

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

CHROMCRAFT REVINGTON INC
Form 10-Q
August 05, 2005

=====

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended July 2, 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 number 1-13970

CHROMCRAFT REVINGTON, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

35-1848094

(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 No

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

The number of shares outstanding for each of the registrant's classes of common

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

stock, as of the latest practicable date:

Common Stock, \$.01 par value - 6,082,596 shares as of July 31, 2005

=====

INDEX

PART I. Financial Information

Item 1. Financial Statements (unaudited)

Condensed Consolidated Statements of Earnings - Three and Six
Months Ended July 2, 2005 and July 3, 2004.....

Condensed Consolidated Balance Sheets - July 2, 2005,
July 3, 2004 and December 31, 2004.....

Condensed Consolidated Statement of Stockholders' Equity - Six
Months Ended July 2, 2005.....

Condensed Consolidated Statements of Cash Flows - Six
Months Ended July 2, 2005 and July 3, 2004.....

Notes to Condensed Consolidated Financial Statements.....

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk.....

Item 4. Controls and Procedures.....

PART II. Other Information

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.....

Item 4. Submission of Matters to a Vote of Security Holders.....

Item 6. Exhibits.....

SIGNATURES.....

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

PART I.

Item 1. Financial Statements

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

	Three Months Ended		Six Months Ended	
	July 2, 2005	July 3, 2004	July 2, 2005	July 3, 2004
Sales	\$43,401	\$42,638	\$88,060	\$89,105
Cost of sales	33,169	32,765	67,269	68,524
Gross margin	10,232	9,873	20,791	20,581
Selling, general and administrative expenses	6,752	6,374	13,581	14,461
Operating income	3,480	3,499	7,210	6,120
Interest expense	164	189	318	386
Earnings before income tax expense	3,316	3,310	6,892	5,734
Income tax expense	1,223	1,271	2,543	2,202
Net earnings	\$ 2,093	\$ 2,039	\$ 4,349	\$ 3,532
Earnings per share of common stock				
Basic	\$.49	\$.49	\$ 1.02	\$.86
Diluted	\$.48	\$.48	\$ 1.01	\$.84
Shares used in computing earnings per share				
Basic	4,299	4,132	4,253	4,115
Diluted	4,340	4,220	4,306	4,201

See accompanying notes to condensed consolidated financial statements.

3

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

July 2, 2005	July 3, 2004	Dec. 31, 2004
-----------------	-----------------	------------------

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

Assets			

Accounts receivable	\$20,085	\$19,537	\$18,133
Inventories	36,157	36,716	33,666
Prepaid expenses	2,351	2,018	1,971
	-----	-----	-----
Current assets	58,593	58,271	53,770
Property, plant and equipment, net	31,200	33,882	32,490
Other long-term assets	818	803	776
	-----	-----	-----
Total assets	\$90,611	\$92,956	\$87,036
	=====	=====	=====
Liabilities and Stockholders' Equity			

Current portion of bank debt	\$ -	\$ 5,000	\$ -
Accounts payable	5,316	5,791	5,093
Accrued liabilities	8,433	9,021	8,623
	-----	-----	-----
Current liabilities	13,749	19,812	13,716
Bank debt	4,100	9,550	5,700
Deferred compensation	2,593	3,848	3,500
Other long-term liabilities	1,658	1,652	1,211
	-----	-----	-----
Total liabilities	22,100	34,862	24,127
Stockholders' equity	68,511	58,094	62,909
	-----	-----	-----
Total liabilities and stockholders' equity	\$90,611	\$92,956	\$87,036
	=====	=====	=====

See accompanying notes to condensed consolidated financial statements.

4

Condensed Consolidated Statement of Stockholders' Equity (unaudited)
Six Months Ended July 2, 2005
Chromcraft Revington, Inc.
(In thousands, except share data)

Common Stock	Capital in Excess of Par Value	Unearned ESOP Shares	Retained Earnings
-----	-----	-----	-----

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

Balance at January 1, 2005	\$	77	\$	15,121	\$	(18,062)	\$	86,119	\$
Net earnings		-		-		-		4,349	
ESOP compensation expense		-		94		338		-	
Stock option compensation expense		-		65		-		-	
Purchase of treasury stock (65,987 shares)		-		(100)		-		-	
Exercise of stock options (135,781 shares)		1		1,509		-		-	
		-----		-----		-----		-----	
Balance at July 2, 2005	\$	78	\$	16,689	\$	(17,724)	\$	90,468	\$
		=====		=====		=====		=====	

See accompanying notes to condensed consolidated financial statements.

