Morgan Keegan

EQUITY RESEARCH

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Morgan Keegan & Company, Inc.
Members New York Stock Exchange, Inc.

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Leggett & Platt, Inc.

(LEG - NYSE)

www.leggett.com

OPINION:	**Market Perform (M) - Expected to Perform In Line With the S&P 500 Over the Next 6 Months**	**DJIA:**	**9808.04**
		S&P 500:	**1052.67**
SUITABILITY:	**Conservative (C)**		

		FISCAL YEAR: DEC. EPS & P/E					**SHARES/**	**OWNERSHIP**		
	52-WK				**DIV./**	**BOOK/**	**MKT. CAP.**			**DAILY**
PRICE	**RANGE**	**2001A**	**2002E**	**2003E**	**YLD.**	**PR./BK**	**(MILLION)**	**INST.**	**INSIDER**	**VOLUME**
$26.74	$27 - $17	$0.94	$1.27	$1.54	$0.48	$9.47	200	59%	7%	435,310
		28x	21x	17x	1.8%	2.8x	$5,359			

2002 Est. ROE: 12%
LT Debt as % of Capital: 33%
5-Year Est. EPS Growth Rate: 20%
Next Quarter (June) vs. Year Ago: $0.30E vs. $0.25

INITIATING COVERAGE OF LEGGETT & PLATT, INC.

Leggett & Platt has completed 167 acquisitions since 1990, and we view successful acquisitive activity as a core competency of the company.

We are initiating coverage of Leggett & Platt, a diversified manufacturer of components for residential and commercial furniture and bedding, aluminum die castings, steel wire and tubing, automotive seat support systems, and commercial sewing and quilting machinery. Leggett & Platt, which is based in Carthage, Missouri, was incorporated in 1883 as a bedspring manufacturer. (Bedding components now comprise approximately 19% of total revenues.) The company's IPO was in 1967, and Leggett & Platt has posted positive earnings every year in its history as a public company. Top-line and bottom-line growth have averaged approximately 15% over the same period, with the company growing primarily through acquisitions.

Leggett & Platt has completed 167 acquisitions since 1990, and we view successful acquisitive activity as a core competency of the company. The majority of these acquisitions were private companies with less than $20 million in annual revenues. Leggett typically purchases these companies at 5-7x EBIT. Management views acquisitions as a key component to its long-term growth strategy. We would note that the markets in which Leggett operates remain highly fragmented, and that although Leggett is several times the size of its nearest competitor, the company has approximately 8% market share. Over the past 18 months, Leggett has markedly slowed its acquisition pace in order to focus on cost reductions in its core business.

In September 2000, Leggett & Platt initiated a tactical plan that is mostly complete. The company has cut 3,700 positions and closed 20 manufacturing facilities, which we believe has right-sized the company following myriad acquisitions. As Leggett continues to operate at sub-normal utilization rates across its operating segments, we believe the company has maintained sufficient capacity to support up to $500 million in incremental revenues without incurring incremental capital expenditures ahead of its current budget.

We expect Leggett & Platt to grow EPS 35% this year, on 4.5% revenue growth (0.5% internal growth). This would equate to a rise in EPS from a depressed level of $0.94 in 2001 to $1.27 in 2002. Management's current guidance is for a range of $1.15 - $1.35. We expect revenues to grow from $4.1 billion in 2001 to $4.3 billion in 2002. Shares of Leggett & Platt are currently trading at 21x our 2002 EPS estimate, in line with the S&P 500 P/E multiple. We will rate the shares Market Perform-Conservative risk, and look to any pullback as an opportunity to upgrade our rating.

OVERVIEW

Over its 34-year history as a public company, Leggett & Platt has grown sales and earnings at an average of 15%. 2001 was an exception to the rule, and was only the second time over this period that sales have declined year over year. The business, based in Carthage, Missouri, operates in five segments: residential, commercial, industrial, aluminum, and specialized.

Residential furniture components comprise nearly half of revenues, with over $2 billion in 2001 sales. The residential components business was Leggett & Platt's only product line for the first 70 years of the company's existence. This segment is further divided into bedding components, furniture components, consumer products, and other products. Bedding components is the largest segment at approximately 19% of total company revenues.

In 1960, Harry M. Cornell, Jr., J.P. Leggett's grandson, was elected president and CEO of the company, taking over for his father. Cornell led the initiative to broaden Leggett & Platt's product lines and distribution. Cornell shepherded the company from a presence in three states and $7 million in annual sales in 1960 to its current worldwide presence and over $4 billion in annual revenues. Much of the company's growth has come from its aggressive acquisitive strategy, with most acquisitions at a tuck-in size of under $20 million in annual revenues.

Chart Courtesy of: Bloomberg Financial Markets
499 Park Avenue, New York, NY 10022

CONDENSED INCOME STATEMENT

($Millions, Except Per Share)
Dec. Fiscal Year

	2001A	2002E	2003E
Residential furnishings	$2,043	$2,198	$2,380
Commercial furnishings	941	878	955
Aluminum products	444	479	517
Industrial materials	319	380	436
Specialized products	367	365	420
Total Revenue	$4,114	$4,300	$4,708
Gross Profit	$992	$827	$942
Operating Income	351	441	523
Other	(54)	(39)	(40)
Pretax Income	297	402	483
Taxes	110	143	174
Net Income from Operations	$188	$259	$309

CONDENSED BALANCE SHEET

($Millions, Except Per Share)
Dec. Fiscal Year

	12/31/01	3/31/02
Cash & Equivalents	$187	$226
A/R	563	636
Inventories	601	589
Other Current Assets	71	74
Total Current Assets	$1,422	$1,525
PP&E	962	951
Other Assets	1,029	1,021
Total Assets	$3,413	$3,497
Total Current Liabilities	$457	$525
Total Non-Current Liabilities	1,089	1,075
Long-Term Debt	978	966
Shareholders' Equity	1,867	1,897
Total Liabilities & Equity	$3,413	$3,497

QUARTERLY EPS COMPARISONS

Dec. Fiscal Year

	Q1	Q2	Q3	Q4	YEAR
2001	$0.23	$0.25	$0.28	$0.18	$0.94
2002E	$0.28A	$0.30	$0.34	$0.36	$1.27
% Chg.	22	17	22	102	36
2003E	$0.35	$0.39	$0.40	$0.39	$1.54
% Chg.	26	31	20	10	21

ADDITIONAL INFORMATION AVAILABLE UPON REQUEST

OVERVIEW AND BACKGROUND

J.P. Leggett and C.B. Platt founded Leggett & Platt in Carthage, Missouri in 1883. J.P. Leggett was an inventor and had several patents to his credit. When he developed the idea for a spiral steel coil bedspring, he went to his brother-in-law, C.B. Platt, for the manufacturing capability and expertise he had gained from working in his father's plow factory. Together they produced the L&P bedspring, patented in 1885. The bedspring remains a core product for Leggett & Platt. The business was incorporated in 1901, began trading over the counter in 1967, and was listed on the NYSE on June 25, 1979. The company currently employs approximately 31,000 people, 23,600 of whom are engaged in production. Leggett has operations in approximately 200 manufacturing facilities.

In 1960, Harry M. Cornell, Jr., J.P. Leggett's grandson, was elected president and CEO of the company, taking over for his father. Cornell led the initiative to broaden Leggett & Platt's product lines and distribution. Cornell shepherded the company from a presence in three states and $7 million in annual sales in 1960 to its current worldwide presence and over $4 billion in annual revenues. Harry Cornell has been succeeded as chairman by Felix Wright, Leggett's CEO, at the company's May shareholder meeting.

We believe the experience and stability of Leggett & Platt's management team is unique. Chairman and CEO Felix Wright has been with Leggett & Platt for his entire career (beginning in 1959), and the average tenure for members of the company's senior management team is over 20 years. The company has a deferred compensation plan allowing management to surrender its salary and bonus to purchase Leggett stock options. On average, the company's top five executives have deferred a majority of their salary and bonus over the past several years, leading to a high percentage of management ownership at the company.

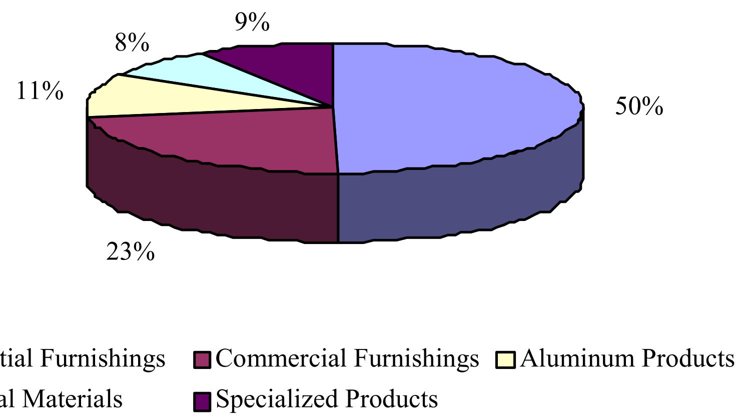
Over its 35-year history as a public company, Leggett & Platt has grown sales and earnings at an average of 15%.

Over its 35-year history as a public company, Leggett & Platt has grown sales and earnings at an average of 15%. The exception to the rule was 2001, only the second time over this period that sales have declined year over year. The company maintains a net debt/total capital ratio in the 30-40% range, and has a dividend payout policy of one-third the three-year earnings average. The current dividend of $0.48 is 39% of the three-year EPS average due to depressed earnings over the past two years. Because this exceeds the company's dividend payout policy, we believe Leggett & Platt may increase its dividend in 2002, but at a reduced rate.

As a side note, Leggett & Platt's last equity offering was in June of 1983, at a split-adjusted share price of $1.43. If an investor had bought and held the security through today, the CAGR on the investment would have been approximately 17%. This compares favorably to the 10% CAGR achievable through an investment in the S&P 500 over the same time period.

Leggett & Platt operates in five segments: residential, commercial, industrial, aluminum, and specialized. The following chart illustrates the company's external revenues by product segment for the full year 2001.

Leggett & Platt 2001 Product Mix



Source: Company Reports

As shown above, residential furniture components comprise nearly half of revenues, with over $2 billion in 2001 sales. The residential components business was Leggett & Platt's only product line for the first 70 years of the company's existence. This segment is further divided into bedding components, furniture components, consumer products, and other products. Bedding components is the largest segment at approximately 19% of total company revenues.

Leggett & Platt's commercial furnishings unit (23% of 2001 revenues) consists of store fixtures, office furniture components, point-of-purchase (POP) displays, storage handling, and plastics. This business declined 4.4% in 2001, as businesses withdrew orders and retail customers closed stores. We expect the segment's sales to continue to decline in H1:02, with a moderate recovery from depressed 2001 levels likely for the latter half of the year.

Aluminum, industrial, and specialized products accounted for 11%, 8%, and 9% of 2001 revenues, respectively. The aluminum group is a leading producer of non-automotive die castings in the U.S. The industrial materials segment produces steel wire and tubing for internal use and for other bedding and mechanical spring producers. The specialized products segment manufactures automotive seating and lumbar components and commercial sewing and automation machinery for bedding manufacturers.

STRATEGY

Maintain Leadership Position through Accretive Acquisitions

Over the past four decades, Leggett & Platt has made hundreds of small acquisitions that have diversified its product base and strengthened its market share position.

