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

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2004

OR

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

for the transition period from __________ to __________

Commission file number 001-07845

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

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 whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

Yes ☒ No ☐

Common stock outstanding as of October 28, 2004: 190,899,182

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

(Amounts in millions)	September 30, 2004	December 31, 2003
CURRENT ASSETS		
Cash and cash equivalents	$ 307.0	$ 443.9
Accounts and notes receivable	844.9	698.6
Allowance for doubtful accounts	(16.7)	(17.9)
Inventories	717.3	628.3
Other current assets	73.9	66.5
Total current assets	1,926.4	1,819.4
PROPERTY, PLANT & EQUIPMENT, NET	942.7	967.1
OTHER ASSETS		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of $114.8 in 2004 and $115.0 in 2003	1,012.2	989.5
Other intangibles, less accumulated amortization of $38.5 in 2004 and $35.1 in 2003	61.6	44.0
Sundry	77.4	69.7
Total other assets	1,151.2	1,103.2
TOTAL ASSETS	$ 4,020.3	$ 3,889.7
CURRENT LIABILITIES		
Current maturities of long-term debt	$ 390.1	$ 119.4
Accounts payable	269.5	195.2
Accrued expenses	253.1	223.8
Other current liabilities	111.6	87.5
Total current liabilities	1,024.3	625.9
LONG-TERM DEBT	619.2	1,012.2
OTHER LIABILITIES AND DEFERRED INCOME TAXES	139.7	137.6
SHAREHOLDERS' EQUITY		
Common stock	2.0	2.0
Additional contributed capital	448.6	433.7
Retained earnings	1,924.9	1,788.3
Accumulated other comprehensive income	38.5	34.4
Treasury stock	(176.9)	(144.4)
Total shareholders' equity	2,237.1	2,114.0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 4,020.3	$ 3,889.7

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)	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003	Three Months Ended September 30, 2004	Three Months Ended September 30, 2003
Net sales	$3,803.3	$3,247.0	$1,338.0	$1,156.7
Cost of goods sold	3,102.3	2,687.2	1,095.5	962.0
Gross profit	701.0	559.8	242.5	194.7
Selling and administrative expenses	339.1	300.5	111.3	103.7
Other deductions, net	1.3	2.3	.7	1.5
Earnings before interest and income taxes	360.6	257.0	130.5	89.5
Interest expense	34.3	34.7	10.5	13.3
Interest income	4.2	4.8	1.1	1.9
Earnings before income taxes	330.5	227.1	121.1	78.1
Income taxes	110.7	80.2	40.9	27.3
NET EARNINGS	$ 219.8	$ 146.9	$ 80.2	$ 50.8
Earnings Per Share				
Basic	$ 1.12	$ .75	$ .41	$ .26
Diluted	$ 1.12	$ .75	$ .41	$ .26
Cash Dividends Declared				
Per Share	$ .43	$ .40	$ .15	$ .14
Average Shares Outstanding				
Basic	195.8	196.7	195.4	196.0
Diluted	197.0	197.1	196.8	196.5

See accompanying notes to consolidated condensed financial statements.

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

(Amounts in millions)	Nine Months Ended September 30, 2004	Nine Months Ended September 30, 2003
OPERATING ACTIVITIES		
Net Earnings	$ 219.8	$ 146.9
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation	125.2	115.8
Amortization	8.2	6.3
Other	(9.7)	5.6
Other changes, excluding effects from purchases of companies:		
(Increase) in accounts receivable, net	(146.9)	(127.3)
(Increase) decrease in inventories	(83.8)	18.0
(Increase) in other current assets	(6.7)	(4.5)
Increase in current liabilities	148.6	105.2
NET CASH PROVIDED BY OPERATING ACTIVITIES	254.7	266.0
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(104.8)	(95.8)
Purchases of companies, net of cash acquired	(39.8)	(63.0)
Proceeds from liquidation of interest rate swap agreement	—	39.9
Other	12.2	8.2
NET CASH USED FOR INVESTING ACTIVITIES	(132.4)	(110.7)
FINANCING ACTIVITIES		
Additions to debt	5.9	355.1
Payments on debt	(124.9)	(113.6)
Dividends paid	(81.1)	(75.8)
Issuances of common stock	20.3	3.5
Purchases of common stock	(79.4)	(76.9)
NET CASH (USED FOR) PROVIDED BY FINANCING ACTIVITIES	(259.2)	92.3
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(136.9)	247.6
CASH AND CASH EQUIVALENTS - January 1,	443.9	225.0
CASH AND CASH EQUIVALENTS - September 30,	$ 307.0	$ 472.6

See accompanying notes to consolidated condensed financial statements.

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

(Amounts in millions, except per share data)

1. STATEMENT

The interim financial statements of the Company included herein have not been audited by independent auditors. The statements include all adjustments, including normal recurring accruals, which management considers necessary for a fair presentation of the financial position and operating results of the Company for the periods presented. The statements have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Accordingly, certain information and footnote disclosures normally included in financial statements prepared in conformity with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations. The operating results for interim periods are not necessarily indicative of results to be expected for an entire year.

For further information, refer to the December 31, 2003 financial statements of the Company and the footnotes thereto included in its annual report on Form 10-K.

2. INVENTORIES

Inventories, about 50% of which are valued using the Last-In, First-Out (LIFO) cost method and the remainder using the First-In, First-Out (FIFO) cost method, are comprised of the following:

	September 30, 2004	December 31, 2003
At First-In, First-Out (FIFO) cost		
Finished goods	$ 361.9	$ 316.5
Work in process	98.2	80.0
Raw materials and supplies	324.8	242.9
	784.9	639.4
Excess of FIFO cost over LIFO cost	(67.6)	(11.1)
	$ 717.3	$ 628.3

The Company calculates its LIFO reserve (the excess of FIFO cost over LIFO cost) on an annual basis. During interim periods, the Company estimates the change in the LIFO reserve at year-end (i.e., the annual LIFO expense or income) and allocates that change proportionally to the four quarters. The interim estimate of the annual LIFO reserve change can vary significantly quarter-to-quarter, and from the actual amount for the year, based on price changes experienced in subsequent periods and on actual inventory levels at year-end.

3. PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment is comprised of the following:

	September 30, 2004	December 31, 2003
Property, plant and equipment, at cost	$ 2,112.4	$ 2,066.8
Less accumulated depreciation	(1,169.7)	(1,099.7)
	$ 942.7	$ 967.1

4. COMPREHENSIVE INCOME

Comprehensive income for the quarters ending September 30, 2004 and 2003 was $86.6 and $26.4, respectively. For the nine months ending September 30, 2004 and 2003, comprehensive income was $223.9 and $182.7, respectively.

5. EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2004	2003	2004	2003
Basic				
Weighted average shares outstanding, including shares issuable for little or no cash	195.8	196.7	195.4	196.0
Net earnings	$ 219.8	$ 146.9	$ 80.2	$ 50.8
Earnings per share – basic	$ 1.12	$ .75	$ .41	$ .26
Diluted				
Weighted average shares outstanding, including shares issuable for little or no cash	195.8	196.7	195.4	196.0
Additional dilutive shares principally from the assumed exercise of outstanding stock options	1.2	.4	1.4	.5
	197.0	197.1	196.8	196.5
Net earnings	$ 219.8	$ 146.9	$ 80.2	$ 50.8
Earnings per share – diluted	$ 1.12	$ .75	$ .41	$ .26

6. CONTINGENCIES

The Company is involved in various legal proceedings including matters which involve claims against the Company under employment, intellectual property, environmental and other laws. When it appears probable in management’s judgement that the Company will incur monetary damages or other costs in connection with claims and proceedings, and the costs can be reasonably estimated, appropriate liabilities are recorded in the financial statements and charges are made against earnings. No claim or proceeding has resulted in a material charge against earnings, nor are the total liabilities recorded material to the Company’s financial position for any of the periods presented. 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 currently known claims and proceedings is remote.

7. SEGMENT INFORMATION

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

A summary of segment results for the nine months ended September 30, 2004 and 2003 and the quarters ended September 30, 2004 and 2003 are shown in the following tables. Segment figures for 2003 are restated for an organizational move of two small operations from Residential Furnishings to Specialized Products.

	External Sales	Inter-Segment Sales	Total Sales	EBIT
Nine Months ended September 30, 2004				
Residential Furnishings	$1,849.7	$ 10.4	$1,860.1	$208.6
Commercial Fixturing & Components	813.4	4.6	818.0	47.0
Aluminum Products	384.7	12.3	397.0	36.2
Industrial Materials	386.9	220.0	606.9	91.1
Specialized Products	368.6	41.3	409.9	36.5
Intersegment eliminations	—	—	—	(2.3)
Change in LIFO reserve	—	—	—	(56.5)
	$3,803.3	$288.6	$4,091.9	$360.6
Nine Months ended September 30, 2003				
Residential Furnishings	$1,617.4	$ 5.0	$1,622.4	$150.6
Commercial Fixturing & Components	712.0	5.8	717.8	22.4
Aluminum Products	341.5	9.5	351.0	27.0
Industrial Materials	269.6	156.5	426.1	25.5
Specialized Products	306.5	45.0	351.5	37.2
Intersegment eliminations	—	—	—	(3.6)
Change in LIFO reserve	—	—	—	(2.1)
	$3,247.0	$221.8	$3,468.8	$257.0

7. SEGMENT INFORMATION (continued)

	External Sales	Inter-Segment Sales	Total Sales	EBIT
Quarter ended September 30, 2004				
Residential Furnishings	$ 641.5	$ 4.1	$ 645.6	$ 68.1
Commercial Fixturing & Components	306.0	1.7	307.7	22.7
Aluminum Products	114.8	4.1	118.9	7.7
Industrial Materials	151.0	79.7	230.7	36.7
Specialized Products	124.7	10.8	135.5	8.7
Intersegment eliminations	—	—	—	2.1
Change in LIFO reserve	—	—	—	(15.5)
	$1,338.0	$100.4	$1,438.4	$130.5
Quarter ended September 30, 2003				
Residential Furnishings	$ 570.1	$ 1.2	$ 571.3	$ 54.7
Commercial Fixturing & Components	291.6	1.2	292.8	10.1
Aluminum Products	99.1	3.1	102.2	4.1
Industrial Materials	95.0	51.4	146.4	10.4
Specialized Products	100.9	13.4	114.3	10.6
Intersegment eliminations	—	—	—	3
Change in LIFO reserve	—	—	—	(.7)
	$1,156.7	$ 70.3	$1,227.0	$ 89.5

Average asset information for the Company's segments at September 30, 2004 and December 31, 2003 is shown in the following table:

	September 30, 2004	December 31, 2003
Assets		
Residential Furnishings	$ 1,379.2	$ 1,328.0
Commercial Fixturing & Components	960.8	950.2
Aluminum Products	376.4	376.3
Industrial Materials	287.7	263.2
Specialized Products	471.2	414.2
Unallocated assets	434.0	615.3
Adjustment to period – end vs. average assets	111.0	(57.5)
	$ 4,020.3	$ 3,889.7

8. STOCK OPTIONS

Effective January 1, 2003, the Company adopted the fair value recognition provisions of FASB Statement No. 123, Accounting for Stock-Based Compensation, prospectively to all employee awards granted, modified, or settled after January 1, 2003. Awards under the Company's plans generally vest over four years. Therefore, the cost related to stock-based employee compensation included in the determination of net income for 2003 and 2004 is less than that which would have been recognized if the fair value based method had been applied to all awards since the original effective date of Statement No. 123. The following table illustrates the effect on net income and earnings per share if the fair value based method had been applied to all outstanding and unvested awards in each period.

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2004	2003	2004	2003
Net Earnings, as reported	$ 219.8	$ 146.9	$ 80.2	$ 50.8
Add: Stock-based compensation cost, net of taxes, included in net earnings as reported	7.0	4.8	2.3	1.6
Deduct: Stock–based compensation cost, net of taxes, if the fair value based method had been applied to all awards	(8.0)	(6.2)	(2.6)	(2.1)
Net earnings, pro forma	$ 218.8	$ 145.5	$ 79.9	$ 50.3
Earnings per share – as reported				
Basic	$ 1.12	$ .75	$ .41	$ .26
Diluted	$ 1.12	$ .75	$ .41	$ .26
Pro forma earnings per share				
Basic	$ 1.12	$ .74	$ .41	$ .26
Diluted	$ 1.11	$ .74	$ .41	$ .26

9. EMPLOYEE BENEFIT PLANS

The following table provides interim information at September 30, 2004 and 2003 as to the Company's sponsored domestic and foreign defined benefit pension plans. Expected 2004 employer contributions are not significantly different than the $1.5 previously reported.

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2004	2003	2004	2003
Components of Net Pension Expense				
Service cost	$ 3.4	$ 3.0	$ 1.0	$ 1.0
Interest cost	6.9	6.9	2.3	2.3
Expected return on plan assets	(10.1)	(9.3)	(3.3)	(3.1)
Amortization of net transition asset	.2	—	—	—
Recognized net actuarial loss	.4	1.2	.2	.4
Net pension expense	$ .8	$ 1.8	$ .2	$ .6

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

Introduction

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

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

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

Results of Operations

Discussion of Consolidated Results

Record quarterly sales of $1.34 billion were 16% higher than in the third quarter of 2003, with acquisitions contributing 3% of the growth. Same location sales increased 13.1%, with approximately two-thirds attributable to inflation (primarily due to higher steel costs). Same location sales growth for the trailing twelve months was 11%, the strongest pace since 1993.

Third quarter earnings per diluted share were $.41, an increase of $.15, or 58%, from the $.26 per diluted share attained in the third quarter of 2003. Higher sales and ongoing consolidation and cost reduction efforts were noteworthy contributors to the earnings increase.

