

SUPREME INDUSTRIES INC  
 Form 8-K  
 November 08, 2005

UNITED STATES												
SECURITIES AND EXCHANGE COMMISSION												
Washington, D.C. 20549												
FORM 8-K												
CURRENT REPORT												
PURSUANT TO SECTION 13 OR 15(d) OF THE												
SECURITIES EXCHANGE ACT OF 1934												
DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED):												
November 3, 2005												
SUPREME INDUSTRIES, INC.												
(Exact name of Registrant as specified in its charter)												
Delaware				1-8183				75-1670945				
(State of Incorporation)				(Commission File No.)				(IRS Employer Identification No.)				

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;

**P.O. Box 237**

**2581 E. Kercher Road**

**Goshen, Indiana 46528**

(Address of principal executive offices) (Zip Code)

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;

**Registrant's telephone number, including area code: - (574) 642-3070**

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant of the following provisions (*see* General Instruction A.2. below):

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

**Section 2 - Financial Information**

&nbsp;

**Item 2.02 Results of Operations and Financial Condition.**

&nbsp;

On November 3, 2005, Supreme Industries, Inc. (the "Company") issued a press release (the "Press Release") announcing its results for the third quarter ended September 24, 2005, the nine months ended September 24, 2005 and certain other information. A copy of the press release is being furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference into this Item 2.02. The foregoing description of the Press Release is qualified in its entirety by reference to this exhibit.

&nbsp;

On November 3, 2005, the Company held a conference call to discuss its financial results for its third quarter ended September 24, 2005, the nine months ended September 24, 2005. A transcript of the conference call is being furnished as Exhibit 99.2 to this Current Report on Form 8-K.

&nbsp;

Pursuant to General Instruction B.2 of Form 8-K, the information in this Form 8-K, including the exhibits shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Exchange Act of 1934, and is not incorporated by reference into any filing of the Company made before or after the date hereof, regardless of any general incorporation language in such filing.

&nbsp;

&nbsp;

**Section 9 - Financial Statements and Exhibits**

&nbsp;

**Item 9.01 Financial Statements and Exhibits.**

&nbsp; &nbsp; &nbsp; &nbsp;

&nbsp;

&nbsp;	(d) Exhibits	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;	&nbsp;	The following exhibits are furnished with this Form 8-K.									&nbsp;	&nbsp;
--------	--------	--	--	--	--	--	--	--	--	--	--------	--------

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;	&nbsp;	<u>Exhibit No.</u>			<u>Description</u>							
--------	--------	--------------------	--	--	--------------------	--	--	--	--	--	--	--

&nbsp;	&nbsp;	99.1		&nbsp;	Press release dated November 3, 2005, reporting results							
--------	--------	------	--	--------	---	--	--	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	for the fiscal quarter ended September 24, 2005.							
--------	--------	--------	--------	--------	--	--	--	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;											
&nbsp;	&nbsp;	99.2	&nbsp;	Transcript of conference call held by the Company on									
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	November 3, 2005.								
&nbsp;	&nbsp;	&nbsp;					&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;					&nbsp;	&nbsp;	&nbsp;			&nbsp;	&nbsp;

**SIGNATURES**

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

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

&nbsp;												
--------	--	--	--	--	--	--	--	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	<b>SUPREME INDUSTRIES, INC.</b>					
--------	--------	--------	--------	--------	--------	--------	---------------------------------	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;				&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;				&nbsp;
--------	--	--	--	--------	--------	--------	--------	--------	--	--	--	--------

Dated: <u>November 8, 2005</u>				&nbsp;	&nbsp;	<u>BY: /s/ Jeffery D. Mowery</u>					
--------------------------------	--	--	--	--------	--------	----------------------------------	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	Jeffery D. Mowery					
--------	--------	--------	--------	--------	--------	--------	-------------------	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	Vice President of Finance and Chief Financial Officer					
--------	--------	--------	--------	--------	--------	--------	---	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	(Signing on behalf of the Registrant and as Principal Financial Officer)					
--------	--------	--------	--------	--------	--------	--------	--	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

