

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, 1997

OR

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

For the Transition period from to

COMMISSION FILE NUMBER 1-7845

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:

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

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

The aggregate market value of the voting stock held by nonaffiliates of the Registrant was approximately \$4,184,896,482.

There were 97,977,739 shares of the Registrant's common stock outstanding as of February 27, 1998.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for its Annual Meeting of Shareholders to be held May 13, 1998, are incorporated by reference into Part III of this report.

PART I

ITEM 1. BUSINESS

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

General Development of Business. In 1997 and the first ten weeks of 1998 the Company acquired 39 businesses with aggregate annualized sales of approximately \$560 million. Twenty-eight of the acquired operations produce furnishings, components, commercial fixtures or related furnishings products. Annualized sales of these operations total approximately \$400 million. Also acquired were three aluminum die casting companies with aggregate annualized sales of approximately \$80 million and eight businesses producing other materials used by the Company to manufacture its products or which utilize specialized product or manufacturing technologies with aggregate annualized sales of approximately \$80 million.

Reference is also made to Note B of the Notes to Consolidated Financial Statements for further information about the Company's acquisitions in 1997.

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

The Company's diverse range of components gives its furnishings manufacturer-customers access to a single source for many of their component needs. For example, a manufacturer of bedding can come to the Company for almost every component part of a mattress and boxspring, except the upholstering material. This same principle holds true for manufacturers of other furnishings such as upholstered recliner chairs, sofas and loveseats and office chairs. Because the Company has the advantage of long production runs and numerous production and assembly locations, it can generally produce component products more efficiently than its customers. Therefore, components customers can focus on the design, style and marketing of their various furnishings products, rather than the production of components.

The Company also manufactures and sells finished furnishings. These finished products include metal and wooden shelving, point-of-purchase displays and other commercial fixtures; bed frames; daybeds; bunk beds; headboards; adjustable electric beds; fashion beds and carpet underlay.

The Company's products are sold and distributed primarily through its own sales personnel. The Company has several thousand customers, most of which are manufacturers. The Company is not dependent upon any single customer or any few customers. A large number of the Company's furnishings customers manufacture finished bedding (mattresses and boxsprings) or upholstered and non-upholstered furniture for home, office, institutions and commercial applications. Customers for commercial furnishings include manufacturers of packaged consumer products and retailers that use the Company's products to display a wide variety of merchandise throughout their facilities and at point-of-purchase. Some of the finished furniture produced by the Company is sold to bedding and furniture manufacturers that resell the furniture under their own labels to wholesalers or retailers. Certain finished furniture, such as bed frames, fashion beds, daybeds and other select items, are also sold by the Company directly to retailers.

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

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

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

SUMMARY OF SALES

	YEAR ENDED DECEMBER 31					
	1997		1996		1995	
	(UNAUDITED)					
	(DOLLAR AMOUNTS IN MILLIONS)					
Furnishings products						
Bedding components.....	\$ 746.9	25.7%	\$ 632.5	25.7%	\$ 558.4	24.8%
Furniture and other components.....	846.6	29.1	766.7	31.1	736.4	32.6
Finished products.....	635.4	21.8	501.3	20.3	433.0	19.2
Total furnishings products.	2,228.9	76.6	1,900.5	77.1	1,727.8	76.6
Diversified products.....	680.3	23.4	565.7	22.9	529.1	23.4
Net sales.....	\$2,909.2	100.0%	\$2,466.2	100.0%	\$2,256.9	100.0%

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

Foreign sales are a minor portion of the Company's business. However, foreign sales are growing and the Company is cautiously proceeding to expand in foreign locations where opportunities present themselves.

The Company has several operations in Canada producing primarily components used by manufacturers of bedding and furniture products as well as commercial fixtures. The Company's international operations outside Canada are primarily located in Europe and Mexico and involve (i) the sale of machinery and equipment designed to manufacture the Company's innersprings, certain other spring products and bedding and other products manufactured by the Company's customers, (ii) the licensing of patents owned and presently maintained by the Company in foreign countries, (iii) aluminum die casting, and (iv) the production of seating components, wire innerspring and boxspring units.

Reference is made to Note J of the Notes to Consolidated Financial Statements for further information concerning the Company's operations outside of the United States.

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

Patents and Trademarks. The Company holds numerous patents concerning its various product lines. No single patent or group of patents is material to the Company's business as a whole. Examples of the Company's more significant trademarks include SEMI-FLEX(TM), LOK-Fast(TM) and DYNA-Lock(TM) (boxspring components and foundations); Mira-Coil(R) and Lura-Flex(TM) (mattress innersprings); Nova-Bond(R) and Flexnet(TM) (insulators for mattresses); ADJUSTA-MAGIC (adjustable electric beds); Wallhugger(R) and Hi-Style(TM) (recliner chairs); SUPER SAGLESS(R) (motion and sofa sleeper mechanisms); no-sag(R) (sinuous wire); Matrex(R) (webbing seating systems); and Gribetz, Spuhl and Cyclo-Index (machinery).

Research and Development. The Company maintains research, engineering and testing centers at Carthage, Missouri, and also does research and development work at several of its other facilities. The Company is unable to precisely calculate the cost of research and development because the personnel involved in product and machinery development also spend portions of their time in other areas. However, the Company believes the cost of research and development was approximately \$10 million in 1997, \$9 million in 1996 and \$7 million in 1995.

Employees. The Company has approximately 26,000 employees of whom approximately 21,000 are engaged in production. Approximately 28% of the Company's production employees are represented by labor unions. The Company did not experience any material work stoppage related to the negotiation of contracts with labor unions during 1997. Management is not aware of any circumstances which are likely to result in a material work stoppage related to the negotiations of any contracts expiring during 1998.

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

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

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

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

ITEM 2. PROPERTIES

The Company's most important physical properties are its manufacturing plants. These manufacturing plants include five wire drawing mills, three welded steel tubing mills, two aluminum smelting operations and over 130 major manufacturing facilities located in over 30 states, Canada and Mexico. Other Company locations are engaged in assembly, warehousing, sales, administration or research and development. In addition, the Company has several locations in Europe and other foreign countries outside North America. Its corporate headquarters are located in Carthage, Missouri.

Most of the Company's major manufacturing plants are owned by the Company. The Company also conducts 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 F of the Notes to Consolidated Financial Statements.

Properties of the Company include facilities which, in the opinion of management, are suitable and adequate for the manufacture, assembly and distribution of its products. These properties are located to allow quick and efficient deliveries and necessary service to the Company's 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, the resolution of which management believes will not have a material adverse effect on the consolidated financial condition or results of operations of the Company in the ordinary course of business.

The Company is 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.

PART II

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

STOCK MARKET AND OWNERSHIP DATA

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

	PRICE RANGE		VOLUME OF SHARES TRADED	DIVIDEND DECLARED
	HIGH	LOW		
1997:				
Fourth Quarter.....	\$44.563	\$38.500	7,435,000	\$.14
Third Quarter.....	47.750	41.750	8,129,900	.14
Second Quarter.....	43.000	32.250	5,884,500	.13
First Quarter.....	37.375	31.500	7,811,300	.13
For the Year.....	\$47.750	\$31.500	29,260,700	\$.54
1996:				
Fourth Quarter.....	\$34.750	\$29.375	5,277,400	\$.12
Third Quarter.....	29.500	24.125	7,070,400	.12
Second Quarter.....	29.875	22.375	6,730,300	.11
First Quarter.....	25.750	20.625	6,039,000	.11
For the Year.....	\$34.750	\$20.625	25,117,100	\$.46

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

The Company had 12,338 shareholders of record on March 11, 1998.

During the fourth quarter of 1997 the Company issued 59,727 shares of its common stock in transactions which qualified for exemption from registration under the Securities Act by virtue of Regulation D and Section 4(2) of the Securities Act. These securities were issued in connection with the acquisition of two businesses. On October 6, 1997, 20,681 shares were issued pursuant to Regulation D and Section 4(2) to acquire Syd-Ren Industries, Inc. from its sole shareholder. On December 11, 1997, 39,046 shares were issued pursuant to Regulation D and Section 4(2) to acquire Miller Manufacturing & Lumber Sales, Inc. from its shareholders.

ITEM 6. SELECTED FINANCIAL DATA

SELECTED FINANCIAL DATA

	1997	1996	1995	1994	1993
(UNAUDITED)					
(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)					
Summary of Operations					
Net sales.....	\$2,909.2	\$2,466.2	\$2,256.9	\$2,009.1	\$1,526.7
Earnings from continuing operations.....	208.3	153.0	134.3	119.5	85.6
Basic earnings per share from continuing operations.....	2.19	1.69	1.52	1.38	1.07
Diluted earnings per share from continuing operations.....	2.16	1.67	1.49	1.36	1.04
Cash dividends declared per share.....	.54	.46	.38	.31	.27
Summary of Financial Position					
Total assets.....	\$2,106.3	\$1,712.9	\$1,478.1	\$1,327.0	\$1,080.1
Long-term debt.....	466.2	388.5	380.6	364.1	306.1

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

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

CAPITAL RESOURCES AND LIQUIDITY

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

Financial planning to meet these needs reflects management's belief that the Company should never be forced to expand its capital resources, whether debt or equity, at a time not of its choosing. Management also believes that financial flexibility is more important than maximization of earnings per share through excessive leverage. Therefore, management continuously provides for available credit in excess of projected cash needs and has maintained a guideline for long-term debt as a percentage of total capitalization in a range of 30% to 40%.

Total Capitalization

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

	1997	1996	1995
	-----	-----	-----
	(DOLLAR AMOUNTS IN MILLIONS)		
Long-term debt outstanding:			
Scheduled maturities.....	\$ 402.9	\$ 332.4	\$ 315.9
Average interest rates.....	6.6%	7.7%	8.4%
Average maturities in years.....	6.3	7.6	7.0
Revolving credit/commercial paper.....	63.3	56.1	64.7
	-----	-----	-----
Total long-term debt.....	466.2	388.5	380.6
Deferred income taxes and other liabilities.....	93.6	90.5	75.6
Shareholders' equity.....	1,174.0	941.1	746.8
	-----	-----	-----
Total capitalization.....	\$1,733.8	\$1,420.1	\$1,203.0
	=====	=====	=====
Unused committed credit.....	\$ 240.0	\$ 215.0	\$ 207.8
	=====	=====	=====

Cash provided by operating activities totaled \$714.2 million during the last three years. Long-term debt outstanding was 27% of total capitalization at the end of the last two years, which compares to 32% in 1995. As shown in the table above, obligations having scheduled maturities are the base "layer" of the Company's debt capital. At the end of 1997, these obligations consisted primarily of the Company's privately placed medium-term notes and tax-exempt industrial development bonds. In April 1997, the Company issued \$100 million in medium-term notes. Proceeds from the notes were used to repay commercial paper outstanding.

In June 1996, the Company also issued \$100 million in medium-term notes. Proceeds from these notes provided a majority of the funds required to redeem, at 113% of par value, all of the Pace Holdings, Inc. (Pace) publicly owned senior notes that were to mature in almost 7 years and had fixed interest rates of 10.625%. Funds required to refinance the balance of the senior notes and Pace's revolving credit initially were provided through the Company's revolving credit/commercial paper arrangements. In August 1996, the Company issued an additional \$25 million in medium-term notes. Proceeds from these notes were used to repay a portion of revolving credit/commercial paper outstanding.

In 1995, \$25 million in 10-year notes were issued. Proceeds from these medium-term notes were used to repay a portion of the Company's revolving credit. The Company's senior debt ratings have been maintained at single A by Standard & Poor's and single A2 by Moody's during each of the last three years.

