A STORY OF STRENGTH AND STAMINA
A STORY OF STRENGTH AND STAMINA

Think about it: your boat builder partnership is key to your dealership’s success. Let’s face it; the rules for selling boats have changed. Dramatically. In years gone by styling, fishability, performance, features and price got the job done. The name on the hull side is important, but now more than ever, the company behind the name is what it’s all about. Robalo has become a leader in the marine industry because of our history, diverse product line, profit-minded business practices and solid management. Cutting edge technology and a time tested history create excitement and a sense of confidence. Value-oriented pricing sells. Aggressive marketing gets the word out. At a time when the headlines are filled with companies sinking or needing bailouts to stay afloat, Robalo’s strong balance sheet provides a solid foundation for a dealer to build on.

Simply stated, you can’t find a better boat building partner than Robalo. Fishing boats are our only business. That’s all we do. Just fishing boats. Our numbers tell a convincing story. Robalo, and it’s sister company Chaparral, have one of the strongest balance sheets in the industry. At a time when most boat companies are forced to slash budgets, Robalo continues to invest in new product development, offering aggressive factory rebates to move dealer inventory and bolster our already high customer service scores. Robalo’s financial strength makes it all possible and strategically positions us for the future. At Robalo, we’ve always said, “The boats are the stars.” That still holds true today, but it’s equally important that boat buyers and dealers alike want to know the strength of the company and the people behind the name.

“It has been a sincere pleasure dealing with all the people at Robalo. Their responsiveness to daily needs, sales issues and customer service has been exceptional. We’ve dealt with many boat companies, none are more accommodating than Robalo. Their upper management staff has always listened to both our needs and our wants and has supplied us with the tools needed to survive in difficult times. We sell boats, but the real foundation of any business is the people. One thing my Dad taught me was to do business with people you trust. I trust the people at Robalo.”

-- Robert Barone, D&R Boatworld - Green Brook, NJ
40 YEARS OF BOAT BUILDING EXCELLENCE

FEATURE: History Of Accomplishment And Consistency

BENEFIT: Boaters Know The Name And What It Stands For

Want to know where a company is headed? Look where they’ve been. History speaks volumes. Rating the most respected names in the fish boat business, Robalo ranks atop the list. The Robalo story of endurance, innovation and quality dates back to 1968 and the company’s first 19-foot fishing boat. In it’s storied past, Robalo was owned by AMF, Cobia and Brunswick prior to being acquired by Chaparral in 2001. Heading into the new millennium, Chaparral and it’s parent company Marine Products Corporation (MPX - traded on the New York Stock Exchange), decided the perfect complement to it’s already established line of sport yachts, cruisers, sport boats, Sunesta bow riders and Xtreme tow boats would be a premier fleet of outboard powered fishing boats. The timing was perfect. Fueled by Chaparral’s founder Buck Pegg’s lifelong passion for bluewater fishing, Robalo has not only capitalized on its incredible history but expanded its reach worldwide. New products have continued to set the pace. Every boat in the 2010 line is either brand new or completely retooled in the last five years.

Robalo has always built premier quality, performance-minded fishing boats. Our primary focus has always been on family fishermen that take their sport seriously. Innovation is priority one. Always has been. Robalo was the first to innovate the widely popular T-Top. We also were the first boat company to weld our bow rails instead of using riveted fittings. Robalo’s innovative Hydro Lift deep vee hull design is a performance breakthrough that sets us apart from other fishing boats.

On a parallel track, the Chaparral story dates back to 1965 when Buck Pegg founded a boat company named Fiberglass Fabricators and launched a 15-foot tri hull that sold for a whopping $675. In 1977, a move to Nashville, Georgia, a name change to Chaparral and a new business partner, Jim Lane, put the company in high gear. As the square footage expanded and the centerlines inch ed up, so did the market share. Today, Chaparral and Robalo have more than a quarter million satisfied customers worldwide. Our well established and highly profitable dealer network testifies to the company’s ability to compete in waterways around the globe. The Robalo dealer network is our link to the world and we treat each location as a key part of our success. Robalo has over 30 domestic dealers spanning the entire U.S. boating market and is considered the brand of choice in many markets. Internationally, our reach stretches to places like Italy, France, Spain, Netherlands, Singapore, Puerto Rico, Hong Kong, Greece and Japan. Yes, the boats are produced in Nashville, Georgia but our real home is at dealerships around the world and in the hands of premium dealers and boaters that know the pride of owning a Robalo.
OPERATING FROM A BASE OF STRENGTH

FEATURE: $110 Million Net Worth With $51 Million Cash On Hand

BENEFIT: Financial Strength Moves Us Forward

Boats are important. People are important. Reputation is important. Equally important, particularly in today’s economy, is a company’s financial strength. With a net worth of $110 million and $51 million in cash on hand, few can match Robalo and Chaparral’s confidence-building balance sheet. From day one, all of our growth has been self sustaining. Free from a cash-draining debt service, we’re able to offer consumers better value, maximize profits and invest in the expansion of our dealer network. Robalo is one of a select few that can offer dealers financial backing every step of the way. We’ve got the financial horsepower to support your dealership in lean times, offer factory rebates to help spark sales, invest in new product development, help secure floor plan financing, retain key employees and target sales-oriented marketing campaigns. Warranty claims and co-op advertising are paid on time.

STEADY HAND ON THE WHEEL

FEATURE: Consistent Management

BENEFIT: Trust Us To Make Solid Long Term Decisions

Two heads are better than one. Buck Pegg and Jim Lane form boating’s most successful partnership. The duo joined forces in 1977 and are the driving force that propels Robalo and Chaparral. From day one they vowed to never implement a management decision that both didn’t agree on. While decisions are made in concert, responsibilities never overlap. Buck Pegg runs Manufacturing and Engineering. Jim Lane handles Sales, Marketing, Purchasing, Customer Service, Finance and Accounting. Neither operates in a corporate ivory tower, but is hands on every step of the way. Dealers, vendors and employees all enjoy an honest, open relationship where integrity is standard.

