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, 2005

OR

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

for the transition period from __________ to __________

Commission file number 1-7845

LEGGETT & PLATT, INCORPORATED

(Exact name of registrant as specified in its charter)

Missouri **(State or other jurisdiction of incorporation or organization)**	**44-0324630** **(I.R.S. Employer Identification No.)**
No. 1 Leggett Road **Carthage, Missouri** **(Address of principal executive offices)**	**64836** **(Zip Code)**

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

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 ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

Common stock outstanding as of November 3, 2005: 183,967,467

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

(Amounts in millions)	September 30, 2005	December 31, 2004
CURRENT ASSETS		
Cash and cash equivalents	$ 251.8	$ 491.3
Accounts and notes receivable	898.6	808.7
Allowance for doubtful accounts	(19.1)	(18.0)
Inventories, net	759.1	705.7
Other current assets	86.2	77.1
Total current assets	1,976.6	2,064.8
NET PROPERTY, PLANT & EQUIPMENT	949.6	960.7
OTHER ASSETS		
Excess cost of purchased companies over net assets acquired, less accumulated amortization of $116.7 in 2005 and $116.7 in 2004	1,047.1	1,028.9
Other intangibles, less accumulated amortization of $34.7 in 2005 and $32.5 in 2004	82.3	68.4
Sundry	80.8	74.4
Total other assets	1,210.2	1,171.7
TOTAL ASSETS	$ 4,136.4	$ 4,197.2
CURRENT LIABILITIES		
Current maturities of long-term debt	$ 96.8	$ 401.3
Accounts payable	278.4	224.4
Accrued expenses	279.2	239.5
Other current liabilities	112.5	94.4
Total current liabilities	766.9	959.6
LONG-TERM DEBT	898.0	779.4
OTHER LIABILITIES AND DEFERRED INCOME TAXES	147.8	145.1
SHAREHOLDERS' EQUITY		
Common stock	2.0	2.0
Additional contributed capital	461.1	452.5
Retained earnings	2,077.5	1,961.5
Accumulated other comprehensive income	78.2	82.3
Treasury stock	(295.1)	(185.2)
Total shareholders' equity	2,323.7	2,313.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 4,136.4	$ 4,197.2

See accompanying notes to consolidated condensed financial statements.

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

(Amounts in millions, except per share data)	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004	Three Months Ended September 30, 2005	Three Months Ended September 30, 2004
Net sales	$ 3,959.7	$ 3,803.3	$ 1,348.6	$ 1,338.0
Cost of goods sold	3,266.0	3,102.3	1,133.5	1,095.5
Gross profit	693.7	701.0	215.1	242.5
Selling and administrative expenses	346.7	339.1	115.8	111.3
Other expense, net	14.4	1.3	11.7	.7
Earnings before interest and income taxes	332.6	360.6	87.6	130.5
Interest expense	33.9	34.3	11.9	10.5
Interest income	4.8	4.2	1.9	1.1
Earnings before income taxes	303.5	330.5	77.6	121.1
Income taxes	97.5	110.7	23.6	40.9
NET EARNINGS	$ 206.0	$ 219.8	$ 54.0	$ 80.2
Earnings Per Share				
Basic	$ 1.06	$ 1.12	$ .28	$ .41
Diluted	$ 1.06	$ 1.12	$ .28	$ .41
Cash Dividends Declared				
Per Share	$ .47	$ .43	$ .16	$ .15
Average Shares Outstanding				
Basic	194.0	195.8	193.0	195.4
Diluted	195.1	197.0	193.8	196.8

See accompanying notes to consolidated condensed financial statements.

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

(Amounts in millions)	Nine Months Ended September 30, 2005	Nine Months Ended September 30, 2004
OPERATING ACTIVITIES		
Net Earnings	$ 206.0	$ 219.8
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation	120.2	125.2
Amortization	6.7	8.2
Deferred tax (income) expense	(14.2)	6.4
Other	8.1	(16.1)
Other changes, excluding effects from purchases of companies		
(Increase) in accounts receivable, net	(86.3)	(146.9)
(Increase) in inventories, net	(50.9)	(83.8)
(Increase) decrease in other current assets	5.2	(6.7)
Increase in accounts payable	37.5	69.5
Increase in accrued expenses and other current liabilities	68.8	60.8
NET CASH PROVIDED BY OPERATING ACTIVITIES	301.1	236.4
INVESTING ACTIVITIES		
Additions to property, plant and equipment	(115.5)	(104.8)
Purchases of companies, net of cash acquired	(57.1)	(39.8)
Proceeds from sales of assets	10.1	20.0
Other	(2.6)	(7.8)
NET CASH USED FOR INVESTING ACTIVITIES	(165.1)	(132.4)
FINANCING ACTIVITIES		
Additions to debt	221.8	24.2
Payments on debt	(386.2)	(124.9)
Dividends paid	(88.0)	(81.1)
Issuances of common stock	8.9	20.3
Purchases of common stock	(132.0)	(79.4)
NET CASH USED FOR FINANCING ACTIVITIES	(375.5)	(240.9)
DECREASE IN CASH AND CASH EQUIVALENTS	(239.5)	(136.9)
CASH AND CASH EQUIVALENTS - January 1,	491.3	443.9
CASH AND CASH EQUIVALENTS - September 30,	$ 251.8	$ 307.0

See accompanying notes to consolidated condensed financial statements.

(Amounts in millions, except per share data)

1. STATEMENT

The interim financial statements of the Company included herein have not been audited by an independent registered public accounting firm. 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 financial statements of the Company and footnotes thereto included in the annual report on Form 10-K of the Company for the year ended December 31, 2004.

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, 2005	December 31, 2004
At First-In, First-Out (FIFO) cost		
Finished goods	$ 379.1	$ 365.0
Work in process	100.8	96.7
Raw materials and supplies	340.8	331.6
	820.7	793.3
LIFO reserve	(61.6)	(87.6)
	$ 759.1	$ 705.7

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, 2005	December 31, 2004
Property, plant and equipment, at cost	$ 2,241.2	$ 2,161.3
Less accumulated depreciation	(1,291.6)	(1,200.6)
	$ 949.6	$ 960.7

4. COMPREHENSIVE INCOME

Total comprehensive income is the combination of net earnings and other comprehensive income which is composed of net currency translation gains and losses, minimum pension liability adjustments and the impacts of hedges. Total comprehensive income for the quarters ended September 30, 2005 and 2004 was $73.4 and $86.6, respectively. For the nine months ended September 30, 2005 and 2004, total comprehensive income was $201.9 and $223.9, respectively. Accumulated other comprehensive income at both September 30, 2005, and December 31, 2004, was composed primarily of currency translation gains and losses.

5. EARNINGS PER SHARE

Basic and diluted earnings per share were calculated as follows:

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2005	2004	2005	2004
Basic				
Weighted average shares outstanding, including shares issuable for little or no cash	194.0	195.8	193.0	195.4
Net earnings	$ 206.0	$ 219.8	$ 54.0	$ 80.2
Earnings per share – basic	$ 1.06	$ 1.12	$ .28	$ .41
Diluted				
Weighted average shares outstanding, including shares issuable for little or no cash	194.0	195.8	193.0	195.4
Additional dilutive shares principally from the assumed exercise of outstanding stock options	1.1	1.2	.8	1.4
	195.1	197.0	193.8	196.8
Net earnings	$ 206.0	$ 219.8	$ 54.0	$ 80.2
Earnings per share - diluted	$ 1.06	$ 1.12	$ .28	$ .41

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 are uncertain, management believes the possibility of a material adverse effect on the Company's consolidated financial position, results of operations and cash flows from claims and proceedings is remote.

7. SEGMENT INFORMATION

Reportable segments are based upon the Company's management organizational structure which is also the basis on which results are internally reported and analyzed. 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 and 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, steel rod, 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 applications.

A summary of segment results for the nine months and the quarters ended September 30, 2005 and 2004 are shown in the following tables.

	External Sales	Inter-Segment Sales	Total Sales	EBIT
Nine Months ended Sept. 30, 2005				
Residential Furnishings	$1,923.1	$ 17.7	$1,940.8	$136.5
Commercial Fixturing & Components	877.0	8.5	885.5	46.7
Aluminum Products	394.8	11.9	406.7	24.9
Industrial Materials	400.2	246.9	647.1	77.9
Specialized Products	364.6	45.9	410.5	27.2
Intersegment eliminations	—	—	—	(6.6)
Change in LIFO reserve	—	—	—	26.0
	$3,959.7	$330.9	$4,290.6	$332.6

7. SEGMENT INFORMATION (continued)

	External Sales	Inter-Segment Sales	Total Sales	EBIT
Nine Months ended Sept. 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
Quarter ended Sept. 30, 2005				
Residential Furnishings	$ 654.3	$ 6.2	$ 660.5	$ 32.6
Commercial Fixturing & Components	330.9	2.6	333.5	19.0
Aluminum Products	111.7	4.1	115.8	1.5
Industrial Materials	137.8	75.3	213.1	23.9
Specialized Products	113.9	16.0	129.9	4.4
Intersegment eliminations	—	—	—	.2
Change in LIFO reserve	—	—	—	6.0
	$1,348.6	$104.2	$1,452.8	$ 87.6
Quarter ended Sept. 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

7. SEGMENT INFORMATION (continued)

Asset information for the Company's segments is compiled and reported internally on an average basis. Average assets at September 30, 2005 and December 31, 2004 are shown in the following table:

	September 30, 2005	December 31, 2004
Assets		
Residential Furnishings	$ 1,490.4	$ 1,395.7
Commercial Fixturing & Components	974.0	964.9
Aluminum Products	384.3	375.8
Industrial Materials	344.0	303.3
Specialized Products	513.4	480.0
Unallocated assets	361.2	626.8
Adjustment to period-end vs. average assets	69.1	50.7
	$ 4,136.4	$ 4,197.2

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 year-to-date cost related to stock-based employee compensation included in the determination of net income for 2004 and 2005 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,	
	2005	2004	2005	2004
Net Earnings, as reported	$ 206.0	$ 219.8	$ 54.0	$ 80.2
Add: Stock-based compensation cost, net of taxes, included in net earnings as reported	6.5	7.0	2.7	2.3
Deduct: Stock-based compensation cost, net of taxes, if the fair value based method had been applied to all awards	(6.9)	(8.0)	(2.6)	(2.6)
Net earnings	$ 205.6	$ 218.8	$ 54.1	$ 79.9
Earnings per share - as reported				
Basic	$ 1.06	$ 1.12	$ .28	$ .41
Diluted	$ 1.06	$ 1.12	$ .28	$ .41
Pro forma earnings per share				
Basic	$ 1.06	$ 1.12	$ .28	$ .41
Diluted	$ 1.05	$ 1.11	$ .28	$ .41

9. EMPLOYEE BENEFIT PLANS

The following table provides interim information at September 30, 2005 and 2004 as to the Company's sponsored domestic and foreign defined benefit pension plans. Expected 2005 employer contributions are not significantly different than the $2.0 previously reported at year-end 2004.

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2005	2004	2005	2004
Components of Net Pension Expense				
Service cost	$ 3.7	$ 3.4	$ 1.3	$ 1.0
Interest cost	7.7	6.9	2.5	2.3
Expected return on plan assets	(10.5)	(10.1)	(3.5)	(3.3)
Amortization of net transition asset	.2	.2	—	—
Recognized net actuarial loss	.6	.4	.2	.2
Net pension expense	$ 1.7	$ .8	$ .5	$ .2

10. SPECIAL CHARGES

The Company has historically implemented a number of cost reduction initiatives to improve its operating cost structures. These cost initiatives have included workforce reductions and the closure or consolidation of certain operations, among other actions. Except for the "September 2005 Plan" described below, none of these other initiatives have resulted in a material charge to earnings for any of the periods presented and all are essentially complete.

September 2005 Restructuring Plan

On September 19, 2005, the Company issued a press release announcing, among other things, its intention to close, consolidate, or divest an estimated 20 to 30 production or warehouse facilities. On September 20, 2005, the Company held a conference call to discuss the press release and on September 21, 2005, filed a Current Report on Form 8-K under Item 2.05 making disclosures with respect to the Company's restructuring plan (the "September 2005 Plan"). On October 21, 2005, the Company filed a Form 8-K/A to update the Item 2.05 disclosures regarding this restructuring plan.