For the first nine months of 2004, sales were $3.80 billion, an increase of 17% versus sales of $3.25 billion in the first nine months of 2003. Same location sales were up 11.9% year-to-date. Earnings, at $1.12 per diluted share, were up 49% from last year's $.75 per diluted share.

Pretax earnings for the third quarter of 2004 include LIFO expense of $15.5 million vs. $.7 million in the third quarter of 2003. For the first nine months of 2004, LIFO expense was $56.5 million, compared to $2.1 million in the same period of 2003.

As discussed in Note 2 of the Notes to Consolidated Condensed Financial Statements, the Company's quarterly LIFO expense is based on a current estimate of the annual expense expected for the year. This estimated annual expense is allocated to all the interim periods, but since the estimate is revised throughout the year, the impact in each quarter may vary.

In the first nine months of 2003, steel prices were relatively stable and LIFO expense was not significant. This year stands in sharp contrast. Steel price increases in the first nine months of 2004 have been significant and unprecedented. Based on information currently available, our estimated LIFO expense for the full year is approximately $76 million. However, the actual expense will depend upon our price of steel in the fourth quarter and our year-end inventory levels. Accurately predicting steel prices for the remainder of 2004 is extremely difficult given the market's volatility. Therefore, LIFO expense for the full year of 2004 could be significantly different from the current estimate. In addition, a reduction in year-end inventory levels could result in our LIFO expense for the full year being lower than the current estimate.

A reduction in inventory levels may result in "LIFO liquidation income", an accounting term used to describe the positive effect of liquidating (i.e., charging to expense) lower cost inventory layers established in prior years under the LIFO method. If these lower cost inventory layers are expensed currently in cost of goods sold, the resulting impact would partially offset the LIFO expense recorded for the year. Inventory levels at the end of the third quarter of 2004 were not at levels that would result in such LIFO liquidation income.

Major Trends and Uncertainties

Assuming recent economic strength continues through the fourth quarter, we anticipate annual 2004 same location sales will increase by approximately 10% compared to an increase of 1.2% in 2003. All of the Company's five segments posted strong sales growth and increased same location sales in the third quarter of 2004.

The majority of the inflation the Company is experiencing relates to steel prices, which have escalated dramatically since late 2003. Third quarter market prices for steel scrap and rod jumped unexpectedly in July and August. We implemented additional selling price increases effective in early October to recover most of these costs going forward, but the lag we experienced in passing through these higher costs had a negative impact on third quarter's EBIT (earnings before interest and taxes).

Steel prices for the rest of the year remain uncertain. The degree to which the Company is able to mitigate or recover any additional cost increases will be a major factor in future results.

In recent years, worldwide steel production capacity declined considerably. Although some uncertainty over steel availability exists, we believe we will continue to be able to access sufficient quantities on a timely basis and are better positioned than our competitors to secure supply. Steel scrap and rod represent about 70% of our steel tonnage purchases. This material is converted to wire, which is a key raw material used by many of our operations. More than half of the steel rod we use comes from our own mill, helping ensure supply. In addition, our financial strength and purchasing leverage are advantages many of our competitors don't enjoy.

In a recent and continuing trend, some of our customers have been moving a portion of their production from the U.S. to other countries. In order to remain a reliable and cost competitive supplier, we have and we expect to continue to establish operations in new regions of the world. Generally, we can produce components at a lower cost in the U.S. However, transportation and other logistical benefits of being in-country with our customers often more than offset the production cost differences. Currently, the largest international influence on our business is China. At September 30, 2004, Leggett operated eight Chinese facilities. In addition to our own facilities in China, we have strong relationships with many Asian suppliers.

With our international expansion has come an increased exposure to foreign currencies. As a result, significant changes in foreign currency exchange rates can have a material impact on reported earnings and financial position. Leggett currently utilizes derivative instruments to hedge certain individually identified transactions and to hedge only a modest amount of our total net investment exposure.

During the second quarter, the Company completed its annual goodwill assessment as required by SFAS No. 142. No goodwill impairments were identified as all Reporting Units' estimated fair values exceeded their recorded net book values, including the Fixture & Display unit. Although margins have continued to improve for the Fixture & Display unit, further improvement is required to meet the assumptions underlying the current fair value estimate for this Reporting Unit. Based on its tactical plan for this business, management believes that the future expected improvements in profitability are achievable and no impairment of the approximately $300 million of goodwill for the Fixture & Display Reporting Unit will occur.

Additional comments regarding these recent trends are included in the Discussion of Segment Results that follows.

Discussion of Segment Results

A description of the products included in each segment, along with segment financial data, appear in Note 7 of the Notes to Consolidated Condensed Financial Statements. Individual segment EBIT is presented using the FIFO inventory method, and, therefore, does not reflect LIFO inventory charges of $15.5 million and $56.5 million, respectively, for the three months and nine months ended September 30, 2004 (for 2003, three month and nine month LIFO charges were $0.7 million and $2.1 million, respectively). Following is a comparison of EBIT margins (Segment EBIT divided by Segment Total Sales):

	Three Months Ended		Nine Months Ended	
	Sept. 30, 2004	Sept. 30, 2003	Sept. 30, 2004	Sept. 30, 2003
Residential Furnishings	10.5%	9.6%	11.2%	9.3%
Commercial Fixturing & Components	7.4	3.4	5.7	3.1
Aluminum Products	6.5	4.0	9.1	7.7
Industrial Materials	15.9	7.1	15.0	6.0
Specialized Products	6.4	9.3	8.9	10.6

Third Quarter Discussion

Residential Furnishings

Total sales increased 13.0%, or $74.3 million, including a same location sales increase of 10.8%. Worldwide innerspring unit sales were essentially flat, but unit sales of mechanisms for upholstered furniture experienced a double-digit percentage increase. Strong demand and market share gains in carpet cushion and adjustable beds aided third quarter results. Our upholstered furniture components businesses have reported strong performance over the past three years. Our continuing strong performance results from an industry trend to incorporate high quality motion features into more lines of furniture; growing market share with smaller, privately-held manufacturers; and a well-established international presence.

EBIT increased $13.4 million, or 24.5%, with gains arising from higher sales, effective production cost management and plant consolidation efforts. These gains were partially offset by incomplete recovery of the most recent steel cost increases, increased transportation costs and currency impacts.

Commercial Fixturing & Components

Total sales increased 5.1%, or $14.9 million, while same location sales grew 3.0%. Volume, excluding inflation, was down slightly in our Fixture & Display operations. In contrast, volume improved in our office furniture components businesses, with these operations posting mid single-digit growth over the prior year. This quarter’s improvement in our office components businesses follows nearly a year of stable to improving results. EBIT more than doubled, from $10.1 million last year to $22.7 million this year, as a result of improvements arising from the tactical plan, and non-recurrence of last year’s inventory obsolescence charges.

