

John Bean Technologies CORP
Form 10-K
March 07, 2014

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2013

OR

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

Commission file number: 1-34036

John Bean Technologies Corporation

(Exact name of registrant as specified in its charter)

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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 No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).
Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of common stock held by non-affiliates of the registrant on the last business day of the registrant's most recently completed second fiscal quarter was: \$570,977,390.

At February 28, 2014, there were 29,138,162 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 2014 Annual Meeting of Stockholders are incorporated herein by reference in Part III of this Annual Report on Form 10-K to the extent stated herein.

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SPECIAL NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K and other materials filed or to be filed by John Bean Technologies Corporation, as well as information in oral statements or other written statements made or to be made by us, contain statements that are, or may be considered to be, forward-looking statements. All statements that are not historical facts, including statements about our beliefs or expectations, are forward-looking statements. You can identify these forward-looking statements by the use of forward-looking words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “foresees” or the negative version of these words or other comparable words and phrases. Any forward-looking statements contained in this Annual Report on Form 10-K are based upon our historical performance and on current plans, estimates and expectations. The inclusion of this forward-looking information should not be regarded as a representation by us or any other person that the future plans, estimates or expectations contemplated by us will be achieved. These forward looking statements include, among others, statements relating to:

- Fluctuations in our financial results;
- Unanticipated delays or acceleration in our sales cycles;
- Deterioration of economic conditions;
- Sensitivity of segments to variable or volatile factors;
- Changes in demand for our products and services;
- Changes in commodity prices, including those impacting materials used in our business;
- Disruptions in the political, regulatory, economic and social conditions of the foreign countries in which we conduct business;
- Increases in energy prices;
- Changes in food consumption patterns;
- Impacts of pandemic illnesses, food borne illnesses and diseases to various agricultural products;
- Weather conditions and natural disasters;
- Acts of terrorism or war;
- Termination or loss of major customer contracts;
- Customer sourcing initiatives;
- Competition and innovation in our industries;
- Our ability to develop and introduce new or enhanced products and services;
- Difficulty in developing, preserving and protecting our intellectual property;
- Our ability to protect our information systems;
- Adequacy of our internal controls;
- Our ability to successfully integrate, operate and manage acquired businesses and assets;
- Loss of key management and other personnel;
- Potential liability arising out of the installation or use of our systems;
- Our ability to comply with the laws and regulations governing our U.S. government contracts;
- Our ability to comply with U.S. and international laws governing our operations and industries;
- The outcome of pending or future litigation;
- Increases in tax liabilities;
- Difficulty in implementing our business strategies; and
- Availability and access to financial and other resources.

We believe that the factors that could cause our actual results to differ materially include but are not limited to the factors we describe herein, including under “Risk Factors,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” If one or more of those or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may vary materially from what we projected. Consequently, actual events and results may vary significantly from those included in or contemplated or implied by our forward-looking statements. The forward-looking statements included in this Annual Report on Form 10-K are made only as of the date hereof, and we undertake no obligation to publicly update or review any forward-looking statement made by us or on our behalf, whether as a result of new information, future developments, subsequent events or circumstances or otherwise.

PART I

Unless the context indicates otherwise, all references in this report to JBT Corporation, the Company, us, we, or our include John Bean Technologies Corporation and its subsidiaries (JBT Corporation). Effective July 31, 2008, JBT Corporation was spun-off from FMC Technologies, Inc. (FMC Technologies) and became a separate, publicly-traded company. This transaction is referred to in this Annual Report on Form 10-K as the “distribution” or the “spin-off.” Prior to the spin-off, JBT Corporation and its subsidiaries were wholly-owned subsidiaries of FMC Technologies and our operations were a part of FMC Technologies’ operations.

ITEM 1. BUSINESS

We are a global technology solutions provider for the food processing and air transportation industries. We design, manufacture, test and service technologically sophisticated systems and products for customers through our JBT FoodTech and JBT AeroTech segments.

JBT FoodTech markets its solutions and services to multi-national and regional industrial food processing companies. The product offerings of our FoodTech businesses include:

- freezer solutions for the freezing and chilling of meat, seafood, poultry, ready-to-eat meals, fruits, vegetables, dairy and bakery products;
- protein processing solutions that portion, coat, fry and cook poultry, meat, seafood, vegetable and bakery products;
- in-container processing solutions for the filling, closing and sterilization of fruits, vegetables, soups, sauces, dairy and pet food products as well as ready-to-eat meals in a wide variety of modern packages;
- fruit and juice processing solutions that extract, concentrate and aseptically process citrus, tomato and other fruits, vegetables and juices; and
- automatic guided vehicles for material handling in the food & beverage, manufacturing, warehouse, automotive, hospital, and printing industries.

JBT AeroTech markets its solutions and services to domestic and international airport authorities, passenger airlines, airfreight and ground handling companies and military forces. The product offerings of our AeroTech businesses include:

- ground support equipment for cargo loading, aircraft deicing and aircraft towing;
- gate equipment for passenger boarding, on the ground aircraft power and cooling;
- airport services for maintenance of airport equipment, systems and facilities; and

- military equipment for cargo loading, aircraft towing, aircraft power and on the ground aircraft cooling.

For financial information about our business segments see Note 15 of our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

In 2013, we continued the execution of our 4G strategy. The growth areas where we are focused on building value are detailed below.

Grow our technology advantage. At JBT, technology is at the core of who we are. We are actively looking for opportunities to leverage and apply our technology leadership in ways that deepen our connection with customers. Product development is a top investment priority and enables us to maintain and increase our competitive advantage going forward.

Grow beyond the sale. JBT's large installed base is a huge asset. It is an opportunity to deliver ongoing value, to increase the depth and breadth of our customer relationships, and to create a recurring revenue stream for our company. Truly realizing this opportunity requires the right mindset. Our people are always thinking in terms of providing long term solutions and services that enable continued success for our customers.

Grow where the world is growing fastest. JBT has built a strong presence around the world. Our global footprint enables us to deliver local service wherever our customers need us. Our footprint is also important because it positions us well to grow where the world is growing, including Asia and other emerging regions.

Grow our margins by delivering value. We will not grow for growth's sake—our aim is to grow profitably. Strong margins are our report card on delivering value to our customers and on operating efficiently. We are continuously optimizing sourcing and improving processes to manage costs, but the key for us is to always deliver value.

As a complement to our 4G strategy, we have formalized our approach to Corporate Social Responsibility (CSR) and its positive impacts on our company, customers and world. JBT has a long tradition of doing what's right and a culture built upon caring about our employees' health, safety and wellbeing, partnering with our customers to improve their operations, and giving back to the communities where we live and work. Building upon that strong foundation, we are sharing energy efficiency best practices, measuring resource utilization, and setting baselines and goals. Our equipment and technology are already efficient users of resources and strong contributors to the sustainability of both our food processing and air transportation customers. A key CSR objective is to further align our business with our customers, many of whom have aggressive CSR programs in place.

Our principal executive offices are located at 70 West Madison, Suite 4400, Chicago, Illinois 60602.

BUSINESS SEGMENTS

JBT FoodTech

JBT FoodTech is a leading supplier of customized industrial solutions and services used in the food processing industry. We design, manufacture and service technologically sophisticated food processing systems for the preparation of ready-to-eat meals, shelf stable packaged foods, meat, seafood and poultry products, bakery products, juice and dairy products, and fruit and vegetable products.

We believe our success is derived from our continued technological innovation. We broadly categorize our technology solutions offerings into freezing and chilling, protein processing, in-container processing, fruit and juice processing and automated systems. We apply these differentiated and proprietary technologies to meet our customers' food processing needs. We continually strive to improve our existing solutions and develop new solutions by working closely with our customers.

Our historically strong position in the markets we serve has provided us with a large installed base of systems and equipment. Throughout our history, we have delivered over 40,000 pieces of food processing equipment which includes more than 8,000 industrial freezers, 2,400 industrial citrus juice extractors, 3,000 industrial sterilization systems and 8,500 coating systems. We estimate that the installed base of our equipment collectively processes approximately 75% of the global production of citrus juices, freezes approximately 50% of commercially frozen foods on a global basis and sterilizes approximately 50% of the world's canned foods. This installed base provides a stream of recurring revenue from aftermarket products, parts, services and lease arrangements. Recurring revenue accounted for 47% of our FoodTech total revenue in 2013. Our installed base also provides us with strong, long-term customer relationships from which we derive information for new product development to meet the evolving needs of our food processing customers.

We have operations positioned around the world to serve our existing JBT FoodTech equipment base located in more than 100 countries. Our principal production facilities are located in the United States (California, Ohio, Pennsylvania and Florida), Brazil, Belgium, Italy, Sweden, the United Kingdom, South Africa and China. In addition to sales and services offices based in more than 25 countries, we also support our customers in their development of new food products and processes as well as the refinement and experimentation of their current applications through ten technical centers located in the United States (California, Ohio and Florida), Mexico, Brazil, Belgium, Italy, Spain, Sweden and China. Our global presence allows us to provide direct customized support to customers virtually anywhere they process foods.

Solutions, Products and Services

We offer a broad portfolio of systems, equipment and services to our customers which are often sold as part of a fully integrated processing line solution. Our systems are typically customized to meet the specific customer application needs. Thus, actual production capacity ranges vary and are dependent on the food and product packaging type being processed.

Freezing and Chilling. We developed the first commercial food processing freezers in the 1960s, and remain the world's leading supplier of freezing and chilling solutions to the food processing industry. We design, assemble, test and install industry-leading technologies under the Frigoscandia® brand, which include the GYRoCOMPACT® self-stacking spiral, the FLoFREEZE® individual quick freezing (IQF) system and the ADVANTEC™ linear/impingement freezing system, as well as flat product and contact freezers, chillers and proofers. We also offer a structure supported Northfield SuperTRAK® spiral freezer for high volume, large packaged products. Our freezers are designed to meet the most stringent demands for quality, economy, hygiene and user-friendliness. We offer a full range of capacities and accessories to optimize our customers' variable production needs. Our industrial freezers can be found in plants that are processing food products ranging from meat, seafood and poultry to bakery products and ready-to-eat meals, fruits, vegetables and dairy products.

The following is an overview of our freezing and chilling technology offerings, which accounted for 21% of our total revenue in 2013.

Product Offering	Product Description	Food Applications	Capacity
GYRoCOMPACT® Self-Stacking Spiral Freezer, Chiller, Proofer	Compact, self-contained design for quick, uniform freezing	Poultry, Meat, Seafood, Bakery, Dairy, Vegetables, Ready Meals	Up to 10 tons/hour
SuperTRAK® Structure Supported Spiral Freezer, Proofer	Large packaged and specialty products	Pizza, Bakery, Ice Cream, Ready Meals, Pet Food	Up to 12 tons/hour
FloFREEZE® Individual Quick Freeze (IQF)	Individually freezes sensitive, sticky and uneven shaped products	Fruits, Vegetables, Seafood, Pasta, Rice	Up to 18 tons/hour
ADVANTEC™ Impingement Linear Freezers and Chillers	Quick freezing of thin, flat food products	Meat, Seafood	Up to 6 tons/hour (over 20,000 ¼ lb. burgers per hour)

Protein Processing. We are a leading supplier of equipment and services that enable us to provide integrated protein processing lines for a variety of convenience food products. Our broad array of protein processing systems includes the DSI™ waterjet portioners, slicers and attribute scanner/sorters; the Stein™ coating and seasoning applicators, THERMoFIN® fryers, GYRoCOMPACT® spiral ovens, JSO Jet Stream® ovens; and Double D™ Revoband™ linear ovens and cooking systems. Our fully integrated processing lines often span from the initial point of entry of raw products onto the processing line up to final packaging. Although our solutions are primarily used in the processing of poultry (including nuggets, strips and wings), we also provide systems that portion, coat or cook other food products ranging from breads and pizzas to meat patties, seafood and ready-to-eat meals to pet food. All of these applications we collectively refer to as “protein processing.” We believe that our installed base of cooking systems processes more meat, seafood and poultry products in North America than that of any other food processing equipment supplier.

The following is an overview of our protein processing technology offerings, which accounted for 11% of our total revenue in 2013.

Product Offering	Product Description	Food Applications	Capacity
DSI™ Portioning Systems	Computer-positioned vertical high-pressure water-jets cut complex shapes	Poultry, Meat, Seafood, Pizza	Over 7 tons/hour
DSI™ Adaptive Thickness Systems	Intelligent slicing for consistent product thickness	Poultry, Meat, Seafood	Over 2 tons/hour
DSI™ J-Scan	Attribute scanning and sorting of various products	Poultry, Meat, Seafood, Pizza, Bakery, Ready Meal	Over 7 tons/hour
Stein™ Coating Applicators	Application of batter, tempura or breading prior to cooking	Poultry, Meat, Seafood, Vegetables	Over 7 tons/hour (over 150,000 ½ oz. chicken nuggets per hour)
THERMoFIN® Frying Systems	Patented technology that heats oil quickly and precisely for even and cost effective frying	Poultry, Meat, Seafood	Over 7 tons/hour (over 150,000 ½ oz. nuggets/hour)
GYRoCOMPACT® Spiral Ovens	Multi-zone spiral oven with programmable air control for consistent and uniform cooking	Poultry, Meat, Seafood	Over 9 tons/hour (over 40,000 4 oz. chicken breasts per hour)
JSStein™ JSO JetStream® LiLinear Ovens	High intensity convection oven for fast cooking with optimal flavor sealing and browning	Meat, Poultry	Over 4.5 tons/hour (over 20,000 ¼ lb. burgers per hour)
Double D™ Revoband Linear Oven	Custom built, high impingement oven for roasting, steaming and baking	Bakery, Meat, Seafood, Poultry, Vegetables	Over 1 ton/hour (over 30,000 croissants per hour)

In-Container Processing. We are a leading global supplier of fully integrated industrial sterilization systems that enable production of shelf stable foods in a wide variety of flexible and rigid packages. These integrated solutions for the processing of shelf-stable food and liquid products include our continuous rotary hydrostatic sterilizers, Steam Water Spray static and SuperAgi™ batch retorts, XL-series fillers, SeamTec™ and X-series closers, material handling systems and LOG-TEC® thermal process controls. We are a recognized U.S. Department of Agriculture and Food and Drug Administration Food Process Authority and offer the largest selection of sterilization products in the industry. We also provide automated batch retorts which can process an array of flexible and rigid packages such as plastic pouches, cartons, glass and cans. Our solutions also include specialized material handling systems to automate the handling and tracking of processed and unprocessed containers. Additionally, we offer leading modeling software as well as thermal processing controls that help our customers optimize and track their cooking processes and introduce on-line corrections in the case of process deviations.

The following is an overview of our in-container processing technology offerings, which accounted for 11% of our total revenue in 2013.

Product Offering	Product Description	Food Applications	Capacity
Fillers	Filling of rigid and pre-formed containers with food and beverage products	Ready Meals, Soups, Sauces, Baby Food, Fruits, Vegetables, Seafood, Meat, Poultry, Milk, Ready to Drink Coffee and Tea, Pet Food	Over 1,200 containers per minute
Closers	Closing and seaming of can after being filled	Ready Meals, Soups, Sauces, Baby Food, Fruits, Vegetables, Seafood, Meat, Poultry, Milk, Ready to Drink Coffee and Tea, Pet Food	Up to 2,000 containers per minute
Continuous Rotary Hydrostatic Sterilizers	Commercial sterilization of food in cans	Ready Meals, Canned Milk, Soups, Sauces, Fruits, Vegetables, Seafood, Meat, Poultry, Pet Food	Over 1,800 containers per minute (550 cans of soup/minute or 2,000 cans of cat food per minute)
Automated Batch Retorts	Commercial sterilization of foods in flexible or rigid pre-formed packaging	Ready Meals, Soups, Sauces, Baby Food, Fruits, Vegetables, Seafood, Meat, Poultry	Over 1,500 containers per minute (600 microwave pasta bowls per minute)
LOG-TEC™ Control Systems and Modeling Software	Automated control and documentation of sterilization process; modeling software to optimize cooking processes	Ready Meals, Canned Milk, Soups, Sauces, Baby Food, Fruits, Vegetables, Seafood, Meat, Poultry, Pet Food	Matches the sterilization system capacity

Fruit and Juice Processing. We are the leading supplier of industrial citrus processing equipment. Our citrus processing solutions typically include citrus extractors, finishers, pulp systems, evaporators and citrus ingredient recovery systems as well as aseptic systems (including sterilizers, fillers and controls) integrated with bulk aseptic storage systems for not-from-concentrate orange juice. Our READYGo™ family of skid-mounted products includes solutions for aseptic sterilization and bulk filling, as well as ingredients and by-products recovery and clean-up systems. In addition to our high capacity industrial extractors, we also offer point of use Fresh'n Squeeze® produce juicers. These patented juicers are used around the world in hotels, restaurants, coffee shops, grocery stores, convenience stores, quick service restaurants and juice bars.

We are among the leading suppliers of fruit, vegetable and juice processing equipment and aseptic sterilization and bulk filling systems. Our fruit, vegetable and juice processing lines are comprised of extraction, finishing, heating and mixing equipment, enzyme inactivators, evaporators, flash coolers, sterilizers and aseptic fillers that are mainly sold as an integrated processing line. We can also provide equipment for a specific need within a line. Our tomato processing lines are installed with leading processors throughout the world's key tomato growing regions and produce a range of finished tomato products including tomato paste, concentrates, peeled tomato products, diced tomatoes, salsa, pizza sauce, ketchup and pureed and crushed tomatoes. Our aseptic processing lines are used in the bulk processing of a wide range of temperate and tropical fruits into juices, particulates, purees and concentrates. These fruit products are used as ingredients for dairy products (yogurts, smoothies, flavored milk, and ice cream), bakery products and fruit-based beverages.

We provide technology solutions and products to extend the life, improve the appearance and preserve the taste of fresh fruits and vegetables. Once protected, fresh fruits and vegetables can be individually labeled by our fast and efficient produce labeling systems. We also provide an integrated food safety solutions package including advisory services and data collection, management and monitoring technologies.

The following is an overview of our fruit and juice processing technology offerings, which accounted for 17% of our total revenue in 2013.

Product Offering	Product Description	Food Applications	Capacity
Extractors, Pulpers, Finishers	Extract juice and/or pulp from fruit for large-scale processing and point-of-sale applications	Citrus, Tomatoes, Berries, Temperate and Tropical Fruits	Industrial extractor: over 900 gallons per hour of juice
Hot & Cold Breaks, Evaporators	Enzymatic inactivation, concentration and aseptic cooling to preserve fruit product color and taste	Citrus, Tomatoes, Berries, Temperate and Tropical Fruits	Over 70 tons/hour Aseptic sterilizer: over 60 tons/hour
Aseptic Sterilizers and Fillers	Aseptic commercial sterilization, cooling and bulk filling of fruit puree, concentrate or paste into 3 gallon to 300 gallon containers	Citrus, Tomatoes, Temperate and Tropical Fruits	Aseptic filler: over 19 tons/hour
Fresh Produce Technologies	Preservation of fresh produce life, appearance and taste High speed application of Price Look Up labels	Fruits, Vegetables	Coating application rates variable to match line speed Apply 900+ labels per minute

Automated Systems. We are an industry leader in providing fully integrated Automatic Guided Vehicle Systems for repetitive material movement requirements in the food & beverage, manufacturing, warehouse, automotive, hospital and printing industries. We provide engineering services and simulations to evaluate the material handling requirements, automatic guided vehicle system hardware and software, and hardware and software integration for a complete, seamless solution. We have delivered over 480 automatic guided vehicle systems including over 3,400 guided vehicles.

Aftermarket Products, Parts and Services. We provide aftermarket products, parts and services for all of our integrated food processing systems and equipment. We provide retrofits and refurbishments to accommodate changing operational requirements, and we supply our own brand of food grade lubricants and cleaners designed specifically for our equipment. We also provide continuous, proactive service to our customers including the fulfillment of preventative maintenance agreements, consulting services such as water treatment, corrosion monitoring control, food safety and process auditing and the provision of on-site technical personnel. In addition to helping our customers reduce their operating costs and improve efficiencies, our customer service focus also helps us maintain strong commercial relationships and provides us with ongoing access to information about our customers' requirements and strategies to foster continuing product development. Our aftermarket products, parts and services coupled with our

large installed base of food processing systems and equipment, provide us with a strong base for growing recurring revenue. Sales of aftermarket products, parts and services is consolidated within the total revenue of their associated FoodTech businesses.

JBT AeroTech

JBT AeroTech is a leading supplier of customized solutions and services used for applications in the air transportation industry. We design, manufacture and service technologically sophisticated ground support equipment, airport gate equipment and services for airport authorities, airlines, airfreight, ground handling companies and the military.

We believe our strong market positions result from our ability to customize our equipment and services utilizing differentiated technology to meet the specific needs of our customers. We continually strive to improve our existing technologies and develop new technologies by working closely with our well established customer base.

As a market leader for many decades, there is a significant installed base of our airport and airline equipment around the world. We have delivered the largest volume of cargo loaders (9,400+), passenger boarding bridges (7,800+) and aircraft deicers (4,600+). We have also sold more than 2,200 mobile passenger steps, 1,900 cargo transporters and 1,700 tow tractors that are operating at airports around the world. This installed base provides a stream of recurring revenue from aftermarket parts, products and services. Recurring revenue accounted for 39% of AeroTech total revenue in 2013. Our installed base also offers continuous access to customer feedback for improvements and new product development.

JBT AeroTech products have been delivered to more than 100 countries. To support this equipment, we have operations located throughout the world. Our principal production facilities are located in the United States (Florida and Utah), China, Mexico and Spain. To augment our sourcing and manufacturing capabilities, we have established dedicated sourcing resources in India and China as well as regional manufacturing in Asia. We also have sales and services offices located in nine countries and collaborative relationships with independent sales representatives, distributors and service providers in over thirty additional countries.

Solutions, Products and Services

We offer a broad portfolio of systems, equipment and services to our airport authority, airline, air cargo, ground handling and military customers.

Ground Support Equipment. We are a leading supplier of air cargo loaders and aircraft deicers to commercial air passenger and freight carriers and ground handlers.

Our Commander™ loaders service containerized narrow-body and wide-body jet aircraft and are available in a wide range of configurations. Our Tempest™ aircraft deicers offer a broad range of options that can be configured to meet customers' specific and regional need to provide efficient aircraft deicing while on the tarmac.

We manufacture and supply a full array of B-series conventional and Expeditor™ towbarless aircraft tow tractors for moving aircraft without consumption of jet fuel and self-propelled transporters for pallet and container handling. We also offer a line of self-propelled passenger boarding steps and the RampSnake® bulk loader for the loading of baggage, cargo and mail packages into aircraft baggage holds.

