TENNANT CO
Form 10-K/A
March 25, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K/A

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

For the fiscal year ended December 31, 2000. Commission File Number 0-4804

TENNANT COMPANY

Incorporated in the State of Minnesota **Employer Identification Number 41-0572550**

701 North Lilac Drive, P.O. Box 1452, Minneapolis, Minnesota 55440

Telephone Number 763-540-1208

Securities registered pursuant to Section 12 (b) of the Act:

Common Stock, par value $.375 per share

and

Preferred Share Purchase Rights

Securities registered pursuant to Section 12 (g) of the Act: NONE

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form

10-K/A or any amendment to this Form 10-K/A.

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$388,928,053.80 is aggregate market value of common stock held by non-affiliates as of March 5, 2001.

9,065,922 shares outstanding at March 5, 2001

DOCUMENTS INCORPORATED BY REFERENCE

2001 Proxy   Part III (Partial)

TENNANT COMPANY

2000

ANNUAL REPORT

FORM 10-K/A
(Pursuant to Securities Exchange Act of 1934)

Tennant Company announced in February 2003 that due to a technical accounting interpretation brought to the Company s attention by its auditors, the Company is restating its financial statements to recognize revenues and earnings associated with the sales of its equipment to a U.S. third party lessor, that occurred between 1998 and 2002, over the lease period for operating lease transactions and, for short term rental transactions, at the time the customer converts the short term rental to an outright purchase or long term capital lease of the equipment. Previously, revenues and earnings associated with these sales were recognized at the time of shipment. The original contract between the Company and the U.S. third party lessor included retained ownership risk provisions that were determined to preclude operating lease and short-term rental transactions from meeting the criteria for sale treatment under Statement of Financial Accounting Standards No. 13. The effect of the correction to the timing of the revenue recognition on these transactions in the 1998-2000 consolidated financial statements includes a reduction in previously reported net earnings of $0.5 million and $1.7 million and net earnings per share diluted of $0.05 and $0.18 for the years ended December 31, 2000 and 1998, respectively and an increase in previously reported net earnings of $0.1 million and net earnings per share diluted of $0.01 for the year ended December 31, 1999. The consolidated financial statements as of December 31, 2000 and 1999 and for the three years ended December 31, 2000, 1999 and 1998 and notes thereto included in this Form 10-K/A have been restated to include the effects of the correction to the timing of this revenue recognition.

On February 4, 2003, the Company amended the agreement with the third party lessor to eliminate the retained ownership risk provisions for operating leases which will result in revenue recognition for future operating lease transactions at the time of shipment. The amendment to the agreement is retroactive to the beginning of the agreement, therefore, the Company expects to recognize the remaining unrecognized revenue and earnings for past operating lease transactions in the first quarter of 2003.

This amendment to the Company s Annual Report on FORM 10-K for the fiscal year ended December 31, 2000 amends and restates those items of the FORM 10-K originally filed on March 30, 2001 (the Original Filing) which have been affected by the restatement. In order to preserve the nature and character of the disclosures set forth in such items as originally filed, no attempt has been made in this amendment to update any disclosures not impacted by the restatement. Except as required to reflect the effects of the restatement, all information contained in this amendment is stated as of the date of the Original Filing. For additional information regarding the restatement, see Notes to Consolidated Financial Statements Restated included in Item 8.

PART I

ITEM 1 Business

General Development of Business

Tennant Company, a Minnesota corporation incorporated in 1909, is a Minneapolis-based company that specializes in the design, manufacture, and sale of non-residential floor maintenance and outdoor cleaning equipment and related products.

Tennant s shares have traded on the NASDAQ Market System under the symbol TANT since 1969. As of October 30, 2000, Tennant s shares began trading on the New York Stock Exchange (NYSE) under the symbol TNC.

Industry Segments, Foreign and Domestic Operations and Export Sales

The Company, as described under General Development of Business, has one business segment. The Company sells its products domestically and internationally. Financial information on the Company s geographic areas are provided under Segment Reporting in Note 18 included in Item 8. Nearly all of the Company s foreign investment in assets reside within Australia, Canada, Japan, Spain, The Netherlands, the United Kingdom, France, and Germany. While subject to increases or decreases in value over time due to foreign exchange rate movements, these investments are considered to be of low business risk.

Principal Products, Markets and Distribution

Products consisting mainly of motorized cleaning equipment and related products, including floor cleaning and preservation products, are sold through a direct sales organization and independent distributors in North America, primarily through a direct sales organization in Australia, France, Spain, The Netherlands, Germany, and the United Kingdom, and through independent distributors in more than 40 foreign countries. Tennant is headquartered in Minneapolis, Minnesota, and also has manufacturing operations in Holland, Michigan; Uden, The Netherlands; and Waldhausen, Germany. The Company has announced its plans to close the Waldhausen, Germany, manufacturing operation and transfer the related production to a contract manufacturer in the Czech Republic in 2001.

Raw Materials and Purchased Components

The Company has not experienced any significant or unusual problems in the purchase of raw materials or other product components and is not disproportionately dependent upon any single source or supply. The Company has some sole-source vendors for certain components, primarily for automotive and plastic parts. A disruption in supply from such vendors may cause a short-term disruption in the Company s operations. However, the Company believes that it can find alternate sources in the event there is a disruption in supply from such vendors.

Patents and Trademarks

The Company applies for and is granted United States and foreign patents and trademarks in the ordinary course of business, no one of which is of material importance in relation to the business as a whole.

Seasonality

Although the Company s business is not seasonal in the traditional sense, revenues and earnings tend to be more concentrated in the fourth quarter of each year reflecting the tendency of customers to increase capital spending during such quarter, and the Company s efforts to close orders and reduce order backlogs.

Major Customers

The Company sells its products to a wide variety of customers, no one of which is of material importance in relation to the business as a whole.

Backlog

The Company routinely fills orders within 30 days on average. Consequently, order backlogs are generally not indicative of future sales levels.

Competition

While there is no industry association or industry data, the Company believes, through its own market research, that it is a world-leading manufacturer of floor maintenance equipment. Active competition exists in most geographic areas; however, it tends to originate from different sources in each area, and the Company s market share is believed to exceed that of the leading competitor in many areas. The Company competes primarily on the basis of offering a broad line of high-quality, innovative products supported by an extensive sales/service network in major markets.

