

MANITOWOC CO INC
Form 10-K/A
March 14, 2005

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

FORM 10-K/A

Amendment No. 1

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**Annual Report Pursuant to Section 13 or 15(d) of the Securities
Exchange Act of 1934**

For the fiscal year ended December 31, 2003

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**Transition Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

For the transition period from to

Commission File Number
1-11978

The Manitowoc Company, Inc.

(Exact name of registrant as specified in its charter)

Wisconsin
(State or other jurisdiction
of incorporation)

**2400 South 44th Street,
Manitowoc, Wisconsin**

39-0448110
(I.R.S. Employer
Identification Number)

54221-0066

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(Address of principal executive offices)

(Zip Code)

(920) 684-4410

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

Common Stock, \$.01 Par Value

(Title of Each Class)

Common Stock Purchase Rights

New York Stock Exchange

(Name of Each Exchange on Which Registered)

Securities Registered Pursuant to Section 12(g) of the Act:

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceeding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

The Aggregate Market Value on June 30, 2003, of the registrant's Common Stock held by non-affiliates of the registrant was \$581,443,342 based on the closing per share price of \$22.01 on that date.

The number of shares outstanding of the registrant's Common Stock as of February 25, 2004 the record date for determining shareholders entitled to vote at the Annual Meeting as well as the most recent practicable date, was 26,702,306.

Restatement

The company hereby amends its Form 10-K (Items 1, 6, 7, 7A, 8, 9A, and 15) for the year ended December 31, 2003. This amendment corrects items in the company's Consolidated Balance Sheets, Consolidated Statements of Stockholders' Equity and Comprehensive Income (Loss), and related notes that relate to the accounting treatment of goodwill and other intangibles associated with the Registrant's foreign acquisitions, as described below.

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During the course of the audit of our 2004 financial statements, we determined that the accounting treatment of certain of the company's goodwill and other intangibles related to our foreign acquisitions did not comply with the requirements of Statement of Financial Accounting Standards (SFAS) No. 52, Foreign Currency Translation. We maintained the value of goodwill and other intangibles associated with our 2001 and 2002 foreign acquisitions at the historic foreign currency exchange rates in place at the date of the acquisition. We now have concluded that we should have translated these intangible assets into our reporting currency at the exchange rate at each balance sheet date to reflect changes in the applicable foreign currency exchange rates. This amendment restates the company's Consolidated Balance Sheets, Consolidated Statements of Stockholders' Equity and Comprehensive Income (loss), and related notes included herein to translate these intangible assets at the end of the periods reported to reflect changes in the applicable foreign exchange rates.

The cumulative impact of the error increases the company's intangible asset balance and currency translation adjustment balance within shareholders' equity by \$57.6 million and \$23.5 million as of December 31, 2003 and 2002, respectively. This change has no impact on the company's historical Consolidated Income Statements or Statements of Cash Flows, its financial debt covenants in prior years, or its previous intangible asset impairment analyses under SFAS No. 142, Goodwill and Other Intangible Assets. This change increases (decreases) comprehensive income by \$34.0 million, \$23.9 million and \$(0.4) million for the years ended December 31, 2003, 2002 and 2001, respectively.

See Note 1, Restatement in our Notes to Consolidated Financial Statements for further information regarding this restatement.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement, to be prepared and filed for the Annual Meeting of Shareholders, dated April 1, 2004 (the 2004 Proxy Statement), are incorporated by reference in Part III of this report.

See Index to Exhibits.

PART I

Item 1. Business

GENERAL

Founded in 1902, we are a diversified industrial manufacturer with leading positions in our three principal markets: Cranes and Related Products (Crane), Foodservice Equipment (Foodservice) and Marine. We have over a 100-year tradition of providing high-quality, customer-focused products and support services to our markets worldwide. For the year ended December 31, 2003 we had net sales of \$1.6 billion.

Our Crane business is a global provider of engineered lift solutions, offering one of the broadest lines of lifting equipment in our industry. We design, manufacture and market a comprehensive line of crawler cranes, mobile telescopic cranes, tower cranes, and boom trucks. Our Crane products are marketed under the Manitowoc, Potain, Grove, and National, brand names and are used in a wide variety of applications, including energy, petrochemical and industrial projects, infrastructure development such as road, bridge and airport construction, commercial and high-rise residential construction, mining and dredging.

