

J.B. POINDEXTER & CO., INC.

Financial Statements For The Quarter Ended June 30, 2004

Date of Report: August 16, 2004

Delaware **76-0312814**
(State or other jurisdiction of (I.R.S. Employer Identification No.)
incorporation or organization)

**1100 Louisiana
Suite 5400
Houston, Texas
77002**
(Address of principal executive offices)
(Zip code)

713-655-9800
(telephone number, including area code)

There were 3,059 shares of Common Stock, \$.01 par value, of the Company outstanding as of August 1, 2004.

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements**

J.B. POINDEXTER & CO., INC.
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	June 30, 2004	December 31, 2003
	(Unaudited)	(Unaudited)
ASSETS		
Current assets		
Cash and cash equivalents including restricted cash of \$0 and \$1,351, respectively	\$ 45,322	\$ 1,351
Accounts receivable, net of allowance for doubtful accounts of \$888 and \$909, respectively	44,443	38,837
Inventories, net of allowance for excess and obsolete of \$2,383 and \$2,553, respectively	36,295	33,873
Deferred income taxes	1,421	1,470
Prepaid expenses and other	<u>2,530</u>	<u>2,829</u>
Total current assets	130,011	78,360
Property, plant and equipment, net	43,757	41,020
Goodwill	16,516	16,516
Deferred income taxes	2,753	5,203
Debt issuance costs	4,657	2,302
Other assets	<u>4,228</u>	<u>3,787</u>
Total assets	<u>\$201,922</u>	<u>\$147,188</u>
LIABILITIES AND STOCKHOLDER'S DEFICIT		
Current liabilities		
Current portion of long-term debt	\$ 488	\$ 2,435
Borrowings under the revolving credit facilities	-	19,750
Accounts payable	25,804	25,691
Accrued compensation and benefits	5,943	6,917
Accrued income taxes	642	599
Accrued interest	3,920	1,255
Other accrued liabilities	<u>6,961</u>	<u>6,689</u>
Total current liabilities	<u>43,758</u>	<u>63,336</u>
Non-current liabilities		
Long-term debt, less current portion	155,452	85,604
Employee benefit obligations and other	4,184	3,636
Net liabilities of discontinued operations	<u>320</u>	<u>-</u>
Total noncurrent liabilities	<u>159,956</u>	<u>89,240</u>
Stockholder's deficit		
Common stock, par value \$0.01 per share (3,059 shares issued)	31	31
Capital in excess of par value of stock	19,455	19,455
Cumulative other comprehensive income	(192)	(82)
Accumulated deficit	<u>(21,086)</u>	<u>(24,792)</u>
Total stockholder's deficit	<u>(1,792)</u>	<u>(5,388)</u>
Total liabilities and stockholder's deficit	<u>\$201,922</u>	<u>\$147,188</u>

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

J.B. POINDEXTER & CO., INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands)

	<u>For the Three Months</u> <u>Ended June 30,</u> <u>(Unaudited)</u>		<u>For the Six Months</u> <u>Ended June 30,</u> <u>(Unaudited)</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net sales.....	\$146,559	\$ 111,541	\$278,231	\$198,947
Cost of sales.....	<u>127,335</u>	<u>94,180</u>	<u>242,399</u>	<u>169,720</u>
Gross profit.....	19,224	17,361	35,832	29,227
Selling, general and administrative expense	10,046	7,844	19,881	15,515
Refinancing costs.....	<u>-</u>	<u>940</u>	<u>2,213</u>	<u>940</u>
Operating income	9,178	8,577	13,738	12,772
Interest expense	<u>2,905</u>	<u>2,897</u>	<u>6,934</u>	<u>6,242</u>
Income before income taxes.....	6,273	5,680	6,804	6,530
Income tax provision	<u>2,495</u>	<u>2,166</u>	<u>2,721</u>	<u>2,555</u>
Income before discontinued operations	3,778	3,514	4,083	3,975
Income (Loss) from discontinued operations	<u>(358)</u>	<u>165</u>	<u>(377)</u>	<u>17</u>
Net income.....	<u>\$ 3,420</u>	<u>\$ 3,679</u>	<u>\$ 3,706</u>	<u>\$ 3,992</u>

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

J.B. POINDEXTER & CO., INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	For the Six Months	
	Ended June 30,	
	(Unaudited)	
	<u>2004</u>	<u>2003</u>
Net income.....	\$ 3,706	\$ 3,992
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,627	4,261
Debt issuance costs.....	337	241
Non-cash provision for excess and obsolete inventory	(21)	181
Non-cash provision for doubtful accounts receivable.....	(10)	175
Loss on extinguishment of debt.....	2,213	-
Deferred federal income tax (benefit) provision	2,505	1,884
Operating cash flows from discontinued operations	12	(751)
Other	5	(61)
Change in assets and liabilities, net of the effect of discontinued operations:		
Accounts receivable.....	(5,637)	(9,948)
Inventories	(2,611)	(3,140)
Prepaid expenses and other	310	53
Accounts payable.....	114	6,162
Accrued compensation and benefits.....	(910)	436
Accrued income taxes.....	67	364
Other accrued liabilities.....	<u>3,151</u>	<u>1,477</u>
Net cash provided by operating activities	<u>7,858</u>	<u>5,326</u>
Cash flows provided by (used in) investing activities:		
Proceeds from sale of business and equipment	225	865
Purchase of business.....	-	(400)
Acquisition of property, plant and equipment.....	(7,365)	(1,597)
Discontinued operations	<u>1,343</u>	<u>766</u>
Net cash used in investing activities:	<u>(5,797)</u>	<u>(366)</u>
Cash flows (used in) provided by financing activities:		
Net payments revolving lines of credit and short-term debt.....	(19,804)	(544)
Proceeds from long-term debt	155,113	-
Payments of long-term debt and capital leases.....	(87,212)	(697)
Discontinued operations	-	611
Other financing activities	(6,232)	(2,650)
Change in restricted cash.....	<u>1,351</u>	<u>(1,548)</u>
Net cash provided by (used in) provided by financing activities.....	<u>43,216</u>	<u>(4,828)</u>
Effect of exchange rate changes on cash.....	<u>45</u>	<u>(132)</u>
Change in cash and cash equivalents	45,322	-
Cash and cash equivalents beginning of period	-	-
Cash and cash equivalents end of period.....	<u>\$45,322</u>	<u>\$ -</u>

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

J.B. POINDEXTER & CO., INC.

