FOR IMMEDIATE RELEASE

ORBIT INTERNATIONAL CORP. REPORTS 2018 SECOND QUARTER RESULTS

Second Qtr. 2018 Net Income of $744,000 ($0.21 per diluted share) v. $224,000 ($0.06 per diluted share) in Prior Year Period

Six Months 2018 Net Income of $1,165,000 ($0.32 per diluted share) v. $537,000 ($0.13 per diluted share) in Prior Year Period

Both Second Quarter and Six Month Period Includes $573,000 ($0.16 per diluted share) Deferred Tax Benefit Resulting From Refundable AMT Credit Under New Tax Law

Six Months 2018 Pre-Tax Income Up 10.4% Over Comparable Prior Year Period

Initial CAATS Deliveries Commenced at End of Second Quarter; Deliveries to Increase in Second Half of 2018

Backlog at 6/30/18 at $25,929,000 v. 26,630,000 at 12/31/17, as adjusted

Hauppauge, New York, August 9, 2018 - Orbit International Corp. (OTC PINK:ORBT) today announced results for the second quarter and six months ended June 30, 2018.

Second Quarter 2018 vs. Second Quarter 2017

- Net sales were $5,032,000, as compared to $5,043,000.
- Gross margin was 35.3%, as compared to 37.2%.
- Net income was $744,000 ($0.21 per diluted share), as compared to net income of $224,000 ($0.06 per diluted share).
- Earnings before interest, taxes, depreciation and amortization and stock based compensation (EBITDA, as adjusted) was $227,000 ($0.06 per diluted share), as compared to earnings of $278,000 ($0.07 per diluted share).

First Half 2018 vs. First Half 2017

- Net sales were $10,381,000, as compared to $10,250,000.
- Gross margin was 37.8%, as compared to 37.9%.
- Net income was $1,165,000 ($0.32 per diluted share), as compared to net income of $537,000 ($0.13 per diluted share).
- Earnings before interest, taxes, depreciation and amortization and stock based compensation (EBITDA, as adjusted) was $693,000 ($0.19 per diluted share), as compared to earnings of $648,000 ($0.16 per diluted share).
- Backlog at June 30, 2018 was $25.9 million compared to $26.5 million at March 31, 2018 and $26.6 at December 31, 2017, as adjusted.

Mitchell Binder, President and CEO of Orbit International Corp. commented, “Our net income for the six months ended June 30, 2018 was $1,165,000 compared to $537,000 for the prior comparable period. Our net income for the current period was positively impacted by a $573,000 deferred tax benefit resulting from a future cash refund of our alternative minimum tax credit (AMT) credit pursuant to the Tax Cuts and Jobs Act of 2017. Under the new law, the AMT credit has been eliminated but allows for refunds of those credits not utilized. Our pre-tax income for the six months ended June 30, 2018 increased by 10.4% over the prior comparable period which was attributable to an increase in sales, product mix and operating efficiencies from our Electronics Group (OEG) along with our overall tight management of costs."

Mr. Binder added, "Our sales for the six months ended June 30, 2018 increased from the comparable period of the prior year due to an increase in sales from our OEG and despite lower sales from our Power Group (OPG). Initial shipments of the OPG's Common Aircraft Armament Test Sets (CAATS) for the U.S. Navy commenced at the end of the second quarter. However, based on delivery schedules, shipments of these units should significantly increase in the second half of the year. Consequently, we expect improved revenue from our OPG during the second half of 2018 as increased CAATS units are delivered. Consolidated revenue should also be positively impacted. Pursuant to delivery schedules, shipments of CAATS units should continue through 2019. Furthermore, we expect an additional award against the CAATS IDIQ contract around the third or fourth quarter of 2018, which should extend deliveries through 2020, although the timing of such award is an uncertainty."

Mr. Binder further added, "Our gross margin for the six months ended June 30, 2018 was 37.8%, a slight decrease from 37.9% from the comparable period of the prior year. Our lower gross margin was attributable to a lower gross profit from our OPG due to lower sales and product mix, particularly the commencement of sales of CAATS units which have a lower gross margin. The lower gross margin from the OPG was mostly offset by a higher gross margin from the OEG due to higher revenues, operating efficiencies and product mix. Selling, general and administrative costs decreased during the six months ended June 30, 2018 due to our tight management of costs and despite the one-time expenses incurred during the first quarter to increase our cybersecurity controls pursuant to new DoD requirements."

