

# Mesa Labs Reports Second Quarter Earnings

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LAKESWOOD, Colo., Oct 30, 2003 /PRNewswire-FirstCall via COMTEX/ -- Mesa Laboratories, Inc. ([MLAB](#)) today reported its sales and earnings for its fiscal second quarter ended September 30, 2003.

For the second quarter of fiscal 2004, net sales decreased six percent to \$2,276,000 from \$2,432,000 in the same quarter last year. Net income for the quarter decreased 20 percent to \$528,000 or \$.17 per diluted share compared to \$661,000 or \$.20 per diluted share one year ago.

For the first six months of fiscal 2004, net sales increased one percent to \$4,529,000 from \$4,484,000 in the same period last year. Net income for the first six months decreased three percent to \$1,052,000 or \$.33 per diluted share compared to \$1,081,000 or \$.32 per share one year ago.

While sales for the quarter were down a small amount from the prior year quarter, they were up slightly from last quarter. Historically the fiscal second quarter, which straddles the summer months has been a weaker period for the company's revenues. Over the prior three years we were able to break this trend with acquisitions, new product introductions and a large one time sale. Over the first six months of the fiscal year, revenues are up a small amount compared to prior year. Datatrace sales for the six month period produced a five percent gain while medical instruments decreased by approximately seven percent. Nusonics products have increased over thirty percent for the same period, but this gain is on a much smaller base of sales.

Net income for the current quarter was up slightly from the prior quarter, but decreased more significantly from the prior year period. The decline in the quarterly net income was due to the decline in revenues. More specifically, a 17 percent decline was experienced in Datatrace product sales which was brought about by shipments of backlogged orders for the Micropack III in the year ago quarter. For the year-to-date, net income is down slightly compared to the prior fiscal year. This decline is due to utilization of a slightly higher income tax rate compared to last year and higher research and development expenditures this year. Diluted earnings per share increased slightly due to the benefits of the company's on-going stock repurchase plan.

During the first six months of the fiscal year, the Company repurchased 71,200 shares of our common stock under a previously announced buyback plan, and the Company's cash position increased by \$1,259,000 to \$6,020,000.

Mesa Laboratories develops, acquires, manufactures and markets electronic instruments for industrial, pharmaceutical and medical applications.

This news release contains forward-looking statements which involve risks and uncertainties. The Company's actual results could differ materially from those in any such forward-looking statements. Additional information concerning important factors that could cause results to differ materially from those in any such forward-looking statement is contained in the Company's Annual Report on Form-10KSB for the year ended March 31, 2003 as filed with the Securities and Exchange Commission, and from time to time in the Company's other reports on file with the Commission.

FINANCIAL SUMMARY

STATEMENT OF EARNINGS (Unaudited)

	Quarter Ended September 30		Six Months Ended September 30	
	2003	2002	2003	2002
Net Sales	\$2,276,000	\$2,432,000	\$4,529,000	\$4,484,000
Cost of Goods	902,000	878,000	1,708,000	1,690,000
Gross Profit	1,374,000	1,554,000	2,821,000	2,794,000
Operating Expense	562,000	573,000	1,214,000	1,204,000
Operating Income	812,000	981,000	1,607,000	1,590,000
Other (Income) & Expense	(11,000)	(16,000)	(23,000)	(31,000)
Earnings Before Taxes	823,000	997,000	1,630,000	1,621,000
Income Taxes	295,000	336,000	578,000	540,000
Net Income	\$528,000	\$661,000	\$1,052,000	\$1,081,000
Earnings Per Share (Basic)	\$.17	\$.20	\$.34	\$.33
Earnings Per Share (Diluted)	\$.17	\$.20	\$.33	\$.32
Average Shares (Basic)	3,052,000	3,304,000	3,066,000	3,318,000
Average Shares (Diluted)	3,180,000	3,366,000	3,167,000	3,389,000

BALANCE SHEETS (Unaudited)

	Sept 30 2003	March 31 2003
Cash and Short-term Investments	\$6,020,000	\$4,761,000
Other Current Assets	4,084,000	4,843,000
Total Current Assets	10,104,000	9,604,000
Property and Equipment	1,313,000	1,348,000
Other Assets	4,208,000	4,208,000
Total Assets	\$15,625,000	\$15,160,000
Liabilities	\$584,000	\$673,000
Stockholders' Equity	15,041,000	14,487,000
Total Liabilities and Equity	\$15,625,000	\$15,160,000

SOURCE Mesa Laboratories, Inc.

