COLUMBUS MCKINNON CORP
Form 424B4
November 08, 2005

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Filed Pursuant to Rule 424(b)(4)

Registration No. 333-129142

3,350,000 Shares

Columbus McKinnon Corporation

Common Stock

We are selling 3,000,000 shares of common stock and the selling shareholder is selling 350,000 shares of common stock. We will not receive any of the proceeds from the shares of common stock sold by the selling shareholder.

Our common stock is quoted on The Nasdaq National Market under the symbol CMCO. The last reported sale price of our common stock on November 7, 2005 was $21.78 per share.

The underwriters have an option to purchase a maximum of 450,000 additional shares from us to cover over-allotments of shares.

Investing in our common stock involves risks. See **Risk Factors beginning on page 16.**

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Issuer	Proceeds to the Selling Shareholder
Per Share	$20.00	$1.00	$19.00	$19.00
Total	$67,000,000	$3,350,000	$57,000,000	$6,650,000

Delivery of the shares of common stock will be made on or about November 14, 2005.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse First Boston

Robert W. Baird & Co. **Needham & Company, LLC**

The date of this prospectus is November 7, 2005.

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You should rely only on the information contained in this prospectus or to which we have referred you. We have not authorized anyone to provide you with information that is different. This prospectus may only be used where it is legal to sell these securities. The information in this prospectus may only be accurate on the date of this prospectus.

CM, Budgit, Coffing, Duff-Norton, Herc-Alloy, Little Mule, Shaw-Box, Univeyor and Yale are registered trademarks of Columbus McKinnon Corporation. Abell-Howe, CraneMart and TechLink are unregistered trademarks of Columbus McKinnon Corporation.

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INDUSTRY AND MARKET DATA

We obtained the industry, market and competitive position data for powered hoists, manual hoists and trolleys, lifting and sling chain and forged attachments presented throughout this prospectus from industry and general publications and research, surveys and studies conducted by third parties, including the United States Department of Commerce, the United States Federal Reserve, the Material Handling Industry of America, the Hoist Manufacturers Institute, the Power Transmission Distributors Association, the Rubber Manufacturers Association and the National Association of Chain Manufacturers. Industry publications, studies and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, neither we nor the underwriters have independently verified such data and neither we nor the underwriters make any representations as to the accuracy of such information. Similarly, we believe our internal research is reliable but it has not been verified by any independent source.

The hoist parts market share and market position data contained in this prospectus is based on our own internal estimates and research which is derived from our market shares of powered hoists and manual hoists and trolleys. We believe this market share data is a good proxy for our hoist parts market share because we believe most end-users purchase hoist parts from the original equipment supplier. Market share and market position data for mechanical actuators are internal estimates derived by comparison of our net sales to the net sales of one of our competitors and to total market sales from a trade association. Tire shredder market share and market position data is derived by comparing the number of our tire shredders in use and their capacity to estimates of the total number of tire shredders as published by a trade association. Market share and market position data for jib cranes 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 the relative position in distributors catalogues.

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SUMMARY

The following summary highlights information contained elsewhere in this prospectus and is qualified in its entirety by the more detailed information and consolidated financial statements included elsewhere or incorporated by reference in this prospectus. This summary is not complete and may not contain all of the information that may be important to you. You should read the entire prospectus, including the Risk Factors section and our consolidated financial statements and notes to those statements, before making an investment decision. Unless otherwise indicated, the terms we , us , our , our company or the company refer to Columbus McKinnon Corporation and its subsidiaries.

Our Company

We are the largest and broadest-line supplier of overhead hoists and high-strength lifting and sling chain and a leading supplier of in-factory cranes and steel forged attachments in North America. We believe we have a larger installed base of hoists in North America than all our other competitors combined. Our products are used in a broad array of industries including: manufacturing, warehousing, agriculture, oil drilling and processing, power generation and distribution, entertainment, logging and transportation operations to efficiently and ergonomically move, lift, position or secure objects and loads. We also manufacture conveyor systems, mechanical actuators, and lift tables as well as provide related parts and service for all of our products. We have market-leading positions and significant market share in most of our product lines, and our products are critical to the operations of most businesses that require moving or securing large or heavy objects. We operate in the $60 billion U.S. material handling industry and our business is organized around two strategic business segments: Products and Solutions. We were founded in 1875 and our shares have been traded on The Nasdaq National Market since 1996 (ticker: CMCO).

For the twelve-month period ended July 3, 2005, we generated net sales of $534.0 million and income from operations of $44.1 million, representing increases of 16.2% and 30.7% over the twelve-month period ended July 4, 2004, respectively. The following charts summarize our net sales and operating income by business segment (in millions) for the twelve-month period ended July 3, 2005:

Products Segment. Our Products segment manufactures products in the following categories: (i) hoists and related components (50% of segment net sales for fiscal 2005), (ii) steel chain (16%), (iii) steel forged attachments (12%), (iv) in-factory cranes (14%) and (v) industrial components (8%). Our products are sold under the widely recognized and well-established Yale, CM, Coffing, Shaw-Box, Budgit and Chester brands and are sold for use in a wide variety of general manufacturing applications as well as in the construction, mining, marine, utility, agriculture, industrial and entertainment industries and for certain customer applications.

Solutions Segment. Our Solutions segment designs, fabricates and installs products in the following categories: (i) custom-designed conveyor systems (70% of segment net sales for fiscal 2005), (ii) lift tables (13%), (iii) tire shredders (13%) and (iv) light-rail systems (4%).

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With 26 manufacturing facilities located in eight countries, 29 stand-alone sales/services offices in 11 countries and nine stand-alone warehouse facilities in five countries, we are well positioned to take advantage of opportunities for growth worldwide. We are differentiated from our competitors by the large number of distribution relationships we maintain (approximately 20,000 distributors) and the comprehensive end-user coverage that those relationships afford us. We sell our overhead hoist, chain and forged attachment products through a network of general industrial and catalog distributors, including W.W. Grainger, Inc., MSC Industrial Direct Co., Industrial Distribution Group, Inc. and McMaster-Carr Co., and crane builders (independent fabricators of in-factory cranes) in North America and Europe and through sales and service offices in Asia-Pacific. We sell our in-factory cranes through a dedicated sales force directly to end-users. We sell our industrial components through a combination of direct sales and industrial distribution. Our Solutions segment sells products and services directly to end-users through a dedicated sales force in North America, Europe and Asia.

Our Competitive Strengths

Leading Market Positions. We are a leading manufacturer of hoists, alloy and high strength carbon steel chain in North America. Approximately 73% of our domestic net sales for fiscal 2005 were from product categories in which we believe we hold the leading 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 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.

