



## Leggett Reports Record Fourth Quarter And Full Year Results For 1997

February 4, 1998

Leggett & Platt today reported record sales and earnings for the fourth quarter and the year ended December 31, 1997. For the quarter, sales increased to \$767.8 million, up 23% from the 1996 fourth quarter. Net earnings also increased 23% to \$55.1 million. Earnings per share, reflecting the newly required dual presentation of basic and diluted results, were \$.57 per basic share and \$.56 per diluted share. When compared to the fourth quarter of 1996, basic and diluted earnings per share increased 19% and 17%, respectively.

As anticipated, there is no significant difference between Leggett's basic and diluted earnings per share. Both have been shown in accordance with SFAS No. 128, the new accounting standard that became effective in December. The new diluted earnings per share is equivalent to Leggett's previously reported per share results.

Leggett achieved new quarterly highs in sales, net earnings and earnings per share in all four quarters of 1997. For the year, sales increased to \$2.91 billion, up 18% over 1996. Net earnings grew to \$208.3 million, or \$2.19 per basic share and \$2.16 per diluted share. Compared to 1996, net earnings increased 23%, while basic and diluted earnings per share were up 17%. These comparisons reflect 1996 results before non-recurring costs and an extraordinary item. Comparisons including these non-recurring costs, show 1997 net earnings increased 48%, while basic and diluted earnings per share were up 41%.

Harry M. Cornell, Jr., Leggett's Chairman and CEO, made the following comments about these results.

*"We are very pleased with Leggett's continued growth. 1997 marked the sixth consecutive year Leggett has set new highs in sales and earnings. Our performance benefited from improved results in many existing operations and from our ongoing acquisition program. Leggett's 1997 profit margins reflect excellent levels of overall efficiency, while operating in a good business environment. We will always keep trying to improve our performance and efficiencies for the benefit of customers, employee-partners and shareholders. Leggett's cash flow and financial position also remain strong, providing substantial resources for internal improvements and expansion, and for future acquisitions. We maintain a positive outlook for 1998 and for the long-term as well."*

Summaries of the results of operations for the fourth quarter and the full year of 1997 and 1996 are shown below.

(All amounts in millions, except per share data)

<b><u>FOURTH QUARTER ENDED DECEMBER 31</u></b>	<b><u>1997</u></b>	<b><u>1996</u></b>
Net sales	\$767.8	\$626.4
Cost of goods sold	<u>572.1</u>	<u>462.4</u>
Gross profit	195.7	164.0
Selling, distribution and administrative expenses	96.7	80.9
Interest expense	8.5	7.1
Other deductions (income), net	<u>3.1</u>	<u>3.4</u>
Earnings before income taxes	87.4	72.6
Income taxes	<u>32.3</u>	<u>27.9</u>
Net earnings	<b><u>\$ 55.1</u></b>	<b><u>\$ 44.7</u></b>
Earnings per share		
Basic	\$ .57	\$ .48

Diluted	\$ .56	\$ .48
Average shares outstanding		
Basic	96.9	92.5
Diluted	98.4	93.9

(All amounts in millions, except per share data)

**YEAR ENDED DECEMBER 31**

	<u>1997</u>	<u>1996</u>
Net sales	\$2,909.2	\$2,466.2
Cost of goods sold	<u>2,171.4</u>	<u>1,842.7</u>
Gross profit	737.8	623.5
Selling, distribution and administrative expenses	358.8	303.5
Interest expense	31.8	30.0
Non-recurring costs <sup>(1)</sup>	-	26.6
Other deductions (income), net	<u>13.9</u>	<u>13.7</u>
Earnings before income taxes and extraordinary item	333.3	249.7
Income taxes	<u>125.0</u>	<u>96.7</u>
Net earnings before extraordinary item	208.3	153.0
Extraordinary item <sup>(2)</sup>	-	<u>12.5</u>
Net earnings	<b><u>\$ 208.3</u></b>	<b><u>\$ 140.5</u></b>
Earnings per share - Basic		
Before non-recurring costs	\$ 2.19	\$ 1.87
Non-recurring costs <sup>(1)</sup>	-	(.18)
Extraordinary item <sup>(2)</sup>	-	(.14)
Net earnings	\$ 2.19	\$ 1.55
Earnings per share - Diluted		
Before non-recurring costs	\$ 2.16	\$1.85

Non-recurring costs <sup>(1)</sup>		(.18)
Extraordinary item <sup>(2)</sup>		(.14)
Net earnings	\$ 2.16	\$ 1.53
Average shares outstanding		
Basic	95.1	90.5
Diluted	96.6	91.8

(1) Non-recurring costs are merger related costs from the May 1996 acquisition of Pace Holdings, Inc. (Pace).

(2) Extraordinary item results from the refinancing of Pace debt.

Leggett & Platt is a leading manufacturer of engineered products serving several major markets. These engineered products include bedding and furniture components, plus related home, office and institutional furnishings; retail store fixtures, displays and other commercial products; aluminum die castings; and specialized materials and equipment for Leggett operations and other manufacturers. Headquartered in Carthage, Missouri, Leggett & Platt has facilities throughout North America and in several international locations. Its common stock is listed on the New York and Pacific Stock Exchanges under the symbol LEG.