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# NEWS RELEASE

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**For Immediate Release**  
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## **IKONICS REPORTS FIRST QUARTER RESULTS**

DULUTH, MN - IKONICS Corporation (NASDAQ:IKNX), a Duluth based imaging technology company, reported 2009 first quarter earnings of \$53,000, or \$0.03 per share, on sales of \$3,563,000. Compared to the first quarter of 2008, sales were down 6%. Earnings also decreased from the \$106,000, or \$0.05 per share, earned during the same period last year.

Bill Ulland, IKONICS CEO, said, "We continue to be affected by the worldwide recession. Although our new business initiatives continue to show great promise and our domestic screen print segment performed very well during the quarter, export shipments and sales to the domestic awards and recognition market were poor. There is normally some volatility in export sales in the first quarter, but I do not expect sales to the awards and recognition industry to recover until the economy returns to growth.

"Our strategic plan is for our new business initiatives of Photo Machining, Acoustics, Digital Texturing, and Industrial Solutions to add new sales and profits to the company. This is happening, but not yet at a rate to compensate for the recession-related declines in our traditional markets. Our customers for the new businesses are giving us encouragement that we should see a pick up in orders in the second half of 2009, but some of them also are affected by the recession," Ulland said.

"We are financially healthy and continue to generate a strong cash flow. We remain committed to our strategic plan and support for our traditional markets," he continued. "I am optimistic that once this economic storm has passed, we will be well positioned for growth."

This press release contains forward-looking statements regarding sales, net earnings, and new products that involve risks and uncertainties. The Company's actual results could differ materially as a result of domestic and global economic conditions, competitive market conditions, acceptance of new products, the ability to identify and make suitable acquisitions, as well as the factors described in the Company's Form s 10-K, and 10-Q, and other reports on file with the SEC.

# IKONICS Corporation

## CONDENSED STATEMENTS OF OPERATIONS (unaudited)

For the Three Months Ended March 31, 2009 and 2008

	<b>Three Months Ended</b>	
	<b><u>3/31/09</u></b>	<b><u>3/31/08</u></b>
Net Sales	\$3,563,212	\$3,780,848
Cost of Goods Sold	<u>2,157,898</u>	<u>2,151,793</u>
Gross Profit	1,405,314	1,629,055
Operating expenses	<u>1,388,864</u>	<u>1,581,935</u>
Income from operations	16,450	47,120
Gain on sale of non-marketable equity securities	20,131	-
Interest income	<u>70</u>	<u>43,675</u>
Income before income taxes	36,651	90,765
Income tax benefit	<u>(16,484)</u>	<u>(14,843)</u>
Net income	<u>\$ 53,135</u>	<u>\$ 105,638</u>
Earnings per common share-diluted	<u>\$ 0.03</u>	<u>\$ 0.05</u>
Average shares outstanding-diluted	1,989,866	2,069,129

### Condensed Balance Sheets

As of March 31, 2009 and December 31, 2008

	<b><u>3/31/09</u></b>	<b><u>12/31/08</u></b>
	(unaudited)	
<b>Assets</b>		
Current assets	\$ 5,472,184	\$ 5,562,130
Property, plant and equipment, net	5,543,384	5,602,063
Investment in non-marketable equity securities	918,951	918,951
Intangible assets, net	<u>378,561</u>	<u>403,285</u>
	<u>\$12,313,080</u>	<u>\$12,486,429</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities	\$ 713,749	\$ 909,789
Deferred income taxes	178,000	143,000
Long term debt	-	-
Stockholders' equity	<u>11,421,331</u>	<u>11,433,640</u>
	<u>\$12,313,080</u>	<u>\$12,486,429</u>