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Spartan Motors Revises Expectations for Third Quarter, Year-End Due to Carpenter Bus Unit

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CHARLOTTE, Mich., Oct. 7 /PRNewswire/ -- Spartan Motors, Inc. ([NASDAQ:SPAR](https://www.nasdaq.com/symbol/SPAR))

said it expects to report lower than expected net earnings for the third and fourth quarters of 1999, due to continuing losses at its Carpenter Industries school bus subsidiary.

The Charlotte, Mich.-based manufacturer of custom chassis said it expects Carpenter to contribute a loss of \$0.20 per share to Spartan Motors' consolidated results for the second six months of 1999. As a result, Spartan anticipates it will post net earnings per share in the range of \$0.07 to \$0.10 in both the third and fourth quarters inclusive of the expected losses at Carpenter.

"While the delay in achieving profitability at Carpenter is extremely disappointing, one has to consider how far the company has come in the last three years," said George Szykiel, Spartan Motors Chief Executive Officer and Chairman of the Board. "In 1997, Carpenter lost \$38 million. Spartan pressed for a management reorganization and in the fall of 1998 took over majority control of the Company following a four-month plant shut down. Carpenter's loss was reduced to \$20.5 million in 1998, and Spartan Motors placed its emphasis on drastically downsizing Carpenter's operations."

Szykiel continued: "We felt that Carpenter would continue losing money for the first six months of 1999 then turn profitable and break even for the year. However, we underestimated the damage that the plant shutdown caused to our customer and dealer relationships. Many customers and dealers lost faith in Carpenter, and as a result, backlog decreased, forcing us to trim production rates. Carpenter dealers are indicating that order intake is about to start improving. In addition, Carpenter just introduced a new improved school bus body and will launch a new rear engine bus model on a Spartan chassis later this fall. All of these efforts will enhance Carpenter's image and help them once again rebuild enthusiasm in the marketplace.

"The 1999 loss at Carpenter will be approximately \$5 million, which is a hard blow, but a vast improvement from years past. We continue to see profit potential at Carpenter and are driven to achieve it."

Spartan Motors, Inc. (<https://theshyftgroup.com/>) is a leading manufacturer of custom-built chassis for RVs, fire trucks, transit buses, school buses and other specialty vehicles. Spartan owns three companies that manufacture emergency vehicles -- Luverne Fire Apparatus, Quality Manufacturing and Road Rescue -- and a majority stake in school bus manufacturer Carpenter Industries, Inc.

The statements contained in this news release include certain predictions and projections that may be considered forward-looking statements by the securities laws. These statements involve a number of risks and uncertainties, including but not limited to economic, competitive, governmental and technological factors affecting the Company's operations, markets, products, services and prices, and actual results may differ materially.

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