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 June 30, 1997 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 July 31, 1997: 5,895,766

PATRICK INDUSTRIES, INC.

INDEX

PART I: FINANCIAL INFORMATION
PATRICK INDUSTRIES, INC. CONDENSED BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS	(Unaudited) JUNE 30 1997	(Note) DECEMBER 31 1996
<S>	<C>	<C>
CURRENT ASSETS		
Cash	$ 257,981	$ 2,041,482
Investment in Marketable Securities	4,900,000	4,400,000
Accounts Receivable, Net	27,437,599	15,208,671
Inventories	37,934,664	39,342,506
Other	432,140	393,520
Total Current Assets	$ 70,962,384	$ 61,386,179
PROPERTY AND EQUIPMENT, at cost	$ 71,323,930	$ 65,630,289
Less Accumulated Depreciation	28,175,686	25,870,995
	$ 43,148,244	$ 39,759,294
INTANGIBLE AND OTHER ASSETS	$ 5,125,156	$ 5,460,793
Total Assets	$ 119,235,784	$ 106,606,266
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current Maturities of Long-term Debt	$ 1,138,517	$ 1,138,517
Accounts Payable	20,058,167	10,545,175
Accrued Expenses and Taxes Payable	4,359,786	4,056,031
Total Current Liabilities	$ 25,556,470	$ 15,739,723
LONG-TERM DEBT, NET OF CURRENT MATURITIES	$ 25,934,477	$ 26,151,527
DEFERRED COMPENSATION OBLIGATIONS	$ 1,163,857	$ 1,069,357
DEFERRED INCOME TAX CREDITS	$ 1,350,000	$ 1,350,000
SHAREHOLDERS' EQUITY		
Common Stock	$ 21,897,072	$ 22,138,494
Retained Earnings	43,333,908	40,157,165
Total Shareholders' Equity	$ 65,230,980	$ 62,295,659
Total Liabilities and Shareholders' Equity	$ 119,235,784	$ 106,606,266

NOTE: The balance sheet at December 31, 1996 has been taken from the audited financial statements at that date and condensed.

See accompanying notes to Unaudited Condensed Financial Statements.

</TABLE>

PATRICK INDUSTRIES, INC.
UNAUDITED CONDENSED STATEMENTS OF INCOME

<TABLE>
<CAPTION>

	THREE MONTHS ENDED JUNE 30		SIX MONTHS ENDED JUNE 30
	1997	1996	1997

1996

<S>	<C>	<C>	<C>	<C>
NET SALES	$ 106,599,506	$107,395,342	$203,535,216	$201,162,883
COST AND EXPENSES				
Cost of Goods Sold	$ 93,271,870	$ 92,952,138	$178,251,038	$174,966,283
Warehouse and Delivery Expenses	3,913,889	3,618,343	7,309,451	6,982,996
Selling and Administrative Expenses	5,415,413	5,233,875	10,268,640	10,158,531
Financial Expenses, Net	307,901	289,927	595,810	586,808
	$ 102,909,073	$102,094,283	$196,424,939	$192,694,618
INCOME BEFORE INCOME TAXES	$ 3,690,433	$ 5,301,059	$ 7,110,277	$ 8,468,265
INCOME TAXES	1,448,500	2,096,700	2,782,200	3,319,200
NET INCOME	$ 2,241,933	$ 3,204,359	$ 4,328,077	$ 5,149,065
EARNINGS PER COMMON SHARE	$ .38	$ 0.54	$ .73	$ .86
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	5,929,140	5,965,951	5,946,769	5,966,554

See accompanying notes to Unaudited Condensed Financial Statements.

</TABLE>

PATRICK INDUSTRIES, INC.
UNAUDITED CONDENSED STATEMENTS OF
CASH FLOW

<TABLE>
<CAPTION>

	SIX MONTHS ENDED JUNE 30	
	1997	1996
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income	$ 4,328,077	$ 5,149,066
Adjustment to Reconcile Net Income to Net Cash:		
Depreciation and Amortization	2,725,881	2,185,143
Deferred Income Taxes	- - -	49,000
Other	(41,097)	(13,729)
Change in Assets and Liabilities:		
Decrease (Increase) in:		
Accounts Receivable	(12,228,928)	(6,178,020)
Inventories	1,407,842	1,590,235
Other	(38,620)	259,735
Increase (Decrease) in:		
Accounts Payable and Accrued Expenses	9,321,841	7,608,535
Income Taxes Payable	496,829	798,614
Deferred Compensation	94,500	73,678
Net Cash Provided by (Used in) Operating Activities	$ 6,066,325	$ 11,522,257
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital Expenditures	$ (5,750,567)	$

		(5,281,613)
Investment in Marketable Securities	(500,000)	(4,400,000)
Other	10,545	97,633
Net Cash (Used in) Investing Activities	$ (6,240,022)	$ (9,583,980)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Options	$ 16,125	174,724
Principal Payments on Debt	(217,050)	- - -
Reacquisition of Common Stock	(935,750)	(1,080,288)
Cash Dividends	(473,129)	(477,058)
Net Cash Provided by (Used In) Financing Activities	$ (1,609,804)	$ (1,382,622)
Increase (Decrease) in Cash and Cash Equivalents	$ (1,783,501)	$ 555,655
CASH and CASH EQUIVALENTS, BEGINNING	$ 2,041,482	$ 1,349,709
CASH and CASH EQUIVALENTS, ENDING	$ 257,981	$ 1,905,364

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 June 30, 1997, and December 31, 1996, and the results of operations and cash flows for the three months and the six months ended June 30, 1997 and 1996.

