

U. S. SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended September 30, 1996

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 1-12804

MOBILE MINI, INC.

(Exact name of registrant as specific in its charter)

Delaware 860748362  
(State or other jurisdiction of (IRS Employer Identification No.)  
incorporation or organization)

1834 West 3rd Street  
Tempe, Arizona 85281  
(Address of principal executive offices)

(602) 894-6311  
(Registrant's telephone number)

Indicate by check 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  No   
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As of November 12, 1996, there were outstanding 6,739,324 shares of the issuer's common stock, par value \$.01.

MOBILE MINI, INC.  
INDEX TO FORM 10-Q FILING  
FOR THE QUARTER ENDED SEPTEMBER 30, 1996

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

MOBILE MINI, INC.  
CONSOLIDATED BALANCE SHEETS

ASSETS	September 30, 1996 (Unaudited)	December 31, 1995
CURRENT ASSETS:		
Cash and cash equivalents	\$ 947,022	\$ 1,430,651
Receivables, net	4,044,061	4,312,725
Inventories	6,193,173	5,193,222
Prepaid and other	1,031,068	718,574
Total current assets	12,215,324	11,655,172
CONTAINER LEASE FLEET, net	29,422,367	26,954,936
PROPERTY, PLANT AND EQUIPMENT, net	17,081,456	15,472,164
OTHER ASSETS, net	1,737,990	259,672
Total assets	\$60,457,137	\$54,341,944
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 2,496,994	\$ 4,265,147
Accrued liabilities	1,592,569	1,572,464
Current portion of long-term debt	1,139,881	737,181
Current portion of obligations under capital leases	2,103,511	2,488,205
Total current liabilities	7,332,955	9,062,997
LINE OF CREDIT	21,849,450	4,099,034
LONG-TERM DEBT, less current portion	5,647,835	8,363,333
OBLIGATIONS UNDER CAPITAL LEASES, less current portion	5,477,226	12,944,653
DEFERRED INCOME TAXES	3,823,303	3,711,985
Total liabilities	44,130,769	38,182,002
STOCKHOLDERS' EQUITY:		
Series A Convertible Preferred Stock, \$.01 par value, \$100 stated value, 5,000,000 shares authorized, 0 and 50,000 issued and outstanding at		

September 30, 1996 and December 31, 1995, respectively	--	5,000,000
Common Stock, \$.01 par value, 17,000,000 shares authorized, 6,739,324 and 4,835,000 shares issued and outstanding at September 30, 1996 and December 31, 1995, respectively	67,393	48,350
Additional paid-in capital	14,338,873	9,378,979
Retained earnings	1,920,102	1,732,613
	-----	-----
Total stockholders' equity	16,326,368	16,159,942
	-----	-----
Total liabilities and stockholders' equity	\$60,457,137	\$54,341,944
	=====	=====

See the accompanying notes to these consolidated balance sheets.

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MOBILE MINI, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	1996	1995	1996	1995
	-----	-----	-----	-----
REVENUES:				
Container and modular building sales	\$ 17,037,687	\$ 19,316,103	\$ 6,376,244	\$ 7,554,755
Leasing	9,775,390	8,739,036	3,432,714	3,259,189
Other	3,461,849	2,526,076	1,348,199	702,526
	-----	-----	-----	-----
	30,274,926	30,581,215	11,157,157	11,516,470
COSTS AND EXPENSES:				
Cost of container and modular building sales	14,425,775	15,183,891	5,380,427	5,949,573
Leasing, selling and general expenses	10,768,774	11,548,852	3,679,876	3,941,953
Depreciation and amortization	1,200,063	909,006	451,648	358,730
	-----	-----	-----	-----
Income from operations	3,880,314	2,939,466	1,645,206	1,266,214
OTHER INCOME (EXPENSE):				
Interest income and other	110,438	195,884	23,377	73,480
Interest expense	(2,923,176)	(2,218,626)	(973,768)	(846,188)
	-----	-----	-----	-----
INCOME BEFORE PROVISION FOR INCOME TAXES AND EXTRAORDINARY ITEM	1,067,576	916,724	694,815	493,506
PROVISION FOR INCOME TAXES	469,733	403,359	305,719	217,144
	-----	-----	-----	-----
INCOME BEFORE EXTRAORDINARY ITEM	597,843	513,365	389,096	276,362
EXTRAORDINARY ITEM	(410,354)	--	--	--
	-----	-----	-----	-----
NET INCOME	\$ 187,489	\$ 513,365	\$ 389,096	\$ 276,362
	=====	=====	=====	=====
EARNINGS PER SHARE OF COMMON STOCK AND COMMON STOCK EQUIVALENT:				
INCOME BEFORE EXTRAORDINARY ITEM	\$ 0.09	\$ 0.11	\$ 0.06	\$ 0.06
EXTRAORDINARY ITEM	(0.06)	--	--	--
	-----	-----	-----	-----
NET INCOME	\$ 0.03	\$ 0.11	\$ 0.06	\$ 0.06
	=====	=====	=====	=====
WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	6,737,010	4,835,000	6,739,324	4,835,000
	=====	=====	=====	=====

See the accompanying notes to these consolidated statements.

