

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

CHROMCRAFT REVINGTON INC
Form 10-K
March 09, 2006

=====

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

FORM 10-K

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

FOR THE FISCAL YEAR ENDED DECEMBER 31, 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

35-1848094

(State or other jurisdiction of
incorporation or organization)

(IRS Employer
Identification No.)

1100 North Washington Street, Delphi, IN 46923

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

(765) 564-3500

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
-----	-----
Common Stock, \$.01 par value	American Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as
defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports
pursuant to Section 15(d) of the Act. Yes No

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

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. Large accelerated filer [] Accelerated filer [] Non-accelerated filer [X]

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

As of February 14, 2006, there were 6,147,276 shares of the registrant's common stock (\$.01 par value) outstanding. The aggregate market value of the voting stock held by nonaffiliates of the registrant as of July 2, 2005 was \$56.3 million (based upon the closing price of the registrant's common stock, as reported by the American Stock Exchange).

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the annual meeting of stockholders to be held May 9, 2006 are incorporated by reference into Part III of this Form 10-K.

=====

INDEX

	Page Number -----
PART I	
Item 1. Business	1
Item 1A. Risk Factors.....	6
Item 1B. Unresolved Staff Comments.....	7
Item 2. Properties	8
Item 3. Legal Proceedings	8
Item 4. Submission of Matters to a Vote of Security Holders	8
PART II	
Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.....	8
Item 6. Selected Financial Data	11
Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations	12
Item 7A. Quantitative and Qualitative Disclosures about Market Risk	18
Item 8. Financial Statements and Supplementary Data	18
Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	18
Item 9A. Controls and Procedures	18
Item 9B. Other Information	18
PART III	
Item 10. Directors and Executive Officers of the Registrant.....	19

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Item 11.	Executive Compensation	19
Item 12.	Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.....	19
Item 13.	Certain Relationships and Related Transactions.....	19
Item 14.	Principal Accountant Fees and Services.....	19
PART IV		
Item 15.	Exhibits and Financial Statement Schedules.....	20
Signatures	23

PART I

ITEM 1. BUSINESS

GENERAL

Chromcraft Revington, Inc. ("Chromcraft Revington"), incorporated in 1992 under the laws of Delaware, is engaged in the design, manufacture and sale of residential and commercial furniture through its wholly-owned subsidiaries (collectively, the "Company"). Chromcraft Revington is headquartered in Delphi, Indiana.

In 1992, Chromcraft Revington acquired Chromcraft Corporation ("Chromcraft") and Peters-Revington Corporation ("Peters-Revington") and concurrently completed its initial public offering. Silver Furniture Co., Inc. ("Silver Furniture"), Cochrane Furniture Company, Inc. ("Cochrane") and Korn Industries Incorporated ("Sumter Cabinet") were acquired in 1995, 1996 and 1999, respectively. Chromcraft Revington had no operations prior to 1992.

In 2002, Chromcraft Revington formed the Chromcraft Revington Employee Stock Ownership Trust ("ESOP Trust"). The ESOP Trust purchased 2,000,000 shares of Chromcraft Revington common stock from then outstanding shares, using funds borrowed from Chromcraft Revington. The loan to the ESOP Trust provides repayment to the Company over a 30-year term. At December 31, 2005, the ESOP Trust held approximately 32.3% of the issued and outstanding shares of Chromcraft Revington's common stock.

PRODUCTS AND BRANDS

The Company markets its products under five brands, four that exclusively serve the residential market and one that serves both residential and commercial markets. Each brand is focused on serving the unique consumer and end user needs of specific market niches within larger product categories. These include occasional, bedroom, dining room, upholstered and commercial furniture.

Occasional Furniture

Four of the Company's brands supply occasional furniture from entry to mid to upper price points primarily to independent and regional furniture retailers. Occasional furniture includes coffee tables, end tables and sofa tables. Occasional furniture collections may also include coordinating furniture items such as entertainment storage cabinets, library and modular wall units, curios and other accent pieces. Occasional furniture is manufactured using a wide assortment of materials including solid hardwoods, veneers, printed fiberboard, metals, glass, natural stone, leathers and other materials.

The Peters-Revington brand is uniquely focused on the occasional furniture category and offers one of the broadest assortments of occasional furniture. It markets and sells occasional furniture primarily at medium price points through

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

independent and regional retailers. The brand has various collections with extensive item selection incorporating common designs and styling elements. Occasional furniture is manufactured and sourced globally to provide a variety of products for the Peters-Revington brand. The brand provides products based on a wide range of consumer lifestyle-based needs from traditional American and European styles to more contemporary urban fusion designs.

1

The Silver Furniture brand markets and distributes occasional furniture primarily at entry to mid-market price points utilizing a global supply base. Imported tables generally require some assembly by a retailer or consumer. Some occasional table collections include imported entertainment storage furniture as well as coordinating leather upholstery. This allows the Silver Furniture brand to supply "whole room" packages. Furniture is sold to retailers from Silver Furniture's distribution warehouse operation or by direct container delivered to the retailer from an overseas supplier.

Cochrane markets occasional furniture in coordination with its exposed wood upholstered products. This provides consumers and retailers with a unique combination of built-to-order upholstered products with style coordinating occasional furniture room groupings. Cochrane's occasional products are sold at mid-market price points.

The Sumter Cabinet brand is focused on premium solid wood high quality furniture. Included in the brand collections are a number of entertainment storage units that incorporate common style and construction features. These items are manufactured in the United States primarily of solid American hardwoods. Sumter's occasional furniture is positioned with mid-market and premium price points.

Bedroom Furniture

Bedroom furniture includes bed frames, dressers, night stands, entertainment armoires and mirrors in a wide range of styles. The Company utilizes a global supply chain to provide furniture components to supplement its United States based manufacturing operations of bedroom furniture. Bedroom furniture is constructed from solid hardwoods.

The Cochrane brand focuses on mid-priced and customized bedroom collections. The Cochrane brand also includes a range of inventoried bedroom styles to provide a wider selection within its collections.

The Sumter Cabinet brand focuses on premium quality products manufactured utilizing traditional craftsman techniques and primarily American solid hardwood construction. The Sumter Cabinet brand includes a number of traditional and transitional design styles and is positioned in the mid-to-upper price points.

Dining Room Furniture

The Company manufactures and markets formal and casual dining furniture for use in dining rooms, great rooms, kitchens, and hearth rooms. Dining room furniture includes a broad line of tables, armed and side chairs, buffets and china cabinets in a wide range of designs. Three of the brands provide products in these niches.

The Chromcraft brand mainly focuses on metal and mixed media casual dining furniture. The product line consists primarily of dining tables manufactured with laminated, wood or glass table tops with stationary or tilt-swivel chairs.

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Certain casual dining sets have matching barstools and china cabinets. Chairs are upholstered in a variety of fabrics and vinyls, while tables are manufactured from metal, wood, glass, faux marble and other materials, and come in a variety of shapes. Most casual dining furniture is custom ordered by the retailer or consumer. The Chromcraft brand products are primarily manufactured in a United States production facility. The Chromcraft brand also imports a variety of casual dining furniture mainly to broaden its product offerings and price points. Chromcraft's casual dining furniture is offered in a wide range of designs from contemporary to traditional styling and sold at medium price points.

2

The Sumter Cabinet brand offers formal dining room furniture in solid wood, primarily using American hardwoods. It is focused on serving the needs of upper-end consumers with traditional craftsman construction and features. The products are designed in traditional and transitional styles and are positioned at mid-to-higher price points.

Cochrane provides custom-design wood casual dining room furniture. Under this program, consumers can personalize their dining tables, chairs and china cabinets by selecting from a kiosk unit, various wood finishes and styling, chair fabrics, hardware, accent finishes and table sizes and shapes. Custom-design dining room furniture is manufactured in solid wood and sold at mid-to-higher price points. The brand also includes more traditional dining room furniture sets to provide a wide range of consumer choice.

Upholstered Furniture

Upholstered products include fabric and leather sofas, chairs, ottomans and accent pieces in a range of designs for different consumer lifestyles. Three of the brands include products in the upholstered category.

The Cochrane brand offers a wide range of built-to-order fabric products. These include consumer choice of fabrics and construction style. Upper end construction features are incorporated while the products are positioned at mid-market price points.

The Silver Furniture and Peters-Revington brands also provide upholstered furniture. These brands focus on style, coordinating medium-priced leather sofas and chairs designed in conjunction with occasional tables and entertainment storage furniture.

Commercial Furniture

Commercial furniture products are sold under the Chromcraft brand and include office chairs, conference, meeting room and training tables and lounge-area seating furniture for airports and other public waiting areas. Office chairs are offered in various grades and colors of fabric or leather and include executive, ergonomic and computer task models. Also, a limited number of commercial chairs are imported to broaden product offerings. Chromcraft commercial brand furniture mainly sells at mid-market price points and markets primarily through commercial dealers.

CUSTOMERS AND DISTRIBUTION

There are many channels of furniture distribution including independent furniture stores, national and regional chains, office furniture stores, rent/rent-to-own stores, specialty stores, department stores, catalogs,

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

wholesale clubs, and manufacturer dedicated stores. The Company markets and sells its residential furniture primarily to independent furniture retailers and regional furniture chains. Chromcraft's commercial furniture is sold primarily to office furniture dealers, wholesalers, distributors, furniture rental stores and contract customers.

The Company has approximately 5,500 active customer accounts. Major customers include Nebraska Furniture Mart, Jordan's, Cort Furniture and Rooms To Go. No material amount of Chromcraft Revington's sales is dependent upon a single customer. Sales outside the United States represents less than one percent of total sales. Furniture is primarily sold through independent sales representatives.