The Company's current estimate of the total amount of charges it expects to incur in connection with the September 2005 Plan is approximately $50 to $70. This estimate does not incorporate any offsets from potential gains on the sale of equipment, buildings or real estate. The extent of any such potential gains will not be known until such time as the Company has made a final determination of which assets will be sold, and has prepared or obtained estimates of the related fair market values.

The following table contains, by each major type of cost associated with the September 2005 Plan, information regarding the total amount of costs expected to be incurred, the amount incurred in the current period and the cumulative amount incurred to date:

10. SPECIAL CHARGES (continued)

	Total Amount Expected to be Incurred	Total Amount Incurred in 3rd Quarter 2005	Total Amount Incurred Year-to-Date
Type of charge:			
Employee termination costs	$ 15-23	$ —	$ —
Contract termination costs	4-6	—	—
Other associated costs	8-13	—	—
Total exit and disposal costs	27-42	—	—
Asset impairment charges (1)	17-21	9.2	9.2
Inventory obsolescence (2)	6-7	5.2	5.2
Total costs	$ 50-70	$ 14.4	$ 14.4

(1) Asset impairment charges relate primarily to the write down of property, plant and equipment at the impacted facilities. Of the $9.2 in third-quarter charges, approximately $6.5 relates to production equipment and the remainder to facilities and other assets. Current fair market values were estimated based primarily on prices for similar assets. Asset impairment charges for the September 2005 Plan are reported in Other Expense, net.

(2) Inventory obsolescence charges for the September 2005 Plan are reported in Cost of Goods Sold.

These ranges of amounts are good faith estimates, and the amounts of actual charges may vary due to a variety of factors. Other than the inventory obsolescence and asset impairment charges, the costs associated with the September 2005 Plan primarily represent cash charges. The Company currently anticipates that the timing of future charges will occur as follows: approximately $15 to $20 in fourth quarter 2005 and the remaining $20 to $35 by the end of 2006, at which time the September 2005 Plan activities are expected to be essentially complete.

Although the Company's analysis is still in progress, we currently expect to consolidate, close or divest approximately 35 facilities. In total, the operations expected to be impacted generate annual revenue of approximately $400. The Company expects that most of this volume will shift to surviving facilities, but a reduction of approximately $100 is likely to occur as the Company divests some small, non-core operations and walks away from unprofitable business.

The following table contains information, by segment, regarding the total amount of costs expected to be incurred in connection with the September 2005 Plan, the amount incurred in the current period and the cumulative amount incurred to date:

		Total Amount Incurred in 3rd Quarter 2005		
	Total Amount Expected to be Incurred	Asset Impairment Charges	Inventory Obsolescence Charges	Total Amount Incurred Year-to-Date
Residential Furnishings	$ 23-33	$ 4.8	$ 1.1	$ 5.9
Commercial Fixturing & Components	13-18	1.2	1.9	3.1
Aluminum Products	1-2	—	—	—
Industrial Materials	6-7	2.9	0.5	3.4
Specialized Products	7-10	0.3	1.7	2.0
Total	$ 50-70	$ 9.2	$ 5.2	$ 14.4

11. RECLASSIFICATIONS

Certain reclassifications have been made to the prior year's consolidated condensed financial statements to conform to the current year presentation.

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

Introduction

What We Do

Leggett & Platt is a Fortune 500 diversified manufacturer that conceives, designs, and produces a broad range of engineered components and products that can be found in most homes, retail stores, offices, and automobiles. We make components that are often hidden within, but integral to, our customers' products.

We are North America's leading independent manufacturer of: components for residential furniture and bedding, adjustable beds, carpet underlay, retail store fixtures and point-of-purchase displays, components for office furniture, non-automotive aluminum die castings, drawn steel wire, automotive seat support and lumbar systems, and machinery used by the bedding industry for wire forming, sewing, and quilting.

Our Segments

Our 122-year-old company is composed of 29 business units under five reportable segments, with approximately 33,000 employee-partners, and more than 300 facilities located in over 20 countries around the world. Our five segments are Residential Furnishings, Commercial Fixturing & Components, Aluminum Products, Industrial Materials, and Specialized Products.

Residential Furnishings, our largest segment, has generated between 45% to 47% of the Company's total sales during the past two years. The operations in this segment supply a variety of components mainly used by bedding and upholstered furniture manufacturers in the assembly of their finished products. We also sell adjustable beds, bed frames, ornamental beds, carpet cushion, and other finished products.

Commercial Fixturing & Components has contributed approximately 20% to 21% of total sales in the past two years. Operations in this segment produce: a) store fixtures, point-of-purchase displays, and storage products used by retailers; b) chair controls, bases, and other components for office furniture manufacturers; and c) injection molded plastic components used in a variety of end products.

Aluminum Products has represented about 10% of total sales in each of the past two years. We are North America's leading independent producer of non-automotive aluminum die castings. Our operations serve a diverse group of customers that manufacture products including motorcycles, diesel and small engines, outdoor lighting fixtures, gas barbeque grills, appliances, power tools, and consumer electronics, among others.

Industrial Materials has generated approximately 12% to 15% of our total sales in the past two years. These operations primarily supply steel rod, drawn steel wire, and welded steel tubing to other Leggett operations and to external customers. Our wire and tubing is used to make bedding, furniture, automotive seats, retail store fixtures and displays, mechanical springs, and many other end products.

Specialized Products has contributed about 10% of total sales in each of the past two years. From this segment we supply lumbar systems and wire components used by automotive seating manufacturers. We also design and produce machinery, both for our own use and for others, including bedding manufacturers.

Customers

We serve a broad range of customers, with no single customer representing more than 5% of our sales. Many are firms whose names are widely recognized; they include most manufacturers of furniture, bedding, and automobiles, most major retailers, and a variety of other manufacturers.

Our products are sold primarily through our own sales employees. However, some of our businesses also use independent sales representatives and distributors.

Competition

We believe we gain competitive advantage in a variety of ways, including low cost operations, internal production of key raw materials, manufacturing expertise, product innovation, high quality products, focus on customer service, long-lived relationships with customers, and financial strength.

Many companies offer products that compete with those we make. The number of competitors varies by product line (they tend to be smaller, private companies), but most of our markets are very competitive.

Some of our customers source a portion of their finished product from Asia, and we have established operations in the region in order to serve those customers. At the end of the third quarter of 2005, Leggett operated nine facilities in China. Although we can generally produce components at a lower cost in the U.S., when customers place the production of their finished products overseas we must be located nearby to supply them efficiently.

We are facing increasing pressure from foreign competitors, mostly in the form of price. Similarly, many of our domestic competitors also compete primarily on the basis of price. We are responding to this pressure through improved sourcing, cost initiatives (such as the restructuring plan discussed below), continuous process improvement, and focusing on total customer solutions. Our success has stemmed from the ability to remain price competitive, while delivering superior product quality, innovation, and customer service.

Major Factors That Impact Our Business

The impact of these and other factors are discussed below under the sections entitled “Results of Operations”, “Third Quarter Discussion” and “Nine-Month Discussion”.

General

Sales volume is heavily influenced by market demand for our products. This demand is impacted by many broad economic factors, including consumer sentiment, employment levels, housing turnover, inflation, energy costs, and interest rates. These factors influence consumer spending on durable goods, and therefore are key determinants of the demand for most of our products. We are also impacted by the level of business capital spending as approximately one-quarter of our sales relates to this segment of the economy.

Our ability to respond to raw material cost changes can also significantly impact earnings. Steel is our most significant raw material, representing approximately 17% of our cost of goods sold. Since early 2004, the price of certain types of steel has nearly doubled. The unprecedented price increases in the steel market have led to a higher scrap-to-rod market price spread which has continued to enhance the results generated by our steel rod mill.

Given recent turbulence in the global steel market, our steel rod mill has proven to be a timely investment for Leggett. Building on this success, in the fourth quarter we expect to complete an expansion that should increase future mill output by approximately 20%. We currently produce about 450,000 tons of rod annually and the expansion will increase that output to approximately 540,000 tons. This expansion does not signify a change in our rod strategy. We will continue to purchase a substantial amount of our rod needs on the open market, enabling us to maintain leverage with suppliers.

Other significant raw materials include chemicals, fibers, and resins (all of which are generally impacted by changes in oil prices), and lumber and aluminum. The cost and availability of these materials are key factors that can impact operating results. However, in the case of aluminum, our earnings exposure is partially mitigated by pricing arrangements we have with our customers. Recent raw material cost inflation has created a significantly more challenging cost environment and we expect this to continue to be the case in fiscal 2006.

Expansion of our international operations has increased our exposure to foreign currencies. As such, significant changes in the exchange rates of the U.S. dollar to foreign currencies can meaningfully impact operating results.

Although improvements have been made in the Company's Fixture & Display operations, there is more work to be done to reach our targeted margins for this business. While the combined impact of new program start-up costs and integration inefficiencies associated with the RHC Spacemaster acquisition have slowed our progress, the recently announced restructuring plan should benefit this effort. About $300 million of goodwill is associated with these operations, and performance must improve in order to assure that there will be no future goodwill impairment.

Plant Closures and Consolidations

On September 19, 2005, Leggett announced plans to close, consolidate, or divest certain underutilized or underperforming operations. The Company has maintained spare capacity for several years with the expectation that market demand would eventually increase; however, that incremental demand has not materialized.

Since this announcement, management has been engaged in an intensive company-wide analysis to finalize these plans. In addition to identifying which operations will be consolidated or sold, management is working to determine which locations will absorb displaced volume, and is addressing issues related to the relocation of equipment, inventory, customer service, etc.

Though this analysis is not yet complete, Leggett currently expects to consolidate or close approximately 35 operations. Of these facilities, approximately half are expected to be in Residential Furnishings, one-quarter in Commercial Fixturing & Components, one in Aluminum Products, and the remainder in Industrial Materials and Specialized Products. The operations being evaluated have total revenue of approximately $400 million. Most of this volume will shift to surviving facilities, but management expects that volume is likely to be reduced by approximately $100 million as the company divests small, non-core operations and walks away from unprofitable business.

Initial analysis suggests that the total costs associated with this restructuring activity will approximate $50-70 million, including costs for plant closures, equipment relocation, severance, asset impairment, inventory obsolescence, and similar expenses. The Company believes that approximately 40% of the costs will be for non-cash items. These cost estimates do not incorporate any benefits from the sale of buildings, real estate, or equipment. The Company anticipates the timing of expenses to be as follows: $15 million in 3Q 2005, $15-20 million in 4Q 2005, and the remaining $20-35 million in 2006.

The ongoing annual pre-tax earnings benefit from this restructuring is expected to be approximately $30-$35 million primarily due to the combination of reduced fixed costs from closed facilities and improved overhead absorption from increased volume at remaining facilities.

Acquisitions and Divestitures

On October 12, 2005, the Company announced five acquisitions. Collectively, these acquisitions should add about $85 million to annual company revenues. Two of these five acquisitions were completed during the third quarter. There were no divestitures during the quarter.

The largest of the five acquisitions, completed early in the fourth quarter, should add roughly $65 million in sales to the Residential Furnishings segment. This acquisition significantly expands Leggett's presence in the converting and distribution of geotextiles. Geotextiles are synthetic fabrics (typically polypropylene, polyethylene or polyester) used in a variety of applications including ground stabilization, drainage protection, erosion control and weed control. Products are sold primarily into the construction, landscaping, and agricultural industries. The highly-fragmented market for geotextiles is believed to approximate $900 million annually, and contains mostly small, regional suppliers. This acquisition enhances the Company's national presence, purchasing leverage, economies of scale, and distribution and marketing infrastructure in the geotextile business.