5

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

	Six Months Ended	
	July 2, 2005	July 3, 2004
	-----	-----
Operating Activities		
Net earnings	\$ 4,349	\$ 3,532
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities		
Depreciation expense	1,822	1,905
Loss on disposal of property, plant and equipment	232	-
Deferred income taxes	298	(403)
Non-cash ESOP compensation expense	432	459
Stock option compensation expense	65	99
Changes in assets and liabilities		
Accounts receivable	(1,952)	(1,769)
Inventories	(2,491)	(5,848)
Prepaid expenses	(810)	(714)
Accounts payable and accrued liabilities	33	(113)
Other long-term liabilities	(328)	863
Other	12	(68)
	-----	-----

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

Cash provided by (used in) operating activities	1,662	(2,057)
	-----	-----
Investing Activities		
Capital expenditures, net	(764)	(620)
	-----	-----
Cash used in investing activities	(764)	(620)
	-----	-----
Financing Activities		
Net borrowing under a bank revolving credit line	2,650	5,000
Principal payments on bank term loan	(4,250)	(2,500)
Stock repurchase from related party	(754)	-
Exercise of stock options, net of tax benefit	1,456	177
	-----	-----
Cash provided by (used in) financing activities	(898)	2,677
	-----	-----
Net change in cash	-	-
Cash at beginning of period	-	-
	-----	-----
Cash at end of period	\$ -	\$ -
	=====	=====

See accompanying notes to condensed consolidated financial statements.

6

Notes to Condensed Consolidated Financial Statements (unaudited)
Chromcraft Revington, Inc.

Note 1. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America 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 of America 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 six month period ended July 2, 2005 are not necessarily indicative of the results that may be expected for the year ending December 31, 2005.

The balance sheet at December 31, 2004 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.

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

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, 2004.

Note 2. Inventories

Inventories consisted of the following:

	(In thousands)		
	July 2, 2005	July 3, 2004	Dec. 31, 2004
	-----	-----	-----
Raw materials	\$11,265	\$10,257	\$10,980
Work-in-process	6,417	6,302	6,374
Finished goods	21,218	22,246	18,851
	-----	-----	-----
LIFO reserve	38,900 (2,743)	38,805 (2,089)	36,205 (2,539)
	-----	-----	-----
	\$36,157	\$36,716	\$33,666
	=====	=====	=====

Note 3. Accrued Liabilities

Accrued liabilities consisted of the following:

	(In thousands)		
	July 2, 2005	July 3, 2004	Dec. 31, 2004
	-----	-----	-----
Employee benefit plans	\$ 2,076	\$ 2,796	\$ 2,703
Deferred compensation	1,052	159	166
Salaries, wages and bonus	1,045	886	817
Commissions	842	868	804
Property taxes	482	749	868
Other accrued liabilities	2,936	3,563	3,265
	-----	-----	-----
	\$ 8,433	\$ 9,021	\$ 8,623
	=====	=====	=====

Note 4. Bank Debt

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

Long term bank debt consisted of the following:

	(In thousands)		
	July 2, 2005	July 3, 2004	Dec. 31, 2004
Term loan	\$ -	\$ 6,750	\$ 4,250
Revolving credit line	4,100	7,800	1,450
	4,100	14,550	5,700
Less current portion of term loan	-	5,000	-
	<u>\$ 4,100</u>	<u>\$ 9,550</u>	<u>\$ 5,700</u>

Note 5. 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 its loan to the Company. As the ESOP loan is repaid, shares are released and allocated to ESOP accounts of active employees based on the proportion of debt service paid in the year. Chromcraft Revington accounts for its ESOP in accordance with AICPA Statement of Position 93-6, Accounting for Employee Stock Ownership Plans. Accordingly, unearned ESOP shares are reported as a reduction of stockholders' equity as reflected in the Condensed Consolidated Statement 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, for the three and six months ended July 2, 2005 was \$211,000 and \$432,000, respectively, compared to \$233,000 and \$459,000, respectively, for the prior year periods. ESOP shares consisted of the following:

	(In thousands)		
	July 2, 2005	July 3, 2004	Dec. 31, 2004
Allocated shares	184	120	184
Committed to be released shares	34	34	-
Unearned ESOP shares	1,772	1,846	1,806
Total ESOP shares	<u>1,990</u>	<u>2,000</u>	<u>1,990</u>
Unearned ESOP shares, at cost	<u>\$17,724</u>	<u>\$18,462</u>	<u>\$18,062</u>
Fair value of unearned ESOP shares	\$23,573	\$22,635	\$22,216

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

=====

Note 6. 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 41,000 and 53,000 for the three and six months ended July 2, 2005, respectively, and 88,000 and 86,000 for the three and six months ended July 3, 2004, respectively.

