

DIXIE GROUP INC
Form 10-K/A
March 31, 2004

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K/A
(Amendment No. 1)

(Mark One)

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

For the fiscal year ended December 27, 2003

OR

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

For the transition period from _____ to _____.

Commission File Number 0-2585

The Dixie Group, Inc.
(Exact name of registrant as specified in its charter)

Tennessee

62-0183370

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(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)
345-B Nowlin Lane, Chattanooga, TN 37421

(Address of principal executive offices) (Zip Code)
(423) 510-7000

Registrant's telephone number, including area code

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

<u>Title of Each Class</u>	<u>Name of Each Exchange on Which Registered</u>
None	None

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

Common Stock, \$3.00 Par Value
(Title of Class)

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, and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

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FORM 10-K/A (Continued)

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

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).

Yes

No

The aggregate market value of the Common Stock held by non-affiliates of the registrant on June 27, 2003 (the last business day of the registrant's most recently completed fiscal second quarter) was approximately \$33,900,000. The aggregate market value was computed by reference to the closing price of the Common Stock on such date. In making this calculation, the registrant has assumed, without admitting for any purpose, that all executive officers, directors, and holders of more than 10% of a class of outstanding Common Stock, and no other persons, are affiliates. No market exists for the shares of Class B Common Stock, which is neither registered under Section 12 of the Act nor subject to Section 15(d) of the Act.

Indicate the number of shares outstanding of each of the registrant's classes of Common Stock as of the latest practicable date.

<u>Class</u>	<u>Outstanding as of March 12, 2004</u>
Common Stock, \$3.00 Par Value	11,416,214 shares
Class B Common Stock, \$3.00 Par Value	636,230 shares
Class C Common Stock, \$3.00 Par Value	0 shares

Documents Incorporated By Reference.

Specified portions of the following documents are incorporated by reference:

Proxy Statement of the registrant for annual meeting of shareholders to be held May 6, 2004 (PART III).

EXPLANATORY NOTE:

The Registrant is filing this Amendment No. 1 to its Form 10-K for the fiscal year ended December 27, 2003, to correct a typographical error with respect to the basic earnings (loss) per share and diluted earnings (loss) per share for the fourth quarter of fiscal 2003 contained in the Quarterly Financial Data, Dividends and Price Range of Common Stock table under Item 5. No other information contained in the original filing is amended hereby. This amendment does not reflect events occurring after the filing of the original Form 10-K, or modify or update other disclosures therein in any way other than as required to correct Item 5.

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS

The Company's Common Stock trades on the National Market System with the NASDAQ symbol DXYN. No market exists for the Company's Class B Common Stock.

As of March 12, 2004, the total number of holders of the Company's Common Stock was approximately 2,800, including an estimated 2,100 shareholders who hold the Company's Common Stock in nominee names, but excluding

1,660 participants in the Company's 401(k) plan who may direct the voting of the shares allocated to their accounts. The total number of holders of the Company's Class B Common Stock was 15.

Recent Sales of Unregistered Securities

On November 14, 2003, Gary A. Harmon settled outstanding subscriptions under the Stock Ownership Plan covering a total of 45,714 shares, with an aggregate subscription price of \$339,997.88, through the surrender to the Company of 37,988 shares of Common Stock, valued at the market price of \$8.95 per share, and payment of \$5.28 cash (resulting in the net delivery of 7,726 new shares of Common Stock). We believe that the issuance of these securities was exempt from the registration requirements of the Securities Act pursuant to Section 4(2) thereof because this issuance did not involve a public offering or sale. No underwriters, brokers or finders were involved in this transaction.

Quarterly Financial Data, Dividends and Price Range of Common Stock

Following are quarterly financial data, dividends and price range of Common Stock for the four quarterly periods in the years ended December 27, 2003 and December 28, 2002. Totals of the quarterly information for each of the years reflected below may not necessarily equal the annual totals. Results for the periods presented have been restated to classify the results of our North Georgia operations sold in November 2003 and in early fiscal 2004 as discontinued operations. The discussion of restrictions on payment of dividends is included in Note H to the Consolidated Financial Statements included herein.

