

**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, 2003

OR

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

For the transition period from _____ to _____.

Commission File Number 1-7845

LEGGETT & PLATT, INCORPORATED

(Exact name of Registrant as specified in its charter)

Missouri
(State or other jurisdiction of
incorporation or organization)

44-0324630
(I.R.S. employer
identification No.)

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

64836
(Zip code)

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

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

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$.01 par value	New York Stock Exchange
Preferred Stock Purchase Rights	New York 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.

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting stock held by non-affiliates of the Registrant (based on the closing price of its common stock on the New York Stock Exchange) on June 30, 2003 was approximately \$3,637,475,000.

There were 192,299,870 shares of the Registrant's common stock outstanding as of March 1, 2004.

DOCUMENTS INCORPORATED BY REFERENCE

Items 10, 11, 12, 13 and 14 of Part III are incorporated by reference from the Company's Proxy Statement for the Annual Meeting of Shareholders to be held on May 5, 2004.

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Forward Looking Statements and Related Matters

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

Readers are cautioned that any forward-looking statement reflects only the *beliefs* of the Company or its management *at the time the statement is made*. In addition, readers should keep in mind that, because all forward-looking statements deal with the future, they are subject to risks, uncertainties and developments which might cause actual events or results to differ materially from those envisioned or reflected in any forward-looking statement. Moreover, the Company does not have, and does not undertake, any duty to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement was made. For all of these reasons, forward-looking statements should not be relied upon as a prediction of actual future events, objectives, strategies, trends or results.

It is not possible to anticipate and list all risks, uncertainties and developments which may affect the future operations or performance of the Company, or which otherwise may cause actual events or results to differ from forward-looking statements. However, some of these risks and uncertainties include the following:

- our ability to improve operations and realize cost savings
- future growth of acquired companies
- our ability to bring start up operations on line as budgeted in terms of expense and timing
- price and product competition from foreign and domestic competitors
- litigation risks
- competitive and general economic and market conditions and risks, such as the rate of economic growth in the United States and abroad, inflation, currency fluctuation, government regulation, interest rates, housing turnover, employment levels, consumer sentiment, taxation, and the like
- risks and uncertainties that could affect industries or markets in which we participate, such as growth rates and opportunities in those industries, changes in demand for certain products or trends in business capital spending, and
- factors that could impact costs, including the availability and pricing of raw materials (most notably steel scrap), the availability of labor and wage rates, and fuel and energy costs.

Furthermore, the Company has made and expects to continue to make acquisitions. Acquisitions present significant challenges and risks, and depending upon market conditions, pricing and other factors, there can be no assurance that we can successfully negotiate and consummate acquisitions or successfully integrate acquired businesses into the Company.

The section in this report entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operation” contains a disclosure on page 26 of the security ratings of the Company’s public debt, which will be incorporated by reference into the Company’s registration statements filed under the Securities Act of 1933. These security ratings are not a recommendation to buy, sell or hold securities and such ratings are subject to revisions and withdrawal at any time by the rating organization. Each rating should be evaluated independently of any other rating.

PART I**Item 1. Business.**

Leggett & Platt, Incorporated and its subsidiaries are collectively referred to in this Form 10-K as “we,” “us,” “our,” “the Company” or “Leggett.” We were founded as a partnership in Carthage, Missouri in 1883 and became incorporated in 1901. The Company, a pioneer in the development of steel coil bedsprings, is a diversified manufacturer that conceives, designs and produces a wide range of engineered components and products that can be found in many homes, offices, retail stores and automobiles. Our business is organized into 29 business units, those units organized into 11 groups, and those groups into five segments, as indicated below.

Overview of the Residential Furnishings Segment

<u>Segment</u>	<u>Groups</u>	<u>Business Units</u>
Residential Furnishings	Bedding Components	US Spring International Spring Wood Products
	Home Furniture Components	Furniture Hardware Seating Components Sofa Sleeper Components
	Consumer Products	Ornamental Beds/Bedding Support Adjustable Beds Coated Fabrics
	Fabric/Fiber/Foam	Fabric Converting Fabric Dye and Finishing Fibers Carpet Underlay Prime Foam Products

Our largest segment is Residential Furnishings. Our beginnings stem from an 1885 patent of the steel coil bedspring. Today, we supply a variety of components used by bedding and upholstered furniture manufacturers in the assembly of their finished products. We strive for competitive advantages based on a low cost structure, strong customer relationships and our internal production of key raw materials, including steel rod, wire, tubing, and dimension lumber. Our wide range of products provides our manufacturing customers with a single source for many of the components they need. For example, a bedding manufacturer can come to us for almost every component part of a mattress and box spring, except the outer upholstery fabric. This is also true for manufacturers of upholstered recliner chairs, sofas and loveseats. We have long production runs and numerous production and assembly locations. Because of these advantages, we believe that we can generally produce component parts at a lower cost than our customers can produce the same parts for their own use. This allows our components customers to focus on the design, style and marketing of their residential furnishings products, rather than the production of components. Listed below are examples of components manufactured or distributed by our Residential Furnishings groups:

Bedding Components

- Innersprings (which are the set of coil springs, bound together, that form the core of a mattress)
- Wood frames, steel coils and wire forms for mattress box springs
- Cut-to-size dimension lumber

Home Furniture Components

- Springs and seat suspensions for chairs, sofas and loveseats
- Steel mechanisms and hardware for reclining chairs, sleeper sofas and other types of motion furniture

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Consumer Products

- Bed frames, daybeds, ornamental fashion beds and headboards
- Adjustable electric beds
- Coated fabrics (e.g. rug underlay, placemats and shelf liners)

Fabric/Fiber/Foam

- Foam and fiber cushioning materials
- Fabrics for mattresses, residential furniture and industrial uses
- Carpet underlay materials

Most of our Residential Furnishings customers manufacture finished bedding products (mattresses and box springs) or upholstered furniture for residential use. These customers generally sell to retailers and distributors. We also sell our complete consumer products directly to retailers and distributors.

Key Strategies

Our ability to develop new, proprietary products provides an ongoing opportunity to increase business with customers, including those who continue to make some of their own components. Many of our capabilities, including product innovation, are being used as we move into new regions of the world. Internationally, we locate our operations where demand for components is growing. Finally, we continue to look for acquisitions that expand our customer base, add new product lines or capabilities, or help establish a presence in new geographic regions.

Overview of the Commercial Fixturing & Components Segment

<u>Segment</u>	<u>Groups</u>	<u>Business Units</u>
Commercial Fixturing & Components	Fixture & Display	Store Fixtures Point of Purchase Displays Commercial Vehicle Products Storage Products
	Office Furniture Components	US Office Components International Office Components Plastics

Our second largest segment is Commercial Fixturing & Components. This segment is divided into two groups, Fixture & Display and Office Furniture Components.

In the Fixture & Display group, our goal is to be the primary, or “one-stop,” fixture supplier of choice for our customers. We have capabilities that include design, production, installation and project management. Products manufactured by our Fixture & Display group include:

- Custom-designed, full store fixture packages, including shelving, counters, point-of-purchase displays, showcases, garment racks and decorative woodwork for retailers
- Standardized shelving used by large retailers, grocery stores and discount chains
- Commercial storage racks and carts (material handling systems) used primarily in the food service and healthcare industries
- Wire and steel racks, shelves and cabinets for the interior of service vans and utility vehicles

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Our Office Furniture Components group manufactures:

- Bases, columns, back rests, casters and frames for office chairs, and control devices that allow office chairs to be adjusted to height, tilt and swivel
- Injection molded plastic components for manufacturers of lawn care products, power tools, and other consumer and commercial products

Customers of the Commercial Fixturing & Components segment include:

- Retail chains and specialty shops
- Brand name marketers and manufacturers
- Food service companies, healthcare providers, restaurants, and light industrial companies
- Office, institutional, and commercial furniture manufacturers
- Telecommunication companies

Key Strategies

Our Fixture & Display group strategy is to consolidate and coordinate the production of fixture and display products at the lowest cost. Our primary focus is to increase volume with existing accounts and pursue new customers within the industry. We will also look for opportunities to expand into new, related markets.

In October, we announced the adoption of a Fixture & Display group tactical plan to increase our attention and scrutiny of under-performing profit centers in the Fixture & Display group. For further information on the Fixture & Display group tactical plan, see Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operation beginning on page 18.

In our Office Furniture Components group, we will continue striving to develop new products, providing opportunities to supply more components to customers. We also expect to continue making strategic acquisitions that add new products or expand operations into new regions of the world.

Overview of the Aluminum Products Segment

<u>Segment</u>	<u>Groups</u>	<u>Business Units</u>
Aluminum Products	Aluminum	Die Casting Tool & Die

Our Aluminum Products segment is the leading independent producer of non-automotive aluminum die castings in North America. We also produce some zinc and magnesium die castings. We work with customers from the design concept stage to market introduction and then through the product lifecycle to refine the product and reduce cost. We sell aluminum, zinc and magnesium die cast components to a diverse group of customers that manufacture industrial and consumer products. Our customers include:

- Gas barbeque grill manufacturers
- Diesel and small engine builders
- Motorcycle, truck, off-road and recreational vehicle (including all-terrain vehicles and snowmobiles) and automobile makers
- Manufacturers of outdoor lighting fixtures, cable line amplifiers, wireless communications systems and other cable and telecommunication products
- Consumer appliance and power tool manufacturers
- Computer, electronic and electric motor producers

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We also manufacture and refurbish dies (also known as molds or tools) for all types and sizes of die casting machines. These are sold to customers that buy our die castings and to other die cast manufacturers. We also provide extensive machining, coating, finishing, sub-assembly and other value-added services related to the die cast components that we sell.

Key Strategies

Market share growth is a major focus. We plan to continue to pursue large users of castings, work to provide more products used by customers who make some of their aluminum components, and look for opportunities to expand into new markets where die cast components are used. We plan to continue striving to develop technology that allows opportunities for growth in new markets. Finally, we are committed to establishing a global presence, enabling us to supply customers as they take more production overseas. Acquisitions may play a part in accomplishing these plans.

Overview of the Industrial Materials Segment

<u>Segment</u>	<u>Groups</u>	<u>Business Units</u>
Industrial Materials	Wire	Wire Drawing Wire Products Steel Rod
	Tubing	Steel Tubing

The Industrial Materials segment produces steel rod, drawn wire and welded steel tubing as well as specialty wire products. Drawn wire and welded steel tubing are important raw materials that are widely used to manufacture our products. About 50% of the drawn wire and about 25% of the welded steel tubing that we produce is used to manufacture other products within the Company. For example, wire is used to make:

- Bedding and furniture components
- Commercial fixtures and point of purchase displays
- Automotive seating components

Welded steel tubing is used in many of the same products including:

- Motion furniture mechanisms
- Store fixtures, displays, shelving and storage products
- ATV, RV and snowmobile accessories

Currently, our wire mills use over 900,000 tons of steel rod each year. In 2002, we acquired the assets of a steel rod mill in Sterling, Illinois, which is expected to provide a more consistent supply of quality steel rod for the Industrial Materials segment. We expect the rod mill to produce about 450,000 tons annually, nearly all of which will be used by Leggett businesses. After the start-up phase, the mill operated profitably during the second half of 2003. The mill produces only a few sizes and types of rod improving the mill's operating efficiency. We plan to operate the mill's electric furnace (which has a capacity of about one million tons) during off-peak times to reduce energy costs. The mill is located near a steel scrap market that over the long term should provide consistent supply to the mill. The rod mill is also located reasonably close to our wire mills.

In addition to supplying a portion of our own raw material needs, we sell drawn wire and welded steel tubing to a diverse group of industrial customers, including:

- Bedding and furniture makers
- Automotive interior manufacturers

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- Lawn and garden equipment manufacturers
- Recreational equipment (e.g. ATV and RV) producers
- Mechanical spring makers

We also produce specialty wire products such as:

- Wire ties used by cotton gins to tie bales of cotton
- Wire tying heads used by waste recyclers and solid waste removal businesses to bale materials
- Shaped wire used by automotive companies and medical supply businesses

Key Strategies

The core strategy of our wire and tubing businesses is to efficiently supply other Leggett businesses' raw material requirements. We expect growth, to a large extent, will occur as our internal requirements expand, both domestically and abroad. We also expect to grow as we work with customers on programs that improve their efficiency (for example, packaging multiple components supplied by our other businesses). Finally, we will expand our capabilities to add value through the forming, shaping, and welding of our wire and tube. This may occur through start-up operations or acquisitions.

Overview of the Specialized Products Segment

<u>Segment</u>	<u>Groups</u>	<u>Business Units</u>
Specialized Products	Automotive Machinery	Automotive Machinery

Our Specialized Products segment manufactures components for the automotive industry and designs, builds and sells specialized machinery and equipment.

In the Automotive group, we manufacture:

- Lumbar systems for automotive seating (including manual, 2-way power, 4-way power, massage systems, and memory options)
- Seat suspension systems
- Automotive control cable systems, such as shift cables, cruise-control cables, seat belt cables, accelerator cables, seat control cables, and latch release cables

Primary customers for these products are automobile seating manufacturers.

In the Machinery group, we primarily manufacture:

- Highly automated quilting machines for fabrics used to cover mattresses and other home furnishings
- Coilers used to shape wire into various types of springs
- Industrial sewing machines
- Material handling systems
- Wide format digital printing equipment
- Other products for factory automation

The primary customers for these products are bedding manufacturers. We also design and produce some of these specialized products for our own use.

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Key Strategies

In our Automotive group, we plan to continue the focus on research and development, looking for ways to improve the function and cost of our products. The introduction of new capabilities and products creates the potential for us to expand into new markets. Growing our global presence (to serve developing markets and to expand our sourcing options) will remain a key objective, as will assisting our customers with vendor consolidation (to reduce the complexity and cost of their supply chain).

Our Machinery group designs and manufactures equipment that is used to produce the proprietary innersprings we develop for our bedding customers. In most cases, this equipment is not available in the marketplace. Providing this support is a critical strategy for our machinery operations, and also for our bedding operations. In addition, we will continue striving to develop technology to improve efficiency in our own plants as well as those of our customers.

Acquisitions and Divestitures

In the past 20 years, approximately two-thirds (2/3) of our sales growth has come through acquisitions. Our typical acquisition is a small, private, profitable, entrepreneurial company. Our acquisition targets are usually either complementary to our existing businesses, or companies that allow us to secure quality raw material supply. Over the past ten years, the average acquisition target has had annual revenues between \$15 and \$20 million, making the risk from any single acquisition low. In our history, we have completed only four acquisitions of businesses with annual sales greater than \$100 million. We do not follow a fixed timetable for buying companies. Rather, we aim to be opportunistic by taking advantage of circumstances as they arise. As a result, the pace and size of acquisitions in any given year could be significantly more or less than the average seen over the longer term.

In July 2003, we completed our fourth largest acquisition in the history of the Company, purchasing the assets of RHC Spacemaster, one of our store fixture competitors. We expect these operations to add at least \$120 million in annualized sales. In total, we acquired 15 businesses during 2003 representing approximately \$220 million in annualized sales. The acquired businesses are expected to add annualized sales within our segments as follows:

Residential Furnishings	\$60 million
Commercial Fixturing & Components	\$140 million
Specialized Products	\$20 million

We also sold two businesses during 2003, including one lumber company and one tubing fabrication facility. Annualized sales associated with the two divested businesses were approximately \$23 million. For further information on acquisitions and divestitures, see Note B and Note M of the Notes to Consolidated Financial Statements.

Segment Financial Information

For information on sales to customers, sales by product line, earnings before interest and taxes, and total assets of each of our business segments, refer to Note K of the Notes to Consolidated Financial Statements.

Foreign Operations

The percentages of our trade sales from products manufactured outside the United States for the previous three years are shown in the table below.

<u>Year</u>	<u>Percent</u>
2003	21%
2002	20%
2001	18%

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The majority of our international operations, measured by trade sales, are in Canada, Europe and Mexico.

The Canadian operations primarily manufacture innersprings for mattresses, fabricated wire for the bedding, furniture and automotive industries, and cut-to-size bed frame lumber. We manufacture shelving for retailers, wire and steel storage systems and racks for the interior of service vans and utility vehicles, point-of-purchase displays for retailers, as well as chair frames and bases, table bases and office chair controls, and plastic injection moldings. We also make lumbar supports for automotive seats and other automotive and furniture seat components.

Our foreign operations in Europe produce, among other things, innersprings for mattresses, fabric for industrial and residential uses, various wire products, office chair mechanisms and automotive lumbar seating systems. We also sell machinery and equipment designed to manufacture innersprings for mattresses and other bedding related components. Finally, we have one operation in Europe that designs and distributes point-of-purchase displays for retailers.

The Mexican operations primarily manufacture innersprings and wire grid tops for mattresses, fabricated wire for the bedding industry, and fabric for industrial and residential uses. We produce aluminum die castings and provide machining, sub-assembly and other value added services related to aluminum die castings. We also produce commercial shelving, material handling equipment, and automotive control cable systems.

We have an increasing Asian presence. Prior to 2003, we owned three production facilities in China. Two of these plants produce mattress innersprings for sale into the Chinese market. The third plant produces machinery and replacement parts for machines used in the bedding industry. In 2003, we began operations in our fourth plant, a facility to manufacture recliner mechanisms and various bases for upholstered furniture. This plant has initially sold products to furniture manufacturers in China who produce upholstered furniture for export and to some Leggett operations on an inter-company basis, but will also position us to sell into the local market as the demand for furniture grows in China.

In 2003, we also added four manufacturing facilities in China. One facility produces small electric motors primarily used in lumbar systems for automotive seating. Another manufactures cables for these lumbar systems. A third produces innersprings for mattresses and sofa cushions, while the fourth facility manufactures innersprings and bedding machinery. We also purchased an assembler and distributor of automotive lumbar supports and seat suspension grids in South Korea.

Finally, our Ornamental Bed unit imports finished beds from Asia for sale in the United States. Many other business units of the Company have long-standing, well-established relationships with suppliers in Asia for components and finished products.

Our strategy regarding international expansion is two-fold. First, we are striving to find opportunities in countries to manufacture components and sub-assemblies for a variety of our existing components customers. Second, we have pursued a strategy, establishing small operations in select countries where we believe we may expand as demand grows.

Our international operations face the risks associated with any operation in a foreign state. These risks include:

- The nationalization of private enterprises
- Political instability in certain countries
- Differences in foreign laws that make it difficult to protect intellectual property and enforce contract rights
- Credit risks

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- Increased costs due to tariffs, customs and shipping rates
- Potential problems obtaining raw materials, including the availability of electricity, and shipping products during times of crisis or war
- Foreign currency fluctuation

Such risks could result in increases in costs, reduction in profits, the inability to do business and other adverse effects.

Geographic Areas of Operation

We have significant manufacturing, warehousing and distribution facilities in several foreign countries as listed in the chart below.

<u>Segment</u>	<u>North America</u>	<u>Europe</u>	<u>South America</u>	<u>Asia/Pacific</u>
Residential Furnishings	Canada Mexico United States	Croatia Denmark France Germany Italy Russia Spain United Kingdom	Brazil	Australia China Singapore South Korea
Commercial Fixturing & Components	Canada Mexico United States	Italy United Kingdom		
Aluminum Products	Mexico United States			
Industrial Materials	United States	United Kingdom		
Specialized Products	Canada Mexico United States	Austria Belgium Croatia Germany Greece Hungary Italy Sweden Switzerland United Kingdom		China South Korea United Arab Emirates

For further information concerning our long-lived assets and sales outside of the United States, refer to Note K of the Notes to Consolidated Financial Statements.

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Sales by Product Line

The following table shows the approximate percentages of our sales to external customers by product line for the last three years:

	<u>2003</u>	<u>2002</u>	<u>2001</u>
<i>Product Line</i>			
Bedding Components	17.7%	18.7%	18.9%
Residential Furniture Components	16.5	16.9	16.4
Finished & Consumer Products	13.8	12.7	13.0
Other Residential Furnishing Products	2.2	2.0	2.0
Store Displays, Fixtures & Storage Products	17.0	15.3	17.2
Office Furnishings & Plastic Components	4.9	5.6	5.6
Aluminum Products	10.3	11.1	10.8
Wire, Wire Products & Steel Tubing	8.5	9.3	7.8
Automotive Products & Specialized Machinery	9.1	8.4	8.3

Distribution of Products

Our products are sold and distributed primarily through the Company's sales personnel. However, many of our businesses have relationships and agreements with sales representatives and distributors. We do not believe any of these agreements or relationships would, if terminated, have a material adverse effect on the consolidated financial condition or results of operations of the Company.

Raw Materials

We use a variety of raw materials in manufacturing our products. Some of the most important raw materials include:

- Steel scrap
- Steel rod
- Woven and non-woven fabrics
- Aluminum
- Angle iron
- Coil and sheet steel
- Rough green lumber
- Textile scrap
- Foam chemicals and foam scrap
- Plastic resin

The raw materials for many of our businesses are supplied by our own facilities. For example, steel rod is used to produce steel wire, which we use to produce innersprings and box springs for mattresses; displays, shelving and racks for retail customers; and automotive seating systems. Our own wire drawing mills supply nearly all of our requirements for steel wire. The steel rod produced at our rod mill in Sterling, Illinois currently supplies roughly half of our current rod requirements. We also produce welded steel tubing and dimension lumber both for our own consumption and for sale to customers outside the Company.

We believe that worldwide supply sources are available for all the raw materials used by the Company. However, the availability of steel is becoming an issue. Worldwide steel rod production capacity has been

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reduced in recent years due to bankruptcies of domestic steel producers. At the same time, worldwide demand for steel is increasing, driving prices for steel scrap and rod significantly higher. Steel scrap and rod represent about 70% of our steel purchases. Although some uncertainty over steel availability exists, we believe that we are better positioned than many of our competitors to secure supply because of our financial strength and purchasing leverage.

We have experienced higher raw material costs (most notably steel) during the past two years. We purchase about 1.3 million tons of steel annually, accounting for approximately 15% of our cost of goods sold. As of mid-March, market prices for purchase of steel (including scrap, rod, rolled and angle iron) are running \$150–250 dollars per ton above prices seen during the summer of 2003. The majority of the increase in steel prices has occurred since November. Most steel vendors have rescinded previous contracts, and moved to 30-day pricing. The Company has announced or implemented steel-related price increases in most segments. The future pricing of steel is uncertain, but could increase significantly in 2004 even beyond current levels. The degree to which we are able to mitigate or recover these escalating costs is a significant factor influencing 2004 earnings.

Customers

We serve thousands of customers worldwide, sustaining many long-standing business relationships. No single customer accounted for more than five percent (5%) of the Company's consolidated revenues in 2003. Our top ten customers accounted for less than eighteen percent (18%) of the Company's consolidated revenues in 2003.

Patents and Trademarks

Leggett holds approximately 1,300 patents and has approximately 500 in process for its various product lines. We have registered over 850 trademarks, with more than 150 in process. No single patent or group of patents, or trademark or group of trademarks, is material to our business as a whole. Examples of our most significant trademarks include:

- **SEMI-FLEX**[®], **LOK-Fast**[®] and **DYNA-Lock**[®] (boxspring components and foundations)
- **Mira-Coil**[®], **Lura-Flex**[®] and **Superlastic**[®] (mattress innersprings)
- **Nova-Bond**[®] and **Rollout**[®] (insulators for mattresses)
- **ADJUSTAMAGIC**[®] (adjustable electric beds)
- **Wallhugger**[®] (recliner chairs)
- **SUPER SAGLESS**[®] (motion and sofa sleeper mechanisms)
- **No-Sag**[®] (sinuous wire)
- **Tack & Jump**[®] and **Patternlink**[®] (quilting machines)
- **Hanes**[®] (fiber materials)
- **Schukra**[®], **Pullmaflex**[®] and **Flex-O-Lators**[®] (automotive products)
- **Masterack**[®], **Amco**[®] and **RHC Spacemaster**[®] (fixtures and displays)
- **Spuhl**[®] (mattress innerspring manufacturing machines)
- **Gribetz**[®] and **Porter**[®] (quilting and sewing manufacturing machines)

Research and Development

We maintain research, engineering and testing centers in Carthage, Missouri, and also do research and development work at many of our other facilities. We are unable to precisely calculate the cost of research and development because the personnel involved in product and machinery development also spend portions of their time in other areas. However, we believe the cost of research and development was approximately \$19 million in 2003, \$20 million in 2002, and \$19 million in 2001.

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Employees

We have approximately 33,000 active employees, of which approximately 24,800 are engaged in production. Of the total active employees, roughly 9,700 are international employees. Approximately 20% of our employees are represented by labor unions. We did not experience any material work stoppage related to the negotiation of contracts with labor unions during 2003. Management is not aware of any circumstances likely to result in a material work stoppage related to the negotiation of contracts with labor unions during 2004.

The largest group of employees, approximately 14,500, works in the Residential Furnishings segment. Approximately 7,900 employees work in Commercial Fixturing & Components, while approximately 4,200 employees work in Specialized Products. Roughly 4,000 work in the Aluminum Products segment and approximately 1,800 are employed by our Industrial Materials segment.

Competition

Many companies offer products that compete with those manufactured and sold by Leggett. The number of competing companies varies by product line, but the markets for our products are highly competitive in all aspects. A number of our customers manufacture components similar to ours for their own use. The primary competitive factors in our business include price, product quality and innovation, and customer service.

In certain of our markets a portion of U.S. manufacturing is moving overseas. We face increasing competition from foreign competitors, especially those in Asia who supply component parts to our customers' Chinese and Asian manufacturing facilities. We have, and continue to develop, significant Asian supply sources. We also have, and continue to develop, a manufacturing presence in Asia. Our Asian facilities manufacture products for Asian markets as well as for our customers in other parts of the world.

We believe we are the largest independent manufacturer in North America of the following:

- Components for residential furniture and bedding
- Retail store fixtures and point-of-purchase displays
- Components for office furniture
- Non-automotive aluminum die castings
- Drawn steel wire
- Automotive seat support and lumbar systems
- Bedding industry machinery for wire forming, sewing and quilting

Seasonality

Our business is not significantly seasonal as a whole. However some of our segments are slightly seasonal. For further information, see the discussion of "Seasonality" in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operation, on page 28.

Backlog

Our relationships with our customers and our manufacturing and inventory practices do not provide for a significant backlog of orders.

Working Capital Items

For information regarding working capital items, see the discussion of "Short-term Liquidity" in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operation, on page 24.

Environmental Regulation

The Company's various operations are subject to federal, state, and local laws and regulations related to the protection of the environment. Environmental regulations include those relating to air and water emissions, underground storage tanks, waste handling, and the like. We have established policies to ensure that our operations are conducted in keeping with good corporate citizenship and with a positive commitment to the protection of the natural and workplace environments. While we 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 competitive position, capital expenditures, consolidated financial condition or results of operations of the Company.

Capital expenditures for environmental control facilities were \$1.0 million in 2003, \$1.2 million in 2002 and \$.6 million in 2001. Although future capital expenditures are difficult to estimate, we believe that the capital expenditures for environmental control facilities will not materially differ in 2004 from our recent historical experience.

Internet Access to Other Information

Annual Reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K and all amendments to those reports are made available, without cost, at our website at <http://www.leggett.com> as soon as reasonably practicable after electronically filed with, or furnished to, the Securities and Exchange Commission. In addition to these reports, the Company's Financial Code of Ethics, Code of Business Conduct and Ethics and Corporate Governance Guidelines, as well as charters for its Audit, Compensation, and Nominating and Corporate Governance Committees can be found at our website, and each of these documents is available in print, without cost, to any shareholder who requests it. Our website does not constitute part of this Annual Report on Form 10-K.

Item 2. Properties.

Our most important physical properties are our manufacturing plants. At December 31, 2003, we had approximately 300 manufacturing plants worldwide. About one-half of the manufacturing plants are in the Residential Furnishings segment. Facilities manufacturing, assembling or distributing products in Residential Furnishings are located in 29 states as well as Asia, Australia, Brazil, Canada, Europe and Mexico. Commercial Fixturing & Components manufacturing plants and distribution facilities are located in 19 states, Canada, Italy, Mexico and the United Kingdom. The Aluminum Products segment has facilities in ten states and Mexico. The Industrial Material facilities are located in 19 states, and the United Kingdom. Specialized Products are produced and distributed in facilities in nine states and other significant operations in Canada, China, Europe, Mexico, South Korea and the United Arab Emirates.

Most of our major manufacturing facilities are owned by the Company. We also conduct certain 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 G of the Notes to Consolidated Financial Statements.

Properties of the Company include facilities that, in the opinion of management, are suitable and adequate for the manufacture, assembly and distribution of its products. These properties are located to allow quick and efficient deliveries and necessary service to our diverse customer base.

Item 3. Legal Proceedings.

The Company is a defendant in various workers' compensation, product liability, vehicle accident, employment, intellectual property, labor practices and other claims and legal proceedings in the ordinary course

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of business, 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.

The Company is also party to a small number of proceedings in which a governmental authority is a party and which involve laws 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.

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Supplemental Item. Executive Officers of the Registrant.

The following information is included in accordance with the provisions of Part III, Item 10 of Form 10-K.

The table below sets forth the names, ages and positions of all executive officers of the Company. Executive officers are normally elected annually by the Board of Directors.

<u>Name</u>	<u>Age</u>	<u>Position</u>
Felix E. Wright	68	Chairman of the Board and Chief Executive Officer
David S. Haffner	51	President and Chief Operating Officer
Karl G. Glassman	45	Executive Vice President—President, Residential Furnishings Segment
Jack D. Crusa	49	Senior Vice President—President, Industrial Materials Segment/President, Specialized Products Segment
Robert G. Griffin	51	Senior Vice President—President, Fixture and Display Group
Daniel R. Hebert	60	Senior Vice President—President, Aluminum Products Segment
Robert A. Jefferies, Jr.	62	Senior Vice President—Strategic Planning
Matthew C. Flanigan	42	Vice President—Chief Financial Officer
Ernest C. Jett	58	Vice President—General Counsel and Secretary
Robert A. Wagner	53	Vice President—Mergers and Acquisitions
William S. Weil	45	Vice President—Corporate Controller (Principal Accounting Officer)

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

Felix E. Wright serves as Chairman of the Company's Board of Directors and as Chief Executive Officer. Mr. Wright served as Vice Chairman of the Board from 1999 to 2002 and as Chief Operating Officer from 1979 to 1999. He has served in various other capacities since 1959.

David S. Haffner was elected President of the Company in 2002 and has served as the Company's Chief Operating Officer since 1999. He previously served the Company as Executive Vice President from 1995 to 2002 and has served the Company in other capacities since 1983. Mr. Haffner is also head of Commercial Fixturing & Components.

Karl G. Glassman was elected Executive Vice President of the Company in 2002, and has served as President of the Residential Furnishings segment since 1999. Mr. Glassman previously served the Company as Senior Vice President from 1999 to 2002 and President of Bedding Components from 1996 through 1998. He has served in various other capacities since joining the Company in 1982.

Jack D. Crusa has served the Company in various capacities since 1986, including service as Vice President and President—Automotive Group since 1996. Mr. Crusa became Senior Vice President and President—Industrial Materials in 1999, and was appointed President of Specialized Products in 2003.

Robert G. Griffin has been employed by the Company since 1992. Mr. Griffin was named Vice President and Director of Mergers, Acquisitions and Strategic Planning in 1995, President—Fixture and Display Group in 1998 and Senior Vice President in 1999.

Daniel R. Hebert became Senior Vice President of the Company and President, Aluminum Products Segment in 2002. Mr. Hebert previously served as Executive Vice President of the Aluminum Products Segment from 2000 to 2002, and Vice President, Operations from 1996 to 2000.

Robert A. Jefferies, Jr. has served as Senior Vice President, Strategic Planning of the Company since 2001. He previously served the Company as Senior Vice President, Mergers, Acquisitions and Strategic Planning from 1990 to 2001. He also served the Company as Vice President, General Counsel and Secretary from 1977 to 1990.

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Matthew C. Flanigan has served the Company as Vice President and Chief Financial Officer since April 2003. Mr. Flanigan served the Company as Vice President and President, Office Furniture Components Group since 1999 and previously served the Company as Staff Vice President-Operations from 1997 to 1999.

Ernest C. Jett was appointed General Counsel in 1997, and 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 from 1991 to 1997.

Robert A. Wagner has served as Vice President, Mergers and Acquisitions since 2001. He previously served the Company as Vice President, Mergers, Acquisitions and Strategic Planning from 1998 to 2001.

William S. Weil was appointed the Principal Accounting Officer by the Board of Directors in February 2004. He became Vice President in 2000 and has served the Company as Corporate Controller since 1991. He previously served the Company in various other accounting capacities since 1983.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

The Company's common stock is listed on the New York Stock Exchange (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		
2003				
Fourth Quarter	\$ 22.60	\$ 19.74	37,200,000	\$.14
Third Quarter	23.69	20.04	33,400,000	.14
Second Quarter	22.81	18.25	32,900,000	.13
First Quarter	23.15	17.16	37,110,000	.13
For the Year	<u>\$ 23.69</u>	<u>\$ 17.16</u>	<u>140,610,000</u>	<u>\$.54</u>
2002				
Fourth Quarter	\$ 24.15	\$ 18.60	34,592,000	\$.13
Third Quarter	24.35	19.42	39,024,000	.13
Second Quarter	27.40	23.40	24,478,000	.12
First Quarter	26.46	22.01	30,224,000	.12
For the Year	<u>\$ 27.40</u>	<u>\$ 18.60</u>	<u>128,318,000</u>	<u>\$.50</u>

Price and volume data reflect composite transactions; price range reflects intra-day prices.

The Company had 13,989 shareholders of record on March 1, 2004.

See the discussion of the Company's target for dividend payout under "Use of Capital Resources" in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operation beginning on page 26.

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Issuer Repurchases of Equity Securities

The table below is a listing of our repurchases of the Company's common stock during the last quarter of 2003.

<u>Period</u>	<u>Total Number of Shares Purchased (1)</u>	<u>Average Price Paid per Share (2)</u>	<u>Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program (3)(4)</u>	<u>Maximum Number of Shares that may yet be purchased under the Plans or Programs (5)</u>
October 1, 2003 – October 31, 2003	7,504	21.22	7,504	7,109,120
November 1, 2003 – November 30, 2003	75,973	20.11	75,973	7,257,973
December 1, 2003 – December 31, 2003	31,350	21.17	31,350	7,277,325
Total	114,827			

(1) The shares reflected are shares of Leggett common stock, par value \$.01.

(2) The average price paid per share is the weighted average for the period.

(3) In February 2003, the Board authorized management, at its discretion, to purchase 2 million shares for re-issuance in employee benefit plans and for other designated uses. Under this authorization, the number of shares that can be repurchased is continuously replenished as shares repurchased are reissued. In February 2003, the Board also authorized management to repurchase shares issued in acquisition transactions. These authorizations would have expired in February 2004 but were renewed through the February 2005 Board meeting date. Both of the above authorizations were reported in the Company's Annual Report on Form 10-K filed March 18, 2003.

