

J.B. POINDEXTER & CO., INC.

Financial Statements For The Quarter Ended September 30, 2004

Date of Report: November 15, 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 November 1, 2004.

PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****J.B. POINDEXTER & CO., INC.
CONDENSED CONSOLIDATED BALANCE SHEETS****(Dollars in thousands)****ASSETS**

	September 30,	December 31,
	<u>2004</u>	<u>2003</u>
	(Unaudited)	(Audited)
Current assets		
Cash and cash equivalents including restricted cash of \$0 and \$1,351, respectively	\$ 39,366	\$ 1,351
Accounts receivable, net of allowance for doubtful accounts of \$972 and \$909, respectively	48,679	38,695
Inventories, net of allowance for excess and obsolete of \$2,474 and \$2,553, respectively	42,714	33,873
Deferred income taxes	1,595	1,261
Prepaid expenses and other	<u>2,827</u>	<u>2,829</u>
Total current assets	135,181	78,009
Property, plant and equipment, net	43,891	41,020
Goodwill	16,516	16,516
Deferred income taxes	1,680	5,367
Debt issuance costs	4,861	2,505
Other assets	<u>4,189</u>	<u>3,584</u>
Total assets	<u>\$206,318</u>	<u>\$147,001</u>

LIABILITIES AND STOCKHOLDER'S DEFICIT

Current liabilities		
Current portion of long-term debt	\$ 673	\$ 2,435
Borrowings under the revolving credit facilities	-	19,750
Accounts payable	27,948	25,549
Accrued compensation and benefits	7,284	6,917
Accrued income taxes	397	555
Accrued interest	565	1,255
Other accrued liabilities	<u>7,952</u>	<u>6,690</u>
Total current liabilities	<u>44,819</u>	<u>63,151</u>
Non-current liabilities		
Long-term debt, less current portion	157,199	85,604
Employee benefit obligations and other	<u>4,677</u>	<u>3,636</u>
Total non-current liabilities	<u>161,876</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	13	(82)
Accumulated deficit	<u>(19,876)</u>	<u>(24,794)</u>
Total stockholder's deficit	<u>(377)</u>	<u>(5,388)</u>
Total liabilities and stockholder's deficit	<u>\$206,318</u>	<u>\$147,001</u>

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

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

	<u>For the Three Months</u>		<u>For the Nine Months</u>	
	<u>Ended September 30,</u>		<u>Ended September 30,</u>	
	(Unaudited)		(Unaudited)	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net sales.....	\$141,462	\$ 115,122	\$419,693	\$314,069
Cost of sales.....	<u>126,060</u>	<u>98,329</u>	<u>368,459</u>	<u>268,049</u>
Gross profit.....	15,402	16,793	51,234	46,020
Selling, general and administrative expense	9,801	9,332	29,681	24,956
Debt issuance costs.....	-	-	2,213	-
Refinancing costs.....	-	-	-	831
Other income	<u>-</u>	<u>(367)</u>	<u>-</u>	<u>(367)</u>
Operating income	5,601	7,828	19,340	20,600
Interest expense	<u>3,624</u>	<u>3,194</u>	<u>10,558</u>	<u>9,422</u>
Income before income taxes and discontinued operations	1,977	4,634	8,782	11,178
Income tax provision	<u>765</u>	<u>1,954</u>	<u>3,487</u>	<u>4,509</u>
Income before discontinued operations	1,212	2,680	5,295	6,669
Loss on sale of discontinued operations.....	-	-	(175)	-
Loss from discontinued operations.....	<u>-</u>	<u>(38)</u>	<u>(202)</u>	<u>(35)</u>
Net income.....	<u>\$ 1,212</u>	<u>\$ 2,642</u>	<u>\$ 4,918</u>	<u>\$ 6,634</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 Nine Months Ended September 30,	
	(Unaudited)	
	<u>2004</u>	<u>2003</u>
Cash flows provided by operating activities:		
Net income.....	\$ 4,918	\$ 6,634
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	6,942	6,767
Debt issuance costs.....	492	469
Non-cash provision for excess and obsolete inventory	193	205
Non-cash provision for doubtful accounts receivable.....	50	176
Loss (gain) on extinguishment of debt.....	2,213	(368)
Deferred federal income tax provision.....	3,396	3,915
Operating cash flows from discontinued operations	12	(492)
Other.....	(14)	(94)
Change in assets and liabilities, net of the effect of discontinued operations and purchase of business:		
Accounts receivable.....	(9,588)	(19,825)
Inventories	(9,192)	(4,259)
Prepaid expenses and other	(1,115)	(752)
Accounts payable.....	2,171	9,698
Accrued compensation and benefits.....	331	2,114
Accrued income taxes.....	(185)	203
Other accrued liabilities.....	<u>354</u>	<u>2,838</u>
Net cash provided by operating activities	<u>977</u>	<u>7,229</u>
Cash flows provided by (used in) investing activities:		
Purchase of business.....	-	(14,341)
Proceeds from sale of business and equipment	228	865
Acquisition of property, plant and equipment.....	(9,498)	(2,794)
Discontinued operations	<u>1,343</u>	<u>934</u>
Net cash used in investing activities:	<u>(7,927)</u>	<u>(15,336)</u>
Cash flows (used in) provided by financing activities:		
Net payments revolving lines of credit and short-term debt ..	(19,878)	8,486
Proceeds from long-term debt	157,165	10,628
Payments of long-term debt and capital leases.....	(87,249)	(9,586)
Capital contribution.....	-	3,000
Discontinued operations	-	428
Other financing activities	(5,189)	(2,719)
Change in restricted cash.....	<u>1,351</u>	<u>(1,876)</u>
Net cash provided by financing activities	<u>46,200</u>	<u>8,361</u>
Effect of exchange rate changes on cash.....	<u>116</u>	<u>(254)</u>
Change in cash and cash equivalents	39,366	-
Cash and cash equivalents beginning of period	-	-
Cash and cash equivalents end of period.....	<u>\$39,366</u>	<u>\$ -</u>

