

Engineered Products

MANUFACTURING SOLUTIONS

RESIDENTIAL FURNISHINGS

COMMERCIAL FURNISHINGS

ALUMINUM PRODUCTS

INDUSTRIAL MATERIALS

SPECIALIZED PRODUCTS

Leggett & Platt
1998 ANNUAL REPORT

Profile

Leggett & Platt is a leading manufacturer of engineered products serving several major markets. Sales and production are focused on:

- Residential Furnishings – components for bedding, furniture and other residential furnishings, plus select consumer products

- Commercial Furnishings – office and institutional furnishings components, retail store fixtures, displays and other commercial products and systems

- Aluminum Products – die castings, custom tooling and dies, machining, coating and other value added processes, aluminum raw materials

- Industrial Materials – drawn wire, specialty wire products, welded steel tubing

- Specialized Products – automotive seating suspension, lumbar support and control cable systems, specialized machinery and manufacturing equipment.

Leggett & Platt was founded by two partners in 1883. Today, it is a FORTUNE® 500 company with approximately 27,000 employee-partners and facilities throughout North America and in numerous international locations. Leggett's common stock is listed on the New York and Pacific Stock Exchanges with the symbol LEG.

Contents

Chairman's Special Message	1
Financial Highlights	3
To Our Shareholders	4
Maintaining Momentum	6
Financial Reports and Review	20
Stock Market and Ownership Data	49
Directors and Officers	50
Corporate Information	52

Chairman's Special Message



Dear Fellow Shareholders:

Leggett is well prepared for the executive management succession we reviewed in last year's annual report. Our plans continue to anticipate Felix Wright, President, succeeding me as Chief Executive Officer in May 1999. David Haffner, Executive Vice President, will succeed Felix as Chief Operating Officer.

My intentions remain unchanged and anticipate ongoing service as Chairman of the Board. This intention assumes, of course, continued support of fellow shareholders, board members and management, plus the good health I have been blessed with all my life.

Serving in this position, I plan to remain reasonably active in Leggett's business affairs for several years, as long as I can make a solid contribution.

I have greatly enjoyed serving as Leggett's Chief Executive Officer for 39 years. My personal rewards over this period are immeasurable. They extend far beyond financial terms and my continuing investment in Leggett stock, to countless business relationships and priceless personal friendships – worldwide. Seeing our shareholders everywhere, including Leggett partners, many of our customers and a wide range of other investors, benefit from the company's financial success as shareholders is particularly gratifying.

Looking ahead, I believe it is very important to keep in mind a favorite quote framed in my office: "Success is founded on a constant state of discontentment interrupted by brief periods of satisfaction on the completion of a job particularly well done." Most of the credit for Leggett's success belongs to our employee-partners – the people in all Leggett companies who work together to consistently produce outstanding performance. These partners include the men and women working with us today, plus many in past generations. To all of them and their families, I extend my most sincere thanks for their hard work and dedication. I also sincerely thank our customers – we appreciate every opportunity to serve their needs.

Long-term shareholders, customers and employee-partners know of my absolute dedication to Leggett and its success. As we approach this transition, I urge all Leggett partners to remain focused on only the best in performance, for every customer. We must anticipate, meet and, whenever possible, exceed their expectations in every respect.

Leggett is positioned to achieve continuing success. We have great opportunities to expand our business in the markets we currently serve and in new markets, while enhancing prospects for profitable growth and shareholder wealth. Our dynamic growth strategy has proven successful in the last four decades and will sustain us in the new millennium. We have substantial capital resources and a group of employee-partners second to none – in place and committed to improving performance and serving our customers. Together, in our teamwork tradition, we will make it happen. We have high expectations and anticipate an exciting and rewarding future.

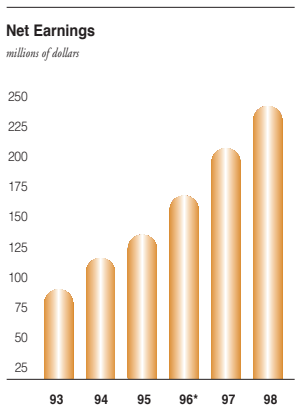
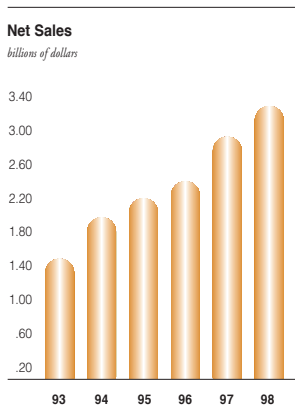
Sincerely,

A handwritten signature in cursive script that reads "Harry M. Cornell, Jr." in dark ink.

Harry M. Cornell, Jr.



The teamwork spirit and inventive heritage of the people of Leggett & Platt are symbolized in the sculpture, *Partners In Progress*. To encourage these values and preserve them for future generations, a larger-than-life-size version of the sculpture stands outside the home office in Carthage, Missouri.



Financial Highlights

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

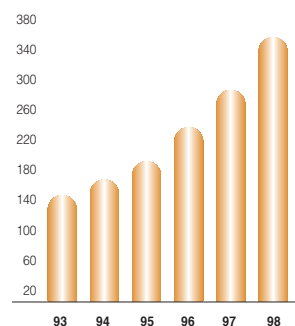
(Dollar amounts in millions, except per share data)

Year ended December 31	1998	1997	% Change
Net sales	\$3,370.4	\$2,909.2	15.9%
Earnings before interest and income taxes	429.1	362.5	18.4
Net earnings	248.0	208.3	19.1
Cash provided by operating activities	354.9	288.3	23.1
Earnings per share			
Net earnings – basic	\$ 1.25	\$ 1.09	14.7%
Net earnings – diluted	1.24	1.08	14.8
Cash dividends declared per share	.315	.27	16.7
Book value per share	7.27	6.09	19.4
Pre-tax profit margin			
	11.7%	11.5%	
Net profit margin			
	7.4	7.2	
Return on average shareholders' equity			
	19.0	19.7	
Long-term debt as a percent of total capital			
	26.9	26.9	
Return on average total capital			
	14.1	14.5	
Average shares outstanding (in millions)			
Basic	197.7	190.3	
Diluted	200.7	193.2	

Previously reported share and per share data have been restated to reflect a two-for-one stock split distributed on June 15, 1998.

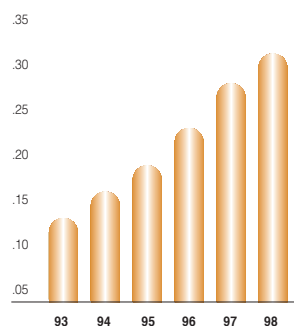
Cash Provided by Operating Activities

millions of dollars



Dividends Per Share

dollars



*See note (1) to Financial Data on page 22.

To Our Shareholders

*“We maintain high,
but attainable goals.”*



Harry M. Cornell, Jr., standing, Chairman of the Board and Chief Executive Officer; Felix E. Wright, seated, President and Chief Operating Officer

Leggett grew at double-digit rates in 1998, making this our seventh consecutive record year. Compared to 1997, highlights are:

- sales, up 15.9%
- net earnings, up 19.1%
- operating cash flow, up 23.1%.

This progress confirms the merits of our balanced and aggressive strategy. By continuing to couple internal growth initiatives with an active acquisition program, we are strengthening Leggett’s potential in major markets for residential furnishings, commercial furnishings, aluminum products, industrial materials, and other specialized products.

Strong cash flow provides substantial funds for internal improvements and expansions, as well as acquisitions. We also continuously maintain a strong financial position to make additional funds available for expansion as needed. The resulting financing flexibility fuels our dual approach to achieve consistent performance and profitable growth.

Numerous acquisitions completed during the last two years accounted for roughly three-quarters of Leggett’s 1998 growth. Internal initiatives accounted for the balance, as many operations continued to achieve excellent and sustained improvements in sales and efficiencies, hence earnings and cash flow. Opportunities in two major growth areas – our aluminum and commercial fixtures and display operations – merit special comment.

The 1998 performance of our aluminum business reflected disappointing sales of components for gas barbecue grills to a large customer, as well as inefficiencies in a few locations. Also, we chose to reduce production at our smelting and refining mills in response to sharply lower market prices and reduced availability of certain grades of aluminum scrap. We have temporarily slowed acquisition efforts in aluminum to better concentrate on implementing expected sales improvements and efficiencies in 1999 and beyond.

We are pleased with the 1998 growth and performance of our family of commercial furnishings companies which are rapidly becoming a “one-stop, one-shop” resource for store fixtures, point-of-purchase displays and material handling systems. Through acquisitions over the past 14 months, we increased annualized sales in this area by approximately

*“Leggett is well positioned
for the future.”*

\$140 million. These expansions added two key product lines and a Canadian location for manufacturing an existing product line. We foresee continued rapid growth of our fixtures and display operations, both internally and through ongoing acquisitions.

We maintain high, but attainable goals. Our objectives for long-term growth in sales and earnings remain at 15% compounded annually. Over the last ten years, Leggett achieved compound annual growth rates of 14.6% in sales and 20.7% in net earnings.

Strong cash flow, our conservative capital policy and the success of our growth strategy have allowed Leggett to sustain an exceptional 28-year record of increasing shareholder dividends. Earlier this month, the Board of Directors increased the quarterly dividend to \$.09 per share, a current indicated annual rate of \$.36 per share. This indicated rate is 14.3% higher than dividends declared in 1998. Over the last 28 years, Leggett’s quarterly dividend has grown at a 15.3% compound annual rate.

During the past month, we repurchased 1.1 million shares of Leggett stock on the open market, primarily to replace shares issued in purchase acquisitions. We may also repurchase shares issued in the future for acquisitions accounted for as purchases, or for use in employee benefit plans.

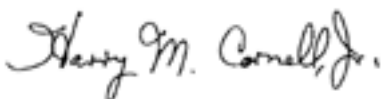
Long-term, we believe Leggett can continue to achieve acquisition growth of approximately 10% compounded annually. Three businesses have already joined us as acquisition partners this year, enhancing our presence in markets for residential furnishings and specialized products. We are actively pursuing other attractive candidates to further enhance sales and earnings throughout our growing family of Leggett companies.

Leggett is well positioned for the future. We agree with forecasters who are anticipating modest expansion in our domestic economy. Strong consumer confidence and a healthy U.S. economy should contribute to good business for our customers and for Leggett.


We encourage all Leggett partners to remain focused on improving performance. Providing the best in service and solutions for customers will always be a top priority, along with our constant commitment to enhancing shareholder value. We maintain a positive outlook, dedicated to achieving continued success.

As always, we invite questions or comments about Leggett at any time.

Sincerely,



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



Felix E. Wright
President and Chief Operating Officer

February 26, 1999



Maintaining Momentum

*“Interaction and support
contributes to greater efficiencies.”*

Leggett & Platt is maintaining momentum for an exciting future with great opportunities in manufacturing, marketing and distributing a wide range of engineered products. These engineered products – sold in carefully selected targeted markets – include:

- Residential Furnishings
- Commercial Furnishings
- Aluminum Products
- Industrial Materials
- Specialized Products.

Expansive potential stems from the vast size and growth of markets served, as well as Leggett’s dedication to an increased market presence through internal and acquisition growth. Potential yearly sales in Leggett’s major markets currently exceed \$50 billion in North America alone.

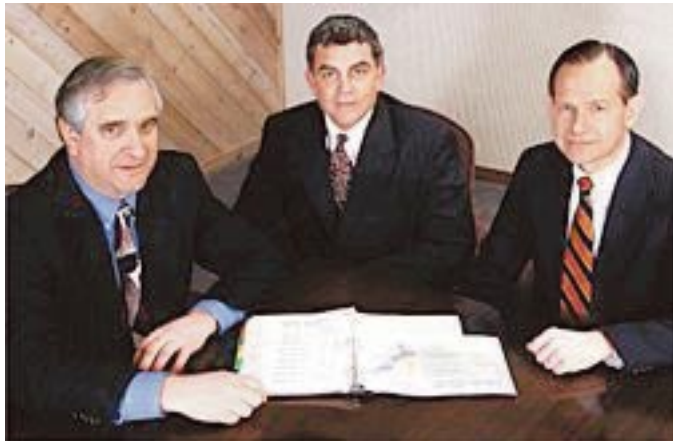
Leggett is pursuing additional opportunities internationally, although sales outside of North America currently remain a small percentage of annual volume. Several European businesses have been acquired in recent years, and a small operation in China is producing proprietary products for bedding manufacturers there. International growth, like that achieved in North America, will be methodical and carefully planned to complement existing Leggett operations.

Customers served are wide-ranging, including a vast number of manufacturers, retailers, distributors and institutions. Serving their needs as an efficient low cost producer of high quality products, delivered when

Engineered Products

MANUFACTURING SOLUTIONS

“Additional advantages are derived from Leggett’s strategic diversification.”



Executive management team members shown, left to right, are: Michael Glauber, senior vice president – finance and administration; David Haffner, executive vice president; and Robert Jefferies, senior vice president – mergers, acquisitions and strategic planning.

and where needed, are top priorities. While Leggett products are engineered to be used by people every day, they often are unseen. They may be various kinds of advanced components, materials and equipment that manufacturer-customers use to make their branded products. Other Leggett companies design and produce state-of-the-art store fixtures, point-of-purchase displays, storage and material handling systems, plus select lines of sleep-related furniture and other consumer products.

Through consistent performance and a constant focus on the fundamentals of success, Leggett seeks recognition as the best, most dependable supplier to a substantial customer base. Key fundamentals are built on cornerstones of:

- leadership strengths
- responsibilities to customers
- dedicated Leggett partners.

