

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF RHODE ISLAND

JOEL ROSEN, Individually and on Behalf
of All Others Similarly Situated,

v.

TEXTRON INC., LEWIS B. CAMPBELL,
JOHN A. JANITZ, THEODORE R.
FRENCH, and TERRY D. STINSON

C.A. 02-190S

Judge William E Smith

Class Action

LESLIE TURBOWITZ, Individually and
on Behalf of All Others Similarly Situated,

v.

TEXTRON INC., LEWIS B. CAMPBELL,
JOHN A. JANITZ, THEODORE R.
FRENCH and TERRY D. STINSON

C.A. 02-264S

SECOND AMENDED SETTLEMENT DISTRIBUTION ORDER

WHEREAS, the captioned class action (the "Action") was settled pursuant to the terms and conditions of the stipulation of settlement, dated as of December 29, 2005 (the "Stipulation"), providing for settlement of the Action on behalf of a certified class consisting of all persons or entities who purchased or otherwise acquired the securities of Textron Inc. between October 19, 2000 and September 26, 2001, inclusive, and who were injured thereby, excluding defendants and their immediate families in exchange for payment of \$7,000,000, plus interest (the "Settlement Fund"); and

WHEREAS, this Court held a hearing on the fairness of the terms and conditions of the Settlement and the Plan of Allocation of the Settlement Fund on May 9, 2006, at which time all Class members were provided with an opportunity to be heard; and

WHEREAS, on October 19, 2006, this Court entered the Memorandum and Order Granting Final Approval of Settlement and Plan of Allocation (the "Final Judgment"), finding, *inter alia*, that the Settlement and the Plan of Allocation were fair, reasonable and adequate and in the best interests of the Class and that the Notice to the Class satisfied the requirements of Rule 23(e) of the Federal Rules of Civil Procedure and due process; and

WHEREAS, this Court retained jurisdiction to effectuate and enforce the provisions of the Stipulation, including the administration of the Settlement and distribution of the Settlement Fund to eligible members of the Class ("Authorized Claimants"), including, but not limited to, authority to approve final distribution of the Settlement Fund; and

WHEREAS, counsel for plaintiffs and the Class ("Plaintiffs' counsel"), and their professional claims administrator, The Garden City Group, Inc. ("GCG"), have now completed all steps required for processing, reviewing and administering claims as set forth in the Stipulation and have calculated, pursuant to the terms of the Plan of Allocation set forth in the Notice of Settlement, dated February 21, 2006, both the number of valid and complete Proofs of Claim submitted and the total net Recognized Loss (as that term is defined in the Notice) of Settlement, for each Authorized Claimant; and

WHEREAS, Plaintiffs' counsel and GCG have reported to this Court by affidavit of Stephen J. Cirami in Support of Motion for Settlement Distribution, sworn to November 15, 2006 ("Cirami Affidavit"), respecting the review, processing, administration and calculation of claims, and have provided a final report listing all valid and complete

claims with the eligible claims, and all ineligible claims and the reasons for such ineligibility;
and

WHEREAS, Plaintiffs' counsel have applied to this Court for approval of the distribution of the Settlement Fund pursuant to the terms and conditions of the Stipulation;
and

WHEREAS, Plaintiffs' counsel request that this Court approve payment to GCG from the Settlement Fund of its unreimbursed fees and expenses incurred in connection with the settlement administration; and

WHEREAS, this Court has duly considered all submissions presented with respect to the foregoing.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

1. This Court finds that the procedures and methods utilized in the administration of the Settlement and the process, review and calculation of claims submitted by claimants fully complied with the provisions of the Final Judgment, and the Plan of Allocation set forth in Notice of Settlement, and are accordingly approved by this Court.

2. This Court directs Plaintiffs' counsel to pay all taxes owed by the Settlement Fund from the Settlement Fund, including the tax incurred on interest earned by the Settlement Fund, and to continue their efforts to resolve any disputes outstanding, or which may arise with the Internal Revenue Service in a manner they determine, in their discretion, is most beneficial to the Settlement Fund.

3. This Court allows all timely, complete and valid claims, listed on Exhibit B to the Cirami Affidavit.

4. This Court allows all claims that are complete and valid listed on Exhibit C to the Cirami Affidavit although they may have been submitted untimely.