For fiscal 2005, the following table summarizes the product categories where we believe we are the market leader:

Product Category	U.S. Market Share	U.S. Market Position	Percentage of Domestic Net Sales
Powered Hoists	56%	#1	25%
Manual Hoists & Trolleys	67%	#1	13%
Forged Attachments	48%	#1	10%
Hoist Parts	60%	#1	9%
Lifting and Sling Chain	45%	#1	8%
Mechanical Actuators	40%	#1	5%
Tire Shredders	80%	#1	2%
Jib Cranes	45%	#1	1%
			73%

Comprehensive Product Lines and Strong Brand Name Recognition. We believe we offer the most comprehensive product lines in the markets we serve. We are the only major supplier of material handling equipment offering full lines of hoists, chain and attachments. 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, research and 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, Shaw-Box and Yale, are among the most recognized and respected in the industry. The CM name has been synonymous with overhead hoists since manual hoists were first developed and marketed under the name 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 product comprises more than 1% of our sales, a testament to our broad and diversified product offering.

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Growing Share of 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 net sales) in fiscal 1996 to $191.3 million (representing approximately 37% of our net sales) during fiscal 2005. This growth has occurred primarily in Europe, South America and Asia-Pacific where we have recently opened additional sales offices. Our international business has provided us, and we believe will continue to provide us, with significant growth opportunities and new markets for our products.

Distribution Channel Diversity and Strength. Our products are sold to over 20,000 general and specialty distributors and OEMs. We enjoy long-standing relationships with, and are a preferred provider to, the majority of our largest distributors and industrial buying groups. Over the past decade, there has been significant consolidation among distributors of material handling equipment. We have benefited from this consolidation and have maintained and enhanced our relationships with our leading distributors, as well as formed new relationships. We believe our extensive North American distribution channels provide a significant competitive advantage and allow us to effectively market new product line extensions and promote cross-selling.

Low-Cost Manufacturing with Significant Operating Leverage. We believe we are a low-cost manufacturer and we will continue to consolidate our manufacturing operations and reduce our manufacturing costs through the initiatives summarized below. Our low-cost manufacturing capability continues to positively impact our operating performance as volumes increase.

Rationalization and Consolidation. In fiscal 2002 through fiscal 2004, we closed 10 manufacturing plants and three warehouses, as more fully described in Our Growth Strategy below.

Lean Manufacturing. In fiscal 2002, we initiated Lean Manufacturing techniques, facilitating substantial inventory reductions, a significant decline in required manufacturing floor area, a decrease in product lead time and improved productivity and on-time deliveries.

Selective Vertical Integration. We manufacture many of the critical parts and components used in the manufacture of our hoists and cranes, resulting in reduced costs.

International Expansion. Our continued expansion of our manufacturing facilities in China and Mexico provides us with another cost efficient platform to manufacture and distribute certain of our products. We now operate 26 manufacturing facilities in eight countries, with 29 stand alone sales and service offices in 11 countries, and nine stand alone warehouse facilities in five countries.

Strong After-Market Sales and Support. We believe that we retain customers and attract new customers due to our ongoing commitment to customer service and satisfaction. We have a large installed base of hoists and chain that drives our after-market sales for components and repair parts and is a stable source of higher margin business. We maintain strong relationships with our customers and provide prompt aftermarket service to end-users of our products through our authorized network of 13 chain repair stations and over 350 hoist service and repair stations.

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 reducing our costs, increasing our inventory turnover and reducing the capital intensity of our manufacturing operations. From the beginning of fiscal 2003 through July 3, 2005, we have reduced total debt by $83.8 million, from $350.4 million to $266.6 million, and with our net proceeds from this offering we will reduce our total debt by an additional $40.3 million.

Experienced Management Team with Significant Equity Ownership. Our senior management team provides us with a depth and continuity of experience in the material handling industry. Our management has experience in aggressive cost management, balance sheet management, efficient manufacturing techniques,

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acquiring and integrating businesses and global operations, all of which are critical to our long-term growth. After giving effect to this offering, our directors and executive officers, as a group, will own an aggregate of approximately 7.1% of our outstanding common stock.

Our Growth Strategy

Increase Our Domestic Organic Growth. We intend to leverage our strong competitive advantages to increase our domestic market share across all of our product lines by:

Leveraging Our Strong Competitive Position. Our large diversified customer base, our extensive distribution channels and our close relationship with our distributors provide us with insights into customer preferences and product requirements that allow us to anticipate and address the future needs of end-users.

Introducing New and Cross-Branded Products. We continue to expand our business by developing new material handling products and services and expanding the breadth of our product lines to address customer needs. Over the past three years, we have developed over 100 new or cross-branded products, representing approximately $30.3 million in fiscal 2005 revenues.

Recent new product introductions include:

- global wire rope hoists used in overhead cranes and
- hand hoists and lever tools manufactured at our Chinese plants.

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 $191.3 million comprised 37% of our net sales for fiscal 2005, as 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 approximately 50 countries and have our primary international facilities in Canada, Mexico, Germany, the United Kingdom, Denmark, France and China. In addition to new product introductions, we continue to expand our sales and service presence in the major market areas of Europe, Asia-Pacific and South America through our sales offices and warehouse facilities in Europe, Thailand, Brazil 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 Mexico and China for distribution in Europe and Asia-Pacific. We are developing new hoist products in compliance with FEM standards to enhance our global distribution.

Further Reduce Our Operating Costs and Increase Manufacturing Productivity. Our objective is to remain a low-cost producer. We continually seek ways to reduce our operating costs and increase our manufacturing productivity including through our on-going expansion of our manufacturing capacity in low-cost regions, including Mexico and China. In furtherance of this objective, we have undertaken the following:

Rationalization of Facilities. In fiscal 2002 through fiscal 2004, we closed 10 manufacturing plants and three warehouses, consolidated a number of similar product lines and standardized certain component parts resulting in an aggregate cost savings of approximately $14 million. We are currently investigating opportunities for further facility rationalization.

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Implementation of Lean Manufacturing. We continue to identify efficiencies in our operations through Lean Manufacturing initiated in fiscal 2002. Through fiscal 2005, we have instituted Lean Manufacturing at 15 of our major facilities resulting in the recapture of approximately 164,000 square feet of manufacturing floor area and the consolidation of an additional 920,000 square feet from closed facilities. Additionally, we have reduced inventories by approximately $31 million, or 28.7%, improved productivity and achieved significant reductions in product lead times. Specifically, we improved inventory turns by 21.3% to 5.7x for the fourth quarter of fiscal 2005 from 4.7x for the fourth quarter of fiscal 2003. Our Lean Manufacturing initiative complements our strategy of rationalizing our manufacturing facilities.

