LINDSAY MANUFACTURING CO
Form 10-Q/A
October 10, 2003

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q/A

(MARK ONE)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 2003

OR

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

For the transition period from _____ to

Commission File Number 1-13419

Lindsay Manufacturing Co.
(Exact name of registrant as specified in its charter)

DELAWARE	47-0554096
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2707 NORTH 108TH STREET, SUITE 102, OMAHA, NEBRASKA	68164
(Address of principal executive offices)	(Zip Code)

402-428-2131
Registrant's telephone number, including area code

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). [X] No[ ]

At October 8, 2003, 11,735,692 shares of common stock, $1.00 par value, of the registrant were outstanding.

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LINDSAY MANUFACTURING CO. AND SUBSIDIARIES

INTRODUCTORY NOTE TO AMENDMENT

Lindsay Manufacturing Co. ("the Company") is amending its quarterly reports on Form 10-Q for each of the quarters in fiscal year 2003 in order to restate previously issued financial statements for two accounting issues.

The Company had previously recorded other non-operating income of $1.7 million during its quarter ended November 30, 2002, in order to account for the previously unrecorded cumulative cash surrender value of certain life insurance policies that had accumulated since 1994. After reviewing this accounting treatment further, the Company has restated previously reported quarterly results for fiscal 2003 and comparable prior periods presented to record the cumulative cash surrender value as a correction of error.

During fiscal 2003, the Company did not previously record certain components as inventory when they were delivered to the Company based on a belief that these components had been received on a consignment basis. After completing a year-end review of the fiscal 2003 supply agreement for these components, it was determined that the Company had assumed the risk of ownership of these components upon receipt throughout fiscal 2003 and therefore should account for them as a purchase of inventory at the time of their receipt. Accordingly, the Company has restated the previously reported quarterly balance sheets for fiscal 2003 to record the inventory and related accounts payable. The value of the related inventory was $1.9 million, $2.9 million and $2.8 million at November 30, 2002, February 28, 2003 and May 31, 2003, respectively. There is no impact on previously reported operating cash flows because the determining factor for timing of the payment to the supplier is based on when the Company consumes the components in its normal operations. This adjustment to the balance sheets did not impact the operating income, net earnings, financial condition or operating cash flows of the Company during fiscal 2003.

See Note 2 to the consolidated financial statements for further disclosure of these restatement adjustments.

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LINDSAY MANUFACTURING CO. AND SUBSIDIARIES
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PART I -- FINANCIAL INFORMATION

ITEM 1 - CONSOLIDATED FINANCIAL STATEMENTS

LINDSAY MANUFACTURING CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
MAY 31, 2003 AND 2002 AND AUGUST 31, 2002

($ IN THOUSANDS, EXCEPT PAR VALUES)	(UNAUDITED) MAY 2003 RESTATED	(UNAUDI MAY 200 RESTAT
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 12,970	$ 15
Marketable securities	9,288	8
Receivables, net	29,303	26
Inventories, net	20,972	16
Deferred income taxes	2,369	2
Other current assets	953	

Total current assets	75,855	70
Long-term marketable securities	31,943	26
Property, plant and equipment, net	13,956	14
Other noncurrent assets	7,190	6
Total assets	$ 128,944	$ 118
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	$8,967	$8
Other current liabilities	14,327	16
Total current liabilities	23,294	25
Pension benefits liability	1,688	1
Other noncurrent liabilities	432	
Total liabilities	25,414	26
Commitments and Contingencies		
Shareholders' equity:		
Preferred stock, ($1 par value, 2,000,000 shares authorized, no shares issued and outstanding)	-	
Common stock, ($1 par value, 25,000,000 shares authorized, 17,458,052, 17,430,348 and 17,430,348 shares issued in May 2003 and 2002 and August 2002, respectively)	17,458	17
Capital in excess of stated value	2,467	2
Retained earnings	173,000	162
Less treasury stock, (at cost, 5,724,069 shares)	(89,898)	(89,
Accumulated other comprehensive gain (loss)	503	(
Total shareholders' equity	103,530	91
Total liabilities and shareholders' equity	$ 128,944	$ 118

The accompanying notes are an integral part of the consolidated financial statements.

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LINDSAY MANUFACTURING CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS AND NINE MONTHS ENDED MAY 31, 2003 AND 2002

	(UNAUDITED) THREE MONTHS ENDED		NIN
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	MAY 2003	MAY 2002	MAY 2003
		RESTATED	RESTATED

Operating revenues	$ 48,833	$ 44,133	$130,42
Cost of operating revenues	36,334	32,580	98,65
Gross profit	12,499	11,553	31,77
Operating expenses:			
Selling expense	2,662	2,260	7,76
General and administrative expense	2,737	2,259	8,00
Engineering and research expense	675	595	1,90
Total operating expenses	6,074	5,114	17,67
Operating income	6,425	6,439	14,09
Interest income, net	350	376	1,16
Other income, net	246	34	58
Earnings before income taxes	7,021	6,849	15,84
Income tax provision	2,199	2,118	4,87
Net earnings	$ 4,822	$ 4,731	$ 10,96
Basic net earnings per share	$ 0.41	$ 0.40	$ 0.9
Diluted net earnings per share	$ 0.41	$ 0.40	$ 0.9
Average shares outstanding	11,734	11,704	11,72
Diluted effect of stock options	144	210	17
Average shares outstanding assuming dilution	11,878	11,914	11,90
Cash dividends per share	$ 0.035	$ 0.035	$ 0.10

The accompanying notes are an integral part of the consolidated financial statements.

