BUTLER MANUFACTURING CO
Form 10-Q
August 14, 2002

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13
or 15(d) of the
Securities Exchange Act of 1934

Commission File No. 001-12335

FOR THE QUARTER ENDED JUNE 30, 2002

BUTLER MANUFACTURING COMPANY

Incorporated in the State of Delaware

1540 Genessee Street
Post Office Box 419917
Kansas City, Missouri 64102

Phone: (816) 968-3000
I.R.S. Employer Identification Number: 44-0188420

Shares of common stock outstanding at
June 30, 2002: 6,310,002

The name, address and fiscal year of the Registrant have not changed since the last report.

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, and (2) has been subject to such filing requirements for the past 30 days.

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BUTLER MANUFACTURING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

For the three and six months ended June 30, 2002 and 2001

(unaudited)
($000's omitted except for per share data)

	Three months ended June 30		Six months
	2002	2001	2002
Net sales	$ 213,421	$ 213,672	$ 396,273
Cost of sales	184,210	180,014	344,943
Gross profit	29,211	33,658	51,330
Selling, general and administrative expenses	27,909	27,131	55,746
Operating income (loss)	1,302	6,527	(4,416)
Other income, net	686	220	616
Income (loss) before interest and taxes	1,988	6,747	(3,800)
Interest expense	1,975	1,594	3,933
Pretax income (loss)	13	5,153	(7,733)
Income tax expense (benefit)	(281)	1,728	(2,659)
Net income (loss)	$ 294	$ 3,425	$ (5,074)

Basic earnings (loss) per common share	$ 0.05	$ 0.55	$ (0.81)
Diluted earnings (loss) per common share	$ 0.05	$ 0.54	$ (0.81)
Basic weighted average number of shares	6,315,046	6,282,620	6,302,643
Diluted weighted average number of shares	6,324,684	6,290,487	6,302,643

See Accompanying Notes to Consolidated Financial Statements

BUTLER MANUFACTURING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three and six months ended June 30, 2002 and 2001

(unaudited)
($000's omitted)

	Three months ended June 30		Six months ended June 30	
	2002	2001	2002	2001
Net income (loss)	$ 294	$ 3,425	$(5,074)	$ 622
Other comprehensive income (loss):				
Foreign currency translation and hedging activity	(62)	206	182	(501)
Comprehensive income (loss)	$ 232	$ 3,631	$(4,892)	$ 121

See Accompanying Notes to Consolidated Financial Statements.

BUTLER MANUFACTURING COMPANY AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

June 30, 2002 and December 31, 2001
($000's omitted)

	2002	2001
	(unaudited)	(audited)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 44,431	$ 52,569
Receivables, net	116,583	109,522
Inventories:		

Raw materials	27,268	20,132
Work in process	9,842	13,692
Finished goods	30,802	32,100
LIFO reserve	(8,926)	(8,489
Total inventory	58,986	57,435
Real estate developments in progress	18,459	23,966
Net current deferred tax assets	16,635	16,636
Other current assets	8,468	14,939
Total current assets	263,562	275,067
Investments and other assets	52,777	48,741
Assets held for sale	3,684	3,684
Property, plant and equipment, at cost	297,669	302,360
Less accumulated depreciation	(159,334)	(159,090
Net property, plant and equipment	138,335	143,270
	$ 458,358	$ 470,762
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	$ 2,413	$ 2,100
Current maturities of long-term debt	5,567	5,617
Accounts payable	76,179	70,362
Dividends payable	1,136	1,131
Accrued liabilities	91,386	98,237
Taxes on income	3,960	8,659
Total current liabilities	180,641	186,106
Net noncurrent deferred tax liabilities	3,683	3,683
Other noncurrent liabilities	18,041	18,254
Long-term debt, less current maturities	97,916	98,244
Shareholders' equity:		
Common stock, no par value, authorized 20,000,000 shares, issued 9,088,200 shares, at stated value, outstanding 6,310,002 in 2002 and 6,282,783 in 2001	12,623	12,623
Foreign currency translation, hedging activity, and minimum pension liability, net of tax	(6,609)	(6,791
Retained earnings	216,341	223,594
	222,355	229,426
Less cost of common stock in treasury, 2,778,198 shares in 2002 and 2,805,417 shares in 2001	64,278	64,951
Total shareholders' equity	158,077	164,475
	$ 458,358	$ 470,762

See Accompanying Notes to Consolidated Financial Statements.