Aluminum Products

Total sales increased $16.7 million, or 16.3%, solely from increased same location sales. Most of the sales growth was volume related, as inflation has been modest in this segment. Much of the segment’s growth over the past year has come from market share gains and new programs for producers of motorcycles, small engines, and large appliances, among others. For example, in late September, we announced an arrangement with Briggs & Stratton whereby we will supply aluminum castings to support their assembly plant in Auburn, Alabama. Higher sales and cost containment initiatives led to an EBIT increase of $3.6 million, or 87.8%. Third quarter’s margin decline (compared to the second quarter of 2004) was substantially volume driven, as sales decreased with the normal seasonality of the barbeque and lawn equipment industries.

Industrial Materials

Total sales increased $84.3 million, or 57.6%, solely from same location sales increases (largely resulting from inflation in steel prices). Higher production, improved overhead recovery, full utilization of the Sterling rod mill (versus last year's ramp up), and an above average spread between the selling price of steel rod and the cost of scrap (which benefited the rod mill) contributed to an EBIT improvement of $26.3 million.

Specialized Products

Total sales increased $21.2 million, or 18.5%. Same location sales increased 9.0%, primarily due to higher unit volumes in our machinery operations. Our machinery operations continued to post double-digit growth, as many bedding manufacturers who delayed spending for the past three years began purchasing new equipment. In addition, we saw growth in our automotive businesses this quarter, reflecting benefits of new programs and increased product placement.

EBIT declined 17.9%, or $1.9 million, as sales-related gains were more than offset by higher raw material and restructuring costs, depreciation and new product development expenses.

Nine-Month Discussion

Residential Furnishings

Total sales increased 14.7%, or $237.7 million. Same location sales increased 11.5%. Demand improved across most business units, with mechanisms for upholstered furniture posting the greatest year-over year growth. Market share gains in carpet cushion and adjustable beds and inflation and currency factors also contributed to the sales increase. EBIT increased $58.0 million, or 38.5%, with gains arising from higher sales, prior cost reduction and plant consolidation efforts, and improved overhead recovery (due to higher manufacturing levels). These gains were partially offset by incomplete recovery of the most recent steel cost increases, modest restructuring expenses and currency impacts.

Commercial Fixturing & Components

Total sales increased 14.0%, or $100.2 million, almost entirely due to recent acquisitions, as same location sales were up only 1.2%. EBIT more than doubled, from $22.4 million last year to $47.0 million this year, as improvements arising from the Fixture & Display tactical plan and non-recurrence of last year's inventory obsolescence charges were partially offset by impacts from currency rates, higher raw material prices, and restructuring costs.

Aluminum Products

Total sales increased $46.0 million, or 13.1%, solely from increased same location sales. Higher sales and cost containment initiatives, partially offset by a change in product mix, led to an EBIT increase of $9.2 million, or 34.1%.

Industrial Materials

Total sales increased $180.8 million, or 42.4%, solely from same location sales increases (again, largely resulting from inflation in steel prices). Higher sales and production, improved overhead recovery, full utilization of the Sterling rod mill, and an above average spread between the selling price of steel rod and the cost of scrap (which spread should moderate in the coming quarters) contributed to an EBIT improvement of $65.6 million.

Specialized Products

Total sales increased $58.4 million, or 16.6%. Same location sales increased 9.5%, primarily due to higher unit volumes in both our machinery and automotive operations. EBIT decreased 1.9%, or $.7 million, as sales-related gains were more than offset by higher raw material and restructuring costs, depreciation and new product development expenses, along with the effect of currency rates. The Company acquired two businesses during the first quarter that produce automotive seating components. These companies are expected to add about $32 million to segment revenue on an annual basis.

Capital Resources and Liquidity

We have sufficient capital resources to meet both our current operating needs and to support current plans for organic growth and acquisitions. We attempt to achieve a balance between debt and equity, striving to minimize the total cost of capital, without excessive leverage. The Company's target for long-term debt is 30-40% of total capitalization.

Short-term Liquidity

We rely on cash flow from operations as our primary source of capital. In 2003 we took advantage of historically low interest rates by issuing fixed rate debt with maturities of 10 and 15 years. As a result, cash and equivalents on hand provide adequate liquidity to finance ongoing operations, pay down debt maturing in the near term, and fund current growth requirements.

Cash provided by operating activities was $254.7 million in the first nine months of 2004, compared to $266.0 million in the first nine months of 2003. The cash benefit of higher earnings was offset by an increase in inventory which was largely due to the rapidly escalating cost of steel.

Despite increased receivable and inventory levels, total working capital decreased in the first nine months of 2004, primarily due to increased current debt maturities. Higher inventory levels were largely offset by increased accounts payable. Accounts receivable are up on higher year-over-year sales. Working capital levels relative to sales vary by segment, with Aluminum Products and Commercial Fixturing & Components requirements being higher than Company averages. Accounts receivable balances in these two segments are typically higher due to the longer credit and collection time required to service certain customers of the Aluminum Die Casting and Fixture & Display businesses. These same businesses also require higher inventory investments due to the custom nature of their products, longer manufacturing lead times (in certain cases), and the need of many customers to receive large volumes of product within short periods of time.

Total Capitalization

The following table recaps Leggett's total capitalization and unused committed credit at September 30, 2004 and December 31, 2003.

(Dollar amounts in millions)	September 30, 2004	December 31, 2003
Long-term debt outstanding:		
Scheduled maturities	$ 619.2	$ 1,012.2
Average interest rates*	3.9%	4.1%
Average maturities in years*	5.1	6.0
Revolving credit/commercial paper	—	—
Total long-term debt	619.2	1,012.2
Deferred income taxes and other liabilities	139.7	137.6
Shareholders' equity	2,237.1	2,114.0
Total capitalization	$ 2,996.0	$ 3,263.8
Unused committed credit:		
Long-term	$ 342.0	$ 213.0
Short-term	—	126.5
Total unused committed credit	$ 342.0	$ 339.5
Ratio of earnings to fixed charges**	8.2x	6.2x

* *Including current maturities.*

** *Fixed charges include interest expense, capitalized interest, plus implied interest included in operating leases.*

This next table shows the calculation of long-term debt as a percent of total capitalization, net of cash and including current maturities, at September 30, 2004 and December 31, 2003. We believe that adjusting this measure for cash and current maturities more appropriately reflects financial leverage, as it is the Company's practice and intent to utilize excess cash to repay debt and to refinance any remaining current maturities. These adjustments also enable meaningful comparisons to historical periods. Prior to 2003, current debt maturities and cash balances were much smaller.

(Amounts in millions)	September 30, 2004	December 31, 2003
Debt to total capitalization:		
Long-term debt	$ 619.2	$ 1,012.2
Current debt maturities	390.1	119.4
Cash and cash equivalents	(307.0)	(443.9)
Net debt, after adjustments	$ 702.3	$ 687.7
Total Capitalization	$ 2,996.0	$ 3,263.8
Current debt maturities	390.1	119.4
Cash and cash equivalents	(307.0)	(443.9)
Total capitalization, after adjustments	$ 3,079.1	$ 2,939.3
Debt to total capitalization		
Before adjustments	20.7%	31.0%
After adjustments	22.8%	23.4%

Total debt decreased $122.3 million from year-end 2003, primarily due to the maturity of $114.0 million in medium-term notes during the first nine months of 2004. During the first quarter of 2004, $350 million in medium-term notes, due February 2005, were reclassified from long-term debt to current maturities. Unamortized gain and favorable market adjustment on interest rate swap agreements totaling $7.5 million and $23.1 million are included in September 30, 2004 current debt maturities and in December 31, 2003 long-term debt, respectively.

