



**FOR IMMEDIATE RELEASE**

**CONTACT**

Mitchell Binder  
Executive Vice President  
631-435-8300

or

Investor Relations Counsel  
Lena Cati, 212-836-9611  
Linda Latman, 212-836-9609  
The Equity Group Inc.

**ORBIT INTERNATIONAL CORP. REPORTS 2009 THIRD QUARTER RESULTS**

**Third Quarter Net Income Increases by 48.8%**

**Backlog at \$18.9 Million, Increase of 52.4% Compared to Prior Quarter**

Hauppauge, New York, November 10, 2009 - Orbit International Corp. (NASDAQ:ORB), an electronics manufacturer, systems integrator and software solution provider, today announced results for the third quarter and nine month period ended September 30, 2009.

**Third Quarter 2009 vs. Third Quarter 2008**

- Net sales declined by 1.1% to \$6,876,000 compared to \$6,951,000;
- Gross margin was 39.6% compared to 39.4%;
- Net income increased 48.8% to \$320,000 compared to \$215,000;
- Earnings per diluted share was \$.07, compared to \$.05 per diluted share; and,
- Earnings before interest, taxes, depreciation and amortization, and stock based compensation (EBITDA, as adjusted) was \$619,000 (\$.14 per diluted share) compared to \$578,000 (\$.12 per diluted share).

**Nine Months 2009 vs. Nine Months 2008**

- Net sales declined by 2.1% to \$19,029,000 from \$19,434,000;
- Gross margin was 39.7% compared to 39.6%;
- Net loss was \$27,000 or \$.01 per share compared to net loss of \$80,000 or \$.02 per share;
- EBITDA, as adjusted decreased to \$880,000 (\$.20 per diluted share) compared to \$990,000 (\$.21 per diluted share); and,
- Backlog at September 30, 2009 increased 52% to \$18.9 million, compared to \$12.4 million at June 30, 2009; and 33% higher than the \$14.2 million of backlog reported at September 30, 2008.

Dennis Sunshine, President and Chief Executive Officer stated, "Third quarter revenues increased 13.7% and 12.6% as compared to the first and second quarters, respectively. Net income for the third quarter of \$320,000 nearly offset the net loss incurred through the first half of the year. Third quarter results were positively impacted by the receipt of two key program awards, which were previously projected for release by our customers no later than the second quarter of 2009. The first contract was a \$1.9 million award to our Orbit Instrument Division for Remote Control Units [RCU`s] to support the Common Transponder Program for U.S. Navy and U.S. Army Identification Friend or Foe field operations. The second significant award,

received by our Integrated Combat System subsidiary (“ICS”) during the quarter, had an aggregate value in excess of \$4,447,000, supporting the MK 119 and MK 437 Naval Gun Systems. ICS had commenced the procurement of material, and labor resources were allocated to the job beginning in the second quarter. As a result, ICS expects to be substantially complete on eight [8] out of the ten [10] MK 119 cabinets by the end of the year, with the last two remaining cabinets and the MK 437 cabinets completed and shipped by the second quarter of 2010. Since the MK 119 is recorded under the percentage of completion method, ICS is expected to record strong operating results in the fourth quarter.”

Sunshine added, “After booking these two significant orders, and including several prototype awards recently received for new program opportunities, our backlog at the end of the third quarter was approximately \$19 million. Based on the dollar value and delivery requirements for our backlog, we expect a strong 2009 fourth quarter and improved operating results in the first half of 2010 as compared to the first half of 2009. More importantly due to the higher backlog, together with the number of new and follow-on program opportunities, we also believe the Company is well positioned for increased revenue and profitability for the entire 2010 year. As evidenced by our current third quarter results, we continue to focus our efforts on tightly managing costs to further improve our profitability.”

Sunshine continued, “Separate and apart from our current level of business, several opportunities that our Electronics and Power Groups have been supporting, have the potential for significant follow-on multi-year production program revenue that could commence in 2010. As the Company previously announced, as of October 1<sup>st</sup>, 2009, our TDL subsidiary successfully completed its move to a larger 50,000 square foot facility, located in the Quakertown, PA. This facility is now set up with expanded engineering, design, inspection, test and production capabilities that our prior facility could not handle. This larger facility now permits TDL to bring back several manufacturing processes that were previously outsourced simply due to facility space constraints. As a result, TDL should realize significant manufacturing efficiencies while gaining in-house control of customer driven production schedule requirements.”

Sunshine noted, “Both our operating segments are experiencing better than anticipated growth opportunities. Behlman’s COTS division has had strong year to date results, with several programs now entering the production phase of the program requirements. The strength in its COTS division has more than offset the weakness in its commercial division in 2009. In spite of the continued weakness in the economy, during the third quarter, Behlman’s commercial division recorded its strongest bookings for the year and strong bookings have carried over into the current fourth quarter.”

