YALE INDUSTRIAL PRODUCTS INC
Form 10-K/A
March 15, 2011

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

FORM 10-K/A
(Amendment No. 1)

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)

For the fiscal year ended March 31, 2010

Commission file number 0-27618

COLUMBUS McKINNON CORPORATION
(Exact name of Registrant as specified in its charter)

New York	16-0547600
(State of Incorporation)	(I.R.S. Employer Identification Number)

140 John James Audubon Parkway
Amherst, New York 14228-1197
(Address of principal executive offices, including zip code)

(716) 689-5400
(Registrant's telephone number, including area code)

Securities pursuant to section 12(b) of the Act:
NONE

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, $0.01 Par Value (and rights attached thereto)

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

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

Indicate by checkmark 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 Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) 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 x.

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

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o	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 of the voting stock held by non-affiliates of the Registrant as of September 30, 2009 (the second fiscal quarter in which this Form 10-K relates) was approximately $287 million, based upon the closing price of the Company's common shares as quoted on the Nasdaq Stock Market on such date. The number of shares of the Registrant's common stock outstanding as of February 28, 2011 was 19,171,428 shares.

We are filing this Amendment No. 1 to our Annual Report on Form 10-K for the fiscal year ended March 31, 2010 (the "Original Report") in order to amend Item 9A, 8, and Exhibit 23.1 of the Original Report to include a signed copy of the Report of Independent Registered Public Accounting Firm (the "Audit Report").

Other than the amendments to Item 9A, 8, and Exhibit 23.1 of the Original Report to include a signed copy of the Audit Report, this Amendment No. 1 does not affect any other items in our Original Report. We are also filing as exhibits to this Amendment No. 1 the certifications pursuant to section 302 and section 906 of the Sarbanes-Oxley Act of 2002, which are currently dated.

Except as otherwise expressly stated for the item amended in this Amendment No. 1, this Amendment No. 1 continues to speak as of the date of the Original Report and we have not updated the disclosure contained herein to reflect events that have occurred since the filing of the Original Report. Accordingly, this Amendment No. 1 should be read in conjunction with our Original Report and our other filings made with the SEC subsequent to the filing of the Original Report.

PART I

Item 1. Business

General

We are a leading global designer, manufacturer and marketer of hoists, cranes, actuators, chain, forged attachments, lift and other material handling products serving a wide variety of commercial and industrial end-user markets. Our products are used to efficiently and ergonomically move, lift, position or secure objects and loads. We are the U.S. market leader in hoists, our principal line of products, as well as certain chain and forged attachment products which we believe provides us with a strategic advantage in selling our other products. We have achieved this leadership position through strategic acquisitions, our extensive, diverse and well-established distribution channels and our commitment to product innovation and quality. We have one of the most comprehensive product offerings in the industry and we believe we have more overhead hoists in use in North America than all of our competitors combined. Additionally, we believe are the market leader of manual hoist products in Europe, which provides us further opportunity to sell our other products through our existing distribution channels in that region. Further, complimented by our October 2008 Pfaff acquisition, we believe we are the global leader for mechanical actuator products and services. Our products are sold globally and our brand names, including CM, Coffing, Chester, Duff-Norton, Pfaff, Shaw-Box and Yale, are among the most recognized and well-respected in the marketplace.

Our business is cyclical in nature and sensitive to changes in general economic conditions, including changes in the industrial capacity utilization, industrial production and the general economic activity indicators like GDP. The U.S. industrial capacity utilization, which we use as a leading market indicator for our U.S. based businesses, reached 70.5% in March 2010, the first time it has been above 70% since November 2008. This is compared to 65.2% reached in June 2009; the lowest reported US industrial capacity utilization as published by the U.S. Federal Reserve Board. Similarly, the Eurozone capacity utilization reached 75.5% in March 2010, following a 69.6% trough in June 2009.

In response to the negative economic climate we experienced in Fiscal 2010 and consistent with our manufacturing strategy, we initiated a plan to rationalize our North American hoist and rigging operations to improve efficiency, control costs and facilitate future growth. During fiscal 2010, we closed one of our forge facilities in the U.S. and significantly stopped welded chain production in our Mexico facility. Continuing into early fiscal 2011, one of our hoist facilities will be closed, with this entire facility consolidation initiative resulting in a reduction of 500,000 square feet of manufacturing space and generating annual savings estimated at approximately $13-$15 million. After completion, we will have sufficient capacity to produce peak demands. The cost of the restructuring is expected to be approximately $25-$27 million with 80% of the total charges having been incurred in fiscal year 2010. This strategy, together with steps to integrate our sales force will provide increased operating leverage when the global economy returns to more normalized levels.

Our Position in the Industry

The broad, global material handling industry includes the following sectors:

- overhead material handling and lifting devices;

- continuous materials movement;
- wheeled handling devices;
- pallets, containers and packaging;
- storage equipment and shop furniture;
- automation systems and robots; and
- services and unbundled software.

The breadth of our products and services enables us to participate in most of these sectors. This diversification, together with our extensive and varied distribution channels, minimizes our dependence on any particular product, market or customer. We believe that none of our competitors offers the variety of products or services in the markets we serve.

We believe that the demand for our products and services will be aided by several macro-economic growth drivers. These drivers include:

Productivity Enhancement - We believe employers respond to competitive pressures by seeking to maximize productivity and efficiency, among other actions. Our hoists and other lifting and positioning products allow loads to be lifted and placed quickly, precisely, with little effort and fewer people, thereby increasing productivity and reducing cycle time.

Safety Regulations - Driven by workplace safety regulations such as the Occupational Safety and Health Act and the Americans with Disabilities Act in the U.S. and other safety regulations around the world, and by the general competitive need to reduce costs such as health insurance premiums and workers' compensation expenses, employers seek safer ways to lift and position loads. Our lifting and positioning products enable these tasks to be performed with reduced risk of personal injury.

Consolidation of Suppliers - In an effort to reduce costs and increase productivity, our channel partners and end-user customers are increasingly consolidating their suppliers. We believe that our broad product offering combined with our well established brand names will enable us to benefit from this consolidation and enhance our market share.

Our Competitive Strengths

Leading North American Market Positions - We are a leading manufacturer and marketer of hoists and alloy and high strength carbon steel chain and attachments in North America. We have developed our leading market positions over our 135-year history by emphasizing technological innovation, manufacturing excellence and superior service. Approximately 61% of our U.S. net sales for the year ended March 31, 2010 were from product categories in which we believe we hold the number one market share. We believe that the strength of our established products and brands and our leading market positions provide us with significant competitive advantages, including preferred supplier status with a majority of our largest channel partners and end user customers. Our large installed base of products also provides us with a significant competitive advantage in selling our products to existing customers as well as providing repair and replacement parts.

The following table summarizes the product categories where we believe we are the U.S. market leader:

Product Category	U.S. Market Share		U.S. Market Position	Percentage of U.S. Net Sales	
Powered Hoists (1)	45	%	#1	22	%
Manual Hoists & Trolleys (1)	55	%	#1	13	%
Forged Attachments (1)	35	%	#1	7	%

Lifting and Sling Chains	49	%	#1	4	%
Hoist Parts (2)	50	%	#1	10	%
Mechanical Actuators (3)	43	%	#1	5	%
Tire Shredders (4)	80	%	#1	2	%
Jib Cranes (5)	25	%	#1	1	%
				64	%

(1) Market share and market position data are internal estimates derived from survey information collected and provided by our trade associations in 2009.

(2) Market share and market position data are internal estimates based on our market shares of Powered Hoists and Manual Hoists & Trolleys, which we believe are good proxies for our Hoist Parts market share because we believe most end-users, purchase Hoist Parts from the original equipment supplier.

(3) Market share and market position data are internal estimates derived by comparison of our net sales to net sales of one of our competitors and to estimates of total market sales from a trade association in 2009.

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(4) Market share and market position data are internal estimates derived by comparing the number of our tire shredders in use and their capacity to estimates of the total number of tires shredded published by a trade association in 2009.

(5) Market share and market position are internal estimates derived from both the number of bids we win as a percentage of the total projects for which we submit bids and from estimates of our competitors' net sales based on their relative position in distributor catalogues in 2009.

Comprehensive Product Lines and Strong Brand Name Recognition - We believe we offer the most comprehensive product lines in the markets we serve. Most of our products work in conjunction with each other to create a lifting system. We offer engineering and design services to help channel partners and end users solve material handling problems. We are the only major supplier of material handling equipment offering full lines of hoists, rigging and lifting tools as well as actuators. Our capability as a full-line supplier has allowed us to (i) provide our customers with "one-stop shopping" for material handling equipment, which meets some customers' desires to reduce the number of their supply relationships in order to lower their costs, (ii) leverage our engineering, product development and marketing costs over a larger sales base and (iii) achieve purchasing efficiencies on common materials used across our product lines.

In addition, our brand names, including Budgit, Chester, CM, Coffing, Duff-Norton, Little Mule Pfaff, Shaw-Box and Yale, are among the most recognized and respected in the industry. The CM and Yale names have been synonymous with powered hoists and manual hoists and were first developed and marketed under these brand names in the early 1900s. We believe that our strong brand name recognition has created customer loyalty and helps us maintain existing business, as well as capture additional business. No single SKU comprises more than 1% of our sales, a testament to our broad and diversified product offering.

Distribution Channel Diversity and Strength - Our products are sold to over 15,000 general and specialty distributors, end users and OEMs globally. We enjoy long-standing relationships with, and are a preferred provider to, the majority of our largest distributors and industrial buying groups. There has been consolidation among distributors of material handling equipment and we have benefited from this consolidation by maintaining and enhancing our relationships with our leading distributors, as well as forming new relationships. We believe our extensive distribution channels provide a significant competitive advantage and allow us to effectively market new product line extensions and promote cross-selling.

Expanding International Markets - We have significantly grown our international sales since becoming a public company in 1996. Our international sales have grown from $34.3 million (representing 16% of total sales) in fiscal 1996 to $210.7 million (representing 44% of our total sales) during the year ended March 31, 2010. This growth has occurred primarily in Europe, Latin America and Asia-Pacific. The Pfaff acquisition in October 2008 has enhanced our international revenue growth, particularly in Europe. Additionally, we have recently opened two sales offices in Shanghai and Guangzhou, China to sell into this growing industrial market, with more planned in the coming year. Our international business has provided us, and we believe will continue to provide us, with significant growth opportunities and new markets for our products.

"International sales" is expressed throughout Items 1 and 7 of this Form 10-K, are defined as sales to customers located outside of the United States.

Low-Cost Manufacturing with Significant Operating Leverage - We have the ability to produce products in low cost countries of the world. We have a manufacturing base in Hangzhou, China which allows us to produce certain products in this low cost environment. We do believe we will continue to generate significant operating leverage due to the restructuring activities recently initiated as summarized below. Once the economic climate improves, our operating leverage goal is for each incremental sales dollar to generate 20%-30% of additional operating income, in addition to the fixed cost savings realized from our facility consolidation activities.

Rationalization and Consolidation - We have a successful history of consolidating manufacturing facilities and optimizing warehouse utilization and location resulting in lower annual operating costs and improving our fixed-variable cost relationship. During fiscal 2010, we underwent consolidation of our North American hoist and rigging operations in accordance with our strategy. We completed the closure of one of our manufacturing facilities and significantly downsized a second facility in the third quarter of fiscal 2010. We expect to complete the closure of a third facility at the end of our FY 2011 first quarter. We expect that these projects will result in an aggregate reduction of approximately 500,000 square feet of manufacturing space and generate annual savings estimated at approximately $13-$15 million.

Lean Culture - We have been applying Lean techniques since 2001, facilitating inventory reductions, and a significant decline in required manufacturing floor space, a decrease in product lead time and improved productivity and on-time deliveries. We believe continued application of Lean will generate benefits for many years to come. We are developing our people and focusing on now becoming a Lean culture where we improve our processes and reduce waste in all forms in all our business activities.

International Expansion - Our continued expansion of our manufacturing facilities in China, Mexico and Hungary provides us with a cost efficient platform to manufacture and distribute certain of our products and components. We now operate 22 manufacturing facilities in eight countries, with 41 stand alone sales and service offices in 19 countries.

- Consolidated Purchasing Activities - We continue to leverage our company-wide purchasing power through our Purchasing Council to reduce our costs and manage fluctuations in commodity pricing, including steel.

- Selective Integration and outsourcing - We manufacture many of the critical parts and components used in the manufacture of our hoists and lifting systems, resulting in reduced costs. We also evaluate outsourcing opportunities for non-critical operations and components.

Strong -Market Sales and Support - We believe that we retain customers and attract new customers due to our ongoing commitment to customer service and ultimate satisfaction. We have a large installed base of hoists and rigging tools that drives our after-market sales for replacement units and components and repair parts. We maintain strong relationships with our distribution channel partners and provide prompt service to end-users of our products through our authorized network of 16 chain repair stations and approximately 340 hoist service and repair stations. We also work closely with end users to design the appropriate lifting systems using our products to help them solve their material handling problems.

Long History of Free Cash Flow Generation and Significant Debt Reduction - We have consistently generated positive free cash flow (which we define as net cash provided by operating activities less capital expenditures) by continually controlling our costs, improving our working capital management, and reducing the capital intensity of our manufacturing operations. In the past five years, we have reduced total net debt by $89.9 million, from $158.7 million to $68.8 million and continue to improve our cash balance.

Experienced Management Team with Equity Ownership - Our senior management team provides a depth and continuity of experience in the material handling industry. Our management has experience in the material handling industry as well as growing businesses, aggressive cost management, balance sheet management, efficient manufacturing techniques, acquiring and integrating businesses and global operations, all of which are critical to our long-term growth. Management of the Company promotes the ownership of its stock by the executive officers and directors.

Our Strategy

Grow our Core Business. We intend to leverage our strong competitive advantages to increase our market shares across all of our product lines and geographies by:

- Leverage Our Strong Competitive Position - Our large, diversified, global customer base, our extensive distribution channels and our close relationships with end users and channel partners provide us with insights into customer preferences and product requirements that allow us to anticipate and address the future needs of the marketplace. We are also investing in key vertical markets that will help us grow our revenues in these key markets.

- Introducing New Product - We continue to expand our business by developing new material handling products and services and expanding the breadth of our product lines to address material handling needs of our customers. We design our powered hoist lines to many international standards included the FEM (European) and ANSI (U.S.) and other standard setting bodies. We employ the StageGate process to enhance discipline and focus in our new product development program. New product sales (as defined by new items introduced within the last three years) amounted to $74.3 million, $74.8 million and $89.0 million in fiscal 2010, 2009 and 2008, respectively.

- Leveraging Our Brand Portfolio to Maximize Market Coverage - Most industrial distributors carry one or two lines of material handling products on a semi-exclusive basis. Unlike many of our competitors, we have developed and acquired multiple well-recognized brands that are viewed by both distributors and end-users as discrete product lines. As a result, we are able to sell our products to multiple distributors in the same geographic area. This strategy maximizes our market coverage and provides the largest number of end-users with access to our products.

Continue to Grow in International Markets - Our international sales of $210.7 million comprised 44% of our net sales for the year ended March 31, 2010, as compared with $228.8 million, or 38% in fiscal 2009 compared to $34.3 million, or 16% of our net sales, in fiscal 1996, the year we became a public company. We sell to distributors in over 50 countries and have our primary international manufacturing facilities in China, France, Germany, Hungary, Mexico and the United Kingdom. In addition to new product introductions, we continue to expand our sales and service presence in the major and developing market areas of Europe, Asia-Pacific and Latin America including through our sales offices and warehouse facilities in Canada, various countries in Western and Eastern Europe, China, Thailand, Brazil, Uruguay, Panama and Mexico. We intend to increase our sales by manufacturing and exporting a broader array of high quality, low-cost products and components from our facilities in China and Hungary for distribution in North America, Europe, Latin America and Asia-Pacific. We have developed and are continuing to expand upon new hoist and other products in compliance with global standards and international designs to enhance our global distribution.

