

Commercial Vehicle Group, Inc.

Form 10-Q/A

October 14, 2005

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**Form 10-Q/A
(Amendment No. 1)
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

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

For the quarterly period ended June 30, 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 000-50890

COMMERCIAL VEHICLE GROUP, INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

6530 West Campus Oval

New Albany, Ohio

(Address of principal executive offices)

41-1990662

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

43054

(Zip Code)

(614) 289-5360

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year, if changed since last report)

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, 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

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

The number of shares outstanding of the Registrant's common stock, par value \$.01 per share, at July 15, 2005 was 20,876,130 shares.

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EXPLANATORY NOTE

This Amendment No. 1 amends Item 1 (Financial Statements) of Part I (Financial Information) to the Quarterly Report on Form 10-Q of Commercial Vehicle Group, Inc. for the quarter ended June 30, 2005 (the Original Report). This Amendment corrects an error in the classification of a noncash option charge on the cash flow statement for the six months ended June 30, 2004 in our Original Report filed with the Securities and Exchange Commission on August 3, 2005.

Accordingly, pursuant to Rule 12b-15 of the Securities Exchange Act of 1934, as amended, this Form 10-Q/A contains the complete text of Items 1, 2 and 4 of Part I and Item 6 of Part II, as well as certain currently dated certifications. Unaffected items have not been repeated in the Amendment No. 1. This Form 10-Q/A does not reflect events occurring after the filing of the Original Report or modify or update those disclosures affected by subsequent events. This Form 10-Q/A should be read in conjunction with the Original Report.

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Table of Contents**ITEM 1 FINANCIAL INFORMATION****COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)****(Amounts in thousands, except per share amounts)**

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2005	2004	2005	2004
REVENUES	\$ 196,091	\$ 94,491	\$ 348,506	\$ 180,481
COST OF SALES	159,949	77,636	286,112	148,139
Gross Profit	36,142	16,855	62,394	32,342
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	10,172	6,867	19,721	14,364
NONCASH OPTION ISSUANCE CHARGE		10,125		10,125
AMORTIZATION EXPENSE	140	27	164	63
Operating Income (Loss)	25,830	(164)	42,509	7,790
OTHER INCOME	(392)	(429)	(3,272)	(3,699)
INTEREST EXPENSE	3,315	2,071	5,482	4,339
Income (Loss) Before Income Taxes	22,907	(1,806)	40,299	7,150
(BENEFIT) PROVISION FOR INCOME TAXES	8,722	(929)	15,228	2,478
NET INCOME (LOSS)	\$ 14,185	\$ (877)	\$ 25,071	\$ 4,672
BASIC EARNINGS (LOSS) PER SHARE	\$ 0.79	\$ (0.06)	\$ 1.39	\$ 0.34
DILUTED EARNINGS (LOSS) PER SHARE	\$ 0.78	\$ (0.06)	\$ 1.37	\$ 0.34

See notes to condensed consolidated financial statements.

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COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(Amounts in thousands)

	June 30, 2005	December 31, 2004
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,939	\$ 1,396
Accounts receivable Net of allowance for doubtful accounts of \$4,426 and \$2,681	121,368	46,267
Inventories	58,813	36,936
Prepaid expenses and other current assets	5,003	6,081
Deferred income taxes	7,917	8,201
 Total current assets	 197,040	 98,881
PROPERTY, PLANT AND EQUIPMENT Net	69,429	32,965
GOODWILL	187,231	84,715
DEFERRED INCOME TAXES	7,029	5,901
OTHER ASSETS Net	15,990	3,176
	\$ 476,719	\$ 225,638
LIABILITIES AND STOCKHOLDERS INVESTMENT		
CURRENT LIABILITIES:		
Current maturities of long-term debt	\$ 16,918	\$ 4,884
Accounts payable	73,307	33,846
Accrued liabilities	39,908	18,424
 Total current liabilities	 130,133	 57,154
LONG-TERM DEBT Net	189,331	49,041
OTHER LONG-TERM LIABILITIES	24,520	8,397
 Total liabilities	 343,984	 114,592
COMMITMENTS AND CONTINGENCIES (Notes 5, 8, 9, and 10)		
STOCKHOLDERS INVESTMENT:		
Common stock, \$0.01 par value per share; 30,000,000 shares authorized; 17,987,497 shares outstanding	180	180
Additional paid-in capital	123,660	123,660
Accumulated benefit (deficit)	9,617	(15,454)
Stock subscriptions receivable	(152)	(175)
Accumulated other comprehensive income (loss)	(570)	2,835
 Total stockholders investment	 132,735	 111,046
	\$ 476,719	\$ 225,638

See notes to condensed consolidated financial statements.

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COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Amounts in thousands)

	Six Months Ended	
	June 30,	
	2005	2004
		(As Restated, See Note 12)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 25,071	\$ 4,672
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	5,900	4,093
Noncash amortization of debt financing costs	372	290
Noncash option issuance charge		10,125
Deferred income tax provision (benefit)	1,262	(731)
Loss on sale of assets	63	75
Noncash gain on forward exchange contracts	(3,238)	(3,710)
Noncash interest expense on subordinated debt		395
Change in other operating items	(8,522)	3,364
Net cash provided by operating activities	20,908	18,573
CASH FLOWS USED IN INVESTING ACTIVITIES:		
Capital expenditures	(5,513)	(2,190)
Payment for asset acquisition Net	(163,185)	
Net cash used in investing activities	(168,698)	(2,190)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings under revolving credit facility	163,138	37,555
Repayments of revolving credit facility	(97,804)	(43,902)
Borrowings under long-term debt	225,733	1,130
Repayments of long-term debt	(139,248)	(11,843)
Other Net	21	(738)
Net cash provided by (used in) financing activities	151,840	(17,798)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(1,507)	718
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,543	(2,133)
CASH AND CASH EQUIVALENTS Beginning of period	1,396	3,486
CASH AND CASH EQUIVALENTS End of period	\$ 3,939	\$ 1,353

SUPPLEMENTAL CASH FLOW INFORMATION:

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Cash paid for interest		\$ 4,910	\$ 3,293
Cash paid for income taxes	Net	\$ 9,710	\$ 1,272

See notes to condensed consolidated financial statements.

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COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Basis of Presentation

Commercial Vehicle Group, Inc. and its Subsidiaries (CVG or the Company) (formerly Bostrom Holding, Inc., a Delaware corporation) designs and manufactures suspension seat systems, interior trim systems (including instrument and door panels, headliners, cabinetry and floor systems), cab structures and components, mirrors, wiper systems, electronic wiring harness assemblies and controls and switches for the global commercial vehicle market, including the heavy-duty truck market, the construction and agriculture market and the specialty and military transportation markets. The Company has operations located in Arizona, Indiana, Iowa, North Carolina, Ohio, Oregon, Tennessee, Texas, Virginia, Washington, Wisconsin, Australia, Belgium, China, Mexico, Sweden and the United Kingdom.

