

MARINE PRODUCTS CORP
Form 10-Q
May 04, 2007

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**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 March 31, 2007

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, 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

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 April 25, 2007, Marine Products Corporation had 37,995,627 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 MARCH 31, 2007 AND DECEMBER 31, 2006
(In thousands)
(Unaudited)

	March 31,	December 31,
	2007	2006
ASSETS		
Cash and cash equivalents	\$ 56,235	\$ 54,456
Marketable securities	864	652
Accounts receivable, net	4,141	2,980
Inventories	31,366	29,556
Income taxes receivable	1,679	834
Deferred income taxes	3,271	3,244
Prepaid expenses and other current assets	925	1,873
Total current assets	98,481	93,595
Property, plant and equipment, net	16,635	16,641
Goodwill	3,308	3,308
Marketable securities	3,232	3,715
Deferred income taxes	1,361	1,449
Other assets	5,997	5,471
Total assets	\$ 129,014	\$ 124,179
 LIABILITIES AND STOCKHOLDERS'		
EQUITY		
Accounts payable	\$ 6,887	\$ 3,455
Accrued expenses	15,022	13,634
Total current liabilities	21,909	17,089
Pension liabilities	4,941	4,670
Other long-term liabilities	728	1,019
Total liabilities	27,578	22,778
Common stock	3,801	3,791
Capital in excess of par value	11,847	13,453
Retained earnings	86,496	84,875
Accumulated other comprehensive loss	(708)	(718)
Total stockholders' equity	101,436	101,401
Total liabilities and stockholders' equity	\$ 129,014	\$ 124,179

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

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES**CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED MARCH 31, 2007 AND 2006**

(In thousands except per share data)

(Unaudited)

	Three months ended March 31,	
	2007	2006
Net sales	\$ 64,976	\$ 69,957
Cost of goods sold	51,012	53,139
Gross profit	13,964	16,818
Selling, general and administrative expenses	8,443	8,638
Operating income	5,521	8,180
Interest income	726	446
Income before income taxes	6,247	8,626
Income tax provision	2,330	2,850
Net income	\$ 3,917	\$ 5,776
 Earnings per share		
Basic	\$ 0.10	\$ 0.15
Diluted	\$ 0.10	\$ 0.15
 Dividends per share	\$ 0.06	\$ 0.05

Average shares outstanding

Basic	37,500	37,309
Diluted		

By: /s/ J. Christopher Donahue

Name/Title: J. Christopher Donahue, as President of Federated Investors, Inc.

By: /s/ John F. Donahue

Name/Title: John F. Donahue, individually and as Trustee of Voting Shares Irrevocable Trust, by J. Christopher Donahue, as attorney-in-fact.

By: /s/ Rhodora J. Donahue

Name/Title: Rhodora J. Donahue, individually and as Trustee as Voting Shares Irrevocable Trust, by J. Christopher Donahue, as attorney-in-fact.

By: /s/ J. Christopher Donahue

Name/Title: J. Christopher Donahue, individually and as Trustee of Voting Shares Irrevocable Trust

1. The number of shares indicated represent shares beneficially owned by registered investment companies and separate accounts advised by subsidiaries of Federated Investors, Inc. that have been delegated the power to direct

investments and power to vote the securities by the registered investment companies' board of trustees or directors and by the separate accounts' principals. All of the voting securities of Federated Investors, Inc. are held in the Voting Shares Irrevocable Trust ("Trust"), the trustees of which are John F. Donahue, Rhodora J. Donahue, and J. Christopher Donahue ("Trustees"). In accordance with Rule 13d-4 under the 1934 Act, the Trust, Trustees, and parent holding company declare that the filing of this statement should not be construed as an admission that any of the investment advisers, parent holding company, Trust, and Trustees are beneficial owners (for the purposes of Sections 13(d) and/or 13(g) of the Act) of any securities covered by this statement, and such advisers, parent holding company, Trust, and Trustees expressly disclaim that they are the beneficial owners such securities.

EXHIBIT 3

POWER OF ATTORNEY

Each person whose signature appears below hereby constitutes and appoints J. Christopher Donahue their true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution for them and in their names, place and stead, in any and all capacities, to sign any and all Schedule 13Ds and/or Schedule 13Gs, and any amendments thereto, to be filed with the Securities and Exchange Commission pursuant to Regulation 13D-G of the Securities Exchange Act of 1934, as amended, by means of the Securities and Exchange Commission's electronic disclosure system known as EDGAR; and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent, full power and authority to sign and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as each of them might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

SIGNATURES

TITLE OR CAPACITY

/s/John F. Donahue
John F. Donahue

Individually and as Trustee of
the Voting Shares Irrevocable Trust

/s/Rhodora J. Donahue
Rhodora J. Donahue

Individually and as Trustee of
the Voting Shares Irrevocable Trust

Sworn to and subscribed before me this 23rd day of September, 2004.

/s/Madaline P. Kelly
Notary Public
My Commission Expires: February 22, 2008