3

COMPETITION

The furniture industry is highly fragmented and the Company encounters intense domestic and foreign import competition in the sale of all its products. The furniture markets in which the Company participates include a large number of relatively small domestic and foreign manufacturers. In recent years, low-cost foreign manufacturers, primarily in China and other Asian countries, have significantly increased shipments into the United States. Many of the Company's competitors, some of which are larger and have greater financial resources, produce a number of products which are not competitive with the Company's products. In many cases, such companies do not disclose the portion of their sales attributable to products similar to those manufactured by the Company. It is, therefore, impractical to state with any certainty the Company's relative position in a particular product line. Competition in the Company's products is in the form of the quality of its products, service and selling prices.

MANUFACTURING AND GLOBAL SOURCING

The Company has several manufacturing and warehousing facilities in the United States to supply products for its five brands. Wood and metal working plants include machining, finishing and assembly operations. Solid wood furniture manufacturing operations have rough mill facilities that process green lumber into parts for internal use. The Company's upholstered furniture operations include chair foam production, cutting and sewing operations.

In recent years, the Company has increased imports of low-cost, labor-intensive furniture components and finished furniture, primarily from China, to supplement the Company's domestic furniture manufacturing. Using this blended approach of domestic manufacturing and selective importing, the Company is better able to control the quality of furniture and service to its customers.

The Company uses agents and Company personnel to purchase furniture parts and finished furniture from suppliers primarily located in China, Vietnam and the Philippines. Suppliers are selected for their ability to deliver high quality products on a timely basis and at competitive prices. Agents and Company personnel perform quality control inspections at supplier locations. The Company maintains a purchasing and quality control inspection office in Southern China.

Imported furniture is purchased in U.S. dollars and, as a result, Chromcraft Revington is not subject to foreign currency exchange risk.

RAW MATERIALS

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

The major raw materials used in manufacturing are wood, steel, fabrics, glass, chair mechanisms, fiberboard, finishing materials, hardware, cartons and foam for upholstered furniture. In recent years, more low-cost furniture parts have been sourced overseas. Chromcraft Revington believes that supplies of raw materials are available in sufficient quantities from an adequate number of suppliers. No significant shortages of raw materials were experienced during 2005.

4

INVENTORY AND SEASONAL REQUIREMENTS

The Company maintains finished goods inventories for occasional, dining room and bedroom furniture in order to respond quickly to customer delivery needs. Most custom-design casual dining room furniture, upholstered furniture and commercial furniture is made to customer specifications and, therefore, is not carried in stock. A limited number of commercial furniture items are maintained for quick delivery programs.

Over the last several years, the Company has increased its overseas purchases of furniture parts and finished furniture. As a result, the Company has increased its raw material and finished goods inventory levels, for certain product lines, in order to accommodate the longer delivery times and, in some cases, to obtain quantity price discounts.

Sales have historically not been subject to material seasonal fluctuations.

BACKLOG

The Company's backlog of sales orders was approximately \$13.2 million at December 31, 2005, as compared to approximately \$14.5 million at December 31, 2004. Order backlog at any particular time is not necessarily indicative of the level of future shipments.

ENVIRONMENT

Chromcraft Revington believes it is in compliance in all material respects with all federal, state and local environmental laws and regulations which impose limitations on the discharge of pollutants into the environment and establish standards for the treatment of hazardous wastes.

PATENTS

The Company has several commercial chair design patents, none of which are considered material to the business.

ASSOCIATES

The Company employs a total of approximately 1,400 people. None of the associates are represented by a collective bargaining agreement.

ADDITIONAL INFORMATION

Chromcraft Revington files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). Stockholders may inspect and copy these materials at the Public Reference Room maintained by the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for more information on the operation of the Public Reference Room. The SEC maintains an Internet site that

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The address of the site is <http://www.sec.gov>. Copies of the Company's annual, quarterly and current reports are

5

available to stockholders without charge upon written request to: Corporate Secretary, Chromcraft Revington, Inc., 1100 North Washington Street, Delphi, IN 46923.

ITEM 1A. RISK FACTORS

Our sales and earnings may be negatively impacted by foreign competition.

In recent years, the North American furniture industry has been greatly affected by the substantial increase of competition from foreign manufacturers. 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. This results in the ability of foreign manufacturers to sell furniture at lower prices than domestic manufacturers are typically able to do. We expect these competitive industry conditions to continue. As a result, we are subject to the risk of losing market share to import competition, which could negatively impact our sales and earnings.

We may not be able to raise prices because of competitive pressures.

The furniture industry is highly fragmented and we encounter strong domestic and foreign competition in the sale of all our products. Some of these competitors are larger than we are and have greater financial resources. Our manufacturing operations also have experienced inflationary price increases in raw materials and other costs. Current market and competitive pressures may limit our ability to raise prices or to pass through significant cost increases to our customers. This could lower our earnings.

Our sales and earnings may be adversely affected by changes in consumer spending on furniture and other household goods.

Consumer spending on residential furniture is significantly affected by items such as consumer economic confidence levels, new and existing home sales and levels of discretionary income. If these items decrease, our sales and earnings could be adversely affected.

Our ability to predict furniture preferences or buying patterns will affect our sales and earnings.

Furniture preferences, styles and buying patterns are subject to change. If we are unable to predict or respond to changes in these preferences, styles or patterns, or if customer acceptance of our existing and new product lines decreases, we may lose sales and have to sell excess inventory at reduced prices. This could lower our earnings.

Our business is affected by general economic conditions.

The furniture industry historically has been cyclical in nature. General economic conditions as well as items such as interest rates, credit availability and inflationary trends influence business and consumer spending. These factors affect furniture buying decisions of end purchasers and our primary customers, which are furniture retailers and could affect our sales and earnings.

Our ability to grow sales and earnings depends on the successful execution of our business strategies.

Our ability to maintain and grow our sales and earnings depends on the correct selection and successful execution of our business strategies for designing, manufacturing and marketing our products. We also must sell the right mix of products, maintain favorable production levels and manufacturing efficiencies at our facilities, use an appropriate blend of domestic manufacturing and global sourcing and retain an effective management, sales and production work force. All of these factors affect our ability to grow sales and earnings.

Our reduced sales volume in recent years may result in future charges.

We have several furniture brands, some of which have been impacted more severely than others by our reduced sales volume. We are closely monitoring this situation and, depending on business conditions, this could cause asset impairment and restructuring charges in the future.

An erosion of our customer base could cause a decrease in sales and earnings.

The loss of customers, whether due to customers purchasing products of one of our competitors instead of our products or due to customers going out of business, could cause a decrease in our sales and earnings. Lost sales may be difficult to replace and amounts owed to us by customers who go out of business may be uncollectible.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The following table summarizes the Company's facilities as of December 31, 2005.

Location	Square Feet	Operations	Furniture Brand	Owned/Leased
Delphi, IN	519,000	Manufacturing/ warehousing	Peters- Revington	Owned
Knoxville, TN	160,000	Warehousing	Silver Furniture	Owned
Lincolnton, NC	368,000	Manufacturing/ warehousing	Cochrane	Owned
Lincolnton, NC	152,000	Manufacturing	Cochrane	Owned

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Lincolnton, NC	159,000	Warehousing	Cochrane	Owned
Warrenton, NC	166,000	Manufacturing	Cochrane	Owned
Senatobia, MS	560,000	Manufacturing/ warehousing	Chromcraft	Owned
Sumter, SC	521,000	Manufacturing/ warehousing	Sumter Cabinet	Owned

Chromcraft Revington leases trucks, trailers and other transportation equipment and showroom facilities in High Point, North Carolina; Las Vegas, Nevada; and Chicago, Illinois. Management believes the properties and equipment of its subsidiaries are well maintained, in good operating condition and adequate to support present operations. The Company is not utilizing all of its productive capacity.

ITEM 3. LEGAL PROCEEDINGS

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Effective June 8, 2004, Chromcraft Revington's common stock began trading on the American Stock Exchange. Prior to June 8, 2004, the shares were traded on the New York Stock Exchange. The common stock of the Company is traded under the ticker symbol

8

"CRC". The following table sets forth the high and low prices of the common stock, as reported by the stock exchange on which the stock was traded at the time.

	2005		2004	
	High	Low	High	Low
First quarter	\$13.78	\$12.65	\$15.65	\$11.28
Second quarter	13.95	11.52	15.30	12.20
Third quarter	14.70	13.10	13.90	12.05
Fourth quarter	13.71	11.90	12.85	11.40

As of February 14, 2006, there were approximately 263 security holders of record of Chromcraft Revington's common stock. The Company does not intend to pay cash dividends in the foreseeable future. Chromcraft Revington's bank credit agreement permits the payment of cash dividends. On February 14, 2006, the closing price of Chromcraft Revington's common stock was \$13.00 as reported by the American Stock Exchange.

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Equity Compensation Plan Information

The following table provides certain information as of December 31, 2005 with respect to the Company's equity compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number remaini future is compensati securities fi
Equity compensation plans approved by security holders (1)	613,270	\$12.00	
Equity compensation plans not approved by security holders (2)	30,000	13.38	
Total	643,270	\$12.07	

(1) Includes the Chromcraft Revington, Inc. 1992 Stock Option Plan, as amended and restated effective March 15, 2002, and the Directors' Stock Option Plan of Chromcraft Revington, Inc., effective January 1, 2002.

(2) In December, 2005, the Company's Board of Directors approved an increase in the authorized shares for the Directors' Stock Option Plan, subject to the approval of the Company's stockholders at the 2006 annual meeting of stockholders.

9

Purchases of Equity Securities by the Issuer

The following table represents information with respect to shares of Chromcraft Revington common stock repurchased by the Company during the three months ended December 31, 2005.

Purchase of Equity Securities

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Max (or app valu that purch plans
October 2, 2005 to October 29, 2005	--	--	--	
October 30, 2005 to November 26, 2005	--	--	--	
November 27, 2005 to December 31, 2005	--	--	--	
	---	---	---	
	--	--	--	

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

===

===

===

- (1) The Company has maintained a share repurchase program since 1997. On February 8, 2005, the Board of Directors of the Company authorized the purchase of an additional 500,000 shares of common stock. At December 31, 2005, there were 702,965 shares available to purchase under this program.

