MANITOWOC CO INC
Form 10-K
February 29, 2012
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

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

For the fiscal year ended December 31, 2011

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 (State or other jurisdiction of incorporation)	**39-0448110** (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)

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

Title of each class	**Name of each exchange on which registered**
Common Stock, $.01 Par Value	New York Stock Exchange
Common Stock Purchase Rights	

Securities Registered Pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No o

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes o No x

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 x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

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. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer x	Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No x

The Aggregate Market Value on June 30, 2011, of the registrant s Common Stock held by non-affiliates of the registrant was $2,221,233,048 based on the closing per share price of $16.84 on that date.

The number of shares outstanding of the registrant s Common Stock as of January 31, 2012, the most recent practicable date, was 131,885,765.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant s Proxy Statement, to be prepared and filed for the Annual Meeting of Shareholders, dated March 24, 2012 (the 2012 Proxy Statement), are incorporated by reference in Part III of this report.

See Index to Exhibits immediately following the signature page of this report, which is incorporated herein by reference.

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THE MANITOWOC COMPANY, INC.

Index to Annual Report on Form 10-K

For the Year Ended December 31, 2011

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Item 1. BUSINESS

GENERAL

The Manitowoc Company, Inc. (referred to as the company, MTW, Manitowoc, we, our, and us) was founded in 1902. We are a multi-industry, capital goods manufacturer operating in two principal markets: Cranes and Related Products (Crane) and Foodservice Equipment (Foodservice). Crane is recognized as one of the world s leading providers of engineered lifting equipment for the global construction industry, including lattice-boom cranes, tower cranes, mobile telescopic cranes, and boom trucks. Foodservice is one of the world s leading innovators and manufacturers of commercial foodservice equipment serving the ice, beverage, refrigeration, food-preparation, and cooking needs of restaurants, convenience stores, hotels, healthcare, and institutional applications. We have over a 100-year tradition of providing high-quality, customer-focused products and support services to our markets. For the year ended December 31, 2011, we had net sales of approximately $3.7 billion.

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

Our Foodservice business is among the world s leading designers and manufacturers of commercial foodservice equipment. Our Foodservice capabilities span refrigeration, ice-making, cooking, food-preparation, and beverage-dispensing technologies, and allow us to be able to equip entire commercial kitchens and serve the world s growing demand for food prepared away from home. Our Foodservice products are marketed under the Manitowoc, Garland, U.S. Range, Convotherm, Cleveland, Lincoln, Merrychef, Frymaster, Delfield, Kolpak, Kysor Panel, Jackson, Servend, Multiplex, and Manitowoc Beverage System brand names.

On December 15, 2010, the company reached a definitive agreement to divest of its non-core Kysor/Warren and Kysor/Warren de Mexico businesses to Lennox International for approximately $145 million. The transaction subsequently closed on January 14, 2011 and the net proceeds were used to pay down outstanding debt. The results of these operations have been classified as discontinued operations.

In order to secure clearance for the acquisition of Enodis plc (Enodis) from various regulatory authorities including the European Commission and the United States Department of Justice, the company agreed to sell substantially all of Enodis global ice machine operations following completion of the transaction. In May 2009, the company completed the sale of the Enodis global ice machine operations to Braveheart Acquisition, Inc., an affiliate of Warburg Pincus Private Equity X, L.P., for $160 million. The businesses sold were operated under the Scotsman, Ice-O-Matic, Simag, Barline, Icematic, and Oref brand names. The company also agreed to sell certain non-ice businesses of Enodis located in Italy that are operated under the Tecnomac and Icematic brand names. Prior to disposal, the antitrust clearances required that the ice businesses were treated as standalone operations, in competition with the company. The results of these operations have been classified as discontinued operations.

In December 2008, the company completed the sale of its Marine segment to Fincantieri Marine Group Holdings Inc., a subsidiary of Fincantieri Cantieri Navali Italiani SpA. The sale price in the all-cash deal was approximately $120 million. The company is reporting the Marine segment as a discontinued operation for financial reporting purposes.

In October 2008, we completed our acquisition of Enodis, a global leader in the design and manufacture of innovative equipment for the commercial foodservice industry. The $2.7 billion acquisition, inclusive of the purchase of outstanding shares and rights to shares, acquired debt, the settlement of hedges related to the acquisition and transaction fees, is the largest acquisition for the company and positioned Manitowoc among the world s leading designers and manufacturers of commercial foodservice equipment.

Our principal executive offices are located at 2400 South 44th Street, Manitowoc, Wisconsin 54220.

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FINANCIAL INFORMATION ABOUT BUSINESS SEGMENTS

The following is financial information about the Crane and Foodservice segments for the years ended December 31, 2011, 2010 and 2009. The financial information for 2010 and 2009 has been revised to correct errors identified that relate to prior periods. See Note 1, Company and Basis of Presentation for further discussion. 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 Part II, 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, goodwill impairment, intangible asset impairment, restructuring expense, integration expense and other expense. The company evaluates segment performance based upon profit and loss before the aforementioned expenses. Restructuring costs separately identified in the Consolidated Statements of Operations are included as reductions to the respective segment s operating earnings for each year below. Amounts are shown in millions of dollars.

(in millions)		**2011**		**2010**		**2009**
Net sales from continuing operations:						
Crane	$	2,164.6	$	1,748.6	$	2,285.0
Foodservice		1,487.3		1,393.1		1,334.8
Total	$	3,651.9	$	3,141.7	$	3,619.8
Operating earnings (loss) from continuing operations:						
Crane	$	106.8	$	89.8	$	145.0
Foodservice		216.0		203.0		167.0
Corporate		(56.9)		(41.2)		(44.4)
Amortization expense		(38.8)		(38.3)		(38.4)
Goodwill impairment						(520.3)
Intangible asset impairment						(146.4)
Restructuring expense		(5.7)		(3.8)		(39.6)
Integration expense						(3.6)
Other expense		0.5		(2.3)		(3.4)
Total	$	221.9	$	207.2	$	(484.1)
Capital expenditures:						
Crane	$	52.2	$	21.9	$	51.5
Foodservice		12.0		12.2		15.1
Corporate		0.7		2.0		2.6
Total	$	64.9	$	36.1	$	69.2
Total depreciation:						
Crane	$	54.2	$	56.5	$	55.3
Foodservice		25.1		27.8		29.8
Corporate		2.8		2.9		2.8
Total	$	82.1	$	87.2	$	87.9
Total assets:						
Crane	$	1,698.8	$	1,594.4	$	1,738.4
Foodservice		2,201.2		2,202.0		2,280.7
Corporate		65.2		214.7		295.8
Total	$	3,965.2	$	4,011.1	$	4,314.9

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PRODUCTS AND SERVICES

We sell our products categorized in the following business segments:

Business Segment	Percentage of 2011 Net Sales	Key Products	Key Brands
Cranes and Related Products	59%	Lattice-boom Cranes: which include crawler and truck mounted lattice-boom cranes, and crawler crane attachments; Tower Cranes: which include top slewing luffing jib, topless, and self-erecting tower cranes; Mobile Telescopic Cranes: which include rough terrain, all-terrain, truck mounted and industrial cranes; Boom Trucks: which include telescopic boom trucks; Parts and Service: which include replacement parts, product services and crane rebuilding and remanufacturing services.	Manitowoc Potain Grove National Crane Shuttlelift Dongyue Crane Care
Foodservice Equipment	41%	Primary cooking and warming equipment; ice-cube machines, ice flaker machines and storage bins; refrigerator and freezer equipment; warewashing equipment; beverage dispensers and related products; serving and storage equipment; food preparation equipment; and parts and service.	Cleveland Convotherm Delfield Frymaster Garland Jackson Kolpak Kysor Panel Systems Lincoln Manitowoc Merrychef Multiplex Servend STAR

Cranes and Related Products

Our Crane segment designs, manufactures and distributes a diversified line of crawler mounted lattice-boom cranes, which we sell under the Manitowoc brand name. Our Crane segment also designs and manufactures a diversified line of top slewing and self erecting tower cranes, which we sell under the Potain brand name. We design and manufacture mobile telescopic cranes, which we sell under the Grove, Shuttlelift, and Dongyue brand names, and a comprehensive line of hydraulically powered telescopic boom trucks, which we sell under the National Crane brand name. We also provide crane product parts and services, and crane rebuilding, remanufacturing, and training services which are delivered under the Manitowoc Crane Care brand name. In some cases our products are manufactured for us or distributed for us under strategic alliances. Our crane products are used in a wide variety of applications throughout the world, including energy and utilities, petrochemical and industrial projects, infrastructure development such as road, bridge and airport construction, and commercial and high-rise residential construction. Many of our customers purchase one or more cranes together with several attachments to permit use of the crane in a broader range of lifting applications and other operations. Our largest crane model combined with available options has a lifting capacity up to 2,500 U.S. tons. We believe our primary growth drivers are our strength in energy, infrastructure, construction and petro-chemical related end markets.

Lattice-boom cranes. Under the Manitowoc brand name we design, manufacture and distribute 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 cranes are the only category of crane that can pick and move simultaneously with a full rated load. The lattice-boom sections, together with the crane base, are transported to and erected at a project site.

We currently offer models of lattice-boom cranes with lifting capacities up to 2,500 U.S. 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 value-added crane rental industry, which serves all of the above end markets.

Lattice-boom crawler cranes may be classified according to their lift capacity low capacity and high capacity. Low capacity crawler cranes with 150-U.S. ton capacity or less are often utilized for general construction and duty cycle applications. High capacity crawler cranes with greater than 150-U.S. ton capacity are used to lift materials in a wide variety of applications and are often used in heavy construction, energy-related, stadium construction, petrochemical work, and dockside applications. We offer five low-capacity models and nine high-capacity models.

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We also offer our lattice-boom crawler crane customers various attachments that provide our cranes with greater capacity in terms of height, movement and lifting. Our principal attachments are: MAX-ER attachments, luffing jibs, 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 design and manufacture tower cranes utilized primarily in the energy, building and construction industries. Tower cranes offer the ability to lift and distribute material at the point of use 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 vertical tower. A cable runs through a trolley which is on the jib, enabling the load to move along the jib. The jib rotates 360 degrees, thus increasing the crane s work area. Unless using a remote control device, operators occupy a cabin, 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, topless, self-erecting, and special cranes for dams, harbors and other large building projects. Top slewing cranes are the most traditional form of tower cranes. Self-erecting cranes are bottom slewing cranes which have a counterweight located at the bottom of the tower and are able to be erected, used and dismantled on job sites without assist cranes.

Top slewing tower cranes have a tower and multi-sectioned horizontal jib. 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 offer twenty-two models of top slewing tower cranes with maximum jib lengths of 85 meters and lifting capabilities ranging between 40 and 3,600 meter-tons. These cranes are generally sold to medium to large energy, building and construction groups, as well as rental companies.

Topless tower cranes are a type of top slewing crane and, unlike all others, have no cathead or jib tie-bars on the top of the mast. The cranes are utilized primarily when overhead height is constrained or in situations where several cranes are installed close together. We currently offer twelve models of topless tower cranes with maximum jib lengths of 75 meters and lifting capabilities ranging between 90 and 300 meter-tons.

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. The cranes are utilized primarily in urban areas where space is constrained or in situations where several cranes are installed close together. We currently offer ten models of luffing jib tower cranes with maximum jib lengths of 60 meters and lifting capabilities ranging between 90 and 600 meter-tons.

Self-erecting tower cranes are mounted on axles or transported on a trailer. The lower segment of the range (Igo cranes up to Igo50) unfolds in four sections, two for the tower and two for the jib. The smallest of our models unfolds in less than eight minutes; larger models erect in a few hours. Self erecting cranes rotate from the bottom of their mast. We offer twenty-four models of self erecting cranes with maximum jib lengths of 50 meters and lifting capacities ranging between 10 and 120 meter-tons which are utilized primarily in low to medium rise construction and residential applications.

Mobile telescopic cranes. Under the Grove brand name we design and manufacture thirty-seven 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, and some are permitted on public roadways. We currently offer the following four types of mobile telescopic cranes capable of reaching tip heights of up to 427 feet with lifting capacities up to 550 U.S. tons: rough terrain, all-terrain, truck mounted, and industrial.

Rough terrain cranes are designed to lift materials and equipment on rough or uneven terrain. These cranes cannot be driven on public roadways, and, accordingly, must be transported by truck to a work site. We produce, under the Grove brand name, eight models of rough terrain cranes capable of tip heights of up to 279 feet and maximum load capacities of up to 150 U.S. tons.

All-terrain cranes are versatile cranes designed to lift materials and equipment on rough or uneven terrain and yet are highly maneuverable and capable of highway speeds. We produce, under the Grove brand name, sixteen models of all-terrain cranes capable of tip heights of up to 427 feet and maximum load capacities of up to 550 U.S. tons.

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Truck mounted cranes are designed to provide simple set-up and long reach high capacity booms and are capable of traveling from site to site at highway speeds. These cranes are suitable for urban and suburban uses. We produce, under the Grove brand name, five models of truck mounted cranes capable of tip heights of up to 237 feet and maximum load capacities of up to 90 U.S. tons.

Industrial cranes are designed primarily for plant maintenance, storage yard and material handling jobs. We manufacture, under the Grove and Shuttlelift brand names, seven models of industrial cranes. We produce industrial cranes with up to 25 U.S. ton capacity and tip heights of up to 94 feet.

High reach telescopic hydraulic cranes. The GTK 1100 is a high reach telescopic hydraulic crane that can lift a 77 U.S. ton load up to 394 feet, only requires about six hours to erect and is based on a combination of mobile crane and tower crane technology.

Boom trucks. We offer our hydraulic boom truck products under the National Crane product line. A boom truck is a hydraulically powered telescopic crane mounted on a conventional truck chassis. Telescopic boom trucks are used primarily for lifting material on a job site. We currently offer, under the National Crane brand name, nineteen models of telescoping boom trucks. The largest capacity cranes of this type are capable of reaching maximum heights of 179 feet and have lifting capacity up to 50 U.S. tons.

Backlog. The year-end backlog of crane products includes accepted orders that have been placed on a production schedule that we expect to be shipped and billed during the next year. Manitowoc s backlog of unfilled orders for the Crane segment at December 31, 2011, 2010 and 2009 was $760.5 million, $571.7 million and $572.7 million, respectively.

Foodservice Equipment

Our Foodservice Equipment business designs, manufactures and sells primary cooking and warming equipment; ice-cube machines, ice flaker machines and storage bins; refrigerator and freezer equipment; warewashing equipment; beverage dispensers and related products; serving and storage equipment; and food preparation equipment; We also offer foodservice equipment parts and services under the STAR network brand name. Our suite of products is used by commercial and institutional foodservice operators such as full service restaurants, quick-service restaurant (QSR) chains, hotels, caterers, supermarkets, convenience stores, business and industry, hospitals, schools and other institutions. We have a presence throughout the world s most significant markets in the following product groups:

Primary Cooking and Warming Equipment. We design, manufacture and sell a broad array of ranges, griddles, grills, combination ovens, convection ovens, conveyor ovens, rotisseries, induction cookers, broilers, tilt fry pans/kettles/skillets, braising pans, cheese melters/salamanders, cook stations, table top and counter top cooking/frying systems, filtering systems, fryers, hotdog grills and steamers, steam jacketed kettles, steamers and toasters. We sell traditional oven, combi oven, convection oven, conveyor oven, accelerated cooking oven, range and grill products under the Garland, Lincoln, Merrychef, U.S. Range, and other brand names. Fryers and frying systems are marketed under the Frymaster and other brand names while steam equipment is manufactured and sold under the Cleveland and Convotherm brands. In addition to cooking, we provide a range of warming, holding, merchandising and serving equipment under the Delfield, Fabristeel, Frymaster, Savory, and other brand names.

Ice-Cube Machines, Ice Flaker Machines, Nugget Ice Machines, Ice Dispensers and Storage Bins. We design, manufacture and sell ice machines under the Manitowoc brand name, serving the foodservice, convenience store, healthcare, restaurant, lodging and other markets. Our ice machines make ice in cube, nugget and flake form, and range in daily production capacities. The ice-cube machines are either self-contained units, which make and store ice, or modular units, which make, but do not store ice. Our ice dispensers generally are paired with our ice making equipment, and dispense ice or ice and water.

Refrigerator and Freezer Equipment. We design, manufacture and sell commercial upright and undercounter refrigerators and freezers, blast freezers, blast chillers and cook-chill systems under the Delfield, McCall, Koolaire and Sadia Refrigeration brand names. We manufacture under the brand names Kolpak, Kysor Panel Systems and Harford-Duracool modular and fully assembled walk-in refrigerators, coolers and freezers and prefabricated cooler and freezer panels for use in the construction of refrigerated storage rooms and environmental systems. We also design and manufacture customized refrigeration systems under the RDI brand name.

Warewashing Equipment. Under the brand name Jackson, we design, manufacture and sell warewashing equipment and other equipment including racks and tables. We offer a full range of undercounter dishwashers, door-type dishwashers, conveyor, pot washing and flight-type dishwashers.

Beverage Dispensers and Related Products. We produce beverage dispensers, ice/beverage dispensers, beer coolers, post-mix dispensing valves, backroom equipment and support system components and related equipment for use by QSR chains, convenience stores, bottling operations, movie theaters, and the soft-drink industry. Our beverage and related products are sold under the Servend, Multiplex, TruPour, Manitowoc Beverage Systems and McCann s brand names.

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Serving and Storage Equipment. We design, manufacture and sell a range of buffet equipment and stations, cafeteria/buffet equipment stations, bins, boxes, warming cabinets, dish carts, utility carts, counters and counter tops, mixer stands, tray dispensers, display and deli cases, heatlamps, insulated and refrigerated salad/food bars, sneeze guards and warmers. Our equipment stations, cases, food bars and food serving lines are marketed under the Delfield, Viscount and other brand names.

The end customer base for the Foodservice Equipment segment is comprised of a wide variety of foodservice providers, including, but not limited to, large multinational and regional chain restaurants, convenience stores and retail stores; chain and independent casual and family dining restaurants; independent restaurants and caterers; lodging, resort, leisure and convention facilities; health care facilities; schools and universities; large business and industrial customers; and many other foodservice outlets. We cater to some of the largest and most widely recognized multinational and regional businesses in the foodservice and hospitality industries. We do not typically have long term contracts with our customers; however, large chains frequently authorize specific foodservice equipment manufacturers as approved vendors for particular products, and thereafter, sales are made locally or regionally to end customers via kitchen equipment suppliers, dealers or distributors. Many large QSR chains refurbish or open a large number of outlets, or implement menu changes requiring investment in new equipment, over a short period of time. When this occurs, these customers often choose a small number of manufacturers whose approved products may or must be purchased by restaurant operators. We work closely with our customers to develop the products they need and to become the approved vendors for these products.

Our end customers often need equipment upgrades that enable them to improve productivity and food safety, reduce labor costs, respond to enhanced hygiene, environmental and menu requirements or reduce energy consumption. These changes often require customized cooking and cooling and freezing equipment. In addition, many restaurants, especially QSRs, seek to differentiate their products by changing their menu and format. We believe that product development is important to our success because a supplier s ability to provide customized or innovative foodservice equipment is a primary factor when customers are making their purchasing decisions. Recognizing the importance of providing innovative products to our customers, we invest significant time and resources into new product research and development.

The Manitowoc Education and Technology Center (ETC) in New Port Richey, Florida contains computer-assisted design platforms, a model shop for on-site development of prototypes, a laboratory for product testing and various display areas for new products. Our test kitchen, flexible demonstration areas and culinary team enable us to demonstrate a wide range of equipment in realistic operating environments, and also support a wide range of menu ideation, food development and sensory testing with our customers and food partners. We also use the ETC to provide training for our customers, marketing representatives, service providers, industry consultants, dealers and distributors.

At our ETC and through outreach programs, we also work directly with our customers to provide customized solutions to meet their precise needs. When a customer requests a new or refined product, our engineering team designs, prototypes, tests, demonstrates, evaluates and refines products in our ETC with our customer. The ETC works together with the new product development teams at our operating companies so that new products incorporate our overall product expertise and technological resources. We also provide a fee-based consulting service through our High Performance Kitchen (HPK) team that interacts with targeted customers to effectively integrate new technology, improve facility operation and labor processes, and to assist in developing optimized kitchens of the future.

Backlog. The backlog for unfilled orders for our Foodservice segment at December 31, 2011, 2010 and 2009 was not significant because orders are generally filled shortly after receiving the customer order.

Raw Materials and Supplies

The primary raw materials that we use are structural and rolled steel, aluminum, and copper, which are purchased from various domestic and international sources. We also purchase engines and electrical equipment and other semi- and fully-processed materials. Our policy is to maintain, wherever possible, alternate sources of supply for our important materials and parts. We maintain inventories of steel and other purchased material. We have been successful in our goal to maintain alternative sources of raw materials and supplies, and therefore are not dependent on a single source for any particular raw material or supply.

Patents, Trademarks, and Licenses

We hold numerous patents pertaining to our Crane and Foodservice products, and have presently pending applications for additional patents in the United States and foreign countries. In addition, we have various registered and unregistered trademarks and licenses that are of material importance to our business and we believe our ownership of this intellectual property is adequately protected in customary fashions under applicable laws. No single patent, trademark or license is critical to our overall business.

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Seasonality

Typically, the second and third quarters represent our best quarters for our consolidated financial results. More recently, the traditional seasonality for our Crane and Foodservice segments has been slightly muted due to more diversified product and geographic end markets as well as the impact that the global economic recession and downturn in our end markets has had on our revenue. In our Crane segment, the northern hemisphere summer represents the main construction season. Customers require new machines, parts, and service during that season. Since the summer brings warmer weather, there is also an increase in the use and replacement of ice machines, as well as new construction and remodeling within the foodservice industry. As a result, distributors build inventories during the second quarter to prepare for increased demand.

