

CHROMCRAFT REVINGTON INC
Form 10-Q
November 06, 2003

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 27, 2003

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 number 1-13970

CHROMCRAFT REVINGTON, INC.

(Exact name of registrant as specified in its charter)

Delaware

35-1848094

(State or other jurisdiction of
incorporation or organization)

(IRS Employer Identification No.)

1100 North Washington Street, Delphi, IN 46923

(Address, including zip code, of registrant's principal executive offices)

(765) 564-3500

(Registrant's telephone number, including area code)

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 [X] No []

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

The number of shares outstanding for each of the registrant's classes of common stock, as of the latest practicable date:

Common Stock, \$.01 par value - 5,965,890 shares as of October 27, 2003

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PART I

Item 1. Financial Statements

Condensed Consolidated Statements of Earnings (Loss) (unaudited)
Chromcraft Revington, Inc.
(In thousands, except per share data)

	Three Months Ended		Nine Mont
	Sept. 27, 2003	Sept. 28, 2002	Sept. 27, 2003
Sales	\$ 44,951	\$ 49,676	\$ 138,548
Cost of sales	36,186	38,416	109,150
	8,765	11,260	29,398
Gross margin			
Selling, general and administrative expenses	7,084	7,141	20,993
Other	(3,650)	--	(3,650)
	5,331	4,119	12,055
Operating income			

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Interest expense	276	525	904
	-----	-----	-----
Earnings before income taxes and cumulative effect of a change in accounting principle	5,055	3,594	11,151
Income tax expense	2,436	1,366	4,752
	-----	-----	-----
Earnings before cumulative effect of a change in accounting principle	2,619	2,228	6,399
Cumulative effect of a change in accounting principle (net of tax benefit of \$1,453)	--	--	--
	-----	-----	-----
Net earnings (loss)	\$ 2,619	\$ 2,228	\$ 6,399
	=====	=====	=====
Net earnings per share of common stock before cumulative effect of a change in accounting principle			
Basic	\$.63	\$.55	\$ 1.55
Diluted	\$.62	\$.53	\$ 1.53
Net earnings (loss) per share of common stock after cumulative effect of a change in accounting principle			
Basic	\$.63	\$.55	\$ 1.55
Diluted	\$.62	\$.53	\$ 1.53
Shares used in computing earnings per share			
Basic	4,127	4,059	4,120
Diluted	4,209	4,167	4,190

See accompanying notes to condensed consolidated financial statements

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Condensed Consolidated Balance Sheets (unaudited)
Chromcraft Revington, Inc.
(In thousands)

	Sept. 27, 2003	Sept. 28, 2002	Dec. 31, 2002
	-----	-----	-----
Assets			

Accounts receivable	\$ 23,021	\$ 24,030	\$ 18,542
Inventories	36,400	43,745	39,812
Other assets	2,326	5,308	1,040
	-----	-----	-----
Current assets	61,747	73,083	59,394
Property, plant and equipment, net	35,846	39,586	38,705
Other long-term assets	1,087	2,022	2,366
	-----	-----	-----
Total assets	\$ 98,680	\$114,691	\$100,465
	=====	=====	=====
Liabilities and Stockholders' Equity			

Current portion of bank debt	\$ 6,250	\$ 5,000	\$ 5,000
Accounts payable	6,177	6,457	5,642
Accrued liabilities	12,372	15,927	14,611

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Current liabilities	24,799	27,384	25,253
Bank debt	17,000	35,050	23,050
Deferred compensation	3,024	5,841	2,514
Other long-term liabilities	2,042	4,020	3,878
	-----	-----	-----
Total liabilities	46,865	72,295	54,695
Stockholders' equity	51,815	42,396	45,770
	-----	-----	-----
Total liabilities and stockholders' equity	\$ 98,680	\$114,691	\$100,465
	=====	=====	=====

See accompanying notes to condensed consolidated financial statements

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Condensed Consolidated Statement of Stockholders' Equity (unaudited)
Chromcraft Revington, Inc.
(Dollars in thousands)

