



SIFCO **INDUSTRIES, INC.**

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NEWS RELEASE

SIFCO Industries, Inc. is engaged in the production and sale of a variety of metalworking processes, services and products produced primarily to the specific design requirements of its customers. The processes and services include forging, heat-treating, coating, welding, machining and selective electrochemical finishing. The products include forged components, machined forged components and other machined metal components, remanufactured component parts for aerospace and industrial turbine engines, and selective electrochemical finishing solutions and equipment. The Company's operations are conducted in three business segments: (1) Aerospace Component Manufacturing Group, (2) Turbine Components Services and Repair Group, and (3) Applied Surface Concepts Group.

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SIFCO Industries, Inc. Announces Fiscal 2007 First Quarter Financial Results

SIFCO Industries, Inc. today announced financial results for its fiscal 2007 first quarter, which ended December 31, 2006. Net income for the first quarter of fiscal 2007 was \$2.2 million, or \$0.42 per diluted share, compared with a net loss of \$1.5 million, or \$0.28 per diluted share for the comparable fiscal 2006 period. Included in net income in the first quarter of fiscal 2007 was \$2.1 million of grant income related to the expiration of certain grants in the first quarter of fiscal 2007.

Net sales increased 8.2% in the first quarter of fiscal 2007 to \$21.5 million compared with \$19.8 million for the same period a year ago. In the first quarter of fiscal 2007, Aerospace Component Manufacturing Group net sales increased by \$4.8 million, or 58.5%, to \$13.0 million, compared with \$8.2 million in the comparable 2006 period. Turbine Components Services and Repair Group net sales decreased by \$3.9 million, or 43.4%, to \$5.0 million, compared with \$8.9 million for the comparable 2006 period. Included in the Turbine Components Services and Repair Group's first quarter of fiscal 2006 net sales was \$4.4 million of net sales related to the portion of its business that was sold in the third quarter of fiscal 2006. Applied Surface Concepts Group net sales increased \$0.7 million, or 26.1%, to \$3.4 million, compared with \$2.7 million in the comparable 2006 period.

Forward-Looking Language

Certain statements contained in this press release are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to financial results and plans for future business development activities, and are thus prospective. Such forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Potential risks and uncertainties include, but are not limited to, economic conditions, competition and other uncertainties detailed from time to time in the Company's Securities and Exchange Commission filings.

The Company's Form 10-Q for the quarter ended December 31, 2006 can be accessed through its website: www.sifco.com, or on the Securities and Exchange Commission's website: www.sec.gov.

Consolidated Condensed Statements of Operations

	First Quarter	
	Ended December 31,	
	2006	2005
Net sales-----	\$ 21,453	\$ 19,820
Cost of goods sold-----	17,671	18,011
Selling, general and administrative expenses-----	<u>3,479</u>	<u>3,270</u>
Operating income (loss) -----	303	(1,461)
Interest expense (income), net -----	(28)	33
Foreign currency exchange loss (gain), net -----	235	(24)
Other income, net -----	<u>(2,112)</u>	<u>(17)</u>
Income (loss) before income tax provision-----	2,208	(1,453)
Income tax provision-----	<u>31</u>	<u>13</u>
Net income (loss)-----	<u>\$ 2,177</u>	<u>\$ (1,466)</u>
Net income (loss) per share (basic) -----	\$ 0.42	\$ (0.28)
Net income (loss) per share (diluted) -----	\$ 0.42	\$ (0.28)
Weighted average number of common shares (basic) -----	5,226	5,222
Weighted average number of common shares (diluted) -----	5,238	5,222

Business Segment Reporting

	First Quarter	
	Ended December 31,	
	2006	2005
Net sales		
Aerospace Component Manufacturing -----	\$ 12,992	\$ 8,196
Turbine Component Service and Repair-----	5,046	8,916
Applied Surface Concepts-----	<u>3,415</u>	<u>2,708</u>
	<u>\$ 21,453</u>	<u>\$ 19,820</u>
Operating income (loss)		
Aerospace Component Manufacturing -----	\$ 1,649	\$ 92
Turbine Component Service and Repair-----	(1,441)	(950)
Applied Surface Concepts-----	383	(66)
Corporate unallocated expenses -----	<u>(288)</u>	<u>(537)</u>
	<u>\$ 303</u>	<u>\$ (1,461)</u>