Over the past four decades, Leggett & Platt has made hundreds of small acquisitions that have diversified its product base and strengthened its market share position. Approximately $2.5 billion of the company's over $4 billion in annual sales comes from the 167 companies Leggett has acquired since 1990, including the two Q1 acquisitions. Over the past five years 100 of these acquisitions have been made. A typical Leggett acquisition generates less than $20 million in annual revenues, and is accretive in less than a year.

Over the past two years, the pace of acquisitions at Leggett has been cut in half, as the company focused on operating in a very difficult market environment. Despite these conditions, the company acquired 10 small companies producing approximately $161 million in annualized revenues in 2001. These companies were purchased for an aggregate of $96.3 million, of which $95.1 million was cash. The following chart shows a breakdown by segments of the 165 acquisitions Leggett & Platt has made over the past 11 years, from 1990 through 2001. (Leggett has made two small residential furniture acquisitions in Q1:02.)

Leggett & Platt Acquisitions

	Residential		Commercial		Aluminum		Industrial		Specialized		Total	
	#	Rev. ($MM)	#	Rev. ($MM)	#	Rev. ($MM)	#	Rev. ($MM)	#	Rev. ($MM)	#	Rev. ($MM)
2001	3	30	5	80			1	50	1	1	10	161
2000	8	75	6	176	1	9	2	47	4	147	21	454
1999	15	193	12	251			1	8	1	27	29	479
1998	5	75	5	141	3	34	1	26	2	4	16	280
1997	14	124	6	99	2	71	1	22	6	72	29	388
1996	7	109	1	52	3	258	1	28	1	5	13	452
1995	6	52	3	27							9	79
1994	6	111	2	55			2	26	2	25	12	216
1993	5	222	2	16			2	55	1	1	10	294
1992	5	32							1	1	6	32
1991	4	42									4	42
1990	4	108							2	22	6	130
Total	82	1,172	42	896	9	372	11	262	21	303	**165**	**3,004**

Source: Company Reports

Most of the above acquisitions included one or two manufacturing plants. The companies are often family-run, with management teams that were retained by Leggett & Platt. These families typically become sizeable holders of Leggett & Platt stock, and are considered insiders by Leggett's management. Leggett has only acquired three companies in its history that had annual revenues in excess of $100 million. Most acquisitions have been bought for 5-7x EBIT (a substantial discount to public multiples), and two-thirds of acquired companies were competitors. Leggett's operating executives are intimately involved in pricing of each acquisition.

We believe acquiring small companies is a core competency of Leggett & Platt. The markets in which the company operates are highly fragmented, enabling Leggett to use industry consolidation as its key growth driver. Leggett & Platt has only 8% total market share in its businesses, despite its being by far the largest and best-capitalized player in practically all of its markets. Despite an underlying industry growing at the rate of GDP, Leggett & Platt has been able to grow revenues and EPS at approximately 15% annually over the past 30 plus years. We believe the company is likely to return to growth in the teens when it accelerates its acquisition rate.

Improve Cost Structure to Maximize Operating Leverage

We believe the company's restructuring will provide the company with significant operating leverage over the next several years.

Leggett & Platt has significantly restructured operations under its tactical plan, which is mostly completed. Under this plan, Leggett has reduced headcount by 3,700, and has closed, sold, or consolidated 20 plants. We believe the company's restructuring, although it was dilutive to EPS in FY:2001, will provide the company with significant operating leverage over the next several years. We were pleased that Leggett & Platt included expenses related to its restructuring within regular income statement line items, viewing these measures as a cost of doing business in a difficult marketplace rather than as "special items."

We would note that although Leggett does maintain many overseas facilities, moving the majority of its manufacturing operations abroad would not necessarily improve the company's cost structure. This is because many of Leggett's processes are much less labor intensive than traditional assembly lines. We believe management, which is focused on return on invested capital, will likely continue to utilize overseas manufacturing plants on an opportunistic basis.

Foster Partnership Relationships with Customers

Leggett has fostered long-lived relationships with its customers, and partners with them to help them manufacture innovative products. The company's customer base of manufacturers and retailers are looking for integrated suppliers that are well capitalized. Given current market conditions, Leggett is very well positioned to continue taking market share as the largest competitor in the majority of its operating segments by a factor of four. The company develops proprietary products in partnership with customers, which we believe makes for very sticky relationships. Many of Leggett & Platt's major customer relationships have lasted for decades.

MANAGEMENT

Leggett & Platt's management team is characterized by deep experience and a clear succession strategy.

Leggett & Platt's management team is characterized by deep experience and a clear succession strategy. The company has announced (over a year ago) that at the company's May 2002 annual meeting, the following management transition would occur. Harry Cornell, Jr., grandson of J.P. Leggett, has become chairman emeritus, and was succeeded as chairman by CEO Felix Wright, who has been employed by Leggett & Platt since 1959. COO David Haffner has been promoted to president, and Karl Glassman, who currently is president of the residential furnishings segment, has added EVP-Operations to his pre-existing title.

The following table, from the company's most recent proxy filing with the SEC, illustrates management's equity holdings as of March 5, 2002. Management and directors as a whole own over 7% of outstanding shares. We would note that most of management has chosen to be compensated with stock options in lieu of a salary and bonus over the past several years, through Leggett's deferred compensation plan, which allows management to purchase shares at a 15% discount and defer taxes until the shares are sold. We believe management's incentives and commitment are fairly unique as a result of this practice as well as the long tenure of management, and that the goals of Leggett & Platt's leadership are clearly aligned with their shareholders'.

	Common Stock	
Directors and Executive Officers	Beneficially Owned	% of Class
Raymond F. Bentele, Director	14,293	--
Ralph W. Clark, Director	3,632	--
Harry M. Cornell, Jr., Chairman of the Board	5,288,371	2.69%
Robert Ted Enloe, III, Director	19,382	--
Richard T. Fisher, Director	118,200	--
Bob L. Gaddy, Director	1,075,585	.55%
Karl G. Glassman, Senior Vice President and President--Residential Furnishings Segment	119,532	--
Michael A. Glauber, Senior Vice President, Finance and Administration	487,825	.25%
David S. Haffner, Executive Vice President and Chief Operating Officer and Director	956,513	.49%
Thomas A. Hays, Director	41,917	--
Robert A. Jefferies, Jr., Senior Vice President, Strategic Planning and Director	988,832	.50%
Alexander M. Levine, Director	1,004,048	.51%
Duane W. Potter, Senior Vice President and Director	471,608	.24%
Maurice E. Purnell, Jr., Director	26,791	--
Alice L. Walton, Director	240,262	.12%
Felix E. Wright, President and Chief Executive Officer and Director	2,988,035	1.52%
All Executive Officers and Directors as a Group (21 Persons)	14,272,657	7.18%

Source: Company Proxy Filing

Harry M. Cornell, Jr. is chairman emeritus of Leggett & Platt's board of directors. He previously served the company as chief executive officer from 1960 until May 1999. A grandson of one of the original founders of Leggett & Platt, Cornell joined the firm in 1950, and was first elected as a director of the company in 1958.

Felix E. Wright was elected chief executive officer of the company in May 1999. He is chairman of the company's board of directors, as of May 8, 2002. Wright previously served the company as chief operating officer and executive vice president. He was first elected as a director of the company in 1977, and has been employed by Leggett since 1959.

David S. Haffner was elected chief operating officer of the company in 1999, and promoted to company president on May 8, 2002. Haffner was first elected as a director of the company in 1995, and began his employment with Leggett in 1983. Haffner was with Schreiber Foods prior to joining Leggett & Platt.

Michael A. Glauber has served as the company's senior vice president, finance and administration (the top financial position at Leggett) since 1990. Prior to that he served in a variety of capacities in the finance, accounting, and control areas. Glauber joined the firm in 1969.

Karl G. Glassman became senior vice president of residential furnishings in 1999, and was named executive vice president of operations on May 8, 2002. In 1995 he was appointed president of bedding components, and became a vice president of the company. Glassman joined Leggett & Platt following the company's acquisition of De Lamar Bed Spring in 1982, which was Glassman's family business.

Robert A. Jefferies, Jr. is senior vice president of strategic planning. He previously headed the company's merger & acquisitions activity. Prior to this he served as the company's senior vice president, general counsel and secretary. Jefferies was first elected as a director of the company in 1991. He first joined the firm in 1977.

Robert G. Griffin is Leggett & Platt's senior vice president of commercial fixtures and displays. Griffin has been employed by the company since 1992. He was named director of mergers and acquisitions and strategic planning in 1995. In 1998 he became president of the commercial fixtures and display group, and in 1999 was named senior vice president.

Jack D. Crusa became a senior vice president of Leggett & Platt in 1999, and also became president of industrial materials that same year. For the five years prior, Crusa served the company as president of automotive components.

Ernest C. Jett was appointed general counsel in 1997, and was elected vice president and secretary in 1995. He previously served the company as assistant general counsel from 1979 to 1993, and as managing director of the legal department from 1991 to 1997. Jett joined the company in 1979 after working for both Cooper Industries and Tenneco.

David M. DeSonier is Leggett & Platt's vice president of investor relations. DeSonier joined the firm in early 2000, after 19 years with Atlantic Richfield, a major integrated U.S. oil company. DeSonier possesses a broad financial background that includes experience in investor relations; strategic planning; M&A; economic evaluation; and financial analysis.

INDUSTRY OVERVIEW

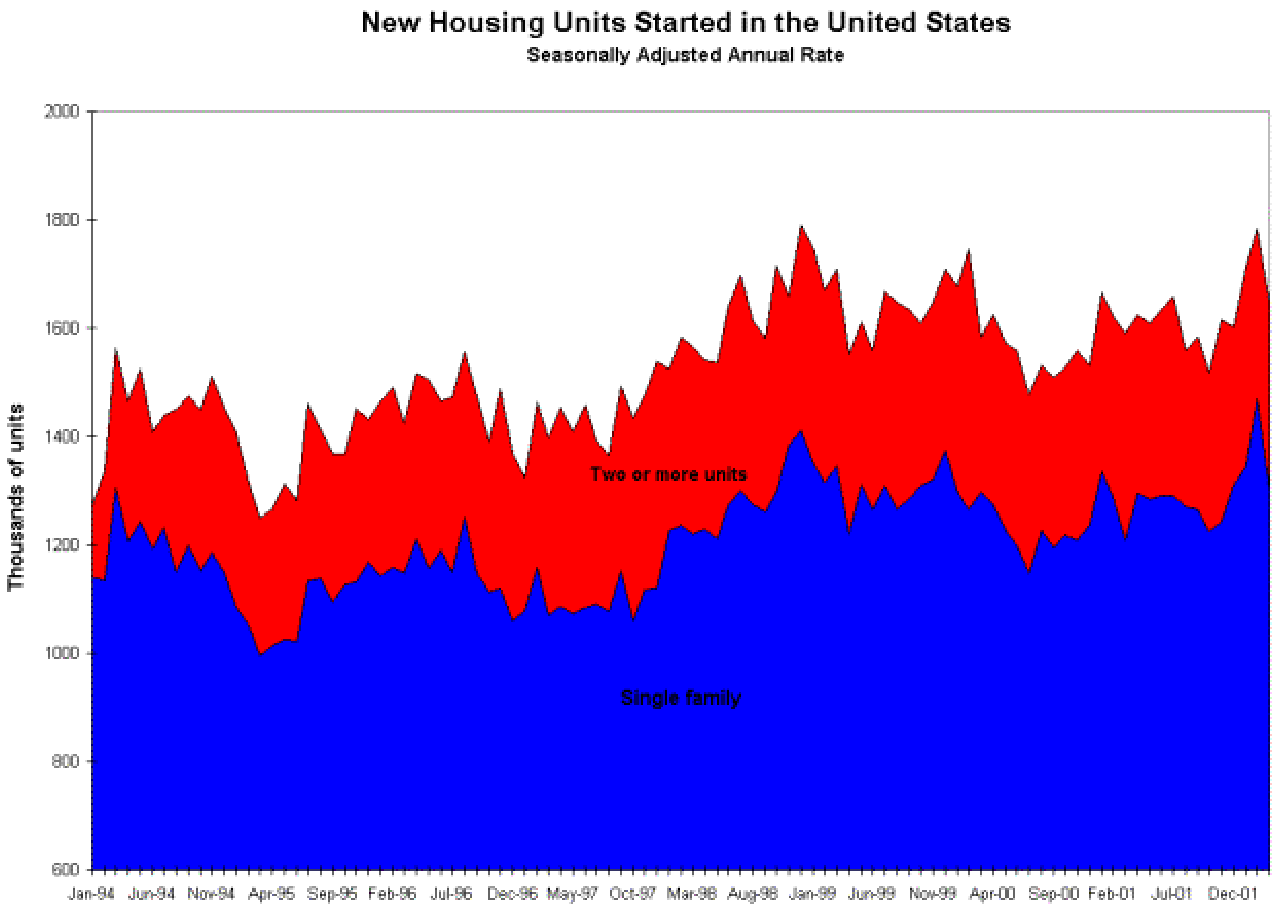
Because Leggett & Platt's business segments serve a very broad base of U.S. manufacturers, the company's internal top-line growth is in large part dependent on macroeconomic trends. In keeping with this, we will present a cursory discussion of housing, consumer confidence, and employment as these factors affect or may affect Leggett. We would note that as we claim no particular macroeconomic expertise, our comments are limited to a brief discussion of current trends.

