

FOR: **WEBCO INDUSTRIES, INC.**

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For Immediate Release

**WEBCO INDUSTRIES, INC. REPORTS FISCAL 2012 FIRST
QUARTER RESULTS**

SAND SPRINGS, Oklahoma, December 6, 2011 – Webco Industries, Inc. (OTC: WEBC) today reported results for its fiscal 2012 first quarter ended October 31, 2011.

For its fiscal 2012 first quarter, the Company reported net income of \$2.8 million, or \$3.63 per diluted share, compared to net income of \$6.2 million, or \$7.98 per diluted share, for the same quarter in fiscal 2011. Net sales for the first quarter of fiscal 2012 were \$129.6 million, a 25.4 percent increase from the \$103.3 million of sales in last year's first quarter. The current quarter results reflect \$1.9 million non-cash pre-tax loss related to an interest swap contract, whereas the prior year same quarter included a \$0.4 million pre-tax loss on interest rate swaps.

Dana S. Weber, Chief Executive Officer, commented, "We are progressing with the development of additional facilities and new product offerings. It is our intention to continuously deploy capital in pursuit of organic growth opportunities that are consistent with our long-term niche strategy."

Gross profit for the first quarter of fiscal 2012 was \$13.0 million, or 10.0 percent of net sales, compared to \$15.7 million, or 15.2 percent of net sales, for the first quarter of fiscal 2011. The gross profit percentage decreased because of facility start-up and product development costs.

Selling, general and administrative expenses in the first quarter of fiscal 2012 were \$5.4 million, compared to \$5.8 million in the first quarter of the prior year.

Interest expense was \$1.3 million in the current year first quarter and \$1.0 million in prior year first quarter. The Company is party to an arrangement that swaps the variable interest rate for \$75 million of the Company's debt to a fixed rate through May 2017. Monthly swap settlements are included in interest expense. The Company records the interest swap at fair value and non-cash changes in value are reported in Gains or Losses on Interest Contracts.

Capital expenditures incurred amounted to \$5.6 million for the first quarter of fiscal 2012. The Company is constructing a new manufacturing facility in Oklahoma that will broaden technical capabilities, enhance quality and increase capacity for carbon steel tubing. The new facility is expected to be capable of production in the fourth quarter of fiscal year 2012. Capital spending in fiscal 2012 is expected to be in the range of \$40 to \$45 million.

Webco is a manufacturer and value added distributor of high-quality carbon steel, stainless steel and other metal tubular products designed to industry and customer specifications. Webco's tubing products consist primarily of pressure tubing and specialty tubing for use in durable and capital goods. Webco's long-term strategy involves the pursuit of niche markets within the metal tubing industry through the deployment of leading-edge manufacturing and information technology. Webco currently has six production facilities in Oklahoma and Pennsylvania and five value-added distribution facilities in Oklahoma, Texas, Illinois and Michigan, serving more than 1,500 customers globally.

Forward-looking statements: Certain statements in this release, including, but not limited to, those preceded by or predicated upon the words "anticipates," "appears," "believes," "can," "considering," "expects," "hopes," "plans," "projects," "pursue," "should," "would," or similar words constitute "forward-looking statements." Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company, or industry results, to differ materially from any future results, performance or achievements expressed or implied herein. Such risks, uncertainties and factors include the factors discussed above and, among others: general economic and business conditions, including the continuing global recession and disruptions in the global credit markets, competition from imports, changes in manufacturing technology, banking environment, including availability of adequate financing, monetary policy, raw material costs and availability, industry capacity, domestic competition, loss of significant customers and customer work stoppages, customer claims, technical and data processing capabilities, and insurance costs and availability. The Company assumes no obligation to update publicly such forward-looking statements, whether as a result of new information, future events or otherwise.

- TABLES FOLLOW -

WEBCO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in thousands, except per share data)
(Unaudited)

	Three Months Ended October 31,	
	<u>2011</u>	<u>2010</u>
Net sales	\$ 129,609	\$ 103,346
Cost of sales	<u>116,611</u>	<u>87,604</u>
Gross profit	12,998	15,742
Selling, general & administrative	<u>5,419</u>	<u>5,767</u>
Income from operations	7,579	9,975
Interest expense	1,252	992
(Gain) loss on interest contracts	<u>1,905</u>	<u>375</u>
Income before income taxes	4,422	8,608
Income tax expense	<u>1,603</u>	<u>2,457</u>
Net income	\$ <u>2,819</u>	\$ <u>6,151</u>
Net income per common share:		
Basic	\$ <u>3.69</u>	\$ <u>8.01</u>
Diluted	\$ <u>3.63</u>	\$ <u>7.98</u>
Weighted average common shares outstanding:		
Basic	<u>765,000</u>	<u>768,000</u>
Diluted	<u>776,000</u>	<u>771,000</u>

Totals may not foot due to rounding.

WEBCO INDUSTRIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET HIGHLIGHTS

(Dollars in thousands)

(Unaudited)

	October 31, <u>2011</u>	July 31, <u>2011</u>
Accounts receivable, net	\$ 56,678	\$ 73,411
Inventories, net	141,817	147,925
Other current assets	<u>18,561</u>	<u>15,484</u>
Total current assets	217,056	236,820
Net property, plant and equipment	84,987	81,710
Other long-term assets	<u>2,992</u>	<u>5,074</u>
Total assets	\$ <u>305,035</u>	\$ <u>323,604</u>
Other current liabilities	\$ 48,299	\$ 57,020
Current portion of long-term debt	<u>85,198</u>	<u>96,521</u>
Total current liabilities	133,497	153,541
Long-term debt	17,766	18,643
Deferred income tax liability	14,086	14,593
Total equity	<u>139,685</u>	<u>136,827</u>
Total liabilities and equity	\$ <u>305,035</u>	\$ <u>323,604</u>

CASH FLOW DATA

(Dollars in thousands)

(Unaudited)

	Three Months Ended	
	October 31,	
	<u>2011</u>	<u>2010</u>
Net cash provided by (used in) operating activities	\$ <u>20,195</u>	\$ <u>(750)</u>
Depreciation and amortization	\$ <u>2,449</u>	\$ <u>2,051</u>
Cash paid for capital expenditures	\$ <u>6,376</u>	\$ <u>3,086</u>

Totals may not foot due to rounding.