

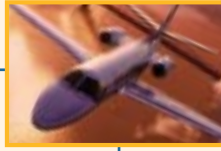
TEXTRON

A Networked Enterprise

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TEXTRON

A Networked Enterprise

Textron is a coordinated network of globally strong businesses and powerful brands in attractive industries. Together, we are taking strategic steps forward to get closer to our customers, grow our businesses and achieve operational excellence. We leverage the power of our enterprise – 51,000 employees in 40 countries – to provide our customers with innovative solutions and services in industries such as aircraft, fastening systems, industrial products and components, and finance.

Fast Facts

Textron's 2001 Annual Report includes consolidated financial statements that have been prepared in accordance with generally accepted accounting principles, with segment information based on the segments that were in place during 2001 (Aircraft, Automotive, Fastening Systems, Industrial Products and Finance). In January 2002, Textron reorganized management responsibility for several divisions which were previously reported in the Automotive and Industrial Products segments into the newly created Industrial Components segment. In addition, management responsibility for Lycoming was transferred to the Aircraft segment.

In the Fact Book which follows, in order to provide a comparative basis for future periods, certain historical consolidated financial statement amounts have been adjusted on pages 2-11 and 15 as follows: (a) the segment information has been restated to reflect the January 2002 reorganization; (b) the restated amounts exclude the Automotive Trim business that was sold in 2001; and (c) segment profit has been adjusted to exclude certain costs related to restructuring which are included in segment profit in the consolidated financial statements.

Key Executives

Lewis B. Campbell

Chairman, President and Chief Executive Officer

Lewis B. Campbell was named CEO in July 1998 and appointed chairman in February 1999. Campbell served as president and chief operating officer from January 1994 to July 1998, and reassumed the position of president in September 2001. Campbell joined Textron in September 1992 as executive vice president and chief operating officer. He joined Textron after a 24-year career at General Motors.

Ted R. French

Executive Vice President and Chief Financial Officer

Ted R. French joined Textron as executive vice president and chief financial officer in December 2000. Prior to joining Textron, French served as president, financial services, and chief financial officer for CNH Global N.V., where he spent 11 years. Earlier he held a variety of positions during 12 years with Rockwell International.

► www.textron.com

► NYSE: TXT

► 2001 Fortune 500 ranking: 150

► Number of employees: 51,000 – 29 percent are outside the U.S.

► Number of countries with manufacturing operations: 31

Textron Segments in 2002

► Aircraft

Commercial and military helicopters, tiltrotor aircraft, business jets, single-engine piston aircraft and utility turboprops.

► Fastening Systems

Specialized fastening products and systems for automotive, commercial and industrial markets.

► Industrial Products

Golf, turf-care and specialty products, light construction equipment, electrical and telecommunications tools and testing technologies, and defense systems.

► Industrial Components

Fluid handling products, power transmission components and plastic fuel systems.

► Finance

Diversified commercial financing.

(Dollars in millions except per share data)

	2001	2000	Change
Operating Results			
Revenues	\$12,321	\$13,090	(6)%
International revenues, as a % of total revenues	35%	35%	–
Segment profit ¹	\$ 828	\$ 1,410	(41)%
Income from continuing operations	\$ 166	\$ 277	(40)%
Total debt – Textron Manufacturing ²	\$ 1,934	\$ 2,084	(7)%
Shareholders' equity	\$ 3,934	\$ 3,994	(2)%
Common Share Data			
Diluted earnings per share from continuing operations before special charges ³	\$ 2.32	\$ 4.65	(50)%
Diluted earnings per share from continuing operations	\$ 1.16	\$ 1.90	(39)%
Dividends per share	\$ 1.30	\$ 1.30	–
Diluted average common shares outstanding (000's)	142,937	146,150	(2)%
Key Performance Metrics			
Return on invested capital (ROIC) ⁴	9.0%	13.1%	–
Return on average shareholders' equity	8.6%	15.6%	–
Free cash flow ⁵	\$ 316	\$ 463	(32)%
Free cash flow – Textron Manufacturing	\$ 274	\$ 385	(29)%
Debt (net of cash) to total capital – Textron Manufacturing	28%	29%	–

Credit Ratings of Textron Manufacturing

	Senior Long-Term	Short-Term Commercial Paper
S&P	A	A – 1
Moody's	A3	P – 2
Fitch	A	F – 1

¹ 2001 excludes special charges of \$319 million in goodwill and intangible asset impairment write-downs, \$81 million in restructuring expenses, \$28 million in fixed asset impairment write-downs and \$9 million in write-downs of e-business investments. 2000 excludes special charges of \$349 million in goodwill impairment write-downs, \$17 million in restructuring expenses and \$117 million in an impairment charge related to e-business investments.

² Textron Manufacturing includes all entities of Textron other than its finance subsidiary.

³ 2001 is calculated before cost related to restructuring not included in special charges and the gain on the sale of Automotive Trim.

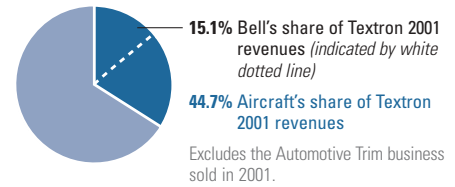
⁴ ROIC is calculated before special charges.

⁵ Free cash flow before restructuring was \$384 million in 2001 and \$464 million in 2000.

Aircraft – Bell Helicopter



A leading global supplier of vertical takeoff and landing aircraft for commercial and military markets, and the pioneer of the revolutionary tiltrotor aircraft.



Strategic Steps Forward

- ▶ Strengthen customer-driven product development and product improvement processes.
- ▶ Complete the redesign and flight test of the V-22 to insure the future production of the aircraft for the Marines, Air Force Special Operations Forces and other Department of Defense and international customers.
- ▶ Increase helicopter life-cycle revenue through expansion of best-in-industry sales, service and after-market networks for both commercial and military markets.
- ▶ Leverage brand strength and industry-recognized customer commitment to increase market share.
- ▶ Implement Textron Six Sigma and supply chain improvements, and leverage the Textron enterprise to achieve operational improvements.
- ▶ Refine organizational structure to insure best talent is in place to exceed customer requirements, implement leading technology and focus on business management.

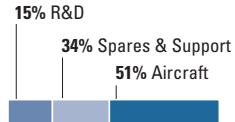
Major Products

Description	First Delivery	Seating Capacity (Including Pilots)	Useful Load (lbs)	Cruising Speed (kts)	Maximum Range (nm)
Light					
206B-3 Jet Ranger	1977	5	1,492	115	374
206L-4 Long Ranger	1992	7	2,141	112	324
407	1996	7	2,360	133	330
427	2000	8	2,490	138	390
Intermediate					
430	1996	9–10	3,975	139	353
Medium					
412 EP	1981	15	5,044	122	356
AB139	2002	17	5,511	157	400
Military					
UH-1N Huey	1971	15	3,532	110	230
OH-58D Kiowa Warrior	1986	2	2,200	114	268
AH-1W Super Cobra	1986	2	3,830	150	280
TH-67 Trainer	1993	3	1,321	115	374
Huey II	1997	15	5,060	106	216
UH-1Y	2007	12	6,661	150	350
AH-1Z	2007	2	6,200	143	380
Tiltrotor					
Bell Boeing V-22 Osprey	1999	27	23,860	255	750
BA609	2007	11	5,500	275	750

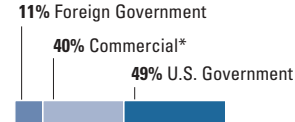
Aircraft – Bell Helicopter

Sales

By Product/Service

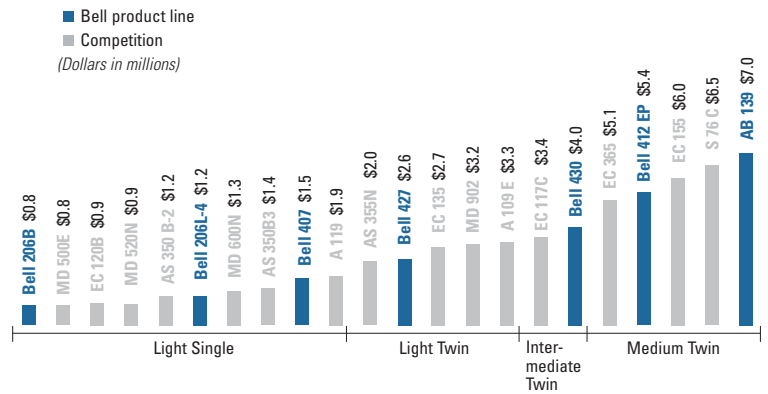


By Customer



*Commercial markets include: Civil government 26%, Corporate 39% and Operator 35%.

