Filed Pursuant to Rule 424(b)3
File Number - 333-03233

PROSPECTUS

3,372,328 Shares

LEGGETT & PLATT, INCORPORATED
COMMON STOCK
(AND PREFERRED STOCK PURCHASE RIGHTS ATTACHED TO THE COMMON STOCK)

The shares of Common Stock, $.01 par value, (the "Common Stock") of Leggett & Platt, Incorporated, a Missouri corporation (the "Company") offered hereby (the "Shares") are being sold for the account of and by the persons named under the caption "Selling Shareholders." The Selling Shareholders have advised the Company that these Shares may be sold from time to time in transactions on the New York Stock Exchange or Pacific Stock Exchange or in negotiated transactions, in each case at prices satisfactory to the Seller. (See "Plan of Distribution.")

The Company will receive no part of the proceeds from the sale of the Shares. The Selling Shareholders will pay all applicable stock transfer taxes, transfer fees and brokerage commissions, and related fees and expenses, but the Company will bear the cost of preparing the Registration Statement and Prospectus and all filing, legal and accounting fees incurred in connection with registration of the Shares under the federal securities laws.

The Common Stock is listed on the New York Stock Exchange and Pacific Stock Exchange (symbol: LEG). On May 10, 1996 the average of the high and low prices of the Common Stock on the New York Stock Exchange, Composite Transactions was $27.25 per share.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No dealer, salesperson or other person has been authorized to give any information or to make any representations not contained or incorporated by reference in this Prospectus and, if given or made, such other information or representation must not be relied upon as having been authorized by the Company, any Selling Shareholder or any other person. Neither the delivery of this Prospectus nor any sale made herein shall, under the circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof. This Prospectus does not constitute an offer to sell or solicitation of an offer to buy the securities offered hereby to any person or by anyone in any jurisdiction in which such offer or solicitation may not lawfully be made.

The date of this Prospectus is May 13, 1996

AVAILABLE INFORMATION

The Company is subject to the information requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements, and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information can be inspected and copied at the offices of the Commission at Room 1024, 450 Fifth Street, NW, Washington, D.C. 20549 and at the Commission's Regional Offices at Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511; 75 Park Place, 14th Floor, New York, New York 10007; and 5757 Wilshire Blvd., Suite 500 East, Los Angeles, California 90036-3648. Copies of such material can also be obtained from the Public Reference Section of the Commission at 450 Fifth Street, NW, Washington, D.C. 20549 at prescribed rates. Reports, proxy statements and other information concerning the Company can be inspected and copied at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York and at the office of the Pacific Stock Exchange Incorporated, Listings Department, 115 Sansone Street, Suite 1104, San Francisco, California 94104. This Prospectus does not contain all the information set forth in the Registration Statement filed by the Company with respect to the offering made hereby. Copies of such Registration Statement are available from the Commission.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

The following documents have been previously filed by the Company with the Commission and are incorporated by reference into this Prospectus:

(1) Annual Report on Form 10-K for the year ended December 31, 1995.

(2) Quarterly Report on Form 10-Q for the quarter ended March 31, 1996.

(3) Current Report on Form 8-K dated May 6, 1996.

(4) The description of the Company's common stock contained in Form 8-A dated June 5, 1979, including any amendments or reports filed for the purpose of updating such description.

(5) The description of the Company's Preferred Stock Purchase Rights contained in Form 8-A dated February 15, 1989, including any amendments or reports filed for the purpose of updating such description.

All reports and definitive proxy statements filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering to be made hereunder shall be deemed to be incorporated by reference into this Prospectus and to be a part hereof from the date of filing such documents, except that in no event shall any information included in any such document in response to item 402(i), (k) or (l) of Regulation S-K be deemed to constitute a part of this Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company will provide without charge to each person, including any beneficial owner, to whom this Prospectus is delivered, upon written or oral request of such person, a copy of any or all of the documents incorporated herein or in the Registration Statement by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference in such documents). All requests for such information should be directed to the Company's executive offices at No. 1 Leggett Road, Carthage, Missouri 64836, Attention: Investor Relations, (417) 358-8131.

THE COMPANY

The Company 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's principal executive offices are located at No. 1--Leggett Road, Carthage, Missouri 64836, telephone (417) 358-8131. Unless otherwise indicated the term "Company" includes Leggett & Platt, Incorporated and its majority-owned subsidiaries.

The Company is a manufacturer. It makes a variety of engineered products which are sold to several thousand customers. The Company's products include a broad line of components that are primarily sold to companies which manufacture finished furniture and bedding. Components are items used by furnishings manufacturers to construct their finished products. Examples of components manufactured by the Company include innerspring and boxspring units for mattresses and boxsprings; foam, textile, fiber and other cushioning materials for bedding and furniture; springs and seating suspensions for furniture; steel mechanisms for reclining chairs, sleeper sofas and other types of motion furniture; chair controls, aluminum, steel and plastic bases for office furniture; non-fashion fabrics and other furniture supplies.

The Company also makes some finished furnishings products. Examples include bed frames, daybeds, bunk beds, headboards, electric beds, carpet underlay, metal and wire displays, shelving and commercial fixtures. These finished products are sold to manufacturers that also buy the Company's components or to wholesalers, retailers and others.

Outside the furnishings area, the Company produces and sells a number of components and other products used in many different home, industrial and commercial applications. These products require manufacturing technologies similar to those used in making furnishings products and also include certain raw materials which the Company makes for its own use. Examples of these diversified products include industrial wire, steel tubing, aluminum ingot, aluminum die cast products, automotive seat suspension systems, industrial fabrics, mechanical springs, machinery and parts for manufacturing equipment, foam products, and injection molded plastic products.

The Company's products are made primarily from steel rod, wire and other types of steel, textile fibers, woven and non-woven fabrics, aluminum, wood, foam chemicals and plastics. Some of these raw materials such as steel wire, steel tubing, aluminum ingot, shredded textile fibers and cut-to-size dimension lumber are manufactured by the Company.

The Company has approximately 70 major manufacturing facilities in North America located in 32 states in the United States and Canada. In addition the Company has approximately 100 additional facilities used in assembly, warehousing, sales, administration or research and development. There are approximately 16,600 Company employees.

USE OF PROCEEDS

The Company will not receive any of the proceeds from the sale of the Shares by the Selling Shareholders.

SELLING SHAREHOLDERS

The following information has been provided to the Company by the persons listed below as the Selling Shareholders (the "Selling Shareholders") including the number of shares of the Common Stock to be beneficially owned by each Selling Shareholder as of the closing date of the Merger (defined below) and the number of shares of the Common Stock being offered for the account of such Selling Shareholder pursuant to this Prospectus.