BUTLER MANUFACTURING COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2002 and 2001

(unaudited)
($000's omitted)

	2002	2001
Cash flows from operating activities:		
Net earnings (loss)	$ (5,074)	$ 622
Adjustments to reconcile net earnings (loss) provided by operating activities:		
Depreciation and amortization	9,000	8,282
Equity earnings (loss) of joint ventures	55	(19)
Change in asset and liabilities:		
Receivables	(7,061)	72
Inventories	(1,551)	4,286
Real estate developments in progress	5,507	10,132
Other current assets and liabilities	846	(17,512)
Other noncurrent operating assets and liabilities	(441)	285
Net cash provided by operating activities	1,281	6,148
Cash flows from investing activities:		
Capital expenditures	(3,068)	(18,656)
Capital expenditures - software	(4,770)	(1,148)
Net cash used by investing activities	(7,838)	(19,804)
Cash flows from financing activities:		
Payment of dividends	(2,264)	(2,131)
Proceeds from issuance of long-term debt	--	50,523
Repayment of long-term debt	(328)	(547)
Net change in short-term debt	263	(33,095)
Issuance of treasury stock	698	639
Purchase of treasury stock	(25)	(19)
Net cash provided (used) by financing activities	(1,656)	15,370
Effect of exchange rate changes	75	(299)
Net increase (decrease) in cash and cash equivalents	(8,138)	1,415
Cash and cash equivalents at beginning of year	52,569	16,855
Cash and cash equivalents at June 30	$ 44,431	$ 18,270

See Accompanying Notes to Consolidated Financial Statements.

BUTLER MANUFACTURING COMPANY AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - BASIS OF PRESENTATION
The accompanying unaudited consolidated financial statements have been prepared in accordance with the accounting policies described in the consolidated financial statements and related notes included in Butler Manufacturing Company's 2001 Form 10-K. It is suggested that those consolidated statements be read in conjunction with this report. The year-end financial statements presented were derived from the Company's audited financial statements. In the opinion of management, the accompanying consolidated financial statements reflect all adjustments necessary for a fair presentation of the financial position of Butler Manufacturing Company and the results of its operations.

NOTE 2 - GOODWILL
In June 2001, the Financial Accounting Standards Board (FASB) issued Statements of Financial Accounting Standards No. 141, "Business Combinations" (SFAS No. 141), and No. 142, "Goodwill and Other Intangible Assets" (SFAS No. 142), effective for fiscal years beginning after December 15, 2001. These Statements eliminated the pooling-of-interests method of accounting for business combinations and the systematic amortization of goodwill. SFAS No. 141 applies to all business combinations with a closing date after June 30, 2001, of which the Company had no such activity. At the beginning of fiscal 2002, the Company adopted SFAS No. 142. Under the new standard, purchased goodwill is no longer amortized over its useful life, but will be subject to annual impairment tests. Therefore, the Company did not incur any goodwill amortization expense during the first or second quarter of 2002. Goodwill amortization expense recorded in the first and second quarters of 2001 was less than $.1 million, respectively, or an after tax effect of less than $.01 per share. As of January 1, 2002 the Company tested its Architectural Products business segment using an estimate of fair value rather than an undiscounted cash flow approach performed under prior accounting standards. It was determined that its fair value exceeded its carrying value and no impairment was recognized. The Company has elected to perform an annual test for goodwill impairment in the third quarter.

NOTE 3 - BUSINESS SEGMENTS
The Company groups its operations into five business segments: North American Building Systems, International Building Systems, Architectural Products, Construction Services, and Real Estate.

The North American Building Systems segment includes the North American metal buildings and the wood buildings businesses. These business units supply steel and wood frame pre-engineered building systems for a wide variety of commercial, community, industrial, and agricultural applications.

The International Buildings Systems segment includes the Company's Asian metal buildings business. The European metal buildings business was sold on July 25, 2002. These businesses supply pre-engineered metal buildings for commercial, community, industrial, and agricultural applications primarily for the Chinese and European markets.

