



CORE MOLDING TECHNOLOGIES, INC.
ANNUAL REPORT

05

CORE MOLDING TECHNOLOGIES, INC. IS A COMPOUNDER OF SHEET MOLDING COMPOUND (SMC) AND MOLDER OF FIBERGLASS REINFORCED PLASTICS. THE COMPANY PRODUCES HIGH QUALITY FIBERGLASS REINFORCED, MOLDED PRODUCTS AND SMC MATERIALS FOR VARIED MARKETS, INCLUDING MEDIUM AND HEAVY-DUTY TRUCKS, AUTOMOBILES, PERSONAL WATERCRAFT AND OTHER COMMERCIAL PRODUCTS. THE COMPANY OFFERS CUSTOMERS A RANGE OF MANUFACTURING PROCESSES TO FIT VARIOUS VOLUME AND CAPITAL REQUIREMENTS. THESE PROCESSES INCLUDE COMPRESSION MOLDING, RESIN TRANSFER MOLDING (RTM), EPOXY MOLDING, SPRAY-UP AND HAND-LAY-UP. CORE MOLDING TECHNOLOGIES HAS ITS HEADQUARTERS IN COLUMBUS, OHIO, AND OPERATES PLANTS IN COLUMBUS AND BATAVIA, OHIO; GAFFNEY, SOUTH CAROLINA, AND MATAMOROS, MEXICO. CORE MOLDING'S COMMON STOCK IS TRADED ON THE AMERICAN STOCK EXCHANGE UNDER THE SYMBOL "CMT."

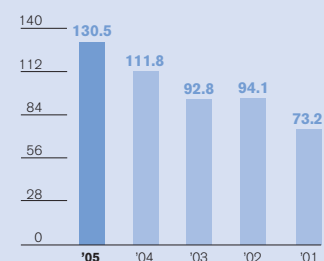


SELECTED FINANCIAL HIGHLIGHTS (dollars in millions, except per share numbers)

Years ended December 31	2005	2004	2003	2002	2001
Net sales	130.5	111.8	92.8	94.1	73.2
Income/(loss) before interest and taxes	10.4	6.6	4.4	4.8	(0.1)
Net income/(loss)	6.3	5.1	1.7	1.8	(1.9)
Net income/(loss) per common share: Basic	.63	.53	.17	.19	(.19)
Net income/(loss) per common share: Diluted	.60	.52	.17	.19	(.19)
Long-term debt	9.6	11.4	13.0	23.8	26.0
Stockholders' equity	34.1	26.3	20.9	19.1	17.5

Net Sales

Dollars in millions



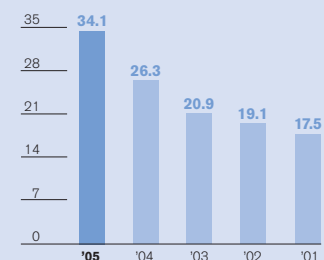
Income/(loss) before interest and taxes

Dollars in millions



Stockholders' equity

Dollars in millions



TO OUR SHAREHOLDERS

Core Molding Technologies set a new benchmark in 2005 by achieving its best-ever sales, earnings, and cash flow from operations. Strategic growth, solid market performance, dedication to meeting customer needs, and a results-driven management focus made 2005 another record year.

As a molder of fiberglass reinforced plastics for world-class companies including International Truck and Engine, Freightliner, PACCAR, Yamaha, and many others, the Company is focused on delivering sustained revenue growth and profitability.

Financial Results – The Bottom Line

Total net sales increased 17% to \$130.5 million, surpassing the previous record of \$111.8 million set in 2004. Core realized considerable growth resulting from strong market performance, new business and the acquisition of the Batavia, Ohio operation. For the year ended December 31, 2005, product sales of \$124.9 million represented a more than 20% increase from \$103.7 million in 2004.

Income before taxes increased 73% to \$9.9 million from \$5.7 million in 2004. The Company realized a 24% increase in net income which totaled \$6.3 million, or \$.63 per basic and \$.60 per diluted share, in 2005, compared to \$5.1 million, or \$.53 per basic and \$.52 per diluted share, in 2004. During 2004, the Company recognized additional net income of \$1.4 million, or \$.15 per basic and diluted share, from a one-time elimination of its valuation reserve related to a tax net operating loss (NOL) carryforward.

Shareholders' equity rose 30% in 2005, to \$34.1 million, compared to \$26.3 million in 2004, while long-term debt was reduced to \$9.6 million in 2005 from \$11.4 million in 2004. The long-term debt to equity ratio of 0.28 in 2005 marked a new low and is supportive of further strategic growth.

Over the past several years, Core has been implementing strategic initiatives aimed at continually improving operations and expanding its customer base. Management believes these initiatives have provided the foundation for our record financial performance for 2005 and continue to provide greater opportunity for future growth and success.

Strategic Growth

Fortune Small Business Magazine named Core Molding Technologies one of its Top 100 Fastest Growing Companies for 2005; the Company was also recognized by the Russell 2000 Micro-Cap Index as having the 9th best growth rate of all companies listed on the American Stock Exchange. These awards enumerate the success achieved in building on the growth experienced over the past several years.

In August 2005, Core acquired certain assets of a Batavia, Ohio based, privately held manufacturer and distributor of fiberglass reinforced plastics products primarily for the heavy-duty truck market. This acquisition further diversifies the Company's product offering and provides further opportunity for growth.

During the first quarter of 2006, Core announced plans to expand its Columbus manufacturing operation to support two new major programs for existing customers in the heavy-duty truck market. These programs are scheduled for launch in 2007 with annual revenue ramping up to \$15 million by 2009.

The Company believes that success depends on building a foundation of people who have the resources and inspiration necessary to achieve great things. The Company filled several key positions during 2005, including Columbus and Batavia plant managers.

During 2005, the Company continued to develop and introduce new products for the trucking, marine and automotive aftermarket industries that provide customers with better-performing, cost-efficient products to help them compete more effectively. Core made continued improvements in its manufacturing processes, program management services, and tooling capabilities.

2006 – Further Expansion

The Company's 2006 goals build on the growth realized in 2005 by integrating the Batavia, Ohio operation into the overall business model, and by expanding the capabilities of the Columbus, Ohio plant in preparation for the launch of new products in 2007. The Company will continue to implement operating improvements in the areas of productivity and quality at each facility.

Core moves into 2006 with high energy and financial stability from our record performance in 2005 and with a reputation for strategic growth. The Company looks forward to expanding and improving its capabilities and increasing its market share and profitability. Core expresses sincere appreciation to its shareholders and employees for their ongoing support.



James L. Simonton
President and Chief Executive Officer



Malcolm M. Prine
Chairman of the Board

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2005

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 001-12505

CORE MOLDING TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware 31-1481870
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

800 Manor Park Drive, P.O. Box 28183, Columbus, Ohio 43228 - 0183
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (614) 870-5000

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

Title of each class Name of each exchange on which registered
Common Stock, par value \$.01 American Stock Exchange

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

None
(Title of class)

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

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
Yes ___ No [X]

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No ___

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. []

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

Large accelerated filer ___ Accelerated filer ___ Non-accelerated filer [X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ___ No [X]

The aggregate market value of the registrant's voting and non-voting common equity held by non-affiliates computed by reference to the closing price of the American Stock Exchange was \$55,503,622 as of June 30, 2005, the last business day of registrant's most recently completed second fiscal quarter. The number of shares of registrant's Common Stock outstanding as of March 27, 2006 was 10,046,217.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's 2006 definitive Proxy Statement to be filed with the Securities and Exchange Commission no later than 120 days after the end of the registrant's fiscal year are incorporated herein by reference in Part III of this Form 10-K.

ITEM 1. BUSINESS**HISTORICAL DEVELOPMENT OF BUSINESS OF CORE MOLDING TECHNOLOGIES, INC.**

In 1996, RYMAC Mortgage Investment Corporation ("RYMAC") incorporated Core Molding Technologies, Inc. ("Core Molding Technologies" or the "Company"), formerly known as Core Materials Corporation before changing its name on August 28, 2002, for the purpose of acquiring the Columbus Plastics unit of International Truck & Engine Corporation ("International"). On December 31, 1996, RYMAC merged with the Company with the result being that the Company was the surviving entity. Immediately after the merger, the Company acquired substantially all the assets and liabilities of Columbus Plastics from International in return for a secured note, which has been repaid, and 4,264,000 shares of newly issued common stock of the Company. International currently owns 42.5% of the outstanding stock of the Company.

In the first quarter of 1998, the Company opened a second compression molding plant located in Gaffney, South Carolina as part of the Company's growth strategy to expand its customer base. This facility provided the Company with additional capacity and a strategic geographic location to serve both current and prospective customers.

In October 2001, the Company incorporated Core Composites Corporation as a wholly owned subsidiary under the laws of the State of Delaware. This entity was established for the purpose of holding and establishing operations for Airshield Corporation's assets, which the Company acquired on October 16, 2001 ("the Airshield Asset Acquisition") as part of the Company's diversified growth strategy. Airshield Corporation was a privately held manufacturer and marketer of fiberglass reinforced plastic parts primarily for the truck and automotive aftermarket industries. The Company purchased substantially all the assets of Airshield Corporation through the United States Bankruptcy Court as Airshield Corporation had been operating under Chapter 11 bankruptcy protection since March 2001.

In conjunction with establishment of operations for the assets acquired from Airshield Corporation, the Company also incorporated two corporations and leased a facility in Mexico. In October 2001, the Company (5% owner) and Core Composites Corporation (95% owner) incorporated Composites Services de Mexico, S. de R.L. de C.V. ("Composites Services") and Corecomposites de Mexico, S. de R.L. de C.V. ("Corecomposites") in Matamoros, Mexico. Composites Services was established to be the employer of all Mexican national employees for the Company's operations in Mexico. Corecomposites was organized to operate under a maquiladora program whereby substantially all product produced is exported back to Core Composites Corporation who sells such product to United States based external customers. In October 2005, Composites Services merged with Corecomposites resulting in one remaining legal entity, Corecomposites de Mexico, S. de R.L. de C.V.

In September 2004, the Company formed Core Automotive Technologies, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company ("Core Automotive"). This entity was established for the purpose of holding and establishing operations for Keystone Restyling, Inc. assets, which the Company acquired on September 27, 2004 as part of the Company's diversified growth strategy. Keystone Restyling, Inc. was a privately held manufacturer and marketer of fiberglass reinforced plastic parts primarily for the automotive and light truck aftermarket industries. The Company's facility in Matamoros, Mexico provides manufacturing services for Core Automotive Technologies.

In August 2005, the Company formed Core Composites Cincinnati, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company ("Core Composites Cincinnati"). This entity was established for the purpose of holding and establishing operations for the Cincinnati Fiberglass Division of Diversified Glass, Inc. assets, which the Company acquired on August 1, 2005. The Cincinnati Fiberglass Division of Diversified Glass, Inc., was a privately held manufacturer and distributor of fiberglass reinforced plastic components supplied primarily to the heavy-duty truck market. As a result of this acquisition, the Company has leased a manufacturing facility in Batavia, Ohio.

DESCRIPTION OF BUSINESS OF CORE MOLDING TECHNOLOGIES, INC.

Certain statements under this caption of this Annual Report on Form 10-K constitute forward-looking statements within the meaning of the federal securities laws. As a general matter, forward-looking statements are those focused upon future plans, objectives or performance as opposed to historical items and include statements of anticipated events or trends and expectations and beliefs relating to matters not historical in nature. Such forward-looking statements involve known and unknown risks and are subject to uncertainties and factors relating to Core Molding Technologies' operations and business environment, all of which are difficult to predict and many of which are beyond Core Molding Technologies' control. These uncertainties and factors could cause Core Molding Technologies' actual results to differ materially from those matters expressed in or implied by such forward-looking statements.

Core Molding Technologies believes that the following factors, among others, could affect its future performance and cause actual results to differ materially from those expressed or implied by forward-looking statements made in this report: business conditions in the plastics, transportation, watercraft and commercial product industries; general economic conditions in the markets in which Core Molding Technologies operates; dependence upon four major customers as the primary source of Core Molding Technologies' sales revenues; recent efforts of Core Molding Technologies to expand its customer base; failure of Core Molding Technologies' suppliers to perform their contractual obligations; the availability of raw materials; inflationary pressures; new technologies; competitive and regulatory matters; labor relations; the loss or inability of Core Molding Technologies to attract key personnel; the availability of capital; the ability of Core Molding Technologies to provide on-time delivery to customers, which may require additional shipping expenses to ensure on-time delivery or otherwise result in late fees; risk of cancellation or rescheduling of orders; management's decision to pursue new products or businesses which involve additional costs, risks or capital expenditures; and other risks identified from time-to-time in Core Molding Technologies other public documents on file with the Securities and Exchange Commission, including those described in Item 1A of this Annual Report on Form 10-K.

Core Molding Technologies and its subsidiaries operate in the plastics market in a family of products known as "reinforced plastics." Reinforced plastics are combinations of resins and reinforcing fibers (typically glass or carbon) that are molded to shape. Core Molding Technologies operates four production facilities in Columbus, Ohio, Batavia, Ohio, Gaffney, South Carolina, and Matamoros, Mexico. The Columbus and Gaffney facilities produce reinforced plastics by compression molding of sheet molding compound ("SMC") in a closed mold process. The Batavia facility, which was leased in August 2005, produces reinforced plastic products by a robotic spray-up open mold process and resin transfer molding ("RTM") closed mold process utilizing multiple insert tooling ("MIT"). The leased Matamoros facility utilizes spray-up and hand lay-up open mold processes and resin transfer ("RTM") closed mold process to produce reinforced plastic products. Core Molding Technologies also sells reinforced plastic products in the automotive-aftermarket industry.

Reinforced plastics compete largely against metals and have the strength to function well during prolonged use. Management believes that reinforced plastic components offer many advantages over metals, including:

- heat resistance
- corrosion resistance
- lighter weight
- lower cost
- greater flexibility in product design
- part consolidation for multiple piece assemblies
- lower initial tooling costs for lower volume applications
- high strength-to-weight ratio
- dent-resistance in comparison to steel or aluminum.

The largest markets for reinforced plastics are transportation (automotive and truck), construction, marine, and industrial applications. The Company's four major customers are International, Freightliner, LLC ("Freightliner"), PACCAR, Inc. ("PACCAR"), and Yamaha Motor Manufacturing Corporation ("Yamaha"), which are supplied proprietary reinforced plastic products for medium and heavy-duty trucks and personal watercraft. The Company also supplies reinforced plastic products to other truck manufacturers, to automotive suppliers, to manufacturers of commercial products and to wholesale distributors and other end users of aftermarket products. In general, product growth and diversification are achieved in several different ways: (1) resourcing of existing reinforced plastic product from another supplier by an original equipment manufacturer ("OEM"); (2) obtaining new reinforced plastic products through a selection process in which an OEM solicits bids; (3) successful marketing of reinforced plastic products for previously non-reinforced plastic applications; (4) successful marketing of reinforced plastic products for the automotive and light truck aftermarkets, and (5) acquiring an existing molding business. The Company's efforts are currently directed towards all five areas.

MAJOR COMPETITORS

The Company believes that it is one of the four largest compounders and molders of reinforced plastics using the SMC, spray-up, hand-lay-up, VRIM and MIT processes in the United States. The Company faces competition from a number of other molders including, most significantly, Meridian Automotive Systems, Budd Plastics Division, Molded Fiber Glass Companies, Continental Structural Plastics, Polywheels, Renee Composites, Camoplast and Goldshield. The Company believes that the Company is well positioned to compete based primarily on manufacturing capability, product quality, cost and delivery. However, the industry remains highly competitive and some of the Company's competitors have greater financial resources, research and development facilities, design engineering and manufacturing and marketing capabilities.

MAJOR CUSTOMERS

The Company currently has four major customers, International, Freightliner, PACCAR and Yamaha. The loss of a significant portion of sales to International, Freightliner, PACCAR, or Yamaha would have a material adverse effect on the business of the Company. In previous years, the Company identified Lear Corporation as a major customer; however, in 2005, Lear was not considered a significant customer due to lower sales volumes.

Relationship with International

In May 2003, the Company entered into a Comprehensive Supply Agreement, which was effective as of November 1, 2002. Under this Comprehensive Supply Agreement, the Company became the primary supplier of International's original equipment and service requirements for fiberglass reinforced parts using the SMC process, as long as the Company remains competitive in cost, quality and delivery, effective through October 31, 2006. The Company is in the process of negotiating a new long-term supply agreement to take effect when the current agreement expires.

The Company makes products for International's Chatham (Canada) assembly plant, its Springfield, Ohio assembly and body plants, its Garland, Texas assembly facility, its bus facilities in Conway, Arkansas and Tulsa, Oklahoma and its Escobedo, Mexico assembly facility. The Company works closely on new product development with International's engineering and research personnel at International's Fort Wayne, Indiana Technical Center. Some of the products sold to International include hoods, air deflectors, air fairings, fenders, splash panels, engine covers and other components.

The North American truck market in which International competes is highly competitive and the demand for trucks 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, which generates a significant portion of the freight tonnage hauled. Truck demand also depends on general economic conditions, among other factors. Sales to International amounted to approximately 51%, 54% and 55% of total sales for 2005, 2004 and 2003, respectively.

Relationship with Freightliner

As a result of the October 16, 2001 Airshield Asset Acquisition, the Company began a supply relationship with Freightliner. The Company produces hoods, air deflectors, air fairings, splash panels and other components for Freightliner which uses such products on its heavy and medium duty trucks.

