Form 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For the quarterly period ended March 31, 1998

OR

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

for the transition period from ______ to ______

For Quarter Ended	Commission File Number
March 31, 1998	1-7845

LEGGETT & PLATT, INCORPORATED
(Exact name of registrant as specified in its charter)

Missouri	44-0324630
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

No. 1 Leggett Road Carthage, Missouri	64836
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (417) 358-8131

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 and 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 X No ___

Common stock outstanding as of April 30, 1998: 196,200,880

PART I. FINANCIAL INFORMATION
LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
ITEM 1. FINANCIAL STATEMENTS
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

(Amounts in millions)

	March 31, 1998	December 31, 1997
CURRENT ASSETS		
Cash and cash equivalents	$ 9.9	$ 7.7
Accounts and notes receivable	521.3	450.1
Allowance for doubtful accounts	(11.9)	(11.5)
Inventories	487.9	433.2
Other current assets	68.5	65.1
Total current assets	1,075.7	944.6
PROPERTY, PLANT & EQUIPMENT, NET	773.4	693.2
OTHER ASSETS		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of $41.2 in 1998 and $38.2 in 1997	443.2	394.0
Other intangibles, less accumulated amortization of $25.6 in 1998 and $24.1 in 1997	33.4	31.6
Sundry	47.2	42.9
Total other assets	523.8	468.5
TOTAL ASSETS	$ 2,372.9	$ 2,106.3

CURRENT LIABILITIES		
Accounts and notes payable	$ 148.7	$ 128.7
Accrued expenses	172.9	166.4
Other current liabilities	62.2	77.4
Total current liabilities	383.8	372.5
LONG-TERM DEBT	591.3	466.2
OTHER LIABILITIES	42.4	40.8
DEFERRED INCOME TAXES	67.8	52.8
SHAREHOLDERS' EQUITY		
Common stock	2.0	1.0
Additional contributed capital	379.7	311.9
Retained earnings	916.3	871.3
Cumulative translation adjustment	(10.1)	(10.1)
Treasury stock	(.3)	(.1)
Total shareholders' equity	1,287.6	1,174.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 2,372.9	$ 2,106.3

Items excluded are either not applicable or de minimis in amount and, therefore, are not shown separately.

See accompanying notes to consolidated condensed financial statements.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS
(Unaudited)

(Amounts in millions, except per share data)

	Three Months Ended March 31, 1998	Three Months Ended March 31, 1997
Net sales	$ 793.2	$ 673.2
Cost of goods sold	590.9	503.0
Gross profit	202.3	170.2
Selling, distribution and administrative expenses	98.6	82.4
Interest expense	8.8	7.2
Other deductions (income), net	2.2	2.5
Earnings before income taxes	92.7	78.1
Income taxes	34.8	29.7
NET EARNINGS	$ 57.9	$ 48.4
Earnings Per Share		
Basic	$ .29	$ .26
Diluted	$ .29	$ .26
Cash Dividends Declared Per Share	$ .075	$ .065
Average shares outstanding		
Basic	196.3	186.4
Diluted	199.7	189.3

See accompanying notes to consolidated condensed financial statements.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

(Amounts in millions)

	Three Months Ended March 31, 1998	1997
OPERATING ACTIVITIES		
Net Earnings	$ 57.9	$ 48.4
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation	25.0	20.0
Amortization	5.1	3.3
Other	2.1	2.0
Other changes, net of effects from purchases of companies		
Increase in accounts receivable, net	(50.9)	(46.7)
(Increase) decrease in inventories	(20.2)	5.3
Increase in other current assets	(3.0)	(2.9)
Increase in current liabilities	14.2	25.2
NET CASH PROVIDED BY OPERATING ACTIVITIES	30.2	54.6
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(36.5)	(25.2)
Purchases of companies, net of cash acquired	(52.2)	(75.3)
Other	2.9	1.1
NET CASH USED FOR INVESTING ACTIVITIES	(85.8)	(99.4)
FINANCING ACTIVITIES		
Additions to debt	128.8	76.1
Payments on debt	(41.8)	(9.2)
Dividends paid	(28.1)	(22.9)
Other	(1.1)	.8
NET CASH PROVIDED BY FINANCING ACTIVITIES	57.8	44.8
INCREASE IN CASH AND CASH EQUIVALENTS	2.2	.0
CASH AND CASH EQUIVALENTS - January 1,	7.7	3.7
CASH AND CASH EQUIVALENTS - March 31,	$ 9.9	$ 3.7

See accompanying notes to consolidated condensed financial statements.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited)

(Amounts in millions)

1. STATEMENT

In the opinion of management, the accompanying consolidated condensed financial statements contain all adjustments necessary for a fair statement of results of operations and financial position of Leggett & Platt, Incorporated and Consolidated Subsidiaries (the "Company").