(1) Organization and Business. J.B. Poindexter & Co., Inc. (“JBPCO”) and its subsidiaries (the “Subsidiaries”, and, together with JBPCO, the “Company”), operate primarily manufacturing businesses. Operating subsidiaries consist of Morgan Trailer Mfg. Co. (“Morgan”), Morgan Olson Corporation (“Morgan Olson”), Truck Accessories Group, Inc., (“Truck Accessories”), Magnetic Instruments Corp., (“MIC Group”) and EFP Corporation (“EFP”). MIC Group and EFP comprise the Specialty Manufacturing Group (“Specialty Manufacturing”).

The consolidated financial statements included herein have been prepared by the Company, without audit, following the rules and regulations of the Securities and Exchange Commission. In the opinion of management, the information furnished reflects all adjustments, consisting only of normal recurring adjustments, which are necessary for a fair presentation of the results of the interim periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted following such rules and regulations. However, the Company believes that the disclosures are adequate to make the information presented understandable. Operating results for the six-month period ended June 30, 2004 are not necessarily indications of the results that may be expected for the year ended December 31, 2004. These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2003 filed with the Securities and Exchange Commission on Form 10-K.

On March 15, 2004 the Company acquired from John Poindexter (see Note 7), the sole shareholder of the Company, the stock of Morgan Olson, a step van and truck body manufacturing company that he acquired effective July 14, 2003. The historical financial statements of the Company have been restated to reflect the merger on a basis similar to a pooling of interests so as to combine the financial statements of both companies for the period they were under common control.

On May 28, 2004 Truck Accessories sold principally all of the assets of Midwest Truck Aftermarket, its remaining distribution business. Midwest Truck Aftermarket has been treated as a discontinued operation.

Cash and all highly liquid investments with a maturity of three months or less at the date of purchase, including short term deposits and government agency and corporate obligations, are classified as Cash and cash equivalents.

(2) Segment Data. The following is a summary of the business segment data (in thousands):

	For the Three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net Sales:				
Morgan	\$ 87,943	\$ 65,595	\$159,673	\$112,830
Morgan Olson	9,613	-	25,780	-
Truck Accessories	34,250	32,160	63,343	59,182
Specialty Manufacturing Group	15,977	13,786	30,659	26,935
Eliminations	<u>(1,224)</u>	<u>-</u>	<u>(1,224)</u>	<u>-</u>
Net Sales	<u>\$146,559</u>	<u>\$111,541</u>	<u>\$278,231</u>	<u>\$198,947</u>
Operating Income (Loss):				
Morgan	\$ 6,376	\$ 6,326	\$11,199	\$ 9,063
Morgan Olson	(331)	-	96	-
Truck Accessories	3,500	3,227	5,406	4,848
Specialty Manufacturing Group	496	786	915	1,379
JBPCO (Corporate)	<u>(863)</u>	<u>(1,762)</u>	<u>(3,878)</u>	<u>(2,518)</u>
Operating Income	<u>\$ 9,178</u>	<u>\$ 8,577</u>	<u>\$13,738</u>	<u>\$12,772</u>

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Total Assets as of:	June 30, 2004	December 31, 2003
Morgan	\$ 66,774	\$53,156
Morgan Olson	19,671	25,949
Truck Accessories	43,002	39,549
Specialty Manufacturing Group	29,015	26,611
JBPCO (Corporate)	43,460	976
Net Assets of Discontinued Operations	-	947
Total Assets	<u>\$ 201,922</u>	<u>\$147,188</u>

Morgan has two customers (truck leasing and rental companies) that together accounted for approximately 50% and 51% of Morgan's net sales during each of the six months ended June 30, 2004 and 2003, respectively. Sales related to Specialty Manufacturing are concentrated with international oil field service companies, with one customer that accounted for approximately 19% and 15% of Specialty Manufacturing's net sales during each of the six months ended June 30, 2004 and 2003, respectively.

Morgan Olson manufactures step van and truck bodies at its two locations in Sturgis, Michigan that are mounted on truck chassis provided by its customers. It was acquired effective July 14, 2003 and is operated as a separate segment. Morgan purchased certain raw materials and services such as group health insurance on behalf of Morgan Olson of approximately \$1,213,000 during the six months ended June 30, 2004 and charged those expenses at cost to Morgan Olson. Morgan Olson manufactured and shipped truck bodies for Morgan and charged Morgan \$1,224,000 during the six months ended June 30, 2004 for the products.

The JBPCO (Corporate) costs of \$3,870,000 and \$2,518,000 for the six months ended June 30, 2004 and 2003 respectively included the loss on extinguishment of debt of \$2,213,000 during the 2004 period and refinancing costs of \$940,000 during the 2003 period.

Total Assets as of June 30, 2004 increased \$54.9 million compared to December 31, 2003 due primarily to cash proceeds of approximately \$29.5 million from the sale of an additional \$30.0 million of 8.75% Senior Notes (see Note 6) effective May 15, 2004 and cash generated by operations.