Recognized Leadership

Being substantially invested in Leggett stock, an evolving and ever-stronger management team has developed and continuously refined, over four decades, a balanced strategy to enhance Leggett’s prospects for profitable growth. The strategy has proven successful, resulting in excellent and sustained advancements.

During the past year, FORTUNE® magazine twice recognized Leggett’s progress and industry leadership. In April 1998, Leggett was highlighted as one of 35 “newcomers” to the FORTUNE® rankings of the 500 largest U.S. manufacturing and service companies. The rankings, based on 1997 financial results, placed Leggett in the top 100 in three performance measures:

- 55th in 1997 net earnings as a percent of total assets
- 69th in 10-year total return to investors
- 85th in 10-year growth of earnings per share.



Maintaining Momentum

“Responsibilities to customers and shareholders require a constant commitment to improving performance—in all Leggett companies.”

Additional positions show Leggett in the top 200 – 166th in net profit margin and 169th in return on shareholders’ equity. Leggett’s 1997 revenues of \$2.91 billion ranked 481.

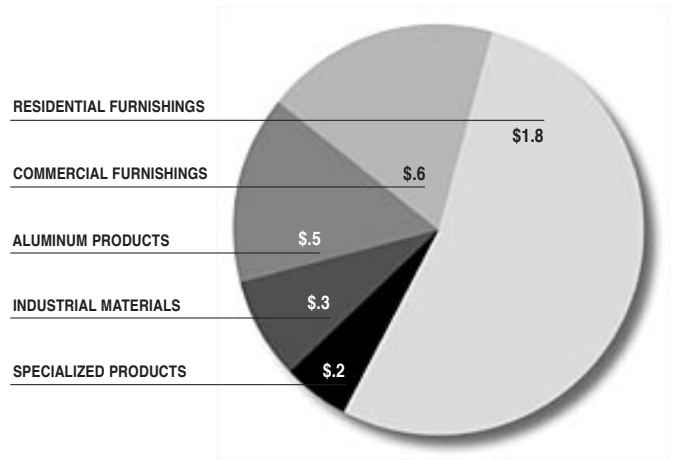
The second FORTUNE® study, published in 1999, ranks Leggett in the top 5% of “America’s Most Admired Companies.” More than 10,000 executives, directors and securities analysts judged companies on innovativeness, quality of management, employee talent, quality of products/services, long-term investment value, financial soundness, social responsibility and use of corporate assets. Only 22 of 469 companies had higher composite scores than Leggett.

Expanding Responsibilities

Responsibilities to customers and shareholders require a constant commitment to improving performance – in all Leggett companies. Thus, ongoing team efforts remain focused on innovation and technologies that benefit customers and Leggett, resulting in:

- new, improved and proprietary products
- advanced machinery and enhanced productivity
- quality and continuous improvement.

Strong acquisition team efforts result in similar benefits. Acquisitions add new and complementary products, access to more markets and advanced technologies. They also may strengthen Leggett’s presence in existing markets, while adding talent and experience to the Leggett team of employee-partners. In addition, many acquisitions add diversity to Leggett’s business, helping reduce



1998 Sales \$3.4 Billion

LEGGETT / S&P 500

Compound Annual Growth Rates

Earnings Per Share	1967 to 1998	1988 to 1998
LEGGETT	15.7%	16.5%
S&P 500	6.6%	5.1%
Stock Price Appreciation		
LEGGETT	20.0%	22.2%
S&P 500	8.6%	16.0%

exposure to cyclical trends in specific industries.

Acquisition ideas, contacts with acquisition candidates and transitions of acquired businesses into the family of Leggett companies are responsibilities shared by senior management, operating executives and other supporting team members. The success achieved in acquiring businesses over four decades has made the acquisition process itself one of Leggett's core competencies.

Additional advantages are derived from Leggett's strategic diversification. Many operations have sales, production and other processes that extend across Leggett businesses and product lines, thereby supporting each other and the company as a whole. This interaction and support contributes to greater efficiencies, better systems and controls, with higher utilization of materials and equipment—hallmarks in the Leggett culture difficult for others to duplicate.

Partnership Spirit

Anticipating profitable growth, management has consistently encouraged Leggett partners to invest in Leggett stock through employee benefit plans. This broadly based ownership creates a common interest between employee-partners and other shareholders that works to the advantage of all. Over the years, returns on the stock have reflected the success of management's strategy, rewarding shareholders through attractive long-term price appreciation.

Since becoming a public company in 1967, and during the past 10 years, Leggett's earnings growth and stock price appreciation has been favorable compared to the S&P 500, a widely recognized and diversified index of large companies, shown above.

The people of Leggett & Platt are the company's greatest asset. Working together, in a spirit of partnership, they are dedicated to achieving outstanding results. Customers, shareholders, suppliers and others will continue to benefit from their dedication to success – today, tomorrow and in the new millennium.

Residential Furnishings

Recent Acquisitions

In 1998 and the first two months of 1999, eight businesses joined the Leggett family of companies producing Residential Furnishings. These acquisitions expanded Leggett's annualized sales by approximately \$140 million, strengthening opportunities for future growth in earnings, cash flow and enhanced shareholder value. Six of the businesses are in the United States, one is in Canada and one is in Europe.

Leggett sofa sleeper mechanisms are designed and produced for manufacturers of dual purpose furniture.



Advanced recliner chair mechanisms and other Leggett components add comfort and value to upholstered furniture.



Leggett's slip resistant coated fabrics hold area rugs in place, while its complete line of carpet underlay cushions floors.



Adjustable beds, bed frames, headboards and fashion beds are included among Leggett's wide range of products.



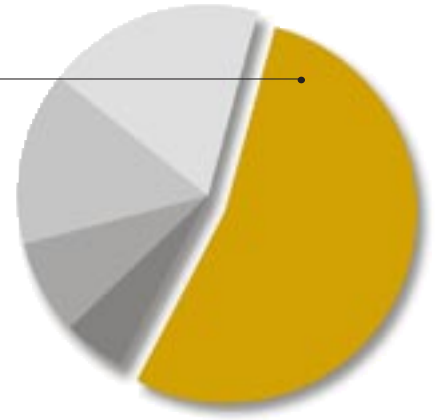
Mattress innersprings, insulators, cushioning materials and non-fashion fabrics are key components bedding manufacturers buy from Leggett.



Bedding manufacturers can buy their requirements for box spring components from Leggett.

1998 SALES

\$1.8 BILLION



Residential Furnishings

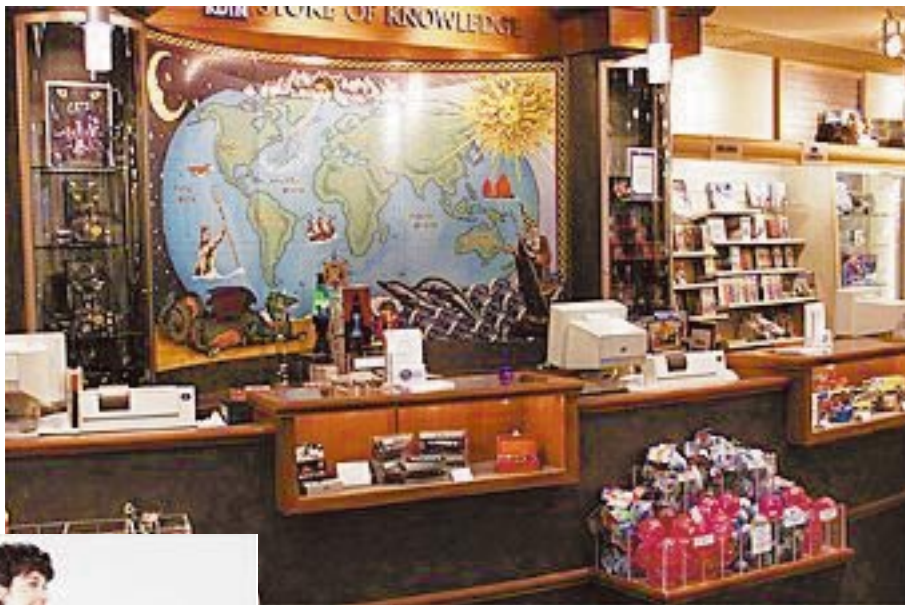
Manufacturers of today's superior bedding sets can buy most of their component requirements from Leggett & Platt. Advanced residential furniture components, plus select lines of finished home furnishings and consumer products have been added to product lines over the years. Customers for these products include a wide range of manufacturers, distributors, retailers and institutions.

Commercial Furnishings

Recent Acquisitions

In 1998 and the first two months of 1999, five businesses joined the Leggett family of companies producing Commercial Furnishings. These acquisitions expanded Leggett's annualized sales by approximately \$140 million, strengthening opportunities for future growth in earnings, cash flow and enhanced shareholder value. Four of the businesses are in the United States and one is in Canada.

Leggett companies design and build custom, semi-custom and standardized shelving systems for a wide range of store applications.



Specialty retailers depend on Leggett for unique store fixtures made of wood, plastic, laminates, veneer, steel, alloys, tubing and wire.



Innovative chair controls, metal columns and bases, seating constructions and components for modular panel systems are designed, produced and sold by several Leggett companies.



Point-of-purchase displays people see every day may be designed and produced by a Leggett company.

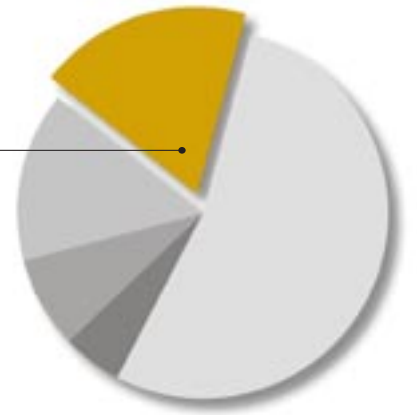


Leggett's storage and material handling systems satisfy customers' requirements for efficient space utilization.



1998 SALES

\$623 MILLION



Commercial Furnishings

Creative, value adding store fixtures, point-of-purchase displays, storage and material handling systems are included in Leggett's lines of commercial furnishings. Customers include a multitude of retailers, brand-name packagers of consumer products, companies in the food service and health care industries and others. Manufacturers of office and institutional furnishings and additional commercial products buy a wide range of Leggett components designed for their needs.

Aluminum Products

Recent Acquisitions

In 1998 and the first two months of 1999, three businesses joined the Leggett family of companies producing Aluminum Products. These acquisitions expanded Leggett's annualized sales by approximately \$35 million, strengthening opportunities for future growth in earnings, cash flow and enhanced shareholder value. All of these businesses are in the United States.

Leggett's smelting and refining operations produce scrap based aluminum ingot.



Manufacturers of gas barbecue grills use Leggett aluminum die castings and other components to make their finished products.



Some Leggett die castings are components in wireless communications networks.



Electric motors may have aluminum die cast components made by Leggett.



Manufacturers of small to midsize gasoline engines buy aluminum die castings from Leggett.



Custom castings made by Leggett are key components of this motorcycle.

1998 SALES
\$501 MILLION



Aluminum Products

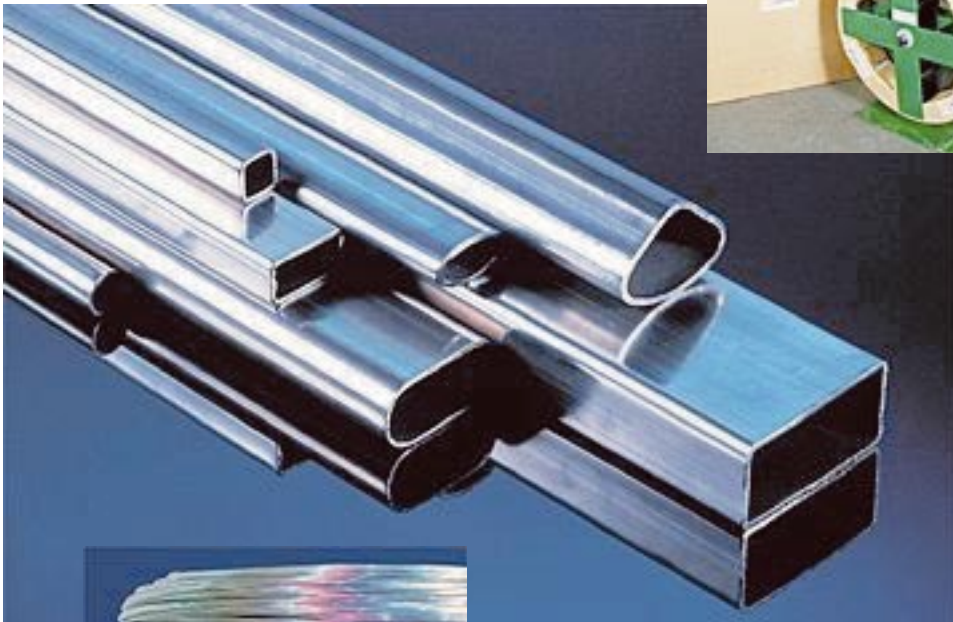
Leggett is North America's leading independent manufacturer of aluminum die castings, primarily for non-automotive customers that make consumer products, telecommunications and electrical equipment, plus other industrial products. Aluminum smelting and refining operations produce raw materials for Leggett's use in die casting and for sale to other manufacturers of aluminum products. Custom tooling and dies, machining, coating and other value added processes also are offered.

