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FOR IMMEDIATE RELEASE

ALDILA REPORTS SECOND QUARTER AND YEAR TO DATE 2010 FINANCIAL RESULTS

Poway, CA, August 12, 2010 – ALDILA, INC. (OTCQX: ALDA) (PINKSHEETS: ALDA) announced today net sales of \$14.4 million and net income of \$704,000 (\$0.13 earnings per share) for the three months ended June 30, 2010 as compared to net sales of \$10.6 million and a net loss of \$627,000 (\$0.12 loss per share) for the comparable period in 2009. For the six months ended June 30, 2010, the Company's net sales were \$30.5 million and net income of \$1.4 million (\$0.27 earnings per share) as compared to net sales of \$24.4 million and a net loss of \$675,000 (\$0.13 loss per share) for the six months ended June 30, 2009.

“During the second quarter we continued to see sales gains in our graphite golf shafts and our composite materials. Our golf shaft sales increased by 26% and composite material sales increased by 100% versus the second quarter of 2009. Our consolidated sales increased by 36% versus the second quarter of 2009. For the six months ended June 30, 2010, golf shaft sales increased by 16% and composite materials increased by 92% versus the six month period in 2009. Our average selling price declined by 6% and 7% for the three and six month periods ended June 30, 2010, respectively, as compared to the comparable periods in 2009. Our backlog was \$6.7 million as of June 30, 2010 as compared to \$6.8 million as of June 30, 2009. Our balance sheet is strong, with \$8.1 million in cash as of June 30, 2010, after paying down our debt by \$3.5 million during the six month period ended June 30, 2010. As of June 30, 2010, the Company has zero debt and has terminated its credit facility with Key Bank,” said Peter R. Mathewson, Chairman and CEO.

“Clearly, from our point of view the sell in season has been strong versus last year. The sell through of golf clubs at retail is still a concern as the numbers through June point to a decline in metal wood and iron club sales. Last year, heavy promotions by equipment manufacturers were rampant with buy one get one free club deals that helped stimulate unit sales. This year's discounting appears to be much more subdued. We believe our market share has grown over the last couple of years, and we believe our success has hinged on giving our key club partners more compelling shaft options than our competitors. Our three technology platforms of Micro Laminate Technology®, S-core Technology™ and our new RIP™ technology, offer us three platforms to design and market the world's most advanced golf shafts,” said Mr. Mathewson.

“We continue to experience tremendous success on the PGA and Nationwide Tours this year. Aldila shafts have been used to win 8 PGA Tour events, to date. On the Nationwide Tour, our shafts have been used to win 10 times, nearly 70% of all events. Most recently, our new RIP™ shaft was used to win the U.S. Open Championship and the runner-up at The British Open Championship used our VooDoo® shaft. We continue to be the leading shaft manufacturer for woods and hybrid clubs on both the PGA and Nationwide Tours. In fact, Aldila shafts are preferred in hybrid clubs by nearly a 2 to 1 margin over our competitors. Our new RIP™ shaft, introduced in late July, has begun shipping to our distribution network. We envision a broad family of shaft models to be developed under the RIP™ technology banner and several models are currently being tested for future introductions,” Mr. Mathewson said.

“Our Composite Materials Division continues to show impressive gains in sales, up 100% in the second quarter versus last year’s comparable quarter and up 92% through the six month period versus last year. The three month and six month periods ended June 30, 2010, sales of \$3.1 million and \$5.8 million, respectively, were record amounts for a quarter and for the first half of the year for the Composite Materials division. The increase in sales was primarily attributed to increases in sales to customers in the recreational industry. The Company also had a 162% increase in sales to customers in the industrial industry, however, the increase only represents 11% of Composite Materials sales. The Company is actively pursuing new customers in an attempt to further diversify its business. Composite Materials sales represented 22% and 19% of the Company’s consolidated sales for the three month and six month periods ended June 30, 2010, respectively. The Company plans to further strengthen the organization during the year with the addition of some key personnel as we seek to build a solid foundation for growth,” said Mr. Mathewson.

Aldila will host a conference call at 5 P.M. Eastern Time, on August 12, 2010, with Peter R. Mathewson, Chairman & CEO and Scott M. Bier, Vice President, Chief Financial Officer, to review Aldila’s Second Quarter and Year to Date 2010 financial results. For telephone access to the conference call dial 1-888-262-8721 or 1-913-312-1517 for international calls and request connection to the Aldila conference call, Participant Passcode: 5457142. A live webcast of the conference call can be accessed on the Aldila website at <http://www.aldila.com>. An archive of the webcast will be available through our website for 90 days following the conference call.