The Company has prepared the condensed consolidated financial statements of CVG without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). The information furnished in the condensed consolidated financial statements includes normal recurring adjustments and reflects all adjustments which are, the opinion of management, necessary for a fair presentation of the results of operations and statements of financial position for the interim periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to such rules and regulations. The Company believes that the disclosures are adequate to make the information presented not misleading when read in conjunction with its fiscal 2004 consolidated financial statements and the notes thereto as filed with the SEC. Unless otherwise indicated, all amounts are in thousands except per share amounts.

Revenues and operating results for the three and six months ended June 30, 2005 are not necessarily indicative of the results to be expected for the full year.

The Company was formed on August 22, 2000. On October 6, 2000, the Company acquired the assets of Bostrom plc in exchange for \$83.6 million in cash and assumption of certain liabilities (the Acquisition). The source of the cash consisted of \$49.8 million of debt and \$33.8 million of equity. The Company had no operations prior to October 6, 2000.

The Acquisition was accounted for using the purchase method of accounting. Accordingly, the assets acquired and liabilities assumed by the Company were recorded at fair value as of the date of the Acquisition. The excess of the purchase price over the fair value of the assets acquired and liabilities assumed has been recorded as goodwill.

On March 28, 2003, the Company and Commercial Vehicle Systems Holdings, Inc. (CVS) entered into an Agreement and Plan of Merger whereby a subsidiary of the Company was merged into CVS. The holders of the outstanding shares of CVS received, in exchange, shares of the Company on a one-for-one basis resulting in the issuance of 4,870,228 shares of common stock. On May 20, 2004, the Company and Trim Systems, Inc. (Trim) entered into an Agreement and Plan of Merger whereby a subsidiary of the Company was merged into Trim. On August 2, 2004, the Trim merger was effected (the CVS and Trim mergers are collectively referred to as the Mergers). The holders of the outstanding shares of Trim received, in exchange, shares of the Company on a .099-for-one basis resulting in the issuance of 2,769,567 shares of common stock. In accordance with Statement of Financial Accounting Standards (SFAS) No. 141, the Mergers were accounted for as a combination of entities under common control. Thus, the accounts of CVS, Trim, and the Company were combined based upon their respective historical bases of accounting. The financial statements reflect the combined results of the Company, CVS and Trim as if the Mergers had occurred as of the beginning of the earliest period presented.

On August 4, 2004, the Company reclassified all of its existing classes of common stock into one class of common stock and in connection therewith effected a 38.991-to-one stock split. The stock split has been reflected as of the beginning of all periods presented.

On August 10, 2004, the Company completed its initial public offering of common stock at a price of \$13.00 per share. Of the total shares offered, 3,125,000 were sold by the Company and 6,125,000 were sold by certain selling stockholders. Net proceeds to the Company of approximately \$34.6 million were used to repay outstanding indebtedness.

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On August 23, 2004, the underwriters, pursuant to their overallotment option, purchased an additional 1,034,500 shares of common stock resulting in net proceeds of approximately \$12.6 million to the Company, which was used to further reduce outstanding indebtedness and for general corporate purposes.

2. Acquisitions and Financial Information

On February 7, 2005, CVG acquired substantially all of the assets and liabilities related to Mayflower Vehicle Systems North American Commercial Vehicle Operations (Mayflower) for cash consideration of \$107.5 million (the Mayflower acquisition). Mayflower, whose products include cab frames and assemblies, sleeper boxes and other structural components, is the only non-captive producer of complete steel and aluminum truck cabs for the commercial vehicle sector with full service engineering and development capabilities. Mayflower serves the North American commercial vehicle sector from three manufacturing locations in Norwalk, Ohio; Shadyside, Ohio and Kings Mountain, North Carolina. For the year ended December 31, 2004, Mayflower recorded revenues of approximately \$206.5 million and operating income of approximately \$21.6 million. Financing for the acquisition consisted of an increase and amendment to the Company s existing credit facility.

The Mayflower acquisition was accounted for by the purchase method of accounting. Under purchase accounting, the total purchase price will be allocated to the tangible and intangible assets and liabilities of Mayflower based upon their respective fair values. This allocation will be based upon valuations and other studies that have not yet been completed. A preliminary allocation of the purchase price has been made to major categories of assets and liabilities based on available information. The actual allocation of purchase price and the resulting effect on income from operations may differ from the amounts included herein.

The purchase price and costs associated with the acquisition exceeded the preliminary fair value of the net assets acquired by approximately \$65.7 million. Pending completion of an independent valuation analysis, CVG has preliminarily allocated the excess purchase price over the fair value of the net assets acquired to goodwill. CVG s preliminary estimate of goodwill as of the acquisition date, which is subject to further refinement, is as follows (in thousands):

Purchase price (cash consideration)	\$ 107,500
Transaction costs and other adjustments	3,681
Net assets of Mayflower at historical cost	(45,488)
Excess of purchase price over net assets acquired	 \$ 65,693

On June 3, 2005, the Company acquired all of the stock of Monona Corporation, the parent of Monona Wire Corporation (MWC), for \$55.0 million, and MWC became a wholly owned subsidiary of the Company (the MWC acquisition). The MWC acquisition was funded through an increase and amendment to the Company s senior credit facility. MWC is a manufacturer of complex, electronic wire harnesses and related assemblies used in the global heavy equipment and specialty and military vehicle markets. It also produces panel assemblies for commercial equipment markets and cab frame assemblies for Caterpillar. MWC operates from primary manufacturing operations in the U.S. and Mexico. For the fiscal year ended January 31, 2005, MWC recorded revenues of approximately \$85.5 million and operating income of approximately \$9.6 million.

The MWC acquisition was also accounted for by the purchase method of accounting. Under purchase accounting, the total purchase price will be allocated to the tangible and intangible assets and liabilities of MWC based upon their respective fair values. This allocation will be based upon valuations and other studies that have not yet been completed. A preliminary allocation of the purchase price has been made to major categories of assets and liabilities based on available information. The actual allocation of purchase price and the resulting effect on income from operations may differ from the amounts included herein.