Obligations having scheduled maturities are the primary source of Leggett's debt capital. At the end of the third quarter of 2004, these obligations consisted primarily of medium-term notes totaling $911.5 million due at various dates through 2018. Our public debt currently carries a Moody's rating of A2 and a Standard & Poor's rating of A+. We have maintained an 'A' rating on our debt for over a decade.

Leggett also has debt capital available through a $300 million commercial paper program supported by $342 million in revolving credit commitments. To further facilitate the issuance of debt capital, $150 million remains available under our $500 million shelf registration. We believe our unused committed credit sufficiently ensures the availability of capital resources that are adequate for our ongoing operations and growth opportunities. Over the next few years, Leggett plans to gradually increase leverage back to the Company's long standing target of 30% - 40% of capitalization, while maintaining its "single-A" debt rating. The Company sees benefit to modestly increasing debt, and little risk given its competitive position and consistently strong cash flow. Leggett expects to increase its shelf registration to the $500 million level within the next quarter, and may issue additional debt under its existing $150 million shelf registration before that time.

Uses of Capital Resources

The Company's investments to modernize and expand manufacturing capacity totaled $104.8 million in the first nine months of 2004. For the year, management anticipates capital spending will approximate $135 million, excluding acquisitions.

During the third quarter, we completed one acquisition that should contribute about $1 million to annual revenues. There were no divestitures during the quarter. During the first nine months of 2004, we completed six acquisitions which, with additional earn-out payments related to prior acquisitions, resulted in total cash payments of $39.8 million.

Cash dividends paid on the Company's common stock were $81.1 million during the first nine months of 2004. Our long-term dividend payout target is approximately one-third of the prior three-years' average earnings. Calculated in the same manner as our target, the dividend payout was 51.3% in 2003, 43.7% in 2002, and 38.8% in 2001. We anticipate that the 2004 ratio will be in the range of 47.0% to 47.7%. As earnings continue to recover, we expect to move back toward the 30-35% dividend payout target.

Company purchases of its common stock (net of issuances) totaled $59.1 million in the first nine months of 2004. These purchases were made to replace shares issued in employee stock plans and under the prior Board authorizations discussed below.

At the August 4, 2004 Board meeting, all existing stock repurchase authorizations were replaced with a single authorization giving management the authority to repurchase up to 10 million shares each calendar year beginning January 1, 2005, and the authority to repurchase up to 7.8 million additional shares during the remainder of calendar 2004 (10 million shares minus 2.2 million shares repurchased by the Company under prior authorizations from January 1 to August 3). A specific repurchase schedule has not been established under the authorization. The amount and timing of repurchases will depend upon economic and market conditions, acquisition activity and other factors.

<u>Derivative Instruments, Hedging Activities and Related Risks</u>

Interest Rates

The Company's debt obligations represent its only significant exposure to changes in interest rates. During 2000, $350 million of 7.65% fixed coupon rate debt maturing in February 2005 was issued and converted to variable rate debt by use of an interest rate swap agreement. This swap agreement, which contains the same payment date as the original issue, was used primarily by the Company to manage the fixed/variable interest rate mix of its debt portfolio. In March 2003, the Company sold its rights under the $350 million interest rate swap agreement for $39.9 million, which is being amortized over the remaining period of the related debt.

Substantially all of the Company's debt is denominated in United States dollars. The fair value for fixed rate debt was greater than its carrying value by $2.3 million as of September 30, 2004, and by $14.3 million at December 31, 2003. The fair value of fixed rate debt was calculated using the U.S. Treasury Bond rate as of September 30, 2004 and December 31, 2003 for similar remaining maturities, plus an estimated "spread" over such Treasury securities representing the Company's interest costs under its medium-term note program. The fair value of variable rate debt is not significantly different from its recorded amount.

Exchange Rates

The Company does not hedge all foreign currency exposures related to transactions denominated in other than the associated functional currencies. The Company may occasionally hedge firm specific commitments or other anticipated foreign currency cash flows. The decision by management to hedge such transactions is made on a case-by-case basis.

The amount of forward contracts outstanding at September 30, 2004 was approximately $9.6 million ($9.4 million Sell USD/Receive MXN; and $.2 million Sell GBP/Receive USD) and primarily hedge forecasted inventory production and purchase costs.

The Company views its investment in foreign subsidiaries as a long-term commitment. The investment in a foreign subsidiary may take the form of either permanent capital or notes. The Company's net investment (i.e., total assets less total liabilities subject to translation exposure) in foreign subsidiaries was $702.4 million at September 30, 2004, compared to $718.4 million at June 30, 2004 and $636.5 million at December 31, 2003. The decrease in net investment during the third quarter was due primarily to a return of capital from a subsidiary in Western Europe, partially offset by contributions to certain subsidiaries in Mexico and Western Europe, and a strengthening of Canadian and other currencies against the U.S. dollar.

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

During the third quarter of 2004, the Company paid interest of $0.4 million on the CHF portion and received interest of $0.5 million on the USD portion of the agreement. At September 30, 2004, the market value loss on the cross-currency swap was approximately $1.0 million.

Commodity Prices

Other than for planned purchases of natural gas, the Company does not generally use derivative commodity instruments to hedge its exposures to changes in commodity prices. In August 2004, the Company entered into fixed price swap agreements to hedge portions of its anticipated purchases of natural gas. The Company hedged approximately 20% of its anticipated natural gas consumption for the 12-month period beginning in September 2004, 15% of its anticipated consumption for the 12-month period beginning September 2005, and 10% of its anticipated consumption for the 12-month period beginning September 2006. Approximately $12.8 million of natural gas contracts were outstanding as of September 30, 2004, with a total market value of $.2 million.

Forward-Looking Statements and Related Matters

"This report and our other public reports, whether written or oral, may contain "forward-looking" statements including, but not limited to, projections of revenue, income, earnings, capital expenditures, dividends, capital structure, cash flows or other financial items; possible plans, goals, objectives, prospects, strategies or trends concerning future operations; statements concerning future economic performance; and statements of the underlying assumptions relating to the forward-looking statements. These statements are identified either by the context in which they appear or by use of words such as "anticipate," "believe," "estimate," "expect," "intends," "may," "plans," "should" or the like. All such forward-looking statements, whether written or oral, and whether made by us or on our behalf, are expressly qualified by the cautionary statements described in this provision."

Any forward-looking statement reflects only the beliefs of the Company or its Management at the time the statement is made. 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, we do not have, and do not undertake, any duty to update or revise any forward-looking statement to reflect events or circumstances after the date on which the statement was made. For all of these reasons, forward-looking statements should not be relied upon as a prediction of actual future events, objectives, strategies, trends or results.