10

ITEM 6. SELECTED FINANCIAL DATA

(In thousands, except per share and employee data)

	Year Ended December		
	2005	2004	2003
OPERATING RESULTS			
Sales	\$169,565	\$172,393	\$184,228
Cost of sales	131,924	132,979	145,592
Gross margin	37,641	39,414	38,636
Selling, general and administrative expenses	26,531	26,279	27,263
Other (income) (a)	--	--	(3,650)
Operating income	11,110	13,135	15,023
Interest expense	753	788	1,147
Earnings before income taxes and accounting change	10,357	12,347	13,876
Income tax expense (b)	3,112	4,679	5,788
Earnings before accounting change	7,245	7,668	8,088
Cumulative effect of an accounting change (net of tax benefit) (c)	--	--	--
Net earnings (loss)	\$ 7,245	\$ 7,668	\$ 8,088
Earnings (loss) per share of common stock after accounting change (c)			
Basic	\$ 1.69	\$ 1.85	\$ 1.97
Diluted	\$ 1.66	\$ 1.82	\$ 1.94
Shares used in computing earnings per share			
Basic	4,277	4,143	4,109
Diluted	4,357	4,215	4,173
FINANCIAL POSITION (December 31,)			
Cash and cash equivalents	\$ --	\$ --	\$ --
Working capital	\$ 44,878	\$ 40,054	\$ 35,044
Total assets	\$ 89,259	\$ 87,036	\$ 85,900
Bank indebtedness	\$ --	\$ 5,700	\$ 12,050
Stockholders' equity	\$ 72,662	\$ 62,909	\$ 53,798

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

OTHER DATA

Operating income margin	6.6%	7.6%	8.2%
Depreciation and amortization	\$ 3,491	\$ 3,721	\$ 4,188
Capital expenditures	\$ 1,521	\$ 1,086	\$ 674
Common stock repurchases (d)			
Shares	66	--	169
Total cost	\$ 864	\$ --	\$ 2,226
Number of associates	1,400	1,400	1,500

- (a) Resolution of a claim that existed as part of the Company's earlier acquisition of a subsidiary.

- (b) Income tax expense for the year ended December 31, 2005 includes a non-recurring income tax benefit of \$710,000 primarily due to the favorable resolution of a tax contingency. For the year ended December 31, 2003, income tax expense includes \$515,000 of additional income tax expense for a change in the tax basis of certain acquired assets.

- (c) Effective January 1, 2002, the Company recorded a non-cash transition charge for the impairment of goodwill. For the year ended December 31, 2002, basic and diluted earnings per share before accounting change were \$2.08 and \$2.04, respectively.

- (d) Common stock purchases in 2002 includes 2,000,000 shares acquired by the Company's ESOP Trust. The stock repurchase in 2005 is reflected on the financial statements net of related compensation expense of \$110,000.

11

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

Over the past five years the Company has experienced declining sales due to a combination of heightened global competition and the Company's strategic response to the changing market place. While sales of less competitive and less profitable lines have declined, the Company has lowered its costs and utilized excess cash flow from operations to reduce bank indebtedness and to repurchase its outstanding common stock. The Company has also concentrated its efforts on more attractive niches and the rate of sales decline has slowed in more recent years.

Beginning in the late 1990's, the U.S. furniture industry began undergoing a dramatic shift from a domestic manufacturing base to a highly competitive global supply chain. This shift accelerated over the course of the last five years. Global manufacturers, primarily in China and other Asian countries, have used substantially lower labor costs and somewhat lower material cost to achieve a competitive advantage over U.S. based manufacturers in several furniture categories. As a result, numerous U.S. based manufacturing operations have ceased to exist or have converted to alternative business models. Meanwhile, consumers have benefited from products of reasonable quality at substantially lower prices. This has altered the fundamental value perception of consumers and the underlying value propositions of businesses serving the industry.

In the face of this fundamental industry dynamic, the Company has leveraged its manufacturing competency and know-how to achieve lower costs and shifted its products toward more attractive niche-focused businesses. In its efforts to

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

achieve lower costs, the Company has increased imports of low-cost, labor-intensive furniture components and finished furniture from overseas. In addition, the Company has initiated efforts to develop built-to-order products to improve its overall value proposition. Management believes that this hybrid approach of domestic manufacturing and assembly operations combined with global sourcing allows the Company to better control product quality, service speed and quality, as well as product selection to meet consumer lifestyle needs.

As a result of these strategic decisions, sales of less competitive and/or less profitable products have declined, costs have been reduced and excess cash from operations has been generated. To date, the excess cash flow has been utilized to reduce bank indebtedness and to repurchase outstanding common shares of the Company.

Management believes overall competitiveness and future growth opportunities are based on a few key capabilities: first, understanding consumer lifestyles needs; second, meeting those needs with product selection and built-to-order customization; third, supplying reliable and durable product quality; fourth, serving its retail and commercial customers with reliability and speed of delivery; and fifth, implementing effective sales and marketing programs. The Company's market position is influenced by its ability to execute these key elements, as well as global transportation, distribution logistics and manufacturing cost structures.

Management closely monitors the activities and performance of the Company's different brands, as well as its multiple manufacturing and distribution operations. As the Company continues to adapt to heightened global competition, it will seek increased

12

cooperation and productivity from the various operating units. Adaptation to the market and integration of some common activities could result in restructuring charges, asset impairment, and/or increased operating expenses in the future. In addition, the Company has experienced inflationary price increases in raw materials, labor and other costs. Management is seeking ways to mitigate the impact of these factors through product engineering, manufacturing productivity, global sourcing and greater internal integration of activities. However, due to the competitive environment the Company may not be able to pass through any significant price increases to its customers.

RESULTS OF OPERATIONS

The following table sets forth the results of operations of Chromcraft Revington for the years ended December 31, 2005, 2004 and 2003 expressed as a percentage of sales.

	Year Ended December 31,		
	2005	2004	2003
Sales	100.0%	100.0%	100.0%
Cost of sales	77.8	77.1	79.0
Gross margin	22.2	22.9	21.0
Selling, general and administrative expenses	15.6	15.3	14.8

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Other (income)	--	--	(2.0)
	-----	-----	-----
Operating income	6.6	7.6	8.2
Interest expense	.5	.4	.7
	-----	-----	-----
Earnings before income taxes	6.1	7.2	7.5
Income tax expense	1.8	2.7	3.1
	-----	-----	-----
Net earnings	4.3%	4.5%	4.4%
	=====	=====	=====

2005 COMPARED TO 2004

Consolidated sales for 2005 were \$169,565,000, a 1.6% decrease from sales of \$172,393,000 for 2004. Dining room and bedroom shipments were lower in 2005, partially offset by higher sales of upholstered and commercial furniture. Occasional furniture shipments in 2005 were at approximately the same level as in 2004. The consolidated sales decline was primarily due to a lower number of units sold attributable to relative competitiveness. Selling prices were slightly higher compared to the prior year.

Gross margin decreased \$1,773,000 to \$37,641,000, or 22.2% of sales in 2005, as compared to \$39,414,000, or 22.9% of sales in 2004. The decrease in gross margin percentage in 2005 was primarily due to an unfavorable sales mix and reduced production levels at two facilities, which impacted fixed cost absorption and manufacturing efficiencies.

Selling, general and administrative expenses increased \$252,000 to \$26,531,000 from \$26,279,000 in 2004. The higher expense in 2005 was primarily due to employment related costs for a new Chief Executive Officer for the Company and an increase in bad debt and product marketing expenses, partially offset by lower employee benefit costs.

Interest expense was \$753,000 in 2005 as compared to \$788,000 in 2004. The lower interest expense in 2005 was primarily due to a reduction in bank borrowings from excess

13

cash flow from operations. In 2005, interest expense included the write-off of unamortized bank financing fees of \$161,000 associated with a multi-bank credit facility that was replaced in 2005.

Chromcraft Revington's effective income tax rate in 2005 was 30.0% compared to 37.9% in 2004. The lower income tax rate in 2005 was mainly due to a non-recurring income tax benefit of \$710,000 primarily due to the favorable resolution of a tax contingency.

Net earnings decreased to \$7,245,000 in 2005 compared to \$7,668,000 in 2004. Factors contributing to the decrease are outlined in the above discussion.

2004 COMPARED TO 2003

For 2004, sales decreased 6.4% to \$172,393,000 from \$184,228,000 reported in 2003. The sales decrease was mainly due to import competition in bedroom, dining room and occasional furniture. Upholstered furniture shipments remained unchanged from 2003. Shipments of leather upholstered furniture introduced in 2004 were offset by a decrease in fabric upholstered furniture. Sales of

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

commercial furniture in 2004 were slightly lower compared to the prior year. The consolidated sales decrease in 2004 was mainly due to lower unit volume.

Gross margin increased \$778,000 to \$39,414,000, or 22.9% of sales, in 2004, from \$38,636,000, or 21.0% of sales, in 2003. The margin improvement was primarily due to a decrease in manufacturing expenses and improved operating efficiencies in the production of bedroom furniture. In 2004, manufacturing expenses were lower, as compared to the prior year, due, in part, to a decrease in health care costs. Lower health care costs resulted from an increase in employee cost sharing and a reduction in benefit levels. For the year ended December 31, 2003, manufacturing expenses included an inventory obsolescence write down.

Selling, general and administrative expenses decreased \$984,000 to \$26,279,000, or 15.3% of sales, in 2004, from \$27,263,000, or 14.8%, in 2003. The decrease in expense in 2004 was primarily due to lower sales commissions and performance-based compensation.