5. This Court directs payment to all Authorized Claimants whose claims are listed on Exhibits B and C to the Cirami Affidavit in accordance with the Court-approved Plan of Allocation.

6. The Court finds that all Claimants listed on Exhibit D to the Cirami Affidavit, whose claims are either partially or completely invalid, have been given a fair and reasonable opportunity to object to and/or to appeal the rejection of all or part of their claims; and directs that all claims listed on Exhibit D be rejected.

7. Any claims submitted by any Class member after November 17, 2006 shall not be accepted for any reason whatsoever.

8. The request by GCG for payment of its unpaid fees and expenses incurred to date in administration of the Settlement and its projected costs for the actual distribution to Claimants approved in this Order, of \$427,005.33, is approved.

9. The balance of the Net Settlement Fund (less any necessary amounts to be withheld for payment of potential tax liabilities and related fees and expenses) shall be distributed on a *pro rata* basis to the Authorized Claimants identified in Exhibits B and C to the Cirami Affidavit, at the direction of Plaintiffs' counsel.

10. The checks for distribution to the Authorized Claimants shall bear the notation "CASH PROMPTLY, VOID AND SUBJECT TO RE-DISTRIBUTION IF NOT CASHED BY 180 DAYS AFTER ISSUE." Plaintiffs' counsel and GCG are authorized to take appropriate action to locate and/or contact any Authorized Claimant who has not cashed his, her or its check within said time.

11. This Court directs Plaintiffs' counsel to continue administration of the Settlement pursuant to this Order and the Stipulation.

12. This Court directs Plaintiffs' counsel to retain the balance of any undistributed funds in the Settlement Fund, the proceeds of any returned or uncashed distribution checks or any tax refunds that may be obtained, and any interest thereon, in an interest bearing escrow account or fund.

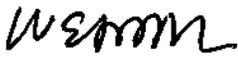
13. After one year following the distribution of the Net Settlement Fund to Authorized Claimants and after appropriate efforts have been made by either Plaintiffs' counsel or GCG to ensure that Authorized Claimants cash their checks, Plaintiffs' counsel is authorized to distribute any funds remaining in the Net Settlement Fund by reason of returned or unpaid checks or otherwise, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution, to Authorized Claimants who have cashed their checks, provided that they would receive at least \$10.00 in such re-distribution based on their Recognized Claims. If six months after such re-distribution, any funds shall remain in the Net Settlement Fund, then GCG following consultation with Plaintiffs' counsel, shall donate the remaining funds to The Law and Finance Institute.

14. This Court finds that the administration of the Settlement and the proposed distribution of the Net Settlement Fund comply with the terms of the Stipulation and the Plan of Allocation and that all persons involved in the review, verification, calculation, tabulation, or any other aspect of the processing of the claims submitted herein, or otherwise involved in the administration or taxation of the Settlement Fund or the Net Settlement Fund are released and discharged from any and all claims arising out of such involvement, and all Class members, whether or not they are to receive payment from the Net Settlement Fund are barred from making any further claims against the Net Settlement Fund or the Released Persons beyond the amount allocated to them pursuant to this Order.

15. The Claims Administrator is authorized to discard paper or hard copies of Proofs of Claim and supporting documents not less than one year after the initial distribution of the Net Settlement Fund to the Authorized Claimants and electronic or magnetic media data not less than three years after the initial distribution of the Net Settlement Fund to the eligible Authorized Claimants.

16. This Court shall retain jurisdiction over any further application or matter which may arise in connection with this action. The retention of jurisdiction by this Court in this matter does not affect in any way the finality of this Order.

DATED: 3/26, 2007



WILLIAM E. SMITH, U.S.D.J.

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This Notice has been sent to you pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the District of Rhode Island (the "Court"). The purpose of this Notice is to inform you of the proposed settlement of this class action litigation (the "Action") and of the hearing to be held by the Court to consider the fairness, reasonableness, and adequacy of the settlement. This Notice describes the rights you may have in connection with the settlement and what steps you may take in relation to the settlement and this class action litigation.

Statement of Plaintiff Recovery

The proposed settlement creates a fund in the amount of \$7,000,000 and will include interest that accrues on the fund prior to distribution (the "Settlement Fund"). Based on Plaintiffs' Counsel's estimate of the number of shares entitled to participate in the settlement and the anticipated number of claims to be submitted by Class Members, the average distribution would be approximately \$0.12 per share before deduction of Court-approved fees and expenses. However, your actual recovery from this fund will depend on a number of variables, including the number of claimants, the number of securities you purchased, acquired or sold, the expense of administering the claims process and the timing of your purchases and sales, if any.