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

- our ability to improve operations and realize cost savings (including our tactical plan for the Fixture and Display business)
- factors that could impact costs, including the availability and pricing of steel rod and scrap and other raw materials, the availability of labor and wage rates and energy costs
- our ability to pass along raw material cost increases to our customers

- price and product competition from foreign (particularly Asian) and domestic competitors
- future growth of acquired companies
- our ability to bring start up operations on line as budgeted in terms of expense and timing
- litigation risks
- risks and uncertainties that could affect industries or markets in which we participate, such as growth rates and opportunities in those industries, or changes in demand for certain products, or trends in business capital spending
- changes in the competitive, economic, legal and market conditions and risks, such as the rate of economic growth in the United States and abroad, inflation, currency fluctuation, political risk, US or foreign laws or regulations, interest rates, housing turnover, employment levels, consumer sentiment, taxation, and the like.

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

The section in this report entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains a disclosure on page 15 of the security ratings of the Company's senior debt, which will be incorporated by reference into the Company's registration statements filed under the Securities Act of 1933. These security ratings are not a recommendation to buy, sell or hold securities and such ratings are subject to revisions and withdrawal at any time by the rating organization. Each rating should be evaluated independently of any other rating.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See the "Derivative Instruments, Hedging Activities and Related Risks" section under Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation as of the end of the period ending September 30, 2004 was carried out by the Company's management, with participation of the Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed in reports the Company files or submits under the Exchange Act, is recorded, processed, summarized, and reported within the time period specified by the Securities & Exchange Commission rules and forms.

There was no change in the Company's internal control over financial reporting that occurred during the most recent fiscal quarter ending September 30, 2004 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 2. UNREGISTERED SALE OF EQUITY SECURITIES AND USE OF PROCEEDS

(c) ISSUER REPURCHASES OF EQUITY SECURITIES

The table below is a listing of our repurchases of the Company's common stock by calendar month during the third quarter of 2004.

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program (2) (3)	Maximum Number of Shares that may yet be purchased under the Plans or Programs (4)
July 2004	381,548	$ 26.19	381,380	6,646,320
August 2004	644,893	$ 26.95	642,414	7,170,320
September 2004	251,005	$ 27.51	248,792	6,921,528
Total	1,277,446	$ 26.83	1,272,586	

(1) The shares purchased include 4,860 shares surrendered in stock-for-stock option exercises that were not repurchased as a part of a publicly announced plan or program.

(2) In February 2004, the Board authorized the repurchase of 2 million shares for re-issuance in employee benefit plans and other uses. Under this authorization, the number of shares that can be repurchased is continuously replenished as shares repurchased are reissued. The Board also authorized the repurchase of shares issued in acquisition transactions. These authorizations were first reported in the Company's Form 10-K filed March 11, 2004, and would have expired on the February 2005 Board meeting date, but were terminated as expressed in note 4.

(3) In addition, the Board, at the end of September 2000, authorized the repurchase of up to an additional 10 million shares. This authorization was first announced in the Company's press release, dated September 28, 2000. This authorization would have expired September 27, 2004, but was terminated as expressed in note 4.

(4) On August 4, 2004, the Board replaced the above authorizations with a single authorization to repurchase 10 million shares each calendar year beginning January 1, 2005, and, for the remainder of the year, the authority to purchase 10 million shares less the shares repurchased by the Company from January 1 to August 3, 2004. This new authorization was first reported in the quarterly report on Form 10-Q for the period ended June 30, 2004, and shall remain in force until repealed by the Board of Directors.

ITEM 6. EXHIBITS

Exhibit 10.1 – Form of Non-Qualified Stock Option Award pursuant to the Company's 1989 Flexible Stock Plan.

Exhibit 10.2 – Form of Restricted Stock Agreement pursuant to the Company's 1989 Flexible Stock Plan.

Exhibit 10.3 – Form of Revolving Credit Agreement (5 Year Facility), dated August 23, 2002; Form of Amendment No. 1 to Revolving Credit Facility (5 Year Facility), dated August 22, 2003; and Form of Amendment No. 2 to Revolving Credit Facility (5 Year Facility), dated August 27, 2004, filed September 1, 2004 as Exhibit 10.1 to the Company's Current Report on Form 8-K, is incorporated herein by reference (SEC File No. 001-07845).

Exhibit 12 – Computation of Ratio of Earnings to Fixed Charges.

Exhibit 31.1 – Certification of Felix E. Wright, pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated November 3, 2004.

Exhibit 31.2 – Certification of Matthew C. Flanigan, pursuant to Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, dated November 3, 2004.

Exhibit 32.1 – Certification of Felix E. Wright, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated November 3, 2004.

Exhibit 32.2 – Certification of Matthew C. Flanigan, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, dated November 3, 2004.

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: November 3, 2004	By: /s/ FELIX E. WRIGHT **Felix E. Wright** **Chairman of the Board and** **Chief Executive Officer**
DATE: November 3, 2004	By: /s/ MATTHEW C. FLANIGAN **Matthew C. Flanigan** **Vice President – Chief Financial Officer**

EXHIBIT INDEX

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STOCK OPTION AWARD

[NAME]

Congratulations!

On **[date]**, Leggett & Platt, Incorporated (the "*Company*") awarded you Stock Options under the Company's 1989 Flexible Stock Plan. You were granted an option to buy ______ shares of the Company's Common Stock at the price of **[$]** per share.

The option will expire ten (10) years from the date of grant, will be subject to the *Terms and Conditions – Non-Qualified Stock Option Award* attached and will become exercisable as follows:

	May Be Purchased	
# of Shares	**Not Before**	**Not After**
[33%]	[1 year, 6 months from grant date]	[expiration date]
[33%]	[2 years, 6 months from grant date]	[expiration date]
[34%]	[3 years, 6 months from grant date]	[expiration date]

By signing below, you agree to abide by the attached *Terms and Conditions — Non-Qualified Stock Option Award*. Before you exercise the Options, you must sign and return one original of this page to:

Compensation Section
Human Resources Department
Leggett & Platt, Incorporated
#1 Leggett Road
Carthage, MO 64836.

The Company's most recent *Summary of the 1989 Flexible Stock Plan – Options* is also attached. The Annual Report to Shareholders is not included in this folder but is available upon request to the Corporate Human Resources Department.

Designation of Beneficiary (optional):

I designate the following person as my beneficiary of this Stock Option Award.

