TEXTRON INC

Form 4 September 11, 2006

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

SECURITIES

OMB APPROVAL OMB

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Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section may continue. 30(h) of the Investment Company Act of 1940 See Instruction

1(b).

(C:tr.)

(State)

(7:n)

(Print or Type Responses)

1. Name and Ad BUTLER JO	•	orting Person *	2. Issuer Name and Ticker or Trading Symbol TEXTRON INC [TXT]	5. Relationship of Reporting Person(s) to Issuer (Check all applicable)		
(Last)	(First)	(Middle)	3. Date of Earliest Transaction	(Check an applicable)		
			(Month/Day/Year)	Director 10% Owner		
TEXTRON INC., 40 WESTMINSTER STREET (Street)			09/07/2006	_X_ Officer (give title Other (specify		
				below) below) Executive Vice President		
			4. If Amendment, Date Original	6. Individual or Joint/Group Filing(Check		
			Filed(Month/Day/Year)	Applicable Line)		
PROVIDENC	CE, RI 0290)3		_X_ Form filed by One Reporting Person Form filed by More than One Reporting Person		

(City)	(State)	(Zip) Tabl	le I - Non-l	Derivative	Secu	rities Acqu	iired, Disposed of	, or Beneficia	lly Owned
1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		,		5. Amount of Securities Beneficially Owned Following Reported	6. Ownership Form: Direct (D) or Indirect (I)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code V	Amount	(A) or (D)	Price	Transaction(s) (Instr. 3 and 4)	(Instr. 4)	
Common	09/07/2006		M	5,000 (1)	A	\$0	22,054	D	
Common	09/07/2006		D	5,000 (1)	D	\$ 84.025	17,054	D	
Common							3,162.041	I	Held on

behalf of Reporting Person by the Textron Savings Plan (as of August 16,

2006).

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transactic Code (Instr. 8)	5. Number proof Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Pric Deriva Securi (Instr.
				Code V	(A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Phantom Stock	\$ 0 (2)	09/07/2006		M	5,000	(3)	(3)	Common	5,000	\$

Reporting Owners

Reporting Owner Name / Address		Relat	ionships	
		10~ 0	G 221	

Director 10% Owner Officer Other

BUTLER JOHN D
TEXTRON INC.

40 WESTMINSTER STREET
PROVIDENCE, RI 02903

Executive
Vice
President

Signatures

Ann T. Willaman, Attorney-in-Fact 09/11/2006

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Reflects cash payout of 5,000 units of phantom stock payable in cash only.
- (2) Converts to the cash equivalent of Textron Common Stock on a 1-for-1 basis.
- (3) The phantom stock vests in five installments of 5,000 units on each of August 23, 2003, August 23, 2004, August 23, 2005, August 23, 2006 and August 23, 2007, and is payable in cash only. Calculation of the per share price is based on an average of the closing price of

Reporting Owners 2

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Textron Common Stock on the first ten trading days following the vesting date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.