(4) In addition to the aforementioned authorizations, the Board, at the end of the third quarter 2000, authorized management to purchase up to an additional 10 million shares of common stock. This authorization was first announced in the Company's press release, dated September 28, 2000. This additional authorization has been continued through September 27, 2004.

(5) Although shares were purchased during the period, the amount increased because shares were reissued in benefit plans which replenished the authorization as described in footnote (3) above.

[Table of Contents](#)**Item 6. Selected Financial Data.**

	2003	2002	2001	2000	1999
(Unaudited)					
(Dollar amounts in millions, except per share data)					
Summary of Operations					
Net sales	\$ 4,388.2	\$ 4,271.8	\$ 4,113.8	\$ 4,276.3	\$ 3,779.0
Earnings from continuing operations	205.9	233.1	187.6	264.1	290.5
Earnings from continuing operations adjusted to exclude goodwill amortization	205.9	233.1	207.8	282.9	306.4
Earnings per share from continuing operations					
Basic	1.05	1.17	.94	1.33	1.46
Diluted	1.05	1.17	.94	1.32	1.45
Earnings per share from continuing operations adjusted to exclude goodwill amortization					
Basic	1.05	1.17	1.04	1.42	1.54
Diluted	1.05	1.17	1.04	1.41	1.53
Cash dividends declared per share	.54	.50	.48	.42	.36
Summary of Financial Position					
Total assets	\$ 3,889.7	\$ 3,501.1	\$ 3,412.9	\$ 3,373.2	\$ 2,977.5
Long-term debt	1,012.2	808.6	977.6	988.4	787.4

As discussed in Note A of the Notes to Consolidated Financial Statements, the Company began recognizing stock option expense for any options granted after January 1, 2003.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operation.**Introduction**

Leggett & Platt is a Fortune 500, global, multi-industry, diversified manufacturer. We conceive, design and produce a broad variety of engineered components and products that can be found in virtually every home, office, retail store, and automobile. We provide very little product directly to consumers, but instead serve a broad array of manufacturers and retailers. Our products are often hidden within, and vital to, our customers' products. Key attributes that contribute to our success include: low cost operations, high quality products, vertical integration, innovation, customer service, financial strength, and long-lived relationships with customers. We are North America's leading independent manufacturer of a) components for residential furniture and bedding; b) retail store fixtures and point of purchase displays; c) components for office furniture; d) non-automotive aluminum die castings; e) drawn steel wire; f) automotive seat support and lumbar systems; and g) bedding industry machinery for wire forming, sewing and quilting.

Our operations are influenced by broad economic factors including interest rates, housing turnover, employment levels, and consumer sentiment, all of which impact consumer spending on durable goods (which drives demand for our components and products). We are also impacted by trends in business capital spending, as about one-third of our sales relates to this segment of the economy. Heading into 2004, most of these indicators are favorable and improving.

Performance in 2004 will be heavily influenced by three factors: the amount of same location sales growth, our degree of success at recovering escalating steel and other raw material costs, and the extent of improvement in our Fixture & Display operations. Management is devoting significant attention to these areas.

- We are anticipating full year 2004 same location sales growth to accelerate, as typically occurs following economic downturns. This expectation is heavily influenced by our strong fourth quarter sales, and the increased demand that our markets are currently experiencing.

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- Steel prices are increasing rapidly as we enter 2004. This basic material represents nearly 15% of our cost of goods sold. Demand for steel is high, and supply is tight, leading to sharp cost increases since last summer. Late in 2003, we began passing along price increases to recover these costs.
- Improving performance of our Fixture & Display operations is a high priority heading into 2004.

These factors and others are discussed below.

Results of Operations

Discussion of Consolidated Results

2003 vs. 2002

Sales increased 2.7%, and at \$4.39 billion, were a record for the Company. Same location sales increased 1.2%, or \$52 million, due to currency rate changes as overall volume was flat. Net earnings decreased 12%, or \$27 million, to \$206 million. Factors contributing to this decline include the weakening of the U.S. dollar against other major currencies (about \$16 million after tax), increased energy costs (about \$16 million after tax), and unusually high obsolete and slow-moving inventory reserves (about \$6 million after tax). Earnings also decreased from unabsorbed overhead in businesses with lower production levels, operating inefficiency in certain locations, and increased steel costs. Partially offsetting these negative factors were higher sales, lower restructuring costs (\$10 million after tax), reduced bad debt expense (\$6 million after tax), and income tax rate reductions. The income tax rate reduction, from 35.9% in 2002 to 34.7% in 2003, primarily resulted from the realization of foreign tax credit carryforwards.

2002 vs. 2001

Earnings increased 24% on essentially flat same location sales. Sales totaled \$4.27 billion, an increase of 3.8% from 2001. Same location sales increased 0.7%, or \$27 million, for the full year. Net earnings increased \$46 million to \$233 million.

Reduced expenses account for the bulk of the 2002 earnings improvement. On January 1, 2002, the Company adopted Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets," which required that goodwill no longer be amortized to earnings, but instead be tested periodically for impairment. This change contributed about \$20 million to net earnings. Other cost decreases resulted from continuing improvements in operating efficiency, lower restructuring costs, and reduced expenses for energy (about \$6 million after tax), bad debts (\$8 million after tax), and interest (\$11 million after tax). Higher raw material costs (notably steel) and stiff price competition in some business units partially offset these improvements.

Major Trends and Uncertainties

Late in 2003, Leggett began experiencing rapid and significant steel cost increases, and these increases have accelerated in early 2004. As of mid-March, market prices for purchase of steel (including scrap, rod, rolled, and angle iron) are running \$150–250 dollars per ton above prices seen during the summer of 2003. The majority of the increase in steel prices has occurred since November. We purchase 1.3 million tons of steel each year, accounting for nearly 15% of our cost of goods sold. Cost increases of this magnitude significantly affect our profitability. We have recently announced or implemented selling price increases in most segments to recover these higher costs. The future pricing of steel is uncertain at this point. The degree to which the Company is able to mitigate or recover these escalating costs is a major factor impacting future results.

Availability of steel is also becoming an issue. Worldwide steel production capacity declined in recent years due to bankruptcies of domestic steel producers. At the same time, worldwide demand for steel is increasing, driving prices significantly higher. Although some uncertainty over steel availability exists, we believe we are

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better positioned than our competitors to secure supply. Steel scrap and rod represent about 70% of our steel purchases (this material is converted to wire, which is the raw material used by many of our operations). Half of the steel rod we use comes from our own mill, helping ensure supply. In addition, our financial strength and purchasing leverage are advantages many of our competitors don't enjoy.

Natural gas prices during 2003 were 80% higher on average than in 2002. While we don't believe this rate of increase will continue, some uncertainty exists. We ended 2003 with prices locked in on about 60% of our domestic and Canadian natural gas requirements through June 2004. These hedge prices averaged \$5.63 per mmbtu.

In certain of our markets, a portion of U.S. manufacturing is moving overseas. As that occurs, we must establish operations in new regions of the world to continue supplying our customers. Currently, the largest influence on our markets is coming from China. At the end of 2003, Leggett operated eight Chinese facilities. Generally, we can produce components at a lower cost in the U.S. However, as our customers move the production of their finished products overseas, we must be located nearby to supply them efficiently. In addition to our own facilities in China, we have strong relationships with many Asian suppliers.

As we continue to expand internationally, more facilities are operated in foreign countries resulting in increased exposure to foreign currencies. Leggett currently hedges only a modest amount of these exposures with derivative instruments. Significant changes in the U.S. dollar to foreign currencies could impact future results.

The recent weakening of the U.S. dollar, primarily against the Canadian dollar, contributed to 2003's earnings decline. Some of our Canadian operations sell to U.S. customers in U.S. dollars but incur their costs in Canadian dollars. These operations have experienced margin deterioration in 2003. Price increases have been implemented in some of these operations, but U.S. competitors, who are not experiencing this impact, make raising prices more difficult.

In October 2003, we announced increased attention to our poorly performing Fixture & Display operations. This tactical plan aims to accomplish improved operating efficiency, better adherence to standard costs, tighter inventory controls, cost reductions, and more competent staffing. The success of this plan could have a significant impact on future operating results. Additional comments regarding the impact of margin improvements in these businesses are included later in this discussion.

In the last half of 2003, the Company began to see improving trends in many of its businesses. All five segments reported increases in same location sales in the fourth quarter, and we expect these improvements to continue in 2004. Additional comments regarding these recent trends are included in the discussion of segment results that follows.

Discussion of Segment Results

A description of the products included in each segment, along with segment financial data, appear in Note K of the Notes to Consolidated Financial Statements. Following is a comparison of EBIT margins (Segment EBIT divided by Segment Total Sales):

	<u>2003</u>	<u>2002</u>	<u>2001</u>
Residential Furnishings	9.5%	10.4%	8.6%
Commercial Fixturing & Components	2.8	5.4	5.6
Aluminum Products	7.6	6.4	5.5
Industrial Materials	6.5	8.3	10.6
Specialized Products	10.8	11.8	10.1

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Residential Furnishings

2003 vs. 2002

Sales increased 2.5%, or \$55 million, as same location sales gained 1.4%. Most operating units experienced a rebound in customer demand in the second half of the year. Full year improvements were reported in several categories, including upholstered furniture components, ornamental and adjustable beds, and carpet underlay. Sales from foreign operations also increased for the year, in part from currency impacts, as foreign currencies now convert to more U.S. dollars. These gains were partially offset by sales declines in our fiber operations. Sales in our U.S. bedding components businesses also decreased for the full year due to weak demand in early 2003. Beginning in June, demand improved and our bedding components operations posted growth during the second half of the year.

EBIT decreased 6%, or \$14 million, as higher steel and energy costs, impacts from the weaker U.S. dollar, and unabsorbed overhead from lower production rates at U.S. bedding components operations during the first half of the year more than offset the benefit from increased sales. In addition, lower restructuring costs were offset by the non-recurrence of a partial reversal of a Canadian lumber duty accrual.

2002 vs. 2001

Sales increased 4.1%, or \$84 million, primarily from a 2.8% increase in same location sales. EBIT increased 26%, or \$47 million, partially due to higher sales and cost improvement efforts. Sales of upholstered furniture components increased significantly, but these gains were tempered by flat sales in bedding and other product categories. Elimination of \$8 million of goodwill amortization, partial reversal of Canadian lumber duty accruals, reduced bad debt expense, lower energy costs, and lower restructuring costs contributed to the EBIT improvement. Higher raw material costs in steel, lumber and chemicals partially offset these improvements.

Commercial Fixturing & Components

2003 vs. 2002

Sales increased 7.4%, or \$66 million, due to incremental sales from acquisitions, offset slightly by a 0.4% decrease in same location sales. Although certain major retailers continued with new store openings and refurbishments in 2003, most continued at reduced capital spending levels. Demand for office furniture components also remained at very low levels throughout 2003. However, modest improvements occurred in this market late in the year.

In July 2003, we purchased the assets of RHC Spacemaster, a producer of store fixtures. This acquisition should add at least \$120 million to annual revenues and is expected to be modestly profitable in the first full year.

EBIT for the segment decreased \$22 million, or 45%, primarily due to inventory write-downs, the weakening of the U.S. dollar, higher steel costs, operational inefficiency, and price competition. Lower restructuring costs offset some of these negative factors. In the third quarter of 2003, the Company announced a focused management effort to improve the operating efficiency and margins of the Fixture & Display portion of this segment.

2002 vs. 2001

Sales decreased 4.9% as incremental sales from recent acquisitions were unable to overcome the 9.5%, or \$90 million, decline in same location sales. Markets for both retail fixtures and office furniture components were down approximately 20%-25% from peak levels in 2000. However, the Company gained market share in its Fixture & Display business, owing in part to the financial difficulties of some competitors brought about by the tough conditions the industry faced in recent years.

EBIT decreased \$5 million, or 9%, with the earnings impact from lower same location sales largely offset by \$4 million in lower restructuring costs, elimination of \$9 million of goodwill amortization, and cost structure improvements.

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Aluminum Products

2003 vs. 2002

Sales decreased \$21 million or 4.2%. Same location sales increased 2.5%, but three recent divestitures reduced sales by \$32 million. No acquisitions were made during 2003. New programs for castings used in motorcycles, small engines, and large appliances represented the majority of the same location sales increase. These gains were partially offset by a decline in sales of barbeque grill castings.

EBIT increased \$4 million, or 14%, partially due to same location sales growth. Lower restructuring and non-recurring charges benefited EBIT by approximately \$6 million, but were offset by an unfavorable change in sales mix.

2002 vs. 2001

Sales increased \$28 million, or 6.0%. This gain reflected an 8.8% increase in same location sales, partially offset by three divestitures. There were no acquisitions during the year. The same location sales growth was primarily attributable to new programs with existing and new customers, as overall market demand did not improve appreciably.

EBIT increased 23%, or \$6 million, primarily reflecting the same location sales increases. Cost management efforts, reduced goodwill amortization expense of \$3 million, and lower energy costs also benefited EBIT. These improvements were partially offset by restructuring costs of \$3 million and non-recurring inventory and equipment obsolescence charges of \$3 million. Higher raw material cost and minor impacts from start-up inefficiency associated with new business also reduced EBIT. The divestitures did not have a material impact on earnings.

Industrial Materials

2003 vs. 2002

Sales decreased 5.3%, or \$32 million, reflecting a 5.1% reduction in same location sales. The sales decline resulted from weakness in many of our end markets, including wire demand from bedding manufacturers (in the first half of 2003), and tubing demand for ATV's and accessories. Certain markets began to recover late in the year, and volumes improved, particularly in the wire drawing operations.

EBIT decreased 26%, or \$13 million, due to lower sales and production volume, and higher steel and energy costs. These factors were partially offset by the elimination of start-up costs associated with the Sterling rod mill, lower restructuring charges, and a gain from the sale of a tubing fabrication business.

2002 vs. 2001

Sales increased 15.9%, primarily due to acquisitions, with same location sales increasing 2.4%. EBIT declined 9%, or \$5 million. The majority of the EBIT decline for the year resulted from increased steel prices. These increases began in the second quarter 2002 as a result of tariffs imposed on foreign steel. We experienced delays in implementing price increases in certain businesses, but by late 2002, the majority of the increases had been passed along to customers. Additional EBIT declines resulted from costs associated with the start up of the Sterling rod mill and further restructuring efforts. Reduced bad debt expense and lower amortization benefited EBIT slightly.

Specialized Products

2003 vs. 2002

Sales increased 11.6%, or \$47 million, largely from a 10.7% gain in same location sales. New automotive programs, increased shipments of bedding machinery during the second half of 2003, and currency rates positively impacted sales.

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EBIT increased slightly, reflecting higher sales, but these improvements were offset by impacts from the weaker U.S dollar, sales mix, and other smaller factors.

2002 vs. 2001

Sales increased 4.3%, mainly from a 3.9% increase in same location sales. EBIT increased \$8 million, or 21%, due to higher automotive sales and elimination of \$3 million of goodwill amortization, partially offset by reduced sales volume in our machinery operations. The strong performance of our automotive businesses was due primarily to additional market penetration and strong demand for lumbar and seat components.

Critical Accounting Policies and Estimates

As more fully disclosed in Note A of the Notes to Consolidated Financial Statements, we have adopted numerous accounting policies from among acceptable alternatives. Management must make many critical estimates or assumptions when preparing financial statements. Our major estimates and assumptions are discussed below. The first group of comments addresses estimates that impact our earnings each year, and later, we identify and discuss major estimates that impact earnings less frequently.

The most critical estimates and assumptions impacting our ongoing results are:

- credit losses
- costs related to worker's compensation, automobile, product and general liability, property, and medical programs
- inventory losses from obsolescence
- income taxes

With respect to credit losses, our customers are diverse, but many are small-to-medium sized companies and some are highly leveraged. Bankruptcy can occur with some of these customers relatively quickly and with little warning, particularly in a changing economic environment, adding to the difficulty in estimating credit losses.

Worker's compensation, automobile, product and general liability, property, and medical insurance costs may require an extended period after the actual loss occurred before the exact amount of the cost is known. Estimates of these costs over that period, which in some cases is several years, will vary from the final amount. We carry insurance for individual losses that exceed a certain amount specified for each program.

Changing customer specifications, technology, customer bankruptcy and other factors result in inventory losses that are difficult to estimate precisely. At any financial statement date, the impact of these factors on inventory value may not be completely known.

Income taxes are recorded by the Company at rates in effect in the various tax jurisdictions in which it operates. The Company has tax loss carryforwards in certain jurisdictions and foreign tax credit carryforwards for U.S. tax purposes. Valuation reserves are established against these future potential tax benefits based on Management's estimate of their ultimate realization. Actual realization of these benefits may vary from Management's estimates. Also, Management has made certain assumptions about the distribution of earnings from subsidiaries which may not be accurate in the future, thereby affecting the tax impact of such earnings. Finally, ultimate resolution of issues raised by ongoing tax audits is not predictable and could affect the Company's tax liabilities.

Our accounting estimates of these costs and losses are based on available actuarial estimates, prior experience and close monitoring of each exposure. We believe our reserves for these potential losses are adequate.

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The next group of comments addresses estimates that may occasionally impact our earnings. The most significant of these estimates are:

- goodwill and asset impairments
- unusual litigation and claims
- plant restructurings and closings

Losses related to these items are recognized when specific facts which affect the estimate are known.

Goodwill impairment is formally assessed annually, as required by SFAS No. 142, and also when we experience significant negative deviations from the assumptions underlying the fair market valuation of each reporting unit. Asset impairments are monitored by periodically focusing on underperforming locations with insufficient cash flows.

Many assumptions about the future are necessary in the determination of fair market value for each of our eleven reporting units (as defined by SFAS No. 142). The key assumptions are discount rate, organic sales growth, EBIT margins, capital expenditure requirements, and working capital requirements. No goodwill impairment has been determined to date for any of our reporting units.

The key assumptions are re-evaluated annually, or more frequently if significant changes become apparent, using Management's most recent assessment of the performance potential of each reporting unit. Recent performance of the reporting unit is an important factor, but not the only factor, in Management's annual assessment. Fair market values calculated for each reporting unit may go up or down each year based on a re-evaluation of the key assumptions.

The Company's Fixture & Display operations have experienced deterioration in profitability over the past few years, in part due to external market factors, but also due to unsatisfactory internal performance. The Company is responding with a strategic initiative aimed at improving operating efficiency, integrating recent acquisitions, cutting costs, and restoring margins. This endeavor may require changing the business model, raising prices or walking away from certain customer relationships, and shutting down or consolidating certain production facilities. About \$300 million of the Company's goodwill is associated with these operations. In order to avoid possible future impairment of this goodwill, margins must improve.

The Company has not recorded any significant losses for litigation and claims in the last three years, and Management is not aware of any significant unrecorded exposures. We record restructuring or plant closing losses when specific actions have been implemented and the liability incurred. No significant income is reflected in the financial statements for the reversal of restructuring or plant closing losses accrued in a prior period.

Capital Resources and Liquidity

Leggett serves a variety of industries that have different capital expenditure and working capital requirements. We have sufficient capital resources to meet our current operating needs, and also to support future growth. We attempt to achieve a balance between debt and equity, striving to minimize the total cost of capital, without excessive leverage. Leggett maintains a target for long-term debt of 30-40% of total capitalization.

Short-term Liquidity

We rely on cash flow from operations as our primary source of capital. Despite depressed net earnings for the last three years, we have been able to mitigate the impact on cash flow by reducing capital spending and acquisitions, and focusing on working capital management. Also, in 2003 we took advantage of historically low interest rates by issuing fixed rate debt with maturities of 10 and 15 years. As a result, we have been able to increase cash and equivalents to a level that provides adequate liquidity to finance ongoing operations, pay down debt maturing in the near term, and fund a portion of our future growth.

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Cash provided by operating activities was \$395 million, \$456 million and \$535 million for 2003, 2002 and 2001, respectively. The decrease in cash provided by operating activities during 2003 and 2002 compared to 2001 primarily reflects a slowing of working capital decreases, partially offset by increased earnings.

Total working capital increased in 2003, primarily from higher cash balances, currency impacts, and acquisitions. Year end accounts receivable increased due to strong December sales. Working capital levels vary by segment, with Aluminum Products and Commercial Fixturing & Components requirements generally higher than Company averages. Accounts receivable balances in these segments are typically higher due to the longer credit and collection time required to service certain customers of the aluminum die casting and Fixture & Display businesses. These same businesses also require higher inventory investments due to the custom nature of their products, longer manufacturing lead times (in certain cases), and the needs of many customers to receive large volumes of product within short periods of time.

Total Capitalization

The following table shows Leggett's total capitalization at the end of the three most recent years. The table also shows the amount of unused committed credit available through our revolving bank credit agreements, current maturities of long-term debt, the amount of cash and cash equivalents, and the ratio of earnings to fixed charges.

	2003	2002	2001
	(Dollar amounts in millions)		
Long-term debt outstanding:			
Scheduled maturities	\$ 1,012	\$ 809	\$ 978
<i>Average interest rates</i>	4.1%	4.3%	4.8%
<i>Average maturities in years</i>	6.0	3.4	4.0
Revolving credit/commercial paper	—	—	—
Total long-term debt	1,012	809	978
Deferred income taxes and other liabilities	138	117	111
Shareholders' equity	2,114	1,977	1,867
Total capitalization	\$3,264	\$2,903	\$2,956
Unused committed credit:			
Long-term	\$ 213	\$ 233	\$ 233
Short-term	127	107	110
Total unused committed credit	\$ 340	\$ 340	\$ 343
Current maturities of long-term debt	\$ 119	\$ 128	\$ 6
Cash and cash equivalents	\$ 444	\$ 225	\$ 187
Ratio of earnings to fixed charges *	6.2x	7.6x	5.2x

* Fixed charges include interest expense plus a factor for implied interest included in operating leases.

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This next table shows the calculation of long-term debt as a percent of total capitalization, net of cash and current maturities, at December 31, 2003 and 2002. We believe that adjusting this measure for cash and current maturities more appropriately reflects financial leverage, since cash is readily available to repay debt. These adjustments also enable meaningful comparisons to historical periods. Prior to the second quarter of 2002, current debt maturities were essentially zero, and prior to the third quarter of 2001, cash balances were much smaller.

	2003	2002
	(Dollar amounts in millions)	
Long-term debt	\$ 1,012	\$ 809
Current debt maturities	119	128
Cash and cash equivalents	(444)	(225)
Net debt, after adjustments	<u>\$ 687</u>	<u>\$ 712</u>
Total capitalization	\$ 3,264	\$ 2,903
Current debt maturities	119	128
Cash and cash equivalents	(444)	(225)
Total capitalization, after adjustments	<u>\$ 2,939</u>	<u>\$ 2,806</u>
Debt to total capitalization		
Before adjustments	<u>31.0%</u>	<u>27.9%</u>
After adjustments	<u>23.4%</u>	<u>25.4%</u>

Total debt increased \$195 million from year-end 2002, primarily due to the issuance of \$200 million in 10-year notes at a 4.7% coupon rate in March 2003, and the issuance of \$150 million in 15-year notes at a 4.4% coupon rate in June 2003. We issued this debt to take advantage of current low interest rates and to extend maturities. These increases were offset by debt repayments of approximately \$144 million. In the first quarter of 2003, we also liquidated an interest rate swap agreement and received \$40 million in cash proceeds. The proceeds from the notes and liquidation of the swap agreement will be used for repayment of existing debt (approximately \$470 million comes due through the first quarter 2005), stock repurchases, the financing of future acquisitions, and other general corporate purposes.

Obligations having scheduled maturities are the primary source of Leggett's debt capital. At the end of 2003, these obligations consisted primarily of our medium-term notes. Our public debt currently carries a Moody's rating of A2 and a Standard & Poor's rating of A+. We have maintained an 'A' rating on our debt for over a decade.

The secondary source of Leggett's debt capital consists of a \$300 million commercial paper program supported by \$340 million in revolving credit agreements. Leggett has had no commercial paper outstanding during the last three years. To further facilitate the issuance of debt capital, \$150 million remains available under our \$500 million shelf registration. We believe that we have sufficient unused committed credit to ensure that future capital resources are adequate for our ongoing operations and growth opportunities. Additional details of long-term debt are discussed in Note F of the Notes to Consolidated Financial Statements.

Uses of Capital Resources

The Company's investments to modernize and expand manufacturing capacity totaled \$389 million in the last three years. In 2004, management anticipates capital spending will approximate \$135 million, primarily for maintaining and expanding production capacity. During the last three years, the Company employed \$261 million of cash (net of cash acquired) in acquisitions. In 2003, 15 businesses were acquired for \$120 million in

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cash (net of cash acquired). We also assumed \$21 million of acquired companies' debt and other liabilities. Of the 15 acquisitions in 2003, nine should add about \$60 million in annual sales to Residential Furnishings, three should contribute approximately \$140 million to Commercial Fixturing & Components, and three should increase Specialized Products sales by around \$20 million. Additional details of acquisitions are discussed in Note B of the Notes to Consolidated Financial Statements. Segment details are shown in Note K of the Notes to Consolidated Financial Statements.

Cash dividends on the Company's common stock in the last three years totaled \$292 million and increased at an 8.7% compounded annual rate. Our long-term target for dividend payout is approximately one-third of the prior three-years' average earnings. Calculated in the same manner as our target, dividend payout was 51.3% in 2003, 43.7% in 2002 and 38.8% in 2001. As earnings recover, we expect to move back toward the 30-35% dividend payout target.

Company purchases of its common stock (net of issuances) totaled \$79 million in 2003, \$81 million in 2002, and \$51 million in 2001. These purchases were made primarily to replace shares issued in employee stock plans.

Each year, the Board of Directors authorizes management, at its discretion, to buy up to two million shares of Leggett stock for use in employee benefit plans or for other purposes. This authorization is continuously replenished as shares acquired are reissued. In addition, management is authorized, again at its discretion, to repurchase any shares issued in acquisitions.

At the end of the third quarter 2000, the Board of Directors authorized management to repurchase up to an additional 10 million shares of Leggett stock. The Board of Directors has continued this authorization for an additional period expiring in September 2004. As of December 31, 2003, we had acquired approximately 2.9 million shares under this authorization. A specific repurchase schedule has not been established under this authorization. The amount and timing of purchases will depend on economic and market conditions, acquisition activity, and other factors.

The following table summarizes Leggett's future contractual obligations and commercial commitments:

Contractual Obligations	Total	Payments Due by Period			
		Less Than 1 Year	1-3 Years	3-5 Years	After 5 Years
		(Dollar amounts in millions)			
Long-term debt*	\$ 1,109	\$ 119	\$ 471	\$ 111	\$ 408
Operating leases	119	35	44	24	16
Purchase obligations**	430	430	—	—	—
Other long-term obligations	42	—	13	5	24
Total contractual cash obligations	\$ 1,700	\$ 584	\$ 528	\$ 140	\$ 448

*— debt excludes \$23 million of market value adjustments related to interest rate swap agreements and includes \$37 million of capitalized leases. The long-term debt payment schedule presented above could be accelerated if the Company was not able to make its principal and interest payments when due. However, we believe we have sufficient capital resources to satisfy these obligations.

**— obligations primarily include open short-term (30-120 days) purchase orders that arise in the normal course of operating the Company's facilities. Purchase

Restructuring Activity

During 2003, Leggett divested two small operations, and closed or consolidated six other facilities. Results of operations for 2003 include charges of approximately \$2 million relating to these activities, offset by a

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\$3 million gain on the sale of a tubing fabrication business. Certain other facilities are currently being reviewed and may be consolidated or closed during 2004. We anticipate only modest restructuring charges from these activities, in line with those recognized the past few years.

During 2002, we announced the divestiture or closure of seven operations. Three of these facilities were in the Aluminum Products segment, two were in Commercial Fixturing & Components, and two were in Residential Furnishings. In September 2002, we sold our remaining aluminum smelting facility and a tool & die operation, and in November 2002, we sold a small die casting plant. Leggett also announced the closing of two Fixture & Display facilities, the largest of which served the telecom industry. Finally, we closed two fiber operations in our Residential Furnishing segment. Restructuring charges related to these activities totaled \$15 million.

During 2001 we closed or consolidated 12 operations. Seven of these facilities were in Residential Furnishings, including four fiber operations, two foam businesses, and one small bedding components plant. In Commercial Fixturing & Components, two Fixture & Display operations were consolidated into other facilities, and another was sold. A wire drawing plant in Industrial Materials was closed. And finally, in Specialized Products, we closed a small automotive operation in Europe. Restructuring charges totaled \$18 million in 2001.

Restructuring liabilities are not material to the Company's balance sheet. Adjustments of previously established accruals relating to restructuring activities have been negligible.

Seasonality

The percent of consolidated net sales by quarter, excluding the impact of acquisitions, is as follows for the last three years:

	2003	2002	2001
First Quarter	23.9%	23.8%	24.9%
Second Quarter	26.0	26.0	24.9
Third Quarter	26.3	26.2	26.4
Fourth Quarter	23.8	24.0	23.8
Year	100.0%	100.0%	100.0%

The Company does not experience significant seasonality, however, as indicated in the above table, quarter-to-quarter sales can vary in proportion to the total year by about 2.5%. The timing of acquisitions and economic factors in any year can distort the underlying seasonality in certain of our businesses. In each of the three years presented, the economic slowdown impacted our various businesses and "normal" seasonality was likely somewhat distorted. Nevertheless, for the Company as a whole, the second and third quarters have proportionately greater sales, while the first and fourth quarters are generally lower.

Residential Furnishings typically has the strongest sales in the second and third quarters due to increased consumer demand for bedding and furniture during the late summer and fall months. Commercial Fixturing & Components generally has heavy third quarter sales of its store fixtures products, with the first and fourth quarters normally lower. This aligns with the industry's normal construction cycle, and the opening of new stores and completion of remodeling projects in advance of the holiday season. Aluminum Products sales are proportionately greater in the first two calendar quarters due to typically stronger spring and early summer demand for barbecue grills. Industrial Materials sales peak in the third and fourth quarters from higher demand for bedding products and seasonal demand for wire ties used for baling cotton (which is typically harvested in the early fall). Specialized Products has relatively little quarter-to-quarter variation in sales, although the automotive business is somewhat heavier in the second and fourth quarters of the year and somewhat lower in the third quarter, due to model changeovers and plant shutdowns in the automobile industry during the summer.

New Financial Accounting Standards Board Statements

In December 2003, the Financial Accounting Standards Board (FASB) issued Interpretation No. 46 “Consolidation of Variable Interest Entities,” an interpretation of Accounting Research Bulletin (ARB) No. 51, “Consolidated Financial Statements.” This Interpretation addresses consolidation by business enterprises of variable interest entities. If a business enterprise has a controlling financial interest in a variable interest entity, the assets, liabilities, and results of the activities of the variable interest entity should be included in the consolidated financial statements by March 31, 2004. The Company has a small number of insignificant interests that could be affected by these new accounting standards.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Disclosures About Market Risk

Leggett & Platt, Incorporated and Subsidiaries

(Unaudited)
(Dollar amounts in millions)

INTEREST RATE

The table below provides information about the Company’s debt obligations sensitive to changes in interest rates. The Company has no other significant financial instruments sensitive to changes in interest rates. During 2000, \$350 of 7.65% fixed rate debt maturing in February 2005 and, in 1999, \$14 of 6.90% fixed rate debt maturing in June 2004 were issued and converted to variable rate debt by use of interest rate swap agreements. These swap agreements, which contain the same payment dates as the original issues, are used primarily by the Company to manage the fixed/variable interest rate mix of its debt portfolio. In March 2003, the Company sold its rights under the \$350 interest rate swap agreement for \$39.9. Substantially all of the debt shown in the table below is denominated in United States dollars. The fair value of fixed rate debt was greater than its carrying value by \$14.3 and \$32.1 at December 31, 2003, and 2002, respectively. The fair value of fixed rate debt was calculated using the U.S. Treasury Bond rate as of December 31, 2003 and December 31, 2002 for similar remaining maturities, plus an estimated “spread” over such Treasury securities representing the Company’s interest costs under its medium-term note program. The fair value of variable rate debt is not significantly different from its recorded amount.

Long-term debt as of December 31,	Scheduled Maturity Date						2003	2002
	2004	2005	2006	2007	2008	Thereafter		
Principal fixed rate debt	\$ 100.0	\$ 375.0	\$ 75.0	\$ 25.0	\$ 71.5	\$ 370.2	\$ 1,016.7	\$ 434.7
Average interest rate	6.98%	2.17%	7.12%	7.40%	6.31%	4.71%	4.35%	6.60%
Principal variable rate debt	14.5	.5	—	2.0	—	33.0	50.0	398.8
Average interest rate	1.45%	1.13%	—	1.30%	—	1.27%	1.32%	1.59%
Miscellaneous debt**							64.9	102.8
Total debt							1,131.6	936.3
Less: current maturities							(119.4)	(127.7)
Total long-term debt							\$ 1,012.2	\$ 808.6

** Miscellaneous debt includes \$23.1 in 2003 and \$48.8 in 2002 of market adjustments resulting from the interest rate swap agreements.

CROSS-CURRENCY SWAP AGREEMENT

In December 2003, the Company entered into a 38.3 million Swiss Francs (CHF) five-year, cross-currency swap agreement with Wachovia Bank, N.A. This agreement is designated as a net investment hedge. The purpose of this swap is to hedge the CHF denominated assets with a CHF denominated liability, thereby reducing volatility of exposure to the CHF. In addition, the terms of this agreement include that the Company will receive interest on \$30 USD at a fixed rate of 6.35% and pay interest on 38.3 million (CHF) at a fixed rate of 4.71%. At December 31, 2003, the market value of the cross-currency swap was approximately \$(.5).

EXCHANGE RATE

The Company does not hedge all net foreign currency exposures related to transactions denominated in other than its functional currencies. The Company may occasionally hedge specific commitments or other anticipated cash flows in foreign currencies.

The decision by management to hedge any such transactions is made on a case-by-case basis. The amount of forward contracts outstanding at December 31, 2003 was approximately \$17.7 (\$13.6 Pay USD/Receive MXN; \$2.6 Pay GBP/Receive USD; and \$1.5 Pay USD/Receive CNY). The highest amount during 2003 was approximately \$18.7 (\$14.1 Pay USD/Receive MXN; \$2.9 Pay GBP/Receive USD; \$1.5 Pay USD/Receive CNY; and \$.2 Pay GBP/Receive CAD). The USD/MXN contracts hedge anticipated fixed expenses and the remaining contracts hedge specific asset or liability exposures.