“Great Bay Marine has been a Robalo dealer for the past 13 years. Robalo consistently has shown they are committed to our success. Under Buck Pegg’s leadership, Robalo has built the classic fishing boat. Today’s customers demand so much from their fishing boats. Robalo answers with plush interiors and user friendly cabins to create a line of boats that are geared up for fishing adventures and family fun.”

-- Timothy Kelly, Great Bay Marine - Islip Terrace, NY
THE STRONGEST BACKBONE IN BOATING

FEATURE: Experienced Senior Management Team

BENEFIT: We Get The Job Done

Jim and Buck have carefully selected and developed our five member Executive Committee which covers all areas of management. Sales and distribution, design and engineering, purchasing, finance and manufacturing all have a seat at the table. Ann Baldree with 27 years sales experience and the recipient of the 2008 Darlene Briggs Marine Woman of the Year Award heads our Sales and Dealer Relations. Mike Fafard brings 24 years of experience to our product design and development team. Derek Cornelius has 17 years of experience in the Purchasing Department while Jeff Smith adds 25 years of financial experience. Finally, Earl Blackwell brings 37 years of manufacturing and management experience to a team of marine industry professionals that has no equal. Collectively, the committee steers Robalo’s overall direction and vision, new product focus, vendor relationships, financial requirements and maintains the highest quality standards. This committee works diligently to insure that Robalo continues its consistent leadership in product superiority, dealer distribution, customer satisfaction and profitability. In addition to our management team, all salaried personnel are stockholders with a financial stake in Robalo’s success.

“When you’ve been in the boat business since 1976, you’ve seen good times and hard times. Of all the business challenges we’ve faced, never has a boat company stepped up in an economic downturn like Robalo. Instead of forcing new boats into the pipeline, management has responded with aggressive programs designed to move existing inventory. This strategy will certainly provide security for the long haul.”

-- Johnny Whelan, Whelans Marina - Farnham, VA
Robalo Boats LLC and Chaparral Boats, Inc. are wholly owned and publicly traded on the NYSE through its parent company, Marine Products Corporation (MPX). Marine Products became a public company in February 2001 and began trading shares on the NYSE June 2005. Under the direction of Jeff Smith, all of our numbers are published quarterly and verifiable for the world to see. With premium brands, a solid capital structure and a strong independent dealer network, Marine Products Corporation for many years has generated strong financial performance and has built long-term shareholder value. Marine Products Corporation is also seeking to utilize its financial strength to capitalize on opportunities that profitably increase its market share and broaden its product offerings within the pleasure boat market. Marine Products Corporation, with its strong brands and unmatched financial strength among our peers, has the stamina to remain in this industry and continue to thrive as we have for over 40 years.

“Marine Products Corporation has been a very successful public company. We are in the unique position of being a dominant player in the industry, having a very stable, long-term oriented shareholder base, and having unparalleled financial strength among our peers. These qualities are beneficial to our dealer partners and customers as well. Our frequent and clear public disclosure of our financial strength gives confidence to all of our partners that Robalo is a brand that can deliver on its promises and will be here many years to come. This is especially important during a time when many other boat manufacturers cannot make the same claim.”

-- Richard A. Hubbell, Chief Executive Officer, Marine Products Corporation
Based in Nashville, Georgia, Robalo and Chaparral operate from one facility creating a sense of teamwork that’s hard to achieve with multiple locations. Robalo’s manufacturing techniques, product design and engineering set the standard. As a fully certified ISO 9001:2000 facility, Robalo does all of its own Research, Design and Engineering. We also do our own FRP Small Parts Manufacturing, RTM, Robotic Cutting, CAM Gerber Cutting, complete upholstery and interior construction and have a Composite/ Component Laboratory on site with in-water testing. An ever-expanding 1,119,104 square feet of manufacturing space spans 102 acres. Our Corporate Headquarters also includes excellent training and conference facilities for our dealers, regional sales personnel, service technicians and employees. Additionally, Robalo and Chaparral combined are one of the largest manufacturers in South Georgia, drawing from an experienced labor pool including second and third generation boat builders. Proud of our roots and ever minded of our civic responsibilities, we proudly sponsor various local events, youth organizations and charities. Determined to give something back, our Executive Committee and many of our employees volunteer time and expertise to the local Chamber of Commerce, Hospital Board and Mainstreet Development. The world knows us for our fishing boats, but the local community knows us as a key part of Nashville, Georgia.
YOU TALK, WE LISTEN

FEATURE: Annual Dealer Conference And Dealer Council

BENEFIT: Direct Dealer Input

We rely on our dealers for constant feedback, direction and input. Our annual dealer conference showcases new products and provides the perfect networking forum. Ideas are freely exchanged as we listen with a mindset to serve both our dealers and retail customers better. Some of the design innovations seen on our boats were developed from input by our qualified dealers worldwide. We have an ongoing dealer council that periodically discusses programs, current issues and new products for the coming years.

“In today’s tough economic times Robalo has shown unwavering dealer support. Under the guidance of Jim Lane and Ann Baldree, they stepped up with an aggressive rebate program that has worked. Robalo exceeds expectations and stands behind what they build 100%. As a Robalo dealer we sell more than just a boat—we also sell a positive fishing and family experience. Help is just a phone call away. Solutions to many of the problems dealers face are handled promptly and efficiently. Dealer commitment and customer satisfaction is their top priority.”