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MOBILE MINI, INC.  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(UNAUDITED)

	Nine Months Ended September 30,	
	1996	1995
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Income before extraordinary item	\$ 597,843	\$ 513,365
Adjustments to reconcile income to net cash provided by (used in) operating activities:		
Extraordinary loss on early debt extinguishment	(410,354)	--

Amortization of deferred costs on credit agreement	304,585	--
Depreciation and amortization	1,200,063	909,006
Gain on disposal of property, plant and equipment	(7,762)	--
Changes in assets and liabilities:		
Decrease (increase) in receivables, net	268,664	(307,566)
Increase in inventories	(999,951)	(2,851,141)
Increase in prepaids and other	(312,494)	(89,131)
(Decrease) increase in other assets	204,564	(44,122)
(Decrease) increase in accounts payable	(1,768,146)	2,133,908
(Decrease) increase in accrued liabilities	20,105	(238,386)
(Decrease) increase in deferred income taxes	111,318	403,359
	-----	-----
Net cash (used in) provided by operating activities	(791,565)	429,292
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net sales (purchases) of container lease fleet	(2,716,086)	(2,343,212)
Net purchases of property, plant, and equipment	(2,311,848)	(3,386,021)
	-----	-----
Net cash used in investing activities	(5,027,934)	(5,729,233)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings under lines of credit	17,750,416	1,273,774
Proceeds from issuance of long-term debt	6,635,069	6,945,006
Deferred costs on credit agreement	(1,987,467)	--
Principal payments on early debt extinguishment related to refinancing under the credit agreement	(14,090,101)	--
Principal payments on long-term debt	(1,056,216)	(2,003,013)
Principal payments on capital lease obligations	(1,894,761)	(1,600,990)
Preferred stock offering costs	(21,070)	--
	-----	-----
Net cash provided by financing activities	5,335,870	4,614,777
	-----	-----
NET DECREASE IN CASH	(483,629)	(685,164)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,430,651	846,645
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 947,022	\$ 161,481
	=====	=====

See the accompanying notes to these consolidated statements.

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#### MOBILE MINI, INC. AND SUBSIDIARIES - NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE A - The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and the instructions to Form 10-Q. Accordingly, they do not include all the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations, and cash flows for all periods presented have been made. The results of operations for the nine month period ended September 30, 1996 are not necessarily indicative of the operating results that may be expected for the entire year ending December 31, 1996. These financial statements should be read in conjunction with the Company's December 31, 1995 financial statements and accompanying notes thereto.

NOTE B - Earnings per share is computed by dividing net income by the weighted average number of common share equivalents assumed outstanding during the periods. Fully diluted earnings per share is considered equal to primary earnings per share in all periods presented.

NOTE C - In December 1995, the Company completed the private placement of 50,000 shares of Series A Convertible Preferred Stock ("Series A"), \$.01 par value, \$100 stated value. Subject to the terms of the Series A, all 50,000 shares of Series A were converted into 1,904,324 shares of the Company's common stock at an average conversion rate of \$2.63 per share during the first quarter of 1996.

NOTE D - On March 29, 1996, the Company entered into a credit agreement (the

"Credit Agreement") with BT Commercial Corporation, as Agent for a group of lenders (the "Lenders"). Under the terms of the Credit Agreement, the Lenders have provided the Company with a \$35.0 million revolving line of credit and a \$6.0 million term loan. Borrowings under the Credit Agreement are secured by substantially all of the Company's assets.

In connection with the closing of the Credit Agreement, the Company terminated its line of credit with its former lender, repaying all indebtedness under that line. In addition, the Company repaid other long-term debt and obligations under capital leases totaling \$14.1 million. As a result, costs previously deferred related to certain indebtedness and prepayment penalties resulted in an extraordinary charge to earnings of approximately \$410,000 after the benefit of income taxes.

