

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1994-05-13** | Period of Report: **1994-03-31**  
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FILER

**KYSOR INDUSTRIAL CORP /MI/**

CIK: **202356** | IRS No.: **381909000** | State of Incorpor.: **MI** | Fiscal Year End: **1231**  
Type: **10-Q** | Act: **34** | File No.: **001-08973** | Film No.: **94528141**  
SIC: **3585** Air-cond & warm air heatg equip & comm & indl refrig equip

Business Address  
*ONE MADISON AVE  
CADILLAC MI 49601  
6167792200*

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One) \*

- Quarterly report pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934 for the  
quarterly period ended March 31, 1994
- 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 1-8973

KYSOR INDUSTRIAL CORPORATION

(Exact name of registrant as specified in its charter)

Michigan (State or other jurisdiction of incorporation or  
organization)

38-1909000 (I.R.S. Employer Identification Number)

One Madison Avenue, Cadillac, Michigan 49601

(Address of principal executive offices) (Zip code)

(616) 779-2200

(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 the number of shares outstanding of each of the  
issuer's classes of common stock, as of the latest  
practicable date.

Common stock, \$1.00 par value, number of shares outstanding  
as of March 31, 1994:

5,528,363

<TABLE>

KYSOR INDUSTRIAL CORPORATION  
Part I - FINANCIAL INFORMATION

Item 1. Financial Statements

The interim financial data presented herein is unaudited but, in the opinion of the management, reflects all adjustments (none of which was other than a normal recurring adjustment) necessary for a fair presentation of such information. Results for interim periods should not be considered indicative of results for a full year. There were no undisclosed material unusual charges or credits to income during the quarter ended March 31, 1994 nor was there a change in independent accountants during the period.

Consolidated Statement of Income  
(Unaudited, amounts in thousands except per share data)

<CAPTION>

	Quarter Ended March 31,	
	1994	1993
SALES AND REVENUE		
<S>	<C>	<C>
Net sales	\$ 70,030	\$ 63,750
Interest and other revenues	280	159
	70,310	63,909
TOTAL SALES AND REVENUES		
COSTS AND EXPENSES		
Cost of sales	54,404	48,339
Selling and administrative expenses	11,355	11,103
Interest expense	538	491
Other expenses	336	151
	66,633	60,084
TOTAL COSTS AND EXPENSES		
INCOME BEFORE INCOME TAXES AND BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE	3,677	3,825
INCOME TAXES	1,575	1,720
	2,102	2,105
INCOME BEFORE CUMULATIVE EFFECT OF ACCOUNTING CHANGE		
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING FOR POSTRETIREMENT BENEFITS (Net of income tax benefit of \$4,435)	-	(7,628)
	2,102	(5,523)
NET INCOME (LOSS)		
DIVIDENDS ON PREFERRED STOCK (Net of tax benefits)	246	250
	1,856	(5,773)
EARNINGS (LOSS) APPLICABLE TO COMMON STOCK	\$	\$

EARNINGS (LOSS) PER COMMON SHARE		
PRIMARY - INCOME BEFORE ACCOUNTING CHANGE	\$ 0.33	\$ 0.33
- ACCOUNTING CHANGE	-	(1.35)
- NET EARNINGS (LOSS)	\$ 0.33	\$ (1.02)
FULLY DILUTED - INCOME BEFORE ACCOUNTING CHANGE	\$ 0.28	\$ 0.28
- ACCOUNTING CHANGE	-	(1.35)
- NET EARNINGS (LOSS)	\$ 0.28	\$ (1.07)
Primary weighted average common shares and equivalents	5,682	5,640
Dividends declared per common share	\$ 0.12	\$ 0.10

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

</TABLE>

<TABLE>

KYSOR INDUSTRIAL CORPORATION AND SUBSIDIARIES  
Consolidated Balance Sheet  
(Unaudited, dollars in thousands)

<CAPTION>

	March 31, 1994	December 31, 1993
	<C>	<C>
CURRENT ASSETS		
Cash and equivalents	\$11,218	\$21,339
Accounts receivable less \$1,841 and \$1,546 allowance for doubtful accounts	45,394	35,968
Inventories	33,247	28,409
Prepaid expenses	1,466	1,228
Deferred income taxes	6,368	6,266

