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Spartan Motors Announces Improved Year-End Operating Results, Fourth Quarter Charge for Discontinued Mexico Operation

March 6, 1997

CHARLOTTE, Mich., March 6 /PRNewswire/ -- Spartan Motors, Inc. (NASDAQ:SPAR) today announced results for the year ended December 31, 1996, highlighted by increased gross margin, improved operating results and closure of its Queretaro, Mexico operations.

The Charlotte, Mich.-based custom chassis manufacturer posted net earnings of \$2.3 million, or 18 cents per share, on net revenues of \$175.8 million in 1996, versus net earnings of \$3.4 million, or 27 cents per share, on net revenues of \$154.1 million in 1995. Spartan's net earnings were below the previous year as a result of a one-time charge of \$4.4 million related to its decision to close its Spartan de Mexico operation.

Exclusive of the one-time charge from the Company's discontinued Spartan de Mexico operation, Spartan Motors would have recorded net earnings of \$5.1 million, or 41 cents per share, for the year ended December 31, 1996.

"We are very happy with Spartan's progress in 1996, as we were able to expand our product and revenue base and continue to improve our operating margins," Spartan Motors President and Chief Operating Officer John Szykiel said. "Our decision to close the Spartan de Mexico operation illustrates our focus on deploying our assets in profitable business segments which offer clear growth horizons."

Szykiel added that Mexico's reduced restrictions and tariffs associated with importing chassis to Mexico also support closing the facility. Additionally, Spartan's recent acquisition of a minority stake in Carpenter Industries, Inc. affords the Company access to Carpenter's established Mexican and Central American sales and distribution network to address future market opportunities in this region.

Spartan Motors, Inc. is one of the world's leading manufacturers of custom chassis for motorhomes, fire trucks, transit buses, school buses, concrete mixers and specialty vehicles.

-0- 03/06/97

Source: Spartan Motors, Inc.

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