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LINDSAY MANUFACTURING CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED MAY 31, 2003 AND 2002
(UNAUDITED)

($ IN THOUSANDS)	MAY 2003 RESTATED	MA 20 RES
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net earnings	$ 10,967	$
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	2,679	
Amortization of marketable securities premiums, net	(154)	
Gain on sale of fixed assets	(52)	
Provision for uncollectible accounts receivable	(226)	
Equity in net earnings of equity method investments	(104)	
Deferred income taxes	204	
Other, net	(103)	
Changes in assets and liabilities:		
Receivables, net	(5,348)	(
Inventories, net	(5,389)	(
Other current assets	(171)	
Accounts payable, trade	2,899	
Other current liabilities	(990)	
Current taxes payable	1,333	
Other noncurrent assets and liabilities	617	
Net cash provided by operating activities	6,162	1
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(2,143)	(
Acquisitions of business	-	(
Proceeds from sale of property, plant and equipment	88	
Purchases of marketable securities	(11,495)	(1
Proceeds from maturities of marketable securities	9,153	
Equity Investment	-	
Net cash used in investing activities	(4,397)	(1
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of common stock under stock option plan	23	
Dividends paid	(1,232)	(
Net cash used in financing activities	(1,209)	(
Effect of exchange rate changes on cash	(11)	
Net increase (decrease) in cash and cash equivalents	545	(
Cash and cash equivalents, beginning of period	12,425	1
Cash and cash equivalents, end of period	$ 12,970	$ 1

The accompanying notes are an integral part of the consolidated financial statements.

LINDSAY MANUFACTURING CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Condensed Consolidated Financial Statements
The consolidated financial statements included herein are presented in accordance with the requirements of Form 10-Q and consequently do not include all of the disclosures normally required by accounting principles generally accepted in the United States of America for annual reporting purposes or those made in the Company's annual Form 10-K filing. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Lindsay Manufacturing Co. (the "Company" or "Lindsay") Form 10-K for the fiscal year ended August 31, 2002.

In the opinion of management, the unaudited consolidated financial statements of the Company reflect all adjustments of a normal recurring nature necessary to present a fair statement of the financial position and the results of operations and cash flows for the respective interim periods. The results for interim periods are not necessarily indicative of trends or results expected for a full year. Certain reclassifications have been made to prior financial statements and notes to conform to the current presentation.

Notes to the consolidated financial statements describe various elements of the financial statements and the assumptions on which specific amounts were determined. While actual results could differ from those estimated at the time of preparation of the consolidated financial statements, management is committed to preparing financial statements, which incorporate accounting policies, assumptions, and estimates that promote the representational faithfulness, verifiability, neutrality, and transparency of the accounting information included in the consolidated financial statements.

Stock Based Compensation
The Company maintains a stock option plan and accounts for this plan under the recognition and measurement principles of APB Opinion No. 25, Accounting for Stock Issued to Employees, and related Interpretations. No stock-based employee compensation cost is reflected in net income, as all options granted under this plan had an exercise price equal to the market value of the underlying common stock on the date of grant. The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions of FASB Statement No. 123, Accounting for Stock-Based Compensation, to stock-based employee compensation.

	FOR THE THREE MONTHS ENDED	
$ IN THOUSANDS	MAY 2003	MAY 2002 RESTATED
Net Earnings, as reported	$ 4,822	$ 4,731
Deduct:		
Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	286	292
Proforma net earnings	4,536	4,439

Earnings per share:		
Basic-as reported	$ 0.41	$ 0.40
Basic-pro forma	0.39	0.38
Diluted-as reported	0.41	0.40
Diluted-pro forma	$ 0.38	$ 0.37

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(2) RESTATEMENT OF FINANCIAL STATEMENTS

The Company has restated its financial statements as follows:

The Company had previously recorded other non-operating income of $1.7 million during its quarter ended November 30, 2002, in order to account for the previously unrecorded cumulative cash surrender value of certain life insurance policies the Company maintains on current and former executive officers that had accumulated since 1994. These policies were obtained in 1993 to insure the potential liability under the supplemental retirement plan for these executives. The Company is the sole named beneficiary and owner of these policies, which are held in trust. The annual premium payments for these policies were made from calendar years 1993 through 2000. The Company had previously expensed the premiums when paid and had not recorded the increases in the cash surrender value of the policies.

After reviewing this accounting treatment further, the Company has restated previously reported quarterly results for fiscal 2003 to record the cumulative cash surrender value as a correction of error in prior periods. Accordingly, the Company has restated its unaudited financial statements for each of the quarters in fiscal year 2003, reducing previously reported non-operating income by $1.7 million. This reduction in other non-operating income did not impact the operating income or financial condition of the Company during fiscal 2003. In addition, the Company has restated the corresponding prior period financial statements presented to reflect the correction of error treatment.

The following table reflects the financial statement line items for the Company's unaudited statements of operation, showing the material effects of the previously reported and related restated amounts for this accounting issue:

In thousands, except per share amounts	NINE-MONTHS ENDED 5/31/03	
	AS REPORTED	RESTATED
Other non-operating income	$2,275	$ 584
Earnings before income taxes	17,534	15,843
Net earnings	12,658	10,967
Basic earnings per share	$ 1.08	$ 0.94
Diluted earnings per share	$ 1.06	$ 0.92

The accumulation of the cash surrender value from fiscal years 1994 through 2002 was not material to the Company's net earnings, financial position or operating cash flows for any prior year reported. The Company now records the change in the cash surrender value of these life insurance policies to other income on a current basis.

During fiscal 2003, the Company did not previously record certain components as inventory when they were delivered to the Company based on a belief that these components had been received on a consignment basis. After completing a year-end review of the fiscal 2003 supply agreement for these components, it was determined that the Company had assumed the risk of ownership of these components upon receipt throughout fiscal 2003 and therefore should account for them as a purchase of inventory at the time of their receipt. Accordingly, the Company has restated the previously reported quarterly balance sheets for fiscal 2003 to record the inventory and related accounts payable. The value of the related inventory was $1.9 million, $2.9 million and $2.8 million at November 30, 2002, February 28, 2003 and May 31, 2003, respectively. There is no impact on previously reported operating cash flows because the determining factor for timing of the payment to the supplier is based on when the Company consumes the components in its normal operations. This adjustment to the balance sheets did not impact the operating income, net earnings, financial condition or operating cash flows of the Company during fiscal 2003.