Housing Starts

With its residential furnishings segment accounting for half of total revenues, we view housing starts as a leading indicator for growth for Leggett.

With its residential furnishings segment accounting for half of total revenues, we view housing starts as a leading indicator for growth for Leggett. This is one trend that has remained strong over the past several quarters. On March 20, 2002, the Commerce Department said housing starts rose 2.8% in February to a seasonally adjusted 1,769,000 annual rate, the strongest clip since December 1998. January starts were revised upward to a 1,721,000 annual rate from the previously reported 1,678,000 pace. The unexpectedly strong gain was led by a 7.4% increase in single-family home starts, which saw ground broken at a 1,457,000 annual rate, the quickest pace since December 1978, according to the Commerce Department.

Housing starts fell 8% sequentially in March, but were up 3% year over year. We believe much of the strength in February had been weather-related, and were pleased to see positive growth in March on a year-over-year basis. As shown in the following chart, housing starts accelerated rapidly at the end of 2001, primarily due to lower interest rates. Recent data indicates that this trend has continued into Q1:02, which should obviously have a positive impact on demand for furniture in the coming quarters. Our discussions with furniture manufacturers and suppliers have led to our belief that there is a lag between home starts and furniture sales of approximately 18-24 months.



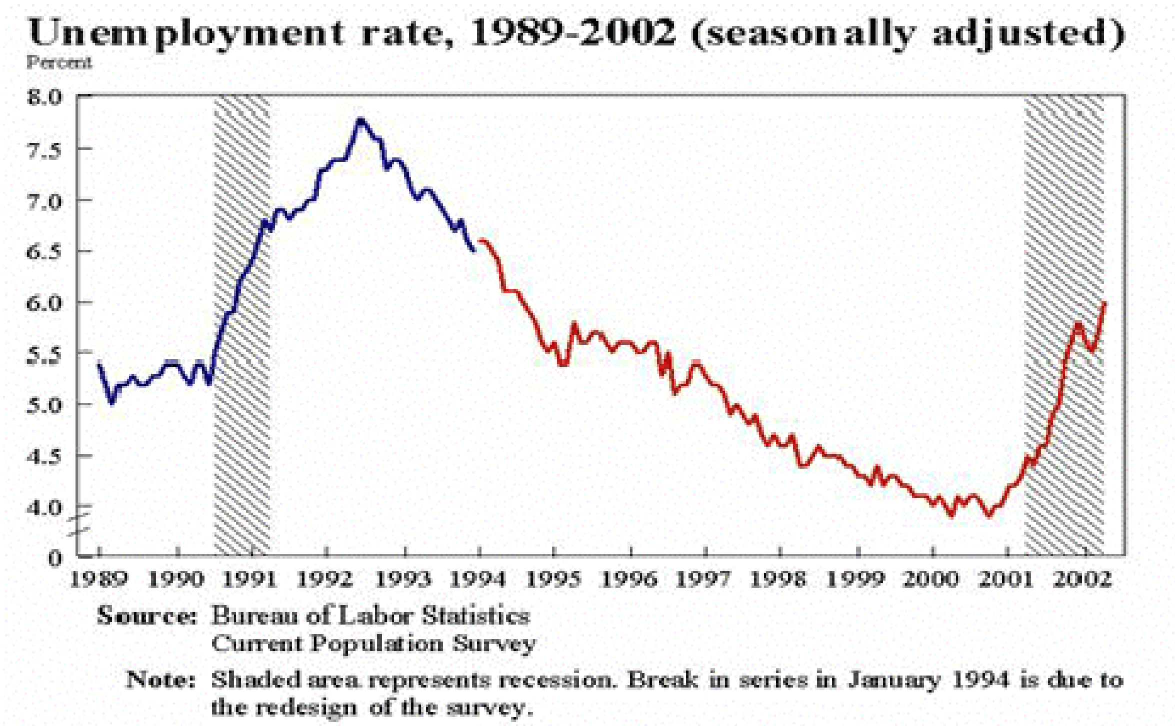
Source: U.S. Department of Commerce

Consumer Confidence

The Conference Board's consumer confidence index surged in March after a small dip in February. The index climbed to 110.7 from 95.0 in February. The rise was well ahead of most economists' expectations. In April the indicator held on to most of its March gains, coming in at 108.8. This was also ahead of consensus expectations for 107.5. We believe strengthening consumer confidence could indicate stability in the outlook for consumer spending, which has been a bright spot in the recent recession.

Employment

The following graph indicates Labor Bureau statistics for unemployment over the past 13 years. The unemployment rate in March was 5.7%, up from 5.5% in February. The jobless rate ticked up to 6% in April, despite vague signs of an earlier than expected recovery. This represents the highest unemployment rate for the past eight years. Drilling down further into this higher than expected rate yields mixed indications, with significant job creation in some segments. Despite these mixed messages, it is clear to us that many employers continue to make cutbacks. This has had a negative impact on Leggett's commercial furnishings components segment, which declined 18% year over year in Q1:02. We would note that we are projecting a 7% decline in commercial segment revenues in 2002, versus a 4% decline in 2001.



In sum, it is unclear to us when and to what degree an economic recovery has begun or will begin. In response to this uncertainty, we have projected minimal internal growth of 1% in 2002, coming largely in the second half. We are looking for 4% top-line growth from acquisitions.

COMPONENT INDUSTRY ANALYSIS

Although Leggett & Platt has only 8% market share, it is four or five times the size of the next largest competitor in most of its operating markets.

Market Size and Growth: The components industries in which Leggett & Platt participates is an approximately $50 billion marketplace, in which Leggett's $4 billion in annual revenues represents 8% market share. These businesses, which serve a diverse mix of consumer and commercial customers, grow on an internal basis at a pace approximated by GDP growth. We would note that Leggett & Platt has historically grown at a 15% annual pace, as the company acquires much smaller competitors. Although Leggett & Platt has only 8% market share, it is four or five times the size of the next largest competitor in most of its operating markets.

Commodities Overview: The primary raw material used by Leggett & Platt is steel. The U.S. steel industry has been in a massive decline recently, with over 50% of U.S. producers declaring bankruptcy over the past few years. Cheap imported steel has drastically reduced prices, which has had a beneficial impact on cost of goods sold for components manufacturers. Although expectations for steel prices vary, we believe the price of steel should continue to rise in 2002.

On March 5, President Bush enacted sweeping tariffs on steel imports that will be reduced in phases over the next three years. The tariff affects some countries' exports more than others, with China, Japan, South Korea, Taiwan, and the EU being the most affected. Canada and Mexico were exempted from the tariffs. Despite vigorous early protests from the EU and others, it appears these factions will wait for WTO efforts to reverse the tariffs. This lengthy process may not reach fruition for up to two years. The tariffs will clearly raise steel prices from recently depressed levels. The following table outlines a brief summary of the new tariffs.

Tariff	Product
30% in year 1 24% in year 2 18% in year 3	Flat rolled steel, tin mill, hot rolled/cold finished bar
15% in year 1 12% in year 2 9% in year 3	Rebar, welded tubular, stainless rod, stainless bar
8% for 3 years	Stainless wire
30% after 5.4 million-ton quota	Steel slab

Source: Reuters

Leggett is currently seeing an increase of approximately 10% in the price of steel rod and 20% in the price of steel slab. We would note that Leggett & Platt has typically passed on both increases and decreases in raw materials pricing to its customers, and although there may be a lag period between price increases and negotiation of a pass-through, we believe this lag will be immaterial to our financial projections. Many of Leggett's customer relationships have spanned decades, and these customers have been through several cycles of fluctuating raw materials prices. Raw-materials expense accounts for approximately 50% of Leggett's COGS.

Leggett & Platt is the largest independent North American manufacturer of components for residential furniture and bedding, retail store fixtures and point-of-purchase displays.

Competitive Environment: Leggett & Platt is the largest independent North American manufacturer of components for residential furniture and bedding, retail store fixtures and POP displays, office furniture components, non-automotive aluminum die castings, drawn steel wire, automotive seat support and lumbar systems, and bedding industry machinery. Leggett & Platt's growth over the past 35 years has been primarily a result of buying out much smaller competitors. Leggett's competitors are virtually all substantially smaller than Leggett, are predominantly private companies, and often serve a single customer. In fact, Leggett has acquired certain companies specifically to penetrate a particular key customer. Leggett's markets are so fragmented that the company's highly acquisitive strategy can continue to serve as the primary catalyst for growth for the foreseeable future.

Customer Base Overview: No one customer accounts for a substantial percentage of Leggett & Platt's revenues. Key bedding customers include Serta, Simmons, Sealy, and SpringAir, as well as virtually all substantial market participants. La-Z-Boy and Furniture Brands are key furniture customers. All the major commercial furniture manufacturers, including Steelcase, Herman Miller, and HON are customers. Store fixtures customers include Kohl's, Wal-Mart, Linens 'N Things, Barnes & Noble, and Starbucks. The company's aluminum segment makes components for Weber and Charbroil grills, Cummins diesel engines, Harley-Davidson motorcycles, and Qualcomm telecom equipment. The specialized products segment serves Johnson Controls and Lear, which in turn sell the components to all the major auto manufacturers. In sum, this company serves a very diverse customer base, and its primary exposure is to the U.S. economy as a whole.

In the pages that follow we break out Leggett & Platt's segments in more detail.