Our Foodservice business is a leading broad-line manufacturer of cold side commercial foodservice products. We design, manufacture and market full product lines of ice making machines, walk-in and reach-in refrigerators/freezers, fountain beverage delivery systems and other foodservice refrigeration products for the lodging, restaurant, healthcare, convenience store, soft-drink bottling and institutional foodservice markets. Our Foodservice products are principally marketed under the Manitowoc, Kolpak, SerVend, Multiplex, Harford-Duracool, McCall, Flomatic, Koolaire, and Icetronic brand names.

Our Marine segment provides new construction, shiprepair and maintenance services for freshwater and saltwater vessels from four shipyards on the U.S. Great Lakes. Marine is also a provider of Great Lakes and oceangoing mid-sized commercial, research and military vessels. Marine serves the Great Lakes maritime market consisting of both U.S. and Canadian fleets, inland waterway operations, and ocean going vessels that transit the Great Lakes and St. Lawrence Seaway.

Our principal executive offices are located at 2400 South 44th Street, Manitowoc, Wisconsin 54221-0066.

FINANCIAL INFORMATION ABOUT BUSINESS SEGMENTS

The following is financial information about the Crane, Foodservice and Marine segments for the years ended December 31, 2003, 2002 and 2001. The accounting policies of the segments are the same as those described in the summary of significant accounting policies of the Notes to the Consolidated Financial Statements included in Item 8 of this Form 10-K, except that certain expenses are not allocated to the segments. These unallocated expenses are corporate overhead, amortization expense of intangible assets with definite lives, interest expense, curtailment gain, and income taxes. The company evaluates segment performance based upon profit and loss before the aforementioned expenses. Restructuring costs separately identified in the Consolidated Statement of Earnings are included as reductions to the respective segment's operating earnings for each year below.

The table below has been restated for the impact of changes in foreign exchange rates on the company's goodwill and other intangible assets. See Note 1, "Restatement" in the Notes to the Consolidated Financial Statements for information about the restatement of the asset balances.

	2003		2002		2001
Net sales from continuing operations:					
Crane	\$ 962,808	\$	674,060	\$	391,109
Foodservice	457,000		462,906		411,637
Marine	151,048		219,457		181,677
Total	\$ 1,570,856	\$	1,356,423	\$	984,423
Operating earnings from continuing operations:					
Crane	\$ 24,437	\$	55,613	\$	62,654
Foodservice	65,927		56,749		57,942
Marine	4,750		19,934		18,924
Corporate	(19,210)		(15,171)		(11,961)
Amortization expense	(2,919)		(2,001)		(11,074)
Curtailment gain	12,897				
Operating earnings from continuing operations	\$ 85,882	\$	115,124	\$	116,485
Capital expenditures					
Crane	\$ 25,028	\$	19,116	\$	17,032
Foodservice	5,005		4,107		7,307
Marine	735		1,490		2,908
Corporate	1,209		8,283		1,857
Total	\$ 31,977	\$	32,996	\$	29,104
Total assets:					
Crane (as restated)	\$ 1,151,751	\$	1,046,294	\$	577,523
Foodservice	290,586		320,840		368,363
Marine	91,519		93,983		77,291
Corporate	126,293		139,529		57,238
Total (as restated)	\$ 1,660,149	\$	1,600,646	\$	1,080,415

PRODUCTS AND SERVICES

We sell our products categorized in the following business segments:

