Commercial Vehicle Group, Inc.
Form 10-K
March 13, 2012
Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

þ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
or

For the fiscal year ended December 31, 2011

¨ **Transition report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended:	**Commission file number:**
December 31, 2011	**001-34365**

COMMERCIAL VEHICLE GROUP, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**41-1990662**
(State of Incorporation)	*(I.R.S. Employer Identification No.)*
7800 Walton Parkway **New Albany, Ohio** *(Address of Principal Executive Offices)*	**43054** *(Zip Code)*

Registrant s telephone number, including area code:

(614) 289-5360

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of exchange on which registered
Common Stock, par value $.01 per share	The NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ¨ No þ

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Schedule 15(d) of the Act. Yes ¨ No þ

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 þ No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes þ No ¨

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. þ

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer, and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ¨ Accelerated filer þ Non-accelerated filer ¨ Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No þ

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold on June 30, 2011, was $ $352,919,129.

As of March 9, 2012, 29,063,657 shares of Common Stock of the Registrant were outstanding.

Documents Incorporated by Reference

Information required by Items 10, 11, 12, 13 and 14 of Part III of this Annual Report on Form 10-K are incorporated by reference from the Registrant s Proxy Statement for its annual meeting to be held May 10, 2012 (the 2012 Proxy Statement).

Table of Contents

COMMERCIAL VEHICLE GROUP, INC.

Annual Report on Form 10-K

Table of Contents

Table of Contents

CERTAIN DEFINITIONS

All references in this Annual Report on Form 10-K to the Company, Commercial Vehicle Group, CVG, we, us, and our refer to Com Vehicle Group, Inc. and its consolidated subsidiaries (unless the context otherwise requires).

FORWARD-LOOKING INFORMATION

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. For this purpose, any statements contained herein that are not statements of historical fact, including without limitation, certain statements under Item 1 Business and Item 7 Management s Discussion and Analysis of Financial Condition and Results of Operations and located elsewhere herein regarding industry outlook, financial covenant compliance, anticipated effects of acquisitions, production of new products, plans for capital expenditures and our results of operations or financial position and liquidity, may be deemed to be forward-looking statements. Without limiting the foregoing, the words believes, anticipates, plans, expects, and similar expressions are intended to identi forward-looking statements. The important factors discussed in Item 1A Risk Factors, among others, could cause actual results to differ materially from those indicated by forward-looking statements made herein and presented elsewhere by management from time to time. Such forward-looking statements represent management s current expectations and are inherently uncertain. Investors are warned that actual results may differ from management s expectations. Additionally, various economic and competitive factors could cause actual results to differ materially from those discussed in such forward-looking statements, including, but not limited to, factors which are outside our control, such as risks relating to (i) general economic or business conditions affecting the markets in which we serve; (ii) our ability to develop or successfully introduce new products; (iii) risks associated with conducting business in foreign countries and currencies; (iv) increased competition in the heavy-duty truck or construction market; (v) our failure to complete or successfully integrate additional strategic acquisitions; (vi) the impact of changes in governmental regulations on our customers or on our business; (vii) the loss of business from a major customer or the discontinuation of particular commercial vehicle platforms; (viii) our ability to obtain future financing due to changes in the lending markets or our financial position and (ix) our ability to comply with the financial covenants in our revolving credit facility. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by such cautionary statements.

Table of Contents

PART I

Item 1. ***Business***

Overview

Commercial Vehicle Group, Inc. (a Delaware corporation formed in August 2000) and its subsidiaries, is a leading supplier of a full range of cab related products and systems for the global commercial vehicle market, including the heavy-duty (Class 8) truck market, the construction, military, bus and agriculture markets and the specialty transportation markets. Our products include static and suspension seat systems, electronic wire harness assemblies, controls and switches, cab structures and components, interior trim systems (including instrument panels, door panels, headliners, cabinetry and floor systems), mirrors and wiper systems specifically designed for applications in commercial vehicles.

We are differentiated from suppliers to the automotive industry by our ability to manufacture low volume, customized products on a sequenced basis to meet the requirements of our customers. We believe that we have the number one or two position in several of our major markets and that we are one of the only suppliers in the North American commercial vehicle market that can offer complete cab systems, including cab body assemblies, sleeper boxes, seats, interior trim, flooring, wire harnesses, panel assemblies and other structural components. We believe our products are used by a majority of the North American heavy truck and certain leading global construction original equipment manufacturers (OEM), which we believe creates an opportunity to cross-sell our products and offer a full range of cab related products and systems.

Demand for our heavy truck products is generally dependent on the number of new heavy truck commercial vehicles manufactured in North America, which in turn is a function of general economic conditions, interest rates, changes in governmental regulations, consumer spending, fuel costs and our customers inventory levels and production rates.

New heavy truck commercial vehicle demand has historically been cyclical and is particularly sensitive to the industrial sector of the economy, which generates a significant portion of the freight tonnage hauled by commercial vehicles. Production of heavy truck commercial vehicles in North America was strong from 2004 to 2006 due to the broad economic recovery in North America, corresponding growth in the movement of goods, the growing need to replace aging truck fleets and OEMs receiving larger than expected preorders in anticipation of the new EPA emissions standards becoming effective in 2007. During 2007, the demand for North American Class 8 heavy trucks experienced a downturn as a result of preorders in 2006 and general weakness in the North American economy and corresponding decline in the need for commercial vehicles to haul freight tonnage in North America. The demand for new heavy truck commercial vehicles in 2008 was similar to 2007 levels as weakness in the overall North American economy continued to impact production related orders. The overall weakness in the North American economy and credit markets continued to put pressure on the demand for new vehicles in 2009 as reflected in the 42% decline of North American Class 8 production levels from 2008. We believe this general weakness has contributed to the reluctance of trucking companies to invest in new truck fleets. In 2010, North American Class 8 production levels increased approximately 30% over the prior year period, indicating a recovery in the heavy truck market. This recovery continued into 2011 as North American Class 8 production levels increased approximately 66% from 2010. According to a February 2012 report by ACT Research, a publisher of industry market research, North American Class 8 production levels are expected to increase from 255,000 in 2011, peak at 320,000 in 2013 and decline to 256,000 in 2016. We believe the increase in demand for new Class 8 vehicles will be driven by several factors, including growth in freight volumes and the replacement of aging vehicles. ACT forecasts that the total U.S. freight composite will increase from 11.9 trillion in 2011 to 14.1 trillion in 2016. ACT estimates that the average age of active U.S. Class 8 trucks is 6.7 years in 2011, the highest average vehicle age over the past 13 years. As vehicles age, their maintenance costs typically increase. ACT forecasts that the vehicle age will decline as aging fleets are replaced.

Table of Contents

New commercial vehicle demand in the global construction equipment market generally follows certain economic conditions around the world. Within the construction market, there are two classes of construction equipment, the medium/heavy equipment market (weighing over 12 metric tons) and the light construction equipment market (weighing below 12 metric tons). Demand in the medium/heavy construction equipment market is typically related to the level of larger scale infrastructure development projects such as highways, dams, harbors, hospitals, airports and industrial development, as well as activity in the mining, forestry and other raw material based industries. Demand in the light construction equipment market is typically related to certain economic conditions such as the level of housing construction and other smaller-scale developments and projects. Our products are primarily used in the medium/heavy construction equipment markets. Demand in the construction equipment market in 2009 declined significantly from 2008 as a result of the continuing economic downturn in the housing and financial markets. During 2010 and continuing in 2011, the global construction market showed signs of recovery.

Industry

Within the commercial vehicle industry, we sell our products primarily to the global OEM truck market (approximately 47% of our 2011 revenues), the global construction OEM market (approximately 25% of our 2011 revenues), the military market (approximately 4% of our 2011 revenues) and the aftermarket and OEM service organizations (approximately 14% of our 2011 revenues). The majority of the remaining 10% of our 2011 revenues was derived from other global commercial vehicle and specialty markets.

Commercial Vehicle Supply Market Overview

Commercial vehicles are used in a wide variety of end markets, including local and long-haul commercial trucking, bus, construction, mining, agricultural, military, general industrial, marine, municipal, recreation and specialty vehicle markets. The commercial vehicle supply industry can generally be separated into two categories: (1) sales to OEMs, in which products are sold in relatively large quantities directly for use by OEMs in new commercial vehicles; and (2) aftermarket sales, in which products are sold as replacements in varying quantities to a wide range of OEM service organizations, wholesalers, retailers and installers. In the OEM market, suppliers are generally divided into tiers Tier 1 suppliers (like our company), who provide their products directly to OEMs, and Tier 2 or Tier 3 suppliers, who sell their products principally to other suppliers for integration into those suppliers own product offerings.

Our largest end market, the commercial truck industry, is supplied by heavy- and medium-duty commercial vehicle suppliers, as well as automotive suppliers. The commercial vehicle supplier industry is fragmented and comprised of several large companies and many smaller companies. In addition, the commercial vehicle supplier industry is characterized by relatively low production volumes and can have considerable barriers to entry, including the following: (1) significant investment requirements, (2) stringent technical and manufacturing requirements, (3) high transition costs to shift production to new suppliers, (4) just-in-time delivery requirements and (5) strong brand name recognition. Foreign competition can be limited in the commercial vehicle market due to many factors, including the need to be responsive to order changes on short notice and high shipping costs.

Although OEM demand for our products is directly correlated with new vehicle production, suppliers like us can also grow by increasing their product content per vehicle through cross selling and bundling of products, further penetrating business with existing customers, gaining new customers and expanding into new geographic markets and by increasing aftermarket sales. We believe that companies with a global presence and advanced technology, engineering, manufacturing and support capabilities, such as our company, are well positioned to take advantage of these opportunities.

Table of Contents

North American Commercial Truck Market

Purchasers of commercial trucks include fleet operators, owner operators and other industrial end users. Commercial vehicles used for local and long-haul commercial trucking are generally classified by gross vehicle weight. Class 8 vehicles are trucks with gross vehicle weight in excess of 33,000 lbs. and Class 5 through 7 vehicles are trucks with gross vehicle weight from 16,001 lbs. to 33,000 lbs. The following table shows commercial vehicle production levels from 2002 through 2011 in North America:

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
	(Thousands of units)									
Class 8 heavy trucks	181	182	269	339	376	212	206	118	154	255
Class 5-7 light and medium-duty trucks	202	197	235	253	275	206	158	98	118	167
Total	383	379	504	592	651	418	364	216	272	422

Source: ACT N.A. Commercial Vehicle OUTLOOK (February 2012).

The following describes the major markets within the commercial vehicle market in which we compete:

Class 8 Truck Market

The global Class 8 truck manufacturing market is concentrated in three primary regions: North America, Europe and Asia-Pacific. The global Class 8 truck market is localized in nature due to the following factors: (1) the prohibitive costs of shipping components from one region to another, (2) the high degree of customization of Class 8 trucks to meet the region-specific demands of end-users and (3) the ability to meet just-in-time delivery requirements. According to ACT Research, four companies represented approximately 98% of North American Class 8 truck production in 2011. The percentages of Class 8 production represented by Daimler Trucks, PACCAR, International (Navistar) and Volvo/Mack were approximately 31%, 29%, 21% and 17%, respectively, in 2011. We supply products to all of these OEMs.

Production of Class 8 trucks in North America peaked in 1999 and experienced a downturn from 2000 to 2003 that was due to a weak economy, reduced sales following above-normal purchases in advance of new EPA emissions standards that became effective in October 2002, an oversupply of new and used vehicle inventory and lower spending on commercial vehicles and equipment. Following a substantial decline from 1999 to 2001, Class 8 truck unit production increased modestly to approximately 181,000 units in 2002 from approximately 146,000 units in 2001, due primarily to the purchasing of trucks that occurred prior to the October 2002 mandate for more stringent engine emissions requirements. Subsequent to the engine emissions requirements, truck production continued to remain at historically low levels through mid-2003 due to continuing economic weakness and the reluctance of many trucking companies to invest during this period.

In mid-2003, evidence of renewed growth emerged and truck tonmiles (number of miles driven multiplied by number of tons transported) began to increase, along with new truck sales. During the second half of 2003, new truck dealer inventories declined and, consequently, OEM truck order backlogs began to increase. According to ACT, monthly truck order rates began increasing significantly from December 2003 through 2005. In 2006, OEMs received larger than expected preorders in anticipation of the new EPA emissions standards becoming effective in 2007. During 2007, 2008 and 2009, the demand for North American Class 8 heavy trucks declined as a result of 2006 preorders, a weakness in the North American economy and corresponding decline in the need for commercial vehicles to haul freight tonnage in North America. In 2010, North American Class 8 production levels increased approximately 30% over the prior-year period. We believe that the increase from 2009 to 2010 was a result of the strengthening in the North American economy and corresponding increase in the need for commercial vehicles to haul freight tonnage in North America. The strengthening in the North American economy continued into 2011 as North American Class 8 production levels increased approximately 66% over 2010. According to ACT, unit production for 2012 is estimated to increase approximately 16% from 2011 levels to approximately 296,000 units.