Mitchell Binder, Chief Financial Officer, added, “Our financial condition remains strong. At September 30, 2009, total current assets were \$21,275,000 versus total current liabilities of \$5,347,000 for a 4.0 to 1 current ratio. In addition, with approximately \$20 million and \$7 million in federal and state net operating loss carryforwards respectively, we should continue to shield profits from federal and New York State taxes and enhance future cash flow.”

Binder continued, “Our cash and cash equivalents and marketable securities as of September 30, 2009 were approximately \$3.3 million having used approximately \$898,000 to repurchase shares under our \$3 million treasury stock repurchase program. From August 2008 through October 31, 2009, a total of 368,147 common shares have been repurchased at an average price of \$2.48 per share. Finally, our tangible book value at September 30, 2009 was \$3.28 per share, increasing from \$3.15 at June 30, 2009, and \$3.19 at December 31, 2008.”

Binder also stated, "Because of lower than expected profitability due to customer contract delays, at September 30, 2009, the Company was not in compliance with two of its financial covenants with its primary lender. The Company believes it will obtain a waiver from its lender, but there can be no assurance that such waiver will be obtained. In the event such waiver is not obtained, all long term debt reflected on the Company's financial statements would be reclassified to current liabilities."

Binder concluded, "We will continue to monitor the price of our stock as compared to the present value of our Company as well as the significance of several potential growth opportunities. Consequently, we intend to continue to purchase shares under our program subject to market conditions and at times when we deem it appropriate."

Sunshine concluded, "Our management continues to explore a number of strategic and financial alternatives that would enhance shareholder value, including synergistic acquisitions and/or the potential sale of the Company."

### **Conference Call**

The Company will hold a conference call for investors today, November 10, 2009, at 11:00 a.m. ET. Interested parties may participate in the call by dialing 706-679-3204; please call in 10 minutes before the conference call is scheduled to begin and ask for the Orbit International conference call. After opening remarks, there will be a question and answer period. The conference call will also be broadcast live over the Internet. To listen to the live call, please go to [www.orbitintl.com](http://www.orbitintl.com) and click on the Investor Relations section. Please go to the website at least 15 minutes early to register, and download and install any necessary audio software. If you are unable to listen live, the conference call will be archived and can be accessed for approximately 90 days at Orbit's website. We suggest listeners use Microsoft Explorer as their browser.

Orbit International Corp. is involved in the manufacture of customized electronic components and subsystems for military and nonmilitary government applications through its production facilities in Hauppauge, New York, and Quakertown, Pennsylvania; and designs and manufactures combat systems and gun weapons systems, provides system integration and integrated logistics support and documentation control at its facilities in Louisville, Kentucky. Its Behlman Electronics, Inc. subsidiary manufactures and sells high quality commercial power units, AC power sources, frequency converters, uninterruptible power supplies and COTS power solutions.

Certain matters discussed in this news release and oral statements made from time to time by representatives of the Company including, but not limited to, statements regarding any acquisition proposal and/or the potential sale of the Company and whether such proposal or a strategic alternative thereto may be considered or consummated; statements regarding our expectations of Orbit's operating plans, deliveries under contracts and strategies generally; statements regarding our expectations of the performance of our business; expectations regarding costs and revenues, future operating results, additional orders, future business opportunities and continued growth, may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. Although Orbit believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved.

Forward-looking information is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected. Many of these factors are beyond Orbit International's ability to control or predict. Important factors that may cause actual results to differ materially and that could impact Orbit International and the statements contained in this news release can be found in Orbit's

filings with the Securities and Exchange Commission including quarterly reports on Form 10-Q, current reports on Form 8-K, annual reports on Form 10-K and its other periodic reports. For forward-looking statements in this news release, Orbit claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Orbit assumes no obligation to update or supplement any forward-looking statements whether as a result of new information, future events or otherwise.

(See Accompanying Tables)

**Orbit International Corp.**  
**Consolidated Statements of Income**  
**(in thousands, except per share data)**  
**(unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Net sales	\$ 6,876	\$ 6,951	\$ 19,029	\$ 19,434
Cost of sales	<u>4,151</u>	<u>4,212</u>	<u>11,471</u>	<u>11,730</u>
Gross profit	2,725	2,739	7,558	7,704
Selling general and administrative expenses	2,441	2,508	7,606	7,757
Interest expense	53	79	141	261
Investment and other income	<u>(81)</u>	<u>(71)</u>	<u>(157)</u>	<u>(249)</u>
Net income (loss) before taxes	312	223	(32)	(65)
Income tax (benefit) provision	<u>(8)</u>	<u>8</u>	<u>(5)</u>	<u>15</u>
Net income (loss)	<u>\$ 320</u>	<u>\$ 215</u>	<u>\$ (27)</u>	<u>\$ (80)</u>
Basic earnings (loss) per share	\$ 0.07	\$ 0.05	\$ (0.01)	\$ (0.02)
Diluted earnings (loss) per share	\$ 0.07	\$ 0.05	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding:				
Basic	4,346	4,547	4,343	4,529
Diluted	4,445	4,706	4,343	4,529