**EXHIBIT INDEX**

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

99.1	&nbsp;	Press release dated November 3, 2005, reporting results for the fiscal quarter ended September 24, 2005.										
------	--------	--	--	--	--	--	--	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

99.2	&nbsp;	Transcript of conference call held by the Company on November 3, 2005.										
------	--------	--	--	--	--	--	--	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

**Exhibit 99.1**

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

**SUPREME INDUSTRIES, INC.**

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

**For Immediate Release**

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Contact:	Robert W. Wilson	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
----------	------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;	&nbsp;	Executive Vice President	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------------------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;	&nbsp;	(574) 642-4888	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	----------------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

**Supreme Industries Reports Improved Earnings and Revenues****For the Third-Quarter and Nine-Month Periods**

&nbsp;	&nbsp;	&nbsp;		<i>Quarterly revenues increased 9.2% to \$77.3 million</i>								
--------	--------	--------	--	--	--	--	--	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;		<i>EPS in the quarter increased 42.9%</i>								
--------	--------	--------	--	---	--	--	--	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;		<i>Order backlog remains strong at \$69.1 million</i>								
--------	--------	--------	--	---	--	--	--	--	--	--	--	--

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

**GOSHEN, Ind., November 3, 2005** **Supreme Industries, Inc.** (AMEX:STS), a leading manufacturer of specialized vehicle truck bodies and shuttle buses, today announced improved financial results for the 2005 third-quarter and nine-month periods ending September 24, 2005, over the same periods of last year.

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Continued demand for the Company's truck body and bus product lines produced higher revenues and earnings in the third quarter and the first nine months of 2005. The Company recorded revenues of \$77.3 million for the third quarter of 2005, compared to \$70.8 million for the same period last year, an increase of \$6.5 million or 9.2 percent. Revenues in the first nine months improved \$27.9 million, or 11.9 percent, to \$263.1 million in the 2005 period from \$235.2 million in the 2004 period.

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Net income for the third quarter was \$1.3 million, or \$0.10 per diluted share, in 2005 compared to \$0.9 million, or \$0.07 per diluted share, in 2004, and for the first nine months was \$7.3 million, or \$0.57 per diluted share, for the 2005 period and \$3.8 million, or \$0.30 per diluted share, in the 2004 period.

&nbsp;

Gross profit as a percentage of net sales decreased slightly in the current quarter versus the same period last year. Improvements in labor, overhead and delivery expenses as a percentage of net revenues were offset by an increase in material cost as a result of annual physical inventories. Management believes this increase in material cost is a result of multiple factors, including among other things changes in demand that influence product mix, highly customized products and the associated manufacturing processes, updated products and development of new products. Additionally, rapidly escalating raw material costs during 2004 coupled with a significant increase in revenue further contributed to the adjustments. Gross profit improved for the nine months ended September 24, 2005 as a result of the price increases the Company implemented throughout 2004 and the beginning of 2005.

- more -

*Supreme Industries, Inc.*

Page 2

&nbsp;

Additionally, gross profit in the 2005 third-quarter and nine-month periods was negatively impacted by an escalation in group-term life insurance costs, particularly in the second quarter. These costs increased by \$343,000 and \$1,081,000 for the third-quarter and nine-month periods ended September 24, 2005 respectively, compared to the corresponding periods in 2004.

&nbsp;

Selling, general and administrative expenses decreased as a percent of net sales from 8.7 percent in the 2004 third quarter to 7.7 percent in the 2005 third quarter, and from 7.7 percent in the first nine months of 2004 to 7.5 percent in the same period of 2005. Selling, general and administrative expenses as a percentage of net sales decreased due to increased sales.

&nbsp;

Interest expense increased from \$259,000 in the third quarter of 2004 to \$511,000 in the same period of 2005. For the first nine months of 2005, interest expense increased from \$667,000 in 2004 to \$1.6 million. The increase in interest expense for both periods is primarily due to increased debt incurred principally for increased working capital and higher short-term interest rates in 2005 versus 2004.

&nbsp;

Stockholders' equity improved to \$74.8 million, and working capital increased to \$56.5 million; the Company continues to actively manage its working capital assets. Backlog was \$69.1 million as of September 24, 2005.