The purchase price and costs associated with the MWC acquisition exceeded the preliminary fair value of the net assets acquired by approximately \$38.5 million. Pending completion of an independent valuation analysis, CVG has preliminarily allocated the excess purchase price over the fair value of the net assets acquired to goodwill. The acquired goodwill is not deductible for income tax purposes. CVG s preliminary estimate of goodwill as of the

acquisition date, which is subject to further refinement, is as follows (in thousands):

Purchase price (cash consideration)	\$ 55,000
Transaction costs	615
Net assets of MWC at historical cost	(17,125)
Excess of purchase price over net assets acquired	\$ 38,490

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Inventories are valued at the lower of first-in, first-out (FIFO) cost or market. Cost includes applicable material, labor and overhead. Inventories consisted of the following (in thousands):

	June 30, 2005	December 31, 2004
Raw materials	\$ 35,493	\$ 27,645
Work in process	12,947	2,111
Finished goods	10,374	7,180
	\$ 58,813	\$ 36,936

Inventory quantities on-hand are regularly reviewed, and where necessary, provisions for excess and obsolete inventory are recorded based primarily on the Company's estimated production requirements driven by current market volumes. Excess and obsolete provisions may vary by product depending upon future potential use of the product.

4. Stockholders Investment

Common Stock The authorized common stock of the Company consists of 30,000,000 shares of common stock with a par value of \$0.01 per share, with 17,987,497 shares outstanding at December 31, 2004 and June 30, 2005. In August 2004, the Company reclassified all of its existing classes of common stock and performed a 38.991-to-one stock split. The stock split has been reflected in the share and per share amounts for all periods presented.

Preferred Stock The authorized preferred stock of the Company consists of 5,000,000 shares of preferred stock with a par value of \$0.01 per share, with no shares outstanding at December 31, 2004 and June 30, 2005.

Earnings Per Share Basic earnings per share was computed by dividing net income by the weighted average number of common shares outstanding during the three and six months ended in accordance with SFAS No. 128. Diluted earnings per share for the three months ended June 30, 2005 and six months ended June 30, 2005 and 2004 includes the effects of outstanding stock options and warrants using the treasury stock method. Potential common shares of 106,281 related to stock options and warrants were excluded from the computation of diluted loss per share for the three months ended June 30, 2004 as the inclusion of these shares would have been antidilutive.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2004	2005	2004
Net income (loss) applicable to common stockholders basic and diluted	\$ 14,185	\$ (877)	\$ 25,071	\$ 4,672
Weighted average number of common shares outstanding	17,987	13,751	17,987	13,765
Dilutive effect of outstanding stock options and warrants after application of the treasury stock method	273		292	106
Diluted shares outstanding	18,260	13,751	18,279	13,871
Basic earnings (loss) per share	\$ 0.79	\$ (0.06)	\$ 1.39	\$ 0.34
Diluted earnings (loss) per share	\$ 0.78	\$ (0.06)	\$ 1.37	\$ 0.34

Stock Options and Warrants In 1998, the Company issued options to purchase 57,902 shares of common stock at \$9.43 per share, which are exercisable through December 2008, in connection with an acquisition. None of the

initially granted options have been exercised as of June 30, 2005. The options were granted at an exercise price determined to be at or above fair value on the date of grant. In addition, the Company had outstanding warrants to purchase 136,023 shares of common stock at \$3.42 per share, which were exercised in conjunction with the Company's initial public offering in August 2004.

In May 2004, the Company granted options to purchase 910,869 shares of common stock at \$5.54 per share. Initially, these options had a ten year term, with 50% of such options becoming immediately exercisable and the remaining 50% becoming exercisable ratably on June 30, 2005 and June 30, 2006. During June 2004, the Company modified the terms of these options to be

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100% vested immediately. The Company recorded a noncash compensation charge of \$10.1 million, equal to the difference between \$5.54 and the estimated fair market value.

In October 2004, the Company granted options to purchase 598,950 shares of common stock at \$15.84 per share. The options were granted at an exercise price determined to be at or above fair value on the date of grant. These options have a ten year term and vest equally in annual increments over a 3 year period. Had compensation cost for these plans been determined as required under SFAS No. 123, the impact to net income for the six months ended June 30, 2005 would have been approximately \$0.3 million and basic and diluted earnings per share would remain unchanged.

Dividends The Company has not declared or paid any cash dividends in the past. The Company's credit agreement prohibits the payment of cash dividends.

5. Debt

Debt consisted of the following (in thousands):

	June 30, 2005	December 31, 2004
Revolving credit facilities, bearing interest at a weighted average rate of 6.8% as of June 30, 2005 and 7.0% as of December 31, 2004	\$ 69,659	\$ 4,566
Term loans, with principal and interest payable quarterly, bearing interest at a weighted average rate of 6.5% as of June 30, 2005 and 6.5% as of December 31, 2004	136,590	42,857
Other		6,502
	206,249	53,925
Less current maturities	(16,918)	(4,884)
	\$ 189,331	\$ 49,041

Credit Agreement In connection with the acquisition of MWC, the Company amended its senior credit facility to increase the revolving credit facility from \$75.0 million to \$100.0 million. The revolving credit facility is available until January 31, 2010 and the \$145.0 million term loans are due and payable on December 31, 2010. Borrowings bear interest at various rates plus a margin based on certain financial ratios of the Company. The senior credit agreement contains various restrictive covenants, including limiting indebtedness, rental obligations, investments and cash dividends, and also requires the maintenance of certain financial ratios, including fixed charge coverage and funded debt to EBITDA. Compliance with respect to these covenants as of June 30, 2005 was achieved. Borrowings under the senior credit facility are secured by specifically identified assets of the Company, comprising, in total, substantially all assets of the Company. In addition, at June 30, 2005 the Company had outstanding letters of credit of approximately \$1.8 million.

The credit facility provides the Company with the ability to denominate a portion of its borrowings in foreign currencies. As of June 30, 2005, \$67.5 million of the revolving credit facility borrowings and \$125.0 million of the term loans were denominated in U.S. dollars and \$2.1 million of the revolving credit facility borrowings and \$11.6 million of the term loans were denominated in British pounds sterling.

Prior to May 2, 2005, the Company also had \$6.5 million of indebtedness from borrowings financed through the issuance of industrial development bonds relating to its Vonore, Tennessee facility. These borrowings had a final maturity of August 1, 2006 and bore interest at a variable rate which was adjusted on a weekly basis by the placement agent such that the interest rate on the bonds was sufficient to cause the market value of the bonds to be equal to, as nearly as practicable, 100% of their principal amount. On May 2, 2005 the Company redeemed these bonds for approximately \$6.5 million.