Airlines and ground handling companies face increased pressure to reduce emissions and minimize fuel usage. We have a long history of delivering alternative fuel ground support equipment that provides a solution to these environmental and operational challenges. Our alternative fuel design approach is to provide modular ground support equipment, capable of being powered by a variety of power sources. Our electric powered product offering includes Commander cargo loaders, cargo transporters, RampSnake bulk loading systems, conventional aircraft pushback tractors, and passenger boarding steps. We also offer electric retrofit kits for our existing delivered base of diesel powered Commander cargo loaders.

The following is an overview of our ground support equipment technology offerings, which accounted for 13% of our total revenue in 2013.

Product Offering	Product Description	Aircraft Ranges	Capacity
Cargo Loaders	Loading and unloading of containerized cargo onto main and lower decks of aircraft	Wide variety of passenger and freighter aircraft up to Airbus A380	Up to 66,000 lbs.
Cargo Transporters	Transport of containerized cargo to or from aircraft	Aircraft handling full size pallets or containers	Up to 15,400 lbs. at 15.5 mph
Bulk Loader	Loading of baggage, cargo or mail packages into baggage holds with minimal lifting	Boeing 737 to 757-200 and Airbus A319 to 321	Up to 880 lbs.
Aircraft Deicers	Deicing of aircraft on the ground including removal of snow, ice and frost	Wide variety of aircraft up to Airbus A380	Up to 2,200 gallons capacity of deicing fluid
Aircraft Tow Tractors	Pushing back of aircraft from gate or aircraft towing between gate and hangar	Regional to wide-body aircraft including Airbus A380	Draw bar pull of up to 72,000 lbs.
Passenger Steps	Boarding of passengers when a boarding bridge is not available	Front and rear boarding doors of narrow and wide-body aircraft	Load capacity up to 13,000 lbs.

Gate Equipment. We are a leading supplier of airport gate equipment. Our Jetway® passenger boarding bridges have set the standard for airlines and airport authorities to move passengers between the terminal building and the aircraft since 1959.

We manufacture a variety of sizes and configurations of auxiliary equipment including 400 Hertz ground power and preconditioned air units that supply aircraft requirements for electrical power and cooled air circulation for the environmental control system (air-conditioning) and main engine starting during ground operations. Our point-of-use and mobile 400 Hertz and pre-conditioned air units enable our customers to reduce fuel consumption and emissions by minimizing requirements to use auxiliary power units or aircraft engines while parked at the gate. We also offer aircraft in-ground service pits to provide utility access on airport ramps, hangars and remote parking areas.

The following is an overview of our gate equipment technology offerings, which accounted for 13% of our total revenue in 2013.

Product Offering	Product Description	Aircraft Ranges	Capacity
Passenger Boarding Bridges	Bridge for moving passengers between the airport terminal building and the aircraft	Regional Jets up to Airbus A380	Link aircraft with the airport terminal
Ground Power	Provide power and light for passenger and crew onboard, while waiting to be pushed back from gate	Regional Jets up to Airbus A380	Converts 50/60 Hertz utility power to aircraft compatible 400 Hertz power, including 28VDC and 270 VDC service
Pre-conditioned Air	Both point-of-use and complete above and below grade distribution systems		
	Climate convenience for passenger and crew onboard, while waiting to be pushed back from gate		
	Hangar applications for aircraft servicing and testing, including below grade distribution systems	Regional Jets up to Airbus A380	20 to 120 refrigerated tons pre-conditioned air units for ground cooling
	High pressure air conditioning systems to support customer requirements including air start		
Pit Aircraft Utility Systems	In-ground vault systems for use on airport ramps, hangars and remote parking areas to supply aircraft with utilities	Commercial regional jets up to Airbus A380 and military jet fighters up to cargo transport aircraft	Vault systems for utilities including preconditioned air (PCAir), 400Hz power, waste, blue and potable water

Military Equipment. In 2000, we were awarded the production contract to supply the U.S. Air Force with a new generation of military air cargo loader which is now known as the Halvorsen loader. We have delivered over 500 Halvorsen 25K Loaders to the United States military and international forces and we continue to provide parts support, service and retrofit kits for these Halvorsen loaders.

Our Ground Support product line also supplies large aircraft tow tractors to the U.S. Air Force. Our Gate Equipment product line supplies a wide range of ground power and mobile air conditioning units to the U.S. Air Force, the U.S. Navy, international military forces and airframe manufacturers.

The following is an overview of our military equipment technology offering.

Product Offering	Product Description	Aircraft Ranges	Capacity
Halvorsen 25K and 44K Cargo Loaders	Rapidly deployable, high-reach loader that can transport and lift cargo onto military and commercial cargo aircraft	All current military and commercial cargo aircraft	Load and transport up to 44,000 lbs.
Aircraft Tow Tractors	Towing of aircraft around the airport ramp	Large cargo transport aircraft	Draw bar pull of up to 72,000 lbs.
Mobile Power	Mobile and hangar-based power units used for aircraft servicing, testing and starting	Jet fighters up to cargo transport aircraft	400 Hertz power, including 28VDC and 270 VDC service
Mobile Air Conditioning	Mobile and hangar-based air conditioning and high pressure units used for on the ground cooling and starting	Jet fighters up to cargo transport aircraft	30 to 110 ton mobile air conditioning and high pressure units

Airport Services. We are an industry leading service provider for facilities, terminals, ramps and gate equipment and systems to airlines and airports throughout the United States. Our expertise extends to the operation, maintenance and repair of airport baggage handling systems, gate equipment, terminals, facilities and ground support equipment. We also offer technology for enterprise asset management and real-time operations monitoring with our patented iOPS™ suite that links alert management notification with mobile capability for automated work order generation and immediate dispatch of service technicians for corrective action.

Aftermarket Products, Parts and Services. We provide aftermarket products, parts and services for our installed base of JBT AeroTech equipment. We also provide retrofits to accommodate changing operational requirements and continuous, proactive service, including, in some cases, on-site technical personnel. These systems and other services represent an integrated approach to addressing critical problems faced by our customers and ensure that we remain well positioned to respond to their new requirements and strategic initiatives through our strong customer relations. Sales of aftermarket products, parts and services is consolidated within the total revenue of their associated AeroTech businesses.

In support of our focus and strategy of meeting our customers' needs, we have developed a global parts service network to enable us to market with confidence our ability to "provide the right part in the right place." Our highly experienced global parts representatives help reduce equipment downtime by providing fast, accurate responses to technical questions. We also provide worldwide operations and maintenance training programs to provide maintenance technicians with the tools necessary to deliver the highest possible level of systems reliability.

OTHER BUSINESS INFORMATION RELEVANT TO ALL OF OUR BUSINESS SEGMENTS

Order Backlog

For information regarding order backlog, refer to the section entitled "Inbound Orders and Order Backlog" in Item 7 of this Annual Report on Form 10-K.

Sources and Availability of Raw Materials

All of our business segments purchase carbon steel, stainless steel, aluminum and steel castings and forgings both domestically and internationally. We do not use single source suppliers for the majority of our raw material purchases and believe the available supplies of raw materials are adequate to meet our needs.

Research and Development

The objectives of our research and development programs are to create new products and business opportunities in relevant fields, and to improve existing products.

For additional financial information about Company-sponsored research and development activities, refer to Note 15 to our consolidated financial statements included in Item 8 of this Annual Report on Form 10-K.

Sales and Marketing

We sell and market our products and services predominantly through a direct sales force, supplemented with independent distributors and sales representatives. Our experienced international sales force is comprised of individuals with strong technical expertise in our products and services and the industries in which they are sold.

We support our sales force with marketing and training programs that are designed to increase awareness of our product offerings and highlight our differentiation while providing a set of sales tools to aid in the sales of our technology solutions. We actively employ a broad range of marketing programs to inform and educate customers, the media, industry analysts and academia through targeted newsletters, our web site, seminars, trade shows, user groups and conferences.

Patents, Trademarks and Other Intellectual Property

We own a number of United States and foreign patents, trademarks and licenses that are cumulatively important to our business. We own approximately 446 United States and foreign patents and have approximately 245 patent applications pending in the United States and abroad. Further, we license certain intellectual property rights to or from third parties. We also own numerous United States and foreign trademarks and trade names and have approximately 350 registrations and pending applications in the United States and abroad. Developing and maintaining a strong intellectual property portfolio is an important component of our strategy to extend our technology leadership. However, we do not believe that the loss of any one or group of related patents, trademarks or licenses would have a material adverse effect on our overall business.

Competition

We conduct business worldwide and compete with a variety of local and regional companies, which typically are focused on a specific application, technology or geographical area, and large multinational or regional companies.

We compete by leveraging our industry expertise to provide differentiated and proprietary technology, integrated systems, high product quality and reliability and quality aftermarket service. JBT strives to provide its customers with equipment that achieves their lowest total cost of ownership; in the food processing industry, we also distinguish ourselves by providing increased yields with improved final product quality.

JBT FoodTech's major competitors include Advanced Equipment Inc.; Alit SRL, Allpax Products, Inc.; Atlas Pacific Engineering Company, Inc.; Barry-Wehmler Companies, Inc.; Brown International Corp.; CFT S.p.A.; FPS Process Foods Solutions; GEA Group Aktiengesellschaft; Heat & Control, Inc.; I.J. White Systems; IQF Frost AB; Marel Food Systems; Marel hf. MYCOM; Middleby Corporation; Nantong Freezing Equipment Company, Ltd.; Provisur Technologies, Inc. and Steriflow SAS. and Tecnopool S.p.A.

JBT AeroTech's major competitors include ABM Industries Inc., Cavotec SA, Elite Line Services, Inc., ERMIC, FCX Systems Inc., Global Ground Support LLC, Goldhofer AG, Illinois Tool Works Inc., Johnson Controls Inc., Shenzhen CIMC-TianDa Airport Support Ltd., ThyssenKrupp AG, TLD, Trepel Airport Equipment GmbH, Tug Technologies Corporation, Vanderlande Industries B.V., Vestergaard Company A/S, and Weihai Guangtai Airport Equipment Co., LTD.

Employees

We employ approximately 3,300 people with approximately 2,000 located in the United States. Approximately 10% of our employees in the United States are represented by one collective bargaining agreement that covers these employees through August of 2014.

Outside the United States, we enter into employment contracts and agreements in those countries in which such relationships are mandatory or customary. The provisions of these agreements correspond in each case with the required or customary terms in the subject jurisdiction. Approximately 60% of our international employees are covered under national employee unions.

We maintain good employee relations and have successfully concluded all of our recent negotiations without a work stoppage. However, we cannot predict the outcome of future contract negotiations.

Customers

No single customer accounted for more than 10% of our total revenue in any of the last three fiscal years.

JBT FoodTech's customers range from large multinational food processing companies to smaller regional food processing companies. Our principal customers include companies such as: AdvancePierre Foods, Inc.; Agrosuper S.A.; Ajinomoto, Co. Ltd.; Ardo N.V.; Aujan Industries Co LLC; Bonduelle Group; Brasil Foods S.A.; Campbell Soup Company; Charoen Pokphand Group; Chick-fil-A, Inc.; CIA Pesquera Camanchaca S.A.; Citrofrut, S.A. de C.V.; Citrosuco S/A Agroindústria; The Coca-Cola Company; COFCO Tunhe Tomato Products Co. Ltd.; ConAgra Foods, Inc.; Conserva Italia; DelMonte Foods Company; Dole Food Company, Inc.; Dr. August Oetker Nahrungsmittel KG; Eckes-Granini Group GmbH; Florida's Natural Growers; General Mills, Inc.; Gloria Foods Company; Great Giant Pineapple Co.; Gunnar Dafgård AB; Harry-Brot GmbH; Hero AG; H.J. Heinz Company; Hillshire Brands Company; Hormel Foods Corporation; Huiyan Group; Inghams Enterprises Pty Limited; Industrias Bachoco; J. Garcia-Carrion., S.A.; J.R. Simplot Company; Jamba Juice Company; Jain Irrigation Systems Ltd.; JBS S.A.; Keystone Foods LLC; The Kroger Company; Leche Pascual, S.A.; Louis Dreyfus Commodities; Marfrig Alimentos S.A.; McCain Foods Limited; Mercadona, S.A.; Morning Star Packing Company; Moy Park Limited; National Food Industries LLC; Nestlé S.A.; Nutricima Limited; Organizacion Altex, S.C.; OSI Group, LLC; Peace River Citrus Products, Inc.; PepsiCo, Inc.; Pilgram's Pride Corporation; Pilgram's Sadia S.A.; Procter & Gamble Co.; Rich Products Corporation; Seneca Foods Corporation; Southern Gardens Citrus Processing Group, LLC; Starkist Tuna; Sucocitrico Cutrale; Thai Dairy Industry Co. Ltd.; Thai Union Frozen Products Public Company Limited; Tropicana Products, Inc.; Tyson Foods, Inc.; Unilever PLC; Ventura Coastal LLC; and Xinjiang Chalkis Tomato Products Co. Ltd.

JBT AeroTech's customers are domestic and international airlines, airfreight and ground handling companies, domestic and international airport authorities and the United States and foreign military forces. Our principal customers include companies such as: Air Canada; Air China; Air France KLM; All Nippon Airways; American Airlines Group Inc.; The Boeing Company; British Airports Authority; British Airways; the Canadian Forces; China Eastern Airlines; China Southern Airlines; Cincinnati/Northern Kentucky International Airport; Dallas Fort Worth International Airport; Delta Air Lines; Denver International Airport; DHL; FedEx Corporation; EgyptAir; Houston Airport Systems; Iberia Airlines; LATAM Airlines Group SA; Lockheed Martin Corporation; Los Angeles International Airport; Massport/Logan International Airport; Manchester Airports Group plc.; McCarran International Airport; Menzies Aviation; Miami International Airport; Nordic Aero AB; Northrup Grumman Corporation; Saab AB; Singapore Airport Terminal Services; Southwest Airlines; Swissport International; TGS Turkish Ground Services Inc.; Thai Airways International; United Continental Holdings, Inc.; United Parcel Service, Inc. and the U.S. Air Force.

Government Contracts

We supply the Halvorsen cargo loader, aircraft tow tractors and mobile air conditioning units and logistics support to the U.S. Department of Defense and international forces. The amount of equipment and parts supplied to these programs is dependent upon annual government appropriations and levels of military spending. In addition, United States defense contracts are unilaterally terminable at the option of the United States government with compensation for work completed and costs incurred. Contracts with the United States government are subject to special laws and regulations, the noncompliance with which may result in various sanctions that could materially affect our ongoing government business.

Governmental Regulation and Environmental Matters

Our operations are subject to various federal, state, local and foreign laws and regulations governing the prevention of pollution and the protection of environmental quality. If we fail to comply with these environmental laws and regulations, administrative, civil and criminal penalties may be imposed, and we may become subject to regulatory enforcement actions in the form of injunctions and cease and desist orders. We may also be subject to civil claims arising out of an accident or other event causing environmental pollution. These laws and regulations may expose us to liability for the conduct of or conditions caused by others or for our own acts even though these actions were in compliance with all applicable laws at the time they were performed.

Under the Comprehensive Environmental Response, Compensation and Liability Act, referred to as CERCLA, and related state laws and regulations, joint and several liability can be imposed without regard to fault or the legality of the original conduct on certain classes of persons that contributed to the release of a hazardous substance into the environment. These persons include the owner and operator of a contaminated site where a hazardous substance release occurred and any company that transported, disposed of or arranged for the transport or disposal of hazardous substances that have been released into the environment, and including hazardous substances generated by any closed operations or facilities. In addition, neighboring landowners or other third parties may file claims for personal injury, property damage and recovery of response cost. We may also be subject to the corrective action provisions of the Resource, Conservation and Recovery Act, or RCRA, and analogous state laws that require owners and operators of facilities that treat, store or dispose of hazardous waste to clean up releases of hazardous waste constituents into the environment associated with their operations.

Some of our facilities and operations are also governed by laws and regulations relating to worker health and workplace safety, including the Federal Occupational Safety and Health Act, or OSHA. We believe that appropriate precautions are taken to protect our employees and others from harmful exposure to potentially hazardous materials handled and managed at our facilities, and that we operate in substantial compliance with all OSHA or similar regulations.

Financial Information about Geographic Areas

A significant portion of our consolidated revenue is generated in markets outside of the United States. For financial information about geographic areas see Note 15 of our financial statements in Item 8 of this Annual Report on Form 10-K.

Available Information

All periodic and current reports, registration filings, and other filings that we are required to make with the Securities and Exchange Commission (“SEC”), including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1933, proxy statements and other information are available free of charge through our

website as soon as reasonably practicable after we file them with, or furnish them to, the SEC. You may access and read our SEC filings free of charge through our website at www.jbtcorporation.com, under “Investor Relations – Corporate Information – SEC Filings,” or the SEC’s website at www.sec.gov. These reports are also available to read and copy at the SEC’s Public Reference Room by contacting the SEC at 1-800-SEC-0330.

The information contained on or connected to our website, www.jbtcorporation.com, is not incorporated by reference into this Annual Report on Form 10-K or any other report we file with the SEC.

EXECUTIVE OFFICERS OF THE REGISTRANT

The executive officers of JBT Corporation, together with the offices currently held by them, their business experience and their ages as of February 28, 2014, are as follows:

<u>Name</u>	<u>Age</u>	<u>Office, year of election</u>
Thomas W. Giacomini	48	President and Chief Executive Officer (2013)
Charles H. Cannon, Jr.	61	Executive Chairman (2013)
Ronald D. Mambu	64	Vice President, Corporate Finance (2014)
Brian A. Deck	45	Vice President and Chief Financial Officer (2014)
Steven R. Smith	53	Vice President and Division Manager-JBT FoodTech (2013)
David C. Burdakin	58	Vice President and Division Manager-JBT AeroTech (2014)
Kenneth C. Dunn	57	Vice President, General Counsel (2008) and Chief Sustainability Officer (2013)
Mark K. Montague	60	Vice President, Human Resources (2008)
Torbjörn Arvidsson	62	Vice President and Division Manager-Food Solutions and Services (2008)
Juan C. Podesta	62	Vice President, Corporate Development and Planning (2011)
Megan J. Rattigan	45	Controller (2013)

THOMAS W GIACOMINI became the President and Chief Executive Officer of JBT Corporation as well as a member of the JBT Board of Directors in September 2013. Prior to joining JBT, he served as Vice President (since February 2008) of Dover Corporation, a diversified global manufacturer, and President and Chief Executive Officer (since November 2011) of Dover Engineered Systems. Prior to serving in these roles, Mr. Giacomini served as President (from April 2009 to November 2011) and Chief Executive Officer (from July 2009 to November 2011) of Dover Industrial Products and President (from October 2007 to July 2009) of Dover's Material Handling Platform. Mr. Giacomini joined Dover in 2003 following its acquisition of Warn Industries, an industrial manufacturer specializing in vehicle performance enhancing equipment. During his 12 year tenure at Warn Industries he held a variety of leadership roles including President and Chief Operating Officer. Prior to joining Warn Industries, Mr. Giacomini held various roles at TRW, Inc.

CHARLES H. CANNON, JR. became the Executive Chairman of the Board of Directors of JBT Corporation in September 2013 in connection with the designation of two individuals as President and Chief Executive Officer. Previously Mr. Cannon served as Chairman, Chief Executive Officer and President of JBT Corporation (since April 2008). Prior to that, he served as Senior Vice President of FMC Technologies (from March 2004 until July 2008), when FMC Technologies distributed all of the stock of its wholly-owned subsidiary, JBT Corporation, to its shareholders in a spin-off effective July 31, 2008. Mr. Cannon joined FMC Corporation in 1982 as a Senior Business Planner in the Corporate Development Department. He became Division Manager of FMC Corporation's Citrus Machinery Division in 1989, Division Manager of its Food Processing Systems Division in 1992, Vice President and General Manager of FMC FoodTech in 1994, Vice President and General Manager-FMC FoodTech and Transportation Systems Group in 1998 and a Vice President of FMC Technologies in 2001. Mr. Cannon has also served on the Board of Directors of Standex International Corporation since 2004.

RONALD D. MAMBU became the Vice President, Corporate Finance in 2014, a role he assumed when Brian A. Deck became the Vice President and Chief Financial Officer of JBT Corporation. Previously Mr. Mambu served as our Vice President, Chief Financial Officer since April 2008 and also served as our Treasurer from April 2008 until November 2009. Mr. Mambu has announced his retirement from JBT Corporation effective at the end of March 2014. From February 2001 until April 2008, Mr. Mambu served as Vice President and Controller of FMC Technologies. Mr. Mambu was Director of Financial Planning of FMC Corporation from 1994 until his appointment as Vice President and Controller of FMC Corporation in 1995. Mr. Mambu joined FMC Corporation in 1974 as a financial manager in Philadelphia. He served in a variety of roles at FMC Corporation, including Controller of its former Food and Pharmaceutical Products Division from 1977 to 1982, Controller of Machinery Europe Division from 1982 to 1984, Controller of Agricultural Products Group from 1984 to 1987, Director of Financial Control from 1987 to 1993 and Director of Strategic Planning from 1993 to 1994.

BRIAN A. DECK became the Vice President and Chief Financial Officer of JBT Corporation in February 2014. Prior to joining JBT, he served as Chief Financial Officer (since May 2011) of National Material L.P., a private diversified industrial holding company. Mr. Deck served as Vice President of Finance and Treasury (from November 2007 to May 2011) and as Director, Corporate Financial Planning and Analysis (from August 2005 to November 2007) of Ryerson Inc., a metals distributor and processor. Prior to his service with Ryerson, Mr. Deck had increasing responsibilities with General Electric Capital, Bank One (now JPMorgan Chase & Co.), and Cole Taylor Bank.

STEVEN R. SMITH became the Vice President and Division Manager – JBT FoodTech in December 2013. Previously Mr. Smith served as our Vice President and Division Manager-Food Processing Systems (since October 2011). Mr. Smith joined FMC Corporation in 1989 as a Business Planner with FMC's Petroleum Equipment Group in Houston, Texas. Since then, he has served in a variety of sales, marketing, and line management roles within FMC Corporation and FMC Technologies, Inc., JBT's previous parent companies, as well as with JBT FoodTech, including most recently serving as the General Manager for the America's Operations of FoodTech's Food Solutions and Services Division from 2003 to 2011.

