FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2005-05-02** | Period of Report: **2005-03-31**
SEC Accession No. 0000950123-05-005390

(HTML Version on secdatabase.com)

FILER

AIRXCEL INC
CIK:**1050096**| IRS No.: **481097576** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **333-43335** | Film No.: **05789076**
SIC: **3490** Miscellaneous fabricated metal products

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q
(see note below)

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

For the quarterly period ended March 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 333-43335

AIRXCEL, INC.
(Exact name of Registrant as specified in its charter)

Delaware	48-1071795
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

3050 North Saint Francis, Wichita, Kansas 67219
(Address of principal executive offices)
(Zip Code)

(316) 832-3400
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed, since last year)

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 [XX] NO [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS:
Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

1,000 shares of Common Stock as of March 31, 2005

Note: This information is provided solely to comply with the obligation contained in the indenture agreement governing the Company's Senior Subordinated Notes.

PART 1 - FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

AIRXCEL, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

<TABLE>
<CAPTION>

	March 31, 2005	December 31, 2004
	(Unaudited)	(Note 1)
<S>	<C>	<C>
ASSETS		

Current assets:		
Cash and cash equivalents	$ 174	$ 239
Accounts receivable, net of allowances for doubtful accounts of $295 and $399, in 2005 and 2004, respectively	19,920	12,868
Inventory	24,274	24,339
Prepaid expenses and other current assets	3,182	3,190
Total current assets	47,550	40,636
Deferred income taxes	1,840	1,878
Property, plant and equipment, net	14,264	14,855
Loan financing costs, net	1,074	1,156
Trademarks	2,900	2,900
Other identifiable intangible assets, net	1,383	1,418
Goodwill	12,973	12,973
Total assets	$ 81,984	$ 75,816
LIABILITIES AND STOCKHOLDER'S EQUITY (DEFICIENCY)		
Current liabilities:		
Current portion of long-term debt	$ 74	$ 72
Cash overdraft	2,789	-
Accounts payable	11,746	7,452
Warranty reserve	2,806	2,707
Accrued interest	3,331	1,131
Accrued payroll	2,204	3,776
Accrued expenses and other current liabilities	3,528	3,560
Total current liabilities	26,478	18,698
Pension liability	2,898	2,877
Long-term debt, net of current portion	85,679	89,088
Total liabilities	115,055	110,663
Commitments and contingencies		
Stockholder's equity (deficiency):		
Common stock	1	1
Additional paid-in capital	27,322	27,322
Accumulated deficit	(55,488)	(57,264)
Accumulated other comprehensive loss	(1,459)	(1,459)
Notes receivable from Holdings	(3,447)	(3,447)
Total stockholder's equity (deficiency)	(33,071)	(34,847)
Total liabilities and stockholder's equity (deficiency)	$ 81,984	$ 75,816

</TABLE>

See accompanying notes.

AIRXCEL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS)
(UNAUDITED)
THREE MONTHS ENDED

<TABLE>
<CAPTION>

<S>	March 31, 2005 <C>	March 31, 2004 <C>
Net sales	$ 48,678	$ 43,907
Cost of sales	39,449	34,808
Gross profit	9,229	9,099
Selling, general and administrative expense	4,108	4,261
Income from operations	5,121	4,838
Interest expense, net	2,418	2,631

Other expense, net	16	26
Income before income tax expense	2,687	2,181
Income tax expense	911	838
Net income	$ 1,776	$ 1,343

</TABLE>

See accompanying notes.