Competition

We sell all of our products in highly competitive industries. We compete in each of our industries based on product design, quality of products and aftermarket support services, product performance, maintenance costs, energy and resource saving, other contributions to sustainability and price. Some of our competitors may have greater financial, marketing, manufacturing or distribution resources than we do. We believe that we benefit from the following competitive advantages: a strong brand name, a reputation for quality products and aftermarket support services, an established network of global distributors and customer relationships, broad product line offerings in the markets we serve, and a commitment to engineering design and product innovation. However, we cannot be certain that our products and services will continue to compete successfully or that we will be able to retain our customer base or improve or maintain our profit margins on sales to our customers. The following table sets forth our primary competitors in each of our business segments:

Business Segment	Products	Primary Competitors
Cranes and Related Products	Lattice-boom Crawler Cranes	Hitachi Sumitomo; Kobelco; Liebherr; Sumitomo/Link-Belt; Terex; XCMG; Fushun; Zoomlion; and Sany
	Tower Cranes	Comansa; Terex Comedil/Peiner; Liebherr; FM Gru; Jaso; Raimondi; Viccario; Saez; Benezzato; Cattaneo; Sichuan Construction Machinery; Shenyang; Zoomlion; Jianglu; and Yongmao
	Mobile Telescopic Cranes	Liebherr; Link-Belt; Terex; Tadano; XCMG; Kato; Locatelli; Marchetti; Luna; Broderson; Valla; Ormig; Bencini; and Zoomlion
	Boom Trucks	Terex; Manitex; Altec; Elliott; Tadano; Fassi; Palfinger; Furukawa; and Hiab
Foodservice Equipment	Ice-Cube Machines, Ice Flaker Machines, Storage Bins	Hoshizaki; Scotsman; Follet; Ice-O-Matic; Brema; Aucma; and Vogt
	Beverage Dispensers and Related Products	Automatic Bar Controls; Celli; Cornelius; Hoshizaki/Lancer Corporation; and Vin Service
	Refrigerator and Freezer Equipment	American Panel; ICS; Nor-Lake; Master-Bilt; Thermo-Kool; Bally; Arctic; Beverage Air; Traulsen; True Foodservice; TurboAir; Masterbilt; and Hoshizaki

Primary Cooking Equipment	Ali Group; Electrolux; Dover Industries; Duke; Henny Penny; ITW; Middleby; and Rational
Serving, Warming and Storage Equipment	Alto Shaam; Cambro; Duke; Hatco; ITW; Middleby; Standex; and Vollrath
Food Preparation Equipment	Ali Group; Bizerba; Electrolux; German Knife; Globe; ITW; and Univex
Warewashing Equipment	ADS; Auto-Chlor; Ali Group; Electrolux; Insinger; ITW; Meiko; Winterhalter; and Hoshizaki

Engineering, Research and Development

We believe our extensive engineering, research and development capabilities have been key drivers of our success. We engage in research and development activities at dedicated locations within both of our segments. We have a staff of engineers and technicians on three continents who are responsible for improving existing products and developing new products. We incurred research and development costs of $80.6 million in 2011, $72.2 million in 2010 and $57.4 million in 2009.

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Our team of engineers focuses on developing innovative, high performance, low maintenance products that are intended to create significant brand loyalty among customers. Design engineers work closely with our manufacturing and marketing staff, enabling us to identify changing end-user requirements, implement new technologies and effectively introduce product innovations. Close, carefully managed relationships with dealers, distributors and end users help us identify their needs, not only for products, but for the service and support that are critical to their profitable operations. As part of our ongoing commitment to provide superior products, we intend to continue our efforts to design products that meet evolving customer demands and reduce the period from product conception to product introduction.

Employee Relations

As of December 31, 2011, we employed approximately 12,900 people and had labor agreements with 13 union locals in North America. A large majority of our European employees belong to European trade unions. We have three trade unions in China and one trade union in India. There were only minor work stoppages during 2009 and 2010. During 2010, we had two union contracts that expired and were successfully renegotiated. During 2011, four of our union contracts expired at various times. Three of the contracts that expired in 2011 were successfully renegotiated without incident, while the International Association of Machinists (IAM) contract with Manitowoc Crane Corporation expired in October 2011 and resulted in a 66 day work stoppage. The company s contingency plans ensured that customer needs were met during the work stoppage. A new contract with the IAM was ratified in January 2012 and expires in January 2016. During 2012, two of our union contracts in North America expire at various times.

Available Information

We make available, free of charge at our internet site (www.manitowoc.com), our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, our proxy statement and any amendments to those reports, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (SEC). Our SEC reports can be accessed through the investor relations section of our website. Although some documents available on our website are filed with the SEC, the information generally found on our website is not part of this or any other report we file with or furnish to the SEC.

The public may read and copy any materials that we file with the SEC at the SEC s Public Reference Room located at 100 F Street NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains electronic versions of our reports on its website at www.sec.gov.

Geographic Areas

Net sales from continuing operations and long-lived asset information by geographic area as of and for the years ended December 31 are included below. Long-lived assets are defined as property, plant and equipment, net and other non-current assets, not including goodwill and other intangible assets, net.

	Net Sales	Long-Lived Assets

(in millions)	2011	2010	2009	2011	2010
United States	$ 1,616.9	$ 1,360.6	$ 1,739.6	$ 356.4	$ 363.9
Other North America	212.1	142.0	143.6	6.5	7.2
Europe	813.4	749.2	826.3	195.9	204.1
Asia	383.4	307.8	279.1	124.0	73.9
Middle East	189.4	168.7	274.6	1.7	1.7
Central and South America	237.8	203.0	155.0	15.6	0.3
Africa	65.4	69.5	88.9		
South Pacific and Caribbean	12.0	11.7	24.6	4.8	5.0
Australia	121.5	129.2	88.1	3.9	2.3
Total	$ 3,651.9	$ 3,141.7	$ 3,619.8	$ 708.8	$ 658.4

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Item 1A. RISK FACTORS

The following are risk factors identified by management that if any events contemplated by the following risks actually occur, then our business, financial condition or results of operations could be materially adversely affected.

Some of our business segments are cyclical or are otherwise sensitive to volatile or variable factors. A downturn or weakness in overall economic activity or fluctuations in those other factors can have a material adverse effect on us.

Historically, sales of products that we manufacture and sell have been subject to cyclical variations caused by changes in general economic conditions and other factors. In particular, the demand for our Crane products is cyclical and is impacted by the strength of the economy generally, the availability of financing and other factors that may have an effect on the level of construction activity on an international, national or regional basis. During periods of expansion in construction activity, we generally have benefited from increased demand for our products. Conversely, during recessionary periods, such as the recent global economic recession, we have been adversely affected by reduced demand for our products. In addition, the strength of the economy generally may affect the rates of expansion, consolidation, renovation and equipment replacement within the restaurant, lodging, convenience store and healthcare industries, which may affect the performance of our Foodservice segment. Furthermore, an economic recession may impact leveraged companies, such as Manitowoc, more than competing companies with less leverage and may have a material adverse effect on our financial condition, results of operations and cash flows.

Products in our Crane segment also depend in part on federal, state, local and foreign governmental spending and appropriations, including infrastructure, security and defense outlays. Reductions in governmental spending can reduce demand for our products, which in turn can affect our performance. Weather conditions can substantially affect our Foodservice segment, as relatively cool summer weather and cooler-than-normal weather in hot climates tend to decrease sales of ice and beverage dispensers. Our sales depend in part upon our customers replacement or repair cycles. Adverse economic conditions may cause customers to forego or postpone new purchases in favor of repairing existing machinery.

Because we participate in industries that are intensely competitive, our net sales and profits could decline as we respond to competition.

We sell most of our products in highly competitive industries. We compete in each of those industries based on product design, quality of products, quality and responsiveness of product support services, product performance, maintenance costs and price. Some of our competitors may have greater financial, marketing, manufacturing and distribution resources than we do. We cannot be certain that our products and services will continue to compete successfully with those of our competitors or that we will be able to retain our customer base or improve or maintain our profit margins on sales to our customers, any of which could materially and adversely affect our financial condition, results of operations and cash flows.

If we fail to develop new and innovative products or if customers in our markets do not accept them, our results would be negatively affected.

Our products must be kept current to meet our customers needs. To remain competitive, we therefore must develop new and innovative products on an on-going basis. If we fail to make innovations, or the market does not accept our new products, our sales and results would suffer.

We invest significantly in the research and development of new products. These expenditures do not always result in products that will be accepted by the market. To the extent they do not, whether as a function of the product or the business cycle, we will have increased expenses without significant sales to benefit us. Failure to develop successful new products may also cause potential customers to choose to purchase used equipment, or competitors products, rather than invest in new products manufactured by us.

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Price increases in some materials and sources of supply could affect our profitability.

We use large amounts of steel, stainless steel, aluminum, copper and electronic controls, among other items, in the manufacture of our products. Occasionally, market prices of some of our key raw materials increase significantly. In particular, we have experienced significant increases in steel, aluminum, foam, and copper prices at times in recent periods, which have increased our expenses. If in the future we are not able to reduce product cost in other areas or pass raw material price increases on to our customers, our margins could be adversely affected. In addition, because we maintain limited raw material and component inventories, even brief unanticipated delays in delivery by suppliers including those due to capacity constraints, labor disputes, impaired financial condition of suppliers, weather emergencies or other natural disasters may impair our ability to satisfy our customers and could adversely affect our financial performance.

To better manage our exposures to certain commodity price fluctuations, we regularly hedge our commodity exposures through financial markets. Through this hedging we fix the future price for a portion of these commodities utilized in the production of our products. To the extent that our hedging is not successful in fixing commodity prices that are favorable in comparison to market prices at the time of purchase, we would experience a negative impact on our profit margins compared to the margins we would have realized if these price commitments were not in place, which may adversely affect our results of operations, financial condition and cash flows in future periods.

We increasingly manufacture and sell our products outside of the United States, which may present additional risks to our business.

For the years ended December 31, 2011, 2010 and 2009, approximately 56%, 57% and 52%, respectively, of our net sales were attributable to products sold outside of the United States. Expanding the company s international sales is part of our growth strategy. We acquired 22 major manufacturing facilities with the Enodis acquisition, 16 of which are in North America, 4 are in Europe, and 2 are in Asia. See further detail related to the facilities at Part I, Item 2 Properties. International operations generally are subject to various risks, including political, military, religious and economic instability, local labor market conditions, the imposition of foreign tariffs, the impact of foreign government regulations, the effects of income and withholding tax, governmental expropriation, and differences in business practices. We may incur increased costs and experience delays or disruptions in product deliveries and payments in connection with our international sales, manufacturing and the integration of new facilities that could cause loss of revenue or increased cost. Unfavorable changes in the political, regulatory and business climate and currency devaluations of various foreign jurisdictions could have a material adverse effect on our financial condition, results of operations and cash flows.

We depend on our key personnel and the loss of these personnel could have an adverse effect on our business.

Our success depends to a large extent upon the continued services of our key executives, managers and skilled personnel. Generally, these employees are not bound by employment or non-competition agreements, and we cannot be sure that we will be able to retain our key officers and employees. We could be seriously harmed by the loss of key personnel if it were to occur in the future.

Our operations and profitability could suffer if we experience problems with labor relations.

As of December 31, 2011, we employed approximately 12,900 people and had labor agreements with 13 union locals in North America. A large majority of our European employees belong to European trade unions. We have three trade unions in China and one trade union in India. There were only minor work stoppages during 2009 and 2010. During 2010, we had two union contracts that expired and were successfully renegotiated. During 2011, four of our union contracts expired at various times. Three of the contracts that expired in 2011 were successfully renegotiated without incident, while the International Association of Machinists (IAM) contract with Manitowoc Crane Corporation expired in October 2011 and resulted in a 66 day work stoppage. The company s contingency plans ensured that customer needs were met during the work stoppage. A new contract with the IAM was ratified in January 2012 and expires in January 2016. During 2012, two of our union contracts in North America expire at various times. Any significant labor relations issues could have a material adverse effect on our results of operations and financial condition.

If we fail to protect our intellectual property rights or maintain our rights to use licensed intellectual property, our business could be adversely affected.

Our patents, trademarks and licenses are important in the operation of our businesses. Although we intend to protect our intellectual property rights vigorously, we cannot be certain that we will be successful in doing so. Third parties may assert or prosecute infringement claims against us in connection with the services and products that we offer, and we may or may not be able to successfully defend these claims. Litigation, either to enforce our intellectual property rights or to defend against claimed infringement of the rights of others, could result in substantial costs and in a diversion of our resources. In addition, if a third party would prevail in an infringement claim against us, then we would likely need to obtain a license from the third party on commercial terms, which would likely increase our costs. Our failure to maintain or obtain necessary licenses or an adverse outcome in any litigation relating to patent infringement or other intellectual property matters could have a material adverse effect on our financial condition, results of operations and cash flows.

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Our results of operations may be negatively impacted by product liability lawsuits.

Our business exposes us to potential product liability risks that are inherent in the design, manufacture, sale and use of our products, especially our crane products. Certain of our businesses also have experienced claims relating to past asbestos exposure. Neither we nor our affiliates have to date incurred material costs related to these asbestos claims. We vigorously defend ourselves against current claims and intend to do so against future claims. However, a substantial increase in the number of claims that are made against us or the amounts of any judgments or settlements could materially and adversely affect our reputation and our financial condition, results of operations and cash flows.

Some of our products are built under fixed-price agreements; cost overruns therefore can hurt our results.

Some of our work is done under agreements on a fixed-price basis. If we do not accurately estimate our costs, we may incur a loss under these contracts. Even if the agreements have provisions that allow reimbursement for cost overruns, we may not be able to recoup excess expenses.

Strategic divestitures could negatively affect our results.

We regularly review our business units and evaluate them against our core business strategies. In addition to strategic divestiture decisions, at times we are forced by regulatory authorities to make business divestitures as a result of acquisition transactions, such as the sale of substantially all of Enodis ice machine operations as a result of the Enodis acquisition. As a result, we regularly consider the divestiture of non-core and non-strategic, or acquisition-related operations or facilities. Depending upon the circumstances and terms, the divestiture of an operation or facility could negatively affect our earnings from continuing operations.

Environmental liabilities that may arise in the future could be material to us.

Our operations, facilities and properties are subject to extensive and evolving laws and regulations pertaining to air emissions, wastewater discharges, the handling and disposal of solid and hazardous materials and wastes, the remediation of contamination, and otherwise relating to health, safety and the protection of the environment. As a result, we are involved from time to time in administrative or legal proceedings relating to environmental and health and safety matters, and have in the past and will continue to incur capital costs and other expenditures relating to such matters.

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Based on current information, we believe that any costs we may incur relating to environmental matters will not be material, although we can give no assurances. We also cannot be certain that identification of presently unidentified environmental conditions, more vigorous enforcement by regulatory authorities, or other unanticipated events will not arise in the future and give rise to additional environmental liabilities, compliance costs and/or penalties that could be material. Further, environmental laws and regulations are constantly evolving and it is impossible to predict accurately the effect they may have upon our financial condition, results of operations or cash flows.

We are exposed to the risk of foreign currency fluctuations.

Some of our operations are or will be conducted by subsidiaries in foreign countries. The results of the operations and the financial position of these subsidiaries will be reported in the relevant foreign currencies and then translated into U.S. dollars at the applicable exchange rates for inclusion in our consolidated financial statements, which are stated in U.S. dollars. The exchange rates between many of these currencies and the U.S. dollar have fluctuated significantly in recent years and may fluctuate significantly in the future. Such fluctuations may have a material effect on our results of operations and financial position and may significantly affect the comparability of our results between financial periods.

In addition, we incur currency transaction risk whenever one of our operating subsidiaries enters into a transaction using a different currency than its functional currency. We attempt to reduce currency transaction risk whenever one of our operating subsidiaries enters into a transaction using a different currency than its functional currency by:

- matching cash flows and payments in the same currency;
- direct foreign currency borrowing; and
- entering into foreign exchange contracts for hedging purposes.

However, we may not be able to hedge this risk completely or at an acceptable cost, which may adversely affect our results of operations, financial condition and cash flows in future periods.

Increased or unexpected product warranty claims could adversely affect us.

We provide our customers a warranty covering workmanship, and in some cases materials, on products we manufacture. Our warranty generally provides that products will be free from defects for periods ranging from 12 months to 60 months with certain equipment having longer term warranties. If a product fails to comply with the warranty, we may be obligated, at our expense, to correct any defect by repairing or replacing the defective product. Although we maintain warranty reserves in an amount based primarily on the number of units shipped and on historical and anticipated warranty claims, there can be no assurance that future warranty claims will follow historical patterns or that we can accurately anticipate the level of future warranty claims. An increase in the rate of warranty claims or the occurrence of unexpected warranty claims could materially and adversely affect our financial condition, results of operations and cash flows.

Some of our customers rely on financing with third parties to purchase our products, and we may incur expenses associated with our assistance to customers in securing third party financing.

A portion of our sales is financed by third-party finance companies on behalf of our customers. The availability of financing by third parties is affected by general economic conditions, the credit worthiness of our customers and the estimated residual value of our equipment. In certain transactions we provide residual value guarantees and buyback commitments to our customers or the third party financial institutions. Deterioration in the credit quality of our customers or the overall health of the banking industry could negatively impact our customer s ability to obtain the resources needed to make purchases of our equipment or their ability to obtain third-party financing. In addition, if the actual value of the equipment for which we have provided a residual value guaranty declines below the amount of our guaranty, we may incur additional costs, which may negatively impact our financial condition, results of operations and cash flows.

Our leverage may impair our operations and financial condition.

As of December 31, 2011, our total consolidated debt was $1,890.0 million as compared to consolidated debt of $1,997.4 million as of December 31, 2010, including the value of related interest rate hedging instruments,. Our debt could have important consequences, including increasing our vulnerability to general adverse economic and industry conditions; requiring a substantial portion of our cash flows from operations be used for the payment of interest rather than to fund working capital, capital expenditures, acquisitions and general corporate requirements; limiting our ability to obtain additional financing; and limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate.

The agreements governing our debt include covenants that restrict, among other matters, our ability to incur additional debt; pay dividends on or repurchase our equity; make investments; and consolidate, merge or transfer all or substantially all of our assets. In addition, our senior credit facility requires us to maintain specified financial ratios and satisfy certain financial condition tests. Our ability to comply with these covenants may be affected by events beyond our control, including prevailing economic, financial and industry conditions. These covenants may also require that we take action to reduce our debt or to act in a manner contrary to our business objectives. We cannot be certain that we will meet any future financial tests or that the lenders will waive any failure to meet those tests. See additional discussion in Note 11, Debt.

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If we default under our debt agreements, our lenders could elect to declare all amounts outstanding under our debt agreements to be immediately due and payable and could proceed against any collateral securing the debt. Under those circumstances, in the absence of readily-available refinancing on favorable terms, we might elect or be compelled to enter bankruptcy proceedings, in which case our shareholders could lose the entire value of their investment in our common stock.

An inability to successfully manage the implementation of a global enterprise resource management (ERP) system in our Crane segment could adversely affect our operating results.

We are in the process of implementing a new global ERP system in the Crane segment. This system will replace many of our existing operating and financial systems. Such an implementation is a major undertaking both financially and from a management and personnel perspective. One business location implemented this system in 2009 and our corporate office implemented the system in 2010. Due to economic conditions we delayed the previously scheduled implementation timeline for the Crane segment ERP system during 2010 and 2011. The next business units are scheduled to implement this new ERP system in 2012 which include certain of our European, Latin American and Crane Care entities. Should the system not be implemented successfully and within budget, or if the system does not perform in a satisfactory manner, it could be disruptive and adversely affect our operations and results of operations, including the ability of the company to report accurate and timely financial results.

Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of our business, we collect and store sensitive data, including our proprietary business information and that of our customers, suppliers and business partners, as well as personally identifiable information of our customers and employees, in our data centers and on our networks. The secure processing, maintenance and transmission of this information is critical to our operations and business strategy. Despite our security measures, our information technology and infrastructure may be vulnerable to malicious attacks or breached due to employee error, malfeasance or other disruptions, including as a result of rollouts of new systems. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings and/or regulatory penalties, disrupt our operations, damage our reputation, and/or cause a loss of confidence in our products and services, which could adversely affect our business.

Our inability to recover from natural or man-made disasters could adversely affect our business.

Our business and financial results may be affected by certain events that we cannot anticipate or that are beyond our control, such as natural or man-made disasters, national emergencies, significant labor strikes, work stoppages, political unrest, war or terrorist activities that could curtail production at our facilities and cause delayed deliveries and canceled orders. In addition, we purchase components and raw materials and information technology and other services from numerous suppliers, and, even if our facilities were not directly affected by such events, we could be affected by interruptions at such suppliers. Such suppliers may be less likely than our own facilities to be able to quickly recover from such events and may be subject to additional risks such as financial problems that limit their ability to conduct their operations. We cannot assure you that we will have insurance to adequately compensate us for any of these events.

Item 1B. UNRESOLVED STAFF COMMENTS

The company has received no written comments regarding its periodic or current reports from the staff of the Securities and Exchange Commission (SEC) that were issued 180 days or more preceding the end of our fiscal year 2011 that remain unresolved.

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Item 2. PROPERTIES

The following table outlines the principal facilities we own or lease as of December 31, 2011.

Facility Location	Type of Facility	Approximate Square Footage	Owned/Leased
Cranes and Related Products			
Europe/Asia/Middle East			
Wilhelmshaven, Germany	Manufacturing/Office and Storage	410,000	Owned/Leased
Moulins, France	Manufacturing/Office	355,000	Owned/Leased
Charlieu, France	Manufacturing/Office	323,000	Owned/Leased
Presov, Slovak Republic	Manufacturing/Office	295,300	Owned
Zhangjiagang, China	Manufacturing	610,000	Owned
Fanzeres, Portugal	Manufacturing	183,000	Leased
Baltar, Portugal	Manufacturing	68,900	Owned
Pune, India	Manufacturing	190,000	Leased
Niella Tanaro, Italy	Manufacturing	370,016	Owned
Ecully, France	Office	85,000	Leased
Langenfeld, Germany	Office/Storage and Field Testing	80,300	Leased
Osny, France	Office/Storage/Repair	43,000	Owned
Decines, France	Office/Storage	47,500	Leased
Vaux-en-Velin, France	Office/Workshop	17,000	Owned
Vitrolles, France	Office	16,000	Owned
Buckingham, United Kingdom	Office/Storage	78,000	Leased
Lusigny, France	Crane Testing Site	10,000	Owned
Baudemont, France	Office & Training Center	8,000	Owned
Singapore	Office/Storage	49,000	Leased
Tai an, China (Joint Venture)	Manufacturing	685,000	Owned
Sydney, Australia	Office/Storage	21,500	Leased
Dubai, United Arab Emirates	Office/Workshop	10,000	Leased
Americas			
Shady Grove, Pennsylvania	Manufacturing/Office	1,286,000	Owned
Manitowoc, Wisconsin(1)	Manufacturing/Office	570,000	Owned
Manitowoc, Wisconsin (1)	Office	10,000	Leased
Manitowoc, Wisconsin(1)	Land	150,000	Leased
Passo Fundo, Brazil	Manufacturing/Office	265,000	Owned
Quincy, Pennsylvania	Manufacturing	36,000	Owned
Bauxite, Arkansas	Manufacturing/Office	22,000	Owned
Port Washington, Wisconsin	Manufacturing	81,000	Owned

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Foodservice Equipment

Europe/Asia			
Hangzhou, China	Manufacturing/Office	260,000	Owned/Leased
Eglfing, Germany	Manufacturing/Office/Warehouse	130,000	Leased
Halesowen, United Kingdom(4)	Manufacturing/Office	86,000	Leased
Sheffield, United Kingdom	Manufacturing/Office	100,000	Leased
Guildford, United Kingdom	Office	12,500	Leased
Shanghai, China	Manufacturing/Office/Warehouse	14,500	Leased
Foshan, China	Manufacturing/Office/Warehouse	40,000	Leased
Singapore	Manufacturing/Office/Warehouse	40,000	Leased
Prachinburi, Thailand (Joint Venture)	Manufacturing/Office/Warehouse	80,520	Owned
Samutprakarn, Thailand (Joint Venture)	Office	4,305	Leased
North America			
Manitowoc, Wisconsin	Manufacturing/Office	376,000	Owned
Parsons, Tennessee (1)	Manufacturing	160,000	Owned
Sellersburg, Indiana	Manufacturing/Office	146,000	Owned
La Mirada, California	Manufacturing/Office	77,000	Leased
Los Angeles, California	Manufacturing/Office	90,000	Owned
Los Angeles, California	Manufacturing	29,000	Owned
Tijuana, Mexico	Manufacturing	30,000	Leased
New Port Richey, Florida	Office/Technology Center	42,000	Owned
Goodyear, Arizona	Manufacturing/Office	75,000	Leased
Fort Wayne, Indiana	Manufacturing/Office	413,000	Owned
Barbourville, Kentucky	Manufacturing/Office	115,000	Owned
Shreveport, Louisiana (2)	Manufacturing/Office	435,000	Owned
Mt. Pleasant, Michigan	Manufacturing/Office	345,000	Owned
Baltimore, Maryland	Manufacturing/Office	16,000	Owned
Cleveland, Ohio	Manufacturing/Office	224,000	Owned
Freeland, Pennsylvania	Manufacturing/Office	160,000	Owned
Covington, Tennessee	Manufacturing/Office	186,000	Owned
Piney Flats, Tennessee	Manufacturing/Office	131,000	Leased
Fort Worth, Texas	Manufacturing/Office	182,000	Leased
Concord, Ontario, Canada	Manufacturing/Office	116,000	Leased
Mississauga, Ontario, Canada	Manufacturing/Office	155,000	Leased
Corporate			
Manitowoc, Wisconsin	Office	34,000	Owned
Manitowoc, Wisconsin	Office	5,000	Leased
Manitowoc, Wisconsin	Hangar Ground Lease	31,320	Leased

(1) There are three separate locations within Parsons, Tennessee and Manitowoc, Wisconsin.

