

TEXTRON

*Q2 2008
Earnings Release
Key Data*

July 17, 2008

The data in this package should be read in conjunction with the Textron earnings release and accompanying tables.

Forward-Looking Information

Certain statements in this package and other oral and written statements made by Textron from time to time are forward-looking statements, including those that discuss strategies, goals, outlook or other non-historical matters; or project revenues, income, returns or other financial measures. These forward-looking statements speak only as of the date on which they are made, and we undertake no obligation to update or revise any forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from those contained in the statements, including the risks and uncertainties set forth under "Forward-Looking Information" in our second quarter 2008 earnings release. Additional information on risks and uncertainties that may impact forward-looking statements is discussed under "Risk Factors" in our most recent Annual Report on Form 10-K.

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Q2 2008 Textron Summary

Second Quarter:

Revenues: \$3.9B up 21%

Segment profit: \$468M up 21%

EPS (cont. ops.): \$1.03 up 21%

Year-to-Date:

Free cash flow: \$142M up \$25M

Year-Over-Year Causal Analysis

Q2 - 2007 Actual EPS*	\$ 0.85
Price	0.29
Cost Performance	0.19
Volume / Mix	0.19
Acquisitions	0.01
Inflation	(0.23)
Textron Financial	(0.15)
R&D & Depreciation	(0.12)
Q2 - 2008 Actual EPS*	\$ 1.03

* EPS is from continuing operations

Q2 2008 Sales Growth

	<i>Total Sales Growth</i>	<i>M&A Impact</i>	<i>Core Sales Growth</i>	<i>FX Impact Un(Fav)</i>	<i>Organic Growth Before FX</i>
Cessna	24.8%	(1.4%)	23.4%	-	23.4%
Bell	17.1%	(0.8%)	16.3%	-	16.3%
D & I	65.5%	(55.0%)	10.5%	-	10.5%
Industrial	15.5%	(0.4%)	15.1%	(7.4%)	7.7%
Manufacturing	24.9%	(6.7%)	18.2%	(2.2%)	16.0%
Finance	(25.5%)	-	(25.5%)	-	(25.5%)
Total Segments	21.2%	(6.2%)	15.0%	(2.0%)	13.0%

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2008 Deliveries

	Q2'08 Act	Q3'08 Fcst	FY'08 Fcst
Citation Jets	117	120 – 125	~470
Commercial Helicopters	31	40 - 45	~160
ASVs	151	~150	~580

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Q2 2008 Aircraft & Defense Backlog

A&D Funded Backlog Status (in \$Billions)

Cessna	\$16.0
Bell Helicopter	\$ 5.2
Defense & Intelligence	\$ 2.3
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Total Backlog	\$23.5

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Outlook – Q3 2008

Earnings per share
from continuing
operations **\$0.80 - \$0.90**

Segment	Revenue	Profitability*
Cessna	~ \$1.5B	~ 16.5%
Bell	~ \$570M	~ 8.0%
D & I	~ \$545M	~ 9.5%
Industrial	~ \$900M	~ 3.5%
Finance	~ \$175M	~ \$30M

* % - Margins, \$ - NOP

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Outlook – FY 2008 - Segments

	Revenue	Profitability*
Cessna	~ \$6.0B	~ 17.0%
Bell	~ \$2.6B	~ 9.0%
D & I	~ \$2.2B	~ 11.0%
Industrial	~ \$3.7B	~ 5.0%
Finance	~ \$750M	~ \$130M

* % - Margins, \$ - NOP

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Outlook – FY 2008

	2008
Corporate Expenses	~\$220M
Interest Expense	~\$120M
Tax Rate	32.0% – 33.0%
Earnings per share from continuing operations	\$3.80 - \$4.00
Capital expenditures	~\$550M
Free cash flow	\$700M - \$750M