The Company views its investment in foreign subsidiaries as a long-term commitment. The investment in a foreign subsidiary may take the form of either permanent capital or notes. The Company's net investment in foreign subsidiaries subject to translation exposure at December 31 is as follows:

<u>Functional Currency</u>	<u>2003</u>	<u>2002</u>
Canadian Dollar	\$254.7	\$211.6
European Currencies	271.0	221.9
Mexican Peso	49.8	60.5
Other	61.0	33.4
	<u>\$636.5</u>	<u>\$527.4</u>

NATURAL GAS ENERGY SWAP AGREEMENTS

The Company has hedged about 60% of its anticipated domestic and Canadian natural gas purchases through June 2004, of which approximately \$9.5 remain outstanding at December 31, 2003. The average price under the contracts is \$5.63 per mmbtu. There was no significant gain or loss on these contracts, realized or unrealized, as of December 31, 2003.

COMMODITY PRICE

The Company does not generally use derivative commodity instruments to hedge its exposures to changes in commodity prices, except as noted above. The principal commodity price exposure is aluminum, of which the Company had an estimated \$36 (at cost) in inventory at December 31, 2003 and 2002, respectively. The Company has purchasing procedures and arrangements with customers to mitigate its exposure to aluminum price changes. No other commodity exposures are significant to the Company.

Item 8. Financial Statements and Supplementary Data.

The Consolidated Financial Statements and supplementary data included in this Report are listed in Item 15 and begin immediately after Item 15, and are incorporated herein by reference.

Item 9. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure.

Not applicable.

Item 9A. Controls and Procedures.

An evaluation as of the period ending December 31, 2003 was carried out by the Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act)). Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded the Company's disclosure controls and procedures are effective to ensure that information that is required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified by the Securities and Exchange Commission's rules and forms.

There was no change in the Company's internal control over financial reporting that occurred during the most recent fiscal quarter ending December 31, 2003 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART III

Item 10. Directors and Executive Officers of the Registrant.

The section entitled "Proposal No. 1—Election of Directors" and subsections entitled "Board Structure and Committee Composition" and "Section 16(a) Beneficial Ownership Reporting Compliance" in the Company's definitive Proxy Statement for the Company's Annual Meeting of Shareholders to be held on May 5, 2004, are incorporated by reference.

Please see the "Supplemental Item" in Part I hereof, for a listing of and a description of the positions and offices held by the executive officers of the Company.

The Company has adopted a code of ethics that applies to its chief executive officer, chief financial officer, principal accounting officer and corporate controller called the Leggett & Platt, Incorporated Financial Code of Ethics. The Company has also adopted a Code of Business Conduct and Ethics for directors, officers and employees and Corporate Governance Guidelines. The Financial Code of Ethics, the Code of Business Conduct and Ethics and the Corporate Governance Guidelines are available on the Company's Internet Web site at <http://www.leggett.com>, Investor Relations, Corporate Governance. Each of these documents is available in print to any shareholder, without charge, upon request. The Company intends to satisfy the disclosure requirement under Item 10 of Form 8-K by posting any amendment or waiver to its Financial Code of Ethics, within five business days, on its website at the above address for at least a 12 month period. The Company's website does not constitute part of this Annual Report on Form 10-K.

Item 11. Executive Compensation.

The subsection entitled "Director Compensation," and the section entitled "Executive Compensation and Related Matters" (excluding the subsection "Compensation Committee Report on Executive Compensation") in the Company's definitive Proxy Statement for the Company's Annual Meeting of Shareholders to be held on May 5, 2004, are incorporated by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The sections entitled "Common Stock Ownership of Certain Beneficial Owners and Management" and "Equity Compensation Plan Information" in the Company's definitive Proxy Statement for the Company's Annual Meeting of Shareholders to be held on May 5, 2004, are incorporated by reference.

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Item 13. *Certain Relationships and Related Transactions.*

The section entitled “Related Party Transactions” in the Company’s definitive Proxy Statement for the Company’s Annual Meeting of Shareholders to be held on May 5, 2004 is incorporated by reference.

Item 14. *Principal Accounting Fees and Services.*

The section entitled “Independent Auditor Fees and Services” in the Company’s definitive Proxy Statement for the Company’s Annual Meeting of Shareholders to be held on May 5, 2004, is incorporated by reference.

PART IV

Item 15. *Exhibits, Financial Statement Schedules and Reports on Form 8-K.*

1. Financial Statements, Notes and Financial Statement Schedule Covered by Report of Independent Auditors.

The Financial Statements and Financial Statement Schedule listed below are included in this Report:

- Consolidated Statements of Earnings for each of the years in the three-year period ended December 31, 2003
- Consolidated Balance Sheets at December 31, 2003 and 2002
- Consolidated Statements of Cash Flows for each of the years in the three-year period ended December 31, 2003
- Consolidated Statements of Changes in Shareholders’ Equity for each of the years in the three-year period ended December 31, 2003
- Notes to Consolidated Financial Statements
- Quarterly Summary of Earnings (Unaudited)
- Schedule for each of the years in the three-year period ended December 31, 2003

Schedule 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.

No other long-term debt instruments are filed since the total amount of securities authorized under any such instrument does not exceed ten percent of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish a copy of such instruments to the SEC upon request.

3. Reports on Form 8-K filed during the last quarter of 2003—A Form 8-K was filed on October 16, 2003 under Item 12 “Results of Operations and Financial Condition” where the Company furnished information regarding financial results for the third quarter ended September 30, 2003.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EARNINGS

	Year ended December 31		
	2003	2002	2001
	(Dollar amounts in millions, except per share data)		
Net sales	\$ 4,388.2	\$ 4,271.8	\$ 4,113.8
Cost of goods sold	3,616.5	3,450.1	3,296.9
Gross profit	771.7	821.7	816.9
Selling and administrative expenses	409.9	394.2	415.2
Amortization of excess cost of purchased companies (in 2001 only) and other intangibles	8.4	10.2	39.9
Restructuring and other (income) deductions, net	(1.9)	16.7	10.6
Earnings before interest and income taxes	355.3	400.6	351.2
Interest expense	46.9	42.1	58.8
Interest income	6.7	5.0	4.9
Earnings before income taxes	315.1	363.5	297.3
Income taxes	109.2	130.4	109.7
Net earnings	\$ 205.9	\$ 233.1	\$ 187.6
Earnings per share			
Basic	\$ 1.05	\$ 1.17	\$.94
Diluted	\$ 1.05	\$ 1.17	\$.94

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31	
	2003	2002
	(Amounts in millions, except per share data)	
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 443.9	\$ 225.0
Accounts and notes receivable, less allowance of \$17.9 in 2003 and \$19.4 in 2002	680.7	569.0
Inventories		
Finished goods	316.5	326.8
Work in process	80.0	71.1
Raw materials and supplies	242.9	237.1
LIFO reserve	(11.1)	(9.3)
Total inventories	628.3	625.7
Other current assets	66.5	68.3
Total current assets	1,819.4	1,488.0
Property, Plant and Equipment—at cost		
Machinery and equipment	1,325.1	1,242.1
Buildings and other	680.0	648.1
Land	61.7	62.0
Total property, plant and equipment	2,066.8	1,952.2
Less accumulated depreciation	1,099.7	991.5
Net property, plant and equipment	967.1	960.7
Other Assets		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of \$115.0 in 2003 and \$112.2 in 2002	989.5	898.0
Other intangibles, less accumulated amortization of \$35.1 in 2003 and \$46.1 in 2002	44.0	36.8
Sundry	69.7	117.6
Total other assets	1,103.2	1,052.4
Total Assets	\$ 3,889.7	\$ 3,501.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current maturities of long-term debt	\$ 119.4	\$ 127.7
Accounts payable	195.2	181.9
Accrued expenses	223.8	201.6
Other current liabilities	87.5	86.8
Total current liabilities	625.9	598.0
Long-Term Debt	1,012.2	808.6
Other Liabilities	42.4	38.2
Deferred Income Taxes	95.2	79.4
Shareholders' Equity		
Capital stock		
Preferred stock— authorized, 100.0 shares; none issued Common stock—authorized, 600.0 shares of \$.01 par value; issued 198.8 shares in 2003 and 2002, respectively	2.0	2.0
Additional contributed capital	433.7	422.9
Retained earnings	1,788.3	1,687.3
Accumulated other comprehensive income (loss)	34.4	(39.0)
Less treasury stock—at cost (6.7 and 4.3 shares in 2003 and 2002, respectively)	(144.4)	(96.3)
Total shareholders' equity	2,114.0	1,976.9
Total Liabilities and Shareholders' Equity	\$ 3,889.7	\$ 3,501.1

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		
	2003	2002	2001
	(Dollar amounts in millions)		
Operating Activities			
Net earnings	\$ 205.9	\$ 233.1	\$ 187.6
Adjustments to reconcile net earnings to net cash provided by operating activities			
Depreciation	158.6	154.4	156.7
Amortization	8.4	10.2	39.9
Deferred income tax expense (benefit)	15.9	17.7	(19.6)
Other	7.3	8.1	(11.7)
Other changes, excluding effects from purchases of companies			
(Increase) decrease in accounts receivable, net	(79.5)	(.6)	84.6
(Increase) decrease in inventories	27.4	(24.5)	84.7
(Increase) decrease in other current assets	(.8)	(3.7)	3.1
Increase (decrease) in accounts payable	8.0	18.7	(20.3)
Increase in accrued expenses and other current liabilities	44.1	42.5	29.5
Net Cash Provided by Operating Activities	395.3	455.9	534.5
Investing Activities			
Additions to property, plant and equipment	(136.6)	(124.0)	(128.0)
Purchases of companies, net of cash acquired	(120.4)	(45.6)	(95.1)
Proceeds from liquidation of interest rate swap agreement	39.9	—	—
Other	11.0	23.3	41.9
Net Cash Used for Investing Activities	(206.1)	(146.3)	(181.2)
Financing Activities			
Additions to debt	355.2	15.7	49.1
Payments on debt	(143.8)	(110.7)	(108.7)
Dividends paid	(102.7)	(96.3)	(92.5)
Issuances of common stock	3.8	13.2	11.9
Purchases of common stock	(82.8)	(93.7)	(63.2)
Net Cash Provided by (Used for) Financing Activities	29.7	(271.8)	(203.4)
Increase in Cash and Cash Equivalents	218.9	37.8	149.9
Cash and Cash Equivalents—Beginning of Year	225.0	187.2	37.3
Cash and Cash Equivalents—End of Year	\$ 443.9	\$ 225.0	\$ 187.2
Supplemental Information			
Interest paid	\$ 53.8	\$ 46.8	\$ 65.4
Income taxes paid	93.7	110.9	125.5
Property, plant and equipment acquired through capital leases	3.3	31.9	3.9
Liabilities assumed of acquired companies	21.2	2.5	21.0
Common stock issued for acquired companies	—	—	1.2
Common stock issued for employee stock plans	33.1	35.9	34.6

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Year ended December 31		
	2003	2002	2001
	(Dollar amounts in millions, except per share data)		
Common Stock			
Balance, beginning and end of period	\$ 2.0	\$ 2.0	\$ 2.0
Additional Contributed Capital			
Balance, beginning of period	\$ 422.9	\$ 419.3	\$ 423.5
Stock options and benefit plans transactions	14.2	12.6	10.2
Treasury stock issued	(4.1)	(12.8)	(19.9)
Tax benefit related to stock options	.7	3.8	5.5
Balance, end of period	\$ 433.7	\$ 422.9	\$ 419.3
Retained Earnings			
Balance, beginning of period	\$ 1,687.3	\$ 1,552.7	\$ 1,460.0
Net earnings	205.9	233.1	187.6
Cash dividends declared (per share: 2003—\$.54; 2002—\$.50; 2001—\$.48)	(104.9)	(98.5)	(94.9)
Balance, end of period	\$ 1,788.3	\$ 1,687.3	\$ 1,552.7
Treasury Stock			
Balance, beginning of period	\$ (96.3)	\$ (51.6)	\$ (46.3)
Treasury stock purchased	(83.3)	(96.7)	(71.8)
Treasury stock issued	35.2	52.0	66.5
Balance, end of period	\$ (144.4)	\$ (96.3)	\$ (51.6)
Accumulated Other Comprehensive Income (Loss)			
Balance, beginning of period	\$ (39.0)	\$ (55.8)	\$ (45.4)
Foreign currency translation adjustment	73.4	16.8	(10.4)
Balance, end of period	\$ 34.4	\$ (39.0)	\$ (55.8)
Total Shareholders' Equity	\$ 2,114.0	\$ 1,976.9	\$ 1,866.6
Comprehensive Income			
Net earnings	\$ 205.9	\$ 233.1	\$ 187.6
Foreign currency translation adjustment (net of income tax expense: 2003—\$1.6; 2002—\$3.1; 2001—\$.3)	73.4	16.8	(10.4)
Total Comprehensive Income	\$ 279.3	\$ 249.9	\$ 177.2

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in millions, except per share data)
December 31, 2003, 2002 and 2001

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 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.

Sales Recognition: The Company primarily recognizes sales upon the shipment of its products. The Company has no significant and unusual price protection or right of return provisions with its customers. Certain aluminum segment customers have fixed pricing for specified quantities of aluminum used in the production process. The Company generally purchases in advance sufficient quantities of aluminum inventory to “hedge” this fixed pricing commitment. Sales allowances and discounts can be reasonably estimated throughout the period and are deducted from sales in arriving at net sales.

Inventories: All inventories are stated at the lower of cost or market. Cost includes materials, labor and production overhead. Cost is determined by the last-in, first-out (LIFO) method for approximately 50% of the inventories at December 31, 2003 and 2002. The first-in, first-out (FIFO) method is principally used for the remainder. The FIFO cost of inventories at December 31, 2003 and 2002 approximated replacement cost.

Depreciation, Amortization and Asset Impairment: Property, plant and equipment are depreciated by the straight-line method. The rates of depreciation range from 7% to 25% for machinery and equipment, 3% to 7% for buildings and 12% to 33% for other items. Accelerated methods are used for tax purposes.

Intangibles, other than goodwill, are amortized by the straight-line method over their estimated lives. The rates of amortization range from 5% to 33%. In accordance with SFAS No. 142 and 144, long-lived assets, including intangibles, are evaluated annually for probable recovery of their carrying amount. Appropriate adjustment, using current market values, estimates of future cash flows and other methods, is made when recovery of the carrying amount is not reasonably assured.

Goodwill Amortization: As required by SFAS No. 142, the excess cost of purchased companies over net assets acquired (goodwill) ceased being amortized beginning January 1, 2002. Net earnings adjusted to exclude goodwill amortization expense for the year ended December 31, 2001 would have increased \$20.2, from \$187.6 to \$207.8. Basic and diluted earnings per share adjusted to exclude goodwill amortization would have increased \$.10, from \$.94 to \$1.04.

Stock-Based Compensation: Prior to 2003, the Company applied the intrinsic value based method of accounting prescribed by APB Opinion No. 25 and related interpretations in accounting for stock-based compensation plans. Accordingly, in 2002 and 2001, compensation cost for stock options was 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.

Effective January 1, 2003, the Company adopted the preferable fair value recognition provisions of SFAS No. 123, “Accounting For Stock-Based Compensation.” The Company selected the prospective transition method permitted by SFAS No. 148, “Accounting For Stock-Based Compensation – Transition and Disclosures.” Accordingly, the Company began expensing stock options for any options granted after January 1, 2003 and the 15% discount for employee stock plans.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table illustrates the effect on net income and earnings per share as if the fair value method had been applied to all outstanding and unvested awards in each period:

	2003	2002	2001
Net earnings – as reported	\$ 205.9	\$ 233.1	\$ 187.6
Add: Stock-based compensation cost, net of taxes, included in net earnings as reported	7.5	4.9	5.9
Deduct: Stock-based compensation cost, net of taxes, if the fair value based method had been applied to all awards	(9.2)	(11.1)	(12.4)
Pro forma net income	<u>\$ 204.2</u>	<u>\$ 226.9</u>	<u>\$ 181.1</u>
Earnings per share			
Basic – as reported	\$ 1.05	\$ 1.17	\$.94
Basic – pro forma	1.04	1.14	.91
Diluted – as reported	1.05	1.17	.94
Diluted – pro forma	1.04	1.14	.90

Restructuring Costs: As required, the Company implemented SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities” in 2003. This Statement supercedes previous accounting guidance, principally Emerging Issue Task Force (EITF) Issue No. 94-3, “Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring).” The adoption of SFAS No. 146 did not have a significant impact on the Company’s financial statements. SFAS No. 146 requires that the liability for costs associated with an exit or disposal activity be recognized when the liability is incurred. Under EITF No. 94-3, a liability for an exit cost was recognized at the date of commitment to an exit plan. Accordingly, SFAS No. 146 may affect the timing of recognizing exit and restructuring costs.

Concentration of Credit Risks, Exposures and Financial Instruments: The Company engages in manufacturing, marketing, and distributing engineered products for markets served by the Company as described in Note K. The Company’s operations are principally in the United States, although the Company also has manufacturing subsidiaries in Canada, Europe, Latin America, Asia and Australia and marketing and distribution operations in those and other areas of the world.

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.

The Company has no material guarantees or liabilities for product warranties which would require disclosure under FASB Interpretation No. 45.

From time to time, the Company will enter into contracts to hedge transactions in foreign currencies, natural gas, and interest rates related to fixed rate debt.

The carrying value of cash and short-term financial instruments approximates fair value due to the short maturity of those instruments.

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

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.

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 other comprehensive income. Foreign entities whose functional currency is the U.S. dollar are not significant.

B—Acquisitions

During 2003, the Company acquired 15 businesses for \$120.4 in cash, net of cash acquired. The excess of the purchase price over the fair value of the net assets acquired increased goodwill by \$54.5 of which \$43.7 is expected to provide an income tax benefit. The Company has not yet obtained all information required to complete the purchase price allocations related to certain recent acquisitions. The Company does not believe that the additional information will materially modify the preliminary purchase price allocations. These acquired businesses manufacture and distribute products primarily to the commercial fixturing and components and residential furnishings markets, as well as the other markets the Company serves.

The unaudited pro forma consolidated net sales for the years ended December 31, 2003 and 2002 as though the 2003 acquisitions had occurred on January 1 of each year presented were \$4,516.3 and \$4,545.0, respectively. The unaudited pro forma consolidated net earnings and earnings per share are not materially different from the amounts reflected in the accompanying financial statements. These pro forma amounts are not necessarily indicative of either results of operations that would have occurred had the purchases been made on January 1 of each year or of future results of the combined companies.

During 2002, the Company acquired seven businesses for \$45.6 in cash, net of cash acquired. These amounts include additional consideration of \$6.9 paid for prior year acquisitions. The excess of the purchase price over the fair value of the net assets acquired increased goodwill by \$12.4 of which \$11.4 is expected to provide an income tax benefit. These acquired businesses manufacture and distribute products primarily to the industrial materials and residential furnishings markets, as well as the other markets the Company serves.

In addition to the seven acquisitions noted above, the Company also acquired in 2002 the assets of a rod mill from a bankrupt steel company. The cost to acquire and refurbish this rod mill is included in expenditures for property, plant and equipment.

During 2001, the Company acquired 10 businesses for \$95.1 in cash, net of cash acquired, and 61,026 shares of common stock valued at \$1.2. These amounts include additional consideration of \$13.7 paid for prior year acquisitions. The excess of the purchase price over the fair value of the net assets acquired increased goodwill by \$64.3 of which \$43.2 is expected to provide an income tax benefit. These acquired businesses manufacture and distribute products primarily to the commercial fixturing and components and industrial materials markets, as well as the other markets the Company serves.

The results of operations of the above acquired companies have been included in the consolidated financial statements since the dates of acquisition. The terms of certain of the Company's acquisition agreements provide for additional consideration to be paid if the acquired company's results of operations exceed certain targeted levels. Such additional consideration is payable in cash, and is recorded when earned as additional purchase price. The maximum amount of additional consideration remaining at December 31, 2003 is approximately \$38 and will be payable, if earned, through 2006.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

C—Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill are as follows:

	Residential Furnishings	Commercial Fixturing & Components	Aluminum Products	Industrial Materials	Specialized Products	Total
Balance as of January 1, 2002	\$ 282.5	\$ 351.7	\$ 86.5	\$ 29.3	\$ 129.0	\$ 879.0
Goodwill acquired during year	3.4	1.7	—	—	7.3	12.4
Goodwill written off related to sale or closure of facilities	—	—	(3.2)	—	—	(3.2)
Foreign currency translation adjustment/other	3.7	.4	—	.3	5.4	9.8
Balance as of December 31, 2002	289.6	353.8	83.3	29.6	141.7	898.0
Goodwill acquired during year	34.1	10.9	—	—	9.5	54.5
Goodwill written off related to sale of facilities	(.1)	—	—	—	—	(.1)
Foreign currency translation adjustment/other	13.5	7.7	—	.3	15.6	37.1
Balance as of December 31, 2003	\$ 337.1	\$ 372.4	\$ 83.3	\$ 29.9	\$ 166.8	\$ 989.5

Intangible assets acquired during 2003 and 2002 are as follows:

	2003		2002	
	Gross Carrying Amount	Weighted Average Amortization Period In Years	Gross Carrying Amount	Weighted Average Amortization Period In Years
Non-compete agreements	\$ 5.3	6.9	\$ 1.9	4.0
Patents	2.7	10.7	1.6	11.1
Acquisition intangibles, deferred financing and other costs	8.3	8.4	.8	2.6
	\$ 16.3	8.3	\$ 4.3	5.4

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The gross carrying amount and accumulated amortization by major amortized intangible asset class is as follows:

	December 31			
	2003		2002	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Non-compete agreements	\$ 30.1	\$ 19.0	\$ 26.2	\$ 17.6
Patents	25.7	7.3	24.7	6.9
Acquisition intangibles, deferred financing and other costs	23.3	8.8	32.0	21.6
	\$ 79.1	\$ 35.1	\$ 82.9	\$ 46.1

Aggregate amortization expense for other intangible assets was \$8.4, \$10.2 and \$11.9 for the years ended December 31, 2003, 2002 and 2001, respectively.

Estimated amortization expense for each of the five years following 2003 is as follows:

Year ended December 31	
2004	\$8.2
2005	5.9
2006	4.9
2007	4.0
2008	3.6

D—Earnings Per Share

Basic and diluted earnings per share were calculated as follows:

	2003	2002	2001
Basic			
Weighted average shares outstanding, including shares issuable for little or no cash	196,548,473	198,971,465	199,457,481
Net earnings	\$ 205.9	\$ 233.1	\$ 187.6
Earnings per share	\$ 1.05	\$ 1.17	\$.94
Diluted			
Weighted average shares outstanding, including shares issuable for little or no cash	196,548,473	198,971,465	199,457,481
Additional dilutive shares principally from the assumed exercise of outstanding stock options	405,403	823,730	977,404
	196,953,876	199,795,195	200,434,885
Net earnings	\$ 205.9	\$ 233.1	\$ 187.6
Earnings per share	\$ 1.05	\$ 1.17	\$.94

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

E—Supplemental Balance Sheet Information

Sundry assets, accrued expenses, and other current liabilities at December 31 consist of the following:

	<u>2003</u>	<u>2002</u>
Sundry assets		
Market value of interest rate swaps	\$.6	\$ 48.8
Prepaid pension costs	40.4	40.3
Other	28.7	28.5
	<u>\$ 69.7</u>	<u>\$ 117.6</u>
Accrued expenses		
Wages and commissions payable	\$ 59.7	\$ 56.1
Workers' compensation, medical, auto and product liability insurance	45.1	44.6
Sales promotions	32.2	26.2
Other	86.8	74.7
	<u>\$ 223.8</u>	<u>\$ 201.6</u>
Other current liabilities		
Outstanding checks in excess of book balances	\$ 42.9	\$ 46.5
Dividends payable	26.7	25.0
Other	17.9	15.3
	<u>\$ 87.5</u>	<u>\$ 86.8</u>

F—Long-Term Debt

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

	<u>2003</u>	<u>2002</u>
Medium-term notes, average interest rates of 4.3% for 2003 and 2002, due dates through 2018	\$ 1,025.5	\$ 770.0
Market value adjustment related to medium-term notes' interest rate swaps	23.1	48.8
Industrial development bonds, principally variable interest rates of 2.0% and 2.1% for 2003 and 2002, respectively, due dates through 2030	41.2	43.5
Capitalized leases	37.2	39.7
Other, partially secured	4.6	34.3
	<u>1,131.6</u>	<u>936.3</u>
Less current maturities	119.4	127.7
	<u>\$ 1,012.2</u>	<u>\$ 808.6</u>

The Company had interest rate swap agreements on \$14 of its fixed-rate medium-term notes at December 31, 2003 and \$364 at December 31, 2002. These swap agreements, which convert fixed rate debt to variable rate debt, contain the same payment dates as the original issues, and are used by the Company to manage the fixed/variable interest rate mix of its debt portfolio. In accordance with SFAS No. 133, the market value of these swaps is shown as an adjustment of the corresponding debt's market value in the preceding table. Other assets include the corresponding market value of the interest rate swaps.

During the first quarter of 2003, the Company liquidated the interest rate swap agreement on the \$350 medium-term note, and received \$39.9 in cash proceeds. The market value adjustment at the date the swap

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

was liquidated (equivalent to the proceeds from liquidation of the swap agreement) will be amortized as a reduction of interest expense over the remaining life of the medium-term note. The unamortized market value adjustment of the swap agreement liquidated was \$22.5, and the market value of the \$14 swap agreement was \$.6, for a total of \$23.1 at December 31, 2003.

On December 16, 2003, the Company entered into a cross-currency swap agreement with Wachovia Bank, N.A. See Note N for more discussion of this agreement.

At December 31, 2003, the revolving credit agreements provided for a maximum line of credit of \$339.5. For any revolving credit agreement, the Company may elect to pay interest based on 1) the bank's base lending rate, 2) LIBOR, 3) an adjusted certificate of deposit rate, or 4) the money market rate, as specified in the revolving credit agreements. Agreement amounts of \$106.5 will terminate August 22, 2004; \$20.0 will terminate July 31, 2004 and \$213.0 will terminate July 31, 2008, at which time any outstanding balances will become due. There were no amounts outstanding under the revolving credit agreements at December 31, 2003.

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

Maturities of long-term debt for each of the five years following 2003 are:

Year ended December 31	
2004	\$ 119.4
2005	393.9
2006	77.5
2007	29.5
2008	81.7

G—Lease Obligations

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

Total rental expense entering into the determination of results of operations was \$55.4, \$49.9 and \$47.3 for the years ended December 31, 2003, 2002 and 2001, respectively.

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

Year ended December 31	
2004	\$ 35.3
2005	25.1
2006	19.0
2007	13.9
2008	10.3
Later years	15.6
	<hr/>
	\$ 119.2

The above lease obligations expire at various dates through 2012. 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.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

H—Capital Stock

Stock Activity

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

	Common Stock	Treasury Stock
Balance, January 1, 2001	198,777,750	(2,680,551)
Shares issued	20,000	3,607,684
Treasury stock purchased	—	(3,426,730)
Balance, December 31, 2001	198,797,750	(2,499,597)
Shares issued	1,793	2,344,708
Treasury stock purchased	—	(4,146,034)
Balance, December 31, 2002	198,799,543	(4,300,923)
Shares issued	—	1,614,003
Treasury stock purchased	—	(4,009,929)
Balance, December 31, 2003	198,799,543	(6,696,849)

The Company issues shares for employee stock plans (see Note I) and acquisitions. The Company purchases its common stock to meet the requirements of the employee stock plans, to replace shares issued in acquisitions and to satisfy contractual obligations. The Company will also receive shares in stock option exercises.

Stock Options

At December 31, 2003, the Company had 16,541,543 common shares authorized for issuance under stock option plans. Generally, options become exercisable in varying installments, beginning 18 months after the date of grant, have a maximum term of 10 years, and are issued with exercise prices at market. However, the Company allows senior managers to elect to receive below-market stock options in lieu of cash salary and bonus. These options include a discount feature which does not exceed 15% and have a term of 15 years. A summary of the Company's stock option plans as of December 31, 2003, 2002 and 2001, and changes during the years ending on those dates is as follows:

	Shares	Weighted Average Exercise Price per Share
Outstanding at January 1, 2001	11,265,309	\$ 12.38
Granted	2,010,031	15.22
Exercised	(2,622,995)	9.93
Forfeited	(732,591)	14.15
Outstanding at December 31, 2001	9,919,754	13.48
Granted	1,690,923	19.39
Exercised	(1,303,610)	12.27
Forfeited	(255,340)	19.03
Outstanding at December 31, 2002	10,051,727	14.49
Granted	2,237,727	14.39
Exercised	(344,051)	11.84
Forfeited	(609,805)	21.64
Outstanding at December 31, 2003	11,335,598	\$ 14.17
Options exercisable at		
December 31, 2003	7,716,615	\$ 12.89
December 31, 2002	7,051,541	12.73
December 31, 2001	5,604,070	12.84

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The following table summarizes information about stock options outstanding at December 31, 2003:

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–\$ 5.00	3,643,714	11.1	\$ 2.74	3,065,132	\$ 2.49
5.01– 13.50	—	—	—	—	—
13.51– 18.00	2,851,795	7.8	17.46	1,087,663	17.22
18.01– 26.00	4,840,089	6.2	20.83	3,563,820	20.52
\$.01–\$26.00	11,335,598	8.2	\$ 14.17	7,716,615	\$ 12.89

The following table summarizes the weighted-average fair value per share of each option granted during the years 2003, 2002 and 2001 as of the grant date. These values are calculated using the Black-Scholes option pricing model based on these weighed-average assumptions.

	2003	2002	2001
Weighted-average fair value of options:			
Granted at market price	3.35	4.92	4.20
Granted below market price	9.44	11.53	11.70
Weighted-average exercise price of options:			
Granted at market price	18.27	22.28	17.75
Granted below market price	4.09	4.48	4.22
Principal assumptions			
Risk-free interest rate	2.9%	3.9%	4.9%
Expected life in years	6.4	5.9	5.8
Expected volatility (over expected life)	29.3%	28.7%	29.2%
Expected dividend yield (over expected life)	4.4%	3.4%	3.4%

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

Par Value Amendment

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

Shareholder Protection Rights Plan

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

I—Employee Benefit Plans

The following table and other information in this footnote provide information at December 31 as to the Company's sponsored domestic and foreign defined benefit pension plans as required by the SFAS No. 132 (revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits." In adopting the disclosure requirements of SFAS No. 132 (revised 2003), prior years' information has been restated to include certain foreign and other plans that were previously considered insignificant in the aggregate. The Company uses a September 30 measurement date for the majority of its plans.

	2003	2002	2001
Change in Benefit Obligation			
Benefit obligation, beginning of period	\$ 155.5	\$ 138.4	\$ 130.1
Service cost	4.2	4.1	3.7
Interest cost	9.0	8.4	7.6
Plan participants' contributions	5.6	5.5	5.1
Actuarial (gains) losses	1.1	2.1	(.6)
Benefits paid	(9.9)	(7.5)	(7.6)
Foreign currency exchange rate changes	2.7	1.4	(.1)
Plan amendments and acquisitions	—	3.1	.2
Benefit obligation, end of period	168.2	155.5	138.4
Change in Plan Assets			
Fair value of plan assets, beginning of period	154.2	172.1	194.1
Actual return on plan assets	21.3	(18.4)	(20.7)
Employer contributions	1.5	1.4	1.3
Plan participants' contributions	5.6	5.5	5.1
Benefits paid	(9.9)	(7.5)	(7.6)
Foreign currency exchange rate changes	1.8	1.1	(.1)
Fair value of plan assets, end of period	174.5	154.2	172.1
Plan Assets Over (Under) Benefit Obligations	6.3	(1.3)	33.7
Unrecognized net actuarial (gains) losses	24.8	33.0	(1.0)
Unrecognized net transition asset	.1	.1	.1
Unrecognized prior service cost	2.6	2.8	(.2)
Prepaid pension cost (net of accrued benefit liabilities of \$6.6, \$5.7 and \$5.0 in 2003, 2002 and 2001, respectively)	\$ 33.8	\$ 34.6	\$ 32.6
Components of Net Pension Income (Expense)			
Service cost	\$ (4.2)	\$ (4.1)	\$ (3.7)
Interest cost	(9.0)	(8.4)	(7.6)
Expected return on plan assets	12.4	14.0	15.3
Amortization of net transition asset	(.1)	(.1)	.3
Recognized net actuarial gain (loss)	(1.4)	(.8)	2.0
Net pension income (expense)	\$ (2.3)	\$.6	\$ 6.3
Weighted Average Assumptions			
Discount rate	6.0%	6.0%	6.0%
Expected return on plan assets	7.9%	7.9%	7.9%
Rate of compensation increase	4.5%	4.5%	4.4%

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The overall expected long-term rate of return is based on the plans' historical experience and expectations of future returns based upon the plans' diversification of investment holdings.

The accumulated benefit obligation for all defined benefit pension plans was \$152.4, \$139.7 and \$124.7 at December 31, 2003, 2002 and 2001, respectively.

Certain plans have accumulated benefit obligations in excess of plan assets at December 31 as follows:

	2003	2002	2001
Foreign Plans			
Projected/accumulated benefit obligation	\$ 14.9	\$ 18.1	\$ 10.6
Fair value of plan assets	7.9	12.0	7.8
Domestic Plans			
Projected benefit obligation	32.9	34.2	6.2
Accumulated benefit obligation	31.8	32.1	5.1
Fair value of plan assets	27.3	26.3	1.0

For the foreign plans, the difference between the projected benefit obligation and the accumulated benefit obligation is not significant, as many plans' benefits are based solely on years of service.

Included in the domestic plans above is a subsidiary's unfunded supplemental executive retirement plan. The subsidiary owns insurance policies with cash surrender values of \$2.0, \$1.9 and \$1.8 at December 31, 2003, 2002 and 2001, respectively, for the participants in this non-qualified plan. These insurance policies are not included in the plan's assets.

Plan assets are invested in a diversified portfolio of equity, debt and government securities, including 126,000 shares of the Company's common stock at December 31, 2003.

The Company's weighted average asset allocations at December 31, by asset category, are as follows:

	2003	2002	2001
Equity securities	58%	67%	77%
Debt securities	27	20	16
Other	15	13	7
	100%	100%	100%

The Company's investment policy and strategies are established with a long-term view in mind. The Company strives for a sufficiently diversified asset mix to minimize the risk of a material loss to the portfolio value that might occur from devaluation of any single investment. In determining the appropriate asset mix, the Company's financial strength and ability to fund potential shortfalls that might result from poor investment performance are considered. The Company's weighted average target percentages of the asset portfolios are 67% equities and 33% bonds.

The Company expects to contribute \$1.5 to its defined benefit pension plans in 2004.

Contributions to union sponsored, defined benefit, multiemployer pension plans were less than \$1.5 in 2003, 2002 and 2001. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts. As of 2003, the actuarially computed values of vested benefits for these plans were primarily equal to or less than the assets of the plans. Therefore, the Company would have no material withdrawal liability. However, the Company has no present intention of withdrawing from any of these plans, nor has the Company been informed that there is any intention to terminate such plans.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

Net pension (income) expense, including Company sponsored defined benefit plans, multiemployer plans and other plans, was \$7.0, \$4.2 and \$(.8) in 2003, 2002 and 2001, respectively.