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, 1996 audited financial statements. The results of operations for the three months and six months periods ended June 30, 1997 and 1996 are not necessarily indicative of the results to be expected for the full year.

3. The inventories on June 30, 1997 and December 31, 1996 consist of the following classes:

<TABLE>
<CAPTION>

<S>	<C> June 30 1997	<C> December 31 1996
Raw Materials	$ 23,724,808	$ 24,204,345
Work in Process	1,334,765	1,029,127
Finished	3,496,584	5,311,075
Total Manufactured Goods	$ 28,556,157	$ 30,544,547
Distribution Products	9,378,507	8,797,959
TOTAL INVENTORIES	$ 37,934,664	$ 39,342,506

</TABLE>

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 six months ended June 30, 1997 and 1996 have been computed based on the weighted average number of shares of common stock. The weighted average number of shares outstanding was 5,929,140 for the three months and 5,946,769 for the six months ended June 30, 1997 and 5,965,951 for the three months and

5,966,554 for the six months ended June 30, 1996.

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share." SFAS No. 128 requires the presentation of both basic earnings per share and diluted earnings per share. Basic earnings per share will be computed by dividing net income by the weighted-average number of common shares outstanding. SFAS No. 128 will be effective for the Company's 1997 annual report. If SFAS No. 128 had been in effect during the first six months of 1997, there would have been no change in basic earnings per share.

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 1991 as net sales increased annually from $143 million to over $403 million in 1996. This revenue growth showed lower increases in the fourth quarter of 1996 and decreases in the first six months of 1997.

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

<TABLE>
<CAPTION>

	Three Months Ended June 30		Six Months Ended June 30	
	1997	1996	1997	1996
<S>	<C>	<C>	<C>	<C>
Net Sales	100.0%	100.0%	100.0%	100.0%
Cost of Sales	87.5	86.6	87.6	87.0
Gross Profit	12.5	13.4	12.4	13.0
Warehouse and Delivery	3.7	3.4	3.6	3.5
Selling, General & Administrative	5.1	4.9	5.0	5.0
Operating Income	3.8	5.1	3.8	4.5
Net Income	2.1	3.0	2.1	2.6

</TABLE>

RESULTS OF OPERATIONS

Quarter Ended June 30, 1997 Compared to Quarter Ended June 30, 1996

Net Sales. Net sales decreased by $0.8 million, or .7%, from $107.4 million for the quarter ended June 30, 1996, to $106.6 million in the quarter ended June 30, 1997. This sales decrease was attributable to a 2.9% decrease in units shipped by the Manufactured Housing industry, which represents approximately 67% of the Registrant's sales. The Registrant's sales to the Recreational Vehicle industry were the same in this years second quarter as compared to the 1996 second quarter. The industry, which represents approximately 16% of Registrant's sales, was experiencing a slight decrease in units shipped.

Gross Profit. Gross profit decreased by approximately $1.1 million, or 7.7%, from $14.4 million in the second quarter of 1996, to $13.3 million in the same 1997 quarter. As a percentage of net sales, gross profit decreased from 13.4% in 1996 to 12.5% in the 1997 second quarter. This decrease was attributable to reduced volumes in certain operations and competitive market pressure on product pricing.

Warehouse and Delivery Expenses. Warehouse and delivery expenses increased approximately $295,000, or 8.2%, from $3.6 million in 1996, to $3.9 million in the second quarter of 1997. As a percentage of net sales, warehouse and delivery expenses increased from 3.4% in 1996 to 3.7% in the 1997 second quarter.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by approximately $181,000, or 3.5%, from $5.2 million in 1996, to $5.4 million in 1997. As a percentage of net sales, selling, general and administrative expenses increased from 4.9% in 1996 to 5.1% in the second quarter of 1997.

Operating Income. Operating income decreased by approximately $1,593,000 because of the decreased sales and the increased operating expenses as percentages to sales. As a percentage of sales, operating income decreased from 5.2% in 1996 to 3.8% in the 1997 second quarter.

Financial Expenses, Net. Financial expenses, net increased by approximately $18,000 from $290,000 in 1996 to $308,000 in the second quarter of 1997. The Registrant's borrowing levels in the 1997 period were about the same as in 1996, but invested funds were lower.

Net Income. Net income decreased by approximately $962,000 from $3.2 million in 1996 to $2.2 million in 1997 for the second quarter ended June 30. This decrease is attributable to the factors described above.