The second "layer" of the Company's debt capital consists of revolving bank credit agreements and commercial paper issuances. Over the years, management has renegotiated the bank credit agreements and established a commercial paper program to continuously support the Company's projected growth and to maintain highly flexible sources of debt capital. The credit under these arrangements has been a long-term obligation. If needed, however, the credit is available for short-term borrowings and repayments. Pace also had \$47.2 million in revolving credit outstanding at the end of 1995, which was included in the Company's total revolving credit/commercial paper outstanding. Additional details of long-term debt, including scheduled maturities, revolving credit and commercial paper are discussed in Note E of the Notes to Consolidated Financial Statements.

Uses of Capital Resources

The Company's internal investments to modernize and expand manufacturing capacity totaled \$322.4 million in the last three years. In 1998, management anticipates internal investments will approximate \$135 million. During the last three years, the Company employed \$289.9 million in cash (net of cash acquired) and issued 11.8 million shares of common stock in acquisitions, including 5.1 million shares to acquire Pace. During 1997, thirty businesses were acquired for \$171.6 million in cash (net of cash acquired) and 3.0 million shares of common stock. Additional details of acquisitions are discussed in Note B of the Notes to Consolidated Financial Statements. Company purchases of its common stock totaled \$5.7 million in 1997, \$10.1 million in 1996, and \$24.5 million in 1995. These purchases were made primarily for employee stock plans, to replace shares issued in purchase acquisitions and to satisfy contractual obligations. Cash dividends on the Company's common stock in the last three years totaled \$110.2 million.

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

The Company has substantial capital resources to support projected internal cash needs and additional acquisitions consistent with management's goals and objectives. In addition, the Company has the availability of short-term uncommitted credit from several banks.

Short-term Liquidity

Working capital has increased \$218.5 million in the last three years. To gain additional flexibility in capital management and to improve the return on shareholders' equity, the Company continuously seeks efficient use of working capital. The following table shows the annual turnover on average year-end working capital, trade receivables and inventories. The ratios may be affected by the timing of the Company's acquisitions.

	1997	1996	1995
	----	----	----
Working capital turnover (excluding cash and cash equivalents).....	5.6x	5.7x	6.0x
Trade receivables turnover.....	7.7	7.8	7.8
Inventory turnover.....	5.4	5.2	5.4

"Year 2000" Computer Issue

Computer programs used by the Company for financial and operational purposes are being revised to be "Year 2000" compliant. The "Year 2000" issue refers to older computer programs that used only two digits to represent the year, rather than four digits. As a result, these older computer programs may not process information properly when using the year 2000, since that year will be indistinguishable from the year 1900. The revisions required to the Company's computer programs for the "Year 2000" were identified in prior years.

These revisions are estimated to be over 50% complete as of December 31, 1997. The Company believes it has sufficient internal resources and commitments from external providers to have substantially all of its computer programs revised by the end of 1998. No significant impact to the Company's business operations is expected from the "Year 2000" issue, and the costs to revise the computer programs are not material.

RESULTS OF OPERATIONS

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

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

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

	1997	1996	1995
	----	----	----
Gross profit margin.....	25.4%	25.3%	23.7%
Pre-tax profit margin			
Excluding non-recurring costs.....	11.5	11.2	9.8
Including non-recurring costs.....	11.5	10.1	9.8
Net profit margin			
Excluding non-recurring costs.....	7.2	6.9	6.0
Including non-recurring costs.....	7.2	5.7	6.0
Effective income tax rate.....	37.5	38.7	39.1
Interest coverage ratio.....	11.5x	9.3x	8.3x

The Company's gross profit margins improved in the last two years. The slight increase in 1997 reflected several favorable factors. These included continued increases in production efficiencies, increased sales of products with above average margins, and better manufacturing overhead absorption. The pre-tax profit margin increased due to the factors noted, and a decrease in interest expense as a percentage of sales. Other factors, including a more favorable distribution of income among tax jurisdictions, resulted in a lower effective income tax rate.

In 1996, the gross profit margin reflected similar benefits from production efficiencies, increased sales of products with above average margins, better manufacturing overhead absorption, as well as reduced costs for raw materials. The pre-tax profit margin, before non-recurring costs, increased due to these favorable factors, but reflected a slight increase in total selling, distribution and administrative expenses. The 1996 non-recurring costs were associated with the Pace acquisition and are discussed in Note B of the Notes to Consolidated Financial Statements.

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

NEW FINANCIAL ACCOUNTING STANDARDS BOARD STATEMENTS

During 1997 and 1998, the Financial Accounting Standards Board (FASB) issued new accounting standards on "Reporting Comprehensive Income" (FASB No. 130), "Disclosures about Segments of an Enterprise and Related Information" (FASB No. 131) and "Employers' Disclosures about Pensions and Other Postretirement Benefits" (FASB No. 132). These new accounting standards will become effective for 1998 financial reporting. FASB No. 130 will require the Company to report separately from net income a "comprehensive income" amount which includes certain foreign currency translation gains and losses currently reflected in the cumulative translation adjustment account in shareholders' equity. FASB No. 131 will require the Company to reconsider and likely change its reported industry segments in the 1998 annual report to conform to the new requirements. FASB No. 132 will revise the disclosures about pension and other postretirement benefit plans. The Company is analyzing these new accounting standards to determine their impact on its financial reports.

FORWARD-LOOKING STATEMENTS

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

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

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

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

INTEREST RATE SENSITIVITY

The table below provides information about the Company's debt obligations sensitive to changes in interest rates. The Company has no other significant financial instruments sensitive to changes in interest rates. The Company has not in the past used any derivative financial instruments to hedge its exposure to interest rate changes. Substantially all of the debt shown in the table below is denominated in United States dollars (U.S. \$). The fair value of variable rate debt is not significantly different from its recorded amount. The fair value of the fixed rate debt was calculated using the U.S. Treasury Bond rate as of December 31, 1997 for similar remaining maturities, plus an estimated "spread" over such Treasury securities representing the Company's interest costs under its medium-term note program.

	SCHEDULED MATURITY DATE						TOTAL	FAIR VALUE
	1998	1999	2000	2001	2002	THEREAFTER		
(DOLLAR AMOUNTS IN MILLIONS)								
Long-term debt as of December 31, 1997:								
Principal fixed rate debt.....	\$10.0*	\$35.0	\$15.0	\$50.0	\$75.0	\$165.2	\$350.2	\$360.0
Average interest rate.	5.24%	6.77%	5.65%	7.22%	7.18%	6.96%	6.92%	
Principal variable rate debt.....	--	--	--	5.9	5.1	86.1	97.1	
Average interest rate.	--	--	--	3.69%	3.66%	5.78%	5.54%	
Miscellaneous debt....							23.6	
Total debt.....							470.9	
Less: current maturities*.....							(4.7)	
Total long-term debt.....							\$466.2	

* The 1998 scheduled maturity is not included in current maturities, as the Company intends to refinance this note on a long-term basis either through reissuance or unused credit available under its revolving credit agreements.

EXCHANGE RATE SENSITIVITY

The Company has not typically hedged foreign currency exposures related to transactions denominated in other than its functional currencies, although such transactions have not been material in the past. The Company does hedge firm commitments for certain machinery purchases, and occasionally may hedge amounts due in foreign currencies related to its acquisition program. The decision by management to hedge any such transactions is made on a case-by-case basis. The amount of forward contracts outstanding at December 31, 1997 was approximately \$1.5 million (pay U.S. \$/receive Swiss Francs) and the highest amount during 1997 was approximately \$35 million (pay U.S. \$/receive Swiss Francs).

The Company views its investment in foreign subsidiaries as a long-term commitment and does not hedge any translation exposures. The investment in a foreign subsidiary may take the form of either permanent capital or notes. The Company's net investment (excluding goodwill) in foreign subsidiaries subject to translation exposure at December 31, 1997 is as follows:

FUNCTIONAL CURRENCY (DOLLAR AMOUNTS IN MILLIONS)	
Canadian dollar.....	\$131.5
European currencies.....	50.3
Other.....	.2
Total.....	\$182.0

COMMODITY PRICE SENSITIVITY

The Company does not use derivative commodity instruments to hedge its exposures to changes in commodity prices. The principal commodity price exposure is aluminum, of which the Company had an estimated 67 million pounds, equivalent to \$46 million at cost (\$49 million fair value based on quoted market prices for similar metal), in inventory at December 31, 1997. 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 begin on page 14.

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

Not applicable.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Reference is made to the section entitled "Election of Directors" and "Compliance with Section 16(a) of the Securities Exchange Act of 1934" in the Company's definitive Proxy Statement for the Company's Annual Meeting of Shareholders to be held on May 13, 1998, said sections being incorporated by reference, for a description of the directors of the Company.

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

NAME	AGE	POSITION
----	---	-----
Harry M. Cornell, Jr.	69	Chairman of the Board and Chief Executive Officer
Felix E. Wright	62	President, Chief Operating Officer and Director
Bob L. Gaddy	57	Senior Vice President and Chairman and Chief Executive Officer-Aluminum Group and Director
Michael A. Glauber	54	Senior Vice President, Finance and Administration (Principal Financial Officer)
David S. Haffner	45	Executive Vice President and Director
Jerry H. Hudkins	62	Vice President and President-Wire Group
Robert A. Jefferies, Jr.	56	Senior Vice President, Mergers, Acquisitions and Strategic Planning and Director
Ernest C. Jett	52	Vice President, General Counsel and Secretary
Allan J. Ross	51	Vice President, Accounting (Principal Accounting Officer)
Duane W. Potter	66	Senior Vice President and President-Foam Components Group and Director

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

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

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

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

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

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

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

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

Ernest C. Jett was appointed General Counsel in 1997, and was elected Vice President and Secretary in 1995. He previously served the Company as Assistant General Counsel from 1979 to 1995 and as Managing Director of the Legal Department from 1991 to 1997.

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

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

ITEM 11. EXECUTIVE COMPENSATION

The section entitled "Executive Compensation and Related Matters" in the Company's definitive Proxy Statement for the Company's Annual Meeting of Shareholders to be held on May 13, 1998, is incorporated by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The section entitled "Ownership of Common Stock" in the Company's definitive Proxy Statement for the Company's Annual Meeting of Shareholders to be held on May 13, 1998, is incorporated by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The subsection entitled "Related Transactions" of the section entitled "Executive Compensation and Related Matters" in the Company's definitive Proxy Statement for the Company's Annual Meeting of Shareholders to be held on May 13, 1998 is incorporated by reference.

PART IV

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

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

The Financial Statements listed below are included in this Report:

- . Consolidated Statements of Earnings for each of the years in the three year period ended December 31, 1997
- . Consolidated Balance Sheets at December 31, 1997 and 1996
- . Consolidated Statements of Cash Flows for each of the years in the three year period ended December 31, 1997
- . Consolidated Statements of Changes in Shareholders' Equity for each of the years in the three year period ended December 31, 1997
- . Notes to Consolidated Financial Statements
- . Schedule for each of the years in the three year period ended December 31, 1997
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.