6. Goodwill

Goodwill represents the excess of acquisition purchase price over the fair value of net assets acquired, which prior to the adoption on January 1, 2002, of SFAS No. 142, *Goodwill and Intangible Assets*, was being amortized on a straight-line basis over 40 years. In July 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 141, *Business Combinations*, and SFAS No. 142, *Goodwill and Intangible Assets*. SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for using the purchase method of accounting. Under SFAS No. 142, goodwill and intangible assets with indefinite lives are no longer amortized, but reviewed annually or more frequently if impairment indicators arise. Separable intangible assets that are not deemed to have indefinite lives will continue to be amortized over their useful lives, but with no maximum life.

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The Company performs impairment tests annually during the second quarter and whenever events or circumstances occur indicating that goodwill might be impaired. During the six months ended June 30, 2005, the Company reduced goodwill by approximately \$1.9 million due to currency translation adjustments and goodwill was increased by approximately \$104.2 million due to the Mayflower and MWC acquisitions.

7. Comprehensive Income

The Company follows the provisions of SFAS No. 130, *Reporting Comprehensive Income*, which established standards for reporting and display of comprehensive income and its components. Comprehensive income reflects the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources. For the Company, comprehensive income (loss) represents net income (loss) adjusted for foreign currency translation adjustments and minimum pension liability. In accordance with SFAS No. 130, the Company has chosen to disclose comprehensive income (loss) in stockholders' investment. The components of accumulated other comprehensive income consisted of the following as of June 30, 2005 (in thousands):

Foreign currency translation adjustment	\$ 2,328
Minimum pension liability	(2,898)
	\$ (570)

Comprehensive income for the six months ended June 30 is as follows (in thousands):

	2005	2004
Net income	\$ 25,071	\$ 4,672
Other comprehensive income:		
Foreign currency translation adjustment	(2,900)	(612)
Minimum pension liability adjustment	(505)	
Comprehensive income	\$ 21,666	\$ 4,060

8. Commitments and Contingencies

Warranty The Company is subject to warranty claims for products that fail to perform as expected due to design or manufacturing deficiencies. Customers continue to require their outside suppliers to guarantee or warrant their products and bear the cost of repair or replacement of such products. Depending on the terms under which the Company supplies products to its customers, a customer may hold the Company responsible for some or all of the repair or replacement costs of defective products when the product supplied did not perform as represented. The Company's policy is to reserve for estimated future customer warranty costs based on historical trends and current economic factors. The following represents a summary of the warranty provision for the six months ended June 30, 2005 (in thousands):

Balance - Beginning of period	\$ 2,408
Increase due to acquisitions	5,183
Additional provisions recorded	1,488
Deduction for payments made	(1,132)
Currency translation adjustment	(24)
Balance - End of period	\$ 7,923

Foreign Currency Forward Exchange Contracts The Company uses forward exchange contracts to hedge certain of the foreign currency transaction exposures of its United Kingdom operations. The Company estimates its projected revenues and purchases in certain foreign currencies or locations, and will hedge a portion or all of the anticipated

long or short position. The contracts typically run from three months up to three years. These contracts are marked-to-market and the fair value is included in assets (liabilities) in the consolidated balance sheets, with the offsetting noncash gain or loss included in the consolidated statements of operations. The Company does not hold or issue foreign exchange options or forward contracts for trading purposes.

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The following table summarizes the notional amount of the Company's open foreign exchange contracts at June 30, 2005 (in thousands):

	June 30, 2005		U.S. \$ Equivalent Fair Value
	Local Currency Amount	U.S. \$ Equivalent	
Commitments to sell currencies:			
U.S. dollar	\$ (400)	\$ (385)	\$ (402)
Eurodollar	49,719	62,739	61,462
Swedish krona	10,750	1,470	1,376
Japanese yen	4,325,000	43,646	41,170
Australian dollar	7,900	5,762	5,913

The difference between the U.S. \$ equivalent and U.S. \$ equivalent fair value of approximately \$3.7 million is included in other assets in the condensed consolidated balance sheet at June 30, 2005.

Litigation The Company is subject to various legal actions and claims incidental to its business, including those arising out of alleged defects, product warranties, employment-related matters and environmental matters.

Management believes that the Company maintains adequate insurance to cover these claims. The Company has established reserves for issues that are probable and estimatable in amounts management believes are adequate to cover reasonable adverse judgments not covered by insurance. Based upon the information available to management and discussions with legal counsel, it is the opinion of management that the ultimate outcome of the various legal actions and claims that are incidental to the Company's business will not have a material adverse impact on the consolidated financial position, results of operations or cash flows of the Company; however, such matters are subject to many uncertainties, and the outcomes of individual matters are not predictable with assurance.

9. Defined Benefit Plan and Postretirement Benefits

The Company sponsors defined benefit plans that covers certain hourly and salaried employees in the United States and United Kingdom. The Company's policy is to make annual contributions to the plan to fund the normal cost as required by local regulations. In addition, the Company has a postretirement medical benefit plan for certain U.S. operations' retirees and their dependents, and has recorded a liability for its estimated obligation under this plan. The impact of the postretirement medical benefit plan was not significant as of and for the six months ended June 30, 2005.

The components of net periodic benefit cost related to the defined benefit plan is as follows (in thousands):

	U.S. Pension Plans Six Months Ended June 30,		U.K. Pension Plans Six Months Ended June 30,	
	2005	2004	2005	2004
Service cost	\$ 611	\$ 700	\$ 512	\$ 597
Interest cost	645	784	964	888
Expected return on plan assets	(631)	(788)	(999)	(888)
Recognized actuarial loss		166	181	124
Net periodic benefit cost	\$ 625	\$ 862	\$ 658	\$ 721

The Company previously disclosed in its financial statements for the year ended December 31, 2004, that it expected to contribute \$1.1 million to its pension plans in 2005. Inclusive of the Mayflower acquisition, on a pro forma basis, CVG would have expected to contribute \$2.2 million. As of June 30, 2005, \$1.3 million of contributions have been made to the pension plans. The Company anticipates contributing an additional \$1.0 million to its pension

plans in 2005 for total estimated contributions during 2005 of \$2.3 million.

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Table of Contents**10. Related Party Transactions**

In May 2004, the Company entered in a Product Sourcing Assistance Agreement with Baird Asia Limited. Pursuant to the agreement, Baird Asia Limited will assist the Company in procuring materials and parts from Asia. For the six months ended June 30, 2005, the Company made payment of approximately \$648,000 to Baird Asia Limited under this agreement. Of this amount, approximately \$101,000 was retained by Baird Asia Limited as its commission under the Product Sourcing Assistance Agreement.