DAVID C. BURDAKIN became the Vice President and Division Manager of JBT AeroTech in January 2014. Mr. Burdakin joined the company from Mayline Corporation, a private equity owned industrial company, where he most recently served as Non-Executive Chairman, and as an independent management consultant (2012 to 2013). Mr. Burdakin has over 25 years of experience in industrial manufacturing and executive leadership. Previous to Mayline, he served as President and Chief Executive Officer (2007 to 2012) of Paladin Brands, a leading independent manufacturer of attachment tools for construction equipment including mobile aviation support equipment. Prior to that, Mr. Burdakin progressed through various leadership roles at HNI Corporation (1993 to 2007), including seven years as President of The HON Company, HNI's largest operating company. Prior to joining HNI, he held various roles at Illinois Tool Works Inc. and Bendix Industrial Group. Mr. Burdakin continues to serve as a Director of Mayline Corporation.

KENNETH C. DUNN has served as our Vice President and General Counsel since October 2008 and our Chief Sustainability Officer since October 2013. Prior to joining the Company, Mr. Dunn served as Chief Sustainability Officer for the Denver Public School (“DPS”) system from June through September 2008. Prior to DPS, Mr. Dunn worked for Quest Communications International, Inc., where he served as Vice President and Chief Corporate Development and Strategy Officer from 2004 to May 2008. From 2002 to 2004, Mr. Dunn served Qwest as Vice President and Deputy General Counsel – Complex Transactions. From 2001 to 2002, Mr. Dunn performed pro-bono environmental lawwork primarily on public lands issues in the Mountain West. From 1999 to 2001, Mr. Dunn worked for SBC Communications, Inc., serving as its General Attorney and Assistant General Counsel – Mergers and Acquisitions. From 1995 to 1999 he served as Assistant General Counsel – Transactions for Ameritech Corporation. Prior to that, Mr. Dunn was a Vice President and Associate General Counsel of John Nuveen & Company. From 1982 through 1995, Mr. Dunn was in private law practice with the Chicago based law firm of Gardner, Carton & Douglas.

MARK K. MONTAGUE has served as our Vice President of Human Resources since August 2008. Prior to joining the Company, Mr. Montague worked for Molex, Inc., where he served as Senior Vice President, Corporate Human Resources since 2006. From 1999 to 2006, Mr. Montague served as Vice President, Human Resources, Americas Region. Prior to Molex, Mr. Montague worked for Whirlpool Corporation, serving as its Vice President, Human Resources, North America Appliance Group from 1997 to 1999, its Group Director, Human Resources and Quality, Corporate Technology Group from 1996 to 1997 and as its Group Director, Human Resources, Manufacturing and Technology in 1996. From 1992 through 1996, Mr. Montague worked for the consulting group, Competitive Human Resources Strategies. Mr. Montague worked for Whirlpool Corporation from 1981 through 1992, in a variety of Human Resources Group Director and Vice President positions, and as a Labor Relations Attorney from 1981 to 1984. Mr. Montague began his professional career as an attorney with Shughart, Thomson & Kilroy.

TORBJÖRN ARVIDSSON served as our Vice President and Division Manager-Food Solutions and Services from July 2008 until December 2013. Mr. Arvidsson has announced his retirement from JBT Corporation effective July 2014. Mr. Arvidsson served as a Division Manager for FMC Technologies’ Food Solutions and Services from October 2005 until July 2008. Mr. Arvidsson rejoined Frigoscandia Equipment in 1994 as Business Development Manager, a role he continued in after the acquisition of Frigoscandia Equipment by FMC FoodTech in 1996. In 1998, Mr. Arvidsson was appointed General Manager North America, located in Seattle, Washington, a position he held until late 2000 when he was appointed General Manager Europe and relocated back to Helsingborg, Sweden. In 2001, Mr. Arvidsson also assumed responsibility for FMC FoodTech’s Asia Pacific region. Mr. Arvidsson first joined Frigoscandia Equipment in 1975 after graduating from Lund University, Sweden. In 1983 he graduated from IMI, Geneva (Advanced Management MBA). Mr. Arvidsson served as General Manager for Square AB within the Alfa-Laval Group from 1984 to 1987, when he joined Akerlund & Rausing as Division Manager for its overseas companies. In 1990, Mr. Arvidsson rejoined Alfa-Laval as Deputy General Manager for its convenience food division. Alfa-Laval later became Tetra-Laval after Tetra-Pak’s acquisition of Alfa-Laval.

JUAN C. PODESTA has served as our Vice President, Corporate Planning and Development since October 2011. Mr. Podesta has announced his retirement from JBT Corporation effective at the end of March 2014. Mr. Podesta joined FMC Corporation in 1989 as Product Manager, Citrus Systems in Lakeland, Florida. Since then, he has served in a variety of sales, marketing, and line management roles within FMC FoodTech, including International Manager for the Citrus Machinery Division from 1990 to 1992, General Manager, Fruit & Vegetable Processing based in Parma,

Italy from 1992 to 1994, General Manager, Canning Systems based in St. Niklaas, Belgium from 1995 to 1996, Division Manager, Food Processing Systems & Agricultural Machinery from 1997 to 1999, President FMC Europe, based in Brussels, Belgium from 2000 to 2002 and Division Manager-Food Processing Systems Division from 2000 to 2011.

MEGAN J. RATTIGAN became the Controller of JBT Corporation in December 2013. Previously, Ms. Rattigan served as our Chief Accounting Officer (since November 2008) and Director of Financial Control (since July 2008). Ms. Rattigan was FMC Technologies' Manager of Financial Reporting and Accounting Research from April 2005 until July 2008. Prior to that, Ms. Rattigan served as a consultant to FMC Technologies from January 2002 until April 2005. From July 1998 until December 2001, Ms. Rattigan was Director of Finance for Chart House Enterprises, Inc. Ms. Rattigan is a certified public accountant and began her professional career in the Assurance practice of Ernst & Young LLP in 1992.

ITEM 1A. RISK FACTORS

You should carefully consider the risks described below, together with all of the other information included in this Annual Report on Form 10-K, in evaluating our company and our common stock. If any of the risks described below actually occurs, our business, financial condition, results of operations, cash flows and stock price could be materially adversely affected.

Our financial results are subject to fluctuations caused by many factors that could result in our failing to achieve anticipated financial results.

Our quarterly and annual financial results have varied in the past and are likely to continue to vary in the future due to a number of factors, many of which are beyond our control. In particular, the capital goods industries in which we compete can have significant variations in the number, contractual terms and size of orders. The timing of our receipt of orders and our shipment of the products or provision of services can significantly impact the sales and income of a period. These and any one or more of the factors listed below, among other things, could cause us not to achieve our revenue or profitability expectations and the resulting failure to meet market expectations could cause a drop in our stock price:

- changes in demand for our products and services, including changes in growth rates in the food processing and air transportation industries;
- downturns in our customers' businesses resulting from deteriorating domestic and international economies where our customers do substantial business;
- changes in commodity prices resulting in increased manufacturing costs, such as petroleum-based products, metals or other raw materials we use in significant quantities;
- changes in pricing policies resulting from competitive pressures, such as aggressive price discounting by our competitors and other market factors;
- our ability to develop and introduce on a timely basis new or enhanced versions of our products and services;
- unexpected needs for capital expenditures or other unanticipated expenses;

- changes in the mix of revenue attributable to domestic and international sales;
- changes in the mix of products and services that we sell;
- seasonal fluctuations in buying patterns; and
- future acquisitions and divestitures of technologies, products and businesses.

Unanticipated delays or acceleration in our sales cycles make accurate estimation of our revenue difficult and could result in significant fluctuation in quarterly operating results.

The length of our sales cycle varies depending on a number of factors over which we may have little or no control, including the size and complexity of a potential transaction, the level of competition that we encounter in our selling activities and our current and potential customers' internal budgeting and approval process. As a result of a generally long sales cycle, we may expend significant effort over a long period of time in an attempt to obtain an order, but ultimately not obtain the order, or the order ultimately received may be smaller than anticipated. Our revenue from different customers varies from quarter to quarter, and a customer with a large order in one quarter may generate significantly lower revenue in subsequent quarters. Due to resulting fluctuations, we believe that quarter-to-quarter comparisons of our revenue and operating results may not be meaningful, and that these comparisons may not be an accurate indicator of our future performance.

Deterioration of economic conditions could negatively impact our business.

Our business may be adversely affected by changes in current or future national or global economic conditions, including interest rates, availability of capital, consumer spending rates, energy availability and costs and the effects of governmental initiatives to manage economic conditions. Any such changes could adversely affect the demand for our products or the cost and availability of our required raw materials, thereby negatively affecting our financial results. National and global economic conditions could, among other things:

- make it more difficult or costly for us to obtain increased financing for our operations or investments or to refinance our debt in the future;

- render our lenders or other financial instrument counterparties unable to honor their commitments or otherwise default under a financing agreement;

- impair the financial condition of some of our customers, thereby hindering our customers' ability to obtain financing to purchase our products and/or increasing customer bad debts;

- cause customers to forgo or postpone new purchases in favor of repairing existing equipment and machinery, and delay or reduce preventative maintenance, thereby reducing our revenue and/or profits;

- negatively impact our customers' ability to raise pricing to counteract increased fuel, labor, and other costs, making it less likely that they will expend resources on JBT AeroTech equipment as they have in the past;

- impair the financial condition of some of our suppliers thereby potentially increasing both the likelihood of having to renegotiate supply terms and the risk of non-performance by suppliers;

- negatively impact global demand for air transportation services as well as protein food products and processed food products, which could result in a reduction of sales, operating income and cash flows in our JBT AeroTech and JBT FoodTech segments, respectively;

- negatively affect the rates of expansion, consolidation, renovation and equipment replacement within the air transportation industry and within the food processing industry, which may affect the performance of our JBT AeroTech and JBT FoodTech segments, respectively; and

- impair the financial viability of our insurers.

Disruptions in the political, regulatory, economic and social conditions of the foreign countries in which we conduct business could negatively affect our business, financial condition and results of operations.

We operate manufacturing facilities in nine countries other than the United States, and our international sales accounted for a significant portion of our 2013 revenue. Multiple factors relating to our international operations and to particular countries in which we operate or seek to expand our operations could have an adverse effect on our financial condition or results of operations. These factors include:

- nationalization and expropriation;
- potentially burdensome taxation;
- increased growth in our international business operations and revenue relative to our domestic operations may result in increasing tax liabilities resulting from repatriation of income generated outside of the United States;
- continuing economic downturns, inflationary and recessionary markets, including capital and equity markets;
- civil unrest, political instability, terrorist attacks and wars;
- seizure of assets;
- trade restrictions, trade protection measures or price controls;
- foreign ownership restrictions;
- import or export licensing requirements;
- restrictions on operations, trade practices, trade partners and investment decisions resulting from domestic and foreign laws and regulations;
- changes in governmental laws and regulations;
- inability to repatriate income or capital; and
- reductions in the availability of qualified personnel.

Fluctuations in currency exchange rates could negatively affect our business, financial condition and results of operations.

Because a significant portion of our revenue and expenses are denominated in foreign currencies, changes in exchange rates will result in increases or decreases in our costs and earnings and may also affect our consolidated financial statements, which are prepared in U.S. dollars. Although we may seek to minimize our currency exposure by engaging in hedging transactions where we deem it appropriate, we cannot be assured that our efforts will be successful. To the extent we sell our systems and services in foreign markets, currency fluctuations may result in our systems and services becoming too expensive for foreign customers.

Our inability to obtain raw materials, component parts, and/or finished goods in a timely and cost-effective manner from suppliers would adversely affect our ability to manufacture and market our products.

We purchase raw materials and component parts from suppliers for use in manufacturing our products. We also purchase certain finished goods from suppliers. Changes in our relationships with suppliers or increases in our costs for raw materials, component parts or finished goods we purchase could result in manufacturing interruptions, delays, inefficiencies or our inability to market products. In addition, our profit margins could decrease if prices of purchased raw materials, component parts or finished goods increase and we are unable to pass on those increases to customers.

New regulations related to conflict minerals could adversely impact our business.

The Dodd-Frank Wall Street Reform and Consumer Protection Act contains provisions to improve transparency and accountability concerning the supply of certain minerals, known as “conflict minerals”, originating from the Democratic Republic of Congo (DRC) and adjoining countries. As a result, in August 2012 the SEC adopted annual disclosure and reporting requirements for those companies that use conflict minerals mined from the DRC and adjoining countries in their products. These new requirements necessitated due diligence efforts in fiscal 2013, with initial disclosure requirements beginning in May 2014. There will be costs associated with complying with these disclosure requirements, including those incurred to conduct diligence to determine the sources of conflict minerals used in our products and other potential changes to products, processes or sources of supply as a consequence of such verification activities. The implementation of these rules could adversely affect the sourcing, supply and pricing of materials used in our products. Also, we may face reputational challenges if we determine that certain of our products contain minerals not determined to be conflict free or if we are unable to sufficiently verify the origins for all conflict minerals used in our products through the procedures we may implement.

The increase in energy or raw material prices may reduce the profitability of our customers, which ultimately could negatively affect our business, financial condition, results of operations and cash flows.

Energy prices remain at historically high levels. These increases had a negative trickledown effect on many areas involved in running a business, straining profitability through increased operating costs. Our customers require large amounts of energy to run their businesses, particularly in the air transportation industry. Energy prices can affect the profitability of passenger and cargo air carriers through increased jet and ground support equipment fuel prices. Energy prices also affect food processors through increased energy and utility costs to run the plant, chemical and petroleum based raw materials used in production and fuel costs to run logistics and service fleet vehicles.

Food processors are also dependent upon the cost and supply of raw materials such as feed grains, livestock, produce and dairy products. Recent rises in the cost and limitations in availability of these commodities can negatively affect the profitability of their operations.

A reduction in profitability due to increased energy or raw material prices within our customer base may reduce their future investments in food processing equipment or airport equipment. This reduction in investment may have a material adverse effect on our business, financial condition, results of operations and cash flows.

Changes in food consumption patterns due to diet trends or economic conditions may negatively affect our business, financial condition, results of operations and cash flows.

Dietary trends can create demand for protein food products but negatively impact high-carbohydrate foods, or create demand for easy to prepare, transportable meals but negatively impact traditional canned products. Because various food types and packaging can quickly go in and out of style as a function of health, dietary or convenience trends, food processors can be challenged in forecasting the needed capacity and related equipment and services for their food plants. During periods of economic uncertainty, consumer demand for protein products or processed food products may also be negatively impacted by increases in food prices. Shifting consumer demand for protein products or processed foods may have a material adverse effect on our business, financial condition, results of operations and cash flows.

An outbreak of animal borne diseases (H5N1, BSE or other virus strains affecting poultry or livestock), citrus tree diseases or food borne illnesses or other food safety or quality concerns may negatively affect our business, financial condition, results of operations and cash flows.

An outbreak or pandemic stemming from H5N1 (avian flu) or BSE (mad cow disease) or any other animal related disease strains could reduce the availability of poultry or beef that is processed for the restaurant, food service, wholesale or retail consumer. Any limitation on raw material could discourage producers from making additional capital investments in processing equipment, aftermarket products, parts and services. Such a decrease in demand for our products could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The success of our citrus business is directly related to the viability and health of citrus crops. The citrus industries in Florida, Brazil and other countries are facing increased pressure on their harvests and citrus bearing acreage due to citrus canker and greening diseases. These citrus tree diseases are often incurable once a tree has been infested and the end result can be the destruction of the tree. Reduced amounts of available fruit for the processed or fresh markets could materially adversely affect our business, financial condition, results of operations and cash flows.

Should an E. coli or other food borne illness cause a recall of meat or produce, the companies supplying those fresh, further processed or canned forms of these products could be severely financially affected. Any negative impact on the financial viability of our customer base of fresh or processed food providers could seriously affect and reduce our immediate and recurring revenue base.

Freezes, hurricanes, droughts or other natural disasters may negatively affect our business, financial condition, results of operations and cash flows.

Should a natural disaster negatively affect the production of growers or farms, the food processing industry may not have the fresh foods necessary to meet consumer demand. The crops of entire groves or fields can be severely impacted by a drought, freeze or hurricane. Should a drought or freeze continue for an extended duration or high category hurricane directly impact a tree crop area, the trees themselves could be permanently damaged. If orchards had to be replanted, the trees may not produce viable product for several years. Since our revenue generation is dependent on a farmer's ability to provide high quality crops to some of our customers, our business, financial condition, results of operations and cash flows could be materially adversely impacted.

Our failure to comply with the laws and regulations governing our U.S. government contracts or the loss of production funding of any of our U.S. government contracts could harm our business.

The federal government is the largest contractor in the United States. Our JBT AeroTech business enters into contracts with the U.S. government, including contracts relating to the sale and logistics support of our Halvorsen Loader, which is a military air cargo loader, to the U.S. Department of Defense. As a result, we are subject to various laws and regulations that apply to companies doing business with the U.S. government. The laws governing U.S. government contracts differ in several respects from the laws governing private contracts. They are heavily regulated to curb misappropriation of funds and ensure uniform policies and practices across agencies. Their ongoing funding is tied to National Defense Budgets and Procurement Programs that are annually negotiated and approved or disapproved by the U.S. Department of Defense, Executive Branch and the Congress. For example, if there were any shifts in spending priorities or if funding for the military cargo loader program were reduced or cancelled as a result of the so called sequester or otherwise, the resulting loss of revenue may have a material adverse impact on our JBT AeroTech business. Many U.S. government contracts contain pricing terms and conditions that are not applicable to private contracts. Moreover, U.S. defense contracts, in particular, are unilaterally terminable at the option of the U.S. government with compensation for work completed and costs incurred.

Contracts with the U.S. government are also subject to special laws and regulations, the noncompliance with which may result in various sanctions. If, for any reason, we were now or at any time in the future found to be non-compliant with any laws or regulations governing U.S. government contracts, our earnings could be negatively impacted. In addition, any delays of deliverables due to our non-performance would also have a negative impact on these contracts.

Terrorist attacks and threats, escalation of military activity in response to such attacks or acts of war may negatively affect our business, financial condition, results of operations and cash flows.

Any future terrorist attacks against U.S. targets, rumors or threats of war, actual conflicts involving the United States or its allies, or military or trade disruptions affecting our customers or the economy as a whole may materially adversely affect our operations or those of our customers. As a result, there could be delays or losses in transportation and deliveries to our customers, decreased sales of our products and extension of time for payment of accounts receivable from our customers. Strategic targets such as those relating to transportation and food processing may be at greater risk of future terrorist attacks than other targets in the United States. It is possible that any of these occurrences, or a combination of them, could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Due to the type of contracts we enter into, the cumulative loss of several major contracts may negatively affect our business, financial condition, results of operations and cash flows.

We often enter into large, project-oriented contracts or long-term equipment leases and service agreements. These agreements may be terminated or breached, or our customers may fail to renew these agreements. If we were to lose several key agreements over a relatively short period of time and if we were to fail to develop alternative business opportunities, we could experience a materially adverse impact on our business, financial condition, results of operations and cash flows.

We may lose money on fixed-price contracts.

As is customary for several of the business areas in which we operate, we agree, in some cases, to provide products and services under fixed-price contracts. Under these contracts, we are typically responsible for cost overruns. Our actual costs and any gross profit realized on these fixed-price contracts may vary from the estimated amounts on which these contracts were originally based. There is inherent risk in the estimation process, including significant unforeseen technical and logistical challenges or longer than expected lead times. A fixed-price contract may prohibit our ability to mitigate the impact of unanticipated increases in raw material prices (including the price of steel) through increased pricing. Depending on the size of a project, variations from estimated contract performance could have a materially adverse impact on our business, financial condition, results of operations and cash flows.

Customer sourcing initiatives may negatively affect new equipment and aftermarket businesses.

Integration of the supply chain to provide a sustainable competitive advantage has become an objective for many multi-national companies. With continued price pressure from consumers, wholesalers and retailers, manufacturers are focusing their efforts on ways to reduce costs, improve sourcing processes and enhance profitability.

If customers implement sourcing initiatives focused solely on immediate cost savings and not on total cost of ownership, our new equipment and aftermarket sales could be negatively affected.

The solutions we sell are very complex, and we need to rapidly and successfully develop and introduce new solutions in a global, competitive, demanding and changing environment.

Significant investments in unsuccessful research and development efforts could materially adversely affect our business, financial condition and results of operations. If we were to lose our significant technology advantage, our market share and growth could be materially adversely affected. In addition, if we are unable to deliver products, features and functionality as projected, we may be unable to meet our commitments to customers, which could have a materially adverse effect on our reputation and business.

Our business, financial condition, results of operations and cash flows could be materially adversely affected by competing technology. Some of our competitors are large multinational companies that may have greater financial resources than us, and they may be able to devote greater resources to research and development of new systems, services and technologies than we are able to do. Moreover, some of our competitors operate in narrow business areas, allowing them to concentrate their research and development efforts directly on products and services for those areas.

When we develop new products with higher capacity and more advanced technology, the increased difficulty and complexity associated with producing these products increases the likelihood of reliability, quality or operability problems.

Despite rigorous testing prior to their release and superior quality processes, newly developed or enhanced products and solutions may have some start up issues which may be found after the products are introduced and shipped. The correction and detection of issues may cause delays, lost revenue and incremental costs.

Product introductions and certain enhancements of existing products by us in future periods may also reduce demand for our existing products or could delay purchases by customers awaiting arrival of our new products. As new or enhanced products are introduced, we must successfully manage the transition from older products.

If we are unable to develop, preserve and protect our intellectual property assets, our business, financial condition, results of operations and cash flows may be negatively affected.

We strive to protect and enhance our proprietary intellectual property rights through patent, copyright, trademark and trade secret laws, as well as through technological safeguards and operating policies. To the extent we are not successful, our business, financial condition, results of operations and cash flows could be materially adversely impacted. We may be unable to prevent third parties from using our technology without our authorization or from independently developing technology that is similar to ours, particularly in those countries where the laws do not protect our proprietary rights as fully as in the United States. With respect to our pending patent applications, we may not be successful in securing patents for these claims, and our competitors may already have applied for patents that, once issued, will prevail over our patent rights or otherwise limit our ability to sell our products.

Claims by others that we infringe their intellectual property rights could harm our business, financial condition, results of operations and cash flows.

We have seen a trend towards aggressive enforcement of intellectual property rights as the functionality of products in our industry increasingly overlaps and the volume of issued patents continues to grow. As a result, there is a risk that we could be subject to infringement claims which, regardless of their validity, could:

- Be expensive, time consuming and divert management attention away from normal business operations;
- Require us to pay monetary damages or enter into non-standard royalty and licensing agreements;

- Require us to modify our product sales and development plans; or
- Require us to satisfy indemnification obligations to our customers.

Regardless of whether these claims have any merit, they can be burdensome to defend or settle and can harm our business and reputation.