2. STOCK SPLIT

On May 13, 1998, the Board of Directors of the Company declared a two-for-one stock split in the form of a stock dividend for shareholders of record on May 29, 1998. The shares will be distributed to shareholders on June 15, 1998. Common Stock and Additional Contributed Capital as of March 31, 1998, and all references to share and per share amounts in the accompanying financial statements have been restated to reflect the split.

3. INVENTORIES

Inventories, using principally the Last-In, First-Out (LIFO) cost method, comprised the following:

	March 31, 1998	December 31, 1997
At First-In, First-Out (FIFO) cost		
Finished goods	$ 262.0	$ 228.0
Work in process	57.3	50.3
Raw materials	182.9	170.0
	502.2	448.3
Excess of FIFO cost over LIFO cost	14.3	15.1
	$ 487.9	$ 433.2

4. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment comprised the following:

	March 31, 1998	December 31, 1997
Property, plant and equipment, at cost	$ 1,313.7	$ 1,212.3
Less accumulated depreciation	540.3	519.1
	$ 773.4	$ 693.2

5. COMPREHENSIVE INCOME

In accordance with the provisions of Financial Accounting Standard No. 130, the Company has elected to report comprehensive income in its Statement of Changes in Shareholders' Equity. For the quarter ending March 31, 1998 and 1997, comprehensive income was $57.9 and $46.0, respectively.

6. EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows:

	Three Months Ended March 31,	
	1998	1997
Basic		
Weighted average shares outstanding, including shares issuable for little or no cash	196.3	186.4
Net earnings	$ 57.9	$ 48.4
Earnings per share - basic	$ .29	$ .26
Diluted		
Weighted average shares outstanding, including shares issuable for little or no cash	196.3	186.4
Additional dilutive shares principally from the assumed exercise of outstanding stock options	3.4	2.9
	199.7	189.3
Net earnings	$ 57.9	$ 48.4
Earnings per share - diluted	$ .29	$ .26

7. CONTINGENCIES

The Company is involved in various legal proceedings including matters which involve claims against the Company under employment, intellectual property, environmental and other laws. When it appears probable in management's judgement that the Company will incur monetary damages or other costs in connection with such claims and proceedings, and the costs can be reasonably estimated, appropriate liabilities are recorded in the financial statements and charges are made against earnings. No claim or proceeding has resulted in a material charge against earnings, nor are the total liabilities recorded material to the Company's financial position. While the results of any ultimate resolution cannot be predicted, management believes the possibility of a material adverse effect on the Company's consolidated financial position, results of operations and cash flows from these claims and proceedings is remote. The more significant claims and proceedings are briefly described in the following paragraphs.

One of the Company's subsidiaries is performing an environmental investigation at a Florida plant site pursuant to a negotiation with local and Federal environmental authorities. The costs of the investigation and any remediation actions will be shared equally by the Company and a former joint owner of the plant site.

One of the Company's subsidiaries is involved in an unfair labor complaint filed by the National Labor Relations Board prior to the Company's acquisition of the subsidiary. An administrative decision has been rendered against the subsidiary, which was recently upheld by the courts. The Company is currently pursuing actions to resolve this matter.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

All share and per share amounts have been adjusted for the stock split discussed in Item I, Note 2.

Capital Resources and Liquidity

The Company's total capitalization at March 31, 1998 and December 31, 1997 is shown in the table below. The table also shows the amount of unused committed credit available through the Company's revolving bank credit agreements.

(Dollar amounts in millions)

	March 31, 1998	December 31, 1997
Long-term debt outstanding:		
Scheduled maturities	$ 451.8	$ 402.9
Average interest rates	6.6%	6.6%
Average maturities in years	6.1	6.3
Revolving credit/commercial paper	139.5	63.3
Total long-term debt	591.3	466.2
Deferred income taxes and other liabilities	110.2	93.6
Shareholders' equity	1,287.6	1,174.0
Total capitalization	$ 1,989.1	$ 1,733.8
Unused committed credit	$ 240.0	$ 240.0

The Company's internal investments to modernize and expand manufacturing capacity were $36.5 million in the first quarter of 1998. The Company also invested $52.2 million in cash (net of cash acquired) and issued 2.9 million shares of common stock and common stock equivalents to make 10 acquisitions. Cash provided by operating activities provided approximately one-third of the funds required for these investments. Increased borrowing under the Company's commercial paper program initially provided the balance. In March 1998, the Company issued $50 million in medium-term notes. These notes have fixed interest rates of 6.07% and 5-year maturities. Proceeds from the notes were used to repay commercial paper outstanding.

Working capital at March 31, 1998 was $691.9 million, up from $572.1 million at year-end. Total current assets increased $131.1 million, due primarily to increases in accounts and notes receivable and inventories attributable to increased sales. Total current liabilities increased $11.3 million, due to increases in accounts payable and accrued expenses.

