



# **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 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 2008 First Quarter Financial Results**

SIFCO Industries, Inc. today announced financial results for its fiscal 2008 first quarter, which ended December 31, 2007. Income from continuing operations before income taxes for the first quarter of fiscal 2008 increased to \$1.7 million, compared with \$1.6 million in the comparable fiscal 2007 period. Included in income from continuing operations before income taxes in the first quarter of fiscal 2008 was \$0.5 million of expense related to the business settlement of a product dispute. Net income for the first quarter of fiscal 2008 was \$1.1 million, or \$0.20 per diluted share, compared with a net income of \$2.2 million, or \$0.42 per diluted share for the comparable fiscal 2007 period. Included in net income in the first quarter of fiscal 2007 was \$2.1 million of grant income related to the expiration in the first quarter of fiscal 2007 of certain grants from discontinued operations.

Net sales increased 20.5% in the first quarter of fiscal 2008 to \$23.1 million compared with \$19.1 million for the same period a year ago. In the first quarter of fiscal 2008:

- Aerospace Component Manufacturing Group net sales increased by \$2.8 million, or 21.7%, to \$15.8 million, compared with \$13.0 million in the comparable 2007 period;
- Turbine Components Services and Repair Group net sales increased by \$1.1 million, or 39.3%, to \$3.8 million, compared with \$2.7 million for the comparable 2007 period; and
- Applied Surface Concepts Group net sales were \$3.4 million in both of the first quarters of fiscal 2008 and 2007.

#### **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, 2007 can be accessed through its website: [www.sifco.com](http://www.sifco.com), or on the Securities and Exchange Commission's website: [www.sec.gov](http://www.sec.gov).

## Consolidated Condensed Statements of Operations

	<b>First Quarter</b>	
	<b>Ended December 31,</b>	
	<b>2007</b>	<b>2006</b>
Net sales-----	\$ 23,061	\$ 19,136
Cost of goods sold-----	17,824	14,955
Selling, general and administrative expenses-----	<u>3,425</u>	<u>2,600</u>
Operating income-----	1,812	1,581
Interest expense, net-----	64	13
Foreign currency exchange loss (gain), net-----	5	(7)
Other income, net-----	<u>(2)</u>	<u>(28)</u>
Income from continuing operations before income tax provision-----	1,745	1,603
Income tax provision-----	<u>630</u>	<u>31</u>
Income from continuing operations-----	1,115	1,572
Income (loss) from discontinued operations, net of tax-----	<u>(43)</u>	<u>605</u>
Net income-----	<u>\$ 1,072</u>	<u>\$ 2,177</u>
Income per share from continuing operations:		
Basic-----	\$ 0.21	\$ 0.30
Diluted-----	\$ 0.21	\$ 0.30
Income (loss) per share from discontinued operations:		
Basic-----	\$ (0.01)	\$ 0.12
Diluted-----	\$ (0.01)	\$ 0.12
Net income per share:		
Basic-----	\$ 0.20	\$ 0.42
Diluted-----	\$ 0.20	\$ 0.42
Weighted average number of common shares (basic)-----	5,285	5,226
Weighted average number of common shares (diluted)-----	5,336	5,238

## Business Segment Reporting

	<b>First Quarter</b>	
	<b>Ended December 31,</b>	
	<b>2007</b>	<b>2006</b>
<b>Net sales</b>		
Aerospace Component Manufacturing-----	\$ 15,817	\$ 12,992
Turbine Component Service and Repair-----	3,802	2,729
Applied Surface Concepts-----	<u>3,442</u>	<u>3,415</u>
Consolidated net sales-----	<u>\$ 23,061</u>	<u>\$ 19,136</u>
<b>Operating income (loss)</b>		
Aerospace Component Manufacturing-----	\$ 2,287	\$ 1,649
Turbine Component Service and Repair-----	(103)	(163)
Applied Surface Concepts-----	99	383
Corporate unallocated expenses-----	<u>(471)</u>	<u>(288)</u>
Consolidated operating income from continuing operations-----	<u>\$ 1,812</u>	<u>\$ 1,581</u>