The Company has a Stock Bonus Plan (SBP), which is an Employee Stock Ownership Plan, a nonqualified Executive Stock Unit Program (ESUP) and a Discount Stock Plan (DSP). The SBP and the ESUP provide Company pre-tax contributions of 50% of the amount of employee contributions. Contributions to the ESUP are invested in stock units at 85% of the market price. In addition, the Company matches its contributions when certain profitability levels, as defined in the SBP and the ESUP, have been attained. The ESUP units are considered equivalent to outstanding common shares for accounting and earnings per share purposes. Prior to January 1, 2002, the Company had plans similar to the SBP and ESUP. The Company's total contributions to these plans were \$11.9, \$7.8 and \$8.3 for 2003, 2002 and 2001, respectively.

Under the DSP, eligible employees may purchase a maximum of 19,000,000 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 765,388 in 2003, 759,938 in 2002, and 1,052,938 in 2001. Purchase prices ranged from \$16 to \$22 per share. Since inception of the DSP in 1982, a total of 17,992,923 shares have been purchased by employees.

Upon the adoption of SFAS No. 123 on January 1, 2003, (see Note A), the Company began charging the 15% discount for the above stock plans to expense as shares or units are issued.

J—Income Taxes

The components of earnings before income taxes are as follows:

	Year ended December 31		
	2003	2002	2001
Domestic	\$ 247.6	\$284.8	\$261.0
Foreign	67.5	78.7	36.3
	\$ 315.1	\$363.5	\$297.3

Income tax expense is comprised of the following components:

	Year ended December 31		
	2003	2002	2001
Current			
Federal	\$ 66.3	\$ 78.2	\$100.9
State and local	4.1	7.3	8.8
Foreign	22.9	27.2	19.6
	93.3	112.7	129.3
Deferred			
Federal	14.2	15.1	(9.6)
State and local	3.5	3.4	(1.4)
Foreign	(1.8)	(.8)	(8.6)
	15.9	17.7	(19.6)
	\$109.2	\$130.4	\$109.7

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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

	December 31	
	2003	2002
Property, plant and equipment	\$(90.0)	\$(78.8)
Accrued expenses	69.1	66.4
Net operating loss and foreign tax credit carryforwards	44.7	39.1
Prepaid pension cost	(16.5)	(16.6)
Intangible assets	(32.3)	(25.0)
Valuation allowance	(24.4)	(22.5)
Other, net	(28.8)	(21.4)
	\$(78.2)	\$(58.8)

The valuation allowance primarily relates to state and foreign operating loss carryforwards and foreign tax credit carryforwards for which utilization is uncertain. Cumulative tax losses in certain state and foreign jurisdictions during recent years, and limited carryforward periods in certain jurisdictions were factors considered in determining the valuation allowance.

No significant amount of carryforwards expire in any one year, but the principal amount of the carry-forwards expire in various years after 2005.

Deferred income taxes and withholding taxes have been provided on earnings of the Company's foreign subsidiaries to the extent it is anticipated that the earnings will be remitted in the future as dividends. The tax effect of most distributions would be significantly offset by available foreign tax credits.

Deferred income taxes and withholding taxes have not been provided on undistributed earnings which are deemed to be permanently reinvested. The cumulative undistributed earnings as of December 31, 2003 which the Company has deemed to be permanently reinvested is approximately \$20. If such earnings were distributed, the resulting income taxes and withholding taxes would be approximately \$7 based on present income tax laws, which are subject to change.

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

	December 31	
	2003	2002
Other current assets	\$ 17.0	\$ 20.6
Deferred income taxes	(95.2)	(79.4)
	\$(78.2)	\$(58.8)

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

	Year ended December 31		
	2003	2002	2001
Statutory federal income tax rate	35.0%	35.0%	35.0%
Increases in rate resulting primarily from state and other jurisdictions	1.5	1.7	1.3
Effect of nondeductible goodwill amortization or write-off on federal statutory rate	—	.2	1.3
Taxes on foreign earnings, including impact of foreign tax credits	(1.8)	(1.0)	(.7)
Effective tax rate	34.7%	35.9%	36.9%

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

K—Segment Information

Reportable segments are primarily based upon the Company's management organizational structure. This structure is generally focused on broad end-user markets for the Company's diversified products. Residential Furnishings derives its revenues from components for bedding, furniture and other furnishings, as well as related consumer products. Commercial Fixturing & Components derives its revenues from retail store fixtures, displays, storage, material handling systems, components for office and institutional furnishings, and plastic components. The Aluminum Products revenues are derived from die castings, custom tooling, secondary machining and coating, and smelting of aluminum ingot. The Company sold its single remaining smelting operation in 2002. Industrial Materials derives its revenues from drawn steel wire, specialty wire products and welded steel tubing sold to trade customers as well as other Leggett segments. Specialized Products derives its revenues from machinery, manufacturing equipment, automotive seating suspensions, control cable systems and lumbar supports for automotive, office and residential applications.

The accounting principles used in the preparation of the segment information are the same as used for the consolidated financial statements, except that the segment assets and income reflect the FIFO basis of accounting for inventory. Certain inventories are accounted for using the LIFO basis in the consolidated financial statements. The Company evaluates performance based on earnings from operations before interest and income taxes (EBIT). Intersegment sales are made primarily at prices that approximate market-based selling prices. Centrally incurred costs are allocated to the segments based on estimates of services used by the segment. Certain general and administrative costs of the Company are allocated to the segments based on sales. Asset information for the segments includes only inventory, trade receivables, net property, plant and equipment and unamortized purchased intangibles. These segment assets are reflected in the segment information at their estimated average for the year. Acquired companies' long-lived assets as disclosed include property, plant and equipment, goodwill and other intangibles, and long-term assets. Centrally incurred costs and allocated general and administrative costs include depreciation and other costs related to assets that are not allocated or otherwise included in the segment assets.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

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

	Year ended December 31			
	External Sales	Inter- Segment Sales	Total Sales	EBIT
2003				
Residential Furnishings	\$ 2,209.0	\$ 10.4	\$ 2,219.4	\$ 211.5
Commercial Fixturing & Components	957.8	7.2	965.0	26.8
Aluminum Products	453.5	13.2	466.7	35.6
Industrial Materials	369.2	209.6	578.8	37.7
Specialized Products	398.7	55.9	454.6	49.3
Intersegment eliminations				(3.8)
Adjustment to LIFO method				(1.8)
	<u>\$ 4,388.2</u>	<u>\$ 296.3</u>	<u>\$ 4,684.5</u>	<u>\$ 355.3</u>
2002				
Residential Furnishings	\$ 2,151.4	\$ 13.5	\$ 2,164.9	\$ 225.8
Commercial Fixturing & Components	892.6	6.0	898.6	48.4
Aluminum Products	472.7	14.6	487.3	31.3
Industrial Materials	395.6	215.6	611.2	51.0
Specialized Products	359.5	47.7	407.2	48.0
Intersegment eliminations				(.7)
Adjustment to LIFO method				(3.2)
	<u>\$ 4,271.8</u>	<u>\$ 297.4</u>	<u>\$ 4,569.2</u>	<u>\$ 400.6</u>
2001				
Residential Furnishings	\$ 2,068.8	\$ 11.8	\$ 2,080.6	\$ 179.3
Commercial Fixturing & Components	940.7	3.9	944.6	53.1
Aluminum Products	444.4	15.2	459.6	25.4
Industrial Materials	318.9	208.5	527.4	55.8
Specialized Products	341.0	49.3	390.3	39.6
Intersegment eliminations				(5.5)
Adjustment to LIFO method				3.5
	<u>\$ 4,113.8</u>	<u>\$ 288.7</u>	<u>\$ 4,402.5</u>	<u>\$ 351.2</u>

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	Year ended December 31			
	Assets	Additions to Property, Plant and Equipment	Acquired Companies' Long-Lived Assets	Depreciation and Amortization
2003				
Residential Furnishings	\$1,340.9	\$ 51.8	\$ 45.7	\$ 71.2
Commercial Fixturing & Components	950.2	20.8	24.6	30.2
Aluminum Products	376.3	18.5	—	23.0
Industrial Materials	263.2	14.7	—	17.2
Specialized Products	401.3	21.9	14.4	15.8
Unallocated assets	615.3	8.9	—	9.6
Adjustment to year-end vs. average assets	(57.5)			
	<u>\$3,889.7</u>	<u>\$ 136.6</u>	<u>\$ 84.7</u>	<u>\$ 167.0</u>
2002				
Residential Furnishings	\$1,257.6	\$ 45.0	\$ 8.1	\$ 69.7
Commercial Fixturing & Components	882.4	11.1	2.9	31.5
Aluminum Products	409.8	19.4	—	23.9
Industrial Materials	269.9	26.5	6.5	17.4
Specialized Products	361.8	16.1	7.9	14.2
Unallocated assets	425.4	5.9	—	7.9
Adjustment to year-end vs. average assets	(105.8)			
	<u>\$3,501.1</u>	<u>\$ 124.0</u>	<u>\$ 25.4</u>	<u>\$ 164.6</u>
2001				
Residential Furnishings	\$1,233.9	\$ 73.0	\$ 11.9	\$ 81.5
Commercial Fixturing & Components	944.2	15.3	53.8	49.7
Aluminum Products	437.4	10.6	3.3	24.8
Industrial Materials	260.2	6.1	5.2	15.9
Specialized Products	340.4	11.9	7.1	16.4
Unallocated assets	336.1	11.1	—	8.3
Adjustment to year-end vs. average assets	(139.3)			
	<u>\$3,412.9</u>	<u>\$ 128.0</u>	<u>\$ 81.3</u>	<u>\$ 196.6</u>

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

	Year ended December 31		
	2003	2002	2001
Residential Furnishings			
Bedding components	\$ 778.7	\$ 798.5	\$ 777.3
Residential furniture components	726.0	720.3	675.5
Finished & consumer products	606.4	544.0	533.0
Other residential furnishings products	97.9	88.6	83.0
	<u>2,209.0</u>	<u>2,151.4</u>	<u>2,068.8</u>
Commercial Fixturing & Components			
Store displays, fixtures & storage products	744.0	654.4	707.1
Office furnishings & plastic components	213.8	238.2	233.6
	<u>957.8</u>	<u>892.6</u>	<u>940.7</u>

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

	Year ended December 31		
	2003	2002	2001
Aluminum Products			
Die cast products	422.4	420.7	369.7
Smelter, tool & die operations	31.1	52.0	74.7
	<u>453.5</u>	<u>472.7</u>	<u>444.4</u>
Industrial Materials			
Wire, wire products & steel tubing	369.2	395.6	318.9
Specialized Products			
Automotive products & specialized machinery	398.7	359.5	341.0
	<u>\$ 4,388.2</u>	<u>\$ 4,271.8</u>	<u>\$ 4,113.8</u>

The Company's operations outside of the United States are principally in Canada, Europe and Mexico. The geographic information that follows regarding sales is based on the area of manufacture. Prior years' sales information has been restated to be consistent with the current year's presentation.

	Year ended December 31		
	2003	2002	2001
External sales			
United States	\$ 3,467.7	\$ 3,426.0	\$ 3,353.4
Canada	424.0	412.2	392.6
Europe	315.1	268.2	237.0
Mexico	135.3	129.1	102.3
Other	46.1	36.3	28.5
	<u>\$ 4,388.2</u>	<u>\$ 4,271.8</u>	<u>\$ 4,113.8</u>
Long-lived assets			
United States	\$ 1,551.8	\$ 1,591.1	\$ 1,591.5
Canada	207.8	163.8	159.8
Europe	198.5	175.6	151.2
Mexico	68.0	60.0	66.7
Other	44.2	22.6	21.8
	<u>\$ 2,070.3</u>	<u>\$ 2,013.1</u>	<u>\$ 1,991.0</u>

L—Contingencies

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

M—Restructuring Activity

On January 1, 2003, the Company implemented SFAS No. 146, “Accounting for Costs Associated with Exit or Disposal Activities.” For the years 2002-2001, the Company utilized Emerging Issues Task Force (EITF) Issue No. 94-3, “Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring).” SFAS No. 146 requires that the liability for costs associated with an exit or disposal activity be recognized when the liability is incurred. The Company is engaged in ongoing disposal activities as a result of the continuing rationalization of its facility base. None of the costs associated with such disposal activities have been material to the Company’s earnings or financial position. In addition, future expenditures associated with current restructurings are expected to be less than \$1.

Over the last three years, the Company has sold, consolidated or shutdown several facilities, none of which actions (generically referred to as “restructurings”) individually resulted in a material charge to earnings. These restructurings have had the following impact on the Company’s financial statements:

	Year ended December 31		
	2003	2002	2001
Charged to cost of goods sold			
Inventory write-downs associated with facility restructurings	\$ —	\$ 1.6	\$ 2.4
Charged to other deductions (income), net			
Write-downs of property, plant and equipment	\$ 1.2	\$ 9.3	\$ 5.4
Write-off of goodwill	.1	3.2	4.2
Severance and other restructuring costs, net of proceeds	(1.9)	.8	6.0
	<u>\$ (.6)</u>	<u>\$ 13.3</u>	<u>\$ 15.6</u>
Restructuring liabilities at year-end	<u>\$.6</u>	<u>\$ 3.6</u>	<u>\$ 8.6</u>

Adjustments of previously established liabilities for restructurings have been negligible for 2003-2001. Net sales for the 12-month period prior to divestiture for businesses sold were \$23 in 2003, \$40 in 2002 and \$30 in 2001. The earnings impact from these divested businesses is not material.

N—Derivative Financial Instruments

The Company’s risk management strategies include the use of derivative instruments to manage the fixed/variable interest rate mix of its debt portfolio, to manage its exposure to fluctuating natural gas prices, and to hedge against its exposure to variability in foreign exchange rates. It is the Company’s policy to enter into risk management strategies that reduce forward price exposure by the transfer of price risk to another party. In this sense, hedging is equivalent to purchasing price protection insurance that will lock in future costs. It is the Company’s policy not to speculate in derivative instruments.

The Company manages the fixed/variable interest rate risk of its debt portfolio partially through the use of interest rate swap agreements. During 2000, \$350 of 7.65% fixed rate debt maturing in February 2005 and, in 1999, \$14 of 6.90% fixed rate debt maturing in June 2004 were issued and converted to variable rate debt by use of interest rate swap agreements. In March 2003, the Company sold its rights under the \$350 interest rate swap agreement for \$39.9 in cash proceeds.

Currently, the remaining swap converts \$14 of fixed rate debt to variable rate debt and is designated as a fair value hedge. As such, this swap is carried at fair value. Changes in the fair value of this swap and that of the related debt are recorded in “Interest expense” in the accompanying statement of income. The fair value of these swaps was \$.6 as of December 31, 2003 and \$48.8 as of December 31, 2002.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)

The Company is hedging 60% of its anticipated domestic and Canadian natural gas purchases under contract through mid-2004. The Company's use of these contracts is to manage its exposure to fluctuating natural gas prices. The outstanding contracts were approximately \$9.5 as of December 31, 2003. The average price under these contracts is \$5.63 per mmbtu. Through December 31, 2003, there was no significant gain or loss, realized or unrealized, on these contracts.

The Company designates forward currency contracts as hedges against the Company's exposure to variability in exchange rates on certain cash flows denominated in foreign currencies. In December 2003, the Company minimized the volatility of cash flows caused by currency fluctuations by hedging 70% of the expected Peso expenses for certain Mexican subsidiaries through 2004. The changes in fair value of the unexpired contracts will be recorded in other comprehensive income. The amount of contracts outstanding at December 31, 2003 was approximately \$13.6 (pay USD/receive MXN). The fair value of these contracts at December 31, 2003 was inconsequential.

In December 2003, the Company entered into a 38.3 Swiss Francs (CHF) five-year, cross-currency swap agreement with Wachovia Bank, N.A. This agreement is designated as a net investment hedge of the Company's Swiss subsidiaries. The purpose of this swap is to reduce volatility of exposure to the Swiss Franc. At December 31, 2003, there was no significant gain or loss under this agreement. In addition, the terms of this agreement include that the Company will receive interest on \$30 at a fixed rate of 6.35% and pay interest on 38.3 CHF at a fixed rate of 4.71%.

REPORT OF INDEPENDENT AUDITORS
LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

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

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(1) present fairly, in all material respects, the financial position of Leggett & Platt, Incorporated and its subsidiaries at December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audit. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, 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 our opinion.

As discussed in Note A to the consolidated financial statements, the Company changed the manner in which it accounts for stock-based compensation as of January 1, 2003.

As discussed in Note A to the consolidated financial statements, the Company changed the manner in which it accounts for goodwill and other intangible assets as of January 1, 2002.

/s/ PricewaterhouseCoopers LLP

St. Louis, Missouri

January 28, 2004

Quarterly Summary of Earnings
Leggett & Platt, Incorporated and Subsidiaries
(Unaudited)
(Dollar amounts in millions, except per share data)

<u>Year ended December 31</u>	<u>First</u>	<u>Second</u>	<u>Third</u>	<u>Fourth</u>	<u>Total</u>
2003					
Net sales	\$ 1,037.6	\$ 1,052.7	\$ 1,156.7	\$ 1,141.2	\$ 4,388.2
Gross profit	181.3	183.8	194.7	211.9	771.7
Earnings before income taxes	76.6	72.4	78.1	88.0	315.1
Net earnings	49.4	46.7	50.8	59.0	205.9
Earnings per share					
Basic	\$.25	\$.24	\$.26	\$.30	\$ 1.05
Diluted	\$.25	\$.24	\$.26	\$.30	\$ 1.05
2002					
Net sales	\$ 1,022.7	\$ 1,115.3	\$ 1,121.2	\$ 1,012.6	\$ 4,271.8
Gross profit	199.1	229.1	211.3	182.2	821.7
Earnings before income taxes	87.4	109.4	91.0	75.7	363.5
Net earnings	56.2	70.3	57.7	48.9	233.1
Earnings per share					
Basic	\$.28	\$.35	\$.29	\$.25	\$ 1.17
Diluted	\$.28	\$.35	\$.29	\$.25	\$ 1.17

As discussed in Note A of the Notes to Consolidated Financial Statements, the Company began recognizing stock option expense for any options granted after January 1, 2003.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(Amounts in millions)

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>	<u>Column D</u>	<u>Column E</u>
<u>Description</u>	<u>Balance at Beginning of Period</u>	<u>Additions Charged to Cost and Expenses</u>	<u>Deductions</u>	<u>Balance at End of Period</u>
Year ended December 31, 2003				
Allowance for doubtful receivables	\$ 19.4	\$ 3.9	\$ 5.4 (A)	\$ 17.9
Inventory writedown reserve	\$ 17.1	\$ 16.8	\$ 4.2	\$ 29.7
Year ended December 31, 2002				
Allowance for doubtful receivables	\$ 29.4	\$ 6.5	\$ 16.5 (A)	\$ 19.4
Inventory writedown reserve	\$ 9.7	\$ 8.3	\$.9	\$ 17.1
Year ended December 31, 2001				
Allowance for doubtful receivables	\$ 16.3	\$ 20.1	\$ 7.0 (A)	\$ 29.4
Inventory writedown reserve	\$ 7.4	\$ 2.3	\$ —	\$ 9.7

(A) Uncollectible accounts charged off, net of recoveries

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
<hr/> KARL G. GLASSMAN*	Director	
Karl G. Glassman		
<hr/> DAVID S. HAFFNER*	Director	
David S. Haffner		
<hr/> JUDY C. ODOM*	Director	
Judy C. Odom		
<hr/> MAURICE E. PURNELL, JR.*	Director	
Maurice E. Purnell, Jr.		
<hr/> FELIX E. WRIGHT*	Chairman	
Felix E. Wright		
*By: <hr/> /s/ ERNEST C. JETT		March 11, 2004
Ernest C. Jett <i>Attorney-in-Fact</i> <i>Under Power-of-Attorney</i> <i>dated February 11, 2004</i>		

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Document Description</u>
3.1*	Restated Articles of Incorporation of the Company as of May 13, 1987; Amendment, dated May 12, 1993; Amendment, dated May 12, 1999.
3.2*	By-Laws of the Company as amended through February 11, 2004.
4.1	Article III of the Company's Restated Articles of Incorporation, as amended, filed as Exhibit 3.1 hereto, is incorporated by reference.
4.2	Rights Agreement effective February 15, 1999 between the Company and UMB Bank, N.A., as successor Rights Agent to ChaseMellon Shareholder Services, LLC, pertaining to preferred stock rights distributed by the Company, filed December 1, 1998 as Exhibit 4 to the Company's Form 8-K, is incorporated by reference. (SEC File No. 1-7845)
4.3	Indenture, dated as of November 24, 1999 between the Company and The Chase Manhattan Bank, as Trustee, and Form of Note included therein under Sections 202 and 203 filed as Exhibit 4.1 to Registration Statement No. 333-90443, on Form S-3, filed November 5, 1999, is incorporated by reference.
4.4	Description of \$350,000,000 7.65% Notes due February 15, 2005, issued pursuant to the Indenture dated November 24, 1999, filed February 10, 2000 in the Company's prospectus supplement pursuant to Rule 424(b)(5), is incorporated herein by reference.
4.5	Form of \$200,000,000 4.7% Notes due 2013 issued pursuant to the Indenture dated November 24, 1999, and filed March 20, 2003 as Exhibit 4.1 to the Company's Current Report on Form 8-K, is incorporated by reference. (SEC File No. 1-7845)
4.6	Form of \$150,000,000 4.4% Notes due 2018 issued pursuant to the Indenture dated November 24, 1999, and filed June 20, 2003 as Exhibit 4.1 to the Company's Current Report on Form 8-K, is incorporated by reference. (SEC File No. 1-7845)
10.1(1)	Restated and Amended Employment Agreement between the Company and Harry M. Cornell, Jr. dated as of August 14, 1996, and Amendment No. 1 to Employment Agreement dated January 1, 1999, and Letter Agreement dated April 24, 2000 extending term of Employment Agreement and Letter Agreement dated March 1, 2001 extending term of Employment Agreement, all of which was filed as of March 28, 2002 as Exhibit 10.1(1) to the Company's Form 10-K for the year ended December 31, 2001, is incorporated by reference. (SEC File No. 1-7845)
10.2(1)	Letter Agreement regarding Restated and Amended Employment Agreement between the Company and Harry M. Cornell, Jr., dated November 15, 2002, filed March 18, 2003 as Exhibit 10.2(1) to the Company's Form 10-K for the year ended December 31, 2002, is incorporated by reference. (SEC File No. 1-7845)
10.3(1)	Restated and Amended Employment Agreement between the Company and Felix E. Wright dated March 1, 1999, filed March 31, 1999 as Exhibit 10.2(1) to the Company's Form 10-K for the year ended December 31, 1998; and Amendment No. 1 to the Restated and Amended Employment Agreement of Felix E. Wright, dated October 1, 2002, filed November 13, 2002 as Exhibit 10 to the Company's Form 10-Q for the quarter ended September 30, 2002; and Letter Agreement between the Company and Felix E. Wright, dated August 6, 2003, filed August 6, 2003 as Exhibit 10.1 to the Company's Form 10-Q for the quarter ended June 30, 2003; all of which are incorporated by reference. (SEC File No. 1-7845)
10.4(1)	Employment Agreement between the Company and Robert A. Jefferies, Jr. dated November 7, 1990 and Amendment No. 1 to Employment Agreement dated January 1, 1993; filed March 29, 2000 as Exhibit 10.3 to the Company's Form 10-K for the year ended December 31, 1999, is incorporated by reference. (SEC File No. 1-7845)
10.5(1)	Severance Benefit Agreement between the Company and Harry M. Cornell, Jr. dated May 9, 1984, filed March 29, 2001 as Exhibit 10.4 to the Company's Form 10-K for the year ended December 31, 2000, is incorporated by reference. (SEC File No. 1-7845)

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<u>Exhibit No.</u>	<u>Document Description</u>
10.6(1)	Severance Benefit Agreement between the Company and Felix E. Wright dated May 9, 1984, filed March 29, 2001 as Exhibit 10.5(1) to the Company's Form 10-K for the year ended December 31, 2000, is incorporated by reference. (SEC File No. 1-7845)
10.7(1)	Severance Benefit Agreement between the Company and Robert A. Jefferies, Jr. dated May 9, 1984, filed March 29, 2001 as Exhibit 10.6 to the Company's Form 10-K for the year ended December 31, 2000 is incorporated by reference. (SEC File No. 1-7845)
10.8(1)*	The Company's 1989 Flexible Stock Plan, as amended and restated May 9, 2001, with Amendment No. 1, dated February 11, 2004.
10.9(1)*	Description of the Company's Key Management Incentive Compensation Plan as amended as of January 1, 2004.
10.10(1)	The Company's 1999 Key Officer's Incentive Plan filed March 31, 1999 as Appendix B to the Company's definitive Proxy Statement used in connection with the Company's Annual Meeting of Shareholders held on May 12, 1999, which is incorporated by reference. (SEC File No. 1-7845)
10.11(1)*	Description of long-term disability arrangements between the Company and certain executives.
10.12(1)	Form of Indemnification Agreement approved by the shareholders of the Company and entered into between the Company and its directors and certain executive officers, filed March 28, 2002, as Exhibit 10.11(1) of the Company's Form 10-K for the year ended December 31, 2001 is incorporated by reference. (SEC File No. 1-7845)
10.13(1)	The Company's Director Stock Option Plan, as amended and restated November 13, 2002, filed March 18, 2003 as Exhibit 10.13(1) to the Company's Form 10-K for the year ended December 31, 2002, is incorporated by reference. (SEC File No. 1-7845)
10.14(1)	The Company's 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; filed March 29, 2000 as Exhibit 10.13 to the Company's Form 10-K for the year ended December 31, 1999, is incorporated by reference. (SEC File No. 1-7845)
10.15(1)	The Company's Stock Award Program, filed March 30, 1998 as Exhibit 10.20(1) to the Company's Form 10-K for the year ended December 31, 1997, is incorporated by reference. (SEC File No. 1-7845)
10.16(1)*	The Company's Deferred Compensation Program, restated and amended effective as of December 31, 2003.
10.17(1)	The Company's Executive Deferred Stock Program, filed March 31, 1999 as Exhibit 10.16 to the Company's Form 10-K for the year ended December 31, 1998, is incorporated by reference. (SEC File No. 1-7845)
10.18(1)*	The Company's Executive Stock Unit Program, adopted under the Company's 1989 Flexible Stock Plan, as restated and amended effective as of January 1, 2004.
10.19(1)	Employment Agreement between the Company and David S. Haffner, dated July 30, 2001, filed October 31, 2001 as Exhibit 10 to the Company's Form 10-Q for the quarter ended September 30, 2001, is incorporated by reference. (SEC File No. 1-7845)
10.20(1)	Severance Benefit Agreement between the Company and David S. Haffner, dated July 30, 2001, filed October 31, 2001 as Exhibit 10 to the Company's Form 10-Q for the quarter ended September 30, 2001, is incorporated by reference. (SEC File No. 1-7845)
12*	Computation of Ratio of Earnings to Fixed Charges.
21*	Schedule of Subsidiaries of Company.
23*	Consent of Independent Accountants.
24*	Power of Attorney executed by members of the Company's Board of Directors regarding this Form 10-K.

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<u>Exhibit No.</u>	<u>Document Description</u>
31.1*	Certification of Felix E. Wright, pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated March 11, 2004.
31.2*	Certification of Matthew C. Flanigan, pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated March 11, 2004.
32.1*	Certification of Felix E. Wright, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated March 11, 2004.
32.2*	Certification of Matthew C. Flanigan, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated March 11, 2004.

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

*Denotes filed or furnished herewith

**RESTATED ARTICLES OF INCORPORATION
OF
LEGGETT & PLATT, INCORPORATED**

— oOo —

TO: Honorable Roy D. Blunt
Secretary of State
State of Missouri
Jefferson City, MO 65101

Pursuant to the provisions of The General and Business Corporation Law of Missouri, the undersigned Corporation adopts Restated Articles of Incorporation in the following manner:

I.

The name of the Corporation is Leggett & Platt, Incorporated. The name under which it was originally organized was Leggett & Platt Spring Bed and Manufacturing Company.

II.

A meeting of the Board of Directors of the Corporation was duly called and held on the 13th day of May, 1987, pursuant to notice duly given in accordance with the Bylaws of the Corporation and the Statutes of the State of Missouri.

III.

At such meeting a proposal was duly made by resolution and seconded that the Corporation adopt Restated Articles of Incorporation which correctly set forth without change the corresponding provisions of the Corporation's Articles of Incorporation as theretofore amended, and that such Restated Articles of Incorporation attached hereto shall supersede this Corporation's original Articles of Incorporation and all amendments thereto and all prior restatements thereof.

IV.

The Restated Articles of Incorporation attached hereto correctly set forth without change the corresponding provisions of the Articles of Incorporation as heretofore amended and restated, and said Restated Articles of Incorporation supersede the original Articles of Incorporation and all amendments thereto and all prior restatements thereof.

IN WITNESS WHEREOF, the undersigned, Felix E. Wright, President of Leggett & Platt, Incorporated, has executed this instrument and Robert A. Jefferies, Jr., Secretary of Leggett & Platt, Incorporated, has affixed its corporate seal hereto and attested said seal on the 13th day of May, 1987.

(CORPORATE SEAL)

LEGGETT & PLATT, INCORPORATED

ATTEST:

/s/ ROBERT A. JEFFERIES, JR.

/s/ FELIX E. WRIGHT

Robert A. Jefferies, Jr.
Secretary

Felix E. Wright
President

STATE OF MISSOURI)
)ss.
COUNTY OF NEWTON)

I, Nora L. Tebbets, a notary public, do hereby certify that on this 13th day of May, 1987, personally appeared before me Felix E. Wright, who being by me first duly sworn, declared that he is the President of Leggett & Platt, Incorporated, that he signed the foregoing document as President of the Corporation, and that the statements therein contained are true.

/s/ NORA L. TEBBETS

Notary Public

My Commission Expires: October 7, 1998

RESTATED ARTICLES OF INCORPORATION

LEGGETT & PLATT, INCORPORATED

— oOo —

ARTICLE I

The name of this corporation shall be “LEGGETT & PLATT, INCORPORATED.”

ARTICLE II

The corporation has heretofore complied with the requirements of law as to initial minimum capital, without which it could not have commenced business.

ARTICLE III

The aggregate number of shares which the corporation shall have the authority to issue is One Hundred Million (100,000,000) shares of Common Stock of One Dollar (\$1.00) par value and One Hundred Million (100,000,000) shares of Preferred Stock without par value.

1. Common Stock. The following is a statement of the designations, preferences, limitations and relative rights in respect of the shares of the Common Stock.

(a) *Dividends.* Subject to the prior and superior rights of the Preferred Stock as set forth below and in any Directors’ Resolution (hereinafter defined), dividends may be paid on the Common Stock as and when declared by the Board of Directors of the corporation out of any funds of the corporation legally available for the payment thereof.

The corporation shall not issue fractional shares or script in satisfaction of any stock dividend, but in lieu thereof shall pay in cash an amount equal to such fraction multiplied by the current per share market value of the class of stock on which the stock dividend is issued, as determined by the Board of Directors.

(b) *Dissolution.* Subject to the prior and superior rights of the Preferred Stock as set forth below and in any Directors’ Resolution (hereinafter defined), in the event of any liquidation, dissolution or winding up of the affairs of the corporation, whether voluntary or involuntary, the holders of Common Stock shall be entitled to share ratably in the distribution of the assets of the corporation. Neither the consolidation nor merger of the corporation into or with any other corporation or corporations, nor merger of any other corporation into the corporation, nor a reorganization of the corporation, nor the purchase or redemption of all or part of the outstanding shares of any class or classes of the stock of the corporation, nor a sale or transfer of the property and business of the corporation as, or substantially as, an entity, shall be deemed a liquidation, dissolution or winding up of the affairs of the corporation within the meaning of any of the provisions of this paragraph.

(c) *Voting*. Except as otherwise required by law, each share of Common Stock shall have equal voting rights, each holder of such stock of the corporation entitled to vote shall have one vote, in person or by proxy, for each share thereof held, and all shares of the corporation, including shares of Preferred Stock, shall be voted as a single class except where specifically required by law to vote separately.

2. *Preferred Stock*. The Board of Directors is hereby authorized from time to time to provide by resolution for the issuance of shares of Preferred Stock in one or more classes and one or more series within any class not exceeding the aggregate number of shares of Preferred Stock authorized by these Restated Articles of Incorporation, as amended from time to time; and to determine with respect to each such class or series the voting power, if any (which voting powers if granted may be full or limited), designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions appertaining thereto, including without limiting the generality of the foregoing, the voting rights appertaining to shares of Preferred Stock of any class or series, the rate of dividend to which holders of Preferred Stock of any class or series may be entitled (which may be cumulative or noncumulative), the rights of holders of Preferred Stock of any class or series in the event of liquidation, dissolution or winding up of the affairs of the corporation, and the rights (if any) of holders of Preferred Stock of any class or series to convert or exchange such shares of Preferred Stock of such class or series for shares of any other class or series of capital stock of this corporation or any other corporation (including the determination of the price or prices or the rate or rates applicable to such right to convert or exchange and the adjustment thereof, the time or times during which the rights to convert or exchange shall be applicable and the time or times during which a particular price or rate shall be applicable).

Before the corporation shall issue any shares of Preferred Stock of any class or series, a certificate setting forth a copy of the resolution or resolutions of the Board of Directors, fixing the voting power, designations, preferences, the relative, participating, optional or other rights, if any, and the qualifications, limitations and restrictions, if any, appertaining to the shares of Preferred Stock of such class or series, and the number of shares of Preferred Stock of such class or series, authorized by the Board of Directors to be issued shall be made and filed in accordance with applicable law.

3. *Pre-emptive Rights*. No holder of any stock of the corporation shall be entitled as a matter of right to purchase or subscribe for any part of any stock of the corporation, authorized by this Article III, or of any additional stock of any class to be issued by reason of any increase of the authorized stock of the corporation, or of any bonds, certificates of indebtedness, debentures or other securities convertible into stock of the corporation, but any stock authorized by this Article III or any such additional authorized issue of new stock or of securities convertible into stock may be issued and disposed of by the Board of Directors to such persons, firms, corporations or associations for such consideration and upon such terms and in such manner as the Board of Directors may in their discretion determine without offering any thereof on the same terms or on any terms to the stockholders then of record or to any class of stockholders.

4. *Shareholders' Rights to Have Shares Redeemed in Certain Circumstances*. The following is a statement of the shareholders' rights to have shares of Common Stock redeemed by the corporation in certain circumstances.