Sales to Freightliner amounted to approximately 13%, 12% and 11% of total sales for 2005, 2004 and 2003, respectively.

Relationship with PACCAR

As a result of the August 1, 2005 acquisition of Cincinnati Fiberglass Division of Diversified Glass, Inc., the Company increased its supply relationship with PACCAR. The Company produces roofs, backpanels, shrouds, and other components for PACCAR which uses such products on its heavy and medium duty trucks.

Sales to PACCAR amounted to approximately 12%, 4% and 3% of total sales for 2005, 2004 and 2003, respectively.

Relationship with Yamaha

The Company also assumed from International the long-standing supply relationship between Columbus Plastics and Yamaha. The Company has supplied a significant amount of the SMC products for Yamaha's personal watercraft since 1990.

Products produced for Yamaha include decks, hulls, engine hatches, bulkheads, reinforcements and SMC compound. The Company has worked closely with Yamaha over the years to improve the surface quality of Yamaha products and to identify new process control techniques and improved materials. Demand for products from Yamaha is related to the level of general economic activity and specifically to the cyclical and seasonal nature of the personal watercraft industry among other factors.

In the third quarter of 2005, the Company was informed by Yamaha of its intention to diversify its supplier base and, as a result, Yamaha may not continue to be a major customer in future reporting periods.

Sales to Yamaha amounted to approximately 8%, 12% and 15% of total sales for 2005, 2004 and 2003, respectively.

OTHER CUSTOMERS

The Company also produces products for other truck manufacturers, the automotive after-market industries and various other customers. In 2005, sales to these customers individually were all less than 10% of total annual sales.

EXPORT SALES

The Company provides products to some of its customers that have manufacturing and service locations in Canada and Mexico. Export sales, which are denominated in United States dollars and include sales to Canada, were approximately \$19,170,000, \$17,458,000 and \$17,084,000 for the years ended 2005, 2004 and 2003, respectively. These export sales dollars represent approximately 15%, 16% and 18% of total sales for 2005, 2004 and 2003, respectively.

FOREIGN OPERATIONS

As a result of the Airshield Asset Acquisition, the Company began importing products into the United States as substantially all products produced in the Company's Mexican facility are sold to customers in the United States. The sales of products imported were approximately 19%, 18% and 20% of total sales in 2005, 2004 and 2003, respectively.

The Company owns long-lived assets totaling \$989,000 at December 31, 2005 that are located at the Mexican operations.

PRODUCTS

SMC Compound

SMC compound is a combination of resins, fiberglass, catalysts and fillers compounded and cured in sheet form. The sheet is then used to manufacture compression-molded products, as discussed below and on a limited basis sold to other molders.

The Company incorporates a sophisticated computer program that assists in the compounding of various complex SMC formulations tailored to customer needs. The system provides for the following:

- Control information during various production processes; and
- Data for statistical batch controls.

The Company has the capacity to manufacture approximately 48 million pounds of SMC sheet material annually. The following table shows production of SMC for 2005, 2004 and 2003.

Year	SMC Pounds Produced (Millions)
2005	31
2004	32
2003	27

Glass Mat Thermoplastic

GMT compound is a combination of glass and thermoplastic resins purchased in the form of a sheet. The GMT compound may be heated just prior to being used to manufacture compression-molded products.

Closed Molded Products

The Company produces reinforced plastic products using both compression molding and vacuum resin infusion molding process methods of closed molding.

Compression Molding – Compression molding is a process whereby SMC or Glass Mat Thermoplastic, which is a combination of glass and thermoplastic resins, is molded to form by matched die steel molds through which a combination of heat and pressure are

applied via a molding press. This process produces high quality, dimensionally consistent products. This process is typically used for higher volume products, which is necessary to justify the customers' investment in molds.

The Company currently owns or leases 16 compression-molding presses in its Columbus, Ohio plant, which range in size from 500 to 4,500 tons. The Company also owns or leases 11 presses in its Gaffney, South Carolina plant, which range in size from 1,000 to 3,000 tons. As of December 31, 2005, the Company had two large tonnage presses in storage. It is the Company's intention to install these two presses in its Columbus, Ohio production facility. This is part of a 2006 expansion project to support two new product launches for existing customers that will go into production in 2007.

Large platen, high tonnage presses (greater than 2,000 tons) provide the ability to compression mold very large SMC parts. The Company believes that it possesses a significant portion of the large platen, high tonnage molding capacity in the industry.

To enhance the surface quality and paint finish of products, the Company uses both in-mold coating and vacuum molding processes. In-mold coating is a manufacturing process performed by injecting a liquid over the molded part surface and then applying pressure at elevated temperatures during an extended molding cycle. The liquid coating serves to fill and/or bridge surface porosity as well as provide a barrier against solvent penetration during subsequent top-coating operations. Likewise, vacuum molding is the removal of air during the molding cycle for the purpose of reducing the amount of surface porosity. The Company believes that it is among the industry leaders in in-mold coating and vacuum molding applications, based on the size and complexity of parts molded.

Resin Transfer Molding (RTM) — This process employs two molds, typically a core and a cavity, similar to matched die molding. The composite is produced by placing glass mat, chopped strand or continuous strand fiberglass in the mold cavity in the desired pattern. The core mold is then fitted to the cavity, and upon a satisfactory seal, a vacuum is applied. When the proper vacuum is achieved, the resin is injected into the mold to fill the part. Finally, the part is allowed to cure, and then it is removed from the mold and trimmed to shape. Fiberglass reinforced products produced from the RTM process exhibit a high quality surface on both sides of the part and excellent part thickness. Multiple insert tooling (MIT) technique can be utilized in the RTM process to improve throughput based upon volume requirements.

Open Molded Products

The Company produces reinforced plastic products using both the spray-up and hand-lay-up methods of open molding.

Hand-Lay-Up — This process utilizes a shell mold, typically the cavity, where glass cloth, either chopped strand or continuous strand glass mat, is introduced into the cavity. Resin is then applied to the cloth and rolled out to achieve a uniform wet-out from the glass and to remove any trapped air. The part is then allowed to cure and removed from the mold. After removal, the part typically undergoes trimming to achieve the net shape desired. Parts that would be cosmetic in their end use would have a gel coat applied to the mold surface prior to the lay-up to improve the surface quality of the finished part. Parts produced from this process have a smooth outer surface and an unfinished, or non-smooth, interior surface. These fiberglass reinforced products are typically non-cosmetic components or structural reinforcements that are sold externally or used internally as components of larger assemblies.

Spray-Up — This process utilizes the same type of shell mold, but instead of using glass cloth to produce the composite part, a chopper/spray system is employed. Glass yarns and resin feed the chopper/spray gun. The resin coated, chopped glass, which is approximately one inch in length, is sprayed into the mold to the desired thickness. The resin coated glass in the mold is then rolled out to ensure complete wet-out and to remove any trapped air. The part is then allowed to cure, is removed from the mold and is then trimmed to the desired shape. Parts that would be used for cosmetic purposes in their end use would typically have a gel coat applied to the mold surface prior to the resin coated glass being sprayed into the mold to improve the surface quality of the finished part. Parts produced from this process have a smooth outer surface and an unfinished, or non-smooth, interior surface.

The Company currently operates seventeen separate spray-up cells in the Matamoros, Mexico facility that are capable of producing fiberglass-reinforced products with, and without, gelcoat surfaces. As a result of the Cincinnati Fiberglass acquisition, the Company also has a chain-driven robotic gelcoating and spray-up line at the Batavia, Ohio location. Part sizes weigh from a few pounds to well over a hundred pounds with surface quality tailored for the end use application.

Assembly, Machining and Paint Products

Many of the products molded by the Company are assembled, machined and/or prime painted to result in a completed product used by the Company's end-customers.

The Company has demonstrated manufacturing flexibility that accepts a range of low volume, hand assembly and machining work to high volume, highly automated assembly and machining systems. Robotics are used as deemed productive for material handling,

machining and adhesive applications. In addition to conventional machining methods, water-jet cutting technology is also used where appropriate. The Company utilizes spot paint booths and batch ovens in its facilities when warranted. The Company contracts with outside parties when customers require that the Company provide a finish of a top coat of paint.

RAW MATERIALS

The principal raw materials used in the compounding of SMC and the closed and open molding processes are polyester resins, fiberglass rovings and filler. Other significant raw materials include adhesives for assembly of molded components and in-mold coating and prime paint for preparation of cosmetic surfaces. Many of the raw materials used by the Company are petroleum and energy based, and therefore, the costs of certain raw materials can fluctuate based on changes in costs of these underlying commodities. The Company has historically used single source, long-term (2-5 years) supply contracts, which do not include minimum purchase requirements, as a means to attain competitive pricing and an adequate supply of these raw materials. The Company has experienced price increases for certain of these materials, which has caused suppliers to be reluctant to enter into long-term contracts. Because of this, the Company continues to reevaluate its strategy and consider alternative suppliers. Each raw material generally has supplier alternatives, which are being evaluated as the current contracts expire. The Company is regularly evaluating its supplier base for certain supplies, repair items and componentry to improve its overall purchasing position as supply of these items is generally available from multiple sources.

BACKLOG

The Company relies on production schedules provided by its customers to plan and implement production. These schedules are typically provided on a weekly basis and are considered firm typically for four weeks. Some customers can update these schedules daily for changes in demand that allow them to run their inventories on a "just in time" basis. The ordered backlog was approximately \$11.8 million and \$10.4 million at December 31, 2005 and 2004, respectively, all of which the Company expects to ship within a year.

CAPACITY CONSTRAINTS

In previous years, the Company has been required to work an extended shift and day schedule, up to a seven-day/three shift operation, to meet its customers' production requirements. The Company has used various methods from overtime to a weekend manpower crew to support the different shift schedules required.

Based on recent production schedules, the Company has not had difficulty in providing various shift schedules necessary to meet customer requirements, however, based on 2006 customer requirement projections management believes extended shift and day schedules may be required.

See further discussion of machine and facility capacities at "Item 2 Properties" contained elsewhere in this Annual Report.

CAPITAL EXPENDITURES AND RESEARCH AND DEVELOPMENT

Capital expenditures totaled approximately \$3.0 million, \$1.3 million and \$1.4 million for 2005, 2004 and 2003, respectively. Capital expenditures consist primarily of the purchase of production equipment to manufacture parts as well as storage racks, computers and office furniture and fixtures.

Product development is a continuous process at the Company. Research and development activities focus on developing new SMC formulations, new reinforced plastic products and improving existing products and manufacturing processes.

The Company does not maintain a separate research and development organization or facility but uses its production equipment, as necessary, to support these efforts and cooperates with its customers and its suppliers in its research and development efforts. Likewise, manpower to direct and advance research and development is integrated with the existing manufacturing, engineering, production, and quality organizations. Management of the Company has estimated that internal costs related to research and development activities approximate \$360,000 in 2005, \$383,000 in 2004 and \$251,000 in 2003.

ENVIRONMENTAL COMPLIANCE

The Company's manufacturing operations are subject to federal, state and local environmental laws and regulations, which impose limitations on the discharge of hazardous and nonhazardous pollutants into the air and waterways. The Company has established and implemented standards for the treatment, storage and disposal of hazardous waste. The Company's policy is to conduct its business with due regard for the preservation and protection of the environment. The Company's environmental waste management involves the regular auditing of all satellite hazardous waste accumulation points, all hazardous waste activities and every authorized treatment, storage and disposal facility. As part of the Company's environmental policy, all employees are trained on waste management and other environmental issues. Through continual auditing, the Company can ensure that all facilities are in compliance with the applicable federal, state and local environmental laws and regulations.

In June 2003, the Ohio Environmental Protection Agency ("Ohio EPA") issued Core Molding Technologies' final Title V Operating Permit for the Columbus, Ohio facility. Since that time, Core Molding Technologies has substantially complied with the requirements of this permit. Core Molding Technologies does not believe that the cost to comply with this permit will have a material effect on its operations, competitive position or capital expenditures through fiscal year 2006.

EMPLOYEES

As of December 31, 2005, the Company employed a total of 1,377 employees, which consists of 793 employees in its United States operations and 584 employees in its Mexican operations. Of these 1,377 employees, 295 are covered by a collective bargaining agreement with the International Association of Machinists and Aerospace Workers ("IAM"), which extends to August 6, 2007, and 505 are covered by a collective bargaining agreement with Sindicato de Jornaleros y Obreros, which extends to January 16, 2007.

PATENTS, TRADE NAMES AND TRADEMARKS

The Company will evaluate, apply for and maintain patents, trade names and trademarks where it believes that such patents, trade names and trademarks are reasonably required to protect its rights in its products. The Company does not believe that any single patent, trade name or trademark or related group of such rights is materially important to its business or its ability to compete.

SEASONALITY & BUSINESS CYCLE

The Company's business is affected annually by the production schedules of its customers. Certain of the Company's customers typically shut down their operations on an annual basis for a period of one to several weeks during the Company's third quarter. Certain customers also typically shut down their operations during the last week of December, as well. As a result, demand for the Company's products drops significantly during the third quarter. Similarly, demand for medium and heavy-duty trucks, personal watercraft, and automotive products fluctuates on a cyclical and seasonal basis, causing a corresponding fluctuation for demand of the Company's products.

ITEM 1A. RISK FACTORS

The following risk factors describe various risks that may affect our business, financial condition and operations. References to "we," "us," and "our" in this "Risk Factors" section refer to Core Molding Technologies and its subsidiaries, unless otherwise specified or unless the context otherwise requires.

We are dependent on sales to a small number of our major customers.

Sales to International, Freightliner, PACCAR, and Yamaha constituted approximately 51%, 13%, 12% and 8%, respectively, of our 2005 net sales. No other customer accounted for more than 8% of our net sales for this period. The loss of any significant portion of sales to any of our major customers could have a material adverse effect on our business, results of operations or financial condition.

We are a standard supplier to each of our major customers, which results in recurring revenues. If we could not maintain our supplier relationship with any of our major customers, it could have a material adverse effect on our business, results of operations or financial condition.

We are continuing to engage in efforts intended to improve and expand our relations with International, Freightliner, PACCAR, and Yamaha as well as provide support for our entire customer base. We have supported our position with customers through direct and active contact through our sales, quality, engineering and operational personnel. We cannot make any assurances that we will maintain or improve our customer relationships, whether these customers will continue to do business with us as they have in the past or whether we will be able to supply these customers or any of our other customers at current levels.

Our business is affected by the cyclical nature of the industries and markets that we serve.

The heavy- and medium-duty truck industries are highly cyclical. These industries and markets fluctuate in response to factors that are beyond our control, such as general economic conditions, interest rates, federal and state regulations (including engine emissions regulations, tariffs, import regulations and other taxes), consumer spending, fuel costs and our customers' inventory levels and production rates. In addition, our operations are typically seasonal as a result of regular customer maintenance shutdowns, which typically occur in the third and fourth quarter of each calendar year. This seasonality may result in decreased net sales and profitability during the third and fourth fiscal quarters of each calendar year. Weakness in overall economic conditions or in the markets that we serve, or significant reductions by our customers in their inventory levels or future production rates, could result in decreased demand for our products and could have a material adverse effect on our business, results of operations or financial condition.

Price increases in raw materials and availability of raw materials could adversely affect our operating results and financial condition.

Core Molding Technologies purchases resins and fiberglass for use in production as well as steel components for product assembly. The prices of resins are affected by the prices of crude oil and natural gas as well as processing capacity versus demand and the Company has incurred increases in raw material costs over the past few years. The Company attempts to reduce its exposure to increases by working with suppliers, evaluating new suppliers, improving material efficiencies, and sales price adjustments. If we are unsuccessful in developing ways to mitigate these raw material increases, we may not be able to improve productivity or realize our ongoing cost reduction programs sufficiently to help offset the impact of these increased raw material costs. As a result, higher raw material costs could result in declining margins and operating results.

Cost reduction and quality improvement initiatives by original equipment manufacturers could have a material adverse effect on our business, results of operations or financial condition.

We are primarily a components supplier to the heavy- and medium-duty truck industries, which are characterized by a small number of OEMs that are able to exert considerable pressure on components suppliers to reduce costs, improve quality and provide additional design and engineering capabilities. Given the fragmented nature of the industry, OEMs continue to demand and receive price reductions and measurable increases in quality through their use of competitive selection processes, rating programs and various other arrangements. We may be unable to generate sufficient production cost savings in the future to offset such price reductions. OEMs may also seek to save costs by relocating production to countries with lower cost structures, which could in turn lead them to purchase components from suppliers with lower production costs. Additionally, OEMs have generally required component suppliers to provide more design engineering input at earlier stages of the product development process, the costs of which have, in some cases, been absorbed by the suppliers. Future price reductions, increased quality standards and additional engineering capabilities required by OEMs may reduce our profitability and have a material adverse effect on our business, results of operations or financial condition.

We operate in highly competitive markets.

The markets in which we operate are highly competitive. We compete with a number of other manufacturers that produce and sell similar products. Our products primarily compete on the basis of capability, product quality, cost and delivery. Some of the Company's competitors have greater financial resources, research and development facilities, design engineering, manufacturing and marketing capabilities.

We may be subject to additional shipping expense or late fees if we are not able to meet our customers' on-time demand for our products.

