



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 2010 SECOND QUARTER RESULTS

Company Returns to Profitability; Expects Continued Growth in the Second Half of 2010

Hauppauge, New York, August 10, 2010 - Orbit International Corp. (NASDAQ:ORBT), an electronics manufacturer, systems integrator and software solution provider, today announced results for the second quarter and six month period ended June 30, 2010.

Second Quarter 2010 vs. Second Quarter 2009

- Net sales increased 14.2% to \$6,972,000 compared to \$6,106,000;
- Gross margin was 36.6% compared to 41.9%;
- Net income was \$141,000 or \$.03 per diluted share compared to net income of \$6,000 or \$.00 per diluted share; and,
- Earnings before interest, taxes, depreciation and amortization, and stock based compensation (EBITDA, as adjusted) was \$371,000 (\$.08 per diluted share) compared to \$334,000 (\$.08 per diluted share).

First Half 2010 vs. First Half 2009

- Net sales increased 2.9% to \$12,504,000 compared to \$12,153,000;
- Gross margin was 35.1% compared to 39.8%;
- Net loss was \$506,000 or \$.12 per share compared to net loss of \$347,000 or \$.08 per share;
- EBITDA, as adjusted, was \$20,000 (\$.00 per diluted share) compared to \$294,000 (\$.07 per diluted share); and,
- Backlog at June 30, 2010 was \$16.4 million compared to \$17.6 million on March 31, 2010 and \$12.4 million reported one year earlier.

Dennis Sunshine, President and Chief Executive Officer stated, "As expected, our financial performance for the second quarter of 2010 improved when compared to the current first quarter as well as to the same quarter of last year. Compared to the first quarter of 2010, our net sales increased by 26% and we returned to profitability. The gross margin for the second quarter declined primarily due to higher than expected labor and material costs associated with the \$4.1 million MK 119 contract which was completed by June 30, 2010. Although our backlog remains at high levels, several production orders that were previously scheduled for delivery in the first three quarters of the year, continue to be delayed by our customers due to timing and technical issues at the prime contractor level that are unrelated to our hardware. In addition, certain orders for the Orbit Instrument Division that were projected to be booked in the first quarter, yet subsequently delayed, were in fact received during the second quarter and are expected to be shipped in the second half of 2010."

Sunshine noted, "We continue to pursue new and upgrade program opportunities that should have a positive impact on our backlog and our operational results for the second half of 2010 and beyond. Several of these program opportunities have the potential for production requirements that should have a positive long-term impact on our operating performance. One of these programs is the five year Supplier Partner Agreement that our TDL subsidiary entered earlier this year with Synexxus to manufacture color displays in support of all Oberon V4 Electronic Keel System configurations. The initial order for these color displays was received in the current second quarter and we look forward to follow on orders in the future."

Sunshine added, "Another important contract with significant follow on potential, is the \$535,000 order received by our TDL subsidiary for its color Mobile Display Terminal (MDT) to support on-board systems information for operators of commercial mass transit systems. MDT is a successful, proven display that has supported a number of municipal transit systems throughout the country and we look forward to re-establishing this stream of revenue from new and upgraded mass transit systems throughout the world. In addition, the \$1,000,000 order received by our Electronics Group for the Color Programmable Entry Panels contains an option for follow on orders in the second half of 2010."

Sunshine also added, "Our ICS subsidiary has commenced purchasing material for additional cabinets for the MK 119 Gun Console System under new orders that are expected to be received near the end of the third quarter. In addition, ICS has commenced the labor effort on these cabinets. ICS records revenue for the MK 119 contract under the percentage of completion method and pending the receipt of these orders prior to the quarter end, will record revenue accordingly."

Sunshine continued, "Our Power Group continues to be well positioned for revenue and profitability growth in 2010 and beyond. Behlman started 2010 on a strong note with two orders totaling over \$600,000 for power units from a leading oil and gas service company. These orders could lead to repeat business over several years as Behlman is now supplying power units to two of the world's largest oil and gas service companies. In addition Behlman expects to receive additional orders during the current third quarter, for its enhanced COTS power solutions in support of defense electronic programs."

Sunshine concluded, "It is important to note that our Power and Electronics groups are both working with prime customers on several programs that have potential follow on production quantities. Since several programs are now completing qualification testing at systems level, while others are waiting for additional funding, we remain optimistic that we will receive these orders, although timing remains uncertain. We continue to closely monitor the progress of these program schedules directly with our customers, and we remain confident that these schedule delays have reached critical visibility with various procurement agencies, and are now in the process of addressing all remaining open items prior to the formal release of purchase orders. Given our current backlog, delivery schedules of orders we have already received and several pending orders, we expect our 2010 second half operating results to be stronger than the first half, and we continue to anticipate an improved operating performance in 2010 compared to 2009."

Mitchell Binder, Chief Financial Officer, added, "Our financial condition remains strong. At June 30, 2010, total current assets were \$19,682,000 versus total current liabilities of \$4,382,000 for a 4.5 to 1 current ratio. 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 noted, "Our cash, cash equivalents and marketable securities as of June 30, 2010 were approximately \$1.3 million. In addition our tangible book value at June 30, 2010 was \$3.33 per share, compared to \$3.33

per share at March 31, 2010, and \$3.15 per share as of June 30, 2009.” Binder also pointed out that the Company was in compliance with its bank covenants as of June 30, 2010.

