

Williams Controls, Inc.

News Release

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For Immediate Release

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WILLIAMS CONTROLS REPORTS FOURTH QUARTER 2011 RESULTS AND ANNOUNCES QUARTERLY DIVIDEND

PORTLAND, OR....December 8, 2011....Williams Controls, Inc. (the “Company”) (NYSE Amex: WMCO) today announced financial results for its fourth quarter and full fiscal year ended September 30, 2011.

Net sales for the quarter were \$16,756,000, up 18.5% from sales of \$14,144,000 reported in the fourth quarter of fiscal 2010. The Company reported net income in the fourth quarter of \$961,000, or \$0.13 per diluted share, compared to net income of \$510,000, or \$0.07 per diluted share, for the corresponding quarter of fiscal 2010.

Sales for the year ended September 30, 2011, increased \$9,593,000, or 18.4%, to \$61,859,000 from \$52,266,000 for the fiscal year ended September 30, 2010. Net income for the year ended September 30, 2011 was \$3,334,000 or \$0.45 per diluted share, compared to net income of \$1,377,000, or \$0.19 per diluted share, for the year ended September 30, 2010.

Results for both fiscal 2011 and 2010 include one-time or unusual charges. In the first half of fiscal 2011, the Company recognized an after-tax charge of approximately \$395,000, or \$0.05 per diluted share, for costs related to a potential acquisition that the Company ultimately did not pursue and for settlement of a long-standing legal matter. Included in the fiscal 2010 results was a net after-tax charge of approximately \$200,000, or \$0.03 per diluted share, related to settlement of the Cuesta class action lawsuit in the fourth quarter of fiscal 2010, offset by a one-time gain from the sale of stock obtained in the settlement of an environmental matter.

Sales to NAFTA truck customers in the fourth quarter of fiscal 2011 were up 43% over the fourth quarter of fiscal 2010 and were up 36% for the full year, as markets for heavy trucks continued to strengthen. Although improving, NAFTA class 5 through 8 truck builds in fiscal 2011 were still down approximately 35% over 2006 levels. Sales to European truck customers were up 31% on a quarter over quarter basis and 59% over fiscal 2010, primarily due to these customers increasing their heavy truck build rates after working through excess inventories in fiscal 2010. Sales to Asian truck customers increased 10% for the quarter and 19% for the full year. Fourth quarter fiscal 2011 world-wide off-road sales increased 5% compared to 2010 and on a full year basis increased 13% compared to fiscal 2010.

Today the Company also announced its third regular quarterly dividend of \$0.12 per share payable on December 28, 2011 to stockholders of record as of December 19, 2011.

Commenting on the fourth quarter results, Patrick W. Cavanagh, Williams Controls' President and Chief Executive Officer stated, "Our sales increase in fiscal 2011 was a combination of improving conditions in most of our existing markets, new international market growth and new product introductions. Approximately 30% of our fiscal 2011 sales growth came from new product introductions." He continued, "Margins are still being negatively impacted by start-up costs and timing of customer orders in India, however, customer orders began to improve late in the fourth quarter." He concluded, "World-wide off-road sales were the highest in the Company's history, with significant new off-road product launches and record off-road sales in Asia."

Williams Controls will hold an investor conference call at 10:30 A.M. Eastern Time on Thursday, December 8, 2011 to provide an overview of the fourth quarter of fiscal 2011 financial performance and business highlights. You are invited to listen to the conference call by dialing 1-888-665-2348 (domestic) or 1-973-200-3386 (international). Participants should call prior to the start time to allow for registration. The conference access code is 26812852. An audio

replay will be available by telephone through December 16, 2011. The telephone number to access the replay is 1-855-859-2056 (domestic) and 1-706-645-9291 (international). The access code will be 26812852.

ABOUT WILLIAMS CONTROLS

Williams Controls is a leading global designer and manufacturer of Electronic Throttle Control Systems (“ETCs”) for the heavy truck, bus and off-road markets. Williams Controls is headquartered in Portland, Oregon and employs more than 300 people worldwide at locations in North America, Europe, and Asia. For more information, visit Williams Controls’ website at www.wmco.com. Information posted on our website is not incorporated into, and does not constitute a part of, this release.

