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

**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): **October 25, 2007**

**SPARTAN MOTORS, INC**

(Exact name of registrant as  
specified in its charter)

**Michigan**  
(State or other jurisdiction  
of incorporation)

**0-13611**  
(Commission  
File Number)

**38-2078923**  
(IRS Employer  
Identification no.)

**1165 Reynolds Road**  
**Charlotte, Michigan**  
(Address of principal executive offices)

**48813**  
(Zip Code)

Registrant's telephone number,  
including area code: **(517) 543-6400**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02 Results of Operations and Financial Condition.**

On October 25, 2007, Spartan Motors, Inc. issued a press release concerning its financial results for the quarter ended September 30, 2007. The press release is attached to this Form 8-K as Exhibit 99.1 and is here incorporated by reference. This Report and the Exhibit are furnished to, and not filed with, the Commission.

**Item 8.01 Other Events.**

On October 25, 2007, Spartan Motors, Inc. issued a press release announcing that the board of directors has declared a special dividend of \$0.03 per share of common stock. As announced in May 2007, Spartan will also pay its second regular cash dividend of \$0.05 per share, for total dividend payments of \$0.13 per share in 2007 (including adjustments for the Company's 3-for-2 stock splits in June 2007 and December 2006). The press release is attached to this Form 8-K as Exhibit 99.2 and is here incorporated by reference. This Report and the Exhibits are furnished to, and not filed with, the Commission.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits:**

- 99.1 Spartan Motors, Inc. Press Release dated October 25, 2007. This Exhibit is furnished to, and not filed with, the Commission.
- 99.2 Spartan Motors, Inc. Press Release dated October 25, 2007. This Exhibit is furnished to, and not filed with, the Commission.

**SIGNATURES**

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

SPARTAN MOTORS, INC.

Date: October 25, 2007

By /s/ James W. Knapp

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James W. Knapp  
Chief Financial Officer

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Document</u>
99.1	Spartan Motors, Inc. Press Release dated October 25, 2007.
99.2	Spartan Motors, Inc. Press Release dated October 25, 2007.



**SPARTAN MOTORS, INC.**

1165 REYNOLDS RD. • CHARLOTTE, MI 48813 • U.S.A.  
TEL: PHONE 517-543-6400 • FACSIMILE 517-543-7727  
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FOR IMMEDIATE RELEASE

## **Spartan Motors Reports Third Quarter Marked by Sales Growth, Record Backlog and Production Ramp Up Costs**

**CHARLOTTE, Michigan, Oct. 25, 2007** - Spartan Motors, Inc. (NASDAQ: SPAR) reported a 36.8 percent year-over-year increase in net sales, a 66.0 percent year-over-year increase in backlog, and a substantial increase in production capacity for the third quarter ended Sept. 30, 2007.

Spartan, a leading manufacturer of custom vehicle chassis and emergency-rescue vehicles, reported net earnings of \$2.6 million, or \$0.08 per diluted share, on net sales of \$148.9 million in the third quarter of 2007, compared with net earnings of \$4.1 million, or \$0.13 per diluted share, on net sales of \$108.9 million in the third quarter of 2006. All financial information includes adjustments for the Company's 3-for-2 stock splits in June 2007 and Dec. 2006.

Spartan reported gross margin of 11.8 percent in the third quarter of 2007, compared with 15.8 percent for the same period in 2006, reflecting the ramp up of capacity, production inefficiencies, shift in product mix and competitive pricing on specialty vehicle chassis at Spartan Chassis, as well as lower margins at the EVTeam.

"Based upon the urgent need and future opportunity, the decision was made to accelerate the process of increasing production capacity for our military and specialty vehicle business in the third quarter," said John Szykiel, president and CEO of Spartan Motors. "This objective was achieved, as our production capacity is now at 40 military units per day, a more than 300 percent increase over where we were just six months ago. Short term, this did affect our earnings in the third quarter.

"However, our backlog has grown 32 percent over the second quarter of 2007 and 66 percent compared to last year's third quarter. Just as important, these efforts have improved Spartan's ability to support future growth. It is realistic that our backlog will exceed the total revenue for 2006 by the end of Nov. 2007, with these units being built by the end of the second quarter of 2008.