	Common Stock	Capital in Excess of Par Value	Unearned ESOP Shares	Retained Earnings	Treasury Stock
	-----	-----	-----	-----	-----
Balance at January 1, 2003	\$ 76	\$ 12,920	\$ (19,469)	\$ 70,363	\$ (18,120)
Net income	--	--	--	6,399	--
ESOP compensation expense	--	132	503	--	--
Stock option compensation expense	--	148	--	--	--
Purchase of treasury stock (168,700 shares)	--	--	--	--	(2,226)
Exercise of stock options (103,800 shares)	1	1,088	--	--	--
	-----	-----	-----	-----	-----
Balance at September 27, 2003	\$ 77	\$ 14,288	\$ (18,966)	\$ 76,762	\$ (20,346)
	=====	=====	=====	=====	=====

See accompanying notes to condensed consolidated financial statements

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Condensed Consolidated Statements of Cash Flows (unaudited)
Chromcraft Revington, Inc.
(In thousands)

Nine Months Ended

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	----- Sept. 27, 2003 -----	Sept. 28, 2002 -----
Operating Activities		
Net earnings (loss)	\$ 6,399	\$ (19,001)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities		
Depreciation and amortization	3,412	3,621
Loss on disposal of property, plant, and equipment	11	97
Deferred income taxes	1,501	525
Non-cash gain on the resolution of a claim	(3,650)	--
Non-cash goodwill impairment loss	--	26,727
Non-cash ESOP expenses	635	504
Stock option compensation expense	148	107
Changes in assets and liabilities		
Accounts receivable	(4,479)	(3,005)
Inventories	3,412	(150)
Other current assets	(1,286)	(196)
Accounts payable and accrued liabilities	67	4,081
Other	412	(496)
	-----	-----
Cash provided by operating activities	6,582	12,814
	-----	-----
Investing Activities		
Capital expenditures	(566)	(1,321)
Proceeds on disposal of property, plant and equipment	2	124
	-----	-----
Cash used in investing activities	(564)	(1,197)
	-----	-----
Financing Activities		
Net borrowing (repayment) under a bank revolving credit line	(2,300)	16,300
Proceeds from a bank term loan	--	25,000
Principal payments on bank term loan	(2,500)	(1,250)
Purchase of common stock by ESOP	--	(20,000)
Stock repurchases and related costs	(2,226)	(40,529)
Proceeds from exercise of stock options	1,008	655
	-----	-----
Cash used in financing activities	(6,018)	(19,824)
	-----	-----
Decrease in cash and cash equivalents	--	(8,207)
Cash and cash equivalents at beginning of period	--	8,207
	-----	-----
Cash and cash equivalents at end of period	\$ --	\$ --
	=====	=====

See accompanying notes to condensed consolidated financial statements

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Note 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statement presentation.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine month period ended September 27, 2003 are not necessarily indicative of the results that may be expected for the year ending December 31, 2003.

The balance sheet at December 31, 2002 has been derived from the audited financial statements at that date but does not include all information and footnotes required by generally accepted accounting principles for complete financial statements.

For further information, refer to the consolidated financial statements and footnotes thereto included in Chromcraft Revington's annual report on Form 10-K for the year ended December 31, 2002.

Note 2. Other Income

Operating income for the three and nine months ended September 27, 2003 included a \$3,650,000 non-cash gain on the resolution of a claim in connection with the Company's earlier acquisition of a subsidiary.