Statement of Potential Outcome of the Case

The parties disagree on both liability and damages and do not agree on the average amount of damages per share that would be recoverable if Plaintiffs had prevailed on each claim alleged. Textron and the other defendants deny that they misled investors or that they are liable in any respect to the Plaintiffs, the Class and that Plaintiffs or the Class have suffered any damages.

Statement of Attorneys' Fees and Costs Sought

Plaintiffs' Counsel will move the Court to award attorneys' fees in an amount of up to thirty-three (33%) percent of the Settlement Fund and for reimbursement of expenses incurred in connection with the prosecution of this Action in the approximate amount of \$300,000. The requested fees and expenses would amount to an average of \$0.04 per damaged share in total for fees and expenses. Application will also be made for reimbursement to the lead plaintiffs for an amount, not to exceed \$15,000, in total, for reimbursement of their reasonable costs and expenses directly relating to their representation of the Class. Plaintiffs' Counsel have expended considerable time and effort in the prosecution of this litigation on a contingent fee basis, and have advanced the expenses of the litigation, in the expectation that, if they were successful in obtaining a recovery for the Class, they would be paid from such recovery. In this type of litigation, it is customary for counsel to be awarded a percentage of the common fund recovery as their attorneys' fees.

For Further Information

Further information regarding the Action and this Notice may be obtained by contacting either of Plaintiffs' Co-Lead Counsel:

Pamela E. Kulsrud, Esq.
KIRBY McINERNEY & SQUIRE, LLP
830 Third Avenue, 10th Floor
New York, New York 10022
Phone: 888-529-4787

Michael I. Behn, Esq.
BEHN & WYETZNER, CHARTERED
55 W. Wacker Drive, Suite 950
Chicago, Illinois 60601
Phone: 312-629-0000

The Court has appointed a Claims Administrator, who is also reasonably available to answer questions from Class Members regarding matters contained in this Notice, including submission of Proof of Claim and Release, and from whom additional copies of this Notice and the Proof of Claim and Release forms may be obtained.

Textron Inc. Securities Litigation
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9000 #6395
Merrick, NY 11566-9000
Toll Free: 1(800) 430-9178
Website: www.gardencitygroup.com

Reasons for Settlement

Plaintiffs believe that the proposed settlement is a good recovery and is in the best interest of the Class. The principal reason for the settlement is the significant benefit to be provided to the Class now. This benefit must be compared to the risk that no recovery might be achieved after a contested trial and likely appeals, possibly years into the future.

Defendants deny that they misled investors during the Class Period and have entered into the Settlement solely in order to eliminate the burden and expense of further litigation and in recognition of the risk of an adverse outcome that is inherent in any complex litigation.

I. NOTICE OF HEARING ON PROPOSED SETTLEMENT

A settlement hearing will be held on May 9, 2006 at 9:00 a.m., before the Honorable William E. Smith, United States District Judge, at the United States Courthouse, District of Rhode Island, Federal Building and United States Courthouse, One Exchange Terrace, Providence, Rhode Island 02903-1270 (the "Fairness Hearing"). The purpose of the Fairness Hearing will be to determine: (1) whether the settlement consisting of \$7,000,000 in cash, plus accrued interest, should be approved as fair, just, reasonable and adequate to the Settling Parties; (2) whether the proposed plan to distribute the settlement proceeds (the "Plan of Allocation") is fair, just, reasonable, and adequate; (3) whether the application by Plaintiffs' Counsel for an award of attorneys' fees and reimbursement of expenses should be approved; and (4) whether the Action should be dismissed with prejudice. The Court may adjourn or continue the hearing without further notice to the Class.