"As we look forward, the third quarter should be an anomaly in our 2007 results, and we are anticipating the fourth quarter will be more in line with our results in the first two quarters of the year. We made significant progress and remain bullish about our potential based on our current momentum and the build up we anticipate through the end of 2007 and into 2008. We are resolving the production challenges, are in a good position to execute using our expanded production capacity, and see higher run rates to absorb our increased overhead and orders."

Through the first nine months of 2007, Spartan's sales increased 38.1 percent compared with the same period of last year, while earnings increased 20.3 percent compared to the same nine-month period in 2006. The Company reported net earnings of \$16.3 million, or \$0.50 per diluted share, for the first nine months of 2007, compared with net earnings of \$13.5 million, or \$0.46 per diluted share, in the same period of 2006.

"During the third quarter, we received orders from three OEMs for specialty vehicle chassis related to the U.S. military's Mine Resistant Ambush Protected (MRAP) vehicle program," Szykiel said. "We opened

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two new factories focused on MRAP production, and acquired two more buildings to expand our production capacity for specialty vehicle and RV chassis."

Spartan Motors' consolidated backlog increased 66.0 percent over the same quarter of last year to approximately \$383.1 million as of Sept. 30, 2007. This marks the largest backlog in Company history and a \$92.8 million increase from the second quarter 2007. Spartan Motors anticipates filling its current backlog orders by July 2008.

On a consolidated basis, Spartan posted a return on invested capital (ROIC) of 8.5 percent in the third quarter of 2007, compared to ROIC of 16.2 percent for the same quarter in 2006. (Spartan defines return on invested capital as operating income less taxes, on an annualized basis, divided by total shareholders' equity.)

The Company ended the quarter with \$44.9 million in long-term debt, which includes financing for Spartan Chassis' recently opened facilities and growth in working capital to support its increased orders. Spartan reported \$3.6 million in cash and cash equivalents at the end of the third quarter of 2007.

#### **Spartan Chassis**

Sales at Spartan Chassis, the Company's largest operating unit, increased 48.6 percent to \$138.9 million, or 93.3 percent of Spartan Motors' total sales. Net earnings at Spartan Chassis improved 3.3 percent in the 2007 third quarter compared to the same quarter of last year, and the unit's backlog as of Sept. 30, 2007 increased 94.6 percent year-over-year.

Spartan's RV chassis sales increased 10.8 percent in the 2007 third quarter, outpacing the 3.6 percent year-to-date increase in industry wholesale shipments for Class A motorhomes as of Aug. 2007, which is the latest industry data available from the Recreational Vehicle Industry Association (RVIA). The RVIA is forecasting a 5.8 percent increase in Class A motorhome shipments for 2007. Backlog for RV chassis slightly decreased year-over-year to \$26.1 million as of Sept. 30, 2007.

Sales of fire truck chassis declined 10.5 percent in the third quarter of 2007 compared to the same period last year. The slowdown in sales for fire truck chassis is primarily due to a shortage of components and a reduction in the production schedule due to the lower backlog. Backlog for fire truck chassis at the end of the third quarter was \$67.1 million, an 18.1 percent decrease compared with last year, reflecting decreased demand due to increased backlogs among Spartan's OEM customers, and a slowdown in the market due to pre-buying of vehicles in 2006 due to the emissions change in 2007.

Other product sales, including specialty vehicle chassis, parts and Spartan's subcontracts for military vehicle customers, increased 236.3 percent in the third quarter of 2007. Backlog for other products increased 307.3 percent to \$228.8 million as of Sept. 30, 2007. As reported in Aug. 2007, Spartan Chassis received subcontract orders from Force Protection, BAE Systems and General Dynamics Land Systems totaling \$163 million in the third quarter of 2007.

"We are ramping up production at our new facilities and remain on track for an excellent year for Spartan Chassis," Szykiel said. "Spartan Chassis accomplished a major challenge by increasing the production capacity for MRAP vehicles threefold in the quarter to support our troops in Iraq. Scheduling changes and parts shortages compounded the production inefficiencies due to the ramp up in capacity. This caused a significant decline in third quarter gross margins for specialty vehicles.