(2) There are two separate locations within Shreveport, Louisiana

(3) There are four separate locations within Columbus, Georgia

(4) There are two separate locations within Halesowen, UK

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In addition, we lease sales office and warehouse space for our Crane segment in Breda, The Netherlands; Begles, France; Nantes, France; Toulouse, France; Nice, France; Orleans, France; Persans, France; Lainate, Italy; Lagenfeld, Germany; Munich, Germany; Budapest, Hungary; Warsaw, Poland; Melbourne, Australia; Brisbane, Australia; Beijing, China; Chengdu, China; Guangzhou, China; Xi an, China; Dubai, UAE; Makati City, Philippines; Cavite, Philippines; Gurgaon, India; Chennai, India; Hyderabad, India; Seoul, Korea; Moscow, Russia; Netvorice, the Czech Republic; Jeffersonville, Indiana; Quincy, Pennsylvania; Manitowoc, Wisconsin; Shanghai, China; Monterrey, Mexico; Sao Paulo, Brazil; Recife, Brazil; Santiago, Chile; Johannesburg, South Africa; and Ellis Ras, South Africa; and We lease office and warehouse space for our Foodservice segment in Salem, Virginia; Irwindale, California; Goodyear, Arizona; Miami, Florida; Herborn, Germany; Moscow, Russia; Belgium, Netherlands; Kuala Lumpur, Malaysia; Barcelona, Spain; Naucalpan de Juarez, Mexico; and Ecully, France. We also own sales offices for our Crane segment in Dole, France.

See Note 21, Leases, to the Consolidated Financial Statements included in Item 8 of this Form 10-K for additional information regarding leases.

Item 3. LEGAL PROCEEDINGS

Our global operations are governed by laws addressing the protection of the environment and employee safety and health. Under various circumstances, these laws impose civil and criminal penalties and fines, as well as injunctive and remedial relief, for noncompliance. They also may require remediation at sites where company related substances have been released into the environment.

We have expended substantial resources globally, both financial and managerial, to comply with the applicable laws and regulations, and to protect the environment and our workers. We believe we are in substantial compliance with such laws and regulations and we maintain procedures designed to foster and ensure compliance. However, we have been and may in the future be subject to formal or informal enforcement actions or proceedings regarding noncompliance with such laws or regulations, whether or not determined to be ultimately responsible in the normal course of business. Historically, these actions have been resolved in various ways with the regulatory authorities without material commitments or penalties to the company.

For information concerning other contingencies and uncertainties, see Note 17, Contingencies and Significant Estimates, to the Consolidated Financial Statements included in Part II, Item 8 of this Form 10-K.

Executive Officers of the Registrant

Each of the following officers of the company has been elected by the Board of Directors. The information presented is as of February 29, 2012.

Name	Age	Position With The Registrant	Principal Position Held Since
Glen E. Tellock	51	Chairman and Chief Executive Officer	2009

Carl J. Laurino	50	Senior Vice President and Chief Financial Officer	2004
Thomas G. Musial	60	Senior Vice President of Human Resources and Administration	2000
Maurice D. Jones	52	Senior Vice President, General Counsel and Secretary	2004
Dean J. Nolden	43	Vice President of Finance and Treasurer	2005
Eric P. Etchart	55	Senior Vice President of the Company and President Crane Segment	2007
Michael J. Kachmer	53	Senior Vice President of the Company and President Foodservice Segment	2007

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Glen E. Tellock has been the company s chief executive officer since May 2007 and was elected as chairman of the board effective February 13, 2009. He previously served as the senior vice president of The Manitowoc Company, Inc. and president of the Crane segment since 2002. Earlier, he served as the company s senior vice president and chief financial officer (1999), vice president of finance and treasurer (1998), corporate controller (1992) and director of accounting (1991). Prior to joining the company, Mr. Tellock served as financial planning manager with the Denver Post Corporation, and as an audit manager for Ernst & Whinney.

Carl J. Laurino was named senior vice president and chief financial officer in May 2004. He had served as treasurer since May 2001. Mr. Laurino joined the company in January 2000 as assistant treasurer and served in that capacity until his promotion to treasurer. Previously, Mr. Laurino spent 15 years in the commercial banking industry with Firstar Bank (n/k/a US Bank), Norwest Bank (n/k/a Wells Fargo), and Associated Bank. During that period, Mr. Laurino held numerous positions of increasing responsibility including commercial loan officer with Norwest Bank, Vice President Business Banking with Associated Bank and Vice President and Commercial Banking Manager with Firstar.

Thomas G. Musial has been senior vice president of human resources and administration since 2000. Previously, he was vice president of human resources and administration (1995), manager of human resources (1987), and personnel/industrial relations specialist (1976).

Maurice D. Jones has been general counsel and secretary since 1999 and was elected vice president in 2002 and a senior vice president in 2004. Prior to joining the company, Mr. Jones was a shareholder in the law firm of Davis and Kuelthau, S.C., and served as legal counsel for Banta Corporation.

Dean J. Nolden was named vice president of finance and treasurer in May 2009. He previously served as the vice president and assistant treasurer since 2005. Mr. Nolden joined the company in November 1998 as corporate controller and served in that capacity until his promotion to Vice President Finance and Controller in May 2004. Prior to joining the company, Mr. Nolden spent eight years in public accounting in the audit practice of PricewaterhouseCoopers LLP. He left that firm in 1998 as an audit manager.

Eric P. Etchart was named senior vice president of The Manitowoc Company, Inc. and president of the Manitowoc Crane segment in May 2007. Mr. Etchart previously served as executive vice president of the Crane segment for the Asia/Pacific region since 2002. Prior to joining the company, Mr. Etchart served as managing director in the Asia/Pacific region for Potain S.A., as managing director in Italy for Potain S.P.A. and as vice president of international sales and marketing for PPM.

Michael J. Kachmer joined the company in February of 2007 as senior vice president of The Manitowoc Company, Inc. and president of the Foodservice segment. Prior to joining the company, Mr. Kachmer held executive positions for Culligan International Company since 2000, most recently serving as its chief operating officer. In addition, Mr. Kachmer has held executive and operational roles in a number of global manufacturing companies, including Ball Corporation and Firestone Tire & Rubber.

Item 4. MINE SAFETY DISCLOSURE

Not Applicable.

Item 5. MARKET FOR REGISTRANT S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The company s common stock is traded on the New York Stock Exchange under the symbol MTW. At December 31, 2011, the approximate number of record shareholders of common stock was 2,410.

The amount and timing of the annual dividend are determined by the Board of Directors at its regular meetings each year, subject to limitations within the company s New Senior Credit Facility. On October 26, 2009, the Board of Directors unanimously adopted a resolution switching the company s quarterly common stock cash dividend to an annual common stock cash dividend. Beginning in October 2010, and in its regular fall meetings each year thereafter, the Board of Directors determined the amount, if any, and timing of the annual dividend for that year. In each of the years ended December 31, 2011 and December 31, 2010, the company paid an annual dividend of $0.08 per share in the fourth quarter. In the year ended December 31, 2009, the company paid a quarterly dividend of $0.02 per share in each quarter for a cumulative dividend of $0.08 per share.

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The high and low sales prices of the common stock were as follows for 2011, 2010 and 2009:

Year Ended	2011			2010			2009		
December 31	High	Low	Close	High	Low	Close	High	Low	Close
1st Quarter	$ 22.12	$ 12.80	$ 21.88	$ 14.60	$ 10.03	$ 13.00	$ 10.19	$ 2.42	$ 3.27
2nd Quarter	23.23	14.79	16.84	16.43	9.09	9.14	7.79	3.45	5.26
3rd Quarter	18.19	6.56	6.71	12.26	8.48	12.11	10.45	4.39	9.47
4th Quarter	12.60	5.76	9.19	13.53	10.55	13.11	11.63	8.14	9.97

Under our current credit agreement, we are limited on the amount of dividends we may pay out in any one year. The amount of dividend payments is restricted based on our consolidated total leverage ratio as defined in the credit agreement and is limited along with other restricted payments in aggregate. If the consolidated total leverage ratio is less than 3.00 to 1.00, total restricted payments are not limited in any given year. If the consolidated total leverage ratio is less than 4.00 to 1.00 but greater than or equal to 3.00 to 1.00, restricted payments may not exceed $40.0 million per year. If the consolidated total leverage ratio is less than 5.00 to 1.00 but greater than or equal to 4.00 to 1.00, restricted payments may not exceed $30.0 million per year. Lastly, if the consolidated total leverage ratio is greater than or equal to 5.00 to 1.00, total restricted payments are limited to $20.0 million per year.

Total Return to Shareholders

(Includes reinvestment of dividends)

Annual Return Percentages
Years Ending December 31,

	2007	2008	2009	2010	2011
The Manitowoc Company, Inc.	64.65%	(82.19)%	16.77%	32.46%	(29.39)%
S&P 500 Index	5.49%	(37.00)%	26.46%	15.06%	2.11%
S&P 600 Industrial Machinery	12.18%	(32.86)%	18.68%	31.01%	(2.67)%

	Indexed Returns Years Ending December 31,					
	2006	2007	2008	2009	2010	2011
The Manitowoc Company, Inc.	100.00	164.65	29.33	34.25	45.31	31.99
S&P 500 Index	100.00	105.49	66.46	84.05	96.71	98.76
S&P 600 Industrial Machinery	100.00	112.18	75.31	89.38	117.09	113.96

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Item 6. SELECTED FINANCIAL DATA

The following selected historical financial data have been derived from the Consolidated Financial Statements of The Manitowoc Company, Inc. The data should be read in conjunction with these financial statements and Management s Discussion and Analysis of Financial Condition and Results of Operations. Results of the Marine segment and the Kysor/Warren business in the current and prior periods and the results of substantially all Enodis ice businesses and certain Enodis non-ice businesses in the years ended December 31, 2008, 2009, 2010 and 2011, have been classified as discontinued in the Consolidated Financial Statements to exclude the results from continuing operations. In addition, the earnings (loss) from discontinued operations include the impact of adjustments to certain retained liabilities for operations sold or closed in periods prior to those presented. Financial data for 2010, 2009 and 2008 has been revised to correct errors identified in 2011 relating to these periods. See Note 1, Company and Basis of Presentation in the consolidated financial statements for further discussion of the revisions on 2010 balance sheet data and 2010 and 2009 statement of operations data. For businesses acquired during the time periods presented, results are included in the table from their acquisition date. Amounts are in millions except share and per share data.

	2011	2010	2009	2008	2007	2006
Net Sales						
Cranes and Related Products	$ 2,164.6	$ 1,748.6	$ 2,285.0	$ 3,882.9	$ 3,245.7	$ 2,235.4
Foodservice Equipment	1,487.3	1,393.1	1,334.8	596.3	438.3	415.4
Total	3,651.9	3,141.7	3,619.8	4,479.2	3,684.0	2,650.8
Gross Profit	838.0	766.1	797.4	1,015.0	861.5	611.3
Earnings (Loss) from Operations						
Cranes and Related Products	106.8	89.8	145.0	555.6	470.5	280.6
Foodservice Equipment	216.0	203.0	167.0	59.2	61.3	56.2
Corporate	(56.9)	(41.2)	(44.4)	(51.7)	(48.2)	(42.4)
Amortization expense	(38.8)	(38.3)	(38.4)	(11.4)	(5.8)	(3.3)
Gain on sales of parts line					3.3	
Goodwill impairment			(520.3)			
Intangible asset impairment			(146.4)			
Restructuring expense	(5.7)	(3.8)	(39.6)	(21.7)		
Integration expense			(3.6)	(7.6)		
Pension settlements					(5.3)	
Other expense	0.5	(2.3)	(3.4)			
Total	221.9	207.2	(484.1)	522.4	475.8	291.1
Interest expense	(146.7)	(175.0)	(174.0)	(51.6)	(35.1)	(44.9)
Amortization of deferred financing fees	(10.4)	(22.0)	(28.8)	(2.5)	(1.1)	(1.4)
Loss on debt extinguishment	(29.7)	(44.0)	(9.2)	(4.1)	(12.5)	(14.4)
Loss on purchase price hedges				(379.4)		
Other income (expense) - net	2.3	(9.9)	17.3	(3.0)	9.8	3.4
Earnings (loss) from continuing operations before income taxes	37.4	(43.7)	(678.8)	81.8	436.9	233.8
Provision (benefit) for taxes on income	15.9	30.9	(65.5)	(18.8)	122.1	74.8
Earnings (loss) from continuing operations	21.5	(74.6)	(613.3)	100.6	314.8	159.0
Discontinued operations:						
Earnings (loss) from discontinued operations, net of income taxes	(3.9)	(7.6)	(34.1)	(144.8)	21.9	7.2
Gain (loss) on sale or closure of discontinued operations, net of income taxes	(34.6)		(24.2)	53.1		
Net earnings (loss)	(17.0)	(82.2)	(671.6)	8.9	336.7	166.2
Less: Net earnings (loss) attributable to noncontrolling interest, net of tax	(6.5)	(2.7)	(2.5)	(1.9)		
Net earnings (loss) attributable to Manitowoc	$ (10.5)	$ (79.5)	$ (669.1)	$ 10.8	$ 336.7	$ 166.2
Amounts attributable to the Manitowoc common shareholders:						
Earnings (loss) from continuing operations	$ 28.0	$ (71.9)	$ (610.8)	$ 102.5	$ 314.8	$ 159.0
Earnings (loss) from discontinued operations, net of income taxes	(3.9)	(7.6)	(34.1)	(144.8)	21.9	7.2

Gain (loss) on sale or closure of discontinued operations, net of income taxes	(34.6)		(24.2)	53.1		
Net earnings (loss) attributable to Manitowoc	$ (10.5)	$ (79.5)	$ (669.1)	$ 10.8	$ 336.7	$ 166.2

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Cash Flows						
Cash flow from operations	$ 15.6	$ 209.3	$ 339.5	$ 306.1	$ 244.0	$ 293.0
Identifiable Assets						
Cranes and Related Products	$ 1,698.8	$ 1,594.4	$ 1,738.4	$ 2,223.7	$ 1,958.0	$ 1,572.4
Foodservice Equipment	2,201.2	2,202.0	2,280.7	3,390.8	341.5	340.1
Corporate	65.2	214.7	260.8	444.5	571.9	307.0
Total	$ 3,965.2	$ 4,011.1	$ 4,279.9	$ 6,059.0	$ 2,871.4	$ 2,219.5
Long-term Obligations	$ 1,890.0	$ 1,997.4	$ 2,172.4	$ 2,655.3	$ 272.0	$ 264.3
Depreciation						
Cranes and Related Products	$ 54.2	$ 56.5	$ 55.3	$ 66.3	$ 70.4	$ 58.4
Foodservice Equipment	25.1	27.8	29.8	11.8	8.0	7.2
Corporate	2.8	2.9	2.8	1.5	1.8	1.8
Total	$ 82.1	$ 87.2	$ 87.9	$ 79.6	$ 80.2	$ 67.4
Capital Expenditures						
Cranes and Related Products	52.2	21.9	51.5	129.4	103.7	51.3
Foodservice Equipment	12.0	12.2	15.1	10.5	3.7	10.9
Corporate	0.7	2.0	2.6	10.0	5.4	2.2
Total	$ 64.9	$ 36.1	$ 69.2	$ 149.9	$ 112.8	$ 64.4
Per Share						
Basic earnings (loss) per common share:						
Earnings (loss) from continuing operations attributable to Manitowoc common shareholders	$ 0.21	$ (0.55)	$ (4.69)	$ 0.78	$ 2.53	$ 1.30
Earnings (loss) from discontinued operations attributable to Manitowoc common shareholders	(0.03)	(0.06)	(0.26)	(1.11)	0.18	0.06
Gain (loss) on sale or closure of discontinued operations, net of income taxes	(0.27)		(0.19)	0.41		
Earnings (loss) per share attributable to Manitowoc common shareholders	$ (0.08)	$ (0.61)	$ (5.14)	$ 0.08	$ 2.70	$ 1.36
Diluted earnings (loss) per common share:						
Earnings (loss) from continuing operations attributable to Manitowoc common shareholders	$ 0.21	$ (0.55)	$ (4.69)	$ 0.77	$ 2.47	$ 1.27
Earnings (loss) from discontinued operations attributable to Manitowoc common shareholders	(0.03)	(0.06)	(0.26)	(1.10)	0.17	0.06
Gain (loss) on sale or closure of discontinued operations, net of income taxes	(0.26)		(0.19)	0.40		
Earnings (loss) per share attributable to Manitowoc common shareholders	$ (0.08)	$ (0.61)	$ (5.14)	$ 0.08	$ 2.64	$ 1.32
Avg Shares Outstanding						
Basic	130,481,436	130,581,040	130,268,670	129,930,749	124,667,931	122,449,148
Diluted	133,377,109	130,581,040	130,268,670	131,630,215	127,489,416	125,571,532

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(1) Discontinued operations represent the results of operations and gain or loss on sale or closure of the Marine segment, substantially all Enodis ice businesses and certain Enodis non-ice businesses, Kysor/Warren, Delta Manlift SAS, DRI and Toledo Ship Repair, which either qualified for discontinued operations treatment, or were sold or closed during 2011, 2010, 2009 or 2008.

(2) On July 26, 2007, the Board of Directors authorized a two-for-one split of the company s common stock. Record holders of Manitowoc s common stock at the close of business on August 31, 2007 received on September 10, 2007 one additional share of common stock for every share of Manitowoc common stock they owned as of August 31, 2007. Manitowoc shares outstanding at the close of business on August 31, 2007 totaled 62,787,642. The company s common stock began trading at its post-split price at the beginning of trading on September 11, 2007. Per share, share and stock option amounts within this Annual Report on Form 10-K for all periods have been presented to reflect the impact of the stock split.

(3) We acquired one business in 2010, two businesses during 2008, two businesses during 2007, and two businesses during 2006.

(4) Cash dividends per share for 2006 through 2011 were as follows: $0.07 (2006), $0.075 (2007), and $0.08 (2008, 2009, 2010 and 2011).

(5) 2009 and 2008 balance sheet data have been revised to correct errors identified in 2011. The impact of these errors on the 2009 and 2008 balance sheet data was a $1.2 million increase and a $27.1 million decrease, respectively, to Identifiable Assets (Foodservice Equipment). 2010, 2009 and 2008 net earnings (loss) data have been revised to correct errors identified in 2011. There was an increase to net loss of $6.1 million in 2010, a decrease to net loss of $35.1 million in 2009 and an increase to net earnings of $0.8 million in 2008

as a result of the correction of these errors. See Note 1, Company and Basis of Presentation for further discussion of the nature of these errors.

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Item 7. MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes appearing in Part II, Item 8 of the Annual Report on Form 10-K.

Overview The Manitowoc Company, Inc. is a multi-industry, capital goods manufacturer in two principal markets: Cranes and Related Products (Crane) and Foodservice Equipment (Foodservice). Crane is recognized as one of the world s leading providers of lifting equipment for the global construction industry, including lattice-boom cranes, tower cranes, mobile telescopic cranes, and boom trucks. Foodservice is one of the world s leading innovators and manufacturers of commercial foodservice equipment serving the ice, beverage, refrigeration, food preparation, and cooking needs of restaurants, convenience stores, hotels, healthcare, and institutional applications.

On December 15, 2010, the company reached a definitive agreement to divest its Kysor/Warren and Kysor/Warren de Mexico (collectively Kysor/Warren) businesses, which manufacture frozen, medium temperature and heated display merchandisers, mechanical refrigeration systems and remote mechanical and electrical houses to Lennox International for approximately $145 million, including a preliminary working capital adjustment. The transaction subsequently closed on January 14, 2011 and the net proceeds were used to pay down outstanding debt. On July 1, 2011, the company made a payment to Lennox International of $2.4 million as the final working capital adjustment under the sale agreement. The results of these operations have been classified as discontinued operations.

In order to secure clearance for the acquisition of Enodis from various regulatory authorities including the European Commission and the United States Department of Justice, Manitowoc agreed to sell substantially all of Enodis global ice machine operations following completion of the transaction. In May 2009, the company completed the sale of the Enodis global ice machine operations to Braveheart Acquisition, Inc., an affiliate of Warburg Pincus Private Equity X, L.P., for $160 million. The businesses sold were operated under the Scotsman, Ice-O-Matic, Simag, Barline, Icematic, and Oref brand names. The company also agreed to sell certain non-ice businesses of Enodis located in Italy that are operated under the Tecnomac and Icematic brand names. Prior to disposal, the antitrust clearances required that the ice businesses were treated as standalone operations, in competition with Manitowoc. The results of these operations have been classified as discontinued operations. See further detail related to these businesses at Note 4, Discontinued Operations.

The following discussion and analysis covers key drivers behind our results for 2009 through 2011 and is broken down into three major sections. First, we provide an overview of our results of operations for the years 2009 through 2011 on a consolidated basis and by business segment. Next we discuss our market conditions, liquidity and capital resources, off balance sheet arrangements, and obligations and commitments. Finally, we provide a discussion of risk management techniques, contingent liability issues, critical accounting policies, impacts of future accounting changes, and cautionary statements.

All dollar amounts, except per share amounts, are in millions of dollars throughout the tables included in this Management s Discussion and Analysis of Financial Conditions and Results of Operations unless otherwise indicated. The 2010 and 2009 results have been revised to reflect the correction of errors relating to these periods. See Note 1, Company and Basis of Presentation for further discussion.