We must continue to meet our customers' demand for on-time delivery of our products. Factors that could result in our inability to meet customer demands include a failure by one or more of our suppliers to supply us with the raw materials and other resources that we need to operate our business effectively or poor management of our company or one or more of its' plants and an unforeseen spike in demand for our products, among other factors. If this occurs, we may be required to incur additional shipping expenses to ensure on-time delivery or otherwise be required to pay late fees, which could have a material adverse effect on our business, results of operations or financial condition.

If we fail to retain key personnel our business could be harmed.

Our success largely depends on the efforts and abilities of key personnel within the company. Their skills, experience and industry contacts significantly benefit us. The inability to retain key personnel could have a material adverse effect on our business, results of operations or financial condition. Our future success will also depend in part upon our continuing ability to attract and retain highly qualified personnel.

Work stoppages or other labor issues at our facilities or at our customers' facilities could adversely affect our operations.

As of December 31, 2005, unions at our Columbus, Ohio and Matamoros, Mexico facilities represented approximately 58% of our entire workforce. As a result, we are subject to the risk of work stoppages and other labor relations matters. The current Columbus, Ohio and Matamoros, Mexico union contracts extend through August 8, 2007 and January 16, 2007, respectively. Any prolonged work stoppage or strike at either our Columbus, Ohio or Matamoros, Mexico unionized facilities could have a material adverse effect on our business, results of operations or financial condition. These collective bargaining agreements expire at various times. Any failure by us to reach a new agreement upon expiration of such union contracts may have a material adverse effect on our business, results of operations or financial condition.

In addition, if any of our customers or suppliers experiences a material work stoppage, that customer may halt or limit the purchase of our products or the supplier may interrupt supply of our necessary production components. This could cause us to shut down production facilities relating to these products, which could have a material adverse effect on our business, results of operations or financial condition.

Increases in energy prices will increase our operating costs and likely reduce our profitability.

We use energy to manufacture our products. Our operating costs increase if energy costs rise, which has occurred in 2005 due to higher oil and natural gas prices. During periods of higher energy costs, we may not be able to recover our operating cost increases through production efficiencies and price increases. While we may hedge our exposure to higher prices via future energy purchase contracts, increases in energy prices will increase our operating costs and likely reduce our profitability.

Our business is subject to risks associated with manufacturing processes.

We convert raw materials into molded products through a manufacturing process at production facilities in Columbus, Ohio, Gaffney, South Carolina, Batavia, Ohio and Matamoros, Mexico. While we maintain insurance covering our manufacturing and production facilities, including business interruption insurance, a catastrophic loss of the use of all or a portion of our facilities due to accident, fire, explosion or natural disaster, whether short or long-term, could have a material adverse effect on the Company.

Unexpected failures of our equipment and machinery may result in production delays, revenue loss and significant repair costs, as well as injuries to our employees. Any interruption in production capability may require us to make large capital expenditures to remedy the situation, which could have a negative impact on our profitability and cash flows. Our business interruption insurance may not be sufficient to offset the lost revenues or increased costs that we may experience during a disruption of our operations. Because we supply our products to OEMs, a temporary or long-term business disruption could result in a permanent loss of customers. If this were to occur, our future sales levels and therefore our profitability could be materially adversely affected.

Our insurance coverage may be inadequate to protect against the potential hazards incident to our business.

We maintain property, business interruption, product liability and casualty insurance coverage, but such insurance may not provide adequate coverage against potential claims, including losses resulting from war risks, terrorist acts or product liability claims relating to products we manufacture. Consistent with market conditions in the insurance industry, premiums and deductibles for some of our insurance policies have been increasing and may continue to increase in the future. In some instances, some types of insurance may become available only for reduced amounts of coverage, if at all. In addition, there can be no assurance that our insurers would not challenge coverage for certain claims. If we were to incur a significant liability for which we were not fully insured or that our insurers disputed, it could have a material adverse effect on our financial position.

In September 2004, we acquired the assets of Keystone Restyling Products, a privately held manufacturer and marketer for the automotive aftermarket industry. In August 2005, we acquired assets of the Cincinnati Fiberglass Division of Diversified Glass, a privately held manufacturer and distributor of fiberglass reinforced plastic components supplied primarily to the heavy-duty truck market. We may not realize the improved operating results that we anticipate from these acquisitions or from acquisitions we may make in the future, and we may experience difficulties in integrating the acquired businesses or may inherit significant liabilities related to such businesses.

We explore opportunities to acquire businesses that we believe are related to our core competencies from time to time, some of which may be material to us. We expect such acquisitions will produce operating results consistent with our other operations, however, we cannot provide assurance that this assumption will prove correct with respect to any acquisition.

Any acquisitions may present significant challenges for our management due to the increased time and resources required to properly integrate management, employees, information systems, accounting controls, personnel and administrative functions of the acquired business with those of Core Molding Technologies and to manage the combined company on a going forward basis. The diversion of management's attention and any delays or difficulties encountered in connection with the integration of these businesses could adversely impact our business, results of operations and liquidity, and the benefits we anticipate may never materialize.

If we are unable to meet future capital requirements, our business may be adversely affected.

As we grow our business, we may have to incur significant capital expenditures. We may make capital investments to, among other things, upgrade our facilities, purchase leased facilities and equipment and enhance our production processes. Although we currently have cash reserves, we cannot assure you that we will have, or be able to obtain, adequate funds to make all necessary capital expenditures

when required, or that the amount of future capital expenditures will not be materially in excess of our anticipated or current expenditures. If we are unable to make necessary capital expenditures, we may not have the capability to support our customer demands, which, in turn could reduce our sales and profitability and impair our ability to satisfy our customers' expectations. In addition, even if we are able to invest sufficient resources, these investments may not generate net sales that exceed our expenses, generate any net sales at all or result in any commercially acceptable products.

Our products may be rendered obsolete or less attractive if there are changes in technology, regulatory requirements or competitive processes.

Changes in technology, regulatory requirements and competitive processes may render certain products obsolete or less attractive. Our ability to anticipate changes in these areas will be a significant factor in our ability to remain competitive. If we are unable to identify or compensate for any one of these changes, it may have a material adverse effect on our business, results of operations or financial condition.

Our Stock Price Can Be Volatile.

Our stock price can fluctuate widely in response to a variety of factors. Factors include actual or anticipated variations in our quarterly operating results, our relatively small public float, changes in securities analysts' estimates of our future earnings, and the loss of major customers or significant business developments relating to us or our competitors, and other factors, including those described in this "Risk Factors" section. Our common stock also has a low average daily trading volume, which limits a person's ability to quickly accumulate or quickly divest themselves of large blocks of our stock. In addition, a low average trading volume can lead to significant price swings even when a relatively few number of shares are being traded.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

The Company owns two production plants in the United States that are situated in Columbus, Ohio and Gaffney, South Carolina. As a result of the August 2005 acquisition of Cincinnati Fiberglass, the Company now leases a third United States production facility in Batavia, Ohio. The Company believes that, through productive use, these facilities have adequate production capacity to meet current production volume.

At the Columbus, Ohio and Gaffney, South Carolina facilities, the Company measures molding capacity in terms of its ten large molding presses (i.e. 2,000 tons and greater). The approximate large press capacity utilization for the molding of production products in the Company's United States production facilities was 76%, 85% and 65% in the fourth quarter of 2005, 2004 and 2003, respectively. Capacity utilization is measured on the basis of a five day, three-shifts per day operation. The Company has two additional large presses in storage, which it anticipates installing during 2006 as part of plans to expand its Columbus manufacturing operation to support two new programs for existing customers.

The Columbus, Ohio plant is located at 800 Manor Park Drive on approximately 28.2 acres of land. The approximate 323,596 square feet of available floor space at the Columbus, Ohio plant is comprised of the following:

	Approximate Square Feet
Manufacturing/Warehouse	307,447
Office	16,149
	<u>323,596</u>

The Company acquired the property at 800 Manor Park Drive as a result of the Asset Purchase Agreement with International.

The Gaffney, South Carolina plant, which was opened in early 1998, is located at 24 Commerce Drive, Meadow Creek Industrial Park on approximately 20.7 acres of land. The approximate 110,900 square feet of available floor space at the Gaffney, South Carolina plant is comprised of the following:

	Approximate Square Feet
Manufacturing/Warehouse	105,700
Office	5,200
	110,900

The Columbus, Ohio and Gaffney, South Carolina properties are subject to liens and security interests as a result of the properties being pledged by the Company as collateral for its debt as described in Note 7 of the "Notes to Consolidated Financial Statements" in Part II, Item 8 of this Form 10-K.

As a result of the acquisition of the Cincinnati Fiberglass Division of Diversified Glass, Inc., the Company leases a production plant in Batavia, Ohio located at 4174 Half Acre Road on approximately 9 acres of land. The term of the lease is seven years. The Company has the option to terminate the lease effective any time after July 31, 2006, by providing written notice to the lessor no later than 90 days prior to the intended termination date. The Company has the option to purchase the property at the end of every lease year. The approximate 107,740 square feet of available floor space at the Batavia, Ohio plant is comprised of the following:

	Approximate Square Feet
Manufacturing/Warehouse	103,976
Office	3,764
	107,740

The capacity of production in this facility is not linked directly to equipment capacities, as in the Company's other facilities, due to the nature of the products produced. Capacity of the facility is tied to available floor space and the availability of personnel. The approximate capacity utilization for this operation was 56%, in the fourth quarter of 2005.

In conjunction with the establishment of operations in Mexico, as discussed above, the Company leases a production plant in Matamoros, Mexico, located at Ave. Uniones Y Michigan, Matamoros, Tamps. Mexico. The term of the lease is ten years, with an option to renew for an additional ten years and with an option to buy the facility at any time within the first seven years of the lease. The lease is cancelable by the Company with six months notice. The facility consists of approximately 313,000 square feet on approximately 12 acres. The Company's Mexican operation leased approximately 267,700 square feet of the facility through August 2005. Beginning in September 2005, the Company's Mexican operation leased the entire facility, comprised as follows:

	Approximate Square Feet
Manufacturing/Warehouse	309,400
Office	3,600
	313,000

The capacity of production in this facility is not linked directly to equipment capacities, as in the Company's other facilities, due to the nature of the products produced. Capacity of the facility is tied to available floor space and the availability of personnel. The approximate capacity utilization for this operation was 65%, 68% and 57% in the fourth quarter of 2005, 2004 and 2003, respectively. Capacity utilization for the Matamoros' operation is measured on the basis of five days, two 9.6 hour shifts per day.

ITEM 3. LEGAL PROCEEDINGS

From time to time, the Company is involved in litigation incidental to the conduct of its business. However, the Company is presently not involved in any legal proceedings which in the opinion of management are likely to have a material adverse effect on the Company's consolidated financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company submitted no matters to a vote of its security holders during the fourth quarter of its fiscal year ended December 31, 2005.

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

The Company's common stock is traded on the American Stock Exchange under the symbol "CMT."

The table below sets forth the high and low sale prices of the Company stock for each full quarterly period within the two most recent fiscal years for which such stock was traded, as reported on the American Stock Exchange Composite Tape.

		High	Low
Core Molding Technologies, Inc.			
First Quarter	2005	\$5.59	\$2.65
Second Quarter	2005	13.00	4.50
Third Quarter	2005	11.79	5.25
Fourth Quarter	2005	9.40	4.20
First Quarter	2004	\$4.15	\$2.91
Second Quarter	2004	4.07	3.10
Third Quarter	2004	3.30	2.45
Fourth Quarter	2004	3.10	2.31

The Company's common stock was held by 499 holders of record on March 24, 2006.

The Company made no payments of cash dividends during 2005 and 2004. The Company currently expects that its earnings will be retained to finance the growth and development of its business and does not anticipate paying dividends on its common stock in the foreseeable future.

Equity Compensation Plan Information

The following table shows certain information concerning our common stock to be issued in connection with our equity compensation plans as of December 31, 2005:

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Shares Remaining Available for Future Issuance
Equity compensation plans approved by stockholders	771,450	3.37	1,959,550
Equity compensation plans not approved by stockholders (1)	261,250	3.21	–

(1) On August 4, 2003, the Company issued 261,250 options that were not covered under the Plan at \$3.21 to its Directors.

ITEM 6. SELECTED FINANCIAL DATA

The following selected financial data are derived from the audited consolidated financial statements of the Company. The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," the financial statements and related notes included elsewhere in this Annual Report on Form 10-K.

	Years Ended December 31,				
(In thousands, except per share data)	2005	2004	2003	2002	2001
Operating Data:					
Product sales	\$124,910	\$103,733	\$81,295	\$81,305	\$68,364
Tooling sales	5,633	8,112	11,488	12,784	4,816
Net sales	130,543	111,845	92,783	94,089	73,180
Gross margin	23,482	17,309	13,898	13,511	7,859
Income (loss) before interest and taxes	10,394	6,572	4,403	4,775	(108)
Net income (loss)	6,286	5,135	1,665	1,813	(1,860)
Earnings Per Share Data:					
Net income (loss) per common share:					
Basic	.63	.53	.17	.19	(.19)
Diluted	.60	.52	.17	.19	(.19)
Balance Sheet Data:					
Total assets	74,221	68,960	56,152	64,076	61,307
Working capital	22,851	13,530	8,544	15,717	11,786
Long-term debt	9,595	11,371	12,999	23,764	26,015
Stockholders' equity	34,141	26,277	20,854	19,081	17,536
Return on equity	18%	20%	8%	10%	(11%)

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements within the meaning of the federal securities laws. As a general matter, forward-looking statements are those focused upon future plans, objectives or performance as opposed to historical items and include statements of anticipated events or trends and expectations and beliefs relating to matters not historical in nature. Such forward-looking statements involve known and unknown risks and are subject to uncertainties and factors relating to Core Molding Technologies' operations and business environment, all of which are difficult to predict and many of which are beyond Core Molding Technologies' control. These uncertainties and factors could cause Core Molding Technologies' actual results to differ materially from those matters expressed in or implied by such forward-looking statements.

Core Molding Technologies believes that the following factors, among others, could affect its future performance and cause actual results to differ materially from those expressed or implied by forward-looking statements made in this report: business conditions in the plastics, transportation, watercraft and commercial product industries; general economic conditions in the markets in which Core Molding Technologies operates; dependence upon four major customers as the primary source of Core Molding Technologies' sales revenues; recent efforts of Core Molding Technologies to expand its customer base; failure of Core Molding Technologies' suppliers to perform their contractual obligations; the availability of raw materials; inflationary pressures; new technologies; competitive and regulatory matters; labor relations; the loss or inability of Core Molding Technologies to attract key personnel; the availability of capital; the ability of Core Molding Technologies to provide on-time delivery to customers, which may require additional shipping expenses to ensure on-time delivery or otherwise result in late fees; risk of cancellation or rescheduling of orders; management's decision to pursue new products or businesses which involve additional costs, risks or capital expenditures; and other risks identified from time-to-time in Core Molding Technologies other public documents on file with the Securities and Exchange Commission, including those described in Item 1A of this Annual Report on Form 10-K.

OVERVIEW

Core Molding Technologies is a compounder of sheet molding composite ("SMC") and molder of fiberglass reinforced plastics. Core Molding Technologies produces high quality fiberglass reinforced molded products and SMC materials for varied markets, including light, medium and heavy-duty trucks, automobiles and automotive aftermarkets, personal watercraft and other commercial products. The demand for Core Molding Technologies' products is affected by economic conditions in the United States, Canada and Mexico. Core Molding Technologies' manufacturing operations have a significant fixed cost component. Accordingly, during periods of changing demands, the profitability of Core Molding Technologies' operations may change proportionately more than revenues from operations.

On December 31, 1996, Core Molding Technologies acquired substantially all of the assets and assumed certain liabilities of Columbus Plastics, a wholly owned operating unit of International's truck manufacturing division since its formation in late 1980. Columbus Plastics, located in Columbus, Ohio, was a compounder and compression molder of SMC. In 1998, Core Molding Technologies began compression molding operations at its second facility in Gaffney, South Carolina, and in October 2001, Core Molding Technologies acquired certain assets of Airshield Corporation. As a result of this acquisition, Core Molding Technologies expanded its fiberglass molding capabilities to include the spray-up and hand-lay-up open mold processes and resin transfer ("RTM") closed mold process. In September 2004, Core Molding Technologies acquired substantially all the operating assets of Keystone Restyling Products, Inc., a privately held manufacturer and distributor of fiberglass reinforced products for the automotive-aftermarket industry. In August 2005, Core Molding Technologies acquired certain assets of the Cincinnati Fiberglass Division of Diversified Glass, Inc., a Batavia, Ohio-based, privately held manufacturer and distributor of fiberglass reinforced plastic components supplied primarily to the heavy-duty truck market. The Batavia, Ohio facility produces reinforced plastic products by a robotic spray-up open mold process and resin transfer molding ("RTM") utilizing multiple insert tooling ("MIT") closed mold process.

