

# **O·I·CORPORATION**

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## **NEWS RELEASE**

### **O. I. CORPORATION ANNOUNCES RESULTS FOR THIRD QUARTER 2004**

College Station, Texas, November 12, 2004 – O.I. Corporation (NASDAQ Symbol: OICO) today announced results for the three and nine months ended September 30, 2004.

#### **For the Third Quarter Ended September 30, 2004**

Net revenues increased 15.6% to \$7,756,000 for the third quarter of 2004, compared to \$6,711,000 for the same period of the prior year. Net income was \$351,000 and diluted earnings per share were \$0.12, compared to \$535,000 and \$0.19, respectively, for the same period of the prior year. Net income for the quarter was reduced by a one-time non-cash expense amounting to \$768,000, relating to impairment of the Company's investment in Intelligent Ion, Inc.

#### **For the Nine Months Ended September 30, 2004**

Net revenues increased 13.6% to \$21,479,000 for the nine months ended September 30, 2004, compared to \$18,906,000 for the same period of the prior year. Year-to-date net income was up 12% to \$1,296,000, and diluted earnings per share were \$0.45, compared to net income of \$1,162,000, and diluted earnings per share of \$0.42 for the same period of the prior year. Year-to-date net income was reduced by a one-time, non-cash expense amounting to \$768,000, relating to impairment of the Company's investment in Intelligent Ion, Inc.

#### **Impairment of Investment in Intelligent Ion, Inc. (III)**

On October 26, 2004, the Company announced that it had entered into a non-binding letter of intent to acquire substantially all the assets of Intelligent Ion, Inc. (III) and that it would write off the remaining book value of its investment in III Series A Preferred Stock, totaling \$768,000, as of September 30, 2004.

The acquisition is contingent on satisfactory completion of due diligence by the Company and the negotiation, execution and delivery of a definitive agreement approved by the boards of the respective parties and the shareholders of III. There can be no assurance that this acquisition will be completed.

Should we complete the contemplated acquisition of III assets, we expect an increase in the Company's research, development, and engineering expense due to the Company undertaking product development work that was previously performed by III. Such an increase would be consistent with our previously announced plan to increase research and development to develop new products with innovative technology. Such expenses would include hiring additional personnel, purchasing supplies and component products for experimental use, outsourcing certain work, and using consulting services. We

would expect that these expenses would fluctuate based on the specific activity during any particular quarter.

William W. Botts, president, said,

“We are pleased with the third quarter operating results, which represent record quarterly revenues and operating income. Record operating income resulted from record sales volume and improved operational effectiveness, both of which more than offset increased spending in research and development. Net income was reduced by a non-cash impairment charge of \$768,000, which reduced net income by \$507,000, and earnings per share by \$0.18.

Net revenues for the third quarter were driven by higher sales of the Eclipse, a newly introduced product used for concentrating volatile organic compounds in water, and related autosamplers, continuous air monitoring products, and shipments of beverage monitors to a major domestic soft drink bottler, and to the largest bottler in Latin America. The online beverage monitor assists soft drink bottlers in controlling product quality by measuring sugar and carbonation content.

Even though the economic climate seems to be improving for our domestic customers, as demonstrated by increased buying to replace older equipment, our outlook remains cautious. The market continues to be characterized by customers making short-term purchase decisions, which creates a highly uncertain order flow.

We are continuing to increase research and development efforts focused on products we believe will position the Company to serve markets which appear to represent long-term growth opportunities, including homeland defense, air monitoring and water analysis.

We believe that our financial position provides us with the flexibility to implement our strategies for growth. Cash and cash equivalents plus investments in marketable securities amounted to approximately \$10.5 million, and we have no debt. In addition to our plan for increased R&D activity, we are constantly searching for potential acquisition opportunities that are a good fit with the Company.”

### FINANCIAL HIGHLIGHTS

	Three Months Ended September 30		Nine Months Ended September 30	
	2004	2003	2004	2003
Net revenues	\$7,756,000	\$ 6,711,000	\$21,479,000	\$18,906,000
Income before provision for income taxes	397,000	840,000	1,824,000	1,846,000
Provision for income taxes	46,000	305,000	528,000	684,000
Net income	351,000	535,000	1,296,000	1,162,000
Weighted average shares, basic	2,793,000	2,758,000	2,780,000	2,757,000
Basic earnings per share	\$0.13	\$0.19	\$0.47	\$0.42
Weighted average shares, diluted	2,872,000	2,805,000	2,859,000	2,785,000
Diluted earnings per share	\$0.12	\$0.19	\$0.45	\$0.42

O.I. Corporation provides innovative products for chemical analysis. The Company’s 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. See "Risk Factors and Cautionary Statement Regarding Forward-Looking Statements" in the Company's form 10-K for the year ended December 31, 2003.*