(3) Comprehensive Income. The components of comprehensive income were as follows (in thousands):

	For the Three Months		For the Six Months	
	<u>Ended June 30,</u>		<u>Ended June 30,</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net income.....	\$ 3,420	\$3,679	\$3,706	\$3,992
Foreign currency translation				
(loss) gain	<u>(82)</u>	<u>202</u>	<u>(110)</u>	<u>350</u>
Comprehensive income	<u>\$3,338</u>	<u>\$ 3,881</u>	<u>\$3,596</u>	<u>\$4,342</u>

(4) Inventories. Consolidated inventories, net, consisted of the following (in thousands):

	<u>June 30,</u>	<u>December 31,</u>
	<u>2004</u>	<u>2003</u>
FIFO Basis Inventory		
Raw Materials.....	\$24,302	\$21,170
Work in Process.....	7,790	8,489
Finished Goods.....	<u>4,203</u>	<u>4,214</u>
Total Inventory	<u>\$36,295</u>	<u>\$33,873</u>

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(5) Revolving Credit Agreements. On March 15, 2004, concurrently with the senior note offering discussed in Note 6, the Company entered into a new secured revolving credit agreement (the “Revolving Credit Agreement”) that expires March 15, 2008. The Revolving Credit Agreement currently provides for borrowings by the Company and its Subsidiaries of up to \$30 million, which may be increased to \$50 million at the Company’s option. The Agreement allows the Company to borrow funds and provides for the guarantee of letters of credit, up to the lesser of \$30 million or an amount based on the sum of: 1) advance rates applied to the total amounts of eligible accounts receivable and inventories of the Subsidiaries and 2) up to \$20 million secured by the fixed assets of the Company. The advance rates are 85% for receivables and 60% for inventory excluding work in process. The Revolving Credit Agreement also provides for borrowings of up to \$20 million secured by the fixed assets of the Subsidiaries subject to the completion of an appraisal of those assets prior to borrowing. The availability of funds secured by the fixed assets will amortize to zero over 60 months for that portion secured by machinery and equipment and 120 months for real estate or the remaining term of the Revolving Credit Agreement whichever is shorter. The Revolving Credit Agreement provides for borrowing at variable rates of interest, based on either LIBOR (London Interbank Offered Rate, 1.1% at June 30, 2004) plus a margin of 1.75% or U.S. prime rate (4.00% at June 30, 2004). Interest is payable monthly including a fee of 0.375% on the portion of the maximum amount of borrowings of \$50 million that remain unused during the period. The Subsidiaries are also guarantors of the Senior Notes defined at Note 6.

The Revolving Credit Agreement contains provisions allowing the lender to accelerate the repayment of debt upon the occurrence of an event the lender determines to represent a material adverse change. The Revolving Credit Agreement also contains restrictive covenants, which, among other things, restrict the use of proceeds from the sale of assets, the ability of the Company to incur additional debt and restrict certain corporate activities. At June 30, 2004, the Company was in compliance with all covenants of the Revolving Credit Agreement. The Company believes that it has adequate resources to meet its working capital and capital expenditure requirements consistent with past trends and practices. The Company is restricted in its ability to pay dividends under the terms of the Revolving Credit Agreement. In the event that the Company’s borrowing availability is below \$20,000,000 the Company’s cash balances will become restricted.

As of June 30, 2004 the Company had no borrowings and had unused gross borrowing availability in excess of the \$50.0 million borrowing limit under the Revolving Credit Agreement. As of December 31, 2003, the Company had borrowed \$13.9 million under a previous revolving credit facility, with unused borrowing availability of \$19.9 million. Morgan Olson had borrowed \$6.2 million under a revolving credit facility as of December 31, 2003. The Company repaid the borrowings under the previous revolving credit facilities, including Morgan Olson’s, on March 15, 2004, and has therefore classified the borrowings under these credit facilities as current liabilities as of December 31, 2003.

(6) Long Term Debt and Note Offering. On March 15, 2004 the Company completed the note offering of \$125 million, 8.75% Senior Notes due in 2014 (the “Senior Notes”) with interest payable semiannually. The proceeds, net of costs, of the note offering of approximately \$121.6 million were used to: (1) redeem the Company’s 2007, 12.5% Senior Secured Notes (“Old Notes”) in the amount of \$79.8 million including accrued interest through the redemption date of April 15, 2004 of \$3.9 million, (2) repay outstanding revolver debt of the Company of \$22.0 million including interest, (3) repay outstanding term and revolver debt of Morgan Olson (see Note 7) of \$14.0 million including accrued interest and prepayment penalties, (4) repay Universal’s outstanding term loan of \$773,000 including accrued interest and (5) provide cash collateral for stand by letters of credit of \$6.1 million. The cash collateral for stand-by letters of credit was reduced by \$4.8 million as of June 30, 2004 as the result of amounts refunded upon issuance of replacement letters of credit secured by the Revolving Credit Agreement. On May 17, 2004, the Company completed an offer to sell an additional \$30 million of Senior Notes. The additional notes were issued at par and on the same terms as the original issue. Net proceeds from the additional offering of approximately \$29.5 million increased the Company’s cash balance. The deferred loan costs related to the retired Old Notes of \$2.2 million were expensed during the six months ended June 30, 2004.

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The Company's obligations under the Senior Notes are guaranteed by each wholly-owned subsidiary of the Company (the "Subsidiary Guarantors"). Each guarantee is a senior unsecured obligation of the Subsidiary providing such Guarantee. The Senior Notes Indenture contains restrictive covenants, which, among other things, restrict the ability of the Company and its Restricted Subsidiaries to dispose of assets, incur debt and restrict certain corporate activities. The Subsidiary Guarantors are also borrowers under the Revolving Credit Agreement, see Note 5.

(7) Acquisition and Disposition. Concurrently with the Senior Notes offering discussed at Note 6, the Company acquired from John Poindexter, the sole shareholder of the Company, the stock of Morgan Olson, a truck body manufacturing company that he acquired effective July 14, 2003.

Morgan Olson, located in Sturgis, Michigan manufactures walk-in truck bodies in the United States. Morgan Olson also manufactures and supplies service parts for its van truck bodies under long-term contracts with the United States Postal Service. Mr. Poindexter acquired certain assets of Morgan Olson from Grumman Olson in a bankruptcy proceeding and contributed those assets to the Company concurrently with the Senior Notes offering. Mr. Poindexter paid approximately \$13.9 million for the assets including \$3 million in cash that he contributed as equity of Morgan Olson and assumed certain liabilities of approximately \$1.5 million. The purchase price was allocated to the assets based on the estimated fair values as of the date of acquisition. There was no goodwill recorded with the acquisition. The historical financial statements of the Company have been restated to reflect the merger on a basis similar to a pooling of interests so as to combine the financial statements of both companies for the period they were under common control.