3. REPORTS ON FORM 8-K FILED DURING THE LAST QUARTER OF 1997: None.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS

	YEAR ENDED DECEMBER 31		
	1997	1996	1995
	(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)		
Net sales.....	\$2,909.2	\$2,466.2	\$2,256.9
Cost of goods sold.....	2,171.4	1,842.7	1,722.0
Gross profit.....	737.8	623.5	534.9
Selling, distribution and administrative expenses...	358.8	303.5	272.3
Amortization of excess cost of purchased companies and other intangibles.....	17.3	16.4	15.4
Interest expense.....	31.8	30.0	30.4
Merger expense.....	--	26.6	--
Other income, net of other deductions.....	3.4	2.7	3.8
Earnings before income taxes and extraordinary item.....	333.3	249.7	220.6
Income taxes.....	125.0	96.7	86.3
Net earnings before extraordinary item.....	208.3	153.0	134.3
Extraordinary item from the extinguishment of debt..	--	12.5	--
Net earnings.....	\$ 208.3	\$ 140.5	\$ 134.3
Earnings per share			
Net earnings before extraordinary item--basic...	\$ 2.19	\$ 1.69	\$ 1.52
Net earnings before extraordinary item--diluted.	\$ 2.16	\$ 1.67	\$ 1.49
Net earnings--basic.....	\$ 2.19	\$ 1.55	\$ 1.52
Net earnings--diluted.....	\$ 2.16	\$ 1.53	\$ 1.49

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	DECEMBER 31	
	1997	1996
	(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)	
ASSETS		

Current Assets		
Cash and cash equivalents.....	\$ 7.7	\$ 3.7
Accounts and notes receivable, less allowance of \$11.5 in 1997 and \$8.6 in 1996.....	438.6	335.3
Inventories		
Finished goods.....	228.0	204.2
Work in process.....	50.3	39.4
Raw materials and supplies.....	170.0	138.6
LIFO reserve.....	(15.1)	(11.7)
	-----	-----
Total inventories.....	433.2	370.5
Other current assets.....	65.1	53.8
	-----	-----
Total current assets.....	944.6	763.3
Property, Plant and Equipment--at cost		
Machinery and equipment.....	767.8	646.7
Buildings and other.....	397.3	333.8
Land.....	47.2	34.6
	-----	-----
Total property, plant and equipment.....	1,212.3	1,015.1
Less accumulated depreciation.....	519.1	432.2
	-----	-----
Net property, plant and equipment.....	693.2	582.9
Other Assets		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of \$38.2 in 1997 and \$28.4 in 1996.....	394.0	290.3
Other intangibles, less accumulated amortization of \$24.1 in 1997 and \$30.3 in 1996.....	31.6	30.2
Sundry.....	42.9	46.2
	-----	-----
Total other assets.....	468.5	366.7
	-----	-----
Total assets.....	\$2,106.3	\$1,712.9
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current Liabilities		
Accounts payable.....	\$ 128.7	\$ 110.3
Accrued expenses.....	166.4	140.1
Other current liabilities.....	77.4	42.4
	-----	-----
Total current liabilities.....	372.5	292.8
Long-Term Debt.....	466.2	388.5
Other Liabilities.....	40.8	36.0
Deferred Income Taxes.....	52.8	54.5
Shareholders' Equity		
Capital stock		
Preferred stock--authorized, 100,000,000 shares; none issued		
Common stock--authorized, 300,000,000 shares of \$.01 par value; issued 96,379,560 and 92,113,786 shares in 1997 and 1996, respectively.....	1.0	.9
Additional contributed capital.....	311.9	240.2
Retained earnings.....	871.3	704.4
Cumulative translation adjustment.....	(10.1)	(4.2)
Less treasury stock--at cost (2,387 and 6,270 shares in 1997 and 1996, respectively).....	(.1)	(.2)
	-----	-----
Total shareholders' equity.....	1,174.0	941.1
	-----	-----
Total liabilities and shareholders' equity.....	\$2,106.3	\$1,712.9
	=====	=====

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		
	1997	1996	1995
	(DOLLAR AMOUNTS IN MILLIONS)		
Operating Activities			
Net earnings.....	\$ 208.3	\$ 140.5	\$ 134.3
Adjustments to reconcile net earnings to net cash provided by operating activities			
Depreciation.....	88.3	75.8	62.6
Amortization.....	17.3	16.4	15.4
Merger expense (non-cash portion).....	--	24.4	--
Extraordinary item (non-cash portion).....	--	4.0	--
Stock and deferred compensation.....	7.9	14.2	4.9
Deferred income tax benefit.....	(1.5)	(13.4)	(1.9)
Other.....	(2.1)	.5	(2.8)
Other changes, excluding effects from purchases of companies			
(Increase) decrease in accounts receivable, net.....	(52.1)	(17.0)	1.0
(Increase) in inventories.....	(15.0)	(7.5)	(33.6)
(Increase) in other current assets.....	(5.1)	(2.1)	(7.2)
Increase in current liabilities.....	42.3	2.3	15.1
Net Cash Provided by Operating Activities...	288.3	238.1	187.8
Investing Activities			
Additions to property, plant and equipment.....	(119.4)	(96.2)	(106.8)
Purchases of companies, net of cash acquired.....	(171.6)	(89.7)	(28.6)
Other.....	8.2	(3.1)	.5
Net Cash Used for Investing Activities.....	(282.8)	(189.0)	(134.9)
Financing Activities			
Additions to debt.....	214.8	292.9	108.7
Payments on debt.....	(164.7)	(309.4)	(100.4)
Dividends paid.....	(48.0)	(30.3)	(31.9)
Issuances of common stock.....	6.6	5.0	3.0
Purchases of common stock.....	(5.7)	(10.1)	(24.5)
Other.....	(4.5)	(1.7)	(2.6)
Net Cash Used for Financing Activities.....	(1.5)	(53.6)	(47.7)
Increase (Decrease) in Cash and Cash Equivalents....	4.0	(4.5)	5.2
Cash and Cash Equivalents--Beginning of Year.....	3.7	8.2	3.0
Cash and Cash Equivalents--End of Year.....	\$ 7.7	\$ 3.7	\$ 8.2
Supplemental Information			
Interest paid.....	\$ 30.3	\$ 28.8	\$ 30.8
Income taxes paid.....	124.4	92.8	90.3
Liabilities assumed of acquired companies.....	81.1	47.3	21.7
Common stock issued for acquired companies.....	52.0	58.3	18.3
Common stock issued for employee stock plans.....	27.4	39.4	17.4

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	COMMON STOCK	ADDITIONAL CONTRIBUTED CAPITAL	RETAINED EARNINGS	CUMULATIVE TRANSLATION ADJUSTMENT	TREASURY STOCK COST	SHARES
(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)						
Balances--January 1, 1995.....	\$.4	\$133.6	\$500.7	\$ (6.1)	\$ (.3)	11,065
Common stock issued for acquired companies and employee stock plans (890,257 shares)....	.1	32.6				
Treasury stock issued for employee stock plans.....		(2.3)			11.4	(372,906)
Treasury stock purchased, primarily for employee stock plans and to replace shares issued for purchased companies..					(25.8)	887,712
Tax benefit related to stock options.....		.5				
Additional shares issued in two-for-one stock split effected in the form of a stock dividend September 15, 1995 (42,194,946 shares)..	.4	(.4)				118,668
Translation adjustment.....				1.1		
Retained earnings of pooled company at date of acquisition..			(1.5)			
Net earnings for the year.....			134.3			
Cash dividends declared (\$.38 per share).....			(31.9)			
Balances--December 31, 1995.....	.9	164.0	601.6	(5.0)	(14.7)	644,539
Common stock issued for acquired companies and employee stock plans (2,994,676 shares)...		90.2				
Treasury stock issued for employee stock plans.....		(5.7)			17.5	(747,033)
Treasury stock purchased, primarily shares received in stock-for-stock option exercises and shares to replace those issued for purchased companies..					(3.0)	108,764
Treasury stock purchased under contractual agreements and effectively retired (287,993 shares)....		(9.6)				
Tax benefit related to stock options.....		1.3				
Translation adjustment.....				.8		
Retained earnings of pooled company at date of acquisition..			3.6			
Net earnings for the year.....			140.5			
Cash dividends declared (\$.46 per share).....			(41.3)			
Balances--December 31, 1996.....	.9	240.2	704.4	(4.2)	(.2)	6,270
Common stock issued for acquired companies and employee stock plans						

(4,265,774 shares)...	.1	74.6				
Treasury stock issued for employee stock plans.....		(9.7)		17.4	(465,140)	
Treasury stock purchased, primarily shares received in stock-for-stock option exercises and shares to replace those issued for purchased companies..				(17.3)	461,257	
Tax benefit related to stock options.....		6.8				
Translation adjustment.....			(5.9)			
Retained earnings of pooled companies at date of acquisition..			9.2			
Net earnings for the year.....			208.3			
Cash dividends declared (\$.54 per share).....			(50.6)			
	----	-----	-----	-----	-----	-----
Balances--December 31, 1997.....	\$1.0	\$311.9	\$871.3	\$(10.1)	\$ (.1)	2,387
	====	=====	=====	=====	=====	=====

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1997, 1996 AND 1995

(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)

A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Inventories: All inventories are stated at the lower of cost or market. Cost includes materials, labor and production overhead. Cost is determined by the last-in, first-out (LIFO) method for approximately 55% of the inventories at December 31, 1997 and 1996. The first-in, first-out (FIFO) method is principally used for the remainder. The FIFO cost of inventories at December 31, 1997 and 1996 approximated replacement cost.

Depreciation, Amortization and Asset Impairment: Property, plant and equipment are depreciated by the straight-line method. The rates of depreciation range from 6.7% to 25% for machinery and equipment, 2.5% to 6.7% for buildings and 12.5% to 33% for other items. Accelerated methods are used for tax purposes. The excess cost of purchased companies over net assets acquired is amortized by the straight-line method over forty years. Other intangibles are amortized by the straight-line method over their estimated lives. Long-lived assets, including intangibles, are evaluated for probable recovery of their carrying amount. Appropriate adjustment, using current market prices, estimates of discounted future cash flows and other methods, is made when recovery of the carrying amount is not reasonably assured.

Computations of Earnings Per Share: The computation of earnings per share has been restated for all periods in accordance with the requirements of FASB Statement No. 128, "Earnings per Share".

Concentration of Credit Risks, Exposures and Financial Instruments: The Company specializes in manufacturing, marketing, and distributing components and other related products for furnishings and diversified markets. The Company's operations are principally in the United States, although the Company also has manufacturing subsidiaries in Canada, Europe, Mexico and China and marketing and distribution operations in other areas.

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

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

The carrying value of cash and short-term financial instruments approximates fair value due to the short maturity of those instruments. The fair value of long-term debt exceeds the carrying value by approximately \$10.

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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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

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

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

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

Reclassifications: Certain reclassifications have been made to the prior years' consolidated financial statements to conform to the 1997 presentation.

B-ACQUISITIONS

During 1997, the Company acquired the assets of 28 companies in exchange for \$171.6 in cash, net of cash acquired, and 1,090,050 shares of common stock in transactions accounted for as purchases. The Company also issued 1,868,480 shares to acquire two businesses in transactions accounted for as poolings of interests. The Company elected not to restate its financial statements as the effect of these poolings was not material. These acquired businesses manufacture and distribute products to furnishings and diversified markets.

The unaudited pro forma consolidated net sales for the years ended December 31, 1997 and 1996 as though the 1997 acquisitions had occurred on January 1 of each year presented were \$3,057.9 and \$2,798.1, 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.

On May 13, 1996, the Company issued 5,134,092 shares of common stock to acquire Pace Holdings, Inc. (Pace) in a transaction accounted for as a pooling of interests. Pace is a leading manufacturer and marketer of non-automotive aluminum die cast components. Previously issued financial statements were restated to reflect the pooling.

In connection with a 1993 leveraged buyout transaction, Pace adopted an employee stock option/bonus plan that provided for the granting of options, under certain conditions, at an exercise price of \$.01 per Pace share. In May 1996, prior to the acquisition, options were granted and exercised under the plan resulting in compensation expense of \$12 before taxes. Other merger expense, including costs for the accrual of commitments under contracts no longer benefiting the Company and legal and environmental issues, was \$14.6 before taxes in 1996.