Name of Selling Shareholders	Beneficially Owned Prior to Offering	Shares Offered Hereby	Shares to Be Owned After Completion of This Offering
KP Holdings, L.P.*(1)	1,618,379	1,618,379	0
UBS Capital LLC*	754,196	754,196	0

Alice L. Walton*	314,248	78,494	235,754
James F. Keenan*	217,051	217,051	0
Jo Helen Keenan Riggs	116,476	116,476	0
Sarah K. Keenan Jourard	116,476	116,476	0
JTK Trust	131,512	131,512	0
Elizabeth Hayley Keenan Trust*	79,850	79,850	0
Susan G. Keenan	108,274	108,274	0
Nicholas Gregory Keenan Trust*	51,599	51,599	0
Barry G. Keenan Trust*	2,356	2,356	0
Susan S. Carter	27,496	27,496	0
Karyn P. Keenan	4,085	4,085	0
Karyn P. Keenan Income Trust*	9,003	9,003	0
Richard T. Smith	7,274	7,274	0
George Spellings	16,010	16,010	0
Charles Thomas	33,797	33,797	0

Each of the Selling Shareholders will receive the Shares offered hereby in connection with the merger (the "Merger") of L&P Acquisition Company-7, a wholly-owned subsidiary of the Company, into Pace Holdings, Inc., a Delaware corporation ("Holdings"). As a result of this transaction, Holdings will become a wholly-owned subsidiary of the Company.

None of the Selling Shareholders has held any position or office or otherwise had a material relationship with the Company within the past three years.

(1) KP Holdings, L.P. may in the future distribute the shares offered hereby to partners of K.P. Holdings, L.P., K.P. Partners, L.P., K.P. Group, L.P. and family members and affiliates of such partners. In such event such persons shall be Selling Shareholders.

PLAN OF DISTRIBUTION

The Shares may be sold from time to time by the Selling Shareholders or their pledgees, distributees or donees. Such sales may be made on one or more exchanges or in negotiated transactions not on an exchange at prices and on terms then prevailing or at prices related to the then current market price or at negotiated prices. The Shares may be sold by one or more of the following: (a) a block trade in which the broker or dealer so engaged will attempt to sell the Shares as agent but may position and resell a portion of the block as principal to facilitate the transaction; and (b) ordinary brokerage transactions and transactions in which the broker solicits purchasers. In effecting sales, brokers or dealers may arrange for other brokers or dealers to participate. Brokers or dealers will receive commissions or discounts in amounts to be negotiated immediately prior to the sale which amounts will not be greater than that normally paid in connection with ordinary trading transactions.

The Shares may also be publicly offered through agents, underwriters or dealers. In such event the Selling Stockholders may enter into agreements with respect to any such offering. Such underwriters, dealers or agents may receive compensation in the form of underwriting discounts, concessions or commissions from the Selling Stockholders and any such underwriters, dealers or agents that participate in the distribution of Shares may be deemed to be underwriters, and any profit on the sale of the Shares by them and any discounts, commissions or concessions received by them may be deemed to be underwriting discounts and commissions, under the Securities Act of 1933.

In order to comply with the securities laws of certain states, sales of the Shares to the public in such states may be made only through broker-dealers who are registered or licensed in such states. Sales of the Shares must also be made by the Selling Stockholders in compliance with other applicable state securities laws and regulations.

In addition, any securities covered by this Prospectus which qualify for sale pursuant to Rule 144 may be sold under Rule 144 rather than pursuant to this Prospectus.

Those Selling Shareholders indicated by an asterisk have agreed not to sell or otherwise dispose of their shares of Common Stock until financial results covering at least 30 days combined Company and Holdings operations have been publicly reported.

CAPITAL STOCK

The Company's authorized capital stock consists of 300,000,000 shares of Common Stock, $.01 par value, 1,000,000 shares of Series A Junior Participating Preferred Stock and 99,000,000 shares of Preferred Stock without par value. As of April 23, 1996, there were 84,223,499 shares of Common Stock and no shares of preferred stock outstanding.

A description of the Common Stock is contained in the Company's Registration Statement on Form 8-A, dated June 5, 1979, including any amendments or reports filed for the purpose of updating such description, which is incorporated by reference. A description of the Preferred Stock Purchase Rights is contained in the Company's Registration Statement on Form 8-A, dated February 15, 1989, including any amendments or reports filed for the purpose of updating such description, which is also incorporated by reference.

RECENT DEVELOPMENTS

The Company has signed an agreement to acquire Pace Holdings, Inc. together with its operating subsidiary Pace Industries, Inc. ("Pace"). Pace, headquartered in Fayetteville, Arkansas, is a manufacturer of a broad range of engineered aluminum die cast components with 1995 sales of about $200 million. To acquire Pace, the Company expects to issue approximately 5.2 million shares of Common Stock, $.01 par value. In addition, Pace is expected to have outstanding debt of approximately $200 million at closing.

Current estimates of earnings indicate that in 1997, the acquisition should enhance the Company's earnings by about $.10 per share. Pace is presently projected to enhance the Company's 1996 earnings per share by $.03, before $.38 in non-recurring charges and one-time expenses of the acquisition. The Company's long-term debt to total capitalization ratio will increase to approximately 31 percent following the acquisition.

LEGAL OPINIONS

Ernest C. Jett, Assistant General Counsel of the Company, has rendered an opinion concerning the validity of the Shares and certain other legal matters. Mr. Jett is a full-time employee of the Company. On April 3, 1996, Mr. Jett beneficially owned 43,302 shares of Common Stock and held options to purchase an additional 20,489 shares of Common Stock.

EXPERTS

The financial statements incorporated in this Prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 1995, have been so incorporated in reliance on the report of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

The consolidated balance sheet of Pace Holdings, Inc. and Subsidiary as of June 30, 1995 and 1994, and the related consolidated statements of income, stockholder's equity and cash flows for the year ended June 30, 1995 and the six months ended June 30, 1994, have been examined by Coopers & Lybrand L.L.P., independent public accountants, as set forth in their report which has been included herein. Such financial statements are included in reliance upon such report and upon the authority of such firm as experts in accounting and auditing.

REQUIRED FINANCIAL INFORMATION

Pro forma financial information reflecting the combination of Pace Holdings, Inc. with the Company is set out on pages F-1 through F-4.

The consolidated balance sheet of Pace Holdings, Inc. and Subsidiary as of June 30, 1995 and 1994, and the related consolidated statements of income, stockholder's equity and cash flows for the year ended June 30, 1995 and six months ended June 30, 1994 are set out on pages F-5 through F-19. The combined condensed balance sheet of Pace Holdings, Inc. and Subsidiary as of December 31, 1995 and June 30, 1995 and the combined condensed statements of operations and cash flows for the six months ended December 31, 1995 and 1994 are set out on page F-20 through F-24.

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
AND PACE HOLDINGS, INC. AND SUBSIDIARY
PRO FORMA CONDENSED COMBINED BALANCE SHEET
DECEMBER 31, 1995
(UNAUDITED)
(Amounts in Millions)

The following pro forma condensed combined balance sheet combines balance sheets of Leggett & Platt, Incorporated and Subsidiaries (Leggett) and Pace Holdings, Inc. and Subsidiary (Pace) at December 31, 1995, under the assumptions set forth in the accompanying notes. The pro forma condensed combined balance sheet should be read in conjunction with the separate financial statements and notes thereto of Leggett and Pace incorporated by reference or included in this report. The pro forma condensed combined balance sheet is not necessarily indicative of the financial position of the combined companies as it may be in the future.