TOTAL CURRENT ASSETS	97,693	93,210
	<hr/>	<hr/>
PROPERTY, PLANT AND EQUIPMENT		
Land	2,624	2,616
Buildings	30,493	30,155
Machinery and equipment	64,745	61,970
	<hr/>	<hr/>
	97,862	94,741
Less accumulated depreciation	54,205	51,918
	<hr/>	<hr/>
TOTAL PROPERTY, PLANT AND EQUIPMENT	43,657	42,823
	<hr/>	<hr/>
OTHER ASSETS		
Goodwill, patents and other intangibles	5,014	2,806
Cash value of officers' life insurance	9,720	9,547
Deferred income taxes	4,430	4,031
Miscellaneous receivables and other assets	3,894	4,038
	<hr/>	<hr/>
TOTAL OTHER ASSETS	23,058	20,422
	<hr/>	<hr/>
TOTAL ASSETS	\$164,408	\$156,455
	<hr/>	<hr/>
	<hr/>	<hr/>

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

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<TABLE>

KYSOR INDUSTRIAL CORPORATION AND SUBSIDIARIES  
Consolidated Balance Sheet  
(continued)  
(Unaudited, dollars in thousands)

<CAPTION>

March 31,            December 31,

<S>	1994	1993
	<C>	<C>
CURRENT LIABILITIES		
Current maturities of long-term debt	\$6,547	\$5,670
Accounts payable	17,648	14,353
Accrued income taxes payable	3,388	2,426
Accrued expenses and contingent liabilities	25,721	25,699
	53,304	48,148
TOTAL CURRENT LIABILITIES		
Long-term debt, less current maturities, plus guarantee of ESOP indebtedness	32,763	33,673
Accumulated postretirement benefit obligation	12,769	12,628
Other long-term liabilities	8,549	7,313
	107,385	101,762
TOTAL LIABILITIES		
PREFERRED SHAREHOLDERS' EQUITY		
Employee Stock Ownership Plan Preferred Stock, shares authorized 5,000,000; outstanding 810,163 and 810,163 stated value of \$24.375	19,748	19,748
Unearned deferred compensation under employee stock ownership plan	(15,959)	(16,175)
	3,789	3,573
TOTAL PREFERRED SHAREHOLDERS' EQUITY		
COMMON SHAREHOLDERS' EQUITY		
Common stock, \$1 par value, shares authorized 30,000,000, outstanding 5,528,363 and 5,467,840	5,528	5,468
Additional paid-in capital	3,898	3,386
Retained earnings	45,314	43,997
Translation adjustment	336	286
Notes receivable-common stock 99,143 and 99,116 shares	(1,319)	(1,319)
Unearned deferred compensation under employee stock ownership plan	(523)	(698)
	53,234	51,120
TOTAL COMMON SHAREHOLDERS' EQUITY		

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$164,408	\$156,455
--	-----------	-----------

	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>

</TABLE>

<TABLE>

KYSOR INDUSTRIAL CORPORATION  
CONSOLIDATED STATEMENT OF CASH FLOWS  
Three Months Ended March 31,  
(Unaudited, amounts in thousands)

<CAPTION>

	1994	1993
	<u>                    </u>	<u>                    </u>
<S>	<C>	<C>
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Net income (loss)	\$2,102	(\$5,523)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:		
Cumulative effect of change in accounting for Postretirement Benefits (net of tax benefits)	-	7,628
Depreciation and amortization	2,271	1,969
Provision for losses on accounts receivable	63	75
(Gain) Loss on sales of fixed assets	(5)	(3)
Deferred compensation (ESOP)	391	390
Deferred income taxes	(501)	(1,044)
Changes in assets and liabilities providing (consuming) cash:		
Accounts receivable	(6,992)	(7,177)
Inventories	(3,809)	(769)
Prepaid expenses	(190)	(696)
Accounts payable	2,380	3,080
Accrued expenses and contingent liabilities	(196)	2,141
Accrued income taxes payable	1,235	1,916
Other long-term liabilities	(57)	305
	<u>                    </u>	<u>                    </u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(3,308)	2,292
	<u>                    </u>	<u>                    </u>
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES:		
Additions to property and equipment	(2,113)	(3,068)
Proceeds from sales of property and equipment	157	21
Acquisitions, net of cash acquired	(4,128)	-
Decrease (Increase) in other long-term assets	129	(375)
Unrealized translation gain (loss)	50	129
	<u>                    </u>	<u>                    </u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(5,905)	(3,293)
	<u>                    </u>	<u>                    </u>

CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES:		
Current borrowings	891	2,000
Principal payments against long-term debt	(924)	(434)
Proceeds from issuance of common stock	572	990
Common stock and preferred stock dividends paid	(1,447)	(1,328)
	<hr/>	<hr/>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	(908)	1,228
	<hr/>	<hr/>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(10,121)	227
CASH AND EQUIVALENTS AT BEGINNING OF YEAR	21,339	6,913
	<hr/>	<hr/>
CASH AND EQUIVALENTS AT END OF PERIOD	\$11,218	\$7,140
	<hr/>	<hr/>
	<hr/>	<hr/>

