



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 Second Quarter Financial Results

SIFCO Industries, Inc. today announced financial results for its fiscal 2008 second quarter, which ended March 31, 2008. Income from continuing operations before income taxes for the second quarter of fiscal 2008 increased to \$3.5 million, compared with \$3.1 million in the comparable fiscal 2007 period. Net income for the second quarter of fiscal 2008 was \$1.9 million, or \$0.36 per diluted share, compared with a net income of \$2.0 million, or \$0.38 per diluted share, for the comparable fiscal 2007 period. Income from continuing operations for the second quarter of fiscal 2008 was \$2.2 million, or \$0.40 per diluted share, compared with income from continuing operations of \$3.0 million, or \$0.57 per diluted share, for the comparable fiscal 2007 period. Loss from discontinued operations, net of tax, for the second quarter of fiscal 2008 was \$0.3 million, or \$0.05 per diluted share, compared with loss from discontinued operations, net of tax, of \$1.0 million, or \$0.19 per diluted share, for the comparable fiscal 2007 period.

Net sales increased 21.3% in the second quarter of fiscal 2008 to \$26.1 million compared with \$21.5 million for the same period a year ago. In the second quarter of fiscal 2008:

- Aerospace Component Manufacturing Group net sales increased by \$3.9 million, or 26.6%, to \$18.4 million, compared with \$14.6 million in the comparable 2007 period,
- Turbine Components Services and Repair Group net sales increased in the second quarter of fiscal 2008 by \$0.7 million, or 22.7%, to \$3.8 million, compared with \$3.1 million for the comparable 2007 period, and
- Applied Surface Concepts Group net sales were \$3.9 million in the second quarters of both fiscal 2008 and 2007.

For the first six months of fiscal 2008, Income from continuing operations before income taxes increased to \$5.4 million, compared with \$4.7 million in the comparable fiscal 2007 period. Included in income from continuing operations before income taxes in the first six months of fiscal 2008 was \$0.5 million of expense related to the business settlement of a product dispute. Net income for the first six months of fiscal 2008 was \$3.0 million, or \$0.56 per diluted share, compared with net income of \$4.2 million, or \$0.80 per diluted share, for the comparable fiscal 2007 period. Income from continuing operations for the first six months of fiscal 2008 was \$3.3 million, or \$0.61 per diluted share, compared with income from continuing operations of \$4.6 million, or \$0.87 per diluted share, for the comparable fiscal 2007 period. Loss from discontinued operations, net of tax, for the first six months of fiscal 2008 was \$0.3 million, or \$0.06 per diluted share, compared with loss from discontinued operations, net of tax, of \$0.4 million, or \$0.07 per diluted share, for the comparable fiscal 2007 period. Included in loss from discontinued operations in the first six months of fiscal 2007 was \$2.1 million of grant income related to the expiration of certain grants.

Net sales increased 20.9% in the first six months of fiscal 2008 to \$49.2 million compared with \$40.7 million for the same period a year ago. In the first six months of fiscal 2008:

- Aerospace Component Manufacturing Group net sales increased by \$6.7 million, or 24.3% to \$34.3 million, compared with \$27.6 million in the comparable 2007 period,
- Turbine Component Services and Repair Group net sales increased in the first six months of fiscal 2008 by \$1.8 million, or 30.5% to \$7.6 million, compared with \$5.8 million for the comparable 2007 period, and
- Applied Surface Concepts Group net sales were \$7.3 million in the first six months of both 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 March 31, 2008 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

	<u>Second Quarter</u> <u>Ended March 31,</u>		<u>Six Months</u> <u>Ended March 31,</u>	
	2008	2007	2008	2007
Net sales-----	\$ 26,099	\$ 21,520	\$ 49,160	\$ 40,656
Cost of goods sold-----	19,691	15,728	37,515	30,683
Selling, general and administrative expenses-----	<u>2,839</u>	<u>2,682</u>	<u>6,264</u>	<u>5,282</u>
Operating income-----	3,569	3,110	5,381	4,691
Interest expense, net-----	47	39	111	52
Foreign currency exchange gain, net-----	(9)	(1)	(4)	(8)
Other expense (income), net-----	<u>2</u>	<u>(5)</u>	<u>---</u>	<u>(33)</u>
Income from continuing operations before income tax provision-----	3,529	3,077	5,274	4,680
Income tax provision-----	<u>1,366</u>	<u>81</u>	<u>1,996</u>	<u>112</u>
Income from continuing operations-----	2,163	2,996	3,278	4,568
Loss from discontinued operations, net of tax-----	<u>(264)</u>	<u>(970)</u>	<u>(307)</u>	<u>(365)</u>
Net income-----	<u>\$ 1,899</u>	<u>\$ 2,026</u>	<u>\$ 2,971</u>	<u>\$ 4,203</u>
Income per share from continuing operations:				
Basic-----	\$ 0.41	\$ 0.57	\$ 0.62	\$ 0.87
Diluted-----	\$ 0.40	\$ 0.57	\$ 0.61	\$ 0.87
Loss per share from discontinued operations, net of tax:				
Basic-----	\$ (0.05)	\$ (0.19)	\$ (0.06)	\$ (0.07)
Diluted-----	\$ (0.05)	\$ (0.18)	\$ (0.06)	\$ (0.07)
Net income per share:				
Basic-----	\$ 0.36	\$ 0.39	\$ 0.56	\$ 0.80
Diluted-----	\$ 0.36	\$ 0.38	\$ 0.56	\$ 0.80
Weighted average number of common shares (basic)-----	5,291	5,230	5,288	5,228
Weighted average number of common shares (diluted)-----	5,346	5,276	5,341	5,254

Business Segment Reporting

	<u>Second Quarter</u> <u>Ended March 31,</u>		<u>Six Months</u> <u>Ended March 31,</u>	
	2008	2007	2008	2007
Net sales				
Aerospace Component Manufacturing-----	\$ 18,434	\$ 14,563	\$34,251	\$ 27,555
Turbine Component Services and Repair-----	3,784	3,084	7,586	5,814
Applied Surface Concepts-----	<u>3,881</u>	<u>3,873</u>	<u>7,323</u>	<u>7,287</u>
Consolidated net sales-----	<u>\$ 26,099</u>	<u>\$ 21,520</u>	<u>\$ 49,160</u>	<u>\$ 40,656</u>
Operating income (loss)				
Aerospace Component Manufacturing-----	3,394	2,905	5,681	4,554
Turbine Component Services and Repair-----	146	141	43	(22)
Applied Surface Concepts-----	559	404	658	787
Corporate unallocated expenses-----	<u>(530)</u>	<u>(340)</u>	<u>(1,001)</u>	<u>(628)</u>
Consolidated operating income from continuing operations-----	<u>\$ 3,569</u>	<u>\$ 3,110</u>	<u>\$ 5,381</u>	<u>\$ 4,691</u>