RESIDENTIAL FURNISHINGS

Residential Furnishings Segment Products

Source: Company Website

As shown in the illustration above, Leggett & Platt's residential furnishings segment produces mattress components, movement furniture mechanisms and a wide variety of other furniture components, industrial fabrics such as slip-resistant coated materials, and some finished furniture such as ornamental metal beds. The segment's major product groups are: springs, mechanisms, bed frames, industrial fabrics, adjustable beds, cushioning, and dimension lumber. The company's customers include practically all the major manufacturers of furniture and bedding, with a small exposure to retail stores and distributors. The segment made three acquisitions ($30 million in annualized revenues) in 2001, and made two additional acquisitions in Q1:02 ($16 million in annualized revenues). Both of the Q1 acquisitions were small U.K. manufacturers of innersprings.

Segment Strategy: This segment aims to grow its current leadership position through acquisition and tight customer relationships. The residential furnishings segment works closely with customers to properly allocate segment R&D to produce proprietary products. The company's proprietary manufacturing techniques and economies of scale make Leggett the low-cost producer for many components. Although Leggett does sell manufacturing equipment it has developed to competitors, it will not sell the latest models of equipment it develops. Leggett actively leverages cost advantages to encourage customers to outsource additional components. The company manufactures many of the segment's raw materials, including wire, tubing, and dimension lumber.

Residential Furnishings Financial Overview

$-millions	**1997**	**1998**	**1999**	**2000**	**2001**	**2002E**
Total Segment Revenue	1,593	1,777	1,946	2,126	2,043	2,198
Year-Over-Year Growth	**12%**	**12%**	**10%**	**9%**	**(4%)**	**8%**
Bedding Components	596	663	732	802	776	824
Residential Furniture Components	512	576	608	702	675	714
Finished & Consumer Products	414	463	528	543	516	550
Other	70	75	78	80	76	110
Residential Furnishings as a % of Total Revenues	55%	53%	52%	50%	50%	51%
EBIT	171	198	220	224	177	243
Operating Margin	**11%**	**11%**	**11%**	**11%**	**9%**	**11%**

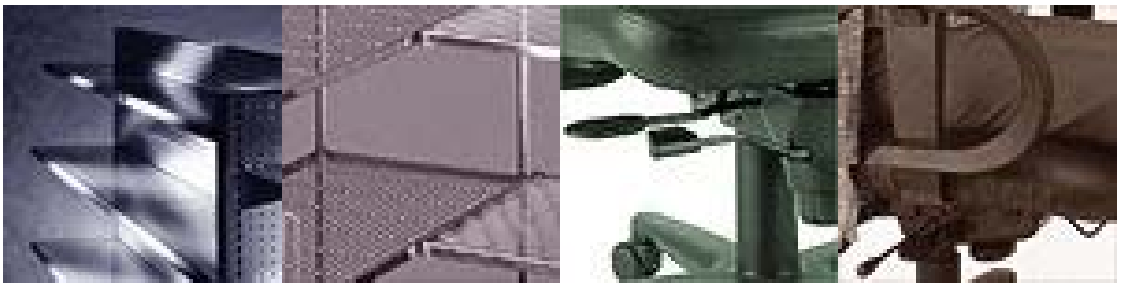
Source: Company Reports; Morgan Keegan Estimates

As shown above, Leggett & Platt's residential furnishings segment has comprised approximately half of the company's revenues over the past several years. We are looking for a return to growth and slight margin expansion this year, although we do not expect the company to achieve late 1990s levels for revenue growth. Although we expect raw materials prices to rise in 2002 (particularly steel and lumber), management is confident it can pass these increases on to customers with minimal delay. Approximately 38% of the residential furnishings segment's revenues (and 19% of total revenues) come from bedding components, which were the original product for the company.

We would note that the residential unit grew 2% year over year in Q1, with very marginal internal growth. This was the first quarter in which the segment reported internal growth since Q3:00. Although bedding was flat in Q1, we believe upholstered furniture grew approximately 14%. We expect strong growth in the upholstered furniture segment to continue in 2002, based on reportedly strong order writing and positive momentum from April's International Home Furniture Market and recent kinetic shipment reports. The current boom in motion upholstery also benefits Leggett, which manufactures a broad range of motion mechanisms. We believe the residential furnishings segment is currently operating at a utilization rate of approximately 60-65%, versus normal utilization in excess of 80%. We believe this positions Leggett to take advantage of potential increases in demand.

COMMERCIAL FURNISHINGS

Commercial Furnishings Segment Products



Source: Company Website

As shown in the illustration above, the commercial furnishings segment produces and designs shelving systems, POP displays, storage products, and office furniture components. The segment also manufactures utility vehicle rack systems and injection molded plastic components. Major product groups are: gondolas, shelving, racks, display cases, POP displays, chair controls, furniture bases, and plastic components. The segment's customers include major U.S. retail brands and all the leading U.S. office chair suppliers. The commercial furnishings segment made five acquisitions in 2001, with total annualized revenues of approximately $80 million.

Segment Strategy: We believe Leggett & Platt's fixture and POP display product line is the broadest in the industry, and offers the widest range of materials. In this category, the strategy is to further penetrate the retail customer base, with innovative and appealing design. The company has also acquired competitors that have relationships with key customers. In the office furniture segment (which manufactures predominantly office chair components), the company already serves all the major manufacturers in the U.S. The focus in this category is to maintain those relationships by developing proprietary products and being the low-cost provider.

Commercial Furnishings Financial Overview

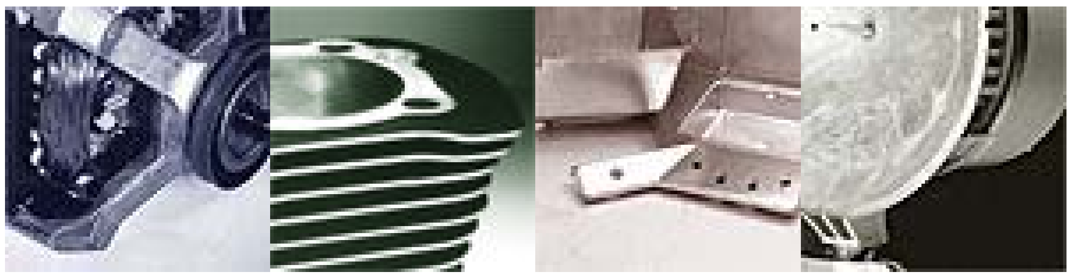
$-millions	**1997**	**1998**	**1999**	**2000**	**2001**	**2002E**
Total Segment Revenue	464	623	771	975	941	878
Year-Over-Year Growth	**33%**	**34%**	**25%**	**26%**	**(4%)**	**(7%)**
Store Displays, Fixtures, and Storage	237	370	519	706	707	668
Office Furnishings and Plastic Parts	228	254	251	268	234	211
Commercial Furnishings as a % of Total Revenues	16%	19%	21%	23%	23%	20%
EBIT	85	111	127	110	53	59
Operating Margin	**18%**	**18%**	**16%**	**11%**	**6%**	**7%**

Source: Company reports; Morgan Keegan Estimates

As shown in the above table, the commercial furnishings segment was growing rapidly until last year, when businesses cut spending en masse. Operating margin began to decline as early as 1999, as the segment's product mix shifted towards lower-margin store fixtures production, and continued into the present due to the macroeconomic slowdown in business spending. We have modeled for a 7% top-line decline for the segment this year. This is a greater decline than 2001, which we believe is warranted by the 23% internal decline in segment revenues in Q1:02 (total segment sales fell 18%). We believe the negative environment for capital spending will depress the office furnishings category in particular this year. We are projecting a 6% decline in the store displays category and a 10% decline in the office furnishings category in 2002. We expect the segment to expand EBIT margin from 6% to 7% in 2002, due to benefits from the recent restructuring.

ALUMINUM PRODUCTS

Aluminum Products



Source: Company Website

As shown in the illustration above, the product groups for the aluminum segment are primarily aluminum die castings, with some production of magnesium and zinc die castings. The segment manufactures parts for gas grills, diesel and small engines, telecom casings, electrical and outdoor lighting, and castings for trucks, motorcycles, off-road and recreational vehicle manufacturers. Leggett entered the aluminum business in the early 1970s through the acquisition of a small company that made die castings for furniture bases. The segment expanded further in 1996, when Leggett acquired Northwest Arkansas-based Pace Industries.

The aluminum segment has been in decline over the past few quarters due to weak demand, and Dave Haffner, Leggett's COO, is devoting significant time and effort to bringing the segment back in line with historical performance levels. We would note that the segment's former president, Bob Gaddy, who had been the head of Pace Industries, recently resigned for personal reasons. In addition to Dave Haffner's active involvement with the segment, we would expect Leggett to appoint a new head for the aluminum segment from among current segment leadership sometime in the next six months.

Strategy: At the moment, the strategy for the aluminum segment is to do what it takes to get volume in the door. This has involved some price competition in which Leggett & Platt would not ordinarily participate. On its most recent quarterly conference call, management disclosed that its aluminum segment is currently operating at 57% utilization. The segment would need to return to 75-80% utilization in order to return to double-digit margins. Management's goal is to get back to this utilization level on a run-rate basis by year-end.

Aluminum Products Financial Overview

$-millions	1997	1998	1999	2000	2001	2002E
Total Segment Revenue	441	501	533	529	444	479
Year- Over-Year Growth	**28%**	**14%**	**6%**	**(1%)**	**(16%)**	**8%**
Die Cast Products	355	423	458	446	370	407
Smelter, Tool, & Die Operations	86	78	75	83	75	72
Aluminum Products as a % of Total Revenues	15%	15%	14%	12%	11%	11%
EBIT	45	33	53	37	25	31
Operating Margin	**10%**	**6%**	**10%**	**7%**	**6%**	**7%**

Source: Company Reports; Morgan Keegan Estimates

As shown in the above table, growth in the aluminum products segment has been on a steady downhill slope over the past four years, while margins have been choppy. A degree of the revenue decline has been due to weak demand for gas grills, which began in 2000 when natural gas prices skyrocketed, and did not return in 2001 as the country fell into recession. In 2001, some of Leggett's less financially stable competitors began aggressively pricing their products to generate incremental volume. Although Leggett has also cut prices, it has not cut them to the degree of some of its more desperate competitors. We believe this issue will work itself out, as less stable companies consolidate or are pushed out of the business.

We believe revenues and margins will recover somewhat in 2002, although we think it is unlikely that business will recover to 2000 levels. We believe management will look to new products and markets, such as potentially expanding its business producing components for the appliance industry, to boost the aluminum segment. We believe that as volumes return, segment management will raise prices to more profitable levels. The aluminum segment has historically passed on virtually all volatility in raw materials prices.

INDUSTRIAL MATERIALS

Industrial Materials

Source: Company Website

As shown in the above illustration, the industrial materials segment product groups are steel wire and welded steel tubing. Leggett's other segments are major consumers of these products. The company built its first wire mill in 1969 to ensure a stable, quality supply for its bedspring operations. Today, approximately half of the over 800,000 tons of steel wire Leggett produces annually is used in the company's other manufacturing processes. The company entered the steel tubing business in 1983, and currently has three major tubing plants. External customers for the industrial materials segment include bedding and furniture manufacturers, mechanical spring producers, and auto interior manufacturers. Leggett also produces wire for baling cotton and other specialized uses. The industrial materials segment made one acquisition in 2001, which we expect to add $50 million in annualized revenues.

Leggett has developed quality control procedures that allow it to produce a very high quality product at extremely low cost.

Strategy: We had an opportunity to visit a Leggett wire drawing plant in Carthage, Missouri, and were highly impressed by the lack of manpower these lines require. Leggett has developed quality control procedures that allow it to produce a very high quality product at extremely low cost. The basic strategy for this segment is to capitalize on economies of scale while producing a high quality product. For example, most of the segment's wire production is manufactured within much tighter specifications than the industry requires.