Reduce Our Debt. We intend to continue our focus on cash generation for debt reduction through the following initiatives:

Increase Operating Cash Flow. We believe that with an improved global economic climate we will realize favorable operating leverage. We further believe that such operating leverage will result in increased operating cash flow available for debt reduction.

Reduce Working Capital. We believe our improved working capital management and increased productivity resulting from Lean Manufacturing activities will result in increased free cash flow available for debt reduction.

Sale of Excess Real Estate. We have identified, and expect to continue to identify, excess real estate to be sold. The proceeds of such sales have been, and will continue to be, used to repay our outstanding debt.

Pursue Selected Divestitures. We periodically review our businesses and are currently evaluating strategic alternatives for certain of our non-strategic businesses. The proceeds from divestitures will provide additional liquidity and improve the flexibility of our capital structure.

Pursue Strategic Acquisitions and Alliances. We intend to evaluate and, where appropriate, pursue bolt-on acquisitions and strategic alliances that expand and complement our existing products and services, broaden our markets, increase our customer base or reduce our production costs.

Recent Developments

Sale of Subordinated Debt. In September 2005, we sold $136.0 million aggregate principal amount of our 8 $^{7}/8$% Senior Subordinated Notes due 2013 in a private placement. The net proceeds therefrom, together with borrowings under our revolving credit facility and cash on hand, were used to repurchase and redeem all of our outstanding 8 $^{1}/2$% Senior Subordinated Notes due 2008.

Second Quarter Results. Net sales for the second quarter of fiscal 2006 were $134.7 million. This quarter s sales represent a 9.8% increase over sales of $122.7 million in the second quarter of fiscal 2005. Net income for the second quarter of fiscal 2006 was $3.3 million, or $0.21 per share, a $0.7 million or 25.8% increase from $2.6 million, or $0.18 per share, in the prior fiscal year second quarter. Second quarter fiscal 2006 results include the negative impact of the previously announced charges of $3.5 million associated with our recent subordinated debt refinancing. Excluding these charges, net income for the fiscal 2006 second quarter would have been $6.8 million or $0.44 per diluted share, respective increases of 160.7% and 144.4% over reported U.S. GAAP net income and diluted net income per share in the year-ago quarter.

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Second Quarter Review

Demand from our end user markets was driven by continued strength in the U.S. and international industrial economies as well as a continuation of our successful global growth strategy. Volume accounted for approximately 5 percentage points of the increase in sales while price changes accounted for 4 percentage points, and currency translation for about 1 percentage point.

Our effective tax rate for the fiscal 2006 second quarter was 36.1%, compared with 29.2% in the fiscal 2005 second quarter. The higher effective income tax rate in fiscal 2006 reflects the debt refinancing charges of $3.5 million, which reduced U.S. taxable income in the fiscal 2006 second quarter resulting in no associated tax benefit being recorded in the quarter. We have approximately $93 million of fully reserved U.S. federal net operating loss carry forwards available to offset future U.S. taxable income, allowing more of our U.S.-based margin expansion to be directly reflected in net income.

Debt, net of cash at October 2, 2005, was $238.2 million, a $23.3 million reduction from $261.5 million at March 31, 2005, and a $46.3 million reduction from $284.5 million a year ago. Included in subordinated debt at the end of the second quarter this fiscal year was $25.6 million of the refinanced notes that were settled on October 14, 2005, effectively reducing subordinated debt by that amount in the fiscal 2006 third quarter. The percentage of debt to total capitalization improved to 75.0% or 180 basis points compared with 76.8% at March 31, 2005, and improved 590 basis points compared with 80.9% at the end of last year s second quarter.

Net cash provided by operations was $24.2 million year-to-date through the fiscal 2006 second quarter, compared with $2.8 million in cash used by operations for the prior year period. The improvement in operating cash flow was driven by earnings growth and improved working capital management. Working capital as a percent of the latest twelve month s revenues through the fiscal 2006 second quarter improved to 18.1%, compared with 19.4% and 23.1% at the end of the first quarter of fiscal 2006 and last year s second quarter, respectively.

Products Segment

Products segment sales for the second quarter of fiscal 2006 represented 89.6% of consolidated net sales, increasing 10.7% from last year to $120.7 million. Gross margin for this segment was 27.1%, a 160 basis point improvement from 25.5% in last year s second quarter. Income from operations, as a percent of sales, was 10.5% for this period, up from 8.7% in the fiscal 2005 second quarter.

Backlog stood at $40.2 million at the end of the quarter, down from $42.8 million and $47.2 million at the end of the first quarter of fiscal 2006 and last year s second quarter, respectively. The changes in backlog reflect normal business fluctuations. The time to convert Products segment backlog to sales can range from a few days to a few weeks, and backlog for this segment on average represents four to five weeks of shipments.

Solutions Segment

Net sales for the Solutions segment were $14.0 million in the fiscal 2006 second quarter, up $0.3 million, or 2.2%, from sales of $13.7 million in the same period last year. Gross margin was 17.8%, a 220 basis point improvement from 15.6% last year. Income from operations as a percent of sales was 4.1% for this period compared with 3.4% in last year s second quarter.

Backlog for the Solutions segment at October 2, 2005 was $17.4 million, virtually even with $17.3 million at the end of the fiscal 2006 first quarter and slightly down from backlog of $20.6 million at the end of the fiscal 2005 second quarter. The change in backlog reflects the timing of projects awarded for this segment. The average cycle time for backlog to convert to sales for the Solutions segment can range from one to six months.

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Six-month Review

Net sales for the first half of fiscal 2006 were $275.6 million, up 12.8%, or $31.2 million, compared with the first half of fiscal 2005. Gross profit of $71.7 million was 16.8% higher for this fiscal year s first six months, resulting in a 90 basis point improvement in gross profit margin to 26.0%. The improved margin was the result of continued operating leverage. Selling, general and administrative expenses as a percent of sales improved to 15.8%, compared with 16.3% in the prior year. Net income for the first half of fiscal 2006 was $10.6 million, up $4.6 million, or 77.7%. On a per share basis, net income was $0.70 ($0.93 excluding the $0.23 charge for subordinated debt refinancing) for the first half of fiscal 2006, a 70.7% increase from $0.41 for the same period in fiscal 2005.

