

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(MARK ONE)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the Transition period from to

COMMISSION FILE NUMBER 1-7845

LEGETT & PLATT, INCORPORATED
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

MISSOURI 44-0324630
(STATE OR OTHER JURISDICTION OF (I.R.S. EMPLOYER IDENTIFICATION NO.)
INCORPORATION OR ORGANIZATION)

NO. 1--LEGETT ROAD 64836
CARTHAGE, MISSOURI (ZIP CODE)
(ADDRESS OF PRINCIPAL EXECUTIVE
OFFICES)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (417) 358-8131

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF EACH CLASS -----	NAME OF EACH EXCHANGE ON WHICH REGISTERED -----
Common Stock, \$.01 par value	New York Stock Exchange Pacific Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange Pacific Stock Exchange

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 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 No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Sec. 229.405 of this chapter) is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10-K or any amendment to this Form 10-K.

The aggregate market value of the voting stock held by nonaffiliates of the Registrant was approximately \$3,038,337,123.

There were 92,301,320 shares of the Registrant's common stock outstanding as of February 28, 1997.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for its Annual Meeting of Shareholders to be held May 14, 1997, are incorporated by reference into Part III of this report.

PART I

ITEM 1. BUSINESS

The Company is a manufacturer. It was incorporated in 1901 as the successor to a partnership formed in 1883 at Carthage, Missouri. That partnership was a pioneer in the manufacture and sale of steel coil bedsprings. The Company today serves markets for components and related products for bedding, furniture and other furnishings including commercial fixtures, store displays, shelving, and related products as well as materials, equipment and technologies used by Company operations and other manufacturers in diverse markets. The term "Company," unless the context requires otherwise, refers to Leggett & Platt, Incorporated and its majority owned subsidiaries.

General Development of Business During 1996. In May 1996, the Company acquired Pace Holdings, Inc. (Pace) based in Fayetteville, Arkansas. Pace manufactures aluminum die cast components used primarily by manufacturers of consumer and commercial products including manufacturers of furnishings. The Pace acquisition involved the issuance of approximately 5.1 million shares of Company common stock. Pace had approximately \$200 million in outstanding debt at the time of the acquisition. This assumed debt was refinanced in June.

In addition to Pace, the Company made thirteen other acquisitions during 1996. Included in these acquisitions were Excell Store Fixtures and Slot All Limited, both based in Ontario, Canada. The Excell/Slot All operations manufacture custom designed metal and wood display cases, shelving, counters and other fixtures primarily for U.S. based specialty retailers.

Other acquisitions in 1996 involved companies manufacturing a variety of products including aluminum die castings and tooling, non-woven textiles, commercial furnishings, bedding components and furniture components. Reference is also made to Note B of the Notes to Consolidated Financial Statements for further information about the Company's acquisitions.

Customers, Market and Products. The Company has several thousand customers, most of which are manufacturers. The Company is not dependent upon any single customer or any few customers. A large number of the Company's customers manufacture finished bedding (mattresses and boxsprings) or upholstered and non-upholstered furniture for home, office, institutions and commercial applications. Customers for commercial furnishings (such as store fixtures, shelving and point-of-purchase displays) include manufacturers of packaged consumer products and retailers that use the Company's products to display a wide variety of merchandise throughout their facilities and at point-of-purchase.

Other Company customers participate in a number of different specialized or niche markets for consumer and industrial products. These customers have requirements for various aluminum die castings, components for automotive seating and sound insulation, various kinds and sizes of steel wire and steel tubing, non-fashion fabrics, cushioning materials, specialized production equipment and proprietary motion controls for manufacturing machinery.

The Company's products are sold and distributed primarily through its own sales personnel.

The Company's products include a broad line of components used by manufacturers to make finished furnishings products. Examples of furnishings components manufactured by the Company include (i) innerspring and boxspring units for mattresses and boxsprings; (ii) foam, textile, fiber and other cushioning materials for bedding and furniture; (iii) springs and seating suspensions for chairs, sofas and other furniture; (iv) steel mechanisms and hardware for reclining chairs, sleeper sofas and other types of motion furniture; (v) chair controls, bases and columns for office furniture; (vi) molded plastic parts and seating constructions; (vii) non-fashion construction fabrics; (viii) aluminum die cast components for gas barbeque grills, outdoor lighting fixtures, clean room flooring and furniture, and (ix) other furniture supplies.

The Company's diverse range of components gives its furnishings manufacturer-customers access to a single source for many of their component needs. For example, a manufacturer of bedding can come to the

Company for almost every component part of a mattress and boxspring, except the upholstering material. This same principle holds true for manufacturers of other furnishings such as upholstered recliner chairs, sofas and loveseats and office chairs. Because the Company has the advantage of long production runs and numerous production and assembly locations, it can generally produce component products more efficiently than its customers. Therefore, components customers can focus on the design, style and marketing of their various furnishings products, rather than the production of many standardized components.

The Company also manufactures and sells finished furnishings. These finished products include carpet underlay and non-skid area rug pads; metal and wood shelving, point-of-purchase displays, custom and semi-custom shelving, counters and racks and other commercial fixtures; bed frames; daybeds; bunk beds; headboards; adjustable electric beds; and fashion beds. Some of the finished furniture produced by the Company is sold to bedding and furniture manufacturers that resell the furniture under their own labels to wholesalers or retailers. Certain finished furniture, such as bed frames, fashion beds, daybeds and other select items, are also sold by the Company directly to retailers. Point-of-purchase displays are sold to manufacturers of packaged goods for use in retail stores. Custom and semi-custom shelving, counters, racks, displays and other commercial fixtures are sold to retailers to furnish their stores. Material handling, shelving and storage fixtures are sold to end users for food service, office and industrial applications.

The Company also produces and sells a number of different products for various consumer and industrial markets. These products require manufacturing technologies similar to those used in making furnishings products. Materials which the Company produces for its own use are sold to customers outside the Company as well. Examples of these diverse products include: (i) aluminum die castings sold to manufacturers of small to mid size gasoline engines, large and mid range diesel engines, motorcycles, recreational boats, electric motors and telecommunications equipment; (ii) non-fashion fabrics sold to apparel manufacturers; (iii) bale-tie machinery and parts and galvanized wire sold to customers who compact and recycle solid waste or bale cotton; (iv) seating components and systems, and other sound insulation materials sold to automotive suppliers; (v) steel wire and welded steel tubing sold to manufacturers of a wide range of industrial and consumer products; (vi) aluminum ingot sold to manufacturers of aluminum products; (vii) motion controls for manufacturing equipment; (viii) quilting machinery and materials handling equipment sold to manufacturers of consumer products; and (ix) injection molded plastic products.

The table below sets out further information concerning sales of each class of the Company's products:

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

SUMMARY OF SALES

	YEAR ENDED DECEMBER 31,					
	1996		1995		1994	
	(UNAUDITED)					
	(DOLLAR AMOUNTS IN MILLIONS)					
Furnishings products						
Bedding components.....	\$ 632.5	25.7%	\$ 558.4	24.8%	\$ 534.5	26.6%
Furniture and other components.....	766.7	31.1	736.4	32.6	630.3	31.4
Finished products.....	501.3	20.3	433.0	19.2	357.6	17.8
Total furnishings products.	1,900.5	77.1	1,727.8	76.6	1,522.4	75.8
Diversified products.....	565.7	22.9	529.1	23.4	486.7	24.2
Net sales.....	\$2,466.2	100.0%	\$2,256.9	100.0%	\$2,009.1	100.0%

Reference is also made to Note I of the Notes to Consolidated Financial Statements for further segment information.

The Company's international operations outside Canada are involved primarily in the sale of machinery and equipment designed to manufacture the Company's innersprings and certain other spring products and the licensing of patents owned and presently maintained by the Company in foreign countries. Machinery used by bedding manufacturers in the production of their products is also manufactured and sold by international operations. The Company has several operations in Canada producing primarily components used by manufacturers of bedding and furniture products as well as commercial fixtures. The Company also has some operations in Mexico, the United Kingdom and Europe.

Foreign sales are a minor portion of the Company's business. Reference is made to Note I of the Notes to Consolidated Financial Statements for further information concerning the Company's operations outside of the United States.

Raw Materials. The Company uses a variety of raw materials in manufacturing its products. Some of the Company's most important raw materials include steel rod from which steel wire is drawn, coil steel, woven and nonwoven fabrics, aluminum ingot, aluminum scrap, angle iron, sheet steel, dimension lumber, textile scrap, foam chemicals, foam scrap and plastic. Substantially all of the Company's requirements for steel wire, an important material in many of the Company's products, are supplied by Company-owned wire drawing mills. The Company also produces, at various locations, for its own consumption and for sale to customers not affiliated with the Company, slit coil steel, welded steel tubing, textile fibers, dimension lumber and aluminum ingot. Numerous supply sources for the raw materials used by the Company are available. The Company did not experience any significant shortages of raw materials during the past year.

Patents and Trademarks. The Company holds numerous patents concerning its various product lines. No single patent or group of patents is material to the Company's business as a whole. Examples of the Company's more significant trademarks include LOK-Fast(TM) and DYNA-Lock(TM) (boxspring components), Mira-Coil(R) and Lura-Flex(TM) (mattress innersprings), Nova-Bond(R) and Flexnet(TM) (insulators for mattresses), ADJUSTA-MAGIC (adjustable electric beds); Wallhugger(R) (recliner chairs), Flex-O-Lators(R) (seating components), NO-SAG(R) (sinuos wire springs and accessories) and VERSARE(R); and Gribetz, WBSO and Cyclo-Index (machinery).

Research and Development. The Company maintains research, engineering and testing centers at Carthage, Missouri, and also does research and development work at several of its other facilities. The Company is unable to precisely calculate the cost of research and development since the personnel involved in product and machinery development also spend portions of their time in other areas. However, the Company believes the cost of research and development was approximately \$9 million in 1996, \$7 million in 1995 and \$6 million in 1994.

Employees. The Company has approximately 21,000 employees of whom approximately 16,500 are engaged in production. Approximately 30% of the Company's production employees are represented by labor unions.

The Company did not experience any material work stoppage related to the negotiation of contracts with labor unions during 1996. Management is not aware of any circumstances which are likely to result in a material work stoppage related to the negotiations of any contracts expiring during 1997.

Competition. There are many companies offering products which compete with those manufactured and sold by the Company. The markets for the Company's products are highly competitive in all aspects. Given the diverse range of components and other products produced by the Company, the number of other companies competing with respect to any class or type of components or other products varies over the Company's product range. There are also a number of maker-users (vertically integrated manufacturers) of many of the products the Company manufactures. The primary competitive factors in the Company's business are price, product quality and customer service. To the best of the Company's knowledge, it is the largest supplier in the United States of a diverse range of components to the furnishings industry.

Backlog. The Company's relationship with its customers and its manufacturing and inventory practices do not provide for the traditional backlog associated with some manufacturing entities and no backlog data is regularly prepared or used by management.

Government Regulation. The Company's various operations are subject to federal, state and local laws and regulations related to the protection of the environment, worker safety and other matters. Environmental regulations include those relating to air and water emissions, underground storage tanks, waste handling, and the like. While the Company cannot forecast policies that may be adopted by various regulatory agencies, management believes that compliance with these various laws and regulations will not have a material adverse effect on the consolidated financial condition or results of operations of the Company.

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 expected remediation actions will be shared equally by the Company and a former joint owner of the plant site.

ITEM 2. PROPERTIES

The Company has approximately 230 locations in North America, including 32 states in the United States. The Company's most important physical properties are its manufacturing plants. These manufacturing plants include five wire drawing mills, three welded steel tubing mills and approximately 90 major manufacturing facilities. The balance of the Company's locations are engaged in assembly, warehousing, sales, administration or research and development. The Company's numerous assembly and warehousing locations are in place to provide quick and efficient deliveries and necessary service to the Company's diverse and geographically dispersed customer base. In addition, the Company has several locations in foreign countries. Its corporate headquarters are located in Carthage, Missouri. Properties of the Company include facilities which, in the opinion of management, are suitable and adequate for the manufacture, assembly and distribution of its products.

Most of the Company's major manufacturing plants are owned by the Company. The Company also conducts certain of its operations in leased premises. Terms of the leases, including purchase options, renewals and maintenance costs, vary by lease. For additional information regarding lease obligations, reference is made to Note E of the Notes to Consolidated Financial Statements.

ITEM 3. LEGAL PROCEEDINGS

The Company is a defendant in numerous workers' compensation, product liability, vehicle accident, employment termination, intellectual property and other claims and legal proceedings, the resolution of which management believes will not have a material adverse effect on the consolidated financial condition or results of operations of the Company in the ordinary course of business.

The Company is presently party to a small number of proceedings in which a governmental authority is a party and which involve provisions enacted regulating the discharge of materials into the environment. These proceedings deal primarily with waste disposal site remediation. Management believes that potential monetary sanctions, if imposed in any or all of these proceedings, or any capital expenditures or operating expenses attributable to these proceedings, will not have a material adverse effect on the consolidated financial condition or results of operations of the Company.

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

Not Applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED SHAREHOLDER MATTERS

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 SHARES TRADED	DIVIDEND DECLARED
	HIGH	LOW		
1996				
Fourth Quarter.....	\$34.750	\$29.375	5,277,400	\$.12
Third Quarter.....	29.500	24.125	7,070,400	.12
Second Quarter.....	29.875	22.375	6,730,300	.11
First Quarter.....	25.750	20.625	6,039,000	.11
For the Year.....	34.750	20.625	25,117,100	.46
1995				
Fourth Quarter.....	\$26.875	\$19.875	10,968,900	\$.10
Third Quarter.....	26.438	21.750	11,293,000	.10
Second Quarter.....	22.438	18.813	10,907,000	.09
First Quarter.....	21.438	17.000	9,863,400	.09
For the Year.....	26.875	17.000	43,032,300	.38

Price and volume data reflect composite transactions and prices as reported daily by The Wall Street Journal.

At March 13, 1997 the Company had 10,818 shareholders of record.

During the fourth quarter of 1996 the Company issued 1,961,718 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 Steadley Company (1,399,289 shares) on October 16, 1996 and Latrobe Plastics Company (562,429 shares) on November 21, 1996. The shares were issued to the shareholders of the two companies.

ITEM 6. SELECTED FINANCIAL DATA

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

SELECTED FINANCIAL DATA

	1996	1995	1994	1993	1992
	(UNAUDITED)				
	(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)				
Summary of Operations					
Net sales.....	\$2,466.2	\$2,256.9	\$2,009.1	\$1,526.7	\$1,315.0
Earnings from continuing operations.....	153.0	134.3	119.5	85.6	65.8
Earnings per share from continuing operations.....	1.67	1.49	1.36	1.04	.83
Cash dividends declared per share.....	.46	.38	.31	.27	.23
Summary of Financial Position					
Total assets.....	\$1,712.9	\$1,478.1	\$1,327.0	\$1,080.1	\$ 772.5
Long-term debt.....	388.5	380.6	364.1	306.1	147.9

Merger related costs of \$16.4 after-tax, or \$.18 per share are included in 1996 earnings from continuing operations.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CAPITAL RESOURCES AND LIQUIDITY

The Company's financial position reflects several important principles and guidelines of management's capital policy. These include management's belief that corporate liquidity must always be adequate to support the Company's projected growth rate. At the same time, liquidity must assure management that the Company will be able to withstand any amount of financial adversity that can reasonably be anticipated. Management also intends to direct capital to strategic acquisitions and other investments that provide additional opportunities for expansion and enhanced profitability.

Financial planning to meet these needs reflects management's belief that the Company should never be forced to expand its capital resources, whether debt or equity, at a time not of its choosing. Management also believes that financial flexibility is more important than maximization of earnings per share through excessive leverage. Therefore, management continuously provides for available credit in excess of 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%.

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

	1996	1995	1994
	(DOLLAR AMOUNTS IN MILLIONS)		
Long-term debt outstanding:			
Scheduled maturities.....	\$ 332.4	\$ 315.9	\$ 283.1
Revolving credit/commercial paper.....	56.1	64.7	81.0
	-----	-----	-----
Total long-term debt.....	388.5	380.6	364.1
Deferred income taxes and other liabilities...	90.5	75.6	68.0
Shareholders' equity.....	941.1	746.8	628.3
	-----	-----	-----
Total capitalization.....	\$1,420.1	\$1,203.0	\$1,060.4
	=====	=====	=====
Unused committed credit.....	\$ 215.0	\$ 207.8	\$ 169.0

Internally generated cash provided \$597.8 million in capital during the last three years. In 1996, long-term debt outstanding was 27% of total capitalization at year-end. This compares with 32% at the end of 1995 and 34% in 1994. As shown in the table above, obligations having scheduled maturities are the base "layer" of the Company's debt capital. In the last three years, these obligations consisted primarily of the Company's privately placed medium-term notes and tax-exempt industrial development bonds, and the Pace Holdings, Inc. (Pace) publicly owned senior notes. In June 1996, the Company issued \$100 million in medium-term notes having average maturities of 8 years and fixed interest rates averaging 7.4%. Proceeds from these notes provided a majority of the funds required to redeem, at 113% of par value, all of the Pace senior notes that were to mature in almost 7 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 an additional \$25 million in medium-term notes with maturities of 3 years and fixed interest rates of 6.6%. Proceeds from these notes were used to repay a portion of revolving credit/commercial paper outstanding.

In 1995, \$25 million in 10-year notes were issued with fixed interest rates of 7.0%. In 1994, \$25 million in notes were issued with average lives of 8 years and fixed interest rates averaging 7.6%. During both of these years, proceeds from the medium-term notes were used to repay a portion of the Company's revolving credit. Since November 1994, the Company's senior debt ratings have been maintained at single A by Standard & Poor's and single A2 by Moody's, the two leading debt rating agencies.

The second "layer" of the Company's debt capital consists of revolving bank credit agreements. Over the years, management has renegotiated these bank credit agreements and established a commercial paper program

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. Pace also had \$47.2 million in revolving credit outstanding at the end of 1995 and \$22.7 million in 1994. These amounts are included in the Company's total revolving credit/commercial paper outstanding for each respective year shown in the preceding table. Additional details of long-term debt, including scheduled maturities, revolving credit and commercial paper are discussed in Note D of the Notes to Consolidated Financial Statements.

The Company's internal investments to modernize and expand manufacturing capacity totaled \$300.1 million in the last three years. In 1997, management anticipates internal investments will be higher than the average of these prior years. During the last three years, the Company employed \$207.2 million in cash (net of cash acquired) and issued 10.0 million shares of common stock in acquisitions, including 5.1 million shares to acquire Pace. During 1996, 13 businesses in addition to Pace were acquired for \$89.7 million in cash (net of cash acquired) and 2.7 million shares of common stock. Additional details of acquisitions are discussed in Note B of the Notes to Consolidated Financial Statements. Purchases of the Company's common stock totaled \$10.1 million in 1996, \$24.5 million in 1995, and \$1.1 million in 1994. These purchases were made primarily for employee stock plans, to replace shares issued in purchase acquisitions and satisfy contractual obligations. Cash dividends on the Company's common stock in the last three years totaled \$87.6 million.

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.

Working capital increased \$172.7 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.

	1996	1995	1994
	----	----	----
Working capital turnover (excluding cash and cash equivalents).....	5.7x	6.0x	6.2x
Trade receivables turnover.....	7.8	7.8	8.0
Inventory turnover.....	5.1	5.3	5.7

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

RESULTS OF OPERATIONS

The results of operations during the last three years reflect various elements of the Company's long-term growth strategy, along with general trends in the economy and the markets the Company serves. The Company's growth strategy continues to include internal programs 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 favorable during the last three years. In 1996, economic growth increased, particularly near the end of the year. Economic growth moderated during 1995. In 1994, growth increased during the year.

In each of the last three years, acquisitions accounted for more of the Company's sales growth than other factors. The balance of the sales growth during this period primarily reflected increases in unit volumes, as selling price increases were only a minor factor.

Inflation in prices for raw materials generally decreased in 1996, except in foam scrap. Therefore, the Company was generally able to refrain from raising selling prices during most of the last two years. In 1994, due to increasing prices for raw materials, the Company increased selling prices with the largest increases concentrated in aluminum products. Some earlier cost increases for steel and wire products were not passed along in the Company's selling prices until the end of 1994, or the first half of 1995.

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.

	1996	1995	1994
	----	----	----
Gross profit margin.....	25.3%	23.7%	23.5%
Pre-tax profit margin--reported.....	10.1	9.8	9.8
Impact of non-recurring costs.....	1.1	--	--
	----	----	----
Excluding non-recurring costs.....	11.2	9.8	9.8
Net profit margin--reported.....	5.7	6.0	5.9
Impact of non-recurring costs.....	1.2	--	--
	----	----	----
Excluding non-recurring costs.....	6.9	6.0	5.9
Effective income tax rate.....	38.7	39.1	39.1
Interest coverage ratio.....	9.3x	8.3x	8.6x

The Company's gross profit margins improved in the last two years. The increase in 1996 reflected several favorable factors. These included continued increases in production efficiencies, increased sales in niche markets of products with above average margins, better manufacturing overhead absorption, and reduced costs. The pre-tax profit margin, before non-recurring costs, increased due to the factors noted, but reflected a slight increase in total selling, distribution and administrative expenses. The non-recurring costs in 1996 were associated with the Pace acquisition and are discussed in Note B of the Notes to Consolidated Financial Statements.

The slight increase in the 1995 gross profit margin primarily reflected the Company's continuing growth in niche markets with above average margins, increased production efficiencies and cost containment. The increase in the gross profit margin was offset by slight increases in total selling, distribution and administrative expenses and interest expense, as a percentage of sales. Therefore, the pre-tax profit margin was unchanged from the previous year.

In 1994, the gross profit margin increased from 22.8% in 1993, primarily reflecting improved market conditions in the aluminum and foam industries and gains in overall manufacturing efficiencies on higher volume. These favorable factors more than offset cost/price pressures the Company continued to experience in operations producing steel products. A reduction in total selling, distribution and administrative expenses, as a percentage of sales, was slightly more than offset by higher interest expense and other deductions, net of other income.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Consolidated Financial Statements and supplementary data included in this Report begin on page 12.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Reference is made to the section entitled "Election of Directors" and "Compliance with Section 16(a) of the Securities Exchange Act of 1934" in the Company's definitive Proxy Statement for the Company's Annual Meeting of Shareholders to be held on May 14, 1997, said sections being incorporated by reference, for a description of the directors of the Company.

The following table sets forth the names, ages and positions of all executive officers of the Company. Executive officers are elected annually by the Board of Directors at the first meeting of directors following the Annual Meeting of Shareholders.

The description of the executive officers of the Company is as follows:

NAME ----	AGE ---	POSITION -----
Harry M. Cornell, Jr.	68	Chairman of the Board and Chief Executive Officer
Felix E. Wright	61	President, Chief Operating Officer and Director
Bob L. Gaddy	56	Senior Vice President and Chairman and Chief Executive Officer--Aluminum Group and Director
Roger D. Gladden	51	Senior Vice President and President--Commercial Fixtures and Displays Group
Michael A. Glauber	53	Senior Vice President, Finance and Administration (Principal Financial Officer)
David S. Haffner	44	Executive Vice President and Director
Jerry H. Hudkins	61	Vice President and President--Wire Group
Robert A. Jefferies, Jr.	55	Senior Vice President, Mergers, Acquisitions and Strategic Planning and Director
Ernest C. Jett	51	Vice President, Secretary and Managing Director, Legal Department
Allan J. Ross	50	Vice President, Accounting (Chief Accounting Officer)
Duane W. Potter	65	Senior Vice President and President--Foam Components Group and Director

Subject to the employment agreements and severance benefit agreements listed as Exhibits to this Report, officers serve at the pleasure of the Board of Directors.

Harry M. Cornell, Jr. has served as the Company's Chief Executive Officer, Chairman of the Board and Chairman of the Board's Executive Committee for more than the last five years.

Felix E. Wright has served as the Company's President and Chief Operating Officer for more than the last five years.

Bob L. Gaddy, joined the Company in May, 1996 with the Company's acquisition of Pace Industries, Inc. At that time he was elected a Senior Vice President of the Company and became Chairman and Chief Executive Officer of the Aluminum Group. From 1984 to 1993, Mr. Gaddy was President and Chief Operating Officer of Pace Industries, Inc. and served as Chairman of the Board and Chief Executive Officer of Pace Industries, Inc. thereafter until May, 1996.

Roger D. Gladden was elected Senior Vice President in 1992. He has been President--Commercial Fixtures and Displays since 1984.

Michael A. Glauber has served as the Company's Senior Vice President, Finance and Administration for more than the last five years.