Industrial Materials Financial Overview

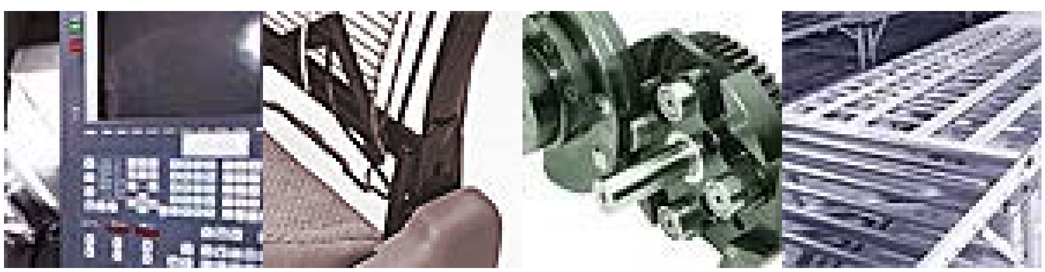
$-millions	**1997**	**1998**	**1999**	**2000**	**2001**	**2002E**
Total Segment Revenue	260	270	290	327	319	380
Year-Over-Year Growth	**4%**	**5%**	**19%**	**13%**	**0%**	**8%**
Industrial Materials as a % of Total Revenues	9%	8%	8%	7%	8%	9%
EBIT	44	52	70	73	56	65
Operating Margin	**17%**	**11%**	**15%**	**23%**	**18%**	**17%**

Source: Company Reports; Morgan Keegan Estimates

We expect the industrial materials segment to grow 8% in 2002, with most of the growth coming from an acquisition that is expected to add $50 million to annual revenues. As steel prices rise over the next few quarters due to the new U.S. tariffs, Leggett plans to continue its practice of passing this increase on to its customers. Although we expect this effort to be successful, there may be a slight delay between the price increase and the completion of the pass through. We believe our current estimates adequately incorporate this risk. We currently expect operating margins to decline slightly from 18% in 2001 to 17%. Operating margin in the first quarter was 18%. We would note that approximately 40% of this segment's product is used internally, which artificially inflates operating margins for the segment.

SPECIALIZED PRODUCTS

Specialized Products



Source: Company Website

The specialized products segment can be further categorized into two primary groups: automotive seating and lumbar support systems and specialized sewing and automation machinery for bedding manufacturers. More specifically, two thirds of the segment is comprised of auto seat suspension and lumbar systems as well as power train and control cable systems. Customers for these products include Tier 1 and Tier 2 auto suppliers such as JCI and Lear, who then sell the components to all the major automakers. The automotive component business is typically seasonally stronger in the first half of the year. Leggett also designs, patents, and manufactures machinery for wire forming, quilting, and automation, which is used primarily by the bedding industry. This machinery is sold to a broad customer base of bedding and furniture manufacturers. There was only one small acquisition in this segment in 2001, which is expected to contribute $1 million to annual revenues.

Strategy: In both the automotive segment and the sewing machinery segment, Leggett's R&D efforts yield proprietary products and production machinery. In the automotive segment, Leggett leverages economies of scale and benefits from vertical production of key raw materials such as plastics and wire. We believe this makes Leggett a low-cost supplier. We would note that on a recent tour of Leggett & Platt's High Point, North Carolina furniture components showroom, we saw lumbar support components that had been developed for automobiles being leveraged for use in residential furniture.

Specialized Products Financial Overview

$-millions	1997	1998	1999	2000	2001	2002E
Total Segment Revenue	151	199	239	320	367	365
Year-Over-Year Growth	**47%**	**32%**	**20%**	**34%**	**15%**	**(1%)**
Specialized Products as a % of Total Revenues	5%	6%	6%	8%	9%	9%
EBIT	21	29	34	46	42	42
Operating Margin	**14%**	**12%**	**12%**	**15%**	**12%**	**11%**

Source: Company Reports; Morgan Keegan Estimates

The table above demonstrates the strong growth and consistent double-digit margins Leggett & Platt has reaped from its specialized products segment. We are projecting a slight decline from a revenue and margin perspective in 2002 (EBIT falls from $42.4 million in 2001 to $41.7 million in 2002). The basis for this conservative view is the presumption that demand for automobiles may decline when 0% financing offers disappear. The segment also posted a 7% year-over-year decline in the first quarter despite strong demand for automotive components, due to weak industrial spending among the company's machinery customers. We believe demand for quilting and sewing components should rise in coming quarters based on positive trends at major U.S. bedding manufacturers, but this is not critical to our projections, as this part of the specialized products segment accounts for about 1-3% of total company revenues. EBIT margin was 11% in Q1:02.

CONSOLIDATED FINANCIAL OVERVIEW AND OUTLOOK

Historical Financial Overview

$-millions	1996	1997	1998	1999	2000	2001
Revenue	2,466	2,909	3,370	3,779	4,276	4,114
% Growth	20	18	16	12	13	(4)
EBIT	278	363	429	503	481	351
% Margin	12	13	13	13	11	9
EPS*	$0.83	$1.08	$1.24	$1.45	$1.32	$0.94
% Growth	16	30	15	17	(9)	(29)

Source: Company Reports; Morgan Keegan Estimates

As shown in the above table, Leggett & Platt had consistently posted solid top-line growth until 2001, when revenues declined 4% due predominantly to macroeconomic conditions. This marked the second revenue decline at the company over the past 35 years. (The other was a 1% decline in 1991 – during the most recent previous recession.) Due to the high-fixed cost nature of Leggett's component manufacturing business, EPS declined faster than revenues, and fell 29% in 2001. We would note that management recognized all restructuring charges from its tactical plan in its income statement, and considered these costs a part of doing business during a dégringolade. The "tactical plan" Leggett announced in September 2000 included closing 20 manufacturing plants (approximately 10% of the total) and elimination of 3,700 positions (approximately 11% of Leggett's workforce). Even given these capacity reductions, Leggett remains at low levels of utilization throughout its operating segments. We believe this will provide the company with significant operating leverage as the economy recovers. Our calculated ROE for the most recent quarter was approximately 12%. Our long-term financial forecast is outlined in the following table.

Long-Term Financial Forecast

$-millions	2001A	2002E	2003E	2004E	2005E	2006E
Revenue	4,114	4,300	4,708	5,222	6,005	6,905
% Growth	(4)	5	10	11	15	15
EBIT	351	441	523	603	695	797
% Margin	9	10	11	12	12	12
EPS*	$0.94	$1.27	$1.54	$1.78	$2.06	$2.37
% Growth	(29)	36	21	16	16	15

Source: Company Reports; Morgan Keegan Estimates

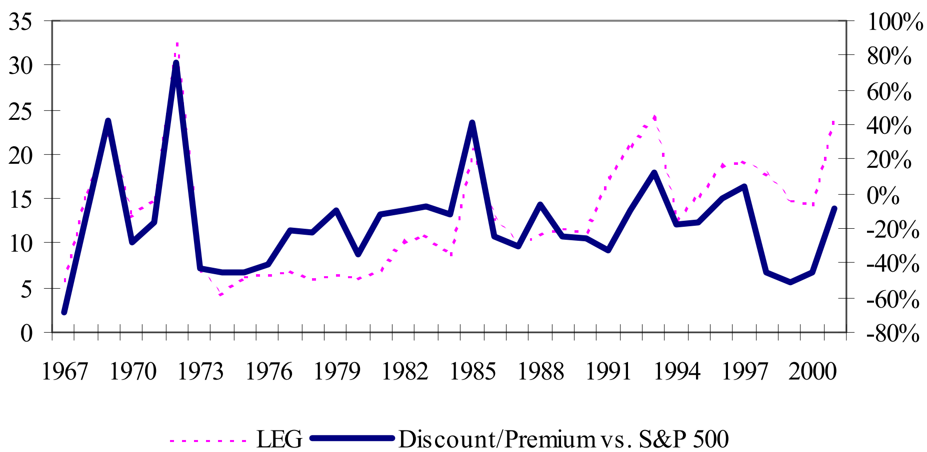
We are looking for 5% top-line growth, with 4% growth from acquisitions and 1% internal growth.

As shown in the above table, we expect a return to modest growth in 2002. We are looking for 5% top-line growth, with 4% growth from acquisitions and 1% internal growth. We expect EPS to increase 36% in 2002, as it recovers from a depressed base. We expect normalized operating margin of at least 12% to materialize by 2004, and believe that over the long-term, Leggett will continue its 35-year history of growing both the top- and bottom-line at approximately 15%.

A Word About the Balance Sheet: There is really not too much to comment on in Leggett's historical balance sheet, which we present in Table 4. The company did increase its allowance for doubtful accounts by $13 million in 2001, but has not suffered from unusually high bad debt expense. The company targets a net debt/total capital ratio of 30-40%, and came in slightly below that range in the most recent quarter. Impressive working capital reductions enabled Leggett to post a record number for cash from operations in 2001, at $535 million versus $441 million in 2000.

VALUATION AND INVESTMENT SUMMARY

LEG P/E Relative to S&P 500



Source: Company Filings, Reuters, S&P

The above chart illustrates Leggett & Platt's historical P/E and its relationship to the S&P 500 earnings multiple over the past 35 years. This relationship has been choppy, with an average discount to the S&P 500 earnings multiple of 17%. There were five years in which Leggett managed a significant premium multiple: 1969, 1972, 1985, 1993, and 1997. The average EPS growth rate during those five years was 21%. We are projecting 35% EPS growth in 2002, to $1.27 per share from $0.94 per share in 2001. We believe that this earnings recovery merits the current parity to the S&P 500 multiple of 21x.

Comparative Valuation: In the following table we compare Leggett & Platt to two groups of peer companies: furniture suppliers and diversified manufacturers. Leggett currently trades at a significant premium to the average P/E multiple of both groups. We believe this premium is merited by Leggett's long history of operational success, stable management team, and strong cash flow generation, but we believe significant upside from these levels may be limited until there is further evidence of earnings growth. We would note that Leggett is significantly better capitalized than the majority of its peers, particularly among the furniture suppliers.

