



# **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, precision component machining and selective plating. The products include forged components, machined forged components and other machined metal components, remanufactured component parts for turbine engines, and selective plating 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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Or visit our home page: [www.sifco.com](http://www.sifco.com)

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### **SIFCO Industries, Inc. Announces Fiscal 2011 Third Quarter Financial Results**

SIFCO Industries, Inc. (NYSE Amex: SIF) today announced financial results for its fiscal 2011 third quarter, which ended June 30, 2011. Net income for the third quarter of fiscal 2011 was \$2.1 million, or \$0.39 per diluted share, compared with a net income of \$1.0 million, or \$0.18 per diluted share for the comparable fiscal 2010 period.

Net sales increased 48.2% in the third quarter of fiscal 2011 to \$28.9 million, compared with \$19.5 million for the same period a year ago. The results for the third quarter include the results of T&W Forge, which was acquired on December 10, 2010. In the third quarter of fiscal 2010:

- Aerospace Component Manufacturing Group net sales increased by \$8.8 million, or 61.6%, to \$23.1 million, compared with \$14.3 million in the comparable 2010 period;
- Turbine Component Services and Repair Group net sales were \$2.0 million in both the third quarter of fiscal 2011 and in the comparable 2010 period; and
- Applied Surface Concepts Group net sales increased by \$0.5 million, or 17.3%, to \$3.7 million, compared with \$3.2 million for the comparable 2010 period.

Net income for the first nine months of fiscal 2011 was \$5.3 million, or \$0.99 per diluted share, compared with net income of \$4.0 million, or \$0.75 per diluted share, for the comparable fiscal 2010 period.

Net sales increased 27.0% in the first nine months of fiscal 2011 to \$77.1 million, compared with \$60.7 million for the same period a year ago. The results for the first nine months of fiscal 2011 include the results of T&W Forge, which was acquired on December 10, 2010. In the first nine months of fiscal 2011:

- Aerospace Component Manufacturing Group net sales increased by \$14.3 million, or 31.6%, to \$59.5 million, compared with \$45.2 million in the comparable 2010 period;
- Turbine Component Services and Repair Group net sales increased by \$0.4 million, or 6.8%, to \$7.0 million, compared with \$6.6 million for the comparable 2010 period; and
- Applied Surface Concepts Group net sales increased by \$1.7 million, or 18.8%, to \$10.6 million, compared with \$8.9 million for the comparable 2010 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, 2011 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).



**Third Quarter Ended June 30, 2011**  
 (Amounts in thousands, except per share data)

**Consolidated Condensed Statements of Operations**

	<u>Third Quarter</u> <u>Ended June 30,</u>		<u>Nine Months</u> <u>Ended June 30,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Net sales-----	\$ 28,875	\$ 19,481	\$ 77,075	\$ 60,669
Cost of goods sold-----	22,075	15,188	58,374	46,204
Selling, general and administrative expenses-----	3,423	2,932	9,917	8,675
Amortization of intangible assets -----	<u>587</u>	<u>---</u>	<u>1,329</u>	<u>---</u>
Operating income-----	2,790	1,361	7,455	5,790
Interest expense, net -----	19	3	50	13
Foreign currency exchange loss (gain), net -----	10	(32)	19	(48)
Other income, net -----	<u>(118)</u>	<u>(117)</u>	<u>(352)</u>	<u>(352)</u>
Income before income tax provision-----	2,879	1,507	7,738	6,177
Income tax provision -----	<u>815</u>	<u>523</u>	<u>2,473</u>	<u>2,176</u>
Net income -----	<u>\$ 2,064</u>	<u>\$ 984</u>	<u>\$ 5,265</u>	<u>\$ 4,001</u>
Net income per share:				
Basic -----	\$ 0.39	\$ 0.18	\$ 1.00	\$ 0.75
Diluted -----	\$ 0.39	\$ 0.18	\$ 0.99	\$ 0.75
Weighted average number of common shares (basic)-----	5,286	5,322	5,274	5,309
Weighted average number of common shares (diluted)-----	5,331	5,362	5,313	5,355