

MANITOWOC CO INC
Form 10-Q
May 04, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended March 31, 2012

or

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)

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Wisconsin
(State or other jurisdiction
of incorporation or organization)

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)

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

Indicate by check mark whether the registrant 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 No

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

Accelerated filer

Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

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

The number of shares outstanding of the Registrant's common stock, \$.01 par value, as of March 31, 2012, the most recent practicable date, was 132,226,732.

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****THE MANITOWOC COMPANY, INC.****Consolidated Statements of Operations****For the Three Months Ended March 31, 2012 and 2011****(Unaudited)****(In millions, except per-share and average shares data)**

	Three Months Ended March 31,	
	2012	2011
Net sales	\$ 860.1	\$ 732.2
Costs and expenses:		
Cost of sales	653.9	551.7
Engineering, selling and administrative expenses	148.4	140.2
Restructuring expense	0.6	0.8
Amortization expense	9.6	9.7
Other		0.1
Total operating costs and expenses	812.5	702.5
Earnings (loss) from operations	47.6	29.7
Other income (expenses):		
Amortization of deferred financing fees	(2.0)	(3.4)
Interest expense	(33.0)	(39.4)
Loss on debt extinguishment		(3.6)
Other income (expense), net	(1.7)	0.9
Total other income (expenses)	(36.7)	(45.5)
Earnings (loss) from continuing operations before taxes on income	10.9	(15.8)
Provision (benefit) for taxes on income	12.4	1.4
Earnings (loss) from continuing operations	(1.5)	(17.2)
Discontinued operations:		
Earnings (loss) from discontinued operations, net of income taxes of (\$0.1) and (\$1.7), respectively	(0.3)	(2.7)
Gain (loss) on sale of discontinued operations, net of income taxes of \$0.0 and \$29.7, respectively		(33.4)
Net earnings (loss)	(1.8)	(53.3)
Less: Net loss attributable to noncontrolling interest, net of income taxes	(1.9)	(0.9)
Net earnings (loss) attributable to Manitowoc	\$ 0.1	\$ (52.4)
Amounts attributable to the Manitowoc common shareholders:		
Earnings (loss) from continuing operations	\$ 0.4	\$ (16.3)

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Earnings (loss) from discontinued operations, net of income taxes		(0.3)		(2.7)
Loss on sale of discontinued operations, net of income taxes				(33.4)
Net earnings (loss) attributable to Manitowoc	\$	0.1	\$	(52.4)
Basic earnings (loss) per common share:				
Earnings (loss) from continuing operations attributable to Manitowoc common shareholders	\$	0.00	\$	(0.12)
Earnings (loss) from discontinued operations attributable to Manitowoc common shareholders		(0.00)		(0.02)
Loss on sale of discontinued operations, net of income taxes				(0.26)
Earnings (loss) per share attributable to Manitowoc common shareholders	\$	0.00	\$	(0.40)
Diluted earnings (loss) per common share:				
Earnings (loss) from continuing operations attributable to Manitowoc common shareholders	\$	0.00	\$	(0.12)
Earnings (loss) from discontinued operations attributable to Manitowoc common shareholders		(0.00)		(0.02)
Loss on sale of discontinued operations, net of income taxes				(0.26)
Earnings (loss) per share attributable to Manitowoc common shareholders	\$	0.00	\$	(0.40)
Weighted average shares outstanding	basic	130,550,681		130,448,118
Weighted average shares outstanding	diluted	133,681,776		130,448,118

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

THE MANITOWOC COMPANY, INC.

Consolidated Statements of Comprehensive Income

For the Three Months Ended March 31, 2012 and 2011

(Unaudited)

(In millions)

	Three Months Ended March 31,	
	2012	2011
Net earnings (loss)	\$ (1.8)	\$ (53.3)
Other comprehensive income (loss), net of tax		
Derivative instrument fair market value adjustment, net of income taxes of \$1.4 and \$1.6, respectively	3.1	4.9
Foreign currency translation adjustments	16.5	33.5
Total other comprehensive income (loss), net of tax	19.6	38.4
Comprehensive income (loss)	17.8	(14.9)
Comprehensive income (loss) attributable to noncontrolling interest	(1.9)	(0.9)
Comprehensive income (loss) attributable to Manitowoc	\$ 19.7	\$ (14.0)

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

THE MANITOWOC COMPANY, INC.