Further Reduce Our Operating Costs and Increase Manufacturing Productivity - Our objective is to provide the highest quality product and service at a price consistent with the value created for our customers. We continually evaluate our costs and challenge the global supply and manufacturing chain to reduce costs. Our view is that a market focused sales and marketing effort along with a low cost of operating will prove to be successful for our customers and Columbus McKinnon. We continually seek ways to reduce our operating costs and increase our manufacturing productivity. In furtherance of this objective, we have undertaken the following:

- Lean - We continuously identify value streams throughout our businesses and work intensively to remove waste in all forms. We started Lean in 2001 and continue to recognize benefits from this effort.

- Rationalization of Facilities - We have a successful history of consolidating manufacturing resulting in lower annual operating costs and improving our fixed-variable cost relationship. We have sufficient capacity to meet current and future demand and we periodically investigate opportunities for further facility rationalization. During fiscal 2010, we began consolidation of our North American hoist and rigging operations in accordance with our strategy. This involves the closing of two manufacturing facilities and significantly downsizing a third facility during fiscal 2010 and continuing through fiscal 2011 resulting in a reduction of approximately 500,000 square feet of manufacturing space and generating annual savings estimated at approximately $13-$15 million.

- Leveraging of Our Purchasing Power - Our Purchasing Council was formed in fiscal 1998 to centralize and leverage our overall purchasing power and has resulted in significant savings for our Company as well as management of fluctuations in commodity pricing, including steel.

Pursue Strategic Acquisitions and Alliances; Evaluate Existing Business Portfolio - We intend to pursue synergistic acquisitions to complement our organic growth. Priorities for such acquisitions include: 1) increasing international geographic penetration, particularly in the Asia-Pacific region and other emerging markets, and 2) further broadening our offering with complementary products frequently used in conjunction with hoists. Additionally, we continually challenge the long-term fit of our businesses for potential divestiture and redeployment of capital.

Our Business

ASC Topic 280 “Segment Reporting” establishes the standards for reporting information about operating segments in financial statements. As part of the organizational restructuring announced in our December 22, 2008 press release and Form 8-K filing, we reevaluated our reportable segments and determined that we have only one reporting segments for internal and external reporting purposes. We continue to believe that we have only one reportable operating segment.

We design, manufacture and distribute a broad range of material handling products for various applications. Products include a wide variety of electric, lever, hand and air-powered hoists, hoist trolleys, winches industrial crane systems such as bridge, gantry and jib cranes; alloy and carbon steel chain; closed-die forged attachments, such as hooks, shackles, textile slings, clamps logging tools and load binders; industrial components, such as mechanical and electromechanical actuators and rotary unions; below-the-hook special purpose lifters; tire shredders; and light-rail systems. These products are typically manufactured for stock or assembled to order from standard components and are sold primarily through a variety of commercial distributors; and to a lesser extent directly to end-users. The diverse end-users of our products are in a variety of industries including: manufacturing, power generation and distribution, utilities, wind power, warehouses, commercial construction, oil exploration and refining, petrochemical, marine, ship building, transportation and heavy duty trucking, agriculture, logging and mining. We also serve a niche market for the entertainment industry including permanent and traveling concerts, live theater and sporting venues.

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Products

In excess of 75% of our net sales are derived from the sale of products that we sell at a unit price of less than $5,000. Of our 2010 sales, $265.5 million, or 56% were U.S. and $210.7 million, or 44% were international. The following table sets forth certain sales data for our products, expressed as a percentage of net sales for fiscal 2010 and 2009:

	Fiscal Years Ended March 31, 2010		2009	
Hoists	53	%	55	%
Chain	11		12	
Forged attachments	10		10	
Industrial cranes	9		10	
Actuators and rotary unions	14		10	
Other	3		3	
	100	%	100	%

Hoists - We manufacture a wide variety of electric chain hoists, electric wire rope hoists, hand-operated hoists, winches, lever tools and air-powered hoists. Load capacities for our hoist product lines range from one-eighth of a ton to 100 tons. These products are sold under our Budgit, Chester, CM, Coffing, Little Mule, Pfaff, Shaw-Box, Yale and other recognized brands. Our hoists are sold for use in numerous general industrial applications, as well as for use in the construction, energy, mining, food services, entertainment and other markets. We also supply hoist trolleys, driven manually or by electric motors, for the industrial, consumer and OEM markets.

We also offer several lines of standard and custom-designed, below-the-hook tooling, clamps, and textile strappings. Below-the-hook tooling, textile and chain slings and associated forgings, and clamps are specialized lifting apparatus used in a variety of lifting activities performed in conjunction with hoisting or lifting applications.

Chain - We manufacture alloy and carbon steel chain for various industrial and consumer applications. U.S. federal regulations require the use of alloy chain, which we first developed, for overhead lifting applications because of its strength and wear characteristics. A line of our alloy chain is sold under the Herc-Alloy brand name for use in overhead lifting, pulling and restraining applications. In addition, we also sell specialized load chain for use in hoists, as well as three grades and multiple sizes of carbon steel welded-link chain for various load securing and other non-overhead lifting applications. We also manufacture kiln chain sold primarily to the cement manufacturing market.

Forged Attachments - We produce a broad line of alloy and carbon steel closed-die forged attachments, including hooks, shackles, hitch pins and master links. These forged attachments are used in chain, wire rope and textile rigging applications in a variety of industries, including transportation, mining, construction, marine, logging, petrochemical and agriculture.

In addition, we manufacture carbon steel forged and stamped products, such as load binders, logging tools and other securing devices, for sale to the industrial, consumer and logging markets through industrial distributors, hardware distributors, mass merchandiser outlets and OEMs.

Industrial Cranes - We participate in the U.S. crane manufacturing and servicing markets through our offering of overhead bridge, jib and gantry cranes. Our products are sold under the CES, Abell-Howe, Gaffey and Washington Equipment brands. Crane builders represent a specific distribution channel for electric wire rope hoists, chain hoists and other crane components.

Actuators and Rotary Unions - Through our Duff-Norton and Pfaff divisions, we design and manufacture industrial components such as mechanical and electromechanical actuators and rotary unions. Actuators are linear motion devices used in a variety of industries, including the transportation, paper, steel, energy, aerospace and many other commercial industries. Rotary unions are devices that transfer a liquid or gas from a fixed pipe or hose to a rotating drum, cylinder or other device. Rotary unions are used in a variety of industries including pulp and paper, printing, textile and fabric manufacturing, rubber and plastic.

Other - This category includes tire shredders, light-rail systems and lift tables. We have developed and patented a line of heavy equipment that shreds whole tires, for use in recycling the various components of a tire including: rubber and steel. These recycled products also can be used as aggregate, playgrounds, sports surfaces, landscaping and other such applications, as well as scrap steel. Light-rail systems are portable steel overhead beam configurations used at workstations, from which hoists are an integral component. We also evaluate outsourcing opportunities for non-core competencies.

Sales and Marketing

Our sales and marketing efforts consist of the following programs:

Factory-Direct Field Sales and Customer Service - We sell our products through our sales force of more than 140 sales people and through independent sales agents worldwide. Our sales are further supported by over 350 company-trained customer service correspondents and sales application engineers. We compensate our sales force through a combination of base salary and a commission plan based on top line sales and a pre-established sales quota.

Product Advertising - We promote our products by advertising in leading trade journals as well as producing and distributing high quality information catalogs. We run targeted advertisements for hoists, chain, forged attachments, actuators, and cranes.

Target Marketing - With increased emphasis beginning in fiscal 2010, we provide marketing literature to target specific end-user market sectors including entertainment, construction, energy, mining, food service, and others. This literature displays our broad product offering applicable to those sectors to enhance awareness at the end-user level within those sectors. We also employ vertical market specialists to support our field sales force to assist our customers with solving their material handling application needs.

Trade Show Participation - Trade shows are central to the promotion of our products, and we participate in more than 40 regional, national and international trade shows each year. Shows in which we participate range from global events held in Germany to local “markets” and “open houses” organized by individual hardware and industrial distributors. We also attend specialty shows for the entertainment, rental and safety markets, construction, as well as general purpose industrial and hardware shows. In fiscal 2010, we participated in trade shows in the U.S., Canada, Mexico, Germany, the United Kingdom, France, China, Brazil, Russia, and the United Arab Emirates.

Industry Association Membership and Participation - As a recognized industry leader, we have a long history of work and participation in a variety of industry associations. Our management is directly involved in numerous industry associations including the following: ISA (Industrial Supply Association), AWRF (Associated Wire Rope Fabricators), PTDA (Power Transmission and Distributors Association), SCRA (Specialty Carriers and Riggers Association), WSTDA (Web Sling and Tie Down Association), MHI (Material Handling Institute), HMI (Hoist Manufacturers Institute), CMAA (Crane Manufacturers Association of America), ESTA (Entertainment Services and Technology Association), NACM (National Association of Chain Manufacturers) and ARA (American Rental Association).

Product Standards and Safety Training Classes - We conduct on-site training programs worldwide for distributors and end-users to promote and reinforce the attributes of our products and their safe use and operation in various material handling applications.

Web Sites - Our main corporate web site www.cmworks.com supports the Company’s broad product offering providing product data, maintenance manuals and related information for 11 brands within our product portfolio. The site also provides detailed search and simultaneous product comparisons, the ability to submit Requests for Quotations and allow users to be able chat live with a member of our customer service department. In addition to our main site we maintain an additional 20 sites supporting various product lines, industry segments and geographies. Within these sites we currently sell Towing products, Training, and standard hoists products manufactured by Pfaff. Distributors also have access to a secure, extranet portal website allowing them to enter sales orders, search pricing information, check order status, and product serial number information.

Distribution and Markets

Our distribution channels include a variety of commercial distributors. In addition, we sell overhead bridge, jib and gantry cranes as well as certain Pfaff products directly to end-users. The following describes our global distribution channels:

General Distribution Channels - Our global general distribution channels consist of:

- Industrial distributors that serve local or regional industrial markets and sell a variety of products for maintenance repair, operating and production, or MROP, applications through their own direct sales force.

- Rigging shops that are distributors with expertise in rigging, lifting, positioning and load securing. Most rigging shops assemble and distribute chain, wire rope and synthetic slings and distribute manual hoists and attachments, chain slings and other products.

- Independent crane builders that design, build, install and service overhead crane and light-rail systems for general industry and also distribute a wide variety of hoists and crane components. We sell electric wire rope hoists and chain hoists as well as crane components, such as end trucks, trolleys, drives and electrification systems to crane builders.

Specialty Distribution Channels - Our global specialty distribution channels consist of:

- National distributors that market a variety of MROP supplies, including material handling products, either exclusively through large, nationally distributed catalogs, or through a combination of catalog, internet and branch sales and a field sales force. The customer base served by national distributors such as W. W. Grainger, which traditionally included smaller industrial companies and consumers, has grown to include large industrial accounts and integrated suppliers.

- Material handling specialists and integrators that design and assemble systems incorporating hoists, overhead rail systems, trolleys, scissor lift tables, manipulators, air balancers, jib arms and other material handling products to provide end-users with solutions to their material handling problems.

- Entertainment equipment distributors that design, supply and install a variety of material handling and rigging equipment for concerts, theaters, ice shows, sporting events, convention centers and night clubs.

Pfaff International Direct - Our German-based Pfaff business markets and sells most of its actuators and certain of its hoist products direct to end-users, providing an additional method to market for us in the European region.

Crane End-Users - We market and sell overhead bridge, jib and gantry cranes, parts and service to end-users through our wholly owned crane builder, Crane Equipment & Service, Inc. (“CES”). CES which includes Abell-Howe, Gaffey and Washington Equipment brands designs, manufactures, installs and services a variety of cranes with capacities up to 100 tons.

Service-After-Sale Distribution Channel - Service-after-sale distributors include our authorized network of 16 chain repair service stations and approximately 340 hoist service and repair stations throughout North America. This service network is designed for easy parts and service access for our large installed base of hoists and related equipment in that region.

OEM/Government Distribution Channels - This channel consists of:

- OEMs that supply various component parts directly to other industrial manufacturers as well as private branding and packaging of our traditional products for material handling, lifting, positioning and special purpose applications.

- Government agencies, including the U.S. and Canadian Navies and Coast Guards, that purchase primarily load securing chain and forged attachments. We also provide our products to the U.S government for a variety of military applications.

Customer Service and Training

We maintain customer service departments staffed by trained personnel for all of our sales divisions, and regularly schedule product and service training schools for all customer service representatives and field sales personnel. Training programs for distribution and service station personnel, as well as for end-users, are scheduled on a regular basis at most of our facilities and in the field. We have approximately 340 service and repair stations worldwide that provide local and regional repair, warranty and general service work for distributors and end-users. End-user trainees attending our various programs include representatives of 3M, Cummins Engine, DuPont, GTE, General Electric, John Deere, Praxair and many other industrial and entertainment organizations.

We also provide, in multiple languages, a variety of collateral material in video, cassette, CD-ROM, slide and print format addressing relevant material handling topics such as the care, use and inspection of chains and hoists, and overhead lifting and positioning safety. In addition, we sponsor advisory boards made up of representatives of our primary distributors and service-after-sale network members who are invited to participate in discussions focused on improving products and service. These boards enable us and our primary distributors to exchange product and market information relevant to industry trends.

Backlog

Our backlog of orders at March 31, 2010 was approximately $67.8 million compared to approximately $70.1 million at March 31, 2009. Our orders for standard products are generally shipped within one week. Orders for products that are manufactured to customers' specifications are generally shipped within four to twelve weeks. Given the short product lead times, we do not believe that the amount of our backlog of orders is a reliable indication of our future sales.

Competition

The material handling industry remains highly fragmented. We face competition from a wide range of regional, national and international manufacturers in both U.S. and international markets. In addition, we often compete with individual operating units of larger, highly diversified companies.

The principal competitive factors affecting our business include customer service and support as well as product availability, performance, functionality, brand reputation, reliability and price. Other important factors include distributor relationships and territory coverage.

Major competitors for hoists are Konecranes, Demag Cranes and Kito-Harrington; for chain are Campbell Chain, Peerless Chain Company and American Chain and Cable Company; for forged attachments are The Crosby Group and Brewer Tichner Company; for cranes are Konecranes, Demag Cranes and a variety of independent crane builders; for actuators and rotary unions are Deublin, Joyce-Dayton and Nook Industries; for tire shredders is Granutech; and for light-rail systems is Gorbel.

Employees

At March 31, 2010, we had 2,542 employees; 1,501 in the U.S./Canada, 70 in Latin America, 659 in Europe and 312 in Asia. Approximately 13% of our employees are represented under five separate U.S. or Canadian collective bargaining agreements which terminate at various times between July 2010 and March 2012. We believe that our relationship with our employees is good.

Raw Materials and Components

Our principal raw materials and components are steel, consisting of structural steel, processed steel bar, forging bar steel, steel rod and wire, steel pipe and tubing and tool steel; electric motors; bearings; gear reducers; castings; and electro-mechanical components. These commodities are all available from multiple sources. We purchase most of these raw materials and components from a limited number of strategic and preferred suppliers under long-term agreements which are negotiated on a company-wide basis through our Purchasing Council to take advantage of volume discounts. We generally seek to pass on materials price increases to our distribution channel partners and end-user customers. We will continue to monitor our costs and reevaluate our pricing policies. Our ability to pass on these increases is determined by market conditions.