Product Research and Development

The Company regularly commits what is believed to be an above-average amount of resources to product research and development. In 2000, 1999 and 1998, respectively, the Company spent $15,916,000, $15,385,000 and $14,224,000 on research and development activities relating to the development of new products or improvements of existing products or manufacturing processes.

Environmental Protection

Compliance with federal, state and local provisions regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment, has not had, and is not expected to have, a material effect upon the Company s capital expenditures, earnings or competitive position.

Employment

The Company employed 2,391 persons in worldwide operations as of December 31, 2000.

ITEM 2 Properties

The Company s corporate offices are owned by the company and are located in the Minneapolis, Minnesota metropolitan area. Manufacturing facilities are located in Minnesota, Michigan, Germany and The Netherlands. The Company has announced its plans to close the Waldhausen, Germany, manufacturing operation and transfer the related production to a contract manufacturer in the Czech Republic in 2001. Sales offices, warehouse and storage facilities are leased in various locations in North America, Europe, Japan, and Australia. The Company s facilities are in good operating condition, suitable for their respective uses and adequate for current needs. Notes 5 and 14 of the Notes to the Financial Statements included in Item 8 contain further information regarding the Company s property and lease commitments.

ITEM 3 Legal Proceedings

There are no material pending legal proceedings other than ordinary routine litigation incidental to the Company s business.

ITEM 4 Submission of Matters to a Vote of Security Holders

Not applicable.

Executive Officers of the Registrant

Richard M. Adams, Vice President

Richard M. Adams (53) joined the Company in 1974. He was elected Assistant Controller in 1983 and was named Corporate Controller in 1986. Mr. Adams was named Vice President, Global Accounts in 1993 and Vice President, New Business Development in 1999. Mr. Adams is a Certified Public Accountant. Mr. Adams is a director of Tennant UK Limited, Tennant Holding B.V., Tennant Europe B.V., and Tennant Import B.V.

Anthony T. Brausen, Vice President, Chief Financial Officer and Treasurer

Anthony T. Brausen (41) joined the Company in March 2000 as Vice President and Chief Financial Officer. He was named also as Treasurer in February 2001. Mr. Brausen is a director of Tennant N.V., Tennant Sales and Service Company, Tennant Finance Company, and Tennant Sales and Service Finance Company.

Janet M. Dolan, President and Chief Executive Officer

Janet M. Dolan (51) joined the Company in 1986. Ms. Dolan was appointed General Counsel and Secretary in 1987, Vice President in 1990, Senior Vice President in 1995, Executive Vice President in 1996, President and Chief Operating Officer and a director in 1998. Ms. Dolan was named Chief Executive Officer in 1999. She is a director of Tennant Sales and Service Company, Tennant Finance Company, and Tennant Sales and Service Finance Company. She is also director of Donaldson Company, Inc. and a member of the NYSE Listed Company Advisory Committee.

Thomas J. Dybsky, Vice President

Thomas J. Dybsky (51) joined the Company in 1998 as Vice President of Human Resources. Mr. Dybsky is a director of Tennant N.V.

James H. Moar, Chief Operating Officer

James H. Moar (52) joined the Company in 1998 as Senior Vice President of Industrial Markets. He was named Chief Operating Officer in 1999. Mr. Moar is a director of Tennant Sales and Service Company, Tennant Finance Company, and Tennant Sales and Service Finance Company.

Dean A. Niehus, Corporate Controller and Principal Accounting Officer

Dean A. Niehus (43) joined the Company in 1998. Mr. Niehus is a director of Tennant Company Far East Headquarters Pte Ltd.

Keith D. Payden, Vice President

Keith D. Payden (53) joined the Company in 1981. He was named Director, Information Services in 1987, Chief Information Officer in 1992, and Vice President in 1993.

James J. Seifert, Vice President, General Counsel and Secretary

James J. Seifert (44) joined the company in 1999 as Vice President , General Counsel and Secretary. Mr. Seifert is a director of Tennant UK Limited, Tennant Holding B.V., Tennant Europe B.V., Tennant, Import B.V., Tennant N.V., Tennant Sales and Service Company, Tennant Finance Company, and Tennant Sales and Service Finance Company.

Thomas J. Vander Bie, Senior Vice President

Thomas J. Vander Bie (49) was named Senior Vice President of Tennant Company in August 1999. From 1974-1999, Mr. Vander Bie was President of Castex Incorporated, which became a subsidiary of Tennant Company in 1994.

Steven K. Weeks, Vice President

Steven K. Weeks (45) joined the Company in 1984. He was named Manager, Global New Business and Marketing Development in 1993; Director of Marketing in 1994; Vice President, Customer Solutions in 1996; and Vice President, Global Marketing in 1999.

PART II

ITEM 5 Market for Registrant s Common Equity and Related Stockholder Matters

Investor Information

STOCK MARKET INFORMATION Tennant common stock is traded on the New York Stock Exchange, under the ticker symbol TNC. As of December 31, 2000, there were approximately 3,500 shareholders of record.

QUARTERLY PRICE RANGE (UNAUDITED) The accompanying chart shows the quarterly price range of the Company s shares over the past five years:

	First	Second	Third	Fourth
1996	$ 21.25-25.00	$ 23.50-26.50	$ 22.00-26.00	$ 22.50-27.50
1997	$ 26.13-28.75	$ 26.75-33.25	$ 33.25-37.50	$ 36.00-39.63
1998	$ 34.75-41.13	$ 40.75-44.81	$ 37.00-44.50	$ 33.00-41.25
1999	$ 31.44-45.00	$ 32.00-38.50	$ 32.63-37.25	$ 32.00-35.63
2000	$ 28.25-34.50	$ 30.50-38.00	$ 33.75-44.25	$ 39.00-53.38

DIVIDEND INFORMATION Cash dividends on Tennant s common stock have been paid for 57 consecutive years, and the Company has increased dividends in each of the last 29 years. Dividends generally are declared each quarter. Following are the remaining record dates anticipated for 2001: June 1, 2001 August 31, 2001 November 30, 2001

ITEM 6 Selected Financial Data

TENNANT COMPANY AND SUBSIDIARIES

Historical Progress Review

(Dollars and shares in thousands, except per share data)