The following table reflects the financial statement line items for the Company's unaudited balance sheets, showing the material effects of the adjustments on previously reported and restated amounts for this accounting issue:

In thousands, except per share amounts	AS OF 5/31/03	
	AS REPORTED	RESTATED
Inventories, net	$18,178	$20,972
Accounts payable	6,173	8,967

(3) CASH EQUIVALENTS, MARKETABLE SECURITIES AND LONG-TERM MARKETABLE SECURITIES

Cash equivalents are included at cost, which approximates market. At May 31, 2003, primarily one financial institution held the Company's cash equivalents. Marketable securities and long-term marketable securities are categorized as held-to-maturity or available-for-sale. Management of the Company has determined that it has the intent and ability to hold held-to-maturity securities to maturity. Held-to-maturity securities are carried at amortized cost. Available-for-sale securities are carried at fair value with the unrealized gains or losses, net of tax, shown as a component of other comprehensive income within stockholders' equity. The Company considers all liquid investments with maturities of three months or less to be cash equivalents, while those having maturities in excess of three months are classified as marketable securities or as long-term marketable securities when maturities are in excess of one year. The Company's marketable securities and long-term marketable securities consist of investment-grade municipal bonds.

The total amortized cost, gross unrealized holding gains, gross unrealized holding losses, and aggregate fair value for held-to-maturity securities at May 31, 2003, were $36.1 million, $699,000, $5,000 and $36.8 million, respectively. Held-to-maturity marketable securities with an amortized cost of $9.3 million mature within one year and long term marketable securities with an amortized cost of $26.8 million have maturities ranging from 12 to 38 months. Available-for-sale marketable securities amounted to $5.1 million at May 31, 2003, and are included in long-term marketable securities on the balance sheet. Maturities for available-for-sale marketable securities range from 32 to 39 months. The total amortized cost, unrealized holding gains, and aggregate fair value as of May 31, 2003, were $5.1 million, $31,000 and $5.1 million, respectively.

The total amortized cost, gross unrealized holding gains, gross unrealized holding losses, and aggregate fair value for held-to-maturity securities at May 31, 2002, were $35.7 million, $436,000, $44,000 and $36.1 million, respectively. Marketable securities with an amortized cost of $8.9 million had maturities within one year and long term marketable securities with an amortized cost of $26.8 million had maturities ranging from 12 to 41 months. The Company held no available-for-sale securities at May 31, 2002.

The total amortized cost, gross unrealized holding gains, gross unrealized holding losses, and aggregate fair value for held-to-maturity securities at August 31, 2002 were $38.7 million, $595,000, $56,000 and $39.2 million, respectively. Marketable securities with an amortized cost of $13.3 million mature within one year and long term marketable securities with an amortized cost of $25.4 million have maturities ranging from 12 to 42 months.

(4) INVENTORIES

Inventories are stated at the lower of cost or market. Cost is determined by the last-in, first-out (LIFO) method for most inventories. Cost is determined by the weighted average method for inventories at the Company's foreign subsidiaries and at the Company's dealership subsidiary, Irrigation Specialists. The Company reserves for obsolete, slow moving and excess inventory by estimating the net realizable value based on the potential future use of such inventory.

$ IN THOUSANDS	MAY 2003 RESTATED	MAY 2002	AUGUST 2002
First-in, first-out (FIFO) inventory	$ 16,275	$ 14,379	$ 13,274
LIFO reserves	(3,153)	(2,551)	(3,154)
Weighted average inventory	8,386	5,687	5,942
Obsolescence reserve	(536)	(695)	(479)
Total inventories	$ 20,972	$ 16,820	$ 15,583

The estimated percentage distribution between major classes of inventory before reserves is as follows:

	MAY 2003	MAY 2002	AUGUST 2002

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Raw materials	23%	10%	11%
Work in process	4%	8%	4%
Finished goods and purchased parts...........	73%	82%	85%

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(5) PROPERTY, PLANT AND EQUIPMENT

Property, plant, equipment and capitalized lease assets are stated at cost, net of depreciation.

$ IN THOUSANDS	MAY 2003	MAY 2002	AUGUST 2002
Property, plant and equipment:			
Land	$ 336	$ 70	$ 336
Buildings	9,338	8,809	9,072
Equipment	36,263	34,850	35,242
Other.......................................	2,631	3,371	2,897
Total property, plant and equipment................	48,568	47,100	47,547
Accumulated depreciation...........................	(34,612)	(32,217)	(33,035)
Property, plant and equipment, net	$ 13,956	$14,883	$ 14,512

(6) CREDIT ARRANGEMENTS

The Company may borrow up to $10.0 million under an unsecured revolving line of credit agreement with a commercial bank. Borrowings under this line of credit, if any, are to be used for working capital and general corporate purposes including stock repurchases. At May 31, 2003 and 2002, the Company had not borrowed any proceeds from this line. Borrowings will bear interest at an annual rate equal to 1% under the bank's National Base Rate in effect from time to time (4.25% at May 31, 2003); provided that the National Base Rate will not be less than 4.00%. The revolving line of credit agreement expires on December 28, 2003, at which time the Company expects to renew the line of credit on substantially similar terms.

(7) NET EARNINGS PER SHARE

Basic net earnings per share is computed by dividing net earnings by the weighted average number of shares outstanding. Diluted net earnings per share includes the dilutive effect of stock options.

At May 31, 2003, options to purchase 378,125 shares of common stock at a weighted average price of $23.75 per share were outstanding, but were not included in the computation of diluted EPS because the options' exercise price was greater than the average market price of the common shares. These options expire between September 3, 2007 and April 24, 2013.

At May 31, 2002, options to purchase 203,562 shares of common stock at a weighted average price of $25.97 per share were outstanding, but were not included in the computation of diluted EPS because the options' exercise price was greater than the average market price of the common shares. These options expire between September 3, 2007 and May 3, 2012.

(8) INDUSTRY SEGMENT INFORMATION

The Company manages its business activities in two reportable segments:

Irrigation: This segment includes the manufacture and marketing of center pivot, lateral move and hose reel irrigation systems and related control and ancillary equipment.
Diversified Products: This segment includes providing outsource manufacturing services and the manufacturing and selling of large diameter steel tubing.

The accounting policies of the two reportable segments are the same as those described in the "Accounting Policies" in Note A. of the financial statements included in the Form 10-K for the fiscal year ended August 31, 2002. The Company evaluates the performance of its operating segments based on segment sales, gross profit and operating income, with operating income for segment purposes excluding general and administrative expenses (which include corporate expenses), engineering and research expenses, interest income net, other income and expenses net, income taxes, and assets. Operating income for segment purposes does include selling expenses and other overhead costs directly attributable to the segment. There are no intersegment sales.

