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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
October 25, 2005

Cavco Industries, Inc.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

000-08822
(Commission File Number)

56-2405642
(IRS Employer
Identification No.)

1001 North Central Avenue, Suite 800, Phoenix, Arizona
(Address of principal executive offices)

85004
(Zip Code)

Registrant's telephone number including area code: **(602) 256-6263**

Not applicable
(Former name or former address if changed from last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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TABLE OF CONTENTS

Item 1.01. Entry Into A Material Definitive Agreement

Item 2.02. Results of Operations and Financial Condition

Item 9.01. Financial Statements and Exhibits

SIGNATURES

EXHIBIT INDEX

EX-10.1 Amendment to Credit Agreement dated as of October 25, 2005

EX-99.1 Press Release

Item 1.01. Entry Into A Material Definitive Agreement

On October 25, 2005, Cavco Industries, Inc., a Delaware corporation (the "Corporation"), entered into an amendment of its credit agreement with JPMorgan Chase Bank N.A. The amendment to the credit agreement eliminated certain covenants which limited investments in other entities and required a minimum leverage ratio. In addition, the covenant requiring the Corporation to meet a defined fixed charge coverage ratio was reduced from 1.50:1.00 to 1.25:1.00 and the covenant limiting acquisitions was modified to eliminate the maximum permitted dollar amount of acquisitions. A copy of the Corporation's press release announcing this event is attached as Exhibit 99.1 and the amendment to the credit agreement is attached as Exhibit 10.1.

Item 2.02. Results of Operations and Financial Condition

On October 27, 2005, Cavco Industries, Inc. a Delaware corporation (the "Corporation"), announced its financial results for its fiscal second quarter and six months ended September 30, 2005. A copy of the Corporation's press release announcing these financial results is attached as Exhibit 99.1 hereto.

Item 9.01. Financial Statements and Exhibits

Exhibit Number	Description
10.1	Amendment to Credit Agreement dated as of October 25, 2005
99.1	Press Release dated October 27, 2005

SIGNATURES

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

CAVCO INDUSTRIES, INC.

(Registrant)

By: /s/ Daniel Urness

Name: Daniel Urness

Title: Interim Chief Financial Officer

Date: October 27, 2005

EXHIBIT INDEX

Exhibit Number	Description
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99.1	Press Release dated October 27, 2005



For additional information, contact:

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FOR IMMEDIATE RELEASE

CAVCO INDUSTRIES REPORTS SECOND QUARTER RESULTS

Sales increase 22% to \$47.1 million

Net income up 65% to \$3.5 million

PHOENIX, AZ - (October 27, 2005) – Cavco Industries, Inc. (NASDAQ: CVCO) today announced financial results for the second quarter and first six months of fiscal 2006 ended September 30, 2005.

Net sales for the second quarter of fiscal 2006 rose 22% to \$47,091,000 from \$38,635,000 for the second quarter last year.

Net income for the second quarter increased 65% to \$3,517,000 compared with \$2,131,000 in the same period one year ago. Net income per share for the second quarter this year was \$0.56 versus \$0.34 last year based on basic weighted average shares outstanding and \$0.52 versus \$0.33 per share based on diluted weighted average shares. The prior year included \$0.03 per diluted share in income from discontinued retail operations.

For the first six months of fiscal 2006, net sales climbed 25% to \$92,967,000 from \$74,572,000 for the same period last year. Net income for the first six months of this year was up 84% to \$7,059,000 versus \$3,838,000 for the comparable prior year period. Net income per share was \$1.12 based on basic weighted average shares outstanding and \$1.06 per share based on diluted weighted average shares for the first six months this year versus \$0.61 and \$0.59, respectively, for the six-month period in the prior year.

Commenting on the quarter, Joseph Stegmayer, Chairman, President and Chief Executive Officer, said, “These results represented the best second quarter in the company’s history. All three manufacturing plants performed well, benefiting from strong demand and an excellent product mix. Profit margins were also positively affected by the fact that selling price increases, initiated earlier this calendar year, worked their way through our order backlog to favorably impact the quarter.”