Operating income decreased \$1,888,000 to \$13,135,000, or 7.6% of sales, in 2004, from \$15,023,000, or 8.2% of sales, in 2003. Operating income for 2003 included a \$3,650,000 non-recurring non-cash gain on the resolution of a claim in connection with the Company's earlier acquisition of a subsidiary.

Interest expense was \$788,000 as compared to \$1,147,000 in 2003. The decrease in interest expense was primarily due to a reduction in bank indebtedness. Bank debt was reduced in 2004 by excess cash flow generated from operations.

The effective income tax rate in 2004 was 37.9% as compared to 41.7% in 2003. The higher tax rate in 2003 was due to additional income tax expense of \$515,000 for a change in tax basis of certain acquired assets.

Net earnings decreased to \$7,668,000 in 2004 as compared to \$8,088,000 in 2003. Factors contributing to the earnings reduction are outlined in the above discussion.

14

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Operating activities provided cash of \$5,973,000 in 2005 compared to \$7,193,000 in 2004 and \$17,870,000 in 2003. Cash was used to increase inventories by \$3,343,000 in 2005 and \$2,798,000 in 2004, primarily for overseas purchases of furniture parts and finished furniture to accommodate the longer delivery times. For the year ended December 31, 2003, the Company decreased inventory levels and generated cash of \$8,944,000.

Investing Activities

Investing activities used cash for net capital expenditures of \$1,505,000 in 2005 compared to \$1,074,000 in 2004 and \$652,000 in 2003. The Company expects to spend approximately \$2,300,000 in 2006 on capital expenditures.

Financing Activities

Financing activities used cash of \$4,468,000 in 2005 as compared to \$6,119,000 in 2004 and \$17,218,000 in 2003. Cash was used to reduce bank

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

indebtedness by \$5,700,000 in 2005, \$6,350,000 in 2004, and \$16,000,000 in 2003.

In addition, cash was used to acquire 65,987 shares of Company common stock for \$864,000 in 2005 and 168,700 shares of common stock for \$2,226,000 in 2003. Included in these common stock repurchases were 164,187 shares purchased from the former President and Chief Executive Officer of the Company for \$2,168,000. The purchase price was determined based on an average selling price of the Company's common stock prior to the transaction dates. The stock repurchase in 2005 is reflected on the financial statements net of related compensation expense of \$110,000. At December 31, 2005, 702,965 shares were available for purchase under the Company's share repurchase program.

The Company received cash of \$1,986,000, \$231,000, and \$1,008,000 on the exercise of stock options in 2005, 2004, and 2003, respectively.

On September 20, 2005, the Company replaced a secured multi-bank credit agreement with an unsecured revolving loan facility ("Facility") that allows the Company to borrow up to \$35,000,000 based on a multiple of cash flow. The interest rate under the Facility is determined at the time of borrowing, at the Company's option, at either the bank's prime rate, or a rate based on the Federal Funds rate or the London Interbank Offered Rate (LIBOR). There were no borrowings outstanding at December 31, 2005. The Company had \$1,745,000 of standby letters of credit outstanding at December 31, 2005 in connection with workers compensation programs. These letters of credit, which reduce credit availability under the Facility, expire on August 11, 2006 and are generally renewed annually.

Management expects that cash flow from operations and availability under its Facility will continue to be sufficient to meet its future liquidity needs. The Company had approximately \$29,247,000 of available credit under its Facility at the end of the year. The Facility matures in September 2008. Chromcraft Revington expects to generate excess cash flow in 2006 which will be used to pursue strategic acquisitions, or repurchase Company common stock, or for general corporate purposes.

15

CONTRACTUAL OBLIGATIONS

The following table summarizes the Company's contractual obligations at December 31, 2005:

(In thousands)	Payments Due by Period				
	Total	Less than 1 Year	1 - 3 Years	4 - 5 Years	More than 5 Years
Operating leases	\$3,732	\$1,205	\$2,138	\$389	\$ --
Other long-term liabilities (a)	3,924	--	2,069	268	1,587
Total contractual cash obligations	\$7,656	\$1,205	\$4,207	\$657	\$1,587
	=====	=====	=====	=====	=====

(a) Includes interest.

CRITICAL ACCOUNTING POLICIES

The preparation of consolidated financial statements of the Company requires management to make estimates and judgments that affect the amounts reported in the financial statements and the related footnotes. Chromcraft Revington considers the following accounting policies to be most significantly impacted by the estimates and judgments used in the preparation of its consolidated financial statements.

Allowance for Doubtful Accounts

The Company provides for an allowance for doubtful accounts based on expected collectability of trade receivables. The allowance for doubtful accounts is determined based on the Company's analysis of customer credit-worthiness, historical loss experience and general economic conditions and trends.

Inventories

Inventories are valued at the lower of cost or market. Inventories valued using the last-in, first-out (LIFO) basis represent approximately 57% of total inventories at December 31, 2005. All remaining inventories are valued using the first-in, first-out (FIFO) basis. The Company evaluates its inventories for excess or slow moving items based on sales order activity and expected market changes. If circumstances indicate the cost of inventories exceed their recoverable value, inventories are reduced to net realizable value.

Employee Related Benefits

Accounting for self-insured health care and workers compensation liabilities involves assumptions of expected claims based on past experience and a review of individual claims. The Company establishes a liability based on claim information supplied by insurance and third party administrators. Actual claim expense could differ from the estimates made by the Company.

16

Property, Plant and Equipment

The Company reviews long-lived assets for impairment whenever events or changes in facts and circumstances indicate the possibility that the carrying value may not be recoverable. Factors that may trigger an impairment evaluation include under-performance relative to historical or projected future operating results and significant negative industry or economic trends. If the forecast of undiscounted future cash flows is less than the carrying amount of the assets, an impairment charge would be recognized to reduce the carrying value of the assets to fair value.

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-K

effective for fiscal years beginning after June 15, 2005. The Company has determined that the adoption of Statement No. 151 did not 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 amended FASB's compliance dates for Statement No. 123(R) to allow a calendar year-end company to delay compliance with Statement No. 123(R) until the first quarter of 2006. The Company has determined that the adoption of Statement No. 123(R) did not have a material impact on the Company's financial condition or results of operations.

FORWARD-LOOKING STATEMENTS

Certain information and statements contained in this report, including, without limitation, in the section captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations," 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 "anticipates," "believes," "may," or "expects," 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 the risks and uncertainties that could cause actual results or outcomes to differ materially from those reported, expected or anticipated are general economic

17

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 and existing home sales; and other factors that generally affect 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 7A. 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 have had less than a \$25,000 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 currency exchange rate risk

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

exposure.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and schedule are listed in Part IV, Items 15(a) (1) and (2) and are included as exhibits to this Form 10-K.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. 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-K.

There have been no significant changes in Chromcraft Revington's internal control over financial reporting that occurred during the fourth quarter of 2005 that have materially affected, or are reasonably likely to materially affect, Chromcraft Revington's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

18

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Code of Ethics

The Company has adopted a code of ethics that applies to all of its directors, officers (including its chief executive officer, chief financial and accounting officer, controller and any person performing similar functions) and employees. A copy of the Code of Ethics is available without charge upon written request to: Corporate Secretary, Chromcraft Revington, Inc., 1100 North Washington Street, Delphi, IN 46923.

Audit Committee Financial Expert

The Company's Board of Directors has determined that each member of its Audit Committee is an "audit committee financial expert", as defined under Item 401(h) of Regulation S-K of the Securities Exchange Act of 1934. The members of the Company's Audit Committee are David L. Kolb, Theodore L. Mullett and John D. Swift, and each is independent under the requirements of the American Stock Exchange.

In accordance with the provisions of General Instruction G to Form 10-K, the information required for the remainder of required disclosures under Item 10 is not set forth herein because Chromcraft Revington intends to file with the Securities and Exchange Commission a definitive Proxy Statement pursuant to Regulation 14A not later than 120 days following the end of its 2005 fiscal year, which Proxy Statement will contain such information. The information

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

required by Item 10, not presented above, is incorporated herein by reference to such Proxy Statement.

ITEMS 11. THROUGH 14.

In accordance with the provisions of General Instruction G to Form 10-K, the information required by Item 11 (Executive Compensation), Item 12 (Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters), Item 13 (Certain Relationships and Related Transactions), and Item 14 (Principal Accountant Fees and Services) is not set forth herein because Chromcraft Revington intends to file with the Securities and Exchange Commission a definitive Proxy Statement pursuant to Regulation 14A not later than 120 days following the end of its 2005 fiscal year, which Proxy Statement will contain such information. The above information required by Items 11, 12, 13, and 14 is incorporated herein by reference to such Proxy Statement.

19

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) 1. and 2. List of Financial Statements and Financial Statement Schedule:

The following Consolidated Financial Statements of Chromcraft Revington are included in this report on Form 10-K:

	Page Reference -----
Consolidated Statements of Earnings for the years ended December 31, 2005, 2004 and 2003	F-1
Consolidated Balance Sheets at December 31, 2005 and 2004	F-2
Consolidated Statements of Cash Flows for the years ended December 31, 2005, 2004 and 2003	F-3
Consolidated Statements of Stockholders' Equity for the years ended December 31, 2005, 2004 and 2003	F-4
Notes to Consolidated Financial Statements	F-6
Report of Independent Registered Public Accounting Firm	F-16
Quarterly Financial Information (unaudited)	F-17
The following consolidated financial statement schedule of Chromcraft Revington is included in response to Item 15(c):	
Schedule II - Valuation and Qualifying Accounts	S-1

All other schedules for which provision is made in the applicable accounting regulation of the Securities and Exchange Commission are not required under the related instructions or are inapplicable and, therefore, have been omitted.

