

# **O·I·CORPORATION**

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## **O.I. CORPORATION ANNOUNCES RESULTS FOR FIRST QUARTER 2003**

College Station, Texas, May 12, 2003 -- O.I. Corporation (NASDAQ Symbol: OICO) today reported results for the three months ended March 31, 2003.

### **For the First Quarter Ended March 31, 2003**

Revenue was \$6,422,000 for the first quarter of 2003, compared to \$5,059,000 for the same period of the prior year, and net income for the quarter was \$358,000, compared to a net loss of \$174,000 for the same period of the prior year. Diluted earnings per share was \$0.13 per share, compared to a diluted loss per share of \$0.06 per share for the same period of 2002.

### **Recent Developments**

During 2002, Parsons Infrastructure & Technology Group, Inc ("Parsons"), granted to the Company a series of purchase orders totaling approximately \$3,200,000 for MINICAMS. Due to changes in the scope of the equipment needed by the customers, approximately \$820,000 of this purchase order was cancelled subsequent to March 31, 2003. Parsons and the Company are negotiating a cancellation fee, which along with approximately \$15,000 in product shipments, will be invoiced upon completion of the order, which is expected to be by June 30, 2003. Total revenue recognized since the beginning of this order in 2002 has been approximately \$2,373,000, including approximately \$32,000 recognized as revenue in the quarter ended March 31, 2003.

### **Repurchase of Company Shares**

Since 1995, the Company has repurchased an aggregate of 1,727,378 shares of its common stock. Although no such repurchases were made by the Company in the quarter ended March 31, 2003, the Company may purchase up to an additional 47,622 shares under the current stock repurchase authorizations by the Board of Directors. The Company may seek authorization from its Board of Directors to expand the share repurchase program if it believes repurchases continue to be in the best interest of the Company.

William W. Botts, President, said,

"We are pleased with the first quarter results. Contributing to the increase in revenues was a backlog of \$5,300,000 at the beginning of the quarter, which together with cost reduction initiatives improved operating results for the quarter. Throughout the quarter, we observed increasing delays in customer decisions to make capital purchases, which we attribute to concerns about the war in Iraq and its potential adverse impact on the existing soft economy.

Despite a soft economy and unpredictable quarterly revenue, we are continuing with planned levels of investments in research and development. At Pittcon, an analytical instruments industry

conference and exhibition, we introduced the Eclipse (the Company's 4<sup>th</sup> generation Purge and Trap sample concentrator). This product prepares water samples to be analyzed for trace amounts of toxic compounds including Volatile Organic Compounds. Another newly released product, the LAN9000 On-Line Monitor, continuously measures Brix/diet and CO<sub>2</sub> in beverage products. The LAN9000 is now operating successfully at three beta product-testing sites and at one additional site under a conditional purchase order.

We are cautious as we view the current economic climate, and our near-term outlook is guarded. We will balance cost cutting actions in the short term with investment in new products and marketing, which we believe to be in the Company's best long-term interest. When the economic cycle improves, we want to be positioned with new products, applications, and services that add value to our customers' businesses and that address the public's increasing concerns for the quality of the water we drink and the air we breathe."

### **O.I. CORPORATION FINANCIAL HIGHLIGHTS**

	Three Months Ended	
	March 31	
	<u>2003</u>	<u>2002</u>
Net revenues	\$ 6,422,000	\$ 5,059,000
Income (loss) before income taxes	\$ 572,000	\$ (264,000)
Provision (benefit) for income taxes	\$ 214,000	\$ (90,000)
Net income (loss)	\$ 358,000	\$ (174,000)
Weighted average shares, basic	2,759,000	2,752,000
Basic earnings (loss) per share	\$ 0.13	\$ (0.06)
Weighted average shares, diluted	2,768,000	2,752,000
Diluted earnings (loss) per share	\$ 0.13	\$ (0.06)

O.I. Corporation provides innovative products for chemical analysis. The products perform sample preparation, detection, analysis, measurement, and monitoring applications in food, beverage, pharmaceutical, semiconductor, power generation, chemical, petrochemical, and defense industries. Headquartered in College Station, Texas, the Company's products are sold worldwide by a direct sales force, independent sales representatives and distributors.

*This press release includes certain statements that may be deemed to be "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical facts, included in this press release that address activities, events or developments that the Company expects, believes or anticipates will or may occur in the future, are forward-looking statements. These statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes are appropriate in the circumstances. Such statements are subject to a number of assumptions, risks and uncertainties, many of which are beyond the control of the Company. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements.*