Manufacturing

We complement our own manufacturing by outsourcing components and finished goods from an established global network of suppliers. We regularly upgrade our global manufacturing facilities and invest in tooling, equipment and technology. In 2001, we began implementing Lean improvement techniques in our business which has resulted in inventory reductions, reductions in required manufacturing floor area, shorter product lead time and increased productivity.

Our manufacturing operations are highly integrated. Although raw materials and some components such as motors, bearings, gear reducers, castings and electro-mechanical components are purchased, our vertical integration enables us to produce many of the components used in the manufacturing of our products. We manufacture hoist lifting chain, steel forged gear blanks, lift wheels, trolley wheels, and hooks and other attachments for incorporation into our hoist products. These products are also sold as spare parts for hoist repair. Additionally, our hoists are used as components in the manufacture of crane systems by us as well as our crane-builder customers.

Environmental and Other Governmental Regulation

Like most manufacturing companies, we are subject to various federal, state and local laws relating to the protection of the environment. To address the requirements of such laws, we have adopted a corporate environmental protection policy which provides that all of our owned or leased facilities shall, and all of our employees have the duty to, comply with all applicable environmental regulatory standards, and we have initiated an environmental auditing program for our facilities to ensure compliance with such regulatory standards. We have also established managerial responsibilities and internal communication channels for dealing with environmental compliance issues that may arise in the course of our business. We have made and could be required to continue to make significant expenditures to comply with environmental requirements. Because of the complexity and changing nature of environmental regulatory standards, it is possible that situations will arise from time to time requiring us to incur additional expenditures in order to ensure environmental regulatory compliance. However, we are not aware of any environmental condition or any operation at any of our facilities, either individually or in the aggregate, which would cause expenditures having a material adverse effect on our results of operations, financial condition or cash flows and, accordingly, have not budgeted any material capital expenditures for environmental compliance for fiscal 2010.

In addition, we notified the North Carolina Department of Environment and Natural Resources (the "DENR") in April 2006 of the presence of certain contaminants in excess of regulatory standards at our Coffing Hoist facility in Wadesboro, North Carolina. We filed an application with the DENR to enter its voluntary cleanup program and were accepted. We investigated under the supervision of a DENR Registered Environmental Consultant ("the REC") and have commenced voluntary clean-up at the facility. At this time, additional remediation costs are not expected to exceed the accrued balance of $0.2 million.

In March of 2007, we also discovered the presence of certain contaminants in excess of regulatory standards at our Damascus, Virginia hoist plant and have notified the Virginia Department of Environmental Quality (the "DEQ"). We filed an application with the DEQ to participate in its voluntary remediation program and have been accepted. We are currently investigating under the terms of the DEQ Voluntary Remediation Program and, if appropriate, will remediate site conditions at the facility. At this time, investigative and remediation costs are not expected to be significant.

In June of 2007, we were identified by the New York State Department of Environmental Conservation ("the DEC"), along with other companies, as a potential responsible party ("PRP") at the Frontier Chemical Royal Avenue Site in Niagara Falls, New York. From 1974 to 1992, the Frontier Royal Avenue Site had been operated as a commercial waste treatment and disposal facility. We sent waste sulfuric acid pickling solution generated at our facility in Tonawanda, New York to the Frontier Royal Avenue Site during the period from approximately 1982 to 1984. We have joined with other PRP members known as the Frontier Chemical Site Joint Defense Alliance Group to conduct investigation and, if appropriate, remediation activities at the site. At this early stage, we do not have an estimate of likely remediation costs, if any, but do not believe that such costs would have a material adverse effect on our financial condition or operating results.

For all of the currently known environmental matters, we have accrued a total of $0.2 million as of March 31, 2010, which, in our opinion, is sufficient to deal with such matters. Further, we believe that the environmental matters known to, or anticipated by, us should not, individually or in the aggregate, have a material adverse effect on our operating results or financial condition. However, there can be no assurance that potential liabilities and expenditures associated with unknown environmental matters, unanticipated events, or future compliance with environmental laws and regulations will not have a material adverse effect on us.

Our operations are also governed by many other laws and regulations, including those relating to workplace safety and worker health, principally OSHA in the U.S. and regulations thereunder. We believe that we are in material compliance with these laws and regulations and do not believe that future compliance with such laws and regulations will have a material adverse effect on our operating results or financial condition.

Available Information

Our internet address is www.cmworks.com. We make available free of charge through our website our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after such documents are electronically filed with, or furnished to, the Securities and Exchange Commission.

Item 1A. Risk Factors

Columbus McKinnon is subject to a number of risk factors that could negatively affect our results from business operations or cause actual results to differ materially from those projected or indicated in any forward looking statement. Such factors include, but are not limited to, the following:

Our business is cyclical and is affected by industrial economic conditions.

Many of the end-users of our products are in highly cyclical industries, such as general manufacturing and construction that are sensitive to changes in general economic conditions. Their demand for our products, and thus our results of operations, is directly related to the level of production in their facilities, which changes as a result of changes in general economic conditions and other factors beyond our control. During fiscal year 2010, we experienced significantly reduced demand for our products, generally as a result of the rapid and severe contraction in industrial markets worldwide. These lower levels of demand resulted in a significant decline in net sales as well as a decline in income from operations during that period. U.S. industrial capacity utilization has improved to 70.5% in March 2010 from historical low of 65.2% in June of 2009. Similarly, Eurozone industrial capacity utilization has improved to 75.5% in March 2010 compared with its June 2009 trough of 69.6%. However if the current economic trends fail to continue in FY 2011 with respect to the general economy or in the industries we serve, our business, results of operations and financial condition could be materially adversely affected. In addition, the cyclical nature of our business could at times also adversely affect our liquidity and ability to borrow under our revolving credit facility.

We are subject to the risk of loss resulting from financial institutions or customers defaulting on their obligations.

Due to the general weakening of the, global economy and credit conditions over the past 18 months certain of the lenders in our senior credit facility may have a weakened financial condition related to their lending and other financial relationships. As a result, they may tighten their lending standards, which could make it more difficult for us to borrow under our credit facility or to obtain other financing on favorable terms or at all. Also, any cash balances with our banks are insured only up to $250,000 per bank by the FDIC, and any deposits in excess of this limit are also subject to risk. In addition, the weakening of the economy and the reduced availability of credit may have decreased the financial stability of our major customers and suppliers. As a result, it may be more difficult for us to collect our accounts receivable and outsource products and services to our suppliers. If any of these conditions were to occur, our financial condition and results of operations could be adversely affected.

We rely in large part on independent distributors for sales of our products.

For the most part, we depend on independent distributors to sell our products and provide service and aftermarket support to our end-user customers. Distributors play a significant role in determining which of our products are stocked at the branch locations, and hence are most readily accessible to aftermarket buyers, and the price at which these products are sold. Almost all of the distributors with whom we transact business offer competitive products and services to our end-user customers. For the most part, we do not have written agreements with our distributors located in the United States. The loss of a substantial number of these distributors or an increase in the distributors' sales of our competitors' products to our ultimate customers could materially reduce our sales and profits.

We are subject to currency fluctuations from our international sales.

Our products are sold in many countries around the world. Thus, a portion of our revenues (approximately $210 million in fiscal year 2010) is generated in foreign currencies, including principally the euro and the Canadian dollar, and while much of the costs incurred to generate those revenues are incurred in the same currency, a portion is incurred in other currencies. Since our financial statements are denominated in U.S. dollars, changes in currency exchange rates between the U.S. dollar and other currencies have had, and will continue to have, a currency translation impact on our earnings. Currency fluctuations may impact our financial performance in the future.

Our international operations pose certain risks that may adversely impact sales and earnings.

We have operations and assets located outside of the United States, primarily in China, Mexico, Germany, the United Kingdom, France, and Hungary. In addition, we import a portion of our hoist product line from Asia, and sell our products to distributors located in approximately 50 countries. In fiscal year 2010, approximately 44% of our net sales were derived from non-U.S. markets. These international operations are subject to a number of special risks, in addition to the risks of our U.S. business, including currency exchange rate fluctuations on transactions, differing protections of intellectual property, trade barriers, labor unrest, exchange controls, regional economic uncertainty, differing (and possibly more stringent) labor regulation, risk of governmental expropriation, U.S. and foreign customs and tariffs, current and changing regulatory environments, difficulty in obtaining distribution support, difficulty in staffing and managing widespread operations, differences in the availability and terms of financing, political instability and risks of increases in taxes. Also, in some foreign jurisdictions we may be subject to laws limiting the right and ability of entities organized or operating therein to pay dividends or remit earnings to affiliated companies unless specified conditions are met. These factors may adversely affect our future profits.

Part of our strategy is to expand our worldwide market share and reduce costs by strengthening our international distribution capabilities and sourcing basic components in lower cost countries, in particular in China and Hungary. Implementation of this strategy may increase the impact of the risks described above, and we cannot assure you that such risks will not have an adverse effect on our business, results of operations or financial condition.

Our business is highly competitive and increased competition could reduce our sales, earnings and profitability.

The principal markets that we serve within the material handling industry are fragmented and highly competitive. Competition is based primarily on customer service and support as well as product availability, performance, functionality, brand reputation, reliability and price. Our competition in the markets in which we participate comes from companies of various sizes, some of which have greater financial and other resources than we do. Increased competition could force us to lower our prices or to offer additional services at a higher cost to us, which could reduce our gross margins and net income.

The greater financial resources or the lower amount of debt of certain of our competitors may enable them to commit larger amounts of capital in response to changing market conditions. Certain competitors may also have the ability to develop product or service innovations that could put us at a disadvantage. In addition, some of our competitors have achieved substantially more market penetration in certain of the markets in which we operate. If we are unable to compete successfully against other manufacturers of material handling equipment, we could lose customers and our revenues may decline. There can also be no assurance that customers will continue to regard our products favorably, that we will be able to develop new products that appeal to customers, that we will be able to improve or maintain our profit margins on sales to our customers or that we will be able to continue to compete successfully in our core markets.

We are subject to debt covenant restrictions.

Our credit facility contains several financial and other restrictive covenants. A significant decline in our operating income or cash generating ability could cause us to violate our leverage or fixed charge coverage ratios in our bank credit facility. This could result in our being unable to borrow under our bank credit facility or being obliged to refinance and renegotiate the terms of our bank indebtedness.

Our strategy depends on successful integration of acquisitions.

Acquisitions are a key part of our growth strategy. Our historical growth has depended, and our future growth is likely to depend on our ability to successfully implement our acquisition strategy, and the successful integration of acquired businesses into our existing operations. We intend to continue to seek additional acquisition opportunities in accordance with our acquisition strategy, both to expand into new markets and to enhance our position in existing markets throughout the world. If we are unable to successfully integrate acquired businesses into our existing operations or expand into new markets, our sales and earnings growth could be reduced.

Our products involve risks of personal injury and property damage, which exposes us to potential liability.

Our business exposes us to possible claims for personal injury or death and property damage resulting from the products that we sell. We maintain insurance through a combination of self-insurance retentions and excess insurance coverage. We monitor claims and potential claims of which we become aware and establish accrued liability reserves for the self-insurance amounts based on our liability estimates for such claims. We cannot give any assurance that existing or future claims will not exceed our estimates for self-insurance or the amount of our excess insurance coverage. In addition, we cannot give any assurance that insurance will continue to be available to us on economically reasonable terms or that our insurers would not require us to increase our self-insurance amounts. Claims brought against us that are not covered by insurance or that result in recoveries in excess of insurance coverage could have a material adverse effect on our results and financial condition.

Our future operating results may be affected by fluctuations in steel or other material prices. We may not be able to pass on increases in raw material costs to our customers.

The principal raw material used in our chain, forging and crane building operations is steel. The steel industry as a whole is highly cyclical, and at times pricing and availability can be volatile due to a number of factors beyond our control, including general economic conditions, labor costs, competition, import duties, tariffs and currency exchange rates. This volatility can significantly affect our raw material costs. In an environment of increasing raw material prices, competitive conditions will determine how much of the steel price increases we can pass on to our customers. During historical rising cost periods, we were generally successful in adding and maintaining a surcharge to the prices of our high steel content products or incorporating them into price increases, with a goal of margin neutrality. In the future, to the extent we are unable to pass on any steel price increases to our customers, our profitability could be adversely affected.

We depend on our senior management team and the loss of any member could adversely affect our operations.

Our success is dependent on the management and leadership skills of our senior management team. The loss of any of these individuals or an inability to attract, retain and maintain additional personnel could prevent us from implementing our business strategy. We cannot assure you that we will be able to retain our existing senior management personnel or to attract additional qualified personnel when needed. We have not entered into employment agreements with any of our senior management personnel with the exception of Dr. Ivo Celi, our Managing Director, EMEA and Wolfgang Wegener, our Vice President and former Managing Director of Columbus McKinnon Europe.

We are subject to various environmental laws which may require us to expend significant capital and incur substantial cost.

Our operations and facilities are subject to various federal, state, local and foreign requirements relating to the protection of the environment, including those governing the discharges of pollutants in the air and water, the generation, management and disposal of hazardous substances and wastes and the cleanup of contaminated sites. We have made, and will continue to make, expenditures to comply with such requirements. Violations of, or liabilities under, environmental laws and regulations, or changes in such laws and regulations (such as the imposition of more stringent standards for discharges into the environment), could result in substantial costs to us, including operating costs and capital expenditures, fines and civil and criminal sanctions, third party claims for property damage or personal injury, clean-up costs or costs relating to the temporary or permanent discontinuance of operations. Certain of our facilities have been in operation for many years, and we have remediated contamination at some of our facilities. Over time, we and other predecessor operators of such facilities have generated, used, handled and disposed of hazardous and other regulated wastes. Additional environmental liabilities could exist, including clean-up obligations at these locations or other sites at which materials from our operations were disposed, which could result in substantial future expenditures that cannot be currently quantified and which could reduce our profits or have an adverse effect on our financial condition.

We rely on subcontractors or suppliers to perform their contractual obligations.

Some of our contracts involve subcontracts with other companies upon which we rely to perform a portion of the services we must provide to our customers. There is a risk that we may have disputes with our subcontractors, including disputes regarding the quality and timeliness of work performed by our subcontractor or customer concerns about the subcontractor. Failure by our subcontractors to satisfactorily provide on a timely basis the agreed-upon supplies or perform the agreed upon services may materially and adversely impact our ability to perform our obligations as the prime contractor. A delay in our ability to obtain components and equipment parts from our suppliers may affect our ability to meet our customers' needs and may have an adverse effect upon our profitability.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

We maintain our corporate headquarters in Amherst, New York and, as of March 31, 2010, conducted our principal manufacturing at the following facilities:

Location	Products/Operations	Square Footage	Owned or Leased
United States:			
Muskegon, MI	Hoists (scheduled for closure in June 2010)	441,000	Owned
Wadesboro, NC	Hoists	186,000	Owned
Lexington, TN	Chain	165,000	Owned
Charlotte, NC	Actuators and Rotary Unions	146,000	Leased
Eureka, IL	Cranes	91,000	Owned
Damascus, VA	Hoists	90,000	Owned
Chattanooga, TN	Forged attachments	81,000	Owned
Chattanooga, TN	Forged attachments	59,000	Owned
Cleveland, TX	Cranes and below-the-hook tooling	39,000	Owned
Lisbon, OH	Hoists and below-the-hook tooling	37,000	Owned
Tonawanda, NY	Light-rail crane systems	35,000	Owned
Sarasota, FL	Tire shredders	25,000	Owned
International:			
Velbert, Germany	Hoists	108,000	Leased
Kissing, Germany	Hoists, winches, and actuators	107,000	Leased
Santiago, Tianguistenco, Mexico	Hoists	91,000	Owned
Hangzhou, China	Hoists and hand pallet trucks	78,000	Leased
Hangzhou, China	Textile strappings	58,000	Leased
Hangzhou, China	Metal fabrication, textiles and textile strappings	51,000	Leased
Chester, United Kingdom	Plate clamps	48,000	Leased
Heilbronn, Germany	Actuators	23,000	Leased
Romeny-sur-Marne, France	Rotary unions	22,000	Owned
Szekesfeher, Hungary	Textiles and textile strappings	24,000	Leased

In addition, we have a total of 51 sales offices, distribution centers and warehouses. We believe that our properties have been adequately maintained, are in generally good condition and are suitable for our business as presently conducted. We also believe our existing facilities provide sufficient production capacity for our present needs and for our anticipated needs in the foreseeable future. Upon the expiration of our current leases, we believe that either we will be able to secure renewal terms or enter into leases for alternative locations at market terms.