Capital expenditures for the first half of fiscal 2006 were $3.8 million, up from $1.9 million in the prior year period. We expect capital spending for fiscal 2006 to be in the range of $6.0 to $7.0 million. Higher capital expenditures in the first half of fiscal 2006 included a concentration of new product development and productivity improvement spending.

COLUMBUS McKINNON CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(amounts in thousands, except per share and percentage data)

	Three Months Ended		
	10/2/05	**10/3/04**	**Change**
Net sales	$ 134,712	$ 122,711	9.8 %
Cost of products sold	99,554	92,768	7.3 %
Gross profit	35,158	29,943	17.4 %
Gross profit margin	26.1%	24.4%	
Selling expense	13,080	12,270	6.6 %
General and administrative expense	8,539	7,517	13.6 %
Restructuring charges	211	184	14.7 %
Amortization	61	76	(19.7)%
Income from operations	13,267	9,896	34.1 %
Interest and debt expense	6,633	7,141	(7.1)%
Interest and other expense (income)	1,864	(607)	(407.1)%
Income from continued operations before income tax expense	4,770	3,362	41.9 %
Income tax expense	1,721	982	75.3 %
Income from continued operations	3,049	2,380	28.1 %

Income from discontinued operations	214	214	
Net income	$ 3,263	$ 2,594	25.8 %
Average basic shares outstanding	14,845	14,585	1.8 %
Basic net income per share:			
Continuing operations	$ 0.21	$ 0.17	17.6 %
Discontinued operations	0.01	0.01	
Net income	$ 0.22	$ 0.18	16.7 %
Average diluted shares outstanding	15,431	14,800	4.3 %
Diluted net income per share:			
Continuing operations	$ 0.20	$ 0.17	17.6 %
Discontinued operations	0.01	0.01	
Net income	$ 0.21	$ 0.18	16.7 %

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COLUMBUS McKINNON CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

(amounts in thousands, except per share and percentage data)

	Six Months Ended		
	10/2/05	**10/3/04**	**Change**
Net sales	$ 275,589	$ 244,369	12.8 %
Cost of products sold	203,888	182,975	11.4 %
Gross profit	71,701	61,394	16.8 %
Gross profit margin	26.0%	25.1%	
Selling expense	26,738	24,970	7.1 %
General and administrative expense	16,714	15,002	11.4 %
Restructuring charges	237	217	9.2 %
Amortization	123	153	(19.6)%
Income from operations	27,889	21,052	32.5 %
Interest and debt expense	13,349	14,189	(5.9)%
Interest and other expense (income)	1,075	(589)	(282.5)%
Income from continued operations before income tax expense	13,465	7,452	80.7 %
Income tax expense	3,308	1,710	93.5 %
Income from continued operations	10,157	5,742	76.9 %
Income from discontinued operations	428	214	
Net income	$ 10,585	$ 5,956	77.7 %
Average basic shares outstanding	14,757	14,585	1.2 %
Basic net income per share:			
Continuing operations	$ 0.69	$ 0.40	72.5 %
Discontinued operations	0.03	0.01	
Net income	$ 0.72	$ 0.41	75.6 %
Average diluted shares outstanding	15,227	14,698	3.6 %
Diluted net income per share:			
Continuing operations	$ 0.67	$ 0.40	67.5 %
Discontinued operations	0.03	0.01	
Net income	$ 0.70	$ 0.41	70.7 %

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COLUMBUS McKINNON CORPORATION

CONSOLIDATED BALANCE SHEETS

(amounts in thousands)

	10/2/05	3/31/05
	(unaudited)	(audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 42,535	$ 9,479
Trade accounts receivable	86,026	88,974
Unbilled revenues	10,862	8,848
Inventories	77,637	77,626
Prepaid expenses	14,317	14,198
Total current assets	231,377	199,125
Net property, plant, and equipment	54,532	57,237
Goodwill and other intangibles, net	186,732	187,285
Marketable securities	25,165	24,615
Deferred taxes on income	4,327	6,122
Other assets	6,635	6,487
Total assets	$ 508,768	$ 480,871
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Notes payable to banks	$ 3,318	$ 4,839
Trade accounts payable	37,833	33,688
Accrued liabilities	51,955	51,962
Restructuring reserve	114	144
Current portion of long-term debt	195	5,819
Total current liabilities	93,415	96,452
Senior debt, less current portion	115,600	115,735
Subordinated debt	161,600	144,548
Other non-current liabilities	44,751	42,369
Total liabilities	415,366	399,104
Shareholders equity:		
Common stock	152	149
Additional paid-in capital	106,795	104,078
Retained earnings (accumulated deficit)	1,941	(8,644)
ESOP debt guarantee	(4,260)	(4,554)
Unearned restricted stock	(29)	(6)
Accumulated other comprehensive loss	(11,197)	(9,256)
Total shareholders equity	93,402	81,767

Total liabilities and shareholders equity	$ 508,768	$ 480,871

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COLUMBUS McKINNON CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOW

(unaudited)

(amounts in thousands)

	Six Months Ended	
	10/2/05	**10/3/04**
Operating activities:		
Income from continuing operations	$ 10,157	$ 5,742
Adjustments to reconcile income from continuing operations to net cash provided by (used in) operating activities of continuing operations:		
Depreciation and amortization	4,651	4,652
Deferred income taxes	1,795	1,275
Gain on sale of real estate/investments	(1,547)	
Loss on early retirement of 2008 bonds	2,407	
Amortization/write-off of deferred financing costs	1,563	655
Changes in operating assets and liabilities:		
Trade accounts receivable	2,381	578
Unbilled revenues and excess billings	(2,798)	(2,175)
Inventories	(301)	(5,257)
Prepaid expenses	(97)	1,342
Other assets	(202)	(135)
Trade accounts payable	4,666	(4,718)
Accrued and non-current liabilities	1,487	(4,781)
Net cash provided by (used in) operating activities of continuing operations	24,162	(2,822)
Investing activities:		
Sale of marketable securities, net	475	1,991
Capital expenditures	(3,761)	(1,948)
Proceeds from sale of businesses and fixed assets	2,091	
Net assets held for sale		300
Net cash (used in) provided by investing activities of continuing operations	(1,195)	343
Financing activities:		
Proceeds from stock options exercised	2,729	
Net payments under revolving line-of-credit agreements	(1,110)	8,036
Repayment of debt	(126,953)	(7,173)
Payment of deferred financing costs	(1,566)	(11)
Proceeds from issuance of long-term debt	136,000	
Other	294	286
Net cash provided by financing activities of continuing operations	9,394	1,138