RESULTS OF OPERATIONS

2005 COMPARED WITH 2004

Net sales for 2005 totaled \$130,543,000, an approximate 17% increase from the \$111,845,000 reported for 2004. Included in total sales are tooling project revenues of \$5,663,000 for 2005 and \$8,112,000 for 2004. Tooling project revenues are sporadic in nature and do not represent a recurring trend. Total product sales revenue for 2005, excluding tooling project revenue, totaled \$124,909,000, an approximate 20% increase from the \$103,734,000 reported for 2004. The primary reason for this increase was due to the positive impact general economic conditions have had on the demand for medium and heavy-duty trucks as well as the addition of the recently acquired Batavia, Ohio facility. Sales to International totaled \$66,382,000, an approximate 10% increase from the 2004 amount of \$60,167,000. The primary reason for the increase was due to the positive impact of general economic conditions and the affect on product sales. Sales to Freightliner totaled \$17,034,000 for 2005, which was an increase of approximately 24% from the \$13,778,000 for 2004. The primary reason for the increase was due to the positive impact general economic conditions have had on the demand for medium and heavy-duty trucks and having the full impact for the year of products that went into production in the fourth quarter of 2004. Sales to PACCAR in 2005 totaled \$15,512,000, an approximate 275% increase from the 2004 amount of \$4,138,000. The primary reason for the increase in sales to PACCAR is due to the addition of the recently acquired Batavia, Ohio facility. Sales to Yamaha in 2005 amounted to \$11,078,000, which was lower than the \$13,746,000 in 2004. The primary reason for this decrease was due to the decision of Yamaha to diversify its supplier base.

Sales to other customers increased by approximately 3% to \$20,536,000 in 2005 from \$20,017,000 in 2004. The increase in sales was primarily due to the addition of Core Molding Technologies automotive aftermarket division, which was acquired in September of 2004. Also contributing to this increase are new customers at Core Molding Technologies' Matamoros facility as well as the positive impact general economic conditions have had on the demand for medium and heavy-duty trucks. Sales to other customers were offset by lower sales to Lear reflecting lower demand for sport utility vehicles.

Gross margin was 18.0% of sales in 2005 compared to 15.5% of sales in 2004. The increase in gross margin, as a percentage of sales from the prior year, was due to a combination of many factors. The increase in gross margin, as a percentage of sales from the prior year, was primarily due to production efficiencies related to labor and material usage. Increases in production volumes also added to the increased gross margin for the current year, as Core Molding Technologies was better able to absorb its fixed cost of production. The benefit gained in gross margin was partially offset by increases in raw material and energy costs as well as increases in the Company's profit sharing accruals resulting from improved operating results.

Selling, general and administrative expenses totaled \$13,089,000 in 2005, which was greater than the \$10,737,000 incurred in 2004. The increase from 2004 was primarily due to increases in labor costs, certain employee benefits and the Company's profit sharing accruals resulting from improved operating results.

Net interest expense totaled \$525,000 in 2005, decreasing from \$866,000 in 2004. The primary reasons for this decrease were due to interest income of \$226,000 in 2005 compared to \$7,000 in 2004, as well as a reduction in debt from regularly scheduled principal payments. Interest rates experienced by Core Molding Technologies with respect to its long-term borrowing facilities were favorable; however, due to the interest rate swaps Core Molding Technologies entered into, the interest rate is essentially fixed for these debt instruments.

Income tax expense for 2005 was approximately 36% of total income before taxes compared to 10% in 2004. The increase is primarily due to the Company eliminating its valuation reserve in 2004 related to its tax operating loss carryforwards. This reserve was reduced by \$1,425,000 as a result of the Company anticipating it being more likely than not that the Company will realize these benefits. Actual tax payments will be lower than the recorded expenses as the Company has substantial federal tax loss carryforwards. These loss carryforwards were recorded as a deferred tax asset. As the tax loss carryforwards are utilized to offset federal income tax payments, the Company reduces the deferred tax asset as opposed to recording a reduction in income tax expense. The Company used all federal tax loss carryforwards in 2005.

Net income for 2005 was \$6,286,000 or \$.63 per basic share and \$.60 per diluted share, representing an increase of \$1,151,000 from the 2004 net income of \$5,135,000 or \$.53 per basic share and \$.52 per diluted share. Included in 2004 net income was a one-time benefit of \$1,425,000 or \$.15 per basic and diluted share, resulting from the Company eliminating its valuation reserve related to its tax operating loss carryforward.

2004 COMPARED WITH 2003

Net sales for 2004 totaled \$111,845,000, an approximate 21% increase from the \$92,783,000 reported for 2003. Included in total sales are tooling project revenues of \$8,112,000 for 2004 and \$11,488,000 for 2003. Tooling project revenues are sporadic in nature and do not represent a recurring trend. Total product sales revenue for 2004, excluding tooling project revenue, totaled \$103,734,000, an

approximate 28% increase from the \$81,295,000 reported for 2003. The primary reason for this increase was due to the positive impact general economic conditions have had on the demand for medium and heavy-duty trucks. Sales to International totaled \$60,167,000, an approximate 18% increase from the 2003 amount of \$51,205,000. The primary reason for the increase was due to the positive impact of general economic conditions and the affect on product sales. Tooling sales to International were approximately 54% lower in 2004 as compared to 2003. Sales to Yamaha in 2004 amounted to \$13,746,000, which was slightly higher than the \$13,612,000 in 2003. Sales to Freightliner totaled \$13,778,000 for 2004, which was an increase of approximately 40% from the \$9,820,000 for 2003. The primary reason for the increase was due to the positive impact of general economic conditions and the affect on product sales and having the full impact for the year of products that went into production in the first and second quarter of 2003.

Sales to other customers increased by approximately 33% to \$24,155,000 from \$18,145,000 in 2003. The increase in sales was primarily due to the positive impact general economic conditions have had on the demand for medium and heavy-duty trucks, as well as the addition of new customers at Core Molding Technologies' Matamoros facility.

Gross margin was 15.5% of sales in 2004 compared to 15.0% of sales in 2003. The increase in gross margin, as a percentage of sales from the prior year, was due to a combination of many factors. The primary reason for the increase was due to the increase in sales volume, which enabled the Company to better absorb its fixed costs of production. The benefit gained by the increase in sales volume was partially offset by additional costs incurred as a result of increases in raw material costs, primarily due to price increases for resin, which is a significant component of SMC. Due to the cost of crude oil and natural gas, raw material prices increased and continue to rise into 2005. Also offsetting the benefit gained were inefficiencies related to material usage and the nine-day strike at the Company's Columbus plant, as well as increases in the Company's profit sharing accruals resulting from improved operating results.

Selling, general and administrative expenses totaled \$10,737,000 in 2004, which was greater than the \$9,495,000 incurred in 2003. The increase from 2003 was primarily due to increases in professional fees and outside services and the Company's profit sharing accruals resulting from improved operating results.

Interest expense totaled \$872,000 for 2004 decreasing from \$1,852,000 in 2003. The primary reason for the decrease was due to the refinancing of long-term debt with International Truck and Engine Corporation in December 2003. Interest rates experienced by the Company with respect to the industrial revenue bond and bank note payable were favorable; however, due to the interest rate swaps the Company entered into, the interest rate is essentially fixed.

Income tax expense for 2004 was approximately 10% of total income before taxes. The Company's normal tax rate is 37%; however, the Company eliminated its valuation reserve related to its tax operating loss carryforwards. This reserve was reduced by \$1,425,000 as a result of the Company anticipating it being more likely than not that the Company will realize these benefits. Actual tax payments will be lower than the recorded expenses as the Company has substantial federal tax loss carryforwards. These loss carryforwards were recorded as a deferred tax asset. As the tax loss carryforwards are utilized to offset federal income tax payments, the Company reduces the deferred tax asset as opposed to recording a reduction in income tax expense.

Net income for 2004 was \$5,135,000 or \$.53 per basic share and \$.52 per diluted share, representing an increase of \$3,470,000 from the 2003 net income of \$1,665,000 or \$.17 per basic and diluted share.

LIQUIDITY AND CAPITAL RESOURCES

The Company's primary sources of funds have been cash generated from operating activities and borrowings from third parties. The Company's primary cash requirements are for operating expenses and capital expenditures.

Cash provided by operating activities before changes in working capital in 2005 totaled \$13,092,000. Changes in working capital reduced cash provided by operating activities by \$4,529,000 to \$8,563,000. Net income contributed \$6,286,000 to operating cash flows. Non-cash deductions of depreciation and amortization contributed \$2,256,000 to operating cash flow. The decrease in deferred income taxes also had a positive impact on operating cash flows of \$2,755,000, which is primarily a result of Core Molding Technologies' net operating loss carryforwards reducing current year tax obligations. The Company used all net operating loss carryforwards in 2005. In addition, the increase in the postretirement healthcare benefits liability of \$1,732,000 is not a current cash obligation, and this item will not be a cash obligation until retirees begin to utilize their retirement medical benefits. Changes in working capital primarily relate to increases in accounts receivable, which is primarily related to increased sales volume and the addition of the Batavia, Ohio production facility and a decrease in accounts payable due to timing differences.

Cash used for investing activities was \$3,579,000 for the year ended December 31, 2005. Capital expenditures totaled \$3,045,000, which was primarily related to the acquisition of machinery and equipment at its production facilities. At December 31, 2005, commitments for capital expenditures in progress were \$1,323,000. Capital expenditures for 2006 are expected to be \$8,139,000, primarily related to an expansion project at the Company's Columbus, Ohio facility to support two new programs for existing customers.

These programs are scheduled to launch in 2007. The purchases of certain assets of Cincinnati Fiberglass, Inc. for \$688,000 contributed to the overall use of cash for investing activities. Contributing to cash flows from investing activities was \$88,000 from the maturity of a mortgage-backed security investment and \$65,000 from the sale of property plant and equipment.

Financing activities reduced cash flow by \$927,000. Core Molding Technologies made principal repayments on its existing bank note payable of \$1,286,000 and regularly scheduled payments on the Industrial Revenue Bond of \$450,000. Partially offsetting these payments were proceeds of \$808,000 from the issuance of common stock related to the exercise of 261,400 stock options.

At December 31, 2005, the Company had cash on hand of \$9,414,000 and an available line of credit of \$7,500,000 ("Line of Credit"), which is scheduled to mature on April 30, 2007. At December 31, 2005, Core Molding Technologies had no outstanding borrowings on the Line of Credit. Management expects these resources to be adequate to meet Core Molding Technologies' liquidity needs. As of December 31, 2005, the Company was in compliance with its two financial debt covenants for the Line of Credit and letter of credit securing the Industrial Revenue Bond and certain equipment leases. The covenants relate to maintaining certain financial ratios. Management expects Core Molding Technologies to meet these covenants for the year 2006. However, if a material adverse change in the financial position of Core Molding Technologies should occur, Core Molding Technologies' liquidity and ability to obtain further financing to fund future operating and capital requirements could be negatively impacted.

The Company has the following minimum commitments under contractual obligations, including purchase obligations, as defined by the United States Securities and Exchange Commission ("SEC"). A "purchase obligation" is defined as an agreement to purchase goods or services that is enforceable and legally binding on the Company and that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction. Other long-term liabilities are defined as long-term liabilities that are reflected on the Company's balance sheet under accounting principles generally accepted in the United States. Based on this definition, the tables below include only those contracts, which include fixed or minimum obligations. It does not include normal purchases, which are made in the ordinary course of business.

The following table provides aggregated information about contractual obligations and other long-term liabilities as of December 31, 2005.

	2006	2007 - 2008	2009 - 2010	2011 and after	Total
Debt	\$ 1,776,000	\$ 3,682,000	\$ 3,867,000	\$ 2,046,000	\$ 11,371,000
Interest	569,000	841,000	429,000	135,000	1,974,000
Operating lease obligations	3,382,000	4,036,000	939,000	11,000	8,368,000
Contractual commitments					
for capital expenditures	1,323,000	—	—	—	1,323,000
Postretirement benefits	85,000	305,000	545,000	8,832,000	9,767,000
Total	\$ 7,135,000	\$ 8,864,000	\$ 5,780,000	\$ 11,024,000	\$ 32,803,000

Interest is calculated based on adjusting the variable interest rate to the effective interest rate due to the swap agreements in place for both long-term borrowings.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's Discussion and Analysis of Financial Condition and Results of Operations discuss the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and judgments, including those related to accounts receivable, inventories, post retirement benefits, and income taxes. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Management believes the following critical accounting policies, among others, affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Accounts Receivable Allowances

Management maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to

make payments, additional allowances may be required. The Company had recorded an allowance for doubtful accounts of \$214,000 at December 31, 2005 and \$235,000 at December 31, 2004. Management also records estimates for customer returns, discounts offered to customers, and for price adjustments. Should customer returns, discounts, and price adjustments fluctuate from the estimated amounts, additional allowances may be required. The Company has reduced accounts receivable for chargebacks of \$807,000 at December 31, 2005 and \$719,000 at December 31, 2004.

Inventories

Inventories, which include material, labor and manufacturing overhead, are valued at the lower of cost or market. The inventories are accounted for using the first-in, first-out (FIFO) method of determining inventory costs. Inventory quantities on-hand are regularly reviewed, and where necessary, provisions for excess and obsolete inventory are recorded based on historical and anticipated usage.

Goodwill and Long-Lived Assets

Management evaluates whether impairment exists for goodwill and long-lived assets. Should actual results differ from the assumptions used to determine impairment, additional provisions may be required. In particular, decreases in future cash flows from operating activities below the assumptions could have an adverse effect on the Company's ability to recover its long-lived assets. The Company has not recorded any impairment to goodwill for long-lived assets for the years ended December 31, 2005 and 2004.

Self-Insurance

The Company is self-insured with respect to most of its Columbus, Ohio and Gaffney, South Carolina medical and dental claims and Columbus, Ohio workers' compensation claims. The Company has recorded an estimated liability for self-insured medical and dental claims incurred but not reported and worker's compensation claims incurred but not reported at December 31, 2005, and 2004 of \$1,002,000 and \$931,000, respectively.

Post Retirement Benefits

Management records an accrual for postretirement costs associated with the health care plan sponsored by Core Molding Technologies. Should actual results differ from the assumptions used to determine the reserves, additional provisions may be required. In particular, increases in future healthcare costs above the assumptions could have an adverse effect on Core Molding Technologies' operations. The effect of a change in healthcare costs is described in Note 11 of the Consolidated Notes to Financial Statements. Core Molding Technologies recorded a liability for postretirement healthcare benefits based on actuarially computed estimates of \$9,767,000 at December 31, 2005, and \$8,035,000 at December 31, 2004.

Revenue Recognition

Revenue from product sales is recognized at the time products are shipped and title transfers. Allowances for returned products and other credits are estimated and recorded as revenue is recognized. Tooling revenue is recognized when the customer approves the tool and accepts ownership. Progress billings and expenses are shown net as an asset or liability on the Company's balance sheet.

Income Taxes

Management records a valuation allowance to reduce its deferred tax assets to the amount that it believes is more likely than not to be realized. The Company has considered future taxable income in assessing the need for a valuation allowance and has not recorded a valuation allowance due to anticipating it being more likely than not that the Company will realize these benefits.

The deferred tax asset of \$8,373,000 at December 31, 2005, primarily includes temporary differences between the book and tax basis of the Company's property and equipment of approximately \$2,070,000 and temporary differences relating to post-retirement and pension benefits of \$3,700,000.

An analysis is performed to determine the amount of the deferred tax asset that will be realized. Such analysis is based upon the premise that the Company is and will continue as a going concern and that it is more likely than not that deferred tax benefits will be realized through the generation of future taxable income. Management reviews all available evidence, both positive and negative, to assess the long-term earnings potential of the Company using a number of alternatives to evaluate financial results in economic cycles at various industry volume conditions. Other factors considered are the Company's relationships with its four largest customers (International, Freightliner, PACCAR, and Yamaha), and the Company's recent customer diversification efforts. The projected availability of taxable income to realize the tax benefits from net operating loss carryforwards and the reversal of temporary differences before expiration of these benefits are also considered. Management believes that, with the combination of available tax planning strategies and the maintenance of its relationships with its key customers, earnings are achievable in order to realize the net deferred tax asset of \$8,373,000.

INFLATION

Inflation generally affects the Company by increasing the cost of labor, equipment and raw materials. Due to the cost of crude oil and natural gas, raw material prices have increased and are expected to continue to rise in 2006. These increases could have a significant impact on the future results of operations.

RECENT ACCOUNTING PRONOUNCEMENTS

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs – an amendment of ARB No. 43, Chapter 4," which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage) and also requires that the allocation of fixed production overhead be based on the normal capacity of the production facilities. SFAS No. 151 is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The Company is currently evaluating the impact of adopting this statement but believes it will not have a material effect on the consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123(R), Share-Based Payment. SFAS 123(R) is a revision of FASB Statement 123, Accounting for Stock-Based Compensation and supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees and our related implementation guidance. The statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS No. 123(R) requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost is to be recognized over the period during which an employee is required to provide service in exchange for the award. We will record non-cash stock compensation expense of unvested stock options outstanding beginning in the first quarter of fiscal year 2006. The impact of the adoption of SFAS 123(R) will depend on share-based payments in the future; we currently expect a reduction to diluted earnings per share of approximately \$0.03 in 2006.

In November 2005, the FASB issued FSP No. 123(R)-3, Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards. This provides an elective alternative method that establishes a computational component to arrive at the beginning balance of the accumulated paid-in capital pool related to employee compensation and a simplified method to determine the subsequent impact on the accumulated paid-in capital pool of employee awards that are fully vested and outstanding upon the adoption of SFAS No. 123(R). We are currently evaluating this transition method.

In March 2005, the FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47") as an interpretation of FASB Statement No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"). This interpretation clarifies that the term conditional asset retirement obligation as used in SFAS 143, refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event though uncertainty exists about the timing and/or method of settlement. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. This interpretation also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. This interpretation is effective for fiscal years ending after December 15, 2005. There is no material effect to the consolidated financial statements from adoption of FIN 47.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Core Molding Technologies' primary market risk results from changes in the price of commodities used in its manufacturing operations. Core Molding Technologies is also exposed to fluctuations in interest rates and foreign currency fluctuations associated with the Mexican peso. Core Molding Technologies does not hold any material market risk sensitive instruments for trading purposes.