AIRXCEL, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)
THREE MONTHS ENDED

<TABLE>
<CAPTION>

<S>	March 31, 2005 <C>	March 31, 2004 <C>
Cash flows from operating activities:		
Net income	$ 1,776	$ 1,343
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	771	759
Amortization of financing costs	129	118
Deferred income taxes	112	838
Provision for doubtful accounts	(58)	16
Loss on disposition of property, plant and equipment	2	5
Changes in operating assets and liabilities:		
Accounts receivable	(6,994)	(4,764)
Inventories	65	(1,327)
Other assets	(66)	(244)
Accounts payable	4,294	4,076
Accrued expenses and other liabilities	718	1,386
Net cash provided by operating activities	749	2,206
Cash flows from investing activities:		
Capital expenditures	(141)	(374)
Other	(6)	(12)
Net cash used in investing activities	(147)	(386)
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	36,002	36,276
Principal payments on long-term debt	(39,411)	(39,091)
Cash overdraft	2,789	1,364
Financing costs incurred	(47)	-
Net cash used in financing activities	(667)	(1,451)
Net increase (decrease) in cash and cash equivalents	(65)	369
Cash and cash equivalents, beginning of period	239	33
Cash and cash equivalents, end of period	$ 174	$ 402

</TABLE>

See accompanying notes.

AIRXCEL, INC.

(in thousands)

1. BASIS OF PRESENTATION:

The accompanying interim consolidated financial statements have not been audited but reflect normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the Company's financial position and results of operations and cash flows for the interim periods presented. The year-end condensed consolidated balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States. These interim financial statements should be read in conjunction with the audited consolidated financial statements and the notes therein for the fiscal year ended December 31, 2004 included in the Company's Form 10-K filed with the Securities and Exchange Commission on March 18, 2005. The results of operations for any interim period are not necessarily indicative of results for the full year or for any subsequent quarter.

2. ORGANIZATION AND BUSINESS:

Airxcel, Inc. (the "Company") is a wholly-owned subsidiary of Airxcel Holdings Corporation (Holdings); formerly known as RV Holdings Corporation. The Company, formerly known as Recreation Vehicle Products, Inc. is engaged in designing, manufacturing and marketing recreation vehicle air conditioning equipment in the United States, Canada and certain international markets. On November 10, 1997, the Company acquired substantially all of the net assets, properties and rights and assumed certain related liabilities of Crispaire Corporation, currently operating as Marvair ("Marvair"), a division of Airxcel, Inc., which designs, manufactures and markets specialty wall mount air conditioners, packaged terminal air conditioners with gas heat, environmental control units, heat pumps for the heating, ventilating and air conditioning (HVAC) industry and marine reverse cycle air conditioners. Marvair markets its products to companies involved in modular construction, telecommunications, utilities, pleasure yacht manufacturers and school districts located throughout the United States and selected foreign markets. On March 17, 1998 the Company acquired 100% of the outstanding stock of Suburban Manufacturing Company, formerly KODA Enterprises Group, Inc. ("Suburban"). Suburban, a wholly-owned subsidiary is a designer and manufacturer of heating, water heating, and cooking appliances for the recreation vehicle industry and other specialty products for the HVAC industry. On November 3, 2000 the Company acquired substantially all of the net assets, properties and rights and assumed certain related liabilities of Instafreeze, Inc. ("Insta Freeze"). The operations of Insta Freeze were consolidated into the Company and the Insta Freeze entity was dissolved December 22, 2003. The Company and its subsidiaries collectively sell HVAC and appliance related groups of products, as defined by Statement of Financial Accounting Standards (SFAS) No. 131, to the RV, telecommunications and school customers, as described above. Due to the similarities of the economic characteristics, production processes, customers, distribution methods and regulatory environment of the Company's products, the Company is managed, operated and reported as one segment.

A significant part of the Company's operations are directly dependent upon the conditions in the highly cyclical RV industry, highly competitive telecommunications industry and the commercial and public

construction industry. Companies within these industries, including the Company's largest customers, are subject to volatility in operating results due to external factors such as economic, demographic and political changes. These factors include seasonal factors, fuel availability and fuel prices, overall consumer confidence and general economic conditions, the level of discretionary consumer spending, government regulation, interest rates and unemployment.