Table of Contents

The following table illustrates North American Class 8 truck build for the years 1999 to 2016:

North American Class 8 Truck Build Rates

(In thousands)

E Estimated

Source: ACT Commercial Vehicle OUTLOOK (February 2012).

We believe the following factors are currently driving the North American Class 8 truck market:

Economic Conditions. The North American truck industry is directly influenced by overall economic growth, consumer spending and the ability of our customers to access capital. Since truck OEMs supply the fleet lines of North America, their production levels generally match the demand for freight. The freight carried by these trucks includes consumer goods, machinery, food and beverages, construction equipment and supplies, electronic equipment and a wide variety of other materials. Since most of these items are driven by macroeconomic conditions, the truck industry tends to follow trends of gross domestic product. Generally, given the dependence of North American shippers on trucking as a freight alternative, general economic conditions have been a primary indicator of future truck builds.

Truck Freight Growth. According to ACT s U.S. freight composite, freight volumes began to recover in 2010 and continued into 2011. The ACT freight composite is a measure created to estimate the amount of freight hauled by weighting different sectors of the economy for their contribution to overall freight. ACT forecasts that total U.S. freight composite will increase from 11.9 trillion in 2011 to 14.1 trillion in 2016, as summarized in the following graph:

Total U.S. Freight Composite

(In billions)

E Estimated

Source: ACT N.A. Commercial Vehicle OUTLOOK (February 2012).

Table of Contents

Truck Replacement Cycle and Fleet Aging. The average age of active Class 8 trucks has increased from approximately 5.3 years in 1999 to approximately 6.7 years in 2011. The average fleet age tends to run in cycles as freight companies permit their truck fleets to age during periods of lagging demand and then replenish those fleets during periods of increasing demand. Additionally, as truck fleets age, their maintenance costs typically increase. Freight companies must therefore continually evaluate the economics between repair and replacement. Other factors, such as inventory management and the growth in less-than-truckload freight shipping, also tend to increase fleet mileage and, as a result, the truck replacement cycle. The chart below illustrates the average age of active U.S. Class 8 trucks:

Average Age of Active U.S. Class 8 Trucks

(In years)

E Estimated

Source: ACT N.A. Commercial Vehicle OUTLOOK (February 2012).

Commercial Truck Aftermarket

Demand for aftermarket products is driven by the quality of OEM parts, the number of vehicles in operation, the average age of the vehicle fleet, vehicle usage and the average useful life of vehicle parts. Aftermarket sales tend to be at a higher margin, as truck component suppliers are able to leverage their already established fixed cost base and exert moderate pricing power with their replacement parts. The recurring nature of aftermarket revenue provides some insulation to the overall cyclical nature of the industry, as it tends to provide a more stable stream of revenues.

Commercial Construction Vehicle Market

New commercial vehicle demand in the global construction equipment market generally follows certain economic conditions around the world. Within the construction market, there are two classes of construction equipment: the medium/heavy construction equipment market (weighing over 12 metric tons) and the light construction equipment market (weighing below 12 metric tons). Demand in the medium/heavy construction equipment market is typically related to the level of larger-scale infrastructure development projects such as highways, dams, harbors, hospitals, airports and industrial development as well as activity in the mining, forestry and other raw material based industries. Demand in the light construction equipment market is typically related to certain economic conditions such as the level of housing construction and other smaller scale developments and projects. Our products are primarily used in the medium/heavy construction equipment market.

Table of Contents

During 2009, we experienced a significant decline in global construction equipment production levels as a result of the global economic downturn and related reduction in new equipment orders. During 2010 and continuing in 2011, the global construction market has shown signs of recovery. According to an October 2011 report by Millmark Associates, a publisher of industry market research, global production units in the construction market for the products in which we market (pavers, dozers, excavators, graders, skid steers, compactors and loaders), are expected to increase from 963,000 in 2011 to 1,452,000 in 2015. The chart below illustrates the continued estimated growth in the global construction market for the products in which we market from 2011 to 2015:

E Estimated

Source: Millmark Global Equipment Production (October 2011) and Company estimates.

Purchasers of medium/heavy construction equipment include construction companies, municipalities, local governments, rental fleet owners, quarrying and mining companies and forestry related industries. Purchasers of light construction equipment include contractors, rental fleet owners, landscapers, logistics companies and farmers. In the medium/heavy construction equipment market, we primarily supply OEMs with our seating and wire harness products.

Military Equipment Market

We supply products for heavy- and medium-payload tactical trucks that are used by various military customers. Sales and production of these vehicles can be influenced by overall defense spending both by the U.S. government and foreign governments and the presence of military conflicts and potential military conflicts throughout the world. Demand for these vehicles has fluctuated as a result of the continuing conflict in the Middle East. In addition, demand has increased for remanufacturing and replacement of the large fleet of vehicles that have served in the Middle East due to over-use and new armor and technology requirements.

Commercial Vehicle Industry Trends

Our performance and growth are directly related to trends in the commercial vehicle market and focus on operator retention, comfort and safety. These commercial vehicle industry trends include the following:

Globalization of Suppliers. Commercial vehicle OEMs manufacture and sell their products in various geographic markets around the world. Having operations in the geographic markets in which OEMs produce their global platforms enables suppliers to meet OEMs needs more economically and more efficiently.

Table of Contents

Shift of Design, Engineering and Research and Development to Suppliers. OEMs are focusing their efforts on brand development and overall vehicle design, instead of the design of individual vehicle systems. OEMs are increasingly looking to their suppliers to provide suggestions for new products, designs, engineering developments and manufacturing processes. As a result, strategic suppliers are gaining increased access to confidential planning information regarding OEMs future vehicle designs and manufacturing processes. Systems and modules increase the importance of strategic suppliers because they generally increase the percentage of vehicle content.

Broad Manufacturing Capabilities. OEMs are seeking suppliers to manufacture systems and products utilizing alternative materials and processes in order to meet their demand for customized styling, performance or cost requirements. In addition, while OEMs seek to differentiate their vehicles through the introduction of innovative features, suppliers are proactively developing new products and manufacturing capabilities and processes to meet OEMs requirements.

Ongoing Supplier Consolidation. We believe the worldwide commercial vehicle supply industry is continuing to consolidate as suppliers seek to achieve operating synergies through business combinations, shift production to locations with more flexible labor rules and practices, acquire complementary technologies, build stronger customer relationships and follow their OEM customers as they expand globally. Furthermore, the cost focus of most major OEMs has forced suppliers to reduce costs and improve productivity on an ongoing basis, including economies of scale through consolidation. Financial distress created by the global economic environment in recent years has also impacted the trend in consolidating suppliers.

Competitive Strengths

We believe that our competitive strengths include, but are not limited to, the following:

Leading Market Positions and Brands. We believe that we are a leading supplier of seating systems and soft interior trim products, a leading non-captive manufacturer of structural components and body systems (which includes cab body assemblies) for the North American commercial vehicle heavy truck market and one of the largest global suppliers of construction vehicle seating systems. We market our major product brands under names that are well known by our customers and truck fleet operators based upon the amount of revenue we derive from sales to these markets. These major product brands include CVG, Sprague Devices, Moto Mirror®, RoadWatch®, KAB Seating, National Seating, Bostrom Seating®, Stratos Seating®, CIEB®, Trim Systems, ComforTEK, FlameTEK and Mayflower Vehicle Systems®.

Comprehensive Cab Product and Cab System Solutions. We believe that we offer the broadest product range of any commercial vehicle cab system supplier. We manufacture a broad base of products, many of which are critical to the interior and exterior subsystems of a commercial vehicle cab. We also utilize a variety of different processes, such as urethane molding, injection molding, large composite molding, thermoforming and vacuum forming, which enable us to meet each customer s unique styling and cost requirements. The breadth of our product offering enables us to provide a one-stop shop for our customers, which provides us with a substantial opportunity for further customer penetration through cross-selling initiatives and by bundling our products to provide complete system solutions.

End-User Focused Product Innovation. We believe that commercial vehicle market OEMs continue to focus on interior and exterior product design, comfort and features to better serve their end-user, the operator, and our customers are seeking suppliers that can provide product innovation. We have a full service engineering and research and development organization to assist OEMs in meeting their needs, which helps enable us to secure content on current platforms and models.

Flexible Manufacturing Capabilities. Because commercial vehicle OEMs permit their customers to select from an extensive menu of cab options, our customers frequently request modified products in low volumes within a limited time frame. We have a highly variable cost structure and can efficiently leverage our flexible

Table of Contents

manufacturing capabilities to provide low volume, customized products to meet each customer s styling, cost and just-in-time delivery requirements. We manufacture or assemble our products at facilities in North America, Europe, Asia and Australia.

Global Capabilities. Because many of our customers manufacture and sell their products on a global basis, we believe we have a strong competitive advantage by having dedicated sales, engineering, manufacturing and assembly capabilities on a global basis. We have these capabilities to support our customers in North America, Europe, Asia and Australia.

Strong Relationships with Leading Customers and Major Fleets. Because of our comprehensive product offerings, brand names and innovative product features, we believe we are an important long-term global supplier to many of the leading heavy truck, construction and specialty commercial vehicle manufacturers such as PACCAR, Caterpillar, Volvo/Mack, International (Navistar), Daimler Trucks, Deere & Co., Oshkosh Corporation, Komatsu and Skoda. In addition, through our sales force and engineering teams, we maintain active relationships with the major heavy-duty truck fleet organizations that are end-users of our products such as Yellow Roadway Corp., Swift Transportation, Schneider National, Ryder Leasing and Walmart. As a result of our high-quality, innovative products, well recognized brand names and customer service, a majority of the largest 100 fleet operators specifically request certain of our products.

Significant Barriers to Entry. We believe we are a leader in providing system solutions and products to long running platforms. Considerable barriers to entry exist, including significant investment and engineering requirements, stringent technical and manufacturing requirements, high transition costs for OEMs to shift production to new suppliers, just-in-time delivery requirements and strong brand name recognition.

Proven Management Team. Our management team is highly respected within the commercial vehicle market, and our five executive officers have a combined average of 30 years of experience in the industry. We believe that our team has substantial depth in critical operational areas and has demonstrated success in reducing costs, integrating business acquisitions, improving processes through cyclical periods and expanding revenue through product, market and customer diversification.

Strategy

Our primary growth strategies are as follows:

Increase Content, Expand Customer Penetration and Leverage System Opportunities. We are focused on securing additional sales from our existing customer base, and we actively cross-market a diverse portfolio of products to our customers to increase our content on the vehicles manufactured by these OEMs. These products include static and suspension seat systems, electronic wire harness assemblies, controls and switches, interior trim systems (including instrument panels, door panels, headliners, cabinetry and floor systems), mirrors and wiper systems specifically designed for applications in commercial vehicles. We have established operations in North America, Europe, Asia and Australia and are aggressively working to secure new business from both existing and new customers on a global basis.

Leverage Our Product Development Capabilities. Maximizing our specialized equipment and expertise, we continue to focus on our engineering and research and development activities so that we can meet the stringent demands of our global customers and end-users. As an example, we have developed several new products for our customers, including the GSX range of seating for global heavy truck applications, molded flooring and wiper products. We believe we will continue to design and develop new products that consider market and customer trends that will add or improve content and increase cab comfort and safety.

Capitalize on Operating Leverage. We continuously seek ways to lower costs, enhance product quality, improve manufacturing efficiencies and increase product throughput, and we continue to utilize our Lean

Table of Contents

Manufacturing and Total Quality Production System (TQPS) program philosophy. We believe our ongoing cost saving initiatives, supplier consolidation and sourcing efforts will enable us to continue to lower our manufacturing costs. As a result, we believe we are well positioned to improve our operating margins and capitalize on any volume increases with minimal additional capital expenditures.

Grow Sales to the Aftermarket. While commercial vehicles have a relatively long life, certain components, such as seats, wipers and mirrors, are replaced more frequently. We believe this provides increased opportunities for our aftermarket products as the number of vehicles in operation and the number of miles driven per vehicle increases. We believe that there are opportunities to leverage our brand recognition to increase our sales to the replacement aftermarket.

Pursue Strategic Acquisitions and Continue to Diversify Revenues. We may selectively pursue complementary strategic acquisitions that allow us to leverage the marketing, engineering and manufacturing strengths of our business and expand our revenues to new and existing customers. The markets in which we operate are fragmented and provide for consolidation opportunities. Our acquisitions have enabled us to become a global supplier with the capability to offer a broad range of products for a variety of end market applications. In addition, these acquisitions have allowed us to diversify our revenue base by customer, market, location or product offering.

Products

We offer OEMs a broad range of products and system solutions for a variety of end market vehicle applications that include local and long-haul commercial trucking, bus, construction, mining, agricultural, military, general industrial, marine, municipal, recreational and specialty vehicle. We believe fleets and OEMs continue to focus on cabs and interiors to differentiate their products and improve operator comfort and retention. Although a portion of our products are sold directly to OEMs as finished components, we also supply systems or subsystems, which are groups of component parts located throughout the vehicle that operate together to provide a specific vehicle function. Systems currently produced by us include cab bodies, sleeper boxes, seating, interior trim, body panels, storage cabinets, floor covering, mirrors, windshield wipers, headliners, temperature measurement devices and wire harnesses. We classify our products into five general categories: (1) seats and seating systems, (2) electronic wire harnesses and panel assemblies, (3) trim systems and components, (4) cab structures, sleeper boxes, body panels and structural components and (5) mirrors, wipers and controls.

