

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

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q/A

Amendment No. 1

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

For the quarterly period ended March 31, 2004

Or

o

**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

39-0448110

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(State or other jurisdiction
of incorporation or organization)

(I.R.S. Employer
Identification Number)

**2400 South 44th Street,
Manitowoc, Wisconsin**
(Address of principal executive offices)

54221-0066
(Zip Code)

(920) 684-4410

(Registrant's telephone number, including area code)

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 preceding 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 whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares outstanding of the Registrant's common stock, \$.01 par value, as of March 31, 2004, the most recent practicable date, was 26,715,751.

Restatement

The company hereby amends its Form 10-Q (Items 1, 4 and 6) for the quarterly period ended March 31, 2004. This amendment corrects items in the company's Consolidated Balance Sheets, Consolidated Statements of Comprehensive Income, and related notes that relate to the accounting treatment of goodwill and other intangibles associated with the company's foreign acquisitions, as described below.

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 Comprehensive Income, 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 \$52.9 million and \$57.6 million as of March 31, 2004 and December 31, 2003, 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 \$(4.7) million and \$5.5 million for the three months ended March 31, 2004 and 2003, respectively.

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

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

THE MANITOWOC COMPANY, INC.
Consolidated Statements of Operations
For the Three Months Ended March 31, 2004 and 2003
(Unaudited)
(In thousands, except per-share and average shares data)

	Three Months Ended March 31,	
	2004	2003
Net sales	\$ 411,826	\$ 360,909
Costs and expenses:		
Cost of sales	320,509	283,166
Engineering, selling and administrative expenses	67,992	60,915
Amortization expense	790	699
Total costs and expenses	389,291	344,780
Earnings from operations	22,535	16,129
Other expense:		
Interest expense	(13,548)	(14,619)
Loss on debt extinguishment	(555)	
Other income (expense), net	1,059	(41)
Total other expense	(13,044)	(14,660)
Earnings from continuing operations before taxes on income	9,491	1,469
Provision for taxes on income	2,753	499
Earnings from continuing operations	6,738	970
Discontinued operations:		
Loss from discontinued operations, net of income taxes of \$(370) and \$(373), respectively	(971)	(725)
Gain on sale of discontinued operations, net of income taxes of \$149		290
Net earnings	\$ 5,767	\$ 535
Basic earnings per share:		
Earnings from continuing operations	\$ 0.25	\$ 0.04
Loss from discontinued operations, net of income taxes	(0.04)	(0.03)
Gain on sale of discontinued operations, net of income taxes		0.01
Net earnings	\$ 0.22	\$ 0.02
Diluted earnings per share:		
Earnings from continuing operations	\$ 0.25	\$ 0.04
Loss from discontinued operations, net of income taxes	(0.04)	(0.03)
Gain on sale of discontinued operations, net of income taxes		0.01
Net earnings	\$ 0.21	\$ 0.02
Weighted average shares outstanding - basic	26,673,710	26,542,127

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Weighted average shares outstanding - diluted

27,121,025

26,582,057

See accompanying notes which are an integral part of these statements.

THE MANITOWOC COMPANY, INC.
Consolidated Balance Sheets
As of March 31, 2004 and December 31, 2003

(Unaudited)
(In thousands, except share data)

	March 31, 2004 (as restated)	December 31, 2003 (as restated)
Assets		
Current Assets:		
Cash and cash equivalents	\$ 33,069	\$ 44,968
Marketable securities	2,229	2,220
Accounts receivable, less allowances of \$26,773 and \$24,419	251,432	245,010
Inventories - net	297,010	232,877
Deferred income taxes	69,800	71,781
Other current assets	55,011	49,233
Total current assets	708,551	646,089
Property, plant and equipment - net	336,719	334,618
Goodwill	436,427	438,925
Other intangible assets - net	146,380	149,256
Deferred income taxes	36,525	34,491
Other non-current assets	61,634	56,770
Total assets	\$ 1,726,236	\$ 1,660,149
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 505,309	\$ 454,394
Current portion of long-term debt	3,637	3,205
Short-term borrowings	20,015	22,011
Product warranties	30,547	33,823
Product liabilities	30,234	31,791
Total current liabilities	589,742	545,224
Non-Current Liabilities:		
Long-term debt, less current portion	574,805	567,084
Pension obligations	57,148	57,239
Postretirement health and other benefit obligations	54,502	54,283
Other non-current liabilities	91,203	80,327
Total non-current liabilities	777,658	758,933
Commitments and contingencies (Note 6)		
Stockholders' Equity:		
Common stock (36,746,482 shares issued, 26,715,751 and 26,572,024 shares outstanding, respectively)	367	367
Additional paid-in capital	82,679	81,297
Accumulated other comprehensive income	34,917	40,800
Unearned compensation	(258)	(328)
Retained earnings	346,560	340,792
Treasury stock, at cost (10,030,731 and 10,174,458 shares, respectively)	(105,429)	(106,936)
Total stockholders' equity	358,836	355,992
Total liabilities and stockholders' equity	\$ 1,726,236	\$ 1,660,149

See accompanying notes which are an integral part of these statements.

THE MANITOWOC COMPANY, INC.
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2004 and 2003
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2004	2003
Cash Flows from Operations:		
Net earnings	\$ 5,767	\$ 535
Adjustments to reconcile net earnings to cash provided by (used for) operating activities of continuing operations:		
Discontinued operations, net of income taxes	971	435
Depreciation	11,859	11,960
Amortization of intangible assets	790	699
Amortization of deferred financing fees	983	815
Loss on debt extinguishment	555	
Deferred income taxes	(570)	(1,085)
Loss (gain) on sale of property, plant and equipment	2,202	(170)
Changes in operating assets and liabilities, excluding effects of business acquisitions and divestitures:		
Accounts receivable	(9,939)	(726)
Inventories	(83,901)	(19,398)
Other assets	(3,078)	8,593
Accounts payable	48,987	5,426
Other liabilities	19,115	18,749
Net cash provided by (used for) operating activities of continuing operations	(6,259)	25,833
Net cash used for operating activities of discontinued operations	(2,080)	(1,025)
Net cash provided by (used for) operating activities	(8,339)	24,808
Cash Flows from Investing:		
Capital expenditures	(11,481)	(4,309)
Proceeds from sale of property, plant and equipment	1,410	967
Sale (purchase) of marketable securities	(9)	119
Net cash used for investing activities of continuing operations	(10,080)	(3,223)
Net cash provided by investing activities of discontinued operations		6,989
Net cash provided by (used for) investing activities	(10,080)	3,766
Cash Flows from Financing:		
Payments on long-term debt	(7,907)	(21,992)
Proceeds from long-term debt	11,807	
Payments on revolver borrowings - net		(1,251)
Debt issuance costs		(662)
Exercises of stock options	2,889	
Net cash provided by (used for) financing	6,789	(23,905)
Effect of exchange rate changes on cash	(269)	571
Net increase (decrease) in cash and cash equivalents	(11,899)	5,240
Balance at beginning of period	44,968	28,035
Balance at end of period	\$ 33,069	\$ 33,275

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See accompanying notes which are an integral part of these statements.

