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, 1997

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, 1997	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 25, 1997: 92,809,012

PART I. FINANCIAL INFORMATION

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED BALANCE SHEETS

(Unaudited)

(Amounts in millions)

	March 31, 1997	December 31, 1996
CURRENT ASSETS		
Cash and cash equivalents	$ 3.7	$ 3.7
Accounts and notes receivable	406.0	343.9
Allowance for doubtful accounts	(9.0)	(8.6)
Inventories	386.1	379.6
Other current assets	49.0	44.7
Total current assets	835.8	763.3
PROPERTY, PLANT & EQUIPMENT, NET	617.8	582.9
OTHER ASSETS		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of $30.6 in 1997 and $28.4 in 1996	332.4	290.3
Other intangibles, less accumulated amortization of $30.5 in 1997 and $30.3 in 1996	30.5	30.2
Sundry	43.4	46.2
Total other assets	406.3	366.7
TOTAL ASSETS	$ 1,859.9	$ 1,712.9

CURRENT LIABILITIES		
Accounts and notes payable	$ 123.7	$ 110.3
Accrued expenses	155.4	140.1
Other current liabilities	44.4	42.4
Total current liabilities	323.5	292.8
LONG-TERM DEBT	462.3	388.5
OTHER LIABILITIES	36.5	36.0
DEFERRED INCOME TAXES	56.6	54.5
SHAREHOLDERS' EQUITY		
Common stock	.9	.9
Additional contributed capital	249.6	240.2
Retained earnings	741.5	704.4
Cumulative translation adjustment	(6.6)	(4.2)
Treasury stock	(4.4)	(.2)
Total shareholders' equity	981.0	941.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,859.9	$ 1,712.9

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, 1997	Three Months Ended March 31, 1996
Net sales	$ 673.2	$ 591.2
Cost of goods sold	503.0	446.6
Gross profit	170.2	144.6
Selling, distribution and administrative expenses	82.4	71.9
Interest expense	7.2	7.8
Other deductions (income), net	2.5	3.5
Earnings before income taxes	78.1	61.4
Income taxes	29.7	23.7
NET EARNINGS	$ 48.4	$ 37.7
Earnings Per Share (Exhibit 11)	$ .51	$ .42
Cash Dividends Declared Per Share	$ .13	$ .11
Average Common and Common Equivalent Shares Outstanding	94.7	90.2

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, 1997	1996
OPERATING ACTIVITIES		
Net Earnings	$ 48.4	$ 37.7
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation	20.0	17.5
Amortization	3.3	3.7
Other	2.0	.4
Other changes, net of effects from purchases of companies		
Increase in accounts receivable, net	(46.7)	(37.9)
Decrease in inventories	5.5	5.1
Increase in other current assets	(3.1)	(1.1)
Increase in current liabilities	25.2	29.7
NET CASH PROVIDED BY OPERATING ACTIVITIES	54.6	55.1
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(25.2)	(26.8)
Purchases of companies, net of cash acquired	(75.3)	(6.2)
Other	1.1	.4
NET CASH USED FOR INVESTING ACTIVITIES	(99.4)	(32.6)
FINANCING ACTIVITIES		
Additions to debt	76.1	2.2
Payments on debt	(9.2)	(18.4)
Dividends paid	(22.9)	(9.2)
Other	.8	(.6)
NET CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES	44.8	(26.0)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	.0	(3.5)
CASH AND CASH EQUIVALENTS - January 1,	3.7	8.2
CASH AND CASH EQUIVALENTS - March 31,	$ 3.7	$ 4.7

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. INVENTORIES

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

	March 31, 1997	December 31, 1996
At First-In, First-Out (FIFO) cost		
Finished goods	$ 207.5	$ 204.2
Work in process	45.2	39.4
Raw materials	145.4	147.7
	398.1	391.3
Excess of FIFO cost over LIFO cost	12.0	11.7
	$ 386.1	$ 379.6

3. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment comprised the following:

	March 31, 1997	December 31, 1996
Property, plant and equipment, at cost	$1,071.4	$1,015.1
Less accumulated depreciation	453.6	432.2
	$ 617.8	$ 582.9

4. CONTINGENCIES

The Company is involved in numerous environmental, employment, intellectual property and other claims and legal proceedings. 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.

In connection with an acquisition, one of the Company's subsidiaries is involved in an unfair labor complaint filed by the National Labor Relations Board. An administrative decision has been rendered against the subsidiary, which is still under appeal.

A former supplier has brought several lawsuits against the Company and others alleging breach of contract and patent infringement. The Company has countersued in certain cases. None of these lawsuits have been tried at this time.