Years ended December 31		**2000 Restated**	**1999 Restated**	**1998 Restated**	**1997**	**1996**
Net sales	**$**	**452,176**	429,739	383,765	372,428	344,433
Cost of sales	**$**	**269,658**	255,528	223,369	217,570	204,165
Gross margin %		**40.4**	40.5	41.8	41.6	40.7
Selling and administrative expenses	**$**	**139,665**	136,076	125,806	118,770	108,637
% of net sales		**30.9**	31.7	32.8	31.9	31.5
Profit from operations	**$**	**42,853**	31,464(a)	34,590	36,088	31,631
% of net sales		**9.5**	7.3	9.0	9.7	9.2
Other income (expense)	**$**	**359**	(770)	1,732	1,542	698
Income tax expense	**$**	**15,470**	10,939	12,713	13,425	11,302
% of profit before income taxes		**35.8**	35.6	35.0	35.7	35.0
Net earnings	**$**	**27,742**	19,755(a)	23,609	24,205	21,027
% of net sales		**6.1**	4.6	6.2	6.5	6.1
Return on beginning shareholders equity %		**20.7**	15.2	16.7	18.8	18.4
PER SHARE DATA						
Basic net earnings	**$**	**3.05**	2.17(a)	2.49	2.43	2.09
Diluted net earnings	**$**	**3.04**	2.16(a)	2.49	2.41	2.09
Cash dividends	**$**	**.78**	.76	.74	.72	.69
Shareholders equity (ending)	**$**	**16.88**	14.94	14.20	13.82	12.93
YEAR-END FINANCIAL POSITION						
Cash and cash equivalents	**$**	**21,512**	14,928	17,693	16,279	9,881
Total current assets	**$**	**173,220**	166,745	153,069	143,105	126,481
Property, plant and equipment, net	**$**	**69,054**	67,388	67,302	65,111	65,384
Total assets	**$**	**268,472**	261,269	243,000	233,870	219,180
Current liabilities excluding current debt	**$**	**57,594**	65,362	54,044	53,738	45,724
Current ratio excluding current debt		**3.0**	2.6	2.8	2.7	2.8
Long-term liabilities excluding long-term debt	**$**	**31,081**	30,616	27,802	22,801	18,908
Debt:						

Current	$	**15,274**	14,191	7,969	2,377	3,864
Long-term	$	**11,736**	16,839	23,635	20,678	21,824
Total debt as% of total capital		**15.0**	18.8	19.6	14.7	16.6
Shareholders equity	$	**152,787**	134,261	129,550	134,086	128,860
CASH FLOW INCREASE (DECREASE)						
Related to operating activities	$	**38,866**	37,603	42,890	41,892	44,566
Related to investing activities	$	(19,251)	(25,343)	(17,221)	(15,490)	(17,240)
Related to financing activities	$	(12,680)	(14,665)	(24,290)	(20,434)	(22,024)
OTHER DATA						
Interest income	$	**2,532**	2,847	3,771	4,699	4,259
Interest expense	$	**1,886**	2,665	2,303	2,021	2,491
Depreciation and amortization expense	$	**18,766**	19,028	17,590	17,468	16,387
Net expenditures for property, plant and equipment	$	**18,251**	16,362	17,221	16,424	17,581
Number of employees at year-end		**2,471**	2,266	2,127	2,019	1,950
Diluted average shares outstanding(c)		**9,135**	9,140	9,500	10,032	10,076
Closing share price at year-end(c)	$	**48.00**	32.75	40.13	36.38	27.50
Common stock price range during year(c)	$	**28.25-53.38**	31.44-45.00	33.00-44.81	26.13-39.63	21.25-27.50
Closing price/earnings ratio		**15.8**	15.2	16.1	15.1	13.2

(a) 1999 includes pretax restructuring charges of $6,671 ($4,308 net of taxes $.47 per share)

ITEM 7 Management s Discussion and Analysis of Financial Condition and Results of Operations

The Management s Discussion and Analysis of Financial Condition and Results of Operations presented below reflects the impact of the restatements to our previously reported consolidated financial statements as of December 31, 2000 and 1999 and for the three years ended December 31, 2000, 1999 and 1998.

Tennant Company announced in February 2003 that due to a technical accounting interpretation brought to the Company s attention by its auditors, the Company is restating its financial statements to recognize revenues and earnings associated with the sales of its equipment to a U.S. third party lessor, that occurred between 1998 and 2002, over the lease period for operating lease transactions and, for short term rental transactions, at the time the customer converts the short term rental to an outright purchase or long term capital lease of the equipment. Previously, revenues and earnings associated with these sales were recognized at the time of shipment. The original contract between the Company and the U.S. third party lessor included retained ownership risk provisions that were determined to preclude operating lease and short-term rental transactions from meeting the criteria for sale treatment under Statement of Financial Accounting Standards No. 13. The effect of the correction to the timing of the revenue recognition on these transactions in the 1998-2000 consolidated financial statements includes a reduction in previously reported net earnings by $0.5 million and $1.7 million and net earnings per share diluted by $0.05 and $0.18 for the years ended December 31, 2000 and 1998, respectively and increase previously reported net earnings by $0.1 million and net earnings per share diluted by $0.01 for the year ended December 31, 1999. The consolidated financial statements as of December 31, 2000 and 1999 and for the three years ended December 31, 2000, 1999 and 1998 and notes thereto included in this Form 10-K/A have been restated to include the effects of the correction to the timing of this revenue recognition.

On February 4, 2003, the Company amended the agreement with the third party lessor to eliminate the retained ownership risk provisions for operating leases which will result in revenue recognition for future operating lease transactions at the time of shipment. The amendment to the agreement is retroactive to the beginning of the agreement, therefore, the Company expects to recognize the remaining unrecognized revenue and earnings for past operating lease transactions in the first quarter of 2003.

Overview

For 2000, the Company reported record net sales and net earnings. Net sales of $452.2 million represent an increase of 5.2% from sales of $429.7 million in 1999. Negative foreign currency exchange effects, resulting primarily from the weakness of the Euro against the U.S. dollar, reduced 2000 net sales by approximately $13 million compared with 1999 net sales. The company s operating margin before restructuring charges increased from 8.9% in 1999 to 9.5% in 2000. Net earnings for 2000 were $27.7 million, or $3.04 per diluted share, up 15% from 1999 net earnings of $24.1 million, or $2.63 per diluted share, before the effect of restructuring charges. Foreign currency exchange effects reduced 2000 earnings per diluted share by approximately $.22. Net earnings in 1999, after pre-tax restructuring charges of $6.7 million, or $.47 per diluted share, were $19.8 million, or $2.16 per diluted share. Net earnings were affected in 1999 by the impact of the implementation of an Enterprise Resource Planning (ERP) System.

Net Sales

Sales in North America in 2000 of $326.1 million increased 7.0% compared with $304.8 million in 1999. Sales increased 9%, adjusted for the divestiture of the Company s Eagle propane burnisher business in September 1999. Growth in all product lines increased year-to-year with growth of 7.1% in industrial equipment, 11.7% in commercial equipment (adjusted for the impact of the Eagle divestiture), and 3.9% in floor coatings. Industrial equipment growth was due primarily to unit volume growth with a significant part of the growth coming from new products introduced over the past three years, including outdoor products. Commercial equipment and floor coatings growth were due primarily to unit volume growth.

In 1999, consolidated net sales of $429.7 million increased 12.0% from the prior year. North American sales of $304.8 million were up 7.6%. North American sales growth by product line were 11.2% for industrial equipment and 10.6% for commercial equipment, with a 10% decrease for floor coatings. Industrial and commercial product growth was primarily due to unit volume growth, significantly supported by the introduction of new and updated products, including outdoor products introduced the previous year and a half. Growth in commercial equipment sales was partially offset by the loss of sales for the last four months of 1999 resulting from the divestiture of the Eagle business.

European sales in 2000 were $80.6 million in translated U.S. dollars, down 1.9% from 1999 sales of $82.2 million. In local currency terms, and adjusted for the one additional month in 2000 from the acquired Paul Andra KG business, sales grew 10% primarily due to unit volume growth.

European sales in 1999 were up 30.5% in translated U.S. dollars compared with 1998 sales, due to the Paul Andra KG acquisition in January 1999.

Other international sales in 2000 were $45.4 million, an increase of 6.3% over 1999 sales of $42.7 million. In local currency terms, other international sales increased 8% compared with 1999 primarily due to unit volume growth in several geographies.

Other international sales in 1999 increased 13.6% compared with 1998. In local currency terms, 1999 sales declined .5%. Sales in Mexico have been reclassified in 1999 and 1998 from North America to other international to conform with the 2000 presentation.

Consolidated order backlog at 2000 year-end totaled $7 million compared with $9 million at the end of 1999 and $6 million at the end of 1998.

Costs and Expenses

The following is a summary of major operating costs and expenses as a percentage of net sales:

	2000 Restated	**1999 Restated**	**1998 Restated**
Cost of sales	**59.6%**	59.5%	58.2%
Selling and administrative expenses	**30.9%**	31.7%	32.8%
Restructuring charges		1.6%	

Cost of sales as a percentage of sales increased by 0.1 percentage points in 2000 compared with 1999. The primary factor contributing to the increase in the cost of sales percentage was the effect of foreign currency exchange, principally the Euro. In 1999, cost of sales as a percentage of sales increased 1.3 percentage points compared with 1998 due substantially to a change in sales mix associated with the acquisition of Paul Andra KG, a lower margin business, higher costs in the industrial equipment business in North America related to inefficiencies associated with the ERP system implementation and an increase in selling discounts. Future gross margins could continue to be impacted by competitive market conditions, the mix of products both within and among product lines and geographies, and the effects of foreign currency exchange rate fluctuations.

Selling and administrative expenses as a percentage of sales declined 0.8 percentage points in 2000 compared with 1999. The decline is primarily attributable to the effects of restructuring activities and process improvement initiatives. Selling and administrative expenses as a percentage of sales declined 1.1 percentage points in 1999 compared with 1998. The decline was the result of the effects of restructuring activities, reduced employee incentive compensation expenses and a reduction in expenses associated with information technology. Also, in 1999 the Company adopted a change in accounting treatment for software developed for internal use under Statement of Position 98-1 issued by the American Institute of Certified Public Accountants. This statement requires the cost of developing software for internal use to be capitalized. In 2000 and 1999, respectively, approximately $.7 and $1.3 million were capitalized.

As described in Note 11 to the consolidated financial statements, during 2000 the Company approved enhancements to its retirement program to be effective in 2001 that included offering each Defined Benefit Plan participant the choice of remaining in a modified Defined Benefit Plan, or leaving this plan and receiving a lump-sum distribution that could be rolled over into a modified defined contribution plan. These retirement plan changes will result in a nonrecurring pension settlement gain of approximately $3.2 to $3.6 million after tax, or $.35 to $.39 per diluted share. This gain will be recorded upon receiving government approvals of changes to the Defined Benefit Plan which is expected to occur in 2001.

Other Income (Expense)

In 2000, other income and expense was income of $0.4 million compared with a net expense of $0.8 million in 1999. The major factors causing the change were a reduction in interest expense due to lower debt levels, a decrease in ESOP-related expense and decreased discretionary contribution to the Tennant Foundation. In 1999, the net expense of $0.8 million compared with 1998 net income of $1.7 million. The major factors causing the change were a decline in interest income due to the 1998 outsourcing of the Company s product financing business, an increase in ESOP-related expense and an increase in the discretionary contribution to the Tennant Foundation.

Restructuring Charges

As discussed in Note 3 to the consolidated financial statements, the Company recorded pre-tax restructuring charges of $6.7 million ($4.3 million after-tax or $.47 per diluted share) in 1999. The charges pertained to management initiatives to restructure the main manufacturing organizations in North America and Europe. The actions in North America were substantially completed in 2000. The actions in Europe were partially completed in 2000 with the remainder to be completed in 2001. The actions were initiated to improve the efficiency and productivity of those organizations and reduce global infrastructure. Actions include closing several warehouses in North America and closing, or reducing activities in, several European sales and service facilities.

See Note 20 to the consolidated financial statements regarding the Company s plan in 2001 to close a leased facility in Waldhausen, Germany, and transfer equipment production to a contract manufacturer in the Czech Republic. Restructuring and other nonrecurring charges will be recorded in connection with this plan and are estimated to total $3.5 to $4 million after-tax, or $.38 to $.44 per diluted share. The Company expects to record the majority of the charges in its first quarter ending March 31, 2001.

Management regularly reviews the Company s business operations with the objective of improving financial performance and maximizing its return on investment and has adopted economic profit (operating profit after tax less a charge for the use of net capital employed) as its key financial performance measure. In this regard, the Company continues to consider actions to improve financial performance which, if taken, could result in material nonrecurring charges.

Income Taxes

The Company s effective income tax rate was 35.8%, 35.6% and 35.0% for the years 2000, 1999 and 1998, respectively.

Liquidity and Capital Resources

The Company continued to strengthen its financial position in 2000. At December 31, 2000, cash and cash equivalents totaled $21.5 million and working capital, the excess of current assets over current liabilities, totaled $100.4 million compared with $87.2 million at December 31, 1999. At December 31, 2000, the Company s capital structure was comprised of $15.3 million of current debt, $11.7 million of long-term debt and $152.8 million of shareholders equity. Debt-to-total-capital ratio was 15.0% at December 31, 2000, compared with 18.8% at December 31, 1999. Netting cash against debt, the net debt-to-total-capital ratio at the end of 2000 was 3.6%.

The Company has available lines of credit of $8 million with $7 million of related debt outstanding at December 31, 2000. The Company believes that the combination of internally generated funds, present capital resources and available financing sources are more than sufficient to meet cash requirements for 2001.

Cash Flows

During 2000, $38.9 million of cash was generated from operating activities compared with $37.6 million in 1999 and $42.9 million in 1998. The increase in 2000 is due to increased net earnings, offset by an increase in operating assets and liabilities. Other significant uses of cash in 2000 included $5.4 million of repayments of debt, $7 million in dividends paid to shareholders, and $ 3.2 million in repurchases of common stock.

Capital expenditures for property, plant and equipment totaled $20.5 million in 2000, compared with $18.3 million in 1999 and $23.4 million in 1998. Capital spending for 2001 is expected to increase to approximately $25 to $30 million and will be financed primarily with funds from operations.

Dividends and Share Repurchases

Cash dividends were $.78 per share in 2000, the 29th consecutive year of increase. On October 2, 1998, the Board of Directors authorized the Company to repurchase 600,000 shares of common stock. At December 31, 2000, the Company had approximately 124,000 shares remaining under the repurchase authorization. In 2000, the Company repurchased approximately 90,000 shares at an average price of $35.50 per share. The Company repurchased approximately 283,000 shares for $9.9 million in 1999 and approximately 677,000 shares in 1998 for $27.1 million.

New Accounting Standards

The Company will adopt Statement of Financial Accounting Standards (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities an amendment of FASB Statement No. 133*, which is effective beginning 2001. SFAS 133 requires a company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through earnings. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the hedged assets, liabilities or firm commitments are recognized through earnings or in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative s change in fair value will be immediately recognized in earnings. The Company has determined the effect of adopting SFAS 133 and SFAS 138 is not material to the earnings and the financial position of the Company as of January 1, 2001.

Euro Conversion

On January 1, 1999, 11 of the 15 member countries of the European Union established fixed conversion rates between their existing currencies and the Euro, a new European currency, and adopted the Euro as their common legal currency (the Euro Conversion). Either the Euro or a participating country s present currency will be accepted as legal tender from January 1, 1999, to January 1, 2002, following which only the Euro will be accepted.

The Company has a significant number of suppliers and customers located in European Union countries participating in the Euro Conversion. Such suppliers and customers will likely have to upgrade or modify their computer systems and software to comply with Euro requirements. The Euro Conversion may also have competitive implications for the Company s pricing and marketing strategies, which could be material in nature; however, any such impact is not known at this time. The Company has modified its internal systems to deal with the Euro Conversion. There is no assurance, however, that all problems related to the Euro Conversion will be foreseen and corrected, or that no material disruptions of the Company s business will occur.

Cautionary Factors Relevant to Forward-Looking Information

Certain statements contained in this document as well as other written and oral statements made from time to time by the Company are considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act. These statements do not relate to strictly historical or current facts and provide current expectations or forecasts of future events. These include factors that affect all businesses operating in a global market as well as matters specific to the Company and the markets it serves. Particular risks and uncertainties presently facing the Company include: the ability to implement its plans to increase worldwide manufacturing efficiencies; political and economic uncertainty throughout the world; inflationary pressures; the potential for increased competition in the Company s businesses from competitors that have substantial financial resources; the potential for soft markets in certain regions including North America, Asia, Latin America and Europe; the relative strength of the U.S. dollar, which affects the cost of the Company s products sold internationally; the ability to successfully implement the Enterprise Resource Planning System; and the Company s plan for growth. The Company cautions that forward-looking statements must be considered carefully and that actual results may differ in material ways due to risks and uncertainties both known and unknown.

The Company does not undertake to update any forward-looking statement, and investors are advised to consult any further disclosures by the Company on this matter in its filings with the Securities and Exchange Commission. It is not possible to anticipate or foresee all risk factors, and investors should not consider that any list of such factors to be an exhaustive or complete list of all risks or uncertainties.

ITEM 7a Quantitative and Qualitative Disclosures About Market Risk

Due to the global nature of its operations, the Company is subject to exposures resulting from foreign exchange rate fluctuations. Because the Company s products are manufactured or sourced primarily from the United States, a stronger dollar generally has a negative impact on results from operations outside the United States while a weaker dollar generally has a positive effect.

The Company s objective in managing its exposure to foreign currency fluctuations is to minimize the earnings effects associated with foreign exchange rate changes on certain of its foreign currency-denominated assets and liabilities. The Company periodically enters into various contracts, principally forward exchange contracts, to protect the value of certain of its foreign currency-denominated assets and liabilities. The gains and losses on these contracts generally approximate changes in the value of the related assets and liabilities. The Company had forward exchange contracts outstanding in the notional amounts of approximately $5 million both at the end of 2000 and 1999. The potential loss in fair value of foreign currency contracts outstanding as of December 31, 2000, from a 10% adverse change is not material. The Company maintains the policy of entering into foreign currency contracts only to the extent that actual exposures exist and does not enter into transactions for speculative purposes.

It is not possible to estimate the full impact of foreign currency exchange rate changes; however, the direct impact on net sales and net earnings can be estimated. For 2000, the foreign currency exchange effect on sales compared with 1999 was a reduction of approximately $13 million. The total effect on net earnings approximated $2 million or $.22 per diluted share. The Company expects that its sales and net earnings will continue to be unfavorably affected by the effects of foreign currency exchange rates in 2001.

In the latter part of 2000, a slowdown in the U.S. industrial economy began to occur. While the Company s revenues are generally more diversified than during the last major U.S. economic slowdown, it is expected that the slowdown in the U.S. economy will unfavorably affect sales and net earnings in 2001.

ITEM 8 Financial Statements and Supplementary Data

TENNANT COMPANY AND SUBSIDIARIES

Consolidated Statements of Earnings

(Dollars in thousands, except per share data)

Years ended December 31	2000 Restated	1999 Restated	1998 Restated
Net sales	**$ 452,176**	$ 429,739	$ 383,765
Less:			
Cost of sales	**269,658**	255,528	223,369
Selling and administrative expenses	**139,665**	136,076	125,806
Restructuring charges		6,671	
Profit from operations	**42,853**	31,464	34,590
Other income (expense):			
Interest income	**2,532**	2,847	3,771
Interest expense	**(1,886)**	(2,665)	(2,303)
Net foreign currency transaction gains (losses)	**(517)**	(174)	139
Miscellaneous income (expense), net	**230**	(778)	125
Total other income (expense)	**359**	(770)	1,732
Profit before income taxes	**43,212**	30,694	36,322
Income tax expense	**15,470**	10,939	12,713
Net earnings	**$ 27,742**	$ 19,755	$ 23,609
Basic earnings per share	**$ 3.05**	$ 2.17	$ 2.49
Diluted earnings per share	**$ 3.04**	$ 2.16	$ 2.49

See accompanying notes to consolidated financial statements.

TENNANT COMPANY AND SUBSIDIARIES

Consolidated Balance Sheets

(Dollars in thousands, except per share data)

December 31	2000 Restated	1999 Restated
Assets		
CURRENT ASSETS		
Cash and cash equivalents	**$ 21,512**	$ 14,928
Receivables:		
Trade, less allowance for doubtful accounts ($4,178 in 2000 and $4,393 in 1999)	**83,984**	85,200
Other, net	**4,277**	4,655
Net receivables	**88,261**	89,855
Inventories	**53,507**	49,405
Prepaid expenses	**1,766**	1,694
Deferred income taxes, current portion	**8,174**	10,863
Total current assets	**173,220**	166,745
Property, plant and equipment, net of accumulated depreciation	**69,054**	67,388
Deferred income taxes, long-term portion	**5,491**	7,063
Intangible assets, net of accumulated amortization	**17,700**	18,486
Other assets	**3,007**	1,587
Total assets	**$ 268,472**	$ 261,269
Liabilities and Shareholders Equity		
CURRENT LIABILITIES		
Current debt	**$ 15,274**	$ 14,191
Accounts payable, accrued expenses and deferred revenue	**57,594**	61,131
Income taxes payable		4,231
Total current liabilities	**72,868**	79,553
LONG-TERM DEBT	**11,736**	16,839
LONG-TERM EMPLOYEE-RELATED BENEFITS	**31,081**	30,616
Total liabilities	**115,685**	127,008
SHAREHOLDERS EQUITY		
Preferred stock of $.02 par value per share authorized 1,000,000; none issued		
Common stock of $.375 par value per share, authorized 30,000,000; 9,052,789 and 8,989,480 issued and outstanding, respectively	**3,395**	3,371
Additional paid-in capital	**1,544**	
Common stock subscribed	**459**	904
Unearned restricted shares	**(905)**	(843)
Retained earnings	**164,113**	143,041
Accumulated other comprehensive income (loss)	**(6,886)**	(2,454)

Receivable from ESOP		**(8,933)**		(9,758)
Total shareholders equity		**152,787**		134,261
Total liabilities and shareholders equity	**$**	**268,472**	$	261,269

See accompanying notes to consolidated financial statements.

TENNANT COMPANY AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Dollars in thousands)

Years ended December 31	2000 Restated	1999 Restated	1998 Restated
CASH FLOWS RELATED TO OPERATING ACTIVITIES			
Net earnings	**$ 27,742**	$ 19,755	$ 23,609
Adjustments to net earnings to arrive at operating cash flow:			
Depreciation and amortization	**18,766**	19,028	17,590
Deferred tax expense (benefit)	**4,287**	(1,730)	(3,000)
Provision for bad debts	**1,270**	1,568	944
Change in receivables	**(1,944)**	(9,145)	4,077
Change in inventories	**(6,427)**	2,170	(7,571)
Change in accounts payable, accrued expenses, deferred revenue and income taxes	**(4,391)**	(967)	4,156
Change in other current/noncurrent assets and liabilities	**(1,667)**	5,090	1,254
Other, net	**1,230**	1,834	1,831
Net cash flows related to operating activities	**38,866**	37,603	42,890
CASH FLOWS RELATED TO INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	**(20,531)**	(18,313)	(23,389)
Acquisition of Paul Andra KG, net of cash received		(10,059)	
Proceeds from disposals of property, plant and equipment	**2,280**	1,951	6,168
Proceeds from divestiture of Eagle business		1,078	
Other, net	**(1,000)**		
Net cash flows related to investing activities	**(19,251)**	(25,343)	(17,221)
CASH FLOWS RELATED TO FINANCING ACTIVITIES			
Net changes in short-term borrowings(a)	**(447)**	1,434	6,468
Payments of long-term debt	**(5,000)**	(2,302)	(2,480)
Issuance of long-term debt			58
Long-term proceeds from transfer of leased assets			3,038
Proceeds from issuance of common stock	**2,289**	2,286	2,039
Purchase of common stock	**(3,203)**	(9,881)	(27,071)
Dividends paid	**(7,045)**	(6,862)	(6,941)
Principal payment from ESOP	**726**	660	599
Net cash flows related to financing activities	**(12,680)**	(14,665)	(24,290)
Effect of exchange rate changes on cash	**(351)**	(360)	35
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**6,584**	(2,765)	1,414
Cash and cash equivalents at beginning of year	**14,928**	17,693	16,279
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 21,512**	$ 14,928	$ 17,693

SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES						
Collateralized borrowings incurred for operating lease equipment	**$**	**1,679**	$	747	$	634

(a) Included in net changes in short-term borrowings are $559, $3,067 and $7,840, respectively for 2000, 1999 and 1998, of noncash transactions related to collateralized borrowings.