&nbsp;

Robert W. Wilson, executive vice president, stated, "The Company experienced increased revenues in the first nine months of 2005 as a result of the price increases the Company implemented throughout 2004 and to a lesser extent in 2005 as well as an increase in new business. Despite the reduced gross margin in the third quarter, Supreme achieved a 90 percent increase in diluted EPS in the first nine months of 2005 versus 2004. The Company remains on track to achieve its 2005 gross margin goal of no less than 12 percent."

&nbsp;

Wilson concluded, "While the competitive landscape remains challenging, Supreme's backlog, especially in the bus division, and strong positioning within the truck and bus markets, creates optimism for the future."

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

As announced on October 28, 2005, Supreme's board of directors approved a \$0.095 per share cash dividend on its outstanding Class B Common Stock to be paid on November 21, 2005, to shareholders of record on November 14, 2005. This cash dividend is a consecutive quarterly cash dividend in what the Company intends to be a continuing series of quarterly cash dividends, business days permitting.

&nbsp;
--------

A live webcast of Supreme Industries' earnings conference call can be heard today at 4:30 p.m. Eastern Time at [www.supremetruck.com](http://www.supremetruck.com)

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Supreme Industries, Inc. is a nationwide manufacturer of specialized truck bodies that are produced to the specifications of its customers. Supreme also manufactures the StarTrans® line of special-purpose "shuttle-type" buses. The Company's transportation equipment is used by a wide variety of industrial and commercial customers.

&nbsp;
--------

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

- more -

*Supreme Industries, Inc.*

*Page 3*

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

*The Company's significant accounting policies are discussed in Note 1 of the Notes to Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 25, 2004. In Management's opinion, the Company's critical accounting policies include allowance for doubtful accounts, excess and obsolete inventories, inventory relief, accrued insurance and accrued wages.*

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

*This report contains forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995), which reflect the view of the Company's management with respect to future events. When used in this report, words such as "believe," "expect," "anticipate," "estimate," "intend," and similar expressions, as they relate to the Company or its plans or operations, identify forward-looking statements. Such forward-looking statements are based on assumptions made by and information current to the Company's management. Although management believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations are reasonable, and it can give no assurance that such expectations will be correct. Important factors that could cause actual results to differ materially from such expectations include, without limitation, the availability of chassis on which the Company's product is dependent, availability of raw materials, raw material price increases, and severe interest rate increases. Furthermore, the Company can provide no assurance that such raw material cost increases can be passed on to its customers through implementation of price increases for the Company's products. The forward-looking statements contained herein reflect the current views of the Company's management with respect to future events and are subject to those and other risks, uncertainties and assumptions relating to the operations, results of operations, cash flows and financial position of the Company.*





## Supreme Industries, Inc. and Subsidiaries Consolidated Statements of Income (Unaudited)

&amp;nbsp;

&amp;nbsp;

				Three Months Ended					Nine Months Ended				
				September 24,		September 25,			September 24,				
				2005		2004			2005				
<b>Revenue:</b>													
Net sales				\$77,055,374		\$70,583,750			\$262,594,085				
Other income				231,583		194,721			531,801				
				77,286,957		70,778,471			263,125,886				
<b>Costs and expenses:</b>													
Cost of sales				68,797,402		62,926,848			230,464,233				
Selling, general and administrative				5,984,152		6,152,810			19,736,568				
Interest				510,595		259,273			1,567,628				
				75,292,149		69,338,931			251,768,429				
<b>Income before income taxes</b>													
	<b>taxes</b>			1,994,808		1,439,540			11,357,457				

<b>Income taxes</b>				&nbsp;	709,000		&nbsp;	547,000		&nbsp;	4,077,000		&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
<b>Net income</b>				\$1,285,808		&nbsp;	\$892,540		&nbsp;	\$7,280,457		&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
<b>Earnings per share:</b>				&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
Basic				&nbsp;	\$ .10	&nbsp;	&nbsp;	\$ .07	&nbsp;	&nbsp;	\$ .59	&nbsp;	&nbsp;
Diluted				&nbsp;	.10	&nbsp;	&nbsp;	.07	&nbsp;	&nbsp;	.57	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
<b>Shares used in the</b>				&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
<b>computation of</b>				&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
<b>earnings per share:</b>				&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
Basic				12,561,453		&nbsp;	12,099,083		&nbsp;	12,379,668		&nbsp;	&nbsp;
Diluted				12,948,791		&nbsp;	12,446,990		&nbsp;	12,792,411		&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
<b>Cash dividends per share:</b>				&nbsp;	\$ .095	&nbsp;	&nbsp;	\$ .035	&nbsp;	&nbsp;	\$ .165	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;

- more -

Supreme Industries, Inc.