Mr. Stegmayer continued, “The first half of fiscal 2006 has been even better than we anticipated. We look for continued good results in the last six months of the year although the comparisons will be to increasingly strong results in the third and fourth quarters of last year. The greatest concern for the months ahead is the availability and price of the raw materials and components we buy. The escalating cost environment we have experienced for the past eighteen months has been further stimulated by the natural disasters in the United States and abroad. In addition to the terrible human toll taken by these catastrophes, the vast destruction of property and subsequent re-building efforts is predicted to cause sustained material shortages and price increases.”

Cavco also announced that it has amended its revolving credit facility with JPMorgan Chase Bank N.A. to eliminate and modify certain covenants to provide more flexibility in the facility.

Cavco’s senior management will hold a conference call to review these results tomorrow, October 28, 2005, at 1:00 p.m. (Eastern Time). Interested parties can access a live webcast of the conference call on the Internet at <http://phx.corporate-ir.net/playerlink.zhtml?c=145386&s=wm&e=1149933>. An archive of the webcast and presentation will be available for 90 days at this website.

Cavco Industries, Inc., headquartered in Phoenix, is the largest producer of manufactured homes in Arizona, based on wholesale shipments. The Company is also a leading producer of park model homes and vacation cabins in the United States.

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Certain statements contained in this release are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Securities and Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. In general, all statements that are not historical in nature are forward-looking. Forward-looking statements are typically included, for example, in discussions regarding the manufactured housing industry; our financial performance and operating results; and the expected effect of certain risks and uncertainties on our business, financial condition and results of operations. All forward-looking statements are subject to risks and uncertainties, many of which are beyond our control. As a result, our actual results or performance may differ materially from anticipated results or performance. Factors that could cause such differences to occur include, but are not limited to, adverse industry conditions, the cyclical nature of our business, limitations on our ability to raise capital, curtailment of available financing in the manufactured housing industry, competition, our ability to maintain relationships with retailers, pricing and availability of raw materials and our lack of recent operating history as an independent public company, together with all of the other risks described in our filings with the Securities and Exchange Commission. Cavco expressly disclaims any obligation to update any forward-looking statements contained in this release whether as a result of new information, future events or otherwise. Investors should not place any reliance on any such forward-looking statements.

CAVCO INDUSTRIES, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands)

	<u>September 30,</u> 2005	<u>March 31,</u> 2005
	(Unaudited)	
ASSETS		
Current assets		
Cash	\$ 10,839	\$ 46,457
Short term investments	39,900	
Restricted cash	1,168	1,028
Accounts receivable	9,329	7,545
Inventories	11,897	9,703
Prepaid expenses and other current assets	1,404	1,202
Deferred income taxes	3,590	3,610
Retail assets held for sale	334	1,114
Total current assets	<u>78,461</u>	<u>70,659</u>
Property, plant and equipment, at cost:		
Land	6,050	2,330
Buildings and improvements	6,192	5,045
Machinery and equipment	6,656	6,446
	<u>18,898</u>	<u>13,821</u>
Accumulated depreciation	(6,810)	(6,349)
	<u>12,088</u>	<u>7,472</u>
Goodwill	<u>67,346</u>	<u>67,346</u>
Total assets	<u>\$ 157,895</u>	<u>\$ 145,477</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 5,450	\$ 5,978
Accrued liabilities	25,815	22,099
Total current liabilities	<u>31,265</u>	<u>28,077</u>
Deferred income taxes	10,150	9,090
Commitments and contingencies		
Stockholders' equity		
Preferred Stock, \$.01 par value, 1,000,000 shares authorized; No shares issued or outstanding		-
Common Stock, \$.01 par value; 10,000,000 shares authorized; Outstanding 6,334,776 and 6,288,730 shares	63	63
Additional paid-in capital	120,984	119,998
Unamortized value of restricted stock	(188)	(313)
Accumulated deficit	(4,379)	(11,438)
Total stockholders' equity	<u>116,480</u>	<u>108,310</u>
Total liabilities and stockholders' equity	<u>\$ 157,895</u>	<u>\$ 145,477</u>