Item 3. Legal Proceedings

From time to time, we are named a defendant in legal actions arising out of the normal course of business. We are not a party to any pending legal proceeding other than ordinary, routine litigation incidental to our business. We do not believe that any of our pending litigation will have a material impact on our business. We maintain comprehensive general product liability insurance against risks arising out of the use of our products sold to customers through our wholly-owned New York State captive insurance subsidiary of which we are the sole policy holder. The limits of this coverage are currently $3.0 million per occurrence ($2.0 million through March 31, 2003) and $6.0 million aggregate ($5.0 million through March 31, 2003) per year. We obtain additional insurance coverage from independent insurers to cover potential losses in excess of these limits.

Item 4. Reserved

PART II

Item 5. Market for the Company's Common Stock and Related Security Holder Matters

Our common stock is traded on the Nasdaq Stock Market under the symbol ''CMCO.'' As of April 30, 2010, there were 488 holders of record of our common stock.

We do not currently pay cash dividends. Our current credit agreement allows, but limits our ability to pay dividends. We may reconsider or revise this policy from time to time based upon conditions then existing, including, without limitation, our earnings, financial condition, capital requirements, restrictions under credit agreements or other conditions our Board of Directors may deem relevant.

The following table sets forth, for the fiscal periods indicated, the high and low sale prices per share for our common stock as reported on the Nasdaq Stock Market.

	Price Range of Common Stock	
	High	Low
Year Ended March 31, 2009		
First Quarter	$ 32.87	$ 24.05
Second Quarter	30.14	21.29
Third Quarter	23.69	8.84
Fourth Quarter	16.25	6.90
Year Ended March 31, 2010		
First Quarter	$ 15.32	$ 8.43
Second Quarter	16.28	11.36
Third Quarter	17.79	13.61
Fourth Quarter	17.33	12.63

On May 21, 2010, the closing price of our common stock on the Nasdaq Stock Market was $16.56 per share.

PERFORMANCE GRAPH

The Performance Graph shown below compares the cumulative total shareholder return on our common stock based on its market price, with the total return of the S&P MidCap 400 Index and the Dow Jones US Diversified Industrials. The comparison of total return assumes that a fixed investment of $100 was invested on March 31, 2005 in our common stock and in each of the foregoing indices and further assumes the reinvestment of dividends. The stock price performance shown on the graph is not necessarily indicative of future price performance.

* $100 invested on 3/31/05 in stock or index, including reinvestment of dividends. Fiscal year ending March 31.

Item 6. Selected Financial Data

The consolidated balance sheets as of March 31, 2010 and 2009 and the related statements of operations, cash flows and shareholders' equity for the three years ended March 31, 2010 and notes thereto appear elsewhere in this annual report. The selected consolidated financial data presented below should be read in conjunction with, and are qualified in their entirety by "Management's Discussion and Analysis of Results of Operations and Financial Condition," our consolidated financial statements and the notes thereto and other financial information included elsewhere in this annual report.

	Year ended March 31st				
	2010	2009	2008	2007	2006
Statements of Operations Data:					
Net sales	$476.1	606.7	$593.8	$550.5	$513.3
Cost of products sold	360.2	433.0	408.2	385.7	372.1
Gross profit	115.9	173.7	185.6	164.8	141.2
Selling expenses	64.4	72.6	69.9	59.4	51.9
General and administrative expenses	36.9	37.7	34.1	30.6	30.4
Restructuring charges (1)	16.5	1.9	0.8	(0.1)	1.6
Impairment loss (2)	—	107.0	—	—	—
Amortization of intangibles	1.9	1.0	0.1	0.2	0.3
(Loss) income from operations	(3.8)	(46.5)	80.7	74.7	57.0
Interest and debt expense	13.2	13.2	13.6	15.9	24.4
Other (income) and expense, net	(4.2)	(1.6)	(2.6)	(1.9)	5.3
(Loss) income before income taxes	(12.8)	(58.1)	69.7	60.7	27.3
Income tax (benefit) expense	(5.3)	18.0	22.8	22.1	(31.4)
(Loss) income from continuing operations	(7.5)	(76.1)	46.9	38.6	58.7
(Loss) income from discontinued operations (3)	0.5	(2.3)	(9.6)	(4.5)	1.1
Net (loss) income	$(7.0)	(78.4)	$37.3	$34.1	$59.8
Diluted (loss) earnings per share from continuing operations	$(0.40)	(4.16)	$2.45	$2.04	$3.53
Basic (loss) earnings per share from continuing operations	$(0.40)	(4.16)	$2.50	$2.09	$3.66
Weighted average shares outstanding – assuming dilution	19.0	18.9	19.2	19.0	16.6
Weighted average shares outstanding – basic	19.0	18.9	18.7	18.5	16.1
Balance Sheet Data (at end of period):					
Total assets	$481.5	491.7	$590.0	$565.6	$566.0
Total debt (4)	132.8	137.9	133.3	159.4	204.3
Total debt, net of cash and cash equivalents	68.8	98.7	57.3	110.7	158.7
Total shareholders' equity	187.3	181.9	295.5	241.3	204.4
Other Data:					
Net cash provided by operating activities	29.9	60.2	59.6	45.5	46.4
Net cash used in investing activities	(1.4)	(65.5)	(8.6)	(3.4)	(6.4)
Net cash used in financing activities	(5.4)	(22.5)	(28.6)	(39.9)	(4.2)
Capital expenditures	7.2	12.2	12.5	10.5	8.2

Cash dividends per common share	0.00	0.00	0.00	0.00	0.00

(1) Refer to "Results of Operations" in "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition" for a discussion of the restructuring charges related to fiscal 2010, 2009, and 2008. The fiscal 2006 charges consist of the cost of removal of certain environmentally hazardous materials ($0.6 million), inventory disposal costs related to the rationalization of certain product families within our mechanical jack lines ($0.4 million), the ongoing maintenance costs of a non-operating facility accrued based on anticipated sale date ($0.3 million) and other facility rationalization projects ($0.3 million).

(2) The Company's impairment testing is performed on an annual basis in the fourth quarter of each year. The Company recorded a $107.0 million goodwill impairment charge in accordance with ASC Topic 350-20 during the fourth quarter of fiscal 2009. Refer to "Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition" and Note 9 to our consolidated financial statements for additional information on Goodwill and Intangible Assets.

(3) In July 2008, the Company sold its integrated material handling conveyor systems business, Univeyor A/S and its results of operations have been reflected as discontinued operations for all periods presented. In May 2002, the Company sold substantially all of the assets of ASI. As part of the sale of ASI, the Company received an 8% subordinated note in the principal amount of $6.8 million which is payable over 10 years beginning in August 2004. The full amount of this note has been reserved due to the uncertainty of collection. Principal payments received on the note are recorded as income from discontinued operations at the time of receipt. All interest and principal payments required under the note have been made to date. Refer to Note 4 to our consolidated financial statements for additional information on Discontinued Operations.

(4) Total debt includes all debt, including the current portion, notes payable and subordinated debt.

Item 7. Management's Discussion and Analysis of Results of Operations and Financial Condition

This section should be read in conjunction with our consolidated financial statements included elsewhere in this annual report. Comments on the results of operations and financial condition below refer to our continuing operations, except in the section entitled "Discontinued Operations."

EXECUTIVE OVERVIEW

We are a leading global designer, marketer and manufacturer of a wide variety of powered and manually operated wire rope and chain hoists, industrial crane systems, chain, hooks and other attachments, actuators, rotary unions, and tire shredders serving a wide variety of commercial and industrial end-user markets. Our products are used to efficiently and ergonomically move, lift, position or secure objects and loads.

Founded in 1875, we have grown to our current size and leadership position through organic growth and acquisitions. We developed our leading market position over our 135-year history by emphasizing technological innovation, manufacturing excellence and superior after-sale service. In addition, acquisitions significantly broadened our product lines and services and expanded our geographic reach, end-user markets and customer base. Ongoing initiatives include improving our productivity and increasing penetration of the European, Latin American, and Asian marketplaces. In accordance with our strategy, we have been investing in our Lean efforts across the Company, new product development and directed sales and marketing activities. Shareholder value will be enhanced through continued emphasis on improvement of the fundamentals including new product development, market expansion, manufacturing efficiency, cost containment, efficient capital investment and a high degree of customer satisfaction.

Over the course of its history, the Company has resiliently withstood many business cycles and its strong cash flow profile has helped it to grow and expand globally. Reflecting on the recent global economic recession and credit crisis, we stand with a strong capital structure which includes excess cash reserves, significant revolver availability with an expiration of May 2013, fixed-rate long-term debt which expires in 2013 and a strong free cash flow business profile. We believe our liquidity strength and operational cost management actions have enabled us to withstand this downturn. During the first quarter of fiscal 2010, we consolidated our North American sales force and offered certain employees an incentive to voluntarily retire early. The early retirement program consisted of two benefits: a paid leave of absence and an enhanced pension benefit. In furtherance of our strategic reorganization, we completed the sale of one of our less strategic businesses, American Lifts, generating $2.4 million of proceeds during the third quarter of fiscal 2010. Further, we are managing our business through this cycle with a lower fixed cost footprint than prior cycles and are aggressively reducing our fixed cost base further as we strategically reorganize our North American hoist and rigging operations. The process includes the closure of two manufacturing facilities and the significant downsizing of a third facility, of which two of the three projects were completed in the third quarter of fiscal 2010 and the third schedule for completion during the first quarter of fiscal 2011. The closures will result in a reduction of approximately 500,000 square feet of manufacturing space and generation of annual savings estimated at approximately $13 - $15 million with approximately 77% of the total $18 - $19 million of restructuring charges related to manufacturing facility consolidation expected in fiscal 2010. These costs were being recognized beginning in the second quarter of fiscal 2010 and will continue into early fiscal 2011. We recorded total restructuring charges, including costs related to the early retirement program and paid leave of absence, of approximately $16.5 million in fiscal 2010 and incurred an additional $4.5 million of facility consolidation-related costs categorized as costs of products sold in fiscal 2010.

Additionally, our revenue base now is more geographically diverse than in our Company's history, with approximately 44% derived outside the U.S. in fiscal 2010, which we believe will help to balance the impact of changes that will occur in different global economies at different times. As in the past, we monitor U.S. and Eurozone Industrial Capacity Utilization as an indicator of anticipated demand for our product. These statistics weakened significantly between September 2008 and June 2009, but have since consistently improved through March 31, 2010. In addition, we continue to monitor the potential impact of other global and U.S. trends, including industrial production, energy costs, steel price fluctuations, interest rates, currency exchange and activity in a variety of end-user markets around the globe.

Regardless of the economic climate, we constantly explore ways to manage our operating margins as well as further improve our productivity and competitiveness, regardless of the point in the economic cycle. We have specific initiatives related to improved customer satisfaction, reduction of defects, shortened lead times, improved inventory turns and on-time deliveries, reduction of warranty costs, and improved working capital utilization. The initiatives are being driven by the continued implementation of our Lean efforts which are fundamentally and culturally changing our manufacturing and business processes to be more responsive to customer demand and improving on-time delivery and productivity. In addition to Lean, we are working to achieve these strategic initiatives through product simplification, the creation of centers of excellence, and improved supply chain management.

We continuously monitor market prices of steel. We utilize approximately $25.0 million to $35.0 million of steel annually in a variety of forms including rod, wire, bar, structural and others. Generally, as we experience fluctuations in our costs, we reflect them as price increases or surcharges to our customers with the goal of being margin neutral. Our steel costs have been relatively stable during this quarter despite an increase in structural steel pricing experienced as the result of higher scrap surcharges and the outsourcing of cut-to-length processes in conjunction with our plant rationalization.

From a strategic perspective, we are investing in international markets and new products as we focus on our greatest opportunities for growth. We maintain a strong North American market share with significant leading market positions in hoists, lifting and sling chain , forged attachments and actuators. We seek to maintain and enhance our market share by continuing and focusing our sales and marketing activities directed toward select North American and global sectors including entertainment, energy, construction, mining and food processing. Our fiscal 2009 acquisition of Pfaff is enhancing our European market penetration as well as strengthening our global actuator offering. Further, we continue to invest in emerging market penetration, including the geographic regions of Asia, Eastern Europe, and Latin America. We complement these activities with continued investments in new product development, particularly products with global reach.

We are also looking for opportunities for growth via acquisitions or joint ventures. The focus of our acquisition strategy centers on opportunities for international revenue growth and product line expansion in alignment with our existing core offering.

We continue to operate in a highly competitive and global business environment, effectively managing through a global economic cycle. We face a variety of opportunities in those markets and geographies, including trends toward increased utilization of the global labor force and the expansion of market opportunities in Asia and other emerging markets. While we continue to execute our long-term growth strategy, we have weathered this cycle with our strong capital structure, including a solid cash position and flexible cost base, aggressively addressing costs and restructuring to future margin opportunities.

RESULTS OF OPERATIONS

Fiscal 2010 sales were $476.2 million, down 21.5%, or $130.5 million compared with fiscal 2009. Our Pfaff acquisition contributed $71.5 million to our sales for fiscal 2010 with the remaining business being down 28.1%, or $158.0 million, excluding Pfaff. The decline in sales was primarily due to volume decline resulting from the global economic slow down. The divestiture of our American Lift business as well as fewer shipping days also contributed to lower sales in FY 2010 by approximately $5 million but was partially offset by favorable foreign currency impact of approximately $3.5 million. In fiscal 2009, net sales increased by $12.9 million to $606.7 million or 2.2% from fiscal 2008. Fiscal 2009 was marked by growth in the first half of the year followed by a significant decline in sales and orders received as a result of the rapid and severe contraction in industrial markets worldwide. Our Pfaff acquisition contributed $43.5 million to our sales growth in fiscal 2009 with the remaining business down approximately $30.6 million. Fiscal 2009 was also impacted by the recovery of the U.S. dollar relative to other currencies, particularly the Euro, and reported sales were unfavorably affected by $3.6 million.

Our gross profit margins were approximately 24.3%, 28.6% and 31.3% in fiscal 2010, 2009 and 2008, respectively. The fiscal 2010 decline in gross profit margin of $57.8 million or 33.3% compared with fiscal 2009 was mostly due to under absorption of costs due to lower volume in all markets. Restructuring charges related to factory consolidation of approximately $4.5 million as well as reserve related to an atypical product liability claim of $2.9 million also contributed to lower margin in fiscal 2010. Despite higher revenue, the fiscal 2009 margin compared with fiscal 2008 was negatively impacted by higher material, freight, and utility costs in the second and third quarters, one time accounting charges associated with the Pfaff acquisition in the third quarter, as well as under absorption of costs in the fiscal 2009 fourth quarter due to the rapid and significant decline in sales.