THE MANITOWOC COMPANY, INC.
Consolidated Statements of Comprehensive Income (Loss)
For the Three Months Ended March 31, 2004 and 2003
(Unaudited)
(In thousands)

	Three Months Ended March 31,	
	2004 (as restated)	2003 (as restated)
Net earnings	\$ 5,767	\$ 535
Other comprehensive income (loss):		
Derivative instrument fair market value adjustment - net of income taxes	(825)	161
Foreign currency translation adjustments	(5,058)	29
Total other comprehensive income (loss)	(5,883)	190
Comprehensive income (loss)	\$ (116)	\$ 725

See accompanying notes which are an integral part of these statements.

THE MANITOWOC COMPANY, INC.
Notes to Unaudited Consolidated Financial Statements
For the Three Months Ended March 31, 2004 and 2003

1. Restatement

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 Comprehensive Income, 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 \$52.9 million and \$57.6 million as of March 31, 2004 and December 31, 2003, 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 \$(4.7) million and \$5.5 million for the three months ended March 31, 2004 and 2003, respectively.

The following table shows the impact of the restatement on the effected components of the Consolidated Balance Sheets and Consolidated Statements of Comprehensive Income.

	As Restated		As Reported	
	2004	2003	2004	2003
Consolidated Balance Sheets				
Goodwill - net	\$ 436,427	\$ 438,925	\$ 406,344	\$ 406,233
Other intangible assets - net	\$ 146,380	\$ 149,256	\$ 123,590	\$ 124,380
Accumulated other comprehensive income	\$ 34,917	\$ 40,800	\$ (17,956)	\$ (16,768)

	As Restated		As Reported	
	2004	2003	2004	2003
Consolidated Statements of Comprehensive Income				
Foreign currency translation adjustment	\$ (5,058)	\$ 29	\$ (363)	\$ (5,446)
Comprehensive income (loss)	\$ (116)	\$ 725	\$ 4,579	\$ (4,750)

2. Accounting Policies

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In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary to present fairly the results of operations, cash flows and comprehensive income (loss) for the three months ended March 31, 2004 and 2003 and the financial position at March 31, 2004. The interim results are not necessarily indicative of results for a full year and do not contain information included in the company's annual consolidated financial statements and notes for the year ended December 31, 2003. The consolidated balance sheet as of December 31, 2003 was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. It is suggested that these financial statements be read in conjunction with the financial statements and the notes thereto included in the company's latest annual report.

All dollar amounts, except per share amounts, are in thousands of dollars throughout the tables included in these notes unless otherwise indicated.

Certain prior period amounts have been reclassified to conform to the current period presentation.

3. Discontinued Operations

During the first quarter of 2004, the company entered into a binding agreement to divest of its wholly-owned subsidiary, Delta Manlift SAS (Delta), to JLG Industries, Inc. Headquartered in Tonneins, France, Delta manufactures the Toucan brand of vertical mast lifts, a line of aerial work platforms distributed throughout Europe for use principally in industrial and maintenance operations. The transaction is subject to completion of definitive agreements, receipt of customary approvals and submission to Delta's works council (See Note 16, Subsequent Event). In addition, during December 2003, the company completed plans to restructure its Aerial Work Platform (AWP) businesses. The restructuring included the closure of the Potain GmbH (Liftlux) facility in Dillingen, Germany and discontinuation of U.S. Manlift production at the Shady Grove, Pennsylvania facility. Once the sale of Delta is complete, the company will no longer participate in the aerial work platform market, other than providing aftermarket parts and service support. The pending sale of Delta, closure of Liftlux and discontinuation of the U.S. Manlift production represent discontinued operations under SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Results of these companies for the three months ended March 31, 2004 and 2003 have been classified as discontinued to exclude the results from continuing operations. In addition, during 2003 the company recorded a \$13.7 million pre-tax loss (\$11.1 million net of taxes) for the closure of the AWP businesses. This charge included the following: \$4.9 million to write-off goodwill related to the AWP businesses (recorded in the second quarter of 2003); \$3.5 million to record a reserve for the present value of future non-cancelable operating lease obligations (recorded in the fourth quarter of 2003); \$3.1 million to write-down inventory to estimated realizable value (recorded in the fourth quarter of 2003); and \$2.2 million for other closure costs (recorded in the fourth quarter of 2003).

The following selected financial data of the AWP businesses for the three months ended March 31, 2004 and 2003 is presented for informational purposes only and does not necessarily reflect what the results of operations would have been had the businesses operated as a stand-alone entity. There were no general corporate expenses or interest expense allocated to discontinued operations.

	Three Months Ended	
	March 31,	
	2004	2003
Net sales	\$ 10,559	\$ 10,909
Pretax loss from discontinued operations	\$ (1,167)	\$ (1,413)
Benefit for taxes on loss	(320)	(480)
Net loss from discontinued operations	\$ (847)	\$ (933)

During the fourth quarter of 2003 the company terminated its distributor agreement with North Central Crane & Excavator Sales Corporation (North Central Crane), a wholly-owned crane distributor. The company entered into a new distributor agreement with an independent third party for the area previously covered by North Central Crane. The termination of North Central Crane represents a discontinued operation under SFAS No. 144, as this was the company's only wholly-owned domestic crane distributor. Results of this company for the three months ended March 31, 2004 and 2003 have been classified as discontinued to exclude the results from continuing operations. During the fourth quarter of 2003 the company recorded a \$1.1 million pre-tax loss (\$0.9 million net of taxes), primarily for a loss on sale of inventory to the new independent third party distributor.

The following selected financial data of North Central Crane for the three months ended March 31, 2004 and 2003 is presented for informational purposes only and does not necessarily reflect what the results of operations would have been had the business operated as a stand-alone entity. There were no general corporate expenses or interest expense allocated to discontinued operations.

	Three Months Ended March 31,	
	2004	2003
Net sales	\$ 1,476	\$ 7,433
Pretax earnings (loss) from discontinued operations	\$ (174)	\$ 268
Provision (benefit) for taxes on earnings (loss)	(50)	91
Net earnings (loss) from discontinued operations	\$ (124)	\$ 177

On February 14, 2003, the company finalized the sale of Femco Machine Company, Inc. (Femco), the Crane segments' crane and excavator aftermarket replacement parts and industrial repair business, to a group of private investors led by the current Femco management and its employees. After the Grove Investors, Inc. (Grove) acquisition, it was determined that Femco was not a core business to the Crane segment. Cash proceeds from the sale of Femco were approximately \$7.0 million, which includes \$0.4 million of cash received by the company for post-closing adjustments, and resulted in a gain on sale of approximately \$0.4 million (\$0.3 million net of taxes). The disposition of Femco represents a discontinued operation under SFAS No. 144. Results of Femco for the period from January 1, 2003 through February 14, 2003 have been classified as discontinued to exclude the results from continuing operations.