Our information systems, computer equipment and information databases are critical to our business operations, and any damage or disruptions could negatively affect our business, financial condition, results of operations and cash flows.

Our operations are dependent on our ability to protect our computer equipment and the information stored in our databases from damage by, among other things, earthquake, fire, natural disaster, power loss, telecommunications failures, unauthorized intrusions and other catastrophic events. A part of our operations is based in an area of California that has experienced power outages and earthquakes, while another part of our operations is based in an area of Florida that has experienced power outages and hurricanes. Despite our best efforts at planning for such contingencies, catastrophic events of this nature may still result in system failures and other interruptions in our operations, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, it is periodically necessary to replace, upgrade or modify our internal information systems. If we are unable to do this in a timely and cost-effective manner, especially in light of demands on our information technology resources, our ability to capture and process financial transactions and therefore our business, financial condition, results of operations and cash flows may be materially adversely impacted.

Loss of our key management and other personnel could impact our business.

We depend on our senior executive officers and other key personnel. The loss of any of these officers or key personnel could materially adversely affect our business, financial condition, results of operations and cash flows. In addition, competition for skilled and non-skilled employees among companies that rely heavily on engineering, technology and manufacturing is intense, and the loss of skilled or non-skilled employees or an inability to attract, retain and motivate additional skilled and non-skilled employees required for the operation and expansion of our business could hinder our ability to conduct research activities successfully, develop new products and services and meet our customers' requirements.

The industries in which we operate expose us to potential liabilities arising out of the installation or use of our systems that could negatively affect our business, financial condition, results of operations and cash flows.

Our businesses supply equipment and systems for use in food processing as well as equipment, systems and services used in airports all over the world, which creates potential exposure for us to liability for personal injury, wrongful death, product liability, commercial claims, property damage, pollution and other environmental damages. Although we have obtained business and related risk insurance, we cannot assure you that our insurance will be adequate to cover all potential liabilities. Further, we cannot assure you that insurance will generally be available in the future or, if available, that premiums to obtain such insurance will be commercially justifiable. If we incur substantial liability and the damages are not covered by insurance or are in excess of policy limits, or if we were to incur liability at a time when we are not able to obtain liability insurance, our business, financial condition, results of operations and cash flows could be materially adversely affected.

Environmental protection initiatives may negatively impact the profitability of our business.

Global initiatives to protect and steward the environment have moved to center stage. From global warming and climate change to urban sprawl and resource depletion, corporations and consumers are becoming more aware and concerned about the impact of human activity on the environment. Comprehensive global and national greenhouse gas reduction programs have been proposed and are being discussed within legislatures, boardrooms and households. The ultimate costs, implementation and success of such broad reaching programs will be dependent on the precise emissions targets, the timing for the reductions and the means of implementation.

Pressures to reduce the footprint of carbon emissions impact the air transportation and manufacturing sectors. Airports, airlines and air cargo providers are continually looking for new ways to become more energy efficient and reduce pollutants. Manufacturing plants are seeking means to reduce their heat-trapping emissions and minimize their energy and water usage. All of the initiatives come at a cost both to our customers' operations as well as to our operating costs and therefore may materially adversely impact our business, financial condition, results of operations and cash flows.

Our operations and industries are subject to a variety of U.S. and international laws, which can change. We therefore face uncertainties with regard to lawsuits, regulations and other related matters.

In the normal course of business, we are subject to proceedings, lawsuits, claims and other matters, including those that relate to the environment, health and safety, employee benefits, export compliance, intellectual property, product liability, tax matters and regulatory compliance. For example, we are subject to changes in foreign laws and regulations that may encourage or require us to hire local contractors or require foreign contractors to employ citizens

of, or purchase supplies from, a particular non-U.S. jurisdiction. In addition, environmental laws and regulations affect the systems and services we design, market and sell, as well as the facilities where we manufacture our systems. We are required to invest financial and managerial resources to comply with environmental laws and regulations and anticipate that we will continue to be required to do so in the future.

There is an increased focus by the SEC and Department of Justice on enforcement of the Foreign Corrupt Practices Act (the "FCPA"). Given the breadth and scope of our international operations, we may not be able to detect or prevent improper or unlawful conduct by our international partners and employees, despite our ethics, governance and compliance standards, which could put us at risk regarding possible violations of laws, including the FCPA.

Unfavorable tax law changes and tax authority rulings may adversely affect results.

We are subject to income taxes in the United States and in various foreign jurisdictions. Domestic and international tax liabilities are subject to the allocation of income among various tax jurisdictions. Our effective tax rate could be adversely affected by changes in the mix of earnings among countries with differing statutory tax rates, changes in the valuation allowance of deferred tax assets or tax laws. The amount of income taxes and other taxes are subject to ongoing audits by U.S. federal, state and local tax authorities and by non-U.S. authorities. If these audits result in assessments different from amounts we record, future financial results may include unfavorable tax adjustments.

Our existing financing agreements include restrictive and financial covenants.

Certain of our loan agreements require us to comply with various restrictive covenants and some contain financial covenants that require us to comply with specified financial ratios and tests. Our failure to meet these covenants could result in default under these loan agreements and would result in a cross-default under other loan agreements. In the event of a default and our inability to obtain a waiver of the default, all amounts outstanding under loan agreements could be declared immediately due and payable. Our failure to comply with these covenants could adversely affect our results of operations and financial condition.

Significant changes in actual investment return on pension assets, discount rates, and other factors could affect our results of operations, equity, and pension contributions in future periods.

Our results of operations may be positively or negatively affected by the amount of income or expense we record for our defined benefit pension plans. U.S. generally accepted accounting principles (GAAP) require that we calculate income or expense for the plans using actuarial valuations. These valuations reflect assumptions about financial market and other economic conditions, which may change based on changes in key economic indicators. The most significant year-end assumptions we use to estimate pension income or expense are the discount rate and the expected long-term rate of return on plans assets. In addition, we are required to make an annual measurement of plan assets and liabilities, which may result in a significant change to equity through a reduction or increase to accumulated other comprehensive income. For a discussion regarding how our financial statements can be affected by pension plan accounting policies, see Critical Accounting Estimates – Defined Benefit Pension and Other Postretirement Plans in Part II, Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Note 7 to the consolidated financial statements in Part II, Item 8. “Financial Statements and Supplementary Data” of this Form 10-K Report. Although GAAP expense and pension funding contributions are not directly related, key economic factors that affect GAAP expense would also likely affect the amount of cash we would contribute to pension plans as required under the Employee Retirement Income Security Act.

Our corporate governance documents, our rights plan and Delaware law may delay or discourage takeovers and business combinations that our stockholders might consider in their best interests.

Provisions in our amended and restated certificate of incorporation and by-laws may make it difficult and expensive for a third-party to pursue a tender offer, change-in-control or takeover attempt that is opposed by our management and Board of Directors. These provisions include, among others:

- A Board that is divided into three classes with staggered terms;
- Limitations on the right of stockholders to remove directors;
- The right of our Board to issue preferred stock without stockholder approval;
- Inability of our stockholders to act by written consent; and
- Rules regarding how stockholders may present proposals or nominate directors at stockholders meetings.

Public stockholders who might desire to participate in this type of transaction may not have an opportunity to do so. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change-in-control or a change in our management or Board and, as a result, may adversely affect the marketability and market price of our common stock.

In addition, we have adopted a stockholder rights plan intended to deter hostile or coercive attempts to acquire us. Under the plan, if any person or group acquires, or begins a tender or exchange offer that could result in such person acquiring 15% or more of our common stock, without approval of our Board under specified circumstances, our other stockholders will have the right to purchase shares of our common stock, or shares of the acquiring company, at a substantial discount to the public market price. Therefore, the rights will cause substantial dilution to a person or group that attempts to acquire us on terms not approved by our Board, except pursuant to any offer conditioned on a substantial number of rights being acquired.

Although we believe these provisions protect our stockholders from coercive or otherwise unfair takeover tactics and thereby provide for an opportunity to receive a higher bid by requiring potential acquirers to negotiate with our Board of Directors, these provisions apply even if the offer may be considered beneficial by some stockholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

We lease executive offices totaling approximately 24,000 square feet in Chicago, Illinois. We believe that our properties and facilities meet our current operating requirements and are in good operating condition. However, our facility in Lakeland is one of our older facilities, and we are in the process of replacing the existing facility. We believe that each of our significant manufacturing facilities is operating at a level consistent with the industries in which we operate. The following are significant production facilities for our JBT FoodTech operations:

LOCATION	SQUARE FEET	LEASED OR
	(approximate)	OWNED
United States		
Madera, California	250,000	Owned
Lakeland, Florida	250,000	Owned
Sandusky, Ohio	140,000	Owned
Chalfont, Pennsylvania	67,000	Leased
International:		
St. Niklaas, Belgium	289,000	Owned
Helsingborg, Sweden	227,000	Owned/Leased
Araraquara, Brazil	128,000	Owned
Parma, Italy	72,000	Owned
Ningbo, China	60,000	Leased
Edinburgh, Scotland	41,000	Leased
Cape Town, South Africa	38,000	Leased

The significant production properties for our JBT AeroTech operations are listed below:

LOCATION	SQUARE FEET	LEASED OR
	(approximate)	OWNED

United States:

Orlando, Florida	248,000	Owned
Ogden, Utah	240,000	Owned/Leased

International:

Madrid, Spain	88,000	Owned
Kunshan, China	50,000	Leased
Shenzhen, China	43,000	Leased
Juarez, Mexico	27,000	Leased

ITEM 3. LEGAL PROCEEDINGS

Pursuant to the Separation and Distribution Agreement we entered into with FMC Technologies as of the time of our spin-off from FMC Technologies, we have assumed liabilities related to specified legal proceedings arising from our business prior to the spin-off. Although FMC Technologies may remain the named defendant in certain of these proceedings, we will manage the litigation and are required to indemnify FMC Technologies for costs, expenses and judgments arising from this litigation. We do not believe that any existing litigation we have assumed will have a material effect on our results of operations, financial condition or liquidity.

We are involved in other legal proceedings arising in the ordinary course of business. Although the results of litigation cannot be predicted with certainty, we do not believe that the resolution of the proceedings that we are involved in, either individually or taken as a whole, will have a material adverse effect on our business, results of operations, cash flows or financial condition.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is listed on the New York Stock Exchange under the symbol JBT. As of February 28, 2014, there were 2,339 holders of record of JBT Corporation's common stock. Information regarding the market prices of our common stock and dividends declared for the two most recent fiscal years is provided in Note 17 to our consolidated financial statements. Other information required by this Item can be found in the Proxy Statement for our 2014 Annual Meeting of Stockholders and is incorporated herein by reference.

The following graph shows the cumulative total return of an investment of \$100 (and reinvestment of any dividends thereafter) on December 31, 2008 in: (i) our common stock, (ii) the S&P SmallCap 600 Stock Index and (iii) the Russell 2000 Index. These indices are included for comparative purposes only and do not necessarily reflect management's opinion that such indices are an appropriate measure of the relative performance of the stock involved, and are not intended to forecast or be indicative of possible future performance of the common stock.

CUMULATIVE TOTAL RETURN

ITEM 6. SELECTED FINANCIAL DATA

The following table presents selected financial and other data about us for the most recent five fiscal years. The data has been derived from our consolidated financial statements. The historical consolidated balance sheet data set forth below reflects the assets and liabilities that existed as of the dates and the periods presented.

We made certain internal reporting structure changes during the fourth quarter of 2013. Our Automated Systems business, previously part of the JBT AeroTech segment, is now included in the JBT FoodTech segment. This change was driven by the long-term strategic view of our business. We believe including the Automated Systems business in the FoodTech segment will allow greater synergies among the food processing businesses and accelerate the application of Automated Systems technologies with our food processing customers. As a result of this change, the following table was adjusted to reflect the effects of this change for the periods presented. The adjustments, which resulted in the reclassification of revenue between JBT AeroTech and JBT FoodTech in the table below, had no impact on the consolidated results.

The selected financial data should be read in conjunction with, and are qualified by reference to, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations. The income statement and cash flow data for the three years ended December 31, 2013, and the balance sheet data as of December 31, 2013 and 2012 are derived from our audited consolidated financial statements included elsewhere in this report, and should be read in conjunction with those financial statements and the accompanying notes. The balance sheet data as of December 31, 2011, 2010, 2009 and the income statement and cash flow data for the years ended December 31, 2010 and 2009 were derived from audited financial statements that are not presented in this report.

The following financial information may not reflect what our results of operations, financial position and cash flows will be in the future. In addition, Item 1A, Risk Factors of this report includes a discussion of risk factors that could impact our future results of operations.

(In millions, except per share data)	Year Ended December 31,				
	2013	2012	2011	2010	2009
Income Statement Data:					
Revenue:					
JBT FoodTech	\$611.0	\$589.1	\$588.2	\$554.1	\$553.6
JBT AeroTech	323.4	325.4	361.7	317.7	282.0
Other revenue and intercompany eliminations	(0.2)	2.8	5.9	8.6	6.0
Total revenue	\$934.2	\$917.3	\$955.8	\$880.4	\$841.6
Operating expenses:					
Cost of sales	\$701.3	\$686.5	\$721.2	\$645.8	\$617.3
Selling, general and administrative expense	164.3	156.6	152.9	147.8	147.8
Research and development expense	14.0	14.3	18.5	17.5	17.1
Restructuring expense	1.6	0.1	11.6	3.7	3.9
Other (income) expense, net	(0.2)	(1.1)	(1.6)	(1.5)	(2.2)
Operating income	53.2	60.9	53.2	67.1	57.7
Interest income	2.2	0.5	0.6	0.4	0.4
Interest expense	(7.6)	(7.4)	(7.0)	(8.2)	(9.2)
Income from continuing operations before income taxes	47.8	54.0	46.8	59.3	48.9
Provision for income taxes	13.8	16.9	16.0	21.4	16.1
Income from continuing operations	34.0	37.1	30.8	37.9	32.8
Loss from discontinued operations, net of income taxes	(0.9)	(0.9)	(0.3)	(0.6)	-
Net income	\$33.1	\$36.2	\$30.5	\$37.3	\$32.8
Diluted Earnings Per Share:					
Income from continuing operations	\$1.15	\$1.26	\$1.05	\$1.30	\$1.15
Net income	\$1.11	\$1.23	\$1.04	\$1.28	\$1.15
Diluted weighted average shares outstanding	29.7	29.5	29.3	29.1	28.6
Cash dividends declared per common share	\$0.34	\$0.28	\$0.28	\$0.28	\$0.28
Common Stock Data (unaudited):					
Common stock sales price range:					
High	\$30.00	\$18.20	\$21.00	\$21.19	\$19.25
Low	\$17.78	\$12.76	\$13.16	\$14.34	\$8.05

(In millions)	At December 31,				
	2013	2012	2011	2010	2009
Balance Sheet Data:					
Total assets	\$621.2	\$678.0	\$592.2	\$582.2	\$520.4
Long-term debt, less current portion	\$94.1	\$189.1	\$135.7	\$145.4	\$131.8

(In millions)	Year Ended December 31,				
	2013	2012	2011	2010	2009
Other Financial Information:					
Capital expenditures	\$29.2	\$24.7	\$20.8	\$24.3	\$19.8
Cash flows provided by continuing operating activities	\$63.1	\$86.6	\$37.0	\$17.6	\$54.1
Order backlog (unaudited)	\$376.5	\$283.1	\$246.0	\$286.8	\$211.2

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Executive Overview

We are a global technology solutions provider for the food processing and air transportation industries. We design, manufacture, test and service technologically sophisticated systems and products for customers through our JBT FoodTech and JBT AeroTech segments. We have established a large installed base of food processing equipment as well as airport support equipment and have built a strong global presence with manufacturing, sourcing, sales and service organizations located on six continents to support equipment that has been delivered to more than 100 countries.

We announced the implementation of a management succession plan in the third quarter of 2013. The Company named Tom Giacomini President and Chief Executive Officer, effective September 9, 2013. Charlie Cannon, previously Chairman, Chief Executive Officer and President, remains with the company as Executive Chairman of the Board. Ron Mambu, our outgoing Chief Financial Officer announced plans to retire early in 2014, and Brian Deck was appointed Chief Financial Officer in January 2014. During the fourth quarter of 2013, we made certain internal reporting structure changes. Our Automated Systems business, previously part of the JBT AeroTech segment is now included in the JBT FoodTech segment. This change was driven by our long term strategic view of our business. We believe including the Automated Systems business in the FoodTech segment will allow greater synergies among the food processing businesses and accelerate the application of Automated Systems technologies with our food processing customers. The discussion included in Item 7 reflects this change for all periods.

We continued to make progress in our 4G value creation strategy in 2013 and finished the year with increased revenue of \$16.9 million, or \$19.4 million in constant currency, as compared to 2012. Our FoodTech business delivered strong performance in 2013, particularly the freezing and protein processing business in North America. We strengthened our presence in China, a key emerging market where we achieved success with locally designed and manufactured freezers. Our aftermarket revenue continued to grow in both our FoodTech and AeroTech segments.

As we evaluate our operating results, we consider performance indicators like segment revenue and operating profit in addition to the level of inbound orders and order backlog.

CONSOLIDATED RESULTS OF OPERATIONS

(in millions)	Year Ended December 31,			Favorable / (Unfavorable)	
	2013	2012	2011	2013	2012
				vs. 2012	vs. 2011
Revenue	\$934.2	\$917.3	\$955.8	\$16.9	\$(38.5)
Cost of sales	701.3	686.5	721.2	(14.8)	34.7
Gross profit	232.9	230.8	234.6	2.1	(3.8)
Selling, general and administrative expense	164.3	156.6	152.9	(7.7)	(3.7)
Research and development expense	14.0	14.3	18.5	0.3	4.2
Restructuring expense	1.6	0.1	11.6	(1.5)	11.5
Other income, net	(0.2)	(1.1)	(1.6)	(0.9)	(0.5)
Operating income	53.2	60.9	53.2	(7.7)	7.7
Interest income	2.2	0.5	0.6	1.7	(0.1)
Interest expense	(7.6)	(7.4)	(7.0)	(0.2)	(0.4)
Income from continuing operations before income taxes	47.8	54.0	46.8	(6.2)	7.2

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Provision for income taxes	13.8	16.9	16.0	3.1	(0.9)
Income from continuing operations	34.0	37.1	30.8	(3.1)	6.3
Loss from discontinued operations, net of income taxes	(0.9)	(0.9)	(0.3)	-	(0.6)
Net income	\$33.1	\$36.2	\$30.5	\$(3.1)	\$5.7

2013 Compared With 2012

Total revenue increased \$16.9 million or \$19.4 million in constant currency in 2013 compared to 2012. The increase was mainly attributed to higher product and aftermarket revenue and partly offset by \$4.1 million of lower airport services revenue. Operating income decreased \$7.7 million in 2013 compared to 2012. Operating margin decreased from 6.6% to 5.7%. The decrease in operating income resulted from the following:

Gross profit increased \$2.1 million or \$3.1 million in constant currency. This is mainly the result of higher volumes. Selling, general and administrative expenses increased by \$7.7 million. The increase was attributed to several factors, primarily \$3.8 million in investment in our aftermarket sales structure, \$2.7 million of costs related to CEO and CFO succession and \$1.7 million of higher self-insured healthcare expenses.

Research and development expense decreased by \$0.3 million mainly reflecting a shift of engineering resources from research and development efforts to project production.

Restructuring expense increased \$1.5 million due to severance costs incurred in connection with management restructuring.

Income tax expense for 2013 reflects an income tax rate of 29% compared to 31% in 2012. The lower effective tax rate reflects additional research and development credits of \$2.1 million claimed in the U.S.

2012 Compared With 2011

Total revenue decreased by \$38.5 million in 2012 compared to 2011. The decrease in revenue was primarily driven by \$41.2 million of lower product sales and \$18.0 million of unfavorable foreign currency translation impact, offset by \$13.7 million of higher aftermarket parts and services sales.

Operating income increased by \$7.7 million in 2012 compared to 2011. Operating income margin increased from 5.6% to 6.6%. The increase in operating income resulted from the following:

Gross profit declined by \$3.8 million but increased by \$2.3 million in constant currency. Gross profit margin increased by 60 basis points. Gross profit margin improved due to various margin improvement initiatives and cost saving plans executed in 2012, which resulted in \$7.3 million of gross profit increase versus 2011. This was offset by \$5.0 million in lower profit due to lower sales volume in our JBT AeroTech segment.

Selling, general and administrative expenses increased by \$3.7 million, but increased by \$7.0 million in constant currencies, mainly due to higher compensation and benefit costs, including the impact of lower discount rates utilized to estimate U.S. pension costs.

Research and development expense decreased by \$4.2 million as we focused engineering labor on improvements for existing products and customer orders.

Restructuring expense was significantly lower as we neared completion of a restructuring program initiated in 2011.

Income tax expense for 2012 reflects an income tax rate of 31% compared to 34% in 2011. We recognized \$1.3 million in tax benefits in 2012 due to enacted changes in Sweden's corporate income tax rate.

OPERATING RESULTS OF BUSINESS SEGMENTS

	Year Ended December			Favorable /	
	31,			(Unfavorable)	
(in millions)	2013	2012	2011	vs.	vs.
				2012	2011
Revenue					
JBT FoodTech	\$611.0	\$589.1	\$588.2	\$21.9	\$0.9

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JBT AeroTech	323.4	325.4	361.7	(2.0)	(36.3)
Other revenue and intercompany eliminations	(0.2)	2.8	5.9	(3.0)	(3.1)
Total revenue	\$934.2	\$917.3	\$955.8	\$16.9	\$(38.5)
Income before income taxes					
Segment operating profit:					
JBT FoodTech	\$64.5	\$58.8	\$47.2	\$5.7	\$11.6
JBT AeroTech	26.6	28.7	31.1	(2.1)	(2.4)
Total segment operating profit	91.1	87.5	78.3	3.6	9.2
Corporate items:					
Corporate expense	(36.3)	(26.5)	(13.5)	(9.8)	(13.0)
Restructuring expense	(1.6)	(0.1)	(11.6)	(1.5)	11.5
Net interest expense	(5.4)	(6.9)	(6.4)	1.5	(0.5)
Total corporate items	(43.3)	(33.5)	(31.5)	(9.8)	(2.0)
Income from continuing operations before income taxes	47.8	54.0	46.8	(6.2)	7.2
Provision for income taxes	13.8	16.9	16.0	3.1	(0.9)
Income from continuing operations	34.0	37.1	30.8	(3.1)	6.3
Loss from discontinued operations, net of income taxes	(0.9)	(0.9)	(0.3)	-	(0.6)
Net income	\$33.1	\$36.2	\$30.5	\$(3.1)	\$5.7

Segment operating profit is defined as total segment revenue less segment operating expenses. The following items have been excluded in computing segment operating profit: corporate staff expense, stock-based compensation, foreign currency related gains and losses, LIFO provisions, restructuring costs, certain employee benefit expenses, interest income and expense and income taxes.