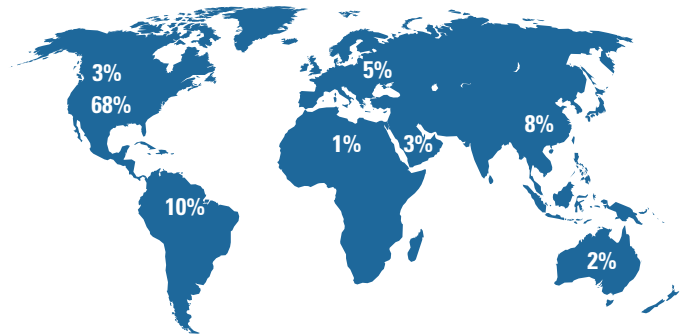
Commercial Product Price Points



Global Diversification

- ▶ Non-U.S. revenues account for 32% of Bell's total revenues.
- ▶ More than 22,000 Bell aircraft are flying in over 130 countries. Over half the helicopters in the world carry the Bell name.
- ▶ Service network of more than 170 strategically located customer support facilities worldwide.
- ▶ Bell has approximately 8,000 employees, of which 19% are based outside the U.S.
- ▶ Manufacturing facilities in Ft. Worth and Amarillo, Texas; Bristol, Tennessee; and Mirabel, Canada.

Distribution of Sales by Geography



Key Data, Restated for January 2002 Reorganization

(Dollars in millions)	2001	2000	1999	1998	1997
Bell Helicopter:					
Revenue	\$1,621	\$1,580	\$1,547	\$1,431	\$1,568
Bell Commercial Units Shipped: ¹					
Light	84	108	102	144	186
Intermediate/Medium	30	32	48	49	47
Backlog	\$1,001	\$1,516	\$1,987	\$1,871	\$1,909
Total Aircraft:²					
Revenue	\$4,797	\$4,537	\$4,147	\$3,506	\$3,325
Segment profit, as adjusted ³	\$ 337	\$ 464	\$ 373	\$ 347	\$ 325
Segment profit margin, as adjusted ³	7.0%	10.2%	9.0%	9.9%	9.8%
Total assets	\$2,850	\$2,614	\$2,401	\$2,256	\$2,004
Capital expenditures	\$ 175	\$ 157	\$ 167	\$ 144	\$ 111
Depreciation	\$ 116	\$ 107	\$ 98	\$ 83	\$ 72
Amortization	\$ 11	\$ 10	\$ 10	\$ 10	\$ 10
ROIC	12.6%	18.6%	15.3%	15.2%	15.3%

¹ Does not include units shipped to foreign governments or units produced under licensing agreements.

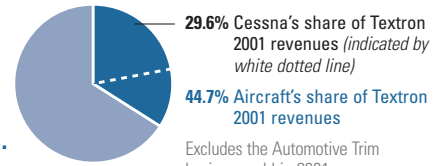
² Includes Bell Helicopter, Cessna Aircraft and Lycoming.

³ 2001 excludes \$10 million in costs related to restructuring that are included in segment profit in the consolidated financial statements within the 2001 Annual Report.

Aircraft – Cessna Aircraft



The world's largest manufacturer of light and mid-size business jets, utility turboprops and single-engine piston aircraft. Also includes: Lycoming aircraft engines and a joint venture in CitationShares fractional jet ownership business.

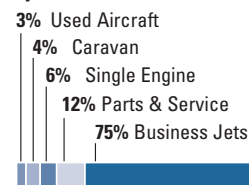


Strategic Steps Forward

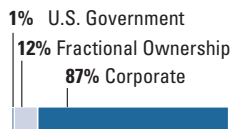
- ▶ Continue to strengthen brands and expand leading market positions through close customer relationships and new, market-driven products.
- ▶ Maintain leadership in light and mid-size business jet, utility turboprop, single-engine piston aircraft and piston aircraft engine markets.
- ▶ Utilize Textron Six Sigma and other methods to accelerate operational improvements to delight our customers.
- ▶ Further extend Cessna brand name into high-growth fractional share ownership market through expansion of CitationShares business, sales to other fractional share operators, and broadening offering of after-market services.
- ▶ Provide attractive, market-leading aircraft financing alternatives to customers worldwide.

Sales

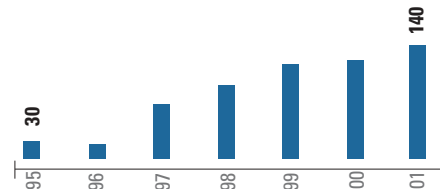
By Product/Service



By Customer



Total Fractional Ownership Market



Since 1995, the number of aircraft delivered to the fractional jet ownership market has grown from 30 units in 1995 to 140 units in 2001.

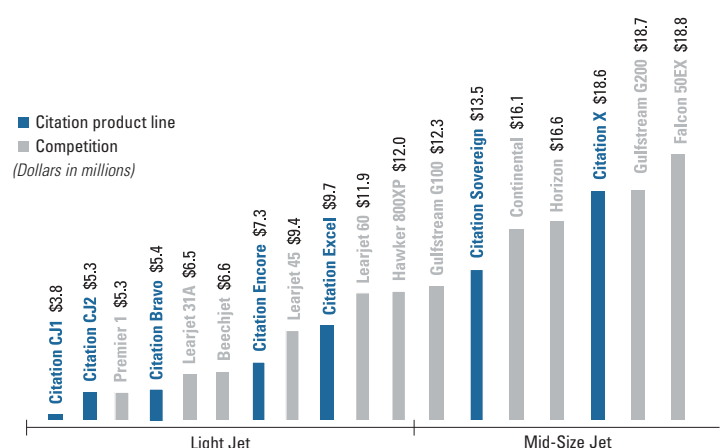
(New turbine aircraft shipments – units)

Major Products

Description	First Delivery	Seating Capacity (Including Pilots)	Cruising Speed (kts)	Maximum Range (nm)
Business Jets				
Light				
Citation CJ1	2000	7	381	1,475
Citation CJ2	2000	8	410	1,738
Citation Bravo	1997	10	402	2,000
Citation Encore	2000	10	427	1,970
Citation Excel	1998	10	430	2,080
Mid-Size				
Citation Sovereign	2004	12	444	2,820
Citation X	1996	11	525	3,390
Caravan Utility Turboprops				
208 & 208B	1985	Cargo to 14	163–184	855–960
Single-Engine				
Skyhawk (172 & 172SP)	1997/98	4	122–124	518–580
182 Skylane (182 & T182)	1997	4	144–170	820
Stationair (206 & T206)	1998	6	142–164	713–730

Aircraft – Cessna Aircraft

2001 Product Price Points – New Business Jets



Lycoming

Lycoming is the world leader in the design and manufacture of reciprocating piston aircraft engines for the global general aviation market. In addition to new engines, the company rebuilds and overhauls engines which have been in prior service.

Lycoming engines power:

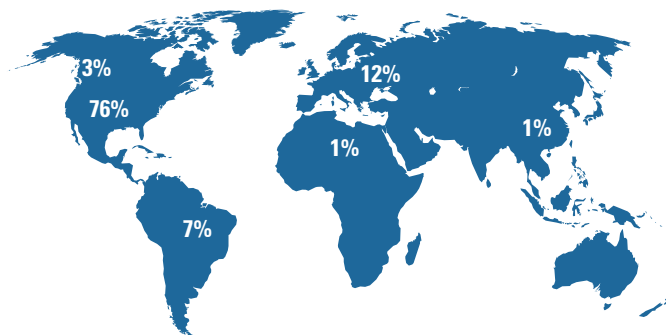
- ▶ more than 50% of all general aviation piston-powered aircraft
- ▶ 75% of all homebuilt aircraft and
- ▶ 85% of all new piston-powered aircraft being built today.
- ▶ Lycoming has delivered over 300,000 opposed reciprocating piston engines.

Global Diversification

- ▶ Cessna Citations are operated in more than 75 countries, representing the largest fleet of business jets in the world.
- ▶ In its 74-year history, Cessna has delivered over 183,000 aircraft including 148,600 single-engine airplanes; 1,200 Caravans; 2,000 military jets; and over 3,500 Citation business jets. Cessna has delivered 23% more business jets than its closest competitor.
- ▶ Company-owned Citation Service Centers are strategically located at nine major airports across the United States and at Le Bourget Airport in Paris, France. Authorized Citation Service Centers are located in more than 15 countries.

- ▶ Cessna has more than 13,000 employees worldwide.
- ▶ Cessna has manufacturing facilities in Wichita and Independence, Kansas; Dayton, Ohio; and Columbus, Georgia.

Distribution of Sales by Geography



Key Data, Restated for January 2002 Reorganization

(Dollars in millions)	2001	2000	1999	1998	1997
Cessna Aircraft:					
Revenue ¹	\$3,176	\$2,957	\$2,600	\$2,075	\$1,757
Cessna Units Shipped:					
Business jets	313	254	224	200	180
Caravans	75	92	87	102	78
Single-Engine	821	912	899	775	360
Backlog ¹	\$5,200	\$6,633	\$5,452	\$4,108	\$2,906
Total Aircraft²					
Revenue	\$4,797	\$4,537	\$4,147	\$3,506	\$3,325
Segment profit, as adjusted ³	\$ 337	\$ 464	\$ 373	\$ 347	\$ 325
Segment profit margin, as adjusted ³	7.0%	10.2%	9.0%	9.9%	9.8%
Total assets	\$2,850	\$2,614	\$2,401	\$2,256	\$2,004
Capital expenditures	\$ 175	\$ 157	\$ 167	\$ 144	\$ 111
Depreciation	\$ 116	\$ 107	\$ 98	\$ 83	\$ 72
Amortization	\$ 11	\$ 10	\$ 10	\$ 10	\$ 10
ROIC	12.6%	18.6%	15.3%	15.2%	15.3%

¹ Includes Lycoming.