On October 28, 2005, the Company acquired America's Body Company (ABC), a designer, manufacturer, and supplier of equipment for vans and light-to-medium duty commercial trucks. ABC's main product categories include van interiors, van bodies, flatbed truck bodies, utility work bodies, dump truck bodies, and snow and ice control equipment. With annual revenue of approximately $150 million, this acquisition is the third-largest in Leggett's history. ABC has approximately 580 employees and ten operating facilities; proprietary products represent about 40% of current sales. With this acquisition, Leggett will become the second-largest supplier in the $1.5 billion U.S. market for light and medium duty commercial truck equipment. Because the industry is highly fragmented, and contains many small, regional manufacturers, only a few competitors can provide as wide a range of products and service locations.

Results of Operations

Discussion of Consolidated Results

Record quarterly sales of $1.35 billion were $11 million, or .8% higher than in the third quarter of 2004. Acquisitions contributed almost $12 million in sales. Same location sales (sales for locations owned and operated in all of the current and prior year periods) and unit volumes were essentially unchanged from the prior year.

Unit volumes in some consumer-related markets generally continue at levels below those seen last year. We believe higher gasoline prices and utility costs have reduced the amount of cash available to purchase discretionary items and that consumers simply are not buying at the rates seen in recent years.

Third quarter diluted earnings per share were $.28, a decrease of $.13, or 31.7%, from the $.41 attained in the third quarter of 2004. Third quarter earnings include 8 cents per share of non-recurring and/or unusual costs (5 cents associated with restructuring-related expenses and 3 cents for workers compensation costs in excess of historical experience). Additional factors contributing to the reduced earnings include significantly higher costs for certain raw materials and energy, currency impacts, and a change in product mix.

Cost Trends

Raw material cost trends have varied this year depending on the commodity with steel scrap prices being particularly volatile. Steel scrap is the feedstock for our rod mill which supplies about half of the rod used by our wire drawing operations. Steel scrap costs decreased more than $100 per ton from the beginning of the year through June and increased nearly $100 thereafter, reaching a September price of approximately $230 per ton. Although we were able to adjust the selling prices of some products in response, overall the generally high cost of scrap continues to pressure product margins.

Commodity and energy costs have been on the rise for much of the year and we have been able to recover only a portion of this inflation through selling price adjustments. In the third quarter, sharply higher oil and natural gas prices, together with hurricane-related supply disruptions, resulted in significant increases in utility, transportation, and chemical, fiber, and resin input costs. In instances where the Company's suppliers invoked force majeure, Leggett did likewise, and implemented price increases on an accelerated basis. However, the majority of these higher costs were not recovered. Although they may abate to some extent, the Company expects most of these costs to remain elevated throughout the remainder of the year.

In the fourth quarter, the Company responded to the higher costs by increasing product prices in some lines of business. In addition, we have notified many of our other customers of the cost inflation we are experiencing and the possible need to pass along these increased costs.

LIFO/FIFO and the Effect of Changing Prices

At the segment level, all of Leggett's operations employ the first-in, first-out (FIFO) method for determining the cost of inventories. Last year, when both commodity costs and selling prices were rising, segment EBIT margins benefited from the FIFO method, which matched lower-cost beginning inventories with increased selling prices. We refer to this effect as a "FIFO benefit". This year, the FIFO accounting method, combined with reductions in steel costs and selling prices, has served to restrict segment margins.

On a consolidated basis, Leggett uses the last-in, first-out (LIFO) method for determining the cost of approximately half of the Company's inventories. The adjustment to convert the appropriate operations to the LIFO inventory method is made at the corporate level, and does not affect individual segment results. Certain commodity price decreases (e.g. steel) have resulted in estimated LIFO income for the full year of approximately $35 million. This compares to a LIFO expense of $77 million for fiscal 2004. For comparison, over the five prior years (1999-2003), the largest annual LIFO income or expense was just over $4 million.

The Company's policy is to allocate its estimated full year LIFO income or expense proportionately to each quarter. Accordingly, earnings for the third quarter of 2005 reflect LIFO income of $6 million; in contrast, there was a LIFO expense of $16 million in the third quarter of 2004. The Company currently anticipates LIFO income of $9 million for the fourth quarter; however, the actual amount could vary significantly, depending on future commodity prices and final inventory levels.

See “Note 2” of the Company’s Notes to Consolidated Condensed Financial Statements for further discussion of inventories.

Interest and Taxes

Due to higher interest rates, third quarter 2005 interest expense was up compared to the third quarter of 2004 and, based on current borrowing levels, is expected to be up for the year by approximately $1-2 million. Interest income is expected to be flat with last year’s results.

The reported third quarter consolidated worldwide effective tax rate of 30.4% is lower than 2004’s annual rate, primarily due to the beneficial effect of prior year tax provision adjustments and the impact of restructuring reserves on the Company’s profitability for the quarter. The effective rate for the remainder of 2005 may be different depending on such factors as overall profitability of the Company, the mix of earnings among taxing jurisdictions, the ongoing rationalization of certain operations, cash consolidation planning, and the effect of tax law changes.

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.

Third Quarter Discussion

Residential Furnishings

Total sales increased $14.9 million, or 2.3%, with acquisitions (net of divestitures) contributing $9 million of the increase. Same location sales increased .9%. Demand trends were mixed, as unit volume in bedding was down but in upholstered furniture components we posted double-digit growth versus the third quarter last year.

EBIT was $32.6 million, a decrease of $35.5 million, or 52.1% from year-ago levels. The EBIT decrease was attributable to restructuring-related costs (of approximately $6 million), higher raw materials costs, higher workers compensation costs, absence of last year’s FIFO benefit, higher energy and transportation expenses, and reduced bedding unit sales. In the fourth quarter, we began implementing price increases to pass along the higher chemical and fiber costs, as well as fuel surcharges to help offset increased freight costs.

Since early October, the industry has experienced shortages of TDI, which is a chemical used to make polyurethane foam. Two main factors are causing these shortages: overall industry capacity was reduced early this summer by the closure of two TDI plants and recent hurricane damage to major chemical, refinery and natural gas facilities has disrupted the current production of TDI. Although we can’t predict exactly when this issue will abate, we expect industry allocations of TDI to conclude by year-end. So far, we’ve experienced very little reduction in order volumes from our customers as a result of their inability to procure foam. With that said, we expect that in the fourth quarter there will be some delayed or cancelled sales orders in our bedding and furniture businesses related to the TDI shortage.

Commercial Fixturing & Components

Total sales increased $25.8 million, or 8.4%, with acquisitions contributing $4 million of the increase. Same location sales increased 7.2%, primarily due to unit volume growth. We posted solid sales volume growth in both our fixtures and office components businesses.

EBIT declined by $3.7 million, or 16.3%, from $22.7 million last year to $19.0 million this year, with gains from higher sales and cost savings more than offset by the impact of restructuring-related costs (of approximately $3 million), currency rates, higher workers compensation expenses, higher resin costs (which impact the plastics operations), and other items.

For the full year, the Company expects the segment margin, excluding restructuring-related costs, to be roughly unchanged from 2004. This full-year margin is less than previously expected due primarily to higher workers compensation costs, start-up costs associated with new business, unfavorable product mix, and increased freight costs.

Aluminum Products

Total sales decreased $3.1 million, or 2.6%, due to lower same location sales (there were no acquisitions within the prior twelve months). Unit volume declined slightly during the quarter versus the same period last year. Overall market demand was mixed but generally soft, with gains in power tools offset by declines in transportation, telecom, appliances and electronics.

EBIT decreased $6.2 million, or 80.5%, due to production inefficiencies at some plants, lower sales, a work stoppage at one facility, higher energy costs, and plant shutdown and consolidation expenses.

Industrial Materials

Total sales decreased $17.6 million, or 7.6%, due to lower same location sales (there were no acquisitions within the prior twelve months). Wire sales were down primarily due to declines in unit volumes. Lower bedding demand was the largest factor contributing to the unit volume decline. Tubing sales also decreased in the quarter on lower automotive production and reduced market demand for steel processing in our tubing fabrication operations.

The $12.8 million, or 34.9%, EBIT decrease resulted primarily from restructuring-related costs (of $3.4 million), lower sales, higher utility and transportation costs, increased workers compensation costs, and absence of last year's FIFO benefit.

Specialized Products

Total sales decreased $5.6 million, or 4.1%. Same location sales decreased 3.6%, as a decline in unit volume was partially offset by the effects of inflation and currency rates. Automotive volume decreased during the quarter in part due to industry shut-downs and lower production rates. The auto industry's employee pricing promotions generated higher industry volume during the quarter, but these programs mainly reduced dealer inventories. Sales of machinery to bedding manufacturers were also down from last year, reflecting overall bedding market weakness this year.

EBIT declined $4.3 million, or 49.4%, due to restructuring-related costs (of approximately $2 million), lower unit sales in both the automotive and machinery businesses, increased R&D expense, higher workers compensation expense and currency impacts.

Nine-Month Discussion

Residential Furnishings

Total sales increased $80.7 million, or 4.3%, with acquisitions (net of divestitures) contributing $16 million of the increase. Same location sales increased 3.5%, due to inflation growth partially offset by slight volume declines. Increased unit sales of mechanisms for upholstered furniture were more than offset by unit sales declines in U.S. innerspring and other products.

EBIT was $136.5 million, a decrease of $72.1 million, or 34.6% from year-ago levels. The EBIT decrease was attributable to restructuring-related costs, higher raw materials cost, the absence of last year's FIFO benefit, reduced bedding unit sales, higher workers compensation costs, changes in product mix, and reduced overhead absorption due to lower production levels.

Commercial Fixturing & Components

Total sales increased $67.5 million, or 8.3%, largely due to inflation. Acquisitions contributed approximately $11 million of the increase. Same location sales increased 6.9%, as unit volumes were up in both our fixtures and office components businesses.

EBIT decreased by $.3 million, or .6%, from $47.0 million last year to $46.7 million this year, with benefits from sales gains and recent plant consolidations offset by restructuring-related costs, currency rates, higher resin costs (which impact the plastics operations), higher workers compensation costs, unfavorable changes in product mix, and inefficiencies at certain of our store fixture operations.

Aluminum Products

Total sales increased $9.7 million, or 2.4%, solely from increased same location sales. Unit volumes were up slightly over last year as volume increased in several end markets, including barbeque grills, large appliances, and motorcycles. These gains were partially offset by declines in other markets including lighting and electric motors.

EBIT decreased 31.2%, or $11.3 million, with benefits from higher sales more than offset by production inefficiencies at some plants, a work stoppage at one facility, higher energy costs, start up costs related to new programs, and plant shutdown and consolidation expenses.

Industrial Materials

Total sales increased $40.2 million, or 6.6%, solely from same location sales. Unit volume declines were more than offset by inflation growth. Decline in volume is attributable to: a) two customers relocating a portion of their manufacturing to foreign locations where there are no Leggett facilities, b) reduced demand from auto and bedding manufacturers, and c) non-recurrence of last year’s billet sales to trade customers.

EBIT decreased 14.5%, or $13.2 million, due to decreases from lower unit volume, restructuring-related costs, the absence of last year’s FIFO benefit, higher utility and transportation costs and increased worker’s compensation costs, partially offset by inflation-related sales increases.

Specialized Products

Total sales increased $.6 million. Same location sales were down 1.7%, but were more than offset by acquisitions (net of divestitures), which increased sales about $7 million.

EBIT declined $9.3 million, or 25.5%, as increased EBIT from acquisition sales was more than offset by lower same location unit volume in both automotive and machinery, restructuring-related costs, increased R&D expense, higher workers compensation expense and the impact of currency rate changes.

Capital Resources and Liquidity

Cash Flow and Capitalization

Our priorities for the use of cash, in order of importance, are:

- Fund internal growth and acquisitions
- Extend our track record of annual dividend increases
- Use remaining cash (if any) to repurchase stock

Over the last three fiscal years we used approximately $400 million in cash annually to fund these priorities. In round figures, approximately 35% was used for capital expenditures, 25% for funding annual dividends, 20% for acquisitions, and 20% for stock repurchases.

Our primary source of cash is internal operations. Over the last three years cash from operations was more than adequate to fund the items mentioned above. When proceeds from asset sales are included, we generated sufficient cash over that period to reduce net debt (long-term debt and current maturities, net of cash and cash equivalents) by more than $100 million.

We plan to increase net debt (as a percent of total capitalization) back toward our long-term target of 30-40%, while maintaining our longstanding “single A” debt rating. We see benefit from modestly increasing debt, and little risk given our competitive position and consistently strong cash flow.