____
Name of Beneficiary

Accepted and Agreed:

____
Signature of Participant

TERMS AND CONDITIONS
OF
NON-QUALIFIED STOCK OPTION AWARD

DEFINITIONS

Committee	A Committee of non-employee directors (or their designees) who administer the Stock Option Plan
Exercise Price	The price per share as shown on the Option Award times the number of shares to be exercised
Expiration Date	The last date on which shares may be purchased as shown on the Option Award
Fair Market Value	The number of shares of the Company's common stock delivered by Participant times the closing price of such stock on the trading day immediately preceding the Option exercise date
Option	The Non-Qualified Stock Option Award and these Terms and Conditions
Option Shares	The number of shares of L&P Stock set out on the Option Award that may be purchased under the Option
Stock Option Plan	The Leggett & Platt, Incorporated 1989 Flexible Stock Plan, as amended

1. ***Exercise of Option***

The Option may be exercised in whole or in part. To exercise the Option, you must deliver a signed exercise notice to the Company, a sample of which is attached as Exhibit A. You should contact the Human Resources Department-Compensation Section at (417) 358-8131 for assistance in exercising the Option.

2. ***Payment of Exercise Price***

Payment of the Exercise Price for Option Shares will be made to the Company either:

(a) in cash (cashier's check, bank draft, or money order); or

(b) by delivering L&P Stock owned by you (and held for at least six months) having a Fair Market Value equal to the Exercise Price; or

(c) by any combination of cash and L&P Stock.

The Exercise Price also may, with the consent of the Committee, be paid in whole or in part in other property.

3. *Termination of Employment; Nonassignability*

3.1 ***Termination of Employment***. If your employment is terminated by reason of discharge or voluntary quit, you may exercise the Option within 3 months after such termination, but (*i*) only to the extent the Option was exercisable on the termination date, and (*ii*) not later than the Expiration Date. However, if employment is terminated "for cause," your full interest in the Option will terminate on such termination date and all rights to the Option will cease. "For cause" means termination for any of the following reasons: (*i*) conviction of a crime involving the theft or willful destruction of money or other property of the Company or conviction of any crime involving moral turpitude or fraud; (*ii*) continued and repeated violations of specific directions of the Company; or (*iii*) dishonesty, willful gross neglect or willful gross misconduct in the performance of duties.

3.2 *Retirement*. If your employment is terminated due to Retirement (as defined below), your rights under the Option will continue to vest and become exercisable until 3 months after the Retirement date (but not later than the Expiration Date). You may exercise the Option within 1 year after the Retirement date, but (*i*) only to the extent the Option was exercisable on the Retirement date or becomes exercisable within 3 months after Retirement, and (*ii*) not later than the Expiration Date. *"Retirement"* means you voluntarily quit (*i*) on or after age 65, or (*ii*) on or after age 55 if you have at least 15 years of service with the Company or any company or division acquired by the Company.

3.3 *Disability*. If your employment is terminated due to Disability (as defined below), you may exercise the Option within 1 year after such termination, but (*i*) only to the extent the Option was exercisable on the termination date, and (*ii*) not later than the Expiration Date. "*Disability*" means the inability to substantially perform your duties and responsibilities by reason of any accident or illness that can be expected to result in death or to last for a continuous period of not less than 1 year.

3.4 *Death*. If you die within the 3-month period referred to in Section 3.1 or the 1-year periods referred to in Sections 3.2 and 3.3, or while employed by the Company or a Subsidiary, the beneficiary designated pursuant to Section 3.6 may exercise the Option within 1 year after your death, but (*i*) only to the extent the Option was exercisable on the date of death, and (*ii*) no later than the Expiration Date. If you have no designated beneficiary, the right to exercise will extend to the personal representative of your estate or the person to whom the Option has been transferred by will or the laws of descent and distribution.

No transfer of the Option, other than by filing a written designation of beneficiary as provided in Section 3.6, will bind the Company unless the Company has been furnished with written notice of the transfer and a copy of the will and/or such other evidence as the Committee may require to establish the validity of the transfer. No transfer will be effective unless the transferee accepts the terms and conditions of the Option.

3.5 *Leave of Absence*. In determining whether your employment has been terminated for purposes of exercising the Option, the employment relationship will be treated as continuing intact while you are on military, sick leave or other bona fide leave of absence if (*i*) the Company does not terminate the employment relationship or (*ii*) your right to re-employment is guaranteed by statute or by contract.

3.6 *Non-Transferability of Rights; Designation of Beneficiaries*. You may not transfer the Option except by will or the laws of descent and distribution or as provided in this Section. During your lifetime, only you may exercise the Option.

You may file with the Company a written designation of a beneficiary or beneficiaries to exercise the Option in the event of your death. You may revoke or change a beneficiary designation. Any such beneficiary designation will be controlling over any other disposition; provided, however, that if the Committee is in doubt as to the right of any such beneficiary to exercise the Option, the Committee may determine to recognize only an exercise by the personal representative of your estate.

4. *Withholding*

When you exercise the Option, the Company may withhold from the Option Shares any amount required to satisfy applicable tax laws (at the Company's required withholding rate). Alternatively, you may elect to pay the taxes due in cash or L&P Stock.

5. *Noncompetition*

For two years after you exercise any portion of this Option, you will not directly or indirectly (*i*) engage in any Competitive Activity, (*ii*) solicit orders from or seek or propose to do business with any customer of the Company or its subsidiaries or affiliates (collectively, the "*Companies*") relating to any Competitive Activity, or (*iii*) influence or attempt to influence any employee, representative or advisor of the Companies to terminate their employment or relationship with the Companies. "*Competitive Activity*" means any manufacture, sale, distribution, engineering, design, promotion or other activity that competes with any business of the Companies in which you were involved as an employee, consultant or agent.

If you violate the preceding paragraph, then you will pay to the Company any Option Gain you realized from exercising all or any portion of this Option. "*Option Gain*" is equal to (*i*) the number of shares purchased under the Option *times* the closing price of L&P Stock on the trading day immediately preceding the date the Option is exercised, *minus* (*ii*) the Exercise Price, and *minus (iii)* any non-refundable taxes paid by you as a result of such exercise.

If any restriction in this section is deemed unenforceable, then you and the Company contemplate that the appropriate court will reduce the scope or other provisions and enforce the restrictions set out in this section in their reduced form. The covenants in this Section are in addition to any similar covenants under any other agreement between the Company and you.

6. *Stock Option Plan Controls*

The Option is subject to the Stock Option Plan, which is incorporated by reference. In the event of any conflict, the Stock Option Plan will control over the Option. All capitalized terms have the meanings given them in the Stock Option Plan unless otherwise defined herein or unless the context clearly indicates otherwise. Upon request, a copy of the Stock Option Plan will be furnished to you.

7. *Non-Qualified Stock Option*

The Option is not designed to be an "*Incentive Stock Option*" under Section 422 of the Internal Revenue Code. The Option is a non-qualified option.

8. *Other*

In the event of a Change of Control of the Company, all shares granted under the Option Award will immediately become exercisable.

The Committee may in its discretion accelerate the time at which all or any part of the Option becomes exercisable.

In the absence of any specific agreement to the contrary, the grant of the Option to you will not affect any right of the Company or its Subsidiaries to terminate your employment or your right to resign from employment.

The Option will be governed by the laws of Missouri, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Option to the substantive law of another jurisdiction.