	Historical		Pro Forma Adjustments		
ASSETS	Leggett	Pace	Amount	Note Reference	Pro Forma Combined
Current Assets					
Cash and cash equivalents	$ 6.7	$ 1.4	$		$ 8.1
Receivables	254.2	43.0			297.2
Inventories	276.8	64.9	(2.8)	(6)	338.9
Other current assets	34.2	3.9			38.1
Total current assets	571.9	113.2	(2.8)		682.3
Property, Plant and Equipment - at cost	808.4	67.2			875.6
Less accumulated depreciation and amortization	356.6	8.3			364.9
Net property, plant and equipment	451.8	58.9	0.0		510.7
Other Assets					
Investments in and advances to associated companies	8.1	0.0	9.9 (9.9)	(3) (4)	8.1
Goodwill, net	133.6	75.4			209.0
Sundry	52.9	9.5	(4.4)	(7)	58.0
TOTAL ASSETS	$1,218.3	$257.0	$ (7.2)		$1,468.1
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current Liabilities					
Accounts and notes payable	$ 90.4	$ 39.0	$		$ 129.4
Accrued expenses and other liabilities	136.4	9.3			145.7
Total current liabilities	226.8	48.3	0.0		275.1
Long-Term Debt	191.9	188.9	27.2	(5)(8)	408.0
Deferred Income Taxes and Other Liabilities	65.5	7.9	(10.2)	(9)	63.2
Minority Interest in Subsidiary	0.0	2.0			2.0
Shareholders' Equity					
Common stock	0.8	0.0	0.1	(3)	0.9
Additional contributed capital	155.0	9.0	(7.6)	(3)-(5)	156.4
Retained earnings	598.0	0.9	(16.7)	(3)(4)(6)-(9)	582.2
Cumulative translation adjustment	(5.0)	0.0			(5.0)
Less treasury stock	(14.7)	0.0			(14.7)
Total shareholders' equity	734.1	9.9	(24.2)		719.8
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$1,218.3	$257.0	$ (7.2)		$1,468.1

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
AND
PACE HOLDINGS, INC. AND SUBSIDIARY
PRO FORMA CONDENSED COMBINED STATEMENT OF EARNINGS
TWELVE MONTHS ENDED DECEMBER 31, 1995
(UNAUDITED)
(Amounts in Millions, except per share)

The following pro forma condensed combined statement of earnings combines the operations of Leggett & Platt, Incorporated and Subsidiaries (Leggett) and Pace Holdings, Inc. and Subsidiary (Pace) for the twelve months ended December 31, 1995. This statement has been prepared under the assumptions set forth in the accompanying notes. This statement should be read in conjunction with the separate financial statements and notes thereto of Leggett and Pace incorporated by reference or included in this report. The pro forma condensed combined statement of earnings is not necessarily indicative of the results of operations of the combined companies as they may be in the future or as they might have been had the acquisition been effective January 1, 1995.

	Historical		Pro Forma Adjustments		
	Leggett	Pace	Amount	Note Reference	Pro Forma Combined
Net sales	$2,059.3	$198.6	$		$2,257.9
Costs, expenses and other					
Cost of goods sold	1,568.3	158.0	2.6	(6)	1,728.9
Selling, distribution, administrative and other, net	258.8	19.0			277.8
Interest expense	11.5	20.7	(5.9)	(7)(8)	26.3
Total costs, expenses and other	1,838.6	197.7	(3.3)		2,033.0
Earnings before income taxes	220.7	0.9	3.3		224.9
Income taxes	85.8	1.1	1.3	(9)	88.2
Net Earnings	$ 134.9	$ (0.2)	$ 2.0		$ 136.7
Net Earnings Per Share	$ 1.59				$ 1.52
Average common and common equivalent shares outstanding	84.9				90.1

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
AND
PACE HOLDINGS, INC. AND SUBSIDIARY
PRO FORMA CONDENSED COMBINED STATEMENT OF EARNINGS
TWELVE MONTHS ENDED DECEMBER 31, 1994
(UNAUDITED)
(Amounts in Millions, except per share)

The following pro forma condensed combined statement of earnings combines the operations of Leggett & Platt, Incorporated and Subsidiaries (Leggett) and Pace Holdings, Inc. and Subsidiary (Pace) for the twelve months ended December 31, 1994. This statement has been prepared under the assumptions set forth in the accompanying notes. This statement should be read in conjunction with the separate financial statements and notes thereto of Leggett and Pace incorporated by reference or included in this report. The pro forma condensed combined statement of earnings is not necessarily indicative of the results of operations of the combined companies as they may be in the future or as they might have been had the acquisition been effective January 1, 1994.

	Historical		Pro Forma Adjustments		
	Leggett	Pace	Amount	Note Reference	Pro Forma Combined
Net sales	$1,858.1	$151.4	$		$2,009.5
Costs, expenses and other					
Cost of goods sold	1,429.1	116.1	1.3	(6)	1,546.5
Selling, distribution, administrative and other, net	229.7	15.7			245.4
Interest expense	9.8	17.3	(7.3)	(7)(8)	19.8
Total costs, expenses and other	1,668.6	149.1	(6.0)		1,811.7
Earnings before income taxes	189.5	2.3	6.0		197.8
Income taxes	74.1	1.2	2.3	(9)	77.6
Net Earnings	$ 115.4	$ 1.1	$ 3.7		$ 120.2
Net Earnings Per Share	$ 1.39				$ 1.36
Average common and common equivalent shares outstanding	83.1				88.3

LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
AND
PACE HOLDINGS, INC. AND SUBSIDIARY
NOTES TO PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
(Unaudited)

(Amounts in Millions, except share data)

Note 1: The proposed acquisition assumes Leggett & Platt, Incorporated (Leggett) will acquire all of the outstanding voting common shares of Pace Holdings, Inc. (Holdings) in exchange for approximately 5.2 million shares of Leggett's common stock in a transaction accounted for as a pooling of interests. The pro forma condensed combined balance sheet presents the acquisition of Pace Holdings, Inc. and Subsidiary (Pace) as if it had occurred on December 31, 1995, while the pro forma condensed combined statements of earnings for the twelve months ended December 31, 1995 and 1994 present the acquisition as if it had occurred on January 1 of each year. Only two years are presented for the statement of earnings due to Holdings' leveraged buyout of Pace Industries, Inc. in December, 1993.

Note 2: Pace has previously had a June 30 fiscal year end. The pro forma condensed combined financial statements were prepared by restating Pace's operating results to Leggett's December 31 fiscal year end. Such presentation aligns comparable fiscal (calendar) quarters for Pace and Leggett, and provides a basis for future comparability of combined results. Pace's operating results are seasonal, with significant sales and operating profits occurring in the first two calendar quarters of the year.

Note 3: To record shares issued by Leggett for Holdings' voting common shares.

Note 4: To eliminate Leggett's investment in Holdings.

Note 5: To reflect the exercise of put options under change in control provisions by holders of Holdings' non-voting stock.

Note 6: To adjust inventories to LIFO cost method to conform Pace's accounting policies to those of Leggett.