The following selected financial data of Femco for the period from January 1, 2003 through February 14, 2003 is presented for informational purposes only and does not necessarily reflect what the results of operations would have been had the business operated as a stand-alone entity. There was no activity related to Femco during the three months ended March 31, 2004. There were no general corporate expenses or interest expense allocated to discontinued operations.

	Three Months Ended March 31, 2003
Net sales	\$ 2,178
Pretax earnings from discontinued operations	\$ 47
Pretax gain on disposal	439
Provision for taxes on income	165
Net earnings from discontinued operations	\$ 321

4. Inventories

The components of inventory at March 31, 2004 and December 31, 2003 are summarized as follows:

	March 31, 2004		December 31, 2003
Inventories - gross:			
Raw materials	\$ 96,741	\$	89,851
Work-in-process	96,278		81,378
Finished goods	162,569		120,565
Total inventories - gross	355,588		291,794
Excess and obsolete inventory reserve	(39,952)		(40,299)
Net inventories at FIFO cost	315,636		251,495
Excess of FIFO costs over LIFO value	(18,626)		(18,618)
Inventories - net	\$ 297,010	\$	232,877

Inventory is carried at lower of cost or market using the first-in, first-out (FIFO) method for 90% and 88% of total inventory at March 31, 2004 and December 31, 2003, respectively. The remainder of the inventory is costed using the last-in, first-out (LIFO) method.

5. Stock-Based Compensation

The company accounts for its stock options under the recognition and measurement provisions of Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, and related Interpretations. No stock-based employee compensation cost related to stock options is reflected in earnings, as all option grants under those plans have an exercise price equal to the market value of the underlying common stock on the date of grant. The company recognized approximately \$0.1 million of compensation expense related to restricted stock which was issued during 2002 for both the three months ended March 31, 2004 and 2003. The following table illustrates the effect on net earnings and earnings per share if the company had applied the fair value recognition provisions of SFAS 123, Accounting for Stock-Based Compensation, to stock based employee compensation for the three months ended March 31, 2004 and 2003.

	Three Months Ended March 31,	
	2004	2003
Reported net earnings	\$ 5,767	\$ 535
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of income taxes	(1,099)	(1,030)
Pro forma net earnings (loss)	\$ 4,668	\$ (495)
Earnings (loss) per share:		
Basic - as reported	\$ 0.22	\$ 0.02
Basic - pro forma	\$ 0.18	\$ (0.02)
Diluted - as reported	\$ 0.21	\$ 0.02
Diluted - pro forma	\$ 0.17	\$ (0.02)

6. Contingencies and Significant Estimates

The company has been identified as a potentially responsible party under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) in connection with the Lemberger Landfill Superfund Site near Manitowoc, Wisconsin. Approximately 150 potentially responsible parties have been identified as having shipped hazardous materials to this site. Eleven of those, including the company, have formed the Lemberger Site Remediation Group and have successfully negotiated with the United States Environmental Protection Agency and the Wisconsin Department of Natural Resources to fund the cleanup and settle their potential liability at this site. Estimates indicate that the total costs to clean up this site are approximately \$30 million. However, the ultimate allocations of costs for

this site are not yet final. Although liability is joint and several, the company's share of the liability is estimated to be 11% of the total cost. Prior to December 31, 1996, the company accrued \$3.3 million in connection with this matter. The amounts the company has spent each year through March 31, 2004 to comply with its portion of the cleanup costs have not been material. Remediation work at the site has been substantially completed, with only long-term pumping and treating of groundwater and site maintenance remaining. The company's remaining estimated liability for this matter, included in other current liabilities in the Consolidated Balance Sheet at March 31, 2004 is \$0.6 million. Based on the size of the company's current allocation of liabilities at this site, the existence of other viable potential responsible parties and current reserve, the company does not believe that any liability imposed in connection with this site will have a material adverse effect on its financial condition, results of operations, or cash flows.

At certain of the company's other facilities, the company has identified potential contaminants in soil and groundwater. The ultimate cost of any remediation required will depend upon the results of future investigation. Based upon available information, the company does not expect that the ultimate costs will have a material adverse effect on its financial condition, results of operations, or cash flows.

The company believes that it has obtained and is in substantial compliance with those material environmental permits and approvals necessary to conduct its various businesses. Based on the facts presently known, the company does not expect environmental compliance costs to have a material adverse effect on its financial condition, results of operations, or cash flows.

As of March 31, 2004, various product-related lawsuits were pending. To the extent permitted under applicable law, all of these are insured with self-insurance retention levels. The company's self-insurance retention levels vary by business, and have fluctuated over the last five years. The range of the company's self-insured retention levels is \$0.1 million to \$3.0 million per occurrence. The high-end of the company's self-insurance retention level is a legacy product liability insurance program inherited in the Grove acquisition in 2002 for cranes manufactured in the United States for occurrences from 2000 through October 2002. As of March 31, 2004, the largest self-insured retention level currently maintained by the company is \$2.0 million per occurrence and applies to product liability for cranes manufactured in the United States.

Product liability reserves in the Consolidated Balance Sheet at March 31, 2004, were \$30.2 million; \$8.1 million reserved specifically for cases and \$22.1 million for claims incurred but not reported which were estimated using actuarial methods. Based on the company's experience in defending product liability claims, management believes the current reserves are adequate for estimated case resolutions on aggregate self-insured claims and insured claims. Any recoveries from insurance carriers are dependent upon the legal sufficiency of claims and solvency of insurance carriers.

At March 31, 2004 and December 31, 2003, the company had reserved \$38.5 million and \$41.7 million, respectively, for warranty claims included in product warranties and other non-current liabilities in the Consolidated Balance Sheets. Certain of these warranties and other related claims involve matters in dispute that ultimately are resolved by negotiations, arbitration, or litigation.

It is reasonably possible that the estimates for environmental remediation, product liability and warranty costs may change in the near future based upon new information that may arise or matters that are beyond the scope of the company's historical experience. Presently, there are no reliable methods to estimate the amount of any such potential changes.

The company is involved in numerous lawsuits involving asbestos-related claims in which the company is one of numerous defendants. After taking into consideration legal counsel's evaluation of such actions, the current political environment with respect to asbestos related claims, and

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the liabilities accrued with respect to such matters, in the opinion of management, ultimate resolution is not expected to have a material adverse effect on the financial condition, results of operations, or cash flows of the company.

The company is also involved in various legal actions arising out of the normal course of business, which, taking into account the liabilities accrued and legal counsel's evaluation of such actions, in the opinion of management, the ultimate resolution is not expected to have a material adverse effect on the company's financial condition, results of operations, or cash flows.

