



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 Net Income of \$1.09 per Share

SIFCO Industries, Inc. today announced financial results for its fiscal 2008 fourth quarter, which ended September 30, 2008. Income from continuing operations before income taxes for the fourth quarter of fiscal 2008 decreased to \$0.4 million, compared with \$3.1 million in the comparable fiscal 2007 period. Included in income from continuing operations before income taxes in the fourth quarter of fiscal 2008 was a \$0.8 million expense related to the impairment of a long-lived asset and a \$1.9 million LIFO provision, compared with \$0.1 million of LIFO income in the comparable fiscal 2007 period. Net income for the fourth quarter of fiscal 2008 was \$0.7 million, or \$0.13 per diluted share, compared with net income of \$2.2 million, or \$0.40 per diluted share, in the comparable fiscal 2007 period.

Net sales increased 10.3% in the fourth quarter of fiscal 2008 to \$24.9 million, compared with \$22.6 million in the same period a year ago. In the fourth quarter of fiscal 2008:

- Aerospace Component Manufacturing Group net sales increased by \$2.5 million, or 16.1%, to \$18.0 million, compared with \$15.5 million in the comparable 2007 period,
- Turbine Components Services and Repair Group net sales decreased by \$0.4 million, or 12.3%, to \$3.1 million, compared with \$3.5 million in the comparable 2007 period, and
- Applied Surface Concepts Group net sales increased \$0.3 million, or 7.6%, to \$3.8 million, compared with \$3.5 million in the comparable 2007 period.

Income from continuing operations before income taxes for the year ended September 30, 2008 decreased to \$8.8 million, compared with \$10.3 million in fiscal 2007. Included in income from continuing operations before income taxes in the fiscal 2008 was \$0.5 million of expense related to the business settlement of a product dispute, \$0.8 million of expense related to the impairment of a long-lived asset and a \$1.7 million LIFO provision, compared with a \$0.3 million LIFO provision in fiscal 2007. Net income in fiscal 2008 was \$5.8 million, or \$1.09 per diluted share, compared with net income of \$6.7 million, or \$1.27 per diluted share, in fiscal 2007.

Net sales increased 16.2% in fiscal 2008 to \$101.4 million compared with \$87.3 million in fiscal 2007. In fiscal 2008:

- Aerospace Component Manufacturing Group net sales increased by \$12.0 million, or 20.0% to \$72.0 million, compared with \$60.0 million in fiscal 2007,
- Turbine Component Services and Repair Group net sales increased in fiscal 2008 by \$1.4 million, or 10.8% to \$14.3 million, compared with \$12.9 million in fiscal 2007, and
- Applied Surface Concepts Group net sales increased in fiscal 2008 by \$0.8 million, or 5.3%, to \$15.1 million, compared with \$14.3 million in fiscal 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-K for the year ended September 30, 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

	Fourth Quarter Ended		Year Ended	
	September 30,		September 30,	
	2008	2007	2008	2007
Net sales -----	\$ 24,898	\$ 22,577	\$101,391	\$ 87,255
Cost of goods sold-----	20,669	16,717	79,161	65,835
Selling, general and administrative expenses-----	<u>3,745</u>	<u>2,750</u>	<u>13,252</u>	<u>11,036</u>
Operating income-----	484	3,110	8,978	10,384
Interest expense (income), net-----	(5)	59	125	163
Foreign currency exchange loss (gain), net-----	47	(6)	35	(20)
Other income, net-----	<u>(1)</u>	<u>(5)</u>	<u>(2)</u>	<u>(14)</u>
Income from continuing operations before income tax provision-----	443	3,062	8,820	10,255
Income tax provision-----	<u>246</u>	<u>753</u>	<u>3,277</u>	<u>1,483</u>
Income from continuing operations-----	197	2,309	5,543	8,772
Income (loss) from discontinued operations, net of tax-----	<u>503</u>	<u>(147)</u>	<u>287</u>	<u>(2,044)</u>
Net income-----	<u>\$ 700</u>	<u>\$ 2,162</u>	<u>\$ 5,830</u>	<u>\$ 6,728</u>
Income per share from continuing operations:				
Basic-----	\$ 0.04	\$ 0.44	\$ 1.05	\$ 1.67
Diluted-----	\$ 0.04	\$ 0.43	\$ 1.04	\$ 1.66
Income (loss) per share from discontinued operations, net of tax:				
Basic-----	\$ 0.09	\$ (0.03)	\$ 0.05	\$ (0.39)
Diluted-----	\$ 0.09	\$ (0.03)	\$ 0.05	\$ (0.39)
Net income per share:				
Basic-----	\$ 0.13	\$ 0.41	\$ 1.10	\$ 1.28
Diluted-----	\$ 0.13	\$ 0.40	\$ 1.09	\$ 1.27
Weighted average number of common shares (basic)-----	5,295	5,277	5,291	5,246
Weighted average number of common shares (diluted)-----	5,337	5,339	5,340	5,286