The Architectural Products segment includes the operations of the Vistawall Group. The group's businesses design, manufacture, and market architectural aluminum systems for nonresidential construction, including curtain wall, storefront systems, windows, doors, skylights, and roof accessories.

The Construction Services segment provides comprehensive design and construction planning, execution, and management services for major purchasers of construction. Projects are usually executed in conjunction with the dealer representatives of other Butler divisions.

The Real Estate segment provides real estate build-to-suit-to-lease development services in cooperation with Butler dealers.

The accounting policies for the segments are the same as those described in the summary of significant accounting policies as included in the Company's 2001 Form 10-K. Butler Manufacturing Company's reportable segments are strategic business units that offer products and services for different markets. They are managed separately because each business requires different technology and expertise.

The Other classification represents unallocated corporate expenses and unallocated assets, including corporate offices, deferred taxes, pension accounts, interest expense, and intersegment eliminations.

NET SALES (Thousands of dollars)	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
North American Building Systems	$ 97,725	$ 110,703	$ 176,212	$ 201,776
International Building Systems	31,980	19,327	53,572	35,131
Architectural Products	56,102	57,728	107,683	115,999
Construction Services	27,387	33,155	65,137	51,388
Real Estate	6,075	--	6,075	15,953
Other	(5,848)	(7,241)	(12,406	(11,716)
	$ 213,421	$ 213,672	$ 396,273	$ 408,531

Net sales represent revenues from sales to affiliated and unaffiliated customers before elimination of intersegment sales, which is included in Other. Intersegment eliminations are primarily sales between North American Building Systems and Architectural Products segments to the International Building Systems and Construction Services segments.

PRETAX EARNINGS (LOSSES) (Thousands of dollars)	Three Months Ended June 30, 2002	Three Months Ended June 30, 2001	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001
North American Building Systems	$ (1,589)	$ 3,891	$ (5,841)	$ (754)
International Building Systems	1,957	245	1,928	(404)
Architectural Products	3,022	3,864	3,931	7,445
Construction Services	311	337	1,088	732
Real Estate	927	1,064	1,482	2,555
Other	(4,615)	(4,248)	(10,321)	(8,836)
	$ 13	$ 5,153	$ (7,733)	$ 738

TOTAL ASSETS (Thousands of dollars)	June 30, 2002	December 31, 2001
North American Building Systems	$ 143,847	$ 138,690
International Building Systems	69,559	67,064
Architectural Products	110,600	112,785
Construction Services	22,558	22,465
Real Estate	33,416	28,406
Other	78,378	101,352
	$ 458,358	$ 470,762

Total assets represent assets used by each business segment. Other represents cash and cash equivalents, assets held for sale, corporate equipment, and miscellaneous other assets which are not related to a specific business segment. In prior periods the North American Building Systems and International Building Systems segments were reported as a single segment. Because of reorganization and management changes, two segments were formed.

NOTE 4 - RESTRUCTURING AND ASSET IMPAIRMENT CHARGES

In December 2001, the Company's board of directors approved the disposition of its European metal buildings business. As a result, the Company recorded a $3.8 million pretax charge in connection with this decision. In addition, the Company recorded a $4.3 million pretax charge for the impairment of certain assets. During 2001,

$1.7 million of the restructuring reserve was utilized, and in the second quarter of 2002, $.6 million was utilized for severance and employee separation costs and other costs related to the disposition of the business. At June 30, 2002, $1.5 million remains in the restructuring reserve.

NOTE 5 - INDEBTEDNESS

In June 2001, the Company entered into a $50 million bank credit facility and issued $50 million of senior unsecured notes pursuant to a note agreement, allowing domestic bank borrowings to be reduced to zero.

Interest on advances under the new credit facility are based on either (a) the higher of the federal funds rate plus .50% or the prime rate, which is payable quarterly, or (b) LIBOR, which is payable at the end of periods ranging from one to six months. The credit agreement provides for a commitment fee on unused advances ranging from .20% to .30%. Commitments under the credit facility expire on June 30, 2004, at which time any outstanding advances are payable. The agreement contains certain operating covenants, including restrictions on liens, investments, acquisitions, asset sales and mergers. The agreement also requires the Company to maintain a capitalization ratio, as defined, of .5 to 1, a fixed charge coverage ratio, as defined, of 1.7 to 1, and a leverage ratio, as defined, of 3.25 to 1, through June 30, 2002 and 3.0 to 1 thereafter.

