



Marine Products Corporation Reports 2001 Third Quarter Results

ATLANTA, Oct. 18 /PRNewswire/ -- Marine Products Corporation (Amex: MPX - news) announced its unaudited results for the quarter and nine months ended September 30, 2001. Marine Products Corporation is the third largest domestic manufacturer of sterndrive fiberglass recreational boats through its wholly owned subsidiary, Chaparral Boats, Inc.

For the quarter ended September 30, 2001, Marine Products generated net sales of \$28,806,000, an 18 percent decrease compared to \$35,080,000 last year. The decline in net sales was caused by a decrease in the number of units sold, partially offset by an increase in average sales price. The increase in average sales price was driven by a higher proportion of larger boats sold during the period. Gross profit for the quarter was \$6,024,000, a 20 percent decrease over the same period in 2000. Gross profit was lower due to lower sales coupled with cost inefficiencies resulting from lower production volumes. Operating income was \$2,612,000, a 29 percent decrease compared to the third quarter last year. Selling, general, and administrative expenses were 12 percent lower than the same period in the prior year, but the decrease was not enough to offset the decrease in gross profit. Net income for the quarter was \$1,709,000 or \$0.10 diluted earnings per share, a decrease of 27 percent compared to \$2,332,000 or \$0.14 diluted earnings per share in the third quarter of 2000.

Net sales for the nine months ending September 30, 2001 were \$104,550,000, a 10 percent decrease from the first nine months of fiscal 2000. Net income for the nine month period was \$7,026,000, or \$0.40 diluted earnings per share. Net income for the first nine months of 2000, excluding a one time gain on settlement of a claim, was \$7,922,000, or \$0.46 diluted earnings per share.

Richard A. Hubbell, Marine Products' Chief Executive Officer, stated, "Marine Products' results for the third quarter reflect a softness in the market for pleasure boats. We continue to respond to this environment by streamlining costs and monitoring our dealer inventories. We are encouraged by the fact that our dealer inventory levels at the end of the quarter were at the same level as in the prior year period. We are also encouraged by the market's reception of our larger model boats. Although unit sales have decreased, the stronger sales of larger boats are reflected in the higher average sales prices achieved during the period."

Mr. Hubbell continued, "We expect to introduce several models of our new Robalo offshore fishing boat in selected boat shows during the fourth quarter. We have established operations in our new production facility and are prepared to begin production."

Marine Products' Chaparral subsidiary is recognized as one of the leading boat builders in the United States as evidenced by 22 Powerboat Magazine awards since 1981, including eight coveted "Boat of the Year" titles. Chaparral sells three lines of boats including the SS sport boats, Sunesta deck boats, and Signature Cruisers. Chaparral distributes its products through 150 domestic and 30 international dealers. In addition, Marine Products will soon begin manufacturing and marketing Robalo fishing boats, its fourth line of boats. Marine Products Corporation's investor website can be found on the Internet at www.marineproductscorp.com.

Certain statements and information included in this press release constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Marine Products to be materially different from any future results, performance or achievements expressed or implied in such forward-looking statements. Additional discussion of factors that could cause the actual results to differ materially from management's projections, forecasts, estimates and expectations is contained in Marine Products' 2000 Form 10-K and other Securities and Exchange Commission filings.

** See attachment for entire release **

10/18/2001