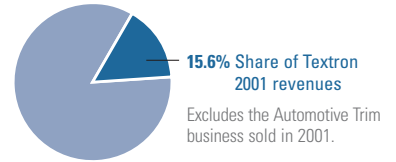
² Includes Bell Helicopter, Cessna Aircraft and Lycoming.

³ 2001 excludes \$10 million in costs related to restructuring that are included in segment profit in the consolidated financial statements within the 2001 Annual Report.

Fastening Systems



The world's largest manufacturer of innovative fastening solutions, providing an array of industries with threaded fasteners, blind fastening systems, engineered cold formed products, installation tools, automated assembly systems, Vendor Managed Inventory and engineering support programs.



Strategic Steps Forward

- ▶ Realign into a more unified, agile matrix organization that drives organic growth globally through four dedicated product line business groups.
- ▶ Consolidate operations, creating focused factories dedicated to manufacturing-related products, which apply best practices.
- ▶ Increase ROIC by focusing on core products and applications, while outsourcing and divesting non-core products and services.
- ▶ Enhance our advanced engineered solution and logistics service offerings, while leveraging the equity of our powerful brands to increase market penetration.
- ▶ Leverage entire supply chain, using e-enabled sourcing tools and the purchasing power of enterprise-wide commodity teams. Drive improvement through an intense focus on Textron Six Sigma.
- ▶ Deliver proprietary products, services and solutions that bring greater value and lower the customer's total system cost.

Product Lines

Threaded Fasteners

Textron Fastening Systems (TFS) offers the most comprehensive threaded fastener product line available in the industry. The Camcar brand of threaded fasteners is globally recognized in a broad range of markets and includes the TORX PLUS Drive System, Taptite, Plastite, PT and Mag-Form thread-forming fasteners, Drilltite self-drilling fasteners and more. Also available are bolts, nuts and washers. Includes: *Camcar, Elco, Ring Screw, Boesner, BSK, Fabco, Flexalloy* and *Sükosim*.

Engineered Products

To lower assembly costs, manufacturers utilize TFS-engineered products and assemblies, as well as TFS' extensive capabilities in cold forming, metal stamping, plastic molding, die-casting and modular assemblies. Each TFS-engineered assembly is designed to meet the specific form, fit and function requirements of the application. Includes: *Sükosim, Camcar, Oelschläger* and *TISA*.

Blind Fasteners

The globally recognized Avdel and Cherry brands offer a broad range of installation tools and blind fasteners, including threaded inserts and structural, breakstem and speed fasteners. Includes: *Avdel* and *Cherry*.

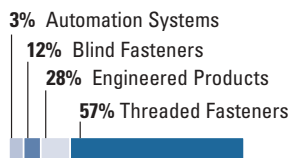
Automation Systems

For full fastener assembly automation, TFS offers a vast array of solutions. TFS automation systems allow customers to automate their fastener installation processes to lower costs and greatly improve productivity. Includes: *Avdel, Cherry* and *Camcar*.

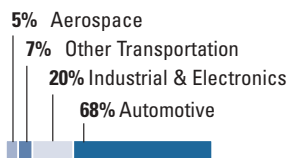
Fastening Systems

Sales

By Product Line



By Industry



Top Customers by Market

Automotive

OEMs
GM
DaimlerChrysler
Ford
PSA
Renault
Volkswagen

TIER ONE

Visteon
Delphi

Industrial

Amtec Precision
Caterpillar
Honeywell

Non-Automotive Transportation

Volvo
Freightliner
Harley Davidson

Construction

Butler Building
Hilti Inc.

Aerospace

Satair
M&M
Honeywell
Wesco
Peerless

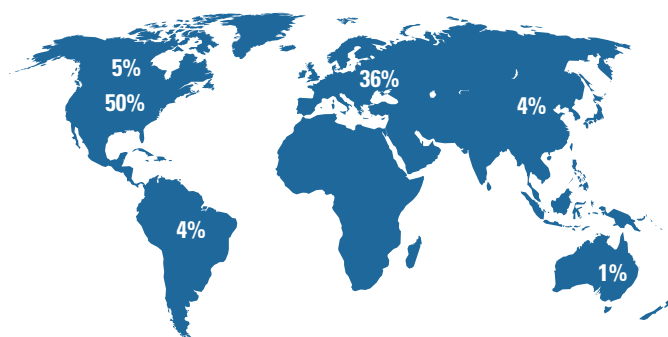
Electronics

Compaq
Maxtor Peripherals
Hewlett Packard
Motorola

Global Diversification

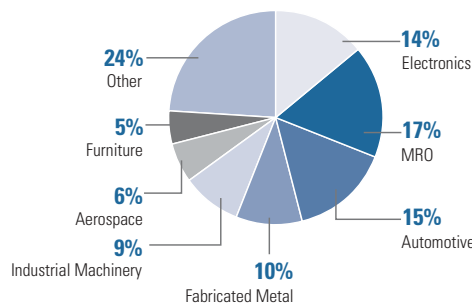
- ▶ Non-U.S. revenues account for 50% of total TFS revenues.
- ▶ Textron Fastening Systems has more than 100 operating facilities in 17 countries.
- ▶ Textron Fastening Systems services customers in more than 70 countries.
- ▶ Textron Fastening Systems has approximately 11,000 employees, of which 52% are based outside the U.S.
- ▶ Countries with operating facilities: Austria, Australia, Brazil, Canada, China, France, Germany, Italy, Japan, Malaysia, Mexico, Singapore, South Korea, Spain, Taiwan, United Kingdom and United States.

Distribution of Sales by Geography



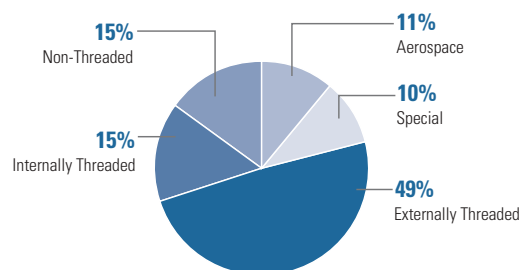
Global Fastener Market by Customer

Total Market: **\$34 Billion**



Global Fastener Market by Fastener Type

Total Market: **\$34 Billion**



Key Data, Restated for January 2002 Reorganization

(Dollars in millions)	2001	2000	1999	1998	1997
Total Fastening Systems:¹					
Revenue	\$1,679	\$1,996	\$2,059	\$1,758	\$1,498
Segment profit, as adjusted ²	\$ 54	\$ 175	\$ 188	\$ 186	\$ 167
Segment profit margin, as adjusted ²	3.2%	8.8%	9.1%	10.6%	11.1%
Total assets	\$1,537	\$1,776	\$1,970	\$1,760	\$1,361
Capital expenditures	\$ 61	\$ 108	\$ 103	\$ 113	\$ 72
Depreciation	\$ 78	\$ 82	\$ 80	\$ 70	\$ 52
Amortization	\$ 16	\$ 18	\$ 18	\$ 15	\$ 13
ROIC	2.8%	7.3%	7.3%	9.2%	10.5%

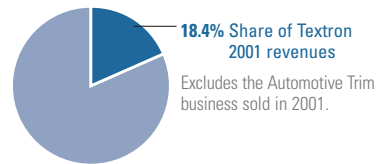
¹ In 2001, management responsibility for the Advanced Solutions Group was transferred from the Fastening Systems segment to the Industrial Products segment. Prior periods have been restated to reflect this change.

² 2001 excludes \$8 million in costs related to restructuring that are included in segment profit in the consolidated financial statements within the 2001 Annual Report.

Industrial Products



The Industrial Products segment comprises five business groups that manufacture and market well-branded industrial products worldwide.



Strategic Steps Forward

- ▶ Drive organic growth by leveraging brand excellence and customer focus.
- ▶ Pursue value-added acquisitions that build on strengths of branded products.
- ▶ Strengthen core golf and turf business, while exploring adjacent growth opportunities.
- ▶ Leverage the Greenlee brand through enhanced service and product innovation, while expanding into adjacent markets.
- ▶ Strengthen the Tempo brand through new product innovation and enhanced customer service and support, while focusing on global growth.
- ▶ Expand Textron Systems' innovative technology solutions, further enabling combat and homeland security missions.
- ▶ Further improve enterprise excellence through diligent implementation of Textron Six Sigma applications, effective supply chain management and consolidation of IT infrastructure.

Groups

Textron Golf, Turf & Specialty Products – 37% of segment

The Golf, Turf & Specialty Products group offers the world's most comprehensive line of golf and turf-care products and specialty vehicles for golf courses, resort communities and municipalities, as well as commercial and industrial users, such as airports, factories and professional lawn-care services. Products include electric-powered and internal combustion-powered golf cars, multi-purpose utility vehicles, including trail utility vehicles, professional turf maintenance equipment, lawn care machinery and specialized industrial vehicles. Includes: *E-Z-GO*, *Jacobsen*, *Ransomes*, *Bob-Cat*, *Brouwer*, *Bunton*, *Cushman*, *Ryan* and *Steiner*.