EXHIBIT A

NOTICE OF EXERCISE

To: ***Human Resources Dept. – Compensation Section*** ***VIA FACSIMILE***
Leggett & Platt, Incorporated ***(417) 358-5840***

No. 1 Leggett Road
Carthage, Missouri 64836

I hereby exercise my option to purchase __________ shares of Leggett & Platt, Incorporated (the "*Company*") common stock in accordance with my Option Award dated __________.

The Exercise Price is $__________ (number of shares being purchased *X* the price per share as shown on the Option Award). In payment of the Exercise Price I have enclosed the following (check appropriate box(es)):

☐ a cashier's check, bank draft or money order made payable to Leggett & Platt, Incorporated for $_________.

☐ ________ shares of the Company's common stock having a Fair Market Value of $__________. "*Fair Market Value*" means the number of shares delivered in payment of the Exercise Price times the closing price of the Company's common stock on the trading day immediately preceding the Option exercise date.

I represent to the Company that (*i*) I own the enclosed shares free and clear of all liens and encumbrances, (*ii*) I have held the shares for at least six (6) months, and (*iii*) I have the right to transfer the shares to the Company.

I understand the Company will withhold from the Option Shares any amount required to satisfy applicable tax laws (at the Company's required tax withholding rate) unless I have previously notified the Company of my desire to pay the tax withholding in cash.

____
Signature

Print Name: _______________________________

Date: _______________________________________

NOTE: To properly transfer the shares you should (*i*) complete the back of the certificate showing Leggett & Platt, Incorporated as the assignee, (*ii*) sign and date the certificate, and (*iii*) have your signature guaranteed by a bank or trust company or a member firm of a major stock exchange.

RESTRICTED STOCK AGREEMENT

This Restricted Stock Agreement (the *"Agreement*") is made as of **[date]** between Leggett & Platt, Incorporated, (the *"Company")* and **[Director]** (the *"Director")*.

1. *Award*. The Company grants to the Director **[ ]** shares of the Company's $.01 par value common stock (the "*Restricted Stock*") subject to the terms of this Agreement.

2. *Vesting*. Except as provided in Section 4, the shares of Restricted Stock subject to this Agreement will vest in their entirety the day before the Company's [ ] Annual Meeting of Shareholders (the "*Vesting Date*").

3. *Stock Certificates*. A certificate for the Restricted Stock, registered in the Director's name, will be issued and held in escrow by the Secretary of the Company (the "*Escrow Agent*") until the Restricted Stock has vested in accordance with Section 2 or upon the occurrence of one of the events contemplated by Section 4(b). The Company may instruct its transfer agent to place a restrictive legend on the certificate or otherwise note in the Company's records the restrictions on transfer set forth in this Agreement. Upon vesting, the Escrow Agent will deliver the certificate to the Director free of restriction.

4. *Forfeiture or Early Vesting Upon Termination of Service*.

a. Except as provided in Section 4(b), if the Director's service as a Director of the Company terminates before the Vesting Date, the Director will forfeit all shares of the Restricted Stock. Forfeited shares of Restricted Stock will automatically be transferred back to and reacquired by the Company at no cost to the Company.

b. If the Director's service as a Director of the Company is terminated due to death or Disability (as defined below), the Restricted Stock will fully vest as of the date of such termination. If the Director is deceased when the shares are released from escrow, the Escrow Agent will deliver the certificate to the Director's beneficiary, or in the absence of a beneficiary, to the administrator or executor of the Director's estate. "*Disability*" means the inability to substantially perform the requisite duties and responsibilities of a Director by reason of any accident or illness that can be expected to result in death or to last for a continuous period of not less than 1 year.

5. *Transferability*. The Restricted Stock may not be transferred, assigned, pledged or otherwise made subject to any encumbrance until it has vested.

6. *Rights as Shareholder*. The Director will have all rights of a shareholder prior to the vesting of the Restricted Stock, including the right to vote the shares and receive any dividends that may be paid on Company common stock.

7. *Plan Controls*. This Agreement is subject to all terms and provisions of the 1989 Flexible Stock Plan (the *"Plan"*), which is incorporated by reference. In the event of any conflict, the Plan will control over this Agreement. Upon request, a copy of the Plan will be furnished to the Director.

Accepted and Agreed:

____

[Director]

LEGGETT & PLATT, INCORPORATED

By:______________________________

Designation of Beneficiary (optional):

I designate the following person as my beneficiary of this Restricted Stock

____

Name of Beneficiary

LEGGETT AND PLATT, INCORPORATED AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(Amounts in millions of dollars)

	Nine Months Ended		Twelve Months Ended December 31,				
	9/30/04	9/30/03	2003	2002	2001	2000	1999
Earnings							
Income from continuing operations before income tax	$330.5	$227.1	$315.1	$363.5	$297.3	$418.6	$462.6
Interest expense (excluding amount capitalized)	34.3	34.7	46.9	42.1	58.8	66.3	43.0
Portion of rental expense under operating leases representative of an interest factor	10.8	9.7	12.5	11.2	10.6	9.4	8.2
Total earnings	$375.6	$271.5	$374.5	$416.8	$366.7	$494.3	$513.8
Fixed charges							
Interest expense (including amount capitalized)	$ 35.1	$ 35.6	$ 48.0	$ 43.3	$ 60.2	$ 67.7	$ 44.0
Portion of rental expense under operating leases representative of an interest factor	10.8	9.7	12.5	11.2	10.6	9.4	8.2
Total fixed charges	$ 45.9	$ 45.3	$ 60.5	$ 54.5	$ 70.8	$ 77.1	$ 52.2
Ratio of earnings to fixed charges	8.2	6.0	6.2	7.6	5.2	6.4	9.8

Earnings consist principally of income from continuing operations before income taxes, plus fixed charges. Fixed charges consist principally of interest costs.

EXHIBIT 31.1

CERTIFICATION

I, Felix E. Wright, Chairman and Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Leggett & Platt, Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) [Reserved]
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2004

/s/ FELIX E. WRIGHT

Felix E. Wright
Chairman and Chief Executive Officer
Leggett & Platt, Incorporated

EXHIBIT 31.2

CERTIFICATION

I, Matthew C. Flanigan, Vice President - Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Leggett & Platt, Incorporated;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) [Reserved]
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2004

/s/ MATTHEW C. FLANIGAN

Matthew C. Flanigan
Vice President - Chief Financial Officer
Leggett & Platt, Incorporated

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Leggett & Platt, Incorporated (the “Company”) on Form 10-Q for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Felix E. Wright, Chairman and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Leggett & Platt, Incorporated and will be retained by Leggett & Platt, Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ FELIX E. WRIGHT

Felix E. Wright
Chairman and Chief Executive Officer

November 3, 2004

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Leggett & Platt, Incorporated (the "Company") on Form 10-Q for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew C. Flanigan, Vice President – Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to Leggett & Platt, Incorporated and will be retained by Leggett & Platt, Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ MATTHEW C. FLANIGAN

Matthew C. Flanigan
Vice President – Chief Financial Officer

November 3, 2004