

Empire Resources Reports Third Quarter 2011 Operating Results

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Fort Lee, NJ—

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FORT LEE, N.J., Nov. 15, 2011 /PRNewswire/ -- **Empire Resources, Inc.** (OTCQX: ERSO), a distributor of value added, semi-finished metal products, announced today that net sales for the third quarter of 2011 were \$137.7 million, an increase of 10% from the third quarter of 2010 and up 9% from the 2011 second quarter.

Net income for the third quarter ended September 30, 2011 was \$1.1 million or \$0.10 per diluted share compared with \$3.0 million or \$0.31 per diluted share in the third quarter of 2010 and \$1.1 million or \$0.09 per diluted share in the second quarter of 2011. Diluted shares outstanding in the third quarter of 2011 totaled 12,066,000, compared with 9,524,000 in the third quarter of 2010 and 12,100,000 in the second quarter of 2011. The 2010 third quarter results include operating income of \$0.3 million for asset impairment recovery.

For the first nine months of 2011, net sales were \$377.8 million and net income was \$3.7 million or \$0.33 per diluted share. This compares with net sales of \$359.9 million and net income of \$7.9 million or \$0.84 per diluted share for the same period in 2010.

The gross profit as a percentage of sales improved sequentially to 4.5%, although it remained below the year-ago third quarter and the Company's target. The increase in SG&A expense was due to higher sales commissions in line with the strong sales level. The increase in interest expense reflects the first full-quarter effect of the new subordinated debt financing completed in June 2011.

Nathan Kahn, President and Chief Executive Officer, commented: "Despite the continued economic uncertainty and heightened competitive conditions, we achieved strong top line growth and successfully maintained market share in the third quarter. To further strengthen our margins, we are working with our suppliers on delivery performance while improving the efficiency of our service to our customers. We remain sharply focused on our relationships with our suppliers and customers to sustain our sales growth while returning to a higher level of profitability."

Empire Resources, Inc., is a distributor of a wide range of semi-finished metal products to customers in the transportation, automotive, housing, appliance and packaging industries in the U.S., Canada, Brazil, Australia, New Zealand and Europe. It maintains supply contracts with mills in various parts of the world.

This press release contains forward-looking statements. Such statements involve various risks that may cause actual results to differ materially. These risks include, but are not limited to, the ability of the company to grow internally or by acquisition and to integrate acquired businesses, not being able to improve operating margins and efficiencies, changing industry and competitive conditions, and other risks referred to in the Company's publicly available statements and periodic reports.

(Table Follows)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net sales	\$ 137,653	\$ 124,952	\$ 377,786	\$ 359,900
Cost of goods sold	131,468	116,540	360,584	335,535
Gross profit	6,185	8,412	17,202	24,365
Selling, general and administrative expenses	3,262	3,119	8,897	8,724
Operating income before impairment recovery	2,923	5,293	8,305	15,641
Impairment recovery	0	346	0	346
Operating income	2,923	5,639	8,305	15,987
Interest expense	1,228	1,011	2,329	3,547
Income before income taxes	1,695	4,628	5,976	12,440
Income taxes	643	1,671	2,291	4,547
Net income	\$ 1,052	\$ 2,957	\$ 3,685	\$ 7,893
Weighted average shares outstanding:				
Basic	9,258	9,270	9,259	9,262
Diluted	12,066	9,524	12,088	9,401
Earnings per share:				
Basic	\$0.11	\$0.32	\$0.40	\$0.85
Diluted	\$0.10	\$0.31	\$0.33	\$0.84

See notes to unaudited condensed consolidated financial statements

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