At March 31, 2004, the company is contingently liable under open standby letters of credit issued by the company's bank in favor of third parties totaling \$29.0 million. The open standby letters of credit primarily related to business in the Marine segment.

7. Loss on Debt Extinguishment

During the first quarter of 2004, the company recorded a charge of \$0.6 million (\$0.4 million net of income taxes) related to the partial prepayment of its Term Loan B facilities. The loss relates to the write-off of unamortized financing fees and partial unwinding of the company's floating-to-fixed interest rate swap. The charge was recorded in loss on debt extinguishment in the Consolidated Statement of Operations.

8. Earnings Per Share

The following is a reconciliation of the average shares outstanding used to compute basic and diluted earnings per share.

	Three Months Ended	
	March 31,	
	2004	2003
Basic weighted average common shares outstanding	26,673,710	26,542,127
Effect of dilutive securities - stock options and restricted stock	447,315	39,930
Diluted weighted average common shares outstanding	27,121,025	26,582,057

For the three months ended March 31, 2004 and 2003, 1,750,582 and 2,152,825, respectively, common shares issuable upon the exercise of stock options were anti-dilutive and were excluded from the calculation of diluted earnings per share.

9. Guarantees

The company periodically enters into transactions with customers that provide for residual value guarantees and buyback commitments. These transactions are recorded as operating leases for all significant residual value guarantees and for all buyback commitments. Net proceeds received in connection with these initial transactions are recorded as deferred revenue and are amortized to income on a straight-line basis over a period equal to that of the customer's third party financing agreement. The deferred revenue included in other current and non-current liabilities at March 31, 2004 and December 31, 2003 was \$95.7 million and \$75.2 million, respectively. The total amount of residual value guarantees given by the company at March 31, 2004 was \$48.0 million.

If all buyback commitments were satisfied at March 31, 2004, the total cash cost to the company would be \$54.6 million. This amount is not reduced for amounts the company may recover from repossessing and subsequent resale of the units.

The residual value guarantees and buyback commitments expire at various times through 2009.

The company also has an accounts receivable factoring arrangement with a bank. Under this arrangement, the company is required to repurchase from the bank the first \$0.5 million and amounts greater than \$1.0 million of the aggregate uncollected receivables during a

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twelve-month period. The company's contingent factoring liability, net of cash collected from customers was \$21.4 million and \$22.4 million at March 31, 2004 and December 31, 2003, respectively.

In the normal course of business, the company provides its customers a warranty covering workmanship, and in some cases materials, on products manufactured by the company. Such warranty generally provides that products will be free from defects for periods ranging from 12 months to 60 months. If a product fails to comply with the company's warranty, the company may be obligated, at its expense, to correct any defect by repairing or replacing such defective products. The company provides for an estimate of costs that may be incurred under its warranty at the time product revenue is recognized. These costs primarily include labor and materials, as necessary, associated with repair or replacement. The primary factors that affect the company's warranty liability include the number of units shipped and historical and anticipated warranty claims. As these factors are impacted by actual experience and future expectations, the company assesses the adequacy of its recorded warranty liability and adjusts the amounts as necessary. Below is a table summarizing the warranty activity for the three months ended March 31, 2004.

Balance at December 31, 2003	\$	41,770
Accruals for warranties issued during the three months		4,493
Settlements made (in cash or in kind) during the three months		(7,340)
Currency translation		(417)
Balance at March 31, 2004	\$	38,506

10. Plant Consolidations and Restructuring

During the first quarter of 2002, the company recorded a pre-tax restructuring charge of \$3.9 million in connection with the consolidation of its Multiplex operations into other of its Foodservice operations. These actions were taken in an effort to streamline the company's cost structure and utilize available capacity. The charge included \$2.8 million to write-down the building and land, which were held for sale, to estimated fair market value less cost to sell, \$0.7 million related to the write-down of certain equipment, and \$0.4 million related to severance and other employee related costs. The entire charge was paid or utilized by December 31, 2002. During the fourth quarter of 2003, the company recorded an additional charge related to the Multiplex building and land of \$0.3 million. This charge was recorded in plant consolidation and restructuring costs in the Consolidated Statement of Operations for the year ended December 31, 2003. During the first quarter of 2004, the company completed the sale of the building and land. The company received proceeds of \$2.7 million from the sale.

During the second quarter of 2002, the company finalized the purchase accounting for the acquisition of Potain SA (Potain), which included recording an \$8.1 million liability associated with certain restructuring and integration activities. To achieve reductions in operating costs and to integrate the operations of Potain, the company recorded an \$8.1 million liability related primarily to employee severance benefits for workforce reductions. Approximately 135 hourly and salaried positions were eliminated. To date the company has utilized approximately \$4.0 million of this liability. The remainder of this reserve will be utilized through 2006 based upon the underlying contractual arrangements.

During the fourth quarter of 2002, the company completed certain integration activities related to the Grove acquisition and other restructuring activities in the Crane segment. The total amount recognized by the company for these integration and restructuring activities was \$12.1 million. Of this amount \$4.4 million was recorded in the opening balance sheet of Grove and \$7.7 million was recorded as a charge to earnings during the fourth quarter of 2002. These actions were taken in an effort to achieve reductions in operating costs, integrate and consolidate certain operations and functions within the segment and to utilize available capacity.

The \$4.4 million recorded in Grove's opening balance sheet related to severance and other employee related costs for headcount reductions at various Grove facilities. The \$7.7 million charge included \$4.0 million related to severance and other employee related costs for headcount reductions at various Manitowoc and Potain facilities, \$2.7 million related to the write-down of certain property, plant and equipment, and \$1.0 million related to lease termination costs. In total, approximately 600 hourly and salaried positions will be eliminated and four facilities will be consolidated into other Crane operations. To date, the company has utilized approximately \$9.0 million of the total \$12.1 million reserve which includes \$2.7 million non-cash write-down of property, plant and equipment, and \$6.3 million cash paid to employees for severance. The remaining \$3.1 million reserve is recorded in accounts payable and accrued expenses in the Consolidated Balance Sheet and will be utilized by the company during the remainder of 2004.

