FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

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

For Quarter Ended September 30, 1995   Commission File Number 0-3922

PATRICK INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

INDIANA	35-1057796
(State or other jurisdiction of incorporated or organization)	(I.R.S. Employer Identification No.)

1800 South 14th Street, Elkhart, IN	46516
(Address of principal executive offices)	(ZIP Code)

Registrant's telephone number, including area code   (219) 294-7511

NONE
Former name, former address and former fiscal year, if changed since last report.

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   X   No

Shares of Common Stock Outstanding as of November 1, 1995: 5,951,866

PATRICK INDUSTRIES, INC.

INDEX

PART I: FINANCIAL INFORMATION

PATRICK INDUSTRIES, INC. CONDENSED BALANCE SHEETS

	(Unaudited) SEPTEMBER 30 1995	(Note) DECEMBER 31 1994
ASSETS		
CURRENT ASSETS		
Cash	$ 601,369	$ 666,986
Accounts Receivable, Net	27,390,890	18,445,638
Inventories	34,340,074	36,087,900
Other	298,481	291,194
Total Current Assets	$ 62,630,814	$55,491,718
INVESTMENTS AND OTHER ASSETS	$ 7,164,646	$ 7,954,751
PROPERTY AND EQUIPMENT	$ 53,235,137	$45,047,383
LESS ACCUMULATED DEPRECIATION	22,434,342	21,225,209
	$ 30,800,795	$23,822,174
Total Assets	$100,596,255	$87,268,643
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current Maturities of Long-term Debt	$ 700,000	$ 1,724,000
Accounts Payable	15,394,431	14,916,309
Accrued Expenses and Taxes Payable	4,322,214	3,840,354
Total Current Liabilities	$ 20,416,645	$20,480,663
LONG-TERM DEBT, LESS CURRENT MATURITIES	$ 26,900,000	$21,150,000
DEFERRED COMPENSATION OBLIGATIONS	$ 918,621	$ 838,971
DEFERRED TAX LIABILITIES	$ 1,550,000	$ 1,360,000
SHAREHOLDERS' EQUITY		
Common Stock	$ 21,482,870	$21,457,167
Retained Earnings	29,328,119	21,981,842
Total Shareholders' Equity	$ 50,810,989	$43,439,009
Total Liabilities and Shareholders' Equity	$100,596,255	$87,268,643

NOTE: The balance sheet at December 31, 1994 has been taken from the audited financial statements at that date and condensed.

See accompanying notes to Unaudited Condensed Financial Statements.

PATRICK INDUSTRIES, INC.
UNAUDITED CONDENSED STATEMENTS OF INCOME

	THREE MONTHS ENDED SEPTEMBER 30 1995	THREE MONTHS ENDED SEPTEMBER 30 1994	NINE MONTHS ENDED SEPTEMBER 30 1995	NINE MONTHS ENDED SEPTEMBER 30 1994
NET SALES	$94,125,637	$86,011,213	$273,716,121	$248,148,702
COST AND EXPENSES				
Cost of Goods Sold	$80,913,172	$74,840,589	$236,037,230	$216,771,418
Warehouse and Delivery	3,436,484	3,173,078	9,981,814	9,075,136
Selling and Administrative	4,801,757	3,673,039	13,850,944	10,892,299
Financial Expenses, Net	316,132	228,718	1,025,514	646,720
	$89,467,545	$81,915,424	$260,895,502	$237,385,573
INCOME BEFORE INCOME TAXES	$ 4,658,092	$ 4,095,789	$ 12,820,619	$10,763,129
INCOME TAXES	1,816,000	1,597,300	5,000,000	4,197,600

NET INCOME	$ 2,842,092	$ 2,498,489	$ 7,820,619	$ 6,565,529
EARNINGS PER COMMON SHARE	$ .48	$ .41	$ 1.32	$ 1.07
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	5,947,431	6,058,770	5,943,991	6,135,353

See accompanying notes to Unaudited Condensed Financial Statements.

</TABLE>

PATRICK INDUSTRIES, INC.
UNAUDITED CONDENSED STATEMENTS OF
CASH FLOW

<TABLE>
<CAPTION>

	NINE MONTHS ENDED SEPTEMBER 30 1995	1994
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CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 7,820,619	$ 6,565,529
Adjustment to Reconcile Net Income to Net Cash:		
Depreciation and Amortization	2,472,907	2,175,306
Other	(142,038)	(126,742)
Change in Assets and Liabilities:		
Decrease (Increase) in:		
Accounts Receivable	(8,681,024)	(6,412,931)
Inventories	2,153,155	(8,242,065)
Other	6,008	(139,443)
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	907,474	6,479,863
Income Taxes Payable and Deferred Taxes	242,508	246,214
Deferred Compensation	79,650	74,160
Net Cash Provided by Operating Activities	$ 4,859,259	$ 619,891
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	$(8,833,410)	$(3,502,805)
Acquisition of Assets of U.S. Door	(3,346,596)	---
Change in Cash Held in Escrow	2,603,959	---
Other	373,810	46,611
Net Cash (Used in) Investing Activities	$(9,202,237)	$(3,456,194)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Borrowings Under Debt Agreements	$18,000,000	$ 5,250,000
Sale of Common Stock	25,703	286,521
Principal Payments on Debt	(13,274,000)	(1,030,245)
Reacquisition of Common Stock	---	(1,917,874)
Cash Dividends	(474,342)	---
Net Cash Provided by Financing Activities	$ 4,277,361	$ 2,588,402
(Decrease) in Cash and Cash Equivalents	$ (65,617)	$ (247,901)
CASH and CASH EQUIVALENTS, BEGINNING	$ 666,986	$ 465,460
CASH and CASH EQUIVALENTS, ENDING	$ 601,369	$ 217,559

See accompanying notes to Unaudited Condensed Financial Statements.

</TABLE>

PATRICK INDUSTRIES, INC.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

1. In the opinion of the Registrant, the accompanying unaudited condensed financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly financial position as of September 30, 1995, and December 31, 1994, and the results of operations

and cash flows for the three months and the nine months ended September 30, 1995 and 1994.

2. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in Registrant's December 31, 1994 audited financial statements. The results of operations for the three months and nine months periods ended September 30, 1995 and 1994 are not necessarily indicative of the results to be expected for the full year.

3. The inventories on September 30, 1995 and December 31, 1994 consist of the following classes:

	September 30 1995	December 31 1994
Raw Materials	$22,630,329	$23,630,848
Work in Process	840,036	738,439
Finished	2,677,042	3,618,587
Total Manufactured Goods	$26,147,407	$27,987,874
Distribution Products	8,192,667	8,100,026
TOTAL INVENTORIES	$34,340,074	$36,087,900

The inventories are stated at the lower of cost, First-In, First-Out (FIFO) method, or market.

4. The earnings per common share for the three months and nine months ended September 30, 1995 and 1994 have been computed based on the weighted average number of shares of common stock. The weighted average number of shares outstanding was 5,947,431 for the three months and 5,943,991 for the nine months ended September 30, 1995 and 6,058,770 for the three months and 6,135,353 for the nine months ended September 30, 1994. The number of shares reflect the results of the March 8, 1994 two for one Stock Split.

5. On January 30, 1995, the Registrant purchased substantially all of the assets of U.S. Door, a manufacturer of wooden cabinet doors in Phoenix, Arizona, for $3,346,500. The transaction was accounted for as a purchase.

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

GENERAL

The economy and the industries served by the Registrant improved starting in 1992 as net sales increased by 28% over 1991, and in 1993 net sales increased 40% over 1992. In 1994, the Registrant continued its growth and recorded its highest annual sales of $331 million.

The following table sets forth the percentage relationship to net sales of certain items in the Registrant's Statements of Income:

	Three Months Ended September 30		Nine Months Ended September 30	
	1995	1994	1995	1994
Net Sales	100.0%	100.0%	100.0%	100.0%
Cost of Sales	86.0	87.0	86.2	87.4
Gross Profit	14.0	13.0	13.8	12.6
Warehouse and Delivery	3.7	3.7	3.7	3.6
Selling, General & Administrative	5.1	4.3	5.1	4.4
Operating Income	5.2	5.0	5.0	4.6
Net Income	3.0	2.9	2.9	2.7

RESULTS OF OPERATIONS

Quarter Ended September 30, 1995 Compared to Quarter Ended September 30, 1994

Net Sales. Net sales increased by $8.1 million, or 9.4% in this year's third quarter over the same 1994 period. This increase was primarily attributable to production unit increases in the Manufactured Housing industry, from whom the Registrant records 65% of its sales.

Gross Profit. Gross profit increased by $2.0 million, or 18.3% and as a percentage of net sales increased from 13.0% in 1994 to 14.0% in this year's third quarter. This increase in gross profit resulted from more stabilized raw material costs and improvement in Workers Compensation insurance costs.

Warehouse and Delivery Expenses. Warehouse and delivery expenses increased by $0.26 million, or 8.3%. This is the same 3.7% as a percentage to net sales as the third quarter of 1994. The increase in dollars is due primarily to the increase in sales.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by $1.1 million, or 30.7%, in the 1995 third quarter. This increase is primarily the result of increased wages at the manufacturing and distribution facilities and an increase in bad debt expense.

As a percentage of net sales, these expenses increased from 4.3% to 5.1% in the third quarter of 1995 as compared to 1994.

Operating Income. Operating income increased by $0.65 million, or 15%, from the third quarter of 1994 to the same 1995 quarter. This is due primarily to the increase in gross profit somewhat offset by the increases in Selling, General and Administrative Expenses. As a percentage of net sales, operating income increased from 5.0% in the 1994 third quarter to 5.2% in the 1995 third quarter.

Interest Expense. Interest expense was higher in the 1995 third quarter because of higher rates and higher borrowing levels than in 1994.