See accompanying notes to consolidated financial statements.

TENNANT COMPANY AND SUBSIDIARIES

Consolidated Statements of Shareholders Equity

(Dollars in thousands, except per share data)

	2000 Restated			1999 Restated			1998 Restated		
Years ended December 31	**Shares**		**Amount**	**Shares**		**Amount**	**Shares**		**Amount**
COMMON STOCK									
Beginning balance	**8,989,480**	**$**	**3,371**	9,122,960	$	3,421	9,699,397	$	3,637
Issue stock for employee benefit plans and directors	**153,537**		**58**	149,119		56	100,135		38
Purchase of common stock	**(90,228)**		**(34)**	(282,599)		(106)	(676,572)		(254)
Ending balance	**9,052,789**	**$**	**3,395**	8,989,480	$	3,371	9,122,960	$	3,421
ADDITIONAL PAID-IN CAPITAL									
Beginning balance		**$**			$			$	
Issue stock for employee benefit plans and directors			**4,713**			4,230			2,817
Purchase of common stock			**(3,169)**			(4,230)			(2,817)
Ending balance		**$**	**1,544**		$			$	
COMMON STOCK SUBSCRIBED									
Beginning balance	**27,607**	**$**	**904**	10,605	$	425	12,191	$	444
Issue stock for employee benefit plans	**(27,607)**		**(904)**	(10,605)		(425)	(12,191)		(444)
Subscribed stock for employee benefit plans	**9,575**		**459**	27,607		904	10,605		425
Ending balance	**9,575**	**$**	**459**	27,607	$	904	10,605	$	425
UNEARNED RESTRICTED SHARES									
Beginning balance		**$**	**(843)**		$	(307)		$	(789)
Restricted share activity, net			**(62)**			(536)			482
Ending balance		**$**	**(905)**		$	(843)		$	(307)
RETAINED EARNINGS									
Beginning balance		**$**	**143,041**		$	135,014			141,656
Net earnings			**27,742**			19,755			23,609
Dividends paid, $.78, $.76 and $.74, respectively, per common share			**(7,045)**			(6,862)			(6,941)
Purchase of common stock						(5,545)			(24,000)
Tax benefit on ESOP and other stock plans			**375**			679			690
Ending balance		**$**	**164,113**		$	143,041		$	135,014
ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)(a)									
Beginning balance		**$**	**(2,454)**		$	1,586		$	563
Foreign currency translation adjustments			**(4,432)**			(4,040)			1,023
Ending balance		**$**	**(6,886)**		$	(2,454)		$	1,586
RECEIVABLE FROM ESOP									

Beginning balance	**$ (9,758)**	$ (10,589)	$ (11,425)
Principal payments	**726**	660	599
Shares allocated	**99**	171	237
Ending balance	**$ (8,933)**	$ (9,758)	$ (10,589)
Total shareholders equity	**$ 152,787**	$ 134,261	$ 129,550

(a) Reconciliations of net earnings to comprehensive income are as follows:

Net earnings	**$ 27,742**	$ 19,755	$ 23,609
Foreign currency translation adjustments	**$ (4,432)**	$ (4,040)	$ 1,023
Comprehensive income	**$ 23,310**	$ 15,715	$ 24,632

The Company had 30,000,000 authorized shares of common stock as of December 31, 2000, 1999 and 1998.

See accompanying notes to consolidated financial statements.

Notes to the Consolidated Financial Statements - Restated

1 *Summary of Significant Accounting Policies and Other Related Data*

CONSOLIDATION The consolidated financial statements include the accounts of Tennant Company and its subsidiaries. All material intercompany transactions and balances have been eliminated.

TRANSLATION OF NON-U.S. CURRENCY Foreign currency-denominated assets and liabilities have been translated to U.S. dollars generally at year-end exchange rates, while income and expense items are translated at exchange rates prevailing during the year. Gains or losses resulting from translation are included as a separate component of shareholders equity. Transaction gains or losses are included in other income (expense).

USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

INVENTORIES Inventories are valued at the lower of cost (principally on a last-in, first-out basis) or market. Inventories would have been higher than reported had they been valued using the first-in, first-out method of accounting, which approximates replacement cost.

PROPERTY, PLANT AND EQUIPMENT Property, plant and equipment is carried at cost. The Company generally depreciates buildings and improvements by the straight-line method over a 30-year life. Other property, plant and equipment is generally depreciated using the straight-line method based on lives of three to ten years.

INTANGIBLE ASSETS Goodwill represents the excess of cost over the fair value of net assets of businesses acquired. Intangible assets also includes purchased technology and patents. Goodwill and other intangible assets are amortized using the straight-line method over their estimated useful lives generally ranging from five to 30 years.

PENSION AND PROFIT SHARING PLANS The Company has pension and profit sharing plans covering substantially all of its employees. Pension plan costs are accrued based on actuarial estimates with the pension cost funded annually.

POST-RETIREMENT BENEFITS The Company recognizes the cost of retiree health benefits over the employees period of service.

RECLASSIFICATIONS Certain prior years amounts have been reclassified to conform with the current year presentation.

WARRANTY The Company charges to current operations a provision, based on historical experience, for future warranty claims. Warranty terms on machines range from one to four years.

INCOME TAXES Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

U.S. income taxes are not provided on undistributed earnings of international subsidiaries which are permanently reinvested. At December 31, 2000, earnings permanently reinvested in international subsidiaries not subject to a U.S. income tax provision were $16,870,000. If ever remitted to the Company in a taxable distribution, U.S. income taxes would be substantially offset by available foreign tax credits.

