

SCI Engineered Materials, Inc. Anticipates Lower First Half Results

COLUMBUS, Ohio (February 21, 2008) SCI Engineered Materials, Inc. (OTC Bulletin Board: SCCI), a manufacturer of high quality sputtering targets for select markets in the physical vapor deposition industry, today announced it anticipates lower financial results for the first half of 2008 compared to the same period in 2007.

One of SCI's largest customers notified the company that its orders for 2008 will be significantly less than last year's amount. This is due to the customer's improved utilization of targets in their manufacturing processes coupled with lower planned inventory levels compared to 2007. The impact from orders that will not be received this year represents approximately \$1.5 million of SCI's revenue in 2007. The company plans to release its financial results for the twelve months ended December 31, 2007 by mid-March 2008.

Dan Rooney, Chairman, President and Chief Executive Officer, said, "Our business strategy is focused on long-term profitable growth, including increased diversification of our business. During the past 18 months we have been actively marketing to customers in select markets. This has recently resulted in trial and qualification orders from customers in the semiconductor and solar industries. Our progress is encouraging and substantial orders are anticipated in the second half of 2008. Additionally, the results for the first six months of 2008 will be affected by higher costs associated with entering new markets and developing new products. SCI is positioned to benefit from these investments in the second half of 2008 and to a greater extent next year. We remain optimistic about SCI's growth opportunities and expect the company to be profitable for the full-year 2008."

About SCI Engineered Materials, Inc.

SCI Engineered Materials, Inc. manufactures ceramics and metals for advanced applications such as optical, photonics including solar, thin film batteries, and superconductors. SCI Engineered Materials is a global materials supplier with clients in more than 40 countries. Additional information is available at <http://www.sciengineeredmaterials.com>.

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Those statements include, but are not limited to, all statements regarding intent, beliefs, expectations, projections, forecasts, and plans of the Company and its management, and specifically include statements regarding further progress in 2007 and plans to increase SCI's marketing and sales efforts throughout 2007. These forward-looking statements involve numerous risks and uncertainties, including, without limitation, growth initiatives expected to result in increased diversification of customers and markets served, belief that investments will benefit the Company's performance in future quarters (paragraph 3), development of the thin film battery market, the impact of competitive products and services, the ability to adapt to technological changes, the availability of capital, and other risks and uncertainties detailed from time to time in the Company's Securities and Exchange Commission filings, including the Company's Annual Report on Form 10-KSB for the year ended December 31, 2006. One or more of these factors have affected, and could in the future affect, the Company's projections. Therefore, there can be no assurances that the forward-looking statements included in this press release will prove to be accurate. In light of the significant uncertainties in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by the Company, or any other persons, that the objectives and plans of the company will be achieved. All forward-looking statements made in this press release are based on information presently available to the management of the Company. The Company assumes no obligation to update any forward-looking statements.

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