The statements included in this news release concerning predictions of economic performance and management’s plans and objectives constitute forward-looking statements made pursuant to the safe harbor provisions of Section 21E of the Securities Exchange Act of 1934, as amended. These forward looking statements are based on management’s assumptions and projections, and are sometimes identifiable by use of the words, “expect to,” “plan,” “will,” “believe” and words of similar predictive nature. Because management’s assumptions and projections are based on anticipation of future events, you should not place undue emphasis on forward-looking statements. You should anticipate that our actual performance may vary from these projections, and variations may be material and adverse. You should not rely on forward-looking statements in evaluating an investment or prospective investment in our stock, and when reading these statements you should consider the uncertainties and risks that could cause actual results to differ materially from the forward-looking statements. Factors which could cause or contribute to such differences include, but are not limited to, factors detailed in the Company’s Securities and Exchange Commission filings. These factors include our ability to maintain positive relationships with key customers; the concentration of our sales revenues among a

limited number of large customers; our status as a component manufacturer and the resulting impact on our revenues of demand for vehicles and equipment in which our products are installed; the effect of products liability lawsuits that directly affect us and that indirectly impact us because of their effect on the transportation and equipment industries generally; the impact of foreign currency exchange rates on our gross income; the impact of federal monetary and trade policies that impact the market for our products; our ability to comply with U.S. and foreign laws applicable to our overseas operations; and the status of our relationships with our employees and organized labor force. These risks and uncertainties are beyond our control and, in many cases; we cannot predict the risks and uncertainties that could cause our actual results to differ materially from those indicated by the forward-looking statements. Some of the factors that may cause our actual results in future periods to differ materially from those currently expected or desired because of a number of risks and uncertainties include, but are not limited to, those risks discussed in the section entitled “Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended September 30, 2010.

Williams Controls, Inc.
Unaudited Condensed Consolidated Statements of Operations
(Dollars in thousands, except share and per share amounts)
(Unaudited)

	Three months ended 9/30/11	Three months ended 9/30/10	Year ended 9/30/11	Year ended 9/30/10
Net sales	\$ 16,756	\$ 14,144	\$ 61,859	\$ 52,266
Cost of sales	11,880	10,316	42,638	37,446
Gross profit	4,876	3,828	19,221	14,820
Research and development expense	1,124	1,099	4,746	4,505
Selling expense	775	720	2,855	2,836
Administration expense	1,526	1,460	6,560	5,480
Class action provision	-	-	-	775
Operating income	1,451	549	5,060	1,224
Interest income	(1)	(2)	(5)	(13)
Interest expense	30	4	81	17
Gain on sale of investments	-	-	-	(441)
Other (income) expense, net	142	(6)	211	(54)
Income before income taxes	1,280	553	4,773	1,715
Income tax expense	319	43	1,439	338
Net income	\$ 961	\$ 510	\$ 3,334	\$ 1,377
Earnings per share information:				
<i>Basic –</i>				
Net income per common share	\$ 0.13	\$ 0.07	\$ 0.46	\$ 0.19
Weighted average shares used in per share calculation – basic	7,302,339	7,286,151	7,296,490	7,276,544
<i>Diluted –</i>				
Net income per common share	\$ 0.13	\$ 0.07	\$ 0.45	\$ 0.19
Weighted average shares used in per share calculation –diluted	7,480,222	7,412,625	7,471,215	7,387,939

Williams Controls, Inc.
Unaudited Condensed Consolidated Balance Sheets
(Dollars in thousands)
(Unaudited)

	September 30, 2011	September 30, 2010
Assets		
Current Assets:		
Cash and cash equivalents	\$ 1,339	\$ 3,016
Trade accounts receivable, net	10,561	8,854
Other accounts receivable	944	599
Inventories	11,334	7,512
Deferred income taxes	847	927
Prepaid expenses and other current assets	552	341
Total current assets	25,577	21,249
Property, plant and equipment, net	9,446	9,025
Deferred income taxes	3,181	3,493
Other assets, net	337	438
Total assets	\$ 38,541	\$ 34,205
Liabilities and Stockholders' Equity		
Current Liabilities:		
Revolving loan facility	\$ 1,575	\$ -
Accounts payable	5,599	4,593
Accrued expenses	5,536	5,698
Current portion of employee benefit obligations	201	212
Total current liabilities	12,911	10,503
Long-term Liabilities:		
Employee benefit obligations	8,069	8,694
Other long-term liabilities	126	244
Stockholders' Equity:		
Preferred stock	-	-
Common stock	73	73
Additional paid-in capital	38,521	37,623
Accumulated deficit	(11,108)	(12,677)
Treasury stock	(2,734)	(2,734)
Accumulated other comprehensive loss	(7,317)	(7,521)
Total stockholders' equity	17,435	14,764
Total liabilities and stockholders' equity	\$ 38,541	\$ 34,205