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Results of Consolidated Operations

Millions of dollars, except per share data	2011	2010	2009
Operations			
Net sales	$ 3,651.9	$ 3,141.7	$ 3,619.8
Cost of sales	2,813.9	2,375.6	2,822.4
Gross Profit	838.0	766.1	797.4
Operating expenses:			
Engineering, selling and administrative expenses	572.1	514.5	529.8
Amortization expense	38.8	38.3	38.4
Goodwill impairment			520.3
Intangible asset impairment			146.4
Integration expense			3.6
Restructuring expense	5.7	3.8	39.6
Other expenses (income)	(0.5)	2.3	3.4
Total operating expenses	616.1	558.9	1,281.5
Operating earnings (loss) from continuing operations	221.9	207.2	(484.1)
Other income (expenses):			
Interest expense	(146.7)	(175.0)	(174.0)
Amortization of deferred financing fees	(10.4)	(22.0)	(28.8)
Loss on debt extinguishment	(29.7)	(44.0)	(9.2)
Other income (expense)-net	2.3	(9.9)	17.3
Total other expenses	(184.5)	(250.9)	(194.7)
Earnings (loss) from continuing operations before taxes on earnings	37.4	(43.7)	(678.8)
Provision (benefit) for taxes on earnings	15.9	30.9	(65.5)
Earnings (loss) from continuing operations	21.5	(74.6)	(613.3)
Discontinued operations:			
Earnings (loss) from discontinued operations, net of income taxes	(3.9)	(7.6)	(34.1)
Gain (loss) on sale of discontinued operations, net of income taxes	(34.6)		(24.2)
Net earnings (loss)	(17.0)	(82.2)	(671.6)
Less: Net loss attributable to noncontrolling interest, net of tax	(6.5)	(2.7)	(2.5)
Net earnings (loss) attributable to Manitowoc	$ (10.5)	$ (79.5)	$ (669.1)
Amounts attributable to the Manitowoc common shareholders:			
Earnings (loss) from continuing operations	$ 28.0	$ (71.9)	$ (610.8)
Earnings (loss) from discontinued operations, net of income taxes	(3.9)	(7.6)	(34.1)
Gain (loss) on sale of discontinued operations, net of income taxes	(34.6)		(24.2)
Net earnings (loss) attributable to Manitowoc	$ (10.5)	$ (79.5)	$ (669.1)

Year Ended December 31, 2011 Compared to 2010

Consolidated net sales increased 19.4% in 2011 to $3.7 billion from $3.1 billion in 2010. The increase was the result of year-over-year increases in both the Crane and Foodservice segments. Crane segment sales increased in all regions and in all product lines from the prior year due to modest economic recoveries in the Americas region and in emerging markets. Crane segment sales increased 23.8% for the year ended December 31, 2011 compared to 2010. Foodservice sales increased in all regions from the prior year due to continued penetration of global chains with whom we partner and modest economic improvements. Foodservice sales increased 6.8% for the year ended December 31, 2011 compared to 2010. Weaker foreign currencies as compared to the U.S. Dollar had a favorable impact on consolidated net sales of $55.1 million or 1.8% for the year ended December 31, 2011 compared with the year ended December 31, 2010. Further analysis of the changes in sales by segment is presented in the Sales and Operating Earnings by Segment section below.

Gross profit increased for the year ended December 31, 2011 to $838.0 million compared to $766.1 million for the year ended December 31, 2010, an increase of 9.4%. Gross margin decreased in 2011 to 22.9% from 24.4% in 2010. The increase in consolidated gross profit is attributable to sales volume increases in both the Crane and Foodservice segments in all regions. Crane segment gross profit increases were partially offset by increases in material costs, labor costs and additional provisions for warranty and excess and obsolete inventory. Foodservice segment gross profit increases were offset by higher material and other manufacturing costs. The decrease in gross margin is due to higher material and labor costs in both segments.

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Engineering, selling and administrative (ES&A) expenses for the year ended December 31, 2011 increased $57.6 million to $572.1 million compared to $514.5 million for the year ended December 31, 2010. Crane segment ES&A increased $35.1 million or 16.5% for the year ended December 31, 2011 compared to the same period in 2010. This increase was driven by increased employee compensation and benefit costs, marketing expenses and increased levels of research and development. Foodservice ES&A increased $2.7 million or 1.0% for the year ended December 31, 2011 compared to the same period in 2010. This increase was driven by increased employee compensation and benefit costs, only partially offset by cost reduction activities.

Amortization expense for the year ended December 31, 2011 was $38.8 million compared to $38.3 million for 2010. See further detail related to intangible assets at Note 9, Goodwill and Other Intangible Assets.

Restructuring expenses for the year ended December 31, 2011 totaled $5.7 million, which compares to $3.8 million in 2010. Crane segment restructuring expenses totaled $3.2 million for the year ended December 31, 2011. These expenses primarily related to the consolidation of certain European operations. Foodservice segment restructuring expenses totaled $2.5 million for the year ended December 31, 2011. These expenses primarily related to plant consolidation efforts in the United States and Europe. See further detail at Note 19, Restructuring.

Interest expenses for the year ended December 31, 2011 totaled $146.7 million versus $175.0 million for the year ended December 31, 2010. The decrease in interest expense of $28.3 million for the year ended December 31, 2011 compared to the year ended December 31, 2010 was due to refinancing of our senior credit facility during the second quarter of 2011 which lowered the associated interest rates and due to debt reduction in 2010 and 2011. Amortization expenses for deferred financing fees was $10.4 million for the year ended December 31, 2011 as compared to $22.0 million in 2010. The decrease in amortization expense for deferred financing fees of $11.6 million was attributable to the write-off of a portion of the deferred financing fees associated with the refinancing in the second quarter of 2011, only partially offset with amortization of new fees associated with the New Senior Credit Facility. See further detail at Note 11, Debt.

Loss on debt extinguishment for the year ended December 31, 2011 totaled $29.7 million, which compares to $44.0 million in 2010. The loss on debt extinguishment in 2011 was attributable to the write-off of a portion of the deferred financing fees associated with the refinancing of our senior credit facility in the second quarter of 2011. The loss on debt extinguishment in 2010 was attributable to the accelerated paydown of Term Loans A and B associated with the senior credit facility. See further detail at Note 11, Debt.

Other income, net for the year ended December 31, 2011 was $2.3 million versus a loss of $9.9 million for the prior year. The increase of $12.2 million in other income for the year ended December 31, 2011 as compared to the year ended December 31, 2010 was due to foreign currency losses in 2010 that did not recur at the same level in 2011. Other income in 2011 consists of interest income and gains from asset sales offset by bank fees and currency losses.

The effective tax rate for the year ended December 31, 2011 was 42.5% as compared to negative 70.6% for the year ended December 31, 2010. As the company posted pre-tax losses in 2010, a negative effective tax rate is an expense to the consolidated statement of operations. The effective tax rate in 2010 was unfavorably impacted by the full valuation allowance of $48.8 million on the net deferred tax asset in France. The 2010 and 2011 effective tax rates were favorably impacted by income earned in jurisdictions where the statutory rate was less than 35%.

Tax expense for the year ended December 31, 2011 was unfavorably impacted by valuation allowances on deferred tax assets totaling $11.5 million, which compares to $55.2 million in 2010. The company recorded a full valuation allowance of $48.8 million on the net deferred tax asset for net operating loss carryforwards in France during the fourth quarter of 2010. During 2011, the company continues to record valuation allowances on the deferred tax assets in certain jurisdictions, as it remains more likely than not that they will not be utilized. See further detail at Note 13, Income Taxes.

The results from discontinued operations were a loss of $3.9 million and a loss of $7.6 million, net of income taxes, for the years ended December 31, 2011 and 2010, respectively. The loss from discontinued operations relates primarily to the Kysor/Warren business that was sold on January 14, 2011. See additional discussion at Note 4, Discontinued Operations.

For the year ended December 31, 2011, a net loss attributable to a noncontrolling interest of $6.5 million was recorded in relation to our partially-owned Chinese affiliate with the shareholders of Tai An Dongyue Heavy Machinery Co., Ltd. (Tai An Dongyue). There was a net loss of $2.7 million in connection with the partially-owned affiliate for the same period of 2010.

Year Ended December 31, 2010 Compared to 2009

Consolidated net sales decreased 13.2% in 2010 to $3.1 billion from $3.6 billion in 2009. This decrease was the result of lower year-over-year sales in the Crane segment primarily due to the global macro-economic downturn as well as continued weakness in the global credit markets. Sales in our Crane segment decreased 23.5% for the year ended December 31, 2010 compared to 2009. Partially offsetting the lower crane net sales were higher sales in the Foodservice segment as a result of additional revenue related to new product introductions, market share increase, and geographic penetration outpacing the market. The weaker foreign currencies as compared to the U.S. Dollar had an unfavorable impact on consolidated net sales of approximately $37.5 million or 1.1% for the year ended December 31, 2010 compared to the year ended December 31, 2009. Further analysis of the changes in sales by segment is presented in the Sales and Operating Earnings by Segment section below.

Gross profit decreased for the year ended December 31, 2010 to $766.1 million compared to $797.4 million for the year ended December 31, 2009, a decrease of 3.9%. Gross margin increased in 2010 to 24.4% from 22.0% in 2009. The decrease in consolidated gross profit was driven by the Crane segment as a result of decreased sales volumes across most regions, increased unabsorbed manufacturing overhead costs and an unfavorable translation effect of foreign currency exchange rate changes. This decrease was partially offset by higher Foodservice gross profit due to the increased sales and various cost reduction initiatives in both segments during 2010. The increase in gross margin occurred as a result of gross margin increases in the Foodservice segment due to cost reductions, product sales mix and pricing actions.

Engineering, selling and administrative (ES&A) expenses for the year ended December 31, 2010 decreased approximately $15.3 million to $514.5 million compared to $529.8 million for the year ended December 31, 2009. This decrease was driven by lower expenses in the Crane segment as a result of controlled spending and collections of previously reserved receivable balances partially offset by higher Foodservice segment ES&A expenses due to higher employee related costs, higher variable sales expenses and other discretionary spending.

Amortization expense for the year ended December 31, 2010 was $38.3 million compared to $38.4 million for 2009 (see further detail related to the intangible assets at Note 9, Goodwill and Other Intangible Assets).

Restructuring expenses for the year ended December 31, 2010 totaled $3.8 million, which compares to $39.6 million in 2009. As a result of the continued worldwide decline in Crane segment sales in 2010, the company recorded $6.2 million in restructuring charges as it further reduced the Crane segment cost structure, primarily in France. These charges were partially offset by the reversal of excess reserves of $3.5 million due to improved outlook in other areas of the Europe, Middle East and Africa (EMEA) region. See further detail related to the restructuring expenses at Note 19, Restructuring.

Interest expenses for the year ended December 31, 2010 totaled $175.0 million versus $174.0 million for the year ended December 31, 2009. The slight increase is the result of the issuance of higher interest rate senior notes issued during 2010 and an increase in the company s current senior credit facility (Senior Credit Facility) interest pricing grid spread during the year substantially offset by lower total debt levels. Amortization expenses for deferred financing fees was $22.0 million for the year ended December 31, 2010 as compared to $28.8 million in 2009. The lower expense in 2010 is related to the early paydown of debt in 2010 and write-off of a portion of the deferred financing fees in the loss on debt extinguishment, reducing the remaining fees to be amortized, which were only partially offset by the incurrence of new fees associated with the senior notes issued in 2010. The new fees are amortized over a significantly longer period than those associated with the Senior Credit Facility.

The loss on debt extinguishment of $44.0 million for the year ended December 31, 2010 was a result of the accelerated paydown of Term Loans A and B associated with the Senior Credit Facility. Cash from operations of $163.6 million was used to pay down debt associated with the Senior Credit Facility.

Other income, net for the year ended December 31, 2010 was a loss of $9.9 million versus income of $17.3 million for the prior year. The loss in 2010 was primarily due to foreign currency losses related to inter company transactions between our U.S. and foreign crane facilities during the year whereby the U.S. Dollar weakened against other foreign currencies and is also partially due to lower interest income. The income in 2009 was primarily the result of foreign currency gains related to inter company transactions between our U.S. and foreign crane facilities during the year whereby we benefitted from the U.S. Dollar strengthening against other foreign currencies and was also partially due to higher interest income.

The effective tax rate for the year ended December 31, 2010 was negative 70.6% as compared to 9.6% for the year ended December 31, 2009. As the company posted pre-tax losses in 2009 and 2010, a negative effective tax rate is an expense to the consolidated statement of operations, and a positive effective tax rate represents a benefit to the consolidated statement of operations.

The effective tax rate in 2009 was unfavorably impacted by the goodwill impairment of $520.3 million which is non-deductible for tax purposes. The effective tax rate in 2010 was unfavorably impacted by the full valuation allowance of $48.8 million on the net deferred tax asset in France. Both the 2009 and 2010 effective tax rates were favorably impacted by income earned in jurisdictions where the statutory rate was less than 35%.

The Education Jobs and Medicare Assistance Act was signed into law during the third quarter of 2010 and it contained provisions that impact the calculation of the foreign tax credit. As a result, the company was no longer in a position to utilize its carry forward for this credit and recorded a valuation allowance in the third quarter of 2010 of approximately $6.0 million against the related deferred tax asset. However, the company was able to amend its previously filed tax return and deducted these taxes paid, which resulted in a tax benefit of $2.1 million for 2010. In addition, beginning with the third quarter of 2010, foreign taxes paid in 2010 were deducted as permitted, instead of credited.

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In jurisdictions where the company operates its Crane business, management analyzes the ability to utilize the deferred tax assets arising from net operating losses on a seven year cycle, consistent with the Crane business cycles, as this provides the best information to evaluate the future profitability of the business units.

During 2009, the company determined that it was more likely than not that the deferred tax assets would potentially not be utilized in several jurisdictions, including China, Slovakia, Spain, the UK and a portion of the Wisconsin net operating loss. The company continues to record valuation allowances on these deferred tax assets as it remains more likely than not that they will not be utilized. The company recorded a full valuation allowance of $48.8 million on the net deferred tax asset for net operating loss carryforwards in France during the fourth quarter of 2010 as the French operations moved into a seven year cumulative loss position in the fourth quarter and the company determined that the positive evidence supporting partial future realization of the asset was outweighed by the more objectively verifiable negative evidence. The total valuation allowance adjustments of $55.2 million in 2010 had an unfavorable impact to income tax expense.

The Patient Protection and Affordable Care Act was signed into law during the first quarter of 2010 and eliminated the tax deductibility of retiree health care costs to the extent of federal subsidies that provide retiree prescription drug benefits equivalent to Medicare Part D coverage. The company s income tax expense was unfavorably impacted by $1.6 million for this law change.

The results from discontinued operations were a loss of $7.6 million and a loss of $34.1 million, net of income taxes, for the years

ended December 31, 2010 and 2009, respectively. The 2010 loss primarily related to the classification of the Kysor/Warren business as a discontinued operation. The loss included an impairment charge of $9.8 million, net of income taxes, which was incurred to bring the carrying value of the associated net assets in line with the selling price, less costs to sell. We also realized an after tax loss of $24.2 million on the sale of the Enodis ice businesses and the Marine segment as a result of final settlement of working capital and tax adjustments in 2009.

For the year ended December 31, 2010, a net loss attributable to a noncontrolling interest of $2.7 million was recorded in relation to our partially-owned Chinese affiliate with the shareholders of Tai An Dongyue Heavy Machinery Co., Ltd. (Tai An Dongyue). There was a net loss of $2.5 million in connection with the partially-owned affiliate for the same period of 2009.

Sales and Operating Earnings by Segment

Operating earnings reported below by segment include the impact of reductions due to restructurings and plant consolidation costs, whereas these expenses were separately identified in the Results of Consolidated Operations table above.

Cranes and Related Products Segment

(in millions)		**2011**		**2010**		**2009**
Net sales	$	2,164.6	$	1,748.6	$	2,285.0
Operating earnings	$	106.8	$	89.8	$	145.0

Operating margin	4.9%	5.1%	6.3%

Year Ended December 31, 2011 Compared to 2010

Crane segment net sales for the year ended December 31, 2011 increased 29.4% to $2.2 billion versus $1.7 billion for the year ended December 31, 2010. Crane segment sales increased in all geographic regions and in all product lines from the prior year due to modest economic recoveries in the Americas region and emerging markets. As of December 31, 2011, total Crane segment backlog was $760.5 million, an increase of 33.0% from the December 31, 2010 backlog of $571.7 million and consistent with the September 30, 2011 backlog of $774.6 million. The trend for new orders, net of insignificant cancellations, continued to improve throughout the year.

For the year ended December 31, 2011, the Crane segment reported operating earnings of $106.8 million compared to $89.8 million for the year ended December 31, 2010. Operating earnings for the Crane segment were favorably affected by higher sales volumes and higher factory absorption, but were offset by increases in material costs, labor costs and additional provisions for warranty and excess and obsolete inventory. In addition, ES&A expense was affected by increased employee compensation and benefit costs, marketing expenses and increased levels of research and development. Operating margin for the year ended December 31, 2011 was 4.9% versus 5.1% for the year ended December 31, 2010. Crane s operating margin decreased primarily due to the increased costs noted above offsetting the benefit of sales growth on a percentage basis. The prior year also benefited from the collection of a previously reserved receivable of $4.2 million and a favorable adjustment to the inventory excess and obsolete inventory reserve of $5.0 million.

Crane segment restructuring expenses totaled $3.2 million for the year ended December 31, 2011. These expenses primarily related to the continued consolidation of certain European operations.

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Year Ended December 31, 2010 Compared to 2009

Crane segment net sales for the year ended December 31, 2010 decreased 23.5% to $1.7 billion versus $2.3 billion for the year ended December 31, 2009. Net sales for the year ended December 31, 2010 decreased over the prior year in all major geographic regions except Asia and in many product lines. As of December 31, 2010, total Crane segment backlog was $571.8 million, consistent with the December 31, 2009 backlog of $572.7 million and a 27.8% increase versus the September 30, 2010 backlog of $448.1 million. The Crane segment backlog increased during the fourth quarter as the trend in new orders, net of cancellations, continued to show improvement beginning late in 2008.

For the year ended December 31, 2010, the Crane segment reported operating earnings of $89.8 million compared to $145.0 million for the year ended December 31, 2009. Operating earnings of the Crane segment were unfavorably affected by lower sales volumes, lower factory absorption and an unfavorable translation effect of foreign currency exchange rate changes partially offset by favorable reductions in ES&A expenses and factory cost reductions. In addition, the Crane segment benefited from the receipt of a previously reserved receivable of $4.2 million and a net reduction of the year-end inventory excess and obsolete reserve of $5.0 million. Operating margin for the year ended December 31, 2010 was 5.1% versus 6.3% for the year ended December 31, 2009. The drop in sales volumes compared to the prior year was the primary contributor to the decline in operating margin in 2010 versus 2009. This decline was partially offset by lower ES&A expenses of $213.5 million for the year ended December 31, 2010 which was $15.9 million lower than the $229.4 million of ES&A expenses for the year ended December 31, 2009.

Throughout 2010, the company continued its restructuring plans to better align the company s resources with global crane demand and recorded an additional $6.2 million restructuring expense associated with involuntary employee terminations and related costs, primarily in France, which were offset by reversals of excess reserves associated with other previously planned restructurings in Europe of $3.7 million due to improving order rates. During 2009, as a result of the continued worldwide decline in Crane segment sales, the company recorded $29.0 million in restructuring charges to further reduce the Crane segment cost structure in all regions.

Foodservice Equipment Segment

(in millions)	**2011**	**2010**	**2009**
Net sales	$ 1,487.3	$ 1,393.1	$ 1,334.8
Operating earnings	$ 216.0	$ 203.0	$ 167.0
Operating margin	14.5%	14.6%	12.5%

Year Ended December 31, 2011 Compared to 2010

Foodservice segment net sales increased 6.8% or $94.2 million to $1.5 billion for the year ended December 31, 2011 compared to $1.4 billion for the year ended December 31, 2010. The sales increase during 2011 was driven by new product introductions and increased sales in all regions. In addition, approximately $25.2 million of the increase was due to the weaker U.S. Dollar relative to the Euro and British Pound currencies.

For the year ended December 31, 2011, the Foodservice segment reported operating earnings of $216.0 million compared to $203.0 million for the year ended December 31, 2010. The 2011 operating earnings increase and operating margin decrease to 14.5% from 14.6% in 2010 was primarily due to higher volumes, appropriate pricing actions and manufacturing cost savings which were only partially offset by material and other cost increases. In addition, approximately $1.2 million of the increase was due to the weaker U.S. Dollar relative to the Euro and British Pound currencies.

Year Ended December 31, 2010 Compared to 2009

Foodservice segment net sales increased 4.4% or $58.3 million to $1.4 billion for the year ended December 31, 2010 compared to $1.3 billion for the year ended December 31, 2009. The sales increase during 2010 was driven by new product introductions and increases in market share in the Americas and APAC regions. This revenue increase was also partially due to the positive impact of a weaker U.S. Dollar relative to the Euro and British Pound currencies of approximately $6.6 million.

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For the year ended December 31, 2010, the Foodservice segment reported operating earnings of $203.0 million compared to $167.0 million for the year ended December 31, 2009. The 2010 operating margin increased to 14.6% from 12.5% in 2009 primarily due to volume increases and the realization of synergies from the integration of the businesses acquired in connection with the Enodis acquisition which were only partially offset by employee and material cost increases.

General Corporate Expenses

(in millions)	2011	2010	2009
Net sales	$ 3,651.9	$ 3,141.7	$ 3,619.8
Corporate expenses	56.9	41.2	44.4
% of Net sales	1.6%	1.3%	1.2%

Year Ended December 31, 2011 Compared to 2010

Corporate expenses increased $15.7 million to $56.9 million in 2011 compared to $41.2 million in 2010. The increase is due to higher employee stock-based and total compensation, benefit costs and increased professional services.

Year Ended December 31, 2010 Compared to 2009

Corporate expenses decreased $3.2 million to $41.2 million in 2010 compared to $44.4 million in 2009. The decrease was primarily due to lower employee related costs and continued reduction of expenses related to professional services.

Market Conditions and Outlook

In 2012, we are planning for continued growth in both of our two business segments: Cranes and Related Products and Foodservice Equipment. We move into 2012 with a highly skilled and talented workforce, complemented by formidable competitive positions in our industries. We believe we enter 2012 in a solid position to drive continued growth and build on the momentum of 2011. While we are optimistic about the year ahead, a challenging operating environment still lingers. The steps we have taken to improve our competitive position over the last several years drive our outlook in 2012 as we endeavor to expand our leadership position and continue to improve our financial strength and flexibility.

Looking ahead to 2012, we expect Foodservice segment revenues to improve modestly in the high single digit range and operating margins to increase ten to fifteen percent in 2012, versus 2011. We also expect Crane segment revenues to increase ten to fifteen percent in 2012 versus 2011. Additionally, we anticipate that operating margins in our Crane segment will improve thirty to forty percent as compared to 2011. Other financial expectations include capital expenditures of approximately $80 million, depreciation and amortization of approximately $120 million, a debt reduction target of between $150 million and $200 million, and between $25 million and $30 million reduction in interest expense.

Cranes and Related Products - Our Crane segment is benefiting from recovery in crane demand, especially within emerging markets in Asia, Latin America, and the Middle East. In addition, in 2011, we saw signs of demand improvement in some mature markets such as Germany, North America and Australia. As a result, our year-end backlog increased to $760.5 million in December 2011 from $571.7 million in December 2010.

Our initiatives in the area of quality, reliability and performance are producing positive results. These include improving Customer Satisfaction Index (CSI) scores, reduced warranty claims, improved Mean Time Between Failure (MTBF) and improved emissions. We believe these efforts, combined with the process and facilities improvements that have been made in 2011, allow us to deliver better cranes to our customers in a more efficient manner.