II. DEFINITIONS USED IN THIS NOTICE

1. "Defendants" means Textron Inc., Lewis B. Campbell, John A. Janitz, Theodore R. French and Terry D. Stinson.
2. "Parties" or "Settling Parties" means, collectively, each of the Defendants, and the Plaintiffs on behalf of themselves and each of the Class Members.
3. "Plaintiffs Co-Lead Counsel" means Kirby McInerney & Squire, LLP, Futterman & Howard Chtd., and Behn & Wyetzner, Chartered.
4. "Releasee" means any of the Defendants, their respective present or former officers, directors, agents, employees, attorneys, stockholders, consultants, advisors, investment bankers, commercial bankers, insurers, representatives, trustees, parents, affiliates, subsidiaries, general and limited partners, heirs, executors, administrators, predecessors, successors and assigns.
5. "Settled Claims" means any and all claims, debts, demands, rights or causes of action or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or un-accrued, liquidated or un-liquidated, at law or in equity, matured or un-matured, whether class or individual in nature, including both known claims and unknown claims, (i) that have been asserted in this Action by the Class Members or any of them against any of the Releasees, or (ii) that could have been asserted in any forum by the Class Members or any of them against any of the Releasees that arise out of or relate in any way to the allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the Complaint including any alleged breach of duty, negligence or fraud, or any other alleged wrongdoing or misconduct relating in any way to the purchase or acquisition of Textron securities during the Class Period.
6. "Class" or "Class Member(s)" means the Class certified by the Court by Order dated May 11, 2005, consisting of all Persons or entities who purchased or otherwise acquired the securities of Textron Inc. between October 19, 2000 and September 26, 2001, inclusive (the "Class Period"), or any member thereof. Excluded from the Class are Defendants, members of the immediate families of the Defendants, any entity in which any defendant has or had a controlling interest, present or former directors and officers of Textron and the legal representatives, heirs, successors, or assigns of any such defendant. Also excluded is any person or entity who files a valid request for exclusion from the Class.
7. "Class Period" means the period from October 19, 2000 through September 26, 2001, inclusive.
8. "Textron Securities" means Textron common stock traded during the Class Period.
9. "Unknown Claims" means any Settled Claims that any Plaintiff or Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Releasees which, if known by him, her or it, might have affected his, her or its settlement with and release of the Releasees, or might have affected his, her or its decision not to object to this settlement or not to exclude himself, herself or itself from the Class. With respect to any and all Settled Claims, the Settling Parties stipulate and agree that, upon the Effective Date of this Settlement, and by operation of the Order and Final Judgment, each and all of the Class Members shall be deemed to have, and shall have, expressly waived and relinquished, to the fullest extent permitted by law, any and all provisions, rights and benefits of § 1542 of the California Civil Code, which provides as follows:

A general release does not extend to claims, which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

Upon the Effective Date of this Settlement, and by operation of the Order and Final Judgment, each and all of the Class Members also shall be deemed to have, and shall have, waived any and all provisions, rights and benefits conferred by any law or principle of common law which is similar, comparable or equivalent to § 1542 of the California Civil Code.

III. THE ACTION

On and after April 26, 2002, the following actions were filed in the United States District Court for the District of Rhode Island (the "Court") as securities class actions on behalf of persons or entities who purchased or otherwise acquired the securities of Textron Inc. ("Textron" or the "Company") between October 19, 2000 and September 26, 2001, inclusive (the "Class"):

Abbreviated Case Name	Case No.	Date Filed
<i>Joel Rosen v. Textron Inc., et al.</i>	02-190S	April 26, 2002
<i>Leslie Turbowitz v. Textron Inc., et al.</i>	02-264S	June 6, 2002

By Order dated September 27, 2002, the Court consolidated these actions for all purposes (collectively the "Action") and granted the motion of Local 710 Funds to be appointed lead plaintiff under §21D(a)(3)(B) of the Securities Exchange Act of 1934 (the "Exchange Act") and approved lead plaintiff's selection of Futterman & Howard, Chtd. and Kirby McInerney & Squire, LLP as Lead Counsel. The Court also appointed Kaplan & Kolb, Inc. as Liaison Counsel for plaintiffs pursuant to §21D(a)(3)(B)(v) of the Exchange Act.

On December 13, 2002, plaintiffs filed an amended and consolidated class action complaint (the "Complaint"). The Complaint is brought on behalf of a Class consisting of all persons who purchased or otherwise acquired the securities of Textron between October 19, 2000 and September 26, 2001, inclusive and alleges violations of §§10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder relating, among other things, to Defendants' accounting in connection with certain government contracts, including a Bell Helicopter Textron Inc. contract relating to the V-22 Osprey, tiltrotor aircraft. Defendants filed a motion to dismiss on March 26, 2003.

