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AAON INC  
Form 8-K  
February 15, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C.

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 14, 2005

AAON, INC.

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(Exact name of registrant as specified in its charter)

Nevada ----- (State or other jurisdiction of incorporation)	0-18953 ----- (Commission File Number)	87-0448736 ----- (IRS Employer Identification No.)
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2425 South Yukon, Tulsa, Oklahoma 74107

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(Address of principal executive offices)

Registrant's telephone number, including area code: (918) 583-2266

Item 2.02. Results of Operations and Financial Condition.

On February 14, 2005, Registrant issued a press release concerning its results of operations for the three months and year ended December 31, 2004, and its financial condition at December 31, 2004.

Item 9.01 Financial Statements and Exhibits.

A copy of Registrant's February 14, 2005, press release is attached as Exhibit "A" hereto.

SIGNATURES

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Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AAON, INC.

Date: February 14, 2005

By: /s/ John B. Johnson, Jr.

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John B. Johnson, Jr., Secretary

(1)

EXHIBIT "A"

NEWS BULLETIN  
FOR IMMEDIATE RELEASE  
February 14, 2005

AAON, Inc.  
2425 South Yukon Ave. o Tulsa, OK 74107-2728  
o Ph: (918) 583-2266 o Fax: (918) 583-6094 o  
o <http://www.aaon.com> o

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For Further Information:  
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### AAON REPORTS 2004 OPERATING RESULTS

Tulsa, OK, February 14, 2005 - AAON, Inc. (NASDAQ-AAON) today announced its operating results for the year 2004. Sales increased 16% to \$173.3 million from \$148.9 million in 2003, whereas net income decreased 47% to \$7.5 million compared to \$14.2 million in the previous year.

Sales in the fourth quarter of 2004 increased to \$45.0 million from \$37.8 million in 2003, and net income for the quarter declined to \$2.1 million compared to \$3.7 million in 2003.

Earnings per share for 2004 were \$0.58 compared to \$1.07 in 2003. Earnings for the fourth quarter of 2004 were \$0.16 per share compared to \$0.29 per share in the previous year. Per share earnings are on a diluted basis.

Norman H. Asbjornson, AAON's President/CEO, stated that, "The decrease in 2004 earnings was caused by a number of factors, including startup costs involved with a new coil project in the first and second quarters, closings of the Company's Tulsa plant for four days during the second quarter due to computer and electrical outages, as well as second quarter equipment failures at the Company's Longview, Texas plant, which reduced coil production needed by the Tulsa facility, and a 2004 loss of approximately \$900,000 generated by AAON Canada Inc., all of which should be non-recurring, but further, and most importantly, unprecedented increases in material costs greatly in excess of product price increases."

Mr. Asbjornson continued by saying, "While we project even greater sales in 2005, we cannot predict the level of expected earnings due to a number of factors, including the prospect of continued high material costs."

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AAON, Inc. is a manufacturer of air-conditioning and heating equipment consisting of rooftop units, chillers, air-handling units, make-up air units, heat recovery units, condensing units and coils. Its products serve the new construction and replacement markets. The Company has successfully gained market share by offering the customer value, quality, function, serviceability and efficiency.

Certain statements in this news release may be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933. Statements regarding future prospects and developments are based upon current expectations and involve certain risks and uncertainties that could cause actual results and developments to differ materially from the forward-looking statements.

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### AAON, Inc. Consolidated Statements of Operations (unaudited)

	Three Months Ended		
	Dec. 31, 2004	Dec. 31, 2003	Dec. 31, 2002
	-----		
	(In thousands, except share and per share amounts)		
Net sales	\$ 45,021	\$ 37,764	\$ 17,250
Cost of sales	37,711	28,532	14,810
	-----	-----	-----
Gross profit	7,310	9,232	2,440
Selling, general and administrative expenses	4,051	4,340	1,800
	-----	-----	-----
Income from operations	3,259	4,892	640
Interest expense	3	-	-
Interest income	(9)	(87)	-
Other expense (income)	-	(21)	-
	-----	-----	-----
Income before income taxes	3,265	5,000	640
Income tax provision	1,179	1,260	-
	-----	-----	-----
Net income	\$ 2,086	\$ 3,740	\$ 640
	=====	=====	=====
Earnings Per Share:			
Basic	\$ 0.17	\$ 0.30	\$ 0.10
	=====	=====	=====
Diluted	\$ 0.16	\$ 0.29	\$ 0.09
	=====	=====	=====
Weighted Average Shares Outstanding:			
Basic	12,382	12,536	12,536
	=====	=====	=====
Diluted	12,831	12,897	12,897
	=====	=====	=====

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AAON, Inc.  
Consolidated Balance Sheets  
(unaudited)

December 31,  
2004

(In thousands, except share

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 994
Certificate of deposit	3,000
Accounts receivable, net	27,121
Inventories, net	20,868
Prepaid expenses	478
Deferred income tax	3,537

Total current assets 55,998

PROPERTY, PLANT AND EQUIPMENT

Land	2,082
Buildings	26,805
Machinery and equipment	52,540
Furniture and fixtures	4,819

Total property, plant & equipment	86,246
Less: accumulated depreciation	37,017

Net property, plant & equipment 49,229

Total assets \$ 105,227

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Revolving credit facility	\$ -
Current maturities of long-term debt	108
Accounts payable	12,882
Accrued liabilities	15,069

Total current liabilities 28,059

LONG-TERM DEBT, LESS CURRENT MATURITIES 167

DEFERRED TAX LIABILITY 5,830

STOCKHOLDERS' EQUITY

Preferred Stock, \$.001 par, 5,000,000 shares authorized, no shares issued	-
Common Stock, \$.004 par, 50,000,000 shares authorized, and 12,349,583 and 12,519,733 issued and outstanding at December 31, 2004,	

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and December 31, 2003, respectively	49
Additional paid-in capital	-
Accumulated other comprehensive loss, net of tax	247
Retained earnings	70,875
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Total stockholders' equity	71,171
	-----
Total liabilities and stockholders' equity	\$ 105,227
	=====

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### AAON, Inc. Consolidated Statements of Cash Flows (unaudited)

	Twelve Months Ended Dec. 31, 2004
	-----
	(in
<b>OPERATING ACTIVITIES</b>	
Net income	\$ 7,521
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	5,732
Provision for losses on accounts receivable	521
Provision for excess and obsolete inventories, net	-
(Gain)/Loss on disposition of assets	4
Deferred income taxes	434
Changes in assets and liabilities, net of effects of acquisition:	
Accounts receivable	(4,002)
Inventories	(698)
Prepaid expenses	2,175
Accounts payable	1,329
Accrued liabilities	3,143
	-----
Net cash provided by operating activities	16,159
<b>INVESTING ACTIVITIES</b>	
Cash paid for acquisition	(1,778)
Proceeds from sale of property, plant and equipment	13
Proceeds from matured certificate of deposit	10,000
Investment in certificate of deposit	(3,000)
Capital expenditures	(16,976)
	-----
Net cash used in investing activities	(11,741)
<b>FINANCING ACTIVITIES</b>	
Borrowings under revolving credit facility	45,471
Payments under revolving credit facility	(50,827)
Stock options exercised	478
Repurchase of stock	(4,979)
	-----
Net cash used in financing activities	(9,857)
	-----
Effect of exchange rate on cash	247
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Net decrease in cash and cash equivalents	(5,192)
Cash and cash equivalents, beginning of year	6,186
Cash and cash equivalents, end of year	\$ 994

(5)