Textron Systems – 25% of segment

Textron Systems provides innovative, advanced technology solutions to meet the needs of the global aerospace and defense industries. Within these industries, the Textron name is well known for its precision strike weapons, mobility and surveillance systems including aircraft control components, specialty marine craft and *Cadillac Gage* armored vehicles. Includes: *HR Textron* and *Marine & Land Systems*.

OmniQuip – 16% of segment

Recognized industry-wide as the market leader in telescopic material handlers, OmniQuip produces light construction equipment for the agricultural, construction, industrial, maintenance, military and utility markets. OmniQuip also manufactures aerial work platforms. Includes: *LULL*, *SKY TRAK* and *SNORKEL*.

Greenlee – 11% of segment

Recognized worldwide for providing solutions that increase productivity and reduce cost, Greenlee manufactures products for wire and cable installation and maintenance. Greenlee serves the commercial, industrial and residential markets. For 140 years, professional users have looked to Greenlee for quality, innovative products. Includes: *Greenlee*, *Fairmont* and *Klauke*.

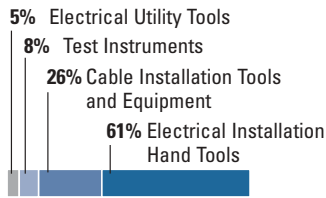
Tempo – 11% of segment

Tempo manufactures test and measurement certification and verification products for public and private networks, as well as advanced components and assemblies for the telecommunications, computer, automotive and medical industries. Tempo is a market leader in the supply of tones and probes. Includes: *RIFOCS*, *Progressive Electronics*, *Tempo*, *Chesilvale*, *IMAP*, *InteSys*, *Opto-Electronics* and *Industrial Technology*.

Industrial Products

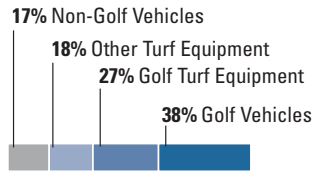
Sales By Product Line

Greenlee



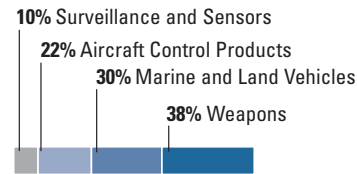
Total Available Market: **\$3 Billion**

Golf, Turf & Specialty Products



Total Available Market: **\$3 Billion**

Textron Systems



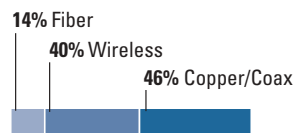
Total Available Market: **\$18 Billion**

OmniQuip



Total Available Market: **\$3.7 Billion**

Tempo

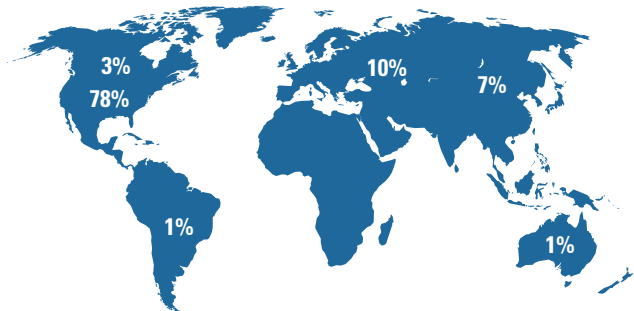


Total Available Market: **\$7.3 Billion**

Global Diversification

- ▶ Non-U.S. revenues account for 22% of total segment revenues. Within each business group, non-U.S. revenues account for the following: Golf, Turf & Specialty Products (27%); OmniQuip (11%); Textron Systems (22%); Greenlee (29%); and Tempo (17%).
- ▶ Textron's Industrial Products segment has 75 sales and manufacturing facilities in 12 countries.
- ▶ Over half the world's golf cars bear the E-Z-GO name.
- ▶ Jacobsen equipment can be found on virtually all golf courses worldwide and Ransomes is the recognized leader in European municipal turf equipment.
- ▶ Over half of the world's telecommunication engineers use a Tempo-designed product.
- ▶ Textron's Industrial Products segment has approximately 8,000 employees, of which 14% are based outside the U.S.
- ▶ Countries with operating facilities: Australia, Brazil, Canada, France, Germany, Ireland, Italy, Mexico, New Zealand, United Kingdom and United States.

Distribution of Sales by Geography



Key Data, Restated for January 2002 Reorganization

(Dollars in millions)	2001	2000	1999	1998	1997
Industrial Products:¹					
Revenue	\$1,974	\$2,248	\$1,629	\$1,412	\$1,204
Segment profit, as adjusted ²	\$ 76	\$ 268	\$ 217	\$ 148	\$ 112
Segment profit margin, as adjusted ²	3.9%	11.9%	13.3%	10.5%	9.3%
Total assets	\$1,846	\$1,943	\$1,929	\$1,073	\$ 747
Capital expenditures	\$ 93	\$ 97	\$ 84	\$ 69	\$ 60
Depreciation	\$ 59	\$ 53	\$ 42	\$ 36	\$ 37
Amortization	\$ 48	\$ 30	\$ 15	\$ 11	\$ 7
ROIC	4.8%	10.7%	14.5%	12.5%	12.8%

¹ In 2001, management responsibility for the Advanced Solutions Group was transferred from the Fastening Systems segment to the Industrial Products segment.

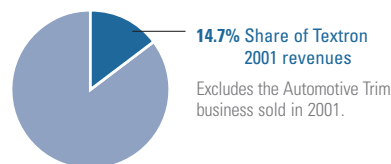
Prior periods have been restated to reflect this change.

² 2001 excludes \$9 million in costs related to restructuring that are included in segment profit in the consolidated financial statements within the 2001 Annual Report.

Industrial Components



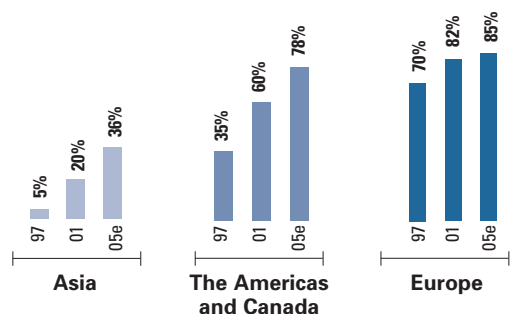
The Industrial Components segment comprises three business groups that manufacture and market engineered products and automotive components worldwide.



Strategic Steps Forward

- ▶ Differentiate product offerings to gain market share and increase brand recognition.
- ▶ Expand Fluid Handling's after-market presence, while improving product offerings for existing and adjacent OEM markets.
- ▶ Deliver cost-competitive products for the power transmission market while becoming a full-service provider of customer-tailored engineered products.
- ▶ Capture stronger sales in growing plastic fuel systems market as a full-service provider while improving fuel system performance and emissions reduction.
- ▶ Further improve enterprise excellence through diligent implementation of Textron Six Sigma applications, effective supply chain management and consolidation of IT infrastructure.

Market Penetration of Plastic Fuel Systems



Groups

Kautex – 75% of segment¹

Kautex is a leading global supplier of plastic fuel systems, including plastic and metal fuel filler assemblies. Kautex also supplies automotive clear vision systems (windshield and headlamp cleaning), blow-molded ducting and fluid reservoirs, as well as other components, such as cooling pipes, acoustic components and spare wheel lids. The group also includes CWC, which manufactures automotive engine camshafts; and Micromatic, which manufactures automatic assembly machines, perishable tools and abrasives, and hydraulic rotary actuators for automotive and industrial applications.

Textron Power Transmission – 13% of segment¹

Power Transmission produces gears and gearboxes for global power transmission markets in industrial, mining, mobile equipment, off-road vehicle and defense applications. Includes: *AB Benzlers*, *Cone Drive* and *David Brown*.

Textron Fluid Handling Products – 12% of segment¹

Fluid Handling manufactures industrial pumps for hydrocarbon processing, polymer processing and other applications for use in the plastics, chemical, refining, oil and gas, power generation and pharmaceutical industries. Includes: *David Brown Guinard Pumps*, *David Brown Union Pumps* and *Maag Pump Systems*.

¹ Excludes revenues of Automotive Trim and Turbine Engine Components Textron, both sold in 2001.