Business Segment	Percentage of 2003 Net Sales	Key Products	Key Brands
Cranes and Related Products	61.3%	Lattice Boom Cranes: which include crawler and truck mounted lattice-boom cranes; Tower Cranes: which include luffing, topless, hammer head, and self erecting tower cranes; Mobile Telescopic Cranes: including rough terrain cranes, all-terrain cranes, truck mounted cranes and industrial cranes; Mountable Telescopic Cranes: which include telescopic boom trucks and articulated boom cranes; Parts and Service: which include replacement parts, crane rebuilding and remanufacturing services.	Manitowoc Potain Grove National
Foodservice Equipment	29.1%	Commercial ice-cube machines, ice flakers, and storage bins; ice/beverage dispensers; long-draw soft-drink and beer dispensing systems; walk-in refrigerators and freezers; reach-in refrigerators and freezers; refrigerated under-counters and food prep tables; private label residential refrigerator/freezers; post-mix beverage dispensing valves; cast aluminum cold plates; compressor racks and modular refrigeration systems; backroom beverage equipment distribution services.	Manitowoc SerVend Multiplex Kolpak Harford-Duracool McCall Koolaire Flomatic Icetric
Marine	9.6%	New construction services for commercial, government, military, and research vessels of all varieties, including United States Coast Guard cutters, ice breakers, ferries, patrol boats, self-unloading bulk carriers, double-hull tank barges, integrated tug/barges and dredges; inspection, maintenance and repair of freshwater and saltwater vessels; also provides industrial repair and maintenance services for refineries, power plants and heavy industrials.	

Cranes and Related Products

Our Crane segment designs and manufactures a diversified line of crawler and truck mounted lattice-boom cranes, which we sell under the Maniwoc name for use by the energy, petrochemical, construction, mining, pulp and paper and other industries. Our Crane segment also designs and manufactures a diversified line of top slewing and self erecting tower cranes, which we sell under the Potain name, for use in construction and other industries primarily in the Americas, Europe, Middle East, Africa, and Asia. We also design and manufacture mobile telescopic cranes used in commercial and industrial applications, which we sell and market under the Grove name in the Americas, Europe, Middle East, Africa, and Asia. We design and manufacture a comprehensive line of hydraulically powered telescopic and articulated boom trucks, which we sell under the National brand name utilized by contractors engaged in the industrial, commercial, public works and residential construction, railroad and oil field service industries. We specialize in crane rebuilding and remanufacturing services. Many of our customers purchase one crane together with several attachments to permit use of the crane in a broader range of lifting applications and other operations. Various crane models combined with available options have lifting capacities up to 1,433 U.S. tons and excavating capacities ranging from 3 to

15 cubic yards. During 2003, we formed an alliance with Kobelco Construction Machinery Company, a large Japanese construction equipment manufacturer.

Lattice-boom Cranes. Under the Manitowoc brand name we design and manufacture lattice-boom crawler cranes. Lattice-boom cranes consist of a lattice-boom, which is a fabricated, high-strength steel structure that has four chords and tubular lacings, mounted on a base which is either crawler or truck mounted. Lattice-boom cranes weigh less and provide higher lifting capacities than a telescopic boom of similar length. The lattice-boom sections, together with the crane base, are transported to and erected at a project site.

We currently offer twelve models of lattice-boom cranes with lifting capacities ranging from approximately 80 to 1,433 tons, which are used to lift material and equipment in a wide variety of applications and end markets, including heavy construction, bridge and highway, duty cycle and infrastructure and energy related projects. These cranes are also used by the crane rental industry, which serves all of the above industries.

Lattice-boom crawler cranes may be classified according to their lift capacity low capacity and high capacity. Low capacity crawler cranes with 150-ton capacity or less are often utilized for general construction and duty cycle applications. We offer four models in this crane category: the Model 111, an 80-ton capacity, self erecting crawler crane; the Model 222, a 100-ton capacity, self erecting crawler crane; the Model 1015, a 120-ton capacity, self erecting foundation crane; and the Model 555, a 150-ton capacity, lift crane.

High capacity crawler cranes with greater than 150-ton capacity are utilized to lift materials in a wide variety of applications and are often utilized in heavy construction, energy-related, stadium construction, petrochemical work, and dockside applications. We offer six high-capacity models: the Model 777, a 200-ton capacity, self erecting crawler crane; the Model 888, a 230-ton capacity, self erecting crawler crane; the Model 999, a 275-ton capacity, self erecting crawler crane; the Model 2250, a 300-ton capacity, self erecting crawler crane; the Model 18000, a 660-ton capacity liftercrane; and the Model 21000, a 1,000-ton capacity liftercrane.