THE DIXIE GROUP, INC.
 QUARTERLY FINANCIAL DATA, DIVIDENDS AND PRICE RANGE OF COMMON STOCK
 (unaudited)
 (dollars in thousands, except per share data)

2003 QUARTER	1ST	2ND	3RD	4TH
Net sales	\$ 51,885	\$ 58,857	\$ 58,790	\$ 64,617
Gross profit	18,129	20,347	19,749	21,697
Income (loss) from continuing operations (1)	877	1,889	(60)	(11,734)
Loss from discontinued operations	(1,213)	(492)	(1,347)	(2,097)
Loss on disposal of discontinued operations	---	---	---	(2,778)
Net income (loss) (1)	(336)	1,397	(1,407)	(16,609)
Basic earnings (loss) per share:				
Continuing operations (1)	0.07	0.16	(0.01)	(0.99)
Discontinued operations	(0.10)	(0.04)	(0.11)	(0.18)
Disposal of discontinued operations	---	---	---	(0.23)
Net income (loss) (1)	(0.03)	0.12	(0.12)	(1.40)
Diluted earnings (loss) per share:				
Continuing operations (1)	0.07	0.16	(0.01)	(0.99)
Discontinued operations	(0.10)	(0.04)	(0.11)	(0.18)
Disposal of discontinued operations	---	---	---	(0.23)
Net income (loss) (1)	(0.03)	0.12	(0.12)	(1.40)
Dividends:				

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Common Stock	---	---	---	---
Class B Common Stock	---	---	---	---
Common Stock Prices:				
High	4.34	3.50	8.00	8.95
Low	2.85	2.80	3.06	7.08

(1) Results in the fourth quarter include \$13,445 after tax, or \$1.14 per share of impairment and other charges that resulted from the sale of our North Georgia operations.

2002 QUARTER	1ST	2ND	3RD	4TH
Net sales	\$ 53,392	\$ 59,728	\$ 56,098	\$ 54,065
Gross profit	17,173	21,241	19,625	19,145
Income from continuing operations	1,467	2,646	2,967	4,368
Income (loss) from discontinued operations	(971)	390	(555)	(2,041)
Loss on disposal of discontinued operations	---	---	---	(3,705)
Net income (loss)	496	3,036	2,412	(1,378)
Basic earnings (loss) per share:				
Continuing operations	0.12	0.23	0.26	0.37
Discontinued operations	(0.08)	0.03	(0.05)	(0.17)
Disposal of discontinued operations	---	---	---	(0.32)
Net income (loss)	0.04	0.26	0.21	(0.12)
Diluted earnings (loss) per share:				
Continuing operations	0.12	0.22	0.25	0.37
Discontinued operations	(0.08)	0.03	(0.05)	(0.17)
Disposal of discontinued operations	---	---	---	(0.32)
Net income (loss)	0.04	0.25	0.20	(0.12)
Dividends:				
Common Stock	---	---	---	---
Class B Common Stock	---	---	---	---
Common Stock Prices:				
High	4.80	7.19	6.00	4.50
Low	4.15	4.60	3.00	3.12

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

- (a) List of exhibits filed pursuant to Item 601 of Regulation S-K.

The following exhibits are being filed herewith.

- (31.1) CEO Certification pursuant to Securities Exchange Act Rule 13a-14(a).
- (31.2) CFO Certification pursuant to Securities Exchange Act Rule 13a-14(a).
- (32.1) CEO Certification pursuant to Securities Exchange Act Rule 13a-14(b).
- (32.2) CFO Certification pursuant to Securities Exchange Act Rule 13a-14(b).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this amended report to be signed on its behalf by the undersigned, thereunto duly authorized.

March 31, 2004

The Dixie Group, Inc.

/s/ GARY A. HARMON
By: Gary A. Harmon
Vice President and
Chief Financial Officer