"We remain in great position for future contracts related to our current MRAP products, and we expect margins to improve. In addition, we have opportunity from the MRAP-2 program in 2008. Further, we have already seen improvement in margins for fire truck chassis as of September."

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#### **Emergency Vehicle Team (EVTeam)**

Spartan's EVTeam operating unit, consisting of its Crimson Fire, Crimson Fire Aerials and Road Rescue subsidiaries, reported a sales decrease of 8.0 percent in the 2007 third quarter compared with the prior year period. The EVTeam reported backlog of \$61.2 million at the end of the quarter, a 6.4 percent decrease compared to the unit's backlog in the third quarter of 2006.

"While we saw some improvements within Road Rescue, production inefficiencies and lower year-over-year sales led to an increased loss in the quarter at Crimson Fire and Crimson Fire Aerials," Szykiel said. "Crimson Fire experienced temporary missteps in execution in the third quarter and we are expecting significant improvement in the fourth quarter. We had measurable success at Road Rescue in the third quarter, with the new operating management implementing significant production and cultural changes, resulting in better execution and improved sales."

#### **Conference Call, Webcast and Presentation**

Spartan Motors will host a conference call for analysts and portfolio managers at 10 a.m. ET today to discuss these results and current business trends. To listen to a live webcast of the call, please visit <http://www.spartanmotors.com/webcasts.asp>.

#### **About Spartan Motors**

Spartan Motors, Inc. ([www.spartanmotors.com](http://www.spartanmotors.com)) designs, engineers and manufactures custom chassis and vehicles for the recreational vehicle, fire truck, ambulance, emergency-rescue and specialty vehicle markets. The Company's brand names - **Spartan™**, **Crimson Fire™**, **Crimson Fire Aerials™**, and **Road Rescue™** - are known for quality, value, service and being the first to market with innovative products. The Company employs approximately 1,300 at facilities in Michigan, Pennsylvania, South Carolina, and South Dakota. Spartan reported sales of \$445 million in 2006 and is focused on becoming the premier manufacturer of specialty vehicles and chassis in North America.

This release contains forward-looking statements, including, without limitation, statements concerning our business, future plans and objectives and the performance of our products. These forward-looking statements involve certain risks and uncertainties that ultimately may not prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. Technical complications may arise that could prevent the prompt implementation of the plans outlined above. The company cautions that these forward-looking statements are further qualified by other factors including, but not limited to, those set forth in the company's Annual Report on Form 10-K filing and other filings with the United States Securities and Exchange Commission (available at <http://www.sec.gov>). Government contracts and subcontracts typically involve long payment and purchase cycles, competitive bidding, qualification requirements, delays or changes in funding, extensive specification development and changes, price negotiations and milestone requirements. An announced award of a governmental contract is not equivalent to a finalized executed contract and does not assure that orders will be issued and filled. Government agencies also often retain some portion of fees payable upon completion of a project and collection of contract fees may be delayed for long periods, which can negatively impact both prime contractors and subcontractors. The company undertakes no obligation to publicly update or revise any statements in this release, whether as a result of new information, future events or otherwise, except as required by law.

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#### **CONTACT:**

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(517) 543-6400

Jeff Lambert or Ryan McGrath  
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**Spartan Motors, Inc. and Subsidiaries**  
**Condensed Consolidated Balance Sheets**

	<u>September 30, 2007</u>		<u>December 31, 2006</u>
	\$-000		\$-000
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 3,550	\$	13,835
Accounts receivable, net	84,415		62,620
Inventories	90,940		64,173
Deferred income tax assets	4,371		4,567
Deposits on engines	2,117		10,900
Taxes receivable	5,918		
Other current assets	454		1,882
			<hr/>
Total current assets	191,765		157,977
<b>Property, plant and equipment, net</b>	51,479		29,659
<b>Goodwill</b>	2,457		2,457
<b>Other assets</b>	524		555
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<b>Total assets</b>	\$ 246,225	\$	190,648
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<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 49,156	\$	30,704
Accrued warranty	8,925		6,381
Accrued compensation and related taxes	6,729		7,712
Accrued vacation	1,681		1,483
Accrued customer rebates	2,367		3,471
Deposits from customers	6,383		7,465
Taxes on income			1,566
Other current liabilities and accrued expenses	881		2,591
Current portion of long-term debt	522		521
			<hr/>
<b>Total current liabilities</b>	76,644		61,894
<b>Long-term debt, less current portion</b>	44,865		25,218
<b>Other non-current liabilities</b>	1,078		
<b>Deferred income tax liabilities</b>	89		355
<b>Shareholders' equity:</b>			
Common stock	326		317
Additional paid in capital	60,349		54,233
Retained earnings	62,874		48,631
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<b>Total shareholders' equity</b>	123,549		103,181
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**Total liabilities and shareholders' equity**

