

# Higher costs drag Martek Biosciences to 4Q loss

The Associated Press

Martek Biosciences Corp., which sells nutritional oils, ingredients for infant formula and dietary supplements, said Wednesday it slid to a fiscal fourth-quarter loss on higher costs and a hefty restructuring charge.

In November, the company completed the sale of assets at its Winchester, Ky., manufacturing facility, resulting in \$30.7 million in restructuring charges. Meanwhile, it also saw a boost in research, development and general costs.

Martek lost \$6.2 million, or 18 cents per share, compared with profit of \$17.2 million, or 33 cents per share, during the same period a year prior. Excluding restructuring charges, the company said it earned 41 cents per share in the latest period.

Revenue rose 36 percent to \$119.1 million from \$87.6 million, as nutritional ingredient sales rose 16 percent to \$94.5 million and sales of branded consumer health products rose to \$23.1 million, helped by the acquisition of Amerifit.

The results topped the average estimates of analysts polled by Thomson Reuters, who expected profit of 37 cents per share on revenue of \$111.1 million.

For the full year, the company earned \$27.9 million, or 83 cents per share, down from \$40.6 million, or \$1.22 per share, in the prior year. Revenue rose to \$450 million from \$345.2 million.

Looking ahead, the company expects fiscal 2011 first-quarter earnings of 38 cents to 40 cents per share on revenue between \$106 million and \$110 million. Analysts, on average, are looking for earnings of 40 cents per share on revenue of \$109.4 million.

Martek shares slid \$1.10, or 4.6 percent, to \$23 in afterhours trading on the news. The stock had closed the regular session up 35 cents at \$24.10.

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