

## **FFI REPORTS FIRST QUARTER RESULTS**

INDIANAPOLIS, INDIANA – January 15, 2009 - Fortune Industries, Inc. (AMEX:FFI) announced yesterday first quarter results for the quarter ended November 30, 2008.

### **Highlights**

Revenue for the three months ended November 30, 2008 was \$36.2 million as compared to \$43.8 million for the same period of 2007.

Diluted net income available to common shareholders for the three months ended November 30, 2008 was \$0.044 million or \$0.00 per share as compared to diluted net income available to common shareholders of \$0.010 million or \$0.00 per share for the same period of 2007, representing a \$0.034 million increase in net income available to common stock shareholders.

“We are ecstatic to have made money in these severe economic conditions,” stated John Fisbeck, CEO. “The cost restructuring, cutbacks and reductions in overhead implemented by our senior management team have translated to higher earnings from less revenue compared to the same quarter last year. Despite the challenging market situation, our goal is to stay profitable through our proposed fiscal year-end of June 30<sup>th</sup>. The economy has definitely affected our company, but by becoming a pure-play PEO on December 1<sup>st</sup>, 2008 and selling our less-profitable subsidiaries, we anticipate continued success through positive earnings by focusing our human capital and financial resources on our PEO business.”

### **Segment Information**

Effective November 30, 2008, the Company completed a transaction to sell all of the outstanding shares of common stock of the following wholly-owned subsidiaries: James H Drew Corporation, Nor-Cote International, Inc., Fortune Wireless, Inc. and Commercial Solutions, Inc. The subsidiaries were sold to related parties entities owned by the Company’s majority shareholders in exchange for a \$10,000,000 reduction in the outstanding balance of the term loan note due to the majority shareholder and a three-year promissory note receivable in the amount of \$3,240,000. The transaction also included the conversion of the remaining term loan note balance to Preferred Stock and the issuance of additional warrants. For further information regarding the Transaction, please refer to the Company’s Current Report on Form 8-K filed on December 15, 2008 or to Note 2 – Disposition of Assets in the Notes to the Consolidated Financial Statements on the Company’s Form 10-Q filed on January 14, 2009.

Effective November 30, 2008, the Company will no longer be operating in the Wireless Infrastructure, Transportation Infrastructure, Ultraviolet Technologies and Electronics Integration Segments.

Effective December 1, 2008, the Company will devote substantially all its resources on the growth and profitability of the Business Solutions segment.

### ***Business Solutions***

Revenue for the three-month period ended November 30, 2008 was \$16.7 million, compared to \$20.4 million for the three-month period ended November 30, 2007, a decrease of \$3.6 million or 18%. Revenue decreased primarily due to attrition of customers and the impact of the economic slowdown on our customers.

### *Wireless Infrastructure*

Revenue for the three-month period ended November 30, 2008 was \$3.3 million compared to \$5.5 million for the three-month period ended November 30, 2007, a decrease of \$2.2 million or 40%. The decrease in revenues is primarily due downsizing operations, an overall industry slowdown, and the inclusion of one large construction contract in the three-month period ended November 30, 2007.

### *Transportation Infrastructure*

Revenue for the three-month period ended November 30, 2008 was \$12.1 million compared to \$11.6 million for the three-month period ended November 30, 2007, an increase of \$0.5 million or 4%. Revenue did not change significantly for the three-month period ended November 30, 2008.

### *Ultraviolet Technologies*

Revenue for the three-month period ended November 30, 2008 was \$2.8 million compared to \$3.3 million for the three-month period ended November 30, 2007, a decrease of \$0.5 million or 15%. Revenue decreased primarily due to decreased sales worldwide as a result of the economic slowdown.

### *Electronics Integration*

Revenue for the three-month period ended November 30, 2008 was \$1.3 million compared to \$3.0 million for the three-month period ended November 30, 2007, a decrease of \$1.8 million or 59%. Revenue decreased for the three-month period ended November 30, 2008 primarily due to decreased sales volumes of television products, significant vendor supply chain backorders and decreased services work as a result of the economic downturn and the decision to discontinue operations within the segment.

### **About Fortune Industries, Inc.**

Fortune Industries, Inc. is focused as a professional employer organization (PEO) to small and medium sized businesses in 49 states, including human resource consulting & management, employee assessment, training, and benefits administration.

Fortune Industries is based in Indianapolis, Indiana and is publicly traded on the American Stock Exchange under the symbol FFI. Additional information about Fortune Industries, Inc. can be found at [www.ffi.net](http://www.ffi.net).

*This press release and other statements by Fortune Industries, Inc. may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by words or phrases such as "believe", "expect", "estimate", "potential", or future/conditional verbs such as "will", "should", and "could" or the negative of those terms or other variations of them or by comparable terminology. The absence of such terms, however, does not mean that the statement is not forward-looking. Any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties that could cause actual results to differ materially. Factors that might cause or contribute to such differences, include, but are not limited to, the risks and uncertainties that are discussed under*

*the heading "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" within the Company's Form 10-K for the year ended August 31, 2008. The Company undertakes no obligation to publicly update or revise any forward- looking statements, whether as a result of new information, future events or otherwise. Readers should carefully review the risk factors disclosed within the Company's Form 10-K and other documents filed by the Company with the Securities and Exchange Commission.*

**Contact**

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**Consolidated Financial Information**

	Three Month Period Ended November 30,	
	2008	2007
	(Dollars in thousands, except per share data)	
<b>Consolidated</b>		
Total Revenue	\$ 36,165	\$ 43,757
Operating Income	367	1,254
Net Income	302	134
Net Income Available to Common Shareholders	<u>\$ 44</u>	<u>\$ 10</u>
Net Income (Loss) per Share:		
Basic	<u>\$ 0.00</u>	<u>\$ 0.00</u>
Diluted	<u>\$ 0.00</u>	<u>\$ 0.00</u>

**Segment Data**

*Segment Revenue*

Business Solutions	\$ 16,741	\$ 20,369
Wireless Infrastructure	3,312	5,527
Transportation Infrastructure	12,090	11,580
Ultraviolet Technologies	2,771	3,266
Electronics Integration	<u>1,251</u>	<u>3,013</u>
Subtotal Revenue	36,165	43,755
Variable Interest Entity	<u>-</u>	<u>2</u>

Total Revenue	<u>\$ 36,165</u>	<u>\$ 43,757</u>
<i>Segment Operating Income (Loss)</i>		
Business Solutions	\$ 72	\$ 375
Wireless Infrastructure	193	565
Transportation Infrastructure	557	503
Ultraviolet Technologies	(204)	13
Electronics Integration	100	(37)
Holding Company	<u>(351)</u>	<u>(532)</u>
Subtotal Operating Income	367	887
Variable Interest Entity	<u>-</u>	<u>367</u>
Total Operating Income	<u>\$ 367</u>	<u>\$ 1,254</u>