Consolidated Balance Sheets

As of March 31, 2012 and December 31, 2011

(Unaudited)

(In millions, except share data)

	March 31, 2012	December 31, 2011
Assets		
Current Assets:		
Cash and cash equivalents	\$ 70.8	\$ 68.6
Marketable securities	2.7	2.7
Restricted cash	7.1	7.2
Accounts receivable, less allowances of \$14.3 and \$12.8, respectively	319.2	297.0
Inventories net	777.1	668.7
Deferred income taxes	119.3	117.8
Other current assets	98.4	77.8
Total current assets	1,394.6	1,239.8
Property, plant and equipment net	562.9	568.2
Goodwill	1,168.8	1,164.8
Other intangible assets net	846.4	851.8
Other non-current assets	143.0	140.6
Total assets	\$ 4,115.7	\$ 3,965.2
Liabilities and Equity		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 850.5	\$ 869.8
Current portion of long-term debt and short-term borrowings	99.2	79.1
Product warranties	94.4	93.8
Customer advances	27.1	35.1
Product liabilities	27.9	26.8
Total current liabilities	1,099.1	1,104.6
Non-Current Liabilities:		
Long-term debt	1,944.2	1,810.9
Deferred income taxes	215.9	215.8
Pension obligations	89.7	90.6
Postretirement health and other benefit obligations	60.4	59.8
Long-term deferred revenue	32.8	34.2
Other non-current liabilities	175.8	175.8
Total non-current liabilities	2,518.8	2,387.1
Commitments and contingencies (Note 14)		
Total Equity:		
Common stock (300,000,000 shares authorized, 163,175,928 shares issued, 132,226,732 and 131,884,765 shares outstanding, respectively)	1.4	1.4
Additional paid-in capital	476.5	470.8
Accumulated other comprehensive income (loss)	5.0	(15.0)
Retained earnings	113.7	113.6
Treasury stock, at cost (30,949,196 and 31,291,163 shares, respectively)	(87.0)	(87.4)

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Total Manitowoc stockholders' equity		509.6		483.4
Noncontrolling interest		(11.8)		(9.9)
Total equity		497.8		473.5
Total liabilities and equity	\$	4,115.7	\$	3,965.2

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

THE MANITOWOC COMPANY, INC.

Consolidated Statements of Cash Flows

For the Three Months Ended March 31, 2012 and 2011

(Unaudited)

(In millions)

	Three Months Ended March 31,	
	2012	2011
Cash Flows from Operations:		
Net earnings (loss)	\$ (1.8)	\$ (53.3)
Adjustments to reconcile net earnings (loss) to cash provided by (used for) operating activities of continuing operations:		
Discontinued operations, net of income taxes	0.3	2.7
Depreciation	17.9	22.3
Amortization of intangible assets	9.6	9.7
Deferred income taxes	(1.6)	(3.3)
Loss (gain) on sale of property, plant and equipment	0.4	(0.1)
Restructuring expense	0.6	0.8
Amortization of deferred financing fees	2.0	3.4
Loss on debt extinguishment		3.6
Loss on sale of discontinued operations		33.4
Other	5.0	3.5
Changes in operating assets and liabilities, excluding effects of business acquisitions and divestitures:		
Accounts receivable	(18.6)	(63.1)
Inventories	(100.6)	(108.8)
Other assets	(20.6)	15.9
Accounts payable	6.9	53.2
Accrued expenses and other liabilities	(29.1)	(56.0)
Net cash provided by (used for) operating activities of continuing operations	(129.6)	(136.1)
Net cash provided by (used for) operating activities of discontinued operations	(0.3)	(18.2)
Net cash provided by (used for) operating activities	(129.9)	(154.3)
Cash Flows from Investing:		
Capital expenditures	(14.2)	(7.6)
Restricted cash	0.1	(0.4)
Proceeds from sale of business		143.6
Proceeds from sale of property, plant and equipment		0.8
Net cash provided by (used for) investing activities	(14.1)	136.4
Cash Flows from Financing:		
Proceeds from revolving credit facility	147.9	112.0
(Payments on) long-term debt	(26.7)	(135.7)
Proceeds from long-term debt	34.2	29.7
(Payments on) notes financing	(11.5)	(0.7)
Debt issuance costs	(0.1)	
Exercises of stock options, including windfall tax benefits	1.2	0.7
Net cash provided by (used for) financing activities of continuing operations	145.0	6.0
Effect of exchange rate changes on cash	1.2	0.6

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Net increase (decrease) in cash and cash equivalents		2.2		(11.3)
Balance at beginning of period		68.6		83.7
Balance at end of period	\$	70.8	\$	72.4

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

THE MANITOWOC COMPANY, INC.