We expect the opportunities and the need for cranes continue all around the globe. We enjoy filling the needs from many industries including construction, infrastructure, refining, all forms of energy production and energy transmission. We also continue to see demand for our industry leading product support services. Our Crane Care business is not only a key differentiator for us, but it is also especially important to our customers as the market rebounds to ensure uptime availability.

Forecasting remains challenging due to mixed views from trade association and industry economists. We continue to use what we believe to be the best information that is available and have also expanded our efforts to become more responsive to changes in demand between regions and product lines. These efforts allow us to better meet the sudden demands that the recovering economy makes and this allows us to improve our market share with our ability to have the right product available at the right time. The Crane segment looks to leverage its manufacturing footprint, while improving working capital efficiency, and increasing ES&A expenses at a slower rate than revenue increases throughout 2012. In addition, we anticipate that a continued focus on economic value add (EVA®) will help to optimize cash flow and boost the segment s earnings potential. Underlying these financial goals, the Crane segment is focused on strategic initiatives including, but not limited to, the successful relaunch of our Project One ERP initiative with go-live implementations in France, Brazil and the global Crane Care business; the successful completion and start-up of a 265,000 sq. ft. crane facility in Brazil; driving manufacturing excellence initiatives through the use of lean manufacturing principles; the continuing introduction of new crawler, tower, and mobile cranes; intensified leverage of our presence in various emerging markets; and an ongoing build-out of our Crane Care infrastructure to support accelerating whole goods sales in emerging and developed markets.

From a longer-term perspective, we are among the world s leading sources of lifting solutions, with what we believe to be the most recognized brands and the broadest manufacturing and support footprint in the industry. Globally, we expect an increasing demand for modern infrastructure and energy, and we are well-positioned to support these end markets anywhere in the world. We have a resilient business, with a highly skilled distribution network and a large installed base complemented by the best and most experienced workforce in the industry. As a result, we expect to thrive as the world economy recovers and the crane industry grows.

Foodservice Equipment - Our Foodservice segment ended 2011 in a strong position as a leading player in the global foodservice equipment industry. Our customers include many of the fastest-growing and most-innovative foodservice companies in the world. They come to us for innovations that allow them to improve their menus, enhance their operations and reduce their costs. We serve customers in more than 100 countries and we will continue to expand and support our customers wherever they grow. Our integrated manufacturing operations, service sites and sales offices work together to assist customers worldwide, whether these customers are local businesses or global companies.

We are continuing to invest in people, products and processes. Following our successful launch of a new beverage dispensing product in 2010, we continued product line expansion and regional roll-outs with a number of our customers in 2011, and anticipate further successes in 2012. We have also launched numerous energy saving and sustainability initiatives in Foodservice to help our customers. Because we can help our customers operate more profitably and deliver innovative food product solutions, we believe they are willing to invest in our products, even during recessionary economic conditions.

A number of leading indicators suggest that 2012 and beyond will bring continued global growth opportunities in the foodservice sector. Euromonitor International, a global provider of research for consumer markets, forecasts that chained quick service restaurant (QSR) growth will continue to outpace that of overall consumer foodservice in terms of transactions and outlets. Further, Euromonitor calls QSR the centre of innovation in foodservice, with well-funded chains investing heavily in the sector. While QSR will be the fastest growing segment, Euromonitor projects that full service is set to lead the world in absolute sales and outlet growth thanks almost entirely to robust demand in the Asia Pacific region. Overall Euromonitor forecasts growth in all regions for 2012 and beyond, with sales and traffic growth driven by the rise of demand in Asia, as hundreds of millions of consumers spend more on dining out, and the steady expansion of fast food s consumer base.

For the U.S., the restaurant industry s gradual recovery is projected to continue in 2012. Technomic, a leading U.S.-based research firm, projects real sales growth of approximately 1%, led by QSR, retail and grocery, and healthcare. Technomic expects the overall number of restaurants in the U.S. to decline in 2012. However, the QSR and chained restaurant segments are expect to continue unit growth. Food Equipment Reports magazine projects continued real growth for restaurant equipment sales in the U.S. in 2012, with chained restaurants continuing investments in major facility remodels, concept renovation, and menu roll-outs.

Our strong position in these categories gives us significant opportunities to grow along with our customers. Not only do we aim to be their supplier of choice, but also their innovator of choice. Our customers are constantly looking for ways to innovate their menus, and we are at the forefront of that innovation. Several global chain customers recognize Manitowoc Foodservice and our brands for innovation and supplier support. In 2011, we were named ENERGY STAR Partner of the Year by the United States Environmental Protection Agency for the second consecutive year, showcasing our commitment to energy conservation and operating efficiency. Additionally, the U.S. National Restaurant Association recognized the Manitowoc Ice Indigo® ice machine and the Convotherm 2-in-1 Mini Combi Steamer with Kitchen Innovation Awards in 2011. Cleveland, Frymaster, Lincoln and Manitowoc Ice received recognition from Foodservice Equipment and Supplies magazine as Best In Class in six equipment categories as voted by end users, design consultants and channel partners. This marks the eleventh straight year of Best in Class awards for Manitowoc Ice and Frymaster.

Finally, our Foodservice equipment brands are well-positioned leaders that span virtually all major commercial foodservice equipment categories. Our team is remarkably passionate about the combined businesses and the opportunities that our market position and global capabilities provide us. For 2012, our priority is to continue to grow our Foodservice segment, leveraging economies of scale from the combined Manitowoc Foodservice organization. We will continue to build an industry-leading business for the long-term.

Liquidity and Capital Resources

Cash flow from operations during 2011 was $15.6 million compared to $209.3 million in 2010. We had $68.6 million in cash and cash equivalents on-hand at December 31, 2011 versus $83.7 million on-hand at December 31, 2010.

The decrease in cash flow from operating activities for the year ended December 31, 2011 compared to the same period for 2010 is attributable to increases in working capital requirements to support the increase in sales volumes. The primary contributors to the working capital increase were an increase in accounts receivable of $98.4 million and increase in inventory of $114.4 million. These increases were only partially offset by an increase in accounts payable of $97.9 million.

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Cash flows from investing activities of $98.4 million in 2011 consisted primarily of cash used for capital expenditures of $64.9 million. These outflows were offset by proceeds from sales of fixed assets of $17.5 million and proceeds from the sale of Kysor Warren of $143.6 million.

Cash flows used for financing activities during 2011 consisted primarily of debt paydown totaling $139.5 million and the payment of dividends of $10.6 million.

The company s Senior Credit Facility, as amended to date, became effective November 6, 2008 and initially included four loan facilities a revolving facility of $400.0 million with a five-year term, a Term Loan A of $1,025.0 million with a five-year term, a Term Loan B of $1,200.0 million with a six-year term, and a Term Loan X of $300.0 million with an eighteen-month term. The balance of Term Loan X was repaid in 2009. On May 13, 2011, the company entered into a $1,250.0 million Second Amended and Restated Credit Agreement (the New Senior Credit Facility) with JPMorgan Chase Bank, N.A., as Administrative Agent, Deutsche Bank Securities Inc. and Bank of America, N.A., as Syndication Agents, and Wells Fargo Bank, National Association and Natixis, as Documentation Agents. Including interest rate caps at December 31, 2011, the weighted average interest rates for Term Loan A and Term Loan B were 3.25% and 4.25%, respectively. Excluding interest rate caps, Term Loan A and Term Loan B interest rates were 3.25% and 4.25%, respectively, at December 31, 2011. The weighted average interest rates for the company s term loans at December 31, 2011 including and excluding the impact of the interest rate caps was the same due to the fact that the underlying actual 1 Month LIBOR rate in effect at December 31, 2011 was below the 3.00 percent cap level. See additional discussion of our New Senior Credit Facility and Notes in Note 11, Debt.

The New Senior Credit Facility, as amended to date, contains financial covenants including (a) a Consolidated Interest Coverage Ratio, which measures the ratio of (i) consolidated earnings before interest, taxes, depreciation and amortization, and other adjustments (EBITDA), as defined in the credit agreement to (ii) consolidated cash interest expense, each for the most recent four fiscal quarters, and (b) Consolidated Senior Secured Indebtedness Ratio, which measures the ratio of (i) consolidated senior secured indebtedness to (ii) consolidated EBITDA for the four most recent fiscal quarters. The current covenant levels of the financial covenants under the New Senior Credit Facility are set forth below:

Fiscal Quarter Ending	Consolidated Senior Secured Leverage Ratio (less than)	Consolidated Interest Coverage Ratio (greater than)
December 31, 2011	3.875:1.00	1.625:1.00
March 31, 2012	3.75:1.00	1.75:1.00
June 30, 2012	3.50:1.00	1.875:1.00
September 30, 2012	3.50:1.00	2.00:1.00
December 31, 2012	3.50:1.00	2.00:1.00
March 31, 2013	3.50:1.00	2.25:1.00
June 30, 2013	3.25:1.00	2.25:1.00
September 30, 2013	3.25:1.00	2.50:1.00
December 31, 2013	3.25:1.00	2.50:1.00
March 31, 2014	3.25:1.00	2.75:1.00
June 30, 2014	3.25:1.00	2.75:1.00
September 30, 2014	3.25:1.00	2.75:1.00
December 31, 2014, and thereafter	3.00:1.00	3.00:1.00

The New Senior Credit Facility includes customary representations and warranties and events of default and customary covenants, including without limitation (i) a requirement that the company prepay the term loan facilities from the net proceeds of asset sales, casualty losses, equity offerings, and new indebtedness for borrowed money, and from a portion of its excess cash flow, subject to certain exceptions; and (ii) limitations on indebtedness, capital expenditures, restricted payments, and acquisitions.

The company has three series of Senior Notes outstanding, including the 2013, 2018, and 2020 Notes (collectively the Notes). Each series of Notes are unsecured senior obligations ranking subordinate to all existing senior secured indebtedness and equal to all existing senior unsecured obligations. Each series of Notes is guaranteed by certain of the company s wholly owned domestic subsidiaries, which subsidiaries also guaranty the company s obligations under the New Senior Credit Facility. Each series of notes contains affirmative and negative covenants which limit, among other things, the company s ability to redeem or repurchase its debt, incur additional debt, make acquisitions, merge with other entities, pay dividends or distributions, repurchase capital stock, and create or become subject to liens. Each series of Notes also includes customary events of default. If an event of default occurs and is continuing with respect to the Notes, then the Trustee or the holders of at least 25% of the principal amount of the outstanding Notes may declare the principal and accrued interest on all of the Notes to be due and payable immediately. In addition, in the case of an event of default arising from certain events of bankruptcy, all unpaid principal of, and premium, if any, and accrued and unpaid interest on all outstanding Notes will become due and payable immediately.

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On December 31, 2011, the company had outstanding $150.0 million of its 7.125% Senior Notes due 2013 (the 2013 Notes). Interest on the 2013 Notes is payable semiannually in May and November each year. The 2013 Notes can be redeemed by the company in whole or in part for a premium on or after November 1, 2008. As of November 1, 2011, the Company would no longer be required to pay a premium if it redeems the 2013 Notes from that date through November 2013.

On February 3, 2010, the company completed the sale of $400.0 million aggregate principal amount of its 9.50% Senior Notes due 2018 (the 2018 Notes). The offering closed on February 8, 2010 and net proceeds of $392.0 million from this offering were used to partially pay down ratably the then outstanding balances on Term Loan A and Term Loan B. Interest on the 2018 Notes is payable semiannually in February and August of each year. The 2018 Notes may be redeemed in whole or in part by the company for a premium at any time on or after February 15, 2014. The following would be the premium paid by the company, expressed as a percentage of the principal amount, if it redeems the 2018 Notes during the 12-month period commencing on February 15 of the year set forth below:

Year	Percentage
2014	104.750%
2015	102.375%
2016 and thereafter	100.000%

In addition, at any time, or from time to time, on or prior to February 15, 2013, the company may, at its option, use the net cash proceeds of one or more public equity offerings to redeem up to 35% of the principal amount of the 2018 Notes outstanding at a redemption price of 109.5% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of redemption; provided that (1) at least 65% of the principal amount of the 2018 Notes outstanding remains outstanding immediately after any such

redemption; and (2) the company makes such redemption not more than 90 days after the consummation of any such public offering.

On October 18, 2010, the company completed the sale of $600.0 million aggregate principal amount of its 8.50% Senior Notes due 2020 (the 2020 Notes). The offering closed on October 18, 2010 and net proceeds of $583.7 million from this offering were used to pay down ratably the then outstanding balances of Term Loans A and B. Interest on the 2020 Notes is being paid semi-annually on May 1 and November 1 of each year. The company may redeem the 2020 Notes at any time prior to November 1, 2015.

The company may redeem the 2020 Notes at its option, in whole or in part at the following redemption prices (expressed as percentages of the principal amount thereof) plus accrued and unpaid interest, if any, thereon to the applicable redemption date, if redeemed during the 12-month period commencing on November 1 of the year set forth below:

Year	Percentage
2015	104.250%
2016	102.833%
2017	101.417%
2018 and thereafter	100.000%

In addition, at any time prior to November 1, 2013, the company is permitted to redeem up to 35% of the 2020 Notes with the proceeds of certain equity offerings at a redemption price of 108.5%, plus accrued but unpaid interest, if any, to the date of redemption; provided that (1) at least 65% of the principal amount of the 2018 Notes outstanding remains outstanding immediately after any such redemption; and (2) the company makes such redemption not more than 90 days after the consummation of any such public offering.

As of December 31, 2011, the company had outstanding $54.3 million of other indebtedness that has a weighted-average interest rate of approximately 6.8%. This debt includes outstanding overdraft balances and capital lease obligations in its Americas, Asia-Pacific and European regions.

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The aggregate scheduled maturities of outstanding debt obligations in subsequent years are as follows:

Year		
2012	$	79.1
2013		191.4
2014		41.1
2015		39.8
2016		197.9
2017 and Thereafter		1,340.7
Total	$	1,890.0

The company is party to various interest rate swaps in connection with the New Senior Credit Facility and the Notes. As of June 30, 2011, the company offset and de-designated all of its previous float-to-fixed interest rate swaps against Term Loans A and B due to the refinance of its Senior Credit Facility in May of 2011. At December 31, 2011, the company did not have any float-to-fixed interest rate hedges booked against the New Senior Credit Facility. During the third quarter of 2011, the company entered into 3.00% LIBOR caps against $450.0 million notional value of term loans under the New Senior Credit Facility. Therefore, $450.0 million of the company s term loan interest rate exposure is capped at 3.00% LIBOR plus the applicable spread over the life of the caps. The remaining unhedged portions of the Term Loans A and B continue to bear interest according to the terms of the New Senior Credit Facility. As of December 31, 2011, the notional amounts of fixed interest rate caps outstanding was $450.0 million on Term Loans A and B. The company is also party to various variable interest rate swaps in connection with its 2018 and 2020 Notes. At December 31, 2011, $200.0 million and $300.0 million of the 2018 and 2020 Notes, respectively, were swapped to floating rate interest. The 2018 Notes accrue interest at a fixed rate of 9.50% on the unhedged portion and 7.45% plus the six month LIBOR in arrears on the variable portion. The 2020 Notes accrue interest at a fixed rate of 8.50% on the unhedged portion and 6.02% plus the six month LIBOR in arrears on the variable portion. At December 31, 2011, the weighted average interest rates for the 2018 and 2020 Notes taking into consideration the impact of floating rate hedges was 8.88% and 7.66%, respectively. The swap contracts related to the Notes include a call premium schedule that mirrors that of the respective debt and include an optional early termination and cash settlement at five years from the trade date.

As of December 31, 2011 the company was in compliance with all affirmative and negative covenants in its debt instruments inclusive of the financial covenants pertaining to the New Senior Credit Facility, as amended through December 31, 2011, the 2013 Notes, the 2018 Notes and the 2020 Notes and based upon the company s current plans and outlook, the company believes we will be able to comply with these covenants during the subsequent 12 months. As of December 31, 2011 the company s Senior Leverage Ratio was 2.62:1, below the maximum ratio of 3.875:1 and the company s Consolidated Interest Coverage Ratio was 2.45:1, above the minimum ratio of 1.625:1.

We believe that our available cash, revolving credit facility, cash generated from future operations, and access to public debt and equity markets will be adequate to fund our operations, capital expenditures, dividends, and debt financing requirements for the foreseeable future.

The company defines Adjusted EBITDA as earnings before interest, taxes, depreciation, and amortization, plus certain items such as pro-forma acquisition results and the addback of certain restructuring charges, that are adjustments under the New Senior Credit Facility definition. The company s trailing twelve-month Adjusted EBITDA for covenant compliance purposes as of December 31, 2011 was $349.2 million. The company believes this measure is useful to the reader in order to understand the basis for the company s debt covenant calculations. The reconciliation of Net loss attributable to Manitowoc to Adjusted EBITDA is as follows (in millions):

Net loss attributable to Manitowoc	$	(10.5)

Loss from discontinued operations		3.9
Loss on sale of discontinued operations		34.6
Depreciation and amortization		120.9
Restructuring charges		5.6
Interest expense and amortization of deferred financing fees		157.1
Costs due to early extinguishment of debt		29.7
Income taxes		15.9
Other		(8.0)
Adjusted EBITDA	$	349.2

The company maintains a $125.0 million trade accounts receivable securitization facility. Effective September 27, 2011, the company entered into the Third Amended and Restated Receivables Purchase Agreement (the Receivables Purchase Agreement). Trade accounts receivables sold pursuant to the Receivables Purchase Agreement totaled $121.1 million at December 31, 2011 versus $123.0 million at December 2010. See Note 12, Accounts Receivable Securitization for further information regarding this arrangement.

On March 1, 2010, the company acquired 100% of the issued and to be issued shares of Appliance Scientific, Inc. (ASI). ASI is a leader in accelerated cooking technologies and is being integrated into current foodservice hot-side offerings. The cash flow impact of this acquisition is included in business acquisition, net of cash acquired within the cash flow from investing section of the Consolidated Statements of Cash Flows.

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We spent a total of $64.9 million during 2011 for capital expenditures. We continued to fund capital expenditures to improve the cost structure of our business, invest in new processes, products and technology, to maintain high-quality production standards and to complete certain production capacity expansion. The following table summarizes 2011 capital expenditures and depreciation by segment.

(in millions)		**Capital Expenditures**		**Depreciation**
Cranes and Related Products	$	52.2	$	54.2
Foodservice Equipment		12.0		25.1
Corporate		0.7		2.8
Total	$	64.9	$	82.1

Restricted cash represents cash in escrow funds related to the security provided to third-party lenders for certain international lines of credit and for an indemnity agreement with our casualty insurance provider.

During the years ended December 31, 2011 and 2010, the company sold $11.9 million and $0.6 million, respectively, of its long term notes receivable to third party financing companies. The company guarantees some percentage, up to 100%, of collection of the notes to the financing companies. The company has accounted for the sales of the notes as a financing of receivables. The receivables remain on the company s Consolidated Balance Sheets, net of payments made, in other current and non-current assets and the company has recognized an obligation equal to the net outstanding balance of the notes in other current and non-current liabilities in the Consolidated Balance Sheets. The cash flow benefit of these transactions is reflected as financing activities in the Consolidated Statements of Cash Flows. During the years ended December 31, 2011 and 2010 customers have paid $2.7 million and $4.6 million, respectively, of the notes to the third party financing companies. As of December 31, 2011 and 2010, the outstanding balance of the notes receivables guaranteed by the company was $14.1 million and $4.8 million, respectively.

Our debt position at various times increases our vulnerability to general adverse industry and economic conditions and results in a meaningful portion of our cash flow from operations being used for payment of interest on our debt. This could potentially limit our ability to respond to market conditions or take advantage of future business opportunities. Our ability to service our debt is dependent upon many factors, some of which are not subject to our control, such as general economic, financial, competitive, legislative, and regulatory factors. In addition, our ability to borrow additional funds under the revolving credit facility in the future will depend on our meeting the financial covenants contained in the credit agreement, even after taking into account such new borrowings.

The revolving credit facility under our New Senior Credit Facility or other future facilities may be used for working capital requirements, capital expenditures, funding future acquisitions, and other investing and financing needs. We believe that our available cash, revolving credit facility, cash generated from future operations, and access to public debt and equity markets will be adequate to fund our capital and debt financing requirements for the foreseeable future.

Our liquidity positions as of December 31, 2011 and 2010 are as follows:

(in millions)		**2011**		**2010**
Cash and cash equivalents	$	71.3	$	86.4

Revolver borrowing capacity		500.0		400.0
Less: outstanding letters of credit		(34.5)		(34.6)
Total liquidity	$	536.8	$	451.8

The revolving facility under the New Senior Credit Facility has a maximum borrowing capacity of $500 million and expires May 2016. As of December 31, 2011, there were no borrowings on the revolving facility. During the year the highest daily borrowing was $380.2 million and the average borrowing was $209.7 million while the average interest rate was 4.65 percent. The interest rate fluctuates based upon LIBOR or a Prime rate plus a spread which is based upon the Consolidated Total Leverage Ratio of the company. As of December 31, 2011, the spread for LIBOR and Prime borrowings was 3.00% and 2.00% given the effective Consolidated Total Leverage Ratio for this period.

The company has not provided for additional U.S. income taxes on approximately $578.3 million of undistributed earnings of consolidated non-U.S. subsidiaries included in stockholders equity. Such earnings could become taxable upon sale or liquidation of these non-U.S. subsidiaries or upon dividend repatriation of cash balances. At December 31, 2011, approximately $55.5 million of our total cash and cash equivalents were held by our foreign subsidiaries. This cash is associated with earnings that we have asserted are permanently reinvested. We have no current plans to repatriate cash or cash equivalents held by our foreign subsidiaries because we plan to reinvest such cash and cash equivalents to support our operations and continued growth plans outside the United States through funding of capital expenditures, acquisitions, research, operating expenses or other similar cash needs of these operations. Further, we do not currently forecast a need for these funds in the United States because the U.S. operations and debt service is supported by the cash generated by the U.S. operations. The company would only plan to repatriate foreign cash when it would be tax effective through the utilization of foreign tax credits or when earnings qualify as previously taxed income.

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Management also considers the following regarding liquidity and capital resources to identify trends, demands, commitments, events and uncertainties that require disclosure:

A. *Our New Senior Credit Facility requires us to comply with certain financial ratios and tests to comply with the terms of the agreement.* We were in compliance with these covenants as of December 31, 2011, the latest measurement date. The occurrence of any default of these covenants could result in acceleration of any outstanding balances under the New Credit Agreement. Further, such acceleration would constitute an event of default under the indentures governing our 2013 Notes, 2018 Notes, and 2020 Notes and could trigger cross default provisions in other agreements.

B. *Circumstances that could impair our ability to continue to engage in transactions that have been integral to historical operations or are financially or operationally essential, or that could render that activity commercially impracticable, such as the inability to maintain a specified credit rating, level of earnings, earnings per share, financial ratios, or collateral.* We do not believe that the risk factors applicable to our business are reasonably likely to impair our ability to continue to engage in our planned activities at this time.

C. *Factors specific to us and our markets that we expect to be given significant weight in the determination of our credit rating or will otherwise affect our ability to raise short-term and long-term financing*. We do not presently believe that events covered by the risk factors applicable to our business could materially affect our credit ratings or could adversely affect our ability to raise short-term or long-term financing.

D. We have disclosed information related to certain guarantees in Note 17 to our Consolidated Financial Statements.

E. *Written options on non-financial assets (for example, real estate puts).* We do not have any written options on non-financial assets.