Core Molding Technologies has the following five items that are sensitive to market risks: (1) Industrial Revenue Bond ("IRB") with a variable interest rate. Core Molding Technologies has an interest rate swap to fix the interest rate at 4.89%; (2) revolving line of credit, which bears a variable interest rate; (3) bank note payable with a variable interest rate. Core Molding Technologies entered into a swap agreement effective January 1, 2004, to fix the interest rate at 5.75%; (4) foreign currency purchases in which Core Molding Technologies purchases Mexican pesos with United States dollars to meet certain obligations that arise due to the facility located in Mexico; and (5) raw material purchases in which Core Molding Technologies purchases various resins for use in production. The prices of these resins are affected by the prices of crude oil and natural gas as well as processing capacity versus demand.

Assuming a hypothetical 10% increase in commodity prices, Core Molding Technologies would be impacted by an increase in raw material costs, which would have an adverse effect on operating margins.

Assuming a hypothetical 10% change in short-term interest rates in both 2005 and 2004, interest expense would not change significantly, as the interest rate swap agreement would generally offset the impact and the use of Core Molding Technologies' revolving line of credit was not material during 2005.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

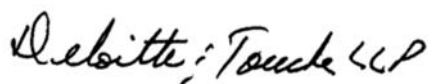
REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Core Molding Technologies, Inc.
Columbus, Ohio

We have audited the accompanying consolidated balance sheets of Core Molding Technologies, Inc. and subsidiaries (the "Company") as of December 31, 2005 and 2004, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2005. Our audits also included the financial statement schedules listed in the Index at Item 15. These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Core Molding Technologies, Inc. and subsidiaries at December 31, 2005 and 2004, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2005, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.



DELOITTE & TOUCHE LLP
Columbus, Ohio
March 29, 2006

Core Molding Technologies, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF INCOME

Year Ended December 31,

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net sales:			
Products	\$ 124,909,485	\$ 103,733,524	\$ 81,295,487
Tooling	5,633,379	8,111,752	11,487,847
Total sales	<u>130,542,864</u>	<u>111,845,276</u>	<u>92,783,334</u>
Cost of sales	104,846,750	92,790,526	77,587,866
Postretirement benefits expense	2,213,622	1,745,611	1,297,561
Total cost of sales	<u>107,060,372</u>	<u>94,536,137</u>	<u>78,885,427</u>
Gross margin	<u>23,482,492</u>	<u>17,309,139</u>	<u>13,897,907</u>
Selling, general and administrative expense	12,560,592	10,399,800	9,151,676
Postretirement benefits expense	528,147	337,690	343,064
Total selling, general and administrative expense	<u>13,088,739</u>	<u>10,737,490</u>	<u>9,494,740</u>
Income before interest and income taxes	<u>10,393,753</u>	<u>6,571,649</u>	<u>4,403,167</u>
Interest income	226,202	6,584	87,508
Interest expense	(750,763)	(872,296)	(1,852,065)
Income before income taxes	<u>9,869,192</u>	<u>5,705,937</u>	<u>2,638,610</u>
Income taxes:			
Current	828,012	602,188	401,711
Deferred	2,755,124	(30,901)	571,640
Total income taxes	<u>3,583,136</u>	<u>571,287</u>	<u>973,351</u>
Net income	<u>\$ 6,286,056</u>	<u>\$ 5,134,650</u>	<u>\$ 1,665,259</u>
Net income per common share:			
Basic	<u>\$ 0.63</u>	<u>\$ 0.53</u>	<u>\$ 0.17</u>
Diluted	<u>\$ 0.60</u>	<u>\$ 0.52</u>	<u>\$ 0.17</u>
Weighted average common shares outstanding:			
Basic	<u>9,913,209</u>	<u>9,778,680</u>	<u>9,778,680</u>
Diluted	<u>10,412,774</u>	<u>9,820,946</u>	<u>9,778,680</u>

See notes to consolidated financial statements.

Core Molding Technologies, Inc. and Subsidiaries

CONSOLIDATED BALANCE SHEETS

December 31,

	<u>2005</u>	<u>2004</u>
Assets		
Current assets:		
Cash	\$ 9,413,994	\$ 5,358,246
Accounts receivable (less allowance for doubtful accounts: 2005 - \$214,000 and 2004 - \$235,000)	22,279,588	18,430,331
Inventories:		
Finished and work in process goods	2,075,094	2,650,610
Stores	5,219,927	3,893,886
Total inventories	7,295,021	6,544,496
Deferred tax asset	2,208,567	1,892,238
Foreign sales tax receivable	756,723	1,450,299
Tooling in progress	-	700,504
Prepaid expenses and other current assets	947,937	822,676
Total current assets	42,901,830	35,198,790
Property, plant and equipment	47,939,881	45,387,577
Accumulated depreciation	(24,269,524)	(22,657,889)
Property, plant and equipment – net	23,670,357	22,729,688
Deferred tax asset	6,164,317	9,361,558
Goodwill	1,097,433	1,097,433
Customer List/ Non-compete	189,860	235,211
Other assets	197,605	337,782
Total	<u>\$ 74,221,402</u>	<u>\$ 68,960,462</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Current liabilities:		
Current portion long-term debt	\$ 1,775,716	\$ 1,735,714
Current portion graduated lease payments and deferred gain	567,369	682,824
Accounts payable	10,224,296	14,055,397
Tooling in progress	1,148,104	-
Accrued liabilities:		
Compensation and related benefits	5,264,515	3,664,949
Interest	103,701	101,132
Taxes	130,820	454,618
Other	836,580	974,400
Total current liabilities	20,051,101	21,669,034
Long-term debt	9,594,995	11,370,711
Interest rate swaps	100,965	474,658
Graduated lease payments and deferred gain	567,030	1,134,399
Postretirement benefits liability	9,766,544	8,034,774
Commitments and Contingencies		
Stockholders' Equity:		
Preferred stock - \$0.01 par value, authorized shares - 10,000,000; outstanding shares: 2005 and 2004 - 0	-	-
Common stock - \$0.01 par value, authorized shares - 20,000,000; outstanding shares: 2005 - 10,040,080 and 2004 - 9,778,680	100,401	97,787
Paid-in capital	20,770,958	19,451,392
Accumulated other comprehensive loss, net of income tax benefit	(58,891)	(314,536)
Retained earnings	13,328,299	7,042,243
Total stockholders' equity	34,140,767	26,276,886
Total	<u>\$ 74,221,402</u>	<u>\$ 68,960,462</u>

See notes to consolidated financial statements.

Core Molding Technologies, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

for the Years Ended December 31, 2005, 2004, and 2003

	Common Stock Outstanding		Paid-In Capital	Retained Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
	Shares	Amount				
Balance at January 1, 2003	9,778,680	\$ 97,787	\$19,251,392	\$ 242,334	\$(510,466)	\$19,081,047
Net Income				1,665,259		1,665,259
Hedge accounting effect of the interest rate swap					163,291	163,291
Deferred income tax expense on interest rate swap					(55,519)	(55,519)
Comprehensive Income						1,733,031
Balance at December 31, 2003	<u>9,778,680</u>	<u>97,787</u>	<u>19,251,392</u>	<u>1,907,593</u>	<u>(402,694)</u>	<u>20,854,078</u>
Net Income				5,134,650		5,134,650
Forgiveness of related party debt			200,000			200,000
Hedge accounting effect of the interest rate swap					133,573	133,573
Deferred income tax expense on interest rate swap					(45,415)	(45,415)
Comprehensive Income						5,422,808
Balance at December 31, 2004	<u>9,778,680</u>	<u>97,787</u>	<u>19,451,392</u>	<u>7,042,243</u>	<u>(314,536)</u>	<u>26,276,886</u>
Net Income				6,286,056		6,286,056
Common shares issued from exercise of stock options	261,400	2,614	805,747			808,361
Tax effect from exercise of stock options			513,819			513,819
Hedge accounting effect of the interest rate swap					381,439	381,439
Deferred income tax expense on interest rate swap					(125,794)	(125,794)
Comprehensive Income						7,863,881
Balance at December 31, 2005	<u>10,040,080</u>	<u>\$100,401</u>	<u>\$20,770,958</u>	<u>\$13,328,299</u>	<u>\$(58,891)</u>	<u>\$34,140,767</u>

See notes to consolidated financial statements.

Core Molding Technologies, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:			
Net income	\$ 6,286,056	\$ 5,134,650	\$ 1,665,259
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,255,702	2,102,102	2,162,126
Deferred income taxes	2,755,124	(30,901)	571,640
Interest expense related to ineffectiveness of swap	7,746	-	-
Loss on disposal of assets	14,701	16,600	89,333
Amortization of deferred gain	(453,554)	(453,554)	(453,555)
Tax effect from exercise of stock options	513,819	-	-
Loss (gain) on translation of foreign currency financial statements	(19,506)	975	119,930
Change in operating assets and liabilities (net of effects from acquisitions):			
Accounts receivable	(3,112,488)	(6,300,066)	(1,549,296)
Inventories	(81,663)	(1,548,401)	(726,333)
Prepaid expenses and other assets	568,315	(115,104)	63,735
Accounts payable	(2,697,636)	7,366,659	1,467,258
Accrued and other liabilities	794,198	1,114,903	(453,408)
Postretirement benefits liability	1,731,770	1,185,239	887,503
Net cash provided by operating activities	<u>8,562,584</u>	<u>8,473,102</u>	<u>3,844,192</u>
Cash flows from investing activities:			
Purchase of property, plant and equipment	(3,044,643)	(1,319,758)	(1,368,701)
Proceeds from sale of property and equipment	65,000	-	-
Acquisition of Cincinnati Fiberglass, Inc.	(688,077)	-	-
Acquisition of Keystone Restyling	-	(544,150)	-
Proceeds from maturities on mortgage-backed security investment	88,239	1,434	4,791
Net cash used in investing activities	<u>(3,579,481)</u>	<u>(1,862,474)</u>	<u>(1,363,910)</u>
Cash flows from financing activities:			
Increase in bank note payable	-	-	9,000,000
Payment of principal on secured note payable - International Truck & Engine Corporation	-	-	(19,720,150)
Proceeds from issuance of common stock	808,361	-	-
Payment of principal on bank note	(1,285,716)	(1,178,573)	-
Payment of principal on industrial revenue bond	(450,000)	(420,000)	(390,000)
Net cash used in financing activities	<u>(927,355)</u>	<u>(1,598,573)</u>	<u>(11,110,150)</u>
Net increase (decrease) in cash and cash equivalents	4,055,748	5,012,055	(8,629,868)
Cash and cash equivalents at beginning of year	<u>5,358,246</u>	<u>346,191</u>	<u>8,976,059</u>
Cash and cash equivalents at end of year	<u>\$ 9,413,994</u>	<u>\$ 5,358,246</u>	<u>\$ 346,191</u>
Cash paid for:			
Interest (net of amounts capitalized)	<u>\$ 442,507</u>	<u>\$ 842,154</u>	<u>\$ 1,819,492</u>
Income taxes (refund)	<u>\$ 526,918</u>	<u>\$ 361,100</u>	<u>\$ (173,907)</u>
Non-cash transactions:			
Note payable - International Truck & Engine Corporation	<u>\$ -</u>	<u>\$ (200,000)</u>	<u>\$ 200,000</u>

See notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Business Formation and Nature of Operations

Core Molding Technologies and its subsidiaries operate in the plastics market in a family of products known as “reinforced plastics.” Reinforced plastics are combinations of resins and reinforcing fibers (typically glass or carbon) that are molded to shape. Core Molding Technologies operates four production facilities in Columbus, Ohio, Batavia, Ohio, Gaffney, South Carolina, and Matamoros, Mexico. The Columbus and Gaffney facilities produce reinforced plastics by compression molding sheet molding compound (“SMC”) in a closed mold process. The Batavia facility, which was acquired in August 2005 (see Note 4), produces reinforced plastic products by a robotic spray-up open mold process and resin transfer molding (“RTM”) closed mold process utilizing multiple insert tooling (“MIT”). The Matamoros facility utilizes spray-up and hand lay-up open mold processes and resin transfer (“RTM”) closed mold process to produce reinforced plastic products. Core Molding Technologies also sells reinforced plastic products in the automotive-aftermarket industry as a result of its September 2004 acquisition of certain assets of Keystone Restyling Products, Inc. (see Note 4).

The Company operates in one business segment as a compounder of sheet molding composites (“SMC”) and molder of fiberglass reinforced plastics. The Company produces and sells both SMC compound and molded products for varied markets, including light, medium and heavy-duty trucks, automobiles and automotive aftermarkets, personal watercraft and other commercial products.

2. Summary of Significant Accounting Policies

Principles of Consolidation – The accompanying consolidated financial statements include the accounts of all subsidiaries after elimination of all material intercompany accounts, transactions and profits. All significant intercompany transactions have been eliminated.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition – Revenue from product sales is recognized at the time products are shipped and title transfers. Allowances for returned products and other credits are estimated and recorded as revenue is recognized. Tooling revenue is recognized when the customer approves the tool and accepts ownership. Progress billings and expenses are shown net as an asset or liability on the Company’s balance sheet. Tooling in progress can fluctuate significantly from period to period and is dependent upon the stage of tooling projects and the related billing and expense payment timetable for individual projects and, therefore, does not necessarily reflect projected income or loss from tooling projects. At December 31, 2005, the Company has recorded a net liability related to tooling in progress of \$1,148,000, which represents approximately \$11,164,000 of progress tooling billings and \$10,016,000 of progress tooling expenses. At December 31, 2004, the Company has recorded a net asset related to tooling in progress of \$701,000, which represents approximately \$3,001,000 of progress tooling billings and \$3,702,000 of progress tooling expenses.

Cash and Cash Equivalents – The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. Cash is held primarily in one bank.

Inventories - Inventories are stated at the lower of cost (first-in, first-out) or market. The Company had recorded an allowance for slow moving and obsolete inventory of \$490,000 at December 31, 2005 and \$670,000 at December 31, 2004.

Property, Plant and Equipment – Property, plant and equipment are recorded at cost. Depreciation is provided on a straight-line method over the estimated useful lives of the assets. The carrying amount of long lived assets is evaluated annually to determine if adjustment to the depreciation period or to the unamortized balance is warranted.

Ranges of estimated useful lives for computing depreciation are as follows:

Land improvements	20 years
Building and improvements	20-40 years
Machinery and equipment	3-15 years
Tools, dies and patterns	3-5 years

Depreciation expense was \$2,158,000, \$2,041,000 and \$2,153,000 for 2005, 2004, and 2003. In 2005, 2004 and 2003, approximately \$0, \$0 and \$33,000 of interest costs were capitalized in property, plant and equipment.

Core Molding Technologies, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Deferred Gain – Deferred gains resulted from sales leaseback transactions that occurred in 1997 and 1998 and are being amortized over the lease period.

Long-Lived Assets – Long-lived assets consist primarily of property and equipment, goodwill and a customer list. The recoverability of long-lived assets is evaluated by an analysis of operating results and consideration of other significant events or changes in the business environment. The Company evaluates whether impairment exists for property and equipment and the customer list on the basis of undiscounted expected future cash flows from operations before interest. For goodwill, the Company evaluates annually on December 31st whether impairment exists on the basis of estimated fair value of the associated reporting unit. If impairment exists, the carrying amount of the long-lived assets is reduced to its estimated fair value, less any costs associated with the final settlement. For the years ended December 31, 2005, 2004 and 2003, there was no impairment of the Company's long-lived assets.

Self-insurance – The Company is self-insured with respect to its Columbus, Ohio and Gaffney, South Carolina medical and dental claims and Columbus, Ohio workers' compensation claims. The Company has recorded an estimated liability for self-insured medical and dental claims incurred but not reported and worker's compensation claims incurred but not reported at December 31, 2005, and 2004 of \$1,002,000 and \$931,000, respectively.

Fair Value of Financial Instruments – The Company's financial instruments consist of long-term debt, an interest rate swap, accounts receivable and accounts payable. The carrying amount of these financial instruments approximated their fair value.

Concentration of Credit Risk – The Company has significant transactions with four major customers (see Note 3), which together comprised 82%, 82% and 84% of total sales in 2005, 2004 and 2003, respectively and 86% and 80% of the accounts receivable balances at December 31, 2005 and 2004, respectively. The Company performs ongoing credit evaluations of its customers' financial condition. The Company maintains reserves for potential bad debt losses, and such bad debt losses have been historically within the Company's expectations. Export sales, including sales to Canada and Mexico, for products provided to certain customers' manufacturing and service locations totaled 15%, 16% and 18% of total sales for 2005, 2004 and 2003, respectively.

Earnings Per Common Share – Basic earnings per common share is computed based on the weighted average number of common shares outstanding during the period. Diluted earnings per common share are computed similarly but include the effect of the assumed exercise of dilutive stock options under the treasury stock method.

The computation of basic and diluted earnings per common share is as follows:

	Years Ended December 31,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net income	\$ 6,286,056	\$ 5,134,650	\$ 1,665,259
Weighted average common shares outstanding	9,913,209	9,778,680	9,778,680
Plus: dilutive options assumed exercised	1,027,700	146,680	–
Less: shares assumed repurchased with proceeds from exercise	<u>528,135</u>	<u>104,414</u>	<u>–</u>
Weighted average common and potentially issuable common shares outstanding	10,412,774	9,820,946	9,778,680
Basic earnings per common share	\$ 0.63	\$ 0.53	\$ 0.17
Diluted earnings per common share	\$ 0.60	\$ 0.52	\$ 0.17

5,000 shares at December 31, 2005, 1,058,000 shares at December 31, 2004 and 214,000 shares at December 31, 2003 were not included in diluted earnings per share as they were anti-dilutive.