In addition to unused committed credit, the Company has the availability of short-term uncommitted credit from several banks. However, there was no short-term bank debt outstanding at March 31, 1998. Given this strong financial position and the continuing strong coverage of interest expense, the Company has substantial capital resources and flexibility to provide for projected internal cash needs and additional acquisitions consistent with management's goals and objectives.

Effective April 28, 1998, the Company's senior debt rating was upgraded to A+ from A by Standard & Poor's. Also in April, the Company issued $26 million in medium term notes with fixed interest rates of 6.30% and maturities of 10 years. Proceeds from these notes were used to repay commercial paper outstanding.

Results of Operations

The Company's continuing growth resulted in record first quarter sales and earnings in 1998. Sales increased to $793.2 million (up 18%) and net earnings grew to $57.9 million (up 20%) - both compared with 1997 first quarter records. Earnings per diluted share increased to $.29 (up 12%) - also compared with a first quarter record set in 1997.

Increased 1998 sales reflected ongoing benefits from acquisitions and internal improvements. Acquisitions accounted for more of the sales growth than other factors. The balance of the sales growth primarily reflected increased unit volumes.

Net earnings grew faster than sales due to a slight improvement in 1998 profit margins. The somewhat lower growth in earnings per share, when compared to the growth in net earnings, primarily reflects the issuance of shares in the Company's acquisition program. The following table shows various measures of earnings as a percentage of sales for the first quarter in both of the last two years. It also shows the effective income tax rate and the coverage of interest expense by pre-tax earnings plus interest in each period.

	Quarter Ended March 31, 1998	Quarter Ended March 31, 1997
Gross profit margin	25.5%	25.3%
Pre-tax profit margin	11.7	11.6
Net profit margin	7.3	7.2
Effective income tax rate	37.5	38.0
Interest coverage ratio	11.5x	11.8x

As shown above, the gross profit margin improved in 1998 as many operations increased sales and efficiencies and the Company's costs for some materials declined. Some of this improvement was offset by a somewhat higher operating expense ratio and increased interest expense as a percentage of sales. Thus, the pre-tax profit margin improved slightly. The net profit margin also benefited from a slightly lower effective income tax rate in 1998.

Consistent cash flow, a conservative capital policy and the success of management's long-term growth strategy have allowed the Company to sustain a 27-year record of increasing dividends. In March 1998, shareholders received first quarter dividends at a new quarterly rate of $.075 per share. This dividend was 7% higher than the previous two quarters and 15% higher than the 1997 first quarter dividend.

ITEM 3. DISCLOSURES ABOUT MARKET RISK

(Unaudited)
(Amounts in millions)

INTEREST RATE SENSITIVITY

The Company has debt obligations sensitive to changes in interest rates. The Company has no other significant financial instruments sensitive to changes in interest rates. The Company has not in the past used any derivative financial instruments to hedge its exposure to interest rate changes. Substantially all of the Company's debt is denominated in United States dollars. The fair value of variable rate debt is not significantly different from its recorded amount. Using the U.S. Treasury Bond rate as of March 31, 1998 for similar remaining maturities, plus an estimated "spread" over such Treasury securities representing the Company's interest costs under its medium-term note program, there was no material change in the fair value of debt obligations since December 31, 1997, when compared to the carrying value. The principal fixed rate debt of the Company increased by approximately $50 and principal variable rate debt increased by approximately $76 since December 31, 1997.

EXCHANGE RATE SENSITIVITY

The Company has not typically hedged foreign currency exposures related to transactions denominated in other than its functional currencies, although such transactions have not been material in the past. The Company does hedge firm commitments for certain machinery purchases, and occasionally may hedge amounts due in foreign currencies related to its acquisition program. The decision by management to hedge any such transactions is made on a case-by-case basis. The amount of forward contracts outstanding at March 31, 1998 was not significant.

The Company views its investment in foreign subsidiaries as a long-term commitment and does not hedge any translation exposures. The investment in a foreign subsidiary may take the form of either permanent capital or notes. The Company's net investment (excluding goodwill) in foreign subsidiaries subject to translation exposure at March 31, 1998 has not changed significantly since December 31, 1997.

COMMODITY PRICE SENSITIVITY

The Company does not use derivative commodity instruments to hedge its exposures to changes in commodity prices. The principal commodity price exposure is aluminum, of which the Company had an estimated $45 (at cost) in inventory at March 31, 1998. The current fair value of aluminum approximated its carrying value at March 31, 1998. The Company has purchasing procedures and arrangements with customers to mitigate its exposure to aluminum price changes. No other commodity exposures are significant to the Company.