OFF-BALANCE SHEET ARRANGEMENTS

Our disclosures concerning transactions, arrangements and other relationships with unconsolidated entities or other persons that are reasonably likely to materially affect liquidity or the availability of or requirements for capital resources are as follows:

- We have disclosed in Note 18 to the Consolidated Financial Statements our buyback and residual value guaranty commitments.
- We lease various assets under operating leases. The future estimated payments under these arrangements are disclosed in Note 21 to the Consolidated Financial Statements and in the table below.
- We have disclosed our accounts receivable securitization arrangement in Note 12 to the Consolidated Financial Statements.

CONTRACTUAL OBLIGATIONS AND COMMERCIAL COMMITMENTS

A summary of our significant contractual obligations as of December 31, 2011 is as follows:

(in millions)	Total Committed	2012	2013	2014	2015	2016	Thereafter
Debt	$ 1,879.3	$ 77.3	$ 188.4	$ 39.4	$ 38.5	$ 196.0	$ 1,339.7
Capital leases	10.7	1.8	3.0	1.7	1.3	1.9	1.0
Operating leases	170.0	41.5	35.4	28.5	22.3	19.0	23.3
Total committed	$ 2,060.0	$ 121.8	$ 226.8	$ 69.6	$ 62.1	$ 216.9	$ 1,362.8

- There were no significant purchase obligation commitments at December 31, 2011.

- The table above does not include interest payments (other than imputed interest in operating leases).

- Unrecognized tax liabilities totaling $56.3 million as of December 31, 2011, excluding related interests and penalties, are not included in the table because the timing of their resolution cannot be estimated. See Note 13 to the Consolidated Financial Statements for disclosures surrounding uncertain income tax positions under ASC Topic 740.

At December 31, 2011, we had outstanding letters of credit that totaled $34.5 million. We also had buyback commitments and residual value guarantees with a balance outstanding of $89.5 million as of December 31, 2011. This amount is not reduced for amounts the company would recover from the repossession and subsequent resale of collateral.

We maintain defined benefit pension plans for some of our operations in the United States, Europe and Asia. The company has established the Retirement Plan Committee (the Committee) to manage the operations and administration of all benefit plans and related trusts. As of December 31, 2010, all of the remaining United States defined benefit plans were merged into a single plan: the Manitowoc U.S. Pension Plan. All merged plans had benefit accruals frozen prior to merger of plan.

In 2011, cash contributions by us to all pension plans were $5.8 million, and we estimate that our pension plan contributions will be approximately $5.9 million in 2012.

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Financial Risk Management

We are exposed to market risks from changes in interest rates, commodities, and changes in foreign currency exchange rates. To reduce these risks, we selectively use derivative financial instruments and other proactive management techniques. We have written policies and procedures that place financial instruments under the direction of corporate finance and restrict all derivative transactions to those intended for hedging purposes. The use of financial instruments for trading purposes or speculation is strictly prohibited.

For a more detailed discussion of our accounting policies and the financial instruments that we use, please refer to Note 2, Summary of Significant Accounting Policies, and Note 11, Debt, to the Consolidated Financial Statements.

Interest Rate Risk

We are exposed to fluctuating interest rates for our debt. We have extablished programs to mitigate exposure to these fluctuations. The company is a party to various interest rate swaps in connection to the New Senior Credit Facility and the Notes. On May 13, 2011, the company entered into the New Senior Credit Facility which includes a $350.0 million Term Loan A, $400.0 million Term Loan B and $500.0 million Revolver. Subsequently, the company entered interest rate cap agreements during the third quarter 2011 with a beginning notional value of $450.0 million. These interest rate derivative instruments effectively cap the company s future interest rate exposure for $450.0 million of the notional value of its variable term debt at a 1 Month LIBOR rate of 3.00% plus the applicable spread per the New Senior Credit Agreement.

As of December 31, 2011, the company did not have any float-to-fixed interest rate hedges outstanding on Term Loans A and B. As of December 31, 2011, total notional swapped from fixed-to-floating rate debt was $200.0 million and $300.0 million for the Senior Notes due 2018 and 2020 respectively.

Commodity Prices

We are exposed to fluctuating market prices for commodities, including steel, copper, aluminum, and petroleum-based products. Each of our business segments is subject to the effect of changing raw material costs caused by movements in underlying commodity prices. We have established programs to manage the negotiations of commodity prices. Some of these programs are centralized across business segments, and others are specific to a business segment or business unit. In addition to the regular negotiations of material prices with certain vendors, we routinely enter into certain commodity hedges that fix the price of certain of our key commodities utilized in the production of our Foodservice and Crane product offerings. Commodities that are hedged include copper, aluminum, certain steel inputs and natural gas. At December 31, 2011, $1.6 million (net of tax of $0.8 million) of unrealized losses due to commodity hedging positions remain deferred in accumulated other comprehensive income and will be realized as a component of cost of sales over the next 12 months.

Currency Risk

We have manufacturing, sales and distribution facilities around the world and thus make investments and enter into transactions denominated in various foreign currencies. International sales, including those sales that originated outside of the United States, were approximately 56% of our total sales for 2011, with the largest percentage (22%) being sales into various European countries.

Regarding transactional foreign exchange risk, we enter into limited forward exchange contracts to 1) reduce the impact of changes in foreign currency rates between a budgeted rate and the rate realized at the time we recognize a particular purchase or sale transaction and 2) reduce the earnings and cash flow impact on nonfunctional currency denominated receivables and payables. Gains and losses resulting from hedging instruments either impact our Consolidated Statements of Operations in the period of the underlying purchase or sale transaction, or offset the foreign exchange gains and losses on the underlying receivables and payables being hedged. The maturities of these forward exchange contracts coincide with either the underlying transaction date or the settlement date of the related cash inflow or outflow. The hedges of anticipated transactions are designated as cash flow hedges under the guidance of ASC Topic 815-10, Derivatives and Hedging. At December 31, 2011, we had outstanding forward exchange contracts hedging anticipated transactions and future settlements of outstanding accounts receivable and accounts payable with an after tax market value of a $2.9 million (net of tax of $1.6 million) liability. A 10% appreciation or depreciation of the underlying functional currency at December 31, 2011 for fair value hedges would not have a significant impact on our Consolidated Statements of Operations as any gains or losses under the foreign exchange contracts hedging accounts receivable or payable balances would be offset by equal gains or losses on the underlying receivables or payables. A 10% appreciation or depreciation of the underlying functional currency at December 31, 2011 for cash flow hedges would not have a significant impact on the date of settlement due to the insignificant amounts of such hedges.

Amounts invested in non-U.S. based subsidiaries are translated into U.S. dollars at the exchange rate in effect at year-end. Results of operations are translated into U.S. dollars at an average exchange rate for the period. The resulting translation adjustments are recorded in stockholders equity as cumulative translation adjustments. The translation adjustment recorded in accumulated other comprehensive income at December 31, 2011 is $51.8 million.

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Environmental, Health, Safety, and Other Matters

Please refer to Part II, Item 8, Note 17, Contingencies and Significant Estimates , where we have disclosed our Environmental, Health, Safety, Contingencies and other Matters.

Critical Accounting Policies

The Consolidated Financial Statements include the accounts of the company and all its subsidiaries. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires us to make estimates and assumptions in certain circumstances that affect amounts reported in the accompanying Consolidated Financial Statements and related footnotes. In preparing these Consolidated Financial Statements, we have made our best estimates and judgments of certain amounts included in the Consolidated Financial Statements giving due consideration to materiality. We do not believe there is a great likelihood that materially different amounts would be reported related to the accounting policies described below. However, application of these accounting policies involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. Although we have listed a number of accounting policies below which we believe to be most critical, we also believe that all of our accounting policies are important to the reader. Therefore, please refer also to the Notes to the Consolidated Financial Statements for more detailed description of these and other accounting policies of the company.

Revenue Recognition Revenue is generally recognized and earned when all the following criteria are satisfied with regard to a specific transaction: persuasive evidence of an arrangement exists, the price is fixed and determinable, collectability of cash is reasonably assured, and delivery has occurred or services have been rendered. We periodically enter 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. 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. In addition, we lease cranes to customers under operating lease terms. Revenue from operating leases is recognized ratably over the term of the lease, and leased cranes are depreciated over their estimated useful lives.

Allowance for Doubtful Accounts Accounts receivable are reduced by an allowance for amounts that may become uncollectible in the future. Our estimate for the allowance for doubtful accounts related to trade receivables includes evaluation of specific accounts where we have information that the customer may have an inability to meet its financial obligations together with a general provision for unknown but existing doubtful accounts based on pre-established percentages to specific aging categories which are subject to change if experience improves or deteriorates. Due to overall market conditions and deterioration in the credit markets, we have experienced a change in collection patterns but we have not experienced significant defaults on customer payments.

Inventories and Related Reserve for Obsolete and Excess Inventory Inventories are valued at the lower of cost or market using both the first-in, first-out (FIFO) method and the last-in, first-out (LIFO) method and are reduced by a reserve for excess and obsolete inventories. The estimated reserve is based upon specific identification of excess or obsolete inventories together with a general provision based on pre-established percentages applied to specific aging categories of inventory. These categories are evaluated based upon historical usage, estimated future usage, and sales requiring the inventory. These percentages were established based upon historical write-off experience and are subject to change if experience improves or deteriorates.

Goodwill, Other Intangible Assets and Other Long-Lived Assets The company accounts for goodwill and other intangible assets under the guidance of Accounting Standards Codification (ASC) Topic 350-10, Intangibles Goodwill and Other. Under ASC Topic 350-10, goodwill is no longer amortized; however, the company performs an annual impairment review at June 30 of every year or more frequently if events or changes in circumstances indicate that the asset might be impaired. The company performs impairment reviews for its reporting units, which have been determined to be: Cranes Americas; Cranes Europe, Middle East, and Africa; Cranes China; Cranes Greater Asia Pacific; Crane Care; Foodservice Americas; Foodservice Europe, Middle East, and Africa; and Foodservice Asia; using a fair-value method based on the present value of future cash flows, which involves management s judgments and assumptions about the amounts of those cash flows and the discount rates used. The estimated fair value is then compared with the carrying amount of the reporting unit, including recorded goodwill. Goodwill and other intangible assets are then subject to risk of write-down to the extent that the carrying amount exceeds the estimated fair value.

The company has not experienced any further impairment charges since March 2009 (see Note 9, "Goodwill and Other Intangible Assets."). The company will continue to monitor market conditions and determine if any additional interim reviews of goodwill, other intangibles or long-lived assets are warranted. Deterioration in the market or actual results as compared with the company s projections may ultimately result in a future impairment. In the event the company determines that assets are impaired in the future, the company would need to recognize a non-cash impairment charge, which could have a material adverse effect on the company s consolidated balance sheet and results of operations.

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The company also reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the assets carrying amount may not be recoverable. The company conducts its long-lived asset impairment analyses in accordance with ASC Topic 360-10-5, Property, Plant, and Equipment. ASC Topic 360-10-5 requires the company to group assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and to evaluate the asset group against the sum of the undiscounted future cash flows.

Other intangible assets with definite lives continue to be amortized over their estimated useful lives. Indefinite and definite lived intangible assets are also subject to impairment testing. Indefinite lived assets are tested annually, or more frequently if events or changes in circumstances indicate that the assets might be impaired. Definite lived intangible assets are tested whenever events or circumstances indicate that the carrying value of the assets may not be recoverable. A considerable amount of management judgment and assumptions are required in performing the impairment tests, principally in determining the fair value of the assets. While the company believes its judgments and assumptions were reasonable, different assumptions could change the estimated fair values and, therefore, impairment charges could be required.

Employee Benefit Plans We provide a range of benefits to our employees and retired employees, including pensions and postretirement health care coverage. Plan assets and obligations are recorded annually based on the company s measurement date utilizing various actuarial assumptions such as discount rates, expected return on plan assets, compensation increases, retirement and mortality rates, and health care cost trend rates as of that date. The approach we use to determine the annual assumptions are as follows:

Discount Rate Our discount rate assumptions are based on the interest rate of noncallable high-quality corporate bonds, with appropriate consideration of our pension plans participants demographics and benefit payment terms.

Expected Return on Plan Assets Our expected return on plan assets assumptions are based on our expectation of the long-term average rate of return on assets in the pension funds, which is reflective of the current and projected asset mix of the funds and considers the historical returns earned on the funds.

Compensation increase Our compensation increase assumptions reflect our long-term actual experience, the near-term outlook and assumed inflation.

Retirement and Mortality Rates Our retirement and mortality rate assumptions are based primarily on actual plan experience and mortality tables.

Health Care Cost Trend Rates Our health care cost trend rate assumptions are developed based on historical cost data, near-term outlook and an assessment of likely long-term trends.

Measurements of net periodic benefit cost are based on the assumptions used for the previous year-end measurements of assets and obligations. We review our actuarial assumptions on an annual basis and make modifications to the assumptions when appropriate. As required by U.S.

GAAP, the effects of the modifications are recorded currently or amortized over future periods. We have developed the assumptions with the assistance of our independent actuaries and other relevant sources, and we believe that the assumptions used are reasonable; however, changes in these assumptions could impact the company s financial position, results of operations or cash flows. Refer to Note 20, Employee Benefit Plans, for a summary of the impact of a 0.50% change in the discount rate and rate of return on plan assets and a 1% change on health care trend rates would have on our financial statements.

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Product Liability We are subject in the normal course of business to product liability lawsuits. To the extent permitted under applicable laws, our exposure to losses from these lawsuits is mitigated by insurance with self-insurance retention limits. We record product liability reserves for our self-insured portion of any pending or threatened product liability actions. Our reserve is based upon two estimates. First, we track the population of all outstanding pending and threatened product liability cases to determine an appropriate case reserve for each based upon our best judgment and the advice of legal counsel. These estimates are continually evaluated and adjusted based upon changes to the facts and circumstances surrounding the case. Second, we determine the amount of additional reserve required to cover incurred but not reported product liability issues and to account for possible adverse development of the established case reserves (collectively referred to as IBNR). This analysis is performed at least twice annually. We have established a position within the actuarially determined range, which we believe is the best estimate of the IBNR liability.

Income Taxes We account for income taxes under the guidance of ASC Topic 740-10, Income Taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We record a valuation allowance that represents a reserve on deferred tax assets for which utilization is not more likely than not. Management judgment is required in determining our provision for income taxes, deferred tax assets and liabilities, and the valuation allowance recorded against our net deferred tax assets. The valuation allowance would need to be adjusted in the event future taxable income is materially different than amounts estimated. Our policy is to remit earnings from foreign subsidiaries only when it would be tax effective through the utilization of foreign tax credits or when earnings qualify as previously taxed income. Accordingly, we do not currently provide for additional United States and foreign income taxes which would become payable upon repatriation of undistributed earnings of foreign subsidiaries. We measure and record income tax contingency accruals under the guidance of ASC Topic 740-10. We recognize liabilities for uncertain income tax positions based on a two-step process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step requires us to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as we must determine the probability of various possible outcomes. We reevaluate these uncertain tax positions on a quarterly basis or when new information becomes available to management. These reevaluations are based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, successfully settled issues under audit, expirations due to statutes, and new audit activity. Such a change in recognition or measurement could result in the recognition of a tax benefit or an increase to the tax accrual.

Stock Options The computation of the expense associated with stock-based compensation requires the use of a valuation model. We currently use a Black-Scholes option pricing model to calculate the fair value of our stock options and stock appreciation rights. The Black-Scholes model requires assumptions regarding the volatility of the company s stock, the expected life of the stock award and the company s dividend ratio. We primarily use historical data to determine the assumptions to be used in the Black-Scholes model and have no reason to believe that future data is likely to differ materially from historical data. However, changes in the assumptions to reflect future stock price volatility, future dividend payments and future stock award exercise experience could result in a change in the assumptions used to value awards in the future and may result in a material change to the fair value calculation of stock-based awards.

Warranties In the normal course of business, we provide our customers warranties covering workmanship, and in some cases materials, on products manufactured by us. Such warranties generally provide that products will be free from defects for periods ranging from 12 months to 60 months with certain equipment having longer-term warranties. If a product fails to comply with our warranty, we may be obligated, at our expense, to correct any defect by repairing or replacing such defective product. We provide for an estimate of costs that may be incurred under our warranty at the time product revenue is recognized based on historical warranty experience for the related product or estimates of projected losses due to specific warranty issues on new products. These costs primarily include labor and materials, as necessary, associated with repair or replacement. The primary factors that affect our warranty liability include the number of shipped units and historical and anticipated rates or warranty claims. As these factors are impacted by actual experience and future expectations, we assess the adequacy of our recorded warranty liability and adjust the amounts as necessary.

Restructuring Charges Restructuring charges for exit and disposal activities are recognized when the liability is incurred. The company accounts for restructuring charges under the guidance of ASC Topic 420-10, Exit or Disposal Cost Obligations. The liability for the restructuring charge associated with an exit or disposal activity is measured initially at its fair value.

Recent Accounting Changes and Pronouncements

In September 2011, the Financial Accounting Standards Board (FASB) issued ASU 2011-09 which requires enhanced disclosures around an employer s participation in multiemployer pension plans. The standard is intended to provide more information about an employer s financial obligations to a multiemployer pension plan to help financial statement users better understand the financial health of the significant plans in which the employer participates. This guidance is effective for the Company for its fiscal 2011 year-end reporting. Its adoption did not significantly impact the Company s consolidated financial statements. The updated disclosures are included in Note 20, Employee Benefit Plans.

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In September 2011, the FASB issued ASU 2011-08 which provides an entity the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test for goodwill impairment. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. The revised standard is effective for the company s annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of this ASU is not expected to significantly impact the company s consolidated financial statements.

In June 2011 and December 2011, the FASB issued an update to ASC Topic No. 220, Presentation of Comprehensive Income, which eliminates the option to present other comprehensive income and its components in the statement of shareholders equity. The Company can elect to present the items of net income and other comprehensive income in a single continuous statement of comprehensive income or in two separate, but consecutive, statements. Under either method the statement would need to be presented with equal prominence as the other primary financial statements. The amended guidance, which must be applied retroactively, is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011.

Proposed Accounting Pronouncements

In recent exposure drafts, the International Accounting Standards Board (IASB) and the FASB proposed a new approach to the accounting for leases. From a lessee s perspective, the exposure drafts propose to abolish the distinction between operating and finance/capital leases. In its place, a right-of-use model would be used. This proposal, as currently written, would require the lessee to recognize an asset for its right to use the underlying leased asset and a liability for its obligation to make lease payments. This would lead to an increase in assets and liabilities for leases currently classified as an operating lease and could also lead to a change in timing as to when the expense is recognized. This exposure draft is not yet finalized; however, we believe knowledge of this information is useful to the reader of our financial statements as many of our locations and equipment are currently leased, and a significant number of those leases are accounted for as operating leases.

Cautionary Statements about Forward-Looking Information

Statements in this report and in other company communications that are not historical facts are forward-looking statements, which are based upon our current expectations, within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that could cause actual results to differ materially from what appears within this quarterly report.

Forward-looking statements include descriptions of plans and objectives for future operations, and the assumptions behind those plans. The words anticipates, believes, intends, estimates, targets and expects, or similar expressions, usually identify forward-looking statements. A all projections of future performance are forward-looking statements.

In addition to the assumptions, uncertainties, and other information referred to specifically in the forward-looking statements, a number of factors relating to each business segment could cause actual results to be significantly different from what is presented in this quarterly report. Those factors include, without limitation, the following:

Crane cyclicality of the construction industry; the effects of government spending on construction-related projects throughout the world; unanticipated changes in global demand for high-capacity lifting equipment; changes in demand for lifting equipment in emerging economies; the replacement cycle of technologically obsolete cranes; and demand for used equipment.

Foodservice weather; consolidation within the restaurant and foodservice equipment industries; global expansion of customers; commercial ice-cube machine and other foodservice equipment replacement cycles in the United States and other mature markets; unanticipated issues associated with refresh/renovation plans by national restaurant accounts and global chains; growth in demand for foodservice equipment by customers in emerging markets; and demand for QSR chains and kiosks.

Corporate (including factors that may affect both of our segments) changes in laws and regulations, as well as their enforcement, throughout the world; the ability to finance, complete and/or successfully integrate, restructure and consolidate acquisitions, divestitures, strategic alliances and joint ventures; in connection with acquisitions, divestitures, strategic alliances and joint ventures, the finalization of the price and other terms; the realization of contingencies consistent with any established reserves; unanticipated issues associated with transitional services; realization of anticipated earnings enhancements, cost savings, strategic options and other synergies, and the anticipated timing to realize those savings, synergies, and options; the successful development of innovative products and market acceptance of new and innovative products; issues related to plant closings and/or consolidation of existing facilities; efficiencies and capacity utilization of facilities; competitive pricing; availability of certain raw materials; changes in raw materials and commodity prices; unexpected issues associated with the quality of materials and components sourced from third parties and resolution of those issues; issues associated with new product introductions; matters impacting the successful and timely implementation of ERP systems; changes in domestic and international economic and industry conditions, including steel industry conditions; changes in the markets we serve; unexpected issues associated with the availability of local suppliers and skilled labor; changes in the interest rate environment; risks associated with growth; foreign currency fluctuations and their impact on reported results and hedges in place; world-wide political risk; geographic factors and economic risks; health epidemics; pressure of additional financing leverage; success in increasing manufacturing efficiencies and capacities; unanticipated changes in revenue, margins, costs and capital expenditures; work stoppages, labor negotiations, rates and temporary labor; issues associated with workforce reductions and subsequent ramp-up; actions of competitors; unanticipated changes in consumer spending; the ability of our customers to obtain financing; the state of financial and credit markets; the ability to generate cash and manage working capital consistent with our stated goals; non-compliance with debt covenants; changes in tax laws; unanticipated issues associated with the settlement of uncertain tax positions; unanticipated changes in customer demand; unanticipated changes in the debt and capital markets; the ability to increase operational effeciencies across each of the company s business segments and capitalize on those efficiencies; the ability to capitalize on key strategic opportunities; natural disasters disrupting commerce in one or more regions of the world; and other events outside our control.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See Liquidity and Capital Resources, and Risk Management in Management s Discussion and Analysis of Financial Condition and Results of Operations for a description of the quantitative and qualitative disclosure about market risk.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements and Financial Statement Schedule:

Financial Statements:

Financial Statement Schedule:

All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of The Manitowoc Company, Inc.:

In our opinion, the consolidated financial statements listed in the accompanying index present fairly, in all material respects, the financial position of The Manitowoc Company, Inc. and its subsidiaries (the Company) at December 31, 2011 and 2010, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2011 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the accompanying index presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for these financial statements, for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in Management s Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on these financial statements, on the financial statement schedule, and on the Company s internal control over financial reporting based on our integrated audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PricewaterhouseCoopers LLP
Milwaukee, Wisconsin
February 29, 2012

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The Manitowoc Company, Inc.