STOCK-BASED COMPENSATION The Company accounts for stock-based compensation for employees under Accounting Principles Board (APB) Opinion No. 25*, Accounting for Stock Issued to Employe*es. APB No. 25 requires compensation cost to be recorded on the date of the grant only if the current market price of the underlying stock exceeds the exercise price. Accordingly, no compensation cost has been recognized for stock option plans. The Company has adopted the disclosure-only provisions of SFAS No. 123, *Accounting for Stock-Based Compensation*.

CASH EQUIVALENTS The Company considers all highly liquid investments with maturities of three months or less, when purchased, to be cash equivalents.

REVENUE RECOGNITION The Company recognizes revenue when titles passes, which is generally upon shipment. Service revenue is recognized in the period the service is performed, or ratably over the period of the related service contract. Customers may obtain financing through a U.S. third party leasing company to assist in their acquisition of the Company s equipment products. Under the terms of the Company's agreement with the U.S. third party leasing company, transactions classified as operating leases result in recognition of revenue over the lease term and, for short-term rental transactions, at the time customers convert the short-term rental to an outright purchase or long-term capital lease of the equipment. As a result, we defer the sale on these transactions and record the sales proceeds as collateralized borrowings or deferred revenue. The underlying equipment relating to operating leases is depreciated on a straight-line basis over the lease term, which does not exceed the equipment s estimated useful life.

DERIVATIVE FINANCIAL INSTRUMENTS The Company enters into forward foreign exchange contracts principally to hedge certain foreign currency-denominated net assets and liabilities (principally the Euro, British pound, Australian dollar, Canadian dollar and Japanese yen). Gains or losses on forward foreign exchange contracts to hedge foreign currency-denominated net assets and liabilities are recognized in net earnings on a current basis over the term of the contracts.

As of December 31, 2000, the Company had two outstanding foreign currency exchange contracts totaling $4,980,000. These contracts will mature in 2001 and bear rates of .5467 U.S. dollars per Australian dollar and 1.5220 Canadian dollars per U.S. dollar.

EARNINGS PER SHARE Basic earnings per share is computed by dividing net earnings by the weighted average number of common shares outstanding during the period. Diluted earnings per share includes conversion shares consisting of stock options and performance-related shares.

LONG-LIVED ASSETS The Company periodically reviews its long-lived assets for indicators of impairment. Long-lived assets are assessed for impairment loss recognition when events or circumstances indicate that the carrying amount of the asset may not be recoverable. The Company generally deems an asset to be impaired if a forecast of undiscounted future operating cash flows is less than its carrying amount. If an asset is determined to be impaired, the loss is measured as the amount by which the carrying value of the asset exceeds its fair value.

NEW ACCOUNTING STANDARDS The Company will adopt Statement of Financial Accounting Standards (SFAS) No. 133, *Accounting for Derivative Instruments and Hedging Activities*, as amended by SFAS No. 138, *Accounting for Certain Derivative Instruments and Certain Hedging Activities an amendment of FASB Statement No. 133*, which is effective beginning 2001. SFAS 133 requires the Company to recognize all derivatives on the balance sheet at fair value. Derivatives that are not hedges must be adjusted to fair value through earnings. If the derivative is a hedge, depending on the nature of the hedge, changes in the fair value of the hedged assets, liabilities or firm commitments are recognized through earnings or in other comprehensive income until the hedged item is recognized in earnings. The ineffective portion of a derivative s change in fair value will be immediately recognized in earnings. The Company has determined the effect of adopting SFAS 133 and SFAS 138 is not material to the earnings and the financial position of the Company as of January 1, 2001.

2 *Restatement*

Tennant Company announced in February 2003 that due to a technical accounting interpretation brought to the Company s attention by its auditors, the Company is restating its financial statements to recognize revenues and earnings associated with the sales of its equipment to a U.S. third party lessor, that occurred between 1998 and 2002, over the lease period for operating lease transactions and, for short term rental transactions, at the time the customer converts the short term rental to an outright purchase or long term capital lease of the equipment. Previously, revenues and earnings associated with these sales were recognized at the time of shipment. The original contract between the Company and the U.S. third party lessor included retained ownership risk provisions that were determined to preclude operating lease and short-term rental transactions from meeting the criteria for sale treatment under Statement of Financial Accounting Standards No. 13. The effect of the correction to the timing of the revenue recognition on these transactions in the 1998-2000 consolidated financial statements includes a reduction in previously reported net earnings of $0.5 million and $1.7 million and net earnings per share diluted of $0.05 and $0.18 for the years ended December 31, 2000 and 1998, respectively and an increase in previously reported net earnings of $0.1 million and net earnings per share diluted of $0.01 for the year ended December 31, 1999. Impacted financial statement line items were sales, cost of sales, interest expense, income tax expense, inventory, machinery and equipment, accumulated depreciation, deferred income taxes, accrued expenses, deferred revenue and debt. There was no impact on cash flows or cash and cash equivalents. The consolidated financial statements as of December 31, 2000 and 1999 and for the three years ended December 31, 2000, 1999 and 1998 and notes thereto included in this Form 10-K/A have been restated to include the effects of the correction to the timing of the revenue recognition, as follows:

	2000		1999		1998	
Years ended December 31	**As Previously Reported**	**Restated**	**As Previously Reported**	**Restated**	**As Previously Reported**	**Restated**
CONSOLIDATED STATEMENTS OF EARNINGS						
Net sales	**$ 454,044**	**$ 452,176**	$ 429,407	$ 429,739	$ 389,388	$ 383,765
Cost of sales	**270,855**	**269,658**	255,398	255,528	226,233	223,369
Interest income, net	**807**	**646**	275	182	1,479	1,468
Profit before income taxes	**44,044**	**43,212**	30,586	30,694	39,092	36,322
Income tax expense	**15,794**	**15,470**	10,893	10,939	13,767	12,713
Net earnings	**28,250**	**27,742**	19,693	19,755	25,325	23,609
Net earnings per common share						
- Basic	**$ 3.11**	**$ 3.05**	$ 2.16	$ 2.17	$ 2.67	$ 2.49
- Diluted	**$ 3.09**	**$ 3.04**	$ 2.15	$ 2.16	$ 2.67	$ 2.49

	December 31, 2000		December 31, 1999	
	As Previously Reported	**Restated**	**As Previously Reported**	**Restated**
CONSOLIDATED BALANCE SHEETS				