David S. Haffner was elected Executive Vice President in 1995. He previously served as Senior Vice President and President--Furniture and Automotive Components Group from 1992 to 1995.

Jerry H. Hudkins has served the Company as Vice President and President--Wire Group for more than the last five years.

Robert A. Jefferies, Jr. has served as the Company's Senior Vice President, Mergers, Acquisitions and Strategic Planning for more than the last five years.

Ernest C. Jett was elected Vice President and Secretary in 1995. He previously served the Company as Assistant General Counsel from 1979 to 1995 and as Managing Director of the Legal Department since 1991.

Allan J. Ross has served the Company as Vice President, Accounting since April, 1993. In May, 1996 Mr. Ross was designated by the Board of Directors as the Company's Chief Accounting Officer. Prior to that time Mr. Ross served in various accounting management positions with Monsanto Company, a chemical manufacturing business.

Duane W. Potter was elected Senior Vice President and President--Foam Components Group in 1995. He previously served as Senior Vice President and President--Bedding Components Group from 1983 to 1995.

ITEM 11. EXECUTIVE COMPENSATION

The section entitled "Executive Compensation and Related Matters" in the Company's definitive Proxy Statement for the Company's Annual Meeting of Shareholders to be held on May 14, 1997, is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The section entitled "Ownership of Common Stock" in the Company's definitive Proxy Statement for the Company's Annual Meeting of Shareholders to be held on May 14, 1997, is incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The subsection entitled "Related Transactions" of the section entitled "Executive Compensation and Related Matters" in the Company's definitive Proxy Statement for the Company's Annual Meeting of Shareholders to be held on May 14, 1997 is incorporated by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

1. FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULE COVERED BY REPORT OF INDEPENDENT ACCOUNTANTS

The Financial Statements listed below are included in this Report:

- . Consolidated Statements of Earnings for each of the years in the three year period ended December 31, 1996
- . Consolidated Balance Sheets at December 31, 1996 and 1995

- . Consolidated Statements of Cash Flows for each of the years in the three year period ended December 31, 1996
- . Consolidated Statements of Changes in Shareholders' Equity for each of the years in the three year period ended December 31, 1996
- . Notes to Consolidated Financial Statements
- . Schedule for each of the years in the three year period ended December 31, 1996

II--Valuation and Qualifying Accounts and Reserves

All other information schedules have been omitted as the required information is inapplicable, not required, or the information is included in the financial statements or notes thereto.

- 2. EXHIBITS--See Exhibit Index.
- 3. REPORTS ON FORM 8-K FILED DURING THE LAST QUARTER OF 1996: None.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

	YEAR ENDED DECEMBER 31,		
	1996	1995	1994
	(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)		
Net sales.....	\$2,466.2	\$2,256.9	\$2,009.1
Cost of goods sold.....	1,842.7	1,722.0	1,537.4
Gross profit.....	623.5	534.9	471.7
Selling, distribution and administrative expenses...	303.5	272.3	239.7
Amortization of excess cost of purchased companies and other intangibles.....	16.4	15.4	14.1
Interest expense.....	30.0	30.4	26.0
Merger expense.....	26.6	--	--
Other income, net of other deductions.....	2.7	3.8	4.4
Earnings before income taxes and extraordinary item.....	249.7	220.6	196.3
Income taxes.....	96.7	86.3	76.8
Net earnings before extraordinary item.....	153.0	134.3	119.5
Extraordinary item from the extinguishment of debt..	12.5	--	--
Net earnings.....	\$ 140.5	\$ 134.3	\$ 119.5
Earnings Per Share			
Net earnings before extraordinary item.....	\$ 1.67	\$ 1.49	\$ 1.36
Net earnings.....	\$ 1.53	\$ 1.49	\$ 1.36

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31,	
	1996	1995
	(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)	
ASSETS		

Current Assets		
Cash and cash equivalents.....	\$ 3.7	\$ 8.2
Trade receivables, less allowance of \$8.6 in 1996 and \$7.5 in 1995.....	326.8	290.5
Other receivables.....	8.5	8.8
Inventories		
Finished goods.....	204.2	186.3
Work in process.....	39.4	39.1
Raw materials and supplies.....	147.7	136.1
LIFO reserve.....	(11.7)	(17.4)
	-----	-----
Total inventories.....	379.6	344.1
Other current assets.....	44.7	35.0
	-----	-----
Total current assets.....	763.3	686.6
Property, Plant and Equipment--at cost		
Machinery and equipment.....	646.7	561.5
Buildings and other.....	333.8	285.4
Land.....	34.6	28.6
	-----	-----
	1,015.1	875.5
Less accumulated depreciation.....	432.2	364.9
	-----	-----
Net property, plant and equipment.....	582.9	510.6
Other Assets		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of \$28.4 in 1996 and \$21.6 in 1995..	290.3	210.3
Other intangibles, less accumulated amortization of \$30.3 in 1996 and \$24.2 in 1995.....	30.2	31.7
Sundry.....	46.2	38.9
	-----	-----
Total other assets.....	366.7	280.9
	-----	-----
Total assets.....	\$1,712.9	\$1,478.1
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities		
Current maturities of long-term debt.....	\$ 3.9	\$ 7.5
Accounts payable.....	110.3	127.5
Income taxes.....	14.9	7.3
Accrued expenses.....	125.2	109.8
Other current liabilities.....	38.5	23.0
	-----	-----
Total current liabilities.....	292.8	275.1
Long-Term Debt.....	388.5	380.6
Other Liabilities.....	36.0	21.3
Deferred Income Taxes.....	54.5	54.3
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 92,113,786 and 89,407,103 shares in 1996 and 1995, respectively.....	.9	.9
Additional contributed capital.....	240.2	164.0
Retained earnings.....	704.4	601.6
Cumulative translation adjustment.....	(4.2)	(5.0)

Less treasury stock--at cost (6,270 and 644,539 shares in 1996 and 1995, respectively).....	(.2)	(14.7)
	-----	-----
Total shareholders' equity.....	941.1	746.8
	-----	-----
Total liabilities and shareholders' equity.....	\$1,712.9	\$1,478.1
	=====	=====

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	YEAR ENDED DECEMBER 31,		
	-----	-----	-----
	1996	1995	1994

	(DOLLAR AMOUNTS IN MILLIONS)		
Operating Activities			
Net earnings.....	\$ 140.5	\$ 134.3	\$ 119.5
Adjustments to reconcile net earnings to net cash provided by operating activities			
Depreciation.....	75.8	62.6	52.5
Amortization.....	16.4	15.4	14.1
Merger expense (non-cash portion).....	24.4	--	--
Extraordinary item (non-cash portion).....	4.0	--	--
Stock and deferred compensation.....	14.2	4.9	3.5
Deferred income tax benefit.....	(13.4)	(1.9)	(4.8)
Other.....	.5	(2.8)	.8
Other changes, net of effects from purchases of companies			
(Increase) decrease in accounts receivable, net.....	(17.0)	1.0	(42.9)
(Increase) in inventories.....	(10.3)	(35.8)	(35.2)
Decrease (increase) in other current assets...	.7	(5.0)	(6.7)
Increase in current liabilities.....	2.3	15.1	71.1
	-----	-----	-----
Net Cash Provided by Operating Activities...	238.1	187.8	171.9
Investing Activities			
Additions to property, plant and equipment.....	(96.2)	(106.8)	(97.1)
Purchases of companies, net of cash acquired.....	(89.7)	(28.6)	(88.9)
Other.....	(3.1)	.5	(.1)
	-----	-----	-----
Net Cash Used for Investing Activities.....	(189.0)	(134.9)	(186.1)
Financing Activities			
Additions to debt.....	292.9	108.7	68.4
Payments on debt.....	(309.4)	(100.4)	(30.0)
Dividends paid.....	(30.3)	(31.9)	(25.4)
Issuances of common stock.....	5.0	3.0	2.2
Purchases of common stock.....	(10.1)	(24.5)	(1.1)
Other.....	(1.7)	(2.6)	2.4
	-----	-----	-----
Net Cash (Used for) Provided by Financing Activities.....	(53.6)	(47.7)	16.5
	-----	-----	-----
(Decrease) Increase in Cash and Cash Equivalents....	(4.5)	5.2	2.3
Cash and Cash Equivalents--Beginning of Year.....	8.2	3.0	.7
	-----	-----	-----
Cash and Cash Equivalents--End of Year.....	\$ 3.7	\$ 8.2	\$ 3.0
	=====	=====	=====
Supplemental Information			
Interest paid.....	\$ 28.8	\$ 30.8	\$ 24.9
Income taxes paid.....	92.8	90.3	69.8
Liabilities assumed of acquired companies.....	47.3	21.7	40.4
Common stock issued for acquired companies.....	58.3	18.3	13.8
Stock issued for employee stock plans.....	39.4	17.4	8.2

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	COMMON STOCK	ADDITIONAL CONTRIBUTED CAPITAL	RETAINED EARNINGS	CUMULATIVE TRANSLATION ADJUSTMENT	TREASURY STOCK COST	TREASURY STOCK SHARES
(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)						
Balances--January 1, 1994.....	\$.4	\$116.2	\$401.1	\$ (2.8)	\$ (.3)	7,578
Common stock issued, primarily for employee stock plans (1,282,213 shares)...		17.0				
Treasury stock issued for employee stock plans.....		(.1)			2.1	(47,773)
Treasury stock purchased, primarily for employee stock plans.....					(2.1)	51,260
Tax benefit related to stock options.....		.5				
Translation adjustment.....				(3.3)		
Retained earnings of pooled companies at date of acquisition..			5.5			
Net earnings for the year.....			119.5			
Cash dividends declared (\$.31 per share).....			(25.4)			
Balances--December 31, 1994.....	.4	133.6	500.7	(6.1)	(.3)	11,065
Common stock issued for acquired companies and employee stock plans (890,257 shares).....	.1	32.6				
Treasury stock issued for employee stock plans.....		(2.3)			11.4	(372,906)
Treasury stock purchased, primarily for employee stock plans and to replace shares issued for purchased companies..					(25.8)	887,712
Tax benefit related to stock options.....		.5				
Additional shares issued in two-for-one stock split effected in the form of a stock dividend September 15, 1995 (42,194,946 shares) ..	.4	(.4)				118,668
Translation adjustment.....				1.1		
Retained earnings of pooled company at date of acquisition..			(1.5)			
Net earnings for the year.....			134.3			
Cash dividends declared (\$.38 per share).....			(31.9)			
Balances--December 31, 1995.....	.9	164.0	601.6	(5.0)	(14.7)	644,539
Common stock issued for acquired						

companies and employee stock plans (2,994,676 shares)...	90.2					
Treasury stock issued for employee stock plans.....	(5.7)		17.5	(747,033)		
Treasury stock purchased, primarily shares received in stock-for-stock option exercises and shares to replace those issued for purchased companies..			(3.0)	108,764		
Treasury stock purchased under contractual agreements and effectively retired (287,993 shares).....	(9.6)					
Tax benefit related to stock options.....	1.3					
Translation adjustment.....			.8			
Retained earnings of pooled company at date of acquisition..		3.6				
Net earnings for the year.....		140.5				
Cash dividends declared (\$.46 per share).....		(41.3)				
Balances--December 31, 1996.....	\$.9	\$240.2	\$704.4	\$ (4.2)	\$ (.2)	6,270
	===	=====	=====	=====	=====	=====

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994

(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)

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 55% of the inventories at December 31, 1996 and 1995. The first-in, first-out (FIFO) method is principally used for the remainder. The FIFO cost of inventories at December 31, 1996 and 1995 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 6.7% to 25% for machinery and equipment, 2.5% to 6.7% for buildings and 12.5% 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. Long-lived assets, including intangibles, are evaluated for probable recovery of their carrying amount. Appropriate adjustment, using current market prices, estimates of discounted future cash flows and other methods, is made when recovery of the carrying amount is not reasonably assured.

Computations of Earnings Per Share: Earnings per share is based on the weighted average number of common and common equivalent shares outstanding. Common stock equivalents result principally from the assumed issuance of shares under stock option plans.

Concentration of Credit Risks, Exposures and Financial Instruments: The Company specializes in manufacturing, marketing, and distributing components and other related products for furnishings and diversified markets. The Company's operations are principally in the United States, although the Company also has manufacturing subsidiaries in Canada, Europe and Mexico 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 commitments 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 carrying value of all other long-term debt approximates fair value due to the use of variable interest rates and fixed rate debt which approximates current interest rates.

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 carrier.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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 such 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 shareholders' equity. Foreign entities whose functional currency is the U.S. dollar are not significant.

B--ACQUISITIONS

On May 13, 1996, the Company issued 5,134,092 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. Results of operations for the separate and combined companies prior to the pooling are as follows:

	THREE MONTHS ENDED MARCH 31, 1996	TWELVE MONTHS ENDED DECEMBER 31, 1995
	-----	-----
Net sales		
Leggett & Platt.....	\$524.2	\$2,059.3
Pace.....	67.0	197.6
	-----	-----
Combined.....	\$591.2	\$2,256.9
	=====	=====
Net earnings		
Leggett & Platt.....	\$ 36.4	\$ 134.9
Pace.....	1.3	.4
Restatement Adjustments.....	--	(1.0)
	-----	-----
Combined.....	\$ 37.7	\$ 134.3
	=====	=====

Included in the restatement adjustments is the impact of conforming inventory accounting principles used by the Company's aluminum operations to those of Pace.

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

May 1996, prior to the acquisition, options were granted and exercised under the plan resulting in compensation expense of \$12 before taxes. 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 disclosed in Note D. 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 2,128,124 shares of common stock and common stock equivalents. In addition, the Company issued 562,429 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 the furnishings and diversified markets.

Pro forma consolidated net sales for the years ended December 31, 1996 and 1995 as though the 1996 acquisitions, except Pace, had occurred on January 1 of each year presented were \$2,566.8 and \$2,464.7, respectively. 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 1995, the Company acquired the assets of nine companies that primarily manufacture and distribute components to the furnishings industry. These transactions, accounted for as purchases, resulted in the use of \$28.6 in cash, net of cash acquired, and 642,441 shares of common stock. The Company also issued 325,000 shares of common stock to acquire a business in a transaction accounted for as a pooling of interests. The Company elected not to restate its financial statements as the effect of the pooling was not material. This company manufactures and distributes formed wire products to the furnishings industry.

During 1994, the Company acquired certain assets of eight companies in exchange for \$78.8 in cash, net of cash acquired, and 44,756 shares of common stock in transactions accounted for as purchases. These companies primarily specialize in manufacturing and distributing components and certain other products to the furnishings industry. The Company also issued 1,156,872 shares of common stock to acquire two companies during the year in transactions accounted for as poolings of interests. The Company elected not to restate its financial statements as the effect of the poolings was not material. The pooled companies specialize in manufacturing and distributing point-of-purchase store displays and other formed wire products to the furnishings and diversified industries.

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.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

C--ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

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

	1996	1995
	-----	-----
Accrued expenses		
Wages and commissions payable.....	\$ 33.9	\$ 29.4
Workers' compensation, medical, auto and product liability insurance.....	37.5	36.9
Sales promotions.....	13.7	12.2
Other.....	40.1	31.3
	-----	-----
	\$125.2	\$109.8
	=====	=====
Other current liabilities		
Outstanding checks in excess of book balances.....	\$ 19.1	\$ 16.3
Other.....	19.4	6.7
	-----	-----
	\$ 38.5	\$ 23.0
	=====	=====

D--LONG-TERM DEBT

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

	1996	1995
	-----	-----
Medium-term notes, fixed interest rates of 6.8% and 6.5% for 1996 and 1995, respectively, due dates through 2008..	\$250.0	\$127.5
Pace senior notes, fixed interest rates of 10.625% for 1995.....	--	115.0
Pace revolving credit agreements, variable interest rates of 8.2% for 1995, secured.....	--	47.2
Commercial paper, variable interest rates of 6.6% and 6.0% for 1996 and 1995, respectively, due dates in 1997 and 1996.....	56.1	17.5
Industrial development bonds, principally variable interest rates of 4.6% and 5.5% for 1996 and 1995, respectively, due dates through 2030.....	38.9	39.6
Other, partially secured.....	47.4	41.3
	-----	-----
	392.4	388.1
Less current maturities.....	3.9	7.5
	-----	-----
	\$388.5	\$380.6
	=====	=====

Pace senior notes and revolving credit agreements were refinanced during 1996 as discussed in Note B.

The current revolving credit agreements provide for a maximum line of credit of \$215. 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 agreements. The agreements will terminate during 2000, at which time all outstanding balances will become due. Annual facility fees are 1/10 of 1% of the total credit line, payable on a quarterly basis.

Commercial paper and 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.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

The revolving credit agreements and certain other long-term debt contain restrictive covenants which, among other restrictions, limit the amount of additional debt, require working capital to be maintained at specified amounts and restrict payments of dividends. Unrestricted retained earnings available for dividends at December 31, 1996 were approximately \$184.9.

Maturities of long-term debt for each of the five years following 1996 are:

Year ended December 31,	
1997.....	\$ 3.9
1998.....	8.4
1999.....	4.3
2000.....	144.4
2001.....	53.0

E--LEASE OBLIGATIONS

The Company conducts certain of its 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 \$24.3, \$22.7 and \$21.1 for the years ended December 31, 1996, 1995 and 1994, respectively.

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

Year ended December 31,	
1997.....	\$13.7
1998.....	9.5
1999.....	7.0
2000.....	5.0
2001.....	3.2
Later years.....	4.2

	\$42.6
	=====

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.

F--CAPITAL STOCK

At December 31, 1996, the Company had 6,197,540 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 exercisable were 1,826,827, 1,656,270 and 1,077,572 at December 31, 1996, 1995 and 1994, respectively. The weighted average exercise price for these shares was \$9.06, \$10.27 and \$8.04 for 1996, 1995 and 1994, respectively. 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, 1996, 1995 and 1994 was \$13.7, \$2.4 and \$1.5 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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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. The Company does not anticipate that FASB Statement No. 123's method of determining compensation cost will have a significant impact in future years.

A summary of the Company's stock option plans as of December 31, 1996, 1995 and 1994, and changes during the years ending on those dates is presented below:

	SHARES	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE
	-----	-----
Outstanding at		
January 1, 1994.....	2,837,172	\$11.20
Granted.....	368,862	8.91
Exercised.....	(320,064)	7.94
Forfeited.....	(104,714)	13.61

Outstanding at		
December 31, 1994.....	2,781,256	11.17
Granted.....	344,800	9.44
Exercised.....	(418,533)	10.55
Forfeited.....	(75,134)	15.94

Outstanding at		
December 31, 1995.....	2,632,389	10.87
Granted.....	2,477,157	20.27
Exercised.....	(671,310)	11.22
Forfeited.....	(42,584)	20.89

Outstanding at		
December 31, 1996.....	4,395,652	16.01
	=====	

The weighted average fair value per share at date of grant for options granted at an exercise price equal to market value was \$5.05 and \$4.62 for 1996 and 1995, respectively. The weighted average exercise price for these shares was \$23.77 and \$21.03 for 1996 and 1995, respectively. The weighted average fair value per share at date of grant for options granted at an exercise price below market value was \$16.87 and \$14.27 for 1996 and 1995, respectively. The weighted average exercise price for these shares was \$13.52 and \$6.57 in 1996 and 1995, respectively. The fair value of options at date of grant were estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: risk-free interest rate of approximately 6.0%; expected life of approximately 4 years; expected volatility of 19% and expected dividend yield of 1.7%.

The following table summarizes information about stock options outstanding at December 31, 1996:

RANGE OF EXERCISE PRICES	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
	NUMBER OUTSTANDING	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE IN YEARS	WEIGHTED- AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE	WEIGHTED- AVERAGE EXERCISE PRICE
-----	-----	-----	-----	-----	-----
\$.01-					
\$.50	424,074	14	\$.20	348,378	\$.23
3.63-					
6.28	358,108	2	5.95	358,108	5.95
9.56-					
11.50	928,736	1	11.36	928,736	11.36
15.00-					

20.00	857,190	4	17.16	75,862	17.94
20.38-					
25.00	1,502,288	4	22.64	115,743	21.00
25.88-					
30.88	325,256	9	27.36	--	--

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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

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.

In 1989, the Company declared a dividend distribution of one preferred stock purchase right (a Right) for each share of common stock. The Rights are attached to and traded with the Company's common stock. The Rights may only become exercisable under certain circumstances involving actual or potential acquisitions of the Company's common stock. Depending upon the circumstances, if the 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. The Rights remain in existence until February 15, 1999, unless they are exercised, exchanged or redeemed at an earlier date.

G--EMPLOYEE BENEFIT PLANS

The Company sponsors contributory and non-contributory pension and retirement plans. Substantially all employees, other than union employees covered by multiemployer plans under collective bargaining agreements, are eligible to participate in the plans. Retirement benefits under the contributory plans are based on career average earnings. Retirement benefits under the non-contributory plans are based on years of service, employees' average compensation and social security benefits. It is the Company's policy to fund actuarially determined costs as accrued.

Information at December 31, 1996, 1995 and 1994 as to the funded status of Company sponsored defined benefit plans, net pension income from the plans for the years then ended and weighted average assumptions used in the calculations are as follows:

	1996	1995	1994
	-----	-----	-----
Funded Status			
Actuarial present value of benefit obligations			
Vested benefits.....	\$(64.5)	\$(58.8)	\$(50.5)
Nonvested benefits.....	(.8)	(.6)	(.6)
	-----	-----	-----
Accumulated benefit obligations.....	(65.3)	(59.4)	(51.1)
Provision for future compensation increases.....	(3.9)	(3.1)	(3.6)
	-----	-----	-----
Projected benefit obligations.....	(69.2)	(62.5)	(54.7)
Plan assets at fair value.....	98.8	87.1	75.2
	-----	-----	-----
Plan assets in excess of projected benefit obligations.....	29.6	24.6	20.5
Unrecognized net experience gain.....	(7.6)	(3.4)	(.4)
Unrecognized net transition asset.....	(2.7)	(3.4)	(4.1)
	-----	-----	-----
Prepaid pension costs included in other assets..	\$ 19.3	\$ 17.8	\$ 16.0
	=====	=====	=====
Components of Pension Income (Expense)			
Service cost.....	\$ (1.7)	\$ (.8)	\$ (1.3)
Interest cost.....	(4.5)	(4.1)	(3.5)
Actual return on plan assets.....	12.4	12.5	(1.9)
Net amortization and deferral.....	(4.7)	(5.8)	9.0
	-----	-----	-----
Net pension income from defined benefit plans...	\$ 1.5	\$ 1.8	\$ 2.3
	=====	=====	=====
Weighted Average Assumptions			
Discount rate.....	7.25%	7.25%	7.50%
Rate of increase in compensation levels.....	5.19%	5.18%	5.17%
Expected long-term rate of return on plan assets..	8.00%	8.00%	8.00%
	=====	=====	=====

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Plan assets are invested in a diversified portfolio of equity, debt and government securities, including 588,000 shares of the Company's common stock at December 31, 1996.

Contributions to union sponsored, defined benefit, multiemployer pension plans were \$.2 in 1996, 1995 and 1994. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts. As of 1996, 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, except for a recent acquisition, 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) income, including Company sponsored defined benefit plans, multiemployer plans and other plans, was \$(.4), \$.2 and \$.9 in 1996, 1995 and 1994, respectively.

The Company also has a contributory stock purchase/stock bonus plan (SPSB Plan), a non-qualified executive stock purchase program (ESPP) and an employees' discount stock plan (DSP). The SPSB Plan provides Company pre-tax 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 \$4.7, \$4.3 and \$3.3 for 1996, 1995 and 1994, respectively.

Under the DSP, eligible employees may purchase a maximum of 8,000,000 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 504,605, 506,613 and 415,408 during 1996, 1995 and 1994, respectively. Purchase prices ranged from \$15 to \$29 per share. Since inception of the DSP in 1982, a total of 5,667,452 shares have been purchased by employees.