(more)

CAVCO INDUSTRIES, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2005	2004	2005	2004
Net sales	\$ 47,091	\$ 38,635	\$ 92,967	\$ 74,572
Cost of sales	37,482	31,366	73,721	61,210
Gross profit	9,609	7,269	19,246	13,362
Selling, general and administrative expenses	4,207	4,068	8,319	7,418
Income from operations	5,402	3,201	10,927	5,944
Interest income	364	100	646	201
Income from continuing operations before income taxes	5,766	3,301	11,573	6,145
Income tax expense	2,249	1,320	4,514	2,457
Income from continuing operations	3,517	1,981	7,059	3,688
Income from discontinued retail operations less income taxes of \$100 in 2004		150		150
Net Income	<u>\$ 3,517</u>	<u>\$ 2,131</u>	<u>\$ 7,059</u>	<u>\$ 3,838</u>
Net income per share (basic):				
Continuing operations	\$ 0.56	\$ 0.32	\$ 1.12	\$ 0.59
Discontinued retail operations	-	0.02	-	0.02
Net Income	<u>\$ 0.56</u>	<u>\$ 0.34</u>	<u>\$ 1.12</u>	<u>\$ 0.61</u>
Net income per share (diluted):				
Continuing operations	\$ 0.52	\$ 0.30	\$ 1.06	\$ 0.57
Discontinued retail operations	-	0.03	-	0.02
Net Income	<u>\$ 0.52</u>	<u>\$ 0.33</u>	<u>\$ 1.06</u>	<u>\$ 0.59</u>
Weighted average shares outstanding:				
Basic	<u>6,302,386</u>	<u>6,288,730</u>	<u>6,295,558</u>	<u>6,288,730</u>
Diluted	<u>6,720,397</u>	<u>6,520,528</u>	<u>6,685,694</u>	<u>6,522,178</u>

On January 6, 2005, Cavco Industries, Inc. announced that its Board of Directors had authorized a 2-for-1 split of its common stock in the form of a 100% stock dividend. The dividend was paid on January 31, 2005 to stockholders of record as of January 18, 2005. The information for the three and six months ended September 30, 2004 is presented as if this stock split had been completed as of the beginning of these periods.

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CAVCO INDUSTRIES, INC. AND SUBSIDIARY
Other Operating Data – Continuing Operations
(Dollars in thousands)

	Three Months Ended September 30,		Six Months Ended September 30,	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Net sales				
Manufacturing	\$ 45,122	\$ 38,338	\$ 89,910	\$ 73,283
Retail	3,309	2,204	6,347	4,935
Less: Intercompany	<u>(1,340)</u>	<u>(1,907)</u>	<u>(3,290)</u>	<u>(3,646)</u>
Net Sales	<u>\$ 47,091</u>	<u>\$ 38,635</u>	<u>\$ 92,967</u>	<u>\$ 74,572</u>
Floor shipments - manufacturing	<u>1,825</u>	<u>1,730</u>	<u>3,637</u>	<u>3,375</u>
Average sales price per floor - manufacturing	<u>\$ 24,724</u>	<u>\$ 22,161</u>	<u>\$ 24,721</u>	<u>\$ 21,713</u>
Home shipments - manufacturing	<u>1,051</u>	<u>1,008</u>	<u>2,119</u>	<u>1,942</u>
Average sales price per home - manufacturing	<u>\$ 42,932</u>	<u>\$ 38,034</u>	<u>\$ 42,430</u>	<u>\$ 37,736</u>
Home shipments - retail	<u>40</u>	<u>33</u>	<u>81</u>	<u>71</u>
Average sales price per home - retail	<u>\$ 82,725</u>	<u>\$ 66,788</u>	<u>\$ 78,358</u>	<u>\$ 69,507</u>
Capital expenditures	<u>\$ 4,878</u>	<u>\$ 37</u>	<u>\$ 5,077</u>	<u>\$ 216</u>
Depreciation	<u>\$ 228</u>	<u>\$ 272</u>	<u>\$ 461</u>	<u>\$ 547</u>

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