NOTE E - Inventories are stated at the lower of cost or market, with cost being determined under the specific identification method. Market is the lower of replacement cost or net realizable value. Inventories consisted of the following at:

	September 30, 1996 -----	December 31, 1995 -----
Raw material and supplies	\$2,371,846	\$2,858,181
Work-in-process	1,881,647	883,814
Finished containers	1,939,680	1,451,227
	-----	-----
	\$6,193,173	\$5,193,222
	=====	=====

NOTE F - Property, plant and equipment consisted of the following at:

	September 30, 1996 -----	December 31, 1995 -----
Land	\$ 663,555	\$ 328,555
Vehicles and equipment	11,109,020	9,469,092
Buildings and improvements	6,559,375	6,363,154
Office fixtures and equipment	2,080,044	1,714,312
	-----	-----
	20,411,994	17,875,113
Less accumulated depreciation	(3,330,538)	(2,402,949)
	-----	-----
	\$17,081,456	\$15,472,164
	=====	=====

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NOTE G - On March 29, 1996, the Company purchased property adjacent to its Maricopa facility from Mr. Richard E. Bunger, the Company's President, for a purchase price of \$335,000, which management believes reflected the fair market value of the property. Prior to the purchase date, this property was leased from Mr. Bunger.

Transactions with affiliates are on terms no less favorable than could be obtained from unaffiliated parties and are approved by a majority of the independent and disinterested directors.

NOTE H - Revenues for the nine months and the three months ended September 30, 1995 include the sale of certain storage containers under sale/leaseback arrangements. Gains from these transactions have been deferred and are being amortized over the life of the related asset.

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

### RESULTS OF OPERATIONS

Three Months Ended September 30, 1996 Compared to  
Three Months Ended September 30, 1995

Revenues for the quarter ended September 30, 1996 were \$11,157,000, which represents a 3.1% decrease from revenues of \$11,516,000 for the quarter ended September 30, 1995. The Company believes longer term growth will be achieved through its leasing operations and more emphasis was focused on expanding this area in the third quarter. Revenues from sales of the Company's

products decreased by 1.2%, exclusive of container sales revenues recorded under sale/leaseback transactions, while revenues from leasing of portable storage and office units increased by 5.3%. In 1995, revenues included approximately \$1,099,000 recorded under sale/leaseback transactions related principally to storage containers and portable office units. These revenues were offset by equivalent cost of container sales and did not produce gross margin. During the current year, the Company did not enter into any sale/leaseback transactions.

Excluding the effect of sale/leaseback transactions, cost of container and modular building sales as a percentage of container and modular building sales for the quarter ended September 30, 1996 was 84.4% compared to 78.8% for the same quarter in 1995. This increase is attributable to the mix of products sold and a continuing shortage in supply of used ISO containers which has resulted in higher acquisition costs to the Company, in addition to increasing its sales of manufactured new containers which typically result in lower margins to the Company.

Excluding the effect of sale/leaseback transactions, leasing, selling and general expenses were 33.0% of revenues in the quarter ended September 30, 1996 compared to 37.8% in the quarter ended September 30, 1995. The decrease results primarily from continued efficiencies obtained by the Company's Texas operations, in addition to the Company beginning to pass certain expenses on to customers.

Interest expense totaled 8.7% of revenues during the third quarter of 1996 compared to 7.3% of revenues during the quarter ended September 30, 1995. This increase was due largely to the costs related to financing the substantial increase in the Company's equipment and container lease fleet which increased the Company's average debt outstanding during the period by 38%, in addition to the amortization of debt issuance costs in connection with the Credit Agreement. This increase was partially offset by a decrease of over 2% in the Company's weighted average borrowing rate resulting from lower interest rates under the Company's new credit facility.

Depreciation and amortization increased from 3.1% of revenues for the quarter ended September 30, 1995 to 4.0% for the quarter ended September 30, 1996. This increase is related primarily to the increase in the Company's lease fleet, the acquisition of additional equipment at the Company's locations and the previous expansion of the Company's manufacturing facility.

The Company posted a 40.9% increase in net income to \$389,000, or \$.06 per share, for the quarter ended September 30, 1996, compared to net income of \$276,000, or \$.06 per share, for the quarter ended September 30, 1995. The weighted average common shares outstanding increased by 39% during the quarter ended September 30, 1996, as compared to the prior year due to the issuance of additional common stock.

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Nine Months Ended September 30, 1996 Compared to  
Nine Months Ended September 30, 1995

Revenues for the nine months ended September 30, 1996 were \$30,275,000, which represents a 1.0% decrease from revenues of \$30,581,000 for the nine months ended September 30, 1995, including container sale revenue recorded under sale/leaseback transactions. Revenues from both the sales of the Company's products and leasing of portable storage and office units were higher, posting increases of 8.7% and 11.9% respectively, exclusive of container sale revenue recorded under sale/leaseback transactions. This increase is primarily due to the demand for the Company's products both for purchase and for lease. In 1995, the Company's revenues included approximately \$3,645,000 in revenue recorded under sale/leaseback transactions related principally to storage containers and portable office units. These revenues were offset by equivalent cost of container sales and did not produce gross margin. During the current year, the Company did not enter into any sale/leaseback transactions.