Summarized financial information concerning the Company's reportable segments is shown in the following table:

$ IN THOUSANDS	FOR THE THREE MONTHS ENDED MAY 2003	FOR THE THREE MONTHS ENDED MAY 2002 RESTATED	FOR THE NINE MONTHS EN MAY 2003 RESTATED	MAY 200 RESTA
Operating revenues:				
Irrigation	$ 45,827	$ 41,501	$121,830	$103,
Diversified products	3,006	2,632	8,592	9,
Total operating revenues	48,833	44,133	130,422	113,
Operating income:				
Irrigation	9,836	8,876	23,287	19,

Diversified products	1	417	724	1,
Segment operating income	9,837	9,293	24,011	20,
Unallocated general & administrative and engineering & research expenses	3,412	2,854	9,915	8,
Interest and other income, net	596	410	1,747	1,
Earnings before income taxes	$ 7,021	$ 6,849	$ 15,843	$ 14,

(9) OTHER NONCURRENT ASSETS

$ IN THOUSANDS	MAY 2003	MAY 2002 RESTATED	AUGUST 2002 RESTATED
Cash surrender value of life insurance policies	$1,782	$1,674	$1,691
Equity method investments	1,415	1,205	1,311
Goodwill, net	1,212	830	1,082
Split dollar life insurance	894	878	878
Intangible pension assets	511	580	511
Other intangibles, net	621	495	687
Other	754	1,113	246
Total noncurrent assets	$7,190	$6,775	$6,406

Effective September 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142 (SFAS 142) Goodwill and Other Intangible Assets. This standard established new accounting and reporting requirements for goodwill and other intangible assets. Under SFAS 142, all amortization of goodwill and intangible assets with indefinite lives ceased effective August 31, 2002. In addition, recorded goodwill was tested for impairment at September 1, 2002, by comparing the fair value to its carrying value. Based on the initial impairment test, the Company concluded no impairment existed. The Company has completed Step 1 of the transitional impairment testing and will complete Step 2 by the end of fiscal 2003. The estimates of fair value depend on a number of assumptions, including forecasted sales growth and improved operating expense ratios. To the extent that the reporting unit is unable to achieve these assumptions, impairment losses may emerge.

The Company's annual impairment testing on its reporting units will be performed during the fourth quarter of fiscal 2003. All of the Company's carrying value of goodwill, as shown above, relate to its irrigation segment. The change in carrying value of goodwill balances from August 31, 2002 through May 31, 2003, shown above relates to foreign currency translation.

The following table summarizes the Company's net carrying value for other intangible assets as shown above. The other intangible assets are being amortized over an average term of approximately 7 years. Related amortization expense was $66,000 and $28,000 for the nine-months and three-months ended May 31, 2003, respectively.

$ IN THOUSANDS	MAY 2003	AUGUST 2002
Non-compete agreements............................	$ 302	$ 353
Tradenames..	138	142
Patent	90	95
Plans and specifications	69	72
Other...	22	25
Total other intangible assets.....................	$ 621	$ 687

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(10) COMPREHENSIVE INCOME

$ IN THOUSANDS	FOR THE THREE MONTHS ENDED MAY 2003	MAY 2002	FOR THE NINE MONTHS EN MAY 2003	MAY 2002
.		RESTATED	RESTATED	RESTATE
Comprehensive Income:				
Net earnings........................	$ 4,822	$ 4,731	$ 10,967	$ 9,815
Other comprehensive income:				
Unrealized gains on securities.......	31	-	31	-
Foreign currency translation.........	1,116	-	1,386	14
Total comprehensive income.............	$ 5,969	$ 4,731	$ 12,384	$ 9,829

The difference between the Company's reported net earnings and its comprehensive income for each period presented is primarily the unrealized gains on securities and the change in the foreign currency translation adjustment. The accumulated other comprehensive gain or loss shown in the Company's consolidated balance sheets includes the unrealized gains on securities and accumulated foreign currency translation adjustment.

(11) GUARANTEES

The Company is currently party to various guarantee arrangements. These agreements arose in transactions related to dealer/customer financing, the guarantee of debt for a nonconsolidated equity investee and product warranties.

The Company has adopted FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Other (the "Interpretation"). The Interpretation requires a guarantor to recognize a liability for the non-contingent component of the guarantee; this is the obligation to stand ready to perform in the event that specified triggering events or conditions occur. The initial measurement of this liability is the fair value of the guarantee at inception. The recognition of the liability is required even if it is not probable that any payments will be required under the guarantee or if the guarantee has premium payments or is part of a transaction with multiple events. The Company has adopted the disclosure requirements of the Interpretation and will apply the recognition and measurement provisions for all guarantees entered into or modified after December 31, 2002, when those guarantees are estimable. The following table provides the maximum amount of potential future payments for each major group of guarantees:

$ IN THOUSANDS	MAY 2003
Guarantees on third party debt of equity investment...........	$ 712
Customer equipment financing recourse.........................	3,438
Product warranties..	N/A
Total guarantees..	$ 4,150

GUARANTEES ON THIRD PARTY DEBT OF EQUITY INVESTMENT
The Company has guaranteed three bank loans and a standby letter of credit of a business in which the Company owns a minority equity investment. The guarantees continue until the loans, including accrued interest and fees, have been paid in full. The bank loans mature in September 2003, December 2006 and February 2007. The standby letter of credit expires in December 2003. As of May 31, 2003, the maximum amount associated with the guarantees and letter of credit was approximately $712,000. The majority owner of the business provides a separate personal guarantee of the bank notes.

CUSTOMER EQUIPMENT FINANCING RECOURSE
In the normal course of business, the Company has arranged for unaffiliated financial institutions to make favorable financing terms available to end-user purchasers of the Company's irrigation equipment. In order to facilitate these arrangements, the Company provided the financial institutions with limited recourse guarantees or full guarantees, as more fully described below. Related to these exposures, the Company has accrued $354,000 within other current liabilities as of May 31, 2003. The amount accrued is based, in large part, on the Company's experience with this agreement and related transactions.