Effect of exchange rate changes on cash	267	(91)
Net cash provided by (used in) continuing operations	32,628	(1,432)
Net cash provided by discontinued operations	428	214
Net change in cash and cash equivalents	33,056	(1,218)
Cash and cash equivalents at beginning of period	9,479	11,101
Cash and cash equivalents at end of period	$ 42,535	$ 9,883

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COLUMBUS McKINNON CORPORATION

BUSINESS SEGMENT DATA

(unaudited)

(amounts in thousands, except percentage data)

	Products	Solutions	Consolidated
Quarter ended 10/2/05			
Net sales	$ 120,674	$ 14,038	$ 134,712
Gross profit	32,665	2,493	35,158
Margin	27.1%	17.8%	26.1%
Income from operations	12,692	575	13,267
Margin	10.5%	4.1%	9.8%
Quarter ended 10/3/04			
Net sales	$ 108,981	$ 13,730	$ 122,711
Gross profit	27,805	2,138	29,943
Margin	25.5%	15.6%	24.4%
Income from operations	9,435	461	9,896
Margin	8.7%	3.4%	8.1%
Six-months ended 10/2/05			
Net sales	$ 244,555	$ 31,034	$ 275,589
Gross profit	66,885	4,816	71,701
Margin	27.3%	15.5%	26.0%
Income from operations	26,820	1,069	27,889
Margin	11.0%	3.4%	10.1%
Six-months ended 10/3/04			
Net sales	$ 217,538	$ 26,831	$ 244,369
Gross profit	57,050	4,344	61,394
Margin	26.2%	16.2%	25.1%
Income from operations	20,259	793	21,052
Margin	9.3%	3.0%	8.6%

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COLUMBUS McKINNON CORPORATION

ADDITIONAL DATA

	October 2, 2005	October 3, 2004
Backlog (in thousands)		
Products segment	$ 40,235	$ 47,194
Solutions segment	17,402	20,647
Trade accounts receivable		
Days sales outstanding	58.1	62.6
Inventory turns per year (based on cost of products sold)	5.1x	5.0x
Days per turn	71.6	73.0
Trade accounts payable		
Days payables outstanding	34.6	25.0
Working capital as a % of total sales	18.1%	23.1%
Debt to total capitalization percentage	75.0%	80.9%

Shipping Days by Quarter

	Q1	Q2	Q3	Q4
FY06	65	63	58	65
FY05	65	63	58	63

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The Offering

Common stock being offered by us	3,000,000	shares
Common stock being offered by the selling shareholder	350,000	shares
Common stock to be outstanding after this offering	18,247,572	shares(1)
Use of Proceeds	We will use the net proceeds to redeem approximately $40.3 million of our outstanding 10% Senior Secured Notes due 2010 and for general corporate purposes in furtherance of our strategy of global growth, including additional debt repayment, investments and acquisitions. We will not receive any proceeds from the sale of shares by the selling shareholder. See Use of Proceeds.	
Nasdaq National Market symbol	CMCO	

(1) Excludes (i) 450,000 shares of common stock that may be sold by us to the underwriters to cover over-allotments and (ii) 1,632,100 shares of common stock reserved for issuance under our stock option plans, of which 1,423,300 shares were subject to outstanding options as of October 2, 2005 at a weighted average exercise price of $11.43 per share.

Risk Factors

An investment in our common stock involves risk. You should carefully consider the information under the heading Risk Factors and all other information in this prospectus before investing in our common stock.

Additional Information

Our company was incorporated under the laws of the State of New York in 1929. Our executive offices are located at 140 John James Audubon Parkway, Amherst, New York 14228-1197, and our telephone number is (716) 689-5400. Our web site address is http://www.cmworks.com. Information contained in our web site is not a part of this prospectus.

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SUMMARY CONSOLIDATED FINANCIAL DATA

(amounts in millions, except per share data)

The following table sets forth certain consolidated financial data for the three-year period ended March 31, 2005, for the three-month periods ended July 4, 2004 and July 3, 2005 and the twelve-month period ended July 3, 2005. The consolidated financial data for the fiscal years ended March 31, 2003, 2004 and 2005 are derived from the audited consolidated financial statements included elsewhere herein. The consolidated financial data for the three months ended July 3, 2005 and July 4, 2004 are derived from our unaudited consolidated financial statements included elsewhere herein. The consolidated financial data for the twelve months ended July 3, 2005 are derived from both the audited consolidated financial statements for the year ended March 31, 2005 and the unaudited consolidated financial statements for the three months ended July 3, 2005 and July 4, 2004. The unaudited consolidated financial statements include all adjustments consisting of normal recurring accruals, which the company considers necessary for a fair presentation of the financial position and results of operations for these periods.

The information presented below is only a summary and should be read in conjunction with Selected Consolidated Financial Data and Management s Discussion and Analysis of Results of Operations and Financial Condition and our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus. Operating results for the three and twelve-month periods ended July 3, 2005 are not necessarily indicative of the results that may be expected for the entire year ended March 31, 2006.

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	Fiscal Year Ended March 31			Three Months Ended		Twelve Months Ended
	2003	2004	2005	07/04/04	07/03/05	07/03/05
Statement of Operations Data:						
Net sales	$ 453.3	$ 444.5	$ 514.8	$ 121.7	$ 140.9	$ 534.0
Cost of products sold	346.0	339.7	388.9	90.2	104.3	403.0
Gross profit	107.3	104.8	125.9	31.5	36.6	131.0
Selling expenses	47.4	48.3	52.3	12.7	13.7	53.3
General and administrative expenses	26.6	25.0	31.7	7.5	8.2	32.4
Restructuring charges(1)	3.7	1.2	0.9			0.9
Write-off/amortization of intangibles(2)	4.2	0.4	0.3	0.1	0.1	0.3
Income from operations	25.4	29.9	40.7	11.2	14.6	44.1
Interest and debt expense	32.0	28.9	27.6	7.1	6.7	27.2
Other income	(2.1)	(4.2)	(5.2)		(0.8)	(6.0)
(Loss) income before income tax expense	(4.5)	5.2	18.3	4.1	8.7	22.9
Income tax expense	1.5	4.0	2.2	0.7	1.6	3.1
(Loss) income from continuing operations	(6.0)	1.2	16.1	3.4	7.1	19.8
Total income from discontinued operations			0.6		0.2	0.8
Cumulative effect of change in accounting principle(2)	(8.0)					
Net (loss) income	$ (14.0)	$ 1.2	$ 16.7	$ 3.4	$ 7.3	$ 20.6
Basic (loss) income per share	$ (0.97)	$ 0.08	$ 1.14	$ 0.23	$ 0.50	$ 1.41
Diluted (loss) income per share	$ (0.97)	$ 0.08	$ 1.13	$ 0.23	$ 0.49	$ 1.38
Average basic shares outstanding	14.5	14.6	14.6	14.6	14.7	14.6
Average diluted shares outstanding	14.5	14.6	14.8	14.6	15.0	14.9
Balance Sheet Data (end of period):						
Cash and cash equivalents	$ 1.9	$ 11.1	$ 9.5	$ 12.1	$ 13.6	$ 13.6
Working capital	96.4	101.3	102.7	104.6	112.3	112.3
Total assets	482.6	473.4	480.9	471.3	486.3	486.3
Total debt(3)	316.3	293.4	270.9	293.6	266.6	266.6
Total shareholders equity	52.7	63.0	81.8	66.3	86.2	86.2
Other Financial Data:						
Depreciation and amortization	14.8	10.1	9.2	2.3	2.4	9.3
Capital expenditures	5.0	3.6	5.9	0.8	1.7	6.8
Net cash provided by operating activities of continuing operations	14.2	26.4	17.2	1.1	10.6	26.7
Net cash provided by (used in) investing activities of continuing operations	16.0	4.3	2.5	(0.4)	(2.4)	0.5
Net cash (used in) provided by financing activities of continuing operations	(41.9)	(21.5)	(21.9)	0.2	(3.9)	(26.0)