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

</TABLE>

[FN]

Notes to the Financial Statements

The company adopted the provisions of SFAS (Statement of Financial Accounting Standards) 106 - Employers Accounting for Postretirement Benefits Other than Pensions in the quarter ended March 31, 1993. The accumulated postretirement benefit obligation booked as a one-time cumulative change in accounting amounted to \$12,063 less a deferred tax benefit of \$4,435 which equated to \$1.35 per share.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors

Kysor Industrial Corporation:

We have reviewed the consolidated balance sheet of Kysor Industrial Corporation and Subsidiaries as of March 31, 1994, and the related consolidated statements of income and cash flows



for the three-month periods ended March 31, 1994 and 1993. These financial statements are the responsibility of the company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data, and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the financial statements referred to above for them to be in conformity with generally accepted accounting principles.

We have previously audited, in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1993 and the related consolidated statements of income, stockholders' equity and cash flows for the year then ended (not presented herein); and in our report dated February 14, 1994 we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying consolidated balance sheet as of December 31, 1993 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Coopers and Lybrand

April 15, 1994

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations

Kysor Industrial Corporation's sales and revenues for the

first quarter 1994 were \$70.3 million, up 10.0% from the \$63.9 million reported in the same period in 1993. Income before the cumulative effect of the accounting change for SFAS 106 was \$2.1 million compared to \$2.1 million for the same period last year. This equates to earnings per common share of \$.33 for both 1994 and 1993, before taking into effect the accounting change for SFAS 106.

The Transportation Products Group net sales increased 19% to \$34.3 million for the quarter compared to the \$28.9 million reported in the same period a year ago. Operating profit for the Transportation Products Group increased 44% to \$4.3 million from the \$3.0 million reported in 1993, reflecting the improved heavy-duty truck market and Kysor's increased penetration into that market. Segment results for 1993 have been restated to include the Kysor/Westran Division which was previously reported in the Commercial Products Group.

The Commercial Products Group reported net sales of \$35.7 million for the quarter compared to \$34.8 million reported in the same period a year ago. Operating profit decreased to \$2.3 million from the \$3.9 million reported in 1993 reflecting the continued trimming of expansion plans by a major high-volume customer and the impact of the introduction of model revisions to the product line. Commercial Product Group segment results for 1993 have been restated to exclude the Kysor/Westran Division and 1994 results include the addition of Kalt Manufacturing Co., acquired in February 1994.

In international operations, Kysor's commercial refrigeration operations in Germany experienced lower sales in a soft European economy. The European truck and off-highway markets have improved somewhat and the transportation products operation's sales have increased by 5.5% from the same quarter last year, primarily due to new product introductions.

The Company is presently involved in certain environmental proceedings with respect to soil and groundwater contamination in Cadillac, Michigan, as described below under the heading "Legal Proceedings" and in Note 11, Contingent Liabilities, to the Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 1993. Discovery in the lawsuit involving the Michigan Attorney General and Department of Natural Resources was completed during the quarter. In addition, as disclosed in Note 11, the Company is involved in various other legal proceedings including certain proceedings involving allegedly contaminated sites with respect to which the Company has been named a potentially responsible party under the Federal Superfund law or comparable state laws. Although discovery in certain of these proceedings has not been completed, subject to the contingencies discussed below and in Note 11 to the Company's 1993 Annual Report, the

information presently available to management does not cause management to believe that the ultimate aggregate cost to the Company of such proceedings will result in a material adverse effect on its future financial condition or results of operation.

#### Liquidity and Capital Resources

At March 31, 1994, the Company had cash and cash equivalents of \$11.2 million compared to \$21.3 million at December 31, 1993. Cash provided from operating activities was a negative \$3.3 million for the three-month period ended March 31, 1994 compared to a positive \$2.3 million for the same period in 1993, primarily due to increases in inventory as the Company is traditionally at its lowest working capital requirement at December 31.

Additions to property, plant and equipment for the three-month period ended March 31, 1994 were \$2.1 million compared to \$3.1 million during the same period in 1993. It is anticipated that capital expenditures will slightly exceed depreciation and amortization for the current year. The acquisition of Kalt Manufacturing Co. in February, 1994 was the greatest use of cash from investing activities in 1994.

At March 31, 1994, the Company had no outstanding borrowings on its \$20.0 million revolving line of credit.

