

MANITOWOC CO INC
Form 11-K
June 29, 2005

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 11-K

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

For the plan year ended December 31, 2004

o Transition Report Pursuant to Section 15(d) of the Securities Exchange Act of 1934
For the transition period from to

Commission file number 0-6645

A. Full title of the Plan and the address of the Plan, if different from that of the issuer named below:

**THE MANITOWOC COMPANY, INC. 401(k) RETIREMENT PLAN
(F.K.A. - RSVP PROFIT SHARING PLAN)**

B. Name of the issuer of securities held pursuant to the plan and the address of its principal executive office:

THE MANITOWOC COMPANY, INC.

2400 South 44th Street

Manitowoc, WI 54220

REQUIRED INFORMATION

The following financial statement and schedules of The Manitowoc Company, Inc. Retirement Savings Plan, prepared in accordance with the financial reporting requirements of the Employee Retirement Income Securities Act of 1974, as amended, are filed herewith.

The Manitowoc Company, Inc.

401(k) Retirement Plan

Manitowoc, Wisconsin

Financial Statements and Supplemental Schedule

Years Ended December 31, 2004 and 2003

Financial Statements and Supplemental Schedule

Table of Contents

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Reports of Independent Registered Public Accounting Firm

Financial Statements

Statements of Net Assets Available for Benefits

Statements of Changes in Net Assets Available for Benefits

Notes to Financial Statements

Supplemental Schedule

Schedule of Assets (Held at End of Year)

Report of Independent Registered Public Accounting Firm

Plan Administrator

The Manitowoc Company, Inc.

401(k) Retirement Plan

Manitowoc, Wisconsin

We have audited the financial statements of The Manitowoc Company, Inc. 401(k) Retirement Plan as of December 31, 2004, and for the year then ended and the supplemental schedule as of December 31, 2004, as listed in the accompanying table of contents. These financial statements and supplement schedule are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Manitowoc Company, Inc. 401(k) Retirement Plan as of December 31, 2004, and the changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ Wipfli LLP

May 27, 2005
Green Bay, Wisconsin

Report of Independent Registered Public Accounting Firm

To the Participants and Administrator of
The Manitowoc Company, Inc.
401(k) Retirement Plan (F.K.A. - RSVP Profit Sharing Plan)

In our opinion, the accompanying statement of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of The Manitowoc Company, Inc. 401(k) Retirement Plan (F.K.A. - RSVP Profit Sharing Plan) (the Plan) at December 31, 2003, and the changes in net assets available for benefits for the year then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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. We believe that our audit provides a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP
Milwaukee, Wisconsin
June 21, 2004

Statements of Net Assets Available for Benefits

| | 2004 | 2003 |
|--|-----------------------|-----------------------|
| <i>Assets</i> | | |
| Investments: | | |
| Interest in The Manitowoc Company, Inc. Employees Profit Sharing Trust | \$ 203,796,428 | \$ 184,950,701 |
| Participant loans | 2,245,082 | 2,044,885 |
| Total investments | 206,041,510 | 186,995,586 |
| Receivables: | | |
| Employer contributions | 8,442,655 | 2,919,985 |
| Interest | 38,391 | 0 |
| Total receivables | 8,481,046 | 2,919,985 |
| Total assets | 214,522,556 | 189,915,571 |
| <i>Liabilities</i> | | |
| Benefit claims payable | 211,408 | 0 |
| Net assets available for benefits | \$ 214,311,148 | \$ 189,915,571 |

See accompanying notes to financial statements.

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Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2004 and 2003

| | 2004 | 2003 |
|--|-----------------------|-----------------------|
| Additions to net assets attributed to: | | |
| Investment income: | | |
| Interest in net appreciation in fair value of The Manitowoc Company, Inc. Employees Profit Sharing Trust | \$ 17,804,500 | \$ 26,083,709 |
| Interest and dividends | 128,813 | 143,821 |
| Total investment income | 17,933,313 | 26,227,530 |
| Contributions: | | |
| Participant | 7,677,535 | 7,168,067 |
| Employer | 12,810,771 | 7,097,677 |
| Rollover | 965,431 | 409,119 |
| Total contributions | 21,453,737 | 14,674,863 |
| Transfers from other plans | 1,084,302 | 40,602,996 |
| Total additions | 40,471,352 | 81,505,389 |
| Deductions from net assets attributed to: | | |
| Benefits paid to participants | 15,777,413 | 26,191,605 |
| Plan administrative expenses | 298,362 | 117,040 |
| Total deductions | 16,075,775 | 26,308,645 |
| Net additions | 24,395,577 | 55,196,744 |
| Net assets available for benefits at beginning | 189,915,571 | 134,718,827 |
| Net assets available for benefits at end | \$ 214,311,148 | \$ 189,915,571 |

See accompanying notes to financial statements.

Notes to Financial Statements

Note 1 Plan Description

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The following description of The Manitowoc Company, Inc. 401(k) Retirement Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement for a more complete description of the Plan s provisions.