Key Data, Restated for January 2002 Reorganization

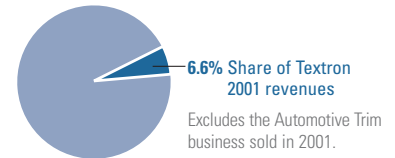
(Dollars in millions)	2001	2000	1999	1998	1997
Industrial Components:¹					
Revenue	\$1,583	\$1,776	\$1,759	\$1,349	\$1,125
Segment profit, as adjusted ²	\$ 128	\$ 156	\$ 152	\$ 132	\$ 112
Segment profit margin, as adjusted ²	8.1%	8.8%	8.6%	9.8%	10.0%
Total assets	\$1,417	\$1,612	\$1,920	\$1,747	\$1,073
Capital expenditures	\$ 79	\$ 61	\$ 81	\$ 81	\$ 77
Depreciation	\$ 60	\$ 65	\$ 68	\$ 52	\$ 43
Amortization	\$ 11	\$ 18	\$ 22	\$ 14	\$ 13
ROIC	7.9%	8.5%	7.5%	8.4%	7.8%

¹ Excludes the Automotive Trim business which was sold in 2001.
² 2001 excludes \$5 million in costs related to restructuring that are included in segment profit in the consolidated financial statements within the 2001 Annual Report.

Finance



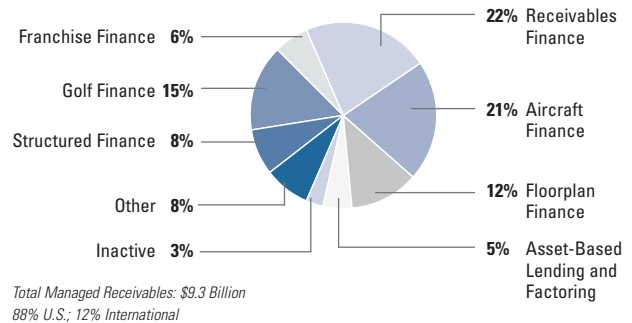
Textron Financial is a diversified commercial finance company with core operations in four segments: aircraft finance, revolving credit, specialty finance, and structured capital. Textron Financial's other services and products include transaction syndications, equipment appraisal and disposition, portfolio servicing and insurance brokerage.



Strategic Steps Forward

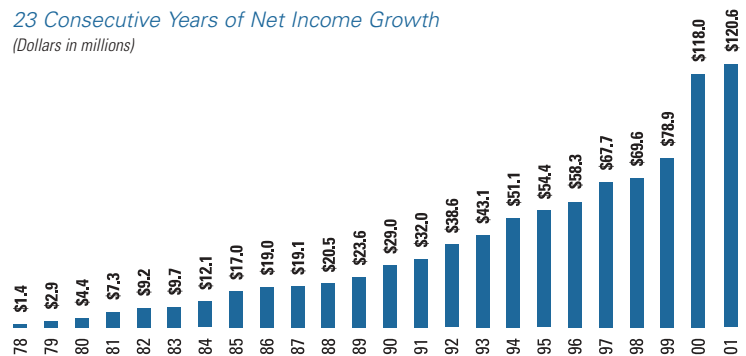
- ▶ Maintain diversification and strong credit quality in portfolio.
- ▶ Maintain focus in industries where superior product and market knowledge sustain competitive advantage.
- ▶ Continue successful cross-selling program, which resulted in significant volume increase over previous year.
- ▶ Accelerate deployment of information technology solutions to improve customer-facing processes and operating efficiencies.
- ▶ Work closely with other Textron businesses to offer a complete, fully integrated package to their customers.
- ▶ Instill Textron Six Sigma disciplines to ensure value to customers with fast, accurate customer service.

Managed Finance Receivables



Net Income

23 Consecutive Years of Net Income Growth
(Dollars in millions)



Credit Ratings

	Senior Long-Term	Short-Term Commercial Paper
S&P	A	A - 2
Moody's	A3	P - 2
Fitch	A	F - 1

Key Data, Restated for January 2002 Reorganization

(Dollars in millions)	2001	2000	1999	1998	1997
Finance:¹					
Receivables	\$5,636	\$5,589	\$5,578	\$3,612	\$3,069
Managed receivables ²	\$9,349	\$7,965	\$6,802	\$4,509	\$3,829
Return on equity	12.7%	13.1%	14.1%	16.2%	16.8%
Net interest margin	7.65%	6.28%	6.27%	6.88%	6.51%
Operating efficiency	35.6%	34.1%	35.4%	33.8%	29.3%
Allowance for losses, % of receivables	2.55%	2.07%	2.02%	2.32%	2.52%
Delinquencies ³	2.24%	1.16%	0.96%	0.87%	0.86%
Charge-offs, % of average finance receivables	1.27%	0.65%	0.54%	0.45%	0.64%
Debt to equity	4.65x	5.13x	5.24x	5.99x	5.83x
Textron-related receivables, % of total managed receivables	22.1%	22.5%	21.4%	26.7%	27.2%
Revenue	\$ 709	\$ 691	\$ 463	\$ 367	\$ 350
Segment profit	\$ 193	\$ 190	\$ 128	\$ 113	\$ 108
Segment profit margin	27.2%	27.5%	27.6%	30.8%	30.9%
Total assets	\$6,464	\$6,131	\$5,989	\$3,785	\$3,178
Capital expenditures	\$ 18	\$ 14	\$ 11	\$ 13	\$ 8
Depreciation and amortization	\$ 41	\$ 32	\$ 19	\$ 13	\$ 11
ROIC	12.4%	13.0%	13.0%	14.8%	15.6%

¹ Refer to Textron Financial's Annual Report and 10-K for complete financial information.

² Managed receivables are owned receivables plus receivables serviced under securitizations, participations and third-party portfolio servicing agreements.

³ Percent of total independent and captive non-recourse receivables.

Selected Financial Statistics 2001-1997

<i>(Dollars in millions, except where noted and stock-related information)</i>		2001
Income Statement Data	Revenues	\$12,321
	Segment profit	828
	Special charges, net	(437)
	Gains on sale of divisions	342
	Corporate expenses and other, net	(152)
	Interest expense, net	(162)
	Income taxes	(227)
	Effective tax rate ^{1,2}	54.2%
	Distribution on preferred securities of subsidiary trust, net of income taxes	(26)
	Income from continuing operations ¹	166
	Earnings per share from continuing operations - diluted ¹	\$ 1.16
Balance Sheet Data - Textron Manufacturing	Cash and cash equivalents	\$ 241
	Inventory	1,727
	Receivables	1,149
	Property, plant and equipment, net	2,044
	Intangibles, net	1,965
	Total assets	9,588
	Total debt	1,934
	Total liabilities	6,178
	Preferred securities of subsidiary trust	485
	Shareholders' equity	3,934
Cash Flow Items - Textron Manufacturing	Income from continuing operations	\$ 166
	Earnings of Textron Finance (greater than)/less than distributions	(70)
	Depreciation	381
	Amortization	92
	Gains on sale of divisions	(342)
	Special charges, net	437
	Dividends received from discontinued operation	-
	Cash flow from operations	742
	Capital expenditures	(514)
	Dividends	(184)
	Net change in debt	(85)
	Cash used in acquisitions	(209)
	Capital contributions to Textron Finance	(49)
	Net decrease (increase) in investment securities	8
	Proceeds from sale of businesses	695
	Purchases of Textron common stock	(47)
	Total number of shares purchased (in thousands)	738
	Average cost per share	63.69
Free Cash Flow³		\$ 316
Free Cash Flow from Manufacturing Operations⁴		\$ 274
Key Ratios	Return on invested capital ⁵	9.0%
	Segment profit margin	6.7%
	Return on equity ⁶	8.6%
	Return on sales from continuing operations - after tax	1.3%
	Debt (net of cash) to total capital - Textron Manufacturing ⁶	27.7%
	S&A % of sales - consolidated	12.4%
	Inventory turns (based on FIFO)	4.9x
	Ratio of income to fixed charges - Textron Manufacturing	2.04x
Stock-Related Information	Stock price at year-end	\$ 42.40
	Price/trailing earnings ratio ⁷	18.3x
	Diluted shares outstanding at year-end (in thousands)	142,484
	Diluted average shares outstanding (in thousands)	142,937
	Dividend payout ratio ⁸	56.0%
	Dividends declared per share	\$ 1.30
Miscellaneous Statistics	Research and development	\$ 689
	Number of employees at year-end	51,000
	Average revenues per employee (000)	\$ 186

¹ 2001 includes special charges of \$319 million in goodwill and intangible asset impairment write-downs, \$81 million in restructuring expenses, \$28 million in fixed asset impairment write-downs and \$9 million in write-downs of e-business investments. 2000 includes special charges of \$349 million in goodwill impairment write-downs, \$17 million in restructuring expenses and \$117 million in an impairment charge related to e-business investments. Before special charges, cost related to restructuring and gains on the sale of the Automotive Trim business, EPS was \$2.32 and \$4.65 for 2001 and 2000, respectively. ² The effective income tax rate for 2001 was 54.2% primarily due to the impact of the gain on the sale of the Automotive Trim business in the fourth quarter and the non-tax deductibility of goodwill written-off in the third quarter. In 2000, the effective income tax rate was 50.4% primarily due to the impact of the non-tax deductibility of goodwill written off. Excluding these specific items, the effective income tax rate was 35% in 2001 and 35.5% in 2000.