-- Timothy Kelly, Great Bay Marine - Islip Terrace, NY

KNOWLEDGE SELLS BOATS

FEATURE: Regionalized Sales Training

BENEFIT: Know The Boats, Know The Competition

All boats are not created equal. Robalo’s power packed Dealer Training Seminars guarantee that you know exactly what makes our boats better than all the rest and how to sell the fact. Fast-paced and thorough, our seminars provide detailed information on features/benefits, how we size up model for model with leading rivals and arm you with advanced sales techniques to close deals. Each year Robalo offers regionalized and factory dealer seminars. Additionally, Robalo provides a comprehensive service school for technicians. Service personnel work one-on-one with experts from both Robalo and key vendors with the sole intent to keep your customers on the water.
A STORY OF STRENGTH AND STAMINA

OUR CUSTOMER IS OUR NUMBER ONE PRIORITY

FEATURE: Dedicated Customer Care

BENEFIT: Satisfied Customers Are Repeat Customers

Satisfied customers are like money in the bank. In 2008 Robalo was awarded the prestigious NMMA CSI award for Excellence in Customer Satisfaction for Fiberglass Outboard Boats and we are on target to win for 2009. Today’s buyer does exhaustive research prior to making a decision and the opinion of other owners packs a punch. In order to give the best customer service possible, our Customer Service/Warranty and Parts Specialists are factory trained and are responsible for specified geographic areas which helps us achieve our target of a two day turnaround on current inventory items.

“With Robalo Boats as our partner, we face today’s tough economic times with added confidence. Robalo’s top-ranked CSI scores send a loud and clear signal to customers. Dealers are also encouraged to maintain the highest levels of excellence. Robalo is “The Best of Best” because they do it right the first time. Warranty issues are infrequent, and when they do crop up, are handled immediately. Because of Robalo we will come out of this downturn a stronger and more profitable dealership.”

-- Jim Wiborg, Bob Hewes Boats - North Miami, FL

QUALITY THAT NEVER WAIVERS

FEATURE: ISO 9001:2000 Certification

BENEFIT: Consistent Manufacturing Excellence

Whether it’s our management team, non-stop stream of new boats or award-winning history, Robalo is known for its consistency. And that extends to the manufacturing front which operates under the direction of Earl Blackwell. ISO Certification sends a signal to customers worldwide that we’re dedicated to both establishing and maintaining exact and premier quality standards.

“Although Waterfront Marine has only been a Robalo dealer for one year, we are overwhelmed with the customer acceptance, brand awareness, and retail sales success. Buck Pegg’s passion for sport fishing shows in the function and design of every Robalo. As a Chaparral dealer for 12 years, I know first hand their dedication to quality. Adding Robalo was a no brainer.”

-- Al Mury, Waterfront Marine - Somers Point, NJ
YOUR ONE STOP SHOP FOR BOATS

FEATURE: Diverse And Mixed Product Line

BENEFIT: One Builder Meets All Your Needs

With a state-of-the-art fleet of award-winning fishing boats stretching from 22 to 30 feet, Robalo is equipped to meet all your needs for premier quality fishing boats. What's the magic of Robalo? Our boats are aimed at both family boaters and tournament anglers alike. Our innovative center console, walkthrough and dual console outboard-powered fishing boats target every boat segment and budget. Serious fishermen aspire to own a world renown Robalo Center Console. Attention to detail is unmatched and one of the key reasons Robalo sales have skyrocketed since being purchased by Chaparral. Every Robalo Center Console is equipped with an enclosed head, a feature rivals can't claim. Robalo also sets the pace when it comes to livewell capacity, insulation in fish storage lockers, rod capacity, hardware, drainage, ease of maintenance and overall quality of workmanship. Boaters that aren't even interested in fishing are lured in by our phenomenal walkthrough offerings. Space efficient and luxurious, our premium-quality cabin designs rank with the finest sport cruisers in each size range. Finally, our multi-purpose dual console boats are runaway best sellers nationwide. Setup for fishing, wakeboaring, watersports or just plain old family fun, this pair of innovative dual consoles are the perfect answer for the family on the go. One stop shopping for premier fishing boats allows you to focus your sales efforts, streamline inventory and improve dealership efficiency. Dealers that offer Robalo as their exclusive line of high quality fishing boats are among the most successful in their market areas.

“When Robalo Boats re-emerged in 2003, we questioned how anyone could make a great boat greater. Well, when you design a line of boats inspired by true passion, the results are amazing. Robalo truly offers the softest, driest ride on the market. Their award winning Hydro Lift hull design and unsurpassed attention to detail appeals not only to tournament fishermen but also family boaters who crave a smooth, fast, safe and dry ride. As a professional fisherman, I know first hand that these boats are ready for hardcore tournament competition. There is no better feeling then having a family walk into the showroom and listen as both the husband and the wife say with a smile, this one has it all! Robalo truly does have it all...and more!”

-- Greg Glogow, General Manager, Sun Country Marine, Inc. - Dana Point, CA
THE EDGE OF INNOVATION

FEATURE: State Of The Art Fishing Boats

BENEFIT: Designed For Serious Anglers That Demand
A True Multi-Purpose Boat

DESIGN...Our Team is continually looking to create the cutting edge of innovative products through distinct Styling, Engineering and Performance. We take the effort to research the competition and study the market trends. By rejecting the constraints of conventional ideas, our product design and development has exceeded our customers expectations. We strive to bring our innovative vision to reality.

ENGINEERING...How do we get the ideas and concepts into our products? By the craftsmanship of our skilled Engineering and Technical Team. Ideas enter the virtual world of CAD engineering, and take shape through computer, prototype mockups and product testing. Here is where form and function are united into the innovative results that make our line up the best in the industry.