Net Income. Net income increased in the 1995 third quarter by $0.34 million, or 13.7% when compared to the same 1994 quarter. This increase is primarily due to the factors discussed above.

Nine Months Ended September 30, 1995 Compared to Nine Months Ended September 30, 1994

Net Sales. Net sales increased by $25.6 million, or 10.3%, from the nine months ended September 30, 1994, to the first nine months of 1995. This sales increase was primarily attributable to production unit increases in the Manufactured Housing industry and Registrant sales to its other building products industries. The Manufactured Housing industry, which accounts for 65% of Registrant s sales, is producing at a rate 12% ahead of 1994.

Gross Profit. Gross profit increased by $6.3 million, or 20%, in the first nine months of 1995 over 1994. As a percentage of net sales, gross profit increased from 12.6% in the 1994 nine months to 13.8% in the 1995 nine months. This increase in gross profit resulted from improvement in labor efficiency, more stabilized commodity markets, more favorable purchasing practices of the Registrant s raw materials, and an improvement in Workers Compensation insurance costs.

Warehouse and Delivery Expenses. Warehouse and delivery expenses increased $0.9 million, or 10%, from $9.1 million in the first nine months of 1994, to $10 million in the 1995 nine months. This increase is primarily the result of increased sales. As a percentage of net sales, warehouse and delivery expenses increased from 3.6% in the first nine months of 1994 to 3.7% in the 1995 nine months.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by $2.9 million, or 27.1%, from $10.9 million in the first nine months of 1994, to $13.8 million in the 1995 nine months. Such increase is primarily a result of increased wages at the manufacturing and distribution facilities and an increase in bad debt expense. As a percentage of net sales, selling, general and administrative expenses increased from 4.4% in the first nine months of 1994 to 5.1% in the 1995 nine months.

Operating Income. Operating income increased by $2.4 million, or 21.3%, from $11.4 million in the first nine months of 1994, to $13.8 million in the 1995 nine months. This increase is primarily attributable to the increase in gross profit, somewhat offset by the increases in selling, general and administrative expenses. As a percentage of sales, operating income increased from 4.6% in the first nine months of 1994 to 5.0% in the 1995 nine months.

Interest Expense. Interest expense increased $0.37 million in the first nine months of 1995 due to higher borrowing balances and higher interest rates during the comparable periods.

Net Income. Net income increased by $1.25 million, or 19.1%, from $6.6 million in the 1994 nine months, to $7.8 million in the first nine months of 1995. This increase in net income is primarily attributable to the factors discussed above.

LIQUIDITY AND CAPITAL RESOURCES

The Registrant's primary capital requirements are to meet working capital needs, support its capital expenditure plans and meet debt service requirements.

The Registrant, in September, 1995, issued to an insurance company in a private placement $18,000,000 of senior unsecured notes. The ten year notes bear interest at 6.82%, with semi-annual interest payments beginning March 15, 1996 and seven annual principal repayments beginning September 15, 1999. These funds were used to reduce existing bank debt and for working capital needs.

The Registrant has a bank financing agreement (the Credit Agreement) with NBD Bank, N.A. The Credit Agreement provides for a $10 million term loan with a maturity in February 1999 and a credit revolver loan of up to $13 million which matures in February 1997. In September, 1995 with funds from the private placement, the Registrant prepaid the term loan in full and paid the revolver outstanding balance. On October 31, 1995 the bank financing agreement was amended reducing the credit revolver loan availability to $5,000,000. Pursuant to the Credit Agreement, the Registrant is required to maintain certain financial ratios, all of which are currently complied with.

The Registrant also financed in late 1994 the acquisition of land, building, and equipment in Oregon with a $6,000,000 industrial revenue bond. At September 30, 1995, $4.0 million of the bond proceeds have been used for construction of the project and $2.0 million was held in escrow for future payments on the project.

The Registrant believes that cash generated from operations, bond proceeds held in escrow and borrowings under its credit agreements will be sufficient to fund its working capital requirements and capital expenditures as currently contemplated.

SEASONALITY

Manufacturing operations in the manufactured housing and recreational vehicle industries tend to be seasonal and are generally at the highest levels when the climate is temperate. Accordingly, the Registrant's sales and profits are generally highest in the second and third quarters. However, due to dramatic increases in production of manufactured housing and recreational vehicles, the first quarter of 1994 and 1995 and the fourth quarters of 1993 and 1994 were unusual in their high sales and gross profit levels during those winter months when compared to prior years.

INFLATION

The Registrant does not believe that inflation had a material effect on results of operations for the periods presented.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None

Item 2. Changes in Securities

None

Item 3. Defaults upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibit 27 Financial Data Schedule

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.

PATRICK INDUSTRIES, INC.
(Registrant)

Date November 13, 1995 /S/Mervin D. Lung
Mervin D. Lung
(Chairman of the Board)

Date November 10, 1995 /S/David D. Lung
David D. Lung
(President)

Date November 10, 1995 /S/Keith V. Kankel
Keith V. Kankel
(Vice President Finance)
(Principal Accounting Officer)

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