2000	1999	1998	1997
\$13,090	\$11,854	\$9,874	\$8,875
1,410	1,201	1,040	917
(483)	1	(87)	–
–	–	97	–
(164)	(143)	(141)	(152)
(152)	(29)	(146)	(117)
(308)	(381)	(294)	(250)
50.4%	37.0%	38.5%	38.6%
(26)	(26)	(26)	(26)
277	623	443	372
1.90	4.05	2.68	2.19
\$ 282	\$ 192	\$ 31	\$ 30
1,871	1,859	1,640	1,349
1,318	1,363	1,160	920
2,568	2,484	2,185	1,761
2,340	2,807	2,119	1,567
10,239	10,404	9,936	8,152
2,084	1,767	2,615	1,221
6,671	6,412	6,928	4,847
484	483	483	483
3,994	4,377	2,997	3,228
\$ 277	\$ 623	\$ 443	\$ 372
(36)	(43)	(8)	6
365	337	282	243
97	84	66	56
–	–	(54)	–
483	(1)	87	–
–	–	187	108
942	1,007	867	728
(513)	(521)	(462)	(366)
(189)	(192)	(143)	(202)
342	(1,220)	1,038	(335)
(85)	(859)	(753)	(364)
(5)	(353)	(59)	–
(134)	–	–	251
(9)	2,945	117	549
(353)	(751)	(712)	(299)
6,627	9,779	10,158	5,140
53.27	76.80	70.09	58.17
\$ 463	\$ 499	\$ 491	\$ 436
\$ 385	\$ 479	\$ 232	\$ 215
13.1%	12.6%	13.7%	13.4%
10.8%	10.1%	10.5%	10.3%
15.6%	13.9%	19.6%	17.5%
2.1%	5.3%	4.5%	4.2%
28.6%	24.5%	42.6%	24.3%
11.0%	11.1%	11.2%	10.1%
4.9x	4.8x	4.6x	4.9x
3.21x	9.44x	4.59x	4.73x
\$ 46.50	\$ 76.69	\$75.94	\$ 62.63
10.0x	18.9x	20.6x	19.0x
142,889	149,852	158,549	167,315
146,150	153,754	165,374	169,503
28.0%	32.0%	35.0%	36.0%
\$ 1.30	\$ 1.30	\$ 1.14	\$ 1.00
\$ 721	\$ 670	\$ 613	\$ 602
71,000	68,000	64,000	56,000
\$ 187	\$ 178	\$ 164	\$ 164

³ Free cash flow before restructuring was \$384 million in 2001 and \$464 million in 2000. ⁴ Free cash flow from manufacturing operations is defined as cash provided by Textron Manufacturing less manufacturing capital expenditures, corporate expenses, interest expense and income taxes. ⁵ ROIC is calculated before special charges; 1999 ROIC reflects the redeployment of \$2.9 billion in capital from the divestiture of AFS; 1998 ROIC is calculated based on an investment in Avco Financial Services (AFS) at historical costs. ⁶ 1999 ROE and debt-to-capital ratio reflect increased equity and reduced leverage from the gain on the sale of AFS. 1998 ROE and debt-to-capital ratio were temporarily inflated by the repurchase of stock prior to the January 1999 closing of the sale of AFS. ⁷ Calculated ratio for 1998 through 1997 includes AFS, which was reclassified as a discontinued operation in 1998. ⁸ Dividend payout ratio: Dividends declared/trailing reported EPS (before special charges).

Financial Data 2001-1997

(As Reported)

<i>(Dollars in millions, except Common Stock information)</i>													
	2001					2000					1999	1998	1997
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year			
Revenue													
Aircraft	\$ 986	\$ 1,223	\$ 1,064	\$ 1,391	\$ 4,664	\$ 959	\$ 1,013	\$ 1,171	\$ 1,251	\$ 4,394	\$ 4,019	\$ 3,380	\$ 3,217
Automotive	677	716	579	629	2,601	838	761	654	671	2,924	2,868	2,356	2,072
Fastening Systems ¹	466	451	389	373	1,679	548	529	469	450	1,996	2,059	1,758	1,498
Industrial Products ¹	740	734	600	594	2,668	796	804	730	755	3,085	2,445	2,013	1,738
Finance	171	164	178	196	709	152	170	184	185	691	463	367	350
Total Revenues	\$3,040	\$3,288	\$2,810	\$3,183	\$12,321	\$3,293	\$3,277	\$3,208	\$3,312	\$13,090	\$11,854	\$9,874	\$8,875
Segment Profit (Loss)													
Aircraft	\$ 98	\$ 112	\$ (31)	\$ 132	\$ 311	\$ 78	\$ 107	\$ 127	\$ 139	\$ 451	\$ 362	\$ 338	\$ 313
Automotive	60	61	14	23	158	81	69	40	54	244	220	171	141
Fastening Systems ¹	38	30	1	(23)	46	43	49	46	37	175	188	186	167
Industrial Products ¹	71	76	(16)	(11)	120	93	103	71	83	350	303	232	188
Finance	46	40	48	59	193	41	44	49	56	190	128	113	108
Total Segment Profit	\$ 313	\$ 319	\$ 16	\$ 180	\$ 828	\$ 336	\$ 372	\$ 333	\$ 369	\$ 1,410	\$ 1,201	\$1,040	\$ 917
Special charges, net	(42)	(35)	(338)	(22)	(437)	-	-	-	(483)	(483)	1	(87)	-
Segment Operating Income (Loss)	\$ 271	\$ 284	\$ (322)	\$ 158	\$ 391	\$ 336	\$ 372	\$ 333	\$ (114)	\$ 927	\$ 1,202	\$953	\$ 917
Segment Profit Margins													
Aircraft	9.9%	9.2%	(2.9)%	9.5 %	6.7%	8.1%	10.6%	10.8%	11.1%	10.3%	9.0%	10.0%	9.7%
Automotive	8.9%	8.5%	2.4 %	3.7 %	6.1%	9.7%	9.1%	6.1%	8.0%	8.3%	7.7%	7.3%	6.8%
Fastening Systems ¹	8.2%	6.7%	0.3 %	(6.2)%	2.7%	7.8%	9.3%	9.8%	8.2%	8.8%	9.1%	10.6%	11.1%
Industrial Products ¹	9.6%	10.4%	(2.7)%	(1.9)%	4.5%	11.7%	12.8%	9.7%	11.0%	11.3%	12.4%	11.5%	10.8%
Finance	26.9%	24.4%	27.0 %	30.1 %	27.2%	27.0%	25.9%	26.6%	30.3%	27.5%	27.6%	30.8%	30.9%
Segment Profit Margin	10.3%	9.7%	0.6 %	5.7 %	6.7%	10.2%	11.4%	10.4%	11.1%	10.8%	10.1%	10.5%	10.3%
Gains on sale of divisions	-	-	3	339	342	-	-	-	-	-	-	97	-
Corporate expenses and other, net	(42)	(39)	(33)	(38)	(152)	(46)	(41)	(34)	(43)	(164)	(143)	(141)	(152)
Interest expense, net	(44)	(40)	(41)	(37)	(162)	(33)	(41)	(42)	(36)	(152)	(29)	(146)	(117)
Income taxes	(66)	(72)	69	(158)	(227)	(93)	(104)	(93)	(18)	(308)	(381)	(294)	(250)
Distribution on preferred securities of mfg. subsidiary trust, net of income taxes	(6)	(7)	(6)	(7)	(26)	(6)	(7)	(6)	(7)	(26)	(26)	(26)	(26)
Income (Loss) From Continuing Operations	\$ 113	\$ 126	\$ (330)	\$ 257	\$ 166	\$ 158	\$ 179	\$ 158	\$ (218)	\$ 277	\$ 623	\$ 443	\$ 372
EPS From Continuing Operations – Diluted^{2,3}	\$ 0.79	\$ 0.88	\$(2.34)	\$ 1.81	\$ 1.16	\$ 1.06	\$ 1.23	\$ 1.08	\$(1.53)	\$ 1.90	\$ 4.05	\$ 2.68	\$ 2.19
Effective Income Tax Rate^{3,4}	35.7%	35.1%	17.6%	37.4%	54.2%	36.2%	35.9%	36.2%	(9.3)%	50.4%	37.0%	38.5%	38.6%
Common Stock Information													
Price range: High	\$59.26	\$59.89	\$56.90	\$42.40	\$59.89	\$ 74.94	\$65.56	\$60.38	\$55.38	\$74.94	\$97.00	\$80.31	\$70.75
Low	\$45.94	\$52.95	\$32.80	\$31.65	\$31.65	\$ 51.50	\$53.94	\$44.88	\$41.44	\$41.44	\$68.44	\$52.06	\$45.00
Dividends declared per share	\$0.325	\$0.325	\$0.325	\$0.325	\$ 1.30	\$ 0.325	\$0.325	\$0.325	\$0.325	\$ 1.30	\$ 1.30	\$ 1.14	\$ 1.00
Average shares outstanding (in thousands) – diluted	142,752	143,411	141,196 ⁵	142,460	142,937	148,818	146,304	145,325	141,969 ⁵	146,150	153,754	165,374	169,503

¹ Through 2001, Textron's reportable segments include Aircraft, Automotive, Fastening Systems, Industrial Products and Finance. During 2001, Textron reorganized management responsibility for one division previously reported in Fastening Systems to Industrial Products. All prior period data has been appropriately reclassified. ² The average share base for the third quarter 2001 and the fourth quarter 2000 excludes potentially dilutive common shares (convertible preferred stock and stock options). These shares are excluded due to their antidilutive effect resulting from each respective quarters loss from continuing operations. ³ 2001 includes special charges of \$319 million in goodwill and intangible asset impairment write-downs, \$81 million in restructuring expenses, \$28 million in fixed asset impairment write-downs and \$9 million in write-downs of e-business investments. 2000 includes special charges of \$349 million in goodwill impairment write-downs, \$17 million in restructuring expenses and \$117 million in an impairment charge related to e-business investments. Before special charges, cost related to restructuring and the gain on the sale of Automotive Trim business, EPS was \$2.32 and \$4.65 for 2001 and 2000, respectively. ⁴ The effective income tax rate for 2001 was 54.2% primarily due to the impact of the gain on the sale of the Automotive Trim business in the fourth quarter and the non-tax deductibility of goodwill written-off in the third quarter. In 2000, the effective income tax rate was 50.4% primarily due to the impact of the non-tax deductibility of goodwill written off. Excluding these specific items, the effective income tax rate was 35% in 2001 and 35.5% in 2000. ⁵ Assumes full conversion of outstanding preferred stock and exercise of options. See footnote 2.