Note 7: To eliminate debt issuance fees and related amortization.

Note 8: To reduce interest expense on debt which would have been retired through the issuance of new debt with lower interest rates and to recognize additional borrowing for merger related expenditures.

Note 9: To record the tax benefit on the items in Notes 6, 7 and 8.

Note 10: If the Merger is consummated, Leggett will incur up to $45 in nonrecurring merger costs relating to debt restructuring, transaction fees, the exercise of stock options and other contractual obligations. These costs will be charged to the combined results of operations during the current year and are not reflected in the pro forma statements of earnings.

PACE HOLDINGS, INC.
AND SUBSIDIARY

CONTENTS

REPORT OF INDEPENDENT ACCOUNTANTS

Board of Directors and Stockholders
Pace Holdings, Inc.
Fayetteville, Arkansas

We have audited the accompanying consolidated balance sheet of Pace Holdings, Inc. and Subsidiary as of June 30, 1995 and 1994, and the related consolidated statements of income, stockholders' equity and cash flows for the year ended June 30, 1995 and the six months ended June 30, 1994. 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 in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audits 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Pace Holdings, Inc. and Subsidiary as of June 30, 1995 and 1994 and the consolidated results of their operations and their cash flows for the year ended June 30, 1995 and the six months ended June 30, 1994, in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, the Company retroactively changed its method of accounting for inventories in 1995.

/s/ Coopers & Lybrand L.L.P.
- ----------------------------
COOPERS & LYBRAND L.L.P
Tulsa, Oklahoma
August 23, 1995

PACE HOLDINGS, INC.
AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET
(Dollars in Thousands Except Shares and Par Value)

	June 30, 1995	June 30, 1994
ASSETS		
Current assets:		
Cash and cash equivalents	$ 254	$ 473
Accounts and notes receivable, net	42,016	37,058
Inventories	25,429	16,748
Other current assets	357	144
Total current assets	68,056	54,423
Property, plant and equipment: Less accumulated depreciation and amortization of $5,894 in 1995 and $1,890 in 1994	48,148	41,292
Excess of investment over net assets acquired	70,374	72,941
Other assets	10,915	15,098
Total assets	$ 197,493	$ 183,754
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 671	$ 336
Accounts payable	25,850	17,350
Accrued liabilities	7,062	7,202
Total current liabilities	33,583	24,888
Long-term debt	129,129	125,754
Subordinated notes	20,000	20,000
Other long-term obligations	1,374	1,082
Deferred income taxes	7,950	8,565
Commitments and contingencies (Notes 8 and 10)		
Minority interest in subsidiary	2,041	1,136
Stockholders' equity:		
Common stock, $.01 par value, 1,000,000 shares authorized, 300,000 shares issued and outstanding	3	3
Paid-in capital	29,997	29,997
Carryover basis adjustment attributable to the continuing management stockholders (Note 2)	(31,079)	(31,079)
Retained earnings	4,495	3,408
Total stockholders' equity	3,416	2,329
Total liabilities and stockholders' equity	$ 197,493	$ 183,754

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

PACE HOLDINGS, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENT OF INCOME
(Dollars in Thousands)

	Year Ended June 30, 1995	Six Months Ended June 30, 1994
Net sales	$ 184,421	$ 90,989
Cost of sales	145,462	68,019
Gross profit	38,959	22,970
Selling, general and administrative expenses	10,699	4,813
Amortization of intangibles	5,974	2,897
	16,673	7,710
Operating income	22,286	15,260
Other income (expense):		
Interest and financing costs	(19,032)	(8,735)
Other income and expense, net	(126)	(31)
Income before income taxes and minority interest	3,128	6,494
Provision for income taxes	(2,100)	(3,086)
Income before minority interest	1,028	3,408
Minority interest in loss of consolidated subsidiary	59	-
Net income	$ 1,087	$ 3,408

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

PACE HOLDINGS, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(Dollars in Thousands)

	Common Stock	Paid-in Capital	Retained Earnings	Total
Issuance of stock - December, 1993	$ 3	$ 29,997	$ -	$ 30,000
Carryover basis adjustment attributable to the continuing management stockholders (Notes 1 and 2)	-	(31,079)	-	(31,079)
Net income	-	-	3,408	3,408
Balance - June 30, 1994	3	(1,802)	3,408	2,329
Net income	-	-	1,087	1,087
Balance - June 30, 1995	$ 3	$ (1,082)	$ 4,495	$ 3,416

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

PACE HOLDINGS, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
(Dollars in Thousands)

	Year Ended June 30, 1995	Six Months Ended June 30, 1995
Cash flows from operating activities:		
Net income	$ 1,087	$ 3,408
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	4,056	1,891
Amortization	6,768	3,266
Loss on sale of property, plant and equipment	15	6
Minority interest in loss of consolidated subsidiary	(59)	--
Deferred income taxes	33	958
Change in assets and liabilities:		
Accounts and notes receivable	(4,761)	(19,937)
Inventories	(8,883)	14,938
Other current assets	(214)	467
Other assets	59	(1,397)
Accounts payable	8,500	109
Accrued liabilities	47	2,932
Net cash provided by operating activities	6,648	6,641
Cash flows from investing activities:		
Business acquisition, net of cash acquired (Note 2)	--	(26,866)
Purchase of property, plant and equipment	(10,363)	(3,222)
Proceeds from sale of property, plant and equipment	123	220
Additions to other assets	(1,245)	--
Collection of notes receivable	847	3
Net cash used by investing activities	(10,638)	(29,865)
Cash flows from financing activities:		
Proceeds from long-term debt	4,360	5,610
Payments of long-term debt	(714)	(149)
Payments of other long-term obligations	(140)	--
Payment of deferred loan fees	(58)	--
Proceeds from minority interest	323	1,136
Issuance of common stock	--	17,100
Net cash provided by financing activities	3,771	23,697

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

PACE HOLDINGS, INC.
AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS - (Continued)
(Dollars in Thousands)

	Year Ended June 30, 1995	Six Months Ended June 30, 1994
Net increase (decrease) in cash and cash equivalents	(219)	473
Cash and cash equivalents - beginning	473	-
Cash and cash equivalents - ending	$ 254	$ 473
Supplementary disclosure of cash flow information:		
Cash paid during the period for:		
Income taxes	$ 2,575	$ 3
Interest, net	18,195	7,534
Non-cash investing and financing activities:		
Equipment acquired by assumption of debt	$ 46	$ -
Property and equipment contributed by minority interest owner	641	-
The Company issued 129,000 shares of common stock, valued at $12,900, and $20,000 of Subordinated notes in exchange for Pace Industries, Inc. common stock in conjunction with the acquisition discussed in Note 2		
Non-cash aspects of the acquisition:		
Liabilities assumed	-	159,624

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in Thousands)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION - Pace Holdings, Inc. ("Holdings") was formed in September, 1993, by an investment group to acquire a controlling interest in Pace Industries, Inc. On December 10, 1993, Holdings acquired a 100% ownership interest in Pace Industries, Inc. and its Subsidiary ("Pace"). For accounting purposes this transaction was recorded as of December 31, 1993 (see note 2). The consolidated financial statements include the financial position and results of operations of Holdings and Pace (collectively the "Company").