\$ 246,225 \$ 190,648

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**Spartan Motors, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
**Three Months Ended September 30, 2007 and 2006**

	<u>September 30, 2007</u>		<u>September 30, 2006</u>	
	\$-000-	%	\$-000-	%
Sales	148,891		108,876	
Cost of Products Sold	131,316		91,709	
<b>Gross Profit</b>	<b>17,575</b>	<b>11.8</b>	<b>17,167</b>	<b>15.8</b>
Operating Expenses:				
Research and Development	3,840	2.6	3,092	2.9
Selling, General and Administrative	9,690	6.5	7,852	7.2
Total Operating Expenses	13,530	9.1	10,944	10.1
<b>Operating Income</b>	<b>4,045</b>	<b>2.7</b>	<b>6,223</b>	<b>5.7</b>
Other Income (Expense):				
Interest Expense	(235)	(0.1)	(65)	(0.1)
Interest and Other Income	190	0.1	205	0.2
Total Other Income (Expense)	(45)	(0.0)	140	0.1
Earnings before Taxes on Income	4,000	2.7	6,363	5.8
Taxes on Income	1,430	1.0	2,289	2.1
<b>Net Earnings</b>	<b>2,570</b>	<b>1.7</b>	<b>4,074</b>	<b>3.7</b>
<b>Basic Net Earnings per Share</b>	<b>0.08</b>		<b>0.14</b>	
<b>Diluted Net Earnings per Share</b>	<b>0.08</b>		<b>0.13</b>	
Basic Weighted Average Common Shares Outstanding	32,200		29,993	

Diluted Weighted Average Common Shares Outstanding

32,862

30,551

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**Spartan Motors, Inc. and Subsidiaries**  
**Condensed Consolidated Statements of Operations**  
**Nine Months Ended September 30, 2007 and 2006**

	<u>September 30, 2007</u>		<u>September 30, 2006</u>	
	\$-000-	%	\$-000-	%
Sales	444,356		321,769	
Cost of Products Sold	378,077		269,161	
<b>Gross Profit</b>	<b>66,279</b>	<b>14.9</b>	<b>52,608</b>	<b>16.3</b>
Operating Expenses:				
Research and Development	11,326	2.5	8,903	2.7
Selling, General and Administrative	28,841	6.5	22,580	7.0
Total Operating Expenses	40,167	9.0	31,483	9.7
<b>Operating Income</b>	<b>26,112</b>	<b>5.9</b>	<b>21,125</b>	<b>6.6</b>
Other Income (Expense):				
Interest Expense	(918)	(0.2)	(151)	(0.0)
Interest and Other Income	520	0.1	720	0.1
Total Other Income (Expense)	(398)	(0.1)	569	0.1
Earnings before Taxes on Income	25,714	5.8	21,694	6.7
Taxes on Income	9,421	2.1	8,146	2.5
<b>Net Earnings</b>	<b>16,293</b>	<b>3.7</b>	<b>13,548</b>	<b>4.2</b>
<b>Basic Net Earnings per Share</b>	<b>0.51</b>		<b>0.46</b>	
<b>Diluted Net Earnings per Share</b>	<b>0.50</b>		<b>0.46</b>	
Basic Weighted Average Common Shares Outstanding	31,927		29,189	

Diluted Weighted Average Common Shares Outstanding

32,582

29,639

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**Spartan Motors, Inc. and Subsidiaries**  
**Sales and Other Financial Information by Business Segment**  
**Quarter Ended September 30, 2007**