11. Subsequent Events

On July 6, 2005, the Company completed an offering of common stock at a price of \$17.75 per share. Of the total shares offered, 1,500,000 were sold by the Company and 6,308,191 were sold by certain selling stockholders. Net proceeds to the Company of approximately \$22.9 million were used to repay outstanding indebtedness under the senior credit facility. In the connection with this offering, Onex American Holdings II LLC and affiliated investors and Baird Capital Partners III L.P. and affiliated investors sold all of their share ownership in the Company. In addition, certain members of management exercised options to purchase 217,404 shares of common stock, which were sold in the offering as part of the 6,308,191 shares sold by the selling stockholders. Net proceeds to the Company of \$1.2 million from the payment of the exercise price of such options were used to repay outstanding indebtedness under the senior credit facility. Subsequent to the offering, remaining beneficial ownership of management and other pre-IPO stockholders is approximately 4%.

On July 6, 2005, the Company completed a private offering of \$150 million aggregate principal amount of 8% senior notes due 2013. The Company used the proceeds to reduce outstanding indebtedness under the senior credit facility and for general corporate purposes.

On July 13, 2005, the underwriters, pursuant to their over allotment option, purchased an additional 1,171,229 shares of common stock resulting in net proceeds of approximately \$19.9 million to the Company, which was used to further reduce outstanding indebtedness under the senior credit facility and for general corporate purposes.

As a result of the above mentioned subsequent events, total indebtedness was reduced by approximately \$41.0 million.

12. Restatement

Subsequent to the issuance of the Company's condensed consolidated financial statements for the three and six months ended June 30, 2004, the Company determined that it had incorrectly classified a noncash stock option charge on its cash flow statement for the six months ended June 30, 2004. The error resulted in an understatement of cash flow from operating activities and an overstatement of cash used for financing activities of \$10.1 million. As a result, the accompanying condensed consolidated statement of cash flows for the six months ended June 30, 2004 has been restated for the amounts previously reported.

A summary of the significant effects of the restatement on the Company's interim condensed consolidated statement of cash flows for the six months ended June 30, 2004 is as follows, in thousands:

	Six Months Ended June 30, 2004	
	As	
	Previously Reported	As Restated
CASH FLOWS FROM OPERATING ACTIVITIES:		
Noncash option issuance charge	\$	\$ 10,125
Net cash provided by operating activities	8,448	18,573
CASH FLOWS FROM FINANCING ACTIVITIES:		
Noncash option issuance charge	10,125	

Net cash used in financing activities	(7,673)	(17,798)
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**ITEM 2: MANAGEMENT'S
DISCUSSION
AND ANALYSIS
OF FINANCIAL
CONDITION
AND RESULTS
OF
OPERATIONS**

Company Overview

Management's Discussion and Analysis of Financial Condition and Results of Operations has been updated to give effect to the restatement as discussed in Note 12 to the condensed consolidated financial statements included in Item 1, and should be read in conjunction with the accompanying condensed consolidated financial statements.

We are a leading supplier of fully integrated system solutions for the global commercial vehicle market, including the heavy-duty truck market, the construction and agriculture market and the specialty and military transportation markets. As a result of our strong leadership in cab-related products and systems, we are positioned to benefit from the increased focus of our customers on cab design and comfort and convenience features to better serve the end user, the driver. Our products include suspension seat systems, cab structures and components, interior trim systems, such as instrument and door panels, headliners, cabinetry and floor systems, mirrors, wiper systems, electronic wire harness assemblies and controls and switches specifically designed for applications in commercial vehicle cabs. CVG is headquartered in New Albany, OH with operations throughout North America, Europe and Asia. Information about CVG and its products is available on the internet at www.cvgrp.com.

Demand for our products is generally dependent on the number of new commercial vehicles manufactured, which in turn is a function of general economic conditions, interest rates, changes in governmental regulations, consumer spending, fuel costs and our customers' inventory levels and production rates. New commercial vehicle demand has historically been cyclical and is particularly sensitive to the industrial sector of the economy, which generates a significant portion of the freight tonnage hauled by commercial vehicles.

Although original equipment manufacturer (OEM) demand for our products is directly correlated with new vehicle production, we also have the opportunity to grow through increasing our product content per vehicle through cross-selling and bundling of products. We generally compete for new business at the beginning of the development of a new vehicle platform and upon the redesign of existing programs. New platform development generally begins at least one to three years before the marketing of such models by our customers. Contract durations for commercial vehicle products generally extend for the entire life of the platform, which is typically five to seven years.

In sourcing products for a specific platform, the customer generally develops a proposed production timetable, including current volume and option mix estimates based on their own assumptions, and then sources business with the supplier pursuant to written contracts, purchase orders or other firm commitments in terms of price, quality, technology and delivery. In general, these contracts, purchase orders and commitments provide that the customer can terminate if a supplier does not meet specified quality and delivery requirements and, in many cases, they provide that the price will decrease over the proposed production timetable. Awarded business generally covers the supply of all or a portion of a customer's production and service requirements for a particular product program rather than the supply of a specific quantity of products. Accordingly, in estimating awarded business over the life of a contract or other commitment, a supplier must make various assumptions as to the estimated number of vehicles expected to be produced, the timing of that production, mix of options on the vehicles produced and pricing of the products being supplied. The actual production volumes and option mix of vehicles produced by customers depend on a number of factors that are beyond a supplier's control.

Recent Acquisitions

On February 7, 2005, we acquired substantially all of the assets and liabilities related to Mayflower Vehicle Systems' North American Commercial Vehicle Operations for \$107.5 million, and Mayflower became a wholly owned subsidiary of CVG. The Mayflower acquisition was funded through an increase and amendment to our senior credit facility. Mayflower is the only non-captive producer of complete steel and aluminum truck cabs for the commercial

vehicle sector in North America. Mayflower serves the North American commercial vehicle sector from three manufacturing locations, Norwalk, Ohio, Shadyside, Ohio and Kings Mountain, North Carolina, supplying three major product lines: cab frames and assemblies, sleeper boxes and other structural components. For the year ended December 31, 2004, Mayflower recorded revenues of \$206.5 million and operating

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income of \$21.6 million. We estimate that the future tax benefits related to the deductibility of goodwill and intangible asset amortization to have an estimated present value of \$12 million.

On June 3, 2005, we acquired all of the stock of Monona Corporation, the parent of MWC, for \$55.0 million, and MWC became a wholly owned subsidiary of CVG. The MWC acquisition was funded through an increase and amendment to our senior credit facility. MWC is a leading manufacturer of complex, electronic wire harnesses and related assemblies used in the global heavy equipment, commercial vehicle, heavy-truck and specialty and military vehicle markets. It also produces panel assemblies for commercial equipment markets and cab frame assemblies for Caterpillar. MWC operates from primary manufacturing operations in the U.S. and Mexico. For the fiscal year ended January 31, 2005, MWC recorded revenues of \$85.5 million and operating income of \$9.6 million.