Following the acquisition, the Company issued a tender offer to all holders of the Pace 10.625% senior notes. In June 1996, the notes were redeemed at approximately 113% of par value, plus accrued interest. The

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

cash required for the redemption was provided through the issuance of medium-term notes and the Company's revolving credit agreements. The Company recognized an extraordinary charge, net of related tax benefits, of \$12.5 from the extinguishment of debt.

Also during 1996, the Company acquired the assets of twelve companies in transactions accounted for as purchases. These transactions required the use of \$89.7 in cash, net of cash acquired, and 2,128,124 shares of common stock and common stock equivalents. In addition, the Company issued 562,429 shares to acquire another business in a transaction accounted for as a pooling of interests. The Company elected not to restate its financial statements as the effect of this pooling was not material. These acquired businesses manufacture and distribute products to furnishings and diversified markets.

During 1995, the Company acquired the assets of nine companies that primarily manufacture and distribute components to the furnishings industry. These transactions, accounted for as purchases, resulted in the use of \$28.6 in cash, net of cash acquired, and 642,441 shares of common stock. The Company also issued 325,000 shares of common stock to acquire a business in a transaction accounted for as a pooling of interests. The Company elected not to restate its financial statements as the effect of the pooling was not material. This company manufactures and distributes formed wire products to the furnishings industry.

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

C-EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows:

	1997	1996	1995
	-----	-----	-----
Basic			
Weighted average shares outstanding, including shares issuable for little or no cash....	95,134,258	90,536,359	88,629,019
	=====	=====	=====
Net earnings before extraordinary item.....	\$ 208.3	\$ 153.0	\$ 134.3
	=====	=====	=====
Earnings per share--basic.....	\$ 2.19	\$ 1.69	\$ 1.52
	=====	=====	=====
Diluted			
Weighted average shares outstanding, including shares issuable for little or no cash....	95,134,258	90,536,359	88,629,019
Additional dilutive shares principally from the assumed exercise of outstanding stock options.....	1,460,554	1,308,328	1,246,686
	-----	-----	-----
	96,594,812	91,844,687	89,875,705
	=====	=====	=====
Net earnings before extraordinary item.....	\$ 208.3	\$ 153.0	\$ 134.3
	=====	=====	=====
Earnings per share--diluted.....	\$ 2.16	\$ 1.67	\$ 1.49
	=====	=====	=====

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

D--ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

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

	1997	1996
	-----	-----
Accrued expenses		
Wages and commissions payable.....	\$ 41.8	\$ 33.9
Workers' compensation, medical, auto and product liability insurance.....	46.5	37.5
Income taxes.....	10.9	14.9
Other.....	67.2	53.8
	-----	-----
	\$166.4	\$140.1
	=====	=====
Other current liabilities		
Outstanding checks in excess of book balances.....	\$ 41.9	\$ 19.1
Current maturities of long-term debt.....	4.7	3.9
Other.....	30.8	19.4
	-----	-----
	\$ 77.4	\$ 42.4
	=====	=====

E--LONG-TERM DEBT

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

	1997	1996
	-----	-----
Medium-term notes, fixed interest rates of 7.0% and 6.8% for 1997 and 1996, respectively, due dates through 2008...	\$325.0	\$250.0
Commercial paper, variable interest rates of 6.6% for 1997 and 1996, due dates in 1998 and 1997.....	63.3	56.1
Industrial development bonds, principally variable interest rates of 4.2% and 4.6% for 1997 and 1996, respectively, due dates through 2030.....	38.9	38.9
Other, partially secured.....	43.7	47.4
	-----	-----
	470.9	392.4
Less current maturities.....	4.7	3.9
	-----	-----
	\$466.2	\$388.5
	=====	=====

The current revolving credit agreements provide for a maximum line of credit of \$240. For any revolving credit agreement, the Company may elect to pay interest based on 1) the bank's base lending rate, 2) LIBOR, 3) an adjusted certificate of deposit rate, or 4) the money market rate, as specified in the revolving agreements. The agreements will terminate during 2002, at which time all outstanding balances will become due. Annual facility fees are 1/10 of 1% of the total credit line, payable on a quarterly basis.

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

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.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Maturities of long-term debt for each of the five years following 1997 are:

Year ended December 31	
1998.....	\$ 4.7
1999.....	43.6
2000.....	18.4
2001.....	57.4
2002.....	154.2

F-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 \$27.3, \$24.3 and \$22.7 for the years ended December 31, 1997, 1996 and 1995, respectively.

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

Year ended December 31	
1998.....	\$15.5
1999.....	12.0
2000.....	8.4
2001.....	5.9
2002.....	3.2
Later years.....	3.8

	\$48.8
	=====

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

G-CAPITAL STOCK

At December 31, 1997, the Company had 6,852,670 common shares authorized for issuance under stock option plans. Generally, options become exercisable in varying installments, beginning 6 to 18 months after the date of grant, and have a maximum term of 5-15 years. Options may be issued with exercise prices at or below market price. Compensation cost charged against income related to the Company's stock option grants for each of the years ending December 31, 1997, 1996 and 1995 was \$6.6, \$13.7 and \$2.4, respectively. Compensation cost includes amounts for options granted under the deferred compensation plan for certain executives, which allows the executive to elect stock options in lieu of future salary and bonuses. Had compensation cost for the Company's stock-based compensation plans been determined based on the estimated fair value of the options at the grant dates, consistent with the method of FASB Statement No. 123, the Company's net income and earnings per share would not be significantly reduced. The Company does not anticipate that FASB Statement No. 123's method of determining compensation cost will have a significant impact in future years.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

A summary of the Company's stock option plans as of December 31, 1997, 1996 and 1995, and changes during the years ending on those dates is presented below:

	SHARES	WEIGHTED AVERAGE EXERCISE PRICE PER SHARE
Outstanding at January 1, 1995.....	2,781,256	\$11.17
Granted.....	344,800	9.44
Exercised.....	(418,533)	10.55
Forfeited.....	(75,134)	15.94
Outstanding at December 31, 1995.....	2,632,389	10.87
Granted.....	2,477,157	20.27
Exercised.....	(671,310)	11.22
Forfeited.....	(42,584)	20.89
Outstanding at December 31, 1996.....	4,395,652	16.01
Granted.....	714,751	20.36
Exercised.....	(1,033,366)	12.90
Forfeited.....	(80,740)	23.52
Outstanding at December 31, 1997.....	3,996,297	17.43
Options exercisable at		
December 31, 1997.....	1,744,011	12.31
December 31, 1996.....	1,826,827	9.06
December 31, 1995.....	1,656,270	10.27

	1997	1996	1995
Weighted-average fair value of options:			
Granted at market price.....	\$ 8.87	\$ 5.05	\$ 4.62
Granted at below market price.....	24.54	16.87	14.27
Weighted-average exercise price of options:			
Granted at market price.....	40.62	23.77	21.03
Granted at below market price.....	9.08	13.52	6.57
Principal assumptions used in calculating fair value consistent with the method of FASB Statement No. 123:			
Risk-free interest rate.....	6.0%	5.9%	6.8%
Expected life in years.....	4.8	4.3	4.8
Expected volatility.....	19.0%	19.0%	19.0%
Expected dividend yield.....	1.7%	1.7%	1.7%

The following table summarizes information about stock options outstanding at December 31, 1997:

RANGE OF EXERCISE PRICES	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
	NUMBER OUTSTANDING	WEIGHTED-AVERAGE REMAINING CONTRACTUAL LIFE IN YEARS	WEIGHTED-AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE	WEIGHTED-AVERAGE EXERCISE PRICE
\$.01-					
\$.50	712,634	13	\$.12	430,730	\$ 0.19
3.63-					
6.28	329,527	1	5.96	329,527	5.96
9.56-					
11.38	127,428	2	11.32	127,428	11.32
15.50-					
20.00	947,439	4	18.54	272,234	16.21
20.38-					
25.00	1,329,747	3	22.71	492,941	22.45
25.88-					
29.88	295,941	8	27.36	91,151	27.38
30.88-					
37.75	61,592	4	34.68	--	--
40.00-					
44.19	191,989	5	42.60	--	--

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

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

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

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

H--EMPLOYEE BENEFIT PLANS

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

Information at December 31, 1997, 1996 and 1995 as to the funded status of Company sponsored defined benefit plans, net pension income from the plans for the years then ended and weighted average assumptions used in the calculations are as follows:

	1997	1996	1995
	-----	-----	-----
Funded Status			
Actuarial present value of benefit obligations			
Vested benefits.....	\$(82.8)	\$(64.5)	\$(58.8)
Nonvested benefits.....	(1.6)	(.8)	(.6)
	-----	-----	-----
Accumulated benefit obligations.....	(84.4)	(65.3)	(59.4)
Provision for future compensation increases.....	(5.1)	(3.9)	(3.1)
	-----	-----	-----
Projected benefit obligations.....	(89.5)	(69.2)	(62.5)
Plan assets at fair value.....	127.6	98.8	87.1
	-----	-----	-----
Plan assets in excess of projected benefit obligations.....	38.1	29.6	24.6
Unrecognized net experience gain.....	(14.8)	(7.6)	(3.4)
Unrecognized net transition asset.....	(2.0)	(2.7)	(3.4)
	-----	-----	-----
Prepaid pension costs included in other assets.....	\$ 21.3	\$ 19.3	\$ 17.8
	=====	=====	=====
Components of Pension Income (Expense)			
Service cost.....	\$ (1.6)	\$ (1.7)	\$ (.8)
Interest cost.....	(5.0)	(4.5)	(4.1)
Actual return on plan assets.....	29.8	12.4	12.5
Net amortization and deferral.....	(21.2)	(4.7)	(5.8)
	-----	-----	-----
Net pension income from defined benefit plans.....	\$ 2.0	\$ 1.5	\$ 1.8
	=====	=====	=====
Weighted Average Assumptions			
Discount rate.....	7.25%	7.25%	7.25%
Rate of increase in compensation levels.....	5.20%	5.19%	5.18%
Expected long-term rate of return on plan assets.....	8.00%	8.00%	8.00%
	=====	=====	=====

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

Plan assets are invested in a diversified portfolio of equity, debt and government securities, including 588,000 shares of the Company's common stock at December 31, 1997.

Contributions to union sponsored, defined benefit, multiemployer pension plans were \$.2 in 1997, 1996 and 1995. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts. As of 1997, the actuarially computed values of vested benefits for these plans were primarily equal to or less than the net assets of the plans. Therefore, the Company would have no material withdrawal liability. However, the Company has no present intention of withdrawing from any of these plans, nor has the Company been informed that there is any intention to terminate such plans.

Net pension (expense) income, including Company sponsored defined benefit plans, multiemployer plans and other plans, was \$(.8), \$(.4) and \$.2 in 1997, 1996 and 1995, respectively.

The Company also has a contributory stock purchase/stock bonus plan (SPSB Plan), a non-qualified executive stock purchase program (ESPP) and an employees' discount stock plan (DSP). The SPSB Plan provides Company pre-tax contributions of 50% of the amount of employee contributions. The ESPP provides cash payments of 50% of the employees' contributions, along with an additional payment to assist employees in paying taxes on the cash payments. To the extent possible, contributions to the ESPP are invested in the Company's common stock through the DSP. In addition, the Company matches its contributions when certain profitability levels, as defined in the SPSB Plan and the ESPP, have been attained. The Company's total contributions to the SPSB Plan and the ESPP were \$5.8, \$4.7 and \$4.3 for 1997, 1996 and 1995, respectively.

Under the DSP, eligible employees may purchase a maximum of 8,000,000 shares of Company common stock. The purchase price per share is 85% of the closing market price on the last business day of each month. Shares purchased under the DSP were 435,697, 504,605 and 506,613 during 1997, 1996 and 1995, respectively. Purchase prices ranged from \$15 to \$39 per share. Since inception of the DSP in 1982, a total of 6,103,149 shares have been purchased by employees.