See Notes 2 and 12 to our audited consolidated financial statements in Item 8 in this Annual Report on Form 10-K for information on our significant customer revenues and related receivables, as well as revenues by product category and geographical location.

Set forth below is a brief description of our products and their applications:

Seats and Seating Systems. We design, engineer and produce seating systems primarily for heavy trucks in North America and for commercial vehicles used in the construction and agricultural industries through our European and Asian operations. For the most part, our seats and seating systems are fully-assembled and ready for installation when they are delivered to the OEM. We offer a wide range of seats that include mechanical and air suspension seats, static seats and bus seats. As a result of our strong product design and product technology, we are a leader in designing seats with convenience features and enhanced safety. Seats and seating systems are the most complex and highly specialized products of our five product categories. Set forth below is a brief description of our principal products in this category:

Heavy Truck Seats. We produce seats and seating systems for heavy trucks primarily in our North American operations. Our heavy truck seating systems are designed to achieve maximum operator comfort by adding a wide range of manual and power features such as lumbar supports, cushion and back bolsters and leg and thigh supports. Our heavy truck seats are highly specialized based on a variety of different seating options offered in OEM product lines. Our seats are built to customer specifications in low volumes and consequently are produced in numerous combinations with a wide range of price points.

Table of Contents

We differentiate our seats from our competitors seats by focusing on driver safety, driver comfort, product durability and customer value. Our seats help improve driver retention, reduce workers compensation claims and decrease overall maintenance costs. Operators of heavy trucks recognize and are often given the opportunity to specify their choice of seat brands, and we strive to develop strong customer loyalty both with the commercial vehicle OEMs and among operators. We believe that we have superior technology and can offer a unique seat that is ergonomically designed, accommodates a range of operator sizes and absorbs shock to maximize operator comfort.

Construction and Other Commercial Vehicle Seats. We produce seats and seating systems for commercial vehicles used in the global construction and agricultural, bus, military, commercial transport and municipal industries. The principal focus of these seating systems is durability. These seats are ergonomically designed for difficult working environments and to provide comfort and control throughout the range of seats and chairs.

Other Seating Products. We also manufacture office seating products. Our office chair was developed as a result of our experience supplying seats for the heavy truck, agricultural and construction industries and is fully adjustable to maximize comfort at work. Our office chairs are available in a wide variety of colors and fabrics to suit many different office environments, such as emergency services, call centers, receptions, studios, boardrooms and general office.

Electronic Wire Harnesses and Panel Assemblies. We produce a wide range of electronic wire harnesses and electrical distribution systems and related assemblies as well as panel assemblies used in commercial vehicles and other equipment. Set forth below is a brief description of our principal products in this category.

Electronic Wire Harnesses. We offer a broad range of complex electronic wire harness assemblies that function as the primary current carrying devices used to provide electrical interconnections for gauges, lights, control functions, power circuits, powertrain and transmission sensors, emissions systems and other electronic applications on a commercial vehicle. Our wire harnesses are highly customized to fit specific end-user requirements. We provide our wire harnesses for a wide variety of commercial vehicles, tactical vehicles, specialty trucks, automotive and other specialty applications, including heavy construction and forestry machines and mining trucks.

Panel Assemblies. We assemble large, integrated components such as panel assemblies and cabinets for commercial vehicle OEMs and other heavy equipment manufacturers. The panels and cabinets we assemble are installed in key locations on a vehicle or unit of equipment, are integrated with our wire harness assemblies and provide user control over multiple operational functions and features.

Trim Systems and Components. We design, engineer and produce trim systems and components for the interior cabs of commercial vehicles. Our interior trim products are designed to provide a comfortable interior for the vehicle occupants, as well as a variety of functional and safety features. The wide variety of features that can be selected by the heavy truck customer makes trim systems and components a complex and highly specialized product category. Set forth below is a brief description of our principal products in this category:

Trim Products. Our trim products include A-Pillars, B-Pillars, door panels and interior trim panels. Door panels and interior trim panels consist of several component parts that are attached to a substrate. Specific components include vinyl or cloth-covered appliqués, armrests, map pocket compartments, carpet and sound-reducing insulation. Our products are attractive, lightweight solutions from a traditional cut and sew approach to a contemporary molded styling theme. The parts can be color matched or top good wrapped to integrate seamlessly with the rest of the interior.

Instrument Panels. We produce and assemble instrument panels that can be integrated with the rest of the interior trim. The instrument panel is a complex system of coverings and foam, plastic and metal parts designed to house various components and act as a safety device for the vehicle occupant.

Table of Contents

Body Panels (Headliners/Wall Panels). Headliners consist of a substrate and a finished interior layer made of fabrics and other materials. While headliners are an important contributor to interior aesthetics, they also provide insulation from road noise and can serve as carriers for a variety of other components, such as visors, overhead consoles, grab handles, coat hooks, electrical wiring, speakers, lighting and other electronic and electrical products. As the amount of electronic and electrical content available in vehicles has increased, headliners have emerged as an important carrier of electronic features such as lighting systems.

Storage Systems. Our modular storage units and custom cabinetry are designed to improve comfort and convenience for the operator. These storage systems are designed to be integrated with the interior trim. These units may be easily expanded and customized with features that include refrigerators, sinks and water reservoirs. Our storage systems are constructed with durable materials and designed to last the life of the vehicle.

Floor Covering Systems. We have an extensive and comprehensive portfolio of floor covering systems and dash insulators. Carpet flooring systems generally consist of tufted or non-woven carpet with a thermoplastic backcoating which, when heated, allows the carpet to be fitted precisely to the interior or trunk compartment of the vehicle. Additional insulation materials are added to minimize noise, vibration and harshness. Non-carpeted flooring systems, used primarily in commercial and fleet vehicles, offer improved wear and maintenance characteristics. The dash insulator separates the passenger compartment from the engine compartment and prevents engine noise and heat from entering the passenger compartment.

Sleeper Bunks. We offer a wide array of design choices for upper and lower sleeper bunks for heavy trucks. All parts of our sleeper bunks can be integrated to match the rest of the interior trim. Our sleeper bunks arrive at OEMs fully assembled and ready for installation.

Grab Handles and Armrests. Our grab handles and armrests are designed and engineered with specific attention to aesthetics, ergonomics and strength. Our products use a wide range of inserts and substrates for structural integrity. The integral urethane skin offers a soft touch and can be in-mold coated to specific colors.

Privacy Curtains. We produce privacy curtains for use in sleeper cabs. Our privacy curtains include features such as integrated color matching of both sides of the curtain, choice of cloth or vinyl, full black out features and low-weight.

Cab Structures, Sleeper Boxes, Body Panels and Structural Components. We design, engineer and produce complete cab structures, sleeper boxes, body panels and structural components for the commercial vehicle industry in North America. Set forth below is a description of our principal products in this category:

Cab Structures. We design, manufacture and assemble complete cab structures used primarily in heavy trucks for major commercial vehicle OEMs in North America. Our cab structures, which are manufactured from both steel and aluminum, are delivered to our customers fully assembled and primed for paint. Our cab structures are built to order based upon options selected by the vehicles end-users and delivered to the OEMs, in line sequence, as these end-users trucks are manufactured by the OEMs.

Sleeper Boxes. We design, manufacture and assemble sleeper boxes primarily for heavy trucks in North America. We manufacture both integrated sleeper boxes that are part of the overall cab structure as well as standalone assemblies depending on the customer application. Sleeper boxes are typically constructed using aluminum exterior panels in combination with steel structural components delivered to our customers in line sequence after the final seal and E-coat process.

Bumper Fascias and Fender Liners. Our highly durable, lightweight bumper fascias and fender liners are capable of withstanding repeated impacts that could deform an aluminum or steel bumper. We utilize a production technique that chemically bonds a layer of paint to the part after it has been molded, thereby enabling the part to keep its appearance even after repeated impacts.

Table of Contents

Body Panels and Structural Components. We produce a wide range of both steel and aluminum large exterior body panels and structural components for the internal production of our cab structures and sleeper boxes as well as being sold externally to certain commercial vehicle OEMs.

Mirrors, Wipers and Controls. We design, engineer and produce a wide range of mirrors, wipers and controls used in commercial vehicles. Set forth below is a brief description of our principal products in this category:

Mirrors. We offer a wide range of round, rectangular, motorized and heated mirrors and related hardware, including brackets, braces and side bars. Most of our mirror designs utilize stainless steel body, fasteners and support braces to ensure durability. We have introduced both road and outside temperature devices that are integrated into the mirror face or the vehicle s dashboard through our RoadWatch™ family of products. These systems are principally utilized by municipalities throughout North America to monitor surface temperatures and assist them in dispersing chemicals for snow and ice removal.

Windshield Wiper Systems. We offer application-specific windshield wiper systems and individual windshield wiper components for the commercial vehicle market. Our windshield wiper systems are generally delivered to the OEM fully assembled and ready for installation. A windshield wiper system is typically composed of a combination of an electric motor, linkages, arms, wiper blades, washer reservoirs and related pneumatic or electric pumps.

Controls. We offer a range of controls and control systems for window lifts, door locks and electric switch products.

Manufacturing

A description of the manufacturing processes we utilize for each of our principal product categories is set forth below:

Seats and Seating Systems. Our seating operations utilize a variety of manufacturing techniques whereby foam and various other components along with fabric, vinyl or leather are affixed to an underlying seat frame. We also manufacture and assemble the seat frame, which involves complex welding. Generally, we utilize outside suppliers to produce the individual components used to assemble the seat frame.

Electronic Wire Harnesses and Panel Assemblies. We utilize several manufacturing techniques to produce the majority of our electronic wire harnesses and panel assemblies. Our processes, both manual and automated, are designed to produce complex, low- to medium-volume wire harnesses and panel assemblies in short time frames. Our wire harnesses and panel assemblies are both electronically and hand tested.

Trim Systems and Components. Our interior systems process capabilities include injection molding, low-pressure injection molding, urethane molding and foaming processes, compression molding, heavy-gauge thermoforming and vacuum forming as well as various cutting, sewing, trimming and finishing methods.

Cab Structures, Sleeper Boxes, Body Panels and Structural Components. We utilize a wide range of manufacturing processes to produce the majority of the steel and aluminum stampings used in our cab structures, sleeper boxes, body panels and structural components and a variety of both robotic and manual welding techniques in the assembly of these products. In addition, we have facilities with large capacity, fully automated E-coat paint priming systems allowing us to provide our customers with a paint-ready cab product. Due to their high cost, full body E-coat systems, such as ours, are rarely found outside of the manufacturing operations of the major OEMs. We also have large press lines which provide us with the in-house manufacturing flexibility for both aluminum and steel stampings delivered just-in-time to our cab assembly plants.

Table of Contents

Mirrors, Wipers and Controls. We manufacture our mirrors, wipers and controls utilizing a variety of manufacturing processes and techniques. Our mirrors, wipers and controls are primarily hand assembled, tested and packaged.

We have a broad array of processes to offer our commercial vehicle OEM customers to enable us to meet their styling and cost requirements. We believe the vehicle cab is the most significant and appealing aspect to the operator of the vehicle, and consequently each commercial vehicle OEM has unique requirements as to feel, appearance and features.

The end markets for our products are highly specialized and our customers frequently request modified products in low volumes within an expedited delivery timeframe. As a result, we primarily utilize flexible manufacturing cells at the vast majority of our production facilities. Manufacturing cells are clusters of individual manufacturing operations and work stations grouped in a circular configuration, with the operators placed centrally within the configuration. This provides flexibility by allowing efficient changes to the number of operations each operator performs. When compared to the more traditional, less flexible assembly line process, cell manufacturing allows us to maintain our product output consistent with our OEM customers requirements and reduce the level of inventory.

When an end-user buys a commercial vehicle, the end-user will specify the seat and other features for that vehicle. Because each of our seating systems is unique, our manufacturing facilities have significant complexity which we manage by building in sequence. We build our seating systems as orders are received, and systems are delivered to the customer s rack in the sequence in which vehicles come down the assembly line. We have systems in place that allow us to provide complete customized interior kits in boxes that are delivered in sequence.

In many instances, we keep track of our build sequence by product identification numbers and components are identified by bar code. Sequencing reduces our cost of production because it eliminates warehousing costs and reduces waste and obsolescence, offsetting any increased labor costs. Several of our manufacturing facilities are strategically located near our customers assembly plants, which facilitates this process and minimizes shipping costs.

We employ just-in-time manufacturing and system sourcing in our operations to meet customer requirements for faster deliveries and to minimize our need to carry significant inventory levels. We utilize material systems to manage inventory levels and, in certain locations, we have inventory delivered as often as two times per day from a nearby facility based on the previous day s order. This eliminates the need to carry excess inventory at our facilities.