Restated for January 2002 Organization, As Adjusted^{1,2}

<i>(Dollars in millions, except Common Stock information)</i>													
	2001					2000					1999	1998	1997
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year			
Revenues													
Aircraft	\$1,022	\$1,258	\$1,096	\$1,421	\$ 4,797	\$ 995	\$1,050	\$1,207	\$1,285	\$ 4,537	\$ 4,147	\$3,506	\$3,325
Fastening Systems	466	451	389	373	1,679	548	529	469	450	1,996	2,059	1,758	1,498
Industrial Products	549	541	434	450	1,974	581	588	527	552	2,248	1,629	1,412	1,204
Industrial Components	832	874	713	743	3,162	1,017	940	821	840	3,618	3,556	2,831	2,498
Finance	171	164	178	196	709	152	170	184	185	691	463	367	350
Total Revenues	\$3,040	\$3,288	\$2,810	\$3,183	\$12,321	\$3,293	\$3,277	\$3,208	\$3,312	\$13,090	\$11,854	\$9,874	\$8,875
Segment Profit, As Adjusted²													
Aircraft	\$ 104	\$ 126	\$ (27)	\$ 134	\$ 337	\$ 81	\$ 110	\$ 131	\$ 142	\$ 464	\$ 373	\$ 347	\$ 325
Fastening Systems	38	32	4	(20)	54	43	49	46	37	175	188	186	167
Industrial Products	53	56	(20)	(13)	76	81	83	52	52	268	217	148	112
Industrial Components	75	78	22	27	202	90	86	55	82	313	295	246	205
Finance	46	40	48	59	193	41	44	49	56	190	128	113	108
Total Segment Profit, As Adjusted²	\$ 316	\$ 332	\$ 27	\$ 187	\$ 862	\$ 336	\$ 372	\$ 333	\$ 369	\$ 1,410	\$ 1,201	\$1,040	\$ 917
Cost related to restructuring ²	(3)	(13)	(11)	(7)	(34)	–	–	–	–	–	–	–	–
Special charges, net	(42)	(35)	(338)	(22)	(437)	–	–	–	(483)	(483)	1	(87)	–
Segment Operating Income (Loss)	\$ 271	\$ 284	\$ (322)	\$ 158	\$ 391	\$ 336	\$ 372	\$ 333	\$ (114)	\$ 927	\$ 1,202	\$953	\$ 917
Segment Profit Margins													
Aircraft	10.2 %	10.0 %	(2.5)%	9.4 %	7.0 %	8.1 %	10.5 %	10.9 %	11.1 %	10.2 %	9.0 %	9.9 %	9.8 %
Fastening Systems	8.2 %	7.1 %	1.0 %	(5.4)%	3.2 %	7.8 %	9.3 %	9.8 %	8.2 %	8.8 %	9.1 %	10.6 %	11.1 %
Industrial Products	9.7 %	10.4 %	(4.6)%	(2.9)%	3.9 %	13.9 %	14.1 %	9.9 %	9.4 %	11.9 %	13.3 %	10.5 %	9.3 %
Industrial Components	9.0 %	8.9 %	3.1 %	3.6 %	6.4 %	8.8 %	9.1 %	6.7 %	9.8 %	8.7 %	8.3 %	8.7 %	8.2 %
Finance	26.9 %	24.4 %	27.0 %	30.1 %	27.2 %	27.0 %	25.9 %	26.6 %	30.3 %	27.5 %	27.6 %	30.8 %	30.9 %
Total Margin	10.4 %	10.1 %	1.0 %	5.9 %	7.0 %	10.2 %	11.4 %	10.4 %	11.1 %	10.8 %	10.1 %	10.5 %	10.3 %

Restated for January 2002 Organization, Excluding Automotive Trim, As Adjusted^{1,2,3}

<i>(Dollars in millions, except Common Stock information)</i>													
	2001					2000					1999	1998	1997
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year			
Revenues													
Aircraft	\$1,022	\$1,258	\$1,096	\$1,421	\$ 4,797	\$ 995	\$1,050	\$1,207	\$1,285	\$ 4,537	\$ 4,147	\$3,506	\$3,325
Fastening Systems	466	451	389	373	1,679	548	529	469	450	1,996	2,059	1,758	1,498
Industrial Products	549	541	434	450	1,974	581	588	527	552	2,248	1,629	1,412	1,204
Industrial Components	427	426	366	364	1,583	460	458	417	441	1,776	1,759	1,349	1,125
Finance	171	164	178	196	709	152	170	184	185	691	463	367	350
Total Revenues	\$2,635	\$2,840	\$2,463	\$2,804	\$10,742	\$2,736	\$2,795	\$2,804	\$2,913	\$11,248	\$10,057	\$8,392	\$7,502
Segment Profit, As Adjusted²													
Aircraft	\$ 104	\$ 126	\$ (27)	\$ 134	\$ 337	\$ 81	\$ 110	\$ 131	\$ 142	\$ 464	\$ 373	\$ 347	\$ 325
Fastening Systems	38	32	4	(20)	54	43	49	46	37	175	188	186	167
Industrial Products	53	56	(20)	(13)	76	81	83	52	52	268	217	148	112
Industrial Components	41	47	19	21	128	32	38	33	53	156	152	132	112
Finance	46	40	48	59	193	41	44	49	56	190	128	113	108
Total Segment Profit, As Adjusted²	\$ 282	\$ 301	\$ 24	\$ 181	\$ 788	\$ 278	\$ 324	\$ 311	\$ 340	\$ 1,253	\$ 1,058	\$ 926	\$ 824
Cost related to restructuring ²	(3)	(12)	(10)	(7)	(32)	–	–	–	–	–	–	–	–
Special charges, net	(33)	(35)	(338)	(20)	(426)	–	–	–	(456)	(456)	(7)	(62)	–
Segment Operating Income (Loss)	\$ 246	\$ 254	\$ (324)	\$ 154	\$ 330	\$ 278	\$ 324	\$ 311	\$ (116)	\$ 797	\$ 1,051	\$ 864	\$ 824
Segment Profit Margins													
Aircraft	10.2 %	10.0 %	(2.5)%	9.4 %	7.0 %	8.1 %	10.5 %	10.9 %	11.1 %	10.2 %	9.0 %	9.9 %	9.8 %
Fastening Systems	8.2 %	7.1 %	1.0 %	(5.4)%	3.2 %	7.8 %	9.3 %	9.8 %	8.2 %	8.8 %	9.1 %	10.6 %	11.1 %
Industrial Products	9.7 %	10.4 %	(4.6)%	(2.9)%	3.9 %	13.9 %	14.1 %	9.9 %	9.4 %	11.9 %	13.3 %	10.5 %	9.3 %
Industrial Components	9.6 %	11.0 %	5.2 %	5.8 %	8.1 %	7.0 %	8.3 %	7.9 %	12.0 %	8.8 %	8.6 %	9.8 %	10.0 %
Finance	26.9 %	24.4 %	27.0 %	30.1 %	27.2 %	27.0 %	25.9 %	26.6 %	30.3 %	27.5 %	27.6 %	30.8 %	30.9 %
Total Margin	10.7 %	10.6 %	1.0 %	6.5 %	7.3 %	10.2 %	11.6 %	11.1 %	11.7 %	11.1 %	10.5 %	11.0 %	11.0 %

¹ Subsequent to year-end 2001, management responsibility was reorganized to reflect the sale of the Automotive Trim business and, in 2002, Textron will report under the Aircraft, Fastening Systems, Industrial Products, Industrial Components and Finance segments. The data for all periods shown above has been reclassified to reflect the new segments. ² For comparative purposes, costs related to restructuring have been excluded from segment profit, as adjusted. These costs are included in reported segment profit in the consolidated financial statements within the 2001 Annual Report.