On June 15, 2004, the Court denied, in part, Defendants' motion to dismiss and on May 11, 2005, the Court certified Plaintiffs' claims for class treatment pursuant to Rule 23 of the Federal Rules of Civil Procedure. The Class is comprised of:

All persons or entities who purchased or otherwise acquired the securities of Textron Inc. between October 19, 2000 and September 26, 2001, inclusive.

Excluded from the Class are Defendants, members of the immediate families of the Defendants, any entity in which any Defendant has or had a controlling interest, present or former directors or officers of Textron, and the legal representatives, heirs, successors or assigns of any such defendants. Also excluded from the class is any person who files a valid request for exclusion from the Class.

The Court appointed Plaintiffs Local 710 and William Swartzchild III as class representatives and Kirby McInerney & Squire, LLP and Futterman & Howard Chtd., as Plaintiffs' Co-Lead Counsel. The Court also appointed Kaplan & Kolb, Inc. (now replaced by the Law Offices of William M. Kolb, LLC) as liaison counsel for the Class. By order of December 21, 2005, the Court appointed Behn & Wyetzner, Chartered as an additional Co-Lead Counsel and the Law Offices of William M. Kolb, LLC as new liaison counsel.

IV. PLAINTIFFS' CLAIMS AND BENEFITS OF THE SETTLEMENT

Plaintiffs believe that the claims asserted in the Action have merit. However, counsel for the Plaintiffs and the Class recognize and acknowledge the expense and length of continued proceedings necessary to prosecute the Action against Defendants through trial and Plaintiffs' Counsel also have taken into account the uncertain outcome and the risk of any litigation, especially in complex actions such as this Action, as well as the difficulties and delays inherent in such litigation and the risks involved in attempting to collect any judgment in the event the claims were successful. Plaintiffs' Counsel also are mindful of the inherent problems of proof under and possible defenses to the violations asserted in the Action. Plaintiffs' Counsel believe that the settlement set forth in the Stipulation confers substantial benefits upon the Class. Based on their evaluation, Plaintiffs' Counsel have determined that the settlement set forth in the Stipulation is in the best interests of the Plaintiffs and the Class.

V. DEFENDANTS' STATEMENT AND DENIALS OF WRONGDOING AND LIABILITY

Defendants have denied and continue to deny each and all of the claims and contentions alleged by the Plaintiffs in the Action. Defendants expressly have denied and continue to deny all charges of wrongdoing or liability against them arising out of any of the conduct, statements, acts or omissions alleged, or that could have been alleged in the Action. Defendants also have denied and continue to deny, *inter alia*, the allegations that Plaintiffs have suffered damages, that the price of Textron securities was artificially inflated by reason of the alleged misrepresentations, non-disclosures or otherwise, or that the Plaintiffs or the Class were harmed by the conduct alleged in the Action.

Nonetheless, Defendants have concluded that further conduct of the Action would be protracted and expensive, and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions set forth in the Stipulation. Defendants also have taken into account the uncertainty and risks inherent in any litigation, especially in complex cases like this Action. Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in the Stipulation.

VI. TERMS OF THE PROPOSED SETTLEMENT

Defendants have paid or caused to be paid into an escrow account, pursuant to the terms of the Stipulation of Settlement dated as of December 29, 2005 (the "Stipulation"), cash in the amount of \$7 million, which has been earning and will continue to earn interest for the benefit of the Class.

A portion of the settlement proceeds will be used for certain administrative expenses, including costs of printing and mailing this Notice, payment of any taxes assessed against the Settlement Fund and costs associated with the processing of claims submitted. In addition, as explained below, a portion of the Settlement Fund may be awarded by the Court to counsel for the Plaintiffs as attorneys' fees and for reimbursement of out-of-pocket expenses. The balance of the Settlement Fund (the "Net Settlement Fund") will be distributed to all eligible Class Members according to the Plan of Allocation described below.

VII. PLAN OF ALLOCATION

The Net Settlement Fund will be distributed to Class Members who submit valid, timely Proof of Claim forms ("Authorized Claimants") under the Plan of Allocation described below.