(a) 3. Listing of Exhibits

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

- (3.1) Certificate of Incorporation of the Registrant, as amended, filed as Exhibit 3.1 to Form S-1, registration number 33-45902, as filed with the Securities and Exchange Commission on February 21, 1992, is incorporated herein by reference.
- (3.2) By-laws of the Registrant, as amended, filed as Exhibit 3.2 to Form 8-K, as filed with the Securities and Exchange Commission on December 12, 2005, is incorporated herein by reference.
- (10.19) Term Loan and Security Agreement, dated March 15, 2002, by and between the Registrant and First Bankers Trust Services, Inc. (as successor trustee), not in its individual or corporate capacity, but solely as trustee of the Chromcraft Revington Employee Stock Ownership Trust, filed as Exhibit 10.19 to Form 8-K,

20

as filed with the Securities and Exchange Commission on March 20, 2002, is incorporated herein by reference.

- (10.2) Amendment No. 2 to the Term Loan and Security Agreement, dated December 21, 2005, by and between the Registrant and First Bankers Trust Services, Inc. (as successor trustee), not in its individual or corporate capacity, but solely as trustee of the Chromcraft Revington Employee Stock Ownership Trust (filed herewith).
- (10.21) Credit Agreement dated September 20, 2005, between the Registrant and Wells Fargo Bank, N.A., filed as Exhibit 10.21 to Form 8-K, as filed with the Securities and Exchange Commission on September 26, 2005, is incorporated herein by reference.
- (10.3) Chromcraft Revington Employee Stock Ownership Trust, effective January 1, 2002, by and between the Registrant and First Bankers Trust Services, Inc. (as successor trustee), filed as Exhibit 10.3 to Form 10-K for the year ended December 31, 2001, is incorporated herein by reference.
- (10.31) First Amendment to the Chromcraft Revington Employee Stock Ownership Trust, effective January 1, 2002, by and between the Registrant and First Bankers Trust Services, Inc. (as successor trustee), filed as Exhibit 10.31 to Form 10-K for the year ended December 31, 2001, is incorporated herein by reference.
- (10.32) Third Amendment to the Chromcraft Revington Employee Stock Ownership Trust, effective December 31, 2005, by and between the Registrant and First Bankers Trust Services, Inc. (filed herewith).

Executive Compensation Plans and Arrangements

- (10.4) Chromcraft Revington, Inc. 1992 Stock Option Plan, as amended and restated effective March 15, 2002, filed as Exhibit 10.4 to Form 10-K for the year ended December 31, 2001, is incorporated herein by reference.
- (10.45) Directors' Stock Option Plan of Chromcraft Revington, Inc., as amended (filed herewith).
- (10.52) Chromcraft Revington, Inc. Short Term Executive Incentive Plan, as

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

amended and restated effective January 1, 2002, filed as Appendix A to the 2002 Proxy Statement, is incorporated herein by reference.

- (10.56) Chromcraft Revington, Inc. Long Term Executive Incentive Plan, as amended and restated effective January 1, 2002, filed as Appendix B to the 2002 Proxy Statement, is incorporated herein by reference.
- (10.6) Chromcraft Revington Directors Deferred Compensation Plan, effective January 1, 1999, filed as Exhibit 10.6 to Form 10-K for the year ended December 31, 1998, is incorporated herein by reference.

21

- (10.9) Employment Agreement, dated March 15, 2002, between the Registrant and Frank T. Kane, filed as Exhibit 10.9 to Form 10-K for the year ended December 31, 2001, is incorporated herein by reference.
- (10.91) Restricted Stock Award Agreement dated December 16, 2005, between the Registrant and Benjamin M. Anderson-Ray, filed as Exhibit 10.91 to Form 8-K, as filed with the Securities and Exchange Commission on December 22, 2005, is incorporated herein by reference.
- (10.92) Employment Agreement dated June 22, 2005, between the Registrant and Benjamin M. Anderson-Ray, filed as Exhibit 10.1 to Form 8-K, as filed with the Securities and Exchange Commission on June 28, 2005, is incorporated herein by reference.
- (14.1) Code of Ethics for Chief Executive Officer and Senior Financial Officers, and Code of Business Conduct and Ethics of Chromcraft Revington, Inc., filed as Exhibit 14.1 to Form 10-K for the year ended December 31, 2003, is incorporated herein by reference.
- (21.1) Subsidiaries of the Registrant (filed herewith).
- (23.1) Consent of Independent Registered Public Accounting Firm (filed herewith).
- (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).
- (32.1) Certifications of Chief Executive Officer and Chief Financial Officer required pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).

(b) Exhibits

The response to this portion of Item 15 is submitted as a separate section of this report.

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

(c) Financial Statement Schedules

The response to this portion of Item 15 is submitted as a separate section of this report.

22

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Chromcraft Revington, Inc. has duly caused this annual report on Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Chromcraft Revington, Inc.
(Registrant)

Date: March 8, 2006

By: /s/ Benjamin M. Anderson-Ray

Benjamin M. Anderson-Ray,
Chairman and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of Chromcraft Revington, Inc. and in the capacities and on the date indicated.

Signatures -----	Title -----	Date -----
/s/ Benjamin M. Anderson-Ray ----- Benjamin M. Anderson-Ray	Chairman, Chief Executive Officer and Director (principal executive officer)	March 8, 2006 -----
/s/ Frank T. Kane ----- Frank T. Kane	Vice President - Finance (principal accounting and financial officer)	March 8, 2006 -----
/s/ Ronald H. Butler ----- Ronald H. Butler	Director	March 8, 2006 -----
/s/ John R. Hesse ----- John R. Hesse	Director	March 8, 2006 -----
/s/ David L. Kolb ----- David L. Kolb	Director	March 8, 2006 -----

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

/s/ Larry P. Kunz ----- Larry P. Kunz	Director	March 8, 2006 -----
/s/ Theodore L. Mullett ----- Theodore L. Mullett	Director	March 8, 2006 -----
/s/ Craig R. Stokely ----- Craig R. Stokely	Director	March 8, 2006 -----
/s/ John D. Swift ----- John D. Swift	Director	March 8, 2006 -----

23

CONSOLIDATED STATEMENTS OF EARNINGS
Chromcraft Revington, Inc.
(In thousands, except per share data)

	Year Ended December 31,		
	2005	2004	2003
	-----	-----	-----
Sales	\$169,565	\$172,393	\$184,228
Cost of sales	131,924	132,979	145,592
	-----	-----	-----
Gross margin	37,641	39,414	38,636
Selling, general and administrative expenses	26,531	26,279	27,263
Other (income)	--	--	(3,650)
	-----	-----	-----
Operating income	11,110	13,135	15,023
Interest expense	753	788	1,147
	-----	-----	-----
Earnings before income tax expense	10,357	12,347	13,876
Income tax expense	3,112	4,679	5,788
	-----	-----	-----
Net earnings	\$ 7,245	\$ 7,668	\$ 8,088
	=====	=====	=====
Earnings per share of common stock			
Basic	\$ 1.69	\$ 1.85	\$ 1.97
	=====	=====	=====
Diluted	\$ 1.66	\$ 1.82	\$ 1.94
	=====	=====	=====
Shares used in computing earnings per share			
Basic	4,277	4,143	4,109
Diluted	4,357	4,215	4,173

See accompanying notes to the consolidated financial statements

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

F-1

CONSOLIDATED BALANCE SHEETS
Chromcraft Revington, Inc.
(In thousands, except share data)

	December 31,	
	2005	2004
	-----	-----
Assets		
Accounts receivable, less allowance of \$1,045 in 2005 and \$1,280 in 2004	\$ 18,735	\$ 18,133
Inventories	37,009	33,666
Other current assets	1,922	1,971
	-----	-----
Current assets	57,666	53,770
Property, plant and equipment, at cost, less accumulated depreciation	30,274	32,490
Other long-term assets	1,319	776
	-----	-----
Total assets	\$ 89,259	\$ 87,036
	=====	=====
Liabilities and Stockholders' Equity		
Accounts payable	\$ 5,448	\$ 5,093
Accrued liabilities	7,340	8,623
	-----	-----
Current liabilities	12,788	13,716
Bank debt	--	5,700
Deferred compensation	2,486	3,500
Other long-term liabilities	1,323	1,211
	-----	-----
Total liabilities	16,597	24,127
	-----	-----
Stockholders' equity		
Preferred stock, \$1.00 par value, 100,000 shares authorized, none issued or outstanding	--	--
Common stock, \$.01 par value, 20,000,000 shares authorized, 7,923,563 shares issued in 2005 and 7,701,502 shares issued in 2004	79	77
Capital in excess of par value	17,983	15,121
Unearned ESOP shares	(17,385)	(18,062)
Unearned compensation - restricted stock grant	(379)	--
Retained earnings	93,364	86,119
	-----	-----
	93,662	83,255
Less cost of common stock in treasury, 1,776,287 shares in 2005 and 1,710,300 shares in 2004	(21,000)	(20,346)
	-----	-----
Total stockholders' equity	72,662	62,909

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Total liabilities and stockholders' equity	----- \$ 89,259 =====	----- \$ 87,036 =====
--	-----------------------------	-----------------------------

See accompanying notes to the consolidated financial statements

F-2

CONSOLIDATED STATEMENTS OF CASH FLOWS
Chromcraft Revington, Inc.
(In thousands)

