



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 forgings, machined forged parts and other machined metal parts, remanufactured component parts for turbine engines, and selective electrochemical finishing solutions and equipment. The Company's operations are conducted in three business segments: (1) Turbine Components Services and Repair Group, (2) Aerospace Component Manufacturing Group, and (3) Applied Surface Concepts Group.

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SIFCO Industries, Inc. Announces Fiscal 2006 Second Quarter Financial Results

SIFCO Industries, Inc. today announced financial results for the second quarter of fiscal 2006, which ended March 31, 2006. Net loss for the second quarter of fiscal 2006 was \$0.6 million, or \$0.12 per diluted share, compared with a net loss of \$1.4 million, or \$0.26 per diluted share for the comparable fiscal 2005 period.

Net sales increased 23.5% in the second quarter of fiscal 2006 to \$24.5 million compared with \$19.8 million for the same period a year ago. In the second quarter of fiscal 2006, Turbine Component Services and Repair Group net sales decreased by \$0.6 million, or 6.2%, to \$9.3 million, compared with \$9.9 million in the comparable 2005 period. Aerospace Component Manufacturing Group net sales in the second quarter of fiscal 2006 increased by \$5.2 million, or 77.4%, to \$12.0 million, compared with \$6.7 million for the comparable 2005 period. In the second quarter of fiscal 2006, Applied Surface Concepts Group net sales increased \$0.1 million, or 1.9%, to \$3.3 million, compared with \$3.2 million in the comparable 2005 period.

For the first six months of fiscal 2006, net loss was \$2.1 million, or \$0.40 per diluted share, compared with net income of \$1.0 million, or \$0.19 per diluted share for the comparable fiscal 2005 period. Included in net income in the first six months of fiscal 2005 was a \$6.2 million gain on the sale of a building and land.

Net sales increased 13.9% in the first six months of fiscal 2006 to \$44.3 million compared with \$38.9 million for the same period a year ago. In the first six months of fiscal 2006, Turbine Component Services and Repair Group net sales decreased by \$0.5 million, or 2.7% to \$18.2 million, compared with \$18.7 million in the comparable 2005 period. Aerospace Component Manufacturing Group net sales increased in the first six months of fiscal 2006 by \$6.0 million, or 42.4% to \$20.2 million, compared with \$14.2 million for the comparable 2005 period. In the first six months of fiscal 2006, Applied Surface Concepts Group net sales decreased \$0.1 million, or 1.4%, to \$6.0 million, compared with \$6.1 million in the comparable 2005 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 March 31, 2006 can be accessed through its website: www.sifco.com, or on the Securities and Exchange Commission's website: www.sec.gov.



Second Quarter and Six Months Ended March 31, 2006
(Amounts in thousands, except per share data)

Consolidated Condensed Statements of Operations

	Second Quarter		Six Months	
	Ended March 31,		Ended March 31,	
	2006	2005	2006	2005
Net sales -----	\$24,511	\$19,843	\$44,331	\$38,924
Cost of goods sold -----	21,545	18,133	39,556	36,454
Selling, general and administrative expenses -----	<u>3,778</u>	<u>3,264</u>	<u>7,048</u>	<u>6,366</u>
Operating loss -----	(812)	(1,554)	(2,273)	(3,896)
Interest expense, net -----	50	10	83	204
Foreign currency exchange loss (gain), net -----	(26)	(230)	(50)	71
Other income, net -----	<u>(210)</u>	<u>(1)</u>	<u>(227)</u>	<u>(6,511)</u>
Income (loss) before income tax provision -----	(626)	(1,333)	(2,079)	2,340
Income tax provision -----	<u>7</u>	<u>23</u>	<u>20</u>	<u>1,338</u>
Net income (loss) -----	<u>\$ (633)</u>	<u>\$ (1,356)</u>	<u>\$ (2,099)</u>	<u>\$ 1,002</u>
Net income (loss) per share (basic) -----	\$ (0.12)	\$ (0.26)	\$ (0.40)	\$ 0.19
Net income (loss) per share (diluted) -----	\$ (0.12)	\$ (0.26)	\$ (0.40)	\$ 0.19
Weighted average number of common shares (basic) -----	5,222	5,225	5,222	5,220
Weighted average number of common shares (diluted) -----	5,228	5,233	5,225	5,227

Business Segment Reporting

	Second Quarter		Six Months	
	Ended March 31,		Ended March 31,	
	2006	2005	2006	2005
Net sales				
Turbine Component Services and Repair -----	\$ 9,252	\$ 9,863	\$ 18,167	\$ 18,675
Aerospace Component Manufacturing -----	11,962	6,743	20,159	14,156
Applied Surface Concepts -----	<u>3,297</u>	<u>3,237</u>	<u>6,005</u>	<u>6,093</u>
Consolidated net sales -----	<u>\$24,511</u>	<u>\$ 19,843</u>	<u>\$ 44,331</u>	<u>\$ 38,924</u>
Operating income (loss)				
Turbine Component Services and Repair -----	(1,694)	(722)	(2,644)	(2,568)
Aerospace Component Manufacturing -----	938	(625)	1,030	(839)
Applied Surface Concepts -----	106	425	40	444
Corporate unallocated expenses -----	<u>(162)</u>	<u>(632)</u>	<u>(699)</u>	<u>(933)</u>
Consolidated operating loss -----	<u>\$ (812)</u>	<u>\$ (1,554)</u>	<u>\$ (2,273)</u>	<u>\$ (3,896)</u>