Mr. Binder continued, "Our backlog at June 30, 2018 was approximately $25,929,000 compared to approximately $26,630,000 at December 31, 2017, as adjusted. Backlog, as initially reported at December 31, 2017, was reduced by approximately $1,255,000 pursuant to the new revenue recognition rules promulgated by ASC 606. Our OEG is working with several of its customers on certain new and follow-on opportunities which we expect will be received through 2018. In addition, our bid pipeline for our OPG is increasing, particularly for its VPX technology. Bookings for our VPX products through June 2018 have exceeded total VPX bookings for all of 2017. These awards remain in the pre-production stage which we hope will result in greater contract awards once production commences. In addition, our engineers are working on a growing number of new opportunities which have the potential to layer on to our existing VPX backlog. We remain confident that our engineering team will remain at the forefront of this technology thereby maintaining or increasing our market share of a growing segment of the defense marketplace."

David Goldman, Chief Financial Officer, noted, "During the current quarter, we reduced the entire valuation allowance that we had placed on our AMT credit, which resulted in a $573,000 increase to our net deferred tax assets and a corresponding deferred tax benefit. The full valuation allowance on our AMT credit would most likely have continued indefinitely if not for the new tax law changes which eliminated the AMT credit but allowed for any unused credits to be refunded. We estimate that the $573,000 of unused AMT credit will be refunded to us in 2019 and 2020 when we expect to file our 2018 and 2019 federal tax returns.

Mr. Goldman concluded, "Our tangible book value per share at June 30, 2018 was $4.25 as compared to $4.04 at March 31, 2018 and $3.83 at December 31, 2017 (Note-tangible book value per share does not include any additional value for our remaining reserved deferred tax asset). Our financial condition continues to be strong. At June 30, 2018, total current assets were approximately $16.5 million versus total current liabilities of approximately $2.1 million for a 8.0 to 1 current ratio. Cash, cash equivalents and marketable securities as of June 30, 2018, aggregated approximately $1.1 million. To offset future federal and state taxes resulting from profits, we have approximately $8.7 million and $0.6 million in available federal and New York State net operating loss carryforwards, respectively."

Mr. Binder concluded, "Because our revenue is tied to our delivery schedules stated in our contracts, it is difficult to judge our performance on a quarterly basis. However, we are pleased with our first half performance in 2018 which we hope we can build upon, particularly with our backlog still strong and the deliveries of the CAATS units picking up in the third and fourth quarters which we expect will increase revenue levels in the second half of 2018 (albeit at a lower gross margin). We are expecting continued solid operating performance from our OEG, and our OPG is striving to sustain the continued growth of our VPX technology and to capture new opportunities for our COTS power supplies. Consequently, we are confident we are well positioned for continued improved operating performance in 2018."

Orbit International Corp., through its Electronics Group, is involved in the development and manufacture of custom electronic device and subsystem solutions for military and nonmilitary government applications through its production facility in Hauppauge, New York. Orbit's Power Group, also located in Hauppauge, NY, designs and manufactures a wide array of power products including AC power supplies, frequency converters, inverters, uninterruptible power supplies, VME/VPX power supplies as well as various COTS power sources. The Company also has a sales office in Thousand Oaks, CA and a facility in Louisville, KY dedicated to the design and manufacture of gun weapons systems.

Certain matters discussed in this news release and oral statements made from time to time by representatives of the Company including, statements regarding our expectations of Orbit's operating plans, deliveries under contracts and strategies generally; statements regarding our expectations of the performance of our business; expectations regarding costs and revenues, future operating results, additional orders, future business opportunities and continued growth, may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and the Federal securities laws. Although Orbit believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, it can give no assurance that its expectations will be achieved.

Forward-looking information is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those projected. Many of these factors are beyond Orbit International's ability to control or predict. Important factors that may cause actual results to differ materially and that could impact Orbit International and the statements contained in this news release can be found in Orbit's reports posted with the OTC Disclosure and News service. For forward-looking statements in this news release, Orbit claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Orbit assumes no obligation to update or supplement any forward-looking statements whether as a result of new information, future events or otherwise.