JBT FoodTech

2013 Compared With 2012

JBT FoodTech's revenue increased by \$21.9 million, or \$24.1 million in constant currency, in 2013 compared to 2012. Fruit and juice processing equipment revenue contributed \$22.6 million to the increase, but was partly offset by decreased freezing and protein processing product sales in Europe and Latin America markets. Recurring revenue contributed \$5.3 million to the increase, which was mainly driven by an increase in in-container processing aftermarket sales and higher leasing revenue from fruit and juice processing products.

JBT FoodTech's operating profit increased by \$5.7 million, or \$6.4 million in constant currency, in 2013 compared to 2012. Operating profit margin increased from 10.0% to 10.6%. Higher volume and increased profit margins contributed \$6.8 million and \$3.7 million in increased operating profit, respectively. Gross profit margin improvement mainly resulted from lower costs on freezing and chilling products manufactured in North America that historically were exported from Sweden, improved in-container product margins and the effects of other continuing margin improvement initiatives in FoodTech. These increases were partly offset by increased selling, general and administrative costs of \$3.8 million. The increase was primarily due to higher employee compensation reflecting pay for performance for strong results in the fruit and juice and in-container businesses, inflationary expense increases as well as higher legal costs. Research and development costs increased \$0.3 million reflecting investment in our protein processing product lines.

2012 Compared With 2011

JBT FoodTech's revenue increased by \$0.9 million, or \$17.8 million in constant currency, in 2012 compared to 2011. Recurring revenue increased by \$18.1 million, driven primarily by higher sales of in-container processing aftermarket products and higher leasing revenue from fruit and juice processing products. Overall, JBT FoodTech equipment sales were higher in 2012.

JBT FoodTech's operating profit increased by \$11.6 million, or \$13.5 million in constant currency, in the year ended December 31, 2012 compared to 2011. Operating profit margin increased from 8.0% to 10.0%. The increase in operating profit was driven by \$15.4 million of higher gross profit. Higher sales volume resulted in an increase of \$4.8 million in profits, while higher gross profit margin resulted in \$10.6 million of higher profit. Gross profit margin increased as a result of the favorable impact of higher aftermarket revenue and savings from our cost reduction initiatives. General and administrative expenses were \$2.8 million higher primarily as a result of higher compensation and relocation costs. The remaining difference in operating profit was primarily due to lower research and development expenditures.

JBT AeroTech

2013 Compared With 2012

JBT AeroTech's revenue decreased by \$2.0 million in 2013 compared to 2012. Revenue from gate equipment increased \$8.4 million but was more than offset by decreased Halvorsen sales and lower ground support equipment sales. Lower revenue from maintenance contracts accounted for \$5.3 million of the decreased revenue, but sales from aftermarket products, parts and services partly offset the decrease.

JBT AeroTech's operating profit decreased by \$2.1 million in 2013 compared to 2012. Lower gross profit margin attributable to unfavorable gate equipment product mix and competitive pricing pressure within the ground support system business accounted for \$2.9 million of the decrease, which was partly offset by higher margin from Halvorsen parts and services. Selling, general and administrative costs decreased approximately \$0.4 million due to various cost cutting measures. Research and development costs decreased \$0.7 million due to lower expenditures in research and development activities in gate equipment.

2012 Compared With 2011

JBT AeroTech's revenue decreased by \$36.3 million in 2012 compared to 2011. New equipment revenue declined \$38.1 million. Several passenger boarding bridge projects were delayed to late 2012 and 2013, creating a production gap in a business with generally longer lead times. This delay, along with the expected 2012 completion of a large U.S. Navy equipment contract, resulted in \$40.6 million of lower revenue in 2012 compared to 2011. Higher recurring revenue from service contracts and sales of aftermarket products, parts and services offset the decrease in new equipment revenue.

JBT AeroTech's operating profit decreased by \$2.4 million in 2012 compared to 2011. However, operating profit margin increased from 8.6% to 8.8%. Lower sales volume resulted in a decrease in profit of \$7.0 million. The decrease in profit was partially offset by gross profit margin improvement resulting in \$2.6 million in higher profits and a decrease of \$1.8 million in selling, general and administrative costs.

Corporate Items

2013 Compared with 2012

Corporate items increased by \$9.8 million in 2013 compared to 2012. The increase was primarily attributable to \$3.0 million in lower gains on foreign currency transactions; \$2.7 million of costs related to our management succession plan; \$1.7 million from higher self-insured healthcare costs; \$1.6 million in restructuring expense and \$1.0 million of higher corporate strategies consulting costs. These increases were partly offset by higher interest income generated by cash held by our foreign subsidiaries of approximately \$1.7 million.

2012 Compared with 2011

Corporate items increased by \$2.0 million in the year ended December 31, 2012 compared to the same period in 2011. In 2011, we incurred \$11.6 million in connection with a cost reduction program in JBT FoodTech. These costs did not reoccur in 2012. During 2012, we incurred higher corporate items including \$5.2 million in lower gains on foreign currency transactions, and \$6.1 million in higher compensation and pension-related costs, including the impact of lower discount rates utilized to determine U.S. pension costs. In addition, we incurred \$1.7 million in higher expenses for corporate development initiatives.

Inbound Orders and Order Backlog

Inbound orders represent the estimated sales value of confirmed customer orders received during the years ended December 31,

(In millions)	2013	2012
JBT FoodTech	\$655.3	\$630.1
JBT AeroTech	372.5	339.0
Other and intercompany eliminations	(0.2)	2.8
Total inbound orders	\$1,027.6	\$971.9

Order backlog is calculated as the estimated sales value of unfilled, confirmed customer orders as of December 31,

(In millions)	2013	2012
JBT FoodTech	\$213.7	\$169.4

JBT AeroTech	162.8	113.7
Total order backlog	\$376.5	\$283.1

Order backlog in our JBT FoodTech segment at December 31, 2013 increased by \$44.3 million over the December 31, 2012 level. The increase was driven mainly by freezing and protein processing orders for the Asia and Europe markets. Fruit and juice processing as well as in-container processing products contributed to the increase. We expect to convert almost all of the JBT FoodTech backlog at December 31, 2013 into revenue during 2014.

Order backlog in our JBT AeroTech segment at December 31, 2013 increased by \$49.1 million compared to December 31, 2012. The increase is primarily attributable to higher orders for gate equipment. We expect to convert approximately 75% of the JBT AeroTech backlog at December 31, 2013 into revenue during 2014.

Outlook

We started 2014 with substantially higher backlog relative to January 1, 2013 and anticipate moderate revenue increase compared to 2013. Under new leadership, we will be implementing ongoing operational excellence initiatives which will bring long-term benefits. We are also finalizing restructuring actions and anticipate incurring related costs in the range of \$10 million to \$14million which will negatively impact 2014 earnings.

Liquidity and Capital Resources

Our primary sources of liquidity are cash provided by operating activities of our U.S. and foreign operations and borrowings from our credit facility. The cash flows generated by our operations and the credit facility have historically been sufficient to satisfy our working capital needs, research and development activities, capital expenditures, pension contributions, authorized share repurchases, acquisitions and other financing requirements. We are not aware of any circumstances that are likely to result in our required liquidity increasing or decreasing materially.

As of December 31, 2013, we had \$29.4 million of cash and cash equivalents, \$27.4 million of which was held by our foreign subsidiaries. Although these funds are considered permanently invested in our foreign subsidiaries, we are not presently aware of any restrictions on the repatriation of these funds. We maintain significant operations outside of the U.S., and many of our uses of cash for working capital, capital expenditures and business acquisition arise in these foreign geographies. If these funds were needed to fund our operations or satisfy obligations in the U.S., they could be repatriated and their repatriation into the U.S. could cause us to incur additional U.S. income taxes and foreign withholding taxes. Any additional taxes could be offset, in part or in whole, by foreign tax credits. The amount of such taxes and application of tax credits would be dependent on the income tax laws and other circumstances at the time any of these amounts were repatriated.

As noted above, funds held outside of the U.S. are considered permanently invested in our non-U.S. subsidiaries. At times, these foreign subsidiaries have cash balances that exceed their immediate working capital or other cash needs. In these circumstances, the foreign subsidiaries may loan funds to the U.S. parent company on a temporary basis; the U.S. parent company has in the past and may in the future use the proceeds of these temporary intercompany loans to reduce outstanding borrowings under our committed credit facilities. By using available non-U.S. cash to repay our debt on a short-term basis, we can optimize our leverage ratio, which has the effect of both lowering the rate we pay on certain of our borrowings and lowering our interest costs.

Under Internal Revenue Service (IRS) guidance, no incremental tax liability is incurred on the proceeds of these loans as long as each individual loan has a term of 30 days or less and all such loans from each subsidiary is outstanding for a total of less than 60 days during the year. The amount outstanding subject to this IRS guidance at December 31, 2013 was approximately \$105 million. During 2013, each such loan was outstanding for less than 30 days, and all such loans were outstanding for less than 60 days in the aggregate. The U.S. parent used the proceeds of these intercompany loans to reduce outstanding borrowings under our 5-year credit facility. We may choose to access such funds again in the future to the extent they are available and can be transferred without significant cost, and use them on a temporary basis to repay outstanding borrowings or for other corporate purposes, but intend to do so only as allowed under this IRS guidance.

On October 27, 2011, our Board of Directors authorized a share repurchase program for up to \$30 million of our common stock through December 31, 2014. We repurchased \$0.2 million of common stock in 2013 and have \$25.9 million in remaining purchases under the authorization. The timing, price and volume of future repurchases will be based on market conditions, relevant securities laws and other factors.

Defined Benefit Pension Plans

We have defined benefit pension plans that cover certain domestic and international employees. Our largest single pension plan is the U.S. qualified plan. At December 31, 2013, this plan accounted for 84% of our consolidated defined benefit pension plans' projected benefit obligation ("PBO") and 96% of the related plans' assets. Due to an increase in the discount rate used to value the PBO at December 31, 2013, the obligation decreased by approximately \$29 million while the assets experienced a gain during 2013 of 10%. We expect to contribute \$8 million to our U.S.

qualified plan during 2014 and \$5 million to our other pension and postretirement benefit plans in 2014.

Contractual Obligations and Off-Balance Sheet Arrangements

The following is a summary of our contractual obligations at December 31, 2013:

(In millions)	Payments due by period				
	Total	Less than	1 - 3	3-5	After
	payments	year	years	years	5 years
Long-term debt (a)	\$99.4	\$5.3	\$77.6	\$16.5	\$ -
Interest payments on long-term debt (b)	9.2	5.3	3.6	0.3	-
Operating leases	20.6	5.1	6.3	2.8	6.4
Unconditional purchase obligations (c)	29.9	29.6	0.3	-	-
Pension and other postretirement benefits (d)	13.0	13.0	-	-	-
Total contractual obligations	\$172.1	\$58.3	\$87.8	\$19.6	\$6.4

(a) Our available long-term debt is dependent upon our compliance with covenants described under the heading “Financing Agreements” later in Item 7. Any violations of covenants or other events of default, which are not waived or cured, could have a material impact on our ability to maintain our committed financial arrangements and could accelerate our obligation to repay the amount due.

(b) Interest payments were determined using the weighted average rates for all debt outstanding as of December 31, 2013.

(c) In the normal course of business, we enter into agreements with our suppliers to purchase raw materials or services. These agreements include a requirement that our supplier provide products or services to our specifications and require us to make a firm purchase commitment to our supplier. As substantially all of these commitments are associated with purchases made to fulfill our customers’ orders, the costs associated with these agreements will ultimately be reflected in cost of sales on our consolidated statements of income.

(d) This amount primarily reflects discretionary contributions to our pension plans. Required contributions for future years depend on factors that cannot be determined at this time.

The following is a summary of other off-balance sheet arrangements at December 31, 2013:

(In millions)	Amount of commitment expiration per period				
	Total	Less than	1 - 3	3-5	After
	amount	year	years	years	5 years
Letters of credit and bank guarantees	\$23.4	\$18.7	\$3.9	\$-	\$0.8
Surety bonds	55.7	10.1	31.8	13.8	-
Total other off-balance sheet arrangements	\$79.1	\$28.8	\$35.7	\$13.8	\$0.8

To provide required security regarding our performance on certain contracts, we provide letters of credit, surety bonds and bank guarantees, for which we are contingently liable. In order to obtain these financial instruments, we pay fees to various financial institutions in amounts competitively determined in the marketplace. Our ability to generate revenue from certain contracts is dependent upon our ability to obtain these off-balance sheet financial instruments.

Our off-balance sheet financial instruments may be renewed, revised or released based on changes in the underlying commitment. Historically, our commercial commitments have not been drawn upon to a material extent; consequently, management believes it is not likely that there will be claims against these commitments that would result in a negative impact on our key financial ratios or our ability to obtain financing.

Cash Flows

Cash flows for each of the years in the three-year period ended on December 31, 2013 were as follows:

(In millions)	2013	2012	2011
Cash provided by continuing operating activities	\$63.1	\$86.6	\$37.0
Cash required by continuing investing activities	(28.1)	(32.6)	(21.4)
Cash (required) provided by financing activities	(101.6)	36.1	(18.5)
Cash required by discontinued operations	(1.1)	(0.6)	(0.6)
Effect of foreign exchange rate changes on cash and cash equivalents	(1.9)	0.5	(1.2)
(Decrease) increase in cash and cash equivalents	\$(69.6)	\$90.0	\$(4.7)

Cash flows provided by continuing operating activities in 2013 were \$63.1 million, representing a \$23.5 million decrease compared to 2012. The change in the cash flows is primarily attributable to the year-end increase in inventories in 2013 as compared to 2012 due to the improved order backlog position.

Cash required by investing activities during 2013 was \$28.1 million representing a \$4.5 million decrease compared to 2012. We invested \$10 million in acquisitions during 2012, while no cash was invested in acquisitions in 2013. We spent \$29.2 million on capital purchases in 2013, up from \$24.7 million in 2012. Our annual capital spending typically ranges from \$20 million to \$25 million to support the maintenance and upgrading of our installed base of leased equipment. We anticipate spending approximately \$19 million on construction of a new JBT FoodTech plant in Lakeland, Florida to replace an existing plant in the same area. We spent approximately \$7 million on this project in 2013 and expect to spend approximately \$10 million and \$2 million, respectively, in 2014 and 2015.

Cash flows required by financing activities in 2013 were \$101.6 million compared to cash flows provided by financing activities of \$36.1 million in 2012. The change in the cash flows is primarily attributable to the reduction of borrowings under the 5-year revolving credit facility. We also increased the dividend from 7 cents per share to 9 cents per share and paid cash dividends of \$10.1 million in 2013.

Financing Arrangements

We have a \$300 million 5-year revolving credit facility that expires on November 30, 2017. Borrowings under the credit facility bear interest, at our option, at LIBOR or an alternative base rate, which is the greater of JPMorgan Chase, N.A.'s Prime Rate, the Federal Funds Rate plus 50 basis points, and LIBOR plus 1%, plus a margin dependent on our leverage ratio. We are required to make periodic interest payments on the borrowed amounts and pay an annual facility fee ranging from 15.0 to 27.5 basis points, depending on our leverage ratio. As of December 31, 2013, we had \$16.5 million drawn on the credit facility, \$6.0 million in letters of credit issued under the credit facility and approximately \$278 million of additional available funds. We utilized approximately \$105 million in these available funds to satisfy short-term intercompany loan obligations with various non-US subsidiaries in the first quarter of 2014.

We have \$75 million of 6.66% senior unsecured notes outstanding. The senior unsecured notes are due on July 31, 2015 and require us to make semiannual interest payments.

Our Brazilian subsidiary entered into two loans during 2013. The first loan was a \$4.0 million loan with an annual interest cost of 5.5% that has a first installment payment of \$2.0 million due on February 21, 2014, and a second installment payment due at maturity on August 20, 2014. The second loan was a Brazilian real denominated loan in the amount of Br7.9 million (approximately \$3.4 million) that bears an annual interest rate of 5.5%. The first payment on this loan is due on May 14, 2014, with equal monthly payments required for 24 months thereafter.

Our credit agreement and notes include restrictive covenants that, if not met, could lead to a renegotiation of our credit lines, requirement to repay our borrowings and/or a significant increase in our cost of financing. At December 31, 2013, we were in compliance with all covenants of our contractual obligations as shown in the following table:

Debt Instrument / Covenant	Measurement	Result as of December 31, 2013
Revolving credit facility		
Interest coverage ratio (1)	Not less than 3.5	11.6
Leverage ratio (2)	Not greater than 3.25	1.2
Restricted payments (3) (in millions)	Not greater than \$25 million plus 50% of consolidated net income	\$10.3
6.66% senior unsecured notes		
Interest coverage ratio (1)	Not less than 2.75	11.6
Leverage ratio (2)	Not greater than 3.25	1.2

Interest coverage ratio is a comparison of the trailing twelve months Consolidated EBITDA, defined as net income (1) plus interest expense plus income tax expense plus depreciation and amortization plus non-cash expenses and extraordinary, unusual and non-recurring items, to trailing twelve months interest expense.

Leverage ratio is a comparison of the total indebtedness, defined as total debt plus guarantees of indebtedness of (2) others plus obligations under financial letters of credit issued against the credit facility, to the trailing twelve months Consolidated EBITDA, as defined above.

(3) Restricted payments include all payments to shareholders such as dividends and share repurchases.

We expect to remain in compliance with all restrictive covenants in the foreseeable future. However, there can be no assurance that continued or increased volatility in the global economic conditions will not impair our ability to meet our restrictive covenants, or that volatility in the capital and credit markets will not impair our ability to access these markets on terms acceptable to us or at all.

As part of our strategy to grow where the world is growing fastest, we are expanding our operations in China and India. Due to greater restrictions on foreign currency exchange in these regions, we have established credit facilities to fund some of the local working capital requirements in these markets. Three of our wholly owned subsidiaries have short term credit facilities that allow us to borrow up to approximately \$9 million in China. As of December 31, 2013, we had \$0.5 million borrowed under these credit facilities. Our wholly owned subsidiary in India has a short term credit facility that allows us to borrow up to approximately \$0.8 million. As of December 31, 2013, we had \$0.5 million borrowed under this credit facility.

Critical Accounting Estimates

We prepare our consolidated financial statements in conformity with U.S. generally accepted accounting principles. As such, we are required to make certain estimates, judgments and assumptions about matters that are inherently uncertain. On an ongoing basis, our management re-evaluates these estimates, judgments and assumptions for reasonableness because of the critical impact that these factors have on the reported amounts of assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the periods presented. Management has discussed the development and selection of these critical accounting estimates with the Audit Committee of our Board of Directors and the Audit Committee has reviewed this disclosure. We believe that the following are the critical accounting estimates used in preparing our financial statements.

Inventory Valuation

Inventory is recorded at the lower of cost or net realizable value. In order to determine net realizable value, we evaluate each component of inventory on a regular basis to determine whether it is excess or obsolete. We record the decline in the carrying value of estimated excess or obsolete inventory as a reduction of inventory and as an expense included in cost of sales in the period in which it is identified. Our estimate of excess and obsolete inventory is a critical accounting estimate because it is highly susceptible to change from period to period. In addition, it requires management to make judgments about the future demand for inventory.

In order to quantify excess or obsolete inventory, we begin by preparing a candidate listing of the components of inventory that have not demonstrated usage within the most recent two-year period. This list is then reviewed with sales, production and materials management personnel to determine whether this list of potential excess or obsolete inventory items is accurate. Management considers as part of this evaluation whether there has been a change in the market for finished goods, whether there will be future demand for on-hand inventory items and whether there are components of inventory that incorporate obsolete technology. Then management assigns a reserve requirement, which is determined based on its assessment of cost recoverability, to the items on the candidate listing. As a result, our estimate of excess or obsolete inventory is sensitive to changes in assumptions about future demand for the inventory. Since the determination of the reserve requirement is based on management judgment rather than a formulaic approach, we are unable to quantify with a high level of precision the effect that a change in demand

assumptions would have on management's assessment of the excess and obsolete inventory reserve, although lower demand assumptions would generally result in an increase in excess and obsolete inventory.

Goodwill

Goodwill represents the excess of the cost of an acquired business over the amounts assigned to the identifiable net assets. Goodwill is not amortized but is tested for impairment at a reporting unit level on an annual basis, or whenever an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit below its carrying amount. We are required to make certain subjective and complex judgments in assessing whether an event that could indicate an impairment of goodwill has occurred, and must make assumptions and estimates to determine the fair value of our reporting units. We may assess qualitative factors to make this determination, or bypass such a qualitative assessment and proceed directly to testing goodwill for impairment using a two-step process. Qualitative factors we may consider include, but are not limited to, macroeconomic conditions, industry conditions, the competitive environment, changes in the market for our products and services, regulatory and political developments and entity specific factors such as strategies and financial performance. If, after completing such assessment, it is determined more likely than not that the fair value of a reporting unit is less than its carrying value, we proceed to a two-step impairment test, whereby the first step is comparing the fair value of a reporting unit with its carrying amount, including goodwill. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired and the second step of the test is not performed. The second step of the impairment test is performed when the carrying amount of the reporting unit exceeds the fair value, in this case, the implied fair value of the reporting unit goodwill is compared with the carrying amount of that goodwill. If the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to the excess.

We completed our annual goodwill impairment test as of October 31, 2013 using a qualitative assessment approach. As a result of the assessment of the qualitative factors, we have determined it is not necessary to perform the quantitative goodwill impairment test on any of our reporting units.

Self-Insurance Reserves

We purchase third-party insurance for workers' compensation, automobile, product and general liability claims that exceed a certain level. We are responsible for the payment of claims below the limits of the applicable insurance coverage as well as claims under our self-insured healthcare plans. The obligations associated with the incurred losses are determined using actuarial estimates. These estimates are based on historical information along with certain assumptions about future events. Changes in assumptions for medical costs, environmental hazards, and legal actions, as well as changes in actual experience could cause these estimates to change which could potentially be material to our results of operation and financial condition. In the fourth quarter of 2013, we incurred unusually high healthcare claims which required the recognition of \$1.7 million in higher self-insurance expenses.

