2,706	4,330	4,894	4,585
Finance	572	584	681	691	463
Total revenues	\$ 9,859	\$ 10,350	\$ 11,976	\$ 12,589	\$ 11,714
Segment profit					
Bell	\$ 234	\$ 169	\$ 93	\$ 264	\$ 226
Cessna	199	376	344	300	231
Fastening Systems	66	72	70	192	204
Industrial	141	163	280	525	472
Finance	122	118	203	202	132
Total segment profit	762	898	990	1,483	1,265
Special charges	(159)	(135)	(143)	(483)	(66)
Total segment operating income	603	763	847	1,000	1,199
Gain on sale of businesses	15	25	342	-	-
Goodwill amortization	-	-	(91)	(87)	(73)
Corporate expenses and other, net	(119)	(114)	(152)	(164)	(143)
Interest expense, net	(98)	(108)	(162)	(152)	(29)
Income taxes	(107)	(173)	(284)	(299)	(353)
Distributions on preferred securities of manufacturing subsidiary trust, net of income taxes	(13)	(26)	(26)	(26)	(26)
Income from continuing operations*	\$ 281	\$ 367	\$ 474	\$ 272	\$ 575
Per share of common stock					
Income from continuing operations - basic*	\$ 2.07	\$ 2.64	\$ 3.36	\$ 1.89	\$ 3.82
Income from continuing operations - diluted*	\$ 2.05	\$ 2.62	\$ 3.32	\$ 1.86	\$ 3.74
Dividends declared	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30	\$ 1.30

Book value at year-end	\$ 26.81	\$ 24.87	\$ 27.76	\$ 28.24	\$ 29.67
Common stock price: High	\$ 57.70	\$ 53.17	\$ 59.89	\$ 74.94	\$ 97.00
Low	\$ 26.85	\$ 32.49	\$ 31.65	\$ 41.44	\$ 68.44
Year-end	\$ 57.19	\$ 42.16	\$ 42.40	\$ 46.50	\$ 76.69
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Common shares outstanding (in thousands):					
Basic average	135,875	138,745	141,050	143,923	150,389
Diluted average**	137,217	140,252	142,937	146,150	153,754
Year-end	137,238	136,500	141,251	140,933	147,002
Financial position					
Total assets	\$ 15,090	\$ 15,514	\$ 16,121	\$ 16,370	\$ 16,393
Debt:					
Textron Manufacturing	\$ 2,027	\$ 1,708	\$ 1,930	\$ 2,080	\$ 1,762
Textron Finance	\$ 4,407	\$ 4,840	\$ 4,188	\$ 4,667	\$ 4,551
Obligated mandatorily redeemable preferred securities of subsidiary trusts:					
Textron Manufacturing	\$ -	\$ 485	\$ 485	\$ 484	\$ 483
Textron Finance	\$ 26	\$ 27	\$ 28	\$ 28	\$ 29
Shareholders' equity	\$ 3,690	\$ 3,406	\$ 3,934	\$ 3,994	\$ 4,377
Textron Manufacturing debt to total capital (net of cash)	30 %	36 %	36 %	36 %	32 %
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Investment data					
Capital expenditures	\$ 327	\$ 318	\$ 527	\$ 517	\$ 530
Depreciation	\$ 338	\$ 332	\$ 391	\$ 374	\$ 347
Research and development	\$ 587	\$ 583	\$ 684	\$ 721	\$ 670
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Other data					
Number of employees at year-end	43,000	48,000	50,000	69,000	67,000
Number of common shareholders at year-end	19,000	20,000	21,000	21,000	22,000
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* Before cumulative effect of a change in accounting principle in 2002.

** Assumes full conversion of outstanding preferred stock and exercise of stock options.

Certification of Chief Executive Officer Pursuant to Rule 13a-14(a)

I, Lewis B. Campbell, Chairman, President and Chief Executive Officer of Textron Inc. (the "Company") certify that:

1. I have reviewed this annual report on Form 10-K/A of Textron Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2004

s/Lewis B. Campbell

Lewis B. Campbell

Chairman, President and Chief Executive
Officer

Certification of Chief Financial Officer Pursuant to Rule 13a-14(a)

I, Ted R. French, Executive Vice President and Chief Financial Officer of Textron Inc. (the "Company") certify that:

1. I have reviewed this annual report on Form 10-K/A of Textron Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 4, 2004

s/Ted R. French

Ted R. French
Executive Vice President and Chief
Financial Officer