The Company maintains an agreement with a single financial institution that guarantees the financial institution's pool of accounts limited to $1.4 million as of May 31, 2003. Generally, the Company's exposure is limited to unpaid interest and principal where the first and/or second annual customer payments have not yet been made as scheduled. The maximum exposure is representative of 2.75% of the original loan amount financed or the total equipment cost related to a lease.

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Separately, the Company maintains limited, specific customer financing recourse arrangements with three financial institutions including the one referred to above. Generally, the Company's exposure is limited to unpaid interest and principal where the first and/or second annual customer payments have not yet been made as scheduled. In some specific cases, the guarantee may cover up to all scheduled payments of a loan. The original amount of existing specific guarantees is approximately $2.0 million at May 31, 2003. The Company's recourse guarantee is collateralized by the value of the equipment.

PRODUCT WARRANTIES

The Company generally warrants its products against certain manufacturing and other defects. These product warranties are provided for specific periods and/or usage of the product. The Company had accrued liabilities of $1.1 million and $1.4 million as of May 31, 2003 and 2002, respectively, relating to product warranty claims. The accrued product warranty costs are for a combination of specifically identified items and other unidentified items based primarily on historical experience of actual warranty claims. Warranty claims expense were $281,000 and $352,000 for the three-month period ended May 31, 2003 and 2002, respectively, and $890,000 and $904,000 for the nine month period ended May 31, 2003 and 2002, respectively. The following table provides the changes in the Company's product warranties:

	FOR THE NINE MONTHS ENDED	
$ IN THOUSANDS	MAY 2003	MAY 2002
Product warranty accrual balance, September 1................	$ 1,266	$ 1,396
Liabilities accrued for warranties during the period..........	180	240
Warranty claims paid during the period.......................	(312)	(213)
Product warranty accrual balance, May 31	$ 1,134	$ 1,423

	FOR THE FISCAL YEARS ENDED		
$ IN THOUSANDS	AUGUST 2002	AUGUST 2001	AUGUS 2000
Product warranty accrual balance, September 1	$ 1,396	$ 757	$ 6
Liabilities accrued for warranties during the period...	364	710	1
Warranty claims paid during the period	(494)	(71)	(
Product warranty accrual balance, August 31	$ 1,266	$ 1,396	$ 7

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ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

CRITICAL ACCOUNTING POLICIES

In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management must make a variety of decisions, which impact the reported amounts and the related disclosures. These decisions include the selection of the appropriate accounting principles to be applied and the assumptions on which to base accounting estimates. In making these decisions, management applies its judgment based on its understanding and analysis of the relevant circumstances and the Company's historical experience. The Company's significant accounting policies are described in Note A to the Consolidated Financial Statements in the Company's Form 10-K for fiscal 2003.

Certain of the Company's accounting policies have been deemed by management to be critical because of their overall importance to the presentation of the Company's consolidated results of operations and financial condition or because they require the greatest use of judgments and estimates by management. The Company's accounting policies relating to revenue recognition and inventories are considered by management to be critical to the Company's consolidated results of operations and financial condition. Management periodically re-evaluates and adjusts the estimates that are used as circumstances change. There were no significant changes in critical accounting policies during the nine-months ended May 31, 2003.

RESULTS OF OPERATIONS

The following table provides highlights of the Company's consolidated results of operations for the three-month and nine-month periods ended May 31, 2003 and 2002. The information presented below should be read together with the accompanying Consolidated Statements of Operations and with the industry segment information in Note (8) to the consolidated financial statements contained herein.

($ IN THOUSANDS)	FOR THE THREE MONTHS ENDED MAY 2003	MAY 2002	PERCENT INCREASE (DECREASE)	FOR THE NINE MAY 2003	MAY 2002
		RESTATED		RESTATED	RESTA
Consolidated					
Operating revenues	$ 48,833	$ 44,133	10.6%	$130,422	$113,
Cost of operating revenues	$ 36,334	$ 32,580	11.5	$ 98,650	$ 86,
Gross profit	$ 12,499	$ 11,553	8.2	$ 31,772	$ 27,
Gross margin	25.6%	26.2%		24.4%	2
Operating Expenses	$ 6,074	$ 5,114	18.8	$ 17,676	$ 14,
Operating income	$ 6,425	$ 6,439	(0.2)	$ 14,096	$ 12,
Operating margin	13.2%	14.6%		10.8%	1
Interest income, net	$ 350	$ 376	(6.9)	$ 1,163	$ 1,
Other income, net	$ 246	$ 34	623.5	$ 584	$
Income tax provision	$ 2,199	$ 2,118	3.8	$ 4,876	$ 4,
Effective income tax rate	31.3%	30.9%		30.8%	3
Net earnings	$ 4,822	$ 4,731	1.9	$ 10,967	$ 9,
Irrigation Equipment Segment (See Note (8))					
Operating revenues	$ 45,827	$ 41,501	10.4	$121,830	$103,
Operating income	$ 9,836	$ 8,876	10.8	$ 23,287	$ 19,
Operating margin	21.5%	21.4%		19.1%	1
Diversified Products Segment (See Note (8))					
Operating revenues	$ 3,006	$ 2,632	14.2	$ 8,592	$ 9,
Operating income	$ 1	$ 417	N/A	$ 724	$ 1,
Operating margin	N/A	15.8%		8.4%	1

COMPARISON OF THE THREE-MONTHS ENDED MAY 31, 2003 AND 2002

Operating revenues for the three-months ended May 31, 2003, increased by $4.7 million or 11% over the same prior year period. The increase was the primary result of an increase in irrigation equipment revenues of $4.3 million or 10% over the same prior year period, which was due to higher irrigation equipment demand driven by improved prices for several key agricultural commodities. Diversified products revenues were $3.0 million during the three-months ended May 31, 2003, higher than the same period prior year revenues of $2.6 million. The increase in diversified product revenues was due to the Company adding sales staff and other resources during fiscal 2003. Although the diversified segment does not contribute significant operating income on its own, it does contribute to overall operating income through the absorption of fixed overhead expenses.