Accounting for Income Taxes

In determining our current income tax provision, we assess temporary differences resulting from differing treatments of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are recorded in our consolidated balance sheets. When we maintain deferred tax assets, we must assess the likelihood that these assets will be recovered through adjustments to future taxable income. To the extent we believe recovery is not likely, we establish a valuation allowance. We record an allowance reducing the asset to a value we believe will be recoverable based on our expectation of future taxable income. We believe the accounting estimate related to the valuation allowance is a critical accounting estimate because it is highly susceptible to change from period to period as it requires management to make assumptions about our future income over the lives of the deferred tax assets, and the impact of increasing or decreasing the valuation allowance is potentially material to our results of operations.

Forecasting future income requires us to use a significant amount of judgment. In estimating future income, we use our internal operating budgets and long-range planning projections. We develop our budgets and long-range projections based on recent results, trends, economic and industry forecasts influencing our segments' performance, our backlog, planned timing of new product launches, and customer sales commitments. Significant changes in the expected realizability of the net deferred tax assets would require that we adjust the valuation allowance, resulting in a change to net income.

As of December 31, 2013, we estimated that it is not likely that we will realize income tax deductions for certain uncollectible receivables and, therefore, we have provided a valuation allowance against the related deferred tax assets. We have estimated that it is likely that we will generate future taxable income in the U.S. and most foreign jurisdictions, and have therefore not provided a valuation allowance against most of our deferred tax assets.

Defined Benefit Pension and Other Postretirement Plans

The measurement of pension and other postretirement plans' costs require the use of assumptions for discount rates, investment returns, employee turnover rates, retirement rates, mortality rates and other factors. The actuarial assumptions used in our pension and postretirement benefit reporting are reviewed annually and compared with external benchmarks to ensure that they appropriately account for our future pension and postretirement benefit obligations. While we believe that the assumptions used are appropriate, differences between assumed and actual experience may affect our operating results.

Our accrued pension and other postretirement benefits liability reflects the funded status of our worldwide plans, or the projected benefit obligation net of plan assets. The projected benefit obligation is sensitive to changes in our estimate of the discount rate. The discount rate used in calculating the projected benefit obligation for the U.S. pension plan, which represents 84% of all pension plan obligations, was 5.1% in 2013, 4.3% in 2012 and 4.6% in 2011. A change of 50 basis points in the discount rate used in our calculation would impact our projected benefit obligation by approximately \$17 million.

Our pension expense is sensitive to changes in our estimate of the expected rate of return on plan assets. The expected return on assets used in calculating the pension expense for the U.S. pension plan, which represents 96% of all pension plan assets, was 8.0% for 2013, 8.0% for 2012 and 8.5% for 2011. For 2014, the rate will remain at 8.0%. A change of 50 basis points in the expected return on assets assumption would impact pension expense by approximately \$1 million (pre-tax).

See Note 7 of the consolidated financial statements in Item 8 for additional discussion of our assumptions and the effects on the financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are subject to financial market risks, including fluctuations in foreign currency exchange rates and interest rates. In order to manage and mitigate our exposure to these risks, we may use derivative financial instruments in accordance with established policies and procedures. We do not use derivative financial instruments where the objective is to generate profits solely from trading activities. At December 31, 2013 and 2012, our derivative holdings consisted of foreign currency forward contracts and foreign currency instruments embedded in purchase and sale contracts.

These forward-looking disclosures address potential impacts from market risks only as they affect our financial instruments. They do not include other potential effects which could impact our business as a result of changes in foreign currency exchange rates, interest rates, commodity prices or equity prices.

Foreign Currency Exchange Rate Risk

During 2013, our foreign subsidiaries generated approximately 37% of our revenue, driven by our operations in Sweden which generated approximately 12% of our revenue. Financial statements of our foreign subsidiaries for which the U.S. dollar is not the functional currency are translated into U.S. dollars. As a result, we are exposed to foreign currency translation risk.

When we sell or purchase products or services, transactions are frequently denominated in currencies other than an operation's functional currency. When foreign currency exposures exist, we may enter into foreign exchange forward instruments with third parties to economically hedge foreign currency exposures. Our hedging policy reduces, but does not entirely eliminate, the impact of foreign currency exchange rate movements. We do not apply hedge accounting for our foreign currency forward instruments.

We economically hedge our recognized foreign currency assets and liabilities to reduce the risk that our earnings and cash flows will be adversely affected by fluctuations in foreign currency exchange rates. We expect any gains or losses in the hedging portfolio to be substantially offset by a corresponding gain or loss in the underlying exposures being hedged. We also economically hedge firmly committed anticipated transactions in the normal course of business. As these are not offset by an underlying balance sheet position being hedged, our earnings can be significantly impacted on a periodic basis by the change in unrealized value of these hedges.

We use a sensitivity analysis to measure the impact of an immediate 10% adverse movement in the foreign currency exchange rates. This calculation assumes that each exchange rate would change in the same direction relative to the U.S. dollar and all other variables are held constant. We expect that changes in the fair value of derivative instruments will offset the changes in fair value of the underlying assets and liabilities on the balance sheet. A 10% adverse movement in the foreign currency exchange rates would reduce the value of our derivative instruments by approximately \$7.9 million (pre-tax) as of December 31, 2013. This amount would be reflected in our net income but would be significantly offset by the changes in the fair value of the underlying assets and liabilities.

Interest Rate Risk

Our debt instruments subject us to market risk associated with movements in interest rates. We had \$17.5 million in variable rate debt outstanding at December 31, 2013. A hypothetical 10% adverse movement in the interest rate would not significantly impact the annual interest expense.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

John Bean Technologies Corporation:

We have audited the accompanying consolidated balance sheets of John Bean Technologies Corporation and subsidiaries (the Company) as of December 31, 2013 and 2012, and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of John Bean Technologies Corporation and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2013, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), John Bean Technologies Corporation's internal control over financial reporting as of December 31, 2013, based on criteria established in *Internal Control – Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated March 6, 2014 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

/s/ KPMG LLP

Chicago, Illinois

March 6, 2014

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JOHN BEAN TECHNOLOGIES CORPORATION**CONSOLIDATED STATEMENTS OF INCOME**

(In millions, except per share data)	Year Ended December		
	31,		
	2013	2012	2011
Revenue:			
Product revenue	\$811.8	\$793.9	\$836.0
Service revenue	122.4	123.4	119.8
Total revenue	934.2	917.3	955.8
Operating expenses:			
Cost of products	608.7	591.8	629.0
Cost of services	92.6	94.7	92.2
Selling, general and administrative expense	164.3	156.6	152.9
Research and development expense	14.0	14.3	18.5
Restructuring expense	1.6	0.1	11.6
Other income, net	(0.2)	(1.1)	(1.6)
Operating income	53.2	60.9	53.2
Interest income	2.2	0.5	0.6
Interest expense	(7.6)	(7.4)	(7.0)
Income from continuing operations before income taxes	47.8	54.0	46.8
Provision for income taxes	13.8	16.9	16.0
Income from continuing operations	34.0	37.1	30.8
Loss from discontinued operations, net of income taxes	(0.9)	(0.9)	(0.3)
Net income	\$33.1	\$36.2	\$30.5
Basic earnings per share:			
Income from continuing operations	\$1.16	1.27	\$1.07
Loss from discontinued operations	(0.03)	(0.03)	(0.01)
Net income	\$1.13	1.24	\$1.06
Diluted earnings per share:			
Income from continuing operations	\$1.15	1.26	\$1.05
Loss from discontinued operations	(0.04)	(0.03)	(0.01)
Net income	\$1.11	1.23	\$1.04
Dividends declared per share	\$0.34	0.28	\$0.28
Weighted average shares outstanding:			
Basic	29.2	29.1	28.8
Diluted	29.7	29.5	29.3

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

**Year Ended
December 31,**

(In millions)	2013	2012	2011
Net income	\$33.1	\$36.2	\$30.5
Other comprehensive income (loss)			
Foreign currency translation adjustments	(4.5)	0.7	(7.4)
Pension and other postretirement benefits adjustments, net of tax	25.4	(5.2)	(30.1)
Derivatives designated as hedges, net of tax	-	0.2	0.1
Other comprehensive income (loss)	20.9	(4.3)	(37.4)
Comprehensive income (loss)	\$54.0	\$31.9	\$(6.9)

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

JOHN BEAN TECHNOLOGIES CORPORATION**CONSOLIDATED BALANCE SHEETS**

(In millions, except per share and number of shares)	December 31, 2013	December 31, 2012
Assets		
Current Assets:		
Cash and cash equivalents	\$ 29.4	\$ 99.0
Trade receivables, net of allowances of \$3.7 and \$3.7, respectively	186.4	188.4
Inventories	117.6	109.2
Prepaid expenses	6.5	5.8
Deferred income taxes	20.6	19.3
Assets held for sale	3.0	3.0
Other current assets	33.1	26.4
Total current assets	396.6	451.1
Investments	12.2	11.5
Property, plant and equipment, net of accumulated depreciation of \$241.9 and \$235.5, respectively	132.7	126.2
Goodwill	30.8	30.6
Intangible assets, net	21.4	23.8
Deferred income taxes	9.9	21.6
Other assets	17.6	13.2
Total Assets	\$ 621.2	\$ 678.0
Liabilities and Stockholders' Equity		
Current Liabilities:		
Short-term debt and current portion of long-term debt	\$ 6.3	\$ 2.0
Accounts payable, trade and other	88.1	88.7
Advance and progress payments	88.3	74.3
Accrued payroll	35.5	34.4
Deferred income taxes	5.1	5.7
Other current liabilities	54.3	45.7
Total current liabilities	277.6	250.8
Long-term debt, less current portion	94.1	189.1
Accrued pension and other postretirement benefits, less current portion	52.5	104.6
Deferred income taxes	10.9	2.4
Other liabilities	31.7	25.5
Commitments and contingencies (Note 14)		
Stockholders' Equity:		
Preferred stock, \$0.01 par value; 20,000,000 shares authorized; no shares issued in 2013 or 2012	-	-
Common stock, \$0.01 par value; 120,000,000 shares authorized; 2013: 28,979,080 issued and 28,979,080 outstanding;	0.3	0.3

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2012: 28,946,413 issued and 28,732,211 outstanding		
Common stock held in treasury, at cost; 2012: 214,202 shares	-	(3.4)
Additional paid-in capital	67.7	66.2
Retained earnings	146.5	123.5
Accumulated other comprehensive loss	(60.1)	(81.0)
Total Stockholders' Equity	154.4	105.6
Total Liabilities and Stockholders' Equity	\$ 621.2	\$ 678.0

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

JOHN BEAN TECHNOLOGIES CORPORATION**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In millions)	Year Ended December		
	31,		
	2013	2012	2011
Cash Flows From Operating Activities:			
Net income	\$33.1	\$36.2	\$30.5
Loss from discontinued operations, net of income taxes	0.9	0.9	0.3
Income from continuing operations	34.0	37.1	30.8
Adjustments to reconcile income from continuing operations to cash provided (required) by operating activities of continuing operations:			
Depreciation	20.6	20.3	21.3
Amortization	4.4	3.3	2.8
Stock-based compensation	6.9	7.5	5.2
Pension and other postretirement benefits (income) expense	1.3	0.4	(1.3)
Deferred income taxes	5.7	6.7	3.4
Other	(3.5)	0.8	2.7
Changes in operating assets and liabilities, net of effects of acquisitions:			
Trade receivables, net	0.8	2.3	0.2
Inventories	(9.6)	14.6	(19.8)
Accounts payable, trade and other	(1.9)	5.2	(2.0)
Advance payments and progress billings	14.1	15.8	7.4
Accrued pension and other postretirement benefits, net	(10.7)	(14.7)	(10.4)
Other assets and liabilities, net	1.0	(12.7)	(3.3)
Cash provided by continuing operating activities	63.1	86.6	37.0
Net cash required by discontinued operating activities	(1.1)	(0.6)	(0.6)
Cash provided by operating activities	62.0	86.0	36.4
Cash Flows From Investing Activities:			
Acquisitions	-	(10.0)	-
Capital expenditures	(29.2)	(24.7)	(20.8)
Proceeds from disposal of assets	1.1	2.1	0.4
Other	-	-	(1.0)
Cash required by investing activities	(28.1)	(32.6)	(21.4)
Cash Flows From Financing Activities:			
Net (decrease) increase in short-term debt	(0.3)	(0.9)	2.9
Net (payments) proceeds on credit facilities	(97.0)	52.7	(8.1)
Issuance (Repayment) of long-term debt	7.8	(0.6)	(1.6)
Excess tax benefits	0.5	0.7	1.9
Tax withholdings on stock-based compensation awards	(2.3)	(2.3)	(4.8)
Purchase of stock held in treasury	(0.2)	(3.6)	(0.3)
Dividends paid	(10.1)	(8.5)	(8.4)
Other	-	(1.4)	(0.1)
Cash (required) provided by financing activities	(101.6)	36.1	(18.5)
Effect of foreign exchange rate changes on cash and cash equivalents	(1.9)	0.5	(1.2)

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(Decrease) increase in cash and cash equivalents	(69.6)	90.0	(4.7)
Cash and cash equivalents, beginning of period	99.0	9.0	13.7
Cash and cash equivalents, end of period	\$29.4	\$99.0	\$9.0
Supplemental Cash Flow Information:			
Interest paid	\$6.7	\$6.9	\$6.8
Income taxes paid	7.7	9.2	10.8

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

JOHN BEAN TECHNOLOGIES CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(In millions)	Common			Retained Earnings	Accumulated	Total
	Stock	Held in Treasury	Additional Paid-In Capital		Other Comprehensive Income (Loss)	
December 31, 2010	\$ 0.3	\$ (0.7)	\$ 59.1	\$ 73.6	\$ (39.3)	\$ 93.0
Net income	-	-	-	30.5	-	30.5
Issuance of common stock	-	0.7	(0.7)	-	-	-
Taxes withheld on issuance of stock-based awards	-	-	(4.8)	-	-	(4.8)
Excess tax benefits on stock-based payment arrangements	-	-	1.9	-	-	1.9
Dividends on stock-based payment arrangements	-	-	-	(0.3)	-	(0.3)
Common stock cash dividends	-	-	-	(8.0)	-	(8.0)
Share repurchases	-	(0.3)	-	-	-	(0.3)
Foreign currency translation adjustments	-	-	-	-	(7.4)	(7.4)
Derivatives designated as hedges, net of income taxes of \$0.1	-	-	-	-	0.1	0.1
Pension and other postretirement liability adjustments, net of income taxes of \$19.1	-	-	-	-	(30.1)	(30.1)
Stock-based compensation expense	-	-	5.2	-	-	5.2
December 31, 2011	\$ 0.3	\$ (0.3)	\$ 60.7	\$ 95.8	\$ (76.7)	\$ 79.8
Net income	-	-	-	36.2	-	36.2
Issuance of common stock	-	0.5	(0.4)	-	-	0.1
Taxes withheld on issuance of stock-based awards	-	-	(2.3)	-	-	(2.3)
Excess tax benefits on stock-based payment arrangements	-	-	0.7	-	-	0.7
Dividends on stock-based payment arrangements	-	-	-	(0.4)	-	(0.4)
Common stock cash dividends	-	-	-	(8.1)	-	(8.1)
Share repurchases	-	(3.6)	-	-	-	(3.6)
Foreign currency translation adjustments	-	-	-	-	0.7	0.7
Derivatives designated as hedges, net of income taxes of \$0.0	-	-	-	-	0.2	0.2
Pension and other postretirement liability adjustments, net of income taxes of \$3.0	-	-	-	-	(5.2)	(5.2)
Stock-based compensation expense	-	-	7.5	-	-	7.5
December 31, 2012	\$ 0.3	\$ (3.4)	\$ 66.2	\$ 123.5	\$ (81.0)	\$ 105.6
Net income	-	-	-	33.1	-	33.1
Issuance of common stock	-	3.6	(3.6)	-	-	-
Taxes withheld on issuance of stock-based awards	-	-	(2.3)	-	-	(2.3)

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Excess tax benefits on stock-based payment arrangements	-	-	0.5	-	-	0.5
Dividends on stock-based payment arrangements	-	-	-	(0.3)	-	(0.3)
Common stock cash dividends	-	-	-	(9.8)	-	(9.8)
Share repurchases	-	(0.2)	-	-	-	(0.2)
Foreign currency translation adjustments	-	-	-	-	(4.5)	(4.5)
Pension and other postretirement liability adjustments, net of income taxes of \$15.5	-	-	-	-	25.4	25.4
Stock-based compensation expense	-	-	6.9	-	-	6.9
December 31, 2013	\$ 0.3	\$ -	\$ 67.7	\$ 146.5	\$ (60.1)	\$ 154.4

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

JOHN BEAN TECHNOLOGIES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The consolidated financial statements include the accounts of John Bean Technologies Corporation and all wholly-owned subsidiaries. All intercompany investments, accounts, and transactions have been eliminated.

Use of estimates

Preparation of financial statements that follow accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Actual amounts could differ from these estimates.

Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with original maturities of three months or less.

Inventories

Inventories are stated at the lower of cost or net realizable value, which includes an estimate for excess and obsolete inventories. Inventory costs include those costs directly attributable to products, including all manufacturing overhead but excluding costs to distribute. Cost is determined on the last-in, first-out (“LIFO”) basis for all domestic inventories, except certain inventories relating to construction-type contracts, which are stated at the actual production cost incurred to date, reduced by the portion of these costs identified with revenue recognized. The first-in, first-out (“FIFO”) method is used to determine the cost for all other inventories.

Property, plant, and equipment

Property, plant, and equipment are recorded at cost. Depreciation for financial reporting purposes is provided principally on the straight-line basis over the estimated useful lives of the assets (land improvements—20 to 35 years, buildings—20 to 50 years; and machinery and equipment—3 to 20 years). Gains and losses are reflected in other income,

net on the consolidated statements of income upon the sale or retirement of assets. Expenditures that extend the useful lives of property, plant, and equipment are capitalized and depreciated over the estimated new remaining life of the asset.

Capitalized software costs

Other assets include the capitalized cost of internal use software (including Internet web sites). The assets are stated at cost less accumulated amortization and totaled \$5.2 million and \$5.9 million at December 31, 2013 and 2012, respectively. These software costs include significant purchases of software and internal and external costs incurred during the application development stage of software projects. These costs are amortized on a straight-line basis over the estimated useful lives of the assets. For internal use software, the useful lives range from three to ten years. For Internet web site costs, the estimated useful lives do not exceed three years.

Goodwill

We test goodwill for impairment annually during the fourth quarter and whenever events occur or changes in circumstances indicate that impairment may have occurred. Impairment testing is performed for each of our reporting units by first assessing qualitative factors to see if further testing of goodwill is required. If we conclude that it is more likely than not that a reporting unit's fair value is less than its carrying amount, then a quantitative test is required. We may also choose to bypass the qualitative assessment and perform the quantitative test. In performing the quantitative test, we determine the fair value of a reporting unit using the "income approach" valuation method. We use a discounted cash flow model in which cash flows anticipated over several periods, plus a terminal value at the end of that time horizon, are discounted to their present value using an appropriate cost of capital rate. Judgment is required in developing the assumptions for the discounted cash flow model. These assumptions include revenue growth rates, profit margin percentages, discount rates, perpetuity growth rates, future capital expenditures, and working capital requirements, among others. If the estimated fair value of a reporting unit exceeds its carrying value, goodwill is considered to not be impaired. If the carrying value exceeds estimated fair value, there is an indication of potential impairment, and we calculate an implied fair value of goodwill. The implied fair value is calculated as the difference between the fair value of the reporting unit and the fair value of the individual assets and liabilities of the reporting unit, excluding goodwill. An impairment charge is recorded for any excess of the carrying value over the implied fair value.

Based on our 2013 annual assessment, we determined that none of our goodwill was impaired.

Intangible assets

Our acquired intangible assets are being amortized on a straight-line basis over their estimated useful lives, which generally range from 7 to 15 years. None of our acquired intangible assets have indefinite lives.

Impairment of long-lived assets

Our long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the long-lived asset may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If it is determined that an impairment loss has occurred, the loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

Revenue recognition

We recognize product revenue when we have an agreement with the customer, the product has been delivered to the customer, the sales price is fixed or determinable and collectability is assured.

Each customer arrangement is evaluated to determine the presence of multiple deliverables. For multiple-element revenue arrangements, such as the sale of equipment with a service agreement, we generally allocate the contract value to the various elements based on relative selling price for each element and recognize revenue consistent with the nature of each deliverable.

Our standard agreements generally do not include customer acceptance provisions. However, if there is a customer acceptance provision, the associated revenue is deferred until we have satisfied the acceptance provision.

Certain of our product sales are generated from construction-type contracts and revenue is recognized under the percentage of completion method. Under this method, revenue is recognized as work progresses on each contract. However, revenue recognition does not begin until a substantial portion of the labor hours are incurred to ensure that revenue is not accelerated for materials procurement. We primarily measure progress toward completion by the units of completion method. Any expected losses are charged to earnings, in total, in the period the losses are identified.

Progress billings generally are issued upon the completion of certain phases of the work as stipulated in the contract. Revenue in excess of progress billings on contracts amounted to \$56.8 million and \$57.9 million at December 31,

2013 and 2012, respectively. These unbilled receivables are reported in trade receivables on the consolidated balance sheets. Progress billings and cash collections in excess of revenue recognized on a contract are classified as advance and progress payments on the consolidated balance sheets. All unbilled trade payables are accrued in other current liabilities when revenue is recognized. Unbilled trade payables were \$2.7 million and \$2.0 million at December 31, 2013 and 2012, respectively.

Service revenue is recognized either when performance is complete or proportionately over the period of the underlying contract, depending on the terms of the arrangement.

Some of our operating lease revenue is earned from full-service leases for which we are paid annual fixed rates plus, in some cases, and additional amount based on production volumes. Revenue from production volumes is recognized when determinable and collectible.

We provide an allowance for doubtful accounts on trade receivables equal to the estimated uncollectible amounts. This estimate is based on historical collection experience and a specific review of each customer's trade receivable balance.

Income taxes

Income taxes are provided on income reported for financial statement purposes, adjusted for permanent differences between financial statement reporting and income tax regulations. Deferred tax assets and liabilities are measured using enacted tax rates, and reflect the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. A valuation allowance is established whenever management believes that it is more likely than not that deferred tax assets may not be realizable.

A liability for uncertain tax positions is recorded whenever management believes it is not more likely than not that the position will be sustained on examination based solely on its technical merits. Interest and penalties related to underpayment of income taxes are classified as income tax expense.

Income taxes are not provided on undistributed earnings of foreign subsidiaries or affiliates when it is management's intention that such earnings will remain invested in those companies. Taxes are provided on such earnings in the year in which the decision is made to repatriate the earnings.