Additional detail on a) the uses of cash, b) operating cash flow, and c) debt position and total capitalization as of and for the nine months ended September 30, 2005 is provided below.

Uses of Cash Flow

Capital expenditures in the first nine months of 2005 totaled $115.5 million, up from $104.8 million in the first nine months of 2004. These investments were made primarily to modernize, maintain, and expand manufacturing capacity. In 2005, we expect capital spending to approximate $165 million, compared to $157 million in 2004, with the increase primarily related to a few major expansion projects.

Acquisition related spending totaled $57.1 million in the first nine months of 2005, up from $39.8 million in the first nine months of last year. During the third quarter we completed two acquisitions that should add about $10 million to annual sales.

The first of these companies, Westex International, located near Toronto, Canada, produces a full line of high quality down comforters for distribution to a wide variety of department stores and specialty shops in Canada. This new product offering is part of Leggett’s recently launched “top of the bed” category sold in conjunction with our Fashion Bed Products.

The second company, Everwood Products, is a producer of metal rocker bases and specialty components for the residential furniture industry. Located in northern Mississippi, this small stamping and fabrication facility is primarily focused on producing motion mechanisms for upholstered furniture. In addition, they also possess in-house design capability for both component products and automated machinery.

Cash dividends paid during the first nine months of 2005 and 2004 were $88.0 million and $81.1 million, respectively. Over the past three years, dividends have increased at a 6.5% compounded annual rate. Our long-term target for dividend payout is approximately one-third of the prior three years’ average earnings. Calculated in the same manner as our target, dividend payout was 47.4% in 2004, 51.3% in 2003, and 43.7% in 2002. As earnings grow, we expect to move back toward the 30-35% payout target.

Repurchases of common stock (net of issuances) totaled $123.1 million during the first nine months of 2005. We previously noted that we expect to use excess cash flow to repurchase stock. Consistent with that strategy, we were strong buyers of our stock, purchasing 2.3 million shares during the third quarter. These purchases were partially offset by issuance of shares through employee plans. As a result, common stock outstanding declined by 2.0 million shares during the third quarter, and was 4.5 million shares, or 2.4% below the level of one year ago. Year to date, as of November 2, 2005, we had purchased approximately 8.3 million shares, leaving about 6.7 million available to purchase under this year’s 15 million share Board authorization.

As mentioned earlier, we expect to increase net debt back to our long-standing target of 30-40% of total capitalization. As this occurs, additional cash will be available. This cash, together with cash from operations, will be utilized to finance growth and extend our record of annual dividend increases. Any remaining cash is expected to go toward repurchasing stock.

The amount available to repurchase shares will fluctuate each year with earnings, capital spending, and the pace of acquisitions. Although no specific repurchase schedule has been established, in addition to the current year 15 million share authorization, we have been authorized by the Board of Directors to repurchase up to 10 million shares each year beginning January 1, 2006.

Operating Cash Flow

Cash flow from operations is our primary source of funds, and totaled $301.1 million during the first nine months of 2005, $64.7 million more than that generated in the first nine months of 2004. A smaller increase in working capital, primarily from accounts receivable and inventories, partially offset by lower earnings and higher deferred tax income, were primarily responsible for the increase.

Working capital levels vary by segment, with the requirements of Aluminum Products and Commercial Fixturing & Components generally higher than company averages. Accounts receivable balances in these segments are typically higher due to longer credit terms required to service certain customers of the Aluminum Die Casting and Fixture & Display businesses. These same businesses also require higher inventory investments due to the custom nature of their products, longer manufacturing lead times (in certain cases), and the needs of many customers to receive large volumes of product within short periods of time.

Total Capitalization

The following table recaps Leggett's total capitalization and unused committed credit at September 30, 2005 and December 31, 2004.

(Dollar amounts in millions)	September 30, 2005	December 31, 2004
Long-term debt outstanding:		
Scheduled maturities	$ 898	$ 779
Average interest rates*	**5.1%**	**4.1%**
Average maturities in years*	**8.1**	**5.6**
Revolving credit/commercial paper	—	—
Total long-term debt	898	779
Deferred income taxes and other Liabilities	148	145
Shareholders' equity	2,324	2,313
Total capitalization	$ 3,370	$ 3,237
Unused committed credit:		
Long-term	$ 400	$ 342
Short-term	—	—
Total unused committed credit	$ 400	$ 342
Ratio of earnings to fixed charges**	7.5x	8.0x

* *Including current maturities of long-term debt.*

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

The 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, 2005 and December 31, 2004. We believe that adjusting this measure for cash and current maturities allows more meaningful comparison to recent historical periods, during which cash has ranged from $12 million to $491 million.

(Amounts in millions)	September 30, 2005	December 31, 2004
Debt to total capitalization:		
Long-term debt	$ 898	$ 779
Current debt maturities	97	401
Cash and cash equivalents	(252)	(491)
Net debt, after adjustments	$ 743	$ 689
Total Capitalization	$ 3,370	$ 3,237
Current debt maturities	97	401
Cash and cash equivalents	(252)	(491)
Total capitalization, after adjustments	$ 3,215	$ 3,147
Debt to total capitalization		
Before adjustments	26.6%	24.1%
After adjustments	23.1%	21.9%

Debt Issuance

During the third quarter the Company issued $200 million of 10-year notes with a coupon rate of 5.0%. This was the company's fourth debt offering since early 2003. These four issuances comprise $730 million of long term debt, with a weighted average remaining life of 9.6 years and a weighted average coupon of 4.7%.

In addition to issuing long-term debt, Leggett can issue up to $400 million in commercial paper through a program that is backed by $400 million in revolving credit. No commercial paper was outstanding under this agreement as of September 30, 2005. The Company currently expects that any commercial paper issued under the agreement will be classified as long-term debt, which reflects its intent and expectation to maintain or increase the balance outstanding until such time it is replaced with long-term notes.

Most of our debt has a fixed repayment date. Our medium-term notes and public debt currently carry a Moody's rating of A2 and a Standard & Poor's rating of A"+". Our commercial paper program carries a Moody's rating of P-1 and a Standard & Poor's rating of A-1. We have maintained a single A rating on our debt for over a decade.

To further facilitate the issuance of debt capital and other securities, $300 million remains available under a shelf registration which became effective April 19, 2005. We believe we have more than sufficient availability to support all ongoing operations and take advantage of growth opportunities.

Contractual Obligations

Material changes to the Company's contractual obligations and commitments occurring since December 31, 2004 are as follows:

- Long-term debt, including current maturities, declined from a total of $1,143 (excluding $3 million of market value adjustments related to interest rate swap agreements) at December 31, 2004 to a total of $963 at September 30, 2005. This was primarily due to the payment of $350 million in notes that matured on February 15, 2005 and $25 million in notes that matured on June 1, 2005, partially offset by the issuance of $200 million in notes during the third quarter.

Derivative Financial Instruments

The Company's risk management strategies include the use of derivative instruments to manage the fixed/variable interest rate mix of its debt portfolio, to hedge its exposure to fluctuating natural gas prices, and to manage its exposure to variability in interest and foreign exchange rates. It is the Company's policy not to speculate in derivative instruments.

Interest rate

Substantially all of the Company's debt is denominated in United States dollars. The fair value for fixed-rate debt was less than its carrying value by $14.4 million at September 30, 2005, and greater than its carrying value by $6.6 million at December 31, 2004. The fair value of fixed-rate debt was calculated based on the estimated interest rate the Company would pay if issuing debt with similar remaining maturities as of the valuation date. This rate was determined as the U.S. Treasury Bond rate for similar maturities as of September 30, 2005 and December 31, 2004, plus an estimated "spread" over such Treasury rates representing our company-specific interest cost premium. The increase in fair value of fixed-rate debt is primarily attributable to changes in Treasury bond rates. The fair value of variable-rate debt is not significantly different from its recorded amount.

Exchange Rates

The Company does not hedge all net foreign currency exposures related to transactions denominated in other than their associated functional currencies. The Company occasionally hedges firm specific commitments or other anticipated foreign currency cash flows. The decision by management to hedge any such transactions is made on a case-by-case basis. At September 30, 2005, the unrealized gain recorded in other comprehensive income on currency hedges was approximately $.5 million, net of tax.

The amount of forward contracts outstanding at September 30, 2005 was approximately $21.8 million ($19.4 million Pay USD/Receive MXN; and $2.4 million Pay USD/Receive EUR). These contracts hedge certain expected Mexican Peso needs of our U.S. based subsidiaries for fiscal 2005 and 2006 and known Euro-denominated purchases by our U.S. subsidiaries.

The Company views its investment in foreign subsidiaries as a long-term commitment, and, except for the cross-currency swap agreement disclosed below, has not hedged translation exposures. 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 $828.3 million at September 30, 2005, compared to $757.6 million at December 31, 2004. The increase in net investment was due primarily to increased capital contributions to certain subsidiaries in Canada, Western Europe, Mexico and Asia and changing currency rates.

Cross-Currency Swap Agreement

In December 2003, the Company entered into a 38.3 million Swiss Francs (CHF) five-year cross-currency swap agreement which 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 2005, 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, 2005, the unrealized loss recorded in other comprehensive income on the cross-currency swap was approximately $.6 million, net of tax.

Commodity Price

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. The Company has currently hedged approximately 30% of its anticipated natural gas consumption for the 2-month period ending November 2005, 15% of its anticipated consumption for the 9-month period beginning December 2005, and 10% of its anticipated consumption for the 22-month period beginning September 2006.

Approximately $10.5 million of natural gas contracts were outstanding as of September 30, 2005. At September 30, 2005, the unrealized gain recorded in other comprehensive income on these contracts was approximately $5.5 million, net of tax.

Forward-Looking Statements and Related Matters

This report and our other public disclosures, whether written or oral, may contain "forward-looking" statements including, but not limited to, estimates of the amounts and timing of charges resulting from the plant closures and consolidations and related reductions in revenue, and the number and nature of facilities to be closed; 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 our beliefs 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 our future operations or performance, 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:

- The preliminary nature of the estimates related to the plant closures and consolidations and the possibility they may change as the Company's analysis develops, additional information is obtained, and the Company's efforts to dispose of assets proceeds
- Our ability to improve operations and realize cost savings (including our tactical plan for the Fixture & 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, 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
- A significant decline in the long-term outlook for any given reporting unit that could result in potential goodwill impairment
- 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, changes in demand for certain products, or trends in business capital spending
- Changes in competitive, economic, legal and market conditions and related factors, such as the rate of economic growth in the United States and abroad, inflation, currency fluctuation, political risk, U.S. 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.

This MD&A contains a disclosure on page 21 regarding the security ratings of the company's public debt. This discussion is not a recommendation to buy, sell or hold securities. Also, the security 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 Financial Instruments" 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 period ending September 30, 2005 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, as amended (the "Exchange Act")). Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded the Company's disclosure controls and procedures are effective, as of September 30, 2005, to provide reasonable assurance that information that is required to be disclosed by the Company in the reports that it files or submits under the Exchange Act, is recorded, processed, summarized, and reported within the time periods specified by the Securities & Exchange Commission rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In the second quarter of 2005, the Company began the rollout of a redesigned procurement process incorporating PeopleSoft/Oracle purchasing and payables software and trade import facilitation software from NextLinx. Spanning the purchasing, receiving and accounts payable processes, this initiative will centralize purchasing information for operations in the United States and Canada. The primary objectives of this initiative are to enable strategic sourcing with our suppliers and reduce total procurement costs. We believe the effectiveness of the Company's internal control over financial reporting will be maintained or enhanced by the redesigned system. We believe implementation risk will be controlled through a staged rollout and on-going process of monitoring and evaluation. The Company initially believed that 35 to 50 percent of the Company's operations in the United States and Canada would be converted in 2005. Based upon our experience converting the initial branches, the Company now believes that 10 to 15 percent of its United States and Canada operations will be converted in 2005.

There were no other changes in the Company's internal control over financial reporting that occurred during the most recent fiscal quarter ending September 30, 2005 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(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 2005.