Core Molding Technologies, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

Stock Based Compensation – The Company accounts for its stock option plans in accordance with Accounting Principles Board (“APB”) Opinion No. 25, under which no compensation cost has been recognized. Had compensation cost for all stock option plans been determined consistent with the fair value method prescribed by Statement of Financial Accounting Standards (“SFAS”) No. 123, “Accounting for Stock Based Compensation,” the Company’s net income and earnings per common share would have resulted in the amounts as reported below.

	Years Ended December 31,		
	<u>2005</u>	<u>2004</u>	<u>2003</u>
Net income as reported	\$ 6,286,056	\$ 5,134,650	\$ 1,665,259
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(264,813)	(204,089)	(148,135)
Pro forma net income	<u>\$ 6,021,243</u>	<u>\$ 4,930,561</u>	<u>\$ 1,517,124</u>
Earnings per share:			
Basic – as reported	\$ 0.63	\$ 0.53	\$ 0.17
Diluted – as reported	\$ 0.60	\$ 0.52	\$ 0.17
Basic – pro forma	\$ 0.61	\$ 0.50	\$ 0.16
Diluted – pro forma	\$ 0.58	\$ 0.50	\$ 0.16

The weighted average fair value of options granted during 2005, 2004 and 2003 was \$4.12, \$1.56 and \$2.12, respectively. The fair value of the options granted were estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions: risk free interest rate of 4.37% for 2005, 4.13% for 2004 and 4.14% for 2003, no expected dividend yield, expected lives of 8 to 10 years and expected volatility of 91%, 37% and 56% for 2005, 2004 and 2003, respectively.

The pro forma amounts are not representative of the effects on reported net earnings or earnings per common share for future years. On August 4, 2003, of the 1,171,500 stock options outstanding, 978,000 options were tendered for cancellation. The Company issued 885,950 options on February 9, 2004 at \$3.21 per share.

Research and Development – Research and Development costs, which are expensed as incurred, totaled approximately \$360,000 in 2005, \$383,000 in 2004 and \$251,000 in 2003.

Recent Accounting Pronouncements – In November 2004, the FASB issued SFAS No. 151, “Inventory Costs – an amendment of ARB No. 43, Chapter 4,” which clarifies the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage) and also requires that the allocation of fixed production overhead be based on the normal capacity of the production facilities. SFAS No. 151 is effective for inventory costs incurred during fiscal years beginning after June 15, 2005. The Company is currently evaluating the impact of adopting this statement but believes it will not have a material effect on the consolidated financial statements.

In December 2004, the FASB issued SFAS No. 123(R), Share-Based Payment. SFAS 123(R) is a revision of FASB Statement 123, Accounting for Stock-Based Compensation and supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees and our related implementation guidance. The statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS No. 123(R) requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost is to be recognized over the period during which an employee is required to provide service in exchange for the award. We will record non-cash stock compensation expense of unvested stock options outstanding beginning in the first quarter of fiscal year 2006. The impact of the adoption of SFAS 123(R) will depend on share-based payments in the future; we currently expect a reduction to diluted earnings per share of approximately \$0.03 in 2006.

In November 2005, the FASB issued FSP No. 123(R)-3, Transition Election Related to Accounting for the Tax Effects of Share-Based Payment Awards. This provides an elective alternative method that establishes a computational component to arrive at the beginning balance of the accumulated paid-in capital pool related to employee compensation and a simplified method to determine the subsequent impact on the accumulated paid-in capital pool of employee awards that are fully vested and outstanding upon the adoption of SFAS No. 123(R). We are currently evaluating this transition method.

Core Molding Technologies, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

In March 2005, the FASB issued Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47") as an interpretation of FASB Statement No. 143, "Accounting for Asset Retirement Obligations" ("SFAS 143"). This interpretation clarifies that the term conditional asset retirement obligation as used in SFAS 143, refers to a legal obligation to perform an asset retirement activity in which the timing and/or method of settlement are conditional on a future event though uncertainty exists about the timing and/or method of settlement. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. This interpretation also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. This interpretation is effective for fiscal years ending after December 15, 2005. There is no material effect to the consolidated financial statements from adoption of FIN 47.

Foreign Currency Adjustments – In conjunction with the Company's acquisition of certain assets of Airshield Corporation, the Company established operations in Mexico. The functional currency for the Mexican operations is the United States dollar. All foreign currency asset and liability amounts are remeasured into United States dollars at end-of-period exchange rates. Income statement accounts are translated at the monthly average rates. Gains and losses resulting from translation of foreign currency financial statements into United States dollars and gains and losses resulting from foreign currency transactions are included in current results of operations. Aggregate foreign currency translation and transaction gains (losses) included in operations totaled \$90,131 in 2005, \$148,782 in 2004 and (\$119,930) in 2003.

3. Major Customers

The Company currently has four major customers, International Truck & Engine Corporation ("International"), Freightliner, LLC ("Freightliner"), PACCAR, Inc. ("PACCAR"), and Yamaha Motor Manufacturing Corporation ("Yamaha"). In previous years, the Company identified Lear Corporation as a major customer; however, in 2005, Lear was not considered a significant customer due to lower sales volumes.

The following table presents net sales for the above-mentioned customers for the years ended December 31, 2005, 2004 and 2003:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
International	\$ 66,381,923	\$ 60,166,811	\$ 51,205,429
Freightliner	17,034,411	13,777,832	9,820,473
PACCAR	15,512,084	4,138,163	2,933,017
Yamaha	11,078,372	13,745,795	13,612,040
Subtotal	<u>110,006,790</u>	<u>91,828,601</u>	<u>77,570,959</u>
Other	20,536,074	20,016,675	15,212,375
Total	<u>\$ 130,542,864</u>	<u>\$ 111,845,276</u>	<u>\$ 92,783,334</u>

Core Molding Technologies, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

4. Acquisitions

On August 3, 2005, Core Molding Technologies, Inc., acquired certain assets of the Cincinnati Fiberglass Division of Diversified Glass, Inc., a Batavia, Ohio-based, privately held manufacturer and distributor of fiberglass reinforced plastic components supplied primarily to the heavy-duty truck market, for \$688,077. The acquisition was part of the Company's growth strategy. Core Molding Technologies has continued operation of the Batavia facility. As part of the acquisition, Core Molding Technologies agreed to lease the manufacturing facility from the previous owner of Diversified Glass, Inc.

The acquisition was recorded using the purchase method of accounting. Accordingly, the purchase price has been allocated to the assets acquired and liabilities assumed based on the estimated fair values at the date of acquisition.

The following table presents the allocation of the purchase price:

Inventories	\$ 668,862
Property and equipment	95,000
Non-compete agreement	5,000
Tooling accounts receivable	<u>36,265</u>
Total assets purchased	805,127
Accrued vacation assumed	<u>(117,050)</u>
Net purchase price	<u>\$ 688,077</u>

The following table reflects the unaudited consolidated results of operations on a pro forma basis had the Cincinnati Fiberglass Division of Diversified Glass, Inc., been included in operating results from January 1, 2004. There are no material non-recurring items in the pro forma results of operations.

	December 31,	
	<u>2005</u>	<u>2004</u>
Net Sales (pro forma)	<u>\$ 144,666,738</u>	<u>\$ 129,002,103</u>
Net Income (pro forma)	<u>\$ 6,964,936</u>	<u>\$ 5,311,665</u>
Net Income Per Share (pro forma)		
Basic	\$ 0.70	\$ 0.54
Diluted	\$ 0.67	\$ 0.54

The pro forma information is presented for informational purposes only and is not necessarily indicative of the results of operations that actually would have been achieved had the acquisition been consummated as of that time, nor is it intended to be a projection of future results. The effects of the acquisition have been included in the consolidated statement of operations since the acquisition date.

In September 2004, the Company purchased substantially all of the assets consisting primarily of inventory and equipment, of Keystone Restyling Products, Inc. for \$544,150. The Company may be required to pay contingent cash payments based on certain earnings threshold of the acquired business during the three-year period beginning January 1, 2005, and continuing through December 31, 2007. Such additional costs will be recorded as an intangible asset. Earning thresholds were not achieved to require contingent cash payments in 2005.

The acquisition was recorded using the purchase method of accounting. Accordingly, the purchase price has been allocated to tangible and identified intangible assets acquired based on fair values at the date of acquisition. If the acquisition had occurred at January 1, 2004, the operating results of Keystone Restyling Products, Inc., would not have been significant to the Company.

The following table presents the allocation of the purchase price:

Inventories	\$ 145,110
Property and equipment	151,450
Customer list	<u>247,590</u>
Total purchase price	<u>544,150</u>

The Company will amortize the customer list on a straight-line basis over sixty months. Amortization expense was \$49,518 and \$12,380 in 2005 and 2004, respectively. Amortization expense is expected to be \$49,518 in 2006 through 2008 and \$37,138 in 2009.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS – (CONTINUED)

5. Foreign Operations

In conjunction with the Company's acquisition of assets of Airshield Corporation on October 16, 2001, the Company established manufacturing operations in Mexico (under the Maquiladora program). The Mexican operation is a captive manufacturing facility of the Company. Essentially, all sales of the Mexican operation are made to United States customers in United States dollars, which totaled \$25,005,000 in 2005, \$20,153,000 in 2004 and \$18,332,000 in 2003. Expenses are incurred in the United States dollar and the Mexican peso. Expenses incurred in pesos include labor, utilities, supplies and materials, and amounted to approximately 31% of sales in 2005, 30% of sales in 2004 and 32% of sales in 2003. The Company owns long-lived assets that are geographically located at the Mexican operation, which total \$989,000 at December 31, 2005. The Company's manufacturing operation in Mexico is subject to various political, economic, and other risks and uncertainties inherent to Mexico. Among other risks, the Company's Mexican operations are subject to domestic and international customs and tariffs, changing taxation policies and governmental regulations.

6. Property, Plant and Equipment

Property, plant and equipment consists of the following at December 31:

	<u>2005</u>	<u>2004</u>
Land and land improvements	\$ 2,311,507	\$ 2,296,788
Buildings	17,979,078	17,574,859
Machinery and equipment	25,306,686	24,321,268
Tools, dies and patterns	694,319	566,912
Additions in progress	<u>1,648,291</u>	<u>627,750</u>
Total	47,939,881	45,387,577
Less accumulated depreciation	<u>(24,269,524)</u>	<u>(22,657,889)</u>
Property, plant and equipment – net	<u>\$ 23,670,357</u>	<u>\$ 22,729,688</u>

Additions in progress at December 31, 2005 and 2004 primarily relate to the purchase and installation of equipment at the Company's operating facilities. At December 31, 2005 and 2004, commitments for capital expenditures in progress were \$1,323,000 and \$132,000, respectively.

7. Debt and Leases

	December, 31	
	<u>2005</u>	<u>2004</u>
Note Payable to bank, interest at a variable rate with monthly payments of interest and principal over a seven year period through December 2010, collateralized by a security interest in all the Company's assets.	\$ 6,535,711	\$ 7,821,425
Industrial Revenue Bond, interest adjustable weekly (2005 average 2.60%; 2004 average 1.47%), payable quarterly, principal due in variable quarterly installments through April, 2013, secured by a bank letter of credit with a balance of \$4,857,000 as of December 31, 2005.	<u>4,835,000</u>	<u>5,285,000</u>
Total	11,370,711	13,106,425
Less current portion	<u>(1,775,716)</u>	<u>(1,735,714)</u>
Long-term debt	<u>\$ 9,594,995</u>	<u>\$ 11,370,711</u>

Note Payable – Bank

On December 30, 2003, the Company borrowed \$9,000,000 in the form of a note payable collateralized by the Company's assets. The note payable bears interest at a variable rate of LIBOR plus 200 basis points or the prime rate and this rate was 6.29% at December 31, 2005.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Industrial Revenue Bond

In May 1998, the Company borrowed \$7,500,000 through the issuance of an Industrial Revenue Bond ("IRB"). The IRB bears interest at a weekly adjustable rate and matures in April 2013. The maximum interest rate that may be charged at any time over the life of the IRB is 10%.

As security for the IRB, the Company obtained a letter of credit from a commercial bank, which has a balance of \$4,857,000 as of December 31, 2005. The letter of credit can only be used to pay principal and interest on the IRB. Any borrowings made under the letter of credit bear interest at the bank's prime rate and are secured by a lien and security interest in all of the Company's assets. The letter of credit expires in April 2010, and the Company intends to extend the letter of credit each year as required by the IRB.

Note Payable - International

In 2003, the Company paid \$17,859,000 on the original note payable to International leaving a remaining balance of \$200,000. This payment was made on December 30, 2003 by borrowing \$9,000,000 in the form of a note payable from its primary bank and using cash reserves. The remaining balance of the original International note of \$200,000 was replaced by a new, 8% note due December 31, 2004. At December 31, 2004, this note was recorded as being forgiven due to the performance objectives being achieved and the amount was recorded in Paid In Capital because International is a significant shareholder of the Company (see Note 12).

Annual maturities of long-term debt are as follows:

2006	\$ 1,776,000
2007	1,816,000
2008	1,866,000
2009	1,906,000
2010	1,961,000
Thereafter	<u>2,046,000</u>
Total	<u>\$11,371,000</u>

Line of Credit

At December 31, 2005, the Company had available a \$7,500,000 variable rate bank revolving line of credit scheduled to mature on April 30, 2007. The line of credit bears interest at LIBOR plus two percent or at the prime rate. The line of credit is collateralized by all the Company's assets. There was no outstanding balance on the bank revolving line of credit at December 31, 2005 and 2004.

Interest Rate Swaps

In conjunction with its variable rate Industrial Revenue Bond, the Company entered into an interest rate swap agreement, which is designated as a cash flow hedging instrument. Under this agreement, the Company pays a fixed rate of 4.89% to the bank and receives 76% of the 30-day commercial paper rate. The swap term and notional amount matches the payment schedule on the IRB with final maturity in April 2013. The difference paid or received varies as short-term interest rates change and is accrued and recognized as an adjustment to interest expense. While the Company is exposed to credit loss on its interest rate swap in the event of non-performance by the counterparty to the swap, management believes such non-performance is unlikely to occur given the financial resources of the counterparty. The effectiveness of the swap is assessed at each financial reporting date by comparing the commercial paper rate of the swap to the benchmark rate underlying the variable rate of the Industrial Revenue Bond. In all periods presented, this cash flow hedge was highly effective; any ineffectiveness was not material. Interest expense related to the ineffectiveness of the IRB swap was \$7,746 for the year ended December 31, 2005. None of the changes in the fair value of the interest rate swap have been excluded from the assessment of hedge effectiveness.

Effective January 1, 2004, the Company entered into an interest rate swap agreement, which is designated as a cash flow hedge of the bank note payable. Under this agreement, the Company pays a fixed rate of 5.75% to the bank and receives LIBOR plus 200 basis points. The swap term and notional amount matches the payment schedule on the secured note payable with final maturity in January 2011. The interest rate swap is a highly effective hedge because the amount, benchmark interest rate index, term, and repricing dates of both the interest rate swap and the hedged variable interest cash flows are exactly the same. While the Company is exposed to credit loss on its interest rate swap in the event of non-performance by the counterparty to the swap, management believes such non-performance is unlikely to occur given the financial resources of the counterparty. Interest expense includes \$162,000 in 2005, \$409,000 in 2004 and \$235,000 in 2003 of settlements related to the swaps.

Core Molding Technologies, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Bank Covenants

The Company is subject to formal debt covenants related to minimum fixed charge coverage and total funded obligations debt ratios. As of December 31, 2005, the Company was in compliance with these covenants.

Leases

The Company leases a significant portion of its manufacturing equipment and a warehouse facility under operating lease agreements.

In August 2005, in conjunction with the acquisition of the Cincinnati Fiberglass Division of Diversified Glass, Inc., Core Composites Cincinnati, LLC., entered into a 7-year operating lease agreement for the manufacturing facility located in Batavia, Ohio. The Company has the option to terminate the lease effective any time after July 31, 2006, by providing written notice to the lessor no later than 90 days prior to intended termination date. The Company has the option to purchase the property at the end of every lease year.

In October 2001, in conjunction with the Airshield Asset Acquisition, the Company's Mexican subsidiary entered into a 10-year operating lease agreement for a manufacturing facility in Matamoros, Mexico. The Company has an option to purchase the facility at any time during the first seven years. The Company may cancel the lease upon giving six months notice to the lessor.

Total rental expense was \$4,195,000, \$4,035,000 and \$4,388,000 for 2005, 2004 and 2003.

The future minimum lease payments under non-cancelable operating leases that have lease terms in excess of one year are as follows:

2006	\$ 3,382,000
2007	2,983,000
2008	1,053,000
2009	601,000
2010	338,000
Thereafter	11,000
Total minimum lease payments	<u>\$ 8,368,000</u>

8. Equity

Anti-takeover Measures

The Company's Certificate of Incorporation and By-laws contain certain provisions designed to discourage specific types of transactions involving an actual or threatened change of control of the Company. These provisions, which are designed to make it more difficult to change majority control of the Board of Directors without its consent, include provisions related to removal of Directors, the approval of a merger and certain other transactions as outlined in the Certificate of Incorporation and any amendments to those provisions.