Domestic irrigation equipment revenues increased by $4.1 million or 13% over the same prior year period. Approximately 30% of the increase was attributable to the Company's dealership, which was acquired in March 2002. The remaining increase was largely due to higher demand compared to the same prior year period, resulting from improved prices for several key agricultural commodities. International irrigation equipment revenues increased by $210,000 or 2% over the same prior year period. International irrigation equipment revenues from the Company's foreign operations added $3.3 million over the same prior year period. The Company's operations in Brazil commenced in April 2002, while the South African operations commenced in September 2002. The increase in sales from the Company's foreign operations was largely offset by a decrease in irrigation equipment export sales, primarily to the Middle East region, due to the conflict in Iraq.

Gross margin for the three-months ended May 31, 2003, was 25.6% as compared to 26.2% for the same prior year period. The decrease in gross margin was primarily the result of the Company's lower margins realized from the Company's foreign operations, which were partially offset by improvements in domestic margins. The domestic margin improvement was a result of cost control measures, efficiencies and modest price increases. The Company anticipates that its gross margins will improve in the future as the foreign operations improve efficiencies, reduce costs and realize economies of scale due to sales volume growth.

Operating expenses during the three-months ended May 31, 2003, increased by $960,000 or 19% over the same prior year period. Selling expense increased by $402,000 or 18% and general and administrative expense increased by $478,000 or 21% over the same prior year period. Approximately 60% of the increase in operating expenses was attributable to expenses incurred by the Company's new operations. The remaining increase in these expenses is due primarily to personnel and other resource costs to support new product and market initiatives.

Operating income for the three-months ended May 31, 2003, was $6.4 million and was comparable to the same prior year period. The Company's operating margin for the three-months ended May 31, 2003, was 13.2% compared to 14.6% for the same prior year period.

Other income, net during the three-months ended May 31, 2003, increased by $212,000 over the same prior year period primarily due to foreign currency transaction gains of $207,000.

The effective tax rate during the three-months ended May 31, 2003, was 31.3% as compared to 30.9% for the same prior year period. The Company benefits from an effective tax rate which is lower than the combined federal and state statutory rate primarily due to the federal income tax exempt status of interest income from its municipal bond investments.

Net earnings rose 2% to $4.8 million, or $0.41 per diluted share, for the quarter ended May 31, 2003, compared with $4.7 million, or $0.40 per diluted share, for the same prior year period.

COMPARISON OF THE NINE-MONTHS ENDED MAY 31, 2003 AND 2002

Operating revenues for the nine-months ended May 31, 2003, increased by $17.1 million or 15% over the same prior year period, nearly all of which was attributable to increased irrigation equipment revenues. Excluding new revenues from new operations, revenue growth was $6.4 million or 6% for the nine-months ended May 31, 2003, compared to the same prior year period. The increase in operating revenues was the result of an increase in irrigation equipment revenues of $18.5 million or 18%, partially offset by a decrease in diversified equipment revenues of $1.4 million or 14% compared to the same prior year period.

Domestic irrigation equipment revenues increased by $11.3 million or 14% over the same prior year period. The increase was largely due to the addition of the Company's dealership, which was acquired in March 2002. International irrigation equipment revenues increased by $7.1 million or 33% over the same prior year period. International irrigation equipment revenues from the Company's foreign operations added $10.0 million over the same prior year period, which was partially offset by a decrease in revenues from export sales to the Middle East region due to the conflict in Iraq and a reduction in sales to Canada due to less favorable market conditions.

Gross margin for the nine-months ended May 31, 2003, was 24.4% as compared to 24.0% for the same prior year period. The increase in gross margin was primarily the result of improvements in domestic margins, which benefited from cost

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control measures, efficiencies, and modest price increases partially offset by lower margins at the Company's foreign operations.

Operating expenses during the nine-months ended May 31, 2003, increased by $3.2 million or 22% over the same prior year period. Approximately 60% of the increase in operating expenses was attributable to expenses incurred by the Company's new operations with the remaining increase due to personnel and other resource costs to support new product and market initiatives. Selling expense increased by $1.3 million or 21% and general and administrative expense increased by $1.7 million or 26% over the same prior year period.

Other income, net during the nine-months ended May 31, 2003, increased by $361,000 over the same prior year period. The increase in other income, net relates primarily to foreign currency transaction gains of $209,000 during the nine-months ended May 31, 2003.

The effective tax rate during the nine-months ended May 31, 2003 was 30.8% as compared to 30.9% for the same prior year period. The Company benefits from an effective tax rate which is lower than the combined federal and state statutory rate primarily due to the federal income tax exempt status of interest income from its municipal bond investments.

Net earnings rose to $11.0 million, or $0.92 per diluted share, for the nine-months ended May 31, 2003, compared with $9.8 million, or $0.83 per diluted share, for the same prior year period.

OUTLOOK

Long term, the Company believes that the drivers for agricultural irrigation equipment demand remain positive. Farmers will continue to invest in conserving scarce water, energy and labor while at the same time improving and stabilizing crop yields to increase food production for a growing world population. The Company's order backlog at May 31, 2003, was $12.2 million compared with $12.6 million at May 31, 2002, and $18.9 million at August 31, 2002. Management believes the Company will continue to realize growth in total revenues and earnings during the fourth quarter of fiscal 2003.

The Company anticipates continued growth from the expansion in its international operations and from the addition of new products. Key agricultural commodity prices remain higher than the prior year, net farm income is higher, farmland values continue to strengthen, financing rates remain attractive and export demand for certain agricultural commodities has shown signs of strength. Additionally, the Company continues to manage a search process to seek business extensions through acquisitions that are congruent with its mission to be the worldwide leader in providing intelligent water and plant nutrient management systems.

LIQUIDITY AND CAPITAL RESOURCES

The Company requires cash for financing its receivables, inventories, any acquisitions, capital expenditures, any stock repurchases and dividends. Historically, the Company has financed its growth through cash provided by operations. Management believes that funds provided by operations, supplemented if necessary by borrowings under the line of credit, will be sufficient to cover reasonably expected working capital needs of the Company, including the payment of dividends, and any planned capital expenditures. As of May 31, 2003, the Company held cash and marketable securities of $54.2 million as compared to $50.9 million as of the same prior year period. Although the Company's marketable securities could be readily converted into cash if needed, the Company intends to hold those investments classified as 'held to maturity' securities until maturity, and does not anticipate that the sale of these marketable securities will be necessary to meet its reasonably foreseeable cash requirements. Remaining maturities of these securities range from 4 to 41 months. In addition, the Company maintains a $10.0 million bank line of credit. The Company has not borrowed any funds under this line of credit.