(a) In the event that any person (Acquiring Person) (i) who is the beneficial owner, directly or indirectly, of more than fifty per cent of the shares of Common Stock outstanding becomes the beneficial owner, directly or indirectly, of any additional shares of Common Stock pursuant to a tender offer opposed by the Board of Directors of the

corporation or (ii) becomes the beneficial owner, directly or indirectly, of more than fifty per cent of the shares of the Common Stock outstanding and any of such shares of Common Stock were acquired pursuant to a tender offer opposed by the Board of Directors of the Corporation, each holder of shares of Common Stock, other than the Acquiring Person or a transferee of the Acquiring Person, shall have the right until and including the forty-fifth day following the date the notice to holders of shares of Common Stock referred to in subsection (c) herein is mailed to have the shares of Common Stock held by such holder redeemed by the corporation at the Redemption Price determined as provided in subsection (d) herein, and each holder of securities convertible into shares of Common Stock or of options, warrants, or rights exercisable to acquire shares of Common Stock prior to such forty-fifth day, other than the Acquiring Person or a transferee of the Acquiring Person, shall have the right simultaneously with the conversion of such securities or exercise of such options, warrants, or rights to have the shares of Common Stock to be received thereupon by such holder redeemed by the corporation at the Redemption Price.

(b) For purposes of this Section 4:

(1) A tender offer opposed by the Board of Directors of the corporation shall mean a tender offer that the Board of Directors, acting pursuant to a resolution approved by a majority of the Company's directors, recommends be rejected by the shareholders of the corporation if such recommendation is made by public announcement or written notice to the shareholders of the corporation at any time on or before the expiration of such tender offer, including all extensions and amendments thereof, and is not withdrawn by public announcement or written notice to shareholders on or before such expiration.

(2) The term "person" shall include an individual, a corporation, partnership, trust or other entity. When two or more persons act as a partnership, limited partnership, syndicate, or other group for the purpose of acquiring shares of Common Stock of the corporation, such partnership, syndicate or group shall be deemed a "person."

(3) For the purposes of determining whether a person is an Acquiring Person, such person shall be deemed to beneficially own (i) all shares of Common Stock with respect to which such person has the capability to control or influence the voting power in respect thereof and (ii) all shares of Common Stock which such person has the immediate or future right to acquire, directly or indirectly, pursuant to agreements, through the exercise of options, warrants or rights or through the conversion of convertible securities or otherwise; and all shares of Common Stock which such person has the right to acquire in such manner shall be deemed to be outstanding shares, but shares of Common Stock which any other person has the right to acquire in such manner shall not be deemed to be outstanding shares.

(4) The term "tender offer," as used herein, shall mean a tender offer within the meaning of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

(5) Subject to the provisions of subsection (b) (2) herein, "outstanding shares" shall mean shares of Common Stock which at the time in question have been issued by the corporation and not reacquired and held or retired by it or held by any subsidiary of the corporation.

(c) (1) Not later than twenty days following the date on which the corporation receives reasonable notice that any person has become an Acquiring Person (the "Record Date"), the corporation shall give written notice (the "Shareholder Notice") by first class mail, postage prepaid, at the addresses shown on the records of the corporation, to each holder of record as of the Record Date of:

(i) shares of Common Stock;

(ii) securities that are convertible into shares of Common Stock immediately or within forty-five days following the Record Date; and

(iii) options, warrants or rights that are exercisable to acquire shares of Common Stock immediately or within forty-five days following the Record Date;

and shall advise all such holders of the right to have shares of Common Stock redeemed and the procedure for such redemption. In the event that the corporation fails to give the Shareholder Notice as required by subsection (c), any holder entitled to receive such Shareholder Notice may within sixty days thereafter serve written demand upon the corporation to give such Shareholder Notice. If within twenty days after receipt of written demand the corporation fails to give the required Shareholder Notice, such holder may at the expense and on behalf of the corporation take such reasonable action as may be appropriate to cause Shareholder Notice to be given under this subsection (c).

(2) In the event shares of Common Stock are subject to redemption in accordance with this Section 4, the Board of Directors of the corporation shall designate a Redemption Agent, which shall be a corporation or association (i) organized and doing business under the laws of the United States or any State, (ii) subject to supervision or examination by Federal or State authority, (iii) having combined capital and surplus of at least \$5,000,000 and (iv) having the power to exercise corporate trust powers.

(3) For a period of forty-five days from the date of the mailing of the Shareholder Notice to persons entitled thereto pursuant to this subsection (c), persons entitled to have shares of Common Stock redeemed pursuant to this Section 4 may, at their option, deposit certificates representing all or less than all shares of Common Stock held of record by them with the Redemption Agent together with written notice that the holder elects to have such shares redeemed pursuant to this Section 4. The Company shall redeem all shares delivered for redemption allowable under Missouri law, on a pro rata basis (except that no fractional shares shall be redeemed), and the shares so redeemed shall no longer be considered outstanding as of the close of business on the day certificates evidencing such shares are deposited in proper form with the Redemption Agent. Any shares not permitted to be redeemed under Missouri law shall be immediately returned to the depositing shareholder and shall remain issued and outstanding.

(4) The corporation shall deposit in trust with the Redemption Agent, as soon as possible, cash sufficient to pay the aggregate Redemption Price of all of the shares of Common Stock redeemed.

(5) As soon as practicable after receipt by the Redemption Agent of cash deposited by the corporation pursuant to subsection (4) immediately above, the Redemption Agent shall issue its checks payable to the order of the persons entitled to receive the Redemption Price of the shares of Common Stock redeemed. If the amount of cash so received by the Redemption Agent at any one time is not sufficient to pay the aggregate Redemption Price to which all such persons are entitled, the Redemption Agent shall pay each such person a pro rata part of the amount to which he is entitled.

(6) In the event the entire Redemption Price has not been paid for all shares received by the Redemption Agent within thirty (30) days following the last day shareholders are entitled to deposit shares for redemption as provided in subsection (c) (3) hereof, then each shareholder who has not received the full Redemption Price for any of such shares shall be entitled to receive interest on the unpaid portion of the Redemption Price due him at the rate of 18% per annum or the highest rate of interest allowed by applicable law, whichever is less, from the expiration of said thirty (30) day period until the Redemption Price is paid in full. All funds paid by the Redemption Agent shall be allocated first to accrued and unpaid interest and then to the Redemption Price.

(d) (1) The Redemption Price shall be the higher of (i) the highest price paid by the Acquiring Person, including any commissions paid to brokers or dealers for solicitation or other services, for any shares of Common Stock pursuant to a tender offer that was made at any time by such Acquiring Person and was opposed by the Board of Directors of the corporation; or (ii) the highest market price per Common Share on the Record Date. For purposes of subpart (i) of this subsection (d) (1), if the consideration paid in any such acquisition of shares consisted, in whole or part, of consideration other than cash, the Board of Directors of the corporation shall take such action, as in its judgment it deems appropriate, to establish the cash value of such consideration, but such valuation shall not be less than the cash value, if any, ascribed to such consideration by the Acquiring Person. For purposes of this subpart (ii) of subsection (d) (1), the price on the Record Date shall be the highest sale price per Common Share traded on the New York Stock Exchange or other national securities exchange on the Record Date or, if Common Shares are not then traded on a national securities exchange, the mean of the highest bid and highest asked prices per Common Share quoted in the National Association of Securities Dealers Automated Quotation System on the Record Date.

(2) The determinations to be made pursuant to this Section 4 shall be made by the Board of Directors not later than the date of the Shareholder Notice referred to in subsection (c) hereof. In making such determination, the Board of Directors may engage such persons, including investment banking firms and the independent accountants who have reported on the most recent financial statements of the corporation, and utilize employees and agents of the corporation who will, in the judgment of the Board of Directors, be of assistance to the Board of Directors.

(3) The determinations to be made pursuant to this Section 4, when made by the Board of Directors acting in good faith on the basis of such information and assistance as was then reasonably available for such purpose, shall be conclusive and binding upon the corporation and its shareholders, including any person referred to in subsection (c) hereof.

(e) This Section 4 of this Article III may be amended or repealed only by the affirmative vote of the holders of at least eighty-five (85%) of the outstanding shares of Common Stock of the corporation: provided, however, that no amendment or repeal adopted after the Shareholder Notice under subsection (c) hereof shall affect any such shares thereafter deposited with the Redemption Agent in connection with such Shareholder Notice for redemption pursuant to this Section 4.

5. Shareholder Voting Requirements for Approval of Mergers, Consolidations, and Certain Dispositions of Assets of the Company. The affirmative vote of the holders of at least two-thirds of the outstanding shares of the corporation entitled to vote shall be required for the approval of (i) any merger or consolidation of the corporation with or into any other corporation or entity; (ii) any sale, lease or exchange or other disposition (other than by mortgage, deed of trust or pledge), of all, or substantially all, property and assets, with or without the goodwill, of the corporation, if not made in the usual and regular course of its business; or (iii) any plan or agreement relating to any transaction or agreement set forth in (i) or (ii) of this Section 5.

This Section 5 of this Article III shall be amended or repealed only by the affirmative vote of the holders of at least two-thirds of the outstanding shares entitled to vote on such amendment or repeal.

6. Miscellaneous. The corporation shall be entitled to treat the person in whose name any share, right or option is registered as the owner thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in such share, right or option on the part of any other person, whether or not the corporation shall have notice thereof, save as may be expressly provided by the laws of the State of Missouri.

A director shall be fully protected in relying in good faith upon the books of account of the corporation or statements prepared by any of its officials as to the value and amount of the assets, liabilities and/or net profits of the corporation, or any other facts pertinent to the existence and amount of surplus or other funds from which dividends might properly be declared and paid.

Without action by the stockholders, the shares of stock may be issued by the corporation from time to time for such consideration (not less than the par value thereof if such stock has a par value) as may be fixed from time to time by the Board of Directors thereof, and any and all such shares so issued, the full consideration for which has been paid or delivered, shall be deemed fully paid stock and not liable to any further call or assessment thereon, and the holder of such shares shall not be liable for any further call or assessment thereon, or for any other payment thereon.

6. Shareholder Voting Requirements, Fairness of Certain Proposed Business Combinations.

(a) Except as expressly provided in Section 6(b) hereof, no Business Combination shall be consummated without first being approved by the affirmative vote of 95% of the then outstanding Voting Stock voting together as a single class. The affirmative vote required by this Section 6(a) is in addition to any other affirmative vote required by law, these Restated Articles of Incorporation, the By-Laws of the corporation or otherwise.

(b) Section 6(a) hereof shall not apply to a Business Combination if all of the conditions precedent specified in either Section 6(b)(1) or Section 6(b)(2) are met prior to the consummation of such Business Combination.

(1) The Business Combination shall have been duly approved by a majority of all of the Continuing Directors.

(2) All of conditions 6(b)(2)(i) through 6(b)(2)(v) shall have been met.

(i) The amount of (X) cash or (Y) non-cash consideration to be received per share by holders of Voting Stock (or each class of Voting Stock separately, if applicable) in such proposed Business Combination shall be at least equal to the highest amount determined under 6(b)(2)(i)(A), (B) and (C) below:

(A) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Shareholder for any share of such Voting Stock acquired by it (X) within the two-year period immediately prior to the first public announcement of the proposed Business Combination (the "Announcement Date") or (Y) in the transaction in which the Interested Shareholder became an Interested Shareholder, whichever is higher;

(B) the Fair Market Value per share of such Voting Stock on the Announcement Date or on the date on which the Interested Shareholder became an Interested Shareholder (such latter date is referred to in this Section 6 as the "Determination Date"), whichever is higher, multiplied by the greater of one (1.0) or the ratio of (X) the highest per share price (including any brokerage commissions, transfer taxes and soliciting dealers' fees) paid by the Interested Shareholder for any shares of such Voting Stock acquired by it within the two-year period immediately prior to the Announcement Date or in the transaction in which the Interested Shareholder became an Interested Shareholder, whichever is higher, to (Y) the Fair Market Value per share of such Voting Stock on the first date in such two-year period immediately prior to the Announcement Date on which the Interested Shareholder acquired any such Voting Stock, or, in the event the Interested Shareholder did not acquire any such Voting Stock within such two-year period, the Fair Market Value per share of such Voting Stock on the most recent date on which the Interested Shareholder acquired any such Voting Stock; and

(C) the primary earnings per share of the Common Stock for the four full consecutive fiscal quarters of the corporation immediately preceding the Announcement Date multiplied by the price/earnings ratio of the Interested Shareholder. For purposes of this Section 6(b)(2)(i)(C) the "price/earnings ratio" shall be the ratio of (X) the per share Fair Market Value of all outstanding common stock of the Interested Shareholder on the Announcement Date to (Y) the primary earnings per share attributable to such common stock for the four full consecutive quarters of the Interested Shareholder immediately preceding the Announcement Date. If more than one Person constitutes the Interested Shareholder, the price/earnings ratio of the Person having the highest price/earnings ratio shall be used for the computation required by this Section 6(b)(2)(i)(C). The Fair Market Value of non-cash consideration shall be determined as of the date of the consummation of the Business Combination.

(ii) The consideration to be received by holders of a particular class of outstanding Voting Stock pursuant to the proposed Business Combination shall be cash unless the Interested Shareholder acquired all Voting Stock beneficially owned by such Interested Shareholder for non-cash consideration. In such case, the consideration to be paid in the proposed Business Combination shall be in the same form previously paid by the Interested Shareholder for such Voting Stock.

(iii) After such Interested Shareholder has become an Interested Shareholder and prior to the consummation of such Business Combination:

(A) there shall have been no failure to declare and pay at the regular date therefor any dividends (whether or not cumulative) on any outstanding preferred stock of the corporation, except as approved by a majority of all of the Continuing Directors;

(B) there shall have been no reduction in the rate or frequency of dividends paid on any class of common stock of the corporation as compared to the practice of the corporation immediately preceding the Determination Date (except as necessary to reflect any subdivision of any class of such common stock or to the extent necessary to comply with the provisions of any applicable law) or except as approved by a majority of all of the Continuing Directors;

(C) there shall have been an increase in such rate of dividends as is necessary to reflect any reclassification (including any reverse stock split), recapitalization, reorganization or any similar transaction which has the effect of reducing the number of outstanding shares of any class of common stock of the corporation, unless the failure to increase such annual rate is approved by a majority of all of the Continuing Directors; and

(D) such Interested Shareholder shall not have become the beneficial owner of any additional shares of Voting Stock except to the extent necessary to fulfill contractual obligations incurred in the transaction which resulted in such Interested Shareholder becoming an Interested Shareholder so long as the terms of such transaction are not amended or modified subsequent to the Determination Date.

(iv) After the Determination Date, the Interested Shareholder shall not have received the benefit, directly or indirectly (except proportionately as a shareholder), of any loans, advances, guarantees, pledges or other financial assistance, or any tax credits or other tax advantages provided by the corporation, whether in anticipation of such Business Combination or otherwise.

(v) A proxy or information statement describing the proposed Business Combination containing the views of all of the Continuing Directors and any investment advisor selected by a majority of all of the Continuing Directors and complying with the requirements of the Securities Exchange Act of 1934 and the rules and regulations thereunder (or any subsequent provisions replacing such Act, rules or regulations) shall be mailed to shareholders of the corporation at least 30 days prior to the consummation of such Business Combination (whether or not such proxy or information statement is required to be mailed pursuant to such Act or subsequent provisions).

(3) Notwithstanding this Section 6(b), any Business Combination meeting the conditions precedent specified in Sections 6(b)(1) or 6(b)(2) shall, nevertheless, proceed only upon receiving any affirmative vote required by law, these Restated Articles of Incorporation, the By-Laws of the corporation, or otherwise.

(c) Definitions for the purposes of this Section 6:

(1) "*Affiliate.*" An "Affiliate" of, or a Person "affiliated" with, a specific Person, means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Person specified.

(2) "*Announcement Date.*" See Section 6(b)(2)(i)(A).

(3) "*Associate.*" The term "Associate" means:

(i) any corporation or organization (other than this corporation or a Subsidiary of this corporation) of which a Person is an officer or partner or is, directly or indirectly, the beneficial owner of ten percent (10%) or more of any class of equity securities; or

(ii) any trust or other estate in which a Person has a substantial beneficial interest or as to which a Person serves as trustee or in a similar fiduciary capacity; or

(iii) any relative or spouse of a Person, or any relative of such spouse, who has the same home as such Person; or

(iv) any investment company registered under the Investment Company Act of 1940 for which a Person or any Affiliate of such Person serves as investment advisor.

(4) "*Beneficial Owner.*" A Person shall be a "Beneficial Owner" of any Voting Stock:

(i) which a Person or any of its Affiliates or Associates directly or indirectly, pursuant to any agreement, arrangement or understanding, has or shares the power to vote or direct the voting of or to dispose of or direct the disposition of; or

(ii) which such Person or any of its Affiliates or Associates has the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise; or

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Voting Stock.

(5) "*Business Combination.*" Each of the following shall be deemed a "Business Combination":

(i) any merger or consolidation of the corporation or of any Subsidiary of the corporation with any Interested Shareholder or any Affiliate of an Interested Shareholder; or

(ii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of transactions) to or with any Interested Shareholder or any Affiliate or any Interested Shareholder of any assets of the corporation or any subsidiary of the corporation having an aggregate Fair Market Value of \$5,000,000 or more; or

(iii) any issuance or transfer by the corporation or any Subsidiary of the corporation (in one transaction or a series of transactions) of any securities of the corporation or any Subsidiary of the corporation to any Interested Shareholder or any Affiliate of any Interested Shareholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate Fair Market Value of \$5,000,000 or more; or

(iv) the adoption of any plan or proposal for the liquidation or dissolution of the corporation at any time during which there exists an Interested Shareholder; or

(v) any reclassification of securities (including any reverse stock split), or recapitalization of the corporation, or any merger or consolidation of the corporation with any of its Subsidiaries or any other transaction (whether or not with or into or otherwise involving an Interested Shareholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of Voting Stock which are beneficially owned by any Interested Shareholder or any Affiliate of any Interested Shareholder.

(6) "*Continuing Director.*" The term "Continuing Director" shall include any member of the Board of Directors of the corporation who was serving as a director of the corporation on May 9, 1984 and the Successors of any such member. For purposes of this Section 6(c)(6), a Successor shall mean any director of the corporation elected subsequent to May 9, 1984 whose nomination or election was approved by the affirmative vote of a majority of all of the Continuing Directors and previously qualified Successors serving at the time of such vote. If at any time the number of Continuing Directors shall be less than four (4) or one-third (1/3) of the number of Continuing Directors serving on the Determination Date, whichever is greater, it shall be deemed that no Continuing Directors exist; provided, however, this sentence shall not apply to Section 6(b)(2)(v).

(7) "*Determination Date.*" See Section 6(b)(2)(i)(B).

(8) "*Fair Market Value.*" "Fair Market Value" shall mean:

(i) in the case of equity or debt securities, the closing sale price on the date in question of such securities on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such securities are not quoted on the Composite Tape, on the New York Stock Exchange, or, if such securities are not listed on such exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which such securities are listed, or, if such securities are not listed on any such exchange, the highest closing bid quotation with respect to such securities on the date in question on the National Association of Securities Dealers, Inc. Automated Quotation System or any system then in use, or, if no such quotations are available, the fair market value on the date in question of such securities as determined by a majority of all of the Continuing Directors or if no Continuing Directors are then serving by a majority of all of the Board of Directors in good faith; and

(ii) in the case of property other than equity or debt securities, the fair market value of such property on the date in question as determined in good faith by a majority of all of the Continuing Directors or if no Continuing Directors are then serving by a majority of all of the Board of Directors in good faith.

(9) *“Interested Shareholder.”* An “Interested Shareholder” is any Person which is the Beneficial Owner of ten percent (10%) or more of any class of Voting Stock. The term “Interested Shareholder” shall never include the corporation or any Subsidiary of the corporation. The term “Interested Shareholder” shall also never include any fiduciary or trustee for the employees of the corporation or its Subsidiaries acting pursuant to any benefit plan or arrangement established by the corporation.

(10) *“Person.”* The term “Person” shall mean any individual, partnership, corporation, group or other entity. When two or more Persons act as a partnership, limited partnership, syndicate, association or other group for the purpose of acquiring, holding or disposing of shares of stock, such partnership, syndicate, association or group shall be deemed a “Person.”

(11) *“Subsidiary.”* The term “Subsidiary” shall mean any corporation or other entity of which the Person in question owns at least 50% of any class of equity securities, directly or indirectly.

(12) *“Voting Stock.”* “Voting Stock” shall mean the Common Stock and any other class of capital stock of the corporation which shall from time to time be outstanding which is entitled to vote generally in the election of directors.

(d) Nothing contained in this Section 6 shall be construed to relieve any Interested Shareholder from any fiduciary obligation imposed by law.

(e) Notwithstanding any other provisions of these Restated Articles of Incorporation or the By-Laws of the corporation (and notwithstanding the fact that a lesser percentage may be specified by law, these Restated Articles of Incorporation, or the By-Laws of the corporation), the affirmative vote of the holders of ninety-five percent (95%) or more of the shares of Voting Stock, voting together as a single class, shall be required to amend, repeal, or adopt any provisions inconsistent with, this Section 6; *provided, however*, that at any time there does not exist an Interested Shareholder, this Section 6 may be amended or repealed (or provisions may be adopted inconsistent with this Section 6) upon the affirmative vote of sixty percent (60%) or more of the outstanding shares of Voting Stock, voting together as a single class.

ARTICLE IV

This corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by law and all rights conferred on officers, directors and shareholders herein are granted subject to this reservation.

ARTICLE V

The property and business of the corporation shall be controlled and managed by a board of directors. The number of directors shall be fixed by, or in the manner provided in, the bylaws; provided, however, the number of directors shall be not less than three (3).

ARTICLE VI

The duration of the corporation is perpetual.

ARTICLE VII

The purposes for which this corporation is organized are as follows:

To design and manufacture products of every description fabricated from various grades of ferrous and non-ferrous metals and their alloys and to buy, sell and otherwise deal therein;

To manufacture, buy, sell, procure, distribute, market, exchange, import, export and in any other manner deal in or deal with (as principal, agent or otherwise) various spring, coil, wire, metal and other products of various grades of ferrous and non-ferrous metals and their alloys, as well as materials, parts, instruments, devices and other tools, parts, components and supplies;

To manufacture, purchase, or otherwise acquire, invest in, own, mortgage, pledge, lease, sell, assign and transfer or otherwise dispose of, trade, deal in and deal with goods, wares and merchandise and personal property of every class and description within or without the State of Missouri;

To acquire by purchase, lease or otherwise erect, maintain, operate, lease, mortgage and otherwise deal in and deal with real estate, buildings, warehouses, storehouses, manufacturing plants, factories, machine shops and any other structures and equipment necessary, useful or desirable for the conduct of the business of this corporation;

To acquire the goodwill, rights and property and to undertake the whole or any part of the assets and liabilities of any person, firm, association or corporation; to pay for the same in cash, the stock of this corporation, bonds, or otherwise; to hold or in any manner to dispose of the whole or any part of the property so purchased; to conduct in any lawful manner the whole or any part of any business so acquired and to exercise all the powers necessary or convenient in and about the conduct and management of such business;

To enter into partnership or into any arrangement for sharing of profits, union of interests, cooperation, joint adventure, reciprocal concession or otherwise, with any person or corporation carrying on or engaged in or about to carry on or engage in or any business or transaction which the corporation is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the corporation; and, without banking or discount privileges, to lend money to and/or guarantee the contracts of and payment of the principal of and interest on any notes, debentures, bonds or other evidences of indebtedness of any such person, corporation or entity, or otherwise assist any such person or corporation, and to take or otherwise acquire shares and securities of any such corporation, and to sell, hold, reissue, with or without guaranty, or otherwise deal with the same;

To purchase or otherwise acquire, apply for, register, hold, use, sell or in any manner dispose of and to grant licenses or other rights in and in any manner deal with patents, inventions, improvements, processes, formulas, trademarks, trade names, rights and licenses secured under letters patent, copyrights or otherwise;

To enter into, make and perform contracts of every kind for any lawful purpose with any person, firm, association or corporation, town, city, county, body politic, state, territory, government or colony or dependency thereof;

To borrow or raise moneys for any of the purposes of the corporation and, from time to time without limit as to amount, to draw, make, accept, endorse, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness, and to secure the payment of any thereof and of the interest thereon by mortgage upon or pledge, conveyance or assignment in trust of the whole or any part of the property of the corporation, whether at the time owned or thereafter acquired, and to sell, pledge or otherwise dispose of such bonds or other obligations of the corporation for its corporate purposes;

To purchase, hold, sell and transfer the shares of its own capital stock, provided it shall not use its funds or property for the purchase of its own shares of capital stock when such use would cause any impairment of its capital except as otherwise permitted by law, and provided further that shares of its own capital stock belonging to it shall not be voted upon directly or indirectly;

To render general and special services and advice and to do all things as may be necessary or convenient in carrying out any or all of the foregoing purposes;

The objects and purposes specified herein shall be regarded as independent objects and purposes and, except where otherwise expressed, shall be in no way limited nor restricted by reference to or inference from the terms of any other clause or paragraph of these Articles of Incorporation;

The foregoing shall be construed both as objects and powers, and the enumeration thereof shall not be held to limit or restrict in any manner the general powers conferred on this corporation by the laws of the State of Missouri.

ARTICLE VIII

1. *Right to Indemnification.* Each person who was or is a director or officer of the Corporation shall be indemnified by the Corporation as a matter of right to the fullest extent permitted or authorized by applicable law and as otherwise provided in this Article VIII. The term "applicable law" means (i) Section 351.355 of The Missouri General and Business Corporation Law (other than subsection 6 thereof and any other subsection comparable in purpose to subsection 6) as in effect on May 7, 1986 and as thereafter amended (but in the case of any such amendment, only to the extent such amendment permits the Corporation to provide broader indemnification rights than The Missouri General and Business Corporation Law permitted the Corporation to provide immediately prior to such amendment) and (ii) any other statutory indemnification provision adopted after May 7, 1986.

2. *Right to Advance of Expenses.* Expenses incurred by any person who was or is a director or officer of the Corporation in defending any threatened, pending or on-going action, suit or proceeding (whether civil, criminal, administrative or investigative, including those by or in the right of the Corporation) shall be promptly advanced by the Corporation when so requested by such person at any time and from time to time, but only if the requesting person delivers to the Corporation an undertaking to repay to the Corporation all amounts so advanced if it should ultimately be determined that the requesting person is not entitled to be indemnified by the Corporation under applicable law, this Article VIII, and any by-law of the Corporation, agreement, vote of shareholders or disinterested directors or otherwise.

3. *Rights not Exclusive.* The indemnification and other rights provided by this Article shall not be deemed exclusive of any other rights to which a director or officer may be entitled under any by-law, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in any other capacity while holding the office of director or officer, and the Corporation is hereby specifically authorized to provide such indemnification and other rights by any by-law, agreement, vote of shareholders or disinterested directors or otherwise.

4. *Insurance.* The Corporation may purchase and maintain insurance on behalf of any person who was or is a director, officer, employee or agent of the Corporation, or was or is serving at the request of the Corporation as a director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against or incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under this Article VIII, the Corporation's by-laws, agreement, vote of shareholders or disinterested directors or otherwise.

5. *Enforceability; Amendment.* Each person who was or is a director or officer of the Corporation and the heirs, executors, administrators and estate of such person, is a third party beneficiary of this Article VIII and shall be entitled to enforce against the Corporation all indemnification and other rights granted to such person by applicable law and as otherwise provided in this Article VIII.

This Article VIII may be hereafter amended or repealed; provided, however, that no amendment or repeal shall reduce, terminate or otherwise adversely affect the right of a person who was or is a director or officer to obtain indemnification or an advance of expenses with respect to an action, suit or proceeding that pertains to or arises out of actions or omissions that occur prior to the later of (a) the effective date of such amendment or repeal; (b) the expiration date of such person's then current term of office with, or service for, the Corporation (provided such person has a stated term of office or service and completes such term); or (c) the effective date such person resigns his office or terminates his service (provided such person has a stated term of office or service but resigns prior to the expiration of such term).

ARTICLE IX

1. In furtherance and not in limitation of the powers conferred by the laws of the State of Missouri, the Board of Directors is expressly authorized:

To make, alter, amend and repeal the By-Laws;

To set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and to alter or abolish any such reserve;

To authorize and cause to be executed mortgages and liens upon the property and franchises of this corporation;

To designate, by resolution passed by a majority of the whole Board, an executive committee, to consist of two or more directors, which committee, to the extent provided in such resolution or in the By-Laws of the corporation, shall have and may exercise any or all of the powers of the Board of Directors in the management of the business and affairs of this corporation and have power to authorize the seal of this corporation to be affixed to all papers which may require it;

Provided to the extent that any of the foregoing powers conflict with any applicable statute of the State of Missouri, now or hereafter in effect, such statute, to the extent of such conflict, shall be controlling.

To the extent permitted by the laws of the State of Missouri, this corporation may in its By-Laws confer powers additional to the foregoing upon the directors, in addition to the powers and authorities expressly conferred upon them by law.

2. (a) Notwithstanding any other provisions of these Restated Articles of Incorporation or the By-Laws of the Corporation (and notwithstanding the fact that a lesser percentage may be specified by law, these Restated Articles of Incorporation, or the By-Laws of the Corporation), no Protected By-Law shall be amended or repealed and no provision of the Corporation's By-Laws or these Restated Articles of Incorporation inconsistent with any Protected By-Law, shall be adopted at any time there exists a Substantial Shareholder without first obtaining the approval of either (1) 80% or more of the then outstanding Voting Stock voting together as a single class or (2) a majority of all of the Continuing Directors.

(b) Definitions for purposes of this Section 2.

(1) "Affiliate." Affiliate shall have the same meaning as set forth in Section 6(c)(1) of Article III of these Restated Articles of Incorporation.

(2) "Associate." Associate shall have the same meaning as set forth in Section 6(c)(3) of Article III of these Restated Articles of Incorporation.

(3) "Beneficial Owner." A Person shall be deemed the "Beneficial Owner" of and shall be deemed to "beneficially own" any Voting Stock:

(i) which such Person or any of such Person's Affiliates or Associates beneficially owns, directly or indirectly; *provided, however*, that a Person shall not be deemed to beneficially own any Voting Stock to the extent that the Person's beneficial ownership is attributable solely to the Person's shared authority to direct the disposition of Voting Stock beneficially owned by any mutual fund registered as an investment company under the Investment Company Act of 1940 in such Person's capacity as an investment advisor registered with the Securities and Exchange Commission;

(ii) which such Person or any of such Person's Affiliates or Associates has (A) the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding, or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; *provided, however*, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, Voting Stock tendered pursuant to a tender or exchange offer made by or on behalf of such Person or any of such Person's Affiliates or Associates until said tendered Voting Stock is accepted for purchase; or (B) the right to vote pursuant to any agreement, arrangement or understanding; *provided, however*, that a Person shall not be deemed the Beneficial Owner of, or to beneficially own, any Voting Stock if the agreement, arrangement or understanding to vote such security, (1) arises solely from a revocable proxy given to such Person in response to a public proxy or consent solicitation made

pursuant to, and in accordance with, the applicable rules and regulations of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and (2) is not also then reportable on Schedule 13D pursuant to Section 13(d) of the Exchange Act (or any comparable or successor report); or

(iii) which are beneficially owned, directly or indirectly, by any other Person with which such Person or any of such Person's Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any Voting Stock of the Corporation.

(4) "Continuing Director." The term "Continuing Director" shall include any member of the Board of Directors of the Corporation who was serving as a director of the Corporation at the close of business on May 7, 1986, and the Successors of any such member. For purposes of this Section 2(b)(4), a Successor shall mean any director of the Corporation elected subsequent to May 7, 1986 whose nomination or election was approved by the affirmative vote of a majority of all of the Continuing Directors and previously qualified Successors serving at the time of such vote. If at any time the number of Continuing Directors shall be less than four (4) or one-third (1/3) of the number of Continuing Directors serving on the Determination Date, whichever is greater, it shall be deemed that no Continuing Directors exist.

(5) "Determination Date." The day on which a Substantial Shareholder first becomes a Substantial Shareholder.

(6) "Person." Person shall have the same meaning as set forth in Section 6(c)(10) of Article III of these Restated Articles of Incorporation.

(7) "Protected By-Law." A "Protected By-Law" shall be any By-Law of the Corporation designated as such by resolution duly adopted by the Corporation's directors.

(8) "Subsidiary." Subsidiary shall have the same meaning as set forth in Section 6(c)(11) of Article III of these Restated Articles of Incorporation.

(9) "Substantial Shareholder." A Substantial Shareholder is any Person which is the Beneficial Owner of twenty percent (20%) or more of any class of Voting Stock. The term Substantial Shareholder shall never include the Corporation or any subsidiary of the Corporation, any fiduciary or trustee for the employees of the Corporation or its subsidiaries acting pursuant to any benefit plan or arrangement established by the Corporation or any subsidiary of the Corporation, or any such plan.

(10) "Voting Stock." Voting Stock shall have the same meaning as set forth in Section 6(c)(12) of Article III of these Restated Articles of Incorporation.

(c) Notwithstanding any other provisions of these Restated Articles of Incorporation or the By-Laws of the Corporation (and notwithstanding the fact that a lesser percentage may be specified by law, these Restated Articles of Incorporation, or the By-Laws of the Corporation), the affirmative vote of eighty percent (80%) or more of the shares of Voting Stock voting together as a single class, shall be required to amend, repeal, or adopt any provisions inconsistent with, this Section 2; *provided, however*, that at any time there does not exist a Substantial Shareholder, this Section 2 may be amended or repealed (or provisions may be adopted inconsistent with this Section 2) upon the affirmative vote of sixty percent (60%) or more of the outstanding shares of Voting Stock, voting together as a single class.

ARTICLE X

No contract or other transaction between the corporation and any other corporation and no other act of the corporation shall, in the absence of fraud, be invalidated or in any way affected by the fact that any of the directors of the corporation are pecuniarily or otherwise interested in such contract, transaction or other act, or are directors or officers of such other corporation. The foregoing provision shall not be construed so as to relieve any director of this corporation of any liability unless his interest in such contract, transaction or other act shall have been disclosed or shall have been known to the Board of Directors. Any director of the corporation, individually, or any firm or association of which any such director may be a member, may be a party to, or may be pecuniarily or otherwise interested in, any contract or transaction of the corporation, provided that the fact that he individually or such firm or association is so interested shall be disclosed or shall have been known to the Board of Directors; and any director of the corporation who is a director or officer of such other corporation or who is so interested may be counted in determining the existence of a quorum at any meeting of the Board of Directors which shall authorize any such contract or transaction, and may vote thereat to authorize any such contract or transaction with like force and effect as if he were not such director or officer of such other corporation or not so interested, every director of the corporation being hereby relieved from any disability which might otherwise prevent him from carrying out transactions with or contracting with the corporation for the benefit of himself or any firm, corporation, association, trust or organization in which or with which he may be in anywise interested or connected.

ARTICLE XI

The registered office of this corporation is 18th Road, Carthage, Missouri; and the name and address of the present registered agent of this corporation is R.A. Jefferies, Jr., 18th Road, Carthage, Missouri 64836.