Selling expenses were $64.4 million, $72.6 million and $69.9 million in fiscal 2010, 2009 and 2008, respectively. As a percentage of net sales, selling expenses were 13.5%, 12.0% and 11.8% in fiscal 2010, 2009 and 2008, respectively. Decreases in fiscal 2010 selling expense of $8.2 million or 11.3% reflect aggressive efforts to reduce or eliminate costs as well as lower salaries, benefits and commissions by $3.3 million on lower volume offset by $0.5 million in increased variable compensation expense. The fiscal 2009 increase was a result of the addition of the Pfaff business contributing $6.7 million and continued investments in our strategic growth initiatives offset by lower commissions/incentives of $2.0 million, marketing and travel expense of $1.0 million as a result of and in response to the economic slowdown, and translation of foreign currencies of $0.8 million.

General and administrative expenses were $36.9 million, $37.7 million and $34.0 million in fiscal 2010, 2009 and 2008, respectively. As a percentage of net sales, general and administrative expenses were 7.7%, 6.2% and 5.7% in fiscal 2010, 2009 and 2008, respectively. Fiscal 2010 general and administrative expenses decreased by $0.8 million or 2.2% primarily due to lower pension/group health benefit costs of $1.2 million and lower bad debt expense of $1.1 million offset by increased variable compensation expense of $2.4 million, and other miscellaneous items. The fiscal 2009 increase was a result of the addition of the Pfaff business contributing $4.3 million, increased credit and collection reserves of $1.3 million, increased fees for professional services of $0.6 million and increased research and development costs of $0.4 million, offset by lower employee benefit costs including variable compensation of $2.5 million and foreign currency translation of $0.3 million.

Restructuring charges of $16.5 million, $1.9 million and $0.8 million, or 3.5%, 0.3% and 0.1% of net sales were recorded in fiscal 2010, 2009 and 2008, respectively. Fiscal 2010 charges resulted from the consolidation of our North American sales force, early retirement benefits offered and costs associated with the closure and downsizing of manufacturing facilities (see further discussion above in Executive Overview). The 2009 charges are primarily severance costs related to a company-wide staff reduction effort in response to the sudden decline in economic conditions during the third and fourth quarters.

In the fourth quarter of 2009, we recorded an impairment charge of $107.0 million ($5.67 per diluted share) associated with goodwill. Based on impairment testing performed as of February 22, 2009, we determined that impairment existed for goodwill related to our rest of products reporting unit. Refer to Note 9 to our consolidated financial statements for additional information on Goodwill and Intangible Assets. There were no goodwill impairments in fiscal 2010 or fiscal 2008.

Amortization of intangibles was $1.9 million, $1.0 million and $0.1 million in fiscal 2010, 2009 and 2008, respectively. The fiscal 2010 increase is attributable to a full year of amortization of intangible assets from the Pfaff acquisition.

Interest and debt expense was $13.2 million, $13.2 million and $13.6 million in fiscal 2010, 2009 and 2008, respectively. As a percentage of net sales, interest and debt expense was 2.8%, 2.2% and 2.3% in fiscal 2010, 2009 and 2008, respectively. The fiscal 2009 decrease primarily resulted from slightly lower debt levels as we continue to execute our strategy of debt reduction and increased financial flexibility.

We incurred ($0.2 million) and $1.8 million in fiscal 2009 and 2008, respectively, related to redemption (gain) costs associated with the repurchase of outstanding debt.In fiscal 2009, we recorded a $3.3 million gain from a litigation settlement.

Investment (income) loss of ($1.5 million), $2.9 million, and ($1.2 million) in fiscal 2010, 2009 and 2008, respectively, related to marketable securities held in the Company's wholly owned captive insurance subsidiary. The fiscal 2009 loss includes $4.0 million related to unrealized losses on securities that were determined to be other than temporary in nature. See Note 7 to our consolidated financial statements for additional information on Marketable Securities and were included in other income (expense).

Foreign currency exchange (gain) loss was ($0.3) million, $3.0 million and $0.4 million in fiscal 2010, 2009 and 2008, respectively, as a result of foreign currency volatility related to purchases and intercompany debt.

Other income, net was $2.3 million, $3.9 million, and $3.6 million in fiscal 2010, 2009 and 2008, respectively. Other income in fiscal 2010 includes a gain from the sale of the American Lifts business and a gain from the sale of an equity investment in Europe.

Income tax (benefit) expense as a percentage of (loss) income from continuing operations before income tax (benefit) expense was (41.5) %, 31.0% and 32.7% in fiscal 2010, 2009 and 2008, respectively. After excluding the impact of the $107 million impairment charge, none of which is deductible for tax purposes, the effective tax rate for fiscal 2009 was 36.8%. The effective rate for fiscal 2010 was positively impacted by foreign tax benefits and from U.S. state net operating loss benefits. Fiscal 2009 income from continuing operations was adjusted for the $107 million goodwill impairment charge, none of which is deductible for tax purposes the percentages vary from the U.S. statutory rate due to varying effective tax rates at our foreign subsidiaries, and the jurisdictional mix of taxable income

LIQUIDITY AND CAPITAL RESOURCES

Cash and cash equivalents totaled $63.9 million, $39.2 million, and $76.0 million at March 31, 2010, 2009 and 2008, respectively. $52.8 million of cash on hand was used for the Pfaff acquisition in October of 2008.

Net cash provided by operating activities was $29.9 million, $60.2 million and $59.6 million in fiscal 2010, 2009 and 2008, respectively. The $30.3 million decrease in fiscal 2010 relative to fiscal 2009 was primarily due to lower operating performance on lower sales as a result of the continued weakness in the global economy as well as cash payments related to restructuring activities, partially offset by improved working capital management. Favorable changes in the net working capital affects on cash flows from operating activities included $19.8 million in inventory, $7.5 million in trade accounts payable, and $1.8 million in accrued and other non-current liabilities, partially offset by unfavorable changes in accounts receivable of $13.9 million and prepaid expenses and other assets of $2.7 million. Net cash provided by operating activities was $60.2 million in fiscal 2009, an increase of $0.6 million compared to fiscal 2008. The increase in cash provided by operating activities in fiscal 2009 relative to fiscal 2008 was primarily due to weaker operating performance in fiscal 2009 ($29.5 million) and an increase in cash used by discontinued operations ($1.6 million) offset by higher cash from working capital components of $30.9 million. Changes in net working capital included favorable changes of $27.7 million in accounts receivable, $10.8 million in inventory, and unfavorable changes in accounts payable of $15.0 million as a result of the declining volume of business.

Net cash used by investing activities was $1.4 million, $65.5 million and $8.6 million in fiscal 2010, 2009 and 2008, respectively. The fiscal 2010 decrease in cash used of $64.1 million compared to fiscal 2009 was primarily the result of $52.8 million of cash used in fiscal 2009 for the Pfaff acquisition as well as lower capital expenditures in fiscal 2010. The fiscal 2010, 2009 and 2008 amounts included $7.2 million, $12.2 million and $12.5 million for capital expenditures. The fiscal 2010, 2009 and 2008 amounts benefited from $3.5 million, $1.6 million, and $5.5 million, respectively, of proceeds from business, property and asset divestitures.

Net cash used by financing activities was $5.4 million, $22.5 million and $28.6.million in fiscal 2010, 2009 and 2008, respectively. The decrease in cash used by financing activities for fiscal 2010 compared to fiscal 2009 was due to less debt repayment from continuing operations of $2.1 million. The decrease in cash used by financing activities for fiscal 2009 compared to fiscal 2008 was due to less debt repayments from continuing operations of $21.5 million offset by an additional $14.2 million of payments by the Company on outstanding debt of its divested business, Univeyor. Fiscal 2010, 2009 and 2008 include $0.3 million, $0.4 million and $1.4 million, respectively, of proceeds from the exercise of employee stock options.

We entered into an amended, restated and expanded revolving credit facility dated December 31, 2009, providing availability up to a maximum of $85.0 million. We believe that our cash on hand, cash flows, and borrowing capacity under this recently amended Revolving Credit Facility will be sufficient to fund our ongoing operations, restructuring activities and budgeted capital expenditures for at least the next twelve months. This belief is dependent upon no significant further deterioration in the economy and successful execution of our current business plan which focuses on continued implementation of lean manufacturing, and improving working capital utilization, specifically inventory management.

The restated Revolving Credit Agreement has an initial term ending May 1, 2013, which can be extended to December 31, 2013 as long as our existing Senior Subordinated Notes are paid in full on or prior to May 1, 2013 from proceeds of permitted indebtedness with a maturity of no earlier than January 5, 2014.

Provided there is no default, we may, on a one-time basis, request an increase in the availability of the Revolving Credit Facility by an amount not exceeding $65 million, subject to lender approval. The unused portion of the Revolving Credit Facility totaled $77.1 million, net of outstanding borrowings of $0 and outstanding letters of credit of $7.9 million, as of March 31, 2010. Interest on the revolver is payable at varying Eurodollar rates based on LIBOR or prime plus a spread determined by our total leverage ratio amounting to 300 or 200 basis points, respectively, based on our leverage ratio at March 31, 2010. The Revolving Credit Facility is secured by all domestic inventory, receivables, equipment, real property, subsidiary stock (limited to 65% of foreign subsidiaries) and intellectual property.

The restated Revolving Credit Facility Agreement places certain debt covenant restrictions on us, including certain financial requirements and restrictions on dividend payments, with which we were in compliance as of March 31, 2010. Key financial covenants include a minimum fixed charge coverage ratio of 1.25x, a maximum total leverage ratio, net of cash, of 3.75x through June 30, 2010 and 3.5x thereafter, and maximum annual capital expenditures of $15 million in fiscal 2010 and $18 million thereafter excluding capital expenditures associated with a global ERP system.

The Senior Subordinated 8 7/8% Notes (8 7/8% Notes) issued on September 2, 2005 amounted to $124.9 million at March 31, 2010 and are due November 1, 2013. Provisions of the 8 7/8% Notes include, without limitation, restrictions on indebtedness, asset sales, and dividends and other restricted payments. On or after November 1, 2009, the 8 7/8% Notes are redeemable at the option of the Company, in whole or in part, at prices declining annually from 104.438% to 100% on and after November 1, 2011. In the event of a Change of Control (as defined in the indenture for such notes), each holder of the 8 7/8% Notes may require us to repurchase all or a portion of such holder's 8 7/8% Notes at a purchase price equal to 101% of the principal amount thereof. The 8 7/8% Notes are guaranteed by certain existing and future U.S. subsidiaries and are not subject to any sinking fund requirements.

Our capital lease obligations related to property and equipment leases amounted to $7.0 million at March 31, 2010. Capital lease obligations are included in senior debt in the consolidated balance sheets.

Unsecured and uncommitted lines of credit are available to meet short-term working capital needs for certain of our subsidiaries operating outside of the U.S. The lines of credit are available on an offering basis, meaning that transactions under the line of credit will be on such terms and conditions, including interest rate, maturity, representations, covenants and events of default, as mutually agreed between our subsidiaries and the local bank at the time of each specific transaction. As of March 31, 2010, significant unsecured credit lines totaled approximately $7.1 million, of which $.8 million was drawn.

In addition to the above facilities, our foreign subsidiaries have certain secured credit lines. As of March 31, 2010, significant secured credit lines totaled $2.0, of which $0 million was drawn.

CONTRACTUAL OBLIGATIONS

The following table reflects a summary of our contractual obligations in millions of dollars as of March 31, 2010, by period of estimated payments due:

	Total	Fiscal 2011	Fiscal 2012-Fiscal 2013	Fiscal 2014-Fiscal 2015	More Than Five Years
Long-term debt obligations (a)	$131.9	$1.1	$2.3	$127.2	$1.3
Operating lease obligations (b)	6.8	3.4	2.6	.8	--
Purchase obligations (c)	--	--	--	--	--

Interest obligations (d)	43.5	11.7	22.6	9.1	0.1
Letter of credit obligations	16.6	16.6	--	--	--
Uncertain tax positions	3.6	0.2	2.1	1.3	0.0
Projected pension and other post retirement obligation benefit payouts	118.6	10.1	21.9	22.4	64.2
Other long-term liabilities reflected on the Company's balance sheet under GAAP (e)	72.4	0.0	25.3	26.1	21.0
Total	$393.4	$43.1	$76.8	$186.9	$86.6

(a) As described in Note 11 to consolidated financial statements.
(b) As described in Note 18 to consolidated financial statements.

(c) We have no purchase obligations specifying fixed or minimum quantities to be purchased. We estimate that, at any given point in time, our open purchase orders to be executed in the normal course of business approximate $40 million.

(d) Estimated for our Senior Subordinated Notes due 11/1/13.

(e) As described in Note 10 to our consolidated financial statements. Additionally, we intend to contribute approximately $10.0 million to our pension plans for fiscal 2011.

We have no additional off-balance sheet obligations that are not reflected above.

CAPITAL EXPENDITURES

In addition to keeping our current equipment and plants properly maintained, we are committed to replacing, enhancing and upgrading our property, plant and equipment to support new product development, improve productivity and customer responsiveness, reduce production costs, increase flexibility to respond effectively to market fluctuations and changes, meet environmental requirements, enhance safety and promote ergonomically correct work stations. Our capital expenditures for fiscal 2010, 2009 and 2008 were $7.2 million, $12.2 million and $12.5 million, respectively. Capital expenditures for fiscal 2010 were limited to investments required to accommodate facility consolidation and new product development activities. We expect capital expenditure spending in fiscal 2011 to be in the range of $10-$12 million.

INFLATION AND OTHER MARKET CONDITIONS

Our costs are affected by inflation in the U.S. economy and, to a lesser extent, in foreign economies including those of Europe, Canada, Mexico, South America and Asia-Pacific. We do not believe that general inflation has had a material effect on our results of operations over the periods presented primarily due to overall low inflation levels over such periods and our ability to generally pass on rising costs through annual price increases and surcharges. However, employee benefits costs such as health insurance, workers compensation insurance, pensions as well as energy and business insurance have exceeded general inflation levels. In the future, we may be further affected by inflation that we may not be able to pass on as price increases. With changes in worldwide demand for steel and fluctuating scrap steel prices over the past several years, we experienced fluctuations in our costs that we have reflected as price increases and surcharges to our customers. We believe we have been successful in instituting surcharges and price increases to pass on these material cost increases. We will continue to monitor our costs and reevaluate our pricing policies.

SEASONALITY AND QUARTERLY RESULTS

Our quarterly results may be materially affected by the timing of large customer orders, periods of high vacation and holiday concentrations, restructuring charges and other costs attributable to our facility rationalization program, divestitures, acquisitions and the magnitude of rationalization integration costs. Therefore, our operating results for any particular fiscal quarter are not necessarily indicative of results for any subsequent fiscal quarter or for the full fiscal year.

DISCONTINUED OPERATIONS

As part of the continuing evaluation of our businesses, we determined that our integrated material handling conveyor systems business (Univeyor A/S) no longer provided a strategic fit with its long-term growth and operational objectives. On July 25, 2008, we completed the sale of Univeyor A/S, which business represented the majority of our former Solutions segment. In accordance with the provisions of ASC Topic 205-20 “Discontinued Operations” the results of operations of the Univeyor business have been classified as such in the condensed, consolidated balance sheets, statements of operations and statements of cash flows presented herein.

In connection with the sale of Univeyor A/S on July 25, 2008, we used cash on hand to repay $15.2 million in amounts outstanding on Univeyor's lines of credit and fixed term bank debt.

In May 2002, we completed the divestiture of substantially all of the assets of ASI which comprised the principal business unit in our former Solutions - Automotive segment. Proceeds from this sale included an 8% subordinated note in the principal amount of $6.8 million payable over 10 years. Due to the uncertainty of its collection, the note has been recorded at its estimated net realizable value of $0 at the time of the divestiture. Principal payments received on the note are recorded as income from discontinued operations at the time of receipt. Accordingly, $0.5 million of income from discontinued operations was recorded in fiscal 2010, net of tax. All interest and principal payments required under the note have been made to date.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires us to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We continually evaluate the estimates and their underlying assumptions, which form the basis for making judgments about the carrying value of our assets and liabilities. Actual results inevitably will differ from those estimates. We have identified below the accounting policies involving estimates that are critical to our financial statements. Other accounting policies are more fully described in Note 2 of our consolidated financial statements.