**Three Months Ended September 30, 2007 (amounts in thousands)**

	Business Segments			Consolidated
	Chassis	EVTeam	Other	
Motorhome Chassis Sales	48,536			48,536
Fire Truck Chassis Sales	27,845		(9,748)	18,097
EVTeam Product Sales		19,693		19,693
Other Product Sales	62,565			62,565
<b>Total Net Sales</b>	<b>138,946</b>	<b>19,693</b>	<b>(9,748)</b>	<b>148,891</b>
Interest Expense (Income)	(2)	470	(233)	235
Depreciation Expense	475	283	333	1,091
Segment Net Earnings (Loss)	5,386	(1,613)	(1,203)	2,570

**Nine Months Ended September 30, 2007 (amounts in thousands)**

	Business Segments			Consolidated
	Chassis	EVTeam	Other	
Motorhome Chassis Sales	165,080			165,080
Fire Truck Chassis Sales	87,337		(21,864)	65,473
EVTeam Product Sales		61,863		61,863
Other Product Sales	151,940			151,940
<b>Total Net Sales</b>	<b>404,357</b>	<b>61,863</b>	<b>(21,864)</b>	<b>444,356</b>
Interest Expense (Income)		1,149	(231)	918
Depreciation Expense	1,267	893	623	2,783
Segment Net Earnings (Loss)	21,824	(3,290)	(2,241)	16,293

**Period End Backlog (amounts in thousands)**

	Sept. 30, 2006	Dec. 31, 2006	Mar. 31, 2007	Jun. 30, 2007	Sept. 30, 2007
Motorhome Chassis *	27,416	28,198	37,679	23,768	26,097
Fire Truck Chassis *	81,889	84,445	84,416	72,097	67,071
Other Product *	56,175	49,729	53,178	131,801	228,803
<b>Total Chassis</b>	<b>165,480</b>	<b>162,372</b>	<b>175,273</b>	<b>227,666</b>	<b>321,971</b>

EVTeam Product *	65,387	69,715	74,843	62,691	61,178
<b>Total Backlog</b>	230,867	232,087	250,116	290,357	383,149

\* Anticipated time to fill backlog orders; 2 months or less for motorhome chassis and 4-10 months for fire truck chassis, other product and EVTeam product


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FOR IMMEDIATE RELEASE

## Spartan Motors to Pay Regular Dividend, Declares Special Dividend

CHARLOTTE, Michigan, October 25, 2007 - Spartan Motors, Inc. (NASDAQ: SPAR) today announced its board of directors declared a special dividend of \$0.03 per share of common stock.

As announced in May 2007, Spartan will also pay its second regular cash dividend of \$0.05 per share, for total dividend payments of \$0.13 per share in 2007. All financial information in this release includes adjustments for the Company's 3-for-2 stock splits in June 2007 and Dec. 2006.

Spartan reported that the regular and special cash dividends are payable on Dec. 14, 2007 to shareholders of record at the close of business on Nov. 14, 2007. Spartan has been paying bi-annual regular cash dividends since 2003 and special dividends since 1989. Spartan issued \$0.12 per share in total dividends for 2006.

"Adjusted for the recent stock splits, our total cash dividends will increase 8.3 percent compared with last year," said John Szykiel, chief executive officer of Spartan Motors. "This is the fifth year of Spartan's increasing dividends year-over-year, and a reflection of the Board's confidence in our long-term strategic plan to become the premier manufacturer of specialty vehicles and chassis in North America."

### About Spartan Motors

Spartan Motors, Inc. ([www.spartanmotors.com](http://www.spartanmotors.com)) designs, engineers and manufactures custom chassis and vehicles for the recreational vehicle, fire truck, ambulance, emergency-rescue and specialty vehicle markets. The Company's brand names - **Spartan™**, **Crimson Fire™**, **Crimson Fire Aerials™**, and **Road Rescue™** - are known for quality, value, service and being the first to market with innovative products. The Company employs approximately 1,300 at facilities in Michigan, Pennsylvania, South Carolina, and South Dakota. Spartan reported sales of \$445 million in 2006 and is focused on becoming the premier manufacturer of specialty vehicles and chassis in North America.

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