ARTICLE XII

The names and places of residence of the incorporators of this corporation are as follows:

<u>Name</u>	<u>Place of Residence</u>
William McMillan	Carthage, Missouri
Wm. K. Caffee	Carthage, Missouri
J.P. Newell	Carthage, Missouri
Kate M. Johns	Carthage, Missouri
W.E. Hall	Carthage, Missouri
R.E. Lister	Carthage, Missouri
W.W. Bailey	Carthage, Missouri
Robert Ornduff	Carthage, Missouri
J.P. Leggett	Carthage, Missouri
G.D. Leggett	Carthage, Missouri
C.B. Platt	Carthage, Missouri
M. B. Parke	Carthage, Missouri
E. O'Keefe	Carthage, Missouri
M.J. McClurg	Carthage, Missouri
Wm. E. Brinkerhoff	Carthage, Missouri
B.A. Mevey	Carthage, Missouri

AMENDMENT OF RESTATED ARTICLES OF INCORPORATION

OF

LEGGETT & PLATT, INCORPORATED

**TO: Honorable Judith Moriarty
Secretary of State
State of Missouri
Jefferson City, MO 65101**

Pursuant to the provisions of the General and Business Corporation Law of Missouri, the undersigned Corporation certifies the following:

I.

The name of the corporation is Leggett & Platt, Incorporated. The name under which it was originally organized was Leggett & Platt Spring Bed and Manufacturing Company.

II.

One amendment to the Corporation's Restated Articles of Incorporation, as amended, was adopted by the Corporation's shareholders on May 12, 1993.

III.

The amendment is as follows:

The introductory paragraph of Article III is amended to read in its entirety as follows:

“The aggregate number of shares which the corporation shall have the authority to issue is Three Hundred Million (300,000,000) shares of Common Stock of One Cent (\$.01) par value and One Hundred Million (100,000,000) shares of Preferred Stock without par value.”

IV.

The only class of the Corporation's securities entitled to vote on this amendment was the Corporation's Common Stock, \$1.00 par value. Of the 38,254,181 shares of Common Stock, \$1.00 par value, issued and outstanding, 38,254,181 shares were entitled to vote on the amendment. No outstanding shares of any class of securities were entitled to vote as a class on the amendment.

The number of shares of Common Stock, \$1.00 par value, voted for and against the amendment was as follows:

<u>No. of Shares Voted For</u>	<u>No. of Shares Voted Against</u>	<u>No. of Shares Abstained</u>
24,367,853	5,975,126	238,454

IN WITNESS WHEREOF, the undersigned, Thomas D. Sherman, Vice President of Leggett & Platt, Incorporated, has executed this instrument and John A. Lyckman, Assistant Secretary of Leggett & Platt, Incorporated, has affixed its corporate seal hereto and attested said seal on the 12th day of May, 1993.

(CORPORATE SEAL)

LEGGETT & PLATT, INCORPORATED

ATTEST:

/s/ John A. Lyckman

/s/ Thomas D. Sherman

John A. Lyckman
Assistant Secretary

Thomas D. Sherman
Vice President

STATE OF MISSOURI)
)ss.
COUNTY OF NEWTON)

I, Cindy A. Adams, a notary public, do hereby certify that on this 12th day of May, 1993, personally appeared before me Thomas D. Sherman, who being by me first duly sworn, declared that he is the Vice President of Leggett & Platt, Incorporated, that he signed the foregoing document as Vice President of the Corporation, and that the statements therein contained are true.

/s/ Cindy A. Adams

Cindy A. Adams, Notary Public

My Commission Expires: June 13, 1993

AMENDMENT OF RESTATED ARTICLES OF INCORPORATION

OF

LEGGETT & PLATT, INCORPORATED

TO: Honorable Rebecca McDowell Cook
Secretary of State
State of Missouri
Corporation Division
PO Box 778
Jefferson City, MO 65102

Pursuant to the provisions of The General and Business Corporation Law of Missouri, the undersigned Corporation certifies the following:

I.

The present name of the Corporation is Leggett & Platt, Incorporated. The name under which it was originally organized was Leggett & Platt Spring Bed and Manufacturing Company.

II.

An amendment to the Corporation's Restated Articles of Incorporation was adopted by the shareholders on May 12, 1999.

III.

The amendment is as follows:

The introductory paragraph of Article III is amended to read in its entirety as follows:

"The aggregate number of shares which the corporation shall have the authority to issue is Six Hundred Million (600,000,000) shares of Common Stock of One Cent (\$.01) par value and One Hundred Million (100,000,000) shares of Preferred Stock without par value."

IV.

The only class of the Corporation's securities entitled to vote on this amendment was the Corporation's Common Stock, \$.01 par value. Of the 197,803,977 shares of Common Stock, \$.01 par value, issued and outstanding, 173,772,729 shares were entitled to vote on the amendment. No outstanding shares of any class of securities were entitled to vote as a class on the amendment.

The number of shares of Common Stock, \$.01 par value, voted for and against the amendment was as follows:

<u>No. of Shares Voted For</u>	<u>No. of Shares Voted Against</u>	<u>No. of Shares Abstained</u>
145,869,529	27,449,683	453,517

IN WITNESS WHEREOF, the undersigned, Ernest C. Jett, Vice President of Leggett & Platt, Incorporated, has executed this instruments and Shonna L. Koch, Assistant Secretary of Leggett & Platt, Incorporated, has affixed its corporate seal hereto and attested said seal on the 20th day of May, 1999.

(CORPORATE SEAL)

LEGGETT & PLATT, INCORPORATED

ATTEST:

/s/ Shonna L. Koch

/s/ Ernest C. Jett

Shonna L. Koch, Assistant Secretary

Ernest C. Jett, Vice President

State of MISSOURI)
)ss.
County of JASPER)

I, Valerie L. Day, a Notary Public, do hereby certify that on this 20th day of May, 1999, personally appeared before me Ernest C. Jett who, being by me first duly sworn, declared that he is the Vice President of Leggett & Platt, Incorporated, that he signed the foregoing documents as Vice President of the Corporation, and that the statements therein contained are true.

(Notarial Seal)

/s/ Valerie L. Day

Notary Public

My Commission Expires: 6/27/2000

BY-LAWS
OF
LEGGETT & PLATT, INCORPORATED
as amended through February 11, 2004

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LEGGETT & PLATT, INCORPORATED**

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PROTECTED BY-LAWS

The following bylaws have been designated by the Company's Board of Directors as Protected Bylaws in accordance with Article IX, Section 2 of the Company's Restated Articles of Incorporation:

ARTICLE 1

- Section 1.1 – Annual Meeting
- Section 1.2 – Proper Business at Annual Meetings
- Section 1.3 – Special Meetings
- Section 1.4 – Quorum
- Section 1.6 – No Cumulative Voting
- Section 1.7 – Procedure

ARTICLE 2

- Section 2.1 – Number, Election & Removal of Directors
- Section 2.2 – Advance Notice of Nominations
- Section 2.3 – Qualification
- Section 2.4 – Regular and Special Directors' Meetings
- Section 2.5 – Committees

ARTICLE 5

- All Sections

ARTICLE 6

- Section 6.6 – Amendments

BY-LAWS
OF
LEGGETT & PLATT, INCORPORATED

ARTICLE 1.

MEETINGS OF SHAREHOLDERS

Section 1.1 Annual Meeting—Date, Place and Time. The annual meeting of the shareholders for the election of Directors and for the transaction of such other business as may properly come before the meeting shall be held on such date as the Board of Directors shall fix each year. The date of such meeting shall not be earlier than April 1 and not later than September 30 in each year. Each such annual meeting shall be held at such place, within or without the State of Missouri, and hour as shall be determined by the Board of Directors.

Section 1.2 Proper Business at Annual Meetings. (a) At an annual meeting of the shareholders, only such business shall be conducted as has been properly brought before the meeting. To be properly brought before an annual meeting, business must be (i) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (ii) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (iii) otherwise properly brought before the meeting by a shareholder who was a shareholder of record both at the time of giving of notice provided for in Section 1.2(b) and at the time of the meeting, who is entitled to vote at the meeting and who has complied with the notice and other requirements of this Section 1.2

(b) For such business to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice of the business in writing to the Secretary and such business must be a proper subject for action by the Corporation's shareholders. To be timely, a shareholder's notice must be received by the Secretary at the principal executive offices of the Corporation not less than 100 days nor more than 150 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that if (i) no annual meeting was held in the previous year or (ii) the date of the annual meeting is advanced or delayed by more than 30 days from such anniversary date, notice by the shareholder must be received not later than the later of the 100th day prior to such annual meeting or the tenth day following the public announcement of such meeting. Such shareholder's notice shall set forth:

(i) a brief description of the business proposed to be brought before the meeting, the text of the proposal or business (including any proposed resolutions), the reasons for proposing to conduct such business at the meeting and any material interest of such shareholder (and of the beneficial owner, if any, on whose behalf the proposal is made) in such business; and

(ii) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is made, (a) the name and address of such shareholder and beneficial owner, as they appear on the Corporation's books, (b) the class and number of shares of stock of the Corporation which are owned beneficially and of record by such shareholder and beneficial owner, (c) a representation that the shareholder intends to appear in person or by proxy at the meeting to propose such business, (d) any other information that is required to be provided by the shareholder or beneficial owner pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), in such person's capacity as a proponent of a shareholder proposal, and (e) a representation as to whether the shareholder or the beneficial owner, if any, intends or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock

required to approve or adopt the proposal or (ii) otherwise solicit proxies from shareholders in support of such proposal.

(c) Only such business shall be conducted at a meeting of shareholders as has been brought before the meeting in accordance with this Section 1.2. The presiding officer of the meeting shall determine whether any proposal to bring business before the meeting was made in accordance with this Section 1.2 and is a proper subject for shareholder action under applicable law and, if any proposed business is not in compliance with this Section 1.2 or not a proper subject for shareholder action, to declare that such defective proposal be disregarded. The presiding officer of a meeting shall have sole authority to decide questions of compliance with the foregoing procedures, and his ruling shall be final.

(d) Notwithstanding anything to the contrary in this Section 1.2, (i) if the shareholder (or a qualified representative of the shareholder) does not appear at the applicable meeting of shareholders to propose such business, such business shall not be transacted, and (ii) a shareholder shall also comply with state law and the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 1.2. Nothing in this Section 1.2 shall be deemed to affect any rights of shareholders to request inclusion of proposals in, or the Corporation's right to omit proposals from, the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or any successor provision. The provisions of this Section 1.2 shall also govern what constitutes timely notice for purposes of Rule 14a-4(c) under the Exchange Act.

Section 1.3 Special Meetings. Except as otherwise required by law, special meetings of the shareholders may be called only by the Chairman of the Board, the President or the Board of Directors. Business transacted at any special meeting shall be confined to the purposes stated in the notice thereof.

Section 1.4 Quorum. Except as otherwise required by law, the Restated Articles of Incorporation or these By-Laws, the holders of a majority of the shares entitled to vote at any meeting of the shareholders, present in person or by proxy, shall constitute a quorum and the act of the majority of such quorum shall be deemed the act of the shareholders.

If a quorum shall fail to attend any meeting, the presiding officer of the meeting may adjourn the meeting to another place, date or time not longer than ninety days after such adjournment.

At such adjourned meeting as which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 1.5 Qualification of Voters. The Board of Directors, in accordance with applicable law, may fix a record day prior to the day of holding any meeting of the shareholders as the time as of which the shareholders entitled to notice of and to vote at such meeting shall be determined. Only those persons who are holders of record of voting stock on any record date fixed by the Board of Directors shall be entitled to notice of, to attend and to vote at such meeting.

Section 1.6 No Cumulative Voting. Shareholders do not have the right to cumulate their votes in any manner in connection with the election of Directors.

Section 1.7 Procedure. The Chairman of the Board, or in his absence the President or in his absence the Secretary of the Corporation, shall preside at an annual or special meeting of the shareholders. In the absence of all of the above named officers, the Board of Directors shall select the person to preside at any meeting of the shareholders. It shall be the duty of such presiding officer to preserve order and insure that the meeting is conducted in a businesslike and proper manner. The presiding officer shall have all sole, complete and absolute authority necessary to fully carry out his duties, including, without limitation, the power to postpone or adjourn the meeting from time to time if in his discretion such action is necessary or advisable to insure order, seek and receive advice of counsel,

insure fair and complete voting or otherwise. The ruling of the presiding officer on any matter shall be final and conclusive. The presiding officer shall establish the order of business and such rules and procedures for the conduct of the meeting as in his sole, absolute and complete discretion he determines appropriate under the circumstances.

Section 1.8 Certification of Votes. If the object of a shareholders' meeting be to elect Directors or to take a vote of the shareholders on any proposition, then the Chairman of the Board or, in his absence, the President or other person presiding at such meeting shall appoint not less than two persons, who are not Directors, inspectors to receive and canvass the votes given at such meeting and certify the result to him.

Section 1.9 Transmittal of Notices. Except as provided otherwise in the By-Laws, notices to Shareholders shall be in writing and may be delivered in any reasonable manner including, but not limited to, U.S. mail, private courier, facsimile transmission, telex, telegram and hand delivery.

Notice by U.S. mail or private courier shall be deemed given when deposited with the postal service or courier. Notice by facsimile, telex or telegram shall be deemed given when transmitted.

ARTICLE 2.

DIRECTORS

Section 2.1 Number, Election & Removal. The whole Board of Directors shall consist of not less than three nor more than fifteen members, the exact number to be set from time to time by the Board of Directors. No decrease in the number of Directors shall shorten the term of any incumbent Director. In absence of the Board of Directors setting the number of directors, the number shall be eleven. The Directors shall be elected at the annual meeting of the shareholders, except as provided in Section 2.3 hereof, and each Director elected shall hold office until his successor is elected and qualified. Any Director or Directors may be removed only for cause and then only by the holders of a majority of the shares entitled to vote at an election of Directors, represented in person or by proxy, at any duly constituted meeting of the shareholders called for the purpose of removing any such Director or Directors.

Section 2.2 Advance Notice of Nominations. (a) Nominations of individuals for election to the Board of Directors may be made at an annual meeting of shareholders (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors, or (iii) by any shareholder of the Corporation who was a shareholder of record both at the time of giving of notice provided for in this Section 2.2(a) and at the time of the meeting, who is entitled to vote at the meeting and who has complied with the notice and other requirements of this Section 2.2(a).

For nominations to be properly brought before an annual meeting by a shareholder, the shareholder must have given timely notice of the nomination in writing to the Secretary. To be timely, a shareholder's notice must be received by the Secretary at the principal executive offices of the Corporation not less than 100 days nor more than 150 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that if (i) no annual meeting was held in the previous year or (ii) the date of the annual meeting is advanced or delayed by more than 30 days from such anniversary date, notice by the shareholder must be received not later than the later of the 100th day prior to such annual meeting or the tenth day following the public announcement of such meeting. Such shareholder's notice shall set forth:

(i) as to each person whom the shareholder proposes to nominate for election as a Director (a) the name, age, business and residential addresses, and principal occupation or employment of each proposed nominee, (b) the class and number of shares of capital stock of the Corporation that are beneficially owned by such nominee on the date of such notice, (c) a description of all arrangements or understandings between the shareholder and each nominee and the name of any other person or persons pursuant to which the nomination is to be made by the shareholder, (d) all other information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors, or is otherwise required pursuant to Regulation 14A under the Exchange Act, and (e) the written consent of each proposed nominee to being named as a nominee in the proxy statement and to serve as a Director of the Corporation if so elected; and

(ii) as to the shareholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is made, (a) the name and address of such shareholder and beneficial owner, as they appear on the Corporation's books, (b) the class and number of shares of stock of the Corporation which are owned beneficially and of record by such shareholder and beneficial owner, (c) a representation that the shareholder intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice, (d) any other information that is required to be provided by the shareholder or beneficial owner pursuant to Regulation 14A under the Exchange Act in such person's capacity as a proponent of a shareholder proposal, and (e) a representation as to whether the shareholder or the beneficial owner, if any, intends or is part of a group which intends (i) to deliver a proxy statement and/or form of proxy to holders of at

least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal, or (ii) otherwise solicit proxies from shareholders in support of such proposal.

The Corporation may require any proposed nominee to furnish any information, in addition to that required above, it may reasonably require to determine the eligibility of the proposed nominee to serve as a Director of the Corporation.

(b) Nominations of persons for election to the Board of Directors may be made at a special meeting of shareholders at which Directors are to be elected (i) pursuant to the Corporation's notice of meeting, (ii) by or at the direction of the Board of Directors, or (iii) provided that the Board of Directors has determined that Directors shall be elected at such special meeting, by any shareholder of the Corporation who is a shareholder of record both at the time of giving of notice provided for in this Section 2.2(b) and at the time of the meeting, who is entitled to vote at the meeting and who has complied with the notice and other requirements set forth in this Section 2.2(b).

For nominations to be properly brought before a special meeting by a shareholder, the shareholder must have given timely notice of the nomination in writing to the Secretary. To be timely, a shareholder's notice must be received by the Secretary at the principal executive offices of the Corporation not later than the later of the 100th day prior to such special meeting or the tenth day following the public announcement of such special meeting. Such notice must contain the same information as would be required for an annual meeting under Section 2.2(a). No other proposals of business by a shareholder, other than the nomination of persons for election to the Board requested by a shareholder, may be considered at a special meeting of the shareholders.

(c) Only such persons who are nominated in accordance with the procedures set forth in this Section 2.2 shall be eligible to serve as Directors. The presiding officer of the meeting shall determine whether a nomination was made in accordance with this Section 2.2 and, if any proposed nomination is not in compliance with this Section 2.2, to declare that such defective nomination be disregarded. The presiding officer of the meeting shall have sole authority to decide questions of compliance with the foregoing procedures, and his ruling shall be final and conclusive.

(d) Notwithstanding anything to the contrary in this Section 2.2, (i) if the shareholder (or a qualified representative of the shareholder) does not appear at the applicable meeting of shareholders of the Corporation to present such nomination, such nomination shall be disregarded, and (ii) a shareholder shall also comply with state law and the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in this Section 2.2.

Section 2.3 Qualification. Each Director upon reaching his seventieth birthday shall not thereafter stand for election to the Board of Directors at any meeting of shareholders. The application of this paragraph may be waived by the Board of Directors upon special request by the Chairman of the Board or the President.

No person shall be qualified to be elected and to hold office as a Director if such person is determined by a majority of the whole Board to have acted in a manner contrary to the best interests of the Corporation, including, but not limited to, violation of either State or Federal law, maintenance of interests not properly authorized and in conflict with the interests of the Corporation, or breach of any agreement between such Director and the Corporation relating to such Director's services as a Director, employee or agent of the Corporation.

Section 2.4 Regular and Special Directors' Meetings. Regular meetings of the Board of Directors may be held at such time and at such place as shall from time to time be determined by the Board. Special meetings of the Board of Directors may be called by the Chairman of the Board of Directors or the President, and shall be called by the Secretary on the written request of two or more Directors.

No notice of regular meetings of the Board of Directors need be given.

At least three days prior notice of any special meeting of the Board of Directors shall be given to each Director.

Notwithstanding the provisions of the immediately preceding paragraph of the section, the Chairman of the Board, the President, or the Secretary on the written request of two or more Directors may call a special meeting of the Board of Directors upon notice by telephone, telex, telegram, facsimile transmission or other means not later than the day preceding the date of the meeting.

Section 2.5 Committees. The Directors at any time may elect from their number an executive committee, audit committee, compensation committee and other committees, each of which shall consist of not less than two Directors. Each such committee shall have such powers and duties as shall be delegated to it by the Board of Directors. Each member of such committee shall hold office at the pleasure of the Directors and may be removed by the Directors at any time with or without cause. Vacancies occurring in any committee may be filled by the Directors. During any vacancy on a committee, the remaining members shall have full power to act as the committee. Each committee may prescribe its own rules for calling and holding meetings and its method of procedure, subject, however, to any rules prescribed by the Directors, and, if no such rules shall have been prescribed, the rules applicable to calling and holding of Directors' meeting shall apply to the committee meetings. A quorum for any meeting of a committee shall consist of not less than a majority of the members in office at the time and at each meeting of the committee at which a quorum is present, all questions and business shall be determined by the affirmative vote of not less than a majority of the members present. Except as the executive committee's powers and duties may be limited or otherwise prescribed by the Directors, the executive committee, during the intervals between the meetings of the Directors, shall possess and may exercise all of the powers of the Directors in the management and control of the business and property of the Corporation; including but not limited to the power and authority to authorize the issuance or sale of the stock of the Corporation.

The foregoing notwithstanding, no committee shall be empowered to elect Directors to fill vacancies among the Directors or on any committee of the Directors. Subject to said exceptions, persons dealing with the Corporation shall be entitled to rely upon any action of a committee with the same force and effect as though such action had been taken by the Directors. Subject to the rights of third persons, any action of a committee shall be subject to revision or alteration by the Directors.

Section 2.6 Compensation of Directors. Directors and members of any committee of the Board of Directors shall be entitled to such reasonable compensation and fees for their services as such as shall be fixed from time to time by resolution of the Board of Directors and shall also be entitled to reimbursement for any reasonable expenses incurred in attending meetings of the Board of Directors and any Committee thereof; provided, that nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 2.7 Honorary Directors. In addition to the Directors of the Corporation, there may be as many Honorary or Advisory Directors and Directors Emeritus as the Board of Directors may appoint. Honorary or Advisory Directors and Directors Emeritus shall have no liability after they become such for the actions of the Board of Directors and shall not be required to attend any meeting of the Board of Directors, but shall be notified of all meetings of the Board of Directors in the same manner as the Directors, and if in attendance at such meetings, shall have all the rights and privileges of Directors, except the right to vote on matters before such meetings.

ARTICLE 3.

OFFICERS

Section 3.1 Officers. The principal executive officers of the Corporation shall be the Chairman of the Board, the President, one or more Vice Presidents (who may also be called executive vice president, senior executive vice president, group vice president, division vice president or the like), a Secretary and a Treasurer, all of which shall be elected by the Board of Directors. The Board may elect, or the Chairman of the Board may appoint, such other officers (including vice presidents and assistant or associate officers), as may be deemed necessary or appropriate from time to time. Such officers may include, but shall not be limited to, a chief financial officer, a general counsel, controller and director of internal audit. Any two or more offices may be held by the same person.

The officers of the Corporation shall have such authority and shall perform such duties as are customarily incident to their respective offices or as shall be specified from time to time by the Board of Directors or the Chairman of the Board, regardless of whether such authority and duties are customarily incident to such office.

Section 3.2 Removal. Any officer may be removed by the Board of Directors or the Chairman of the Board at any time, with or without cause, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer shall not of itself create contract rights.

ARTICLE 4.

CERTIFICATES FOR SHARES

Section 4.1 Issuance of Certificates. The Corporation shall deliver certificates representing all shares to which shareholders are entitled. Such certificates shall be signed by the Chairman of the Board or the President, and the Secretary or an Assistant Secretary of the Corporation, and may be sealed with the seal of the Corporation or a facsimile thereof. Each certificate representing shares shall state upon the face thereof that the Corporation is organized under the laws of the State of Missouri, the name of the person to whom issued, the number and class and the designation of the series, if any, which such certificate represents, and the par value of each share represented by such certificate or a statement that the shares are without par value.

Section 4.2 Lost or Destroyed Certificate. The Corporation, acting through any of its duly authorized officers or other duly authorized employees, may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Corporation alleged to have been lost or destroyed, upon the filing of an affidavit of that fact by the person claiming the certificate to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Corporation may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or the owner's legal representative, to advertise the same in such manner as the Corporation shall require and/or to give the Corporation a bond in such sum as the Corporation may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

Section 4.3 Certificate Cancellation. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, to cancel the old certificate, and to record the transaction upon its books.

Section 4.4 Registered Owner. The Corporation shall be entitled to recognize the exclusive rights of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of the State of Missouri.

INDEMNIFICATION

Section 5.1 Right of Directors and Officers to Indemnification. Each person who was or is a Director or officer of the Corporation shall be indemnified by the Corporation as a matter of right to the fullest extent permitted or authorized by applicable law and as otherwise provided in Article VIII of the Corporation's Articles of Incorporation.

The indemnification described in the preceding paragraph of this Article 5 shall pertain to all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person who was or is a party to or who was or is involved in any proceeding by reason of acts or omissions:

- (a) in such person's capacity as or arising out of such person's status as (i) a Director or officer of the Corporation; or (ii) a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise when so serving at the request of the Corporation; or
- (b) in any other capacity while holding the office of either Director or officer of the Corporation.

Section 5.2 Indemnification of Employees, Agents, Etc. Each person who was or is an employee or agent of the Corporation, or who was or is serving at the request of the Corporation as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise (including the heirs, executors, administrators or estate of each such person) may, at the discretion of the Board of Directors, be indemnified by the Corporation to the same extent as provided herein with respect to any person who was or is a Director or officer of the Corporation.

Section 5.3 Right of Directors and Officers to Advance of Expenses. Expenses (including attorneys' fees) incurred by any person who was or is a Director or officer of the Corporation in defending any proceeding (including those by or in the right of the Corporation) shall be promptly advanced by the Corporation when so requested by such person at any time and from time to time, but only if the requesting person delivers to the Corporation an undertaking to repay to the Corporation all amounts so advanced if it should ultimately be determined that the requesting person is not entitled to be indemnified by the Corporation under the "indemnification sources" as defined below, agreement, vote of shareholders or disinterested Directors or otherwise.

Section 5.4 Right of Claimant to Bring Suit. If a claim for indemnification under Section 5.1 or 5.3, respectively, is not paid in full by the Corporation within 90 or 15 days, respectively, after a written claim has been received by the Corporation, the claimant may bring suit against the Corporation to recover the unpaid amount of the claim. If the claimant is successful in whole or in part in such suit, the claimant shall also be paid the expense of prosecuting such claim.

It shall be a defense to any suit seeking indemnification under Section 5.1 of these By-Laws that the claimant has not met the standards of conduct which make it permissible (under indemnification sources, agreement, vote of shareholders or disinterested Directors or otherwise) for the Corporation to indemnify the claimant. The failure of the Corporation (through its Directors, independent legal counsel or shareholders) to make a determination before the commencement of such suit that indemnification of the claimant is proper under the circumstances (because the claimant has met the applicable standard of conduct) shall not be a defense to the claimant's action or create a presumption that the claimant has not met the applicable standard of conduct. Similarly, an actual determination by the Corporation that the claimant has not met such applicable standard of conduct, shall not be a defense to the claimant's action

nor create a presumption that the claimant has not met the applicable standard of conduct.

Section 5.5 Definitions. In this Article the following terms have the following meanings:

(a) The term “applicable law” means (i) Section 351.355 of The Missouri General and Business Corporation Law (other than Subsection 6 thereof and any other Subsection comparable in purpose to Subsection 6) as in effect on May 7, 1986 and as thereafter amended (but in the case of any such amendment, only to the extent such amendment permits the Corporation to provide broader indemnification rights than The Missouri General and Business Corporation Law permitted the Corporation to provide immediately prior to such amendment) and (ii) any other statutory indemnification provisions adopted after May 7, 1986.

(b) The term “Directors” or “officers” of the Corporation shall include the heirs, executors, administrators and estate of each such person who was a Director or officer, which heirs, executors, administrators and estate shall succeed to all of the indemnification and other rights of such Director or officer.

(c) The term “proceedings” shall mean any threatened, pending or completed action, suit or other proceeding (including those by or in the right of the Corporation) whether civil, criminal, administrative or investigative.

(d) The term “fines” shall include any excise taxes assessed on a person with respect to any employee benefit plan.

(e) The term “indemnification sources” shall refer jointly and severally to applicable law as defined above, this Article 5 and Article VIII of the Corporation’s Restated Articles of Incorporation.

(f) The term “other enterprise” shall include employee benefit plans.

(g) The term “serving at the request of the Corporation” shall include any service as a Director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such Director, officer, employee or agent with respect to any employee benefit plan, its participants or beneficiaries.

Section 5.6 Rights Not Exclusive. The indemnification and other rights provided by this Article and the other indemnification sources shall not be deemed exclusive of any other rights to which a Director or officer may be entitled under any agreement, vote of shareholders or disinterested Directors or otherwise, both as to action in such person’s official capacity and as to action in any other capacity while holding the office of Director or officer, and the Corporation may, at its discretion, provide such indemnification and other rights by any agreements, vote of shareholders or disinterested Directors or otherwise.

Section 5.7 Insurance. The Corporation may purchase and maintain insurance on behalf of any person who was or is a Director, officer, employee or agent of the Corporation, or was or is serving at the request of the Corporation as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against or incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under these By-Laws, other indemnification sources, agreement, vote of shareholders or disinterested Directors or otherwise.

Section 5.8 Enforceability; Amendment. Each person who was or is a Director or officer of the Corporation is a third party beneficiary of this Article 5 and shall be entitled to enforce against the

Corporation all indemnification and other rights provided or contemplated by this Article 5.

This Article 5 may be hereafter amended or repealed; provided, however, no such amendment or repeal shall reduce, terminate or otherwise adversely affect the right of any person who was or is a Director or officer (i) to obtain indemnification or an advance of expenses with respect to a proceeding that pertains to or arises out of actions or omissions that occurred prior to the "Deadline Indemnification Date" as defined in the next paragraph of this Section, or (ii) to bring suit with respect to the foregoing under this Section 5.4 hereof.

The term "Deadline Indemnification Date" means the later of (a) the effective date of any amendment or repeal of this Article 5 which reduces, terminates or otherwise adversely affects the rights hereunder of any person who was or is a Director or officer; (b) the expiration date of such person's then current term of office with, or service for, the Corporation (provided such person has a stated term of office or service and completes such term); or (c) the effective date such person resigns his office or terminates his service (provided such person has a stated term of office or service but resigns prior to the expiration of such term).

ARTICLE 6.

GENERAL PROVISIONS

Section 6.1 Dividends. The Board of Directors may declare and the Corporation may pay dividends on its outstanding shares in cash, property, or its own shares pursuant to law and subject to the provisions of its Restated Articles of Incorporation.

Section 6.2 Reserves. The Board of Directors may by resolution create a reserve or reserves out of earned surplus for any purpose or purposes, and may abolish any such reserve in the same manner.

Section 6.3 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors. In the absence of such resolution, the fiscal year of the Corporation shall be the calendar year.

Section 6.4 Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation and may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

Section 6.5 Examination of Books. Any shareholder of record desiring to examine the books and records of the Corporation may do so during regular business hours at the office of the Corporation where such books and records are normally kept. No such shareholder, however, may remove any such books and records from such premises, and no such shareholder shall make alterations to such books or records, and in each instance of examination by such shareholder of such books or records, an officer or employee designated by an officer of the Corporation shall be present at all times during such examination, and the regular wage or salary of such officer or employee for the period of time spent in such examination shall be paid to the Corporation by such shareholder or shareholders making such examination. Notwithstanding any provision hereinabove to the contrary, no shareholder shall have the right to examine the books or the records of the Corporation if any officer of the Corporation determines, in his or her discretion, that such examination may be to the detriment or competitive disadvantage of the Corporation or if the purpose of such examination is improper.

Section 6.6 Amendments. These By-Laws may be altered, amended, or repealed, to the extent not prohibited by law or the Restated Articles of Incorporation, by the Board of Directors.

**Amendment No. 1,
dated February 11, 2004,
to the
1989 Flexible Stock Plan,
as amended and restated May 9, 2001**

7.1 **Term.** The Plan, as amended by the 2001 Plan Amendments, shall commence as of the Effective Date and, subject to the terms of the Plan, including those requiring approval by the shareholders of the Company and those limiting the period over which ISOs or any other Benefits may be granted, shall continue in full force and effect for a period of ten years from the Effective Date, unless terminated by the Board before such date.

Leggett & Platt, Incorporated
1989 FLEXIBLE STOCK PLAN
(As amended and restated in its entirety on May 9, 2001)

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LEGGETT & PLATT, INCORPORATED

1989 FLEXIBLE STOCK PLAN
(As amended and restated in its entirety on May 9, 2001)

ARTICLE I

NAME AND PURPOSE

1.1 **Name.** The name of the Plan is the “Leggett & Platt, Incorporated 1989 Flexible Stock Plan.”

1.2 **Purpose.** The Company has established this Plan to attract, retain, motivate and reward Employees and other individuals, to encourage ownership of the Company’s Common Stock by Employees and other individuals, and to promote and further the best interests of the Company by granting cash and other awards.

ARTICLE II

DEFINITIONS OF TERMS AND RULES OF CONSTRUCTION

2.1 **General Definitions.** The following words and phrases, when used in the Plan, unless otherwise specifically defined or unless the context clearly otherwise requires, shall have the following respective meanings:

(a) **Affiliate.** A Parent, Subsidiary, or any directly or indirectly owned partnership or limited liability company of the Company.

(b) **Agreement.** The document which evidences the grant of any Benefit under the Plan and which sets forth the Benefit and the terms, conditions and provisions of, and restrictions relating to, such Benefit.

(c) **Benefit.** Any benefit granted to a Participant under the Plan.

(d) **Board.** The Board of Directors of the Company.

(e) **Cash Award.** A Benefit payable in the form of cash.

(f) **Change in Control.** The acquisition, without the approval of the Board, by any person or entity, other than the Company or a Related Entity, of more than 20% of the outstanding Shares through a tender offer, exchange offer or otherwise; the liquidation or dissolution of the Company following the sale or other disposition of all or substantially all of its assets; a merger or consolidation involving the Company which results in the Company not being the surviving parent corporation; or any time during any two-year

period in which individuals who constituted the Board at the start of such period (or whose election was approved by at least two-thirds of the then members of the Board who were members at the start of the two-year period) do not constitute at least 50% of the Board for any reason. A Related Entity is a Subsidiary or any employee benefit plan (including a trust forming a part of such a plan) maintained by the Company or a Subsidiary.

(g) **Code.** The Internal Revenue Code of 1986, as amended. Any reference to the Code includes the regulations promulgated pursuant to the Code.

(h) **Company.** Leggett & Platt, Incorporated.

(i) **Committee.** The Committee described in Section 5.1 or, in the absence of the Committee, the Board.

(j) **Common Stock.** The Company's \$.01 par value Common Stock.

(k) **2001 Plan Amendments.** The amendments to the Plan approved by the Board of Directors on February 14, 2001.

(l) **Effective Date.** The date that the amended and restated Plan, including the 2001 Plan Amendments, is approved by the shareholders of the Company which must occur within one year before or after approval by the Board.

(m) **Employee.** Any person employed by the Employer.

(n) **Employer.** The Company and all Affiliates.

(o) **Exchange Act.** The Securities Exchange Act of 1934, as amended.

(p) **Fair Market Value.** The closing price of Shares on the New York Stock Exchange on a given date as reported on the New York Stock Exchange composite tape, or, in the absence of sales on a given date, the closing price (as so reported) on the New York Stock Exchange on the last day on which a sale occurred prior to such date.