PRODUCTS...New sells. Read that again. New sells. Robalo is a leader in product features and function. This authenticity is found in every detail. Never satisfied, Robalo’s design team is continually working to create the seamless coexistence of luxury, technology, fishability and quality in every Robalo. Robalo’s innovative Hydro Lift deep vee hull design is a performance breakthrough that sets us apart from other fishing boats. Robalo custom matches and fine tunes its Hydro Lift running surface precisely to match the length of the boat. Simply stated, Hydro Lift provides maximum efficiency and ride control by transferring hydrodynamic pressure from the sharp keel to the wider strake surfaces.

“Of all the builders we represent, Robalo was the first to proactively respond to the downturn with a rebate program designed to move boats quickly. They stand behind what they build and the Robalo name speaks for itself. Robalo has been around forever and will be around forever. Great products find a way to sell, no matter what.”

-- Todd Ebelein, Unique Marine - Tavernier, FL
WE KNOW THE COMPETITION

FEATURE: Competitive Analysis

BENEFIT: Your Most Effective Closing Tool

We know our boats. And we know our leading competitors. Inside and out. Boat for boat, feature for feature. Every year, Robalo thoroughly studies the competition, documenting in painstaking detail where we have a competitive edge. No detail is too small. All of the information is data based for exclusive and private dealer use. Armed with as much information on a competitor’s boat as our own, pinpointing specific differences will help close sales and steer the buyer towards Robalo. Customers always appreciate knowing the facts!

EXPERIENCED, HANDS-ON SALES TEAM

FEATURE: Regional Sales Managers Are Part Of Your Team

BENEFIT: Insider Info From Guys That Know Boat Sales

If you could bolster your sales staff with an experienced, results oriented salesman would you put him on the team? That’s how you should view your Robalo Sales Representative. Skilled at both wholesale and retail sales, Robalo has perhaps the most experienced sales staff in the marine industry. Under the direction of Ann Baldree, these guys know boats and their passion for the marine industry far exceeds just making a sale. Gary Beck - Great Lakes/Midwest Region, Donny Covington - South Central Region, Tom DeVries - International Sales, Mark Eubank - Northeast Region, Tim Harrington - Western Region and Joe Pegg - Southeast Region collectively have over 100 years of sales experience. Hands on factory sales support is provided at key boat shows. Additionally, our sales staff provides in-house training along with assistance to help you stock and manage inventory. Most dealers consider their Robalo Sales Rep part of the working staff.
GETTING THE WORD OUT

FEATURE: Aggressive Marketing

BENEFIT: Keeping Our Name Front And Center

Robalo has a story to tell and oh do we tell it. Better than anyone. The goal is to pinpoint with detailed accuracy what makes Robalo a cut above. We’ve worked hard to create a deserved image of quality, value and consistency. Every page of our communications promote that image. Robalo’s brochures set the industry standard. High quality photography showcases the fishing lifestyle. Inside, our strong emphasis on feature and benefits helps pinpoint the Robalo Advantage.

The Robalo.com website is action-packed with videos, detailed feature photos, complete specifications, options and virtual tours, the website provides a one-stop shopping spree for anyone interested in boating. Customers can configure their boat online and print out a sales order that can be brought directly to your dealership. With a strong internet presence, our lead management system delivers qualified contacts and potential buyers to you. Robalo’s Dealer Central is an impressive intranet site that allows dealers to do on-line ordering, access valuable business information and inventory sharing.
A PARTNERSHIP THAT Lasts

**FEATURE:** Strong Vendor Relationships

**BENEFIT:** Tight Cost Controls. Quick Product Integration. Reduced Cycle Times.

In addition to our dealers and employees, Robalo has assembled a team of time-tested vendors that rank among the industry’s finest. Robalo has over 45 long term supplier contracts that allow us to enjoy tight cost controls, quickly integrate new innovations and maintain responsive warranty standards. Under the direction of Derek Cornelius, suppliers are evaluated on delivery, defect-free product performance and overall satisfaction using ISO 9001:2000 guidelines. We also gain a competitive advantage by having an exclusive purchase agreement with Yamaha Motor Corporation, USA that provides Robalo with outboard engines. This agreement gives us competitive pricing and allows us to take full advantage of programs that Yamaha gives to exclusive manufacturers.

“Yamaha is proud to be the exclusive outboard supplier to Robalo Boats. Robalo shares Yamaha’s drive to achieve the highest levels of customer satisfaction. Together, Yamaha and Robalo offer a package that is second to none in quality and reliability.”

-- Mark Tracy, Yamaha Motorcorp USA - OEM National Sales Manager
OUR PAST WILL DEFINE YOUR FUTURE

Today's marine dealers face the toughest business challenges ever. Your choice of boat builders is make or break. Robalo Boats. You know the name and now you know what sets us apart. Fishing boats are our only business. And we do it right. Always have. Always will. But as you well know, there's far more to the boat business than just fishing boats.

- History Of Accomplishment And Consistency
- $110 Million Net Worth with $51 Million Cash On Hand
- Consistent Management
- Experienced Senior Management Team
- Traded on NYSE
- Single Location Fosters Teamwork
- Regionalized Sales Training
- Annual Dealer Conference and Dealer Council
- ISO 9001:2000 Certification
- Dedicated Customer Care
- Diverse and Mixed Product Line
- Best Products In The Marine Industry
- Competitive Analysis
- Experienced, Hands-On Sales Team
- Aggressive Marketing
- Strong Vendor Relationships

Robalo brings to your dealership a track record of financial strength, new products, top ranked customer service, premier marketing, insightful training and the most qualified people in the industry. As telling as our history has been, what’s even more impressive is our course for the future. Robalo is geared up to gain market share while continuing to set the pace in design and innovation. The fact is, Robalo has never been in a better position to grow. We invite you to get onboard. We have every intention of sustaining profitability as we continue to move forward at wide open throttle. Make a change for the better and join a company that achieves success and builds relationships every step of the way.
A STORY OF STRENGTH AND STAMINA

ANNUAL REPORT
**PRODUCT OVERVIEW**

**SSI AND SSI WIDE TECH™** Chaparral’s SSI sportboats are produced in open bow and cuddy cabin models for the quality- and style-conscious recreational boater. Models for the 2009 model year range in size from 18 to 28 feet, and they have once again set a high standard for engineering excellence, attractive styling, and quality materials and workmanship. This year, Chaparral has incorporated its patented Wide Tech™ bow design into several SSI models for additional space in the forward part of the boat.