Note 3. Inventories

The components of inventories consisted of the following:

	(In thousands)		
	Sept. 27, 2003	Sept. 28, 2002	Dec. 31, 2002
Raw materials	\$ 9,494	\$ 13,256	\$ 11,988
Work in process	6,634	7,292	7,396
Finished goods	22,407	25,431	22,437
Inventories at FIFO cost	38,535	45,979	41,821
LIFO reserve	(2,135)	(2,234)	(2,009)
	\$ 36,400	\$ 43,745	\$ 39,812

Note 4. Bank Debt

Long term bank debt consisted of the following:

(In thousands)		
Sept. 27,	Sept. 28,	Dec. 31,

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	2003	2002	2002
Term loan	\$ 18,750	\$ 23,750	\$ 21,250
Revolving credit line	4,500	16,300	6,800
	23,250	40,050	28,050
Less current portion of term loan	6,250	5,000	5,000
	\$ 17,000	\$ 35,050	\$ 23,050

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Note 5. Accrued Liabilities

Accrued liabilities consisted of the following:

	(In thousands)		
	Sept. 27, 2003	Sept. 28, 2002	Dec. 31, 2002
Salaries, wages and commissions	\$ 1,786	\$ 1,650	\$ 1,333
Health and benefit plans	1,553	1,842	1,922
Vacation and holiday pay	1,311	1,422	1,027
Workers' compensation plans	879	1,571	1,215
Profit sharing and bonus	650	1,945	2,450
Other	6,193	7,497	6,664
	\$12,372	\$15,927	\$14,611

Note 6. Employee Stock Ownership Plan

Chromcraft Revington sponsors a leveraged employee stock ownership plan ("ESOP") that covers substantially all employees who have completed six months of service. Chromcraft Revington makes annual contributions to the ESOP Trust equal to the ESOP Trust's repayment of the loan from the Company. As the ESOP loan is repaid, shares are released and allocated to ESOP accounts of active employees based on the proportion of the loan and related interest paid in the year. Unearned ESOP shares are reported as a reduction of stockholders' equity as reflected in the Condensed Consolidated Statements of Stockholders' Equity of the Company. As shares are committed to be released, Chromcraft Revington reports compensation expense equal to the current market price of the shares, and the shares become outstanding for earnings per share computations. ESOP compensation expense, a non-cash charge, was \$219,000 and \$635,000 for the three and nine months ended September 27, 2003, respectively, compared to \$224,000 and \$504,000 for the three and nine months ended September 28, 2002, respectively. ESOP shares consisted of the following:

	(In thousands)		
	Sept. 27, 2003	Sept. 28, 2002	Dec. 31, 2002
Allocated shares	53	--	53
Shares committed to be released	50	36	--
Unearned ESOP shares	1,897	1,964	1,947

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Total ESOP shares	2,000	2,000	2,000
	=====	=====	=====
Unearned ESOP shares, at cost	\$18,966	\$19,636	\$19,469
	=====	=====	=====
Fair value of unearned ESOP shares	\$23,542	\$25,998	\$25,407
	=====	=====	=====

Note 7. Earnings per Share of Common Stock

Weighted average shares used in the calculation of diluted earnings per share included dilutive potential common shares (stock options) of approximately 82,000 and 70,000 for the three and nine months ended September 27, 2003, respectively, and 108,000 and 108,000 for the three and nine months ended September 28, 2002, respectively.

Certain options to purchase shares of common stock were outstanding during the third quarter and first nine months of 2003 and 2002, but were not included in the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the common shares during those periods and, therefore, their effect

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would be antidilutive. Options excluded from the computation of diluted earnings per share and their weighted average exercise prices were as follows:

	2003		2002	
	Shares	Average Exercise Price	Shares	Average Exercise Price
	-----	-----	-----	-----
Third quarter	200,560	\$ 15.56	138,900	\$ 16.61
First nine months	215,560	\$ 15.35	138,900	\$ 16.61

Note 8. Stock Based Compensation

The Company has two stock-based compensation plans. The Company accounts for those plans under the recognition and measurement principles of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related Interpretations and discloses the fair value of options granted as permitted by Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("Statement No. 123"). The following table summarizes the pro forma effects assuming compensation cost for such awards had been recorded based upon the estimated fair value (in thousands, except per share data):