I--INCOME TAXES

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

	YEAR ENDED DECEMBER 31		
	1997	1996	1995
Domestic.....	\$292.2	\$218.0	\$198.7
Foreign.....	41.1	31.7	21.9
	\$333.3	\$249.7	\$220.6
	=====	=====	=====

Income tax expense is comprised of the following components:

	YEAR ENDED DECEMBER 31		
	1997	1996	1995
Current			
Federal.....	\$102.2	\$86.3	\$71.1
State and local.....	9.9	12.1	9.7
Foreign.....	14.4	11.7	7.4
	126.5	110.1	88.2
Deferred			
Federal.....	(5.5)	(12.8)	(3.7)
State and local.....	4.1	(.5)	1.2
Foreign.....	(.1)	(.1)	.6
	(1.5)	(13.4)	(1.9)
	\$125.0	\$96.7	\$86.3
	=====	=====	=====

In addition to the above income tax expense, the Company recognized a

current benefit from an extraordinary item of \$7.7 in 1996.

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	
	1997	1996
Property, plant and equipment.....	\$(53.7)	\$(47.9)
Accrued expenses.....	55.2	42.8
Prepaid pension cost.....	(8.4)	(7.7)
Other, net.....	(14.0)	(11.8)
	\$(20.9)	\$(24.6)
	=====	=====

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

	DECEMBER 31	
	1997	1996
Other current assets.....	\$ 31.9	\$ 29.9
Deferred income taxes.....	(52.8)	(54.5)
	\$(20.9)	\$(24.6)
	=====	=====

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

	YEAR ENDED DECEMBER 31		
	1997	1996	1995
Statutory federal income tax rate.....	35.0%	35.0%	35.0%
Increases in rate resulting primarily from state and other jurisdictions.....	2.5	3.7	4.1
Effective tax rate.....	37.5%	38.7%	39.1%
	====	====	====

J--SEGMENT INFORMATION

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

Operating profit is determined by deducting from net sales the cost of goods sold and the selling, distribution, administrative and other expenses attributable to the segment operations. Operating profit was reduced in the furnishings segment by \$18.8 and the diversified group by \$7.8 because of non-recurring merger costs for the Pace acquisition in 1996. Corporate expenses not allocated to the segments include corporate general and administrative expenses, interest expense and certain other income and deduction items which are incidental to the Company's operations. Capital expenditures, as defined herein, include property, plant and equipment of acquired businesses as well as existing operations. The identifiable assets of industry segments are those used in

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--(CONTINUED)

the Company's operations of each segment. Corporate identifiable assets include cash, land, buildings and equipment used in conjunction with corporate activities and sundry assets. Financial information by segment is as follows:

YEAR ENDED DECEMBER 31	FURNISHINGS	DIVERSIFIED	CORPORATE	CONSOLIDATED
-----	-----	-----	-----	-----
1997				
Net sales.....	\$2,228.9	\$680.3	\$ --	\$2,909.2
Operating profit.....	318.2	66.3	(51.2)	333.3
Capital expenditures....	156.5	36.4	5.1	198.0
Depreciation and amortization expense...	83.6	19.6	2.4	105.6
Identifiable assets.....	1,610.1	449.1	47.1	2,106.3
1996				
Net sales.....	\$1,900.5	\$565.7	\$ --	\$2,466.2
Operating profit.....	243.1	53.9	(47.3)	249.7
Capital expenditures....	117.5	27.5	5.4	150.4
Depreciation and amortization expense...	71.0	18.4	2.8	92.2
Identifiable assets.....	1,313.0	363.9	36.0	1,712.9
1995				
Net sales.....	\$1,727.8	\$529.1	\$ --	\$2,256.9
Operating profit.....	214.1	51.5	(45.0)	220.6
Capital expenditures....	94.7	26.9	4.2	125.8
Depreciation and amortization expense...	58.7	15.9	3.4	78.0
Identifiable assets.....	1,134.2	290.0	53.9	1,478.1

The Company's areas of operation outside of the United States principally include Canada, Europe and Mexico, none of which are significant to consolidated operations. Prior to 1996, net sales and identifiable assets were not significant. Information about the Company's operations in different geographic locations is as follows:

YEAR ENDED DECEMBER 31	UNITED STATES	FOREIGN	CORPORATE	CONSOLIDATED
-----	-----	-----	-----	-----
1997				
Net sales.....	\$2,652.9	\$256.3	\$ --	\$2,909.2
Inter-area sales.....	8.2	81.5	--	89.7
Operating profit.....	338.2	46.3	(51.2)	333.3
Identifiable assets.....	1,759.4	299.8	47.1	2,106.3
1996				
Net sales.....	\$2,304.8	\$161.4	\$ --	\$2,466.2
Inter-area sales.....	7.5	65.6	--	73.1
Operating profit.....	261.3	35.7	(47.3)	249.7
Identifiable assets.....	1,446.1	230.8	36.0	1,712.9

K--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 such claims and proceedings, and the costs can be reasonably estimated, appropriate liabilities are recorded in the financial statements and charges are made against earnings. No claim or proceeding has resulted in a material charge against earnings, nor are the total liabilities recorded material to the Company's financial position. While the results of any ultimate resolution cannot be predicted, management believes the possibility of a material adverse effect on the Company's consolidated financial position, results of operations and cash flows from these claims and proceedings is remote. The more significant claims and proceedings are briefly described in the following paragraphs.

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

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

REPORT OF INDEPENDENT ACCOUNTANTS

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

In our opinion, the financial statements listed in the index appearing under Item 14 on page 13 present fairly, in all material respects, the financial position of Leggett & Platt, Incorporated and Subsidiaries at December 31, 1997 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1997 in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ Price Waterhouse LLP

St. Louis, Missouri
February 4, 1998

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

QUARTERLY SUMMARY OF EARNINGS

(UNAUDITED)

(DOLLAR AMOUNTS IN MILLIONS, EXCEPT PER SHARE DATA)

YEAR ENDED DECEMBER 31, 1997	FIRST	SECOND	THIRD	FOURTH	TOTAL
Net sales.....	\$673.2	\$721.2	\$747.0	\$767.8	\$2,909.2
Gross profit.....	170.2	183.4	188.5	195.7	737.8
Earnings before income taxes.....	78.1	83.9	83.9	87.4	333.3
Net earnings.....	48.4	52.0	52.8	55.1	208.3
Earnings per share					
Net earnings--basic.....	\$.52	\$.55	\$.55	\$.57	\$ 2.19
Net earnings--diluted.....	\$.51	\$.55	\$.54	\$.56	\$ 2.16

YEAR ENDED DECEMBER 31, 1996	FIRST	SECOND	THIRD	FOURTH	TOTAL
Net sales.....	\$591.2	\$620.0	\$628.6	\$626.4	\$2,466.2
Gross profit.....	144.6	157.6	157.3	164.0	623.5
Earnings before income taxes and extraordinary item.....	61.4	43.8	71.9	72.6	249.7
Net earnings before extraordinary item....	37.7	26.6	44.0	44.7	153.0
Net earnings.....	37.7	14.1	44.0	44.7	140.5
Earnings per share					
Net earnings before extraordinary item-- basic.....	\$.42	\$.30	\$.49	\$.48	\$ 1.69
Net earnings before extraordinary item-- diluted.....	\$.42	\$.29	\$.48	\$.48	\$ 1.67
Net earnings--basic.....	\$.42	\$.16	\$.49	\$.48	\$ 1.55
Net earnings--diluted.....	\$.42	\$.15	\$.48	\$.48	\$ 1.53

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

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES

SCHEDULE II--VALUATION AND QUALIFYING ACCOUNTS AND RESERVES
(AMOUNTS IN MILLIONS)

COLUMN A -----	COLUMN B -----	COLUMN C -----	COLUMN D -----	COLUMN E -----
DESCRIPTION -----	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO COST AND EXPENSES	DEDUCTIONS	BALANCE AT END OF PERIOD
Year ended December 31, 1997.....				
Allowance for doubtful receivables.....	\$8.6 =====	\$5.6 =====	\$2.7(A) =====	\$11.5 =====
Year ended December 31, 1996.....				
Allowance for doubtful receivables.....	\$7.5 =====	\$4.8 =====	\$3.7(A) =====	\$ 8.6 =====
Year ended December 31, 1995.....				
Allowance for doubtful receivables.....	\$8.1 =====	\$5.8 =====	\$6.4(A) =====	\$ 7.5 =====

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

SIGNATURES

PURSUANT TO THE REQUIREMENTS OF SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934, THE REGISTRANT HAS DULY CAUSED THIS REPORT TO BE SIGNED ON ITS BEHALF BY THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED.

Leggett & Platt, Incorporated

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

Dated: March 30, 1998

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

SIGNATURE -----	TITLE -----	DATE ----
(A) PRINCIPAL EXECUTIVE OFFICER:		
/s/ Harry M. Cornell, Jr _____ Harry M. Cornell, Jr.	Chairman of the Board and Chief Executive Officer	March 30, 1998
(B) PRINCIPAL FINANCIAL OFFICER:		
/s/ Michael A. Glauber _____ Michael A. Glauber	Senior Vice President, Finance & Administration	March 30, 1998
(C) PRINCIPAL ACCOUNTING OFFICER:		
/s/ Allan J. Ross _____ Allan J. Ross	Vice President, Accounting	March 30, 1998
(D) DIRECTORS:		
Raymond F. Bentele* _____ Raymond F. Bentele	Director	
Robert Ted Enloe, III* _____ Robert Ted Enloe, III	Director	
Richard T. Fisher* _____ Richard T. Fisher	Director	

SIGNATURE

TITLE

DATE

Bob L. Gaddy*

Director

Bob L. Gaddy

David S. Haffner*

Director

David S. Haffner

Thomas A. Hays*

Director

Thomas A. Hays

Robert A. Jefferies, Jr.*

Director

Robert A. Jefferies, Jr.

Alexander M. Levine*

Director

Alexander M. Levine

Richard L. Pearsall*

Director

Richard L. Pearsall

Duane W. Potter*

Director

Duane W. Potter

Maurice E. Purnell, Jr.*

Director

Maurice E. Purnell, Jr.