Restrictions on Transfer

The Company's Certificate of Incorporation contains a provision (the "Prohibited Transfer Provision") designed to help assure the continued availability of the Company's substantial net operating loss and capital loss carryforwards (see Note 10) by seeking to prevent an "ownership change" as defined under current Treasury Department income tax regulations. Under the Prohibited Transfer Provision, if a stockholder transfers or agrees to transfer stock, the transfer will be prohibited and void to the extent that it would cause the transferee to hold a "Prohibited Ownership Percentage" (as defined in the Company's Certificate of Incorporation, but generally, means direct and indirect ownership of 4.5% or more of the Company's common stock) or if the transfer would result in the transferee's ownership increasing if the transferee had held a Prohibited Ownership Percentage within the three prior years or if the transferee's ownership percentage already exceeds the Prohibited Ownership Percentage under applicable Federal income tax rules. The Prohibited Transfer Provision does not prevent transfers of stock between persons who do not hold a Prohibited Ownership Percentage.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

9. Incentive Stock Plans

Stock Options

The Company has a Long Term Equity Incentive Plan (the "Plan"), as originally approved by the shareholders in May 1997, and as amended in May 2000 to increase the number of shares authorized for issuance, that allows for grants to directors and key employees of non-qualified stock options, incentive stock options, director options, stock appreciation rights, restricted stock, performance shares, performance units and other incentive awards up to an aggregate of 3.0 million awards, each representing a right to buy a share of the Company's common stock. Options can be granted under the plan through the earlier of December 31, 2006, or the date the maximum number of available awards under the plan have been granted.

During 2005, 2004 and 2003, the Company granted stock options under the plan. The options have vesting schedules of five or nine and one-half years from the date of grant, are not exercisable after ten years from the date of grant, and were granted at prices which equaled or exceeded the fair market value of the Company's common stock at the date of grant.

On August 4, 2003, of the 1,171,500 stock options outstanding, 978,000 options were tendered for cancellation. The Company issued 594,700 options under the Plan on February 9, 2004, at \$3.21 per share. On the same date, the Company issued 261,250 options that were not covered under the Plan at \$3.21 to its Directors.

The following summarizes all stock option activity for the years ended December 31:

	2005		2004		2003	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding – beginning of year	1,203,900	\$ 3.12	214,000	\$ 2.93	1,209,000	\$ 3.07
Granted	123,000	4.95	1,043,550	3.13	35,000	3.33
Exercised	(261,400)	3.09	–	–	–	–
Forfeited	(32,800)	2.80	(53,650)	2.93	(1,030,000)	3.11
Outstanding - end of year	<u>1,032,700</u>	<u>\$ 3.33</u>	<u>1,203,900</u>	<u>\$ 3.12</u>	<u>214,000</u>	<u>\$ 2.93</u>
Exercisable at December 31	<u>514,628</u>	<u>\$ 3.18</u>	<u>615,006</u>	<u>\$ 3.16</u>	<u>93,100</u>	<u>\$ 3.17</u>
Options available for grant	<u>1,959,550</u>		<u>2,049,750</u>		<u>2,778,400</u>	

The following table summarizes information about stock options outstanding and exercisable as of December 31, 2005:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number of Options	Weighted Average Exercise Price	Weighted Average Contractual Life In Years	Number of Options	Weighted Average Exercise Price
\$2.75	201,800	\$ 2.75	7.9	43,600	\$ 2.75
\$3.21	670,900	3.21	8.1	455,028	3.21
\$3.33 to \$3.75	97,000	3.31	8.5	16,000	3.35
\$6.40 to \$7.98	63,000	6.53	9.1	–	–
	<u>1,032,700</u>	<u>\$ 3.33</u>		<u>514,628</u>	<u>\$ 3.18</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Phantom Stock Agreement

In 2000, the Company issued 150,000 phantom stock units to an officer. For each unit, the officer is entitled to a cash payment of an amount equal to the excess of the market value on the date of the exercise over \$2.75. The units vested on December 31, 2004 and expired one year later, assuming continued employment of the officer. All units were exercised during 2005. Compensation expense (income) was \$792,750 in 2005, \$(23,000) in 2004 and \$26,000 in 2003 related to these phantom stock units.

10. Income Taxes

Components of the provision (credit) for income taxes are as follows:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Current:			
Federal – US	\$ 494,000	\$ 107,000	\$ 72,000
Federal – Foreign	107,000	137,000	224,000
State and local	<u>227,000</u>	<u>358,000</u>	<u>106,000</u>
	828,000	602,000	402,000
Deferred:			
Federal	2,065,000	1,453,000	548,000
State and local	690,000	(59,000)	23,000
Decrease in valuation allowance for net operating loss carryforward	<u>–</u>	<u>(1,425,000)</u>	<u>–</u>
	2,755,000	(31,000)	571,000
Provision for income taxes	<u>\$ 3,583,000</u>	<u>\$ 571,000</u>	<u>\$ 973,000</u>

A reconciliation of the income tax provision based on the federal statutory income tax rate of 34% to the Company's income tax provision for the year ended December 31 is as follows:

	<u>2005</u>	<u>2004</u>	<u>2003</u>
Provision at federal statutory rate – US	\$ 3,356,000	\$ 1,940,000	\$ 897,000
Effect of foreign taxes	(71,000)	(62,000)	(14,000)
State and local tax expense, net of federal benefit	285,000	197,000	64,000
Reduction of state deferred tax asset due to changes in state tax law	214,000	–	–
Reversal of prior year accrued taxes	(227,000)	–	–
Other	26,000	(79,000)	26,000
Decrease in valuation allowance for net operating loss carryforward	<u>–</u>	<u>(1,425,000)</u>	<u>–</u>
Provision for income taxes	<u>\$ 3,583,000</u>	<u>\$ 571,000</u>	<u>\$ 973,000</u>

On June 30, 2005 the State of Ohio enacted corporate tax legislation which phases out Ohio's Corporate Franchise Tax based on income and phases in a new gross receipts tax called the Commercial Activity Tax. As a result, Core Molding Technologies will not be able to realize previously recorded deferred state tax assets amounting to \$214,000. These state deferred tax assets were written off to expense in 2005.

The American Jobs Creation Act provides a tax deduction calculated as a percentage of qualified income from manufacturing in the United States. The percentage increases from 3% to 9% over a six-year period beginning in 2005. The amount of the deduction available to the Company in 2005 is not significant. In December 2004, the FASB issued a new staff position providing for this deduction to be treated as a special deduction, as opposed to a tax rate reduction in accordance with SFAS No. 109.

Certain tax benefits related to incentive stock options recorded directly to additional paid in capital totaled \$514,000.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

Deferred tax assets (liabilities) consist of the following at December 31:

	<u>2005</u>	<u>2004</u>
Current Asset:		
Accrued liabilities	\$ 1,747,000	\$ 1,198,000
Other, net	462,000	694,000
Total current asset	<u>2,209,000</u>	<u>1,892,000</u>
Non-current asset (liability):		
Property, plant and equipment	2,070,000	2,582,000
Net operating loss carryforwards	-	3,313,000
Postretirement benefits	3,700,000	3,360,000
Interest rate swap	34,000	160,000
Alternative minimum tax credit	500,000	161,000
Other, net	(140,000)	(214,000)
Total non-current asset	<u>6,164,000</u>	<u>9,362,000</u>
Total deferred tax asset – net	<u>\$ 8,373,000</u>	<u>\$ 11,254,000</u>

At December 31, 2004, the Company had approximately \$9.7 million of NOL carryforwards available to offset future taxable income. A valuation allowance was provided for approximately \$4,200,000 of NOL carryforwards, which were estimated to expire before they could be utilized. In the fourth quarter of 2004, the Company eliminated the valuation allowance because it is more likely than not that the Company will realize these benefits. The Company anticipates utilizing all of the NOL carryforwards on its 2005 income tax return.

At December 31, 2005, a provision has not been made for U.S. taxes on accumulated undistributed earnings of approximately \$1,596,000 of the Company's Mexican subsidiary that would become payable upon repatriation to the United States. It is the intention of the Company to reinvest all such earnings in operations and facilities outside of the United States.

11. Postretirement Benefits

The Company provides postretirement benefits to substantially all of its United States employees. Costs associated with postretirement benefits include pension expense, postretirement health care and life insurance expense and expense related to contributions to two 401(k) defined contribution plans. In addition, all of the Company's United States union employees are covered under a multi-employer defined benefit pension plan administered under a collective bargaining agreement. The Company does not administer this plan and contributions are determined in accordance with provisions in the negotiated labor contract.

Prior to the acquisition of Columbus Plastics from International, certain of the Company's employees were participants in various International sponsored pension and postretirement plans. The International pension plan for non-represented employees was non-contributory and both benefits and years of service were frozen as of the date of the acquisition of Columbus Plastics. In connection with the acquisition, International retained responsibility for the vested benefits as of December 31, 1996, and the Company agreed to reimburse International for early retirement subsidies for certain employees. The accumulated benefit obligation, which equals the projected benefit obligation and net liability, is \$244,000 at December 31, 2005 and 2004.

The postretirement health and life insurance plan provides healthcare and life insurance for certain employees upon their retirement, along with their spouses and certain dependents and requires cost sharing between the Company, International and the participants in the form of premiums, co-payments and deductibles. The Company and International share the cost of benefits for certain employees, using a formula that allocates the cost based upon the respective portion of time that the employee was an active service participant after the acquisition of Columbus Plastics to the period of active service prior to the acquisition of Columbus Plastics.

Core Molding Technologies, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The funded status of the Company's postretirement health and life insurance benefits plan as of December 31, 2005 and 2004 and reconciliation with the amounts recognized in the consolidated balance sheets are provided below:

	Post Retirement Benefits	
	2005	2004
Change in benefit obligation		
Benefit obligation at beginning of year	\$ 11,252,000	\$ 9,763,000
Service cost	901,000	642,000
Interest cost	737,000	602,000
Unrecognized loss	2,335,000	459,000
Benefits paid	(144,000)	(214,000)
Benefit obligation at end of year	<u>\$ 15,081,000</u>	<u>\$ 11,252,000</u>
Unfunded status	\$(15,081,000)	\$(11,252,000)
Unrecognized net loss	5,558,000	3,461,000
Net liability	<u>\$ (9,523,000)</u>	<u>\$ (7,791,000)</u>
Plan Assets	<u>—</u>	<u>—</u>
Weighted-average assumptions as of December 31:		
Discount rate	5.75%	6.00%

The components of expense for all of the Company's postretirement benefits plans are as follows:

	2005	2004	2003
Pension Expense:			
Interest cost	\$ 15,000	\$ 15,000	\$ 15,000
Defined contribution plan contributions	382,000	280,000	282,000
Multi-employer plan contributions	468,000	381,000	324,000
Total Pension Expense	<u>865,000</u>	<u>676,000</u>	<u>621,000</u>
Health and Life Insurance:			
Service cost	901,000	642,000	451,000
Interest cost	737,000	602,000	494,000
Amortization of net loss	238,000	163,000	75,000
Net periodic benefit cost	<u>1,876,000</u>	<u>1,407,000</u>	<u>1,020,000</u>
Total postretirement benefits expense	<u>\$ 2,741,000</u>	<u>\$ 2,083,000</u>	<u>\$ 1,641,000</u>

Core Molding Technologies, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

The weighted average rate of increase in the per capita cost of covered health care benefits is projected to be 8.00%. The rate is projected to decrease gradually to 5% by the year 2009 and remain at that level thereafter. The comparable assumptions for the prior year were 9.00% and 5%.

The effect of changing the health care cost trend rate by one-percentage point for each future year is as follows:

	<u>1- Percentage Point Increase</u>	<u>1-Percentage Point Decrease</u>
Effect on total of service and interest cost components	\$ 372,000	\$ (289,000)
Effect on postretirement benefit obligation	3,154,000	(2,495,000)

The estimated future benefit payments of the health care plan are:

Fiscal 2006	\$ 85,000
Fiscal 2007	124,000
Fiscal 2008	181,000
Fiscal 2009	255,000
Fiscal 2010	290,000
Fiscal 2011 – 2015	2,686,000

12. Related Party Transactions

In connection with the acquisition of Columbus Plastics, the Company and International entered into a Supply Agreement. Under the terms of the Supply Agreement, International agreed to purchase from the Company, and the Company agreed to sell to International all of International's original equipment and service requirements for Fiberglass Reinforced Parts using the Sheet Molding Compound process as they then existed or as they may be improved or modified. In May 2003, the Company entered into a Comprehensive Supply Agreement, which was effective as of November 1, 2002. Under this Comprehensive Supply Agreement, the Company became the primary supplier of International's original equipment and service requirements for fiberglass reinforced parts, as long as the Company remains competitive in cost, quality and delivery, through October 31, 2006. The Company is in the process of negotiating a new supply agreement to take effect when the current agreement expires.

International owns 42.5% of the Company's outstanding common stock. Sales to International were \$66,382,000 in 2005, \$60,167,000 in 2004 and \$51,205,000 in 2003, of which \$13,010,000 and \$10,705,000 had not been received as of December 31, 2005 and 2004 and were included in accounts receivable. Receivables as of December 31, 2005 and 2004 also include \$3,014,000 and \$2,303,000 respectively, for tooling costs owed by International. The Company expensed \$0 in 2005 and 2004 and \$1,487,000 in 2003, for interest expense on its note payable to International. During 2003, the Company repaid \$19,720,150 of the International note and the balance of \$200,000 was replaced by a note due December 31, 2004. At December 31, 2004 this note was recorded as being forgiven by International due to the Company meeting certain earning thresholds. The amount was recorded as Paid In Capital (see Note 7).

13. Labor Concentration

As of December 31, 2005, the Company employed a total of 1,377 employees, which consists of 793 employees in its United States operations and 584 employees in its Mexican operations. Of these 1,377 employees, 295 are covered by a collective bargaining agreement with the International Association of Machinists and Aerospace Workers ("IAM"), which extends to August 6, 2007, and 505 are covered by a collective bargaining agreement with Sindicato de Jornaleros y Obreros, which extends to January 16, 2007.

Core Molding Technologies, Inc. and Subsidiaries

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - (CONTINUED)

14. Commitments and Contingencies

From time to time, the Company is involved in litigation incidental to the conduct of its business. However, the Company is presently not involved in any legal proceedings which in the opinion of management are likely to have a material adverse effect on the Company's consolidated financial position or results of operations.

15. Quarterly Results of Operations (Unaudited)

The following is a summary of the unaudited quarterly results of operations for the years ended December 31, 2005 and 2004.

	<u>1st Quarter</u>	<u>2nd Quarter</u>	<u>3rd Quarter</u>	<u>4th Quarter</u>	<u>Total Year</u>
2005:					
Product sales	\$ 30,217,999	\$ 31,998,569	\$ 31,045,446	\$ 31,647,471	\$ 124,909,485
Tooling sales	2,298,958	1,660,268	568,525	1,105,628	5,633,379
Net sales	32,516,957	33,658,837	31,613,971	32,753,099	130,542,864
Gross margin	6,401,426	6,741,112	5,486,391	4,853,563	23,482,492
Income before interest and taxes	3,315,434	3,238,997	2,486,738	1,352,584	10,393,753
Net income	1,955,750	1,734,988	1,511,180	1,084,138	6,286,056
Net income per common share:					
Basic (1)	\$0.20	\$0.18	\$0.15	\$0.11	\$0.63
Diluted (1)	\$0.20	\$0.17	\$0.14	\$0.10	\$0.60
2004:					
Product sales	\$ 24,106,917	\$ 26,288,365	\$ 24,923,582	\$ 28,414,660	\$ 103,733,524
Tooling sales	134,200	318,599	1,004,072	6,654,881	8,111,752
Net sales	24,241,117	26,606,964	25,927,654	35,069,541	111,845,276
Gross margin	3,980,836	5,075,555	3,365,634	4,887,114	17,309,139
Income before interest and taxes	1,128,031	2,327,800	935,924	2,179,894	6,571,649
Net income (2)	544,633	1,309,969	477,699	2,802,349	5,134,650
Net income per common share:					
Basic	\$0.06	\$0.13	\$0.05	\$0.29	\$0.53
Diluted	\$0.05	\$0.13	\$0.05	\$0.29	\$0.52

(1) Sum of the quarters do not sum to total year due to rounding.

(2) During the fourth quarter of 2004, the Company reversed a deferred income tax valuation allowance of \$1,425,000 or \$0.15 per basic and diluted share.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this report, the Company has carried out an evaluation, under the supervision and with the participation of its management, including its Chief Executive Officer and its Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures (as defined in Rule 13a-15(e) of the Exchange Act). Based upon this evaluation, the Company's management, including its Chief Executive Officer and its Chief Financial Officer, concluded that the Company's disclosure controls and procedures were (i) effective to ensure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act were accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures, and (ii) effective to ensure that information required to be disclosed in the Company's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commissions rules and forms.