General

The Plan is a defined contribution profit sharing plan covering substantially all salaried and nonunion hourly employees of participating companies of The Manitowoc Company, Inc. (the Company) who are scheduled to complete 1,000 hours of service within a 12-month period. Participating companies include the Company and all subsidiaries and affiliates of the Company, as defined in the Plan. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Merger

Effective January 1, 2003, the Grove U.S. LLC Retirement Savings and Investment Plan was merged into the Plan. In conjunction with the merger, assets of \$40,602,996 were transferred into the Plan.

Contributions

Participants may elect to contribute up to 100% of eligible compensation up to a maximum contribution allowable under the Internal Revenue Code. Participant contributions are not required. The Company makes matching contributions equal to 100% of the employee s contribution (up to 3% of their compensation) plus 50% of the employee s contributions (up to the next 3% of their compensation). Profit sharing contributions to the Plan are made by the Company based upon a predetermined formula defined in the plan document. The contribution is based upon Company profitability and is allocated to eligible participants based upon a formula that considers fixed and variable contributions. The variable portion is based on the proportion of a participant s compensation for all participants. Annual contributions to a participant s account are limited to the lesser of \$41,000 or 100% of the participant s compensation for the year.

Participants' Accounts

All investments in participants' accounts are participant-directed. The Plan allows participants to select from a variety of mutual funds including a money market fund, equity funds, and fixed income funds. The Plan also allows participants to purchase The Manitowoc Company, Inc. common stock.

Each participant's account is credited with the participant's contributions, Company contributions, and an allocation of plan earnings and is reduced for withdrawals. Plan earnings are determined and credited to each participant's account on a daily basis in accordance with the proportion of the participant's account to all accounts. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Plan Benefits

Plan benefits are available at normal retirement (age 65), disability retirement, death, and termination of employment with vested interests. Benefits are payable in one lump sum, equal installments over a period of years, or an insurance company single premium nontransferable annuity contract.

Vesting

All employee contributions and employer matching contributions and related earnings are 100% vested immediately. Participants vest in the Company's profit sharing contributions at the rate of 20% per year, with the participant becoming fully vested after five years of service. Participants who leave the Company because of normal retirement, disability, or death are considered to be 100% vested.

Participant Loans

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance, excluding the portion of the account balance relating to the Company's profit sharing or match contributions. The loans are secured by the balance in the participant's account and bear interest at prime plus 1%. Loans are repaid through payroll deductions over a period not to exceed five years.

Expenses of the Plan

Administrative expenses of the Plan are paid from the assets of The Manitowoc Company, Inc. Employees' Profit Sharing Trust (the Master Trust).

Forfeitures

Plan forfeitures arise as a result of participants who terminate service with the Company before becoming 100% vested in the Company's contribution. These forfeitures are used to offset future employer contributions. This is done at the end of the year during which the forfeiture occurred.

Transfers From Other Plans

The Plan and the Company allow participants to transfer account balances between other plans sponsored by the Company when they transfer to a new division or their job status (i.e., union versus nonunion) changes.

Plan Termination

The employer intends to continue the Plan indefinitely; however, the employer reserves the right to terminate the Plan at any time. In the event of termination, all amounts credited to participants' accounts shall become 100% vested and distributed to participants in accordance with the Plan's provisions.

Note 2

Summary of Significant Accounting Policies

Method of Accounting

The financial statements of The Manitowoc Company, Inc. 401(k) Retirement Plan are presented on the accrual basis of accounting in accordance with generally accepted accounting principles.

Use of Estimates in Preparation of Financial Statements

The preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that directly affect the results of certain reported amounts and disclosures. Actual results may differ from these estimates.

Investments

The Plan's investments are commingled with other plans of The Manitowoc Company, Inc. in the Master Trust. Upon enrollment in the Plan, a participant may direct contributions in 1% increments in any of the defined investment options.

Investments are stated at fair value. Money market funds are stated at cost, which approximates fair value. Mutual funds and common stock of the Company are carried at current value which represents the quoted market values of the underlying investments. Common/collective trust funds are valued based on the market value of the underlying investment held by the fund. Participant loans are stated at cost, which approximates fair value.

Unrealized appreciation or depreciation is reflected for the year in the statement of changes in net assets available for benefits. Gains or losses on security transactions are recorded as the difference between proceeds received and the carrying value of the investments. Interest income is recognized on the accrual method, and dividend income is recorded on the ex-dividend date.

The average yield for the Capital Preservation Fund was 4.10% and 4.60% for the years ended December 31, 2004 and 2003, respectively. The crediting interest rate for this fund was 3.86% and 4.37% at December 31, 2004 and 2003, respectively.

Benefit Claims Payable

Benefit claims payable on the statement of net assets available for benefits relates to distributions requested prior to year-end, but completed subsequent to year-end.

Risks and Uncertainties

The Master Trust's investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least reasonably possible that changes in risks in the near term would materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits and the statement of changes in net assets available for benefits.