Notes to Unaudited Consolidated Financial Statements

For the Three Months Ended March 31, 2012 and 2011

1. Accounting Policies

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments necessary for a fair statement of the results of operations and comprehensive income for the three months ended March 31, 2012 and 2011, the cash flows for the same three-month periods, and the financial position at March 31, 2012, and except as otherwise discussed such adjustments consist of only those of a normal recurring nature. The interim results are not necessarily indicative of results for a full year and do not contain information included in the company's annual consolidated financial statements and notes for the year ended December 31, 2011. The consolidated balance sheet as of December 31, 2011 was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. It is suggested that these financial statements be read in conjunction with the financial statements and the notes thereto included in the company's latest annual report on Form 10-K.

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

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

2. 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, primarily consisting of administrative costs, for the three months ended March 31, 2012 and 2011 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.

**Three Months Ended
March 31,**

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(in millions)	2012		2011	
Net sales	\$		\$	3.3
Pretax earnings (loss) from discontinued operation	\$	(0.1)	\$	(4.0)
Provision (benefit) for taxes on earnings				(1.6)
Net earnings (loss) from discontinued operation	\$	(0.1)	\$	(2.4)

The following selected financial data of various other businesses disposed of prior to 2012, primarily consisting of administrative costs, for the three months ended March 31, 2012 and 2011 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 these businesses during the periods presented.

(in millions)	Three Months Ended					
	2012		March 31,		2011	
Net sales	\$		\$			
Pretax earnings (loss) from discontinued operation	\$	(0.3)	\$	(0.4)		
Provision (benefit) for taxes on earnings		(0.1)		(0.1)		
Net earnings (loss) from discontinued operation	\$	(0.2)	\$	(0.3)		

3. 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 March 31, 2012 and December 31, 2011 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.

(in millions)	Fair Value as of March 31, 2012			Total			
	Level 1	Level 2	Level 3				
Current Assets:							
Foreign currency exchange contracts	\$	\$	1.6	\$	\$	1.6	
Marketable securities		2.7				2.7	
Total current assets at fair value	\$	2.7	\$	1.6	\$	\$	4.3
Non-Current Assets:							
Interest rate cap contracts	\$	\$	0.1	\$	\$	0.1	
Total non-current assets at fair value	\$	\$	0.1	\$	\$	0.1	
Current Liabilities:							
Foreign currency exchange contracts	\$	\$	3.4	\$	\$	3.4	
Forward commodity contracts			1.6			1.6	
Interest rate swap contracts			7.2			7.2	
Total current liabilities at fair value	\$	\$	12.2	\$	\$	12.2	
Non-current Liabilities:							
Interest rate swap contracts	\$	\$	3.2	\$	\$	3.2	
Total non-current liabilities at fair value	\$	\$	3.2	\$	\$	3.2	

(in millions)	Fair Value as of December 31, 2011			Total			
	Level 1	Level 2	Level 3				
Current Assets:							
Foreign currency exchange contracts	\$	\$	0.8	\$	\$	0.8	
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	

The fair value of the company's 7.125% Senior Notes due 2013 was approximately \$150.2 million and \$146.6 million at March 31, 2012 and December 31, 2011, respectively. The fair value of the company's 9.50% Senior Notes due 2018 was approximately \$445.0 million and \$434.0 million at March 31, 2012 and December 31, 2011, respectively.

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million at March 31, 2012 and December 31, 2011, respectively. The fair value of the company's 8.50% Senior

Notes due 2020 was \$663.3 million and \$634.9 million at March 31, 2012 and December 31, 2011, respectively. The fair values of the company's term loans under the previous and Senior Credit Facility were as follows at March 31, 2012 and December 31, 2011, respectively: Term Loan A \$319.6 million and \$318.6 million; and Term Loan B \$330.6 million and \$324.1 million. See Note 8, 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 estimates fair value of its Term Loans and Senior Notes based on quoted market prices of similar instruments, and are, therefore, classified as Level 2 within the valuation hierarchy. The carrying values of cash and cash equivalents, accounts receivable, accounts payable, deferred purchase price notes on receivables sold (see Note 9, Accounts Receivable Securitization) and short-term variable debt, including any amounts outstanding under our revolving credit facility, approximate fair value, without being discounted as of March 31, 2012 and December 31, 2011 due to the short-term nature of these instruments.