3. INVENTORIES:

Inventory consists of the following:

<TABLE>
<CAPTION>

	March 31, 2005	December 31, 2004

<S> <C> <C>

Raw materials	$ 11,319	$ 11,309
Work-in-process	2,202	1,991
Finished goods	10,753	11,039
	$ 24,274	$ 24,339

</TABLE>

4. WARRANTY RESERVE:

The Company offers a one to five year warranty for its products. The specific terms and conditions of those warranties vary depending upon the product sold. An estimated cost of product warranty is recognized at the time the revenue is recognized. The Company estimates the cost of its product warranty obligation based on historical analysis of sales and warranty costs incurred. The Company periodically assesses the adequacy of its recorded product warranty obligation and adjusts the amounts as necessary.

Changes in the Company's product warranty liability during the period are as follows:

<TABLE>
<S> <C>

Balance, beginning of period	$ 2,707
Warranties provided for during the period	556
Settlements made during the period	(607)
Changes in liability for pre-existing warranties during the period, including expirations	150
Balance, end of period	$ 2,806

</TABLE>

5. INCOME TAXES:

The effective income tax rate decreased during the quarter ended March 31, 2005 as a result of the use of certain federal tax credits.

6. CONTINGENCY:

On February 1, 2005 the Company amended two existing letters of credit. One letter of credit was amended which decreased the amount to $376. Another letter of credit was amended which increased the amount to $1,931. The letters of credit obligate the Company to make payment in the event of default on the agreements with the insurance companies to pay workers compensation claims incurred. Management does not expect any material losses to result from this arrangement because performance is not expected to be required, and therefore, is of the opinion that the fair value of these instruments is zero.

7. BENEFIT PLAN

The Company's funding policy is to contribute amounts that are sufficient, when added to participants' contributions, to fund the retirement benefits of all participants in accordance with the requirements of the Internal Revenue Code. On December 31, 2004, the Company elected to freeze the Suburban Manufacturing Company Retirement Plan for Bargaining Employees.

The components of net periodic pension benefit for the three months ended March 31, 2005 and 2004 for Suburban Manufacturing Company Retirement Plan ("Plan 1") and the Suburban Manufacturing Company Retirement Plan for Bargaining Employees ("Plan 2") were:

<TABLE>
<CAPTION>

	March 31, 2005		March 31, 2004	
	Plan 1	Plan 2	Plan 1	Plan 2
Service cost	$ -	$ 95	$ 57	$ 90
Interest cost	68	57	69	54

Expected return on plan assets	(62)	(53)	(60)	(46)
Amortization of net loss	20	20	25	24
Expected employee contributions	-	(17)	(8)	(16)
Net periodic benefit cost	$ 26	$ 102	$ 83	$ 106

</TABLE>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

RESULTS OF OPERATIONS

Three Months Ended March 31, 2005 Compared to Three Months Ended March 31, 2004

Net sales. Net sales increased 10.9% from $43.9 million in 2004 to $48.7 million in 2005. Approximately 35% of the net sales increase was due to increased sales volume within the telecommunication industry. Increases due to volume growth in appliance related products within the RV industry contributed 23% of the net sales increase while the remaining increase is attributable to increased HVAC sales volume within the RV industry. The effects of pricing changes on net sales were not significant during the year.

Gross Profit. Gross profit increased 1.1% from $9.1 million (21% of net sales) in 2004 to $9.2 million (19% of net sales) in 2005. The increase was attributable to the effects of higher sales volume described above which was substantially offset by $1.1 million of higher commodity prices for key raw materials such as steel, aluminum and copper of which only $.3 million was passed on to customers through price increases. Unfavorable changes in the mix of products sold also contributed to the decline in gross profit percent.

Selling, general and administrative expense (including amortization of intangible assets and computer software). Selling, general and administrative expense decreased 4.7% from $4.3 million in 2004 (10% of net sales) to $4.1 million in 2005 (8% of net sales), primarily due to decreased promotional expenses in an effort to mitigate the effects of the gross profit erosion due to the commodity price increases described above.

Interest expense. Interest expense decreased 7.7% from $2.6 million in 2004 to $2.4 million in 2005 primarily due to reductions in average long term borrowings outstanding resulting from improved operating cash flows.

Income tax expense. Income tax expense increased from $.8 million in 2004 to $.9 million in 2005, related principally to higher pretax income, offset slightly by the use of certain federal tax credits.