The senior notes bear interest, payable semi-annually on June 30 and December

30, at the effective rate of 7.91% per annum. Principal of the senior notes is payable in annual installments of $4.55 million on December 30th of each year, commencing December 30, 2006, with the final installment due on December 30, 2016. The note agreement contains certain operating covenants, including restrictions on liens, additional indebtedness and asset sales, and requires the Company to maintain adjusted consolidated net worth, as defined, of $125 million plus the cumulative sum of 50% of consolidated net income for each fiscal quarter after June 30, 2001 and a fixed charge coverage ratio, as defined, of 1.5 to 1.0.

NOTE 6 - EARNINGS PER SHARE

Basic and diluted earnings per common share were comparable for the three and six month periods ending June 30, 2002 and 2001. Under the treasury stock method the diluted weighted average number of shares outstanding vary from the basic weighted average number of shares outstanding due to dilutive stock options which are "in the money" at the end of the second quarter 2002.

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

RESULTS OF OPERATIONS

Net sales were $213 million for the second quarter 2002, comparable with a year ago. The International Building Systems segment's sales increased$12.7 million or 65% during the second quarter compared with the prior year, due to continuing strong sales demand in China. Their positive result helped dampen the sales decreases within the North American Building Systems, Architectural Products and Construction Services segments.

The continued decline in the domestic nonresidential construction market followed the general decline in the U.S. economy. Sales in the North American Building Systems segment decreased 14% in the second quarter to $98 million compared with $111 million a year ago, while the Construction Services segment's sales decreased 17% to $27 million, both due to a decline in the nonresidential construction market. The Architectural Products segment's sales decreased 3% to $56 million in the second quarter due primarily to a decline in the office and retail construction markets. The Real Estate segment, whose revenue stream is more erratic than the manufacturing operations due to the project nature of this business, recorded the sale of a development project held in inventory during the second quarter.

The Company's sales for the first six months of the year decreased 3% to $396 million. International Building Systems segment sales were $54 million, an increase of 52% compared with a year ago, due to increased demand in China. Construction Services segment sales increased 27% to $65 million due to a strong backlog at beginning of the year. The remaining segments reported sales decreases which more than offset sales increases in the International Building Systems and Construction Services segments mentioned above. North American Building Systems segment's sales for the six months ending June 30, 2002 were $176 million, a decrease of 17% compared with a year ago., while the Architectural Products segment sales were $108 million, a decrease of 7%.

Gross profit was $29 million in the second quarter, a decline of 13% compared to a year ago, and $51 million for the six months ending June 30, 2002, a decline of 12%. The significant decline in the nonresidential construction market has heightened price competition in the Company's domestic markets depressing gross profit margins.

Sales, general and administrative expenses of $28 million and $56 million for the three and six month periods ending June 30, 2002, were comparable to a year ago. The positive impact of several cost cutting measures was offset by increased health care and pension costs compared with a year ago. A portion of the North American Building Systems segment manufacturing capacity, which was temporarily idled last year, remains off-line until signs of a market rebound is underway. Interest expense was $2.0 million and $3.9 million for the three and six month periods ending June 30, 2002, higher than amounts in the corresponding periods in 2001 due primarily to greater capitalized interest on the Company's headquarters project in 2001, and a higher average interest rate in 2002.

The Company reported pretax earnings for the second quarter at breakeven levels compared with earnings of $5.2 million a year ago, and year-to-date pretax losses of $7.7 million compared with $.7 million pretax earnings for the same period a year ago primarily due to the decline in the U.S. economy generally and in nonresidential construction specifically. An income tax benefit was recorded for the second quarter of 2002 due to the domestic loss and a lower effective tax rate in China. Net earnings for the second quarter 2002 were $.05 per share. The Company reported a net loss for the six month period ending June 30, 2002 of $.81 per share.

During July, the Company completed the previously announced sale of assets of its European metal buildings business to the Lindab AB Group headquartered in Sweden.