(1) Refer to Results of Operations in Management s Discussion and Analysis of Results of Operations and Financial Condition for a discussion of the restructuring charges related to fiscal 2003, 2004 and fiscal 2005.

(2) As a result of our adoption of Statement of Financial Accounting Standards, or SFAS No. 142, commencing in 2003, goodwill is no longer amortized. The write-off/amortization of intangibles charge in fiscal 2003 represents a $4.0 million impairment write-off. In addition, the cumulative effect of change in accounting principle represents the impact of adopting SFAS No. 142.

(3) Total debt includes long-term debt, including the current portion, notes payable and subordinated debt.

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RISK FACTORS

An investment in our common stock involves risk. The risks below are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business operations. All of the following risks could affect our business, financial condition or results of operations. In such a case, you may lose all or a part of your original investment. You should consider carefully, in addition to the other information contained in this prospectus, the following risk factors before deciding to invest in our common stock.

Risks Related to Our Business

Our business is cyclical and is affected by industrial economic conditions, and over the past several years we experienced substantially reduced demand for our products.

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. In fiscal 2003 and 2004, for example, we experienced significantly reduced demand for our products, generally as a result of the global economic slowdown, and more specifically as a result of the dramatic decline in capital goods spending in the industries in which our end-users operate. These lower levels of demand resulted in a 24.2% decline in net sales from fiscal 2001 to fiscal 2004, from $586.2 million to $444.6 million. This decline in net sales resulted in a 54.6% decrease in our income from operations during the same period. We saw a significant improvement in demand for our products in fiscal 2005. Our net sales for fiscal 2005 were $514.8 million, up $70.2 million or 15.8% from fiscal 2004 net sales.

If the current upturn does not continue or if there is deterioration in 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.

Our substantial level of indebtedness may adversely affect our financial condition, limit our ability to grow and compete and prevent us from fulfilling our debt service obligations.

We are highly leveraged, which means that we have incurred indebtedness that is substantial in relation to our income from operations, net cash provided by operating activities of continuing operations and shareholders equity. As of July 3, 2005, on a pro forma basis after giving effect to (i) the sale of $136.0 million principal amount of our 8 $^{7}/8$% Senior Subordinated Notes due 2013 (8$^{7}/8$% Notes) in September 2005 and the use of the net proceeds therefrom, together with additional borrowings under our revolving credit facility and cash on hand, to repurchase and redeem all of our outstanding 8 $^{1}/2$% Senior Subordinated Notes due 2008 (8$^{1}/2$% Notes) and (ii) the sale of our common stock in this offering and the use of proceeds therefrom as described in Capitalization , we would have had total debt of approximately $230.4 million. This total debt represents approximately 62.0% of our total pro forma capitalization at that date. The degree to which we are leveraged could have important consequences to holders of our common stock, including the following:

we must dedicate a substantial portion of our cash flow from operations to the payment of principal and interest on our debt, which reduces the funds available for our operations;

a portion of our debt is at variable rates of interest, which makes us vulnerable to increases in interest rates; for example, interest expense for fiscal 2005 would have increased $0.1 million for every percentage point increase in interest rates, based upon our pro forma variable rate debt outstanding as of July 3, 2005;

it may limit our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions and general corporate or other purposes;

it may limit our ability to adjust to changing market conditions and to withstand competitive pressures, putting us at a competitive disadvantage; and

we may be more vulnerable to a continued downturn in general economic conditions or in our business, or we may be unable to carry out capital spending that is important to our growth and productivity-improvement programs.

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

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. 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 $153.8 million in fiscal year 2005) is generated in foreign currencies, including principally the euro and the Canadian dollar, while a portion of the costs incurred to generate those revenues are 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, an impact on our earnings. We currently do not have exchange rate hedges in place to reduce the risk of an adverse currency exchange movement. 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 Canada, Mexico, Germany, the United Kingdom, Denmark, France and China. 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 2005, approximately 37% 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 domestic business, including currency exchange rate fluctuations, 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, domestic 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 foreign countries, in particular in Mexico and China. 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 performance, functionality, price, brand recognition, customer service and support, and product availability. 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, including crane building. 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.

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 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 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. During 2004, the market price of steel increased significantly but has stabilized, or even decreased in some steel categories during 2005. 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 2004 and 2005, we were successful at adding and maintaining a surcharge to the costs of our high steel content products reflecting the increased cost of steel. 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 attract additional qualified personnel when needed. Effective August 4, 2005, our former Chief Financial Officer, Robert R. Friedl, resigned as an employee of the company. We have not entered into employment agreements with any of our senior management personnel.

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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 discharge 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, significant 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. We could incur additional environmental liabilities, 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.

Risks Related to the Offering

Our management has broad discretion over the use of a portion of the net proceeds to us from this offering.

While we intend to use approximately $40.3 million of the net proceeds to us from this offering to repurchase a portion of our outstanding 10% Senior Secured Notes due 2010, our management will have considerable discretion in the application of the balance of the net proceeds to us from this offering. You will not have the opportunity, as part of your investment decision, to assess whether the balance of the net proceeds are being used appropriately. We may use these net proceeds for corporate purposes that do not increase our profitability or our market value. Pending application of the net proceeds, we may place them in investments that produce low investment yields or that lose value.