	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)	Maximum Number of Shares that may yet be purchased under the Plans or Programs (2)
July 2005	157,396	$ 25.94	139,117	6,504,172
August 2005	543,732	$ 25.16	538,070	5,966,102
September 2005	1,618,248	$ 20.32	1,615,160	4,350,942
Total	2,319,376	$ 21.84	2,292,347	

(1) The shares purchased include 27,029 shares surrendered or withheld to cover the exercise price and/or tax withholding obligations in stock option exercises and other benefit plan transactions, as permitted under the Company's Flexible Stock Plan. These shares were not repurchased as part of a publicly announced plan or program.

(2) On August 4, 2004, the Board authorized management to repurchase up to 10 million shares each calendar year beginning January 1, 2005. This authorization was first reported in the quarterly report on Form 10-Q for the period ended June 30, 2004. On November 2, 2005, the Board increased the calendar year 2005 authorization by 5 million shares, bringing the total 2005 authorization to 15 million shares. This modification was first reported in the Company's press release dated November 2, 2005. As of September 30, 2005, the maximum number of shares that may yet be repurchased in calendar 2005, including this increase, would be 9,350,942. For 2006 and years thereafter, the annual authorization will remain at 10 million shares, unless and until repealed or changed by the Board of Directors.

ITEM 5(a) OTHER INFORMATION

Because this Quarterly Report on Form 10-Q is being filed within four business days from the applicable triggering event, the below disclosure is being made under Item 5(a) of Form 10-Q instead of under Item 1.01 "Entry into a Material Definitive Agreement" under Form 8-K.

Employment and Severance Benefit Agreement

On November 1, 2005, the Company entered into an Employment Agreement and a Severance Benefit Agreement with Karl G. Glassman. Mr. Glassman currently serves the Company as Executive Vice President and President of the Residential Furnishings Segment. The Employment Agreement is attached hereto as Exhibit 10.1 and the Severance Benefit Agreement is attached as Exhibit 10.2, and both are incorporated herein by reference.

The Employment Agreement has a five-year term and provides that Mr. Glassman will receive a base salary of $572,915. The Compensation Committee is to appraise Mr. Glassman's performance on or about April 1, 2006 and each successive year during the term and may increase the base salary but may not decrease it. During the term, Mr. Glassman is entitled to receive a cash bonus in accordance with the Company's 2004 Key Officers Incentive Plan, as amended from time to time, with a target percentage of 50%. The 2004 Key Officers Incentive Plan was filed with the SEC on March 24, 2004 as Appendix D to the Company's Definitive Proxy Statement used in connection with the Company's Annual Meeting of Shareholders held on May 5, 2004. Under the Employment Agreement, Mr. Glassman is entitled to participate (if legally permissible) in any insurance, pension, profit sharing, stock bonus, stock option, stock purchase or other benefit plan adopted for the benefit of executive officers of the Company. The Employment Agreement is subject to termination provisions which can be exercised in certain circumstances by either the Company or Mr. Glassman.

The Severance Benefit Agreement provides that Mr. Glassman will receive 2.5 times his annual salary and target bonus and certain other benefits if he were terminated without "cause" or left for "good reason" following a Change of Control of the Company (as such terms are defined by the Severance Benefit Agreement). The termination benefits include the acceleration of stock options, certain severance payments and the continuation of certain employee benefit plans and fringe benefits after his termination. Also, if any benefit under the Severance Benefit Agreement equals or exceeds the limits imposed by Section 280G of the Internal Revenue Code by more than 10%, then the Company will make a "gross-up" payment to him for such taxes. The limit is three times Mr. Glassman's "base amount." The base amount is his average annual W-2 compensation over the 5 years preceding a Change in Control. The term of the Severance Benefit Agreement will continue for as long as Mr. Glassman is employed by the Company or its successor, unless terminated in accordance with the provisions of the agreement.

ITEM 6. EXHIBITS

Exhibit 10.1	–	Employment Agreement between the Company and Karl G. Glassman, dated November 1, 2005.
Exhibit 10.2	–	Severance Benefit Agreement between the Company and Karl G. Glassman, dated November 1, 2005.
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, 2005.
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, 2005.
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, 2005.
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, 2005.

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, 2005

By: /s/ FELIX E. WRIGHT

Felix E. Wright
Chairman of the Board and
Chief Executive Officer

DATE: November 3, 2005

By: /s/ MATTHEW C. FLANIGAN

Matthew C. Flanigan
Senior Vice President – Chief Financial Officer

EXHIBIT
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Exhibit	
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EXHIBIT 10.1

November 1, 2005

EMPLOYMENT AGREEMENT
BETWEEN
KARL G. GLASSMAN AND
LEGGETT & PLATT, INCORPORATED

EMPLOYMENT AGREEMENT

This Employment Agreement (the "*Agreement*") is made as of November 1, 2005 between Leggett & Platt, Incorporated, a Missouri corporation (the "*Company*"), and Karl G. Glassman (the "*Executive*").

RECITALS

The Company desires that the Executive remain in the employment of the Company. Accordingly, the Compensation Committee (the "*Compensation Committee*") of the Board of Directors of the Company (the "*Board*") has recommended the execution of this Agreement and the Board has authorized the execution of the same.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the Company and the Executive agree as follows:

1. *Employment*

The Company hereby reaffirms its employment of the Executive as its Executive Vice President, and the Executive hereby confirms his employment in that capacity. Executive will also serve the Company in such other executive capacities, at the Executive Vice President level or above, as may be determined by the Board from time to time.

The Executive's employment under this Agreement is subject to the terms and conditions set out below and will be carried out in Carthage, Missouri, at the Company's principal executive offices. However, the Executive acknowledges that the nature of his employment may require reasonable domestic and international travel from time to time.

2. Term

2.1 *Term*

The term of this Agreement shall commence on November 1, 2005 and shall end five years after such date, unless terminated earlier in accordance with the provisions of this Agreement.

2.2 *Early Termination*

The term of this Agreement may be terminated prior to expiration by reason of any of the following:

(a) by the Executive upon 12 months prior written notice;

(b) in accordance with the Severance Benefit Agreement dated as of November 1, 2005, as amended from time to time (the "Severance Benefit Agreement"), a copy of which is attached as Exhibit A for information purposes only;

(c) in accordance with Section 6 hereof, upon the Executive's Total Disability (as defined below);

(d) by the Executive pursuant to Section 7 hereof;

(e) by the Company pursuant to Section 8 hereof; or

(f) for other causes as provided elsewhere in this Agreement.

3. *Duties and Authority*

The Executive shall devote his full business time to the affairs of the Company. However, this shall not be deemed to prevent the Executive from devoting such time (which shall not be substantial in the aggregate) to personal business interests that do not unreasonably interfere with the performance of the Executive's duties hereunder.

The Executive shall use his best efforts, skills and abilities to promote the Company's interests. The Executive shall serve as director if nominated by the Nominating & Corporate Governance Committee ("*N&CG Committee*") and if so elected by the shareholders of the Company; provided, however, the N&CG Committee may decide not to nominate the Executive if (i) such nomination would violate the rules or regulations of the Securities and Exchange Commission or the New York Stock Exchange, or (ii) for good corporate governance reasons the N&CG Committee and the Board believe there is a need to reduce the number of inside directors serving on the Board. The Executive shall perform such duties at the Executive Vice President level or above assigned to him by the Board, the Chief Executive Officer, or the President. The Executive shall report to the President of the Company, provided, however, if the President is elected as the Chief Executive Officer, the Executive shall report to the Chief Executive Officer.

4. *Compensation*

4.1 *Base Salary*

The Executive shall be paid a base salary at an annual rate of $572,915. Beginning on or about April 1, 2006 and April 1 of each successive year during the term of this Agreement, the Compensation Committee shall appraise the Executive's performance during the previous calendar year, taking into account such factors as it deems appropriate. As a result of such appraisal, the then annual base salary of the Executive may be increased (but shall not be decreased) by such amount as the Compensation Committee determines is fair, just and equitable.

The Executive's base salary shall be paid in equal bi-weekly installments.

All salary increases under this section will be made as of the beginning of the first payroll period in which the Company's other salaried employees generally receive merit related annual salary adjustments.

4.2 *Annual Cash Bonus*

During the term of this Agreement, the Executive shall be entitled to earn a cash bonus computed in accordance with the Key Officers Incentive Plan, as amended from time to time (the "*Incentive Plan*"). The amount of the Executive's bonus shall be determined by applying a bonus formula approved by the Compensation Committee to a percentage of Executive's annual salary on December 31 of each year ("*target percentage*"). The Executive's target percentage is 50%. The Compensation Committee shall be entitled to amend or supplement the guidelines from time to time whenever the Committee deems this to be in the best interests of the shareholders of the Company.

If the Executive's employment under this Agreement is terminated before December 31 of any year, the Executive shall receive a prorated bonus for the year of termination. This prorated bonus shall bear the same ratio to the actual bonus the Executive would have earned with respect to the year under the Incentive Plan as the number of days this Agreement is in force during such year bears to 365.

4.3 *Vacations; Other Benefits*

The Executive shall be entitled to a reasonable annual vacation (not less than an aggregate of four weeks in any calendar year) with full pay, benefits and allowances.

In addition to the salary, bonus and other payments to be made under this Agreement, the Executive shall be entitled to participate (to the extent legally permitted) in any insurance, pension, profit sharing, stock bonus, stock option, stock purchase or other benefit plan of the Company now existing or hereafter adopted for the benefit of executive officers of the Company or the employees of the Company generally.

At the Company's expense, the Company shall provide office space, secretarial assistance, supplies and equipment fully adequate to enable the Executive to perform the services contemplated by this Agreement and at least comparable to that being provided to the Executive on the date hereof.

The Company shall provide the Executive with appropriate perquisites at least equal to such perquisites as are generally made available from time to time to the Company's other senior executive officers.

In addition to the payments provided for in this Section 4 and elsewhere in this Agreement, the Company may from time to time pay the Executive as a salary increase, a bonus or otherwise, such additional amounts as the Compensation Committee shall, in its discretion, determine.

Except as may be provided otherwise in this Agreement or to the extent required by law, no benefits referred to in this section or provided for in other sections of this Agreement shall be reduced by the Company as to the Executive without first securing his consent.

5. *Expenses*

The Company shall pay or reimburse the Executive for all transportation, hotel, living and related expenses incurred by the Executive on business trips away from the Company's principal office and for all other business and entertainment expenses reasonably incurred by him in connection with the business of the Company and its subsidiaries or affiliates.

6. *Disability*

6.1 *Definition of "Total Disability"*

The Executive shall be deemed to have a "Total Disability" if he is unable, for a continuous period of four or more months, to perform substantially all of the material personal services to be rendered by him under this Agreement.

During the continuance of any Total Disability, the Board may elect to relieve the Executive of all of his duties hereunder by Board resolution delivered to the Executive, or the Executive may elect to cease performing all of his duties hereunder by notice delivered to the Company. Thereupon, Executive's duties and responsibilities under this Agreement shall cease 60 days following delivery of the Board resolution or the Executive's notice, as the case may be; provided, however, that all other provisions of this Agreement, including the Executive's cash compensation and other benefits, shall continue in full force until 14 months from the first day of the four month or longer continuous period that culminated in the Total Disability ("Disability Termination Date"). If Executive continues to have a Total Disability on the Disability Termination Date, his employment under this Agreement shall be terminated.

6.2 *Offset Payments*

The Company's obligation to continue the Executive's cash compensation from the date of a Total Disability to the Disability Termination Date shall be reduced by (a) all amounts paid to Executive under disability income insurance policies made available to the Executive by the Company and (b) by all amounts received by the Executive from Social Security disability benefits.

7. *Executive's Option to Terminate Agreement*

Not later than six months after the occurrence of any of the following events the Executive may elect to terminate his employment under this Agreement by sending notice of termination to the Company:

(a) The Executive shall not be elected and continue as director of the Company;

(b) The Company is merged or consolidated with another corporation and the Company is not the survivor;

(c) The Company is dissolved;

(d) Substantially all of the assets of the Company are sold to any other person;

(e) A public tender offer is made for the shares of the Company and the offeror acquires at least 40% of the outstanding common shares of the Company;

(f) A proxy contest is waged and the person waging the contest acquires working control of the Company; or

(g) The Executive does not receive a salary increase for any year, unless the failure to receive a salary increase is due to a company-wide salary freeze applicable for such year.