	Year Ended December 31,		
	----- 2005 -----	----- 2004 -----	----- 2003 -----
Operating Activities			
Net earnings	\$ 7,245	\$ 7,668	\$ 8,088
Adjustments to reconcile net earnings to net cash provided by operating activities			
Depreciation expense	3,491	3,721	4,188
Loss on disposal of property, plant and equipment	230	29	3
Deferred income taxes	(103)	(989)	1,084
Provision for doubtful accounts	649	287	231
Non-cash gain on the resolution of a claim	--	--	(3,650)
Non-cash ESOP compensation expense	895	967	837
Non-cash stock compensation expense	294	198	198
Changes in operating assets and liabilities			
Accounts receivable	(1,251)	(652)	543
Inventories	(3,343)	(2,798)	8,944
Other current assets	(591)	(290)	(1)
Accounts payable	355	451	(1,000)
Accrued liabilities	(1,295)	(1,689)	(1,830)
Other	(603)	290	235
Cash provided by operating activities	----- 5,973 -----	----- 7,193 -----	----- 17,870 -----
Investing Activities			
Capital expenditures	(1,521)	(1,086)	(674)
Proceeds on disposal of property, plant and equipment	16	12	22
Cash used in investing activities	----- (1,505) -----	----- (1,074) -----	----- (652) -----
Financing Activities			
Net repayment under a secured bank revolving credit line	(1,450)	(1,350)	(4,000)
Principal payments on bank term loan	(4,250)	(5,000)	(12,000)
Stock repurchases	--	--	(922)
Stock repurchase from related party	(754)	--	(1,304)
Exercise of stock options, net of tax benefit	1,986	231	1,008
Cash used in financing activities	----- (4,468) -----	----- (6,119) -----	----- (17,218) -----
Change in cash	--	--	--
Cash at beginning of the year	--	--	--

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Cash at end of the year	\$ --	\$ --	\$ --
	=====	=====	=====

See accompanying notes to the consolidated financial statements

F-3

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Chromcraft Revington, Inc.
(In thousands, except share data)

	Common Stock		Capital in
	Shares	Amount	Excess of Par Value
	-----	-----	-----
Balance at January 1, 2003	7,572,390	\$76	\$12,920
Purchase of treasury stock	--	--	--
Exercise of stock options	103,800	1	1,130
ESOP compensation expense	--	--	166
Stock option compensation expense	--	--	198
Net earnings	--	--	--
	-----	-----	-----
Balance at December 31, 2003	7,676,190	77	14,414
Exercise of stock options	25,312	--	278
ESOP compensation expense	--	--	231
Stock option compensation expense	--	--	198
Net earnings	--	--	--
	-----	-----	-----
Balance at December 31, 2004	7,701,502	77	15,121
Purchase of treasury stock	--	--	(100)
Exercise of stock options	180,061	2	2,071
ESOP compensation expense	--	--	218
Issuance of restricted stock award	42,000	--	568
Amortization of unearned compensation			
- restricted stock grant	--	--	--
Stock option compensation expense	--	--	105
Net earnings	--	--	--
	-----	-----	-----
Balance at December 31, 2005	7,923,563	\$79	\$17,983

See accompanying notes to the consolidated financial statements

F-4

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Unearned ESOP Shares	Unearned Compensation - Restricted Stock Grant	Retained Earnings	Treasury Stock		Total Stockholders' Equity
			Shares	Amount	
\$ (19,469)	\$ --	\$70,363	(1,541,600)	\$ (18,120)	\$45,770
--	--	--	(168,700)	(2,226)	(2,226)
--	--	--	--	--	1,131
671	--	--	--	--	837
--	--	--	--	--	198
--	--	8,088	--	--	8,088
-----	-----	-----	-----	-----	-----
(18,798)	--	78,451	(1,710,300)	(20,346)	53,798
--	--	--	--	--	278
736	--	--	--	--	967
--	--	--	--	--	198
--	--	7,668	--	--	7,668
-----	-----	-----	-----	-----	-----
(18,062)	--	86,119	(1,710,300)	(20,346)	62,909
--	--	--	(65,987)	(654)	(754)
--	--	--	--	--	2,073
677	--	--	--	--	895
--	(568)	--	--	--	--
--	189	--	--	--	189
--	--	--	--	--	105
--	--	7,245	--	--	7,245
-----	-----	-----	-----	-----	-----
\$ (17,385)	\$ (379)	\$93,364	(1,776,287)	\$ (21,000)	\$72,662
=====	=====	=====	=====	=====	=====

F-5

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Chromcraft Revington, Inc.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements include the accounts of Chromcraft Revington, Inc. and its wholly-owned subsidiaries (together, the Company). All significant intercompany accounts and transactions have been eliminated.

Chromcraft Revington manufactures and sells residential and commercial furniture. Products are sold primarily through furniture dealers throughout the United States and Canada. Chromcraft Revington has several operating segments which are aggregated into one reportable segment in accordance with Financial Accounting Standards Board Statement No. 131, Disclosures about Segments of an Enterprise and Related Information.

Revenue Recognition

Revenue from sales is recognized when the goods are shipped and risk and rewards of ownership transfer to the customer.

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company provides for an allowance for doubtful accounts based on expected collectibility of trade receivables. The allowance for doubtful accounts is determined based on the Company's analysis of customer credit-worthiness, historical loss experience and general economic conditions and trends. The Company reviews past due balances and its allowance for doubtful accounts periodically. Any accounts receivable balances that are determined to be uncollectible are included in the overall allowance for doubtful accounts. After all attempts to collect a receivable have been exhausted, the receivable is written off against the allowance. The Company does not have any off-balance-sheet credit exposure related to its customers.

Inventories

All inventories (materials, labor and overhead) are valued at the lower of cost or market. Inventories valued using the last-in, first-out (LIFO) basis represent approximately 57% and 55% of total inventories at December 31, 2005 and 2004, respectively. Remaining inventories are valued using the first-in, first-out (FIFO) basis.

Property, Plant and Equipment

Property, plant and equipment is stated on the basis of cost. Depreciation is computed principally by the straight-line method for financial reporting purposes and by accelerated methods for tax purposes. The following estimated useful lives are used for financial reporting purposes: buildings and improvements: 15 to 45 years, machinery and equipment: 3 to 12 years, and leasehold improvements: 5 to 10 years.

F-6

Impairment of Long-lived Assets

When changes in circumstances indicate the carrying amount of certain long-lived assets may not be recoverable, the assets will be evaluated for impairment. If the forecast of undiscounted future cash flows is less than the carrying amount of the assets, an impairment charge would be recognized to reduce the carrying value of the assets to fair value.

Deferred Income Taxes

Deferred income taxes are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Earnings per Share

Basic earnings per share is calculated based on the average number of

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

common shares outstanding. Diluted earnings per share include potentially dilutive common shares.

Financial Instruments

The carrying amounts reported in the balance sheets for accounts receivable, accounts payable, deferred compensation and bank debt approximate their fair values. Concentration of credit risk with respect to trade accounts receivable is limited due to the large number of entities comprising Chromcraft Revington's customer base and no single customer accounting for more than 10% of trade accounts receivable.

Stock Options

The Company has two stock-based compensation plans, which are described more fully in Note 12. "Stock Options". 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 Standards No. 123, as amended, Accounting for Stock-Based Compensation ("Statement No. 123"). The estimated per share weighted average fair value of stock options granted during 2005, 2004 and 2003 was \$5.12, \$5.34 and \$4.77, respectively, on the date of grant. The fair value of stock options on the date of grant was estimated using the Black-Scholes model with the following weighted average assumptions:

	2005	2004	2003
	----	----	----
Expected life (years)	6	6	6
Interest rate	4.2%	3.8%	3.5%
Volatility	32.2%	32.5%	34.0%

F-7

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 years ended December 31, 2005, 2004 and 2003.

	(In thousands, except per share data)		
	2005	2004	2003
Net earnings	\$7,245	\$7,668	\$8,088
Add: Stock-based employee compensation expense included in reported net earnings, net of related tax effects	186	122	122
Deduct: Total stock-based employee compensation expense determined under fair value method for all awards,			

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

net of related tax effects	(523)	(537)	(726)
	-----	-----	-----
Pro forma net earnings	\$6,908	\$7,253	\$7,484
	=====	=====	=====
Earnings per share			
Basic - as reported	\$ 1.69	\$ 1.85	\$ 1.97
Basic - pro forma	\$ 1.62	\$ 1.75	\$ 1.82
Diluted - as reported	\$ 1.66	\$ 1.82	\$ 1.94
Diluted - pro forma	\$ 1.59	\$ 1.73	\$ 1.81

Use of Estimates

The preparation of the financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2. INVENTORIES

Inventories at December 31, 2005 and 2004 consisted of the following:

	(In thousands)	
	2005	2004
	-----	-----
Raw materials	\$11,754	\$10,980
Work-in-process	5,619	6,374
Finished goods	22,627	18,851
	-----	-----
	40,000	36,205
LIFO reserve	(2,991)	(2,539)
	-----	-----
	\$37,009	\$33,666
	=====	=====

F-8

NOTE 3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at December 31, 2005 and 2004 consisted of the following:

	(In thousands)	
	2005	2004
	-----	-----
Land	\$ 2,231	\$ 2,231
Buildings and improvements	34,740	34,685
Machinery and equipment	52,339	51,791
Leasehold improvements	1,017	809

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Construction in progress	267	252
	-----	-----
	90,594	89,768
Less accumulated depreciation and amortization	(60,320)	(57,278)
	-----	-----
	\$ 30,274	\$ 32,490
	=====	=====

NOTE 4. ACCRUED LIABILITIES

Accrued liabilities at December 31, 2005 and 2004 consisted of the following:

	(In thousands)	
	-----	-----
	2005	2004
	-----	-----
Employee related benefits	\$1,730	\$2,703
Deferred compensation	1,055	166
Commissions	778	804
Compensation related	644	817
Property taxes	585	868
Other accrued liabilities	2,548	3,265
	-----	-----
	\$7,340	\$8,623
	=====	=====

NOTE 5. BANK DEBT

On September 20, 2005, the Company entered into an unsecured revolving loan facility ("Facility") with a bank that allows the Company to borrow up to \$35,000,000. The Facility replaced a secured multi-bank credit agreement. The interest rate under the Facility is determined at the time of borrowing, at the Company's option, at either the bank's prime rate, or a rate based on the Federal Funds rate or the London Interbank Offered Rate (LIBOR). A commitment fee, of up to .25% per annum, is payable on the unused portion of the credit line. No borrowings were outstanding under the Facility at December 31, 2005. The Company had \$1,745,000 of standby letters of credit outstanding at December 31, 2005 in connection with workers compensation programs. These letters of credit, which reduce credit availability under the Facility, expire on August 11, 2006 and are generally renewed annually.