We also manufacture two lattice-boom, self erecting truck cranes: the M-2250T, a 300-ton capacity crane and the Model 777T, a 220-ton capacity crane. These cranes serve the same markets as our high capacity crawler cranes. They differ from their crawler counterparts only in that they are mounted on a truck rather than a crawler and can travel at highway speeds.

Crawler Crane Attachments. Manitowoc Cranes offers customers various attachments that provide our cranes with greater capacity in terms of height, movement and lifting. Our principal attachments are: MAX-ER attachment, luffing jibs, tower attachments and RINGER attachments. The MAX-ER is a trailing, counterweight, heavy-lift attachment that dramatically improves the reach, capacity and lift dynamics of the basic crane to which it is mounted. It can be transferred between cranes of the same model for maximum economy and occupies less space than competitive heavy-lift systems. A luffing jib is a fabricated structure similar to, but smaller than, a lattice-boom. Mounted at the tip of a lattice-boom, a luffing jib easily adjusts its angle of operation permitting one crane with a luffing jib to make lifts at additional locations on the project site. It can be transferred between cranes of the same model to maximize utilization. A RINGER attachment is a high-capacity lift attachment that distributes load reactions over a large area to minimize ground-bearing pressure. It can also be more economical than transporting and setting up a larger crane.

Tower Cranes. Under the Potain brand name we designs and manufactures tower cranes utilized primarily in the building and construction industry. Tower cranes offer the ability to lift and place material more quickly and accurately than other types of lifting machinery without utilizing substantial square footage on the ground. Tower cranes include a stationary vertical tower and a horizontal jib with a counterweight, which is placed near the top of the vertical tower. A load carrying cable runs through a trolley which is on the jib, enabling the load to move along the jib. The jib rotates 360 degrees, which compensates for the crane's inability to move, thus increasing the crane's work area. Operators are primarily located where the jib and tower meet, which provides superior visibility above the worksite. We offer a complete line of tower crane products, including top slewing, luffing jib, toplless, self erecting, and special cranes for dams, harbors and other large building projects. Top slewing cranes are the most traditional form of tower cranes.

Top slewing tower cranes have a tower and multi-sectioned horizontal jib. Suspension cables supporting the jib extend from the tower. These cranes rotate from the top of their mast and can increase in height with the project. Top slewing cranes are transported in separate pieces and assembled at the construction site in one to three days depending on the height. We offers over 50 models of top slewing tower cranes with lifting capabilities ranging between 40 and 2,000 meter-tons. These cranes are generally sold to large building and construction groups, as well as rental companies.

Luffing jib tower cranes, which are a type of top slewing crane, have an angled rather than horizontal jib. Unlike other tower cranes which have a trolley that controls the lateral movement of the load, luffing jib cranes move their load by changing the angle of the jib. These cranes are transported in separate pieces and assembled at the construction site in one to three days depending on the height. The cranes are utilized primarily in urban areas where space is constrained or in situations where several cranes are installed close together. We currently offers 11 models of luffing jib tower cranes with maximum jib lengths of 23 meters.

Self erecting tower cranes are generally trailer-mounted and unfold from four sections, two for the tower and two for the jib. The smallest of Potain's models unfolds in less than 8 minutes; larger models erect in a few hours. Self erecting cranes rotate from the bottom of their mast. We offers 26 models of self erecting cranes with lifting capacities ranging between 10 and 80 meter-tons which are utilized primarily in light construction and residential applications.

Mobile Telescopic Cranes. Under the Grove brand name we designs and manufactures 24 models of mobile telescopic cranes utilized primarily in industrial, commercial and construction applications, as well as in maintenance applications to lift and move material at job sites. Mobile telescopic cranes consist of a telescopic boom mounted on a wheeled carrier. Mobile telescopic cranes are similar to lattice-boom cranes in that they are designed to lift heavy loads using a mobile carrier as a platform, enabling the crane to move on and around a job site without typically having to re-erect the crane for each particular job.

Additionally, many mobile telescopic cranes have the ability to drive between sites, while some are even permitted on public roadways. We currently offer the follo