Within our cyclical industry, we strive to manage down cycles by running our facilities at capacity while maintaining the capability and flexibility to expand. We have plans to work with our employees and rely on their involvement to help minimize problems and re-align our capacity during fluctuating periods of increased or decreased production levels to achieve on-time delivery.

As a means to continuously enhance our operations, we utilize the TQPS philosophy throughout our operations. TQPS is our customized version of Lean Manufacturing and consists of a 32-hour interactive class that is taught by members of our management team. TQPS is an analytical process in which we analyze each of our manufacturing cells and identify the most efficient process to improve efficiency and quality. The goal is to achieve total cost management and continuous improvement. Some examples of TQPS-related improvements are: reduced labor to move parts around the facility, clear walking paths in and around manufacturing cells and increased safety. An ongoing goal is to reduce the time employees spend waiting for materials within a facility. In an effort to increase operational efficiency, improve product quality and provide additional capacity, we intend to continue to implement TQPS improvements at each of our manufacturing facilities.

Table of Contents

Raw Materials and Suppliers

A description of the principal raw materials we utilize for each of our principal product categories is set forth below:

Seats and Seating Systems. The principal raw materials used in our seat systems include steel, aluminum and foam related products and are generally readily available and obtained from multiple suppliers under various supply agreements. Leather, vinyl, fabric and certain components are also purchased from multiple suppliers under supply agreements. Typically, our supply agreements are for a term of at least one year and are terminable by us for breach or convenience.

Electronic Wire Harnesses and Panel Assemblies. The principal raw materials used to manufacture our electronic wire harnesses are wire and cable, connectors, terminals, switches, relays and various covering techniques involving braided yarn, braided copper, slit and non-slit conduit and foam molded via the reaction injection molding process. These raw materials are obtained from multiple suppliers and are generally readily available.

Trim Systems and Components. The principal raw materials used in our interior systems processes are resin and chemical products, foam, vinyl and fabric which are formed and assembled into end products. These raw materials are obtained from multiple suppliers, typically under supply agreements which are for a term of typically one year or more and terminable by us for breach or convenience.

Cab Structures, Sleeper Boxes, Body Panels and Structural Components. The principal raw materials used in our cab structures, sleeper boxes, body panels and structural components are steel and aluminum, the majority of which we purchase in sheets and stamp at our Shadyside, Ohio facility. These raw materials are generally readily available and obtained from several suppliers, typically under purchase contracts which fix price and supply for up to one year.

Mirrors, Wipers and Controls. The principal raw materials used to manufacture our mirrors, wipers and controls are steel, stainless steel and rubber, which are generally readily available and obtained from multiple suppliers. We also purchase sub-assembled products such as motors for our wiper systems and mirrors.

Our supply agreements generally provide for fixed pricing but do not require us to purchase any specified quantities. We have not experienced any significant shortages of raw materials and normally do not carry inventories of raw materials or finished products in excess of those reasonably required to meet production and shipping schedules, as well as service requirements. Steel, aluminum, petroleum-based products, copper, resin, foam, fabrics, wire and wire components comprise the most significant portion of our raw material costs. We typically purchase steel, copper and petroleum-based products at market prices that are fixed over varying periods of time less than a year. Due to the volatility in pricing over the last several years, we are using tools such as market index pricing and competitive bidding to assist in reducing our overall cost. We continue to closely align our customer pricing and material costs to minimize the impact of steel, copper and petrochemical price fluctuations. Certain component purchases and suppliers are directed by our customers, so we generally will pass through directly to the customer any cost changes from these components. We do not believe we are dependent on a single supplier or limited group of suppliers for our raw materials.

Customers and Marketing

We sell our products principally to the commercial vehicle OEM truck and construction markets. Approximately 47% and 25% of our 2011 revenues and approximately 40% and 23% of our 2010 revenues were derived from sales to commercial vehicle truck and construction OEMs, respectively, with the remainder of our revenues being generated principally from sales to the military and aftermarket and OEM service markets.

Table of Contents

The following is a summary of our significant revenues by end market based on final destination customers and markets for each of the three years ended December 31:

	2011	2010	2009
Heavy Truck OEM	47%	40%	48%
Construction	25	23	15
Aftermarket and OEM Service	14	14	14
Military	4	9	10
Bus	2	3	4
Agriculture	1	1	1
Other	7	10	8
Total	100%	100%	100%

Our principal customers include PACCAR, Volvo/Mack, Daimler Trucks, Caterpillar, International (Navistar), Deere & Co., Oshkosh Corporation, Komatsu and Skoda. We believe we are an important long-term supplier to all of our customers because of our comprehensive product offerings, leading brand names and product innovation.

The following is a summary of our significant revenues based on customers for the three years ended December 31:

	2011	2010	2009
PACCAR	18%	12%	14%
Volvo / Mack	14	11	10
Daimler Trucks	13	11	9
Caterpillar	11	12	7
International (Navistar)	9	11	16
Deere & Co.	4	3	2
Oshkosh Corporation	4	8	8
Komatsu	3	3	2
Skoda	2	2	2
Other	22	27	30
Total	100%	100%	100%

Except as set forth in the above table, no other customer accounted for more than 10% of our revenues for the three years ended December 31, 2011.

Our European, Asian, Australian and Mexican operations collectively contributed approximately 24%, 26%, and 20% of our revenues for the years ended December 31, 2011, 2010 and 2009, respectively. The change in revenue by geographic location in 2011 is primarily related to the impact of the economic conditions in these regions of the world and its related impact on end market demand.

Our OEM customers generally source business to us pursuant to written contracts, purchase orders or other firm commitments in terms of price, quality, technology and delivery. Awarded business generally covers the supply of all or a portion of a customer s production and service requirements for a particular product program rather than the supply of a specific quantity of products. In general, these contracts, purchase orders and commitments provide that the customer can terminate the contract, purchase order or commitment if we do not meet specified quality, delivery and cost requirements. Such contracts, purchase orders or other firm commitments generally extend for the entire life of a platform, which is typically five to seven years. Although these contracts, purchase orders or other commitments may be terminated at any time by our customers (but not

Table of Contents

by us), such terminations have been minimal and have not had a material impact on our results of operations. In order to reduce our reliance on any one vehicle model, we produce products for a broad cross section of both new and more established models.

Our contracts with our major OEM customers generally provide for an annual productivity cost reduction. These productivity cost reductions are generally calculated on an annual basis as a percentage of the previous year s purchases by each customer. The reduction is achieved through engineering changes, material cost reductions, logistics savings, reductions in packaging cost and labor efficiencies. Historically, most of these cost reductions have been offset by both internal reductions and through the assistance of our supply base, although no assurances can be given that we will be able to achieve such reductions in the future. If the annual productivity cost reduction targets are not achieved, the difference is recovered through price reductions. Our cost structure consists of a high percentage of variable costs that provides us with additional flexibility during economic cycles.

Our sales and marketing efforts with respect to our OEM sales are designed to create overall awareness of our engineering, design and manufacturing capabilities and to enable us to be selected to supply products for new and redesigned models by our OEM customers. Our sales and marketing staff works closely with our design and engineering personnel to prepare the materials used for bidding on new business, as well as to provide a consistent interface between us and our key customers. We currently have sales and marketing personnel located in every major region in which we operate. From time to time, we also participate in industry trade shows and advertise in industry publications. One of our ongoing initiatives is to negotiate and enter into long-term supply agreements with our existing customers that allow us to leverage all of our products to our commercial vehicle OEM customers.

Our principal customers for our aftermarket sales include OEM dealers and independent wholesale distributors. Our sales and marketing efforts for our aftermarket sales are focused on support of these two distribution chains, as well as direct contact with major fleets.

Backlog

We do not generally obtain long-term, firm purchase orders from our customers. Rather, our customers typically place annual blanket purchase orders, but these orders do not obligate them to purchase any specific or minimum amount of products from us until a release is issued by the customer under the blanket purchase order. Releases are typically placed within 30 to 90 days of required delivery and may be canceled at any time, in which case the customer would be liable for work in process and finished goods. We do not believe that our backlog of expected product sales covered by firm purchase orders is a meaningful indicator of future sales since orders may be rescheduled or canceled.

Competition

Within each of our principal product categories, we compete with a variety of independent suppliers and with OEMs in-house operations, primarily on the basis of price, breadth of product offerings, product quality, technical expertise, development capability, product delivery and product service. We believe we are one of the only suppliers in the North American commercial vehicle market that can offer complete cab system products, including interior systems (seats, interior trim and flooring systems), mirrors and wire harnesses with the cab structure. A summary of our estimated market position and primary independent competitors is set forth below:

Seats and Seating Systems. We believe that we have the number one market position in North America supplying seats and seating systems to the commercial vehicle heavy truck market. We also believe that we have the number one market position in supplying seats and seating systems to commercial vehicles used in the medium/heavy construction equipment industry on a worldwide basis. Our primary independent competitors in the North American commercial vehicle market include Sears Manufacturing Company, Grammer AG and Seats, Inc., and our primary competitors in the European and Asian commercial vehicle market include Grammer AG, Isringhausen and Tiancheng.

Table of Contents

Electronic Wire Harnesses and Panel Assemblies. We believe that we are a leading supplier of low- to medium-volume complex, electronic wire harnesses and related assemblies used in the global heavy equipment, commercial vehicle, heavy truck and specialty and military vehicle markets. Our principal competitors for electronic wire harnesses include large diversified suppliers such as Delphi, Forschner, Leoni, Nexans, PKC, Stoneridge, Sumitomo and Yazaki and smaller independent companies such as Fargo Assembly, St. Clair Technologies and Unlimited Services.

Trim Systems and Components. We believe that we have the number one market position in the North American commercial vehicle heavy truck market with respect to our soft interior trim products and a leading presence in the hard interior trim market. We face competition from a number of different competitors with respect to each of our trim system products and components. Overall, our primary independent competitors are ConMet, Inteva, Wilbur, Superior, Trim Masters Inc., Blachford Ltd. and Magna.

Cab Structures, Sleeper Boxes, Body Panels and Structural Components. We believe we are a leading non-captive supplier in the North American commercial vehicle heavy truck market with respect to our cab structural components, cab structures, sleeper boxes and body panels. Our principal competitors are Magna, Crenlo, Spartanburg Stamping and Defiance Metal Products.

Mirrors, Wipers and Controls. We believe that we are a leading supplier in the North American commercial vehicle heavy truck market with respect to our windshield wiper systems and mirrors. We face competition from a number of different competitors with respect to each of our principal products in this category. Our principal competitors for mirrors are Hadley, Lang-Mekra and Trucklite, and our principal competitors for windshield wiper systems are Doga, Wexco, Trico and Valeo.

Research and Development

We believe our state-of-the-art research and development center enables us to offer superior quality and technologically advanced products to our customers at competitive prices. From invention and discovery to concept, prototyping and production solutions, we offer industrial engineering, product design, CAE/FEA simulation and testing and evaluation services that are necessary in today s demanding markets. With state-of-the-art laboratories for virtual driving, acoustics, thermal efficiency, benchmarking, multi-axis durability, biomechanics, comfort, prototyping and process prove-out, we design complete integrated solutions for the end-user (heavy and medium duty trucks, construction and agriculture vehicles and niche vehicles) supporting the fleet manager and the OEM.

We engage in global engineering and research and development activities that improve the reliability, performance and cost-effectiveness of our existing products and support the design and development of new products for existing and new applications.

We work with our customers engineering and development teams at the beginning of the concept design process for new components and assemblies, or the redesign process for existing components and assemblies, in order to leverage production efficiency and quality. These processes may take place from one to three years prior to the commencement of production. Due to the compressive nature of our business, development time is critical. A new component takes between 12 and 24 months during the design phase, while the re-engineering of an existing part may take between one and six months. Early design involvement can result in a product that meets or exceeds the customer s design and performance requirements and is more efficient to manufacture. In addition, our extensive involvement enhances our position for bidding on such business. We work aggressively to ensure that our quality and delivery metrics distinguish us from our competitors.

We focus on bringing our customers integrated products that have superior content, comfort and safety. Consistent with our value-added engineering focus, we place a large emphasis on the relationships with the engineering departments of our customers. These relationships not only help us to identify new business

Table of Contents

opportunities but also enable us to compete based on the quality of our products and services, rather than exclusively on price.

We are currently involved in the design stage of several products for our customers and expect to begin production of these products in the years 2012 to 2014.

Intellectual Property

Our principal intellectual property consists of product and process technology, a limited number of U.S. and foreign patents, trade secrets, trademarks and copyrights. Although our intellectual property is important to our business operations and in the aggregate constitutes a valuable asset, we do not believe that any single patent, trade secret, trademark or copyright, or group of patents, trade secrets, trademarks or copyrights is critical to the success of our business. Our policy is to seek statutory protection for all significant intellectual property embodied in patents, trademarks and copyrights.