(q) **Fiscal Year.** The taxable year of the Company which is the calendar year.

(r) **ISO.** An Option that meets the requirements of Section 422 of the Code.

(s) **NQSO.** An Option that does not qualify as an ISO.

(t) **Option.** An option to purchase Shares granted under the Plan.

(u) **Other Stock Based Award.** An award under ARTICLE XVIII that is valued in whole or in part by reference to, or is otherwise based on, Common Stock.

(v) **Parent.** Any entity (other than the Company or a Subsidiary) in an unbroken chain of entities ending with the Company, if, at the time of the grant of an Option or other Benefit, each of the entities (other than the Company or a Subsidiary) owns 50% or more of the total combined voting power of all classes of stock or ownership interests (if applicable) in one of the other entities in such chain.

(w) **Participant.** An individual who is granted a Benefit under the Plan. Benefits may be granted only to Employees; members of the Board who are not Employees; employees and owners of entities which are not Affiliates but which have a direct or indirect ownership interest in an Employer or in which an Employer has a direct or indirect ownership interest; individuals who, and employees and owners of entities which, are customers and suppliers of an Employer; individuals who, and employees and owners of entities which, render services to an Employer; and individuals who, and employees and owners of entities which, have ownership or business affiliations with any individual or entity previously described.

(x) **Performance Share.** A Share awarded to a Participant under ARTICLE XVI of the Plan.

(y) **Plan.** The Leggett & Platt, Incorporated 1989 Flexible Stock Plan, as amended and restated as of the Effective Date, and all subsequent amendments and supplements to it.

(z) **Restricted Stock.** Shares issued under ARTICLE XV of the Plan.

(aa) **Rule 16b-3.** Rule 16b-3 promulgated by the SEC, as amended, or any successor rule in effect from time to time.

(bb) **SEC.** The Securities and Exchange Commission.

(cc) **Share.** A share of Common Stock.

(dd) **Stock Appreciation Award.** An award of Stock Appreciation Units under ARTICLE XIV of the Plan.

(ee) **Stock Appreciation Unit.** To the extent provided in the Plan, and only to such extent, a Share.

(ff) **Subsidiary.** Any corporation, other than the Company, in an unbroken chain of corporations beginning with the Company if, at the time of grant of an Option or other Benefit, each of the corporations, other than the last corporation in the unbroken chain, owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the corporations in such chain.

2.2 **Other Definitions.** In addition to the above definitions, certain words and phrases used in the Plan and any agreement may be defined in other portions of the Plan or in such Agreement.

2.3 **Conflicts in Plan.** In the case of any conflict in the terms of the Plan relating to a Benefit, the provisions in the ARTICLE of the Plan which specifically grants such Benefit shall control those in a different ARTICLE.

ARTICLE III

COMMON STOCK

3.1 **Number of Shares.** The number of Shares which may be issued or sold or for which Options, Stock Appreciation Awards or Performance Shares may be granted under the Plan after the Effective Date shall be the sum of (a) all Shares which are issuable under options granted under the Plan which remain unexercised on the Effective Date, (b) all Shares authorized and available for issuance or grant as Benefits immediately prior to the Effective Date and (c) 4,000,000 Shares. Such number of Shares shall increase annually, effective as of the first day of each Fiscal Year, commencing with the Fiscal Year beginning in 1995, by the number of Shares equal to .5% of the number of outstanding Shares as of the first day of such Fiscal Year. Such Shares may be authorized but unissued Shares, Shares held in the treasury, or both. Notwithstanding the preceding sentence, only Shares held in the treasury may be used to provide a Benefit to a Participant if the use of authorized but unissued Shares would violate any applicable law or governmental agency or other rule or regulation.

3.2 **Reusage.** If an Option or Stock Appreciation Award expires or is terminated, surrendered, or cancelled without having been fully exercised, if Restricted Shares or Performance Shares are forfeited, or if any other grant results in any Shares not being issued, the Shares covered by such Option or Stock Appreciation Award, grant of Restricted Shares, Performance Shares or other grant, as the case may be, shall again be available for use under the Plan. In addition, Shares delivered to the Company by an Option holder as payment of the exercise price for any Option shall again be available for use under the Plan.

3.3 **Adjustments.** If there is any change in the Common Stock of the Company by reason of any stock dividend, spin-off, split-up, spin-out, recapitalization, merger, consolidation, reorganization, combination or exchange of Shares, the number of Stock Appreciation Units and number and class of Shares available for Options and grants of Restricted Stock, Performance Shares and Other Stock Based Awards, as well as any limits on grants to any individual, and the number of Shares subject to outstanding Options, Stock Appreciation Units, grants of Restricted Stock and Performance Shares which are not vested, and Other Stock Based Awards, and the price thereof, as applicable, shall be appropriately adjusted by the Committee.

ARTICLE IV

ELIGIBILITY

4.1 **Determined by Committee.** The Participants and the Benefits they receive under the Plan shall be determined solely by the Committee. In making its determinations, the Committee shall consider past, present and expected future contributions of Participants and potential Participants to the Employer.

ARTICLE V

ADMINISTRATION

5.1 **Committee.** The Plan shall be administered by the Committee. The Committee shall consist of two or more members of the Board who are “Non-Employee Directors” as defined in Rule 16b-3 of the Exchange Act. The members of the Committee shall be appointed by and shall serve at the pleasure of the Board, which may from time to time appoint members in substitution for members previously appointed and fill vacancies in the Committee. The Committee may select one of its members as its Chairman and shall hold its meetings at such times and places as it may determine. A majority of its members shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members. Any decision or determination reduced to writing and signed by a majority of the members shall be fully as effective as if it had been made by a majority vote at a meeting duly called and held.

5.2 **Authority.** Subject to the terms of the Plan, the Committee shall have complete authority to:

- (a) determine the individuals to whom Benefits are granted, the type and amounts of Benefits to be granted and the time of all such grants;
- (b) determine the terms, conditions and provisions of, and restrictions relating to, each Benefit granted;
- (c) interpret and construe the Plan and all Agreements;
- (d) prescribe, amend and rescind rules and regulations relating to the Plan;
- (e) determine the content and form of all Agreements;
- (f) determine all questions relating to Benefits under the Plan;
- (g) maintain accounts, records and ledgers relating to Benefits;
- (h) maintain records concerning its decisions and proceedings;

- (i) employ agents, attorneys, accountants or other persons for such purposes as the Committee considers necessary or desirable;
- (j) take, at any time, any action permitted by Section 9.1 irrespective of whether any Change in Control has occurred or is imminent; and
- (k) do and perform all acts which it may deem necessary or appropriate for the administration of the Plan and carry out the purposes of the Plan.

5.3 **Determinations.** All determinations of the Committee shall be final.

5.4 **Delegation.** Except as required by Rule 16b-3 with respect to grants of Options, Stock Appreciation Awards, Performance Shares, Other Stock Based Awards, or other Benefits to individuals who are subject to Section 16 of the Exchange Act or as otherwise required for compliance with Rule 16b-3 or other applicable law, the Committee may delegate all or any part of its authority under the Plan to any Employee, Employees or committee.

ARTICLE VI

AMENDMENT

6.1 **Power of Board.** Except as hereinafter provided, the Board shall have the sole right and power to amend the Plan at any time and from time to time.

6.2 **Limitation.** The Board may not amend the Plan, without approval of the shareholders of the Company:

- (a) in a manner which would cause Options which are intended to qualify as ISOs to fail to qualify; or
- (b) in a manner which would violate applicable law.

ARTICLE VII

TERM AND TERMINATION

7.1 **Term.** The Plan, as amended by the 2001 Plan Amendments, shall commence as of the Effective Date and, subject to the terms of the Plan, including those requiring approval by the shareholders of the Company and those limiting the period over which ISOs or any other Benefits may be granted, shall continue in full force and effect until terminated.

7.2 **Termination.** The Plan may be terminated at any time by the Board.

ARTICLE VIII

MODIFICATION OR TERMINATION OF BENEFITS

8.1 **General.** Subject to the provisions of Section 8.2, the amendment or termination of the Plan shall not adversely affect a Participant's right to any benefit granted prior to such amendment or termination.

8.2 **Committee's Right.** Any Benefit granted may be converted, modified, forfeited or cancelled, in whole or in part, by the Committee if and to the extent permitted in the Plan or applicable Agreement or with the consent of the Participant to whom such Benefit was granted.

ARTICLE IX

CHANGE IN CONTROL

9.1 **Right of Committee.** In order to maintain a Participant's rights in the event of a Change in Control, the Committee, in its sole discretion, may, in any Agreement evidencing a Benefit, or at any time prior to, or simultaneously with or after a Change in Control, provide such protection as it may deem necessary. Without in any way limiting the generality of the foregoing sentence or requiring any specific protection, the Committee may:

- (a) provide for the acceleration of any time periods relating to the exercise or realization of such Benefit so that such Benefit may be exercised or realized in full on or before a date fixed by the Committee;
- (b) provide for the purchase of such Benefit, upon the Participant's request, for an amount of cash equal to the amount which could have been attained upon the exercise or realization of such Benefit had such Benefit been currently exercisable or payable;
- (c) make such adjustment to the Benefits then outstanding as the Committee deems appropriate to reflect such transaction or change; and/or
- (d) cause the Benefits then outstanding to be assumed, or new Benefits substituted therefor, by the surviving corporation in such change.

ARTICLE X

AGREEMENTS AND CERTAIN BENEFITS

10.1 **Grant Evidenced by Agreement.** The grant of any Benefit under the Plan may be evidenced by an Agreement which shall describe the specific Benefit granted and the terms and conditions of the Benefit. If required by the Committee, the granting of any Benefit may

be subject to, and conditioned upon, the recipient's execution of any Agreement. Except as otherwise provided in an Agreement, all capitalized terms used in the Agreement shall have the same meaning as in the Plan, and the Agreement shall be subject to all of the terms of the Plan.

10.2 **Provisions of Agreement.** Each Agreement shall contain such provisions as the Committee shall determine to be necessary, desirable and appropriate for the Benefit granted which may include, but not be limited to, the following with respect to any Benefit: description of the type of Benefit; the Benefit's duration; its transferability; if an Option, the exercise price, the exercise period and the person or persons who may exercise the Option; the effect upon such Benefit of the Participant's death or termination of employment; the Benefit's conditions; when, if, and how any Benefit may be forfeited, converted into another Benefit, modified, exchanged for another Benefit, or replaced; and the restrictions on any Shares purchased or granted under the Plan.

ARTICLE XI

REPLACEMENT AND TANDEM AWARDS

11.1 **Replacement.** The Committee may permit a Participant to elect to surrender a Benefit in exchange for a new Benefit. However, Options shall not be repriced.

11.2 **Tandem Awards.** Awards may be granted by the Committee in tandem. However, no Benefit may be granted in tandem with an ISO except a Stock Appreciation Award.

ARTICLE XII

PAYMENT, DIVIDEND, DEFERRAL AND WITHHOLDING

12.1 **Payment.** Upon the exercise of an Option or in the case of any other Benefit that requires a payment to the Company, the amount due the Company is to be paid:

- (a) in cash;
- (b) by the tender to the Company of Shares owned by the optionee and registered in his name having a Fair Market Value equal to the amount due the Company;
- (c) in other property, rights and credits, including the Participant's promissory note; or
- (d) by any combination of the payment methods specified in (a), (b) and (c) above.

Notwithstanding the foregoing, any method of payment other than (a) may be used only with the consent of the Committee or if and to the extent so provided in an Agreement. The

proceeds of the sale of Common Stock purchased pursuant to an Option and any payment to the Company for other Benefits shall be added to the general funds of the Company or to the Shares held in treasury, as the case may be, and used for the corporate purposes of the Company as the Board shall determine.

12.2 **Dividend Equivalents.** Grants of Benefits in Shares or Share equivalents may include dividend equivalent payments or dividend credit rights.

12.3 **Deferral.** The right to receive any Benefit under the Plan may, at the request of the Participant, be deferred for such period and upon such terms as the Committee shall determine, which may include crediting of interest on deferrals of cash and crediting of dividends on deferrals denominated in Shares.

12.4 **Withholding.** The Company may, at the time any distribution is made under the Plan, or at the time any Option is exercised, or at any time required by law, withhold from such distribution or Shares issuable upon the exercise of an Option, any amount necessary to satisfy federal, state and local income and/or other tax withholding requirements with respect to such distribution or exercise of such Options. The Committee or the Company may, at any time, require a Participant to tender to the Company cash in the amount necessary to comply with any such withholding requirements.

ARTICLE XIII

OPTIONS

13.1 **Types of Options.** It is intended that both ISOs and NQSOs may be granted by the Committee under the Plan.

13.2 **Shares for ISOs.** The number of Shares for which ISOs may be granted on or after the Effective Date shall not exceed 14,000,000 Shares, subject to adjustment pursuant to Section 3.3.

13.3 **Grant of ISOs and Option Price.** Each ISO must be granted to an Employee for a term not to exceed ten years from the date of grant. The purchase price for Shares under any ISO shall be no less than the Fair Market Value of the Shares at the time the Option is granted.

13.4 **Other Requirements for ISOs.** The terms of each Option which is intended to qualify as an ISO shall meet all requirements of Section 422 of the Code.

13.5 **NQSOs.** The purchase price for Shares under any NQSO shall not be less than the par value of the Common Stock.

13.6 **Determination by Committee.** Except as otherwise provided in Section 13.2 through Section 13.5, the terms of all Options shall be determined by the Committee.

ARTICLE XIV

STOCK APPRECIATION AWARDS

14.1 **Description.** A Stock Appreciation Award shall be that number of Stock Appreciation Units as the Committee shall from time to time grant. Upon electing to receive payment of a Stock Appreciation Award, a Participant shall receive for each Stock Appreciation Unit elected an amount in cash, in Common Stock or in any combination thereof, as the Committee shall determine, equal to the amount, if any, by which the Fair Market Value of one Share on the date on which such election is made exceeds the Fair Market Value of one Share on the date on which the Stock Appreciation Award was granted.

14.2 **Grant of Tandem Award.** The Committee may grant a Stock Appreciation Award in tandem with an Option, in which case the exercise of the Option shall cause a correlative reduction in Stock Appreciation Units standing to a Participant's credit which were granted in tandem with the Option; and the payment of a Stock Appreciation Unit shall cause a correlative reduction of the Shares under such Option.

14.3 **ISO Tandem Award.** When a Stock Appreciation Award is granted in tandem with an ISO, it shall have such terms and conditions as shall be required for the ISO with which it is granted in tandem to qualify as an ISO.

14.4 **Payment of Award.** A Stock Appreciation Award shall be paid, to the extent payment is elected by the Participant (and is otherwise due and payable), as soon as practicable after the date on which such election is made.

ARTICLE XV

RESTRICTED STOCK

15.1 **Description.** The Committee may grant Benefits in Shares available under ARTICLE III of the Plan as Restricted Stock. Shares of Restricted Stock shall be issued and delivered at the time of the grant but shall be subject to forfeiture until provided otherwise in the applicable Agreement or the Plan. Each certificate representing Shares of Restricted Stock shall bear a legend referring to the Plan and the risk of forfeiture of the Shares and stating that such Shares are non-transferable until all restrictions have been satisfied and the legend has been removed. The grantee shall be entitled to full voting and dividend rights with respect to all Shares of Restricted Stock from the date of grant unless otherwise determined by the Committee, in its discretion.

15.2 **Cost of Restricted Stock.** Grants of Shares of Restricted Stock shall be made at no cost to the Participant.

15.3 **Non-Transferability.** Shares of Restricted Stock shall not be transferable until after the removal of the legend with respect to such Shares.

ARTICLE XVI

PERFORMANCE SHARES

16.1 **Description.** Performance Shares are the right of an individual to whom a grant of such Shares is made to receive Shares or cash equal to the Fair Market Value of such Shares at a future date in accordance with the terms of such grant. Generally, such right shall be based upon the attainment of targeted profit and/or performance objectives.

16.2 **Grant.** The Committee may grant an award of Performance Shares. The number of Performance Shares and the terms and conditions of the grant shall be set forth in the applicable Agreement.

ARTICLE XVII

CASH AWARDS

17.1 **Grant.** The Committee may grant Cash Awards at such times and in such amounts as it deems appropriate.

17.2 **Restrictions.** Cash Awards may be subject or not subject to conditions (such as an investment requirement), restricted or non-restricted, vested or subject to forfeiture and may be payable currently or in the future or both.

ARTICLE XVIII

OTHER STOCK BASED AWARDS AND OTHER BENEFITS

18.1 **Other Stock Based Awards.** The Committee shall have the right to grant Other Stock Based Awards which may include, without limitation, the grant of Shares, the payment of cash based on the performance of the Common Stock, and the grant of securities convertible into Shares.

18.2 **Other Benefits.** The Committee shall have the right to provide types of Benefits under the Plan in addition to those specifically listed, if the Committee believes that such Benefits would further the purposes for which the Plan was established.

ARTICLE XIX

MISCELLANEOUS PROVISIONS

19.1 **Underscored References.** The underscored references contained in the Plan are included only for convenience, and they shall not be construed as a part of the Plan or in any respect affecting or modifying its provisions.

19.2 **Governing Law.** This Plan shall be construed and administered in accordance with the laws of the State of Missouri.

19.3 **Purchase for Investment.** The Committee may require each person purchasing Shares pursuant to an Option or other award under the Plan to represent to and agree with the Company in writing that such person is acquiring the Shares for investment and without a view to distribution or resale. All certificates for Shares delivered under the Plan shall be subject to such stock transfer orders and other restrictions as the Committee may deem advisable under all applicable laws, rules and regulations, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate references to such restrictions.

19.4 **No Employment Contract.** The adoption of the Plan shall not confer upon any Employee any right to continued employment nor shall it interfere in any way with the right of the Employer to terminate the employment of any of its Employees at any time.

19.5 **No Effect on Other Benefits.** The receipt of Benefits under the Plan shall have no effect on any benefits to which a Participant may be entitled from the Employer, under another plan or otherwise, or preclude a Participant from receiving any such benefits.

19.6 **Limitation on Certain Benefits.** The (a) number of Shares covered by Options providing for a purchase price at no less than fair market value of the Shares as of the grant date plus (b) the number of Stock Appreciation Units granted under the Plan to any one individual shall be limited to 500,000 per Fiscal Year.



Leggett & Platt
INCORPORATED

2004 Management Incentive Award

Program for Corporate Plan I Management / Administration Participants

MANAGEMENT INCENTIVE PAYING FOR PERFORMANCE

Year in ... year out ... Leggett and Platt's management team strives to deliver an outstanding return for our shareholders. When we produce a solid return as a company and when our branch and individual performances are on or near budget targets, the L&P Management Incentive Award program provides rewards. The Management Incentive awards are cash payments, based on the operating results of the prior year. Payments are usually made about March 1. The Management Incentive Award program has three types of participants: Profit Center, Corporate Plan I and Corporate Plan II participants. Profit Center and Corporate Plan II participants receive awards based 75% on the achievement of the budgeted earnings of a particular branch or combination of branches and based 25% on overall L&P financial performance. Corporate Plan I participants receive awards determined by the overall financial performance of L&P.

This pamphlet describes for Corporate Plan I participants how your incentive percentage is set, what factors affect the payment of your award, and how your award is calculated. If you have questions about the award program, please contact your manager or supervisor, or a member of the Compensation Staff in the Corporate Human Resources Department.

What determines whether the Company pays a Management Incentive Award each year?

Your Management Incentive Award is determined by company financial performance, specifically Return on Net Assets (RONA). When we achieve at least 8% RONA in a calendar year, the corporate payout will begin at 5% and will follow the schedule below. The total incentive payout will be limited to 4% of Earnings Before Interest and Taxes (EBIT).

PAYOUT SCHEDULE

How To Use The Schedule: If RONA is 14.3%, you will find 14.0% in the leftmost column and 0.3% in the top row. Following this column and row to the point where they intersect, you will find a corporate payout of 68.0%

PAYOUT SCHEDULE

	0.0%	0.1%	0.2%	0.3%	0.4%	0.5%	0.6%	0.7%	0.8%	0.9%
8.0%	5.0%	6.0%	7.0%	8.0%	9.0%	10.0%	11.0%	12.0%	13.0%	14.0%
9.0%	15.0%	16.0%	17.0%	18.0%	19.0%	20.0%	21.0%	22.0%	23.0%	24.0%
10.0%	25.0%	26.0%	27.0%	28.0%	29.0%	30.0%	31.0%	32.0%	33.0%	34.0%
11.0%	35.0%	36.0%	37.0%	38.0%	39.0%	40.0%	41.0%	42.0%	43.0%	44.0%
12.0%	45.0%	46.0%	47.0%	48.0%	49.0%	50.0%	51.0%	52.0%	53.0%	54.0%
13.0%	55.0%	56.0%	57.0%	58.0%	59.0%	60.0%	61.0%	62.0%	63.0%	64.0%
14.0%	65.0%	66.0%	67.0%	68.0%	69.0%	70.0%	71.0%	72.0%	73.0%	74.0%
15.0%	75.0%	76.0%	77.0%	78.0%	79.0%	80.0%	81.0%	82.0%	83.0%	84.0%
16.0%	85.0%	86.5%	88.0%	89.5%	91.0%	92.5%	94.0%	95.5%	97.0%	98.5%
17.0%	100.0%	101.5%	103.0%	104.5%	106.0%	107.5%	109.0%	110.5%	112.0%	113.5%
18.0%	115.0%	116.5%	118.0%	119.5%	121.0%	122.5%	124.0%	125.5%	127.0%	128.5%
19.0%	130.0%	131.5%	133.0%	134.5%	136.0%	137.5%	139.0%	140.5%	142.0%	143.5%
20.0%	145.0%	147.0%	149.0%	151.0%	153.0%	155.0%	157.0%	159.0%	161.0%	163.0%

How is your Management Incentive percentage set?

Your incentive percentage is assigned by management. Your level of professional or managerial knowledge, job duties, responsibilities, and accountability for your work are among the factors which affect your percentage.

What are the components of your Management Incentive Award?

Your *basic potential award* is calculated by multiplying your incentive percentage times your annual base salary as of the end of the calendar year. For example, if your percentage is 10% and your annual base salary is \$50,000, your *basic potential award* would be \$5,000 (10% X \$50,000). (Participants whose incentive percentages change during the year due to promotions, etc. may have bonuses prorated.)

Your award has two portions. They are:

<i>Corporate portion</i>	90% of total award
<i>Discretionary portion</i>	10% of total award

For example, if your *basic potential award* is \$5,000, as shown in the example above, the *corporate portion* of your award would be 90% of that, or \$4,500. The *discretionary portion* of your award would be 10% of that, or \$500.

How is the payout on your Management Incentive Award calculated?*Corporate Portion*

For our Management Incentive Awards to be payable, we must have at least 8% RONA. The larger our RONA, the larger the corporate payout percentage we will enjoy.

Discretionary Portion

The *discretionary portion*, just like the *corporate portion*, is paid based on the calculations described above. However, the *discretionary portion* is subject to an additional calculation. It can be paid at less than 100% of that amount, depending on your individual manager's evaluation of your performance during the year. Let's say the participant in our example received a 90% discretionary rating from his or her manager. We would take the \$500 potential *discretionary portion* and multiply it times the corporate payout AND the percentage performance rating. For example, if the corporate portion is being paid out at 60%, and the participant receives a 90% performance rating, the payout on the *discretionary portion* would be calculated as follows:

$$\$500 \times 60\% \times 90\% = \$270$$

Is there an opportunity to earn more than 100% of the *Basic Potential Award*?

Yes, when RONA is greater than 17.0%, a payout above 100% is possible. This means it is possible for participants to receive awards above 100% in years when the company has an outstanding financial performance. The chart on the reverse side would continue beyond RONA of 20.9% and beyond a corporate payout of 163.0% in similar increments.

What other factors can influence the award calculation?

The information in this pamphlet is a basic description of Management Incentive awards. Generally, participants who are not active employees on the last working day of the year are not eligible for award payments. Awards are prorated when participants do not become eligible until part way through the year. The award calculation may be prorated or reduced due to transfers, promotions, retirements, separations, leaves, hires and many other factors.

NOTE

Nothing in this pamphlet is intended to provide a guarantee of an award payment to you. Eligibility for management incentive awards is determined on an individual basis each year, and no one except the appropriate Corporate Officer can approve eligibility or payment of awards.

The Management Incentive Award Plan can be amended or revoked at any time. Abnormal earnings or losses may be handled at the Company's discretion for Plan purposes. Payment of each award is subject to plan guidelines, management discretion and Board approval.

DESCRIPTION OF LONG-TERM DISABILITY ARRANGEMENTS

The Registrant makes available an Executive Disability Coverage program to provide disability benefits to approximately 120 officers and management employees. The Executive Disability Coverage is designed to replace 66²/₃% of the base salary, bonuses and incentive compensation of the employee up to a maximum of \$25,000 per month benefit. Under the Executive Disability Coverage, the employee pays for the premiums.

LEGGETT & PLATT, INCORPORATED
DEFERRED COMPENSATION PROGRAM
(Restated and Amended, Effective as of December 31, 2003)

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LEGGETT & PLATT, INCORPORATED
DEFERRED COMPENSATION PROGRAM
(Restated and Amended, Effective as of December 31, 2003)

1. NAME AND PURPOSE

1.1 Name. The name of this Program is the "Leggett & Platt, Incorporated Deferred Compensation Program."

1.2 Purpose. The Program is intended to provide selected key employees the opportunity to defer future compensation. The Program is an unfunded deferred compensation program for a select group of management and/or highly compensated employees as described in ERISA.

2. DEFINITIONS

2.1 Beneficiary. The person or persons designated as the recipient of a deceased Participant's benefits under the Program.

2.2 Benefits. The benefits available under the Program, including Options and L&P Cash Deferrals.

2.3 Committee. The Compensation Committee of the Board of Directors of the Company or, except as to Section 16 Officers, any persons to whom the administrative authority has been delegated.

2.4 Common Stock. The Company's common stock, \$.01 par value.

2.5 Company. Leggett & Platt, Incorporated.

2.6 Compensation. Salary, bonuses and all other forms of cash compensation that may become payable to a Participant to the extent designated by the Committee.

2.7 Deferred Compensation. Any Compensation that would have become payable to a Participant but for the Participant's election to defer such Compensation.

2.8 Election. A Participant's election to defer Compensation, which sets forth the percentage or amount of Compensation to be deferred and such other items as the Committee may require.

2.9 Employer. The Company or any directly or indirectly majority-owned subsidiary, partnership or other entity of the Company.

2.10 ERISA. The Employment Retirement Security Income Act of 1974, as amended.

2.11 L&P Cash Deferral. The deferral of Compensation into an obligation of the Company to pay on a future date or dates the Compensation plus interest thereon determined pursuant to Section 5.1.

2.12 Lost Retirement Benefit Amount. An amount equal to: (i) the present value, if any, by which the Participant's retirement benefit under the Company's Retirement Plan would be reduced as a result of the deferral of Compensation under the Program less (ii) the present value of Participant contributions not made to the Retirement Plan as a result of deferral of Compensation.

2.13 Option. An option to purchase shares of Common Stock issued pursuant to Section 4.

2.14 Participant. A management or highly compensated employee of Employer selected by the Committee who has delivered a signed Election form to the Company. The Committee may revoke an individual's right to participate in the Program if he no longer meets the Program's eligibility requirements or for any other reason. Such termination will not affect benefits previously vested under the Program.

2.15 Section 16 Officers. All officers of the Company subject to the requirements of Section 16 of the Securities Exchange Act of 1934.

2.16 Unforeseeable Hardship. A severe financial hardship of the Participant resulting from (a) a sudden and unexpected illness or accident of the Participant or his dependent; (b) loss of Participant's principal residence due to casualty; or (c) such other similar extraordinary and unforeseeable circumstances resulting from events beyond the control of the Participant as determined by the Committee.

3. ELECTION TO DEFER

3.1 Type and Amount of Deferral. Each Participant may elect to defer all or a portion of his Compensation which would otherwise become payable in the next calendar year. Compensation may be deferred into an Option or an L&P Cash Deferral.

3.2 Election. A Participant's Election must be made on or before December 31 of the calendar year preceding the year in which the Deferred Compensation would normally have become payable. Elections may be modified or withdrawn until such time as an original Election could no longer be made.

3.3 Benefit Plan Contributions and Payroll Deductions. If Compensation payable after giving effect to a deferral Election will be insufficient to make all Company benefit contributions and required tax withholdings, the Participant must, at the time of the Election, make arrangements suitable to the Company for the payment of such amounts. If the Participant does not pay the required amounts in accordance with those arrangements, his Deferred Compensation will be reduced by such amounts.

3.4 Vesting. Benefits under the Program vest when the Participant would have been vested in the Compensation but for the election to defer. Benefits not vested will terminate immediately upon a Participant's termination of employment.

4. OPTIONS

4.1 Number of Options and Exercise Price. Unless the Committee determines otherwise, the number of Option shares granted to a Participant is equal to the nearest number of whole shares determined under the following formula:

$$\frac{\text{Compensation Foregone}}{\text{Stock Price} - \text{Exercise Price}} \times 1.176$$

"*Compensation Foregone*" means the Compensation that the Participant elected to apply to Options plus the related Lost Retirement Benefit Amount, if any. "*Stock Price*" means the lowest per share closing price of Common Stock during December of the year immediately preceding the year in which the deferred Compensation would have been paid. The "*Exercise Price*" for each share covered by an Option is 20% of the Stock Price.

4.2 Grant Date. Options will be granted as of the date of the lowest closing stock price in December of each year or such other date as the Committee determines (the "*Grant Date*").

4.3 Term of Options. The term of an Option will expire 15 years after the Grant Date (the "*Expiration Date*").

4.4 Exercise of Options. Options will be exercisable at the later of (i) 12 months after the Grant Date or (ii) the date the option vests. However, despite any later specified date for exercise, any vested Option will become exercisable in full upon the death of the Participant or his total and permanent disability.

An Option may be exercised by delivering a written notice to the Company accompanied by payment of the Exercise Price for the shares purchased. Such payment may be made in cash, by delivery of shares of Common Stock (held for at least 6 months) or a combination of cash and Common Stock. Any such Common Stock will be valued at the per share closing price of the Company's common stock on the trading day immediately preceding the date of exercise. No shares will be delivered in connection with an Option exercise unless all amounts required to satisfy tax and any other required withholdings have been paid to the Employer.

An Option may be exercised only by a Participant during his life or, in the case of disability, by his guardian or legal representative. Upon the death of a Participant, the Option may be exercised by his Beneficiary or, if the Participant fails to designate a Beneficiary, by his legal representative.

If any Option has not been fully exercised on the Expiration Date, the unexercised portion of the Option shall be deemed exercised on such Expiration Date, provided the then market price of a share of L&P Common Stock exceeds the per share Exercise Price. In such event, shares of Common Stock will not be issued until the Exercise Price and any other required amounts have been paid.

4.5 Flexible Stock Plan, Non-Qualified Options. All Options will be granted under the Company's 1989 Flexible Stock Plan, as amended, and will be subject to the terms of that plan. All Options will be non-qualified options that are not entitled to special tax treatment under §422 of the Internal Revenue Code.

4.6 No Shareholders' Rights. A Participant will have no rights as a shareholder with respect to the shares covered by his Option until a stock certificate has been issued for the shares. No adjustment will be made for dividends or other rights for which the record date is before the certificate date.

4.7 Change in Capitalization. In the event of a stock dividend, stock split, merger, consolidation or other recapitalization of the Company affecting the number of outstanding shares of Common Stock, the number of Option shares and Exercise Price will be appropriately adjusted.

5. L&P CASH DEFERRAL

5.1 Interest on L&P Cash Deferral. L&P Cash Deferrals will bear interest at a rate established by the Committee. The interest will begin accruing on the date the Deferred Compensation would have been paid but for the deferral. Until the Committee determines otherwise, the Chief Financial Officer will determine the interest rates and the length of the deferral periods available to Participants.

5.2 Payment Dates. The Participant will select the date or dates of payout for the L&P Cash Deferral on his Election form; provided, however, that the first payment date will not be earlier than two years after the Election is made or such other date as the Committee determines. The Committee may establish maximum deferral periods and maximum payout periods.

The Participant may make a one-time election to extend the payout period for the L&P Cash Deferral, not to exceed any maximum payout period established by the Committee. The extension election must be made not less than six months before the first scheduled payment date designated in the original Election.

5.3 Convert L&P Cash Deferral to Option. If a Participant elects an L&P Cash Deferral, the Participant may later request that the Committee grant an Option in lieu of the L&P Cash Deferral. In such case, the Committee may, in its sole discretion, grant to the Participant an Option on such date and upon such terms as the Committee determines. The Participant will forfeit all accrued interest of the L&P Cash Deferral if the Committee grants his request.

5.4 Hardship, Early Withdrawal. In the event of an Unforeseeable Hardship of a Participant, the Committee may, in its sole discretion, permit early payment of all or a portion of a vested L&P Cash Deferral.

5.5 Unsecured Creditor. The Company's obligation to a Participant for an L&P Cash Deferral is a mere promise to pay money in the future and the Participant will have the status of a general unsecured creditor of the Company.

5.6 Claims under ERISA. The Committee and the Company's Secretary will make all determinations regarding benefits under the Program in accordance with ERISA.

If a Participant believes he is entitled to receive a distribution under the Program and he does not receive such distribution, he must make a claim in writing to the Committee. The Committee will review the claim. If the claim is denied, the Committee will provide a written notice of denial within 90 days setting out: the reasons for the denial; provisions of the Program upon which the denial is based; any additional information to perfect the claim and why such information is necessary; the steps to be taken if a review is sought, including the right to file an action under Section 502(a) of ERISA following an adverse determination; and the time limits for requesting a review and for review.

If a claim is denied and the Participant desires a review, he will notify the Secretary in writing within 60 days of the receipt of notice of denial. In requesting a review, the Participant may review the Program or any related document and submit any written statement he deems appropriate. The Secretary will then review the claim and, if the decision is adverse to the Participant, provide a written decision within 60 days setting out: the reasons for the denial; provisions of the Program upon which the denial is based; a statement that the Participant is entitled to receive, upon request and free of charge, copies of documents relied upon in making the decision; and the Participant's right to bring an action under Section 502(a) of ERISA.

6. COMPANY BENEFIT PLANS

6.1 Impact on Benefit Plans. The deferral of Compensation under the Program is not intended to affect other Employer benefit plans in which the Participant is participating or may be eligible to participate. The following rules will apply to the types of benefits listed below.

- *Lost Retirement Benefit*—Deferred Compensation may result in Lost Retirement Benefits under the Company's Retirement Plan. However, the Company will increase the amount deferred under an Option or L&P Cash Deferral by the Lost Retirement Benefit.
- *Executive Stock Unit Program*—The amount of payroll deduction for Stock Units under the Company's Executive Stock Unit Program will be calculated as if no deferral had occurred.
- *Discount Stock Plan*—Contributions under the Discount Stock Plan will be calculated as if no deferral had occurred.
- *Life Insurance and Disability Benefits*—To the extent the level of benefits is based upon a Participant's compensation, Deferred Compensation will be included when it would have otherwise become payable but for the deferral.