H--INCOME TAXES

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

	YEAR ENDED DECEMBER		
	31,		
	1996	1995	1994
Domestic.....	\$218.0	\$198.7	\$179.9
Foreign.....	31.7	21.9	16.4
	-----	-----	-----
	\$249.7	\$220.6	\$196.3
	=====	=====	=====

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Income tax expense is comprised of the following components:

	YEAR ENDED		
	DECEMBER 31,		
	1996	1995	1994
Current			
Federal.....	\$ 86.3	\$71.1	\$64.0
State and local.....	12.1	9.7	11.0
Foreign.....	11.7	7.4	6.6
	-----	-----	-----
	110.1	88.2	81.6
Deferred			
Federal.....	(12.8)	(3.7)	(4.6)
State and local.....	(.5)	1.2	.3
Foreign.....	(.1)	.6	(.5)
	-----	-----	-----
	(13.4)	(1.9)	(4.8)
	-----	-----	-----
	\$ 96.7	\$86.3	\$76.8
	=====	=====	=====

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

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 at December 31, 1996 and 1995, are as follows:

	DECEMBER 31,	
	1996	1995
Property, plant and equipment.....	\$(47.9)	\$(41.5)
Accrued expenses.....	42.8	29.9
Prepaid pension cost.....	(7.7)	(6.9)
Intangible assets.....	2.6	(2.1)
Other, net.....	(14.4)	(11.2)
	-----	-----
	\$(24.6)	\$(31.8)
	=====	=====

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

	DECEMBER 31,	
	1996	1995
Other current assets.....	\$ 29.9	\$ 22.5
Deferred income taxes.....	(54.5)	(54.3)
	-----	-----
	\$(24.6)	\$(31.8)
	=====	=====

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,

	1996	1995	1994
Statutory federal income tax rate.....	35.0%	35.0%	35.0%
Increases in rate resulting primarily from state and other jurisdictions.....	3.7	4.1	4.1
Effective tax rate.....	38.7%	39.1%	39.1%

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

I--INDUSTRY SEGMENT INFORMATION

The Company's operations principally consist of manufacturing and marketing components and related finished products for the furnishings industry. In addition, the Company supplies a diversified group of industries with products which are similar in manufacturing technology to its furnishings operations. Other than furnishings, no industry segment is significant.

Operating profit is determined by deducting from net sales the cost of goods sold and the selling, distribution, administrative and other expenses attributable to the segment operations. Operating profit was reduced in the furnishings segment by \$18.8 and the diversified group by \$7.8 because of non-recurring merger costs for the Pace acquisition. Corporate expenses not allocated to the segments include corporate general and administrative expenses, interest expense and certain other income and deduction items which are incidental to the Company's operations. Capital expenditures, as defined herein, include amounts relating to acquisitions as well as internal expenditures. The identifiable assets of industry segments are those used in the Company's operations of each segment. Corporate identifiable assets include cash, land, buildings and equipment used in conjunction with corporate activities and sundry assets. Financial information by segment is as follows:

YEAR ENDED DECEMBER 31, -----	FURNISHINGS	DIVERSIFIED	CORPORATE	CONSOLIDATED
-----	-----	-----	-----	-----
1996				
Net sales.....	\$1,900.5	\$565.7	\$ --	\$2,466.2
Operating profit.....	243.1	53.9	(47.3)	249.7
Capital expenditures...	117.5	27.5	5.4	150.4
Depreciation and amortization expense..	71.0	18.4	2.8	92.2
Identifiable assets....	1,313.0	363.9	36.0	1,712.9
1995				
Net sales.....	\$1,727.8	\$529.1	\$ --	\$2,256.9
Operating profit.....	214.1	51.5	(45.0)	220.6
Capital expenditures...	94.7	26.9	4.2	125.8
Depreciation and amortization expense..	58.7	15.9	3.4	78.0
Identifiable assets....	1,134.2	290.0	53.9	1,478.1
1994				
Net sales.....	\$1,522.4	\$486.7	\$ --	\$2,009.1
Operating profit.....	171.9	60.0	(35.6)	196.3
Capital expenditures...	98.4	31.8	3.9	134.1
Depreciation and amortization expense..	48.9	15.1	2.6	66.6
Identifiable assets....	983.9	295.8	47.3	1,327.0

The Company's areas of operation outside of the United States principally include Canada, Europe and Mexico, none of which is significant to consolidated operations. A mid-year 1996 acquisition increased foreign identifiable assets to 13% of total assets. Prior years' net sales and identifiable assets were not significant. Information about the Company's operations in different geographic locations for 1996 follows:

	UNITED STATES	FOREIGN	CORPORATE	CONSOLIDATED
	-----	-----	-----	-----
Net sales.....	\$2,304.8	\$161.4	\$ --	\$2,466.2
Inter-area sales.....	7.5	65.6	--	73.1
Operating profit.....	261.3	35.7	(47.3)	249.7
Identifiable assets.....	1,446.1	230.8	36.0	1,712.9

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

J--CONTINGENCIES

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

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

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

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

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of Leggett & Platt, Incorporated:

In our opinion, the financial statements listed in the index appearing under Item 14 on pages 10 and 11 present fairly, in all material respects, the financial position of Leggett & Platt, Incorporated and Subsidiaries at December 31, 1996 and 1995, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996 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.

/s/ Price Waterhouse LLP

St. Louis, Missouri
February 5, 1997

LEGGET & PLATT, INCORPORATED AND SUBSIDIARIES

QUARTERLY SUMMARY OF EARNINGS

(UNAUDITED)

(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)

YEAR ENDED DECEMBER 31, 1996	FIRST	SECOND	THIRD	FOURTH	TOTAL
Net sales.....	\$591.2	\$620.0	\$628.6	\$626.4	\$2,466.2
Gross profit.....	144.6	157.6	157.3	164.0	623.5
Earnings before income taxes and extraordinary item.....	61.4	43.8	71.9	72.6	249.7
Net earnings before extraordinary item....	37.7	26.6	44.0	44.7	153.0
Net earnings.....	37.7	14.1	44.0	44.7	140.5
=====					
Earnings per share					
Net earnings before extraordinary item..	\$.42	\$.29	\$.48	\$.48	\$ 1.67
=====					
Net earnings.....	\$.42	\$.15	\$.48	\$.48	\$ 1.53
=====					
YEAR ENDED DECEMBER 31, 1995					

Net sales.....	\$579.5	\$584.5	\$551.3	\$541.6	\$2,256.9
Gross profit.....	137.2	137.8	128.4	131.5	534.9
Earnings before income taxes.....	59.3	57.5	51.1	52.7	220.6
Net earnings.....	35.7	34.3	31.6	32.7	134.3
=====					
Earnings per share.....	\$.40	\$.38	\$.35	\$.36	\$ 1.49
=====					

Previously reported 1995 and first quarter 1996 amounts have been restated to reflect the May 1996 pooling of interests.

Merger related costs of \$26.6 pre-tax and \$16.4 after-tax, or \$.18 per share are included in 1996 second quarter net earnings before extraordinary item.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

(AMOUNTS IN MILLIONS)

COLUMN A ----- DESCRIPTION -----	COLUMN B ----- BALANCE AT BEGINNING OF PERIOD -----	COLUMN C ----- ADDITIONS CHARGED TO COST AND EXPENSES -----	COLUMN D ----- DEDUCTIONS -----	COLUMN E ----- BALANCE AT END OF PERIOD -----
Year ended December 31, 1996				
Allowance for doubtful receivables.....	\$7.5 =====	\$4.8 =====	\$3.7 (A) =====	\$8.6 =====
Year ended December 31, 1995				
Allowance for doubtful receivables.....	\$8.1 =====	\$5.8 =====	\$6.4 (A) =====	\$7.5 =====
Year ended December 31, 1994				
Allowance for doubtful receivables.....	\$7.8 =====	\$5.7 =====	\$5.4 (A) =====	\$8.1 =====

(A) Uncollectible accounts charged off, net of recoveries.

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(D) 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

/s/ Harry M. Cornell, Jr.

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

Dated: March 27, 1997

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934, THIS REPORT HAS BEEN SIGNED BELOW BY THE FOLLOWING PERSONS ON BEHALF OF THE REGISTRANT AND IN THE CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE -----	TITLE -----	DATE ----
(A) PRINCIPAL EXECUTIVE OFFICER:		
<p>/s/ Harry M. Cornell, Jr.</p> <hr/> <p>Harry M. Cornell, Jr.</p>	<p>Chairman of the Board and Chief Executive Officer</p>	<p>March 27, 1997</p>
(B) PRINCIPAL FINANCIAL OFFICER:		
<p>/s/ Michael A. Glauber</p> <hr/> <p>Michael A. Glauber</p>	<p>Senior Vice President, Finance & Administration</p>	<p>March 27, 1997</p>
(C) PRINCIPAL ACCOUNTING OFFICER:		
<p>/s/ Allan J. Ross</p> <hr/> <p>Allan J. Ross</p>	<p>Vice President, Accounting</p>	<p>March 27, 1997</p>
(C) DIRECTORS:		
<p>Raymond F. Bentele*</p> <hr/> <p>Raymond F. Bentele</p>	<p>Director</p>	
<p>Robert Ted Enloe, III*</p> <hr/> <p>Robert Ted Enloe, III</p>	<p>Director</p>	
<p>Richard T. Fisher*</p> <hr/> <p>Richard T. Fisher</p>	<p>Director</p>	

Bob L. Gaddy* Director

Bob L. Gaddy

David S. Haffner* Director

David S. Haffner

Thomas A. Hays* Director

Thomas A. Hays

Robert A. Jefferies, Jr.* Director

Robert A. Jefferies, Jr.

Alexander M. Levine* Director

Alexander M. Levine

Richard L. Pearsall* Director

Richard L. Pearsall

Duane W. Potter* Director

Duane W. Potter

Maurice E. Purnell, Jr.* Director

Maurice E. Purnell, Jr.

Felix E. Wright* Director

Felix E. Wright

/s/ Ernest C. Jett

March 27, 1997

*By

Ernest C. Jett
Attorney-in-Fact pursuant to
Power of
Attorney dated March 14, 1997

EXHIBIT INDEX

EXHIBIT NO. -----	DOCUMENT DESCRIPTION -----	SEQUENTIAL PAGE NO. -----
3.1	The Restated Articles of Incorporation of the Company, filed as Exhibit 3 to Registrant's Form 10-Q for the quarter ended June 30, 1987, are incorporated by reference.	
3.2	Amendment to Restated Articles of Incorporation of the Company, filed as Exhibit 3.1 to Form S-4 (Registration No. 33-66238 which was filed with the Securities and Exchange Commission on July 19, 1993), is incorporated by reference.	
3.3	By-Laws of the Company as amended and restated as of August 11, 1993, filed as Exhibit 3.2 to Registrant's Form 10-Q for the quarter ended June 30, 1993, are incorporated by reference.	
4.1	Article III of Registrant's Restated Articles of Incorporation, filed as Exhibit 3.1 above, is incorporated by reference.	
4.2	Rights Agreement dated February 15, 1989 between Registrant and The Chase Manhattan Bank, N.A., pertaining to preferred stock rights distributed by Registrant, filed as Exhibit 1 to Registrant's Form 8-A dated February 15, 1989, and Amendment No. 1 to Rights Agreement dated August 29, 1994, filed as Exhibit 3 to Registrant's Form 8-A/A dated September 8, 1994, are incorporated by reference.	
4.2A	Letter Agreement dated December 18, 1991 between Registrant and Mellon Securities Trust Company ("Mellon") relating to appointment of Mellon as Rights Agent under the Rights Agreement, filed as Exhibit 4.2A to Registrant's Form 10-K for the year ended December 31, 1991, is incorporated by reference.	
10.1(1)	Restated and Amended Employment Agreement between Harry M. Cornell, Jr. and Leggett & Platt, Incorporated dated as of August 14, 1996.	
10.2(1)	Employment Agreement between the Company and Mr. Wright dated May 1, 1981, as amended, filed as Exhibit 10.2 to Registrant's Form 10-K for the year ended December 31, 1989, is incorporated by reference.	
10.3(1)	Employment Agreement between the Company and Mr. Jefferies dated November 7, 1990, filed as Exhibit 10.3 to Registrant's Form 10-K for the year ended December 31, 1990, and Amendment No. 1 to Employment Agreement dated January 1, 1993, filed as Exhibit 10.3 to Registrant's Form 10-K for the year ended December 31, 1992, are incorporated by reference.	
10.4(1)	Severance Benefit Agreement between the Company and Harry M. Cornell, Jr. dated May 9, 1984 filed as Exhibit 10.4 to Registrant's Form 10-K for the year ended December 31, 1994, is incorporated by reference.	
10.5(1)	Severance Benefit Agreement between the Company and Felix E. Wright dated May 9, 1984 filed as Exhibit 10.5 to Registrant's Form 10-K for the year ended December 31, 1994, is incorporated by reference.	
10.6(1)	Severance Benefit Agreement between the Company and Robert A. Jefferies, Jr. dated May 9, 1984 filed as Exhibit 10.6 to Registrant's Form 10-K for the year ended December 31, 1994, is incorporated by reference.	
10.7(1)	Reference is made to Appendix A to Registrant's definitive Proxy Statement dated April 4, 1994 used in conjunction with Registrant's Annual Meeting of Shareholders held on May 11, 1994 for a copy of the Company's 1989 Flexible Stock Plan, as amended, which is incorporated by reference.	

EXHIBIT NO. -----	DOCUMENT DESCRIPTION -----	SEQUENTIAL PAGE NO. -----
10.8(1)	Summary description of the Company's Key Management Incentive Compensation Plan filed as Exhibit 10.7 of Registrant's Form 10-K for the year ended December 31, 1993, is incorporated by reference.	
10.9(1)	Reference is made to description of certain long-term disability arrangements between Registrant and its salaried employees filed as Exhibit 10.7 of Registrant's Form 10-K for the year ended December 31, 1991, which is incorporated by reference.	
10.10(1)	Form of Indemnification Agreement approved by the shareholders of Registrant and entered into between Registrant and each of its directors and executive officers, filed as Exhibit 10.10 to Registrants Form 10-K for the year ended December 31, 1995, is incorporated by reference. .	
10.11(1)	Registrant's Director Stock Option Plan, as amended through November 13, 1996.	
10.12(1)	Leggett & Platt, Incorporated Executive Stock Purchase Program adopted June 6, 1989 under the Company's 1989 Flexible Stock Plan, and effective as of July 1, 1989, as amended on November 13, 1991, filed as Exhibit 10.11 of Registrant's Form 10-K for the year ended December 31, 1991, is incorporated by reference.	
10.13(1)	Revised Employment Agreement between Bob L. Gaddy, Pace Industries, Inc. and Leggett & Platt, Incorporated.	
10.14(1)	Stock Award Agreement dated August 1, 1995 between the Company and Felix E. Wright filed as Exhibit 10.14 of Registrant's Form 10-K for the year ended December 31, 1995, which is incorporated by reference.	
10.15(1)	Stock Award Agreement dated August 1, 1995 between the Company and Duane W. Potter, filed as Exhibit 10.15 of Registrant's Form 10-K for the year ended December 31, 1995, is incorporated by reference.	
10.16(1)	Stock Award Agreement dated August 1, 1995 between the Company and David S. Haffner, filed as Exhibit 10.16 of Registrant's Form 10-K for the year ended December 31, 1995, is incorporated by reference.	
10.17(1)	Stock Award Agreement dated December 28, 1995 between the Company and Harry M. Cornell, Jr., filed as Exhibit 10.17 of Registrant's Form 10-K for the year ended December 31, 1995, is incorporated by reference.	
10.18(1)	Stock Award Agreement dated December 31, 1996 between the Company and Harry M. Cornell, Jr.	
10.19(1)	Stock Award Agreement dated June 1, 1996 between the Company and Felix E. Wright.	
10.20(1)	Stock Award Agreement dated June 1, 1996 between the Company and Duane W. Potter.	
10.21(1)	Stock Award Agreement dated June 1, 1996 between the Company and David S. Haffner.	
10.22(1)	Stock Award Agreement dated September 1, 1996 between the Company and Jerry H. Hudkins.	
10.23(1)	Stock Award Agreement dated September 1, 1996 between the Company and Michael A. Glauber.	
10.24(1)	The summary description of the Company's Deferred Compensation Program, filed as Exhibit 10.18 to Registration Form 10-K for the year ended December 31, 1995, is incorporated by reference.	
10.25(1)	Noncompetition Agreement, dated as of May 13, 1996 between Bob L. Gadday and Leggett & Platt, Incorporated.	

EXHIBIT NO. -----	DOCUMENT DESCRIPTION -----	SEQUENTIAL PAGE NO. -----
10.26(1)	Promissory note made by Bob L. Gadday payable to Pace Holdings, Inc.	
10.27(1)	Pace Industries, Inc., Revised and Restated Employee Incentive Compensation Plan.	
11	Statement of Computation of Earnings Per Common Share.	
21	Schedule of Subsidiaries of Registrant.	
23	Consent of Independent Accountants.	
24	Power of Attorney executed by members of the Company's Board of Directors regarding this Form 10-K and certain registration statements.	
27	Financial Data Schedule	

(1) Denotes management contract or compensatory plan or arrangement.

RESTATED AND AMENDED EMPLOYMENT AGREEMENT
 BETWEEN
 HARRY M. CORNELL, JR.
 AND
 LEGGETT & PLATT, INCORPORATED

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RESTATED AND AMENDED
EMPLOYMENT AGREEMENT

This Amended and Restated Employment Agreement (the "Restated Agreement") is made as of August 14, 1996 by Leggett & Platt, Incorporated, a Missouri corporation (the "Company"), and Harry M. Cornell, Jr. (the "Executive").

RECITALS

- A. This Restated Agreement amends and restates in its entirety the Employment Agreement between the Company and the Executive dated May 9, 1979, as previously amended, supplemented or clarified (the "Employment Agreement").
- B. This Restated Agreement eliminates certain provisions of the Employment Agreement which have become inapplicable due to the passage of time, and integrates the Employment Agreement and all prior supplements or amendments into a single comprehensive document.
- C. The Executive has been employed by the Company since 1950 and has served as its President, Chief Executive Officer and/or Chairman of the Board of Directors since 1960. Over this period the Executive's services have contributed materially to the successful operation of the Company's businesses.
- D. The Company desires that the Executive remain in the employment of the Company. Accordingly, the Compensation Committee (the "Compensation Committee") of the Board of Directors of the Company (the "Board") has recommended the execution of this Restated Agreement and the Board has authorized the execution of the same.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the Company and the Executive do restate and agree as follows:

1. EMPLOYMENT

The Company hereby reaffirms its employment of the Executive as its Chairman of the Board and Chief Executive Officer, and the Executive hereby confirms his employment in that capacity.

The Executive's employment under this Restated Agreement is subject to the terms and conditions set out below and will be carried out in Carthage, Missouri, at the Company's principal executive offices. However, the Executive acknowledges that the nature of his employment may require reasonable domestic and international travel from time to time.

2. TERM

2.1 Term

The term of this Restated Agreement commenced on May 9, 1979 and shall end on December 31, 1998, unless terminated earlier in accordance with the provisions of this Restated Agreement.

2.2 Early Termination

The term of this Restated Agreement may be terminated prior to expiration by reason of any of the following:

- (a) by the Executive (but not the Company) upon six (6) months prior written notice;
- (b) in accordance with the Severance Benefit Agreement between the Company and the Executive dated as of May 9, 1984, as amended from time to time (the "Severance Benefit Agreement"), a copy of which is attached as Exhibit A for information purposes only;
- (c) by the Executive's death;
- (d) in accordance with Section 7 hereof, upon the Executive's Total Disability (as hereinafter defined);
- (e) by the Executive pursuant to Section 8 hereof;
- (f) by the Company pursuant to Section 10 hereof; or
- (g) for other causes as provided below.

3. DUTIES AND AUTHORITY

The Executive shall devote his full business time to the affairs of the Company. However, this shall not be deemed to prevent the Executive from devoting such time (which shall not be substantial in the aggregate) to personal business interests that do not unreasonably interfere with the performance of the Executive's duties hereunder.

The Executive shall use his best efforts, skills and abilities to promote the Company's interests, shall serve as Chief Executive Officer of the Company, Chairman of the Board (if so elected by the Board), and a director (if so elected by the stockholders of the Company), and shall perform such

duties consistent with his status as Chairman of the Board and Chief Executive Officer as may be assigned to him by the Board.

The direction and control exercised by the Board over the Executive shall be such as is customarily exercised by a board of directors over a chairman of the board and chief executive officer.

4. COMPENSATION

4.1 Base Salary

On the Date of this Restated Agreement, the Executive is being paid a base salary at an annual rate of \$575,000. On or before April 15, 1997 and on or before April 15 of each successive year during the term of Executive's active performance of duties as Chief Executive Officer of the Company hereunder, the Compensation Committee of the Board shall appraise the Executive's performance during the previous calendar year, taking into account such factors as it deems appropriate. As a result of such appraisal, the then annual base salary of the Executive may be increased (but shall not be decreased) by such amount as the Compensation Committee determines is fair, just and equitable; provided, however, the percentage increase in the Executive's base salary shall always be at least equal to the then latest percentage increase over the previous year in the aggregate annual base salaries of the Company's five highest paid executive officers other than the Executive. In computing this percentage increase, the Compensation Committee shall disregard that part of any base salary increase attributable in the Committee's reasonable judgment to additional responsibilities assumed or to be assumed by any of such five highest paid executive officers. Further, in computing the percentage increase, the Compensation Committee shall make equitable adjustments in its computations so that the Executive will not be prejudiced by any reduction in the responsibilities of any of such five highest paid executive officers implemented during the immediately preceding year or to be implemented in the immediately following year.

The Executive's base salary shall be paid in equal bi-weekly installments.

All salary increases under this section will be made as of the beginning of the first payroll period immediately following the appraisal in question.

4.2 Annual Cash Bonus

For the year 1996, and each succeeding year during the term of this Agreement, the Executive shall be entitled to earn a cash bonus computed in accordance with such Incentive Compensation Plan guidelines as are approved by the Compensation Committee for such year. The Compensation Committee shall be entitled to amend or supplement the guidelines from time to time whenever the Committee deems this to be in the best interests of the stockholders of the Company.

If the Executive's employment under this Restated Agreement is terminated before December 31 of any year during the term hereof, the Executive shall be entitled to a prorated bonus

for the year of termination. This prorated bonus shall bear the same ratio to the maximum bonus the Executive would have earned with respect to the year under the Incentive Compensation Plan as the number of days this Restated Agreement is in force during such year bears to 365.

4.3 Vacations; Other Benefits

The Executive shall be entitled to a reasonable annual vacation (not less than an aggregate of four weeks in any calendar year) with full pay, benefits and allowances.

In addition to the salary, bonus and other payments to be made under this Restated Agreement, the Executive shall be entitled to participate (to the extent legally permitted) in any insurance, pension, profit sharing, stock bonus, stock option, stock purchase or other benefit plan of the Company now existing or hereafter adopted for the benefit of executive officers of the Company or the employees of the Company generally.

At the Company's expense, the Company shall provide office space, secretarial assistance, supplies and equipment fully adequate to enable the Executive to perform the services of Chief Executive Officer of the Company contemplated by this Restated Agreement and at least comparable to that being provided to the Executive on the date hereof.

The Company shall provide the Executive with appropriate perquisites at least comparable to those provided to the Executive on the date hereof and, in all events, equal to such perquisites as may be made available from time to time to the Company's other executive officers.

In addition to the payments provided for in this Section 4 and elsewhere in this Restated Agreement, the Company may from time to time pay the Executive as a salary increase, a bonus or otherwise, such additional amounts as the Compensation Committee of the Board shall, in its discretion, determine.

Except as may be provided otherwise in this Restated Agreement or to the extent required by law, no benefits referred to in this section or provided for in other sections of this Restated Agreement shall be reduced by the Company as to the Executive without first securing his consent to the same except.

5. EXPENSES -----

The Company shall pay or reimburse the Executive for all transportation, hotel, living and related expenses incurred by the Executive on business trips away from the Company's principal office and for all other business and entertainment expenses reasonably incurred by him in connection with the business of the Company and its subsidiaries or affiliates.

6. PENSION

6.1 Obligation to Make Pension Payments

When Executive's employment is hereafter terminated for any reason whatsoever, including Total Disability or death, the Company shall make cash payments to the Executive (herein the "Pension Payments") as provided in this section 6.

6.2 Commencement and Duration of Pension Payments

The Pension Payments shall begin on the first day of the first month immediately following the Executive's termination of employment. All Pension Payments shall be made in equal monthly installments and once commenced shall continue during the life of the Executive. If the Executive dies before Pension Payments begin or within 15 years from the first monthly Pension Payment, then the monthly Pension Payments shall thereafter be made during the remainder of the 15 year period to the Executive's Designee (as hereinafter defined).

The Executive's "Designee" shall be Ann B. Cornell or such other person or other legal entity designated by the Executive to the Company after the date hereof. The Executive may change the Designee from time to time by an amending designation to the Company. In the absence of a valid designation, or if the Designee dies before the Executive, then the Designee shall be deemed to be the estate of the Executive.