Basis of Presentation

Onex Corporation, Hidden Creek Industries and certain other investors acquired Trim Systems in 1997 and each of Commercial Vehicle Systems and National/KAB Seating in 2000. Each of these companies was initially owned through separate holding companies. The operations of Commercial Vehicle Systems and National/KAB Seating were formally combined under a single holding company, now known as Commercial Vehicle Group, Inc., on March 28, 2003. In connection with our initial public offering, Trim Systems became a wholly owned subsidiary of CVG on August 2, 2004. Because these businesses were under common control since their respective dates of acquisition, their respective historical results of operations have been combined for the periods in which they were under common control based on their respective historical basis of accounting. Our results of operations include the results of Mayflower and MWC since the date of their respective acquisitions.

Results of Operations

The table below sets forth certain operating data expressed as a percentage of revenues for the periods indicated:

	Three Months		Six Months	
	Ended June 30,		Ended June 30,	
	2005	2004	2005	2004
Revenues	100.0%	100.0%	100.0%	100.0%
Cost of Sales	81.6	82.2	82.1	82.1
Gross Profit	18.4	17.8	17.9	17.9
Selling, General and Administrative Expenses	5.2	7.3	5.7	8.0
Amortization Expense	0.1	0.0	0.0	0.1
Noncash Option Issuance Charge		10.7		5.6
Operating Income (Loss)	13.1	(0.2)	12.2	4.2
Other Income	(0.2)	(0.5)	(0.9)	(2.2)
Interest Expense	1.7	2.2	1.6	2.4
Income (Loss) Before Income Taxes	11.6	(1.9)	11.5	4.0
Provision (Benefit) for Income Taxes	4.4	(1.0)	4.4	1.4
Net Income (Loss)	7.2%	(0.9)%	7.1%	2.6%

Three Months Ended June 30, 2005 Compared to Three Months Ended June 30, 2004

Revenues. Revenues increased \$101.6 million, or 107.5%, to \$196.1 million in the three months ended June 30, 2005 from \$94.5 million in the three months ended June 30, 2004. This increase resulted primarily from the acquisition of Mayflower and MWC which equated to approximately \$82.1 million of increased revenue. In addition, a 43% increase in North American heavy truck production and organic growth equated to approximately \$15.1 million of increased revenues while higher OEM sales in the European and Asian seating markets increased revenues approximately \$3.6 million. Favorable foreign exchange fluctuations also added approximately \$0.8 million of

revenues over the prior year period.

Gross Profit. Gross profit increased \$19.2 million, or 113.6%, to \$36.1 million in the three months ended June 30, 2005 from \$16.9 million in the three months ended June 30, 2004. As a percentage of revenues, gross profit increased to 18.4% in the three months ended June 30, 2005 from 17.8% in the three months ended June 30, 2004. This increase resulted primarily from the revenue

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increase discussed above despite the continuing pressures on raw material commodities such as steel and petroleum which had a negative impact of approximately \$1.5 million during the quarter.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased \$3.3 million to \$10.2 million in the three months ended June 30, 2005 from \$6.9 million in the three months ended June 30, 2004. This increase resulted principally from the Mayflower and MWC acquisitions as well as additional costs related to the overall growth and costs related to being a public company versus the prior year period.

Amortization Expense. Amortization expense increased \$113 thousand to \$140 thousand in the three months ended June 30, 2005 from \$27 thousand in the three months ended June 30, 2004.

Other (Income) Expense. We use forward exchange contracts to hedge foreign currency transaction exposures related primarily to our United Kingdom operations. We estimate our projected revenues and purchases in certain foreign currencies or locations and will hedge a portion of the anticipated long or short position. We have not designated any of our forward exchange contracts as cash flow hedges, electing instead to mark-to-market the contracts and record the fair value of the contracts in our balance sheets, with the offsetting noncash gain or loss recorded in our consolidated statements of operations. The \$392 thousand gain in the three months ended June 30, 2005 and the \$429 thousand gain in the three months ended June 30, 2004 primarily represent the noncash change in value of the forward exchange contracts in existence at the end of each respective period.

Interest Expense. Interest expense increased \$1.2 million to \$3.3 million in the three months ended June 30, 2005 from \$2.1 million in the three months ended June 30, 2004. This increase reflects an increase in total debt during the respective periods with the addition of debt related to the Mayflower and MWC acquisitions.

Provision for Income Taxes. Our effective tax rate was 38.1% for the three months ended June 30, 2005 and 51.4% for the same period in 2004. An income tax provision of \$8.7 million in the three months ended June 30, 2005 compared to an income tax benefit of \$0.9 million in the three months ended June 30, 2004. The reduction in effective rate quarter over quarter can be attributed to our tax position in certain geographical regions and changes in federal and state rates from the prior year period.

Net Income. Net income increased \$15.1 million to \$14.2 million in the three months ended June 30, 2005, compared to (\$0.9) million in the three months ended June 30, 2004, primarily as a result of the factors discussed above.

Six Months Ended June 30, 2005 Compared to Six Months Ended June 30, 2004

Revenues. Revenues increased \$168.0 million, or 93.1%, to \$348.5 million in the six months ended June 30, 2005 from \$180.5 million in the six months ended June 30, 2004. This increase resulted primarily from the Mayflower acquisition and the MWC acquisition which equated to approximately \$122.4 million of increased revenue. In addition, a 43% increase in North American heavy truck production and organic growth equated to approximately \$37.9 million of increased revenues while higher OEM sales in the European and Asian seating markets increased revenues approximately \$6.0 million. Favorable foreign exchange fluctuations also added approximately \$1.7 million of revenues over the prior year period.

Gross Profit. Gross profit increased \$30.1 million, or 92.9%, to \$62.4 million in the six months ended June 30, 2005 from \$32.3 million in the six months ended June 30, 2004. As a percentage of revenues, gross profit remained flat at 17.9% in the six months ended June 30, 2005 as compared to the six months ended June 30, 2004. Gross profit as a percent of sales remained flat despite continuing pressures on raw material commodities such as steel and petroleum which had a negative impact of approximately \$4.5 million during the six months ended June 30, 2005, which is approximately \$2.5 million higher than 2004.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased \$5.3 million to \$19.7 million in the six months ended June 30, 2005 from \$14.4 million in the six months ended June 30, 2004. This increase resulted principally from the Mayflower and MWC acquisitions as well as additional costs related to the overall growth and costs related to being a public company versus the prior year period.

Amortization Expense. Amortization expense increased \$101 thousand to \$164 thousand in the six months ended June 30, 2005 from \$63 thousand in the six months ended June 30, 2004.