Pension and Other Postretirement Benefits. The determination of the obligations and expense for pension and postretirement benefits is dependent on our selection of certain assumptions that are used by actuaries in calculating such amounts. Those assumptions are disclosed in Note 12 to our fiscal 2010 consolidated financial statements and include the discount rates, expected long-term rate of return on plan assets and rates of future increases in compensation and healthcare costs.

The pension discount rate assumptions of 6%, 7¼%, and 6½% as of March 31, 2010, 2009, and 2008, respectively, are primarily based on long-term AA rated corporate bond rates. The decrease in the discount rate for fiscal 2010 resulted in a $33.9 million increase in projected benefit obligation. The increase in the discount rates for fiscal 2009, and 2008 resulted in an $11.2 million, and $8.4 million, respectively, decrease in the projected benefit obligation as of March 31, 2009, and 2008, respectively. The rate of return on plan assets assumptions of 7½% for each of the years ended March 31, 2010, 2009 and 2008 is based on the composition of the asset portfolios (approximately 70% equities and 30% fixed income at March 31, 2010) and their long-term historical returns. The assets realized actual gain of $30.5 million in fiscal 2010 and actual losses of $34.9 million in fiscal 2009 as a result of the significant volatility in US capital markets in fiscal 2010 and fiscal 2009. The assets realized gains of $6.9 million in fiscal 2008. Our under-funded status as of March 31, 2010 and 2009 was $36.8 million and $48.9 million, or 21.8% and 34.9% of the projected benefit obligation, respectively. Our pension contributions during fiscal 2010 and 2009 were approximately $18.0 million and $9.3 million, respectively. The under-funded status may result in future pension expense increases. Pension expense for the March 31, 2011 fiscal year is expected to approximate $7.2 million, which is down from the fiscal 2010 amount of $12.6 million due to a decrease in amortization of unrecognized losses, improved expected returns on the somewhat recovered asset values and curtailment expenses of $2.4 million not expected to re-occur. Pension funding contributions for the March 31, 2011 fiscal year is expected to decrease by approximately $9.0 million compared to fiscal 2010. The compensation increase assumption of 2% as of March 31, 2010 and 2% as of March 31, 2009 and 3% as of March 31, 2008 is based on expected wage trends and historical patterns.

The healthcare costs inflation assumptions of 8.0%, 8.75% and 9.5% for fiscal 2011, 2010, and 2009, respectively, are based on anticipated trends. Healthcare costs in the United States have increased substantially over the last several years. If this trend continues, the cost of postretirement healthcare will increase in future years.

Insurance Reserves. Our accrued general and product liability reserves as described in Note 15 to consolidated financial statements involve actuarial techniques including the methods selected to estimate ultimate claims, and assumptions including emergence patterns, payment patterns, initial expected losses and increased limit factors. These actuarial estimates are subject to a high degree of uncertainty due to a variety of factors, including extended lag time in the reporting and resolution of claims, trends or changes in claim settlement patterns, insurance industry practices, and legal interpretations. As a result, actual costs could differ significantly from the estimated amounts. Adjustments to estimated reserves are recorded in the period in which the change in estimate occurs. Other insurance reserves such as workers compensation and group health insurance are based on actual historical and current claim data provided by third party administrators or internally maintained.

Inventory and Accounts Receivable Reserves. Slow-moving and obsolete inventory reserves are judgmentally determined based on formulas applied to historical and expected future usage within a reasonable timeframe. We reassess trends and usage on a regular basis and if we identify changes, we revise our estimated allowances. Allowances for doubtful accounts and credit memo reserves are also judgmentally determined based on formulas applied to historical bad debt write-offs and credit memos issued, assessing potentially uncollectible customer accounts and analyzing the accounts receivable aging.

Impairment of depreciable and amortizable long-lived assets. Property, plant and equipment and certain intangibles are depreciated or amortized over their assigned lives. We test long-lived assets for impairment when events or changes in circumstances indicate that the carrying amount of those assets may not be recoverable and exceed their fair market value. The following summarizes the value of long-lived assets subject to impairment testing when events or circumstances indicate potential impairment (amounts in millions):

	Balance as of March 31, 2010
Property, plant and equipment, net	$ 57.1
Acquired intangibles with estimable useful lives	19.0
Other assets	4.0

Impairment may exist if the carrying amount of the asset in question exceeds the sum of the undiscounted cash flows expected to result from the use of the asset. The impairment loss, if any, would be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair market value as determined by appropriate valuation techniques.

Goodwill impairment testing. Our goodwill balance, $105.1 million as of March 31, 2010, is subject to impairment testing. We test goodwill for impairment at least annually, as of the end of February, and more frequently whenever events occur or circumstances change that indicate there may be impairment. These events or circumstances could include a significant long-term adverse change in the business climate, poor indicators of operating performance, or a sale or disposition of a significant portion of a reporting unit.

We test goodwill at the reporting unit level, which is one level below our operating segment. We identify our reporting units by assessing whether the components of our operating segment constitute businesses for which discrete financial information is available and segment management regularly reviews the operating results of those components. We also aggregate components that have similar economic characteristics into single reporting units (for example, similar products and / or services, similar long-term financial results, product processes, classes of customers, etc.). We have four reporting units, only two of which have goodwill. Our Duff Norton reporting unit and Rest of Products reporting unit have goodwill totaling $9.8 million and $95.3 million at March 31, 2010, respectively.

During fiscal 2010, we tested goodwill for impairment as of September 30, 2009 for the Duff-Norton reporting units because key performance indicators for this reporting unit were below budget and prior year levels. Accordingly, we performed Step I impairment testing as of the end of the second quarter. Step I testing was not considered necessary for our other reporting unit with goodwill because, based on testing performed in the prior year, the fair value of the reporting unit sufficiently exceeded book value and no new risks of impairment existed at September 30, 2009. Based on our assessment as of September 30, 2009, the fair value of the Duff-Norton reporting unit exceeded its net book value by 6%; as such, no impairment charges related to goodwill or intangible assets were recorded during the six month period ended September 30, 2009. As of December 31, 2009, we concluded that no indicators of goodwill impairment existed, so an interim test was not performed.

As a result of our annual impairment test as of February 28, 2010, the fair market value of our reporting units will goodwill exceeds their net book values and no goodwill impairment charges were recorded. Fair market value of the Duff Norton and Rest of the Products reporting units exceeded net book value by approximately 13% and 15%, respectively. The goodwill impairment test consists of comparing the fair value of a reporting unit, determined using discounted cash flows, with its carrying amount including goodwill. If the carrying amount of the reporting unit exceeds the reporting unit's fair value, the implied fair value of goodwill is compared to the carrying amount of goodwill. An impairment loss would be recognized for the amount by which the carrying amount of goodwill exceeds the implied fair value of goodwill.

Testing goodwill for impairment requires us to estimate fair values of reporting units using significant estimates and judgmental factors. The key estimates and factors used in our discounted cash flow valuation include revenue growth rates and profit margins based on internal forecasts, terminal value, and the weighted-average cost of capital used to discount future cash flows. The compound annual growth rate for revenue during the first five years of our projections was approximately 8%. The terminal value was calculated assuming projected growth rates of 2.0% after five years which reflects our estimate of long-term gross domestic product growth on a global basis. Operating profit margins were projected to return to historical norms by between fiscal 2012 and fiscal 2013 in the individual reporting units. The estimated weighted-average cost of capital for the consolidated Company was determined to be 13.5% based upon an analysis of similar companies and their debt to equity mix, their related volatility and the size of their market capitalization. We also consider any additional risk of each individual reporting unit achieving its forecasts, and adjust the weighted-average cost of capital applied when determining each reporting unit's estimated fair value. The weighted-average cost of capital determined for each reporting unit as of the February 28, 2010 test date ranged between 13.0% and 16.5%. Future changes in these estimates and assumptions could materially affect the results of our goodwill impairment tests. For example, a decline in the terminal growth rate greater than 50 basis points would decrease fair market value by $0.3 million and $9.8 million for the Duff Norton reporting unit and Rest of the Products reporting unit, respectively, or an increase in the weighted-average cost of capital by 100 basis points would result in a decrease in fair market value by $0.8 million and $26.5 million for the Duff Norton reporting unit and Rest of the Products reporting units, respectively. Even with such changes fair value of the reporting units would be greater than the net book value necessitating no Step 2 calculations.

While we currently do not believe that any of our reporting units with goodwill are at risk of failing Step 1 of the goodwill impairment test. But if the projected long-term revenue growth rates, profit margins, or terminal rates are significantly lower, and/or the estimated weighted-average cost of capital is considerably higher, future testing may indicate impairment of one or more of the Company's reporting units and, as a result, the related goodwill may likely be impaired.

Marketable Securities. On a quarterly basis, we review our marketable securities for declines in market value that may be considered other than temporary. We generally consider market value declines to be other than temporary if there are declines for a period longer than six months and in excess of 20% of original cost. We also consider the nature of the underlying investments and other market conditions.

Deferred Tax Asset Valuation Allowance. As of March 31, 2010, we had $47.9 million of gross deferred tax assets before valuation allowances. As described in Note 17 to consolidated financial statements, the deferred tax assets relate principally to net operating loss carryforwards (primarily due to a tax loss from sale of a foreign subsidiary in 2009 and restructuring costs in 2010) and liabilities related to employee benefit plans and insurance reserves. The deferred tax assets include $3.7 million related to various states and foreign net operating loss carryforwards for which a $1.6 million deferred tax asset valuation allowance is recorded.

Accounting rules require a reduction of the carrying amounts of deferred tax assets by a valuation allowance if, based on the available evidence, it is more likely than not that such assets will not be realized. Management assesses the need to establish valuation allowances for deferred tax assets periodically. In assessing the requirement for, and amount of, a valuation allowance in accordance with the more-likely-than-not standard, we give appropriate consideration to all positive and negative evidence related to the realization of the deferred tax assets. Under the accounting rules, this assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, our experience with operating loss and tax credit carryforwards not expiring unused and tax planning alternatives. Forecast of future profitability were a significant consideration in assessing the realizability of our deferred tax assets at March 31, 2010. Based on our assessment, we have concluded that it is more likely than not that we will have sufficient U.S. profitability during the remaining NOL and tax credit carryforward periods (20 years) to realize substantially all of the economic value of the federal NOLs and some of the state NOLs before they expire. If the actual recovery amount of the deferred tax asset is less than anticipated or if actual future profitability is considerably less than what we are currently anticipating, or if taxable income is not generated in fiscal 2011, a valuation allowance may need to be recorded for some or all of the net deferred tax assets, resulting in a reduction of net income and shareowners' equity. In order to recover all of the deferred tax assets attributable to the net operating losses, taxable income approximating $35.0 million will need to be generated during the carryover period.

The Internal Revenue Code imposes limitations on a corporation's ability to utilize NOLs if it experiences an "ownership change." In general terms, an ownership change may result from transactions increasing the ownership of certain stockholders in the stock of a corporation by more than 50 percentage points over a three-year period. If we were to experience an ownership change, utilization of our NOLs would be subject to an annual limitation determined by multiplying the market value of our outstanding shares of stock at the time of the ownership change by the applicable long-term tax-exempt rate. Any unused annual limitation may be carried over to later years within the allowed NOL carryforward period. The amount of the limitation may, under certain circumstances, be increased or decreased by built-in gains or losses held by us at the time of the change that are recognized in the five-year period after the change.

Effects of New Accounting Pronouncements

Effective July 1, 2009, we adopted ASC Topic 105-10, Generally Accepted Accounting Principles – Overall ("ASC 105-10"). ASC 105-10 establishes the FASB Accounting Standards Codification (the "Codification") as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP. Rules and interpretive releases of the SEC under authority of federal securities laws are also sources of authoritative U.S. GAAP for SEC registrants. All guidance contained in the Codification carries an equal level of authority. The Codification superseded all existing non-SEC accounting and reporting standards. All other non-grandfathered, non-SEC accounting literature not included in the Codification is non-authoritative. The FASB will not issue new standards in the form of Statements, FASB Staff Positions or Emerging Issues Task Force Abstracts. Instead, it will issue Accounting Standards Updates ("ASUs"). The FASB will not consider ASUs as authoritative in their own right. ASUs will serve only to update the Codification, provide background information about the guidance and provide the bases for conclusions on the change(s) in the Codification. References made to FASB guidance throughout this document have been updated for the Codification.

On June 30, 2009 we adopted the provisions of ASC Topic 855 "Subsequent Events" which establishes principles and requirements for subsequent events. These provisions set forth the period after the balance sheet date during which management shall evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, circumstances under which an entity shall recognize events or transactions occurring after the balance sheet date, as well as the disclosures that an entity shall make about events or transactions that occurred after the balance sheet date. The adoption of these provisions did not have a material impact on our consolidated financial position or results of operations. We made no significant changes to our condensed consolidated financial statements as a result of our subsequent events evaluation.

On April 1, 2009, we adopted the additional guidance issued under ASC Topic 820 through the issuance of FSP Statement of Financial Accounting Standards ("SFAS") No. 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly" ("FSP SFAS 157-4"). FSP SFAS 157-4 amends ASC Topic 820 to provide additional guidance on estimating fair value when the volume and level of activity for an asset or liability have significantly decreased in relation to normal market activity for the asset or liability. The FSP also provides additional guidance on circumstances that may indicate that a transaction is not orderly, and requires additional disclosures about fair value measurements in annual and interim reporting periods. FSP SFAS No. 157-4 also supersedes FSP SFAS 157-3, "Determining the Fair Value of a Financial Asset When the Market for That Asset is Not Active." Disclosures required by this codification update are included in Notes 5 and 11.

On April 1, 2009, we adopted the additional guidance issued under ASC Topic 320 and ASC Topic 325 through the issuance of FSP SFAS No. 115-2 and SFAS No. 124-2, "Recognition and Presentation of Other-Than-Temporary Impairments" ("FSP SFAS 115-2 / 124-2"). This FSP extends existing disclosure requirements about debt and equity securities to interim reporting periods as well as provides new disclosure requirements. FSP SFAS 115-2 / 124-2 also provides new guidance on the recognition and presentation of an other-than-temporary impairment for debt securities classified as available for sale or held to maturity. Equity securities are excluded from the scope the FSP's recognition and measurement provisions. Refer to Note 7 to consolidated financial statements for disclosures required as a result of the adoption of this codification update.

On April 1, 2009, we adopted additional guidance issued under ASC Topic 825 "Financial Instruments" through the issuance of FSP SFAS No. 107-1, "Interim Disclosures about Fair Value of Financial Instruments" ("FSP SFAS 107-1") which requires disclosures about fair value of financial instruments in financial statements for interim reporting periods and in annual financial statements of publicly-traded companies. These provisions also require entities to disclose the method(s) and significant assumptions used to estimate the fair value of financial instruments in financial statements on an interim and annual basis and to highlight any changes from prior periods. The adoption of these provisions did not have a material impact on our consolidated financial position, results of operations or cash flows. Disclosures required by this codification update are included in Notes 5 and 11 to consolidated financial statements.

On April 1, 2009, we adopted the additional guidance issued under ASC Topic 815 "Derivatives and Hedging" through the issuance of SFAS No. 161 "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133" which requires additional disclosures about the objectives of derivative instruments and hedging activities, the method of accounting for such instruments and a tabular disclosure of the effects of such instruments and related hedged items on our financial position, financial performance, and cash flows. The adoption of these provisions did not have a material impact on our consolidated financial position, results of operations or cash flows.