6.3 Amount of Annual Pension Payments

The Executive's annual Pension Payments shall be the following percentage of the Executive's Five Year Average Compensation:

If Termination of Employment after October 4 -----	Percentage -----
1995	62
1996	63
1997	64
1998	65

"Five Year Average Compensation" as used in this Agreement shall be computed by dividing 5 into the highest amount of total compensation accrued by the Company with respect to the Executive for services rendered by the Executive in any period of five consecutive calendar years before 1999 (which may include the year of termination). Such compensation shall include salaries, bonuses and special awards unless provided otherwise below (whether in cash or in kind), but shall not include pensions, retirement allowances, severance pay, fees under consulting contracts, director's fees, distributions under Company benefit plans, the value of fringe benefits

and the like. Additionally, in computing Five Year Average Compensation the following provisions shall apply:

- (a) all salaries, bonuses and special awards shall be deemed "accrued" with respect to a given year even though actually paid in a later year, provided the same stem from the Executive's performance of services during the given year (e.g., bonuses for the year 1995 paid in February 1996, or any salary or bonus which the Executive elects to defer until later years pursuant to the Company's Deferred Compensation Program);
- (b) if the Executive elects to receive stock options in lieu of salary or bonus under the Company's Deferred Compensation Program or any other plan the Company may hereafter adopt, the compensation "accrued" shall be the amount of salary or bonus foregone;
- (c) all stock and cash awards previously or hereafter issued to the Executive under the Company's' 1989 Flexible Stock Plan will be excluded;
- (d) all payments previously or hereafter made to the Executive to offset the effect of tax law limitations on the Executive's participation in the Leggett & Platt Retirement Plan will be excluded; and
- (e) all bonuses, awards and other payments made to the Executive (i) to reimburse Executive for, or provide the Executive with funds to pay, local, state and federal income taxes which become payable by the Executive as a result of exercise of non-qualified stock options or (ii) to induce the Executive to make, or to compensate Executive for making, disqualifying dispositions of Company stock acquired in the exercise of incentive stock options, will be excluded.

The annual Pension Payments under this section shall be reduced by all amounts received by the Executive from primary Social Security, as well as amounts paid to Executive under any disability income insurance policies which are attributable to premiums paid by the Company (all such amounts being herein referred to as "Pension Reduction Amounts").

6.4 Insurance During Retirement or Disability

During the 15-year period following Executive's termination of employment (or, if longer, until Executive's death), the Company will pay, or arrange insurance coverages to pay, all of Executive's and his dependents' medical and hospitalization expenses which are not covered by Medicare or other government health insurance. However, the payments and coverages provided by the Company will not exceed the payments and coverages that Executive and his dependents would have received under the Company's medical plan applicable to them immediately prior to termination of Executive's employment. The Company will also reimburse the Executive and his dependents for premiums they pay for Medicare and other government health insurance.

The Company will provide life insurance coverage to the Executive at least equal to the coverage provided to him immediately prior to termination of his employment.

The Company will pay to Executive and his dependents an amount sufficient to pay income taxes on all amounts or benefits received under this Section 6.4 which are required to be included in income for tax purposes.

6.5 Conversion of Pension Payments into Options

The Executive may elect to convert all or a portion of the present value of his Pension Payments into Options at the times set out below and in manner set out on Exhibit B:

- (a) within 60 days before or after termination of Executive's employment with the Company;
- (b) within 90 days after a "Change in Control" (as defined in the Severance Benefit Agreement);
- (c) at any time if (i) the Company's price/earnings ratio, as reported in the Wall Street Journal, is at least 14, (ii) such ratio is at least 80% of the price/earnings ratio for the Standard & Poors 500 index, as also reported in the Wall Street Journal and (iii) the Company's common stock is trading at a price which is at least 85% of the 3-year high;
- (d) at any time within three months after the Company has sold, for its own account, its common stock in an underwritten, primary public offering.
- (e) at such other time or times either before or after termination of employment as the Compensation Committee may, in its sole discretion, agree with Executive.

"Option" means an option to purchase shares of the Company's common stock, the general terms and conditions of which are set out on Exhibit B. The formula for determining the number of Option shares is also set out on Exhibit B.

The present value of the Pension Payments to be converted into Options shall be determined by an independent actuary of the Company. The discount rate applied by the actuary shall be determined by the Chief Financial Officer using a rate equal to the Company's cost of funds for obligations of similar duration.

The Executive shall exercise his election to convert all or a portion of the Pension Payments into Options by delivering an election notice (the "Election Notice") to the Compensation Committee. The Election Notice shall designate the portion of Pension Payments to be converted into

Options. Promptly after receipt of the Election Notice, the Company shall deliver to Executive an agreement evidencing the Company's obligations as respects the Options. The agreement shall incorporate all of the terms and conditions of the Options set out on Exhibit B and contain such additional terms and conditions determined by the Compensation Committee as are consistent with Exhibit B and necessary to implement Executive's election. Limitations or restrictions on the time of election, purchase or sale of Company securities or other matters may be added to the Option agreement to reduce the risk of violation of Section 16 of the Securities Exchange Act of 1934.

Upon the grant of an Option, the Company's obligations to make all or any part of the Pension Payments shall be extinguished to the extent such Pension Payments were used as a basis for conversion into Options. Thus, for example, if the Executive elected to convert all of his accrued Pension Payments into Options on January 1, 1997, the number of Options received would be based on 63% of his Five Year Average Compensation (see Section 6.3). If the annual Pension Payments accrued were \$600,000 at this time, the Company's obligation for future annual Pension Payments would be extinguished to the extent of \$600,000. If the Executive continued to be employed until January 1, 1999 (i.e., when Pension Payments are based on 65% of Five Year Average Compensation) and his annual Pension Payments would have been \$700,000 at that time, he would receive annual Pension Payments equal to \$100,000 (i.e., \$700,000 - \$600,000) over the pension period.

In no event shall the Company be required to issue Options under this Section 6.5 if, under the tax laws then in force, such issuance or subsequent exercise of the Options will result in materially increasing the Company's tax liabilities when compared to making Pension Payments.

7. DISABILITY

7.1 Definition of "Total Disability"

The Executive shall be deemed to have a "Total Disability" if he is unable, for a continuous period of four or more months, to perform substantially all of the material personal services to be rendered by him under this Restated Agreement.

During the continuance of any Total Disability, the Board may elect to relieve the Executive of all of his duties hereunder by Board resolution delivered to the Executive, or the Executive may elect to cease performing all of his duties hereunder by notice delivered to the Company. Thereupon, Executive's duties and responsibilities as Chief Executive Officer and Chairman of the Board under this Restated Agreement shall cease 60 days following delivery of the Board resolution or the Executive's notice, as the case may be; provided, however, that all other provisions of this Restated Agreement, including the Executive's cash compensation and other benefits, shall continue in full force until 14 months from the first day of the four month or longer continuous period that culminated in the Total Disability ("Disability Termination Date"). If Executive continues to have a Total Disability on the Disability Termination Date, his employment under this Restated Agreement shall be terminated.

7.2 Offset Payments

The Company's obligation to continue the Executive's cash compensation from the date of a Total Disability to the Disability Termination Date shall be reduced by (a) all amounts paid to Executive under disability income insurance policies made available to the Executive by the Company and (b) by all amounts received by the Executive from Social Security disability benefits.

8. EXECUTIVE'S OPTION TO TERMINATE AGREEMENT

Not later than six months after the occurrence of any of the following events the Executive may elect to terminate his employment under this Restated Agreement by sending notice of termination to the Company:

- (a) The Executive shall not be elected and continue as director of the Company, or Chief Executive Officer of the Company or a Member of the Board's Executive Committee;
- (b) The Company is merged or consolidated with another corporation and the Company is not the survivor;
- (c) The Company is dissolved;
- (d) Substantially all of the assets of the Company are sold to any other person;
- (e) A public tender offer is made for the shares of the Company and the offeror acquires at least 40% of the outstanding common shares of the Company; or
- (f) A proxy contest is waged and the person waging the contest acquires working control of the Company.

The Executive's employment obligations under this Restated Agreement shall terminate on the date of termination specified in the Executive's notice to the Company, which date must be within 60 days of the date of the notice.

9. CONSULTING AGREEMENT

Upon the expiration of the term of this Restated Agreement or the termination of the Executive's employment for any reason other than death, Total Disability, or discharge for cause, either the Company or the Executive shall have the option to arrange for the Executive to render consulting services to the Company on the following terms and conditions:

- (a) The party wishing to invoke the provisions of this section shall send notice thereof to the other party within 120 days after termination of employment.

- (b) Beginning on the first day of the first month immediately following the sending of the notice and continuing for a period of two years thereafter, the Executive shall render such consulting services to the Company as the Company may reasonably request from time to time. Consulting services shall be limited to the Executive's consideration, review and/or rendering of advice regarding plans or ideas or specific limited questions or problems proposed by the Company and consultation on any major matters of policy affecting the Company, it being understood that none of the foregoing is to generate substantial research, traveling or deliberation time by the Executive.
- (c) In consideration for the consulting services to be rendered by the Executive, the Company shall pay the Executive during the first and second years of consultation an amount equal to 100% and 75%, respectively, of the total compensation ("Total Compensation") accrued by the Company for services rendered by the Executive during the calendar year immediately preceding the Executive's termination of employment. Total Compensation shall be computed in the manner described in Section 6.3.
- (d) Consulting fees payable hereunder shall be paid each year in twelve equal monthly installments payable on the first day of each month in advance. In addition, the Company shall promptly pay or reimburse the Executive for all out-of-pocket costs incurred by him in rendering consulting services under this section.
- (e) All payments made under this section shall be in addition to any Pension Payments or other payments made to the Executive under this Restated Agreement.
- (f) During the period Executive is rendering consulting services, he shall be entitled to use the same office space and to receive secretarial service which is at least equal to that received immediately prior to his termination of full-time employment.

10. TERMINATION BY THE COMPANY

10.1 Termination For Cause

The Company may terminate the Executive's employment pursuant to this Restated Agreement by discharging the Executive for cause. The term "for cause" shall be limited to the following events:

- (a) The Executive's conviction of any crime involving money or other property of the Company or any of its affiliates or of any other crime (whether or not

involving the Company or any of its affiliates) that constitutes a felony in the jurisdiction involved; or

- (b) The Executive's continuing, repeated, willful violation of specific written directions of the Board (or the board of any affiliate of the company of which the Executive is an officer) which directions are consistent with this Restated Agreement and which violation continues following the Executive's receipt of such written directions; or
- (c) The Executive's continuing, repeated, willful failure to perform his duties hereunder; provided, however, that no discharge shall be deemed for cause under this subsection (c) unless the Executive first receives written notice from the Board (or of the board of any affiliate of the Company of which the Executive is an officer) advising the Executive of the specific acts or omissions alleged to constitute a failure to perform his duties, and such failure continues after the Executive shall have had a reasonable opportunity to correct the acts or omissions so complained of.

In no event shall the alleged incompetence of the Executive in the performance of his duties under this Restated Agreement be deemed grounds for discharge for cause.

10.2 Termination Without Cause

The Board, at any time and without cause, may relieve the Executive of his duties as Chief Executive Officer and Chairman of the Board of the Company upon three months prior written notice to the Executive; provided that such action by the Board pursuant to this Section 10.2 shall not be deemed a termination of the Executive's employment and shall not relieve the Company of any of its financial obligations to the Executive as set forth in this Restated Agreement. Notwithstanding the foregoing sentence, if the Executive's duties are terminated pursuant to this Section 10.2, the Executive's employment shall thereafter be terminated upon the earlier of (i) Executive's death or (ii) the Disability Termination Date (as defined in Section 7.1).

11. CONFIDENTIAL INFORMATION

The Executive shall not at any time (whether during the term of this Restated Agreement or thereafter) disclose to any person any confidential information or trade secrets of the Company.

If any of the restrictions contained in this section or elsewhere in this Restated Agreement shall be deemed unenforceable by reason of the extent, duration, or geographical scope thereof or otherwise, then the Executive and the Company contemplate that the appropriate court will reduce such extent, duration, geographical scope or other provisions hereof, and enforce the restrictions set out in this section and elsewhere in their reduced form for all purposes in the manner contemplated hereby.

12. NONASSIGNABILITY

This Restated Agreement and the benefits hereunder are personal to the Company and are not assignable by it, provided, however, this Restated Agreement and the benefits hereunder may be assigned by the Company to any person acquiring all or substantially all of the assets of the Company or to any corporation into which the Company may be merged or consolidated. In the event of an assignment of this Restated Agreement to any person acquiring all or substantially all of the assets of the Company or to any corporation into which the Company may be merged or consolidated, the title, responsibilities and duties assigned to the Executive by such successor person or corporation shall be the title, responsibilities and duties of a senior executive officer of such successor person or corporation.

The provisions of this Restated Agreement shall be binding on and inure to the benefit of the Executive, his assignees, executors, and administrators.

13. MISCELLANEOUS

13.1 Waivers

No waiver by either party of any breach or nonperformance of any provision of this Restated Agreement shall be deemed to be a waiver of any preceding or succeeding breach or nonperformance of the same or any other provision hereof.

13.2 Notices

All notices, waivers, designations or other communications (herein collectively "notices") that either party is required or permitted to give hereunder shall be in writing and delivered as follows:

If to the Executive:

Harry M. Cornell, Jr.
1321 Northridge Terrace
Joplin, Missouri 64801

If to the Company:

Leggett & Platt, Incorporated
No. 1 Leggett Road
Carthage, Missouri 64836
Attention: Secretary

subject to the right of either party at any time to designate a different location for the delivery of notices.

13.3 Survival of Provisions

The provisions set out in Sections 6, 9 and 11 shall survive the expiration or termination of this Restated Agreement, as shall all other provisions hereof which provide for or contemplate performance by either the Executive or the Company following the termination hereof.

By way of example, if Executive's employment is terminated after the term of this Agreement (as defined in Section 2.1), then either he or the Company shall have the option to arrange for Executive's consulting services as described in Section 9.

13.4 Restatement

This Restated Agreement shall replace and supersede in the entirety the Employment Agreement and all supplements, amendments or clarifications to the Employment Agreement prior to date hereof.

13.5 Split Dollar Life Insurance

On June 4, 1963 and May 24, 1973, the Company and the Executive entered into split dollar life insurance agreements (the "Split Dollar Agreements") pertaining to policies on the life of the Executive in the amounts of \$100,000 and \$200,000, respectively. The Split Dollar Agreements shall continue in full force in accordance with their terms and shall not be affected by this Restated Agreement.

IN WITNESS WHEREOF, the Company and the Executive have signed this Restated Agreement as of the day and year first above written.

"EXECUTIVE"

"COMPANY"

/s/ Harry M. Cornell, Jr.

LEGGETT & PLATT, INCORPORATED

Harry M. Cornell, Jr.

By: /s/ Robert A. Jefferies, Jr.

Title: Senior Vice President

LEGETT & PLATT, INCORPORATED

Director Stock Option Plan

Adopted as of December 12, 1988
As Amended November 13, 1996

Section 1. Purpose.

The purpose of this Director Stock Option Plan (the "Plan") of Leggett & Platt, Incorporated (the "Company") is to encourage ownership in the Company by outside directors of the Company whose continued services are considered essential to the Company's continued progress and thus to provide them with a further incentive to continue as directors of the Company.

Section 2. Administration.

The Plan shall be administered by a committee (the "Committee") of three or more persons appointed by the Board of Directors of the Company, all of whom shall be employees of the Company, but none of whom shall be participants in the Plan. Grants and stock options under the Plan and the amount and nature of the awards to be granted shall be automatic as described in section 6 hereof. However, all questions or interpretation of the Plan or of any opinions issued under it shall be determined by the Committee and such determination shall be final and binding upon all persons having an interest in the Plan. Any or all powers and discretion vested in the Committee under the Plan may be exercised by any subcommittee so authorized by the Committee.

Section 3. Participation in the Plan.

All directors of the Company shall be eligible to participate in the Plan unless they are employees of the Company or any subsidiary of the Company.

Section 4. Stock Subject to the Plan.

The stock which is made the subject of awards granted under the Plan shall be the Company's Common Stock ("Common Stock"), par value \$.01 per share. The total number of shares issuable under the Plan, as adjusted for all stock splits occurring since the Plan became effective, shall not exceed 400,000 shares (subject to adjustment under Section 12). If any outstanding option under the Plan for any reason expires or is terminated without having been exercised in full, the shares allocable to the unexercised portion of such option shall again become available for grant pursuant to the Plan.

Section 5. Non-Statutory Stock Options.

All options granted under the Plan shall be non-statutory options not entitled to special tax treatment under Section 422 of the Internal Revenue Code of 1986, as amended to date.

Section 6. Terms, Conditions and Form of Options.

Each option granted under the Plan shall be evidenced by a written agreement in such form as the Committee shall from time to time approve (the "Option Agreement"), which agreements shall comply with and be subject to the following terms and conditions:

- A. Option Grant Dates. Options shall be granted automatically on the first trading day in any calendar quarter (the "Grant Date") of any year to any eligible director who prior to such Grant Date files with the Committee or its designate an irrevocable election to receive a stock option in lieu of all or twenty-five (25%), fifty (50%) or seventy-five (75%) percent of the annual retainer to be earned by the director during the twelve month period following such Grant Date (the "Grant Year"). The percentage of fees to be foregone in favor of an option shall be stated in the election to be filed with the Committee, as provided above. In the event that the annual retainer is increased during any particular Grant Year, an additional grant shall be made as respects the incremental increase consistent with the director's previous election as of the day upon which such increase becomes effective.

Unless prior to the end of a Grant Year the Director notifies the Committee of his intent to terminate or modify the previous election, additional options shall be granted automatically on the first trading day in the calendar quarter immediately following the end of the preceding Grant Year consistent with the Director's previous election.

- B. Option Formula. The number of option shares granted to any eligible director shall be equal to the number of shares (rounded to the nearest whole share) determined in accordance with the following formula:

$$\frac{\text{Deferred Retainer}}{\text{-----}} = \text{Number of Shares}$$

(Fair Market Value - \$.01)

"Deferred Retainer" shall mean the amount which the director would be entitled to receive for serving as a director in the relevant Grant Year but for the election referred to in Subsection 6.A above. The term "Deferred Retainer" shall not include fees for attendance at meetings of the Board of Directors or any committee of the Board of Directors or for any other services to be provided to the Company. "Fair Market Value" shall mean the fair market value of the Company's Common

Stock at the close of business on the relevant Grant Date as reported on the New York Stock Exchange Composite Tape.

- C. Options Limited Transferability. Each option granted under the Plan by its terms shall not be transferable by the director otherwise than (i) by will or, if he dies intestate, by the laws of descent and distribution of the state of his domicile at the time of his death, or (ii) by bona-fide gift to an immediate family member or trust, corporation, partnership or other entity controlled by the director or an immediate family member or in which the director or an immediate family member is a beneficiary, partner, shareholder or member. The term "immediate family member" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, and shall include adoptive relationships. The donee of a director shall not have the right to transfer the options gifted to him except by will or, if he dies intestate, by the laws of descent and distribution. A gift to a minor shall not be permitted except pursuant to the Uniform Transfers to Minors Act or similar legislation. If a director makes a gift of an option he shall immediately notify the Committee in writing of the name and address of the donee, the number of options gifted and the date the gift was made. Except as provided above, no option or interest therein may be transferred, assigned, pledged or hypothecated by the director during his lifetime, whether by operation of law or otherwise, or be made subject to execution, attachment or similar process.
- D. Period of Option. Subject to the paragraph below concerning options granted due to retainer increases during a Grant Year, options become exercisable on the first anniversary of the date on which they were granted; provided, however, that any option granted pursuant to the Plan shall become exercisable in full upon the death of the director, his retirement because of age or his total and permanent disability. No option shall be exercisable after the expiration of fifteen (15) years from the date on which such option is granted. Each option shall be subject to termination before its date of expiration as hereinafter provided.
- Options granted due to an increase in retainer during a Grant Year ("Increase Options") shall become exercisable and shall terminate at the same time and in the same manner as the options granted at the beginning of that Grant Year.
- E. Exercise of Option. An option granted hereunder may be exercised only by delivering a written notice to the Company accompanied by payment of the full consideration for such shares as to which such options are exercised. Unless otherwise prohibited by the Option Agreement, such consideration may be paid by delivery of shares of Common Stock or a combination of cash and shares of Common Stock; any such shares shall be valued at the fair market value of such shares on the date of exercise. Options may be exercised in full or in part for

whole shares (no fractional shares will be issued) and any exercisable portion of an option grant not exercised may be later exercised subject to the expiration date stated above. The written notice referred to above shall specify the number of shares the optionee then desires to purchase.

If any option has not been fully exercised on the last day of the term ("expiration date"), the unexercised portion of the Option shall be deemed exercised on such expiration date. In such event, shares of Common Stock shall not be issued until the option price and any other required amounts have been paid.

- F. Exercise by Representative Following Death of Director. Upon the death of a director, his options shall be exercisable by the person or persons entitled to do so under his will or by written designation filed with the Committee, or, if the director shall fail to make testamentary disposition of said options or shall die instate, by the director's legal representative or representatives. All such options must be exercised prior to the specified expiration date of such options as provided in Section 6.D. Any exercise by a representative shall be subject to the provisions of this Plan.

- G. Proration. In the event an optionee ceases to be a director of the Company for any reason prior to such time as an option granted under the Plan becomes exercisable, such option shall terminate in respect to the nearest whole number of optioned shares as is the product of the total number of shares subject to such option multiplied by a fraction (the "Fraction"), the numerator of which is the number of months remaining in the Grant Year following the month in which said optionee ceases to be a director and the denominator of which is twelve (12).

As to Increase Options the numerator of the Fraction shall be the number of months remaining in the Grant Year and the denominator shall be the number of months between the date on which the Increase Options were granted and the end of the Grant Year.

Section 7. Modification, Extension and Renewal of Options.

The Committee shall have the power to modify, extend or renew outstanding options and authorize the grant of new options in substitution therefor, provided that any such action may not have the effect of altering or impairing any rights or obligations of any option previously granted without the consent of the director.

Section 8. Option Price.

The option price per share for the shares covered by each option shall be \$.01.

Section 9. Assignability.

The rights and benefits under this Plan shall not be assignable or transferable by the director excepted as provided herein.

Section 10. Time for Granting Options.

All options for shares subject to the Plan shall be granted, if at all, not later than ten (10) years after the adoption of the Plan by the Company's shareholders.

Section 11. Limitation of Rights.

- A. No Right to Continue as a Director. Neither the Plan, nor the granting of an option nor any other action taken pursuant to the Plan shall constitute or be evidence of any agreement or understanding, expressed or implied, that the Company will retain a director for any period of time, or at any particular rate of compensation.
- B. No Shareholders' Right for Options. An optionee shall have no rights as a shareholder with respect to the shares covered by his options until the date of the issuance to him of stock certificate therefor, and no adjustment will be made for dividends or other rights for which the record date is prior to the date such certificate is issued.

Section 12. Adjustment of Number of Shares.

In the event that a stock dividend or stock split shall hereafter be declared with respect to the Company's Common Stock, the number of shares of Common Stock then subject to any outstanding option under the Plan, the number of shares as to which an option is to be granted to a director under the Plan, and the number of shares reserved for issuance pursuant to the plan but not yet covered by an outstanding option shall be adjusted by adding to each such shares the number of shares which would be distributable thereon if such share had been outstanding on the date fixed for determining the shareholders entitled to receive such stock dividend or stock split. In the event that the outstanding shares of Common Stock shall be changed into or exchanged for a different number or kind of shares of stock or other securities of the Company, whether through reorganization, recapitalization or reclassification, then there shall be substituted for each share of Common Stock subject to an outstanding option and for each share of Common Stock reserved for delivery pursuant to the Plan but not yet covered by an option, the number and kind of shares of stock or other securities in to which each outstanding share of Common stock shall be so changed or for which each such share shall be so exchanged. In the event there shall be any change other than as specified above in this Section 12 or in Section 13 in the outstanding shares of Common Stock or of any stock or other securities into which such Common Stock shall have been changed or for which it shall have been exchanged, then the Committee may make such adjustment or change, if any, as it deems equitable in the number or kind of shares or other

securities then subject to outstanding options. In the case of any such substitution or adjustment provided for in this Section 12, the option price for each share covered by outstanding options prior to such substitution or adjustment will be the option price for all shares of stock or other securities which shall have been substituted for such share or to which such share shall have been adjusted pursuant to this Section 12. No adjustment or substitution provided for in this Section 12 shall require the Company to sell a fractional share, and any fractional share resulting from any such adjustment or substitution shall be eliminated from the option in question.

Section 13. Business Combinations.