During the nine months ended May 31, 2003, the Company's net cash position increased from $12.4 million to $13.0 million. The increase in the net cash position primarily resulted from cash provided by operating activities of $6.2 million, cash used in investing activities of $4.4 million and cash used in financing activities of $1.2 million during the period.

The Company's increase in cash from operating activities for the nine-months ended May 31, 2003, resulted primarily from net earnings offset by an increase in receivables and inventories. Receivables increased $5.6 million from the level of August 31, 2002, primarily due to new operations and the seasonality of sales. Inventories at May 31, 2003, increased $2.6 million as compared to August 31, 2002, primarily due to the Company's new operations and seasonal production scheduling. The percentage increase of raw materials in the total mix of inventory resulted from the expansion of production at the

Company's foreign operations.

During the nine-months ended May 31, 2003, the Company used cash in investing activities in order to purchase $11.5 million of marketable securities and to make capital expenditures of $2.1 million. The capital expenditures were used primarily to upgrade and further automate the Company's manufacturing facilities. These uses of cash were offset by $9.2 million of proceeds from maturing marketable securities.

Approximately $1.2 million of cash was used in financing activities during the nine-months ended May 31, 2003. This net use of cash was primarily for the payment of dividends on the Company's common stock.

The Company's equity increased to $103.5 million at May 31, 2003, from $90.7 million at August 31, 2002, due primarily to its net earnings of $12.7 million, increase in other comprehensive income of $1.4 million less dividends paid of $1.3 million. The Company's equity at May 31, 2002, was $90.2 million.

SEASONALITY

Irrigation equipment sales are seasonal by nature. Farmers generally order systems to be delivered and installed before the growing season. Shipments to U. S. customers usually peak during the Company's second and third fiscal quarters for the spring planting period.

CUSTOMERS

Management believes that overall the Company is not dependent on a single customer. The diversified manufacturing segment, however, is largely dependent on a relatively few number of customers. While the loss of any substantial customer could have a meaningful short-term impact on the Company's business, the Company believes that its diverse distribution channels and customer base reduces the long-term impact of any such loss.

OTHER FACTORS

The Company's irrigation equipment sales are highly dependent upon the need for irrigated agricultural production, which, in turn, depends upon many factors, including total worldwide crop production, the profitability of agricultural production, agricultural commodity prices, aggregate net cash farm income, governmental policies regarding the agricultural sector, water and energy conservation policies and the regularity of rainfall. In addition, irrigation equipment sales are affected by the Company's ability to develop new products and the market acceptance of these products, expenditures on advertising and other promotions, competition from other manufacturers of these products, changes in the Company's distributors' or dealers' purchasing practices and financial viability.

A portion of the Company's operating revenues is generated from international irrigation equipment sales. Additional factors that affect the Company's international irrigation sales include economic, political and social conditions in individual international markets; the value of the U.S. dollar against the foreign currencies, especially the Euro, Brazilian real, South African rand, Australian dollar, Canadian dollar and Mexican peso; heightened security for import and export shipments of goods; and changes in tariffs, import duties and other taxes.

RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In November 2002, the Financial Accounting Standards Board ("FASB") issued

Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others (the Interpretation), which addresses the disclosure to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees. These disclosure requirements are included in Note 11 to the consolidated financial statements. The Interpretation also requires the recognition of a liability by a guarantor at the inception of certain guarantees.

The Interpretation requires the guarantor to recognize a liability for the non-contingent component of the guarantee, this is the obligation to stand ready to perform in the event that specified triggering events or conditions occur. The initial measurement of this liability is the fair value of the guarantee at inception. The recognition of the liability is required even if it is not probable that payment will be required under the guarantee or if the guarantee was issued with premium payments or as part of a transaction with multiple events.

As noted above, the Company has adopted the disclosure requirements of the Interpretation (see Note 11) and has applied the recognition and measurement provisions for all guarantees entered into or modified after December 31, 2002.

In October 2001, the FASB issued Statement of Financial Accounting Standards ("SFAS") No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets", replacing SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of". The adoption of SFAS No. 144 has not had a material impact on the Company's consolidated financial statements.

In July 2001, the FASB issued SFAS No. 141, "Business Combinations" and SFAS No. 142, "Goodwill and Other Intangible Assets". SFAS No. 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001, and eliminates the use of the pooling-of-interests method. SFAS No. 141 also provides new criteria to determine whether an acquired intangible asset should be recognized separately from goodwill. SFAS No. 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized but instead be tested for impairment at least annually at the reporting unit level using a two-step impairment test. The Company has completed Step 1 of the transitional impairment testing and will complete Step 2 by the end of fiscal 2003. The estimates of fair value depend on a number of assumptions, including forecasted sales growth and improved operating expense ratios. To the extent that the reporting unit is unable to achieve these assumptions, impairment losses may emerge. The Company has adopted the provisions of SFAS No. 142 during the first quarter of fiscal 2003, as required, and accordingly no longer amortizes any goodwill.

