

TEXTRON INC  
Form 10-Q  
April 28, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**Form 10-Q**

(Mark One)

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

**For the quarterly period ended April 2, 2016**

**OR**

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

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

Commission File Number 1-5480

**Textron Inc.**

(Exact name of registrant as specified in its charter)

**Delaware**

(State or other jurisdiction of incorporation or organization)

**05-0315468**

(I.R.S. Employer Identification No.)

**40 Westminster Street, Providence, RI**

(Address of principal executive offices)

**02903**

(Zip code)

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(401) 421-2800

(Registrant's telephone number, including area code)

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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer [  ]      Accelerated filer [  ]      Non-accelerated filer [  ]      Smaller reporting company [  ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of April 15, 2016, there were 268,831,736 shares of common stock outstanding.

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Consolidated Statements of Operations (Unaudited)**

	<b>Three Months Ended</b>	
	<b>April 2, 2016</b>	<b>April 4, 2015</b>
<i>(In millions, except per share amounts)</i>		
<b>Revenues</b>		
Manufacturing revenues	\$ 3,181	\$ 3,051
Finance revenues	20	22
Total revenues	3,201	3,073
<b>Costs and expenses</b>		
Cost of sales	2,635	2,509
Selling and administrative expense	308	337
Interest expense	43	43
Total costs and expenses	2,986	2,889
Income from continuing operations before income taxes	215	184
Income tax expense	64	56
<b>Income from continuing operations</b>	<b>151</b>	<b>128</b>
Loss from discontinued operations, net of income taxes	(1)	
<b>Net income</b>	<b>\$ 150</b>	<b>\$ 128</b>
<b>Basic earnings per share</b>		
Continuing operations	\$ 0.55	\$ 0.46
Discontinued operations		
<b>Basic earnings per share</b>	<b>\$ 0.55</b>	<b>\$ 0.46</b>
<b>Diluted earnings per share</b>		
Continuing operations	\$ 0.55	\$ 0.46
Discontinued operations		
<b>Diluted earnings per share</b>	<b>\$ 0.55</b>	<b>\$ 0.46</b>
<b>Dividends per share</b>		
Common stock	\$ 0.02	\$ 0.02

*See Notes to the Consolidated Financial Statements.*

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	<b>Three Months Ended</b>	
	<b>April 2,</b>	<b>April 4,</b>
<i>(In millions)</i>	<b>2016</b>	<b>2015</b>
<b>Net income</b>	\$ 150	\$ 128
Other comprehensive income (loss), net of tax:		
Pension and postretirement benefits adjustments, net of reclassifications	21	24
Deferred gains (losses) on hedge contracts, net of reclassifications	21	(12)
Foreign currency translation adjustments	24	(56)
Other comprehensive income (loss)	66	(44)
<b>Comprehensive income</b>	\$ 216	\$ 84

*See Notes to the Consolidated Financial Statements.*

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## TEXTRON INC.

## Consolidated Balance Sheets (Unaudited)

<i>(Dollars in millions)</i>	April 2, 2016	January 2, 2016
<b>Assets</b>		
<b>Manufacturing group</b>		
Cash and equivalents	\$ 723	\$ 946
Accounts receivable, net	1,209	1,047
Inventories	4,477	4,144
Other current assets	328	341
<b>Total current assets</b>	6,737	6,478
Property, plant and equipment, less accumulated depreciation and amortization of \$4,015 and \$3,915	2,560	2,492
Goodwill	2,114	2,023
Other assets	2,397	2,399
<b>Total Manufacturing group assets</b>	13,808	13,392
<b>Finance group</b>		
Cash and equivalents	55	59
Finance receivables, net	1,066	1,087
Other assets	170	170
<b>Total Finance group assets</b>	1,291	1,316
<b>Total assets</b>	\$ 15,099	\$ 14,708
<b>Liabilities and shareholders' equity</b>		
<b>Liabilities</b>		
<b>Manufacturing group</b>		
Short-term debt and current portion of long-term debt	\$ 309	\$ 262
Accounts payable	1,227	1,063
Accrued liabilities	2,341	2,467
<b>Total current liabilities</b>	3,877	3,792
Other liabilities	2,320	2,376
Long-term debt	2,800	2,435
<b>Total Manufacturing group liabilities</b>	8,997	8,603
<b>Finance group</b>		
Other liabilities	225	228
Debt	888	913
<b>Total Finance group liabilities</b>	1,113	1,141
<b>Total liabilities</b>	10,110	9,744
<b>Shareholders' equity</b>		
Common stock	36	36
Capital surplus	1,617	1,587
Treasury stock	(774)	(559)
Retained earnings	5,442	5,298
Accumulated other comprehensive loss	(1,332)	(1,398)
<b>Total shareholders' equity</b>	4,989	4,964
<b>Total liabilities and shareholders' equity</b>	\$ 15,099	\$ 14,708
<b>Common shares outstanding (in thousands)</b>	268,721	274,228

See Notes to the Consolidated Financial Statements.



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**TEXTRON INC.**

**Consolidated Statements of Cash Flows (Unaudited)**

For the Three Months Ended April 2, 2016 and April 4, 2015, respectively

*(In millions)*

**Consolidated  
2016**

**2015**