

Williams Controls, Inc.

News Release

For Immediate Release

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WILLIAMS CONTROLS REPORTS THIRD QUARTER 2008 RESULTS

PORTLAND, OR....August 6, 2008.... Williams Controls, Inc. (the "Company") (NasdaqGM: WMCO) today announced financial results for its 2008 third quarter ended June 30, 2008.

Sales for the quarter were \$17,137,000, up 8.3% from sales of \$15,822,000 reported in the third quarter of fiscal 2007. Sales for the nine months ended June 30, 2008 decreased \$3,980,000, or 7.6%, to \$48,593,000 from \$52,573,000 for the comparable period last year. Net income in the third quarter of fiscal 2008 was \$2,197,000, or \$0.28 per diluted share, 20.4% higher than the net income of \$1,824,000, or \$0.24 per diluted share, in the third quarter of fiscal 2007. Net income for the nine months ended June 30, 2008 was \$5,833,000, or \$0.75 per diluted share, down 9.2% compared to net income of \$6,421,000, or \$0.83 per diluted share, for the nine months ended June 30, 2007.

Leading the increase in sales was an 85% increase in quarter over quarter sales to Asian heavy truck customers. Improved sales to North American heavy truck customers also contributed to the improved revenues, increasing approximately 6% over the prior year quarter. This is the first increase for the Company in this market on a quarter over quarter basis since the new NAFTA emission standards went into effect on January 1, 2007. Sales to the Company's European heavy truck customers decreased 2% over last year's third quarter.

For the first nine months of fiscal 2008, NAFTA heavy truck sales volumes were down 39% when compared to the same period in fiscal 2007. Sales to our European and Asian customers helped offset a portion of the NAFTA decline, increasing approximately 8% and 56%,

respectively. For the first nine months of fiscal 2008, sales outside of the NAFTA market were \$3.2 million higher than in the first nine months of 2007.

For the quarter, operating income increased 15.2%, to \$3,162,000 from \$2,744,000 in the third quarter of fiscal 2007. For the first nine months of 2008 operating income was \$8,582,000, a 7.9% decline from the first nine months of fiscal 2007 operating income of \$9,322,000.

“Even though we saw a small increase in sales to our NAFTA truck customers during the quarter, this market remains stagnant and is not expected to begin turning around for another six months. Our overall sales remained strong because of our international effort over the last several years,” said Patrick W. Cavanagh, Williams Controls’ President and Chief Executive Officer. He continued, “Sales outside of the United States represented over 46% of our worldwide sales. Growth in China resulted in sales approaching \$1.5 million for the quarter and we expect continued growth in China, India and Eastern European markets as they convert to emission compliant engines.”

The Company will hold an investor conference call at 4:15 p.m. Eastern Time on Wednesday, August 6, 2008, to provide an overview of the third quarter fiscal 2008 financial performance and business highlights. You are invited to listen to the conference call by dialing 1-888-665-2348 (domestic) or 1-706-643-4013 (international). Participants should call prior to the start time to allow for registration. The conference access code is 55871168. An audio replay will be available by telephone through August 30, 2008. The telephone number to access the replay is 1-800-642-1687 (domestic) and 1-706-645-9291 (international). The access code will be 55871168.

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 200 people worldwide at locations in

North America, Europe, and Asia. For more information, visit Williams Controls' website at www.wmco.com.

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, and Section 27A of the Securities 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 Securities and Exchange Commission filings of the Company, economic downturns affecting the operations of the Company or any of its business operations, competition, and the ability of the Company to successfully identify and implement any strategic alternatives. The forward-looking statements contained in this press release speak only as of the date hereof and the Company disclaims any intent or obligation to update these forward-looking statements.

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

	Three months ended 6/30/08 (unaudited)	Three months ended 6/30/07 (unaudited)	Nine months ended 6/30/08 (unaudited)	Nine months ended 6/30/07 (unaudited)
Net sales	\$ 17,137	\$ 15,822	\$ 48,593	\$ 52,573
Cost of sales	10,965	10,117	31,908	34,441
Gross profit	6,172	5,705	16,685	18,132
Research and development expense	1,005	797	3,006	2,465
Selling expense	700	560	2,037	1,653
Administration expense	1,315	1,394	4,080	4,049
Gain from settlement of environmental claims	(10)	-	(1,020)	-
Realignment of operations	-	210	-	643
Operating income	3,162	2,744	8,582	9,322
Interest income	(12)	(34)	(44)	(95)
Interest expense	5	185	136	651
Other income, net	(97)	(150)	(205)	(1,012)
Income before income taxes	3,266	2,743	8,695	9,778
Income tax expense	1,069	919	2,862	3,357
Net income	\$ 2,197	\$ 1,824	\$ 5,833	\$ 6,421
Earnings per share information:				
<i>Basic –</i>				
Net income per common share	\$ 0.29	\$ 0.24	\$ 0.78	\$ 0.86
Weighted average shares used in per share calculation – basic	7,530,053	7,480,287	7,519,009	7,460,170
<i>Diluted –</i>				
Net income per common share	\$ 0.28	\$ 0.24	\$ 0.75	\$ 0.83
Weighted average shares used in per share calculation –diluted	7,730,143	7,743,778	7,745,893	7,730,619

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

	June 30, 2008 (unaudited)	September 30, 2007 (unaudited)
Assets		
Current Assets:		
Cash and cash equivalents	\$ 6,937	\$ 1,621
Short-term investments	264	-
Trade accounts receivable, net	9,650	8,054
Other accounts receivable	824	1,656
Inventories	7,850	9,152
Deferred income taxes	545	486
Prepaid expenses and other current assets	472	297
Total current assets	26,542	21,266
Property, plant and equipment, net	8,872	8,953
Deferred income taxes	1,537	1,461
Other assets, net	547	623
Total assets	\$ 37,498	\$ 32,303
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	\$ 4,110	\$ 3,811
Accrued expenses	5,183	4,983
Current portion of employee benefit obligations	288	288
Current portion of long-term debt	-	1,000
Total current liabilities	9,581	10,082
Employee benefit obligations	4,003	4,803
Other long-term liabilities	263	249
Stockholders' Equity:		
Preferred stock (Series C)	-	-
Common stock	75	75
Additional paid-in capital	35,569	34,899
Accumulated deficit	(6,726)	(12,477)
Treasury Stock	(377)	(377)
Accumulated other comprehensive loss	(4,890)	(4,951)
Total stockholders' equity	23,651	17,169
Total liabilities and stockholders' equity	\$ 37,498	\$ 32,303