Effective May 28, 2004 Truck Accessories sold principally all of the assets of its Midwest Truck Aftermarket distribution business. Truck Accessories realized cash proceeds of approximately \$1,343,000 and wrote off to Loss from discontinued operations \$300,000 of goodwill associated with the business. For the six month periods ended June 30, 2004 and 2003, Midwest Truck Aftermarket had sales of \$4,084,000 and \$4,344,000 respectively and an operating loss of \$320,000 and operating income of \$31,000 respectively. For the three month periods ended June 30, 2004 and 2003, Midwest Truck Aftermarket had sales of \$1,741,000 and \$2,740,000 respectively and an operating loss of \$311,000 and operating income of \$54,000 respectively.

(8) Income Taxes. The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standards (SFAS) No. 109. Under SFAS No. 109, deferred tax assets and liabilities are computed based on the difference between the financial statement and income tax bases of assets and liabilities using the enacted tax rates. The income tax provisions for the six months ended June 30, 2004 and 2003 differ from amounts computed based on the federal statutory rate as a result of state and foreign taxes.

The Company records a valuation allowance to reduce deferred tax assets to the amount that is more likely than not to be realized. The Company has recorded a valuation allowance of \$1.9 million as of June 30, 2004 and December 31, 2003. While the Company has considered future taxable income and on-going prudent and feasible tax planning strategies in assessing the need for the valuation allowance, should the Company determine that it is more likely than not to be able to realize the deferred tax assets in the future in excess of the net recorded amount, an adjustment to the valuation allowance would increase income in the period such determination was made. Likewise, should the Company determine that it is more likely than not to be unable to realize all or part of the net deferred tax asset in the future, an adjustment to the valuation allowance would reduce income in the period such determination was made.

(9) Contingencies.

Claims and Lawsuits. The Company is involved in certain claims and lawsuits arising in the normal course of business. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the financial position or results of operations of the Company.

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Warranty. Morgan provides product warranties for periods of up to five years. Truck Accessories provides a warranty period, exclusive to the original truck owner, which is, in general but with exclusions, one year for parts, five years for paint and lifetime for structure. Morgan Olson provides a warranty period, which is one year or 12,000 miles for components, three years or 36,000 miles for paint and five years or 50,000 miles for the van body structure. A provision for warranty costs is included in cost of sales when goods are sold based on historical experience and estimated future claims. The Company had accrued warranty costs of \$3.4 million and \$3.2 million at June 30, 2004 and December 31, 2003, respectively. During the six months ended June 30, 2004 and 2003, the Company charged to expense \$1,340,000 and \$1,291,000 and made warranty payments of \$1,167,000 and \$1,417,000, respectively.

Environmental Matters. The Company's operations are subject to numerous environmental statutes and regulations, including laws and regulations affecting its products, the materials used in and wastes generated by manufacturing the Company's products and the investigation and cleanup of contaminated sites. In addition, certain of the Company's operations are subject to federal, state and local environmental laws and regulations that impose limitations on the discharge of pollutants into the air and water of the United States or that impose workplace health and safety requirements. Pursuant to these laws, some of the Company's operations require permits which may restrict the Company's operations and which are subject to renewal, modification or revocation by issuing authorities. The Company also generates hazardous and non-hazardous wastes. The Company has received notices of noncompliance, from time to time, with respect to its operations, which have been typically resolved by correcting the conditions and the payment of minor fines, none of which individually or in the aggregate has had a material adverse effect on the Company. Further, the Company cannot ensure that it has been or will be at all times in compliance with all of these requirements, including those related to reporting or permit restrictions or that the Company will not incur material fines, penalties, costs or liabilities in connection with such requirements or a failure to comply with them. The Company expects that the nature of its operations will continue to make it subject to increasingly stringent environmental and workplace health and safety regulatory standards and to the increasingly stringent enforcement of those standards. Although the Company believes it has made sufficient capital expenditures to maintain compliance with existing laws and regulations, future expenditures may be necessary, as compliance standards and technology change. Unforeseen significant expenditures required to maintain such future compliance, including unforeseen liabilities, could limit expansion or otherwise have a material adverse effect on the Company's business and financial condition.

In a memorandum dated January 10, 2002 issued by the Georgia Environmental Protection Division ("EPD"), Truck Accessories was notified that it may be a potentially responsible party ("PRP") in a Georgia state superfund site. Although a precise estimate of liability cannot currently be made with respect to this site, the Company currently believes that its proportionate share, if any, of the ultimate costs related to any necessary investigation and remedial work at this site will not have a material adverse effect on the Company. The Company has not recorded a liability related to this matter.

On January 29, 2003, the United States Environmental Protection Agency ("USEPA") notified Truck Accessories that it had reviewed a self-disclosure regarding failure to file certain forms allegedly required pursuant to Section 313 of the Emergency Planning and Community Right-to-Know Act, and regulations promulgated thereunder. The Company has signed the Consent Agreement and Final Order and paid a penalty of \$11,045. The Company has implemented four Supplemental Environmental Projects, undertaken in connection with this matter, that require approximately \$125,000 of capital expenditures.

In October 2003, Truck Accessories was notified that it may be a potentially responsible party at a USEPA Superfund Site in California. The Company has executed a tolling agreement with the USEPA and attended a de minimis potentially responsible party settlement conference held by the USEPA. The Company has challenged the USEPA's initial assertion of liability of approximately \$47,000 on the grounds that the USEPA used incorrect information to estimate the liability. The Company currently believes that its proportionate share, if any, of the ultimate cost related to any necessary investigation and remedial work at the site will not have a material adverse effect on the Company.