- **SSI 180 Bowrider**
- **SSI 204 Bowrider**
- **SSI 210 Bowrider**
- **SSI 236 Bowrider**
- **SSI 256 Bowrider**
- **SSI 215 Cuddy Cabin**
- **SSI 255 Cuddy Cabin**
- **SSI 196 Wide Tech™**
- **SSI 206 Wide Tech™**
- **SSI 216 Wide Tech™**
- **SSI 226 Wide Tech™**

**SIGNATURE CRUISERS** In 2009 Chaparral is continuing with the tradition of quality that has made the Signature Cruiser a leader in the luxury sport cruiser market. The Signature comes with many standard features that are options on other cruisers in its class, and the largest Signatures offer a fiberglass hard top, bow thrusters and such style features as underwater lighting.

The Signature ranges from 25 to 35 feet in length, with seven models this year.

- **Signature 250**
- **Signature 270**
- **Signature 280**
- **Signature 290**
- **Signature 310**
- **Signature 330**
- **Signature 350**

**SUNESTA WIDE TECH™** The Sunesta, with its patented Wide Tech™ bow design, has proven itself this year with broad customer appeal and a Powerboat Magazine Boat of the Year award. This boat combines the best features of many of Chaparral’s other products, and is suitable for most family uses, including cruising, wakeboarding and sightseeing. The 2009 model line offers four boats ranging from 22 to 28 feet.

- **Sunesta 224**
- **Sunesta 244**
- **Sunesta 264**
- **Sunesta 284**

**SUNETTA XTREME** In its second year, the Xtreme is proving to be very popular with wakeboard enthusiasts who want all the features and handling characteristics of a traditional wakeboard boat but with more room, higher speed, and greater fuel efficiency. Features include an onboard ballast system and automatic speed control for tournament wakeboarders. Other features include custom graphics, a high output sound system and an arch tower with an aft bimini top and rotating brackets. Due in part to its success, Xtreme’s model lineup for 2009 has grown to three models ranging from 22 to 26 feet in length.

- **Xtreme 224**
- **Xtreme 244**
- **Xtreme 264**

**SSX SPORTDECKS** Chaparral’s SSX offers the performance of a sport boat with the roominess and utility of a pleasure boat. The SSX Sportdeck is again offered in three lengths during this model year, all of which have an enclosed head, a wet bar in the cockpit, an integrated swim platform and a transom sun lounge.

- **SSX 236**
- **SSX 256**
- **SSX 276**

**400 PREMIERE** Chaparral’s 400 Premiere Sport Yacht is the exciting result of several years of development, and it represents an extension of Chaparral’s quality brand name into a new and exciting product segment. Voted Boat of the Year by Boating Magazine, this new product features the Wide Tech™ bow design and the revolutionary Volvo IPS propulsion system, which makes it more maneuverable and easier to dock than other sport yachts its size. Winning an industry award just three months after launch, the 400 Premiere is produced in a 42-foot model for the 2009 model year.

**ROBALO SPORT FISHING BOATS** Robalo is continuing its success in 2009 with a line of multi-use sport fishing boats that offer the offshore fisherman a dependable, seaworthy design with all of the features that an offshore fisherman expects. Family fun is also an option with Robalo, with comfortable cabin layouts, plush interiors and spacious seating arrangements.

- **R220 Center Console**
- **R240 Center Console**
- **R260 Center Console**
- **R300 Center Console**
- **R227 Dual Console**
- **R247 Dual Console**
- **R225 Walkaround**
- **R245 Walkaround**
- **R265 Walkaround**
- **R305 Walkaround**
### 2008 Financial Highlights

(Dollars in thousands, except per share data)

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## Marine Products Corporation

Marine Products Corporation (NYSE: MPX) designs, manufactures and distributes premium-branded Chaparral sterndrive and inboard pleasure boats and Robalo outboard sport fishing boats through 147 domestic and 46 international dealers. With premium brands, a solid capital structure and a strong independent dealer network, Marine Products Corporation for many years in the past has generated strong financial performance and has built long-term shareholder value. Marine Products Corporation is also seeking to utilize its financial strength to capitalize on opportunities that profitably increase its market share and broaden its product offerings within the pleasure boat market. For more information, visit our website at www.marineproductscorp.com.
Dear Stockholders

During 2008, Marine Products Corporation continued to manage our business for long-term shareholder value. We continued to focus on quality products, and on the things that create a strong company and earn our industry’s accolades. However, the downturn that began in 2005 continued during 2008, and deepened during the second half of the year. The financial crisis impacted our business through continued declines in consumer confidence, tightening of consumer lending standards and the financing arrangements through which our dealers finance their inventory. As of the end of 2008, we continue to find ourselves in the longest downturn in our history as a company, with profound and negative consequences for our industry.

Over the past 12 months, we continued the development and refinement of innovative, quality products that garnered two industry accolades for our Chaparral product line. We introduced Chaparral’s 400 Premiere Sport Yacht, which has been in development for several years, and the early reception for this new boat has been very strong. In addition, we continued with the re-designed Sunesta, in both the Wide Tech™ and Xtreme models, and began using our Wide Tech™ bow design on the 2009 SSi models.