During the second quarter of 2003 the company completed its plans to consolidate the National Crane Corporation (National Crane) facility located in Nebraska to the Grove facility located in Pennsylvania. As a result, the company recorded a \$12.4 million charge in the opening balance sheet of Grove. The actions to consolidate the National Crane facility with the Grove facility were taken in an effort to streamline the company's cost structure and utilize available capacity at the Grove facility. The charge included \$3.7 million related to severance and other

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employee related costs for workforce reductions. Approximately 290 hourly and salaried positions will be eliminated with the consolidation. The charge also included \$6.8 million to write-down the National Crane building and land to estimated fair market value less cost to sell, to prepare the facility for sale and to write-down certain machinery and equipment which will not be relocated to the Grove facility. In addition, the company recorded reserves of \$1.2 million to write-off inventory which was acquired in the Grove acquisition and will not be relocated and \$0.7 million for other consolidation costs. Of the \$12.4 million recorded for the consolidation of the National Crane facility, approximately \$6.2 million are non-cash-related charges. Of the \$6.2 million cash related charges, \$3.2 million has been utilized as of March 31, 2004. The cash payments are expected to be completed by the third quarter of 2004. In addition to the \$12.4 million recorded in the opening balance sheet, the company recorded a charge of

\$2.4 million to earnings during the year ended December 31, 2003 for consolidation costs which were expensed as incurred. This amount was recorded in plant consolidation and restructuring costs in the Consolidated Statement of Earnings for the year ended December 31, 2003. There were no charges related to the National Crane consolidation recorded in the Consolidated Statement of Earnings for the three months ended March 31, 2004.

11. Employee Benefit Plans

The company provides certain pension, health care and death benefits for eligible retirees and their dependents. The pension benefits are funded, while the health care and death benefits are not funded but are paid as incurred. Eligibility for coverage is based on meeting certain years of service and retirement qualifications. These benefits may be subject to deductibles, co-payment provisions, and other limitations. The company has reserved the right to modify these benefits.

The components of periodic benefit costs for the three months ended March 31, 2004 and 2003 are as follows:

	Three Months Ended March 31, 2004		
	U.S. Pension Plans	Non-U.S. Pension Plans	Postretirement Health and Other Plans
Service cost - benefits earned during the period	\$	\$	\$
Interest cost of projected benefit obligations	1,582	285	868
Expected return on plan assets	(1,548)	(958)	(696)
Amortization of transition obligations	3		
Amortization of prior service costs	1		
Amortization of actuarial net (gain) loss	21	(16)	18
Net periodic benefit costs	\$ 59	\$ 531	\$ 1,107
Weighted average assumptions:			
Discount rate	6.25%	5.25%	6.25%
Expected return on plan assets	8.50%	5.25%	N/A
Rate of compensation increase	N/A	3.50%	N/A

	Three Months Ended March 31, 2003		
	U.S. Pension Plans	Non-U.S. Pension Plans	Postretirement Health and Other Plans
Service cost - benefit earned during the period	\$	\$	\$
Interest cost on projected benefit obligations	112	319	396
Expected return on plan assets	1,565	839	1,326
Expected return on plan assets	(1,273)	(534)	
Amortization of transition obligations	3		
Amortization of prior service costs	1		
Amortization of actuarial net (gain) loss	23	(10)	91
Net periodic benefit costs	\$ 431	\$ 614	\$ 1,813
Weighted average assumptions:			
Discount rate	6.75%	5.75%	6.75%
Expected return on plan assets	9.00%	5.50%	N/A
Rate of compensation increase	4.00%	3.00%	N/A

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The company's postretirement benefit plans provide for prescription drug benefits. On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Act) was signed into law. The Act introduces a prescription drug benefit under Medicare (Medicare Part D) as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare Part D. In accordance with FASB Staff

Position 106-1, Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003, any measures of the company's accumulated postretirement benefit obligation or net periodic postretirement benefit cost in the Consolidated Financial Statements and accompanying notes do not reflect the effects of the Act on the plans. Specific authoritative guidance on the accounting for the federal subsidy is pending and that guidance, when issued, could require the company to change previously reported information.

The expected 2004 contributions for the U.S. pension plans are as follows: Minimum contribution for 2004 is \$9.6 million; and discretionary contribution is \$0. Expected company paid claims for the postretirement health and life plans are \$4.2 million for the 2004 calendar year.

12. Legal Settlement

During the first quarter of 2004, the company reached a settlement agreement with a third party and recorded a \$2.3 million gain, net of legal and settlement costs, in other income (expense) in the Consolidated Statement of Operations.

13. Goodwill and Other Intangible Assets

The tables below have been restated for the impact of changes in foreign exchange rates on the company's goodwill and other intangible assets.

The changes in carrying amount of goodwill by reportable segment for the year ended December 31, 2003 and three months ended March 31, 2004 are as follows:

	Cranes and Related Products (as restated)	Foodservice Equipment	Marine	Total (as restated)
Balance as of January 1, 2003	\$ 162,157	\$ 185,808	\$ 47,417	\$ 395,382
Grove purchase accounting, net	30,173			30,173
Manitowoc Foodservice Europe purchase accounting, net		678		678
Potain purchase accounting, net	(1,021)			(1,021)
Impairment charge AWP	(4,900)			(4,900)
Foreign currency impact	18,613			18,613
Balance as of December 31, 2003	205,022	186,486	47,417	438,925
Foreign currency impact	(2,498)			(2,498)
Balance as of March 31, 2004	\$ 202,524	\$ 186,486	\$ 47,417	\$ 436,427

During 2003 the company completed the purchase accounting related to the Grove acquisition and the company recorded \$30.2 million of purchase accounting adjustments to the August 8, 2002 Grove opening balance sheet. The purchase accounting adjustments related to the following: \$13.2 million to finalize the accounting for deferred income taxes, related primarily to the non-U.S. Grove operations; \$12.4 million

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for consolidation of the National Crane facility located in Nebraska to the Grove facility located in Pennsylvania (see further detail in Note 10, Plant Consolidations and Restructuring); \$2.1 million, \$0.5 million and \$1.5 million for additional accounts receivable, inventory and warranty reserves, respectively; \$0.9 million related to severance and other employee related headcount reductions at the Grove facilities in Europe (see further detail in Note 10, Plant Consolidations and Restructuring); \$2.0 million of pension curtailment gain as a result of the closing of the National Crane facility located in Nebraska (reduction of goodwill); and \$1.6 million for other purchase accounting related items.

During 2003 the company completed the purchase accounting related to Manitowoc Foodservice Europe S.r.l. (f/k/a Fabbrica Apparecchiature per la Produzione del Ghiaccio Srl). The purchase accounting adjustments resulted in recording \$0.7 million of adjustments to the April 8, 2002 opening balance sheet.

During the fourth quarter of 2003 the company reversed a valuation allowance of approximately \$1.0 million of foreign operating loss carryforwards acquired in the Potain acquisition. This reversal reduced goodwill accordingly.

During the second quarter of 2003 the company completed its annual impairment analysis of goodwill and other intangible assets in accordance with SFAS No. 142, Goodwill and Other Intangible Assets. As a result, the company recorded a goodwill impairment charge of \$4.9 million. This charge relates to the company's Aerial Work Platform reporting unit, a

reporting unit in the company's Crane segment. The charge was based on current economic conditions in this reporting unit. The fair value of this reporting unit was based on management's estimates of future cash flows.

The gross carrying amount and accumulated amortization of the company's intangible assets other than goodwill, all as a result of the Potain and Grove acquisitions, were as follows as of March 31, 2004 and December 31, 2003.