(h) The Executive is not nominated to serve as a director of the Company by the N&CG Committee for reasons other than those stated in Section 3 of this Agreement.

The Executive's employment obligations under this Agreement shall terminate on the date of termination specified in the Executive's notice to the Company, which date must be within 60 days of the date of the notice.

8. <u>*Termination by the Company*</u>

8.1 <u>*Termination For Cause*</u>

The Company may terminate the Executive's employment pursuant to this Agreement by discharging the Executive for cause. The term "*for cause*" shall be limited to the following events:

(a) The Executive's conviction of any crime involving money or other property of the Company or any of its affiliates (including entering into any plea bargain admitting criminal guilt) or of any other crime (whether or not involving the Company or any of its affiliates) that constitutes a felony in the jurisdiction involved; or

(b) The Executive's willful breach of the Company's Code of Business Conduct (or any successor policy) which causes material injury to the Company; or

(c) The Executive's willful act or omission involving fraud, misappropriation, or dishonesty that (i) causes material injury to the Company or (ii) results in a material personal enrichment to the Executive at the expense of the Company; or

(d) The Executive's willful violation of specific written directions of the Company's Board or the Chief Executive Officer which directions are consistent with this Agreement and the Executive's duties, and provided that such violation continues following the Executive's receipt of written notice by the Board or the Company's Chief Executive Officer specifying the specific acts or omissions alleged to constitute such violation and such violation continues after affording the Executive reasonable opportunity to remedy such failure after receipt of such notice; or

(e) The Executive's continuing, repeated, willful failure to substantially perform his duties hereunder; provided, however, that no discharge shall be deemed for cause under this subsection (e) unless the Executive first receives written notice from the Board (or of the board of any affiliate of the Company of which the Executive is an officer) advising the Executive of the specific acts or omissions alleged to constitute a failure to perform his duties, and such failure continues after the Executive shall have had a reasonable opportunity to correct the acts or omissions so complained of.

8.2 Termination Without Cause

The Board, at any time and without cause, may relieve the Executive of his duties under this Agreement upon three months prior written notice to the Executive; provided that such action by the Board pursuant to this Section shall not be deemed a termination of the Executive's employment and shall not relieve the Company of any of its financial obligations to the Executive as set forth in this Agreement. Notwithstanding the foregoing sentence, if the Executive's duties are terminated pursuant to this Section, the Executive's employment shall thereafter be terminated upon the earlier of (i) Executive's death or (ii) the Disability Termination Date (as defined in Section 6.1).

9. *Confidential Information*

The Executive shall not at any time (whether during the term of this Agreement or thereafter) disclose to any person any confidential information or trade secrets of the Company.

If any of the restrictions contained in this section or elsewhere in this Agreement shall be deemed unenforceable then the Executive and the Company contemplate that the appropriate court will enforce such restrictions in their reduced form.

10. *Nonassignability*

This Agreement and the benefits hereunder are personal to the Company and are not assignable by it; provided, however, this Agreement and the benefits hereunder may be assigned by the Company to any person acquiring all or substantially all of the assets of the Company or to any corporation into which the Company may be merged or consolidated. In the event of an assignment of this Agreement to any person acquiring all or substantially all of the assets of the Company or to any corporation into which the Company may be merged or consolidated, the title, responsibilities and duties assigned to the Executive by such successor person or corporation shall be the title, responsibilities and duties of a senior executive officer of such successor person or corporation.

The provisions of this Agreement shall be binding on and inure to the benefit of the Executive, his assignees, executors, and administrators.

11. *Miscellaneous*

11.1 *Waivers*

No waiver by either party of any breach or nonperformance of any provision of this Agreement shall be deemed to be a waiver of any preceding or succeeding breach or nonperformance of the same or any other provision hereof.

11.2 *Notices*

All notices, waivers, designations or other communications (collectively "*notices*") that either party is required or permitted to give hereunder shall be in writing and delivered as follows:

If to the Executive:	If to the Company:
Karl G. Glassman 9732 Early Lane Carthage, Missouri 64836	Leggett & Platt, Incorporated No. 1 Leggett Road Carthage, Missouri 64836 Attention: Secretary

subject to the right of either party at any time to designate a different location for the delivery of notices.

11.3 *Survival of Provisions*

Section 9 shall survive the expiration or termination of this Agreement, as shall all other provisions hereof which provide for or contemplate performance by either the Executive or the Company following the termination hereof.

IN WITNESS WHEREOF, the Company and the Executive have signed this Agreement as of the day and year first above written.

"EXECUTIVE"	"COMPANY"
	LEGGETT & PLATT, INCORPORATED
/s/ KARL G. GLASSMAN	By: /s/ ERNEST C. JETT
Karl G. Glassman	Name: **Ernest C. Jett**
	Title: **Senior Vice President, General Counsel and Secretary**

November 1, 2005

SEVERANCE BENEFIT AGREEMENT

This Severance Benefit Agreement (the "*Agreement*") is made as of November 1, 2005 between Leggett & Platt, Incorporated, No. 1 Leggett Road, Carthage, Missouri 64836 (the "*Company*") and Karl G. Glassman (the "*Executive*"), residing at 9732 Early Lane, Carthage, Missouri 64836.

RECITALS

The Executive functions as Executive Vice President of the Company on the date hereof and is one of the key employees of the Company.

The Company considers the maintenance of sound and vital management essential to protecting and enhancing the best interests of the Company and its shareholders. In this connection, the Company recognizes that in today's business environment the possibility of a change in control of the Company may exist in the future. The Company further recognizes that such possibility, and the uncertainty which it may raise among key executives, could result in the departure or distraction of key executives to the detriment of the Company and its shareholders. Accordingly, the Board of Directors of the Company (the "*Board*") has determined that appropriate steps should be taken (i) to further induce the Executive to remain with the Company and (ii) to reinforce and encourage the continued attention and dedication of the Executive to his assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control of the Company.

NOW, THEREFORE, in consideration of the premises and for other good and valuable considerations, the receipt of which are hereby acknowledged, the Company and the Executive agree as follows:

1. Change in Control; Employment Agreement

1.1 *Change in Control*. The Company may be required to provide certain benefits to the Executive under this Agreement following each and every "*Change in Control*" of the Company.

A "*Change in Control*" of the Company shall be deemed to have occurred if:

(a) There is any change in control as contemplated by (i) Item 6(e) of Schedule 14A, Regulation 14A, promulgated under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*") or (ii) Item 5.01 of Form 8-K promulgated by the Securities and Exchange Commission under the Exchange Act; or

(b) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the

Exchange Act), directly or indirectly, of 25% or more of the combined voting power of the Company's then outstanding voting securities; or

(c) Those persons serving as directors of the Company on the date of this Agreement (the "*Original Directors*") and/or their Successors do not constitute a majority of the whole Board of Directors of the Company (the term "*Successors*" shall mean those directors whose election or nomination for election by the Company's shareholders has been approved by the vote of at least two-thirds of the Original Directors and previously qualified Successors serving as directors of the Company at the time of such election or nomination for election); or

(d) The Company shall be a party to a merger or consolidation with another corporation and as a result of such merger or consolidation, less than 75% of the outstanding voting securities of the surviving or resulting corporation shall be owned in the aggregate by the former shareholders of the Company as the same shall have existed immediately prior to such merger or consolidation; or

(e) The Company liquidates, sells, or otherwise transfers all or substantially all of its assets to a person not controlled by the Company both immediately prior to and immediately after such sale.

1.2 *Employment Agreement*. Any benefits provided to the Executive under this Agreement will, unless specifically stated otherwise in this Agreement, be in addition to and not in lieu of any benefits that may be provided the Executive under his Employment Agreement with the Company dated November 1, 2005 (this agreement, as amended, restated or superseded, is called the "*Employment Agreement*").

This Agreement shall continue for the term provided in Section 8.6 and shall not be affected by any termination of the Employment Agreement.

2. Termination of Employment Following a Change in Control

2.1 *General*. During the 30 month period immediately following each and every Change in Control (the "*Protected Period*"), the Executive and the Company shall comply with all provisions of this Section 2 regarding termination of the Executive's employment.

2.2 *Termination for Disability*. If the Employment Agreement is not in force, the Company may terminate the Executive's employment for Disability. If the Employment Agreement is in force, the Company may terminate the Executive's employment for disability only in accordance with the terms of the Employment Agreement. "*Disability*" as used in this Agreement, as distinguished from the Employment Agreement, shall mean the Executive's absence from, and his inability to substantially perform, his duties with the Company for a continuous period of six or more months as a result of physical causes or mental illness. During any period prior to the termination of his employment that the Executive is absent from, and is unable to substantially perform, his duties with the Company as a result of physical causes or mental illness, the Company shall continue to pay the Executive his full base salary at the rate then in effect and any bonuses earned by the Executive under Company bonus plans until such time as the Executive's employment is terminated by the Company for Disability. Following termination of employment under this Section 2.2, the Executive's benefits shall be determined in accordance with the Company's long term disability program as in effect on the date hereof, or any successor program then in effect.

2.3 *Termination by Company for "Cause"*. If the Employment Agreement is not in force, the Company may terminate the Executive for Cause as defined in this Agreement. If the Employment Agreement is in force, the Company may terminate the Executive for cause only in accordance with the terms of the Employment Agreement.

Termination for "Cause" under this Agreement, as distinguished from the Employment Agreement, shall be limited to the following:

(a) The Executive's conviction of any crime involving money or other property of the Company or any of its affiliates (including entering any plea bargain admitting criminal guilt), or a conviction of any other crime (whether or not involving the Company or any of its affiliates) that constitutes a felony in the jurisdiction involved; or

(b) The Executive's willful breach of the Company's Code of Business Conduct (or any successor policy) which causes material injury to the Company; or

(c) The Executive's willful act or omission involving fraud, misappropriation, or dishonesty that (i) causes material injury to the Company or (ii) results in a material personal enrichment to the Executive at the expense of the Company; or

(d) The Executive's willful violation of specific written directions of the Board or the Company's Chief Executive Officer provided that such directions are consistent with this Agreement and the Executive's duties and do not constitute Company Action as defined in Section 2.4, and provided that such violation continues following the Executive's receipt of written notice by the Board or the Company's Chief Executive Officer specifying the specific acts or omissions alleged to constitute such violation and such violation continues after affording the Executive reasonable opportunity to remedy such failure after receipt of such notice; or

(e) The Executive's continued, repeated, willful failure to substantially perform his duties; provided, however, that no discharge shall be deemed for Cause under this subsection (e) unless the Executive first receives written notice from the Board or the Company's Chief Executive Officer advising the Executive of specific acts or omissions alleged to constitute a failure to perform his duties, and such failure continues after the Executive has had a reasonable opportunity to correct the acts or omissions so complained of.

No act or failure to act on the Executive's part shall be considered "*willful*" unless done, or omitted to be done, by the Executive in bad faith and without reasonable belief that his action or omission was in the best interest of the Company. Moreover, the Executive shall not be terminated for Cause unless and until there shall have been delivered to the Executive a notice of termination duly adopted by the affirmative vote of at least a majority of the directors of the Board at a meeting of the Board (after reasonable notice to the Executive and an opportunity for the Executive, together with his counsel, to be heard before the Board), finding that in the good faith opinion of the Board the Executive was guilty of the conduct set forth in Section 2.3(a), (b), (c), (d) or (e) and specifying the particulars thereof in detail.

A termination shall not be deemed for Cause if, for example, the termination results from the Company's determination that the Executive's position is redundant or unnecessary or that the Executive's performance is unsatisfactory or if the termination stems from the Executive's refusal to agree to or accept any Company Action described in Section 2.4.

2.4 *Termination by Executive for Good Reason*. The Executive may, whether or not his Employment Agreement remains in force, terminate his employment for "*Good Reason*" by giving notice of termination to the Company following (i) any action or omission by the Company described in this Section 2.4 or (ii) receipt of notice from the Company of the Company's intention to take any such action or engage in any such omission. A termination of employment under this Section 2.4 shall be deemed a valid and proper termination of the Employment Agreement if then in force and, to this extent, the parties agree that the Employment Agreement is hereby amended.