Six Months Ended June 30, 1997 Compared to Six Months Ended June 30, 1996

Net Sales. Net sales increased by $2.3 million, or 1.2%, from $201.2 million for the six months ended June 30, 1996, to $203.5 million in the six months ended June 30, 1997. This small increase was attributable to the 2.9% decline in production in the Manufactured Housing industry in the first six months of this year. That industry represents approximately 67% of the Registrant's total sales. The Recreational Vehicle industry, which represents approximately 16% of total sales of the Registrant, was also not able to show production increases in the 1997 first six months.

Gross Profit. Gross profit decreased by $.9 million, or 3.5%, from $26.2 million in the first six months of 1996, to $25.3 million in the same period in 1997. As a percentage of net sales, gross profit decreased from 13.0% in the first six months of 1996 to 12.4% in 1997. This decrease in the gross profit percentage was the result of lower volume in certain operations and highly competitive market pricing on the Registrant's products.

Warehouse and Delivery Expenses. Warehouse and delivery expenses increased approximately $326,000, or 4.7%, from $7.0 million in 1996, to $7.3 million in the first six months of 1997. As a percentage of net sales, warehouse and delivery expenses increased from 3.5% for 1996 to 3.6% in 1997.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by $110,000, or 1.1%, from $10.2 million in 1996, to $10.3 million in 1997. As a percentage of net sales, selling, general and administrative expenses remained the same at 5.0% in 1996 and 1997.

Operating Income. Operating income decreased by approximately $1,349,000, or 14.9%, from $9.1 million in 1996, to $7.7 million in 1997. This decrease is primarily attributable to the $.9 million decrease in gross profit. As a percentage of sales, operating income decreased from 4.5% in 1996 to 3.8% in 1997.

Financial Expenses, Net. Financial expenses, net increased by $9,000 from $587,000 in 1996, to $596,000 in 1997. This increase was due to lower levels of invested funds.

Net Income. Net income decreased by $821,000 from $5.1 million in 1996, to $4.3 million in 1997. This decrease in net income is primarily attributable to the factors described 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 in 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. for a term loan and a revolver loan. In September, 1995 with funds from the insurance company private placement, the Registrant prepaid the term loan in full and paid the revolver outstanding balance. The Revolving Credit Agreement was amended on February 13, 1997 and provides revolver loan availability of $10,000,000 with maturity in three years. Pursuant to the Credit Agreement, the Registrant is required to maintain certain financial ratios, all of which are currently complied with.

The Registrant believes that cash generated from operations and borrowings under its credit agreements will be sufficient to fund its working capital requirements and ordinary capital expenditures as currently contemplated.

SEASONALITY

Manufacturing operations in the Manufactured Housing and Recreational Vehicle industries historically have been 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.

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

(a) The Annual Meeting of Shareholders of the Registrant was held on May 15, 1997.

(b) Not applicable.

(c) 1. Set forth below is the tabulation of the votes on each nominee for election as a director:

NAME	FOR	WITHHOLD AUTHORITY
Thomas G. Baer	5,484,259	20,306
Merlin D. Knispel	5,484,259	20,306
David D. Lung	5,480,459	24,106

2. Not applicable.

(d) Not applicable.

Item 5. Other Information

As previously announced in news releases on July 3 and July 24, 1997, the Registrant has received a proposal for the acquisition of all of the shares of the Registrant's common stock. Although there are no assurances that any agreement will be reached, discussions are continuing and the Board of Directors is still considering the proposal.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27 Financial Data Schedule

(b) Reports filed on Form 8-K

None

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 August 8, 1997 /S/Mervin D. Lung

Mervin D. Lung
(Chairman of the Board)

Date August 7, 1997 /SDavid D. Lung

David D. Lung

(President)

Date August 8, 1997 /S/Keith V. Kankel

Keith V. Kankel
(Vice President Finance)
(Principal Accounting Officer)

<TABLE> <S> <C>

<ARTICLE> 5

<S>	<C>
<PERIOD-TYPE>	6-MOS
<FISCAL-YEAR-END>	DEC-31-1997
<PERIOD-END>	JUN-30-1997
<CASH>	257,981
<SECURITIES>	4,900,000
<RECEIVABLES>	27,537,599
<ALLOWANCES>	100,000
<INVENTORY>	37,934,664
<CURRENT-ASSETS>	70,962,384
<PP&E>	71,323,930
<DEPRECIATION>	28,175,686
<TOTAL-ASSETS>	119,235,784
<CURRENT-LIABILITIES>	1,138,517
<BONDS>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<COMMON>	21,897,072
<OTHER-SE>	0
<TOTAL-LIABILITY-AND-EQUITY>	119,235,784
<SALES>	106,599,506
<TOTAL-REVENUES>	106,599,506
<CGS>	93,271,870
<TOTAL-COSTS>	102,601,172
<OTHER-EXPENSES>	0
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	307,901
<INCOME-PRETAX>	3,690,433
<INCOME-TAX>	1,448,500
<INCOME-CONTINUING>	2,241,933
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	2,241,933
<EPS-PRIMARY>	0.38
<EPS-DILUTED>	0.38

</TABLE>