Excluding the effect of sale/leaseback transactions, cost of container and modular building sales as a percentage of container and modular building sales for the nine months ended September 30, 1996 was 84.7% compared to 78.6% for the same period in 1995. This increase is attributable to the mix in sales within the product line, a shortage in supply of used ISO containers, which had caused an increase in the acquisition cost of these containers, in addition to an increase in sales of manufactured new containers which typically result in lower margins to the Company.

Excluding the effect of sale/leaseback transactions, leasing, selling

and general expenses were 35.6% of total revenue for the nine months ended September 30, 1996 compared to 42.9% for the nine months ended September 30, 1995. The decrease primarily results from the continued efficiencies obtained by the Company's Texas operations, which were in their start-up phase during 1995, in addition to the Company beginning to pass certain expenses on to customers.

Interest expense totaled 9.7% of revenues during the nine months ended September 30, 1996 compared to 7.3% of revenues during the same period ended September 30, 1995. This increase was due largely to the costs related to financing the substantial increase in the Company's equipment and container lease fleet which increased the Company's average outstanding debt level by 50% in addition to the amortization of debt issuance costs in connection with the Credit Agreement. This increase was partially offset by a decrease of nearly 2% in the Company's weighted average borrowing rate resulting from lower interest rates under the Company's new credit facility.

Depreciation and amortization increased to 4.0% of revenues for the nine months ended September 30, 1996 from 3.0% for the nine months ended September 30, 1995. This increase is related primarily to the increase in size of the Company's manufacturing facility, the increase in the Company's lease fleet and additional equipment at the Company's locations.

The Company posted income before extraordinary item of \$598,000, or \$.09 per share, for the nine months ended September 30, 1996, compared to net income of \$513,000, or \$.11 per share, for the nine months ended September 30, 1995. The weighted average common shares outstanding increased by 39% during the nine months ended September 30, 1996 as compared to the prior year due to the issuance of additional common stock.

In the first quarter of 1996, the Company prepaid certain debt and capital leases in connection with entering into a credit agreement (see Liquidity and Capital Resources). The Company recognized an extraordinary charge to earnings of \$410,000, or \$.06 per share, net of the benefit for income taxes, as a result of this early extinguishment of debt. The Company also incurred costs of \$1,960,000 in connection with the credit agreement, which have been deferred and are amortized over the term of the credit agreement.

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#### LIQUIDITY AND CAPITAL RESOURCES

The Company has required increasing amounts of financing to support the growth of its business during the last several years. This financing has been required primarily to fund the acquisition of containers for the Company's lease fleet and also to fund the acquisition of property, plant and equipment and to support both the Company's container leasing and manufacturing operations. The financing consisted primarily of capital leases or secured borrowings, equity offerings and other borrowings.

In order to improve its cash flow, increase its borrowing availability and fund its continued growth, on March 29, 1996, the Company entered into a credit agreement (the "Credit Agreement") with BT Commercial Corporation, as Agent for a group of lenders (the "Lenders"). Under the terms of the Credit Agreement, the Lenders provided the Company with a \$35.0 million revolving line of credit and a \$6.0 million term loan. Borrowings under the Credit Agreement are secured by substantially all of the Company's assets.

Borrowings under the term loan are to be repaid over a five-year period. Interest accrues on the term loan is at the Company's option at either prime plus 1.75% or the Eurodollar rate plus 3.25%. Borrowings under the term loan are payable monthly as follows (plus interest):

Months 1 through 12	\$62,500
Months 13 through 24	83,333
Months 25 through 60	118,056

Additional principal payments equal to 75% of Excess Cash Flow, as defined in the term loan documents, are required annually.

Available borrowings under the revolving line of credit are based upon the level of the Company's inventories, receivables and container lease fleet. The container lease fleet will be appraised at least annually, and up to 90% of the lesser of cost or appraised orderly liquidation value may be included in the borrowing base. Interest accrues at the Company's option at either prime plus 1.5% or the Eurodollar rate plus 3% and is payable monthly or at the end of the term of any Eurodollar borrowing. The term of this line of credit is three

years, with a one-year extension option. As of September 30, 1996, \$1.1 million of additional borrowing was available under the revolving line of credit, in addition to the \$21.9 million outstanding as of September 30, 1996.