On April 1, 2008, the Company adopted the measurement provisions related to Split Dollar Life Insurance Arrangements contained in ASC Topic 715 and covered in paragraphs 715-60-35-177 to 35-185 (formerly under the pre-codification standards of EITF 06-10). In accordance with ASC Topic 715-60-35-177, an employer should recognize a liability for the postretirement benefit related to a collateral assignment split-dollar life insurance arrangement. These provisions were applied as a change in accounting principle through a cumulative-effect adjustment to retained earnings. The adoption of this guidance resulted in a $1.2 million reduction to the fiscal 2009 opening balance of retained earnings, recorded on April 1, 2008, the date of adoption. The adoption of ASC Topic 715 did not have a significant impact on our financial position, results of operations or cash flows, basic or diluted per share amounts.

On April 1, 2009, we adopted the provisions of ASC Topic 805 "Business Combinations" which requires the acquiring entity in a business combination to recognize all the assets acquired and liabilities assumed in the transaction;

establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and requires the acquirer to disclose all of the information required to evaluate and understand the nature and financial effect of the business combination. We adopted these provisions effective April 1, 2009 for future acquisitions and for deferred tax adjustments related to acquisitions completed before its effective date.

In December 2008, the FASB issued additional guidance under ASC Topic 715 to require additional disclosures about assets held in an employer's defined benefit pension or other postretirement plan. This replaces the requirement to disclose the percentage of the fair value of total plan assets for each major category of plan assets, such as equity securities, debt securities, real estate and all other assets, with the fair value of each major asset category as of each annual reporting date for which a financial statement is presented. It also requires disclosure of the level within the fair value hierarchy in which each major category of plan assets falls, using the guidance in ASC Topic 820. This requirement is applicable for fiscal years ending after December 15, 2009. We will comply with these disclosure provisions after its effective date. We do not expect the adoption of this requirement to have a material impact on our consolidated financial position, results of operations or cash flows.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

This report may include "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve known and unknown risks, uncertainties and other factors that could cause our actual results to differ materially from the results expressed or implied by such statements, including general economic and business conditions, conditions affecting the industries served by us and our subsidiaries, conditions affecting our customers and suppliers, competitor responses to our products and services, the overall market acceptance of such products and services, facility consolidations and other restructurings, our asbestos-related liability, the integration of acquisitions and other factors disclosed in our periodic reports filed with the Commission. Consequently such forward-looking statements should be regarded as our current plans, estimates and beliefs. We do not undertake and specifically decline any obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates. We are exposed to various market risks, including commodity prices for raw materials, foreign currency exchange rates and changes in interest rates. We may enter into financial instrument transactions, which attempt to manage and reduce the impact of such changes. We do not enter into derivatives or other financial instruments for trading or speculative purposes.

Our primary commodity risk is related to changes in the price of steel. We control this risk through negotiating purchase contracts on a consolidated basis and by attempting to build changes in raw material costs into the selling prices of or surcharges on our products. We have not entered into financial instrument transactions related to raw material costs.

In fiscal 2010, 39% of our net sales were from manufacturing plants and sales offices in foreign jurisdictions. We manufacture our products in the United States, Mexico, China, the United Kingdom, France, Hungary and Germany and sell our products in over 50 countries. Our results of operations could be affected by factors such as changes in foreign currency rates or weak economic conditions in foreign markets. Our operating results are exposed to fluctuations between the U.S. dollar and the Canadian dollar, European currencies, the Mexican peso and the Chinese Yuan. For example, when the U.S. dollar weakens against the Euro, the value of our net sales and net income denominated in Euros increases when translated into U.S. dollars for inclusion in our consolidated results. We are also exposed to foreign currency fluctuations in relation to purchases denominated in foreign currencies. Our foreign currency risk is mitigated since the majority of our foreign operations' net sales and the related expense transactions are denominated in the same currency so therefore a significant change in foreign exchange rates would likely have a very minor impact on net income. For example, a 10% decline in the rate of exchange between the euro and the U.S. dollar impacts net income by approximately $0.4 million. In addition, the majority of our export sale transactions are denominated in U.S. dollars.

During 2009, the Company entered into cross-currency swaps and foreign exchange forward agreements to hedge changes in the value of intercompany loans to certain foreign subsidiaries due to changes in foreign exchange rates. The notional amount of these derivatives is $18.3 million and all contracts mature by September 30, 2013. As of March 31, 2010, the fair value of these derivatives was a $0.8 million loss that was recorded to earnings and is included in foreign currency exchange loss.

We control risk related to changes in interest rates by structuring our debt instruments with a combination of fixed and variable interest rates and by periodically entering into financial instrument transactions as appropriate. At March 31, 2010, we do not have any material swap agreements or similar financial instruments in place. At March 31, 2010 and 2009, approximately 94% and 91% of our outstanding debt had fixed interest rates, respectively. At those dates, we had approximately $8.0 million and $11.9 million, respectively, of outstanding variable rate debt. A 1% fluctuation in interest rates would have changed interest expense on that outstanding variable rate debt by approximately $0.1 million in fiscal 2010 and 2009.

Like many industrial manufacturers, we are involved in asbestos-related litigation. In continually evaluating costs relating to our estimated asbestos-related liability, we review, among other things, the incidence of past and recent claims, the historical case dismissal rate, the mix of the claimed illnesses and occupations of the plaintiffs, our recent and historical resolution of the cases, the number of cases pending against us, the status and results of broad-based settlement discussions, and the number of years such activity might continue. Based on this review, we have estimated our share of liability to defend and resolve probable asbestos-related personal injury claims. This estimate is highly uncertain due to the limitations of the available data and the difficulty of forecasting with any certainty the numerous variables that can affect the range of the liability. We will continue to study the variables in light of additional information in order to identify trends that may become evident and to assess their impact on the range of liability that is probable and estimable.

Based on actuarial information, we have estimated our asbestos-related aggregate liability through March 31, 2028 and March 31, 2040 to range between $7.4 million and $17.8 million using actuarial parameters of continued claims for a period of 18 to 30 years. Our estimation of our asbestos-related aggregate liability that is probable and estimable, in accordance with U.S. generally accepted accounting principles approximates $11 million which has been reflected as a liability in the consolidated financial statements as of March 31, 2010. The recorded liability does not consider the impact of any potential favorable federal legislation. This liability may fluctuate based on the uncertainty in the number of future claims that will be filed and the cost to resolve those claims, which may be influenced by a number of factors, including the outcome of the ongoing broad-based settlement negotiations, defensive strategies, and the cost to resolve claims outside the broad-based settlement program. Of this amount, management expects to incur asbestos liability payments of approximately $0.5 million over the next 12 months. Because payment of the liability is likely to extend over many years, management believes that the potential additional costs for claims will not have a material after-tax effect on our financial condition or our liquidity, although the net after-tax effect of any future liabilities recorded could be material to earnings in a future period.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures

None.

Item 9A. Controls and Procedures

Management's Evaluation of Disclosure Controls and Procedures

As of March 31, 2010, an evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our management, including the Chief Executive Officer and Chief Financial Officer, concluded that our disclosure controls and procedures were effective as of March 31, 2010. There were no changes in our internal controls or in other factors during our fourth quarter ended March 31, 2010.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of March 31, 2010 based on the framework in Internal Control--Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on that evaluation, our management concluded that our internal control over financial reporting was effective as of March 31, 2010.

The effectiveness of the Company's internal control over financial reporting as of March 31, 2010 has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their report which is included herein.

Our management, including the CEO and CFO, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Changes in Internal Control over Financial Reporting

There have been no changes in internal control over financial reporting during the most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Columbus McKinnon Corporation

We have audited Columbus McKinnon Corporation's internal control over financial reporting as of March 31, 2010, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Columbus McKinnon Corporation's management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

In our opinion, Columbus McKinnon Corporation maintained, in all material respects, effective internal control over financial reporting as of March 31, 2010, based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Columbus McKinnon Corporation as of March 31, 2010 and 2009, and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended March 31, 2010 of Columbus McKinnon Corporation and our report dated May 28, 2010 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Buffalo, New York
May 28, 2010

Item 9B. Other Information

None.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(1) Financial Statements:

The following consolidated financial statements of Columbus McKinnon Corporation are included in Item 8:

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and therefore have been omitted.

(3) Exhibits:

Exhibit Number	Exhibit
3.1	Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement No. 33-80687 on Form S-1 dated December 21, 1995).
3.2	Amended By-Laws of the Registrant (incorporated by reference to Exhibit 3. to the Company's Current Report on Form 8-K dated May 17, 1999).
3.3	Certificate of Amendment to the Certificate of Incorporation of Columbus McKinnon Corporation, dated as of May 18, 2009 (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K dated May 18, 2009).
4.1	Specimen common share certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement No. 33-80687 on Form S-1 dated December 21, 1995.)
4.2	Indenture among Columbus McKinnon Corporation, Audubon Europe S.a.r.l., Crane Equipment & Service, Inc., Yale Industrial Products, Inc. and U.S. Bank National Association., as trustee, dated as of September 2, 2005 (incorporated by reference to Exhibit 4.5 to the Company's Registration Statement No. 33-129142 on Form S-3 dated October 19, 2005).
4.3	Rights Agreement, dated as of May 18, 2009, between Columbus McKinnon Corporation and American Stock Transfer & Trust Company, LLC, which includes the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Stock as Exhibit C (incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K dated May 18, 2009).
#10.1	Agreement by and among Columbus McKinnon Corporation Employee Stock Ownership Trust, Columbus McKinnon Corporation and Marine Midland Bank, dated November 2, 1995 (incorporated by reference to Exhibit 10.6 to the Company's Registration Statement No. 33-80687 on Form S-1 dated December 21, 1995).
#10.2	Columbus McKinnon Corporation Employee Stock Ownership Plan Restatement Effective April 1, 1989 (incorporated by reference to Exhibit 10.23 to the Company's Registration Statement No. 33-80687 on Form S-1 dated December 21, 1995).
#10.3	Amendment No. 1 to the Columbus McKinnon Corporation Employee Stock Ownership Plan as Amended and Restated as of April 1, 1989, dated March 2, 1995 (incorporated by reference to Exhibit 10.24 to the Company's Registration Statement No. 33-80687 on Form S-1 dated December 21, 1995).

#10.4	Amendment No. 2 to the Columbus McKinnon Corporation Employee Stock Ownership Plan, dated October 17, 1995 (incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1997).
#10.5	Amendment No. 3 to the Columbus McKinnon Corporation Employee Stock Ownership Plan, dated March 27, 1996 (incorporated by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1997).
#10.6	Amendment No. 4 of the Columbus McKinnon Corporation Employee Stock Ownership Plan as Amended and Restated as of April 1, 1989, dated September 30, 1996 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 1996).
#10.7	Amendment No. 5 to the Columbus McKinnon Corporation Employee Stock Ownership Plan as Amended and Restated as of April 1, 1989, dated August 28, 1997 (incorporated by reference to Exhibit 10.37 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1998).
#10.8	Amendment No. 6 to the Columbus McKinnon Corporation Employee Stock Ownership Plan as Amended and Restated as of April 1, 1989, dated June 24, 1998 (incorporated by reference to Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1998).
#10.9	Amendment No. 7 to the Columbus McKinnon Corporation Employee Stock Ownership Plan as Amended and Restated as of April 1, 1989, dated April 30, 2000 (incorporated by reference to Exhibit 10.24 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2000).
#10.10	Amendment No. 8 to the Columbus McKinnon Corporation Employee Stock Ownership Plan as Amended and Restated as of April 1, 1989, dated March 26, 2002 (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2002).
#10.11	Amendment No. 9 to the Columbus McKinnon Corporation Employee Stock Ownership Plan as Amended and Restated as of April 1, 1989, dated March 27, 2003 (incorporated by reference to Exhibit 10.32 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2003).
#10.12	Amendment No. 10 to the Columbus McKinnon Corporation Employee Stock Ownership Plan as Amended and Restated as of April 1, 1989, dated February 28, 2004 (incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2004).
#10.13	Amendment No. 11 to the Columbus McKinnon Corporation Employee Stock Ownership Plan as Amended and Restated as of April 1, 1989, dated December 19, 2003 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 28, 2003).
#10.14	Amendment No. 12 to the Columbus McKinnon Corporation Employee Stock Ownership Plan as Amended and Restated as of April 1, 1989, dated March 17, 2005 (incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2005).
#10.15	Amendment No. 13 to the Columbus McKinnon Corporation Employee Stock Ownership Plan as Amended and Restated as of April 1, 1989, dated December 19, 2008 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 28, 2008).
#10.16	

	Columbus McKinnon Corporation Personal Retirement Account Plan Trust Agreement, dated April 1, 1987 (incorporated by reference to Exhibit 10.25 to the Company's Registration Statement No. 33-80687 on Form S-1 dated December 21, 1995).
#10.17	Amendment No. 1 to the Columbus McKinnon Corporation Employee Stock Ownership Trust Agreement (formerly known as the Columbus McKinnon Corporation Personal Retirement Account Plan Trust Agreement) effective November 1, 1988 (incorporated by reference to Exhibit 10.26 to the Company's Registration Statement No. 33-80687 on Form S-1 dated December 21, 1995).
#10.18	Amendment and Restatement of Columbus McKinnon Corporation 1995 Incentive Stock Option Plan (incorporated by reference to Exhibit 10.25 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1999).

#10.19	Second Amendment to the Columbus McKinnon Corporation 1995 Incentive Stock Option Plan, as amended and restated (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 29, 2002).
#10.20	Columbus McKinnon Corporation Restricted Stock Plan, as amended and restated (incorporated by reference to Exhibit 10.28 to the Company's Registration Statement No. 33-80687 on Form S-1 dated December 21, 1995).
#10.21	Second Amendment to the Columbus McKinnon Corporation Restricted Stock Plan (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 29, 2002).
#10.22	Amendment and Restatement of Columbus McKinnon Corporation Non-Qualified Stock Option Plan (incorporated by reference to Exhibit 10.27 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1999).
#10.23	Columbus McKinnon Corporation Thrift [401(k)] Plan 1989 Restatement Effective January 1, 1998 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 27, 1998).
#10.24	Amendment No. 1 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated December 10, 1998 (incorporated by reference to Exhibit 10.29 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1999).
#10.25	Amendment No. 2 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401 (k)] Plan, dated June 1, 2000 (incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2000).
#10.26	Amendment No. 3 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401 (k)] Plan, dated March 26, 2002 (incorporated by reference to Exhibit 10.39 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2002).
#10.27	Amendment No. 4 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated May 10, 2002 (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended September 29, 2002).
#10.28	Amendment No. 5 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated December 20, 2002 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 29, 2002).
#10.29	Amendment No. 6 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated May 22, 2003 (incorporated by reference to Exhibit 10.46 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2003).
#10.30	Amendment No. 7 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated April 14, 2004 (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2004).
#10.31	

	Amendment No. 8 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated December 19, 2003 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 28, 2003).
#10.32	Amendment No. 9 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated March 16, 2004 (incorporated by reference to Exhibit 10.30 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2004).
#10.33	Amendment No. 10 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated July 12, 2004 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended July 4, 2004).