Industrial Materials

Recent Acquisitions

In 1998 and the first two months of 1999, one business joined the Leggett family of companies producing Industrial Materials. This acquisition expanded Leggett's annualized sales by approximately \$25 million, strengthening opportunities for future growth in earnings, cash flow and enhanced shareholder value. This business is in the United States.

Wire tying heads and specialty wire Leggett manufactures are used to bale recyclable materials.



Leggett manufactures lumbar support and automotive seating systems.



Several wire mills draw wire for a wide range of customers and Leggett's use.



Welded steel tubing made by Leggett is a component of this bicycle.



Some Leggett customers buy wire designed specifically for packaging cotton bales.

1998 SALES
\$270 MILLION



Industrial Materials

Some Leggett companies produce industrial materials for a wide range of customers and Leggett, as well. Drawn steel wire and welded steel tubing are manufactured in several strategic locations. Additional operations produce specialty wire products, including wire ties used in packaging cotton bales and wire for baling solid waste. Tying heads are manufactured for sale to customers who also buy baling wire.

Specialized Products

Recent Acquisitions

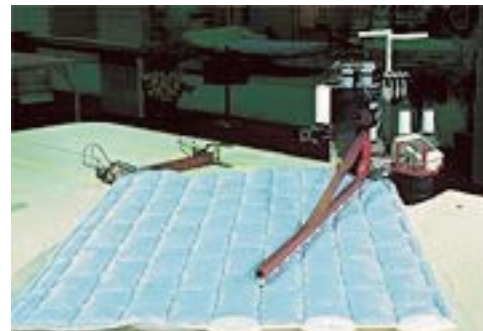
In 1998 and the first two months of 1999, three businesses joined the Leggett family of companies producing Specialized Products. These acquisitions expanded Leggett's annualized sales by approximately \$30 million, strengthening opportunities for future growth in earnings, cash flow and enhanced shareholder value. These businesses are in the United States.

State-of-the-art quilting machines are designed, produced and sold by Leggett.



Leggett manufactures lumbar support and automotive seating systems.

Several Leggett companies design and build specialized equipment for bedding manufacturers.





New and improved machinery and equipment enhance productivity for customers and for Leggett, as well.

1998 SALES

\$176 MILLION



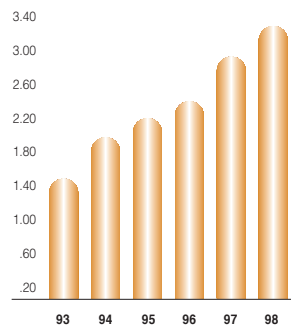
Specialized Products

Leggett companies producing specialized products offer seating suspension, lumbar support and control cable systems to manufacturers supplying the automotive industry – worldwide. Leggett’s machinery and technology companies also are recognized as international leaders in the design and building of machinery and equipment, primarily for bedding and furnishings manufacturers and for many Leggett operations.

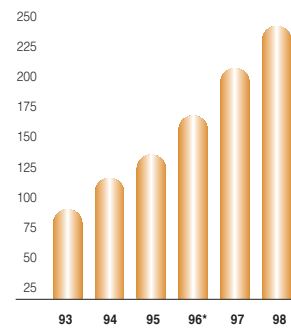
Financial Reports and Review

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

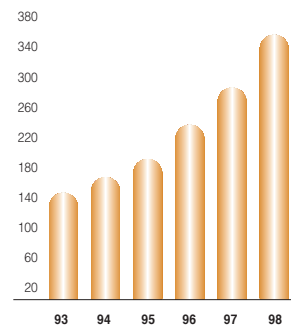
Net Sales
billions of dollars



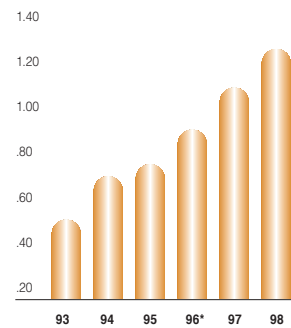
Net Earnings
millions of dollars



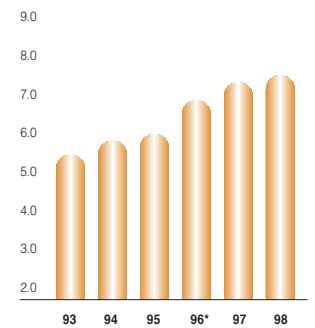
Cash Provided by Operating Activities
millions of dollars



Earnings Per Share – Diluted
dollars



Net Profit Margin
percent



Financial Data 1998 - 1988 **22**

Management's Discussion and Analysis of

Financial Condition and Results of Operations **24**

Audited Financial Statements

Report of Independent Accountants **30**

Consolidated Statements of Earnings **31**

Consolidated Balance Sheets **32**

Consolidated Statements of Cash Flows **34**

Consolidated Statements of Changes in Shareholders' Equity **35**

Notes to Consolidated Financial Statements **36**

Unaudited Financial Information

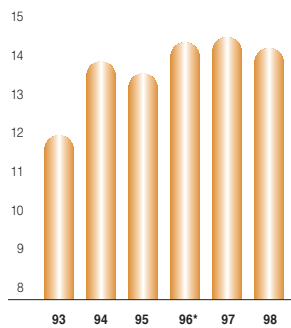
Disclosures About Market Risk **47**

Quarterly Summary of Earnings **48**

Selected Financial Data **48**

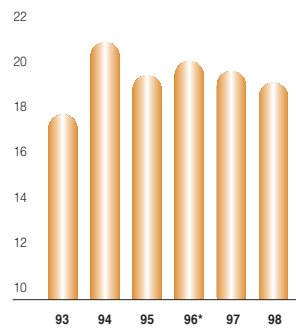
Return on Average Total Capital

percent



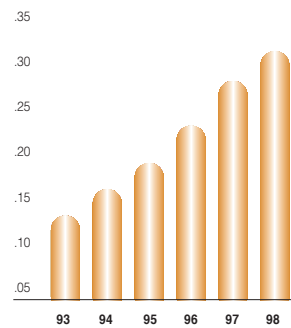
Return on Average Shareholders' Equity

percent



Dividends Per Share

dollars



*See note (1) to Financial Data on page 22.

Financial Data 1998 - 1988

LEGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Dollar amounts in millions, except per share data)

	1998	1997	1996
Summary of Operations			
Net sales	\$3,370.4	\$2,909.2	\$2,466.2
% change	15.9%	18.0%	9.3%
Gross profit	871.5	737.8	623.5
Interest expense	38.5	31.8	30.0
Earnings from continuing operations before income taxes and non-recurring costs ⁽¹⁾	395.6	333.3	276.3
Net earnings before non-recurring costs ⁽¹⁾	248.0	208.3	169.4
% change	19.1%	23.0%	26.1%
Net earnings	248.0	208.3	140.5
Common Stock Data ⁽⁵⁾			
Earnings per share			
Net earnings before non-recurring costs - basic ⁽¹⁾	\$ 1.25	\$ 1.09	\$.94
Net earnings before non-recurring costs - diluted ⁽¹⁾	1.24	1.08	.92
% change	14.8%	17.4%	22.7%
Net earnings - basic	1.25	1.09	.78
Net earnings - diluted	1.24	1.08	.77
Cash dividends declared per share	.315	.27	.23
Average number of shares outstanding			
Basic	197.7	190.3	181.1
Diluted	200.7	193.2	183.7
Year-End Financial Position			
Working capital	\$ 735.7	\$ 572.1	\$ 470.5
Property, plant and equipment, net	820.4	693.2	582.9
Total assets	2,535.3	2,106.3	1,712.9
Long-term debt	574.1	466.2	388.5
Shareholders' equity	1,436.8	1,174.0	941.1
Total capital ⁽²⁾	2,133.9	1,733.8	1,420.1
Other Financial Data, Profit Measures and Ratios			
Earnings before net interest expense, taxes and non-recurring costs ⁽¹⁾	\$ 429.1	\$ 362.5	\$ 304.2
Earnings before net interest expense, taxes, depreciation, amortization and non-recurring costs ⁽¹⁾	557.0	468.1	396.4
Net cash provided by operating activities	354.9	288.3	238.1
Capital expenditures	147.6	119.4	96.2
Depreciation	106.1	88.3	75.8
Amortization	21.8	17.3	16.4
PERCENTAGES			
Net profit margin before non-recurring costs ⁽¹⁾	7.4	7.2	6.9
Return on average shareholders' equity ⁽¹⁾	19.0	19.7	20.1
Return on average total capital ^{(1) (3)}	14.1	14.5	14.3
Long-term debt as % of total capital	26.9	26.9	27.4
RATIOS			
Net sales/average working capital ⁽⁴⁾	5.5	5.6	5.7
Net sales/average total assets	1.5	1.5	1.5

(1) 1996 amounts exclude merger related costs of \$26.6 pre-tax and \$16.4 after-tax, or \$.09 per basic and diluted share, and an extraordinary item of \$12.5 after-tax, or \$.07 per basic and diluted share. A restructuring charge of \$20.3 pre-tax and \$14.3 after-tax, or \$.10 per basic share and \$.09 per diluted share is excluded from 1990.

(2) Total capital includes long-term debt, deferred taxes, other long-term liabilities and shareholders' equity.

(3) This percentage is computed by adding the after-tax interest expense to net earnings and then dividing the sum by average total capital.

(4) For the purpose of this ratio, average working capital excludes cash and cash equivalents.

(5) Previously reported share and per share data have been restated to reflect a two-for-one stock split distributed on June 15, 1998.

1995	1994	1993	1992	1991	1990	1989	1988
\$2,256.9	\$2,009.1	\$1,526.7	\$1,315.0	\$1,221.4	\$1,231.3	\$1,117.4	\$859.3
12.3%	31.6%	16.1%	7.7%	(.8%)	10.2%	30.0%	26.6%
534.9	471.7	348.4	300.7	260.9	262.4	239.3	174.5
30.4	26.0	10.2	13.5	19.9	23.1	20.5	10.7
220.6	196.3	140.4	107.2	65.2	73.1	81.5	60.5
134.3	119.5	85.6	65.8	39.5	44.5	48.9	37.7
12.4%	39.6%	30.1%	66.6%	(11.2%)	(9.0%)	29.7%	(2.6%)
134.3	119.5	85.6	65.8	39.5	30.2	48.9	37.7
\$.76	\$.69	\$.53	\$.42	\$.27	\$.30	\$.34	\$.27
.75	.68	.52	.41	.26	.30	.33	.27
10.3%	30.8%	26.8%	57.7%	(13.3%)	(9.1%)	22.2%	0.0%
.76	.69	.53	.42	.27	.21	.34	.27
.75	.68	.52	.41	.26	.20	.33	.27
.19	.155	.135	.115	.11	.105	.095	.08
177.3	173.2	160.2	155.9	146.8	146.3	144.1	138.3
179.7	175.7	164.6	160.8	157.1	156.2	154.1	148.2
\$ 411.5	\$ 353.6	\$ 297.8	\$ 237.9	\$ 233.6	\$ 236.9	\$ 203.8	\$167.1
510.6	440.7	353.4	259.7	263.4	255.7	240.3	207.4
1,478.1	1,327.0	1,080.1	772.5	746.7	768.8	662.6	567.2
380.6	364.1	306.1	147.9	232.7	269.4	205.0	164.5
746.8	628.3	514.6	442.1	346.3	316.4	294.5	255.1
1,203.0	1,060.4	892.5	631.5	621.0	626.8	535.2	451.6
\$ 249.2	\$ 220.2	\$ 148.4	\$ 118.0	\$ 84.1	\$ 95.0	\$ 100.4	\$ 69.5
327.2	286.8	193.7	160.6	125.5	134.3	132.6	95.5
187.8	171.9	145.7	100.4	103.0	69.0	64.1	48.0
106.8	97.1	54.2	35.8	36.5	45.1	31.2	37.3
62.6	52.5	39.1	36.5	34.6	32.8	28.1	22.6
15.4	14.1	6.2	6.1	6.8	6.5	4.1	3.4
6.0	5.9	5.6	5.0	3.2	3.6	4.4	4.4
19.5	20.9	17.9	16.7	11.9	14.6	17.8	16.0
13.5	13.9	12.0	11.8	8.3	10.1	12.4	11.6
31.6	34.3	34.3	23.4	37.5	43.0	38.3	36.4
6.0	6.2	5.8	5.8	5.4	5.7	6.1	6.4
1.6	1.7	1.6	1.7	1.6	1.7	1.8	1.8

Management's Discussion and Analysis of Financial Condition and Results of Operations

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

Previously reported share and per share amounts have been restated for a June 15, 1998 two-for-one stock split.

CAPITAL RESOURCES AND LIQUIDITY

The Company's financial position reflects management's capital policy guidelines. These guidelines are intended to ensure that corporate liquidity is adequate to support the Company's projected growth rate. Also, liquidity is necessary so that financing of the Company's ongoing operations will be adequate in periods of economic adversity. In a normal operating environment, management intends to direct capital to strategic acquisitions and other investments that provide opportunities for expansion and enhanced profitability.

The expansion of capital resources – debt and equity – is planned to allow the Company to take advantage of favorable capital market conditions, rather than respond to short-term needs. Such financial flexibility is considered more important than short-term maximization of earnings per share through excessive leverage. Therefore, management continuously provides for available credit in excess of near-term projected cash needs and has maintained a guideline for long-term debt as a percentage of total capitalization in a range of 30% to 40%.

TOTAL CAPITALIZATION

The following table shows the Company's total capitalization at the end of the three most recent years. Also, the table shows the amount of unused committed credit available through the Company's revolving bank credit agreements and the amount of cash and cash equivalents at the end of the three most recent years.

