



## Houston Wire & Cable Company Reports Results for the Third Quarter of 2009

HOUSTON, Nov 9, 2009 (GlobeNewswire via COMTEX News Network) -- Houston Wire & Cable Company (Nasdaq:HWCC) (the "Company") announced results for the third quarter of 2009.

Selected highlights are:

- \* Sequential quarterly sales growth was 2.7%
- \* Operating cash flow was \$17.8 million for the year-to-date period
- \* Fully diluted earnings per share (EPS) was \$0.13 for the quarter
- \* Debt was reduced by 44% on a trailing twelve month basis
- \* Four year Loan Agreement was executed
- \* The Company approved a quarterly dividend of \$0.085 per share

Sales in the third quarter of 2009 were \$63.6 million, up 2.7% from the second quarter of 2009 but down 35.7% when compared to the third quarter of 2008. The sales decline from 2008 was due to the current economic conditions which curtailed product demand and average copper prices, which were 20% lower. The decrease in copper prices is estimated to have accounted for almost one-half of the sales decline. Sales in both the Repair and Replacement sector also referred to as Maintenance Repair and Operations ("MRO") and within our five growth initiatives, Emission Controls, Engineering & Construction, Industrials, LifeGuard and Utility Power Generation decreased from the prior year period. After adjusting for copper deflation, we estimate that our MRO business declined between 10-20%, while sales from our growth initiatives were essentially flat.

Despite a tough operating environment, gross margins reached 21.2% slightly higher than the 21.0% level achieved in the second quarter of 2009.

The results of reducing operating expenses and streamlining workflow continued during the third quarter. These actions resulted in a 16.6% reduction in operating expenses compared to the third quarter of 2008. On a sequential basis operating expenses were also reduced, by 1.8%. Operating income and net income for the third quarter of 2009 were both down approximately 66% from the third quarter of 2008, primarily as a result of the reduction in gross profit dollars from the decreased sales level and a gross margin reduction.

Chuck Sorrentino, President & CEO commented, "We continue to be faced with weakened industrial demand due to depressed economic conditions, but are pleased to have experienced a slight increase in sequential sales during the quarter. Operating expenses have now reached their lowest level since our IPO in 2006. In spite of the business conditions net income for the third quarter was up 21% sequentially. We continue to remain focused on market share gains and added approximately 50 new customers in the third quarter of 2009.

"I am pleased that we managed to renew our credit facility which will provide us with sufficient capital to grow the business, including selective acquisitions, should the right opportunities present themselves.

"The continued success of the Company, despite uncooperative market conditions, could not have been achieved without the tireless work of our team members, our directors and advisors. I'd like to thank them all for their collective support and contributions."

Conference Call

The Company will host a conference call to discuss third quarter results on Monday, November 9, 2009 at 10:00 am CT. Hosting the call will be Charles Sorrentino, President and Chief Executive Officer, and Nicol Graham, Vice President and Chief Financial Officer.

A live audio web cast of the call will be available on the Investor Relations section of the Company's website, [www.houwire.com](http://www.houwire.com). A replay of this webcast will be available until December 9, 2009. Approximately two hours after the completion of the live call, a telephone replay will be available until November 16, 2009.

Replay Dial In: 888-203-1112  
International Replay: 719-457-0820  
Confirmation Code: 4761115

## About the Company

With more than 30 years experience in the electrical industry, Houston Wire & Cable Company is one of the largest distributors of specialty wire and cable and related services in the U.S. electrical distribution market. Headquartered in Houston, Texas, HWCC has sales and distribution facilities in Atlanta, Baton Rouge, Charlotte, Chicago, Denver, Houston, Los Angeles, Philadelphia, San Francisco, Seattle and Tampa.

Standard stock items available for immediate delivery include continuous and interlocked armor, instrumentation, medium voltage, high temperature, portable cord, power cables and private branded products, including LifeGuard(TM), a low-smoke, zero-halogen cable. HWCC's comprehensive value-added services include same-day shipping, knowledgeable sales staff, inventory management programs, just-in-time delivery, logistics support, customized internet-based ordering capabilities and 24/7/365 service.

The Houston Wire & Cable Company logo is available at <http://www.globenewswire.com/newsroom/prs/?pkgid=2807>

## Forward-Looking Statements

This release contains comments concerning management's view of the Company's future expectations, plans and prospects that constitute forward-looking statements for purposes of the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements are inherently uncertain and projections about future events may and often do vary materially from actual results.

Risk factors that may cause actual results to differ materially from statements made in this press release can be found in the MD&A Section of the Company's Annual Report on Form 10-K for the period ended December 31, 2008, filed with the SEC on March 16, 2009. This document and other SEC filings are available under the Investor Relations section of the company's website at [www.houwire.com](http://www.houwire.com).

Any forward-looking statements speak only as of the date of this press release and the Company undertakes no obligation to publicly update such statements.

HOUSTON WIRE & CABLE COMPANY  
Consolidated Balance Sheets  
(In thousands, except share data)

	Sept. 30, 2009	Dec. 31, 2008
	-----	-----
	(unaudited)	
Assets		
Current assets:		
Accounts receivable, net	\$ 42,169	\$ 50,798
Inventories, net	71,948	73,459
Deferred income taxes	1,674	1,591
Prepaid expenses	817	829
	-----	-----
Total current assets	116,608	126,677
	-----	-----
Property and equipment, net	3,114	3,274

Goodwill	2,362	2,362
Deferred income taxes	2,757	2,353
Other assets	28	87
	-----	-----
Total assets	\$ 124,869	\$ 134,753
	=====	=====
Liabilities and stockholders' equity		
Current liabilities:		
Book overdraft	\$ 1,656	\$ 4,933
Trade accounts payable	13,940	10,091
Accrued and other current liabilities	12,297	11,682
Income taxes payable	344	1,644
	-----	-----
Total current liabilities	28,237	28,350
	-----	-----
Long term obligations	16,707	29,808
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized, none issued and outstanding	--	--
Common stock, \$0.001 par value; 100,000,000 shares authorized; 20,988,952 shares issued: 17,652,737 and 17,642,552 outstanding at September 30, 2009 and December 31, 2008, respectively	21	21
Additional paid-in-capital	57,414	55,901
Retained earnings	77,190	75,540
Treasury stock	(54,700)	(54,867)
	-----	-----
Total stockholders' equity	79,925	76,595
	-----	-----
Total liabilities and stockholders' equity	\$ 124,869	\$ 134,753
	=====	=====

HOUSTON WIRE & CABLE COMPANY  
Consolidated Statements of Income  
(Unaudited)

(In thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
	-----		-----	
Sales	\$ 63,579	\$ 98,854	\$ 191,293	\$ 285,679
Cost of sales	50,117	76,214	151,046	216,141
	-----		-----	
Gross profit	13,462	22,640	40,247	69,538
Operating expenses:				
Salaries and commissions	5,143	6,159	15,882	18,330
Other operating expenses	4,395	5,302	13,527	15,287
Depreciation and amortization	138	136	421	392
	-----		-----	
Total operating				

expenses	9,676	11,597	29,830	34,009
Operating income	3,786	11,043	10,417	35,529
Interest expense	140	472	403	1,463
Income before income taxes	3,646	10,571	10,014	34,066
Income taxes	1,405	3,996	3,864	13,009
Net income	\$ 2,241	\$ 6,575	\$ 6,150	\$ 21,057
Earnings per share:				
Basic	\$ 0.13	\$ 0.37	\$ 0.35	\$ 1.18
Diluted	\$ 0.13	\$ 0.37	\$ 0.35	\$ 1.18
Weighted average common shares outstanding:				
Basic	17,651,074	17,676,468	17,647,334	17,839,160
Diluted	17,666,284	17,704,818	17,659,425	17,874,238
Dividends declared per share	\$ 0.085	\$ 0.085	\$ 0.255	\$ 0.255

HOUSTON WIRE & CABLE COMPANY  
Consolidated Statements of Cash Flows  
(Unaudited)  
(In thousands)

	Nine Months Ended September 30,	
	2009	2008
Operating activities		
Net income	\$ 6,150	\$ 21,057
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	421	392
Amortization of capitalized loan costs	91	60
Amortization of unearned stock compensation	1,699	1,570
Provision for doubtful accounts	--	114
Provision for returns and allowances	(106)	33
Provision for inventory obsolescence	366	(43)
Deferred income taxes	(541)	(545)
Changes in operating assets and liabilities:		
Accounts receivable	8,735	(8,578)
Inventories	1,145	(1,711)
Prepaid expenses	12	(139)
Other assets	(31)	(53)
Book overdraft	(3,277)	252
Trade accounts payable	3,849	4,141
Accrued and other current liabilities	615	(3,484)
Income taxes payable/receivable	(1,300)	1,293
Net cash provided by operating activities	17,828	14,359

Investing activities		
Expenditures for property and equipment	(262)	(384)
	-----	-----
Net cash used in investing activities	(262)	(384)
Financing activities		
Borrowings on revolver	193,524	289,165
Payments on revolver	(206,625)	(283,472)
Proceeds from exercise of stock options	22	57
Excess tax benefit for stock options	13	264
Payment of dividends	(4,500)	(4,544)
Purchase of treasury stock	--	(15,445)
	-----	-----
Net cash used in financing activities	(17,566)	(13,975)
	-----	-----
Net change in cash	--	--
Cash at beginning of period	--	--
	-----	-----
Cash at end of period	\$ --	\$ --
	=====	=====

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