Page 5

&nbsp;

**Supreme Industries, Inc. and Subsidiaries Consolidated Balance Sheets**

&nbsp;

&nbsp;

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	<b>September 24,</b>	&nbsp;	<b>December 25,</b>
--------	--------	--------	--------	--------	--------	----------------------	--------	---------------------

Edgar Filing: SUPREME INDUSTRIES INC - Form 8-K

						2005			2004				
						(Unaudited)			(Audited)				
<b>Assets</b>													
Current assets							\$85,929,195				\$80,680,035		
Property, plant and equipment, net						48,079,556				47,190,964			
Intangible assets, net							735,014				765,080		
Other assets							526,203				560,540		
<b>Total assets</b>							\$135,269,968				\$129,196,619		
<b>Liabilities</b>													
Current liabilities							\$29,402,595				\$29,781,764		
Long-term debt							27,900,000				28,766,667		
Deferred income taxes								3,043,979				3,085,179	
Other long-term debt							114,870				--		
<b>Total liabilities</b>							60,461,444				61,633,610		
<b>Total stockholders' equity</b>							74,808,524				67,563,009		



**Transcript of Conference Call Held by the Company on November 3, 2005**

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Good afternoon everyone. Thank you for joining us for today's conference call to discuss Supreme's third quarter and first nine months of 2005 financial results. The press release was issued this morning. If you have not received a copy, please call Supreme's office at 574.642.3070 and one will be faxed to you. Joining me today are Supreme's Vice President's, Christy Miller, Manufacturing, Sales and Marketing and Jeff Mowery, CFO. I will provide a financial overview and additional details on the quarter. After that, I will be available to answer any questions that you may have. Before we begin, I must remind you that during our conversation today we will make some forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we recognize that those statements are based on reasonable assumptions, we cannot guarantee that we will meet any expectations that might be expressed in these forward-looking statements and their underlying assumptions. Some of the important factors that could cause Supreme's financial results to differ materially from such expectations include: limitations on the availability of chassis for its products, the availability of raw materials, interest rate increases and other factors that are detailed in our SEC filings.

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

In the third quarter, Supreme's business continued to grow as evidenced by the increases in revenues and earnings. This growth was a result of the price increases we implemented throughout 2004 in addition to the continued demand within the commercial truck and transportation industries. Third-quarter 2005 revenues grew 9.2 percent to \$77.3 million from \$70.8 million in the same period last year. For the first nine months of 2005, revenues increased by 11.9 percent to \$263.1 million versus \$235.2 million in the same period last year. The increase in sales was attributable to higher levels of fleet and leasing revenues, increased bus revenues combined with the revenue increases implemented by the Company throughout 2004 and the beginning of 2005.

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Gross profit as a percentage of net sales decreased slightly in the current quarter versus the same period last year. Improvements in labor, overhead and delivery expenses as a percentage of net sales were offset by an increase in material cost as a result of the annual physical inventories. We believe this increase in material cost is a result of multiple factors. These factors include: changes in prices that influence product mix, highly customized products and the associated manufacturing processes, updates to core products and the development of new products. Additionally, rapidly escalating material cost during 2004 coupled with a significant increase in labor costs further contributed to the adjustments. Gross margins improved for the nine months ended September 24, 2005 primarily as a result of the price increases the Company implemented throughout 2004 and the beginning of 2005.

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Supreme's gross margin increased to 12.2 percent for the nine-month period versus 10.4 percent in the same period last year as a result of the price increases the Company implemented throughout 2004 and 2005, as well as cost stabilization in 2005 for the raw materials used in the production of Supreme's products.