³ The amounts on this schedule exclude revenue, segment profit and special charges up until the December 20, 2001 sale of the Automotive Trim business, but do not include certain other pro forma adjustments included in Textron's Form 8-K filed on January 4, 2002. These other pro forma adjustments are not material to the segment information presented above.

Stock and Contact Information

Stock Exchange Listings

(Ticker Symbol – TXT)

Common Stock

New York, Chicago and Pacific Stock Exchanges

Preferred Stock (\$2.08 and \$1.40)

New York Stock Exchange

Mandatorily Redeemable Preferred Securities of Subsidiary Trust (7.92%)

New York Stock Exchange

Capital Stock

(as of December 29, 2001)

Common stock: par value \$0.125; 500,000,000 shares authorized; 141,250,537 shares outstanding.

\$2.08 Cumulative Convertible Preferred stock, Series A: 133,601 shares outstanding.

\$1.40 Convertible Preferred Dividend stock, Series B: 62,366 shares outstanding.

Transfer Agent and Registrar

First Union National Bank
Shareholder Services Group - NC1153
1525 West W.T. Harris Blvd., 3C3
Charlotte, NC 28288-1153
(800) 829-8432
www.firstunion.com/shareholderservices

Dividends

Common and Preferred Stock

Record dates: March 9, June 15, September 14 and December 14, 2001. Payable dates: April 1, July 1, October 1, 2001 and January 1, 2002.

Mandatorily Redeemable Preferred Securities of Subsidiary Trust (7.92%)

Record dates: March 30, June 29, September 28 and December 28, 2001. Payable dates: April 2, July 2, October 1 and December 31, 2001.

Stock Splits

Record dates: December 17, 1965; August 11, 1967; May 11, 1987 and May 9, 1997.
Distribution dates: January 1, 1966; September 1, 1967; June 1, 1987 and May 30, 1997.

Textron is an Equal Opportunity Employer.

General Information

This Fact Book is one of several sources of information available to Textron Inc. shareholders and the investment community. To receive Annual Reports, 10-K, 10-Q reports and/or press releases, please call (888) TXT-LINE or visit our web site at www.textron.com

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(401) 457-3598 (fax)

Banks and Rating Agencies

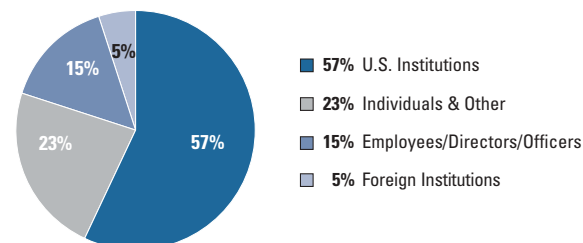
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Share Ownership



Business Directory

World Headquarters

Textron Inc.

40 Westminster Street
Providence, RI 02903-2596
(401) 421-2800
www.textron.com

Aircraft

Bell Helicopter

P.O. Box 482
Ft. Worth, TX 76101-0482
(817) 280-2011
www.bellhelicopter.textron.com

Cessna Aircraft Company

Includes: Lycoming
P.O. Box 7706
Wichita, KS 67277-7706
(316) 517-6000
www.cessna.textron.com

Fastening Systems

Textron Fastening Systems

840 West Long Lake Road
Suite 450
Troy, MI 48098
(248) 879-8660
www.textronfasteningsystems.com

Industrial Components

Kautex

Includes: *Kautex, CWC*
and *Micromatic*
Kautexstrasse 52
53229 Bonn
Germany
011-49-228-4880
www.kautex-textron.com

Textron Fluid Handling Products

Includes: *David Brown Guinard Pumps, David Brown Union Pumps, David Brown Hydraulics* and *Maag Pump Systems*
4600 West Dickman Road
Battle Creek, MI 49015-1098
(616) 966-4600
www.maag.com or
www.fhp.textron.com

Textron Power Transmission

Includes: *AB Benzlers, Cone Drive, David Brown* and *Textron Industrial S.p.A.*
Park Road
Lockwood
Huddersfield, HD4 5DD
England
011-44-1-484-465500
www.textronpt.com

Finance

Textron Financial

40 Westminster Street
Providence, RI 02903
(401) 621-4200
www.tfc.textron.com

Industrial Products

Greenlee

Includes: *Greenlee, Fairmont* and *Klauke*
4455 Boeing Drive
Rockford, IL 61109
(815) 397-7070
www.greenlee.textron.com

OmniQuip

Includes: *LULL, SKY TRAK* and *SNORKEL*
222 East Main Street
Port Washington, WI 53074
(262) 268-3111
www.omniquip.com

Tempo

Includes: *RIFOCS, Progressive Electronics, Tempo, Chesilvale, IMAP, InteSys, Opto-Electronics* and *Industrial Technology*
4015 Executive Park Drive
Suite 400
Cincinnati, OH 45241
(513) 554-1811
www.tempocom

Textron Golf, Turf & Specialty Products

Includes: *E-Z-GO, Jacobsen, Ransomes, Bob-Cat, Brouwer, Bunton, Cushman, Ryan* and *Steiner*
3800 Arco Corporation Drive
Suite 310
Charlotte, NC 28273
(704) 504-6600
www.ttcsp.com

Textron Systems

Includes: *Textron Systems, HR Textron* and *Textron Marine & Land Systems*
201 Lowell Street
Wilmington, MA 01887
(978) 657-5111
www.systems.textron.com

TEXTRON

Textron Inc.
40 Westminster Street
Providence, RI 02903
(401) 421-2800
www.textron.com

AB Benzlers, Avdel, BA 609, Bell, Bell Helicopter, Bell 206B, Bell 206B-3 Jet Ranger, Bell 206L, Bell 206L-4 Long Ranger, Bell 407, Bell 427, Bell 430, Bell 412 EP, Bell AB139, Bell Huey II, Bell OH-58D Kiowa Warrior, Bell AH-1W Super Cobra, Bell TH-67 Trainer, Bell UH-1Y, UH-1Y, Bell AH-1Z, AH-1Z, Bell Boeing V-22 Tiltrotor, Bell Augusta 609 Tiltrotor, BSK, Bob-Cat, Boesner, Brouwer, Bunton, Cadillac Gage, Camcar, Cessna, Cessna Aircraft, Cessna Citation, Cessna Citation CJ1, Cessna Citation CJ2, Cessna Citation Bravo, Cessna Citation Encore, Cessna Citation Excel, Cessna Citation Sovereign, Cessna Citation X, Cessna Caravan, Cessna Caravan 208, Cessna Caravan 208B, Cessna Skyhawk 172, Cessna Skyhawk 172SP, Cessna 182 Skylane, Cessna T182 Skylane, Cessna Stationair 206, Cessna Stationair T206, CitationShares, Cherry, Chesilvale, Cone Drive, Cushman, CWC, David Brown, David Brown Guinard Pumps, David Brown Hydraulics, David Brown Union Pumps, Drill-tite, Elco, Energy Manufacturing, E-Z-GO, Fabco, Fairmont, Flexalloy, Greenlee, HR Textron, IMAP, Industrial Technology, InteSys, Jacobsen, Kautex, Klauke, LULL, Lycoming, Maag Pump Systems, Mag-Form, Mapri, Micromatic, Oelschläger, OmniQuip, Opto-Electronics, Plastite, Progressive Electronics, PT, Ransomes, Rego Mold & Tool, RIFOCS, Ring Screw, Ryan, SKY TRAK, SNORKEL, Steiner, Sükosim, Taptite, Tempo, Textron, Textron Inc., Textron Aerospace Fasteners, Textron Fastening Systems, Textron Financial, Textron Financial Corporation, Textron Fluid Handling Products, Textron Golf, Turf & Specialty Products, Textron Industrial Components, Textron Industrial Products, Textron Industrial S.p.A., Textron Industries S.A., Textron Marine & Land Systems, Textron Power Transmission, Textron Systems, TISA, TORX PLUS Drive System, TORX PLUS, Tri-Star, Williams Machine and Tool, and their related trademark designs and logotypes (and variations of the foregoing) are service/trademarks or trade names of Textron Inc., its subsidiaries, or joint ventures.

Forward-looking Information: Certain statements in this release and other oral and written statements made by Textron from time to time, are forward-looking statements, including those that discuss strategies, goals, outlook or other non-historical matters; or project revenues, income, returns or other financial measures. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contained in the statements, including the following: (a) the extent to which Textron is able to achieve savings from its restructuring plans (b) changes in worldwide economic and political conditions that impact interest and foreign exchange rates, (c) the occurrence of work stoppages and strikes at key facilities of Textron or Textron's customers or suppliers, (d) government funding and program approvals affecting products being developed or sold under government programs, (e) cost and delivery performance under various program and development contracts, (f) successful implementation of supply chain and other cost-reduction programs, (g) the timing of certifications of new aircraft products, (h) the occurrence of further downturns in customer markets to which Textron products are sold or supplied, (i) Textron's ability to offset, through cost reductions, raw material price increases and pricing pressure brought by original equipment manufacturer customers and (j) Textron Financial's ability to maintain credit quality and control costs.