Furniture Suppliers	Ticker	Price	Diluted SO (MM)	Mkt Cap ($MM)	2002E EPS*	2002 P/E	Dividend	Yield	Book Value	Price/Book
CFC International	CFCI	4.55	5	21	$0.40	11	$0.00	0.0%	$4.82	0.9
Cone Mills	COE	3.62	26	93	$0.27	13	$0.00	0.0%	$2.06	1.8
Culp	CFI	10.00	11	112	$0.49	20	$0.00	0.0%	$10.69	0.9
Foamex International	FMXI	8.99	24	216	$1.44	6	$0.00	0.0%	($7.48)	NMF
Knape & Vogt	KNAP	13.00	5	59	$1.22	11	$0.66	5.1%	$7.99	1.6
Quaker Fabric	QFAB	13.40	16	212	$1.02	13	$0.00	0.0%	$9.36	1.4
Valspar	VAL	46.77	50	2,334	$2.38	20	$0.56	1.2%	$13.33	3.5
Average						*14*				
Leggett & Platt	**LEG**	**27.04**	**200**	**5,419**	**$1.27**	**21**	**$0.48**	**1.8%**	**$9.47**	**2.9**
Diversified Manufacturers										
Danaher	DHR	70.00	151	10,563	$2.72	26	$0.08	0.1%	$17.34	4.0
Dover	DOV	35.98	203	7,293	$1.30	28	$0.54	1.5%	$11.03	3.3
Eaton	ETN	85.50	70	5,951	$4.25	20	$1.76	2.1%	$35.53	2.4
Emerson	EMR	54.55	421	22,949	$2.80	19	$1.55	2.8%	$14.84	3.7
Illinois Tool Works	ITW	70.46	306	21,547	$3.13	23	$0.88	1.2%	$19.75	3.6
Ingersoll-Rand	IR	50.09	168	8,430	$3.00	17	$0.68	1.4%	$23.27	2.2
Newell	NWL	34.50	283	9,746	$1.52	23	$0.84	2.4%	$8.61	4.0
Pentair	PNR	48.27	49	2,370	$2.88	17	$0.72	1.5%	$20.64	2.3
PPG	PPG	55.53	169	9,368	$2.64	21	$1.68	3.0%	$18.26	3.0
SPX	SPW	133.16	41	5,433	$8.85	15	$0.00	0.0%	$42.03	3.2
Average						*19*				
S&P 500	SPX	1,055.84			$49.87	21				

*KNAP EPS is 2001, CFI is 2003

Source: First Call, Morgan Keegan Estimates, Reuters

Earnings Power/Scenario Analysis: Leggett management has stated that for every $10 million in incremental revenues, the company believes it can add $0.01 to EPS. Due to the current pronounced underutilization of company assets, we believe Leggett can add at least an incremental $500 million to 2001 revenues without incurring significant unbudgeted capital expenditures or needing to acquire additional facilities. In fact, we believe management could close a few more of its over 200 manufacturing facilities without constraining capacity, and that increases in demand could be supported through a moderate hiring increase. Under this best-case scenario for 2002, Leggett would post revenues of $4.6 billion and EPS of $1.44 (well above our estimate of $4.3 billion in revenues and EPS of $1.27). If the economy were to recover ahead of expectations and this were accomplished, we believe Leggett shares could rebound to at least $30 – indicating 14% upside – based on a current market multiple of 21x.

In a worst-case scenario, let us presume that earnings decline sequentially for the remainder of 2002, and Leggett posts EPS of $0.94, equivalent to 2001. For this to happen, we believe macroeconomic growth would need to decline from current levels. This would indicate potential for share price contraction to approximately $20 – indicating 24% downside – once again using a market multiple of 21x. Although neither scenario is particularly probable, we believe Leggett's management is likely to drive margin expansion this year in either case, which would most likely limit downside risk. Management's expertise and stability, and the widespread respect for management among Leggett's competitors and customers, is key to the Conservative risk rating we place on the company's shares.

Summary: We believe shares of Leggett & Platt may be fairly priced at current levels, which are in line with the market as measured by the S&P 500 and at a substantial premium to its peer group of furniture suppliers and diversified manufacturers. We believe a premium multiple relative to its peers is warranted due to Leggett & Platt's 35-year history of above average earnings and revenue growth. The company benefits from a seasoned management team and a rock-solid balance sheet. Based on these characteristics, we are initiating coverage of Leggett & Platt with a Market Perform-Conservative risk rating.

RISKS

- **Macroeconomic Risk:** A prolonged, deeper than expected recession has had a major negative impact on Leggett's recent financial results. Same-store sales have fallen up to 12%, with EPS falling much faster due to lower productivity/utilization. We believe Leggett & Platt has taken the necessary steps to reduce the company's fixed cost structure, but Leggett's growth is clearly dependent upon growth in GDP.

- **Competition from Imports:** As manufacturers increase their use and production of imported components and finished goods, we believe Leggett & Platt may be challenged to maintain its position as a low cost producer. We would note that much of the company's production is less labor-intensive than many manufacturing operations, and that Leggett & Platt certainly has the financial flexibility to support opportunistic production shifts to foreign markets. For example, in 2000 Leggett & Platt added facilities in Austria, Canada, Croatia, France, Germany, Mexico, Spain, Switzerland, and the United Kingdom.

- **In-House Component Production:** An obvious risk to Leggett & Platt's business is that customers may bring production of components in-house. As an example, a recent trip to Sealy's corporate headquarters (Sealy is the largest manufacturer of bedding in the U.S.) revealed a trend toward bringing component production in house. Although we believe that out-sourcing components to Leggett would likely be cheaper over the long run, some manufacturers are more comfortable producing proprietary components in-house. We would note that these are isolated incidences, that Sealy has been and remains a Leggett customer, and that the broader industry trend is toward outsourcing.

- **Raw Material Exposure:** Steel rod and rolled steel are Leggett's largest commodity exposures. The company uses multiple suppliers to limit this risk, including some imported steel. The company typically passes on risk of steel and aluminum price increases to customers, with a potential lag on the pass-through that we believe will be immaterial.

Public Companies Mentioned in This Report:

Barnes & Noble (BKS - $30.73)
Cummins (CUM - $40.10)
Furniture Brands (FBN - $41.10)
Harley-Davidson (HDI - $51.61)
Herman Miller (MLHR - $24.77)
HON Industries (HNI - $29)
Johnson Controls (JCI - $86.25)
Kohl's (KSS - $70.28)
La-Z-Boy (LZB - $29.70)
Lear (LEA - $51.11)
Linens 'N Things (LIN - $35.18)
Qualcomm (QCOM - $26.45)
Starbucks (SBUX - $22.66)
Steelcase (SCS - $16.90)
Wal-Mart (WMT - $53.01)

Table 1
Leggett & Platt
FY: Dec. ($MM)
Consolidated Income Statement

	1996	1997	1998	Q1:99	Q2:99	Q3:99	Q4:99	1999	Q1:00	Q2:00	Q3:00	Q4:00	2000	Q1:01	Q2:01	Q3:01	Q4:01	2001
Residential furnishings	1,428.4	1,592.6	1,777.2	469.4	481.3	510.2	485.7	1,946.6	532.3	544.0	552.5	497.2	2,126.0	518.4	507.2	524.3	492.7	2,042.6
Commercial furnishings	348.0	464.4	623.3	160.0	180.4	230.4	207.3	778.1	207.8	250.5	292.1	233.1	983.5	244.7	239.8	265.0	191.2	940.7
Aluminum products	345.8	441.4	501.1	137.6	144.9	119.1	131.2	532.8	159.0	142.6	111.9	115.5	529.0	129.9	120.5	99.8	94.2	444.4
Industrial materials	241.0	259.7	269.6	66.0	69.8	72.8	74.0	282.6	78.8	85.3	84.7	69.1	317.9	71.8	71.8	82.0	93.3	318.9
Specialized products	103.0	151.1	199.2	54.6	58.8	58.6	66.9	238.9	65.7	73.2	88.4	92.6	319.9	88.5	95.9	85.7	97.1	367.2
Net sales	**2,466.2**	**2,909.2**	**3,370.4**	**887.6**	**935.2**	**991.1**	**965.1**	**3,779.0**	**1,043.6**	**1,095.6**	**1,129.6**	**1,007.5**	**4,276.3**	**1,053.3**	**1,035.2**	**1,056.8**	**968.5**	**4,113.8**
Cost of goods sold	1,842.7	2,171.4	2,633.2	655.2	681.8	721.2	851.2	2,909.4	814.1	851.4	890.2	852.8	3,364.0	847.1	827.3	842.9	779.6	3,296.9
Gross profit	**623.5**	**737.8**	**737.2**	**232.4**	**253.4**	**269.9**	**113.9**	**869.6**	**229.5**	**244.2**	**239.4**	**154.7**	**912.3**	**206.2**	**207.9**	**213.9**	**188.9**	**816.9**
Selling and administrative ex[	303.5	358.8	288.5	112.7	120.8	128.9	128.8	340.5	92.0	98.8	100.4	100.4	391.6	104.8	103.0	105.4	102.0	415.2
Amortization	16.4	17.3	21.8					28.8	7.8	8.5	9.0	8.8	34.1	8.8	11.9	9.2	10.0	39.9
Merger expense	26.6																	
Other, net	0.6	0.8	2.2	6.1	8.0	6.3	6.2	2.2	(0.7)	(0.1)	3.9	(8.9)	(5.8)	3.0	(2.5)	0.1	10.0	10.6
EBIT	**277.6**	**362.5**	**429.1**	**113.6**	**124.6**	**134.7**	**129.6**	**502.5**	**130.4**	**137.0**	**126.1**	**87.3**	**480.8**	**89.6**	**95.5**	**99.2**	**66.9**	**351.2**
YOY EBIT Growth		30.6%	18.4%					17.1%	14.8%	10.0%	-6.4%	-32.6%	-4.3%	-31.3%	-30.3%	-21.3%	-23.4%	-27.0%
Interest expense	30.0	31.8	38.5	9.4	10.0	11.1	12.5	43.0	14.6	17.6	17.2	16.9	66.3	17.2	15.8	13.2	12.6	58.8
Interest income	2.1	2.6	5.0	0.9	0.5	0.4	1.3	3.1	1.5	1.2	0.3	1.1	4.1	0.5	1.0	1.6	1.8	4.9
Pretax income	249.7	333.3	395.6	105.1	115.1	124.0	118.4	462.6	117.3	120.6	109.2	71.5	418.6	72.9	80.7	87.6	56.1	297.3
Income taxes	96.7	125.0	147.6	39.0	42.7	46.3	44.1	172.1	43.5	44.3	40.3	26.4	154.5	26.9	29.8	32.3	20.7	109.7
Net Income	**153.0**	**208.3**	**248.0**	**66.1**	**72.4**	**77.7**	**74.3**	**290.5**	**73.8**	**76.3**	**68.9**	**45.1**	**264.1**	**46.0**	**50.9**	**55.3**	**35.4**	**187.6**
Extraordinary items	12.5																	
Operating EPS	**$0.83**	**$1.08**	**$1.24**	**$0.33**	**$0.36**	**$0.39**	**$0.37**	**$1.45**	**$0.37**	**$0.38**	**$0.34**	**$0.23**	**$1.32**	**$0.23**	**$0.25**	**$0.28**	**$0.18**	**$0.94**
YOY EPS Growth		30.1%	14.8%					16.9%	12.1%	5.6%	-12.8%	-37.8%	-9.1%	-38.0%	-33.1%	-19.0%	-23.2%	-29.0%
Dividends	$0.23	$0.27	$0.32	$0.09	$0.09	$0.09	$0.09	$0.36	$0.10	$0.10	$0.11	$0.11	$0.42	$0.12	$0.12	$0.12	$0.12	$0.48
Payout ratio	27.7%	25.0%	25.4%	27.3%	25.0%	23.1%	24.3%	24.8%	27.0%	26.3%	32.4%	47.8%	31.9%	52.3%	47.2%	43.6%	67.9%	51.3%
Diluted shares outstanding	183.7	193.2	200.7	201.4	200.9	200.9	200.6	200.9	200.3	200.6	200.7	199.9	200.4	200.4	200.2	200.7	200.4	200.4
Net income	153.0	208.3	248.0	66.1	72.4	77.7	74.3	290.5	73.8	76.3	68.9	45.1	264.1	46.0	50.9	55.3	35.4	187.6
Depreciation	75.8	88.3	106.1	31.4	29.9	28.0	31.2	120.5	31.1	34.1	36.3	37.7	139.2	37.0	38.6	39.0	42.1	156.7
Capital expenditures	96.2	119.4	147.6	37.0	40.0	36.0	46.0	159.1	41.4	40.1	43.2	45.0	169.7	33.2	35.9	34.0	24.9	128.0
Free cash flow	132.6	177.2	206.5	60.5	62.3	69.7	59.5	251.9	63.5	70.3	62.0	37.8	233.6	49.8	53.6	60.3	52.6	216.3
R&D	9.0	10.0	12.0					17.0					19.0					19.0
Margins																		
Residential furnishings	57.9%	54.7%	52.7%	52.9%	51.5%	51.5%	50.3%	51.5%	51.0%	49.7%	48.9%	49.3%	49.7%	49.2%	49.0%	49.6%	50.9%	49.7%
Commercial furnishings	14.1%	16.0%	18.5%	18.0%	19.3%	23.2%	21.5%	20.6%	19.9%	22.9%	25.9%	23.1%	23.0%	23.2%	23.2%	25.1%	19.7%	22.9%
Aluminum products	14.0%	15.2%	14.9%	15.5%	15.5%	12.0%	13.6%	14.1%	15.2%	13.0%	9.9%	11.5%	12.4%	12.3%	11.6%	9.4%	9.7%	10.8%
Industrial materials	9.8%	8.9%	8.0%	7.4%	7.5%	7.3%	7.7%	7.5%	7.6%	7.8%	7.5%	6.9%	7.4%	6.8%	6.9%	7.8%	9.6%	7.8%
Specialized products	4.2%	5.2%	5.9%	6.2%	6.3%	5.9%	6.9%	6.3%	6.3%	6.7%	7.8%	9.2%	7.5%	8.4%	9.3%	8.1%	10.0%	8.9%
Net sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Gross margin	25.3%	25.4%	21.9%	26.2%	27.1%	27.2%	11.8%	23.0%	22.0%	22.3%	21.2%	15.4%	21.3%	19.6%	20.1%	20.2%	19.5%	19.9%
Selling and administrative ex[	12.3%	12.3%	8.6%	12.7%	12.9%	13.0%	13.3%	9.0%	8.8%	9.0%	8.9%	10.0%	9.2%	9.9%	9.9%	10.0%	10.5%	10.1%
EBIT margin	**12.3%**	**12.5%**	**12.7%**	**12.8%**	**13.3%**	**13.6%**	**13.4%**	**13.3%**	**12.5%**	**12.5%**	**11.2%**	**8.7%**	**11.2%**	**8.5%**	**9.2%**	**9.4%**	**6.9%**	**8.5%**
Interest expense			6.7%					5.5%	5.9%	6.8%	6.8%	6.8%	6.7%	6.6%	6.5%	5.4%	5.2%	6.0%
Net margin	6.9%	7.2%	7.4%	7.4%	7.7%	7.8%	7.7%	7.7%	7.1%	7.0%	6.1%	4.5%	6.2%	4.4%	4.9%	5.2%	3.7%	4.6%
Tax rate	38.7%	37.5%	37.3%	37.1%	37.1%	37.3%	37.2%	37.2%	37.1%	36.7%	36.9%	36.9%	36.9%	36.9%	36.9%	36.9%	36.9%	36.9%
Year over Year Growth																		
Total revenues		18.0%	15.9%					12.1%	17.6%	17.2%	14.0%	4.4%	13.2%	0.9%	-5.5%	-6.4%	-3.9%	-3.8%
Residential furnishings		11.5%	11.6%					9.5%	13.4%	13.0%	8.3%	2.4%	9.2%	-2.6%	-6.8%	-5.1%	-0.9%	-3.9%
Commercial furnishings		33.4%	34.2%					24.8%	29.9%	38.9%	26.8%	12.4%	26.4%	17.8%	-4.3%	-9.3%	-18.0%	-4.4%
Aluminum products		27.6%	13.5%					6.3%	15.6%	-1.6%	-6.0%	-12.0%	-0.7%	-18.3%	-15.5%	-10.8%	-18.4%	-16.0%
Industrial materials		7.8%	3.8%					4.8%	19.4%	22.2%	16.3%	-6.6%	12.5%	-8.9%	-15.8%	-3.2%	35.0%	0.3%
Specialized products		46.7%	31.8%					19.9%	20.3%	24.5%	50.9%	38.4%	33.9%	34.7%	31.0%	-3.1%	4.9%	14.8%