6.2 *Contributions*. The Participant must make contributions and payments under all Employer benefit plans in which he is participating, except the Retirement Plan, in the amounts required as if no deferral had occurred. If there is not sufficient Compensation after deferral from which to withhold required contributions and payments, the Participant must make arrangements suitable to the Company for payment of the required amounts.

7. ADMINISTRATION

7.1 *Administration*. Except to the extent the Committee otherwise designates pursuant to Section 7.2(e), the Committee will control and manage the operation and administration of the Program.

7.2 *Committee's Authority*. The Committee will have such authority as may be necessary to discharge its responsibilities under the Program, including the authority to: (a) interpret the provisions of the Program; (b) adopt rules of procedure consistent with the Program; (c) determine questions relating to benefits and rights under the Program; (d) maintain records concerning the Program; (e) designate any Company employee or committee to carry out any of the Committee's duties, including authority to manage the operation and administration of the Program; and (f) determine the content and form of the Participant's Election and all other documents required to carry out the Program.

7.3 *Section 16 Officers*. Notwithstanding the foregoing, the Committee may not delegate its authority with respect to Section 16 Officers.

8. MISCELLANEOUS

8.1 *No Right of Employment*. Nothing contained in the Program or in any document issued under the Program will constitute evidence of any agreement or understanding that the Employer will employ or retain the Participant for any period of time or at any particular rate of compensation.

8.2 *Beneficiary*. A Participant may designate one or more Beneficiaries to receive his Benefits if he dies. A Participant may change or revoke a designation of a Beneficiary at any time upon written notice to the Company. If a notice of beneficiary is not on file or if the Beneficiary is not living when the Participant dies, the Participant's estate will be his Beneficiary.

8.3 *Transferability*. No Benefits or interests therein may be transferred, assigned or pledged during a Participant's lifetime. Benefits may not be seized by any creditor of a Participant or Beneficiary or transferred by operation of law in the event of bankruptcy or insolvency. Any attempted assignment or transfer will be void. However, the Committee may, in its sole discretion, allow a Participant to transfer Options by way of a bona fide gift. The donee will hold such Options subject to the Program.

8.4 *Binding Effect*. The Program will be binding upon and inure to the benefit of the Company, its successors and assigns, and each Participant, his heirs, personal representatives, and Beneficiaries.

8.5 Amendments and Termination. The Company will have the right to amend or terminate the Program at any time. However, no such amendment or termination will deprive any Participant of the right to receive Benefits previously vested under the Program.

8.6 Governing Law. To the extent not preempted by ERISA, Missouri law will govern this Program.

**LEGGETT & PLATT, INCORPORATED
EXECUTIVE STOCK UNIT PROGRAM**

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LEGGETT & PLATT, INCORPORATED
EXECUTIVE STOCK UNIT PROGRAM
(Restated and Amended Effective as of January 1, 2004)

1. NAME AND PURPOSE

1.1 Name. The name of this Program is the “Leggett & Platt, Incorporated Executive Stock Unit Program.”

1.2 Purpose. This Program is intended to attract, motivate, retain and reward Key Employees by giving them the opportunity to share in the appreciation in value of the Company’s Common Stock. The Program is an unfunded deferred compensation plan for a select group of management and/or highly compensated employees as described in ERISA. The Program is established pursuant to the Leggett & Platt, Incorporated 1989 Flexible Stock Plan.

2. DEFINITIONS

2.1 Account. A separate book account established by the Company to track Stock Units for each Participant.

2.2 Additional Matching Contribution. The Company’s additional contribution of amounts to a Participant’s Account made pursuant to Section 4.5.

2.3 Beneficiary. The person or persons designated as the recipient of a deceased Participant’s benefits under the Program.

2.4 Board. The Board of Directors of the Company.

2.5 Committee. The Compensation Committee of the Board or, except as to Section 16 Officers, the Management Committee or any person to whom the administrative authority has been delegated by the Committee.

2.6 Common Stock. The Company’s \$.01 par value common stock.

2.7 Company. Leggett & Platt, Incorporated.

2.8 Compensation. Salary, bonuses, and all other forms of cash compensation which may become payable to a Participant to the extent designated by the Committee. In the case of a sales representative whose regular paycheck includes funds for travel and expenses, Compensation means 75% of the total. Compensation will also include remuneration which would have been received in cash but for the Participant’s election to defer such remuneration or to receive a stock option in lieu of such remuneration in accordance with any deferred compensation program of the Company. Any amounts considered as Compensation by virtue of the preceding sentence will be counted as Compensation only once even if the benefits derived from such compensation are includible in the Participant’s taxable income in a subsequent year.

2.9 Contributions. The amount contributed to a Participant’s Account, which include Participant Contributions, Matching Contributions, Additional Matching Contributions and Dividend Contributions.

2.10 Dividend Contribution. The Company's contribution of dividend amounts to a Participant's Account made pursuant to Section 4.6.

2.11 Election. A Participant's election to contribute Compensation, which sets forth the percentage of Compensation to be contributed and such other items as the Committee may require.

2.12 Employer. The Company or any directly or indirectly majority-owned subsidiary, partnership or limited liability company of the Company.

2.13 ERISA. The Employee Retirement Income Security Act of 1974, as amended.

2.14 Fair Market Value. The closing price of Common Stock on a given date as reported on the New York Stock Exchange composite tape or, in the absence of sales on a given date, the closing price (as so reported) on the New York Stock Exchange on the last day on which a sale occurred prior to such date.

2.15 FICA. Federal Income Contributions Act, as amended.

2.16 Key Employee. A management and/or highly compensated employee of the Employer.

2.17 Management Committee. A committee selected by the Board that is authorized to act on behalf of the Committee under the Program, except with respect to Section 16 Officers.

2.18 Matching Contribution. The Company's contribution of amounts to a Participant's Account equal to 50% of a Participant's Contribution made pursuant to Section 4.4.

2.19 Participant. A Key Employee selected to participate in the Program who has delivered a signed Election to the Company.

2.20 Participant's Contribution. The Participant's contribution of Compensation which is used to acquire Stock Units pursuant to Section 4.2.

2.21 Section 16 Officers. All officers of the Company subject to the requirements of Section 16 of the Securities Exchange Act of 1934.

2.22 Stock Unit. A unit of account deemed to equal a single share (or fractional share) of Common Stock.

2.23 Year of Service. Any calendar year in which the Participant completes 1,000 hours of service. An hour of service means any hour for which the Employer pays the Participant, including hours paid for vacation, illness or disability. If the Participant was employed by a company or division acquired by the Company, the Participant's service will include hours of service with the acquired company for purposes of eligibility. However, for purposes of determining Years of Service under Section 5.4, the Participant's service will begin on the acquisition date.

2.24 Year of Vesting Service. Any Year of Service except any year when the Participant is or was eligible to make contributions to this Program or the Stock Bonus Plan but declined to make such contributions.

3. ELIGIBILITY AND PARTICIPATION

3.1 Selection of Participants. The Committee will select the Key Employees eligible to become Participants. Unless waived by the Committee, a Key Employee must have at least one Year of Service prior to becoming a Participant. A Key Employee so selected will become a Participant on the first July 1 or January 1 following his delivery to the Company of a Participant's Election.

3.2 Continued Participation. The Committee may revoke an individual's right to participate if he no longer meets the Program's eligibility requirements or for any other reason. If a Participant's employment is terminated for any reason, his right to participate in the Program will cease. Except as provided in Section 5.4, such termination will not affect Stock Units already credited to his Account.

4. CONTRIBUTIONS AND ACQUISITION OF STOCK UNITS

4.1 Acquisition of Stock Units. An account will be established to track Stock Units for each Participant. All Contributions to a Participant's Account will be used to acquire Stock Units at a price equal to 85% of the Fair Market Value of a share of Common Stock on the date such Contributions are made.

4.2 Participant's Contribution. Each Participant may elect to contribute to the Program a percentage of his Compensation in excess of \$23,700 for the calendar year (which amount may be increased by the Committee for years after 2002). The Committee will determine the maximum percentage. Participant's Contributions will be made on a bi-weekly basis, unless the Committee determines otherwise.

4.3 Forms and Modification. A Participant's Election will be made in a form approved by the Committee. The election must be made on or before June 30 or December 31, and will only apply to Compensation earned and payable after such dates. An Election may be changed twice each calendar year. Once a change is made, it will become effective on the first July 1 or January 1 following delivery of such change to the Company.

4.4 Matching Contributions. The Company will make a Matching Contribution equal to 50% of the Participant's Contribution. Matching Contributions will be made at the same time as the Participant's Contributions.

4.5 Additional Matching Contribution. The Company will make an Additional Matching Contribution equal to a percentage of the Participant's Contribution for the applicable year if the Company's return on net assets ("RONA") for the calendar year is at least 8%. The Additional Matching Contribution will begin at 5% of the Participant's Contribution for the applicable year if the Company's RONA is 8% and increase to a maximum 50% of the Participant's Contribution if the Company's RONA is at least 12.5%. Such Contribution will be credited to the Account of each Participant who was employed as of the last business day of the

calendar year, plus each Participant whose employment terminated prior to such date (a) due to permanent and total disability or death, or (b) after the Participant has attained 55 years of age and has at least 5 Years of Vesting Service. Additional Matching Contributions, if any, will be made after the end of the year when the amount has been determined.

4.6 Dividend Contributions. On the date a cash dividend is paid on Common Stock, the Company will make a Dividend Contribution equal to the product of the number of Stock Units credited to the Participant's Account on the dividend record date *times* the per share cash dividend paid on Common Stock.

4.7 Change in Capitalization. In the event of a stock dividend, stock split, merger, consolidation or other recapitalization of the Company affecting the number of outstanding shares of Common Stock, the number of Stock Units credited to a Participant's Account will be appropriately adjusted.

4.8 FICA Tax Gross-Up. The Company will pay on behalf of a Participant any FICA taxes due on Matching Contributions and Additional Matching Contributions. Such payment will be determined by the Committee and may include a tax "gross-up" on such payments.

4.9 Impact of Deferred Compensation Program. Some Participants are eligible to defer up to 100% of their Compensation under the Company's Deferred Compensation Program. If the Compensation remaining after such a deferral is not sufficient to allow the Participant to make the full Participant's Contribution, the Company will make the Matching Contribution and any Additional Matching Contribution as though the full Participant's Contribution had been made.

5. DISTRIBUTION

5.1 Distribution. Distribution of a Participant's Account will be made within 90 days after termination of employment either in a lump sum or installments if elected. Prior to distribution, the Stock Units will be converted to the appropriate number of whole shares of Common Stock.

Distribution of a Participant's Account will be based on the number of Stock Units credited to his Account upon termination of employment. If Stock Units are credited to the Participant's Account after a distribution has been made (*e.g.*, as a result of Dividend Contributions or Additional Matching Contributions), a subsequent distribution of those Stock Units will be made.

5.2 Form of Distribution. Distributions will be made in the form elected by the Participant. The forms of distribution are: (a) a lump sum amount, or (b) annual installments for up to 15 years. Annual installment distributions will be made by January 31st of each year following the year of the initial distribution. Each annual distribution will be equal to the balance of Stock Units in the Account divided by the number of payments remaining.

If the Company has not received a Participant's distribution election prior to his or her termination of employment, the distribution will be made in a lump sum. If a Participant's Account value does not exceed \$50,000 on termination of employment, the distribution will be made in a lump sum regardless of the Participant's election otherwise.

5.3 Withholding from Distributions. When Stock Units are converted to Common Stock for distribution, the Company may withhold from such Common Stock any amount required to pay applicable taxes (at the Company's required withholding rate). Alternatively, the Participant may pay such taxes in cash if he elects to do so before the distribution date.

5.4 Forfeiture of Stock Units. Notwithstanding the above, upon the termination of employment of a Participant who has less than 5 Years of Vesting Service, any Stock Units acquired by Company Matching and Additional Matching Contributions will be forfeited (unless the Committee determines otherwise). However, such Stock Units will not be forfeited if the Participant's employment is terminated due to death or total and permanent disability.

5.5 Beneficiary. If a Participant dies before he has received all distributions due under the Program, the remaining distributions will be made to his Beneficiary. Each Participant may designate a Beneficiary and change his Beneficiary from time to time. No such designation will become effective until received in writing by the Company. If a Participant has no living designated Beneficiary, then his Beneficiary will be his personal representative.

5.6 Hardship Distribution. In the event of a hardship of a Participant, the Committee may, in its sole discretion, permit distribution of such portion of Participant's Stock Units, as it deems appropriate.

6. ADMINISTRATION

6.1 Administration. Except to the extent the Committee otherwise designates pursuant to Section 6.2(e), the Committee will control and manage the operation and administration of the Program.

6.2 Committee's Authority. The Committee will have such authority as may be necessary to discharge its responsibilities under the Program, including the authority to: (a) interpret the provisions of the Program; (b) adopt rules of procedure consistent with the Program; (c) determine questions relating to benefits and rights under the Program; (d) maintain records concerning the Program; (e) designate any Company employee or committee, including the Management Committee, to carry out any of the Committee's duties, including authority to manage the operation and administration of the Program; and (f) determine the content and form of the Participant's Election and all other documents required to carry out the Program.

6.3 Section 16 Officers. Notwithstanding the foregoing, the Committee may not delegate its authority with respect to Section 16 Officers.

7. CLAIMS

7.1 Adjudication of Claims. The Committee and the Company's Secretary will make all determinations regarding benefits under the Program in accordance with ERISA.

If a Participant believes he is entitled to receive a distribution under the Program and he does not receive such distribution, he must make a claim in writing to the Committee. The Committee will review the claim. If the claim is denied, the Committee will provide a written notice of denial within 90 days setting out: the reasons for the denial; provisions of the Program upon which the denial is based; any additional information to perfect the claim and why such

information is necessary; the steps to be taken if a review is sought, including the right to file an action under Section 502(a) of ERISA following an adverse determination; and the time limits for requesting a review and for review.

If a claim is denied and the Participant desires a review, he will notify the Secretary in writing within 60 days of the receipt of notice of denial. In requesting a review, the Participant may review the Program or any related document and submit any written statement he deems appropriate. The Secretary will then review the claim and, if the decision is adverse to the Participant, provide a written decision within 60 days setting out: the reasons for the denial; provisions of the Program upon which the denial is based; a statement that the Participant is entitled to receive, upon request and free of charge, copies of documents relied upon in making the decision; and the Participant's right to bring an action under Section 502(a) of ERISA.

8. GENERAL PROVISIONS

8.1 No Contract. Nothing contained in the Program will restrict the right of the Employer to discharge a Participant or the right of a Participant to resign from employment. The Program should not be construed as an employment contract.

8.2 No Assignment. No Participant or Beneficiary may transfer, assign or otherwise encumber any benefits payable by the Company under the Program. Such benefits may not be seized by any creditor of Participant or Beneficiary or transferred by operation of law in the event of bankruptcy, insolvency or death. Any attempted assignment or transfer will be void.

8.3 Unfunded Program. No person will have any interest in the Company's assets by virtue of the Program. No Participant or Beneficiary will have any of the rights of a shareholder with respect to Stock Units.

8.4 No Trust Created. The Program and any action taken pursuant to the Program should not be construed as creating a trust or other fiduciary relationship between the Company, the Participant, his Beneficiary or any other person.

8.5 Binding Effect. The Program will be binding upon and inure to the benefit of the Company, its successors and assigns, and each Participant, his heirs, personal representatives, and Beneficiaries.

8.6 Amendments and Termination. The Company will have the right to amend or terminate the Program at any time. However, no such amendment or termination will deprive any Participant of the right to distribution of Stock Units previously credited to his Account.

8.7 Governing Law. To the extent not preempted by ERISA, this Program will be governed by Missouri law.

8.8 Notices. Any notice or claim given under the Program will be in writing and signed by the party giving the same. If such notice or claim is mailed, it will be sent by United States first class mail, postage prepaid, addressed to the recipient's last known address as shown on the Company's records. The date of such mailing will be deemed the date of notice.

LEGGETT AND PLATT, INCORPORATED AND SUBSIDIARIES
 COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
 (Amounts in millions of dollars)

	Twelve Months Ended				
	2003	2002	December 31, 2001	2000	1999
Earnings					
Income from continuing operations before income tax	\$ 315.1	\$ 363.5	\$ 297.3	\$ 418.6	\$ 462.6
Interest expense (excluding amount capitalized)	46.9	42.1	58.8	66.3	43.0
Portion of rental expense under operating leases representative of an interest factor	12.5	11.2	10.6	9.4	8.2
Total earnings	\$ 374.5	\$ 416.8	\$ 366.7	\$ 494.3	\$ 513.8
Fixed charges					
Interest expense (including amount capitalized)	\$ 48.0	\$ 43.3	\$ 60.2	\$ 67.7	\$ 44.0
Portion of rental expense under operating leases representative of an interest factor	12.5	11.2	10.6	9.4	8.2
Total fixed charges	\$ 60.5	\$ 54.5	\$ 70.8	\$ 77.1	\$ 52.2
Ratio of earnings to fixed charges	6.2	7.6	5.2	6.4	9.8

Earnings consist principally of income from continuing operations before income taxes, plus fixed charges. Fixed charges consist principally of interest costs.

Schedule of Subsidiaries of Company

Name	Doing Business As	% of Ownership (1)	Place of Incorporation
1580821 Ontario Inc.			Canada
Administradora Soal S.A. de C.V.			Mexico
Advantage Technologies, Inc.		45%	Michigan
Andrews Wire Company			Missouri
Askona Block, LLC			Russia
Bergen Cable Technology, LLC			Delaware
Block Russian Holdings, Inc.			Delaware
Cable Bergen de Mexico, S.A. de C.V.			Mexico
Carreiro Holdings, S.A. de C.V.			Mexico
Carreiro S.A. de C.V.			Mexico
Changsha Pangeo Cable Industries, Ltd.		60%	China
Collier-Keyworth, Inc.	Miotto International		North Carolina
Consortio Industrial Serrano, S.A. de C.V.			Mexico
Craftmatic/Contour Industries, Inc.		5%	Delaware
Crest-Foam Corp.	Echota Cushion, Inc. Edison Foam Processing Corp. No Sag Foam Products Company		New Jersey
D.T.A. Comercializaciones, S.A. de C.V.			Mexico
De Todo en Alambre de Aguascalientes, S.A. de C.V.			Mexico
DisplayPlan Limited			United Kingdom
Dresher, Inc.	Harris-Hub Company, Inc.		Delaware
Duro Metal Manufacturing, Inc.			Texas
Edmund Bell & Co., Limited			United Kingdom
Edron Fixture Corp.	Phase II Furniture and Store Fixtures Corp.		Florida
Fides s.r.l.			Italy
Flex-O-Lators, Incorporated			Missouri
Foothills Manufacturing Company			North Carolina
Fremont Wire Company			Indiana
Gateway (Textiles) Limited			United Kingdom
Gateway Holdings Limited			United Kingdom
Gateway Iberica S.r.l.		85%	Spain
GS Technologies Corporation		10%	Delaware
Guangdong Zhaoqing L&V Co. Ltd.		60%	China
Hanes CNC Services Co.			North Carolina
Hanes Companies - New Jersey, LLC	Hanes Hanes Companies Hanes Converting Company Hanes Fabrics Company Hanes Trading Company		Delaware
Hanes Companies Foundation			North Carolina
Hanes Companies, Inc.	Hanes Converting Company Hanes Dye & Finishing Division Hanes Fabrics, Inc. Hanes Industries Division		North Carolina

<u>Name</u>	<u>Doing Business As</u>	<u>% of Ownership (1)</u>	<u>Place of Incorporation</u>
Hanes Companies, Inc. (continued)	Hanes Industries Engineered Materials		
	HCI Converting Company		
	VWR Textiles & Supplies Inc.		
	West End Textiles Company		
Hanes International - France SAS			France
Hanes International UK Limited	Wellhouse		United Kingdom
	Wellhouse Wire Products		
Hong Kong Veilon Limited		60%	Hong Kong
Innovatech International S.A.			Greece
Inter-Spring Limited			United Kingdom
J.A. Wilson Display Ltd./Les Etalages J.A. Wilson Ltee	Fiber-Coaters		Canada
	Impact Wire		
	J.A. Wilson Display		
	Les Etalages J.A. Wilson		
	Wilson Display		
Japenamelac Corp.			Massachusetts
Jentschmann AG			Switzerland
John Pring & Son Limited			United Kingdom
Kelmax Lopez Manufacturing, S.A. de C.V.			Mexico
Kovrov Russian Holdings, Inc.			Delaware
L and P Mexico, S.A. de C.V.			Mexico
L&P (Australia) Acquisition Co. No. 1 Pty Ltd			Australia
L&P Acquisition Company - 31			Delaware
L&P Acquisition Company - 35, Inc.			Ohio
L&P Acquisition Company - 38			Illinois
L&P Acquisition Company - 43	Leggett & Platt Coated Fabrics Division		Delaware
	Vantage Industries		
L&P Acquisition Company - 44			Delaware
L&P Acquisition Company - 53			Delaware
L&P Acquisition Company - 56			Delaware
L&P Acquisition Company - 57			Delaware
L&P Acquisition Company - 58			Delaware
L&P Acquisition Company - 59			Delaware
L&P Acquisition Company - 60			Delaware
L&P Acquisition LLC - 1			Delaware
L&P Automotive Europe GmbH			Germany
L&P Central Asia Trading Company			Delaware
L&P Denmark ApS			Denmark
L&P Europe Limited			United Kingdom
L&P Fahrzeug - Und Matratzenkomponenten Geschäftsführung GmbH			Germany
L&P Fahrzeug - Und Matratzenkomponenten GmbH & Co. KG			Germany
L&P Financial Services Co.			Delaware
L&P Hungary Ltd.		80%	Hungary
L&P International Holdings Company			Delaware
L&P Manufacturing, Inc.	Product Technologies, Inc.		Delaware
	Steadley Company		
	Syd-Ren Industries		

<u>Name</u>	<u>Doing Business As</u>	<u>% of Ownership (1)</u>	<u>Place of Incorporation</u>
L&P Materials Manufacturing, Inc.	Adcom Wire Company KLM Industries		Delaware
	Leggett & Platt Coated Fabrics Division Rug Hold Vantage Industries		
L&P Mississippi Manufacturing, Inc.	Blazon Tube		Mississippi
	Cumulus Fibres - Pontotoc Cumulus Fibres - Verona Masterblend, Inc. Omega Motion SCP Southern Bedding Stylelander Metal Stamping, Inc. Super Sagless Hardware Superior Products TechCraft The Mississippi Spring Co., Inc. Tupelo Fibers Tupelo Seating Tupelo Sleeper		
L&P Netherlands Holdings B.V.			Netherlands
L&P Partners Holding Company, Inc.			Delaware
L&P Property Management Company	L&P PMC, Inc.		Delaware
L&P Springs Denmark A/S	Logstup Traadvarefabri, Tistrup A/S		Denmark
L&P Springs Deutschland GmbH			Germany
L&P Springs Espana, S.L.			Spain
L&P Springs Italia S.r.l.			Italy
L&P Springs (Kovrov) LLC			Russia
L&P Swiss Holding Company			Switzerland
L&P tehnologije d.o.o.			Croatia
L&P TexPro, Inc.	L&P Digital Technologies Pathe Technology		Delaware
L&P Transportation Co.			Delaware
L&P Underlay Products, Inc.			Delaware
Leaving Taos, Inc.	Leggett Southwest Carpet Cushion		Delaware
Leggett & Platt (Alberta) Ltd.			Canada
Leggett & Platt (Australia) Pty Ltd			Australia
Leggett & Platt (B.C.) Ltd.	Leggettwood Spruceland Forest Products		Canada
Leggett & Platt (Barbados) Ltd.			Barbados
Leggett & Platt (Beijing) Bedding Components and Machinery Co. Ltd.			China
Leggett & Platt (Chengdu) Co. Ltd.			China
Leggett & Platt (Guang Zhou) Co. Ltd.			China
Leggett & Platt (Jiaxing) Co. Ltd.			China
Leggett & Platt (Ningbo) Mattress Machinery Co., Ltd.			China
Leggett & Platt (Shanghai) Bedding Machinery Co. Ltd.			China
Leggett & Platt (Shanghai) Co. Ltd.			China
Leggett & Platt (Shaoxing) Co. Ltd.			China
Leggett & Platt (Southeast Asia) Pte Ltd.			Singapore

<u>Name</u>	<u>Doing Business As</u>	<u>% of Ownership (1)</u>	<u>Place of Incorporation</u>
Leggett & Platt Administradora S.A. de C.V.			Mexico
Leggett & Platt Asia Marketing, Inc.			Delaware
Leggett & Platt Canada Holdings Ltd.			Canada
Leggett & Platt Components (Australia) Pty Ltd			Australia
Leggett & Platt Components Company, Inc.	Cameo Fibers		Delaware
	Cumulus Fibres		
	Matrex Furniture Components, Inc.		
	SEMCO		
	SEMCO, a Leggett & Platt Company		
	Sterling & Adams Bentwood		
	Universal Stainless, Inc.		
Leggett & Platt de Mexico, S.A. de C.V.			Mexico
Leggett & Platt do Brasil Ltda.			Brazil
Leggett & Platt Eastern Europe LLC			Russia
Leggett & Platt France S.A.			France
Leggett & Platt International Development Co.			Delaware
Leggett & Platt International Service Corporation			Delaware
Leggett & Platt Korea, Ltd.			South Korea
Leggett & Platt Kwang Jin Automotive Products Co., Ltd.		55%	South Korea
Leggett & Platt Ltd.	Blanchet		Canada
	Blanchet Lumber		
	Bois J.L.P.		
	Bois-Aise de Roberval		
	Crown North America		
	Crown-VMS		
	Excell Store Fixtures		
	Globe Spring		
	Globe Spring & Cushion Company		
	Gor-Don Metal Products		
	H. Adler Textiles		
	L&P Plastics		
	L&P Plastics/Plastiques L et P		
	LeggettWood		
	LeggettWood, Levis		
	LeggettWood, Roberval		
	LeggettWood, Saint-Germain		
	LeggettWood, Saint-Nicolas		
	LeggettWood, St-Germain		
	LeggettWood, St-Nicolas		
	Lenrod Industries		
	Lenrod Industries, a division of Leggett & Platt Ltd.		
	Les Bois Blanchet		
	Les Industries Lenrod		
	Les Industries Lenrod, une division de Leggett & Platt Ltee		
	Les Textiles H. Adler		
	Masterack/Crown		

<u>Name</u>	<u>Doing Business As</u>	<u>% of Ownership (1)</u>	<u>Place of Incorporation</u>
Leggett & Platt Ltd. (continued)	No-Sag Spring Company		
	Northfield Metal Products		
	Paris Spring		
	PMI		
	Purchase Marketing		
	Rothtex		
	Slot All		
	Slotex		
	The Strip Maker		
	Vehicle Management		
	Systems		
	VMS		
	Weber Plastics Co.		
	Wiz Wire and Spring		
Leggett & Platt Luxembourg Finance Company S.à.r.l.			Luxembourg
Leggett & Platt Luxembourg S.à.r.l.			Luxembourg
Leggett & Platt Middle East, Incorporated			Delaware
Leggett & Platt Office Components S.r.l.			Italy
Leggett & Platt Servicios Comerciales, S.A. de C.V.			Mexico
Leggett & Platt Servicios de Manufactura S.A. de C.V.			Mexico
Leggett & Platt Servicios Ejecutivos, S.A. de C.V.			Mexico
Leggett & Platt Servicios Productivos S.A. de C.V.			Mexico
Leggett & Platt Servicios, S.A. de C.V.			Mexico
Leggett & Platt Tax Partnership			Missouri
Leggett & Platt Turkey, Inc.			Delaware
Leggett & Platt U.K. Limited			United Kingdom
Leggett Partners, L.P.	Adcom Wire Company		Texas
	Hoover Wire Company		
Masterack International Limited			United Kingdom
Masterack Latinoamerica, S.A. de C.V.			Mexico
Met Displays, Inc.	Met Merchandising		Illinois
	Concepts		
Metal Bed Rail Company, Inc.			North Carolina
Metrock Steel & Wire Company, Inc.			Alabama
MF Knitting Co. Limited			United Kingdom
Middletown Manufacturing Company			Kentucky
Modern Industries, LLC			Delaware
MPI (A Leggett & Platt Company), Inc.			Texas
MPI, Inc.			Mississippi
MZM Wire S.A. de C.V.			Mexico
MZM, S.A. de C.V.			Mexico
Nagle Industries, Inc.			Michigan
National Fibers Company			Tennessee
Northeastern Components (International) Ltd.			United Kingdom
Pace Industries de Chihuahua, S.A. de C.V.		99.998%	Mexico
Pace Industries de Mexico, S.A. de C.V.		99.998%	Mexico
Pace Industries of Mexico, L.L.C.			Delaware
Pace Industries, Inc.	Airo Die Casting, Inc.		Arkansas
	Airo Die Casting, Inc. - A		
	Leggett & Platt Company		
	Mo-Tech Corporation		
	Pace Industries Airo Die		
	Cast Division		

<u>Name</u>	<u>Doing Business As</u>	<u>% of Ownership (1)</u>	<u>Place of Incorporation</u>
Pace Industries, Inc. <i>(continued)</i>	St. Paul Metalcraft, Inc.		
Pangeo Cable Industries, Ltd.		60%	Canada
Parthenon Metal Works, Inc.			Tennessee
Pullmaflex AB			Sweden
Pullmaflex Benelux N.V.			Belgium
Pullmaflex International B.V.			Netherlands
Pullmaflex International Limited			United Kingdom
Pullmaflex Japan KK			Japan
Pullmaflex Southern Africa (Proprietary) Limited		49%	South Africa
Pullmaflex U.K. Limited			United Kingdom
Schukra Acquisition Co. Inc.			Canada
Schukra Berndorf Ges.m.b.H.			Austria
Schukra Europa GmbH			Germany
Schukra of North America Ltd.	Schukra Manufacturing		Canada
Schukra USA, Inc.			Michigan
SCHUKRA-Geratebau AG			Austria
Solon Specialty Wire Co.			Delaware
Southwest Carpet Pad, Inc.			California
Spuhl AG			Switzerland
SR Holbrook Limited			United Kingdom
Sterling Steel Company, LLC			Delaware
Talbot Industries, Inc.			Missouri
Technical Plastics Corporation			Missouri
Unique Molded Products, Inc.			Delaware
Vantage Industries, Inc.			Georgia
Wichita Wire, Inc.			Kansas
Wuxi Leggett & Platt-Huaguang Automobile Parts Co. Ltd.		60%	China
Wyn Products Pty Ltd			Australia

(1) Percent of ownership is shown if less than one hundred percent.

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference of our report dated January 28, 2004 relating to the financial statements and financial statement schedule, which appears in this Annual Report on Form 10-K for the year ended December 31, 2003, into the filed Registration Statements of Leggett & Platt, Incorporated listed below:

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. Post-Effective Amendment No. 1 to Form S-8, Registration No. 33-45334, filed June 26, 1992.
7. Form S-8, Registration No. 33-67910, filed August 26, 1993.
8. Form S-8, Registration No. 33-54339, filed June 28, 1994.
9. Form S-8, Registration No. 33-54431, filed July 1, 1994.
10. Form S-8, Registration No. 333-69073, filed December 17, 1998.
11. Form S-8, Registration No. 333-35280, filed April 20, 2000.
12. Form S-8, Registration No. 333-45074, filed September 1, 2000.
13. Form S-8, Registration No. 333-46952, filed September 29, 2000.
14. Form S-3, Registration No. 333-90443, filed November 5, 1999.
15. Pre-Effective Amendment No. 1 to Form S-3, Registration No. 333-90443, filed November 15, 1999.
16. Post-Effective Amendment No. 1 to Form S-3, Registration No. 333-90443, filed December 23, 1999.
17. Post-Effective Amendment No. 2 to Form S-3, Registration No. 333-90443, filed February 3, 2000.
18. Post-Effective Amendment No. 3 to Form S-3, Registration No. 333-90443, filed February 10, 2000.
19. Form S-3, Registration No. 333-51164, filed December 1, 2000 (also Post-Effective Amendment No. 4 to Form S-3, Registration No. 333-90443).
20. Pre-Effective Amendment No. 1 to Form S-3, Registration No. 333-51164, filed December 14, 2000 (also Post-Effective Amendment No. 5 to Form S-3, Registration No. 333-90443).
21. Post-Effective Amendment No. 1 to Form S-8, Registration No. 33-54431, filed December 12, 2001.
22. Form S-8, Registration No. 333-74960, filed December 12, 2001.
23. Form S-8, Registration No. 333-60494, filed May 9, 2001.
24. Form S-8, Registration No. 333-82524, filed February 11, 2002.

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP
St. Louis, Missouri

March 10, 2004

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 Felix E. Wright, David S. Haffner, Matthew C. Flanigan, and Ernest C. Jett, or any one of them, his or her 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, 2003 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.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney or a counterpart hereof, as of the 11th day of February 2004.

/s/ RAYMOND F. BENTELE

Raymond F. Bentele

/s/ KARL G. GLASSMAN

Karl G. Glassman

/s/ RALPH W. CLARK

Ralph W. Clark

/s/ DAVID S. HAFFNER

David S. Haffner

/s/ HARRY M. CORNELL, JR.

Harry M. Cornell, Jr.

/s/ JUDY C. ODOM

Judy C. Odom

/s/ ROBERT TED ENLOE, III

Robert Ted Enloe, III

/s/ MAURICE E. PURNELL, JR.

Maurice E. Purnell, Jr.

/s/ RICHARD T. FISHER

Richard T. Fisher

/s/ FELIX E. WRIGHT

Felix E. Wright

CERTIFICATION

I, Felix E. Wright, Chairman and Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Leggett & Platt, Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) [Reserved]
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2004

/s/ Felix E. Wright

Felix E. Wright
Chairman and Chief Executive Officer
Leggett & Platt, Incorporated

CERTIFICATION

I, Matthew C. Flanigan, Vice President – Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of Leggett & Platt, Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) [Reserved]
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2004

/s/ Matthew C. Flanigan

Matthew C. Flanigan
Vice President – Chief Financial Officer
Leggett & Platt, Incorporated

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Leggett & Platt, Incorporated (the "Company") on Form 10-K for the period ending December 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Felix E. Wright, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Leggett & Platt, Incorporated and will be retained by Leggett & Platt, Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Felix E. Wright

Felix E. Wright
Chairman and Chief Executive Officer

March 11, 2004

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Leggett & Platt, Incorporated (the "Company") on Form 10-K for the period ending December 31, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew C. Flanigan, Vice President – Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Leggett & Platt, Incorporated and will be retained by Leggett & Platt, Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Matthew C. Flanigan

Matthew C. Flanigan
Vice President – Chief Financial Officer

March 11, 2004