**Orbit International Corp.**  
**Consolidated Statements of Income**  
**(in thousands, except per share data)**  
**(unaudited)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
<u>EBITDA Reconciliation (as adjusted)</u>				
Net income (loss)	\$ 320	\$ 215	\$ (27)	\$ (80)
Interest expense	53	79	141	261
Tax (benefit) expense	(8)	8	(5)	15
Depreciation and amortization	178	199	538	623
Stock based compensation	76	77	233	171
EBITDA (1)	<u>\$619</u>	<u>\$578</u>	<u>\$ 880</u>	<u>\$ 990</u>
<u>Adjusted EBITDA Per Diluted Share Reconciliation</u>				
Net income (loss)	\$ 0.07	\$ 0.05	\$ (0.01)	\$ (0.02)
Interest expense	0.01	0.02	0.03	0.06
Tax (benefit) expense	(0.00)	0.00	0.00	0.00
Depreciation and amortization	0.04	0.04	0.13	0.13
Stock based compensation	0.02	0.01	0.05	0.04
EBITDA per diluted share (1)	<u>\$ 0.14</u>	<u>\$ 0.12</u>	<u>\$ 0.20</u>	<u>\$ 0.21</u>

(1) The EBITDA tables (as adjusted) presented are not determined in accordance with accounting principles generally accepted in the United States of America. Management uses adjusted EBITDA to evaluate the operating performance of its business. It is also used, at times, by some investors, securities analysts and others to evaluate companies and make informed business decisions. EBITDA is also a useful indicator of the income generated to service debt. EBITDA (as adjusted) is not a complete measure of an entity's profitability because it does not include costs and expenses for interest, depreciation and amortization, income taxes and stock based compensation. Adjusted EBITDA as presented herein may not be comparable to similarly named measures reported by other companies.

	Nine Months Ended September 30,	
	2009	2008
<u>Reconciliation of EBITDA, as adjusted, to cash flows from operating activities (1)</u>		
EBITDA (as adjusted)	\$ 880	\$ 990
Interest expense	(141)	(261)
Tax benefit (expense)	5	(15)
Bond amortization	6	11
Bad debt expense	10	0
(Gain) loss on sale of marketable securities	(26)	8
Unrealized loss on marketable securities	39	0
Deferred income	(64)	(253)
Net change in operating assets and liabilities	<u>723</u>	<u>(2,247)</u>
Cash flows provided (used in) by operating activities	\$ 1,432	\$ (1,767)

**Orbit International Corp.  
Consolidated Balance Sheets**

	<u>September 30, 2009</u>	<u>December 31, 2008<sup>(2)</sup></u>
<b>ASSETS</b>	<b>(unaudited)</b>	
Current assets:		
Cash and cash equivalents	\$ 2,331,000	\$ 2,080,000
Investments in marketable securities	991,000	1,127,000
Accounts receivable, less allowance for doubtful accounts	4,894,000	6,333,000
Inventories	11,585,000	11,536,000
Costs and estimated earnings in excess of billings on uncompleted contracts	435,000	-
Deferred tax asset	770,000	850,000
Other current assets	269,000	198,000
	<hr/>	<hr/>
Total current assets	21,275,000	22,124,000
Property and equipment, net	1,215,000	655,000
Goodwill	2,909,000	2,909,000
Intangible assets, net	1,973,000	2,346,000
Deferred tax asset	1,353,000	1,322,000
Other assets	652,000	644,000
	<hr/>	<hr/>
Total assets	<u>\$ 29,377,000</u>	<u>\$ 30,000,000</u>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long term obligations	\$ 1,497,000	\$ 1,777,000
Notes payable-bank	1,181,000	399,000
Accounts payable	1,318,000	1,499,000
Income taxes payable	5,000	6,000
Accrued expenses	1,234,000	1,185,000
Customer advances	27,000	37,000
Deferred income	85,000	85,000
	<hr/>	<hr/>
Total current liabilities	5,347,000	4,988,000
Deferred income	193,000	257,000
Long-term obligations	3,976,000	5,029,000
	<hr/>	<hr/>
Total liabilities	9,516,000	10,274,000
Stockholders' Equity		
Common stock	493,000	477,000
Additional paid-in capital	21,375,000	21,032,000
Treasury stock	(898,000)	(529,000)
Accumulated other comprehensive gain (loss)	47,000	(125,000)
Accumulated deficit	(1,156,000)	(1,129,000)
	<hr/>	<hr/>
Stockholders' equity	19,861,000	19,726,000
	<hr/>	<hr/>
Total liabilities and stockholders' equity	<u>\$ 29,377,000</u>	<u>\$ 30,000,000</u>

<sup>(2)</sup> The balance sheet at December 31, 2008 has been derived from the audited financial statements at that date but does not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.