Consolidated Statements of Operations

For the years ended December 31, 2011, 2010 and 2009

Millions of dollars, except per share data	**2011**	**2010**	**2009**
Operations			
Net sales	$ 3,651.9	$ 3,141.7	$ 3,619.8
Costs and expenses:			
Cost of sales	2,813.9	2,375.6	2,822.4
Engineering, selling and administrative expenses	572.1	514.5	529.8
Amortization expense	38.8	38.3	38.4
Goodwill impairment			520.3
Intangible asset impairment			146.4
Integration expense			3.6
Restructuring expense	5.7	3.8	39.6
Other expenses (income)	(0.5)	2.3	3.4
Total costs and expenses	3,430.0	2,934.5	4,103.9
Operating earnings (loss) from continuing operations	221.9	207.2	(484.1)
Other income (expenses):			
Interest expense	(146.7)	(175.0)	(174.0)
Amortization of deferred financing fees	(10.4)	(22.0)	(28.8)
Loss on debt extinguishment	(29.7)	(44.0)	(9.2)
Other income (expense)-net	2.3	(9.9)	17.3
Total other income (expenses)	(184.5)	(250.9)	(194.7)
Earnings (loss) from continuing operations before taxes on earnings	37.4	(43.7)	(678.8)
Provision (benefit) for taxes on earnings	15.9	30.9	(65.5)
Earnings (loss) from continuing operations	21.5	(74.6)	(613.3)
Discontinued operations:			
Earnings (loss) from discontinued operations, net of income taxes of ($2.7), $2.0 and ($3.0), respectively	(3.9)	(7.6)	(34.1)
Gain (loss) on sale of discontinued operations, net of income taxes of $29.9, $0.0 and ($15.0), respectively	(34.6)		(24.2)
Net earnings (loss)	(17.0)	(82.2)	(671.6)
Less: Net loss attributable to noncontrolling interest, net of tax	(6.5)	(2.7)	(2.5)
Net (loss) earnings attributable to Manitowoc	$ (10.5)	$ (79.5)	$ (669.1)
Amounts attributable to the Manitowoc common shareholders:			
Earnings (loss) from continuing operations	$ 28.0	$ (71.9)	$ (610.8)
Earnings (loss) from discontinued operations, net of income taxes	(3.9)	(7.6)	(34.1)
Gain (loss) on sale of discontinued operations, net of income taxes	(34.6)		(24.2)
Net earnings (loss) attributable to Manitowoc	$ (10.5)	$ (79.5)	$ (669.1)
Per Share Data			
Basic earnings (loss) per common share:			
Earnings (loss) from continuing operations attributable to Manitowoc common shareholders	$ 0.21	$ (0.55)	$ (4.69)

Earnings (loss) from discontinued operations attributable to Manitowoc common shareholders		(0.03)		(0.06)		(0.26)
Gain (loss) on sale of discontinued operations, net of income taxes		(0.27)				(0.19)
Earnings (loss) per share attributable to Manitowoc common shareholders	$	(0.08)	$	(0.61)	$	(5.14)
Diluted earnings (loss) per common share:						
Earnings (loss) from continuing operations attributable to Manitowoc common shareholders	$	0.21	$	(0.55)	$	(4.69)
Earnings (loss) from discontinued operations attributable to Manitowoc common shareholders		(0.03)		(0.06)		(0.26)
Gain (loss) on sale of discontinued operations, net of income taxes		(0.26)				(0.19)
Earnings (loss) per share attributable to Manitowoc common shareholders	$	(0.08)	$	(0.61)	$	(5.14)

The accompanying notes are an integral part of these financial statements.

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The Manitowoc Company, Inc.

Consolidated Balance Sheets

As of December 31, 2011 and 2010

Millions of dollars, except per share data	**2011**	**2010**
Assets		
Current Assets:		
Cash and cash equivalents	$ 68.6	$ 83.7
Marketable securities	2.7	2.7
Restricted cash	7.2	9.4
Accounts receivable, less allowances of $12.8 and $27.6, respectively	297.0	255.1
Inventories net	668.7	558.8
Deferred income taxes	117.8	131.3
Other current assets	77.8	57.7
Current assets of discontinued operation		63.7
Total current assets	1,239.8	1,162.4
Property, plant and equipment net	568.2	565.8
Goodwill	1,164.8	1,173.2
Other intangible assets net	851.8	893.5
Other non-current assets	140.6	92.6
Long-term assets of discontinued operation		123.6
Total assets	$ 3,965.2	$ 4,011.1
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	$ 869.8	$ 748.0
Short-term borrowings	79.1	61.8
Product warranties	93.8	86.7
Customer advances	35.1	48.9
Product liabilities	26.8	27.8
Current liabilities of discontinued operation		24.2
Total current liabilities	1,104.6	997.4
Non-Current Liabilities:		
Long-term debt	1,810.9	1,935.6
Deferred income taxes	215.8	213.3
Pension obligations	90.6	64.4
Postretirement health and other benefit obligations	59.8	59.9
Long-term deferred revenue	34.2	27.8
Other non-current liabilities	175.8	185.6
Long-term liabilities of discontinued operation		18.6
Total non-current liabilities	2,387.1	2,505.2
Commitments and contingencies (Note 17)		
Total Equity:		
Common stock (300,000,000 shares authorized, 163,175,928 shares issued, 131,884,765 and 131,388,472 shares outstanding, respectively)	1.4	1.4
Additional paid-in capital	470.8	454.0
Accumulated other comprehensive income (loss)	(15.0)	9.9
Retained earnings	113.6	134.7

Treasury stock, at cost (31,291,163 and 31,787,456 shares, respectively)		(87.4)		(88.1)
Total Manitowoc stockholders equity		483.4		511.9
Noncontrolling interest		(9.9)		(3.4)
Total equity		473.5		508.5
Total liabilities and equity	$	3,965.2	$	4,011.1

The accompanying notes are an integral part of these financial statements.

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The Manitowoc Company, Inc.

Consolidated Statements of Cash Flows

For the years ended December 31, 2011, 2010, and 2009

Millions of dollars		2011		2010		2009
Cash Flows From Operations						
Net earnings (loss)	$	(17.0)	$	(82.2)	$	(671.6)
Adjustments to reconcile net earnings to cash provided by operating activities of continuing operations:						
Discontinued operations, net of income taxes		3.9		7.6		34.1
Asset impairments						666.7
Depreciation		82.1		87.2		87.9
Amortization of intangible assets		38.8		38.3		38.4
Amortization of deferred financing fees		10.4		22.0		28.8
Deferred income taxes		25.5		27.2		(91.5)
Restructuring expense		5.7		3.8		39.6
Loss on early extinguishment of debt		29.7		44.0		9.2
Loss (gain) on sale of property, plant and equipment		(2.2)		(3.3)		4.6
Loss on sale of discontinued operations		34.6				24.2
Other		13.7		8.4		8.5
Changes in operating assets and liabilities, excluding the effects of business acquisitions or dispositions:						
Accounts receivable		(98.4)		17.0		296.6
Inventories		(114.4)		0.4		349.6
Other assets		(0.5)		32.9		(5.0)
Accounts payable		97.9		46.4		(310.8)
Accrued expenses and other liabilities		(75.0)		(46.8)		(171.9)
Net cash provided by operating activities of continuing operations		34.8		202.9		337.4
Net cash provided by (used for) operating activities of discontinued operations		(19.2)		6.4		2.1
Net cash provided by operating activities	$	15.6	$	209.3	$	339.5
Cash Flows From Investing						
Capital expenditures	$	(64.9)	$	(36.1)	$	(69.2)
Proceeds from sale of property, plant and equipment		17.5		23.2		19.6
Restricted cash		2.2		(3.0)		(1.4)
Business acquisitions, net of cash acquired				(4.8)		
Proceeds from sale of business		143.6				149.2
Net cash provided by (used for) investing activities of continuing operations		98.4		(20.7)		98.2
Net cash used for investing activities of discontinued operations				(4.2)		(3.3)
Net cash provided by (used for) investing activities	$	98.4	$	(24.9)	$	94.9
Cash Flows From Financing						
Proceeds from (payments on) revolving credit facility-net	$	(24.2)	$	24.2	$	(17.0)
Proceeds from swap monetization		21.5				
Payments on long-term debt		(960.3)		(1,250.8)		(593.8)
Proceeds from long-term debt		845.0		1,063.0		136.3
Proceeds from securitization facility				101.0		
(Payments on) securitization facility				(101.0)		
Proceeds from (payments on) notes financing - net		14.8		(4.1)		(5.4)
Debt issuance costs		(14.7)		(27.0)		(18.1)
Dividends paid		(10.6)		(10.6)		(10.5)

Exercises of stock options including windfall tax benefits	2.6	0.9	2.0
Net cash provided by (used for) financing activities	(125.9)	(204.4)	(506.5)
Effect of exchange rate changes on cash	(3.2)		5.7
Net increase (decrease) in cash and cash equivalents	(15.1)	(20.0)	(66.4)
Balance at beginning of year	83.7	103.7	170.1
Balance at end of year	$ 68.6	$ 83.7	$ 103.7
Supplemental Cash Flow Information			
Interest paid	$ 154.1	$ 159.3	$ 168.1
Income taxes paid (refunded)	$ 24.2	$ (40.4)	$ (45.6)

The accompanying notes are an integral part of these financial statements.

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The Manitowoc Company, Inc.

Consolidated Statements of Equity and Comprehensive Income (Loss)

For the years ended December 31, 2011, 2010 and 2009

Millions of dollars, except shares data	2011	2010	2009
Common Stock - Shares Outstanding			
Balance at beginning of year	131,388,472	130,708,124	130,359,554
Stock options exercised	244,923	166,718	169,270
Restricted stock	251,370	513,630	179,300
Balance at end of year	131,884,765	131,388,472	130,708,124
Common Stock - Par Value			
Balance at beginning of year	$ 1.4	$ 1.4	$ 1.4
Balance at end of year	$ 1.4	$ 1.4	$ 1.4
Additional Paid-in Capital			
Balance at beginning of year	$ 454.0	$ 444.4	$ 436.1
Stock options exercised	1.0	0.6	0.7
Restricted stock expense	4.0	2.6	1.5
Windfall tax benefit on stock options exercised	0.8	(0.2)	0.8
Performance shares	4.1		
Stock option expense	6.9	6.6	5.3
Balance at end of year	$ 470.8	$ 454.0	$ 444.4
Accumulated Other Comprehensive Income (Loss)			
Balance at beginning of year	$ 9.9	$ 61.8	$ 68.5
Foreign currency translation adjustments	(10.9)	(33.4)	9.0
Derivative instrument fair market adjustment, net of income taxes of $2.2, $(3.3) and $1.8	4.0	(6.1)	3.4
Employee pension and postretirement benefits, net of income taxes of $(9.7), $(6.7) and $(10.3)	(18.0)	(12.4)	(19.1)
Balance at end of year	$ (15.0)	$ 9.9	$ 61.8
Retained Earnings			
Balance at beginning of year	$ 134.7	$ 224.8	$ 904.4
Net earnings (loss)	(10.5)	(79.5)	(669.1)
Cash dividends	(10.6)	(10.6)	(10.5)
Balance at end of year	$ 113.6	$ 134.7	$ 224.8
Treasury Stock			
Balance at beginning of year	$ (88.1)	$ (88.4)	$ (88.9)
Stock options exercised	0.7	0.3	0.5
Balance at end of year	$ (87.4)	$ (88.1)	$ (88.4)
Equity attributable to Manitowoc shareholders	$ 483.4	$ 511.9	$ 644.0
Noncontrolling Interest			
Balance at beginning of year	$ (3.4)	$ (0.7)	$ 1.8
Comprehensive loss attributable to noncontrolling interest	(6.5)	(2.7)	(2.5)
Balance at end of year	$ (9.9)	$ (3.4)	$ (0.7)
Total equity	$ 473.5	$ 508.5	$ 643.3
Comprehensive Income (Loss)			
Net earnings (loss)	$ (17.0)	$ (82.2)	$ (671.6)
Other comprehensive income (loss):			
Foreign currency translation adjustments	(10.9)	(33.4)	9.0

Derivative instrument fair market adjustment, net of income taxes		4.0		(6.1)		3.4
Employee pension and postretirement benefits, net of income taxes		(18.0)		(12.4)		(19.1)
Total comprehensive income (loss)		(41.9)		(134.1)		(678.3)
Comprehensive loss attributable to noncontrolling interest		(6.5)		(2.7)		(2.5)
Comprehensive income (loss) attributable to Manitowoc	$	(35.4)	$	(131.4)	$	(675.8)

The accompanying notes are an integral part of these financial statements.

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Notes to Consolidated Financial Statements

1. Company and Basis of Presentation

Company The Manitowoc Company, Inc. (referred to as the company, MTW, Manitowoc, we, our, and us) was founded in 1902. We are a multi-industry, capital goods manufacturer operating in two principal markets: Cranes and Related Products (Crane) and Foodservice Equipment (Foodservice). Crane is recognized as one of the world s leading providers of engineered lifting equipment for the global construction industry, including lattice-boom cranes, tower cranes, mobile telescopic cranes, and boom trucks. Foodservice is one of the world s leading innovators and manufacturers of commercial foodservice equipment serving the ice, beverage, refrigeration, food-preparation, and cooking needs of restaurants, convenience stores, hotels, healthcare, and institutional applications. We have over a 100-year tradition of providing high-quality, customer-focused products and support services to our markets.

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

Our Foodservice business is among the world s leading designers and manufacturers of commercial foodservice equipment. Our Foodservice capabilities span refrigeration, ice-making, cooking, food-preparation, and beverage-dispensing technologies, and allow us to be able to equip entire commercial kitchens and serve the world s growing demand for food prepared away from home. Our Foodservice products are marketed under the Manitowoc, Garland, U.S. Range, Convotherm, Cleveland, Lincoln, Merrychef, Frymaster, Delfield, Kolpak, Kysor Panel, Jackson, Servend, Multiplex, and Manitowoc Beverage System brand names.

On December 15, 2010, the company reached a definitive agreement to divest of its non-core Kysor/Warren and Kysor/Warren de Mexico businesses to Lennox International for approximately $145 million. The transaction subsequently closed on January 14, 2011 and the net proceeds were used to pay down outstanding debt. The results of these operations have been classified as discontinued operations.

In order to secure clearance for the acquisition of Enodis plc (Enodis) in October 2008 from various regulatory authorities including the European Commission and the United States Department of Justice, the company agreed to sell substantially all of Enodis global ice machine operations following completion of the transaction. In May 2009, the company completed the sale of the Enodis global ice machine operations to Braveheart Acquisition, Inc., an affiliate of Warburg Pincus Private Equity X, L.P., for $160 million. The businesses sold were operated under the Scotsman, Ice-O-Matic, Simag, Barline, Icematic, and Oref brand names. The company also agreed to sell certain non-ice businesses of Enodis located in Italy that are operated under the Tecnomac and Icematic brand names. Prior to disposal, the antitrust clearances required that the ice businesses were treated as standalone operations, in competition with the company. The results of these operations have been classified as discontinued operations.

Basis of Presentation The consolidated financial statements include the accounts of The Manitowoc Company, Inc. and its wholly and majority-owned subsidiaries. All significant intercompany balances and transactions have been eliminated. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Certain prior period amounts have been reclassified to conform to the current period presentation.

Revision of prior period financial statements

During the quarter ended December 31, 2011, the company identified a $28.5 million error related to its income taxes payable and goodwill accounts that originated during 2008, resulting in the overstatement of these accounts in its previously filed financial statements. This $28.5 million error also overstated the goodwill impairment charge included in the company s Consolidated Statement of Operations for the year ended December 31, 2009. The impact of the error on the 2009 goodwill impairment charge is non-deductible for tax purposes. In addition, the company had previously identified an error related to the understatement of the 2009 tax benefit by $6.6 million that had been corrected as an out-of-period adjustment in the third quarter of 2010. The company does not believe these errors to be material to the company s results of operations, financial position, or cash flows for any of the company s previously filed annual or quarterly financial statements. Accordingly, the Consolidated Statement of Operations for the years ended December 31, 2010 and 2009, and the Consolidated Balance Sheet as of December 31, 2010, included herein have been revised to correct these errors. The company has also revised the prior period financial statements to correct immaterial errors related to overstated intercompany profit elimination and understated foreign exchange transaction gains. The correction of the overstated intercompany profit elimination decreased cost of sales $0.7 million for the year ended December 31, 2010, increased costs of sales $0.2 million for the year ended December 31, 2009 and increased inventory $1.1 million at December 31, 2010. The correction of the understated foreign exchange transaction gains increased other income $0.2 million and $0.2 million for the years ended December 31, 2010 and 2009, respectively, and decreased accounts payable $0.4 million at December 31, 2010. In addition, the quarterly information for 2010 has been revised. See Note 24, Quarterly Financial Data (Unaudited) for further discussion of the quarterly revisions. The impacts of these revisions are as follows:

	As of December 31, 2010	
Consolidated Balance Sheets:	**As Reported**	**As Revised**
Accounts payable and accrued expenses	$ 776.1	$ 748.0
Total current liabilities	1,025.5	997.4
Total equity	$ 478.5	$ 508.5

	For the years ended December 31,			
	2010		2009	
Consolidated Statements of Operations:	**As Reported**	**As Revised**	**As Reported**	**As Revised**
Goodwill impairment	$	$	$ 548.8	$ 520.3
Total costs and expenses			4,132.2	4,103.9
Operating earnings (loss) from continuing operations			(512.4)	(484.1)
Earnings (loss) from continuing operations before taxes on earnings			(707.3)	(678.8)
Provision (benefit) for taxes on earnings	23.9	30.9	(58.9)	(65.5)
Loss from continuing operations	(68.5)	(74.6)	(648.4)	(613.3)
Net loss	(76.1)	(82.2)	(706.7)	(671.6)
Net loss attributable to Manitowoc	$ (73.4)	$ (79.5)	$ (704.2)	$ (669.1)
Basic and diluted earnings (loss) per share from continuing operations	$ (0.50)	$ (0.55)	$ (4.96)	$ (4.69)
Basic and diluted earnings (loss) per share	$ (0.56)	$ (0.61)	$ (5.41)	$ (5.14)

2. Summary of Significant Accounting Policies

Cash Equivalents, Restricted Cash and Marketable Securities All short-term investments purchased with an original maturity of three months or less are considered cash equivalents. Marketable securities at December 31, 2011 and 2010 are recorded at fair value and include securities which are considered available for sale. The difference between fair market value and cost of these investments was not significant for either year. Restricted cash represents cash in escrow funds related to the security for an indemnity agreement for our casualty insurance provider as well as funds held in escrow to support certain international cash pooling programs.

Inventories Inventories are valued at the lower of cost or market value. Approximately 89% and 87% of the company s inventories at December 31, 2011 and 2010, respectively, were valued using the first-in, first-out (FIFO) method. The remaining inventories were valued using the last-in, first-out (LIFO) method. If the FIFO inventory valuation method had been used exclusively, inventories would have increased by $31.4 million and $31.0 million at December 31, 2011 and 2010, respectively. Finished goods and work-in-process inventories include material, labor and manufacturing overhead costs.

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Goodwill and Other Intangible Assets The company accounts for its goodwill and other intangible assets under the guidance of ASC Topic 350-10, Intangibles Goodwill and Other. Under ASC Topic 350-10, goodwill is not amortized, but it is tested for impairment annually, or more frequently, as events dictate. See additional discussion of impairment testing under Impairment of Long-Lived Assets, below. The company s other intangible assets with indefinite lives, including trademarks and tradenames and in-place distributor networks, are not amortized, but are also tested for impairment annually, or more frequently, as events dictate. The company s other intangible assets subject to amortization are tested for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable. Other intangible assets are amortized over the following estimated useful lives:

	Useful lives
Patents	10-20 years
Engineering drawings	15 years
Customer relationships	10-20 years

Property, Plant and Equipment Property, plant and equipment are stated at cost. Expenditures for maintenance, repairs and minor renewals are charged against earnings as incurred. Expenditures for major renewals and improvements that substantially extend the capacity or useful life of an asset are capitalized and are then depreciated. The cost and accumulated depreciation for property, plant and equipment sold, retired, or otherwise disposed of are relieved from the accounts, and resulting gains or losses are reflected in earnings. Property, plant and equipment are depreciated over the estimated useful lives of the assets using the straight-line depreciation method for financial reporting and on accelerated methods for income tax purposes.

Property, plant and equipment are depreciated over the following estimated useful lives:

	Years
Building and improvements	2 - 40
Machinery, equipment and tooling	2 - 20
Furniture and fixtures	3 - 15
Computer hardware and software	2 - 7

Property, plant and equipment also include cranes accounted for as operating leases. Equipment accounted for as operating leases includes equipment leased directly to the customer and equipment for which the company has assisted in the financing arrangement whereby it has guaranteed more than insignificant residual value or made a buyback commitment. Equipment that is leased directly to the customer is accounted for as an operating lease with the related assets capitalized and depreciated over their estimated economic life. Equipment involved in a financing arrangement is depreciated over the life of the underlying arrangement so that the net book value at the end of the period equals the buyback amount or the residual value amount. The amount of rental equipment included in property, plant and equipment amounted to $76.2 million and $58.9 million, net of accumulated depreciation, at December 31, 2011 and 2010, respectively.

Impairment of Long-Lived Assets The company reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the assets' carrying amount may not be recoverable. The company conducts its long-lived asset impairment analyses in accordance with ASC Topic 360-10-5. ASC Topic 360-10-5 requires the company to group assets and liabilities at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities and to evaluate the asset group against the sum of the undiscounted future cash flows.

For property, plant and equipment and other long-lived assets, other than goodwill and other indefinite lived intangible assets, the company performs undiscounted operating cash flow analyses to determine impairments. If an impairment is determined to exist, any related impairment loss is calculated based upon comparison of the fair value to the net book value of the assets. Impairment losses on assets held for sale are based on the estimated proceeds to be received, less costs to sell.

Each year, in its second quarter, the company tests for impairment of goodwill according to a two-step approach. In the first step, the company estimates the fair values of its reporting units using the present value of future cash flows approach, subject to a comparison for reasonableness to its market capitalization at the date of valuation. If the carrying amount exceeds the fair value, the second step of the goodwill impairment test is performed to measure the amount of the impairment loss, if any. In the second step the implied fair value of the goodwill is estimated as the fair value of the reporting unit used in the first step less the fair values of all other net tangible and intangible assets of the reporting unit. If the carrying amount of the goodwill exceeds its implied fair market value, an impairment loss is recognized in an amount equal to that excess, not to exceed the carrying amount of the goodwill. In addition, goodwill of a reporting unit is tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying value. For other indefinite lived intangible assets, the impairment test consists of a comparison of the fair value of the intangible assets to their carrying amount. See Note 9, Goodwill and Other Intangible Assets for further details on our impairment assessments.

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Warranties Estimated warranty costs are recorded in cost of sales at the time of sale of the warranted products based on historical warranty experience for the related product or estimates of projected costs due to specific warranty issues on new products. These estimates are reviewed periodically and are adjusted based on changes in facts, circumstances or actual experience.

Environmental Liabilities The company accrues for losses associated with environmental remediation obligations when such losses are probable and reasonably estimable. Such accruals are adjusted as information develops or circumstances change. Costs of long-term expenditures for environmental remediation obligations are discounted to their present value when the timing of cash flows are estimable.

Product Liabilities The company records product liability reserves for its self-insured portion of any pending or threatened product liability actions. The reserve is based upon two estimates. First, the company tracks the population of all outstanding pending and threatened product liability cases to determine an appropriate case reserve for each based upon the company s best judgment and the advice of legal counsel. These estimates are continually evaluated and adjusted based upon changes to facts and circumstances surrounding the case. Second, the company determines the amount of additional reserve required to cover incurred but not reported product liability issues and to account for possible adverse development of the established case reserves (collectively referred to as IBNR). This analysis is performed at least twice annually.