CONCERNING FORWARD-LOOKING STATEMENTS - This quarterly report on Form 10-Q contains not only historical information, but also forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements that are not historical are forward-looking and reflect expectations for future company performance. In addition, forward-looking statements may be made orally or in press releases, conferences, reports, on the Company's worldwide web site, or otherwise, in the future by or on behalf of the Company. When used by or on behalf of the company, the words "expect", "anticipate", "estimate", "believe", "intend", and similar expressions generally identify forward-looking statements. For these statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

Forward-looking statements involve risks and uncertainties. These uncertainties 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 that could affect the Company's overall financial position include the slowdown in the global and domestic economy that began in 2000; additional economic uncertainty created by the war in Iraq and threat of continued terrorist acts, both of which could further reduce growth in the U.S. and worldwide economy; the effect of the economic slowdown on the Company's customers' ability to pay amounts owed to the Company; weather conditions affecting demand, including warm winters and wet or cold spring and dry summer weather; inability to raise prices of products due to market conditions; changes in market demographics; actions of competitors; inability to achieve earnings growth; increased insurance costs; the Company's ability to develop and manufacture new and existing products based on anticipated investments in manufacturing capacity and engineering; market acceptance of existing and new products relative to expectations and based on current commitments to fund advertising and promotions; increased competition in the Company's businesses; financial viability of some distributors and dealers; the Company's ability to acquire, develop, and integrate new businesses and manage alliances successfully; changes in distributor and dealer ownership and purchasing practices; the Company's ability to cost-effectively expand existing, open new, move production between, and close manufacturing facilities; the Company's ability to manage costs and capacity constraints at its manufacturing facilities; the Company's ability to cost-effectively eliminate any non-performing product lines; the Company's ability to manage inventory levels and fully realize recorded inventory value; the impact of unexpected trends in warranty claims or unknown product defects; the ability to hire, retain and maintain good relationships with quality employees; threatened or pending litigation action relating to employment, commercial disputes and other matters; government action, including budget levels, regulation, and legislation, primarily legislation relating to the environment, commerce, infrastructure spending, health, and safety; availability of raw materials and unforeseen price fluctuations for commodity raw materials; and the impact of new accounting standards.

Particular risks and uncertainties facing the Company's international business at the present include weak economic conditions in global markets; political and social conditions in individual international markets; the value of the U.S. dollar against foreign currencies, especially the Euro, Brazilian real, Australian dollar, Canadian dollar, South African rand and Mexican peso; heightened security for import and export shipments of goods; and changes in tariffs, import duties and other taxes.

Readers are cautioned not to place undue reliance on any forward-looking statement and to recognize that the statements are predictions of future results, which may not occur as anticipated. Actual results could differ materially from those anticipated in the forward-looking statements and from historical results, due to the risks and uncertainties described above, as well as others not now anticipated. The foregoing statements are not exclusive and further information concerning the Company and its businesses, including factors that potentially could materially affect the Company's financial results, may emerge from time to time. The Company assumes no obligation to update forward-looking statements to reflect actual results or changes in factors or assumptions affecting such forward-looking statements.

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ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The market value of the Company's marketable securities will fluctuate inversely with movements in interest rates. However, the Company does not consider itself to be subject to material market risks with respect to its marketable securities because of the relatively short remaining maturities (5 to 39 months) of the securities held by the Company and because the Company intends to hold the "held to maturity" marketable securities to maturity and has the ability to do so.

The Company has manufacturing operations in the United States, France, Brazil and South Africa. The Company has sold products in over 90 countries throughout the world and purchases a portion of its components from third-party foreign suppliers. Export sales made from the United States are principally U.S. dollar denominated. Accordingly, these sales are not subject to significant currency translation risk. However, a majority of the Company's revenue generated from operations outside the United States is denominated in the currency of the customer location. The Company's most significant transactional foreign currency exposures are the Euro, Brazilian real and the South African rand in relation to the U.S. dollar. Fluctuations in the value of foreign currencies create exposures, which can adversely affect the Company's results of operations. The Company attempts to manage its transactional foreign exchange exposure by monitoring foreign currency cash flow forecasts and commitments arising from the settlement of receivables and payables, and from future purchases and sales.

The Company's translation exposure resulting from translating the financial statements of foreign subsidiaries into U.S. dollars is not hedged. The most significant translation exposures are the Euro, Brazilian real and the South African rand in relation to the U.S. dollar.

ITEM 4 - CONTROLS AND PROCEDURES

A review and evaluation was performed by the Company's management, including the Company's Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO"), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-14 under the Securities Exchange Act of 1934) as of a date within 90 days prior to the filing of this quarterly report. Based on that review and evaluation, the CEO and CFO have concluded that the Company's current disclosure controls and procedures, as designed and implemented, were effective to ensure that information the Company is required to disclose in this quarterly report is recorded, processed, summarized and reported in the time period required by the rules of the Securities and Exchange Commission. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation. There were no significant material weaknesses identified in the course of such review and evaluation and, therefore, no corrective measures were taken by the Company.

PART II -- OTHER INFORMATION

ITEM 1 -- LEGAL PROCEEDINGS

In the ordinary course of its business operations, the Company is involved, from time to time, in commercial litigation, employment disputes, administrative proceedings and other legal proceedings. While the ultimate results of any known legal matter are unknown at this time, management does not believe that these matters, individually or in the aggregate, are likely to have a material adverse effect on the Company's consolidated financial condition, results of operations or cash flows.

ITEM 6 -- EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits --

3(a) Restated Certificate of Incorporation of the Company, incorporated by reference to Exhibit 3 (a) to the Company's Report on Form 10-Q for the fiscal quarter ended February 28, 1997.

3(b) Certificate of Amendment of the Restated Certificate of Incorporation of Lindsay Manufacturing Co. dated February 7, 1997, incorporated by reference to Exhibit 3(b) to the Company's Report on Form 10-Q for the fiscal quarter ended February 28, 1997.

3(c) By-Laws of the Company amended and restated by the Board of Directors on April 28, 2000, incorporated by reference to Exhibit 3(b) of the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2000.

4 Specimen Form of Common Stock Certificate incorporated by reference to Exhibit 4 to the Company's Report on Form 10-Q for the fiscal quarter ended November 30, 1997.

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350.

31.2 Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350.

32.1 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350.

32.2 Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 18 U.S.C. Section 1350.

Reports on Form 8-K --
The Registrant filed a report on Form 8-K dated March 28, 2003, reporting under Item 12, Results of Operations and Financial Condition. Reference is made to the press release of Registrant, issued on March 25, 2003, announcing the Company's Second Quarter Fiscal 2003 Results. A copy of the press release was attached to Form 8-K as Exhibit 99.1.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 10th day of October, 2003.

LINDSAY MANUFACTURING CO.

By: /s/ BRUCE C. KARSK

Name: Bruce C. Karsk
Title: Executive Vice President, Chief Financial Officer,
Treasurer and Secretary
(Principal Financial Officer)