

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

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FORM 8-K

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

Date of Report (Date of earliest event reported): July 27, 2006

TREX COMPANY, INC.

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(Exact Name of Registrant as Specified in Charter)

Delaware (State or Other Jurisdiction of Incorporation)	001-14649 (Commission File Number)	54-1910453 (IRS Employer Identification No.)
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160 Exeter Drive Winchester, Virginia (Address of Principal Executive Offices)	22603-8605 (ZIP Code)
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Registrant's telephone number, including area code: (540) 542-6300

Not Applicable

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(Former Name or Former Address, if Changed Since Last Report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On July 27, 2006, Trex Company, Inc. issued a press release announcing financial results for the quarter ended June 30, 2006. A copy of such press release is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The information contained in this report on Form 8-K shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section.

SIGNATURE

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

TREX COMPANY, INC.

Date: July 27, 2006

/s/ Anthony Cavanna

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Anthony Cavanna  
Chairman and Chief Executive Officer

EXHIBIT INDEX

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Exhibit Number

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Exhibit Description

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99.1

Press release dated July 27, 2006

Trex Company 2Q06 Revenue Rises 47% to \$121.5 Million;  
EPS Increases to \$0.47

WINCHESTER, Va.--(BUSINESS WIRE)--July 27, 2006--Trex Company, Inc. (NYSE: TWP), manufacturer of Trex(R) decking and railing, today announced financial results for the second quarter ended June 30, 2006.

Net sales for the second quarter of 2006 totaled \$121.5 million, compared to net sales of \$82.9 million for the second quarter of 2005, which represents a 47% increase. The Company reported net income for the 2006 second quarter of \$7.1 million, or \$0.47 per diluted share, compared to a net loss of \$1.0 million, or \$0.07 per diluted share, for the 2005 second quarter.

For the six months ended June 30, 2006, Trex Company reported net sales of \$226.8 million, compared to net sales of \$172.8 million for the six months ended June 30, 2005, which represents a 31% increase. Net income for the 2006 six-month period totaled \$11.3 million, or \$0.76 per diluted share, compared to \$7.4 million, or \$0.50 per diluted share, for the 2005 six-month period.

Chairman and Chief Executive Officer Anthony J. Cavanna commented, "Trex's solid second-quarter results reflect the effectiveness of our 'early buy' promotional programs and consumer brand building campaign, combined with the success of our distributor partners in reaching all segments of the market, including contractors, home builders and do-it-yourselfers. Favorable inventory levels coming into 2006, the Company's recent price increases and a shift in consumer demand to Trex Accents(R) from Trex Origins(TM) also contributed to our strong top line growth.

"The many manufacturing and quality initiatives we implemented late last year are beginning to have an impact. Although the year-over-year increase in the cost of plastic raw materials partially offset the improved manufacturing efficiencies and utilization, each of Trex's three plants made progress during the quarter to our goals of enhancing product quality and packaging. Because there are still many opportunities to improve our raw materials processing and manufacturing performance, these areas will continue to be a focus for the Company."

Mr. Cavanna concluded, "We are very pleased with the positive trends in plant operating performance and our improving financial results over the first half of 2006. We are also gratified by the market's positive reaction to our quality initiatives and expanded line of decking and railing products. As illustrated by the MVP Award Trex Brasilia(R) recently won from Building Products Magazine, Trex continues to set the standard for market-based innovation and to lead the conversion of the market from wood to composite decking."

The Company, which had previously provided guidance for the first half of 2006, announced its full-year guidance. For the full year 2006, the Company expects net sales to range from \$340 million to \$350 million and earnings per diluted share to range from \$0.95 to \$1.05. This compares to net sales of \$294.1 million and earnings per diluted share of \$0.17 in 2005.

Trex will hold a conference call to discuss its 2006 second-quarter results on Thursday, July 27 at 11:00 a.m. ET. A live webcast of the conference call will be available to all investors at the Trex Company website at [www.trex.com](http://www.trex.com). The call will also be simulcast at [www.streetevents.com](http://www.streetevents.com).

For those who cannot listen to the live broadcast, an audio replay of the call will be available on these websites for 30 days. A telephone replay of the call will also be available through August 3, 2006. To listen to the telephone replay, dial 706-645-9291 and enter conference ID #2784883.

#### About Trex Company

Trex Company is the nation's largest manufacturer of composite decking and railing, with over 14 years of product experience. Products are marketed under the brand name Trex(R). Made from a unique formulation of reclaimed wood and plastic, combined through a proprietary process, Trex decking and railing offer significant design flexibility with fewer ongoing maintenance requirements than wood. For more information, visit the Company's website, [www.trex.com](http://www.trex.com). Trex(R), Trex Accents(R), Trex Origins(TM) and Trex Brasilia(R) are trademarks of Trex Company, Inc., Winchester, Va.