Note 7. Stock Based Compensation

 The Company has two stock-based compensation plans. The Company accounts for those plans under the recognition and measurement principles of APB 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

8

Standards No. 123, Accounting for Stock-Based Compensation ("Statement No. 123"). The estimated per share weighted average fair value of stock options granted during the three and six months ended July 2, 2005 was \$4.76 and \$4.92, respectively, compared to \$5.55 and \$5.35, respectively, for the prior year periods on the date of grant. The following table illustrates the effect on net earnings and earnings per share if the Company had applied the fair value recognition provisions of Statement No. 123 to stock-based employee compensation for the three and six months ended July 2, 2005 and July 3, 2004.

	(In thousands, except per share data)			
	Three Months Ended		Six Months Ended	
	July 2, 2005	July 3, 2004	July 2, 2005	July 3, 2004
	-----	-----	-----	-----
Net earnings, as reported	\$ 2,093	\$ 2,039	\$ 4,349	\$ 4,349
Add: Stock-based employee compensation expense included in reported net earnings, net of related tax effects	13	31	41	41
Deduct: Total stock-based employee compensation expense determined under fair-value based method for all awards, net of related tax effects	(68)	(73)	(226)	(226)
Pro forma net earnings	\$ 2,038	\$ 1,997	\$ 4,164	\$ 4,164
	=====	=====	=====	=====
Earnings per share				
Basic - as reported	\$.49	\$.49	\$ 1.02	\$ 1.02

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

Basic - pro forma	\$.47	\$.48	\$.98	\$
Diluted - as reported	\$.48	\$.48	\$ 1.01	\$
Diluted - pro forma	\$.47	\$.48	\$.97	\$

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

of Operations

Overview

For the last several years the North American furniture industry has been impacted by low-cost import competition. Foreign manufacturers, primarily in China and other Asian countries, have a substantial labor and overhead cost advantage as compared to furniture manufacturers in North America. We expect these competitive industry conditions to continue.

The Company's strategy is to focus its brands on niche markets and to service the fragmented furniture industry with product selection and service. A key element in this strategy is to maintain a low-cost structure to insure that the Company's products are a value to the customer. To lower its costs, the Company has increased imports of low-cost, labor-intensive furniture components and finished goods. Using this blended approach of domestic manufacturing and selective importing, the Company believes it is better able to control the quality of furniture and service to its customers. Chromcraft Revington's competitiveness with producers from other countries is influenced by transportation costs, timely delivery of furniture to retailers and product differentiation.

The Company has several different brands, some of which have been impacted more severely than others by import competition. Chromcraft Revington closely monitors market activity and if business conditions do not improve, this could cause asset impairment and restructuring charges in the future. Also, the Company's manufacturing operations have experienced inflationary price increases in raw materials and other costs. The Company is seeking ways to mitigate this impact through product engineering, offshore sourcing of low-cost inventory components and the use of

9

alternative raw materials. Due to the competitive environment, the Company may not be able to pass through significant cost increases to its customers.

Results of Operations

The following table sets forth the Condensed Consolidated Statements of Earnings of Chromcraft Revington for the three and six months ended July 2, 2005 and July 3, 2004 expressed as a percentage of sales.

Three Months Ended		Six Months Ended	
-----		-----	
July 2,	July 3,	July 2,	July

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

	2005	2004	2005	2004
	-----	-----	-----	-----
Sales	100.0 %	100.0 %	100.0 %	100.0 %
Cost of sales	76.4	76.9	76.4	76.9
Gross margin	23.6	23.1	23.6	23.1
Selling, general and administrative expenses	15.6	14.9	15.4	16.2
Operating income	8.0	8.2	8.2	6.0
Interest expense	0.4	0.4	0.4	0.4
Earnings before income taxes	7.6	7.8	7.8	6.0
Income tax expense	2.8	3.0	2.9	2.6
Net earnings	4.8 %	4.8 %	4.9 %	4.0 %
	=====	=====	=====	=====

Consolidated sales for the second quarter increased 1.8% to \$43,401,000 from \$42,638,000 reported for the year earlier quarter. For the first six months of 2005, consolidated sales decreased 1.2% to \$88,060,000 from \$89,105,000 for the same period last year. Shipments of occasional, upholstered and commercial furniture were higher for the second quarter and first half of 2005 as compared to the prior year periods, while shipments of dining room and bedroom furniture were lower in 2005 as compared to the prior year.