In the event that, while there remain options outstanding hereunder, there shall occur a dissolution of the Company, a merger or consolidation in which the Company is not the surviving corporation (for such purpose, the Company shall not be deemed the surviving corporation in any such transaction if, as a result thereof, it becomes a wholly owned subsidiary of another corporation) or a transfer, in one or a series of related transactions, of substantially all of the assets of the Corporation:

- (a) If a provision is made in writing in connection with such transaction for the assumption and continuance of any such option, or the substitution for such option of a new substantially equivalent option covering different shares or securities, with appropriate adjustment as to the number and kinds of shares or other securities deliverable with respect thereto, the existing option, or the new option substituted therefor, as the case may be, shall continue in the manner and under the terms provided; or
- (b) If provision is not made in such transaction for the continuance and assumption of any such option or for the substitution of a new substantially equivalent option, then the holder of such option shall be entitled immediately prior to the effective date of any such transaction to purchase the full number of shares covered by such option whether or not then exercisable as to such shares. The unexercised portion of any option shall be deemed cancelled as of the effective date of such transaction.

Section 14. Effective Date of Plan; Shareholder Approval.

The Plan took effect on December 12, 1988 and was adopted by the Company's shareholders on May 10, 1989.

Section 15. Amendment of the Plan.

The Board of Directors may suspend or discontinue the plan or amend it in any respect whatsoever; provided, however, that without approval of the shareholders of the Company, no revision or amendment shall increase the number of shares subject to the Plan (except as provided

in Section 12), change the designation of the class of directors eligible to receive options, or materially increase the benefits accruing to participants under the Plan.

Section 16. Notice.

Any written notice to the Company or the Committee required by any provisions of the Plan shall be addressed to the Secretary of the Company and shall become effective when it is received.

Section 17. Governing Law.

The Plan and all determinations made and actions taken pursuant thereto shall be governed by the laws of the State of Missouri and construed accordingly.

REVISED EMPLOYMENT AGREEMENT

(EXECUTIVE)

THIS AGREEMENT (the "Agreement"), made as of the Effective Date (as defined below) between BOB L. GADDY ("Executive"), PACE INDUSTRIES, INC., an Arkansas corporation (the "Company") and LEGGETT & PLATT, INCORPORATED, a Missouri corporation ("L&P").

W I T N E S S E T H:

WHEREAS, the Company and L&P wish to obtain the services of the Executive as an Executive of the Company and L&P; and

WHEREAS, the Executive is willing, upon the terms and conditions herein set forth, to serve as Executive of the Company, L&P and their subsidiaries; and

WHEREAS, this Agreement constitutes an amendment and restatement of the employment agreement between the Executive and the Company in force immediately prior to the Effective Date (the "former Employment Agreement");

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and intending to be legally bound hereby, the parties agree as follows:

1. NATURE OF EMPLOYMENT

The Company and L&P hereby agree to employ Executive, and Executive agrees to serve the Company and L&P, for the Term of Employment as defined in Section 3, in the capacity of Senior Vice President of L&P, Chairman and Chief Executive Officer-Aluminum Group of L&P and Chairman of the Board and Chief Executive Officer of the Company, and to undertake all duties consistent with these positions. However, the Board of Directors of L&P may from time to time during the term hereof elect to have the Executive serve in an additional capacity at L&P at the Senior Vice President level or above and upon any such election, Executive shall so serve. The Executive's employment under this Agreement will be carried out at the Company's executive offices located in Fayetteville, Arkansas. The Executive, L&P and the Company acknowledge that the Executive's employment may require substantial domestic and international travel from time to time.

2. EXTENT OF EMPLOYMENT

(a) Reporting Relationship. During the Term of Employment, the Executive shall serve the Company and L&P faithfully and to the best of his ability. The Executive shall report to Mr. Felix E. Wright (currently the President and Chief Operating Officer of L&P) as long as Mr. Wright is employed by L&P or his successor.

(b) No Services to Others. During the Term of Employment, the Executive shall devote substantially all of his business time, energy and skill to such employment, and he will not,

directly or indirectly, engage or participate in, or become employed by, or render advisory or other services to, any business entity including any entity which deals in any way with the Company or L&P, except for entities which are affiliated with the Company. The foregoing notwithstanding, this Agreement shall not be construed as preventing the Executive from investing his personal assets in any business entity which does not compete with the Company or L&P in such form or manner as will not require any substantial services on the part of the Executive in the operation or the affairs of such business entity.

(c) Policies and Procedures. Executive shall observe and abide by policies and decisions of the Company and L&P in all business matters. Executive acknowledges receipt of the current Business Conduct Policy applicable to employees of L&P and its subsidiaries and shall abide by the terms of the same as revised or supplemented from time to time. Executive also acknowledges receipt of the Employee Invention and Confidentiality Agreement last revised 9/94, applicable to employees of L&P and its subsidiaries, and agrees to abide by the terms thereof and herewith delivers one signed original thereof to the Company and L&P.

3. TERM OF EMPLOYMENT

(a) Duration. "Term of Employment" shall commence on the date the Company becomes an indirect subsidiary of L&P (the "Effective Date") and shall continue for a term of seven (7) years; provided, however, that should the Executive's employment by the Company be earlier terminated, as hereinafter set forth in this Section, the Term of Employment shall end on the date of such earlier termination.

(b) Early Termination. The Term of Employment shall be earlier terminated: (i) upon the death of Executive; (ii) in the event that because of any disability the Executive is unable to perform, and does not perform for a continuous period of six (6) months substantially all of his duties hereunder ("Disabled" or "Disability"); (iii) by the Company and L&P for Cause (as such term is herein defined) as determined in the good faith determination of the Board of Directors of the Company and L&P (the "Board"), by delivery to the Executive of a written notice specifying such termination and the reasons therefore, or (iv) by the Company and L&P without Cause for any reason they deem appropriate or for no reason.

(c) For Cause. For the purposes of this Section 3, "Cause" shall mean (i) willful breach by the Executive of a material provision of this Agreement, (ii) willful neglect to perform his duties hereunder, (iii) conviction of a felony, (iv) an act or acts of dishonesty intended to result directly or indirectly in the Executive's gain or personal enrichment at the expense of the Company or L&P or any affiliate, or (v) the violation by the Executive of any covenant not to compete delivered to the Company or L&P or any affiliate on the date hereof; provided, however, that no discharge shall be deemed to constitute Cause under subsection (ii) above, unless the Executive first receives written notice from the Company and L&P advising the Executive of the specific acts or omissions alleged to constitute a willful neglect to perform his duties and such failure continues after the Executive has had a reasonable opportunity to correct the acts or omissions so complained of.

(d) Without Cause. If the Company and L&P terminate the Executive's employment under Section 3(b)(iv) (i.e. without Cause) all obligations of the Company, L&P and the Executive will terminate except that the Company and L&P shall for the duration of the "Compensation Period" (as hereinafter defined) (i) continue to make payments of all salary and bonuses referred to in Section 4(a) and 4(b) as though Executive's employment had not been terminated, and (ii) the Executive may continue to participate in all plans (including stock option plans) and programs of the Company and L&P in which the Executive participated at the time of such termination to the extent that such continued participation is possible under the general terms and provisions of such plans and programs.

The term "Compensation Period" means the seven (7) year Term of Employment contemplated by this Agreement provided, however, such Compensation Period shall immediately terminate upon the occurrence of any of the following:

- (i) The Executive's death;
- (ii) The Executive's becoming and remaining Disabled for the six (6) month period referenced in Section 3(b)(ii); or
- (iii) The Executive's failure to comply with Section 7.

If the Executive obtains other employment while payments or benefits are being made or provided under this Section, the Company and L&P will be entitled to offset against the amounts or benefits payable under this Section to Executive the amount of payments or benefits which the Executive receives or has a right to receive in connection with such other employment.

Except as provided in this Section, the Executive will not have any rights or claims against the Company for termination without Cause.

4. COMPENSATION -----

(a) Salary. During the Term of Employment, the Company or L&P shall pay to the Executive as total compensation for his services hereunder, in at least monthly installments, a salary at the rate per year set forth at the end of this Agreement during each year of the Term of Employment.

On or before April 1, 1997 and on or before April 1 of each succeeding year during the Term of Employment, the Compensation Committee of L&P shall appraise the Executive's performance during the previous calendar year, taking into account such factors as it deems appropriate. As a result of such appraisal, the then annual salary of the Executive shall be increased (but may not be decreased) by such amount as the Compensation Committee of L&P determines is fair, just and equitable; provided, however, the percentage increase in the Executive's salary shall always be at least equal to the average percentage increase then provided for in L&P's

merit budget for salaried employees.

(b) Bonuses. Executive shall be entitled to earn an incentive bonus of up to 33% of Executives' annual salary as of year-end. Such bonus will be calculated and paid in accordance with L&P's Key Management Incentive Compensation Plan. Executive's bonus for 1996 will be prorated from the date hereof.

In addition, Executive shall be entitled to participate in and earn bonuses pursuant to the Company's Revised and Restated Employee Incentive Compensation Plan (the "Pace Incentive Plan") of even date.

The Executive's allocation in the Bonus Pool under the Pace Incentive Plan for each Plan Year in which he is an Employee shall be twenty-five percent (25%) (the "Executive's Allocation"), unless Executive and the Plan Executive shall agree otherwise or as is equitable due to the operation of Section 3(E) of the Pace Incentive Plan.

If during a particular Plan Year Executive is no longer employed by the Company or L&P by reason of death Executive's estate shall receive a pro rata portion of the Executive's Allocation for that Plan Year based on the number of days (assuming a three hundred sixty-five (365) day year) that Executive was employed during such particular Plan Year. The terms "Plan Year," "Bonus Pool," "Employee" and "Plan Executive" as used in this and the preceding paragraph have the meaning assigned to them in the Pace Incentive Plan.

(c) Stock Options. Within 30 days following the date of this Agreement the Executive shall be granted incentive stock options (to the extent permissible under applicable tax laws) and non-qualified stock options under L&P's 1989 Flexible Stock Plan (the "Plan") to purchase 105,250 shares of L&P's common stock at a purchase price equal to the market price of such stock on the date of grant. The options shall expire on the earlier of: (i) ten (10) years after the date of grant; or (ii) as provided in the applicable option agreements. The options may, at the discretion of the Executive, be paid with cash or already owned shares of L&P common stock or a combination of both cash and stock. The options shall first become exercisable as follows:

AFTER DATE OF GRANT	% OF OPTIONS FIRST BECOMING EXERCISABLE
-----	-----
1 Year	33.33%
2 Years	33.33%
3 Years	33.34%
	100%

5. REIMBURSEMENT OF EXPENSES

During the Term of Employment the Company shall continue to pay or reimburse Executive for reasonable expenses incurred in the performance of his duties hereunder in accordance

with the policy of L&P.

6. BENEFITS

The Executive shall be entitled to substantially the same employee benefits and perquisites provided by the Company to the Executive prior to the Effective Date, including vacation period and insurance.

7. CONFIDENTIAL INFORMATION

During the term of this Agreement and for a period of two (2) years thereafter, the Executive shall not, without the written consent of the Board or a person authorized thereby, disclose to any person any confidential information obtained by him in the employ of the Company or L&P with respect to any operations, customers, procedures, investments or other financial matters of the Company or L&P.

8. NOTICE

Any notice, request, demand or other communication required or permitted to be given under this Agreement shall be sufficient if in writing and if delivered personally, or sent by national courier service or by certified or registered mail as follows (or to such other addressee or address as shall be set forth in a notice given in the same manner):

If to the Executive:

Bob L. Gaddy
c/o Pace Industries, Inc.
P. O. Box 309
One McIlroy Plaza, Suite 401
Fayetteville, AR 72701

If to the Company:

Pace Industries, Inc.
One McIlroy Plaza, Suite 401
Fayetteville, AR 72701

If to L&P:

Leggett & Platt, Incorporated
No. 1 Leggett Road
Carthage, Missouri 64836
Attention: Secretary

Any such notices shall be deemed to be given on the date delivered, deposited or mailed in the manner provided above.

9. ARBITRATION

The exclusive procedure for resolution of any dispute under this Agreement shall be by arbitration in Little Rock, Arkansas or Joplin, Missouri or such other location as the parties shall agree upon before one arbitrator in accordance with the rules then obtaining of the American Arbitration Association. The award of the arbitrator shall be in writing and state the reason for his decision, shall be final and binding upon the parties and judgment upon the award may be entered in any court having jurisdiction thereof. The costs of arbitration consisting of filing fees and arbitrator's fees and expenses, if any, shall be divided equally between the parties. Each party shall otherwise bear its or his own expenses.

10. VALIDITY

If for any reason any provision hereof shall be determined to be invalid or unenforceable, the validity and effect of the other provisions hereof shall not be affected thereby.

11. WAIVER OF BREACH

The waiver by the Company or L&P or by the Executive of a breach of any provision of this Agreement by the other party, shall not operate, or be construed, as a waiver of any other breach of such other party.

12. ASSIGNMENT

Neither the Company nor L&P nor the Executive may assign, transfer, pledge, encumber or otherwise dispose of this Agreement or any of their respective rights hereunder, without the written consent of the other, except that the Company or L&P may assign this Agreement if the Company or L&P merges with or otherwise combines its business with another entity and such entity assumes the obligation hereunder; provided in such event the duties of the Executive shall not be changed in any significant regard.

13. ENTIRE AGREEMENT

This Agreement constitutes the entire understanding of the Company, L&P and the Executive with respect to the subject matter hereof and supersedes any and all prior understandings, written or oral including, but not limited to, the former Employment Agreement. This Agreement may not be changed orally but only by an agreement in writing subscribed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

14. APPLICABLE LAW

The parties hereto agree that this Agreement shall be construed and enforced pursuant to the laws of the State of Arkansas.

15. OTHER

The cost of all compensation and benefits provided to the Executive under this Agreement by L&P (excluding any bonuses payable to Executive under the Pace Incentive Plan) shall constitute costs of the Company when computing any bonuses payable pursuant to the Company's Revised and Restated Employee Incentive Compensation Plan.

The term of the covenant not to compete given by the Executive to the Company on or about December 9, 1993 in connection with the December 10, 1993 merger of the Company is hereby extended to December 9, 2001.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the day and year first above written.

PACE INDUSTRIES, INC.

By:/s/ J. SCOTT BULL

J. Scott Bull
President

LEGGETT & PLATT, INCORPORATED

By:/s/ Robert A. Jefferies, Jr.

Senior Vice President

By:/s/ Bob L. Gaddy

Executive

STOCK AWARD AGREEMENT

Leggett & Platt, Incorporated (the "Company") and Harry M. Cornell, Jr. (the "Participant") agree as of December 31, 1996 as follows:

1. 1989 FLEXIBLE STOCK PLAN. The Basic Stock Award and the Additional Stock Award provided for below (individually "Stock Award" or "Award" and collectively "Stock Awards" or "Awards") constitute "Other Stock Based Awards" under the Company's 1989 Flexible Stock Plan (the "Plan") and are granted to Participant under Article XVIII of the Plan.

All Stock Awards provided for in this Agreement have been granted in the sole discretion of the Committee which administers the Plan. No consideration whatsoever has been required of Participant as a condition to receiving or enjoying Awards.

This Agreement and all shares of Common Stock of the Company ("Shares") granted to or acquired by Participant under or pursuant to this Agreement is subject to the Plan. A copy of the Plan is available to Participant upon request.

Capitalized terms used in this Agreement, if not defined herein, shall have the meanings given to such terms by the Plan.

2. BASIC STOCK AWARD. The Participant is granted bi-weekly awards of Common Stock of the Company, such awards to be made beginning January 3, 1997 and ending December 19, 1997.

On or before March 31, 1997, the Committee will grant a one-time Basic Stock Award to Participant providing Participant remains a full-time executive of an Employer on that date.

Each bi-weekly Basic Stock Award and the one-time Basic Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to 7.60% of each installment of Participant's pay, including Participant's incentive bonus and any amounts deferred by Participant. The parties to this Agreement agree that the immediately preceding percentages may be adjusted upward or downward as necessary by the Company to reflect any changes in federal, state or local tax rates.

The awards made under this Section are individually and collectively called the "Basic Stock Award."

3. ADDITIONAL STOCK AWARD. On or before March 1, 1998 the Committee will grant a one-time "Additional Stock Award" to Participant if (i) Participant remains a full-time executive of an Employer as of December 31, 1997 or has terminated his employment before December 31, 1997 because of permanent and total disability, retirement or death and (ii) the Company has met the 1997 earnings objectives as determined by the Committee for the awarding of an Additional Stock Award. The Additional Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to the product of "X" and "Y" where:

(a) "X" equals .787; and

(b) "Y" equals the aggregate fair market value of all Basic Stock Awards received by Participant during calendar year 1997. The fair market value of each Basic Stock Award shall be determined as of the date such Award is made.

4. DIVIDENDS ON COMPANY SHARES; PARTICIPANT'S INVESTMENTS.

_____ Participant elects to have income taxes withheld from all cash dividends on Company Shares.

X Participant elects not to have income taxes

withheld from all cash dividends on Company Shares.

(Check one of two above.)

Participant authorizes the Company to be paid and to receive all cash dividends on Company Shares.

The Company shall invest all cash dividends from Company Shares (plus any interest thereon) in such debt or equity issues, mutual funds, annuity contracts and/or other investments as shall be agreeable to Participant and the Committee. Such investments together with all proceeds thereof and increments thereto are collectively called "Participant's Investments." In no event will Participant's Investments include the Company's Common Stock or the Company's preferred stock or any debt instruments convertible into such Common Stock or preferred stock.

Participant in his sole and absolute discretion and without being under any obligation to do so, may transmit cash to the Company (bi-weekly by payroll deduction or in lump sum amounts). Any such cash transmitted during the period of this Agreement shall not be less than 1% nor more than 10% of Participant's gross cash compensation for the calendar year 1996. All cash transmitted will be invested by the Company in the same manner as cash dividends from Company Shares and thereupon shall constitute and remain a portion of Participant's Investments.

The substantive provisions of Sections 5.1, 5.2, 5.3, 6 and 10 of this Agreement dealing with Common Stock and certificates therefor shall apply with like force to Participant's Investments and certificates or other evidences of Participant's Investments.

5. OTHER CONDITIONS OF STOCK AWARD. The grant of each Stock Award shall be subject to the following additional terms and conditions:

5.1 NAMES ON CERTIFICATES FOR COMMON STOCK. Certificates for all Common Stock shall normally be issued in the name of the Participant only. However, if the Participant so requests, certificates will be issued (i) in the name of the Participant and the Participant's spouse as tenants by the entirety, or (ii) in the name of the Participant and any other person designated by the Participant as joint tenants with right of survivorship. Any such issuance will be in accordance with such guidelines as the Committee may promulgate.

With the Committee's consent, which may be given or withheld in the Committee's sole and absolute discretion, certificates for Common Stock may be issued in the name of a person other than the Participant. Any such issuance shall be on such terms and conditions as the Committee may deem appropriate.

Participant may also transfer Common Stock to a revocable trust providing the terms of such trust meets the requirements set forth in Section 21 of the Company's Executive Stock Purchase Program.

Irrespective of the names (other than the Participant's) appearing on any certificates for Common Stock, such certificates shall remain subject to all of the terms and conditions of this Agreement.

5.2 STOCK NOT TRANSFERRABLE. Common Stock may not be transferred, pledged or otherwise disposed of by the Participant or any other holder thereof until it is no longer subject to repurchase pursuant to Section 13 and until the earlier of (i) the Participant's death, total and permanent disability, retirement, or other termination of employment or (ii) such time as the Committee shall determine.

In addition, Participant may not sell or otherwise dispose of any shares of Common Stock awarded under this Agreement unless the shares have been held for at least six months after the date of the Award.

5.3 POSSESSION OF STOCK CERTIFICATES; LEGENDS. Until Common Stock is no longer nontransferable, certificates for such Common Stock may be held by the Company or such other person or entity as the Committee shall select and may be marked with such legend as the Committee shall determine.

5.4 SUBSTITUTION OF CERTIFICATES. A Participant shall be permitted from time to time to substitute certificates for Common Stock already owned by the Participant and not subject to this Agreement for a like number of Common Stock certificates which have been held for at least six months from the date that they were awarded. Participant shall also be permitted from time to time to substitute property already owned by the Participant and not subject to this Agreement for Participant's Investments having similar fair market value. Any and all such substitutions shall be in accordance with such guidelines as the Committee may promulgate.

6. TRUST OR CUSTODIAL ACCOUNT. The Committee shall have the right at any time to establish a trust, custodial account or other arrangement to hold certificates for Common Stock which is nontransferable upon such terms as it deems appropriate and which are not in conflict with the Plan or this Agreement.

7. ADJUSTMENT. In the event of any change in the Common Stock of the Company described in Section 3.3 of the Plan, the Committee shall have the right to make such amendments to this Agreement as it shall deem necessary to carry out the purposes of this Agreement.

8. AUTHORITY AND FURTHER STEPS. In addition to this Agreement, the Participant shall execute such additional documents and take all steps as the Committee shall request to effectuate the provisions of this Agreement.

9. TERMINATION OF EMPLOYMENT. If Participant's employment terminates for any reason, no further installment of any Basic Stock Award which is payable in installments shall be made. If the Participant's employment terminates for any reason prior to December 31 of any year, any Additional Stock Award for that year which has not been paid will be forfeited unless (a) such termination (i) was because of permanent and total disability or death or (ii) occurred on or after the Participant attained 60 years of age or attained 55 years of age and had been employed by an Employer for at least 5 continuous years or (b) the Committee provides otherwise.

10. ASSIGNMENT. Unless allowed by the Committee, no Award shall be assignable by the Participant. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Company, the Participant and their respective successors, assigns, heirs and personal representatives.

11. FUTURE GRANTS. Nothing contained in this Agreement or other document shall require the grant to Participant of additional Awards or any other Benefit under the Plan or prohibit any other Benefit which is granted from being a different Benefit or from being granted on different and/or additional terms and conditions than those in this Agreement.

12. NO EMPLOYMENT CONTRACT. This Agreement shall not confer upon the Participant any right of continued employment nor shall it interfere in any way with the right of the Employer to terminate the Participant's employment at any time (subject to any employment contract that might exist between Participant and the Employer).

13. OPTION TO REPURCHASE. The Company shall have an option to buy all of a Participant's Common Stock obtained directly through a Stock Award. The option price shall be \$1, and the option must be exercised by the Committee within 60 days following the Participant's termination of employment. The above option applies only to a Participant (a) who is under age 60 when his employment terminates, (b) who has been employed by an Employer for less than 5 continuous years when his employment terminates and (c) whose employment is terminated for a reason other than permanent and total disability or death. For purposes of determining a Participant's length of employment, employment with an Employer prior to the time that it became an Employer shall be disregarded. Without, in any way, limiting the provisions of Section 8, in order to facilitate the Company's exercise of the foregoing option, the Participant shall, as a condition to receiving an Award, execute such stock and other assignments and other documents of transfer as the Committee shall request at any time. Notwithstanding the foregoing, the decision as to whether to exercise the option granted by this Section 13 shall be made solely by the Committee.

LEGETT & PLATT, INCORPORATED

/s/ Harry M. Cornell, Jr.

Participant

By: /s/ Ernest C. Jett

Vice President

STOCK AWARD AGREEMENT

FELIX E. WRIGHT

Leggett & Platt, Incorporated (the "Company") and Felix E. Wright (the "Participant") agree as of June 1, 1996 as follows:

1. 1989 FLEXIBLE STOCK PLAN. The Basic Stock Award and the Additional Stock Award provided for below (individually "Stock Award" or "Award" and collectively "Stock Awards" or "Awards") constitute "Other Stock Based Awards" under the Company's 1989 Flexible Stock Plan (the "Plan") and are granted to Participant under Article XVIII of the Plan.

All Stock Awards provided for in this Agreement have been granted in the sole discretion of the Committee which administers the Plan. No consideration whatsoever has been required of Participant as a condition to receiving or enjoying Awards.

This Agreement and all shares of Common Stock of the Company ("Shares") granted to or acquired by Participant under or pursuant to this Agreement is subject to the Plan. A copy of the Plan is available to Participant upon request.

Capitalized terms used in this Agreement, if not defined herein, shall have the meanings given to such terms by the Plan.

2. BASIC STOCK AWARD. The Participant is granted bi-weekly awards of Common Stock of the Company, such awards to be made beginning June 7, 1996 and ending December 20, 1996.

Each bi-weekly Basic Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to \$2,470.

The awards made under this Section are individually and collectively called the "Basic Stock Award."

3. ADDITIONAL STOCK AWARD. On or before March 1, 1997 the Committee will grant a one-time "Additional Stock Award" to Participant if (i) Participant remains a full-time executive of an Employer as of December 31, 1996 or has terminated his employment before December 31, 1996 because of permanent and total disability, retirement or death and (ii) the Company has met the 1996 earnings objectives as determined by the Committee for the awarding of an Additional Stock Award. The Additional Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to the product of "X" and "Y" where:

(a) "X" equals .787; and

(b) "Y" equals the aggregate fair market value of all Basic Stock Awards received by Participant during 1996. The fair market value of each Basic Stock Award shall be determined as of the date such Award is made.