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

J.B. POINDEXTER & CO., INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(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 nine-month period ended September 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 15, 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 (“MTA”), its remaining distribution business. MTA has been accounted for 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 Nine Months	
	Ended September 30,		Ended September 30,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net Sales:				
Morgan	\$73,361	\$ 55,487	\$233,034	\$168,317
Morgan Olson	18,206	13,228	43,986	13,228
Truck Accessories	33,705	32,416	97,048	91,598
Specialty Manufacturing Group	16,202	13,991	46,861	40,926
Eliminations	(12)	-	(1,236)	-
Net Sales	<u>\$141,462</u>	<u>\$115,122</u>	<u>\$419,693</u>	<u>\$314,069</u>
Operating Income (Loss):				
Morgan	\$ 3,565	\$ 4,256	\$14,764	\$ 13,319
Morgan Olson	25	427	122	427
Truck Accessories	2,414	2,834	7,820	7,682
Specialty Manufacturing Group	544	441	1,459	1,820
JBPCO (Corporate)	(947)	(130)	(4,825)	(2,648)
Operating Income	<u>\$ 5,601</u>	<u>\$ 7,828</u>	<u>\$19,340</u>	<u>\$20,600</u>

J.B. POINDEXTER & CO., INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Total Assets as of:	September 30, 2004	December 31, 2003
Morgan	\$ 65,683	\$53,156
Morgan Olson	31,004	25,949
Truck Accessories	44,995	39,549
Specialty Manufacturing Group	30,335	26,611
JBPCO (Corporate)	34,301	976
Net Assets of Discontinued Operations	-	947
Total Assets	<u>\$ 206,318</u>	<u>\$147,001</u>

Morgan has two customers (truck leasing and rental companies) that together accounted for approximately 49% and 44% of Morgan's net sales during each of the nine months ended September 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% of Specialty Manufacturing's net sales during each of the nine months ended September 30, 2004 and 2003.

Morgan Olson manufactured and shipped truck bodies for Morgan and charged Morgan \$1.2 million during the nine months ended September 30, 2004 for the products.

The JBPCO (Corporate) costs of \$4.8 million and \$2.6 million for the nine months ended September 30, 2004 and 2003 respectively included the loss on extinguishment of debt of \$2.1 million during the 2004 period and refinancing costs of \$464,000 net of a gain of \$367,000 on the retirement of debt during the 2003 period.

Total Assets as of September 30, 2004 increased \$59.3 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 increased accounts receivable and inventory at Morgan and Morgan Olson as a result of increased levels of production.