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A self-audit conducted in 2002 revealed that a machine shop operated by MIC Group may have failed to file certain forms required pursuant to Section 313 of the Emergency Planning and Community Right-to-Know Act, and regulations promulgated thereunder. The Company disclosed this matter to the USEPA, completed all required reports and filed them with the appropriate agencies in 2002. Recently, the USEPA requested additional information, which the Company has provided. At this time the Company does not know whether the USEPA will seek to penalize the Company for these reporting violations.

During a Phase II Environmental Assessment in November 2002 at KWS in preparation for its sale effective December 31, 2002, two areas of potential contamination were identified. As a part of the sale agreement, a Phase III project was undertaken to determine the exact level of contamination and potential remediation, if necessary. The Company has completed a "Voluntary Clean Up Project" subject to final sign-off by the Texas Commission on Environmental Quality. The Company has incurred approximately \$75,000, of expenses as of June 30, 2004, and currently believes that to be the ultimate cost of this matter. Costs incurred over and above \$50,000 should be reimbursable to the company by the previous owner of KWS.

On February 20, 2004, the USEPA sent a request for information to the Truck Accessories facility in Milton, Pennsylvania, pursuant to the USEPA's authority under the Resource Conservation Recovery Act, which is the federal statute regulating the handling of hazardous waste. The request was for information and documents related to the Milton facility's handling and recordkeeping related to hazardous waters. Included with the information request was a copy of a September 2003 inspection report on which the USEPA and the Pennsylvania Department of Environmental Protection investigators indicated non-compliance by Truck Accessories with some Resource Conservation Recovery Act standards. Truck Accessories is gathering the information necessary to respond to the request. At this time, the Company does not know if the USEPA or the Pennsylvania Department will take enforcement action against Truck Accessories, and it cannot estimate the financial impact of such an enforcement action, if any, which could be material.

Morgan Olson's two manufacturing sites in Sturgis, Michigan overlie, or are in close proximity to, a regional plume of volatile organic compound groundwater contamination. Available information indicates that one of the sites was a likely source of part of the groundwater contamination, and that groundwater contamination is present under the second site. In August 2003, Morgan Olson submitted applications for Baseline Environmental Assessments for each site to the Michigan Department of Environmental Quality. In October 2003, the Michigan Department accepted these applications and granted to Morgan Olson a liability exemption for any pre-acquisition releases of volatile organic compounds from these sites that may have contributed to the regional groundwater contamination subject to certain conditions, including an agreement not to use chlorinated solvents and to implement certain engineering controls to minimize future releases at the sites. Based on the granting of the liability exemption, Morgan Olson does not believe it has any responsibility for investigation or remediation of the regional groundwater contamination issue. However, the exemption does not apply to other applicable laws or regulations, and there can be no guarantee that newly discovered conditions or future activities at the sites will not result in significant costs.

Self-Insured Risks. The Company utilizes a combination of insurance coverage and self-insurance programs for property, casualty, workers' compensation, and employee health care. The Company has reserves recorded to cover the self-insured portion of these risks based on known facts and historical trends and management believes that such reserves are adequate and the ultimate resolution of these matters will not have a material adverse effect on the financial position or results of operations of the Company.

(10) Related Party Transaction. Effective June 18, 2004, Morgan acquired from a partnership, of which John Poindexter is a partner, certain real property located in Georgia. Morgan paid approximately \$2,200,000 for the property, which was determined to be the fair market value of the property. The property had been leased from the partnership since 1990 and is used by Morgan for manufacturing truck bodies.

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

Overview

The discussion under this caption updates the information set forth in our 2003 annual report filed on form 10K in Item 7 under the caption "Overview". For a complete overview please refer to that section.

Effective March 15 and May 15, 2004 we sold \$125 million and \$30 million, respectively, of 8.75% Senior Notes due March 15, 2014 at par. Concurrent with the first transaction Morgan Olson, a company owned by John Poindexter, was contributed to the Company. The acquisition was treated as a modified pooling of interests and the financial statements of the Company have been restated to reflect the acquisition as of July 14, 2003 and as a result the comparative period of 2003 does not include the results of operations of this company.

Results of Operations

Six months ended June 30, 2004 Compared to Six months ended June 30, 2003

Net sales increased \$79.3 million, or 40% to \$278.2 million for the six months ended June 30, 2004 compared to \$198.9 million during the six months ended June 30, 2003. Morgan's net sales increased 42% or \$46.8 million on a 40% increase in unit shipments to approximately 21,200 units. Shipments of product to consumer rental companies that historically are completed in the first and second quarters of the year and command a lower unit price increased 49%. Shipments of commercial units increased 36% as Morgan's customers increased new truck purchases in response to cyclical demand. Truck Accessories' net sales increased \$4.2 million or 7% to \$63.3 million on a 1.4% increase in unit shipments to approximately 89,000 units. Pick up truck sales, a leading indicator for the Truck Accessories' business, increased 2.6% during the six months ended June 30, 2004 compared to the same period last year. Specialty Manufacturing's net sales increased \$3.7 million or 14% to \$30.7 million as machining services sales to both oil and non-oil customers increased by \$2.9 million or 18% for the 2004 period compared to 2003. During the six months ended June 30, 2004 net sales included \$25.8 million of step van and parts and services sales by Morgan Olson. Morgan Olson completed a contract for step van bodies for use by the United States Postal Service ("USPS") during the period. Sales of step van bodies and sales of parts and services for the USPS were \$7.2 million and \$1.6 million respectively, for the six months June 30, 2004. Morgan Olson will continue to provide parts and services for the step vans in use by the USPS.

Morgan's backlog at June 30, 2004 was \$70.2 million compared to \$72.0 million at December 31, 2003 and \$41.1 million at June 30, 2003. The increase from a year earlier was due primarily to additional commercial unit orders from Morgan's major fleet customers during 2004. Specialty Manufacturing's backlog at June 30, 2004 was \$11.7 million compared to \$11.2 million at December 31, 2003 and \$18.6 million at June 30, 2003 that included a \$5 million multi year purchase order that was cancelled in late 2003. Truck Accessories' backlog of approximately two weeks of production was \$4.6 million at June 30, 2004 compared to \$4.3 million as of December 31, 2003 and \$4.5 million as of June 30, 2003. Morgan Olson's backlog was \$28.6 million at June 30, 2004 compared to \$13.7 million at December 31, 2003.

Cost of sales increased 43% to \$242.4 million for the six months ended June 30, 2004 compared to \$169.7 million during the six months ended June 30, 2003. Gross profit increased 23% to \$35.8 million (13% of net sales) during the six months ended June 30, 2004 compared to \$29.2 million (15% of net sales) for the six months ended June 30, 2003.

Gross profit at Morgan increased \$3.1 million or 20% to \$18.6 million or 12% of sales compared to 14% of sales during 2003. The decrease in the gross margin percentage was due an increase in material costs of approximately \$5.0 million partially offset by the improved absorption of overhead on higher sales. Material cost

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increases reflect material used to manufacture product that had been booked into backlog prior to our product price increases taking effect. We implemented a 6% price increase on our truck body product and a 3½% cost pass-through on certain options during the first and second quarters of this year. However, the industry practice of honoring our price quotes to our customers for 30 days, an unusually large increase in orders late in 2003 and early 2004 and typically long production lead times due to chassis delivery schedules significantly reduced the benefit of the price increases. We estimate that the unrecovered increases in raw material costs reduced our operating income by approximately \$0.8 million in the first quarter and approximately \$4.2 million in the second quarter and will have a negative impact on our operating income of approximately \$1.5 million in the third quarter. An additional price increase is anticipated in the third quarter of 2004.

Truck Accessories' gross profit increased \$0.7 million to \$10.0 million (16% of net sales) compared to \$9.3 million (16% of net sales) during the six months ended June 30, 2003 period as a result of higher sales. Specialty Manufacturing's gross profit increased slightly to \$4.5 million (15% of net sales) compared to \$4.4 million (17% of net sales) during the six months ended June 30, 2003. The decline in gross margins at Specialty Manufacturing was due primarily to increased material cost as the result of purchasing material for certain machining jobs that was, during the prior period, provided by the customer and due to increased raw material costs at the plastics packaging business primarily due to product mix changes. Morgan Olson contributed \$2.8 million or 11% of its net sales to the consolidated gross profits for the current year to date period.

Selling, general and administrative expenses increased \$4.4 million or 27% to \$19.9 million (7% of net sales) for the six months ended June 30, 2004 compared to \$15.5 million (8% of net sales) during the six months ended June 30, 2003. Selling, general and administrative expenses decreased to 5% of sales or \$7.4 million at Morgan compared to 6% or \$6.5 million for the six months ended June 30, 2003. Morgan Olson's expenses during 2004 were \$2.7 million or 10% of sales. Selling, general and administrative expense remained flat at 7% of net sales at Truck Accessories. Expenses at Specialty Manufacturing increased 12% or \$393,000 due to additional personnel related insurance costs. Corporate expenses for the 2004 and 2003 periods were approximately \$1.6 million.

Effective March 15, 2004, we repaid our former revolving loan facility and effective April 15, 2004 we repaid our 12.5% Senior Secured Notes due 2007. As a result, we wrote off to expense the remaining deferred loan costs of \$2.2 million associated with those borrowings. Effective June 15, 2003 we completed an exchange offer of our 12.5% Senior Notes due 2004 for an equal amount of 12.5% Senior Secured Notes due 2007 and expensed costs associated with the offer of \$0.9 million during the six months ended June 30, 2003.

Operating income increased \$0.9 million to \$13.7 million (5% of net sales) for the six months ended June 30, 2004 compared to \$12.8 million (6% of net sales) during the six months ended June 30, 2003. Morgan's operating income increased \$2.1 million to \$11.2 million for the period due to higher sales. Truck Accessories' operating income increased to \$5.4 million (9% of net sales) compared to \$4.8 million (8% of net sales) during 2003 on higher sales. Specialty Manufacturing's operating income decreased \$0.5 million, primarily as a result of higher selling, general and administrative costs.

Interest expense was \$6.9 million for the six months ended June 30, 2004 compared to \$6.2 million during the first six months of 2003. The increase was primarily as a result of approximately \$0.8 million of additional interest on the 2007 Senior Secured Notes that were retired on April 15, 2004, 30 days subsequent to issuing the new Senior Notes.

The loss from discontinued operations of \$377,000 for the six months ended June 30, 2004 was comprised primarily of the loss on sale of the Midwest Truck Aftermarket operations of Truck Accessories of \$368,000 net of a tax benefit of \$252,000.

The income tax provisions for the six months ended June 30, 2004 and 2003 differ from amounts computed based on the federal statutory rate due to state and foreign taxes.

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Second Quarter 2004 Compared to Second Quarter 2003

Net sales increased \$35.1 million, or 31% to \$146.6 million for the three months ended June 30, 2004 compared to \$111.5 million during the three months ended June 30, 2003. Morgan's net sales increased 34% or \$22.3 million on a 23% increase in unit shipments to approximately 10,700 units. Shipments of product to consumer rental companies decreased slightly over the prior year as consumer rental production was concentrated in the first quarter of the current year while shipments of commercial units increased 38% as Morgan's customers increased new truck purchases from Morgan. Truck Accessories' net sales increased \$2.1 million or 6% to \$34.3 million on a 2.8% increase in units shipped as a result of product price increases and changes in product mix. Pick up truck sales, a leading indicator for the Truck Accessories' business, decreased 0.3% during the quarter ended June 30, 2004 compared to the same period last year. Specialty Manufacturing's net sales increased \$2.2 million or 16% to \$16.0 million as machining services sales to both oil and non-oil customers increased by \$1.6 million or 19% for the 2004 quarter compared to 2003. During the quarter ended June 30, 2004 net sales included \$9.6 million of step van and parts and services sales by Morgan Olson.

Cost of sales increased 35% to \$127.3 million for the three months ended June 30, 2004 compared to \$94.2 million during the three months ended June 30, 2003. Gross profit increased 11% to \$19.2 million (13% of net sales) during the three months ended June 30, 2004 compared to \$17.4 million (16% of net sales) for the three months ended June 30, 2003. Gross profit at Morgan increased \$0.7 million or 7% to \$10.2 million or 12% of sales compared to 15% of sales during 2003, primarily due to higher volume of sales. The decrease in the gross margin percentage was due to an increase in material costs relative to sales of approximately \$3.0 million partially offset by the improved absorption of overhead on higher sales. Truck Accessories' gross profit increased \$0.3 million to \$5.8 million (17% of net sales) compared to \$5.5 million (17% of net sales) during the three months ended June 30, 2003 period as a result higher sales. Specialty Manufacturing's gross profit decreased to \$2.3 million (14% of net sales) compared to \$2.4 million (17% of net sales) during the three months ended June 30, 2003. Morgan Olson contributed \$0.9 million or 9% of its net sales to the consolidated gross profits of the Company for the current quarter.

Selling, general and administrative expenses increased \$2.2 million or 28% to \$10.0 million (7% of net sales) for the three months ended June 30, 2004 compared to \$7.8 million (7% of net sales) during the three months ended June 30, 2003. Selling, general and administrative expenses increased to \$3.8 million (4% of sales) at Morgan compared to \$3.2 million (5% of sales) for the three months ended June 30, 2003 as a result of higher sales-related incentive costs and payroll related costs. Morgan Olson's expenses were \$1.2 million or 13% of sales. Selling, general and administrative expense remained flat at 7% of net sales at Truck Accessories. Corporate expenses for the 2004 and 2003 periods were \$0.9 million. During the 2003 period we expensed \$0.9 million of expenses associated with the exchange of our then outstanding senior notes.

Operating income increased \$0.6 million to \$9.2 million (6% of net sales) for the three months ended June 30, 2004 compared to \$8.6 million (8% of net sales) during the three months ended June 30, 2003. Morgan's operating income was flat at approximately \$6.3 million for the period due to the impact of higher material costs for products ordered by our customers prior to price increases taking effect. Truck Accessories' operating income increased to \$3.5 million (10% of net sales) compared to \$3.2 million (10% of net sales) during 2003 on traditionally higher sales during the summer months. Specialty Manufacturing's operating income decreased \$0.3 million, as the result of higher material costs. Morgan Olson had an operating loss of \$0.3 million for the 2004 period.

Interest expense was \$2.9 million for the three months ended June 30, 2004 and 2003. Interest on the \$155.0 million 8.75% Senior Notes will be \$3.4 million per quarter excluding interest on short term borrowings and other debt that may be incurred in the future.

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The loss from discontinued operations of \$358,000 for the three months ended June 30, 2004 was primarily due to the loss on sale of the Midwest Truck Aftermarket operations of Truck Accessories of \$368,000 net of a tax benefit of \$252,000.

The income tax provisions for the three months ended June 30, 2004 and 2003 differ from amounts computed based on the federal statutory rate due to state and foreign taxes.

Liquidity and Capital Resources

Operating activities. Operating activities during the six months ended June 30, 2004 generated cash of \$7.9 million compared to \$5.3 million during the same period in 2003. Working capital at June 30, 2004 was \$86.3 million compared to \$15.0 million at December 31, 2003. The increase reflects a \$45.3 million increase in cash as a result of the refinancing of the Company that we completed on May 15, 2004 with the sale of an additional \$30.0 million of our 8.75% Senior Notes, the repayment of revolver borrowings of \$20.1 million and a \$5.6 million increase in receivables primarily at Morgan. The net investment in working capital excluding cash was \$5.6 million for the six months ended June 30, 2004 compared to \$4.6 million for the prior year period despite a 49% increase in sales and a negligible increase in payables as we continue to take advantage of supplier discounts.

Investing activities. Capital expenditures for the six months ended June 30, 2004 were \$7.4 million compared to \$1.6 million during the same period in 2003. The increase was due primarily to the real estate purchase by Morgan of its manufacturing facility in Georgia in the amount of \$2.2 million, improvements and enhancements to production facilities at Morgan of approximately \$1.2 million and additional machine tools for the machining services operations of Specialty Manufacturing of approximately \$2.0 million.

Financing activities. On March 15, 2004 we completed a refinancing of the Company with the issue of \$125 million, 8.75% Senior Notes due on March 15, 2014 the proceeds of which were used to repay existing debt including the Senior Secured Notes due 2007 of \$75.8 million and borrowings under the revolving loan agreement of approximately \$21.9 million as of that date and Morgan Olson debt of \$13.9 million. Concurrently with issuing the new Senior Notes we entered into a new Revolving Credit Agreement that provides for borrowings up to \$30.0 million. The amount of the revolving credit facility may be increased at our option to \$50.0 million provided we are not in default of the Revolving Credit Agreement. Effective May 15, 2004 we completed an additional sale of \$30.0 million of our Senior Notes with net proceeds of approximately \$30.0 million going to cash. Other financing activities included the costs associated with the issue of the New Notes and the new revolver agreement of \$4.9 million and \$1.3 million of cash collateral required by our previous revolver lender to secure our letters of credit pending the issuance of replacements by the new revolver lender.

The ability to borrow under the Revolving Credit Agreement depends on the amount of eligible collateral, which, in turn, depends on certain advance rates applied to the value of accounts receivables and inventory. At August 2, 2004, the Company had gross available borrowing capacity in excess of \$50.0 million based on eligible accounts receivable and inventory and unused available borrowing capacity of approximately \$24.8 million under the terms of the Revolving Credit Agreement.

At June 30, 2004 the Consolidated EBITDA coverage Ratio, as defined in the Senior Notes Indenture, was 3:1.