The sales increase in occasional and upholstered furniture in 2005 was due, in part, to increased shipments of coordinated room packages of occasional tables and upholstered furniture as compared to the prior year. Commercial furniture sales were higher in 2005 primarily due to increased shipments of public waiting area seating as compared to the year earlier period. Shipments of dining room furniture, in particular, were lower in 2005 as compared to last year primarily due to relative competitiveness.

Gross margin as a percentage of sales was 23.6% for both the three and six months ended July 2, 2005 compared to 23.1% for the same periods in 2004. The higher gross margin percentage for 2005 was primarily due to a more favorable sales mix and slightly higher selling prices. In addition, expense reductions in manufacturing overhead improved the gross margin percentage for the first six months of 2005 as compared to the prior year period.

Selling, general and administrative expenses for the three months ended July 2, 2005 increased \$378,000 to \$6,752,000, or 15.6% of sales, from \$6,374,000, or 14.9% of sales, for the year ago period. The increase was primarily due to higher compensation related expenses.

Selling, general and administrative expenses for the six months ended July 2, 2005 decreased \$880,000 to \$13,581,000, or 15.4% of sales, from \$14,461,000, or 16.2% of sales, for the same period last year. The higher expense in 2004 was primarily due to a \$1,100,000 charge to record a supplemental retirement benefit for the former Chairman, President, and Chief Executive Officer of the Company.

Interest expense for the three and six months ended July 2, 2005 was \$164,000 and \$318,000, respectively, as compared to \$189,000 and \$386,000, respectively, for the same periods in 2004. The decrease in interest expense was due to lower average bank borrowings.

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

Chromcraft Revington's effective income tax rate was 36.9% for the three and six months ended July 2, 2005 as compared to 38.4% for the prior year periods. The decrease in the effective tax rate for 2005 was primarily due to an estimated tax deduction on qualified domestic production activities under a provision of the American Jobs Creation Act of 2004.

Net earnings for the three and six months ended July 2, 2005 were \$2,093,000 and \$4,349,000, respectively, as compared to \$2,039,000 and \$3,532,000, respectively, for the prior year periods. Factors contributing to the earnings increase are outlined in the above discussion.

Financial Condition, Liquidity and Capital Resources

Operating activities provided \$1,662,000 of cash during the six months ended July 2, 2005 as compared to \$2,057,000 of cash used in the same period last year. The increase in cash was primarily due to higher cash earnings and a lower investment in working capital in 2005 as compared to the prior year period. The Company uses cash in the first half of the year to support a seasonal build in working capital, primarily in accounts receivables and inventories.

Investing activities used \$764,000 of cash for capital expenditures during the first six months of 2005 as compared to \$620,000 spent during the same period last year. Chromcraft Revington expects capital expenditures in 2005 to be less than \$1,500,000.

Financing activities for the first half of 2005 used cash to reduce bank indebtedness by \$1,600,000 and to repurchase Company common stock. On March 30, 2005, the Company purchased 65,987 shares of Chromcraft Revington common stock from the former Chairman, President and Chief Executive Officer of the Company. The purchase price of \$864,000, or \$13.093 per share, was determined based upon an average of the high and low selling prices of the Company's common stock during a period of five consecutive trading days as reported by the American Stock Exchange. This share repurchase in 2005 is reflected net of related compensation expense of \$110,000. In addition, cash of \$1,456,000 was generated from stock option exercises in the first six months of 2005. Financing activities for the first six months of 2004 provided cash of \$2,677,000, primarily from bank borrowings.

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 July 2, 2005, the Company had approximately \$34,100,000 in unused availability under its bank revolving credit line that matures in 2007. Chromcraft Revington expects to generate excess cash flow in 2005 which will be used to reduce bank indebtedness, repurchase Company common stock or for general corporate purposes.