Our major product brands include CVG, Sprague Devices, Moto Mirror®, RoadWatch®, KAB Seating, National Seating, Bostrom Seating®, CIEB®, Stratos Seating®, Trim Systems, ComforTEK, FlameTEK and Mayflower Vehicle Systems®. We believe that our brands are valuable and are increasing in value with the growth of our business, but that our business is not dependent on such brands. We own U.S. federal trademark registrations for several of our brands.

Seasonality

OEMs production requirements can fluctuate as the demand for new vehicles softens during the holiday seasons in North America, Europe, Asia and Australia as OEM manufacturers generally close their production facilities at various times during the year.

Employees

As of December 31, 2011, we had approximately 6,356 permanent employees, of whom approximately 16% were salaried and the remainder were hourly. As of December 31, 2011, approximately 49% of the employees in our North American operations were unionized, and approximately 50% of our employees at our European, Asian and Australian operations were represented by shop steward committees. We did not experience any material strikes, lockouts or work stoppages during 2011 and consider our relationship with our employees to be satisfactory. On an as-needed basis during peak periods, contract and temporary employees are utilized. During periods of weak demand, we respond to reduced volumes through flexible scheduling, furloughs and reductions in force as necessary.

Environmental Matters

We are subject to foreign, federal, state and local laws and regulations governing the protection of the environment and occupational health and safety, including laws regulating air emissions, wastewater discharges, and the generation, storage, handling, use and transportation of hazardous materials; the emission and discharge of hazardous materials into the soil, ground or air; and the health and safety of our colleagues. We are also required to obtain permits from governmental authorities for certain of our operations. We cannot assure you that we are, or have been, in complete compliance with such environment and safety laws, regulations and permits. If we violate or fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators. In some instances, such a fine or sanction could have a material adverse effect on us. We are also subject to laws imposing liability for the cleanup of contaminated property. Under these laws, we could be held liable for costs and damages relating to contamination at our past or present facilities and at third-party sites to which we sent waste containing hazardous substances. The amount of such liability could be material.

Several of our facilities are either certified as, or are in the process of being certified as, ISO 9001, 14000 or 14001 (the international environmental management standard) compliant or are developing similar

Table of Contents

environmental management systems. Although we have made, and will continue to make, capital expenditures to implement such environmental programs and comply with environmental requirements, we do not expect to make material capital expenditures for environmental controls in the remainder of 2012 or in 2013. The environmental laws to which we are subject have become more stringent over time, and we could incur material costs or expenses in the future to comply with environmental laws.

Certain of our operations generate hazardous substances and wastes. If a release of such substances or wastes occurs at or from our properties, or at or from any offsite disposal location to which substances or wastes from our current or former operations were taken, or if contamination is discovered at any of our current or former properties, we may be held liable for the costs of cleanup and for any other response by governmental authorities or private parties, together with any associated fines, penalties or damages. In most jurisdictions, this liability would arise whether or not we had complied with environmental laws governing the handling of hazardous substances or wastes.

Government Regulations

Although the products we manufacture and supply to commercial vehicle OEMs are not subject to significant government regulation, our business is indirectly impacted by the extensive governmental regulation applicable to commercial vehicle OEMs. These regulations primarily relate to emissions and noise standards imposed by the Environmental Protection Agency (EPA), state regulatory agencies, such as the California Air Resources Board (CARB), and other regulatory agencies around the world. Commercial vehicle OEMs are also subject to the National Traffic and Motor Vehicle Safety Act and Federal Motor Vehicle Safety Standards promulgated by the National Highway Traffic Safety Administration. Changes in emission standards and other proposed governmental regulations could impact the demand for commercial vehicles and, as a result, indirectly impact our operations. For example, new emission standards governing heavy-duty (Class 8) diesel engines that went into effect in the U.S. on October 1, 2002 and January 1, 2007 resulted in significant purchases of new trucks by fleet operators prior to such date and reduced short term demand for such trucks in periods immediately following such date. New emission standards for truck engines used in Class 5 to 8 trucks imposed by the EPA and CARB became effective in 2010. In 2011, the EPA and National Highway Traffic Safety Administration adopted a program to reduce greenhouse gas emissions and improve the fuel efficiency of medium-and heavy-duty vehicles. These standards will phase in with increasing stringency in each model year from 2014 to 2018. Any changes in EPA or CARB regulations can have an impact on production volumes for new vehicles and, as a result, indirectly impact our operations. To the extent that current or future governmental regulation has a negative impact on the demand for commercial vehicles, our business, financial condition or results of operations could be adversely affected.

Available Information

We maintain a website on the Internet at www.cvgrp.com. We make available free of charge through our website, by way of a hyperlink to a third-party Securities Exchange Commission (SEC) filing website, our Annual Reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports electronically filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act of 1934. Such information is available as soon as such reports are filed with the SEC. Additionally, our Code of Ethics may be accessed within the Investor Relations section of our website. Information found on our website is not part of this Annual Report on Form 10-K or any other report filed with the SEC.

Table of Contents

Executive Officers of Registrant

The following table sets forth certain information with respect to our executive officers as of March 8, 2012:

Name	Age	Principal Position(s)
Gerald L. Armstrong	50	Executive Vice President and President & General Manager of Cab Systems
W. Gordon Boyd	64	Executive Vice President and President of Seating Systems
Mervin Dunn	58	President, Chief Executive Officer and Director
Kevin R.L. Frailey	45	Executive Vice President and President & General Manager of Electrical Systems
Chad M. Utrup	39	Executive Vice President, Chief Financial Officer and Secretary

The following biographies describe the business experience of our executive officers:

Gerald L. Armstrong has served as President and General Manager of Cab Systems since December 2008 and as Executive Vice President since March 2011. From November 2006 to December 2008, Mr. Armstrong served as President CVG Global Truck. From April 2004 to November 2006, Mr. Armstrong served as President CVG Americas and from July 2002 to April 2004 as Vice President and General Manager of National Seating and KAB North America. Prior to joining us, Mr. Armstrong served from 1995 to 2000 and from 2000 to July 2002 as Vice President and General Manager, respectively, of Gabriel Ride Control Products, a manufacturer of shock absorbers and related ride control products for the automotive and light truck markets, and a wholly-owned subsidiary of ArvinMeritor Inc. Mr. Armstrong began his service with ArvinMeritor Inc., a manufacturer of automotive and commercial vehicle components, modules and systems in 1987, and served in various positions of increasing responsibility within its light vehicle original equipment and aftermarket divisions before starting at Gabriel Ride Control Products. Prior to 1987, Mr. Armstrong held various positions of increasing responsibility including Quality Engineer and Senior Quality Supervisor and Quality Manager with Schlumberger Industries and Hyster Corporation.

W. Gordon Boyd has served as President of Seating Systems since January 2010 and as Executive Vice President since March 2011. From December 2008 to January 2010, Mr. Boyd served as Senior Advisor to the Chief Executive Officer. From November 2006 to December 2008, Mr. Boyd served as President CVG Global Construction. From June 2005 to November 2006, Mr. Boyd served as President CVG International and prior thereto served as our President Mayflower Vehicle Systems from the time we completed the acquisition of Mayflower in February 2005. Mr. Boyd joined Mayflower Vehicle Systems U.K. as Manufacturing Director in 1993. In 2002, Mr. Boyd became President and Chief Executive Officer of MVS, Inc.

Mervin Dunn has served as a director since August 2004 and as our President and Chief Executive Officer since June 2002, and prior thereto served as the President of Trim Systems, commencing upon his joining us in October 1999. From 1998 to 1999, Mr. Dunn served as the President and Chief Executive Officer of Bliss Technologies, a heavy metal stamping company. From 1988 to 1998, Mr. Dunn served in a number of key leadership roles at Arvin Industries, including Vice President of Operating Systems (Arvin North America), Vice President of Quality, and President of Arvin Ride Control. From 1985 to 1988, Mr. Dunn held several key management positions in engineering and quality assurance at Johnson Controls Automotive Group, an automotive trim company, including Division Quality Manager. From 1980 to 1985, Mr. Dunn served in a number of management positions for engineering and quality departments of Hyster Corporation, a manufacturer of heavy lift trucks. Mr. Dunn also currently serves as a director of Transdigm Group, Inc.

Table of Contents

Kevin R.L. Frailey has served as President and General Manager of Electrical Systems since July 2010 and as Executive Vice President since March 2011. From December 2008 to July 2010, Mr. Frailey served as the Executive Vice President and General Manager for Electrical Systems and prior thereto served as the Executive Vice President of Business Development from February 2007 to December 2008. Prior to joining us, Mr. Frailey served as Vice President and General Manager for Joint Ventures and Business Strategy at ArvinMeritor s Emissions Technologies Group from 2003 to early 2007. From 1988 to 2007, Mr. Frailey held several key management positions in engineering, sales and worldwide supplier development at ArvinMeritor. In addition, during that time Mr. Frailey served on the boards of various joint ventures, most notably those of Arvin Sango, Inc., and AD Tech Co., Ltd.

Chad M. Utrup has served as the Chief Financial Officer since January 2003 and as an Executive Vice President since January 2009, and prior thereto served as the Vice President of Finance at Trim Systems since 2000. Prior to joining us in February 1998, Mr. Utrup served as a project management group member at Electronic Data Systems. While with Electronic Data Systems, Mr. Utrup s responsibilities included financial support and implementing cost recovery and efficiency programs at various Delphi Automotive Systems support locations. Mr. Utrup also currently serves as a director of Roadrunner Transportation Systems, Inc.

Item 1A. ***Risk Factors***

You should carefully consider the risks described below before making an investment decision.

If any of these certain risks and uncertainties were to actually occur, our business, financial condition or results of operations could be materially adversely affected. In such case, the trading price of our common stock could decline and you may lose all or part of your investment.

The agreement governing our revolving credit facility contains financial covenants, and that agreement and the indenture governing our 7.875% senior secured notes due 2019 (the 7.875% notes) contain other covenants that may restrict our current and future operations, particularly our ability to respond to changes in our business or to take certain actions. If we are unable to comply with these covenants, our business, results of operations and liquidity could be materially and adversely affected.

We entered into an amended and restated loan and security agreement on April 26, 2011, which amended and restated the loan agreement, dated January 7, 2009 (as amended, the Loan and Security Agreement), which governs our revolving credit facility (as amended, the revolving credit facility). Under the revolving credit facility, we are required, under certain circumstances, to comply with a fixed charge coverage ratio covenant, as described in more detail under Management s Discussion and Analysis Liquidity and Capital Resources Debt and Credit Facilities Revolving Credit Facility. We continue to operate in a challenging economic environment, and our ability to comply with the covenants in the Loan and Security Agreement may be affected in the future by economic or business conditions beyond our control. If we do not comply with the financial and other covenants in the Loan and Security Agreement and we are unable to obtain necessary waivers or amendments from the lender, we would be precluded from borrowing under the Loan and Security Agreement, which could have a material adverse effect on our business, financial condition and liquidity. If we are unable to borrow under the Loan and Security Agreement, we will need to meet our capital requirements using other sources and alternative sources of liquidity may not be available on acceptable terms. In addition, if we do not comply with the financial and other covenants in the Loan and Security Agreement, the lender could declare an event of default under the Loan and Security Agreement, and our indebtedness thereunder could be declared immediately due and payable, which would also result in an event of default under the 7.875% notes. The lender under the Loan and Security Agreement would also have the right in these circumstances to terminate any commitments it has to provide further borrowings. Any of these events would have a material adverse effect on our business, financial condition and liquidity.

Table of Contents

In addition, the Loan and Security Agreement contains covenants that, among other things, restrict our ability to:

- incur liens;
- incur or assume additional debt or guarantees or issue preferred stock;
- pay dividends, or make redemptions and repurchases, with respect to capital stock;
- prepay, or make redemptions and repurchases of, subordinated debt;
- make loans and investments;
- make capital expenditures;
- engage in mergers, acquisitions, asset sales, sale/leaseback transactions and transactions with affiliates;
- place restrictions on the ability of subsidiaries to pay dividends or make other payments to the issuer;
- change the business conducted by us or our subsidiaries; and
- amend the terms of subordinated debt.

The indenture governing the 7.875% notes also contain restrictive covenants. The operating and financial restrictions and covenants in this debt agreement and any future financing agreements may adversely affect our ability to finance future operations or capital needs or to engage in other business activities.

Our substantial amount of indebtedness may adversely affect our cash flow and our ability to operate our business, remain in compliance with debt covenants and make payments on our indebtedness.

The aggregate amount of our outstanding indebtedness was $250.0 million as of December 31, 2011. Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness. Our indebtedness, combined with our lease and other financial obligations and contractual commitments could have other important consequences to our stockholders. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness, including the revolving credit facility and the 7.875% notes, and any failure to comply with the obligations of any of our debt instruments, including financial and other restrictive covenants, could result in an event of default under the revolving credit facility and the indenture governing the 7.875% notes;

make us more vulnerable to adverse changes in general economic, industry and competitive conditions and adverse changes in government regulation;

require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flows to fund working capital, capital expenditures, acquisitions and other general corporate purposes;

limit our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

place us at a competitive disadvantage compared to our competitors that have less debt; and

limit our ability to borrow additional amounts for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy or other purposes.