Felix E. Wright*

Director

Felix E. Wright

/s/ Ernest C. Jett

March 30, 1998

*By

Ernest C. Jett

Attorney-in-Fact pursuant to
Power of
Attorney dated March 11, 1998

EXHIBIT INDEX

EXHIBIT NO. -----	DOCUMENT DESCRIPTION -----	SEQUENTIAL PAGE NO. -----
3.1	Restated Articles of Incorporation of the Company as of May 13, 1987.	
3.2	Amendment to Restated Articles of Incorporation of the Company, filed as Exhibit 3.1 to Form S-4 (Registration No. 33-66238 which was filed with the Securities and Exchange Commission on July 19, 1993), is incorporated by reference.	
3.3	By-Laws of the Company as amended and restated as of August 11, 1993, filed as Exhibit 3.2 to Registrant's Form 10-Q for the quarter ended June 30, 1993, are incorporated by reference.	
4.1	Article III of Registrant's Restated Articles of Incorporation, filed as Exhibit 3.1 above, is incorporated by reference.	
4.2	Rights Agreement dated February 15, 1989 between Registrant and The Chase Manhattan Bank, N.A., pertaining to preferred stock rights distributed by Registrant, filed as Exhibit 1 to Registrant's Form 8-A dated February 15, 1989, and Amendment No. 1 to Rights Agreement dated August 29, 1994, filed as Exhibit 3 to Registrant's Form 8-A/A dated September 8, 1994, are incorporated by reference.	
4.2A	Letter Agreement dated December 18, 1991 between Registrant and Mellon Securities Trust Company ("Mellon") relating to appointment of Mellon as Rights Agent under the Rights Agreement, filed as Exhibit 4.2A to Registrant's Form 10-K for the year ended December 31, 1991, is incorporated by reference.	
10.1(1)	Restated and Amended Employment Agreement between Harry M. Cornell, Jr. and Leggett & Platt, Incorporated dated as of August 14, 1996, filed as Exhibit 10.1 to Registrant's Form 10-K for the year ended December 31, 1996, is incorporated by reference.	
10.2(1)	Employment Agreement between the Company and Felix E. Wright dated May 1, 1981, as amended, filed as Exhibit 10.2 to Registrant's Form 10-K for the year ended December 31, 1989, is incorporated by reference.	
10.3(1)	Employment Agreement between the Company and Robert A. Jefferies, Jr. dated November 7, 1990, filed as Exhibit 10.3 to Registrant's Form 10-K for the year ended December 31, 1990, and Amendment No. 1 to Employment Agreement dated January 1, 1993, filed as Exhibit 10.3 to Registrant's Form 10-K for the year ended December 31, 1992, are incorporated by reference.	
10.4(1)	Severance Benefit Agreement between the Company and Harry M. Cornell, Jr. dated May 9, 1984 filed as Exhibit 10.4 to Registrant's Form 10-K for the year ended December 31, 1994, is incorporated by reference.	
10.5(1)	Severance Benefit Agreement between the Company and Felix E. Wright dated May 9, 1984 filed as Exhibit 10.5 to Registrant's Form 10-K for the year ended December 31, 1994, is incorporated by reference.	
10.6(1)	Severance Benefit Agreement between the Company and Robert A. Jefferies, Jr. dated May 9, 1984 filed as Exhibit 10.6 to Registrant's Form 10-K for the year ended December 31, 1994, is incorporated by reference.	
10.7(1)	Reference is made to Appendix B to Registrant's definitive Proxy Statement dated March 27, 1997 used in conjunction with Registrant's Annual Meeting of Shareholders held on May 14, 1997 for a copy of the Company's 1989 Flexible Stock Plan, as amended, which is incorporated by reference.	

EXHIBIT NO. -----	DOCUMENT DESCRIPTION -----	SEQUENTIAL PAGE NO. -----
10.8(1)	Summary description of the Company's Key Management Incentive Compensation Plan filed as Exhibit 10.7 to Registrant's Form 10-K for the year ended December 31, 1993, is incorporated by reference.	
10.9(1)	Reference is made to description of certain long-term disability arrangements between Registrant and its salaried employees filed as Exhibit 10.7 to Registrant's Form 10-K for the year ended December 31, 1991, which is incorporated by reference.	
10.10(1)	Form of Indemnification Agreement approved by the shareholders of Registrant and entered into between Registrant and each of its directors and executive officers, filed as Exhibit 10.10 to Registrant's Form 10-K for the year ended December 31, 1995, is incorporated by reference.	
10.11(1)	Reference is made to Appendix A to Registrant's definitive Proxy Statement dated March 27, 1997 used in conjunction with Registrant's Annual Meeting of Shareholders held on May 14, 1997, for a copy of the Company's Director Stock Option Plan, as amended, which is incorporated by reference.	
10.12(1)	Leggett & Platt, Incorporated Executive Stock Purchase Program adopted June 6, 1989 under the Company's 1989 Flexible Stock Plan, and effective as of July 1, 1989, as amended on November 13, 1991, filed as Exhibit 10.11 to Registrant's Form 10-K for the year ended December 31, 1991, is incorporated by reference.	
10.13(1)	Revised Employment Agreement between Bob L. Gaddy, Pace Industries, Inc. and Leggett & Platt, Incorporated, filed as Exhibit 10.13 to Registrant's Form 10-K for the year ended December 31, 1996, is incorporated by reference.	
10.14(1)	Stock Award Agreement dated December 31, 1996 between the Company and Harry M. Cornell, Jr., filed as Exhibit 10.18 to Registrant's Form 10-K for the year ended December 31, 1996, is incorporated by reference.	
10.15(1)	Stock Award Agreement dated June 1, 1996 between the Company and Felix E. Wright, filed as Exhibit 10.19 to Registrant's Form 10-K for the year ended December 31, 1996, is incorporated by reference.	
10.16(1)	Stock Award Agreement dated June 1, 1996 between the Company and Duane W. Potter, filed as Exhibit 10.20 to Registrant's Form 10-K for the year ended December 31, 1996, is incorporated by reference.	
10.17(1)	Stock Award Agreement dated June 1, 1996 between the Company and David S. Haffner, filed as Exhibit 10.21 to Registrant's Form 10-K for the year ended December 31, 1996, is incorporated by reference.	
10.18(1)	Stock Award Agreement dated September 1, 1996 between the Company and Jerry H. Hudkins, filed as Exhibit 10.22 to Registrant's Form 10-K for the year ended December 31, 1996, is incorporated by reference.	
10.19(1)	Stock Award Agreement dated September 1, 1996 between the Company and Michael A. Glauber, filed as Exhibit 10.23 to Registrant's Form 10-K for the year ended December 31, 1996, is incorporated by reference.	
10.20(1)	Registrant's Stock Award Program adopted December 30, 1997.	
10.21(1)	The summary description of the Company's Deferred Compensation Program, filed as Exhibit 10.18 to Registrant's Form 10-K for the year ended December 31, 1995, is incorporated by reference.	

EXHIBIT NO. -----	DOCUMENT DESCRIPTION -----	SEQUENTIAL PAGE NO. -----
10.22(1)	Noncompetition Agreement, dated as of May 13, 1996 between Bob L. Gaddy and Leggett & Platt, Incorporated, filed as Exhibit 10.25 to Registrant's Form 10-K for the year ended December 31, 1996, is incorporated by reference.	
10.23(1)	Pace Industries, Inc., Revised and Restated Employee Incentive Compensation Plan, filed as Exhibit 10.27 to Registrant's Form 10-K for the year ended December 31, 1996, is incorporated by reference.	
21	Schedule of Subsidiaries of Registrant.	
23	Consent of Independent Accountants.	
24	Power of Attorney executed by members of the Company's Board of Directors regarding this Form 10-K and certain registration statements.	
27	Financial Data Schedule.	
27.1	Restated Financial Data Schedules.	
27.2	Restated Financial Data Schedules.	
27.3	Restated Financial Data Schedules.	

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

RESTATED ARTICLES OF INCORPORATION

OF

LEGGETT & PLATT, INCORPORATED

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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:

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.

Notary Public

My Commission Expires: _____

RESTATED ARTICLES OF INCORPORATION

LEGGETT & PLATT, INCORPORATED

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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:

Name	Place of Residence
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

LEGGETT & PLATT, INCORPORATED
STOCK AWARD PROGRAM

(Adopted on December 30, 1997 and
Effective as of January 1, 1998)

1. Introduction. Section 423(b)(8) of the Internal Revenue Code ("Code") prevents certain of the Company's executives from fully participating in the Leggett and Platt, Incorporated Executive Stock Purchase Program ("ESPP"). Accordingly, the Leggett & Platt, Incorporated Stock Award Program ("Award Program") is hereby established pursuant to the Leggett & Platt, Incorporated 1989 Flexible Stock Plan ("Plan") by the Committee ("Committee") which administers the Plan. Capitalized terms which are not defined in the Award Program shall have the same meaning as in the Plan. The Committee shall administer the Award Program and, in connection therewith, shall have all of the authorities granted to it in the Plan.
2. Eligibility and Participation. Unless the Committee determines otherwise, Harry M. Cornell, Jr. and any Section 16 Officer, Vice President, Senior Vice President, Executive Vice President or President who is a participant in the ESPP shall, to the extent provided below, be a participant ("Participant") in the Award Program. The Committee has full power and authority to determine the individuals who will be Participants in the Award Program.
3. Stock Awards. The Award Program shall provide for a basic stock award ("Basic Stock Award") and an additional stock award ("Additional Stock Award"). These awards are sometimes referred to individually as a "Stock Award" or "Award" and collectively as "Stock Awards" or "Awards" and constitute Other Stock Based Awards under Article XVIII of the Plan.
4. Effective Date; Fiscal Year. The Award Program shall be effective as of January 1, 1998, and its fiscal year ("Fiscal Year") shall be the calendar year.
5. Grant of Awards. Each Participant who, during a Fiscal Year, becomes ineligible to purchase Shares under the Leggett & Platt, Incorporated 1989 Discount Plan, as amended ("Discount Plan"), shall receive the following Awards:
 - 5.1 Basic Award. The Basic Stock Award for each Fiscal Year shall be a bi-weekly Award which shall commence as of the first pay day on which the Participant is ineligible to participate in the Discount Plan and shall end on the last date of such ineligibility. Each Basic Stock Award shall be the number of whole Shares

having a Fair Market Value on the date the Award is made which would, in the Committee's judgment, allow the Participant to receive substantially the same economic benefits as would have occurred if the Participant could have fully participated in the ESPP.

5.2 Additional Stock Award. No later than March 1 of each year, the Committee shall grant to each Participant who was a Participant in the Award Program for the previous Fiscal Year an Additional Stock Award if (i) such Participant was a full-time executive Employee of the Employer on the last day of such Fiscal Year or terminated his employment prior to such last day because of permanent and total disability, retirement or death and (ii) the Company has met the prior Fiscal Year earnings objectives determined by the Committee for granting Additional Stock Awards. The Additional Stock Award shall be the number of whole Shares which have a Fair Market Value on the date the Award is made equal to or nearest to the product of X times Y where (i) X is .787 and (ii) Y is the aggregate Fair Market Value of all Basic Stock Awards received by the Participant under the Award Program in the prior Fiscal Year determined as of the date each such Award was made.

Unless the Committee determines otherwise, the amount of the Awards shall be calculated in accordance with past practices of the Company.

6. Dividends; Participant's Investments. All dividends on shares acquired by a Participant pursuant to the Award Program shall be paid to the Company. Income taxes shall not be withheld from such dividends unless elected by the Participant. The Company shall invest all cash dividends from Shares (plus any interest thereon) in such debt or equity issues, mutual funds, annuity contracts and/or other investments as shall be agreeable to Participant and the Committee. Such investments, together with all proceeds thereof and increments thereto, are collectively called "Participant's Investments". In no event will Participant's Investments include Common Stock or the Company's preferred stock or any debt instruments convertible into Common Stock or such preferred stock. A Participant, in his sole and absolute discretion and without being under any obligation to do so, may transmit cash to the Company (bi-weekly by payroll deduction or in lump sum amounts). Any such cash transmitted during a Fiscal Year shall not be less than 2% nor more than 10% of Participant's gross cash compensation for the prior Fiscal Year. All cash transmitted will be invested by the Company in the same manner as cash dividends from Shares and thereupon shall constitute and remain a portion of Participant's Investments. The substantive provisions of Sections 7.1, 7.2, 7.3, 8 and 12 of this Award Program dealing with Common Stock and certificates therefor shall apply with like force to Participant's Investments and certificates or other evidences of Participant's Investments.