Table 2
Leggett & Platt
FY: Dec. ($MM)
Consolidated Income Statement

	2001	Q1:02	Q2:02E	Q3:02E	Q4:02E	2002E	Q1:03E	Q2:03E	Q3:03E	Q4:03E	2003E	2004E	2005E	2006E
Residential furnishings	2,042.6	527.0	552.8	571.5	546.9	2,198.2	563.9	602.6	622.9	590.6	2,380.1	2,618.1	3,010.8	3,462.4
Commercial furnishings	940.7	200.6	223.0	225.3	229.4	878.3	216.6	245.3	247.8	245.5	955.2	1,050.8	1,208.4	1,389.6
Aluminum products	444.4	127.2	122.9	116.8	112.1	479.0	137.4	132.7	126.1	121.1	517.3	569.0	654.4	752.5
Industrial materials	318.9	86.0	85.4	97.6	111.0	380.0	97.2	96.5	113.2	128.8	435.7	501.1	576.2	662.7
Specialized products	367.2	81.9	95.9	90.0	97.1	364.9	94.2	110.3	103.5	111.7	419.6	482.6	554.9	638.2
Net sales	**4,113.8**	**1,022.7**	**1,080.1**	**1,101.1**	**1,096.6**	**4,300.4**	**1,109.3**	**1,187.5**	**1,213.5**	**1,197.7**	**4,707.9**	**5,221.5**	**6,004.7**	**6,905.4**
Cost of goods sold	3,296.9	823.6	874.9	886.4	888.2	3,473.1	893.0	946.4	964.7	961.7	3,765.9	4,151.1	4,767.7	5,482.9
Gross profit	**816.9**	**199.1**	**205.2**	**214.7**	**208.3**	**827.4**	**216.3**	**241.1**	**248.8**	**235.9**	**942.1**	**1,070.4**	**1,237.0**	**1,422.5**
Selling and administrative e›	415.2	97.6	99.5	96.9	83.7	377.7	94.0	106.6	110.2	100.6	411.4	459.5	534.4	618.0
Amortization	39.9		3.0	3.0	3.0	9.0	2.0	2.0	2.0	2.0	8.0	8.0	8.0	8.0
Merger expense														
Other, net	10.6	4.1												
EBIT	**351.2**	**97.4**	**102.8**	**114.8**	**121.6**	**440.7**	**120.3**	**132.4**	**136.5**	**133.4**	**522.6**	**602.9**	**694.6**	**796.5**
YOY EBIT Growth	-27.0%	8.7%	7.6%	15.7%	81.8%	25.5%	23.6%	28.9%	19.0%	9.6%	18.6%	15.4%	15.2%	14.7%
Interest expense	58.8	11.3	10.9	10.9	10.9	43.9	11.3	11.3	11.3	11.3	45.0	45.5	45.7	46.0
Interest income	4.9	1.3	1.3	1.3	1.3	5.2	1.3	1.3	1.3	1.3	5.2	5.4	5.6	5.6
Pretax income	297.3	87.4	93.2	105.2	112.1	402.0	110.4	122.5	126.6	123.4	482.8	562.8	654.5	756.1
Income taxes	109.7	31.2	33.5	37.9	40.3	143.0	39.7	44.1	45.6	44.4	173.8	202.6	235.6	272.2
Net Income	**187.6**	**56.2**	**59.6**	**67.3**	**71.7**	**259.0**	**70.6**	**78.4**	**81.0**	**79.0**	**309.0**	**360.2**	**418.8**	**483.9**
Extraordinary items														
Operating EPS	**$0.94**	**$0.28**	**$0.30**	**$0.34**	**$0.36**	**$1.27**	**$0.35**	**$0.39**	**$0.40**	**$0.39**	**$1.54**	**$1.78**	**$2.06**	**$2.37**
YOY EPS Growth	-29.0%	22.0%	16.8%	21.6%	102.0%	35.6%	25.5%	31.2%	20.1%	9.9%	21.0%	16.0%	15.7%	15.0%
Dividends	$0.48	$0.12	$0.12	$0.12	$0.12	$0.48	$0.13	$0.13	$0.13	$0.13	$0.50	$0.52	$0.54	$0.56
Payout ratio	51.3%	42.9%	40.4%	35.8%	33.6%	37.8%	35.6%	32.1%	31.1%	31.9%	32.6%	29.2%	26.2%	23.6%
Diluted shares outstanding	200.4	200.7	200.8	200.9	201.0	200.9	201.1	201.2	201.3	201.4	201.3	202.3	203.3	204.3
Net income	187.6	56.2	59.6	67.3	71.7	259.0	70.6	78.4	81.0	79.0	309.0	360.2	418.8	483.9
Depreciation	156.7	38.3	44.4	44.9	48.4	176.0	44.0	44.0	44.0	44.0	176.0	176.0	176.0	176.0
Capital expenditures	128.0	24.7	32.0	32.0	32.0	120.7	31.0	32.0	32.5	31.5	127.0	133.4	140.0	147.0
Free cash flow	216.3	69.8	72.0	80.2	88.1	314.2	83.6	90.4	92.5	91.5	358.0	402.9	454.8	512.9
R&D	19.0													
Margins														
Residential furnishings	49.7%	51.5%	51.2%	51.9%	49.9%	51.1%	50.8%	50.7%	51.3%	49.3%	50.6%	50.1%	50.1%	50.1%
Commercial furnishings	22.9%	19.6%	20.6%	20.5%	20.9%	20.4%	19.5%	20.7%	20.4%	20.5%	20.3%	20.1%	20.1%	20.1%
Aluminum products	10.8%	12.4%	11.4%	10.6%	10.2%	11.1%	12.4%	11.2%	10.4%	10.1%	11.0%	10.9%	10.9%	10.9%
Industrial materials	7.8%	8.4%	7.9%	8.9%	10.1%	8.8%	8.8%	8.1%	9.3%	10.8%	9.3%	9.6%	9.6%	9.6%
Specialized products	8.9%	8.0%	8.9%	8.2%	8.9%	8.5%	8.5%	9.3%	8.5%	9.3%	8.9%	9.2%	9.2%	9.2%
Net sales	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Gross margin	19.9%	19.5%	19.0%	19.5%	19.0%	19.2%	19.5%	20.3%	20.5%	19.7%	20.0%	20.5%	20.6%	20.6%
Selling and administrative e›	10.1%	9.5%	9.2%	8.8%	7.6%	8.8%	8.5%	9.0%	9.1%	8.4%	8.7%	8.8%	8.9%	9.0%
EBIT margin	**8.5%**	**9.5%**	**9.5%**	**10.4%**	**11.1%**	**10.2%**	**10.8%**	**11.2%**	**11.3%**	**11.1%**	**11.1%**	**11.5%**	**11.6%**	**11.5%**
Interest expense	6.0%	4.7%	4.5%	4.5%	4.5%	4.5%								
Net margin	4.6%	5.5%	5.5%	6.1%	6.5%	6.0%	6.4%	6.6%	6.7%	6.6%	6.6%	6.9%	7.0%	7.0%
Tax rate	36.9%	35.7%	36.0%	36.0%	36.0%	35.6%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%	36.0%
Year over Year Growth														
Total revenues	-3.8%	-2.9%	4.3%	4.2%	13.2%	4.5%	8.5%	9.9%	10.2%	9.2%	9.5%	10.9%	15.0%	15.0%
Residential furnishings	-3.9%	1.7%	9.0%	9.0%	11.0%	7.6%	7.0%	9.0%	9.0%	8.0%	8.3%	10.0%	15.0%	15.0%
Commercial furnishings	-4.4%	-18.0%	-7.0%	-15.0%	20.0%	-6.6%	8.0%	10.0%	10.0%	7.0%	8.8%	10.0%	15.0%	15.0%
Aluminum products	-16.0%	-2.1%	2.0%	17.0%	19.0%	7.8%	8.0%	8.0%	8.0%	8.0%	8.0%	10.0%	15.0%	15.0%
Industrial materials	0.3%	19.8%	19.0%	19.0%	19.0%	19.2%	13.0%	13.0%	16.0%	16.0%	14.6%	15.0%	15.0%	15.0%
Specialized products	14.8%	-7.5%	0.0%	5.0%	0.0%	-0.6%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%	15.0%