Net income. Net income improved from $1.3 million in 2004 to $1.8 million in 2005 primarily as a result of an increase in gross profit and a decrease in selling, general and administrative expense and interest expense.

LIQUIDITY AND CAPITAL RESOURCES

For the three months ended March 31, 2005, the Company generated $.7 million in net cash flow from operating activities compared to $2.2 million in the three months ended March 31, 2004. The decline was primarily the result of the effects of an increase in accounts receivable on higher sales volume being more than offset by the higher net income.

Capital expenditures totaled $.1 million for three months ended March 31, 2005 compared to $.4 million for the same period in 2004.

The outstanding borrowing on the Company's credit facility at March 31, 2005 is $5.6 million which is approximately $3.4 million less than that outstanding at December 31, 2004. The net repayment was made possible from operating cash flows in 2005.

Covenants under the Company's revolving credit facility with the bank restrict the ability, subject to certain exceptions, to dispose of assets, incur additional indebtedness, guarantee obligations, prepay other indebtedness or amend other debt instruments, make distributions or pay dividends, redeem or repurchase capital stock, create liens on assets, make acquisitions, engage in mergers or consolidations, and change the business conducted by the Company. In addition, the Company is required to maintain compliance with a fixed charge coverage ratio of 1.00 and maintain a minimum effective capital balance (defined as accumulated deficit plus the $80 million in senior subordinated notes payable) of $36 million.

The Company was in compliance with these ratios at March 31, 2005 and 2004. The Company anticipates that they will continue to comply in 2005 with the financial covenants. Management's current business plan estimates working capital levels and operating profitability. The achievement of this plan is necessary for compliance with various financial covenants during 2005. The possibility exists that certain financial covenants will not be met if business conditions are other than as anticipated. In such event, the Company would need an amendment or waiver of such financial covenants; however, there can be no assurance that such amendment or waiver will be obtained. In the event that a waiver cannot be obtained, the Company would be required to refinance the debt or would be in default of the credit agreement which, in turn, could have a material adverse effect on the financial position, results of operations or liquidity of the Company.

The revolving credit facility also contains a subjective acceleration clause but does not require a lock-box or other account by which the bank can apply cash receipts against the revolver balance unless an event of default occurs. As such, amounts outstanding under this revolving credit facility are classified as long-term liabilities on the accompanying consolidated balance sheets, as the application of the subjective acceleration is not anticipated. The revolving credit facility is collateralized by accounts receivable, equipment, general intangibles, inventory, and investment property.

Certain covenants under the $80 million Indenture must be met in the event the Company incurs any Indebtedness (including Acquired Indebtedness) except for Permitted Indebtedness, as defined in the Indenture agreement as of November 10, 1997. In such event, the Company must meet a Consolidated Coverage Ratio greater than 2.25. The calculation of Consolidated Coverage Ratio is defined as Adjusted EBITDA divided by interest expense. At March 31, 2005, no Indebtedness requiring such covenant compliance was outstanding. The Company anticipates that, in the event the Company incurred any Indebtedness, as defined by the Indenture agreement, it will be in compliance with the financial covenant. The possibility exists that the covenant will not be met if business conditions are other than as anticipated. In such event, the Company would need an amendment or waiver of such financial covenant; however, there can be no assurance that such amendment or waiver will be obtained. In the event that a waiver cannot be obtained, the Company would be required to refinance the debt or would be in default of the Indenture agreement which, in turn, could have a material adverse effect on the financial position, results of operations or liquidity of the Company.

The Company meets its working capital, capital equipment requirements and cash requirements

with funds generated internally and funds from agreements with a bank. Management currently expects its cash on hand, funds from operations and borrowings available under existing credit facilities to be sufficient to cover both short-term and long-term operating requirements. However, this is dependent upon the future performance of the Company and its subsidiaries which, in turn, is subject to general economic conditions and to financial, business and other factors, including factors beyond the Company's control.

The Company did not have any other relationships with unconsolidated entities or financial partnerships, such entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. As such, the Company is not materially exposed to any financing, liquidity, market or credit risk that could arise if the Company were engaged in such relationships.