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Other (Income) Expense. We use forward exchange contracts to hedge foreign currency transaction exposures related primarily to our United Kingdom operations. We estimate our projected revenues and purchases in certain foreign currencies or locations and will hedge a portion of the anticipated long or short position. We have not designated any of our forward exchange contracts as cash flow hedges, electing instead to mark-to-market the contracts and record the fair value of the contracts in our balance sheets, with the offsetting noncash gain or loss recorded in our consolidated statements of operations. The \$3.3 million gain in the six months ended June 30, 2005 and the \$3.7 million gain in the six months ended June 30, 2004 primarily represent the noncash change in value of the forward exchange contracts in existence at the end of each respective period.

Interest Expense. Interest expense increased \$1.2 million to \$5.5 million in the six months ended June 30, 2005 from \$4.3 million in the six months ended June 30, 2004. This increase reflects an increase in total debt during the respective periods with the addition of debt related to the Mayflower and MWC acquisitions.

Provision for Income Taxes. Our effective tax rate was 37.8% for the six months ended June 30, 2005 and 34.7% for the same period in 2004. An income tax provision of \$15.2 million in the six months ended June 30, 2005 compared to a provision for income tax of \$2.5 million in the six months ended June 30, 2004. The increase in effective rate quarter over quarter can be attributed to our tax position in certain geographical regions and changes in federal and state rates from the prior year period.

Net Income. Net income increased \$20.4 million to \$25.1 million in the six months ended June 30, 2005, compared to \$4.7 million in the six months ended June 30, 2004, primarily as a result of the factors discussed above.

Liquidity and Capital Resources**Cash Flows**

For the six months ended June 30, 2005, we generated cash from operations of \$20.9 million compared to \$18.6 million from the prior year period, primarily as a result of the increase in operating earnings and the Mayflower and MWC acquisitions.

Net cash used in investing activities was \$168.7 million for the six months ended June 30, 2005 and \$2.2 million for the comparable period in 2004. The amounts used in 2005 reflect both capital expenditure purchases and the acquisitions of Mayflower and MWC.

Net cash provided by financing activities totaled \$151.8 million for the six months ended June 30, 2005, compared to net cash used of \$17.8 million in the same period of 2004. The net cash from financing activities in 2005 was principally related to additional borrowings related to the acquisitions of Mayflower and MWC and the amendments to our senior credit facility.

Debt and Credit Facilities

As of June 30, 2005, the Company had an aggregate of \$206.2 million of outstanding indebtedness excluding \$1.8 million of outstanding letters of credit under various financing arrangements. We were in compliance with all of our covenants under our debt and credit facilities as of June 30, 2005.

In August 2004, in connection with our initial public offering, we entered into a \$105.0 million senior credit facility, consisting of a \$65.0 million term loan and a \$40.0 million revolving line of credit. We used borrowings under the term loan, together with proceeds of the offering to repay all of our existing borrowings under our then existing senior credit facilities and to repay all of our then existing subordinated indebtedness. In connection with this senior credit facility, we recorded a loss in the third quarter of 2004 on the early extinguishment of debt of approximately \$1.6 million related to unamortized deferred financings fees.

In February 2005, in connection with the acquisition of Mayflower, we amended our senior credit facility to increase the revolving credit facility from \$40.0 million to \$75.0 million and the term loans from \$65.0 million to \$145.0 million. In June 2005, in connection with the MWC acquisition, we amended our senior credit facility to increase the revolving credit facility from \$75.0 million to \$100.0 million. In addition, the amendments increased certain baskets in the lien, investments and asset disposition covenants to reflect our increased size as a result of the Mayflower and MWC acquisitions.

The revolving credit facility is available until January 31, 2010 and the term loans are due and payable on December 31, 2010. Based on the provisions of EITF 96-19, *Debtor's Accounting for a Modification or Exchange of Debt Instruments*, approximately

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\$1.7 million third party fees relating to the credit agreement were capitalized and are being amortized over the life of the credit agreement.

As of June 30, 2005, under our senior credit facility we had borrowings of \$69.7 million under our revolving credit facility and term loans of \$136.6 million. The weighted average rate on these borrowings, for the quarter ended June 30, 2005, ranged from 6.8% with respect to the revolving borrowings to 6.5% for the term loan borrowings.

Under the terms of our senior credit facility, availability under the revolving credit facility is subject to the lesser of (i) a borrowing base that is equal to the sum of (a) 80% of eligible accounts receivable plus (b) 50% of eligible inventory; or (ii) \$100.0 million. Borrowings under the senior credit facility bear interest at a floating rate which can be either the prime rate or LIBOR plus the applicable margin to the prime rate and LIBOR borrowings based on our leverage ratio. The senior credit facility contains various financial covenants, including a minimum fixed charge coverage ratio of not less than 1.30, and a minimum ratio of EBITDA to cash interest expense of not less than 2.50, in each case for the twelve month period ending on December 31 of each year, a limitation on the amount of capital expenditures of not more than \$25.0 million in any fiscal year and a maximum ratio of total indebtedness to EBITDA as of the last day of each fiscal quarter as set forth below:

Quarters(s) Ending	Maximum Total Leverage Ratio
6/30/05 through 09/30/05	3.00 to 1.00
12/31/05 through 09/30/06	2.75 to 1.00
12/31/06 and each fiscal quarter thereafter	2.50 to 1.00

The senior credit facility also contains covenants restricting certain corporate actions, including asset dispositions, acquisitions, dividends, changes of control, incurring indebtedness, making loans and investments and transactions with affiliates. If we do not comply with such covenants or satisfy such ratios, our lenders could declare a default under the senior credit facility, and our indebtedness thereunder could be declared immediately due and payable. The senior credit facility is collateralized by substantially all of our assets. The senior credit facility also contains customary events of default.

In addition, prior to May 2, 2005, we also had \$6.5 million of indebtedness from borrowings financed through the issuance of industrial development bonds relating to our Vonore, Tennessee facility. These borrowings had a final maturity of August 1, 2006 and bore interest at a variable rate which was adjusted on a weekly basis by the placement agent such that the interest rate on the bonds was sufficient to cause the market value of the bonds to be equal to, as nearly as practicable, 100% of their principal amount. On May 2, 2005 we redeemed these bonds for approximately \$6.5 million.

We believe that cash flow from operating activities together with available borrowings under our senior credit facility will be sufficient to fund currently anticipated working capital, planned capital spending and debt service requirements for at least the next twelve months. We regularly review acquisition and additional opportunities, which may require additional debt or equity financing.