<i>(Dollar amounts in millions)</i>	1998	1997	1996
Long-term debt outstanding:			
Scheduled maturities	\$ 574.1	\$ 402.9	\$ 332.4
Average interest rates	6.6%	6.8%	7.7%
Average maturities in years	6.2	6.6	7.0
Revolving credit/commercial paper	–	63.3	56.1
Total long-term debt	574.1	466.2	388.5
Deferred income taxes and other liabilities	123.0	93.6	90.5
Shareholders' equity	1,436.8	1,174.0	941.1
Total capitalization	\$2,133.9	\$1,733.8	\$1,420.1
Unused committed credit	\$ 300.0	\$ 240.0	\$ 215.0
Cash and cash equivalents	\$ 83.5	\$ 7.7	\$ 3.7

Cash provided by operating activities was \$354.9 million, \$288.3 million and \$238.1 million for 1998, 1997 and 1996, respectively, or a three year total of \$881.3 million. The increase in cash provided by operating activities principally reflects earnings improvements.

Long-term debt outstanding was 26.9% of total capitalization at the end of 1998 and 1997 and 27.4% at the end of 1996. As shown in the table above, obligations having scheduled maturities are the base "layer" of the Company's debt capital. At the end of 1998, these obligations consisted primarily of the Company's privately placed medium-term notes and tax-exempt industrial development bonds. In the first and second quarters of 1998, the Company issued a total of \$176 million in medium-term notes. Proceeds from the notes were used to repay commercial paper outstanding and to provide financing for future growth at favorable rates. A portion of the financing for future growth is temporarily held in cash and cash equivalents at December 31, 1998. In the second quarter of 1998, the Company's senior debt rating was upgraded to single A+ from single A by Standard & Poor's.

In the second quarter of 1997, the Company issued \$100 million of medium-term notes to repay commercial paper outstanding. In June 1996, the Company also issued \$100 million in medium-term notes. Proceeds from these notes provided a majority of the funds required to redeem, at 113% of par value, all of the Pace Holdings, Inc. (Pace) publicly owned senior notes that were to mature in almost seven years and had fixed interest rates of 10.625%. Funds required to refinance the balance of the senior notes and Pace's revolving credit initially were provided through the Company's revolving credit/commercial paper arrangements. In August 1996, the Company issued \$25 million in medium-term notes to repay a portion of revolving credit/commercial paper outstanding.

The second "layer" of the Company's debt capital consists of revolving bank credit agreements and commercial paper issuances. Management has negotiated bank credit agreements and established commercial paper programs to continuously support the Company's projected growth and to maintain highly flexible sources of debt capital. The credit under these

arrangements has been a long-term obligation. If needed, however, the credit is available for short-term borrowings and repayments. At the end of 1998, the Company had no revolving credit or commercial paper outstanding. Additional details of long-term debt, including scheduled maturities, revolving credit and commercial paper are discussed in Note F of the Notes to Consolidated Financial Statements.

USES OF CAPITAL RESOURCES

The Company's internal investments to modernize and expand manufacturing capacity totaled \$363.2 million in the last three years. In 1999, management anticipates internal investments will approximate \$155 million. During the last three years, the Company employed \$378.4 million in cash (net of cash acquired) and issued 24.5 million shares of common stock in acquisitions, including 10.3 million shares in 1996 to acquire Pace. During 1998, seventeen businesses were acquired for \$117.1 million in cash (net of cash acquired) and 2.9 million shares of common stock. About one-half of the 1998 acquisition investments (cash and stock) were made in the Commercial Furnishings segment. Additional details of acquisitions are discussed in Note C of the Notes to Consolidated Financial Statements. Additions, by segment, to property, plant and equipment and purchases of long-lived assets are shown in Note K of the Notes to Consolidated Financial Statements.

Company purchases of its common stock totaled \$13.5 million in 1998, \$5.7 million in 1997, and \$10.1 million in 1996. These purchases were made primarily for employee stock plans, to replace shares issued in purchase acquisitions and to satisfy contractual obligations. In 1998, the Company's Board of Directors authorized management, at its discretion, to buy up to 500,000 shares of Leggett stock for use in employee benefit plans. The authorization is continuously replenished as shares acquired are reissued for these benefit plans. In addition, management is authorized, again at its discretion, to repurchase any shares issued in acquisitions accounted for as purchases.

Cash dividends on the Company's common stock in the last three years totaled \$138.2 million.

Future commitments under lease obligations are described in Note G and contingencies are discussed in Note L of the Notes to Consolidated Financial Statements.

SHORT-TERM LIQUIDITY

Working capital increased \$324.2 million in the last three years. To gain additional flexibility in capital management and to improve the return on shareholders' equity, the Company continuously seeks efficient use of working capital. The following table shows the annual turnover on average year-end working capital, trade receivables and inventories. The ratios may be affected by the timing of the Company's acquisitions.

	1998	1997	1996
Working capital turnover (excluding cash and cash equivalents)	5.5x	5.6x	5.7x
Trade receivables turnover	7.2	7.5	7.8
Inventory turnover	5.4	5.4	5.2

No segment's working capital requirements vary significantly from the consolidated ratios, except Aluminum Products. Aluminum Products' receivables turnover is lower than the other segments due principally to the seasonal nature of its gas barbecue grill business.

Management's Discussion and Analysis of Financial Condition and Results of Operations *(continued)*

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

RESULTS OF OPERATIONS

DISCUSSION OF CONSOLIDATED RESULTS

The results of operations during the last three years reflect various elements of the Company's long-term growth strategy, along with general economic trends and the specific market conditions. The Company's growth strategy continues to include internal initiatives and acquisitions which broaden product lines and provide for increased market penetration and operating efficiencies. With a continuing emphasis on the development of new and improved products and advancements in production technologies, the Company is able to consistently offer high quality products, competitively priced.

Trends in the general economy were very favorable during the last three years. In each year, acquisitions accounted for more of the Company's sales growth than other factors. The balance of the Company's sales growth during this period primarily reflected increases in unit volumes. Aluminum prices decreased in 1998 and, during the latter part of 1998, certain product lines in Residential Furnishings and Industrial Materials were experiencing selling price declines. Residential Furnishings accounted for 39.7% of the 1998 increase in consolidated sales, and Commercial Furnishings accounted for 34.4% of the 1998 increase. In 1997, Residential Furnishings accounted for 42.7% of the consolidated sales increase over 1996 and Commercial Furnishings accounted for 26.3% of the increase.

The following table shows various measures of earnings as a percentage of sales for the last three years. It also shows the effective income tax rate and the coverage of interest expense by pre-tax earnings plus interest.

	1998	1997	1996
Gross profit margin	25.9%	25.4%	25.3%
EBIT (Earnings before interest and taxes) margin			
before non-recurring items	12.7	12.5	12.3
after non-recurring items	12.7	12.5	11.3
Net profit margin			
before non-recurring items	7.4	7.2	6.9
after non-recurring items	7.4	7.2	5.7
Effective income tax rate	37.3	37.5	38.7
Interest coverage ratio	11.3x	11.5x	9.3x

The Company's gross profit margins improved in each of the last two years. The increase in 1998 reflected several favorable factors. These included continued increases in production efficiencies, increased sales of products with above average margins, lower material and other costs and better manufacturing overhead absorption. The EBIT margin also increased due to these factors, offset somewhat by higher selling costs in acquired companies as a percentage of sales. The slight increase in the 1997 gross profit and EBIT margins versus 1996, primarily reflected the Company's continuing sales growth in products with above average margins, increased production efficiencies and better manufacturing overhead absorption. The segment results discussion below identifies specific reasons by segment for changes in margins. Other factors, including a more favorable distribution of income, resulted in a lower effective income tax rate in 1997 compared to the prior year, improving net profit margin.

In 1996, non-recurring costs were associated with the Pace acquisition (Aluminum Products segment) and are discussed in Note C of the Notes to Consolidated Financial Statements.

DISCUSSION OF SEGMENT RESULTS

A description of the products included in each segment, segment sales, segment earnings before interest and taxes (EBIT) and other segment data appear in Note K of the Notes to Consolidated Financial Statements. Following is a comparison of EBIT margins (Segment EBIT divided by Total Segment Sales):

	1998	1997	1996
Residential Furnishings	11.1%	10.8%	10.9%
Commercial Furnishings	17.8%	18.4%	18.7%
Aluminum Products	6.5%	10.1%	8.7%
Industrial Materials	11.7%	9.9%	9.5%
Specialized Products	11.5%	11.2%	8.4%

Residential Furnishings sales increased 11.6% in 1998, principally from acquisitions, although volume growth was also a significant factor. EBIT increased 15.6% in 1998 versus 1997, and EBIT margin increased slightly as higher volume improved operating efficiencies and raw material costs were lower. For 1997, Residential Furnishings sales were up 13.3% due primarily to acquisitions. EBIT improved in 1997 by 11.6%, while EBIT margin declined slightly. Integration of certain bedding components' acquisitions had a negative impact on 1997 EBIT margin.

Commercial Furnishings sales in 1998 increased 34.5% over the prior year due primarily to acquisition activity. EBIT improved 30.2% in 1998, but EBIT margin declined due to product mix and the fact that the Company has not yet fully realized the integration benefits of the substantial acquisition activity in this segment. In 1997, Commercial Furnishings sales improved 33.4%, principally from significant acquisition activity. EBIT in 1997 was 30.6% higher than 1996, but EBIT margin declined somewhat. Product mix, integration issues related to new acquisitions and lower results in certain store display and fixture markets impacted EBIT margin.

In 1998, Aluminum Products sales increased 13.5%, principally from acquisitions. A major die casting customer's restructuring and inventory reduction, and reduced production in smelting facilities due to lower prices of aluminum and availability of aluminum scrap, lowered the sales improvement. Segment EBIT declined 26.9% and EBIT margin was reduced as the impact of acquisitions was more than offset by the die

cast customer and smelting production issues referred to above, and production inefficiencies in certain die cast facilities. Aluminum Products sales in 1997 improved 27.6% over 1996, as a result of acquisitions and increased volume. EBIT improved 47.7% and EBIT margin increased in 1997, reflecting the acquisitions, improved volume and production efficiencies.

In 1998, Industrial Materials sales were 1.1% higher than 1997, reflecting acquisition-related sales and improved steel tubing volume. These factors were substantially offset by selling price declines on drawn wire and lower specialty wire product sales in the cotton industry. EBIT improved 19.3% in 1998 and EBIT margin was better principally reflecting lower raw material prices and improved operating efficiencies, partially offset by selling price declines. Industrial Materials sales in 1997 increased 9.5% over 1996 due primarily to volume improvement. EBIT improved 13.6% in 1997, and EBIT margins were somewhat higher as the increased volume resulted in production efficiencies and better overhead absorption.

Specialized Products sales increased 39.5% in 1998 due primarily to acquisitions. EBIT improved 42.6%, reflecting acquisition growth and higher machinery sales. EBIT margin was up slightly from improved efficiencies in both automotive and machinery operations. In 1997, Specialized Products sales increased 23.5% reflecting acquisitions. EBIT grew 64.5% in 1997 versus 1996 reflecting the acquisitions and improved automotive operations. Also, EBIT margin was higher in 1997 due to improved automotive operations, particularly in Europe.

Management's Discussion and Analysis of Financial Condition and Results of Operations *(continued)*

LEGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NEW FINANCIAL ACCOUNTING STANDARDS BOARD STATEMENTS

During 1998, the Financial Accounting Standards Board (FASB) issued a new accounting standard on "Accounting for Derivative Instruments and Hedging Activities" (FASB No. 133). This new accounting standard will become effective for 2000 financial reporting. FASB No. 133 is not expected to have a major effect on the Company's financial statements since the Company has not engaged in significant hedging or other activities involving derivative instruments in the past and has no current plans to use such instruments extensively in the future.

YEAR 2000 READINESS DISCLOSURE

The "Year 2000" issue refers to older computer programs that used only two digits to represent the year, rather than four digits. As a result, these older computer programs may not process information or otherwise function properly when using the year "2000", since that year will be indistinguishable from the year "1900". These computer programs are found in information processing applications and in timing devices for certain machinery and equipment.

To monitor Year 2000 issues, the Company implemented a Corporate level Year 2000 Steering Committee (the Steering Committee). The Steering Committee meets regularly to review the Company's progress, and to consider other actions that may be necessary for Year 2000 issues.

In addition, the Company has engaged a large, reputable consulting firm to perform certain procedures to review the Company's planning, implementation and readiness for the Year 2000 issues at certain major locations. The results of the consulting firm's preliminary and follow-up studies have been reviewed with the Company's Audit Committee of the Board of Directors. The Company has responded, or is in the process of responding, to issues raised by the consulting firm's studies.

The Company recognized the Year 2000 issue several years ago, and has been working since to correct this problem in its computer systems. The majority of the Company's information processing is

centralized at its Corporate Offices. All of these critical central systems have been converted to Year 2000 compliant software, and individual system testing is substantially complete.

Many of the Company's international and certain domestic operations do not use some or any of the Corporate Offices' centralized systems. All of these non-central system locations have active projects underway to convert their systems to Year 2000 compliant software by no later than the Third Quarter 1999. Also, adequate testing of these non-central system conversions is expected to be completed by that date.

In total, combining both central system and non-central system locations, management estimates that the Year 2000 systems conversion effort is over 80% complete as of December 31, 1998.

All locations of the Company have been instructed to review their facilities for Year 2000 issues. Potential internal and third-party risks were identified for the operating locations to consider. Inventories of computer equipment, communications with key suppliers, correspondence with customers, obtaining machinery and equipment compliance certificates and other facility testing related to Year 2000 issues are in various stages of completion at the Company's approximately 300 locations around the world. These efforts are expected to be complete at all significant locations prior to the year 2000.

Since the Company has been working on Year 2000 issues for several years, the costs of mitigating these issues, which costs have not been material in the past, were expensed in ongoing operations. No material costs are expected from the remaining Year 2000 compliance efforts. Costs of all the Company's system conversion and implementation efforts, which include those efforts related to the Year 2000 issue, were less than \$6 million in 1998. It is not practical to segregate past or anticipated capital expenditures between Year 2000 compliance and expenditures which occur normally to keep operations technologically competitive. However, management believes that past or expected future capital requirements related to Year 2000 compliance issues are not significant to its operations.

The Company manufactures a broad line of products in over 150 major manufacturing sites around the world. Raw materials and critical outside services are generally available from numerous supply sources including, in some cases, the Company's own vertically integrated operations. The Company's revenues are not dependent upon any single customer or any few customers. Therefore, the impact to the Company of any individual operating location or third-party risk involving Year 2000 is relatively small. It is reasonable to assume that the Company will experience a few, hopefully isolated, disturbances to its operations early in the year 2000. While reasonable actions have been taken, and will continue to be taken in the future, to mitigate such disruption, the magnitude of all Year 2000 disturbances cannot be predicted. In addition, any widespread Year 2000 failures, particularly in North America, in industries such as financial services, communications, transportation and electrical or other utilities could significantly and adversely impact the Company's operations.

Efforts to date have been concentrated on mitigating Year 2000 disturbances. The Steering Committee plans in 1999 to discuss and evaluate the reasonable potential risks, and determine the extent of contingency planning and resources that are appropriate. Any such contingency actions and resources would be planned to be in place in sufficient time for the year 2000.

FORWARD-LOOKING STATEMENTS

This report and other public reports or statements made from time to time by the Company or its management may contain "forward-looking" statements concerning possible future events, objectives, strategies, trends or results. Such statements are identified either by the context in which they appear or by use of words such as "anticipate," "believe," "estimate," "expect," or the like.

Readers are cautioned that any forward-looking statement reflects only the *beliefs* of the Company or its management *at the time the statement is made*. In addition, readers should keep in mind that, because all forward-looking statements deal with the future,

they are subject to risks, uncertainties and developments which might cause actual events or results to differ materially from those envisioned or reflected in any forward-looking statement. Moreover, the Company does not have and does not undertake any duty to update any forward-looking statement to reflect events or circumstances after the date on which the statement was made. For all of these reasons, forward-looking statements should not be relied upon as a prediction of actual future events, objectives, strategies, trends or results.

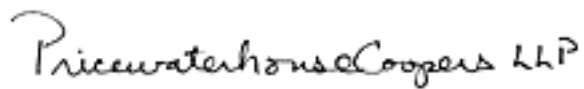
It is not possible to anticipate and list all of the risks, uncertainties and developments which may affect the future operations or performance of the Company, or which otherwise may cause actual events or results to differ from forward-looking statements. However, some of these risks and uncertainties include the following: general economic and market conditions and risks, such as the rate of economic growth in the United States, inflation, government regulation, interest rates, taxation, and the like; risks and uncertainties which could affect industries or markets in which the Company participates, such as growth rates and opportunities in those industries, or changes in demand for certain products, etc.; and factors which could impact costs, including but not limited to the availability and pricing of raw materials, the availability of labor and wage rates, and fuel and energy costs. As indicated above, the consequences of the Year 2000 issues cannot be accurately predicted; therefore, actual consequences will remain at least to some extent uncertain.

Report of Independent Accountants

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF LEGGETT & PLATT, INCORPORATED:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of earnings, of cash flows and of changes in shareholders' equity present fairly, in all material respects, the financial position of Leggett & Platt, Incorporated and Subsidiaries at December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

The image shows a handwritten signature in cursive script that reads "PricewaterhouseCoopers LLP". The signature is written in dark ink and is positioned above the typed address and date.

St. Louis, Missouri

February 3, 1999

Consolidated Statements of Earnings

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Dollar amounts in millions, except per share data)

Year ended December 31	1998	1997	1996
Net sales	\$ 3,370.4	\$ 2,909.2	\$ 2,466.2
Cost of goods sold	2,498.9	2,171.4	1,842.7
Gross profit	871.5	737.8	623.5
Selling, distribution and administrative expenses	422.8	358.8	303.5
Amortization of excess cost of purchased companies and other intangibles	21.8	17.3	16.4
Merger expense	—	—	26.6
Other income, net of other deductions	2.2	.8	.6
Earnings before interest, income taxes and extraordinary item	429.1	362.5	277.6
Interest expense	38.5	31.8	30.0
Interest income	5.0	2.6	2.1
Earnings before income taxes and extraordinary item	395.6	333.3	249.7
Income taxes	147.6	125.0	96.7
Net earnings before extraordinary item	248.0	208.3	153.0
Extraordinary item from the extinguishment of debt	—	—	12.5
Net earnings	\$ 248.0	\$ 208.3	\$ 140.5
Earnings per share			
Net earnings before extraordinary item - basic	\$ 1.25	\$ 1.09	\$.84
Net earnings before extraordinary item - diluted	\$ 1.24	\$ 1.08	\$.83
Net earnings - basic	\$ 1.25	\$ 1.09	\$.78
Net earnings - diluted	\$ 1.24	\$ 1.08	\$.77

The accompanying notes are an integral part of these financial statements.

Consolidated Balance Sheets

LEGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Dollar amounts in millions, except per share data)

December 31	1998	1997
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 83.5	\$ 7.7
Accounts and notes receivable, less allowance of \$13.5 in 1998 and \$11.5 in 1997	503.1	438.6
Inventories		
Finished goods	251.7	228.0
Work in process	56.2	50.3
Raw materials and supplies	185.5	170.0
LIFO reserve	(7.2)	(15.1)
Total inventories	486.2	433.2
Other current assets	64.3	65.1
Total current assets	1,137.1	944.6
Property, Plant and Equipment – at cost		
Machinery and equipment	915.5	767.8
Buildings and other	470.6	397.3
Land	48.9	47.2
Total property, plant and equipment	1,435.0	1,212.3
Less accumulated depreciation	614.6	519.1
Net property, plant and equipment	820.4	693.2
Other Assets		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of \$50.8 in 1998 and \$38.2 in 1997	498.9	394.0
Other intangibles, less accumulated amortization of \$25.3 in 1998 and \$24.1 in 1997	29.7	31.6
Sundry	49.2	42.9
Total other assets	577.8	468.5
TOTAL ASSETS	\$2,535.3	\$2,106.3

The accompanying notes are an integral part of these financial statements.

	1998	1997
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 134.8	\$ 128.7
Accrued expenses	168.8	166.4
Other current liabilities	97.8	77.4
Total current liabilities	401.4	372.5
Long-Term Debt	574.1	466.2
Other Liabilities	48.1	40.8
Deferred Income Taxes	74.9	52.8
Shareholders' Equity		
Capital stock		
Preferred stock – authorized, 100,000,000 shares; none issued		
Common stock – authorized, 300,000,000 shares of \$.01 par value; issued 197,766,091 and 192,759,120 shares in 1998 and 1997, respectively	2.0	1.0
Additional contributed capital	396.1	311.9
Retained earnings	1,058.7	871.3
Accumulated other comprehensive income	(18.2)	(10.1)
Less treasury stock - at cost (82,580 and 4,774 shares in 1998 and 1997, respectively)	(1.8)	(.1)
Total shareholders' equity	1,436.8	1,174.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$2,535.3	\$2,106.3

Consolidated Statements of Cash Flows

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Dollar amounts in millions)

Year ended December 31	1998	1997	1996
Operating Activities			
Net earnings	\$248.0	\$208.3	\$140.5
Adjustments to reconcile net earnings to net cash provided by operating activities			
Depreciation	106.1	88.3	75.8
Amortization	21.8	17.3	16.4
Merger expense (non-cash portion)	—	—	24.4
Extraordinary item (non-cash portion)	—	—	4.0
Stock and deferred compensation	10.8	7.9	14.2
Deferred income tax expense (benefit)	17.3	(1.5)	(13.4)
Other	(3.6)	(2.1)	.5
Other changes, excluding effects from purchases of companies			
(Increase) in accounts receivable, net	(31.5)	(52.1)	(17.0)
(Increase) in inventories	(6.6)	(15.0)	(7.5)
(Increase) in other current assets	(7.2)	(5.1)	(2.1)
(Decrease) increase in current liabilities	(.2)	42.3	2.3
Net Cash Provided by Operating Activities	354.9	288.3	238.1
Investing Activities			
Additions to property, plant and equipment	(147.6)	(119.4)	(96.2)
Purchases of companies, net of cash acquired	(117.1)	(171.6)	(89.7)
Other	6.7	8.2	(3.1)
Net Cash Used for Investing Activities	(258.0)	(282.8)	(189.0)
Financing Activities			
Additions to debt	269.7	214.8	292.9
Payments on debt	(216.9)	(164.7)	(309.4)
Dividends paid	(59.9)	(48.0)	(30.3)
Issuances of common stock	5.0	6.6	5.0
Purchases of common stock	(13.5)	(5.7)	(10.1)
Other	(5.5)	(4.5)	(1.7)
Net Cash Used for Financing Activities	(21.1)	(1.5)	(53.6)
Increase (Decrease) in Cash and Cash Equivalents	75.8	4.0	(4.5)
Cash and Cash Equivalents – Beginning of Year	7.7	3.7	8.2
Cash and Cash Equivalents – End of Year	\$ 83.5	\$ 7.7	\$ 3.7
Supplemental Information			
Interest paid	\$ 36.5	\$ 30.3	\$ 28.8
Income taxes paid	142.6	124.4	92.8
Liabilities assumed of acquired companies	118.9	81.1	47.3
Common stock issued for acquired companies	66.8	52.0	58.3
Common stock issued for employee stock plans	26.4	27.4	39.4

The accompanying notes are an integral part of these financial statements.

Consolidated Statements of Changes in Shareholders' Equity

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Dollar amounts in millions, except per share data)

Year ended December 31	1998	1997	1996
Common Stock			
Balance, beginning of period	\$ 1.0	\$.9	\$.9
Common stock issued	—	.1	—
Two-for-one stock split	1.0	—	—
Balance, end of period	\$ 2.0	\$ 1.0	\$.9
Additional Contributed Capital			
Balance, beginning of period	\$ 311.9	\$ 240.2	\$ 164.0
Common stock issued	87.3	74.6	90.2
Treasury stock issued	(6.2)	(9.7)	(5.7)
Treasury stock purchased	—	—	(9.6)
Tax benefit related to stock options	4.1	6.8	1.3
Two-for-one stock split	(1.0)	—	—
Balance, end of period	\$ 396.1	\$ 311.9	\$ 240.2
Retained Earnings			
Balance, beginning of period	\$ 871.3	\$ 704.4	\$ 601.6
Net earnings for the year	248.0	208.3	140.5
Retained earnings of pooled companies at date of acquisition	1.7	9.2	3.6
Cash dividends declared (per share: 1998 - \$.315; 1997 - \$.27; 1996 - \$.23)	(62.3)	(50.6)	(41.3)
Balance, end of period	\$1,058.7	\$ 871.3	\$ 704.4
Treasury Stock			
Balance, beginning of period	\$ (.1)	\$ (.2)	\$ (14.7)
Treasury stock purchased	(19.7)	(17.3)	(3.0)
Treasury stock issued	18.0	17.4	17.5
Balance, end of period	\$ (1.8)	\$ (.1)	\$ (.2)
Accumulated Other Comprehensive Income			
Balance, beginning of period	\$ (10.1)	\$ (4.2)	\$ (5.0)
Foreign currency translation adjustment	(8.1)	(5.9)	.8
Balance, end of period	\$ (18.2)	\$ (10.1)	\$ (4.2)
Total Shareholders' Equity	\$1,436.8	\$1,174.0	\$ 941.1
Comprehensive Income			
Net earnings	\$ 248.0	\$ 208.3	\$ 140.5
Foreign currency translation adjustment (net of tax: 1998 - \$2.2; 1997 - \$1.1; 1996 - \$.2)	(8.1)	(5.9)	.8
Total Comprehensive Income	\$ 239.9	\$ 202.4	\$ 141.3

The accompanying notes are an integral part of these financial statements.

Notes to Consolidated Financial Statements

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Dollar amounts in millions, except per share data)
December 31, 1998, 1997 and 1996

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of Leggett & Platt, Incorporated (Leggett & Platt) and its majority-owned subsidiaries (the Company). All significant intercompany transactions and accounts have been eliminated in consolidation.

CASH EQUIVALENTS: Cash equivalents include cash in excess of daily requirements which is invested in various financial instruments with original maturities of three months or less.

INVENTORIES: All inventories are stated at the lower of cost or market. Cost includes materials, labor and production overhead. Cost is determined by the last-in, first-out (LIFO) method for approximately 50% and 55% of the inventories at December 31, 1998 and 1997, respectively. The first-in, first-out (FIFO) method is principally used for the remainder. The FIFO cost of inventories at December 31, 1998 and 1997 approximated replacement cost.

DEPRECIATION, AMORTIZATION AND ASSET IMPAIRMENT: Property, plant and equipment are depreciated by the straight-line method. The rates of depreciation range from 7% to 25% for machinery and equipment, 3% to 7% for buildings and 12% to 33% for other items. Accelerated methods are used for tax purposes. The excess cost of purchased companies over net assets acquired is amortized by the straight-line method over forty years. Other intangibles are amortized by the straight-line method over their estimated lives. The rates of amortization range from 5% to 33%. In accordance with FASB Statement No. 121, long-lived assets, including intangibles, are evaluated for probable recovery of their carrying amount. Appropriate adjustment, using current market values, estimates of discounted future cash flows and other methods, is made when recovery of the carrying amount is not reasonably assured.

CONCENTRATION OF CREDIT RISKS, EXPOSURES AND FINANCIAL INSTRUMENTS: The Company engages in manufacturing, marketing, and distributing engineered

products for markets served by the Company as described in Note K. The Company's operations are principally in the United States, although the Company also has manufacturing subsidiaries in Canada, Europe, Mexico and China and marketing and distribution operations in other areas.

The Company performs ongoing credit evaluations of its customers' financial conditions and generally requires no collateral from its customers, some of which are highly leveraged. The Company maintains allowances for potential credit losses and such losses have generally been within management's expectations.

From time to time, the Company will enter into forward exchange contracts to hedge equipment purchases and other transactions in foreign currencies. The amounts outstanding under the forward contracts at any point in time are not significant to the Company. The Company has minimal continuing exposures to other foreign currency transactions and interest rate fluctuations.

The carrying value of cash and short-term financial instruments approximates fair value due to the short maturity of those instruments. The fair value of long-term debt exceeds the carrying value by approximately \$23.

OTHER RISKS: The Company obtains insurance for workers' compensation, automobile, product and general liability, property loss and medical claims. However, the Company has elected to retain a significant portion of expected losses through the use of deductibles. Provisions for losses expected under these programs are recorded based upon the Company's estimates of the aggregate liability for claims incurred. These estimates utilize the Company's prior experience and actuarial assumptions that are provided by the Company's insurance carriers.

ESTIMATES: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

INCOME TAXES: The Company provides for taxes on undistributed earnings of foreign subsidiaries where appropriate. The tax effect of most distributions would be significantly offset by available foreign tax credits.

STOCK-BASED COMPENSATION: The Company applies the intrinsic value based method of accounting prescribed by APB Opinion No. 25 and related interpretations in accounting for stock-based compensation plans. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the amount an employee must pay to acquire the stock.

FOREIGN CURRENCY TRANSLATION: The functional currency for most foreign operations is the local currency. The translation of foreign currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for income and expense accounts using monthly average exchange rates. The cumulative effects of translating the functional currencies into the U.S. dollar are included in comprehensive income. Foreign entities whose functional currency is the U.S. dollar are not significant.

B - STOCK SPLIT

On June 15, 1998, the Company distributed a two-for-one stock split in the form of a stock dividend. This resulted in the issuances of 98,289,297 additional shares of common stock and 34,096 shares held in treasury. All share and per share amounts have been restated to reflect the split.

C - ACQUISITIONS

During 1998, the Company acquired sixteen businesses in transactions accounted for as purchases. These transactions required the use of \$117.1 in cash, net of cash acquired, and 2,741,480 shares of common stock valued at \$59.8. The excess of the purchase price over the fair value of the net assets acquired increased goodwill by \$121.8. The Company also issued 183,892 shares to acquire one business in a transaction accounted for as a pooling of interests. The Company elected not to restate its financial statements as the effect of this pooling was not material. These acquired businesses manufacture and distribute

products primarily to the commercial furnishings and residential furnishings markets, as well as the other markets the Company serves.

The unaudited pro forma consolidated net sales for the years ended December 31, 1998 and 1997 as though the 1998 acquisitions had occurred on January 1 of each year presented were \$3,440.2 and \$3,189.9, respectively. The unaudited pro forma consolidated net earnings and earnings per share are not materially different from the amounts reflected in the accompanying financial statements. These pro forma amounts are not necessarily indicative of either results of operations that would have occurred had the purchases been made on January 1 of each year or of future results of the combined companies.

During 1997, the Company acquired the assets of 28 companies in exchange for \$171.6 in cash, net of cash acquired, and 2,180,100 shares of common stock valued at \$38.7 in transactions accounted for as purchases. The excess of the purchase price over the fair value of the net assets acquired increased goodwill by \$116.0. These companies manufacture and distribute products to residential furnishings, commercial furnishings and other markets. The Company also issued 3,736,960 shares to acquire two businesses in transactions accounted for as poolings of interests. The Company elected not to restate its financial statements as the effect of these poolings was not material. These businesses manufacture and distribute products to aluminum products markets.

On May 13, 1996, the Company issued 10,268,184 shares of common stock to acquire Pace Holdings, Inc. (Pace) in a transaction accounted for as a pooling of interests. Pace is a leading manufacturer and marketer of non-automotive aluminum die cast components. Previously issued financial statements were restated to reflect the pooling.

In connection with a 1993 leveraged buyout transaction, Pace adopted an employee stock option/bonus plan that provided for the granting of options, under certain conditions, at an exercise price of \$.01 per Pace share. In May 1996, prior to the acquisition, options were granted and exercised under the plan resulting in compensation expense of \$12 before taxes.

Notes to Consolidated Financial Statements *(continued)*

LEGETT & PLATT, INCORPORATED AND SUBSIDIARIES

Other merger expense, including costs for the accrual of commitments under contracts no longer benefiting the Company and legal and environmental issues, was \$14.6 before taxes in 1996.

Following the acquisition, the Company issued a tender offer to all holders of the Pace 10.625% senior notes. In June 1996, the notes were redeemed at approximately 113% of par value, plus accrued interest. The cash required for the redemption was provided through the issuance of medium-term notes and the Company's revolving credit agreements. The Company recognized an extraordinary charge, net of related tax benefits, of \$12.5 from the extinguishment of debt.

Also during 1996, the Company acquired the assets of twelve companies in transactions accounted for as purchases. These transactions required the use of \$89.7 in cash, net of cash acquired, and 4,256,248 shares of common stock and common stock equivalents valued at \$54.5. The excess of the purchase price over the fair value of the net assets acquired increased goodwill by \$86.6. In addition, the Company issued 1,124,858 shares to acquire another business in a transaction accounted for as a pooling of interests. The Company elected not to restate its financial statements as the effect of this pooling was not material. These acquired businesses manufacture and distribute products to residential furnishings, commercial furnishings and other markets.

The results of operations of the above acquired companies, except the 1996 Pace pooling, have been included in the consolidated financial statements since the dates of acquisition.

The terms of certain of the Company's acquisition agreements provide for additional consideration to be paid if the acquired company's results of operations exceed certain targeted levels. Such additional consideration may be paid in cash or shares of the Company's common stock, and is recorded when earned as additional purchase price. The maximum amount of additional consideration remaining at December 31, 1998 is approximately \$50 and will be payable, if earned, through 2002.

D - EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows:

	1998	1997	1996
Basic			
Weighted average shares outstanding, including shares issuable for little or no cash	197,682,147	190,268,516	181,072,718
Net earnings before extraordinary item	\$248.0	\$208.3	\$153.0
Earnings per share - basic	\$ 1.25	\$ 1.09	\$.84
Diluted			
Weighted average shares outstanding, including shares issuable for little or no cash	197,682,147	190,268,516	181,072,718
Additional dilutive shares principally from the assumed exercise of outstanding stock options	2,987,686	2,921,108	2,616,656
	200,669,833	193,189,624	183,689,374
Net earnings before extraordinary item	\$248.0	\$208.3	\$153.0
Earnings per share - diluted	\$ 1.24	\$ 1.08	\$.83

E - ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Accrued expenses and other current liabilities at December 31 consist of the following:

	1998	1997
Accrued expenses		
Wages and commissions payable	\$ 36.0	\$ 41.8
Workers' compensation, medical, auto and product liability insurance	45.5	46.5
Income taxes	5.9	10.9
Other	81.4	67.2
	\$ 168.8	\$ 166.4
Other current liabilities		
Outstanding checks in excess of book balances	\$ 46.5	\$ 41.9
Current maturities of long-term debt	5.2	4.7
Other	46.1	30.8
	\$ 97.8	\$ 77.4

F - LONG-TERM DEBT

Long-term debt, weighted average interest rates and due dates at December 31 are as follows:

	1998	1997
Medium-term notes, fixed interest rates of 6.8% and 7.0% for 1998 and 1997, respectively, due dates through 2008	\$ 491.0	\$ 325.0
Commercial paper, variable interest rate of 6.6% for 1997, due date in 1998	-	63.3
Industrial development bonds, principally variable interest rates of 4.5% and 4.2% for 1998 and 1997, respectively, due dates through 2030	38.9	38.9
Other, partially secured	49.4	43.7
	579.3	470.9
Less current maturities	5.2	4.7
	\$ 574.1	\$ 466.2

The current revolving credit agreements provide for a maximum line of credit of \$300. For any revolving credit agreement, the Company may elect to pay interest based on 1) the bank's base lending rate, 2) LIBOR, 3) an adjusted certificate of deposit rate, or 4) the money market rate, as specified in the revolving credit agreements. Agreement amounts of \$217.5 and \$82.5 will terminate at July 31, 2002 and August 31, 1999, respectively, at which time all outstanding balances will become due.

Medium-term notes that mature in the current year are classified as long-term debt since the Company intends to refinance them on a long-term basis either through continued issuance or unused credit available under the revolving credit agreements.

The revolving credit agreements and certain other long-term debt contain restrictive covenants which, among other restrictions, limit the amount of additional debt and require net earnings to meet or exceed specified levels of funded debt.

Maturities of long-term debt for each of the five years following 1998 are:

Year ended December 31	
1999	\$ 5.2
2000	18.0
2001	60.4
2002	117.7
2003	123.6

Notes to Consolidated Financial Statements *(continued)*

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

G - LEASE OBLIGATIONS

The Company conducts certain operations in leased premises and also leases most of its automotive and trucking equipment and some other assets. Terms of the leases, including purchase options, renewals and maintenance costs, vary by lease.

Total rental expense entering into the determination of results of operations was \$29.6, \$27.3 and \$24.3 for the years ended December 31, 1998, 1997 and 1996, respectively.

Future minimum rental commitments for all long-term noncancelable operating leases are as follows:

Year ended December 31	
1999	\$16.2
2000	11.5
2001	8.0
2002	5.2
2003	2.6
Later years	2.6
	<hr/>
	\$46.1

The above lease obligations expire at various dates through 2010. Certain leases contain renewal and/or purchase options. Aggregate rental commitments above include renewal amounts where it is the intention of the Company to renew the lease.

H - CAPITAL STOCK

STOCK ACTIVITY

Activity in the Company's stock accounts for each of the three years ended December 31 is as follows:

	Common Stock	Treasury Stock
Balance, January 1, 1996	178,814,206	(1,289,078)
Shares issued	5,413,366	1,494,066
Treasury stock purchased	–	(217,528)
Balance, December 31, 1996	184,227,572	(12,540)
Shares issued	8,531,548	930,280
Treasury stock purchased	–	(922,514)
Balance, December 31, 1997	192,759,120	(4,774)
Shares issued	5,006,971	779,695
Treasury stock purchased	–	(857,501)
Balance, December 31, 1998	197,766,091	(82,580)

The Company issues shares for employee stock plans and acquisitions. The Company purchases its common stock to meet the requirements of the employee stock purchase and incentive plans, to replace shares issued in purchase acquisitions and to satisfy contractual obligations. The Company will also receive shares in stock-for-stock option exercises.

STOCK OPTIONS

At December 31, 1998, the Company had 13,836,912 common shares authorized for issuance under stock option plans. Generally, options become exercisable in varying installments, beginning 6 to 18 months after the date of grant, and have a maximum term of 5-15 years. Options may be issued with exercise prices at or below market price. Compensation cost charged against income related to the Company's stock option grants for each of the years ending December 31, 1998, 1997 and 1996 was \$8.9, \$6.6 and \$13.7, respectively. Compensation cost includes amounts for options granted under the deferred compensation plan for certain executives, which allows the executive to elect stock options in lieu of future salary and bonuses. Had compensation cost for the Company's stock-based compensation plans been determined based on the estimated fair value of the options at the grant dates, consistent with the method

of FASB Statement No. 123, the Company's net income and earnings per share would not be significantly reduced.

A summary of the Company's stock option plans as of December 31, 1998, 1997 and 1996, and changes during the years ending on those dates is presented below:

	Shares	Weighted Average Exercise Price per Share
Outstanding at January 1, 1996	5,264,778	\$ 5.44
Granted	4,954,314	10.14
Exercised	(1,342,620)	5.61
Forfeited	(85,168)	10.45
Outstanding at December 31, 1996	8,791,304	8.01
Granted	1,429,502	10.18
Exercised	(2,066,732)	6.45
Forfeited	(161,480)	11.76
Outstanding at December 31, 1997	7,992,594	8.72
Granted	966,798	14.38
Exercised	(1,218,447)	9.05
Forfeited	(36,760)	16.85
Outstanding at December 31, 1998	7,704,185	\$ 9.34
Options exercisable at		
December 31, 1998	4,646,155	\$ 6.67
December 31, 1997	3,488,022	6.16
December 31, 1996	3,653,654	4.53

	1998	1997	1996
Weighted-average fair value of options:			
Granted at market price	\$ 5.66	\$ 4.44	\$ 2.53
Granted below market price	16.52	12.27	8.44
Weighted-average exercise price of options:			
Granted at market price	23.20	20.31	11.89
Granted below market price	3.17	4.54	6.76
Principal assumptions used in calculating fair value consistent with the method of FASB Statement No. 123:			
Risk-free interest rate	5.1%	6.0%	5.9%
Expected life in years	5.1	4.8	4.3
Expected volatility	20.0%	19.0%	19.0%
Expected dividend yield	1.5%	1.7%	1.7%

The following table summarizes information about stock options outstanding at December 31, 1998:

Options Outstanding			
Range of Exercise Prices	Number Outstanding	Weighted-Average	
		Remaining Contractual Life In Years	Weighted- Average Exercise Price
\$.01 – \$.25	1,538,563	6.9	\$.06
1.81 – 5.69	986,911	1.9	3.82
7.75 – 9.84	665,782	2.3	8.04
10.00 – 12.94	2,922,593	2.4	11.05
13.06 – 15.44	553,270	7.2	13.69
16.06 – 18.06	74,738	3.0	16.42
20.00 – 21.50	427,828	3.9	21.20
22.09 – 25.63	534,500	4.2	23.53
Options Exercisable			
Range of Exercise Prices	Number Exercisable	Weighted- Average Exercise Price	
\$.01 – \$.25	1,341,980	\$.06	
1.81 – 5.69	705,284	3.68	
7.75 – 9.84	631,378	7.99	
10.00 – 12.94	1,576,278	11.21	
13.06 – 15.44	344,865	13.69	
16.06 – 18.06	23,570	16.48	
20.00 – 21.50	22,800	21.34	
22.09 – 25.63	–	–	

The Company also has authorized shares for issuance in connection with certain employee stock benefit plans discussed in Note I.

Notes to Consolidated Financial Statements *(continued)*

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

PAR VALUE AMENDMENT

In 1993, the Company's shareholders approved an amendment to the Company's Restated Articles of Incorporation reducing the par value of Common Stock to \$.01 from \$1. The amendment provided that the stated capital of the Company would not be affected as of the date of the amendment. Accordingly, stated capital of the Company exceeds the amount reported as common stock in the financial statements by approximately \$39.

SHAREHOLDER PROTECTION RIGHTS PLAN

In 1989, the Company declared a dividend distribution of one preferred stock purchase right (a Right) for each share of common stock. The Rights were attached to and traded with the Company's common stock. The Rights became exercisable only under certain circumstances involving actual or potential acquisitions of the Company's common stock. The Rights expired in February 1999. The Company simultaneously issued substantially identical rights, which remain in existence until February 2009, unless they are exercised, exchanged or redeemed at an earlier date. Depending upon the circumstances, if these Rights become exercisable, the holder may be entitled to purchase shares of Series A junior preferred stock of the Company, shares of the Company's common stock or shares of common stock of the acquiring entity.

I - EMPLOYEE BENEFIT PLANS

The following table provides information at December 31 as to the Company sponsored defined benefit pension plans:

	1998	1997	1996
Change in Benefit Obligation			
Benefit obligation,			
beginning of period	\$ 89.5	\$ 69.2	\$62.5
Service cost	2.2	1.6	1.7
Interest cost	5.1	5.0	4.5
Plan participants' contributions	4.0	3.5	3.0
Actuarial losses	4.4	14.7	1.2
Benefits paid	(5.1)	(4.5)	(3.7)
Benefit obligation, end of period	100.1	89.5	69.2
Change in Plan Assets			
Fair value of plan assets,			
beginning of period	127.6	98.8	87.1
Actual return on plan assets	5.6	29.8	12.4
Plan participants' contributions	4.0	3.5	3.0
Benefits paid	(5.1)	(4.5)	(3.7)
Fair value of plan assets, end of period	132.1	127.6	98.8
Plan Assets in Excess of			
Benefit Obligation	32.0	38.1	29.6
Unrecognized net actuarial gains	(5.6)	(14.8)	(7.6)
Unrecognized net transition asset	(1.0)	(1.7)	(2.4)
Unrecognized prior service cost	(.3)	(.3)	(.3)
Prepaid pension cost	\$ 25.1	\$ 21.3	\$19.3
Components of Net Pension Income			
Service cost	\$ (2.2)	\$ (1.6)	\$ (1.7)
Interest cost	(5.1)	(5.0)	(4.5)
Expected return on plan assets	10.0	7.9	7.0
Amortization of net transition asset	.7	.7	.7
Recognized net actuarial gain	.4	–	–
Net pension income	\$ 3.8	\$ 2.0	\$ 1.5
Weighted Average Assumptions			
Discount rate	5.50%	6.00%	7.25%
Expected return on plan assets	8.00%	8.00%	8.00%
Rate of compensation increase	4.40%	5.20%	5.19%

Plan assets are invested in a diversified portfolio of equity, debt and government securities, including 1,176,000 shares of the Company's common stock at December 31, 1998.

Contributions to union sponsored, defined benefit, multiemployer pension plans were \$.2 in 1998, 1997 and 1996. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts. As of 1998, the actuarially computed values of vested benefits for these plans were primarily equal to or less than the net assets of the plans. Therefore, the Company would have no material withdrawal liability. However, the Company has no present intention of withdrawing from any of these plans, nor has the Company been informed that there is any intention to terminate such plans.

Net pension expense, including Company sponsored defined benefit plans, multiemployer plans and other plans, was \$.4, \$.8 and \$.4 in 1998, 1997 and 1996, respectively.

The Company has a contributory stock purchase/ stock bonus plan (SPSB Plan), a nonqualified executive stock purchase program (ESPP) and an employees' discount stock plan (DSP). The SPSB Plan provides Company pretax contributions of 50% of the amount of employee contributions. The ESPP provides cash payments of 50% of the employees' contributions, along with an additional payment to assist employees in paying taxes on the cash payments. To the extent possible, contributions to the ESPP are invested in the Company's common stock through the DSP. In addition, the Company matches its contributions when certain profitability levels, as defined in the SPSB Plan and the ESPP, have been attained. The Company's total contributions to the SPSB Plan and the ESPP were \$6.9, \$5.8 and \$4.7 for 1998, 1997 and 1996, respectively.

Under the DSP, eligible employees may purchase a maximum of 16,000,000 shares of Company common stock. The purchase price per share is 85% of the closing market price on the last business day of each month. Shares purchased under the DSP were 894,445, 871,394 and 1,009,210 during 1998, 1997 and 1996, respectively. Purchase prices ranged from \$10 to \$23 per share. Since inception of the DSP in 1982, a total of 13,100,743 shares have been purchased by employees.

J - INCOME TAXES

The components of earnings before income taxes and extraordinary item are as follows:

Year ended December 31	1998	1997	1996
Domestic	\$ 340.8	\$ 292.2	\$ 218.0
Foreign	54.8	41.1	31.7
	\$ 395.6	\$ 333.3	\$ 249.7

Income tax expense is comprised of the following components:

Year ended December 31	1998	1997	1996
Current			
Federal	\$108.1	\$102.2	\$ 86.3
State and local	4.2	9.9	12.1
Foreign	18.0	14.4	11.7
	130.3	126.5	110.1
Deferred			
Federal	4.1	(5.5)	(12.8)
State and local	11.0	4.1	(.5)
Foreign	2.2	(.1)	(.1)
	17.3	(1.5)	(13.4)
	\$147.6	\$125.0	\$ 96.7

In addition to the above income tax expense, the Company recognized a current benefit from an extraordinary item of \$7.7 in 1996.

Notes to Consolidated Financial Statements *(continued)*

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

Deferred income taxes are provided for the temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. The major temporary differences that give rise to deferred tax assets or liabilities are as follows:

December 31	1998	1997
Property, plant and equipment	\$ (70.0)	\$ (53.7)
Accrued expenses	51.3	55.2
Prepaid pension cost	(10.1)	(8.4)
Other, net	(20.8)	(14.0)
	\$ (49.6)	\$ (20.9)

Deferred tax assets and liabilities included in the consolidated balance sheet are as follows:

December 31	1998	1997
Other current assets	\$ 25.3	\$ 31.9
Deferred income taxes	(74.9)	(52.8)
	\$ (49.6)	\$ (20.9)

A valuation allowance has not been provided for the deferred tax asset as the Company believes it will be realized through future taxable income and reversal of other timing differences.

Income tax expense, as a percentage of earnings before income taxes and extraordinary item, differs from the statutory federal income tax rate as follows:

Year ended December 31	1998	1997	1996
Statutory federal income tax rate	35.0%	35.0%	35.0%
Increases in rate resulting primarily from state and other jurisdictions	2.3	2.5	3.7
Effective tax rate	37.3%	37.5%	38.7%

K - SEGMENT INFORMATION

The Company has primarily determined its reportable segments based upon the internal organization, which is generally focused on broad end-user markets for its diversified products. Residential Furnishings derives its revenues from bedding, furniture and other furnishings components and related consumer products. Commercial Furnishings derives its revenues from office and institutional furnishings components, retail store fixtures, displays and other commercial products and systems. The Aluminum Products segment derives its revenues from die castings, custom tooling and dies, machining and coating and aluminum raw materials (ingot). Industrial Materials derives its revenues from drawn wire, specialty wire products and welded steel tubing materials. Specialized Products is a combination of segments which derive their revenues from machinery and manufacturing equipment and automotive seating suspension, lumbar support and control cable systems.

The accounting principles used in the preparation of the segment information are the same as used for the consolidated financial statements, except that the segment assets and income reflect the FIFO basis of accounting for inventory. Certain inventories are accounted for using the LIFO basis in the consolidated financial statements. The Company evaluates performance based on earnings from operations before interest and income taxes (EBIT). Intersegment sales are made primarily at prices that approximate market-based selling prices. Centrally incurred costs are allocated to the segments based on estimates of services used by the segment. Certain general and administrative costs of the Company are allocated to the segments based on sales. Asset information for the segments includes only inventory, trade receivables, net property, plant and equipment and purchased intangibles.

These segment assets are reflected in the segment information at their estimated average for the year. Long-lived assets as disclosed below include property, plant and equipment, goodwill and other intangibles, and long-term assets. Centrally incurred costs and allocated general and administrative costs include depreciation and other costs related to assets that are not allocated or otherwise included in the segment assets.

Summarized financial information concerning the Company's reportable segments is shown in the following tables:

Year ended December 31	External Sales	Inter-Segment Sales	Total Sales	EBIT
1998				
Residential Furnishings	\$1,800.5	\$ 11.4	\$1,811.9	\$201.8
Commercial Furnishings	623.3	1.7	625.0	111.1
Aluminum Products	501.1	—	501.1	32.6
Industrial Materials	269.6	174.9	444.5	51.9
Specialized Products	175.9	43.0	218.9	25.1
Intersegment eliminations				(1.3)
Adjustment to LIFO method				7.9
	\$3,370.4	\$231.0	\$3,601.4	\$429.1
1997				
Residential Furnishings	\$1,617.4	\$ 5.9	\$1,623.3	\$174.6
Commercial Furnishings	464.4	.3	464.7	85.3
Aluminum Products	441.4	—	441.4	44.6
Industrial Materials	259.7	180.1	439.8	43.5
Specialized Products	126.3	30.6	156.9	17.6
Intersegment eliminations				.3
Adjustment to LIFO method				(3.4)
	\$2,909.2	\$216.9	\$3,126.1	\$362.5
1996				
Residential Furnishings	\$1,428.4	\$ 4.7	\$1,433.1	\$156.4
Commercial Furnishings	348.0	.4	348.4	65.3
Aluminum Products	345.8	—	345.8	30.2
Industrial Materials	241.0	160.7	401.7	38.3
Specialized Products	103.0	24.0	127.0	10.7
Intersegment eliminations				(2.4)
Adjustment to LIFO method				5.7
Merger costs				(26.6)
	\$2,466.2	\$189.8	\$2,656.0	\$277.6

	Additions to Property, Plant and Assets	Acquired Long-Lived Equipment	Companies' Long-Lived Assets	Depreciation and Amortization
1998				
Residential Furnishings	\$ 983.1	\$ 55.0	\$ 64.7	\$ 58.8
Commercial Furnishings	469.8	9.7	116.1	21.4
Aluminum Products	404.4	42.6	24.5	17.9
Industrial Materials	204.5	7.3	10.4	12.7
Specialized Products	176.7	27.5	4.6	8.1
Unallocated assets	285.9	5.5		9.0
Adjustment to year-end vs. average assets		10.9		
	\$2,535.3	\$147.6	\$220.3	\$127.9
1997				
Residential Furnishings	\$869.1	\$ 41.5	\$ 67.7	\$ 49.9
Commercial Furnishings	315.0	13.3	75.7	15.4
Aluminum Products	353.3	23.9	11.1	13.6
Industrial Materials	179.9	18.3	2.8	11.5
Specialized Products	166.5	13.9	46.9	7.4
Unallocated assets	227.6	8.5		7.8
Adjustment to year-end vs. average assets		(5.1)		
	\$2,106.3	\$119.4	\$204.2	\$105.6
1996				
Residential Furnishings	\$772.5	\$39.3	\$ 77.3	\$43.5
Commercial Furnishings	192.6	14.6	49.1	10.9
Aluminum Products	301.6	18.7	4.9	15.3
Industrial Materials	168.5	9.3	8.6	10.5
Specialized Products	111.6	7.9	4.6	6.1
Unallocated assets	138.8	6.4		5.9
Adjustment to year-end vs. average assets		27.3		
	\$1,712.9	\$96.2	\$144.5	\$92.2

Notes to Consolidated Financial Statements *(continued)*

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

Revenues from external customers, by product line, are as follows:

Year ended December 31	1998	1997	1996
Residential Furnishings			
Bedding components	\$ 672.3	\$ 596.3	\$ 564.6
Residential furniture components	413.4	382.6	327.5
Finished & consumer products	466.1	419.3	377.5
Other residential furnishings products	248.7	219.2	158.8
	1,800.5	1,617.4	1,428.4
Commercial Furnishings			
Store displays, fixtures & storage products	369.7	236.9	138.0
Office furnishings & plastic components	253.6	227.5	210.0
	623.3	464.4	348.0
Aluminum Products			
Die cast products	423.3	355.3	272.8
Smelter, tool & die operations	77.8	86.1	73.0
	501.1	441.4	345.8
Industrial Materials			
Wire, wire products & steel tubing	269.6	259.7	241.0
Specialized Products			
Automotive products & specialized machinery	175.9	126.3	103.0
	\$3,370.4	\$2,909.2	\$2,466.2

The Company's operations outside of the United States are principally in Canada, Europe and Mexico, none of which are individually material to its consolidated operations. The geographic information that follows regarding sales is based on the area of manufacture.