The statements in this press release regarding the Company's expected sales performance and operating results, its projections of net sales, net income, earnings per share and costs, its anticipated financial condition and its business strategy constitute "forward-looking statements" within the meaning of Section 27A of the

Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are subject to risks and uncertainties that could cause the Company's actual operating results to differ materially. Such risks and uncertainties include the extent of market acceptance of the Company's products, the sensitivity of the Company's business to general economic conditions, the Company's ability to obtain raw materials at acceptable prices, the Company's ability to increase production levels to meet increasing demand for its products, and the highly competitive markets in which the Company operates. The Company's report on Form 10-K filed with the Securities and Exchange Commission on March 16, 2006 and its subsequent filing on Form 10-Q for the first quarter of 2006 discuss some of the important factors that could cause the Company's actual results to differ materially from those expressed or implied in these forward-looking statements. The Company expressly disclaims any obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

TREX COMPANY, INC.  
Condensed Consolidated Statements of Operations  
(In thousands, except share and per share data)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2005	2006	2005	2006
Net sales	\$ 82,865	\$ 121,454	\$ 172,769	\$ 226,751
Cost of sales	59,992	86,091	116,560	166,127
Gross profit	22,873	35,363	56,209	60,624
Selling, general and administrative expenses	25,025	23,649	44,441	41,201
Income (loss) from operations	(2,152)	11,714	11,768	19,423
Interest expense, net	720	1,061	1,476	2,030
Income (loss) before income taxes	(2,872)	10,653	10,292	17,393
Provision (benefit) for income taxes	(1,858)	3,594	2,902	6,098
Net income (loss)	<u>\$ (1,014)</u>	<u>\$ 7,059</u>	<u>\$ 7,390</u>	<u>\$ 11,295</u>
Diluted earnings (loss) per share	<u>\$ (0.07)</u>	<u>\$ 0.47</u>	<u>\$ 0.50</u>	<u>\$ 0.76</u>
Diluted weighted average shares outstanding	<u>14,772,498</u>	<u>14,912,805</u>	<u>14,912,299</u>	<u>14,891,577</u>

TREX COMPANY, INC.  
Condensed Consolidated Balance Sheets  
(In thousands, except share data)

	31-Dec-05	30-Jun-06
		(unaudited)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,931	\$ 7,552
Accounts receivable, net	12,364	38,173

Inventories	56,726	51,387
Prepaid expenses and other assets	3,750	3,799
Income taxes receivable	8,297	--
Deferred income taxes	1,711	1,802
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Total current assets	84,779	102,713
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Property, plant and equipment, net	191,210	188,039
Goodwill	6,837	6,837
Debt-related derivatives	292	685
Other assets	3,151	2,987
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Total assets	\$ 286,269	\$ 301,261
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 31,919	\$ 46,748
Line of credit	4,070	--
Current portion long-term debt	9,031	9,074
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Total current liabilities	45,020	55,822
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Deferred income taxes	15,158	15,342
Debt-related derivatives	1,053	605
Long-term debt, net of current portion	60,505	51,955
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Total liabilities	121,736	123,724
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Stockholders' equity:		
Preferred stock, \$0.01 par value, 3,000,000 shares authorized; none issued and outstanding	--	--
Common stock, \$0.01 par value, 40,000,000 shares authorized; 14,889,674 and 14,976,468 shares issued and outstanding at December 31, 2005 and June 30, 2006	149	150
Additional paid-in capital	61,901	62,005
Deferred compensation	(1,076)	--
Accumulated other comprehensive income (loss)	(481)	47
Retained earnings	104,040	115,335
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Total stockholders' equity	164,533	177,537
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Total liabilities and stockholders' equity	\$ 286,269	\$ 301,261
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TREX COMPANY, INC.  
Condensed Consolidated Statements of Cash Flows  
(In thousands)  
(Unaudited)

	Six Months Ended June 30,	
	2005	2006
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OPERATING ACTIVITIES		
Net income	\$ 7,390	\$ 11,295
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	7,406	9,975
Other non-cash charges	3,038	1,530
Changes in operating assets and liabilities	(1,230)	2,607
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Net cash provided by operating activities	\$ 16,604	\$ 25,407
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INVESTING ACTIVITIES	\$(23,467)	\$ (7,080)
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FINANCING ACTIVITIES	\$ (8,248)	\$(12,706)
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Net increase (decrease) in cash and cash equivalents	\$(15,111)	\$ 5,621
Cash and cash equivalents at beginning of period	\$ 23,925	\$ 1,931
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Cash and cash equivalents at end of period	\$ 8,814	\$ 7,552
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Paul Fletcher, 540-542-6300  
OR  
Lippert/Heilshorn & Assoc.  
Harriet Fried, 212-838-3777