Stock-based employee compensation

We measure compensation cost on restricted stock awards based on the market price of our common stock at the grant date and the number of shares awarded. The compensation cost for each award is recognized ratably over the lesser of the stated vesting period or the period until the employee becomes retirement eligible, after taking into account estimated forfeitures.

Foreign currency

Financial statements of operations for which the U.S. dollar is not the functional currency are translated to the U.S. dollar prior to consolidation. Assets and liabilities are translated at the exchange rate in effect at the balance sheet date, while income statement accounts are translated at the average exchange rate for each period. For these operations, translation gains and losses are recorded as a component of accumulated other comprehensive loss in stockholders' equity until the foreign entity is sold or liquidated.

Derivative financial instruments

Derivatives are recognized in the consolidated balance sheets at fair value, with classification as current or non-current based upon the maturity of the derivative instrument. We do not offset fair value amounts for derivative instruments held with the same counterparty. Changes in the fair value of derivative instruments are recorded in current earnings or deferred in accumulated other comprehensive income (loss), depending on the type of hedging transaction and whether a derivative is designated as, and is effective as, a hedge.

We elected to discontinue the use of hedge accounting for all foreign currency derivative positions entered into since July of 2008. Accordingly, the changes in fair value of these contracts are recognized in earnings as they occur and, to the extent derivatives economically hedge existing assets or liabilities as opposed to anticipated transactions, offset gains or losses on the remeasurement of the related asset or liability. In the consolidated statements of income, earnings from foreign currency derivatives related to sales and remeasurement of sales-related assets, liabilities and contracts are recorded in revenue, while earnings from foreign currency derivatives related to purchases and remeasurement of purchase-related assets, liabilities and contracts are recorded in cost of sales. These gains and losses are excluded from our measure of segment operating profit and are reflected in other expense, net in the reconciliation of segment operating profit to income before income taxes.

When hedge accounting is applied, we ensure that the derivative is highly effective at offsetting changes in anticipated cash flows of the hedged item or transaction. Changes in fair value of derivatives that are designated as cash flow hedges are deferred in accumulated other comprehensive income (loss) until the underlying transactions are recognized in earnings. At such time, related deferred hedging gains or losses are also recorded in earnings on the same line as the hedged item. Effectiveness is assessed at the inception of the hedge and on a quarterly basis.

Effectiveness of forward contract cash flow hedges is assessed based solely on changes in fair value attributable to the change in the spot rate. The change in the fair value of the contract related to the change in forward rates is excluded from the assessment of hedge effectiveness. Changes in this excluded component of the derivative instrument, along with any ineffectiveness identified, are recorded in earnings as incurred. We document our risk management strategy and method for assessing hedge effectiveness at the inception of and throughout the term of each hedge.

Cash flows from derivative contracts are reported in the consolidated statements of cash flows in the same categories as the cash flows from the underlying transactions.

Recently issued and adopted accounting pronouncements

In February 2013, the Financial Accounting Standards Board (FASB) issued guidance that requires an entity to disclose information showing the effect of items reclassified from accumulated other comprehensive income on the line items of net income. The provisions of this new guidance were effective prospectively as of the beginning of our 2013 fiscal year. Accordingly, we adopted this standard in the first quarter of 2013.

In December 2011, the FASB issued new disclosure requirements that are intended to enhance current disclosures on offsetting financial assets and liabilities. The new disclosures require an entity to disclose both gross and net information about derivative instruments accounted for in accordance with the guidance on derivatives and hedging that are eligible for offset on the balance sheet, and instruments and transactions subject to an agreement similar to a master netting arrangement. We adopted this standard in the first quarter of 2013.

NOTE 2. INVENTORIES

Inventories as of December 31 consisted of the following:

(In millions)	2013	2012
Raw materials	\$59.9	\$59.9
Work in process	41.7	30.6
Finished goods	80.5	82.0
Gross inventories before LIFO reserves and valuation adjustments	182.1	172.5
LIFO reserves and valuation adjustments	(64.5)	(63.3)
Net inventories	\$117.6	\$109.2

Inventories accounted for under the LIFO method totaled \$106.0 million and \$105.0 million at December 31, 2013 and 2012, respectively. The current replacement costs of LIFO inventories exceeded their recorded values by \$49.2 million at December 31, 2013 and \$48.7 million at December 31, 2012.

NOTE 3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment as of December 31 consisted of the following:

(In millions)	2013	2012
Land and land improvements	\$9.0	\$8.9
Buildings	62.7	60.3
Machinery and equipment	289.0	284.2
Construction in process	13.9	8.3
	374.6	361.7
Accumulated depreciation	(241.9)	(235.5)
Property, plant and equipment, net	\$132.7	\$126.2

NOTE 4. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill by business segment were as follows:

(In millions)	JBT		Total
	FoodTech	AeroTech	
Balance as of January 1, 2012	\$ 20.4	\$ 7.8	\$28.2
Acquisition	2.0	-	2.0
Currency translation	0.4	-	0.4
Balance as of December 31, 2012	22.8	7.8	30.6
Currency translation	0.1	0.1	0.2
Balance as of December 31, 2013	\$ 22.9	\$ 7.9	\$30.8

The components of intangible assets as of December 31 were as follows:

(In millions)	2013		2012	
	Gross carrying amount	Accumulated amortization	Gross carrying amount	Accumulated amortization
Customer lists	\$20.8	\$ 11.2	\$20.7	\$ 10.1
Patents and acquired technology	26.6	25.3	26.5	24.8
Trademarks	16.1	7.6	15.9	7.2
Other	4.4	2.4	4.4	1.6
Total intangible assets	\$67.9	\$ 46.5	\$67.5	\$ 43.7

Intangible asset amortization expense was \$2.3 million, \$2.1 million and \$1.5 million for 2013, 2012 and 2011, respectively. Annual amortization expense is expected to be \$2.3 million in 2014, \$2.2 million in 2015 and 2016, \$1.8 million in 2017 and \$1.5 million in 2018.

NOTE 5. DEBT

Our short-term borrowings consist of short-term credit facilities entered into by our wholly-owned subsidiaries in China and India. The China short-term credit facilities allow us to borrow up to a total of \$9 million; as of December 31, 2013 and 2012, we had \$0.5 million and \$1.4 million, respectively, of outstanding borrowings. The Indian credit facility allows us to borrow up to a total of approximately \$0.8 million; we had \$0.5 million and \$0.4 million of outstanding borrowings as of December 31, 2013 and 2012, respectively.

Five-year Revolving Credit Facility and Other Long-term Borrowings

We entered into a \$300 million 5-year credit facility agreement in November 2012. This credit facility permits borrowings in the U.S., Sweden and the Netherlands. Borrowings bear interest, at our option, at LIBOR or an alternative base rate, which is the greater of JPMorgan Chase, N.A.'s Prime Rate, the Federal Funds Rate plus 50 basis points, and LIBOR plus 1%, plus a margin dependent on our leverage ratio.

We are required to make periodic interest payments on the borrowed amounts and to pay an annual facility fee ranging from 15.0 to 27.5 basis points, depending on our leverage ratio. Our unused commitment totaled approximately \$278 million at December 31, 2013. Outstanding letters of credit issued against the credit facility at December 31, 2013 were \$6.0 million.

We have \$75 million of 6.66% senior unsecured notes. The senior unsecured notes are due on July 31, 2015 and require us to make semiannual interest payments.

Our Brazilian subsidiary entered into two loans during 2013. The first loan was a \$4.0 million loan with an annual interest cost of 5.5% that has a first installment payment of \$2.0 million due on February 21, 2014, and a second installment payment due at maturity on August 20, 2014. The second loan was a Brazilian real denominated loan in the amount of Br7.9 million (approximately \$3.4 million) and bears an annual interest rate of 5.5%. The first payment on this loan is due on May 14, 2014, with equal monthly payments required for 24 months thereafter.

Our credit facility and notes include restrictive covenants that, if not met, could lead to renegotiation of our credit lines, a requirement to repay our borrowings, and/or a significant increase in our cost of financing. Restrictive covenants include a minimum interest coverage ratio, a maximum leverage ratio, and limitations on payments made to

shareholders.

Our debt as of December 31 consisted of the following:

(In millions)	Weighted-Average Interest Rate at December 31, 2013	Maturity Date	2013	2012
Short-term borrowings				
Foreign credit facilities	7.5	%	\$ 1.0	\$ 1.8
Total short-term borrowings			\$ 1.0	\$ 1.8
Long-term debt				
Senior unsecured notes	6.7	% July 31, 2015	\$ 75.0	\$ 75.0
Revolving credit facility	2.1	% November 30, 2017	16.5	113.5
Brazilian US Dollar loan	5.5	% August 20, 2014	4.0	-
Brazilian Real Loan	5.5	% April 15, 2016	3.4	-
Other	Various	Various	0.5	0.8
Total long-term debt			99.4	189.3
Less: current portion			(5.3) (0.2
Long-term debt, less current portion			\$ 94.1	\$ 189.1

NOTE 6. INCOME TAXES

Domestic and foreign components of income before income taxes for the years ended on December 31 are shown below:

(In millions)	2013	2012	2011
Domestic	\$18.9	\$23.0	\$28.4
Foreign	28.9	31.0	18.4
Income before income taxes	\$47.8	\$54.0	\$46.8

The provision for income taxes for the years ended on December 31 consisted of:

(In millions)	2013	2012	2011
Current:			
Federal	\$0.6	\$2.1	\$4.9
State	0.5	0.5	1.0
Foreign	7.0	7.6	6.7
Total current	8.1	10.2	12.6
Deferred:			
Federal	3.0	6.0	4.0
State	0.7	1.0	0.9
Foreign	2.7	2.2	1.7
Decrease in the valuation allowance for deferred tax assets	(0.3)	(0.3)	(1.2)
Decrease in deferred tax liabilities due to foreign tax rate change	-	(1.3)	-
Benefits of operating loss carryforward	(0.4)	(0.9)	(2.0)
Total deferred	5.7	6.7	3.4
Provision for income taxes	\$13.8	\$16.9	\$16.0

Significant components of our deferred tax assets and liabilities at December 31 were as follows:

(In millions)	2013	2012
Deferred tax assets attributable to:		
Accrued pension and other postretirement benefits	\$17.3	\$35.9
Accrued expenses and accounts receivable allowances	13.6	9.2
Net operating loss carryforwards	6.9	6.5
Inventories	7.9	7.6
Stock-based compensation	6.1	5.1
Research and development credit carryforwards	0.8	-
Foreign tax credit carryforward	0.2	1.5
Total Deferred tax assets	52.8	65.8
Valuation allowance	(0.3)	(0.5)
Deferred tax assets, net of valuation allowance	52.5	65.3
Deferred tax liabilities attributable to:		

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Liquidation of subsidiary for income tax purposes	13.3	13.3
Property, plant and equipment	9.0	8.7
Goodwill and amortization	9.3	9.2
Other	6.4	1.3
Deferred tax liabilities	38.0	32.5
Net deferred tax assets	\$14.5	\$32.8

Included in our deferred tax assets are tax benefits related to net operating loss carry forwards attributable to our foreign operations. At December 31, 2013, we had \$15.3 million of net operating losses that are available to offset future taxable income in several foreign jurisdictions indefinitely, and \$7.5 million of net operating losses that are available to offset future taxable income through 2029. During 2014, we expect to use \$3.0 million of net operating losses relating to prior years in the filing of our 2013 corporate income tax returns.

Also included in our deferred tax assets at December 31, 2013 are \$0.2 million of foreign tax credit carry forwards related to our foreign operations, which will expire by 2020 if unused, and \$0.8 million of research and development credit carry forwards, which will expire by 2033 if unused. We anticipate fully utilizing the net operating loss carry forwards, the foreign tax credits, and the research and development credit carry forward before any expiration.

Included in our deferred tax assets at December 31, 2013 are tax benefits related to accounts receivable allowances. A portion of the accounts receivable allowances are due to uncollectible accounts receivable of a foreign operation for which it is more likely than not that we will not be able to realize a tax benefit. Therefore, we continue to carry a valuation allowance against the related deferred tax assets.

The effective income tax rate was different from the statutory U.S. federal income tax rate due to the following:

(In millions)	2013	2012	2011
Statutory U.S. federal tax rate	35%	35%	35%
Net difference resulting from:			
Research and development tax credit	(4)	-	(1)
Foreign earnings subject to different tax rates	(2)	(4)	(2)
Effect of Swedish tax rate decrease	-	(2)	-
Tax on foreign intercompany dividends and deemed dividends for tax purposes	-	3	-
Nondeductible expenses	1	1	1
State income taxes	2	2	3
Foreign tax credits	(2)	(3)	(4)
Foreign withholding taxes	1	1	2
Change in valuation allowance	(1)	-	(3)
Other	(1)	(2)	3
Total difference	(6)	(4)	(1)
Effective income tax rate	29%	31%	34%

Due to changes in tax law, the research and development tax credit reflects \$1.1 million of additional tax benefits relating to years prior to 2013.

U.S. income taxes have not been provided on \$75.6 million of undistributed earnings of foreign subsidiaries at December 31, 2013 as these amounts are considered permanently invested. A liability could arise if our intention to permanently invest such earnings were to change and amounts are distributed by such subsidiaries or if such subsidiaries are ultimately disposed. It is not practicable to estimate the additional income taxes related to the hypothetical distribution of permanently invested earnings.

We are a party to a Tax Sharing Agreement with FMC Technologies whereby we have agreed to indemnify FMC Technologies for any additional tax liability resulting from JBT Corporation businesses. As of December 31, 2013, we are not aware of any such additional tax liability.

The following tax years remain subject to examination in the following significant jurisdictions:

Belgium	2010–2013
Brazil	2008–2013
Italy	2009–2013
Sweden	2008–2013
United States	2011–2013

NOTE 7. PENSION AND POSTRETIREMENT AND OTHER BENEFIT PLANS

We sponsor qualified and nonqualified defined benefit pension plans that together cover many of our U.S. employees. The plans provide defined benefits based on years of service and final average salary. We also provide postretirement medical and life insurance benefits to some of our U.S. employees. The postretirement medical plan is contributory while the postretirement life insurance plan is noncontributory. Foreign-based employees are eligible to participate in either JBT Corporation-sponsored or government sponsored benefit plans to which we contribute. We also sponsor separate defined contribution plans that cover substantially all of our U.S. employees and some international employees.

Beginning in 2010, the domestic defined benefit plans were frozen discontinuing new entrants and future benefit accruals for non-union participants.

The funded status of our pension and postretirement benefit plans, together with the associated balances recognized in our consolidated financial statements as of December 31, 2013 and 2012, were as follows:

(In millions)	Pensions		Other postretirement benefits	
	2013	2012	2013	2012
Projected benefit obligation at January 1	\$331.5	\$309.5	\$ 7.8	\$ 7.8
Service cost	1.9	1.5	0.1	0.1
Interest cost	13.7	13.8	0.3	0.4
Actuarial (gain) loss	(31.9)	17.1	(0.9)	(0.1)
Transition	1.9	-	-	-
Curtailments	-	(0.3)	-	-
Plan participants' contributions	0.2	0.2	-	-
Benefits paid	(12.0)	(11.6)	(0.4)	(0.4)
Currency translation adjustments	1.0	1.3	-	-
Projected benefit obligation at December 31	\$306.3	\$331.5	\$ 6.9	\$ 7.8
Fair value of plan assets at January 1	\$231.9	\$205.1	\$ -	\$ -
Company contributions	10.0	14.2	0.4	0.4
Actual return on plan assets	21.9	24.0	-	-
Plan participants' contributions	0.2	0.2	-	-
Transition	3.0	-	-	-
Benefits paid	(12.0)	(11.6)	(0.4)	(0.4)
Currency translation adjustments	0.4	-	-	-
Fair value of plan assets at December 31	\$255.4	\$231.9	\$ -	\$ -
Funded status of the plans (liability) at December 31	\$(50.9)	\$(99.6)	\$(6.9)	\$(7.8)
Amounts recognized in the Consolidated Balance Sheets at December 31				
Other current liabilities	\$(4.9)	\$(2.3)	\$(0.4)	\$(0.5)
Accrued pension and other postretirement benefits, less current portion	(46.0)	(97.3)	(6.5)	(7.3)
Net amount recognized	\$(50.9)	\$(99.6)	\$(6.9)	\$(7.8)

Amounts recognized in accumulated other comprehensive loss at December 31 were as follows:

(In millions)	Pensions		Other postretirement benefits	
	2013	2012	2013	2012
Unrecognized actuarial loss (gain)	\$98.4	\$138.4	\$(1.0)	\$(0.1)
Unrecognized prior service cost (credit)	0.3	0.6	-	(0.3)
Total recognized in accumulated other comprehensive loss (gain)	\$98.7	\$139.0	\$(1.0)	\$(0.4)

The accumulated benefit obligation for all pension plans was \$299.8 million and \$325.6 million at December 31, 2013 and 2012. Key information for our plans with accumulated benefit obligation in excess of plan assets as of December 31 was as follows:

(In millions)	2013	2012
Aggregate projected benefit obligation	\$306.3	\$331.5
Aggregate accumulated benefit obligation	299.8	325.6
Aggregate fair value of plan assets	252.4	231.9

Pension and other postretirement benefit costs (income) for the years ended December 31 were as follows:

(In millions)	Pensions			Other postretirement benefits		
	2013	2012	2011	2013	2012	2011
Service cost	\$1.9	\$1.5	\$1.5	\$0.1	\$0.1	\$0.1
Interest cost	13.7	13.8	14.4	0.3	0.3	0.4
Expected return on plan assets	(18.2)	(17.7)	(18.5)	-	-	-
Curtailment gain	-	(0.1)	(0.1)	-	-	-
Amortization of prior service (credit) cost	0.2	0.2	0.2	(0.3)	(0.8)	(0.9)
Amortization of net actuarial loss	4.2	3.1	1.6	-	-	-
Total costs (income)	\$1.8	\$0.8	\$(0.9)	\$0.1	\$(0.4)	\$(0.4)

Pre-tax changes in projected benefit obligations and plan assets recognized in other comprehensive income during 2013 were as follows:

Changes recognized in OCI

(In millions)	Pensions	Other postretirement benefits
Actuarial gain due to discount rate change	\$ (31.9)	\$ (0.9)
Actuarial gain due to different rate of return on assets	(4.0)	-
Amortization of net actuarial loss	(4.2)	-
Amortization of prior service credit (cost)	(0.2)	0.3
Total income recognized in other comprehensive income	(40.3)	(0.6)
Total recognized in net periodic benefit cost and other comprehensive income	\$ (38.5)	\$ (0.5)

The Company uses a corridor approach to recognize actuarial gains and losses that result from changes in the actuarial assumptions. The corridor approach defers all actuarial gains and losses resulting from changes in assumptions in other accumulated comprehensive income(loss), such as those related to changes in the discount rate and differences between actual and assumed returns on plan assets. These unrecognized gains and losses are amortized when the net gains and losses exceed 10% of the higher of the market-related value of the assets or the projected benefit obligation for each respective plan. The amortization is on a straight-line basis over the life expectancy of the plan's participants for the frozen plans and the expected remaining service periods for the other plans. We expect to amortize \$2.7 million of net actuarial loss and \$0.1 million of prior service cost from accumulated other comprehensive income (loss) into net periodic benefit cost in 2014.

The following weighted-average assumptions were used to determine the benefit obligations:

Weighted-average assumption to determine benefit obligation

	Pensions			Other postretirement benefits		
	2013	2012	2011	2013	2012	2011
Discount rate	4.92%	4.19%	4.55%	5.10%	4.30%	4.60%
Rate of compensation increase	3.45%	3.45%	3.42%	-	-	-

The following weighted-average assumptions were used to determine net periodic benefit cost:

	Pensions			Other postretirement benefits		
	2013	2012	2011	2013	2012	2011
Discount rate	4.17%	4.55%	5.32%	4.30%	4.60%	5.45%
Rate of compensation increase	3.45%	3.45%	3.42%	-	-	-
Expected rate of return on plan assets	7.81%	7.82%	8.35%	-	-	-

The estimate of expected rate of return on plan assets is based primarily on the historical performance of plan assets, current market conditions and long-term growth expectations.

Assumed health care cost trend rates for future periods will not have an effect on the amounts reported for the postretirement health care plan as our benefit obligation under the plan was fully capped at the 2002 benefit level.

Plan assets

Our pension investment strategy balances the requirements to generate returns using higher-returning assets, such as equity securities, with the need to control risk in the pension plan with less volatile assets, such as fixed-income securities. Risks include, among others, the likelihood of the pension plans being underfunded, thereby increasing their dependence on Company contributions. The assets are managed by professional investment firms and performance is evaluated against specific benchmarks. Our target asset allocations and actual allocation as of December 31, 2013 and 2012 were as follows:

	Target			2013	2012
Equity	30%	-	70%	47%	49%
Fixed income	20%	-	40%	25%	29%
Real estate and other	10%	-	30%	26%	21%
Cash	0%	-	10%	2%	1%
			100%	100%	100%

Our actual pension plans' asset holdings by category and level within the fair value hierarchy are presented in the following table:

(In millions)	As of December 31, 2013				As of December 31, 2012			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$4.3	\$4.3	\$-	\$-	\$2.6	\$2.6	\$-	\$-
Equity securities								
Large cap (1)	40.2	-	40.2	-	46.4	-	46.4	-
Small cap (2)	81.2	81.2	-	-	67.7	67.7	-	-
Fixed income securities								
Government securities (3)	17.5	-	17.5	-	44.5	-	44.5	-
Corporate bonds (4)	45.1	14.8	30.3	-	22.2	3.3	18.9	-
Real estate and other investments (5)	67.1	27.9	39.2	-	48.5	15.3	33.2	-
Total assets at fair value	\$255.4	\$128.2	\$127.2	\$-	\$231.9	\$88.9	\$143.0	\$-

(1) Includes funds that invest primarily in large cap equity securities.

(2) Includes small cap equity securities and funds that invest primarily in small cap equity securities.

(3) Includes U.S. government securities and funds that invest primarily in U.S. government bonds, including treasury inflation protected securities.

(4) Includes investment grade bonds, high yield bonds and mortgage-backed fixed income securities and funds that invest in such securities.

(5) Includes funds that invest primarily in REITs, funds that invest in commodities and investments in insurance contracts held by one of our foreign pension plans.

The fair value of assets classified as Level 1 is based on unadjusted quoted prices in active markets for identical assets. The fair value of assets classified as Level 2 is based on quoted prices for similar assets or based on valuations

made using inputs that are either directly or indirectly observable as of the reporting date. Such inputs include net asset values reported at a minimum on a monthly basis by investment funds or contract values provided by the issuing insurance company. We are able to sell any of our investment funds with notice of no more than 30 days. For more information on the fair value hierarchy, see Note 13.