Note 3

Investments in the Master Trust

The Plan's allocated share of the Master Trust's net assets and investment activities is based upon the total of each participant's share of the Master Trust. The percentage of the Plan's assets to the total assets of the Master Trust is 61% and 59% as of December 31, 2004 and 2003, respectively. The Plan's approximate allocated share of the net assets of each fund in the Master Trust at December 31, 2004 and 2003, was:

| | 2004 | 2003 |
|------------------------------------|------|------|
| Ameristock Mutual Fund | 55% | 55% |
| Columbia Acorn Fund | 63% | 59% |
| Janus Growth & Income Fund | 57% | 55% |
| Janus Small Cap Value Fund | 56% | 54% |
| Marshall International Stock Fund | 81% | 80% |
| One Group Mid-Cap Growth Fund | 83% | 82% |
| T. Rowe Price Mid-Cap Value Fund | 66% | 57% |
| Vanguard Institutional Index Fund | 76% | 72% |
| Capital Preservation Fund | 52% | 52% |
| Manitowoc Moderate Growth Fund | 62% | 60% |
| Manitowoc Conservative Growth Fund | 82% | 87% |
| Manitowoc Aggressive Growth Fund | 50% | 40% |
| Manitowoc Company Stock Fund | 71% | 65% |
| PIMCO Funds Total Return Fund | 83% | 83% |
| Loan Fund | 98% | 98% |

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Net assets held by the Master Trust at December 31 are as follows:

| | 2004 | 2003 |
|---|----------------|----------------|
| Investments with fair value determined by quoted market price: | | |
| Common/collective trusts | \$ 164,979,148 | \$ 140,308,327 |
| Mutual funds | 135,374,151 | 136,442,162 |
| Investments in The Manitowoc Company, Inc. common stock | 35,690,592 | 37,424,417 |
| Total investments with fair value determined by quoted market price | 336,043,891 | 314,174,906 |
| Investments at contract value - Deposits with insurance companies | 0 | 1,612,503 |
| Investments at cost: | | |
| Participant loans | 2,292,963 | 2,080,581 |
| Cash | 698,508 | 496,189 |
| Net assets of the Master Trust | \$ 339,035,362 | \$ 318,364,179 |

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Investment income of the Master Trust is as follows:

| | 2004 | 2003 |
|---|--------------|--------------|
| Investment income: | | |
| Interest and dividends | \$ 1,778,661 | \$ 1,632,298 |
| Net appreciation in fair value of investments | 26,578,846 | 43,262,788 |

During 2004 and 2003, the Master Trust's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value as follows:

| | 2004 | 2003 |
|--|---------------|---------------|
| Mutual funds | \$ 19,772,316 | \$ 32,840,830 |
| Investment in The Manitowoc Company, Inc. common stock | 6,806,530 | 10,421,958 |
| Net appreciation | \$ 26,578,846 | \$ 43,262,788 |

Investments that represent 5% or more of net Master Trust assets as of December 31, 2004 and 2003, are as follows:

| | 2004 | 2003 |
|--|---------------|---------------|
| Manitowoc Moderate Growth Fund | \$ 25,693,925 | \$ 24,572,694 |
| Janus Small Cap Value Fund | 40,133,912 | 37,008,017 |
| The Manitowoc Company, Inc. Common Stock | 35,690,592 | 37,378,272 |
| Fidelity Managed Income Portfolio II | 135,996,403 | 137,055,894 |

Note 4 Party-in-Interest Transactions

Transactions involving The Manitowoc Company, Inc. common stock are considered party-in-interest transactions. These transactions are not, however, considered prohibited transactions under 29 CFR 408(b) of the ERISA regulations.

Note 5 Tax-Exempt Status of the Plan

On June 2, 2004, the Internal Revenue Service declared that the Plan is qualified pursuant to Section 401 of the Internal Revenue Code. Plan management believes any amendments and events since the effective date of the last Internal Revenue Service determination letter do not affect the qualified status of the Plan. Accordingly, the Plan is exempt from federal and state income taxes under current provisions of their respective laws.

Note 6 Reclassifications

Certain reclassifications have been made to the 2003 financial statements to conform to the 2004 classifications.

Supplemental Schedule

Schedule of Assets (Held at End of Year)

December 31, 2004

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Current Value |
|---|---|------------------|
| Participant loans* | Due dates range from 1 to 5 years - Interest rates range from 5% to 11% \$ | 2,245,082 |

*Denotes party-in-interest

See Report of Independent Registered Public Accounting Firm.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee, which administers the Plan, has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Manitowoc, and State of Wisconsin, on the 29th day of June, 2005.

THE MANITOWOC COMPANY, INC.
401(k) RETIREMENT PLAN

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

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

/s/ Thomas Musial
Thomas Musial
Senior Vice President of Human Resources
and Administration

EXHIBIT INDEX

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| Exhibit No. | Description | Filed Herewith |
|-------------|---------------------------------------|----------------|
| 23.1 | Consent of WIPFLI LLP | X |
| 23.2 | Consent of PricewaterhouseCoopers LLP | X |