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

Conference Call

The Company will hold a conference call for investors today, August 10, 2010, at 11:00 a.m. ET. Interested parties may participate in the call by dialing 201-689-8037; 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 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 the Company’s expectations of its operating plans, deliveries under contracts and strategies generally; statements regarding its expectations of the performance of 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 June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
Net sales	\$ 6,972	\$ 6,106	\$ 12,504	\$ 12,153
Cost of sales	4,420	3,547	8,110	7,320
Gross profit	2,552	2,559	4,394	4,833
Selling general and administrative expenses	2,480	2,540	4,949	5,132
Interest expense	54	42	111	88
Investment and other income	(140)	(56)	(181)	(76)
Net income (loss) before taxes	158	33	(485)	(311)
Income tax provision	17	27	21	36
Net income (loss)	<u>\$ 141</u>	<u>\$ 6</u>	<u>\$ (506)</u>	<u>\$ (347)</u>
Basic earnings (loss) per share	\$ 0.03	\$ 0.00	\$ (0.12)	\$ (0.08)
Diluted earnings (loss) per share	\$ 0.03	\$ 0.00	\$ (0.12)	\$ (0.08)
Weighted average number of shares outstanding:				
Basic	4,380	4,364	4,376	4,320
Diluted	4,461	4,413	4,376	4,320

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
<u>EBITDA Reconciliation (as adjusted)</u>				
Net income (loss)	\$ 141	\$ 6	\$ (506)	\$ (347)
Interest expense	54	42	111	88
Tax expense	17	27	21	36
Depreciation and amortization	72	181	225	360
Stock based compensation	87	78	169	157
EBITDA (1)	<u>\$ 371</u>	<u>\$ 334</u>	<u>\$ 20</u>	<u>\$ 294</u>
<u>Adjusted EBITDA Per Diluted Share</u>				
<u>Reconciliation</u>				
Net income (loss)	\$ 0.03	\$ 0.00	\$ (0.11)	\$ (0.08)
Interest expense	0.01	0.01	0.02	0.02
Tax expense	0.00	0.01	0.00	0.01
Depreciation and amortization	0.02	0.04	0.05	0.08
Stock based compensation	0.02	0.02	0.04	0.04
EBITDA per diluted share (1)	<u>\$ 0.08</u>	<u>\$ 0.08</u>	<u>\$ 0.00</u>	<u>\$ 0.07</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.

	Six Months Ended June 30,	
	2010	2009
<u>Reconciliation of EBITDA, as adjusted,</u>		
<u>to cash flows from operating activities (1)</u>		
EBITDA (as adjusted)	\$ 20	\$ 294
Interest expense	(111)	(88)
Tax expense	(21)	(36)
Bond amortization	0	5
Bad debt expense	0	10
Write-down of (gain on) marketable securities	(100)	39
Deferred income	(42)	(22)
Net change in operating assets and liabilities	(1,237)	1,153
Cash flows from (used in) operating activities	<u>\$ (1,491)</u>	<u>\$ 1,355</u>

**Orbit International Corp.
Consolidated Balance Sheets**

	<u>June 30, 2010</u>	<u>December 31, 2009</u>
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 875,000	\$ 2,321,000
Investments in marketable securities	401,000	1,019,000
Accounts receivable, less allowance for doubtful accounts	5,931,000	3,857,000
Inventories	11,881,000	11,624,000
Costs and estimated earnings in excess of billings on uncompleted contracts	-	1,079,000
Deferred tax asset	397,000	714,000
Other current assets	197,000	287,000
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Total current assets	19,682,000	20,901,000
Property and equipment, net	1,330,000	1,246,000
Goodwill	2,483,000	2,483,000
Intangible assets, net	137,000	227,000
Deferred tax asset	1,759,000	1,403,000
Other assets	685,000	661,000
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Total assets	<u>\$ 26,076,000</u>	<u>\$ 26,921,000</u>
 LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long term obligations	\$ 931,000	\$ 995,000
Notes payable-bank	1,142,000	988,000
Accounts payable	1,119,000	1,084,000
Income taxes payable	15,000	57,000
Accrued expenses	1,045,000	1,102,000
Customer advances	45,000	32,000
Deferred income	85,000	85,000
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Total current liabilities	4,382,000	4,343,000
Deferred income	129,000	171,000
Long-term obligations	3,491,000	4,034,000
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Total liabilities	8,002,000	8,548,000
Stockholders' Equity		
Common stock	502,000	493,000
Additional paid-in capital	21,700,000	21,464,000
Treasury stock	(915,000)	(913,000)
Accumulated other comprehensive gain	29,000	65,000
Accumulated deficit	(3,242,000)	(2,736,000)
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Stockholders' equity	18,074,000	18,373,000
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Total liabilities and stockholders' equity	<u>\$ 26,076,000</u>	<u>\$ 26,921,000</u>