4. DIVIDENDS ON COMPANY SHARES; PARTICIPANT'S INVESTMENTS.

_____ Participant elects to have income taxes withheld from all cash dividends on Company Shares.

X
_____ Participant elects not to have income taxes withheld from all cash dividends on Company Shares.

(Check one of two above.)

Participant authorizes the Company to be paid and to receive all cash dividends on Company Shares.

The Company shall invest all cash dividends from Company Shares (plus any interest thereon) in such debt or equity issues, mutual funds, annuity contracts and/or other investments as shall be agreeable to Participant and the Committee. Such investments together with all proceeds thereof and increments thereto are collectively called "Participant's Investments." In no event will Participant's Investments include the Company's Common Stock or the Company's preferred stock or any debt instruments convertible into such Common Stock or preferred stock.

Participant in his sole and absolute discretion and without being under any obligation to do so, may transmit cash to the Company (bi-weekly by payroll deduction or in lump sum amounts). Any such cash transmitted during the period of this Agreement shall not be less than 2% nor more than 10% of Participant's gross cash compensation for the calendar year 1995. All cash transmitted will be invested by the Company in the same manner as cash dividends from Company Shares and thereupon shall constitute and remain a portion of Participant's Investments.

The substantive provisions of Sections 5.1, 5.2, 5.3, 6 and 10 of this Agreement dealing with Common Stock and certificates therefor shall apply with like force to Participant's Investments and certificates or other evidences of Participant's Investments.

5. OTHER CONDITIONS OF STOCK AWARD. The grant of each Stock Award shall be subject to the following additional terms and conditions:

5.1 NAMES ON CERTIFICATES FOR COMMON STOCK. Certificates for all Common Stock shall normally be issued in the name of the Participant only. However, if the Participant so

requests, certificates will be issued (i) in the name of the Participant and the Participant's spouse as tenants by the entirety, or (ii) in the name of the Participant and any other person designated by the Participant as joint tenants with right of survivorship. Any such issuance will be in accordance with such guidelines as the Committee may promulgate.

With the Committee's consent, which may be given or withheld in the Committee's sole and absolute discretion, certificates for Common Stock may be issued in the name of a person other than the Participant. Any such issuance shall be on such terms and conditions as the Committee may deem appropriate.

Irrespective of the names (other than the Participant's) appearing on any certificates for Common Stock, such certificates shall remain subject to all of the terms and conditions of this Agreement.

5.2 STOCK NOT TRANSFERABLE. Common Stock may not be transferred, pledged or otherwise disposed of by the Participant or any other holder thereof until it is no longer subject to repurchase pursuant to Section 13 and until the earlier of (i) the Participant's death, total and permanent disability, retirement, or other termination of employment or (ii) such time as the Committee shall determine.

5.3 POSSESSION OF STOCK CERTIFICATES; LEGENDS. Until Common Stock is no longer nontransferable, certificates for such Common Stock may be held by the Company or such other person or entity as the Committee shall select and may be marked with such legend as the Committee shall determine.

5.4 SUBSTITUTION OF CERTIFICATES. A Participant shall be permitted from time to time to substitute certificates for Common Stock already owned by the Participant and not subject to this Agreement for a like number of Common Stock certificates. Participant shall also be permitted from time to time to substitute property already owned by the Participant and not subject to this Agreement for Participant's Investments having similar fair market value. Any and all such substitutions shall be in accordance with such guidelines as the Committee may promulgate.

6. TRUST OR CUSTODIAL ACCOUNT. The committee shall have the right at any time to establish a trust, custodial account or other arrangement to hold certificates for Common Stock which is nontransferable upon such terms as it deems appropriate and which are not in conflict with the Plan or this Agreement.

7. ADJUSTMENT. In the event of any change in the Common Stock of the Company described in Section 3.3 of the Plan, the Committee shall have the right to make such amendments to this Agreement as it shall deem necessary to carry out the purposes of this Agreement.

8. AUTHORITY AND FURTHER STEPS. In addition to this Agreement, the Participant shall execute such additional documents and take all steps as the Committee shall request to effectuate the provisions of this Agreement.

9. TERMINATION OF EMPLOYMENT. If Participant's employment terminates for any reason, no further installment of any Basic Stock Award which is payable in installments shall be made. If the Participant's employment terminates for any reason prior to December 31 of any year, any Additional Stock Award for that year which has not been paid will be forfeited unless (a) such termination (i) was because of permanent and total disability or death or (ii) occurred on or after the Participant attained 60 years of age or attained 55 years of age and had been employment by an Employer for at least 5 continuous years or (b) the Committee provides otherwise.

10. ASSIGNMENT. Unless allowed by the Committee, no Award shall be assignable by the Participant. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Company, the Participant and their respective successors, assigns, heirs and personal representatives.

11. FUTURE GRANTS. Nothing contained in this Agreement or other document shall require the grant to Participant of additional Awards or any other Benefit under the Plan or prohibit any other Benefit which is granted from being a different Benefit or from being granted on different and/or additional terms and conditions than those in this Agreement.

12. NO EMPLOYMENT CONTRACT. This Agreement shall not confer upon the Participant any right of continued employment nor shall it interfere in any way with the right of the Employer to terminate the Participant's employment at any time (subject to any employment contract that might exist between Participant and the Employer).

13. OPTION TO REPURCHASE. The Company shall have an option to buy all of a Participant's Common Stock obtained directly through a Stock Award. The option price shall be \$1, and the option must be exercised by the Committee within sixty (60) days following the Participant's termination of employment. The above option applies only to a Participant (a) who is under age 60 when his employment terminates, (b) who has been employed by an Employer for less than 5 continuous years when his employment terminates and (c) whose employment is terminated for a reason other than permanent and total disability or death. For purposes of determining a Participant's length of employment, employment with an Employer prior to the time that it became an Employer shall be disregarded. Without, in any way, limiting the provisions of Section 8, in order to facilitate the Company's exercise of the foregoing option, the Participant shall, as a condition to receiving an Award, execute such stock and other assignments and other

documents of transfer as the Committee shall request at any time.
Notwithstanding the foregoing, the decision as to whether to exercise the option
granted by this Section 13 shall be made solely by the Committee.

LEGETT & PLATT, INCORPORATED

/s/ Felix E. Wright

Participant

By: /s/ Ernest C. Jett

Vice President

STOCK AWARD AGREEMENT

DUANE W. POTTER

Leggett & Platt, Incorporated (the "Company") and Duane W. Potter (the "Participant") agree as of June 1, 1996 as follows:

1. 1989 FLEXIBLE STOCK PLAN. The Basic Stock Award and the Additional Stock Award provided for below (individually "Stock Award" or "Award" and collectively "Stock Awards" or "Awards") constitute "Other Stock Based Awards" under the Company's 1989 Flexible Stock Plan (the "Plan") and are granted to Participant under Article XVIII of the Plan.

All Stock Awards provided for in this Agreement have been granted in the sole discretion of the Committee which administers the Plan. No consideration whatsoever has been required of Participant as a condition to receiving or enjoying Awards.

This Agreement and all shares of Common Stock of the Company ("Shares") granted to or acquired by Participant under or pursuant to this Agreement is subject to the Plan. A copy of the Plan is available to Participant upon request.

Capitalized terms used in this Agreement, if not defined herein, shall have the meanings given to such terms by the Plan.

2. BASIC STOCK AWARD. The Participant is granted bi-weekly awards of Common Stock of the Company, such awards to be made beginning June 7, 1996 and ending December 20, 1996.

Each bi-weekly Basic Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to \$789.

The awards made under this Section are individually and collectively called the "Basic Stock Award."

3. ADDITIONAL STOCK AWARD. On or before March 1, 1997 the Committee will grant a one-time "Additional Stock Award" to Participant if (i) Participant remains a full-time executive of an Employer as of December 31, 1996 or has terminated his employment before December 31, 1996 because of permanent and total disability, retirement or death and (ii) the Company has met the 1996 earnings objectives as determined by the Committee for the awarding of an Additional Stock Award. The Additional Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to the product of "X" and "Y" where:

(a) "X" equals .787; and

(b) "Y" equals the aggregate fair market value of all Basic Stock Awards received by Participant during 1996. The fair market value of each Basic Stock Award shall be determined as of the date such Award is made.

4. DIVIDENDS ON COMPANY SHARES; PARTICIPANT'S INVESTMENTS.

_____ Participant elects to have income taxes withheld from all cash dividends on Company Shares.

X Participant elects not to have income taxes withheld
----- from all cash dividends on Company Shares.

(Check one of two above.)

Participant authorizes the Company to be paid and to receive all cash dividends on Company Shares.

The Company shall invest all cash dividends from Company Shares (plus any interest thereon) in such debt or equity issues, mutual funds, annuity contracts and/or other investments as shall be agreeable to Participant and the Committee. Such investments together with all proceeds thereof and increments thereto are collectively called "Participant's Investments." In no event will Participant's Investments include the Company's Common Stock or the Company's preferred stock or any debt instruments convertible into such Common Stock or preferred stock.

Participant in his sole and absolute discretion and without being under any obligation to do so, may transmit cash to the Company (bi-weekly by payroll deduction or in lump sum amounts). Any such cash transmitted during the period of this Agreement shall not be less than 2% nor more than 10% of Participant's gross cash compensation for the calendar year 1995. All cash transmitted will be invested by the Company in the same manner as cash dividends from Company Shares and thereupon shall constitute and remain a portion of Participant's Investments.

The substantive provisions of Sections 5.1, 5.2, 5.3, 6 and 10 of this Agreement dealing with Common Stock and certificates therefor shall apply with like force to Participant's Investments and certificates or other evidences of Participant's Investments.

5. OTHER CONDITIONS OF STOCK AWARD. The grant of each Stock Award shall be subject to the following additional terms and conditions:

5.1 NAMES ON CERTIFICATES FOR COMMON STOCK. Certificates for all Common Stock shall normally be issued in the name of the Participant only. However, if the Participant so

requests, certificates will be issued (i) in the name of the Participant and the Participant's spouse as tenants by the entirety, or (ii) in the name of the Participant and any other person designated by the Participant as joint tenants with right of survivorship. Any such issuance will be in accordance with such guidelines as the Committee may promulgate.

With the Committee's consent, which may be given or withheld in the Committee's sole and absolute discretion, certificates for Common Stock may be issued in the name of a person other than the Participant. Any such issuance shall be on such terms and conditions as the Committee may deem appropriate.

Irrespective of the names (other than the Participant's) appearing on any certificates for Common Stock, such certificates shall remain subject to all of the terms and conditions of this Agreement.

5.2 STOCK NOT TRANSFERABLE. Common Stock may not be transferred, pledged or otherwise disposed of by the Participant or any other holder thereof until it is no longer subject to repurchase pursuant to Section 13 and until the earlier of (i) the Participant's death, total and permanent disability, retirement, or other termination of employment or (ii) such time as the Committee shall determine.

5.3 POSSESSION OF STOCK CERTIFICATES; LEGENDS. Until Common Stock is no longer nontransferable, certificates for such Common Stock may be held by the Company or such other person or entity as the Committee shall select and may be marked with such legend as the Committee shall determine.

5.4 SUBSTITUTION OF CERTIFICATES. A Participant shall be permitted from time to time to substitute certificates for Common Stock already owned by the Participant and not subject to this Agreement for a like number of Common Stock certificates. Participant shall also be permitted from time to time to substitute property already owned by the Participant and not subject to this Agreement for Participant's Investments having similar fair market value. Any and all such substitutions shall be in accordance with such guidelines as the Committee may promulgate.

6. TRUST OR CUSTODIAL ACCOUNT. The committee shall have the right at any time to establish a trust, custodial account or other arrangement to hold certificates for Common Stock which is nontransferable upon such terms as it deems appropriate and which are not in conflict with the Plan or this Agreement.

7. ADJUSTMENT. In the event of any change in the Common Stock of the Company described in Section 3.3 of the Plan, the Committee shall have the right to make such amendments to this Agreement as it shall deem necessary to carry out the purposes of this Agreement.

8. AUTHORITY AND FURTHER STEPS. In addition to this Agreement, the Participant shall execute such additional documents and take all steps as the Committee shall request to effectuate the provisions of this Agreement.

9. TERMINATION OF EMPLOYMENT. If Participant's employment terminates for any reason, no further installment of any Basic Stock Award which is payable in installments shall be made. If the Participant's employment terminates for any reason prior to December 31 of any year, any Additional Stock Award for that year which has not been paid will be forfeited unless (a) such termination (i) was because of permanent and total disability or death or (ii) occurred on or after the Participant attained 60 years of age or attained 55 years of age and had been employed by an Employer for at least 5 continuous years or (b) the Committee provides otherwise.

10. ASSIGNMENT. Unless allowed by the Committee, no Award shall be assignable by the Participant. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Company, the Participant and their respective successors, assigns, heirs and personal representatives.

11. FUTURE GRANTS. Nothing contained in this Agreement or other document shall require the grant to Participant of additional Awards or any other Benefit under the Plan or prohibit any other Benefit which is granted from being a different Benefit or from being granted on different and/or additional terms and conditions than those in this Agreement.

12. NO EMPLOYMENT CONTRACT. This Agreement shall not confer upon the Participant any right of continued employment nor shall it interfere in any way with the right of the Employer to terminate the Participant's employment at any time (subject to any employment contract that might exist between Participant and the Employer).

13. OPTION TO REPURCHASE. The Company shall have an option to buy all of a Participant's Common Stock obtained directly through a Stock Award. The option price shall be \$1, and the option must be exercised by the Committee within sixty (60) days following the Participant's termination of employment. The above option applies only to a Participant (a) who is under age 60 when his employment terminates, (b) who has been employed by an Employer for less than 5 continuous years when his employment terminates and (c) whose employment is terminated for a reason other than permanent and total disability or death. For purposes of determining a Participant's length of employment, employment with an Employer prior to the time that it became an Employer shall be disregarded. Without, in any way, limiting the provisions of Section 8, in order to facilitate the Company's exercise of the foregoing option, the Participant shall, as a condition to receiving an Award, execute such stock and other assignments and other

documents of transfer as the Committee shall request at any time.
Notwithstanding the foregoing, the decision as to whether to exercise the option
granted by this Section 13 shall be made solely by the Committee.

LEGETT & PLATT, INCORPORATED

/s/ Duane W. Potter

Participant

By: /s/ Ernest C. Jett

Vice President

STOCK AWARD AGREEMENT

David S. Haffner

Leggett & Platt, Incorporated (the "Company") and David S. Haffner (the "Participant") agree as of June 1, 1996 as follows:

1. 1989 FLEXIBLE STOCK PLAN. The Basic Stock Award and the Additional Stock Award provided for below (individually "Stock Award" or "Award" and collectively "Stock Awards" or "Awards") constitute "Other Stock Based Awards" under the Company's 1989 Flexible Stock Plan (the "Plan") and are granted to Participant under Article XVIII of the Plan.

All Stock Awards provided for in this Agreement have been granted in the sole discretion of the Committee which administers the Plan. No consideration whatsoever has been required of Participant as a condition to receiving or enjoying Awards.

This Agreement and all shares of Common Stock of the Company ("Shares") granted to or acquired by Participant under or pursuant to this Agreement is subject to the Plan. A copy of the Plan is available to Participant upon request.

Capitalized terms used in this Agreement, if not defined herein, shall have the meanings given to such terms by the Plan.

2. BASIC STOCK AWARD. The Participant is granted bi-weekly awards of Common Stock of the Company, such awards to be made beginning June 7, 1996 and ending December 20, 1996.

Each bi-weekly Basic Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to \$1,197.

The awards made under this Section are individually and collectively called the "Basic Stock Award."

3. ADDITIONAL STOCK AWARD. On or before March 1, 1997 the Committee will grant a one-time "Additional Stock Award" to Participant if (i) Participant remains a full-time executive of an Employer as of December 31, 1996 or has terminated his employment before December 31, 1996 because of permanent and total disability, retirement or death and (ii) the Company has met the 1996 earnings objectives as determined by the Committee for the awarding of an Additional Stock Award. The Additional Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to the product of "X" and "Y" where:

(a) "X" equals .787; and

(b) "Y" equals the aggregate fair market value of all Basic Stock Awards received by Participant during 1996. The fair market value of each Basic Stock Award shall be determined as of the date such Award is made.

4. DIVIDENDS ON COMPANY SHARES; PARTICIPANT'S INVESTMENTS.

_____ Participant elects to have income taxes withheld from all cash dividends on Company Shares.

X Participant elects not to have income taxes withheld
----- from all cash dividends on Company Shares.

(Check one of two above.)

Participant authorizes the Company to be paid and to receive all cash dividends on Company Shares.

The Company shall invest all cash dividends from Company Shares (plus any interest thereon) in such debt or equity issues, mutual funds, annuity contracts and/or other investments as shall be agreeable to Participant and the Committee. Such investments together with all proceeds thereof and increments thereto are collectively called "Participant's Investments." In no event will Participant's Investments include the Company's Common Stock or the Company's preferred stock or any debt instruments convertible into such Common Stock or preferred stock.

Participant in his sole and absolute discretion and without being under any obligation to do so, may transmit cash to the Company (bi-weekly by payroll deduction or in lump sum amounts). Any such cash transmitted during the period of this Agreement shall not be less than 2% nor more than 10% of Participant's gross cash compensation for the calendar year 1995. All cash transmitted will be invested by the Company in the same manner as cash dividends from Company Shares and thereupon shall constitute and remain a portion of Participant's Investments.

The substantive provisions of Sections 5.1, 5.2, 5.3, 6 and 10 of this Agreement dealing with Common Stock and certificates therefor shall apply with like force to Participant's Investments and certificates or other evidences of Participant's Investments.

5. OTHER CONDITIONS OF STOCK AWARD. The grant of each Stock Award shall be subject to the following additional terms and conditions:

5.1 NAMES ON CERTIFICATES FOR COMMON STOCK. Certificates for all Common Stock shall normally be issued in the name of the Participant only. However, if the Participant so

requests, certificates will be issued (i) in the name of the Participant and the Participant's spouse as tenants by the entirety, or (ii) in the name of the Participant and any other person designated by the Participant as joint tenants with right of survivorship. Any such issuance will be in accordance with such guidelines as the Committee may promulgate.

With the Committee's consent, which may be given or withheld in the Committee's sole and absolute discretion, certificates for Common Stock may be issued in the name of a person other than the Participant. Any such issuance shall be on such terms and conditions as the Committee may deem appropriate.

Irrespective of the names (other than the Participant's) appearing on any certificates for Common Stock, such certificates shall remain subject to all of the terms and conditions of this Agreement.

5.2 STOCK NOT TRANSFERABLE. Common Stock may not be transferred, pledged or otherwise disposed of by the Participant or any other holder thereof until it is no longer subject to repurchase pursuant to Section 13 and until the earlier of (i) the Participant's death, total and permanent disability, retirement, or other termination of employment or (ii) such time as the Committee shall determine.

5.3 POSSESSION OF STOCK CERTIFICATES; LEGENDS. Until Common Stock is no longer nontransferable, certificates for such Common Stock may be held by the Company or such other person or entity as the Committee shall select and may be marked with such legend as the Committee shall determine.

5.4 SUBSTITUTION OF CERTIFICATES. A Participant shall be permitted from time to time to substitute certificates for Common Stock already owned by the Participant and not subject to this Agreement for a like number of Common Stock certificates. Participant shall also be permitted from time to time to substitute property already owned by the Participant and not subject to this Agreement for Participant's Investments having similar fair market value. Any and all such substitutions shall be in accordance with such guidelines as the Committee may promulgate.

6. TRUST OR CUSTODIAL ACCOUNT. The committee shall have the right at any time to establish a trust, custodial account or other arrangement to hold certificates for Common Stock which is nontransferable upon such terms as it deems appropriate and which are not in conflict with the Plan or this Agreement.

7. ADJUSTMENT. In the event of any change in the Common Stock of the Company described in Section 3.3 of the Plan, the Committee shall have the right to make such amendments to this Agreement as it shall deem necessary to carry out the purposes of this Agreement.

8. AUTHORITY AND FURTHER STEPS. In addition to this Agreement, the Participant shall execute such additional documents and take all steps as the Committee shall request to effectuate the provisions of this Agreement.

9. TERMINATION OF EMPLOYMENT. If Participant's employment terminates for any reason, no further installment of any Basic Stock Award which is payable in installments shall be made. If the Participant's employment terminates for any reason prior to December 31 of any year, any Additional Stock Award for that year which has not been paid will be forfeited unless (a) such termination (i) was because of permanent and total disability or death or (ii) occurred on or after the Participant attained 60 years of age or attained 55 years of age and had been employed by an Employer for at least 5 continuous years or (b) the Committee provides otherwise.

10. ASSIGNMENT. Unless allowed by the Committee, no Award shall be assignable by the Participant. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Company, the Participant and their respective successors, assigns, heirs and personal representatives.

11. FUTURE GRANTS. Nothing contained in this Agreement or other document shall require the grant to Participant of additional Awards or any other Benefit under the Plan or prohibit any other Benefit which is granted from being a different Benefit or from being granted on different and/or additional terms and conditions than those in this Agreement.

12. NO EMPLOYMENT CONTRACT. This Agreement shall not confer upon the Participant any right of continued employment nor shall it interfere in any way with the right of the Employer to terminate the Participant's employment at any time (subject to any employment contract that might exist between Participant and the Employer).

13. OPTION TO REPURCHASE. The Company shall have an option to buy all of a Participant's Common Stock obtained directly through a Stock Award. The option price shall be \$1, and the option must be exercised by the Committee within sixty (60) days following the Participant's termination of employment. The above option applies only to a Participant (a) who is under age 60 when his employment terminates, (b) who has been employed by an Employer for less than 5 continuous years when his employment terminates and (c) whose employment is terminated for a reason other than permanent and total disability or death. For purposes of determining a Participant's length of employment, employment with an Employer prior to the time that it became an Employer shall be disregarded. Without, in any way, limiting the provisions of Section 8, in order to facilitate the Company's exercise of the foregoing option, the Participant shall, as a condition to receiving an Award, execute such stock and other assignments and other

documents of transfer as the Committee shall request at any time.
Notwithstanding the foregoing, the decision as to whether to exercise the option
granted by this Section 13 shall be made solely by the Committee.

LEGGETT & PLATT, INCORPORATED

/s/ David S. Haffner

Participant

By: /s/ Ernest C. Jett

Vice President

STOCK AWARD AGREEMENT

Jerry H. Hudkins

Leggett & Platt, Incorporated (the "Company") and Jerry H. Hudkins (the "Participant") agree as of September 1, 1996 as follows:

1. 1989 FLEXIBLE STOCK PLAN. The Basic Stock Award and the Additional Stock Award provided for below (individually "Stock Award" or "Award" and collectively "Stock Awards" or "Awards") constitute "Other Stock Based Awards" under the Company's 1989 Flexible Stock Plan (the "Plan") and are granted to Participant under Article XVIII of the Plan.

All Stock Awards provided for in this Agreement have been granted in the sole discretion of the Committee which administers the Plan. No consideration whatsoever has been required of Participant as a condition to receiving or enjoying Awards.

This Agreement and all shares of Common Stock of the Company ("Shares") granted to or acquired by Participant under or pursuant to this Agreement is subject to the Plan. A copy of the Plan is available to Participant upon request.

Capitalized terms used in this Agreement, if not defined herein, shall have the meanings given to such terms by the Plan.

2. BASIC STOCK AWARD. The Participant is granted bi-weekly awards of Common Stock of the Company, such awards to be made beginning September 13, 1996 and ending December 20, 1996.

Each bi-weekly Basic Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to \$741.

The awards made under this Section are individually and collectively called the "Basic Stock Award."

3. ADDITIONAL STOCK AWARD. On or before March 1, 1997 the Committee will grant a one-time "Additional Stock Award" to Participant if (i) Participant remains a full-time executive of an Employer as of December 31, 1996 or has terminated his employment before December 31, 1996 because of permanent and total disability, retirement or death and (ii) the Company has met the 1996 earnings objectives as determined by the Committee for the awarding of an Additional Stock Award. The Additional Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to the product of "X" and "Y" where:

(a) "X" equals .787; and

(b) "Y" equals the aggregate fair market value of all Basic Stock Awards received by Participant during 1996. The fair market value of each Basic Stock Award shall be determined as of the date such Award is made.