#### PART II. OTHER INFORMATION

##### Item 1. LEGAL PROCEEDINGS

As previously reported in the Company's 1993 Annual Report on Form 10-K filed with the Commission on March 30, 1994, the Company is involved in an environmental proceeding with respect to a site in Cadillac, Michigan. The description of such proceeding is set forth in Part I, Item 2 of this report and Note 11, Contingent Liabilities, to the Company's 1993 Financial Statements set forth in Part II, Item 8 of the Company's Form 10-K filed with the Commission on March 30, 1994.

On July 3, 1991, the Michigan Attorney General and the Department of Natural Resources filed a lawsuit against the Company and various other parties in the United States Federal District Court for the Western District of Michigan. The description of such proceeding is set forth in Part I, Item 2 of this report and Note 11, Contingent Liabilities, to the Company's 1993 Financial Statements set forth in Part II, Item 8 of the Company's Form 10-K filed with the Commission on March 30, 1994.

On December 31, 1991, General Electric filed a third-part claim against the Company in the United States District

Court for the Western District of Michigan. The description of such proceeding is set forth in Part I, Item 3 of the Company's 1993 Annual Report on Form 10-K filed with the Commission on March 30, 1994.

On December 4, 1992, Kysor was named as a defendant, together with over 30 other parties, in an action commenced by the Township of Oshtemo, City of Kalamazoo, Kalamazoo County and The Upjohn Company with respect to alleged contamination at the West KL Avenue Landfill site located in Kalamazoo, Michigan. The litigation is presently pending in the United States District Court for the Western District of Michigan. The suit seeks cost recovery and contribution with respect to funds allegedly expended or to be expended to investigate and/or remediate certain contamination found at the site. Liability is alleged to be joint and several against all named defendants. The Company is vigorously defending against this lawsuit, and at this juncture the Company has not engaged in any significant discovery in this suit.

On March 30, 1993, the Company received a notification from the Michigan Department of Natural Resources that it has been named as a potentially responsible party ("PRP") with respect to a site commonly referred to as the SCA Independent Landfill Superfund Site, located in Muskegon County, Michigan. The notice alleges that the Company, together with numerous other parties, was an owner, generator or transporter of waste materials deposited at the site. The PRP notice requests the Company and the other named PRPs to conduct a Remedial Investigation/Feasibility Study to determine the extent of contamination at the site, and seeks recovery of investigative costs expended by the MDNR to date. No significant discovery has taken place with respect to this matter.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) The following exhibits are filed as part of this report.

11 - Statement Regarding Computation of Earnings Per Share

15 - Letter from Coopers & Lybrand regarding unaudited Financial Statements

(b) There were no reports on Form 8-K filed by the registrant during the three months ended March 31, 1994.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf of the undersigned thereunto duly authorized.

KYSOR INDUSTRIAL CORPORATION

Date: May 12, 1994

By

Terry M. Murphy  
Vice President,  
Chief Financial Officer (and duly  
authorized signatory for registrant)

Date: May 12, 1994

By

Robert L. Joseph  
Comptroller  
(Chief Accounting Officer)

<TABLE>

KYSOR INDUSTRIAL CORPORATION  
FINANCIAL INFORMATION BY SEGMENT  
(Unaudited, amounts in thousands)

<CAPTION>

	Quarter Ended March 31,	
	1994	1993
<S>	<C>	<C>
NET SALES		
Commercial Products		
United States	\$33,197	31,783
Europe	2,504	3,026
	<hr/>	<hr/>
Total Commercial Products	35,701	34,809
Transportation Products		
United States	32,600	27,303
Europe	1,729	1,638
	<hr/>	<hr/>
Total Transportation Products	34,329	28,941
	<hr/>	<hr/>
NET SALES	\$70,030	\$63,750
	<hr/>	<hr/>
	<hr/>	<hr/>
OPERATING PROFIT		
Commercial Products		
United States	\$3,013	\$4,478
Europe	(689)	(623)
	<hr/>	<hr/>
Total Commercial Products	2,324	3,855
Transportation Products		
United States	4,345	3,033
Europe	(81)	(65)
	<hr/>	<hr/>
Total Transportation Products	4,264	2,968
	<hr/>	<hr/>
TOTAL OPERATING PROFIT	6,588	6,823
Corporate Administrative Expense (Net)	(2,373)	(2,507)
Interest Expense	(538)	(491)

INCOME BEFORE INCOME TAXES

\_\_\_\_\_  
\$3,677  
\_\_\_\_\_

\_\_\_\_\_  
\$3,825  
\_\_\_\_\_

</TABLE>

EXHIBIT INDEX

DESCRIPTION

EXHIBIT NO.