Sales of substantial amounts of our common stock or the perception that such sales may occur could cause the market price of our common stock to drop significantly, even if our business is performing well.

The market price of our common stock could decline as a result of sales of a large number of shares of our common stock in the market after this offering or the perception that these sales may occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

As of October 2, 2005 there were 15,247,572 shares of our common stock outstanding. Subject to the lock-up provisions described below, all of these shares will be freely tradeable without restriction or further registration under the Securities Act of 1933 (the Securities Act), as amended, by persons other than our affiliates within the meaning of Rule 144 under the Securities Act.

In connection with this offering, our executive officers, directors and the selling shareholder have agreed not to publicly sell shares of our common stock for a period of 90 days from the date of this prospectus, subject to limited exceptions. Sales of substantial amounts of our common stock by these holders, or the perception that such sales could occur, could result in a significant decline in the market price of our common stock.

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The market price of our common stock may be volatile, which could cause the value of your investment to decline.

The price you pay in this offering may not reflect the market price of our common stock following this offering and we cannot assure you that the market price will equal or exceed the price you pay in this offering. The trading price of our common stock may be subject to wide fluctuations. Factors affecting the trading price of our common stock may include:

- variations in our financial results;
- announcements of new business initiatives by us or by our competitors;
- recruitment or departure of key personnel;
- changes in the estimates of our financial results, or any failure by us to meet or exceed any such estimates, or changes in the recommendations of any securities analysts that elect to follow our common stock or the common stock of our competitors; and
- market conditions in our industry and the economy as a whole.

In addition, if the market for our products or the stock market in general experiences loss of investor confidence, the trading price of our common stock could decline in spite of our operating performance. The trading price of our common stock may also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. You may be unable to resell your shares of our common stock at or above the offering price.

If securities analysts do not publish research or reports about our business or if they downgrade our stock or our sector, the price of our stock could decline.

The trading market for our common stock relies in part on the research and reports that industry or financial analysts publish about us or our business. We cannot control what these analysts publish. Furthermore, if one or more of the analysts who do cover us downgrades our stock or our industry, or the stock of any of our competitors, the price of our stock could decline. If one or more of these analysts ceases coverage of our company, we could lose visibility in the market, which in turn could cause our stock price to decline.

Our certificate of incorporation, by-laws and Rights Agreement, as well as the New York Business Corporation Law, contain provisions that could have the effect of deterring takeovers or delaying or preventing changes in control or management of our company.

Provisions of our certificate of incorporation and by-laws, our Rights Agreement and applicable New York law may discourage, delay or prevent a change in control that shareholders may consider favorable or may impede the ability of the holders of our common stock to change our management. The provisions of our certificate of incorporation and by-laws:

authorize our Board of Directors to issue preferred stock in one or more series, without shareholder approval;

regulate how shareholders may present proposals or nominate directors for election at annual meetings of shareholders; and

limit the right of shareholders to remove a director.

Our Rights Agreement and applicable provisions of New York law impose limitations on persons proposing to acquire us in a transaction not approved by our Board of Directors.

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FORWARD-LOOKING STATEMENTS

This prospectus includes forward-looking statements within the meaning of Section 27A of the Securities Act, Section 21E of the Securities Exchange Act of 1934, as amended (the Exchange Act), and the Private Securities Litigation Reform Act of 1995, including statements regarding our future prospects. These statements may be identified by terms and phrases such as anticipate, believe, intend, estimate, expect, continue, should, could, may, plan, project, predict, will and similar expressions and relate to future events and occurrences. These forward-looking statements are subject to uncertainties and other factors that could cause actual results to differ materially from such statements, all of which are difficult to predict and many of which are beyond our control. Factors that could cause actual results to differ materially from those expressed or implied in such statements include, but are not limited to, those factors described under Risk Factors beginning on page 16, as well as the following:

- general economic and capital market conditions, including political and economic uncertainty in various areas of the world where we do business;
- varying and seasonal levels of demand for our products and services;
- consolidation within our customer base and the resulting increased concentration of our sales;
- pricing and product actions taken by our competitors;
- financial conditions of our customers;
- customers perception of our financial condition relative to that of our competitors;
- changes in United States or foreign tax laws or regulations;
- reliance upon suppliers and risks of production disruptions and supply and capacity constraints;
- costs of raw materials and energy;
- risks associated with reconfiguration and relocation of manufacturing operations;
- the effectiveness of our cost reduction initiatives;
- industry innovation and our own research and development efforts;
- interest and foreign currency exchange rates;

risks associated with product liability;

unforeseen liabilities arising from patent or other litigation; and

our dependence on key management.

Given these factors, undue reliance should not be placed on any forward-looking statements, including statements regarding our future prospects. As you read and consider this prospectus, you should understand that these statements are not guarantees of performance or results. These statements speak only as of the date made. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, the occurrence of future events or otherwise.

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USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of 3.0 million shares of common stock that we are offering will be approximately $56.0 million ($64.6 million if the underwriters exercise their over-allotment in full) after the payment of underwriting discounts, commissions and our estimated offering expenses, based on an offering price to the public of $20.00 per share. We will not receive any of the proceeds from the sale of shares of common stock offered by the selling shareholder.

We intend to use a portion of our net proceeds from this offering to redeem approximately $40.3 million principal amount of our outstanding 10% Senior Secured Notes (the 10% Notes) pursuant to the optional redemption provisions of the indenture governing the 10% Notes at a purchase price equal to 110% of the principal amount thereof plus accrued interest to the redemption date.

We intend to use the balance of our net proceeds from this offering for other general corporate purposes in furtherance of our strategy of global growth, including additional debt repayment, acquisitions and investments. We have no current agreements or commitments with respect to any acquisition or investment, and we currently are not engaged in negotiations with respect to any acquisition or investment. Accordingly, our management will have broad discretion in applying these proceeds.

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PRICE RANGE OF COMMON STOCK AND DIVIDEND HISTORY

Our common stock is traded on The Nasdaq National Market under the symbol CMCO. As of October 2, 2005, there were 515 holders of record of our common stock.

From 1988 through the second quarter of fiscal 2002, we paid quarterly cash dividends on our common stock. In January 2002, we announced that we were indefinitely suspending the payment of cash dividends on our common stock in order to dedicate our cash resources to the repayment of outstanding indebtedness. 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 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 National Market.