Table 3
Leggett & Platt
FY: Dec. ($MM)
Segment information

	1996	1997	1998	Q1:99	Q2:99	Q3:99	Q4:99	1999	Q1:00	Q2:00	Q3:00	Q4:00	2000	Q1:01	Q2:01	Q3:01	Q4:01	2001	2002	2003
Revenues																				
Residential furnishings	1,428.4	1,592.6	1,777.2	469.4	481.3	510.2	485.7	1,946.6	532.3	544.0	552.5	497.2	2,126.0	518.4	507.2	524.3	492.7	2,042.6	2,198.2	2,380.1
Bedding components	*564.6*	*596.3*	*663.2*					*732.0*					*802.0*					*776.2*	*824.3*	*892.5*
% of residential	39.5%	37.4%	37.3%					37.6%					37.7%					38.0%	37.5%	37.5%
Residential furniture components	*327.5*	*371.7*	*412.0*					*608.3*					*701.7*					*674.9*	*714.4*	*773.5*
Finished & consumer products	*377.5*	*414.2*	*463.3*					*528.3*					*542.8*					*515.6*	*549.6*	*595.0*
Other residential furnishings products	*158.8*	*210.4*	*238.7*					*78.0*					*79.5*					*75.9*	*109.9*	*119.0*
Commercial furnishings	348.0	464.4	623.3	160.0	180.4	230.4	207.3	770.7	207.8	250.5	292.1	233.1	974.5	244.7	239.8	265.0	191.2	940.7	878.3	955.2
Store displays, fixtures, & storage products	*138.0*	*236.9*	*369.7*					*519.4*					*706.1*					*707.1*	*667.5*	*726.0*
Office furnishings & plastic components	*210.0*	*227.5*	*253.6*					*251.3*					*268.4*					*233.6*	*210.8*	*229.3*
Aluminum products	345.8	441.4	501.1	137.6	144.9	119.1	131.2	532.8	159.0	142.6	111.9	115.5	529.0	129.9	120.5	99.8	94.2	444.4	479.0	517.3
Die cast products	*272.8*	*355.3*	*423.3*					*457.7*					*446.3*					*369.7*	*407.1*	*439.7*
Smelter, tool & die operations	*73.0*	*86.1*	*77.8*					*75.1*					*82.7*					*74.7*	*71.8*	*77.6*
Industrial materials	241.0	259.7	269.6	66.0	69.8	72.8	74.0	290.0	78.8	85.3	84.7	69.1	326.9	71.8	71.8	82.0	93.3	318.9	380.0	435.7
Specialized products	103.0	151.1	199.2	54.6	58.8	58.6	66.9	238.9	65.7	73.2	88.4	92.6	319.9	88.5	95.9	85.7	97.1	367.2	364.9	419.6
EBIT																				
Residential furnishings	156.4	171.1	198.3	51.7	53.0	61.5	53.5	219.7	62.0	65.3	57.5	39.2	224.0	45.3	47.1	44.1	40.0	176.5	243.4	261.8
Commercial furnishings	65.3	85.3	111.1	25.6	31.6	38.6	31.1	126.9	23.2	29.3	40.2	17.7	110.4	14.7	14.3	27.4	(3.3)	53.1	58.5	90.9
Aluminum products	30.2	44.6	32.6	12.1	15.7	10.7	14.1	52.6	16.6	13.2	0.0	6.7	36.5	9.4	8.1	5.1	2.8	25.4	31.3	47.7
Industrial materials	38.3	43.5	51.9	17.1	18.1	18.4	16.5	70.1	20.6	22.3	18.2	11.6	72.7	13.1	15.3	13.2	14.2	55.8	65.4	74.1
Specialized products	10.7	21.1	28.6	9.3	7.1	6.2	11.5	34.1	12.1	12.6	10.4	11.3	46.4	10.2	12.4	7.5	12.3	42.4	41.7	48.2
Intersegment eliminations	(2.4)	0.3	(1.3)	(2.4)	(0.9)	(0.1)	0.8	(2.6)	(2.7)	(3.8)	1.3	0.2	(5.0)	(3.5)	(2.1)	1.3	(1.2)	(5.5)	(2.0)	
Change in LIFO reserve	5.7	(3.4)	7.9	0.2		(0.6)	2.1	1.7	(1.4)	(1.9)	(1.5)	0.6	(4.2)	0.4	0.4	0.6	2.1	3.5	(1.7)	
Merger costs	(26.6)																			
Total EBIT	277.6	362.5	429.1	113.6	124.6	134.7	129.6	502.5	130.4	137.0	126.1	87.3	480.8	89.6	95.5	99.2	66.9	351.2	436.6	522.6
EBIT margins																				
Residential furnishings	10.9%	10.7%	11.1%	11.0%	11.0%	12.1%	11.0%	11.2%	11.6%	12.0%	10.4%	7.9%	10.5%	8.7%	9.3%	8.4%	8.1%	8.6%	11.1%	11.0%
Commercial furnishings	18.8%	18.4%	17.8%	16.0%	17.5%	16.8%	15.0%	16.2%	11.2%	11.7%	13.8%	7.6%	11.2%	6.0%	6.0%	10.3%	-1.7%	5.6%	6.7%	9.5%
Aluminum products	8.7%	10.1%	6.3%	8.8%	10.8%	9.0%	10.7%	9.6%	10.4%	9.3%	0.0%	5.8%	6.9%	7.2%	6.7%	5.1%	3.0%	5.7%	6.5%	9.2%
Industrial materials	15.9%	16.8%	11.2%	25.9%	25.9%	25.3%	22.3%	14.5%	26.1%	26.1%	21.5%	16.8%	22.9%	18.2%	21.3%	16.1%	15.2%	17.5%	17.2%	17.0%
Specialized products	10.4%	14.0%	11.6%	17.0%	12.1%	10.6%	17.2%	12.1%	18.4%	17.2%	11.8%	12.2%	14.5%	11.5%	12.9%	8.8%	12.7%	11.5%	11.4%	11.5%

Table 4
Leggett & Platt
FY: Dec. ($MM)
Historical Balance Sheet

	1998	1999	Q1:00	Q2:00	Q3:00	Q4:00	2000	Q1:01	Q2:01	Q3:01	Q4:01	2001	Q1:02
Cash	83.5	20.6	111.4	17.7	23.8	37.3	37.3	12.2	35.5	126.4	187.2	187.2	226.1
Accounts receivable	503.1	559.4	669.4	693.4	727.6	650.5	650.5	701.7	680.3	732.8	562.5	562.5	635.7
Allowance for doubtful accounts	(13.5)	(13.3)	(13.5)	(14.0)	(16.0)	(16.3)	(16.3)	(18.6)	(22.5)	(27.7)	(29.4)	(29.4)	
Inventories	486.2	605.8	636.5	676.9	655.4	671.8	671.8	654.4	630.9	596.0	601.3	601.3	588.6
Other current assets	64.3	70.4	68.0	71.8	68.8	62.0	62.0	67.9	67.4	63.7	70.9	70.9	74.3
Total current assets	**1,137.1**	**1,256.2**	**1,471.8**	**1,445.8**	**1,459.6**	**1,405.3**	**1,405.3**	**1,417.6**	**1,391.6**	**1,491.2**	**1,421.9**	**1,421.9**	**1,524.7**
PP&E	820.4	915.0	934.2	981.8	990.3	1,018.4	1,018.4	1,027.1	1,014.4	995.9	961.9	961.9	951.4
Goodwill	498.9	714.3	763.3	851.0	857.6	846.0	846.0	853.0	860.1	858.4	879.0	879.0	1,021.2
Other intangibles	29.7	45.2	55.0	54.2	53.3	49.3	49.3	54.5	52.2	45.9	43.8	43.8	
Sundry	49.2	46.8	49.7	54.2	53.5	54.2	54.2	85.2	83.3	106.3	106.3	106.3	
Total assets	**2,535.3**	**2,997.5**	**3,274.0**	**3,387.0**	**3,414.3**	**3,373.2**	**3,373.2**	**3,437.4**	**3,401.6**	**3,497.7**	**3,412.9**	**3,412.9**	**3,497.3**
Accounts payable	134.8	146.1	170.7	183.1	192.7	179.4	179.4	180.2	196.6	202.5	162.4	162.4	193.1
Current debt maturities													5.8
Accrued expenses	168.8	194.2	233.4	227.0	229.8	201.5	201.5	198.0	207.3	249.1	197.8	197.8	
Other current liabilities	97.8	91.2	80.4	87.4	79.4	95.7	95.7	98.5	73.0	76.3	96.8	96.8	326.3
Total current liabilities	**401.4**	**431.5**	**484.5**	**497.5**	**501.9**	**476.6**	**476.6**	**476.7**	**476.9**	**527.9**	**457.0**	**457.0**	**525.2**
Long-term debt	574.1	787.4	993.6	1,031.5	1,010.4	988.4	988.4	1,038.3	966.5	984.0	977.6	977.6	966.0
Other liabilities	48.1	43.9	42.5	43.4	43.5	42.5	42.5	41.7	42.4	46.4	47.0	47.0	
Deferred income taxes	74.9	68.5	64.0	66.2	67.5	71.9	71.9	70.8	72.1	71.6	64.7	64.7	109.2
Shareholders' equity	1,436.8	1,646.2	1,689.4	1,748.4	1,791.0	1,793.8	1,793.8	1,809.9	1,843.7	1,867.8	1,866.6	1,866.6	1,896.9
Total liabilities and shareholders' equity	**2,535.3**	**2,977.5**	**3,274.0**	**3,387.0**	**3,414.3**	**3,373.2**	**3,373.2**	**3,437.4**	**3,401.6**	**3,497.7**	**3,412.9**	**3,412.9**	**3,497.3**
Operating Statistics													
Asset Turnover	0.38	1.26	1.28	1.29	1.32	1.19	1.27	1.23	1.22	1.21	1.14	1.21	1.17
Net Margin	0.07	0.08	0.07	0.07	0.06	0.04	0.06	0.04	0.05	0.05	0.04	0.05	0.05
Return On Assets	2.82%	9.71%	9.05%	9.06%	8.07%	5.35%	7.86%	5.39%	5.96%	6.28%	4.15%	5.50%	6.43%
Assets/Equity	176.45%	182.09%	193.80%	193.72%	190.64%	188.05%	188.05%	189.92%	184.50%	187.26%	182.84%	182.84%	184.37%
Return On Equity	4.97%	17.68%	17.54%	17.55%	15.39%	10.06%	14.78%	10.24%	11.01%	11.77%	7.59%	10.05%	11.85%

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