



# PATRICK INDUSTRIES, INC.

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## NEWS RELEASE

February 10, 2005

FOR IMMEDIATE RELEASE

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### PATRICK INDUSTRIES, INC. REPORTS FOURTH QUARTER AND YEAR-END RESULTS

Elkhart, Indiana ----- Paul E. Hassler, President and Chief Executive Officer, today announced sales and operating results for the fourth quarter and year ended December 31, 2004. Net sales increased \$10,781,000, or 16.3%, from \$66,180,000 in the fourth quarter of 2003 to \$76,961,000 in the fourth quarter of 2004. Year to date net sales increased \$26,873,000, or 9.8%, from \$274,682,000 in the twelve months ending December 31, 2003 to \$301,555,000 in the same period in 2004. The Company reported a net loss of \$99,000, or \$.02 per share, for the fourth quarter of 2004 compared to net income of \$592,000, or \$.13 per share, in the same period in 2003. For the year ended December 31, 2004 the Company reported net income of \$601,000, or \$.13 per share, compared to a net loss in 2003 of \$55,000, or \$.01 per share.

Year end results for 2004 include a \$450,000, or \$.06 net of tax, charge to operations for bad debts related to one customer and gains of approximately \$546,000, or \$.07 net of tax, related to life insurance proceeds and sale of buildings. Comparatively, the fourth quarter and twelve month period ended December 31, 2003 included pre-tax positive adjustments of approximately \$1.2 million, or \$.16 per share net of tax, related to gains on disposal of a building, sale of equipment as a result of a plant closing, and increases to cash surrender value of life insurance policies.

The Manufactured Housing industry, which represents 41% of the Company's sales for 2004, experienced its first quarterly increase in shipments since the fourth quarter of 2001 with an approximate 9.1% increase in the fourth quarter of 2004. Year to year shipments in this industry were comparable to those in 2003. The Recreational Vehicle industry, which represents approximately 31% of the Company's sales in 2004, continued on its strong pace with shipment increases of approximately 15% through November, 2004 compared to those posted in 2003, which was a near record year. The Industrial and Other markets, which represent 28% of the Company's sales in 2004, continued to show improvement with sales increasing approximately 11% over the 2003 levels.

Mr. Hassler said, "We are encouraged by our twelve month operating results especially in light of the difficult conditions in the Manufactured Housing and Furniture industries. While the Company's restructuring efforts contributed to increased profitability in 2004, significant competitive pricing pressures and late shipments of imported materials resulted in decreased margins in the fourth quarter. The Company has remained diligent in its efforts to intensify its focus into the three primary markets that it serves through infrastructure modifications which are nearly complete. Our capital expenditure projects are proceeding according to plan and our overall costs have remained aligned with revenues. Our efforts to increase operating efficiencies, gain market share, and improve bottom line results remain the top priority."

Patrick Industries, Inc. is a major manufacturer of component products and a distributor of building products serving the Manufactured Housing, Recreational Vehicle, Furniture, Marine, and Industrial markets, and operates coast to coast in thirteen states.

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PATRICK INDUSTRIES, INC.  
UNAUDITED FINANCIAL HIGHLIGHTS

INCOME STATEMENT

	THREE MONTHS ENDED DECEMBER 31		TWELVE MONTHS ENDED DECEMBER 31	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Net sales	\$ 76,961,000	\$ 66,180,000	\$301,555,000	\$274,682,000
Cost of goods sold	68,625,000	58,539,000	265,675,000	242,499,000
Warehouse and delivery expenses	3,501,000	3,323,000	13,719,000	12,916,000
Selling, general, and administrative expenses	4,826,000	3,219,000	20,489,000	18,442,000
Restructuring charges	---	---	---	235,000
Interest expense, net	<u>184,000</u>	<u>119,000</u>	<u>671,000</u>	<u>680,000</u>
Income (loss) before income taxes	(175,000)	980,000	1,001,000	(90,000)
Income taxes (credit)	<u>(76,000)</u>	<u>388,000</u>	<u>400,000</u>	<u>(35,000)</u>
<b>NET INCOME (LOSS)</b>	<b><u>\$ (99,000)</u></b>	<b><u>\$ 592,000</u></b>	<b><u>\$ 601,000</u></b>	<b><u>\$ (55,000)</u></b>
<b>INCOME (LOSS) PER COMMON SHARE</b>	<b><u>\$ (.02)</u></b>	<b><u>\$ .13</u></b>	<b><u>\$ .13</u></b>	<b><u>\$ (.01)</u></b>
Weighted average shares outstanding	4,744,900	4,616,886	4,703,671	4,600,746

BALANCE SHEET

	DECEMBER 31	
	<u>2004</u>	<u>2003</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 83,000	\$ 7,077,000
Trade receivables, net	16,720,000	14,241,000
Inventories	34,344,000	23,042,000
Prepaid expenses	951,000	914,000
Deferred tax assets	<u>1,658,000</u>	<u>1,954,000</u>
Total current assets	<u>53,756,000</u>	<u>47,228,000</u>
<b>PROPERTY AND EQUIPMENT, NET</b>	<u>35,643,000</u>	<u>30,693,000</u>
<b>OTHER ASSETS</b>	<u>2,976,000</u>	<u>3,221,000</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 92,375,000</u></b>	<b><u>\$ 81,142,000</u></b>
<b>CURRENT LIABILITIES</b>		
Current maturities of long-term debt	\$ 3,671,000	\$ 3,671,000
Short-term borrowings	7,300,000	---
Accounts payable and accrued liabilities	13,886,000	7,909,000
Income taxes payable	<u>129,000</u>	<u>13,000</u>
Total current liabilities	<u>24,986,000</u>	<u>11,593,000</u>
<b>LONG-TERM DEBT, LESS CURRENT MATURITIES</b>	<u>4,100,000</u>	<u>7,771,000</u>
<b>DEFERRED LIABILITIES</b>	<u>2,549,000</u>	<u>2,530,000</u>
<b>SHAREHOLDERS' EQUITY</b>	<u>60,740,000</u>	<u>59,248,000</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>\$ 92,375,000</u></b>	<b><u>\$ 81,142,000</u></b>