

## Huffy Corporation Announces First Quarter Earnings

### First Quarter Highlights

- **First Quarter Earnings In Line With Expectations**
- **McCalla Acquisition Completed**
- **Company Remains Debt Free**
- **Forecast For Year Unchanged**

MIAMISBURG, Ohio, Apr 16, 2002 /PRNewswire-FirstCall via COMTEX/ -- Huffy Corporation (NYSE: HUF) today announced that earnings for the first quarter were \$0.6 million or \$0.06 per common share, compared to earnings of \$1.0 million or \$0.10 per common share for the first quarter of 2001.

Net sales for the first quarter of 2002 were \$70.4 million compared to net sales of \$81.2 million for the first quarter of 2001, a decrease of 13.5%. Gross margins for the first quarter were 17.1%, approximately a 20 percent improvement when compared to gross margins of 14.3% for the same period last year, impacted by higher margins in both the bicycle and the basketball backboard businesses.

In commenting on results for the first quarter, Don Graber, Chairman, President and CEO said, "Considering the volume impact of the Kmart bankruptcy filing on the quarter, we are reasonably satisfied with the results. January is traditionally a slow sales month as retailers adjust inventories following the holiday season and the Kmart bankruptcy filing in January certainly did not help the situation. However, as we moved through the quarter, sales of backboards and revenue from retail services have improved substantially when compared to last year, although bicycle sales continue to be slower than we would like. We are beginning to see our margins improve as the impact of the actions taken during the fourth quarter of 2001 take effect.

"As we move into the second quarter, we are encouraged by the recent sell through of durable goods at retail and by the expansion in our retail services. Our second quarter incoming orders are strong. We anticipate continued expansion in our service offerings, both as a result of internally developed initiatives such as the Lowe's outdoor power equipment program, and the recently announced acquisition of McCalla. Earnings for the remainder of the first half and the balance of the year are currently tracking to the higher end of our previously announced estimates of \$0.10 - \$0.20 for the first half and \$0.40 - \$0.60 for the year. Nonetheless, we believe that challenges in the retail sector and in the economy remain, and while we are cautiously optimistic that the economy will continue to show strength, we are not yet ready to raise our full year estimates."

Graber concluded by saying, "We have continued our focus on maintaining the strength of our balance sheet with tight control on working capital. Our inventories remain at historically low levels as we continue to work closely with suppliers to insure timely delivery to our customers. The Company remains debt free with close to \$14.0 million in cash and investments at the end of the quarter and in our current configuration, we do not anticipate any borrowings as we move through the year. As in the past, we continue to evaluate alternatives for profitable growth with Sheffield Merchant Banking." Huffy Corporation (NYSE: HUF) is a leading provider of consumer and retail services and a leading supplier of bicycles and home basketball equipment.

The discussion in this press release contains forward-looking statements and is qualified by the cautionary statements contained in the Company's report on Form 10-K, dated February 21, 2002.

HUFFY CORPORATION  
CONSOLIDATED STATEMENTS OF EARNINGS  
(Dollars in thousands, except per share data)

	Three Months Ended	
	2002	2001
	March 31,	
	2002	2001
Net sales	\$70,385	\$81,243
Gross profit	12,001	11,635
% to net sales	17.1%	14.3%
Selling, general and administrative expenses	10,528	10,043
Operating income	1,473	1,592
Other expense		
Interest expense, net	302	406
Other	204	(417)
Total	506	(11)
Earnings (loss) before income taxes	967	1,603
Income tax expense (benefit)	343	609
Net earnings (loss)	\$624	\$994
Earnings per common share:		
Weighted average number of common shares	10,617,935	10,368,848
DILUTED:		
Net earnings (loss) per common share	\$0.06	\$0.10

BALANCE SHEET HIGHLIGHTS (Dollars in thousands, except per share data)

	March 31, December 31, March 31,		
	2002	2001	2001
Cash and cash equivalents	\$13,907	\$26,541	\$19,679
Receivables, net	55,834	48,934	53,716
Inventories	16,394	12,483	41,278
Prepaid expenses and other expenses	20,132	17,803	29,124
Total current assets	106,267	105,761	143,797
Property, plant and equipment, net	9,095	9,267	11,908
Intangibles and others	34,909	30,457	11,900
Total assets	\$150,271	\$145,485	\$167,605
Notes payable and current portion of long-term debt	\$0	\$0	\$0
Accounts payable and accruals	58,915	54,289	69,280
Income taxes and other	6,254	7,096	7,354
Total current liabilities	65,169	61,385	76,634
Long-term debt	0	0	0
Other liabilities	18,687	18,498	16,830

Shareholders' equity	66,415	65,602	74,141
Total liabilities and shareholders' equity	\$150,271	\$145,485	\$167,605
Equity per common share outstanding	\$6.39	\$6.32	\$7.24
Working capital ratio	1.6	1.7	1.9

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