In the Robalo offshore sport fishing product line, we introduced a new dual console model and continue to migrate to larger boats in that product line, a move which we believe appeals to our dealers and benefits our customers. In addition to industry accolades, our dedication and ability to bring desirable new products to the market have increased our market share. We are pleased to report that Chaparral’s market share in the 18-to-35-foot sterndrive market increased during 2008. As in the past few years, the increase was concentrated in the larger boats in our market.

We reported a third year of declining sales in 2008, and in the fourth quarter, we reported our first loss in our history as a public company. Net sales for 2008 decreased by 28.1 percent to $175.6 million, compared to $244.3 million in 2007. This large decline was due to a decrease in the number of boats sold during the year. Unit sales declined in every product line except for the Chaparral Sunesta Wide Tech™ and Xtreme. This decline was partially offset by an increase in average gross selling price per boat, due principally to the increase in selling prices of the Sunesta models, and late in the year, because of relatively higher sales of some larger Signature Cruisers, as well as one of the new Premiere Sport Yachts. Gross profit in 2008 was $31.9 million, or 18.2 percent of net sales, compared to $52.5 million, or 21.5 percent of net sales, in 2007. The decline in gross profit as a percentage of net sales was principally caused by lower production volumes, especially later in the year, which reduced our absorption of overhead and direct costs. The tremendous volatility in commodity prices during 2008 had a negative impact on profitability as well, although raw materials as a percentage of net sales declined due to a favorable model mix. Selling, general and administrative expenses were $23.1 million in 2008, or 13.2 percent of net sales, compared to $30.2 million, or 12.4 percent of net sales, in 2007. Selling, general and administrative expenses declined by 23.4 percent during the year, as many of these costs vary with sales and profitability. Among the negative impacts on these expenses during 2008 were boat repurchase obligations that we did not have in 2007. Also, our product development and boat show expenses were substantially the same in 2008 as in 2007. This is consistent with our long-term goals of supporting our dealers and continuing to produce innovative, stylish products that our customers will appreciate.

Interest income declined by 6.6 percent, from $2.6 million to $2.4 million, due to a lower marketable securities balance and lower returns. We continue to maintain a portfolio of liquid, high-quality, tax-exempt marketable securities, which is conservative, and the best place for our cash during these volatile times in the financial
markets. Net income for 2008 was $7.6 million, a 53.8 percent decrease compared to 2007. Fully diluted earnings per share were $0.21, a 51.2 percent decline compared to 2007. Diluted earnings per share declined less than net income declined, due to lower average share count during the year, due principally to the effect of stock repurchases during 2008.

During this protracted downturn, and with the turmoil in the financial markets in mind, we recognize that a cornerstone of strength and stamina is a high balance of cash and liquid, marketable securities. This supports our current operations, our dealers, our customers and the long-term goals of Marine Products Corporation. With this in mind, we are pleased to report that at the end of 2008 our total of cash and marketable securities was $51.4 million. This increase was principally due to a decrease in inventories, as we reduced production throughout the year and attempted to maintain low inventory levels. This represents almost half of our total assets, and increased by 6.6 percent, compared to 2007. In support of this strategy to maintain this high level of liquidity, in January our Board of Directors decided to reduce our quarterly cash dividend from $0.065 per share to $0.01 per share.

Our conservative management style and strong capital position will continue to serve us well in 2009, as we do not see any recovery in the recreational boating industry this year. The recession, the turmoil in the credit markets and the housing slump all appear to be in place and continuing to impact our business. We are particularly concerned about the weakness in the credit markets, which is negatively impacting our dealers’ ability to obtain inventory financing. We have been in close contact with industry lenders since late in 2008, and are actively cooperating with them in order to support our dealers as much as possible. As we have stated before, the problems in the housing market are particularly acute in significant recreational boating states, which further exacerbates the negative impact of these problems on our industry. Finally, we have become concerned that the long-term decline in the returns of financial assets may delay or make more modest the retirement plans of American households, which could reduce our sales in the future.

We believe that this extended downturn will eventually reduce the number of pleasure boat manufacturers and dealers in our industry. While this is painful, this potential consolidation should create a healthier industry, with stronger manufacturers, better customer service and the ability to weather cyclical downturns better than in the past. Marine Products Corporation, with its two strong brands and unmatched financial strength among our peers, has the stamina to remain in this industry and continue to thrive as we have for over 40 years.

As always, we would like to thank our employees for their skill and dedication, our stockholders for their confidence and our dealers and customers for their choice of our products when they choose recreational boating as a leisure activity.
Chaparral has won a number of product awards over the years, given by various independent industry groups and trade publications. In 2008 and early 2009, Chaparral won three awards of this type, highlighting the achievements of our design and engineering teams. Chaparral’s 284 Sunesta won Powerboat Magazine’s Boat of the Year award, making this the tenth such award that Chaparral has garnered since 1980. The 284 Sunesta was 2008’s largest boat in this line featuring the Wide Tech™ hull design. The magazine reviewer stated that this boat combined the best features of our deck boats, sport boats and runabouts. Also, the magazine editor noted it has the features that appeal to the style- and feature-conscious wakeboard boat market.

This award for the Sunesta was followed late in 2008 by Chaparral’s long-awaited 400 Premiere winning Boating Magazine’s Boat of the Year award. This new model was introduced at our 2009 dealer meeting, only a few months earlier, but it has made an immediate strong impression. The magazine noted that the new bow design added a great deal of room in the master stateroom without sacrificing seaworthiness or smoothness of the ride. The reviewer noted that the master stateroom had the “largest forward cabin of any available cruiser of similar length.” The magazine also commended the propulsion system that powers the 400 Premiere. This propulsion system, controlled by an aircraft-style joystick, provides superior maneuverability, making docking in difficult situations a lot easier and increases efficiency and performance when the boat is under way. This award, along with the reception by our dealers and retail customers, has convinced us that the development efforts undertaken to create this boat were well worth the time and money.

