



# **SIFCO** **INDUSTRIES, INC.**

**Date of Release:** August 11, 2008  
**Contact:** Frank Cappello

## **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.

970 East 64<sup>th</sup> Street • Cleveland, OH 44103 • Phone: (216) 881-8600 • Fax: (216) 432-6281  
Or visit our home page: [www.sifco.com](http://www.sifco.com)

---

### **SIFCO Industries, Inc. Announces Fiscal 2008 Third Quarter Financial Results**

SIFCO Industries, Inc. today announced financial results for its fiscal 2008 third quarter, which ended June 30, 2008. Income from continuing operations before income taxes for the third quarter of fiscal 2008 increased to \$3.1 million, compared with \$2.5 million in the comparable fiscal 2007 period. Net income for the third quarter of fiscal 2008 was \$2.2 million, or \$0.40 per diluted share, compared with a net income of \$0.4 million, or \$0.07 per diluted share, in the comparable fiscal 2007 period. Income from continuing operations for the third quarter of fiscal 2008 was \$2.1 million, or \$0.38 per diluted share, compared with income from continuing operations of \$1.9 million, or \$0.36 per diluted share, in the comparable fiscal 2007 period. Income from discontinued operations, net of tax, for the third quarter of fiscal 2008 was \$0.1 million, or income of \$0.02 per diluted share, compared with a loss from discontinued operations, net of tax, of \$1.5 million, or a loss of \$0.29 per diluted share, in the comparable fiscal 2007 period.

Net sales increased 13.8% in the third quarter of fiscal 2008 to \$27.3 million compared with \$24.0 million in the same period a year ago. In the third quarter of fiscal 2008:

- Aerospace Component Manufacturing Group net sales increased by \$2.8 million, or 16.5%, to \$19.7 million, compared with \$16.9 million in the comparable 2007 period,
- Turbine Components Services and Repair Group net sales were \$3.6 million in the third quarters of both fiscal 2008 and 2007, and
- Applied Surface Concepts Group net sales increased \$0.4 million, or 12.9%, to \$3.9 million, compared with \$3.5 million in the comparable 2007 period.

For the first nine months of fiscal 2008, income from continuing operations before income taxes increased to \$8.4 million, compared with \$7.2 million in the comparable fiscal 2007 period. Included in income from continuing operations before income taxes in the first nine months of fiscal 2008 was \$0.5 million of expense related to the business settlement of a product dispute. Net income for the first nine months of fiscal 2008 was \$5.1 million, or \$0.96 per diluted share, compared with net income of \$4.6 million, or \$0.87 per diluted share, in the comparable fiscal 2007 period. Income from continuing operations for the first nine months of fiscal 2008 was \$5.3 million, or \$1.00 per diluted share, compared with income from continuing operations of \$6.5 million, or \$1.23 per diluted share, in the comparable fiscal 2007 period. Loss from discontinued operations, net of tax, for the first nine months of fiscal 2008 was \$0.2 million, or a loss of \$0.04 per diluted share, compared with loss from discontinued operations, net of tax, of \$1.9 million, or a loss of \$0.36 per diluted share, in the comparable fiscal 2007 period. Included in loss from discontinued operations in the first nine months of fiscal 2007 was \$2.1 million of grant income related to the expiration of certain grants.

Net sales increased 18.3% in the first nine months of fiscal 2008 to \$76.5 million compared with \$64.7 million for the same period a year ago. In the first nine months of fiscal 2008:

- Aerospace Component Manufacturing Group net sales increased by \$9.5 million, or 21.3% to \$54.0 million, compared with \$44.5 million in the comparable 2007 period,
- Turbine Component Services and Repair Group net sales increased in the first nine months of fiscal 2008 by \$1.8 million, or 19.5% to \$11.2 million, compared with \$9.4 million in the comparable 2007 period, and
- Applied Surface Concepts Group net sales increased in the first nine months of fiscal 2008 by \$0.5 million, or 4.5%, to \$11.3 million, compared with \$10.8 million in the comparable 2007 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 June 30, 2008 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

	Third Quarter Ended June 30,		Nine Months Ended June 30,	
	2008	2007	2008	2007
Net sales-----	\$ 27,333	\$ 24,022	\$ 76,493	\$ 64,678
Cost of goods sold-----	20,977	18,435	58,492	49,118
Selling, general and administrative expenses-----	3,243	3,004	9,507	8,286
Operating income-----	3,113	2,583	8,494	7,274
Interest expense, net-----	19	52	130	104
Foreign currency exchange gain, net-----	(8)	(6)	(12)	(14)
Other expense (income), net-----	(1)	24	(1)	(9)
Income from continuing operations before income tax provision-----	3,103	2,513	8,377	7,193
Income tax provision-----	1,035	618	3,031	730
Income from continuing operations-----	2,068	1,895	5,346	6,463
Income (loss) from discontinued operations, net of tax-----	91	(1,532)	(216)	(1,897)
Net income-----	\$ 2,159	\$ 363	\$ 5,130	\$ 4,566
Income per share from continuing operations:				
Basic-----	\$ 0.39	\$ 0.36	\$ 1.01	\$ 1.23
Diluted-----	\$ 0.38	\$ 0.36	\$ 1.00	\$ 1.23
Income (loss) per share from discontinued operations, net of tax:				
Basic-----	\$ 0.02	\$ (0.29)	\$ (0.04)	\$ (0.36)
Diluted-----	\$ 0.02	\$ (0.29)	\$ (0.04)	\$ (0.36)
Net income per share:				
Basic-----	\$ 0.41	\$ 0.07	\$ 0.97	\$ 0.87
Diluted-----	\$ 0.40	\$ 0.07	\$ 0.96	\$ 0.87
Weighted average number of common shares (basic)-----	5,294	5,252	5,290	5,237
Weighted average number of common shares (diluted)-----	5,345	5,311	5,342	5,274