Any of the above listed factors could materially adversely affect our business, financial condition and results of operations.

Table of Contents

The agreement governing the revolving credit facility and the indenture governing the 7.875% notes contain restrictive covenants that limit our ability to engage in activities that may be in our long-term best interests. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt.

Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could harm our business, financial condition and results of operations. We may not be able to refinance or restructure our indebtedness before it becomes due.

Our ability to pay interest on and principal of the revolving credit facility, the 7.875% notes and to satisfy our other debt obligations will depend principally upon our future operating performance. As a result, prevailing economic conditions and financial, business and other factors, many of which are beyond our control, will affect our ability to make these payments.

Our revolving credit facility is due in 2014, and the 7.875% notes are due in 2019. We may not be able to refinance or restructure our revolving credit facility or our long-term debt before it becomes due. If we do not generate sufficient cash flow from operations to satisfy our debt service obligations, including payments on the revolving credit facility and the 7.875% notes, we may have to undertake alternative financing plans, such as refinancing or restructuring our indebtedness, selling assets, reducing or delaying capital investments or seeking to raise additional capital. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of the Loan and Security Agreement and the indenture governing the 7.875% notes, or any agreements governing any future debt instruments, restrict us from adopting some of these alternatives. In addition, any failure to make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on acceptable terms. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance our obligations at all or on commercially reasonable terms, would have an adverse effect, which could be material, on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations in respect of our long-term debt.

Provisions in our charter documents and Delaware law could discourage potential acquisition proposals, could delay, deter or prevent a change in control and could limit the price certain investors might be willing to pay for our stock.

Certain provisions of our certificate of incorporation and by-laws may inhibit changes in control of our company not approved by our board of directors. These provisions include:

- a classified board of directors with staggered terms;
- a prohibition on stockholder action through written consents;
- a requirement that special meetings of stockholders be called only by the board of directors;
- advance notice requirements for stockholder proposals and director nominations;
- limitations on the ability of stockholders to amend, alter or repeal the by-laws; and
- the authority of the board of directors to issue, without stockholder approval, preferred stock with such terms as the board of directors may determine and additional shares of our common stock.

We are also afforded the protections of Section 203 of the Delaware General Corporation Law, which would prevent us from engaging in a business combination with a person who becomes a 15% or greater stockholder for a period of three years from the date such person acquired

such status unless certain board or stockholder approvals were obtained. These provisions could limit the price that certain investors might be willing to pay in the future for shares of our common stock.

Volatility and cyclicality in the commercial vehicle market could adversely affect us.

Table of Contents

Our profitability depends in part on the varying conditions in the commercial vehicle market. This market is subject to considerable volatility as it moves in response to cycles in the overall business environment and is particularly sensitive to the industrial sector of the economy, which generates a significant portion of the freight tonnage hauled. Sales of commercial vehicles have historically been cyclical, with demand affected by such economic factors as industrial production, construction levels, demand for consumer durable goods, interest rates and fuel costs. For example, North American commercial vehicle sales and production experienced a downturn from 2000 to 2003 due to a confluence of events that included a weak economy, an oversupply of new and used vehicle inventory and lower spending on commercial vehicles and equipment. In addition, North American commercial vehicle sales and production experienced a downturn during 2007 and 2008 as a result of preorders in 2006 in anticipation of the new EPA emission standards becoming effective in 2007 and general weakness in the North American economy and corresponding decline in the need for heavy truck commercial vehicles to haul freight tonnage in North America, among other factors. These downturns had a material adverse effect on our business during the same periods. North American Class 8 production levels in 2009 were down approximately 42% over 2008 as the overall weakness in the North American economy and credit markets continued to put pressure on the demand for new vehicles. In addition, tightening of credit in financial markets may continue to adversely affect the ability of our customers to obtain financing for significant truck orders. Although North American Class 8 production in 2011 increased approximately 66% over the prior year period, we cannot provide any assurance as to the length or level of the recovery from the recent decline, and any further decline would have an adverse impact on our business and results of operations. Any extended downturn could again materially affect our business and results of operations. We also cannot predict that the industry will follow past cyclical patterns that might include strong preorders in advance of new emissions standards or declines driven by post-EPA standards or economic conditions. If unit production of Class 8 heavy trucks does not continue to recover, it may continue to adversely affect our business and results of operations.

Volatility in the commercial vehicle market could result from manmade and natural disasters and other global business disruptions.
Volatility in the commercial vehicle market could result from manmade and natural disasters and other global business disruptions. Such catastrophic events may disrupt the commercial vehicle supply chain and materially adversely affect global production levels in our industry. The impact from disasters that result in wide-spread destruction may not be immediately apparent. It is particularly difficult to assess the impact of catastrophic losses on our suppliers and end customers, who themselves may not fully understand the impact of such events on their businesses. Accordingly, there is no assurance that our results of operations will not be materially affected as a result of the impact of future disasters.

Our results of operations could be significantly adversely affected by a continuing, or any future, downturn in the U.S. and global economy.
Demand for our heavy truck products is generally dependent on the number of new heavy truck commercial vehicles manufactured in North America. Historically, the demand for heavy truck commercial vehicles has significantly declined during periods of weakness in the North American economy and the corresponding decline in the need for commercial vehicles to haul freight tonnage in North America.

Demand for our construction products is also dependent on the overall vehicle demand for new commercial vehicles in the global construction equipment market. Demand in the medium/heavy construction equipment market, which is the market in which our products are primarily used, is typically related to the level of larger-scale infrastructure development projects. Demand in the light construction equipment market is typically related to certain economic conditions such as the level of housing construction and other smaller-scale developments and projects. Downturns in the economy are usually accompanied by related declines in infrastructure development and other construction projects.

Accordingly, our results of operations are directly impacted by changes in the U.S. economy and global economic conditions. The substantial downturn in the U.S. and global economies in 2009 significantly lowered demand for our products. This lower demand reduced our revenues by approximately 40% for the year ended

Table of Contents

December 31, 2009 compared to the prior year period and reduced our operating income. In 2010 and continuing into 2011, the heavy truck and global construction markets showed signs of recovery. If the global economy and the financial markets do not continue to recover, we expect that low demand for our products could continue to have a negative impact on our revenues, operating results and financial position. Any prolonged recession could result in lower earnings and reduced cash flow that, over time, could have a material adverse impact on our ability to fund our operations and capital requirements.

Current economic conditions and disruptions in the credit and financial markets could have an adverse effect on our business, financial condition and results of operations.

Recently, the financial markets experienced a period of unprecedented turmoil, including the bankruptcy, restructuring or sale of certain financial institutions and the intervention of the U.S. federal government. While the ultimate outcome of these events cannot be predicted, they may have a material adverse effect on our liquidity and financial condition if our ability to borrow money to finance our operations were to be impaired. The crisis in the financial markets may also have a material adverse impact on the availability and cost of credit in the future. Our ability to pay our debt or refinance our obligations under the Loan and Security Agreement and the other agreements governing our outstanding indebtedness (including the indenture governing the 7.875% notes) will depend on our future performance, which will be affected by, among other things, prevailing economic conditions. We believe the tightening of credit in financial markets has also adversely affected the ability of our customers to obtain financing for significant truck orders and the ability of our suppliers to provide us with sufficient raw materials for our products. If the credit markets do not improve or if there is any future tightening of those markets, our customers ability to finance the purchase of new commercial vehicles or our suppliers ability to provide us with raw materials may be adversely impacted, either of which could adversely affect our business and results of operations.

Our profitability could be adversely affected if the actual production volumes for our customers vehicles are significantly lower than expected.

We incur costs and make capital expenditures based upon estimates of production volumes for our customers vehicles. While we attempt to establish a price for our components and systems that will compensate for variances in production volumes, if the actual production of these vehicles is significantly less than anticipated, our gross margin on these products would be adversely affected. We enter into agreements with our customers at the beginning of a given platform s life to supply products for that platform. Once we enter into such agreements, fulfillment of our purchasing requirements is our obligation for the entire production life of the platform, with terms ranging from five to seven years, and we have no provisions to terminate such contracts. We may become committed to supply products to our customers at selling prices that are not sufficient to cover the direct cost to produce such products. We cannot predict our customers demands for our products either in the aggregate or for particular reporting periods. If customers representing a significant amount of our revenues were to purchase materially lower volumes than expected, it would have a material adverse effect on our business, financial condition and results of operations.

Our major OEM customers may exert significant influence over us.

The commercial vehicle component supply industry has traditionally been highly fragmented and serves a limited number of large OEMs. As a result, OEMs have historically had a significant amount of leverage over their outside suppliers. Our contracts with major OEM customers generally provide for an annual productivity cost reduction. Historically, cost reductions through product design changes, increased productivity and similar programs with our suppliers have generally offset these customer-imposed productivity cost reduction requirements. However, if we are unable to generate sufficient production cost savings in the future to offset price reductions, our gross margin and profitability would be adversely affected. In addition, changes in OEMs purchasing policies or payment practices could have an adverse effect on our business.

We may be unable to successfully implement our business strategy and, as a result, our businesses and financial position and results of operations could be materially and adversely affected.

Table of Contents

Our ability to achieve our business and financial objectives is subject to a variety of factors, many of which are beyond our control. For example, we may not be successful in implementing our strategy if unforeseen factors emerge that diminish the expected growth in the commercial vehicle markets we supply, or we experience increased pressure on our margins. In addition, we may not succeed in integrating strategic acquisitions, and our pursuit of additional strategic acquisitions may lead to resource constraints, which could have a negative impact on our ability to meet customers demands, thereby adversely affecting our relationships with those customers. As a result of such business or competitive factors, we may decide to alter or discontinue aspects of our business strategy and may adopt alternative or additional strategies. Any failure to successfully implement our business strategy could adversely affect our business, results of operations and growth potential.

Developing product innovations has been and will continue to be a significant part of our business strategy. We believe that it is important that we continue to meet our customers demands for product innovation, improvement and enhancement, including the continued development of new-generation products, design improvements and innovations that improve the quality and efficiency of our products. However, such development will require us to continue to invest in research and development and sales and marketing. In the future, we may not have sufficient resources to make such necessary investments, or we may be unable to make the technological advances necessary to carry out product innovations sufficient to meet our customers demands. We are also subject to the risks generally associated with product development, including lack of market acceptance, delays in product development and failure of products to operate properly. We may, as a result of these factors, be unable to meaningfully focus on product innovation as a strategy and may therefore be unable to meet our customers demands for product innovation.

If we are unable to obtain raw materials at favorable prices, it could adversely impact our results of operations and financial condition.

Numerous raw materials are used in the manufacture of our products. Steel, aluminum, petroleum-based products, copper, resin, foam, fabrics, wire and wire components account for the most significant portion of our raw material costs. Although we currently maintain alternative sources for raw materials, our business is subject to the risk of price increases and periodic delays in delivery. For example, we are currently being assessed surcharges on certain purchases of steel, copper and other raw materials. If we are unable to purchase certain raw materials required for our operations for a significant period of time, our operations would be disrupted, and our results of operations would be adversely affected. In addition, if we are unable to pass on the increased costs of raw materials to our customers, this could adversely affect our results of operations and financial condition.

We may be unable to complete additional strategic acquisitions or we may encounter unforeseen difficulties in integrating acquisitions.

We may pursue additional acquisition targets that will allow us to continue to expand into new geographic markets, add new customers, provide new product, manufacturing and service capabilities and increase penetration with existing customers. However, we expect to face competition for acquisition candidates, which may limit the number of our acquisition opportunities and may lead to higher acquisition prices. Moreover, acquisitions of businesses may require additional debt financing, resulting in additional leverage. The covenants in the Loan and Security Agreement and the indenture governing the 7.875% notes may further limit our ability to complete acquisitions. There can be no assurance that we will find attractive acquisition candidates or successfully integrate acquired businesses into our existing business. If we fail to complete additional acquisitions, we may have difficulty competing with more thoroughly integrated competitors and our results of operations could be adversely affected. To the extent that we do complete additional acquisitions, if the expected synergies from such acquisitions do not materialize or we fail to successfully integrate such new businesses into our existing businesses, our results of operations could also be adversely affected.

We may be adversely impacted by labor strikes, work stoppages and other matters.

Table of Contents

The hourly workforces at our Shadyside, Ohio facility and Mexico operations are unionized. The unionized employees at these facilities represented approximately 49% of our employees in our North American operations as of December 31, 2011. We have experienced limited unionization efforts at certain of our other North American facilities from time to time. In addition, approximately 50% of our employees at our European, Asian and Australian operations were represented by a shop steward committee, which may seek to limit our flexibility in our relationship with these employees. We cannot assure you that we will not encounter future unionization efforts or other types of conflicts with labor unions or our employees.

Many of our OEM customers and their suppliers also have unionized work forces. Work stoppages or slow-downs experienced by OEMs or their other suppliers could result in slow-downs or closures of assembly plants where our products are included in assembled commercial vehicles. In the event that one or more of our customers or their suppliers experience a material work stoppage, such work stoppage could have a material adverse effect on our business.