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2003	Sept. 28, 2002	Sept. 27, 2003	Sept. 28, 2002
	-----	-----	-----	-----
Net earnings (loss), as reported	\$ 2,619	\$ 2,228	\$ 6,399	\$(19,001)
Add: Stock-based employee compensation expense included in reported net earnings (loss),				

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net of related tax effects	31	30	92	66
Deduct: Total stock-based employee compensation expense determined under fair-value based method for all awards net of related tax effects	(98)	(95)	(629)	(318)
Pro forma net earnings (loss)	\$ 2,552	\$ 2,163	\$ 5,862	\$ (19,253)
Earnings (loss) per share				
Basic - as reported	\$.63	\$.55	\$ 1.55	\$ (3.43)
Basic - pro forma	\$.62	\$.53	\$ 1.42	\$ (3.47)
Diluted - as reported	\$.62	\$.53	\$ 1.53	\$ (3.43)
Diluted - pro forma	\$.61	\$.53	\$ 1.41	\$ (3.47)

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

General

Chromcraft Revington designs, manufactures and sells residential and commercial furniture through its wholly owned subsidiaries Chromcraft Corporation, Peters-Revington Corporation, Silver Furniture Co., Inc., Cochrane Furniture Company, Inc. and Korn Industries, Incorporated.

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Chromcraft Revington's strategy is to operate as a low-cost, high quality manufacturer of residential and commercial furniture. To achieve this goal, the Company has increased imports of low-cost labor-intensive furniture components and finished furniture from the Pacific Rim to supplement the Company's domestic furniture manufacturing. Using this blended approach of domestic manufacturing and selective importing, the Company is better able to control the quality of furniture and service to its customers.

The following table sets forth the Condensed Consolidated Statements of Earnings (Loss) of Chromcraft Revington for the three and nine months ended September 27, 2003 and September 28, 2002 expressed as a percentage of sales.

	Three Months Ended		Nine Months Ended	
	Sept. 27, 2003	Sept. 28, 2002	Sept. 27, 2003	Sept. 28, 2002
Sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	80.5	77.3	78.8	77.9
Gross margin	19.5	22.7	21.2	22.1
Selling, general and administrative expenses	15.7	14.4	15.1	13.9
Other	(8.1)	--	(2.6)	--
Operating income	11.9	8.3	8.7	8.2
Interest expense	.6	1.1	.7	.7
Earnings before income taxes				

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and cumulative effect of a change in accounting principle	11.3	7.2	8.0	7.5
Income tax expense	5.5	2.7	3.4	2.8
	-----	-----	-----	-----
Earnings before cumulative effect of a change in accounting principle	5.8	4.5	4.6	4.7
Cumulative effect of a change in accounting principle	--	--	--	(16.2)
	-----	-----	-----	-----
Net earnings (loss)	5.8 %	4.5 %	4.6 %	(11.5)%
	=====	=====	=====	=====

Three and Nine Months Ended September 27, 2003 Compared to Three and Nine Months Ended September 28, 2002

Consolidated sales for the three months ended September 27, 2003 decreased 9.5% to \$44,951,000 compared to \$49,676,000 for the prior year period. For the first nine months of 2003, consolidated sales decreased 16.1% to \$138,548,000 compared to sales of \$165,150,000 for the same period last year. The 2003 sales decline was primarily due to import competition and a weak economic environment. Shipments of dining room, bedroom, occasional and commercial furniture were lower for the three and nine months ended September 27, 2003, as compared to the prior year periods. Shipments of upholstered furniture were slightly higher in the third quarter as compared to the same period in 2002. For the first nine months of 2003, upholstered furniture shipments were lower as compared to the prior year period. In general, selling prices for the first nine months of 2003 were at approximately the same level as compared to the prior year period.