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

	For the Three Months		For the Nine Months	
	Ended September 30,		Ended September 30,	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net income.....	\$ 1,212	\$2,642	\$4,918	\$ 6,634
Foreign currency translation (loss) gain	<u>205</u>	<u>25</u>	<u>95</u>	<u>375</u>
Comprehensive income	<u>\$1,417</u>	<u>\$ 2,667</u>	<u>\$5,013</u>	<u>\$7,009</u>

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

	September 30, 2004	December 31, 2003
FIFO Basis Inventory		
Raw Materials.....	\$26,908	\$21,170
Work in Process.....	10,815	8,489
Finished Goods.....	<u>4,991</u>	<u>4,214</u>
Total Inventory	<u>\$42,714</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 \$30.0 million, which may be increased to \$50.0 million at the Company’s option. The Revolving Credit Agreement allows the Company to borrow funds and provides for the guarantee of letters of credit, up to the lesser of \$30.0 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 \$20.0 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 \$20.0 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, 2.1% at September 30, 2004) plus a margin of 1.75% or U.S. prime rate (4.75% at September 30, 2004). Interest is payable monthly including a fee of 0.375% on the portion of the maximum amount of borrowings of \$50.0 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 September 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 \$20.0 million the Company’s cash balances will become restricted.

As of September 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 \$13.6 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 Specialty Manufacturing’s outstanding term loan of \$773,000 including accrued interest and (5) provide temporary cash collateral for stand by letters of credit of \$6.1 million. The cash collateral for stand-by letters of credit was reduced by \$5.9 million as of September 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 \$30.0 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

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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 nine months ended September 30, 2004.

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. 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 15, 2003.

Morgan Olson, located in Sturgis, Michigan, manufactures step van truck bodies and related service parts for customers located throughout the United States and Canada. Morgan Olson also supplies service parts for its step van truck bodies under long-term contracts with the United States Postal Service. Mr. Poindexter acquired certain assets of Morgan Olson from Grumman Olson Industries Inc., 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 \$3.0 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.

(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 nine months ended September 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 September 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.

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

J.B. POINDEXTER & CO., INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

miles for components, three years or 36,000 miles for paint and five years or 50,000 miles for its step 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 \$3.6 million and \$3.2 million at September 30, 2004 and December 31, 2003, respectively. During the nine months ended September 30, 2004 and 2003, the Company charged to expense \$2.0 million and \$884,000 in each period and made warranty payments of \$1.6 million and \$655,000, 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 executed a tolling agreement with the USEPA and attended a de minimis potentially responsible party settlement conference held by the USEPA. The Company successfully challenged the USEPA's initial assertion of liability and was removed from the list of potentially responsible parties effective September 23, 2004.

A self-audit conducted in 2002 revealed that a machine shop operated by MIC Group may have failed to file

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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 if 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 expenses of approximately \$75,000, to date as of September 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 September 18, 2004, Morgan acquired from a partnership, of which John Poindexter is a partner, certain real property located in Georgia. Morgan paid approximately \$2.2 million 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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(11) Discontinued Operations.

Effective May 28, 2004 Truck Accessories sold principally all of the assets of its MTA distribution business. Truck Accessories realized cash proceeds of approximately \$1.3 million. Goodwill of \$300,000, less a tax benefit of \$125,000, was charged to expense as a loss from discontinued operations. For the nine month periods ended September 30, 2004 and 2003, MTA had sales of \$4.1 million and \$10.0 million respectively and an operating loss of \$189,000 and \$2,000 respectively, net of taxes. For the three month period ended September 30, 2003, MTA had sales of \$2.5 million and an operating loss of \$27,000, net of taxes.

During the nine months ended September 30, 2004 and 2003 the Company incurred approximately \$13,000 and \$33,000 respectively, of expenses associated with operations sold in prior periods and treated as discontinued operations in the consolidated financial statements presented. During the three months ended September 30, 2003 the Company incurred \$11,000 of expense associated with these operations.

Additionally, the net assets and liabilities of the operations disposed of have been included with other assets or liabilities. As of September 30, 2004 the remaining obligations of discontinued operations were \$481,000 and comprised mainly pension obligations and workers compensation insurance liabilities. As of December 31, 2003 assets of discontinued operations were \$2.2 million, including \$1.8 million of accounts receivable, and liabilities were \$1.0 million.

**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 the 2003 annual report filed on form 10-K in Item 7 under the caption "Overview." For a complete overview please refer to that section.

Effective March 15 and May 15, 2004, the Company sold \$125.0 million and \$30.0 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 15, 2003 and as a result, the comparative period of 2003 includes the results of operations of this company subsequent to that date only.

Results of Operations

Nine months ended September 30, 2004 compared to nine months ended September 30, 2003

Sales. Consolidated net sales increased \$105.6 million or 34% to \$419.7 million for the nine months ended September 30, 2004 compared to \$314.1 million during the nine months ended September 30, 2003.

- Morgan's net sales increased 38% or \$64.7 million on a 32% increase in unit shipments to approximately 29,000 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 20%. Shipments of commercial units increased 37% as Morgan's customers increased new truck purchases in response to increased demand.
- Morgan Olson's net sales increased \$30.8 million to \$44.0 million during the nine months ended September 30, 2004 compared to \$13.2 million for the period from July 15, 2003, the date of acquisition, to September 30, 2003.

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- Truck Accessories' net sales increased \$5.5 million or 6% to \$97.0 million on a 1.9% increase in unit shipments to approximately 135,000 units. Pick-up truck sales, a leading indicator for the Truck Accessories' business, increased 3.6% during the nine months ended September 30, 2004 compared to the same period last year.
- Specialty Manufacturing's net sales increased \$5.9 million or 15% to \$46.9 million as both the machining and packaging operations of the group experienced increased sales activity.

Backlog. Consolidated backlog was \$105.3 million as of September 30, 2004, \$101.2 million as of December 31, 2003 and \$79.5 million as of September 30, 2003.

- Morgan's backlog at September 30, 2004 was \$67.5 million compared to \$72.0 million at December 31, 2003 and \$34.6 million at September 30, 2003. The increase from a year earlier was due primarily to additional commercial unit orders from Morgan's major fleet customers during 2004.
- Morgan Olson's backlog was \$22.7 million at September 30, 2004 compared to \$13.7 million at December 31, 2003 and \$24.8 million at September 30, 2003. The backlog at the end of September 2003 included the United States Postal Service contract that was completed in the first quarter of 2004.
- Truck Accessories' backlog of approximately two weeks of production was \$4.5 million at September 30, 2004 compared to \$4.3 million as of December 31, 2003 and \$4.1 million as of September 30, 2003.
- Specialty Manufacturing's backlog at September 30, 2004 was \$10.6 million compared to \$11.2 million at December 31, 2003 and \$16.0 million at September 30, 2003 that included a \$5.0 million multi-year purchase order that was cancelled in late 2003.

Cost of sales and gross profits. Consolidated cost of sales increased 37% to \$368.5 million for the nine months ended September 30, 2004 compared to \$268.0 million during the nine months ended September 30, 2003. Gross profit increased \$5.2 million or 11% to \$51.2 million or 12% of net sales during the nine months ended September 30, 2004 compared to \$46.0 million or 15% of net sales for the same period in 2003.

- Morgan's gross profit increased \$2.3 million or 10% to \$25.8 million or 11% of net sales compared to \$23.5 million or 14% of net sales during 2003. The decrease in the gross margin as a percentage of net sales was due to an increase in material costs of \$9.3 million partially offset by the improved absorption of overhead on higher sales of \$2.1 million and some improved labor efficiencies. Material cost increases reflect material used to manufacture product that had been booked into backlog prior to product price increases taking effect. Morgan implemented a 6% price increase on truck body products and a 3½% cost pass-through on certain options during the second and third quarters of this year. However, the industry practice of honoring price quotes to customers for 30 days, an unusually large increase in orders late in 2003 and early 2004, and long production lead times due to chassis delivery schedules, significantly reduced the benefit of the price increases. Morgan estimated that the unrecovered increases in raw material costs reduced operating income by approximately \$0.8 million in the first quarter, \$4.2 million in the second quarter and \$3.0 million in the third quarter. An additional price increase is anticipated in the fourth quarter of 2004.
- Morgan Olson's gross profit was \$3.9 million or 9% of net sales for the current period compared to \$1.8 million or 14% of net sales during the shorter period subsequent to acquisition last year. The decline in the gross profit margin was due primarily to a four percentage point increase in labor costs relative to sales caused by high labor turnover, hiring and training costs, and increased wage rates all associated with a ramp-up in production to meet higher sales demand.
- Truck Accessories' gross profit increased \$0.3 million to \$14.7 million or 15% of net sales compared to \$14.4 million or 16% of net sales during the nine months ended September 30, 2003 period.
- Specialty Manufacturing's gross profit increased slightly to \$6.7 million or 14% of net sales compared to \$6.2 million or 15% of net sales during the nine months ended September 30, 2003 on higher sales. The decline in gross margins at Specialty Manufacturing was due primarily to increased material costs as a percentage of sales primarily at the plastics-based packaging products business

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Selling, general and administrative expenses. Consolidated selling, general and administrative expenses increased \$4.7 million or 19% of net sales to \$29.7 million or 7% of net sales for the nine months ended September 30, 2004 compared to \$25.0 million or 8% of net sales during the same period in 2003.

- Morgan's selling, general and administrative expenses decreased to 5% of net sales or \$11.1 million compared to 6% of net sales or \$10.2 million for the prior period despite a 38% increase in sales.
- Morgan Olson's expenses during 2004 were \$3.8 million or 9% of net sales compared to \$1.2 million or 9% of net sales during the 2003 period subsequent to acquisition.
- Truck Accessories selling, general and administrative expenses remained 7% of net sales for both periods.
- Specialty Manufacturing's expenses increased 19% or \$859,000 due to increased personnel-related costs but remained 11% of sales.
- Corporate selling, general and administrative expenses for the 2004 and 2003 periods were approximately \$2.6 million and \$2.2 million, respectively, the increase due primarily to increased personnel and the related costs.

Debt issuance costs and refinancing costs. Effective March 15, 2004, the Company repaid the outstanding revolving loan facility and effective April 15, 2004 repaid the 12.5% Senior Secured Notes due 2007. As a result, the remaining deferred loan costs of \$2.2 million associated with those borrowings were written off to expense. Effective September 15, 2003, the Company completed an exchange offer of the 12.5% Senior Notes due 2004 for an equal amount of 12.5% Senior Secured Notes due 2007 and expensed the costs associated with the offer of \$0.8 million during the nine months ended September 30, 2003.

Other income. Other income during the nine-month period ended September 30, 2003 of \$0.4 million comprised the gain on the purchase and cancellation of \$9.1 million principal amount of outstanding 12.5% Senior Secured Notes due 2007.

Operating Income. Consolidated operating income decreased \$1.3 million to \$19.3 million or 5% of net sales for the nine months ended September 30, 2004 compared to \$20.6 million or 7% of net sales during the same period last year.

- Morgan's operating income increased \$1.4 million to \$14.8 million or 6% of net sales compared to \$13.3 million or 8% of net sales for the prior period due to higher sales. The reduction in Morgan's operating income as a percentage of sales was due to increased raw material costs.
- Morgan Olson's operating income decreased \$0.3 million to \$0.1 million during the period compared to \$0.4 million last year. The decrease was due to the decline in gross profit margins.
- Truck Accessories' operating income increased to \$7.8 million or 8% of net sales compared to \$7.7 million or 8% of net sales during 2003 on higher sales.
- Specialty Manufacturing's operating income decreased \$0.3 million to \$1.5 million compared to \$1.8 million last year, primarily as a result of higher selling, general and administrative costs.

Interest expense. Consolidated interest expense was \$10.6 million for the nine months ended September 30, 2004 compared to \$9.4 million during the first nine 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.

Discontinued operations. The Loss on sale of discontinued operations of \$0.2 million, net of taxes, for the nine months ended September 30, 2004 was goodwill, written off to expense, associated with the MTA operations of Truck Accessories. The loss from discontinued operations of \$0.2 million for the nine months ended September 30, 2004 was primarily the operating losses of MTA of \$0.2 million net of a tax benefit of \$0.1 million.

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

J.B. POINDEXTER & CO., INC.
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Third Quarter 2004 compared to Third Quarter 2003

Sales. Consolidated net sales increased \$26.3 million or 23% to \$141.5 million for the three months ended September 30, 2004 compared to \$115.1 million for the same period last year.

- Morgan's net sales increased 32% or \$17.9 million on a 12% increase in unit shipments to approximately 7,700 units. Shipments of the lower priced consumer rental products decreased 64% over the prior year as consumer rental production was concentrated in the first quarter of the current year. Shipments of commercial units increased 37% as Morgan's customers increased new truck body purchases.
- Morgan Olson's net sales increased \$5.0 million to \$18.2 million for the 2004 quarter compared to \$13.2 million for the prior year period from July 15, 2004 to September 30, 2004.
- Truck Accessories' net sales increased \$1.3 million or 4% to \$33.7 million as a result of product price increases, changes in product mix and a 0.4% increase in units shipped. Pick-up truck sales, a leading indicator for the Truck Accessories' business, increased 5.4% during the quarter ended September 30, 2004 compared to the same period last year.
- Specialty Manufacturing's net sales increased \$2.2 million or 16% to \$16.2 million as machining services sales increased by \$1.0 million or 12% and packaging sales increased \$1.2 million or 22% for the 2004 quarter compared to 2003.

Cost of sales and gross profits. Consolidated cost of sales increased 28% to \$126.0 million for the three months ended September 30, 2004 compared to \$98.3 million during the same period last year. Gross profit decreased 8% to \$15.4 million or 11% of net sales compared to \$16.8 million or 15% of net sales last year.

- Morgan's gross profit decreased \$0.8 million or 9% to \$7.2 million or 10% of net sales compared to 14% of net sales last year due to an increase in material costs relative to sales of approximately \$4.5 million offset by the gross profit on the increased volume of sales and the improved absorption of overhead on the higher production. Morgan estimated that operating income was reduced by approximately \$3.0 million during the quarter as a result of raw material cost increases that could not be recovered from increased product pricing.
- Morgan Olson's gross profit was \$1.2 million or 6% of net sales compared to \$1.8 million or 14% of net sales last year. The decrease was due to increased raw material prices and labor costs associated with a ramp-up in production to meet higher sales demand.
- Truck Accessories' gross profit decreased \$0.5 million to \$4.8 million or 14% of net sales compared to \$5.3 million or 16% of net sales last year primarily as a result higher raw material and component costs. Truck Accessories implemented a price increase during September of this year of approximately 3% in addition to a 3% price increase in January.
- Specialty Manufacturing's gross profit increased to \$2.3 million or 14% of net sales compared to \$1.8 million or 13% of net sales last year as a result of higher sales.

Selling, general and administrative expenses. Consolidated selling, general and administrative expenses increased slightly to \$9.8 million or 7% of net sales for the three months ended September 30, 2004 compared to \$9.3 million or 8% of net sales during the three months ended September 30, 2003.

- Morgan's selling, general and administrative expenses were \$3.7 million for both periods or 5% of net sales compared to 7% of net sales last year.
- Morgan Olson's expenses were \$1.1 million or 6% of net sales compared to \$1.2 million or 9% of net sales during the prior year period.
- Truck Accessories' selling, general and administrative expense remained \$2.4 million or 7% of net sales during both periods.
- Specialty Manufacturing's selling, general and administrative expense increased slightly to \$1.7 million from \$1.4 million last year as a result of higher employee group medical costs at the machining services business.

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- Corporate expenses for the 2004 and 2003 periods were \$0.9 million and \$0.6 million respectively. The increase was due to increased personnel and related costs.

Other income. The 2003 period included a gain of \$0.4 million on the buy-back of \$9.1 million of the then outstanding senior notes.

Operating income. Consolidated operating income decreased \$2.2 million to \$5.6 million or 4% of net sales for the three months ended September 30, 2004 compared to \$7.8 million or 7% of net sales during the three months ended September 30, 2003.

- Morgan's operating income decreased \$0.7 million to \$3.6 million for the period due to lower gross profits partially offset by flat selling, general and administrative costs on 32% higher sales.
- Morgan Olson's operating income was \$25,000 for the 2004 period compared to \$0.4 million for the 2003 period as a result of a \$0.7 million decrease in gross profit partially offset by lower selling, general and administrative expenses.
- Truck Accessories' operating income decreased \$0.4 million to \$2.4 million or 7% of net sales compared to \$2.8 million or 9% of net sales during 2003 on lower gross profits.
- Specialty Manufacturing's operating income increased slightly to \$0.5 million as the result of higher sales.

Interest expense. Interest expense was \$3.6 million for the three months ended September 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, the amortization of costs associated with the issuance of the Senior Notes and other debt that may be incurred in the future.

Income taxes. The income tax provisions for the three months ended September 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 nine months ended September 30, 2004 generated cash of \$1.0 million compared to \$7.2 million during the same period in 2003. Working capital at September 30, 2004 was \$90.4 million compared to \$15.0 million at December 31, 2003. The increase included a \$38.0 million increase in cash as a result of the refinancing completed on May 15, 2004 with the sale of an additional \$30.0 million of 8.75% Senior Notes, the repayment of revolver borrowings of \$19.8 million and a \$16.4 million increase in other working capital primarily at Morgan and Morgan Olson in response to a combined \$23 million increase in sales and a \$32 million increase in backlog during the third quarter of 2004 compared to the third quarter of 2003.

Investing activities. Capital expenditures for the nine months ended September 30, 2004 were \$9.5 million compared to \$2.8 million during the same period in 2003. The increase was due to the real estate purchase by Morgan of its manufacturing facility in Georgia in the amount of \$2.2 million (see Note 10), improvements and enhancements to production facilities at Morgan of approximately \$1.4 million and additional machine tools and other production equipment for Specialty Manufacturing of approximately \$3.0 million.

Financing activities. During the nine months ended September 30, 2004, the Company realized proceeds of \$157.2 million from long-term debt that comprised \$155.0 million of the new Senior Notes and \$2.2 million of capital lease obligations. On March 15, 2004 the Company issued \$125.0 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 the Company entered into a new Revolving Credit Agreement that provides for borrowings of up to \$30.0 million. The amount of the revolving credit facility may be

J.B. POINDEXTER & CO., INC.
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increased at the Company's option to \$50.0 million provided the Company is not in default of the Revolving Credit Agreement. Effective May 15, 2004 the Company completed an additional sale of \$30.0 million of the 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 Senior Notes and the negotiation of the new revolver agreement of \$4.9 million.

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 November 12, 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 \$29.8 million under the terms of the Revolving Credit Agreement that currently allows for borrowings up to \$30.0 million.

At September 30, 2004 the Consolidated EBITDA Coverage Ratio, as defined in the Senior Notes Indenture, was 2.7:1.

The Company continually evaluates the most efficient use of capital and contemplates various strategic options, which may include, without limitation, restructuring the business, indebtedness or capital structure. Accordingly from time to time the Company considers, among other things, purchasing, refinancing or otherwise retiring certain outstanding indebtedness whether in the open market or by other means.

The Company believes that it has adequate resources to meet 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 may reduce exposure to economic factors such as a manufacturing recession.

Management Changes

On March 29, 2004, Robert Ostendorf resigned as president and director of Morgan and as a director of Morgan Olson. John Poindexter was 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 nine months ended September 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

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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 September 30, 2004, the Company had \$155.0 million of 8.75% Senior Notes, long-term debt, outstanding, with an estimated fair value of approximately \$163.0 million based upon the traded value at September 30, 2004. Market risk, estimated as the potential increase in fair value resulting from a hypothetical 1.0% decrease in interest rates, was approximately \$12.0 million as of September 30, 2004.

Foreign Currency

Raider Industries, a subsidiary of Truck Accessories, has two manufacturing plants in Canada, which generated revenues of approximately \$18.7 million during the nine months ended September 30, 2004. The functional currency of Raider Industries is the Canadian Dollar. The Company does not currently employ risk management techniques to manage the potential exposure to foreign currency fluctuations. 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 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 principal financial officer have evaluated the effectiveness of disclosure controls and procedures as of the end of the period covered by this report (the "Evaluation Date"). Based on such evaluation, the chief executive officer and principal financial officer have concluded that the disclosure controls and procedures were effective as of the Evaluation Date to ensure that information required to be disclosed in reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the required time periods. There have been no changes in 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, 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

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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 (Current Report)

(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** Ist 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) Current Reports

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.

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.

On September 30, 2004, the Company posted a Current Report on its web site disclosing the resignation of Ernst & Young LLP as the Company's independent auditor.

On November 4, 2004, the Company posted a Current Report on its web site disclosing the appointment of Crowe Chizek as the Company's independent auditors.

On November 12, 2004, the Company posted a Current Report on its web site disclosing the acquisition of Pace Edwards.

CERTIFICATES IN LIEU OF EXHIBIT 31

I, John B. Poindexter, certify that:

J.B. POINDEXTER & CO., INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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: November 15, 2004

/s/ John B. Poindexter

Name: John B. Poindexter

Title: Chairman, President & Chief Executive Officer

I, Robert S. Whatley, certify that:

1. I have reviewed this quarterly report of J.B. Poindexter & Co., Inc.;

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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: November 15, 2004

/s/ Robert S. Whatley

Name: Robert S. Whatley
Title: Principal Financial Officer