CASH EQUIVALENTS - The Company considers all highly liquid investments with maturities of three months or less, at date of purchase, to be cash equivalents.

INVENTORIES - Inventories are stated at the lower of cost or market. Effective in the second quarter of fiscal year 1995, the Company retroactively changed its method of determining the cost of the metal component of its inventory from the last-in, first-out ("LIFO") method to the first-in, first-out ("FIFO") method. A significant portion of the Company's metal inventory during the year is specifically matched to customer purchase commitments for such metal and charged to cost of sales when the product is shipped and the revenue is recognized. The remaining inventory not committed to a specific customer is valued at FIFO cost. Management believes that the valuation of all of its inventories under the FIFO method and specific commitment method will more appropriately reflect its financial condition and results of operations. The change in the method of valuing inventories was applied retroactively and comparative amounts for prior periods have been restated. The retroactive effect on the prior period was to increase the carryover basis adjustment attributable to the continuing management stockholders by $1,217 and to increase net income by $77 for the six months ended June 30, 1994.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost. Depreciation and amortization are computed primarily by the straight-line method in amounts sufficient to depreciate and amortize the cost of such assets over their estimated useful lives. Upon the sale, retirement, or other disposition, the cost and accumulated depreciation and amortization are removed from the respective accounts and any resulting gain or loss is reflected in results of operations.

DEFERRED DEBT ISSUE COSTS - At June 30, 1995 and 1994, unamortized loan cost totaling $4,558 and $5,268 respectively, are included in other assets. The costs were incurred in connection with obtaining certain loans and are being amortized over the term of the related debt agreements.

NON-COMPETE AGREEMENTS - Non-compete agreements are being amortized over their contractual lives of three years. At June 30, 1995 and 1994, non-compete amounts of $5,013 and $8,354 are included in other assets. Amortization expense of $3,342 is included in the year ended June 30, 1995, and $1,671 in the six months ended June 30, 1994.

EXCESS OF INVESTMENT OVER NET ASSETS ACQUIRED - With respect to businesses purchased by the Company, the excess purchase price over the estimated fair value of the net assets acquired is amortized on the straight line basis over the expected benefit period of thirty years (see note 2). Amortization expense was $2,484 for the year ended June 30, 1995 and $1,226 in the six months ended June 30, 1994. The excess of investment over net assets acquired is evaluated annually for impairment based on estimated undiscounted cash flows of the acquired entities and reduced to net realizable value if necessary. No such impairment has been recorded as of June 30, 1995.

(Dollars in Thousands)

INCOME TAXES - The Company utilizes the asset and liability approach for financial accounting and reporting for income taxes, as set forth in SFAS 109: Accounting for Income Taxes. Under SFAS 109, deferred income taxes are recorded to reflect the expected tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end.

RECLASSIFICATIONS - Certain reclassifications have been made to the 1994 balances to conform to the 1995 presentations.

2. ACQUISITION

On November 5, 1993, Holdings entered into an agreement and plan of merger by and among Pace and Pace Acquisition, Inc., a wholly-owned subsidiary of Holdings ("Pace Acquisition"), whereby Pace Acquisition was merged with and into Pace on December 10, 1993, with Pace being the surviving corporation (the "Merger") and pursuant to which an investor group acquired 57% of the outstanding common stock of Holdings, the current management group and former stockholders of Pace acquired 43% of the outstanding common stock of Holdings and Pace became a wholly-owned subsidiary of Holdings. In addition to the Merger, the acquisition included the issuance by Pace Acquisition, the obligations of which were assumed by Pace, of $115.0 million aggregate principal amount of 10 5/8% Senior Notes and the concurrent refinancing of the existing long-term debt.

The acquisition of all of the outstanding common stock of Pace by Holdings was accounted for as a purchase in accordance with the consensus reached by the Emerging Issues Task Force ("EITF") of the Financial Accounting Standards Board in Issue No. 88-16 "Basis in Leveraged Buyout Transactions." The EITF requires the carryover of predecessor basis for leveraged buyout transactions in which certain stockholders, as defined, of the acquired business continue as stockholders of the purchaser, if a change in control, as defined, has occurred. As a result of the application of this EITF, the Company recorded a charge to stockholders' equity of $31.1 million which represents the difference between the purchase price paid to certain continuing management stockholders (stockholders of Holdings) and the book value of the continuing management stockholders' investment in the Company. The remaining purchase price was allocated to the assets and liabilities based upon their estimated fair value with the excess purchase price over net assets acquired representing goodwill. The acquisition and refinancing was consummated on December 10, 1993 and for accounting purposes, was recorded as of December 31, 1993.

3. INVENTORIES

Inventories consist of:	June 30, 1995	June 30, 1994
Finished goods	$ 8,811	$ 5,540
Work in progress	4,199	3,709
Raw materials	6,364	2,984
Supplies	6,055	4,515
	$ 25,429	$ 16,748

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)
(DOLLARS IN THOUSANDS)

4. PROPERTY, PLANT AND EQUIPMENT

	June 30, 1995	June 30, 1994
Property, plant and equipment consist of:		
Land and improvements	$ 4,238	$ 4,003
Plant and warehouse facilities	11,333	10,733
Plant equipment	31,548	25,608
Office equipment	994	622
Vehicles	175	161
Idle facilities	1,380	1,507
Construction in progress	4,374	548
	54,042	43,182
Less accumulated depreciation and amortization	(5,894)	(1,890)
	$ 48,148	$ 41,292

The Company leases certain equipment under capital lease agreements expiring in 1996 through 2000. The following amounts related to capitalized lease obligations are included in property, plant and equipment in the consolidated balance sheet.

Plant equipment	$ 1,057	$ 1,089
Less accumulated amortization	(151)	(57)
Net plant equipment	$ 906	$ 1,032

5. FINANCING ARRANGEMENTS AND LONG-TERM DEBT

	June 30, 1995	June 30, 1994
Long-term debt consists of:		
Pace Industries, Inc.:		
Senior Notes, unsecured, interest at 10.625%, payable semi-annually on June 1 and December 1, principal due December 10, 2002.	$115,000	$115,000
Revolving credit line, payable to a bank ("Credit Facility"), due December 10, 1998, (total available $35,000,000), interest payable quarterly at prime plus 1.25% or LIBOR plus 2.50% (8.375% at June 30, 1995), collateralized by accounts receivable and inventory.	9,713	10,000
Various notes and capitalized lease/purchase obligations, collateralized by certain equipment, payable in monthly installments, with interest at 3.83% to 12.46% through February, 2000.	800	1,090
Pace Industries of Mexico L.L.C. and Subsidiary ("Pace Mexico"):		
Note payable to a financial institution, with interest at 9.0%, collateralized by certain equipment, payable in monthly installments based on a five year amortization, balance due July 10, 1996.	1,383	--

(Dollars in Thousands)

Note payable to a financial institution, with interest at 9.0%, collateralized by accounts receivable, payable July 10, 1996.	700	---
Note payable to a financial institution, with interest at LIBOR plus 3.75% (9.8% at June 30, 1995), collateralized by certain equipment, payable in quarterly installments based on a five year amortization, balance due March, 1998.	2,160	---
Various notes and capitalized lease/purchase obligations, collateralized by certain equipment, payable in monthly installments over five years, with interest at 9.0% to 15.5%.	44	---
	129,800	126,090
Less current maturities	(671)	(336)
	$129,129	$125,754

Pace's Senior Notes, the Credit Facility and Pace Mexico's notes payable contain restrictive covenants which, among other things, require Pace and/or Pace Mexico to maintain minimum amounts of net worth and working capital in addition to other financial ratios. The agreements also limit capital expenditures, investments, new indebtedness, liens and payments of cash dividends.