Gross margin decreased \$2,495,000 to \$8,765,000, or 19.5% of sales, for the three months ended September 27, 2003 from \$11,260,000, or 22.7% of sales, for the same period in 2002. Gross margin decreased \$7,166,000 to \$29,398,000, or 21.2% of sales, for the nine months ended September 27, 2003 from \$36,564,000, or 22.1% of sales, for the same period in 2002. Gross margin in the 2003 periods decreased by \$950,000 for an inventory write down for slow moving bedroom furniture. The impact of the inventory write down was partially offset by lower workers compensation expense of \$244,000 and

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\$868,000 for the three and nine month periods in 2003, respectively, as compared to prior year periods. Excluding these items, the gross margin percentage decrease in 2003 was primarily due to reduced production levels which impacted fixed cost absorption.

Operating income for the three and nine months ended September 27, 2003 included a \$3,650,000 non-recurring non-cash gain on the resolution of a claim in connection with the Company's earlier acquisition of a subsidiary.

Selling, general and administrative expenses decreased \$57,000 to \$7,084,000, or 15.7% of sales, for the three months ended September 27, 2003 from \$7,141,000, or 14.4% of sales, for the same period in 2002. The cost percentage increase was primarily due to an increase in advertising and related expenses and fixed costs spread over a lower sales volume.

Selling, general and administrative expenses decreased \$1,916,000 to \$20,993,000, or 15.1% of sales, for the nine months ended September 27, 2003 from \$22,909,000, or 13.9% of sales, for the same period in 2002. The lower expense in 2003 was due, in part, to reduced incentive compensation of \$1,071,000. The higher cost percentage for the first nine months of 2003 was

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primarily due to fixed costs spread over a lower sales volume.

Interest expense for the three and nine months ended September 27, 2003 was \$276,000 and \$904,000, respectively, compared to \$525,000 and \$1,194,000 for the same periods in 2002, respectively. The decrease in interest expense for 2003 was primarily due to lower bank borrowings. Bank debt was reduced in 2003 from excess cash flow generated from operations.

Chromcraft Revington's effective income tax rate was 48.2% and 42.6% for the three and nine months ended September 27, 2003, respectively, compared to 38.0% for the same periods in 2002, respectively. The effective income tax rate was higher in 2003 due to additional income tax expense of \$515,000 for a change in the estimate of the tax basis of certain acquired assets.

The Company adopted Financial Accounting Standards Board Statement No. 142, "Goodwill and Other Intangible Assets" effective January 1, 2002 and recorded a one time non-cash transition charge of \$26,727,000 (net of tax benefit) for impairment of goodwill in the first quarter of 2002. The loss was recorded as a cumulative effect of a change in accounting principle.

Earnings per share on a diluted basis was \$.62 and \$1.53 for the three and nine month periods ended September 27, 2003, respectively, as compared to diluted earnings per share before an accounting change of \$.53 and \$1.37 for the same periods in 2002, respectively. The \$3,650,000 non-cash gain on the resolution of a claim in connection with the Company's earlier acquisition of a subsidiary added \$.54 to earnings per share on a diluted basis in 2003.

The number of weighted average shares outstanding used in the calculation of diluted earnings per share was 4,190,000 for the nine month period ended September 27, 2003 compared to 5,655,000 for the same period last year. The lower average number of shares outstanding in the first half of 2003, as compared to the prior year period, was primarily due to the purchase of 5,695,418 shares of Company common stock by Chromcraft Revington and its employee stock ownership plan that was completed on March 15, 2002.

Liquidity and Capital Resources

Operating activities provided \$6,582,000 of cash during the nine months ended September 27, 2003, as compared to \$12,814,000 for the same period last year. The decrease in cash flow from operating activities in 2003 was primarily due to lower cash earnings and an increase in working capital investment.

Investing activities used \$564,000 of cash for net capital expenditures during the first nine months of 2003 as compared to \$1,197,000 during the same period last year. Chromcraft Revington expects capital expenditures in 2003 to be less than \$1,000,000.

Financing activities for the first nine months of 2003 used \$4,800,000 of cash to reduce bank indebtedness and \$2,226,000 of cash to acquire 168,700 shares of Chromcraft Revington common stock. In addition, stock option exercises provided \$1,008,000 of cash in 2003.