7. Other Conditions of Stock Award. The grant of each Stock Award shall be subject to the following additional terms and conditions:
 - 7.1 Names on Certificates for Common Stock. Certificates for all Common Stock shall normally be issued in the name of the Participant only. However, if the Participant so requests, certificates will be issued (i) in the name of the Participant and the Participant's spouse as tenants by the entirety, or (ii) in the name of the Participant and any other person designated by the Participant as joint tenants with right of survivorship. Any such issuance will be in accordance with such guidelines as the Committee may promulgate. With the Committee's consent, which may be given or withheld in the Committee's sole discretion, certificates for Common Stock may be issued in the name of a person other than the Participant. Any such issuance shall be on such terms and conditions as the Committee may deem appropriate. Irrespective of the names (other than the Participant's) appearing on any certificates for Common Stock, such certificates shall remain subject to all of the terms and conditions of this Award Program.
 - 7.2 Stock Not Transferable. Common Stock may not be transferred, pledged or otherwise disposed of by the Participant or any other holder thereof until it is no longer subject to the repurchase pursuant to Section 15 and until the earlier of (i) the Participant's death, total and permanent disability, retirement, or other termination of employment or (ii) such time as the Committee shall determine.
 - 7.3 Possession of Stock Certificates: Legends. Until Common Stock is no longer nontransferable, certificates for such Common Stock may be held by the Company or such other person or entity as the Committee shall select and may be marked with such legend as the Committee shall determine.
 - 7.4 Substitution of Certificates. A Participant shall be permitted from time to time to substitute certificates for Common Stock already owned by the Participant and not subject to the Award Program for a like number of Common Stock certificates. A Participant shall also be permitted from time to time to substitute property already owned by the Participant and not subject to the Award Program for Participant's Investments having similar fair market value. Any and all such substitutions shall be in accordance with such guidelines as the Committee may promulgate.
8. Trust or Custodial Account. The Committee shall have the right at any time to establish a trust, custodial account or other arrangement to hold certificates for Common Stock which is nontransferable upon such terms as it deems appropriate and which are not in conflict with the Plan or the Award Program.
9. Adjustment. In the event of any change in the Common Stock of the Company described in Section 3.3 of the Plan, the Committee shall have the right to make such amendments

to the Award Program as it shall deem necessary to carry out the purposes of the Award Program.

10. Authority and Further Steps. The Participant shall execute such documents and take all steps as the Committee shall request to effectuate the provisions of the Award Program.
11. Termination of Employment. If Participant's employment terminates for any reason, no further installment of any Basic Stock Award which is payable in installments shall be made. If the Participant's employment terminates for any reason prior to December 31 of any Fiscal Year, any Additional Stock Award for that year which has not been paid will be forfeited unless (a) such termination (i) was because of permanent and total disability or death or (ii) occurred on or after the Participant attained 60 years of age or attained 55 years of age and had been employed by an Employer for at least 5 continuous years or (b) the Committee provides otherwise.
12. Assignment. Unless allowed by the Committee, no Award shall be assignable by the Participant. Subject to the foregoing, the Award Program shall be binding upon and inure to the benefit of the Company, the Participant and their respective successors, assigns, heirs and personal representatives.
13. Future Grants. Nothing contained in the Award Program or other document shall require the grant to Participant of additional Awards or any other Benefit under the Plan or prohibit any other Benefit which is granted from being a different Benefit or from being granted on different and/or additional terms and conditions than those in the Award Program.
14. No Employment Contract. The Award Program shall not confer upon the Participant any right of continued employment nor shall it interfere in any way with the right of the Employer to terminate the Participant's employment at any time (subject to any employment contract that might exist between Participant and the Employer).
15. Option to Repurchase. The Company shall have an option to buy all of a Participant's Common Stock acquired solely through a Stock Award. The option price shall be \$1, and the option must be exercised by the Committee within 60 days following the Participant's termination of employment. The above option applies only to a Participant (a) who is under age 60 when his employment terminates, (b) who has been employed by an Employer for less than 5 continuous years when his employment terminates, and (c) whose employment is terminated for a reason other than permanent and total disability or death. For purposes of determining a Participant's length of employment, employment with an Employer prior to the time that it became an Employer shall be disregarded. Without limiting the provisions of Section 10, in order to facilitate the Company's exercise of the foregoing option, the Participant shall, as a condition to receiving an Award, execute such stock and other assignments and other documents of transfer as the

Committee shall request at any time. Notwithstanding the foregoing, the decision as to whether to exercise the option granted by this Section 15 shall be made solely by the Committee.

16. Permissible Transfer. Notwithstanding the provisions of Section 7.2, a Participant may transfer Participant's Investments which are no longer subject to the repurchase option under Section 15 to a trust established by the Participant as grantor if the following conditions are satisfied:

16.1 Terms of Trust. The trust must contain the following provisions:

- (i) the Participant must have the right to amend the trust, in whole or in part;
- (ii) the Participant must have the right to revoke the trust, in whole or in part; and
- (iii) during the Participant's lifetime, the income and principal of the trust may not be distributed or used for the benefit of any person or entity other than the Participant.

16.2 Agreement. The Participant and/or trustee of the trust must execute an agreement or agreements which contain such warranties, terms and conditions as the Company shall require.

In the event that Participant's Investments are transferred to a trust, in accordance with the provisions described above, it shall remain subject to the terms and conditions of the Award Program but any reversion of ownership of the Participant's Investments from the trust to the Participant, by full or partial revocation of the trust, distribution of Participant's Investments, or otherwise, shall not be considered a transfer under the Award Program. In addition, in the event of any transfer to a trust, in accordance with the above provisions, the term "Participant" shall, to the extent necessary to carry out the terms of the Award Program, mean the trustee of any such trust and/or the trust itself.

SCHEDULE OF SUBSIDIARIES OF REGISTRANT

Name of Organization -----	Country or State of Incorporation -----	Percentage of Voting Interest -----
AAA WIRE PRODUCTS, INC.	Texas	100%
AMERICAN INNERSPRING CO.	California	100%
AMERICAN WOODWORKS, INC.	South Carolina	100%
B&C DIE CAST, INC.	Arkansas	100%
CAMBRIDGE TOOL & MFG. CO., INC.	Massachusetts	100%
CAMEO FIBERS CORPORATION	Delaware	100%
COLLIER-KEYWORTH, INC.	North Carolina	100%
CREST-FOAM CORP.	New Jersey	100%
CREST-HOOD FOAM COMPANY, INC.	Delaware	100%
DRESHER, INC.	Delaware	100%
CULP-GADSDEN, INC.	Alabama	100%
CUMULUS FIBRES, INC.	North Carolina	100%
CUMULUS FIBRES OF FLORIDA, INC.	Delaware	100%
GRIBETZ INTERNATIONAL, INC.	Delaware	100%
HANES COMPANIES FOUNDATION	North Carolina	100%
HANES CNC SERVICES CO.	North Carolina	100%
HANES COMPANIES, INC.	North Carolina	100%
INTERNATIONAL STORAGE SYSTEMS CORPORATION	Florida	100%
IREDELL FIBER, INC.	North Carolina	100%
JAPENAMELAC CORP.	Massachusetts	100%
L&P ACQUISITION COMPANY - 8	Delaware	100%
L&P ACQUISITION COMPANY - 15	Delaware	100%
L&P ACQUISITION COMPANY - 18	Delaware	100%
L&P ACQUISITION COMPANY - 28	Missouri	100%
L&P ACQUISITION COMPANY - 29	Delaware	100%
L&P ACQUISITION COMPANY - 30	Delaware	100%
L&P ACQUISITION COMPANY - 31	Delaware	100%
L&P ACQUISITION COMPANY - 32	Delaware	100%

L&P ACQUISITION COMPANY - 33	Delaware	100%
L&P CENTRAL ASIA, INC.	Delaware	100%
L&P FINANCIAL SERVICES CO.	Delaware	100%
L&P INTERNATIONAL HOLDINGS COMPANY	Delaware	100%
L&P MEDICAL, INC.	Missouri	100%
L&P MANUFACTURING, INC.	Delaware	100%
L&P PARTNERS HOLDINGS, INC.	Delaware	100%
L&P PROPERTY MANAGEMENT COMPANY	Delaware	100%
L&P TEXPRO, INC.	Delaware	100%
L&P TRANSPORTATION CO.	Delaware	100%
L&P WESTERN SPRING CO.	Delaware	100%
LEGGETT AND PLATT INTERNATIONAL CORPORATION	Missouri	100%
LEGGETT & PLATT ASIA MARKETING, INC.	Delaware	100%
LEGGETT & PLATT INTERNATIONAL DEVELOPMENT CO.	Delaware	100%
LEGGETT & PLATT INTERNATIONAL SERVICE CORPORATION	Delaware	100%
LEGGETT WIRE COMPANY	Delaware	100%
MASTERBLEND, INC.	Mississippi	100%
MATREX FURNITURE COMPONENTS, INC.	North Carolina	100%
MG LOAN COMPANY	Delaware	100%
MILLER MANUFACTURING & LUMBER SALES, INC.	Kansas	100%
MISSISSIPPI SPRING CO., INC. (THE)	Mississippi	100%
OCONTO METAL FINISHING, INC.	Delaware	100%
PACE INDUSTRIES AIRO DIE CAST, INC.	Pennsylvania	100%
PACE INDUSTRIES DIE CAST PRODUCTS, INC.	California	100%
PACE INDUSTRIES, INC.	Arkansas	100%
PACE INDUSTRIES PUGET DIVISION, INC.	Arkansas	100%
PACIFIC FAIRMONT CORPORATION	California	100%
PARTHENON CNC SERVICES CO.	Delaware	100%
PHOENIX INTERNATIONAL LTD.	Kentucky	100%

Name of Organization	Country or State of Incorporation	Percentage of Voting Interest
PHOENIX METAL TECHNOLOGIES, LTD.	Kentucky	100%
PREMIER INTERNATIONAL COMPONENTS, INC.	Florida	100%
PORTER INTERNATIONAL, INC.	Massachusetts	100%
RODGERS WADE MANUFACTURING COMPANY	Texas	100%
SOUTHEASTERN MANUFACTURING CO., INC.	Florida	100%
SPUHL ANDERSON MACHINE COMPANY, INC.	Delaware	100%
SPUHL INTERNATIONAL, INC.	Delaware	100%
SYNDICATE SYSTEMS, INC.	Indiana	100%
STEADLEY COMPANY	Missouri	100%
STEINER-LIFF TEXTILE PRODUCTS, CO.	Delaware	100%
STYLELANDER METAL STAMPING, INC.	Mississippi	100%
SYD-REN INDUSTRIES, INC.	California	100%
TALBOT INDUSTRIES, INC.	Missouri	100%
TARRANT INTERIORS, INC.	Texas	100%
WBSCO, INC.	New Mexico	100%
WICHITA WIRE, INC.	Kansas	100%

ADMINISTRADORA SOAL S.A. DE C.V.	Mexico	75%
BOIS AISE DE ROBERVAL INC.	Canada	100%
BOIS J.L.P. INC.	Canada	100%
CARREIRO S.A. DE C.V.	Mexico	75%
COMERCIALIZADORA SOAL S.A. DE C.V.	Mexico	75%
FIBRAS ACOLCHABLES, SA DE CV	Mexico	75%
FIDES S. R. L.	Italy	100%
GATEWAY HOLDINGS LIMITED	England	100%
GATEWAY (TEXTILES) LIMITED	England	100%
GOR-DON METAL PRODUCTS & SERVICES, INC.	Canada	100%
INTER-SPRING LIMITED	England	100%
L AND P MEXICO, S.A. DE C.V.	Mexico	100%
L&P AUTOMOTIVE EUROPE GMBH	Germany	100%
L&P EUROPE LIMITED	England	100%