As a result of its global operating and financing activities, the company is exposed to market risks from changes in interest rates, foreign currency exchange rates, and commodity prices, which may adversely affect the company's operating results and financial position. When deemed appropriate, the company minimizes these risks 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 and cap 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.

4. 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 manage risk whenever possible.

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

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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 and cap instruments are entered into to manage interest rate or fair value risk. Forward contracts on various commodities are entered into to 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 manage foreign currency risk associated with the company's projected foreign currency denominated purchases, sales, and receivable and payable balances.

ASC Topic 815-10, Derivatives and Hedging, 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 forward commodity contracts, foreign currency exchange contracts, and interest rate swaps and caps contracts 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 swap the

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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 \$1.7 million of unrealized and realized losses net of tax related to commodity price and currency exchange 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 between twelve and twenty-four 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 benchmark 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 benchmark interest rate.

As of March 31, 2012 and December 31, 2011, the company had the following outstanding commodity and currency forward contracts that were entered into to hedge forecasted transactions:

Commodity	Units Hedged		Type
	March 31, 2012	December 31, 2011	
Aluminum	1,651	1,254	MT
Copper	628	684	MT
Natural Gas	241,679	346,902	MMBtu
Steel	5,452	8,231	Tons

Short Currency	Units Hedged		Type
	March 31, 2012	December 31, 2011	
Canadian Dollar	11,577,824	25,083,644	Cash Flow
European Euro	92,891,863	67,565,453	Cash Flow
South Korean Won	3,059,290,288	3,224,015,436	Cash Flow
Singapore Dollar	4,800,000	4,800,000	Cash Flow
United States Dollar	4,138,735	5,538,777	Cash Flow
Chinese Renminbi	119,660,220	111,177,800	Cash Flow

As of June 30, 2011, the company offset all of its previous interest rate swaps against Term Loan A and B interest due to the amendment of its Senior Credit Facility (See Note 8, Debt, for a description of the Senior Credit Facility). As of March 31, 2012, the company had outstanding \$450.0 million notional amount of 3.00% LIBOR caps related to the term loan portion of the Senior Credit Facility. The remaining unhedged portions of Term Loans A and B continue to bear interest according to the terms of the Senior Credit Facility. The company is also party to various fixed-to-float interest rate swaps in connection with its 2018 and 2020 Notes. At March 31, 2012, \$200.0 million and \$300.0 million of the 2018 and 2020 Notes respectively, were swapped to floating rate interest (See Note 8, Debt, for a description of the 2018 and 2020 Notes). The 2018 Notes accrue interest at a rate of 9.50% on the fixed portion and 7.45% plus the six-month LIBOR reset in arrears on the variable portion. The 2020 Notes accrue interest at a rate of 8.50% on the fixed portion and 6.02% plus the six-month LIBOR reset in arrears on the variable portion. At March 31, 2012, the weighted average interest rates for the 2018 and 2020 Notes taking into consideration the impact of floating rate hedges, was 8.84% and 7.62%, respectively. Both aforementioned swap contracts of the 2018 and 2020 Notes include a call premium schedule that mirrors that of the respective debt and includes an optional early termination cash settlement at five years from the trade date.

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The company monetized the derivative asset related to the fixed-to-float interest rate swaps and received \$21.5 million in the third quarter of 2011. The gain is treated as an increase to the debt balances for each of the 2018 and 2020 Notes and will be amortized to interest expense over the life of the original swap.

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 in the Consolidated Statements of Operations. As of March 31, 2012 and December 31, 2011, the company had the following outstanding currency forward contracts that were not designated as hedging instruments:

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Short Currency	Units Hedged		Recognized Location	Purpose
	March 31, 2012	December 31, 2011		
Euro	18,216,530	33,150,213	Other income, net	Accounts Payable and Receivable Settlement
United States Dollar	8,500,000	6,000,000	Other income, net	Accounts Payable and Receivable Settlement
Australian Dollar	1,118,729	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 March 31, 2012 and December 31, 2011 was as follows:

(in millions)	Balance Sheet Location	ASSET DERIVATIVES	
		March 31, 2012	December 31, 2011
		Fair Value	
Derivatives designated as hedging instruments			
Foreign exchange contracts	Other current assets	\$ 1.5	\$ 0.6
Interest rate swap contracts: Fixed-to-float	Other non-current assets		0.5
Interest rate cap contracts	Other non-current assets	0.1	0.3
Total derivatives designated as hedging instruments		\$ 1.6	\$ 1.4

ASSET DERIVATIVES
March 31, 2012