#10.34	Amendment No. 11 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated March 31, 2005 (incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2005).
#10.35	Amendment No. 12 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated December 27, 2005 (incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2006).
#10.36	Amendment No. 13 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated December 21, 2006 (incorporated by reference to Exhibit 10.35 to the Company's Annual Report on Form 10-K for the fiscal year ended March, 31, 2007).
#10.37	Amendment No. 14 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated December 21, 2007 (incorporated by reference to Exhibit 10.36 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2008).
#10.38	Amendment No. 15 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Thrift [401(k)] Plan, dated January 29, 2009 (incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 28, 2008).
#10.39	Columbus McKinnon Corporation Thrift 401(k) Plan Trust Agreement Restatement Effective August 9, 1994 (incorporated by reference to Exhibit 10.32 to the Company's Registration Statement No. 33-80687 on Form S-1 dated December 21, 1995).
#10.40	Columbus McKinnon Corporation Monthly Retirement Benefit Plan Restatement Effective April 1, 1998 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 27, 1998).
#10.41	Amendment No. 1 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Monthly Retirement Benefit Plan, dated December 10, 1998 (incorporated by reference to Exhibit 10.32 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1999).
#10.42	Amendment No. 2 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Monthly Retirement Benefit Plan, dated May 26, 1999 (incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1999).
#10.43	Amendment No. 3 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Monthly Retirement Benefit Plan, dated March 26, 2002 (incorporated by reference to Exhibit 10.44 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2002).
#10.44	Amendment No. 4 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Monthly Retirement Benefit Plan, dated December 20, 2002 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 29, 2002).
#10.45	Amendment No. 5 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Monthly Retirement Benefit Plan, dated February 28, 2004 (incorporated by reference to Exhibit 10.37 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2004).
#10.46	

	Amendment No. 6 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Monthly Retirement Benefit Plan, dated March 17, 2005 (incorporated by reference to Exhibit 10.41 to the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2005).
#10.4710.73	Amendment No. 7 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Monthly Retirement Benefit Plan, dated December 28, 2005 (incorporated by reference to Exhibit 10.43 to the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2006).

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#10.48	Amendment No. 8 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Monthly Retirement Benefit Plan, dated December 28, 2005 (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2006).
#10.49	Amendment No. 9 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Monthly Retirement Benefit Plan, dated April 21, 2008 (incorporated by reference to Exhibit 10.47 to the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 2008).
#10.50	Amendment No. 10 to the 1998 Plan Restatement of the Columbus McKinnon Corporation Monthly Retirement Benefit Plan, dated December 19, 2008 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 28, 2008).
#10.51	Columbus McKinnon Corporation Monthly Retirement Benefit Plan Trust Agreement Effective as of April 1, 1987 (incorporated by reference to Exhibit 10.34 to the Company's Registration Statement No. 33-80687 on Form S-1 dated December 21, 1995).
#10.52	Employment agreement with Wolfgang Wegener dated December 31, 1996 (incorporated by reference to Exhibit 10.48 to the Company's Annual Report on Form 10-K for the fiscal year ended March, 31, 2007).
10.53	Intercreditor Agreement dated as of July 22, 2003 among Columbus McKinnon Corporation, the subsidiary guarantors as listed thereon, Fleet Capital Corporation, as Credit Agent, and U.S. Bank Trust National Association, as Trustee (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended June 29, 2003).
10.54	Second Amended and Restated Credit and Security Agreement, dated as of November 21, 2002 and amended and restated as of January 2, 2004, among Columbus McKinnon Corporation, as Borrower, Larco Industrial Services Ltd., Columbus McKinnon Limited, the Guarantors Named Herein, the Lenders Party Hereto From Time to Time, Fleet Capital Corporation, as Administrative Agent, Fleet National Bank, as Issuing Lender, Congress Financial Corporation (Central), Syndication Agent, Merrill Lynch Capital, a Division of Merrill Lynch Business Financial Services Inc., as Documentation Agent, and Fleet Securities, Inc., as Arranger (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 28, 2003).
#10.55	Columbus McKinnon Corporation 2006 Long Term Incentive Plan (incorporated by reference to Appendix A to the definitive Proxy Statement for the Annual Meeting of Stockholders of Columbus McKinnon Corporation held on July 31, 2006).
#10.56	Amendment No. 1 to the Columbus McKinnon Corporation 2006 Long Term Incentive Plan, dated December 30, 2008 (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended December 28, 2008).
#10.57	Columbus McKinnon Corporation Executive Management Variable Compensation Plan (incorporated by reference to Appendix B to the definitive Proxy Statement for the Annual Meeting of Stockholders of Columbus McKinnon Corporation held on July 31, 2006).
10.58	First Amendment to that certain Second Amended and Restated Credit and Security Agreement, dated as of November 21, 2002 and amended and restated as of January 2, 2004, among Columbus McKinnon Corporation, as Borrower, Larco Industrial Services Ltd., Columbus McKinnon Limited, the Guarantors From Time to Time Party Thereto, the Lenders From Time to Time Party Thereto, Bank of America, N.A. as

	Administrative Agent for such Lenders and as Issuing Lender dated April 29, 2005 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K dated April 29, 2005).
10.59	Second amendment, dated as of August 5, 2005, to that certain Second Amended and Restated Credit and Security Agreement, dated as of November 21, 2002 and amended and restated as of January 2, 2004 (as amended by that certain First Amendment to that certain Second Amended and Restated Credit and Security Agreement, dated as of April 29, 2005, and as further modified and supplemented and in effect from time to time, the "Credit Agreement"), among Columbus McKinnon Corporation, a corporation organized under the laws of New York (the "Borrower"), Larco Industrial Services Ltd., a business corporation organized under the laws of the Province of Ontario, Columbus McKinnon Limited, a business corporation organized under the laws of Canada, the Guarantors from time to time party thereto, the Lenders from time to time party thereto (collectively, the "Lenders"), Bank of America, N.A., as Administrative Agent for such Lenders (the "Agent") and as Issuing Lender (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q dated October 2, 2005).

10.60	Third amendment, dated as of August 22, 2005, to that certain Second Amended and Restated Credit and Security Agreement, dated as of November 21, 2002 and amended and restated as of January 2, 2004 (as amended by that certain First Amendment to that certain Second Amended and Restated Credit and Security Agreement, dated as of April 29, 2005, by that certain Second Amendment to that certain Second Amended and Restated Credit and Security Agreement, dated as of August 5, 2005, and as further modified and supplemented and in effect from time to time, the “Credit Agreement”), among Columbus McKinnon Corporation, a corporation organized under the laws of New York (the “Borrower”), Larco Industrial Services Ltd., a business corporation organized under the laws of the Province of Ontario, Columbus McKinnon Limited, a business corporation organized under the laws of Canada, the Guarantors from time to time party thereto, the Lenders from time to time party thereto (collectively, the “Lenders”), Bank of America, N.A., as Administrative Agent for such Lenders (the “Agent”) and as Issuing Lender (incorporated by reference to Exhibit 10.2 to the Company’s Quarterly Report on Form 10-Q dated October 2, 2005).
10.61	Fourth amendment, dated as of October 17, 2005, to that certain Second Amended and Restated Credit and Security Agreement, dated as of November 21, 2002 and amended and restated as of January 2, 2004, and amended by that certain First Amendment to the Credit Agreement, dated as of April 29, 2005, and by that certain Second Amendment to the Credit Agreement, dated as of August 5, 2005, and by that certain Third Amendment to the Credit Agreement, dated as of August 22, 2005 (as further amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among Columbus McKinnon Corporation (the "Borrower"), Larco Industrial Services Ltd., Columbus McKinnon Limited, the Guarantors named therein, the lending institutions party thereto, and Bank of America, N.A., as Administrative Agent and Issuing Lender. Capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Credit Agreement (incorporated by reference to Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q dated October 2, 2005).
10.62	Third Amended and Restated Credit and Security Agreement, dated as of March 16, 2006 among Columbus McKinnon Corporation, as the Borrower, Bank of America, N.A., as Administrative Agent and Issuing Lender, and Other Lenders Party Hereto, and Bank of America Securities LLC, as Arranger (incorporated by reference to Exhibit 10.53 to the Company’s Annual Report on Form 10-K for the fiscal year ended March 31, 2007).
10.63	First amendment, dated as of January 8, 2007 to that certain Third Amended and Restated Credit and Security Agreement, dated as of March 16, 2006 among Columbus McKinnon Corporation, as the Borrower, Bank of America, N.A., as Administrative Agent and Issuing Lender, and Other Lenders Party Hereto, and Bank of America Securities LLC, as Arranger (incorporated by reference to Exhibit 10.59 to the Company’s Annual Report on Form 10-K for the fiscal year ended March, 31, 2007).
*#10.64	Form of Change in Control Agreement as entered into between Columbus McKinnon Corporation and each of Timothy T. Tevens, Karen L. Howard, Joseph J. Owen, Richard A. Steinberg, Timothy R. Harvey, Gene Buer, and Chuck Giesige.
*#10.65	Form of Omnibus Code Section 409A Compliance Policy as entered into between Columbus McKinnon Corporation and each of Timothy T. Tevens, Karen L. Howard, Joseph J. Owen, Richard A. Steinberg, Timothy R. Harvey, Gene Buer, and Chuck Giesige.
*10.66	Second amendment, dated as of May 19, 2009 to that certain Third Amended and Restated Credit Agreement, dated as of March 16, 2006 among Columbus McKinnon Corporation, the Guarantors named therein, the lending institutions party thereto, and Bank of America, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer.

*21.1	Subsidiaries of the Registrant.
*23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.

*31.1	Certification of the principal executive officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
*31.2	Certification of the principal financial officer pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended.
*32.1	Certification of the principal executive officer and the principal financial officer pursuant to Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended and 18 U.S.C. Section 1350, as adopted by pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. The information contained in this exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement foiled by the Registrant under the Securities Act of 1933, as amended.

* Filed herewith

\# Indicates a Management contract or compensation plan or arrangement

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 15, 2011

COLUMBUS McKINNON CORPORATION

By: /s/ Timothy T. Tevens
Timothy T. Tevens
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Timothy T. Tevens Timothy T. Tevens	President, Chief Executive Officer and Director (Principal Executive Officer)	March 15, 2011

Item 8. Financial Statements and Supplementary Data.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

Columbus McKinnon Corporation

Audited Consolidated Financial Statements as of March 31, 2010:

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Columbus McKinnon Corporation

We have audited the accompanying consolidated balance sheets of Columbus McKinnon Corporation as of March 31, 2010 and 2009, and the related consolidated statements of operations, shareholders' equity and cash flows for each of the three years in the period ended March 31, 2010. Our audits also included the financial statement schedule listed in the Index at Item 15(2). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our 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 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. 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Columbus McKinnon Corporation at March 31, 2010 and 2009 and the consolidated results of its operations and its cash flows for each of the three years in the period ended March 31, 2010, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

As discussed in Note 12 to consolidated financial statements, on March 31, 2007 the Company changed its method of accounting for employee retirement plans and other postretirement benefits in accordance with guidance originally issued in FASB Statement No. 158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R) (codified in FASB ASC Topic 715, Compensation – Retirement Plans), and on March 31, 2009 the Company adopted the measurement date provisions of FASB ASC Topic 715. As discussed in Note 17 to consolidated financial statements, on April 1, 2007 the Company changed its method of accounting for uncertainty in income taxes.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Columbus McKinnon Corporation's internal control over financial reporting as of March 31, 2010, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated May 28, 2010 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Buffalo, New York
May 28, 2010

COLUMBUS McKINNON CORPORATION

CONSOLIDATED BALANCE SHEETS

	March 31, 2010	March 31, 2009
	(In thousands, except share data)	
ASSETS		
Current assets:		
Cash and cash equivalents	$63,968	$39,236
Trade accounts receivable, less allowance for doubtful accounts ($4,240 and $5,338, respectively)	70,218	80,168
Inventories	79,822	100,621
Prepaid expenses and other	16,014	18,115
Total current assets	230,022	238,140
Net property, plant, and equipment	57,106	62,102
Goodwill, net	105,134	104,744
Other intangibles, net	19,031	20,336
Marketable securities	29,399	28,828
Deferred taxes on income	36,768	32,521
Other assets	4,037	4,993
Total assets	$481,497	$491,664
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable to banks	$841	$4,787
Trade accounts payable	33,480	33,298
Accrued liabilities	52,754	50,443
Restructuring reserve	2,755	1,302
Current portion of long-term debt	1,155	1,171
Total current liabilities	90,985	91,001
Senior debt, less current portion	5,966	7,073
Subordinated debt	124,855	124,855
Other non-current liabilities	72,413	86,881
Total liabilities	294,219	309,810
Shareholders' equity:		
Voting common stock; 50,000,000 shares authorized; 19,122,266 and 19,046,930 shares issued and outstanding	191	190
Additional paid-in capital	182,385	180,327
Retained earnings	34,878	41,891
ESOP debt guarantee; 115,766 and 144,458 shares	(1,850)	(2,309)
Accumulated other comprehensive loss	(28,326)	(38,245)
Total shareholders' equity	187,278	181,854
Total liabilities and shareholders' equity	$481,497	$491,664

See accompanying notes.

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COLUMBUS McKINNON CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended March 31,		
	2010	2009	2008
	(In thousands, except per share data)		
Net sales	$476,183	$606,708	$593,786
Cost of products sold	360,244	433,007	408,211
Gross profit	115,939	173,701	185,575
Selling expenses	64,464	72,620	69,836
General and administrative expenses	36,892	37,721	34,048
Restructuring charges	16,519	1,921	836
Impairment loss	-	107,000	-
Amortization of intangibles	1,876	998	115
(Loss) income from operations	(3,812)	(46,559)	80,740
Interest and debt expense	13,225	13,148	13,562
(Gain) loss on bond redemptions	-	(244)	1,794
Investment (income) loss	(1,544)	2,889	(1,165)
Foreign currency exchange (gain) loss	(344)	3,018	403
Gain from litigation settlement	-	(3,330)	-
Other income, net	(2,260)	(3,939)	(3,588)
(Loss) income from continuing operations before income tax (benefit) expense	(12,889)	(58,101)	69,734
Income tax (benefit) expense	(5,345)	18,001	22,819
(Loss) income from continuing operations	(7,544)	(76,102)	46,915
Income (loss) from discontinued operations (net of tax)	531	(2,282)	(9,566)
Net (loss) income	$(7,013)	$(78,384)	$37,349
Average basic shares outstanding	18,963	18,861	18,723
Average diluted shares outstanding	18,963	18,861	19,158
Basic (loss) income per share:			
(Loss) income from continuing operations	$(0.40)	$(4.04)	$2.50
Income (loss) from discontinued operations	0.03	(0.12)	(0.51)
Basic (loss) income per share	$(0.37)	$(4.16)	$1.99
Diluted (loss) income per share:			
(Loss) income from continuing operations	$(0.40)	$(4.04)	$2.45
Income (loss) from discontinued operations	0.03	(0.12)	(0.50)
Diluted (loss) income per share	$(0.37)	$(4.16)	$1.95

See accompanying notes.

COLUMBUS McKINNON CORPORATION

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands, except share data)

	Common Stock ($.01 par value)	Additional Paid-in Capital	Retained Earnings	ESOP Debt Guarantee	Accumulated Other Comprehensive Loss	Total Shareholders' Equity
Balance at April 1, 2007	$188	$174,654	$85,237	$(3,417)	$ (15,337)	$ 241,325
Comprehensive income:						
Net income 2008	—	—	37,349	—	—	37,349
Change in foreign currency translation adjustment	—	—	—	—	9,431	9,431
Change in net unrealized gain on investments, net of tax benefit of $410	—	—	—	—	(762)	(762)
Change in pension liability and postretirement obligations, net of tax of $2,695	—	—	—	—	3,927	3,927
Total comprehensive income						49,945
Adjustment to initially apply FIN 48	—	—	(186)	—	—	(186)
Stock compensation - directors	—	196	—	—	—	196
Stock options exercised, 144,425 shares	1	1,415	—	—	—	1,416
Stock compensation expense	—	1,266	—	—	—	