The actions or omissions which may lead to a termination of employment for Good Reason (herein collectively and severally "*Company Actions*") are as follows:

(a) A reduction by the Company in the Executive's base salary as in effect immediately prior to the Change in Control or a failure by the Company to increase the Executive's base salary each year during the Protected Period by an amount which at least equals, on a percentage basis, the annual increase in the Consumer Price Index for Urban Workers (CPI-U) for the applicable year; or

(b) A change in the Executive's reporting responsibilities, titles or offices as in effect immediately prior to a Change in Control that results in a material diminution within the Company of title, status, authority or responsibility; or

(c) The assignment to the Executive of any positions, duties or responsibilities inconsistent with the Executive's positions, duties and responsibilities with the Company immediately prior to the Change in Control or an expansion of such duties and responsibilities without the Executive's written consent; or

(d) A failure by the Company, without providing substantially similar economic benefits, to (i) continue any cash bonus or other incentive plans substantially in the forms in effect immediately prior to the Change in Control, or (ii) continue the Executive as a participant in such plans on at least the same basis as the Executive participated in accordance with the plans immediately prior to the Change in Control; or

(e) A requirement by the Company that the Executive be based or perform his duties anywhere other than at the Company's Corporate Office location immediately prior to the Change in Control, except for required travel on the Company's business to an extent substantially consistent with the Executive's business travel obligations immediately prior to the Change in Control or, if the Executive consents in writing to any relocation, the failure by the Company to pay (or reimburse the Executive for) all reasonable expenses incurred by him relating to a change of his principal residence in connection with such relocation and to indemnify the Executive against any loss realized on the sale of his principal residence in connection with any such change of residence (loss is defined as the difference between the actual sale price of such residence and the higher of (i) the aggregate investment in such residence (including improvements thereto) or (ii) the fair market value of such as determined by a real estate appraiser designated by the Executive and reasonably satisfactory to the Company); or

(f) A failure by the Company to continue in effect any benefit or other compensation plan (*e.g.*, stock ownership plan, stock purchase plan, stock option plan, life insurance plan, health and accident plan or disability plan) in which the Executive is participating at the time of a Change in Control (or plans providing the Executive with substantially similar economic benefits), or the taking of any action which would adversely affect the Executive's participation in or materially reduce the Executive's benefits under any of such plans; or

(g) The Company's failure to provide the Executive with the number of paid vacation days to which he is entitled in accordance with the Company's normal vacation practices with respect to the Executive at the time of the Change in Control; or

(h) A failure by the Company to obtain the assumption agreement to perform this Agreement by any successor as contemplated by Section 7 of this Agreement; or

(i) Any purported termination of the Executive's employment for Disability or for Cause that is not carried out (i) pursuant to a notice of termination which satisfies the requirements of Section 2.5 or (ii) in accordance with Section 2.3, if applicable; and for purposes of this Agreement, no such purported termination shall be effective.

2.5 *Notice of Termination*. Any purported termination by the Company of the Executive's employment under Section 2.2 (Disability) or 2.3 (for Cause) or by the Executive under Section 2.4 (for Good Reason) shall be communicated by notice of termination to the other party. A notice of termination shall mean a notice which includes the specific termination Section in this Agreement relied upon and shall set forth, in reasonable detail, the facts and circumstances claimed to provide a basis for termination of employment under the Section so indicated.

2.6 *Date of Termination*. The date the Executive's employment is terminated under Section 2 of this Agreement is called the "*Date of Termination*". In cases of Disability, the Date of Termination shall be 30 days after notice of termination is given (provided that the Executive shall not have returned to the performance of his duties on a full-time basis during such 30 day period). If the Executive's employment is terminated for Cause, the Date of Termination shall be the date specified in the notice of termination. If the Executive's employment is terminated for Good Reason, the Date of Termination shall be the date set out in the notice of termination.

Any dispute by a party hereto regarding a notice of termination delivered to such party must be conveyed to the other party within 30 days after the notice of termination is given. If the particulars of the dispute are not conveyed within the 30 day period, then the disputing party's claims regarding the termination shall be forever deemed waived.

2.7 *Prior Notice Required of Company Actions*. During the Protected Period, the Company shall not terminate the Executive's employment (except for Disability or for Cause or pursuant to the Employment Agreement) or take any Company Action as defined in Section 2.4 without first giving the Executive at least three months' prior notice of termination or the planned Company Action, as the case may be.

3. Benefits upon Termination of Employment

3.1 *General*. If, during the Protected Period following each Change in Control, the Executive's employment is terminated either (i) by the Company (other than for Disability or Cause under this Agreement and other than for disability or cause under the Employment Agreement) or (ii) by the Executive for Good Reason, then the Executive, at his election, shall be entitled to the benefits provided in this Section 3 (collectively and severally "*Termination Benefits*"). If the Executive elects to receive Termination Benefits under this Agreement then he shall automatically forfeit his right, if any, under the Employment Agreement to render consulting services to the Company on the terms and conditions set out in the Employment Agreement and shall also automatically forfeit his right to receive the compensation and benefits provided for in Section 8 of the Employment Agreement.

3.2 *Base Salary Through Date of Termination*. The Company shall pay the Executive his full base salary through the Date of Termination under the Company's regular payroll procedures and at the rate in effect at the time notice of termination is given. The Company shall give the Executive credit for any vacation earned but not taken and pay such amount at the time that any earned but not yet paid bonus is paid under Section 3.3.

3.3 *Pro-Rata Bonus for Year of Termination*. The Company shall pay the Executive a pro-rata bonus for the year in which his employment terminates. The pro-rata bonus shall be equal to "*A*" divided by "*B*" with the quotient multiplied by "*C*" where:

(a) "*A*" equals the number of days the Executive is employed by the Company in the year in which the termination of employment occurs (the "*Termination Year*");

(b) “*B*” equals 365; and

(c) “*C*” equals the maximum bonus the Executive would have been eligible for in the Termination Year under Section 4.2 of his Employment Agreement or under the Company’s Key Officers Incentive Compensation Plan (or successor plans), whichever may be applicable.

The pro-rata bonus shall be paid by the Company in a lump sum, within 30 days after the bonus amount is determinable, except that if such payment is required to be delayed six months to conform to the requirements of Section 409A(a)(2)(B) of the Internal Revenue Code of 1986 (as amended) (“the Code”), such pro-rata bonus shall be paid at such later time.

3.4 *Monthly Severance Payments*. The Company shall pay the Executive the aggregate severance payments equal to (i) 150% of the Executive’s annual base salary (notwithstanding any deferral of compensation) as of the date of the Change in Control or as of the Date of Termination, whichever is greater, multiplied by (ii) 2.5. The 150% figure in this Section shall be appropriately increased or decreased as the Executive’s target bonus amount (which is expressed as a percentage of his annual base salary and is currently 50%) is increased or decreased. Thus, for example, if Executive’s target bonus is later increased to 60%, the 150% figure would be increased to 160%.

The severance payments in this Section 3.4 shall be made in 30 equal, consecutive monthly installments, with the first installment to be on the first day of the first month immediately following the Date of Termination, except that if such payment is required to be delayed six months to conform to the requirements of Section 409A(a)(2)(B) of the Code, such installments shall be delayed consistent with those requirements, at which time a single sum shall be paid equal to any installments that have not been paid and the remainder of the installment payments shall commence on a monthly basis thereafter.

3.5 *Welfare Plans and Fringe Benefits*.

(a) For purposes of this Section 3.5, welfare plans and fringe benefit programs include health, disability, life, salary continuance prior to disability, automobile usage, and any other fringe benefit or welfare plan arrangement in which the Executive was entitled to participate immediately prior to the Date of Termination.

(b) The Company shall maintain in full force, for the continued benefit of the Executive for 30 months after the Date of Termination, all welfare plans and fringe benefit programs (including health insurance, disability insurance, and life insurance) that may be provided to the to the Executive as a former employee on a tax-free basis under the Code.

(c) To the extent that any other welfare plan or fringe benefit program cannot be maintained under Section 3.5(b) above on a tax-free basis to the Executive under the applicable provisions of the Code, such benefits shall be continued for the period, if any, that is recognized under Code section 409A (including guidance issued thereunder) as not resulting in a deferral of compensation, but in no event beyond 30 months.

(d) To the extent any welfare plan or fringe benefits cannot be provided for 30 months from the Date of Termination under Sections 3.5(b) and (c) above, Executive shall be entitled to a lump sum payment that is reasonably determined to equal the cost of coverage or the value of benefits, as applicable, that would have been provided during such 30 month period. Such lump sum payment shall be delayed for six months to the extent required to conform to the requirements of Internal Revenue Code Section 409A(a)(2)(B). At the close of the 30 months period, any assignable insurance policy owned by the Company and relating specifically to the Executive shall be assigned to the Executive.

3.6 _Retirement Plans_.

(a) The Company shall pay the Executive an additional retirement benefit as specified in this Section 3.6. Such benefit shall be the actuarial equivalent of the additional benefit to which the Executive would have been entitled under the Company's Retirement Plans in effect immediately prior to a Change in Control had the Executive accumulated 30 additional months of continuous service (following the Date of Termination) under such Retirement Plans both for purposes of determining eligibility for benefits and for purposes of calculating the amount of such benefits. If any Retirement Plan requires contributions by participants, the amount of additional retirement benefit payable under this Section 3.6 shall be equitably adjusted to reflect the absence of contributions by the Executive and any matching contribution that would be contingent upon the Executive's contributions shall be calculated as if the Executive made the maximum contribution allowable under the terms of such Retirement Plan.

(b) For purposes of this Section 3.6, "Retirement Plans" are (i) any savings or retirement plan sponsored by the Company that is intended to be tax-qualified under Internal Revenue Code section 401(a), and any arrangements that make up benefits that are not provided under such tax-qualified plans because of compensation or benefit limits under the terms of such plans or the Internal Revenue Code, (ii) the Executive Stock Unit Program, and (iii) any deferred compensation program in which the Executive participates that is adopted after the effective date of this agreement that is intended to provide for retirement savings and that is designated by the Board or Compensation Committee as a Retirement Plan.

(c) The additional retirement benefit under this Section 3.6 shall be paid in a cash lump sum as of the date that the Executive receives or commences benefits under the terms of the Retirement Plan. With respect to the additional retirement benefit paid with respect to a tax-qualified plan, however, payment shall be made as of the later of 30 days following the Date of Termination or the date that the Executive attains normal retirement age under such plan. In all events, payments shall be delayed for six months to the extent required to conform to the requirements of Internal Revenue Code Section 409A(a)(2)(B).

3.7 _Stock Options_. Except for stock options not yet vested under the Company's Deferred Compensation Program, the Company shall accelerate and make immediately exercisable in full any unexercised stock options that are not fully exercisable and that the Executive then holds to acquire securities from the Company. The Executive may elect to surrender to the Company his rights in outstanding stock options during the period beginning with the notice of termination and ending three months after the Date of Termination (the "*Option Election Period*"). Upon such surrender, the Company shall pay to the Executive an amount in cash per optioned share equal to the difference between (i) the option price of such share and (ii) the closing price of the Company's shares on the date the options (or in the case of Section 3.10, the shares) are surrendered to the Company. If, as of such surrender date the option price of such share exceeds the closing price, the Company shall pay to the Executive an amount in cash per optioned share equal to the value of the option that is determined under the methodology for valuing stock options adopted pursuant to Section 3.11.

If, within six months of the taking of any Company Action under Section 2.4, the Executive dies while still employed by the Company, the Executive's estate shall be entitled, upon notice to the Company within 90 days of the Executive's death, to be paid an amount equal to the amount the Executive would have received had he surrendered all of his stock options under this Section as of the date preceding his death. Such amount shall be paid in cash by the Company within 45 days after receipt of the notice and the delivery of an instrument surrendering all rights the Executive's estate may have held to the stock options.

3.8 *Purchase of Company Car*. The Company shall permit the Executive within 60 days from the Date of Termination, to purchase any Company automobile the Company was providing for the Executive's use at the time notice of termination was given. The purchase price shall be the book or wholesale value at such time, whichever is lower.