SEASONALITY

A significant part of the Company's operations are directly dependent upon the conditions in the highly cyclical RV industry, highly competitive telecommunications industry and the commercial and public construction industry. Companies within these industries, including the Company's largest customers, are subject to volatility in operating results due to external factors such as economic, demographic and political changes. These factors include seasonal factors, fuel availability and fuel prices, overall consumer confidence and general economic conditions, the level of discretionary consumer spending, government regulation, interest rates and unemployment.

CERTAIN IMPORTANT FACTORS

Except for the historical financial information contained herein, this Form 10-Q contains certain forward-looking statements. For this purpose, any statements contained in this Form 10-Q that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "may", "will", "expect", "believe", "anticipate", "estimate", or "continue", the negative or other variations thereof, or comparable terminology, are intended forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, including possible changes in economic conditions, prevailing interest rates or fuel prices, or the occurrence of unusually severe weather conditions, that can affect both the purchase and usage of recreational vehicles, which, in turn, affects purchases by consumers of the products that the Company sells.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk on variable rate financial instruments: The Company maintains a $25 million credit facility which permits borrowings at interest rates based on either the bank's base rate or LIBOR. Increases in market interest rates would cause interest expense to increase and earnings before income taxes to decrease. The change in interest expense and earnings before income taxes would be dependent upon the weighted average outstanding borrowings during the reporting period following an increase in market interest rates. Based on the Company's outstanding borrowings under the credit facility of $5.6 million as of March 31, 2005 and an average interest rate of 4.2% per annum, a 1% increase in market interest rates would increase interest expense and decrease earnings before income taxes by approximately $56,000 annually.

Market risk on fixed-rate financial instruments: Included in long-term debt are $80 million of 11% Senior Subordinated Notes due 2007. Increases in market interest rates would generally cause a decrease in the fair market value of the Notes and a decrease in market interest rates would generally cause an increase in fair value of the Notes.

ITEM 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures. The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this quarterly report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.

(b) Internal Controls Over Financial Reporting. There have not been any changes in the Company's internal controls over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART 2 - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

N/A

ITEM 2. CHANGES IN SECURITIES

N/A

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

N/A

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

N/A

ITEM 5. OTHER INFORMATION

N/A

ITEM 6 (a.) EXHIBITS

31.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32 Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

ITEM 6 (b.) REPORTS ON FORM 8-K

None

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, thereunto duly authorized.

Airxcel, Inc.

5-2-05	/s/ Melvin L. Adams
Date	Melvin L. Adams President and Chief Executive Officer
5-2-05	/s/ Richard L. Schreck
Date	Richard L. Schreck Secretary/Treasurer and Chief Financial Officer

EXHIBIT 31.1
CERTIFICATION

I, Melvin L. Adams, President and Chief Executive Officer of Airxcel, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Airxcel, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principals;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: 5-2-05

By: /s/ Melvin L. Adams

Melvin L. Adams
President and Chief Executive Officer

EXHIBIT 31.2
CERTIFICATION

I, Richard L. Schreck, Secretary/Treasurer and Chief Financial Officer of Airxcel, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Airxcel, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principals;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: 5-2-05

By: /s/ Richard L. Schreck

Richard L. Schreck
Secretary/Treasurer and Chief Financial Officer

EXHIBIT 32
SECTION 1350 CERTIFICATIONS

In connection with the Quarterly Report of Airxcel, Inc. (the "Company") on Form 10-Q/A for the period ending March 31, 2005 as filed with the Securities and Exchange Commission on the date hereof and to which this Certification is an exhibit (the "Report"), I, Melvin L. Adams, President and Chief Executive Officer of the Company, and I, Richard L. Schreck, Secretary/Treasurer and Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: 5-2-05

By: /s/ Melvin L. Adams

Melvin L. Adams
President and Chief Executive Officer

Date: 5-2-05

By: /s/ Richard L. Schreck

Richard L. Schreck
Secretary/Treasurer and Chief Financial Officer