

MARINE PRODUCTS CORP
Form 10-Q
November 07, 2008

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

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended September 30, 2008

Commission File No. 1-16263

MARINE PRODUCTS CORPORATION
(exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or
organization)

58-2572419
(I.R.S. Employer Identification Number)

2801 Buford Highway, Suite 520, Atlanta, Georgia 30329
(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code -- (404) 321-7910

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 No

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

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

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

As of October 30, 2008, Marine Products Corporation had 36,430,449 shares of common stock outstanding.

Marine Products Corporation

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MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS
AS OF SEPTEMBER 30, 2008 AND DECEMBER 31, 2007
(In thousands)
(Unaudited)

	September 30, 2008	December 31, 2007 (Note 1)
ASSETS		
Cash and cash equivalents	\$ 5,045	\$ 3,233
Marketable securities	13,970	8,870
Accounts receivable, net	1,400	3,540
Inventories	24,707	33,159
Income taxes receivable	1,635	1,321
Deferred income taxes	1,415	2,746
Prepaid expenses and other current assets	1,792	2,159
Total current assets	49,964	55,028
Property, plant and equipment, net	14,933	15,944
Goodwill	3,308	3,308
Marketable securities	38,551	36,087
Deferred income taxes	2,628	1,098
Other assets	6,923	7,261
Total assets	\$ 116,307	\$ 118,726
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	\$ 4,676	\$ 4,621
Accrued expenses and other liabilities	10,644	14,294
Total current liabilities	15,320	18,915
Pension liabilities	5,333	5,572
Other long-term liabilities	497	482
Total liabilities	21,150	24,969
Common stock	3,643	3,602
Capital in excess of par value	-	-
Retained earnings	91,690	90,105
Accumulated other comprehensive (loss) income	(176)	50
Total stockholders' equity	95,157	93,757
Total liabilities and stockholders' equity	\$ 116,307	\$ 118,726

The accompanying notes are an integral part of these consolidated statements.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2008 AND 2007

(In thousands except per share data)

(Unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Net sales	\$ 31,582	\$ 52,481	\$ 152,858	\$ 185,326
Cost of goods sold	26,478	41,215	123,263	145,162
Gross profit	5,104	11,266	29,595	40,164
Selling, general and administrative expenses	4,086	6,471	18,965	22,834
Operating income	1,018	4,795	10,630	17,330
Interest income	623	585	1,815	1,948
Income before income taxes	1,641	5,380	12,445	19,278
Income tax provision	957	2,151	3,733	6,857
Net income	\$ 684	\$ 3,229	\$ 8,712	\$ 12,421
Earnings per share				
Basic	\$ 0.02	\$ 0.09	\$ 0.24	\$ 0.33
Diluted	\$ 0.02	\$ 0.08	\$ 0.24	\$ 0.32
Dividends per share	\$ 0.065	\$ 0.060	\$ 0.195	\$ 0.180
Average shares outstanding				
Basic	35,824	37,028	35,773	37,329
Diluted	36,476	38,154	36,465	38,501

The accompanying notes are an integral part of these consolidated statements.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2008

(In thousands)

(Unaudited)

	Comprehensive Income	Common Stock Shares	Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other	Total
Balance, December 31, 2007		36,018	\$ 3,602	\$ —	\$ 90,105	\$ 50	\$ 93,757
Stock issued for stock incentive plans, net		867	87	1,948	—	—	2,035
Stock purchased and retired		(455)	(46)	(3,672)	(53)	—	(3,771)
Net income	\$ 8,712	—	—	—	8,712	—	8,712
Other comprehensive income, net of tax: Unrealized loss on securities, net of reclassification adjustment	(226)	—	—	—	—	(226)	(226)
Comprehensive income	\$ 8,486						