

## FFI REPORTS QUARTERLY RESULTS

INDIANAPOLIS, INDIANA – May 16, 2011 - Fortune Industries, Inc. (NYSE AMEX:FFI) announced today results for the quarter ended March 31, 2011.

### **Highlights**

Revenue for the three months ended March 31, 2011 was \$16.8 million as compared to revenue of \$15.3 million for the same three-month period in 2010, representing a \$1.5 million increase in revenue.

Net income available to common stock shareholders for the three months ended March 31, 2011 was \$0.265 million or \$0.02 per share fully diluted versus (\$0.426) million or (\$0.03) per share fully diluted for the same three-month period in 2010, representing a \$0.691 million increase in net income available to common stock shareholders.

Working capital at March 31, 2011 was \$2.3 million, as compared to working capital at June 30, 2010 of \$1.2 million, representing an increase of \$1.1 million during the nine month period. This increase was due to the continued profitability of the Company's operations.

The Company reported EBITDA of \$0.579 million for the three months ended March 31, 2011, as compared to EBITDA of (\$0.086) million for the same three month period in 2010, representing a \$0.664 million increase in EBITDA for the current period.

Total number of worksite employees at March 31, 2011 was 14,628 as compared to 13,291 at March 31, 2010, representing a net increase of 1,337 worksite employees.

"I am happy to report such positive earnings for our third fiscal quarter," stated Tena Mayberry, President and CEO. "We continue to add worksite employees while reducing our expenses, which resulted in an increase in revenue, net income, and EBITDA. We are seeing evidence of the economy recovering slowly, as our same-store sales are increasing, which indicates the hiring of new employees and increased salaries for our existing clients. Further, we have renegotiated our largest workers' compensation policy providing additional unrestricted cash for operations. We look forward to continuing this positive trend by keeping expenses in line while focusing on growing our revenue base."

### **About Fortune Industries, Inc.**

Fortune Industries, Inc. is focused as a professional employer organization (PEO) to small and medium-sized businesses in 48 states, including human resource consulting & management, employee assessment, training, and benefits administration.

Fortune Industries, Inc. is based in Indianapolis, Indiana and is publicly traded on the NYSE Amex exchange under the symbol FFI. Additional information about Fortune Industries, Inc. can be found at [www.ffi.net](http://www.ffi.net).

*This press release and other statements by Fortune Industries, Inc. may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by words or phrases such as "believe," "expect," "estimate," "potential," or future/conditional verbs such as "will," "should," and "could" or the negative of those terms or other variations of them or by comparable terminology. The absence of*

*such terms, however, does not mean that the statement is not forward-looking. Any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties that could cause actual results to differ materially. Factors that might cause or contribute to such differences, include, but are not limited to, the risks and uncertainties that are discussed under the heading "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" within the Company's Form 10-K/A for the year ended June 30, 2010. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers should carefully review the risk factors disclosed within the Company's Form 10-K/A and other documents filed by the Company with the Securities and Exchange Commission.*

### **Contact**

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### **Consolidated Financial Information**

Financial highlights are as follows:

	<b>Three Month Period Ended</b>	
	<b>March 31, 2011</b>	<b>March 31, 2010</b>
	(Dollars in thousands, except per share data)	
<b>TOTAL REVENUES</b>	\$ 16,816	\$ 15,319
<b>COST OF REVENUES</b>	13,713	12,684
<b>GROSS PROFIT</b>	3,103	2,635
<b>OPERATING EXPENSES</b>	2,684	2,920
<b>OPERATING INCOME</b>	419	(285)
<b>OTHER INCOME</b>	14	25
<b>INCOME BEFORE PROVISION FOR INCOME TAXES</b>	433	(260)
Provision for income tax expense (benefit)	20	14
<b>NET INCOME FROM CONTINUING OPERATIONS</b>	413	(274)
<b>DISCONTINUED OPERATIONS</b>		
Loss from discontinued operations	0	(4)
<b>NET INCOME</b>	413	(278)

Preferred stock dividends	<u>148</u>	<u>148</u>
<b>NET INCOME AVAILABLE TO COMMON SHAREHOLDERS</b>	<u>\$ 265</u>	<u>\$ (426)</u>
<b>BASIC INCOME PER COMMON SHARE</b>	<u>\$ 0.02</u>	<u>\$ (0.03)</u>
<b>Basic Weighted Average Shares Outstanding</b>	<u>12,235,790</u>	<u>12,205,534</u>
<b>DILUTED INCOME PER COMMON SHARE</b>	<u>\$ 0.02</u>	<u>\$ (0.03)</u>
<b>Diluted Weighted Average Shares Outstanding</b>	<u>14,533,184</u>	<u>14,715,579</u>