Form 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For the quarterly period ended June 30, 1998

OR

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

for the transition period from ________ to ________

For Quarter Ended	Commission File Number
June 30, 1998	1-7845

LEGGETT & PLATT, INCORPORATED
(Exact name of registrant as specified in its charter)

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

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

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

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

Yes X No ___

Common stock outstanding as of August 1, 1998: 196,726,744

PART I. FINANCIAL INFORMATION
LEGGETT & PLATT, INCORPORATED AND SUBSIDIARIES
ITEM 1. FINANCIAL STATEMENTS
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited)

(Amounts in millions)

	June 30, 1998	December 31, 1997
CURRENT ASSETS		
Cash and cash equivalents	$ 21.7	$ 7.7
Accounts and notes receivable	502.5	450.1
Allowance for doubtful accounts	(13.3)	(11.5)
Inventories	483.4	433.2
Other current assets	63.9	65.1
Total current assets	1,058.2	944.6
PROPERTY, PLANT & EQUIPMENT, NET	775.3	693.2
OTHER ASSETS		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of $44.2 in 1998 and $38.2 in 1997	454.8	394.0
Other intangibles, less accumulated amortization of $27.6 in 1998 and $24.1 in 1997	31.9	31.6
Sundry	60.0	42.9
Total other assets	546.7	468.5
TOTAL ASSETS	$ 2,380.2	$ 2,106.3

CURRENT LIABILITIES

Accounts and notes payable	$ 132.5	$ 128.7
Accrued expenses	156.1	166.4
Other current liabilities	68.0	77.4
Total current liabilities	356.6	372.5
LONG-TERM DEBT	576.2	466.2
OTHER LIABILITIES	44.1	40.8
DEFERRED INCOME TAXES	66.3	52.8
SHAREHOLDERS' EQUITY		
Common stock	2.0	1.0
Additional contributed capital	386.9	311.9
Retained earnings	963.9	871.3
Accumulated other comprehensive income	(15.2)	(10.1)
Treasury stock	(.6)	(.1)
Total shareholders' equity	1,337.0	1,174.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 2,380.2	$ 2,106.3

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

See accompanying notes to consolidated condensed financial statements.

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

(Amounts in millions, except per share data)

	Six Months Ended June 30,		Three Months Ended June 30,	
	1998	1997	1998	1997
Net sales	$ 1,648.6	$ 1,394.4	$ 855.4	$ 721.2
Cost of goods sold	1,227.0	1,040.8	636.1	537.7
Gross profit	421.6	353.6	219.3	183.5
Selling, distribution and administrative expenses	203.6	170.3	105.0	87.9
Interest expense	18.8	15.3	10.0	8.2
Other deductions (income), net	5.7	6.0	3.5	3.5
Earnings before income taxes	193.5	162.0	100.8	83.9
Income taxes	72.2	61.6	37.4	31.9
NET EARNINGS	$ 121.3	$ 100.4	$ 63.4	$ 52.0
Earnings Per Share				
Basic	$ .62	$ .54	$ .32	$ .28
Diluted	$ .61	$ .53	$ .32	$ .27
Cash Dividends Declared Per Share	$ .155	$ .13	$ .08	$ .065
Average Shares Outstanding				
Basic	196.9	187.2	197.6	188.0
Diluted	200.3	189.9	200.9	190.4

See accompanying notes to consolidated condensed financial statements.

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

(Amounts in millions)

	Six Months Ended June 30, 1998	Six Months Ended June 30, 1997
OPERATING ACTIVITIES		
Net Earnings	$ 121.3	$ 100.4
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation	50.7	43.4
Amortization	10.3	7.9
Other	2.8	3.9
Other changes, net of effects from purchases of companies		
Increase in accounts receivable, net	(21.0)	(73.1)
(Increase) decrease in inventories	(13.0)	16.1
Increase in other current assets	(2.9)	(3.6)
(Decrease) increase in current liabilities	(9.1)	27.7
NET CASH PROVIDED BY OPERATING ACTIVITIES	139.1	122.7
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(67.9)	(50.5)
Purchases of companies, net of cash acquired	(73.5)	(86.2)
Other	(6.6)	1.6
NET CASH USED FOR INVESTING ACTIVITIES	(148.0)	(135.1)
FINANCING ACTIVITIES		
Additions to debt	257.9	177.7
Payments on debt	(186.5)	(125.0)
Dividends paid	(43.9)	(34.8)
Other	(4.6)	(2.0)
NET CASH PROVIDED BY FINANCING ACTIVITIES	22.9	15.9
INCREASE IN CASH AND CASH EQUIVALENTS	14.0	3.5
CASH AND CASH EQUIVALENTS - January 1,	7.7	3.7
CASH AND CASH EQUIVALENTS - June 30,	$ 21.7	$ 7.2

See accompanying notes to consolidated condensed financial statements.

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

(Amounts in millions)

1. STATEMENT

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

2. STOCK SPLIT

On May 13, 1998, the Board of Directors of the Company declared a two-for-one stock split in the form of a stock dividend for shareholders of record on May 29, 1998. The shares were distributed to shareholders on June 15, 1998. All references to share and per share amounts in the accompanying financial statements have been restated to reflect the split.

3. INVENTORIES

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

	June 30, 1998	December 31, 1997
At First-In, First-Out (FIFO) cost		
Finished goods	$ 256.1	$ 228.0
Work in process	63.9	50.3
Raw materials	175.4	170.0
	495.4	448.3
Excess of FIFO cost over LIFO cost	12.0	15.1
	$ 483.4	$ 433.2

4. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment comprised the following:

	June 30, 1998	December 31, 1997
Property, plant and equipment, at cost	$ 1,335.3	$ 1,212.3
Less accumulated depreciation	560.0	519.1
	$ 775.3	$ 693.2

5. COMPREHENSIVE INCOME

In accordance with the provisions of Financial Accounting Standard No. 130, the Company has elected to report comprehensive income in its Statement of Changes in Shareholders' Equity. For the six months ending June 30, 1998 and 1997, comprehensive income was $116.2 and $98.3, respectively.

6. EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows:

	Six Months Ended June 30, 1998	Six Months Ended June 30, 1997	Three Months Ended June 30, 1998	Three Months Ended June 30, 1997
Basic				
Weighted average shares outstanding, including shares issuable for little or no cash	196.9	187.2	197.6	188.0
Net earnings	$ 121.3	$ 100.4	$ 63.4	$ 52.0
Earnings per share - basic	$ .62	$ .54	$ .32	$ .28
Diluted				
Weighted average shares outstanding, including shares issuable for little or no cash	196.9	187.2	197.6	188.0
Additional dilutive shares principally from the assumed exercise of outstanding stock options	3.4	2.7	3.3	2.4
	200.3	189.9	200.9	190.4
Net earnings	$ 121.3	$ 100.4	$ 63.4	$ 52.0
Earnings per share - diluted	$ .61	$ .53	$ .32	$ .27

7. 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.

One of the Company's subsidiaries is involved in an unfair labor complaint filed by the National Labor Relations Board prior to the Company's acquisition of the subsidiary. An administrative decision has been rendered against the subsidiary, which was recently upheld by the courts. The Company is currently pursuing actions to resolve this matter.

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

All share and per share amounts have been adjusted for the stock split discussed in Item I, Note 2.

Capital Resources and Liquidity

The Company's total capitalization at June 30, 1998 and December 31, 1997 is shown in the table below. The table also shows the amount of unused committed credit available through the Company's revolving bank credit agreements.

(Dollar amounts in millions)	June 30, 1998	December 31, 1997
Long-term debt outstanding:		
Scheduled maturities	$ 576.2	$ 402.9
Average interest rates	6.6%	6.8%
Average maturities in years	6.4	6.3
Revolving credit/commercial paper	--	63.3
Total long-term debt	576.2	466.2
Deferred income taxes and other liabilities	110.4	93.6
Shareholders' equity	1,337.0	1,174.0
Total capitalization	$ 2,023.6	$ 1,733.8
Unused committed credit	$ 240.0	$ 240.0

The Company's internal investments to modernize and expand manufacturing capacity were $67.9 million in the first six months of 1998. The Company also invested $73.5 million in cash (net of cash acquired) and issued 2.9 million shares of common stock and common stock equivalents to make 12 acquisitions. Cash provided by operating activities provided a majority of the funds required for these investments.

The Company issued $176 million in privately placed medium-term notes during the first six months of 1998. These notes have fixed interest rates averaging 6.2% and maturities averaging just over seven years. Proceeds from the notes were used to repay commercial paper outstanding. The Company's senior debt rating was upgraded to single A+ from single A by Standard & Poor's Corporation in April.

Working capital at June 30, 1998 was $701.6 million, up from $572.1 million at year-end. Total current assets increased $113.6 million, due primarily to increases in accounts and notes receivable and inventories attributable to increased sales. Cash and cash equivalents also increased, more than offsetting a decrease in other current assets. Total current liabilities decreased $15.9 million. Decreases in accrued expenses and other current liabilities more than offset an increase in accounts and notes payable.

In addition to unused committed credit, the Company has the availability of short-term uncommitted credit from several banks. However, there was no short-term bank debt outstanding at mid-year 1998 or at the end of 1997. Given this strong financial position and the continuing strong coverage of interest expense, the Company has substantial capital resources and flexibility to provide for projected internal cash needs and additional acquisitions consistent with management's goals and objectives.

Results of Operations

The Company's continuing growth resulted in record sales and earnings for the first half of 1998. Sales increased to $1.65 billion (up 18.2%) and net earnings grew to $121.3 million (up 20.8%) - both compared with first half records in 1997. Earnings per diluted share increased to $.61 (up 15.1%) - also compared with the first half of 1997.

Results for this year's second quarter showed similar increases. Sales of $855.4 million were up 18.6%, net earnings of $63.4 million were up 21.9%, and earnings per diluted share of $.32 were up 18.5% - all at record levels compared with the second quarter of 1997.

Increased 1998 sales reflected ongoing benefits from acquisitions and internal improvements. Acquisitions continued to account for more of the sales growth than other factors. The balance of the sales growth primarily reflected increased unit volumes.

Net earnings grew faster than sales due to a slight improvement in 1998 profit margins. The somewhat lower growth in earnings per share, when compared to the growth in net earnings, primarily reflected the issuance of shares in the Company's acquisition program and employee stock benefit plans. The following table shows various measures of earnings as a percentage of sales for the first six months and the second quarter in both of the last two years. It also shows the effective income tax rate and the coverage of interest expense by pre-tax earnings plus interest for each respective period.

	Six Months Ended June 30,		Quarter Ended June 30,	
	1998	1997	1998	1997
Gross profit margin	25.6%	25.4%	25.6%	25.4%
Pre-tax profit margin	11.7	11.6	11.8	11.6
Net profit margin	7.4	7.2	7.4	7.2
Effective income tax rate	37.3	38.0	37.1	38.0
Interest coverage ratio	11.3x	11.6x	11.1x	11.2x

The gross profit margin for the first six months of 1998 improved as many operations increased sales and the Company's costs for some materials declined. Some of this improvement was offset by a slightly higher operating expense ratio and increased interest expense, which is reflected in the pre-tax margin. The net profit margin also benefited from a slightly lower effective income tax rate in 1998.

In the second quarter, the gross profit margin showed the same year-to-year improvement as the first six months. In addition, the higher operating expense ratio and increased interest expense in 1998 were offset by lower other deductions, net of other income for the quarter. Thus, the pre-tax profit margin showed the same improvement as the gross margin. The net profit margin for the quarter also benefited from a slightly lower effective income tax rate in 1998.

Consistent cash flow, a conservative capital policy and the success of management's long-term strategy have allowed the Company to sustain a 27-year record of increasing dividends. Dividends declared in the first half of 1998 were $.155 per share. The quarterly rates were increased to $.075 per share in February and $.08 per share in May. Compared to the first half of 1997, these dividends together were up 19.2%. A third quarter dividend of $.08 per share was declared on August 6, 1998, and is payable on September 15, 1998 to shareholders of record on August 21, 1998.

Statements of Financial Accounting Standards Not Yet Adopted

The Financial Accounting Standards Board (FASB) issued a new accounting standard on "Accounting For Derivative Instruments and Hedging Activities" (FASB No. 133). This new standard was issued in June 1998 and will become effective in the Company's financial statements for the year 2000. Management is currently analyzing the impact of the adoption of FASB No. 133, but does not anticipate any material impact on the Company's consolidated financial statements.

ITEM 3. DISCLOSURES ABOUT MARKET RISK

(Unaudited)
(Amounts in millions)

INTEREST RATE SENSITIVITY

The Company has 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 Company's debt is denominated in United States dollars. The fair value of variable rate debt is not significantly different from its recorded amount. Using the U.S. Treasury Bond rate as of June 30, 1998 for similar remaining maturities, plus an estimated "spread" over such Treasury securities representing the Company's interest costs under its medium-term note program, there was no material change in the fair value of debt obligations since December 31, 1997, when compared to the carrying value. The principal fixed rate debt of the Company increased by approximately $176 and principal variable rate debt decreased by approximately $63 since December 31, 1997.

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 June 30, 1998 was not significant.

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 June 30, 1998 has not changed significantly since December 31, 1997.

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 $32 (at cost) in inventory at June 30, 1998. 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.

PART II. OTHER INFORMATION

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

The Company held its annual meeting of shareholders on May 13, 1998. Matters voted upon were (1) election of directors, and (2) ratification of PricewaterhouseCoopers as the Company's independent auditors.

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

1. Election of Directors

DIRECTOR	FOR	WITHHELD
Raymond F. Bentele	169,607,340	542,104
Harry M. Cornell, Jr.	168,811,384	1,338,060
Robert Ted Enloe, III	169,601,710	547,734
Richard T. Fisher	169,630,610	518,834
Bob L. Gaddy	168,834,446	1,314,998
David S. Haffner	168,852,874	1,296,570
Thomas A Hays	169,601,842	547,602
Robert A. Jefferies, Jr.	168,858,484	1,290,960
Alexander M. Levine	169,625,744	523,700
Richard L. Pearsall	169,583,250	566,194
Duane W. Potter	168,841,998	1,307,446
Maurice E. Purnell, Jr.	168,821,998	1,327,446
Alice L. Walton	169,634,758	514,686
Felix E. Wright	168,834,324	1,315,120

2. Ratification of Independent Auditors

FOR	AGAINST	ABSTAIN
169,597,994	79,470	431,632

ITEM 5. OTHER INFORMATION

Proposals of stockholders intended to be presented at the 1999 Annual Meeting must be received by the Company by December 1, 1998 for inclusion in the Company's Proxy Statement and Proxy relating to that meeting. Upon receipt of any such proposal, the Company will determine whether or not to include such proposal in the Proxy Statement and Proxy in accordance with regulations governing the solicitation of proxies.

In order for a stockholder to nominate a candidate for director, under Section 2.1 of the Company's Bylaws timely notice of the nomination must be received by the Company by February 12, 1999 for the 1999 Annual Meeting. In order for a stockholder to bring other business before a stockholder meeting, under Section 1.2 of the Company's Bylaws timely notice must be received by the Company by January 30, 1999 for the 1999 Annual Meeting. These time limits also apply in determining whether notice is timely under rules adopted by the SEC relating to exercise of discretionary voting authority.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(A) Exhibit 27 - Financial Data Schedule

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

SIGNATURES

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

LEGGETT & PLATT, INCORPORATED

DATE: August 11, 1998 By: /s/ HARRY M. CORNELL, JR.

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

DATE: August 11, 1998 By: /s/ MICHAEL A. GLAUBER

Michael A. Glauber
Senior Vice President,
Finance and Administration

EXHIBIT INDEX

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