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 both conventional and precision forging, heat-treating, coating, welding, machining and selective plating. The products include both conventional and precision forged components, machined forged parts and other machined metal components, remanufactured component parts for aerospace turbine engines, and selective plating solutions and equipment. The Company's operations are conducted in three business segments: (1) Forged Components Group, (2) Turbine Components Services and Repair Group, and (3) Applied Surface Concepts Group.

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SIFCO Industries, Inc. Announces Fiscal 2012 Third Quarter Financial Results

SIFCO Industries, Inc. (NYSE Amex: SIF) today announced financial results for its fiscal 2012 third quarter, which ended June 30, 2012.

Third quarter

- Net sales increased 7.2% in the third quarter of fiscal 2012 to $31.0 million, compared with $28.9 million in the comparable period in fiscal 2011.
- Net income for the third quarter of fiscal 2012 was $2.4 million, or $0.46 per diluted share, compared with net income of $2.1 million, or $0.39 per diluted share for the comparable fiscal 2011 period.
- EBITDA in the third quarter of fiscal 2012 was $5.1 million, or 16.6% of net sales, compared with $4.0 million, or 13.7% of net sales, in the comparable period in fiscal 2011.
- Adjusted EBITDA in the third quarter of fiscal 2012 was $5.6 million, or 18.2% of net sales, compared with $4.3 million, or 15.0% of net sales, in the comparable period in fiscal 2011.

First nine months

- Net sales increased 21.4% in the first nine months of fiscal 2012 to $93.6 million, compared with $77.1 million in the comparable period in fiscal 2011.
- Net income for the first nine months of fiscal 2012 was $5.4 million, or $1.00 per diluted share, compared with net income of $5.3 million, or $0.99 per diluted share, for the comparable fiscal 2011 period.
- EBITDA in the first nine months of fiscal 2012 was $13.0 million, or 13.9% of net sales, compared with $10.9 million, or 14.1% of net sales, in the comparable period in fiscal 2011.
- Adjusted EBITDA in the first nine months of fiscal 2012 was $15.2 million, or 16.2% of net sales, compared with $12.0 million, or 15.6% of net sales, in the comparable period in fiscal 2011.

The results for fiscal 2012 include the results of Quality Aluminum Forge, which was acquired on October 28, 2011.

Non-GAAP Supplemental Information

Neither EBITDA nor Adjusted EBITDA is a measurement of financial performance under accounting principles generally accepted in the United States of America ("GAAP"). EBITDA and Adjusted EBITDA are presented in this press release as supplemental disclosures to net income and reported results. References to "EBITDA" mean earnings before interest, taxes, depreciation and amortization, and references to "Adjusted EBITDA" mean EBITDA plus, as applicable for each relevant period, certain adjustments as set forth in the reconciliations of net income to EBITDA and Adjusted EBITDA.

The Company presents EBITDA and Adjusted EBITDA because (i) it believes they are useful indicators for evaluating operating performance and liquidity, including the Company's ability to incur and service debt and (ii) it uses EBITDA to evaluate prospective acquisitions. Although the Company uses EBITDA and Adjusted EBITDA for the reasons noted, the use of these non-GAAP financial measures as analytical tools has limitations and, therefore, reviewers of the Company's financial information should not consider them in isolation, or as a substitute for analysis of its results of operations as reported in accordance with GAAP. Some of these limitations are:

- Neither EBITDA nor Adjusted EBITDA reflects the interest expense, or the cash requirements necessary to service interest payments, on indebtedness;

- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and neither EBITDA nor Adjusted EBITDA reflects any cash requirements for such replacements;
- The omission of the substantial amortization expense associated with the Company's intangible assets further limits the usefulness of EBITDA and Adjusted EBITDA;
- Neither EBITDA nor Adjusted EBITDA includes the payment of taxes, which is a necessary element of operations; and
- Adjusted EBITDA excludes the cash expense the Company has incurred to acquire businesses.

Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as measures of discretionary cash available to the Company to invest in the growth of its businesses. Management compensates for these limitations by not viewing EBITDA or Adjusted EBITDA in isolation and specifically by using other GAAP measures, such as net income, net sales and operating profit, to measure operating performance. Neither EBITDA nor Adjusted EBITDA is a measurement of financial performance under GAAP, and neither should be considered as an alternative to net income or cash flow from operations determined in accordance with GAAP. The Company's calculation of EBITDA and Adjusted EBITDA may not be comparable to the calculation of similarly titled measures reported by other companies.

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, 2012 can be accessed through its website: www.sifco.com, or on the Securities and Exchange Commission's website: www.sec.gov.

SIFCO INDUSTRIES, INC.

Third Quarter Ended June 30, 2012
(Amounts in thousands, except per share data)

Consolidated Condensed Statements of Operations

	Third Quarter Ended June 30, 2012	Third Quarter Ended June 30, 2011	Nine Months Ended June 30, 2012	Nine Months Ended June 30, 2011
Net sales	$ 30,968	$ 28,875	$ 93,557	$ 77,075
Cost of goods sold	23,047	22,075	71,693	58,374
Selling, general and administrative expenses	3,917	3,423	11,990	9,917
Amortization of intangible assets	709	587	2,186	1,329
Operating income	3,295	2,790	7,688	7,455
Interest expense, net	116	19	334	50
Foreign currency exchange loss (gain), net	(9)	10	(28)	19
Other income, net	(114)	(118)	(349)	(352)
Income before income tax provision	3,302	2,879	7,731	7,738
Income tax provision	861	815	2,380	2,473
Net income	$ 2,441	$ 2,064	$ 5,351	$ 5,265
Net income per share:				
Basic	$ 0.46	$ 0.39	$ 1.01	$ 1.00
Diluted	$ 0.46	$ 0.39	$ 1.00	$ 0.99

Supplemental Information – Reconciliation of EBITDA and Adjusted EBITDA

	Third Quarter Ended June 30, 2012	Third Quarter Ended June 30, 2011	Nine Months Ended June 30, 2012	Nine Months Ended June 30, 2011
Net income	$ 2,441	$ 2,064	$ 5,351	$ 5,265
Adjustments:				
Depreciation and amortization expense	1,711	1,061	4,966	3,065
Interest expense, net	116	19	334	50
Income tax provision	861	815	2,380	2,473
EBITDA	5,129	3,959	13,031	10,853
Adjustments:				
Inventory purchase accounting adjustments (1)	(4)	---	437	202
Acquisition transaction-related expenses (2)	33	19	260	191
Equity compensation expense (3)	255	163	822	340
LIFO provision (4)	215	176	643	401
Adjusted EBITDA	$ 5,628	$ 4,317	$ 15,193	$ 11,987

(1) Represents accounting adjustments to inventory associated with acquisitions of businesses that were charged to cost of sales when the inventory was sold.
(2) Represents transaction-related costs comprising legal, financial and tax due diligence expenses; and valuation services costs that are required to be expensed as incurred.
(3) Represents the equity based compensation expense recognized by the Company under its 2007 Long-term Incentive Plan.
(4) Represents the increase in the reserve for inventories for which cost is determined using the last-in, first-out ("LIFO") method.