Future minimum lease payments due under capital leases as of June 30, 1995 are as follows:

Fiscal year ended June 30,	
1996	$ 230
1997	158
1998	139
1999	107
2000	71
Total minimum obligations	705
Less amount representing interest	(105)
Present value of future net minimum lease payments	$ 600

Current maturities of long-term debt over the next five years are $671 in 1996, $2,472 in 1997, $1,658 in 1988, $104 in 1999, $9,789 in 2000 and $115,106 thereafter.

Based on the borrowing rates currently available to the Company for bank borrowings, industrial revenue bonds and various other notes, with similar terms and average maturities, the Company believes that the carrying amount of these long-term debts approximate face value. The fair value of the 10.625% Senior Notes due 2002, based on the quoted market value, approximates $108 million at June 30, 1995.

6. SUBORDINATED NOTES

In connection with the acquisition, Holdings issued notes to certain stockholders of the Company (the "Subordinated Notes") in an aggregate principal amount of $20.0 million. The Subordinated Notes bear interest at a rate of 12.25%, payable quarterly, and will mature in December, 2003. Except for certain circumstances, the Subordinated Notes may not be redeemed prior to December 10, 2003. The Company believes that the fair value of the Subordinated Notes approximates their carrying value.

(Dollars in Thousands)

Upon the occurrence of an event of default, the holders of 66 2/3% in principal amount of the Subordinated Notes may elect, as their sole remedy, to convert such outstanding Subordinated Notes into Holdings common stock.

7. INCOME TAXES

Income tax expense is summarized as follows:

	June 30, 1995	Six Months Ended June 30, 1994
Current	$ 2,067	$2,048
Deferred	33	1,038
	$ 2,100	$3,086

Total income tax expense differs from the amount computed by multiplying income before income taxes by the U.S. federal income tax statutory rate. The reasons for the difference are as follows:

Computed expected tax expense	$ 1,064	$2,211
Amortization of goodwill	845	417
State taxes	217	378
Other	(26)	80
Actual tax expense	$ 2,100	$3,086

Deferred income taxes are comprised of the following at June 30, 1995 and 1994:

Depreciation and amortization	$ 7,357	$7,241
Debt pre-payment penalty	1,526	1,561
Non-Compete agreements	(1,564)	(521)
Accrued liabilities	688	300
Other	(57)	(16)
	$ 7,950	$8,565

Deferred income taxes were reduced by $648 in 1995 to adjust certain prior year estimates related to the acquisition discussed in Note 2.

(Dollars in Thousands)

8. COMMITMENTS

Upon consummation of the acquisition (Note 2) certain stockholders executed put option agreements with Holdings requiring the repurchase of Holdings common stock by Holdings in certain circumstances (the "Put Rights"). The Put Rights allow the put holders, upon six months written notice, to cause Holdings to purchase on the fifth, sixth, seventh, eighth, ninth or tenth anniversary of said put agreements, shares of Holdings common stock at a price of five hundred dollars per share.

In connection with the consummation of the acquisition (Note 2) the Company adopted an employee stock option/bonus plan to grant options under certain defined conditions, for up to 30,000 shares of common stock at an exercise price of $.01 per share. The options would vest and be exercisable if certain predetermined future equity values are attained. The difference between the fair value of the common stock to be issued and the exercise price will be recorded as compensation when it is probable that the criteria for exercise will be met and will be amortized over the vesting period.

The Company leases certain land, buildings, transportation equipment, manufacturing equipment, office equipment and other items under noncancellable operating lease arrangements which expire through 2001, including certain leases from related parties. Total rental expense was $3,246 for the year ended June 30, 1995 and $1,588 for the six months ended June 30, 1994, including contingent rentals of $535 and $298, respectively. Contingent rentals are based upon incremental cost on a per mile basis for the transportation equipment.

Future minimum rental commitments under noncancellable operating leases are as follows:

	Related Party	Other	Total
Fiscal year ended June 30,			
1996	$ 50	$ 2,121	$ 2,171
1997	50	1,932	1,982
1998	33	1,445	1,478
1999	--	987	987
2000	--	895	895
Thereafter	--	1,062	1,062
	$ 133	$ 8,442	$ 8,575

9. RELATED PARTIES

The Company leases certain office space from a corporation controlled by a stockholder of Holdings. Rent expense under this lease was $126 for the year ended June 30, 1995 and $62 during the six months ended June 30, 1994, respectively.

An affiliate of the Company performs verti-cast die casting operations on contract, similar to a sub-contractor, for the Company using raw materials provided by the Company. At June 30, 1995 and 1994, the Company had net accounts payable to the affiliated company of $103 and $88, respectively. Billings to the Company for services provided by the affiliated company were $10,501 and $4,440 during the year ended June 30, 1995 and six months ended June 30, 1994, respectively. The company currently subleases a portion of the Monroe City Division facility to the affiliated company. Rental income was $332 and $161 during the year ended June 30, 1995 and six months ended June 30, 1994, respectively.

In connection with the acquisition, the Company paid certain stockholders and related parties $4,203 for legal and consulting fees.

The Company and a corporation (the "Consultant") owned by a director of the Company and Holdings entered into an agreement (the "Consulting Agreement"), whereby the Consultant shall make available to the Company certain qualified individuals to render advice to facilitate the operations of the Company. The Consulting Agreement expires ten years after the date of the first payment made under the agreement. The Company is required to pay the Consultant for all services rendered pursuant to the Consulting Agreement at a rate of $100 per month. The Company paid $1,200 and $600 to the Consultant during the fiscal year ended June 30, 1995, and the six months ended June 30, 1994, respectively. In addition, a corporation controlled by a director of the Company and Holdings received $75 for management consulting services during the fiscal year ended June 30, 1995.

As part of the acquisition during the six months ended June 30, 1994, a director and certain members of management of the Company and Holdings received non-compete payments totaling $10,025.

10. CONTINGENCIES

In connection with the acquisition of Universal Die Casting, Inc. ("Universal") assets by Precision Industries, Inc. ("Precision"), an entity subsequently acquired by the Company during fiscal 1990, the National Labor Relations Board ("NLRB") filed a complaint based on an unfair labor charge filed by the union representing the former employees of Universal. The complaint alleges that the Company refused to hire former employees of Universal because they were union members and refused to bargain with the union. It seeks back pay and benefits, together with interest thereon, from October 18, 1988, and reinstatement on behalf of 81 individuals. In May 1993, the administrative law judge, in a recommended order, rendered a decision against the Company. The recommended order would require the Company to offer immediate and full reinstatement of 61 employees and make such employees whole for any loss of earnings and other benefits suffered as a result of the alleged discrimination against them. However, under applicable law, such damages would generally be reduced by the amount of mitigation, if any, by such individuals, including salary and benefits earned by such individuals since October 18, 1988. The Company filed an appeal to the full NLRB in Washington and exceptions to the administrative law judge's recommended order which are still pending. There were also 23 complaints filed with the Equal Employment Opportunity Commission ("EEOC") claiming individuals were denied employment due to age, race or sex. The claims were seeking reinstatement and damages of up to $4.0 million. Most of these individuals were also covered by the NLRB proceedings. In July 1993, counsel for the EEOC offered to conciliate the charges, assuming the Company agreed to certain procedural changes in pre-employment screening and requested relief in the form of employment offers for only nine of the above claimants. During August 1994, the matter was resolved with no monetary damages or back pay asserted against the Company. During August 1994, the Company began implementation of a plan to offer employment to certain of these individuals, which offers, in the event there was an unfavorable outcome to the Company regarding this matter, would toll the accrual of any further back pay and benefits. The Company and special litigation counsel have concluded that it is only reasonably possible that there could be an adverse outcome with respect to these proceedings. The Company believes its hiring practices were objective and complied with all labor laws, that the individuals were denied employment for legitimate reasons, and that it intends to vigorously defend its actions in court and on appeal.

On May 23, 1994, TRW Inc., an Ohio corporation ("TRW") filed a complaint styled as TRW Inc. v. Pace Industries, Inc. and Pace Industries Cast-Tech Division, Inc., No. 94CV71983DT, in United States District Court in the Eastern District of the State of Michigan alleging that the Company breached supply contracts between the parties in 1991 and 1992 and seeking compensatory damages of $4.7 million and punitive damages of $10.0 million. On November 2, 1994, the Company filed an answer and counterclaim to the TRW complaint denying the allegations in the TRW complaint and claiming compensatory damages approximating $12 million relating to: (i) the nonpayment of invoices for parts ordered and accepted by TRW; (ii) the nonpayment by TRW for parts ordered, but not accepted and (iii) the breach of certain promises and misrepresentations by TRW regarding assets and tooling purchased by the Company for the purpose of manufacturing and supplying parts requested by TRW. On August 2, 1995, TRW filed an amended complaint alleging essentially the same breach of contract claims for the $4.7 million of compensatory damages, although the $10 million claim for punitive damages was removed from the litigation in the amended complaint by TRW. The Company intends to vigorously pursue the counterclaim against TRW, while defending the allegations in the TRW amended complaint, which the Company believes are without merit. The Company and its counsel have concluded that it is only reasonably possible that there could be an adverse outcome with respect to the TRW litigation. A rescheduled trial date, of March 5, 1996, has been set with respect to this litigation and discovery is currently in process.

In addition to the litigation referred to above, the Company is involved in litigation incidental to its business. Such other litigation is not considered by management to be significant. The Company maintains a self-insurance program for employee health care and workers' compensation cost. Self-insurance costs are accrued based upon the aggregate of the liability for reported outstanding claims and an estimated liability for claims incurred but not yet reported.

11. MAJOR CUSTOMERS

The Company had sales to three customers, which exceeded 10% of total sales. Sales to one customer were $41,547 and $25,656 for the year ended June 30, 1995, and the six months ended June 30, 1994, respectively. Sales to another customer were approximately $28,995 and $10,039 for these periods. Sales to another customer were approximately $20,239 and $12,714 for these periods.

12. CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of trade and note receivables with a variety of national customers. Such credit risk is considered by management to be limited due to the Company's broad customer base. The Company performs ongoing credit evaluations of its customers' financial condition and generally requires no collateral.

PACE HOLDINGS, INC. AND SUBSIDIARY
CONSOLIDATED CONDENSED BALANCE SHEET
(Dollars in Thousands Except Shares and Par Value)
(Unaudited)

ASSETS	December 31, 1995	June 30, 1995
Current assets:		
Cash and cash equivalents	$ 1,437	$ 254
Accounts and notes receivable, net	43,011	42,016
Inventories	64,876	25,429
Other current assets	3,892	357
Total current assets	113,216	68,056
Property, plant and equipment: Less accumulated depreciation and amortization of $8,263 at December 31, 1995 and $5,894 at June 30, 1995	58,857	48,148
Excess of investment over net assets acquired	75,411	70,374
Other assets	9,565	10,915
Total assets	$257,049	$197,493
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 3,448	$ 671
Accounts payable	38,963	25,850
Accrued liabilities	5,940	7,062
Total current liabilities	48,351	33,583
Long-term debt	168,959	129,129
Subordinated notes	20,000	20,000
Other long-term obligations	1,338	1,374
Deferred income taxes	6,540	7,950
Commitments and contingencies (Note 4)		
Minority interest in subsidiary	1,952	2,041
Stockholders' equity:		
Common Stock, par value $.01 per share:		
Class A, voting, 1,000,000 shares authorized, 300,000 shares issued and outstanding	3	3
Class B, non-voting, 30,000 shares authorized, 18,329 shares issued and outstanding	-	-
Additional paid-in capital	40,094	29,997
Carryover basis adjustment attributable to the continuing management stockholders	(31,079)	(31,079)
Retained earnings	891	4,495
Total stockholders' equity	9,909	3,416
Total liabilities and stockholders' equity	$257,049	$197,493

See accompanying notes to consolidated condensed financial statements.

PACE HOLDINGS, INC. AND SUBSIDIARY
CONSOLIDATED CONDENSED STATEMENT OF OPERATIONS
(Dollars in Thousands)
(Unaudited)

	Six Months Ended December 31, 1995	Six Months Ended December 31, 1994
Net sales	$ 74,534	$ 60,362
Cost of sales	60,832	48,287
Gross profit	13,702	12,075
Selling, general and administrative expenses	7,100	4,927
Amortization of intangibles	3,116	2,932
Operating income	3,486	4,216
Other income (expense):		
Interest expense	(10,204)	(8,561)
Other income	38	(54)
Loss before income taxes	(6,680)	(4,399)
Income tax benefit	2,987	1,928
Loss before minority interest	(3,693)	(2,471)
Minority interest in loss of consolidated subsidiary	89	201
Net loss	$ (3,604)	$ (2,270)

See accompanying notes to consolidated condensed financial statements.