LIQUIDITY AND CAPITAL RESOURCES

Since December 2001, cash and cash equivalents decreased $8 million to $44 million. During the period, cash was primarily used for investments, specifically for general factory capital expenditures, and for the development of a scalable enterprise system (ERP) in the North American metal buildings business. Cash flow from operations increased slightly as noncash depreciation and amortization expenses and a reduction in real estate developments in progress offset seasonal increases in receivables in China and the Architectural Products segment. Inventory increased at the end of June due to the North American metal buildings business hedge buy of steel inventory in anticipation of July steel price increases. Taxes payable declined due to lower earnings. Cash from financing activities was used for payment of dividends.

During 2001, the Company entered into a $50 million bank credit facility to fund future working capital requirements, and signed a $50 million private placement agreement. For the six months ended June 30, 2002, there were no domestic short-term borrowings. At June 30, 2002, approximately $20 million of the domestic credit line was utilized to provide standby letters of credit to backstop various short and long term liabilities of the Company. This compares with $9 million at June 30, 2001. The Company's foreign operations maintain separate lines of credit with local banks of approximately $6 million, with $2.4 million utilized at current exchange rates at June 30, 2002. Management believes the Company's operating cash flow, cash balances, along with the bank credit lines, are sufficient to meet future foreseen liquidity requirements.

Cash paid for interest was $1.2 million through the second quarter 2002, while cash paid for taxes was $.8 million through June 2002. A $4.2 million tax refund related to the disposition of the European operation was received during the first quarter 2002. Cash paid for interest and taxes was $3.0 million and $1.8 million, respectively, for the same period a year ago.

Treasury stock purchases for 2002 and 2001 were minimal, and dividends were $2 million. On June 18, 2002 the Company's Board of Directors declared a regular quarterly dividend of $.18 per share of the Company's common stock payable on July 16, 20002 to shareholders of record on July 1, 2002.

OUTLOOK.
F.W. Dodge reported nonresidential construction orders through May, 2002 declined 11% compared with a year ago. The nonresidential construction economy continues to trend downward nearing the lows set in early 1990's. Against this backdrop, the Company is balancing near-term operating environment with careful management of expenses and selective investment in growth strategies.

It is difficult to predict market conditions for the balance of the year, although some seasonal pick-up in the third quarter is anticipated as this is typically the strongest quarter of the year. However, pricing conditions are expected to remain very competitive, and that, combined with higher steel costs will keep the pressure on gross margins and operating profitability. Total backlog at June 30, 2002 was $332 million, 3% lower than the prior year. Higher margin product backlog was approximately 14% lower, while construction backlog was 15% lower compared to the same period a year ago.

MARKET PRICE RISK
The Company's principal exposure to market risk is from changes in commodity prices, interest rates, and currency exchange rates. To limit exposure and to manage volatility related to these risks, the Company enters into select commodity and currency hedging transactions, as well as forward purchasing arrangements. The Company does not use financial instruments for trading purposes.

Commodity Price Exposure: The Company's primary commodities are steel, aluminum, and wood. Steel is the Company's largest purchased commodity. The Company enters into forward steel purchase arrangements in its metal buildings business for periods of less than one years duration to protect against potential price increases. To the extent there are increases in the Company's steel costs, they are generally recaptured in the Company's product sales prices. Steel prices in 2002 have risen sharply and are expected to increase early into the third quarter 2002, partly due to recent tariffs imposed by the U.S. Government on certain imported steel products. Recent investments and increased operating efficiencies in Company operations have helped to dampen the impact of the increase, nevertheless, in April, 2002, the Company's U.S. metal buildings business announced a price increase on most of its products to partially mitigate the impact of rising steel prices.

The Company's wood frame building business enters into forward purchase arrangements for commercial grade lumber for periods of less than one year's duration. Lumber costs are generally more volatile than steel costs. To offset increases in lumber costs, the Company adjusts product prices accordingly.

Aluminum hedge contracts of less than one year's duration are purchased to hedge the engineered products backlog of the Vistawall group against potential losses caused by increases in aluminum costs. This product line is sensitive to material cost movements due to the longer lead times from project quoting to manufacture. Gains or losses recorded on hedge contracts are offset against the actual aluminum costs charged to cost of sales when the underlying inventory is sold. At June 30, 2002 the fair value of open aluminum contracts recorded in its cumulative other comprehensive income was less than $.1 million. Mark to market gains on the Company's Canadian currency exchange contracts were recorded in earnings and were less than $.1 million at June 30, 2002. At June 30, 2002 a 10% change in both aluminum and Canadian currency contracts was immaterial.