To the extent that there are sufficient funds in the Net Settlement Fund, each Authorized Claimant will receive an amount equal to the Authorized Claimant's claim, as defined below. If, however, the amount in the Net Settlement Fund is not sufficient to permit payment of the total claim of each Authorized Claimant, then each Authorized Claimant shall be paid the percentage of the Net Settlement Fund that each Authorized Claimant's claim bears to the total of the claims of all Authorized Claimants. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

A claim will be calculated as follows:

For shares of Textron common stock that were purchased or acquired on October 19, 2000 through September 26, 2001, and

- a) sold prior to September 26, 2001, the claim per share shall be zero (0).
- b) sold at a loss between September 26, 2001 through and including December 25, 2001, the claim is the lesser of: (i) the difference between the purchase price paid per share and the sale proceeds received per share, and (ii) the difference between the purchase price paid per share and \$37.05 per share (the PSLRA-defined 90-day average).
- c) retained after December 25, 2001, the claim per share is the lesser of: (i) the difference between the purchase price paid per share and \$37.05 per share and (ii) \$5.75 per share (the difference between the average price of Textron common stock on September 26, 2001 and the PSLRA 90-day average for that stock).

The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement" date. The determination of the price paid per share and the price received per share shall be exclusive of all commissions, taxes, fees and charges.

For Class Members who held shares at the beginning of the Class Period or made multiple purchases or sales during the Class Period, the first-in first-out ("FIFO") method will be applied to such holdings, purchases and sales for purposes of

calculating a claim. Under the FIFO method, sales of shares during the Class Period will be matched, in chronological order, first against shares held at the beginning of the Class Period. The remaining sales of shares during the Class Period will then be matched, in chronological order, against shares purchased during the Class Period.

A Class Member will be eligible to receive a distribution from the Net Settlement Fund only if that Class Member had a net loss, after profits from transactions in Textron common stock during the Class Period are subtracted from all losses. However, the proceeds from sales of shares that have been matched against shares held before the commencement of the Class Period will not be considered in the calculation of such net loss.

The claim computation is not intended to be an estimate of the amount an Authorized Claimant might have been able to recover at trial, and it is not an estimate of the amount that will be paid pursuant to the Settlement. This is not a claims made settlement. After the Court has approved the settlement, Defendants shall have no interest in the Settlement Fund.

No person shall have any claim against the named parties or their counsel or the Claims Administrator for distributions made in accordance with the Plan of Allocation. The parties and their counsel shall be given access to the Proofs of Claim and related materials in order to ensure compliance with the terms of this agreement.

The Court has reserved jurisdiction to allow, disallow or adjust the claim of any Class Member on equitable grounds.

VIII. PARTICIPATION IN THE SETTLEMENT

If you fall within the definition of the Class, you will remain a Class Member unless you elect to be excluded from the Class. If you do not request to be excluded from the Class, you will be bound by any judgment entered with respect to the settlement in the Action whether or not you file a Proof of Claim.

If you wish to remain a Class Member, you need do nothing (other than timely file a Proof of Claim and Release if you wish to participate in the distribution of the Net Settlement Fund). Your interests will be represented by Plaintiffs' Counsel. If you choose, you may enter an appearance individually or through your own counsel at your own expense.

TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE. The Proof of Claim and Release must be postmarked on or before June 21, 2006, and be delivered to the Claims Administrator at the address below. Unless the Court orders otherwise, if you do not timely submit a valid Proof of Claim, you will be barred from receiving any payment from the Net Settlement Fund, but will in all other respects be bound by the provisions of the Stipulation and the Judgment.

IX. EXCLUSION FROM THE SETTLEMENT CLASS

You may request to be excluded from the Class. To do so, you must mail a written request stating that you wish to be excluded from the Class to:

Textron Inc. Securities Litigation
EXCLUSIONS
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9000 #6395
Merrick, NY 11566-9000

The request for exclusion must state: (1) your name, address, and telephone number and (2) all purchases, or other acquisitions for valuable consideration, and sales of Textron securities made during the Class Period, including the dates of purchase, acquisition or sale, the number of shares of securities, purchased, acquired or sold and the price or consideration paid or the price received per share. YOUR EXCLUSION REQUEST MUST BE POSTMARKED NO LATER THAN APRIL 25, 2006. If you submit a valid and timely request for exclusion, you shall have no rights under the Settlement, shall not share in the distribution of the Net Settlement Fund and shall not be bound by the Stipulation or the Judgment.

X. DISMISSAL AND RELEASES

If the proposed settlement is approved, the Court will enter a Final Judgment and Order of Dismissal with Prejudice ("Judgment"). The Judgment will dismiss the Settled Claims with prejudice as to all Defendants.

