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FOR IMMEDIATE RELEASE

**ALDILA REPORTS FOURTH QUARTER AND YEAR END 2011
FINANCIAL RESULTS**

Poway, CA, March 29, 2012 – ALDILA, INC. (OTCQX:ALDA) (PINKSHEETS:ALDA) announced today net sales of \$11.9 million and a net loss of \$4.5 million (\$0.83 loss per share) for the three months ending December 31, 2011 as compared to net sales of \$12.0 million and a net loss of \$403,000 (\$0.08 loss per share) for the comparable period in 2010. The Company had approximately \$451,000 in one-time charges included in cost of sales related to Archery inventories as the Company completed the final transition of Archery manufacturing to its Vietnam facility. Included in the provision for income taxes in 2011 was tax due in the amount of \$2.5 million for a deemed tax dividend under U.S. tax law related to the repatriation of foreign earnings from the Company's China operations. Without the one-time charges and the deemed tax dividend, the Company would have had a net loss of \$1.7 million or (\$0.31 loss per share). Although this has been a challenging year, we are encouraged our backlog as of December 31, 2011 of \$11.4 million is a 33% increase sequentially from our backlog as of September 30, 2011 and an increase of 106% as compared to our backlog as of December 31, 2010.

For the twelve months ended December 31, 2011, the Company's net sales were \$48.0 million and a net loss of \$5.9 million (\$1.10 loss per share) as compared to net sales of \$54.7 million and net income of \$2.3 million (\$0.43 income per share) for the comparable period in 2010. As mentioned above, the Company had one-time charges and a deemed tax dividend in 2011. In 2010, the Company realized a tax benefit of \$1.0 million dollars related to the Company's unrecognized tax positions previously taken. The Company's pro forma results in 2011 absent such one-time charges and deemed tax dividend would have been a net loss of \$3.1 million or (\$0.58 loss per share) as compared to pro forma results in 2010 absent the tax benefit of net income of \$1.2 million or (\$0.23 income per share).

“Our Golf shaft sales and margins during the quarter were impacted by operational issues that lowered our factory yields and one-time charges as we fully transitioned our Archery production to Vietnam during the quarter. We believe the majority of these issues are behind us. All in all, 2011 was a disappointing year as we struggled during the year with

lower than normal golf shaft volumes due to a generally weak golf equipment market. We have started the year with our factories busy and our backlog strong and believe we have improved our market share position with the number of new programs we have been awarded,” said Peter R. Mathewson, Chairman and Chief Executive Officer.

“On the PGA Tour, 2011 will go down as one of our best years ever. Aldila high performance graphite shafts were used to win 13 events during the year. Our shafts were once again the shafts of choice for the majority of players on Tour according to the Darrell Survey. Their weekly wood and hybrid shaft manufacturer reports confirm Aldila as the number one graphite shaft in play at 84% of all the PGA Tour events in 2011. Players who used Aldila shafts dominated the year end statistics. The number one and two players in the World Golf Rankings play Aldila shafts, the 2011 PGA Money list leader, Top-10 Finishes Leader, Scoring Average Leader, Driving Accuracy Leader and Proximity to the Hole Leader all played Aldila shafts during 2011,” Mr. Mathewson said.

“Our Composite Materials Division net sales for the fourth quarter of 2011 were up 12% versus the comparable quarter of 2010 and for the year ended December 31, 2011 net sales were up 18% versus the year ended December 31, 2010. The Company was able to increase sales to non-recreational accounts by 49% for the year ended December 31, 2011 as compared to the comparable period in 2010. Sales to recreational customers grew by 11% for same time periods. The Company has achieved significant growth over the last several years in this Division and believes that we will continue to grow sales in this Division. The Company has been successful in attempts to diversify this business into more non-recreational programs and has been able to grow the sales in this area by 254% when comparing annual sales in 2011 versus annual sales in 2008. Over that same time period sales for recreational programs grew by 51%. We hope to continue to achieve steady growth in the non-recreational programs and recreational programs,” said Mr. Mathewson.

“Our Victory Archery sales grew by 23% during 2011 versus the net sales achieved in 2010, when they were previously owned by Miramar Strategic Ventures LLC (“MSV”), and are poised for significant growth in 2012. We spent all of 2011 transitioning production to our Vietnam factory and have successfully completed that task. Behind us are the higher costs we incurred in Mexico during 2011, under the contract manufacturing arrangement we had with MSV, the higher inventory carrying costs of the purchased inventory due to the acquisition at the end of 2010, and the expense of setting up the manufacturing at our facility in Vietnam. At the recent Archery Trade Association Show, the largest of its kind in the industry, Victory introduced some of the most innovative arrow offerings of any of our competitors. Our new VAP VooDoo™ combines an ultra small diameter shaft with our exclusive Rail Ryder Technology to create the fastest, most accurate cross bow bolt available. We also introduced Victory ICE™, the slickest arrow coating available on the market today. This dry slick finish allows for 60% less pulling effort when removing the arrow from a target, increased penetration, increased flight speed and improves the appearance of the arrow as well. This revolutionary new arrow coating sets Victory apart from all other arrow brands,” Mr. Mathewson said.

This press release contains forward-looking statements based on our expectations as of the date of this press release. These statements necessarily reflect assumptions that we make in evaluating our expectations as to the future. Forward-looking statements are necessarily subject to risks and uncertainties. Our actual future performance and results could differ from that contained in or suggested by these forward-looking statements as a result of a variety of factors. Our filings with the OTC Disclosure and News Service and the Securities and Exchange Commission (for filings prior to move to OTCQX U.S. Premier) present a detailed discussion of the principal risks and uncertainties related to our future operations, in particular our Annual Report for the year ended December 31, 2011, under “The nature of issuer’s business” in Part C, Item VIII, and “Management’s Discussion and Analysis or Plan of Operation” in Part C, Item XVI and Quarterly Reports and Current Reports, all of which can be obtained on the OTCQX U.S. Premier website, which can be found at www.otcqx.com.