	March 31, 2004			December 31, 2003		
	Gross Carrying Amount (as restated)	Accumulated Amortization	Net Book Value (as restated)	Gross Carrying Amount (as restated)	Accumulated Amortization	Net Book Value (as restated)
Trademarks and tradenames	\$ 93,567	\$	\$ 93,567	\$ 94,800	\$	\$ 94,800
Patents	28,412	(3,926)	24,486	28,843	(3,383)	25,460
Engineering drawings	10,094	(1,784)	8,310	10,253	(1,537)	8,716
Distribution network	20,017		20,017	20,280		20,280
	\$ 152,090	\$ (5,710)	\$ 146,380	\$ 154,176	\$ (4,920)	\$ 149,256

14. Recent Accounting Changes and Pronouncements

During December 2003, the Financial Accounting Standards Board (FASB) revised SFAS No. 132, *Employers' Disclosures about Pensions and Other Postretirement Benefits*, to require additional disclosure about the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. These disclosure requirements were effective immediately for the company's domestic plans, except for estimated future benefit payments, which are effective in the second quarter of 2004. This statement also requires interim-period disclosures of the components of net periodic benefit cost and, if significantly different from previously disclosed amounts, the amount of contributions and projected contributions to fund pension plans and other postretirement benefit plans. These interim-period disclosures are effective in the first quarter of 2004 (see Note 11, *Employee Benefit Plans*).

In January 2003, the FASB issued FIN No. 46, *Consolidation of Variable Interest Entities*. FIN No. 46 clarifies the application of Accounting Research Bulletin No. 51, *Consolidated Financial Statements*, to certain entities in which equity investors lack the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. A variable interest entity is required to be consolidated by the company that has a majority of the exposure to expected losses of the variable interest entity. The consolidation provisions of FIN No. 46, as revised, were effective immediately for interests created after January 31, 2003 and were effective on March 31, 2004 for interests created before February 1, 2003. The adoption of FIN No. 46 did not have an impact on the company's Consolidated Financial Statements for the year ended December 31, 2003 for interests created after January 31, 2003 or on the company's Consolidated Financial Statements for the three months ended March 31, 2004 for interests created before February 1, 2003.

15. Subsidiary Guarantors of Senior Subordinated Notes due 2011 and 2012 and Senior Notes due 2013

The Condensed Consolidating Balance Sheets as of March 31, 2004 and December 31, 2003 have been restated for the impact of changes in foreign exchange rates on the company's goodwill, other intangible assets, and stockholder's equity.

The following tables present condensed consolidating financial information for (a) the parent company, The Manitowoc Company, Inc. (Parent); (b) on a combined basis, the guarantors of the Senior Subordinated Notes due 2011 and 2012 and Senior Notes due 2013, which include substantially all of the domestic wholly owned subsidiaries of the company (Subsidiary Guarantors); and (c) on a combined basis, the wholly and partially owned foreign subsidiaries of the company, which do not guarantee the Senior Subordinated Notes due 2011 and 2012 and Senior Notes due 2013 (Non-Guarantor Subsidiaries). Separate financial statements of the Subsidiary Guarantors are not presented because the guarantors are fully and unconditionally, jointly and severally liable under the guarantees, and the company believes such separate statements or disclosures would not be useful to investors.

The Manitowoc Company, Inc.
Condensed Consolidating Statement of Operations
For the Three Months Ended March 31, 2004
(In thousands)

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	\$	\$ 264,906	\$ 189,057	\$ (42,137)	\$ 411,826
Costs and expenses:					
Cost of sales		211,548	151,098	(42,137)	320,509
Engineering, selling and administrative expense	5,271	34,311	28,410		67,992
Amortization expense		170	620		790
Total costs and expenses	5,271	246,029	180,128	(42,137)	389,291
Earnings (loss) from operations	(5,271)	18,877	8,929		22,535
Other income (expense):					
Interest expense	(11,967)	(498)	(1,083)		(13,548)
Loss on debt extinguishment	(555)				(555)
Management fee income (expense)	4,809	(4,809)			
Other income (expense), net	10,200	(3,398)	(5,743)		1,059
Total other income (expense)	2,487	(8,705)	(6,826)		(13,044)
Earnings (loss) from continuing operations before taxes on income (loss) and equity in earnings of subsidiaries and discontinued operations	(2,784)	10,172	2,103		9,491
Provision (benefit) for taxes on income	(1,083)	3,958	(122)		2,753
Earnings (loss) from continuing operations before equity in earnings of subsidiaries and discontinued operations	(1,701)	6,214	2,225		6,738
Equity in earnings of subsidiaries	7,468			(7,468)	

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Loss from discontinued operations, net of income taxes			(588)		(383)		(971)	
Net earnings (loss)	\$	5,767	\$	5,626	\$	1,842	\$ (7,468)	\$ 5,767

The Manitowoc Company, Inc.
Condensed Consolidating Statement of Operations
For the Three Months Ended March 31, 2003
(In thousands)

	Parent	Guarantor Subsidiaries	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Net sales	\$	\$ 235,206	\$ 150,153	\$ (24,450)	\$ 360,909
Costs and expenses:					
Cost of sales		185,478	122,138	(24,450)	283,166
Engineering, selling and administrative expense	4,134	34,763	22,018		60,915
Amortization expense		168	531		699
Total costs and expenses	4,134	220,409	144,687	(24,450)	344,780
Earnings (loss) from operations	(4,134)	14,797	5,466		16,129
Other expense:					
Interest expense	(13,204)	(668)	(747)		(14,619)
Management fee income (expense)	4,843	(4,843)			
Other income (expense), net	9,297	(4,127)	(5,211)		(41)
Total other expense	936	(9,638)	(5,958)		(14,660)
Earnings (loss) from continuing operations before taxes on income (loss) and equity in earnings of subsidiaries and discontinued operations	(3,198)	5,159	(492)		1,469
Provision (benefit) for taxes on income	1,094	(1,765)	1,170		499
Earnings (loss) from continuing operations before equity in earnings of subsidiaries and discontinued operations	(4,292)	6,924	(1,662)		970
Equity in earnings of subsidiaries	4,827			(4,827)	
Earnings (loss) from continuing operations before discontinued operations	535	6,924	(1,662)	(4,827)	970
Discontinued operations:					
Loss from discontinued operations, net of income taxes		(268)	(457)		(725)
Gain on sale of discontinued operations, net of income taxes		290			290
Net earnings (loss)	\$ 535	\$ 6,946	\$ (2,119)	\$ (4,827)	\$ 535

The Manitowoc Company, Inc.
Condensed Consolidating Balance Sheet
as of March 31, 2004
(In thousands)