XI. APPLICATION FOR FEES AND EXPENSES

At the Fairness Hearing, counsel for the Plaintiffs will request the Court to award attorneys' fees in an amount not to exceed thirty (33%) percent of the Settlement Fund, plus reimbursement of reasonable expenses, not to exceed \$300,000, that were advanced in connection with the Action, plus interest thereon, payable out of the Settlement Fund. Class members are not personally liable for any such fees, expenses, or compensation.

To date, Plaintiffs' Counsel have not received any payment for their services in conducting this Action on behalf of the Plaintiffs and the Members of the Class, nor have counsel been reimbursed for their out-of-pocket expenses. The fee requested by Plaintiffs' Counsel is intended to compensate counsel for their efforts in achieving the Settlement Fund for the benefit of the Class and for their risk in undertaking this representation on a contingency basis.

XII. CONDITIONS FOR SETTLEMENT

The settlement is conditioned upon the occurrence of certain events described in the Stipulation. Those events include, among other things: (1) entry of the Judgment by the Court, as provided for in the Stipulation; and (2) expiration of the time to appeal from or alter or amend the Judgment. If, for any reason, any one of the conditions described in the Stipulation is not met, the Stipulation might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions as of December 29, 2005.

XIII. THE RIGHT TO BE HEARD AT THE HEARING

Any Class Member who has not validly and timely requested to be excluded from the Class, and who objects to any aspect of the settlement, Plan of Allocation, or the application for attorneys' fees and expenses, may appear and be heard at the Fairness Hearing. Any such person must submit a written notice of objection, which must be served by overnight mail or hand delivery upon each of the following no later than April 25, 2006:

CLERK OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND
Federal Building and United States Courthouse
One Exchange Terrace
Providence, Rhode Island 02903-1270

Counsel for Plaintiffs:

Ira M. Press, Esq.
KIRBY McINERNEY & SQUIRE, LLP
830 Third Avenue, 10th Floor
New York, New York 10022

Michael I. Behn, Esq.
BEHN & WYETZNER, CHARTERED
55 W. Wacker Drive, Suite 950
Chicago, Illinois 60601

Counsel for Defendants:

Mitchell A. Karlan, Esq.
GIBSON DUNN & CRUTCHER, LLP
200 Park Avenue, 47th Floor
New York, New York 10166-0193

The notice of objection must demonstrate the objecting Person's membership in the Class, including the number of Textron shares purchased or otherwise acquired and sold during the Class Period, and contain a statement of the reasons for objection. Only Members of the Class who have submitted written notices of objection in this manner will be entitled to be heard at the Fairness Hearing, unless the Court orders otherwise.

XIV. SPECIAL NOTICE TO NOMINEES

If you hold any Textron common stock purchased or otherwise acquired during the Class Period as nominee for a beneficial owner, then, within seven (7) days after you receive this Notice, you must either: (1) send a copy of this Notice and the Proof of Claim by first class mail to all such Persons; or (2) provide a list of the names and addresses of such Persons to the Claims Administrator:

Textron Inc. Securities Litigation
c/o The Garden City Group, Inc.
Claims Administrator
P.O. Box 9000 #6395
Merrick, NY 11566-9000

If you choose to mail the Notice and Proof of Claim yourself, you may obtain from the Claims Administrator (without cost to you) as many additional copies of these documents as you will need to complete the mailing.

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for or advancement of reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Proof of Claim and which would not have been incurred or expected to be incurred in connection with forwarding the Notice and Proof of Claim and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim, upon submission of appropriate documentation to the Claims Administrator.

XV. EXAMINATION OF PAPERS

This Notice is a summary and does not describe all of the details of the Stipulation. For full details of the matters discussed in this Notice, you may review the Stipulation filed with the Court, which may be inspected during business hours, at the office of the Clerk of the United States District Court for the District of Rhode Island, Federal Building and United States Courthouse, One Exchange Terrace, Providence, Rhode Island 02903-1270. If you have any questions about the Action, you may contact Plaintiffs' Co-Lead Counsel by writing:

Pamela E. Kulsrud, Esq.
KIRBY McINERNEY & SQUIRE, LLP
830 Third Avenue, 10th Floor
New York, New York 10022

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DO NOT TELEPHONE THE COURT REGARDING THIS NOTICE.

DATED: February 21, 2006

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
DISTRICT OF RHODE ISLAND