Contributions

We expect to contribute approximately \$13.0 million to our pension and other postretirement benefit plans in 2014. The pension contributions will be primarily for the U.S. qualified pension plan. All of the contributions are expected to be in the form of cash.

Estimated future benefit payments

The following table summarizes expected benefit payments from our various pension and postretirement benefit plans through 2023. Actual benefit payments may differ from expected benefit payments.

(In millions)	Pensions	Other postretirement benefits
2014	\$ 15.9	\$ 0.4
2015	19.0	0.5
2016	14.2	0.5
2017	14.7	0.5
2018	15.8	0.6
2019-2023	88.4	2.8

Savings Plans

Our U.S. and some international employees participate in defined contribution savings plans that we sponsor. These plans generally provide company matching contributions on participants' voluntary contributions and/or company non-elective contributions. Additionally, certain highly compensated employees participate in a non-qualified deferred compensation plan, which also allows for company matching contributions and company non-elective contributions on compensation in excess of the Internal Revenue Code Section 401(a) (17) limit. The expense for matching contributions was \$9.4 million, \$8.9 million and \$9.0 million in 2013, 2012 and 2011, respectively.

Note 8. accumulated other comprehensive income (loss)

Accumulated other comprehensive income or loss ("AOCI") represents the cumulative balance of other comprehensive income, net of tax, as of the balance sheet date. For JBT, AOCI is primarily composed of adjustments related to pension and other postretirement benefits plans and foreign currency translation adjustments. Changes in the AOCI balances quarterly for December 31, 2013 by component are shown in the following table:

(In millions)	Pension and Other Postretirement Benefits	Foreign Currency Translation	Total
Beginning balance, December 31, 2012	\$ (85.4) \$ 4.4	\$(81.0)
Other comprehensive gain (loss) before reclassification	23.2	(4.5) 18.7
Amounts reclassified from accumulated other comprehensive income	2.2	-	2.2
Ending balance, December 31, 2013	\$ (60.0) \$ (0.1) \$(60.1)

Reclassification adjustments from AOCI into earnings for pension and other postretirement benefits plans for the year ended December 31, 2013 was \$3.6 million in selling, general and administrative expenses net of \$1.4 million in provision for income taxes.

NOTE 9. STOCK-BASED COMPENSATION

We recorded stock-based compensation expense and related income tax effects for the years ended December 31 as follows:

(In millions)	2013	2012	2011
Stock-based compensation expense	\$ 6.9	\$ 7.5	\$ 5.2
Tax benefit recorded in consolidated statements of income	\$ 2.6	\$ 2.7	\$ 1.9

As of December 31, 2013, there was \$6.8 million of unrecognized stock-based compensation expense for outstanding awards expected to be recognized over a weighted average period of 1.8 years.

Incentive Compensation Plan

We sponsor a stock-based compensation plan (the “Incentive Compensation Plan”) that provides certain incentives and awards to our officers, employees, directors and consultants. The Incentive Compensation Plan allows our Board of Directors (the “Board”) to make various types of awards to non-employee directors and the Compensation Committee (the “Committee”) of the Board to make various types of awards to other eligible individuals. Awards that may be issued include common stock, stock options, stock appreciation rights, restricted stock and stock units.

Grants of common stock options may be incentive and/or nonqualified stock options. Under the Incentive Compensation Plan, the exercise price for options cannot be less than the market value of our common stock at the date of grant. Options vest in accordance with the terms of the award as determined by the Committee, which is generally after three years of service, and expire not later than 10 years after the grant date. Restricted stock grants specify any applicable performance goals, the time and rate of vesting and such other provisions as determined by the Committee. Restricted stock grants generally vest after three years of service. Additionally, most awards vest immediately upon a change of control as defined in the Incentive Compensation Plan. A total of 3.7 million shares of our common stock are authorized to be issued under the Incentive Compensation Plan.

Restricted Stock Units

A summary of the non-vested restricted stock units as of December 31, 2013 and changes during the year is presented below:

	Shares	Weighted-Average Grant-Date Fair Value
Nonvested at December 31, 2012	1,229,972	\$ 17.14
Granted	387,421	\$ 20.88
Vested	(358,982)	\$ 16.43
Forfeited	(29,017)	\$ 18.10
Nonvested at December 31, 2013	1,229,394	\$ 18.50

We granted time-based and performance-based restricted stock units that vest after three years. The fair value of these awards is determined using the market value of our common stock on the grant date. Compensation cost is recognized over the lesser of the stated vesting period or the period until the employee reaches age 62, the retirement eligible age under the plan.

For current year performance-based awards, the number of shares to be issued was dependent upon our performance relative to prior year with respect to growth in earnings and net contribution (which is an economic value added measure calculated by determining the amount by which our net income from continuing operations, after adding back interest expense, exceeds our cost of capital) for the year ended December 31, 2013. Based on results for the performance period, we expect to issue a total of 48,602 shares at the vesting date in January 2016. Compensation cost has been measured for 2013 based on actual performance against the established target.

The following summarizes values for restricted stock activity in each of the years in the three year period ended December 31:

	2013	2012	2011
Weighted-average grant-date fair value of restricted stock units granted	\$20.88	\$17.53	\$18.72
Fair value of restricted stock vested (in millions)	\$6.7	\$6.8	\$14.2

Stock Options

There were no options granted, forfeited or expired during the year ended December 31, 2013. The following shows the stock option activity for the year ended December 31, 2013:

Weighted-

(Intrinsic value in millions)	Shares Under Option	Weighted- Average Exercise Price	Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding and exercisable at December 31, 2012	23,651	\$ 2.96	1.1	\$ 0.3
Exercised	(23,651)			
Outstanding and exercisable at December 31, 2013	-			

The aggregate intrinsic value reflects the value to the option holders, or the difference between the market price as of year-end and the exercise price of the option, which would have been received by the option holders had all options been exercised as of that date. While the intrinsic value is representative of the value to be gained by the option holders, this value is not indicative of our compensation expense. Compensation expense on stock options is calculated on the date of grant based on the fair value of the options as determined by a Black-Scholes option pricing model and the number of options granted, reduced by estimated forfeitures. The intrinsic value of options exercised in 2013, 2012 and 2011, was \$0.6 million, \$0.4 million and \$0.2 million, respectively.

NOTE 10. STOCKHOLDERS' EQUITY

The following is a summary of our capital stock activity for the year ended on December 31, 2013:

	Common stock issued	Common stock held in treasury
December 31, 2012	28,946,413	214,202
Stock awards	9,016	(224,402)
Options exercised	23,651	-
Treasury stock purchases	-	10,200
December 31, 2013	28,979,080	-

On October 27, 2011, the Board authorized a share repurchase program for up to \$30 million of our common stock through December 31, 2014. Shares may be purchased from time to time in open market transactions, subject to market conditions. Repurchased shares become treasury shares, which are accounted for using the cost method and are used for future awards under the Incentive Compensation Plan.

On July 31, 2008, our Board declared a dividend distribution to each record holder of common stock of one Preferred Share Purchase Right for each share of common stock outstanding on that date. Each right entitles the holder to purchase, under certain circumstances related to a change in control of the Company, one one-hundredth of a share of Series A Junior Participating Preferred Stock, par value \$0.01, at a price of \$72 per share (subject to adjustment), subject to the terms and conditions of a Rights Agreement dated July 31, 2008. The rights expire on July 31, 2018, unless redeemed by us at an earlier date. The redemption price of \$0.01 per right is subject to adjustment to reflect stock splits, stock dividends or similar transactions. We have reserved 1,500,000 shares of Series A Junior Participating Preferred Stock for possible issuance under the agreement.

Accumulated other comprehensive loss as of December 31 consisted of the following:

(In millions)	2013	2012
Cumulative foreign currency translation adjustments	\$(0.1)	\$4.4
Cumulative deferral of pension net losses, net of tax of \$37.7 in 2013 and \$53.3 in 2012	(60.0)	(85.4)
Accumulated other comprehensive loss	\$(60.1)	\$(81.0)

NOTE 11. EARNINGS PER SHARE

Basic earnings per share (“EPS”) is computed by dividing net income by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the assumed conversion of all dilutive securities.

The following table sets forth the computation of basic and diluted EPS utilizing income from continuing operations for the respective periods and our basic and dilutive shares outstanding:

(In millions, except per share data)	2013	2012	2011
Basic earnings per share:			
Income from continuing operations	\$34.0	\$37.1	\$30.8
Weighted average number of shares outstanding	29.2	29.1	28.8
Basic earnings per share from continuing operations	\$1.16	\$1.27	\$1.07
Diluted earnings per share:			
Income from continuing operations	\$34.0	\$37.1	\$30.8
Weighted average number of shares outstanding	29.2	29.1	28.8

Effect of dilutive securities:

Restricted stock	0.5	0.4	0.5
Total shares and dilutive securities	29.7	29.5	29.3
Diluted earnings per share from continuing operations	\$1.15	\$1.26	\$1.05

NOTE 12. DERIVATIVE FINANCIAL INSTRUMENTS AND CREDIT RISK

Derivative financial instruments

We hold derivative financial instruments for the purpose of hedging foreign currency risks of certain identifiable and anticipated transactions.

We manufacture and sell our products in a number of countries throughout the world and, as a result, are exposed to movements in foreign currency exchange rates. Our major foreign currency exposures involve the markets in Western Europe, South America and Asia. Many of our sales and purchase contracts are written contemplating this risk and therefore contain embedded derivatives, which we take into consideration as part of our risk management policy. The purpose of our foreign currency hedging activities is to manage the economic impact of exchange rate volatility associated with anticipated foreign currency purchases and sales made in the normal course of business. We primarily utilize forward foreign exchange contracts with maturities of less than 2 years. We do not apply hedge accounting for these forward foreign exchange contracts. As of December 31, 2013, we held forward foreign exchange contracts with an aggregate notional value of \$440.9 million.

The following table presents the fair value of foreign currency derivatives included within the consolidated balance sheets:

(In millions)	As of December 31, 2013		As of December 31, 2012	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Other current assets / liabilities	\$5.8	\$ 3.0	\$5.9	\$ 6.6
Other assets / liabilities	2.6	0.6	1.7	0.4
Total	\$8.4	\$ 3.6	\$7.6	\$ 7.0

Refer to Note 13. Fair Value of Financial Instruments, for a description of how the values of the above financial instruments are determined.

A master netting arrangement allows counterparties to net settle amounts owed to each other as a result of separate offsetting derivative transactions. We enter into master netting arrangements with our counterparties when possible to mitigate credit risk in derivative transactions by permitting us to net settle for transactions with the same counterparty. However, we do not net settle with such counterparties. As a result, we present derivatives at gross fair values in the consolidated balance sheets. As of December 31, 2013 and 2012, information related to these offsetting arrangements was as follows:

(in millions)	As of December 31, 2013			Gross Amounts Not Offset in the Consolidated Balance Sheets	
Offsetting of Assets	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Balance Sheets	Amount Presented in the Consolidated Balance Sheets	Financial Instruments	Net Amount
Derivatives	\$8.4	\$ -	\$ 8.4	\$(2.9)	\$ 5.5
Offsetting of Liabilities	As of December 31, 2013			Gross Amounts Not Offset in the Consolidated Balance Sheets	

	Gross Amounts of Recognized Liabilities Sheets	Gross Amounts Offset in the Consolidated Balance Sheets	Amount Presented in the Consolidated Balance Sheets	Financial Instrument Amount	Net Amount
Derivatives (in millions)	\$3.6	\$ -	\$ 3.6	\$(2.9)	\$ 0.7

As of December 31, 2012

Gross Amounts
Not Offset in the

Offsetting of Assets

Consolidated
Balance Sheets

	Gross Amounts of Recognized Assets Sheets	Gross Amounts Offset in the Consolidated Balance Sheets	Amount Presented in the Consolidated Balance Sheets	Financial Instrument Amount	Net Amount
Derivatives	\$7.6	\$ -	\$ 7.6	\$(3.8)	\$ 3.8

Offsetting of Liabilities As of December 31, 2012

Gross Amounts
Not Offset in the

Consolidated
Balance Sheets

	Gross Amounts of Recognized Liabilities Sheets	Gross Amounts Offset in the Consolidated Balance Sheets	Amount Presented in the Consolidated Balance Sheets	Financial Instrument Amount	Net Amount
Derivatives	\$7.0	\$ -	\$ 7.0	\$(3.8)	\$ 3.2

The following table presents the location and amount of the gain (loss) on derivatives and the remeasurement of assets and liabilities in foreign currencies, as well as the net impact recognized in the consolidated statements of income:

Derivatives not designated as hedging instruments	Location of Gain (Loss) Recognized in Income on Derivatives	Amount of Gain (Loss) Recognized in Income on Derivatives		
		2013	2012	2011
(In millions)				
Foreign exchange contracts	Revenue	\$-	\$3.7	\$4.4
Foreign exchange contracts	Cost of sales	0.4	(0.6)	0.9
Foreign exchange contracts	Other income, net	(0.7)	0.4	1.1
Total		(0.3)	3.5	6.4
Remeasurement of assets and liabilities in foreign currencies		(0.2)	(1.0)	1.3
Net (loss) gain on foreign currency transactions		\$(0.5)	\$2.5	\$7.7

Credit risk

By their nature, financial instruments involve risk including credit risk for non-performance by counterparties. Financial instruments that potentially subject us to credit risk primarily consist of trade receivables and derivative contracts. We manage the credit risk on financial instruments by transacting only with financially secure counterparties, requiring credit approvals and credit limits, and monitoring counterparties' financial condition. Our maximum exposure to credit loss in the event of non-performance by the counterparty is limited to the amount drawn and outstanding on the financial instrument. Allowances for losses are established based on collectability assessments.

NOTE 13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions (inputs) used to price the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

- **Level 1:** Unadjusted quoted prices in active markets for identical assets and liabilities.
 - **Level 2:** Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.
 - **Level 3:** Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

Financial assets and financial liabilities measured at fair value on a recurring basis are as follows:

(In millions)	As of December 31, 2013				As of December 31, 2012			
	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:								
Investments	\$11.9	\$11.9	-	-	\$11.1	\$11.1	-	-
Derivatives	8.4	-	\$8.4	-	7.6	-	\$7.6	-
Total assets	\$20.3	\$11.9	\$8.4	-	\$18.7	\$11.1	\$7.6	-
Liabilities:								
Derivatives	\$3.6	-	3.6	-	\$7.0	-	\$7.0	-

Investments represent securities held in a trust for the non-qualified deferred compensation plan. Investments are classified as trading securities and are valued based on quoted prices in active markets for identical assets that we have the ability to access. Investments are reported separately on the consolidated balance sheets. Investments include an unrealized gain of \$0.5 million as of December 31, 2013 and an unrealized gain of \$0.4 million as of December 31, 2012.

We use the income approach to measure the fair value of derivative instruments on a recurring basis. This approach calculates the present value of the future cash flow by measuring the change between the derivative contract rate and the published market indicative currency rate, multiplied by the contract notional values, and applying an appropriate discount rate as well as a factor of credit risk.

The carrying amounts of cash and cash equivalents, trade receivables and accounts payables, as well as financial instruments included in other current assets and other current liabilities, approximate fair values because of their short-term maturities.

The carrying values and the estimated fair values of our debt financial instruments as of December 31 are as follows:

(In millions)	2013		2012	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Senior unsecured notes due July 31, 2015	\$75.0	\$ 80.7	\$75.0	\$ 83.9
Revolving credit facility, expires November 30, 2017	16.5	16.5	113.5	113.5
Brazilian loan due August 20, 2014	4.0	4.0	-	-
Brazilian loan due April 15, 2016	3.4	2.9	-	-
Foreign credit facilities	1.0	1.0	1.8	1.8
Other	0.5	0.5	0.8	0.8

There is no active or observable market for our fixed rate borrowings, which include our senior unsecured notes or our Brazilian loans. Therefore, the estimated fair value of the notes and the loans are based on discounted cash flows using current interest rates available for debt with similar terms and remaining maturities. The estimates of the all-in interest rate for discounting the notes and the loans are based on a broker quote for notes and loans with similar terms. We do not have a rate adjustment for risk profile changes, covenant issues or credit rating changes, therefore the broker quote is deemed to be the closest approximation of current market rates. The carrying values of the remaining borrowings approximate their fair values due to their variable interest rates.

NOTE 14. COMMITMENTS AND CONTINGENCIES

We are involved in legal proceedings arising in the ordinary course of business. Although the results of litigation cannot be predicted with certainty, we do not believe that the resolution of the proceedings that we are involved in, either individually or taken as a whole, will have a material adverse effect on our business, results of operations or financial condition.

We have assumed liabilities related to specified legal proceedings arising from our business prior to our 2008 spin-off from FMC Technologies, Inc. As a result, although FMC Technologies, Inc. will in many cases remain the named defendant, we will manage the litigation and indemnify FMC Technologies, Inc. for costs, expenses and judgments arising from existing litigation. We do not believe that any existing litigation we have assumed will have a material effect on our business, results of operations or financial condition.

Guarantees and Product Warranties

In the ordinary course of business with customers, vendors and others, we issue standby letters of credit, performance bonds, surety bonds and other guarantees. These financial instruments, which totaled approximately \$73.9 million at December 31, 2013, represent guarantees of our future performance. We also have provided approximately \$5.2

million of bank guarantees and letters of credit to secure a portion of our existing financial obligations. The majority of these financial instruments expire within two years; we expect to replace them through the issuance of new or the extension of existing letters of credit and surety bonds. In some instances, we guarantee a small portion of our customers' financing arrangements and retain recourse to the equipment sold. As of December 31, 2013, the maximum future payment obligation under such guarantees was \$2.8 million. Historically, we have not made significant payments associated with guarantees of our customers' financing arrangements.

We provide warranties of various lengths and terms to certain of our customers based on standard terms and conditions and negotiated agreements. We provide for the estimated cost of warranties at the time revenue is recognized for products where reliable, historical experience of warranty claims and costs exists. We also provide a warranty liability when additional specific obligations are identified. The warranty obligation reflected in other current liabilities in the balance sheets is based on historical experience by product and considers failure rates and the related costs in correcting a product failure. Warranty cost and accrual information is as follows:

(In millions)	2013	2012
Balance at beginning of year	\$7.3	\$7.3
Expenses for new warranties	13.1	11.1
Adjustments to existing accruals	(0.6)	(0.8)
Claims paid	(9.7)	(10.3)
Balance at end of year	\$10.1	\$7.3

Leases

We lease office space, manufacturing facilities and various types of manufacturing and data processing equipment. Leases of real estate generally provide that we pay for repairs, property taxes and insurance. Substantially all leases are classified as operating leases for accounting purposes. Rent expense under operating leases amounted to \$10.4 million, \$9.0 million and \$10.9 million in 2013, 2012 and 2011, respectively.

Future minimum lease payments under non-cancelable operating leases as of December 31, 2013, for the following fiscal years were:

(In millions)	Total Amount	2014	2015	2016	2017	2018	After 2018
Operating lease obligations	\$ 20.6	\$ 5.1	\$ 3.9	\$ 2.4	\$ 1.6	\$ 1.2	\$ 6.4

NOTE 15. BUSINESS SEGMENTS

Our determination of the two reportable segments was made on the basis of our strategic business units and the commonalities among the products and services within each segment, and corresponds to the manner in which management reviews and evaluates operating performance.

During the fourth quarter of 2013, we made certain internal reporting structure changes. Our Automated Systems business, previously part of the JBT AeroTech segment is now included in the JBT FoodTech segment. This change was driven by a long term strategic view of our business. We believe including the Automated Systems component in the FoodTech segment will allow greater synergies among the food processing businesses and accelerate the application of Automated Systems technologies with our food processing customers. The tables below reflect this change. The total revenue for FoodTech increased approximately 7% and 8% in 2012 and 2011, respectively as a result of this change. The total revenue for AeroTech decreased approximately 11% in both 2012 and 2011 as a result of this change.

Our reportable segments are:

- JBT FoodTech—designs, manufactures and services technologically sophisticated food processing systems used for, among other things, fruit juice production, frozen food production, in-container food production, automated systems and convenience food preparation by the food industry.

JBT AeroTech—designs, manufactures and services technologically sophisticated ground support equipment, airport •gate equipment and services for airport authorities, airlines, airfreight, ground handling companies, the military and other industries.

Total revenue by segment includes intersegment sales, which are made at prices that reflect, as nearly as practicable, the market value of the transaction. Segment operating profit is defined as total segment revenue less segment operating expenses. The following items have been excluded in computing segment operating profit: corporate staff expense, foreign currency related gains and losses, LIFO provisions, restructuring costs, certain employee benefit expenses, interest income and expense and income taxes.

Segment revenue and segment operating profit

(In millions)	2013	2012	2011
Revenue			
JBT FoodTech	\$611.0	\$589.1	\$588.2
JBT AeroTech	323.4	325.4	361.7
Other revenue (1) and intercompany eliminations	(0.2)	2.8	5.9
Total revenue	\$934.2	\$917.3	\$955.8
Income before income taxes			
Segment operating profit:			
JBT FoodTech	\$64.5	\$58.8	\$47.2
JBT AeroTech	26.6	28.7	31.1
Total segment operating profit	91.1	87.5	78.3
Corporate items:			
Corporate expense (2)	(36.3)	(26.5)	(13.5)
Restructuring expense	(1.6)	(0.1)	(11.6)
Net interest expense	(5.4)	(6.9)	(6.4)
Total corporate items	(43.3)	(33.5)	(31.5)
Income from continuing operations before income taxes	47.8	54.0	46.8
Provision for income taxes	13.8	16.9	16.0
Income from continuing operations	34.0	37.1	30.8
Loss from discontinued operations, net of income taxes	(0.9)	(0.9)	(0.3)
Net income	\$33.1	\$36.2	\$30.5

(1) Other revenue is comprised of certain gains and losses related to foreign exchange exposures.

Corporate expense generally includes corporate staff costs, stock-based compensation, pension and other (2) postretirement benefits expenses not related to service, LIFO adjustments, foreign exchange gains and losses, and the impact of unusual or strategic transactions not representative of segment operations.

Segment operating capital employed and segment assets

(In millions)	2013	2012	2011
Segment operating capital employed (1):			
JBT FoodTech	\$204.5	\$271.5	\$219.4
JBT AeroTech	138.1	132.0	130.0
Total segment operating capital employed	342.6	403.5	349.4
Segment liabilities included in total segment operating capital employed (2)	243.2	226.6	208.6
Corporate (3)	35.4		