The Credit Agreement contains several covenants including a minimum tangible net worth requirement, a minimum fixed charge coverage ratio, a maximum ratio of debt-to-equity, minimum operating income levels and minimum required utilization rates. In addition, the Credit Agreement contains limits on capital expenditures, acquisitions, changes in control, the incurrence of additional debt and the payment of dividends.

In connection with the closing of the Credit Agreement in March 1996, the Company terminated its line of credit with its previous lender, repaying all indebtedness under that line. In addition, the Company repaid other long-term debt and obligations under capital leases totaling \$14.1 million.

During the nine months ended September 30, 1996, the Company utilized cash flow from operations of \$792,000. This net use of cash was attributable primarily to a reduction in accounts payable and increases in inventories and prepaids. This was partially offset by operating income and a decrease in receivables and other assets.

During the nine months ended September 30, 1996, the Company invested \$5,028,000 in equipment and the container lease fleet. This amount is net of the \$1,325,000 in related sales and financing.

Cash flow from financing activities totaled \$5,336,000 during the nine months ended September 30, 1996. This was the result of increased borrowings to finance container lease fleet and equipment acquisitions and the restructuring of the Company's debt under the Credit Agreement described above, partially offset by the principal payments on indebtedness and an increase in other assets associated with deferred financing costs incurred in connection with the closing of the Credit Agreement.

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The Company believes that cash flow generated from operations along with the borrowing capacity under the Credit Agreement will be sufficient to meet its obligations and capital needs for the next 12 months. However, there can be no assurance that additional financing will not be required, and, if required, will be available on terms acceptable to the Company.

The statement regarding the Company's ability to meet its obligations and capital needs for the next 12 months is a forward looking statement. Unanticipated events, however, including a decrease in cash flow generated from operations or a material increase in the borrowing rates under the Credit Agreement, could cause actual results to differ materially from anticipated results.

#### EFFECTS OF INFLATION

The results of operations of the Company for the periods discussed have not been significantly affected by inflation.

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## PART II. OTHER INFORMATION

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

(a) The annual meeting of the stockholders of the Company was held on August 27, 1996, in Phoenix, Arizona. The table below briefly describes the proposals and results from the annual meeting of stockholders.

		Number of Shares Voted:	
		-----	
1.	Election of Directors: -----	For	Withheld
	Richard E. Bunger	6,282,132	64,833
	Lawrence Trachtenberg	6,282,132	64,833
	Steven G. Bunger	6,282,132	64,833
	George E. Berkner	6,282,132	64,833
	Ronald J. Marusiak	6,282,132	64,833



2.	Amendment to Corporation's 1994 Stock Option Plan.	For 5,879,667	Against 212,022	Abstain 255,276
3.	Ratification of appointment of Arthur Andersen LLP as the Independent Auditors.	6,282,251	39,289	25,425

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Number	Description
11	Computation of Earnings per Share for the Three and Nine Month Periods ended September 30, 1996 and 1995
27	Selected Financial Data

(b) Reports on Form 8-K

none

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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.

MOBILE MINI, INC.  
(Registrant)

Dated: November 12, 1996

By: /s/ Larry Trachtenberg  
-----  
Larry Trachtenberg  
Chief Financial Officer

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MOBILE MINI, INC.  
STATEMENT RE: COMPUTATION OF EARNINGS PER SHARE

	Nine Months Ended		Three Months Ended	
	September 30, 1996	1995	September 30, 1996	1995
<b>PRIMARY:</b>				
Common Shares outstanding, beginning of year	4,835,000	4,835,000	6,739,324	4,835,000
Effect of weighting shares:				
Conversion of Series A preferred stock	1,902,010	-	-	-
Weighted average number of common shares and common share equivalents outstanding	6,737,010	4,835,000	6,739,324	4,835,000
Net Income available for common stock	\$187,489	\$513,365	\$389,096	\$276,362
Net Income per common share and common share equivalent (Note 1)	\$0.03	\$0.11	\$0.06	\$0.06
<b>FULLY DILUTED:</b>				
Common Shares outstanding, beginning of year	4,835,000	4,835,000	6,739,324	4,835,000
Effect of weighting shares:				
Conversion of Series A preferred stock	1,902,010	-	-	-
Weighted average number of common shares and common share equivalents outstanding	6,737,010	4,835,000	6,739,324	4,835,000
Net Income available for common stock	\$187,489	\$513,365	\$389,096	\$276,362
Net Income per common share and common share equivalent (Note 1)	\$0.03	\$0.11	\$0.06	\$0.06

Note 1 - Net income per common share and common share equivalent calculated after effect of extraordinary item.

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