3.9 *Repurchase of Company Shares Owned by Executive*. Any unvested securities of the Company that the Executive holds shall become fully vested (with the exception of stock units not yet vested under the Company's Deferred Compensation Program). Upon Executive's request during the Option Election Period, the Company shall purchase all Company shares owned by the Executive immediately prior to the Date of Termination. Within 45 days after the request is made, the Executive's shares, properly endorsed and free of all claims, shall be delivered to the Company. Thereupon, the Company shall pay the purchase price in cash, determined under the method set forth in Section 3.7.

3.10 *Termination Which Does Not Require Payment of Termination Benefits*. No Termination Benefits shall be provided by the Company to the Executive under this Section 3 if the Executive's employment is terminated:

(a) By his death; or

(b) By the Executive other than for Good Reason (e.g., by retirement); or

(c) By the Company for Disability or for Cause under this Agreement or for disability or cause under the Employment Agreement.

As used herein, retirement by the Executive means termination of employment in accordance with the Company's normal retirement policy, including early retirement, generally applicable to the Company's salaried employees or in accordance with any special retirement arrangement jointly established by the Company and the Executive and mutually agreeable to both.

3.11 *Gross Up Payment*. If any payment or benefit received by the Executive under this Agreement or any other plan or agreement with the Company (a "*Benefit*") is subject to tax under Section 4999 of the Internal Revenue Code of 1986, as amended, or any interest or penalties are incurred by the Executive with respect to such tax (collectively, "*Excise Tax*"), the Company will pay the Executive an amount ("*Gross Up Payment*") that covers: all Excise Taxes payable by Executive because of any such Benefit and all income and employment taxes and Excise Taxes on the Gross Up Payment. It is the Company's intent that any payment under this Section 3.11 shall place the Executive in the same position that he would have been in had the Benefit not been subject to the Excise Tax. Any Gross Up Payment shall be made no later than the date the Excise Tax is payable by the Executive or the date it is withheld as provided below.

The Company shall determine whether or not any Benefit is subject to the Excise Tax and withhold the amount of the Excise Tax from any Benefit or other remuneration payable to the Executive. Any such determination shall be made in good faith and after consultation with the Company's independent certified public accountants or outside tax counsel. The Company shall also have the right, on behalf of the Executive, at its sole cost and expense, to contest any claim by the Internal Revenue Service ("*Service*") that any Benefit is subject to the Excise Tax or file and pursue a claim for refund of any Excise Tax previously paid. The Executive shall cooperate with the Company in any such proceeding and provide the Company with any notifications received by the Executive from the Service. If the Executive receives any refund of Excise Tax for which a Gross Up Payment has been made, the Executive shall pay such refund to the Company. Provided, however, that the Gross-Up Payment shall be made only to the extent that the total value of Benefits exceeds by 10 percent or more the dollar amount that is 3 times the Executive's "base amount" (as defined in Section 280G of the Code). If the total value of Benefits exceeds by less than 10 percent the dollar amount that is 3 times the Executive's "base amount," then no Gross-Up Payment shall be made and Benefits shall be capped at the amount that is $1 less than 3 times the Executive's "base amount."

4. No Obligation to Mitigate

The Termination Benefits provided under Section 3 shall not be treated as damages, but rather shall be treated as severance compensation to which the Executive is entitled. The Executive shall not be required to mitigate the amount of any Termination Benefit provided under Section 3 by seeking other employment or otherwise; provided, however, any health welfare and fringe benefits that the Executive may receive from full time employment by a third person shall be applied against and reduce any such benefits thereafter to be made available to the Executive under Section 3.5.

5. Voluntary Termination of Employment by Executive After Certain Change in Control

The Executive may voluntarily terminate his employment with the Company for any reason (including retirement) within one year of any Change in Control. A termination of employment under this Section 5 shall be deemed a valid and proper termination of the Employment Agreement if then in force and to this extent the parties agree that the Employment Agreement is hereby amended. Upon any such termination of employment the Executive may in his sole discretion elect to receive, and the Company shall provide, the following benefits and no others under this Agreement:

(a) The Company shall promptly pay the Executive those salary, bonus and vacation payments provided for in Section 3.2.

(b) The Company shall promptly pay the Executive the pro-rata bonus provided for in Section 3.3.

(c) The Company shall promptly pay the Executive a non-forfeitable lump sum cash termination payment equal to 75% of the Executive's total cash compensation for the calendar year immediately preceding the Date of Termination of his employment.

(d) The Company shall provide the Executive for one year with those benefits described in Section 3.5. The benefits provided under this subsection (d) shall be reduced by any such benefits the Executive thereafter receives from full time employment by a third person.

If the Executive does not elect to receive benefits under this Section 5, then he shall remain eligible to receive Termination Benefits in accordance with the provisions of Section 3. The benefits payable to the Executive under this Section 5 are in addition to all benefits provided to him under the Employment Agreement. However, if the Executive elects to receive benefits under this Section 5 then he shall automatically forfeit his option, if any, under the Employment Agreement to render consulting services to the Company on the terms and conditions set out in the Employment Agreement and shall also automatically forfeit his right to receive the compensations and benefits provided for in Section 8 of the Employment Agreement.

The only Change in Control that will permit an Executive to make an election under this Section 5 is a Change in Control that is opposed by a majority vote of the Board and in connection with such Change in Control or as a result thereof:

(a) A majority of the whole Board becomes comprised of persons other than Original Directors or their Successors (as those terms are defined in Section 1.1(c)); or

(b) Any person (as defined in Section 1.1(b)) becomes the beneficial owner), directly or indirectly, of 50% or more of the combined voting power of the Company's then outstanding voting securities.

6. Termination of Employment Prior to Change in Control

Prior to a Change in Control and if there is no Employment Agreement in force, the Executive shall not voluntarily terminate his employment with the Company except upon at least three months' prior notice. Similarly, the Company shall not terminate the Executive's employment other than for Cause except upon at least three months' prior notice. If the Employment Agreement is in force, termination of employment by the Executive or the Company shall be governed by the terms thereof.

7. Successor; Binding Agreement

The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place (the assumption shall be by agreement in form and substance satisfactory to the Executive). Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive, at his election, to Termination Benefits from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if he terminated his employment for Good Reason, except that for purposes of implementing the foregoing, the date on which any such election becomes effective shall be deemed the Date of Termination. As used in the Agreement "*Company*" means the Company as previously defined and any successor to its business and/or assets which executes and delivers the agreement provided for in this Section 7 or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law.

This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributes, devisees and legatees. If the Executive should die while any amount would still be payable to him hereunder if he had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to his devisee, legatee or other designee or, if there be no such designee, to his estate.

8. Miscellaneous

8.1 *Notice*. All notices, elections, waivers and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by United States certified mail, return receipt requested, postage prepaid, addressed to the respective addresses set forth on the first page of this Agreement, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

8.2 *No Waiver*. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing, signed by the Executive and an officer of the Company. No waiver by either party at any time of any breach by the other party of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not set forth expressly in this Agreement.

8.3 *Enforceability*. The invalidity or unenforceability of any provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

8.4 *Disputes.* Any dispute or controversy arising under or in connection with this Agreement shall be settled by arbitration in accordance with the Commercial Arbitration Rules procedures of the American Arbitration Association. If, at any time after 90 days from the date of the Executive's Termination of Employment, the Executive and the Company have not resolved any dispute or controversy arising under or in connection with this Agreement, either the Executive or the Company may notify the other of an intent to seek arbitration. Arbitration shall occur before a single arbitrator in the State of Missouri; provided, however, that if the parties cannot agree on the selection of such arbitrator within 30 days after the matter is referred to arbitration, each party shall select one arbitrator and those arbitrators shall jointly designate a third arbitrator to comprise a panel of three arbitrators. The decision of the arbitrator shall be rendered in writing, shall be final, and may be entered as a judgment in any court in the State of Missouri. Company and the Executive each irrevocably consent to the jurisdiction of the federal and state courts located in the State of Missouri for this purpose. The Company shall pay all costs and expenses in connection with any arbitration under this Section 8.4, including without limitation all reasonable legal fees incurred by Executive in connection with such arbitration; provided, however, the Company shall not be obligated to pay unless the Executive prevails on the majority of the dollar amount at issue in the dispute.

8.5 *Sections; Captions*. All references in this Agreement to Sections refer to the applicable Sections of this Agreement. References in this Agreement to a given Section (*e.g*., Section 3) shall, unless the context requires otherwise, refer to all parts of such Section (*e.g*., 3.1 through 3.12).

The captions have been placed in this Agreement for ease of reference only. They shall not be used in the interpretation of this Agreement.

8.6 *Term of Agreement*. This Agreement shall continue in force so long as the Executive remains employed by the Company or any successor and shall apply to any Change in Control that occurs while the Executive remains so employed, except as so modified by the parties from time to time, including modifications to take into account changes in law.

8.7 *Limited Right of Offset*. Unless the Executive has been terminated for "Cause" under Section 2.3, effective upon a Change in Control, the Company waives, and will not assert, any right to set off the amount of any claims, liabilities, damages or losses the Company may have against the Executive under this Agreement or otherwise.

8.8. *Release*. The payment of benefits under this Agreement are contingent upon the Executive's execution of a release, in a form reasonably acceptable to Executive's legal counsel, waiving all claims against the Company arising in connection with the Executive's employment and termination of employment with the Company.

8.9 _Successive Changes in Control_. A separate Change in Control shall be deemed to have occurred with each occurrence of any event described at subsections (a) through (e) of Section 1.1. This Agreement pertains to each and every Change in Control, including successive Changes in Control involving the same controlling person(s).

8.10 _Interpretation of Agreement and Application of Code Section 409A_. In the event of any ambiguity, vagueness or other matter involving the interpretation or meaning of this Agreement, this Agreement shall be liberally construed so as to provide to the Executive the full benefits set out herein. Nothing in this Agreement is intended, however, to pay a benefit in a form or manner that would result in taxation to the Executive under Code section 409A and this Agreement shall be interpreted accordingly.

8.11 _Withholding_. The Company may withhold all federal, state, and local income and employment taxes as required under applicable laws and regulations.

IN WITNESS WHEREOF, this Agreement has been signed as of the day and year first above written.

EXECUTIVE:	LEGGETT & PLATT, INCORPORATED
/s/ Karl G. Glassman	By: /s/ Ernest C. Jett
Karl G. Glassman	Name: **Ernest C. Jett**
	Title: **Senior Vice President, General Counsel and Secretary**

EXHIBIT 12

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,				
	9/30/05	9/30/04	2004	2003	2002	2001	2000
Earnings							
Income from continuing operations before income tax	$ 303.5	$ 330.5	$ 422.6	$ 315.1	$ 363.5	$ 297.3	$ 418.6
Interest expense (excluding amount capitalized)	33.9	34.3	45.9	46.9	42.1	58.8	66.3
Portion of rental expense under operating leases representative of an interest factor	11.5	10.8	13.3	12.5	11.2	10.6	9.4
Total earnings	$ 348.9	$ 375.6	$ 481.8	$ 374.5	$ 416.8	$ 366.7	$ 494.3
Fixed charges							
Interest expense (including amount capitalized)	$ 34.9	$ 35.1	$ 46.9	$ 48.0	$ 43.3	$ 60.2	$ 67.7
Portion of rental expense under operating leases representative of an interest factor	11.5	10.8	13.3	12.5	11.2	10.6	9.4
Total fixed charges	$ 46.4	$ 45.9	$ 60.2	$ 60.5	$ 54.5	$ 70.8	$ 77.1
Ratio of earnings to fixed charges	7.5	8.2	8.0	6.2	7.6	5.2	6.4

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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   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 the 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, 2005

/s/ FELIX E. WRIGHT

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

CERTIFICATION

I, Matthew C. Flanigan, Senior 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   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 the 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, 2005

/S/ MATTHEW C. FLANIGAN

Matthew C. Flanigan
Senior 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, 2005 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, 2005

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, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Matthew C. Flanigan, Senior 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
Senior Vice President – Chief Financial Officer

November 3, 2005