4. DIVIDENDS ON COMPANY SHARES; PARTICIPANT'S INVESTMENTS.

_____ Participant elects to have income taxes withheld from all cash dividends on Company Shares.

X Participant elects not to have income taxes withheld
----- from all cash dividends on Company Shares.

(Check one of two above.)

Participant authorizes the Company to be paid and to receive all cash dividends on Company Shares.

The Company shall invest all cash dividends from Company Shares (plus any interest thereon) in such debt or equity issues, mutual funds, annuity contracts and/or other investments as shall be agreeable to Participant and the Committee. Such investments together with all proceeds thereof and increments thereto are collectively called "Participant's Investments." In no event will Participant's Investments include the Company's Common Stock or the Company's preferred stock or any debt instruments convertible into such Common Stock or preferred stock.

Participant in his sole and absolute discretion and without being under any obligation to do so, may transmit cash to the Company (bi-weekly by payroll deduction or in lump sum amounts). Any such cash transmitted during the period of this Agreement shall not be less than 2% nor more than 10% of Participant's gross cash compensation for the calendar year 1995. All cash transmitted will be invested by the Company in the same manner as cash dividends from Company Shares and thereupon shall constitute and remain a portion of Participant's Investments.

The substantive provisions of Sections 5.1, 5.2, 5.3, 6 and 10 of this Agreement dealing with Common Stock and certificates therefor shall apply with like force to Participant's Investments and certificates or other evidences of Participant's Investments.

5. OTHER CONDITIONS OF STOCK AWARD. The grant of each Stock Award shall be subject to the following additional terms and conditions:

5.1 NAMES ON CERTIFICATES FOR COMMON STOCK. Certificates for all Common Stock

shall normally be issued in the name of the Participant only. However, if the Participant so requests, certificates will be issued (i) in the name of the Participant and the Participant's spouse as tenants by the entirety, or (ii) in the name of the Participant and any other person designated by the Participant as joint tenants with right of survivorship. Any such issuance will be in accordance with such guidelines as the Committee may promulgate.

With the Committee's consent, which may be given or withheld in the Committee's sole and absolute discretion, certificates for Common Stock may be issued in the name of a person other than the Participant. Any such issuance shall be on such terms and conditions as the Committee may deem appropriate.

Irrespective of the names (other than the Participant's) appearing on any certificates for Common Stock, such certificates shall remain subject to all of the terms and conditions of this Agreement.

5.2 STOCK NOT TRANSFERABLE. Common Stock may not be transferred, pledged or otherwise disposed of by the Participant or any other holder thereof until it is no longer subject to repurchase pursuant to Section 13 and until the earlier of (i) the Participant's death, total and permanent disability, retirement, or other termination of employment or (ii) such time as the Committee shall determine.

5.3 POSSESSION OF STOCK CERTIFICATES; LEGENDS. Until Common Stock is no longer nontransferable, certificates for such Common Stock may be held by the Company or such other person or entity as the Committee shall select and may be marked with such legend as the Committee shall determine.

5.4 SUBSTITUTION OF CERTIFICATES. A Participant shall be permitted from time to time to substitute certificates for Common Stock already owned by the Participant and not subject to this Agreement for a like number of Common Stock certificates. Participant shall also be permitted from time to time to substitute property already owned by the Participant and not subject to this Agreement for Participant's Investments having similar fair market value. Any and all such substitutions shall be in accordance with such guidelines as the Committee may promulgate.

6. TRUST OR CUSTODIAL ACCOUNT. The committee shall have the right at any time to establish a trust, custodial account or other arrangement to hold certificates for Common Stock which is nontransferable upon such terms as it deems appropriate and which are not in conflict with the Plan or this Agreement.

7. ADJUSTMENT. In the event of any change in the Common Stock of the Company described in Section 3.3 of the Plan, the Committee shall have the right to make such amendments to this Agreement as it shall deem necessary to carry out the purposes of this Agreement.

8. AUTHORITY AND FURTHER STEPS. In addition to this Agreement, the Participant shall execute such additional documents and take all steps as the Committee shall request to effectuate the provisions of this Agreement.

9. TERMINATION OF EMPLOYMENT. If Participant's employment terminates for any reason, no further installment of any Basic Stock Award which is payable in installments shall be made. If the Participant's employment terminates for any reason prior to December 31 of any year, any Additional Stock Award for that year which has not been paid will be forfeited unless (a) such termination (i) was because of permanent and total disability or death or (ii) occurred on or after the Participant attained 60 years of age or attained 55 years of age and had been employment by an Employer for at least 5 continuous years or (b) the Committee provides otherwise.

10. ASSIGNMENT. Unless allowed by the Committee, no Award shall be assignable by the Participant. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Company, the Participant and their respective successors, assigns, heirs and personal representatives.

11. FUTURE GRANTS. Nothing contained in this Agreement or other document shall require the grant to Participant of additional Awards or any other Benefit under the Plan or prohibit any other Benefit which is granted from being a different Benefit or from being granted on different and/or additional terms and conditions than those in this Agreement.

12. NO EMPLOYMENT CONTRACT. This Agreement shall not confer upon the Participant any right of continued employment nor shall it interfere in any way with the right of the Employer to terminate the Participant's employment at any time (subject to any employment contract that might exist between Participant and the Employer).

13. OPTION TO REPURCHASE. The Company shall have an option to buy all of a Participant's Common Stock obtained directly through a Stock Award. The option price shall be \$1, and the option must be exercised by the Committee within sixty (60) days following the Participant's termination of employment. The above option applies only to a Participant (a) who is under age 60 when his employment terminates, (b) who has been employed by an Employer for less than 5 continuous years when his employment terminates and (c) whose employment is terminated for a reason other than permanent and total disability or death. For purposes of determining a Participant's length of employment, employment with an Employer prior to the time that it became an Employer shall be disregarded. Without, in any way, limiting the provisions of Section 8, in order to facilitate the Company's exercise of the foregoing option, the Participant shall, as a condition to receiving an Award, execute such stock and other assignments and other

documents of transfer as the Committee shall request at any time.
Notwithstanding the foregoing, the decision as to whether to exercise the option
granted by this Section 13 shall be made solely by the Committee.

LEGETT & PLATT, INCORPORATED

/s/ Jerry H. Hudkins

Participant

By: /s/ Ernest C. Jett

Vice President

STOCK AWARD AGREEMENT

MICHAEL A. GLAUBER

Leggett & Platt, Incorporated (the "Company") and Michael A. Glauber (the "Participant") agree as of September 1, 1996 as follows:

1. 1989 FLEXIBLE STOCK PLAN. The Basic Stock Award and the Additional Stock Award provided for below (individually "Stock Award" or "Award" and collectively "Stock Awards" or "Awards") constitute "Other Stock Based Awards" under the Company's 1989 Flexible Stock Plan (the "Plan") and are granted to Participant under Article XVIII of the Plan.

All Stock Awards provided for in this Agreement have been granted in the sole discretion of the Committee which administers the Plan. No consideration whatsoever has been required of Participant as a condition to receiving or enjoying Awards.

This Agreement and all shares of Common Stock of the Company ("Shares") granted to or acquired by Participant under or pursuant to this Agreement is subject to the Plan. A copy of the Plan is available to Participant upon request.

Capitalized terms used in this Agreement, if not defined herein, shall have the meanings given to such terms by the Plan.

2. BASIC STOCK AWARD. The Participant is granted bi-weekly awards of Common Stock of the Company, such awards to be made beginning September 13, 1996 and ending December 20, 1996.

Each bi-weekly Basic Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to \$3,023.

The awards made under this Section are individually and collectively called the "Basic Stock Award."

3. ADDITIONAL STOCK AWARD. On or before March 1, 1997 the Committee will grant a one-time "Additional Stock Award" to Participant if (i) Participant remains a full-time executive of an Employer as of December 31, 1996 or has terminated his employment before December 31, 1996 because of permanent and total disability, retirement or death and (ii) the Company has met the 1996 earnings objectives as determined by the Committee for the awarding of an Additional Stock Award. The Additional Stock Award will be in whole (not fractional) Shares having a fair market value on the date the Award is made that is as close as possible to the product of "X" and "Y" where:

(a) "X" equals .787; and

(b) "Y" equals the aggregate fair market value of all Basic Stock Awards received by Participant during 1996. The fair market value of each Basic Stock Award shall be determined as of the date such Award is made.

4. DIVIDENDS ON COMPANY SHARES; PARTICIPANT'S INVESTMENTS.

_____ Participant elects to have income taxes withheld from all cash dividends on Company Shares.

X Participant elects not to have income taxes withheld
----- from all cash dividends on Company Shares.

(Check one of two above.)

Participant authorizes the Company to be paid and to receive all cash dividends on Company Shares.

The Company shall invest all cash dividends from Company Shares (plus any interest thereon) in such debt or equity issues, mutual funds, annuity contracts and/or other investments as shall be agreeable to Participant and the Committee. Such investments together with all proceeds thereof and increments thereto are collectively called "Participant's Investments." In no event will Participant's Investments include the Company's Common Stock or the Company's preferred stock or any debt instruments convertible into such Common Stock or preferred stock.

Participant in his sole and absolute discretion and without being under any obligation to do so, may transmit cash to the Company (bi-weekly by payroll deduction or in lump sum amounts). Any such cash transmitted during the period of this Agreement shall not be less than 2% nor more than 10% of Participant's gross cash compensation for the calendar year 1995. All cash transmitted will be invested by the Company in the same manner as cash dividends from Company Shares and thereupon shall constitute and remain a portion of Participant's Investments.

The substantive provisions of Sections 5.1, 5.2, 5.3, 6 and 10 of this Agreement dealing with Common Stock and certificates therefor shall apply with like force to Participant's Investments and certificates or other evidences of Participant's Investments.

5. OTHER CONDITIONS OF STOCK AWARD. The grant of each Stock Award shall be subject to the following additional terms and conditions:

5.1 NAMES ON CERTIFICATES FOR COMMON STOCK. Certificates for all Common Stock

shall normally be issued in the name of the Participant only. However, if the Participant so requests, certificates will be issued (i) in the name of the Participant and the Participant's spouse as tenants by the entirety, or (ii) in the name of the Participant and any other person designated by the Participant as joint tenants with right of survivorship. Any such issuance will be in accordance with such guidelines as the Committee may promulgate.

With the Committee's consent, which may be given or withheld in the Committee's sole and absolute discretion, certificates for Common Stock may be issued in the name of a person other than the Participant. Any such issuance shall be on such terms and conditions as the Committee may deem appropriate.

Irrespective of the names (other than the Participant's) appearing on any certificates for Common Stock, such certificates shall remain subject to all of the terms and conditions of this Agreement.

5.2 STOCK NOT TRANSFERABLE. Common Stock may not be transferred, pledged or otherwise disposed of by the Participant or any other holder thereof until it is no longer subject to repurchase pursuant to Section 13 and until the earlier of (i) the Participant's death, total and permanent disability, retirement, or other termination of employment or (ii) such time as the Committee shall determine.

5.3 POSSESSION OF STOCK CERTIFICATES; LEGENDS. Until Common Stock is no longer nontransferable, certificates for such Common Stock may be held by the Company or such other person or entity as the Committee shall select and may be marked with such legend as the Committee shall determine.

5.4 SUBSTITUTION OF CERTIFICATES. A Participant shall be permitted from time to time to substitute certificates for Common Stock already owned by the Participant and not subject to this Agreement for a like number of Common Stock certificates. Participant shall also be permitted from time to time to substitute property already owned by the Participant and not subject to this Agreement for Participant's Investments having similar fair market value. Any and all such substitutions shall be in accordance with such guidelines as the Committee may promulgate.

6. TRUST OR CUSTODIAL ACCOUNT. The committee shall have the right at any time to establish a trust, custodial account or other arrangement to hold certificates for Common Stock which is nontransferable upon such terms as it deems appropriate and which are not in conflict with the Plan or this Agreement.

7. ADJUSTMENT. In the event of any change in the Common Stock of the Company described in Section 3.3 of the Plan, the Committee shall have the right to make such amendments to this Agreement as it shall deem necessary to carry out the purposes of this Agreement.

8. AUTHORITY AND FURTHER STEPS. In addition to this Agreement, the Participant shall execute such additional documents and take all steps as the Committee shall request to effectuate the provisions of this Agreement.

9. TERMINATION OF EMPLOYMENT. If Participant's employment terminates for any reason, no further installment of any Basic Stock Award which is payable in installments shall be made. If the Participant's employment terminates for any reason prior to December 31 of any year, any Additional Stock Award for that year which has not been paid will be forfeited unless (a) such termination (i) was because of permanent and total disability or death or (ii) occurred on or after the Participant attained 60 years of age or attained 55 years of age and had been employment by an Employer for at least 5 continuous years or (b) the Committee provides otherwise.

10. ASSIGNMENT. Unless allowed by the Committee, no Award shall be assignable by the Participant. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the Company, the Participant and their respective successors, assigns, heirs and personal representatives.

11. FUTURE GRANTS. Nothing contained in this Agreement or other document shall require the grant to Participant of additional Awards or any other Benefit under the Plan or prohibit any other Benefit which is granted from being a different Benefit or from being granted on different and/or additional terms and conditions than those in this Agreement.

12. NO EMPLOYMENT CONTRACT. This Agreement shall not confer upon the Participant any right of continued employment nor shall it interfere in any way with the right of the Employer to terminate the Participant's employment at any time (subject to any employment contract that might exist between Participant and the Employer).

13. OPTION TO REPURCHASE. The Company shall have an option to buy all of a Participant's Common Stock obtained directly through a Stock Award. The option price shall be \$1, and the option must be exercised by the Committee within sixty (60) days following the Participant's termination of employment. The above option applies only to a Participant (a) who is under age 60 when his employment terminates, (b) who has been employed by an Employer for less than 5 continuous years when his employment terminates and (c) whose employment is terminated for a reason other than permanent and total disability or death. For purposes of determining a Participant's length of employment, employment with an Employer prior to the time that it became an Employer shall be disregarded. Without, in any way, limiting the provisions of Section 8, in order to facilitate the Company's exercise of the foregoing option, the Participant shall, as a condition to receiving an Award, execute such stock and other assignments and other

documents of transfer as the Committee shall request at any time.
Notwithstanding the foregoing, the decision as to whether to exercise the option
granted by this Section 13 shall be made solely by the Committee.

LEGETT & PLATT, INCORPORATED

/s/ Michael A. Glauber

Participant

/s/ Ernest C. Jett

By: _____
Vice President

NONCOMPETITION AGREEMENT

THIS NONCOMPETITION AGREEMENT (the "Agreement") is made and entered into this 13th day of May, 1996, by and between Leggett & Platt, Incorporated, a Missouri corporation (the Company") and Bob L. Gaddy ("Shareholder").

RECITALS

A. Pace Holdings, Inc. and its subsidiaries, including Pace Industries, Inc. (the "Holdings Group"), are engaged in the business of manufacturing aluminum die casting products and related tool and die products (the "Business");

B. Pursuant to a Merger Agreement by and among the Company, Pace Holdings, Inc., a Delaware corporation ("Holdings"), Pace Industries, Inc., an Arkansas corporation ("Pace") and L&P Acquisition Company-7, a Delaware corporation ("L&P Sub"), the Company is acquiring all the outstanding equity interests of Holdings;

C. Shareholder owns an equity interest in Holdings, and as a material inducement to the Company to consummate the Merger Agreement and pay the Merger Consideration, Shareholder has agreed to enter into this Agreement;

NOW, THEREFORE, in consideration of the above and other good and valuable consideration, the receipt and sufficiency of which the parties hereby acknowledge, the parties hereto agree as follows:

1. Noncompetition Restrictions. Shareholder agrees that during the period of five (5) years from the execution date of this Agreement (the "Restricted Period"), Shareholder will not, directly or indirectly:

(a) engage or participate in any way, as an owner, officer, partner, member, employee, agent, independent contractor, board member, shareholder or otherwise, in any business activities competitive with or directly related to the Business anywhere in North America (the "Territory");

(b) solicit or otherwise encourage any officer, employee, agent or independent contractor of the Company to terminate or alter his or her relationship with the Company or;

(c) disturb or interfere with, in any way, as an owner, officer, partner, member, employee, agent, independent contractor, board member, shareholder or otherwise, the business relationships relating to the Business now existing or hereafter developed between the Holdings Group and any of its customers suppliers or other parties, or in any such capacity solicit orders from or propose to do any business competitive to the Holdings Group with any customer of the Holdings Group.

(d) Nothing in this Section 1 shall be construed to prevent Shareholder from owning, as an investment, not more than five percent (5%) of a class of equity securities issued by any competitor of the Holdings Group listed on any national securities exchange or traded over the counter, provided Shareholder has no other connection or relationship, direct or indirect, with the issuer of such securities.

2. Confidentiality. Shareholder agrees to keep secret and confidential, and not to use or disclose directly or indirectly to any third-parties, any of the Holdings Group's proprietary trade secret information or other confidential business information concerning the Holdings Group's Business. In addition to any common law or statutory restrictions upon Shareholder's use, disclosure or exploitation of confidential, proprietary or secret information of the Holdings Group, Shareholder agrees that it, he or she will not, directly or indirectly, use for himself or herself or use for, or disclose to, any party other than the Company, any secret, proprietary or confidential information or data regarding the Business, including, but not limited to, business or trade secrets, price lists, methods, formulas, know-how, customer identities, customer lists, manufacturing processes, product costs, marketing plans, research and development and financial information (collectively, the "Confidential Information").

3. Third Party Beneficiaries. Shareholder acknowledges and agrees that any person or entity directly or indirectly controlling, controlled by or under direct or indirect common control with the Company is a third party beneficiary of this Agreement and shall have any and all rights as set forth in Section 5 of this Agreement.

4. Non-Waiver of Rights. The Company's failure to enforce at any time any of the provisions of this Agreement or to require at any time performance by Shareholder or any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect either the validity of this Agreement, or any part hereof, or the right of the Company thereafter to enforce each and every provision in accordance with the terms of this Agreement.

5. Company's Right to Injunctive Relief. In the event of a breach or threatened breach of any of duties and obligations of Shareholder under this Agreement, the Company shall be entitled, in addition to any other legal or equitable remedies the Company may have in connection therewith (including any right to damages that the Company may suffer), to a temporary, preliminary and/or permanent injunction restraining such breach or threatened breach. Shareholder specifically agrees that, in the event there is a question as to the enforceability of Section 1 hereof, Shareholder will not engage in any conduct inconsistent with or contrary to that Section

Until after the question has been resolved by an final judgment of a court of competent jurisdiction.

6. Invalidity of Provisions. In the event that any provision of this agreement is adjudicated to be invalid or unenforceable under applicable law, the validity or enforceability of the remaining provisions shall be unaffected. To the extent that any provision of this Agreement is adjudicated to be invalid or unenforceable because it is overbroad, that provision shall not be void but rather shall be limited only to the extent required by applicable law and enforced as so limited.

7. Assignment. This Agreement shall be freely assignable by the Company to, and shall inure to the benefit of, any other corporate entity that shall succeed to all or a portion of the Business presently being conducted by the Company.

8. Choice of Forum and Governing Law. This agreement shall be governed by and construed in accordance with the laws of the State of Missouri.

9. Representations of Shareholder. Shareholder represents that the execution and delivery of this Agreement do not violate any other contractual obligation of Shareholder. Shareholder further agrees to defend, indemnify and hold harmless the Company against all claims, demands, losses, damages or expenses, including reasonable attorney's fees, suffered or incurred as a result of any violation of its or his respective representations contained in this Section 9.

10. Right to Recover Costs. Shareholder undertakes and agrees that if it or he breaches or threatens to breach this Agreement, Shareholder shall be liable for any attorneys' fees and costs incurred by the Company in enforcing its rights hereunder.

11. Amendments. No modification, amendment or waiver of any of the provisions of this Agreement shall be effective unless in writing specifically referring hereto and signed by the parties hereto.

12. Tolling. Shareholder acknowledges and agrees that the running of the time period in Section 1 shall be tolled with respect to Shareholder during any period in which Shareholder violates that Section.

13. Rule of Construction. The rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Agreement.

14. Headings. Section headings are provided in this Agreement for convenience only and shall not be deemed substantively alter the content of such sections.

15. Counterparts. This Agreement may be executed simultaneously in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

PLEASE NOTE: BY SIGNING THIS AGREEMENT, SHAREHOLDER IS HEREBY CERTIFYING THAT IT, HE OR SHE (A) RECEIVED A COPY OF THIS AGREEMENT FOR REVIEW AND STUDY BEFORE EXECUTING IT; (B) READ THIS AGREEMENT CAREFULLY BEFORE SIGNING IT; (C) HAD SUFFICIENT OPPORTUNITY BEFORE SIGNING THE AGREEMENT TO ASK ANY QUESTIONS IT, HE OR SHE HAD ABOUT THE AGREEMENT AND RECEIVED SATISFACTORY ANSWERS TO ALL SUCH QUESTIONS; AND (D) UNDERSTANDS ITS OR HIS OR HER RIGHTS AND OBLIGATIONS UNDER THIS AGREEMENT.

LEGGETT & PLATT, INCORPORATED

By: /s/ R. A. Jefferies, Jr.

Name: R. A. JEFFERIES, JR.

Title: SENIOR VICE PRESIDENT

SHAREHOLDER

/s/ Bob L. Gaddy

Name

PROMISSORY NOTE

May 13, 1996

\$2,054,291.33

For Value Received, the undersigned promises to pay to the order of Pace Holdings, Inc. ("Pace") Two Million Fifty-Four Thousand Two Hundred Ninety-One and /33//100 DOLLARS (\$2,054,291.33) with interest from the date hereof on the outstanding principal amount at the rate of 5 3/4% per annum. The entire principal amount and all unpaid interest shall be due and payable on September 15, 1996.

Should the interest rate provided herein exceed the maximum allowable rate ("Maximum Rate") under any applicable usury or similar law, the interest rate under this law shall be the Maximum Rate.

The undersigned may, at any time or times, prepay all or any part of the unpaid principal and interest then accrued thereon, without premium or penalty.

Upon the occurrence of any of the following events of default, the entire unpaid balance of principal, together with the accrued interest thereon, shall, at the election of the legal holder hereof, become due and payable immediately and without notice to the undersigned:

- (1) The undersigned shall fail to make any payment hereunder when due;
- (2) The assignment by the undersigned of his assets for the benefit of his creditors;
- (3) The failure of the undersigned to pay when due, on demand, by acceleration or otherwise, any amount of principal or interest due and owing to any bank, insurance company, mortgage company, savings and loan association or similar institution where the consequence of such failure is or could be any such institution declaring all or any portion of such indebtedness immediately due and payable prior to maturity;
- (4) The commencement by the undersigned of voluntary proceedings under the Federal Bankruptcy Act or any State bankruptcy or insolvency statute or for the appointment of a receiver, for any of his property; or
- (5) The adjudication of the undersigned as a bankrupt or insolvent or the entry of a decree appointing a receiver for the undersigned in involuntary proceedings and the failure of such adjudication or decree to be set aside or abated within thirty (30) days.

If this Note or any installment thereof or any interest thereon is not paid when due, by reason of acceleration or otherwise, and this Note is placed in the hands of an attorney or attorneys for collection, the undersigned promises to pay, in addition to the amount due hereon, the reasonable costs and expenses of collection hereof, including a reasonable sum for attorneys' fees.

The holder of this Note shall have the right to set-off and deduct any amount evidenced by this Note then due and payable against any obligation owed to the undersigned by the holder (or any affiliate of the holder) in any capacity whatsoever, except this right of set off shall not apply to the Pace 7.125% Promissory Note dated May 13, 1996 in the original principal amount of \$1,098,678.70.

The undersigned hereby waives presentment, demand for payment, notice of dishonor, protest and notice of protest.

This Note shall be governed by and interpreted under the internal laws (ignoring principles of conflicts of laws) of the State of Missouri.

/s/ Bob L. Gaddy

Bob L. Gaddy, an individual

PACE INDUSTRIES, INC.

REVISED AND RESTATED EMPLOYEE INCENTIVE COMPENSATION PLAN

This Revised and Restated Employee Compensation Plan (the "Plan") is adopted as of May 13, 1996 by Pace Industries, Inc., an Arkansas corporation (the "Company"), a wholly-owned subsidiary of Leggett & Platt, Incorporated, a Missouri corporation ("L&P").

RECITALS

This Plan is a successor to and modified version of the Employee Incentive Compensation Plan (the "Former Plan") adopted on December 10, 1993 by the Company.