The forward-looking statements in this press release are particularly subject to the risks that:

- consumer discretionary spending will be flat or decline, which could have a material impact on our business;
- our product offerings, including the NV®, VS Proto™, DVS®, VooDoo® and RIP® shaft lines and product offerings outside the golf industry, will not achieve or maintain success with consumers or customers;
- we will not maintain or increase our market share at our principal customers;
- demand for clubs manufactured by our principal customers will decline, thereby affecting their demand for our shafts;
- demand for composite materials by our principal customers will decline or fail to continue to grow;
- the market for graphite shafts will continue to be extremely competitive, affecting selling prices and profitability;
- our international operations will be adversely affected by political instability, currency fluctuations, export/import regulations or other risks typical of multi-national operations, particularly those in less developed countries;
- the Company will not be able to acquire adequate supplies of carbon fiber at reasonable market prices;
- acts of terrorism, natural disasters, or disease pandemics interfere with our manufacturing operations or our ability to ship our finished products.

For additional information about Aldila, Inc., please go to the Company’s website at www.aldila.com.

ALDILA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	December 31, 2011	December 31, 2010
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 477	\$ 3,400
Accounts receivable	6,328	6,157
Inventories	14,209	10,779
Deferred tax assets	717	646
Prepaid expenses and other current assets	655	604
Total current assets	22,386	21,586
PROPERTY, PLANT AND EQUIPMENT	11,157	11,748
DEFERRED TAXES	1,824	1,737
OTHER NON-CURRENT ASSETS	57	107
INTANGIBLE ASSETS	1,193	1,311
GOODWILL	248	248
TOTAL ASSETS	\$ 36,865	\$ 36,737
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 6,790	\$ 3,839
Income taxes payable	90	62
Accrued expenses	2,456	2,383
Short term debt	2,800	750
Other current liability	758	262
Total current liabilities	12,894	7,296
LONG-TERM LIABILITIES:		
Deferred rent	78	109
Other long-term liabilities	1,746	1,470
Total liabilities	14,718	8,875
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock, \$.01 par value; authorized 5,000,000 shares; no shares issued	-	-
Common stock, \$.01 par value; authorized 30,000,000 shares; issued and outstanding 5,387,743 shares as of September 30, 2011 and 5,349,863 shares as of December 31, 2010	53	53
Additional paid-in capital	45,321	45,159
Accumulated deficit	(23,227)	(17,350)
Total stockholders' equity	22,147	27,862
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 36,865	\$ 36,737

ALDILA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS - UNAUDITED
(In thousands, except per share data)

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2011	2010	2011	2010
NET SALES	\$ 11,880	\$ 11,966	\$ 48,040	\$ 54,710
COST OF SALES	11,276	9,506	39,511	39,413
Gross profit	<u>604</u>	<u>2,460</u>	<u>8,529</u>	<u>15,297</u>
SELLING, GENERAL AND ADMINISTRATIVE	2,835	2,413	11,014	10,897
RESEARCH & DEVELOPMENT	750	681	3,022	2,841
Operating (loss) income	<u>(2,981)</u>	<u>(634)</u>	<u>(5,507)</u>	<u>1,559</u>
OTHER INCOME (EXPENSE):				
Interest income	2	3	6	8
Interest expense	(17)	(2)	(30)	(34)
Other, net	<u>(76)</u>	<u>(22)</u>	<u>(165)</u>	<u>(9)</u>
(LOSS) INCOME BEFORE INCOME TAXES	(3,072)	(655)	(5,696)	1,524
PROVISION (BENEFIT) FOR INCOME TAXES	<u>1,413</u>	<u>(252)</u>	<u>181</u>	<u>(741)</u>
NET (LOSS) INCOME	<u>\$ (4,485)</u>	<u>\$ (403)</u>	<u>\$ (5,877)</u>	<u>\$ 2,265</u>
NET (LOSS) INCOME PER COMMON SHARE	<u>\$ (0.83)</u>	<u>\$ (0.08)</u>	<u>\$ (1.10)</u>	<u>\$ 0.43</u>
NET (LOSS) INCOME PER COMMON SHARE, ASSUMING DILUTION	<u>\$ (0.83)</u>	<u>\$ (0.08)</u>	<u>\$ (1.10)</u>	<u>\$ 0.43</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>5,388</u>	<u>5,247</u>	<u>5,363</u>	<u>5,219</u>
WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES	<u>5,388</u>	<u>5,247</u>	<u>5,363</u>	<u>5,251</u>

ALDILA, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS - UNAUDITED
(In thousands)

	Twelve months ended December 31,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net (loss) income	\$ (5,877)	\$ 2,265
Depreciation and amortization	2,063	1,738
Stock-based compensation	160	191
Loss on disposal of fixed assets	53	18
Changes in working capital items, net	(184)	(300)
Net cash (used for) provided by operating activities	(3,785)	3,912
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(1,102)	(1,180)
Purchases of intangible assets	(90)	-
Proceeds from sales of property, plant and equipment	2	16
Acquisition of Victory Archery	-	(2,300)
Net cash used for investing activities	(1,190)	(3,464)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments for term loan	-	(3,167)
Borrowings against line of credit	13,762	750
Payments for line of credit	(11,712)	(300)
Proceeds from issuance of common stock	2	15
Tax expense associated with cancellation of stock options	-	(139)
Dividend payments	-	(1,311)
Net cash provided by (used for) financing activities	2,052	(4,152)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,923)	(3,704)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3,400	7,104
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 477	\$ 3,400