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 Securities and Exchange Commission and OTC Disclosure and News Service present a detailed discussion of the principal risks and uncertainties related to our future operations, in particular our Annual Report on Form 10-K for the year ended December 31, 2009, under “Business Risks” in Part I, Item 1, and “Management’s Discussion and Analysis of Financial Condition and Results of

Operation” in Part I, Item 7 of the Form 10-K, and reports on Form 10-Q and Form 8-K, all of which can be obtained at www.sec.gov. Our future filings will be included 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.

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

	Three months ended		Six months ended	
	June 30,		June 30,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
NET SALES	\$ 14,398	\$ 10,574	\$ 30,517	\$ 24,377
COST OF SALES	<u>10,806</u>	<u>9,191</u>	<u>22,692</u>	<u>20,132</u>
Gross profit	<u>3,592</u>	<u>1,383</u>	<u>7,825</u>	<u>4,245</u>
SELLING, GENERAL AND ADMINISTRATIVE	<u>2,633</u>	<u>2,558</u>	<u>5,836</u>	<u>5,388</u>
Operating income (loss)	<u>959</u>	<u>(1,175)</u>	<u>1,989</u>	<u>(1,143)</u>
OTHER INCOME (EXPENSE):				
Interest income	1	7	2	9
Interest expense	(10)	(44)	(32)	(102)
Other, net	<u>(74)</u>	<u>(64)</u>	<u>17</u>	<u>(80)</u>
INCOME (LOSS) BEFORE INCOME TAXES	876	(1,276)	1,976	(1,316)
PROVISION (BENEFIT) FOR INCOME TAXES	<u>172</u>	<u>(649)</u>	<u>565</u>	<u>(641)</u>
NET INCOME (LOSS)	<u>\$ 704</u>	<u>\$ (627)</u>	<u>\$ 1,411</u>	<u>\$ (675)</u>
NET INCOME (LOSS) PER COMMON SHARE	<u>\$ 0.14</u>	<u>\$ (0.12)</u>	<u>\$ 0.27</u>	<u>\$ (0.13)</u>
NET INCOME (LOSS) PER COMMON SHARE, ASSUMING DILUTION	<u>\$ 0.13</u>	<u>\$ (0.12)</u>	<u>\$ 0.27</u>	<u>\$ (0.13)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>5,203</u>	<u>5,174</u>	<u>5,203</u>	<u>5,174</u>
WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES	<u>5,265</u>	<u>5,174</u>	<u>5,254</u>	<u>5,174</u>

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

	<u>June 30,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 8,109	\$ 7,104
Accounts receivable	5,940	7,535
Inventories	9,518	9,280
Deferred tax assets	605	562
Prepaid expenses and other current assets	788	679
Total current assets	24,960	25,160
PROPERTY, PLANT AND EQUIPMENT	11,481	11,649
DEFERRED TAXES	1,546	1,528
OTHER NON-CURRENT ASSETS	204	235
TOTAL ASSETS	\$ 38,191	\$ 38,572
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 5,278	\$ 4,141
Income taxes payable	331	158
Accrued expenses	2,613	2,438
Short term debt	-	1,300
Other current liability	537	509
Total current liabilities	8,759	8,546
LONG-TERM LIABILITIES:		
Deferred rent	113	111
Long term debt	-	2,167
Other long-term liabilities	1,385	1,332
Total liabilities	10,257	12,156
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 5,203,656 shares as of June 30, 2010 and 5,202,156 shares as of December 31, 2009	52	52
Additional paid-in capital	44,725	44,618
Accumulated deficit	(16,843)	(18,254)
Total stockholders' equity	27,934	26,416
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 38,191	\$ 38,572

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

	Six months ended June 30,	
	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 1,411	\$ (675)
Depreciation and amortization	855	892
Stock-based compensation	102	229
Loss on disposal of fixed assets	-	76
Changes in working capital items, net	2,778	3,688
Net cash provided by operating activities	5,146	4,210
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(679)	(441)
Proceeds from sales of property, plant and equipment	-	11
Net cash used for investing activities	(679)	(430)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments for term loan	(3,167)	(500)
Borrowings against line of credit	-	2,800
Payments for line of credit	(300)	(5,400)
Proceeds from issuance of common stock	5	-
Net cash used for financing activities	(3,462)	(3,100)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,005	680
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	7,104	6,157
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 8,109	\$ 6,837