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(See Accompanying Tables)

Orbit International Corp.
Consolidated Statements of Income
(in thousands, except per share data)
(unaudited)

	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Net sales	$ 5,032	$ 5,043	$ 10,381	$ 10,250
Cost of sales	3,255	3,168	6,452	6,361
Gross profit	1,777	1,875	3,929	3,889
Selling general and administrative expenses	1,589	1,645	3,306	3,316
Interest expense	5	-	5	-
Investment and other (income) expense	-	(4)	2	15
Income before taxes	183	234	616	558
Income tax (benefit) provision	(561)	10	(549)	21
Net income	$ 744	$ 224	$ 1,165	$ 537
Basic earnings per share	$ 0.21	$ 0.06	$ 0.32	$ 0.13
Diluted earnings per share	$ 0.21	$ 0.06	$ 0.32	$ 0.13
Weighted average number of shares outstanding:				
Basic	3,594	3,936	3,594	3,994
Diluted	3,603	3,944	3,602	4,001

Orbit International Corp.
Consolidated Statements of Income
(in thousands, except per share data)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	**2017**	**2018**	**2017**
EBITDA (as adjusted) Reconciliation				
Net income	$ 744	$ 224	$ 1,165	$ 537
Interest expense	5	-	5	-
Income tax expense (benefit)	(561)	10	(549)	21
Depreciation and amortization	29	32	53	65
Stock based compensation	10	12	19	25
EBITDA (as adjusted) [1]	$ 227	$ 278	$ 693	$ 648
EBITDA (as adjusted) Per Diluted Share Reconciliation				
Net income	$ 0.21	$ 0.06	$ 0.32	$ 0.13
Interest expense	0.00	0.00	0.00	0.00
Income tax expense (benefit)	(0.16)	0.00	(0.15)	0.00
Depreciation and amortization	0.01	0.01	0.01	0.02
Stock based compensation	0.00	0.00	0.01	0.01
EBITDA (as adjusted), per diluted share [1]	$ 0.06	$ 0.07	$ 0.19	$ 0.16

[1] The EBITDA (as adjusted) tables presented are not determined in accordance with accounting principles generally accepted in the United States of America. Management uses EBITDA (as adjusted) to evaluate the operating performance of its business. It is also used, at times, by some investors, securities analysts and others to evaluate companies and make informed business decisions. EBITDA (as adjusted) is also a useful indicator of the income generated to service debt. EBITDA (as adjusted) is not a complete measure of an entity's profitability because it does not include costs and expenses for interest, depreciation and amortization, income taxes and stock based compensation. EBITDA (as adjusted) as presented herein may not be comparable to similarly named measures reported by other companies.

	Six Months Ended June 30,	
Reconciliation of EBITDA (as adjusted) to cash flows provided by (used in) operating activities [1]	**2018**	**2017**
EBITDA (as adjusted)	$ 693	$ 648
Cumulative effect of adoption of ASC 606	330	-
Interest expense	(5)	-
Income tax benefit	(24)	(21)
Loss on sale of marketable securities	6	22
Bond amortization	-	(1)
Net change in operating assets and liabilities	(1,515)	494
Cash flows provided by operating activities	$ (515)	$ 1,142

Orbit International Corp.
Consolidated Balance Sheets

	June 30, 2018 (unaudited)	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,060,000	$ 941,000
Investments in marketable securities	-	301,000
Accounts receivable, less allowance for doubtful accounts	1,936,000	3,248,000
Contract asset	1,753,000	-
Inventories	10,883,000	10,080,000
Other current assets	875,000	146,000
Total current assets	16,507,000	14,716,000
Property and equipment, net	291,000	183,000
Goodwill	868,000	868,000
Other assets	33,000	33,000
Deferred tax assets	1,123,000	550,000
Total assets	$ 18,822,000	$ 16,350,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 934,000	$ 524,000
Accrued expenses	958,000	1,014,000
Customer advances	173,000	69,000
Total current liabilities	2,065,000	1,607,000
Line of credit	500,000	-
Total liabilities	2,565,000	1,607,000
Stockholders' Equity		
Common stock	362,000	458,000
Additional paid-in capital	17,629,000	20,932,000
Treasury stock	-	(3,419,000)
Accumulated other comprehensive gain	-	1,000
Accumulated deficit	(1,734,000)	(3,229,000)
Stockholders' equity	16,257,000	14,743,000
Total liabilities and stockholders' equity	$ 18,822,000	$ 16,350,000