Interest Rates: The majority of the Company's long-term debt carries a fixed interest rate, which limits the Company's exposure to increases in market rates.

However, interest rate changes impacts the fair market value of such debt. As of June 30, 2002, holding other variables constant, including levels of indebtedness, a one percentage point increase in interest rates would result in approximately a $5 million change in the fair value of the Company's fixed rate debt.

Foreign Currency Fluctuation: The majority of the Company's business is transacted in U.S. dollars, limiting the Company's exposure to foreign currency fluctuations. Where the Company has foreign-based operations, the local currency has been adopted as the functional currency. As such, the Company has both transaction and translation foreign exchange exposure in those operations. Due to relative cost and limited availability, the Company does not hedge its foreign net asset exposure. At June 30, 2002 the Company's net asset investment in foreign operations was $28 million. The Company does hedge its short-term foreign currency transaction exposures related to metal building sales in Canada. Forward exchange contracts are purchased to cover a portion of the exposure.

FORWARD LOOKING INFORMATION

This report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which may include statements concerning projection of revenues, income or loss, capital expenditures, capital structure, or other financial items, statements regarding the plans and objectives of management for future operations, statements of future economic performance, statements of the assumptions underlying or relating to any of the forgoing statements, and other statements which are other than statements of historical fact. These statements appear in a number of places in this report and include statements regarding the intent, belief, or current expectations of the Company and its management with respect to (i) the cost and timing of the completion of new or expanded facilities, (ii) the Company's competitive position, (iii) the supply and price of materials used by the Company, (iv) the demand and price for the Company's products and services, or (v) other trends affecting the Company's financial condition or results of operations, including changes in manufacturing capacity utilization and corporate cash flow in both domestic and international markets. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially as a result of these various factors.

For additional comments, refer to the July 17, 2002, letter to shareholders, which is attached as Exhibit 19.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There are no material changes to the disclosure made in the Annual Report on Form 10-K for the year ended December 31, 2001 regarding this matter. See discussion about market risk under Item 2. Management Discussion and Analysis on page 12 above.

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PART II - OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

The Company held its Annual Meeting of Shareholders on April 16, 2002. Three Class A Directors were elected at the Annual Meeting. In the election of directors there were 5,350,316 votes cast for Gary M. Christensen and 523,396 withheld; 5,344,185 votes cast for C.L. William Haw and 529,527 withheld; and 5,358,098 votes cast for John J. Holland and 515,614 withheld.

Two other proposals were voted on and passed at the Annual Meeting; the Stock Incentive Plan of 2002 to provide additional incentives to senior management and other key employees of the Company, and the 2002 Stock Option Plan for Outside Directors to promote long-term success of the Company and enhance the Company's ability to attract qualified persons to serve as directors while enhancing the long-term mutuality of interest between the Outside Directors of the Company and the stockholders of the Company. Votes cast for the Stock Incentive Plan were 4,131,085, votes against were 745,014, those abstaining were 141,142 and those delivered with no vote totaled 856,481. Votes cast for the Outside Director Stock option were 3,917,497, votes against were 924,958, those abstaining were 174,776, and those delivered with no vote totaled 856,481.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

- (19) July 17, 2002 Letter to Shareholders.
- (99.1) Certification of Periodic Report-CEO
- (99.2) Certification of Periodic Report-CFO

(b) Reports on Form 8-K

On May 16, 2002 the Company filed form 8-K for change in the registrants certified accountants. The Board of Directors of the Company approved the dismissal of Arthur Andersen LLP and the appointment of KPMG LLP as independent auditors for the Company effective May 16, 2002.

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SIGNATURES

Pursuant to the requirement 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.

BUTLER MANUFACTURING COMPANY

August 14, 2002	/s/ Larry C. Miller
Date	Larry C. Miller Vice President - Finance, and Chief Financial Officer
August 14, 2002	/s/ John W. Huey
Date	John W. Huey Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit Number	Description
19	July 17, 2002 Letter to Shareholders
99.1	Certification of Periodic Report-CEO
99.2	Certification of Periodic Report-CFO