11 Statement Regarding Computation  
of Earnings Per Share

1

15 Letter from Coopers and Lybrand Regarding Unaudited  
Financial Statements

2

<TABLE>

EXHIBIT 11 - S-K Item 601 (b) (11)

KYSOR INDUSTRIAL CORPORATION AND SUBSIDIARIES  
COMPUTATION OF CONSOLIDATED EARNINGS PER SHARE

<CAPTION>

	Three Months Ended March 31,	
	1994	1993
	----	----
<S>	<C>	<C>
PRIMARY EARNINGS PER SHARE CALCULATION		
Income before cumulative effect of accounting change	\$2,101,886	\$2,104,900
Less dividends on preferred stock	394,851	396,364
Plus tax benefit from preferred dividends	149,000	147,000
	-----	-----
Earnings applicable to common stock before accounting change	1,856,035	1,855,536
Cumulative effect of change in accounting	0	(7,628,259)
	-----	-----
Earnings (Loss) applicable to common stock	1,856,035	(5,772,723)
	=====	=====
Weighted average common shares outstanding	5,394,126	5,267,694
Dilutive effect assuming exercise of certain stock options applying the treasury stock method based on year to date average price	288,311	372,566
	-----	-----
Weighted average common shares and common equivalent shares outstanding	5,682,437	5,640,260
	=====	=====
Primary earnings (loss) per share		
Income before accounting change	\$0.33	\$0.33
Accounting change	\$0.00	(\$1.35)
Net earnings (loss)	\$0.33	(\$1.02)
	=====	=====
FULLY DILUTED EARNINGS PER SHARE CALCULATION		
A.		
Weighted average common shares outstanding	5,394,126	5,267,694
Dilutive effect assuming exercise of certain stock options applying the treasury stock method based on the greater of year to date average or end of period price	288,311	436,756
	-----	-----
Weighted average common shares and common equivalent shares outstanding	5,682,437	5,704,450
	=====	=====
Fully diluted earnings (loss) per share (A)		
Income before accounting change	\$0.33	\$0.33
Accounting change	\$0.00	(\$1.35)
Net earnings (loss)	\$0.33	(\$1.02)
	=====	=====



B.		
Assuming preferred stock converted to common		
Vested Preferred shares issued	155,442	123,148
Non-vested Preferred shares issued	654,722	690,185
	-----	-----
Total Preferred shares issued	810,163	813,333
Vested Preferred shares issued	155,442	123,148
Guaranteed floor price for involuntary conversions	\$24.375	\$24.375
	-----	-----
Subtotal	\$3,788,894	\$3,001,737
The lower of year to date average or end of period common stock price	\$16.8750	\$18.7325
	-----	-----
Required common shares to be issued assuming involuntary conversion of vested shares at guaranteed floor price	224,527	160,242
Required common shares to be issued assuming voluntary conversion of non-vested shares on one-for-one basis	654,722	690,185
Weighted average common shares and common equivalent shares outstanding for fully diluted Part A.	5,682,437	5,704,450
	-----	-----
Weighted average common shares and common equivalent shares outstanding for fully diluted Part B.	6,561,686	6,554,877
	=====	=====
Income before cumulative effect of accounting change	\$2,101,886	\$2,104,900
Additional ESOP expense presently funded by preferred dividend	(394,851)	(396,364)
Plus tax benefit on additional ESOP expense	18,803	16,050
Common stock dividends to reduce ESOP expense	106,000	85,000
	-----	-----
Adjusted Income before cumulative effect of accounting change	\$1,831,838	\$1,809,586
	=====	=====
Fully diluted earnings (loss) per share (B)		
Income before accounting change	\$0.28	\$0.28
Accounting change	\$0.00	(\$1.35)
Net earnings (loss)	\$0.28	(\$1.07)
	=====	=====
Fully diluted earnings (loss) per share (Lower of (A) or (B))	\$0.28	(\$1.07)
	=====	=====

</TABLE>

To the Board of Directors

Kysor Industrial Corporation:

Re: Kysor Industrial Corporation Registration Statement Nos.  
2-67607, 2-86346, 2-99855, 33-18438, 33-30463, 33-27360, 33-59420, 33-59412  
and 33-71758 on Form S-8

We are aware that our report dated April 15, 1994 on our review of interim financial information of Kysor Industrial Corporation and Subsidiaries for the periods ended March 31, 1994 and 1993 and included in the Company's quarterly report on Form 10-Q for the quarters then ended are incorporated by reference in these registration statements. Pursuant to Rule 436(c) under the Securities Act of 1933, this report should not be considered a part of the registration statements prepared or certified by us within the meaning of Sections 7 and 11 of that Act.

Coopers and Lybrand

May 12, 1994