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Additionally, gross profit in the 2005 three- and nine-month periods was negatively impacted by an escalation in group health insurance costs, particularly in the second quarter. These costs increased by \$343,000 and \$1.1 million for the three- and nine-month periods ended September 24, 2005 respectively, compared to the corresponding periods in 2004.

- more -

*Supreme Industries, Inc.*

&nbsp;

Selling, general and administrative expenses decreased to 7.8 percent of net sales in the 2005 third quarter compared to 8.7 percent of net sales in the third quarter of 2004. This reduction primarily relates to the increased level of sales.

&nbsp;

Interest expense for the current quarter was \$511 thousand compared to \$259 thousand in last years third quarter. This increase is due to higher levels of borrowing to finance working capital and capital expenditures, and the rise in interest rates.

&nbsp;

Supreme's effective tax rate for the current quarter was 35.5 percent versus 38.0 percent in the prior-year period. The decrease in the Company's effective tax rate is attributable to additional tax deductions allowed to manufacturers as a result of the 2004 American Jobs Creation Act and certain tax benefits resulting from the formation of a captive insurance company.

&nbsp;

Net income in the quarter was \$1.3 million, or \$0.10 cents per diluted share, compared to \$893 thousand, or \$0.07 cents per diluted share in the third quarter of 2004. Versus last year, this represents an increase of 44 percent in net income and a 43 percent increase in earnings per share.

&nbsp;

To further support our growth, capital expenditures totaled approximately \$1.1 million in the quarter and \$4.0 million in the nine month period. The Company completed the construction of an additional manufacturing facility at its Griffin, Georgia location and expended \$1.0 million on this building project during the first nine months of 2005. Our Jonestown, Pennsylvania location had \$0.8 million in capital expenditures relating to the continuing improvement of operations at its recently acquired manufacturing plant adjacent to our other manufacturing facilities. During the quarter 10 acres and a 24,000 sq. ft. facility became available adjacent to the Company's FRP facility. The Company elected to purchase this facility to replace leased facilities that were not adjacent to its manufacturing plant. Additionally, 2.0 acres of land became available that the Company was leasing in PA. With these acquisitions capital expenditures for 2005 will approximate \$5.2 million.

&nbsp;

Turning to the balance sheet, shareholders equity continued to improve to \$74.9 million, up 10.8 percent from the end of 2004. This increase is after having paid \$2.1 in cash dividends so far in 2005. Our book value was \$5.91 per share, and long-term debt-to-capitalization ratio was 27.1 percent.

&nbsp;

As we announced on October 28th, the board of directors declared a nine and one-half cent cash dividend payable on November 14th. The record date for this dividend will be November 14.

&nbsp;

Our backlog at September 25, 2005, stood at \$69.1 million, up slightly from \$64.9 million in the same period last year. The increase in backlog relates to the price increases that we implemented throughout 2004 and early 2005. Additionally, while the strength in the truck division has primarily led the way during the past several quarters, we are now experiencing higher demand in our bus division. The backlog continues to grow as a percentage of total backlog.

&nbsp;

Working capital increased to \$56.5 million at the end of the current quarter from \$53.4 million at the same date last year. Our ratio was 2.9 to 1.

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;

- more -

*Supreme Industries, Inc.*

Page 8

&nbsp;

While the competitive landscape remains challenging, we are optimistic given our sales backlog. Furthermore, there are several enthusiastic. Although the volume of fleet business is expected to be below that of last year, we feel we have progressed in our efforts. We have been awarded the largest number of units with one major customer against increased competition. Additionally, 70% of consumer builds on another bid package, our best performance ever. Spring commercial bids could further improve our performance. We are also enthusiastic about our bus backlog. At the end of September bus backlog was a historic high for our Division. We are optimistic this will continue. Armored shipments are up 108% in Q3 as compared to last year and year to date 73%. Demand is high for Armored Suburbans going to the Middle East. We are currently developing new vehicles to address

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

Finally, we remain pleased with the overall demand for our truck and bus products, and we believe our extensive product offerings, product introductions and superior service to customers will afford us opportunities for continued profitability.

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

With that being the conclusion of our formal remarks, we would now like to open the call for any questions you may have.

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------

&nbsp;

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;

&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;
&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;	&nbsp;