	Price Range of Common Stock	
	High	**Low**
Year Ended March 31, 2004		
First Quarter	$ 2.72	$ 1.30
Second Quarter	4.84	2.31
Third Quarter	7.80	4.58
Fourth Quarter	11.72	6.35
Year Ended March 31, 2005		
First Quarter	$ 8.62	$ 4.87
Second Quarter	9.81	6.69
Third Quarter	9.38	6.80
Fourth Quarter	14.31	8.20
Year Ended March 31, 2006		
First Quarter	$ 13.82	$ 8.35
Second Quarter	25.15	10.70
Third Quarter (through November 7, 2005)	26.00	20.07

On November 7, 2005, the last reported sale price of our common stock on The Nasdaq National Market was $21.78 per share.

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CAPITALIZATION

The following table sets forth our cash position and capitalization as of October 2, 2005 (i) on an actual basis, (ii) as adjusted to give effect to the redemption in October 2005 of $25.6 million principal amount of our outstanding 8 $^{1}/2$% Notes and (iii) as further adjusted to give effect to the completion of this offering and the redemption of $40.3 million principal amount of our outstanding 10% Notes with a portion of the net proceeds therefrom as described further in Use of Proceeds.

The information presented below should be read in conjunction with Summary Consolidated Financial Data, Use of Proceeds and Management s Discussion and Analysis of Results of Operations and Financial Condition and our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus.

	October 2, 2005		
	Actual	As Adjusted	As Further Adjusted
		(dollars in millions)	
Cash and cash equivalents(1)	$ 42.5	$ 16.9	$ 27.5
Debt:			
Revolving credit facility	$	$	$
10% Notes	115.0	115.0	74.7
Other senior debt(2)	4.1	4.1	4.1
8 $^{1}/2$% Notes	25.6		
8 $^{7}/8$% Notes	136.0	136.0	136.0
Total debt	280.7	255.1	214.8
Shareholders equity(3)			
Voting common stock	0.2	0.2	0.2
Additional paid-in capital	106.8	106.8	162.8
Retained earnings (accumulated deficit)	1.9	1.9	(3.0)
ESOP debt guarantee	(4.3)	(4.3)	(4.3)
Unearned restricted stock	(0.0)	(0.0)	(0.0)
Accumulated other comprehensive loss	(11.2)	(11.2)	(11.2)
Total shareholders equity	93.4	93.4	144.5
Total capitalization	$ 374.1	$ 348.5	$ 359.3

(1) Cash and cash equivalents As Further Adjusted includes net proceeds of $56.0 million less debt redeemed of $40.3 million, redemption premiums of $4.0 million, and accrued interest on debt redeemed of $1.1 million.
(2) Other senior debt includes working capital facilities and other debt of our foreign subsidiaries.
(3) Adjustments to our shareholders equity reflect fees of $4.0 million, redemption premiums of $4.0 million, write-offs of capitalized financing fees on our 10% Notes of $0.9 million, and the proceeds from this offering.

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SELECTED CONSOLIDATED FINANCIAL DATA

(amounts in millions, except per share data)

The following table sets forth selected consolidated financial data for the five-year period ended March 31, 2005, for the three-month periods ended July 4, 2004 and July 3, 2005 and the twelve-month period ended July 3, 2005. The selected consolidated financial data for the fiscal years ended March 31, 2003, 2004 and 2005 are derived from the audited consolidated financial statements included elsewhere herein. The consolidated financial data for the three months ended July 3, 2005 and July 4, 2004 is derived from our unaudited consolidated financial statements included elsewhere herein. The consolidated financial data for the twelve months ended July 3, 2005 are derived from both the audited consolidated financial statements for the year ended March 31, 2005 and the unaudited consolidated financial statements for the three months ended July 3, 2005 and July 4, 2004. The unaudited consolidated financial statements include all adjustments consisting of normal recurring accruals, which the company considers necessary for a fair presentation of the financial position and results of operations for these periods. In May 2002, we sold substantially all of the assets of our ASI subsidiary. Our consolidated financial statements for the periods presented have been restated to reflect the ASI business as a discontinued operation. See Note 3 to our consolidated financial statements incorporated by reference herein for more information on the discontinued operations.

The information presented below is only a summary and should be read in conjunction with Management s Discussion and Analysis of Results of Operations and Financial Condition and our consolidated financial statements, including the notes thereto, included elsewhere in this prospectus. Operating results for the three and twelve-month periods ended July 3, 2005 are not necessarily indicative of the results that may be expected for the entire year ended March 31, 2006.

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	Fiscal Year Ended March 31					Three Months Ended		Twelve Months Ended
	2001	2002	2003	2004	2005	07/04/04	07/03/05	07/03/05
Statement of Operations Data:								
Net sales	$ 586.2	$ 480.0	$ 453.3	$ 444.5	$ 514.8	$ 121.7	$ 140.9	$ 534.0
Cost of products sold	426.7	359.5	346.0	339.7	388.9	90.2	104.3	403.0
Gross profit	159.5	120.5	107.3	104.8	125.9	31.5	36.6	131.0
Selling expenses	48.4	43.5	47.4	48.3	52.3	12.7	13.7	53.3
General and administrative expenses	34.3	28.3	26.6	25.0	31.7	7.5	8.2	32.4
Restructuring charges(1)		9.6	3.7	1.2	0.9			0.9
Write-off/amortization of intangibles(2)	11.0	11.0	4.2	0.4	0.3	0.1	0.1	0.3
Income from operations	65.8	28.1	25.4	29.9	40.7	11.2	14.6	44.1
Interest and debt expense	36.3	29.4	32.0	28.9	27.6	7.1	6.7	27.2
Other (income) and expense, net	(2.2)	2.4	(2.1)	(4.2)	(5.2)		(0.8)	(6.0)
Income (loss) before income tax expense	31.7	(3.7)	(4.5)	5.2	18.3	4.1	8.7	22.9
Income tax expense	16.8	2.3	1.5	4.0	2.2	0.7	1.6	3.1
Income (loss) from continuing operations	14.9	(6.0)	(6.0)	1.2	16.1	3.4	7.1	19.8
Total income (loss) from discontinued operations	0.3	(129.3)			0.6		0.2	0.8
Cumulative effect of change in accounting principle(2)			(8.0)					
Net income (loss)	$ 15.2	$ (135.3)	$ (14.0)	$ 1.2	$ 16.7	$ 3.4	$ 7.3	$ 20.6
Basic income (loss) per share	$ 1.06	$ (9.39)	$ (0.97)	$ 0.08	$ 1.14	$ 0.23	$ 0.50	$ 1.41
Diluted income (loss) per share	$ 1.06	$ (9.39)	$ (0.97)	$ 0.08	$ 1.13	$ 0.23		