Finally, Trailer Boats magazine recognized the new 226 SSi Wide Tech™ in early 2009 with an Excellence In Design award. The magazine article cited this model’s roominess provided by the Wide Tech™ bow, and its features such as the aft seat that converts to a sunpad, well-placed coolers and grabrails, and an instrument dimmer for safer nighttime operation. These features and the boat’s progressive style “serve notice that this isn’t just another bowrider,” according to the magazine.
THE WIDE TECH™ BOW DESIGN
A Great Idea with Wider Applications

For the 2008 model year, we introduced the Wide Tech™ bow design on our re-designed Chaparral Sunesta, now called the Sunesta Wide Tech™ and Xtreme. The new bow design provides extra room at the bow while maintaining the Extended V-plane hull, which stretches the full length of the boat and provides a smoother ride and faster planing times. This design is a winner, and was a significant positive highlight in Marine Products’ financial results during 2008.

The Wide Tech™ bow design was such a success that we have used it in the 2009 model year on other boats as well. Most notably, the hull design is now found on our 400 Premiere, where the bow design, incorporated into the larger proportion of a 42-foot sport yacht, has a significant impact on the size of the master stateroom. We have also re-designed our popular sport boat with the Wide Tech™ hull design, and are finding that it improves this boat as well. Chaparral’s new SSi Wide Tech™ provides additional leg room, seating and storage that are not available on other sport boats of comparable length. This patented design is proving to benefit many of our boats, regardless of their size or intended use.

ROBALO
Continuing Beyond the Horizon

The 2009 model year marks Robalo’s 40th year of producing high-quality, dependable offshore sport fishing boats. The 2009 model year features 10 models, including the new dual console Robalo 247. This boat has many new features, including a wraparound windshield, bold styling and additional features that make it a great choice for fishing or family cruising. Robalo’s market share continues to hold its own in this discriminating segment of the boating market.

Chaparral has won a number of product awards over the years, given by various independent industry groups and trade publications.
STRENGTH AND STAMINA

The pleasure boat business has always been cyclical. Owning a boat is clearly a discretionary leisure activity, and although it has experienced many down cycles, consumers have always returned to pleasure boating when they wanted a safe, enjoyable and relaxing recreational activity.

The long downturn in the recreational boating industry makes it easy to lose sight of what an enduring American pastime boating has become. The deep economic recession, the extended real estate downturn, high fuel prices and disruptions in the credit markets are having a particularly harsh effect on purchases of recreational pleasure boats. We now believe that this will result in profound change for our industry. We believe that the number of manufacturers and dealers will decrease significantly. It also seems clear that the fundamental financing structure of the industry will change. This is difficult for Marine Products Corporation, along with everyone else in the industry.

However, we believe that the recreational boating industry will return to activity levels that will sustain an appropriate number of quality manufacturers and dealers who provide good service to retail customers. Evidence of this comes to us by the fact that the number of American adults who go boating each year grew significantly last year, in spite of declining boat sales. Marine Products has proven its ability to manufacture good products, and to do so profitably. Combined with our market position and financial strength, this long history of success positions us well for the future.
### CONSOLIDATED BALANCE SHEETS

**MARINE PRODUCTS CORPORATION AND SUBSIDIARIES**

*(in thousands except share information)*

<table>
<thead>
<tr>
<th>December 31,</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>$4,622</td>
<td>$3,233</td>
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<tr>
<td>Marketable securities</td>
<td>8,799</td>
<td>8,870</td>
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<tr>
<td>Accounts receivable, net</td>
<td>5,575</td>
<td>3,540</td>
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<tr>
<td>Inventories</td>
<td>22,453</td>
<td>33,159</td>
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<td>Income taxes receivable</td>
<td>2,464</td>
<td>1,321</td>
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<tr>
<td>Deferred income taxes</td>
<td>1,116</td>
<td>2,746</td>
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<tr>
<td>Prepaid expenses and other current assets</td>
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<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>46,710</td>
<td>55,028</td>
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<tr>
<td>Property, plant and equipment, net</td>
<td>14,579</td>
<td>15,944</td>
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<tr>
<td>Goodwill</td>
<td>3,308</td>
<td>3,308</td>
</tr>
<tr>
<td>Other intangibles, net</td>
<td>465</td>
<td>465</td>
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<tr>
<td>Marketable securities</td>
<td>37,953</td>
<td>36,087</td>
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<tr>
<td>Deferred income taxes</td>
<td>2,934</td>
<td>1,098</td>
</tr>
<tr>
<td>Other assets</td>
<td>4,344</td>
<td>6,796</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>110,293</td>
<td>$118,726</td>
</tr>
</tbody>
</table>

| **LIABILITIES AND STOCKHOLDERS’ EQUITY** |      |      |
| **Liabilities**                   |      |      |
| Accounts payable                  | $1,437 | $4,621 |
| Accrued expenses and other liabilities | 12,281 | 14,294 |
| Current liabilities               | 13,718 | 18,915 |
| Pension liabilities               | 5,285  | 5,572 |
| Other long-term liabilities       | 501    | 482   |
| **Total liabilities**             | 19,504 | 24,969 |
| **Stockholders’ Equity**          |      |      |
| Preferred stock, $0.10 par value, 1,000,000 shares authorized, none issued | —     | —    |
| Common stock, $0.10 par value, 74,000,000 shares authorized, issued and outstanding – 36,425,449 shares in 2008, 36,017,736 shares in 2007 | 3,643  | 3,602 |
| Capital in excess of par value    | —     | —    |
| Retained earnings                 | 88,535 | 90,105 |
| Accumulated other comprehensive (loss) income | (1,389) | 50 |
| **Total stockholders’ equity**    | 90,789 | 93,757 |
| **Total liabilities and stockholders’ equity** | 110,293 | $118,726 |

