Form 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For the quarterly period ended June 30, 1997

OR

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

for the transition period from -------- to --------

For Quarter Ended	Commission File Number
June 30, 1997	1-7845

LEGGETT & PLATT, INCORPORATED

(Exact name of registrant as specified in its charter)

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities and Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ---

Common stock outstanding as of July 25, 1997: 95,622,954

PART I. FINANCIAL INFORMATION

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED CONDENSED BALANCE SHEETS

(Unaudited)

(Amounts in millions)

	June 30, 1997	December 31, 1996
CURRENT ASSETS		
Cash and cash equivalents	$ 7.2	$ 3.7
Accounts and notes receivable	443.6	343.9
Allowance for doubtful accounts	(11.0)	(8.6)
Inventories	386.1	379.6
Other current assets	46.9	44.7
Total current assets	872.8	763.3
PROPERTY, PLANT & EQUIPMENT, NET	632.1	582.9
OTHER ASSETS		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of $32.9 in 1997 and $28.4 in 1996	356.1	290.3
Other intangibles, less accumulated amortization of $31.6 in 1997 and $30.3 in 1996	31.6	30.2
Sundry	45.7	46.2
Total other assets	433.4	366.7
TOTAL ASSETS	$ 1,938.3	$ 1,712.9

CURRENT LIABILITIES

Accounts and notes payable	$ 124.7	$ 110.3
Accrued expenses	153.5	140.1
Other current liabilities	41.3	42.4
Total current liabilities	319.5	292.8
LONG-TERM DEBT	458.7	388.5
OTHER LIABILITIES	36.5	36.0
DEFERRED INCOME TAXES	60.0	54.5
SHAREHOLDERS' EQUITY		
Common stock	.9	.9
Additional contributed capital	288.3	240.2
Retained earnings	781.6	704.4
Cumulative translation adjustment	(6.3)	(4.2)
Treasury stock	(.9)	(.2)
Total shareholders' equity	1,063.6	941.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 1,938.3	$ 1,712.9

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

See accompanying notes to consolidated condensed financial statements.

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

(Amounts in millions, except per share data)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1997	1996	1997	1996
Net sales	$1,394.4	$1,211.2	$ 721.2	$ 620.0
Cost of goods sold	1,040.8	909.0	537.7	462.4
Gross profit	353.6	302.2	183.5	157.6
Selling, distribution and administrative expenses	170.3	147.7	87.9	75.9
Interest expense	15.3	15.9	8.2	8.0
Merger expense	-	26.6	-	26.6
Other deductions (income), net	6.0	6.8	3.5	3.3
Earnings before income taxes and extraordinary item	162.0	105.2	83.9	43.8
Income taxes	61.6	40.9	31.9	17.2
Net earnings before extraordinary item	100.4	64.3	52.0	26.6
Extraordinary item	-	12.5	-	12.5
NET EARNINGS	$ 100.4	$ 51.8	$ 52.0	$ 14.1
Earnings Per Share (Exhibit 11)				
Net earnings before extraordinary item	$ 1.06	$ .71	$ .55	$ .29
Net earnings	$ 1.06	$ .57	$ .55	$ .15
Cash Dividends Declared Per Share	$ .26	$ .22	$ .13	$ .11
Average Common and Common Equivalent Shares Outstanding	94.9	90.7	95.2	91.3

See accompanying notes to consolidated condensed financial statements.

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

(Amounts in millions)

	Six Months Ended June 30, 1997	1996
OPERATING ACTIVITIES		
Net Earnings	$ 100.4	$ 51.8
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation	43.4	36.2
Amortization	7.9	7.9
Merger expense (non-cash portion)	-	24.3
Extraordinary item (non-cash portion)	-	4.0
Other	3.9	3.0
Other changes, net of effects from purchases of companies		
Increase in accounts receivable, net	(73.1)	(67.7)
Decrease in inventories	14.5	7.2
Increase in other current assets	(2.0)	(.4)
Increase in current liabilities	27.7	7.5
NET CASH PROVIDED BY OPERATING ACTIVITIES	122.7	73.8
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(50.5)	(50.3)
Purchases of companies, net of cash acquired	(86.2)	(76.2)
Other	1.6	(.1)
NET CASH USED FOR INVESTING ACTIVITIES	(135.1)	(126.6)
FINANCING ACTIVITIES		
Additions to debt	177.7	257.3
Payments on debt	(125.0)	(182.6)
Dividends paid	(34.8)	(19.2)
Sales of common stock	2.4	3.8
Purchases of common stock	(3.6)	(9.9)
Other	(.8)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	15.9	49.4
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3.5	(3.4)
CASH AND CASH EQUIVALENTS - January 1,	3.7	8.2
CASH AND CASH EQUIVALENTS - June 30,	$ 7.2	$ 4.8

See accompanying notes to consolidated condensed financial statements.

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

(Amounts in millions)

1. STATEMENT

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

2. INVENTORIES

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

	June 30, 1997	December 31, 1996
At First-In, First-Out (FIFO) cost		
Finished goods	$ 210.1	$ 204.2
Work in process	46.0	39.4
Raw materials	145.3	147.7
	401.4	391.3
Excess of FIFO cost over LIFO cost	15.3	11.7
	$ 386.1	$ 379.6

3. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment comprised the following:

	June 30, 1997	December 31, 1996
Property, plant and equipment, at cost	$ 1,103.0	$ 1,015.1
Less accumulated depreciation	470.9	432.2
	$ 632.1	$ 582.9

4. CONTINGENCIES

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

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

In connection with an acquisition, one of the Company's subsidiaries is involved in an unfair labor complaint filed by the National Labor Relations Board. An administrative decision has been rendered against the subsidiary, which decision was recently upheld by the appellate court. The Company is currently considering additional legal and other actions to resolve this matter.

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

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

Capital Resources and Liquidity

The Company's total capitalization at June 30, 1997 and December 31, 1996 is shown in the table below. The table also shows the amount of unused committed credit available through the Company's revolving bank credit agreements.

(Dollar amounts in millions)	June 30, 1997	December 31, 1996
Long-term debt outstanding:		
Scheduled maturities	$ 431.9	$ 332.4
Revolving credit/commercial paper	26.8	56.1
Total long-term debt	458.7	388.5
Deferred income taxes and other liabilities	96.5	90.5
Shareholders' equity	1,063.6	941.1
Total capitalization	$ 1,618.8	$ 1,420.1
Unused committed credit	$ 215.0	$ 215.0

The Company's internal investments to modernize and expand manufacturing capacity were $50.5 million in the first six months of 1997. The Company also invested $86.2 million in cash (net of cash acquired) and issued 1.1 million shares of common stock to make several acquisitions. Cash provided by operating activities provided a majority of the funds required for these investments. Increased borrowing under the Company's commercial paper program initially provided the balance. In April 1997, the Company issued $100 million in medium-term notes. These notes have average lives of 6.25 years and fixed interest rates averaging 7.24%. Proceeds from the notes were used to repay commercial paper outstanding.

Working capital at June 30, 1997 was $553.3 million, up from $470.5 million at year-end. Total current assets increased $109.5 million, due primarily to increases in accounts and notes receivable attributable to increased sales. Total current liabilities increased $26.7 million, due primarily to increases in accounts payable and accrued expenses.

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

Results of Operations

The Company had record sales of $1.39 billion in the first six months of 1997. Sales for the second quarter increased to an all-time quarterly high of $721.2 million. Compared with the same periods in 1996, sales increased 15% in the first six months and 16% in the second quarter.

Earnings per share increased to records of $1.06 in the first six months and $.55 in the second quarter of 1997. Compared to 1996 results before non-recurring costs, earnings per share were up 19% in the first six months and 17% in the second quarter. The non-recurring costs totaled $.32 per share, consisting of $.18 per share in merger related costs for the Company's May 1996 acquisition of Pace Holdings, Inc. (Pace), and $.14 per share in an extraordinary item for the mid-year refinancing of Pace debt. Earnings per share including the non-recurring costs were $.57 in the first six months and $.15 in the second quarter of 1996.

Increased 1997 sales reflected ongoing benefits from acquisitions and improved performance in existing operations. Acquisitions accounted for more of the Company's sales growth than other factors. The balance of the sales growth primarily reflected increases in unit volumes in many operations.

Earnings per share continued to grow faster than sales, reflecting year-to-year improvements in profit margins. The following table shows various measures of earnings as a percentage of sales for the first six months and the second quarter of the last two years. It also shows the effective income tax rate and the coverage of interest expense by pre-tax earnings plus interest in each respective period.

	Six Months Ended June 30, 1997	1996	Quarter Ended June 30, 1997	1996
Gross profit margin	25.4%	25.0%	25.4%	25.4%
Pre-tax profit margin-reported	11.6	8.7	11.6	7.1
Impact of non-recurring costs	--	2.2	--	4.3
Excluding non-recurring costs	11.6	10.9	11.6	11.4
Net profit margin-reported	7.2	4.3	7.2	2.3
Impact of non-recurring costs	--	2.4	--	4.6
Excluding non-recurring costs	7.2	6.7	7.2	6.9
Effective income tax rate	38.0	38.9	38.0	39.3
Interest coverage ratio	11.6x	7.6x	11.2x	6.5x

As shown above, gross and pre-tax profit margins were at the same levels in the first six months and the second quarter of 1997. The effective income tax rate also was identical in both of these periods, resulting in net profit margins of 7.2%. These margins compare favorably with the same periods of last year, including and excluding the impact of non-recurring 1996 costs.

Excluding the non-recurring costs, the net profit margin increased from 6.7% in the first six months of 1996. Most of the increase to 7.2% was due to an improvement in the gross profit margin, as many operations continued to improve production efficiencies. Reduced interest expense and a modestly lower effective income tax rate also contributed to the year-to-date increase in the net profit margin.

In the second quarter of 1996, the net profit margin was 6.9%, excluding the impact of non-recurring costs. The increase to 7.2% reflected a slight improvement in the operating expense ratio, little change in interest expense, and a lower effective income tax rate. The gross profit margin for the quarter was at the same level in both of the last two years.

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

Statements of Financial Accounting Standards Not Yet Adopted

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

PART II. OTHER INFORMATION

ITEM 2. CHANGES IN SECURITIES

During the second quarter of 1997 the Company issued 1,021,681 shares of its common stock in transactions which qualified for exemption from registration under the Securities Act by virtue of Regulation D and Section 4(2) of the Securities Act. These securities were issued in connection with the acquisition of three businesses. On April 18, 1997, 334,758 shares were issued to acquire Porter International, Inc. On May 9, 1997, 231,720 shares were issued to acquire Tarrant Interiors, Inc. On June 11, 1997, 455,203 shares were issued to acquire Iredell Fiber, Inc. The shares were issued to the shareholders of those companies.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company held its annual meeting of shareholders on May 14, 1997. Matters voted upon were (1) election of directors, (2) amendment of the Company's Director Stock Option Plan, (3) amendment and restatement of the Company's 1989 Flexible Stock Plan, and (4) ratification of Price Waterhouse as the Company's independent auditors.

The number of votes cast for, against or withheld, as well as abstentions, with respect to each matter are set out below.

1. Election of Directors

DIRECTOR	FOR	WITHHELD
Raymond F. Bentele	78,160,993	853,069
Harry M. Cornell, Jr.	78,171,935	842,127
Robert Ted Enloe, III	78,151,505	862,557
Richard T. Fisher	78,168,656	845,406
Bob L. Gaddy	78,197,675	816,387
David S. Haffner	78,163,227	850,835
Thomas A Hays	78,200,881	813,181
Robert A. Jefferies, Jr.	78,164,995	849,067
Alexander M. Levine	78,212,507	801,555
Richard L. Pearsall	78,197,905	816,157
Duane W. Potter	78,160,789	853,273
Maurice E. Purnell, Jr.	78,163,604	850,458
Felix E. Wright	78,162,499	851,563

2. Amendment of the Company's Director Stock Option Plan

FOR	AGAINST	ABSTAIN
66,225,637	12,364,079	424,346

3. Amendment and restatement of the Company's 1989 Flexible Stock Plan

FOR	AGAINST	ABSTAIN
63,040,715	15,565,603	407,744

4. Ratification of Independent Auditors

FOR	AGAINST	ABSTAIN
78,777,243	47,805	189,014

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) Exhibit 11 - Computations of Earnings Per Share

Exhibit 27 - Financial Data Schedule

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

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LEGGETT & PLATT, INCORPORATED

DATE: August 4, 1997

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

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

DATE: August 4, 1997

By: /s/ MICHAEL A. GLAUBER

Michael A. Glauber
Senior Vice President,
Finance and Administration

EXHIBIT INDEX

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES Exhibit 11

COMPUTATIONS OF EARNINGS PER SHARE

(Amounts in millions, except per share data)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1997	1996	1997	1996
EARNINGS PER SHARE				
Weighted average number of common shares outstanding	92.7	89.1	93.1	89.4
Dilution from outstanding stock options-computed using the "treasury stock" method	2.2	1.6	2.1	1.9
Weighted average number of common shares outstanding as adjusted	94.9	90.7	95.2	91.3
Net Earnings Before Extraordinary Item	$ 100.4	$ 64.3	$ 52.0	$ 26.6
Net Earnings	$ 100.4	$ 51.8	$ 52.0	$ 14.1
Earnings Per Share				
Net Earnings Before Extraordinary Item	$ 1.06	$ .71	$ .55	$ .29
Net Earnings	$ 1.06	$ .57	$ .55	$ .15

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