Financing activities for the first nine months of 2002 used cash to purchase and cancel 3,695,418 shares of Chromcraft Revington common stock. In addition, during 2002, the Company's employee stock ownership plan trust purchased 2,000,000 shares of Chromcraft Revington common stock. The funds required to pay for these common stock purchases were obtained from bank borrowings and available cash.

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Management expects that cash flow from operations and availability under its bank revolving credit line will continue to be sufficient to meet future liquidity needs. At September 27, 2003, Chromcraft Revington had approximately \$38,100,000 in unused availability under its bank revolving credit line.

Critical Accounting Policies

See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Form 10-K for the year ended December 31, 2002.

Recently Issued Accounting Standards

The Financial Accounting Standards Board recently issued Statement No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" that amends and clarifies financial accounting and reporting for derivative instruments embedded in other contracts (collectively referred to as derivatives) and for hedging activities under Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities." This Statement is effective for contracts entered into or modified after June 30, 2003. The Financial Accounting Standards Board also recently issued Statement No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity" that establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). Many of those instruments were previously classified as equity. This Statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003. Chromcraft Revington does not expect the adoption of these statements to have a significant effect on its results of operation or its financial position.

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

Certain information and statements contained in this report are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be generally identified as such because they include future tense or dates, or are not historical or current facts, or include words such as "expects" or "plans" or words of similar import. Forward-looking statements are not guarantees of results or performance and are subject to certain risks and uncertainties that could cause actual results or outcomes to differ materially from those reported, expected or anticipated as of the date of this report.

Among such risks and uncertainties are general economic conditions; import and domestic competition in the furniture industry; cyclical nature of the furniture industry; changes in relationships with customers; customer acceptance of existing and new products; delays or disruptions in the shipment of Chromcraft Revington's products; new home and office construction; international conflict and other factors that generally affect its business.

The Company does not undertake any obligation to update or revise publicly any forward-looking statements to reflect information, developments, events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events or circumstances.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

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Borrowings under Chromcraft Revington's bank agreement bear interest at a variable rate and, therefore, are subject to changes in interest rates. The Company supplements its domestic manufacturing by sourcing parts and finished furniture primarily from the Pacific Rim. These purchases are payable in U.S. dollars and, therefore, the Company has no material foreign exchange rate risk exposure.

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Item 4. Controls and Procedures

- (a) Evaluation of disclosure controls and procedures. Chromcraft Revington's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rule 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934, as amended), based on their evaluation of these controls and procedures as of the end of the period covered by this Form 10-Q, are effective.

Chromcraft Revington's management, including its principal executive officer and principal financial officer, does not expect that the Company's disclosure controls and procedures or its internal controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the control.

Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. The design of any system of controls also is based, in part, upon certain assumptions about the likelihood of future events, and there can only be reasonable assurance that any design will succeed in achieving its stated goals under all potential future conditions.

- (b) Changes in internal controls. There have been no significant changes in Chromcraft Revington's internal controls or in other factors that could significantly affect these controls subsequent to the date of the evaluation.

Part II

Item 6. Exhibits and Reports on Form 8-K

- (a) Exhibits

31.1 Certification of Chief Executive Officer required pursuant

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to Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (filed herewith).

31.2 Certification of Chief Financial Officer required pursuant to Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended (filed herewith).

32.1 Certifications of Chief Executive Officer and Chief Financial Officer required pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).

(b) Reports on Form 8-K

On July 23, 2003, Chromcraft Revington, Inc. filed a report on Form 8-K, announcing second quarter 2003 operating results.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Chromcraft Revington, Inc. has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Chromcraft Revington, Inc.

(Registrant)

Date: November 6, 2003

By: /s/ Frank T. Kane

Frank T. Kane
Vice President-Finance
(Duly Authorized Officer and Principal
Accounting and Financial Officer)

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