The Facility requires compliance with certain financial loan covenants related to net worth, interest coverage and debt leverage. At December 31, 2005, the Company had approximately \$29,247,000 in unused availability under the Facility. Availability under the Facility is determined based on a multiple of cash flow. The Facility expires September 20, 2008.

F-9

Long-term bank debt at December 31, 2004 consisted of the following:

(in thousands)

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Term loan - interest rate of 3.4% at December 31, 2004	\$4,250
Revolving credit line - interest rate of 3.4% at December 31,2004	1,450

	\$5,700
	=====

NOTE 6. INCOME TAXES

Components of the provision for income taxes in the Consolidated Statements of Earnings for the years ended December 31, 2005, 2004 and 2003 were as follows:

	(In thousands)		
	2005	2004	2003
	-----	-----	-----
Current:			
Federal	\$2,552	\$4,869	\$3,904
State	663	799	800
	-----	-----	-----
	3,215	5,668	4,704
	-----	-----	-----
Deferred:			
Federal	(133)	(902)	986
State	30	(87)	98
	-----	-----	-----
	(103)	(989)	1,084
	-----	-----	-----
Provision for income taxes	\$3,112	\$4,679	\$5,788
	=====	=====	=====

A reconciliation of the provision for income taxes included in the Consolidated Statements of Earnings and the amount computed by applying the U.S. Federal income tax rate for the years ended December 31, 2005, 2004 and 2003 is summarized below:

	2005	2004	2003
	----	----	----
Tax expense, at U.S. statutory rate	34.0%	34.0%	34.0%
State taxes, net of federal benefit	4.4	3.8	4.3
Employee stock ownership plan expense	0.7	0.6	0.4
Resolution of tax contingency, net	(6.9)	--	--
Qualified production activities deduction	(0.8)	--	--
Change in the tax basis of certain acquired assets	--	--	3.7
Other, net	(1.4)	(0.5)	(0.7)
	-----	-----	-----
Provision for income taxes	30.0%	37.9%	41.7%
	=====	=====	=====

For the year ended December 31, 2005, the Company recorded a non-recurring income tax benefit of \$710,000 primarily due to the favorable resolution of a tax contingency.

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

F-10

The tax effects of temporary differences that give rise to significant portions of net deferred tax assets (liabilities) at December 31, 2005 and 2004 are summarized below:

	(In thousands)	
	2005	2004
Deferred tax assets attributable to:		
Accounts receivable	\$ 401	\$ 491
Employee benefit plans	931	907
ESOP compensation expense	519	387
Deferred compensation	2,734	1,860
Goodwill	854	1,004
Net operating loss carryforwards	1,208	1,490
Other liabilities	985	1,258
Total gross deferred tax assets	7,632	7,397
Deferred tax liabilities attributable to:		
Inventories	(2,061)	(1,415)
Property, plant and equipment	(4,874)	(5,359)
Other	(205)	(234)
Total gross deferred tax liabilities	(7,140)	(7,008)
Net deferred tax asset	\$ 492	\$ 389

Balance sheet classifications of deferred taxes at December 31, 2005 and 2004 were as follows:

	(In thousands)	
	2005	2004
Deferred tax asset (liability), current	\$ (12)	\$ 640
Deferred tax asset (liability), noncurrent	504	(251)
Net deferred tax asset	\$492	\$ 389

Tax benefits relating to share-based plans of \$87,000, \$47,000 and \$123,000 in 2005, 2004 and 2003, respectively have been credited to Capital in Excess of Par Value in the accompanying Consolidated Statements of Stockholders' Equity.

The Company has federal and state net operating loss carryforwards ("NOLs") available of \$1,939,000 and \$9,923,000, respectively, at December 31, 2005 with expiration dates through 2010 and 2024, respectively. The use of the state NOLs

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

is primarily limited to the future taxable earnings of one of the Company's subsidiaries. Based upon the level of historical taxable income and projections for future income over the periods in which the deferred tax assets are deductible, management believes it is more likely than not that the Company will realize these tax benefits.

NOTE 7. EARNINGS PER SHARE OF COMMON STOCK

Weighted average shares used in the calculation of diluted earnings per share included potentially dilutive common shares of approximately 80,000, 72,000 and 64,000 for the years ended December 31, 2005, 2004 and 2003, respectively.

F-11

Certain options to purchase shares of common stock were outstanding during 2005, 2004 and 2003, but were not included in the computation of diluted earnings per share because the options' exercise prices were greater than the average market price of the common shares during those periods and, therefore, their effect would be antidilutive. Options excluded from the computation of diluted earnings per share and their weighted average exercise prices were 163,961 shares at \$15.14 at December 31, 2005, 198,603 shares at \$15.75 at December 31, 2004 and 223,060 shares at \$15.26 at December 31, 2003.

NOTE 8. OTHER LONG-TERM LIABILITIES

Other long-term liabilities include \$597,000 and \$650,000 at December 31, 2005 and 2004, respectively for environmental remediation costs for land that was acquired as part of a previous acquisition by the Company. The amount of this liability is based upon information provided to the Company by an environmental consultant and other available information. The amount of actual costs incurred could differ materially from this estimate.

NOTE 9. STOCKHOLDERS' EQUITY

In 2005, the Company awarded 42,000 shares of restricted common stock to its Chairman and Chief Executive Officer. The award provided that 14,000 shares will vest based on continued employment on December 31, 2005, 2006, and 2007. The fair value of the award on the grant date was \$568,000.

The Company acquired Chromcraft Revington common stock from the former Chairman, President and Chief Executive Officer of the Company of 65,987 shares in 2005 for \$754,000, and 98,200 shares in 2003 for \$1,304,000. The purchase price on these transactions was determined based on the average selling price of the Company's common stock for the periods prior to the transactions.

NOTE 10. EMPLOYEE STOCK OWNERSHIP PLAN (ESOP)

Chromcraft Revington sponsors a leveraged employee stock ownership plan 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. Chromcraft Revington loaned \$20,000,000 to the ESOP Trust to finance the ESOP Stock Transaction. The loan to the ESOP Trust provides for repayment to Chromcraft Revington over a 30-year term at a fixed rate of interest of 5.48% per annum. The shares of common stock owned by the ESOP Trust are pledged to the Company as collateral for the Company's loan to the ESOP Trust. As the ESOP loan is repaid, shares are released from collateral and allocated to ESOP accounts of active employees based on the proportion of debt service paid in the year. Chromcraft Revington

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

accounts for its ESOP in accordance with AICPA Statement of Position 93-6, Employers' Accounting for Employee Stock Ownership Plans. Accordingly, unearned ESOP shares are reported as a reduction of stockholders' equity as reflected in the Consolidated Statements of Stockholders' Equity of the Company. As shares are committed to be released, Chromcraft Revington reports compensation expense equal to the current market price of the shares, and the shares become outstanding for earnings per share computations. ESOP compensation expense, a non-cash charge, was \$895,000 in 2005, \$967,000 in 2004 and \$837,000 in 2003. ESOP shares

F-12

at December 31, 2005 and 2004 consisted of the following:

	(In thousands)	
	2005	2004
	-----	-----
Allocated shares	244	184
Unearned ESOP shares	1,739	1,806
	-----	-----
Total ESOP shares	1,983	1,990
	=====	=====
Unearned ESOP shares, at cost	\$17,385	\$18,062
	=====	=====
Fair value of unearned ESOP shares	\$22,775	\$22,216
	=====	=====

At December 31, 2005, the ESOP Trust owned approximately 32.3% of the issued and outstanding shares of Chromcraft Revington's common stock.

NOTE 11. OTHER BENEFIT PLANS

Chromcraft Revington sponsors a tax-qualified defined contribution plan under Internal Revenue Code Section 401(k). Company matching contributions to the plan were \$38,000 in 2005, \$12,000 in 2004 and \$11,000 in 2003. Company matching contributions for most employees were made to the ESOP.

Chromcraft Revington also provides supplemental retirement benefits to key employees and executive officers of Chromcraft Revington. Expenses under these arrangements were \$91,000 in 2005, \$1,091,000 in 2004 and \$702,000 in 2003.

NOTE 12. STOCK OPTIONS

Chromcraft Revington's 1992 Stock Option Plan, as amended ("1992 Plan"), provides for the granting of either incentive stock options ("ISO's") or stock options which do not qualify as incentive stock options ("non-ISO's"). The total number of shares of common stock which may be issued under stock options granted pursuant to the 1992 Plan is 1,800,000 shares. ISO's granted under the 1992 Plan vest over no greater than a 10-year period, and are granted at exercise prices no less than the fair market value of Chromcraft Revington's common shares as of the date of grant. The compensation committee of the Board of Directors determines the vesting period and exercise prices of non-ISO's. At December 31, 2005 and 2004, there were 265,543 and 222,924 shares, respectively, available for future grants.

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

Chromcraft Revington's Directors' Stock Option Plan ("Directors' Plan") was adopted effective January 1, 2002, and provides for the granting of non-ISO's to members of the Board of Directors of the Company who are not employees. Under the Directors' Plan, eligible directors of the Company receive an option to purchase 2,500 shares of common stock on the day following their re-election to the Board at each annual meeting of stockholders. Any new director who is elected or appointed for the first time to the Board of Directors receives an option to purchase 10,000 shares of common stock. In 2005, the total number of shares of common stock which may be issued under stock options granted pursuant to the Directors' Plan was increased to 150,000 shares. Non-ISO's granted under

F-13

the Plan are 100% vested on the date of the grant and are granted at exercise prices equal to the fair market value of Chromcraft Revington's common shares as of the date of grant. The options are exercisable for a period of ten years. At December 31, 2005 and 2004, there were 60,000 and 20,000 shares, respectively, available for future grants.