Foreign Currency Translation The financial statements of the company s non-U.S. subsidiaries are translated using the current exchange rate for assets and liabilities and the average exchange rate for the year for income and expense items. Resulting translation adjustments are recorded to Accumulated Other Comprehensive Income (AOCI) as a component of Manitowoc stockholders equity.

Derivative Financial Instruments and Hedging Activities The company has written policies and procedures that place all financial instruments under the direction of corporate treasury and restrict all derivative transactions to those intended for hedging purposes. The use of financial instruments for trading purposes is strictly prohibited. The company uses financial instruments to manage the market risk from changes in foreign exchange rates, commodities and interest rates. The company follows the guidance in accordance with ASC Topic 815-10, Derivatives and Hedging. The fair values of all derivatives are recorded in the Consolidated Balance Sheets. The change in a derivative s fair value is recorded each period in current earnings or AOCI depending on whether the derivative is designated and qualifies as part of a hedge transaction and if so, the type of hedge transaction.

During 2011, 2010 and 2009, minimal amounts were recognized in earnings due to ineffectiveness of certain commodity hedges. The amount reported as derivative instrument fair market value adjustment in the AOCI account within the Consolidated Statements of Stockholders Equity represents the net gain (loss) on foreign exchange currency exchange contracts and commodity contracts designated as cash flow hedges, net of income taxes.

Cash Flow Hedges The company selectively hedges anticipated transactions that are subject to foreign exchange exposure, commodity price exposure, or variable interest rate exposure, primarily using foreign currency exchange contracts, commodity contracts, and interest rate swaps, respectively. These instruments are designated as cash flow hedges in accordance with ASC Topic 815-10 and are recorded in the Consolidated Balance Sheets at fair value. The effective portion of the contracts gains or losses due to changes in fair value are initially recorded as a component of AOCI and are subsequently reclassified into earnings when the hedged transactions, typically sales and costs related to sales and interest expense, occur and affect earnings. These contracts are highly effective in hedging the variability in future cash attributable to changes in currency exchange rates, commodity prices, or interest rates.

Fair Value Hedges The company periodically enters into interest rate swaps designated as a hedge of the fair value of a portion of its fixed rate debt. These hedges effectively result in changing a portion of its fixed rate debt to variable interest rate debt. Both the swaps and the debt are recorded in the Consolidated Balance Sheets at fair value. The change in fair value of the swaps should exactly offset the change in fair value of the hedged debt, with no net impact to earnings. Interest expense of the hedged debt is recorded at the variable rate in earnings. See Note 12, Debt for further discussion of fair value hedges.

The company selectively hedges cash inflows and outflows that are subject to foreign currency exposure from the date of transaction to the related payment date. The hedges for these foreign currency accounts receivable and accounts payable are recorded in the Consolidated Balance Sheets at fair value. Gains or losses due to changes in fair value are recorded as an adjustment to earnings in the Consolidated Statements of Operations.

Stock-Based Compensation At December 31, 2011, the company has six stock-based compensation plans, which are described more fully in Note 16, Stock Based Compensation. The company recognizes expense for all stock-based compensation with graded vesting on a straight-line basis over the vesting period of the entire award. The company recognized $4.0 million, $2.6 million and $1.5 million of compensation expense related to restricted stock during the years ended December 31, 2011, 2010 and 2009, respectively. In addition to the compensation expense related to restricted stock, the company recognized $6.9 million, $6.6 million and $5.3 million of compensation expense related to stock options during the years ended December 31, 2011, 2010 and 2009, respectively. The company also recognized $4.1 million of compensation expense associated with performance shares in 2011.

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Revenue Recognition Revenue is generally recognized and earned when all the following criteria are satisfied with regard to a specific transaction: persuasive evidence of a sales arrangement exists; the price is fixed or determinable; collectability of cash is reasonably assured; and delivery has occurred or services have been rendered. Shipping and handling fees are reflected in net sales and shipping and handling costs are reflected in cost of sales in the Consolidated Statements of Operations.

The company enters into transactions with customers that provide for residual value guarantees and buyback commitments on certain crane transactions. The company records transactions which it provides significant residual value guarantees and any buyback commitments as operating leases. Net revenues in connection with the 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. See Note 18, Guarantees.

The company also leases cranes to customers under operating lease terms. Revenue from operating leases is recognized ratably over the term of the lease, and leased cranes are depreciated over their estimated useful lives.

Research and Development Research and development costs are charged to expense as incurred and amounted to $80.6 million, $72.2 million and $57.4 million for the years ended December 31, 2011, 2010 and 2009, respectively. Research and development costs include salaries, materials, contractor fees and other administrative costs.

Income Taxes The company utilizes the liability method to recognize deferred tax assets and liabilities for the expected future income tax consequences of events that have been recognized in the company s financial statements. Under this method, deferred tax assets and liabilities are determined based on the temporary difference between financial statement carrying amounts and the tax basis of assets and liabilities using enacted tax rates in effect in the years in which the temporary differences are expected to reverse. Valuation allowances are provided for deferred tax assets where it is considered more likely than not that the company will not realize the benefit of such assets. The company evaluates its uncertain tax positions as new information becomes available. Tax benefits are recognized to the extent a position is more-likely-than-not to be sustained upon examination by the taxing authority.

Earnings Per Share Basic earnings per share is computed by dividing net earnings attributable to Manitowoc by the weighted average number of common shares outstanding during each year or period. Diluted earnings per share is computed similar to basic earnings per share except that the weighted average shares outstanding is increased to include shares of restricted stock, performance shares and the number of additional shares that would have been outstanding if stock options were exercised and the proceeds from such exercise were used to acquire shares of common stock at the average market price during the year or period.

Comprehensive Income (Loss) Comprehensive income (loss) includes, in addition to net earnings, other items that are reported as direct adjustments to Manitowoc stockholders equity. Currently, these items are foreign currency translation adjustments, employee postretirement benefit adjustments and the change in fair value of certain derivative instruments.

Concentration of Credit Risk Credit extended to customers through trade accounts receivable potentially subjects the company to risk. This risk is limited due to the large number of customers and their dispersion across various industries and many geographical areas. However, a significant amount of the company s receivables are with distributors and contractors in the construction industry, large companies in the foodservice and beverage industry, customers servicing the U.S. steel industry, and government agencies. The company currently does not foresee a significant credit risk associated with these individual groups of receivables, but continues to monitor the exposure due to the current global economic conditions.

Recent accounting changes and pronouncements In September 2011, the FASB issued ASU 2011-09 which requires enhanced disclosures around an employer s participation in multiemployer pension plans. The standard is intended to provide more information about an employer s financial obligations to a multiemployer pension plan to help financial statement users better understand the financial health of the significant plans in which the employer participates. This guidance is effective for the Company for its fiscal 2011 year-end reporting. Its adoption did not significantly impact the Company s consolidated financial statements. The updated disclosures are included in Note 20, Employee Benefit Plans.

In September 2011, the FASB issued ASU 2011-08 which provides an entity the option to first assess qualitative factors to determine whether it is necessary to perform the current two-step test for goodwill impairment. If an entity believes, as a result of its qualitative assessment, that it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, the quantitative impairment test is required. Otherwise, no further testing is required. The revised standard is effective for the company s annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011. The adoption of this ASU is not expected to significantly impact the company s consolidated financial statements.

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In June 2011 and December 2011, the FASB issued an update to ASC Topic No. 220, Presentation of Comprehensive Income, which eliminates the option to present other comprehensive income and its components in the statement of shareholders equity. The Company can elect to present the items of net income and other comprehensive income in a single continuous statement of comprehensive income or in two separate, but consecutive, statements. Under either method the statement would need to be presented with equal prominence as the other primary financial statements. The amended guidance, which must be applied retroactively, is effective for fiscal years, and interim periods within those years, beginning after December 15, 2011.

3. Acquisitions

On March 1, 2010, the company acquired 100% of the issued and to be issued shares of Appliance Scientific, Inc. (ASI). ASI is a leader in accelerated cooking technologies and is being integrated into current foodservice hot-side offerings. Allocation of the purchase price resulted in $5.0 million of goodwill, $18.2 million of intangible assets and an estimated liability for future earnouts of $1.8 million. In accordance with guidance primarily codified in ASC Topic 805, Business Combinations, any future adjustment to the estimated earnout liability would be recognized in the earnings of that period. The results of ASI have been included in the Foodservice segment since the date of acquisition.

4. Discontinued Operations

On December 15, 2010, the company announced that a definitive agreement had been reached to divest its Kysor/Warren and Kysor/Warren de Mexico (collectively Kysor/Warren) businesses, which manufacture frozen, medium temperature and heated display merchandisers, mechanical refrigeration systems and remote mechanical and electrical houses to Lennox International for approximately $145 million, including a preliminary working capital adjustment. The transaction subsequently closed on January 14, 2011, resulting in a $34.6 million loss on sale, primarily consisting of $29.9 million of income tax expense, and the net proceeds were used to pay down outstanding debt. On July 1, 2011, the company made a payment to Lennox International of $2.4 million as the final working capital adjustment under the sale agreement. The results of these operations have been classified as discontinued operations.

The following selected financial data of the Kysor/Warren businesses for the years ended December 31, 2011, 2010 and 2009 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 was no general corporate expense or interest expense allocated to discontinued operations for this business during the periods presented.

(in millions)	**2011**	**2010**	**2009**
Net sales	$ 6.5	$ 216.4	$ 162.8
Pretax earnings (loss) from discontinued operation	$ (5.4)	$ (4.6)	$ 1.1
Provision (benefit) for taxes on earnings	(2.2)	2.2	0.1
Net earnings (loss) from discontinued operation	$ (3.2)	$ (6.8)	$ 1.0

In order to secure clearance for the acquisition of Enodis in October 2008 from various regulatory authorities including the European Commission and the United States Department of Justice, the company agreed to sell substantially all of Enodis global ice machine operations following completion of the transaction. In May 2009, the company completed the sale of the Enodis global ice machine operations to Braveheart Acquisition, Inc., an affiliate of Warburg Pincus Private Equity X, L.P., for $160 million. The businesses sold were operated under the Scotsman, Ice-O-Matic, Simag, Barline, Icematic, and Oref brand names. The company also agreed to sell certain non-ice businesses of Enodis located in Italy that are operated under the Tecnomac and Icematic brand names. Prior to disposal, the antitrust clearances required that the ice businesses were treated as standalone operations, in competition with the company. The results of these operations have been classified as a discontinued operation.

The company used the net proceeds from the sale of the Enodis global ice machine operations of approximately $150 million to reduce the balance on Term Loan X that matured in April of 2010. The final sale price resulted in the company recording an additional $28.8 million non-cash impairment charge to reduce the value of the Enodis global ice machine operations in the first quarter of 2009. As a result of the impairment charge and the loss from discontinued operations related to divested businesses of $4.9 million in 2009, the loss from discontinued operations related to the the Enodis global ice machine operations was $33.7 million. In addition, the company realized an after tax loss of $25.2 million on the sale of the Enodis global ice machine operations in 2009. The loss on sale was primarily driven by a taxable gain related to the assets held in the United States for U.S. tax purposes.

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The following selected financial data of the Enodis ice and related businesses, primarily consisting of administrative costs, for the years ended December 31, 2011, 2010 and 2009 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 general corporate expense or interest expense allocated to discontinued operations for this business during the periods presented.

(in millions)	2011	2010	2009
Net sales	$	$	$
Pretax earnings (loss) from discontinued operation	$	$ (0.1)	$ (36.5)
Provision (benefit) for taxes on earnings		0.1	(2.8)
Net earnings (loss) from discontinued operation	$	$ (0.2)	$ (33.7)

In addition to the Enodis ice and related businesses, the company has classified various businesses disposed of prior to 2009 as discontinued in compliance with ASC Topic 360-10, Property, Plant, and Equipment.

The following selected financial data of various business disposed of prior to 2009, primarily consisting of administrative costs, for the years ended December 31, 2011, 2010, and 2009 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 general corporate expense or interest expense allocated to discontinued operations for this business during the periods presented.

(in millions)	2011	2010	2009
Net sales	$	$	$
Pretax earnings (loss) from discontinued operation	$ (1.2)	$ (0.9)	$ (1.7)
Gain on sale, net of income taxes of $0, $0 and $0			1.0
Provision (benefit) for taxes on earnings	(0.5)	(0.3)	(0.3)
Net earnings (loss) from discontinued operation	$ (0.7)	$ (0.6)	$ (0.4)

5. Fair Value of Financial Instruments

The following tables set forth the company s financial assets and liabilities that were accounted for at fair value on a recurring basis as of December 31, 2011 and 2010 by level within the fair value hierarchy. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

	Fair Value as of December 31, 2011			
(in millions)	Level 1	Level 2	Level 3	Total
Current Assets:				
Foreign currency exchange contracts	$	$ 0.8	$	$ 0.8
Forward commodity contracts				
Marketable securities	2.7			2.7
Total Current assets at fair value	$ 2.7	$ 0.8	$	$ 3.5

Non-current Assets:							
Interest rate swap contracts	$		$	0.5	$	$	0.5
Interest rate cap contracts				0.3			0.3
Total Non-current assets at fair value	$		$	0.8	$	$	0.8
Current Liabilities:							
Foreign currency exchange contracts	$		$	6.7	$	$	6.7
Forward commodity contracts				2.4			2.4
Total Current liabilities at fair value	$		$	9.1	$	$	9.1
Non-current Liabilities:							
Interest rate swap contracts	$		$	9.5	$	$	9.5
Total Non-current liabilities at fair value	$		$	9.5	$	$	9.5

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	Fair Value as of December 31, 2010			
(in millions)	**Level 1**	**Level 2**	**Level 3**	**Total**
Current Assets:				
Foreign currency exchange contracts	$	$ 2.3	$	$ 2.3
Forward commodity contracts		1.1		1.1
Marketable securities	2.7			2.7
Total Current assets at fair value	$ 2.7	$ 3.4	$	$ 6.1
Current Liabilities:				
Foreign currency exchange contracts	$	$ 0.6	$	$ 0.6
Forward commodity contracts		0.3		0.3
Total Current liabilities at fair value	$	$ 0.9	$	$ 0.9
Non-current Liabilities:				
Interest rate swap contracts	$	$ 38.4	$	$ 38.4
Total Non-current liabilities at fair value	$	$ 38.4	$	$ 38.4

The carrying value of the amounts reported in the Consolidated Balance Sheets for cash, accounts receivable, accounts payable, deferred purchase price notes on receivables sold (see Note 12, "Accounts Receivable Securitization" for further discussion of deferred purchase price notes on receivables sold) and short-term variable debt, including any amounts outstanding under our revolving credit facility, approximate fair value, without being discounted, due to the short periods during which these amounts are outstanding.

The fair value of the company s 2013 Notes was approximately $146.6 million and $152.4 million for the years ending December 31, 2011 and 2010, respectively. The fair value of the company s 2018 Notes was approximately $434.0 million and $438.8 million as of December 31, 2011 and 2010, respectively. The fair value of the company s 2020 Notes was approximately $634.9 million and $645.0 million as of December 31, 2011 and 2010, respectively. The fair values of the company s term loans under the New Senior Credit Facility are as follows as of December 31, 2011 and 2010, respectively: Term Loan A $318.6 million and $461.2 million and Term Loan B $324.1 million and $342.0 million. See Note 11, Debt for a description of the debt instruments and their related carrying values.

ASC Topic 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820-10 classifies the inputs used to measure fair value into the following hierarchy:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities

Level 2 Unadjusted quoted prices in active markets for similar assets or liabilities, or

Unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or

Inputs other than quoted prices that are observable for the asset or liability

Level 3 Unobservable inputs for the asset or liability

The company endeavors to utilize the best available information in measuring fair value. Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The company has determined that its financial assets and liabilities are level 1 and level 2 in the fair value hierarchy.

As a result of its global operating and financing activities, the company is exposed to market risks from changes in interest and foreign currency exchange rates and commodity prices, which may adversely affect our operating results and financial position. When deemed appropriate, the company minimizes its risks from interest and foreign currency exchange rate and commodity price fluctuations through the use of derivative financial instruments. Derivative financial instruments are used to manage risk and are not used for trading or other speculative purposes, and the company does not use leveraged derivative financial instruments. The forward foreign currency exchange and interest rate swap contracts and forward commodity purchase agreements are valued using broker quotations, or market transactions in either the listed or over-the-counter markets. As such, these derivative instruments are classified within level 1 and level 2.

6. Derivative Financial Instruments

The company s risk management objective is to ensure that business exposures to risk that have been identified and measured and are capable of being controlled are minimized using the most effective and efficient methods to eliminate, reduce, or transfer such exposures. Operating decisions consider associated risks and structure transactions to avoid risk whenever possible.

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Use of derivative instruments is consistent with the overall business and risk management objectives of the company. Derivative instruments may be used to manage business risk within limits specified by the company s risk policy and manage exposures that have been identified through the risk identification and measurement process, provided that they clearly qualify as hedging activities as defined in the risk policy. Use of derivative instruments is not automatic, nor is it necessarily the only response to managing pertinent business risk. Use is permitted only after the risks that have been identified are determined to exceed defined tolerance levels and are considered to be unavoidable.

The primary risks managed by the company by using derivative instruments are interest rate risk, commodity price risk and foreign currency exchange risk. Interest rate swap or cap instruments are entered into to help manage interest rate or fair value risk. Forward contracts on various commodities are entered into to help manage the price risk associated with forecasted purchases of materials used in the company s manufacturing process. The company also enters into various foreign currency derivative instruments to help manage foreign currency risk associated with the company s projected purchases and sales and foreign currency denominated receivable and payable balances.

ASC Topic 815-10 requires companies to recognize all derivative instruments as either assets or liabilities at fair value in the statement of financial position. In accordance with ASC Topic 815-10, the company designates commodity swaps, currency forward contracts, caps, and float-to-fixed interest rate swaps as cash flow hedges of forecasted purchases of commodities and currencies, and variable rate interest payments. Also in accordance with ASC Topic 815-10, the company designates fixed-to-float interest rate swaps as fair market value hedges of fixed rate debt, which synthetically swaps the company s fixed rate debt to floating rate debt.

For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of the gain or loss on the derivative is reported as a component of other comprehensive income and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. Gains and losses on the derivative instruments representing either hedge ineffectiveness or hedge components excluded from the assessment of effectiveness, are recognized in current earnings. In the next twelve months the company estimates $4.5 million of unrealized and realized losses, net of tax, related to commodity price and currency rate hedging will be reclassified from Other Comprehensive Income into earnings. Foreign currency and commodity hedging is generally completed prospectively on a rolling basis for twelve and eighteen months, respectively.

The risk management objective for the company s fair market value interest rate hedges is to effectively change the amount of the underlying debt equal to the notional value of the hedges from a fixed to a floating interest rate based on the six-month U.S. LIBOR rate. These swaps include an embedded call feature to match the terms of the call schedule embedded in the Senior Notes. Changes in the fair value of the interest rate swap are expected to offset changes in the fair value of the debt due to changes in the U.S. Six Month LIBOR rate.

As of December 31, 2011, the company had the following outstanding interest rate, commodity and currency forward contracts that were entered into as hedge forecasted transactions:

Commodity	**Units Hedged**	**Type**
Aluminum	1,254 MT	Cash Flow
Copper	684 MT	Cash Flow
Natural Gas	346,902 MMBtu	Cash Flow
Steel	8,231 Short Tons	Cash Flow

Short Currency	Units Hedged	Type
Canadian Dollar	25,083,644	Cash Flow
European Euro	67,565,453	Cash Flow
South Korean Won	3,224,015,436	Cash Flow
Singapore Dollar	4,800,000	Cash Flow
United States Dollar	5,538,777	Cash Flow
Chinese Renminbi	111,177,800	Cash Flow

As of June 30, 2011, the company offset and de-designated all of its previous float-to-fixed interest rate swaps against Term Loans A and B due to the refinance of its original senior credit facility in May of 2011. At December 31, 2011, the company did not have any float-to-fixed interest rate hedges booked against the New Senior Credit Facility. In the third quarter of 2011, the Company entered into $450.0 million of 3.00% interest rate caps which effectively cap the company s future interest rate exposure for the notional value of its variable term debt at a 1 Month LIBOR rate of 3.00% plus the applicable spread per the New Senior Credit Agreement. The company paid various bank partners $0.7 million in option premium to purchase the 3.00% 1 Month LIBOR protection on Term Loans A and B. The related derivative asset will be amortized to interest expense over the life of the cap protection. The caps were designated as a hedge of the 1 Month LIBOR rate above 3.00% so any change in value of the derivative is booked to other comprehensive income. The remaining unhedged portions of Term Loans A and B continue to bear interest according to the terms of the New Senior Credit Facility.

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The company is also party to various fixed-to-float interest rate swaps designated as fair market value hedges of its 2018 and 2020 Notes. The company monetized the derivative asset related to its fixed-to-float interest rate swaps due in 2018 and 2020 and received $21.5 million in the third quarter of 2011. As such, the company de-designated the original fixed-to-float interest rate swaps. The gain is treated as an increase to the debt balances for each of the senior notes and will be amortized to reduce interest expense over the life of the original swap. Subsequently, the company purchased and designated new fixed-to-float swaps as fair market value hedges of the company s 9.50% Senior Notes due 2018 (2018 Swaps) and 8.50% Senior Notes due 2020 (2020 Swaps). At December 31, 2011, $200.0 million and $300.0 million of the 2018 and 2020 Notes were swapped to floating rate interest, respectively. Including the floating rate swaps, the 2018 and 2020 Senior Notes have an all-in interest rate of 8.88 percent and 7.66 percent, respectively.

For derivative instruments that are not designated as hedging instruments under ASC Topic 815-10, the gains or losses on the derivatives are recognized in current earnings within Cost of Sales or Other income, net.

Short Currency	**Units Hedged**	**Recognized Location**	**Purpose**
Euro	33,150,213	Other income, net	Accounts payable and receivable settlement
United States Dollar	6,000,000	Other income, net	Accounts payable and receivable settlement
Australian Dollar	7,569,912	Other income, net	Accounts payable and receivable settlement

The fair value of outstanding derivative contracts recorded as assets in the accompanying Consolidated Balance Sheet as of December 31, 2011 was as follows:

	ASSET DERIVATIVES		
(in millions)	**Balance Sheet Location**		**Fair Value**
Derivatives designated as hedging instruments			
Foreign exchange contracts	Other current assets	$	0.6
Commodity contracts	Other current assets		0.0
Interest rate swap contracts: Fixed-to-float	Other non-current assets		0.5
Interest rate cap contracts	Other non-current assets		0.3
Total derivatives designated as hedging instruments		$	1.4

	ASSET DERIVATIVES		
(in millions)	**Balance Sheet Location**		**Fair Value**
Derivatives NOT designated as hedging instruments			
Foreign exchange contracts	Other current assets	$	0.1
Total derivatives NOT designated as hedging instruments		$	0.1
Total asset derivatives		$	1.5

The fair value of outstanding derivative contracts recorded as liabilities in the accompanying Consolidated Balance Sheet as of December 31, 2011 was as follows: