

SUPREME INDUSTRIES INC
Form 10-Q
November 08, 2005

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

 SECURITIES EXCHANGE ACT OF 1934

 For the Quarterly Period Ended September 24, 2005

OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

 SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 1-8183

SUPREME INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

75-1670945

(State or other jurisdiction of

(I.R.S. Employer Identification No.)

incorporation or organization)

2581 E. Kercher Rd., P.O. Box 237, Goshen, Indiana 46528

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(Address of principal executive offices)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act). Yes No

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

	Common Stock (\$.10 Par Value)	 	Outstanding at October 24, 2005
 	Class A	 	10,537,906
	Class B		2,109,133

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SUPREME INDUSTRIES, INC.

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PART I. FINANCIAL INFORMATION

ITEM 1.

FINANCIAL STATEMENTS.

Supreme Industries, Inc. and Subsidiaries

Consolidated Balance Sheets

	September 24, 2005	December 25, 2004
Assets	(Unaudited)	

Current assets:

 Cash and cash equivalents	\$ 535,327	\$ 1,736,483
 Accounts receivable, net	32,150,785	28,432,715
 Inventories	46,841,726	45,441,189

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 	Deferred income taxes	 	847,012	 	 	 	847,012
 	Other current assets	 	4,653,306	 	 	 	4,222,636
 	 	 	 	 	 	 	
 	Total current assets	 	85,028,156	 	 	 	80,680,035
 	 	 	 	 	 	 	
 	 	 	 	 	 	 	
 	Property, plant and equipment, at cost	 	87,607,057	 	 	 	84,195,977
 	Less, Accumulated depreciation and	 	 	 	 	 	
 	 	 	39,527,501	 	 	 	37,005,013
 	 	 	 	 	 	 	
 	Property, plant and equipment, net	 	48,079,556	 	 	 	47,190,964
 	 	 	 	 	 	 	
 	Intangible assets, net	 	-	 	 	 	30,066
 	Goodwill	 	735,014	 	 	 	735,014
 	Other assets	 	526,203	 	 	 	560,540
 	 	 	 	 	 	 	
 	Total assets	 	\$ 134,368,929	 	 	 	\$ 129,196,619

The accompanying notes are a part of the consolidated financial statements.

Supreme Industries, Inc. and Subsidiaries

Consolidated Balance Sheets, Concluded

 	 	 	 	 	 	 	September	 	 	December
 	 	 	 	 	 	 	24,	 	 	25,
 	 	 	 	 	 	 	2005	 	 	2004
Liabilities and Stockholders' Equity						 	(Unaudited)	 	 	

Current liabilities:						 	 	 	 	
 	 	 	 	 	 	\$	1,700,000	 	\$	1,633,333
 	 	 	 	 	 	 	16,667,918	 	 	18,717,757
 	 	 	 	 	 	 	456,272	 	 	312,415
 	 	 	 	 	 	 	9,677,366	 	 	9,118,259
 	 	Total current liabilities				 	28,501,556	 	 	29,781,764
 	 	Long-term debt				 	27,900,000	 	 	28,766,667
 	 	Deferred income taxes				 	3,043,979	 	 	3,085,179
 	 	Other long-term liabilities				 	114,870	 	 	-
 	 	 	 	 	 	 	 	 	 	
 	 	Total liabilities				 	59,560,405	 	 	61,633,610
 	 	 	 	 	 	 	 	 	 	
 	 	Stockholders' equity				 	74,808,524	 	 	67,563,009
 	 	Total liabilities and stockholders' equity				 	\$ 134,368,929	 	\$	129,196,619

The accompanying notes are a part of the consolidated financial statements.

Supreme Industries, Inc. and Subsidiaries										
Consolidated Statements of Income (Unaudited)										
 	 	 	 	 	Three Months Ended			 	 	
 	 	 	 	 	September 24,	 	September 25,	 	 	Septemb
 	 	 	 	 	2005	 	2004	 	 	2005
Revenue:									 	
 	Net sales			\$	77,055,374	 	\$	70,583,750	 	\$ 262,594,

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 	Other income				 	231,583	 	 	194,721	 	 	531,	
 	 	 	 	 	 	77,286,957	 	 	70,778,471	 	 	263,125,	
Costs and expenses:											 	 	
 	Cost of sales				 	68,797,402	 	 	62,926,848	 	 	230,464,	
 	Selling, general and administrative				 	5,984,152	 	 	6,152,810	 	 	19,736,	
 	Interest			 	 	510,595	 	 	259,273	 	 	1,567,	
 	 	 	 	 	 	75,292,149	 	 	69,338,931	 	 	251,768,	
 	 	 	 	 	 	 	 	 	 	 	 	 	
 	 	Income before income taxes			 	1,994,808	 	 	1,439,540	 	 	11,357,	
 	 	 	 	 	 	 	 	 	 	 	 	 	
 	Income taxes				 	709,000	 	 	547,000	 	 	4,077,	
 	 	 	 	 	 	 	 	 	 	 	 	 	
 	 	Net income			\$	1,285,808	 	\$	892,540	 	\$	7,280,	
 	 	 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	 	 	
Earnings per share:											 	 	
 	 	Basic		 	 	\$.10	 	 	\$.07	 	 	\$	
 	 	Diluted		 	 	.10	 	 	.07	 	 		
 	 	 	 	 	 	 	 	 	 	 	 	 	
Shares used in the computation of											 	 	
 	earnings per share:											 	
 	 	Basic		 	 	12,561,453	 	 	12,099,083	 	 	12,379,	
 	 	Diluted		 	 	12,948,791	 	 	12,446,990	 	 	12,792,	
 	 	 	 	 	 	 	 	 	 	 	 	 	
Cash dividends per common share					 	\$.095	 	 	\$.035	 	 	\$.	
 	 	 	 	 	 	 	 	 	 	 	 	 	
The accompanying notes are a part of the consolidated financial statements.													
 	 	 	 	 	 	 	 	 	 	 	 	 	

Supreme Industries, Inc. and Subsidiaries											
Consolidated Statements of Cash Flows (Unaudited)											
							Nine Months Ended				
							September 24,			September 25,	
							2005			2004	
Cash flows from operating activities:											
	Net income						\$	7,280,457		\$	3,770,056
	Adjustments to reconcile net income to net cash										
		provided by operating activities:									
			Depreciation and amortization					3,083,652			2,665,616
			Loss (gain) on disposal of equipment					11,764			(31,864)
			Changes in operating assets and liabilities					(5,994,125)			(8,974,787)
		Net cash provided by (used in) operating									
			activities					4,381,748			(2,570,979)
Cash flows from investing activities:											
	Additions to property, plant and equipment							(4,002,903)			(7,567,025)
	Proceeds from disposal of equipment							48,961			38,694
	Purchase of short-term investments							(1,166,241)			-
	Decrease in restricted cash deposit							300,000			-
	Decrease in other assets							34,337			31,559

 	 	Net cash (used in) investing activities				 	(4,785,846)	 	 	(7,496,772)
 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	
Cash flows from financing activities:						 	 	 	 	
 	Proceeds from revolving line of credit and other					 	 	 	 	
 	 	long-term debt				 	88,321,302	 	 	103,839,774
 	Repayments of revolving line of credit and					 	 	 	 	
 	 	other long-term debt				 	(89,121,302)	 	 	(93,064,209)
 	Payment of cash dividends					 	(2,055,064)	 	 	(1,207,691)
 	Proceeds from exercise of stock options					 	2,058,006	 	 	431,162
 	 	 	 	 	 	 	 	 	 	
 	 	Net cash provided by (used in) financing				 	 	 	 	
 	 	 	activities			 	(797,058)	 	 	9,999,036
 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	
Change in cash and cash equivalents						 	(1,201,156)	 	 	(68,715)
 	 	 	 	 	 	 	 	 	 	
Cash and cash equivalents, beginning of period						 	1,736,483	 	 	106,254
 	 	 	 	 	 	 	 	 	 	
Cash and cash equivalents, end of period						\$	535,327	 	\$	37,539
 	 	 	 	 	 	 	 	 	 	
The accompanying notes are a part of the consolidated financial statements.										
 						 	 	 	 	
 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	

Supreme Industries, Inc. And Subsidiaries

Notes To Consolidated Financial Statements, Continued

NOTE 4 - STOCK-BASED COMPENSATION, Continued

The following table illustrates the effect on net income and earnings per share if compensation expense was measured using the value recognition provisions of SFAS No. 123.

	Three Months Ended				Nine Months Ended			
	September 24, 2005	September 25, 2004	September 24, 2005	September 25, 2004	September 24, 2005	September 25, 2004	September 24, 2005	September 25, 2004
Net income, as reported	\$1,285,808	\$892,540	\$7,280,457	\$3,700,000	\$1,285,808	\$892,540	\$7,280,457	\$3,700,000
Deduct: Stock-based compensation expense determined under fair value based method, net of tax	(338,409)	(83,848)	(493,216)	(251,000)	(338,409)	(83,848)	(493,216)	(251,000)
Pro forma net income	\$947,399	\$808,692	\$6,787,241	\$3,449,000	\$947,399	\$808,692	\$6,787,241	\$3,449,000
Basic earnings per share:								
As reported	\$.10	\$.07	\$.59	\$.23	\$.10	\$.07	\$.59	\$.23
Pro forma	.08	.07	.55	.22	.08	.07	.55	.22
Diluted earnings per share:								
As reported	.10	.07	.57	.22	.10	.07	.57	.22
Pro forma	.07	.06	.53	.21	.07	.06	.53	.21

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October 21, 2004	 	November 1, 2004	 	November 8, 2004	 	\$0.035
 	 	 	 	 	 	
January 28, 2005	 	February 7, 2005	 	February 14, 2005	 	\$0.035
May 2, 2005	 	May 16, 2005	 	May 23, 2005	 	\$0.035
June 6, 2005	 	July 25, 2005	 	August 1, 2005	 	\$0.095
 	 	 	 	 	 	

Subsequent to September 24, 2005, on October 28, 2005 the Board of Directors declared a \$.095 cash dividend to be paid on November 21, 2005 to stockholders of record as of November 14, 2005.

NOTE 6 - LONG-TERM DEBT

The Company amended its existing credit agreement effective September 22, 2005. The terms of the amended credit facility are substantially the same as the credit facility disclosed in the Annual Report on Form 10-K for the year ended December 25, 2004. The credit facility matures on June 30, 2008 and as a result all borrowings under the credit agreement at September 24, 2005 are classified as long-term debt.

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

Results of Operations

Net sales for the three months ended September 24, 2005 increased \$6.5 million, or 9.2%, to \$77.1 million from \$70.6 million for the three months ended September 25, 2004. Net sales for the nine months ended September 24, 2005 increased \$27.8 million, or 11.8%, to \$262.6 from \$234.8 million for the nine months ended September 25, 2004. The increases in net sales for both periods relate primarily to selling price increases implemented by the Company beginning in 2004 to combat the cost escalation of key materials, specifically, steel, aluminum, wood, gelcoat and resin. Product mix also contributed to the increase in revenues which was partially offset by lower shipments were lower for the three and nine months ended September 24, 2005 compared to the comparable periods in 2004.

Results of Operations, Continued

The following table presents the components of cost of sales as a percentage of net sales and the change from period to period

		Three Months Ended					Nine Months Ended					
		Sept. 24,	Sept. 25,				Sept. 24,	Sept. 25,				
		2005	2004	Change			2005	2004	Change			
Materials		58.2%	56.8%	1.4%			57.1%	57.6%	(.5)%			
Direct labor		13.7	14.1	(.4)			14.0	15.0	(1.0)			
Overhead		14.5	14.8	(.3)			14.1	14.0	.1			
Delivery		2.9	3.4	(.5)			2.6	3.0	(.4)			
Cost of sales		89.3	89.1	.2			87.8	89.6	(1.8)			
Gross profit		10.7%	10.9%	(.2)%			12.2%	10.4%	1.8%			

Material cost as a percentage of net sales increased for the three months ended September 24, 2005 and decreased for the nine months ended September 24, 2005 when compared to corresponding periods in 2004. According to its policy, the Company conducted its annual physical inventories during the third quarter and has adjusted its estimated charge to cost of sales for the three and nine months ended September 24, 2005 (see "Inventory Relief" below in our discussion of "Critical Accounting Policies and Estimates"). Favorable (unfavorable) annual physical inventory adjustments recorded during the three-month periods ended September 24, 2005 and September 25, 2004 were \$(1.1) million and \$.4 million, respectively. The first nine months of 2005 were high volume and high intensity months as the Company worked toward the timely completion of two large fleet contracts and the continued development of certain product lines. Management believes that this environment coupled with our complex manufacturing processes for customized retail products, resulted in the escalation of material costs which has been reflected as an incremental charge to cost of sales in the third quarter.

Management has scheduled interim physical inventories to be taken prior to year-end at selected locations to provide additional information to further analyze changes in manufacturing processes and their related inventories as compared with the results of the 2005 annual physical inventories. In addition, several initiatives have commenced which should enable us to have enhanced timely information with regard to inventories. Despite the unfavorable physical inventory adjustment, the Company continued to benefit from price increases implemented during 2004 and to a lesser extent in 2005. Our gross profit as a percentage of net sales for the nine months ended September 24, 2005 improved to 12.2% from 10.5%, or 31.6%, on a net sales increase of 11.8%.

Direct labor as a percentage of net sales improved for the three months ended September 24, 2005 (13.7% of net sales) compared to the three months ended September 25, 2004 (14.1% of net sales). The improvement over the prior year period was primarily due to selling price increases. Additionally, direct labor as a percentage of net sales improved for the nine months ended September 24, 2005 (14.0% of net sales) compared to the nine months ended September 25, 2004 (15.0% of net sales). The improvement over the prior year period was primarily due to efficiencies associated with the production of large quantities of standardized fleet units and the impact of the implementation of price increases.

 	 	 	 	 	 	 	 	 	 	 	 	
 	 	 	 	 	 	 	 	 	 	 	 	

Results of Operations, Concluded

Overhead expense improved as a percentage of net sales for the three months ended September 24, 2005 (14.5% of net sales) compared to the three months ended September 25, 2004 (14.7% of net sales). Overhead expense as a percentage of net sales increased slightly for the nine months ended September 24, 2005 (14.1% of net sales) compared to the nine months ended September 25, 2004 (14.0% of net sales). Despite the additional revenues resulting from higher fleet sales and price increases, overhead expense remained relatively constant as a percentage of net sales. The Company experienced escalating group health insurance claim costs during the first nine months of 2005, particularly during the second and third quarters, and depreciation expense increased due to the \$11.8 million of capital expenditures in 2004.

Delivery expense improved, decreasing \$0.1 million, or 6.4%, to \$2.3 million (2.9% of net sales) for the three months ended September 24, 2005 compared to \$2.4 million (3.4% of net sales) for the three months ended September 25, 2004. For the nine months ended September 24, 2005, delivery expense decreased \$0.2 million, or 2.8%, to \$6.9 million (2.6% of net sales) compared to \$7.1 million (3.0% of net sales) for the nine months ended September 25, 2004. Delivery expense decreased for the three months due to fewer unit shipments and decreased for the nine months due to an increase in fleet units which are generally not delivered by the Company but are picked up by the customer.

Selling, general and administrative expenses decreased \$0.2 million, or 2.7%, to \$6.0 million (7.8% of net sales) for the three months ended September 24, 2005 compared to \$6.2 million (8.7% of net sales) for the three months ended September 25, 2004. For the nine months ended September 24, 2005, selling, general and administrative expenses increased \$1.7 million, or 9.3%, to \$19.7 million (7.5% of net sales) compared to \$18.0 million (7.7% of net sales) for the nine months ended September 25, 2004. The nine month increase relates primarily to additional compensation expense related to the Company' incentive bonus plans which are based upon earnings and to higher sales commission expense as a result of increased revenues.

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Our fixed, noncancelable obligations as of September 24, 2005 were as follows:

 	 	 	 	 	 	 	 	 	 	 	 	 	
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 	 	Payments due by period											
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 	 	 	 	 	Less than	 	 	 	 	 	 	 	
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 	 	Total		 	1 Year	 	1-3 Years		 	3-5 Years		 	
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Debt (a)	\$29,600,000		 	\$1,700,000		 	\$25,750,000		 	\$ 950,000		 	
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Operating leases (b)	3,290,788		 	780,933		 	1,345,216		 	1,164,639		 	
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Total	\$32,890,788		 	\$2,480,933		 	\$27,095,216		 	\$2,114,639		 	
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(a) Amounts are included on the Consolidated Balance Sheets. For additional information regarding debt and related matters, see the Notes to Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 25, 2004.

 	 	 	 	 	 	 	 	 	 	 	 	 	
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(b) For additional information regarding operating leases, see Note 8 of the Notes to Consolidated Financial Statements included in the Annual Report on Form 10-K for the year ended December 25, 2004 and Note 6 of this Quarterly Report on Form 10-Q.

 	 	 	 	 	 	 	 	 	 	 	 	 	
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Critical Accounting Policies and Estimates

Forward-Looking Statements

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

Issues and Uncertainties

Business and Economic Cycles - The broad spectrum of industries that create demand for our products makes our business particularly sensitive to general economic conditions, including corporate profitability, interest rates, fuel costs, and consumer preference and spending patterns. Because of the replacement-nature of our products, an economic downturn could cause our customers to delay purchase of our products, which would adversely affect our ability to remain profitable.

Suppliers of Key Materials - We require substantial amounts of raw materials which we purchase from third party suppliers. Raw materials (such as steel, aluminum and wood products) may not be available to us or we may be required to pay more for raw materials because of, among other things, new laws or regulations, our suppliers' commitments to other purchasers, interruptions in production by suppliers, or general price fluctuations.

Delivery of Truck Chassis - We mount our truck bodies on truck chassis delivered from truck chassis manufacturers. If truck chassis manufacturers experience disruptions in their businesses, we may be unable to sell or deliver our products. Work stoppages or slowdowns experienced by the large truck manufacturers that supply truck chassis could result in delays or slowdowns in our ability to deliver products to our customers. As a result, our sales and operating cash flows could be adversely affected.

Issues and Uncertainties, Concluded.

Environmental, Health, and Safety Liabilities - Our operations are subject to a variety of federal, state and local environmental health safety statutes and regulations, including those relating to emissions to the air, discharges to water, treatment, storage, and disposal of waste and remediation of contaminated sites. In certain cases, these requirements may limit the productive capacity of our operations. Certain laws, including the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, impose strict, and under certain circumstances, joint and several, liability for costs to remediate contaminated sites upon designated responsible parties, including site owners or operators and persons who dispose of waste at, or transport waste to, such sites. The Company is unaware of any unrecorded liabilities in the areas of environmental, health and safety risks and is not a party to any remediation of contaminated sites.

Loss of Key Management - Our ability to compete successfully and implement our business strategy depends on the efforts of our senior management personnel. The loss of the services of any of these individuals could have a material adverse affect on our business. If we were unable to attract qualified personnel to our management, our existing management resources may become strained, which would harm our business and our ability to implement our strategies.

Competition - Our products are produced by many companies including several with a national presence but most of which compete on a regional basis. We experience aggressive pricing practices from our national and regional competitors which can have an adverse affect on both revenues and earnings. To date chassis manufacturers have chosen not to manufacture specialized vehicles because of the wide variety of options and equipment which are not efficiently produced on highly automated assembly line operations. Though there is no indication to date, there is no assurance that this policy will not be modified.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET

 RISK.

WHEREAS, the Borrower has requested and the Bank has agreed to amend the Credit Agreement as set forth below;

NOW, THEREFORE, in mutual consideration of the agreements contained herein and for other good and valuable consideration, the parties agree as follows:

1. DEFINED TERMS. Capitalized terms not defined herein shall have the meaning ascribed in the Credit Agreement.

2. MODIFICATION OF CREDIT AGREEMENT. The Credit Agreement is hereby amended as follows:

2.1 From and after the Effective Date, the provision in the Credit Agreement under Section 5.2 Subsection A. captioned "Dividends" is hereby deleted.

2.2 From and after the Effective Date, the provision in the Credit Agreement under Section 5.2 Subsection J. captioned "Operating Leases" is hereby deleted.

3. RATIFICATION. The Borrower ratifies and reaffirms the Credit Agreement and the Credit Agreement shall remain in full force and effect as modified herein.

4. BORROWER REPRESENTATIONS AND WARRANTIES. The Borrower represents and warrants that, other than as may be described in Section 2 of this agreement (a) the representations and warranties contained in the Credit Agreement are true and correct in all material respects as of the date of this agreement, (b) no condition, act or event which could constitute an event of default under the Credit Agreement or any promissory note or credit facility executed in reference to the Credit Agreement exists, and (c) no condition, event, act or omission has occurred, which, with the giving of notice or passage of time, would constitute an event of default under the Credit Agreement or any promissory note or credit facility executed in reference to the Credit Agreement.

5. FEES AND EXPENSES. The Borrower agrees to pay all fees and out-of-pocket disbursements incurred by the Bank in connection with this agreement, including legal fees incurred by the Bank in the preparation, consummation, administration and enforcement of this agreement.

6. EXECUTION AND DELIVERY. This agreement shall become effective only after it is fully executed by the Borrower and the Bank, and the Bank shall have received from the Borrower the following documents: Line of Credit Note.

7. ACKNOWLEDGEMENTS OF BORROWER. The Borrower acknowledges that as of the date of this agreement it has no offsets with respect to all amounts owed by the Borrower to the Bank arising under or related to the Credit Agreement on or prior to the date of this agreement. The Borrower fully, finally and forever releases and discharges the Bank and its successors, assigns, directors, officers, employees, agents and representatives from any and all claims, causes of action, debts and liabilities, of whatever kind or nature, in law or in equity, of the Borrower, whether now known or unknown to the Borrower, which may have arisen in connection with the Credit Agreement or the actions or omissions of the Bank related to the Credit Agreement on or prior to the date hereof. The Borrower acknowledges and agrees that this agreement is limited to the terms outlined above, and shall not be construed as an agreement to change any other terms or provisions of the Credit Agreement. This agreement shall not establish a course of dealing or be construed as evidence of any willingness on the Bank's part to grant other or future agreements, should any be requested.

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8. NOT A NOVATION. This agreement is a modification only and not a novation. Except for the above-quoted modification(s), the Credit Agreement, any loan agreements, credit agreements, reimbursement agreements, security agreements, mortgages, deeds of trust, pledge agreements, assignments, guaranties, instruments or documents executed in connection with the Credit Agreement, and all the terms and conditions thereof, shall be and remain in full force and effect with the changes herein deemed to be incorporated therein. This agreement is to be considered attached to the Credit Agreement and made a part thereof. This agreement shall not release or affect the liability of any guarantor of any promissory note or credit facility executed in reference to the Credit Agreement or release any owner of collateral granted as security for the Credit Agreement. The validity, priority and enforceability of the Credit Agreement shall not be impaired hereby. To the extent that any provision of this agreement conflicts with any term or condition set forth in the Credit Agreement, or any document executed in conjunction therewith, the provisions of this agreement shall supersede and control. The Bank expressly reserves all rights against all parties to the Credit Agreement.

 	 	 	 	 	 	 	
 	 	 	 	 	 	 	
 	 	 	 	Borrower:			
 	 	 	 	Supreme Corporation			
 	 	 	 	By: <u>/S/ Jeffery D. Mowery</u>			
 	 	 	 	<u>Jeffery D. Mowery CFO</u>			
 	 	 	 	Printed Name Title			
 	 	 	 	Date Signed: <u>September 22, 2005</u>			
 	 	 	 	 	 	 	
 	 	 	 	 	 	 	
 	 	 	 	 	 	 	
 	 	 	 	Bank:	 	 	
 	 	 	 	JPMorgan Chase Bank, N.A.			

Interest Payments. Interest on the Advances shall be paid as follows:

A. For each Prime Rate Advance, on the last day of each month beginning with the first month following disbursement of the Advance or following conversion of an Advance into a Prime Rate Advance, and at the maturity or conversion of the Advance into a Eurodollar Advance;

B. For each Eurodollar Advance, on the last day of the Interest Period for the Advance and, if the Interest Period is longer than three months, at three-month intervals beginning with the day three months from the date the Advance is disbursed.

Principal Payments. All outstanding principal and interest is due and payable in full on June 30, 2008, which is defined herein as the "Principal Payment Date".

Default Rate of Interest. After a default has occurred under this Note, whether or not the Bank elects to accelerate the maturity of this Note because of such default, all Advances outstanding under this Note, including all Eurodollar Advances, shall bear interest at a per annum rate equal to the Prime Rate, plus the Applicable Margin for a Prime Rate Advance, plus three percent (3.00%) from the date the Bank elects to impose such rate. Imposition of this rate shall not affect any limitations contained in this Note on the Borrower's right to repay principal on any Eurodollar Advance before the expiration of the Interest Period for that Advance.

Prepayment. The Borrower may prepay all or any part of any Prime Rate Advance at any time without premium or penalty. The Borrower may prepay any Eurodollar Advance only at the end of an Interest Period.

Funding Loss Indemnification. Upon the Bank's request, the Borrower shall pay the Bank amounts sufficient (in the Bank's reasonable opinion) to compensate it for any loss, cost, or expense incurred as a result of:

A. Any payment of a Eurodollar Advance on a date other than the last day of the Interest Period for the Advance, including, without limitation, acceleration of the Advances by the Bank pursuant to this Note or the Related Documents; or

B. Any failure by the Borrower to borrow or renew a Eurodollar Advance on the date specified in the relevant notice from the Borrower to the Bank.

Additional Costs. If any applicable domestic or foreign law, treaty, government rule or regulation now or later in effect (whether or not it now applies to the Bank) or the interpretation or administration thereof by a governmental authority charged with such interpretation or administration, or compliance by the Bank with any guideline, request

Obligations Due on Non-Business Day. Whenever any payment under this Note becomes due and payable on a day that is not a Business Day, if no default then exists under this Note, the maturity of the payment shall be extended to the next succeeding Business Day, except, in the case of a Eurodollar Advance, if the result of the extension would be to extend the payment into another calendar month, the payment must be made on the immediately preceding Business Day.

Matters Regarding Payment. The Borrower will pay the Bank at the Bank's address shown above or at such other place as the Bank may designate. Payments shall be allocated among principal, interest and fees at the discretion of the Bank unless otherwise agreed or required by applicable law. Acceptance by the Bank of any payment which is less than the payment due at the time shall not constitute a waiver of the Bank's right to receive payment in full at that time or any other time.

Authorization for Direct Payments (ACH Debits). To effectuate any payment due under this Note, the Borrower hereby authorizes the Bank to initiate debit entries to Account Number xxxxxxxxxxxx at the Bank and to debit the same to such account. This authorization to initiate debit entries shall remain in full force and effect until the Bank has received written notification of its termination in such time and in such manner as to afford the Bank a reasonable opportunity to act on it. The Borrower represents that the Borrower is and will be the owner of all funds in such account. The Borrower acknowledges (1) that such debit entries may cause an overdraft of such account which may result in the Bank's refusal to honor items drawn on such account until adequate deposits are made to such account; (2) that the Bank is under no duty or obligation to initiate any debit entry for any purpose; and (3) that if a debit is not made because the above-referenced account does not have a sufficient available balance, or otherwise, the payment may be late or past due.

Business Loan. The Borrower acknowledges and agrees that this Note evidences a loan for a business, commercial, agricultural or similar commercial enterprise purpose, and that all advances made under this Note shall not be used for any personal, family or household purpose.

Credit Facility. The Bank has approved a credit facility to the Borrower in a principal amount not to exceed the face amount of this Note. The credit facility is in the form of advances made from time to time by the Bank to the Borrower. This Note evidences the Borrower's obligation to repay those advances. The aggregate principal amount of debt evidenced by this Note is the amount reflected from time to time in the records of the Bank. Until the earliest of maturity, the occurrence of any default, or the occurrence of any event that would constitute a default but for the giving of notice or the lapse of time or both until the end of any grace or cure period, the Borrower may borrow, pay down and reborrow under this Note subject to the terms of the Related Documents.

Liabilities. The term "Liabilities" in this Note means all obligations, indebtedness and liabilities of the Borrower to any one or more of the Bank, JPMorgan Chase & Co., and any of their subsidiaries, affiliates or successors, now existing or later arising, including, without limitation, all loans, advances, interest, costs, overdraft indebtedness,

credit card indebtedness, lease obligations, or obligations relating to any Rate Management Transaction, all monetary obligations incurred or accrued during the pendency of any bankruptcy, insolvency, receivership or other similar proceedings, regardless of whether allowed or allowable in such proceeding, and all renewals, extensions, modifications, consolidations or substitutions of any of the foregoing, whether the Borrower may be liable jointly with others or individually liable as a debtor, maker, co-maker, drawer, endorser, guarantor, surety or otherwise, and whether voluntarily or involuntarily incurred, due or not due, absolute or contingent, direct or indirect, liquidated or unliquidated. The term "Rate Management Transaction" in this Note means any transaction (including an agreement with respect thereto) now existing or hereafter entered into among the Borrower, the Bank or JPMorgan Chase & Co., or any of its subsidiaries or affiliates or their successors, which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

Related Documents. The term "Related Documents" in this Note means all loan agreements, credit agreements, reimbursement agreements, security agreements, mortgages, deeds of trust, pledge agreements, assignments, guaranties, or any other instrument or document executed in connection with this Note or in connection with any of the Liabilities.

Security. The term "Collateral" in this Note means all real or personal property described in all security agreements, pledge agreements, mortgages, deeds of trust, assignments, or other instruments now or hereafter executed in connection with this Note or in connection with any of the Liabilities. If applicable, the Collateral secures the payment of this Note and the Liabilities.

Bank's Right of Setoff. In addition to the Collateral, if any, the Borrower grants to the Bank a security interest in, and the Bank is authorized to setoff and apply, all Accounts, Securities and Other Property, and Bank Debt against any and all Liabilities of the Borrower. This right of setoff may be exercised at any time and from time to time, and without prior notice to the Borrower. This security interest and right of setoff may be enforced or exercised by the Bank regardless of whether or not the Bank has made any demand under this paragraph or whether the Liabilities are contingent, matured, or unmatured. Any delay, neglect or conduct by the Bank in exercising its rights under this paragraph will not be a waiver of the right to exercise this right of setoff or enforce this security interest. The rights of the Bank under this paragraph are in addition to other rights the Bank may have in the Related Documents or by law. In this paragraph: (a) the term "Accounts" means any and all accounts and deposits of the Borrower (whether general, special, time, demand, provisional or final) at any time held by the Bank (including all Accounts held jointly with another, but excluding any IRA or Keogh Account, or any trust Account in which a security interest would be prohibited by law); (b) the term "Securities and Other Property" means any and all securities and other property of the Borrower in the custody, possession or control of the Bank (other than property held by the Bank in a fiduciary capacity); and (c) the term "Bank Debt" means all indebtedness at any time owing by the Bank, to or for the credit or account of the Borrower.

Representations by Borrower. Each Borrower represents that: (a) the execution and delivery of this Note and the performance of the obligations it imposes do not violate any law, conflict with any agreement by which it is bound, or require the consent or approval of any governmental authority or other third party; (b) this Note is a valid and binding agreement, enforceable according to its terms; and (c) all balance sheets, profit and loss statements, and other financial statements furnished to the Bank in connection with the Liabilities are accurate and fairly reflect the financial condition of the organizations and persons to which they apply on their effective dates, including contingent liabilities of every type, which financial condition has not changed materially and adversely since those dates. Each Borrower, other than a natural person, further represents that: (a) it is duly organized, existing and in good standing pursuant to the laws under which it is organized; and (b) the execution and delivery of this Note and the performance of the obligations it imposes (i) are within its powers and have been duly authorized by all necessary action of its governing body, and (ii) do not contravene the terms of its articles of incorporation or organization, its by-laws, or any partnership, operating or other agreement governing its affairs.

Events of Default/Acceleration. If any of the following events occurs this Note shall become due immediately, without notice, at the Bank's option:

1. The Borrower, or any guarantor of this Note (the "Guarantor"), fails to pay when due any amount payable under this Note, under any of the Liabilities, or under any agreement or instrument evidencing debt to any creditor.

2. The Borrower or any Guarantor (a) fails to observe or perform any other term of this Note; (b) makes any materially incorrect or misleading representation, warranty, or certificate to the Bank; (c) makes any materially incorrect or misleading representation in any financial statement or other information delivered to the Bank; or (d) defaults under the terms of any agreement or instrument relating to any debt for borrowed money (other than the debt evidenced by this Note) and the effect of such default will allow the creditor to declare the debt due before its maturity.

3. In the event (a) there is a default under the terms of any Related Document, (b) any guaranty of the loan evidenced by this Note is terminated or becomes unenforceable in whole or in part, (c) any Guarantor fails to promptly perform under its guaranty, or (d) the Borrower fails to comply with, or pay, or perform under any agreement, now or hereafter in effect, between the Borrower and JPMorgan Chase & Co., or any of its subsidiaries or affiliates or their successors.

4. There is any loss, theft, damage, or destruction of any Collateral not covered by insurance.

5. A "reportable event" (as defined in the Employee Retirement Income Security Act of 1974 as amended) occurs that would permit the Pension Benefit Guaranty Corporation to terminate any employee benefit plan of the Borrower or any affiliate of the Borrower.

6. The Borrower or any Guarantor becomes insolvent or unable to pay its debts as they become due.

7. The Borrower or any Guarantor (a) makes an assignment for the benefit of creditors; (b) consents to the appointment of a custodian, receiver, or trustee for itself or for a substantial part of its assets; or (c) commences any proceeding under any bankruptcy, reorganization, liquidation, insolvency or similar laws of any jurisdiction.

8. A custodian, receiver, or trustee is appointed for the Borrower or any Guarantor or for a substantial part of its assets without its consent.

them. Any waiver affects only the specific terms and time period stated in the waiver. No modification or waiver of any provision of this Note is effective unless it is in writing and signed by the party against whom it is being enforced.

Subordination. Any rights of any party liable on this Note, whether now existing or hereafter arising, to receive payment on account of any indebtedness (including interest) owed to any party liable on this Note by the Borrower, or to withdraw capital invested by it in the Borrower, or to receive distributions from the Borrower, shall at all times be subordinate to the full and prior repayment to the Bank of the Liabilities. No party liable on this Note shall be entitled to enforce or receive payment of any sums hereby subordinated until the Liabilities have been paid in full and any such sums received in violation of this paragraph shall be received by such party in trust for the Bank. Any party liable on this Note agrees to stand still with regard to the Bank's enforcement of its rights, including taking no action to delay, impede or otherwise interfere with the Bank's rights to realize on the Collateral. The foregoing notwithstanding, until the occurrence of any default, any party liable on this Note is not prohibited from receiving distributions from the Borrower in an amount equal to any income tax liability imposed on such party liable on this Note attributable to an ownership interest, if any, in the Borrower.

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Rights of Subrogation. Any party liable on this Note waives and agrees not to enforce any rights of subrogation, contribution or indemnification that it may have against the Borrower, any person liable on the Liabilities, or the Collateral, until the Borrower and such party liable on this Note have fully performed all their obligations to the Bank, even if those obligations are not covered by this Note.

Reinstatement. All parties liable on this Note agree that to the extent any payment is received by the Bank in connection with the Liabilities, and all or any part of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by the Bank or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise (any such payment is hereinafter referred to as a "Preferential Payment"), then this Note shall continue to be effective or shall be reinstated, as the case may be, and whether or not the Bank is in possession of this Note, and, to the extent of such payment or repayment by the Bank, the Liabilities or part thereof intended to be satisfied by such Preferential Payment shall be revived and continued in full force and effect as if said Preferential Payment had not been made.

Governing Law and Venue. This Note is delivered in the State of Indiana and governed by Indiana law (without giving effect to its laws of conflicts). The Borrower agrees that any legal action or proceeding with respect to any of its obligations under this Note may be brought by the Bank in any state or federal court located in the State of Indiana, as the Bank in its sole discretion may elect. By the execution and delivery of this Note, the Borrower submits to and accepts, for itself and in respect of its property, generally and unconditionally, the non-exclusive jurisdiction of those courts. The Borrower waives any claim that the State of Indiana is not a convenient forum or the proper venue for any such suit, action or proceeding.

Renewal and Extension. This Note is given in replacement, renewal and/or extension of, but not extinguishing the indebtedness evidenced by, that Line of Credit Note dated March 19, 2004 executed by the Borrower in the original principal amount of Thirty Million and 00/100 Dollars (\$30,000,000.00), including previous renewals or modifications thereof, if any (the "Prior Note"), and is not a novation thereof. All interest evidenced by the Prior Note shall continue to be due and payable until paid. If applicable, all Collateral continues to secure the payment of

this Note and the Liabilities. The provisions of this Note are effective on the date that this Note has been executed by all of the signers and delivered to the Bank.

Miscellaneous. The Borrower, if more than one, is jointly and severally liable for the obligations represented by this Note, the term "Borrower" means any one or more of them, and the receipt of value by any one of them constitutes the receipt of value by the others. This Note binds the Borrower and its successors, and benefits the Bank, its successors and assigns. Any reference to the Bank includes any holder of this Note. Section headings are for convenience of reference only and do not affect the interpretation of this Note. Any notices and demands under or related to this document shall be in writing and delivered to the intended party at its address stated herein, and if to the Bank, at its main office if no other address of the Bank is specified herein, by one of the following means: (a) by hand, (b) by a nationally recognized overnight courier service, or (c) by certified mail, postage prepaid, with return receipt requested. Notice shall be deemed given: (a) upon receipt if delivered by hand, (b) on the Delivery Day after the day of deposit with a nationally recognized courier service, or (c) on the third Delivery Day after the notice is deposited in the mail. "Delivery Day" means a day other than a Saturday, a Sunday, or any other day on which national banking associations are authorized to be closed. Any party may change its address for purposes of the receipt of notices and demands by giving notice of such change in the manner provided in this provision. This Note and any Related Documents embody the entire agreement between the Borrower and the Bank regarding the terms of the loan evidenced by this Note and supercede all oral statements and prior writings relating to that loan. If any provision of this Note cannot be enforced, the remaining portions of this Note shall continue in effect. The Borrower agrees that the Bank may provide any information or knowledge the Bank may have about the Borrower or about any matter relating to this Note or the Related Documents to JPMorgan Chase & Co., or any of its subsidiaries or affiliates or their successors, or to any one or more purchasers or potential purchasers of this Note or the Related Documents. The Borrower agrees that the Bank may at any time sell, assign or transfer one or more interests or participations in all or any part of its rights and obligations in this Note to one or more purchasers whether or not related to the Bank.

Government Regulation. Borrower shall not (a) be or become subject at any time to any law, regulation, or list of any government agency (including, without limitation, the U.S. Office of Foreign Asset Control list) that prohibits or limits Bank from making any advance or extension of credit to Borrower or from otherwise conducting business with Borrower, or (b) fail to provide documentary and other evidence of Borrower's identity as may be requested by Bank at any time to enable Bank to verify Borrower's identity or to comply with any applicable law or regulation, including, without limitation, Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318.

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person or entity that opens an account, including any deposit account, treasury management account, loan, other extension of credit, or other financial services product. What this means for Borrower: When Borrower opens an account, if Borrower is an individual Bank will ask for Borrower's name, taxpayer identification number, residential address, date of birth, and other information that will allow Bank to identify Borrower, and if Borrower is not an individual Bank will ask for Borrower's name, taxpayer identification number, business address, and other information that will allow Bank to identify Borrower. Bank may also ask, if Borrower is an individual to see Borrower's driver's license or other identifying documents, and if Borrower is not an individual to see Borrower's legal organizational documents or other identifying documents.

WAIVER OF SPECIAL DAMAGES. THE BORROWER WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT THE UNDERSIGNED MAY HAVE TO CLAIM OR RECOVER FROM THE BANK IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

JURY WAIVER. THE BORROWER AND THE BANK (BY ITS ACCEPTANCE HEREOF) HEREBY VOLUNTARILY, KNOWINGLY, IRREVOCABLY AND UNCONDITIONALLY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE (WHETHER BASED ON CONTRACT, TORT, OR OTHERWISE) BETWEEN THE BORROWER AND THE BANK ARISING OUT OF OR IN ANY WAY RELATED TO THIS NOTE OR THE OTHER RELATED DOCUMENTS. THIS PROVISION IS A MATERIAL INDUCEMENT TO THE BANK TO PROVIDE THE FINANCING EVIDENCED BY THIS NOTE.

 Borrower:

Address: 2581 Kercher Road Supreme Corporation

 Goshen, IN 46528

 By: /s/ Jeffery D. Mowery

 Jeffery D. Mowery CFO

 Printed Name Title

 Date Signed: September 22, 2005

The registrant's other certifying officer 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 registrant and we 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 registrant, 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 registrant'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 based on such evaluation; and
- c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant'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 registrant's internal control over financial reporting.

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jeffery D. Mowery, Chief Financial Officer of Supreme Industries, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Supreme Industries, 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 quarterly 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 registrant as of, and for, the period presented in this quarterly report;

4. The registrant's other certifying officer 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 registrant and we have:

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of Supreme Industries, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report of Form 10-Q for the quarter ended September 24, 2005 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) of 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

DATE: November 8, 2005

/s/ Herbert
M.
Gardner

Herbert
M.
Gardner

Chief
Executive
Officer

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350,

CERTIFICATION OF CHIEF FINANCIAL OFFICER

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), each of the undersigned officers of Supreme Industries, Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report of Form 10-Q for the quarter ended September 24, 2005 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) of 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-Q.

DATE: November 8, 2005

/s/ Jeffery
D.
Mowery

Jeffery D.
Mowery

Chief
Financial
Officer

The foregoing certification is being furnished as an exhibit to the Form 10-Q pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-Q for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

