

MGP INGREDIENTS INC
Form 10-Q
February 07, 2008

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended December 30, 2007.

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: 0-17196

MGP INGREDIENTS, INC.

(Exact name of registrant as specified in its charter)

KANSAS

(State or other jurisdiction of incorporation or organization)

48-0531200

(I.R.S. Employer Identification No.)

100 Commercial Street, Atchison Kansas

(Address of principal executive offices)

66002

(Zip Code)

(913) 367-1480

(Registrant's telephone number, including area code)

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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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock, no par value

16,548,503 shares outstanding

as of December 30, 2007

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Report of Independent Registered Public Accounting Firm

Audit Committee, Board of Directors and Stockholders

MGP Ingredients, Inc.

Atchison, Kansas

We have reviewed the accompanying condensed consolidated balance sheets of MGP Ingredients, Inc. as of December 30, 2007 and December 31, 2006, and the related condensed consolidated statements of income for the three-month and six-month periods ended December 30, 2007 and December 31, 2006, and cash flows for the six-month periods ended December 30, 2007 and December 31, 2006. These interim financial statements are the responsibility of the Company's management.

We conducted our reviews in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with accounting principles generally accepted in the United States of America.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet as of July 1, 2007 and the related consolidated statements of income, stockholders' equity and cash flows for the year then ended (not presented herein); and in our report dated August 31, 2007, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of July 1, 2007 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

/s/ BKD, LLP

Kansas City, Missouri

February 7, 2008

MGP INGREDIENTS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(Unaudited)

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	Quarter Ended		Year to Date Ended	
	December 30, 2007	December 31, 2006	December 30, 2007	December 31, 2006
	Dollars in thousands except per share amounts			
Net sales	\$ 93,995	\$ 87,645	\$ 181,972	\$ 172,640
Cost of sales	90,741	71,147	172,799	140,609
Gross profit	3,254	16,498	9,173	32,031
Selling, general and administrative expenses	4,815	5,108	11,094	9,967
Income (loss) from operations	(1,561)	11,390	(1,921)	22,064
Other income, net	(76)	200	114	560
Gain on settlement of litigation, net of related expenses	7,046		7,046	
Interest expense	(405)	(232)	(681)	(451)
Income before income taxes	5,004	11,358	4,558	22,173
Provision (benefit) for income taxes	(260)	4,523	(388)	8,362
Net income	5,264	6,835	4,946	13,811
Other comprehensive income (loss), net of tax:	4,284	125	5,634	(65)
Comprehensive income	\$ 9,548	\$ 6,960	\$ 10,580	\$ 13,746
Per Share Data				
Total basic earnings per common share	\$ 0.32	\$ 0.42	\$ 0.30	\$ 0.84
Total diluted earnings per common share	\$ 0.31	\$ 0.40	\$ 0.29	\$ 0.82
Dividends per common share	\$ 0.15	\$ 0.20	\$ 0.15	\$ 0.20

See Notes to Condensed Consolidated Financial Statements

MGP INGREDIENTS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

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December 30, 2007 (unaudited)	December 31, 2006	July 1, 2007
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