Recently Issued Accounting Standards

In November 2004, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 151, Inventory Costs ("Statement No. 151"). Statement No. 151 amends Accounting Research Bulletin No. 43, Chapter 4, Inventory Pricing, to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs and wasted material. Statement No. 151 requires that those items be recognized as current-period charges and requires that allocation of fixed production overheads to the cost of conversion be based on the normal capacity of the production facilities. Statement No. 151 is

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

effective for fiscal years beginning after June 15, 2005. The Company does not expect the adoption of Statement No. 151 to have a material impact on the Company's financial condition or results of operations.

In December 2004, FASB issued Statement of Financial Accounting Standards No. 123 (revised 2004), Share-Based Payments ("Statement No. 123(R)"). Statement No. 123(R) replaces FASB Statement No. 123 and supersedes Accounting Principles Board Opinion No. 25. Statement No. 123(R) will require the fair value of all stock option awards issued to employees to be recorded as an expense over the related vesting period. Statement No. 123(R) also requires the recognition of compensation expense for the fair value of any unvested stock option awards existing at the date of adoption as the stock options vest. The Securities and Exchange Commission ("Commission") amended FASB's compliance dates for Statement No.123(R). The Commission's new rule allows a calendar year-end

11

company to delay compliance with Statement No. 123(R) until the first quarter of 2006. The Company has not determined the impact of Statement No. 123(R).

Forward-Looking Statements

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", "may", "anticipates", "believes" or words of similar import. Forward-looking statements are not guarantees of performance or outcomes 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 that could cause actual results or outcomes to differ materially from those reported, expected or anticipated are general economic conditions; import and domestic competition in the furniture industry; market interest rates; consumer confidence levels; cyclical nature of the furniture industry; consumer and business spending; changes in relationships with customers; customer acceptance of existing and new products; new home and existing home sales; and other factors that generally effect business.

The Company does not undertake any obligation to update or revise publicly any forward-looking statements to reflect information, 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

Borrowings under Chromcraft Revington's bank agreement bear interest at a variable rate and, therefore, are subject to changes in interest rates. A one-percentage point fluctuation in market interest rates would not have a material impact on net earnings in 2005.

The Company sources certain raw materials and finished furniture, primarily from China. These purchases are fixed price contracts payable in U.S. dollars and, therefore, the Company has no material foreign exchange rate risk exposure.

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

Item 4. Controls and Procedures

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

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. There have been no significant changes in Chromcraft Revington's internal control over financial reporting that occurred during the quarter covered by this report that may have materially affected, or are reasonably likely to materially affect, Chromcraft Revington's internal control over financial reporting.

12

PART II.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table represents information with respect to shares of Chromcraft Revington common stock repurchased by the Company during the three months ended July 2, 2005.

Purchase of Equity Securities

Period	Total number of shares purchased	Average price paid per share	Total number shares purch as part o publicly anno plans or pro
-----	-----	-----	-----
April 3, 2005 to April 30, 2005	-	-	-
May 1, 2005 to May 28, 2005	-	-	-
May 29, 2005 to July 2, 2005	-	-	-

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

Item 4. Submission of Matters to a Vote of Security Holders

- (a) Chromcraft Revington held its annual meeting of stockholders on May 4, 2005.
- (b) All directors nominated were elected to serve until the next annual meeting of stockholders and until their successors are duly elected and qualified. Set forth below are the votes cast for each director.

Directors	Votes	
	For	Withheld
Ronald H. Butler	5,582,850	58,782
Stephen D. Healy	5,586,391	55,241
David L. Kolb	5,586,972	54,660
Larry P. Kunz	5,587,010	54,622
Theodore L. Mullett	5,386,993	254,639

- (c) The only other matter voted upon at the annual meeting of stockholders was ratification of the appointment of KPMG LLP as the independent auditors of the Company for the fiscal year ending December 31, 2005. Set forth below is the vote tabulation regarding such matter.

Votes Cast		
For	Against	Abstain
5,570,466	69,367	1,799

Item 6. Exhibits

- 3.2 By-laws of the Registrant, as amended, filed as Exhibit 3.2 to Form 8-K, dated August 5, 2005, are incorporated herein by reference.
- 31.1 Certification of Chief Executive Officer required pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
- 31.2 Certification of Chief Financial Officer required pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-Q

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).

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: August 5, 2005

By: /s/ Frank T. Kane

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