PACE HOLDINGS, INC. AND SUBSIDIARY

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS
(Dollars in Thousands)
(Unaudited)

	Six Months Ended December 31, 1995	Six Months Ended December 31, 1994
Cash flows from operating activities:		
Net loss	$ (3,604)	$ (2,270)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	2,372	1,882
Amortization	3,570	3,313
Loss on sale of property, plant and equipment	--	4
Minority interest in loss (income) of consolidated subsidiary	(89)	201
Deferred income taxes	(1,409)	(708)
Change in assets and liabilities:		
Accounts and notes receivable	492	6,135
Inventories	(37,757)	(23,990)
Other current assets	(3,536)	(680)
Other assets	(368)	80
Accounts payable	12,929	11,679
Accrued liabilities	(2,455)	(3,385)
Net cash provided by (used in) operating activities	(29,855)	(7,739)
Cash flows from investing activities:		
Purchase of property, plant and equipment	(7,874)	(5,381)
Proceeds from sale of equipment	--	111
Acquisition of business	86	--
Payment of deferred cost	--	(1,359)
Collection of notes receivable	227	177
Net cash provided by (used in) investing activities	(7,561)	(6,452)
Cash flows from financing activities:		
Proceeds from long-term debt	39,398	13,775
Payments of long-term debt	(488)	(220)
Payments of other long-term obligations	(36)	--
Payment of deferred loan fees	(275)	--
Proceeds from minority interest	--	487
Net cash provided by (used in) financing activities	38,599	14,042
Net increase (decrease) in cash and cash equivalents	1,183	(149)
Cash and cash equivalents--beginning	254	473
Cash and cash equivalents--ending	$ 1,437	$ 324
Supplementary disclosure of cash flow information:		
Cash paid during the period for:		
Income taxes	$ 1,919	$ 1,626
Interest	9,774	8,144
Non-cash investing and financing activities:		
Equipment acquired by issuance of note payable	1,500	--
Business acquired by issuance of stock	10,097	--

See accompanying notes to consolidated condensed financial statements.

PACE HOLDINGS INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Dollars in Thousands)
(Unaudited)

NOTE 1. GENERAL

In the opinion of management, the accompanying consolidated condensed financial statements contain all adjustments (adjustments are of a normal recurring nature) necessary to present fairly the consolidated financial position of Pace Holdings, Inc. and Subsidiary (the "Company") as of December 31, 1995 and June 30, 1995, and the consolidated results of operations for the six month periods ended December 31, 1995 and 1994 and the consolidated cash flows for the six month periods ended December 31, 1995 and 1994. Results of operations for the six months ended December 31, 1995, are not necessarily indicative of results which will be achieved for the full fiscal year.

NOTE 2. INVENTORIES

The components of inventory are as follows:

	December 31, 1995	June 30, 1995
Finished Goods	$ 32,616	$ 8,811
Work-In-Process	6,905	4,199
Raw Materials	18,326	6,364
Supplies	7,029	6,055
	$ 64,876	$ 25,429

NOTE 3. RELATED PARTIES

The Company has provided administrative, marketing and distribution functions to an affiliated company at the Company's cost. The affiliated company had performed verti-cast die casting operations, similar to a subcontractor, using raw materials provided by the Company pursuant to a supply agreement between the Company and the affiliated company. Billings to the Company for services provided by the affiliated company were $4.3 million and $4.9 million during the six months ended December 31, 1995 and 1994, respectively. Effective December 1, 1995, the Company has discontinued this relationship.

NOTE 4. CONTINGENCIES

In connection with the acquisition of Universal Die Casting, Inc. ("Universal") assets by Precision Industries, Inc. ("Precision"), and entity subsequently acquired by the Company during fiscal 1990, the National Labor Relations Board ("NLRB") filed a complaint based on an unfair labor charge filed by the union representing the former employees of Universal. The complaint alleges that the Company refused to hire former employees of Universal because they were union members and refused to bargain with the union. It seeks back pay and benefits, together with interest thereon, from October 18, 1988, and reinstatement on behalf of 81 individuals. In May 1993, the administrative law judge in a recommended order, rendered a decision against the Company. The recommended order would require the Company to recognize and bargain with the union and to offer immediate and full reinstatement of 61 employees and make such employees whole for any loss of earnings and other benefits suffered as a result of the alleged discrimination against them. However, under applicable law, such damages would generally be reduced by the amount of mitigation, if any, by such individuals, including salary and benefits earned by such individuals since October 18, 1988. The Company filed an appeal to the full NLRB in Washington and exceptions to the administrative law judge's recommended order. On January 3, 1996, the NLRB rendered its decision on the Company's appeal by affirming the administrative law judge's decision and recommended order against the Company. The Company intends to appeal the NLRB's decision to the Eighth Circuit Court of Appeals in St. Louis, Missouri and to contest individual backpay specifications in NLRB compliance proceedings, if necessary. During August 1994, the Company began implementation of a plan to offer employment to certain of these individuals, which offers, in the event there was an unfavorable outcome to the Company regarding this matter, would toll the accrual of any further back pay and benefits. The Company believes its hiring practices were objective and complied with all labor laws and that the individuals were denied employment for legitimate reasons. The Company and special litigation counsel have concluded that it is only reasonably possible that there could be an adverse outcome with respect to these proceedings.

On May 23, 1994, TRW Inc., an Ohio corporation ("TRW") filed a complaint styled as TRW Inc. v. Pace Industries, Inc. and Pace Industries Cast-Tech Division, Inc., No. 94CV71983DT, in United States District Court in the Eastern District of the State of Michigan alleging that the Company breached supply contracts between the parties in 1991 and 1992 and seeking compensatory damages of $4.7 million and punitive damages of $10 million. On November 2, 1994, the Company filed an answer and counterclaim to the TRW complaint denying the allegations in the TRW complaint and claiming compensatory damages approximating $12 million relating to: (i) the nonpayment of invoices for parts ordered and accepted by TRW; (ii) the nonpayment by TRW for parts ordered, but not accepted and (iii) the breach of certain promises and misrepresentations by TRW regarding assets and tooling purchased by the Company for the purpose of manufacturing and supplying parts requested by TRW. On August 2, 1995, TRW filed an amended complaint alleging essentially the same breach of contract claims for the $4.7 million of compensatory damages and an unspecified amount of exemplary damages, although the $10 million claim for punitive damages was removed from the litigation in the amended complaint by TRW. The Company intends to vigorously pursue the counterclaim against TRW, while defending the allegations in the TRW amended complaint, which the Company believes are without merit. The Company and its counsel have concluded that it is only reasonably possible that there could be an adverse outcome with respect to the TRW litigation. A rescheduled trial date, of June 18, 1996, has been set with respect to this litigation and discovery is currently in process.

NOTE 5. INCOME TAXES

The effective tax rate differs from the statutory rate primarily due to amortization of goodwill which is not deductible for tax purposes. The effective tax rate was calculated based on projected taxable income for the full fiscal year and the anticipated changes in the deferred tax assets and deferred tax liabilities.

NOTE 6. CLASS B COMMON STOCK

The Company has issued 18,329 shares of Class B Common Stock that can be put to the Company on specific dates beginning in January of 1996, giving the Class B Shareholders the right to sell shares of the Class B Common Stock to the Company at contractually specified prices. The put options with a contractual value of $10,097 were recorded as Class B Common Stock and paid-in capital in the amount that the Company would be obligated to pay if all the put options were exercised.

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TABLE OF CONTENTS

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LEGGETT & PLATT, INCORPORATED

3,372,328 Shares
Common Stock
$.01 Par Value

(and Preferred Stock Purchase Rights
attached to the Common Stock)

PROSPECTUS

May 13, 1996

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