



Kansas Bioscience Authority Awards Funds to MGP Ingredients, Inc. for Biopolymer Product Initiatives

ATCHISON, Kan., July 16, 2008—The Kansas Bioscience Authority (KBA) has announced that MGP Ingredients, Inc. (Nasdaq/MGPI) would be one of four recipients to receive funding to expand bioscience research and industry in the state. MGPI is being awarded \$500,000 to support the company's efforts to further commercialize biobased, biodegradable resins.

"MGPI is pleased to receive this support from the Kansas Bioscience Authority to assist our initiatives in this exciting area of our business," said Sukh Bassi, Ph.D., Vice President of Scientific Affairs. "The company will also research and find new non-petroleum and non-food value added ingredients from its bio-refinery by-products."

The awarded funds will help MGPI with the ongoing development and commercialization of biobased, biodegradable resins to economically replace plastic in certain types of applications. The biobased resins, derived from wheat, are sold for use in the production of environmentally-friendly plastic-like products such as disposable cutlery, golf tees, DVD cases, bottle caps and credit cards. The project is expected to aid in job creation and help meet capital investment needs at the company's Onaga, Kan., facility, where the resins are produced.

"MGPI is a leading innovator in producing quality products derived from natural resources, and we are proud to invest in their efforts," said Tom Thornton, KBA president and CEO. "The KBA eagerly anticipates the continued development and commercialization of MGPI's high-potential resins produced right here in Kansas."

Purchased by MGPI in 2005, MGPI's Onaga facility is utilized primarily for production of the company's Terratek® lines of fully and partially degradable biopolymer resins made from wheat starch and protein. Because these unique polymers can be formed into a variety of shapes and sizes, they have virtually unlimited applications in the production of both pliable and hard plastic products. Containing natural components derived from renewable resources, MGPI's Terratek® provides an excellent alternative to petroleum-based polymers.

"Through the years, the company has invested significant funds and other resources toward the creation of innovative, wheat-based ingredient solutions," Dr. Bassi said. "Approximately a year and half ago, we completed the construction of our new Technical Innovation Center, which has given us greatly expanded capabilities for research and development and will prove to be a wonderful tool in helping us accelerate our efforts in the eco-friendly biopolymer arena."

About the Kansas Bioscience Authority

The Kansas Bioscience Authority is a \$581-million initiative created by the Kansas Economic Growth Act of 2004 to expand the state's world-class research capacity and bioscience clusters; support the growth of bioscience startups; and stimulate bioscience business expansion and attraction.

About MGP Ingredients, Inc.

Founded in 1941, MGP Ingredients, Inc. has evolved to become a premier producer of highly functional wheat proteins and starches for use in a wide range of food, pet, personal care and bio-based applications. The company is also a leading U.S. producer of alcohol products, including high quality food grade alcohol and fuel grade alcohol, commonly known as ethanol. The Company has facilities in Atchison, Kan., Pekin, Ill., Kansas City, Kan., and Onaga, Kan. that utilize the latest technologies to assure high quality products and to maintain efficient production and service capabilities. For additional information, go to www.mgpingredients.com.