Our businesses are subject to statutory environmental and safety regulations in multiple jurisdictions, and the impact of any changes in regulation and/or the violation of any applicable laws and regulations by our businesses could result in a material and adverse effect on our financial condition and results of operations.

We are subject to foreign, federal, state, and local laws and regulations governing the protection of the environment and occupational health and safety, including laws regulating air emissions, wastewater discharges, generation, storage, handling, use and transportation of hazardous materials; the emission and discharge of hazardous materials into the soil, ground or air; and the health and safety of our colleagues. We are also required to obtain permits from governmental authorities for certain of our operations. We cannot assure you that we are, or have been, in complete compliance with such environmental and safety laws, regulations and permits. If we violate or fail to comply with these laws, regulations or permits, we could be fined or otherwise sanctioned by regulators. In some instances, such a fine or sanction could have a material and adverse effect on us. The environmental laws to which we are subject have become more stringent over time, and we could incur material expenses in the future to comply with environmental laws. We are also subject to laws imposing liability for the cleanup of contaminated property. Under these laws, we could be held liable for costs and damages relating to contamination at our past or present facilities and at third party sites to which we sent waste containing hazardous substances. The amount of such liability could be material.

Several of our facilities are either certified as, or are in the process of being certified as ISO 9001, 14000, 14001 or TS16949 (the international environmental management standard) compliant or are developing similar environmental management systems. Although we have made, and will continue to make, capital expenditures to implement such environmental programs and comply with environmental requirements, we do not expect to make material capital expenditures for environmental controls in 2012 or 2013. The environmental laws to which we are subject have become more stringent over time, and we could incur material costs or expenses in the future to comply with environmental laws.

Certain of our operations generate hazardous substances and wastes. If a release of such substances or wastes occurs at or from our properties, or at or from any offsite disposal location to which substances or wastes from our current or former operations were taken, or if contamination is discovered at any of our current or former properties, we may be held liable for the costs of cleanup and for any other response by governmental authorities or private parties, together with any associated fines, penalties or damages. In most jurisdictions, this liability would arise whether or not we had complied with environmental laws governing the handling of hazardous substances or wastes.

We may be adversely affected by the impact of government regulations on our OEM customers.

Although the products we manufacture and supply to commercial vehicle OEMs are not subject to significant government regulation, our business is indirectly impacted by the extensive governmental regulation

Table of Contents

applicable to commercial vehicle OEMs. These regulations primarily relate to emissions and noise standards imposed by the U.S. Environmental Protection Agency (EPA), state regulatory agencies in North America, such as the California Air Resources Board (CARB), and other regulatory agencies around the world. Commercial vehicle OEMs are also subject to the National Traffic and Motor Vehicle Safety Act and Federal Motor Vehicle Safety Standards promulgated by the National Highway Traffic Safety Administration in the U.S. Changes in emission standards and other proposed governmental regulations could impact the demand for commercial vehicles and, as a result, indirectly impact our operations. For example, new emission standards governing heavy-duty (Class 8) diesel engines that went into effect in the U.S. on October 1, 2002 and January 1, 2007 resulted in significant purchases of new trucks by fleet operators prior to such dates and reduced short term demand for such trucks in periods immediately following such dates. New emission standards for truck engines used in Class 5 to 8 trucks imposed by the EPA and CARB became effective in 2010. In 2011, the EPA and National Highway Traffic Safety Administration adopted a program to reduce greenhouse gas emissions and improve the fuel efficiency of medium-and heavy-duty vehicles. These standards will phase in with increasing stringency in each model year from 2014 to 2018. To the extent that current or future governmental regulation has a negative impact on the demand for commercial vehicles, our business, financial condition or results of operations could be adversely affected.

Our customer base is concentrated and the loss of business from a major customer or the discontinuation of particular commercial vehicle platforms could reduce our revenues.

Sales to PACCAR, Volvo/Mack, Daimler Trucks, Caterpillar, International (Navistar), Deere & Co. and Oshkosh Trucks accounted for approximately 18%, 14%, 13%, 11%, 9%, 4% and 4%, respectively, of our revenue in 2011, and our ten largest customers accounted for approximately 78% of our revenue in 2011. The loss of any of our largest customers or the loss of significant business from any of these customers could have a material adverse effect on our business, financial condition and results of operations. Even though we may be selected as the supplier of a product by an OEM for a particular vehicle, our OEM customers issue blanket purchase orders which generally provide for the supply of that customer s annual requirements for that vehicle, rather than for a specific number of our products. If the OEM s requirements are less than estimated, the number of products we sell to that OEM will be accordingly reduced. In addition, the OEM may terminate its purchase orders with us at any time.

Currency exchange rate fluctuations could have an adverse effect on our revenues and results of operations.

We have operations in Europe, Asia, Australia and Mexico, which accounted in the aggregate for approximately 24% of our revenues in 2011. As a result, we generate a significant portion of our sales and incur a significant portion of our expenses in currencies other than the U.S. dollar. To the extent that we are unable to match revenues received in foreign currencies with costs paid in the same currency, exchange rate fluctuations in any such currency could have an adverse effect on our financial results.

We are subject to certain risks associated with our foreign operations.

We have operations in Europe, Asia, Australia and Mexico, which accounted in the aggregate for approximately 24%, 26% and 20% of our total revenues for the years ended December 31, 2011, 2010 and 2009, respectively. There are certain risks inherent in our international business activities including, but not limited to:

- the difficulty of enforcing agreements and collecting receivables through certain foreign legal systems;
- foreign customers, who may have longer payment cycles than customers in the U.S.;
- tax rates in certain foreign countries, which may exceed those in the U.S. withholding requirements or the imposition of tariffs, exchange controls or other restrictions, including restrictions on repatriation, on foreign earnings;
- intellectual property protection difficulties;

28

Table of Contents

general economic and political conditions in countries where we operate, which may have an adverse effect on our operations in those countries;

the difficulties associated with managing a large organization spread throughout various countries; and

complications in complying with a variety of foreign laws and regulations, which may conflict with U.S. law.

As we continue to expand our business on a global basis, we are increasingly exposed to these risks. Our success will be dependent, in part, on our ability to anticipate and effectively manage these and other risks associated with foreign operations. We cannot assure you that these and other factors will not have a material adverse effect on our international operations or our business, financial condition or results of operations as a whole.

Our inability to compete effectively in the highly competitive commercial vehicle component supply industry could result in lower prices for our products, reduced gross margins and loss of market share, which could have an adverse effect on our revenues and operating results.

The commercial vehicle component supply industry is highly competitive. Some of our competitors are companies, or divisions or subsidiaries of companies that are larger and have greater financial and other resources than we do. In some cases, we compete with divisions of our OEM customers. For example, the closing of our Norwalk, Ohio truck cab assembly facility in 2010 was a result of Navistar s decision to insource the cab assembly operations that we performed in that facility into its existing assembly facility in Escobedo, Mexico. Our products primarily compete on the basis of price, breadth of product offerings, product quality, technical expertise and development capability, product delivery and product service. Increased competition may lead to price reductions resulting in reduced gross margins and loss of market share.

Current and future competitors may make strategic acquisitions or establish cooperative relationships among themselves or with others, foresee the course of market development more accurately than we do, develop products that are superior to our products, produce similar products at lower cost than we can or adapt more quickly to new technologies, industry or customer requirements. By doing so, they may enhance their ability to meet the needs of our customers or potential future customers. These developments could limit our ability to obtain revenues from new customers and to maintain existing revenues from our customer base. We may not be able to compete successfully against current and future competitors and the failure to do so may have a material adverse effect on our business, operating results and financial condition.

Our products may be rendered less attractive by changes in competitive technologies.

Changes in competitive technologies may render certain of our products less attractive. Our ability to anticipate changes in technology and to successfully develop and introduce new and enhanced products on a timely basis will be a significant factor in our ability to remain competitive. There can be no assurance that we will be able to achieve the technological advances that may be necessary for us to remain competitive. We are also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance, delays in product development and failure of products to operate properly.

If we are unable to recruit or retain skilled personnel, or if we lose the services of any of our key management personnel, our business, operating results and financial condition could be materially adversely affected.

Our future success depends on our continuing ability to attract, train, integrate and retain highly skilled personnel. Competition for these employees is intense. We may not be able to retain our current key employees or attract, train, integrate or retain other highly skilled personnel in the future. Our future success also depends in large part on the continued service of key management personnel, particularly our key executive officers. If we lose the services of one or more of these individuals or other key personnel, or if we are unable to attract, train,

Table of Contents

integrate and retain the highly skilled personnel we need, our business, operating results and financial condition could be materially adversely affected.

We have only limited protection for our proprietary rights in our intellectual property, which makes it difficult to prevent third parties from infringing upon our rights.

Our success depends to a certain degree on our ability to protect our intellectual property and to operate without infringing on the proprietary rights of third parties. While we have been issued patents and have registered trademarks with respect to many of our products, our competitors could independently develop similar or superior products or technologies, duplicate our designs, trademarks, processes or other intellectual property or design around any processes or designs on which we have or may obtain patents or trademark protection. In addition, it is possible that third parties may have or acquire licenses for other technology or designs that we may use or desire to use, so that we may need to acquire licenses to, or to contest the validity of, such patents or trademarks of third parties. Such licenses may not be made available to us on acceptable terms, if at all, and we may not prevail in contesting the validity of third party rights.

In addition to patent and trademark protection, we also protect trade secrets, know-how and other confidential information against unauthorized use by others or disclosure by persons who have access to them, such as our employees, through contractual arrangements. These arrangements may not provide meaningful protection for our trade secrets, know-how or other proprietary information in the event of any unauthorized use, misappropriation or disclosure of such trade secrets, know-how or other proprietary information. If we are unable to maintain the proprietary nature of our technologies, our revenues could be materially adversely affected.

Our products may be susceptible to claims by third parties that our products infringe upon their proprietary rights.

As the number of products in our target markets increases and the functionality of these products further overlaps, we may become increasingly subject to claims by a third party that our technology infringes such party s proprietary rights. Regardless of their merit, any such claims could be time consuming and expensive to defend, may divert management s attention and resources, could cause product shipment delays and could require us to enter into costly royalty or licensing agreements. If successful, a claim of infringement against us and our inability to license the infringed or similar technology and/or product could have a material adverse effect on our business, operating results and financial condition.

The market price of our common stock may continue to be extremely volatile.

Our stock price has fluctuated since our initial public offering in August 2004. The trading price of our common stock is subject to significant fluctuations in response to variations in quarterly operating results, including foreign currency exchange fluctuations, the gain or loss of significant orders, changes in earnings estimates by analysts, announcements of technological innovations or new products by us or our competitors, general conditions in the commercial vehicle industry and other events or factors. In addition, the equity markets in general have recently experienced significant disruptions which have caused substantial volatility in the market price for many companies in industries similar or related to that of ours and which have been unrelated to the operating performance of these companies. These market fluctuations may have affected and may continue to affect the market price of our common stock.

Our operating results, revenues and expenses may fluctuate significantly from quarter-to-quarter or year-to-year, which could have an adverse effect on the market price of our common stock.

For a number of reasons, including but not limited to, those described below, our operating results, revenues and expenses have in the past varied and may in the future vary significantly from quarter-to-quarter or year-to-year. These fluctuations could have an adverse effect on the market price of our common stock.

Table of Contents

Fluctuations in Quarterly or Annual Operating Results. Our operating results may fluctuate as a result of:

- the size, timing, volume and execution of significant orders and shipments;
- changes in the terms of our sales contracts;
- the timing of new product announcements;
- changes in our pricing policies or those of our competitors;
- market acceptance of new and enhanced products;
- the length of our sales cycles;
- changes in our operating expenses;
- personnel changes;
- new business acquisitions;
- changes in foreign currency exchange rates; and
- seasonal factors.

Limited Ability to Adjust Expenses. We base our operating expense budgets primarily on expected revenue trends. Certain of our expenses are relatively fixed and as such we may be unable to adjust expenses quickly enough to offset any unexpected revenue shortfall. Accordingly, any shortfall in revenue may cause significant variation in operating results in any quarter or year.

Based on the above factors, we believe that quarter-to-quarter or year-to-year comparisons of our operating results may not be a good indication of our future performance. It is possible that in one or more future quarters or years, our operating results may be below the expectations of public market analysts and investors. In that event, the trading price of our common stock may be adversely affected.

We may be subject to product liability claims, recalls or warranty claims, which could be expensive, damage our reputation and result in a diversion of management resources.

As a supplier of products and systems to commercial vehicle OEMs, we face an inherent business risk of exposure to product liability claims in the event that our products, or the equipment into which our products are incorporated, malfunction and result in personal injury or death. Product liability claims could result in significant losses as a result of expenses incurred in defending claims or the award of damages.

In addition, we may be required to participate in recalls involving systems or components sold by us if any prove to be defective, or we may voluntarily initiate a recall or make payments related to such claims as a result of various industry or business practices or the need to maintain good customer relationships. Such a recall would result in a diversion of management resources. While we do maintain product liability insurance, we cannot assure you that it will be sufficient to cover all product liability claims, that such claims will not exceed our insurance coverage limits or that such insurance will continue to be available on commercially reasonable terms, if at all. Any product liability claim brought against us could have a material adverse effect on our results of operations.