We continually evaluate the most efficient use of our capital and contemplate various strategic options, which may include, without limitation, restructuring our business, indebtedness or capital structure. Accordingly, we may, from time to time consider, among other things, purchasing, refinancing or otherwise retiring certain outstanding indebtedness whether in the open market or by other means.

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We believe that we have adequate resources to meet our working capital and capital expenditure requirements consistent with past trends and practices. Operating cash flows are an important source of liquidity to the Company and the diverse nature of the operations of the Company, in our opinion, reduces exposure to economic factors such as a manufacturing recession.

Management Changes

On March 29, 2004, Robert Ostendorf resigned as president of Morgan and as a director of Morgan Olson. John Poindexter has been appointed as president of Morgan and Morgan Olson.

Critical Accounting Policies

A discussion of critical accounting policies is included in the Company's 2003 Annual Report on Form 10-K. There have been no material changes in critical accounting policies since the date of that filing, or during the six months ended June 30, 2004.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

Forward-looking statements in this report, including without limitation, statements relating to the Company's plans, strategies, objectives, expectations, intentions and adequacy of resources, are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties including without limitation the following: (1) the Company's plans, strategies, objectives, expectations and intentions are subject to change at any time at the discretion of the Company; (2) other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission.

Item 3. Other Information

Quantitative and Qualitative Disclosures About Market Risk

The Company is subject to certain market risks, including interest rate risk and foreign currency risk. The adverse effects of potential changes in these market risks are discussed below. The sensitivity analyses presented do not consider the effects that such adverse changes may have on overall economic activity, nor do they consider additional actions management may take to mitigate the Company's exposure to such changes. Actual results may differ. See the Notes to the Consolidated Financial Statements for a description of the Company's accounting policies and other information related to these financial instruments.

Interest Rates

Fixed-Rate Debt. As of June 30, 2004, we had \$155.0 million of 8.75% Senior Notes, long-term debt, outstanding, with an estimated fair value of approximately \$157.0 million based upon their traded value at June 30, 2004. Market risk, estimated as the potential increase in fair value resulting from a hypothetical 1.0% decrease in interest rates, was approximately \$10.6 million as of June 30, 2004.

Foreign Currency

Raider Industries, a subsidiary of Truck Accessories, has two manufacturing plants in Canada, which generated revenues of approximately \$12.2 million during the six months ended June 30, 2004. The functional currency of Raider Industries is the Canadian Dollar. We do not currently employ risk management techniques to manage this potential exposure to foreign currency fluctuations; however, the majority of goods manufactured in Canada are exported and sold to customers in the United States. Therefore, a weakening of the United States Dollar in relation

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to the Canadian Dollar may have the effect of decreasing Raider Industries' gross margin, assuming that the United States sales price remains unchanged.

Item 4. Controls and Procedures

Pursuant to Section 302 of the Sarbanes-Oxley Act and Rule 13a-15 of the Securities Exchange Act of 1934 ("Exchange Act") promulgated thereunder, our chief executive officer and chief financial officer have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report (the "Evaluation Date"). Based on such evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective as of the Evaluation Date to ensure that information required to be disclosed in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the required time periods. There have been no changes in our internal controls over financial reporting during the period covered by this report that were identified in connection with the evaluation referred to above that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1 Legal Proceedings

The Company is involved in certain claims and lawsuits arising in the normal course of business. In the opinion of management, the ultimate resolution of these matters will not have a material adverse effect on the financial position or results of operations of the Company.

Item 2 Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities

None

Item 3 Defaults upon Senior Securities

None

Item 4 Submission of Matters to a Vote of Security Holders

None

Item 5 Other Information

None

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibits

- 4.1** Form of 8.75% Senior Note due 2014
- 4.2** Indenture dated as of March 15, 2004
- 10.1** Loan and Security Agreement Dated as of March 15, 2004 Among LaSalle Bank National Association, The Agent, The Financial Institutions From Time to Time party Hereto, The Lenders and J.B. Poindexter & Co., Inc.
- 10.1.1** 1st Amendment to the Loan and Security Agreement dated May 13, 2004.
- 10.2** Registration Rights Agreement dated March 15, 2004 Between the Company, the Guarantors and J. P. Morgan Securities and the Initial Purchasers.
- 10.2.1** Registration Rights Agreement dated May 17, 2004 Between the Company, the Guarantors and J. P. Morgan Securities.

The Company will provide any holder of senior notes with a copy of any of the above exhibits upon written request. Please mail such request to the Secretary:

J.B. Poindexter & Co., Inc
1100 Louisiana, Suite 5400
Houston, Texas 77002

(b) On February 25, 2004, the Company filed certain information disclosed in a confidential offering memorandum with the Securities and Exchange Commission under Items 5 and 9 of Form 8-K.

J.B. POINDEXTER & CO., INC.

On March 23, 2004, the Company filed certain information disclosed at a high-yield bond conference with the Securities and Exchange Commission under Items 7 and 9 of Form 8-K.

CERTIFICATES IN LIEU OF EXHIBIT 31

J.B. POINDEXTER & CO., INC.

I, John B. Poindexter, certify that:

1. I have reviewed this quarterly report of J.B. Poindexter & Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report and based on such evaluation; and
 - (c) disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of company's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls over financial reporting.

Date: August 16, 2004

/s/ John B. Poindexter

Name: John B. Poindexter

Title: Chairman, President & Chief Executive Officer

I, Robert S. Whatley, certify that:

J.B. POINDEXTER & CO., INC.

1. I have reviewed this quarterly report of J.B. Poindexter & Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the company and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report and based on such evaluation; and
 - (c) disclosed in this report any change in the company's internal control over financial reporting that occurred during the company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of company's board of directors (or persons performing the equivalent functions):
 - (a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls over financial reporting.

Date: August 16, 2004

/s/ Robert S. Whatley

Name: Robert S. Whatley
Title: Chief Financial Officer