A summary of Chromcraft Revington's stock option activity and related information for the three years ended December 31, 2005 follows:

	Number of Shares -----	Weighted Average Exercise Price -----
2003		
Granted	94,103	\$12.08
Exercised	(103,800)	\$ 9.71
Outstanding at end of year	908,865	\$11.88
Exercisable	618,198	\$12.50
2004		
Granted	59,703	\$13.75
Exercised	(25,312)	\$ 9.08
Canceled	(108,000)	\$11.82
Outstanding at end of year	835,256	\$12.11
Exercisable	654,922	\$12.57
2005		
Granted	66,383	\$12.94
Exercised	(180,061)	\$11.07
Canceled	(78,308)	\$15.59
Outstanding at end of year	643,270	\$12.07
Exercisable	533,270	\$12.23

Stock options outstanding have exercise prices ranging from \$8.09 to \$19.78. Significant option groups outstanding at December 31, 2005 and related weighted average price and remaining life information follow:

	Options Outstanding		Options Exercisable		
	Number of Shares -----	Exercise Price	Number of Shares -----	Exercise Price	
Range of Exercise Prices					Remaining Life (Years)

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

\$8.09 to \$11.05	338,823	\$10.46	258,823	\$10.45	6.2
\$12.20 to \$14.83	250,689	\$13.00	220,689	\$12.95	7.4
\$16.00 to \$19.78	53,758	\$17.83	53,758	\$17.83	2.7
	-----	-----	-----	-----	-----
	643,270	\$12.07	533,270	\$12.23	6.4

NOTE 13. OTHER INCOME

Other income for the year ended December 31, 2003 includes a \$3,650,000 non-cash gain on the resolution of a claim in connection with the Company's earlier acquisition of a subsidiary.

F-14

NOTE 14. SUPPLEMENTAL CASH FLOW INFORMATION

Interest paid during the years ended December 31, 2005, 2004 and 2003 was \$779,000, \$798,000 and \$1,152,000, respectively. Income taxes paid during the years ended December 31, 2005, 2004 and 2003 were \$4,336,000, \$5,155,000 and \$4,511,000, respectively.

NOTE 15. RENTAL COMMITMENTS

Chromcraft Revington leases certain showroom facilities and transportation equipment under non-cancelable operating leases. The future minimum lease payments under non-cancelable leases for the years ending December 31, 2006, 2007, 2008, 2009 and 2010 are \$1,205,000, \$1,114,000, \$1,024,000, \$241,000 and \$148,000 respectively. It is expected that, in the normal course of business, leases that expire will be renewed or replaced.

Rental expense was \$1,509,000, \$1,335,000, and \$1,563,000 for the years ended December 31, 2005, 2004 and 2003, respectively.

NOTE 16. 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 effective for fiscal years beginning after June 15, 2005. The Company has determined that the adoption of Statement No. 151 does not 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 amended FASB's compliance dates for Statement No. 123(R) to

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

allow a calendar year-end company to delay compliance with Statement No. 123(R) until the first quarter of 2006. The Company has determined that the adoption of Statement No. 123(R) does not have a material impact on the Company's financial condition or results of operations.

F-15

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
Chromcraft Revington, Inc.:

We have audited the consolidated financial statements of Chromcraft Revington, Inc. and subsidiaries as listed in item 15(a) (1) and (2). In connection with our audits of the consolidated financial statements, we also have audited the consolidated financial statement schedule as listed in item 15(a) (1) and (2). These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Chromcraft Revington, Inc. and subsidiaries as of December 31, 2005 and 2004, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2005, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related consolidated financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP
Indianapolis, Indiana
March 8, 2006

F-16

QUARTERLY FINANCIAL INFORMATION (unaudited) Chromcraft Revington, Inc.

(In thousands, except per share data)

First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
------------------	-------------------	------------------	-------------------	---------------

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

2005					
Sales	\$44,659	\$43,401	\$40,836	\$40,669	\$169,565
Gross margin	10,559	10,232	8,949	7,901	37,641
Operating income	3,730	3,480	2,229	1,671	11,110
Net earnings	2,256	2,093	1,191	1,705 (a)	7,245 (a)
Earnings per share of common stock					
Basic	.54	.49	.28	.39	1.69
Diluted	.53	.48	.27	.38	1.66
2004					
Sales	\$46,467	\$42,638	\$41,658	\$41,630	\$172,393
Gross margin	10,708	9,873	9,297	9,536	39,414
Operating income	2,621	3,499	3,416	3,599	13,135
Net earnings	1,493	2,039	1,979	2,157	7,668
Earnings per share of common stock					
Basic	.36	.49	.48	.52	1.85
Diluted	.36	.48	.47	.51	1.82

(a) Includes a non-recurring income tax benefit of \$710,000 primarily due to the favorable resolution of a tax contingency.

F-17

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
Chromcraft Revington, Inc.
(In thousands)

Classification	Balance at Beginning of Period	Additions		Dedu
		Charged to Costs and Expenses	Charged to Other Accounts	
Year ended December 31, 2005				
Allowance for doubtful accounts	\$1,280	\$649	\$--	\$ (8
Year ended December 31, 2004				
Allowance for doubtful accounts	\$1,356	\$287	\$--	\$ (3
Year ended December 31, 2003				
Allowance for doubtful accounts	\$1,373	\$231	\$--	\$ (2

(a) Represents charge-offs, net of recoveries, to the allowance for doubtful accounts and other items.

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

S-1

EXHIBIT INDEX

- (3.1) Certificate of Incorporation of the Registrant, as amended, filed as Exhibit 3.1 to Form S-1, registration number 33-45902, as filed with the Securities and Exchange Commission on February 21, 1992, is incorporated herein by reference.
- (3.2) By-laws of the Registrant, as amended, filed as Exhibit 3.2 to Form 8-K, as filed with the Securities and Exchange Commission on December 12, 2005, is incorporated herein by reference.
- (10.19) Term Loan and Security Agreement, dated March 15, 2002, by and between the Registrant and First Bankers Trust Services, Inc. (as successor trustee), not in its individual or corporate capacity, but solely as trustee of the Chromcraft Revington Employee Stock Ownership Trust, filed as Exhibit 10.19 to Form 8-K, as filed with the Securities and Exchange Commission on March 20, 2002, is incorporated herein by reference.
- (10.2) Amendment No. 2 to the Term Loan and Security Agreement, dated December 21, 2005, by and between the Registrant and First Bankers Trust Services, Inc. (as successor trustee), not in its individual or corporate capacity, but solely as trustee of the Chromcraft Revington Employee Stock Ownership Trust (filed herewith).
- (10.21) Credit Agreement dated September 20, 2005, between the Registrant and Wells Fargo Bank, N.A., filed as Exhibit 10.21 to Form 8-K, as filed with the Securities and Exchange Commission on September 26, 2005, is incorporated herein by reference.
- (10.3) Chromcraft Revington Employee Stock Ownership Trust, effective January 1, 2002, by and between the Registrant and First Bankers Trust Services, Inc. (as successor trustee), filed as Exhibit 10.3 to Form 10-K for the year ended December 31, 2001, is incorporated herein by reference.
- (10.31) First Amendment to the Chromcraft Revington Employee Stock Ownership Trust, effective January 1, 2002, by and between the Registrant and First Bankers Trust Services, Inc. (as successor trustee), filed as Exhibit 10.31 to Form 10-K for the year ended December 31, 2001, is incorporated herein by reference.
- (10.32) Third Amendment to the Chromcraft Revington Employee Stock Ownership Trust, effective December 31, 2005, by and between the Registrant and First Bankers Trust Services, Inc. (filed herewith).

Executive Compensation Plans and Arrangements

- (10.4) Chromcraft Revington, Inc. 1992 Stock Option Plan, as amended and restated effective March 15, 2002, filed as Exhibit 10.4 to Form 10-K for the year ended December 31, 2001, is incorporated herein by reference.
- (10.45) Directors' Stock Option Plan of Chromcraft Revington, Inc., as amended (filed herewith).
- (10.52) Chromcraft Revington, Inc. Short Term Executive Incentive Plan, as

Edgar Filing: CHROMCRAFT REVINGTON INC - Form 10-K

amended and restated effective January 1, 2002, filed as Appendix A to the 2002 Proxy Statement, is incorporated herein by reference.

- (10.56) Chromcraft Revington, Inc. Long Term Executive Incentive Plan, as amended and restated effective January 1, 2002, filed as Appendix B to the 2002 Proxy Statement, is incorporated herein by reference.
- (10.6) Chromcraft Revington Directors Deferred Compensation Plan, effective January 1, 1999, filed as Exhibit 10.6 to Form 10-K for the year ended December 31, 1998, is incorporated herein by reference.
- (10.9) Employment Agreement, dated March 15, 2002, between the Registrant and Frank T. Kane, filed as Exhibit 10.9 to Form 10-K for the year ended December 31, 2001, is incorporated herein by reference.
- (10.91) Restricted Stock Award Agreement dated December 16, 2005, between the Registrant and Benjamin M. Anderson-Ray, filed as Exhibit 10.91 to Form 8-K, as filed with the Securities and Exchange Commission on December 22, 2005, is incorporated herein by reference.
- (10.92) Employment Agreement dated June 22, 2005, between the Registrant and Benjamin M. Anderson-Ray, filed as Exhibit 10.1 to Form 8-K, as filed with the Securities and Exchange Commission on June 28, 2005, is incorporated herein by reference.
- (14.1) Code of Ethics for Chief Executive Officer and Senior Financial Officers, and Code of Business Conduct and Ethics of Chromcraft Revington, Inc., filed as Exhibit 14.1 to Form 10-K for the year ended December 31, 2003, is incorporated herein by reference.
- (21.1) Subsidiaries of the Registrant (filed herewith).
- (23.1) Consent of Independent Registered Public Accounting Firm (filed herewith).
- (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).
- (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).