Changes In Internal Controls

There were no changes in internal control over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)) that occurred in the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required by this Part III, Item 10 is incorporated by reference from The Company's definitive proxy statement for its annual meeting of stockholders to be held on or about May 17, 2006, which is expected to be filed with the SEC pursuant to Regulation 14A of the Securities Exchange Act of 1934 within 120 days after the end of the fiscal year covered by this report.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Part III, Item 11 is incorporated by reference from The Company's definitive proxy statement for its annual meeting of stockholders to be held on or about May 17, 2006, which is expected to be filed with the SEC pursuant to Regulation 14A of the Securities Exchange Act of 1934 within 120 days after the end of the fiscal year covered by this report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Part III, Item 12 is incorporated by reference from The Company's definitive proxy statement for its annual meeting of stockholders to be held on or about May 17, 2006, which is expected to be filed with the SEC pursuant to Regulation 14A of the Securities Exchange Act of 1934 within 120 days after the end of the fiscal year covered by this report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required by this Part III, Item 13 is incorporated by reference from The Company's definitive proxy statement for its annual meeting of stockholders to be held on or about May 17, 2006, which is expected to be filed with the SEC pursuant to Regulation 14A of the Securities Exchange Act of 1934 within 120 days after the end of the fiscal year covered by this report.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Part III, Item 14 is incorporated by reference from The Company's definitive proxy statement for its annual meeting of stockholders to be held on or about May 17, 2006, which is expected to be filed with the SEC pursuant to Regulation 14A of the Securities Exchange Act of 1934 within 120 days after the end of the fiscal year covered by this report.

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as Part of this Report:

(1) Financial Statements

The following consolidated financial statements are included in Part II, Item 8 of this Form 10-K:

Report of Independent Registered Public Accounting Firm

Consolidated Statements of Income for the Years Ended December 31, 2005, 2004 and 2003

Consolidated Balance Sheets as of December 31, 2005 and 2004

Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2005, 2004 and 2003

Consolidated Statements of Cash Flows for the Years Ended December 31, 2005, 2004 and 2003

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules

The following consolidated financial statement schedules are filed with this Annual Report on Form 10-K:

Schedule II - Valuation and Qualifying Accounts and Reserves for the years ended

December 31, 2005, 2004 and 2003

All other schedules are omitted because of the absence of the conditions under which they are required.

(3) Exhibits

See Index to Exhibits filed with this Annual Report on Form 10-K.

Core Molding Technologies, Inc. and Subsidiaries

SCHEDULE II

Consolidated valuation and qualifying accounts and reserves for the years ended December 31, 2005, 2004 and 2003.

Reserves deducted from asset to which it applies - allowance for doubtful accounts.

	Balance at Beginning of Year	Additions		Deductions (A)	Balance At End of Year
		Charged to Costs & Expenses	Charged to Other Accounts		
Year Ended December 31, 2005	\$ 235,000	\$ 93,000		\$ 114,000	\$ 214,000
Year Ended December 31, 2004	\$ 379,000	\$ 83,000		\$ 227,000	\$ 235,000
Year Ended December 31, 2003	\$ 543,000	\$ 85,000		\$ 249,000	\$ 379,000

(A) Amount represents uncollectible accounts written off.

Reserves deducted from asset to which it applies – deferred income tax valuation allowance.

	Balance at Beginning of Year	Additions		Deductions	Balance At End of Year
		Charged to Costs & Expenses	Charged to Other Accounts		
Year Ended December 31, 2005	\$ –				–
Year Ended December 31, 2004	\$1,425,000			\$ (1,425,000)	–
Year Ended December 31, 2003	\$1,425,000				\$ 1,425,000

INDEX TO EXHIBITS

Exhibit No.	Description	Location
2(a)(1)	Asset Purchase Agreement dated as of September 12, 1996, as amended October 31, 1996, between Navistar and RYMAC ¹	Incorporated by reference to Exhibit 2-A to Registration Statement on Form S-4 (Registration No. 333-15809)
2(a)(2)	Second Amendment to Asset Purchase Agreement dated December 16, 1996 ¹	Incorporated by reference to Exhibit 2(a)(2) to Annual Report on Form 10-K for the year ended December 31, 2001
2(b)(1)	Agreement and Plan of Merger dated as of November 1, 1996, between Core Molding and RYMAC	Incorporated by reference to Exhibit 2-B to Registration Statement on Form S-4 (Registration No. 333-15809)
2(b)(2)	First Amendment to Agreement and Plan of Merger dated as of December 27, 1996 between Core Molding and RYMAC	Incorporated by reference to Exhibit 2(b)(2) to Annual Report on Form 10-K for the year Ended December 31, 2002
2(c)(1)	Asset Purchase Agreement dated as of October 10, 2001, between Core Molding Technologies, Inc. and Airshield Corporation	Incorporated by reference to Exhibit 1 to Form 8-K filed October 31, 2001
3(a)(1)	Certificate of Incorporation of Core Molding Technologies, Inc. as filed with the Secretary of State of Delaware on October 8, 1996	Incorporated by reference to Exhibit 4(a) to Registration Statement on Form S-8, (Registration No. 333-29203)

Exhibit No.	Description	Location
3(a)(2)	Certificate of Amendment of Certificate of Incorporation of Core Molding Technologies, Inc. as filed with the Secretary of State of Delaware on November 6, 1996	Incorporated by reference to Exhibit 4(b) to Registration Statement on Form S-8, (Registration No. 333-29203)
3(a)(3)	Certificate of Incorporation of Core Molding Technologies Inc., reflecting amendments through November 6, 1996 [for purposes of compliance with Securities and Exchange Commission filing requirements only]	Incorporated by reference to Exhibit 4(c) to Registration Statement on Form S-8 (Registration No. 333-29203)
3(a)(4)	Certificate of Amendment of Certificate of Incorporation as filed with the Secretary of State of Delaware on August 28, 2002	Incorporated by reference to Exhibit 3(a)(4) to Quarterly Report on Form 10-Q for the quarter ended September 30, 2002
3(b)	By-Laws of Core Molding Technologies, Inc.	Incorporated by reference to Exhibit 3-C to Registration Statement on Form S-4 (Registration No. 333-15809)
4(a)(1)	Certificate of Incorporation of Core Molding Technologies, Inc. as filed with the Secretary of State of Delaware on October 8, 1996	Incorporated by reference to Exhibit 4(a) to Registration Statement on Form S-8 (Registration No. 333-29203)
4(a)(2)	Certificate of Amendment of Certificate of Incorporation of Core Molding Technologies, Inc. as filed with the Secretary of State of Delaware on November 6, 1996	Incorporated by reference to Exhibit 4(b) to Registration Statement on Form S-8 (Registration No. 333-29203)

Exhibit No.	Description	Location
4(a)(3)	Certificate of Incorporation of Core Molding Technologies, Inc., reflecting amendments through November 6, 1996 [for purposes of compliance with Securities and Exchange Commission filing requirements only]	Incorporated by reference to Exhibit 4(c) to Registration Statement on Form S-8 (Registration No. 333-29203)
4(a)(4)	Certificate of Amendment of Certificate of Incorporation as filed with the Secretary of State of Delaware on August 28, 2002	Incorporated by reference to Exhibit 3(a)(4) to Quarterly Report on Form 10-Q for the quarter ended September 30, 2002
4(b)	By-Laws of Core Molding Technologies, Inc.	Incorporated by reference to Exhibit 3-C to Registration Statement on Form S-4 (Registration No. 333-15809)
10(a)(2)	Amendment No. 1 to Unsecured Promissory Note, dated January 30, 2004 to International Truck and Engine Corp.	Incorporated by reference to Exhibit 10(p) to Quarterly Report on Form 10-Q for the quarter ended March 31, 2005
10(b)	Comprehensive Supply Agreement, dated November 1, 2002, by and between Core Molding Technologies, Inc. and International Truck and Engine Corp.	Incorporated by reference to Exhibit 10(a)(7) to Annual Report on Form 10-K for the year ended December 31, 2003
10(d)	Registration Rights Agreement, dated December 31, 1996, by and between Navistar International Transportation Corp. and various other persons who become parties pursuant to the agreement	Incorporated by reference to Exhibit 10(d) to Annual Report on Form 10-K for the year ended December 31, 2001

Exhibit No.	Description	Location
10(e)	Loan Agreement, dated December 3, 1997, by and between Core Molding Technologies, Inc. and Key Bank National Association	Incorporated by reference to Exhibit 10(e) to Annual Report on Form 10-K for the year ended December 31, 2002
10(e)(1)	Amendment, dated March 29, 2001, to the Loan Agreement dated December 3, 1997 by and between Core Molding Technologies, Inc. and Key Bank National Association	Incorporated by reference to Exhibit 10(e)(1) to Annual Report on Form 10-K for the year ended December 31, 2002
10(e)(2)	Amendment, dated December 12, 2002, to the Loan Agreement dated December 3, 1997 by and between Core Molding Technologies, Inc. and Key Bank National Association	Incorporated by reference to Exhibit 10(e)(2) to Annual Report on Form 10-K for the year ended December 31, 2002
10(e)(3)	Loan Agreement, dated December 30, 2003, by and between Core Molding Technologies, Inc. and Key Bank National Association ²	Incorporated by reference to Exhibit 10(e)(3) to Annual Report on Form 10-K for the year ended December 31, 2003
10(f)	Master Equipment Lease Agreement ³ by and between KeyCorp Leasing, a division of Key Corporate Capital, Inc. and Core Molding Technologies, Inc.	Incorporated by reference to Exhibit 10(f) to Annual Report on Form 10-K for the year ended December 31, 2002
10(f)(1)	Amendment, dated March 29, 2001, to Master Equipment Lease Agreement ³ by and between KeyCorp Leasing, a division of Key Corporate Capital, Inc. and Core Molding Technologies, Inc.	Incorporated by reference to Exhibit 10(f)(1) to Annual Report on Form 10-K for the year ended December 31, 2000

Exhibit No.	Description	Location
10(g)	Loan Agreement, dated April 1, 1998, by and between South Carolina Jobs - Economic Development Authority and Core Molding Technologies, Inc.	Incorporated by reference to Exhibit 10(g) to Annual Report on Form 10-K for the year ended December 31, 2003
10(h)	Reimbursement Agreement, dated April 1, 1998, by and between Core Molding Technologies, Inc. and Key Bank National Association	Incorporated by reference to Exhibit 10(h) to Annual Report on Form 10-K for the year ended December 31, 2003
10(h)(1)	Amendment, dated March 29, 2001, to Reimbursement Agreement, dated April 1, 1998, by and between Core Molding Technologies, Inc. and Key Bank National Association	Incorporated by reference to Exhibit 10(h)(1) to Annual Report on Form 10-K for the year ended December 31, 2000
10(i)	Core Molding Technologies, Inc. Employee Stock Purchase Plan ⁴	Incorporated by reference to Exhibit 4(e) to Registration Statement on Form S-8 (Registration No. 333-60909)
10(i)(1)	2002 Core Molding Technologies, Inc. Employee Stock Purchase Plan ⁴	Incorporated by reference to Exhibit B to Definitive Proxy Statement dated April 15, 2002
10(j)	Letter Agreement Regarding Terms and Conditions of Interest Rate Swap Agreement between KeyBank National Association and Core Molding Technologies, Inc.	Incorporated by reference to Exhibit 10(j) to Annual Report on Form 10-K for the year ended December 31, 2003
10(k)	Long Term Equity Incentive Plan ⁴	Incorporated by reference to Exhibit 4(e) to Registration Statement on Form S-8 (Registration No. 333-29203)

Exhibit No.	Description	Location
10(l)	1995 Stock Option Plan ⁴	Incorporated by reference to Exhibit 10(l) to Annual Report on Form 10-K for the year ended December 31, 2001
10(m)	Informal Cash Profit Sharing Plan ⁴	Incorporated by reference to Exhibit 10(m) to Annual Report on Form 10-K for the year ended December 31, 2002
10(m)(1)	Core Molding Technologies, Inc. Cash Profit Sharing Plan, as amended December 16, 2004 ⁴	Incorporated by reference to Exhibit 10.1 to Form 8-K filed December 22, 2004
10(o)	Compensation Agreement with Malcolm M. Prine ⁴	Incorporated by reference to Exhibit 10(o) to Annual Report on Form 10-K for the year ended December 31, 2000
10(p)	Phantom stock agreement with James L. Simonton, President and Chief Executive Officer	Incorporated by reference to Exhibit 10(p) to Quarterly Report on Form 10-Q for the quarter ended March 31, 2005
11	Computation of Net Income per Share	Exhibit 11 is omitted because the required information is included in the Notes to Financial Statements in Part II, Item 8 of this Annual Report on Form 10-K
14	Code of Business Conduct and Ethics	Incorporated by reference to Exhibit 14 to Annual Report on Form 10-K for the year ended December 31, 2003
23	Consent of Deloitte & Touche LLP	Filed Herein
24	Powers of Attorney	Filed Herein

Exhibit No.	Description	Location
31(a)	Section 302 Certification by James L. Simonton, President and Chief Executive Officer	Filed Herein
31(b)	Section 302 Certification by Herman F. Dick, Jr., Treasurer, Chief Financial Officer, and Secretary	Filed Herein
32(a)	Certification of James L. Simonton, Chief Executive Officer of Core Molding Technologies, Inc., dated March 30, 2006, pursuant to 18 U.S.C. Section 1350	Filed Herein
32(b)	Certification of Herman F. Dick, Jr., Treasurer, Chief Financial Officer and Secretary of Core Molding Technologies, Inc., dated March 30, 2006, pursuant to 18 U.S.C. Section 1350	Filed Herein

¹ The Asset Purchase Agreement, as filed with the SEC at Exhibit 2-A to Registration Statement on Form S-4 (Registration No. 333-15809), omits the exhibits (including, the Buyer Note, Special Warranty Deed, Supply Agreement, Registration Rights Agreement and Transition Services Agreement, identified in the Asset Purchase Agreement) and schedules (including, those identified in Sections 1, 3, 4, 5, 6, 8 and 30 of the Asset Purchase Agreement). Core Molding Technologies, Inc. will provide any omitted exhibit or schedule to the SEC upon request.

² The Loan Agreement filed with this Annual Report on Form 10-K, omits the exhibits (including Revolving Credit Note, Term Note, Security Agreement, Ohio Mortgage, South Carolina Mortgage, and Guaranty) and schedules. Core Molding Technologies, Inc. will provide any omitted exhibit to the SEC upon request.

³ The Master Equipment Lease, incorporated by reference in the Exhibits to this Annual Report on Form 10-K, omits certain schedules (including addendum to the schedules) which separately identify equipment subject to the Master Equipment Lease and certain additional terms applicable to the lease of such equipment. New schedules may be added under the terms of the Master Equipment Lease from time to time and existing schedules may change. Core Molding Technologies, Inc. will provide any omitted schedule to the SEC upon request.

⁴ Indicates management contracts or compensatory plans that are required to be filed as an exhibit to this Annual Report on Form 10-K.

EXHIBIT 31(a)

SECTION 302 CERTIFICATION

I, James L. Simonton, certify that:

1. I have reviewed this annual report on Form 10-K of Core Molding Technologies, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2006

/s/ James L. Simonton
James L. Simonton
President, Chief Executive Officer and Director

EXHIBIT 31(b)

SECTION 302 CERTIFICATION

I, Herman F. Dick, Jr., certify that:

1. I have reviewed this annual report on Form 10-K of Core Molding Technologies, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this annual report based on such evaluation; and
 - c) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of the annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 30, 2006

/s/ Herman F. Dick, Jr.

Herman F. Dick, Jr.

Treasurer, Chief Financial Officer, and Secretary

EXHIBIT 32(A)

CORE MOLDING TECHNOLOGIES, INC.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Core Molding Technologies, Inc. (the "Company") on Form 10-K for the period ending December 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, James L. Simonton, President, Chief Executive Officer and Director of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ James L. Simonton

James L. Simonton

President, Chief Executive Officer and Director

March 30, 2006

EXHIBIT 32(B)

CORE MOLDING TECHNOLOGIES, INC.

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Annual Report of Core Molding Technologies, Inc. (the "Company") on Form 10-K for the period ending December 31, 2005 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Herman F. Dick, Jr., Treasurer, Chief Financial Officer and Secretary of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Herman F. Dick, Jr.

Herman F. Dick, Jr.

Treasurer, Chief Financial Officer, and Secretary

March 30, 2006

INVESTOR INFORMATION

Share Trading

Shares of Core Molding Technologies common stock are traded on the American Stock Exchange under the symbol "CMT."

Investor Relations

Investor inquiries, including requests to obtain copies without charge of the Company's annual report as filed with the Securities & Exchange Commission, should be directed to:

Core Molding Technologies
Investor Relations
800 Manor Park Drive
P. O. Box 28183
Columbus, OH 43228

Website

www.coremt.com

Stockholder Inquiries

Questions such as changes of address, name changes or lost certificates should be directed to the Company's stock transfer agent:

American Stock Transfer & Trust Co.
59 Maiden Lane
Plaza Level
New York, NY 10038
(718) 921-8200

Notice of Annual Meeting

The Company's 2006 annual meeting will be held on May 17, 2006. The meeting will be held at the Company's Corporate Headquarters, 800 Manor Park Drive, Columbus, Ohio, and will convene at 9:00 a.m.

DIRECTORS AND OFFICERS

Board of Directors

Malcolm M. Prine, Chairman
Thomas R. Cellitti
James F. Crowley
Ralph O. Hellmold
Thomas M. Hough
James L. Simonton
John P. Wright

Corporate Officers

James L. Simonton
President and Chief Executive Officer

Kevin L. Barnett
Group Vice President

Stephen J. Klestinec
Vice President, Operations

Herman F. Dick, Jr.
Treasurer and Chief Financial Officer



CORE MOLDING TECHNOLOGIES, INC.

800 Manor Park Drive, P.O. Box 28183, Columbus, OH 43228

www.coremt.com