### CONSOLIDATED STATEMENTS OF OPERATIONS

**MARINE PRODUCTS CORPORATION AND SUBSIDIARIES**

*(in thousands except per share data)*

<table>
<thead>
<tr>
<th>Years ended December 31,</th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net sales</strong></td>
<td>$175,622</td>
<td>$244,273</td>
<td>$261,378</td>
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<tr>
<td><strong>Cost of goods sold</strong></td>
<td>143,677</td>
<td>191,810</td>
<td>201,971</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>31,945</td>
<td>52,463</td>
<td>59,407</td>
</tr>
<tr>
<td><strong>Selling, general and administrative expenses</strong></td>
<td>23,146</td>
<td>30,228</td>
<td>32,474</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>8,799</td>
<td>22,235</td>
<td>26,933</td>
</tr>
<tr>
<td><strong>Interest income</strong></td>
<td>2,420</td>
<td>2,590</td>
<td>2,502</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>11,219</td>
<td>24,825</td>
<td>29,435</td>
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<tr>
<td><strong>Income tax provision</strong></td>
<td>3,633</td>
<td>8,402</td>
<td>9,121</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>$7,586</td>
<td>$16,423</td>
<td>$20,314</td>
</tr>
</tbody>
</table>

**EARNINGS PER SHARE**

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2007</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Basic</strong></td>
<td>$0.21</td>
<td>$0.44</td>
<td>$0.54</td>
</tr>
<tr>
<td><strong>Diluted</strong></td>
<td>0.21</td>
<td>0.43</td>
<td>0.52</td>
</tr>
<tr>
<td><strong>Dividends paid per share</strong></td>
<td>$0.26</td>
<td>$0.24</td>
<td>$0.20</td>
</tr>
</tbody>
</table>
**OFFICERS**

R. Randall Rollins  
Chairman of the Board of Directors

Richard A. Hubbell  
President and Chief Executive Officer

James A. Lane, Jr.  
Executive Vice President  
President of Chaparral Boats, Inc.

Linda H. Graham  
Vice President and Secretary

Ben M. Palmer  
Vice President, Chief Financial Officer and Treasurer

**DIRECTORS**

R. Randall Rollins§  
Chairman of the Board, Rollins, Inc.  
(Consumer services)

Henry B. Tippie*†  
Chairman of the Board and Chief Executive Officer, Tippie Services, Inc.  
(Management services)

Wilton Looney*  
Honorary Chairman of the Board, Genuine Parts Company (Automotive parts distributor)

James B. Williams*  
Retired Chairman, SunTrust Banks, Inc.  
(Bank holding company)

Gary W. Rollins§  
President and Chief Executive Officer, Rollins, Inc.  
(Consumer services)

Richard A. Hubbell§  
President and Chief Executive Officer

James A. Lane, Jr.  
Executive Vice President  
President of Chaparral Boats, Inc.

Linda H. Graham  
Vice President and Secretary

Bill J. Dismuke°  
Retired President, Edwards Baking Company

* Member of the Audit Committee, Compensation Committee, Diversity Committee and Nominating and Governance Committee

† Chairman of the Audit Committee, Compensation Committee, Diversity Committee and Nominating and Governance Committee

§ Member of the Executive Committee

° Member of the Audit Committee

**STOCKHOLDER INFORMATION**

**Corporate Offices**

Marine Products Corporation  
2801 Buford Highway, Suite 520  
Atlanta, Georgia 30329  
Telephone: 404.321.7910

**Stock Listing**

New York Stock Exchange

**Ticker Symbol**

MPX

**Investor Relations Website**

www.marineproductscorp.com

**Transfer Agent and Registrar**

For inquiries related to stock certificates, including changes of address, please contact:  
Computershare Investor Services, LLC  
Stock Transfer Department  
P.O. Box 43078  
Providence, RI 02940-3078  
Telephone: 800.568.3476

**Annual Meeting**

The annual meeting of Marine Products Corporation will be held at 12:00 PM, April 28, 2009, 2170 Piedmont Road, NE, Atlanta, GA 30324.

**CAUTION CONCERNING FORWARD-LOOKING STATEMENTS**

This Annual Report contains statements that constitute “forward-looking statements” under the Private Securities Litigation Reform Act of 1995, including all statements that look forward in time or express management’s beliefs, expectations or hopes. In particular, such statements include, without limitation, statements regarding the Company's plan to use our financial strength to capitalize on opportunities that profitably increase our market share and broaden our product offerings, our belief that our investment in marketable securities is conservative and the best place for our cash during these volatile times; our belief that our conservative management style and our strong capital position will continue to serve us well in 2009; our belief that the potential consolidation of our industry should create a healthier industry; our belief that we have the stamina to remain in this industry and continue to thrive; and our belief that our market position, financial strength and history of success positions us well for the future. The actual results of the Company could differ materially from those indicated by the forward-looking statements because of various risks and uncertainties, including without limitation those identified under the title “Risk Factors” in the Company’s Annual Report on Form 10-K included as part of this Annual Report. All of the foregoing risks and uncertainties are beyond the ability of the Company to control, and in many cases the Company cannot predict the risks and uncertainties that could cause its actual results to differ materially from those indicated in the forward-looking statements.

**CERTIFICATIONS**

The most recent certifications of the Company’s Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 are filed as exhibits to the Company’s Form 10-K included with this Annual Report. The Company has also filed with the New York Stock Exchange the most recent annual CEO certification, without qualification, as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual.