LMI Aerospace Announces Updated Guidance for 2007 and Preliminary Guidance for 2008

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LMI Aerospace, Inc. (Nasdaq: LMIA), a leading provider of design engineering services, structural components, assemblies and kits to the aerospace, defense and technology industries, today announced updated sales and earnings guidance for 2007 and preliminary guidance for 2008.

For the LMI segment net sales for the year ending December 31, 2007, are expected to range from $142 million to $147 million. Sales for commercial and military aircraft are expected to be the major contributors to accelerated sales growth during the second half of the year. Gross margin is now expected to range between 27.0 percent and 28.5 percent of sales. Selling, general and administrative expenses are projected to be in the range of $20 million to $21 million, reflecting continued investment in people to support planned growth.

For the D3 Technologies segment acquired on July 31, 2007, net sales for the last five months of 2007 are expected to range between $30 million and $32 million, resulting in full year sales of $72 million to $74 million. Excluding purchase adjustments, gross margin for the last five months of 2007 is expected to range between 18.5 percent and 20.0 percent, and selling, general and administrative expenses are expected to be $2.5 million to $2.8 million.

Additionally, on a consolidated basis, LMI said it expects net interest expense for 2007 to be approximately $900,000, reflecting average borrowings of approximately $33.0 million under a new $80 million revolving credit agreement provided by Wachovia Securities to help fund the D3 Technologies' acquisition. The effective tax rate for 2007 is projected to range between 35.5 percent and 36.5 percent.

LMI also announced it will have certain non-cash expenses related to the acquisition and new debt agreement. They are:

- -- interest expense of $200,000 related to the early termination of the Wells Fargo loan agreement, which will be taken in the third quarter of 2007. This amount is included in the $900,000 of net interest expense referred to above.
- -- compensation expenses related to restricted stock awards of 211,000 shares valued at $4.9 million have been awarded to approximately forty D3 employees. The restricted shares vest over 5 years. The value of the shares will be amortized on a declining basis as follows:

Year	Amortization
1	$1.6 million
2	$1.3 million
3	$1.0 million
4	$0.7 million
5	$0.3 million

- -- amortization of intangibles of approximately $805,000 per year over a 16 year period, subject to final review by our auditing firm.

"The adjusted guidance for 2007 for the LMI segment reflects sales at the low end of the range of previous guidance, given lower orders for new awards in the current year than expected, as well as deferred delivery of certain tooling, components and subassemblies on newly designed aircraft for which final engineering was made available later than planned. Despite the revenue adjustment, the gross margin for the second half of 2007 is expected to increase, given the higher rate of sales expected," said Ronald S. Saks, President and Chief Executive Officer of LMI.

"The guidance for 2007 for the D3 segment is based on existing headcount plus planned new hires for the balance of 2007, and programs which are expected to continue through 2007 into 2008," Saks added.

For 2008 for the LMI segment, net sales are expected to range from $160 million to $170 million, based on expected orders on existing programs only. Gross margin is expected to range between 27.5 percent and 29.0 percent of sales. Selling, general and administrative expenses are projected to be in the range of $22 million to $24 million.

For the D3 Technologies segment, net sales for 2008 are expected to range between $77 million and $87 million, based on existing programs and headcount estimates as of January 1, 2008. Excluding the previously mentioned purchased adjustments, gross margin is projected to range between 19.0 percent and 20.5 percent, and selling, general and administrative expenses are expected to be in the $6.8 million to $7.5 million range.

For 2008, LMI on a combined basis expects net sales to range from $237 million to $257 million. Gross margin in 2008 is projected to range from 24.3 percent to 25.7 percent, including merger related expenses as described above. Selling, general and administrative expenses are projected to be in the range of $31 million to $32.8 million in 2008, including $1.3 million from merger related expenses. Interest expense in 2008 is expected to range between $1.9 million and $2.2 million, and the effective tax rate is expected to be about 36 percent.

"The markets in which LMI Aerospace and D3 participate remain vibrant, with double digit sales growth expected in 2008. We are not presently estimating any new awards from LMI segment customers in 2008, but we are quoting new work actively. We will be increasingly focused on design/build wins, and will be disciplined about reserving capacity to handle these projects, as we believe they will represent a large portion of our growth in revenues in 2009 and 2010," said Saks.

A conference call to discuss the updated guidance for 2007 and initial guidance for 2008 will be held on Wednesday, August 22, 2007, at 9:00 A.M. EDT.

LMI Aerospace, Inc., is a leading provider of design engineering services, structural components, assemblies and kits to the aerospace, defense and technology industries. The company fabricates, machines, finishes and integrates formed, close tolerance aluminum and specialty alloy components and sheet metal products primarily for large commercial, corporate and military aircraft. LMI Aerospace, Inc., manufactures more than 30,000 products for integration into a variety of aircraft platforms manufactured by leading original equipment manufacturers and Tier 1 aerospace suppliers.

This news release includes forward-looking statements related to LMI Aerospace, Inc.'s, outlook for 2007, which are based on current management expectations. Such forward-looking statements are subject to various risks and uncertainties, many of which are beyond the control of LMI Aerospace, Inc. Actual results could differ materially from the forward-looking statements as a result, among other things, of the factors detailed from time to time in LMI Aerospace, Inc.'s filings with the Securities and Exchange Commission. Please refer to the Risk Factors contained in the company's Annual Report on Form 10-K for the year ended December 31, 2006.

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