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

Capital Resources and Liquidity

The Company's total capitalization at March 31, 1997 and December 31, 1996 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, 1997	December 31, 1996
Long-term debt outstanding:		
Scheduled maturities	$ 332.6	$ 332.4
Revolving credit/commercial paper	129.7	56.1
Total long-term debt	462.3	388.5
Deferred income taxes and other liabilities	93.1	90.5
Shareholders' equity	981.0	941.1
Total capitalization	$1,536.4	$1,420.1
Unused committed credit	$ 215.0	$ 215.0

The Company's internal investments to modernize and expand manufacturing capacity were $25.2 million in the first quarter of 1997. The Company also invested $75.3 million in cash (net of cash acquired) and issued 79,895 shares of common stock to make several acquisitions. Cash provided by operating activities provided slightly more than one-half of the funds required for these investments. Increased borrowing under the Company's commercial paper program initially provided the balance. In April 1997, the Company issued $100 million in medium-term notes. The notes have average lives of 6.25 years and fixed interest rates averaging 7.24%. Proceeds from the notes were used to repay commercial paper outstanding.

Working capital at March 31, 1997 was $512.3 million, up from $470.5 million at year-end. Total current assets increased $72.5 million, due primarily to increases in accounts and notes receivable attributable to higher sales than the fourth quarter of 1996. Total current liabilities increased $30.7 million, due primarily to increases in accounts payable and accrued income taxes.

The Company has substantial capital resources to support projected internal cash needs and additional acquisitions consistent with management's goals and objectives. In addition, the Company has the availability of short-term uncommitted credit from several banks. There was no short-term bank debt outstanding at quarter-end, or at year-end.

Results of Operations

The Company's continuing growth resulted in record sales of $673.2 million in the first quarter of 1997. Earnings per share for the quarter were a record $.51 per share. Compared with the first quarter of 1996, earnings per share increased 21% on a 14% increase in sales.

Sales growth reflected ongoing benefits from acquisitions and improved performance in many existing operations. Acquisitions continued to account for more of the Company's sales growth than other factors. The balance of the sales growth primarily reflected increases in unit volumes, as the Company was able to refrain from raising prices on most products.

Earnings per share grew faster than sales, reflecting year-to-year improvement in profit margins. The following table shows various measures of earnings as a percentage of sales in the first quarters of the last two years. It also shows the effective income tax rates and the coverage of interest expense by pre-tax earnings plus interest.

	Quarter Ended March 31, 1997	Quarter Ended March 31, 1996
Gross profit margin	25.3%	24.5%
Pre-tax profit margin	11.6	10.4
Net profit margin	7.2	6.4
Effective income tax rate	38.0	38.6
Interest coverage ratio	11.8x	8.9x

The net profit margin of 7.2% in this year's first quarter compares favorably with 1996 margins of 6.4% in the first quarter and 6.9% for the full year (excluding non-recurring costs). The sustained improvement in the net profit margin was primarily due to enhanced operating efficiencies. Most of this improvement is reflected in the increase in the gross profit margin for the quarter. Reduced interest expense, other expenses (net of other income), and a modestly lower effective income tax rate also contributed to the increase in the net margin.

Consistent cash flow, a prudent capital policy and long-term growth have allowed the Company to sustain a 26-year record of increasing dividends. In March 1997, shareholders received first quarter dividends at a new quarterly rate of $.13 per share. This dividend was 8% higher than the previous quarterly rate and 18% above the dividend for the first quarter of 1996.

Statements of Financial Accounting Standards Not Yet Adopted

Statement of Financial Accounting Standards No. 128, which will be effective for the fourth quarter of 1997, establishes new standards for reporting earnings per share. The new standard requires dual presentation of basic (no dilution) and diluted (assuming full dilution) earnings per share. The earnings per share under the new standard will not be significantly different than what is currently being reported.

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES

During the first quarter of 1997 the Company issued 79,895 shares of its common stock in a transaction 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 Die Cast Products, Inc. on March 27, 1997. The shares were issued to the shareholders of that company.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) Exhibit 11 - Computations of Earnings Per Share

Exhibit 27 - Financial Data Schedule

(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 6, 1997

By: /s/ HARRY M. CORNELL, JR.

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

DATE: May 6, 1997

By: /s/ MICHAEL A. GLAUBER

Michael A. Glauber
Senior Vice President,
Finance and Administration

EXHIBIT INDEX

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LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES Exhibit 11

COMPUTATIONS OF EARNINGS PER SHARE

(Amounts in millions, except per share data)

	Three Months Ended March 31,	
	1997	1996
EARNINGS PER SHARE		
Weighted average number of common shares outstanding	92.3	88.9
Dilution from outstanding stock options-computed using the "treasury stock" method	2.4	1.3
Weighted average number of common shares outstanding as adjusted	94.7	90.2
Net Earnings	$ 48.4	$ 37.7
Earnings Per Share	$ .51	$ .42

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MAR-31-1997
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