In consideration of good and valuable benefits received and to be received by it, intending to be legally bound hereby and acknowledging that its Employees (as defined below) will act in reliance upon the provisions hereof, the Company and L&P agree as follows:

1. Bonus Pool; Operating Profit Targets. The Company shall pay as additional annual compensation to its employees designated by the Designation Committee. The "Designation Committee" shall consist of Bob L. Gaddy ("Gaddy"), so long as he is employed by the Company or L&P or, if Gaddy is not employed by the Company or L&P, a committee consisting of the then Chief Executive Officer of the Company and two other persons designated by the Plan Executive who were participants in the Plan for the immediately preceding Plan Year. For purposes of this Plan, the "Plan Executive" means Felix E. Wright or, if he is no longer employed by L&P, Mr. Wright's successor.

Subject to the terms and conditions set forth herein, an annual bonus ("Bonus Pool") shall be established in respect of each year (each, a "Plan Year") during the six fiscal years ending on June 30, 1994 through June 30, 1999 (the Plan's "Term"), the amount of the Bonus Pool to be determined as provided herein and paid as provided in Sections 3(B), (C) and (D). The Bonus Pool is to be the amount by which Operating Profit (as defined herein) exceeds the "Target" for each Plan Year as follows:

if Operating Profit exceeds
the following Target

Bonus Pool is

In the Plan Year 1994

Minimum Target:	\$21.5 million	5% of excess over 21.5 million
Mid-Range Target:	23.0 million	10% of excess above 21.5 million
Upper Range Target:	28.0 million	10% of excess between 21.5 million and 23.0 million plus 20% of excess above 23.0 million

In the Plan Year 1995

Minimum Target:	\$26.0 million	5% of excess over 26.0 million
Mid-Range Target:	28.0 million	10% of excess above 26.0 million
Upper Range Target:	32.3 million	10% of excess between 26.0 million and 28.0 million plus 20% of excess above 28.0 million

In the Plan Year 1996

Minimum Target:	\$30.0 million	5% of excess over 30.0 million
Mid-Range Target:	32.3 million	10% of excess above 30.0 million
Upper Range Target:	35.0 million	10% of excess between 30.0 million and 32.3 million plus 20% of excess above 32.3 million

In the Plan Year 1997

Minimum Target:	\$32.6 million	5% of excess over 32.6 million
Mid-Range Target:	35.0 million	10% of excess above 32.6 million
Upper Range Target:	37.0 million	10% of excess between 32.6 million and 35.0 million plus 20% of excess above 35.0 million

In the Plan Year 1998

Minimum Target:	\$34.4 million	5% of excess over 34.4 million
Mid-Range Target:	37.0 million	10% of excess above 34.4 million
Upper Range Target:	40.0 million	10% of excess between 34.4 million and 37.0 million plus 20% of excess above 37.0 million

In the Plan Year 1999

Target:	\$43.0 million	10% of excess over \$43.0 million, but Bonus Pool not to exceed \$2.0 million
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For the Plan Year 1994, the Operating Profit shall be computed for the twelve month period notwithstanding that this Plan was not in effect for all of such period. If the amount of Operating Profit for such twelve month period exceeds the Target amount set forth above, the Bonus Payment shall be computed and paid as if this Plan had been in effect for the entire period.

2. Determination of Operating Profits.

(A) Subject to Schedule A to this Plan, "Operating Profit" means the earnings from the Company's operations before federal, state and local income taxes ("Pre-Tax Earnings") but after adding back (deducting) the following:

- (i) interest expense (except for any discounts granted to customers for early payment of invoices which have been accounted for as interest expense) and financing costs;
- (ii) costs attributable to the amortization of the purchase price premium resulting from the December 10, 1993 leveraged buy out transaction involving the Predecessor Company (the "1993 LBO") as well as all acquisition and closing costs incurred in the consummation of the financing and acquisition of the 1993 LBO;
- (iii) extraordinary losses (gains) under generally accepted accounting principles;
- (iv) losses (gains) on capital assets;
- (v) management fees paid to any stockholder or designee of a stockholder of the Company (except to employees of the Company) or pursuant to the Consulting Agreement dated December 10, 1993 between Peninsula Corporation and the Company;
- (vi) out of pocket costs pertaining to any merger or consolidation before, on or after the date of this Plan involving the Company;
- (vii) any amounts of amortization made on account of the \$10 million of noncompetition payments made to certain stockholders of the Company under agreements dated December 10, 1993;
- (viii) costs related to any material disposition by the Company of its assets or material acquisition of any entity or its assets by the Company;

- (ix) the amounts required by Schedule A hereto to be added back or deducted; and
- (x) (a) the amounts earned and accrued as bonuses in Plan Years 1996 -1999 under the Patterson Mold and Tool Employee Incentive Compensation Plan dated October 11, 1995, (b) the amounts earned and accrued as bonuses in Plan Years 1997 - 1999 under the Pace Industries Puget Division, Inc. Employee Incentive Compensation Plan adopted July 13, 1995 and (c) this Bonus Pool.

(B) The Company agrees to maintain such separate books and accounting records as shall be necessary to implement the foregoing. Promptly after the Company receives its certified financial statements for each of the Company's Plan Years, the Company shall cause its independent certified public accountants to prepare a statement showing their calculation of the Operating Profit as defined herein for such period, and furnish the same to Gaddy and to the Board of Directors of the Company.

After the date hereof, L&P's independent certified public accountants shall function as the Company's independent certified public accountants and shall determine Operating Profits. L&P and Gaddy may from time to time agree that the determination of Operating Profit may be based on such accounting procedures less than an audit as L&P and Gaddy may agree. Accounting fees and expenses shall be deducted on a cash basis when computing Pre-Tax Earnings. If no audit of the Company is agreed upon under this Plan for 1997 or later Plan Years, then the Pre-Tax Earnings for that year will be reduced by the amount audit fees and expenses of the Company for its fiscal year ending June 30, 1995 exceed accounting fees and expenses for the Plan Year in question.

(C) The determination of the Company's Operating Profit in the manner provided by this Plan shall be conclusive and binding upon the Company, Gaddy and the Employees, in the absence of manifest error. In the event that, during the term of this Plan, there is a change in accounting principles or practices used in connection with the Former Plan (including any changes in the methods for determining contingencies and other reserves) or a revaluation of assets, Gaddy and the Company (or in the event of their inability to agree, the Company's independent certified public accountants) shall make a determination as to any

adjustments in accordance with generally accepted accounting principles needed in order to preserve the intent of this Plan from the effect of any such change in accounting principles or practices or revaluation of assets; and their determination shall be conclusive and binding upon the parties hereto, in the absence of manifest error.

For purposes of determining Pre-tax Earnings for any Plan Year the Company's accounting practices concerning fourth quarter special sales arrangements with certain customers shall not be modified without the consent of the Designation Committee and the Plan Executive.

(D) Any Target may be reduced by the vote in favor or consent of at least 70% of the members of the Board of Directors at any time.

3. Participants in Bonus Pool; Payment of Bonuses.

(A) "Employee" shall mean Gaddy, so long as he is employed by the Company or L&P at the end of each Plan Year and such other officers and managerial personnel employed by the Company or L&P as the Designation Committee shall designate.

The Bonus Pool for each Plan Year shall be allocated among such designees as the Designation Committee shall recommend after the conclusion of each Plan Year; provided, however, the designation and allocation shall be subject to the approval of the Plan Executive. After the determination by the Company's independent certified public accountants of the Operating Profit for the relevant Plan Year, the Company shall pay the Bonus Pool hereunder, if any (less proper withholdings for federal and other taxes), to the Employees designated for that Plan Year in the amount allocated to each Employee in the manner set forth in Sections 3(B), (C) and (D).

(B) The Bonus Pool for all Plan Years through 1995 has been paid to participating Employees.

(C) 43% of the bonus allocated to each Employee for each of the Plan Years 1996 through 1998 will become "vested" when allocated to the Employee and will promptly thereafter be paid to the Employee. The remaining portions of the bonus allocated to each Employee will not be paid until the same becomes vested. Vesting and hence payment will occur as follows provided the Employee remains continuously employed by the Company or L&P on a full time basis through each vesting date:

Vesting Date/Payment Date	Vesting Rate	Cumulative Vesting
June 30, 1999	25%	25%
June 30, 2000	25%	50%
June 30, 2001	25%	75%
June 30, 2002	25%	100%

Notwithstanding the preceding paragraph, the unvested portions of the bonuses allocated to each Employee will become 100% vested if the Employee's employment with the Company is terminated by death or disability, but in such instance payment of the remaining portions of the Employee's bonus will be as per the payment dates set out above.

Those portions of an Executive's Bonus for any of Plan Years 1996 through 1999 which do not vest under this Plan shall cease to be a part of the Bonus Pool.

Whenever a portion of a 1996 Plan Year, 1997 Plan Year or 1998 Plan Year Bonus becomes vested and is paid, interest on such portion at 6.5% shall then be accrued and paid.

(D) 25% of the bonus allocated to each Employee for Plan Year 1999 will become vested when allocated to the Employee and will promptly thereafter be paid to the Employee. The remaining portions of the Bonus for each Employee will, beginning on June 30, 2000, vest and be paid as provided in Section 3(C) except that no interest will accrue on that portion of the Bonus which is subject to vesting requirements.

(E) If an employee under an employment contract on the date hereof has his employment terminated by disability such employee shall be designated an Employee for the Plan Year in which his employment terminates and each succeeding Plan Year (collectively the "Disability Years"). The disabled Employee's allocation of the Bonus Pool in each of the Disability Years shall equal his average percentage allocation in the Plan Year(s) preceding disability. All bonuses allocated to the disabled Employee for the Disability Years shall be vested but shall be paid in accordance with Section 3(C).

4. No Right to Share in Bonus Pool. An employee of the Company shall have no right to be designated an Employee as respects any Plan Year (except as provided in 3(E) above) unless designated by the Designation Committee and approved by the Plan Executive for a Plan Year; provided, however, the Designation Committee may designate an employee to share in the Bonus Pool whose employment has been terminated prior to such designation. Once designated an Employee for a Plan Year the Employee shall have all the rights provided for in this Plan as respects the portion of the Bonus Pool allocated to such Employee for that particular Plan Year but no other.

5. No Assignment or Pledge of Rights. The rights and obligations under this Plan may not be assigned, pledged or otherwise transferred by any Employee at any time and shall not inure to the benefit of any Employee, his representative or assign. The Plan shall be construed and enforced in accordance with the laws of the State of Arkansas. Any assignment, pledge or other transfer any right of any Employee hereunder shall be null and void and of no effect and shall, at the Company's option, terminate the Employee's right hereunder to any payment.

6. Plan Has Been Authorized. The Company represents and warrants that this Plan has been duly approved and its execution and delivery duly authorized by all necessary corporate action of its directors, and that it is a valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

7. Plan Amendments. The Company may amend the Plan in any respect; provided, however, that (i) the Target for each Plan Year may not be increased nor (ii) may the timing or other terms of payment be changed in a manner adverse to Employees unless a change contemplated by (i) or (ii) is approved by: (a) Gaddy, so long as Gaddy is an Employee; and (b) Employees (including Gaddy) to whom not less than 75% of the Bonus Pool for the immediately preceding plan Year has been allocated.

8. L&P's Guarantee. L&P joins in the execution of the Plan to guarantee full performance by the Company with the terms of the Plan.

9. Revision of Plan to Include L&P Aluminum Operations. The Company and L&P plan to work closely together to revise this Plan so that Operating Profit Targets for Plan Year 1997 and later Plan Years will be based upon the Company's current Plan targets and the projected consolidated Operating Profits of L&P's EST, Assured and Culp operations. Schedule B sets out the initial thoughts of the Company and L&P on this process. However, nothing in this Plan or in Schedule B requires the Company or L&P to reach "agreement" on consolidated Operating Profit Targets and related topics. In the absence of reaching agreement, this Plan shall continue in full force in accordance with its terms.

PACE INDUSTRIES, INC.

LEGGETT & PLATT, INCORPORATED

By: /s/ Bob L. Gaddy

By: /s/ R. A. Jefferies, Jr.

Name: Bob L. Gaddy

Name: R. A. Jefferies, Jr.

Title: Chairman & CEO

Title: Senior Vice President

COMPUTATIONS OF EARNINGS PER SHARE
 Leggett & Platt, Incorporated and Subsidiaries

Exhibit 11

(Amounts in millions, except per share data)

	Year Ended December 31,		
	1996	1995	1994
	-----	-----	-----
EARNINGS PER SHARE			
Weighted average number of common shares outstanding	89.9	88.6	86.7
Dilution from outstanding stock options-computed using the "treasury stock" method	1.9	1.3	1.1
	-----	-----	-----
Weighted average number of common shares outstanding as adjusted	91.8	89.9	87.8
	=====	=====	=====
Net Earnings Before Extraordinary Item	\$153.0	\$134.3	\$119.5
	=====	=====	=====
Net Earnings	\$140.5	\$134.3	\$119.5
	=====	=====	=====
 Earnings Per Share			
Net Earnings Before Extraordinary Item	\$ 1.67	\$ 1.49	\$ 1.36
	=====	=====	=====
Net Earnings	\$ 1.53	\$ 1.49	\$ 1.36
	=====	=====	=====

SCHEDULE OF SUBSIDIARIES OF REGISTRANT

Name of Organization -----	Country or State of Incorporation -----	Percentage of Voting Interest -----
AAA WIRE PRODUCTS, INC.	Texas	100%
BERKSHIRE FURNITURE CO., INC.	Delaware	100%
CAMEO FIBERS CORPORATION	Delaware	100%
COLLIER-KEYWORTH, INC.	North Carolina	100%
CREST-FOAM CORP.	New Jersey	100%
CREST-HOOD FOAM COMPANY, INC.	Delaware	100%
DRESHER, INC.	Delaware	100%
GRIBETZ INTERNATIONAL, INC.	Delaware	100%
HANES CNC SERVICES CO.	North Carolina	100%
HANES COMPANIES FOUNDATION	North Carolina	100%
HANES COMPANIES, INC.	North Carolina	100%
INTERNATIONAL STORAGE SYSTEMS CORPORATION	Florida	100%
LATROBE PLASTICS COMPANY	Pennsylvania	100%
LEGGETT AND PLATT INTERNATIONAL CORPORATION	Missouri	100%
LEGGETT & PLATT INTERNATIONAL DEVELOPMENT CO.	Delaware	100%
LEGGETT & PLATT INTERNATIONAL SERVICE CORPORATION	Delaware	100%
LEGGETT WIRE COMPANY	Delaware	100%
L&P ACQUISITION COMPANY - 8	Delaware	100%
L&P ACQUISITION COMPANY - 15	Delaware	100%
L&P ACQUISITION COMPANY - 18	Delaware	100%
L&P ACQUISITION COMPANY - 19	Delaware	100%
L&P ACQUISITION COMPANY - 20	Delaware	100%
L&P ACQUISITION COMPANY - 21	Delaware	100%

Name of Organization -----	Country or State of Incorporation -----	Percentage of Voting Interest -----
L&P CNC SERVICES CO.	Delaware	100%
L&P FINANCIAL SERVICES CO.	Delaware	100%
L&P INTERNATIONAL HOLDINGS COMPANY	Delaware	100%
L&P PARTNERS HOLDINGS, INC.	Delaware	100%
L&P PROPERTY MANAGEMENT COMPANY	Delaware	100%
L&P TRANSPORTATION CO.	Delaware	100%
L&P WESTERN SPRING CO.	Delaware	100%
MASTERBLEND, INC.	Mississippi	100%
MATREX FURNITURE COMPONENTS, INC.	North Carolina	100%
THE MISSISSIPPI SPRING CO., INC.	Mississippi	100%
MG LOAN COMPANY	Delaware	100%
OCONTO METAL FINISHING, INC.	Delaware	100%
PACE ACQUISITION COMPANY NO. 2	California	100%
PACE INDUSTRIES, INC.	Arkansas	100%
PACE INDUSTRIES PUGET DIVISION, INC.	Arkansas	100%
PACIFIC FAIRMONT CORPORATION	California	100%
SOUTHEASTERN MANUFACTURING CO., INC.	Florida	100%
STEADLEY COMPANY	Missouri	100%
STEINER-LIFF TEXTILE PRODUCTS, CO.	Delaware	100%
STYLELANDER METAL STAMPING, INC.	Mississippi	100%
TALBOT INDUSTRIES, INC.	Missouri	100%
WBSCO, INC.	New Mexico	100%
YOUNG SPRING & WIRE COMPANY	Delaware	100%

Name of Organization -----	Country or State of Incorporation -----	Percentage of Voting Interest -----
BOIS AISE DE ROBERVAL INC.	Canada	100%
BOIS J.L.P. INC.	Canada	100%
GATEWAY HOLDINGS LIMITED	England	100%
GATEWAY (TEXTILES) LIMITED	England	100%
L&P NETHERLANDS HOLDINGS B.V.	Netherlands	100%
GOR-DON METAL PRODUCTS & SERVICES, INC.	Canada	100%
INTER-SPRING LIMITED	England	100%
L AND P MEXICO, S.A. DE C.V.	Mexico	100%
LEGGETT & PLATT CANADA LTD.	Canada	100%
LEGGETT & PLATT FOREIGN SALES CORPORATION	West Indies	100%
LEGGETT & PLATT KOREA, LTD.	Korea	100%
LEGGETT & PLATT U.K. LIMITED	United Kingdom	100%
LES BOIS BLANCHET INC./BLANCHET LUMBER INC.	Canada	100%
L&P AUTOMOTIVE EUROPE GMBH	Germany	100%
L&P EUROPE LIMITED	United Kingdom	100%
L&P FAHRZEUG-UND MATRATZEN- KOMPONENTEN GESCHAFTSFUHRUNG GMBH	Germany	100%
L&P FAHRZEUG-UND MATRATZEN- KOMPONENTEN GMBH & CO. KG	Germany	100%
L&P NETHERLANDS HOLDINGS B.V.	Netherlands	100%
MULTILASTIC LIMITED	United Kingdom	100%
9038-8315 QUEBEC, INC.	Canada	100%
NORTHEASTERN COMPONENTS (INTERNATIONAL) LTD.	England	100%
NORTHFIELD METAL PRODUCTS (1994) LTD.	Canada	100%
NO-SAG SPRING COMPANY, LIMITED	Canada	100%
PULLMAFLEX A.B.	Sweden	100%
PULLMAFLEX BENELUX N.V.	Belgium	100%

Name of Organization -----	Country or State of Incorporation -----	Percentage of Voting Interest -----
PULLMAFLEX ESPANOLA S.A.	Spain	100%
PULLMAFLEX INTERNATIONAL B.V. (NETHERLANDS)	Holland	100%
PULLMAFLEX INTERNATIONAL LIMITED	England	100%
PULLMAFLEX JAPAN KK	Japan	100%
PULLMAFLEX U.K. LIMITED	England	100%
RICBED ACCESSORIES AND AGENCIES LIMITED	England	100%
SLOTEX INC.	Canada	100%
WEBER PLASTICS CO. LTD.	Canada	100%
YOUNGFLEX A.G.	Switzerland	100%

RELATED COMPANIES WHICH ARE NOT SUBSIDIARIES OF REGISTRANT

ADCOM WIRE, a Florida partnership, d/b/a Adcom Wire Company (owned 50% by L&P Acquisition Company - 8 and 50% by Leggett Wire Company)	Delaware	100%
LEGGETT PARTNERS, L.P.	Texas	100%
ADMINISTRADORA SOAL S.A. DE C.V.	Mexico	
CARREIRO HOLDINGS S.A. DE C.V.	Mexico	
CARREIRO S.A. DE C.V.	Mexico	
COMERCIALIZADORA SOAL S.A. DE C.V.	Mexico	
FIBRAS ACOLCHABLES, S.A. DE C.V.	Mexico	
GLOBE SPRING AND CUSHION COMPANY, LIMITED	Canada	50%
PACE INDUSTRIES OF MEXICO, LLC	Delaware	51%
PACE INDUSTRIES DE MEXICO, S.A. DE C.V.	Mexico	

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements of Leggett & Platt, Incorporated, listed below, of our report dated February 5, 1997 appearing on page 27 of Leggett & Platt, Incorporated's Annual Report on Form 10-K for the year ended December 31, 1996.

1. Post-Effective Amendment No. 1 to Form S-8, Registration No. 33-15441, filed August 29, 1989.
2. Form S-8, Registration No. 33-44224, filed November 27, 1991.
3. Form S-8, Registration No. 33-45334, filed January 27, 1992.
4. Form S-8, Registration No. 33-45335, filed January 27, 1992.
5. Form S-8, Registration No. 33-45336, filed January 27, 1992.
6. Form S-8, Registration No. 33-67910, filed August 26, 1993.
7. Form S-8, Registration No. 33-54339, filed June 28, 1994.
8. Form S-3, Registration No. 33-58847, filed April 26, 1995.
9. Form S-3, Registration No. 33-60623, filed June 27, 1995.
10. Form S-3, Registration No. 33-60627, filed June 27, 1995.
11. Form S-3, Registration No. 33-62899, filed September 25, 1995.
12. Form S-3, Registration No. 333-03233, filed May 13, 1996.
13. Form S-3, Registration No. 333-10289, filed August 16, 1996.
14. Form S-3, Registration No. 333-15603, filed November 18, 1996.
15. Form S-3, Registration No. 333-16541, filed December 5, 1996.

/s/ PRICE WATERHOUSE LLP

PRICE WATERHOUSE LLP

St. Louis, Missouri
March 25, 1997

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors of LEGGETT & PLATT, INCORPORATED, a Missouri corporation (the "Corporation"), does hereby nominate, constitute and appoint Harry M. Cornell, Jr., Michael A. Glauber, Robert A. Jefferies, Jr., and Ernest C. Jett, or any one of them, his true and lawful attorneys-in-fact, to sign in the name of and on behalf of the undersigned directors of the Corporation and to file with the Securities & Exchange Commission ("SEC") the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1996 and any other documents or further Amendments to said Annual Report, and to take such other action, all as said attorneys-in-fact, or any one of them, deem necessary or advisable to the end that such Annual Report or amendments thereto in respect of same, shall comply with the Securities Exchange Act of 1934, as amended, and the applicable rules of the SEC thereunder; and does hereby ratify and confirm all that said attorneys-in-fact, and each of them, may do by virtue hereof.

Additionally, each of the undersigned directors of the Corporation does hereby nominate, constitute and appoint Harry M. Cornell, Jr., Michael A. Glauber, Robert A. Jefferies, Jr. and Ernest C. Jett, or any one of them, his true and lawful attorneys-in-fact, to, from time to time, sign in the name of and on behalf of the undersigned directors of the Corporation and file with the SEC Registration Statements with respect to securities (including the Corporation's common stock, \$.01 par value, and the Preferred Stock Purchase Rights attached to and trading with such Common Stock) to be sold pursuant to the Corporation's Restated Employee Stock Purchase/Stock Bonus Plan, 1989 Discount Stock Plan, 1989 Flexible Stock Plan, Directors Stock Option Plan and any other employee benefit plans of the Corporation adopted or approved during calendar year 1997 and any other documents or further Amendments or Post-Effective Amendments to such Registration Statements (or any previous registration statements filed as respects any of the above-mentioned Plans) and to take such other action, all as said attorneys-in-fact, or any one of them, deem necessary or advisable and does hereby ratify and confirm all that said attorneys-in-fact, and each of them, may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney or a counterpart hereof, as of the 14th day of March, 1997.

/s/ Raymond F. Benetele

Raymond F. Bentele

/s/ Robert A. Jefferies, Jr.

Robert A. Jefferies, Jr.

/s/ Harry M. Cornell, Jr.

Harry M. Cornell, Jr.

/s/ Alexander M. Levine

Alexander M. Levine

/s/ Robert Ted Enloe, III

Robert Ted Enloe, III

/s/ Richard L. Pearsall

Richard L. Pearsall

/s/ Richard T. Fisher

Richard T. Fisher

/s/ Duane W. Potter

Duane W. Potter

/s/ Bob L. Gaddy

Bob L. Gaddy

/s/ Maurice E. Purnell, Jr.

Maurice E. Purnell, Jr.

/s/ David S. Haffner

David S. Haffner

/s/ Felix E. Wright

Felix E. Wright

/s/ Thomas A. Hays

Thomas A. Hays

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF LEGGETT & PLATT, INCORPORATED FOR THE YEAR ENDED DECEMBER 31, 1996 (COMMISSION FILE NUMBER 1-7845) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

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	DEC-31-1996
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	432200
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292800	
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	940200
1712900	
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2466200	
	1842700
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	30000
	249700
	96700
153000	
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	12500
	0
	140500
	1.53
	0

Amounts include merger related costs of \$26,600 pre-tax and \$16,400 after-tax, or \$.18 per share.

Extraordinary item of \$12,500 after-tax, or \$.14 per share relates to refinancing of Pace debt.