Critical Accounting Policies and Estimates

In December 2004, the FASB revised SFAS No. 123, Share Based Payment (SFAS No 123R). This Statement supersedes Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees, which resulted in no stock-based employee compensation cost related to stock options if the options granted had an exercise price equal to the market value of the underlying common stock on the date of grant. SFAS No. 123R requires recognition of employee services provided in exchange for a share-based payment based on the grant date fair market value. In April 2005, the Securities and Exchange Commission (SEC) deferred the required effective date of SFAS No. 123 to the fiscal year beginning after June 15, 2005. We are required to adopt SFAS No. 123R as of January 1, 2006. As of the effective date, this Statement applies to all new awards issued as well as awards modified, repurchased, or cancelled. Additionally, for stock-based awards issued prior to the effective date, compensation cost attributable to future services will be recognized as the remaining service is rendered. We may also elect to restate prior periods by applying a modified retrospective method to periods prior to the effective date. We are in the process of determining which method of adoption we will elect as well as the potential impact on its consolidated financial

statements upon adoption.

Forward-Looking Statements

All statements, other than statements of historical fact included in this Form 10-Q/A, including without limitation the statements under Management's Discussion and Analysis of Financial Condition and Results of Operations are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange

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Act of 1934, as amended. When used in this Form 10-Q/A, the words anticipate, believe, estimate, expect, intend, similar expressions, as they relate to us, are intended to identify forward-looking statements. Such forward-looking statements are based on the beliefs of our management as well as on assumptions made by and information currently available to us at the time such statements were made. Various economic and competitive factors could cause actual results to differ materially from those discussed in such forward-looking statements, including factors which are outside of our control, such as risks relating to: (i) our ability to develop or successfully introduce new products; (ii) risks associated with conducting business in foreign countries and currencies; (iii) general economic or business conditions affecting the markets in which we serve; (iv) increased competition in the heavy-duty truck market; and (v) our failure to complete or successfully integrate additional strategic acquisitions. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by such cautionary statements.

ITEM 4: CONTROLS AND PROCEDURES

As of the end of the period covered by this Quarterly Report on Form 10-Q/A, we conducted an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based on this evaluation, including the effects of the restatement described below, the principal executive officer and principal financial officer had concluded that our disclosure controls and procedures were effective to ensure that information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms. There was no change in our internal control over financial reporting during our most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Subsequent to the issuance of the Company's June 30, 2004 quarterly report, the Company determined that it had incorrectly classified a noncash stock option charge on its cash flow statement for the six months ended June 30, 2004. As a result, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures were not effective at June 30, 2005 with respect to the classification of noncash option charges on its cash flow statements and the Company has restated its condensed consolidated statement of cash flows as of June 30, 2004. The Company is presently evaluating and testing its internal controls over financial reporting. Based on the results of the evaluation and testing, the Company will implement corrective action to its internal control procedures where required to improve the effectiveness of internal controls. The Company intends to complete the process of testing and remediation by the end of fiscal year 2005. See Note 12 to the condensed consolidated financial statements included in this report.

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PART II. OTHER INFORMATION

COMMERCIAL VEHICLE GROUP, INC. AND SUBSIDIARIES

Item 6. Exhibits:

- 2.1 Stock Purchase Agreement, dated as of June 3, 2005, by and between Monona Holdings LLC and Commercial Vehicle Group, Inc. (incorporated by reference to the Company's current report on Form 8-K (File No. 000-50890), filed on June 8, 2005).
- 10.1 Third Amendment to Revolving Credit and Term Loan Agreement, dated as of June 3, 2005, by and among Commercial Vehicle Group, Inc., the subsidiary borrowers from time to time parties thereto, the foreign currency borrowers from time to time parties thereto, the banks from time to time parties thereto, U.S. Bank National Association, one of the banks, as administrative agent for the banks and Comerica Bank, one of the banks, as syndication agent for the banks (incorporated by reference to the Company's current report on Form 8-K (File No. 000-50890), filed on June 8, 2005).
- 10.2 Fourth Amendment to Revolving Credit and Term Loan Agreement, dated as of June 29, 2005, by and among Commercial Vehicle Group, Inc., the subsidiary borrowers from time to time parties thereto, the foreign currency borrowers from time to time parties thereto, the banks from time to time parties thereto, U.S. Bank National Association, one of the banks, as administrative agent for the banks and Comerica Bank, one of the banks, as syndication agent for the banks (incorporated by reference to the Company's current report on Form 8-K (File No. 000-50890), filed on July 6, 2005).
- 10.3 Fifth Amendment to Revolving Credit and Term Loan Agreement, dated as of July 12, 2005, by and among Commercial Vehicle Group, Inc., the subsidiary borrowers from time to time parties thereto, the foreign currency borrowers from time to time parties thereto, the banks from time to time parties thereto, U.S. Bank National Association, one of the banks, as administrative agent for the banks and Comerica Bank, one of the banks, as syndication agent for the banks (incorporated by reference to the Company's current report on Form 8-K (File No. 000-50890), filed on July 14, 2005).
- 10.4 Indenture, dated July 6, 2005, among Commercial Vehicle Group, Inc., the subsidiary guarantors party thereto and U.S. Bank National Association, as Trustee (incorporated by reference to the Company's current report on Form 8-K (File No. 000-50890), filed on July 8, 2005).
- 10.5 Registration Rights Agreement, dated July 6, 2005, among the Company, the subsidiary guarantors party thereto and Credit Suisse First Boston LLC and Credit Suisse First Boston LLC, Robert W. Baird & Co. Incorporated, ABN AMRO Incorporated, Comerica Securities, Inc., NatCity Investments, Inc., Piper Jaffray & Co. and Greenwich Capital Markets, Inc. (incorporated by reference to the Company's current report on Form 8-K (File No. 000-50890), filed on July 8, 2005).
- 10.6 Service Agreement, dated March 1, 1993, between Motor Panels (Coventry) Plc and William Gordon Boyd (incorporated by reference to the Company's registration statement on Form S-1 (File No. 333-125626), filed on June 8, 2005).
- 10.7 Assignment and Assumption Agreement, dated as of June 1, 2004, between Mayflower Vehicle Systems Plc and Mayflower Vehicle Systems, Inc. (incorporated by reference to the Company's registration statement on Form S-1 (File No. 333-125626), filed on June 8, 2005).
- 31.1 Certification by Mervin Dunn, President and Chief Executive Officer.

- 31.2 Certification by Chad M. Utrup, Vice President of Finance and Chief Financial Officer.
- 32.1 Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
- 32.2 Certification Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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SIGNATURE

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

COMMERCIAL VEHICLE GROUP,
INC.

Date: October 14, 2005

By /s/ Chad M. Utrup

Chad M. Utrup
Chief Financial Officer

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