	Parent (as restated)	Guarantor Subsidiaries	Non- Guarantor Subsidiaries (as restated)	Eliminations (as restated)	Consolidated (as restated)
Assets					
Current Assets:					
Cash and cash equivalents	\$ 8,092	\$ 462	\$ 24,515	\$	\$ 33,069
Marketable securities	2,229				2,229
Accounts receivable - net	4,067	83,493	163,872		251,432
Inventories - net		106,036	190,974		297,010
Deferred income taxes	50,297		19,503		69,800
Other current assets	534	33,394	21,083		55,011
Total current assets	65,219	223,385	419,947		708,551
Property, plant and equipment - net	12,083	162,168	162,468		336,719
Goodwill	5,434	249,599	181,394		436,427
Other intangible assets - net		44,312	102,068		146,380
Deferred income taxes	16,974		19,551		36,525
Other non-current assets	42,051	15,215	4,368		61,634
Investment in affiliates	501,033	100,890	210,666	(812,589)	
Total assets	\$ 642,794	\$ 795,569	\$ 1,100,462	\$ (812,589)	\$ 1,726,236
Liabilities and Stockholders Equity					
Current Liabilities:					
Accounts payable and accrued expenses	\$ 41,260	\$ 200,267	\$ 263,782	\$	\$ 505,309
Current portion long-term debt	2,900		737		3,637
Short-term borrowings			20,015		20,015
Product warranties		17,432	13,115		30,547
Product liabilities		27,805	2,429		30,234
Total current liabilities	44,160	245,504	300,078		589,742
Non-Current Liabilities:					
Long-term debt, less current portion	554,775		20,030		574,805
Pension obligations	2,876	23,582	30,690		57,148
Postretirement health and other benefit obligations		54,502			54,502
Intercompany	(331,858)	(101,109)	211,935	221,032	
Other non-current liabilities	14,005	34,537	42,661		91,203
Total non-current liabilities	239,798	11,512	305,316	221,032	777,658
Stockholders equity	358,836	538,553	495,068	(1,033,621)	358,836
Total liabilities and stockholders equity	\$ 642,794	\$ 795,569	\$ 1,100,462	\$ (812,589)	\$ 1,726,236

The Manitowoc Company, Inc.
Condensed Consolidating Balance Sheet
as of December 31, 2003
(In thousands)

	Parent (as restated)	Subsidiary Guarantors	Non- Guarantor Subsidiaries (as restated)	Eliminations (as restated)	Consolidated (as restated)
Assets					
Current Assets:					
Cash and cash equivalents	\$ 11,816	\$ (100)	\$ 33,252	\$	\$ 44,968
Marketable securities	2,220				2,220
Accounts receivable - net	4,086	76,648	164,276		245,010
Inventories - net		89,103	143,774		232,877
Deferred income taxes	50,297		21,484		71,781
Other current assets	302	24,944	23,987		49,233
Total current assets	68,721	190,595	386,773		646,089
Property, plant and equipment - net	12,089	149,696	172,833		334,618
Goodwill	5,434	249,599	183,892		438,925
Other intangible assets - net		44,483	104,773		149,256
Deferred income taxes	12,906		21,585		34,491
Other non-current assets	26,370	8,397	22,003		56,770
Investment in affiliates	505,728	100,937	210,667	(817,332)	
Total assets	\$ 631,248	\$ 743,707	\$ 1,102,526	\$ (817,332)	\$ 1,660,149
Liabilities and Stockholders Equity					
Current Liabilities:					
Accounts payable and accrued expenses	\$ 17,649	\$ 202,917	\$ 233,828	\$	\$ 454,394
Current portion of long-term debt	2,900		305		3,205
Short-term borrowings			22,011		22,011
Product warranties		19,805	14,018		33,823
Product liabilities		29,145	2,646		31,791
Total current liabilities	20,549	251,867	272,808		545,224
Non-Current Liabilities:					
Long-term debt, less current portion	559,640		7,444		567,084
Pension obligations	12,467	14,309	30,463		57,239
Postretirement health and other benefit obligations		54,283			54,283
Intercompany	(332,026)	(113,823)	227,802	218,047	
Other non-current liabilities	14,626	9,362	56,339		80,327
Total non-current liabilities	254,707	(35,869)	322,048	218,047	758,933
Stockholders equity	355,992	527,709	507,670	(1,035,379)	355,992
Total liabilities and stockholders equity	\$ 631,248	\$ 743,707	\$ 1,102,526	\$ (817,332)	\$ 1,660,149

The Manitowoc Company, Inc.
Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2004
(In thousands)

	Parent	Subsidiary Guarantors	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by (used in) operations	\$ 22,275	\$ (12,416)	\$ (10,730)	\$ (7,468)	\$ (8,339)
Cash Flows from Investing:					
Capital expenditures	(2,153)	(5,283)	(4,045)		(11,481)
Proceeds from sale of property, plant and equipment		4	1,406		1,410
Purchase of marketable securities	(9)				(9)
Intercompany investments	(19,017)	18,257	(6,708)	7,468	
Net cash provided by (used for) investing activities	(21,179)	12,978	(9,347)	7,468	(10,080)
Cash Flows from Financing:					
Proceeds from (payments on) long-term debt	(7,709)		11,609		3,900
Exercises of stock options	2,889				2,889
Net cash provided by (used for) financing activities	(4,820)		11,609		6,789
Effect of exchange rate changes on cash			(269)		(269)
Net increase (decrease) in cash and cash equivalents	(3,724)	562	(8,737)		(11,899)
Balance at beginning of period	11,816	(100)	33,252		44,968
Balance at end of period	\$ 8,092	\$ 462	\$ 24,515	\$	\$ 33,069

The Manitowoc Company, Inc.
Condensed Consolidating Statement of Cash Flows
For the Three Months Ended March 31, 2003
(In thousands)

	Parent	Subsidiary Guarantors	Non- Guarantor Subsidiaries	Eliminations	Consolidated
Net cash provided by (used in) operations	\$ 10,527	\$ (7,763)	\$ 32,088	\$ (10,044)	\$ 24,808
Cash Flows from Investing:					
Capital expenditures	463	(326)	(4,446)		(4,309)
Proceeds from sale of property, plant and equipment			967		967
Sale of marketable securities	119				119
Intercompany investments	10,343	3,884	(24,271)	10,044	
Net cash provided by (used for) investing activities of continuing operations	10,925	3,558	(27,750)	10,044	(3,223)
Net cash provided by investing activities of discontinued operations		6,989			6,989
Net cash provided by (used for) investing activities	10,925	10,547	(27,750)	10,044	3,766
Cash Flows from Financing:					
Proceeds from (payments on) long-term debt	(18,665)	1,082	(4,409)		(21,992)
Payments on revolver borrowings net	(1,251)				(1,251)
Debt issuance costs	(662)				(662)
Net cash provided by (used for) financing activities	(20,578)	1,082	(4,409)		(23,905)
Effect of exchange rate changes on cash			571		571
Net increase in cash and cash equivalents	874	3,866	500		5,240
Balance at beginning of period	2,650	(1,427)	26,812		28,035
Balance at end of period	\$ 3,524	\$ 2,439	\$ 27,312	\$	\$ 33,275

16. Business Segments

The total assets by segment table below has been restated for the impact of changes in foreign exchange rates on the company's goodwill and other intangible assets.

The company identifies its segments using the management approach, which designates the internal organization that is used by management for making operating decisions and assessing performance as the source of the company's reportable segments. The company has three reportable segments: Cranes and Related Products (Crane), Foodservice Equipment (Foodservice), and Marine. Net sales and earnings from operations by segment is summarized as follows:

	Three Months Ended March 31,	
	2004	2003
Net sales:		
Crane	\$ 252,609	\$ 220,572
Foodservice	108,024	105,037
Marine	51,193	35,300
Total net sales	\$ 411,826	\$ 360,909
Earnings from operations:		
Crane	\$ 9,609	\$ 7,439
Foodservice	14,076	12,227
Marine	4,121	597
Total	27,806	20,263
Corporate expense	(5,271)	(4,134)
Interest expense	(13,548)	(14,619)
Loss on debt extinguishment	(555)	
Other income (expense), net	1,059	(41)
Earnings from continuing operations before taxes on income	\$ 9,491	\$ 1,469

Earnings from operations of the Crane segment includes amortization expense of \$0.8 million and \$0.7 million for the three months ended March 31, 2004 and 2003, respectively.

As of March 31, 2004 and December 31, 2003, the total assets by segment were as follows:

	March 31, 2004	December 31, 2003
Crane (as restated)	\$ 1,192,335	\$ 1,151,751
Foodservice	308,398	290,586
Marine	95,931	91,519
Corporate	129,572	126,293
Total (as restated)	\$ 1,726,236	\$ 1,660,149

17. Subsequent Event

On April 30, 2004, the company completed the sale of its Delta Manlift subsidiary to JLG Industries, Inc. Previously the company entered into a binding offer with JLG Industries, Inc to sell Delta Manlift subject to the completion of definitive agreements, the receipt of customary approvals and receipt of Delta works council advice. These conditions were all met and the sale was finalized on April 30, 2004. The company received \$9.0 million for the Delta Manlift subsidiary and certain other assets of its AWP businesses, which is subject to post closing adjustment. The company is in the process of completing the closing balance sheet of Delta Manlift and expects to record a gain on sale during the second quarter of 2004 in discontinued operations in the Consolidated Statement of Operations.

Item 4 Controls and Procedures

Disclosure Controls and Procedures: The company maintains disclosure controls and procedures designed to ensure that information the company must disclose in its filings with the Securities and Exchange Commission is recorded, processed, summarized and reported on a timely basis. In connection with the initial preparation of this Quarterly Report on Form 10-Q, the company's management, with the participation of the company's Chief Executive Officer and Chief Financial Officer, reviewed and evaluated the effectiveness of the company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report (the "Evaluation Date")). Based on that evaluation, the company's Chief Executive Officer and Chief Financial Officer concluded that, as of the Evaluation Date, the company's Disclosure Controls and Procedures were effective in bringing to their attention on a timely basis material information relating to the company required to be included in the company's periodic filing under the Exchange Act.

In light of the material weakness in the company's internal controls over financial reporting discussed below (see "Internal Controls Over Financial Reporting") and in connection with the preparation of this amendment to our report, management of the company, with the participation of the Chief Executive Officer and Chief Financial Officer, again reviewed and evaluated the effectiveness of the company's disclosure controls and procedures. In particular, they specifically assessed whether this material weakness in our internal controls over financial reporting had any implications with respect to the effectiveness of the company's disclosure controls and procedures. They determined that it is difficult to separate the material weakness in internal controls from the company's disclosure controls and procedures. Because of the material weakness described below, we have concluded that our disclosure controls and procedures were ineffective as of March 31, 2004. We have directed the implementation of the remedial steps described below to strengthen the effectiveness of the company's disclosure controls and procedures.

Internal Controls Over Financial Reporting. When the company first filed its Quarterly Report for the three-months ended March 31, 2004, we were engaged in a comprehensive effort to ensure compliance with Section 404 of the Sarbanes-Oxley Act of 2002 for the year ended December 31, 2004. This effort included internal control documentation and review under the direction of senior management. At that point in the process, we had detected no material weaknesses in internal controls over financial reporting. Since that time, we have completed the comprehensive review of our internal controls over financial reporting, and as discussed in more detail in Note 1 to the company's Financial Statements we have determined that we misapplied Statements of Financial Reporting Statement Number 52 (SFAS No. 52) to our 2001 and 2002 foreign acquisitions by failing to translate from period to period the goodwill and intangible assets associated with those acquisitions to reflect changes in applicable foreign currency exchange rates. We therefore are restating the company's financial statements in this amendment to our report to correct the error that resulted from the misapplication of SFAS No. 52. (See Note 1 to the company's Financial Statements included in Part I - Item 1 of this Amendment.) We intend to report this error as a material weakness in the company's internal controls for financial reporting in the Annual Report on Form 10-K for the year ended December 31, 2004.

To assure similar misapplications of SFAS No. 52 do not occur in the future, we have notified appropriate internal accounting personnel by memo of the appropriate application of SFAS No. 52 to these situations, and we plan to conduct follow-up training of those personnel regarding the appropriate accounting treatment of foreign exchange rates in connection with the preparation of the company's financial statements.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits: See exhibit index following the signature page of this Report, which is incorporated herein by reference.

(b) Reports on Form 8-K: The company furnished the following Current Reports on Form 8-K during the quarter ended March 31, 2004:

Form 8-K dated February 4, 2004 describing its results of operations for the three and twelve months ended December 31, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 14, 2005

The Manitowoc Company, Inc.
(Registrant)

/s/ Terry D. Growcock
Terry D. Growcock
Chairman and Chief Executive Officer

/s/ Carl J. Laurino
Carl J. Laurino
Senior Vice President and Chief Financial Officer

/s/ Maurice D. Jones
Maurice D. Jones
Senior Vice President, General
Counsel and Secretary

THE MANITOWOC COMPANY, INC.

EXHIBIT INDEX

TO FORM 10-Q/A

Amendment No. 1

FOR QUARTERLY PERIOD ENDED

March 31, 2004

Exhibit No.*	Description	Filed/Furnished Herewith
31	Rule 13a - 14(a)/15d - 14(a) Certifications	X (1)
32.1	Certification of CEO pursuant to 18 U.S.C. Section 1350	X (2)
32.2	Certification of CFO pursuant to 18 U.S.C. Section 1350	X (2)

(1) Filed Herewith

(2) Furnished Herewith

Pursuant to Item 601(b)(2) of Regulation S-K, the Registrant agrees to furnish to the Securities and Exchange Commission upon request a copy of any unfiled exhibits or schedules to such document.