Name of Organization	Country or State of Incorporation	Percentage of Voting Interest
L&P FAHRZEUG-UND MATRATZEN-KOMPONENTEN GESCHAFTSFUHRUNG GMBH	Germany	100%
L&P NETHERLANDS HOLDINGS B.V.	The Netherlands	100%
LEGGETT & PLATT ADMINISTRADORA, S.A. DE C.V.	Mexico	100%
LEGGETT & PLATT (BARBADOS) LTD.	West Indies	100%
LEGGETT & PLATT CANADA LTD.	Canada	100%
LEGGETT & PLATT DE GUADALAJARA, S.A. DE C.V.	Mexico	100%
LEGGETT & PLATT DE MEXICALI, S.A. DE C.V.	Mexico	100%
LEGGETT & PLATT DE MEXICO, S.A. DE C.V.	Mexico	100%
LEGGETT & PLATT FOREIGN SALES CORPORATION	West Indies	100%
LEGGETT & PLATT (GUANG ZHOU) CO. LTD.	People's Republic of China	100%
LEGGETT & PLATT KOREA, LTD.	South Korea	100%
LEGGETT & PLATT (SHANGHAI) CO. LTD.	People's Republic of China	100%
LEGGETT & PLATT (SOUTHEAST ASIA) PTE LTD	Singapore	100%
LEGGETT & PLATT U.K. LIMITED	United Kingdom	100%
LES BOIS BLANCHET INC./BLANCHET LUMBER INC.	Canada	100%
LES INDUSTRIES LENROD LTEE/LENROD INDUSTRIES LTD.	Canada	100%
M F KNITTING CO. LIMITED	England	100%
MARSH, FERN & COMPANY LIMITED	England	100%
9038-8315 QUEBEC, INC.	Canada	100%
NORTHEASTERN COMPONENTS (INTERNATIONAL) LTD.	England	100%
NORTHFIELD METAL PRODUCTS (1994) LTD.	Canada	100%
NO-SAG SPRING COMPANY, LIMITED	Canada	100%
PACE INDUSTRIES DE MEXICO, S.A. DE C.V.	Mexico	100%
PORTER INTERNATIONAL SALES, INC.	U. S. Virgin Islands	100%
PULLMAFLEX A.B.	Sweden	100%
PULLMAFLEX BENELUX N.V.	Belgium	100%
PULLMAFLEX ESPAYOLA S.A.	Mexico	100%
PULLMAFLEX INTERNATIONAL B.V. (NETHERLANDS)	Holland	100%
PULLMAFLEX INTERNATIONAL LIMITED	England	100%
PULLMAFLEX U.K. LIMITED	England	100%
PURCHASE MARKETING, INC.	Canada	100%

Name of Organization -----	Country or State of Incorporation -----	Percentage of Voting Interest -----
S R HOLBOOK LIMITED	England	100%
SLOTEX INC.	Canada	100%
SPANCO EXPORT, LTD.	U.S. Virgin Islands	100%
SPUHL A.G.	Switzerland	100%
SPUHL A.G. SUCURSAL REPUBLICA ARGENTINA	Argentina	100%
SPUHL HOLDING A.G.	Switzerland	100%
WEBER PLASTICS CO. LTD.	Canada	100%
YOUNGFLEX A.G.	Switzerland	100%

RELATED COMPANIES WHICH ARE NOT SUBSIDIARIES OF REGISTRANT

ADCOM WIRE, a Florida partnership, d/b/a Adcom Wire Company (owned 50% by L&P Acquisition Company - 8 and 50% by Leggett Wire Company)	Florida Partnership	100%
CARREIRO HOLDINGS S.A. DE C.V.	Mexico Joint Venture	75%
GLOBE SPRING AND CUSHION COMPANY, LIMITED	Canada Joint Venture	50%
L&P FAHRZEUG-UND MATRATZEN- KOMponenten GMBH & CO. KG	Germany Partnership	100%
LEGGETT PARTNERS, L.P.	Texas Partnership	100%
PACE INDUSTRIES OF MEXICO, LLC	Delaware Joint Venture	51%

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statements of Leggett & Platt, Incorporated, listed below, of our report dated February 4, 1998 appearing on page 29 of Leggett & Platt, Incorporated's Annual Report on Form 10-K for the year ended December 31, 1997.

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-3, Registration No. 333-03223, filed May 7, 1996.
11. Form S-3, Registration No. 333-10289, filed August 15, 1996.
12. Form S-3, Registration No. 333-15603, filed November 16, 1996.
13. Form S-3, Registration No. 333-16541, filed November 21, 1996.
14. Form S-3, Registration No. 333-24055, filed March 27, 1997.
15. Form S-3, Registration No. 333-27743, filed May 23, 1997.
16. Form S-3, Registration No. 333-27723, filed May 23, 1997.
17. Form S-3, Registration No. 333-29097, filed June 13, 1997.
18. Form S-3, Registration No. 333-30893, filed July 8, 1997.
19. Form S-3, Registration No. 333-31647, filed July 21, 1997.
20. Form S-3, Registration No. 333-42657, filed December 19, 1997.
21. Form S-3, Registration No. 333-45427, filed February 2, 1998.

PRICE WATERHOUSE LLP

St. Louis, Missouri
March 30, 1998

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned directors of LEGGETT & PLATT, INCORPORATED, a Missouri corporation (the "Corporation"), does hereby nominate, constitute and appoint Harry M. Cornell, Jr., Michael A. Glauber, Robert A. Jefferies, Jr., and Ernest C. Jett, or any one of them, his true and lawful attorneys-in-fact, to sign in the name of and on behalf of the undersigned directors of the Corporation and to file with the Securities & Exchange Commission ("SEC") the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1997 and any other documents or further Amendments to said Annual Report, and to take such other action, all as said attorneys-in-fact, or any one of them, deem necessary or advisable to the end that such Annual Report or amendments thereto in respect of same, shall comply with the Securities Exchange Act of 1934, as amended, and the applicable rules of the SEC thereunder; and does hereby ratify and confirm all that said attorneys-in-fact, and each of them, may do by virtue hereof.

Additionally, each of the undersigned directors of the Corporation does hereby nominate, constitute and appoint Harry M. Cornell, Jr., Michael A. Glauber, Robert A. Jefferies, Jr. and Ernest C. Jett, or any one of them, his true and lawful attorneys-in-fact, to, from time to time, sign in the name of and on behalf of the undersigned directors of the Corporation and file with the SEC Registration Statements with respect to securities (including the Corporation's common stock, \$.01 par value, and the Preferred Stock Purchase Rights attached to and trading with such Common Stock) to be sold pursuant to the Corporation's Restated Employee Stock Purchase/Stock Bonus Plan, 1989 Discount Stock Plan, 1989 Flexible Stock Plan, Directors Stock Option Plan and any other employee benefit plans of the Corporation adopted or approved during calendar year 1998 and any other documents or further Amendments or Post-Effective Amendments to such Registration Statements (or any previous registration statements filed as respects any of the above-mentioned Plans) and to take such other action, all as said attorneys-in-fact, or any one of them, deem necessary or advisable and does hereby ratify and confirm all that said attorneys-in-fact, and each of them, may do by virtue hereof.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney or a counterpart hereof, as of the 11th day of March, 1998.

/s/ Raymond F. Bentele

Raymond F. Bentele

/s/ Robert A. Jefferies, Jr.

Robert A. Jefferies, Jr.

/s/ Harry M. Cornell, Jr.

Harry M. Cornell, Jr.

/s/ Alexander M. Levine

Alexander M. Levine

/s/ Robert Ted Enloe, III

Robert Ted Enloe, III

/s/ Richard L. Pearsall

Richard L. Pearsall

/s/ Richard T. Fisher

Richard T. Fisher

/s/ Duane W. Potter

Duane W. Potter

/s/ Bob L. Gaddy

Bob L. Gaddy

/s/ Maurice E. Purnell, Jr.

Maurice E. Purnell, Jr.

/s/ David S. Haffner

David S. Haffner

/s/ Felix E. Wright

Felix E. Wright

/s/ Thomas A. Hays

Thomas A. Hays

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS OF LEGGETT & PLATT, INCORPORATED FOR THE YEAR ENDED DECEMBER 31, 1997 (COMMISSION FILE NUMBER 1-7845) AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

1000

12-MOS	
DEC-31-1997	
DEC-31-1997	7700
	0
	450100
	11500
	433200
944600	
	1212300
	519100
2106300	
372500	
	466200
0	
	0
	1000
	1173000
2106300	
	2909200
2909200	
	2171400
	2171400
	0
	0
31800	
	333300
	125000
208300	
	0
	0
	0
	208300
	2.19
	2.16

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

1,000

12-MOS	12-MOS	12-MOS	12-MOS
DEC-31-1996	DEC-31-1996	DEC-31-1995	DEC-31-1995
	3,700		8,200
	0		0
	343,900		306,800
	8,600		7,500
	370,500		337,800
	763,300		686,600
	1,015,100		875,500
	432,200		364,900
	1,712,900		1,478,100
292,800		275,100	
	388,500		380,600
0		0	
	0		0
	900		900
	940,200		745,900
1,712,900			
	1,478,100		
	2,466,200		2,256,900
2,466,200		2,256,900	
	1,842,700		1,722,000
	1,842,700		1,722,000
	0		0
	0		0
30,000		30,400	
249,700		220,600	
	96,700		86,300
153,000		134,300	
	0		0
	12,500		0
	0		0
	140,500		134,300
	1.55		1.52
	1.53		1.49

Financial Data Schedules are being Restated in accordance with the requirements
 of FASB Statement No. 128, "Earnings Per Share."

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

1,000

	9-MOS DEC-31-1997		6-MOS DEC-31-1997		3-MOS DEC-31-1997		9-MOS DEC-31-1996		6-MOS DEC-31-1996	
	SEP-30-1997		JUN-30-1997		MAR-31-1997		SEP-30-1996		JUN-30-1996	
		9,500		7,200		3,700		4,600		4,800
	0		0		0		0		0	
	474,300		443,600		406,000		383,500		385,800	
	12,400		11,000		9,000		10,700		10,300	
	406,800		375,500		377,200		351,200		343,900	
	942,500		872,800		835,800		780,000		772,500	
	1,172,600		1,103,000		1,071,400		967,900		942,700	
	497,800		470,900		453,600		412,000		396,700	
	2,084,800		1,938,300		1,859,900		1,686,700		1,661,300	
378,500		319,500		323,500		309,800		286,200		
	487,000		458,700		462,300		431,800		465,500	
	0		0		0		0		0	
	0		0		0		0		0	
	1,000		900		900		900		900	
	1,119,600		1,062,700		980,100		846,700		808,700	
2,084,800		1,938,300		1,859,900		1,686,700		1,661,300		
	2,141,400		1,394,400		673,200		1,839,800		1,211,200	
	1,599,300		1,040,800		503,000		1,380,300		909,000	
	0		0		0		0		0	
	0		0		0		0		0	
	23,300		15,300		7,200		22,900		15,900	
	245,900		162,000		78,100		177,100		105,200	
	92,700		61,600		29,700		68,800		40,900	
153,200		100,400		48,400		108,300		64,300		
	0		0		0		0		0	
	0		0		0		12,500		12,500	
	0		0		0		0		0	
	153,200		100,400		48,400		95,800		51,800	
	1.62		1.07		.52		1.07		.58	
	1.60		1.06		.51		1.05		.57	

Financial Data Schedules are being Restated in accordance with the requirements
 of FASB Statement No. 128, "Earnings Per Share".

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

1,000

3-MOS	
DEC-31-1996	MAR-31-1996
	4,700
	0
347,000	
8,000	
331,800	
719,700	901,700
379,100	
1,524,000	
302,700	365,000
0	0
	900
1,524,000	777,500
	591,200
591,200	446,600
446,600	
0	
0	
7,800	
61,400	
23,700	
37,700	0
	0
	0
	37,700
	.42
	.42

Financial Data Schedule is being Restated in accordance with the requirements
 of FASB Statement No. 128, "Earnings Per Share" and for a Pooling of interests
 with Pace Holdings Inc.