Year ended December 31	1998	1997	1996
External sales			
United States	\$3,025.9	\$2,636.6	\$2,292.7
Foreign	344.5	272.6	173.5
	\$3,370.4	\$2,909.2	\$2,466.2
Long-lived assets			
United States	\$1,183.8	\$ 989.2	\$ 824.7
Foreign	214.4	172.5	124.9
	\$1,398.2	\$1,161.7	\$ 949.6

L - 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. 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 has been upheld by the courts. The Company is currently pursuing actions to resolve this matter.

When it appears probable in management's judgment that the Company will incur monetary damages or other costs in connection with 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 claims and proceedings is remote.

Disclosures About Market Risk

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Unaudited)

(Dollar amounts in millions)

INTEREST RATE

The table below provides information about the Company's 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 debt shown in the table below is denominated in United States dollars (U.S. \$). The fair value of fixed rate debt

exceeded its carrying value by \$23 and \$10 at December 31, 1998 and 1997, respectively. The fair value of the fixed rate debt was calculated using the U.S. Treasury Bond rate as of December 31, 1998 and 1997 for similar remaining maturities, plus an estimated "spread" over such Treasury securities representing the Company's interest costs under its medium-term note program. The fair value of variable rate debt is not significantly different from its recorded amount.

Long-term debt as of December 31,	Scheduled Maturity Date						1998	1997
	1999	2000	2001	2002	2003	Thereafter		
Principal fixed rate debt	\$35.0*	\$15.0	\$50.0	\$75.0	\$114.5	\$226.7	\$516.2	\$350.2
Average interest rate	6.77%	5.65%	7.22%	7.18%	6.27%	6.72%	6.71%	6.92%
Principal variable rate debt	—	—	5.9	5.1	3.3	19.4	33.7	97.1
Average interest rate	—	—	3.74%	3.70%	5.78%	4.48%	4.36%	5.54%
Miscellaneous debt							29.4	23.6
Total debt							579.3	470.9
Less: current maturities*							(5.2)	(4.7)
Total long-term debt							\$574.1	\$466.2

* The 1999 scheduled maturity is not included in current maturities, as the Company intends to refinance this note on a long-term basis either through reissuance or unused credit available under its revolving credit agreements.

EXCHANGE RATE

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 December 31, 1998 was approximately \$3 (pay U.S. \$/receive Canadian Dollars) and the highest amount during 1998 was approximately \$4.5 (\$3 pay U.S. \$/receive Canadian Dollars and \$1.5 pay U.S. \$/receive Swiss Francs).

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 December 31 is as follows:

Functional currency	1998	1997
Canadian Dollar	\$142.9	\$131.5
European currencies	66.1	50.3
Other	(.2)	.2
	\$208.8	\$182.0

COMMODITY PRICE

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 \$48 and \$46 (at cost) in inventory at December 31, 1998 and 1997, respectively. 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.

Quarterly Summary of Earnings

LEGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Unaudited)

(Dollar amounts in millions, except per share data)

	First	Second	Third	Fourth	Total
Year ended December 31, 1998					
Net sales	\$793.2	\$855.4	\$884.1	\$837.7	\$3,370.4
Gross profit	202.3	219.3	228.8	221.1	871.5
Earnings before income taxes	92.7	100.8	104.4	97.7	395.6
Net earnings	57.9	63.4	65.2	61.5	248.0
Earnings per share					
Net earnings – basic	\$.29	\$.32	\$.33	\$.31	\$ 1.25
Net earnings – diluted	\$.29	\$.32	\$.32	\$.31	\$ 1.24

Year ended December 31, 1997

Net sales	\$673.2	\$721.2	\$747.0	\$767.8	\$2,909.2
Gross profit	170.2	183.4	188.5	195.7	737.8
Earnings before income taxes	78.1	83.9	83.9	87.4	333.3
Net earnings	48.4	52.0	52.8	55.1	208.3
Earnings per share					
Net earnings – basic	\$.26	\$.28	\$.27	\$.28	\$ 1.09
Net earnings – diluted	\$.26	\$.27	\$.27	\$.28	\$ 1.08

Previously reported per share data have been restated to reflect a two-for-one stock split distributed on June 15, 1998.

Selected Financial Data

LEGETT & PLATT, INCORPORATED AND SUBSIDIARIES

(Unaudited)

(Dollar amounts in millions, except per share data)

	1998	1997	1996	1995	1994
Summary of Operations					
Net sales	\$3,370.4	\$2,909.2	\$2,466.2	\$2,256.9	\$2,009.1
Earnings from continuing operations	248.0	208.3	153.0	134.3	119.5
Earnings per share from continuing operations					
Basic	1.25	1.09	.84	.76	.69
Diluted	1.24	1.08	.83	.75	.68
Cash dividends declared per share	.315	.27	.23	.19	.155
Summary of Financial Position					
Total assets	\$2,535.3	\$2,106.3	\$1,712.9	\$1,478.1	\$1,327.0
Long-term debt	574.1	466.2	388.5	380.6	364.1

Merger related costs of \$16.4 after-tax, or \$.09 per basic and diluted share are included in 1996 earnings from continuing operations. Previously reported per share data have been restated to reflect a two-for-one stock split distributed on June 15, 1998.

Stock Market and Ownership Data

LEGETT & PLATT, INCORPORATED AND SUBSIDIARIES

The Company's common stock is listed on The New York and Pacific Stock Exchanges with the trading symbol LEG. The table below highlights quarterly and annual stock market information for the last two years.

	Price Range		Volume of	Dividend
	High	Low	Shares traded	Declared
1998:				
Fourth Quarter	\$25.125	\$16.875	16,458,000	\$.08
Third Quarter	28.750	19.063	14,293,900	.08
Second Quarter	28.344	24.688	20,038,900	.08
First Quarter	27.938	20.438	20,547,400	.075
For the Year	\$28.750	\$16.875	71,338,200	\$.315
1997:				
Fourth Quarter	\$22.282	\$19.250	14,870,000	\$.07
Third Quarter	23.875	20.875	16,259,800	.07
Second Quarter	21.500	16.125	11,769,000	.065
First Quarter	18.688	15.750	15,622,600	.065
For the Year	\$23.875	\$15.750	58,521,400	\$.27

Price and volume data reflect composite transactions and prices as reported daily by The Wall Street Journal. Restatements have been made to reflect a two-for-one stock split distributed on June 15, 1998

SHAREHOLDER DISTRIBUTION

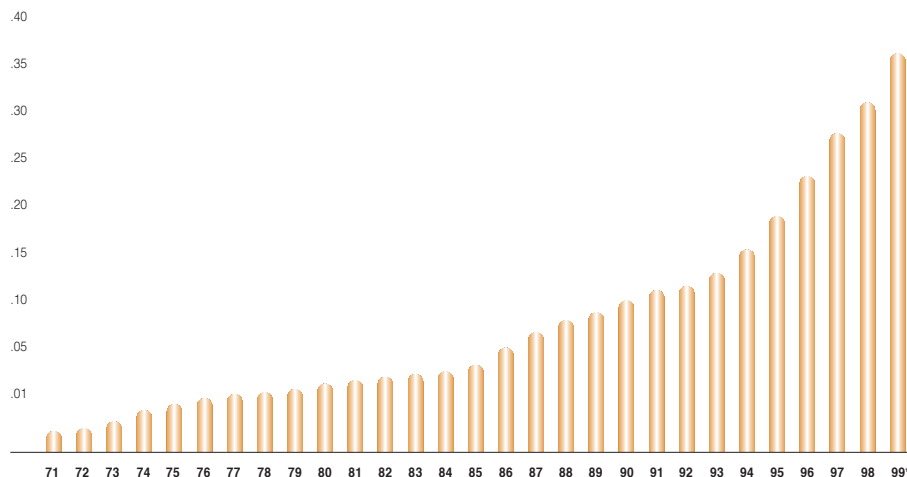
The Company estimates it has approximately 40,000 shareholders, including 14,879 shareholders of record on March 10, 1999. This estimate includes employees who are not shareholders of record but are participants in the Company's stock benefit plans. It also includes more than 24,000 beneficial shareholders whose shares are being held in brokerage firm accounts in "street name". Institutional shareholders hold an estimated 53% of the Company's shares.

DIVIDEND RECORD

Cash dividends have been paid on the Company's common stock in each year since 1939. The annual dividend rate has been increased for 28 consecutive years. The current indicated annual rate is \$.36 per share. Over the last 28 years, the quarterly dividend has increased at a compound annual rate of 15.3%.

28 Year Dividend Growth

dollars per share



*Indicated annual rate based on 1999 first quarter dividend of \$.09 per share.

Directors

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

Raymond F. Bentele⁽²⁾

Retired President and Chief Executive Officer of Mallinckrodt, Inc.

Harry M. Cornell, Jr.⁽¹⁾

Chairman of the Board and Chief Executive Officer of the Company

R. Ted Enloe, III⁽³⁾

Personal Investment Consultant

Richard T. Fisher⁽²⁾⁽³⁾

Managing Director, CIBC Oppenheimer Corp., investment banking

Bob L. Gaddy

Senior Vice President of the Company

David S. Haffner

Executive Vice President of the Company

Thomas A. Hays⁽²⁾

Retired Deputy Chairman of The May Department Stores Company

Robert A. Jefferies, Jr.

Senior Vice President of the Company

Alexander M. Levine⁽²⁾

Managing Director, Waterline Capital LLC, venture capital investing

Richard L. Pearsall⁽²⁾⁽³⁾

Management and Business Consultant

Duane W. Potter

Senior Vice President of the Company

Maurice E. Purnell, Jr.⁽¹⁾⁽²⁾

Partner, Locke, Liddell & Sapp LLP, attorneys at law

Alice L. Walton⁽²⁾

Chairman, Llama Company, investment banking

Felix E. Wright⁽¹⁾

President and Chief Operating Officer of the Company

Herbert C. Casteel

Advisory Director

Frank E. Ford, Jr.

Advisory Director

Jack B. Morris

Advisory Director

⁽¹⁾ Member of the Executive Committee

⁽²⁾ Member of the Audit Committee

⁽³⁾ Member of the Compensation Committee

Officers

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

EXECUTIVE OFFICERS*

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

Felix E. Wright
President and Chief Operating Officer

David S. Haffner
Executive Vice President

Bob L. Gaddy
Senior Vice President – Chairman
and Chief Executive Officer,
Aluminum Products

Robert A. Jefferies, Jr.
Senior Vice President – Mergers,
Acquisitions and Strategic Planning

Karl G. Glassman
Senior Vice President – President,
Residential Furnishings

Michael A. Glauber
Senior Vice President –
Finance and Administration

Robert G. Griffin
Senior Vice President

Jack D. Crusa
Vice President – President,
Industrial Materials

Ernest C. Jett
Vice President –
General Counsel and Secretary

Allan J. Ross
Vice President, Accounting

OTHER CORPORATE OFFICERS

Duane W. Potter
Senior Vice President

Lance G. Beshore
Vice President

Terrell L. Bowen
Vice President

Sheri L. Bradshaw
Treasurer

J. Richard Calhoon
Vice President

Richard P. Fanning
Vice President

John A. Hale
Vice President

Paul R. Hauser
Vice President

Jerry H. Hudkins
Vice President

Donald G. LaFeria
Vice President

Eloise E. Nash
Vice President

Dennis S. Park
Vice President

Kenneth W. Purser
Vice President

Jay W. Sanders
Vice President

Robert A. Wagner
Vice President

Michael S. Walters
Vice President

William S. Weil
Controller

Thomas J. Wells
Vice President

Wayne R. Wickstrom
Vice President

Ralph H. Womble
Vice President

David A. Young
Vice President

*For purposes of SEC Rule 3b-7.

Corporate Information

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

Annual Meeting

The Annual Meeting of Shareholders will be held May 12, 1999, 10:00 a.m. (local time), at the Company's Cornell Conference Center, No. 1 Leggett Road, Carthage, Missouri.

Form 10-K

To obtain a copy of the Company's Form 10-K, as filed with the Securities and Exchange Commission for 1998, direct requests to Investor Relations, Leggett & Platt, Incorporated, No. 1 Leggett Road, Carthage, MO 64836. This report, without exhibits, will be provided at no charge.

Web Site

www.leggett.com

Common Stock

Registrar and Transfer Agent:
ChaseMellon Shareholder Services, L.L.C.
www.chasemellon.com

Listed

The New York and
Pacific Stock Exchanges

Ticker Symbol

LEG

Independent Accountants

PricewaterhouseCoopers LLP
St. Louis, Missouri



Leggett & Platt, Incorporated

No. 1 Leggett Road

Carthage, MO 64836

417-358-8131