Moreover, we warrant the workmanship and materials of many of our products under limited warranties and have entered into warranty agreements with certain OEMs that warranty certain of our products in the hands of these OEMs customers, in some cases for as long as seven years. Accordingly, we are subject to risk of warranty claims in the event that our products do not conform to our customers specifications or, in some cases in the event that our products do not conform to their customers expectations. It is possible for warranty claims to result in costly product recalls, significant repair costs and damage to our reputation, all of which would adversely affect our results of operations.

Table of Contents

Equipment failures, delays in deliveries or catastrophic loss at any of our facilities could lead to production or service curtailments or shutdowns.

We manufacture or assemble our products at facilities in North America, Europe, Asia and Australia. An interruption in production or service capabilities at any of these facilities as a result of equipment failure or other reasons could result in our inability to produce our products, which could reduce our net revenues and earnings for the affected period. In the event of a stoppage in production at any of our facilities, even if only temporary, or if we experience delays as a result of events that are beyond our control, delivery times to our customers could be severely affected. Any significant delay in deliveries to our customers could lead to increased returns or cancellations and cause us to lose future revenues. Our facilities are also subject to the risk of catastrophic loss due to unanticipated events such as fires, explosions or violent weather conditions. We may experience plant shutdowns or periods of reduced production as a result of equipment failure, delays in deliveries or catastrophic loss, which could have a material adverse effect on our business, results of operations or financial condition.

Our inability to successfully execute any planned cost reductions, restructuring initiatives or the achievement of operational efficiencies could result in the incurrence of additional costs and expenses that could adversely affect our reported earnings.

As part of our business strategy, we continuously seek ways to lower costs, improve manufacturing efficiencies and increase productivity and intend to apply this strategy to those operations acquired through acquisitions. We may be unsuccessful in achieving these objectives which could adversely affect our operating results and financial condition. In addition, we may incur restructuring charges in the future and such charges could adversely affect our operating results and financial condition. In 2009, we announced the following restructuring plans:

A reduction in workforce and the closure of certain manufacturing, warehousing and assembly facilities. The facilities closed included an assembly and sequencing facility in Kent, Washington; seat sequencing and assembly facility in Statesville, North Carolina; manufacturing facility in Lake Oswego, Oregon; inventory and product warehouse in Concord, North Carolina; and seat assembly and distribution facility in Seneffs, Belgium. The decision to reduce our workforce was the result of the extended downturn of the global economy and, in particular, the commercial vehicle markets. We substantially completed these activities as of December 31, 2009.

The closure of our Vancouver, Washington manufacturing facility. The decision to close the facility was the result of the extended downturn of the global economy and, in particular, the commercial vehicle markets. We substantially completed this closure as of December 31, 2009.

The closure and consolidation of one of our facilities located in Liberec, Czech Republic and the closing of our Norwalk, Ohio truck cab assembly facility. The closure and consolidation of our Liberec, Czech Republic facility was a result of management s continued focus on reducing fixed costs and eliminating excess capacity. The closure of this facility was substantially completed as of December 31, 2009. The closure of our Norwalk, Ohio facility was a result of Navistar s decision to insource the cab assembly operations into its existing assembly facility in Escobedo, Mexico. We substantially completed the Norwalk closure as of September 30, 2010.

We estimate that we will record total cash expenditures for all of these restructuring plans of approximately $6.6 million, consisting of approximately $2.5 million of severance costs and $4.1 million of facility closure costs.

Our earnings may be adversely affected by changes to the carrying values of our tangible and intangible assets as a result of recording any impairment charges deemed necessary.

We are required to perform impairment tests whenever events and circumstances indicate the carrying value may not be recoverable. Significant and unanticipated changes in circumstances, such as the general economic environment, changes or downturns in our industry as a whole, termination of any of our customer contracts, restructuring efforts and general workforce reductions, may result in a charge for impairment that can materially and adversely affect our reported net income and our stockholders equity.

Table of Contents

Item 1B. ***Unresolved Staff Comments***

None.

Item 2. ***Properties***

Our corporate office is located in New Albany, Ohio. Several of our manufacturing facilities are located near our OEM customers to reduce our distribution costs, reduce risk of interruptions in our delivery schedule, further improve customer service and provide our customers with reliable delivery of products and services. The following table provides selected information regarding our principal facilities as of December 31, 2011:

Location	Primary Product/Function	Approximate Square Footage	Ownership Interest
Piedmont, Alabama	Seats	190,000 sq. ft.	Owned
Douglas, Arizona	Warehouse	20,000 sq. ft.	Leased
Monona, Iowa	Wire Harness Assembly	62,000 sq. ft.	Owned
Edgewood, Iowa	Wire Harness Assembly	36,000 sq. ft.	Leased
Dekalb, Illinois	Wire Harness Assembly	60,000 sq. ft.	Leased
Michigan City, Indiana	Wipers, Switches	87,000 sq. ft.	Leased
Wixom, Michigan	Engineering	3,000 sq. ft.	Leased
Kings Mountain, North Carolina	Cab, Sleeper Box, Assembly	180,000 sq. ft.	Owned
Statesville, North Carolina	Interior Trim and Warehouse	190,000 sq. ft.	Leased
Concord, North Carolina	Injection Molding	152,000 sq. ft.	Leased
Norwalk, Ohio	Idle	340,000 sq. ft.	Owned/Leased
Shadyside, Ohio	Stamping of Steel and Aluminum Structural and Exposed Stamped Components	200,000 sq. ft.	Owned
Chillicothe, Ohio	Interior Trim and Warehouse	74,000 sq. ft.	Owned /Leased
New Albany, Ohio	Corporate Headquarters/R&D	89,000 sq. ft.	Leased
Tigard, Oregon	Interior Trim and Warehouse	90,000 sq. ft.	Leased
Vonore, Tennessee	Seats, Mirrors	200,000 sq. ft.	Owned
Tellico Plains, Tennessee	Cut and Sew	148,000 sq. ft.	Leased
Dublin, Virginia	Interior Trim and Warehouse	88,000 sq. ft.	Owned/Leased
Agua Prieta, Mexico	Wire Harness Assembly	225,000 sq. ft.	Leased
Saltillo, Mexico	Interior Trim	160,000 sq. ft.	Leased
Northampton, United Kingdom	Seat Assembly	210,000 sq. ft.	Leased
Brisbane, Australia	Seat Assembly	29,000 sq. ft.	Leased
Sydney, Australia	Seat Assembly	25,000 sq. ft.	Leased
Shanghai, China	Seat Assembly	109,000 sq. ft.	Leased

Table of Contents

Location	Primary Product/Function	Approximate Square Footage	Ownership Interest
Beijing, China	Seat Assembly	20,000 sq. ft.	Leased
Xuzhou, China	Warehouse	11,000 sq. ft.	Leased
Brandys nad Orlici, Czech Republic	Seat Assembly	94,000 sq. ft.	Owned
Liberec, Czech Republic	Wire Harness Assembly	104,000 sq. ft.	Leased
Kamyanets-Podilsky, Ukraine	Wire Harness Assembly	46,000 sq. ft.	Leased

We also have leased sales and service offices located in the U.S., Belgium, Australia, Sweden, Czech Republic and France.

Utilization of our facilities varies with North American, European, Asian and Australian commercial vehicle production and general economic conditions in such regions. All locations are principally used for manufacturing or assembly, except for our Wixom, Michigan; Aurora, Illinois; and New Albany, Ohio facilities, which are administrative offices, and our leased warehouse facilities in Douglas, Arizona; Statesville, North Carolina; Chillicothe, Ohio; Tigard, Oregon; Dublin, Virginia and Xuzhou, China.

Item 3. ***Legal Proceedings***

We are subject to various legal proceedings and claims arising in the ordinary course of business, including, but not limited to, customer and supplier disputes and product liability claims arising out of the conduct of our businesses and examinations by the Internal Revenue Service (IRS). The IRS routinely examines our federal income tax returns and, in the course of those examinations, the IRS may propose adjustments to our federal income tax liability reported on such returns. It is our practice to defend those proposed adjustments that we deem lacking merit. We are not involved in any litigation at this time in which we expect that an unfavorable outcome of the proceedings will have a material adverse effect on our financial position, results of operations or cash flows.

Item 4. ***Mine Safety Disclosures***

Not applicable

Table of Contents

PART II

Item 5. ***Market for Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities***

Our common stock is traded on the NASDAQ Global Select Market under the symbol CVGI. The following table sets forth the high and low sale prices for our common stock, for the periods indicated as regularly reported by the NASDAQ Global Select Market:

	High	Low
Year Ended December 31, 2011:		
Fourth Quarter	$ 11.88	$ 5.95
Third Quarter	$ 15.08	$ 5.65
Second Quarter	$ 19.00	$ 13.03
First Quarter	$ 19.62	$ 14.00
Year Ended December 31, 2010:		
Fourth Quarter	$ 18.52	$ 9.63
Third Quarter	$ 11.64	$ 8.71
Second Quarter	$ 13.69	$ 7.00
First Quarter	$ 7.89	$ 4.69

As of March 9, 2012, there were 159 holders of record of our outstanding common stock.

We have not declared or paid any dividends to the holders of our common stock in the past and do not anticipate paying dividends in the foreseeable future. Any future payment of dividends is within the discretion of the Board of Directors and will depend upon, among other factors, the capital requirements, operating results and financial condition of CVG. In addition, our ability to pay cash dividends is limited under the terms of the Loan and Security Agreement and the indenture governing the 7.875% notes, as described in more detail under Management s Discussion and Analysis Liquidity and Capital Resources Debt and Credit Facilities.

Table of Contents

The following graph compares the cumulative five year total return to holders of Commercial Vehicle Group, Inc. s common stock to the cumulative total returns of the NASDAQ Composite Index and a customized peer group of five companies that includes: Accuride Corporation, ArvinMeritor, Inc, Cummins, Inc., Eaton Corp. and Stoneridge, Inc. The graph assumes that the value of the investment in the Company s common stock, in the peer group and the index (including reinvestment of dividends) was $100 on December 31, 2006 and tracks it through December 31, 2011.

* Based on $100 invested on December 31, 2006 in stock or index, including reinvestment of dividends.

	12/31/06	12/31/07	12/31/08	12/31/09	12/31/10	12/31/11
Commercial Vehicle Group, Inc.	100.00	66.51	4.27	27.48	74.54	41.47
NASDAQ Composite	100.00	110.26	65.65	95.19	112.10	110.81
Commercial Vehicle Supplier Composite	100.00	154.95	73.32	112.83	225.54	182.72

The information in the graph and table above is not soliciting material, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference in any of our filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this annual report, except to the extent that we specifically incorporate such information by reference.

Table of Contents

The following table sets forth information in connection with purchases made by, or on behalf of, us or any affiliated purchaser, of shares of our common stock during the quarterly period ended December 31, 2011:

	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Prgrams
Month #1 (October 1, 2011 through October 31, 2011)	141,662	$ 8.53		
Month #2 (November 1, 2011 through November 30, 2011)				
Month #3 (December 1, 2011 through December 31, 2011)				

We did not repurchase any of our common stock on the open market as part of a stock repurchase program during the fourth quarter of 2011; however, our employees surrendered 141,662 shares of our common stock to satisfy tax withholding obligations on the vesting of restricted stock awards issued under our Fourth Amended and Restated Equity Incentive Plan.

Unregistered Sales of Equity Securities

We did not sell any equity securities during 2011 that were not registered under the Securities Act of 1933, as amended.

Table of Contents

Item 6. ***Selected Financial Data***

The following table sets forth selected consolidated financial data regarding our business and certain industry information and should be read in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, and our consolidated financial statements and notes thereto included elsewhere in this Annual Report on Form 10-K.

Material Events Affecting Financial Statement Comparability:

Our acquisitions of PEKM Kabeltechnik s.r.o. (PEKM), the fabrication division of Gage Industries, Inc. and Short Bark Industries, LLC in 2007 and Bostrom Seating (Bostrom) and Stratos Seating (Stratos) in 2011 materially impacted our results of operations and as a result, our consolidated financial statements for the years ended December 31, 2011, 2010, 2009 and 2008 are not comparable to the results of the prior periods presented without consideration of the information provided in Note 3 to our consolidated financial statements contained in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2007, Note 3 to our consolidated financial statements contained in Item 8 of our Annual Report on Form 10-K/A for the year ended December 31, 2008, Note 3 to our consolidated financial statements contained in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2009 and Note 4 to our consolidated financial statements contained in Item 8 of our Annual Report on Form 10-K for the year ended December 31, 2011.

	Years Ended December 31,				
	2011	2010	2009	2008	2007
	(Dollars in thousands, except share and per share data)				
Statement of Operations Data:					
Revenues	$ 832,022	$ 597,779	$ 458,569	$ 763,489	$ 696,786
Cost of revenues	716,430	522,982	448,912	689,284	620,145