



**Kewaunee Scientific Announces  
Results for Third Quarter and Quarterly Dividend**

Exchange: NASDAQ (KEQU)

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STATESVILLE, NC, February 25, 2010--Kewaunee Scientific Corporation (NASDAQ: KEQU) today announced results for its third quarter ended January 31, 2010.

Sales for the quarter were \$21,814,000, down from sales of \$26,023,000 in the same period last year. Sales were affected by a soft market for small laboratory furniture projects, lower sales to international customers, and unusually bad weather which delayed the start of many construction projects. The lower sales also reflect the typical slowdown in construction activity during the winter months, which did not occur last year. Sales from domestic operations during the quarter were \$19,081,000, down from sales of \$22,498,000 in the same period last year. Sales from international operations were \$2,733,000, down from sales of \$3,525,000 in the same period last year.

The order backlog increased to a record \$65.5 million at January 31, 2010, up from \$60.7 million at January 31, 2009, and \$65.2 million at the end of last quarter.

Net earnings for the quarter were \$621,000, or \$0.24 per diluted share, down from \$882,000, or \$0.35 per diluted share, in the same period last year. Earnings were unfavorably impacted by lower sales and an after-tax increase in pension expense of \$157,000, or \$0.06 per diluted share, as compared to the third quarter last year. The pension expense increase primarily resulted from last year's decline in the market value of pension investments.

“Despite the lower earnings, I am pleased with our progress during the quarter,” said William A. Shumaker, President and Chief Executive Officer. “The order backlog is strong at \$65.5 million, and outstanding quotations are at record levels. Quotation opportunities in the international marketplace have increased dramatically in recent months. The international marketplace appears to show signs of recovery from the economic slowdown, and we expect to see improved results from our international operations in the fourth quarter. Quotation activity also remains strong in the domestic marketplace for larger laboratory projects, although we expect our results in the short-term will continue to be impacted by changes to construction schedules and project delivery dates. All of our markets remain highly-competitive with aggressive pricing; however, we continue to successfully compete and win projects.”



Sales for the nine months ended January 31, 2010 were \$75,151,000, down from sales of \$79,150,000 in the same period last year. Domestic sales for the nine months ended January 31, 2010 were \$67,152,000, down from sales of \$67,296,000 in the same period last year. Sales from international operations were \$7,999,000 for the nine months ended January 31, 2010, down from sales of \$11,854,000 in the same period last year.

Net earnings for the nine months ended January 31, 2010 were \$3,044,000, or \$1.18 per diluted share, down from net earnings of \$3,327,000, or \$1.30 per diluted share, in the same period last year. Earnings for the nine months were unfavorably impacted by an after-tax increase in pension expense of \$470,000, or \$0.18 per diluted share, as compared to the same period last year.

The Company's financial condition continues to be strong. Bank borrowings and capital lease obligations decreased to \$3,144,000 at January 31, 2010, down from \$6,318,000 at January 31, 2009. Cash on hand was \$2,443,000, as compared to \$3,089,000 at the end of the same period last year. Working capital increased to \$21,327,000 at the end of the quarter, up from \$17,749,000 at the end of the same period last year.

“As I look forward, I am optimistic about Kewaunee’s future,” continued Mr. Shumaker. “Our strategies to expand into new markets, introduce new products, and reduce costs are positioning Kewaunee well for long-term growth and success. We also continue to expand our manufacturing capabilities, with the recently announced expansion of our Statesville facility following the move into our new, larger Bangalore factory last summer.”

In other news, the Company announced today that its Board of Directors approved a cash dividend of ten cents per outstanding share to stockholders of record at the close of business on March 8, 2010, payable on March 22, 2010.

Kewaunee Scientific Corporation is a recognized leader in the design, manufacture, and installation of scientific and technical furniture. The Company's corporate headquarters are located in Statesville, North Carolina. The Company's manufacturing facilities are located in Statesville and Bangalore, India. The Company has subsidiaries in Singapore and Bangalore that serve the Asian and Middle East markets. Kewaunee Scientific's website is located at <http://www.kewaunee.com>.

*Certain statements in this release constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could significantly impact results or achievements expressed or implied by such forward-looking statements. These factors include, but are not limited to, economic, competitive, governmental, and technological factors affecting the Company's operations, markets, products, services, and prices.*

**Consolidated Statements of Operations**  
**(in thousands, except per share data)**  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	January 31		January 31	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Net sales	\$21,814	\$26,023	\$75,151	\$79,150
Cost of products sold	<u>17,129</u>	<u>21,089</u>	<u>58,492</u>	<u>62,846</u>
Gross profit	4,685	4,934	16,659	16,304
Operating expenses	<u>3,663</u>	<u>3,440</u>	<u>11,605</u>	<u>10,884</u>
Operating earnings	1,022	1,494	5,054	5,420
Other expense	--	3	--	(36)
Interest income (expense)	<u>(35)</u>	<u>(49)</u>	<u>(115)</u>	<u>(231)</u>
Earnings before income taxes	987	1,448	4,939	5,153
Income tax expense	<u>333</u>	<u>488</u>	<u>1,673</u>	<u>1,595</u>
Net earnings	654	960	3,266	3,558
Less: net earnings attributable to the noncontrolling interest	<u>33</u>	<u>78</u>	<u>222</u>	<u>231</u>
Net earnings attributable to Kewaunee Scientific Corporation	<u>\$621</u>	<u>\$882</u>	<u>\$3,044</u>	<u>\$3,327</u>
Net earnings per share attributable to Kewaunee Scientific Corporation stockholders				
Basic	\$0.24	\$0.35	\$1.19	\$1.30
Diluted	\$0.24	\$0.35	\$1.18	\$1.30
Weighted average number of common shares outstanding (in thousands)				
Basic	2,569	2,556	2,562	2,554
Diluted	2,581	2,556	2,570	2,563

**Condensed Consolidated Balance Sheets**  
(in thousands)

	January 31 <u>2010</u> (unaudited)	April 30 <u>2009</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$1,937	\$3,559
Restricted cash	506	456
Receivables, less allowances	23,007	24,526
Inventories	7,924	7,839
Prepaid expenses and other current assets	<u>1,585</u>	<u>1,165</u>
Total current assets	34,959	37,545
Net property, plant and equipment	12,609	11,369
Other assets	<u>4,035</u>	<u>3,615</u>
Total Assets	<u>\$51,603</u>	<u>\$52,529</u>
<b><u>Liabilities and Stockholders' Equity</u></b>		
Short-term borrowings	\$2,909	\$5,720
Current obligations under capital leases	96	220
Accounts payable	6,082	8,812
Other current liabilities	<u>4,545</u>	<u>3,911</u>
Total current liabilities	<u>13,632</u>	<u>18,663</u>
Other non-current liabilities	<u>6,672</u>	<u>5,607</u>
Total liabilities	20,304	24,270
Noncontrolling interest	1,625	1,306
Kewaunee Scientific Corporation equity	<u>29,674</u>	<u>26,953</u>
Total equity	<u>31,299</u>	<u>28,259</u>
Total Liabilities and Equity	<u>\$51,603</u>	<u>\$52,529</u>