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES

During the first quarter of 1998 the Company issued 2,815,730 shares of its common stock in transactions which qualified for exemption from registration under the Securities Act by virtue of Regulation D and Section 4(2) of the Securities Act. These securities were issued in connection with the acquisition of four businesses. On January 30, 1998, 974,638 shares were issued pursuant to Section 4(2) and Regulation D to acquire Cumulus Fibres, Inc. from its shareholders. On February 4, 1998, 1,591,266 shares were issued pursuant to Section 4(2) and Regulation D to acquire Syndicate Systems, Inc. from its shareholders. On February 11, 1998, 65,934 shares were issued pursuant to Section 4(2) to acquire American Innerspring, Co. from its sole shareholder. On March 2, 1998, 183,892 shares were issued pursuant to Section 4(2) and Regulation D to acquire B&C Die Cast, Inc. from its shareholders.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) Exhibit 27 - Financial Data Schedule

Exhibit 27.1 - Restated Financial Data Schedules

Exhibit 27.2 - Restated Financial Data Schedules

Exhibit 27.3 - Restated Financial Data Schedules

(B) No reports on Form 8-K have been filed during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements 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.

LEGGETT & PLATT, INCORPORATED

DATE: May 13, 1998 By: /s/ HARRY M. CORNELL, JR.

Harry M. Cornell, Jr.
Chairman of the Board
and Chief Executive Officer

DATE: May 13, 1998 By: /s/ MICHAEL A. GLAUBER

Michael A. Glauber
Senior Vice President,
Finance and Administration

EXHIBIT INDEX

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3-MOS
DEC-31-1998
MAR-31-1998
9900
0
521300
11900
487900
1075700
1313700
540300
2372900
383800
591300
0
0
2000
1285600
2372900
793200
793200
590900
590900
0
0
8800
92700
34800
57900
0
0
0
57900
.29
.29

5

1000

9-MOS	6-MOS	3-MOS
DEC-31-1997	DEC-31-1997	DEC-31-1997
SEP-30-1997	JUN-30-1997	MAR-31-1997
9500	7200	3700
0	0	0
474300	443600	406000
12400	11000	9000
406800	375500	377200
942500	872800	835800
1172600	1103000	1071400
497800	470900	453600
2084800	1938300	1859900
378500	319500	323500
487000	458700	462300
0	0	0
0	0	0
1000	900	900
1119600	1062700	980100
2084800	1938300	1859900
2141400	1394400	673200
2141400	1394400	673200
1599300	1040800	503000
1599300	1040800	503000
0	0	0
0	0	0
23300	15300	7200
245900	162000	78100
92700	61600	29700
153200	100400	48400
0	0	0
0	0	0
0	0	0
153200	100400	48400
.81	.54	.26
.80	.53	.26

Financial Data Schedules are being restated to reflect the effects of the stock split discussed in Note 2 of the Notes to Consolidated Condensed Financial Statements.

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9-MOS	6-MOS	3-MOS
DEC-31-1996	DEC-31-1996	DEC-31-1996
SEP-30-1996	JUN-30-1996	MAR-31-1996
4600	4800	4700
0	0	0
383500	385800	347000
10700	10300	8000
351200	343900	331800
780000	772500	719700
967900	942700	901700
412000	396700	379100
1686700	1661300	1524000
309800	286200	302700
431800	465500	365000
0	0	0
0	0	0
900	900	900
846700	808700	777500
1686700	1661300	1524000
1839800	1211200	591200
1839800	1211200	591200
1380300	909000	446600
1380300	909000	446600
0	0	0
0	0	0
22900	15900	7800
177100	105200	61400
68800	40900	23700
108300	64300	37700
0	0	0
12500	12500	0
0	0	0
95800	51800	37700
.53	.29	.21
.53	.29	.21

Financial Data Schedules are being restated to reflect the effects of the stock split discussed in Note 2 of the Notes to Consolidated Condensed Financial Statements.

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12-MOS	12-MOS	12-MOS
DEC-31-1997	DEC-31-1996	DEC-31-1995
DEC-31-1997	DEC-31-1996	DEC-31-1995
7700	3700	8200
0	0	0
450100	343900	306800
11500	8600	7500
433200	370500	337800
944600	763300	686600
1212300	1015100	875500
519100	432200	364900
2106300	1712900	1478100
372500	292800	275100
466200	388500	380600
0	0	0
0	0	0
1000	900	900
1173000	940200	745900
2106300	1712900	1478100
2909200	2466200	2256900
2909200	2466200	2256900
2171400	1842700	1722000
2171400	1842700	1722000
0	0	0
0	0	0
31800	30000	30400
333300	249700	220600
125000	96700	86300
208300	153000	134300
0	0	0
0	12500	0
0	0	0
208300	140500	134300
1.09	.78	.76
1.08	.77	.75

Financial Data Schedules are being restated to reflect the effects of the stock split discussed in Note 2 of the Notes to Consolidated Condensed Financial Statements.